THE TR COMPANY

CERTIFICATION

This is to certify that the attached translation is, to the best of my knowledge and belief, a true and accurate rendition into English of the original document entitled "*Oi - RJ Petition 3.1.23*," which was written in Portuguese.

City of Buenos Aires, March 15, 2023.

THE TR COMPANY TRANSLATION SERVICES

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HONORABLE JUDGE OF CAPITAL DISTRICT COMMERCIAL COURT NO. 7 FOR THE STATE OF RIO DE JANEIRO

Case file No. 0809863-36.2023.8.19.0001

GRERJ [Court Fee Payment Form] No. 40631405523-56

OI S.A. ("Oi" or "Company"), **PORTUGAL TELECOM INTERNATIONAL FINANCE B.V.** ("PTIF") and **OI BRASIL HOLDINGS COÖPERATIEF U.A.** ("Oi Coop", and, jointly with Oi and PTIF, "Grupo Oi" or "Petitioners"), who have already been identified in the abovementioned Case File, appear before Your Honor, represented by their attorneys (doc. 1), pursuant to Section 47 *et seq.* of Law No. 11.101/2005 ("LRF") [Brazilian Reorganization and Bankruptcy Law], and further applicable legal provisions, to amend the previous provisional remedy, in order to file their petition for **JUDICIAL REORGANIZATION**, based on the factual and legal grounds set out below.

I. BRIEF BACKGROUND FOR THE CLAIM

1. On 01.31.2023, Grupo Oi requested an urgent provisional remedy to partially anticipate the effects of the granting of a new judicial reorganization, since, despite being extremely close to reaching an agreement with its financial creditors to readjust its capital structure, negotiations could not be concluded before the deadline established for the payment of millionaire debts that would become due at the beginning of February 2023 (ID No. 44063032).[1]

2. Aware of the transparency and efficiency of Grupo Oi with regards to the fulfillment of its obligations, as well as the social importance of Petitioners, this Court entered a decision which, among other measures, prohibited the termination of essential agreements entered into by Petitioners, the accelerated maturity of the billionaire financial debt, and the attack on the assets of Grupo Oi (ID. No. 44532251).

3. The granting of this second judicial reorganization will represent the beginning of a new stage of the restructuring of Grupo OI and will guarantee the preservation of such a huge telecommunications company, thus ensuring the

[1] Failure to pay more than BRL 600,000,000, due on 2.5.2023, including more than USD 82,000,000 owed as interest to the *Bondholders,* would lead to the accelerated maturity of almost the entire financial debt, which amounts to around BRL 29 billion.

preservation of thousands of jobs and a big list of suppliers and customers, as well as the payment of billions of Reals in taxes.

II. JURISDICTION OF THIS COURT, STANDING OF GRUPO OI AND JOINDER OF PLAINTIFFS EXPRESSELY DECLARED IN THE DECISION THAT GRANTED THE URGENT PROVISIONAL REMEDY

4. There is no doubt that the Capital District Commercial Court No. 7 of this TJRJ [Court of Appeals for the State of Rio de Janeiro] has jurisdiction to hear and decide these judicial reorganization proceedings of Grupo Oi, by virtue of the 1st Judicial Reorganization ("1st JR") and the bankruptcy petitions filed by two creditors, which are still pending before this Court[2] (Section 6, §8, of the LRF).[3]

5. This was expressly affirmed in the decision that granted the urgent provisional remedy in these proceedings (ID No. 44532251), which is also in line with the decision entered in the past by the Brazilian and American Judiciaries, as well as with the current rules of transnational insolvency set forth in Law 14.112/2020.

6. And it couldn't be different considering that: (i) the State of Rio de Janeiro is where the Company has its principal place of business, where its activities are carried out, and where the main decisions of Grupo Oi are taken; (ii) although their registered offices are located abroad, PTIF and Oi Coop are non-operating companies that were merely used as vehicles for raising funds from abroad in order to finance the activities in Brazil of Oi,[4] and (iii) although the obligations of PTIF and Oi Coop were originally assumed abroad through the issuance of bonds, they were always fulfilled in Brazil, and exclusively related to the Brazilian operations of their parent company Oi.

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[2] Case Files No. 0213353- 57.2019.8.19.0001 and 0313317-91.2017.8.19.0001.

[3] As recognized by this Court in the decision that granted the provisional remedy, "*in this context, if this Court still has jurisdiction to administer Petitioners' assets, even if the first judicial reorganization proceedings have already been concluded, it should be considered that it is still necessary to abide by the prevention rule laid down by Section 6, §8, of Law No. 11.101/2005"* (ID No. 44532251).

[4] The jurisdiction of this Court to hear the judicial reorganization proceedings of the Dutch subsidiary Oi Coop was questioned under an ancillary claim that was filed based on Chapter 15 of the U.S. Bankruptcy Code. When deciding the case, the Court for the Southern District of New York, United States, confirmed that the COMI – *Center of Main Interest* of such Dutch investment vehicle and Grupo Oi is located in Brazil (IDs No. 44064343, 44064347, 44064349 and 44065301).

7. This Court further recognized that, when granting the procedural consolidation, the amendment introduced by Law No. 14.112/2020 confirmed what had long been admitted by the Brazilian courts, thus enabling the creation of a joinder of plaintiffs in the judicial reorganization of companies that are part of the same economic group, *de facto or de iure*, "*as proved by Petitioners*." As laid down by this Court in the decision entered in ID No. 44532251:

> "*It is well-known to the public that Petitioners filed a petition for judicial reorganization before this Court and got it granted, which proceedings are currently concluded. However, a final and unappealable decision has not been entered. Back then, several procedural issues came up which were unprecedented in the Brazilian legal system regarding judicial reorganizations, due to a legal lacuna, which no longer exist today, given the considerable amendments introduced to Law No. 11.101/2005 by Law No. 14.112/2020. In this context, this issue is currently duly regulated as a procedural and substantive consolidation, provided for in Section 69-G et seq. of LRJ, which enables the joint petition for reorganization by companies that are part of the same economic group,* de facto or de iure*,* ***as proved by Petitioners****."*

8. Therefore, as recognized in the decision entered in ID No. 44532251, this Capital District Commercial Court No. 7 of this TJRJ is the only one that has jurisdiction to hear and decide this judicial reorganization.

III. NEED FOR PROCESSING UNDER SUBSTANTIVE CONSOLIDATION

9. In addition to the procedural consolidation already determined, it is necessary that this Court further authorizes these judicial reorganization proceedings to be processed under substantive consolidation, exactly as it happened in the 1st JR.

10. With the entry into force of Law No. 14.112/2020, which modified and introduced new provisions to the LRF, the bankruptcy legislation made it possible for the Court, "*regardless of a general meeting being held*," to authorize the restructuring of debtors' liabilities jointly, where the debtors are part of the same economic group and are going through a judicial reorganization under procedural consolidation, when the interconnection between debtors' assets and liabilities has been verified, thus not being possible to identify their ownership without wasting time or resources (Section 69-J of the LRF).

11. Additionally, debtors need to meet at least 2 (two) of the following

requirements: **(i)** existence of cross guarantees; **(ii)** control or dependence relationship; **(iii)** corporate structure fully or partially identical, and **(iv)** joint operation in the market between petitioners (Section 69-J, items I to IV, of the LRF).

12. In the case at hand, it is undeniable that Petitioners are part of the same economic group since they carry out their activities in an interconnected, integrated and coordinated way, as recognized by this Court when granting the 1st JR (ID No. 44064338)[5], as well as in the decision that granted the provisional measure that was requested (ID No. 44532251).[6] In other words, the case involving Grupo Oi falls at least within the hypothesis provided for in items II and IV of Section 69-J of the LRF.

13. As previously mentioned, PTIF and Oi Coop were companies used to raise funds from abroad, in order to finance the activities of Oi in Brazil. Nowadays, such companies, substantially, merely record these past financial operations, restructured under their 1st JR, with their parent company in Brazil, Oi S.A. As previously mentioned, their obligations always were fulfilled in Brazil, and exclusively related to the Brazilian operations of their parent company (Oi), the only operating company that generates the necessary cash to pay any debts of the group.

14. These facts were even recognized by the creditors of Grupo Oi in the

[5] In the exact words of the decision that granted the 1st JR: "(…) *It is irrefutable that, despite the lack of a provision in the current law, the creation of a joinder of plaintiffs in the judicial reorganization is absolutely feasible* ***when it comes to companies that are part of the same economic group,*** **de facto or de iure**. *In this case, even if there are companies that are part of the group with operations in other locations, the expanded concept of company (which should reflect the dynamics of the market and the current stage of capitalism covering economic groups) for the LRF purposes allows to set out the jurisdiction of the court of the location where the group of companies has its principal place of business."*

[6] Once again, as demonstrated hereinabove: "*It is well-known to the public that Petitioners filed a petition for judicial reorganization before this Court and got it granted, which proceedings are currently concluded. However, a final and unappealable decision has not been entered. Back then, several procedural issues came up which were unprecedented in the Brazilian legal system regarding judicial reorganizations, due to a legal lacuna, which no longer exist today, given the considerable amendments introduced to Law No. 11.101/2005 by Law No. 14.112/2020. In this context,* ***this issue is currently duly regulated as a procedural and substantive consolidation, provided for in Section 69-G*** **et seq.** ***of LRJ, which enables the joint petition for reorganization by companies that are part of the same economic group,*** **de facto or de iure*****, as proved by Petitioners***."

1st JR, and they actually **approved the substantive consolidation** of assets and liabilities of the three petitioner companies and the presentation of a **single plan** whereby all of them became **jointly and severally liable** for the payment of all debts subject to the effects of the 1st JR, novated by the Judicial Reorganization Plan of the 1st RJ, as amended ("Plan" or "JRP").

15. This Court confirmed the single judicial reorganization plan under substantive consolidation, and the creditors **did not** file any appeals against that part of the decision, which became final and unappealable. Consequently, the restructuring of Petitioners' liabilities took place under substantive consolidation, resulting in the confusion of the assets and liabilities of the debtors, which was essential for the great success of the 1st JR.

16. Moreover, such is the effectiveness this measure ensures in restructuring processes that the substantive consolidation began to be widely accepted by Brazilian courts, even before the reform of the LRF introduced by Law No. 14.112/2020. Actually, this TJRJ has even addressed this issue, recognizing that there may be substantive consolidation upon "*the existence of a symbiosis between the business activities of the companies under reorganization*" and the financial interdependence between such companies. See:

> *INTERLOCUTORY APPEAL. JUDICIAL REORGANIZATION. BUSINESS LAW. INTERLOCUTORY APPEAL. CONFIRMATION OF THE JUDICIAL REORGANIZATION PLAN.* ***REJECTION BY UNSECURED CREDITOR. SUBSTANTIVE CONSOLIDATION. ADMISSIBILITY. EXISTENCE OF SYMBIOSIS BETWEEN THE BUSINESS ACTIVITIES OF THE COMPAINES UNDERGOING JUDICIAL REORGANIZATION. LABOR AND ASSET UNIT.*** *INERTIA OF THE BANK DURING THE GMC* [General Meeting of Creditors]. *INTEREST AND MONETARY CORRECTION. UNJUST ENRICHMENT. NON-OCCURRENCE. NOVATION OF THE DEBTS WITH THE CONFIRMATION OF THE JUDICIAL REORGANIZATION PLAN. ALLEGED VIOLATION OF THE PROVISIONS OF LAW NO. 11.101/2005. NON-EXISTENCE OF RELEASE OR SUPRESSION OF COLLATERAL OR PERSONAL GUARANTEES. UNJUST ENRICHMENT. DECISION UPHELD. 1. The purpose of a judicial reorganization is to help an agreement be reached between the debtor, who prepares and presents the reorganization plan, and its creditors, who determine its approval, amendment or rejection, at a general meeting called to that end. Majority principle while respecting the rights of the minority. 2. Agreement between the parties that should preserve the interests of the majority that expects the*

reorganization of the company and, consequently, the payment of their claims, even if under conditions different from those originally agreed upon. Principle of preservation of the company. (…) 5. Law No. 11.101/2005 does not provide for the possibility of a joinder of plaintiffs in the reorganization petition. Therefore, the rules of civil procedure apply, in a subsidiary way, to proceedings governed by the Reorganization Law, as set forth in Section 189 thereof. There is no obstacle to the incidence of Section 113 of the CPC [Brazilian Code of Civil Procedure] *regarding the creation of a joinder of plaintiffs where there is a symbiosis between the business activities of the Debtors. 6. Present at the General Meeting of Creditors, the Appellant did not raise the issue related to the substantive consolidation so that it could be discussed by the other creditors. (…) Appeal rejected.*

Excerpts from the vote: *(…) Therefore, there is no obstacle to the incidence of Section 113 of the CPC regarding the creation of a joinder of plaintiffs where there is a symbiosis between the business activities of the companies undergoing judicial reorganization. (...) In the case at hand, as arising from annex 1, index 000576, in the decision entered on pp. 1.246/1.250 of the original proceedings (0439201-04.2015.8.19.0001), the judge settled this matter stating that: "Law No. 11.101/05 does not govern the admissibility of a joinder of plaintiffs in judicial reorganization proceedings and the need to* ***present a single plan*** *or a separate plan for each of the companies that are part of the same economic group. Nonetheless,* ***legal scholars and the case-law laid down by our Courts have been admitting this where the financial interdependence between the companies is proved****. The most plausible construction is to accept the joinder of plaintiffs by applying the rules of the CPC, by virtue of Section 189 of Law No. 11.101/05, thus allowing the group itself* ***to choose the best strategy to present a recovery plan for the companies****, since it is in a better position to assess the best method for conducting the procedure, presenting a single plan or different plans (…)*[7]

17. On another occasion, after the incorporation of the abovementioned Section 69-J to the LRF, this Court recognized the interconnection between the

[7] CD No. 22, **TJRJ**, AI No. 0072370-74.2020.8.19.0000, Appellate Judge Rapporteur Rogerio de Oliveira Souza, 3.11.2021.

companies of the 2 Alianças group in view of the partial identity of their corporate structure and their joint operation, "*considering that the individualization would entail an **excessive waste of resources and time***."[8] This position has been supported by other Courts:

> *INTERLOCUTORY APPEAL. JUDICIAL REORGANIZATION. SUBSTANTIVE CONSOLIDATION. NON-ACCEPTANCE. CREDITOR OF ONE OF THE COMPANIES UNDERGOING JUDICIAL REORGANIZATION DUE TO THE POSSIBILITY OF PRESENTING A SINGLE PLAN. ALLEGED FEAR THAT THE ASSETS OF ONE OF THE COMPANIES COVER THE DEBT OF THE ENTIRE GROUP. ALLEGED ARRANGEMENT AND NON-COMPLIANCE OF LEGAL REQUIREMENTS. REJECTION. SECTION 69-J OF LAW NO. 11.101/05. TRIAL COURT DECISION UPHELD. **INTERCONNECTION AND INTERDEPENDENCE OF THE COMPANIES. ECONOMIC GROUP. JOINT OPERATION IN THE MARKET. DIFFERENT BUT COMPLEMENTARY ACTIVITIES. EXCLUSIVE PROVISION OF SERVICES FROM ONE OF THE COMPANIES UNDERGOING JUDICIAL REORGANIZATION TO THE OTHERS. OPERATION FORMATTING. SHARED FINANCIAL, ADMINISTRATIVE AND CONTROLLING STRUCTURE. SYMBIOSIS. IDENTIFICATION OF THE CORPORATE STRUCTURE.** ASSUMED GOOD FAITH. ALLEGED BAD FAITH NOT PROVED. UNIFICATION OF EFFORTS TOWARDS THE RECOVERY OF THE GROUP. IMPOSSIBILITY IN ISOLATION. BETTER WAY TO OVERCOME THE CRISIS. ALLEGED REDUCTION OF GUARANTEES. REJECTION. SECTION 69 K, §2, OF LAW NO. 11.101/2005 – IN THIS CASE, **THE SHARED***

[8] "*INTERLOCUTORY APPEAL. DECISION GRANTING THE JUDICIAL REORGANIZATION. BUSINESS GROUP. CRAMDOWN. PRELIMINARY CLAIM FOR DELAY. (…)6. Nonetheless, the Judicial Reorganization Plan is being fulfilled as presented, that is to say, under the substantive consolidation for the 3 companies. 7. A thorough analysis of the facts shows there is an undeniable interconnection between the companies of the group, which are located at the same address, considering that the individualization would entail an excessive waste of resources and time. 8, Furthermore, the corporate structure and the joint operation are partially identical, which circumstances allow the exceptional application of substantive consolidation, pursuant to Section 69-J of the Judicial Reorganization Law.*" (CD No. 11, TJRJ, AI No. 0024143-19.2021.8.19.0000, Appellate Judge Rapporteur Fernando Cerqueira Chagas, 11.9.2022).

> ***FINANCIAL, COMMERCIAL AND ACCOUNTING STRUCTURE, AS POINTED OUT BY THE PUBLIC PROSECUTOR'S OFFICE, UNEQUIVOCALLY SHOWS THE INTERCONNECTION BETWEEN THE COMPANIES, AS WELL AS THE INTERDEPENDENCE RELATION, APART FROM SUGGESTING A JOINT OPERATION IN THE MARKET, WHICH IS CONFIRMED BY THE OTHER PIECES OF EVIDENCE THAT, IN THE WORDS OF THE PROSECUTOR, REVEAL A SYMBIOSIS OF THE PURPOSE OF THE DEBTORS, REINFORCED BY THE PROVISION OF EXCLUSIVE SERVICES BY ONE OF THEM TO THE OTHER DEBTORS, IN ADDITION TO THE FORMATTING OF THE OPERATION THAT HAS BEEN PROVEN. – THESE ELEMENTS, TOGETHER WITH THE IDENTITY OF THE CORPORATE STRUCTURE AND THE CONFUSION OF ASSETS, JUSTIFY THE UPHOLDING OF THE DECISION THAT GRANTED "THIS JUDICIAL REORGANIZATION UNDER SUBSTANTIVE CONSOLIDATION, WITH THE UNIFICATION OF THE ASSETS AND LIABILITIES OF THE COMPANIES UNDERGOING JUDICIAL REORGANIZATION", IT BEING THE MEASURE THAT "BEST MEETS THE GUIDING PRINCIPLES OF THE JUDICIAL REORGANIZATION LAW,"*** *as stated by the Public Prosecutor's Office.- Nonetheless, there is no reduction of guarantees or commitment of assets, especially encumbrances, since, under Section 69-K, §2, of the Judicial Reorganization Law, "the substantive consolidation shall not have an impact on the collateral of any creditor, unless the holder provides express approval." (…)* ***Substantive consolidation is justified in this case since it represents the best way to allow the group as a whole to overcome the economic and financial crisis.*** *Interlocutory Appeal rejected.*[9]

18. From whatever point of view the case at hand is analyzed, just like in the 1st JR, the control relationship, the joint operation in the market, and the dependence between Petitioners can be easily verified.

19. Therefore, Grupo Oi respectfully requests that this Court authorize that, "*regardless of a general meeting being held,*" this new judicial reorganization be granted under **procedural and substantive consolidation**, since the current crisis should be applied equally, simultaneously and identically to all Petitioners

[9] CD No. 18, TJPR [Court of Appeals for the State of Pará], AI No. 0041947-81.2021.8.16.0000, Appellate Judge Rapporteur Péricles Bellusci de Batista Pereira, 11.17.2021.

(Section 69-J of the LRF).

IV. CONCRETE GROUNDS FOR THE FINANCIAL POSITION OF GRUPO OI AND REASONS THAT LED TO THE ECONOMIC AND FINANCIAL CRISIS

20. Despite the unquestionable success of the 1st JR, which allowed a substantial reduction in the total debt of Petitioners, several unpredicted factors beyond the control of Grupo Oi led to all the efforts by Petitioners – and by all the stakeholders – towards the recovery of Grupo Oi being put to test.

21. As summarized by this Court when deciding the provisional remedy filed by Petitioners, Grupo Oi is nowadays facing a new challenge, mainly as a consequence of: **(i)** the "*delay in closing the sales operations of UPIs* [Isolated Production Units]"; **(ii)** the world crisis aggravated by the COVID-19 pandemic; **(iii)** the "*instability of economic indicators*" (*e.g.* significant increases in local interest rates and the precariousness of the credit market); **(iv)** the "*unexpected appreciation of the US currency, forcing the obligations assumed to be corrected*"; **(v)** the increase in inflation and in the unemployment rate, which has an impact on the pace of growth of the Company's new revenues; **(vi)** the pronounced drop in revenues from the Company's fixed-line services, in view of the rapidly changing technological environment and; **(vii)** the heavy and disproportionate burden of obligations established by the regulatory system, thus contributing to the unsustainability of the fixed telephony concession due to high fixed expenses for a clearly deficient service (as included in the Material Fact disclosed on 31.12.2022 – ID No. 44063032).

22. Other unpredictable factors made it essential to implement a new stage of its restructuring, including: **(i)** the great adherence to the mandatory takeover public bid set forth in the notes due in 2026 and **(ii)** the non-payment of an important portion of the sale of UPI Ativos Móveis for approximately BRL 1,5 billion, due to the dispute petition filed by the buyers of said UPI, which is currently undergoing an arbitration proceeding.

23. Although all these factors have already been thoroughly exposed in the initial petition for previous provisional remedy (which Grupo Oi refers to, and which are hereby incorporated by reference), it is worth mentioning each one of them, insofar as they represent the grounds for the new judicial reorganization petition.

24. First, the **almost 2-year delay** in completing the sale of valuable assets of the Company (UPI Ativos Móveis and UPI InfraCo) should be mentioned, which was mainly due to the Brazilian regulatory and trust hurdles, as well as the

extreme complexity to segregate part of the assets and operations sold.[10]

25. Between the confirmation of the Amendment to the JRP and the conclusion of such operations, Oi was forced to allocate its cash flows to the investments needed to preserve the assets that would be sold. In this context, as set forth in the Amendment to the JRP and duly authorized by this Court, Grupo Oi needed to seek financing from the market. Despite having raised approximately **BRL 9 billion**[11], through several complex financing operations, all of them stipulated in the JRP, Oi lost valuable time to effectively raise such funds, mainly due to the lack of specific bank lines of credit for the financing of companies in crisis and, consequently, due to the numerous requirements to obtain the amounts financed.

26. Precisely, due to the delay in obtaining the authorizations to close the sale of UPI Ativos Móveis, Oi was forced to seek the refinancing of the *DIP financing* negotiated in January 2020 (as provided for in the original JRP) and that would be due in January 2022. In this refinancing operation, Oi issued bonds in order to raise

[10] As another example of how this process of regulatory and antitrust approvals frustrates the expected schedule and ends up leading to a delay in the injection of liquidity through the sale of assets of the company under judicial reorganization, it should be noted that Oi awaits the prior approval of ANATEL (Case No. 53500.320283/2022-52) in order to enable the sale of 8,000 fixed operation telecommunications infrastructure sites to NK 108 Empreendimentos e Participações S.A., an affiliate of Highline do Brasil II Infraestrutura de Telecomunicações S.A. The operation, which complied with the provisions of the LRF and was confirmed by the Court hearing the 1st JR, has already been approved by the Administrative Council for Economic Defense and, despite being strictly in compliance with the applicable rules and regulations, the Company has been waiting for ANATEL to express its stance on the matter since 10.8.2022.

[11] This amount was split into **(i)** BRL 2.5 billion for the financing of Brasil Telecom Comunicação Multimídia (BrTCM), which would become UPI InfraCo until the conclusion of its partial sale in a judicial bidding process, which should be further approved by the regulatory and antitrust bodies; **(ii)** BRL 2 billion for the financing of Oi Móvel S.A, whose operation, after being transferred to three different vehicle companies, would be sold as UPI Ativos Móveis until the fulfillment of the regulatory and antitrust approval provisions and; **(iii)** USD 880 million in an international issuance with new capital allocated to (a) refinancing the DIP financing raised in January 2020, still under the Plan, with a higher cost and maturity in January 2022 and; (b) affording any necessary investments to maintain the activities and investments carried out by Oi to become a relevant player in the Brazilian high-speed fiber-optic market.

USD 880 million in the international market. During the negotiations, the investors that financed the issuance of bonds demanded the incorporation of a provision stipulating the mandatory repurchase of such bonds once the sale of UPI Ativos Móveis had been closed.

27. In the global economic scenario at the time, characterized by the excess of liquidity, it was not expected that so many creditors would adhere to the repurchase option at the time the sale of UPI Ativos Móveis was closed, and such expectation had been used as a base case for the financial projections that supported the amended JRP. However, there was a massive adherence of more than 98% of the investors to the mandatory repurchase option, which required from Grupo Oi an advance payment of approximately **BRL 4.4 billion.**[12]

28. To make things worse, the COVID-19 pandemic led to the frustration of almost all the proposals that supported the AJRP (Amendment to the Judicial Reorganization Plan). Not only did the unexpected variation of the indexes included in the feasibility study elaborated by Ernst & Young, attached to the Amendment (ID No. 44065313), turn financial expenses substantially higher than expected in the AJRP,[13] but also, the state of crisis caused by the pandemic also had an impact on the production and supplying logistics for the internal market.

29. After all, the exacerbated and unexpected increase in inflation, which leads to a high unemployment rate[14][15], has a profound impact on the activity of a telecommunications service provider whose major consumers are individuals. Although the COVID-19 pandemic has increased the need for access to the Internet and to fixed and mobile telephone networks as a way of reducing physical distances, given the economic and financial crisis experienced in the country, such

[12] Such adherence and, consequently, the need for an advance payment to the holders of such bonds, was not included in the feasibility study elaborated by Ernst & Young, which was an integral part of the Amendment, thus representing a significant frustration of the financial proposals presented therein.

[13] While the feasibility study elaborated by Ernst & Young, attached to the Amendment (ID No. 44065313), pointed out, in 2020, that the CPI would be 1.65% per year, the actual variation, in 2022, was 5.79%. Likewise, according to said study, the SELIC rate would be 2.64%, but in 2022, this index increased by 10 percentage points, reaching 13.75%.

[14] https://www.bcb.gov.br/estatisticas/grafico/graficoestatistica/precos. Last accessed on: 03.01.2023.

[15] https://portal.fgv.br/artigos/explica-queda-surpreendente-taxa-desemprego-brasil. Last accessed on: 03.01.2023

assets turned to be considered rather luxury items.

30. Just to get a picture, according to the study elaborated by the IBGE [Brazilian Institute of Geography and Statistics], in 2021, 7.28 million households still did not have access to the Internet,[16] and its price was one of the main factors that explained their lack of connection.[17] Even though there was an improvement in the indexes, the challenge of digital inclusion in a country of continental dimensions and with so antagonistic social realities cannot be denied.

31. Furthermore, for this reason, between 2020 and 2022, Grupo Oi lost, every month, approximately 4% of its total fixed telephony customers, reaching **1.9 million customers** by the end of last year, when its customer base **was of 7.3 million** customers at the beginning of such period. This drop was much more pronounced in comparison with what the Company forecasted at the time of the approval of the Amendment to the JRP.

32. Changes in economic indicators, along with the substantial increase in the U.S. Dollar exchange rate, caused the Company's capital structure to become extremely detached from the new business reality, while having a great impact on its net cash position, since it had to bear heavy costs for the maintenance of the businesses sold and the financial expenses of the bridge loans for a time longer than expected.

33. As pointed out above, the impact of the exchange variation on the Company's coffers is evident, since Grupo Oi currently has to pay about BRL 29 billion in financial debts alone, a substantial portion of which is indexed to foreign currencies (US Dollar and Euro).

34. These amounts are even more surprising when considering that **the total liabilities of Grupo Oi could be, approximately, BRL 7 billion lower if it were not because of the depreciation of the Brazilian Real against the US currency.** In 2018, on the date of the novation resulting from the Plan, the U.S. Dollar exchange rate was approximately BRL 3.00, whereas it is currently around BRL 5.00, reaching its peak in 2020, when the approval of the AJRP was being discussed with the creditors. See:

[16] https://www.infomoney.com.br/consumo/282-milhoes-de-brasileiros-nao-tem-acesso-a-internet-diz-ibge/. Last accessed on: 03.01.2023.

[17] https://exame.com/tecnologia/no-pre-covid-brasil-tinha-12-mi-de-familias-sem-acesso-a-internet-em-casa/. Last accessed on: 03.01.2023

35. All the foregoing, together with the continuous precariousness of the credit market, led the Company to resort once again to its main financial creditors to seek a solution in order to achieve a better balance between its financial debt and its cash flow generation in the short, medium and long terms, including the injection of fresh cash (liquidity) to maintain its activities so as to let its fiber optic business, B2B services and technology become stronger in view of its new economic reality. Furthermore, the difficulty to access the credit market also prevented the implementation of an exchange protection policy.

36. It is worth mentioning that, even when facing a new reality, with its operations revenue well below its historical volume and with many of its operations being discontinued as a consequence of the operational restrictions it experienced, Oi was still obligated to bear the excessive costs of agreements with a take-or-pay clause, despite those agreements being completely outdated and imbalanced, and lacking any kind of economic benefits for the company, due to the extremely low consumption or incomplete use of such services by Petitioners. These obligations, which existed and were assumed in another operational and regulatory context, no longer reflect the reality and the profile of Oi, and are therefore truly onerous liabilities dissociated from any economic utility for the Company's activities.

37. If this was not enough, Oi further failed to receive an important cash inflow expected in the last months, after the trio, composed by Claro, Vivo and Tim, purchasers of UPI Ativos Móveis, questioned the fact that Oi had received the withheld amount of around **BRL 1.5 billion** in relation to an installment equivalent to approximately 10% of the purchase price of the assets,[18] and also unduly requested

[18] This amount, which should currently be at the Company's disposal, is deposited with the Court in an account related to the first JR.

from the Company the payment of approximately BRL 1.7 billion.[19]

38. This ultimately makes it difficult to find new financing and new investors, insofar as it increases Grupo Oi's risk, based on an initiative without contractual support from the purchasers of the mobile telephony assets.

39. Furthermore, there are certain known regulatory aspects related to the concession of the public telephony service which have always imposed a heavy and unfair burden on the Petitioner companies, in view of the evolution of the competitive technological environment and the demand associated to such services, without the respective regulatory evolution from the granting authority.

40. This paradoxical situation leads to the unsustainability of the FSTS concession agreements, widely recognized, at least since 2016, by the Ministry of Communications[20] and ANATEL[21] as an indisputable fact, which has a profound

[19] Since the beginning of the discussions over this amount, Petitioners have been deprived of such important resources, which are greatly necessary for the fulfillment of their obligations and expectations set forth in the Amendment. This is even worse from the point of view of the market and the creditors of Grupo Oi, who will include in their analyses a potential contingency for more than BRL 1.7 billion, which are being — unduly— claimed by the purchasers of UPI Ativos Móveis, not to mention the possible non-payment of the withheld installment of around BRL 1.5 billion, which is subject to the outcome of the arbitration proceeding.

[20] It is worth quoting the conclusions of the study conducted in 2016: "*the results of this study shed light on a scenario of a decline in the attractiveness of the FSTS concession for new investments. (…) it is certain that, if current trends are maintained, the FSTS provided under the regime of public law will start having a negative Net Present Value (NPV) in the near future. As regards concessionaires located in low-income areas and/or that have maintained a capital structure below the expected level, it is possible that they will even experience consecutive periods of negative cash flow, which, in the end, may compromise the sustainability and continuity of the service provided.*" (Ministry of Communications and ANATEL, Case No. 53500.007840/2016-02, Report of the Working Group created by Resolution No. 4.420/2015, SEI (Electronic Information System) No. 0404662, published on 04.06.2016, p. 31).

[21] "*Therefore, there is no divergency between the results of the studies on the sustainability of concessions and the reasoning applied by Grupo Oi based on the study conducted by a specialized consulting agency, considering that any eventual methodological divergencies that may exist do not have any factual impact and do not change the conclusions reached in the studies – to show the unsustainability of the concessions."* (ANATEL, Analysis No. 286/2020, Reporting Board Member Moisés

impact on the Company.

41. Unfortunately, the full awareness of this situation was not reflected in the early termination of the concession agreement or even in the quick definition of reasonable conditions for it to be adapted to the private regime —which solutions are supported by the General Telecommunications Law, which is at the disposal of the Granting Authority. The process of adapting concessions into authorizations, expressly set forth by law since 2019 and regulated in 2021, has been conducted at a pace that is incompatible with the urgent situation caused by the unsustainability of the concession for the Company. So far, a stage where the Company can request that its concessions be adapted into authorizations has not been reached, since the conditions for doing this are still being analyzed by the Brazil's Federal Court of Accounts.

42. On the one hand, such lack of action by the Government aggravates Petitioner's situation by forcing it to invest in a clearly unsustainable service and, on the other hand, it daily increases the amount claimed under the arbitration proceeding against ANATEL.

43. Despite recent modifications to certain laws and regulations, they have not had any meaningful effects yet, in part due to the lack of definitive regulations, and these aspects, inherent in the concession of the public services, still have negative consequences on the restructuring process of Grupo Oi, leading to the economic and financial crisis that is sought to be solved.

44. All these "*sectoral and unpredictable factors threaten the assets and the major operation of the company yet again,*" which, in the words of this Court, causes Grupo Oi to face an "*atypical scenario*" and makes it impossible for Grupo Oi to continue its normal operations without a new adjustment in its capital structure, which the company intends to carry out in an organized, transparent and collective way within the scope of this new judicial reorganization proceeding.

45. As demonstrated in the initial provisional remedy petition, preparatory for this judicial reorganization, over the last few months, the Company has been negotiating a solution for its capital structure with its main financial creditors —bondholders, ECA holders and National Banks—. Moreover, the Company has even hired specialized financial and legal advisors in order to carry out this initiative (ID No. 44063035).

46. Despite the significant progress in negotiations over this period, Grupo Oi and its creditors are still discussing the formalization of the agreement, which they believe will occur soon, during the course of this judicial reorganization.

Moreira, Case No. 53500.017224/2019-02, decided on 12.17.2020).

V. ECONOMIC FEASIBILITY | FULLY POSSIBLE RECOVERY

47. It is undeniable that all the facts set forth hereinabove have aggravated the economic and financial situation of Grupo Oi even more, which, under decision ID No. 44532251, "*is currently facing an atypical scenario that poses a new challenge for all the players involved in the recovery of the Conglomerate.*" Notwithstanding the foregoing, Petitioners will certainly overcome such atypical and challenging scenario.

48. As demonstrated in the initial petition ID No. 44058642, despite all these difficulties, Grupo Oi **(i)** has reduced its gross financial debt by 30% since the date on which the first JR petition was filed, with Petitioners' total liabilities currently amounting to about BRL 35 billion;[22] **(ii)** has settled the claims of more than 35 thousand creditors; **(iii)** has settled all its out-of-court claims for approximately BRL 140 million; **(iv)** has settled more than BRL 10 billion[23] in out-of-court claims in relation to the fundraising (DIP) carried out in the course of its restructuring process; **(v)** has maintained a high net revenue, reaching, in the last disclosed quarter of 2022 (3T22), the approximate accumulated sum of **BRL** 9.955 billion;[24] **(vi)** has

[22] While implementing its new Strategic Plan, Grupo Oi strictly fulfilled all the obligations provided for in the JRP, as amended, and settled approximately **BRL 25 billion** in bankruptcy claims, divided as follows: **(i)** BRL 11.6 billion in debt-to-equity conversion (shares of stock of Oi S.A.); **(ii)** BRL 4.6 billion in favor of BNDES; **(iii)** BRL 2.4 billion for its partner providers; **(iv)** approximately BRL 425 million for small creditors in mediation programs; **(v)** more than BRL 730 million for labor creditors; **(vi)** more than BRL 1.93 billion in favor of ANATEL through the conversion of judicial deposits into income and; **(vii)** BRL 3.5 billion in interest to qualified bondholders. Furthermore, ANATEL's claim, amounting approximately to BRL 20.2 billion, was reduced to BRL 9.1 billion to be paid in 126 installments, to be corrected over time, with the settlement of the initial installments through the conversion into income of the judicial deposits relative to such claims, through a specific operation carried out pursuant to the provisions incorporated to the LRF by Law No. 14.112/2020 and confirmed by the terms and conditions of the amended JRP.

[23] This amount is divided as follows: BRL 3.5 billion for convertible debt of InfraCo, BRL 2,4 billion owed to Bridge Móvel and BRL 4.4 billion in 2026 bonds.

[24] https://api.mziq.com/mzfilemanager/v2/d/6aebbd40-9373-4b5a-8461-9839bd41cbbb/c5329d5f-46fc-a5b4-bc0e-73e2ed6a8d73?origin=1. Last accessed on 03.01.2023.

reduced its operating expenses —OPEX— by approximately 14% even under an inflationary scenario; and **(vii)** has readjusted the profile of capital expenditure — CAPEX.

49. Such results are possible due to the fact that V. Tal, a company arising from the partial sale of UPI InfraCo and in which Oi still had a significant equity interest, has the most extensive fiber-optic network in Brazil, serving more than 4 million customers, moving forward towards assuming leadership in this sector in the country.

50. Indeed, the Company's investment in V.Tal will certainly play a key role in this new Judicial Reorganization. After all, it is a promising asset that, from all aspects analyzed, will provide important financial flexibility and resources for Grupo Oi to continue operating and fulfilling its obligations.

51. It should be borne in mind that Oi has more than 4 million high-speed fiber optic customers provided through the infrastructure of V.Tal. These customers also represent an extremely important asset for the companies undergoing judicial reorganization, which have become the second largest providers of fiber optic services in Brazil, and whose operations continue to grow, seeking leadership in this segment.

52. In fact, in accordance with the Income Statement disclosed by the Company,[25] in the 3rd quarter of 2022, revenues related to fiber optic services amounted to BRL 1,053 million, which represents an increase of almost 10% compared to the previous quarter and approximately 31% compared to the same period of the previous year.

53. In addition, Oi continues to comply with the strategic plan disclosed to the market (IDs No. 44065322 and 44065325), by offering a high-quality broadband service and an increasingly wide range of digital services to the corporate and retail markets, in addition to carrying out one of the largest cost reduction and control programs in the internal market. The purpose of all this is to adjust its operations to its new reality.

54. Furthermore, the expected growth vector focused on IT and Corporate services (B2B) provided by the Company to large customers in Brazil through its Oi Soluções unit is worth mentioning.[26] ICT revenues,[27] which the Company focuses

[25] https://api.mziq.com/mzfilemanager/v2/d/6aebbd40-9373-4b5a-8461-9839bd41cbbb/c5329d5f-46fc-a5b4-bc0e-73e2ed6a8d73?origin=1. Last accessed on 03.01.2023

[26] In the 3rd semester of 2022, the net revenue of the Oi Soluções segment amounted to BRL 745 million, which represents an increase of almost 9% compared to the 2nd

on to ensure the recovery of this segment, amounted to BRL147 million in the 3rd quarter of 2022. This represents a growth of 18.6% compared to the previous semester and 55.3% compared to the same period in 2021.[28]

55. From a regulatory perspective, the Company: **(i)** expects to be awarded a considerable sum of money as a result of the arbitration proceeding filed against ANATEL, the purpose of which is to declare the breach of the economic and financial balance of the concession, based on several factual elements claimed by Oi and; **(ii)** it further expects to count on the Public Authority to find a solution to the unsustainability of the FSTS (Fixed Switched Telephone Service) concessions, recognized by ANATEL long ago, insofar as the Federal Government is, ultimately, contractually responsible for the damage arising therefrom and must therefore intervene and ensure the abovementioned sustainability, as well as bear the cost of the relevant compensation for not having done so in a timely manner.

56. In other words, despite the judicial reorganization proceeding it went through, the company managed to reinvent itself, which clearly shows it is fully capable of overcoming the current crisis, which is lasting longer than expected, as depicted by the projected cash flow for 2023 (doc. 2).

57. This Court has even recognized evidence of the economic feasibility, which will be thoroughly demonstrated when the judicial reorganization plan is submitted, by emphasizing that "*the adverse economic scenario does not prevent the debtor from demonstrating, at the appropriate time during the proceedings, its economic feasibility, which is key for the success of its future recovery process, insofar as* ***it has already demonstrated*** *i) a reduction of the operational expenses; ii) high net revenue, especially in the last quarter of 2022; and iii) strategic operation in high-quality digital and broadband services*" (ID No. 44532251).

58. Therefore, in order to overcome the economic and financial crisis faced by Grupo Oi, and thus maintain the source of jobs for workers, protect the interests of creditors and, consequently, promote the preservation of the company, its social role and the stimulus to economic activity (Section 47 of the LRF), this new judicial reorganization is indispensable and represents just one more step in the difficult (albeit successful) battle that is its restructuring.

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quarter and 14.3% compared to the previous year.

[27] Information and Communication Technology.

[28] https://api.mziq.com/mzfilemanager/v2/d/6aebbd40-9373-4b5a-8461-9839bd41cbbb/c5329d5f-46fc-a5b4-bc0e-73e2ed6a8d73?origin=1. Last accessed on 03.01.2023.

VI. NECESSARY AND INDISPENSABLE REORGANIZATION | UNDENIABLE SOCIAL IMPORTANCE OF GRUPO OI FOR BRAZIL AND THE BRAZILIAN PEOPLE

59. As demonstrated hereinabove, the 1st JR of Grupo Oi was a milestone for Brazilian Law. Through this proceeding and the joint collaboration with this Court, the Trustee and the Public Prosecutor's Office, coupled with the key support of their creditors, Petitioners were able to "*fully restructure themselves to pay 35 thousand creditors and a 25-billion debt, in the course of a colossal judicial reorganization proceeding*" (ID No. 44532251).

60. In view of the different unforeseen factors beyond Petitioners' control, once again, it is necessary to seek judicial protection in order to implement a new stage of the restructuring of Grupo Oi, thus ensuring the preservation of the company as an important generator of jobs and income, as well as a unique service provider.

61. The importance of Grupo Oi for society was also highlighted in the petition for urgent provisional remedy filed with this Court. What is requested is that this Court —and everybody involved and affected by this proceeding— always bear in mind that the potential bankruptcy of Grupo Oi could have a terrible impact on the most diverse economic sectors of Brazil.

62. The leading role of Petitioners is undeniable in providing high-speed broadband services and service solutions for corporate customers and IT services, through the exploitation of its extensive fiber network in Brazil.

63. Moreover, the potential bankruptcy of the Company would leave approximately 62 thousand direct and indirect collaborators of Grupo Oi without a job, and it would also have a considerable impact on the national economy, considering that the companies of the group paid around **BRL 2.85 billion** in taxes in the 2022 fiscal year alone.

64. Not to mention the notorious role Petitioners have in the exercise of citizenship of the Brazilian people, given that their telecommunications services enable the transmission of the information relative to electronic vote counting during municipal, state and national elections held throughout the country.

65. It is also worth mentioning that Oi is still the only telecommunications service provider in more than 3,000 out of the 5,568 Brazilian municipalities.

66. All this could become unfeasible if Petitioners are deprived of judicial protection to start the new phase of their complex restructuring, which would have a profound impact on important sectors of the Brazilian economy.

VII. BANKRUPTCY LIABILITIES

67. The bankruptcy liabilities of Grupo Oi currently amount to BRL 43,704,638,518.15 (forty-three billion, seven hundred four million, six hundred thirty-eight thousand, five hundred eighteen Brazilian Reals and fifteen cents)[29], of which 1,010,408,708.18 (one billion, ten million, four hundred eight thousand, seven hundred eight Brazilian Reals, and eighteen cents) belong to Class 1, BRL 42,597,789,846.49 (forty-two billion, five hundred ninety seven million, seven hundred eighty-nine thousand, eight hundred forty six Brazilian Reals, and forty-nine cents) belong to Class III, and BRL 95,398,828.06 (ninety-five million, three hundred ninety-eight thousand, eight hundred twenty eight Brazilian Reals, and six cents) belong to Class IV (doc. 3). The table below shows a summary of the liabilities of Grupo Oi:

Classification	Amount
Class I (labor)	BRL 1,010,408,708.18
Class III (unsecured)	BRL 42,597,789,846.49
Class IV (Micro companies and Small companies)	BRL 95,398,828.06
Total	**BRL 43,704,638,518.15**

VIII. COMPLIANCE WITH THE REQUIREMENTS FOR THE GRANTING OF THE JUDICIAL REORGANIZATION

68. As recognized by this Court in the decision in ID No. 44532251, "*the same petitioners previously demonstrated that all the requirements to grant the petition for judicial reorganization had been met.*" And such scenario has not changed. There is no doubt that Grupo Oi continues to meet all the requirements set forth in Sections 48 and 51 of the LRF that are needed to request a new judicial reorganization, which is essential to overcome its financial crisis.

69. Petitioners **(i)** have been regularly carrying out their activities for much longer than the two years required by the LRF (Section 48, first paragraph, of the LRF – IDs No. 44061988 to 44063031; **(ii)** they have never gone bankrupt (Section 48, item I, of the LRF – doc. 4); **(iii)** they obtained the granting of the first judicial reorganization more than 5 years ago from the filing of this new judicial reorganization petition (Section 48, item II, of the LRF – IDs No. 44065327 to 44065337), and **(iv)** its directors and controlling shareholders have never been convicted for any bankruptcy crimes (Section 48, item IV, of the LRF – see doc. 4).

[29] This sum does not include the total amount of intercompany claims.

70. Furthermore, still in compliance with the requirements defined by the LRF, Petitioners attach the following documents to this petition:

i. authorization from the Board of Directors to file the judicial reorganization petition (Section 122 of the LSA [Law for Corporations] – doc. 5);

ii. financial statements for the last 3 (three) fiscal years of Petitioners, as well as those statements that were elaborated to be attached to this reorganization petition, including the balance sheet, the income statement for the last year, the cash flow management report and its projection (Section 51, item II, of the LRF – doc. 6);[30]

iii. description of the companies of the corporate group (Section 51, item II, point *"e"*, of the LRF – doc. 7);

iv. list of all creditors (Section 51, item III, of the LRF – see doc. 3);

v. list of all employees (Section 51, item IV, of the LRF – which document will be confidentially kept at a notary's office);

vi. certificate of good standing of Petitioners with the public registry of corporations, updated articles of incorporation, and the minutes with resolutions regarding the appointment of the current directors (Section 51, item V, of the LRF – IDs No. 44065327 to 44065337);

vii. list of private assets of Petitioners' directors (Section 51, item VI, of the LRF – which document will be confidentially kept at a notary's office);

viii. updated extracts of Petitioners' bank accounts and financial investments (Section 51, item VII, of the LRF – which documents will be confidentially kept at a notary's office);

ix. certificates from the protest notary's offices located in the district where the principal place of business of Petitioners is established, as well as in the districts where Petitioners' branches are established (Section 51, item VIII, of the LRF – see doc. 4);

x. list of judicial and arbitration proceedings Petitioners are a party to (Section 51, item IX, of the LRF – doc. 8);

xi. detailed report of Petitioners' tax liabilities (Section 51, item X, of the LRF – doc. 9), and

xii. list of assets and rights that are part of Petitioners' non-current assets, including those that are not subject to the judicial reorganization, as well

[30] Grupo Oi further undertakes to submit the financial statements for the 2022 fiscal year of Oi, PTIF and Oi Coop as soon as they have been elaborated and audited.

as those from businesses of the same nature (Section 51, item XI, of the LRF – doc. 10).

71. Petitioners inform that the documents required under Section 51, items IV, VI and VII, of the LRF should be kept at a notary's office in order to avoid the undue and unnecessary disclosure of such information.

72. In this regard, based on personality rights and the inviolability of private life (cf. Section 5, item X), Grupo Oi requests that this Court implement the appropriate measures to protect such documents at a notary's office, thus determining that this Court, the Trustee and the representative of the Public Prosecutor's office are the only ones who can have access to them.

IX. PRESENTATION OF THE JUDICIAL REORGANIZATION PLAN

73. In compliance with Section 53 of the LRF, within 60 (sixty) days from the publication of the decision granting this judicial reorganization petition, Grupo Oi will present its judicial reorganization plan, together with the appraisal report of all Petitioners' assets, itemizing in detail the reorganization means that will be adopted and demonstrating their economic and financial viability.

X. ESSENTIAL COMPLEMENTARY MEASURES FOR THE EFFECTIVE REORGANIZATION OF GRUPO OI

74. The recovery of the companies undergoing reorganization essentially depends on the implementation of measures to protect the integrity of their assets during the course of the proceeding.

75. The clearest example of this is the granting of the so-called stay period, which entails the stay of the actions and executions filed against the debtor. Nonetheless, many times, such determination is not enough to ensure the thorough preservation of the assets of the companies undergoing judicial reorganization, which is why this bankruptcy Court should adopt the necessary measures to preserve the debtor's productive unit.

76. Therefore, for this new stage of the restructuring of Grupo Oi to be successful, in addition to the granting of the judicial reorganization, it is essential that this Court grant the following two measures.

(A) Necessary preservation of surety bonds and performance bonds

77. The first measure that proves to be essential to 'give a break' to Petitioners in this new stage of their restructuring is the preservation of surety bonds and performance bonds posted by financial institutions and insurance companies to

guarantee the numerous judicial executions filed against the companies that make up Grupo Oi.

78. As Petitioners expressed in the 1st JR, after the first reorganization petition was filed, the trial courts of these executions started settling the abovementioned surety bonds and performance bonds, ordering guarantor banks to deposit the amount pledged in order to settle the claims being executed, where the enforcement process (whether it took place before or after the filing of the reorganization) had already concluded.

79. Considering that it is a company with significant presence in the telecommunications market, and that it operates in thousands of municipalities throughout Brazil, this became a recurring problem, leading Grupo Oi to request that this Court recognize that, in the executions of those claims subject to judicial reorganization guaranteed by surety bonds or performance bonds, such surety bonds and the performance bonds offered as guarantee could not be liquidated in the judicial executions filed against Grupo Oi (doc. 11).

80. Consequently, this Court flawlessly recognized that "*the Court bonds and the surety bonds issued so as to give security in the enforcement court are not of the same nature as the guarantees set forth in Section 49, §1.*" Hence, their liquidation is inappropriate in the context of individual executions of claims subject to the judicial reorganization, "*since the statutory settlement of such claims should be carried out within the scope of the JR and pursuant to the terms and conditions of the reorganization plan*" (doc. 12).

81. This was also the reasoning adopted by Justice Marco Buzzi when deciding the Conflict of Jurisdiction No. 183.952/RJ, raised by Banco Bradesco in the context of the judicial reorganization of Grupo Oi, when he determined that the liquidation of guarantees posted in the execution proceedings is inappropriate. See:

> "It should also be noted that the liquidation of the Court bonds posted by the debtor, in order to give security in the enforcement court and allow for the elaboration of the defense at this stage, is not deemed to be appropriate, since it goes against the principles of the special Law on this matter. Therefore, the liquidation of surety bonds within the scope of individual executions of claims in such situation and, therefore, subject to the rules of judicial reorganizations, is inappropriate, since the statutory settlement of such claims should be carried out pursuant to the terms and conditions of the reorganization plan.[31]"

[31] CC No. 183.952/RJ, Justice Rapporteur Marco Buzzi, Electronic Justice Gazette

82. Additionally, the Second Division of the Superior Court of Justice [STJ] has already determined that this Court has jurisdiction to decide the execution of the guarantees posted by Grupo Oi[32], and, in such instances, it prevented the liquidation of performance and surety bonds.

83. Hence, the conclusion cannot be different in this opportunity. And this is so because the triggering of performance bonds or surety bonds to honor the payment of the credit being executed arises, solely and exclusively, from the non-performance of the debtor's obligation, which, when it comes to companies undergoing a judicial reorganization, should be carefully analyzed and pursuant to the LRF. After all, as previously mentioned, in accordance with Section 49 of the LRF, all claims existing on the date of the petition shall be subject to the judicial reorganization and shall be paid under the terms of the plan.

84. In this regard, as demonstrated at the time of the 1st JR, it is worth mentioning that Civil Division No. 8 of this TJRJ, when considering interlocutory appeal No. 0034576-58.2016.8.19.0000 lodged by Petitioners against the decision granting their judicial reorganization, did not authorize the issuance of payment orders where security had been given in Court through a surety bond, nor the liquidation of the guarantee.

85. Such determination is an exception to the stay rule only in those claims where "*the debtors have made the deposits before 06/21/2016, with express settlement purposes, as well as where such deposits were made before the abovementioned date in executions where a estoppel has occurred or where a decision ordering the stay of the execution or the final decision challenging the enforcement of the judgment have become final and unappealable*."

86. In other words, in the case at hand, no "*deposits*" have been made, but Court performance bonds and surety bonds have been posted. A different reasoning, that is, admitting the liquidation of the guarantees posted in the execution proceedings against Petitioners, would jeopardize the success of the recovery process of Grupo Oi, in addition to clearly infringing the guiding principles of judicial reorganizations, especially the *par conditio creditorum* principle.

87. With regard to the impossibility of liquidating performance bonds or surety bonds posted as collateral in several individual executions filed against Petitioners, it is also necessary to exclude the exception provided for in Section 49, §1, of the LRF whereby "*the creditors of a debtor undergoing judicial reorganization*

(DJe) 4.28.2022.

[32] Conflicts of Jurisdiction No. 164.040/RJ, 161.092/RJ, 161.468/RJ, 168.280/RJ, and 167.707/RJ.

retain their rights and privileges against the co-obligors, guarantors or recourse obligors."

88. The bond posted under a material law relationship turns the guarantor into a debtor jointly and severally liable for the original obligation, and the law preserves this relationship despite the judicial reorganization. On the other hand, where the guarantee arises only from the legal and procedural relationship, as is the case with the posting of Court bonds, the exception set forth in the abovementioned legal provision does not apply.

89. This is so because, as the insurer is subsidiarily liable, it will only be required to pay upon the non-performance by the debtor, which, in this case, would be the companies undergoing judicial reorganization. And, as thoroughly demonstrated in the initial petition in ID No. 44058642, the petition for judicial reorganization cannot, without any other reason, be deemed as non-performance of the obligation being enforced.

90. Precisely because most of the agreements entered into, including those that are currently being discussed, include express termination clauses (*ipso facto* clauses), which stipulate their termination by operation of law upon the filing of the petition for judicial reorganization, Grupo Oi requested the stay of the effectiveness of such clauses, which was promptly granted by this Court in the decision in ID No. 44532251, in compliance with the principle of preservation of the company, enshrined in Section 47 of the LRF.

91. Admitting the immediate liquidation of performance bonds and surety bonds only on account of this petition for judicial reorganization does not only go against the social function of the company and the agreements themselves, but also against the objective *bona fide* principle (Sections 421 and 422 of the Brazilian Civil Code). In other words, the mere granting of the judicial reorganization petition could never constitute grounds for the liquidation of these instruments, especially in an immediate way.

92. In this regard, when providing the information requested by the Superior Court of Justice in the Conflict of Jurisdiction proceeding No. 168.425/RJ, this Court highlighted that the "*authorization for liquidation of the Court bonds posted by the companies undergoing judicial reorganization with the court of the individual execution, with the direct payment to bankruptcy creditors, out of the collective proceeding, in the reasoning of this Court, goes against the system of the judicial reorganization proceeding*" (doc. 13). And, in recognizing the jurisdiction of this Court, the Second Division of the STJ endorsed the reasoning of this Court, by stating in its judgment that the "*referred construction is in line with Section 49, §1, of Law No. 11.101/2005*" (doc. 14).

93. Not to mention the impact the immediate liquidation of surety bonds and performance bonds would have on the relationship between Grupo Oi and guarantee institutions, since it may prevent Petitioners from signing new insurance agreements, thus considerably reducing the revenues of Grupo Oi and ultimately causing the entire operation to become unfeasible.

94. Consequently, Petitioners trust that, henceforth, as was the case in the 1st JR, this Court will recognize that surety bonds and performance bonds cannot be liquidated and/or executed solely due to the filing of this judicial reorganization petition.

(B) Indispensable preservation of the attachment control system in tax foreclosures

95. In its initial petition, ID No. 44058642, Grupo Oi requested that the order entered by this Court in the 1st JR proceedings as to the Concerted Act be upheld, so that the decision entered on pp. 527.093/527.113 of the 1st JR proceedings (ID No. 44066364) remains in force, which established the system for controlling attachments determined by tax foreclosure courts.

96. Nonetheless, this Court postponed the analysis of the petition, stating that it should be performed at the time the decision granting the judicial recovery is entered. Without prejudice to the interlocutory appeal filed against this part of the decision,[33] Petitioners once again request that this Court ratify the decision entered on pp. 527.093/527.113 of the 1st JR proceedings, in line with the judgment of the 1st JR proceedings, which even determined that a notice be issued to all courts about the preservation of the attachment control system in tax foreclosures.

97. It should be noted that, in view of the remarkable success of the attachment control systems implemented for the settlement of out-of-court claims, this Court entered the abovementioned decision, which established a new system, similar to the previous one, specifically for the control of restrictive acts determined by tax foreclosure courts, in view of the amendments introduced by Law No. 14.112/2020.

98. According to this new system, for claims up to BRL 20,000.00, online attachments may be carried out over certain bank accounts,[34] whereas for claims for BRL 20,000.00 or more, such attachments must be levied on the assets not

[33] Interlocutory appeal No. 0007092.24.2023.8.19.0000 (doc. 15).

[34] Banco Itaú Unibanco 341, Ag. 0654, CC 40477/1 – Oi S.A.; Banco Itaú Unibanco 341, Ag 0654, CC. 50828/2 – Oi Móvel S.A.; and Banco Itaú Unibanco 341, Ag 0911, CC. 20013/7 – Telemar Norte Leste S.A.

committed to the JRP and the AJRP, listed on pp. 525.721/526.997 of the 1st JR proceedings, at the discretion of the enforcement court, in line with Section 6, §7B, of the LRF.

99. It is worth mentioning that, in the 1st JR, no creditor or interested party was opposed to the established system, whose undeniable success made it possible to post bonds in several tax foreclosures, in an orderly manner and without affecting the cash flow of those companies. For no other reason, this system was reaffirmed by this Court in the judgment of the 1st JR, under the condition that its validity should last until the judgment became final and unappealable (ID No. 44066366).

100. Although the judgment of the 1st JR is not final and unappealable yet, it is necessary to mitigate the risk of any misconstruction on the part of tax courts whereby any future decision (or omission on the part of this court) entered at a later time would cause the effects of the established system to cease. After all, this is an essential measure for the preservation of the cash flow of Grupo Oi, insofar as, since the conclusion of the 1st JR, the Brazilian Treasury has already filed several attachment petitions over financial assets for amounts much higher than BRL 20,000.00.

101. In the case at hand, due to Petitioners' undeniable national presence and in view of the number of tax foreclosures, the subsequent control of the attachments determined may not be enough to preserve the cash flow necessary for the regular performance of their activities.

102. Should the attachment of the financial assets of Grupo Oi be indiscriminately determined, the cash flow of Petitioners will be dragged into court-ordered accounts that will be kept as collateral for tax debts, which will directly affect all the creditors that are subject to this new judicial reorganization.

103. Furthermore, in view of the undeniable success of the attachment system in tax foreclosures, established by this Court within the scope of the 1st JR, there is no doubt that extending its effects to executions of private out-of-court claims is consistent with the need to preserve the cash flow of Grupo Oi. Despite the jurisdiction of this Court to decide over the determined attachment orders in advance, applying the system to execute private claims would not only turn the posting of bonds with the different courts more expeditious, but it would also reduce the number of attachment petitions received by the Clerk's offices.

104. That is because, in the executions of out-of-court claims for more than BRL 20,000, courts may determine that attachments be placed on assets already individualized by this Court, which will allow the exercise of the right of defense without risk of any restrictions on financial assets and, at the same time, it will allow

to post bonds in Court in an efficient and quick way.

105. In other words, maintaining the system proves to be necessary to avoid the impact on the net cash flow of the Company, as well as to allow the regular implementation of its Strategic Plan, which will reflect on the success of the new judicial reorganization proceeding of Grupo Oi.

106. Therefore, in order to preserve the successful outcome of the new judicial reorganization proceeding, Grupo Oi requests that this Court order the maintenance of the system of prior control of restrictive acts against Petitioners' assets, applying it also to executions of out-of-court claims, so that attachments for the settlement of public and private claims for more than BRL 20,000.00 may be placed only on the assets previously approved by this bankruptcy Court (pp. 525.721/526.997 of the 1st JR), and that claims up to BRL 20,000.00 be settled through online attachments on the accounts previously pointed out.

XI. CONCLUSION AND PRAYER FOR RELIEF

107. Wherefore, Grupo Oi respectfully requests that this Court accept this amendment to the initial petition, substantially confirming the decision that granted the provisional remedy, including an express declaration of the jurisdiction of this Court, the standing of Grupo Oi and the joinder of plaintiffs, so that the judicial reorganization petition of Oi, PTIF and Oi Coop be granted under procedural consolidation, upon fulfillment of the legal requirements.

108. In this regard, pursuant to Sections 6 and 52 of the LRF, Petitioners further request that this Court:

i. order the immediate stay of all existing actions and executions against Petitioners, as provided for in Section 6 of the LRF;

ii. confirm the appointment of the court trustees, Wald Administração de Falências e Empresas em Recuperação Judicial Ltda. and K2 Consultoria Econômica;

iii. grant an exemption to submit certificates of good standing for Petitioners to carry out their activities, claim the tax benefits and special regimes to which they are entitled, and regularly participate in bidding processes;

iv. summon the Public Prosecutor's Office and send a letter notifying the granting to the Federal, State (of all the states of the Federation), and Municipal Public Treasuries (in the cities where the branches of Grupo Oi are located), in view of the national presence of Petitioners, under Section 52, item V, of the LRF;

v. order the issuance of the public notice referred to in Section 52, §1, of the LRF and;

vi. declare that all claims existing up to this date be subject to this judicial reorganization, pursuant to Section 49 of the LRF.

109. Furthermore, Grupo Oi once again requests that this Court:

i. expressly authorize the processing of this judicial reorganization under substantive consolidation, regardless of a general meeting being held, upon fulfillment of the requirements set forth in Section 69-J of the LRF;

ii. order the maintenance of the surety bonds and performance bonds posted by third parties in favor of Petitioners, and consequently the prohibition to liquidate and/or execute such guarantee instruments for proceedings;

iii. uphold the decision entered by this Court under the 1st JR as to the Concerted Act for the decision entered on pp. 527.093/527.113 of the 1st JR proceeding to remain in force, covering the executions of private out-of-court claims, so that, in relation to the guarantee of any and all executions, by any Federal or State Court in the country, in the case of claims up to BRL 20,000.00, online attachments may be placed on the accounts previously pointed out[35], whereas in the case of claims for BRL 20,000.00 or more, such attachments must be placed on the assets not committed to the JRP and the AJRP, listed on pp. 525.721/526.997 of the 1st JR proceeding, at the discretion of the enforcement court, and;

iv. authorize that the list of private assets of Petitioners' directors, their employees' information and the updated statements of Petitioners' bank accounts and financial investments be submitted through an autonomous petition, be confidentially kept and be duly safeguarded with the Clerk's office of this Court.

110. Petitioners undertake to promptly submit any other documents that may be necessary, as well as to rectify the information and statements included in this document and in the initial petition for provisional remedy. Grupo Oi further declares it is aware of the need to render monthly accounts.

111. Moreover, Petitioners state that the judicial reorganization plan will be presented within 60 (sixty) days from the date of the notice of the decision granting

[35] Banco Itaú Unibanco 341, Ag. 0654, CC 40477/1 – Oi S.A.; Banco Itaú Unibanco 341, Ag 0654, CC. 50828/2 – Oi Móvel S.A.; and Banco Itaú Unibanco 341, Ag 0911, CC. 20013/7 – Telemar Norte Leste S.A.

the judicial reorganization. Lastly, Petitioners request that this Court grant the judicial reorganization should the creditors not oppose to the plan to be presented, pursuant to Section 55 of the LRF, or should it be approved either by the General Meeting of Creditors, in accordance with Section 45, 45-A of the LRF, or as provided for in Section 58, §1, of the LRF.

112. Finally, Grupo Oi once again requests that all publications and notices of procedural acts be jointly addressed to **(i)** Sérgio Savi (sergio.savi@bmalaw.com.br), registered with the OAB/RJ [Brazilian Bar Association/State of Rio de Janeiro] under No. 106.962, with offices at Largo do Ibam, No. 1, 3rd Floor, Humaitá, Rio de Janeiro/State of Rio de Janeiro; **(ii)** Ana Tereza Basilio (intimacao@basilioadvogados.com.br), registered with the OAB/RJ under No. 74.802, with offices at Avenida Presidente Wilson, No. 210, 11th and 12th Floors, Downtown, Rio de Janeiro/State of Rio de Janeiro and; **(iii)** Luis Felipe Salomão Filho (luis.salomao@salomaoadv.com.br), registered with the OAB/RJ under No. 234.563, with offices at Avenida Almirante Barroso, No. 52, 31st Floor, Downtown, Rio de Janeiro/State of Rio de Janeiro, **under penalty of nullity**.

113. The amount in dispute is BRL 43,704,638,518.15 (forty-three billion, seven hundred four million, six hundred thirty-eight thousand, five hundred eighteen Brazilian Reals and fifteen cents).

Respectfully submitted,

Rio de Janeiro, March 1, 2023.

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Sérgio Savi OAB/RJ No. 106.962	Ana Teresa Basilio OAB/RJ No. 74.802
José Roberto de Albuquerque Sampaio OAB/RJ No. 69.747	Luis Felipe Salomão Filho OAB/RJ No. 234.563
Paulo Cesar Salomão Filho OAB/RJ No. 129.234	Rodrigo Figueiredo da Silva Cotta OAB/RJ No. 168.001

Rodrigo Cunha Mello Salomão

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