



OI 1Q20

EARNINGS REVIEW

GCM PLAN

OI TRANSFORMATION

Investor Relations | June 15, 2020

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OPERATIONAL

1 MILLION FTTH CUSTOMERS REACHED

97 THOUSAND NEW FTTH HOMES CONNECTED ONLY IN APRIL

701 % OF ANNUAL FIBER REVENUE GROWTH

12 % ANNUAL GROWTH IN POSTPAID REVENUE

38 % ANNUAL GROWTH IN IT CORPORATE REVENUE

FUNDING

1 BILLION DOLLARS FROM UNITEL IN JANUARY

2.5 BILLION REAIS BRIDGE LOAN CLOSED

EFFICIENCY AND SIMPLIFICATION

SIMPLIFICATION INITIATIVES GENERATING SAVINGS IN LINE WITH THE TARGET FOR THE YEAR

STRATEGIC OPTIONS

GENERAL CREDITORS MEETING (GCM) FOR PLAN AMENDMENTS AND COMPANY FLEXIBILITY EXPECTED FOR AUGUST 2020

MARKET PROCESS FOR MOBILE SALE IN PROGRESS

STRUCTURAL SEPARATION FOR VALUE MAXIMIZATION: INFRA CO AND CLIENT CO

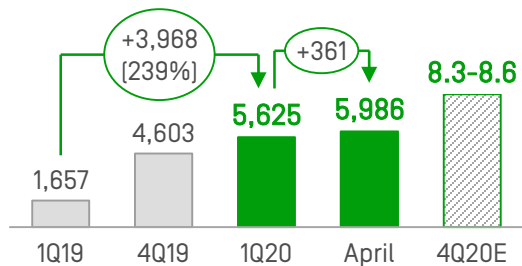
FULL REGULATORY CAMPAIGN IN PLACE FOR FUTURE PLC IMPACT

FIBER PROJECT IMPLEMENTATION CONTINUES AT VERY STRONG PACE AND REACHED 1 MILLION FTTH CLIENTS



HOMES PASSED WITH FIBER

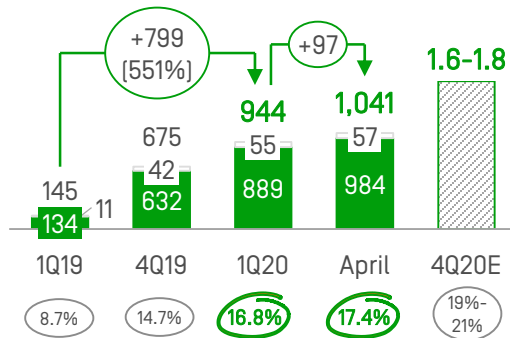
Thousand



HOMES CONNECTED WITH FIBER

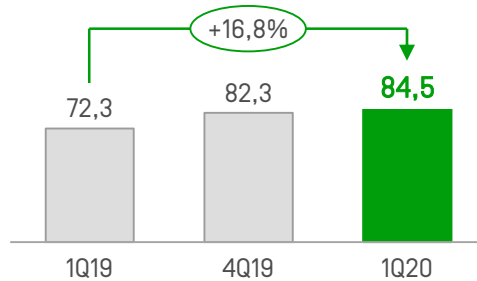
Thousand

□ B2B ■ Residential



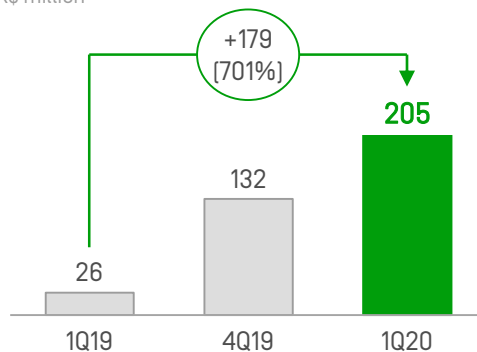
FIBER ARPU

R\$



FIBER REVENUE

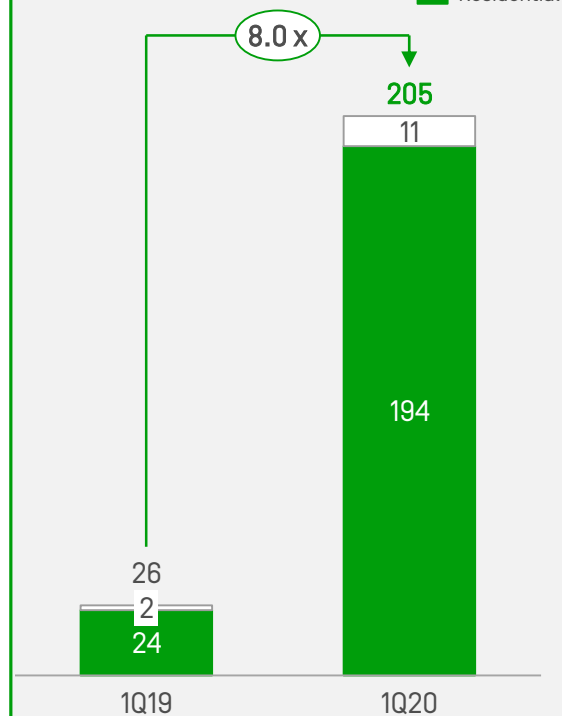
R\$ million



FTTH REVENUES BREAKDOWN

R\$ million

□ B2B ■ Residential



FTTH STRATEGY ON TRACK: FTTH CITIES KEEP POSTING EXPRESSIVE RESULTS APRIL REGISTERED THE MONTHLY RECORD FOR HOMES CONNECTED



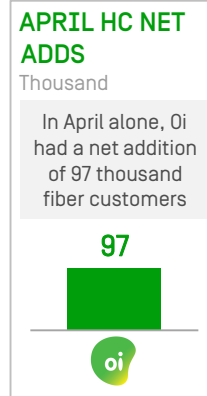
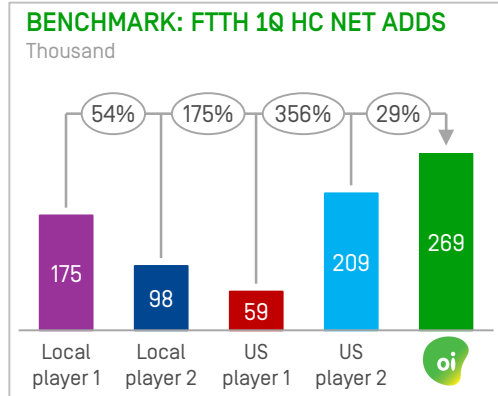
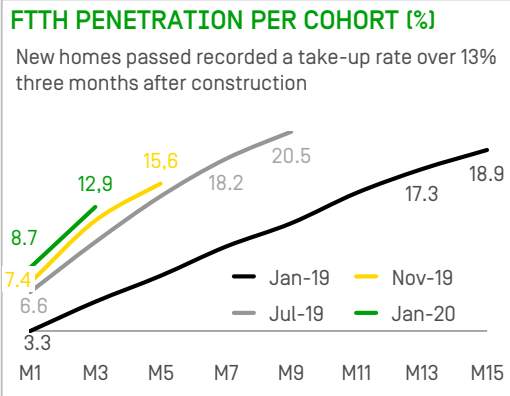
**OI FIBRA
200 MEGA**

Internet com ultra velocidade e modem WiFi UP para conectar a casa inteira

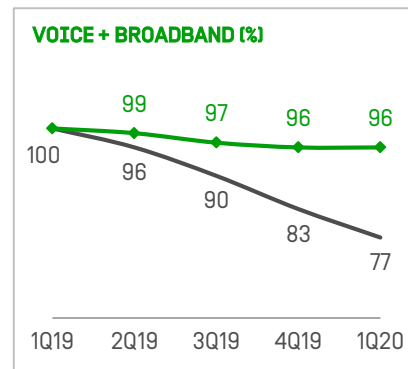
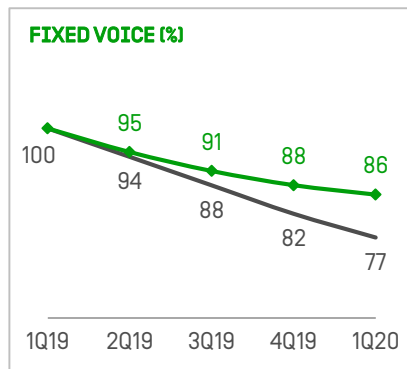
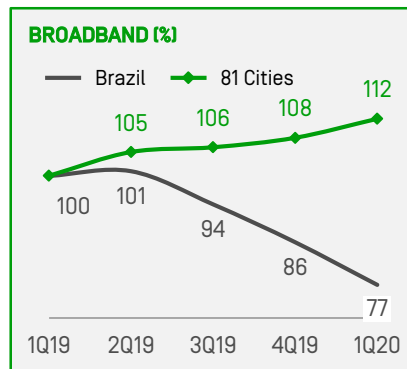
POR R\$ 99,90 /MÊS

Eu quero

Valor do plano Smart com débito em Conta Digital



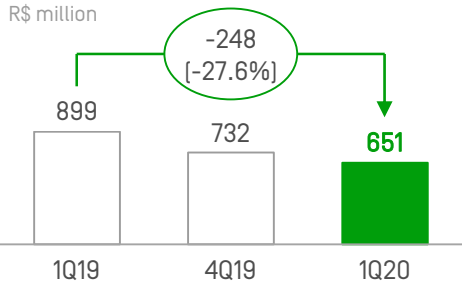
FIRST 81 CITIES WITH FTTH CONTINUE TO RECORD CONSISTENT GROWTH IN BROADBAND REVENUE



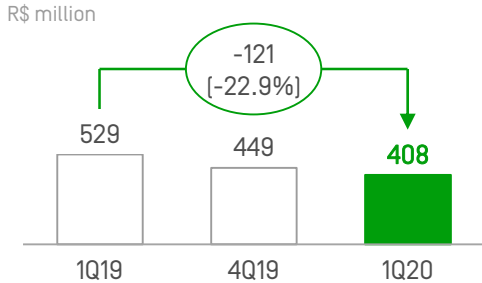
FTTH REVENUE GROWTH REMAINED STRONG, REACHING 11.7% SHARE OF TOTAL RESIDENTIAL NET REVENUE. DECLINE IN RESIDENTIAL REVENUE REFLECTS COPPER'S DIVESTMENT STRATEGY



COPPER VOICE REVENUE

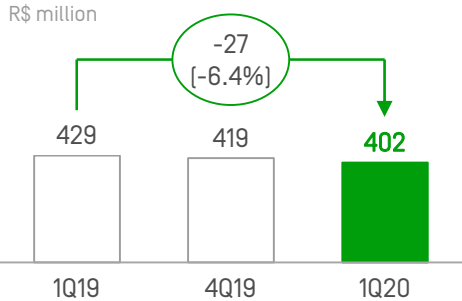


COPPER BROADBAND REVENUE

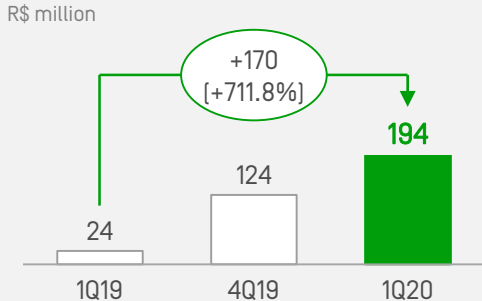


Year-over-year FTTH revenue growth (170 M) more than offsets the decline in copper broadband (-121 M) and DTH TV (-27 M) revenues combined (-148 M).

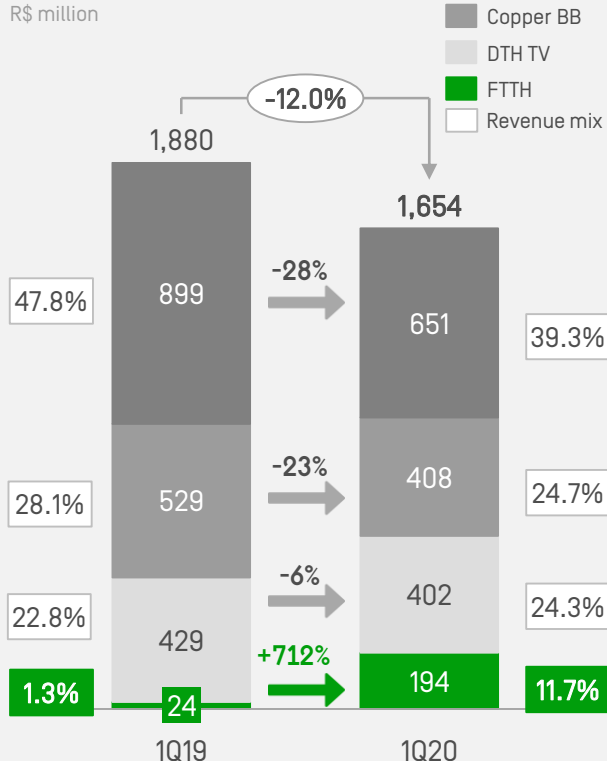
DTH TV REVENUE



FTTH REVENUE



RESIDENTIAL REVENUES



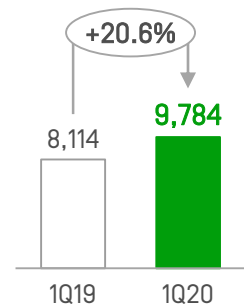
POSTPAID MAINTAINS STRONG RESULTS IN THE MAIN OPERATIONAL AND FINANCIAL INDICATORS, OFFSETTING THE DECLINE IN PREPAID REVENUE



POSTPAID

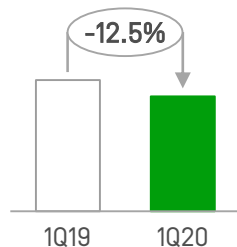
CUSTOMER BASE

Thousand



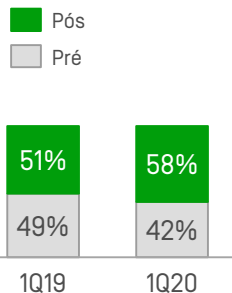
CHURN¹

%



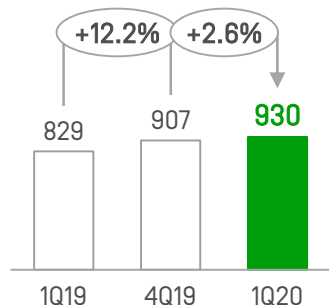
REVENUE MIX

%



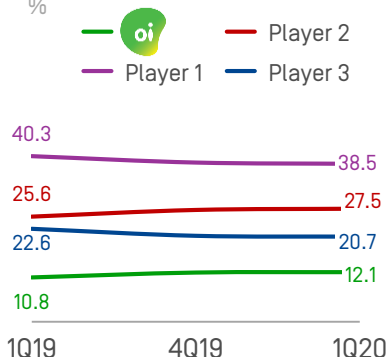
CUSTOMER REVENUE²

R\$ Million



MARKET SHARE³

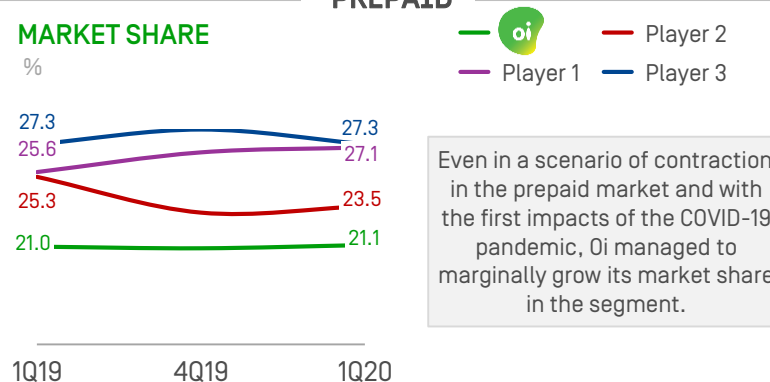
%



PREPAID

MARKET SHARE

%

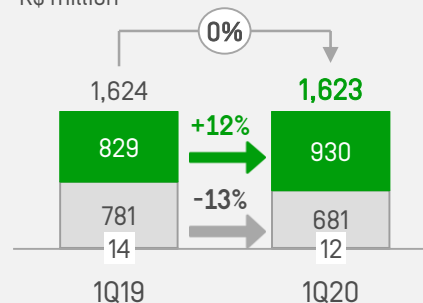


Even in a scenario of contraction in the prepaid market and with the first impacts of the COVID-19 pandemic, Oi managed to marginally grow its market share in the segment.

MOBILITY

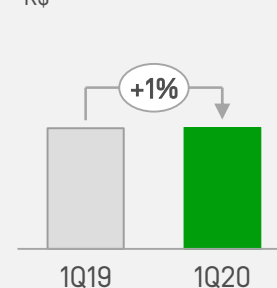
CUSTOMER REVENUES²

R\$ million



ARPU

R\$

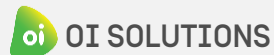


■ Postpaid ■ Prepaid □ Others

CORPORATE STRATEGY POSITIONING AS A SOLUTIONS INTEGRATOR HAS BEEN BOOSTING ITC REVENUE. FOCUS ON LEVERAGING THE WHOLESALE INFRASTRUCTURE HAS STARTED TO GENERATE POSITIVE RESULTS. B2B REVENUES IMPACTED BY CONFINEMENT WITH REDUCED VOICE TRAFFIC



CORPORATE



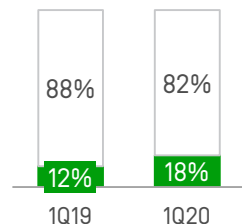
SMART OFFICE 4.0
Cloud connectivity and collaboration solution, ideal for companies with a home office system.

SECURITY
Clients protected by a highly experienced security solutions team.

CLOUD & DATA CENTER
Cloud-based dedicated servers, system hosting and file storage services.

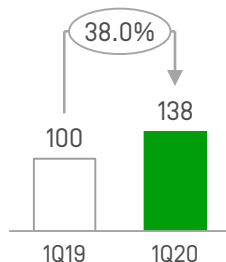
REVENUE MIX

Others IT



IT REVENUE

R\$ million



WHOLESALE



FIBER TO THE ISP

Focus on ISPs with better latency, IP infra and network resilience differentials.



FIBER TO THE TOWER

Oi's fiber optic network as an important pillar to support 5G deployment



FIBER TO THE CITY

Monetize robust and non-replicable transport network in a high growth area

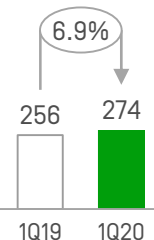


FRANCHISE PROJECT

Use recent pilot project with MOB Telecom for a larger Franchise rollout in H2 2020.

WHOLESALE REVENUES

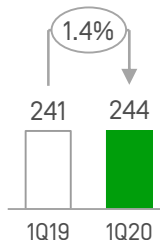
R\$ million



INFRA. RENTAL REVENUES¹

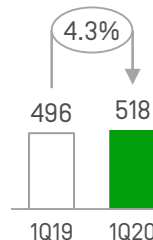
R\$ million

Opex reducer



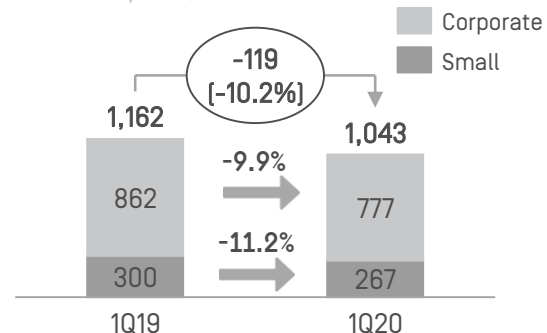
TOTAL WHOLESALE REVENUE

R\$ million



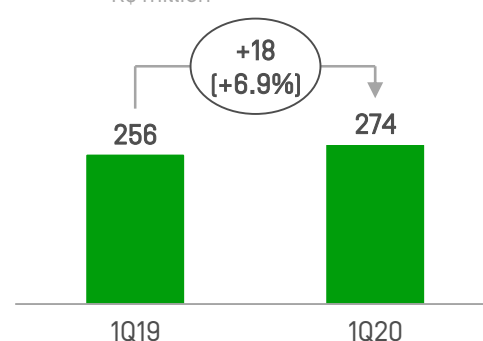
B2B REVENUES

R\$ million



WHOLESALE REVENUES

R\$ million



1 - Infrastructure rental revenue is classified as an opex reducer, essentially because its nature is not that of a telecom service revenue

OPERATIONAL SIMPLIFICATION AND COST REDUCTION ACTIONS SHOWING MAJOR DEVELOPMENTS IN THE METRICS, IN LINE WITH EXPECTED 2020 TARGETS



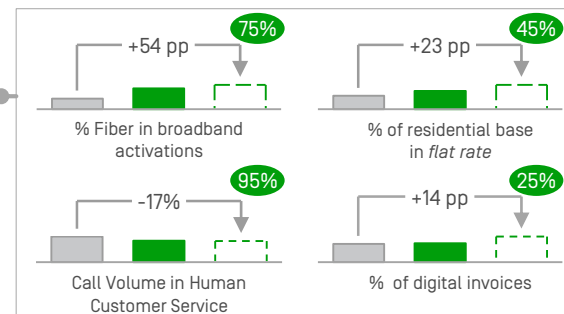
Sales, Mktg & Customer Service

- Portfolio Simplification - Migration to Flat Rate Plans;
- Reduction of legacy portfolio proactive selling actions;
- Digital sales channel acceleration;
- Automation and optimization of customer service and call center operations.

ESTIMATED
IMPACT 2020

R\$ 150 –
200 M

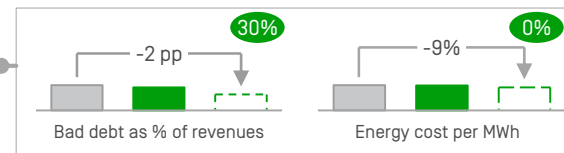
TARGETS PER SELECTED METRICS



Process and Organization

- Ongoing process simplification project;
- Dedicated focus on Transformation and Digital; Wholesale and Franchises
- Thorough review of company's processes and implementation of centralized Automation initiative

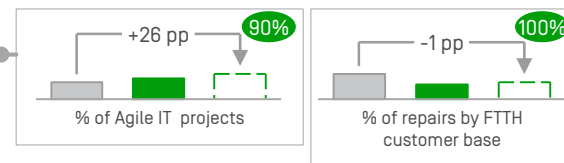
R\$ 100 –
150 M



IT

- Interruption of IT legacy projects;
- Development of New IT Stack for Fiber Operations;
- Elevating Digital Initiative to company wide effort.

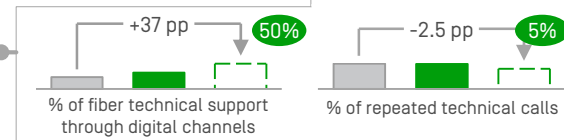
R\$ 100 –
200 M



Network and Operations

- Optimization and decommissioning of Legacy Networks (copper, DTH);
- Accelerated costumer migration to fiber;
- Capex and Opex readjustment as a consequence of reduction of legacy sales efforts.

R\$ 150 –
200 M



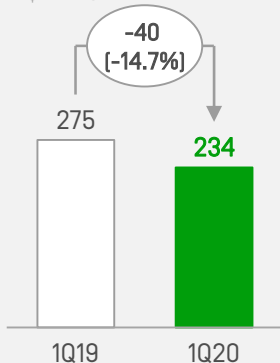
3Q19 1Q20 4Q20 % Progress

COST EFFICIENCY AND SIMPLIFICATION INITIATIVES ALREADY GENERATING RESULTS ON ALMOST ALL EXPENSE LINES, IMPROVING COMPANY'S EBITDA MARGIN



NETWORK MAINTENANCE

R\$ million

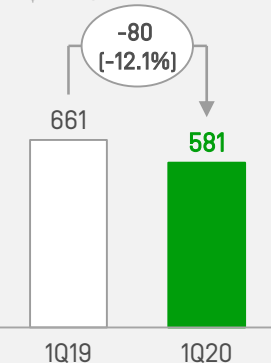


Savings are the result of:

- Decommissioning of legacy networks;
- Acceleration of customer migration to Fiber
- Reduction of public telephone plant.

RENT & INSURANCE

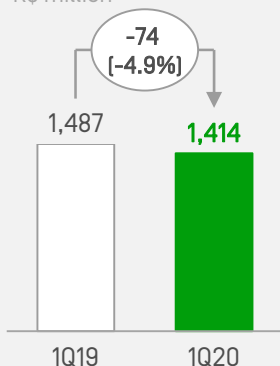
R\$ million



A review of the procurement operations, made it possible to renegotiate contracts, in particular those related to the rental of transport infrastructure network.

THIRD PARTY SERVICES

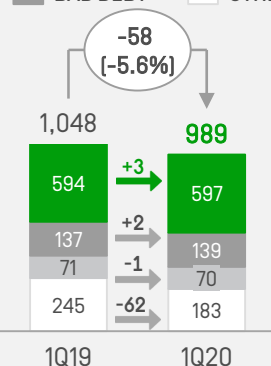
R\$ million



Impacts are related to:

- Digital sales channel acceleration;
- Automation and optimization of customer service and call center operations;
- Reduction of IT projects linked to legacy products.

PERSONNEL MARKETING
BAD DEBT OTHERS

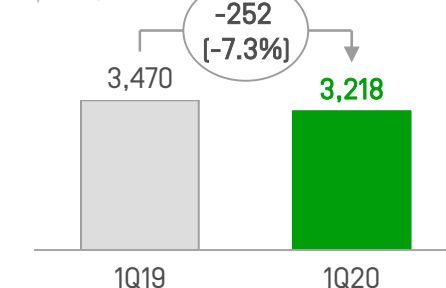


The continuous project to simplify processes and improve service quality were crucial in the reduction of:

- R\$ 35 million in contingency expenses
- R\$ 27 million in expenses with the sale of handsets.

OPEX

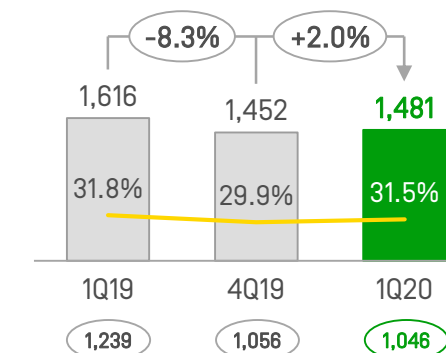
R\$ million



ROUTINE EBITDA

R\$ million - Brazilian operations

Ebitda Margin Ebitda ex-IFRS16



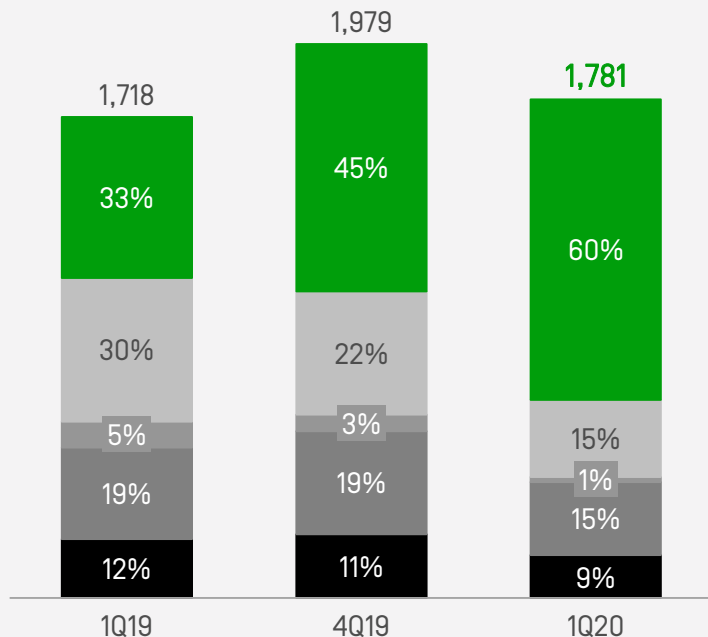
CAPEX IN LINE WITH STRATEGIC PLAN, KEEPING FOCUS ON DEPLOYING FIBER (HP'S AND HC'S), REFORMING OF 1.8GHZ SITES TO 4G AND 4.5G AND REDUCING LEGACY INVESTMENTS



CAPEX

R\$ million | Brazilian operations

Fiber Copper DTH Mobile B2B



Oi's capillarity allows leveraging fiber strategy in all regions of the country

With "Reuse" model, it is possible to **accelerate** "Time-to-Market" for new cities.

2.2k cities

Total cities with existing Oi Fiber transmission

54.9MM homes

Total homes in these cities

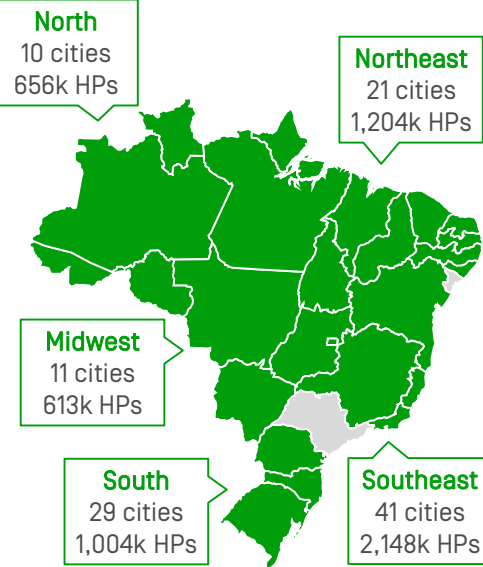
388k KM of Fiber

Oi Fiber Network Extension in Brazil

20 days time-to-mkt

20 days to start FTTH commercial activities in a non planned city - Divinópolis

Presence in 112 cities by the end of 1Q20 [26 added in the quarter], with plans to enter in more than 18 cities and all states (except SP) in 2020.

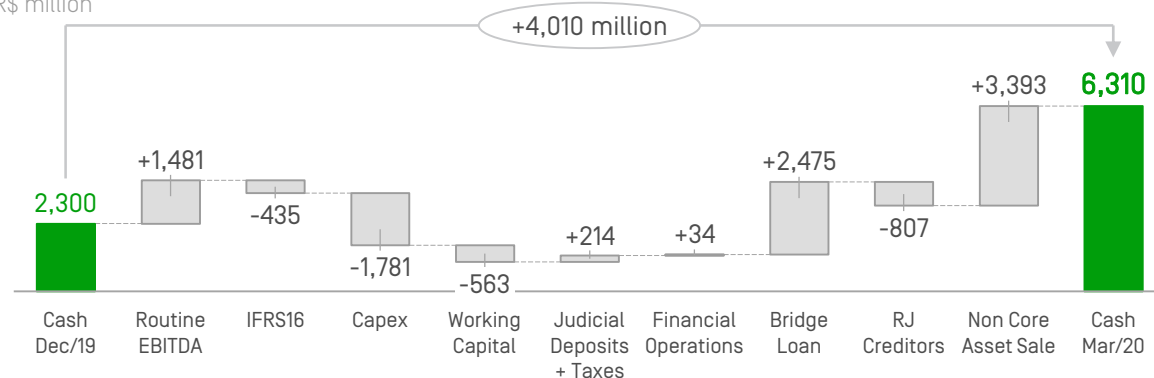


IMPROVED SHORT TERM CASH POSITION FOR THE EXECUTION OF THE STRATEGIC PLAN



CASH FLOW

R\$ million

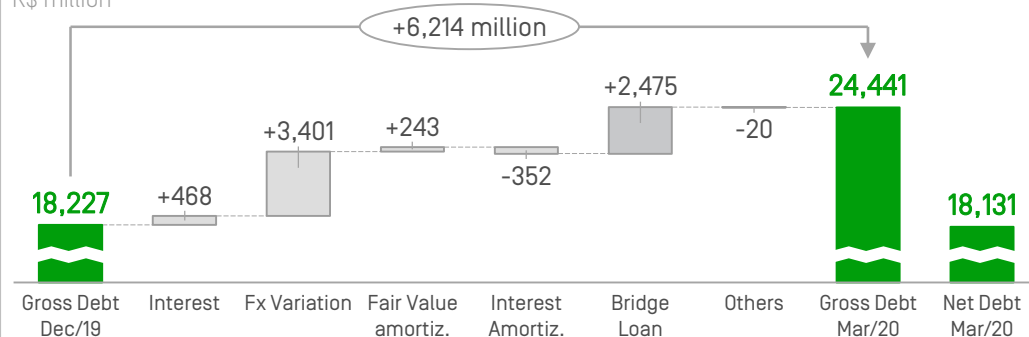


FUNDING PROCESSES

- ✓ US\$ 1.0 billion for Unitel deal.
- ✓ R\$ 3.1 billion in PIS/COFINS tax credits.
- ✓ R\$ 669 million in pension fund surplus.
- ✓ R\$ 2.5 billion in bridge loan.
- ✓ R\$ 121 million in real estate sales
- 2H/20 Mobile Towers and Data Centers: will be sold as UPIs after the GCM, to maximize value.
- 2H/20 Other real estates.

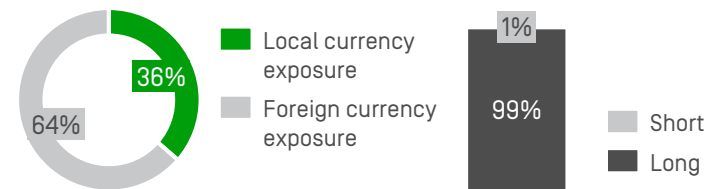
DEBT (FAIR VALUE)

R\$ million



GROSS DEBT PROFILE

Hedge Policy: With 99% of the debt maturing in the long term, the Company adopted a hedge policy for short-term payments. In 2020 specifically, it is using part of the proceeds from the sale of Unitel as natural cash flow hedge.



OI ADOPTS MEASURES TO SUPPORT GOVERNMENTS AND SOCIETY IN CORONAVIRUS CONTAINMENT INITIATIVES



EMPLOYEES



- 11 thousand employees working remotely.
- 400 thousand masks and 25 thousand liters of alcohol gel.
- App to monitor employee health, ensuring remote assistance to doctors and psychologists.
- Virtual attendant to clarify doubts about benefits, speed up remote processing of documents, such as health certificates.
- Remote team training.

SUPPORT FOR GOVERNMENTS



- Free navigation on official information sources.
- Sending free SMS with information from health authorities.
- A 0800 number and with three digits to serve the population.
- A heat map, in partnership with other operators.
- Zero rating applied to Government's emergency social income distribution program.

CUSTOMERS



- Reinforcement of technical assistance for maintenance.
- Prepaid : different data bonus packages.
- Postpaid: the reduced speed is four times greater than that offered previously.
- Oi TV, Oi Livre, Oi Play channels content released.
- Corporate - access to Oi Smart Office 4.0 with no charge for 90 days.

CORPORATE SOCIAL RESPONSIBILITY

- Training - development of online mentoring for social entrepreneurship.
- Participation in the *ZAP do bem* initiative – Social Digital Wallet .
- Culture - digital programming.
- Online Museum - Launch of MUSEHUM - Museum of Communications and Humanities on a digital platform.



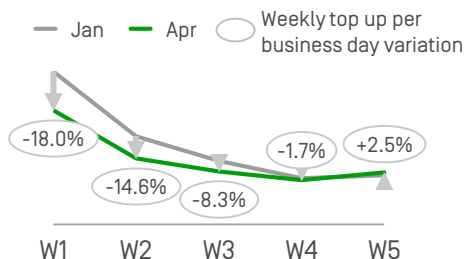
PREPAID TOP UPS WERE IMPACTED BY COVID-19, BUT THE IMPACT WAS REDUCED AFTER EMERGENCY RELIEF FUNDS WERE DISTRIBUTED BY THE GOVERNMENT. FIBER ACTIVATIONS CONTINUED TO GROW.



PREPAID

The volume of top ups decreased in the first weeks of April recovering in mid-April after distribution of emergency relief funds

TOP UP / BUSINESS DAY



DIGITAL TOP UPS INCREASING

48% increase in digital top ups in April compared to January

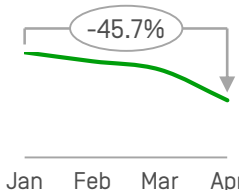
31% mix of top ups in digital channels in April, compared to 17% in January.

POSTPAID

Restriction of commercial activity caused a deceleration in gross adds, offset by the reduction in voluntary churn.

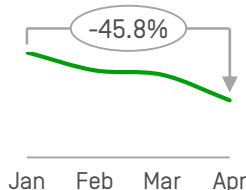
GROSS ADDS¹

[ex-M2M]



CHURN¹

Voluntary[ex-M2M]



B2B

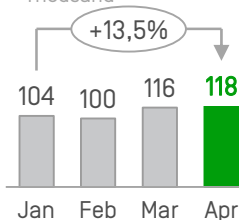
- Late payment by some state governments.
- Increase in bad debt from small. Businesses.
- Voice revenue impacted by lower traffic during the confinement.

FIBER

Fiber was not impacted by the pandemic. Gross adds grew and churn remained under control.

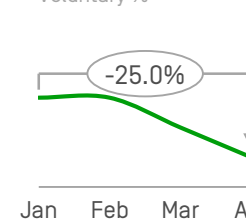
GROSS ADDS

Thousand



CHURN

Voluntary %



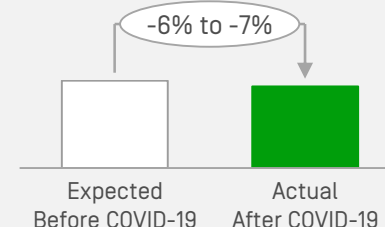
NETWORK RESILIENCE

38%

Increase in data traffic consumption in our network since the beginning of the confinement

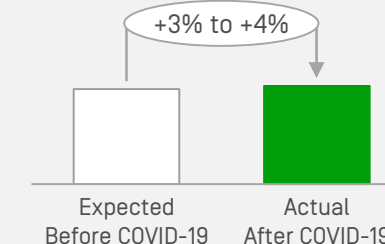
COLLECTION (From March-18 to April-30)

Until the end of April, we estimate that COVID-19 negatively impacted our collection by 6% to 7%.



COLLECTION (From May-1 to May-18)

May already presents collections slightly above the expectation pre COVID-19.



IN SUMMARY, OI CONTINUES TO EXECUTE ON ITS STRATEGIC PLAN, WORKING ON MULTIPLE FRONTS OF THE COMPANY'S TRANSFORMATION, LOOKING TO BECOME THE MAIN FIBER INFRASTRUCTURE PROVIDER IN THE COUNTRY, SERVING ALL BUSINESS SEGMENTS (B2C, B2B AND WHOLESALE)



SHAREHOLDER / DEBT HOLDER VALUE CREATION

FUNDING

DELIVERED

- Bridge Loan
- Unitel
- Polidoro Property Sale
- PIS/COFINS Tax Credit
- Pension Fund Surplus

TO COME

- Mobile Towers
- Data Centers
- Additional Real Estate Portfolio Sales

OPERATIONS

One million fiber customers in less than 2 years of project.

Postpaid starts 2020 at the same pace as 2019, with significant customer base and revenue growth.

With a more active operating strategy, Wholesale has been showing solid revenue growth.

De-averaging to reduce copper burden.

EFFICIENCY AND SIMPLIFICATION

Several initiatives being implemented, impacting all areas of the company and producing the first results.

- Simplification
- Organization and processes
- Business support
- Network, Operations and IT

Estimated annualized impact in 2020 between R\$ 650 million and R\$ 1 billion.

STRATEGIC OPTIONS

New General Creditors Meeting [GCM]: Expectation to hold GCM in 60 days [call notice + legal period]. Proposed plan amendments to bring company flexibility in order to accelerate the execution of its strategic plan and maximize value creation.

Market Process for Mobile Business sale in progress; Non-core assets sale in final stages

Structural Separation [Infra Co and Client Co] for Value Maximization: to accelerate fiber deployment and allow Oi's sustainable growth

GCM PLAN OI TRANSFORMATION

June, 2020



OUR TRANSFORMATION IS BEING BUILT IN 3 PHASES

STRATEGIC TRANSFORMATION PLAN



PHASE 1 2016-2018 EXECUTION OF THE RJ PLAN

- Judicial debt restructuring and cash protection
- Capital increase
- New governance
- Operational stability and recovery, with gradual resumption of investments



PHASE 2 2019-2020

- Asset sales, funding and cash
- Strategic transition of the model
- Simplification and operational efficiency



PHASE 3 2020-2021

- Future vision
- Reconfiguration of Oi for sustainability and value creation
- Consolidation of the new strategic model
- Preparing the company for return to growth



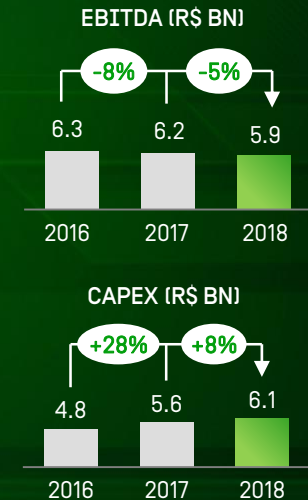
PHASE 1 [2016-2018] OI OVERCAME IMPORTANT CHALLENGES IN THE CONTEXT OF JUDICIAL RECOVERY

PERIOD WAS OF GREAT CHALLENGES FOR THE COMPANY ...

- Survival
- Short Term Financial Feasibility
- Operational Continuity
- Governance Change
- Change of Capital Structure

... BUT THEY WERE ALL ADDRESSED, ALLOWING US TO START BUILDING A NEW VISION FOR THE FUTURE!

- ✓ Judicial restructuring of debts and cash protection, with debt reduction of **R\$ 35.5 billion** [from **R\$ 49.7Bn** ► **R\$14.2 Bn⁽¹⁾**]
- ✓ R\$ 4.0 billion Capital increase
- ✓ New governance
- ✓ Preparing to sell non-core assets
- ✓ Operational stability and recovery with gradual resumption of investments



SIGNIFICANT CHANGES IN THE TECHNOLOGICAL AND CONSUMER ENVIRONMENT, COMBINED WITH THE DELAY IN UPDATING THE REGULATION, LED TO THE NEED TO EVOLVE THE STRATEGIC TRANSFORMATION PLAN



PHASE 2 [2019-2020] THE STRATEGIC PLAN IS BEING SUCCESSFULLY EXECUTED IN ITS 3 CURRENT DIMENSIONS



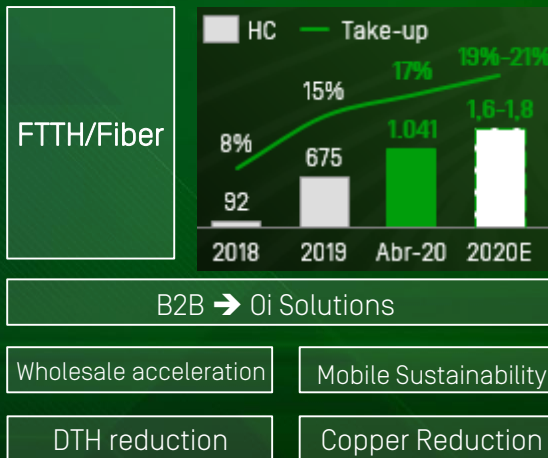
OBJECTIVES

- ✓ Medium and Long Term Sustainability
- ✓ Short and Medium Term Execution
- ✓ Funding and Cash for Investments
- ✓ Transformation of the Strategic Model

ASSET SALES, FUNDING AND CASH

- **Unitel:** USD 920 million already received ^[1]
- **Bridge Loan:** R\$ 2.5 billion
- **Real Estate:** Sale of ~R\$ 200 million ^[2]
- **PIS/COFINS:** R\$ 3.1 billion, with an estimated realization of R\$ 100 million/month, in progress
- **Sistel:** R\$ 669 million of surplus distribution in 36 installments of R\$ 19 million. Since December 2019

STRATEGIC TRANSITION OF THE MODEL



SIMPLIFICATION AND OPERATIONAL EFFICIENCY

- ✓ New Structure
- ✓ Business Support
- ✓ IT Simplification
- ✓ Processes
- ✓ Copper Cost Reduction (Deaveraging Project)

[1] Remaining 2 installments of USD 40 million each; [2]: Real Estate in RJ and SC



PHASE 3 [2020-2021] WITH THE EXECUTION ADJUSTED TO THE CHALLENGES OF THE ENVIRONMENT, OI'S TRANSFORMATION CAN CONTINUE TOWARDS ITS LONG TERM VISION

ENVIRONMENT EVOLUTION...

- Regulatory changes still in progress
- Acceleration of technological and consumption changes - 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



... AND IN OI'S ROLE

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



- ✓ New Business and Company Model
- ✓ 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

OUR VISION, STRATEGY AND EXECUTION



VISION

ENABLE THE CREATION OF THE **LARGEST TELECOM INFRASTRUCTURE COMPANY IN THE COUNTRY**, MASSIFYING FIBER OPTICS, ENABLING BROADBAND, 5G AND BUSINESS 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 **FTTH**, B2B and Wholesale

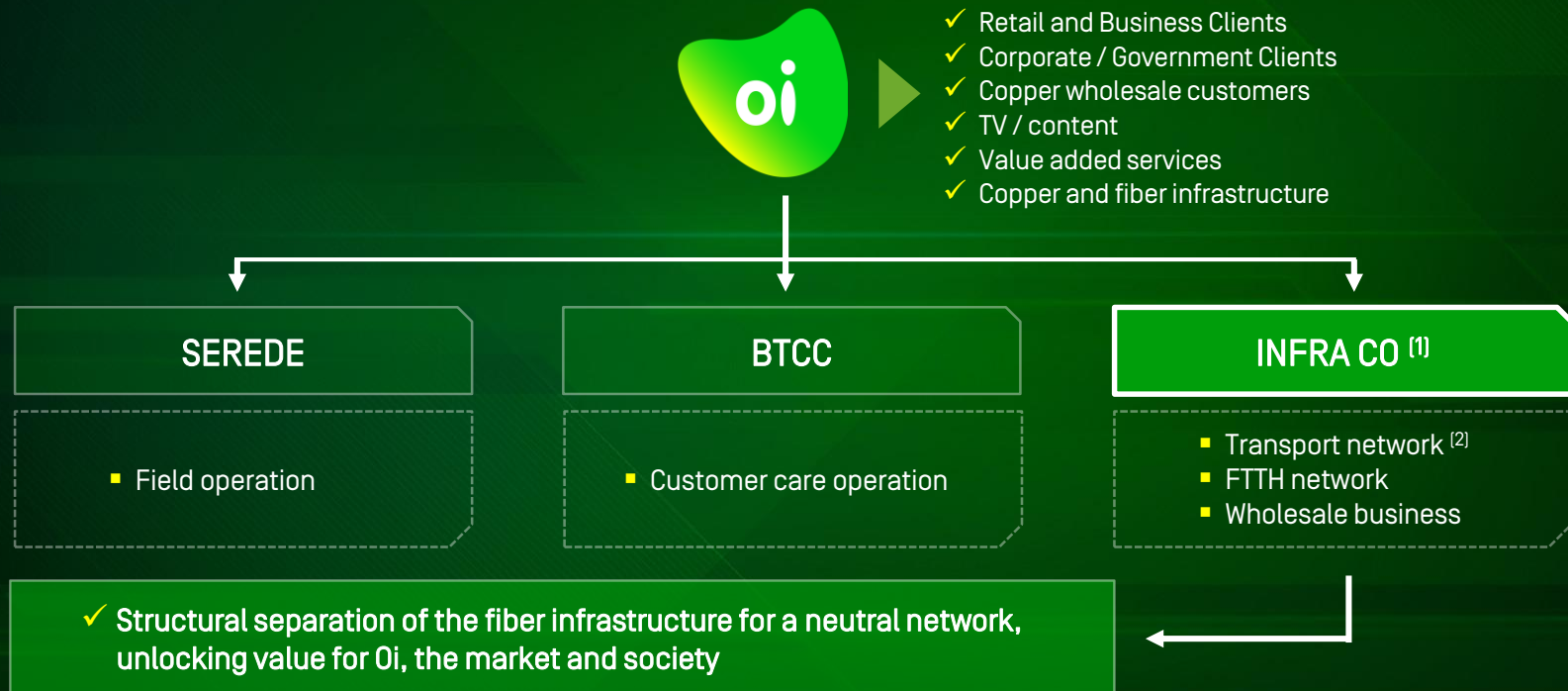
That **MAKES SENSE** in the lives of our customers and always innovates

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)

FUTURE VISION: COMPANY CONFIGURATION WITH STRUCTURAL SEPARATION



FUTURE VISION: STRUCTURAL SEPARATION

UNLOCKING AND GENERATING VALUE

NEW oi

INFRA CO

FTTH
Network
(6Mn+
HPs)

388,000
km of
fiber^[1]

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 Enablement



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

OI CLIENT CO ^[2]

Customers:

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

Activities:

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

Infrastructure:

- DTH/IPTV
- Copper
- Backbone and backhaul (managed by InfraCo)^[1]



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

Notes: [1] IRU contract for the management and operation of the transport network of Oi SA and Telemar, [2] Governance - Board with 11 independent members and a management team with long-term incentives aligned with the value creation for the shareholders.

STRUCTURAL SEPARATION HAS ALREADY HAPPENED IN SEVERAL COUNTRIES IN THE WORLD ...

WHAT IS STRUCTURAL SEPARATION?

- It is the reorganization of the company, in 2 independent and complementary structures

Structure 1: An independent, **neutral network** company, focused on **infrastructure**

Structure 2: A **service** Company focused on **customers**



Enables each party to focus on its segment, operating more efficiently



Enables market expansion and growth, with more effective use of investments

STRUCTURAL SEPARATION IS A REALITY IN DIFFERENT PARTS OF THE WORLD



... BRINGING A SET OF BENEFITS TO THE NEWLY CREATED COMPANIES AND ITS SHAREHOLDERS

ADVANTAGES OF STRUCTURAL SEPARATION



Ability to **attract more investors**



Accelerate capex and network coverage



Serve **multiple carriers**



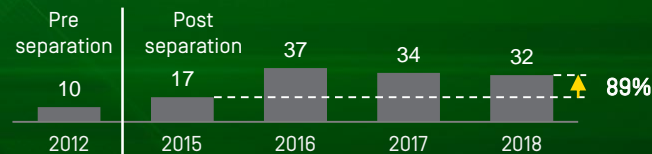
Establish a **lighter customer structure**, customer centric and digital first

SHAREHOLDER VALUE GENERATION (EXAMPLE COMPANY L 🇸🇰)

Company L Market Capitalization CZK Billions



Company L Return on invested capital % [including goodwill and intangibles]

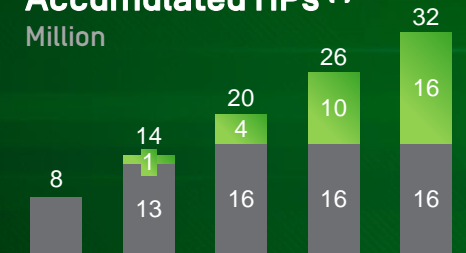


(1) NetCo post-separation with private management. Therefore, there is no market valuation available | Source: McKinsey

STRUCTURAL SEPARATION ALLOWS FOR ACCELERATION OF FIBER NETWORK DEPLOYMENT BY INFRA CO

COVERAGE OF ALL ADDRESSABLE HPs UNTIL 2024

Accumulated HPs ⁽¹⁾
Million



**+100%
ACCUMULATED
HPs IN 2024**

Build out HPs



**+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

THE NEW OI WILL GROW FASTER IN A SUSTAINABLE WAY ...

CLIENT CO (EX. COPPER AND DTH)

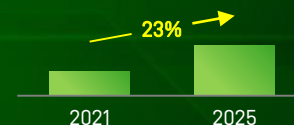
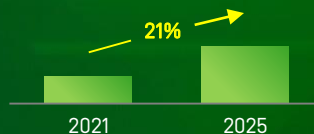
INFRA CO

BUSINESS METRICS 2025

> 7 Million Homes Connected

> 30 Million Homes Passed and
> 10 Million Homes Connected

REVENUE (CAGR REVENUE EX-COPPER AND DTH)



EBITDA MARGIN (2025)

> 20%

> 60%

FIBER OPERATING CASHFLOW (EBITDA-CAPEX @ 2025)

> R\$ 1.5 Bn

> R\$ 3 Bn

... GENERATING BENEFITS FOR EVERYONE

CUSTOMERS

Residential, business and corporate customers will benefit from the best quality of infrastructure, in geographic markets not yet served by fiber, and from the best experience of using the services

SECTOR

Large and small operators will have access to the robust and capilar infrastructure in an isonomic way, avoiding redundancy of investments, generating greater profitability and competitiveness

EMPLOYEES AND SUPPLIERS

Employees and suppliers will have companies that are financially stronger and more focused on their specific area of expertise

CREDITORS AND SHAREHOLDERS

Sustainable and growing company, increasing safety for all creditors and return to shareholders and investors

SOCIETY

Economic and social development through digital inclusion and greater economic efficiency of investment in infrastructure

IN ORDER TO IMPLEMENT THIS EVOLUTION OF THE BUSINESS MODEL, AMENDMENTS TO THE JUDICIAL REORGANIZATION PLAN AND A NEW GENERAL CREDITORS MEETING WILL BE NECESSARY

- ✓ CONTINUITY OF JR PLAN EXECUTION - SUSTAINABILITY AND VALUE GENERATION
- ✓ EXECUTION FLEXIBILITY AND FUTURE OPTIONS FOR THE COMPANY
- ✓ ANTICIPATION OF DEBT PAYMENTS, REDUCING RISK FOR CREDITORS AND IN EXCHANGE BENEFITING THE COMPANY WITH BETTER PAYMENT CONDITIONS
- ✓ PROPOSES ALTERNATIVES FOR VARIOUS CREDITORS, INCLUDING SMALL ONES
- ✓ OPTIMIZES CAPITAL STRUCTURE
- ✓ REDUCES OPERATIONAL RISK AFTER TRANSACTIONS ARE COMPLETED

CONCEPTS OF THE AMENDMENT PROPOSAL TO THE JR PLAN - CREATION OF 4 ISOLATED PRODUCTION UNITS (UPIs) ⁽¹⁾

	UPI TOWERS	UPI DATA CENTER	UPI MOBILE ASSETS	UPI INFRA CO
SCOPE	<ul style="list-style-type: none"> 657 mobile towers and 225 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"> Complete 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, with Oi being its main customer for fiber broadband and Oi Soluções operations IRUs with Oi SA and Telemar backbone and backhaul transport network
SALE	<ul style="list-style-type: none"> Minimum price of R\$ 1Bn for 100% of the shares; Sale at the highest price M&A process being conducted by Oi 	<ul style="list-style-type: none"> Minimum price of R\$ 325Mn for 100% of the shares ⁽²⁾; Right to match for the biggest binding proposal, already received during the M&A process conducted by Oi 	<ul style="list-style-type: none"> Minimum price of R\$ 15Bn for 100% of the shares. Sale at the highest price, or, at Oi's discretion, for the second best bid if the risk of execution is lower, with a maximum price difference of 5% ⁽³⁾ 	<ul style="list-style-type: none"> Sale of 25% to 51% of economic capital [51% of the voting capital] Minimum secondary of R\$ 6.5Bn for Oi, followed by primary of up to R\$ 5Bn and guarantee of dividends for Oi Guarantee of the execution of the investment plan

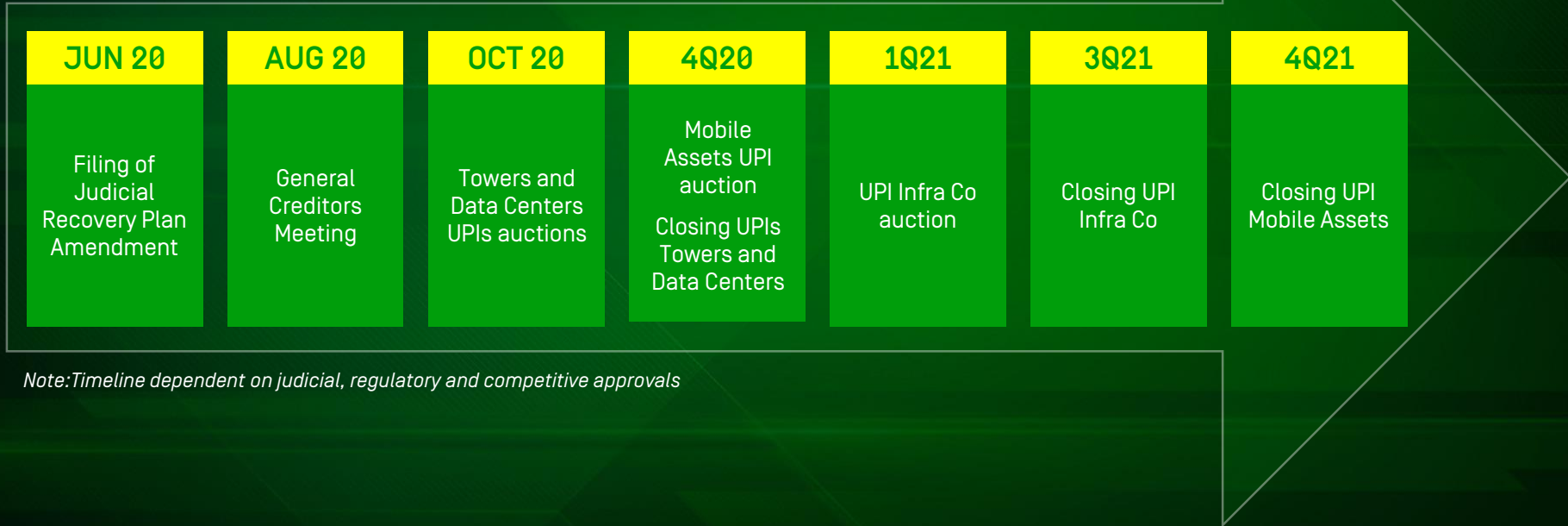
⁽¹⁾ Units provided for in the LRF, not associated with RJ's obligations. ⁽²⁾ Possibility of financing up to R \$ 75 million with Oi itself.

⁽³⁾ Minimum price resolution mechanisms provided for in the plan

CONCEPTS OF THE AMENDMENT PROPOSAL TO THE JR PLAN – PROPOSAL TO CREDITORS

NON-FINANCIAL CREDITORS	<p>Labor [Class I]:</p> <ul style="list-style-type: none"> ▪ Payment within 30 days after approved by the court, (limited to R\$ 50K per creditor); ▪ Remaining balance paid under current terms. <p>Small Business [Class IV]:</p> <ul style="list-style-type: none"> ▪ Linear payment of up to R\$ 35K [and waiver of any additional claim] within 90 days after approval; ▪ Other creditors paid under current terms.
FINANCIAL CREDITORS	<p>Secured Creditors [Class II]:</p> <ul style="list-style-type: none"> ▪ Oi Mobile Credits: Creditor has the prerogative to keep credits at UPI Mobile Assets or to be prepaid in the financial settlement of the UPI Mobile Assets auction. ▪ Oi SA Credits: Creditor has the prerogative to maintain its exposure either in Oi SA or associated companies, or to be prepaid in the settlement of the UPI Mobile Assets auction. <p>Banks and ECAs [Class III]:</p> <ul style="list-style-type: none"> ▪ Early settlement of credits, with a 60% discount, payment in 3 installments (2022-24). Linked to asset sales and minimum volume of resources through the auctions; ▪ Differentiated option for creditors who provide a new credit line.
ADDITIONAL CREDITORS	<p>Anatel:</p> <ul style="list-style-type: none"> ▪ Migration to a new legal rule for addressing credits [adherence to Law 13,988 and / or subsequent legal provisions]. <p>Contingencies:</p> <ul style="list-style-type: none"> ▪ Payment of up to R\$ 3K [waiver of any additional claim] within 90 days. <p>Suppliers, Bondholders, General Offering [Class III]:</p> <ul style="list-style-type: none"> ▪ Possibility of prepayment through the introduction of an optional mechanism for reverse auction of repurchase with discount.
BRIDGE OPERATIONS	<ul style="list-style-type: none"> ▪ Possibility of partially anticipating the proceeds from the sale of UPI Mobile Assets ▪ Flexibility for additional leverage guaranteed by the shares of Infra Co
JR CLOSURE	<ul style="list-style-type: none"> ▪ Upon closing of UPI Mobile Assets ▪ Or before, if required by Oi and confirmed by the Judicial Reorganization Court

WHAT HAPPENS NOW - EXPECTED TIMELINE



CONCLUSION

- ✓ UP TO HERE, OI HAS BEEN **STABILIZING ITS OPERATIONS**, REDEFINING ITS **STRATEGIC MODEL** AND WAS ABLE TO SECURE RESOURCES FOR A STRONG **ACCELERATION OF ITS FIBER OPTICS BUSINESS**
- ✓ WE ARE PROPOSING AN **AMBITIOUS MODEL** TO ACCELERATE GROWTH, ENABLING THE CREATION OF THE **LARGEST INFRASTRUCTURE COMPANY IN BRAZIL** IN A SUSTAINABLE WAY.
 - ✓ CUSTOMERS WILL BENEFIT FROM **MORE QUALITY AND FIBER COVERAGE**
 - ✓ A NEUTRAL NETWORK CARRIER **WILL EFFICIENTLY ACCELERATE FIBER INVESTMENT FOR THE SECTOR**
 - ✓ THIS MODEL ALLOWS FOR CONCILIATING **STRONG GROWTH AND FINANCIAL SUSTAINABILITY** FOR OI AND INFRA CO
- ✓ IN ADDITION TO BENEFITS FOR CUSTOMERS AND THE INDUSTRY, THIS PLAN WILL **GENERATE VALUE** AND **TRUST** FOR EMPLOYEES, CREDITORS, SHAREHOLDERS, SUPPLIERS, AND FOR SOCIETY IN GENERAL
- ✓ THE MANAGEMENT TEAM AND THE BOARD OF DIRECTORS ARE **COMMITTED TO EXECUTING** THE NEW STRATEGIC MODEL WITH RIGOR AND SPEED.

ADDITIONAL INFORMATION

SUMMARY CHART OF THE MAIN FINANCIAL
AND OPERATIONAL INDICATORS

MAIN FINANCIAL INDICATORS



R\$ million

Brazil

	1Q20	1Q19	y.o.y.	4Q19	q.o.q.
Total Net Revenue	4,700	5,086	-7.6%	4,862	-3.3%
Residential	1,654	1,880	-12.0%	1,724	-4.0%
Personal Mobility	1,702	1,745	-2.5%	1,777	-4.2%
Customers ¹	1,623	1,624	0.0%	1,678	-3.2%
B2B	1,317	1,418	-7.1%	1,333	-1.2%
Other Services	26	42	-37.9%	28	-7.3%
Routine OPEX	3,218	3,470	-7.3%	3,410	-5.6%
Routine EBITDA	1,481	1,616	-8.3%	1,452	2.0%
Routine EBITDA Margin	31.5%	31.8%	-0.2 p.p.	29.9%	1.6 p.p.
Capex	1,781	1,718	3.7%	1,979	-10.0%
Capex / Net Revenue	37.9%	33.8%	4.1 p.p.	40.7%	-2.8 p.p.
Routine EBITDA – Capex	-299	-102	-193.6%	-526	43.1%
Net Income (Loss)	-6,602	552	1297.1%	-2,056	-221.0%
Cash Position	6,310	6,267	0.7%	2,300	174.4%
Net Debt	18,131	10,107	79.4%	15,927	13.8%

1 - Excludes handset and interconnection revenues;

MAIN OPERATIONAL INDICATORS



In thousands of RGUs

	1Q20	1Q19	y.o.y.	4Q19	q.o.q.
Total - Brazil	52.654	56.623	-7,0%	53.428	-1,4%
Residential	12.068	14.336	-15,8%	12.659	-4,7%
Copper	9.058	12.549	-27,8%	10.078	-10,1%
Fixed line	5.887	7.915	-25,6%	6.482	-9,2%
Broadband	3.171	4.634	-31,6%	3.596	-11,8%
DHT TV	1.306	1.557	-16,1%	1.393	-6,2%
Fiber	1.704	230	639,9%	1.188	43,5%
Fixed line	792	89	787,7%	523	51,3%
Broadband	845	125	577,8%	606	39,4%
IPTV	67	16	309,6%	59	15,1%
Personal Mobility	33.946	34.894	-2,7%	34.006	-0,2%
Prepaid	24.163	26.780	-9,8%	24.479	-1,3%
Postpaid	9.784	8.114	20,6%	9.527	2,7%
B2B	6.481	6.774	-4,3%	6.591	-1,7%
Corporate	4.439	4.523	-1,8%	4.506	-1,5%
Wholesale	284	291	-2,3%	291	-2,4%
Small Enterprises	1.758	1.960	-10,3%	1.794	-2,0%
Fiber	92	15	511,0%	69	33,1%
Other	1.666	1.945	-14,4%	1.725	-3,4%
Public phones	159	619	-74,3%	172	-7,7%
FTTH - Homes Passed (HP's)	5.625	1.657	239,4%	4.603	22,2%
FTTH - Homes Connected (HC's)	944	145	551,3%	675	39,9%
Take up [%]	16,8%	8,7%	8,0 p.p.	14,7%	2,1 p.p.

INVESTOR RELATIONS



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