

OEC S.A.

Independent auditor's review report on  
the interim information

Interim consolidated financial statements  
As at June 30, 2022

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## INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To the  
Stockholder and Management of  
OEC S.A.  
São Paulo - SP

We have reviewed the accompanying interim consolidated financial statements of OEC S.A. ("Company") as at June 30, 2022, which comprise the balance sheet as at June 30, 2022, and the respective income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the period then ended, including the resume of the principal accounting practices and other explanatory notes.

The preparation of these financial statements is responsibility of the Company's management according to the Brazilian Accounting Standard - NBC TG 21 (R4) - Interim Information. Our responsibility is to issue a report on these financial statements based on our review.

### Extension of the review

We conducted our review in accordance with the Brazilian and International Standards on Review Engagements (NBC TR 2410 - Revisão de Informações Intermediárias Executada pelo Auditor da Entidade and ISRE 2410 - *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, respectively). These Standards requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

### Base for qualified conclusion about the interim consolidated information

Investigations and other legal proceedings conducted by the Federal Public Ministry and other public authorities

As described on explanatory note nº 22 to the consolidated financial statements, 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\$ 731 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 e Construção S.A. 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 e Construção S.A. 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\$ 521 thousand, to the damaged entities of the Federal Government, to be deducted from the R\$ 3,828 million - US\$ 731 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 e Construção S.A., 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\$ 63 thousand over a period of 22 years, and this amount will be substantially deducted from the R\$ 3,828 million - US\$ 731 thousand of the agreement entered into with the Federal Public Prosecution Office ("MPF"), and the difference will be paid in the last year. 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.

In addition to the agreements entered into with the Federal Public Prosecution Office ("MPF"), the Office of the Solicitor General ("AGU") and the Brazilian Government Accountability Office ("CGU"), CNO entered into an agreement with the World Bank and Odebrecht Engenharia e Construção S.A. and CNO entered into an agreement with the Inter-American Development Bank ("IDB"). Specifically with respect to the World Bank, in January 2019 an agreement that prohibits CNO and its wholly-owned subsidiaries to contract projects financed by the World Bank for a period of three (3) years was announced and this ineligibility period ended January 2022. No fine was imposed under the agreement.

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 prohibited 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/or CNO are negotiating agreements with another international institutions.

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 leniency agreements and instruments of termination of conduct with CADE's General Superintendency. CNO continues to negotiate with CADE the signing of other Instruments of Termination of Conduct.

Finally, in its operations abroad, Odebrecht Engenharia and its subsidiaries continue to make their best efforts to come to an understanding with local authorities for sealing cooperation/leniency agreements, while also seeking the support of the Brazilian authorities in the dialogue with the local authorities.

On the financial statements of the subsidiaries of OEC S.A. were registered accruals to the agreements in course, which values were calculated using the best estimates of the management and of the legal consultants involved.

However, considering the current stage of the negotiations and agreements in course, we were unable, applying alternative audit procedures, to obtain appropriate and sufficient audit evidences to conclude about the sufficiency of the registered accruals and if it would be necessary the register of other accruals on the consolidated financial statements of the Company at June 30, 2022.

#### Qualified conclusion about the interim consolidated information

Based on our review, except for the possible effects of the matters described in the topic Base for qualified conclusion about the interim consolidated information, nothing has come to our attention that causes us to believe that the accompanying financial statements do not give a true and fair view or are not presented fairly, in all material respects, in accordance with Brazilian Accounting Standard NBC TG 21 (R4), applicable to preparation of Interim Information.

#### Relevant uncertainty related to operational continuity

On June 30, 2022, the Company presented consolidated current liabilities higher than consolidated current assets by R\$3,782,964 and negative consolidated shareholders' equity by R\$17,210,628. In order to guarantee the operational continuity of the Company and its subsidiaries, on December 2021, the Action Plan ("PA") was approved by the Board of Directors, for the next five years, as shown in Note 1 (a). The interim consolidated financial statements were prepared on the assumption that the Company will continue as a going concern and do not include any adjustments related to the realization and classification of asset values or the settlement and classification of liabilities that would be required if the Company is unable to continue operating. If the interim consolidated financial information had been prepared considering the discontinuity of operations, they could have presented values different from those presented. Our conclusion is not qualified as a result of this matter.

São Paulo, September 05, 2022.

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

		June 30, 2022	December 31, 2021			June 30, 2022	December 31, 2021
	Note	US\$	R\$		Note	US\$	R\$
<b>Assets</b>				<b>Liabilities and net capital deficiency</b>			
<b>Current assets</b>				<b>Current liabilities</b>			
Cash and cash equivalents	6	106,450	557,587	Debts	19	65,986	345,634
Trade accounts receivable	7	304,327	1,594,063	Leases	23	4,576	23,968
Advances to suppliers, subcontractors and others		113,911	596,668	Suppliers and subcontractors	20	770,428	4,035,503
Taxes recoverable	8	94,030	492,530	Taxes, fees, salaries and social contributions	21	169,080	885,642
Inventories	9	57,375	300,531	Advances from customers	7	355,418	1,861,679
Current accounts with consortium members	10	82,872	434,085	Current accounts with consortium members	10	73,302	383,957
Prepaid expenses		7,242	37,936	Provisions for tax, labor, civil and others contingencies	22	137,113	718,197
Credits receivable related to legal claims	11	122,799	643,223	Other liabilities	24	125,357	656,622
Other assets	12	90,037	471,615			1,701,260	8,911,202
		979,042	5,128,238				8,976,044
<b>Non-current assets held for sale and discontinued operations</b>	15 (a)	58,675	307,340				
<b>Non-current assets</b>				<b>Non-current liabilities</b>			
Financial investments		16,458	86,205	Debts	19	907,710	4,754,583
Related parties	13 (a)	231,840	1,214,377	Leases	23	18,756	98,246
Trade accounts receivable	7	374,045	1,959,246	Suppliers and subcontractors	20	8,804	46,117
Deferred income tax and social contribution	14 (a)	241,968	1,267,429	Taxes, fees, salaries and social contributions	21	8,380	43,896
Taxes recoverable	8	30,034	157,318	Advances from customers	7	1,367,318	7,162,011
Prepaid expenses		1,533	8,028	Related parties	13 (a)	302,676	1,585,417
Advances to suppliers, subcontractors and others		5,567	29,160	Deferred income tax and social contribution	14 (a)	113,485	594,435
Judicial deposits		20,510	107,431	Provisions for tax, labor, civil and others contingencies	22	795,360	4,166,096
Other assets	12	108,337	567,467	Provision for net capital deficiency of subsidiaries	16 (b)	200,350	1,049,433
		1,030,292	5,396,661	Other liabilities	24	92,686	485,491
			5,337,954			3,815,525	19,985,725
<b>Investments</b>				<b>Net capital deficiency</b>			
Associated companies	16 (b)	57,435	300,846	Capital	25 (a)	85,701	448,900
Property and equipment	17	92,673	485,420	Capital transactions		2,552	13,366
Intangible assets		6,658	34,874	Carrying value adjustments	25 (b)	220,571	1,155,352
Right of use	18 (a)	6,285	32,920	Accumulated losses		(3,575,741)	(18,729,732)
		1,252,018	6,558,061			(3,266,917)	(17,112,114)
			6,565,846			(18,808)	(98,514)
						(3,285,725)	(17,210,628)
<b>Total assets</b>		2,231,060	11,686,299			2,231,060	11,686,299
			11,423,113	<b>Total liabilities and net capital deficiency</b>			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**  
**Six-month periods ended June 30**  
**In thousands of reais and U.S. dollars, unless otherwise indicated**

		2022		2021
	Note	US\$		R\$
Continuing operations				
Net services and sales revenues	26	337,691	1,768,825	1,239,058
Cost of services rendered	27	(290,721)	(1,522,798)	(1,284,668)
Gross profit (loss)		46,970	246,027	(45,610)
Operating expenses				
General, administrative and selling expenses	27	(42,662)	(223,466)	(229,022)
Other income (expenses), net		7,586	39,739	91,079
Operating profit (loss)		11,894	62,300	(183,553)
Results from investments				
Results from equity investments	16 (b)	(82,855)	(433,996)	(62,661)
Financial result				
Financial result, net	28	5,934	31,084	(513,868)
Loss before social contribution and income tax		(65,027)	(340,612)	(760,082)
Current income tax and social contribution	29	(6,647)	(34,817)	(17,721)
Deferred income tax and social contribution	29	41,032	214,925	59,691
Loss of continued operations for the period		(30,642)	(160,504)	(718,112)
Discontinued Operations				
Net profit (losses) of discontinued operations for the period	15 (b)	32,298	169,176	(9,194)
Net profit (loss) for the period		1,656	8,672	(727,306)
Attributable to:				
Company's Stockholders		552	2,889	(683,672)
Non-controlling interest		1,104	5,783	(43,634)
		1,656	8,672	(727,306)
Basic profits (losses) per share from continuing and discontinuing operations attributable to stockholders at the end of the period (in R\$ and US\$ per share)	25 (c)	0.001	0.006	(3.071)

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**  
**Six-month periods ended June 30**  
**In thousands of reais and U.S. dollars, unless otherwise indicated**

		2022	2021
	Note	US\$	R\$
Profit (loss) for the period		1,656	8,672
Other comprehensive income:			
Items to be subsequently reclassified to profit or loss:			
Carrying value adjustment of investees	25 (b)	19,201	100,577
Foreing currency translation adjustment	25 (b)	133,754	700,602
Foreign exchange variation on net investments abroad	25 (b)	997	5,225
Total comprehensive income for the period		155,608	815,076
Attributable to:			
Company's Stockholders		154,504	809,293
Non-controlling interest		1,104	5,783
		155,608	815,076

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)  
 Six-month periods ended June 30  
 In thousands of reais, unless otherwise indicated

		Attributable to Company's Stockholders					
	Note	Capital	Carrying Value Adjustment	Accumulated Deficit	Total	Non-Controlling Interest	Total Net Capital Deficiency
At December 31, 2020		448,900	217,887	(5,954,601)	(5,287,814)	(131,032)	(5,418,846)
Total comprehensive income for the period:							
Loss for the period - R\$ (3.071) per share	25 (c)			(683,672)	(683,672)	(43,634)	(727,306)
Other comprehensive income	25 (b)		396,755		396,755		396,755
Total comprehensive loss for the period			396,755	(683,672)	(286,917)	(43,634)	(330,551)
Capital transactions with stockholders:							
Other movements of non-controlling						78,765	78,765
At June 30, 2021		448,900	614,642	(6,638,273)	(5,574,731)	(95,901)	(5,670,632)

		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		448,900	13,365	348,948	(18,732,621)	(17,921,408)	(104,420)	(18,025,828)
Total comprehensive loss for the period:								
Profit for the period - R\$ 0.006 per share	25 (c)				2,889	2,889	5,783	8,672
Other comprehensive income	25 (b)			806,404		806,404		806,404
Total comprehensive loss for the period				806,404	2,889	809,293	5,783	815,076
Capital transactions with stockholders:								
Other movements of capital transactions			1			1		1
Other movements of non-controlling							123	123
At June 30, 2022		448,900	13,366	1,155,352	(18,729,732)	(17,112,114)	(98,514)	(17,210,628)

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)  
 Six-month periods ended June 30  
 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		85,701	2,552	66,619	(3,576,293)	(3,421,422)	(19,935)	(3,441,357)
Total comprehensive loss for the period:								
Profit for the period - US\$ 0.001 per share	25 (c)				552	552	1,104	1,656
Other comprehensive income	25 (b)			153,952		153,952		153,952
Total comprehensive loss for the period				153,952	552	154,504	1,104	155,608
Capital transactions with stockholders:								
Other movements of non-controlling							23	23
At June 30, 2022		85,701	2,552	220,571	(3,575,741)	(3,266,917)	(18,808)	(3,285,725)

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**  
**Six-month periods ended June 30**  
**In thousands of reais and U.S. dollars, unless otherwise stated**

		2022		2021
	Note	US\$		R\$
Cash flows from operating activities				
Loss before income tax and social contribution from continued and discontinued operations		(32,729)	(171,436)	(769,276)
Adjustments:				
Equity in results of investees	16 (b)	82,855	433,996	62,661
Variation in construction contracts revenue		12,509	65,523	(600,119)
Depreciation and amortization	27	5,447	28,532	33,925
Amortization of right of use	18 (b) / 27	926	4,849	13,242
Residual value of reduction in property and equipment and project expenses		4,752	24,893	72,630
Present value adjustments	28	(9,266)	(48,536)	(4,317,165)
Impairment on property and equipment	18	(515)	(2,700)	252
Estimated (reversion) losses on doubtful accounts accrual, net	27 / 28	(44,415)	(232,646)	7,225,244
Reversion provision for guarantees	28			(3,972,036)
Provision for contingencies	27	(3,418)	(17,903)	29,330
Loss of discontinued operations				(177)
Effect on initial recognition of Bonds	28			837,370
Interest, monetary and foreign exchange variations and others, net		49,406	258,787	532,305
Cash generated by (used in) operations		65,552	343,359	(851,814)
Changes in assets and liabilities:				
Financial investments		(1,915)	(10,031)	26,337
Trade accounts receivable		24,077	126,113	641,637
Inventories		3,502	18,341	15,609
Taxes recoverable		(5,809)	(30,426)	(126,158)
Prepaid expenses and other assets		(98,237)	(514,564)	54,146
Suppliers and subcontractors		(11,818)	(61,901)	(326,431)
Advances from customers		(7,860)	(41,170)	(130,788)
Taxes, rates, salaries and payroll charges		(5,391)	(28,239)	15,830
Other liabilities		(36,931)	(193,444)	40,431
Net cash used in operating activities from continued operations		(74,830)	(391,962)	(641,201)
Net cash used in operating activities from discontinued operations		(361)	(1,892)	(2,456)
Net cash used in operating activities		(75,191)	(393,854)	(643,657)
Cash flows from investing activities				
Disposal of investments	16 (b)	189	991	1,198
Acquisitions of property and equipment and intangible assets	17	(18,184)	(95,250)	(41,666)
Dividends received	16 (b)	1,894	9,919	14,222
Cash and cash equivalents of subsidiaries included and excluded in consolidation, net				(268)
Net cash used in investing activities		(16,101)	(84,340)	(26,514)
Cash flows from financing activities				
Related parties				
Repayments		(3,868)	(20,258)	(27,009)
New loans		9,516	49,844	75,539
Short and long-term debt, net				
New loans	19 (d)	1	6	
Payments of principal	19 (d)	(10,514)	(55,073)	(61,159)
Payments of interest	19 (d)	(1,021)	(5,347)	
Payments of leases	23	(465)	(2,434)	(9,809)
Net cash used in financing activities		(6,351)	(33,262)	(22,438)
Effect of changes in the exchange rate on cash and cash equivalents		52,987	277,548	408,972
Decrease in cash and cash equivalents from continued operations		(44,295)	(232,016)	(281,181)
Decrease in cash and cash equivalents from discontinued operations		(361)	(1,892)	(2,456)
Cash and cash equivalents at the beginning of the period		151,106	791,495	873,987
Cash and cash equivalents at the end of the period		106,450	557,587	590,350

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

OECSA and its Subsidiaries  
Notes to the Interim Consolidated  
Financial Statements at June 30, 2022  
In thousands of reais and U.S. dollars, unless otherwise stated

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1 Operations

OECSA ("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"), OECSA ("OECSA"), OENGER S.A. ("OENGER"), Tenenge Engenharia Ltda. ("Tenenge"), Odebrecht Overseas Limited ("OOL") 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 rental and purchase and sale of equipment, 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, OECSA, 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 Babilonga 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

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

OECSA and its Subsidiaries  
Notes to the Interim Consolidated  
Financial Statements at June 30, 2022  
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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 19, 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 22, 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 19, 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 13 (c), among other things, resulted in an excess of consolidated current liabilities over consolidated current assets of R\$ 3,782,964 – US\$ 722,215 (December 31, 2021 - R\$ 4,118,777) and in a consolidated net capital deficiency of R\$ 17,210,628 – US\$ 3,285,725 (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 157 projects that total US\$ 18.2 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.

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- 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 19 (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.

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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 57%. 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.

OEC's 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 semester of 2022 under OEC's Integrity Program include: (i) 5,246 supplier due diligence processes were analyzed; (ii) the Annual Training Plan approved by the Board of Directors was completed by 97% of the defined target group; (iii) 87 reports received in the complaint channel were independently investigated by the Integrity department, generating 12 remediation actions, including 3 dismissals and 6 verbal and written warnings applied, 1 restriction on a supplier and 2 training/communication actions; (iv) in the continuous monitoring of compliance, 434 actions for testing and checking processes, 286 registrations of third parties had their contracting processes reviewed with respect to integrity requirements, 17 processes of contracting or promotion of employees were reviewed to check compliance with the integrity assessment requirements and 169 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 accounting policies applied in the preparation of these consolidated interim financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended December 31, 2021, except for the standards and amendments to standards in effect on January 1, 2022, which did not have a significant impact on the Company's consolidated interim financial statements.

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The same accounting policies are applicable to the six-month comparison period ended June 30, 2021, except for the standards and amendments to standards in effect on January 1, 2022, which did not have a significant impact on the Company's consolidated interim financial statements.

These consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2021.

## 2.1 Basis of Preparation

The Company's consolidated interim financial statements for the six-month period ended June 30, 2022 have been prepared in accordance with the Accounting Pronouncement CPC 21 (R4) Interim Financial Statements issued by the Accounting Pronouncements Committee ("CPC"), which correspond to IAS 34 – Interim Financial Reporting.

The consolidated interim financial statements have been prepared under the historical cost convention, except for financial instruments, credits receivable related to legal claims, non-current assets held for sale and assets measured at fair value.

## 2.2 Consolidated Companies

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 June 30, 2022:

	Country	Direct Holding (%)	
		June 30, 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	100.00
Odebrecht Overseas Limited ("OOL")	Bahamas	100.00	100.00

  

	Country	Indirect Holding (%)	
		June 30, 2022	December 31, 2021
Belgravia Serviços e Participações S.A. ("Belgravia")	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	Bolívia	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	México	100.00	100.00
Construtora Norberto Odebrecht S.A. - Moçambique	Mozambique	100.00	100.00
CNO S.A. - Panamá	Panamá	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	100.00	100.00



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	Country	Indirect Holding (%)	
		June 30, 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	Colômbia	100.00	100.00
CBPO Engenharia Ltda. - Uruguai	Uruguai	100.00	100.00
CBPO Engenharia Ltda. - Venezuela	Venezuela	100.00	100.00
CBPO Engenharia Ltda. - Panamá	Panamá	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.	(b) British Virgin Islands	100.00	100.00
Constructora Norberto Odebrecht de Panamá S.A.	Panamá	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 Engineering & 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	Panamá	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 Infraestrutura S.A.C.	Peru	100.00	100.00
OECF S.A.	Brazil	100.00	100.00
Odebrecht Servicios Integrales de México, S de RL de CV.	Mexico	100.00	100.00
Odebrecht Engenharia e Construção Internacional S.A. - Bolívia	Bolívia	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.

(b) In January 2022, the net assets of COI Overseas Ltd. were merged into CNO.

## 2.3 Foreign Currency Translation

### (a) Functional and Presentation Currency

The interim 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 interim 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.

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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	June 30, 2022	December 31, 2021
Angola	American Dollar	5.2380	5.5805
Argentina	Argentinian Peso	0.0418	0.0544
Colombia	Colombian Peso	0.0013	0.0014
Cuba	Cuban Peso	0.2183	0.2325
USA	American Dollar	5.2380	5.5805
Mexico	Mexican Peso	0.2604	0.2730
Panama	Balboa	5.2380	5.5805
Peru	New Sol	1.3676	1.4013
Portugal	Euro	5.4842	6.3210
Dominican Republic	Dominican Pesos	0.0957	0.0981

## 2.4 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 June 30, 2022 local currency financial statements, using the exchange rate prevailing on that date of R\$ 5.2380 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.

## 3 Critical Accounting Estimates and Judgments

The transactions involving a higher degree of judgment or complexity, or transactions where assumptions and estimates are significant to the consolidated interim financial statements were presented in the consolidated financial statements for the year ended December 31, 2021 in Note 3.

The assumptions and estimates used in the preparation of the consolidated interim financial statements for the six-month period ended June 30, 2022 did not change significantly in relation to those in effect on December 31, 2021.

## 4 Financial Risk Management

### 4.1 Financial Risk Factors

The information related to the general considerations and policies were presented in the Company's annual consolidated financial statements for the year ended December 31, 2021 in Note 4 and was not changed for the six-month period ended June 30, 2022.

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**5 Financial Instruments by Category**

	Assets measured at fair value through profit or loss	Amortized cost	Total R\$	Total US\$
June 30, 2022				
Assets, according to the balance sheet				
Cash and banks		453,114	453,114	86,505
Short-term deposits	104,473		104,473	19,945
Financial investments		86,205	86,205	16,458
Current accounts with consortium members		434,085	434,085	82,872
Credits receivable related to legal claims	643,223		643,223	122,799
Trade accounts receivable, judicial deposits and other assets		4,699,822	4,699,822	897,256
Non-current assets held for sale and discontinued operations	307,340		307,340	58,675
Related parties		1,214,377	1,214,377	231,840
	<u>1,055,036</u>	<u>6,887,603</u>	<u>7,942,639</u>	<u>1,516,350</u>
		Amortized cost	Total R\$	Total US\$
June 30, 2022				
Liabilities, according to the balance sheet				
Debts		5,100,217	5,100,217	973,696
Leases		122,214	122,214	23,332
Suppliers, subcontractors and other liabilities		5,223,733	5,223,733	997,275
Current accounts with consortium members		383,957	383,957	73,302
Related parties		1,585,417	1,585,417	302,676
		<u>12,415,538</u>	<u>12,415,538</u>	<u>2,370,282</u>
		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
Non-current assets held for sale and discontinued operations		314,913		314,913
Related parties			1,225,893	1,225,893
		<u>873,344</u>	<u>7,254,744</u>	<u>8,128,088</u>
			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
			<u>12,861,184</u>	<u>12,861,184</u>

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6 Cash and Cash Equivalents

		June 30, 2022	December 31, 2021
	US\$		R\$
High Liquidity	50,847	266,336	475,973
Cash - countries (*)	44,126	231,131	239,511
Consortia (**)	11,477	60,120	76,011
	106,450	557,587	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.

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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:

June 30, 2022										December 31, 2021					
Accounts receivable and billing rights (**)					Advanced from customers and liability contract (*) (**)					Accounts receivable and billing rights (**)				Advanced from customers and liability contract (*) (**)	
R\$					R\$					R\$				R\$	
(-) Allowance for expected losses from doubtful accounts (1)										(-) Allowance for expected losses from doubtful accounts (1)					
Current	Non-current	Total	Total		Current	Non-current	Total	Total		Current	Non-current	Total	Total	Current	Non-current
Main countries															
Angola	711,753	421,930	(241,290)	892,393	170,369	523,427	2,568,078	3,091,505	590,207	935,077	329,910	(239,325)	1,025,662	23,297	2,874,137
Brazil	520,555	882,060	(463,561)	939,054	179,277	146,802	225,792	372,594	71,133	436,260	903,843	(461,906)	878,197	238,366	471,200
USA	119,731		(119,731)			272		272	52	127,560		(127,560)		290	290
Panama	485,613		(10,211)	475,402	90,760	35,852		35,852	6,845	528,914		(11,658)	517,256	84,015	84,015
Peru	1,415,976	22,832	(1,363,124)	75,684	14,449	123,527		123,527	23,583	1,569,325	22,832	(1,453,321)	138,836	155,067	155,067
Dominican Republic	417,686		(314,393)	103,293	19,720	237,994		237,994	45,436	444,285		(336,513)	107,772	259,690	259,690
Others	2,341,578	1,065,143	(2,339,238)	1,067,483	203,797	793,805	4,368,141	5,161,946	985,480	2,251,228	1,229,718	(2,514,072)	966,874	646,487	4,810,309
	6,012,892	2,391,965	(4,851,548)	3,553,309	678,372	1,861,679	7,162,011	9,023,690	1,722,736	6,292,649	2,486,303	(5,144,355)	3,634,597	1,407,212	7,917,280
			Current	1,594,063	304,327			1,861,679	355,418			Current	1,607,275		1,407,212
			Non-current	1,959,246	374,045			7,162,011	1,367,318			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.

(\*\*) The balances with related parties are also presented in trade accounts receivable and advances from customers in the amounts of R\$ 366,223 – US\$ 69,917 and R\$ 195,148 – US\$ 37,256, respectively, in accordance with Note 13 (b).

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(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.

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.

**8 Taxes Recoverable**

	June 30, 2022				December 31, 2021		
	R\$		US\$		R\$		
	Brazil	Abroad	Total	Total	Brazil	Abroad	Total
Offset - assets							
Prepayment of income tax	20,845	90,971	111,816	21,347	9,818	99,587	109,405
Indirect taxes	39,739	274,569	314,308	60,005	35,779	253,009	288,788
Taxes withheld at source	22,622	12,770	35,392	6,757	9,765	3,116	12,881
Other (i)	184,858	3,474	188,332	35,955	211,284	9,531	220,815
	268,064	381,784	649,848	124,064	266,646	365,243	631,889
			492,530	94,030			466,527
			157,318	30,034			165,362

(i) On June 30, 2022, the Company maintains recorded the amount of R\$ 136,064 – US\$ 25,976 (December 31, 2021 – R\$ 151,255), related to social security credits, in its assets, segregated between current in the amount of R\$ 31,497 – US\$ 6,013 and non-current in the amount of R\$ 104,567 – US\$ 19,963. 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).

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**9 Inventories**

		June 30, 2022	December 31, 2021
	US\$		R\$
Materials to be used in construction (i)	29,646	155,287	178,242
Marketable properties (ii)	19,474	102,007	127,072
Imports and exports in progress	183	957	5,476
In transit inventories	2,688	14,079	14,662
Advances to suppliers	5,384	28,201	4,693
	<u>57,375</u>	<u>300,531</u>	<u>330,145</u>

(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 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 consortium current account balances represent the imbalance of the contributions of funds made to the consortiums. On June 30, 2022, and December 31, 2021, the balances of assets and liabilities are presented through net realizable value, as follows:

	Current assets			Current liabilities		
		June 30, 2022	December 31, 2021		June 30, 2022	December 31, 2021
Main countries	US\$		R\$	US\$		R\$
Brazil (*)	45,549	238,585	235,672	65,052	340,743	439,586
Bahamas	14,613	76,544	77,563			
Panama	14,249	74,637	79,518	8,250	43,214	46,040
Portugal	3,011	15,774	18,021			
Dominican Republic	5,450	28,545	30,555			
Others			16,914			16,794
	<u>82,872</u>	<u>434,085</u>	<u>458,243</u>	<u>73,302</u>	<u>383,957</u>	<u>502,420</u>

(\*) On June 30, 2022, the amount of R\$ 88,465 – US\$ 16,889 (December 31, 2021 – R\$ 88,652) related to a transaction with a related party is included in this line, as presented in Note 13 (a).

**11 Credits receivable related to legal claims**

This account refers to credits receivable 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. In June 2022, the adjustment at fair value, amounting to R\$ 253,988 – US\$ 48,489, was reversed due to the expectation of receipt. On June 30, 2022, the balance of credits receivable related to legal claims with final and unappealable decisions in favor of the Company is R\$ 643,223 – US\$ 122,799 (December 31, 2021 – R\$ 375,395).

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12 Other Assets

On June 30, 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\$ 356,445 – US\$ 68,050 (December 31, 2021 – R\$ 340,176), as mentioned in Note 13 (b);
- ii) Eletrobrás credits R\$ 34,673 – US\$ 6,620 (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\$ 46,748 – US\$ 8,925 (December 31, 2021 – R\$ 46,075), attributable to the Company.



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13 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	Adjustment to present value	June 30, 2022
Current asset								
Current accounts with consortium members								
Novonor Serviços e Participações S.A. - under judicial recovery ("NSP") (formerly named OSP)	88,652		(187)					88,465
Total - Companies under judicial recovery (i) (note 10)	88,652		(187)					88,465
Non-current asset								
Novonor Group Companies								
Novonor	114,374			395	(9,755)	9,359		114,373
NVNIC (formerly named ODBIC)	48,343			2,689	(2,944)	(1,971)		46,117
NFL (formerly named OFL)	782,297				(50,308)	50,496		782,485
Total - Companies under judicial recovery (i)	945,014			3,084	(63,007)	57,884		942,975
Other NPI consolidated companies (formerly named OPI) (ii)	17,835	3,533	(48,818)	323	(2,052)	35,356		6,177
Biocom – Cia de Bioenergia de Angola Ltd. - "Biocom" (c)	193,212			19,206	(11,173)		(2,240)	199,005
Consorcio Constructor Ductos Del Sur	18,693	768	(8)		(2,850)			16,603
Odebrecht Engenharia	48,431				(117,276)	115,777		46,932
Others	2,708			1	(24)			2,685
Total - Other Group companies	280,879	4,301	(48,826)	19,530	(133,375)	151,133	(2,240)	271,402
Total Assets - related parties (in R\$)	1,225,893	4,301	(48,826)	22,614	(196,382)	209,017	(2,240)	1,214,377
Total Assets - related parties (in US\$)		821	(9,321)	4,317	(37,492)	39,904	(428)	231,840

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	December 31, 2021	Additions	Disposals	Interests	Exchange Variation	Transfers / Offsets	June 30, 2022
Non-current liabilities							
Novonor Group Companies							
Novonor	156,022		(1,379)				154,643
NVNIC (formerly named ODBIC)	48,343			718	(2,944)		46,117
NSP (formerly named OSP)	870,950						870,950
Total - Companies under judicial recovery (i) (note 10)	1,075,315		(1,379)	718	(2,944)		1,071,710
Other NPI consolidated companies (formerly named OPI) (ii)	402,651	78		3,125	(16,127)	43	389,770
Consorcio Constructor Ductos Del Sur	45,445	2,791	(1,293)		(6,311)		40,632
Consorcio Constructor Chavimochic	1,657	1,846	(1,993)		(153)		1,357
Horiens Consultoria e Corretora de Seguros Ltda	30,985	18	(434)	353			30,922
Horiens Ltda	10,737			242	(651)		10,328
OR	6,497						6,497
Odebrecht Engenharia	24,225				207		24,432
Others	6,449	21,763	(18,185)	-	(265)	7	9,769
Total - Other Group companies	528,646	26,496	(21,905)	3,720	(23,300)	50	513,707
Total Liabilities - related parties (in R\$)	1,603,961	26,496	(23,284)	4,438	(26,244)	50	1,585,417
Total Liabilities - related parties (in US\$)		5,058	(4,445)	847	(5,010)	10	302,676

(i) The balance of net liabilities of Company and subsidiaries of Novonor Group companies that are in judicial recovery amount to R\$ 40,270 – US\$ 7,688.

(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 Travase 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.

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(b) Other Transactions with Related Parties:

	December 31, 2021	Additions	Disposals	Interests	Provision for losses/AVP	Exchange Variation	Transfers	June 30, 2022
Current and non-current asset								
Accounts receivable								
NSP (formerly named OSP)	4							4
Total - Companies under judicial recovery	4							4
Other NPI subsidiaries (formerly named OPI) (iii)	142,553	2,804	(67,834)			156		77,679
Consorcio Construtor Chavimodchic - Peru	400					(24)		376
Biocom (c)	17,987	614	(587)		10,066	(9,761)		18,319
Odebrecht Ambiental Participações	128							128
Braskem	4,174	104,594	(108,196)					572
OTP - Investees	69,835			680				70,515
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					(2)		32
Other - Assets	46,899	204	(316)			(310)		46,477
Total - Other Group companies (Note 7)	434,135	108,216	(176,933)	680	10,066	(9,941)		366,223
Total (in R\$)	434,139	108,216	(176,933)	680	10,066	(9,941)		366,227
Total (in US\$)		20,660	(33,779)	130	1,922	(1,898)		69,917
Other Assets								
Novonor	1,294	1,401	(1,400)			(190)		1,105
NPI (formerly named OPI)	312	1,156	(399)					1,069
NSP (formerly named OSP)	837	287	(220)					904
Novonor Properties	3,292	2,157	(1,035)					4,414
Edifício Odebrecht RJ S.A.	286	2						90
Novonor Energia	14,297	971	(750)		(198)			14,518
Atvos	538	185	(109)					614
Total - Companies under judicial recovery (iv)	20,856	6,159	(3,913)		(198)	(190)		22,714
Other NPI subsidiaries (formerly named OPI)	20,695	11,922	(3,515)			(1,037)		28,065
Biocom (c)	22,648	60,643	(54,310)		(771)	(3,847)	18	24,381
Odebrecht Ambiental Participações	4,691	278	(388)		(635)			3,946
Braskem	1,145	28	(39)					1,134
OTP - Investees	49,968	1,154	(2,183)	5,040		(42)	11,045	64,982
Odebrecht Realizações	31,269	1,184	(1)				253	32,705
Ocyan	7,318	441	(337)					7,422
Odebrecht Defesa e Tecnologia	2,205	226	(253)					2,178
Odebrecht Engenharia	8,835	39	(26)			(539)		8,309
AOT Pipelines S.A.P.I. DE C.V.	2,172					(161)		2,011
Sociedade de Desenvolvimento Mineiro ("SDM")	166,513	380	(484)			(10,215)		156,194
Concessionaria Rio Barra	674		(202)					472
Other - Assets	1,187	2,075	(1,279)			(3)	(48)	1,932
Total - Other Group companies (iv)	319,320	78,370	(63,017)	5,040	(1,406)	(15,844)	11,268	333,731
Total (in R\$)	340,176	84,529	(66,930)	5,040	(1,604)	(16,034)	11,268	356,445
Total (in US\$)		16,138	(12,778)	962	(306)	(3,061)	2,151	68,050

(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\$ 45,593– US\$ 8,704) and Odebrecht Peru Operaciones Y Servicios SAC (R\$ 27,100 – US\$ 5,174).

(iv) As mentioned in Note 12, they refer to debit notes and invoices issued against companies of the Novonor Group in the amount of R\$ 356,445 – US\$ 68,050 (December 31, 2021 – R\$ 340,176).

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	December 31, 2021	Additions	Disposals	Exchange Variation	Transfers	June 30, 2022
Current liabilities						
Suppliers						
Novonor	11,956	12		(372)		11,596
NSP (formerly named OSP)	21,571	1,373	(837)			22,107
Novonor Properties	42					42
Edifício Odebrecht RJ S.A.	41,860					41,860
Atvos	781	76				857
Total - Companies under judicial recovery (iv)	76,210	1,461	(837)	(372)		76,462
Braskem México	1,726			(128)		1,598
Other NPI subsidiaries (formerly named OPI)	903			(142)	(761)	
AOT Pipelines S.A.P.I. DE C.V.	23,347			(1,726)		21,621
Odebrecht Engenharia	8,817			(540)		8,277
Other - liabilities	1,998	369	(2)			2,365
Total - Other Group companies (iv)	36,791	369	(2)	(2,536)	(761)	33,861
Total (in R\$)	113,001	1,830	(839)	(2,908)	(761)	110,323
Total (in US\$)		349	(160)	(555)	(145)	21,062
Advances from Customers						
Other NPI subsidiaries (formerly named OPI) (v)	155,056		(28,170)	(3,359)		123,527
OTP - Investees	71,583					71,583
Others		38				38
Total - Other Group companies (Note 7)	226,639	38	(28,170)	(3,359)		195,148
Total (in R\$)	226,639	38	(28,170)	(3,359)		195,148
Total (in US\$)		7	(5,378)	(641)		37,256
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	755	(903)	(487)		5,023
SDM	55,055			(3,379)		51,676
Other - liabilities	119					119
Total - Other Group companies	66,041	755	(903)	(3,866)		62,027
Total (in R\$)	66,283	755	(903)	(3,866)		62,269
Total (in US\$)		144	(172)	(738)		11,888

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

(vi) The total balances of suppliers with related parties adds up to R\$ 110,323 – US\$ 21,043 (December 31, 2021 – R\$ 113,001).

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(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 156 months (13 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 Indicative Fact Sheet (“FIT”) are approved, with the final signing of the amendment related to the Financial Loan, and taking into consideration the new minimum term for receipt (13 years), the Credits with Biocom were adjusted to present value, representing, on June 30, 2022, the amount of US\$ 45,775 million – R\$ 239,770 (US\$ 41,558 million – R\$ 231,915 on December 31, 2021).

In the period ended June 30, 2022, the adjustment to present value recognized in the finance result as expense amounted to R\$ 7,317 – US\$ 1,397.

(d) Compensation of key Management Personnel

	June 30, 2022			June 30, 2021	
	Statutory Executive Board	Board of Directors	Total	Statutory Executive Board	Total
Compensation (a)	2,711	3,267	5,978	820	820
Short-term compensation (b)	40	16	56	18	18
Benefits – Pension plan	69	22	91	27	27
In R\$	2,820	3,305	6,125	865	865
In US\$	538	631	1,169		

(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\$ 5,103, was approved for the calendar year 2022 and it includes Short-Term Incentives and Long-Term Incentives.

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**14 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**

Nature of the credits	Non-current assets			Non-current liabilities		
	June 30, 2022		December 31, 2021	June 30, 2022		December 31, 2021
	US\$		R\$	US\$		R\$
Income tax losses	41,750	218,687	197,774			
Social contribution loss carryforwards	4,334	22,700	13,006			
	46,084	241,387	210,780			
Temporary differences						
Provisions	131,220	687,328	667,079	196	1,028	684
Foreign exchange variation				90,451	473,784	400,118
Adjustment to present value	21,762	113,989	117,149	37	192	209
Government agencies				22,159	116,070	115,531
Other	42,902	224,725	100,750	642	3,361	139,846
	241,968	1,267,429	1,095,758	113,485	594,435	656,388

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

On June 30, 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.

**15 Non-Current Assets Held for Sale and Discontinued Operations**

**(a) Balance Sheet**

	June 30, 2022	December 31, 2021
US\$		R\$
Rutas de Lima SAC ("Rutas de Lima") (i)	58,675	314,913
	58,675	314,913

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(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 June 30		
	2021	2020	
	US\$		R\$
CNO S.A - Sucursal Venezuela (i)	31,141	163,115	(14,693)
CBPO Ingeniería de Venezuela C.A. (i)	594	3,113	479
CBPO Ltda. - Sucursal Venezuela (i)	563	2,948	1,558
OEC Serviços de Exportação S.A. (*OEC SE) (ii)			3,285
Chavimochic			177
	<u>32,298</u>	<u>169,176</u>	<u>(9,194)</u>
Net profit (losses) of discontinued operations for the period – per share	<u>0.072</u>	<u>0.377</u>	<u>(0.041)</u>

(i) This refers to the discontinuation of the operations of the Company's branch and subsidiary in Venezuela, amounting to R\$ 169,176 – US\$ 32,298 substantially refers to exchange variation incomes on assets and liabilities in foreign currency.

(ii) This refers to the discontinuation of the operations related to the import and export activities carried out by OEC SE, an indirect investee of the Company, in accordance with management's decision in September 2021. The main purpose of the investee was the performance of import and export activities, on its own or by means of third parties, of manufactured products, primary goods and any other products, goods and services and their distribution in the local and foreign markets, among other activities. With this decision to discontinue the operations of the investee, the activities that were previously performed by it will be directly performed by each construction work/project.

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16 Investments  
 (a) Information on the Main Investees

	Shares / Quotas directly or indirectly held	Company's interest %		
	June 30, 2022	December 31, 2021	June 30, 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)		Revenue		Net income				
	US\$		R\$		US\$		R\$		US\$		R\$				
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021			
NSP Investimentos S.A. - Under Judicial Recovery ("NSPInv") (i) (ii)	1,047,907	5,488,937	4,645,912	2,250,526	11,788,255	11,300,678	(1,258,158)	(6,590,231)	(10,528,571)	9,479	49,652	92,953	55,539	290,913	3,873,805
SDM (ii)	2,142	11,219	11,219	6,968	36,497	36,433	(4,826)	(25,278)	(25,214)	27	27	27	142	131	
CTO - Concessionária Travasso Olmos	80,740	422,918	479,658	56,493	295,910	330,170	24,247	127,007	149,488	13,667	71,585	97,305	2,897	15,174	33,485
Elos Ligações de Alta Velocidade S.A.	169,875	889,806	1,025,576	31,593	165,482	190,732	138,283	724,324	834,844						
SPV Andrade Gutierrez Odebrecht	(6,994)	(36,632)	(19,149)	(23,006)	(120,503)	(98,382)	16,012	83,871	79,233	21,003	110,015	119,230	1,739	9,111	6,295
Kulanda Malls	27,991	146,618	117,930	13,154	68,903	58,131	14,837	77,715	59,799	746	3,906	30,632	2,899	15,185	14,266
Biocom	768,864	4,027,311	4,387,030	1,264,741	6,624,714	5,928,658	(495,877)	(2,597,403)	(1,541,628)	17,866	93,582	446,265	(208,063)	(1,089,832)	(883,377)
AOT Pipelines	7,967	41,733	44,515	(4,502)	(23,583)	(25,679)	12,470	65,317	70,194			7,897	(384)	(2,013)	1,642
Chavimochic	14,842	77,742	85,694	8	44	(96)	14,833	77,697	85,790			3	(1,176)	(6,159)	(5,221)
Etileno XXI Holding B.V.	12,303	64,445	74,251	53	276	319	12,251	64,169	73,932					(2)	
Etileno XXI Services B.V.	25,658	134,395	144,003	453	2,371	2,680	25,205	132,024	141,324				(98)	(511)	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 June 30, 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.



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

Investments - associates	Company's interest %	Country	December 31, 2021	Disposals	Dividends	Retained earnings (accumulated deficit) adjustments	Equity in the results of investees (a)	Translation adjustments	June 30, 2022
CTO - Concessionária Travase Olmos	36.32	Peru	54,294		(9,919)		5,511	(3,757)	46,129
Etileno XXI Holding B.V.	50.00	Netherlands	8,022					(1,062)	6,960
Etileno XXI Services B.V.	40.00	Netherlands	40,612			(1,173)	(204)	(1,404)	37,831
Grand Parkway	50.00	USA	12,786					(785)	12,001
SPV Andrade Gutierrez Odebrecht	50.00	Ghana	39,617				4,555	(2,236)	41,936
AOT Pipelines	33.34	Mexico	23,534				(671)	(1,087)	21,776
ELOS - Ligação de Alta Velocidade S.A.	13.04	Portugal	108,897					(14,416)	94,481
Kulanda Malls	30.00	Angola	17,939				6,056	(681)	23,314
Chavimochic	20.00	Peru	17,158				(1,232)	(387)	15,539
Other investments			2,306	(991)		12,285	(11,933)	(788)	879
Total investments - Associates (in R\$)			325,165	(991)	(9,919)	11,112	2,082	(26,603)	300,846
Total investments - Associates (in US\$)				(189)	(1,894)	2,121	397	(5,079)	57,435

  

Provision for net capital deficiency	Company's interest %	Country	December 31, 2021	Disposals	Dividends	Retained earnings (accumulated deficit) adjustments	Equity in the results of investees (a)	Translation adjustments	June 30, 2022
B.SABOR - Bento Pedroso Const. e Lena	50.00	Portugal	(11,553)				(144)	1,529	(10,168)
Biocom	40.00	Angola	(616,652)				(435,933)	13,623	(1,038,962)
Other			(348)				(1)	46	(303)
Total provision for net capital deficiency (in R\$)			(628,553)				(436,078)	15,198	(1,049,433)
Total provision for net capital deficiency (in US\$)							(83,253)	2,901	(200,350)

(a) Equity in the results of investee adds up to (R\$ 433,996) – (US\$ 82,855) .

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17 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
Accumulated 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
Corporate restructuring (i)		(1,581)	(28,675)	(10)	114	6			(30,146)
Additions	4	40	33,841	2,266	2,461	396		2,658	41,666
Disposals	(1,851)	(17,158)	(15,287)	(1,628)	(2,231)	(15)		(26,400)	(64,570)
Transfers		(6)	(59,767)	(408)	106			60,075	
Depreciation		(5,679)	(5,957)	(498)	(3,638)	(767)	(2,284)	(4,990)	(23,813)
Impairment								(252)	(252)
Exchange variation	(1,387)	(11,754)	(8,075)	(2,223)	(667)	(30)	40	(4,512)	(28,608)
Accounting balance	37,287	292,170	72,165	41,019	16,495	1,174	40	51,956	512,306
Cost	37,287	400,142	686,661	231,067	124,323	85,867	40	271,074	1,836,461
Accumulated depreciation		(107,972)	(614,496)	(190,048)	(107,828)	(84,693)		(219,118)	(1,324,155)
At June 30, 2021 - R\$	37,287	292,170	72,165	41,019	16,495	1,174	40	51,956	512,306
Annual depreciation rates (%)		4	20	25	10	20		up to 10	

(i) As described in Note 24 (ii), CNO Colombia Branch was deconsolidated due to the loss of control arising from the judicial liquidation process.

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	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
Accumulated 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		21,127	42,644	2,312	3,284	4,466		10,066	83,899
Disposals		(48,926)	20,843	4,261	(230)	627	(1,484)	(4)	(24,913)
Transfers		(1)	1,823	(14)	24	(3)		(1,829)	
Depreciation		(4,590)	(4,443)	(4,017)	(2,594)	(735)		(5,564)	(21,943)
Exchange variation	(2,331)	(21,768)	(45,437)	(6,053)	(622)	(5)	(13)	(161)	(76,390)
Accounting balance	38,892	276,755	57,183	35,481	14,798	6,978	39	55,294	485,420
Cost	38,892	373,775	649,246	223,937	120,164	83,108	39	224,722	1,713,883
Accumulated depreciation		(97,020)	(592,063)	(188,456)	(105,366)	(76,130)		(169,428)	(1,228,463)
At June 30, 2022 - R\$	38,892	276,755	57,183	35,481	14,798	6,978	39	55,294	485,420
At June 30, 2022 - US\$	7,425	52,836	10,917	6,774	2,825	1,332	7	10,556	92,673
Annual depreciation rates (%)		4	20	25	10	20		up to 10	

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18 Right of Use

(a) 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	10,310			10,310
Disposals	(144)			(144)
Depreciation	(13,039)	(151)	(52)	(13,242)
Foreign currency translation adjustment	(263)			(263)
Accounting balance	71,928	(19)	189	72,098
Cost	105,916	1,098	522	107,536
Accumulated amortization	(33,988)	(1,117)	(333)	(35,438)
At June 30, 2021 - R\$	71,928	(19)	189	72,098
Annual amortization rates (%)	4	up to 17	5	

	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	2,080		110	2,190
Disposals	(56)			(56)
Impairment	2,700			2,700
Amortization	(4,697)		(152)	(4,849)
Foreign currency translation adjustment	(180)			(180)
Accounting balance	32,885	33	2	32,920
Cost	73,937	1,098	681	75,716
Accumulated amortization	(41,052)	(1,065)	(679)	(42,796)
At June 30, 2022 - R\$	32,885	33	2	32,920
At June 30, 2022 - US\$	6,278	6		6,285
Annual amortization rates (%)	4	up to 17	5	

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19 Debts

(a) Breakdown of Debts

Financial Institution	Country	Currency	Type of operation	Type	Annual Financial Charges	June 30, 2022	December 31, 2021
						US\$	R\$
Royal Bank of Scotland	Cayman Islands	US\$	Investment	ECA	Fixed interest 10,25% + EV	8,670	45,415
Landesbank Baden	Dominican Republic	US\$	Investment	Short-term debts	LIBOR + 2.025% + EV	3,850	20,164
Crédito Agrícola Costa Azul	Portugal	€	Operational	Long-term debt	EURIBOR 12M + 2.50%		2,986
Banco Internacional de Crédito	Angola	KWA	Operational	Short-term debts	Libor 6M + 2,00% p.y Spread (21,34%)	705	3,691
Banco Millennium Atlântico	Angola	KWA	Operational	Short-term debts	Libor 1M + 2,75% p.y Spread (21,29%)	8,289	43,419
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%	16,257	85,152
Banco do Brasil	Brazil	R\$	Operational	ACC	Fixed interest 7.43%	37,851	198,265
						75,622	396,106
Abbreviations:							
COP - Colombian Peso	EV - Exchange Variation				Bonds - OEC Finance (b)	898,074	4,704,111
DTF - Deposits to Fixed Terms Rate	VES - Sovereign Bolivars					973,696	5,100,217
EURIBOR - Euro Interbank Offered Rate	US\$ - American Dollar						
LIBOR - London Interbank Offered Rate	€ - Euro				Current liabilities	65,986	345,634
KWA - Kwanza (Angola currency)	AED - Dirham						
ECA - Export Credit Agencies	R\$ - Brazilian Reals				Non-current liabilities	907,710	4,754,583
ACC - Advances on Exchange Contracts	ACE - Advance of Export Contract						4,743,067

On June 30, 2022, the following debts were past due and recorded in the books in accordance with their contractual clauses: Royal Bank of Scotland (RBS) – R\$ 45,415 – US\$ 8,670. 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.

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(b) Bonds OEC Finance

Bond	Due date	Compensation	June 30, 2022	
			US\$	R\$
Bond 2024	2024	Coupon of 7.000% p.a.	44,568	233,447
Perpetual Bond	Perpetual	Coupon of 7.500% p.a.	474,045	2,483,048
Bond 2027	2027	Coupon of 6.000% p.a.	59,951	314,023
Bond 2026	2026	Coupon of 5.125% p.a.	82,701	433,188
Bond 2046	2046	Coupon of 7.125% p.a.	528,596	2,768,786
Bond 2029	2029	Coupon of 4.375% p.a.	292,438	1,531,790
Bond 2033	2033	Coupon of 5.250% p.a.	290,427	1,521,256
Transaction costs			(16,752)	(87,747)
Adjustment to present value - Bonds OEC Finance			(857,900)	(4,493,680)
			<u>898,074</u>	<u>4,704,111</u>

(c) NFL Bonds (previously called OFL Bonds)

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 June 30, 2022, the Company's consolidated debt balance, adjusted to present value, was R\$ 4,704.111 – US\$ 898,074 (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.

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(d) Changes in Debts

Countries	December 31, 2020	New Bonds issues	Principal amortization	Provision of interests	Transaction Costs	Transaction Costs amortization	Exchange Variation	Adjustment to present value	Adjustment to present value amortization	Reversion Provision of guarantees	June 30, 2021
Brazil	241,409		(14,106)	8,121			(9,783)				225,641
Portugal	111,365		(1,352)	1,720			(7,950)				103,783
Angola	54,713		(4,369)	82			(1,277)				49,149
USA	62,255		(41,332)				(1,621)				19,302
Cayman Islands	43,802			370			(1,664)				42,508
Dominican Republic	18,691						(780)				17,911
Brazil - Guarantee of Bonds	3,859,236						112,800			(3,972,036)	
Bonds - New Issues		8,289,838		282,233			(556,846)				8,015,225
Adjustment to present value - New Issues							280,056	(4,600,037)	273,751		(4,046,230)
Bonds - Transaction costs					(94,291)	4,043	593				(89,655)
Total Loan and Finance Debts (in R\$)	4,391,471	8,289,838	(61,159)	292,526	(94,291)	4,043	(186,472)	(4,600,037)	273,751	(3,972,036)	4,337,634

Countries	December 31, 2021	Additions	Principal amortization	Interest amortization	Provision of interests	Transaction Costs amortization	Exchange Variation	Adjustment to present value	June 30, 2022
Brazil	232,396	6	(20,448)	(5,347)	6,275		(14,617)		198,265
Portugal	101,130		(2,473)				(13,505)		85,152
Angola	66,823		(29,233)				9,520		47,110
USA	2,936		(2,919)				(17)		
Cayman Islands	47,932				412		(2,928)		45,416
Dominican Republic	21,585						(1,422)		20,163
Bonds - New Issues	9,443,169				408,574		(566,205)		9,285,538
Adjustment to present value - New Issues	(4,704,076)						286,230	(75,834)	(4,493,680)
Bonds - Transaction costs	(97,156)					3,340	6,069		(87,747)
Total Loan and Finance Debts (in R\$)	5,114,739	6	(55,073)	(5,347)	415,261	3,340	(296,875)	(75,834)	5,100,217
Total Loan and Finance Debts (in US\$)		1	(10,514)	(1,021)	79,279	638	(56,677)	(14,478)	973,696

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

Debts	June 30, 2022	
Due Date	US\$	R\$
2023	16,257	85,152
	<u>16,257</u>	<u>85,152</u>
Bonds	June 30, 2022	
Due Date	US\$	R\$
2023	6,924	36,268
2024	122,662	642,504
2025	164,388	861,064
2026	236,757	1,240,133
2027	205,125	1,074,445
2028	128,013	670,532
2029	466,202	2,441,966
2030 and thereafter	<u>3,365,173</u>	<u>17,626,776</u>
Principal amount and interests (i)	4,695,244	24,593,688
(-) Discount to present value	(3,787,039)	(19,836,510)
(-) Transaction costs	(16,752)	(87,747)
Total debt balance	<u>891,453</u>	<u>4,669,431</u>

(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:

	June 30, 2022		December 31, 2021
	US\$		R\$
Local currency (Reais)	37,851	198,265	232,397
Foreign currency (U.S. Dollars)	910,594	4,769,690	4,714,388
Foreign currency (Kwanza)	8,994	47,110	66,823
Foreign currency (Euro)	<u>16,257</u>	<u>85,152</u>	<u>101,131</u>
	<u>973,696</u>	<u>5,100,217</u>	<u>5,114,739</u>



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(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.

20 Suppliers and Subcontractors

					June 30, 2022	December 31, 2021
	Current	Overdue - 1 - 90 days	Overdue - 91 - 365 days	Overdue more than 365 days (i)	Total	Total
Brazil	100,280	40,478	31,602	150,537	322,897	304,727
Abroad (ii)	1,056,111	80,201	140,673	2,481,738	3,758,723	3,949,865
Total (in R\$)	1,156,391	120,679	172,275	2,632,275	4,081,620	4,254,592
Total (in US\$)	220,770	23,039	32,889	502,534	779,232	
Current liabilities (R\$)					4,035,503	4,204,902
Current liabilities (US\$)					770,428	
Non-current liabilities (R\$)					46,117	49,690
Non-current liabilities (US\$)					8,804	

(i) 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, approximately 70% is due to suppliers in Venezuela and Peru, and which must follow the working capital management concept adopted by the Company. Additionally, of this amount, R\$ 110,323 – US\$ 21,043 (December 31, 2021 – R\$ 113,001) is a balance with related parties, in accordance with Note 13 (b).

(ii) CNO and other subsidiaries of the Company were sued in two (2) arbitration proceedings with the Trade Chamber of Lima, in Peru, related to the collection of debts with two suppliers (counterparties), which were contracted by Consórcio Construtor Ductos del Sur (CCDS) in the scope of the Engineering, Procurement and Construction (EPC) contract for the performance of construction works and services necessary for the implementation of the Gasoducto Sur Peruano project. The arbitration report on one of the proceedings was issued on June 18, 2018 and ratified an extrajudicial transaction in which the amount totals US\$ 25.9 million, including interest, on June 30, 2022. This decision was the subject matter of a request for an execution order before the Superior Court of Justice (STJ) on February 3, 2020, and the decision on the ratification was rendered on August 1, 2022. The Company has presented motions for clarification against this decision and is studying other proper appeal proceedings. Meanwhile, the report on the other proceeding was issued on May 23, 2022, with an addendum on July 1, 2022 and a sentence in the approximate amount of R\$ 93 million, including interest, and the counterparty started the procedure for the ratification of a foreign judgment before the Superior Court of Justice on August 9, 2022, which is being challenged by the Company in the exercise of its right to defense. The Company also filed a respective action for annulment questioning the health of the above mentioned arbitration report before the Peruvian courts on August 2, 2022 and is awaiting the decision of the court. On June 30, 2022, the above mentioned amounts are recorded in the foreign suppliers, overdue for over 365 days, line.

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**21 Taxes, Fees, Salaries and Social Contributions**

		June 30, 2022	December 31, 2021
	US\$		R\$
Labor obligations			
Brazil	29,485	154,445	149,238
Abroad	53,253	278,939	314,905
	82,738	433,384	464,143
Tax obligations (a)			
Brazil	23,912	125,251	123,608
Abroad	70,810	370,903	358,859
	94,722	496,154	482,467
	177,460	929,538	946,610
Current liabilities	169,080	885,642	917,374
Non-current liabilities	8,380	43,896	29,236

**(a) Breakdown by nature of the tax liabilities:**

		June 30, 2022	December 31, 2021
	US\$		R\$
Liabilities - payable			
Income tax and Income tax withheld at source	68,873	360,757	342,218
Indirect taxes	10,447	54,721	35,738
Financing (i)	12,612	66,064	44,810
Other	2,790	14,612	59,701
	94,722	496,154	482,467

**(i) Financing:**

The Company joined federal tax financing programs to settle Corporate Income Tax ("IRPJ"), Social Contribution on Net Revenue ("CSLL"), Income Tax Withheld at Source ("IRRF"), Social Integration Program (PIS) and Contribution for Financing Social Security ("COFINS") debts (in 60 installments) and financing programs in the municipalities of São Paulo and Bertioga to settle Service Tax (ISS) debts (in 120 installments).

These financing programs totaled R\$ 104,888 – US\$ 20,024 and, by June 30, 2022, R\$ 43,985 – US\$ 8,397 had been settled. Of the remaining balance of R\$ 66,064 – US\$ 12,612 recorded in liabilities, R\$ 60,903 – US\$ 11,627 refers to the principal amount and R\$ 5,161 – US\$ 985 refers to the adjustment by the accumulated basic Selic rate.

**22 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:

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**Probable Obligations** – 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:

	June 30, 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		718,197	718,197		748,029	748,029
Non-current liabilities	1,268,364	2,897,732	4,166,096	1,325,484	2,958,201	4,283,685
In US\$						
Current liabilities		137,113	137,113			
Non-current liabilities	242,147	553,213	795,360			

- (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\$ 731 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\$ 521 thousand, to the damaged entities of the Federal Government, to be deducted from the R\$ 3,828 million – US\$ 731 thousand agreed upon under the agreement entered into with the Federal Public Prosecution Office (“MPF”).

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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 Novonor.

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\$ 63 thousand over a period of 22 years, and this amount will be substantially deducted from the R\$ 3,828 million – US\$ 731 thousand of the agreement entered into with the Federal Public Prosecution Office ("MPF"), and the difference will be paid in the last year. 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 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 5<sup>th</sup> Chamber of Coordination and Revision of the Federal Public Prosecution Office ("MPF"), in the 12<sup>th</sup> 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 Brazilian Government Accountability Office ("CGU"), CNO entered into an agreement with the World Bank and Odebrecht Engenharia e Construção S.A. and CNO entered into an agreement with the Inter-American Development Bank ("IDB"). Specifically with respect to the World Bank, in January 2019 an agreement that prohibits CNO and its wholly-owned subsidiaries to contract projects financed by the World Bank for a period of three (3) years was announced and this *ineligibility* period ended January 2022. No fine was imposed under the agreement.

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 prohibited 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/or CNO are negotiating agreements with another international institutions.

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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 leniency agreements and instruments of termination of conduct with CADE's General Superintendency. CNO continues to negotiate with CADE the signing of other Instruments of Termination of Conduct.

Finally, in its operations abroad, Odebrecht Engenharia and its subsidiaries continue to make their best efforts to come to an understanding with local authorities for sealing cooperation/leniency agreements, while also seeking the support of the Brazilian authorities in the dialogue with the local authorities.

- (b) Tax, labor and civil contingencies are:

		June 30, 2022	December 31, 2021
	US\$		R\$
Tax (i)	134,180	702,837	688,768
Labor (ii)	71,327	373,612	368,712
Civil	46,734	244,786	273,047
	252,241	1,321,235	1,330,527
(-) Judicial deposits	(10,094)	(52,871)	(5,043)
	242,147	1,268,364	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\$ 71,471, adjusted on June 30, 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.

		June 30, 2022	December 31, 2021
	US\$		R\$
Tax (iii)	1,140,173	5,972,226	5,515,292
Labor (ii)	55,651	291,499	332,340
Civil (iv)	1,286,058	6,736,372	6,232,732
Total provision for contingencies	2,481,882	13,000,097	12,080,364

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(iii) Tax

- Brazil

The main contingencies of the group companies refer to the collection of income tax and social contribution resulting from the rules on the taxation of profit abroad, as well as to the collection of Tax on Financial Operations ("IOF") on transaction in the scope of Single Cash Contracts, as described below:

On December 21, 2017, CNO was served with a tax deficiency notice amounting to R\$ 439,279 – US\$ 83,864 for the collection of Income Tax Withheld at Source ("IRRF") related 2012. CNO filed a motion to deny, which was deemed groundless on August 14, 2018, and a Voluntary 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.

On October 17, 2018, CNO was served with a tax deficiency notice with respect to alleged Corporate Income Tax ("IRPJ") and Social Contribution on Net Revenue ("CSLL") and Income Tax Withheld at Source ("IRRF") debts amounting to R\$ 4,146,909 – US\$ 791,697 (February 2021) related to the disallowance by the Federal Revenue Service of the expenses incurred by CNO's branches abroad for 2012 to 2015. 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 against this tax deficiency notice was considered groundless by the lower court and an appeal was filed in which the dismissal of the collection of Income Tax Withheld at Source ("IRRF") and its accessories was partially granted, and the other part of the assessment was maintained by a casting vote and the company was formally notified of the decision 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\$ 2,075,660 – US\$ 396,270, and the process is awaiting referral to CSRF for judgment of the Special Appeal filed by the Company on this remaining portion.

Currently, the total amount of the disputes related to profit abroad is R\$ 3,147,945 – US\$ 600,982. Of this total, R\$ 72 million – US\$ 14 million relates to disputes that started in March 2022 in the administrative scope of the Federal Revenue Service related to the statement of tax paid abroad to be offset against the profit taxed in Brazil.

The only legal dispute refers to the application of international treaties, amounting to R\$ 23 million – US\$ 4 million. There is already a favorable decision cancelling the totality of the debt and the case is awaiting judgment by the appellate court.

With respect to Tax on Financial Operations ("IOF") contingencies, the assessments arise from the comparison of the operations carried out within the scope of Book Current Account and Single Cash Contracts and financial loan agreements, 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\$ 97,728 and the cases are still pending a final administrative decision.

The chances of a loss in our cases are classified as possible due to the current administrative and legal case law on the matter.

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- 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\$ 1,055,276 – US\$ 201,465. 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 TFJA. With respect to the tax deficiency notice to Ethylene XXI related to 2013, amounting to R\$ 78,946 – US\$ 15,072, the TFJA considered the "*demanda de nulidad*" (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 account freezing orders, its accounts if it obtains a judicial guarantee.

In the same context, as a result of the inspection of Odebrecht Servicios Integrales de México ("OSIM") for 2014, Mexico's tax authority ("Servicio de Administración Tributaria – SAT") assessed this company in the amount of R\$ 161,623 – US\$ 30,856 with respect to Income Tax, Value-Added Tax and Profit Sharing. Taking into consideration that OSIM is a labor service provider for the projects carried out in Mexico, the operations are related to proceedings that already exist against CNO and Ethylene XXI, except for the assessment related to the payment of profit sharing. Accordingly, OSIM filed a "*demanda de nulidad*" (nullity demand) before the Federal Administrative Justice Court (TFJA) at the end of July 2022 to demonstrate that the calculation of the taxes was correct, that the payment of profit sharing was made and that the assessment by SAT was extemporaneous.

Mexico's public audit authority and magistrate's office ("Secretaría de la Función Pública – SFP"), as a result of the inspection of CNO Mexico Branch and OICIMEX due to alleged irregularities in the performance/assignment of the Tula II Contract with Pemex, applied three fines that, together, amounted to R\$ 424,573 – US\$ 81,056. 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. In June 2022, the administrative fines applied to CNO Mexico Branch and OICIMEX, in the amount of R\$ 141,524 – US\$ 27,019 each, were voided and only one another fine applied to OICIMEX, in the amount of R\$ 141,524 – US\$ 27,019, is pending judgment.

(iv) Civil

- Brazil

CNO, OECSA 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.

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Among these actions, considering the amounts involved: (i) Administrative Improbability 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\$ 3,843,332 – US\$ 733,740 and the share related to OECI corresponds to the approximate amount of R\$ 768 million – US\$ 147 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 Improbability 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) Actions 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.

Additionally, the State of Rio de Janeiro filed tax foreclosures arising from the joint administrative sentence imposed by the Audit Court of the State of Rio de Janeiro related to the existence of an alleged overpricing/damage in the construction works of line 4 of the Rio de Janeiro metro. Currently, Consórcio Construtor Rio Barra and Consórcio Construtor Linha 4 Sul are parties to foreclosures that total R\$ 48,120,733.32 – US\$ 9,186,852, and CNO holds a 33% interest in these consortiums. The foreclosures are being duly challenged.

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\$ 64,000 – US\$ 12,218 and contingencies receivable in the amount of R\$ 49,000 – US\$ 9,355 and the expectation of realization for all of them is considered possible, which could lead to a contingency amount payable of R\$ 15,000– US\$ 2,864, after the offset of the amounts receivable.

- Colombia

The *Procuraduría General 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\$ 903,158 – US\$ 172,424.



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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\$ 110,779 – US\$ 21,149 for CNO, R\$ 110,779 – US\$ 21,149 for NPI and a total of R\$ 4,001 – US\$ 764 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\$ 199,543 - US\$ 38,095. 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\$ 286,086 – US\$ 54,617, 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.

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- Peru

The Technical Free Competition Defense Department of INDECOPI (ST) in Peru filed a sanctioning administrative proceeding due to an alleged anticompetition practice in 112 public tenders promoted by the Ministry of Transport in the period between 2002 and 2016, which would involve 35 companies and 28 executives, including CNO and its Peruvian subsidiary OPIC (no executives of the Company are being investigated).

The Company's defense is based, primarily, on the existence of a Leniency Agreement in Peru with the Public Prosecution Office and Public Attorney's Office under which the facts that gave rise to this sanctioning proceeding were revealed, with benefits that would prevent the company from being sued. Additionally, there is a criminal investigation in progress on the same matter, which has the effective cooperation of the Company, with a violation of the principle of non bis in idem.

The Technical Free Competition Defense Department of INDECOPI (ST) applied a fine, at the lower administrative court, to CNO and OPIC in the amount of 25,350,63 Tax Units (UITs), which is equivalent, in 2022, to R\$ 152,547 – US\$ 29,123.

In December 2021, the Company filed an administrative appeal with the Free Competition Defense Court, with a suspensive effect, which is expected to be judged within a period of approximately 2 years. The contingency is classified as possible.

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23 Leases

	December 31, 2020	Additions	Disposals	Payments	Interests	Exchange Variation	June 30, 2021
Brasil	115,865	8,769	(1,895)	(7,926)	7,525		122,338
Abroad	5,003	1,373		(1,883)	431	(584)	4,340
Total Leases (in R\$)	120,868	10,142	(1,895)	(9,809)	7,956	(584)	126,678

  

	December 31, 2021	Additions	Disposals	Payments	Interests	Exchange Variation	June 30, 2022
Brasil	112,293	2,040	(76)	(1,067)	6,300		119,490
Abroad	4,228	73		(1,367)	239	(449)	2,724
Total Leases (in R\$)	116,521	2,113	(76)	(2,434)	6,539	(449)	122,214
Total Leases (in US\$)		403	(15)	(465)	1,248	(86)	23,332

  

In R\$	
Current liabilities	23,968
Non-current liabilities	98,246
In US\$	
Current liabilities	4,576
Non-current liabilities	18,756

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

	June 30, 2022	
	US\$	R\$
2023	1,747	9,149
2024	3,166	16,586
2025	3,485	18,256
2026 and thereafter	10,358	54,255
	<u>18,756</u>	<u>98,246</u>

24 Other Liabilities

(i) Current

On June 30, 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\$ 477,550 – US\$ 91,170 (December 31, 2021 – R\$ 521,611).

(ii) Non-Current

On June 30, 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\$ 38,991 (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\$ 152,763 – US\$ 29,164 (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 June 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.

25 Net Capital Deficiency

(a) Capital

On June 30, 2022, the Company's capital of R\$ 448,900 – US\$ 85,701 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.

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(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 June 30, 2022 were as follows:

	US\$	Periods ended June 30	
		2022	2021
			R\$
At the beginning of the period	66,619	348,948	217,887
Carrying value adjustments in investees (i)	19,201	100,577	35,849
Foreign exchange variation on foreign investments (ii)	133,754	700,602	328,405
Foreign exchange variation on net investments abroad (iii)	997	5,225	32,501
At the end of the period	220,571	1,155,352	614,642

(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

	US\$	Periods ended June 30	
		2022	2020
			R\$
Profit (loss) for the year attributable to the Company's stockholders	552	2,889	(683,672)
Weighted average number of shares, per class (In thousands)			
Common shares	448,900	448,900	222,605
Earnings per share			
Common shares	0.001	0.006	(3.071)

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26 Service and Sales Revenue

	Periods ended June 30		
	2022		2021
	US\$		R\$
Services revenues			
Domestic market	138,005	722,871	615,296
Foreign market	204,053	1,068,832	736,748
	342,058	1,791,703	1,352,044
Sales revenues			
Domestic market	1,666	8,728	9,613
Foreign market	6,351	33,260	5,302
	8,017	41,988	14,915
Taxes and contributions on services and sales	(12,384)	(64,866)	(127,901)
Net services and sales revenues	337,691	1,768,825	1,239,058

27 Expenses by Nature

	Periods ended June 30							
	2022				2021			
	Cost of services rendered		General and administrative, and selling expenses		Total	Cost of services rendered		General and administrative, and selling expenses
	R\$	US\$	R\$	US\$	R\$	US\$	R\$	US\$
Raw materials and consumables	(390,299)	(74,513)	(1,782)	(340)	(392,081)	(74,853)	(329,489)	(2,610)
Personnel expenses	(378,518)	(72,264)	(146,555)	(27,979)	(525,073)	(100,243)	(320,349)	(158,636)
Outsourced services (a)	(631,781)	(120,615)	(21,678)	(4,139)	(653,459)	(124,754)	(362,323)	(35,282)
Depreciation and amortization	(9,864)	(1,883)	(18,668)	(3,564)	(28,532)	(5,447)	(11,745)	(22,180)
Provision (reversion) for contingencies	(117)	(22)	18,020	3,440	17,903	3,418	(390)	(28,940)
Losses (reversion) on doubtful accounts	(8,526)	(1,628)	16,885	3,224	8,359	1,596	(987)	133,148
Depreciation of right of use	(740)	(141)	(4,109)	(784)	(4,849)	(925)	(1,346)	(11,896)
Administrative expenses	(125,905)	(24,037)	(62,867)	(12,002)	(188,772)	(36,039)	(116,160)	(94,987)
Other, net	22,952	4,382	(2,712)	(518)	20,240	3,864	(141,859)	(7,639)
Total	(1,522,798)	(290,721)	(223,466)	(42,662)	(1,746,264)	(333,383)	(1,284,668)	(229,022)

(a) Breakdown of Outsourced Services by Nature

	Periods ended June 30		
	2022		2021
	US\$		R\$
Subcontractors	(98,573)	(516,324)	(278,831)
Rental and maintenance of equipment	(8,017)	(41,993)	(22,742)
Cleaning and surveillance	(3,062)	(16,039)	(11,518)
Transportation	(3,799)	(19,901)	(12,124)
Audit and advisory services	(9,904)	(51,875)	(71,196)
Computers and technology	(807)	(4,229)	(833)
Other	(592)	(3,098)	(361)
	(124,754)	(653,459)	(397,605)

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28 Financial Result, Net

	Periods ended June 30	
	2022	2021
	US\$	R\$
Income from financial investments	2,444	12,800
Income (expenses) from foreign exchange variation	39,897	208,983
Financial charges on debts (excluding Bonds)	(2,583)	(13,531)
Lease interest	(1,387)	(7,264)
Bank commissions	(6,082)	(31,858)
Reversion losses from related parties (i)	42,819	224,287
Adjustment value present (excluding Bonds)	(5,212)	(27,299)
Interests - Bonds	(78,002)	(408,574)
Adjustment value present - Bonds	14,478	75,835
Others, net	(438)	(2,295)
	<u>5,934</u>	<u>31,084</u>
		<u>(513,868)</u>

(i) The amount of R\$ 224,287 – US\$ 42,819 refers to the reversion of the allowance for expected losses arising from the foreign exchange variation on credits, as shown in note 13, in the amount of R\$ 207,675 – US\$ 39,648. The difference of R\$ 16,612 – US\$ 3,171 refers to the balance sheet translation adjustment recorded in shareholders' equity.

29 Income Tax and Social Contribution

	2022	2021
	US\$	R\$
Current income tax	(485)	(2,539)
Current social contribution	(174)	(914)
Foreign income tax (branches and subsidiaries) - current	(5,988)	(31,364)
	<u>(6,647)</u>	<u>(34,817)</u>
Deferred income tax	(15,403)	(80,681)
Deferred social contribution	(5,545)	(29,045)
Foreign income tax (branches and subsidiaries) - deferred	61,980	324,651
	<u>41,032</u>	<u>214,925</u>
		<u>59,691</u>

(a) Income Tax in Brazil and Foreign

In the period ended June 30, 2022, the income tax expense is represented mainly by the taxes generated by the operations of the Company in Brazil (R\$ 113,178) – (US\$ 21,607) (June 30, 2021 – R\$ 60,807), Angola R\$ 303,231 – US\$ 57,891 (June 30, 2021 – R\$ 14,199), Panama (R\$ 4,177) – (US\$ 797) (June 30, 2021 – R\$ 943), Peru (R\$ 3,620) – (US\$ 691) (June 30, 2021 – (R\$ 2,105)) and other countries (R\$ 2,147 – US\$ 410) (June 30, 2021 – (R\$ 3,476)).

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30 Collaterals

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

Type of guarantee	Type	June 30, 2022	December 31, 2021
			US\$
Corporate guarantee	Novonor Group Companies (i)	52,082	206,207
	FINAME NSP	303	344
	Loans	164,180	112,878
	Property and Equipment	305	109
	Lease	3,028	3,140
Bank guarantee	Appeal Bond	27,454	13,062
	Performance Bond	49,251	52,483
Guarantee insurance	Advance Payment Bond	336,537	214,717
	Performance Bond	782,472	836,255
	Performance And Payment Bond	29,674	29,674
	Maintenance Bond	516,640	343,092
	Other	46,669	47,613
		<u>2,008,595</u>	<u>1,859,574</u>

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) 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.

Therefore, the guarantee that was originally granted by CNO in favor of ENSEADA was finally extinguished and lost its effectiveness.

Also, due to the agreement, taking into consideration that ENSEADA appears as the only debtor of amounts due to Petrobras, CNO and some of its associates assumed the capacity of guarantor of part of ENSEADA's debt (US\$ 40,827).

31 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.



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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:

		June 30, 2022	December 31, 2021
	US\$		R\$
Brazil	1,948,222	10,204,785	10,912,629
Abroad	4,479,906	23,465,750	30,516,909
	<u>6,428,128</u>	<u>33,670,535</u>	<u>41,429,538</u>

\*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.

\*                      \*                      \*