

Oi Group

Annex 2.6 - Economic-Financial Report

Rio de Janeiro, May 19, 2023

Index

1.	General Considerations	2
2.	Limitations.....	4
3.	Contextualization.....	6
3.1	Oi Group History	6
3.2	Judicial Reorganization	9
3.2.1	Description of the Debtors	9
3.3	Reasons for the Economic and Financial Crisis	11
4.	Market Analysis	12
4.1	Brazilian Market.....	12
4.1.1	Broadband.....	13
4.1.2	Information and Communication Technology	15
5.	Restructuring of Oi Group.....	16
5.1	Financial Restructuring.....	16
5.1.1	Debt Restructuring.....	16
5.1.2	Disposal of Assets	21
6.	Economic-Financial Projections	23
6.1	Macroeconomic Data.....	25
6.2	Regulatory Framework.....	26
6.3	Operational Projections	27
6.4	Consolidated Income Statement	35
6.5	Cash Flow of Oi Group	36
6.5.1	Operating Cash Flow.....	36
6.5.2	Cash Flow from Investing Activities	37
6.5.3	Cash Flow from Financing Activities	38
6.5.4	Projection of the Creditors Plan.....	40
6.5.5	Consolidated Cash Flow	41
7.	Report Conclusion	43

1. General Considerations

This Economic-Financial Report (“Report”) aims to assess the economic and financial feasibility, in the context of the Consolidated Judicial Reorganization Plan (“Plan” or “PRJ”) of the companies: **OI S.A. - Under Judicial Reorganization** (“Oi” or “Company”), a publicly held corporation, registered with the National Register of Legal Entities of the Ministry of Finance (CNPJ/MF) under no. 76.535.764/0001-43, with headquarters and principal place of business at Rua do Lavradio no. 71, Centro, in the City and State Rio de Janeiro, ZIP: 20230-070; **PORTUGAL TELECOM INTERNATIONAL FINANCE B.V. - Under Judicial Reorganization** (“PTIF”), a private limited company organized according to the Laws of the Netherlands, with headquarters in Amsterdam, Delflandlaan 1 (Queens Tower), Office 806, 1062 EA, and principal place of business in the city of Rio de Janeiro; **OI BRASIL HOLDINGS COÖPERATIEF U.A. - Under Judicial Reorganization** (“Oi Coop”), a private limited company organized according to the Laws of the Netherlands, with headquarters in Amsterdam, Delflandlaan 1 (Queens Tower), Office 806, 1062 EA, and principal place of business in this city of Rio de Janeiro (with Oi, PTIF e Oi Coop hereinafter jointly referred to as “Oi Group”, “Debtors” or “Companies under Reorganization”).

This is a free translation from the original Appendix of the Consolidated Judicial Reorganization Plan of Oi Group. In case of divergence between this version and the original version of this Report, in Portuguese language, the latter shall prevail.

This Report was prepared by Ernst & Young Assessoria Empresarial Ltda (“EY”), solely and exclusively to serve as a support document to the development of the Debtors’ PRJ, and should not overlap, modify or be confused with the terms of the PRJ and should not be partitioned, divided or used partially by the Debtors and its representatives, by creditors or any other interested parties. This Report may not be used for any purpose not expressly mentioned herein.

With the purpose of achieving this work’s objective, procedures were applied based on the analysis of historical facts, socioeconomic and market information, as well as data and assumptions provided by Oi Group, its employees, managers, advisors and further service providers (“Data and Information”).

EY does not take any responsibility on future results differing from the projections presented on this Report and does not offer any guarantees regarding the aforementioned results. With this perspective, the conclusions here presented are the results of the Data and Information analysis, along with macroeconomic and market forecast, as well as on performance and results of future events, and are subject to the following considerations:

- This Report involves matters of objective and subjective judgements, given the complexity of the analysis of the Data and Information and the various sources of information consulted;
- None of EY’s partners or professionals involved in this work detain financial interest in Oi Group;
- The fees established for the execution of this work were not based on reported results and have no connection with it;
- The development of this Report was based on public information known by the market / public known information and information provided by Oi Group. Such information was considered true, as it is not part of EY’s scope of work any type of independent investigation and/or audit procedures. Thus, EY does not assume future responsibility for the accuracy of the Data, Information and Assumptions used in this Report;
- This Report was prepared with the purpose of evaluating the feasibility of the Debtors in the context of the PRJ, EY has no responsibility towards any third party for any act or fact derived from its use for any purpose other than stated herein;

- This Report was developed at the request of Oi and should not be interpreted by any third party as a decision-making tool for investments or opinions regarding the PRJ;
- EY will not be responsible for updating this Report in regard of events or circumstances that may take place after its date of reference;
- Some of the considerations outlined in this report are based on future and uncertain events representing expectations of Oi Group, its management, advisors and further service providers, at the date of the analysis. Thus, the results presented in this Report are merely forecasts, reason why they may differ from future figures; and
- The forecasts consider the current macroeconomic scenario together with the perspectives of the sector in which the Debtors operate. However, the scenario presented may not materialize, in view of external factors, in addition to changes in the macroeconomic scenario, monetary and fiscal policies, default risks and market factors.

Among the Data and Information used for the development of this Report, there are public information and information provided by Oi Group, aimed at delivering the necessary details of its operations, investments, capital structure and cash generation capacity. This Report, subject to the assumptions stated herein, intends to provide a view of the financial capacity of the Debtors in the context of the PRJ, to allow the assessment of their sustainability and the feasibility of their going concern.

2. Limitations

According to the law 11,101 of February 9, 2005, which regulates the judicial and extrajudicial reorganization and the bankruptcy of the entrepreneur and of the business company, this Report evaluates the economic-financial feasibility of the Debtors in the context of the PRJ, with certain limitation clauses.

Therefore, this Report and its conclusions, should not be interpreted or used without considering these clauses.

This Report, as well as the opinions and conclusions included, are of Oi's use in the context of the PRJ. It should be noted that this report is constituted of 44 pages and cannot, in any case, be handled separately, in which case no liability can be attributed to EY.

Any user and/or recipient of this document should be aware of the conditions and assumptions that guided this work, Brazil's market and economic conditions, as well as the market niche in which Oi Group operates.

The factors that may result in differences between the content of this Report and the content of the documents that have the same object of this work are exclusively due to the use of different sources of information and the application of different methodologies when processing data. EY has no responsibility for such differences.

EY's services for the development of this Report do not represent an audit, a review or any other type of attestation, in the way these expressions are identified by the Brazilian Accounting Council (CFC - Conselho Federal de Contabilidade). Therefore, we do not express any form of guarantee on accounting matters, financial statements, financial information, nor on internal controls of Oi Group.

We have not issued a professional opinion on the application of the accounting principles in accordance with the International Standard on Related Services (ISRS 4410), nor its subsequent changes or interpretations. This Report does not constitute a legal opinion or advice.

EY's services did not include any type of tax review. The estimates of tax impacts for Oi Group, as a result of the PRJ, were provided by Oi and incorporated into the financial projections.

EY's services did not include a review or an independent investigation with the objective of identifying illegal acts or frauds.

EY has no responsibility, and cannot be held responsible, for the study, analysis and presentation of projected costs and investments projected in the judicial reorganization scenario of the Debtors.

The independent evaluation or review of the terms and conditions of the issuance of shares for the restructuring of Class III Unsecured Creditors' Claims as proposed in the PRJ was not part of EY's services. EY considered the assumptions provided by the Company regarding the amounts attributed to the shares for tax calculations purposes.

Until the conclusion of this Report, certain assumptions provided by Oi regarding the establishment, valuation and disposal of certain assets (through UPIs or not) were in the preliminary phase of analysis and had not been negotiated with creditors and potential investors, especially Oi's stake in V.tal and the establishment of UPI ClientCo. At the time of preparation of the Report, as well as the disclosure of the PRJ by Oi, the information available about these monetization events was limited and may suffer significant impacts until its completion. In addition, negotiations regarding the end of the concession period and the arbitration initiated by Oi with the regulators are also ongoing and their outcome may present results significantly different from those projected by Oi and indicated by the Company as assumptions for the preparation of this Report.

The studies carried out do not include the feasibility analysis of the Debtors from the perspective of corporate, tax and legal aspects. In addition, it was not part of the scope of this Report the analysis of the legal feasibility of the strategy of establishment and sale of the UPIs provided for in the PRJ.

This work does not include the evaluation of the operating costs or potential improvement of Group processes which may generate potential cost savings and operational, operational or administrative optimizations.

The forecasts are largely dependent on Oi's ability to implement the strategic actions described in this Report, as well as to minimize the effects of possible synergy losses resulting from the implementation of its strategy.

Operational and financial assumptions and further conditions of the Strategic Plan were provided by Oi Group and its managers, advisors and other service providers hired for this purpose. Such assumptions and conditions have not been the subject of an independent investigation by EY. The studies implemented by EY take into account the operational, financial and further conditions of the Strategic Plan provided by Oi Group, so that EY does not guarantee that all these assumptions and conditions will be effectively materialize, since it relies on the success of Oi Group itself in achieving the goals established by it and the prevailing market conditions at the time of the implementation.

It is not part of EY's scope of work to review or investigate the assumptions used to determine the sale prices of UPI ClientCo and V.tal shares. Thus, EY does not assume any responsibility for any differences in values used in this report and those that may materialize in future negotiations. In addition, EY has not carried out any type of diligence regarding the assumption adopted by the Company in the settlement of arbitration proceedings with the regulator without financial impact for Oi, EY is not responsible for any settlement that may present a financial impact different from that presented in this Report.

The considerations presented in this Report are common practices in studies of this nature, which we believe we have, and are publicly recognized as having, meaningful knowledge and experience. The provided services are limited to such knowledge and experiences and do not represent an audit, advisory or tax related services, which can be provided by EY. Notwithstanding these limitations, the conclusion of this Report was not intended or written by EY to be used, and should not be used, by the recipient or any third party for the purpose of avoiding sanctions that may be imposed by the Brazilian tax law.

3. Contextualization

Oi is a concessionaire of the Switched Fixed-line Telephony Services (STFC) in Regions I and II of the General Concession Plan (PGO), according to Decree No. 6,654, which corresponds to 26 of the country's 27 federative units. Oi Group also hold authorizations to provide data transmission (Multimedia Communication Services - SCM) and pay TV (Conditional Access Services - SeAC), throughout the country.

Oi Group's activities began through providing fixed-line services and, over time, the services of mobile telephony¹, internet, pay TV, among others, were incorporated into the group's portfolio.

The chart below shows how the revenues of each service are distributed within the group, taking the first nine months of 2022 as a reference.

Breakdown of Oi Group's Revenues - 9M2022

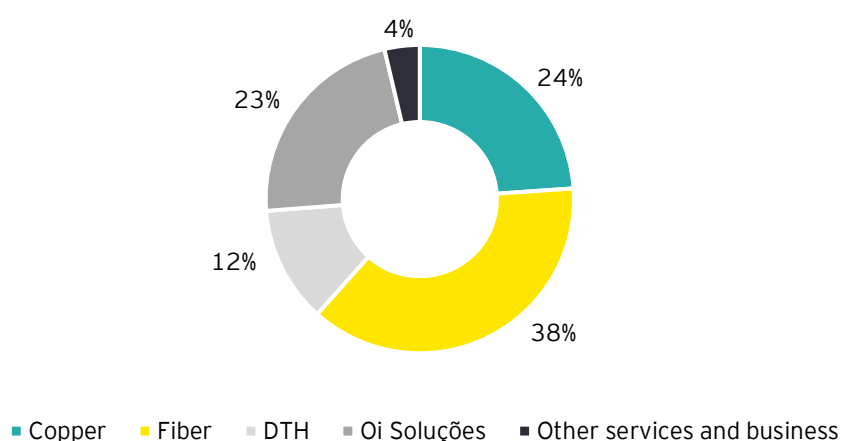


Chart 1. Source: Oi (Quarterly Earnings Report 3T2022).

3.1 Oi Group History²

The Company emerged from the privatization of the companies of the Telebrás system, initially providing intra-regional long-distance fixed telephone services in Region II. Oi Móvel's operations began in September 2004. Also in the early 2000s, and in line with the expansion of the range of services provided, the Company acquired a system of submarine fiber optic cables, an Internet Protocol (IP) services company and other services to the corporate market in Brazil, as well as a provider of free internet services, operating in the dial-up and broadband markets. In the late 2000s, the Company began operating in the call center segment. Over the subsequent years, Oi carried out several acquisitions, mergers and corporate restructurings, with the aim of simplifying its corporate structure.

In June 2016, Oi, along with some of its subsidiaries, filed for judicial reorganization before the Capital District of the State of Rio de Janeiro for the restructuring of its claims with approximately 55 thousand creditors. The total of these claims, according to the list of creditors, amounted to approximately BRL 64 billion. According to the Company, this request for judicial reorganization was a consequence of a period of growth in its debts at the same time that it suffered a contraction in its operating performance, reflected in its revenues and operating margins. According to management,

¹ Service discontinued with the sale of UPI Mobile Assets, completed in April 2022.

² Information obtained through the 2022 Reference Form and Material Facts disclosed by Oi.

the increase in Oi Group's debt could be explained mainly by three events: (i) financing of the anticipation goals plan (regarding the universalization of telecommunications services); (ii) acquisition of Brasil Telecom and subsequent identification of certain relevant liabilities; and (iii) merger and incorporation of Portugal Telecom's debt.

The PRJ dated December 12, 2017 was presented at the General Meeting of Creditors ("GMC"), held on December 19 and 20, 2017, and approved with some modifications. Finally, on January 8, 2018, the PRJ was approved by the Judicial Reorganization Court, granting the Judicial Reorganization to the Debtors and, on July 31, 2018, Oi Group communicated to the market the conclusion of the process of novation of its debts.

In February 2020, Oi Group presented a proposal for an Amendment to the Judicial Reorganization Plan, aiming, among other things, to change the payment conditions of creditors and enable the execution of its Strategic Plan, indicating, as reasons for a new restructuring, frustration of certain expectations and premises in the legal, regulatory and market scopes. In March of the same year, Oi communicated to the market that the Judgment of the 7th Corporate Court of Rio de Janeiro issued a decision granting the holding of a new CGM to deliberate on the Amendment to the PRJ. This amendment provided for the formation and disposal of five UPIs, namely: UPI Movable Assets, UPI Data Center, UPI Towers, UPI InfraCo and UPI TVCo.

In March 2021, the UPI Data Center and UPI Towers disposals were completed. UPI Data Center was sold for BRL 325 million, with a cash payment of BRL 250 million, with the remaining balance paid in installments. UPI Towers was sold for BRL 1.1 billion, with BRL 860 million paid in cash and the remainder in June 2021, after assessments and adjustments provided for in the contract.

In April 2022, the sale process of UPI Movable Assets was completed, resulting in a total transaction value of BRL 15.9 billion. Of this amount, BRL 14.5 billion was received by the Company, while the amount of BRL 1.4 billion was retained for possible compensation due to post-closing adjustments and other indemnity obligations. In addition, according to the agreement signed with the buyers, Oi could receive an additional amount of up to BRL 294 million in case of reaching certain migration targets. Of this amount, BRL 169 million has already been received in 2022. Finally, the Company signed a contract to provide transition services for the operation for a period of up to 12 months, adding another BRL 586 million to the total value of the deal. With the conclusion of the operation, the claim of the National Bank for Economic and Social Development ("BNDES") with the Company, in the amount of BRL 4.6 billion, and the debentures of the 2nd issuance of Oi Móvel, in the amount of BRL 2.4 billion, in addition to the repurchase of senior notes maturing in 2026, in the amount of BRL 4.6 billion were repaid.

In June 2022, Oi concluded the sale of UPI InfraCo ("V.tal") to Globenet Cabos Submarinos S.A. The operation totaled BRL 12.9 billion, with the Company receiving BRL 4.3 billion in cash, referring to the first installment of the secondary component. In addition, at the close of negotiations, it was agreed that the second and third installments of the secondary component, in the amount of BRL 3.7 billion, would be used to pay the Long-Term Lease Agreement for use of the transmission capacity of telecommunication signals of the submarine cables signed with Globenet. The primary component of the transaction totaled BRL 3.4 billion, while the contribution from the merger of Globenet totaled BRL 1.5 billion. On the other hand, Oi received BRL 2.7 billion in dividends from Telemar. With the completion of the transaction, the Company informed that it had fully paid off V.tal's 1st issue debentures, in the amount of BRL 3.5 billion. In October 2022, Oi reported that the value of the locked-box adjustment was calculated and set at BRL 1.4 billion. Currently, the Company holds a direct stake of 34.1% in V.tal - already considering the investment of BRL 2.5 billion made by the Canada Pension Plan Investment Board ("CPPIB"), according to a Material Fact disclosed by the Company on 25 November 2022 - still subject to price adjustments provided for in the contract.

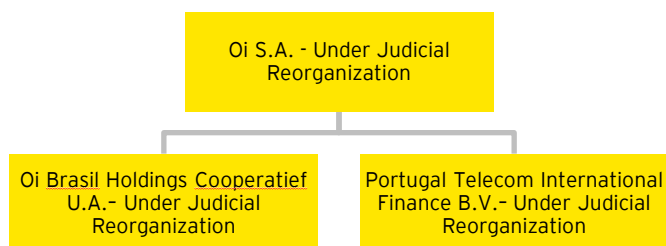
Annex 2.6
May 19, 2023

According to a Material Fact published on December 15, 2022, the Company informed that, on December 14, 2022, the Judgment of the 7th Business Court of the Judicial District of the Capital of the State of Rio de Janeiro declared the conclusion of the Judicial Reorganization process, being declared as fulfilled the obligations assumed in the approved plan and amendment.

3.2 Judicial Reorganization

In February 2023, Oi had approved its request for an urgent precautionary measure to suspend the enforceability of certain obligations assumed by the Company, aiming at protecting its cash and, consequently, the continuity of negotiations with its creditors. According to the Company, a partial anticipation of the effects of the decision to process a new judicial reorganization was sought, since it had not been possible to reach an agreement with its main financial creditors to readjust its capital structure before the deadline for payment of debts due in early February 2023.

On March 1, 2023, Oi filed, together with its subsidiaries PTIF and Oi Coop, detailed below, a request for judicial reorganization with the 7th Corporate Court of the Judicial District of the Capital of the State of Rio de Janeiro for the restructuring of its claims with approximately 159 thousand creditors³. The total of these claims, according to the List of Creditors, amounts to approximately BRL 44 billion. The request was approved by the RJ Court on March 15.



Organization Chart 1. Source: Oi.

3.2.1 Description of the Debtors

The table below presents a brief description of the Debtors:

Company	Category	Main Activities
Oi S.A. - Under Judicial Reorganization	Operating Parent Company	Operating Parent Company that offers telecommunication services in several fields and related activities.
Portugal Telecom International Finance B.V. - Under Judicial Reorganization	Financial Vehicle	Debt issuance in international markets.
Oi Brasil Holdings Cooperatief U.A. - Under Judicial Reorganization	Financial Vehicle	Debt issuance in international markets.

Table 1. Source: Oi - Reference Form 2022 - V3.

The detailed descriptions of companies categorized above are presented ahead.

Oi S.A. - Under Judicial Reorganization

³ List of Creditors.

A publicly traded company, it is one of the main providers of integrated telecommunications services in Brazil, operating throughout the national territory. Oi S.A. offers a variety of services, which include fixed telephony, interconnection, data transmission (including broadband), pay TV, internet services and other telecommunications services. It has been operating since 1998 in Regions I and II, as defined in the General Grant Plan (PGO) and brings together approximately 13 million Revenue Generating Units (“UGR”), among residential customers, companies and government agencies.

According to the company's 2022 third quarter results presentation, Oi has 18 million HPs⁴ and about 4 million HCs⁵, in addition to having more than 40,000 corporate clients in its portfolio. According to Anatel, the Company has around 30% of the fixed telephony market.

Portugal Telecom International Finance B.V. - Under Judicial Reorganization (“PTIF”)

A wholly-owned subsidiary of the Company, PTIF is headquartered in the Netherlands and its corporate purpose is to participate in the share capital of other companies; incorporate, manage and supervise other companies and businesses; provide guarantee in favor of controlling, affiliated and/or controlled companies; provide services and finance businesses and partnerships; grant loans; acquire, dispose of, manage and undertake real estate and properties in general; engage in and commercialize patents, trademarks, licenses, know-how and intellectual property rights; to carry out any type of industrial, financial and commercial activity, as well as carrying out any related activities.

Oi Brasil Holdings Coöperatief U.A. - Under Judicial Reorganization (“Oi Coop”)

Oi Coop is a cooperative constituted under the laws of the Netherlands and headquartered in that country, with the Company as its sole member. Its corporate purpose is to participate in the share capital of other companies; incorporate, manage and supervise other companies and businesses; provide guarantee in favor of controlling, affiliated and/or controlled companies; finance businesses and partnerships; obtain and extend loans, raise funds and issue debt securities; trade currency, securities and assets in general; to carry out any type of industrial, financial and commercial activity, as well as carrying out any related activities.

⁴ “Homes passed” means the number of houses served by Oi Group's fiber optic services coverage.

⁵ “Homes connected”, means the number of houses effectively connected to Oi Group's fiber optic services.

3.3 Reasons for the Economic and Financial Crisis

According to the Judicial Reorganization Plan presented by Oi Group on May 19, 2023, several factors contributed to the new crisis of Oi Group.

Among the reasons given by Oi Group for the new Judicial Reorganization request, the following stand out:

1. The delay in closing UPIs sales;
2. Failure to receive part of the sale of UPI Movable Assets, in the approximate amount of BRL1.4 billion;
3. The Covid-19 pandemic;
4. The instability of economic indicators (e.g. significant increases in domestic interest rates and worsening credit environment);
5. The oscillation of the exchange rate of the US currency, which adjusts the obligations held;
6. The acceleration of the decline in revenues from the Company's fixed telephony concession services, in view of the rapid change in the technological environment;
7. The continuity of contract costs with a minimum obligation ("Take or Pay") that do not bring economic benefit to the Company due to the low consumption of services; and
8. The maintenance of the burden of obligations in the regulatory environment, related to the fixed telephony concession.

According to Oi, the delay in completing the sale of UPI Movable Assets and UPI InfraCo was mainly due to Brazilian regulatory and antitrust constraints, as well as the high complexity of segregating part of these assets and operations sold. This delay led Oi to direct its cash to investments necessary to maintain the assets that would be sold.

Also, according to the Company, other unpredictable factors made it necessary to implement a new stage of its restructuring, such as the high adherence to the mandatory takeover bid provided for in the notes due in 2026 and the non-receipt of part of the sale transaction of UPI Movable Assets, in the approximate amount of BRL 1.4 billion. In addition, according to the Material Fact of September 19, 2022, the Company was contested in the amount of BRL 1.7 billion referring to the dispute procedure opened by the buyers of the UPI, due to post-closing adjustments. This dispute is currently in arbitration proceedings.

4. Market Analysis

4.1 Brazilian Market

The Brazilian telecommunications market has undergone transformations in recent years, following technological advances and new consumption patterns of the population. As shown in the graph below, the market share reduction in the fixed telephony segment stands out, being replaced, for the most part, by the growth in fixed and mobile broadband.

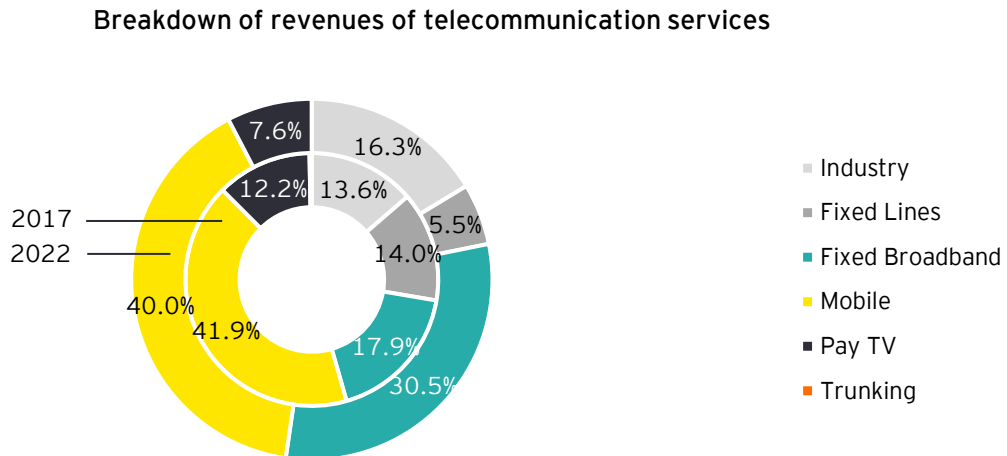


Chart 2. Conexis Brasil Digital - O Desempenho do Setor de Telecomunicações no Brasil - 4Q22.

Although investment in telecommunications infrastructure is a constant process, atypical factors contributed to an increase in the level of investments between 2013 and 2015, with emphasis on sporting events hosted in the country between 2014 and 2016. Investment resurfaced stronger in 2018 with preparations to 5G, with investments in 4G and fiber infrastructure, and maintained itself in the following years, even during the difficulties caused by the pandemic in 2020, reaching its peak in 2022.⁶

The graph below shows the evolution of investments in the sector.

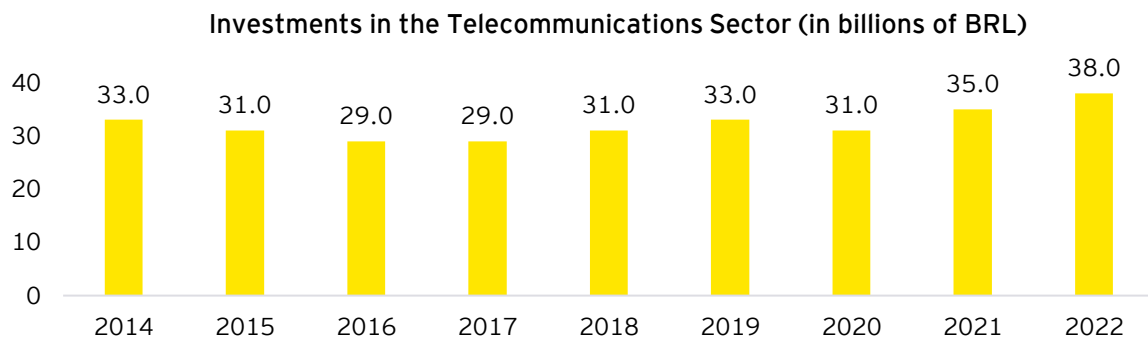


Chart 3. Source: Conexis Brasil Digital - O Desempenho do Setor de Telecomunicações no Brasil - 4Q22.

⁶ Buddecomm - Brazil - Telecoms, Mobile and Broadband - Statistics and Analysis 2021.

4.1.1 Broadband

Fixed broadband is the second largest telecommunications subsector in the country, accounting for 30.5% of the sector's revenue in 2022, against 17.9% in 2017. Its growth is due to the expansion of the subscriber base and the constant migration for higher speed plans.

The growing use of internet reflects an accelerated change in household consumption habits. Activities such as streaming consumption, online gaming, and remote work and study continue to become more popular. This trend favors the adoption of high-capacity fixed broadband.

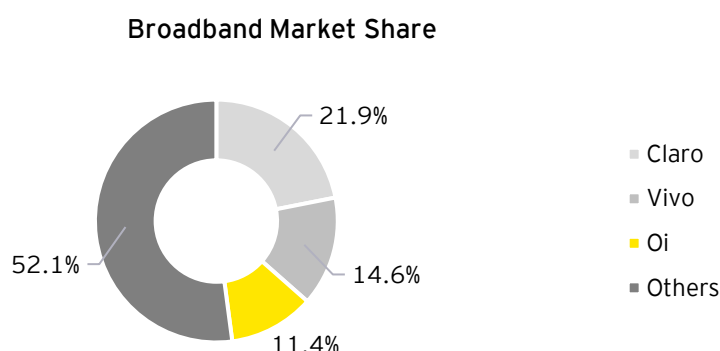


Chart 4. Source: Anatel - Painéis de Dados - Dec/22.

The presence of small providers stands out, more representative in this segment when compared to the other subsectors of the Brazilian telecommunication market, guaranteeing themselves in markets where there is no presence of large providers, increasing their fiber networks and contributing to the growth of digital inclusion.

There is a growing demand for higher speed and quality internet services, in parallel with an intensification of competition in the market. The number of accesses with ultra-fast broadband plans (i.e., those with Internet connections of more than 34 Mbps) has increased by an average of 60% per year since 2015, reaching an 86% share of the subscriber base.⁷

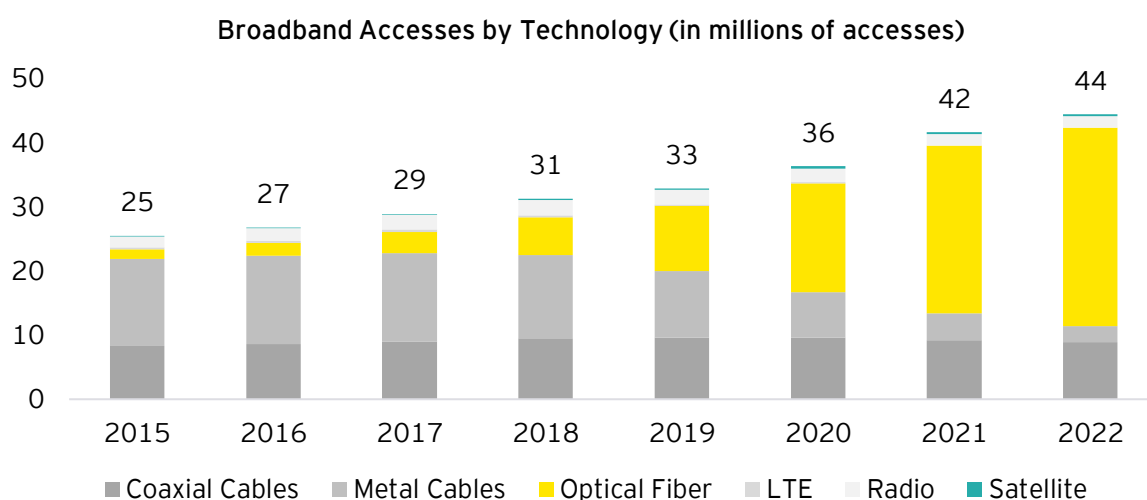


Chart 5. Source: Anatel - Painéis de Dados - Dec/22.

The number of fixed broadband subscribers using optical fiber technology grew at an annual average of 54% between 2015 and 2022 and, as shown in the graph above, the technology comprised around

⁷ Conexis Brasil Digital - The Performance of the Telecommunications Sector in Brazil - 4Q22.

70% of the broadband market in 2022, indicating a trend of migration from other technologies to fiber.

4.1.1.1 Optical Fiber

As observed in the general data on Broadband, the competitive landscape for fiber is marked by the presence of small-sized providers, or “Competitives”, which are responsible for almost half of the market, as shown in the graph below.

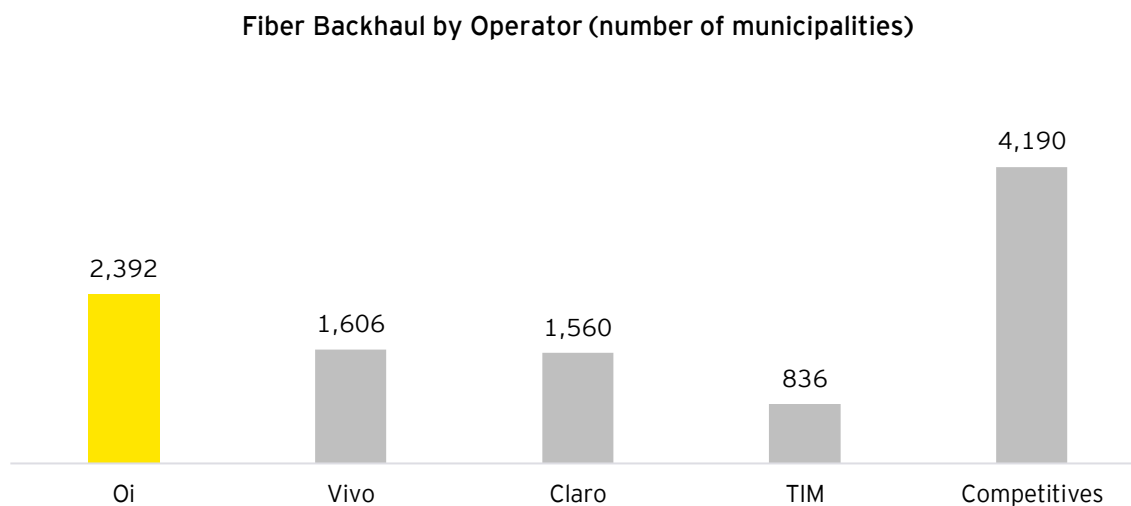


Chart 6. Source: Teleco - Market Share de Banda Larga Fixa no Brasil - accessed on May 3, 2023.

The growth in fiber-based broadband meets the demands for greater speed, capacity and connection stability. Fiber plays a role in the development of 5G, providing the backhaul resources and infrastructure necessary for its implementation. The graph below shows the evolution of fiber penetration in Brazilian municipalities.

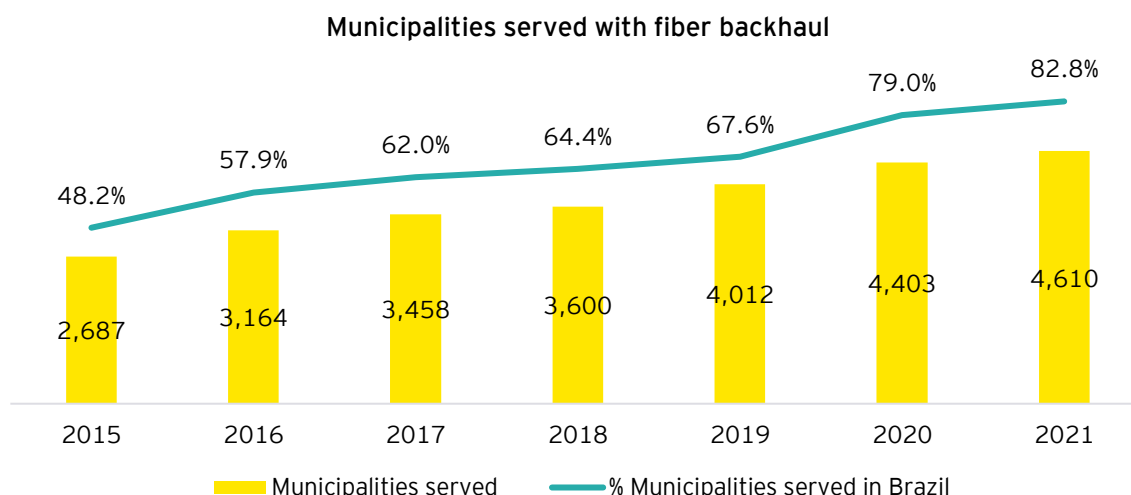


Chart 7. Source: Teleco - Market Share de Banda Larga Fixa no Brasil - accessed on May 3, 2023.

According to EMIS Insights, optical fiber technology remains an opportunity in the sector, as it is the preferred tool for telecom companies to offer fixed broadband services at competitive prices, as well as allowing providers to supply affordable digital fixed telephony packages as well as IPTV services.⁸

⁸ EMIS Insights - Brazil ICT Sector Report 2022-2023.

4.1.2 Information and Communication Technology

The COVID-19 pandemic intensified the consumption of telecommunications services, however, not all segments had an increase in their demand, as is the case of fixed telephony, since Brazilian consumers are replacing these technologies with services such as those of internet and information and communication technology, which have greater added value for telecommunications companies.⁹ Driven by this factor, the IT Industry has grown at an average rate of 17% p.a. since 2019.

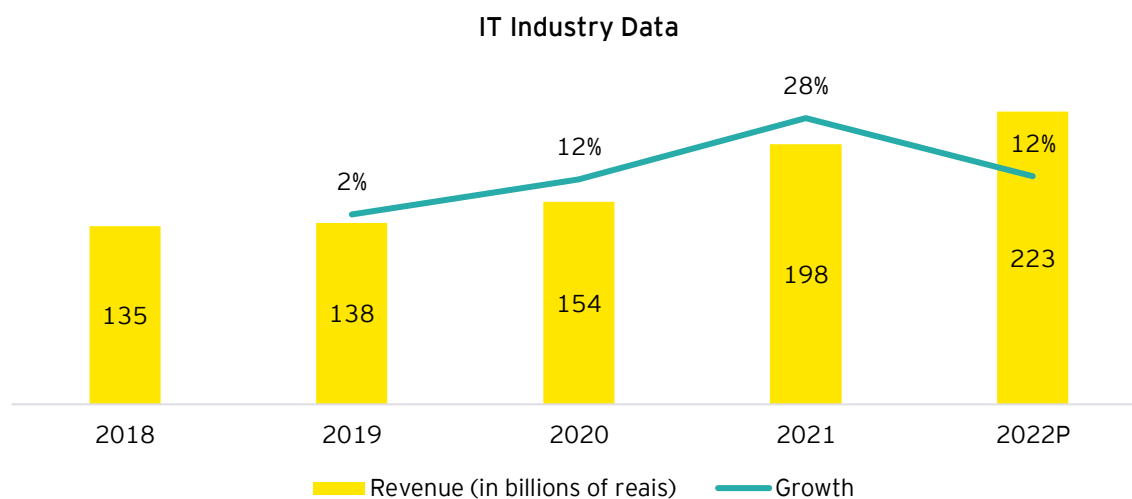


Chart 8. Source: Lafis: Panorama Setorial - Tecnologia da Informação.

The IT market in Brazil is estimated to outpace GDP growth in the medium term due to the strength of post-pandemic¹⁰ digitization and digital transformation trends. According to EMIS Insights, there will be a growing demand for high value-added technology solutions¹¹. The main challenge for telecommunications companies will be to go beyond connectivity and provide solutions and service packages to their current customers, replacing efforts to attract new consumers.

⁹ EMIS Insights - Brazil ICT Sector Report 2022-2023.

¹⁰ Fitch Solutions - Brazil Information Technology Report | Q1 2022.

¹¹ EMIS Insights - Brazil ICT Sector Report 2022-2023.

5. Restructuring of Oi Group

5.1 Financial Restructuring

According to Oi, the Judicial Reorganization Plan presented on May 19, 2023 aims to restructure the Company's financial debt, reducing its value and extending its maturity dates, providing an injection of new money into the Company, aiming to continue fulfilling its obligations, make the necessary investments and seek more liquidity until a definitive solution is reached for the necessary adjustments to the concession of fixed telephony services and their obligations.

In line with the recovery plan, Oi, on April 21, 2023, signed a "Debtor-in-Possession" funding (DIP financing), in the amount of USD 275 million, to meet the Company's short-term financing needs. The first installment of this financing, in the amount of USD 200 million, is expected to be disbursed in the first half of 2023. The second installment, in the amount of USD 75 million, can be disbursed within 3 months from the issuance of the first installment.

- ▶ According to Oi, the principal amount will be amortized with the New DIP Loan to be raised;
- ▶ An interest rate of 23% per annum will be accrued, consisting of 8% per annum in cash, 6% per annum capitalized, Initial Fee of 3%, Exit Fee of up to 3.5%, Commitment Fee of 8% (Paid *pro rata* on the amount of the second installment) and additional interest of 1% after 6, 9 and 12 months from the closing date; and
- ▶ Oi will offer Fiduciary Assignment of shares issued by V.tal as guarantee.

5.1.1 Debt Restructuring

This item presents, in a summarized manner, the main conditions of the Plan for Payment to Creditors of Oi Group, including certain information on the financial conditions present in the Judicial Reorganization Plan presented by the Company on May 19, 2023.

For further details of the determined payment conditions, refer to the PRJ of May 19, 2023. In case of any discrepancies between the summary below and the PRJ, the PRJ shall always prevail. This Report was prepared considering the financial and operational assumptions arising from the assertive execution of the PRJ. The projections contained in this Report assume the implementation of the PRJ proposed by the Debtors.

Mediation/Conciliation/Settlement

Oi Group may offer the option of participating in Mediation/Conciliation/Settlement procedures to all Pre-Petition Creditors before the installation of the General Meeting of Creditors or after the Judicial Approval of the Plan, as the case may be. In this context, the Company may negotiate and agree (i) alternative forms of payment of the respective Pre-Petition Claims and/or (ii) the payment of the respective Pre-Petition Claims in accordance with the conditions applicable to the respective class of creditors and with the option chosen by Pre-Petition Creditor, if applicable.

Class I

Labor Claims (Class I), according to the values indicated in the List of Creditors, including Labor Claims held by Judicial Deposits Labor Creditors and Fundação Atlântico Labor Claim, will not be affected and restructured under the terms of the Plan.

Class III

The payment proposal for Class 3 is presented below, according to the limits established in the PRJ:

Proposal

Each Unsecured Creditor may choose, except as otherwise provided in the PRJ, to have all of its Unsecured Claims paid or restructured in the following options: (i) Class III Claims Linear Payment, (ii) Restructuring Option I or (iii) Restructuring Option II, without the possibility of voluntary division of the claim amount between the aforementioned options

Class III Claims Linear Payment:

Creditors of this class who are holders of claims in the amount of up to BRL 5 thousand may choose to receive the full amount of the respective Class III Claim, within 30 calendar days from the date of the Judicial Approval of the Plan, upon raising the value of the Judicial Deposit or in a single installment through a deposit to be made by the Debtors.

Creditors of this class with claims in an amount greater than BRL 5 thousand may opt for payment in a single installment, provided that they agree to receive only the amount of BRL 5 thousand as full payment of their respective claim and related costs and automatically waive the right to receive payment of the amount of your Class III Claim that exceeds BRL 5 thousand.

Restructuring Option I:

Unsecured Creditors who are in compliance with their Non-Litigation Covenant and agree to participate in the New DIP Loan may opt for Restructuring Option I, through which they will receive payment of their respective remaining claims under the terms and conditions below:

Oi will issue a debt instrument in the total amount of BRL 10.75 billion ("Roll-Up Debt") for the *pro rata* payment of the remaining balance of Class III Claims held by Unsecured Creditors who choose this present restructuring option.

The Total Roll-Up Debt Amount will be allocated as follows: (i) the amount of up to BRL 6.25 billion of Roll-Up Debt ("Total Backstop Roll-Up Debt") will be allocated for payment, on a *pro rata*, to creditors who adhere to the Backstop Adhesion Contracts and (ii) the amount of up to BRL 4.5 billion of Roll-Up Debt ("Total Non-Backstop Roll-Up Debt Amount") will be allocated for payment, on a *pro rata*, (a) of the remaining balance of Class III Claims held by Restructuring Option I Creditors that is not paid with the Total Backstop Roll-Up Debt and (b) of the remaining balance of Class III Claims held by the Restructuring Option Creditors Restructuring I that timely send to Oi the respective New DIP Loan Adhesion Contracts.

- ▶ The principal amount will be amortized in one installment (bullet) with payment in 4.5 years, counted from the issue date;
- ▶ For claims in Dollars, the Debtors may choose between interest of 5% per year to be paid semi-annually, or 8.5% per year, with 0.5% paid semi-annually in cash and 8% compounded semi-annually to the principal amount;
- ▶ For claims in Reais, interest will be levied at an annual rate in Reais that is equivalent to the interest rate in Dollars at the time of issuance, as defined in the PRJ; and
- ▶ Oi will offer certain properties and assets in guarantee in accordance with the annexes to the PRJ.

Once the total Roll-Up Debt amount is reached, the remaining balance of the Class III Claims will be capitalized as a capital increase in the Company.

Restructuring Option II:

Unsecured Creditors may opt for Restructuring Option II, through which they will receive payment of their respective remaining claims under the terms and conditions below:

Oi will issue a debt instrument ("A&E Reinstated Debt") equivalent to 30% of the total amount of Class III Claims held by Unsecured Creditors who choose Restructuring Option II.

- ▶ The principal amount will be amortized in one installment (bullet), 10 years counted from the issue date;
- ▶ For claims in Reais, an interest rate of 80% of the CDI will apply, interest will be capitalized annually to the principal amount, subject to a total limit of 8% per year;
- ▶ For claims in Dollars, interest will be levied corresponding at an annual rate in Reais that is equivalent to the interest rate in Reais at the time of issuance, as defined in the PRJ; and
- ▶ Oi will offer certain properties and assets in guarantee in accordance with the annexes to the PRJ.

The remaining balance of Class III Claims will be capitalized as a capital increase in the Company.

Optional Redemption/Repurchase of Restructuring Options I and II:

Oi may redeem/repurchase, at any time and at its sole discretion, under the terms to be provided for in the respective debt instrument and through payment of the face value and interest capitalized up to the option exercise date, all or, on a *pro rata* basis, part of the securities issued.

Regulatory Agencies Pre-Petition Claims

Regulatory Agencies Pre-Petition Claims will not be affected and restructured under the terms of this Plan. The respective payment conditions will remain identical to those currently existing, as provided for in the Amendment to the 1st Judicial Reorganization Plan.

In the event of supervenience of a legal rule or judicial or arbitral decision that establishes an alternative form for payment of the Liquidated or Unliquidated Regulatory Agencies Claims, the Debtors may adhere to the new regime, subject to the terms and conditions provided for in Oi's bylaws.

Supplier Creditors' Unsecured Claims

Suppliers, including Strategic Supplier Creditors, who had their respective Unsecured Claims novated under the terms of the 1st Judicial Reorganization Plan will not be affected and their respective Unsecured Claims will not be restructured under the terms of this Plan.

Strategic Supplier Creditors' Claims

Suppliers of goods, content, rights and/or services that maintained terms and conditions practiced prior to the date of filing the Judicial Reorganization request will be paid as described below:

- (a). Strategic Suppliers who have claims of up to BRL 100 thousand (or the equivalent in Dollars or Euros converted at the Conversion Exchange Rate, as defined in the PRJ), will receive their claims in a single installment, within 45 calendar days after the end of the choice of payment option.
- (b). Strategic Suppliers who have claims in excess of BRL 100 thousand and up to the limit of BRL 1 million (or the equivalent in Dollars or Euros converted by the Conversion Exchange Rate, as defined in the PRJ), will have their payment made in 12 monthly installments, equal and successive, the first installment falling due on the 25th day of the month following the disbursement of the New DIP Loan.

- (c). Strategic Suppliers who have claims in excess of BRL 1 million and up to a limit of BRL 10 million (or the equivalent in Dollars or Euros converted by the Conversion Exchange Rate, as defined in the PRJ), will have their payment made in 4 quarterly installments, equal and successive, the first installment falling due on the 15th day of the third month following the disbursement of the New DIP Loan.
- (d). Strategic Suppliers who have claims in excess of BRL 10 million (or the equivalent in Dollars or Euros converted at the Conversion Exchange Rate, as defined in the PRJ), will have their payment made in 4 equal and successive half-yearly installments, the first falling due installment on the 28th day of the sixth month following disbursement of the New DIP Loan.

Strategic Supplier Creditors who hold Class III Claims in an amount greater than BRL 100 thousand (or the equivalent in Dollars or Euros converted at the Conversion Exchange Rate, as defined in the PRJ) may choose to receive the entire remaining balance of their respective Claims with a 25% discount on the amount of the respective remaining balance, within 60 calendar days after disbursement of the New DIP Loan.

Without prejudice to the foregoing, if a Strategic Supplier Creditor wishes to receive payment of the remaining balance of its Class III Claims specifically in one of the ways provided for in items (a) to (d) described above, but the amount of the remaining balance of its claims exceeds the limit provided for in the desired payment method, such Strategic Supplier Creditor shall expressly opt, in accordance with the terms and term set forth in the PRJ, to receive the total amount of the limit provided for in the desired payment method, provided that, when making such option, the respective Strategic Supplier Creditor will automatically waive the right to receive payment of the amount of your claim that exceeds the established limit in the desired payment method.

Settled Suppliers' Claims

Settled Supplier Claims held by the Strategic Supplier Creditors will be paid under the terms, conditions and terms currently existing and originally negotiated and agreed with Oi Group in the respective transaction instruments, without the application of any fine or penalty to Oi Group.

Any payment installments payable by Oi Group to the Strategic Supplier Creditors that are not Settled Claims and that have become due and have not been paid by Oi Group between the Petition Date and the date of the Judicial Approval of the Plan will be paid under the terms of the clause that regulates Claims from Strategic Suppliers and their sub-clauses, according to the option to be made by the respective Supplier Creditor under the terms of the PRJ.

Secured Take or Pay Supplier Claims

Secured Take or Pay Claims held by Strategic Supplier Creditors will be paid with a 50% discount, in a single installment, on the last business day of February 2025.

Unsecured Take or Pay Supplier Claims

Unsecured Take or Pay held by Strategic Supplier Creditors will be paid with a 50% discount, within the same payment terms set out in the original supply agreement entered into with the respective Strategic Supplier Creditor.

General Payment Modality

This offer will be applied to creditors that do not fit the conditions of the previous offers or if the offers reach their limits and the creditor still has a balance to be received. In addition to creditors who do not manifest themselves regarding the other options.

- ▶ The principal will be paid from 2038, in 5 annual, equal and successive installments;

- ▶ Interest/monetary adjustment: TR per annum, if the holder chooses to receive payment of his claims in Reais, accruing from the Judicial Approval of the Plan, and the total amount of interest and monetary restatement accrued in the period will only be paid, and jointly with the last installment of principal. No incurrence of interest if the holder chooses to receive their claims in US Dollars or Euros; and
- ▶ Oi will have the option, at its sole discretion, to settle the General Payment Modality amounts in advance by paying 15% of the principal amount and interest capitalized up to the option exercise date.

Class IV

ME/EPP Claims (Class IV), according to the amounts indicated in the List of Creditors of the Trustee, will not be affected and restructured under this Plan.

Intercompany Claims

Claims referring to loans carried out between the companies of Oi Group, loans made with funds arising from operations carried out in the international market by the Debtors, will be paid as described below:

- ▶ The principal will be paid from the 20th year after the discharge of claims of the General Payment Modality. Principal will be paid on a straight-line basis, in 5 annual installments.
- ▶ Interest/monetary adjustment: TR per annum for debts in Reais, accruing from the Judicial Approval of the Plan, and the total amount of interest and monetary restatement accrued in the period will be paid only, and jointly, with the last principal installment. There is no interest accrual for debts in US Dollars or Euros.

Cash Sweep

Oi Group will allocate the equivalent of 100% of the net revenue from the sale of UPI ClientCo, and the equivalent to 100% of the net revenue from the sale of V.tal to prepay the remaining balance of the New DIP Loan.

After the total amortization of the remaining updated balance of the New DIP Loan, Oi will allocate the amount equivalent to 60% of the remaining value of the Net Revenue from the Sale of UPI ClientCo and 100% of the remaining value of the Net Revenue from the Sale of V.tal to the redemption/repurchase of all or part of the outstanding securities issued in the context of the Roll-Up Debt. In its projection, the Company indicates that the first installment of the sale of V.tal, in 2025, will occur before the sale of UPI ClientCo. If there is a reversal in the order of disposals indicated above, the Company's Cash Flow projection may be impacted.

Additionally, in the event of a sale of other assets that are collateral for the debts under the terms and annexes to the PRJ, other than the stake in V.tal and UPI ClientCo, if the sum of these revenues ("Net Revenue from the Sale of Assets") received by Oi is equal to or less than BRL 200 million, Oi will allocate 100% of such funds, at its sole discretion, to investments in its activities.

If the sum of the Net Revenue from the Sale of Assets received by Oi is greater than BRL 200 million and less than or equal to BRL 400 million, Oi will allocate the Available Net Revenue of up to BRL 200 million as per the paragraph above, and the excess amount up to BRL 400 million, 50% of its value will be used to amortize in advance the remaining balance of the New DIP Loan and, once the New DIP Loan is fully amortized, for the redemption/repurchase of the entirety or, on a *pro rata* basis, of part of the outstanding securities issued in the context of the Roll-Up Debt, and the other 50% for investments in its activities, at its sole discretion.

The sum of the Net Revenue that exceeds BRL 400 million will be used to amortize the remaining balance of the New DIP Loan and, once the New DIP Loan is fully amortized, to redeem/repurchase all or, on a *pro rata* basis, part of outstanding securities issued in the context of Roll-Up Debt.

If, after December 31, 2026, Oi holds a minimum cash balance of more than USD 350 million, Oi shall allocate 50% of the amount that exceeds said minimum available cash balance to prepay the remaining updated balance of the New Loan DIP.

New DIP Loan

In order to enable the payment of part of the Debtors' debts immediately after the Judicial Approval of the Plan and/or to maintain activities during the period of implementation of the PRJ, any Class III Unsecured Creditor may choose to participate in the New DIP Loan to be contracted by Oi in the total amount of BRL 4 billion or USD 750 million, whichever is greater. The Class III Unsecured Creditor who participates in the New DIP Loan will be entitled to receive the full amount granted under the New DIP Loan as Post-Petition Claim with priority over all other Pre-Petition and Post-Petition Claims of the Debtors.

- ▶ The principal amount will be amortized in one installment (bullet) on June 30, 2027;
- ▶ For claims in Reais, an interest rate equivalent to interest in Dollars will apply;
- ▶ For claims in Dollars, the Debtors may choose between interest of 10% per year to be paid semi-annually, or 13.5% per year, with 7.5% paid semi-annually in cash and 6% compounded semi-annually to the principal amount;
- ▶ Oi will offer certain goods and assets as collateral in accordance with the attachment to the PRJ;
- ▶ Backstop Creditors will assume commitments and obligations under the New DIP Loan, including a firm commitment to disburse or obtain firm commitments to guarantee disbursement in the Total New DIP Loan Amount;
- ▶ Backstop Creditors who effectively participate in the New DIP Loan will be entitled to receive a participation remuneration (fee), proportionally among the Backstop Creditors participating in the New DIP Loan, limited to the total amount of BRL 750 million; and
- ▶ Creditors who adhere to the Backstop agreement will have 20 calendar days from the Plan Approval to send the Backstop Agreement to Oi.

5.1.2 Disposal of Assets

According to the PRJ, the Company may dispose of assets that are part of its permanent assets, in addition to other assets, personal or real estate properties, in the form of UPIs or not, subject to the terms and conditions of this Plan and any requirements, authorizations or regulatory limitations or provided for in the Bylaws of Oi or the other Debtors, as applicable.

In this way, the PRJ provides for the formation of UPI ClientCo, to be constituted with the assets related to Fiber retail operations, whose perimeter is not yet defined by Oi, and the eventual possibility of its partial or total sale, in addition to the possible sale of the shareholding position that Oi has in V.tal.

For the purposes of this Report, Oi projected the sale of the stake in V.tal in two stages: sale of 7.3% in 2025 for BRL 6.7 billion and another 7.3% in 2026, for BRL 7.7 billion. Additionally, the Company projected a sale, in 2025, of a 40% stake in UPI ClientCo estimated at BRL 4.8 billion, however, the PRJ does not establish the stake to be sold.

In order to comply with the objectives of this Report, certain assumptions were adopted by Oi in relation to the deadlines for completing transactions, amounts transacted and transaction structures adopted and such assumptions were based on the best expectations of Oi Group on the date of completion of this study. However, and observing any limitations described in the PRJ, these assumptions carry some subjectivities related to the transactions, and it is not possible to guarantee the accuracy of certain terms, amounts and structures considered here.

Pricing or any value judgment regarding the valuation used in the PRJ as a basis for estimating the sale of the UPIs and the stake in V.tal is not part of the scope of this Report. The correctness of the values and valuations indicated in the PRJ was considered as a premise for the preparation of the studies carried out in this Report, which adopted these figures as the values of an eventual effective sale of the UPIs and interest in V.tal. EY did not review these valuations and minimum price estimates, nor did it reconcile this value with the Company's current market capitalization, so that these conditions are not part of the subject of this analysis carried out by EY.

6. Economic-Financial Projections

This chapter presents the most recent economic and financial projections of Oi Group, which consider the operational and financial assumptions estimated by the Company within the scope of the financial and operational restructuring. The assumptions were provided by Oi to EY through reports and studies prepared by Oi and its external advisors, interviews with management and its advisors, memorandums and legal opinions. In this sense, the projections presented here reflect the assumptions adopted by the Company.

The expected cash flows for the business after the approval of the PRJ will still be subject to possible changes. In addition to the natural uncertainties inherent in these projections, there are other factors that may compromise the future cash flow of the business, such as: structuring of operations, accounting practices to be adopted and consequent tax impacts arising from the tax treatment given to the underlying transactions, regulatory understandings, legal interpretations, the non-completion of transactions under the foreseen terms and conditions, in addition to the market's appetite for transactions to take place within the planned terms.

All assumptions made in this Report were based on scenarios expected and designed exclusively by the Company and its managers, advisors and other service providers hired to prepare the PRJ and were not subject to independent investigation by EY, which was not part of the scope of contracted work, propose or judge any aspects related to such events. The Company opted not to adopt the IFRS 16 / CPC 06 (R2) standard in its projections and, for comparability purposes, the historical financial information is also presented without the effect of the adoption of IFRS 16 / CPC 06 (R2). Thus, EY's conclusions contained in this Report assume, therefore, the basic premise that, when designing these scenarios, the Company observed all applicable legal, regulatory and tax aspects, including those related to the treatment given to the disposals of UPIs and other shareholdings envisaged in the PRJ. It is important to point out that such understandings of the Company when designing such scenarios may be different from those of its creditors, tax authorities, legal authorities and regulatory agencies.

Given that the companies of Oi Group have significant economic and operational interconnection, the projections were presented on a consolidated basis, including the assumptions and values of the Debtors, as well as the other subsidiaries of Oi.

Furthermore, as described in the PRJ, the Telecommunications sector is currently undergoing relevant regulatory changes, notably the current regulation of Law No. 13,879/2019, as well as the Regulation of Continuity of Fixed Telephony. Such instruments bring an opportunity to make operations and obligations more flexible, in order to ensure an adequate return on the provision of services related to the concession. In this sense, Oi Group adopted as a premise the massive discontinuity, in the year 2025, of services linked to copper in Oi companies. In that sense, Oi will either have as a scenario the provision of the service upon authorization if it adapts its concession or will have the concession terminated by 2025.

Based on the Strategic Plan, the PRJ and other documents provided by the Company, described in the "General Considerations" section, all of which contain, in aggregate, the Company's operating assumptions. EY analyzed the operating assumptions and future results projected by Oi Group.

For this purpose, the following activities were carried out:

1. Discussions with the Company to understand the projections;
2. Identification, based on the spreadsheets provided by Oi, of the most relevant and necessary assumptions for the projections; and
3. Comparison between historical and projected results.

Annex 2.6
May 19, 2023

The projections of Oi's financial modeling in nominal terms are detailed below (inflation already considered in the projections).

6.1 Macroeconomic Data

The following tables present the macroeconomic assumptions that served as support for the financial projections.

Description	Unit	Source	Date	2023	2024	2025	2026	2027
IPCA	% p.a.	BCB	mar/23	5.96%	4.20%	3.92%	3.87%	3.91%
CPI	% p.a.	Oxford Economics	mar/23	4.70%	2.90%	2.10%	2.03%	2.00%
EURO (year average)	BRL	Oxford Economics	mar/23	5.66	5.91	6.03	6.16	6.33
USD (year average)	BRL	BCB	mar/23	5.25	5.30	5.30	5.35	5.45
EURO (end of period)	BRL	Oxford Economics	mar/23	5.83	5.97	6.09	6.24	6.43
USD (end of period)	BRL	BCB	mar/23	5.22	5.27	5.29	5.33	5.34
TR ¹²	% p.a.		mar/23	0.00%	0.00%	0.00%	0.00%	0.00%
Selic	% p.a.	BCB	mar/23	12.75%	10.00%	9.00%	8.75%	8.75%
TJLP	% p.a.	BCB	mar/23	7.37%	7.37%	7.37%	7.37%	7.37%
Description	Unit	Source	Date	2028	2029	2030	2031	2032
IPCA	% p.a.	BCB	mar/23	3.91%	3.91%	3.91%	3.91%	3.91%
CPI	% p.a.	Oxford Economics	mar/23	1.99%	2.00%	2.00%	2.00%	2.00%
EURO (year average)	BRL	Oxford Economics	mar/23	6.80	7.02	7.11	7.19	7.27
USD (year average)	BRL	BCB	mar/23	5.66	5.76	5.87	5.98	6.09
EURO (end of period)	BRL	Oxford Economics	mar/23	6.93	7.07	7.15	7.23	7.31
USD (end of period)	BRL	BCB	mar/23	5.55	5.65	5.76	5.87	5.98
TR	% p.a.		mar/23	0.00%	0.00%	0.00%	0.00%	0.00%
Selic	% p.a.	BCB	mar/23	8.75%	8.75%	8.75%	8.75%	8.75%
TJLP	% p.a.	BCB	mar/23	7.37%	7.37%	7.37%	7.37%	7.37%

Table 2.

¹² Estimate provided by Oi Group.

6.2 Regulatory Framework

From the regulatory point of view, the end of the fixed-term Switched Fixed-line Telephony Services (STFC) concession is expected to happen in 2025.

Alternatively to the end of the fixed-term Concession Agreement, there is a legal provision for adapting the Concession instrument to an authorization, in which the declining service would be provided in a reduced form only in areas where there is no competition, reducing the regulatory obligations and expenses of the operators. Moreover, according to Oi, the authorization model is more aligned to the current sector situation in the country, given the declining attractiveness of the Switched Fixed-line Telephony Services granted. The adaptation of the Concession to authorization is optional to the Concessionaire, not mandatory.

As last reported by Anatel on November 23, 2022, the Regulatory Agency estimates that the model adaptation will cost operators approximately BRL 22.6 billion. From this amount, Oi would be responsible for approximately BRL 12.2 billion, as calculated as of April 2022. In addition to this amount, the Company also has a renegotiation with the Regulator regarding non-tax debts, including fines, charges and default interest, whose outstanding balance is estimated at BRL 7.3 billion, with final payment occurring in April 2033.

On the other hand, the Company reported the existence of an arbitration proceeding filed with the International Chamber of Commerce, in which Oi has the value of BRL 16 billion as a reference, according to the Company, this is a provisional and not updated amount, which will still be subject to settlement. According to Oi, this amount, although estimated, may reach approximately BRL 50 billion. The subject matter of the Arbitration refers to the economic and financial imbalance of the contract and its unsustainability.

In this context, in its Judicial Reorganization Plan, the Company indicates that the resolution of the arbitration proceeding is expected to occur in 2024. Furthermore, Oi mentions that the Net Regulatory Agency Pre-Petition Claims will not be affected and restructured under this Plan and will have their claims paid in the original forms and conditions negotiated, pursuant to the relevant legislation, as provided for in the 1st Judicial Reorganization Plan. However, the PRJ provides that in the event of supervening legal rule or court or arbitration decision that establishes an alternative form for the settlement of the Liquidated or Unliquidated Regulatory Agency Claims, the Debtors may adhere to the new regime. Accordingly, the economic and financial projections provided by Oi Group consider a balanced outcome in the negotiation of the termination of the concession and in the arbitration proceedings and, therefore, the operating and financial assumptions adopted by Oi reflect this scenario. However, the conclusion of the proceedings involving Oi and the regulatory agencies regarding the concession expiration and arbitration proceedings is not yet known. The final amounts and timing for completion of these proceedings may differ from the assumptions adopted by Oi and could have an impact on its analysis of its financial performance. As the assumptions were provided by Oi to EY through reports and studies prepared by Oi and its external advisors, these assumptions were assumed to be true, given that it is not within EY's scope of work to conduct any type of independent investigation or review of these assumptions.

6.3 Operational Projections

The values and charts presented below comprise forecasted information only, including 2023. EY had access to public historical data, but not to the audited financial statements of December 2022, since this Report was completed on a date prior to the date of disclosure from the Company.

2023 will be Oi's first year without the mobile telephony and infrastructure businesses. As a result, the Company expects a change in its profitability levels, as well as lower investment needs in an asset light model. The expected effects of this new business model are demonstrated throughout this section.

Net Revenue

The consolidated revenue of Oi Group was divided between Legacy, Oi Fibra, Oi Soluções and its Subsidiaries. The taxes applied on Gross Revenue established in the Brazilian legislation are PIS, COFINS, ICMS and ISS.

As described in the PRJ, the Company is undergoing an operational and strategic transformation process, reflected in some variations over the projected period, with emphasis on the termination of Legacy revenues, in line with the end of the concession, in addition to the cease of revenue from the pay-TV operation as a result of the possible discontinuance of this service according to the Company's assumptions.

The projections of Oi Groups's revenue lines are presented below.

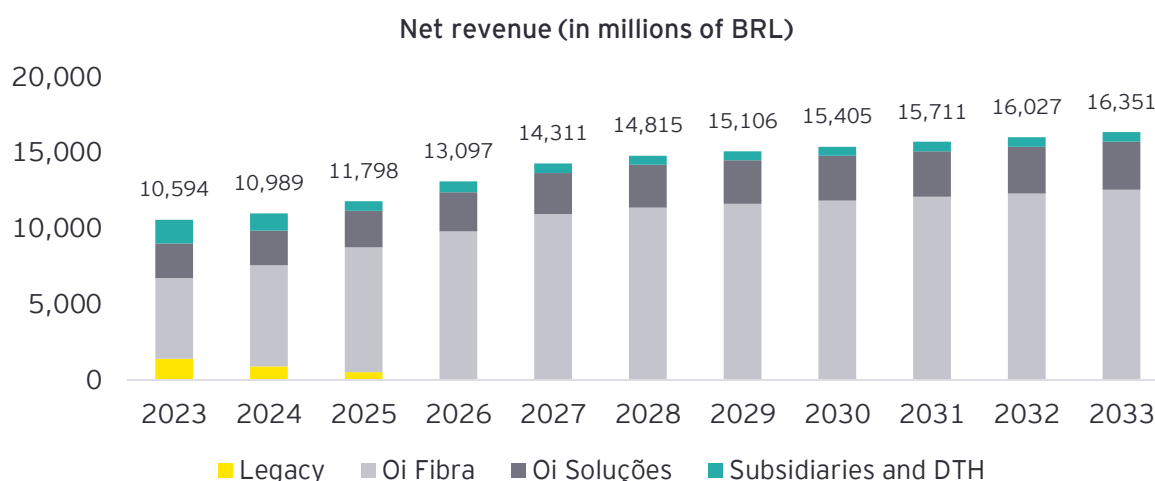


Chart 9. Source: Oi.

The projections shown above were made available by the Company and reflect the strategic planning and expectations regarding the evolution of market dynamics and user consumption patterns for copper (Legacy), fiber (Oi Fibra) and B2B (Oi Soluções) services. Further details of Oi Group's expectations regarding the behavior of these revenue streams are described below. Additionally, the projection brings the consolidated view of Oi Group, including the results of UPI ClientCo.

Legacy

Legacy revenues are comprised of local and long-distance fixed-line services, pursuant to authorizations and concessions issued by Anatel, for retail, wholesale and business customers (small and medium-sized companies).

The following chart shows the projected unfolding of Legacy's net revenue:

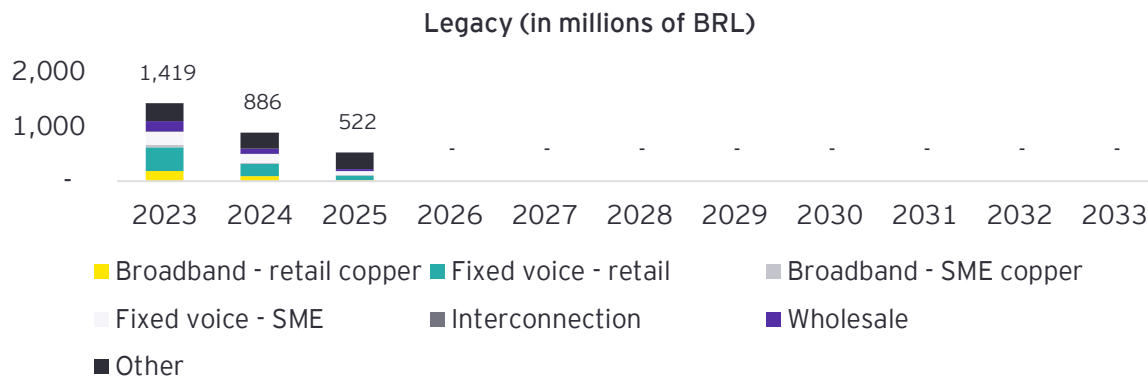


Chart 10. Source: Oi.

According to Oi, the drop in Legacy revenues between 2023 and 2025 stems from two main factors, namely (i) a market trend of falling demand for voice services, and (ii) the Company's planning to reduce its focus in copper, through the shutdown of commercial activities in locations with low expected return and reduction of expenses in order to compensate for the drop in revenue.

Despite the possibility of adapting the concession model to the authorization model, the Company does not forecast any results from Legacy services after 2025, upon the concession ending.

Oi Fibra

Oi Fibra revenues considers the provision of broadband, fixed telephony, IPTV and OTT services to retail and business customers through Fiber to the Home (FTTH) technology, including other revenues, mainly composed of the provision of digital services.

The graph below shows the unfolding of Oi Fibra's net revenue, projected by Oi:

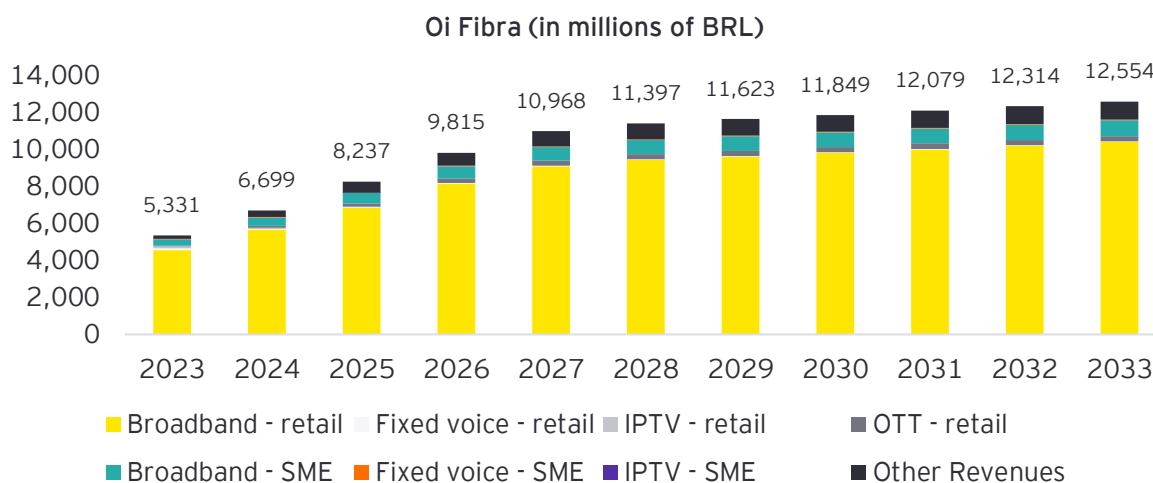


Chart 11. Source: Oi.

The faster growth of Oi Fibra's broadband, fixed telephony, IPTV and OTT revenues in the first few years can be explained through the assumption of expansion of over 12 million HPs by V.tal, which will result in a 69% increase in homes connected by Oi Fibra between 2023 and 2026, according to Oi. Additionally, the Company expects to improve its take up rate and reach 25% by 2027.

The Company informed that it will have the consolidation of the current customer base and investments in regions where it has a smaller presence as its strategy.

The projections were carried out on a consolidated basis, and considered the partial sale of 40% of UPI ClientCo.

Oi Soluções

Oi Soluções' revenue considers the supply of fixed telephony, data, broadband and IT services to corporate clients using fiber structure. Until 2025, fixed telephony, data and broadband services that use the copper structure are also considered. With the end of the concession, it is expected that all customers who use copper services will migrate to fiber.

The graph below shows the evolution of Oi Soluções' net revenue, projected by Oi:

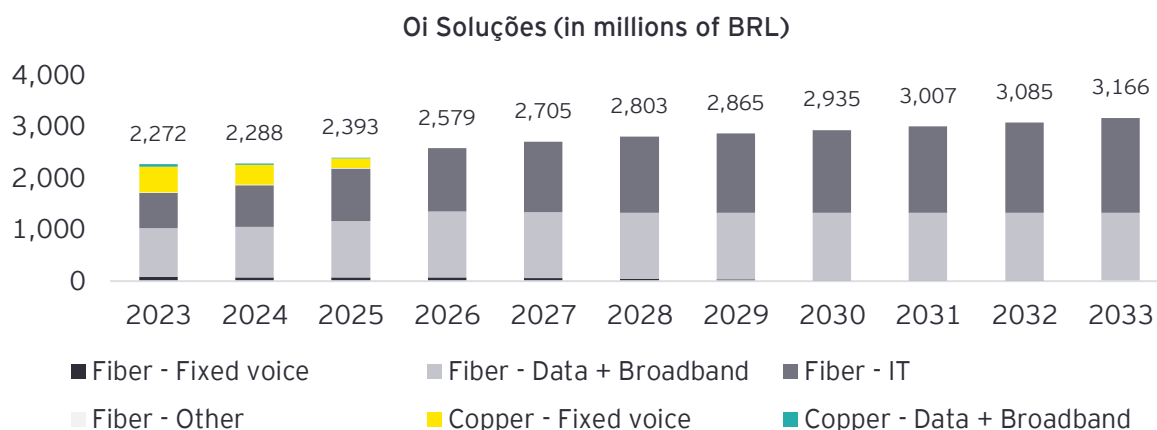


Chart 12. Source: Oi.

As shown in the chart above, the main focus of the B2B segment will be services related to data and broadband and information technology, which reflects a market trend in the Company's view.

Subsidiaries and DTH

This line considers the additional revenues from the subsidiaries of Oi Tahto, Serede and the DTH operation:

- ▶ Tahto: revenue comes from the supply of customer service centers and telemarketing;
- ▶ Serede: revenue comes from the supply of network installation, maintenance, operation and construction services; and
- ▶ DTH (*Direct to home*): pay-television operation. The discontinuation of DTH is considered from 2025 onwards. However, alternatively, Oi envisages the possibility of selling these services.

The graph below shows the unfolding of other revenues, projected by Oi:

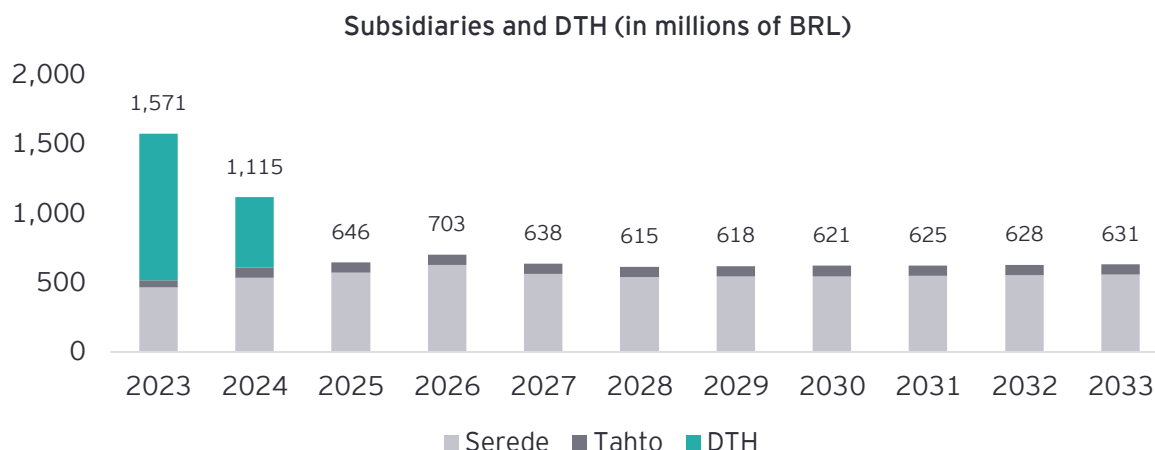


Chart 13. Source: Oi.

Costs and Expenses

Costs and expenses were projected by Oi with the following breakdown: revenue-related expenses, plant-related expenses, selling expenses, general and administrative expenses and other expenses.

Expenses Related to Revenue

Revenue-related expenses include: interconnection expenses, BDP expenses, Anatel fees and content acquisition, as shown in the chart below.

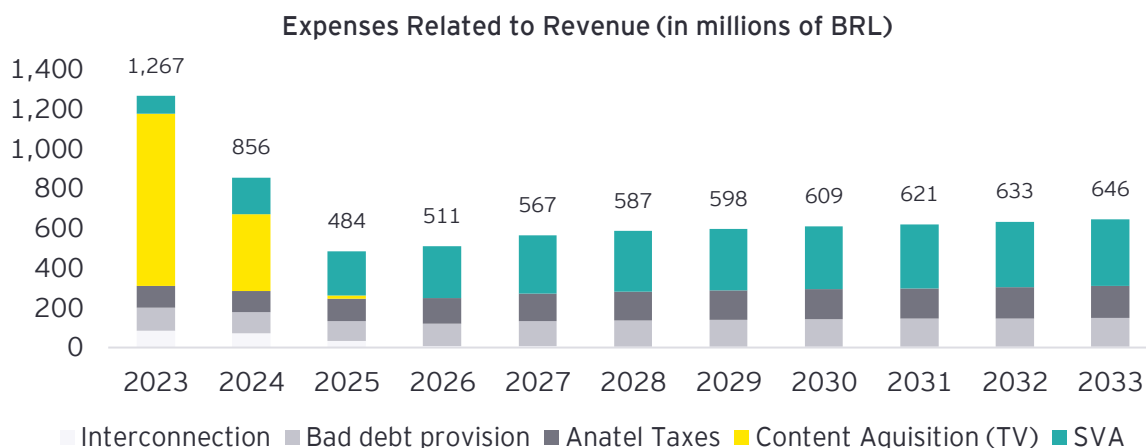


Chart 14. Source: Oi.

In line with the discontinuation of DTH, expenses with content acquisition show a reduction in the first couple of periods. The concession ending in 2025 also contributes to the reduction of expenses related to revenue, mainly interconnection expenses. After such changes, Oi expects a stabilization of its revenue-related expenses.

Network Expenses

Plant-related expenses involve plant maintenance, transmission infrastructure, telecommunications infrastructure, infrastructure rental revenue, customer relationship, billing, payment support and electricity, as shown below:

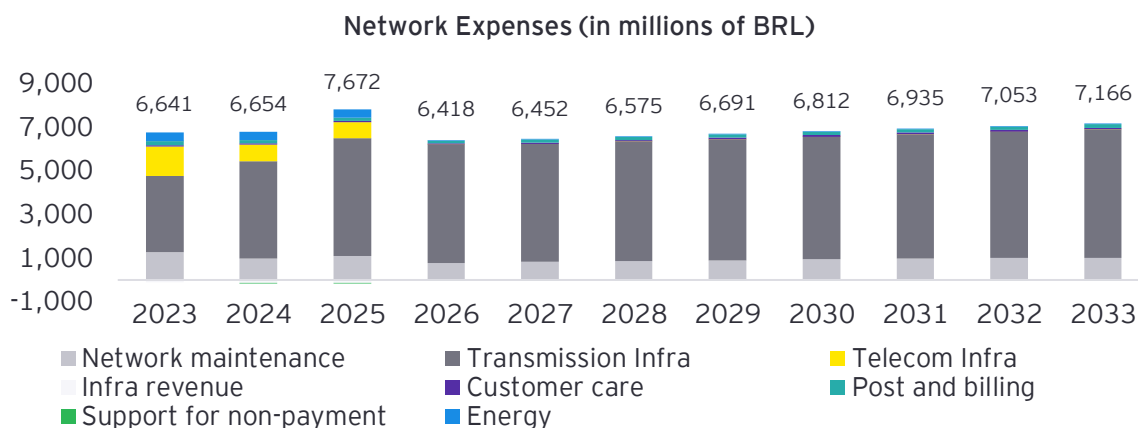


Chart 15. Source: Oi.

With the end of the concession, expenses with plant maintenance, telecommunications infrastructure and electricity are reduced by 73% between 2023 and 2026.

The transmission infrastructure expense, which is the most representative of the expenses related to the plant, considers the connection expenses of Oi Fibra with V.tal and the satellite, EILD and connectivity contracts of Oi Soluções. Over the first few years, this expense line shows greater growth due to the increase in homes served by Oi Fibra, in line with the adaptation of the business model, with the lease of the fiber network from V.tal.

The Company's estimate of reduction in expenses in 2024 and 2025 reflects possible savings in Legacy due to the early adaptation to the authorization model. These savings do not include obligations such as the Take or Pay agreements regarding towers and satellites, in addition to legal expenses, contingencies and electricity, which would need to be kept even in the new model.

Commercial Expenses

The commercial expenses, projected by Oi, include advertising, sales, inventory management and cost of goods sold:

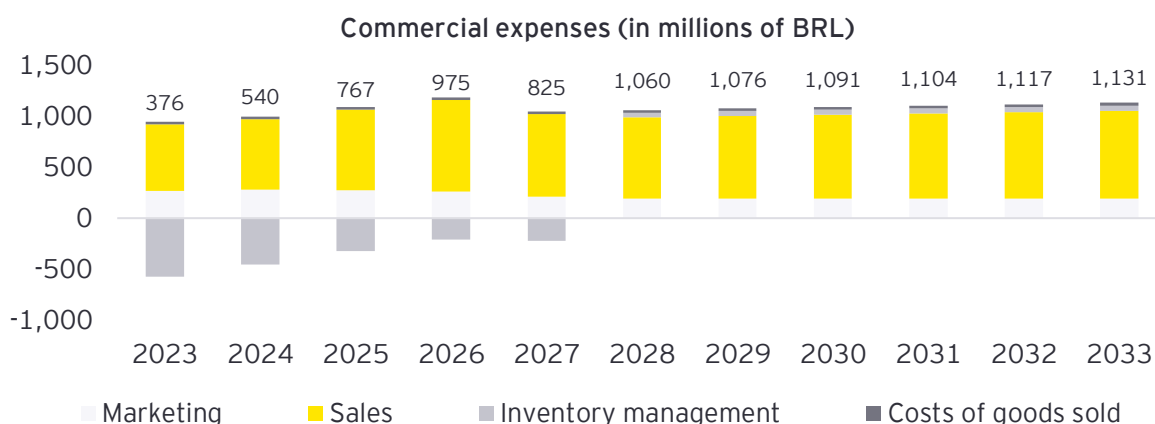


Chart 16. Source: Oi.

The positive figures of inventory management consist of a significant amount and refer to the sale of copper scrap, which may take part in ongoing negotiations with V.tal, according to a Material Fact disclosed by the company on March 2, 2023.

Sales expenses consist of customer acquisition and customer retention expenses, around 98% of these expenses refer to Oi Fibra and are projected based on volume and gross additions of homes connected.

The projection foresees a reduction in the unit cost of customer acquisition over the first few years. According to the Company, in the long term, the business model prioritizes the consolidation of the base, through spending on customer experience, in line of the acquisition of new customers.

G&A Expenses

General and administrative expenses, projected by Oi, are segregated between personnel, information technology, general expenses and specialized services.

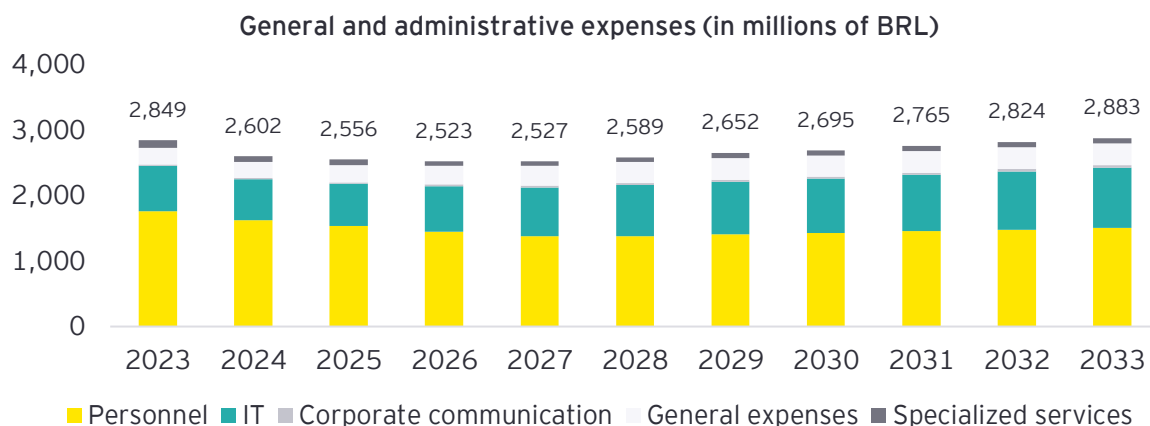


Chart 17. Source: Oi.

With the end of the concession and the discontinuation of DTH, there is a reduction in the Company's headcount and, consequently, a reduction in personnel expenses. For other general and administrative expenses, the projection considers inflation-aligned adjustments reflecting improvements in operational efficiency.

Other Expenses

Other expenses refer to contingencies, legal and tax obligations, as shown in the chart below:

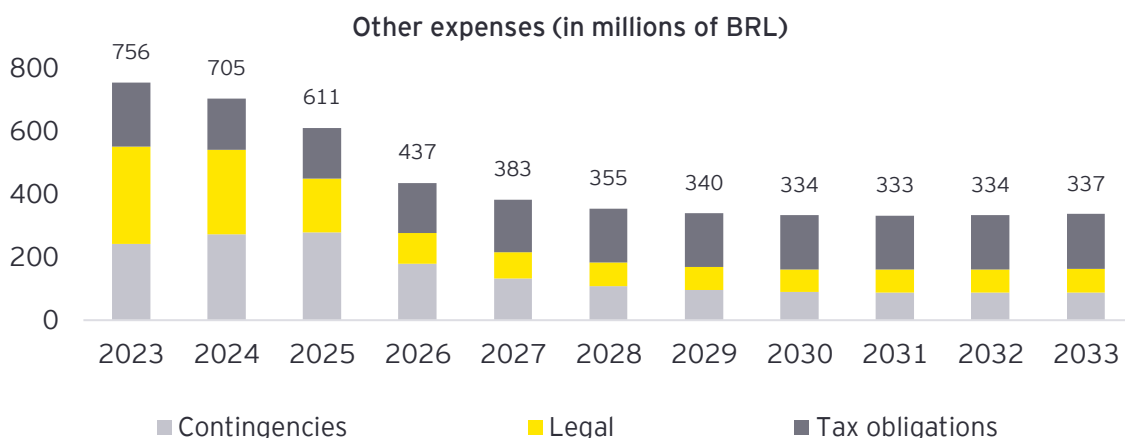


Chart 18. Source: Oi.

The gradual reduction in Other expenses is mainly due to the expectation of improvement in customer service and execution of agreements, combined with the reduction in the size of the company's operations, resulting in a reduction in costs linked to contingencies in the medium and long term. Tax obligations are mainly represented by taxes generated in operations with other companies of Oi Group.

EBITDA and EBITDA Margin

Considering the accounts above, the chart below shows the evolution of EBITDA for the current projection.

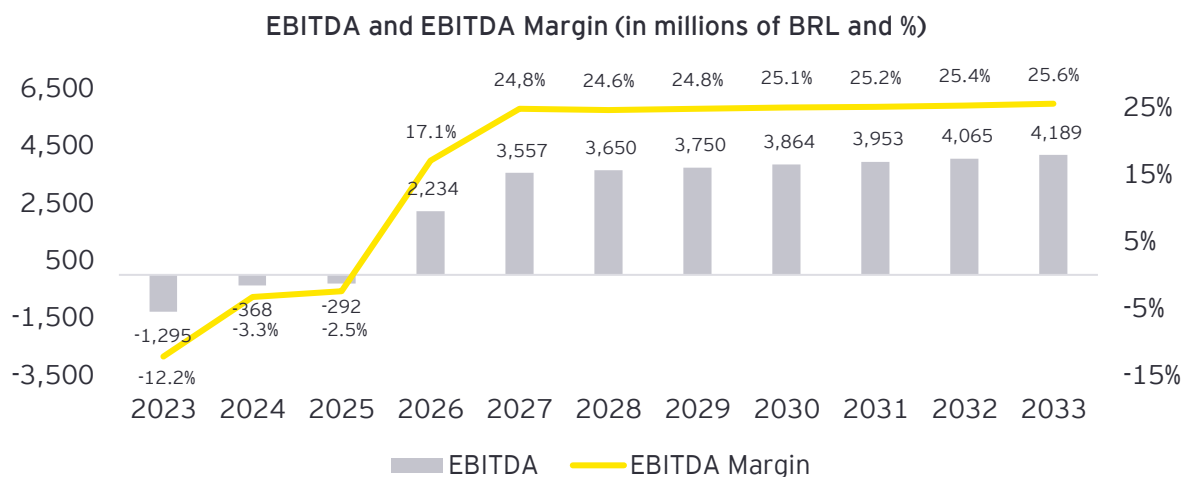


Chart 19. Source: Oi.

The Company forecasts EBITDA margins higher than current levels and its recent history for its three business units, Oi Fibra, Oi Soluções and Legacy. According to the Company, their planning includes:

The growth of its fiber revenue, driven by the expansion of the number of HCs and exploration of other revenues, which results in a revenue growth of BRL 5.6 billion until 2027, or 19.8% per year.

The reduction of its operating expenses, arising from the renegotiation of terms currently practiced with its main suppliers (network expenses) and lower expenses linked to its expansion (commercial expenses), which, added to the scale gains from the operation growth, culminate in an EBITDA margin gain of 26.1 p.p. in the period, with a margin of around 24.8% for the fiber operation from 2027 onwards.

The optimization of Oi Soluções operation, with the migration of customers from copper to fiber technology and in line with the market trend of greater demand for technology and information services, resulting in a margin gain of 12.3 p.p. over the projected period, stabilizing at around 21.8% from 2027.

Finally, with the discontinuation of Legacy in 2025, whose operation negatively impacts EBITDA by approximately BRL 1 billion per year, the consolidated EBITDA margin projected by Oi reaches 24.8% in 2027, which represents a gain of 28.1% p.p. throughout the projection.

For the remainder of the projection, Oi forecasts stable growth, with an average EBITDA of around BRL 4.0 billion, and an average margin of approximately 25.1% between 2028 and 2033.

Depreciation, Amortization and Capital Expenditure

Below are the expenses with depreciation and amortization projected by Oi. The average depreciation rate considered by Oi for new investments was 14.9%. For other assets, it was considered the depreciation projected by the Company.

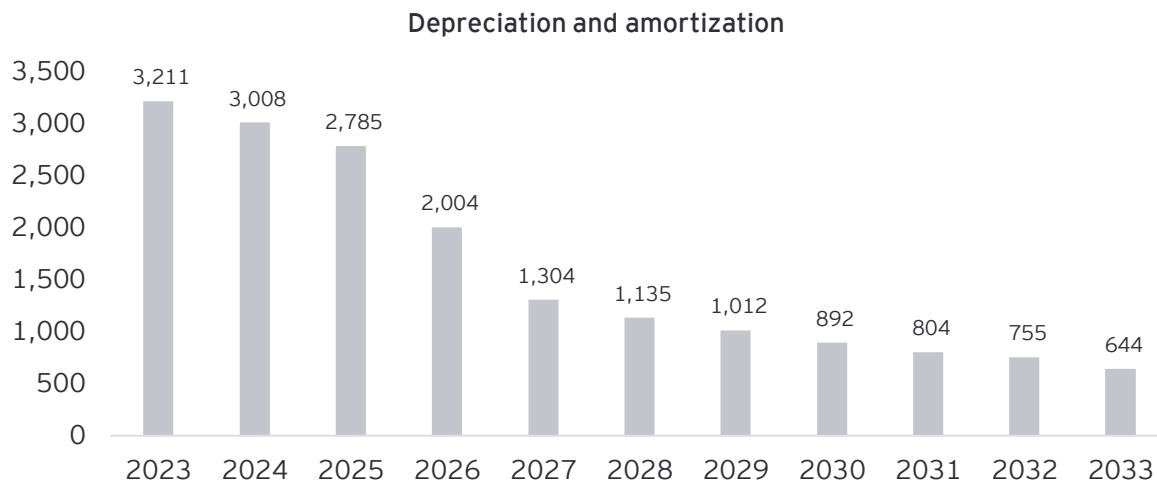


Chart 20. Source: Oi.

According to the Company's assumptions, the reduction in depreciation and amortization in the projected period is due to the concession ending, change in the mix of assets and reduction in investments necessary for the maintenance of its activities, focused on an asset light model of technology services, as can be seen in the graph below.

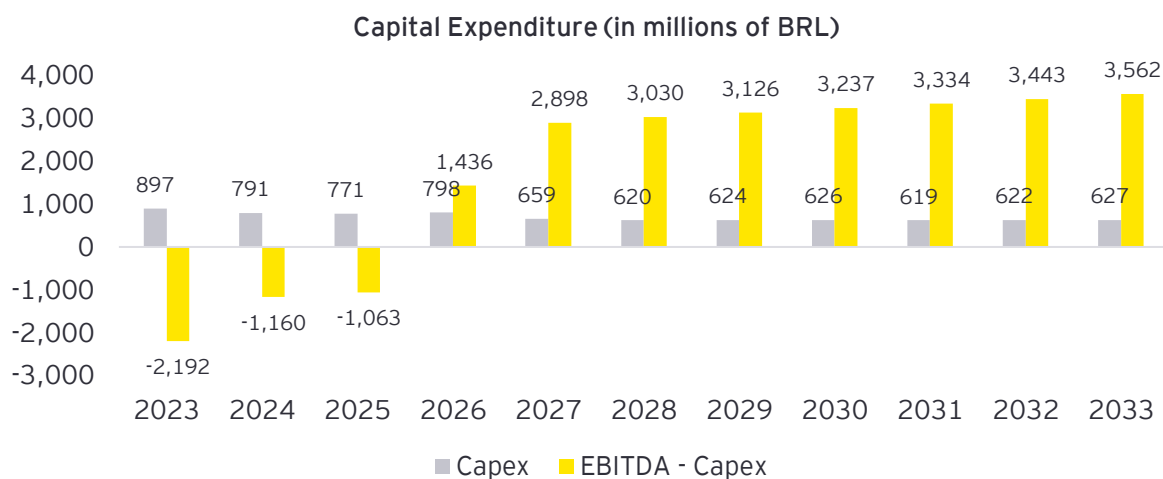


Chart 21. Source: Oi.

6.4 Consolidated Income Statement

The table below shows the forecasted consolidated income statement of Oi Group.

Consolidated Income Statement (in millions of BRL)											
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Net revenue	10,594	10,989	11,798	13,097	14,311	14,815	15,106	15,405	15,711	16,027	16,351
Cost and expenses	(11,889)	(11,357)	(12,091)	(10,864)	(10,754)	(11,165)	(11,357)	(11,541)	(11,758)	(11,963)	(12,162)
Revenue-related expenses	(1,267)	(856)	(484)	(511)	(567)	(587)	(598)	(609)	(621)	(633)	(646)
Network expenses	(6,641)	(6,654)	(7,672)	(6,418)	(6,452)	(6,575)	(6,691)	(6,812)	(6,935)	(7,053)	(7,166)
Commercial expenses	(376)	(540)	(767)	(975)	(825)	(1,060)	(1,076)	(1,091)	(1,104)	(1,117)	(1,131)
General and administrative expenses	(2,849)	(2,602)	(2,556)	(2,523)	(2,527)	(2,589)	(2,652)	(2,695)	(2,765)	(2,824)	(2,883)
Other expenses	(756)	(705)	(611)	(437)	(383)	(355)	(340)	(334)	(333)	(334)	(337)
EBITDA	(1,295)	(368)	(292)	2,234	3,557	3,650	3,750	3,864	3,953	4,065	4,189
<i>EBITDA margin</i>	-12.2%	-3.3%	-2.5%	17.1%	24.9%	24.6%	24.8%	25.1%	25.2%	25.4%	25.6%
Depreciation and amortization	(3,211)	(3,008)	(2,785)	(2,004)	(1,304)	(1,135)	(1,012)	(892)	(804)	(755)	(644)
Other Revenues (Expenses) ¹³	1,572	873	6,713	4,573	530	556	615	630	630	630	605
EBIT	(2,934)	(2,503)	3,636	4,802	2,783	3,071	3,354	3,602	3,780	3,940	4,150
Financial Result ¹⁴	(119)	9,900	(1,669)	(998)	(625)	(676)	(645)	(453)	(294)	(143)	(378)
EBT	(3,053)	7,397	1,967	3,804	2,158	2,395	2,708	3,150	3,486	3,797	3,772
Income tax and social contribution	(4)	(6)	(103)	(433)	(897)	(1,014)	(1,036)	(1,063)	(1,085)	(1,115)	(1,149)
Net income	(3,058)	7,392	1,865	3,371	1,261	1,381	1,673	2,086	2,401	2,682	2,622

Table 3.

It should be noted that the results for 2024, 2025 and 2026 are positively impacted by capital gains arising from the sale of UPI ClientCo (sale of 40%), the stake in V.tal (sale of 14.6%) and capital gains from debt for equity swaps.

¹³ This balance considers capital gains from the sale of assets, deferred revenue from towers and provisions for tax obligations.

¹⁴ This line includes, among others, the capital gain resulting from the conversion of part of the debt into 80% of the Company's capital.

6.5 Cash Flow of Oi Group

The Company's consolidated cash flow was calculated based on EBITDA including the change in working capital, taxes, investments, debts, payment plan to creditors and other expenditures that have a cash effect on the projection, detailed below.

6.5.1 Operating Cash Flow

The operating cash flow is presented below:

Cash Flow from Operating Activities (in millions of BRL)											
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
= EBITDA	(1,295)	(368)	(292)	2,234	3,557	3,650	3,750	3,864	3,953	4,065	4,189
(-) Income tax and social contribution	(4)	(6)	(103)	(433)	(897)	(1,014)	(1,036)	(1,063)	(1,085)	(1,115)	(1,149)
(+/-) Changes in working capital - others	339	141	(520)	(202)	(86)	281	354	361	371	427	267
(-) Tax refinancing	(95)	(79)	-	-	-	-	-	-	-	-	-
(=) Cash flow from operating activities	(1,055)	(312)	(914)	1,598	2,574	2,917	3,068	3,162	3,239	3,376	3,307

Table 4.

Income Tax and Social Contribution

This line includes Income Tax (IRPJ) and Social Contribution on Net Income (CSLL), in addition to Income Tax withheld in favor of third parties relating to financial transactions.

The rate of the income tax is equivalent to 15% of the earnings before tax (EBT) on the Actual Profit tax system (Lucro Real), plus an additional 10% on the amount above BRL 240 thousand (annual). The social contribution rate was projected at 9% of the taxable income.

For the calculation of IRPJ and CSLL, the NOL carryforward as of December 2022 was considered, as informed by the Company. Additionally, once accumulated losses are verified through the projection, these balances are deducted from the Income Tax and Social Contribution on Net Income calculation basis by up to 30.0%, limited to the remaining balance of accumulated losses.

According to Oi, the taxable gains generated (i) by the renegotiation with its creditors, (ii) by the sale of UPIs and (iii) sale of other assets, will be fully absorbed, according to article 6th-B of Law 11.101/2005, which provides for the compensation of 100% of the gains for current and accumulated tax losses of the Debtors.

It should be noted that, due to the creation of the UPI ClientCo, tax calculations for this business unit are carried out individually from 2025 onwards.

Working Capital Needs

The working capital needs were projected by Oi, the Company calculates working capital cycles for each of the companies, including Oi S.A. (composed of the operations of Oi Fibra, Oi Soluções and Legacy), Serede, Tahto and DTH, and forecasts average receivables and payables cycles shorter than current terms.

Additionally, included in the projection of the Company's working capital needs are the tax compensations, the impacts of court deposits, the price adjustment of the Take or Pay contract in 2025 and the obligations with V.tal, associated to mobile operation contracts. In addition to these, the costs related to the projects of split of IT and engineering provided for in the within the scope of

V.tal's carve-out agreement, the advance payment of the surplus distribution of the National Commission of Complementary Pension administered by Sistel and the agreement with suppliers also are included.

We emphasize that the figures referring to Suppliers included in the List of Creditors were disregarded in the projection of operating cash flow within the limit of their claims pending, since the payment schedule is reflected in the flow of payments to creditors, below.

Tax Refinancing

According to Oi, the installments of the Company's tax debts include the installments of Law No 11,941/2009, Law 12,865/2013 and Law 13,946/2017, already negotiated.

6.5.2 Cash Flow from Investing Activities

The projection below includes the investment activities of Oi Group.

Cash Flow from Investing Activities (in millions of BRL)											
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
(-) Capex	(897)	(791)	(771)	(798)	(659)	(620)	(624)	(626)	(619)	(622)	(627)
(+) Dividends and interest on equity	-	-	-	-	75	77	70	68	69	70	71
(+/-) Disposals and non-recurring operations	3,870	167	25	40	-	-	-	-	-	-	-
(+/-) ClientCo sale	-	-	4,800	-	-	-	-	-	-	-	-
(+/-) V.tal sale	-	-	6,727	7,707	-	-	-	-	-	-	-
(=) Cash flow from investing activities	2,973	(624)	10,781	6,949	(584)	(542)	(554)	(559)	(551)	(552)	(556)

Table 5.

Currently, Oi directs its investments mainly to the maintenance of fiber operations, with the connection of homes to Oi Group's optical fiber services.

The line "Disposals and other non-recurring operations" refers to the receipt of the third installment of the secondary component of the sale of UPI InfraCo, in addition to receipts related to the sale of UPIs Movable Assets and Towers and Real Estate operations. It should be noted that the amount received for the disposal of UPI InfraCo is offset in the cash flow by the advance of the installments of the agreement for the supply of signal transmission capacity and telecommunications of GlobeNet's submarine cables (Long Term Lease Agreement - LTLA). The line "V.tal sale" present the amounts estimated by the Company to be received from the sale of its stake in V.tal. This projection already considers the dilution of its 3.7% stake in July 2023, resulting in a 30.4% stake of Oi in V.tal, in addition to a possible significant dilution expected for 2024, as per the SPA signed among the parties. For the purposes of this Report, the sale is considered in two installments of 7.3% each, in 2025 and 2026.

Oi Group projects that, as a shareholder of V.tal, it will be entitled to receive dividends. Dividends from UPI ClientCo were not considered since the remaining interest was consolidated in the Company's cash flow.

The values referring to the valuations from the sale of the stake in V.tal and the 40% stake in UPI ClientCo were established by Oi and its financial advisors and, up to the present moment, have not

been subject to negotiation with potential investors, therefore, these values can undergo variations that will impact the cash flow projected in this Report. EY has not revised the projected values. Any change in these values throughout the sale process may affect the projections analyzed in this Report and even give rise to an eventual need for additional resources for the continuity of operations and compliance with the payment plan to creditors.

6.5.3 Cash Flow from Financing Activities

The projection below includes the financing activities of Oi Group.

Cash Flow from Financing Activities (in millions of BRL)											
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
(+/-) DIP Cash Flow	1,383	(1,648)	-	-	-	-	-	-	-	-	-
(+/-) New DIP Debt Cash Flow	-	3,685	(5,058)	-	-	-	-	-	-	-	-
(+/-) Other Post-petition debt	(2,788)	(313)	(678)	(797)	(681)	(763)	-	-	-	-	-
(-) Anatel Current Payments Schedule	(358)	(787)	(793)	(844)	(894)	(945)	(1,461)	(1,535)	(1,609)	(1,683)	(577)
(+) Compensation from Anatel Arbitration	-	787	793	844	894	945	1,461	1,535	1,609	1,683	577
(-) Dividends paid to ClientCo's minority shareholders	-	-	-	(134)	(615)	(767)	(798)	(819)	(838)	(860)	(883)
(+/-) Other financial incomes (expenses)	49	28	(71)	(126)	(106)	(86)	(4)	138	300	484	286
(+/-) Other financing needs	-	-	-	216	(174)	(42)	-	-	-	-	-
(-) Financial expenses - Other financing needs	-	-	-	(13)	(15)	(2)	-	-	-	-	-
(=) Cash flow from financing activities	(1,714)	1,751	(5,808)	(854)	(1,590)	(1,661)	(802)	(680)	(538)	(376)	(597)

Table 6.

In order to meet the projected cash needs, Oi Group considered additional financing, through the "Other Financing" line, whose conditions are described below. It should be noted that the company may seek other operations under conditions and rates that best meet its capital needs, in order to maximize its leverage capacity and optimize its capital structure.

DIP Cash Flow

The disbursement of the first tranche of the DIP financing, as described in the PRJ, is expected to occur in the first half of 2023, after the fulfillment of certain conditions precedent, as established in the Note Purchase Agreement signed between Oi and the creditors. The second tranche is expected to occur 3 months after the disbursement of the first one.

New DIP Debt Cash Flow

Adhesion to the New DIP Loan can be done by joining the Backstop or directly to the New DIP Loan and shall be confirmed after the GMC. Its full amount of BRL 4 billion (Or USD 750 million, whichever is greater) is expected to be disbursed in February 2024.

Other Post-Petition Debt

This line covers future obligations that Oi has with Globenet, already considering the 50% discount offered by V.tal in the context of the proposal for the acquisition of copper scrap.

In addition to the obligations mentioned above, there are also post-petition amounts owed to Banco de Brasília (BRB) and remaining balance of senior notes issued in July 2021, which will mature in 2026.

Anatel Current Payments Schedule

This line includes the installment payments to Anatel, in line with the agreement entered into with the regulatory agency based on Laws no. 13,988/2020 and no. 14,112/2020.

Compensation from Anatel Arbitration

Oi estimates that the settlement of the arbitration with Anatel will have a balanced outcome. In line with this, Oi projects that, as of 2024, the payments received due to the arbitration or agreement will be sufficient to cover potential costs with the concession ending and the projected payments mentioned in the previous topic (Anatel Current Payments Schedule), as described in the PRJ, neutralizing the effect on the Company's cash balance.

As previously highlighted, the procedures with regulatory bodies are in progress and are not necessarily connected and subordinated, meaning that the final result may be different from that projected by the Company for this Report, with possible effects on Oi's future cash balance. Therefore, there is no definition or evidence to support this assumption as of the completion date of this Report.

Other Financing Needs

In order to maintain a minimum cash position of BRL 1.5 billion, Oi projects other financing with an interest rate equivalent to CDI + 3% per year.

Financial expenses - Other financing needs

This line includes cash inflows from the Company's available funds, insurance expenses, bank expenses, guarantee commissions and interest on overdue payments from customers.

6.5.4 Projection of the Creditors Plan

The payment flow to creditors is presented below, in accordance with the Judicial Reorganization Plan.

	2023	2024	2025	2026	2027	2028	2029	2030	2031
Class I	-	(241)	(201)	(193)	(188)	(186)	-	-	-
Class II	-	-	-	-	-	-	-	-	-
Class III	-	(482)	(5,490)	(7,869)	(212)	(203)	(199)	(194)	(202)
Class IV	-	(6)	-	-	-	-	-	-	-
Payment Flow	-	(729)	(5,692)	(8,062)	(400)	(389)	(199)	(194)	(202)
	2032	2033	2034	2035	2036	2037	2038	2039	2040
Class I	-	-	-	-	-	-	-	-	-
Class II	-	-	-	-	-	-	-	-	-
Class III	(210)	(8,939)	(83)	(86)	(89)	(93)	(1,570)	(100)	(104)
Class IV	-	-	-	-	-	-	(13)	-	-
Payment Flow	(210)	(8,939)	(83)	(86)	(89)	(93)	(1,583)	(100)	(104)

Table 7.

Class I creditors will not have their debts restructured and their payments will remain on schedule.

For Class III - Restructuring Option I, the payments in 2025 and 2026 arising from the Cash Sweep on the partial sale of UPI ClientCo and the sale of the stake in V.tal. It is projected that these funds will be used to amortize the balance of the New DIP Loan and the remainder for the Roll-Up balance, which will be fully paid in 2025 and 2026, respectively. The sales value assumptions of UPI ClientCo and its stake in V.tal were established by Oi and the actual occurrence of this scenario is linked to the achievement of these values. The maturity of the single installment of the A&E - Restructuring Option II occurs in 2033.

Class III also includes payments from Suppliers, Partner Suppliers, Transactional Suppliers, Secured Take or Pay Claims and Unsecured Take or Pay Claims, Regulatory Agencies and General Payment Modality.

As the definition of the General Payment Modality happens after the other classes definition, it is not possible to conclude its value in advance.

Class IV creditors will not have their debts restructured and their payments will remain on schedule.

6.5.5 Consolidated Cash Flow

The consolidated cash flow is presented below.

Consolidated Cash Flow (in millions of BRL)											
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
(=) EBITDA	(1,295)	(368)	(292)	2,234	3,557	3,650	3,750	3,864	3,953	4,065	4,189
(-) Income tax and social contribution	(4)	(6)	(103)	(433)	(897)	(1,014)	(1,036)	(1,063)	(1,085)	(1,115)	(1,149)
(+/-) Changes in working capital - others	339	141	(520)	(202)	(86)	281	354	361	371	427	267
(-) Tax refinancing	(95)	(79)	-	-	-	-	-	-	-	-	-
(=) Cash flow from operating activities	(1,055)	(312)	(914)	1,598	2,574	2,917	3,068	3,162	3,239	3,376	3,307
(-) Capex	(897)	(791)	(771)	(798)	(659)	(620)	(624)	(626)	(619)	(622)	(627)
(+) Dividends and interest on equity	-	-	-	-	75	77	70	68	69	70	71
(+/-) Disposals and non-recurring operations	3,870	167	25	40	-	-	-	-	-	-	-
(+/-) ClientCo sale	-	-	4,800	-	-	-	-	-	-	-	-
(+/-) V.tal sale	-	-	6,727	7,707	-	-	-	-	-	-	-
(=) Cash flow from investing activities	2,973	(624)	10,781	6,949	(584)	(542)	(554)	(559)	(551)	(552)	(556)
(+/-) DIP Cash Flow	1,383	(1,648)	-	-	-	-	-	-	-	-	-
(+/-) New DIP Debt Cash Flow	-	3,685	(5,058)	-	-	-	-	-	-	-	-
(+/-) Other Post-petition debt	(2,788)	(313)	(678)	(797)	(681)	(763)	-	-	-	-	-
(-) Anatel Current Payments Schedule	(358)	(787)	(793)	(844)	(894)	(945)	(1,461)	(1,535)	(1,609)	(1,683)	(577)
(+) Compensation from Anatel Arbitration	-	787	793	844	894	945	1,461	1,535	1,609	1,683	577
(-) Dividends paid to ClientCo's minority shareholders	-	-	-	(134)	(615)	(767)	(798)	(819)	(838)	(860)	(883)
(+/-) Other financial incomes (expenses)	49	28	(71)	(126)	(106)	(86)	(4)	138	300	484	286
(+/-) Other financing needs	-	-	-	216	(174)	(42)	-	-	-	-	-
(-) Financial expenses - Other financing needs	-	-	-	(13)	(15)	(2)	-	-	-	-	-
(=) Cash flow from financing activities	(1,714)	1,751	(5,808)	(854)	(1,590)	(1,661)	(802)	(680)	(538)	(376)	(597)

Annex 2.6
May 19, 2023

(=) Cash Flow Before Creditors Plan	204	815	4,058	7,693	400	714	1,712	1,923	2,150	2,448	2,153
Class I	-	(241)	(201)	(193)	(188)	(186)	-	-	-	-	-
Class II	-	-	-	-	-	-	-	-	-	-	-
Class III	-	(482)	(5,490)	(7,869)	(212)	(203)	(199)	(194)	(202)	(210)	(8,939)
Class IV	-	(6)	-	-	-	-	-	-	-	-	-
(=) Cash Flow After Creditors Plan	204	85	(1,634)	(369)	-	325	1,512	1,728	1,948	2,238	(6,785)
Cash Balance	3,417	3,502	1,869	1,500	1,500	1,825	3,337	5,065	7,014	9,252	2,467

Table 8.

The cash balance disclosed by Oi in the Material Fact of April 21, 2023, in the amount of BRL 3.2 billion as of December 31, 2022 was used as the initial cash balance of the projection.

In 2026, the Company needs funding to maintain its minimum operating cash.

The Company projects its operating flows until 2033. After this period, Oi assumes a stable operating cash flow generation, reducing its debt balance over the following years.

7. Report Conclusion

This Report was prepared by EY solely as a subsidy to the Debtors' PRJ and is subject to the premises and assumptions expressed in it. It is noteworthy that all the assumptions used for the preparation of this Report, including accounting practices to be adopted, the structuring of operations and the consequent tax impacts resulting from the tax treatment given to the underlying transactions of the PRJ, regulatory understandings and legal interpretations, were provided by Oi Group, so that any omission from the Company that represents a key factor on the PRJ may affect the results of this work.

This Report aims to assess the economic and financial feasibility of the Debtors in the context of its PRJ, observing the principles of the Brazilian Bankruptcy Law.

It is noteworthy that the studies do not include the feasibility analysis of the Debtors from the perspective of corporate by-laws, tax and legal aspects. This Report also does not include an independent assessment by EY of the valuations of the entities to be sold, notably the sale of a substantial part of Oi's stake in V.tal, and the sale of a stake in UPI ClientCo, an entity with a perimeter yet to be defined.

It is also important to highlight that the study for the preparation of this Report was based on the analysis of the projected results for Oi Group, containing estimates. However, such estimates involve risks and uncertainties as to their realization, with respect to external factors outside the control of Oi Group.

The measures proposed in the PRJ represent a structural change in Oi Group's strategic planning and consider:

1. The sale of 40% of UPI ClientCo for BRL 4,8 billion in 2025, which is a very significant operation in Oi Group's revenue mix;
2. The disposal of 14.6% of the remaining stake held by Oi in V.tal for a total amount of BRL 14,4 billion in 2026 and 2027;
3. EBITDA margins above current levels and its recent history, for its three business units, Oi Fibra, Oi Soluções and Legacy;
4. Resolution of the arbitration proceedings related to the disposal of the UPI Movable Assets in a manner that does not generate additional disbursements for Oi; and
5. Resolution of the disputes with the regulatory agency without imposing any burden on the Company.

Thus, the feasibility of the PRJ, from an economic and financial perspective, is based on the materialization of the premises, assumptions and disclaimers expressed therein, and provided that a minimum disposal of 40% of UPI ClientCo is completed, in order to meet a cash requirement in 2025, and the disposal of Oi's stake in V.tal in the manner described in the PRJ. Furthermore, the success of the business plan designed by Oi Group and described in this Report also depends on the completion of the DIP in the amount of USD 275 million, the New DIP Loan in the amount of BRL 4.0 billion and other third-party funding described in this Report and the PRJ. In addition to the challenges of implementing its Strategic Plan and the difficulties of its execution in a satisfactory manner, the successful implementation of the PRJ depends largely on the balanced outcome of its pleas and negotiations with regulatory agencies in the context of the concession termination and arbitration procedures. It is worth to highlight that several of these events do not depend solely on Oi for their

materialization and the amounts projected by the Company may change as the negotiations for their realization advance.

The Report considered the economic and financial conditions and the projections contained in the Debtors' PRJ. Thus, the effective occurrence and accomplishment of these conditions and projections is an indispensable condition for achieving a feasible scenario for the continuity of operations, according to the comments outlined throughout this Report. The failure to materialize any of the assumptions adopted here, as well as changes in the economic scenario presented herein, will turn the analysis subject to review and, possibly, to modification in relation of its feasibility status.

The original Report in Portuguese was signed by:

Ernst & Young Assessoria Empresarial Ltda.

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