

OEC S.A.
and its Subsidiaries
Interim Consolidated Financial
Statements as at March 31, 2023

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

			March 31, 2023	December 31, 2022				March 31, 2023	December 31, 2022
	Note	US\$		R\$		Note	US\$		R\$
Assets					Liabilities and net capital deficiency				
Current assets					Current liabilities				
Cash and cash equivalents	6	95,740	486,395	433,800	Debits	19 (a)	85,487	434,308	453,000
Trade accounts receivable	7	236,639	1,202,222	1,502,035	Leases	23	5,105	25,936	25,269
Advances to suppliers, subcontractors and others	8	142,616	724,545	605,606	Suppliers and subcontractors	20	808,583	4,107,927	4,231,897
Taxes recoverable	9	111,258	565,236	519,648	Taxes, fees, salaries and social contributions	21	161,074	818,318	852,316
Inventories	10	52,246	265,429	241,511	Advances from customers	7	353,059	1,793,682	1,634,508
Current accounts with consortium members	11	91,553	465,125	454,451	Current accounts with consortium members	11	98,539	590,617	473,345
Prepaid expenses		4,852	24,648	37,032	Provisions for tax, labor, civil and agreements	22	89,226	453,302	407,804
Other assets	12	131,945	670,342	613,902	Other liabilities	24	124,775	633,899	662,521
		<u>866,849</u>	<u>4,403,942</u>	<u>4,407,985</u>			<u>1,725,848</u>	<u>8,767,989</u>	<u>8,800,660</u>
Non-current assets held for sale	15 (a)	64,523	327,801	334,178	Non-current liabilities				
Non-current assets					Debts	19 (a)	925,062	4,699,685	4,656,984
Financial investments		17,864	90,758	91,959	Leases	23	24,528	124,614	120,873
Related parties	13 (a)	289,917	1,472,894	1,476,083	Suppliers and subcontractors	20	8,686	44,128	50,374
Trade accounts receivable	7	360,208	1,830,000	2,010,737	Taxes, fees, salaries and social contributions	21	6,344	32,228	34,690
Deferred income tax and social contribution	14 (a)	172,940	878,606	904,664	Advances from customers	7	1,330,830	6,761,147	6,959,728
Taxes recoverable	9	25,697	130,550	175,231	Related parties	13 (a)	310,456	1,577,242	1,612,656
Prepaid expenses		1,487	7,553	8,500	Deferred income tax and social contribution	14 (a)	129,514	657,985	713,445
Advances to suppliers, subcontractors and others		3,086	15,678	21,250	Provisions for tax, labor, civil and agreements	22	708,742	3,600,693	3,602,991
Judicial deposits		27,441	139,409	141,814	Provision for net capital deficiency of subsidiaries	16 (b)	192,241	976,663	952,197
Other assets	12	84,133	427,430	436,905	Other liabilities	24	30,204	153,448	134,864
		<u>982,773</u>	<u>4,992,878</u>	<u>5,267,143</u>			<u>3,666,607</u>	<u>18,627,833</u>	<u>18,838,802</u>
Investments					Net capital deficiency				
Associated companies	16 (b)	55,040	279,623	276,719	Capital	25 (a)	88,359	448,900	448,900
Property and equipment	17	93,433	474,677	492,987	Capital transactions		2,631	13,366	13,366
Intangible assets		6,193	31,464	32,596	Carrying value adjustments	25 (b)	365,007	1,854,384	1,486,036
Right of use	18 (a)	7,586	38,539	37,755	Accumulated losses		(3,755,004)	(19,076,924)	(18,658,503)
		<u>1,209,548</u>	<u>6,144,982</u>	<u>6,441,378</u>			<u>(3,299,007)</u>	<u>(16,760,274)</u>	<u>(16,710,201)</u>
Total assets		<u>2,076,397</u>	<u>10,548,924</u>	<u>10,849,363</u>	Non-controlling interest				
							<u>(17,051)</u>	<u>(86,624)</u>	<u>(79,898)</u>
							<u>(3,316,058)</u>	<u>(16,846,898)</u>	<u>(16,790,099)</u>
					Total liabilities and net capital deficiency				
							<u>2,076,397</u>	<u>10,548,924</u>	<u>10,849,363</u>

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

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

		2023		2022
	Note	US\$		R\$
Continuing operations				
Net services and sales revenues	26	145,249	737,922	761,273
Cost of services rendered	27	(154,037)	(782,570)	(677,764)
Gross (loss) profit		(8,788)	(44,648)	83,509
Operating expenses				
General, administrative and selling expenses	27	(25,539)	(129,748)	(128,073)
Other income, net		3,813	19,368	7,229
Operating loss		(30,514)	(155,028)	(37,335)
Results from investments				
Results from equity investments	16 (b)	(8,398)	(42,664)	(325,229)
Financial result				
Financial result, net	28	(28,503)	(144,805)	423,521
Profit (loss) before social contribution and income tax		(67,415)	(342,497)	60,957
Current income tax and social contribution	29	(4,031)	(20,478)	(8,454)
Deferred income tax and social contribution	29	5,906	30,006	192,936
Profit (loss) of continued operations for the period		(65,540)	(332,969)	245,439
Discontinued Operations				
Net loss of discontinued operations for the period	15 (b)	(18,013)	(91,514)	(34,047)
Net profit (loss) for the period		(83,553)	(424,483)	211,392
Attributable to:				
Company's Stockholders		(82,360)	(418,421)	205,691
Non-controlling interest		(1,193)	(6,062)	5,701
		(83,553)	(424,483)	211,392
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)	(0.183)	(0.932)	0.458

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

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

		2023	2022
	Note	US\$	R\$
Net profit (loss) for the period		(83,553)	(424,483)
Other comprehensive income:			
Items to be subsequently reclassified to profit or loss:			
Carrying value adjustment of investees	25 (b)	9,510	48,315
Foreing currency translation adjustment	25 (b)	62,581	317,935
Foreign exchange variation on net investments abroad	25 (b)	412	2,098
Total comprehensive income for the period		<u>(11,050)</u>	<u>(56,135)</u>
Attributable to:			
Company's Stockholders		(9,857)	(50,073)
Non-controlling interest		<u>(1,193)</u>	<u>(6,062)</u>
		<u>(11,050)</u>	<u>(56,135)</u>

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)
Three-month periods ended March 31
In thousands of reais, unless otherwise indicated

		Attributable to Company's Stockholders				Non-Controlling Interest	Total Net Capital Deficiency
		Capital	Capital Transactions	Carrying Value Adjustment	Accumulated Deficit	Total	
Note							
At December 31, 2021		448,900	13,365	348,948	(18,732,621)	(17,921,408)	(18,025,828)
Total comprehensive income for the year:							
Profit for the period - R\$ 0.458 per share	25 (c)				205,691	205,691	211,392
Other comprehensive income	25 (b)			1,996,638		1,996,638	1,996,638
Total comprehensive income (loss) for the period				1,996,638	205,691	2,202,329	2,208,030
Capital transactions with stockholders:							
Other movements of capita transactions			1			1	1
Other movements of non-controlling						(12,209)	(12,209)
At March 31, 2022		448,900	13,366	2,345,586	(18,526,930)	(15,719,078)	(15,830,006)

		Attributable to Company's Stockholders				Non-Controlling Interest	Total Net Capital Deficiency
		Capital	Capital Transactions	Carrying Value Adjustment	Accumulated Deficit	Total	
Note							
At December 31, 2022		448,900	13,366	1,486,036	(18,658,503)	(16,710,201)	(16,790,099)
Total comprehensive loss for the period:							
Loss for the period - (R\$ 0.932) per share	25 (c)				(418,421)	(418,421)	(424,483)
Other comprehensive income	25 (b)			368,348		368,348	368,348
Total comprehensive income (loss) for the period				368,348	(418,421)	(50,073)	(56,135)
Capital transactions with stockholders:							
Other movements of non-controlling						(664)	(664)
At March 31, 2023		448,900	13,366	1,854,384	(19,076,924)	(16,760,274)	(16,846,898)

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OEC S.A. and its Subsidiaries
Interim Consolidated Statement of Changes in Equity (Net Capital Deficiency)
Three-month periods ended March 31
In thousands of U.S. Dollar, unless otherwise indicated

	Note	Capital	Capital Transactions	Carrying Value Adjustment	Accumulated Deficit	Total	Non-Controlling Interest	Total Net Capital Deficiency
At December 31, 2022		88,359	2,631	292,504	(3,672,644)	(3,289,151)	(15,727)	(3,304,878)
Total comprehensive loss for the period:								
Loss for the period - (US\$ 0.183) per share	25 (c)				(82,360)	(82,360)	(1,193)	(83,553)
Other comprehensive income	25 (b)			72,503		72,503		72,503
Total comprehensive income (loss) for the period				72,503	(82,360)	(9,857)	(1,193)	(11,050)
Capital transactions with stockholders:								
Other movements of non-controlling							(131)	(131)
At March 31, 2023		88,359	2,631	365,007	(3,755,004)	(3,299,007)	(17,051)	(3,316,058)

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

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

		2023		2022
	Note	US\$		R\$
Cash flows from operating activities				
Profit (loss) before income tax and social contribution from continued and discontinued operations		(85,428)	(434,011)	26,910
Adjustments:				
Equity in results of investees	16 (b)	8,398	42,664	325,229
Variation in construction contracts revenue		12,739	64,720	(254,036)
Depreciation and amortization	27	2,628	13,350	14,649
Depreciation of right of use	18 (a) / 27	567	2,877	2,421
Residual value of reduction in investments, property and equipment and project expenses		500	2,539	33,255
Present value adjustments	28	3,375	17,144	(64,119)
Impairment on right of use, property and equipment and investments in associates	16 (b) / 18 (a)	(538)	(2,731)	(1,350)
Estimated losses on doubtful accounts accrual, net	27 / 28	(14,861)	(75,501)	(437,695)
Provision for contingencies	27	806	4,094	(8,611)
Interest, monetary and foreing exchange variations and others, net		24,463	124,284	(298,417)
Cash used in operations		(47,351)	(240,571)	(661,764)
Changes in assets and liabilities:				
Financial investments		236	1,201	11,503
Trade accounts receivable		75,825	385,219	287,967
Inventories		(5,573)	(28,313)	11,100
Taxes recoverable		(483)	(2,453)	(12,456)
Prepaid expenses, advances to suppliers, subcontractors and other assets		(48,578)	(246,797)	(154,975)
Suppliers and subcontractors		(11,307)	(57,445)	(84,536)
Advances from customers		20,625	104,785	376,649
Taxes, rates, salaries and payroll charges		(8,237)	(41,849)	(10,454)
Other liabilities		48,811	247,981	(125,681)
Net cash generated by (used in) operating activities from continued operations		23,968	121,758	(362,647)
Net cash used in operating activities from discontinued operations		(272)	(1,380)	(850)
Net cash generated by (used in) operating activities		23,696	120,378	(363,497)
Cash flows from investing activities				
Acquisitions of investments	16 (b)	(10)	(51)	
Acquisitions of property and equipment	17	(1,148)	(5,831)	(44,780)
Acquisitions of intangible assets		(229)	(1,164)	(4,545)
Dividends received	16 (b)	571	2,900	9,919
Net cash used in investing activities		(816)	(4,146)	(39,406)
Cash flows from financing activities				
Related parties				
Repayments		(3,633)	(18,457)	(5,679)
New loans		19	97	1,009
Short and long-term debt, net				
New loans	19 (c)	30,249	153,679	6
Payments of principal	19 (c)	(32,939)	(167,342)	(25,010)
Payments of interest	19 (c)	(2,059)	(10,460)	
Payments of leases	23	(300)	(1,524)	(1,219)
Net cash used in financing activities		(8,663)	(44,007)	(30,893)
Effect of changes in the exchange rate on cash and cash equivalents		(3,864)	(19,630)	712,707
Increase in cash and cash equivalents from continued operations		10,625	53,975	279,761
Decrease in cash and cash equivalents from discontinued operations		(272)	(1,380)	(850)
Cash and cash equivalents at the beginning of the period		85,387	433,800	791,495
Cash and cash equivalents at the end of the period		95,740	486,395	1,070,406

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Financial Statements at March 31, 2023

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

1 Operations

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

The Company is the direct parent company of CNO S.A. ("CNO"), OECI S.A. ("OECI"), OENGER S.A. ("OENGER"), Tenenge Engenharia Ltda. ("Tenenge"), Odebrecht 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, OECI, and Tenenge and indirect CBPO Engenharia Ltda. ("CBPO"), which develop construction projects involving highways, railways, hydroelectric, thermoelectric and nuclear plants, port facilities, dams, refineries and other industrial and infrastructure projects.

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

Abroad, the main projects in activity are: Laúca Hydroelectric Plant, Barra do Dande Oceanic Terminal and Cabinda Refinery Project (Angola), Maintenance of IIRSAS North and South (Peru) 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 in the past few years, the Company was strongly impacted with respect to: (i) social and economic impact of the COVID-19 pandemic, with the downturn of economies, arising mainly from measures taken by governments and withdrawal of private investors, with the postponement of biddings and investments due to the shortage of funds and difficulties in obtaining credit to finance large projects, reduction of the availability of public funds for investments due to the high expenditures with economic stimulus packages, reduction of tax receipts and, consequently, a higher primary deficit, increasing the public debt and unemployment and default rates of smaller entrepreneurs; (ii) identification of the need to recognize provisions for impairment on credits maintained in the Company's subsidiaries with companies of the Novonor Group under court-supervised reorganization; (iii) provisions

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for impairment on credits maintained by the Company's subsidiaries with companies of the Novonor Group that are under court-supervised reorganization, the provisions related to the Company's net assets with the Venezuelan government; and (iv) the recognition of the Bonds as a result of the restructuring of the debt of Novonor Finance Limited ("NFL"), which was guaranteed by the Company.

In order to mitigate the impacts on the cash of the Company and its subsidiaries, management implemented several actions, namely: i) Since 2019, the Company has been going through a geographic restructuring process focused on the countries that have potential construction work contracts for the Company and its subsidiaries; ii) since 2016, the Company has been strengthening its Governance with the members of the Board of Directors and the Committees that Support the Board of Directors (with the participation of independent members); iii) creation of the Internal Audit and Internal Controls departments in 2018 and 2019, respectively; creation of the Integrity Program in 2016 for the purpose of addressing practices and procedures to ensure compliance of the business with the legal requirements and principles of ethical, fair and transparent conduct in corporate duties, 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 (completed in 2021); and ix) production maintenance for the contracts in the portfolio.

Accordingly, as a result of the events mentioned above, the consolidated current liabilities exceeded the consolidated net assets, and the consolidated equity became negative in the amounts of R\$ 4,364,047 – US\$ 858,997 and R\$ 16,846,898 – US\$ 3,316,057, respectively.

In order to reverse the situation described above, the Company's management approved, in December 2022, the Action Plan 2023 – 2027:

The action plan includes the Company's strategic actions and guidance, as well as its advantages, providing complete and sustainable solutions in complex Engineering and Construction projects for infrastructure and industries, with a focus on the main global needs, such as mobility, logistics, sanitation, renewable energy and health and education. Its main markets are Angola, Brazil, the United States, Panama and Peru, also developing selected opportunities in other countries in Africa and Latin America, as follows:

- **Addition of backlog** - expectation of obtainment of new projects in the amount of US\$ 10.2 billion until 2027, in addition to currently having a base of opportunities of approximately 184 projects that total US\$ 23.3 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 – focus on both public and private clients. The Company seeks to play a leading role in energy transition opportunities and it also seeks partnerships in road, port, airport, sanitation and mobility concessions, in addition to strengthening the Tenenge brand, which 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/Panamá: progress in the development of new opportunities with public and private clients, having, as a guideline, the dialogue based on the performance history and environmental, social and economic return that the Company has generated in these countries; 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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- **Strengthening of Engineering and Business Intelligence (performance, efficiency and competitiveness)** - to guarantee the success of the operation in the countries mentioned above, the Company directs its efforts towards: i) strengthening and modernizing the Engineering segment, taking into consideration its contribution to the Company's competitive advantage, defining the corporate structure of support and intelligence in engineering with the improvement of local structures; ii) raising the level of the BIM technology's maturity at the Company through its mass adoption in the construction works of the portfolio, new studies and training programs; iii) prioritizing the maintenance and renewal of technical certifications; iv) ensuring a distinguished position in the energetic transition process, through studies, publications, opportunities and achievements; v) promoting the relationship with Engineering/ Technology companies and suppliers for the qualification of commercial actions of proposals and projects; and vi) repositioning the Company as a leading company in ESG practices, taking advantage of the developments in governance and recovering its status as a distinguished company in social practices, occupational safety and environmental topics.
- **Establishment of strategic partnerships (credits, insurance and guarantees)**: To seek strategic partnerships that can add value to the Company, such as i) working capital and market studies; ii) credits and accesses to guarantees for new projects; iii) reputation and institutional and governmental relationship; iv) complementariness (project and technological), supply of strategic inputs and qualified investors for public-private partnerships and concessions.

Among the strategic directions mentioned above, aimed at the sustainable growth of the Company's operation in the countries where it operates, the Action Plan ("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) renegotiation of trade accounts payable and working capital debts; and iii) sales of investments and monetization of receivables and tax credits; and iii) optimization of the current portfolio cash management.
- **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.

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 a public commitment to society, authorities and other stakeholders to work in an ethical, fair and transparent manner and they have adopted an Integrity Program that is in line with the main global guidelines and best practices of compliance, based on respect for laws and ensuring good conduct based on principles and ethical values.

The Company's Governance follows typical patterns of publicly-listed companies, conducted by a board of directors with the participation of at least 20% of independent members. Currently, the participation of the independent members in the Board of Directors of OEC is 40%. 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.

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

This Integrity Program implemented at OEC, which is continuously assessed and improved, was broadly and intensely monitored, assessed, audited, tested, validated, attested and/or certified, as applicable to each case, by authorities, external auditors, certifying bodies, multilateral banks, etc., including those assessments and monitoring provided for in agreements entered into with the U.S. Department of Justice (DoJ), Brazil's Federal Public Prosecution Office (MPF), the Brazilian Government Accountability Office (CGU), the World Bank, the Inter-American Development Bank (IBD), as well as certifications in recognition of its effectiveness and efficacy, such as the ISO 37001 – Anti-bribery Management Systems, and the Infra+ Integrity Seal, in recognition of the adoption of good governance practices, comprising integrity, ethics, transparency, compliance, social responsibility, sustainability and prevention of fraud and corruption.

Some metrics achieved in the first quarter of 2023 under OEC's Integrity Program include: (i) 1,943 due diligence processes of suppliers were analyzed; (ii) approval of the Annual Training Plan by the Board of Directors, with the target to be assessed by the end of the year for the global participation of 95% of the eligible employees in the training courses on Integrity, and of 100% of the leaders; (iii) 49 reports received in the complaint channel were independently investigated by the Integrity department, generating 8 remediation actions, including 3 dismissals and 2 verbal and written warnings applied, 2 training/communication actions, and 1 of fulfillment of obligations; (iv) in the continuous monitoring of compliance, 114 actions for testing and checking processes, 85 registrations of third parties had their contracting processes reviewed with respect to integrity requirements, 10 processes of contracting or promotion of employees were reviewed to check compliance with the integrity assessment requirements and 17 contracting processes were reviewed for the check of potential conflicts of interests reported.

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, 2022, except for the standards and amendments to standards in effect on January 1, 2023, as listed below, which did not have a significant impact on the Company's consolidated interim financial statements.

- New IFRS 17 (CPC 50), Insurance Contracts – in effect as from January 1, 2023.
- Amendments to IFRS 10 and IAS 28 (CPC 36(R3) and CPC 18(R2), respectively), Sale or contribution of assets between an investor and its associate or joint venture – undefined effectiveness.
- Amendment to IAS 1 (CPC 26(R1)), Classification of liabilities as current or non-current – in effect as from January 1, 2023.
- Amendment to IAS 1 (CPC 26(R1)), Disclosure of accounting policies – in effect as from January 1, 2023.
- Amendment to IAS 8 (CPC 3), Disclosure of accounting estimates – in effect as from January 1, 2023.

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

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

These consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2022.

2.1 Basis of Preparation

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

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

2.2 Consolidated Companies

The interim consolidated financial statements of the Company and its subsidiaries in which the following direct and indirect control is held as of March 31, 2023:

	Country	Direct Holding (%)	
		March 31, 2023	December 31, 2022
CNO	Brazil	97,71	97,71
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
Odebrecht Overseas Limited ("OOL")	Bahamas	100,00	100,00

	Country	Indirect Holding (%)	
		March 31, 2023	December 31, 2022
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	Mexico	100,00	100,00
Construtora Norberto Odebrecht S.A. - Moçambique	Mozambique	100,00	100,00
CNO S.A. - Panamá	Panama	100,00	100,00
CNO S.A. - Peru ("CNO Suc. Peru")	Peru	100,00	100,00
Construtora Norberto Odebrecht S.A. - República Dominicana	Dominican Republic	100,00	100,00
Construtora Norberto Odebrecht S.A. - Uruguai	Uruguay	100,00	100,00
Construtora Norberto Odebrecht S.A. - Venezuela	Venezuela	100,00	100,00
Libyan Brazilian Construction and Development Company	Libya	60,00	60,00
Odebrecht de Argentina S.A.	Argentina	100,00	100,00
Odebrecht Industrial, Inc.	USA	100,00	100,00
Bento Pedroso Construções, S.A.	Portugal	100,00	100,00

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	Country	Indirect Holding (%)	
		March 31, 2023	December 31, 2022
CBPO	Brazil	100,00	100,00
CBPO Engenharia Ltda. - Argentina	Argentina	100,00	100,00
CBPO Engenharia Ltda. - Chile	Chile	100,00	100,00
CBPO Engenharia Ltda. - Colômbia	Colombia	100,00	100,00
CBPO Engenharia Ltda. - 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
CNODE S.A.	Ecuador	100,00	100,00
Construtora 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
OEC USA, 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
OEC P.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
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

2.3 Foreign Currency Translation

(a) Functional and Presentation Currency

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

(b) Transactions and Balances

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

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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	March 31, 2023	December 31, 2022
Angola	American Dollar	5.0804	5.2177
Argentina	Argentinian Peso	0.0243	0.0296
Colombia	Colombian Peso	0.0011	0.0011
Cuba	Cuban Peso	0.2117	0.2174
USA	American Dollar	5.0804	5.2177
Mexico	Mexican Peso	0.2819	0.2667
Panama	Balboa	5.0804	5.2177
Peru	New Sol	1.3520	1.3783
Portugal	Euro	5.5244	5.5694
Dominican Republic	Dominican Pesos	0.0929	0.0933

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 March 31, 2023 local currency financial statements, using the exchange rate prevailing on that date of R\$ 5.0804 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 significantly affect the consolidated interim financial statements were presented in the consolidated financial statements of the Company for the year ended December 31, 2022 in Note 3.

The assumptions and estimates used in the preparation of the consolidated interim financial statements for the quarter ended March 31, 2023 did not change significantly in relation to those in effect on December 31, 2022.

4 Financial Risk Management

4.1 Financial Risk Factors

The information related to the financial risk management was presented in the Company’s annual consolidated financial statements for the year ended December 31, 2022 in Note 4 and did not change for the quarter ended March 31, 2023.

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5 Financial Instruments by Category

	Assets measured at fair value through profit or loss	Amortized cost	Total R\$	Total US\$
March 31, 2023				
Assets, according to the balance sheet				
Cash and banks		386,949	386,949	76,165
Short-term deposits	99,446		99,446	19,575
Financial investments		90,758	90,758	17,864
Current accounts with consortium members		465,125	465,125	91,553
Trade accounts receivable, judicial deposits and other assets	60,978	4,208,425	4,269,403	840,366
Non-current assets held for sale	327,801		327,801	64,523
Related parties	367,951	1,104,943	1,472,894	289,917
	<u>856,176</u>	<u>6,256,200</u>	<u>7,112,376</u>	<u>1,399,963</u>
Liabilities, according to the balance sheet				
Debts		5,133,993	5,133,993	1,010,549
Leases		150,550	150,550	29,633
Suppliers, subcontractors and other liabilities		4,939,402	4,939,402	972,248
Current accounts with consortium members		500,617	500,617	98,539
Related parties		1,577,242	1,577,242	310,456
		<u>12,301,804</u>	<u>12,301,804</u>	<u>2,421,425</u>
		Assets measured at fair value through profit or loss	Amortized cost	Total R\$
December 31, 2022				
Assets, according to the balance sheet				
Cash and banks			325,322	325,322
Short-term deposits		108,478		108,478
Financial investments			91,959	91,959
Current accounts with consortium members			454,451	454,451
Trade accounts receivable, judicial deposits and other assets		55,071	4,650,322	4,705,393
Non-current assets held for sale		334,178		334,178
Related parties		371,758	1,104,325	1,476,083
		<u>869,485</u>	<u>6,626,379</u>	<u>7,495,864</u>
Liabilities, according to the balance sheet				
Debts			5,109,984	5,109,984
Leases			146,142	146,142
Suppliers, subcontractors and other liabilities			5,079,656	5,079,656
Current accounts with consortium members			473,345	473,345
Related parties			1,612,656	1,612,656
			<u>12,421,783</u>	<u>12,421,783</u>

6 Cash and Cash Equivalents

		March 31, 2023	December 31, 2022
	US\$		R\$
High Liquidity	16,854	85,623	204,540
Cash - countries (i)	69,754	354,377	201,120
Consortia (ii)	9,132	46,395	28,140
	<u>95,740</u>	<u>486,395</u>	<u>433,800</u>

(i) 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.

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

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7 Trade Accounts Receivable and Advanced from Customers

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

														March 31, 2023				December 31, 2022													
Accounts receivable and billing rights														Advanced from customers and liability contract		Accounts receivable and billing rights														Advanced from customers and liability contract	
R\$														US\$		R\$														US\$	
R\$														US\$		R\$														US\$	
Main countries		Accounts receivable (I)	Billing rights	Allowance for expected losses from doubtful accounts	Total	Advanced from customers (I) (II)		Liability Contract (I)	Total	Accounts receivable (II)	Billing rights	Allowance for expected losses from doubtful accounts	Total	Adiantamento de Clientes (I) (II)		Passivos de Contratuais (I)		Total													
Angola (II)		669,510	841,558	(211,658)	1,299,410	255,769	790,902	2,786,927	3,577,829	704,242	822,557	884,008	(231,638)	1,474,927	769,962	2,805,914	3,575,876														
Brasil		34,930	1,233,992	(374,865)	894,057	175,982	352,522	28,866	381,388	75,070	176,219	1,244,819	(373,517)	1,047,521	255,970	48,834	304,804														
EUA		116,740	579	(116,129)	1,190	234							(119,267)																		
Panamá		409,982	27,981	(7,264)	430,699	84,777	48,610	52,559	10,345	476,243	44,120	(6,599)	517,764	4,055	68,195	72,250															
Peru		258,455		(161,838)	96,517	18,998	164,304	32,341	301,165				(166,606)	135,560	170,179																
Rep. Dominicana		315,438		(304,977)	10,461	2,059	107,460	107,460	21,132	349,892			(313,461)	36,431		110,775															
Outros (iv)		2,882,565	272,434	(2,855,111)	299,888	59,028	4,259,726	1,553	840,739	2,950,369	282,923	(2,932,723)	300,569	4,358,856	1,496	4,360,352															
		4,687,620	2,376,544	(4,091,942)	3,032,222	596,847	5,581,403	2,973,426	8,554,829	1,683,889	5,195,712	2,453,870	(4,138,810)	3,512,772	5,559,022	3,035,214	8,594,236														
				Current	1,202,222	236,639			1,793,682	353,059				1,502,035			1,634,508														
				Non-Current	1,830,000	360,208			6,761,147	1,330,830				2,010,737			6,959,728														

(i) This refers to advances from customers usually received upon the signing of contracts for the performance of certain construction works that are honored with the provision of services established in the contracts over the performance period stipulated in the contracts. 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.

(ii) The balances of related parties are presented in the “Trade accounts receivable” and “Advances from customers” accounts in the amounts of R\$ 361,961 – US\$ 71,247 (December 31, 2022 – R\$ 417,243) and R\$ 169,605 – US\$ 33,384 (December 31, 2022 – R\$ 176,577), respectively, in accordance with Note 13 (b).

(iii) Includes: i) Trade accounts receivable and Unbilled rights in the amount of R\$ 52,644 – US\$ 10,362 (December 31, 2022 – R\$ 217,426); and ii) Advances from customers and Contract liabilities in the amount of R\$ 752,450 – US\$ 148,108 (December 31, 2022 – R\$ 764,739), related to the billing of Bento Pedrosa Construções S.A. (“BPC”), a subsidiary of OECI (subsidiary of the Company), on the construction works in Angola.

(iv) This includes mainly Venezuela, Libya and Argentina.

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8 Advances to suppliers, subcontractors and others

		March 31, 2023	December 31, 2022
	US\$		R\$
Brazil	25,631	130,217	23,609
Abroad (i)	116,985	594,328	581,997
Total	142,616	724,545	605,606

(i) On March 31, 2023, the balances abroad are represented mainly by advances to suppliers of projects in Angola, Ghana and the Dominican Republic, which totaled 85% (December 31, 2022 – 93%).

9 Taxes Recoverable

	March 31, 2023			December 31, 2022			
		R\$	US\$			R\$	
	Brazil	Abroad	Total	Total	Brazil	Abroad	Total
Offset - assets							
Prepayment of income tax	14,482	98,967	113,449	22,331	12,053	70,631	82,684
Indirect taxes	39,528	287,213	326,741	64,314	39,228	326,775	366,003
Taxes withheld at source	12,686	26,254	38,940	7,665	19,090	1,506	20,596
Other (i) (ii)	212,375	4,281	216,656	42,645	222,094	3,502	225,596
	279,071	416,715	695,786	136,955	292,465	402,414	694,879
		Current assets	565,236	111,258			519,648
		Non-current assets	130,550	25,697			175,231

(i) On March 31, 2023, the Company maintains recorded the amount of R\$ 117,517 – US\$ 23,131 (December 31, 2022 – R\$ 146,749), related to social security credits, in its assets, segregated between current in the amount of R\$ 29,140 – US\$ 5,736 and non-current in the amount of R\$ 88,377 – US\$ 17,396. 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).

(ii) On March 31, 2023, the Company had recorded in its assets the amount of R\$ 65,344 – US\$ 12,862, related to a tax credit authorized in December 2022 in the amount of R\$ 52 million, arising from a claim for which a final and unappealable decision was awarded, in which the reduction of expenses included in the tax basis of income tax and social contribution for the period from 1988 to 1991, paid between May 1993 and December 1994, was discussed.

10 Inventories

		March 31, 2023	December 31, 2022
	US\$		R\$
Materials to be used in construction (i)	34,448	175,011	141,396
Marketable properties (ii)	15,214	77,291	84,979
Imports and exports in progress	1,503	7,638	8,280
In transit inventories	597	3,034	3,265
Advances to suppliers	484	2,455	3,591
	52,246	265,429	241,511

(i) This refers mainly to materials to be used in projects: Prosub (Brazil), North/South IIRSA (Peru). Lauca projects and Barra do Dande Oceanic Terminal (Angola).

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(ii) These mainly refer to inventories of real estate properties for sale in Angola.

11 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 March 31, 2023, and December 31, 2022, the balances of assets and liabilities are presented through net realizable value, as follows:

	Current assets			Current liabilities		
		March 31, 2023	December 31, 2022		March 31, 2023	December 31, 2022
Main countries	US\$		R\$	US\$		R\$
Brazil (i)	47,763	242,655	240,360	17,437	88,587	89,698
Ghana	15,512	78,806	79,445			
Panama	14,249	72,392	74,348	8,250	41,913	43,046
Portugal	3,164	16,075	16,222			
Dominican Republic	10,865	55,197	44,076			
Others				72,852	370,117	340,601
	91,553	465,125	454,451	98,539	500,617	473,345

(i) On March 31, 2023, includes the amount of R\$ 89,217 – US\$ 17,561 (December 31, 2022 – R\$ 89,022) related to a transaction with a related party is included in this line, as presented in Note 13 (a).

12 Other Assets

On March 31, 2023, the balances of other assets in current and non-current assets are of different natures, including:

i) debit notes and invoices issued against companies of the Novonor Group amounting to R\$ 346,162 – US\$ 68,137 (December 31, 2022 – R\$ 338,659), as mentioned in Note 13 (b);

ii) 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\$ 35,332 – US\$ 6,955 (December 31, 2022 – R\$ 35,068), attributable to the Company.

(iii) Equity of CNO Colombia Branch in the amount of R\$ 20,051 – US\$ 3,947 (December 31, 2022 – R\$ 10,468). 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.

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13 Related parties

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

	December 31, 2022	Additions (iii)	Interests	Exchange Variation	Reversion (provision) for losses	Adjustment to present value	Transfers / Offsets	March 31, 2023
Current asset								
Current accounts with consortium members								
Novonor Serviços e Participações S.A. - under judicial recovery ("NSP") (formerly named OSP)	89,022	195						89,217
Total - Companies under judicial recovery (i) (note 10)	89,022	195						89,217
Non-current asset								
Novonor Group Companies								
Novonor	166,850		401	(3,864)	3,315			166,702
Novonor International Corporation ("NVNIC") (formerly named ODBIC)	46,688		4,995	(1,237)	(4,629)			45,817
Novonor Finance Limited ("NFL") (formerly named OFL)	804,555			(21,777)	21,318			804,096
Total - Companies under judicial recovery (i)	1,018,093		5,396	(26,878)	20,004			1,016,615
Other NPI consolidated companies (formerly named OPI) (ii)	20,040	3,057	236	(588)				22,745
Novonor Properties Investimentos S.A. ("Novonor Properties") - Subsidiaries	548							548
Biocom – Cia de Bioenergia de Angola Ltd. - "Biocom" (c)	371,758		9,778	(9,928)		(3,657)		367,951
Complexo Maracanã Entretenimento S/A	861							861
Consorcio Constructor Ductos Del Sur	15,235			(453)				14,782
Consorcio Constructor Chavimochic		640	23	(126)				537
Odebrecht Engenharia	46,843			(46,802)	46,201			46,242
Others	2,705			(56)			(36)	2,613
Total - Other Group companies	457,990	3,697	10,037	(57,953)	46,201	(3,657)	(36)	456,279
Total Assets - related parties (in R\$)	1,476,083	3,697	15,433	(84,831)	66,205	(3,657)	(36)	1,472,894
Total Assets - related parties (in US\$)		728	3,038	(16,698)	13,031	(720)	(7)	289,917

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	December 31, 2022	Additions (iv)	Disposals (iii)	Interests	Exchange Variation	March 31, 2023
Non-current liabilities						
Novonor Group Companies						
Novonor	153,529		(597)			152,932
NVNIC (formerly named ODBIC)	46,689			366	(1,237)	45,818
NSP (formerly named OSP)	870,950					870,950
Total - Companies under judicial recovery (i)	1,071,168		(597)	366	(1,237)	1,069,700
Other NPI consolidated companies (formerly named OPI) (ii)	423,505	97	(9,512)	1,589	(9,799)	405,880
Consorcio Constructor Ductos Del Sur	38,520	205	(435)		(1,645)	36,645
Consorcio Constructor Chavimochic	1,159	423	(500)		(40)	1,042
Horiens Consultoria e Corretora de Seguros Ltda	30,812		(5,175)	13		25,650
Horiens Ltda	10,541		(8,932)	23	(84)	1,548
Odebrecht Realizações ("OR")	6,497					6,497
Odebrecht Engenharia	24,432					24,432
Others	6,022	3,282	(3,282)	-	(174)	5,848
Total - Other Group companies	541,488	4,007	(27,836)	1,625	(11,742)	507,542
Total Liabilities - related parties (in R\$)	1,612,656	4,007	(28,433)	1,991	(12,979)	1,577,242
Total Liabilities - related parties (in US\$)		789	(5,597)	392	(2,555)	310,456

(i) The balance of net liabilities of Company and subsidiaries with related parties and other transactions with related parties that are in judicial recovery amount to R\$ 40,081 – US\$ 7,889.

(ii) This refers to balances with consolidated companies of Novonor Participações e Investimentos S.A. – In Judicial Recovery ("NPI"), that are not in judicial recovery, such as: Odebrecht Latinvest Peru SAC, Odebrecht Latinvest Luxemburgo, Odebrecht Energia Del Peru, Technik Invest 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.

(iii) In 2023, the Company paid the amount of R\$ 32,130 – US\$ 6,324 with a cash effect of R\$ 18,457 – US\$ 3,633, as an intercompany loan, mainly to Horiens.

(iv) In 2023, the Company received the amount of R\$ 4,007 – US\$ 789, with a cash effect of R\$ 97 – US\$ 19, as an intercompany loan for subsequent contribution to its main investees, CNO, OEI and Tenenge.

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(b) Other Transactions with Related Parties:

	December 31, 2022	Additions	Disposals	Interests	Adjustment to present value	Exchange Variation	March 31, 2023
Current and non-current asset							
Accounts receivable							
NSP (formerly named OSP)	4						4
Edifício Odebrecht RJ S.A.	5						5
NPE (Novonor Participações em Engenharia)	271						271
Total - Companies under judicial recovery	280						280
Other NPI subsidiaries (formerly named OPI) (iii)	136,408		(36,194)			(2,965)	97,249
Consorcio Construtor Chavimochic - Peru	375					(9)	366
Biocom (c)	22,130		(34)		4,298	(3,961)	22,433
SPV Andrade Gíttierrez Odebrecht Ltd ("SPV")	76,204	1,484				(2,038)	75,650
Odebrecht Ambiental Participações	128						128
Novonor Defesa e Tecnologia	95	5,705	(5,705)				95
Braskem S.A. ("Braskem")	8,745	68,520	(76,686)				579
Novonor Properties - Subsidiaries (i)	89,947						89,947
Novonor Energia Investimentos S.A. ("Novonor Energia") - Subsidiaries (ii)	12,768						12,768
Odebrecht Realizações	23,886						23,886
Odebrecht Engenharia	32						32
Other - Assets	46,245	167	(7,809)			(55)	38,548
Total - Other Group companies	416,963	75,876	(126,428)		4,298	(9,028)	361,681
Total (in R\$) (Note 7)	417,243	75,876	(126,428)		4,298	(9,028)	361,961
Total (in US\$)		14,935	(24,885)		846	(1,777)	71,247
Other Assets							
Novonor	2,196	488	(624)			(31)	2,029
NPI (formerly named OPI)	1,392	200	(20)				1,572
NSP (formerly named OSP)	969	104	(132)				941
NPE (Novonor Participações em Engenharia)	67	264	(283)				48
Novonor Properties	5,398	484	(59)				5,823
Edifício Odebrecht RJ S.A.	272						272
Novonor Energia	2,601	137	(11)				2,727
Atvos - Agroindustrial S.A. ("Atvos")	269						269
Total - Companies under judicial recovery (iv)	13,164	1,677	(1,129)			(31)	13,681
Other NPI subsidiaries (formerly named OPI)	28,651	1,817	(422)			(463)	29,583
Biocom (c)	32,941	4,159			3,317	(1,872)	38,545
Odebrecht Ambiental Participações	3,384	44	(122)				3,306
Braskem	1,169						1,169
OTP - Investees	51,867	318	(288)	2,614		(32)	54,479
OR	33,797	2,352					36,149
Novonor Energia - Investees	2,511	21					2,532
Ocyan S.A.	116	30	(129)				17
Odebrecht Defesa e Tecnologia	2,341	52	(99)				2,294
Odebrecht Engenharia	10,122	16	(14)			(222)	9,902
AOT Pipelines S.A.P.I. DE C.V.	1,996					(24)	1,972
Sociedade de Desenvolvimento Mineiro ("SDM")	155,600	12				(4,094)	151,518
Concessionaria Rio Barra	304						304
Other - Assets	696	274	(263)			4	711
Total - Other Group companies (iv)	325,495	9,095	(1,337)	2,614	3,317	(6,703)	332,481
Total (in R\$)	338,659	10,772	(2,466)	2,614	3,317	(6,734)	346,162
Total (in US\$)		2,120	(485)	515	653	(1,325)	68,137

(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, such as: Concessionaria Iirsa Norte (R\$ 60,843– US\$ 11,976) and Odebrecht Peru Operaciones Y Servicios SAC (R\$ 28,420 – US\$ 5,594).

(iv) As mentioned in Note 13, they refer to debit notes and invoices issued against companies of the Novonor Group in the amount of R\$ 346,162 – US\$ 68,137 (December 31, 2022 – R\$ 338,659).

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	December 31, 2022	Additions	Disposals	Exchange Variation	Transfers	March 31, 2023
Current liabilities						
Suppliers						
Novonor	11,665			(149)	(3,872)	7,644
NSP (formerly named OSP)	22,628		(665)		(16,008)	5,955
Novonor Properties	42					42
Edifício Odebrecht RJ S.A.	41,860					41,860
Atvos	870					870
Total - Companies under judicial recovery (vi)	77,065		(665)	(149)	(19,880)	56,371
Braskem México	1,647		(7)	(18)		1,622
AOT Pipelines S.A.P.I. DE C.V.	21,454			(248)		21,206
SPV	213,665	12,343		(5,916)		220,092
Odebrecht Engenharia	6,438			(210)		6,228
Other - liabilities	1,279	28	(28)			1,279
Total - Other Group companies (vi)	244,483	12,371	(35)	(6,392)		250,427
Total (in R\$)	321,548	12,371	(700)	(6,541)	(19,880)	306,798
Total (in US\$)		2,435	(138)	(1,287)	(3,913)	60,389
Advances from Customers						
Other NPI subsidiaries (formerly named OPI) (v)	169,787	30,233	(32,517)	(3,661)		163,842
Novonor Energia - Investees	6,752		(1,027)			5,725
Others	38					38
Total - Other Group companies (Note 7)	176,577	30,233	(33,544)	(3,661)		169,605
Total (in R\$)	176,577	30,233	(33,544)	(3,661)		169,605
Total (in US\$)		5,951	(6,603)	(721)		33,384
Other Liabilities						
Novonor	242				3,872	4,114
OSP					16,008	16,008
Total - Companies under judicial recovery	242				19,880	20,122
OR	5,209	1,565				6,774
Other NPI subsidiaries (formerly named OPI)	5,290	1,139	890	(105)		7,214
SDM	51,476			(1,355)		50,121
Other - liabilities	119					119
Total - Other Group companies	62,094	2,704	890	(1,460)		64,228
Total (in R\$)	62,336	2,704	890	(1,460)	19,880	84,350
Total (in US\$)		532	175	(287)	3,913	16,603

(v) This refers to companies Concessionaria Iirsa Norte, Odebrecht Peru Operaciones y Servicios SAC, Concessionaria Chavimochic S.A.C and Concessionaria Iirsa Sur Tramo 3.

(vi) The total balances of suppliers with related parties adds up to R\$ 306,798 – US\$ 60,389 (December 31, 2022 – R\$ 321,548).

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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 August 19, 2022 and September 14, 2022, Biocom, together with local banks (Banco Angolano de Investimentos – BAI, Banco de Fomento Angola – BFA and Banco Econômico – BE), entered into the third amendment to the Credit Line Opening contract.

On March 31, 2023, the fair value of the credits with Biocom was measured based on the estimated payment of the restructured debt. The amount of the credits adjusted at present value is R\$ 428,929 - US\$ 84,428 million (December 31, 2022 - R\$ 426,829 - US\$ 81,804 million).

(d) Compensation of key Management Personnel

	March 31, 2023			December 31, 2021		
	Statutory Executive Board	Board of Directors	Total	Statutory Executive Board	Board of Directors	Total
Compensation (i)	2,355	780	3,135	2,154	1,071	3,225
Short-term compensation (ii)	37	2	39	28	3	31
Benefits – Pension plan	61		61	53		53
In R\$	2,453	782	3,235	2,235	1,074	3,309
In US\$	483	154	637			

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

(ii) 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 Extraordinary General Stockholders’ Meeting held on May 19, 2023, the total amount related to management compensation, of R\$ 37,132 – US\$ 7,309, was approved for the calendar year 2023 and it includes Short-Term Incentives and Long-Term Incentives.

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14 Deferred Income Tax and Social Contribution

(a) Recognition of Deferred Income Tax and Social Contribution

Nature of the credits	Non-current assets		Non-current liabilities	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
	US\$	R\$	US\$	R\$
Income tax losses	13,633	69,262	6	28
Social contribution loss carryforwards	1,993	10,127		
	15,626	79,389	6	28
Temporary differences				
Provisions	130,309	662,022	20	102
Foreign exchange variation			104,419	530,492
Adjustment to present value	21,538	109,422		
Government agencies			12,209	62,025
Other	5,467	27,773	12,860	65,338
	172,940	878,606	129,514	657,985
				713,445

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

On March 31, 2023, 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

	March 31, 2023	December 31, 2022
US\$		R\$
Rutas de Lima SAC ("Rutas de Lima") (i)	60,328	312,453
Property and equipment held for sale (Peru) (ii)	4,195	21,725
	64,523	334,178

(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.

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On January 30, 2023, Rutas de Lima received a notice in which the concession authority (Municipalidad Metropolitana de Lima - "MML") announced its decision to terminate the Concession Agreement of the Vías Nuevas de Lima Project ("Concession Agreement") due to alleged "reasons of public interest".

The termination indicated in the notice issued by MML will not be effective before the completion of a procedure for which a period of 180 days is provided, during which the amount and form of payment of a consideration for the investment made will be established.

Since an arbitration process had already been initiated by the concessionaire to seek compensation for impacts caused to the concession by previous acts of MML, Rutas de Lima sought from the arbitration panel the issuance of a provisional remedy to suspend the contract termination procedure (and added a request related to the termination decision). The arbitration panel has not yet reached a decision on the provisional remedy request, but it has determined that MML should abstain from taking actions that could interfere in the matter under discussion for the time being.

The Company is closely monitoring and requesting from Rutas de Lima all the information on the analyses, strategies and initiatives related to the topic, so as to assess additional actions that would allow for the mitigation of risks and the provision of a solution.

(ii) Property and equipment – The Company designated as Non-current assets held for sale equipment located in Peru, in accordance with the sales plan, which is measured at the lower of the historical cost net of depreciation and the realizable value of such property and equipment.

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

	Periods ended March 31		
	US\$	2023	2022
CNO S.A. - Sucursal Venezuela (i)	(17,693)	(89,890)	(53,554)
CNO S.A. - Sucursal Colômbia (ii)	(609)	(3,096)	
CBPO Ingeniería de Venezuela C.A. (i)	69	353	12,096
CBPO Ltda. - Sucursal Venezuela (i)	220	1,119	7,411
	(18,013)	(91,514)	(34,047)
Loss of discontinued operations for the period – per share	(0.040)	(0.204)	(0.076)

(i) This refers to the discontinuation of the operations of the Company's branch and subsidiary in Venezuela, amounting to R\$ 88,418 – US\$ 17,404 substantially refers to exchange variation losses on assets and liabilities in foreign currency.

(ii) This refers to discontinued operations of CNO S.A. – Sucursal Colômbia substantially tied to exchange variation.

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16 Investments

(a) Information on the Main Investees

	March 31/ December 31	Company's interest %	Total assets		Liabilities (Current and Non-current)		Equity (Net capital deficiency)		Revenue		Net income	
			R\$	US\$	R\$	US\$	R\$	US\$	R\$	US\$	R\$	US\$
NSP Investimentos S.A. - Under Judicial Recovery ("NSPInv") (i) (ii)	2023	41.47	4,191,707	825,074	12,376,071	2,436,043	(8,184,364)	(1,610,968)	15,590	3,069	(329,456)	(64,849)
	2022	41.47	3,960,717		11,421,195		(7,460,478)		90,346		(1,115,493)	
SDM (ii)	2023	50.00	56,996	11,219	185,471	36,507	(128,475)	(25,288)			12	2
	2022	50.00	58,536		190,460		(131,924)				365	
CTO - Concessionária Travessa Olmos	2023	36.32	370,434	72,914	250,341	49,276	120,093	23,638	42,201	8,307	12,936	2,546
	2022	36.32	388,073		271,803		116,270		161,016		4,993	
Elos Ligações de Alta Velocidade S.A.	2023	13.04	896,793	176,520	166,695	32,811	730,098	143,709				
	2022	13.04	904,098		168,053		736,045					
SPV	2023	50.00	(49,387)	(9,721)	(134,800)	(26,533)	85,413	16,812	21,102	4,154	3,494	688
	2022	50.00	(46,501)		(130,722)		84,221		157,734		9,830	
Kulanda Malls	2023	30.00	111,421	21,931	41,937	8,255	69,484	13,677			14,027	
	2022	30.00	114,431		43,070		71,361		4,329			
Biocom	2023	40.00	3,803,027	748,568	(2,410,705)	(474,511)	61,427	12,091	61,427	12,091	(126,365)	(24,873)
	2022	40.00	3,936,744		6,286,241		(2,349,497)		491,257		(849,645)	
AOT Pipelines	2023	33.34	42,660	8,397	(22,633)	(4,455)	65,292	12,852			(3,558)	(700)
	2022	33.34	41,918		(23,277)		65,195		4,875		(3,719)	
Chavimochic	2023	20.00	24,507	4,824	3,870	762	20,636	4,062	3,745	737	(4,545)	(895)
	2022	20.00	29,486		3,827		25,659		8,902		(58,449)	
Etileno XXI Holding B.V.	2023	50.00	67,931	13,371	280	55	67,651	13,316				
	2022	50.00	68,484		282		68,202				(7)	
Etileno XXI Services B.V.	2023	40.00	129,984	25,585	2,915	574	127,069	25,012				
	2022	40.00	133,497		2,994		130,503				(1,558)	

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

(ii) On March 31, 2023, 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, 2022	Additions	Dividends	Retained earnings (accumulated deficit) adjustments	Equity in the results of investees (i)	Translation adjustments	Impairment	March 31, 2023
CTO - Concessionária Travase Olmos	36.32	Peru	42,229		(2,094)		4,698	(1,216)		43,617
Etileno XXI Holding B.V.	50.00	Netherlands	8,587					(69)		8,518
Etileno XXI Services B.V.	40.00	Netherlands	36,989					(299)		36,690
Grand Parkway	50.00	USA	7,522				2,733	(257)		9,998
SPV	50.00	Ghana	42,111				1,747	(1,151)		42,707
AOT Pipelines	33.34	Mexico	21,736				(1,186)	1,219		21,769
ELOS - Ligação de Alta Velocidade S.A.	13.04	Portugal	96,010					(776)		95,234
Kulanda Malls	30.00	Angola	21,410					(563)		20,847
Chavimochic	20.00	Peru					(909)	(96)	1,005	
Other investments			125	51	(806)	(2)	882	(7)		243
Total investments - Associates (in R\$)			276,719	51	(2,900)	(2)	7,965	(3,215)	1,005	279,623
Total investments - Associates (in US\$)				10	(571)		1,568	(633)	198	55,040

Provision for net capital deficiency	Company's interest %	Country	December 31, 2022	Additions	Dividends	Retained earnings (accumulated deficit) adjustments	Equity in the results of investees (i)	Translation adjustments	Impairment	March 31, 2023
B.SABOR - Bento Pedroso Const. e Lena	50.00	Portugal	(12,051)					97		(11,954)
Biocom	40.00	Angola	(939,799)				(50,546)	26,062		(964,283)
Other			(347)				(83)	4		(426)
Total provision for net capital deficiency (in R\$)			(952,197)				(50,629)	26,163		(976,663)
Total provision for net capital deficiency (in US\$)							(9,966)	5,150		(192,241)

(a) Equity in the results of investee adds up to (R\$ 42,664) – (US\$ 8,398).

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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	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		20,903	12,663	1,845	2,595	2,517		4,257	44,780
Disposals		(28,219)	(3,916)	(7)	(86)	(34)	(1,484)	499	(33,247)
Transfers		(1)	(10)	(15)	11	(3)		18	
Depreciation		(2,271)	(2,349)	(2,020)	(1,404)	(315)		(2,879)	(11,238)
Exchange variation	(5,741)	(48,786)	(4,267)	(2,090)	(1,559)	(408)	(13)	(1,828)	(64,692)
Accounting balance	35,482	272,539	43,874	36,705	14,493	4,385	39	52,853	460,370
Cost	35,482	366,118	581,223	210,552	114,548	79,735	39	218,537	1,606,234
Accumulated depreciation		(93,579)	(537,349)	(173,847)	(100,055)	(75,350)		(165,684)	(1,145,864)
At March 31, 2022 - R\$	35,482	272,539	43,874	36,705	14,493	4,385	39	52,853	460,370
Annual depreciation rates (%)		4	20	25	10	20		up to 10	

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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	38,766	372,407	631,763	207,183	120,784	84,834	559	186,822	1,643,118
Accumulated depreciation		(100,662)	(580,612)	(169,665)	(105,770)	(76,579)		(116,843)	(1,150,131)
At December 31, 2022	38,766	271,745	51,151	37,518	15,014	8,255	559	69,979	492,987
Additions			3,204	457	381	334	1	1,454	5,831
Disposals		(51)	(4,267)	(142)	(242)	(3)		2,147	(2,558)
Transfers		(2)	(32)		34				
Depreciation		(2,085)	(1,950)	(2,001)	(1,141)	(635)		(3,183)	(10,995)
Exchange variation	(900)	(7,006)	(733)	(452)	(301)	(137)	(10)	(1,049)	(10,588)
Accounting balance	37,866	262,601	47,373	35,380	13,745	7,814	550	69,348	474,677
Cost	37,866	362,761	609,590	195,061	117,581	76,865	550	182,625	1,582,899
Accumulated depreciation		(100,160)	(562,217)	(159,681)	(103,836)	(69,051)		(113,277)	(1,108,222)
At March 31, 2023 - R\$	37,866	262,601	47,373	35,380	13,745	7,814	550	69,348	474,677
At March 31, 2023 - US\$	7,453	51,689	9,325	6,964	2,705	1,538	108	13,651	93,433
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	69,902	2,010	571	72,483
Accumulated depreciation	(36,864)	(1,977)	(527)	(39,368)
At December 31, 2021	33,038	33	44	33,115
Additions	1,079		110	1,189
Disposals	(8)			(8)
Impairment	1,350			1,350
Depreciation	(2,301)		(120)	(2,421)
Foreign currency translation adjustment	(352)			(352)
Accounting balance	32,806	33	34	32,873
Cost	71,302	1,098	681	73,081
Accumulated depreciation	(38,496)	(1,065)	(647)	(40,208)
At March 31, 2022 - R\$	32,806	33	34	32,873
Annual amortization rates (%)	4	up to 17	5	

	Building lease	Machinery and equipment lease	Vehicles and Ships lease	Total
Cost	84,113	1,098	925	86,136
Accumulated depreciation	(46,378)	(1,098)	(905)	(48,381)
At December 31, 2022	37,735		20	37,755
Additions	2,095			2,095
Disposals	19			19
Impairment	1,726			1,726
Depreciation	(2,859)		(18)	(2,877)
Foreign currency translation adjustment	(179)			(179)
Accounting balance	38,537		2	38,539
Cost	87,372	1,098	925	89,395
Accumulated depreciation	(48,835)	(1,098)	(923)	(50,856)
At March 31, 2023 - R\$	38,537		2	38,539
At March 31, 2023 - US\$	7,585			7,586
Annual depreciation 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	March 31, 2023	December 31, 2022
						US\$	R\$
Royal Bank of Scotland	Cayman Islands	US\$	Investment	ECA	Fixed interest 10,25% + EV	8,979	45,615
Banco Internacional de Crédito	Angola	KWA	Operational	Short-term debts	Libor 6M + 2,00% p.y Spread (21,34%)	1,803	9,162
Banco Millennium Atlântico	Angola	KWA	Operational	Short-term debts	Libor 1M + 2,75% p.y Spread (21,29%)	11,251	57,159
Novo Banco	Portugal	€	Operational	Long-term debt	EURIBOR (6M) + Spread 6%	16,884	85,776
Banco do Brasil	Brazil	R\$	Operational	Short-term debts	CDI + 3%	7,181	36,482
Banco do Brasil	Brazil	R\$	Operational	ACC	Fixed interest 7.43%	30,095	152,899
Banco Daycoval	Brazil	R\$	Investment	Short-term debts	Fixed interest 19.73%		203,428
						76,193	414,863
Abbreviations:							
					Bonds - OEC Finance (b)	934,356	4,746,900
						1,010,549	5,133,993
EURIBOR - Euro Interbank Offered Rate	EV - Exchange Variation						
LIBOR - London Interbank Offered Rate	US\$ - American Dollar						
KWA - Kwanza (Angola currency)	€ - Euro				Current liabilities	85,487	434,308
ACC - Advances on Exchange Contracts	R\$ - Brazilian Reais						453,000
					Non-current liabilities	925,062	4,699,685
							4,656,984

On March 31, 2023, the financing with the Royal Bank of Scotland (RBS) in the amount of R\$ 45,615 – US\$ 8,979 was past due and recorded in accordance with the contractual clauses. This amount is being negotiated with the financial institutions so as to establish the new conditions and terms for the amortization of the balances.

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(b) Bonds OEC Finance

			March 31, 2023	
Bond	Due date	Compensation	US\$	R\$
Bond 2024	2024	Coupon of 7.000% p.a.	47,404	240,830
Bond 2026	2026	Coupon of 5.125% p.a.	86,955	441,764
Bond 2027	2027	Coupon of 6.000% p.a.	63,135	320,750
Bond 2029	2029	Coupon of 4.375% p.a.	304,120	1,545,050
Bond 2033	2033	Coupon of 5.250% p.a.	305,756	1,553,361
Bond 2046	2046	Coupon of 7.125% p.a.	566,530	2,878,197
Perpetual Bond	Perpetual	Coupon of 7.500% p.a.	513,679	2,609,695
Transaction costs			(15,765)	(80,092)
Adjustment to present value - Bonds OEC Finance			(937,457)	(4,762,655)
			<u>934,357</u>	<u>4,746,900</u>

On January 20, 2021, OEC Finance issued Bonds that were exchanged for the guarantee previously offered by CNO, OECI and Odebrecht Engenharia e Construção to the bondholders of Novonor Finance Limited (“NFL”).

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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(c) Changes in Debts

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

	December 31, 2022	Additions	Principal amortization	Interest amortization	Provision of interests	Transaction Costs amortization	Exchange Variation	Adjustment to present value	March 31, 2023
Brazil	203,545	153,679	(156,909)	(8,224)	3,172		(5,882)		189,381
Portugal	86,475						(699)		85,776
Angola	78,712		(10,433)				(1,958)		66,321
Cayman Islands	46,131				714		(1,230)		45,615
Bonds - New issues	9,672,945			(2,236)	177,496		(258,558)		9,589,647
Bonds - Adjustment to present value - New Issues	(4,893,851)						128,829	2,367	(4,762,655)
Bonds - Transaction costs	(83,973)					1,710	2,171		(80,092)
Total Loan and Finance Debts (in R\$)	5,109,984	153,679	(167,342)	(10,460)	181,382	1,710	(137,327)	2,367	5,133,993
Total Loan and Finance Debts (in US\$)		30,249	(32,939)	(2,059)	35,702	337	(27,031)	466	1,010,549

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

Bonds	March 31, 2023	
Payment schedule	US\$	R\$
Year 2023		
Year 2024	94,101	478,071
Year 2025	89,596	455,184
Year 2026	234,110	1,189,371
Year 2027	208,311	1,058,303
Year 2028	129,189	656,332
Year 2029	472,587	2,400,931
Year 2030 and thereafter	3,393,865	17,242,192
Principal amount and interests (i)	4,621,759	23,480,384
(-) Discount to present value	(3,680,932)	(18,700,607)
(-) Transaction costs	(15,765)	(80,092)
Total debt balance	925,062	4,699,685

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

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

	March 31, 2023	December 31, 2022
US\$		R\$
Local currency (Reais)	37,277	189,381
Foreign currency (U.S. Dollars)	943,334	4,792,515
Foreign currency (Kwanza)	13,054	66,321
Foreign currency (Euro)	16,884	85,776
	1,010,549	5,133,993
		5,109,984

(d) 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.

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20 Suppliers and Subcontractors

				March 31, 2023	December 31, 2022
	Current	Overdue - 1 - 90 days	Overdue - 91 -365 days	Overdue more than 365 days (i)	Total
Brazil	74,548	83,056	26,826	117,582	302,012
Abroad (ii)	951,380	256,135	120,144	2,522,384	3,850,043
Total (in R\$)	1,025,928	339,191	146,970	2,639,966	4,152,055
Total (in US\$)	201,938	66,765	28,929	519,637	817,269
				Current liabilities (R\$)	4,107,927
				Current liabilities (US\$)	808,583
				Non-current liabilities (R\$)	44,128
				Non-current liabilities (US\$)	8,686
					4,231,897
					50,374

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.

(i) Additionally, of this amount, R\$ 306,798 – US\$ 60,389 (December 31, 2022 – R\$ 321,548) is a balance with related parties, in accordance with Note 13 (b).

(ii) CNO and other subsidiaries of the Company were sued in arbitration proceeding before the Trade Chamber of Lima, in Peru, related to the collection of debt with supplier (counterpartie), contracted by Consórcio Construtor Ductos del Sur ("CCDS") within 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. On May 23, 2022, the Arbitration Report was issued, with an addendum on July 1, 2022, ordering the defendants to pay the approximate amount of US\$ 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 of defense.

21 Taxes, Fees, Salaries and Social Contributions

		March 31, 2023	December 31, 2022
	US\$		R\$
Labor obligations			
Brazil	17,784	90,350	100,152
Abroad	50,718	257,668	252,273
	68,502	348,018	352,425
Tax obligations (a)			
Brazil	26,729	135,792	134,824
Abroad	72,187	366,736	399,757
	98,916	502,528	534,581
	167,418	850,546	887,006
Current liabilities	161,074	818,318	852,316
Non-current liabilities	6,344	32,228	34,690

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(a) Breakdown by nature of the tax liabilities:

		March 31, 2023	December 31, 2022
	US\$		R\$
Liabilities - payable			
Income tax and Income tax withheld at source	72,537	368,515	355,585
Indirect taxes	13,211	67,117	106,834
Financing (i)	10,661	54,161	58,888
Other	2,507	12,735	13,274
	<u>98,916</u>	<u>502,528</u>	<u>534,581</u>

(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 Security Contribution on Gross Revenue ("CPRB"), 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\$ 105,936 – US\$ 20,852 and, by March 31, 2023, R\$ 59,744 – US\$ 11,760 had been settled. Of the remaining balance of R\$ 54,161 – US\$ 10,661 recorded in liabilities, R\$ 46,191 – US\$ 9,092 refers to the principal amount and the adjustment by the accumulated basic Selic rate amounting to R\$ 7,970 – US\$ 1,569.

22 Provisions for tax, labor, civil and agreements with authorities

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:

- **Probable obligations** – those in which there is a legal obligation (or not) as a consequence of a past event and the financial impacts of which (i) can be reliably determined and (ii) the outflow of cash is probable. The cases/processes that fall into this definition are accounted for as a provision with a specific note, as presented below:

	March 31, 2023			December 31, 2022		
	Tax, labor and civil contingencies (b)	Agreements (a)	Total	Tax, labor and civil contingencies (b)	Agreements (a)	Total
In R\$						
Current liabilities		453,302	453,302		467,804	467,804
Non-current liabilities	1,252,929	2,347,764	3,600,693	1,269,887	2,333,104	3,602,991
In US\$						
Current liabilities		89,226	89,226			
Non-current liabilities	246,620	462,122	708,742			

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(a) Leniency Agreement with Brazilian and Foreign Authorities

Brazil

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 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 the Company became the subsidiary guarantor of these obligations.

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 over a period of 22 years, and this amount will be substantially deducted 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.

On November 9, 2022, the Company and Novonor entered into a Leniency Agreement with the Attorney’s Office of the State of Minas Gerais (“AGE/MG”) and the General Accountability Office of the State of Minas Gerais (“CGE/MG”), with the intervention of the Public Prosecution Office of the State of Minas Gerais (“MPE/MG”). In addition to the Leniency Agreement, a Non-Civil Persecution Agreement was entered into by the Public Prosecution Office of the State of Minas Gerais (“MPE/MG”) and the Company and Novonor companies, with the intervention of the General Accountability Office of the State of Minas Gerais (“CGE/MG”) and the Attorney’s Office of the State of Minas Gerais (“AGE/MG”). Under these agreements, the Company undertook to pay the amount of R\$ 202 million – which will be partially deducted from the R\$ 3,828 billion established in the agreement entered into with the Federal Public Prosecution Office (“MPF”) – in a period of twenty-one (21) years, with Novonor appearing as the guarantor of the payment.

The Company’s direct subsidiary CNO has already signed leniency agreements and instruments of termination of conduct with CADE’s General Superintendency (“CADE”) and continues to negotiate with CADE the signing of other Instruments of Termination of Conduct. Furthermore, the Company is a party to administrative proceedings that are in progress before the CADE in which alleged anti-competition conducts are being investigated. The Company is exercising its right of defense and will have the opportunity to take to court the issues with which it does not agree.

• **Abroad**

On September 4, 2019, an agreement with the IDB was announced in which it was stipulated the ban on CNO and some of its wholly-owned subsidiaries, except the branches and subsidiaries in Africa, from contracting projects financed by IDB until August 1, 2024, and it was agreed-upon the payment of a monetary contribution in the amount of US\$ 50 million starting 2024.

With respect to the leniency agreements or similar collaboration instruments entered into with foreign entities, Company has a recorded balance of R\$ 1,407,840 – US\$ 277,112 on March 31, 2023, for the payment of the fines provided for in said agreements.

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Despite the commitment and disposal of the Company and its subsidiaries to enter into new leniency agreements or similar collaboration instruments with foreign authorities in conditions that are compatible with the situation of the Company and its subsidiaries, it has not been possible to this date to make viable the execution of such agreements.

(b) Tax, labor and civil contingencies:

		March 31, 2023	December 31, 2022
	US\$		R\$
Labor	77,426	393,353	393,754
Tax (i)	135,536	688,576	701,987
Civil	46,740	237,458	240,604
	259,702	1,319,387	1,336,345
(-) Judicial deposits	(13,082)	(66,458)	(66,458)
	<u>246,620</u>	<u>1,252,929</u>	<u>1,269,887</u>

(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, drawn up tax deficiency notices in the total amount of R\$ 435,433 – US\$ 85,708, adjusted on March 31, 2023, no change compared to December 31, 2022.

- **Possible Obligations** – those in which it is more probable that there will not be an outflow of resources for the settlement of the obligations because there is not a sure and enforceable contingency against the Company. The cases/processes that fall into this definition are not accounted for as a provision and, depending on their relevance, a specific note is presented, as shown below:

		March 31, 2023	December 31, 2022
	US\$		R\$
Labor (i)	52,044	264,403	287,619
Tax (ii)	1,412,086	7,173,960	7,109,652
Civil (iii)	1,619,100	8,225,681	8,124,706
Total provision for contingencies	<u>3,083,230</u>	<u>15,664,044</u>	<u>15,521,977</u>

(i) Labor

There are many labor claims filed against the Company and its subsidiaries, including consortiums, and each concessionaire is responsible for the equivalent to its share. 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.

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(ii) Tax

• **Brazil**

The main contingencies of the Company and its subsidiaries 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\$ 451,964 for the collection of Income Tax Withheld at Source ("IRRF") related 2012. The company raised an objection, which was denied on August 14, 2018, and a Voluntary Appeal was filed against the decision. On November 17, 2022, the hearing of the appeal was resumed. The notification to CNO regarding its outcome is still pending.
- 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 (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 R\$ 2,109,418 – US\$ 415,207, and the case is presently awaiting the appointment of a judge-rapporteur at the Superior Court of Tax Appeals to decide the Special Appeal filed by the Company, with regard to this remaining portion.

- In November 2022, a Tax-Deficiency Notice was issued against CNO related to the determination of the result of foreign investees, in the sum of R\$ 1,017,793. Out of this amount, R\$ 765 million refers to an ex officio fine for alleged inaccuracies in ancillary obligations, mostly concerning the reversal of the result of a subsidiary in Venezuela, which started to post a loss in the period. The remainder of the deficiency notice refers to the consolidation method of the results of foreign investees. An objection to the Tax-Deficiency Notice was filed, which is pending decision.
- Currently, the total amount of the disputes related to profit abroad is R\$ 4,244,661 – US\$ 835,497.
- 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\$ 530,067 – US\$ 104,336 and the cases are still pending a final administrative decision.
- The only legal dispute refers to the application of international treaties, amounting to R\$ 24 million – US\$ 5 million. There is already a favorable decision cancelling the totality of the debt and the case is awaiting judgment by the appellate court.

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

- **México**

The main tax contingencies of the Company and its subsidiaries in Mexico (CNO Mexico Branch, Ethylene XXI Contractors and Odebrecht Servicios Integrales de Mexico) refer to the collection of Income Tax and Value-Added Tax on income that was not taxed in 2013, 2014 and 2015 arising from operations such as remittances of funds from the parent company and foreign exchange contracts, in addition to alleged labor obligations (utilities). Currently, the total amount of the disputes related to this topic is R\$ 1,246,340 – US\$ 245,323.

The companies against which a deficiency notice was issued filed motions for nullity (*“demandas de nulidade”*) to the Federal Administrative Justice Court (TFJA) and are still awaiting a decision. Only one motion for nullity (*“demanda de nulidade”*), related to a tax deficiency notice in the amount of R\$ 80,856, was denied by the TFJA in February 2022. A Protective Order was filed against the above mentioned decision and the defendant company will be able to avoid embargoes of accounts, to the extent that it obtains a judicial guarantee.

Mexico’s public audit authority and magistrate’s office (*“Secretaria de la Función Pública – SFP”*) imposed administrative sanctions against CNO Mexico Branch and OICIMEX due to alleged irregularities in the performance/assignment of the Tula II Contract with Pemex. The companies challenged their respective deficiency notices at the federal courts and, in June 2022, two of the three administrative penalties imposed against the companies controlled by the Company in Mexico were set aside, and only penalty challenged, amounting to R\$ 144,948, is awaiting decision.

(iii) Civil

- **Brazil**

CNO, OECI and CBPO were sued in proceedings aimed at the annulment of acts/contracts, reimbursement/payment of alleged damage caused to the public administration and the imposition of sanctions provided for by laws and regulations, in particular:

- 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\$ 3,756,008 – US\$ 739,313 and the share related to OECI corresponds to the approximate amount of R\$ 751 million – US\$ 148 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.
- Administrative Improbability Action filed by the São Paulo State Public Prosecution Office against CBPO, CNO and others, related to the performance of urban cleaning services. Despite the final and unappealable decision, the impact on the CBPO and CNO 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 gave arise, also, to the proposition of a rescissory action by CBPO and CNO.
- 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.

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- Tax foreclosures filed by the State of Rio de Janeiro arising from a joint administrative adverse ruling 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, State of Rio de Janeiro. Currently, Consórcio Construtor Rio Barra and Consórcio Construtor Linha 4 Sul are parties to foreclosures that total R\$ 52,932, and CNO holds a 33% interest in these consortiums. The foreclosures are being duly challenged.
- Administrative adverse ruling by the Federal Audit Court related to an alleged overpricing in the construction works of BR163/PA, which was jointly imposed on Consórcio Construtor BR-163, CNO and others, in the amount of R\$ 278,362, and CNO's share CNO corresponds to approximately R\$ 181,512. The Consortium and CNO, supported by external advisors and legal experts, believe they have significant legal grounds to reverse the guilty verdict and have already filed a legal proceeding in this respect.

Additionally, 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 or awaiting 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 panels 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\$ 98,000 – US\$ 19,290 and contingencies receivable in the amount of R\$ 40,000 – US\$ 7,873 and the expectation of realization for all of them is considered possible, which could lead to a contingency amount payable of R\$ 58,000– US\$ 11,416, after the offset of the amounts receivable.

• **Colombia**

The Procuraduría General de La Nación (Nation's Public Prosecution Office – “PGN”) filed a public civil action against Concesionaria Rutas Del Sol (“Rutas del Sol”), their stockholders OLI Colombia, CNO (which has a 25.1% interest in the concessionaire) and other stockholders, 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\$ 771,477.

The Company filed an appeal, 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 and other stockholders. After the completion of the preliminary hearing stage, SIC penalized all of those investigated and determined the correspondent amount of: R\$ 94,627 for CNO, 94,627 for NPI and a total of R\$ 3,417 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.

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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 CNO Venezuela Branch, with respect to Metro Caracas – Viviendas Mariche – relating to the execution of a guarantee on advances received that have not been amortized, in addition to the alleged non-performance of a contract, whose exposure to loss is estimated at R\$ 198,213. The proceeding is currently in progress in the lower court.

- **Ecuador**

The Contraloría General del Estado (General Controller's Office – "CGE") determined the application of deductions related to the contracts performed by CNO Ecuador Branch. CNO filed the applicable legal proceedings to appeal the decisions of the CGE, and the adjusted amount of which is R\$ 85,804. It is worth noting that the Corte Nacional de Justicia (National Court of Justice) issued a Resolución (Resolution) on November 9, 2021 for mandatory compliance by the judicial branch, determining that all proceedings of this nature that have exceeded the legal deadline of 180 days counted from the beginning of the control process until the notification of the parties of their outcome must be considered null and void. In this respect, CNO has already obtained some favorable decisions in the proceedings where such non-compliance occurred, which resulted in the reduction of the contingency since the last position.

The state-owned company Petróleos del Ecuador – PETROECUADOR filed a lawsuit to settle a dispute over the unilateral resolution on the contract arising from alleged non-compliance with obligations of the CNO S.A. Branch in Ecuador within the scope of the Poliducto Pascuales Cuenca pipeline project and to claim resulting damages and losses in the total amount of R\$ 1,468,151. It is worth mentioning that CNO's preliminary request to dismiss the lawsuit on the grounds of lis pendens was not accepted despite the existence of a previous lawsuit filed by CNO that addresses exactly the same matter, but for the purpose of annulling the unilateral termination of the contract and charging for the services provided and the resulting damages and losses in the amount of US\$ 174 million. The lawsuit is pending judgment upon the merits.

- **Peru**

The Technical Free Competition Defense Department of INDECOPI imposed a sanction, at the lower administrative court, against CNO and OPIC in the amount of 25,350.63 Impositive Tax Units (UITs), which is equivalent, in 2022, to R\$ 160,728 as a result of a sanctioning administrative proceeding due to alleged anti-competitive practices in public tenders carried out by the Ministry of Transport. The Company's defense is based, particularly, on the existence of a Leniency Agreement in Peru, which revealed the facts that gave rise to this sanctioning proceeding, with benefits that would prevent the company from being sued using the evidence presented by it. 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 double jeopardy rule. In December 2021, the Company filed an administrative appeal with the Free Competition Defense Court, with a suspensive effect.

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23 Leases

	Brazil	Abroad	Total
At December 31, 2021 - R\$	112,293	4,228	116,521
Additions	979	73	1,052
Payments	(555)	(664)	(1,219)
Interests	3,132	106	3,238
Foreign currency translation adjustment		(752)	(752)
At March 31, 2022 - R\$	115,849	2,991	118,840
In R\$			
Current liabilities			22,873
Non-current liabilities			95,967
	Brazil	Abroad	Total
At December 31, 2022 - R\$	140,254	5,888	146,142
Additions	1,470	26	1,496
Payments	(1,524)		(1,524)
Interests	4,307	281	4,588
Foreign currency translation adjustment		(152)	(152)
At March 31, 2023 - R\$	144,507	6,043	150,550
At March 31, 2023 - US\$	28,444	1,189	29,633
In R\$			
Current liabilities			25,936
Non-current liabilities			124,614
In US\$			
Current liabilities			5,105
Non-current liabilities			24,528

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

	March 31, 2023	
	US\$	R\$
2024	1,389	7,057
2025	4,041	20,531
2026	5,600	28,449
2027 and thereafter	46,373	235,597
	57,403	291,634
(-) Adjustment to present value	(32,875)	(167,020)
	24,528	124,614

The Company and its subsidiaries adopted its incremental loan rate as its lease liability discount rate. The discount rate considered for the calculation of the present value of the lease contracts was 14.8%, which represents the interest rate on securities of companies that are in similar conditions as the Company.

24 Other Liabilities

(i) Current

On March 31, 2023, 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\$ 391,918 – US\$ 77,143 (December 31, 2022 – R\$ 419,484).

25 Net Capital Deficiency

(a) Capital

On March 31, 2023, the Company's capital of R\$ 448,900 – US\$ 88,359 is fully subscribed and paid-up entirely by Brazilian corporations and comprised 448,899,790 (December 31, 2022 – 448,899,790), registered common shares with no par value.

(b) Carrying Value Adjustments

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

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	Period ended March 31		
	2023		2022
	US\$		R\$
At the beginning of the period	292,504	1,486,036	348,948
Carrying value adjustments in investees (i)	9,510	48,315	33,884
Foreign exchange variation on foreign investments (ii)	62,581	317,935	1,949,902
Foreign exchange variation on net investments abroad (iii)	412	2,098	12,852
At the end of the period	365,007	1,854,384	2,345,586

(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) Earnings per Share

	Period ended March 31		
	2023		2021
	US\$		R\$
Net profit (loss) for the year attributable to the Company's stockholders	(82,360)	(418,421)	205,691
Weighted average number of shares, per class (In thousands)			
Common shares	448,900	448,900	448,900
Earnings per share			
Common shares	(0.183)	(0.932)	0.458

26 Service and Sales Revenue

	Period ended March 31		
	2023		2022
	US\$		R\$
Services revenues			
Domestic market	58,714	298,293	356,260
Foreign market	90,464	459,592	422,081
	149,178	757,885	778,341
Sales revenues			
Domestic market	1,806	9,174	4,021
Foreign market	63	319	11,084
	1,869	9,493	15,105
Taxes and contributions on services and sales	(5,798)	(29,456)	(32,173)
Net services and sales revenues	145,249	737,922	761,273

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27 Expenses by Nature

Period ended March 31								
2023						2022		
	Cost of services rendered		General and administrative, and selling expenses		Total		Cost of services rendered	
	R\$	US\$	R\$	US\$	R\$		R\$	US\$
Raw materials and consumables	(123,262)	(24,262)	(667)	(131)	(123,929)	(24,393)	(147,304)	(643)
Personnel expenses	(196,094)	(38,598)	(80,270)	(15,800)	(276,364)	(54,398)	(190,855)	(80,916)
Outsourced services (a)	(385,025)	(75,786)	(21,768)	(4,285)	(406,793)	(80,071)	(312,037)	(11,794)
Depreciation and amortization	(5,693)	(1,121)	(7,657)	(1,507)	(13,350)	(2,628)	(5,056)	(9,593)
Provision (reversion) for contingencies	17	3	(4,111)	(809)	(4,094)	(806)	(46)	8,557
Losses (reversion) on doubtful accounts	(127)	(25)	9,640	1,897	9,513	1,872	578	6,176
Depreciation of right of use	(359)	(71)	(2,518)	(496)	(2,877)	(567)	(428)	(1,998)
Administrative expenses	(72,990)	(14,367)	(12,417)	(2,444)	(85,407)	(16,811)	(31,337)	(31,386)
Other, net	953	190	(9,980)	(1,954)	(9,017)	(1,774)	8,721	(6,581)
Total	(782,570)	(154,037)	(129,748)	(25,539)	(912,318)	(179,576)	(677,764)	(128,073)

(a) Breakdown of Outsourced Services by Nature

Period ended March 31						
2023				2022		
		R\$	US\$			R\$
	Cost of services rendered		General and administrative, and selling expenses	Total	Cost of services rendered	
	R\$	US\$			R\$	US\$
Subcontractors	(338,363)		7,772	(330,591)	(262,484)	8,292
Rental and maintenance of equipment	(23,375)			(23,375)	(24,680)	
Cleaning and surveillance	(4,630)		(341)	(4,971)	(7,276)	(688)
Transportation	(8,817)			(8,817)	(8,603)	
Audit and advisory services	(5,858)		(29,199)	(35,057)	(6,171)	(19,398)
Computers and technology	(1,689)			(1,689)	(332)	(1,684)
Other	(2,293)			(2,293)	(1,139)	
Total	(385,025)	(21,768)	(406,793)	(80,071)	(312,037)	(11,794)

28 Financial Result, Net

Period ended March 31			
		2023	2022
		US\$	R\$
Income from financial investments	1,261	6,407	4,959
Income from foreign exchange variation	16,156	82,078	249,242
Financial charges on debts (excluding Bonds)	(1,368)	(6,952)	(6,651)
Lease interest	(868)	(4,408)	(3,565)
Bank commissions	(1,725)	(8,763)	(25,375)
Reversion of provision losses from related parties (i)	12,989	65,988	430,941
Adjustment value present (excluding Bonds)	(2,909)	(14,777)	22,599
Interests - Bonds	(34,937)	(177,496)	(209,045)
Adjustment value present - Bonds	(466)	(2,367)	41,520
Others, net	(16,636)	(84,515)	(81,104)
Total	(28,503)	(144,805)	423,521

(i) The amount of R\$ 65,988 – US\$ 12,989 refers to the reversion of provision of losses from related parties, arising from the foreign exchange variation on such credits, as shown in note 13, in the amount of R\$ 66,205 – US\$ 13,031. The difference of R\$ 217 – US\$ 43 refers to the balance sheet translation adjustment recorded in shareholders' equity.

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29 Income Tax and Social Contribution

	Period ended March 31		
	2023		2022
	US\$		R\$
Current income tax	(1,913)	(9,717)	(2,283)
Current social contribution	(689)	(3,498)	(822)
Foreign income tax (branches and subsidiaries) - current	(1,429)	(7,263)	(5,349)
	<u>(4,031)</u>	<u>(20,478)</u>	<u>(8,454)</u>
Deferred income tax	3,857	19,597	(40,996)
Deferred social contribution	1,389	7,055	(14,758)
Foreign income tax (branches and subsidiaries) - deferred	660	3,354	248,690
	<u>5,906</u>	<u>30,006</u>	<u>192,936</u>

(a) Income Tax in Brazil and Foreign

In the period ended March 31, 2023, the income tax expense is represented mainly by the taxes generated by the operations of the Company in Brazil R\$ 13,437 – US\$ 2,645 (March 31, 2022– R\$ 58,859), Angola R\$ 7,510 – US\$ 1,478 (March 31, 2022 – (R\$ 245.510)), Panama R\$ 746 – US\$ 147 (March 31, 2022 – R\$ 3.225), Peru (R\$ 5,808) – (US\$ 1,143) (March 31, 2022– (R\$ 5,687)), Argentina R\$ 1,553 – US\$ 306 (March 31, 2022– R\$ 4,611) and other countries (R\$ 91) – (US\$ 18) (March 31, 2022– R\$ 21).

30 Collaterals

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

Type of guarantee	Type	March 31, 2023	December 31, 2022
		US\$	
Corporate guarantee	Novonor Group Companies (i)	44,460	43,608
	FINAME NSP	99	184
	Loans	193,761	193,674
	Property and Equipment	516	555
	Lease	2,758	2,758
Bank guarantee	Appeal Bond	39,364	35,669
	Payment Bond	49,286	49,284
Guarantee insurance	Advance Payment Bond	248,758	244,482
	Performance Bond	647,423	620,248
	Performance And Payment Bond	29,674	29,674
	Maintenance Bond	504,429	516,676
	Other	35,208	48,509
		<u>1,795,736</u>	<u>1,785,321</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.

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(i) In April 2022, Enseada Indústria Naval S.A. – In Judicial Recovery (“ENSEADA”), the 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\$ 41,719).

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.

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:

		December 31, 2022	December 31, 2021
	US\$		R\$
Brazil	855.938	4.348.506	10.912.629
Abroad	4.104.407	20.852.027	30.516.909
	4.960.345	25.200.533	41.429.538

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

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

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