

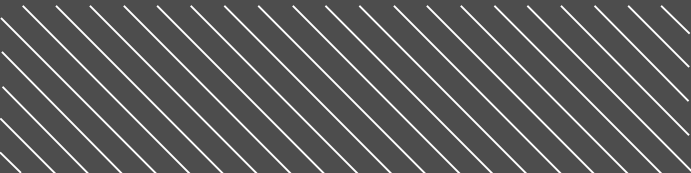


# 1Q22 earnings presentation

Investor Relations  
June 29, 2022

**OIBR**  
B3 LISTED N1

# disclaimer



This presentation contains forward-looking statements as defined in applicable Brazilian regulations. Statements that are not historical facts, including statements regarding the beliefs and expectations of Oi, business strategies, future synergies, cost savings, future costs and future liquidity are considered forward-looking statements.

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Note: 1- This presentation includes information for the Brazilian operations only, 2- Company’s results are consolidated and still impacted by disposed assets, such as Mobile UPI and the controlling stake of InfraCo UPI (V.ta).



# WITH THE V.TAL DEAL CLOSED, OI CONCLUDES ALL OF THE MOST CRITICAL STEPS OF ITS TRANSFORMATION PLAN, SHIFTING FULL ATTENTION TO NEW EXECUTION PHASE

Highlights



## STRATEGIC PILLARS



### CORE BUSINESS

acceleration

**+42.9%** YoY  
Homes Connected

**+54.3%** YoY  
Fiber revenues

**+23.7%** YoY  
ICT revenues

### FTTR launch

The new frontier of  
customer premise

New **CLIENT CENTRIC**  
model

**71%** e-billing  
penetration in  
FTTH base

**73%**  
of fiber customers  
satisfied with  
customer care

**86%**  
of digitalization in FTTH  
customer care

Development and growth of  
**NEW REVENUE SOURCES**

**+65.9%** YoY  
Non-telco Revenue

### Oi Play TV launch

OTT TV content

### CONCESSION

sustainability

over **1.3k**  
Legacy stations  
decommissioned

Technology shift  
from copper to  
fiber and wireless

Anatel discussions to  
reduce regulatory  
complexity and advance  
migration agenda

Arbitration  
procedures  
ongoing

### SIMPLIFICATION

of the operating model

**R\$ 345 mn**

New Oi Capex  
in 1T22

**-7.2%** YoY

Adjusted Opex reduction  
in 1T22 with -10.9% in  
personnel (reduction of  
1,915 headcount in 1Q22)

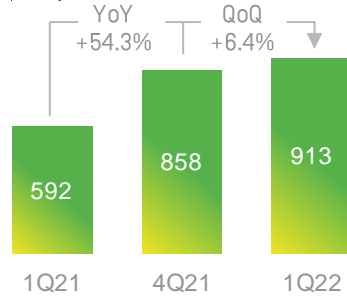
New Plan / Fiber Growth / GCM / Towers / DCs / Mobile / V.tal / BNDES / New Debt Repayment / **New Oi**

# FIBER CUSTOMER BASE, REVENUES AND ARPU CONTINUE TO GROW, WITH TIGHT MONITORING OF CUSTOMER ACQUISITION QUALITY AND PROFITABILITY



## Fiber Revenue<sup>1</sup>

[R\$ mn]

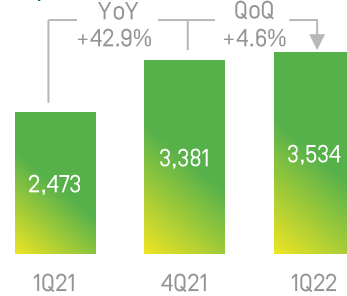


Growing with **quality...**

Fiber continues to grow at a fast pace, adjusting credit policy to maintain profitability in a tougher macro environment.

## Homes Connected

('000)

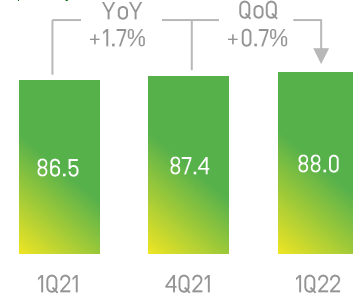


... by being more **selective...**

- Commercial presence in 215 cities
- Choosing rationally and using segmentation on new launches
- Targeting high score credit customers with specific incentives

## ARPU

[R\$/mo]



... and focusing on **profitability**

- Dynamic pricing model implemented to rapidly respond to competitive environment on a per city basis
- Improvement of credit policy to ensure greater assertiveness and sales quality in all credit score levels

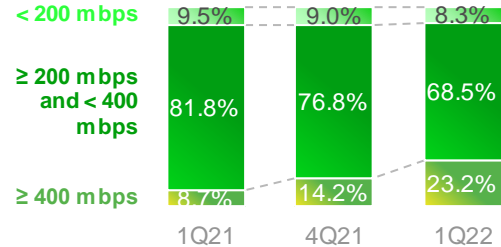
# BASE CORE OFFER SHIFTING TO HIGHER SPEEDS, COMPLEMENTED BY ADDITIONAL VALUE-ADDED SERVICES AND REDUCING PREVIOUS CHURN TRENDS

Fiber



## Homes Connected | By Speed

(% total connections)

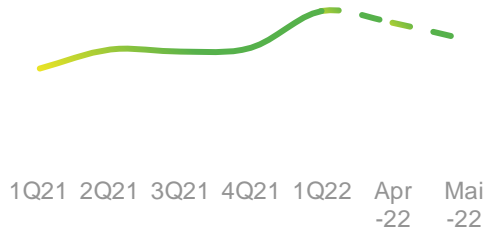


**Significant evolution of base speed mix**

Core offer of 400 mbps already represents 60% of gross adds and 23% of HCs.

## Monthly Churn Rate

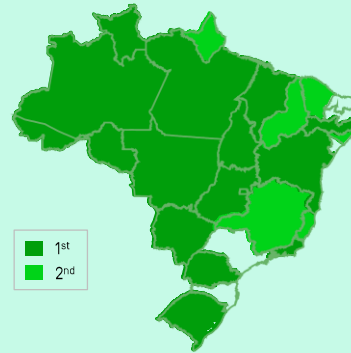
(Fiber Broadband)



**Churn trend improvement**

First signs of credit policy adjustments are being reflected in a better churn profile.

**Presence in all Brazilian states, covering 215 cities, over 50% of GDP and 42% of population...**



**... and leading fiber access in 17 states and leading overall cities covered market share with ~30%**

Complementing the portfolio with **new value-added services**:

### oi\_play TV



Streaming of TV content lineup directly from smart TV apps.

### oi\_fibra X



Home connected strategy based on FTTR<sup>2</sup> technology: transparent fiber combined with Wi-Fi mesh, allowing full home coverage.

# OI FIBRA X, THE BEST EXPERIENCE TO CONNECT THE ENTIRE HOME OR BUSINESS

Fiber

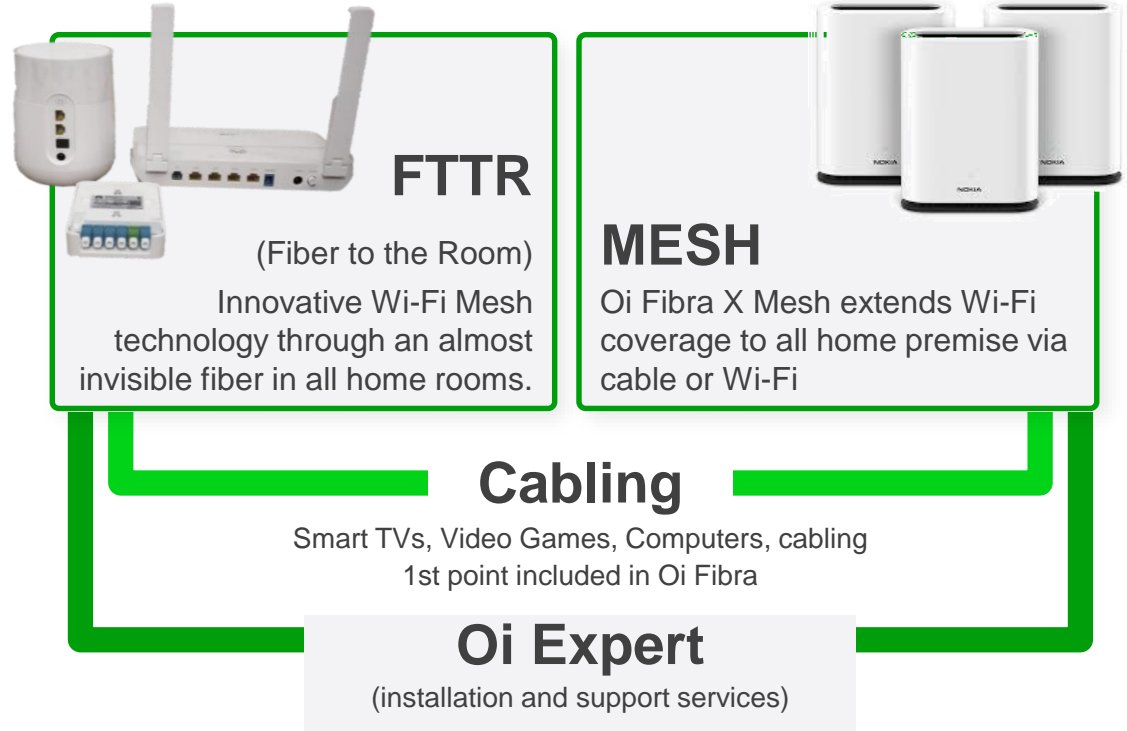


## oi\_fibra X

### A new connectivity experience



*The most connected house*

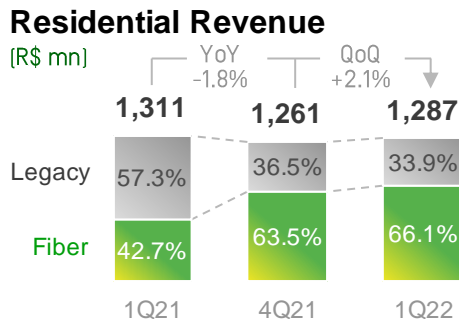


# RETAIL DYNAMICS OF RESIDENTIAL SEGMENT RESUMING QOQ GROWTH. SME FIBER REVENUES ALSO GROWING, BUT FACING A TOUGHER REDUCTION OF LEGACY REVENUES



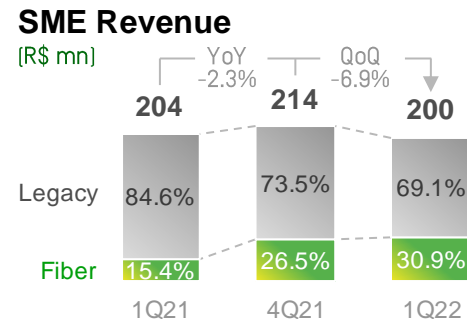
## Residential

Fiber broadband already represents **~70% of residential segment** with room for improvement, **driven by customer base growth and incremental ARPU.**

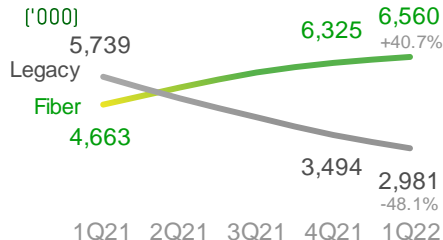


## SME

There is still **huge potential for fiber growth** within SME segment [retail channel synergies, new partnerships]



### Residential RGUs ('000)



### Legacy approach

To compensate decline in revenues, efficiency becomes a more important driver on these services.



### New partnership with BTG+ digital bank, bringing cross-benefits to our customer base

*Differentiated rates for Oi Fibras's Customer:*

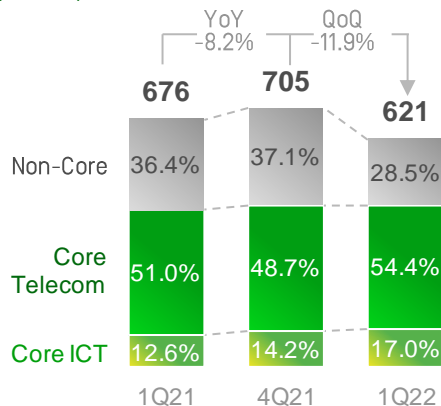
- Advance of credit card receivables
- Loan for Working Capital
- Digital account
- Specialized customer care

# CORE ICT REVENUES ACCELERATING GROWTH, WHILE CORE TELECOM REVENUES REMAINED STABLE. NON-CORE REVENUE DECLINE ON LEGACY WHOLESALÉ SERVICES



## Oi Soluções Revenue

(R\$ mn)



Strategy based on  
**ICT is paying-off**

**+23.7% YoY growth with a positive trend ahead.**

## Core ICT



## Core Telecom



**The combined effect of ICT acceleration and Telecom core services is resulting in a stability of overall core trend.**

## Core ICT highlights

Economy reopening increasing banks and retail stores demand for Wi-Fi

**+49% YoY**  
Wi-Fi revenue

Capillarity increase: +10 business partners and sales training

**+30% YoY**  
UC&C revenue

New services in the portfolio, including PENTEST and security assessment

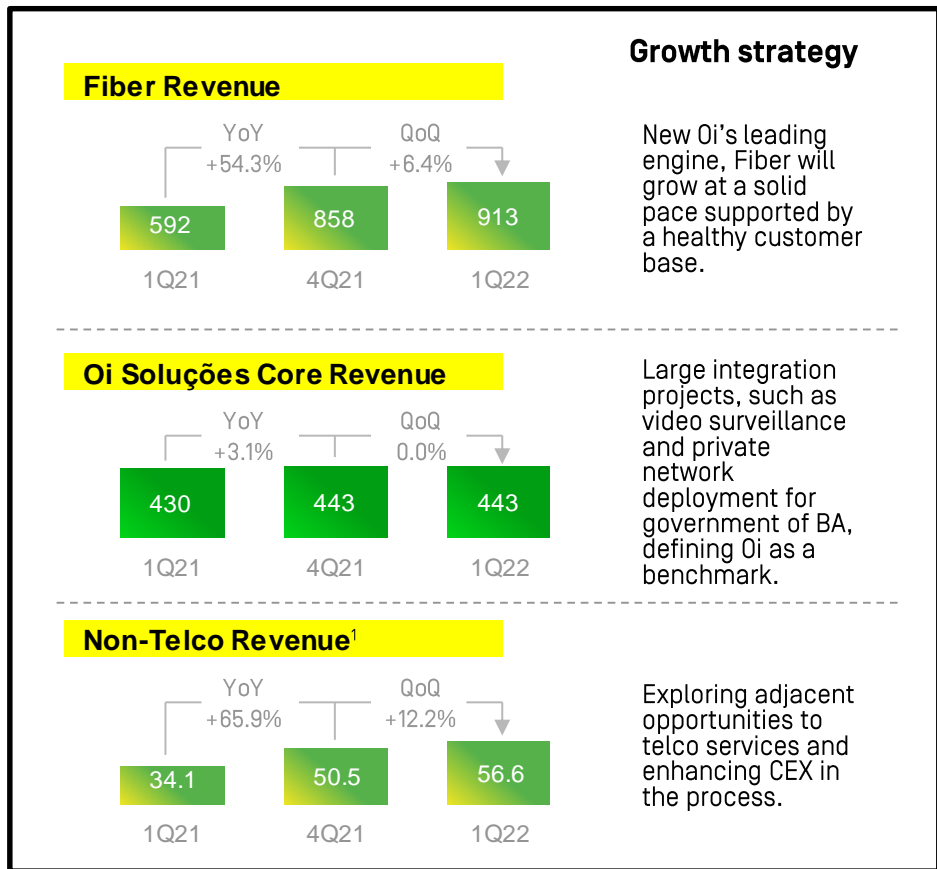
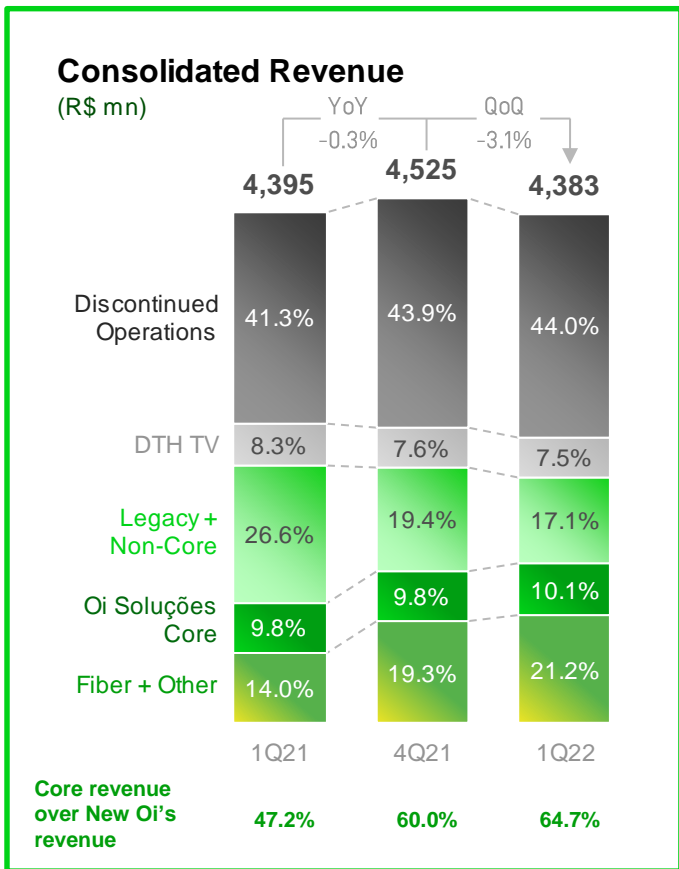
**+22% YoY**  
security revenue

Adding a value layer on the connectivity: launch of GIS+ 3<sup>rd</sup> party access management

**+20% YoY**  
managed services revenue



# STRONG PERFORMANCE FROM CORE SERVICES ALLOWED FOR VIRTUAL STABILITY OF OVERALL YOY REVENUES



## Growth strategy

New Oi's leading engine, Fiber will grow at a solid pace supported by a healthy customer base.

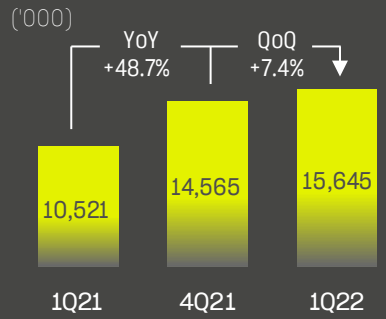
Large integration projects, such as video surveillance and private network deployment for government of BA, defining Oi as a benchmark.

Exploring adjacent opportunities to telco services and enhancing CEX in the process.

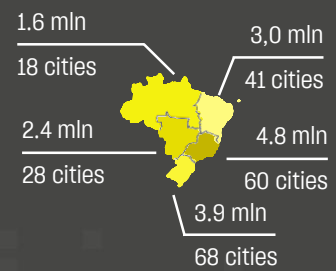
1 - New revenues split into Fiber (bundle) and Other (off-bundle) revenue.

# CLOSING OF V.TAL OPERATION FORMALLY MARKS THE BEGINNING OF A NEW OPERATING MODEL FOR THE BRAZILIAN MARKET

## Homes Passed

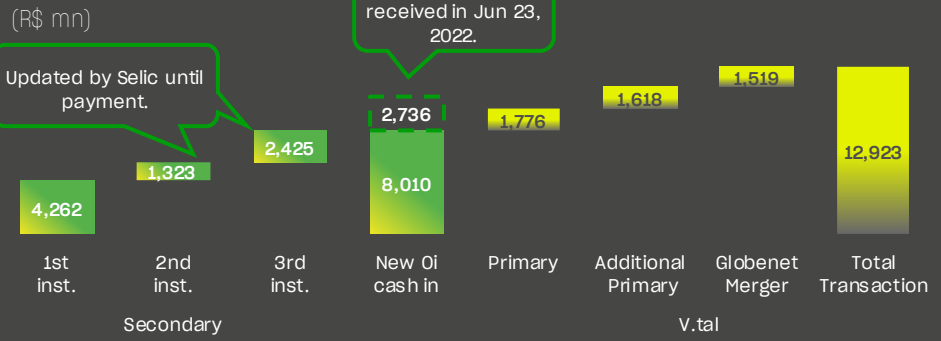


## BY REGION



- Seamless transition to the structural separation model
- Oi and V.tal operations now formally separated, and operating with an efficient S&OP process
- V.tal accelerating commercial efforts

## V.tal Transaction



## Participation adjustments

- Opex and other financial metrics - *post closing* **3.65%**
- More favorable commercial terms - *in 18 months* **3.73%**

## Locked-box

- Final accounting of cash results from 2022 until closing - *concluded*

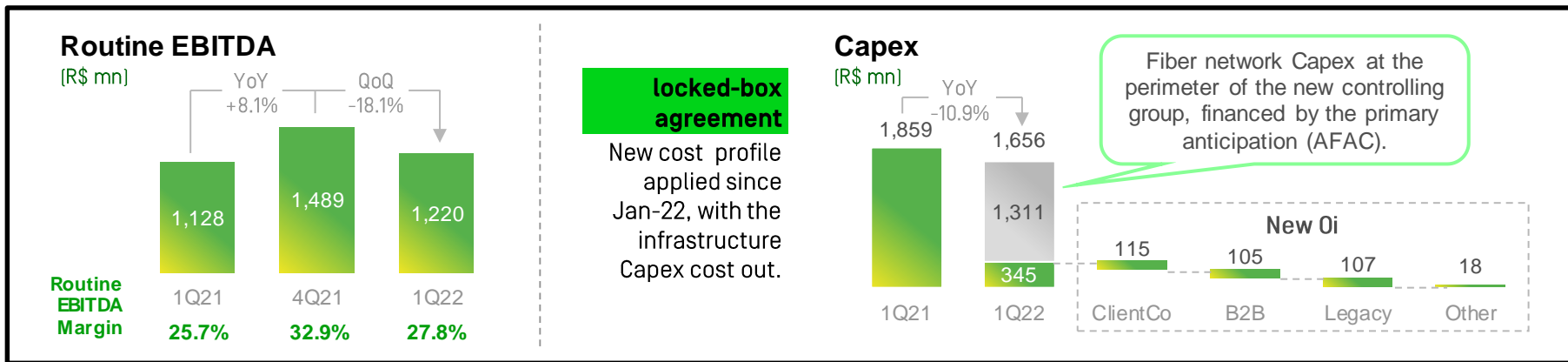
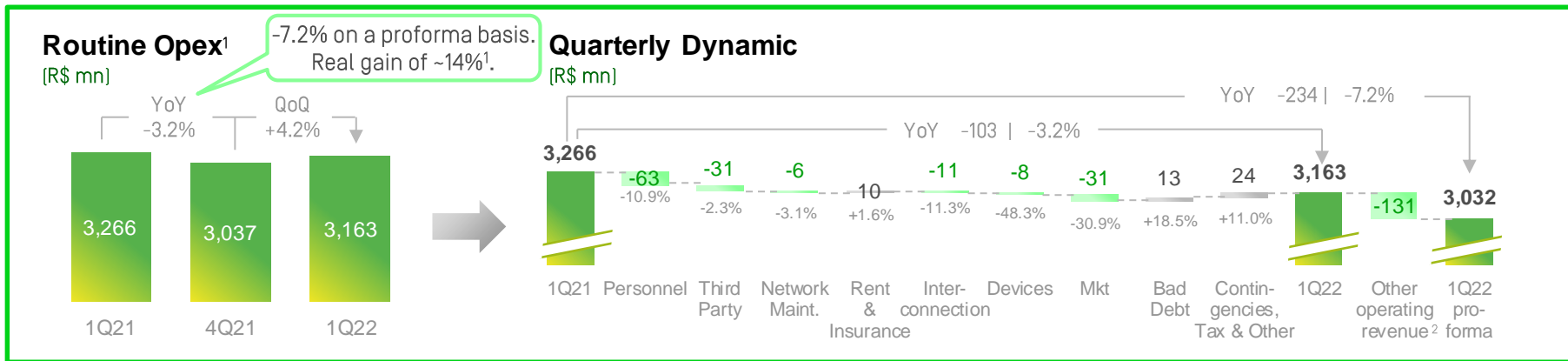
~R\$ 1.2 bn

Final participation	
BTG	Oi
<b>65.3%</b>	<b>34.7%</b>

1<sup>st</sup> tranche at closing and 2<sup>nd</sup> tranche paid upon dividends receipt in Jun 23, 2022.

VALUE CREATION OF THE REMANING V.TAL STAKE HAS THE POTENTIAL TO REDUCE SIGNIFICANTLY NEW OI'S LEVERAGE IN THE FUTURE, ENSURING MEDIUM AND LONG TERM SUSTAINABILITY

# COMPANY CONTINUES ITS COST TRANSFORMATION PROCESS BASED ON EFFICIENCY AND SIMPLIFICATION. CAPEX STARTS TO REFLECT NEW OI INVESTMENT PROFILE



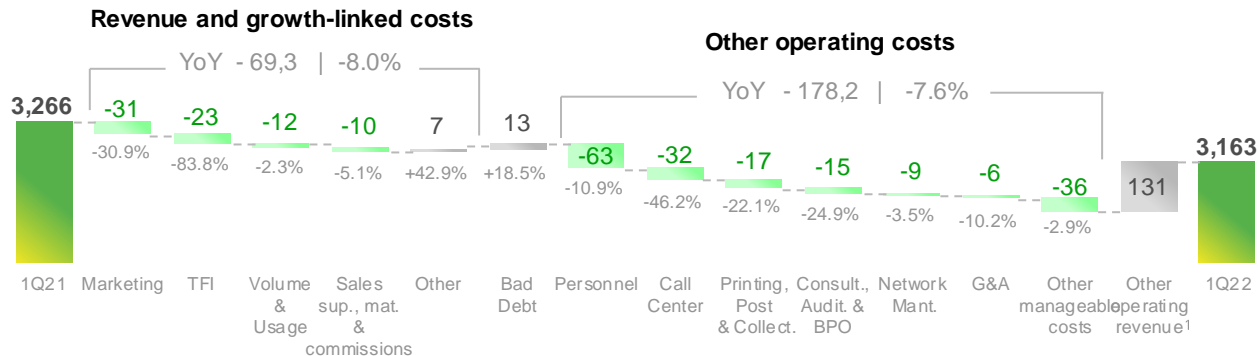
1- Compared to LTM IPCA as of mar-22: +11,3% YoY, 2- Wholesale infrastructure revenue accounted in the top line from Jan-22 onwards, after the operational segregation of V.ta.

# REVENUE-LINKED COSTS IMPACTED BY THE EXECUTION OF THE MOBILE COST OUT PROCESS, SPECIALLY BY THE REDUCTIONS IN SALES FORCE AND CHANNELS



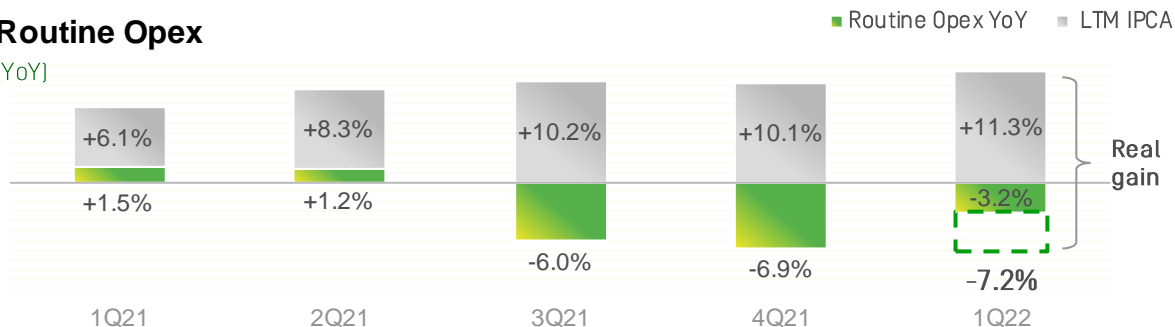
## Routine Opex

[R\$ mn]



## Routine Opex

[YoY]



## DIGITAL JOURNEY

[illustrative indicators – as of Mar-22]

**71%** e-billing penetration in FTTH base

**86%** of digitalization in FTTH customer care

**50%** share of collection through digital channels

**47%** of FTTH customers interacting via *Minha Oi* virtual assistant

1- Wholesale infrastructure revenue accounted in the top line from Jan-22 onwards, after the operational segregation of V.tal.

# OPEX REDUCTION PROGRAM VERY CLOSE TO ACHIEVING THE TARGET OF OVER R\$ 1 BLN SAVINGS IN ANNUALIZED COSTS

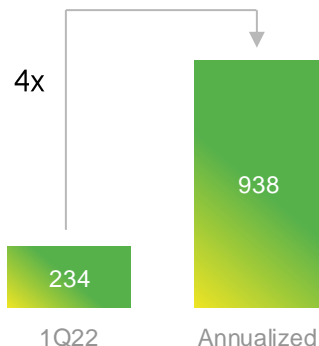
Opex program



<sup>1</sup>Annualized costs

## Routine Opex reduction

[R\$ mn.;YoY]



Annualized efficiency represents ~94% of target.

## the New Oi

### streamlining

#### Organizational structure

-R\$ 283  
MM YoY<sup>1</sup>

- Simplified organization - Redesign of the New Oi, a light, functional and customer centric company
- Increased relevance of Shared Services Structure
- Reduction of 3,494 headcount comparing to Mar/21, of which 1,915 performed in the first quarter of 2022, mainly related to commercial activities

#### Costs out

#### Mobile & InfraCo

Starting in 2Q22

(to be executed with the UPI carve-outs during 2022)

- Commercial footprint reduction
- Active telesales resizing
- Working capital reduction (inventory)

## the New Oi

### operations

#### Marketing & Digital

-R\$ 232  
MM YoY<sup>1</sup>

- Portfolio simplification (i.e. new fiber digital product)
- Digital [E-Care, E- Commerce, E- Collection, E-billing]
- Marketing spending optimization
- Channel mix optimization and credit score intelligence
- Reduced content acquisition costs

#### IT & Network efficiency

-R\$ 64  
MM YoY<sup>1</sup>

- Network maintenance
- Efficiency of support functions
- Operation optimization and automation
- Telecom Infrastructure
- New IT Stack simplifying core IT
- Energy: Cost reduction through GD plants and free energy market

#### G&A

-R\$ 196  
MM YoY<sup>1</sup>

- Procurement efficient initiatives
- Efficiency in general expenses (e.g. vehicles, third parties services, buildings, and others)

## Legacy

### turnaround

#### Concession sustainability

- Migration legacy services from copper to alternative technologies (e.g. wireless public telephony, WLL, VOIP and fiber)
- Reduction of copper operation inefficiency:
  - i. Network decommissioning (de-average)
  - ii. Field team operational model review
  - iii. Contact services digitalization
  - iv. Reduction in the public telephone aligned with regulatory obligations – TUP

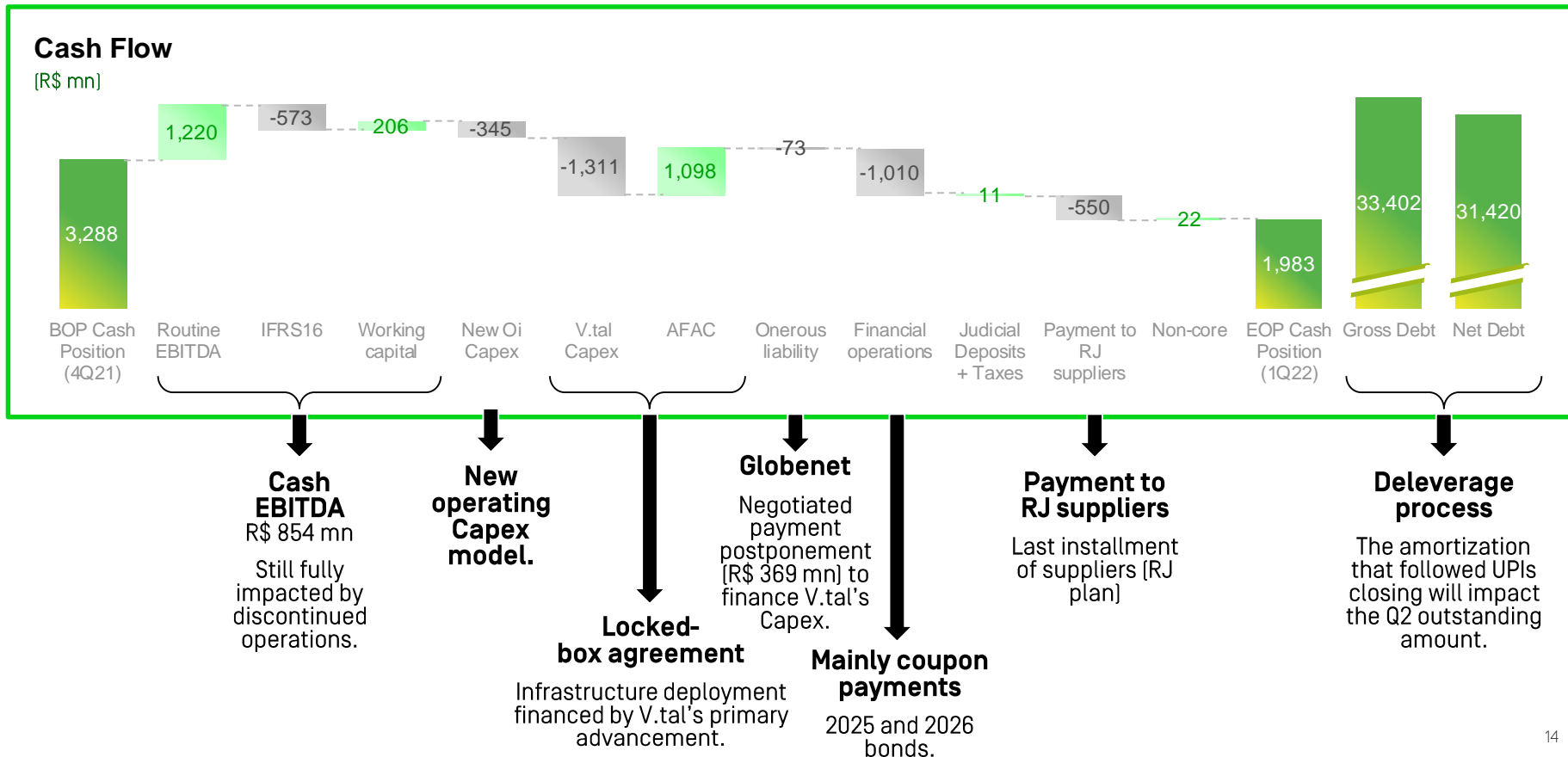
#### Migration from concession to authorization

#### Arbitration

- Large arbitration dispute carried out by the CCI arbitration chamber:
  - i. Unsustainability
  - ii. Financial economic balance
  - iii. PGMU balance
  - iv. Approval for investment in regulatory assets
- Scope of arbitration fully accepted by Anatel

1- Selected cost lines, annualized costs.

# ACTIVE CASH MANAGEMENT TO GUARANTEE COMPANY'S LIQUIDITY. QUARTER IMPACTED BY RJ CREDITORS PAYMENTS AND FINANCING EXPENSES



# DELEVERAGE PROCESS INITIATED WITH MOBILE UPI CONTINUED AFTER V.TAL CLOSING. ALL NEW DEBT REPAYED, PARTIAL PMT OF ECA AND BANK DEBT TO BE ADDRESSED. NEW AGREEMENT WITH ANATEL FULLY SETTLES PENDING CHARGES, WITH EXTENDED PAYMENT TERMS.



## Gross Debt | 1Q22

(fair value<sup>1</sup>;  
R\$ mn)

**R\$ 14.4 bn  
debt  
repayment**

✓	BNDES	4.653
✓	Bond 2026	4.372
✓	Mobile Bridge Loan	2.314
✓	<b>V.Tal Convertible Debenture</b>	<b>3.011</b>
⌘	<b>Local Banks</b>	<b>6.086</b>
⌘	<b>ECAs</b>	<b>4.084</b>
⌘	Qualified Bonds	7.446
⌘	Facility 'Non Qualified'	366
⌘	General Offering	1.052
⌘	Other	18

R\$ 3.5 bn paid with the V.tal closing in Jun 09, 2022.

To be paid partially (EOP 22), depending on the excess of liquidity – according to the RJ plan, and to be calculated after the conclusion of ascertainment procedures of the retained amount of mobile asset.

**Total 33.402**

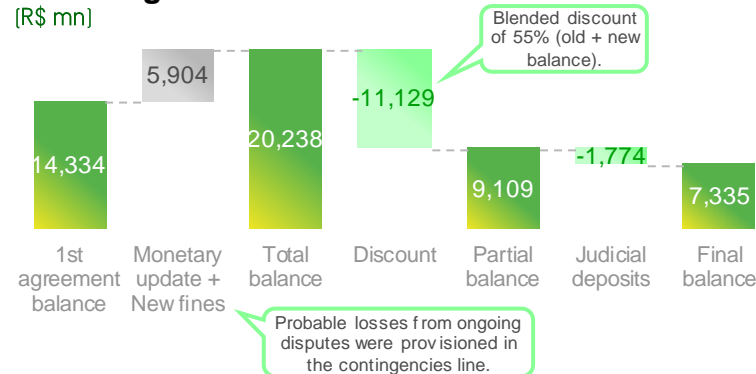
**~R\$ 19.1 bn  
outstanding.**

✓ Amortized post 1Q22

⌘ Outstanding

## Anatel Agreement<sup>2</sup>

(R\$ mn)



**Taking advantage of Law 14,112/20**

(possible only under RJ supervision)

**Payment in 126x**

(last installment in Apr-33 vs Oct-27 previously)

**Non-linear installments**

**6-month grace period**

**No risk of judicial deposits disbursements or guarantee expenses after the RJ**

1- The fair value of Banks and ECAs considers the accounting criteria. For modeling proposals the 55% haircut negotiated in the Judicial Reorganization process should be accounted in the debts' face value. BNDES, Bond 2026, Mobile Bridge Loan and V.tal convertible debentures debts are at face value; 2- Additional details on IR website >> Investor information >> Other information.

# ESG APPLIED TO THE COMPANY'S TRANSFORMATION, SUPPORTING EFFICIENCY, WORKFORCE ENGAGEMENT AND SOLIDIFYING OUR BUSINESS GOVERNANCE



## Environmental

## Social

## Governance

**+ 60%** Expansion of renewable energy investment

Circular economy: Reconditioning of FTTH and DTH home equipment reducing impact

**+ 300k** equipment

**+2K** participants of the wellness program

Nutritional Service  
Postural Care  
Psychological Support  
Mindfulness Group  
Grief Support Group, and more

### Praising is good

Internal campaign on expressions to avoid, so that respect always comes first



NAVE Generation  
Admission of 15 new young talents from NAVE

Privacy week  
*"People before data"*

>2k participants gathered in the closure talk

Expansion of the *Business Continuity Management System* with redefinition of response and continuity plans



# Q2 2022 MARKS A SIGNIFICANT TRANSITION TO A NEW PHASE, AND RJ EXIT IS NOW IN SIGHT, WITH FULL FOCUS ON ADDRESSING THE COMPANY'S LONG TERM SUSTAINABILITY



## 2021

### Q3

- ✓ **InfraCo Competitive Process**
- ✓ **2022-24 Strategic Plan release**
- ✓ **Repayment of the mobile bonds and successful issuance of two financing operations** - mobile bridge and Bonds 2026
- ✓ Launch of **InfraCo new brand: V.tal**
- ✓ **Arbitration Commitment approved** by Anatel's BoD

### Q4

- ✓ **InfraCo approval by CADE** and preliminary consent from Anatel
- ✓ Mobile preliminary approvals by Cade and Anatel
- ✓ **NYSE delisting**
- ✓ **V.tal activities spin-off**

## 2022

### Q1

- ✓ **UPI Mobile Assets disposal approval** by CADE and Anatel
- ✓ Corporate Reorganization: **merge of Oi Móvel** into Oi S.A.
- ✓ **V.tal locked-box agreement** in place
- ✓ **V.tal capex funding** in the form of an advance for future capital increase - AFAC

### Q2

- ✓ **UPI Mobile Assets closing**
- ✓ Beginning of **New Oi brand repositioning**
- ✓ **Term Sheet** with Sky for the **TV business**
- ✓ **V.tal approval by Anatel**
- ✓ **New Transaction Agreement** with Anatel
- ✓ **UPI InfraCo (V.tal) closing**

### Q3+

- 🔗 **Full management focus on the core business acceleration**
- 🔗 **End of Judicial Reorganization**
- 🔗 **Conclusion of ascertainment procedures** for the **Mobile Assets UPI**
- 🔗 **New Oi investors' Day:** pro-forma results disclosure and updated equity story post M&As
- 🔗 **Mobile assets transition process**
- 🔗 **Arbitration** process resolution

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