

OI'S TRANSFORMATION PLAN

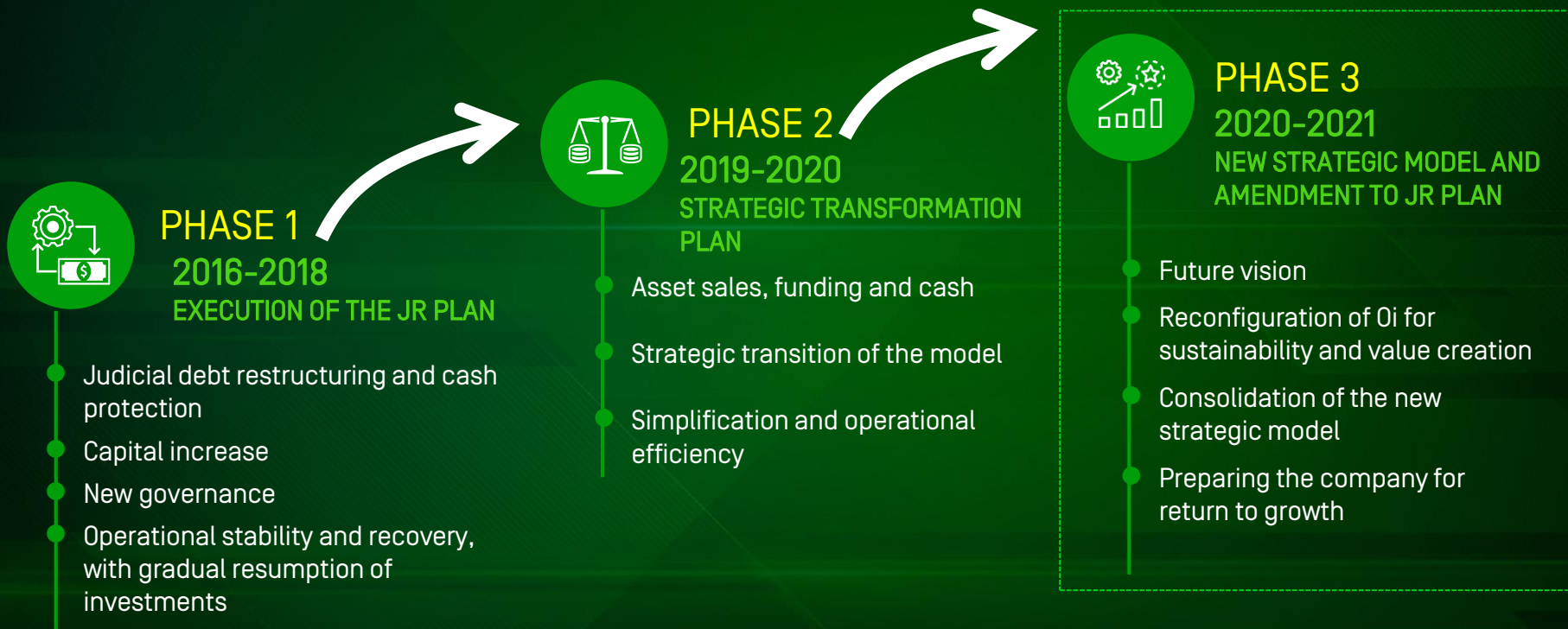
October, 2020



AGENDA

- 1) OI'S JUDICIAL REORGANIZATION PROCESS AND STRATEGIC TRANSFORMATION PLAN
- 2) AMENDMENT TO THE JUDICIAL REORGANIZATION PLAN: ENABLING LEVERAGE REDUCTION AND FINANCIAL SUSTAINABILITY
- 3) TRANSFORMATION PLAN: ROBUST FIBER PROJECT GROWTH; EFFICIENCY AND OPERACIONAL SIMPLIFICATION

SINCE THE 2017 APPROVAL OF THE JUDICIAL REORGANIZATION PLAN, OI HAS BUILT A VISION FOR ITS FUTURE, NOW ENTERING ON THE THIRD PHASE OF ITS TRANSFORMATION





PHASE 3 WITHIN A CHANGING ENVIRONMENT, OI'S ROLE MUST EVOLVE TOWARDS A SUSTAINABLE LONG-TERM VISION

PLAN EXECUTION ENVIRONMENT

- Regulatory framework changes still in progress
- Technological and demand changes - Accelerated decline in fixed telephony, copper broadband and DTH
- Accelerated demand for high-speed broadband, and increased competition with large Telcos and ISPs
- Need for massive investments in fiber infrastructure and preparation for 5G
- Covid-19 impacting economic environment, but with potential opportunities in the recovery
- Need to optimize the company's financial model for the long term



EVOLUTION OF OI'S ROLE

LONG-TERM STRATEGIC VISION, COMPANY RECONFIGURATION, SUSTAINABILITY AND VALUE GENERATION



- ✓ New Business and Company Models
- ✓ New Governance Structure
- ✓ New Financial Structure
- ✓ New Operational Structure

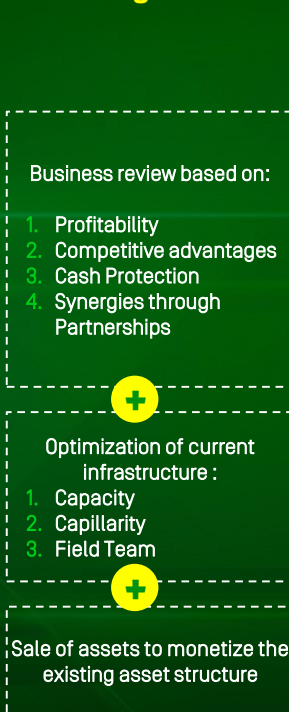
- ✓ Focus on Fiber Optic Infrastructure
- ✓ Residential, Business, Corporate, Government + Wholesale Customers
- ✓ Structural Separation Model
- ✓ Consolidation of Mobile Operation
- ✓ Evaluation of partnerships for TV and Content
- ✓ Flexibility to Execute the Plan

IN ORDER TO DEFINE A SUSTAINABLE LONG-TERM VISION, THE COMPANY WENT THROUGH A STRATEGIC REDESIGN...

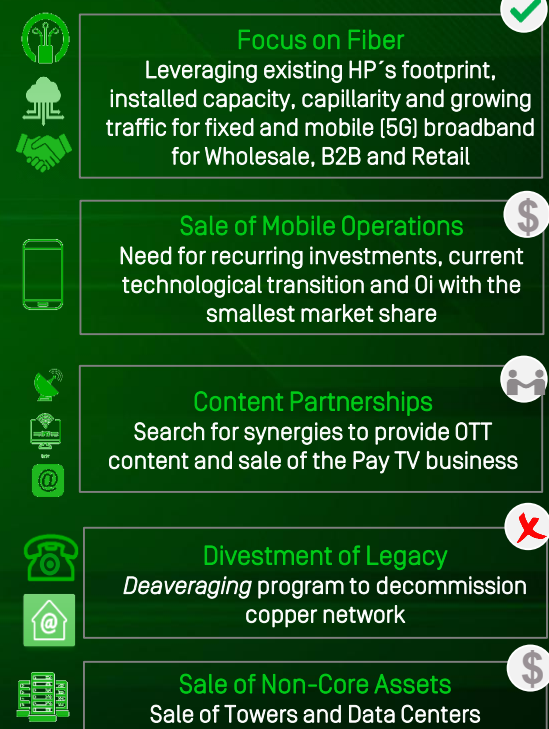
Analytical Business View



Oi Strategic Review



Business Transformation



... DEFINING A NEW VISION, STRATEGY AND EXECUTION



VISION

ENABLE THE CREATION OF THE **LARGEST TELECOM INFRASTRUCTURE COMPANY IN THE COUNTRY** MASSIFYING FIBER OPTICS, ENABLING BROADBAND, 5G AND ENTERPRISE SERVICES



STRATEGY

LONG-TERM SUSTAINABILITY

New company model, reorganized, with investment capacity, revenue generation and long-term sustainability

OI BRAND → FOCUS ON CUSTOMER EXPERIENCE

Innovation and excellence in solutions development and relationships with our customers

INFRA CO → STRUCTURAL SEPARATION AND NEUTRAL NETWORK

Comprehensive, robust, granular network, with better revenue predictability and access to the financial markets



EXECUTION

LIGHTER and **AGILE** company focused on the future

Seeking market **LEADERSHIP** in **FTH**, B2B and Wholesale

That **MAKES SENSE** in the lives of our customers and always innovates

With **FOCUS** on a more **EFFECTIVE** performance

Leveraging and investing on the **BEST NETWORK** in Brazil

COMPANY THAT GENERATES VALUE AND TRUST FOR ALL STAKEHOLDERS

(CUSTOMERS, EMPLOYEES, SHAREHOLDERS, CREDITORS, PARTNERS, SUPPLIERS AND SOCIETY)

THE COMPANY RECONFIGURATION ENCOMPASSES STRUCTURAL SEPARATION, UNLOCKING INVESTMENTS AND GENERATING VALUE

OI OPERATIONS

INFRA CO

FTTH Network (7,1Mn+ HPs)

Access to 388,000 km of fiber^[1]

Access to 43,000 + km of ducts^[1]

Fiber to more than 2,300 cities^[1]

Wholesale business:

- White label FTTH
- Connectivity and transport for operators and ISP
- 5G Enabler



- ✓ Robust and granular **neutral and independent** network structure
- ✓ Better Access to funding sources, **due to the independence, revenues predictability and greater exposure to other clients**
- ✓ Anticipation of **investment accelerating fiber network deployment**



OI S.A. (CLIENT CO) ^[2]

Customers:

- Oi (residential and business)
- Oi Solutions
- Copper wholesale

Activities:

- Sales
- Marketing
- Customer care
- Innovation/OiTo
- Oi Futuro

Infrastructure:

- IPTV & OTT Platform
- Copper
- Backbone, Backhaul and ducts (managed by InfraCo)^[1]

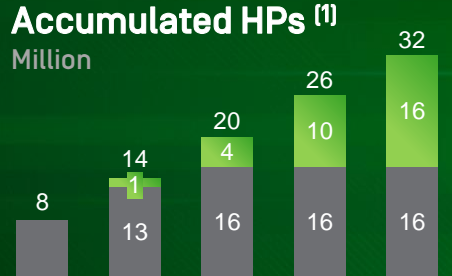


- ✓ Service culture **centered on customer experience and digital first**
- ✓ Focus on excellence in consumer experience and **offer differentiation**
- ✓ Less need for own investment, **leveraging on an even more comprehensive network of its affiliate**

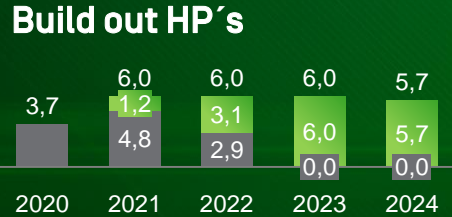
Notes: [1] IRU contract for the management and operation of the transport network of Oi SA and Telemar, [2] Remaining Company (Oi S.A., Oi Móvel S.A and Telemar Norte Leste) with good Governance practices - Board with 11 independent members and a management team with long-term incentives aligned with the value creation for the shareholders.

STRUCTURAL SEPARATION RESULTS, ON ONE SIDE IN THE CREATION OF INFRA CO, BOOSTING THE CONSTRUCTION PLAN FOR THE LARGEST FIBER NETWORK IN THE COUNTRY ...

COVERAGE OF ALL ADDRESSABLE HPs UNTIL 2024



**+100%
ACCUMULATED
HPS IN 2024**



**+140%
BUILT HPS
UNTIL 2024**

InfraCo As Is

CASH FLOW



- 1 Initial investment period with high network expansion CAPEX, financed by an efficient capital structure
- 2 Followed by a high return phase, with reduced CAPEX and increasing EBITDA

Note [1]: Projected Evolution | Source: Business Model under discussion within the scope of the Strategic Transformation Plan

... AND ON THE OTHER SIDE, THE TRANSFORMATION OF CLIENT CO INTO A LIGHT, AGILE COMPANY WITH AN EXCLUSIVE FOCUS ON CUSTOMER EXPERIENCE ...

CLIENT CO

Light, agile, efficient, digital company, with low capex and high conversion of Ebitda into cash

Fiber B2C

- Focus on excellence in the customer experience and offer differentiation;
- Service culture centered on customer experience and digital as the first option.

B2B and Governments

- Strategic positioning of IT solutions integrator;
- Change in the revenue mix, with higher value added products

Legacy

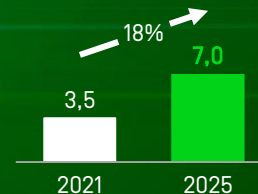
- De-averaging program for copper decommissioning;
- Focus on operations in carrier of last resort areas, ensuring greater efficiency.

InfraCo Share

- Sale of control to maintain Infra Co's independence;
- Maintenance of relevant participation, guaranteeing the dividends flow

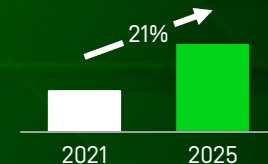
Homes Connected FTTH

Million | CAGR



Revenue

R\$ Million | CAGR



Ebitda margin

2025 | %

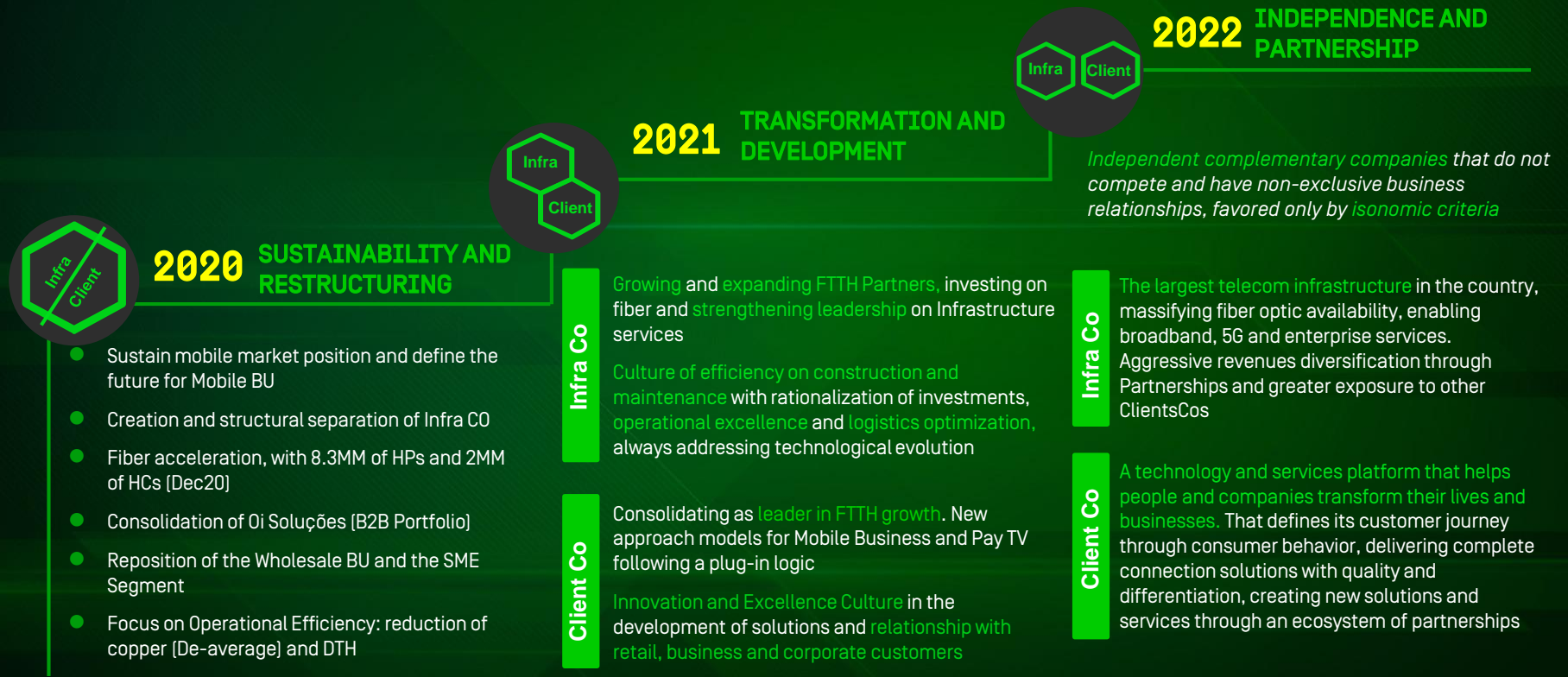


Fiber Cash Flow

2025 | Ebitda - Capex



... THIS WILL ALLOW A SUSTAINABLE TRANSITION PROCESS TO ENABLE GROWTH IN ALL RESULTING OPERATIONS



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JR AMENDMENT APPROVAL AT THE GENERAL CREDITORS MEETING ALLOWS OI TO GO ON WITH THE EXECUTION OF ITS TRANSFORMATION PLAN, TO REDUCE ITS LEVERAGE AND TO PROVIDE MORE SAFETY TO STAKEHOLDERS

- ✓ CONTINUITY OF JR EXECUTION – SUSTAINABILITY AND VALUE GENERATION
- ✓ EXECUTION FLEXIBILITY AND FUTURE OPTIONS FOR THE COMPANY
- ✓ ANTICIPATION OF DEBT PAYMENTS, REDUCING LEVERAGE AND FINANCIAL RISKS
- ✓ CAPITAL STRUCTURE OPTIMIZATION AND ACCESS TO MORE FINANCIAL RESOURCES
- ✓ OPERATIONAL RISK REDUCTION ONCE TRANSACTIONS ARE CONCLUDED

CREATION OF 5 UPI⁽¹⁾: FUNDING FOR THE EXECUTION OF THE TRANSFORMATION PLAN AND FLEXIBILITY TO IMPLEMENT THE STRUCTURAL SEPARATION

	UPI TOWERS	UPI DATA CENTER	UPI MOBILE ASSETS	UPI INFRACO	UPI TVCO
SCOPE	<ul style="list-style-type: none"> ✓ 637 mobile towers and 222 indoor sites (passive infrastructure in shopping malls, hotels and others) ✓ Revenue from other operators and Oi 	<ul style="list-style-type: none"> ✓ 5 data centers ✓ Revenue/contracts for the colocation/hosting business with B2B and Oi customers 	<ul style="list-style-type: none"> ✓ Mobile operation, including active network, clients and spectrum ✓ Elements of the active or passive transmission network not included 	<ul style="list-style-type: none"> ✓ FTTH network, including equipment and operation, wholesale contracts (Oi being its main client) ✓ Long term contracts (IRUs) for backbone, backhaul and pipes of Oi SA and Telemar 	<ul style="list-style-type: none"> ✓ TV operation, including DTH infrastructure and equipment, customers and adjacent obligations to DTH and IPTV services (SeAC). ✓ Oi maintains IPTV and OTT platforms
SALE	<ul style="list-style-type: none"> ▪ Binding Offer received (R\$ 1.067Bn) for 100% of the shares; ▪ Highline do Brasil made the highest offer during the M&A process and will have the right to match during the Competitive Bidding Procedure (Stalking Horse) 	<ul style="list-style-type: none"> ▪ Binding Offer received (R\$ 325MM, of which R\$ 225MM upfront and R\$ 75MM in installments) for 100% of the shares; ▪ Piemonte Holding made the highest offer during the M&A process and will have the right to match during the Competitive Bidding Procedure (Stalking Horse) 	<ul style="list-style-type: none"> ▪ Binding Offers received above the minimum price of R\$ 15Bn for 100% of the shares. Sale at the highest price. ▪ Telefônica Brasil S.A., TIM S.A. e Claro S.A made the highest offer during the M&A process and will have the right to top during the Competitive Bidding Procedure (Stalking Horse) 	<ul style="list-style-type: none"> ▪ Minimum value: R\$ 20Bn (Enterprise Value, base date as of Dec 31, 2021), for the sale of 25,5% to 51% of total capital, enabling a competitive process to acquire control of InfraCo (51% of voting shares) ▪ Winning offer will be defined by the highest value per share (EV), with a minimum secondary payment of R\$ 6,5Bn in up to 3 installments, and a primary transaction of up to R\$ 5Bn, in order to guarantee the payment of the R\$2,4Bi obligations to Oi in up to 3 months after the closing and InfraCo investment plan ▪ Highest offer in the M&A process may be granted with a right to top in the Competitive Bidding Process. Investors may offer assets or certain and liquid receivables (with a 60% discount) as part of the UPI payment. 	<ul style="list-style-type: none"> ▪ Sale of 100% of the shares of UPI TV Co for the minimum price of R\$ 20MM and assuming payment commitments for the use of satellite capacity until 2027, exempting Oi from its annual cost ▪ 50% revenue share with Oi on IPTV revenues provided by TV Co to customers of the recovery entities

(1) Independent Productive Units provided in the LRF, not associated with RJ's obligations

PROPOSED TERMS FOR CREDITORS IN THE PLAN AMENDMENT: LEVERAGE AND FINANCIAL RISK REDUCTION

NON-FINANCIAL CREDITORS

Labor creditors [Class I]:

- Payment in up to 30 days after the amendment ratification by court (limited to R\$ 50k/creditor)

Small Businesses [Class IV]:

- Option to receive up to R\$ 150k (and waiver of additional claims) in up to 90 days after the amendment ratification by court;

FINANCIAL CREDITORS

Secured Creditors [Class II]:

- The obligation of the buyer of UPI Mobile Assets of paying part of the transaction price directly to Secured Creditors doesn't exempt the recovery entities from the obligation to settle such credits as one of the closing acts of the sale ;
- Prepayment of 100% of the outstanding credits. Suspension of certain clauses until May 30, 2020, in order to implement the terms provided in the Plan amendment;
- Prepayment of post-petition Oi Móvel debentures

Restructuring Option I [Class III]:

- Prepayment with a 55% discount, in up to 3 installments (2022-2024). Conditioned to the closing of both UPI Mobile Assets and UPI InfraCo and to the maintenance of a minimum cash balance ("cash sweep")
- Reduction in the prepayment discount from 55% to 50% for creditors that opt for the Bank Guarantee option and offer a new line of letter of credits, up to the maximum restructured credits value (1:1), in the form of the RJ Plan and on condition that Oi reduces its total exposure in guarantee

ADDITIONAL CREDITORS

Anatel:

- Payment via Law 13.988/20 or more favorable new legislation to be published in the future

Unsecured Creditors:

- Option to receive up to R\$ 3k (and waiver of additional claims) in up to 90 days after ratification by court;

Class III and Class IV Creditors:

- Possibility of prepayment through the introduction of a reverse Dutch auction mechanism to repurchase credits at the lowest value and more favorable NPV to the company [voluntary option]

BRIDGE LOAN AND OTHER FINANCING

- Possibility of partial anticipation of resources of UPI Mobile sale in an amount of up to R\$ 5Bn; Other Financing: R\$ 2Bn [with flexibility for offering guarantees] and R\$ 2Bn [without flexibility to offer additional guaranties];
- Flexibility for additional funds guaranteed by InfraCo shares

CLOSING OF THE JR

- Closing of the Judicial Reorganization in October 06, 2021 – this date may be extended in case it is needed for the implementation of measures for the disposition of assets provided for in the Amendment to the JRP

EXPECTED TIMELINE – NEXT STEPS

SEP 20	OCT/NOV 20	DEC 20	1Q 21	3Q 21	4Q 21	OCT 21
General Creditors Meeting	Competitive Bidding Process for UPI Towers and UPI Data Center	Competitive Bidding Process for UPI Mobile Assets Closing of UPI Towers and UPI Data Center	Competitive Bidding Process for UPI Infra Co Competitive Bidding Process for UPI TV Co	Closing of UPI Infra Co	Closing of UPI Mobile Assets Closing of UPI TV Co	End of the Judicial Reorganization

Note: Timeline dependent on judicial, regulatory and competitive approvals

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FOLLOWING THE ANNOUNCEMENT OF ITS LONG TERM STRATEGIC PLAN AMENDMENT, IN Q2 OI CONTINUED TO EXECUTE ON ALL TRANSFORMATION FRONTS, DEMONSTRATING THE SOLIDITY OF ITS PROPOSAL

STRATEGIC TRANSFORMATION PLAN IS BEING SUCCESSFULLY EXECUTED

FTTH PROJECT

6.7 Million homes passed

1.3 Million homes connected

-4% Decline in broadband service complaints

Growth leader in homes connected, connecting more than the other 3 local operators combined

OPERATIONS

Mobile resilience with Postpaid revenue growing **6.5%** yoy

ICT solutions integrator, with IT reaching **21% share** of total corporate revenues

Greatly **reduced focus on Copper and DTH** accelerating decline but redirecting **financial resources to FTTH project**

EFFICIENCY & SIMPLIFICATION

685 Million in cost reduction in 2020 YTD

Several initiatives of **Simplification, Reorganization, Digitalization** and legacy **Divestment** being implemented

1 Billion estimated annualized impact of **cost savings in 2020**

STRATEGIC OPTIONS

Approval of Amendment to the JRP
To secure the operational and financial flexibility

Stalking horse defined for Towers and Data Centers and Binding offers received for **Mobile**

Preparation for **Structural separation of Infra Co and Client Co** in progress with Jupiter project

COMPANY IS FOLLOWING THROUGH ON ITS COMMITMENTS, AND PAVING THE WAY FOR SUSTAINABLE CHANGE IN THE SHORT, MEDIUM AND LONG TERM

OUR GEOGRAPHICAL COMPETITIVE ADVANTAGE HAS BEEN ALLOWING FOR RESIDENTIAL FIBER GROWTH AT A VERY FAST PACE, LEADING TO VERY POSITIVE RESULTS IN OPERATIONS, SALES AND REVENUES

OUR INFRASTRUCTURE COMPETITIVE ADVANTAGE...

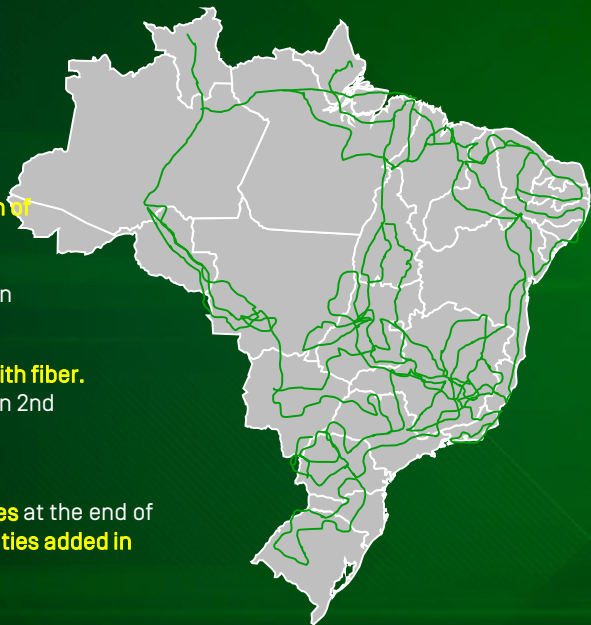
✓ Over **388,000 km of fiber**. 2x larger than 2nd competitor

✓ Over **43,000 km of ducts** highest integrated infrastructure in Brazil

✓ **+2,300 cities with fiber**. 1,000 more than 2nd competitor

✓ FTTH in **127 cities** at the end of 2Q20 (**15 new cities added in the quarter**)

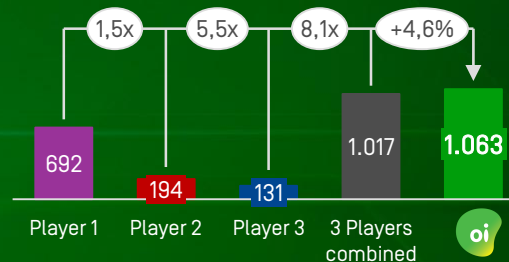
✓ **Agility** in the adjustment of the **productive capacity** through our **own field operation team** with capillarity for service across Brazil



... STARTS TO SHOW IN COMPARATIVE FIBER RESULTS

✓ **Highest growth among all FTTH broadband operators**

FTTH NET ADDITIONS (12 MONTHS, THOUSAND)



✓ **Largest fiber presence** amongst all national operators

OI FIBER PRESENCE¹



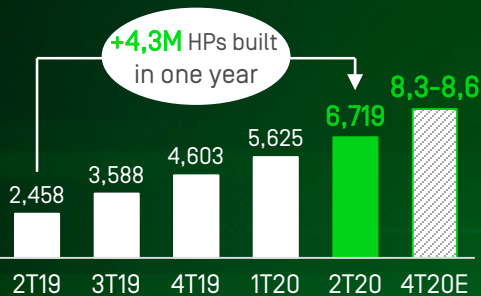
PLAYER 1 FIBER PRESENCE¹



EVEN WITH THE FULL IMPACT OF THE PANDEMIC IN Q2, FIBER DEPLOYMENTS CONTINUED TO ACCELERATE, WITH PROJECTIONS WHICH GREATLY EXCEED THE EXPECTATIONS FOR 2020

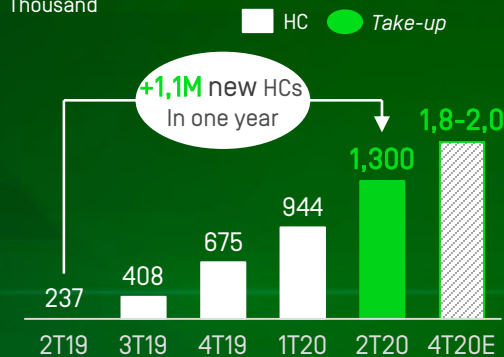
HOMES PASSED WITH FIBER

Thousand



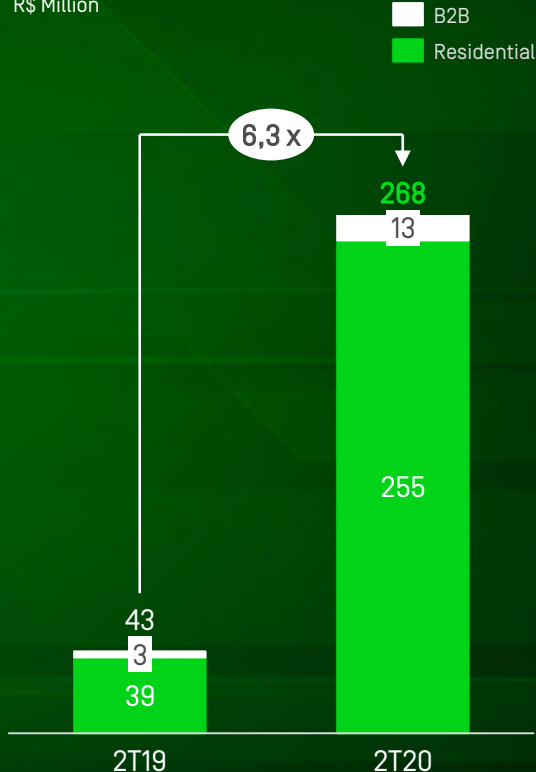
HOMES CONNECTED WITH FIBER

Thousand



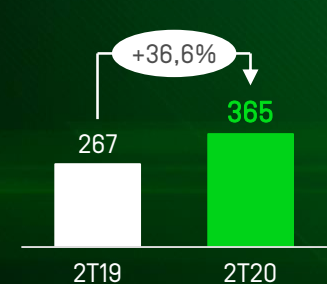
FTTH REVENUES BREAKDOWN

R\$ Million



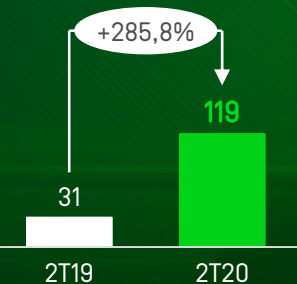
MONTHLY AVERAGE HP BUILT

Thousand



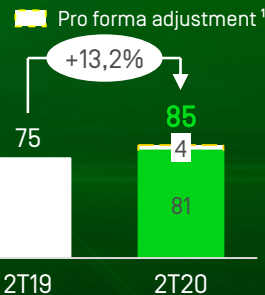
MONTHLY AVERAGE HC NET ADDS

Thousand



FIBER ARPU

R\$



1- The pro forma ARPU of R\$ 85,0 excludes the impact of 1st month promotion and adjusts the pro-rata ARPU of new customers who entered after the beginning of the month.

RECORD SALES AND NET ADDS OF FIBER ARE RESULTING IN THE REVERSAL OF HISTORICAL RESIDENTIAL RGUS DECLINING TREND, AND POSITIONING US VERY STRONGLY IN THE ULTRA-BROADBAND COMPETITIVE SCENARIO

CHEGOU OI FIBRA

400 MEGA

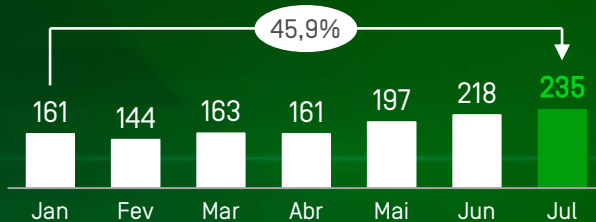
SUPERESTABILIDADE
 PRA INTERNET DA SUA CASA
 TODO MUNDO CONECTADO
 AO MESMO TEMPO

POR R\$ **149,90** /MÊS
 NO DÉBITO AUTOMÁTICO EM CONTA

Consulte disponibilidade e regulamento no site oi.fibra.com.br. Oferta com fidelização de 12 meses, multa e multa. Preços com as melhores condições comerciais poderão ser disponibilizados nos pontos de venda autorizados.

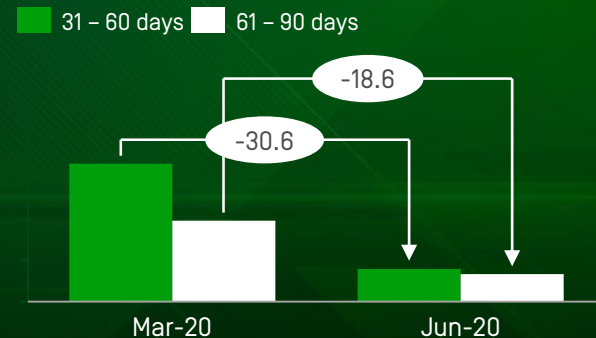
FTTH sales accelerating and breaking records...

NET FTTH SALES (THOUSAND)



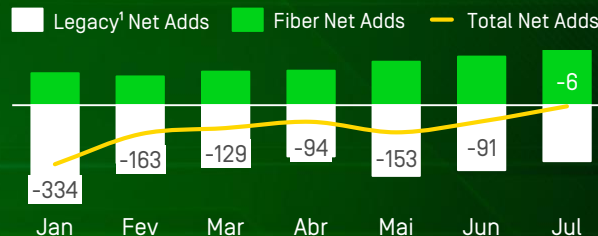
... with improvements in the quality of our broadband customer base...

FTTH CUSTOMERS DEFAULT RATE (%)



... reversing the decline trend of Residential RGUs...

RGU NET ADDS (THOUSAND)



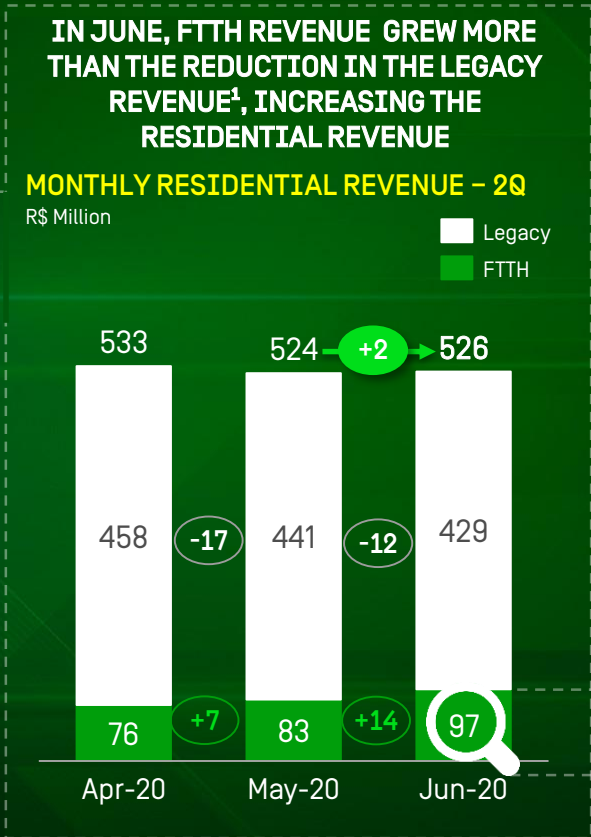
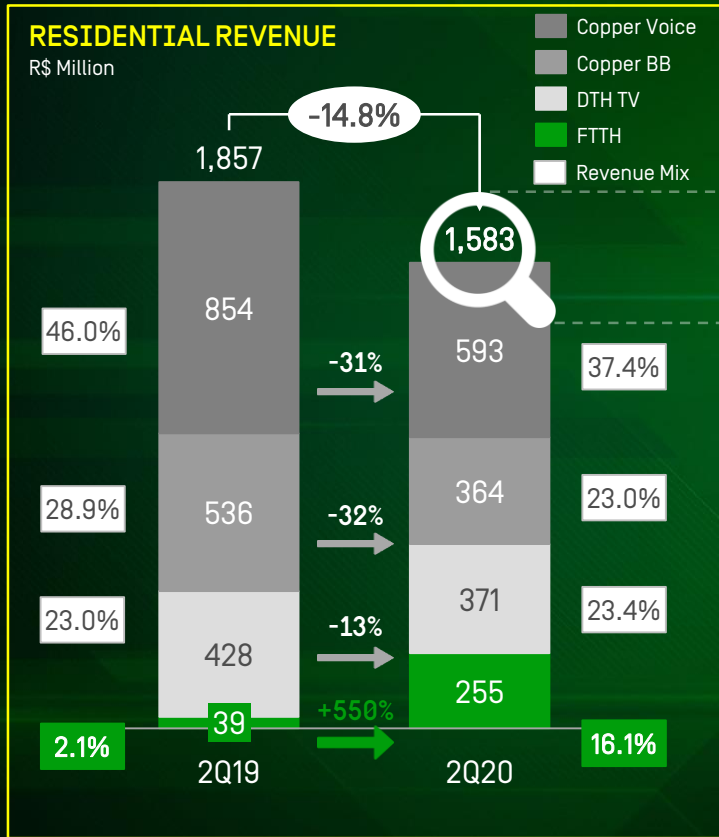
... and significant progress towards overall ultra-broadband leadership

BENCHMARK: JUNE UBB NET ADDS - ALL TECHNOLOGIES (THOUSAND)



1 - Legacy = Copper Voice, Copper Broadband and DTH TV

AFTER A LONG PERIOD OF DROPPINGS, THE RESIDENTIAL REVENUE REVERSED THE TENDENCY IN JUNE, DRIVEN BY THE SOLID EXPANSION IN THE FTTH, EVEN WITH THE STRONG DROPS IN COPPER



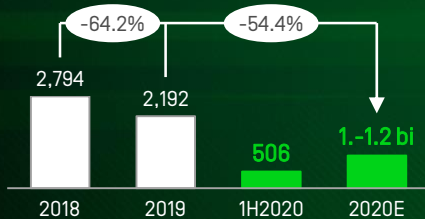
1 - Legacy = Copper Voice, Copper Broadband and DTH TV

THE COMPANY HAS BEEN WORKING ON THE DIGITAL TRANSFORMATION, SIMPLIFICATION AND OPERATIONAL EFFICIENCY SO THAT ITS COST STRUCTURE REFLECTS COMPANY'S NEW MODEL

Focus on efficiency, with legacy reduction (De-averaging)

- ✓ Capex and Opex readjustment due to a slowdown in the legacy portfolio sales.

Legacy Capex
R\$ Million



Operational excellence and logistic optimization, always approaching the technology evolution.

Innovation and excellence in developing solutions and relationship with our costumers.



420k access to the digital assistant in June



36% a.a. increase in the usage of the app Técnico Virtual

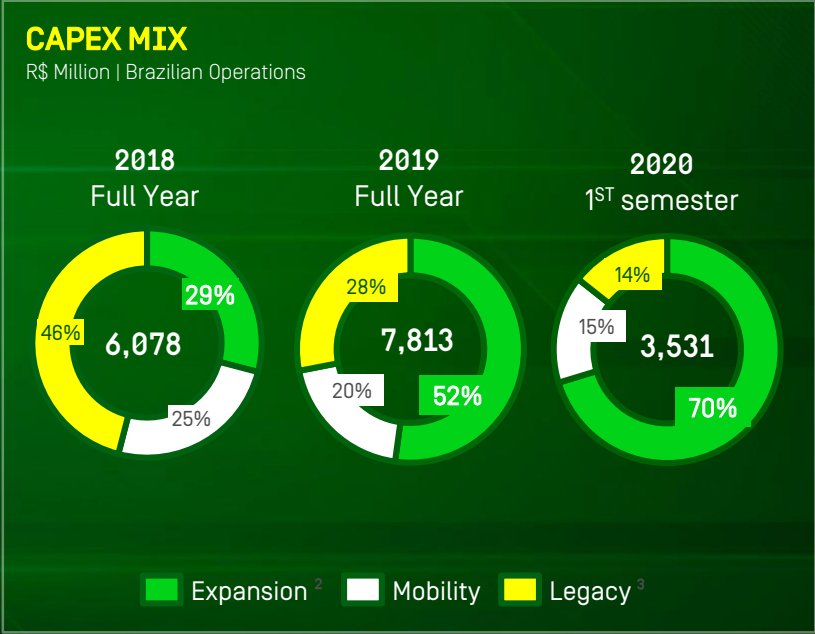
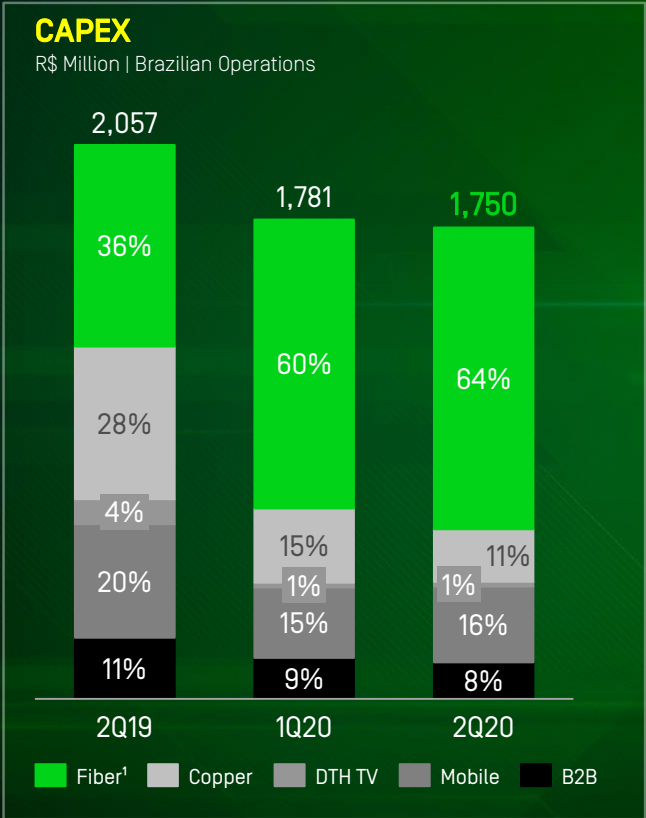


Service culture focus on the customer experience and digital as first option

- ✓ **85%** of the interactions with clients were through digital channels
- ✓ **26%** a.a. decrease in calls to the call center.

A detailed revision of the structure and processes and the implementation of centralized automations initiatives.

IN LINE WITH THE TRANSFORMATION PLAN, THE COMPANY'S CAPEX MIX HAS BEEN CONSTANTLY CHANGING, WITH MASSIVE INVESTMENTS IN FIBER AND FTTH



1 - Fiber + Wholesale | 2 - Fiber + B2B + Wholesale | 3 - Copper Voice + Copper Broadband+ DTH TV

THE APPROVED AMENDMENTS TO THE JR PLAN MAKE POSSIBLE A BALANCED CAPITAL STRUCTURE, ABLE TO GUARANTEE THE LONG TERM FINANCIAL SUSTAINABILITY

GROSS DEBT (FACE VALUE)

R\$ Billion



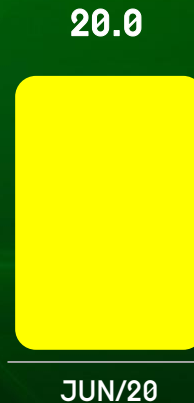
GROSS DEBT (FAIR VALUE)

R\$ Billion



NET DEBT (FAIR VALUE)

R\$ Billion



GCM APPROVED PROPOSAL

BRIDGE LOAN AND BNDES

- ✓ Payment of the entire value in advance, using resources from the sale of Mobile Asset UPI

LOCAL BANKS AND ECAs

- ✓ Advance credits liquidation, with a pre-payment discount of 55% of the face value, in up to 3 installments (2022-24)

BONDS AND GENERAL OFFER

- ✓ Pre-payment option of a reverse auction buy back with a small value and a more favorable NPV for the company

CONCLUSION

- ✓ OI HAS BEEN FOLLOWING THE PLANNED SCRIPT: REDEFINED ITS **STRATEGIC MODEL** AND ITS **TRANSFORMATION PLAN**, WHICH HAS BEEN **EXECUTED WITH EXPRESSIVE RESULTS**
- ✓ THE **APPROVAL OF THE JUDICIAL RECOVERY AMENDMENT** WAS AN IMPORTANT STEP TO **ENABLE THE FINANCIAL SUSTAINABILITY** AND THE **OPERATIONAL TRANSFORMATION**
- ✓ THE **FIBER EXPANSION PLAN** IS SHOWING **BETTER RESULTS THAN EXPECTED**, REINFORCING ITS POTENTIAL OF **MAXIMIZING VALUE FOR INFRA CO AND CLIENT CO**
- ✓ IN ADDITION TO BENEFITS FOR CUSTOMERS AND THE SECTOR, THIS PLAN WILL **GENERATE VALUE** AND **TRUST** FOR EMPLOYEES, CREDITORS, SHAREHOLDERS, SUPPLIERS, AND FOR THE SOCIETY
- ✓ THE **MANAGEMENT TEAM AND THE BOARD** ARE **COMMITTED IN EXECUTING** THE NEW STRATEGIC MODEL WITH RIGOR AND SPEED

THANK YOU

