

OEC S.A.
and its Subsidiaries
Interim Consolidated Financial
Statements as at March 31, 2021

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

		March 31, 2021	December 31, 2020		March 31, 2021	December 31, 2020	
	Note	US\$	R\$		Note	US\$	
Assets				Liabilities and Net Capital Deficiency			
Current Assets				Current liabilities			
Cash and Cash Equivalents	6	79,417	452,460	Debts	17	81,524	464,465
Trade Accounts Receivable	7	404,472	2,304,397	Leases	21	5,024	28,625
Advances to Suppliers, Subcontractors and Others		6,855	39,055	Suppliers and Subcontractors	18	877,252	4,997,966
Taxes Recoverable	8	101,066	575,802	Taxes, Fees, Salaries and Social Contributions	19	149,777	853,323
Inventories	9	72,850	415,051	Advances from Customers	7	136,115	775,488
Current Accounts with Consortium Members		78,792	448,901	Current Accounts with Consortium Members		91,242	519,833
Prepaid Expenses		8,365	47,658	Provisions for Tax, Labor, Civil and Others Contingencies	20	125,655	715,897
Other Assets	10	134,887	768,507	Other Liabilities	22	63,361	360,986
		<u>886,704</u>	<u>5,051,831</u>			<u>1,529,950</u>	<u>8,716,583</u>
Non-current assets held for sale and discontinued operations	13 (a)	63,289	360,576	342,039		<u>12,615,026</u>	
Non-Current Assets				Non-Current Liabilities			
Long-term Receivables				Debts	17	785,185	4,473,437
Financial investments		18,207	103,732	Leases	21	15,920	90,702
Related Parties	11	2,535,494	14,445,468	Suppliers and Subcontractors	18	8,051	45,870
Trade Accounts Receivable	7	360,033	2,051,215	Taxes, Fees, Salaries and Social Contributions	19	5,998	34,175
Deferred Income Tax and Social Contribution	12 (a)	209,698	1,194,712	Advances from Customers	7	1,448,506	8,252,574
Taxes Recoverable	8	5,577	31,772	Related Parties	11	473,878	2,699,824
Prepaid Expenses		3,512	20,007	Deferred Income Tax and Social Contribution	12 (a)	192,057	1,094,207
Other Assets	10	147,373	839,629	Provisions for Tax, Labor, Civil and Others Contingencies	20	809,532	4,612,146
		<u>3,279,894</u>	<u>18,686,535</u>	Provision for net capital deficiency of subsidiaries	14 (b)	54,504	310,524
				Other Liabilities	22	135,514	772,065
						<u>3,929,145</u>	<u>22,385,524</u>
Investments				17,320,546		<u>16,706,504</u>	
Associated Companies	14 (b)	53,685	305,861	294,477	Net Capital Deficiency		
Property and Equipment	15	114,249	650,909	618,029	Capital	23 (a)	78,792
Intangible Assets		9,056	51,593	56,406	Carrying Value Adjustments	23 (b)	7,829
Right of use	16 (b)	12,058	68,696	75,437	Accumulated Losses		(1,112,280)
		<u>3,532,231</u>	<u>20,124,170</u>	18,706,934		<u>(1,025,659)</u>	<u>(5,287,814)</u>
					Non-Controlling Interest		(14,501)
						<u>(1,040,160)</u>	<u>(5,418,846)</u>
Total Assets		<u>4,418,935</u>	<u>25,176,001</u>	23,902,684	Total Liabilities and Net Capital Deficiency		<u>4,418,935</u>
						<u>25,176,001</u>	<u>23,902,684</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

		2021	
	Note	US\$	R\$
Continuing operations			
Net services and sales revenues	24	114,798	654,039
Cost of services rendered	25	(98,820)	(563,009)
Gross profit		15,978	91,030
Operating expenses			
General, administrative and selling expenses	25	(13,462)	(76,698)
Other income (expenses), net		(162)	(921)
Operating loss		2,354	13,411
Results from investments			
Results from equity investments	14 (b)	(4,487)	(25,566)
Financial result			
Financial result, net	26	(91,930)	(523,751)
Loss before social contribution and income tax		(94,063)	(535,906)
Current income tax and social contribution	27	(1,250)	(7,124)
Deferred income tax and social contribution	27	5,678	32,350
Loss of continued operations for the period		<u>(89,635)</u>	<u>(510,680)</u>
Discontinued Operations			
Net income of discontinued operations for the period	13 (b)	14,310	81,529
Loss for the period		<u>(75,325)</u>	<u>(429,151)</u>
Attributable to:			
Company's Stockholders		(67,118)	(382,396)
Non-controlling interest		(8,207)	(46,755)
		(75,325)	(429,151)
Basic losses per share from continuing and discontinuing operations attributable to stockholders at the end of the year (in R\$ and US\$ per share)	23 (c)	<u>(0.150)</u>	<u>(0.852)</u>

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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

		2021	
	Note	US\$	R\$
Loss for the period		(75,325)	(429,151)
Other comprehensive income:			
Items to be subsequently reclassified to profit or loss:			
Carrying value adjustment of investees	23 (b)	6,425	36,605
Foreing currency translation adjustment	23 (b)	(22,157)	(126,233)
Foreign exchange variation on net investments abroad	23 (b)	(14,683)	(83,651)
Total comprehensive loss for the period		<u>(105,740)</u>	<u>(602,430)</u>
Attributable to:			
Company's Stockholders		(97,533)	(555,675)
Non-controlling interest		<u>(8,207)</u>	<u>(46,755)</u>
		<u>(105,740)</u>	<u>(602,430)</u>

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OEC S.A. and its Subsidiaries
Interim Consolidated Statement of Changes in Equity (Net Capital Deficiency)

In thousands of reais, unless otherwise indicated

	<u>Attributable to Company's Stockholders</u>		
	<u>Note</u>	<u>Capital</u>	<u>Total</u>
At December 31, 2019		1	1
At March 31, 2020		1	1

	<u>Attributable to Company's Stockholders</u>				<u>Non-Controlling Interest</u>	<u>Total Net Capital Deficiency</u>
	<u>Note</u>	<u>Capital</u>	<u>Carrying Value Adjustment</u>	<u>Accumulated Deficit</u>		
At December 31, 2020						
23 (a)		448,900	217,887	(5,954,601)	(5,287,814)	(131,032)
Total comprehensive loss for the period:						
Loss for the period - R\$ (0.852) per share	23 (c)			(382,396)	(382,396)	(46,755)
Other comprehensive income	23 (b)		(173,279)		(173,279)	(173,279)
Total comprehensive loss for the period			<u>(173,279)</u>	<u>(382,396)</u>	<u>(555,675)</u>	<u>(46,755)</u>
Capital transactions with stockholders:						
Other movements of non-controlling					95,170	95,170
At March 31, 2021		<u>448,900</u>	<u>44,608</u>	<u>(6,336,997)</u>	<u>(5,843,489)</u>	<u>(82,617)</u>

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OEC S.A. and its Subsidiaries
Interim Consolidated Statement of Changes in Equity (Net Capital Deficiency)

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

	Note	Attributable to Company's Stockholders			Non-Controlling Interest	Total Net Capital Deficiency	
		Capital	Carrying Value Adjustment	Accumulated Deficit			Total
At December 31, 2020		78,792	38,244	(1,045,162)	(928,126)	(22,999)	(951,125)
Total comprehensive loss for the period:							
Loss for the period - US\$ (0.150) per share	23 (c)			(67,118)	(67,118)	(8,207)	(75,325)
Other comprehensive income	23 (b)		(30,415)		(30,415)		(30,415)
Total comprehensive loss for the period			(30,415)	(67,118)	(97,533)	(8,207)	(105,740)
Capital transactions with stockholders:							
Other movements of non-controlling						16,705	16,705
Other adjustment with investees							
At March 31, 2021		<u>78,792</u>	<u>7,829</u>	<u>(1,112,280)</u>	<u>(1,025,659)</u>	<u>(14,501)</u>	<u>(1,040,160)</u>

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

		2021	
	Note	US\$	R\$
Cash flows from operating activities			
Loss before income tax and social contribution from continued and discontinued operations		(79,753)	(454,377)
Adjustments:			
Equity in results of investees	14 (b)	4,487	25,566
Variation in construction contracts revenue		(50,434)	(287,338)
Depreciation and amortization	25	2,930	16,692
Amortization of right of use	16 (b) / 25	1,242	7,078
Residual value of reduction in property and equipment and project expenses		1,114	6,345
Presente Value Adjustments	26	(754,031)	(4,295,939)
Estimated losses on doubtful accounts accrual, net	25 / 26	1,309,185	7,458,821
Provision of guarantees	26	(697,179)	(3,972,036)
Provision for contingencies	25	1,350	7,691
Loss of discontinued operations		(25)	(141)
Loss on initial recognition of Bonds	26	146,977	837,370
Interest, monetary and foreign exchange variations, net		74,506	424,467
Cash used in operations		(39,631)	(225,801)
Changes in assets and liabilities:			
Financial investments		(1,600)	(9,115)
Trade accounts receivable		3,956	22,536
Inventories		8,118	46,252
Taxes recoverable		(7,116)	(40,542)
Prepaid expenses and other assets		15,611	88,938
Suppliers and subcontractors		10,587	60,318
Advances from customers		(3,325)	(18,944)
Taxes, rates, salaries and payroll charges		(5,849)	(33,325)
Other liabilities		(18,847)	(107,366)
Net cash used in operating activities from continued operations		(38,096)	(217,049)
Net cash used in operating activities from discontinued operations		(261)	(1,487)
Net cash used in operating activities		(38,357)	(218,536)
Cash flows from investing activities			
Disposal of investments	14 (b)	40	227
Acquisitions of property and equipment and intangible assets	15	(1,253)	(7,138)
Dividends received	14 (b)	1,485	8,461
Net cash generated by investing activities		272	1,550
Cash flows from financing activities			
Related parties			
Repayments		(2,257)	(12,857)
New loans		6,627	37,758
Short and long-term debt, net			
Payments of principal	17 (c)	(592)	(3,375)
Payments of leases		(1,013)	(5,771)
Net cash generated by financing activities		2,765	15,755
Effect of changes in the exchange rate on cash and cash equivalents		(38,667)	(220,296)
Decrease in cash and cash equivalents from continued operations		(73,726)	(420,040)
Decrease in cash and cash equivalents from discontinued operations		(261)	(1,487)
Cash and cash equivalents at the beginning of the period		153,404	873,987
Cash and cash equivalents at the end of the period		79,417	452,460

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OEC S.A. and its Subsidiaries

Notes to the Interim Consolidated Financial Statements at March 31

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

1 Operations

OEC S.A. (“OEC” or the “Company”) is a closely-held entity and an integral part of the Novonor Group (“Novonor Group”), previously called Odebrecht Group, headquartered in São Paulo, whose direct parent company is Odebrecht Holdco Finance Limited (“ODB Holdco”) and indirect is Odebrecht Engenharia e Construção S.A. (“Odebrecht Engenharia”).

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

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

Through its direct and indirect subsidiaries and their branches, the Company directly operates in the several countries, mainly: Brazil, Angola, Dominican Republic, Panama and Peru.

In the heavy civil construction segment, the main direct subsidiaries of the Company are CNO, OECI, and Tene and indirect CBPO Engenharia Ltda. (“CBPO”), which develop construction projects involving highways, railways, hydroelectric, thermoelectric and nuclear plants, port facilities, dams 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, BRT Belém, BH Health Units, Eurofarma Project, BRT Transbrasil, Ilha dos Pombos Hydroelectric Plant, Minérios Highway, Sertão Alagoano Influent Channel, Montes Claros Water Supply System, in addition to many contracts for the provision of services in industrial plants.

Abroad, the main projects in activity are: Laúca Hydroelectric Plant (Angola), Maintenance of IIRSAS North and South (Peru), Line 2 Metro / Airport Extension (Panama), East Section Highway (Ghana), Airport and Port of Miami (United States of America).

(a) Legal investigations and procedures

As is publicly known, investigations and other legal procedures conducted by the Federal Public Prosecution Office (“MPF”) and other public authorities started in 2014 in the context of the operation called “Lava Jato” (Car Wash). These investigations were targeted at companies, former executives and a certain member of the Odebrecht Engenharia and its subsidiaries, including CNO.

Concurrently and as a result of Operation Car Wash, since 2015, the Federal Public Prosecution Office, the Office of the Solicitor General (“AGU”), some state public prosecution offices and Petrobras S.A. have been filing administrative improbity actions against Novonor, the Odebrecht Engenharia, some of its subsidiaries and certain member and former executives, requiring the payment of compensation and a fine, and establishing a ban on entering into contracts with governmental offices and receipt of tax or credit benefits or incentives, among other things.

On March 22, 2016, the Novonor Group released a statement about its intent to fully cooperate with the Operation Car Wash investigations.

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Leniency Agreement with Brazil and Abroad Authorities

On December 1, 2016, Novonor, in the capacity of controlling stockholder of the companies that are part of the Novonor Group, entered into a leniency agreement with the Federal Public Prosecution Office (“MPF”), taking responsibility for all of the illicit acts that are the subject matter of the above mentioned agreement, except for Braskem S.A. This Agreement involved, in addition to the Federal Public Prosecution Office (“MPF”) the proper authorities of the United States, Brazil 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 billion 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 Odebrecht Engenharia became the subsidiary guarantor of these obligations.

The purpose of this agreement is the recognition of illicit acts and reparation of damages caused, as well as cooperation with the Federal Public Prosecution Service and other authorities with respect to the investigations, and the Novonor Group is also seeking to preserve and maintain its activities, resume entering into contracts with public authorities and receive funds from banks and public authorities in Brazil and abroad.

Due to the above mentioned agreement, the Federal Public Prosecution Office undertook to (i) not file civil lawsuits and additional actions for the reimbursement of amounts arising from the complaints and facts related to Operation Car Wash, and (ii) to not apply administrative improbity sanctions, and to work with other public bodies, state-owned companies and mixed capital companies so that they can remove any file restrictions for Novonor, the Odebrecht Engenharia and its indirect subsidiaries.

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

Subsequently, and as a development of the agreements signed, CNO has been negotiating with the damaged entities – state-owned companies and state and municipal governments - to enter into leniency agreements and/or adhere to the agreements by which Odebrecht Engenharia, in consideration for the non-adoption of penalties against itself and its indirect subsidiaries, will undertake to cooperate with the authorities and compensate the damaged parties, seeking to limit the amount of the compensation to the amount established in the agreements entered into with the Federal Public Prosecution Office (“MPF”), the Office of the Solicitor General (“AGU”) and the Ministry of Transparency and the Brazilian Government Accountability Office (“CGU”).

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

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

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

Additionally, in accordance with Brazilian legislation, the companies that recognize the practice of illicit acts against free competition must enter into leniency agreements with the Brazilian antitrust agency (“CADE”). Accordingly, the Company’s direct subsidiary, CNO, has already entered into eight (8) leniency agreements with CADE’s General Superintendency. Additionally, CADE’s Court ratified eight (8) Instruments of Termination of Conduct, which totaled R\$ 525 million in terms of monetary contributions from the legal entity and individuals to be paid within 22 years. CNO continues to negotiate with CADE the signing of other Instruments of Termination of Conduct.

Finally, in its operations abroad, the Odebrecht Engenharia and its subsidiaries continue to make their best efforts to come to an understanding with local authorities for sealing cooperation/leniency agreements, while also seeking the support of the Brazilian authorities in the dialogue with the local authorities. To date, in the scope of the Novonor Group, in addition to the United States and Switzerland, as mentioned above, agreements have already been entered into with Panama, Dominican Republic, Ecuador, Guatemala and Peru.

Independent Monitoring

In 2020, the monitoring process, started in 2017 and conducted by two offices of independent monitors determined by the Brazilian and U.S. authorities was completed.

The commitments assumed with the authorities that are signatories to the Leniency Agreements and Instruments of Commitment aimed to improve the Odebrecht Engenharia and its subsidiaries’ controls in an efficient and sustainable manner. In the scope of this monitoring are the assessment of the Integrity Program aimed at the maintenance of an appropriate control environment with a special focus on compliance with the applicable anticorruption laws and rules of conduct, and the implementation of efficient internal control in the processes of contracting and paying third parties, making reimbursements and making accounting entries with quality supporting documents.

The third year monitoring report was delivered by the monitors to the U.S. and Brazilian authorities in June 2020. In October 2020, the monitors delivered the final certification report to the authorities. On November 16, 2020, the independent monitoring by the U.S. Department of Justice was officially terminated.

Management Actions

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

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

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Integrity Program

Since 2014, Odebrecht e Engenharia and its subsidiaries, started the process to implement the Integrity Program on a standardized basis in all countries where it operates for the purpose of addressing the practices and procedures to ensure compliance of the business with the legal requirements and principles of ethical and responsible conduct in the corporate environment. Among the elements of the Integrity Program implemented by the Company and its subsidiaries in 2014 are: (i) implementation of the Code of Conduct that has already been approved by the Board of Directors; (ii) creation and operation of the Ethics Line Channel that is available 24/7 to employees, service providers, suppliers, customers and the general public; (iii) creation of the Ethics Committee to monitor the investigation processes with a schedule of periodic meetings; and (iv) engagement of the commercial partners, through the inclusion of contractual provisions, with mandatory adherence to the Code of Conduct of Suppliers and the Anticorruption Clause.

After the implementation of the Integrity Program, the Odebrecht e Engenharia and its subsidiaries maintained continuing improvement efforts that resulted in the implementation of measures to improve its Governance and Compliance, such as: (i) participation (minimum of 20%) of independent members in the Board of Directors; (ii) creation of the Integrity and Audit Committee (CIA) as a permanent committee of the Board of Directors; and (iii) contracting of the Chief Compliance Officer - CCO and of the Head of Internal Audit, both of whom reporting directly to the Company's Board of Directors through the CIA. In May 2020, the Board of Directors approved the update of the Integrity Policy and the Code of Conduct, which are available on the Company's website on the Internet.

Currently, the Company has three independent members on its Board of Directors, who represent 38% of the total number of members on the Board of Directors. Two independent members serve on the CIA and one of them is the Coordinator of the Committee.

Since 2016, the contracting of a CCO has driven and accelerated the implementation of significant improvements in the Integrity Program, including: (i) process and guidelines of Governance and Structure and Due Diligence of Third Parties; for Gifts, Courtesies and Amenities, Interaction with Public Agents, Sponsorships, Donations and Social Investments, Anti-Bribery Management, Competitive Integrity and Ethics Line; (ii) preparation of annual integrity training plans; (iii) improvement in the process of communication of the Program, with the creation of dedicated intranet and the issuance of new integrity guidelines; and (iv) reformulation of the operation of the whistleblowing channel (Ethics Line), using an independent specialized company for the receipt of complaints, as well as the support of external law firms in the investigation of cases that are considered high risk.

The Integrity Program is supported by activities that support risk management and the prevention, detection and correction of flaws and transparency. Digital platforms that, when globally applied, help the management and the verification of the effectiveness of processes and controls. For example, the procedure of due diligence of suppliers, customers, partners and employees is compulsory for all commercial and labor relationships intended by the Company. In 2021, until the month April, 3,372 analyses had been made based on information from the VCoM (Vendor Compliance Management System) portal. With respect to communication and training, the activities follow annual plans approved by Company's Board of Directors. Meanwhile, the Ethics Line Channel, the main tool for recording the complaints about conducts that breach the Commitment to Ethical, Honest and Transparent Work, received 55 reports between January and April 2021, which were investigated in an independent manner by the Integrity Department and generated 15 remediation actions, 05 of which were process improvement measures, 02 were dismissals and 04 verbal warnings applied.

With respect to the performance and maturity of the Integrity Program, the Core Compliance Department, structured in the second half of 2018, monitors on a permanent basis compliance with and the effectiveness of the key processes of the Program, based on standardized and regular data mining tests. The respective department offers a consolidated view of the observance of the Company's integrity

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policies and guidelines, generating metrics that objectively measure the performances achieved. As examples, in the first quarter of 2021, 189 actions were started for testing and checking processes, 125 contracts with third parties were reviewed with respect to integrity requirements and 31 employee contracting or promotion processes were reviewed to check whether requirements were met for the assessment of conflicts of interest. The Core Compliance Department is also responsible for the global monitoring of compliance with the contracts entered into by the Company and the evolution of which is reported to the Integrity and Audit Committee and the Board of Directors.

Since June 2019, the actions to improve the Odebrecht e Engenharia and its subsidiaries' processes and systems have gained reinforcement with the work of the Internal Control Department, seeking to promote, on a cross-cutting basis, further integration, consistency, efficiency and sustainability for the control environment. Many guidelines were updated as a result of the assessment and monitoring of the implemented controls in a continuous improvement process.

As part of the maturation process of the Odebrecht e Engenharia and its subsidiaries' corporate governance, the Board of Directors approved, in June 2019, the direct reporting by the Internal Audit Department to the Company's Board of Directors, operating as a "third line of defense". Among the matters resolved upon by the Board of Directors, there are the approval of (i) the Annual Action Program of the Integrity and Risk Management Department, (ii) the Annual Internal Audit Plan, (iii) the Annual Training Plan, (iv) the individualization of the annual management compensation and (v) the assessment of performance, profile and authorities of the Board of Directors itself and the Business Leader.

The Annual Integrity and Risk Management and Internal Audit plans approved for 2021 were based on a risk analysis of the places where the Company operates, the projects in progress and the internal processes, taking into consideration, among other things, the audit exams and the results of the monitoring throughout 2020 and new surveys on risk perception answered by more than 200 management members of the Company. New assessment of risks, performed in October 2020, to guide the planning cycle of 2021, indicated stability or decrease in the main residual mapped risks, justifying the focus on sustainability of both programs.

In March 2021, the external audit of the ISSO 37001 was completed and, on April 22, 2021, the ABNT NBR ISSO 37001:2017 Anti-bribery Management System was issued and it is valid for three years.

(b) OFL Bonds

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

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

In order to discuss and negotiate the restructuring of the guarantees offered to the holders of the OFL Bonds, the Odebrecht Engenharia contracted Moelis & Company ("Moelis"), Cleary Gottlieb Steen & Hamilton and E. Munhoz Advogados. On August 30, 2019, the Odebrecht Engenharia announced to the market the agreement made with the Ad Hoc Group of OFL Bond holders with respect to the main terms

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and conditions for the restructuring of the liabilities tied to the OFL Bonds (“Term Sheet”), which was signed on the same date.

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

The judicial recovery plan of OFL was approved at the general creditors’ meeting held on September 4, 2020 and ratified on November 11, 2020 (“OFL Plan”).

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

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

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

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

On March 31, 2021, the Company’s consolidated debt balance, adjusted to present value, was R\$ 4,356,313 – US\$ 764,628 (December 31, 2020 – R\$ 3,859,234 – US\$ 742,632), as presented in Note 17.

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(c) Corporate restructuring

As described in Note 1 (b), the Consent Solicitation was launched on the market on June 15, 2020 and one of the required measures was the corporate restructuring of Odebrecht Engenharia's subsidiaries, in line with: (i) the issue of New Bonds, representing 45% of the current Bond amounts; and (ii) a participation debt instrument that will entitle holders to future distributions of results related to the Company's performance.

On July 31, 2020, the Extraordinary General Stockholders' Meeting approved the increase in the capital of Company by the Odebrecht Engenharia through the full transfer of the ownership interests in the direct subsidiaries held by the Odebrecht Engenharia (CNO, OECI, Tenenge, OENGER, OEC Finance Limited), except ODB Holdco.

Additionally, at the same date and after the previously event, it was approved the increase in the capital of the ODB Holdco by the Odebrecht Engenharia, through the full transfer of the ownership interests in the Company held by the Odebrecht Engenharia.

(d) Economic and Financial Effects of COVID-19 on the Financial Statements

Since the beginning of 2020, the global scenario has been suffering with the new Coronavirus pandemic, COVID-19, which has spread through many countries, causing significant social and economic impacts. The actions of governments and medical authorities to control the pandemic include hygiene measures and social distancing, resulting the closing of schools, shops and public spaces, as well as encouragement for working from home, so as to reduce public gatherings and avoid the collapse of the health system.

The Company adopted many measures to ensure the safety of its employees, such as: i) establishment of the Covid-19 Prevention Plan and the creation of a Crisis Committee for the purpose of implanting and monitoring the protection measures for the Company's direct and indirect employees; ii) adoption, as from March 14, 2020, of the practice of working from home for all administrative support staff; iii) mapping and performance of many health, labor, of market, contract management, social and financial actions; iv) definition and implementation of procedures for monitoring and caring for the cases detected among employees and third parties/subcontractors; v) plan for continuing communication with its employees and subcontractors aimed at guiding and properly adoption the prevention measures.

By March 31, 2021, the Company's operations have had, in some countries, temporary interruptions in projects/construction works that the Company has been monitoring and managing in full compliance with the regulatory and prevention measures. To date, no significant financial and economic impacts that are directly or indirectly related to COVID-19 have been identified. Management is still assessing the possible impacts of COVID-19 on its financial statements, such as:

- any changes in accounting judgements that had or are likely to have a significant impact on these financial statements;
- the way COVID-19 could affect the realization of the assets in the balance sheet and the ability to record impairment on these assets;
- anticipation of any significant losses, increases in allowances for credit losses and other expenses incurred in the operations;
- if the Company or its subsidiaries will incur significant contingencies related to COVID-19; and
- the way COVID-19 could affect the fair value of financial assets and liabilities and its proper measurement.

Additionally, the Company's management has been, carefully analyzing, the impact of COVID-19, measures adopted by the governments in the countries in which the Company and its subsidiaries

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operate, including their ability to continue as a going concern. The Company has been making efforts to preserve its cash flows in the short and medium terms and the main actions are presented below:

- labor and fiscal measures in accordance with the legal provisions established by the government as a result of the pandemic;
- renegotiation with the main creditors for the purpose of maintaining the production of the construction works that are in progress without affecting short-term cash;
- detailed analysis of the contractual clauses with clients and suppliers to identify the risks and rights involved in view of the current scenario;
- contractual analysis for the budget rebalance of the construction works that are interrupted or in a reduced production scale.

The purpose of all actions mentioned above is the maintenance of jobs and the preservation of the Company's cash to honor its assumed commitments, in addition to guaranteeing its survival and sustainability.

(e) 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, 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.

Legal investigations and procedures: As described in Note 1 (a) since 2014, investigations and other legal procedures have been conducted by the Federal Public Prosecution Office and other government authorities in the context of the operation called *Lava Jato* (Car Wash).

In view of the investigations that are in progress and despite the agreements entered into, the Odebrecht Engenharia and its subsidiaries suffered harsh reputational effects that significantly impacted its finances (that had already been hit by other effects such as the drop in oil prices and the economic recession facing countries and customers where the Odebrecht Engenharia and its subsidiaries operate). This scenario limited the access of the Odebrecht Engenharia and its subsidiaries to credit with commercial banks, insurance companies and the capital markets, directly affecting their capacity to renew the portfolio of new contracts and, consequently, their cash flow generation.

OFL Bonds:

As described in Note 1 (b), OFL Bonds, in June 2019, OFL, Novonor and other companies of Novonor's economic group, which does not include the Odebrecht Engenharia and its subsidiaries, formalized their petition for judicial recovery with the courts of São Paulo. OFL declared in the above mentioned petition the amounts due related to the OFL Bonds, resulting in its acceleration and the respective advance of payments, making the totality of the guarantee offered by Odebrecht Engenharia, CNO and OECI payable on that date.

After the approval of the plan on September 4, 2020 by OFL's creditors, the plan was ratified by the Judicial Recovery Court on November 11, 2020 ("OFL Plan").

On November 24, 2020, OFL, the Odebrecht Engenharia, CNO and OECI filed for Chapter 15, Title 11, of the United States Bankruptcy Code ("Chapter 15") before the United States Bankruptcy Court for the Southern District of New York requesting (i) the recognition of the Extrajudicial Recovery of Odebrecht Engenharia and the Judicial Recovery of ODB, with respect to OFL, as major foreign proceedings, under Chapter 15; (ii) the recognition, the ensurance of compliance with and the provision of full force and effect to the Extrajudicial Recovery Plan and the OFL Plan in the scope of the territorial jurisdiction of the United States; and (iii) the authorization for the parties to take the necessary measures to give effect

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to the terms of the Extrajudicial Plan and the OFL Plan. On December 30, 2020, a decision on these terms was rendered by the United States Bankruptcy Code for the Southern District of New York, allowing the cancellation of the OFL Bonds and the payment to the creditors that are holders of the OFL Bonds with New Notes and the Holdco Instrument, which took place on January 20, 2021.

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

On March 31, 2021, the Company's consolidated debt balance, by its subsidiaries OEC Finance, adjusted to present value, was R\$ 4,356,313 – US\$ 764,628 (December 31, 2020 – R\$ 3,859,234 – US\$ 742,632), as presented in Note 17.

Related Parties – Novonor Group – Companies In Judicial Recovery: As described in Note 1 (b), on April 22, 2020, Novonor and 11 companies of its economic group had their judicial recovery plans approved by the General Creditors' Meeting and ratified by the judge responsible for the judicial recovery process on August 03, 2020. On November 11, 2020, OFL's judicial recovery plan was also ratified. Until March 2021, four other companies of the Novonor Group had their judicial recovery plans approved, namely OPP, OP, Mectron and OEB. The three remaining companies that did not have their judicial recovery plans approved are seeking the due approvals with their respective General Creditors' Meetings. However, due to the increasingly remote probability of receiving the credits from the related companies of the Novonor Group, the Company assessed, on December 31, 2019, the need to recognize an impairment on such credits maintained with the Company's subsidiaries in the amount of R\$ 8,167,720. The Company's Management assessed again the above mentioned provision on March 31, 2021 but no changes were necessary. Additionally, the above mentioned provision has been adjusted in accordance with the foreign exchange variation related to the credits in foreign currency.

Venezuela: In September 2019, due to the critical economic situation and the unstable political environment in Venezuela, several engineering and construction companies, including, the indirect Company's subsidiaries were notified of the unilateral rescission of most of their contracts with government entities in Venezuela. This procedure adopted by the Venezuelan State disregarded several legal issues that are relevant and the Company has been seeking to defend its interests before the proper institutions. Therefore, the Management assessed the accounting impacts and recognized the respective allowances for losses in profit or loss for the year as "discontinued operations" in the amount R\$ 1,581,672 – US\$ 277,618, as presented below:

	<u>R\$</u>
Current Assets	
Trade Accounts Receivable	(1,452,094)
Advances to Suppliers, Subcontractors and Others	(31,167)
Inventories	(45,702)
Other Assets	(41,909)
Non-Current Assets	
Other Assets	(6)
Property and Equipment	(10,794)
Total Assets	<u><u>(1,581,672)</u></u>

The amount of trade accounts receivable is net of the amount received in advance under the contract.

On March 31, 2021, the Company reassessed the effects recorded previously and no changes were identified although it is still assessing possible legal measures against the Venezuelan government (in initial phase of preparation). Additionally, the above mentioned provision has been adjusted in accordance with the foreign exchange variation related to the credits in foreign currency.

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Receivables from BIOCUM - Adjustment to Present Value:

The purpose of Biocom – Companhia de Bioenergia de Angola Ltd. (“Biocom”), incorporated on October 25, 2007, is the production, industrialization, import, export and sale of sugar cane for the production of sugar, ethanol and electric energy in Angola. Biocom’s current stockholders are: the indirect subsidiary of the Company, OAL (40%), Instituto de Gestão de Activos e Participações do Estado (IGAPE) (40%) and SONANGOL HOLDINGS, LIMITADA (20%) (“Stockholders”).

The balance of the credits held by the companies directly controlled by the Company (CNO) and indirectly (OOL, OSE and OAL) with Biocom represented, on December 31, 2020, the amount of US\$ 404 million – R\$ 2,3 billion (“Credits with Biocom”).

On December 06, 2019, Biocom’s stockholders, together with local Banks (Banco Angolano de Investimentos – BAI, Banco de Fomento Angola – BFA and Banco Econômico – BE) made efforts to formulate the terms of the renegotiation of the loans contracted by Biocom, as reflected in the Indicative Fact Sheet (“FIT”), confirmed and signed. In general terms, the FIT indicates that there will be, among other things: i) the conversion of the currency of the loans from U.S. dollars to Angolan Kwanza; ii) the extension of the term for the payment of the principal amount to 42 quarters (126 months – 10.5 years); iii) the renegotiation of the interest rates and payment schedule; and new accessory obligations. Additionally, the FIT determines the subordination of all existing debts of Biocom with its stockholders and companies directly or indirectly controlled by the stockholders to the reimbursement of the debts renegotiated with the local banks. By the issue of these consolidated financial statements, the respective amendment that confirms the related changes connected with these loans has not been completed.

Assuming that the conditions in the FIT are approved and taking into consideration the new minimum term for receipt (10.5 years) and the Company’s assessment, the Credits with Biocom were adjusted to present value, representing, on December 31, 2020, the amount of US\$ 36,03 million – R\$ 205,321 (December 31, 2020 - US\$ 34,61 million – R\$ 179,858).

The changes in the adjustment to present value on Biocom’s credits are presented in the related parties note, in accordance with Note 11.

Management Actions: In view of these events, in order to mitigate the impacts on the cash of the Company and its subsidiaries, management implemented several actions, namely: i) a geographical restructuring process focused on countries that can potentially contract construction works from the Company and its subsidiaries, ii) the strengthening of corporate governance, with the establishment of the Board of Directors and supporting committees to the Board of Directors (with the participation of independent members), iii) creation of an Internal Audit and Internal Controls Department, iv) Integrity Program aimed at addressing practices and procedures to ensure compliance by businesses with legal requirements and principles of ethical, honest and transparent conduct in corporate activities, v) administrative restructuring, adapting the size of the supporting staff to the new size of the Company, vi) sale of assets and past 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 OFL Bonds and ix) production maintenance for the contracts in the portfolio.

Accordingly, the commitments assumed by the Company’s subsidiaries with respect to the cooperation agreements and indemnities, which required investments to implement the Compliance System and strength the corporate governance, together with the low volumes of renewal of the contracts in the portfolio, which impaired the Company’s ability to generate cash and cash equivalents, and the provisions for (i) the guarantee of the OFL Bonds whose restructuring was completed in January 2021; (ii) the credits receivable from the Novonor Group companies that are in judicial recovery and (iii) the discontinued operation in Venezuela and (iv) the adjustment to present value of the credits held by the

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Company's direct and indirect subsidiaries with Biocom, among others, resulted in an excess of consolidated current liabilities over consolidated current assets of R\$ 3,664,752 – US\$ 643,246 and in a consolidated net capital deficiency of R\$ 5,926,106 – US\$ 1,040,160.

COVID-19: As described in Note 1 (d) “Economic and Financial effects of COVID-19 on the financial statements”, since the beginning of 2020, the global scenario has been suffering with the outbreak of a new virus called COVID-19, which has spread over many countries, causing significant social and economic effects. The actions of governments included, in addition to the many social restrictions, including the closing of schools, commerce, as well as the encouragement to work from home in order to reduce public gatherings, and economic incentive packages for the recovery of the economy arising from the effects of the lockdown. Despite these actions, there was a drop in global GDP, particularly in the countries that are the Company’s focus. The main impact of COVID-19 on the Company is related to the delay in the replacement of the backlog arising from delays in biddings and investments in the economies affected by the pandemic, although the Company, in 2020, obtained US\$ 381 million in new contracts.

Action Plan 2021 – 2023: In order to ensure the survival and growth of the Company and its subsidiaries, Odebrecht Engenharia’s Board of Directors approved, on December 09, 2020, the Action Plan (“AP”) for the next three years, which includes the following actions and strategic directions, which were also included in the previous AP, as summarized below:

- Financial health: i) completion of the negotiation for restructuring the guarantee for the OFL Bonds by the Odebrecht Engenharia in accordance with the terms agreed upon in the Term Sheet mentioned in Note 1 (b) so as to adjust the Company’s capital structure and payment flows to its cash generation capacity and ii) renegotiation of trade accounts payable and working capital debts; and iii) sales of investments and monetization of receivables and tax credits.
- Solution and mitigation of litigations and liabilities: i) negotiation of leniency agreements through payments in installments and ii) negotiation of agreements in the countries where Company operates for payments in accordance with the local financial capacity of each country.
- Organizational restructuring and reduction of costs: i) restructuring of the administrative staff, with shared structures, ensuring synergies, agility and lower costs and ii) implementation of new compensation policies aimed at reducing administrative expenditures.
- Backlog replacement: i) geographical, selective and strategic focus on five countries (Brazil, Peru, Panama, Dominican Republic and Angola), ii) obtainment of new projects in the amount of US\$ 7.1 billion (Previously PA US\$ 6,6 billion), with greater intensification with private customers, iii) search for strategic partnerships with technology and capital providers, jointly participating in the development of projects, iv) search for alternative sources of financial resources and v) implementation of contractual solutions that make possible the optimization of the use of the performance guarantee capacity that is made available by the market.
- Credits, insurance and guarantees: i) Seeking to reestablish the banking relationship in order to enable the contracting of a credit line to support the financing of new contracts; ii) seeking to enable the contracting of surety bonds to support the obtainments of new backlogs; iii) establishing a relationship with multilateral agencies that develop exports through our subsidiaries located in the countries that are the Company’s focus for the inclusion of local content; and iv) seeking to reestablish the investor relations department to support the rapprochement with the capital markets and the subsequent appreciation of the Company’s value.

The Company believes that the resumption of growth is essential for it to continue as a going concern. However, should 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

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consideration adjustments that would be necessary in case the Company and its subsidiaries not be able to continue as a going concern normally.

2 Summary of Significant Accounting Policies

The main accounting policies applied in the preparation of these interim financial statements are the same as those applied in the preparation of the consolidated financial statements for the year ended December 31, 2020, except for the standards and amendments to the standards that are in effect as from January 1, 2021, which did not have any significant effects on the Company's consolidated accounting information.

2.1 Basis of Preparation

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

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires the management of the Company and its subsidiaries to exercise its judgment in the process of applying the accounting policies of the Group. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 3.

2.2 Consolidated Companies

(i) Consolidated companies

On July 31, 2020, the Company became the controlling stockholder of CNO, OECI, Tenenge, OENGER and OEC Finance Limited, as mentioned in Note 1 (c). Accordingly, the Company's interim consolidated condensed financial statements consolidate the results of its subsidiaries as from August 1, 2020.

The interim consolidated condensed financial statements include those of the Company and its subsidiaries in which the following direct and indirect control is held as of March 31, 2021:

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	Country	Direct Holding (%)	
		March 31, 2021	December 31, 2020
CNO	Brazil	97.06	97.06
OECI	Brazil	100.00	100.00
OENGER	Brazil	100.00	100.00
Tenenge Engenharia Ltda	Brazil	100.00	100.00
OEC Finance Limited	Cayman Islands	100.00	100.00
OIS - Odebrecht International Services, Ltd.	Cayman Islands	100.00	100.00

	Country	Indirect Holding (%)	
		March 31, 2021	December 31, 2020
Belgravia Serviços e Participações S.A. ("Belgravia")	Brazil	100.00	100.00
Constructora Odebrecht Chile S.A.	Chile	100.00	100.00
Constructora Norberto Odebrecht - Sucursal Angola	Angola	100.00	100.00
CNO S.A. - Argentina	Argentina	100.00	100.00
CNO S.A. - Bolivia	Bolivia	100.00	100.00
CNO S.A. Sucursal Colombia ("CNO Colômbia")	Colombia	100.00	100.00
Constructora Norberto Odebrecht S.A. - Costa Rica	Costa Rica	100.00	100.00
Constructora Norberto Odebrecht S.A. - Emirados Árabes	Arab Emirates	100.00	100.00
CNO S.A. - Equador	Ecuador	100.00	100.00
Constructora 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
Constructora Norberto Odebrecht S.A. - Moçambique	Mozambique	100.00	100.00
CNO S.A. - Panamá	Panama	100.00	100.00
Constructora Norberto Odebrecht S.A. - Paraguai	Paraguay	100.00	100.00
CNO S.A. - Peru ("CNO Suc. Peru")	Peru	100.00	100.00
Constructora Norberto Odebrecht S.A. - República Dominicana	Dominican Republic	100.00	100.00
Constructora Norberto Odebrecht S.A. - Uruguai	Uruguay	100.00	100.00
Constructora 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 Pedrosa Construções, S.A.	Portugal	100.00	100.00
CBPO	Brazil	100.00	100.00
CBPO Engenharia Ltda. - Argentina	Argentina	100.00	100.00
CBPO Engenharia Ltda. - Chile	Chile	100.00	100.00
CBPO Engenharia Ltda. - Colômbia	Colombia	100.00	100.00
CBPO Engenharia Ltda. - Uruguai	Uruguay	100.00	100.00
CBPO Engenharia Ltda. - Venezuela	Venezuela	100.00	100.00
CBPO Engenharia Ltda. - Panamá	Panama	100.00	100.00
CBPO Ingeniería de Venezuela C.A.	Venezuela	100.00	100.00
CBPO Overseas Limited.	Cayman Islands	100.00	100.00
Centaurus Investments Limited	Cayman Islands	100.00	100.00
Companhia de Obras e Infra Estrutura	Brazil	100.00	100.00
COI Cuba	Cuba	100.00	100.00
Constructora Norberto Odebrecht del Ecuador S.A.	Ecuador	100.00	100.00
Constructora Odebrecht Uruguay S.A.	Uruguay	100.00	100.00
COI Overseas, Ltd.	British Virgin Islands	100.00	100.00

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	Country	Indirect Holding (%)	
		March 31, 2021	December 31, 2020
Construtora Norberto Odebrecht de Panamá S.A.	Panama	100.00	100.00
Multitrade S.A.	Brazil	100.00	100.00
CBPO Overseas Sucursal República Dominicana	Dominican Republic	100.00	100.00
Odebrecht Industrial Engineering America	USA	100.00	100.00
Odebrecht Angola Projectos e Serviços Ltda.	Angola	100.00	100.00
Odebrecht Angola - Construção e Projectos de Energia, Limitada	Angola	100.00	100.00
Odebrecht Solution Inc.	Bahamas	100.00	100.00
Odebrecht Construction Malta Ltd.	Malta	100.00	100.00
Odebrecht Construction, Inc.	USA	100.00	100.00
Odebrecht Engineering & Construction Ltd.	Malta	100.00	100.00
Odebrecht Solution Malta	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 Overseas Limited ("OOL")	Bahamas	100.00	100.00
Odebrecht Peru Ingeniería y Construcción S.A.C. ("OPIC")	Peru	100.00	100.00
OEC Serviços de Exportação S.A.	Brazil	100.00	100.00
OSEL - Odebrecht Serviços no Exterior Ltd.	Cayman Islands	100.00	100.00
Tenenge (UK) Ltd.	United Kingdom	100.00	100.00
Tenenge Overseas Corporation	Cayman Islands	100.00	100.00
Concesionaria Madden Colon	Panama	100.00	100.00
Construtora Norberto Odebrecht de Guatemala S.A.	Guatemala	100.00	100.00
Odebrecht Global Sourcing South Africa	South Africa	100.00	100.00
HG Market Group Corp	Barbados	100.00	100.00
OEC Peru Infraestructura S.A.C.	Peru	100.00	100.00
OECP S.A.	Brazil	100.00	100.00
Odebrecht Servicios Integrales de México, S de RL de CV.	Mexico	100.00	100.00
Odebrecht Engenharia e Construção Internacional S.A. - Bolivia	Bolivia	100.00	100.00
OECI Ghana Limited	Ghana	100.00	100.00
CBPO Colombia SAS	Colombia	100.00	100.00
OEC Services S.à r.l	Luxembourg	100.00	100.00
OECI S.A. - Sucursal Colombia	Colombia	100.00	100.00
OECI S.A. - Republica Dominicana	Dominican Republic	100.00	100.00
OECI S.A. - Argentina	Argentina	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
CSC OEC - Panamá, S.A.	Panama	100.00	100.00
OECI Angola	Angola	100.00	100.00
OECI Republica Dominicana	Dominican Republic	100.00	100.00
CBPO Ecuador	Ecuador	100.00	100.00

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

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

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

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

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

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2.3 Foreign Currency Translation

(a) Functional and Presentation Currency

Items included in the interim financial statements of the Company and each of the entities included in consolidation are measured using the currency of the primary economic environment in which the respective entity operates (“the functional currency”). The interim consolidated condensed financial statements were prepared in Brazilian reais (R\$), which is the Company’s functional and presentation currency, and are presented in thousands of reais and U.S. dollars.

(b) Transactions and Balances

Except for Argentina, which operate 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 year-end foreign exchange rates.

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

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

Country	Currency	March 31, 2021	December 31, 2020
Angola	American Dollar	5.6973	5.1967
Argentina	Argentinian Peso	0.0619	0.0619
Colombia	Colombian Peso	0.0016	0.0015
Cuba	Cuban Peso	0.2374	5.1967
USA	American Dollar	5.6973	5.1967
Mexico	Mexican Peso	0.2787	0.2610
Panama	Balboa	5.6973	5.1967
Peru	New Sol	1.5162	1.4388
Portugal	Euro	6.6915	6.3779
Dominican Republic	Dominican Pesos	0.1005	0.0898

In view of the situation of the Company’s subsidiaries in Venezuela, as mentioned in Note 1 (e), item “Venezuela”, the Management considered the possibility of changing the functional currency to Brazilian reais (R\$), in accordance with the definitions of functional currency described in IAS 21 / CPC 02 (R2). In accordance with this CPC, this is possible when there is a change in transactions, events and underlying conditions of the Company with respect to its previously defined functional currency.

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

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

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(c) Translation of Balances of Consolidated Companies

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

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

2.4 Financial Reporting in Hyperinflationary Economies

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

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

2.5 New pronouncements, amendments to and interpretations of accounting standards

(i) Revised and in effect

The Company revised and adopted in 2021 the standards and amendments in effect for the annual period beginning on or after January 1, 2021 until the base date of these financial statements.

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (CPC48, CPC 38, CPC 40(R1), CPC 11 and CPC 06 (R2), respectively), Reform of the benchmark interest rate (Phase 2)

The management of the Company and its subsidiaries assessed the pronouncements, amendments to and interpretations of the accounting standards described above and did not identify any significant impacts on the interim consolidated condensed financial statements.

(ii) Revised and not in effect

The Company revised the new and amended standards and interpretations that were issued but that were not yet in effect by the date of the issue of the consolidated condensed financial statements of the Company and its subsidiaries. The Company and its subsidiaries intend to adopt these new and amended standards and interpretations, if applicable, when they come into effect.

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- Amendments to IAS 1 (CPC 26(R1)): Classification of liabilities as current or non-current

- IFRS 9 (CPC 48), Financial instruments - Fees in the “10 per cent” test for the derecognition of financial liabilities.

2.6 Basis of Translation

The accounting records are maintained in Brazilian reais. The financial information in U.S. dollars is presented solely for the convenience of the reader and has been translated from the amounts in the December 31, 2020 local currency financial statements, using the exchange rate prevailing on that date of R\$ 5.6973 to US\$ 1.00. This translation should not be considered as representing that the amounts in Brazilian reais represent, or have been, or could be, converted into U.S. dollars.

2.7 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, bank deposits and other short-term highly liquid investments with original maturities of three months or less, and immaterial risk of change in value. These balances are maintained for the purpose of meeting short-term cash commitments and not for investment or any other purposes. Bank overdrafts are shown within “Debts” in current liabilities in the balance sheet.

2.8 Trade accounts receivable

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

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. In practice, they are recognized to the extent in which the consideration that is unconditional is due by the customer, resulting in billed amounts, adjusted by the provision for impairment, when necessary. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Additionally, the Company also assesses the expectation of realization of credits, as described in Note 7 (i).

2.9 Inventories

Inventories are made up of parts and materials to be used in construction works and are measured at the average cost method, which is lower than replacement costs or realizable values.

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

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

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

2.10 Current accounts with consortium members

The Company, together with other companies, participates in consortiums for the provision of services related to its corporate purpose. The balances of the current accounts with consortium members

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represent the imbalance of contributions made to the consortiums. On March 31, 2021, the balances of assets and liabilities are presented at the net realizable value.

2.11 Related Parties

The main balances maintained with the Group companies are governed by a "Loan Agreement" and a "Current account and single cash management agreement", entered into between the Company and its subsidiaries and companies of the Novonor Group. The nature of the operations is of loans of financial resources and they may be subject to charges. As seen in Note 11, the Company is a creditor of related parties and the receipt of the credit is being analyzed.

2.12 Non-current assets held for sale and discontinued operations

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

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

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

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

2.13 Property and equipment

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

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

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will be obtained and the cost of the item can be reliably measured. The carrying amount of replaced items or parts is derecognized. All other repair and maintenance costs are charged to the statement of operations during the financial period in which they are incurred.

Land is not depreciated. Depreciation of other assets is calculated using the straight-line method to reduce their cost to their residual values over their estimated useful lives, as presented in Note 15.

The assets' residual values and useful lives and the depreciation methods are reviewed at the end of each period, and adjusted, on a prospective basis when applicable. In the period ended March 31, 2021, the Company reviewed the useful lives of property and equipment and this review did not have any impacts

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on the consolidated financial statements. An asset's carrying amount is written down immediately to its recoverable amount when the asset's carrying amount is greater than its estimated recoverable amount.

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

2.14 Leases

The Company and its subsidiaries have been applying since January 1, 2019, CPC 06 (R2) – Leases / IFRS 16 – Leases, which introduced a single lease model, replacing the concept of classification into operational lease and finance lease (previously in accordance with IAS 17 – Leases / CPC 06 (R1) – Leases), which was applied by the Company and its subsidiaries until December 31, 2018.

The Company and its subsidiaries assess at the beginning of the contract whether it is, or contains, a lease. That is, if the contract confers the right to control the use of an identified asset for a period of time in exchange for a consideration. The Company and its subsidiaries (as lessees) apply a single approach to recognize and measure all leases, except for short-term leases and leases of low-value assets. The Company and its subsidiaries recognize lease liabilities to make lease payments and right-of-use assets that represent the right to use the underlying assets.

(a) Right-of-use assets

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

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

(b) Lease liabilities

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

The variable lease payments that do not depend on a rate or fee are recognized as an expense (unless they are incurred to produce inventories) in the period when the event or condition that gave rise to the payment took place.

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

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

The Company and its subsidiaries apply the exemption from recognition for their short-term leases, regardless of their nature (that is, those leases whose terms are 12 months or less as from the date of the beginning of the lease and that do not contain a purchase option). The Company also applied the exemption from recognition for leases that, in accordance with its policy, are considered low value, regardless of their nature. The payments of short-term leases and leases of low-value assets are recognized as an expense using the straight-line method over the term of the lease.

2.15 Debts

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

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

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

2.16 Provisions

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

Provision for guarantee

The direct and indirect Odebrecht Engenharia's subsidiaries, OEC Finance and ODB Holdco, respectively, are guarantors of the OFL Bonds. Due to the early maturity of the OFL Bonds, the subsidiaries recognized a provision for guarantee, as described in Note 1 (b).

Provision for tax, civil and labor risks

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

2.17 Current and deferred income tax and social contribution

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

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

In Brazil, they include corporate income tax and social contribution on net revenue calculated based on taxable profit and the rate of 15%, plus an additional rate of 10% on the taxable profit that exceeds R\$ 240 – US\$ 46, is applied for income tax and the rate of 9% is applied for social contribution, considering the offset of tax losses, limited to 30% of the annual taxable profit. Taxable profit reflects profit before taxes adjusted by non-taxable and non-deductible items (temporary and permanent items).

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

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

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

2.18 Capital

Common shares are classified as equity.

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

3 Critical Accounting Estimates and Judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Critical accounting estimates and assumptions

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

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

(a) Income tax, social contribution and other taxes

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

Deferred tax assets are recognized for tax losses that are not used to the extent that it is probable that future taxable profit against which the losses can be used will be available.

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(b) Fair value of derivatives and other financial instruments

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

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

On December 31, 2020, the Company recorded in its balance sheet the amount of R\$ 1,835,210 related to impairment losses on assets, for which, according to the Company's management, recovery was not expected in the short and long terms. The above mentioned impairment losses significantly affected the following accounts: current and non-current trade accounts receivable amounting to R\$ 1,678, as mentioned in Note 7 (ii), other current and non-current accounts receivable amounting to R\$ 9,568 taxes recoverable amounting to R\$ 5,771, current accounts with consortium companies amounting to R\$ 43,039, advances to suppliers amounting to R\$ 327 and intangible assets amounting to R\$ 98,460. The contra-entry of the effects of the above mentioned provision on profit or loss amounted to R\$ 1,476,999, recorded in the administrative and operating costs and expenses account, as presented in Note 26 (i), R\$ 141,457, recorded in the other operating expenses account, R\$ 178,928, recorded in the finance result account, and R\$ 37,826, which is the difference between the final rate and the average rate recorded in the Carrying value adjustments account in equity.

In 2021, the Company maintained the same criteria and impairment losses on these assets continued to be recognized.

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

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

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

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

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

(e) Revenue recognition

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

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

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

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

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

(f) Joint arrangements

The Company and its subsidiaries have joint control in certain contractual arrangements, which require a consensus among the parties to the arrangement in decisions that imply control. The evaluation of these arrangements to determine the existence of joint control involves subjectivity and judgment.

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

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

(g) Cash flows

The repayments to Novonor Group entities (related parties) are classified as financing activities in order to adjust the financial statements to the reality of the Company’s operations.

4 Financial Risk Management

4.1 Financial Risk Factors

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

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

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(a) Foreign Exchange Risk

The Company and its subsidiaries operate internationally and are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the U.S. dollar.

Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

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

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

The Company and its subsidiaries manage their exposure to foreign exchange rates through a mix of cash flows in foreign currencies, foreign currency denominated debt and investments in foreign currencies.

The policy of the Company and its subsidiaries to manage foreign exchange risks provides for maximum and minimum coverage limits that must be followed and which are constantly monitored by management.

(b) Interest Rate Risk

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

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

Foreign currency denominated debt bearing floating rates is mainly subject to changes in the Libor rate and fixed rates. Local currency denominated debt is mainly subject to the variation in the Long-Term Interest Rate (TJLP), and the daily Interbank Deposit Certificate ("CDI") rate.

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

(c) Price Index Risk

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

In order to minimize price index risks, the budgets of the fixed price contracts performed by the Company and its subsidiaries are periodically reviewed to include the matches or inconsistencies verified

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in relation to the amounts that were effectively realized. The policy of the Company and its subsidiaries is to discuss the collection of claims with respect to the contract price, resulting in future contract amendments, which increase the price, as a result of the variations verified. The amendments are recorded upon their signature.

(d) Credit Risk

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

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

These funds are allocated so as to: (i) obtain a return that is compatible with the maximum volatility determined by the risk and investment policies; (ii) seek a highly diversified consolidated portfolio; (iii) avoid the credit risk arising from the concentration in few securities; and (iv) follow the variation in the market interest rates, in Brazil or abroad.

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

The diversification of receivables, the selectivity in accepting customers, as well as the monitoring of the financing terms for sales by business segment and individual position limits are procedures adopted in order to minimize possible default problems in accounts receivable.

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

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

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

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

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

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(e) Liquidity Risk

This is the risk that the Company and its subsidiaries do not have sufficient liquid funds to meet their financial commitments, due to the mismatch of terms or volumes of estimated receipts and payments.

To manage the liquidity of cash in local and foreign currency, assumptions related to future disbursements and receipts are determined and monitored daily by the companies' treasury departments.

4.2 Capital management

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

			March 31,	December 31,
			2021	2020
	Note	US\$		R\$
Total debts	17	866,709	4,937,902	4,391,471
Less: cash and cash equivalents	6	(79,417)	(452,460)	(873,987)
Net debt (i)		<u>787,292</u>	<u>4,485,442</u>	<u>3,517,484</u>
Total equity (net capital deficiency)		<u>(1,040,160)</u>	<u>(5,926,106)</u>	<u>(5,418,846)</u>
Total capital		<u>(252,868)</u>	<u>(1,440,664)</u>	<u>(1,901,362)</u>
Index of financial gearing - %		N/A	N/A	N/A

N/A - Not Applicable

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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, 2021				
Assets, according to the balance sheet				
Cash and banks		396,814	396,814	69,649
Short-term deposits	55,646		55,646	9,768
Financial investments		103,732	103,732	18,207
Current accounts with consortium members		448,901	448,901	78,792
Trade accounts receivable and other assets		5,963,748	5,963,748	1,046,765
Novonor Group companies		14,445,468	14,445,468	2,535,494
	<u>55,646</u>	<u>21,358,663</u>	<u>21,414,309</u>	<u>3,758,675</u>
		Amortized cost	Total R\$	Total US\$
March 31, 2021				
Liabilities, according to the balance sheet				
Debts		4,937,902	4,937,902	866,709
Leases		119,327	119,327	20,944
Suppliers, subcontractors and other liabilities		6,176,887	6,176,887	1,084,178
Current accounts with consortium members		519,833	519,833	91,242
Novonor Group companies		2,699,824	2,699,824	473,878
		<u>14,453,773</u>	<u>14,453,773</u>	<u>2,536,951</u>
		Amortized cost	Total R\$	
December 31, 2020				
Trade accounts receivable and other assets			5,416,808	5,416,808
			<u>20,158,336</u>	<u>20,158,336</u>
		Amortized cost	Total R\$	
December 31, 2020				
Liabilities, according to the balance sheet				
Debts			4,391,471	4,391,471
Leases			120,868	120,868
Suppliers, subcontractors and other liabilities			5,879,504	5,879,504
Current accounts with consortium members			480,067	480,067
Novonor Group companies			2,795,549	2,795,549
			<u>13,667,459</u>	<u>13,667,459</u>

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6 Cash and Cash Equivalents

		March 31,	December 31,
		2021	2020
	US\$		R\$
High Liquidity	11,401	64,954	313,427
Cash - countries (*)	54,530	310,675	368,285
Consortia (**)	13,486	76,831	192,275
	<u>79,417</u>	<u>452,460</u>	<u>873,987</u>

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

(**) It takes into consideration the cash of consortiums in which the Company has an investment and it will be used to pay for their obligations.

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

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7 Trade Accounts Receivable and Advanced from Customers

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

	March 31, 2021								December 31, 2020					
	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\$			R\$		
	Current	Non-current	Total	Total	Current	Non-current	Total	Total	Current	Non-current	Total	Current	Non-current	Total
Main countries														
Angola	1,281,729	304,265	1,585,994	278,376	1,500	3,111,429	3,112,929	546,387	1,105,749	264,748	1,370,497	49,654	2,892,345	2,941,999
Brazil	472,098	962,050	1,434,148	251,724	251,287	221,425	472,712	82,971	417,276	913,539	1,330,815	229,855	295,683	525,538
Panama	688,258		688,258	120,804	119,508		119,508	20,976	726,436		726,436	130,637		130,637
Peru	1,479,385	22,832	1,502,217	263,672	107,641		107,641	18,893	1,366,056	22,832	1,388,888	124,518		124,518
Dominican Republic	454,542		454,542	79,782	250,018		250,018	43,884	414,047		414,047	244,304		244,304
Others	640,090	1,138,958	1,779,048	312,263	45,534	4,919,720	4,965,254	871,510	705,783	967,833	1,673,616	436,748	4,171,843	4,608,591
(-) Allowance for expected losses from doubtful accounts (i)	(2,711,705)	(376,890)	(3,088,595)	(542,116)					(2,632,009)	(352,765)	(2,984,774)			
	2,304,397	2,051,215	4,355,612	764,505	775,488	8,252,574	9,028,062	1,584,621	2,103,338	1,816,187	3,919,525	1,215,716	7,359,871	8,575,587

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

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(i) Allowance for Expected Losses from Doubtful Accounts

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

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

Additionally, the Company also assesses the losses incurred arising from one or more events that took place after the initial recognition of the receivable if this loss event has an impact on the Company's cash flows. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company's management uses its best judgment to choose the evaluation method and define assumptions that are based mainly on the market conditions existing on the balance sheet date, as described in Note 3.1, with respect to the critical accounting estimates and judgments.

Historically, the Company and its subsidiaries have received these credits held with these entities, including those overdue for one year or more, and they have not been presenting significant losses upon their realization. The collection of these overdue amounts occurs through the payment or receipt of government bonds or other assets. As part of their policy to mitigate performance risks in developing countries, the Company and its subsidiaries require advances from customers before starting a project (down payment). These down payments are deducted from each invoice through the end of the contract.

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8 Taxes Recoverable

	March 31,			December 31,			
	2021			2020			
	R\$			US\$			
	Brazil	Abroad	Total	Total	Brazil	Abroad	Total
Offset - assets							
Prepayment of income tax	21,709	168,200	189,909	33,333	28,296	151,572	179,868
Indirect taxes	37,193	260,530	297,723	52,257	39,296	219,776	259,072
Taxes withheld at source	13,062	26,139	39,201	6,881	5,767	23,390	29,157
Other	70,049	10,692	80,741	14,172	68,227	10,521	78,748
	142,013	465,561	607,574	106,643	141,586	405,259	546,845
			575,802	101,066			484,943
			31,772	5,577			61,902

9 Inventories

	March 31,		December 31,	
	2021		2020	
	US\$	R\$	US\$	R\$
Materials to be used in construction (i)	21,183	120,688	107,359	107,359
Marketable properties (ii)	30,957	176,373	186,848	186,848
Imports and exports in progress (iii)	13,193	75,167	105,845	105,845
In transit inventories	6,827	38,898	31,670	31,670
Advances to suppliers	690	3,925	3,941	3,941
	72,850	415,051	435,663	435,663

(i) This refers mainly to materials to be used in Consórcio UTE Santa Cruz.

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

(iii) This refer to imports and exports in progress, mainly from the Santa Cruz (Brazil) project.

10 Other Assets

On March 31, 2021, the balances of other current and non-current assets are of different natures and dispersed, and the main ones are:

i) transaction costs related to the OFL Bonds corporate restructuring and issue of OEC Finance Bonds amounting to R\$ 221,706 – US\$ 38,914 (December 31, 2020 – R\$ 156,328). The Company is assessing the due transfer of the transaction costs to the company that issued the Bonds, OEC Finance, so that they can be duly amortized in accordance with the flow of the Bonds;

ii) debit notes and invoices issued against companies of the Novonor Group amounting to R\$ 314,408 – US\$ 55,185 (December 31, 2020 – R\$ 312,705), as mentioned in Note 11 (b);

iii) judicial deposits/freezing amounting to R\$ 95,604 – US\$ 16,781 (December 31, 2020 – R\$ 91,199);

iv) Eletrobrás credits R\$ 91,142 – US\$ 15,997;

v) agreement entered into in 2019 with the consortium companies of the Rnest project amounting to R\$ 48,239 – US\$ 8,467 (December 31, 2020 – R\$ 57,998);

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vi) Other accounts receivable related to the agreement entered into on October 02, 2020 between Consórcio Expresso Linha 6 (“CEL6”) and Acciona Construcción S.A. for the sale of part of its property and equipment and some inventory items. The amount attributable to the Company, receivable on December 31, 2020, is R\$ 45,053 – US\$ 7,908 (December 31, 2020 – R\$ 44,726);

vii) advances to suppliers amounting to R\$ 28,553 – US\$ 5,012 (December 31, 2020 – R\$ 28,392);

viii) On March 31, 2021, the Company maintains the amount of R\$ 26,478 – US\$ 4,647 related to social security credits in its assets. The credit arises from the recognition of the non-levy of the social security contribution on payroll charges based on Note PGFN/CRJ No. 485/2016, which recognized that the levy of the social security contribution on Prior Notice Pay is not due; and

ix) 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\$ 11,987 – US\$ 2,104 (December 31, 2020 – R\$ 12,413).

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11 Related Parties

(a) Changes in Balances of Novonor Group Companies and Current Account with Consortium Members:

	December 31, 2020	Additions	Disposals	Interests	Exchange Variation	Adjustment to present value	Transfers / Offsets	March 31, 2021
Current asset								
Current accounts with consortium members								
Odebrecht Serviços e Participações S.A. - under judicial recovery ("OSP")	89,603		(284)					89,319
Total - Companies under judicial recovery (i)	89,603		(284)					89,319
Non-current asset								
Novonor Group Companies								
Novonor	114,375			233	8,606			114,374
ODBIC	569,342			1,951	33,808		(218,755)	382,575
OFL	2,329,969	7,452,468			221,132			2,479,432
Total - Companies under judicial recovery (i)	3,013,686	7,452,468		2,184	263,546		(218,755)	2,976,381
Other OPI consolidated companies (ii)	51,139			1,570	4,966			57,675
Aqueduct	1,747		(19)		186			1,914
Biocom – Cia de Bioenergia de Angola Ltd. - "Biocom" (c)	149,339			10,291	14,588	(2,692)		171,526
Consorcio Constructor Ductos Del Sur	18,063		(831)	130	2,452			19,814
Odebrecht Engenharia (a.1)	10,258,863				959,241			11,218,104
Others	54	-						54
Total - Other Group companies	10,479,205		(850)	11,991	981,433	(2,692)		11,469,087
Total Assets - related parties (in R\$)	13,492,891	7,452,468	(850)	14,175	1,244,979	(2,692)	(218,755)	14,445,468
Total Assets - related parties (in US\$)		1,308,070	(149)	2,488	218,521	(473)	(38,396)	2,535,494

(a.1) On July 31, 2020, for the purpose of corporate restructuring of the economic group, Odebrecht Engenharia transferred the investments in the controlled companies CNO, OECI, OENGER, Tenenge, CBPO, OECP and OEC Finance to the Company, as mentioned in Note 1 (c). As a result of this movement, the Company started to have in its assets, through its direct and indirect subsidiaries, amounts receivable from Odebrecht Engenharia in the amount of R\$ 11,218,104 – US\$ 1,969,021 which its realization will be evaluated by Management in the context of future corporate restructuring.

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	December 31, 2020	Additions	Disposals	Interests	Exchange Variation	Transfers / Offsets	March 31, 2021
Non-current liabilities							
Novonor Group Companies							
Novonor	158,637		(650)				157,987
ODBIC	569,341			459	31,528	(218,755)	382,573
OFL	25,983				2,503		28,486
OSP	870,950						870,950
Total - Companies under judicial recovery (i)	1,624,911		(650)	459	34,031	(218,755)	1,439,996
Other OPI consolidated companies (ii)							
Aqueduct	395,942			2,139	26,693		424,774
Consortio Constructor Ductos Del Sur	679,863				65,491		745,354
Consortio Constructor Chavimochic	40,929	2,649	(2,107)		6,280		47,751
Horiens Consultoria e Corretora de Seguros Ltda	1,772	342	(405)	7	191		1,907
Horiens Ltda	27,794		(196)				27,598
OR	12,392		(13,445)		1,053		6,497
Others	6,497						5,947
Total - Other Group companies	1,170,638	2,991	(16,153)	2,160	100,192	-	1,259,828
Total Liabilities - related parties (in R\$)	2,795,549	2,991	(16,803)	2,619	134,223	(218,755)	2,699,824
Total Liabilities - related parties (in US\$)		525	(2,949)	460	23,559	(38,396)	473,878

(i) The balance of net assets of Company and subsidiaries of Novonor Group companies that are in judicial recovery amount to R\$ 1,625,704.– US\$ 285,346.

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

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(b) Other Transactions with Related Parties:

	December 31, 2020	Additions	Disposals	Interests	Provision for losses/AVP	Exchange Variation	March 31, 2021
Current and non-current asset							
Accounts receivable							
OSP	6						6
Total - Companies under judicial recovery	6						6
Other OPI consolidated companies	63,410	14,144	(24,734)			1,816	54,636
Consortio Construtor Chavimochic - Peru	373					36	409
Gasoduto Sur Peruano							
Biocom (c)	34,217	44	(219)		(31,109)	12,364	15,297
Odebrecht Ambiental Participações	11,500					771	12,271
Braskem	4,484	32,105	(26,443)				10,146
OTP - Investees	34,811	21,111					55,922
Odebrecht Properties - Subsidiaries (i)	89,947						89,947
Odebrecht Energia - Subsidiaries (ii)	38,292						38,292
Odebrecht Realizações	23,887		(1)				23,886
Other - Assets	47,574		(823)			194	46,945
Total - Other Group companies	348,495	70,827	(52,220)		(31,109)	15,511	351,504
Other Assets							
Novonor	1,177	687	(687)			113	1,290
ODBINV			34				34
OPI	1,131		(8)				1,123
OSP	3,100	119	(106)		(2,415)		698
Odebrecht Properties	2,098	247	(48)		(50)		2,247
Edifício Odebrecht RJ S.A.	286						286
Odebrecht Energia	14,384	96			(635)		13,845
Atvos	12,732	757	(178)		(168)		13,143
Total - Companies under judicial recovery	34,908	1,906	(993)		(3,268)	113	32,666
Other OPI consolidated companies	2,383	365	(581)		(1,008)		1,159
Biocom (c)	20,317	16,477			(25,598)	10,283	21,479
Odebrecht Ambiental Participações	14,704	72	(268)			430	14,938
Braskem	1,185	1,243	(1,360)				1,068
OTP - Investees	40,902	289	(578)	1,212		22	41,847
Odebrecht Realizações	27,823	482	(1)				28,304
Ocyan	6,234	270					6,504
Odebrecht Defesa e Tecnologia	6,357	58	(55)		(4,092)		2,268
Odebrecht Engenharia		6,305	(242)			458	6,521
AOT Pipelines S.A.P.I. DE C.V.	2,012					207	2,219
Sociedade de Desenvolvimento Mineiro ("SDM")	155,045						155,045
Other - Assets	835	444	(558)		(331)		390
Total - Other Group companies	277,797	26,005	(3,643)	1,212	(31,029)	11,400	281,742
Total Current Assets - other related parties (in R\$)	661,206	98,738	(56,856)	1,212	(65,406)	27,024	665,918
Total Current Assets - other related parties (in US\$)		17,331	(9,979)	213	(11,480)	4,743	116,883

(i) This refers mainly to Arena Pernambuco.

(ii) This refers mainly to Santo Antônio Energia.

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	December 31, 2020	Additions	Disposals	Exchange Variation	March 31, 2021
Current liabilities					
Suppliers					
Novonor	11,259	273	(12)	544	12,064
OSP	26,138		(1,723)		24,415
Odebrecht Properties	42				42
Edifício Odebrecht RJ S.A.	36,701	3,096			39,797
Atvos	781				781
Total - Companies under judicial recovery	74,921	3,369	(1,735)	544	77,099
Braskem México	1,599			164	1,763
Other OPI consolidated companies	911			45	956
AOT Pipelines S.A.P.I. DE C.V.	21,633			2,227	23,860
Odebrecht Engenharia		8,210		792	9,002
Other - liabilities	2,510	1,912	(1,732)		2,690
Total - Other Group companies	26,653	10,122	(1,732)	3,228	38,271
Advances from Customers					
Other OPI consolidated companies	115,527		(23,643)	5,969	97,853
Total - Other Group companies	115,527		(23,643)	5,969	97,853
Other Liabilities					
Novonor	242				242
Total - Companies under judicial recovery	242				242
OR	5,209				5,209
Other - liabilities	119				119
Total - Other Group companies	5,328				5,328
Total Liabilities - other related parties (in R\$)	222,671	13,491	(27,110)	9,741	218,793
Total Liabilities - other related parties (in US\$)		2,368	(4,758)	1,710	38,403

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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 “Accounts receivable from the Novonor Group companies”, “Trade accounts receivable” and “Other assets” in current and non-current assets 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.

As mentioned in Note 1 (e), on December 06, 2019, Biocom’s stockholders, together with local Banks (Banco Angolano de Investimentos – BAI, Banco de Fomento Angola – BFA and Banco Econômico – BE) formulated the main terms of the renegotiation of the loans contracted by Biocom, which are documented in the Indicative Fact Sheet (“FIT”), that is confirmed and signed.

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

Assuming that the conditions in the FTI are approved and taking into consideration the new minimum term for receipt (10.5 years) and the Company’s assessment, the Credits with Biocom were adjusted to present value, representing, on December 31, 2020, the amount of US\$ 36,03 million – R\$ 205,321 (December 31, 2020 - US\$ 34,61 million – R\$ 179,858).

In the quarter ended March 31, 2021, the adjustment to present value recognized in the finance result as income amounted to R\$ 59,399 – US\$ 10,426.

(d) Compensation of key Management Personnel

	March 31, 2021		December 31, 2020	
	Statutory Executive Board	Total	Statutory Executive Board	Total
Compensation (a)	280	280	1,427	1,427
Short-term compensation (b)	9	9	32	32
Benefits – Pension plan	14	14	66	66
In R\$	<u>303</u>	<u>303</u>	<u>1,525</u>	<u>1,525</u>
In US\$	<u>53</u>	<u>53</u>		

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

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

Key management personnel include the members statutory officers of Company and its subsidiaries CNO and OECI (“Management Members”).

Additionally, the compensation of management members related to the short-term and long-term incentives for 2021 has not yet been approved

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12 Current and Deferred Income Tax and Social Contribution

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

(a) Recognition of Deferred Income Tax and Social Contribution

The breakdown of the deferred income tax and social contribution accounts at March 31, 2021 is as follows:

Nature of the credits	Non-current assets			Non-current liabilities	
		March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
	US\$		R\$	US\$	R\$
Income tax losses	36,559	208,289	199,403		17,213
Social contribution loss carryforwards	1,371	7,812	8,292		
	37,930	216,101	207,695		17,213
Temporary differences					
Provisions	119,747	682,235	630,235	426	2,428
Foreign exchange variation	49,550	282,303	171,917	110,167	627,655
Adjustment to present value	1,750	9,969	8,049		
Government agencies				21,474	122,343
Other	721	4,104	9,987	59,990	341,781
	209,698	1,194,712	1,027,883	192,057	1,094,207
					946,910

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

On March 31, 2021, 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.

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.

(c) Tax Regularization Program – PRT and Special Tax Regularization Program - PERT

In 2017, the Company's direct and indirect subsidiaries joined the PRT and PERT tax regularization programs for the purpose of settling the amount of R\$ 2,299,140 (including fine and interest) related to federal tax debts.

The amount was settled by means of the payment of 24% of the debt in 24 installments and the remaining amount (76%) will be paid with the use of credits from income tax and social contribution tax loss carryforwards, in the amount of R\$ 85,414 – US\$ 14,992, and credits acquired from Novonor Group companies, in the amount of R\$ 1,661,653 – US\$ 291,656.

In 2018, Company's direct and indirect subsidiaries consolidated the installments and, by March 31, 2021, installments amounting to R\$ 549,071 – US\$ 96,374 had been settled. Of the remaining balance of R\$ 2,945 – US\$ 517 recorded in liabilities, R\$ 2,280 – US\$ 400 refers to the principal amount adjusted by the Accumulated Basic Selic rate at R\$ 665 – US\$ 117.

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(d) Ordinary Financing

In April and August 2019, the Company's direct and indirect subsidiaries joined the Ordinary Financing to settle income tax and social contribution debts from previous years amounting to R\$ 65,801 in 60 installments and, by March 31, 2021, the amount of R\$ 24,216 – US\$ 4,250 had been settled. Of the remaining balance of R\$ 44,457 – US\$ 7,803 recorded in liabilities, R\$ 41,585 – US\$ 7,299 refers to the principal amount adjusted by the Accumulated Basic Selic rate at R\$ 2,872 – US\$ 504.

13 Non-Current Assets Held for Sale and Discontinued Operations

(a) Balance Sheet

	March 31,	December 31,
	2021	2020
	US\$	R\$
Rutas de Lima SAC ("Rutas de Lima") (i)	59,806	340,735
Concessionária Chavimochic S.A.C ("Chavimochic") (ii)	3,483	19,841
	<u>63,289</u>	<u>360,576</u>
		<u>342,039</u>

(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. BIF had four years to exercise its call option, which matured on June 28, 2020. Since OLI SAC had filed an arbitration procedure against BIF in order to recover part of the amounts agreed upon in the sale, the Company's management will not proceed with the sales negotiation with BIF.

Management is in the stage of contracting a financial advisor to negotiate the sale of the investment in Rutas de Lima with interested investors.

(ii) Chavimochic - In 2017, Chavimochic filed a petition for the forfeiture of the concession agreement for a cause that is imputable to the concession authority, without necessarily implying the immediate rescission of the concession agreement, which gave rise to an international arbitration procedure to settle the disputes generated by the default in the concession agreement by the concession authority. In 2018, an Arbitration Court was established, which is currently in progress, in accordance with the procedural calendar, and it is expected to be completed by the end of 2021.

Additionally, management is negotiating the sale of its investment in Chavimochic.

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

	Period Ended March 31	
	US\$	R\$
CNO S.A - Sucursal Venezuela (v)	16,655	94,895
CBPO Ingenieria de Venezuela C.A. (v)	(1,592)	(9,072)
CBPO Ltda. - Sucursal Venezuela (v)	(778)	(4,435)
Chavimochic	25	141
	<u>14,310</u>	<u>81,529</u>
Net income of discontinued operations for the period – per share	<u>0.032</u>	<u>0.007</u>

(v) This refers to the discontinuation of the operations of the Company's branch and subsidiary in Venezuela, as presented in Note 1 (e) and the amount of R\$ 81,388 – US\$ 14,285 substantially refers to foreign exchange losses on liabilities in foreign currency.

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14 Investments

(a) Information on the Main Investees

	Shares / Quotas directly or indirectly held		Company's interest %		Total assets		Liabilities (Current and Non-current)		Equity (Net capital deficiency)		Revenue		Profit (loss) for the year	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
OSP Investimentos S.A. - Under Judicial Recovery ("OSPInv") (i) (ii)	816,671,285	816,671,285	41.47	41.47	5,906,839	5,947,814	14,907,802	15,382,459	(9,000,962)	(9,434,645)	11,225	40,315	(324,391,828)	(4,005,554)
SDM (ii)	225,000	225,000	50.00	50.00	11,219	11,219	36,564	36,564	(25,345)	(25,345)				1,318
CTO - Concessionária Travasse Olmos	40,419,434	40,419,434	36.32	36.32	564,908	515,272	429,169	391,459	135,739	123,812	99,356	90,620	37,805	34,481
Elos Ligações de Alta Velocidade S.A.	65,210	65,210	13.04	13.04	1,085,689	1,034,808	201,911	192,449	883,778	842,359				
SPV Andrade Gutierrez Odebrecht	52,500	52,500	50.00	50.00	(9,375)	7,423	(84,391)	75,130	75,016	67,707	14,363	14,844	757	15,909
Etieno XXI Holding B.V.	18,000	18,000	50.00	50.00	86,684	82,622	337	321	86,347	82,305				4
Etieno XXI Services B.V.	18,000	18,000	40.00	40.00	148,489	135,442	2,529	2,307	145,960	133,135				92
Total in R\$					<u>7,794,455</u>	<u>7,794,455</u>	<u>15,493,921</u>	<u>15,493,921</u>	<u>(7,699,467)</u>	<u>(7,699,467)</u>	<u>124,944</u>	<u>124,944</u>	<u>(324,353,266)</u>	<u>(324,353,266)</u>
Total in US\$					<u>1,368,096</u>	<u>1,368,096</u>	<u>2,719,520</u>	<u>2,719,520</u>	<u>(1,351,424)</u>	<u>(1,351,424)</u>	<u>21,930</u>	<u>21,930</u>	<u>(56,931,049)</u>	<u>(56,931,049)</u>

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

(ii) On March 31, 2021, 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

	Company's interest %	Country	December 31, 2020	Disposals	Dividends	Retained earnings (accumulated deficit) adjustments	Equity in the results of investees (a)	Translation adjustments	March 31, 2021
Investments - associates									
CTO - Concessionária Trasvase Olmos	36.32	Peru	44,969		(7,124)		6,288	4,508	48,641
CENTRAD - Concórcio do Centro ADM	5.00	Brazil	8,110				(8,109)		1
Etileno XXI Holding B.V.	50.00	Netherlands	11,931					587	12,518
Etileno XXI Services B.V.	40.00	Netherlands	35,834					1,762	37,596
Grand Parkway	50.00	USA	12,239					1,179	13,418
SPV Andrade Gutierrez Odebrecht	50.00	Gana	33,854				379	3,276	37,509
AOT Pipelines	33.34	Mexico	21,841				592	1,511	23,944
ELOS - Ligação de Alta Velocidade S.A.	13.04	Portugal	109,877					5,403	115,280
Kulanda Malls	30.00	Angola	12,763				1,149	1,242	15,154
Other investments			3,059	(227)	(1,337)	(8,498)	8,470	333	1,800
Total investments - Associates (in R\$)			294,477	(227)	(8,461)	(8,498)	8,769	19,801	305,861
Total investments - Associates (in US\$)				(40)	(1,485)	(1,492)	1,539	3,476	53,685
Provision for net capital deficiency									
B.SABOR - Bento Pedroso Const. e Lena	50.00	Portugal	(11,715)					(576)	(12,291)
Biocom	40.00	Angola	(240,057)				(34,335)	(23,484)	(297,876)
Other			(340)					(17)	(357)
Total provision for net capital deficiency (in R\$)			(252,112)				(34,335)	(24,077)	(310,524)
Total provision for net capital deficiency (in US\$)							(6,027)	(4,226)	(54,504)
Net investment			42,365	(227)	(8,461)	(8,498)	(25,566)	(4,276)	(4,663)

(a) This refers to Equity in the results of investee in the amount of (R\$ 25,566) – (US\$ 4,488) .

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15 Property and Equipment

	Land	Buildings and Installations	Machinery and Equipment	Vehicles and Ships	Furniture and Fixtures	IT Equipment	Construction in Progress	Other	Total
Corporate restructuring (ii)	42,457	362,264	212,175	59,358	27,714	4,396	492	26,305	735,161
Additions		14	30,604	132	405	348	2	3,845	35,350
Disposals		(8,542)	(105,145)	(7,141)	(2,721)	(328)		(22,159)	(146,036)
Transfers (i)	9	141	34,718	531	253	(2)	(83)	23,823	59,390
Depreciation		(7,549)	(9,752)	(7,168)	(4,142)	(2,889)	2,283	(6,890)	(36,107)
Exchange variation	(1,945)	(18,020)	(6,516)	(2,193)	(1,158)	59	(410)	453	(29,729)
Accounting balance	40,521	328,308	156,085	43,520	20,350	1,584	2,284	25,377	618,029
Cost	40,521	449,348	673,774	273,073	135,676	90,727	2,284	402,621	2,068,024
Accumulated depreciation		(121,040)	(517,689)	(229,553)	(115,326)	(89,143)		(377,244)	(1,449,995)
At December 31, 2020 - R\$	40,521	328,308	156,085	43,520	20,350	1,584	2,284	25,377	618,029
At December 31, 2020 - US\$	7,797	63,176	30,035	8,375	3,916	305	440	4,883	118,927
Annual depreciation rates (%)		4	20	25	10	20		up to 10	

(i) This refers mainly to property and equipment transferred to held-for-sale current assets in June 2020 and subsequently sold in accordance with the agreement entered into on October 2, 2020 between CEL6 and Acciona Construcción S.A., as described in Note 10;

(ii) On July 31, 2020, for the purpose of corporate restructuring of the economic group, Odebrecht Engenharia transferred the investments in the controlled companies CNO, OECI, OENGER, Tenenge, CBPO, OECP and OEC Finance to the Company, as mentioned in Note 1 (c).

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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	40,521	449,348	673,774	273,073	135,676	90,727	2,284	402,621	2,068,024
Accumulated depreciation		(121,040)	(517,689)	(229,553)	(115,326)	(89,143)		(377,244)	(1,449,995)
At January 1, 2021	40,521	328,308	156,085	43,520	20,350	1,584	2,284	25,377	618,029
Additions			649	2,113	1,769	193		2,414	7,138
Disposals		(5)	(1,295)	(1,558)	(1,468)	(34)		(1,968)	(6,328)
Transfers			(59,833)	(220)				60,053	
Depreciation		(2,890)	(2,903)	717	(1,875)	(414)	(2,284)	(2,740)	(12,389)
Exchange variation	3,593	30,985	7,569	1,564	1,367	90	40	(749)	44,459
Accounting balance	44,114	356,398	100,272	46,136	20,143	1,419	40	82,387	650,909
Cost	44,114	490,086	799,889	280,269	143,024	96,210	40	343,840	2,197,472
Accumulated depreciation		(133,688)	(699,617)	(234,133)	(122,881)	(94,791)		(261,453)	(1,546,563)
At March 31, 2021 - R\$	44,114	356,398	100,272	46,136	20,143	1,419	40	82,387	650,909
At March 31, 2021 - US\$		62,556	17,600	8,098	3,536	249	7	14,461	114,249
Annual depreciation rates (%)		4	20	25	10	20		up to 10	

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16 Right of Use

(a) Information on the Right of Use

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

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

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

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

(b) Changes in the Right of Use

	Building lease	Machinery and equipment lease	Vehicles and Ships lease	Total
Corporate restructuring (i)	116,626	70		116,696
Additions	13,172	75	431	13,678
Disposals	(42,054)			(42,054)
Depreciation	(13,247)	(15)	(190)	(13,452)
Foreign currency translation adjustment	567	2		569
Accounting balance	75,064	132	241	75,437
Cost	96,327	1,098	467	97,892
Accumulated depreciation	(21,263)	(966)	(226)	(22,455)
At December 31, 2020 - R\$	75,064	132	241	75,437
At December 31, 2020 - US\$	14,445	25	46	14,516
Annual depreciation rates (%)	4	up to 17	5	

(i) On July 31, 2020, for the purpose of corporate restructuring of the economic group, Odebrecht Engenharia transferred the investments in the controlled companies CNO, OECI, OENGER, Tenenge, CBPO, OECP and OEC Finance to the Company, as mentioned in Note 1 (c).

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

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17 Debts

(a) Breakdown of Debts

Financial Institution	Country	Currency	Type of operation	Type	Annual Financial Charges	March 31,	December 31,
						2021	2020
						US\$	R\$
Banco Regional do Keve	Angola	KWA	Operational	Short-term debts	Fixed interest 23,80% + EV		
Royal Bank of Scotland	Cayman Islands	US\$	Investment	ECA	Fixed interest 10,25% + EV	8,459	48,194
Landesbank Baden	Dominican Republic	US\$	Investment	Short-term debts	LIBOR + 2.025% + EV	3,585	20,424
Crédito Agrícola Costa Azul	Portugal	C	Operational	Long-term debt	EURIBOR 12M + 2.50%	2,558	14,574
Banco Africano de Investimentos	Angola	KWA	Operational	Short-term debts	Libor 6M + 1,50% p.y Spread (20,59%)	185	1,056
Banco Internacional de Crédito	Angola	KWA	Operational	Short-term debts	Libor 6M + 2,00% p.y Spread (21,34%)	1,440	8,204
Banco Millennium Atlântico	Angola	KWA	Operational	Short-term debts	Libor 1M + 2,75% p.y Spread (21,29%)	8,720	49,682
Liberty Mutual Surety	USA	US\$	Operational	Short-term debts	Fixed interest 5,35% + EV	11,930	67,969
Novo Banco	Portugal	€	Operational	Long-term debt	EURIBOR (6M) + Spread 6%	17,950	102,266
Banco do Brasil	Brazil	R\$	Operational	ACC	Fixed interest 7,43%	47,204	268,935
Several foreign financial institutions	Several	US\$			Fixed interest 6,74% + EV	50	285
						102,081	581,589
Abbreviations:							
COP - Colombian Peso	EV - Exchange Variation				Guarantee of Bonds - OFL		3,859,234
DTF - Deposits to Fixed Terms Rate	VES - Sovereign Bolivars				Bonds - New issues (b)	764,628	4,356,313
EURIBOR - Euro Interbank Offered Rate	US\$ - American Dollar					866,709	4,937,902
LIBOR - London Interbank Offered Rate	€ - Euro				Current liabilities	81,524	464,465
KWA - Kwanza (Angola currency)	AED - Dirham				Non-current liabilities	785,185	4,473,437
ECA - Export Credit Agencies	R\$ - Brazilian Reais						111,623
ACC - Advances on Exchange Contracts	ACE - Advance of Export Contract						

On March 31, 2021, the following debts were past due and recorded in the books in accordance with their contractual clauses: Royal Bank of Scotland (RBS) / OOL, Landesbank Baden (LBBW) / CNO RD/ OAL and Banco Occidental de Descuento / CBPO Ingeniería de Venezuela C.A. These amounts are being negotiated with the respective financial institutions so as to establish the new conditions and terms for the amortization of the respective balances.

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(b) Bonds OEC Finance

Bond	Due date	Compensation	March 31, 2021	
			US\$	R\$
HSBC - Bond 2020	2024	Coupon of 7.000% p.a.	38,942	221,864
Credit Suisse Securities USA	Perpetual	Coupon of 7.500% p.a.	412,670	2,351,105
Credit Suisse - Bond 2023	2027	Coupon of 6.000% p.a.	53,383	304,140
Credit Suisse - Bond 2022	2026	Coupon of 5.125% p.a.	74,895	426,700
Credit Suisse - Bond 2042	2046	Coupon of 7.125% p.a.	461,004	2,626,479
Credit Suisse - Bond 2025	2029	Coupon of 4.375% p.a.	268,595	1,530,267
Credit Suisse - Bond 2029	2033	Coupon of 5.250% p.a.	262,394	1,494,938
Adjustment to present value - Bonds OEC Finance			(807,256)	(4,599,180)
			<u>764,627</u>	<u>4,356,313</u>

As mentioned in Note 1 (b), for the purpose to discuss and negotiate the restructuring of the guarantees offered to the holders of the OFL Bonds, Odebrecht Engenharia contracted Moelis & Company (“Moelis”), Cleary Gottlieb Steen & Hamilton and E. Munhoz Advogados. On August 30, 2019, Odebrecht Engenharia announced to the market the agreement made with the Ad Hoc Group of OFL Bond holders with respect to the main terms and conditions for the restructuring of the liabilities tied to the OFL Bonds (“Term Sheet”), which was signed on the same date.

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

The judicial recovery plan of OFL was approved at the general creditors’ meeting held on September 4, 2020 and ratified on November 11, 2020 (“OFL Plan”).

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

On November 24, 2020, OFL, Odebrecht Engenharia, CNO and OEIC filed for Chapter 15, Title 11, of the United States Bankruptcy Code (“Chapter 15”) before the United States Bankruptcy Court for the Southern District of New York requesting (i) the recognition of the Extrajudicial Recovery of Odebrecht Engenharia and the Judicial Recovery of Novonor, with respect to OFL, as major foreign proceedings, under Chapter 15; (ii) the recognition, the ensurance of compliance with and the provision of full force and effect to the Extrajudicial Recovery Plan and the OFL Plan in the scope of the territorial jurisdiction of the United States; and (iii) the authorization for the parties to take all

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necessary measures to give effect to the terms of the Extrajudicial Recovery Plan and the OFL Plan. On December 20, 2020, a decision on these terms was rendered by the United States Bankruptcy Code for the Southern District of New York, allowing the cancellation of the OFL Bonds and the payment to the creditors that are holders of the OFL Bonds with New Notes and the Holdco Instrument, which took place on January 20, 2021.

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

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

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(c) Changes in Debts

<u>Countries</u>	<u>December 31, 2020</u>	<u>Additions (i)</u>	<u>Principal amortization</u>	<u>Provision of interests</u>	<u>Exchange Variation</u>	<u>Adjustment to present value (iii)</u>	<u>Adjustment to present value amortization (iii)</u>	<u>Reversion Provision of guarantees (ii)</u>	<u>March 31, 2021</u>
Brazil	241,409			4,173	23,353				268,935
Portugal	111,365				5,476				116,841
Angola	54,713		(3,375)	82	7,523				58,943
USA	62,255				5,998				68,253
Cayman Islands	43,802			166	4,227				48,195
Dominican Republic	18,691			422	1,309				20,422
Brazil - Guarantee of Bonds	3,859,236				112,800			(3,972,036)	
Bonds - New issues		8,289,838		121,029	544,626				8,955,493
Adjustment to present value - New Issues					(281,383)	(4,438,832)	121,035		(4,599,180)
Total Loan and Finance Debts (in R\$)	4,391,471	8,289,838	(3,375)	125,872	423,929	(4,438,832)	121,035	(3,972,036)	4,937,902
Total Loan and Finance Debts (in US\$)		1,455,047	(592)	22,093	74,409	(779,112)	21,244	(697,179)	866,709

- (i) As mentioned in item (b), the amount of R\$ 8,289,838 – US\$ 1,455,047 refers to the issue of the OEC Finance Bonds issued by the Company's subsidiary, OEC Finance, on January 20, 2021, as a contra-entry to the Related parties account with OFL, amounting to R\$ 7,452,468 – US\$ 1,308,070, according to the debt with the bondholders declared at RJ OFL, the difference being recorded as finance result, amounting to R\$ 837.370 – US\$ 146,977 in accordance with Note 26. This credit with OFL was fully recognized in a provision as a contra-entry to the finance result (Note 26) due to the low expectation of receipt.
- (ii) As mentioned in item (b), this refers to the reversal of the provision for guarantee, which had the finance result as a contra-entry, in accordance with Note 26.
- (iii) This refers to the recognition of the adjustment to present value of the OEC Finance Bonds, which had the finance result as a contra-entry (Note 26).

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

Debts	March 31, 2021	
	US\$	R\$
Due Date		
2022	18,000	102,550
2024	2,557	14,574
	<u>20,557</u>	<u>117,124</u>
Bonds	March 31, 2021	
Due Date	US\$	R\$
2023	13,545	77,170
2024	122,662	698,842
2025	150,379	856,754
2026	292,549	1,666,739
2027	236,318	1,346,375
2028	151,753	864,582
2029	495,423	2,822,573
2030 and thereafter	2,113,157	12,039,288
Principal amount and interests (i)	3,575,786	20,372,323
(-) Discount to present value	(2,811,158)	16,016,010
Total debt balance	<u>764,628</u>	<u>36,388,333</u>

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

	March 31, 2021		December 31, 2020
	US\$	R\$	R\$
Local currency (Reais)	47,204	268,935	241,410
Foreign currency (U.S. Dollars)	788,653	4,493,185	124,751
Foreign currency (Kwanza)	10,346	58,942	54,711
Foreign currency (Euro)	20,506	116,840	111,365
	<u>866,709</u>	<u>4,937,902</u>	<u>4,391,471</u>

(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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18 Suppliers and Subcontractors

					March 31,	December 31,
	Current	Overdue - 1 - 90 days	Overdue - 91 -365 days	Overdue more than 365 days	2021	2020
					Total	Total
Brazil	155,924	41,471	27,995	50,516	275,906	259,621
Abroad	483,048	171,342	315,854	3,797,686	4,767,930	4,467,526
Total (in R\$)	638,972	212,813	343,849	3,848,202	5,043,836	4,727,147
Total (in US\$)	112,153	37,353	60,353	675,443	885,303	
				Current liabilities (R\$)	4,997,966	4,721,876
				Current liabilities (US\$)	877,252	
				Non-current liabilities (R\$)	45,870	5,271
				Non-current liabilities (US\$)	8,051	

The Company's working capital is managed so as to link the payments to suppliers with the receipt from customers. Of the amounts that have been due for more than 365 days, nearly 60% is due to suppliers in Venezuela and Peru, and which must follow the working capital management concept adopted by the Company.

19 Taxes, Fees, Salaries and Social Contributions

	US\$	March 31,	December 31,
		2021	2020
			R\$
Labor obligations			
Brazil	21,644	123,315	110,938
Abroad	65,502	373,184	371,651
	87,146	496,499	482,589
Tax obligations (a)			
Brazil	11,937	68,009	82,099
Abroad	56,692	322,990	285,382
	68,629	390,999	367,481
	155,775	887,498	850,070

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

		March 31, 2021	December 31, 2020
	US\$		R\$
Liabilities - payable			
Income tax and Income tax withheld at source	54,347	309,629	271,182
Indirect taxes	2,596	14,790	13,381
Financing (Note 12 (c) and (d))	8,320	47,402	56,303
Payroll charges	637	3,628	10,180
Other	2,729	15,550	16,435
	<u>68,629</u>	<u>390,999</u>	<u>367,481</u>

20 Provisions for Tax, Labor, Civil and Others Contingencies

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

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

			March 31, 2021	December 31, 2020
	Tax, labor and civil contingencies (b)	Agreements (a)	Total	Total
In R\$				
Current liabilities		715,897	715,897	573,114
Non-current liabilities	1,347,724	3,264,422	4,612,146	4,456,278
In US\$				
Current liabilities		125,655	125,655	
Non-current liabilities	236,555	572,977	809,532	

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

		March 31, 2021	December 31, 2020
	US\$		R\$
Tax (i)	150,632	858,198	798,931
Labor (ii)	58,903	335,587	320,982
Civil	<u>30,589</u>	<u>174,274</u>	<u>189,517</u>
	240,124	1,368,059	1,309,430
(-) Judicial deposits	<u>(3,569)</u>	<u>(20,335)</u>	<u>(20,208)</u>
	<u>236,555</u>	<u>1,347,724</u>	<u>1,289,222</u>

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- (i) Tax – Peru’s tax authorities have been inspecting the companies Odebrecht Perú Ingeniería y Construcción SAC, CNO S.A. - Peru Branch and Consórcio Constructor Ductos Del Sur with respect to income taxes and sales taxes related to the periods between 2010 and 2014. As a result of the inspections, claims have been filed representing a total provision amount of R\$ 490,087 – US\$ 86,021 as adjusted on March 31, 2021.
- (ii) Labor - There are many labor claims filed against Company and its subsidiaries, including consortiums, and each concessionaire is responsible for the equivalent to its part quota. Most of the contingencies reported as “possible” are at an initial procedural phase, thus not allowing us to precisely determine what the effective sentence will be because, as it is publicly known, claimants frequently make excessive claims.

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

		March 31, 2021	December 31, 2020
	US\$	R\$	
Tax (iii)	938,907	5,349,237	7,472,046
Labor (ii)	78,436	446,872	435,083
Civil (iv)	897,010	5,110,537	5,094,095
Total provision for contingencies	<u>1,914,353</u>	<u>10,906,646</u>	<u>13,001,224</u>

- (iii) Tax
- Brazil

On October 17, 2018, CNO was assessed with respect to alleged income tax and social contribution and income tax withheld at source debts in the adjusted amount of R\$ 4,146,909 – US\$ 727,873 related to the disallowance by the Federal Revenue Service of the expenses incurred by CNO’s branches abroad, the undue nature of which was proved in the reports of employees and in the leniency agreement signed by Novonor. Despite the nature of the expenses incurred abroad, , the Company understands that the charges that are being made have no legal grounds since they conflict with applicable legislation on the calculation of profit abroad.

The defense of this Tax Deficiency Notice was considered groundless by the lower court. In March 2020, the hearing session was held for our new appeal, which was partially accepted to discharge the collection of Income Tax Withheld at Source, and the other part was maintained to be decided by casting vote. The Company was formally informed of the result of the trial in March 2021. In the same notice, the Company was also notified of the rejection of the appeal filed by the Public Treasury to the Superior Court of Tax Resources (CSFR) making final the decision that dismissed the collection of Income Tax Withheld at Source and its accessories. The current amount of the debt is now R\$ 1,918,925 – US\$ 336,813.

Additionally on December 21, 2017, CNO was served with a tax deficiency notice updated amounting to R\$ 407,153 for the collection of Income Tax Withheld at Source related to alleged payments without cause made by the branches of CNO abroad over the course of 2012, the undue nature of which was evidenced in the reports of employees and the leniency agreement of Novonor. The Company filed a motion to deny, which was deemed groundless on August 14, 2018, and a Spontaneous Appeal was lodged against the decision. On September 17, 2019, the appeal started to be judged and, at the time, the

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remand of the records in diligence was determined for the analysis of calculation errors in the assessment, which is still pending a summons.

- México

The tax authority in Mexico (“Servicio de Administración Tributaria – SAT”) assessed CNO Mexico Branch for a total approximate amount of R\$ 1,432,530 billion after the completion of an inspection related to Income Tax and IVA for 2014 and 2015. The Company presented, still in the administrative litigation phase, the *demandas de nulidade* (nullity demands) for both years to the federal Administrative Justice Court (TFJA). The Company challenged the assessments by arguing that the amounts that were unduly considered non-taxed revenue refer to legal and exempt operations, such as remittances of funds by the head office and foreign exchange contracts, and it also pointed out that the assessment by SAT was extemporaneous since Article 50 of the Mexican Federation Fiscal Code determines the period of six months for the notification of the taxpayer about inconsistencies in the determination of taxes. The nullity demands have not yet been judged by the TFJA.

(iv) Civil

- Brazil

CNO, OECI and CBPO were sued in the sphere of class actions (that is, public civil actions, administrative improbity actions and citizen lawsuits) filed by the Federal Public Prosecution Office and/or by citizens whose subject matter are indemnity claims for alleged damages caused to the public administration and the application of penalties provided for in the laws that regulate the above mentioned actions.

Among these actions, considering the amounts involved: (i) Administrative Improbity Action filed by the São Paulo State Public Prosecution Office against OECI and other companies related to contracts for the performance of Line 5 of the São Paulo Metro. The adjusted amount of the action is R\$ 3,005,805 – US\$ 527,584 and the share related to OECI corresponds to the approximate amount of R\$ 600,000 – US\$ 105,313. Notwithstanding the unfavorable decision rendered by the Court of Justice of São Paulo, the Company and its legal advisors believe that they have solid grounds to reverse the sentence imposed on OECI and this belief was confirmed by the decision of the Superior Court of Justice, which granted a suspensive effect to the special appeals filed by the parties; (ii) Administrative Improbity Action filed by the São Paulo State Public Prosecution Office against CBPO related to the performance of urban cleaning services, the impact of which for the company cannot yet be estimated due to the pending judgment of the appeal and the need to settle the parameters determined in the sentence and (iii) by the Rio de Janeiro State Public Prosecution Office against CNO related to the contract for the performance of the construction works of Line 4 of the Rio de Janeiro Metro, the impact of which for the Company cannot yet be estimated due to the initial stage they are in.

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

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

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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 to be paid in the amount of R\$ 1,378,351 – US\$ 241,931 and contingencies to be received in the amount of R\$ 1,070,135 – US\$ 187,832, and the expectation of realization for all of them is considered possible, which could lead to a final contingency amount payable of R\$ 308,216– US\$ 54,099.

- Colombia

The *Procuraduría General de La Nación* (Nation's Public Prosecution Office) filed a public civil action against Concesionaria Ruta Del Sol, their stockholders OLI Colombia (37%), CNO (25.1%), other corporate stockholders and, also, individuals, for alleged violation of collective rights and damage to public assets due to acts of corruption involving the concession agreement. A lower court decision sentenced the respondents to be jointly responsible for compensation in the approximate amount of US\$ 191,557 million – R\$ 1,091,356 billion. The Company filed an appeal arguing the illegality of the decision and challenging the inadequate criteria used to calculate the compensation. The Company's appeal was accepted in February 2020 only with respect to its devolutive effect and is awaiting judgment.

The Industry and Commerce Department (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, OPI, other corporate stockholders and, also, individuals. The defense of the Company and its employees is based on the allegation of non-existence of technical and legal criteria to characterize anti-competition practices. After the completion of the preliminary hearing stage, SIC decided to penalize all of those investigated in the amount of: US\$ 23,540 million (R\$ 134,114 million) for CNO, US\$ 23,540 million (R\$ 134,114 million) for OPI and a total of US\$ 850,000 (R\$ 4,844 million) for three individuals. The Company and the individuals filed administrative appeals, the results of which confirming the application of penalties. Against this confirmation, there is a *demanda de nulidad* (nullity demand) in the judicial sphere, without suspensive effect.

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

- Venezuela

C.A Metro de Caracas (CAMETRO) filed a proceeding against the Company's indirect subsidiary, CNO Venezuela Branch, with respect to Metro Caracas – Viviendas Mariche – relating to the execution of a guarantee on advances received by CNO Venezuela Branch that have not been amortized, in addition to the alleged non-performance of a contract, whose exposure to loss is estimated at R\$ 218,241- US\$ 38,306. The proceeding is currently in progress in the lower court.

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21 Leases

	Corporate Restructuring (i)	Additions	Disposals	Payments	Interests	Exchange Variation	December 31, 2020
Brasil	151,713	11,001	(58,385)	(1,641)	13,177		115,865
Abroad	5,374	1,113		(1,760)	519	(243)	5,003
	<u>157,087</u>	<u>12,114</u>	<u>(58,385)</u>	<u>(3,401)</u>	<u>13,696</u>	<u>(243)</u>	<u>120,868</u>
	January 01, 2021	Additions	Disposals	Payments	Interests	Exchange Variation	March 31, 2021
Brasil	115,865	102	(7)	(4,880)	3,767		114,847
Abroad	5,003			(891)	212	156	4,480
Total Leases (in R\$)	<u>120,868</u>	<u>102</u>	<u>(7)</u>	<u>(5,771)</u>	<u>3,979</u>	<u>156</u>	<u>119,327</u>
Total Leases (in US\$)		<u>18</u>	<u>(1)</u>	<u>(1,013)</u>	<u>698</u>	<u>27</u>	<u>20,944</u>

(i) On July 31, 2020, for the purpose of corporate restructuring of the economic group, Odebrecht Engenharia transferred the investments in the controlled companies CNO, OECI, OENGER, Tenenge, CBPO, OECP and OEC Finance to the Company, as mentioned in Note 1 (c).

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

	March 31,	
	2021	
	US\$	R\$
2022	690	3,929
2023	3,375	19,227
2024	4,145	23,613
2025 and thereafter	7,710	43,933
	<u>15,920</u>	<u>90,702</u>

On July 3, 2020, the Technical Coordination Office of the Accounting Pronouncements Committee (CPC) made public the approval by the members of the CPC, in accordance with the provisions in CFC Resolution No. 1,055/05 and subsequent amendments, of the review of the Accounting Pronouncement CPC 06 (R2) – Leases. The review of the above mentioned document, in the opinion of the Committee, generates accounting reflections that are in conformity with the international accounting rules edited by IASB.

This review establishes amendments to the Accounting Pronouncement CPC 06 (R2) arising from Benefits Related to Covid-19 Granted to Lessors in Lease Contracts.

The Company assessed the lease contracts in effect for the period ending March 31, 2021, and it did not identify material effects arising from the application of this review.

In order to reduce administrative expenses, on November 18, 2020, the Company forwarded to Pinheiros One Investimentos Imobiliários Ltda., the current name of BRZ Pantheon Investimentos Imobiliários Ltda. (“BRZ”), a rental rescission notice for the purpose of informing the intention to return the rented spaces and fully rescind the Rental Agreement for the administrative offices located in the real estate property at Rua Lemos Monteiro, 120 - Butantã, São Paulo, SP, on May 20, 2021.

As from April 2021, the Company’s head office will be at the real estate property located at Av. Nações Unidas, 14.401 – Parque da Cidade – Chácara Santo Antônio, São Paulo, SP.

22 Other Liabilities – Current and Non-Current

(i) Current

On March 31, 2021, 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\$ 221,046 – US\$ 38,798 (December 31, 2020 – R\$ 390,073).

(ii) Non-Current

On March 31, 2021, the balances of other non-current liabilities are of different natures and dispersed, and the main ones are: i) contractual provisions related to discussions that are in progress with a customer with respect to projects in Brazil with the Company amounting to R\$ 524,759 – US\$ 92,107 (December 31, 2020 – R\$ 492,790).

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Additionally, the amount of R\$ 226,884 – US\$ 39,823 is also recorded in other non-current liabilities related to the net capital deficiency on liquidation basis of the indirect subsidiary Constructora Norberto Odebrecht de Colombia SAS – In Judicial Recovery (“CNO”). On November 14, 2019, the Superintendency of Companies of Colombia announced the record No. 460-009805 determining the filing for the court liquidation of the Company’s indirect subsidiary CNO, appointing the court liquidator and thus causing the petition for voluntary winding up previously filed on October 11, 2019 with the Trade Chamber, to be null and void. On December 17, 2019, the Company’s subsidiary presented to the court liquidator the balance sheet on liquidation basis. Accordingly, on December 31, 2019, CNO was no longer consolidated in the Company’s balance sheet due to the loss of control over this investment, and its aforementioned net capital deficiency was recognized as “other liabilities” in the Company’s non-current liabilities. By March 31, 2021, the above mentioned balance sheet on liquidation basis had not been approved by the Superintendency of Companies of Colombia.

23 Net Capital Deficiency

(a) Capital

On March 31, 2021, the Company's capital of R\$ 448,900 – US\$ 78,792 is fully subscribed and paid-up entirely by Brazilian corporations and comprised 111,760,878, 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. The effects of these amounts on profit or loss will be recognized upon their effective realization. The changes in this account in the years ended March 31, 2021 were as follows:

	Period Ended March 31	
	US\$	R\$
At the beginning of the period	38,244	217,887
Carrying value adjustments in investees (i)	6,425	36,605
Foreign exchange variation on foreign investments (ii)	(22,157)	(126,233)
Foreign exchange variation on net investments abroad (iii)	(14,683)	(83,651)
At the end of the period	7,829	44,608

(i) The change corresponds only 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) In 2020, the Company started to consider 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 will start to be recognized in Other comprehensive income within “Accumulated translation adjustments”.

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(c) Loss per Share

	Period Ended March 31	
	2021	
	US\$	R\$
Loss for the period attributable to the Company's stockholders	(67,119)	(382,396)
Weighted average number of shares, per class (In thousands)		
Common shares	448,900	448,900
Earnings per share		
Common shares	(0.150)	(0.852)

24 Service and Sales Revenue

	Period Ended March 31	
	2021	
	US\$	R\$
Services revenues		
Domestic market	56,356	321,078
Foreign market	60,415	344,201
	116,771	665,279
Sales revenues		
Domestic market	1,669	9,509
Foreign market	824	4,696
	2,493	14,205
Taxes and contributions on services and sales	(4,466)	(25,445)
Net services and sales revenues	114,798	654,039

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25 Expenses by Nature

	Period Ended March 31			
	2021			
	Cost of services rendered	General and administrative, and selling expenses	Total R\$	Total US\$
Raw materials and consumables	(160,932)	(773)	(161,705)	(28,383)
Personnel expenses	(153,990)	(81,053)	(235,043)	(41,255)
Outsourced services (a)	(180,830)	(26,172)	(207,002)	(36,333)
Depreciation and amortization	(6,215)	(10,477)	(16,692)	(2,930)
Reversion (Provision) for contingencies	(129)	(7,562)	(7,691)	(1,350)
Provision on doubtful accounts	(427)	78,354	77,927	13,678
Amortization of right of use	(733)	(6,345)	(7,078)	(1,242)
Administrative expenses	(58,446)	(21,138)	(79,584)	(13,969)
Other, net	(1,307)	(1,532)	(2,839)	(498)
	<u>(563,009)</u>	<u>(76,698)</u>	<u>(639,707)</u>	<u>(112,282)</u>

(a) Breakdown of Outsourced Services by Nature

	2020	
	US\$	R\$
Subcontractors	(80,152)	(416,526)
Rental and maintenance of equipment	(4,982)	(25,892)
Cleaning and surveillance	(2,021)	(10,500)
Transportation	(2,025)	(10,523)
Audit and advisory services	(14,211)	(73,849)
Computers and technology	(251)	(1,306)
Other	(47)	(247)
	<u>(103,689)</u>	<u>(538,843)</u>

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26 Financial Result, Net

	Period Ended March 31	
	US\$	R\$
Income from financial investments	373	2,127
Income from foreign exchange variation	(24,814)	(141,371)
Financial charges on debts	(22,357)	(127,375)
Lease interest	(797)	(4,541)
Reversion provision for guarantees (i)	697,179	3,972,036
Bank commissions	(1,676)	(9,546)
Allowance for expected losses from related parties (ii)	(1,322,863)	(7,536,748)
Adjustment Value Present (iii)	754,031	4,295,939
Loss on initial recognition of Bonds (iv)	(146,977)	(837,370)
Others, net	(24,029)	(136,902)
	<u>(91,930)</u>	<u>(523,751)</u>

- (i) As mentioned in Note 17 (c), this refers to the reversal of the provision for guarantee arising from the recognition of the OEC Finance Bonds.
- (ii) As mentioned in Note 17 (c), this refers mainly to the provision for the receivables with OFL arising from the recognition of the OEC Finance Bonds.
- (iii) As mentioned in Note 17 (c), this refers to the recognition of the adjustment to present value of the OEC Finance Bonds and the amortization of this adjustment to present value until March 31, 2021 in the amount of R\$ 4,317,797 -US\$ 757,867. Additionally, the amount of R\$ 21,858 – US\$ 3,837, arising from other transactions, is also recorded in this account.
- (iv) This refers to the difference between the amount recorded as liability arising from the issue of the OEC Finance Bonds in the amount of R\$ 8,289,838 – US\$ 1,455,047 and the amount recorded as receivables from related parties with OFL amounting to R\$ 7,452,468 – US\$ 1,308,070 arising from the subrogation of the debt with the Bond holders declared in the Judicial Recovery Plan of OFL.

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27 Income Tax and Social Contribution

	Period Ended March 31	
	US\$	R\$
		2021
Current income tax	(1)	(7)
Current social contribution		(2)
Foreign income tax (branches and subsidiaries) - current	(1,249)	(7,115)
	<u>(1,250)</u>	<u>(7,124)</u>
Deferred income tax	4,438	25,287
Deferred social contribution	1,598	9,103
Foreign income tax (branches and subsidiaries) - deferred	(358)	(2,040)
	<u>5,678</u>	<u>32,350</u>

(a) Income Tax in Brazil and Foreign

In the period ended March 31, 2021, the income tax expense is represented mainly by the taxes generated by the operations of the Company in Brazil (R\$ 34,381)– (US\$ 6,035); Angola R\$ 14,277– US\$ 2,506; Argentina (R\$ 1,479) – (US\$ 260); Panama (R\$ 1,520)– (US\$ 267) and Moçambique (R\$ 1,867 – (US\$ 328).

28 Collaterals

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

Type of guarantee	Type	March 31, 2021		December 31, 2020	
		US\$	R\$	US\$	R\$
	Bonds OFL (note 1(b))				17,426,149
	Odebrecht Group Companies (i)	196,321	1,118,500		1,020,220
Corporate guarantee	FINAME OSP	578	3,293		3,873
	Loans	94,580	538,851		479,263
	Property and Equipment	956	5,447		1,551
	Lease	3,364	19,166		16,874
Bank guarantee	Appeal Bond	16,594	94,541		100,775
	Performance Bond	58,196	331,560		303,914
	Advance Payment Bond	230,292	1,312,043		1,230,906
	Performance Bond	813,604	4,635,346		4,359,308
Guarantee insurance	Performance And Payment Bond	29,674	169,062		154,205
	Maintenance Bond	288,995	1,646,491		1,508,587
	Other	50,719	288,962		281,555
		<u>1,783,873</u>	<u>10,163,262</u>		<u>26,887,180</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 Odebrecht Administradora e Corretora de Seguros Ltda. (“OCS”), which is part of the 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) On May 07, 2012, CNO, OAS Engenharia e Construção S.A. In Judicial Recovery (“OAS”) and UTC Engenharia S.A. – in judicial recovery (“UTC”) entered into an Engineering, Procurement and Construction (“EPC”) Contract with Petrobras Netherlands BV – PNBV (“PNBV”) for the conversion of the hulls of four (4) Very Large Crude Carriers (“VLCCs”) into Floating Production Storage and Offloading (“FPSO”) units.

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

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

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

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

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

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

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

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

- (ii) The surety bonds, in particular those that were offered to public entities as a guarantee for projects in Venezuela, amounting to US\$ 3,066,287,283.04, were written down due to zero exposure since the maturity dates of all the policies had expired for at least one year and had not been used, whether to increase them or decrease them. Additionally, after this period, there has not been:
- i) Any attempt to execute / use these policies through a notice of non-performance of the contract to the insurance companies (whether at the administrative or judicial level);
 - ii) Knowledge of the use of reinsurance for this exposure, nor any request by reinsurers expressing concern with the exposure in Brazil;
 - iii) Any request by the insurance companies for a possible compulsory renewal of these guarantees as a way to protect themselves from a non-performance of the contract; and
 - iv) Any declaration by the Venezuelan customers regarding the termination of the contracts for their non-performance or the need to extend or renew the policies.

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29 Insurance Coverage (Unaudited)

Odebrecht Engenharia 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:

	<u>US\$</u>	<u>March 31, 2021</u>	<u>December 31, 2020</u>
			<u>R\$</u>
Brazil	1,564,534	8,913,619	8,775,883
Abroad	<u>6,430,308</u>	<u>36,635,394</u>	<u>36,825,413</u>
	<u>7,994,842</u>	<u>45,549,013</u>	<u>45,601,296</u>

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

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

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