

# Restructuring Overview

February, 2021



**OEC**

Odebrecht  
Engineering  
& Construction

# Disclaimer

## DISCLAIMER

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Odebrecht Engenharia e Construção S.A. (“OEC” and, together with certain of its subsidiaries the “Company”) has successfully completed restructuring of its obligations in respect of the (i) 7.00% Senior Notes due 2020, (ii) 5.125% Notes due 2022, (iii) 6.00% Notes due 2023, (iv) 4.375% Notes due 2025, (v) 5.250% Notes due 2029, (vi) 7.125% Notes due 2042, and (vii) 7.500% Perpetual Notes (collectively, the “Old Notes”) (the “Restructuring”). The Restructuring was implemented through a Brazilian extrajudicial reorganization plan (the “ER Plan”) which was confirmed by the São Paulo Bankruptcy and Reorganization Court and subsequently recognized in the United States under chapter 15 of the U.S. Bankruptcy Code in a proceeding before the United States Bankruptcy Court for the Southern District of New York. The Restructuring is binding on all holders of Old Notes.

### ***Disclosed Information***

The Disclosed Information should not be regarded as an indication that the Company or any other person considered, or now considers, this information to be predictive of actual future results, and does not constitute an admission or representation by any person that such information is material or complete, or that the expectations, beliefs, opinions and assumptions that underlie these materials remain the same as of the date of this disclosure and the information or as of the date indicated contained in these materials may have been superseded by subsequent developments. Readers are cautioned not to place undue reliance on these materials and are referred to the Company’s current public disclosure. None of the proposed terms included in the Disclosed Information constitute an offer capable of acceptance.

### ***Projections/Forward Looking Information***

Projections, including with respect to cash flows, are included in the material set forth herein. Such projections have not been examined by auditors.

This material may contain certain “forward-looking statements” and information relating to the Company and its affiliates that reflects the current views and/or expectations of the Company and its management with respect to performance, business and future events. Such statements are subject to a number of risks, uncertainties, predictions and assumptions and therefore do not represent guarantees of future performance. A number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in these materials. All forward-looking statements in this presentation are based on information and data available as of the date they were made, and the Company makes no undertaking to update them in light of new information or future developments.

The projections, while presented with numerical specificity, are necessarily based on a variety of estimates and assumptions which, though considered reasonable by the Company, may not be realized and are inherently subject to significant business, economic, competitive, industry, regulatory, market, legal and financial uncertainties and contingencies, many of which are and will be beyond the Company’s control. The Company cautions that no representations can be made or are made as to the accuracy of the historical financial information or the projections or to the Company’s ability to achieve the projected results. Some assumptions may prove to be inaccurate. Moreover, events and circumstances occurring subsequent to the date on which the projections were prepared may be different from those assumed, or, alternatively, may have been unanticipated, and thus the occurrence of these events may affect financial results in a materially adverse or materially beneficial manner.

### ***Non-GAAP Information***

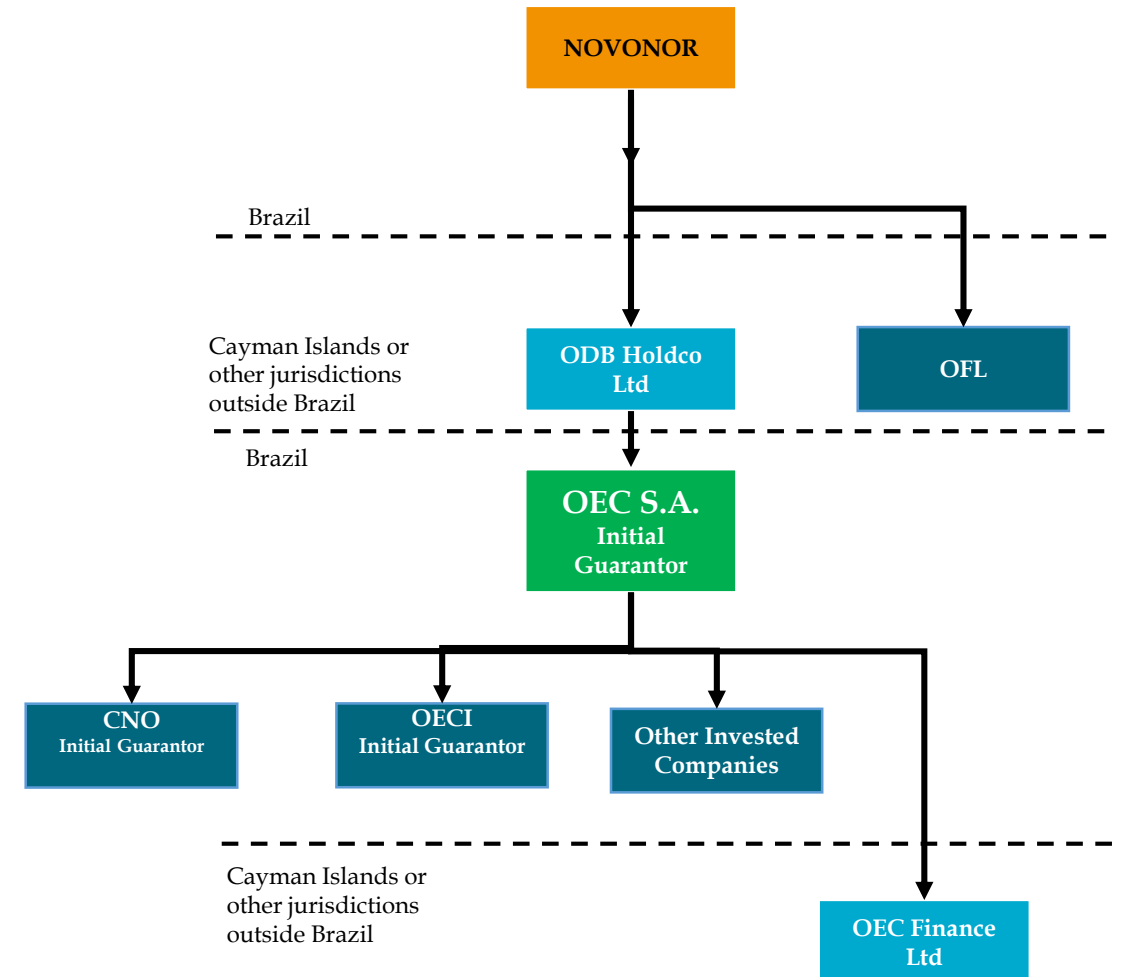
The financial information reflected in the Disclosed Information does not purport to present the Company’s financial condition in accordance with accounting principles generally accepted in the United States or any other country. The Company’s independent accountants have not audited or performed any review procedures on the Disclosed Information (except insofar as certain historical financial information may have been derived in part from the Company’s historical annual financial statements).

# Restructuring Overview | SUMMARY OF TERMS AND CONDITIONS

## GENERAL RESTRUCTURING TERMS

- New Notes were issued by an entity of the OEC Group (OEC Finance Ltd), representing 45% of the Old Notes
  - New Notes have the same interest rates as the Old Notes. Although during the first 5 years after the issuance, the issuer has the option at its sole discretion to make the payment in-kind with a premium
  - New Notes have an extended maturity of 4 years and 180 days per series, excepted for the perpetual notes
  - In addition, the New Notes have a cash sweep mechanism, new guarantors, different covenants and default events
- Furthermore, an equity-like instrument (“Instrument”) in the amount representing 55% of the Old Notes was issued by a holding held by OEC (ODB HoldCo Ltd)
- Cash sweep mechanisms will amortize the Holdco Instrument and New Notes, as applicable

## STRUCTURE



# Restructuring Overview | DETAILED FINANCIAL RESTRUCTURING TERMS

## NEW NOTES

- Face Amount:** each series of New Notes were issued in an initial principal amount equal to 45% (forty five percent) of the Amount Outstanding in respect of such series of Old Notes, distributed pro rata among the noteholders of the corresponding series of Old Notes
  - Old Notes Amount Outstanding (as of January 20, 2021 – Effective Date) : US\$3,444 bn
  - New Notes Amount Outstanding (as of January 20, 2021 – Effective Date) : US\$1,550 bn
- Interest:** each series of New Notes bear interest at a rate per annum equal to the interests originally contemplated in each corresponding series of Old Notes and are subject to additional default interest and the PIK Premium

PIK PERIOD	Effective Date – 2 <sup>nd</sup> year	2 <sup>nd</sup> year – 3 <sup>rd</sup> year	3 <sup>rd</sup> year – 4 <sup>th</sup> year	4 <sup>th</sup> year – 5 <sup>th</sup> year
Interest as PIK	100.0%	92.5%	65.0%	30.0%
PIK Premium	50.0%	50.0%	50.0%	75.0%

**Amortization:** the principal amount of the New Notes shall be amortized (i) upon effective payment at maturity of each series of New Notes and (ii) upon occurrence of any Cash Sweep payments

- Maturity:** each series of New Notes has a stated maturity that is four (4) years and 180 (one hundred and eighty) days later than the maturity date of the corresponding series of Old Notes, provided that the New Notes issued in exchange for the perpetual Old Notes continue to be perpetual in maturity

# Restructuring Overview | DETAILED FINANCIAL RESTRUCTURING TERMS

## NEW NOTES (CONT'D)

Old Notes Description	Old Notes Maturity	Old Notes Cusip	Old Notes ISIN	New Notes Description	New Notes Maturity	New Notes Cusip	New Notes ISIN
7% due 2020 – 144A	April 21, 2020	675758AC0	US675758AC09	7% due 2024 – 144A	October 21, 2024	67614CAA8	US67614CAA80
7% due 2020 – Reg S	April 21, 2020	G6710EAD2	USG6710EAD25	7% due 2024 – Reg S	October 21, 2024	G6714RAA5	USG6714RAA52
5.125% due 2022 – 144A	June 26, 2022	675758AH9	US675758AH95	5.125% due 2026 – 144A	December 26, 2026	67614CAB6	US67614CAB63
5.125% due 2022 – Reg S	June 26, 2022	G6710EAK6	USG6710EAK67	5.125% due 2026 – Reg S	December 26, 2026	G6714RAB3	USG6714RAB36
6% due 2023 – 144A	April 5, 2023	675758AG1	US675758AG13	6% due 2027 – 144A	October 5, 2027	67614CAC4	US67614C AC4
6% due 2023 – Reg S	April 5, 2023	G6710EAG5	USG6710EAG55	6% due 2027 – Reg S	October 5, 2027	G6714RAC1	USG6714R AC19
4.375% due 2025 – 144A	April 25, 2025	675758AL0	US675758AL08	4.375% due 2029 – 144A	October 25, 2029	67614CAD2	US67614CAD20
4.375% due 2025 – Reg S	April 25, 2025	G6710EAP5	USG6710EAP54	4.375% due 2029 – Reg S	October 25, 2029	G6714RAD9	USG6714RAA52
5.25% due 2029 – 144A	June 27, 2029	675758AM8	US675758AM80	5.25% due 2033– 144A	December 27, 2033	67614CAE0	US67614CAE03
5.25% due 2029 – Reg S	June 27, 2029	G6710EAQ3	USG6710EAQ38	5.25% due 2033 – Reg S	December 27, 2033	G6714RAE7	USG6714RAE74
7.125% due 2042 – 144A	June 26, 2042	675758AJ5	US675758AJ51	7.125% due 2046 – 144A	December 26, 2046	67614CAF7	US67614CAF77
7.125% due 2042 – Reg S	June 26, 2042	G6710EAL4	USG6710EAL41	7.125% due 2046 – Reg S	December 26, 2046	G6714RAF4	USG6714RAF40
Perpetual Notes – 144A	Perpetual	675758AF3	US675758AF30	Perpetual Notes – 144A	Perpetual	67614CAG5	US67614C AG50
Perpetual Notes – Reg S	Perpetual	G6710EAF7	USG6710EAF72	Perpetual Notes – Reg S	Perpetual	G6714RAG2	USG6714R AG23

# Restructuring Overview | DETAILED FINANCIAL RESTRUCTURING TERMS (CONT'D)

## HOLDCO INSTRUMENT

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- **Face Amount:** the Holdco Instrument was issued in an initial face amount equal to 55% (fifty five percent) of all Amount Outstanding and was distributed pro rata among the noteholders
  - Old Notes Amount Outstanding (as of January 20, 2021 – Effective Date) : US\$3,444 bn
  - Holdco Instrument Amount Outstanding (as of January 20, 2021 – Effective Date) : US\$1,894 bn
- **Interest:** the Holdco Instrument does not bear interest
- **Payments:** the holders of the Holdco Instrument are entitled to receive payments from cash sweep mechanism or special distribution events, pursuant to the terms and conditions and such payments made to holders shall apply, on a dollar-for-dollar basis, to reduce the outstanding face amount of the Holdco Instrument, up to the full face amount of the Holdco Instrument unless earlier redeemed pursuant to the terms of the Description of Holdco Instrument
- **Maturity:** the Holdco Instrument matures on September 10, 2058
- **Redemption:** upon the occurrence of certain events as described below, the Holdco Instrument may be redeemed or receive sale consideration through
  - Sale or issuance of shares of OEC or New Holdco to an unaffiliated third party resulting in a Change of Control or any other transaction resulting in a Change of Control
  - Sale by New Holdco of shares of OEC to an unaffiliated third party not resulting in a Change of Control
  - OEC sells all or substantially all of its assets in a transaction not resulting in a Change of Control
  - OEC issues shares in a Qualified IPO

# Restructuring Overview | DETAILED FINANCIAL RESTRUCTURING TERMS (CONT'D)

## CASH SWEEP MECHANISM

- **Minimum Cash:** minimum cash of US\$200 – US\$300 mm
  - Starts with US\$200 mm and increases accordingly to Net Revenue accrued by OEC for the preceding twelve-month period
    - Net Revenue below US\$5bn: US\$200 mm minimum cash
    - Net Revenue between US\$5bn and US\$6 bn: US\$225 mm minimum cash
    - Net Revenue between US\$6bn and US\$7 bn: US\$250 mm minimum cash
    - Net Revenue between US\$7bn and US\$8 bn: US\$275 mm minimum cash
    - Net Revenue above US\$8bn: US\$300 mm minimum cash
- **Cash Sweep Mechanism:** illustrative payment schedule below

CASH SWEEP PERIOD	1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year - 2031	2032 Onwards
New Notes	90.0%	80.0%	70.0%	60.0%
Holdco Instrument	10.0%	10.0%	10.0%	10.0%
ODB	0.0%	10.0%	20.0%	30.0%

# Restructuring Overview | NEW CORPORATE GOVERNANCE

## OEC S.A.'s CORPORATE GOVERNANCE OVERVIEW

<p><b>Board of Directors</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Board of Directors shall include at least a number of Independent Directors:</b> equivalent to the greater of 1) 20% of the members of the OEC S.A. Board or 2) two             <ul style="list-style-type: none"> <li>— Independent Directors shall be appointed by the shareholders and elected from time to time, and shall at all times meet the requirements for independence provided for in OEC S.A.'s bylaws ("Independent Directors")</li> </ul> </li> <li>▪ <b>Initial Slate of Independent Directors</b> <ul style="list-style-type: none"> <li>— Exclusively for the first term following the issuance of the New Notes, OEC S.A. Board shall include at least one Independent Director appointed, consented or not objected by the Creditor Representative (as provided for under the ER Plan) and acceptable to Novonor, and at least one Independent Director appointed by Novonor.</li> </ul> </li> <li>▪ <b>Vacancy Period</b> In any period in which the number of Independent Directors in the OEC S.A. Board is lower than the minimum, OEC S.A.'s Board (i) shall only be permitted to authorize resolutions involving matters of ordinary course of business; and (ii) shall be subject to certain specific restrictions detailed in the ER Plan.</li> </ul>
<p><b>Board's Committee</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Finance and Risk Committee:</b> Shall include at least one Independent Director</li> <li>▪ <b>Integrity and Audit Committee:</b> Shall include majority of Independent Directors, otherwise the Committee shall only be permitted to recommend.</li> </ul>
<p><b>Governance Structure Simplification</b></p>	<ul style="list-style-type: none"> <li>▪ OEC S.A. Board and OEC S.A. shareholders may amend New OEC's bylaws to merge the OEC S.A. Board's Finance and Risk Committee and the OEC S.A. Board's Integrity and Audit Committee, in which case the resulting committee of New OEC Board shall include a majority of Independent Directors on an ongoing basis</li> </ul>
<p><b>Related Party Transactions</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Subject to OEC S.A. Board's approval and Board's Integrity and Audit Committee's recommendation for approval</b> any related party transaction that exceeds: 1) \$1 mm per transaction or 2) \$2 mm in aggregate amount of transactions occurred within a 12-month period.</li> </ul>
<p><b>Termination of Corporate Governance</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Corporate Governance</b> provisions shall remain in force until the earlier of: 1) September 10<sup>th</sup>, 2058 or 2) such time as there are no New Notes outstanding</li> </ul>