

# 1Q23 earnings release



June 14, 2023

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## 1Q23 HIGHLIGHTS OF THE BRAZIL OPERATION

- **New Oi's revenue increased 4.8% YoY**, driven by solid growth in core services (Oi Fibra and Oi Soluções)
- **Recurring double-digit reduction in Opex YoY**, due to the implementation of post-M&A efficiency initiatives
- **New Oi's Capex reduced 86.8% YoY**, resulting from the new operating model and a more efficient allocation, based on profitability
- **Net financial debt, down 33.3% YoY**, financed by M&As transactions
- **Cash inflow from the first tranche of the DIP loan, in the amount of US\$200 million**, to finance short-term obligations

### \_ HOMES CONNECTED

**4.0** million  
13% YoY

### \_ OI FIBRA REVENUE

R\$ **1.1** billion  
21% YoY

### \_ OPEX EFFICIENCY

**-27%** YoY

### \_ NET FINANCIAL DEBT

**-33%** YoY

## 1Q23 HIGHLIGHTS OF THE BRAZIL OPERATIONS

<i>R\$ mn</i>	1Q23	1Q22 <sup>1</sup>	Δ YoY	4Q22	Δ QoQ
<b>New Oi Net Revenue</b>	<b>2,227</b>	<b>2,124</b>	4.8%	<b>2,321</b>	-4.1%
<i>% Revenue Ex-Legacy</i>	86.0%	72.2%	13.8 pp	82.9%	3.1 pp
<b>Routine EBITDA</b>	<b>193</b>	<b>1,220</b>	-84.2%	<b>345</b>	-44.0%
<i>Margin</i>	7,7%	27,8%	-20.1 pp	13,2%	-5.5 pp
<b>Capex</b>	<b>219</b>	<b>1,656</b>	-86.8%	<b>533</b>	-58.9%
<b>Routine EBITDA - Capex</b>	<b>(26)</b>	<b>(436)</b>	-94.0%	<b>(188)</b>	-86.2%
<b>Net Debt (fair value)</b>	<b>20,940</b>	<b>31,420</b>	-33.4%	<b>19,079</b>	9.8%
<b>Cash Position</b>	<b>1,807</b>	<b>1,983</b>	-8.9%	<b>3,223</b>	-43.9%

Note: (1) Considers the result of Mobile Assets UPI (until Mar-22) and InfraCo UPI (until May-22).

In 1Q23, New Oi continued to execute its Strategic Transformation Plan, with a net revenue growth of 4.8% YoY, leveraged by the performance of Oi Fibras. In terms of efficiency, the Company continued to adapt its structure to the new operating model, delivering relevant reductions in Opex and Capex, down by 26.9% and 86.8% YoY, respectively.

Oi also advanced in yet another negotiation stage for the adjustment of its capital structure. In April, the Company signed a Note Purchase Agreement for a credit in the Debtor in Possession (DIP) modality with the group of financial creditors with whom it has been negotiating support for its restructuring agreement. The first tranche of the DIP loan was received in June, in the amount of US\$200 million, which will be used for the short-term financing of the operation, as detailed in the blow out material of April 21.

## NET REVENUE

<i>R\$ mn</i>	1Q23	1Q22 <sup>1</sup>	Δ YoY	4Q22	Δ QoQ
<b>Brazil</b>	<b>2,505</b>	<b>4,383</b>	-42.9%	<b>2,618</b>	-4.3%
New Oi	2,227	2,124	4.8%	2,321	-4.1%
Oi Fibras <sup>2</sup>	1,103	913	20.8%	1,077	2.4%
Oi Soluções	701	620	12.9%	729	-3.9%
Legacy	312	590	-47.2%	398	-21.7%
Subsidiaries <sup>3</sup>	112	1	12554.3%	117	-4.7%
Discontinued Operations or Held for Sale <sup>1</sup>	278	2,259	-87.7%	297	-6.4%

Note: (1) Considers the results of UPI Mobile Assets (until Mar-22) and UPI InfraCo (until May-22); (2) Includes new revenue; (3) With the conclusion of the sale of UPI InfraCo, results from Serede operation (services related to the maintenance of V.tal's plant) loses the intercompany effect and is no longer eliminated, being now recognized in Oi's revenue and expense and therefore impacting annual comparisons.

**New Oi had a net revenue of R\$2.2 billion in 1Q23, up 4.8% over the same period in 2022.** This was leveraged by the performance of core services, such as Oi Fibra (+20.8% YoY | +R\$190 million) and Oi Soluções (+12.9% YoY | +R\$80 million).

The drop in consolidated net revenue of the Brazilian operation, down 42.9% over 1Q22, was due to the conclusion of sales of discontinued operations, which included the mobility segment and UPI InfraCo, as foreseen in the Company's Strategic Transformation Plan.

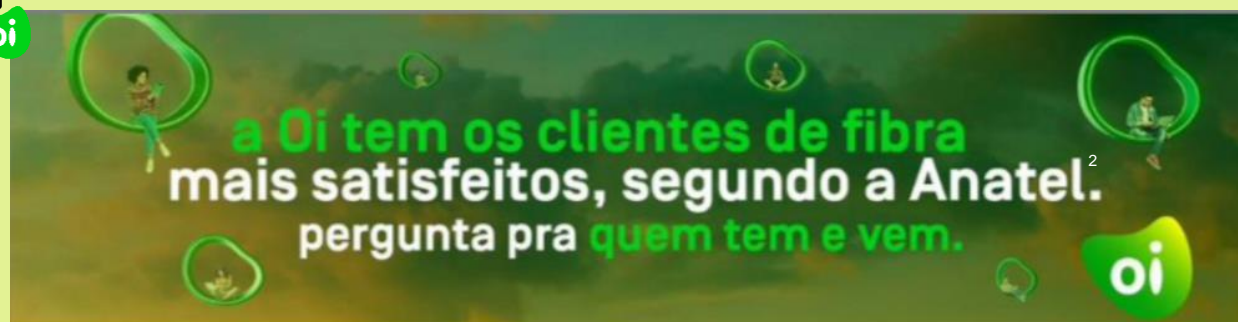
## \_OI FIBRA

<i>Fiber Highlights</i>	1Q23	1Q22	Δ YoY	4Q22	Δ QoQ
Oi Fiber Net Revenue (R\$ mn) <sup>1</sup>	1,103	913	20.8%	1,077	2.4%
ARPU (R\$/mo)	92.4	88.0	5.0%	92.8	-0.4%
Homes Connected ('000)	4,000	3,534	13.2%	3,910	2.3%
Net Adds ('000)	89	154	-41.8%	86	4.3%
Take-up	19.3 %	22.6 %	-3.3 pp	19.8 %	-0.5 pp
Fiber Market Share <sup>2</sup>	17.9 %	19.1 %	-1.2 pp	18.8 %	-0.9 pp

Note: (1) Includes new revenue; (2) Oi's market share in fiber broadband in its coverage area, excluding São Paulo. Source: Anatel.

**Oi Fibra's net revenue grew 20.8% YoY, ending 1Q23 at R\$1.1 billion** and maintaining the accelerated expansion pace since its launch 5 years ago, in 2018.

**“Pergunta pra quem tem” (“Ask those who have it”)**



“Oi has the most satisfied fiber customers, according to Anatel. Ask those who have and come.”

This campaign from our “*bora-bora*” platform brought a more provocative tone, reinforcing the high quality and reputation attributes of Oi Fibra.

The growth in homes connected has been the main driver for net revenue. The Company continues to ensure relevant net addition volumes per quarter, even with the downturn in the fiber market in the country, since 2021, due to the worsening in the macroeconomic environment. In 1Q23, the total number of homes connected increased by 89 thousand accesses compared to the previous quarter. The expansion strategy in the segment has been focused on increasing penetration in the current footprint and neighboring locations, combined with the prioritization of channels that guarantee a higher quality profile of incoming clients and a credit policy that results in lower churn levels.

**Leader in Fiber Functioning Quality in 13 states in Brazil, according to a survey conducted by Anatel<sup>1</sup>.**



Managing the profitability of the customer base is also relevant, as it contributes to maintaining the segment's positive performance, especially in a scenario with pressured household income and, consequently, increased default rates in the sector. Therefore, the 5.0% YoY expansion in average monthly revenue per user (ARPU) was mainly guaranteed by the evolution of the Company's credit policy and customer's base loyalty through upgrades in speed connections – currently more than 60% of homes connected with Oi Fibra have speeds starting at 400 mbps.

## **\_OI SOLUÇÕES**

<i>R\$ mn</i>	1Q23	1Q22	Δ YoY	4Q22	Δ QoQ
Oi Soluções Net Revenue	701	620	12.9%	729	-3.9%
IT	154	106	45.6%	148	4.3%
% IT	22.0%	17.0%	4.9 pp	20.2%	1.7 pp
Telecom	322	338	-4.6%	332	-3.0%
Other	225	177	26.8%	250	-10.0%

Oi Soluções' net revenue totaled R\$701 million in 1Q23, up 12.9% YoY. IT services accounted for 22.0% of revenues in this business unit and has been driving the positive annual growth in the segment.

Currently, the B2B segment is subdivided into 6 business lines: (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. The growth of IT services in the revenue mix has been leveraged by the customer base for traditional connectivity services, as well as the Company's competitive differential, experience and specialization in serving the corporate customers.

Additionally, Oi Soluções has worked in partnership with several players to enrich its digital solutions portfolio, thus becoming the preferred service provider for large companies in Brazil.

## **LEGACY, SUBSIDIARIES AND DISCONTINUED OPERATIONS**

<i>R\$ mn</i>	<b>1Q23</b>	<b>1Q22</b>	$\Delta$ YoY	<b>4Q22</b>	$\Delta$ QoQ
Legacy	312	590	-47.2%	398	-21.7%
Wireline	230	432	-46.7%	288	-20.1%
DTH TV	82	158	-48.4%	110	-25.8%
Subsidiaries	112	1	12554.3%	117	-4.7%
Discontinued Operations or Held for Sale <sup>1</sup>	278	2,259	-87.7%	297	-6.4%
<i>Of which DTH TV</i>	278	331	-16.0%	297	-6.4%

Note: (1) With the conclusion of the sale of InfraCo UPI, results from the Serede operation (services related to the maintenance of V.tal's plant) loses the intercompany effect and is no longer eliminated, being now recognized in Oi's revenue and expense and therefore impacting annual comparisons.

**Legacy services contributed R\$312 million to net revenue in the quarter, down 47.2% YoY.** This reflects the proportional reduction of the customer base, especially in fixed telephony, due to the sector's structural transformation, which is prioritizing mobility and usage of Internet applications for communication. 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\$112 million in 1Q23.** The performance of this line was determined by Serede's results and the drop in the quarterly comparison was a consequence of lower maintenance services for this operation in V.tal's plants, arising from contractual revisions.

**Operations that have been discontinued or are held for sale totaled R\$278 million in the quarter.** In addition to the sale of mobility and infrastructure operations, this line was also impacted by the reduction in DTH TV revenue. Just as in legacy, the 16.0% drop in the annual comparison was driven by the reduction in customer base due to transformations in the sector, as traditional TV services have been replaced by content on demand based on internet services.

## ROUTINE COSTS AND EXPENSES

<i>R\$ mn</i>	1Q23	1Q22 <sup>1</sup>	Δ YoY	4Q22	Δ QoQ
Brazil	(2.312)	(3.163)	-26.9%	(2.273)	1.7%
Personnel	(500)	(517)	-3.2%	(467)	7.1%
Interconnection	(19)	(85)	-77.6%	(26)	-26.8%
Third-Party Services	(974)	(1.295)	-24.8%	(920)	5.8%
Network Maintenance	(140)	(199)	-29.8%	(146)	-4.1%
Marketing	(62)	(70)	-11.5%	(39)	57.8%
Rent and Insurance	(861)	(658)	31.0%	(1.062)	-18.9%
Bad Debt	(39)	(83)	-53.5%	37	-205.3%
Contingences, Taxes and Other	284	(255)	-211.2%	351	-19.2%

Note: (1) Considers the result of Mobile Assets UPI (until Mar-22) and InfraCo UPI (until May-22).

**Routine Opex totaled R\$2.3 billion in 1Q23, down 26.9% YoY and up 1.7% QoQ.** The annual reduction, in the amount of R\$851 million, resulted from the recurring implementation of the Company's efficiency measures, in line with its Strategic Transformation Plan, aiming for a lighter and more agile corporate structure. The sale of the mobility operation and the fiber infrastructure also contributed to this result. Excluding the impact from the new fiber operating model, which is reflected in the increase in the rent and insurance line, routine Opex in 1Q23 would have reduced by 42.1% YoY.

**Personnel expenses totaled R\$500 million, down 3.2% YoY and up 7.1% QoQ.** The annual reduction in personnel expenses is mainly explained by the restructuring of the Company's workforce, which decreased by 38.2% YoY in number of employees. The cost increase over the previous quarter was due to higher layoff expenses. The number of employees reduced by 2,600 in relation to the previous quarter, of which 1,100 was at Oi S.A. and the remaining at subsidiaries. The quarterly comparison was also partially affected by the migration of costs with employee, who had been previously allocated to the migration efforts for the mobile operation (non-routine items) but are currently working on projects related to adjustments for the New Oi operation. It is important to emphasize that the Company's execution continues in line with its Strategic Transformation Plan.

**Interconnection costs totaled R\$19 million, down 77.6% YoY and 26.8% QoQ.** This was directly linked to the sale of the mobility operation.

**Third-party services ended the quarter at R\$974 million, down 24.8% YoY and up 5.8% QoQ.** The reduction in the annual comparison was mainly due to the (i) 45.0% in sales commissions; (ii) 30.3% decrease in the acquisition of content, arising from contractual renegotiations for the TV service; and (iii) 27.9% decrease in energy expenses, in line with the structural adjustments carried out by the Company. The quarterly increase was mainly due to a one-off event in the energy line which reduced the costs in 4Q22.

**Network maintenance services ended the quarter at R\$140 million, down by 29.8% YoY and by 4.1% QoQ.** This was mainly due to lower network management costs due to the sale of the mobility operation.

**Expenses with publicity and advertising ended 1Q23 at R\$62 million, down 11.5% YoY and up 57.8% QoQ.** The annual reduction was in line with the strong cost control positioning for New Oi, in addition to the sale of the mobility operation. Quarterly results were mostly associated with evolution of campaigns for Oi Fibra.

**Rent and insurance expenses totaled R\$861 million, up 31.0% YoY and down 18.9% QoQ.** As mentioned in the previous quarter, the annual growth was mainly due to our transition to the new fiber operating model based on Opex, with higher leasing costs for V.tal's FTTH network, generating margin dilution but positively offset with the reduction in Capex, mainly from network construction, creating a more sustainable cash generation model. The performance of this line was directly influenced by new connections and maintenance of the fiber installed base.

**Provisions for doubtful accounts totaled R\$39 million in 1Q23.** In the QoQ comparison, this line was affected by recoveries of one-off losses from the previous quarter. It is worth noting that the reinforcement of our credit policy, implemented at the end of 2022, has increased the quality of the incoming customer base, thus contributing to reducing impacts from defaults.

**Contingencies, taxes and others totaled a credit of R\$284 million.** The positive performance of this line was impacted by revenue from the sale of scrap from the copper operation, in addition to the reversal of the result of the payment of the first installment to Fundação Atlântico, provided for in the Judicial Reorganization Plan, carried out through the deduction of cash from Oi's co-participation fund. In the annual comparison, expenses with Anatel taxes also reduced with the sale of the mobility operation.



***Cost reduction was accelerated by efficiency initiatives and leveraged by the sale of operations, despite the increase in expenses arising from the growth in Fiber operations.***

**>R\$1.2 Bn YoY**  
reduction in costs

**- 42% YoY**  
excluding  
rentals and  
insurance



## FROM EBITDA TO NET INCOME

<i>R\$ mn</i>	1Q23	1Q22 <sup>1</sup>	Δ YoY	4Q22	Δ QoQ
<b>Routine EBITDA</b>	<b>234</b>	<b>1,252</b>	-81.3%	<b>396</b>	-41.0%
Brazil	193	1,220	-84.2%	345	-44.0%
<i>Margin</i>	7.7%	27.8%	-20.1 pp	13.2%	-5.5 pp
International Operations	41	32	26.6%	51	-20.2%
<i>Margin</i>	131.0%	100.3%	30.8 pp	166.6%	-35.5 pp
Non-routine items	(17)	(157)	-89.0%	(15,047)	-99.9%
<b>EBITDA</b>	<b>216</b>	<b>1,095</b>	-80.2%	<b>(14,651)</b>	-101.5%
Brazil	176	1,063	-83.5%	(14,702)	-101.2%
<i>Margin</i>	7.0%	24.3%	-17.2 pp	-561.5%	568.5 pp
International Operations	41	32	26.6%	51	-20.2%
<i>Margin</i>	131.0%	100.3%	30.8 pp	166.6%	-35.5 pp
Depreciation and Amortization	(319)	(983)	-67.5%	(1,066)	-70.1%
<b>EBIT</b>	<b>(103)</b>	<b>112</b>	-191.5%	<b>(15,717)</b>	-99.3%
Net Financial Income (Expenses)	(1,148)	1,874	-161.3%	(631)	81.9%
Income Tax and Social Contribution	(16)	(363)	-95.5%	(801)	-98.0%
<b>Net Income (Loss)</b>	<b>(1,267)</b>	<b>1,623</b>	-178.1%	<b>(17,149)</b>	-92.6%
Impairment	-	-	n/a	(14,249)	-100.0%
<b>Net Income (Loss) ex-impairment</b>	<b>(1,267)</b>	<b>1,623</b>	-178.1%	<b>(2,900)</b>	-56.3%

Note: (1) Considers the result of Mobile Assets UPI (until Mar-22) and InfraCo UPI (until May-22).

In 1Q23, routine EBITDA from the Brazil operations totaled R\$193 million, down 84.2% YoY. This reflects the conclusion of the sale of the mobility operation, which had a positive contribution, and the fiber infrastructure, in line with Oi's Strategic Transformation Plan. In the quarterly comparison, routine EBITDA for the Brazil operation decreased by 44.0%, with margin reaching 7.7%, due to seasonally higher profitability in 4Q22. Since the beginning of 2Q22, the Company has been transitioning into a lighter and more flexible corporate structure, aimed at meeting the growing demand for digital services in the country, while gaining scale and maturing the new fiber operation model.

Non-routine items totaled R\$17 million in the quarter and refer to the net impact of revenue and expenses associated with the migration of the mobile operation.

### Depreciation and Amortization

Depreciation and amortization expenses totaled approximately R\$319 million in the quarter, down by 67.5% YoY and by 70.1% QoQ. This was due to a reduction in asset base arising from impairment of legacy services, carried out in 4Q22.

## Financial Result

<i>R\$ mn</i>	1Q23	1Q22 <sup>1</sup>	Δ YoY	4Q22	Δ QoQ
Net Financial Income (Expenses)	(1,148)	1,874	-161.3%	(631)	81.9%
Net Interest	(510)	(899)	-43.3%	(482)	5.8%
Amortization of Fair Value Adjust.	283	242	17.0%	(189)	-249.9%
FX Result	(174)	2,358	-107.4%	398	-143.7%
Other Financial Income/Expenses	(747)	172	-532.9%	(359)	108.2%

Note: (1) Considers the result of UPI Mobile Assets (until Mar-22) and UPI InfraCo (until May-22).

The net financial result came in as an expense of R\$1,148 million in the quarter. The result for the YoY comparison was due to the financial income, in 1Q22, which impacted all lines, except net interest, arising from the strong 15.1% appreciation of the Real versus the U.S. Dollar. In the QoQ comparison, the increase in expenses was due to other financial income and expenses, mainly for: (i) monetary restatements on contingencies; and (ii) higher interest expense on other liabilities. Net interest increased slightly in 1Q23. Despite the appreciation in the Real, interest rates were negatively impacted by the higher CDI rate in the period. The reduction in interest in the YoY comparison was due to prepayments made at the beginning of 2Q22.

## CASH FLOW, INVESTMENTS AND INDEBTEDNESS

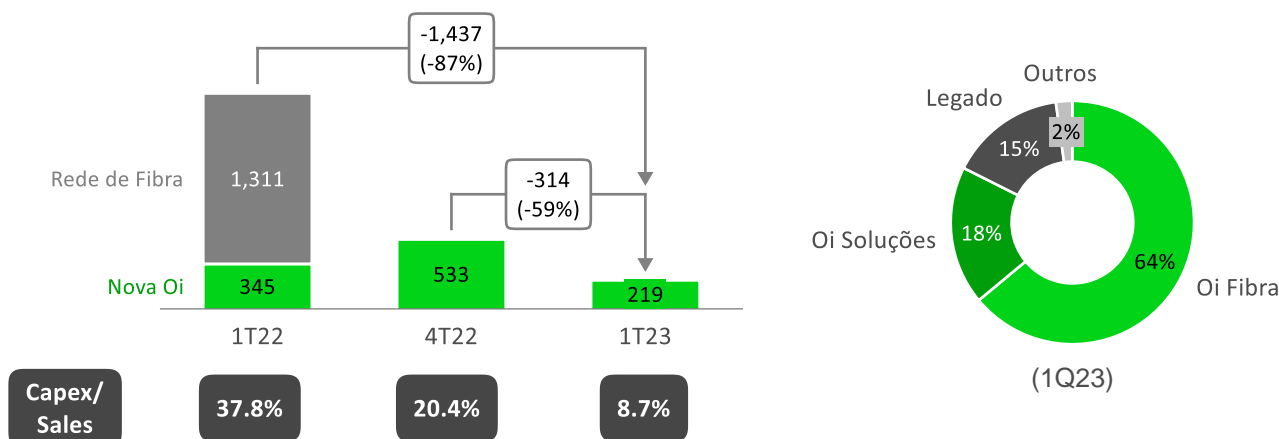
### Operating Cash Flow

<i>R\$ mn</i>	1Q23	1Q22 <sup>1</sup>	Δ YoY	4Q22	Δ QoQ
Routine EBITDA	193	1,220	-84.2%	345	-44.0%
Capex	(219)	(1,656)	-86.8%	(533)	-58.9%
New Oi	(219)	(345)	-36.4%	(533)	-58.9%
Fiber network	-	(1,311)	-100.0%	-	n/a
<b>Operating Cash Flow (Brazil)</b>	<b>(26)</b>	<b>(436)</b>	<b>-94.0%</b>	<b>(188)</b>	<b>-86.2%</b>

Note: (1) Considers the result of Mobile Assets UPI (until Mar-22) and InfraCo UPI (until May-22).

Operating cash flow had a lower consumption level in the QoQ comparison, leveraged by the significant drop in Capex, ending the quarter at R\$26 million. With the maturing of the fiber model, combined with cost efficiency initiatives, we expect a gradual and progressive improvement in operating cash flow generation.

## Capex



**New Oi's investments totaled R\$219 million in the quarter, reducing significantly in both the YoY and QoQ comparison periods, which already consider the new fiber operating model. This was achieved due to improvements in the allocation model, which is based on profitability and allowed an even more efficient consumption. Core operations accounted for approximately 80% of this amount.**

## Indebtedness & Liquidity

R\$ mn	1Q23	1Q22 <sup>2</sup>	Δ YoY	4Q22	Δ QoQ
Short-term	1,592	5,777	-72.4%	1,624	-1.9%
Long-term	21,154	27,625	-23.4%	20,679	2.3%
<b>Gross Debt (fair value)<sup>1</sup></b>	<b>22,747</b>	<b>33,402</b>	<b>-31.9%</b>	<b>22,302</b>	<b>2.0%</b>
Local Currency Exposure	7,461	16,099	-53.7%	7,112	4.9%
Foreign Currency Exposure	15,285	17,191	-11.1%	15,190	0.6%
Swap	-	113	-100.0%	0	-100.0%
<b>Cash Position</b>	<b>1,807</b>	<b>1,983</b>	<b>-8.9%</b>	<b>3,223</b>	<b>-43.9%</b>
<b>Net Debt (fair value)<sup>1</sup></b>	<b>20,940</b>	<b>31,420</b>	<b>-33.4%</b>	<b>19,079</b>	<b>9.8%</b>

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

**Gross debt totaled R\$22.7 billion in 1Q23, down 31.9% YoY and up 2.0% QoQ. Net debt in foreign currency represented 67.2% of total debt at fair value and the average consolidated maturity was 5.5 years at the end of the quarter.**

The increase in debt in the quarter was due to the higher interest in the period and was weakened with the 2.6% appreciation of the Real versus the U.S. Dollar. The YoY reduction was mainly due to the conclusion of the sale of Mobile Assets UPI and the partial sale of InfraCo UPI, both in 2022, from which we prepaid

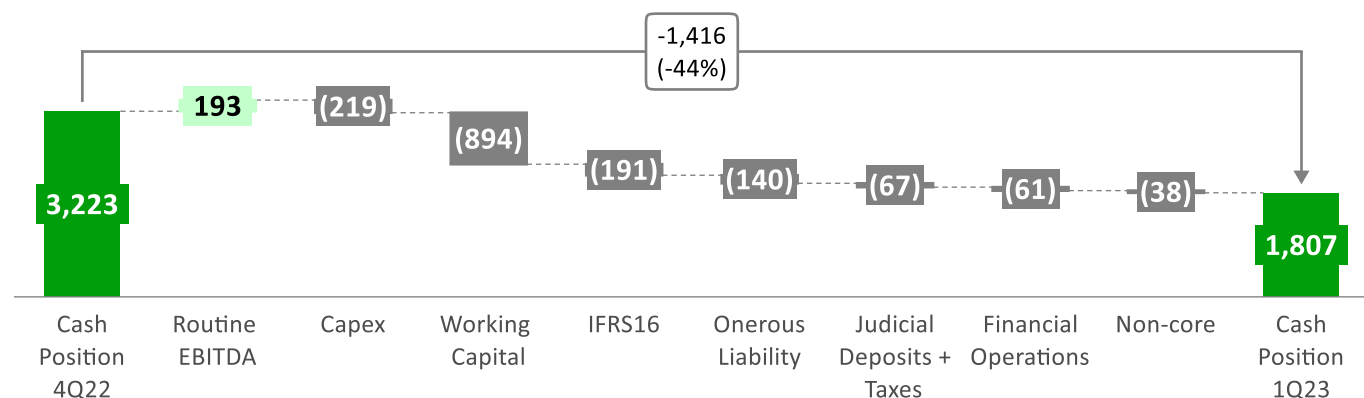
approximately R\$15 billion in debt. This annual reduction was offset by the variation in expenses from exchange rate variations, resulting from the 7.2% devaluation of the Real versus the U.S. Dollar in the period, plus the accrual of interest and the amortization of the adjustment to present value.

## Debt by Instrument

<i>R\$ mn (1Q23)</i>	Face Value	Fair Value Adjustment	Fair Value
Local Banks	10,912	(3,501)	7,411
ECAs	8,978	(4,097)	4,881
Qualified Bonds	9,046	(397)	8,649
Facility "Non Qualified"	552	(111)	440
General Offering	5,437	(4,107)	1,329
2026 Bond	45	-	45
Other	(9)	-	(9)
<b>Gross Debt</b>	<b>34,960</b>	<b>(12,213)</b>	<b>22,747</b>

## Cash Balance

(R\$ million)



**The Company ended the quarter with a consolidated cash balance of R\$1.8 billion, down 44% QoQ.** Working capital was the key reason for cash consumption, totaling R\$894 million in 1Q23, mainly due to (i) lower collections resulting from a lower number of business days in the period; (ii) seasonality of payments to suppliers, particularly for Capex recognized in the previous quarter; (iii) severance payments; and (iv) non-cash effect on EBITDA.

Leases (IFRS 16) were mainly associated with rentals for the concession's infrastructure and totaled R\$191 million in 1Q23, in line with the previous quarter.

Onerous liabilities represented a total expense of R\$140 million in the quarter, up 56.3% QoQ. This increase is related to the recognition of other satellite capacity contracts as onerous liabilities, carried out in the previous quarter. In January, we received the 3rd secondary installment for the partial sale of V.tal, in the amount of R\$2.7 billion, which offset the monthly installments in 2023 and 2024 for capacity contract for submarine cables.

Legal expenses consumed R\$67 million in 1Q23. This was impacted by lower volumes in recoveries and releases, mainly due to (i) a smaller number of business days in the period – court recess and the Carnival holiday; and (ii) a natural reduction in productivity for cases related to PEX, since the Company has been working on this front for a long time and has already concluded the most relevant cases.

Financial operations consumed R\$61 million. This was due to lower financial income arising from the reduction in the average cash balance in the quarter.

Non-core operations were negative by R\$38 million in the quarter, impacted by a lower volume of property sales, which were more than compensated with the payment of guaranteed contractual obligations arising from the sale of the mobile operation.

Complementary Information (Oi S.A. Consolidated)  
**INCOME STATEMENT**

<i>R\$ mn</i>	1Q23	1Q22 <sup>2</sup>	Δ YoY	4Q22 <sup>2</sup>	Δ QoQ
<b>Net Revenue</b>	<b>2,536</b>	<b>4,415</b>	-42.6%	<b>2,649</b>	-4.3%
Brazil	2,505	4,383	-42.9%	2,618	-4.3%
New Oi	2,227	2,124	4.8%	2,321	-4.1%
Oi Fibra	1,103	913	20.8%	1,077	2.4%
Oi Soluções	701	620	12.9%	729	-3.9%
Legacy	312	590	-47.2%	398	-21.7%
Subsidiaries	112	1	12554.3%	117	-4.7%
Discontinued Operations or Held for Sale,	278	2,259	-87.7%	297.15	-6.4%
International Operations	31	32	-3.1%	30	1.4%
<b>Routine Oper. Costs and Exp.</b>	<b>(2,302)</b>	<b>(3,163)</b>	-27.2%	<b>(2,253)</b>	2.2%
Brazil	(2,312)	(3,163)	-26.9%	(2,273)	1.7%
Personnel	(500)	(517)	-3.2%	(467)	7.1%
Interconnection	(19)	(85)	-77.6%	(26)	-26.8%
Third-Party Services	(974)	(1,295)	-24.8%	(920)	5.8%
Network Maintenance	(140)	(199)	-29.8%	(146)	-4.1%
Marketing	(62)	(70)	-11.5%	(39)	57.8%
Rent and Insurance	(861)	(658)	31.0%	(1,062)	-18.9%
Bad Debt	(39)	(83)	-53.5%	37	-205.3%
Contingences, Taxes and Other	284	(255)	-211.2%	351	-19.2%
International Operations	10	0	11493.3%	20	-52.7%
<b>Routine EBITDA</b>	<b>234</b>	<b>1,252</b>	-81.3%	<b>396</b>	-41.0%
Brazil	193	1,220	-84.2%	345	-44.0%
Margin	7,7%	27,8%	-20.1 pp	13,2%	-5.5 pp
International Operations	41	32	26.6%	51	-20.2%
Margin	131,0%	100,3%	30.8 pp	166,6%	-35.5 pp
Non-routine items	(17)	(157)	-89.0%	(15,047)	-99.9%
<b>EBITDA</b>	<b>216</b>	<b>1,095</b>	-80.2%	<b>(14,651)</b>	-101.5%
Depreciation and Amortization	(319)	(983)	-67.5%	(1,066)	-70.1%
<b>EBIT</b>	<b>(103)</b>	<b>112</b>	-191.5%	<b>(15,717)</b>	-99.3%
Net Financial Income (Expenses)	(1,148)	1,874	-161.3%	(631)	81.9%
<b>Earnings Before Taxes</b>	<b>(1,251)</b>	<b>1,986</b>	-163.0%	<b>(16,348)</b>	-92.3%
Income Tax and Social Contribution	(16)	(363)	-95.5%	(801)	-98.0%
<b>Net Income (Loss)</b>	<b>(1,267)</b>	<b>1,623</b>	-178.1%	<b>(17,149)</b>	-92.6%
Impairment	-	-	n/a	(14,249)	-100.0%
<b>Net Income (Loss) ex-impairment</b>	<b>(1,267)</b>	<b>1,623</b>	-178.1%	<b>(2,900)</b>	-56.3%

Note: (1) Considers the result of Mobile Assets UPI (until Mar-22) and InfraCo UPI (until May-22); (2) Reflects accounts receivable adjustments made in 4Q22 (Note to the Financial Statements, 2.d).

Complementary Information (Oi S.A. Consolidated)  
**BALANCE SHEET**

<i>R\$ mn</i>	1Q23	1Q22 <sup>2</sup>	4Q22 <sup>2</sup>
<b>Total Assets</b>	<b>28,463</b>	<b>76,621</b>	<b>29,616</b>
<b>Current Assets</b>	<b>8,442</b>	<b>45,906</b>	<b>9,551</b>
Cash and cash equivalents	1,590	1,547	3,006
Financial Investments	203	191	207
Derivative financial instruments	-	11	1
Accounts receivable	2,033	2,455	2,043
Inventories	267	321	294
Current taxes recoverable	275	294	253
Other taxes	398	593	378
Legal deposits and blocks	573	1,012	652
Dividends and interest on equity	0	0	0
Assets related to pension funds	1	2	1
Prepaid expenses	1,214	642	913
Assets held for sale <sup>1</sup>	789	38,048	753
Other assets	1,098	791	1,052
<b>Non-current assets</b>	<b>20,020</b>	<b>30,714</b>	<b>20,066</b>
Securities designated at fair value	10	10	10
Deferred taxes recoverable	324	5,758	324
Other taxes	526	582	576
Legal deposits and blocks	4,339	4,082	4,289
Asset related to pension funds	6	25	6
Prepaid expenses	821	268	956
Other assets	386	372	388
Investments	7,997	37	8,006
Fixed assets	5,190	15,765	5,072
Intangible assets	422	3,814	438
<b>Liabilities and unsecured liabilities</b>	<b>28,463</b>	<b>76,621</b>	<b>29,616</b>
<b>Current Liabilities</b>	<b>9,907</b>	<b>28,921</b>	<b>10,185</b>
Suppliers	3,515	3,796	3,728
Labor obligations	564	535	590
Derivative financial instruments	0	126	1
Loans and financing	1,592	2,655	1,624
Credit assignment	-	131	-
Tax liabilities	11	13	13
Other taxes	503	1,496	494
Dividends and interest on net equity payable	6	6	6
Authorizations and concessions payable	44	66	42
Lease payable	668	669	643
Tax refinancing program	140	100	139
Provisions	987	665	956
Liabilities related to assets held for sale <sup>1</sup>	20	16,602	-
Other obligations	1,855	2,060	1,951
<b>Non-current liabilities</b>	<b>41,667</b>	<b>48,711</b>	<b>41,277</b>
Suppliers	517	276	409
Loans and financing	21,154	27,625	20,679
Other taxes	2,343	1,034	2,264
Lease payable	2,524	2,438	2,489
Tax refinancing program	263	153	287
Provisions	3,064	4,869	3,101
Provisions for pension funds	754	842	897
Other obligations	11,048	11,474	11,151
Negative shareholders' equity	(23,112)	(1,012)	(21,846)

Note: (1) Considers the result of Mobile Assets UPI (until Mar-22) and InfraCo UPI (until May-22); (2) Reflects accounts receivable adjustments made in 4Q22 (Note to the Financial Statements, 2.d).

Complementary Information (Oi S.A. Consolidated)  
**2022 INCOME STATEMENT**

<i>R\$ mn</i>	1Q22 <sup>1</sup>	2Q22 <sup>1</sup>	3Q22	4Q22
<b>Net Revenue</b>	<b>4,415</b>	<b>2,770</b>	<b>2,770</b>	<b>2,649</b>
Brazil	4,383	2,740	2,748	2,618
New Oi	2,124	2,237	2,445	2,321
Oi Fibra	913	958	1,053	1,077
Oi Soluções	620	686	745	729
Legacy	590	502	454	398
Subsidiaries	1	92	193	117
Discontinued Operations or Held for Sale <sup>1</sup>	2,259	503	304	297
International Operations	32	30	22	30
<b>Routine Oper. Costs and Exp.</b>	<b>(3,163)</b>	<b>(2,382)</b>	<b>(2,603)</b>	<b>(2,253)</b>
Brazil	(3,163)	(2,356)	(2,525)	(2,273)
Personnel	(517)	(507)	(527)	(467)
Interconnection	(85)	(53)	(37)	(26)
Third-Party Services	(1,295)	(1,001)	(934)	(920)
Network Maintenance	(199)	(139)	(127)	(146)
Marketing	(70)	(93)	(70)	(39)
Rent and Insurance	(658)	(643)	(905)	(1,062)
Bad Debt	(83)	(54)	91	37
Contingences, Taxes and Other	(255)	133	(16)	351
International Operations	0	(26)	(78)	20
<b>Routine EBITDA</b>	<b>1,252</b>	<b>388</b>	<b>167</b>	<b>396</b>
Brazil	1,220	384	224	345
<i>Margin</i>	27,8%	14,0%	8,1%	13,2%
International Operations	32	4	(56)	51
<i>Margin</i>	100,3%	13,7%	-259,2%	166,6%
Non-routine items	(157)	8,012	(238)	(15,047)
<b>EBITDA</b>	<b>1,095</b>	<b>8,400</b>	<b>(71)</b>	<b>(14,651)</b>
Depreciation and Amortization	(983)	(1,036)	(1,102)	(1,066)
<b>EBIT</b>	<b>112</b>	<b>7,364</b>	<b>(1,173)</b>	<b>(15,717)</b>
Net Financial Income (Expenses)	1,874	(3,139)	(2,011)	(631)
<b>Earnings Before Taxes</b>	<b>1,986</b>	<b>4,225</b>	<b>(3,183)</b>	<b>(16,348)</b>
Income Tax and Social Contribution	(363)	(4,722)	(60)	(801)
<b>Net Income (Loss)</b>	<b>1,623</b>	<b>(497)</b>	<b>(3,243)</b>	<b>(17,149)</b>
Impairment 4Q22	-	-	-	(14,249)
<b>Net Income (Loss) ex-impairment</b>	<b>1,623</b>	<b>(497)</b>	<b>(3,243)</b>	<b>(2,900)</b>

Note: Income statement reflects quarterly breakdown of accounts receivable adjustments made in 4Q22 (Note to the Financial Statements, 2.d) (1) Considers the result of Mobile Assets UPI (until Mar-22) and InfraCo UPI (until May-22).



Complementary Information (Oi S.A. Consolidated)

**2022 BALANCE SHEET**

<i>R\$ mn</i>	1Q22 <sup>1</sup>	2Q22 <sup>1</sup>	3Q22	4Q22
<b>Total Assets</b>	<b>76,621</b>	<b>48,562</b>	<b>46,397</b>	<b>29,616</b>
<b>Current Assets</b>	<b>45,906</b>	<b>14,284</b>	<b>11,298</b>	<b>9,551</b>
Cash and cash equivalents	1,547	4,826	3,379	3,006
Financial Investments	191	196	201	207
Derivative financial instruments	11	40	27	1
Accounts receivable	2,455	2,659	2,363	2,043
Inventories	321	296	288	294
Current taxes recoverable	294	306	291	253
Other taxes	593	459	442	378
Legal deposits and blocks	1,012	799	753	652
Dividends and interest on equity	0	0	0	0
Assets related to pension funds	2	1	1	1
Prepaid expenses	642	706	923	913
Assets held for sale <sup>1</sup>	38,048	2,243	894	753
Other assets	791	1,753	1,736	1,052
<b>Non-current assets</b>	<b>30,714</b>	<b>34,278</b>	<b>35,099</b>	<b>20,066</b>
Securities designated at fair value	10	10	10	10
Deferred taxes recoverable	5,758	1,210	1,210	324
Other taxes	582	538	307	576
Legal deposits and blocks	4,082	4,250	4,209	4,289
Asset related to pension funds	25	26	26	6
Prepaid expenses	268	661	937	956
Other assets	372	376	367	388
Investments	37	8,132	8,056	8,006
Fixed assets	15,765	15,514	16,624	5,072
Intangible assets	3,814	3,562	3,352	438
<b>Liabilities and unsecured liabilities</b>	<b>76,621</b>	<b>48,562</b>	<b>46,397</b>	<b>29,616</b>
<b>Current Liabilities</b>	<b>28,921</b>	<b>8,791</b>	<b>9,947</b>	<b>10,185</b>
Suppliers	3,796	3,508	3,864	3,728
Labor obligations	535	493	502	590
Derivative financial instruments	126	4	4	1
Loans and financing	2,655	417	1,236	1,624
Credit assignment	131	82	33	-
Tax liabilities	13	10	11	13
Other taxes	1,496	829	772	494
Dividends and interest on net equity payable	6	6	6	6
Authorizations and concessions payable	66	36	39	42
Lease payable	669	667	635	643
Tax refinancing program	100	103	105	139
Provisions	665	676	908	956
Liabilities related to assets held for sale <sup>1</sup>	16,602	-	-	-
Other obligations	2,060	1,961	1,833	1,951
<b>Non-current liabilities</b>	<b>48,711</b>	<b>41,219</b>	<b>41,134</b>	<b>41,277</b>
Suppliers	276	272	295	409
Loans and financing	27,625	20,772	20,709	20,679
Other taxes	1,034	2,056	2,080	2,264
Lease payable	2,438	2,428	2,446	2,489
Tax refinancing program	153	132	111	287
Provisions	4,869	4,192	3,851	3,101
Provisions for pension funds	842	879	886	897
Other obligations	11,474	10,487	10,756	11,151
Negative shareholders' equity	(1,012)	(1,448)	(4,684)	(21,846)

Note: Balance sheet reflects quarterly breakdown of accounts receivable adjustments made in 4Q22 (Note to the Financial Statements, 2.d) (1) Considers the result of Mobile Assets UPI (until Mar-22) and InfraCo UPI (until May-22).

## IMPORTANT AND SUBSEQUENT EVENTS IN THE QUARTER

### Disbursement of the 1st Tranche of the DIP Loan

In June 07, 2023, after complying with the applicable conditions precedent to closing provided for in the Note Purchase Agreement entered into, on April 21, 2023 (the "Note Purchase Agreement" or "DIP Financing"), with a group of financial creditors, representing the majority of (i) holders of 10%/12% Senior PIK Toggle Notes due in 2025 (the "Noteholders") and (ii) lenders of loans to the Company deriving from Export Credit Agencies agreements ("ECA Holders" and, with the Noteholders, the "Financial Creditors"), the Financial Creditors have disbursed to the Company, on this date, the first tranche provided for in the Note Purchase Agreement, in the total amount of US\$ 200 million.

The Company reinforces that, in accordance with the terms and conditions of the Note Purchase Agreement, will continue to work to comply with the applicable conditions precedent to enable the disbursement of the second tranche provided for in the DIP Financing in the remaining amount of US\$ 75 million, as well as it continues to negotiate the definitive documentation of the restructuring support and lock-up agreement agreed in principal with the majority of the Financial Creditors, as informed in the Company's Material Facts disclosed on March 2, 2023 and on April 21, 2023, to facilitate the implementation of a long-term financial restructuring proposal and to enable the approval in an efficient manner of the judicial reorganization plan presented by the Company in the context of the process of judicial reorganization of the Company and its subsidiaries PTIF and Oi Coop, filed on March 1, 2023 before the 7th Corporate Court of Justice of the Capital of the State of Rio de Janeiro.

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 March 31, 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**

June 14, 2023

(after B3 trading hours)

[Click here](#)

**Conference call**

June 15, 2023

11:00am

10:00am NY | 3:00pm UK

Original audio in English with simultaneous translation into Portuguese

[Click here](#)

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