



2Q23

**earnings**

release

OI**FIBRA**

has the most  
satisfied customers



## BRAZILIAN OPERATIONS 2Q23 HIGHLIGHTS

- **New Oi revenues excluding legacy grew 10.5% YoY**, with Oi Fibra expanding 15.3% YoY and Oi Soluções, 2.8% YoY
- **Efficiency measures ensured continuous cost reduction**, even when comparing with periods after the sale of the UPI Mobile. When excluding fiber growth costs (rent & insurance) the **Opex fell 22.4% YoY**
- **Expressive Capex reduction of 74,5% YoY** supported by new fiber operating model and more efficient allocation
- **Cash-in of the DIP loan's first tranche**, reinforcing Oi's cash position

### \_ HOMES CONNECTED

**4.1** million  
10% YoY

### \_ OI FIBRA REVENUE

R\$ **1.1** billion  
15% YoY

### \_ OPEX+CAPEX EFFICIENCY

**-24%** YoY

### \_ CASH POSITION

R\$ **2.6** billion  
+41% QoQ

## BRAZILIAN OPERATIONS 2Q23 HIGHLIGHTS

R\$ mn	2Q23	2Q22 <sup>1</sup>	Δ YoY	1Q23	Δ QoQ	6M23	6M22 <sup>2</sup>	Δ YoY
<b>New Oi Net Revenue</b>	<b>2,168</b>	<b>2,237</b>	-3.1%	<b>2,227</b>	-2.7%	<b>4,395</b>	<b>4,362</b>	0.8%
<i>Revenue Ex-Legacy</i>	1,918	1,735	10.5%	1,915	0.1%	3,833	3,269	17.2%
<b>Routine EBITDA</b>	<b>129</b>	<b>384</b>	-66.5%	<b>193</b>	-33.4%	<b>322</b>	<b>1,604</b>	-79.9%
<i>Margin Routine EBITDA</i>	5.3%	14.0%	-8.7 pp	7.7%	-2.4 pp	6.5%	22.5%	-16.0 pp
<b>Capex</b>	<b>263</b>	<b>1,032</b>	-74.5%	<b>219</b>	19.9%	<b>482</b>	<b>2,688</b>	-82.1%
<b>Routine EBITDA - Capex</b>	<b>(134)</b>	<b>(647)</b>	-79.3%	<b>(26)</b>	416.9%	<b>(160)</b>	<b>(1,083)</b>	-85.2%
<b>Net Debt (fair value)</b>	<b>21,198</b>	<b>16,123</b>	31.5%	<b>20,940</b>	1.2%	<b>21,198</b>	<b>16,123</b>	31.5%
<b>Cash Position</b>	<b>2,550</b>	<b>5,031</b>	-49.3%	<b>1,807</b>	41.1%	<b>2,550</b>	<b>5,031</b>	-49.3%

Note: (1) Considers the result of UPI InfraCo (until May 2022); (2) Considers the result of UPI Mobile Assets (until March 2022) and UPI InfraCo (until May 2022).

**In 2Q23, New Oi reported annual net revenue growth of 10.5%, excluding legacy revenue. This performance was supported by Oi Fibra, which maintained a double-digit expansion pace in the same period of comparison.**

The Company continued executing important operational efficiency initiatives, delivering significant reductions in Opex and Capex, which together fell 32.4% YoY.

## NET REVENUE

R\$ mn	2Q23	2Q22 <sup>1</sup>	Δ YoY	1Q23	Δ QoQ	6M23	6M22 <sup>2</sup>	Δ YoY
<b>Brazil</b>	<b>2,434</b>	<b>2,740</b>	-11.2%	<b>2,505</b>	-2.8%	<b>4,939</b>	<b>7,124</b>	-30.7%
New Oi	2,168	2,237	-3.1%	2,227	-2.7%	4,395	4,362	0.8%
Oi Fibra	1,104	958	15.3%	1,103	0.1%	2,207	1,871	18.0%
Oi Soluções	705	686	2.8%	701	0.6%	1,405	1,306	7.6%
Legacy	250	502	-50.3%	312	-19.8%	562	1,092	-48.6%
Subsidiaries <sup>3</sup>	109	92	19.0%	112	-2.2%	221	93	138.4%
Discontinued Oper. or Held for Sale <sup>2</sup>	267	503	-46.9%	278	-4.1%	545	2,762	-80.3%

Note: (1) Considers the result of UPI InfraCo (until May 2022); (2) Considers the results of UPI Mobile Assets (until March 2022) and UPI InfraCo (until May 2022); (3) With the conclusion of the sale of UPI InfraCo, Serede's result related to services provided for V.tal loses the intercompany effect and is no longer eliminated, being now recognized in both Oi's consolidated revenue and expense, therefore impacting annual comparisons.

**New Oi reported net revenue of R\$2.2 billion in 2Q23, down by 3.1% from the same period in 2022.** The performance was the result of the accelerated decline in legacy services revenue (-50.3% | -R\$253 million), which outpaced the expansion of core services, such as Oi Fibra (+15.3% YoY | +R\$146 million) and Oi Soluções (+2.8% YoY | +R\$19 million).

The total net revenue decline of the Brazilian operation (11.2% YoY) was mainly due to the asymmetric comparison between the periods as the results of InfraCo were consolidated until the divestment of this UPI on June 9, 2022.

## **OI FIBRA**

Fiber Highlights	2Q23	2Q22	Δ YoY	1Q23	Δ QoQ	6M23	6M22	Δ YoY
Oi Fibra Net Revenue (R\$ mn)	1,104	958	15.3%	1,103	0.1%	2,207	1,871	18.0%
ARPU (R\$/mo)	90.7	88.6	2.4%	92.4	-1.8%	91.6	88.3	3.7%
Homes Connected ('000)	4,059	3,678	10.4%	4,000	1.5%	4,059	3,678	10.4%
Net Adds ('000)	60	144	-58.6%	89	-33.5%	149	298	-49.9%
Take-up	18.9 %	21.8 %	-2.9 pp	19.3 %	-0.4 pp	18.9 %	21.8 %	-2.9 pp
Fiber Market Share <sup>1</sup>	17.8 %	19.1 %	-1.4 pp	17.8 %	0.0 pp	17.8 %	19.1 %	-1.4 pp

Note: (1) Oi's market share in fiber broadband in its coverage area, excluding São Paulo. Source: Anatel.

**Oi Fibra grew 15.3% YoY, closing 2Q23 with R\$1.1 billion in net revenue, maintaining double-digit growth, a positive performance reiterated for more than 20 consecutive quarters.**

The increase in the fiber access base continued to be the main driver of New Oi's revenues. In 2Q23, the total number of homes connected registered +60 thousand accesses QoQ.

This evolution reflects a progressive focus on the quality and profitability of the customer base in a market with slowed demand due to the more challenging macroeconomic scenario. These efforts have already delivered an improvement in churn and indicators that reflect the quality of new additions.

The average monthly revenue per user (ARPU) also continued to positively evolve, in parallel with the increase in customers, due to the growing offer of plans with higher speeds, resulting in an expansion of 2.4% YoY in this indicator.

With customer-centric approach, the Company also launched a new portfolio for Oi Fibra this quarter, aiming to increase gross additions. The new products offer a variety of customized fiber connectivity packages to meet customer's specific demands.

## The new **Oi Fibra** portfolio brings tailored solutions and customer-centered value proposition

### OI DEDICADO (B2B)

**Solution for small businesses** with high-performance level and exclusive Internet Protocol (IP)

### OI FIBRA +NEGÓCIO (B2B)

**Plans for small businesses** with broadband and wireline, with special customer service and a partnership with PagSeguro

### OI FIBRAX PREMIUM

**Oi FibraX with a speed of 1gbps**

### OI FIBRAX

**Offer providing enhanced connectivity throughout the residence and differentiated customer support**

### OI FIBRA

**Core offer** with high-speed connections for streaming content consumption

### OI FIBRA START

Basic internet consumption, with a **speed of 100mbps** and **fully digital support**

## **OI SOLUÇÕES**

R\$ mn	2Q23	2Q22	Δ YoY	1Q23	Δ QoQ	6M23	6M22	Δ YoY
Oi Soluções Net Revenue	705	686	2.8%	701	0.6%	1,405	1,306	7.6%
ICT	171	124	38.4%	154	11.3%	325	230	41.7%
% ICT / Total	24.3%	18.1%	6.3 pp	22.0%	2.3 pp	23.1%	17.6%	5.6 pp
Telecom	307	331	-7.3%	322	-4.6%	629	669	-6.0%
Other	226	230	-1.8%	225	0.7%	451	407	10.6%

**Oi Soluções reported net revenue of R\$705 million in 2Q23, a YoY growth of 2.8%.** ICT services accounted for 24.3% of revenues and grew 38.4%, leading to another quarter of annual growth in this business unit. Oi Soluções' operations are structured in the following areas: (i) Legacy; (ii) Unified communication and collaboration; (iii) Software-based Networking Technologies (SD-WAN); (iv) Security; (v) Managed services; (vi) Cloud; and (vii) Digital products.

In 2Q23, the higher share of ICT applications over the revenue mix had a strong contribution from unified communication and collaboration services, which doubled their relevance in the annual comparison, in addition to the significant acceleration of IoT and Cloud services.

In July 2023, Oi Soluções announced an important partnership with the government of Mato Grosso, after winning a public auction for the deployment and management of a dedicated optical network in that state, with approximately 2,300 points.

## **LEGACY, SUBSIDIARIES & DISCONTINUED OPERATIONS**

R\$ mn	2Q23	2Q22 <sup>1</sup>	Δ YoY	1Q23	Δ QoQ	6M23	6M22 <sup>2</sup>	Δ YoY
Legacy	250	502	-50.3%	312	-19.8%	562	1,092	-48.6%
Wireline Voice	186	368	-49.4%	230	-19.1%	416	799	-47.9%
Other	64	135	-52.6%	82	-21.9%	145	293	-50.3%
Subsidiaries <sup>3</sup>	109	92	19.0%	112	-2.2%	221	93	138.4%
Discontinued Oper. or Held for Sale <sup>2</sup>	267	503	-46.9%	278	-4.1%	545	2,762	-80.3%
<i>Of which DTH TV</i>	267	312	-14.6%	278	-4.1%	545	643	-15.3%

Note: (1) Considers the result of UPI InfraCo (until May 2022); (2) Considers the resultS of UPI Mobile Assets (until Mar 2022) and UPI InfraCo (until May 2022); (3) With the conclusion of the sale of UPI InfraCo, Serede's result related to services provided for V.tal loses the intercompany effect and is no longer eliminated, being now recognized in both Oi's consolidated revenue and expense, therefore impacting annual comparisons.

**Legacy services reported revenues of R\$250 million, down 50.3% YoY.** This was caused by the proportional reduction in copper-based services customer base, due to the structural transformation of the sector and the obsolescence perceived by customers of wireline voice and xDSL broadband. The challenge for this segment continues to be the implementation of efficiency measures given the need for regulatory flexibility in the concession contract.

**Net revenue from subsidiaries totaled R\$109 million in 2Q23.** The result was mostly driven by Serede's performance, with the drop in the quarterly comparison due to lower maintenance services in V.tal's plant. YoY, the positive performance reflects the differences between the comparative bases given that Serede's revenues with V.tal only impact the Company's results after the conclusion of the sale of the fiber infrastructure operation in June 2022.

**Revenues from discontinued operations or held for sale reached R\$267 million in the quarter.** The segment was impacted by the change in the operating model, with the sale of the fiber infrastructure in 2Q22, and the reduction in DTH TV revenue. Similarly to the legacy's dynamic, the 14.6% YoY drop in DTH TV revenue was driven by the reduced customer base, as a result of sector transformations, such as the replacement of traditional TV services with content streaming services.

## ROUTINE COSTS AND EXPENSES

R\$ mn	2Q23	2Q22 <sup>1</sup>	Δ YoY	1Q23	Δ QoQ	6M23	6M22 <sup>2</sup>	Δ YoY
Brazil	(2,306)	(2,356)	-2.1%	(2,312)	-0.3%	(4,618)	(5,519)	-16.3%
Personnel	(496)	(507)	-2.1%	(500)	-0.9%	(996)	(1,023)	-2.7%
Interconnection	(19)	(53)	-64.4%	(19)	-1.9%	(38)	(138)	-72.6%
Third-Party Services	(821)	(1,001)	-18.0%	(974)	-15.7%	(1,795)	(2,296)	-21.8%
Network Maintenance	(120)	(139)	-13.5%	(140)	-14.4%	(260)	(338)	-23.1%
Marketing	(68)	(93)	-26.7%	(62)	9.9%	(130)	(163)	-20.1%
Rental and Insurance	(976)	(643)	51.8%	(861)	13.3%	(1,838)	(1,301)	41.3%
Bad Debt	(75)	(54)	37.9%	(39)	93.6%	(114)	(138)	-17.4%
Contingencies, Taxes and Other	269	133	101.6%	284	-5.2%	545	(103)	-628.6%

Note: (1) Considers the result of UPI InfraCo (until May 2022); (2) Considers the result of UPI Mobile Assets (until March 2022) and UPI InfraCo (until May 2022).

**Routine opex totaled R\$2.3 billion in 2Q23, down by 2.1% YoY and by 0.3% QoQ.** Excluding the impact of the new fiber model, reflected in the increase in rental and insurance costs – which was more than offset by the reduction in capex – opex would have decrease 22.4% YoY in 2Q23. This evolution was the result of the continuity of efficiency measures that have been implemented.

**Personnel expenses totaled R\$496 million in the quarter, down 2.1% YoY and 0.9% QoQ.** The reduction was explained by the restructuring of the Company's staff, resulting in a 4.2% decrease in recurring salaries and benefits expenses. There was also a negative impact in the quarter due to the inflation adjustment, resulting from the collective agreement, with an impact on the related balance sheet accounts.

**Interconnection costs totaled R\$19 million in 2Q23, dropped 64.4% YoY and 1.9% QoQ.** The YoY decline was mainly due to lower traffic resulting from the reduction in the copper base.

**Third-party services totaled R\$821 million in 2Q23, down 18.0% YoY and 15.7% QoQ.** The YoY drop was caused by (i) a 64.4% decrease in the energy line, positively impacted by efficiency initiatives; (ii) a 35.2% reduction in costs related to specialized services, resulting from contractual revisions of outsourced services; and (iii) a 15.6% decrease in content acquisitions, due to the reduction of DTH TV customer base and contractual renegotiations.

**Network Maintenance Services closed the quarter at R\$120 million, down 13.5% YoY and by 14.4% QoQ.** The YoY decline was due to lower costs in network management, stemming from the asset sales in the period.

**Advertising and marketing expenses ended 2Q23 at R\$68 million, 26.7% decrease YoY and up 9.9% QoQ.** The YoY reduction is a result of efficiency measures intensified after the sale of the mobility operation. The current dynamics were directed towards institutional campaign advertising on TV, which reinforces the high satisfaction of Oi Fibra customers.

**Rental and insurance totaled R\$976 million, up 51.8% YoY and 13.3% QoQ.** The growth is related to the evolution of the fiber base along with the transition to the new operating model based on the rental of the V.tal network, positively compensated for the reduction in Capex and better profile of operating cash generation. Regarding the YoY comparison, it is worth noting that 2Q22 was impacted by only one month under this new operational model.

**Bad debt provisions reached R\$75 million in 2Q23,** increasing in both the YoY and QoQ comparisons. The result was due to the growth of the fiber customer base combined with a worse macroeconomic scenario. The company continues to implement reinforcement measures to reduce bad debt, through its credit models, and remains qualifying the incoming base, which contributes to the mitigation of delinquency. In 2Q23, the bad debt provision represented 2.3% of total gross revenues. The comparison was also affected by the positive impact of one-off recoveries that occurred in the previous period. Bad debt ended the first half representing 1.7% of total gross revenue (-0.2 p.p. YoY).

**Contingencies, taxes, and others totaled a positive amount of R\$269 million.** In 2Q22, the positive dynamics of this line were impacted by the appropriation of Fundação Sistel receivable, resulting from the Company's share in the distribution of the pension fund's surplus.

***YoY cost reduction ensured by intensive efficiency initiatives, offsetting the higher volume of expenses for Fiber expansion.***

**-22.4% YoY**  
excluding rental  
and insurance



**-2.1% YoY**  
reduction in total  
costs



## FROM EBITDA TO NET INCOME

R\$ mn	2Q23	2Q22 <sup>1</sup>	Δ YoY	1Q23	Δ QoQ	6M23	6M22 <sup>2</sup>	Δ YoY
<b>Routine EBITDA</b>	<b>133</b>	<b>388</b>	-65.8%	<b>234</b>	-43.1%	<b>367</b>	<b>1,641</b>	-77.7%
Brazil	129	384	-66.5%	193	-33.4%	322	1,604	-79.9%
<i>Margin</i>	5.3%	14.0%	-8.7 pp	7.7%	-2.4 pp	6.5%	22.5%	-16.0 pp
International Operations	4	4	6.8%	41	-89.2%	45	36	24.3%
<i>Margin</i>	22.1%	13.7%	8.4 pp	131%	-109 pp	88.6%	58.5%	30.2 pp
Non-routine items	(91)	8,012	-101.1%	(17)	426.3%	(108)	7,855	-101.4%
<b>EBITDA</b>	<b>42</b>	<b>8,400</b>	-99.5%	<b>216</b>	-80.6%	<b>258</b>	<b>9,495</b>	-97.3%
Brazil	38	8,396	-99.6%	176	-78.6%	213	9,459	-97.7%
<i>Margin</i>	1.5%	306%	-305 pp	7.0%	-5.5 pp	4.3%	133%	-128 pp
International Operations	4	4	6.8%	41	-89.2%	45	36	24.3%
<i>Margin</i>	22.1%	13.7%	8.4 pp	131%	-109 pp	88.6%	58.5%	30.2 pp
Depreciation and Amortization	(308)	(1,036)	-70.3%	(319)	-3.5%	(627)	(2,019)	-68.9%
<b>EBIT</b>	<b>(266)</b>	<b>7,364</b>	-103.6%	<b>(103)</b>	159.0%	<b>(369)</b>	<b>7,476</b>	-104.9%
Net Financial Income (Expenses)	(565)	(3,139)	-82.0%	(1,148)	-50.8%	(1,713)	(1,266)	35.3%
Income Tax and Social Contribution	(14)	(4,722)	-99.7%	(16)	-17.4%	(30)	(5,085)	-99.4%
<b>Net Income (Loss)</b>	<b>(845)</b>	<b>(497)</b>	69.9%	<b>(1,267)</b>	-33.4%	<b>(2,112)</b>	<b>1,126</b>	-287.5%

Note: (1) Considers the result of UPI InfraCo (until May 2022); (2) Considers the result of UPI Mobile Assets (until March 2022) and UPI InfraCo (until May 2022).

**In 2Q23, routine EBITDA of Brazilian operations totaled R\$129 million, down posting reductions in the annual and quarterly comparisons, impacted by the sale of UPI InfraCo in June 2022, reflecting the growth in network rental costs that support the growth of the fiber operation. The result was also affected by rising expenses to maintain the legacy operation, whose revenues have been decelerating faster than its costs, due to limitations on efficiency actions stemming from regulatory obligations.**

Non-routine items reached R\$91 million in 2Q23 and primarily refer to the net impact of revenues and expenses associated with operations related to the migration of mobile SPEs to their respective buyers.

### Depreciation and Amortization

**Depreciation and amortization expenses totaled R\$308 million in the quarter, down 70.3% YoY and 3.5% QoQ. The YoY variation was due to the reduction of the asset base given the impairment associated with legacy services in 4Q22.**

## Financial Result

R\$ mn	2Q23	2Q22 <sup>1</sup>	Δ YoY	1Q23	Δ QoQ	6M23	6M22 <sup>2</sup>	Δ YoY
Net Financial Income (Expenses)	(565)	(3,139)	-82.0%	(1,148)	-50.8%	(1,713)	(1,266)	35.3%
Net Interest	(489)	(703)	-30.5%	(510)	-4.2%	(999)	(1,602)	-37.7%
Amortization of Fair Value Adjust.	(57)	(531)	-89.3%	(174)	-67.5%	(231)	(290)	-20.4%
FX Result	569	(1,003)	-156.7%	283	101.2%	852	1,356	-37.2%
Other Financial Income/Expenses	(589)	(902)	-34.7%	(747)	-21.2%	(1,335)	(729)	83.1%

Note: (1) Considers the result of UPI InfraCo (until May 2022); (2) Considers the result of UPI Mobile Assets (until March 2022) and UPI InfraCo (until May 2022).

**The net financial result came in as an expense of R\$565 million in 2Q23.** In the annual comparison, despite the accrual of interest related to the first tranche of the debtor-in-possession (DIP) financing received in early June 2023, net interest expenses fell because of lower indebtedness, due to prepayments made in early 2Q22 after the conclusion of asset sales. Other lines were positively impacted by the exchange rate variation, due to the appreciation of the real against the dollar in 2Q23 (5.14%), compared to the strong depreciation of the real in 2Q22 (10.6%).

In the QoQ comparison, the reduction in expenses was driven by the exchange rate results and other lines, both benefiting from a more favorable exchange rate variation, with the appreciation of the Brazilian real, which in turn contributed to higher financial revenues and lower onerous liabilities linked to the U.S. dollar.

## CASH FLOW, INVESTMENTS AND INDEBTEDNESS

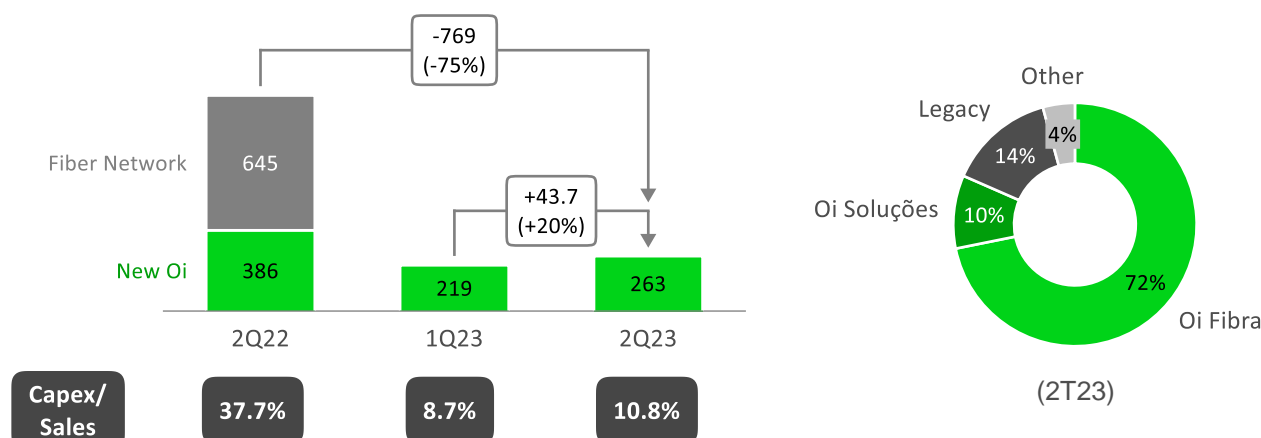
### Operating Cash Flow

R\$ mn	2Q23	2Q22 <sup>1</sup>	Δ YoY	1Q23	Δ QoQ	6M23	6M22 <sup>2</sup>	Δ YoY
Routine EBITDA	129	384	-66.5%	193	-33.4%	322	1,604	-79.9%
Capex	263	1,032	-74.5%	219	19.9%	482	2,688	-82.1%
New Oi	263	386	-32.0%	219	19.9%	482	731	-34.1%
Fiber network	-	645	-100.0%	-	n/a	-	1,956	-100.0%
<b>Operating Cash Flow (Brazil)</b>	<b>(134)</b>	<b>(647)</b>	<b>-79.3%</b>	<b>(26)</b>	<b>416.9%</b>	<b>(160)</b>	<b>(1,083)</b>	<b>-85.2%</b>

Note: (1) Considers the result of UPI InfraCo (until May 2022); (2) Considers the result of UPI Mobile Assets (until March 2022) and UPI InfraCo (until May 2022).

**In the YoY comparison, operating cash flow had a lower consumption level, leveraged by the significant drop in Capex, closing the quarter at R\$134 million.** Year-to-date, the reduction in Operating Cash Flow consumption reached R\$923 million. The Company continues to implement efficiency measures to optimize operating cash flow.

## Capex



**Capex reached R\$263 million in 2Q23**, with core operations accounting for more than 80% of the total. In the YoY comparison, the significant reduction was due to the implementation of the new operational model in the fiber segment and continuous improvements in the investment allocation model, enabling even more efficient consumption. The sequential increase was due to the typical seasonality of the 1Q, which usually registers lower investment levels. This increase was mainly concentrated in the fiber segment, with almost half of this growth attributed to a higher volume of ONTs to support the positive evolution of homes connected.

## Debt and Liquidity

R\$ mn	2Q23	2Q22 <sup>2</sup>	Δ YoY	1Q23	Δ QoQ
Short-term	2,072	382	441.8%	1,592	30.1%
Long-term	21,676	20,772	4.4%	21,154	2.5%
<b>Gross Debt (fair value)<sup>1</sup></b>	<b>23,748</b>	<b>21,154</b>	<b>12.3%</b>	<b>22,747</b>	<b>4.4%</b>
Local Currency Exposure	7,812	6,429	21.5%	7,461	4.7%
Foreign Currency Exposure	15,935	14,760	8.0%	15,285	4.2%
Swap	2	(35)	-104.7%	-	n/a
<b>Cash Position</b>	<b>2,550</b>	<b>5,031</b>	<b>-49.3%</b>	<b>1,807</b>	<b>41.1%</b>
<b>Net Debt (fair value)<sup>1</sup></b>	<b>21,198</b>	<b>16,123</b>	<b>31.5%</b>	<b>20,940</b>	<b>1.2%</b>

Note: (1) The face value of debt is recorded at amortized cost – the Fair Value Adjustment recorded at the time of debt restructuring (in February 2018) is amortized in equal installments over the debt's life. Discount rates vary between 12% and 15%; (2) Cash and debt consider continued and discontinued operations (the total of assets and liabilities from these operations are accounted under operations for sale in a consolidated manner).

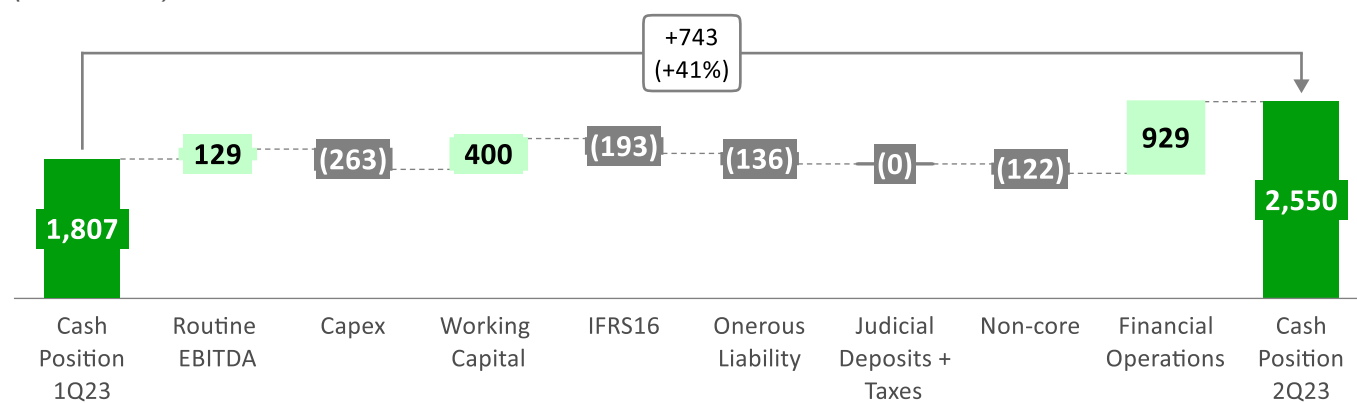
**Gross debt reached a balance of R\$23.7 billion in 2Q23, up by 12.3% YoY and by 4.4% QoQ.** The increase in both periods was mainly due to the receipt of the first tranche of the debtor-in-possession (DIP) financing, totaling US\$200 million, partially offset by the positive impact of the exchange rate variation in the annual comparison. In 2Q23, foreign currency-denominated debt accounted for 67.1% of the total.

## Debt by Instrument

R\$ mn (2Q23)	Face Value	Fair Value Adjustment	Fair Value
Local Banks	11,185	(3,430)	7,754
ECAs	8,555	(3,805)	4,750
Qualified Bonds	8,815	(336)	8,479
Facility "Non Qualified"	532	(102)	431
General Offering	5,186	(3,862)	1,324
DIP	1,006	-	1,006
2026 Bond	44	-	44
Other	(40)	-	(40)
<b>Gross Debt</b>	<b>35,283</b>	<b>(11,535)</b>	<b>23,748</b>

## Cash Balance

(R\$ million)



The Company ended the quarter with a consolidated cash balance of R\$2.6 billion, up by 41% over 1Q23. Working capital was positive, totaling R\$400 million in 2Q23, positively impacted by the retention of payments resulting from the court-supervised reorganization process, as well as lower personnel expenses, partially offset by non-cash effects on EBITDA. Leases (IFRS 16), mainly related to the concession's infrastructure, totaled R\$193 million in 2Q23, in line with the previous quarter. Onerous liabilities, related to satellite contracts, represented a total expense of R\$136 million in the quarter, slightly lower than in the previous period.

Fees and Judicial Deposits did not present a cash impact in the period, benefiting from the judicial reorganization process.

Financial operations contributed R\$929 million to the final balance, due to the cash inflow from the first tranche of the debtor-in-possession (DIP) financing, totaling US\$200 million.

Non-core operations resulted in a consumption of R\$122 million in 2Q23, mostly impacted by the amortization of the debt with Anatel (R\$91 million), which, until 1Q23, had been offset by judicial deposits.

## Complementary Information (Oi S.A. Consolidated)

## INCOME STATEMENT

R\$ mn	2Q23	2Q22 <sup>1</sup>	Δ YoY	1Q23	Δ QoQ	6M23	6M22 <sup>2</sup>	Δ YoY
<b>Net Revenue</b>	<b>2,454</b>	<b>2,770</b>	-11.4%	<b>2,536</b>	-3.2%	<b>4,990</b>	<b>7,185</b>	-30.6%
Brazil	2,434	2,740	-11.2%	2,505	-2.8%	4,939	7,124	-30.7%
New Oi	2,168	2,237	-3.1%	2,227	-2.7%	4,395	4,362	0.8%
Oi Fibra	1,104	958	15.3%	1,103	0.1%	2,207	1,871	18.0%
Oi Soluções	705	686	2.8%	701	0.6%	1,405	1,306	7.6%
Legacy	250	502	-50.3%	312	-19.8%	562	1,092	-48.6%
Subsidiaries	109	92	19.0%	112	-2.2%	221	93	138.4%
Discontinued Oper. or Held for Sale <sup>2</sup>	267	503	-46.9%	278	-4.1%	545	2,762	-80.3%
International Operations	20	30	-33.8%	31	-36.2%	51	62	-18.0%
<b>Routine Oper. Costs and Exp.</b>	<b>(2,321)</b>	<b>(2,382)</b>	-2.5%	<b>(2,302)</b>	0.8%	<b>(4,623)</b>	<b>(5,545)</b>	-16.6%
Brazil	(2,306)	(2,356)	-2.1%	(2,312)	-0.3%	(4,618)	(5,519)	-16.3%
Personnel	(496)	(507)	-2.1%	(500)	-0.9%	(996)	(1,023)	-2.7%
Interconnection	(19)	(53)	-64.4%	(19)	-1.9%	(38)	(138)	-72.6%
Third-Party Services	(821)	(1,001)	-18.0%	(974)	-15.7%	(1,795)	(2,296)	-21.8%
Network Maintenance	(120)	(139)	-13.5%	(140)	-14.4%	(260)	(338)	-23.1%
Marketing	(68)	(93)	-26.7%	(62)	9.9%	(130)	(163)	-20.1%
Rental and Insurance	(976)	(643)	51.8%	(861)	13.3%	(1,838)	(1,301)	41.3%
Bad Debt	(75)	(54)	37.9%	(39)	93.6%	(114)	(138)	-17.4%
Contingencies, Taxes and Other	269	133	101.6%	284	-5.2%	545	(103)	-628.6%
International Operations	(15)	(26)	-40.3%	10	-260.0%	(6)	(26)	-77.5%
<b>Routine EBITDA</b>	<b>133</b>	<b>388</b>	-65.8%	<b>234</b>	-43.1%	<b>367</b>	<b>1,641</b>	-77.7%
Brazil	129	384	-66.5%	193	-33.4%	322	1,604	-79.9%
Margin	5.3%	14.0%	-8.7 pp	7.7%	-2.4 pp	6.5%	22.5%	-16.0 pp
International Operations	4	4	6.8%	41	-89.2%	45	36	24.3%
Margin	22.1%	13.7%	8.4 pp	131%	-109 pp	88.6%	58.5%	30.2 pp
Non-routine items	(91)	8,012	-101.1%	(17)	426.3%	(108)	7,855	-101.4%
<b>EBITDA</b>	<b>42</b>	<b>8,400</b>	-99.5%	<b>216</b>	-80.6%	<b>258</b>	<b>9,495</b>	-97.3%
Depreciation and Amortization	(308)	(1,036)	-70.3%	(319)	-3.5%	(627)	(2,019)	-68.9%
<b>EBIT</b>	<b>(266)</b>	<b>7,364</b>	-103.6%	<b>(103)</b>	159.0%	<b>(369)</b>	<b>7,476</b>	-104.9%
Net Financial Income (Expenses)	(565)	(3,139)	-82.0%	(1,148)	-50.8%	(1,713)	(1,266)	35.3%
<b>Earnings Before Taxes</b>	<b>(831)</b>	<b>4,225</b>	-119.7%	<b>(1,251)</b>	-33.6%	<b>(2,082)</b>	<b>6,211</b>	-133.5%
Income Tax and Social Contribution	(14)	(4,722)	-99.7%	(16)	-17.4%	(30)	(5,085)	-99.4%
<b>Net Income (Loss)</b>	<b>(845)</b>	<b>(497)</b>	69.9%	<b>(1,267)</b>	-33.4%	<b>(2,112)</b>	<b>1,126</b>	-287.5%

Note: (1) Considers the result of UPI InfraCo (until May 2022); (2) Considers the result of UPI Mobile Assets (until March 2022) and UPI InfraCo (until May 2022).

## Complementary Information (Oi S.A. Consolidated)

**BALANCE SHEET**

<i>R\$ mn</i>	2Q23 <sup>1</sup>	2Q22	1Q23
<b>Total Assets</b>	<b>29,437</b>	<b>48,562</b>	<b>28,463</b>
<b>Current Assets</b>	<b>9,313</b>	<b>14,284</b>	<b>8,442</b>
Cash and cash equivalents	2,301	4,826	1,590
Financial Investments	213	196	203
Derivative financial instruments	1	40	-
Accounts receivable	1,977	2,659	2,033
Inventories	249	296	267
Current taxes recoverable	290	306	275
Other taxes	527	459	398
Legal deposits and blocks	535	799	573
Dividends and interest on equity	0	0	0
Assets related to pension funds	1	1	1
Prepaid expenses	1,279	706	1,214
Assets held for sale <sup>1</sup>	815	2,243	789
Other assets	1,125	1,753	1,098
<b>Non-current assets</b>	<b>20,125</b>	<b>34,278</b>	<b>20,020</b>
Securities designated at fair value	10	10	10
Deferred taxes recoverable	324	1,210	324
Other taxes	408	538	526
Legal deposits and blocks	4,364	4,250	4,339
Asset related to pension funds	6	26	6
Prepaid expenses	809	661	821
Other assets	551	376	386
Investments	8,026	8,132	7,997
Fixed assets	5,172	15,514	5,190
Intangible assets	454	3,562	422
<b>Liabilities and unsecured liabilities</b>	<b>29,437</b>	<b>48,562</b>	<b>28,463</b>
<b>Current Liabilities</b>	<b>11,269</b>	<b>8,791</b>	<b>9,907</b>
Suppliers	4,418	3,508	3,515
Labor obligations	471	493	564
Derivative financial instruments	5	4	0
Loans and financing	2,070	417	1,592
Credit assignment	-	82	-
Tax liabilities	11	10	11
Other taxes	509	829	503
Dividends and interest on net equity payable	6	6	6
Authorizations and concessions payable	-	36	44
Lease payable	670	667	668
Tax refinancing program	140	103	140
Provisions	966	676	987
Liabilities related to assets held for sale <sup>1</sup>	23	-	20
Other obligations	1,981	1,961	1,855
<b>Non-current liabilities</b>	<b>42,128</b>	<b>41,219</b>	<b>41,667</b>
Suppliers	528	272	517
Loans and financing	21,676	20,772	21,154
Other taxes	2,364	2,056	2,343
Lease payable	2,494	2,428	2,524
Tax refinancing program	238	132	263
Provisions	3,179	4,192	3,064
Provisions for pension funds	774	879	754
Other obligations	10,874	10,487	11,048
Negative shareholders' equity	(23,960)	(1,448)	(23,112)

Note: (1) Considers the result of UPI InfraCo (until May 2022); (2) Considers the result of UPI Mobile Assets (until March 2022) and UPI InfraCo (until May 2022).

## IMPORTANT AND SUBSEQUENT EVENTS IN THE QUARTER

### Sale of SPE Towers 2 – Telecom Infrastructure Sites of Fixed Operations

On June 12, 2023, the Company informed its shareholders and the market in general that, after the compliance (or temporary waiver) of all contractual precedent conditions and the conditionings established by the Agência Nacional de Telecomunicações – ANATEL, the sale of all shares representing the entire capital stock of Lemvig RJ Infraestrutura e Redes de Telecomunicações S.A. (“SPE Torres 2”), owner of part of the infrastructure of reversible and non-reversible towers of Oi, to NK 108 Empreendimentos e Participações S.A. (“NK 108” and “Operation”), the winner of the competitive procedure carried out on August 22, 2022 within the scope of the first judicial reorganization of the Oi Group. The sale to NK 108 was authorized by the judge of the first judicial reorganization that was terminated in regard of the Brazilian Bankruptcy Law 11.101/05 and in accordance with the Amendment to the Judicial Reorganization Plan confirmed by the 7th Business Court of the Capital of the State of Rio de Janeiro on October 5, 2020.

With the closing of the Operation, NK 108 has paid in cash, on this date, an installment in the amount of BRL 905,106,874.26 to the Company, corresponding the Preliminary Purchase Price subtracted from the deductions and withholdings provided for in Sale and Purchase of Shares Agreement and Other Arrangements referred to the sale of shares representing the capital stock of SPE Torres 2 entered into on December 7, 2022, as amended on this date.

The conclusion of the Operation represents the implementation of another stage of its restructuring process, aiming to ensure a greater financial efficiency and long-term sustainability to the Company, focusing on the execution of its core, aiming at increasing revenues with the expansion of services through the optical fiber, and, in the corporate market, offering innovative IT solutions through Oi Soluções.

For more information, [click here](#).

## DISCLAIMER

### Consolidated Information and Results

This report includes consolidated financial and operating information for Oi S.A. - Under Judicial Reorganization (“Oi S.A.” or “Oi” or “Company”) and its subsidiaries as of June 30, 2023. In compliance with CVM instructions, the information is presented in accordance with International Financial Reporting Standards (IFRS).

This report contains projections and/or estimates of future events. The projections contained herein were compiled with due care, taking into account the current situation, based on work in progress and its corresponding estimates. The use of terms such as “projects”, “estimates”, “anticipates”, “predicts”, “plans”, “hopes” and so on is intended to indicate possible trends and forward-looking statements, which clearly involve uncertainty and risk, so that future results may differ from current expectations. These statements are based on various assumptions and factors, including economic, market, industry conditions, and operational factors. Any changes to these assumptions and factors may lead to practical results that differ from current expectations. Excessive reliance should not be placed on these statements.

Forward-looking statements only relate to the date on which they were made, and the Company is not obliged to update them as new information or future developments arise. Oi takes no responsibility for transactions carried out or investment decisions taken on the basis of these projections or estimates. The financial information contained herein is unaudited and may therefore differ from the final results.



**Earnings Release**

August 10, 2023

(after B3 trading hours)

[Clique aqui](#)

**Conference call**

August 11, 2023

11:00am

10:00am NY | 3:00pm UK

Original audio in English with simultaneous translation into Portuguese

[Clique aqui](#)

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**Oi –Investor Relations**

[www.oi.com.br/ri](http://www.oi.com.br/ri)

[invest@oi.net.br](mailto:invest@oi.net.br)