(Convenience translation into English from the original previously issued in Portuguese)

OI S.A.

(Under Court-Ordered Reorganization)

Independent auditor's report

Individual and consolidated financial statements
As at December 31, 2021

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Oi SA Management Report - Judicial Reorganization 2021

1 – Message to the Shareholders

In 2021 – the second year of the COVID-19 pandemic – Oi worked to accelerate its Transformation process, complete the deliveries foreseen in its Judicial Reorganization Plan and adapt its organizational structure. Due to periods of isolation, the Company implemented the digital model on a daily basis, prioritizing the safety and health of employees and their families. Our home office program was kept, and at the same time, we strive to create and develop the foundations of Nova Oi, a more agile and light company, focused on the customer and their needs in this new world.

We promote the modernization of the organizational structure with the objective of reducing the levels of hierarchy and speeding up decision-making, facilitating the development and implementation of services and products. Areas focused on new revenues were created in segments such as the connected home, cloud, financial services and digital content, among others. From the operational point of view, fiber, the main pillar of the Company's transformation plan, had a strong expansion pace throughout the year, placing Oi in the market share leadership. On other business fronts, we highlight the increase in IT revenues in our B2B operations, Oi Soluções, and also in the business segment. In terms of mobility, the Company maintained its competitiveness, ensuring the maintenance of a performance adequate to the covenants signed in the disposition of UPI Ativos Móveis.

In the context of the Judicial Reorganization process, Oi worked to deliver commitments signed in the Amendment to the Plan (defined below). The sale operations of UPI Torres and UPI Datacenters (defined below) were concluded, and it was signed an agreement with BTG for the sale of UPI InfraCo (defined below), which resulted in the first neutral end-to-end fiber network company Brazilian market, launched under the V.tal brand, which has been operating in a segregated manner, in accordance with the highest governance standards. Such operation to transfer the shareholding control of V.tal has already been approved by the Administrative Council for Economic Defense - CADE and is awaiting prior consent from the National Telecommunications Agency - ANATEL to be performed.

The sale of UPI Móvel to the trio of operators formed by Telefônica Brasil S.A., TIM S.A. and Claro S.A. (“UPI Ativos Móveis Buyers”) was approved by ANATEL (January 31, 2022) and approved by CADE (February 9, 2022). 2022), and, on April 20, 2022, after the fulfillment or temporary waiver of the conditions precedent, the sale of UPI Ativos Móveis was carried out, as detailed in Chapter 6, item 2.2 below.

At the end of 2021, the Company also opened a new negotiation front with ANATEL, instituting an arbitration process with the objective of discussing the unsustainability of the fixed telephony concession, its economic and financial balance, balances of exchange of universalization targets and compensation for the reversible assets at the end of the concession, which should extend over 2022 and 2023. In 2022, the discussion of another relevant regulatory topic for the Company and the sector will also begin, the migration to the authorization model.

It is also worth mentioning as one of the milestones of 2021 the advances made in our ESG policy. In the environmental pillar, Oi is close to reaching the goal of 100% use of energy from renewable sources. We strengthened diversity and inclusion within the Company, carried out various training courses for employees and third parties and formed the first group of female leadership. At Oi Futuro, our social innovation institute that has just completed 20 years of existence, we have reinforced digital activities and started a process of adapting NAVE, our partnership project in education with the public sector, to reach a 100% digital, serving more than a thousand students enrolled in schools in Rio de Janeiro and Recife. In the Governance pillar, we are increasingly aligned with the best market practices, and in this sense, it is worth mentioning the Latin America Executive Team Award, granted by Institutional Investor.

For this year, we expect to complete the transformation process that was developed over the last two years, with the implementation of the new operating model. After the conclusion of the structuring M&A operations and the consequent exit from the Judicial Reorganization, our goal is to accelerate the core businesses and the search for new revenues, readjust costs, finish the adjustments in the organizational structure, work on the capital structure concession equation , as well as contributing to the development of V.tal, which will result in a significant appreciation of Oi's equity.

2 – Economic Situation

National scenario

The year 2021 started with promising expectations and ended with many uncertainties. At the turn of 2020 to 2021, remodelings were expected to advance and the desire to resume economic activities with the advancement of vaccination. However, the initial delay in the immunization process, the emergence of new variants, together with uncontrolled inflation and little progress on the fiscal side were some of the obstacles found in 2021.

Inflation measured by the IPCA ended 2021 at 10.06% (vs 4.52% in 2020), well above the target ceiling of 5.25% and the level initially expected by the market, impacted by fuels, electricity, gas and foods. Together, the housing, food/beverage and transport group accounted for approximately 79% of the 2021 IPCA. High commodity prices, exchange rates still at high levels and the water crisis in the country are behind this behavior.

To contain inflation, the Central Bank of Brazil increased the Selic rate several times a year. At the beginning of 2021, the Selic was at 2.0% p.a. and, after seven consecutive increases, it ended the year at 9.25% p.a. Higher interest rates directly impacted the performance of the economy. GDP (Gross Domestic Product) should end the year with a growth of 4.5%, below initial expectations, as well as the expansion estimates of the main global economies and Latin America.

On the fiscal side, the revision of the spending ceiling and the limitation of overdue payments weighed on market confidence and on concerns about the sustainability of fiscal policy. As a result, 2021 was a year of high exchange rate volatility. The US currency ended the year quoted at R$5.5805, with an appreciation of 7.47%.

International Scenario

In the US, the economy grew by 5.7% in 2021, driven by low interest rates and fiscal incentive. The robust growth and recent behavior of inflation help to reinforce expectations that the Fed[1] will raise interest rates in the first quarter of 2022. In Europe, in 2021 the economy recovered part of the impact of the pandemic, registering a growth of 5.2%, after the historic drop of 6.4% in

1 Central Bank of the United States.

2020. The Chinese economy recovered in 2021, with GDP growth of 8.1%, the highest since 2011, despite the weakening of the real estate sector and sporadic outbreaks of COVID-19.

Expectations for 2022

In the world, stabilization and normalization of the effects of the pandemic is expected. In the US, with the scenario of higher inflation, expectations point to an increase in interest rates already at the Fed's March meeting. In China, despite the maintenance of pro-growth policies, GDP should end with a smaller increase (below 5%). The European economy, in turn, is expected to remain strong, with GDP expected to grow by 4.3% per year.

For Brazil, in an election year, few advances and a lot of volatility are expected. The economy should be stagnant, due to the impact of high interest rates and uncertainties with the presidential election. Inflation and interest rates are expected to remain high, impacting Brazilians' consumption and income, and are expected to end 2022 at 5.0% and 11.75% p.a., respectively. The exchange rate should have a volatile year, reacting to the election race and the expected rise in interest rates in developed countries – projections indicate an average exchange rate of R$5.50 for the year.

3 - The Telecommunications Sector in Brazil in 2021

According to ANATEL, at the end of December 2021, total accesses to telecommunications services in Brazil totaled 339.5 million, represented by 28.7 million landlines in service, 253.3 million mobile accesses, 41.4 million fixed broadband internet accesses, of which 25.4 million are only fiber technology accesses (Multimedia Communication Service - SCM) and 16.0 million pay TV accesses. The 7.5% increase, which corresponds to 23.8 million accesses compared to 2020, was driven by the growth of broadband accesses, mainly in fiber technology, the growth of mobile lines in the postpaid and prepaid segments and in the TV segment due to the change in ANATEL's reporting methodology. The Landline telephony segment, compared to the previous year (2020) suffered a considerable reduction, of 1.8 million.

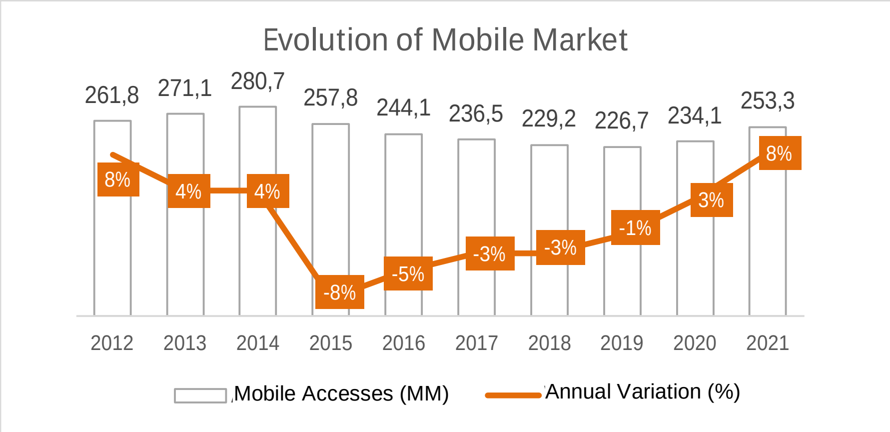
Fixed Telephony

The Brazilian landline telephony market reached, in December 2021, 28.7 million lines in service, according to ANATEL data, with a reduction of 5.8% over Dec/20. This market is in decline, as there is a worldwide trend of traffic migration from landline telephony to mobile telephony and data.

Landline telephony concessionaires represented 49.9% of the total fixed accesses operating in 2021.

Mobile Telephones

The mobile market had 253.3 million accesses (including “Points of Service” and “M2M”) in December 2021 and a teledensity of 103.1% over the population (only considers "Standard" accesses, not considering in its calculation of "Point of Service" and "M2M" type accesses). The segment had a total growth of 19.3 million new accesses, of which 15.1 million were postpaid and 4.2 million were prepaid. After years of decline, the prepaid segment grew 3.6%, while the postpaid segment maintained its growth rate with 12.7%. Postpaid ended 2021 representing 52.9% of total mobile accesses.



Fixed Broadband (SCM)

According to data from ANATEL, the market for internet access through fixed broadband (SCM) remained one of the growth levers of the sector in 2021. At the end of the year, the access base reached 41.3 million, with a growth of 14.0% compared to 2020, representing 5.1 million new accesses In this context, what boosted growth were investments and broadband internet connections via fiber, which has been growing year on year. Currently, fiber accounts for 26.0 million, totaling 62.7% of the market.

Pay TV

In 2021, due to the change in ANATEL's reporting methodology, the access base of pay-TV services increased by 1.2 million, representing a variation of 8.2% compared to 2020. At the end of December 2021, pay-TV accesses totaled 16.0 million subscribers.

- The most representative technology is DTH (Direct to Home), impacted by the change in reporting, which increased by 26.1%, closing the year with 9.3 million accesses (representing 57.9% of pay-TV accesses). Cable technology then lost 14.5%, closing the year with 5.4 million accesses (representing 33.9% of pay-TV accesses). FTTH technology grew by 19.0%, closing the year with 1.3 million accesses (representing 8.2% of pay-TV accesses).

Regulatory Scenario: ANATEL's Regulatory Agenda for the 2021-2022 biennium

The Regulatory Agenda 2021-2022, approved by Internal Resolution No. 1, of December 4th, 2020, contains all standardization actions to be carried out by ANATEL in the reference period. Subsequently, the Regulatory Agenda 2021-2022 was updated by Internal Resolution No. 9, of March 2nd, 2021, and Internal Resolution No. 15, of April 19th, 2021, and by Internal Resolution No. 82, of February 15th, 2022. It is noteworthy that the last update introduced a novelty: the Regulatory Result Assessment (ARR) through which ANATEL proposes to evaluate the effects generated by certain regulations.

After these updates, the Agenda for that biennium now has 33 (thirty-three) initiatives. Among the items of the 2021-2022 Regulatory Agenda, the following stand out:

Regulation of the adaptation of STFC concessions to the private regime (action 1)

The Reassessment of the Brazilian regulatory model for the provision of telecommunications services, based on the public and private regimes, according to the General Telecommunications Law (which was amended by Law No. international practices on the subject, the essentiality of the various telecommunications services, the models for granting (concession, authorization, permission), the reversibility of goods, continuity, universalization and pricing regimes. As a result of this reassessment, in 2020 ANATEL launched Public Consultation No. 05/2020, which included: (i) Draft Resolution approving Regulation for Adaptation of STFC Concessions for Authorization; (ii) Methodology for Calculating the Balance of Adaptation of Concession Regime for STFC Authorization; and (iii) Single Term of Services. After examining the contributions sent by society, ANATEL published, on February 10th, 2021, Resolution No. 741, which approved the Regulation for Adaptation of the Concessions of the Switched Fixed Telephone Service - STFC for Authorizations of the same service.

Such regulation establishes the rules for the migration from the concession regime to authorization, remaining pending, however, the determination of the Migration Balance Calculation Methodology and its quantification, individualized by concessionaire (the work is being carried out by a consultancy contracted by ANATEL/ ITU and is expected to be approved by the Agency's Board of Directors by the end of the first half of 2022).

Bidding Notice for the availability of radio frequency spectrum for the provision of telecommunications services, including through so-called fifth generation (5G) networks, in regional or national coverage areas (action 2)

The Bidding Notice for the authorization of radio frequencies intended for the provision of Personal Mobile Service - SMP, or other services for which they are intended, in the 700 MHz, 2.3 GHz, 3.5 GHz and 26 GHz bands, aims to expand the capacity of access networks through non-confined means, providing essential input for the provision of such services with adequate quality, especially for networks with so-called fifth generation technology (5G). The final version of the Public Notice was approved and released by ANATEL on September 26th, 2021, after approval by the TCU with small proposed adjustments. The bidding took place between November 4th and 9th, 2021, and R$47.2 billion were raised for 43 auctioned lots. The radio frequency authorization terms were signed on December 14th, 2021. The first 5G commitments to be fulfilled by SMP operators are scheduled for July 30, 2022, with the possibility of an additional period of up to 60 days.

Reassessment of regulation on control of reversible assets (action 4)

The Reassessment of the regulation on control of reversible assets was concluded with the publication, on April 12th, 2021, of Resolution No. 744, which approves the Regulation for the Continuity of Provision of the Landline Switched Telephony Service for the General Public Use (STFC) in the Public Regime – RCON. The new regulation improves the operational procedures relevant to the prior consent of disposal, replacement, encumbrance and untying of reversible assets, in addition to updating the control and organization of the list of reversible assets and the list of services provided by third parties. It also establishes the rules on compensation for reversible assets, as well as the principles for establishing the necessary conditions for the analysis of claims for compensation for reversible assets not amortized during the term of the concession.

Reassessment of the regulation on the rights of customers of telecommunications services (action 6)

Reassessment of the regulation on the rights of customers of telecommunications services, in particular the Regulation approved through Resolution No. 632, of March 7th, 2014 - RGC, aiming to analyze points of the regulation that were identified as problems during its implementation, as documentation from the Regulation Implementation Group – GIRGC, as well as other topics that may be identified as subject to improvement by the project team, maintaining legal certainty and the advances already achieved in the aforementioned regulation, but making it more effective and coherent. Public Consultation No. 77, of December 2nd, 2020, in which ANATEL submitted the proposal for a new RGC to society in general for comments, was closed on April 1st, 2021. ANATEL's forecast was that the new RGC would be approved in the second half of 2021, which has not yet occurred.

Reassessment of the regulation on sharing poles between electricity distributors and telecommunication service providers (action 9)

This is a reassessment of the regulation on sharing poles between electricity distributors and telecommunication service providers, approved by Joint Resolution No. 4, of December 16th, 2014, by ANATEL and the Brazilian Electricity Agency - ANEEL. The review of this resolution is carried out jointly by ANATEL and ANEEL.

On December 2nd, 2021, Consultation 073/2021 began at Aneel, whose objective is to obtain subsidies for the Regulatory Impact Assessment – AIR and the proposal for improvements to the regulation regarding the sharing of infrastructure between the electricity distribution sectors and telecommunications. Within the scope of ANATEL, the public consultation began on February 15th, 2022. Both public consultations closed on April 18th, 2022. There is no provision in the regulatory agenda for the 21-22 biennium that the approval of the new regulation will take place in 2022. Therefore, the approval of the new regulation should be on the regulatory agenda for the next biennium (23-24).

Review of the General Plan of Competition Goals (action 10)

ANATEL started, on December 23rd, 2021, a public consultation to obtain subsidies for the Review of the PGMC, which regulates the Wholesale markets and aims to foster competition in the sector. The Subsidy Obtaining ended on March 7th, 2022. Based on the contributions received, ANATEL will prepare the Regulatory Impact Analysis (AIR) report and the proposal for a new PGMC, which will be submitted for public consultation. There is no provision in the regulatory agenda for the 21-22 biennium that the public consultation of the new PGMC will take place in 2022.

The questions contained in the subsidy survey which ended in March 2022 indicate that the new PGMC may address topics such as the inclusion of new Relevant Retail Markets, as well as the creation of a Secondary Market of Radiofrequency Spectrum.

In addition, the questions aim to obtain the sector's perception of the influence and impacts of the PGMC on the dynamics of Brazilian telecommunications.

Simplification of regulation and telecommunications services (Action 25)

ANATEL started, on August 25th, 2020, a public consultation to obtain subsidies to raise subsidies for future simplification of regulation and telecommunications services. The simplification would consist of the consolidation of normative acts and the reassessment of the very merits of the regulation in order to promote the simplification of the very structure of telecommunications services. This subsidy obtaining ended on November 16th, 2020.

This acquisition of subsidies addressed several topics relevant to the telecommunications sector, such as Areas of telecommunications service provision, Network Remuneration, Network Interconnection Rules, Impacts on Numbering in the Unification of Services, Law No. 12,485, of September 12th 2011 (SeAC Law), provision of STFC under the public regime in light of the new legal framework for telecommunications, Asymmetric Regulations, Impacts of any merger of services on the allocation of radiofrequency bands, Provision of SMP through a virtual network, Neutral Networks and regulatory Sandbox.

ANATEL's forecast was that the simplification proposal would be put up for public consultation in the second half of 2021, which did not happen.

Having exposed the main items of the Regulatory Agency for the years 2021 and 2022, it is important to record some regulatory events that are outside the current regulatory agenda, but which are important for the regulatory scenario in which the Oi group operates.

On December 30th, 2020, Oi filed with ANATEL a Request for the Initiation of Arbitration Proceedings related to issues related to its Concession Contracts. The procedure has already been accepted by ANATEL and has been, since August 2021, under the care of the International Chamber of Commerce – CCI, the arbitration court that will be responsible for judging the dispute.

In addition, in 2020, the last five-year review cycle of the concession contracts and the PGMU was completed. After the end of the Public Consultation held in 2018 and analysis of the manifestations of the whole society, ANATEL, in December 2020, approved new drafts of the concession contract and forwarded to the Executive Branch a text suggestion for the new PGMU.

With regard to the drafts of the concession contract, the Concessionaires of the Oi group chose not to sign the new documents, as had occurred in the review started in 2015 and ended in 2018, therefore, the conditions provided for in the 2010/2010 review remain valid.
Regarding the PGMU, on January 28th, 2021, Decree No. 10,610/2021 was published, which revoked Decree No. 9,619/2018 and approved a new PGMU, applicable for the period from 2021 to 2025. Among the determinations of the new

PGMU, the creation of the backhaul obligation stands out2, in which the balance resulting from changes in the goals of the previous PGMU will be used. The new PGMU also provides for the end of the obligation for new installations arising from the obligation of fixed wireless access, and the infrastructure already installed must be maintained until the end of the concession. On September 28th, 2021, Decree No. 10,821 was published, revoking the backhaul implementation target scheduled for 2021. Thus, the PGMU compliance period runs from 2022 to 2024.

Finally, on December 26th, 2019, the Telecommunications Services Quality Regulation – RQUAL came into force, which established the new quality management model as well as determined the immediate partial repeal of the previous regulations - RGQs (STFC, SCM and SMP) and PGMQ (TV/SeAC). The new model, based on responsive regulation and customer empowerment, determines that providers will be evaluated based on three indexes (regulatory simplification): Service Quality (IQS), Perceived Quality (IQP) and User Complaints (RI). Quality Seals will be awarded annually, with grades ranging from “A” (for the best performance) and “E” (for the unsatisfactory results) with municipal, state and national granularity. The eventual downgrading of a provider to the categories of “D” and “E” will allow the breach of contract by the customer, without payment of a fine for the length of stay. RQUAL also provides for the replacement of automatic sanction approval rules (fines for non-compliance with goals), by adopting specific and appropriate measures to the specific case, in order to guarantee the improvement of quality standards, as well as establishing a parameter to prove quality defects in the provision of fixed broadband, enabling the cancellation of the contract without payment of a fine. The Technical Quality Group (GTQUAL), established in January 2020, with the participation of the providers, ANATEL and the Quality Assurance Support Entity (ESAQ), completed the preparation of the Operational Manual (MOP) in 2021, document in which are established the technical parameters, rules and guidelines for the composition of indicators and indices, the criteria for service interruptions and reimbursement to impacted users. ANATEL's Board of Directors approved the document determining the reference values (DVR) in December 2021, containing the form of consolidating the indicators, indices, methods and criteria for awarding the Quality Seal, with an entry into force as of March of 2022.

4 - Company Profile

The Company is one of the main providers of integrated telecommunications services in Brazil, with approximately 59.2 million Revenue Generating Units (“UGR”) at the end of 2021. The Company operates throughout the national territory and offers a variety of integrated telecommunications products that include Fiber to the customer's home (FTTH), landline and mobile telephony, use of networks (interconnection), data transmission (including broadband) ICT and pay television (also offered in double-play and triple-play packages), internet services and other telecommunications services, for residential customers, companies, government agencies, other operators and telecommunications providers. In line with the Company's Strategy, we started the process of portfolio diversification through solutions that go beyond connectivity, developing new products in

[2] According to article 18 of the new PGMU, STFC concessionaires in the local modality must implement STFC support infrastructure in the seats of Municipalities, towns, isolated urban areas and rural agglomerations, indicated by ANATEL, which do not yet have this infrastructure. The service must occur through the implementation of optic fiber transport infrastructure (backhaul), with a minimum capacity of 10 Gbps (ten gigabits per second) and the obligation must be met from 2021 to 2024, following a defined minimum service schedule by ANATEL.

segments such as connected home, security, financial services and digital content, among others, made available to customers on the Oi Marketplace, the Oi Place.

Oi Fibra reached a 14.2% market share in the optical fiber segment, with 3.7 million accesses. It also grew by 0.4 p.p. market share of ultra-speed broadband (above >34 Mbps, according to ANATEL's classification), reaching 10.4% at the end of 2021.

5 – Company Strategy and New Businesses

In 2021, we advanced in our new strategic model approved in the Amendment to the PRJ (detailed in item 6 of this Report), and we entered the 4th phase of our strategic transformation anchored in four pillars:

- Acceleration of the core businesses and New Sources of Revenue, focusing on the growth and optimization of optical fiber profitability combined with the development of new businesses to deliver digital experiences to our customers;

- Organizational transformation and adjustment of the cost structure, with continuous improvement of operational and financial performance;

- Equation of the Concession, with a focus on the sustainability of the business;

- Development of V.tal, with independent governance and significant appreciation of Oi's equity;

To ensure sustainable operation and strict cost control, several actions on different fronts continue to be carried out, such as a significant increase in digitization levels, the continuous review and optimization of processes and the readjustment of the operational focus in the areas that represent the Company's future.

In December 2021, the Oi Fibra service surpassed the mark of 3.4 million connected homes, a base 60.4% higher than in 2020, reaching an occupancy rate of 23.2%. The implementation speed was higher than expected, reaching more than 14.5 million homes passed in 198 cities. The plan calls for continued expansion of homes passed with fiber over the next few years. The center of the investment strategy is the acceleration of optical fiber projects, which enable a large growth in residential broadband operations, and which also support activities in the B2B market, wholesale and in the maintenance of good performance in the mobile market , at the time of sale and transition of assets.

The Company maintained its investment level, with Capex reaching R$7.5 billion at the end of 2021. The Company is confident that the closing of the sale of non-core assets and the focus on operational efficiency will ensure sufficient resources to finance our operations as planned.

During 2021, we delivered relevant commitments, including:

- We concluded the sale of the Torres and Datacenters UPIs;

- We signed an agreement with BTG for the sale of the control Infrastructure UPI (V.tal), approved by CADE;
- We made progress with UPI Ativos Móveis in the analysis of regulatory bodies.

New Business

In 2021, Oi continued its commitment to the development of initiatives related to innovation, R&D and New Business, creating a vice-presidency dedicated to generating new revenues. Through verticals for topics relevant to the connectivity ecosystem and the digital life of customers, such as: Marketplace (Oi Place), Smart Home, Video Content Aggregator (Oi Play – tvOD, SVOD and live channels), Education, Health, Financial Services, SME Solutions, Geolocation, Digital Marketing, Big Data, IoT and Security.

6 – Judicial Reorganization

Non-closure of the Judicial Reorganization

On February 28th, 2020, Oi, Oi Móvel S.A. – Under Judicial Reorganization ("Oi Móvel", which was merged into the Company on February 22nd, 2022), Telemar Norte Leste S.A. – Under Judicial Reorganization ("Telemar", which was merged into the Company on May 3rd, 2021), Portugal Telecom International Finance B.V. – In Judicial Reorganization and Oi Brasil Holdings Cooperatief U.A. – Under Judicial Reorganization (all together, "the Oi Companies" or the "Debtors") filed, before the Judicial Reorganization Court, a petition exposing their interest in taking to the deliberation of a new general meeting of creditors ("New AGC "), an amendment to the Plan ("Amendment to the Plan" or "Amendment to the PRJ") aimed at achieving greater operational and financial flexibility to continue its investment project and the fulfillment of its strategic transformation plan ("Strategic Plan"), both already widely publicized to the market.

In line with the foregoing, on March 6th, 2020, the Company released a Material Fact, informing that the Judicial Reorganization Court issued a decision, on the same date, granting the Company's request for a New AGC to resolve on a Amendment to the Plan.

On June 15th, 2020, the Oi Companies filed with the Judicial Reorganization Court, the proposed Amendment to the PRJ, which aimed to give greater flexibility to the original PRJ, with the creation of a more efficient corporate and operational structure, aiming the maximization of the Company's value for the benefit of all its stakeholders. This movement was completely aligned with the Strategic Plan, which has been implemented with transparency.

On August 13th, 2020, the Oi Companies filed with the Judicial Reorganization Court an updated proposal for the Amendment to the PRJ, adjusting certain terms and conditions. This proposal reflected the various interactions with creditors, potential investors and other stakeholders, including those conducted before the mediator appointed by the Judicial Reorganization Court, with the objective of discussing improvements to the Amendment to the PRJ.

The Amendment to the PRJ was submitted to the vote of the creditors of the Debtors and approved in the New AGC held on September 8th, 2020, the date of the first call, having been approved by the Judicial Reorganization Court by means of a decision rendered on October 5th, 2020 and published on October 8th, 2020, a decision that also rejected all allegations of procedural nullities by Nova AGC, ruling out the allegation of unequal treatment between creditors and rejecting requests for nullity of the voting quorum and approval of the Amendment to the PRJ, by do not contain defects in their formation and will and, among other measures, set a period of 12 (twelve) months for the end of the judicial reorganization of the Debtors, counted from the date of publication of said decision, which may be extended, if there is a need to finalize the acts related to the disposals provided for in the Amendment to the PRJ.

On September 2nd, 2021, the Judicial Reorganization Court issued a decision, granting the Debtors' request to extend the period of judicial supervision of the Judicial Reorganization Process until the end of March 2022, once the need (i) to finalize the acts related to the disposals of the UPIs; and (ii) the implementation of certain conditions provided for in the Amendment to the PRJ; in addition to having had a favorable opinion from the Judicial Manager and the Public Prosecutor's Office that works in the case. Subsequently, in response to the motion for clarification filed by certain financial institutions, the Judicial Reorganization Court issued a decision clarifying that the period of judicial supervision was extended until the specific date of March 31st, 2022. An appeal was filed by a financial institution against the decision, so that judicial supervision ends only on May 30th, 2022, as expressly provided for in the Amendment to the PRJ. On February 9th, 2022, the aforementioned appeal was dismissed, and the deadline for closing the Judicial Reorganization was maintained for March 31st, 2022.
It is noteworthy that the National Bank for Economic and Social Development – BNDES (“BNDES”) filed requests for clarification against the appellate decision that dismissed its appeal, so that the termination of judicial supervision is recognized only within the period provided for in the Amendment to the PRJ. Said appeal awaits judgment.

On March 28nd, 2022, in view of the proximity of the end of the supervision period and the uniqueness of the judicial reorganization of Grupo Oi, the Judicial Reorganization Court issued a decision determining certain preparatory measures necessary to guide the orderly conclusion of the process. The aforementioned decision, published on March 30, 2022, determined, among other things, (i) that the Trustee present the General List of Creditors ("QGC"), within 60 days, which must include all incidents of authorization and credit challenges sentenced until March 28, 2022; and (ii) that the Debtors create an administrative proceeding, while there is a payment term due and even after the end of the judicial reorganization, so that the late bankruptcy creditors who have not filed the correct distribution
depending on their request for qualification or challenge , perform administrative clearance. The Judicial Reorganization Court also clarified that the incidents that are not decided until the approval of the QGC and the end of the judicial reorganization must proceed normally and, after being decided, will be inserted in the list of creditors by the Debtors themselves.

1. Objectives of the Amendment to the PRJ

The Amendment to the PRJ approved by the creditors and ratified by the Judicial Reorganization Court, as set out above, aims to allow the Oi Companies and their subsidiaries ("Oi Group") to enable the execution of their long-term plan, with the necessary equation of the its debt, in the current context, and the continuity of its activities following the aforementioned PRJ and its Strategic Plan. The main objective of Grupo Oi's strategy is to transform its business model, focusing on the use and rapid expansion of its extensive optical fiber infrastructure as a competitive differential, including its transport networks (backbone, backhaul and data network), and primary and secondary access networks (dedicated links, metropolitan rings and FTTH access networks), enabling and meeting the needs of high-speed connection and provision of services to its residential, business, corporate and government customers, as well as the provision of infrastructure services for the other telecommunications service providers in the country, including the feasibility of connections for the new 5G technology.

The implementation of this strategy will take place with the continuity of the asset disposal process, in addition to the possibility of participating in movements of consolidation and disposal of its mobile operation, and with the adoption of the model known as structural separation, which allows the constitution of separate entities for investments, operation and maintenance of the telecommunications infrastructure and for the provision of services to its end customers, including the activities of product development, marketing, sales and customer service. With this, the aim is to make Grupo Oi's business model more sustainable, focused on its main competitive advantages, structured in an efficient and focused manner, and to ensure the continuity of Grupo Oi and the consequent compliance with the means of recovery and payment of all the competition credits.

The Amendment to the PRJ aimed at introducing flexibility to achieve the Company's strategic objectives described above, and its main objectives are, among others:

(i) the formation of Isolated Production Units ("UPIs"), through the segregation of certain businesses and assets of the Oi Group and the sale of them with the security and benefits guaranteed by Law No. 11.101/2005 ("LRF"), thus ensuring the maximization of its value and the generation of the necessary resources for the payment of bankruptcy creditors and the obligations of the Debtors;

(ii) the establishment of improvements in payment conditions for a substantial part of small creditors, as a way of reducing litigation and faster satisfaction of this type of creditor, as determined by the Judicial Reorganization Court;

(iii) the contracting of financing and other forms of additional funding by the Debtors, to maintain the necessary investments and pay their creditors; and

(iv) the segregation, from a company that is part of Grupo Oi, of some fiber and infrastructure assets, aiming to create a more flexible and efficient corporate structure to accelerate investments in the expansion of the optical fiber network, allowing this company to access the financial and capital and raise additional resources with lower costs, saving the exclusive use of resources generated by the operations of the Debtors and, thus, strengthening their operational structure.

2. Isolated Production Units - <u>UPIs provided for in the Amendment to the PRJ</u>

The Amendment to the PRJ provided for the segregation of 5 (five) distinct UPIs of the assets, liabilities and rights of the Debtors associated with (a) the telephony and data operation in the mobile communication market ("UPI Ativos Móveis"); (b) passive infrastructure ("UPI Torres" and "UPI Data Center"); (c) the operation of telecommunications networks ("UPI InfraCo"); and (d) the TV business ("UPI TVCo").

The UPIs were constituted in the form of corporations ("UPIs") and may be sold, in different models for each type of UPI described above, aiming at the payment of debts and the generation of resources necessary for the expansion of its fiber infrastructure and associated services, which are the main focus of Grupo Oi's strategy. The disposition of the UPIs aims to allow Oi to maximize the economic value of its investments, through the expansion of its residential and business access services throughout the country, the more efficient exploitation of its network elements and the opening of new possibilities for exploitation. of these networks to other operators and service providers in the telecommunications sector, in compliance with legislation, regulations and the need for authorizations from the competent authorities, when applicable.

Detailed information on the composition of each UPI and the terms and conditions applicable to its disposal, including those relating to the structure and minimum price, are described in the Amendment to the PRJ available, for consultation purposes, at the electronic address www.recjud.com.br.

2.1. UPI InfraCo

UPI InfraCo is composed of 100% of the shares issued by Brasil Telecom Comunicação Multimídia S.A. ("BrT Multimídia" or "InfraCo"), which, after carrying out corporate reorganization operations, started to gather the assets, liabilities and rights related to the optical fiber and infrastructure activities described in Annex 5.3.4 of the Amendment to the PRJ.

The UPI InfraCo brings together the infrastructure and fiber assets related to Grupo Oi's access and transport networks already contributed to its capital, as well as assets assigned directly or, even, assigned as right of use in the form of IRUs (Indefeasible Rights of Use), in addition to new investments in infrastructure that are yet to be carried out, with the objective of accelerating investments in the expansion of its optical fiber networks, based on a more flexible and efficient capital structure and greater possibility of capturing and using new resources. UPI InfraCo became an affiliated company of the Company, which has been seeking the necessary resources to finance its investments in the market, in order to expand the Oi Group's activities in optical fiber and serve a greater number of customers from all over the world segments across the country.

The Amendment to the PRJ provided, in its Clause 5.3.9.4, for the partial disposal of UPI InfraCo through a competitive procedure, under the terms of the LRF, through the submission of closed proposals for the disposal of the majority of voting shares issued by UPI InfraCo , representing its corporate control, and it is certain that Oi will maintain a relevant interest in the capital stock of UPI InfraCo, with measures that guarantee its active participation in the creation and expansion of a leading national company in optical fiber infrastructure, including through a shareholders' agreement .

As in other countries, the creation of UPI InfraCo followed a logic of structural separation between the service company and the infrastructure company, with the objective of maximizing the value of the business, through greater efficiency and innovation, with clear strategies focused on customer experience and product and service innovation on the one hand, and on the massification of fiber infrastructure and optimization of its technical operation on the other.

On April 12th, 2021, the Company accepted a binding proposal submitted jointly by Globenet Cabos Submarinos S.A. ("Globenet"), BTG Pactual Economia Real Fundo de Investimento em Participações Multiestratégia ("BTG") and other investment funds managed or controlled by companies that are part of the BTG Group (jointly, the “Proposers”). Due to the submission of the binding proposal by the Bidders and, as provided for in Clause 5.3.9.4.6 of the PRJ Amendment, Oi granted the Bidders the right, at its sole discretion, to cover the highest bid that was eventually presented in the process UPI InfraCo's partial divestment (“right to top”).

On July 7th, 2021, a hearing was held in the Judicial Reorganization Court for the opening of closed proposals presented within the scope of the competitive procedure for the partial sale of UPI InfraCo, in which there was only one closed proposal for the partial acquisition of UPI InfraCo, jointly presented by Globenet and BTG in the exact terms and conditions of the binding proposal for the acquisition of UPI InfraCo that had been presented by the Bidders and accepted by the Company on April 12th, 2021, subject to the terms and conditions set forth in the respective Agreement Purchase and Sale of Shares contained in the UPI InfraCo Public Notice.

The aforementioned proposal was approved by the Judicial Reorganization Court as the winner of the competitive procedure for the partial sale of UPI InfraCo, after favorable statements from the Public Ministry of the State of Rio de Janeiro and the Judicial Manager.

In this context, on October 1st, 2021, the Investment and Other Covenants Agreement (“UPI InfraCo Agreement”) was entered into between the Company and Globenet, whose purpose is the sale of shares representing the control of BrT Multimídia to the aforementioned investor (“UPI InfraCo Operation”), with the effective conclusion of the transfer of shares issued by UPI InfraCo subject to (i) compliance with the conditions precedent provided for in such contract, (ii) the prior consent of the National Telecommunications Agency – ANATEL and (iii) the approval of the partial sale of UPI InfraCo by CADE.

In accordance with the terms and conditions of the UPI InfraCo Agreement, the UPI InfraCo Operation will involve the contribution by Globenet to BrT Multimedia of a Primary Installment, the payment by Globenet to Oi of a Secondary Installment, and the contribution to BrT Multimedia of two additional Primary Installments, in addition to the Merger of Globenet by InfraCo.

The value of the UPI InfraCo Operation, considering the sum of the Primary Installment; of the Secondary Installment; Additional Primary Installments; and the fair value of the Globenet Merger, will total an amount of R$12.9 billion (“UPI InfraCo Closing Price”), which is subject to price adjustment mechanisms based on certain financial and operational performance metrics by BrT Multimídia.

In this context, at the Extraordinary General Meeting of BrT Multimídia held on January 21, 2021, the contribution of Globenet’s funds to BrT Multimídia in the form of Advance for Future Capital Increase (“AFAC”) was approved, in anticipation of the amounts due by Globenet as the Primary Portion of the UPI InfraCo Operation, subject to the terms of the UPI InfraCo Agreement. It is important to point out that the referred AFAC does not imply the acquisition of shares issued by BrT Multimídia by Globenet and, consequently, its entry into the capital stock of BrT Multimídia, nor any change in the control of BrT Multimídia until the closing of the UPI InfraCo Operation, which will only occur with the closing of the UPI InfraCo Operation.

After confirmation and/or verification of all previous conditions for the completion of the UPI InfraCo Operation, as provided for in the UPI InfraCo Agreement, as well as after the payment of all Primary and Secondary Installments and completion of the Globenet Merger provided for in the UPI InfraCo Agreement, Globenet’s shareholders will hold shares representing 57.9% of the total and voting capital of

BrT Multimídia, with Oi holding the remaining interest in the total and voting capital. As with the UPI InfraCo Closing Price, said participation will also be subject to adjustments arising from the closing conditions of the operation. Upon the closing of the UPI InfraCo Operation, a shareholders' agreement will come into effect between Oi and the shareholders of Globenet to regulate their relationship as shareholders of BrT Multimídia.

On October 18, 2021, the General Superintendence of CADE published the SG Dispatch No. 1538/2021, approving the UPI InfraCo Operation without restrictions, provided that, pursuant to the applicable legislation, the approval decision would become final within 15 (fifteen) calendar days, counted from its publication, if there was no appeal from interested third parties or the operation call back by the CADE Administrative Court.

On November 4th, 2021, the Transit In Rem Judicatam Certificate was issued for the unrestricted approval by CADE of the UPI InfraCo Operation, pursuant to the Merger No. 08700.005071/2021. The Company informed, on the occasion, that the effective conclusion of the UPI InfraCo Operation is subject to the prior consent of ANATEL, where the process is in progress, as well as the fulfillment of the usual conditions precedent for operations of this nature, provided for in the UPI InfraCo Agreement.

2.2. UPI Ativos Móveis

The Amendment to the PRJ provided for the sale of UPI Ativos Móveis through a competitive procedure, under the terms of the LRF, through the submission of closed proposals for the acquisition of 100% of the shares of the UPI Ativos Móveis, with the payment of a price of at least R$ 15.7 billion in cash.

On September 7, 2020, Oi accepted a binding proposal jointly presented by the UPI Ativos Móveis Buyers for the acquisition of UPI Ativos Móveis and granted the UPI Ativos Móveis Buyers, as provided for in Clause 5.3.9.1.6 of the PRJ Amendment, the right, at its sole discretion, to cover the highest value offer that was eventually presented in the competitive process of disposal of UPI Ativos Móveis (“right to top”).

On November 10th, 2020, the Public Notice (“Public Notice UPI Ativos Móveis”) presented by the Debtors for the sale of UPI Ativos Móveis was published.

On December 14th, 2020, a hearing was held in the Judicial Reorganization Court for the opening of closed proposals presented within the scope of the competitive procedure for the sale of UPI Ativos Móveis, in the form and under the terms provided for in the Amendment to the PRJ and in the Public Notice of UPI. During the aforementioned hearing, there was only one proposal for the acquisition of UPI Ativos Móveis, which was jointly presented by the UPI Ativos Móveis Buyers in the exact terms and conditions of the binding proposal for the acquisition of UPI Ativos Móveis presented by them.

The Judicial Reorganization Court approved the Bidders' proposal as the winner of the competitive procedure for the sale of UPI Ativos Móveis, after favorable statements from the Public Ministry of the State of Rio de Janeiro and the Judicial Manager.

As provided for in the UPI Ativos Móveis Public Notice, the respective Share Purchase and Sale Contract (“UPI Ativos Móveis Agreement”) was entered into with the UPI Ativos Móveis Buyers, and the effective conclusion of the sale of UPI Ativos Móveis is subject to compliance with the conditions provided for in such contract, among which, the consent prior notice from the Brazilian National Telecommunications Agency – ANATEL and the approval of the purchase and sale of shares by the CADE (“UPI Ativos Móveis Operation”).

On January 27th, 2022, Oi's Extraordinary Shareholders' Meeting was held, at which the merger operation of Oi Móvel by the Company was approved, with the completion of the merger subject to the following conditions: (i) grant by ANATEL of prior consent for the operation and publication by ANATEL, in the Federal Official Gazette, of the transfer to Oi of the Conditional Access Service (SeAC) (pay TV) held by Oi Móvel, and consolidation of the Multimedia Communication Service grant (SCM) with the one already owned by Oi; and (ii) obtaining authorization from the Debenture Holder of the 2nd Issuance of Simple Debentures, Non-Convertible into Shares, of the Kind with Real Guarantee, with Additional Fidejussory Guarantee, in a Single Series, for Private Placement, of Oi Móvel ("Authorization of the Debenture Holder of the 2nd Issuance of Debentures by Oi Móvel”).

On January 31, 2022, ANATEL, in resolution at the 19th Special Meeting of the Board of Directors, granted prior consent to the sale of UPI Ativos Móveis by the Company and Oi Móvel to the UPI Ativos Móveis Buyers (“UPI Ativos Móveis Operation”) with the transfer of authorizations for the use of associated radio frequencies to the Mobile UPI, and subsequently to each of the UPI Ativos Móveis Buyers, being certain that the transfers are subject to the fulfillment of certain conditions established by ANATEL.

At the same meeting, ANATEL granted prior consent for the corporate merger of Oi Móvel by the Company, with the transfer of the grants held by Oi Móvel for the provision of SeAC and SCM to Oi. Such consent was also subject to the waiver of the Personal Mobile Service (SMP) by Oi Móvel.

UPI Ativos Móveis is represented by 100% of the shares issued by Cozani RJ Infraestrutura e Redes de Telecomunicações S.A. (“Cozani”), Garliava RJ Infraestrutura e Rede de Telecomunicações S.A. (“Garliava”) and Jonava RJ Infraestrutura e Rede de Telecomunicações (“Jonava”), to whose capital stock Oi Móvel contributed, on December 27th, 2021 and on February 9th, 2022, through capital increase operations, with the Assets, Liabilities and UPI Ativos Móveis Rights described in Attachment 5.3.1 of the Amendment to the PRJ and in the UPI Ativos Móveis Public Notice.

It should be noted that, on February 8th, 2022, the radiofrequency grants associated with the SMP held by Oi Móvel were transferred to Cozani and Garliava. On the same day, the Extracts of the Personal Mobile Service Authorization Terms of Cozani, Garliava and Jonava were published in the Official Federal Gazette. The Terms of Authorization for the Right to Use Radio Frequencies by Cozani and Garliava were published in the Official Federal Gazette on February 9th, 2022.

On February 9th, 2022, the CADE Court, in deliberation at the 190th Ordinary Trial Session, approved the UPI Ativos Móveis Operation, conditioned to the execution and fulfillment of the Agreement on Concentration Control, established in the Agreement on Concentration Control (" ACC”). The complete CADE judgment certificate can be accessed on the website of the Official Gazette of the Union, at https://www.in.gov.br/en/web/dou/-/ata-da-190-sessao-ordinaria-de-julgamentorealizada-em-9-de-fevereiro-de-2022-380735205,according to the Notice to the Market released by the Company on February 16th, 2022.

On March 9, 2022, CADE judged motions for clarification brought against the decision of the previous month, partially accepting them to determine the amendment of the provision of the ACC related to the profile of the monitoring trustee and the inclusion of measures imposed in the vote that authorized the operation with restrictions.

On April 13, 2022, the Company and the UPI Ativos Móveis Buyers exchanged notices confirming the fulfillment or temporary waiver, as the case may be, of all conditions precedent for the conclusion of the UPI Ativos Móveis Operation (“UPI Ativos Móveis CPs”) , and scheduled its closure for April 20, 2022.

On the same occasion, the Company informed that, due to the closing of the UPI Ativos Móveis Operation, on the same date, it started the public offer for the acquisition in cash (“Public Offer for Acquisition”) of all “Notes” with Senior Guarantee with maturity in 2026 ("Oi Móvel Notes”), in compliance with the obligations set forth in Clause 4.07 of the “Notes” indenture, dated July 30th, 2021 (“Oi Móvel Notes Indenture”) and is conditioned to the conclusion of the UPI Ativos Móveis Operation, and the Net Proceeds from said disposal, as defined in the Oi Móvel Notes Indenture, will be used to repurchase the Oi Móvel Notes and consummate the Public Offer for Acquisition. For further details on the Tender Offer, please consult the Notice to the Market released by the Company on April 13, 2022.

On April 20, 2022, after the fulfillment (or temporary waiver) of the UPI Ativos Móveis CPs provided for in the UPI Ativos Móveis Agreement, the disposition of the UPI Ativos Móveis Operation was completed.

The adjusted closing price of the UPI Ativos Móveis Transaction was R$ 15,922,235,801.48 (fifteen billion, nine hundred and twenty-two million, two hundred and thirty-five thousand, eight hundred and one reais and forty-eight cents), corresponding to the base price of the UPI Ativos Móveis Transaction of R$ 15,744,000,000.00 (fifteen billion, seven hundred and forty-four million reais), plus positive adjustments of R$ 178,235,801.48 (one hundred and seventy-eight million, two hundred and thirty-five thousand, eight hundred and one reais and forty-eight cents) ("Adjusted Closing Price of the UPI Ativos Móveis Transaction"), pursuant to the UPI Ativos Móveis Agreement, to reflect, among others, the amount of net debt and of the working capital of each of the Mobile UPIs transferred to the Buyers, as well as the reduction or increase, as the case may be, of amounts individually agreed between the Company and the Buyers.

In addition to the Adjusted Closing Price of the UPI Ativos Móveis Operation, the Company may also be entitled to an additional net contingent amount of up to R$ 294,607,842.49 (two hundred and ninety-four million, six hundred and seven thousand, eight hundred and forty-two reais and forty-nine cents), to be received in case of achievement of certain migration goals of customer bases and frequencies, of which R$ 49,607,842.49 (forty-nine million, six hundred and seven thousand, eight hundred and forty-two reais and forty-nine cents) net have already been received on this date. Upon closing, all shares issued by (i) Cozani were transferred to Tim; (ii) Garliava were transferred to Vivo; and (iii) Jonava were transferred to Claro.

The Buyers also paid, on the same date, the price of five hundred and eighty-six million reais (R$ 586,000,000.00), referring to the transition services, to be provided by the Company, under the terms of the respective contracts for the provision of transition services (“Transition Service Agreements”), which already reflect the agreement between the Company and the Buyers to remove certain costs related to transition services from the scope of the Transition Service Agreements.

In addition, contracts were signed, on the same date, for the supply of capacity to transmit telecommunication signals in an industrial exploitation regime related to the services of data transmission capacity in the take or pay modality ("Contracts for the Supply of Capacity for Transmission of Signals de Telecommunications") with a net present value of eight hundred and nineteen million reais (R$ 819,000,000.00), to be paid in monthly installments by the Purchasers over a period of up to 10 (ten) years.

With the conclusion of the UPI Ativos Móveis Operation, the full settlement of the credit with real guarantee owned by BNDES with the Company, in the amount of R$ 4,640,058,296.99 (four billion, six hundred and forty million, fifty-eight thousand, two hundred and ninety-six reais and ninety-nine cents), whose payment was made directly by the Buyers to BNDES, on behalf of the Company, by deducting such amount from the closing price paid to the Company, in line with the provisions of Clause 4.2.5 of the Plan and pursuant to the UPI Ativos Móveis Agreement.

It is noteworthy that the conclusion of the UPI Ativos Móveis Operation represents the implementation of one of the most critical stages of the Company's Strategic Transformation Plan and Plan, aiming to ensure Oi greater financial flexibility and efficiency and long-term sustainability, with its repositioning in the market and its conversion into the largest provider of telecommunications infrastructure in the country, based on the massification of fiber optics and high-speed internet, the provision of solutions for companies and the preparation for the evolution to 5G, aimed at businesses with greater added value and with a growth trend and vision of the future.

Also on April 20th, 2022, at 5:00 pm, New York time, the Tender Offer for the Acquisition of the Oi Móvel Notes was closed, and a Notice to the Market was published on that date with the results of the Tender Offer for the Acquisition of the Notes. The settlement of the Tender Offer for the Oi Móvel Notes is scheduled for April 26th, 2022 ("Payment Date for the Tender Offer"). Holders of Oi Móvel Notes, which were validly tendered (and whose offers were not validly withdrawn) by April 20, 2022, will receive USD 1,029.17 for each USD 1,000 of principal amount of validly tendered Oi Móvel Notes (and whose offers have not been validly withdrawn) and accepted for repurchase, plus accrued and unpaid interest, if any, on the Oi Móvel Notes accepted for repurchase, from (and including) the last interest payment date prior to the Payment Date of the Tender Offer up to, but not including, the Tender Offer Payment Date.

2.3. UPI Torres

The Amendment to the PRJ provided for the sale of UPI Torres through a competitive procedure, under the terms of the LRF, through the presentation of closed proposals for the acquisition of 100% of the shares of UPI Torres held by the Debtors.

On December 23rd, 2020, the Company released a Notice to the Market informing its shareholders and the market in general that the Company, Telemar and Oi Móvel signed with Highline do Brasil II Infraestrutura de Telecomunicações S.A. ("Highline") the Contract for the Purchase and Sale of Shares Through UPI and Other Covenants ("UPI Torres Contract"), for the total amount of R$ 1,067 million, the payment of which will be as follows: a cash installment in cash in the amount of R$860 million, with the remaining balance to be paid after the calculations and price adjustments provided for in the UPI Torres contract.

On March 30th, 2021, after fulfilling all previous contractual obligations, the disposition of UPI Torres to Highline was completed, with the transfer of all the shares issued by UPI Torres to Highline, which, in turn, paid the installment in cash. On June 25th, 2021, the remaining balance was paid by Highline after calculations and adjustments that are usual for this type of operation, pursuant to the Contract and the Amendment to PRJ.

2.4. UPI Data Center

The Amendment to the PRJ provided for the disposal of UPI Data Center through a competitive procedure, under the terms of the LRF, through the submission of closed proposals for the acquisition of 100% of the shares of UPI Data Center held by the Debtors.

On December 14th, 2020, the Company released a Notice to the Market informing that the Company, Telemar and Oi Móvel signed, on December 11th, 2020, with Titan Venture Capital e Investimentos Ltda. ("Titan"), the Contract for the Purchase and Sale of Shares Through UPI and Other Covenants ("UPI Data Center Contract"), for the total amount of R$325 million, the payment of which will be as follows: (i) a cash installment in the amount of R$250 million; and (ii) R$75 million, in installments to be paid in the manner and term set forth in the UPI Data Center Contract.

To that end, on March 15th, 2021, the Company disclosed a Material Fact informing that, after complying with all previous contractual conditions, on March 12th, 2021, the sale of UPI Data Center to Titan was carried out, with the transfer of the totality of the shares issued by UPI Data Center to Titan, which, in turn, paid the Installment at sight, with the Remaining Amount to be paid in installments, in the manner and within the term provided for in the UPI Data Center Contract.

2.5. UPI TVCo

The Amendment to the PRJ provided for the disposal of assets, liabilities and rights related to the pay-TV business, described in its Annex 5.3.5, also establishing the possibility of disposal of said assets jointly through the constitution of UPI TVCo or by another modality provided for in Law No. 11,101/2005, pursuant to Clause 5.1 of the Amendment to the PRJ.

On April 28th, 2022, the Company entered into with Sky Serviços de Banda Larga Ltda. ("Sky") Term Sheet ("Instrument") to (i) allow the eventual transfer of the entire DTH (direct to home) post-paid customer base ("DTH Base"), in continuity with its strategy of divestment of the pay-TV business based on DTH technology; and (ii) the use of Oi's IPTV (internet protocol television) infrastructure ("IPTV Infrastructure") and the provision of services in relation to this infrastructure by Sky, with the sharing of revenues earned between Oi and Sky ("TVCo Operation").

In accordance with the Instrument, and subject to the implementation of the conditions precedent for the closing of the TVCo Operation, which will be provided for in the Definitive Contracts (as defined below) of the TVCo Operation ("TVCo CPs"), Sky has committed to acquire the Base Oi's DTH and Oi agreed to transfer the DTH Base to Sky, as well as agreed to provide Sky with services related to the IPTV Infrastructure. The exact terms and conditions of the TVCo Operation will be contained in the definitive agreements to be discussed between Oi and Sky ("Definitive Agreements").

The effective conclusion of the TVCo Operation is also subject to obtaining authorization from the Company's Judicial Reorganization court to transfer the DTH Base and obtaining approval from CADE, as well as compliance with the TVCo CPs.

The closing of the TVCo Operation, which should only take place after the fulfillment of the TVCo CPs, will ensure that the Oi Group will carry out its strategy of divestment of the pay-TV business based on DTH technology, at the same time that it will enable the maintenance of a important participation in the generation of revenue from content from the provision of subscription TV services via IP protocol (IPTV), based on platforms and equipment with IPTV technology that will remain the property of the Company and/or companies in which it holds interest.

3. Financing provided for in the Amendment to the PRJ

On June 21st, 2021, the Company disclosed a Material Fact informing that its direct subsidiary, Oi Móvel, responsible for contributing the mobile telephony assets to the capital stock of UPI Ativos Móveis, pursuant to the Amendment to the Plan (as defined below), signed a deed of issuance of non-convertible debentures, of the type with real guarantee, with additional Fidejussory guarantee, in a single series, for private placement, of the 2nd issue of Oi Móvel S.A. – Under Judicial Reorganization, in the total amount of R$ 2,000,000,000.00 ("Oi Móvel Debentures 2nd Issuance", "2nd Oi Móvel Issuance" and "Deed of 2nd Oi Móvel Issuance", respectively).

The Oi Móvel 2nd Issuance Debentures are non-convertible, mature in 16 months from the Issuance Date - 2nd Oi Móvel Issuance (defined below), except in the event of early redemption and early maturity of the Debentures provided for in the Deed of the 2nd Oi Móvel Issue and have real and Fidejussory guarantees provided by Oi Móvel and the Company.

The 2nd Oi Móvel Issuance was approved based on clause 5.5.2 of the Amendment to the Plan (as defined below) and is part of an out-of-competition financing, in the "Debtor in Possession Financing (DIP Financing)" modality with the objective of financing the operating activities and general and administrative expenses of Oi and its subsidiaries undergoing judicial reorganization, until the date of financial settlement of the sale of UPI Ativos Móveis.

On July 30th, 2021 ("Issuance Date - 2nd Oi Móvel Issue"), the Company released a Notice to the Market informing shareholders and the market in general of the conclusion of the subscription and payment of the 2nd Oi Móvel Issuance for private placement in the amount of R$ 2,000,000,000.00.

On February 18th, 2021, Oi disclosed a Material Fact informing that its subsidiary BrT Multimedia (defined in the Amendment to the PRJ as the "SPE InfraCo") executed a deed of issuance of convertible debentures, of the type with real guarantee, to private placement, in the total amount of up to R$ 2,500,000,000.00 ("InfraCo Debentures", "InfraCo Issue" and "InfraCo Issue Deed", respectively).

The InfraCo Issuance was approved based on the provisions of Section 5 of the Amendment to the PRJ. As provided for in the Amendment to the PRJ and the InfraCo Deed of Issuance, Oi, through its subsidiary Oi Móvel, will hold an option to purchase all the preferred shares held by the Debenture Holders as a result of the Conversion. Alternatively, and at the sole discretion of Oi (by itself and as successor by merger of Telemar) and Oi Móvel, SPE InfraCo may redeem all the preferred shares held by the Debenture Holders as a result of the Conversion.

The InfraCo Debentures are convertible into redeemable preferred shares, representing the majority of the voting shares of SPE InfraCo, mature in 24 (twenty-four) months from the Issue Date - Infraco Issue (defined below), except in the event of early redemption and early maturity of the InfraCo Debentures provided for in the respective InfraCo Debenture Indenture and are backed by real and personal guarantees provided by SPE InfraCo.

On May 26th, 2021 ("Issuance Date – InfraCo Issue"), the Company released a Notice to the Market informing shareholders and the market in general of the conclusion of the subscription and payment of the private placement of the InfraCo Issuance in the total amount of R$2,500,000,000.00.

On July 27th, 2021, the Company disclosed a Material Fact informing that an offer of "note units" was priced in the international market, comprising "senior notes" to be issued by its direct subsidiary Oi Móvel, with real and Personal guarantees provided by Oi Móvel and by the Company ("Oi Móvel Notes"), in line with the provisions of Clause 5.5.4 of the Amendment to the Plan.

On July 30th, 2021, the issuance of the "Oi Móvel Notes" in the total amount of US$ 880,000,000.00 was completed, with maturity on July 30th, 2026 and remunerative interest, as provided for in the Indenture of Oi Móvel Notes, on the same date, with part of the net proceeds obtained from the issuance of the Oi Móvel Notes, the full settlement of the 1st Issue Oi Móvel Debentures, maturing in January 2022 and principal amount of R$ 2,500,000,000.00 (plus interest and charges).

On April 13th, 2022, due to the definition of the closing date for the sale of UPI Ativos Móveis, the Company started the Public Offer for the Acquisition of the Oi Móvel Notes.

On April 20th, 2022, at 5:00 pm, New York time, the Tender Offer for the Acquisition of the Oi Móvel Notes was closed, with the adhesion of 98.71% of the outstanding principal.

On April 26th, 2022, the settlement of the Tender Offer for the Oi Móvel Notes ("Payment Date of the Public Offer to Acquisition") took place. Holders of Oi Móvel Notes, which were validly tendered (and whose offers were not validly withdrawn) by April 20, 2022, received USD 1,029.17 for each USD 1,000 of principal amount of validly tendered Oi Móvel Notes (and whose offers have not been validly withdrawn) and accepted for repurchase, plus accrued and unpaid interest, if any, on the Oi Móvel Notes accepted for repurchase, from (and including) the last interest payment date prior to the Payment Date of the Tender Offer up to, but not including, the Tender Offer Payment Date.

7 – Operational Performance

The Company ended 2021 with 56,414,000 revenue generating units ("RGUs"), of which 13,372 related to continued operations (Nova Oi) and 42,041 related to discontinued operations. Of the RGUs of continued operation, 9,819,000 are in the Residential segment, 3,460,000 in the B2B segment, 965 thousand in DTH TV, in addition to 128,000 public telephones.

Residential (Fiber and Legacy)

The Company ended 2021 with 9,819,000 RGUs in the residential segment of continued operation, a reduction of 6.7% compared to 2020. The retraction in demand for legacy services is still the main factor impacting the decline in the segment's base as a whole.

Fiber

In 2021, Oi continued the process of expanding its FTTH network and accesses, ending the year with 14.6 million homes passed with fiber (Homes Passed – HP's), and adding 5.5 million HP's to its base. The Company ended the year with around 3.4 million homes connected (Homes Connected – HC's) to Fiber, a growth of 60.4% compared to 2020 and with a*take-up* (occupancy rate) of 23,2%.

The Company registered 6,325,000 Fiber RGUs at the end of 2021, a growth of 59.5% compared to 2020.

In our FTTH strategy, it is foreseen, not only the expansion of a service of very high quality and stability, but its continuous improvement, incorporating technological innovations in data transmission, in addition to the delivery of a complete solution of connectivity and products inside the homes of our customers. This network expansion capacity supports the intensification of commercial activity, allowing market differentiation in a regionalized way, with a portfolio suited to the characteristics of each region, seeking to deliver the best experience to our customers. Among the innovations in the portfolio, we had the launch of 1Gbps speed and the launch of Fibra in São Paulo/SP, marking the presence of Oi Fibra in 100% of Brazilian capitals, including the Federal District.

Legacy (Landline Telephony by Copper, Copper Broadband)

Oi ended 2021 with 3,494,000 RGUs of legacy copper-related services, a reduction of 46.8% from 2020.

The copper service follows the process of declining demand and its increasing replacement by mobile telephony and more advanced residential service technologies, with lower inactive period and greater reliability, as is the case with fiber in broadband.

In addition to the demand reduction process, the Company has reduced its commercial focus on these services since 2020 and has been accelerating the replacement of copper services by fiber. Thus, commercial and financial efforts were redirected to accelerate the FTTH project in order to maximize value generation.

Personal Mobility

Oi ended 2021 with 38,800,000 RGUs in the Personal Mobility segment, which is currently allocated in the group of discontinued operations, presenting a growth of 15.7% when compared to 2020 or 5,265,000 net additions, of which 2,283,000 were in Prepaid and 2,982,000 in Postpaid.

The growth of Prepaid is mainly a reflection of the Company's policy of incentives for the recovery of the non-inserting recharge base This movement was combined with encouraging the migration to Postpaid and Control plans, which led the segment to end 2021 with 13,548 thousand RGUs, a growth of 28.2% compared to 2020. In addition to the customer migration policy via digital channels, simplification and innovation are the main factors that continue to enable positive results.

Also in Postpaid, we reinforced the concept of freedom to use data, with the launch of the Tudo Ilimitado (All Unlimited) offer for R$ 99.90, strengthening Oi's positioning as an operator focused on the customer. In the other offers of the "Oi Mais" portfolio, it is possible to share the data allowance and manage the sharing through the Minha Oi (My Oi) application.

In Prepaid, the focus was on the monthly offer, with the best cost benefit on the market, in which the customer has unlimited calls to any operator and up to 25GB of data allowance, in addition to exemption from traffic in the applications most used by the mobile base. : Whatsapp, Facebook, and Instagram.

Our active marketing tool offers voice and data packages in real time to encourage an increase in recharges and consumption. The Postpaid and Prepaid plan offers also include other Value Added Services (SVA), such as Oi Jornais and Oi Revista (Oi Newspapers and Magazines) , complementing relevant content to the offer as a way of differentiating products in the market.

Oi *Play*

Oi Play is Oi's streaming service that aggregates live and on-demand content in one place, being considered a great differential of the Company's services with the offer of live channels for customers who do not have Pay- TV service linked to their package. The Oi Play basic plan (available for Oi Fibra customers or separately for R$ 4.90/month), in addition to a selection of films, series and children's content, also offers access to linear programming with fifteen channels: Band, Record News, CNN Brasil, TV Cultura, TV Ra Tim Bum, Prime Box Brazil, Music Box Brazil, Travel Box Brazil, FashionTV, Fish TV, Agro+, Loading, Woohooo, Rede Gênesis and Cinebrasil TV. The advanced service plan (available for Oi Fibra 1 gigabyte or individual customers for R$ 19.90/month) offers programming for another 12 linear channels: RecordTV, SBT, Rede TV!, Band Sports, Band News, Paramount Network, MTV, NickJr., Nickelodeon, Comedy Central, MTV Live and Arte 1.

Oi Play had more than 1 million hits in 2021, generating more than 4.5 million hours of consumption.

B2B (Oi Soluções, Wholesale and Small Businesses)

In continued operation, the Company ended 2021 with 3,460,000 RGUs in the segment, a reduction of 3.1% compared to 2020.

For the Oi Soluções segment, Oi positions itself as an integrator and provider of digital Telecommunications and IT (Information Technology) solutions, offering consultative and customized services and a comprehensive portfolio of ICT (Information and Communication Technology) solutions.

In Wholesale, after the approval of the amendment to the Judicial Reorganization plan in 3Q20, the structural separation process was started, for the preparation of V.tal, so that it could start operating as a Neutral Company.

For the small business segment, currently called “Oi Seu Negócios”, the Company uses a pricing and regionalization strategy focused on the fiber used in B2C given its market similarities. As a differential, “Oi Seu Negócios” offers services that go beyond connectivity, such as the partnership with PagBank PagSeguro, at no additional cost. In 2021, this segment ended the year with 212 thousand homes connected (Homes Connected – HC’s) to Fiber, a growth of 94.7% compared to 2020.

8 - Financial-Economic Performance[3]

Continued net revenue totaled R$10,483 million in 2021, a reduction of 4% from 2020. Of this amount, R$10,267 million correspond to Continuing Operations, of which R$5,214 million in the Residential segment, R$3,549 million in the B2B segment, R$1,418 million in DTH TV and other revenues of R$86 million. Net revenue from other international operations ended the year at R$216 million and net revenue from Discontinued Operations totaled R$7,450 million, down 5.0% from 2020.

In 2021, the Company accelerated its investments in fiber to bring very high-speed broadband to the customer's home, continuing the strategy of making the segment profitable. The Fiber Expansion Project (FTTH) presented consistent results. At the end of 2021, the Company reached more than 14,6 million Homes Passed and reached 3.4 million Homes Connected, a take up of 23.2%.

During the last year, approximately 5.5 million houses were passed with fiber. As of 2022, the FTTH network and accesses expansion project will be carried out by V.tal, a neutral network provider, in which OI holds 42% of its shares.

Despite still having presented an annual decline in total revenue, it is worth noting the strong growth in Fiber revenues during 2021, being primarily responsible for the turnaround of the residential segment, already representing around 53.1% of the segment's total revenues. In 2021, Fiber revenues totaled approximately R$2.9 billion, showing a growth of 113% compared to 2020.

Operating costs and expenses (excluding depreciation and amortization) totaled R$8,519 million in 2021, the main costs being: R$4,044 million in third-party services, R$1,368 million in rentals and insurance, R$1,842 million in personnel, R$438 million in network maintenance services, R$363 million in advertising and R$144 million in interconnection costs.

In 2021, the Company's routine EBITDA totaled R$5,495 million. Of this total, R$5,331 million were related to Brazilian operations, with a margin of 30.1% and the annual loss reached R$8,493 million, mainly impacted by the exchange rate variation resulting from the devaluation of the Real against the US dollar in 2021, in addition to of the Company's usual activities.

9 – Indebtedness

[3] The information presented considers the accounting balances adjusted by the records related to "Discontinued Operation"

R$ Million	Dec/21	Dec/20	% Gross Debt
Indebtedness			
Short Term	2,907	432	8,8%
Long Term	30,083	25,919	912%
Total Debt	**32,990**	**26,351**	**100,0%**
National currency exposure	12,632	9,503	38,3%
Foreign currency exposure	20,351	16,841	61,7%
Swap	6	7	0,0%
(-) Cash	-3,115	-4,312	-9,4%
(=) Net Debt	**29,874**	**22,039**	**90,6%**

The consolidated gross debt of Oi S.A. recorded a balance of R$ 32,990 million in December 2021, representing an increase of 25.2% or R$ 6,638 million compared to December 2020. The annual increase was mainly due to disbursements made in the year, namely, the 2nd private debenture in the amount of R$2.0 billion, in addition to the 2026 senior bond in the amount of US$ 880 million, both in Oi Móvel. This is added to the effects of the accrual of interest and the amortization of the adjustment to present value (AVP), which contribute to the growth of the debt in each period, in addition to the devaluation of the Real vs. Dollar, of 7.47% in the year. These items were partially offset by amortizations in the amount of R$4,669 million, which includes the prepayment of the 1st issuance of private debenture by Oi Móvel in the amount of R$3.8 billion, paid with a large part of the proceeds disbursed with the senior bond , and interest on the 2025 bond in R$877 million. It is worth noting that both the 2nd issue debenture of Oi Móvel and the 2026 senior bond worked as a bridge loan, as provided for in the Judicial Reorganization Plan. The debenture was prepaid on the closing day of the sale of UPI Móvel, April 20th, 2022. On this date, the mandatory public offering for the 2026 senior bond was also concluded, with adhesion of 98.71% of the total outstanding principal.

In December 2021, the debt denominated in foreign currency represented 53.8% of the debt at fair value and the consolidated average term was 7.6 years in the period. The Company ended the year with a consolidated cash position of R$3,115 million, a reduction of 27.8% when compared year on year. As a result, its net debt totaled R$29,874 million, 35.6% higher than in December 2020, vis a vis the highest gross debt in the period. The reduction in annual cash, in turn, was mainly due to the maintenance of a high Capex and the payment of obligations arising from the Judicial Reorganization Plan, including payments from partner suppliers, in addition to the payments of the aforementioned debts.

10 – Investments

R$ Million	Dec/21	Dec/20
Investments		
Brazil	**7,503**	**7,265**
Network	**6,823**	**6,715**
BrT Multimídia	4,050	1,623
Telemar	555	1,655
Oi SA	1,598	898
Oi Móvel	595	2,513
Serede	25	26

IT Services	**448**	**449**
BrT Multimídia	60	2
Telemar	11	42
Oi SA	167	34
Oi Móvel	210	371
Others	**232**	**101**
International Operations	**22**	**34**
Total	**7,525**	**7,299**

Investments made in Brazilian operations throughout 2021 totaled R$7,503 million, an increase of 3% compared to 2020, demonstrating the concern with maintaining the quality of its services and maintaining the financial discipline that the Company has been pursuing to the application of its resources, using more granular analyses, prioritizing of investments and new models for contracting suppliers. It should be noted that the origin of the funds applied to investments refers to the raising, sale of assets and assignment of credits.

Even in a scenario of reduced financial flexibility and acting with responsibility in cash management, Oi expanded investments in infrastructure and in the network's core in 2021. During this period, the Company invested in access infrastructure, transmission infrastructure, IP network and expansion of operation support systems, among other actions. Thus, it was possible to increase the strength, quality and capacity of the network's core, ensuring a more efficient operational performance and promoting a consistent improvement in the quality of services and user experience, with an impact on the generation of value for the business.

In 2021, the Company invested 91% of the total amount in the network, representing R$ 6,823 million, distributed mainly on (i) improvement from the fixed network to fiber service, (ii) improvement of the quality of the mobile network, (iii) implementation and expansion of 4G and 4.5G networks and (iv) investments in voice and data transmission equipment.

- ### Investment in Research and Development

Oi has been developing its innovation model, seeking to differentiate itself in the national market through projects that increase its efficiency and generate new revenues from innovative solutions.

Investments in R&D in projects developed in 2021 totaled R$71 million, several of which were carried out in partnership with Institutes of Science and Technology, companies incubated in Technology Centers.

In 2021, projects related to Digital Initiatives continued to be developed seeking to improve the customer experience and optimize operational efficiency. Among the initiatives, we continued to focus on improving the human and digital service experience and on launching new digital commercial platforms such as the Oi Place marketplace. New initiatives like Oi Place aim to improve our customers' experience when buying products and hiring and using digital services while expanding the monetization potential of our customer base. Originally launched as a marketplace for products linked to technology and connectivity, Oi Place has been evolving and becoming a hub of digital services, where our customers can centrally manage several of the digital services they need in their daily lives.

Evidencing the commitment to its innovation program, accelerator Oito, a hub for entrepreneurship and innovation in Rio de Janeiro, has played an important role in generating new business, accelerating technological solutions, developing startups, and supporting the innovation ecosystem.

Throughout 2021, the company continued its model of investing in startups with greater adherence to the challenges of generating new revenues, increasing efficiency and reducing costs, seeking startups with solutions in the traction phase that can assist Oi in the search for innovations that benefit the Company. Among the startups in Oito's portfolio, the startup Camerite was incorporated. Camerite is specialized in collaborative video-monitoring solutions for cities with artificial intelligence functionalities, surveillance cameras integrated and shared with private and public authorities, and 100% cloud storage. Currently, with more than 600 cities monitored, more than 300 thousand users, Camerite's solution has proved to be a great ally of the public security forces in reducing crime in Brazil. In Palotina (SC) and São Gabriel (RS), cities that implemented the startup's solution, crime rates were reduced by up to 80% after the system was installed. In the city of São Paulo (SP), Camerite is the technology behind the City Cameras program, started in 2017 - a Smart City service that generated R$3.6 million in savings for the city, whose goal is urban coverage of the city of São Paulo through 4,000 surveillance cameras. Combined with Oi Fiber's high quality and nationwide presence, Oito identifies the opportunity to expand the startup's customer base and provide improved security to its customers through a scalable and innovative solution.

In this context, Oi has been developing its Innovation Ecosystem in an integrated manner and interacting with most of the institutions that make up this ecosystem in Brazil, with emphasis on partnerships with solution providers and national research centers and startups. Oi will continue to act as a promoter of innovative initiatives and R&D together with its system partners, establishing interactions, developing and testing joint solutions, connecting the company's needs to the ecosystem of startups, technology providers and universities.

11 - Capital Market

At the end of 2021, the Company's capital was represented by 6.0 billion shares, of which approximately 5.8 billion were common shares and 156 million were preferred shares.

Shares	Capital Stock	In Treasury	Outstanding
Ordinary	6,440,496,850	644,049,685	5,796,447,165
Preferred	157,727,241	1,811,755	155,915,486
Total	**6,598,224,091**	**645,861,440**	**5,952,362,651**

Note: shareholding position on 12/31/2021

- ### Our Shares

The shares of Oi S.A. are traded in Brazil on the São Paulo Stock Exchange (B3 S.A. – Brazil, Stock Exchange, Branch, hereinafter B3) under the trading codes OIBR3 (common) and OIBR4 (preferred)

The Company has an American Depositary Receipts (ADRs) program in the US, where the securities are currently traded under the codes OIBZQ ("Ordinary DR") and OIBRQ ("Preferred DR").

Until October 28th, 2021, the OIBZQ share receipt was traded under the OIBRC code. As of this date, the Company voluntarily withdrew its American Depositary Receipts (“Common ADRs”) from the New York Stock Exchange (“NYSE”), when the common ADRs began to be traded on the over-the-counter market in the United States under the negotiation code “OIBZQ”.

On B3, Oi's shares ended 2021 quoted at R$0.76 for OIBR3 and R$1.28 for OIBR4, showing a devaluation in 2021 compared to the end of 2020, of 65.5% and 54, 6%, respectively. The Ibovespa index ended the year at 104,822 points, down 11.9% in the period. In the US, the Company's Ordinary DR (OIBZQ) closed the year 2021 quoted at US$ 0.62, presenting a 69.5% devaluation compared to the end of 2020, while the Preferred DR (OIBRQ) ended the period quoted at US$ 0.28, a devaluation of 45.1% in the same period.

In 2021, the average daily volume traded for common shares (OIBR3) was R$ 151.7 million (a 19.4% decrease) and for preferred shares (OIBR4) R$ 5.6 million (a 27.3% decrease). %). In the same period, the average daily volume of the Ordinary DR (OIBZQ) was US$ 881.5 thousand, an annual decrease of 59.9%.

- Dividends

Since 2015, the Company has not been distributing dividends. Currently, in addition to and notwithstanding statutory and legal provisions regarding the distribution of dividends, the Oi Companies are subject to certain restrictions on the declaration and payment of dividends, provided for in the PRJ of the Oi Companies approved by the creditors and ratified by the Court of Judicial Reorganization (Clause 10). We suggest reading the Plan for more information about it, as well as reading item 6 of this report and Note 1 of the Financial Statements in the item “Judicial Reorganization”.

12 - Environmental, Social and Governance

For Oi, in its transformation journey, the main objective is what we want to be and how we can generate a positive impact on society. This has always been a fundamental pillar for the company that has been active for decades on various fronts of social, environmental and corporate responsibility. ESG came to connect all these actions and make all our decisions consider the ecosystem in which we are involved in order to positively impact the lives and environments of each and everyone. Still dealing with the consequences of the Covid-19 pandemic, in 2021 Oi maintained or expanded measures to prevent and protect employees, customers and communities. Even so, we act so as not to lose traction in the pursuit of our purpose.

Thus, with a solid foundation and the prospect of continuing to positively impact society, the organization built its ESG Multiannual Plan for the years 2022, 2023 and 2024. The plan promotes continuity and brings together existing actions, proposes complements to give greater strength and supports the company in achieving the highest ESG standards in the market, always having as a reference the UN Global Compact to which Oi has been a signatory since 2009, and the requirements of the B3 Corporate Sustainability Index (ISE B3). This vision, which guided the construction of the plan, led us to structure it in order to guarantee continuous evolution and, with that, each year seeking excellence in one main aspect, without forgetting the others:

- 2022 – Stabilization - Consolidate initiatives in light of the new Oi, considering priority focus on internal actions;

- 2023 – Expansion - Expand the performance of Oi's ESG, incorporating initiatives that include Oi's business chain;
- 2024 – Consolidation - Acting on causes that generate positive impacts for society (ESG Oi sustainable cycle).

In addition, since 2018, we have endorsed the Business Pact for Integrity and Against Corruption, a voluntary commitment undertaken by private and public companies with the aim of promoting a more honest and ethical market and repressing corrupt practices.

As we anticipated, we are signatories and promote initiatives related to the principles of the UN Global Compact, in addition to acting in line with the Sustainable Development Goals (SDGs).

Oi's businesses, through services provided to individuals and B2B businesses, can directly and more intensively contribute to the achievement of SDGs 8 (Decent Work and Economic Growth), 9 (Industry, Innovation and Infrastructure) and 11 (Cities and Sustainable Communities), generating economic growth, promoting inclusive and sustainable industrialization, fostering innovation in emerging societies that depend on broad access to information and academic research, and offering innovative solutions for the management of smart cities. Additionally, we have adopted some relevant practices in line with the 17 SDGs.

SDGs	Activities
3 GOOD HEALTH AND WELL-BEING; 8 DECENT WORK AND ECONOMIC GROWTH	Encouragement of employees' daily health and well-being practices and their integrated network Initiatives that boost entrepreneurship, creativity and innovation through Oi Futuro.
4 QUALITY EDUCATION	Availability of courses for employees and information material for stakeholders. The NAVE program promotes innovation in Basic Education, teacher training and dissemination actions for the use of technology (Oi Futuro).
5 GENDER EQUALITY; 10 REDUCED INEQUALITIES	Operation of the Oi Diversity program. Actions focused on inclusion, diversity and reduction of inequalities developed by Oi Futuro.
6 CLEAN WATER AND SANITATION; 7 AFFORDABLE AND CLEAN ENERGY	Management of the natural resources of our operations
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Technology solutions for everyone
11 SUSTAINABLE CITIES AND COMMUNITIES	Joint operation with public agencies for security in cities, through our solutions in Internet of Things (IoT) technology
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Constant activities with the supply chain for responsible consumption and production
7 AFFORDABLE AND CLEAN ENERGY; 11 SUSTAINABLE CITIES AND COMMUNITIES; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION	Electricity and waste management to mitigate effects against global climate change

Plan to expand fiber-connected homes and develop public-private, private, and civil society partnerships through Oi Futuro.

Note: More details on our actions and contributions in order to achieve the 17 SDGs are available in our Annual Sustainability Report.

We voluntarily make information available to the Carbon Disclosure Project (CDP) and annually publish our greenhouse gas (GHG) emissions inventory in the Public Emissions Registry of the Brazilian GHG Protocol Program. We publish the Sustainability Report annually following the guidelines of the Global Reporting Initiative (GRI) Standards, an essential option, covering our performance in the economic, social and environmental spheres. Reports published since 2011 are available through the Investor Relations website.

Below we detail the company's ESG performance.

ENVIRONMENTAL

In 2021, we started a work to reassess our management, mapping our activities with potential environmental impact and subject to compliance with legal requirements.

We also work to reduce our impacts, mainly on the energy and waste management fronts.

Power

Energy management is part of Oi's strategic plan and seeks to diversify its consumption matrix, migrating to renewable sources at a lower cost, in addition to contributing to the environment, mainly in fighting climate change and reducing carbon emissions.

The strategy is based on the following objectives:

- Reduce energy costs;
- Plan and control costs with energy;
- Expand structuring projects from alternative sources;
- Create in the Company a mindset of rationalization of consumption.

The following is a description of our work fronts and results obtained in 2021:

Energy Matrix of Oi

50% of Oi's electricity matrix comes from renewable sources (biomass, solar and water), with targets to reach 80% by 2022 and 100% by 2025. In the CCEE (Electric Energy Commercialization Chamber) ranking, the Oi group appears in 2nd position as a special consumer in the Free Contracting Environment (ACL).

Due to the acceleration of energy structuring projects, in 2021 we totaled 380 units in the ACL and a migration projection until the first quarter of 2023 of another 115 units, totaling 495 for consumption.

In addition, through distributed generation projects developed throughout Brazil, in partnership with companies specializing in the construction of solar plants, CGHs, biomass and biogas, we have reached our goal of using renewable energy.

Consumption and efficiency reduction projects

In 2021, approximately 10,000 low-performance light bulbs were replaced by LEDs in 5 states, showing a consumption reduction of 1,048,430.51 kWh.

Reverse Logistics

Our waste management aims to reduce impacts, in line with the conscious consumption model, the circular economy trend and concern for the environment.

With the company's reverse logistics, we collect the materials discarded by Operations for forwarding to recycling and we recover electronic equipment, after the termination of contracts with customers, so that new users can use them.

The recovery of equipment for reuse generated a capex savings of R$41 million in 2021, with 280 thousand FTTH + ONT equipment and 4,000 data equipment generating Capex savings of 3.5 million, totaling R$44.5 million in savings in the recovery of Fiber and Data equipment.

We also provide collection urns for the disposal of cell phones, batteries and accessories in our stores, in addition to the collection of batteries in our buildings.

SOCIAL

Exactly 20 years ago, Oi created Oi Futuro – an innovation and creativity institute for social impact responsible for the company's private social investment. Through the institute's projects and programs, Oi reinforces its commitment to building a more diverse and inclusive society, aligned with the ESG agenda (environmental, social and governance) and the Sustainable Development Goals (SDGs) proposed by the UN.

Legally constituted as an OSCIP (Civil Society Organization of Public Interest), Oi Futuro is present in all regions of the country, working to positively impact people's lives. In the year in which it celebrated two decades of existence, the institute confirmed the strength of its actions based on sustainable partnerships and the intersection between different work fronts. It continued with its purpose, developing and supporting projects that promote and democratize digital life through culture and education not only for young students, but also for educators and entrepreneurs. They are not just the public of our programs and initiatives, but agents capable of producing and spreading the social transformations necessary for the construction of new futures for everyone.

Still dealing with the impacts of the COVID-19 pandemic, in 2021 the institute invested in alternative formats and consolidated the hybrid model of action to continue offering quality content and experiences to its various audiences, mixing in-person and virtual events. In the digital environment, Oi Futuro was present through training, courses, acceleration processes, mentoring, webinars, podcast, virtual exhibitions and immersive experiences. On social networks, the content produced by Oi Futuro had more than 7.6 million interactions throughout the year.

In its physical spaces, Oi Futuro complied with all health standards to ensure the health and safety of the public, partners, students and employees in the reopening of the doors for visiting the Oi Futuro Cultural Center and Musehum –

Communications and Humanities Museum. In-person classes were also resumed in the two schools of the Advanced Center in Education – NAVE, in Rio de Janeiro and Recife, Pernambuco.

Education

In a world that is undergoing profound changes brought about by digital technologies, new ways of teaching and learning are essential.

With a focus on training young people for the creative and digital economy, NAVE, the main High School Education program Integrated to the Professional of Oi Futuro, completed 15 years in 2021 with more than 3,300 graduated students - 294 of them completed the third year of high school last year. As a result of the public-private partnership with the State Departments of Education of Pernambuco and Rio de Janeiro, NAVE Rio and NAVE Recife offer technical courses in Programming and Multimedia. In addition to preparing for the new world of work and digital life, NAVE is aimed at training conscious, autonomous citizens who are protagonists of their life projects.
As a milestone in NAVE’s 15-year journey, the program was selected from more than 700 proposals from 41 countries to lead the panel “Games and technology to empower creative and transformative young people” at the 2021 edition of SXSW_EDU, the education arm of the South by Southwest (SXSW), the world's largest innovation event that takes place in Austin, Texas, United States. Also in celebration of NAVE's anniversary, Oi Futuro launched the Special NAVE 15 years, a landing page that presents the trajectory of the program, inspiring stories from graduates, educators and specialists and the great numbers of the initiative.

In addition to the school dimension, NAVE systematized and made available reference materials such as e-books, guides, specials and audiovisual content with the objective of disseminating the knowledge produced by the Program, provoking reflections and inspiring teachers, schools and education networks. In 2021, in an unprecedented partnership with the United Nations Children's Fund (Unicef) and technical support from Porvir, Oi Futuro launched the e-book “Didactic Experiences: Art and culture building paths to school success”, providing free pedagogical practices created in NAVE schools based on interdisciplinarity, multiliteracy and digital culture.

Adding the Didactic Experiences e-book to previous productions (e-NAVE: Guide to Innovative Pedagogical Practices, Special Innovative Practices for High School, Guide to Social Entrepreneurship in Education and e-NAVE em Movimento), the didactic material produced by the Institute reached more than 28 thousand users in 2021.

Other unpublished contents were launched by NAVE Mídia_LAB Digital, a platform to support remote and hybrid learning that made self-training tracks, video-tutorials, video-cases and mentorships available free of charge, reaching 37 thousand views. The contents were also made available on the Always Learning platform – a hub aimed at educational managers, teachers, students and families to promote remote teaching and learning experiences – which reached more than 29,000 users. Also within the scope of training, Oi Futuro contributed to the certification of more than two thousand educators from the public network in its own courses and those of partners, such as *Google for Education* and *SM Educação*.

In a joint effort to tackle school dropout, together with Globo, Roberto Marinho Foundation, the National Council of Secretaries of Education (Consed) and more than 25 social organizations, institutes and foundations, Oi Futuro co-signed the campaign #NãoAbandoneSeuFuturo (don’t abandon your future), which reached more than 116 million homes throughout Brazil. Another Oi Futuro partnership with expressive results is the participation in the Curriculum and New High School Front, led by Consed with the purpose of offering technical support to state education networks for the implementation of New High School curricula. By December 2021, 21 states had their curricular references approved and approved by the respective state boards of education.

With educational and training programs, workshops, acceleration cycles and mentoring for broad training of the individual and support for the development of innovative digital solutions, Oi Futuro also impacted hundreds of entrepreneurs, organizations and businesses in the five regions of the country.

At the beginning of the year, Labora Edu - Digital Communication Tools offered a cycle of four workshops to technically present to social entrepreneurs and creative economy professionals the advantages and opportunities of digital action. Participants had contact with tools such as Facebook Ads, Instagram Ads, Google Ads and Google Analytics, in addition to four hours of mentoring with market experts.

In March, Oi Futuro Mentoring for Women reached 21 states and the Federal District. Edition carried out exclusively by and for women, with more than 300 subscribers, Mentoring organized an individualized online service in the areas of business management, strategic communication, planning and financial management.

In partnership with Sebrae, Oi Futuro launched Ideia & Impacto in the second half of 2021, which promoted marathons and workshops for young entrepreneurs from across the state of Rio de Janeiro to structure their social impact initiatives and develop their leadership roles. The project made available a free program of courses (Marathon of Ideas), for designing social impact businesses, and thematic talks (Expert Speech), to support potential entrepreneurs who wanted to get their ideas off the ground and develop initiatives that generate solutions to improve society.

In addition to these actions, the year 2021 also brought an unprecedented partnership that took Oi Futuro to Mato Grosso. Together with the Mato Grosso State Department of Culture, Sport and Leisure, the institute launched MOVE_MT, a project to strengthen the ecosystem of culture and the creative economy of Mato Grosso. In the first phase of MOVE_MT, four free collective workshops were held for 243 entrepreneurs. A subsequent public notice for proposals selected 30 initiatives for a six-month acceleration cycle, which includes meetings, collective workshops and individualized mentoring in the areas of management and technology. At the end of this cycle, scheduled for the second half of 2022, the best performing initiatives will be awarded, in addition to participating in an exchange at Lab Oi Futuro - Oi Futuro's entrepreneurial education hub, a training space to boost organizations, businesses and initiatives.

Culture

In its 20 years of history, Oi Futuro has always bet on the democratization of production and access to culture to break social boundaries and build more diverse and inclusive futures. Therefore, even with the pandemic, Oi Futuro Cultural Center and the Musehum maintained their online and digital programming, with plays, exhibitions and courses. Online theatrical shows and 360° visits had national reach and featured in the press.

With the reopening to the audience, the Musehum – Museum of Communications and Humanities, which is located in the Oi Futuro Cultural Center building, in the Flamengo neighborhood, Rio de Janeiro, inaugurated a new experience of hyper-reality. In this immersive facility, the visitor enters a scenographic balloon and, with the use of virtual reality glasses, takes a flight over the city of Rio, walking through its architecture and history.

As a result of a partnership with the State Department of Culture and Creative Economy of Rio de Janeiro, Oi Futuro launched the HUB+ Program in 2021, a public notice to disseminate Musehum's experience in the use of new technologies, collection management and accessibility practices. qualifying a network of professionals from 10 selected museums in Rio de Janeiro. Through courses and a digital platform, they have access to recorded content and live online training.

In yet another year of great challenges, the exhibitions at Oi Futuro Cultural Center provoked reflections on the future of society. Exhibitions such as Quiet Room, by French artist Parse/Error, My son just walks a little slower and MIHNA - Imaginary Museum of Natural History of the Amazon, addressed topics such as mental health, inclusion, diversity and the environment, with technological and immersive facilities. In the performing arts, with seasons broadcast online and live, the highlight was the children's musical show Akili girl and her talking drum, which seeks to reinforce self-esteem and Afro-Brazilian culture for the whole family.

Under the management of Oi Futuro, the 17th edition of the Oi Cultural Sponsorship Incentivized Program was launched in May, reinforcing in its manifesto to the connection with the present and the continuous exercise of building more sustainable futures. In times of pandemic, it focused on hybrid experiences, unprecedented formats of interaction with the public and new artistic scenes that value diversity.

The cultural projects supported by Oi Futuro across the country reinforced its actions aimed at inclusion and diversity, professional qualification and generation of opportunities. Throughout 2021, the projects made use of the innovative use of technology to expand audiences and always in connection with various themes related to the SDGs and the challenges of society. Among the highlights were the Favela Sounds virtual platform, which connected the creative industry of the periphery, generating productive inclusion of young popular entrepreneurs; the Plural Festival, which boosted the LGBTQIA+ art scene with affirmative actions; the Kinobeat Festival with an edition dedicated to the environmental theme, bringing together scientists, artists and thinkers for the production of art and technology; and finally, the MANA Festival, held by and for women, focusing on the female art scene in the north of the country and on professional qualification actions.

Always building impact partnerships, the Bridges Program, a joint investment by Oi Futuro and the British Council, launched the Pontes Ao Cubo program, broadcast on Oi Futuro channels with the presentation of national and international results generated in the three years of Bridges through the stories and testimonials from impacted producers, artists and entrepreneurs.

Also the result of a partnership with the British Council, the 3rd edition of ASA – Arte Sônica Amplificada was launched in 2021. Created to promote gender equity in the Brazilian sound and music industry, a record 400 women from all over Brazil were selected to participate in a process of training, networking and presentations with British and Brazilian mentors, in addition to exchanges with international festivals.

GOVERNANCE

The governance system in which the Company is inserted covers its bylaws, corporate structure, organizational structure, policies, procedures and practices adopted, as well as the provisions provided for in the PRJ of Oi Companies and in its amendment, approved by the Court of Judicial Reorganization in October 2020.

The Company's current Bylaws, approved in September 2018 and amended on April 26th, 2019, October 16th, 2020, 19 and April 30th, 2021 are characterized by the adoption of high standards of corporate governance, which include, among other points: (i) convertibility of preferred shares, when and under the conditions approved by the Board of Directors; (ii) at least 20% of independent directors, pursuant to the New Market Regulation; (iii) prohibition of the accumulation of the positions of Chairman of the Board and Chief Executive Officer or main executive; (iv) obligatoriness of the Board of Directors to express an opinion on any public offer for the acquisition of shares of Oi; (v) mandatory public offering for the acquisition of shares in the event of cancellation of registration as a publicly-held company or departure from Level 1 of Corporate Governance, except in case of entry into Level 2 of Corporate Governance or in the New Market segment; and (vi) obligation to resolve disputes and controversies through arbitration, before the Market Arbitration Chamber.

Currently, the Company's Board of Directors is composed entirely of Independent Directors, in a total of 11, in accordance with the provisions of article 24 of the Bylaws.

In order to improve its governance and align it with the challenges and needs that arise, the Company currently has four advisory committees to the Board of

Directors, namely: Audit, Risks and Controls Committee ("CARC"); Transformation, Strategy and Investments Committee ("CTEI"); People, Appointments and Governance Committee ("CGNG"); and Innovation and Digital Transformation Committee ("CITD").

It is worth noting that CARC is a statutory committee, pursuant to CVM Resolution No. 23/21, composed of five independent directors; the CTEI is a committee responsible for monitoring and supervising the implementation and execution of the strategic transformation plan approved by the Board of Directors, defining the respective goals and schedules; the CGNG is responsible for ensuring the continuous adoption of best corporate governance and business conduct practices, as well as supervising the Company's human resources strategy; and CITD is responsible for executing and developing the business and market policies and strategies of the business portfolio, analyzing technological strategies for digital transformation and monitoring the cycle of innovation and feasibility of investments in new lines and business opportunities for the Company. In relation to its General Meetings, Oi has consistently adopted the practice of extending voting rights to holders of ADRs. In order to facilitate and encourage the participation of its shareholders, it started to make available on its website and on the websites of the CVM and B3, at each call, a Manual for the participation of shareholders in General Meetings, which provide information on the matters to be discussed, proxy templates for shareholders, among other information.

Risk management

Oi genuinely believes in risk management as an indispensable tool for its business success and the achievement of strategic objectives. It is an integral and fundamental part of the governance necessary for sustainable growth, profitability, preservation and generation of value for the company, shareholders and customers, since this process allows the identification not only of threats, but also of opportunities.

Risks are inherent to any business activity, so it is necessary to know them and manage them properly. An effective risk management process goes far beyond just adhering to market standards and best practices, it must aim to effectively prevent and manage risks, allowing those responsible, at all levels of governance, to have timely access sufficient information related to the risks to which they are exposed, in order to support decisions and define mitigation strategies that reduce the probability and minimize possible impacts to acceptable levels.

In this sense, throughout 2021, numerous measures were implemented to improve and make this process even more effective in the company, among them we highlight:

- Risk assessment process more connected to strategy
  Corporate risks and risk factors have been and are updated by Senior Management and the Board with a focus on Nova Oi's strategic plan.

- Creating specific risk portfolios
  In addition to strategic corporate risks, specific portfolios were also mapped to provide greater depth and adequate attention to each topic, such as Integrity and Privacy Risk Portfolios.

- Empowering Risk Owners and strengthening accountability
  For each risk, responsible executives and facilitators are appointed who periodically report on the "risk journey" in the Company.

- Establishment of specialized executive committees
  These committees are composed of multidisciplinary teams of high technical level to supervise and advise Senior Management on specific risks according to the nature and scope of each committee and portfolio.

- Continuous monitoring by risk factor
  Behind each risk, there is a layer of different factors that are possible triggers for its materialization. In view of this, we started to monitor actions and indicators not only by risk, but also by risk factors in order to have a more appropriate response for each case.

- Risk Management in Practice
  We believe in risk management close to people on a daily basis, present in work meetings and useful in the decision-making process, as an available management tool. To this end, we increasingly invest in training and internal communications that train leadership, employees and partners in risk management.

This set of initiatives is governed by the Risk Management Policy revised and approved periodically by the Board of Directors and available on the Company's investor relations website, composing a true risk management system that includes interrelationships between risks, strategy, processes , people, technology and knowledge, aiming at the greatest possible coverage and scope to anticipate and prevent possible materializations and adverse effects.

Business Continuity Management System

Directly connected to risk management, Oi's Business Continuity Management System (SGCN) aims to prevent and deal with events that may affect the continuity of its business and operations, preserving assets and providing services for the most valuable asset we have, our customers.

SGCN Oi's methodology is based on ISO 22301, best market practices and regulatory requirements, and consists of the development of multidisciplinary and integrated structured plans in a cycle comprising the stages of Planning, Preparation, Response, Resume and Continuous Improvement, including beyond preventive measures, crisis management protocols and timely treatment of risk events in order to ensure the continuation of the most critical business processes, preventing them from suffering significant damage and causing losses.

It is also worth noting that in 2021 Oi began a broad process of strengthening its SGCN based on the "*SABER AGIR*" (HOW TO ACT) driver, which consists of a set of initiatives that aim not only to improve continuity and contingency plans, but to prepare everyone (leadership, employees and partners) for better prevention and prompt response in eventual crises and incidents.

This is what we believe in and what we are committed to, in a SGCN that above all protects our customers and guarantees solid foundations for our operations now and in the future.

13 - Employees

Oi has 11,288 employees, including Owned Stores, in the telecommunications activity, of which 63 are interns and 70 are technical apprentices. Of the total number of employees, 64% are male and 36% are female. Executive positions are comprised of 69% men and 31% women.

The average age of employees is 41 years, with an average time in the company of 9 years.

Additionally, Oi has 15,140 third parties allocated to call center activities, 22,273 to sales activities, 34,990 to network implementation and maintenance activities and 7,767 to administrative activities, totaling 80,170 third parties. Of these, 27,764 belong to the Oi Group (includes the companies Serede and Tahto).

In 2021, we concluded the hiring of 1,742 vacancies at Oi, 3% of which are manager vacancies and 97% professional vacancies, of which 91% refer to external recruitment. We closed the hiring of 53 interns as employees and carried out 938 promotions.

Through specialized programs, a first-line team is formed: 177 Management Facilitators, 5 Master Black Belts, 32 Black Belts, 180 Green Belts, 1,255 Yellow Belts and 1,096 White Belts.

With the challenge of paving a new culture, Oi has been promoting the alignment of the entire Company in pursuit of business objectives. Starting from the strategy, the Management Model provides clarity of objectives and responsibilities, as well as discipline and continuity of execution, encouraging teamwork and collaboration between areas, reinforcing commitment to the Company's results.

The Company's People and Culture area works continuously to adapt its structure and processes to the Company's business strategies, in order to enable greater operational efficiency.

Oi works with tools such as meritocracy promotions, internal recruitment, where open positions are made available to employees, performance monitoring cycles, reinforcement and appreciation of the culture of self-development, where employees are the protagonists of their careers. Thus, maintaining programs structured in their different functional levels, with a view to the development and improvement of the skills of its employees.

Oi maintains structured programs at its different functional levels, with a view to developing and improving the skills of its employees.

The Company has a Corporate Education Program that aims to leverage learning, ensuring the mapping and dissemination of key knowledge, through educational practices and actions that encourage the creation, acquisition, dissemination, use and sharing of knowledge among their collaborators In 2021, we started specific Upskilling programs for technology areas to develop, update and improve new skills for employees and internal Reskilling Programs to fill training gaps, support in filling vacancies and enable the employee to make a career change. Among the programs aimed at all employees, the following stand out: the Technical and Behavioral Skills Development Trails, Institutional and Diversity Training, Innovation, Technology, Health and Safety, Business Training and Leadership Training, in the various formats and methodologies digital. In 2021, the training carried out totaled 588,287 thousand hours.

Throughout the year, we maintained an exclusive portfolio for leadership and invested in self-development, reflecting the company's movements and investments for Nova Oi. As of December, we registered 65% of leadership as having participated in at least one available training. We held 19 classes during the year, with 1480 attendants, and we also had 753 external mentoring sessions, with 382 attendants. The evaluations of the workshops registered NPS 91 and 100% of the leadership that participated indicated that the knowledge is of immediate application and said to provoke transformations in the way of thinking or acting.

In terms of Occupational Health and Safety, Oi has shown a significant increase in its policy and culture of care and attention. The good performance has been supported by the numerous preventive practices implemented in recent years, combined with a corporate Health and Safety area that is efficient in defining methods and managing processes, with a focus on always maintaining a safe work environment. In 2021, we continued with the challenge of reducing the number of incidents at work, considering the entire workforce, a reduction of 34.9% was achieved compared to the previous year. This shows that the company has been aligning itself with the best practices and market trends.

In addition, Oi has invested significantly in the issue of emergency preparedness and response. The Occupational Health and Safety area is responsible in the Business Continuity Management committee for promoting practices that guarantee the preservation of the company's assets, businesses and our greatest asset: people. To this end, we maintain an online trail dedicated to the topic at Oi Educa, which is strengthened by frequent practical and simulated training in preparation for and response to crises, such as the COVID 19 pandemic, which also has an App developed to monitor the health of employees already having registered more than 386 thousand accesses and with the active participation of our health professionals in the assistance to our workforce. Specific campaigns aimed at preventing and combating the new virus also increased investments related to the matter, including signalling in buildings, purchase and distribution of masks and alcohol gel. All governance for crisis management was already pre-defined based on risk management and synergy promoted by working together on the pillars that make up the Company's Business Continuity Management, including the monitoring of external providers.

We understand that investment in Occupational Health generates a series of benefits, which is why Oi monitors the working condition of its employees through medical examinations (admission, periodic, change of position, return to work and dismissal) and various actions and care programs, in addition to benefits such as medical, hospital and dental care, and medication allowances for employees and their dependents.

With the objective of encouraging the leadership of its employees in relation to Health, Oi has a modern and promising quality of life project, Vida.com. The program is structured based on five macro dimensions (Physical, Social, Intellectual, Emotional and Safety) that guide the deployment of planned preventive actions. Among the program's objectives, we highlight: increasing the level of satisfaction and the organizational climate, reducing absenteeism, reducing health claims (Health Plan), improving health, quality of life and well-being, increasing productivity, as the highest value of the employer brand.

We also maintain the Golden Rules Program structured, which was launched with the aim of protecting the lives of employees and reducing the potential for more serious work-related incidents recorded in the group, including a robust and reliable Toxicology Program. Today we have more than 4,000 employees who signed a pact for life, completing the training that corresponds to more than 15 thousand hours in the 5 Rules.

We ended the year 2021 with all Collective Bargaining Agreements approved and signed by the 28 unions. We did not have any incident of work stoppages of employees with a material effect on our operations.

We made improvements to navigation in Oi Educa, continuing the development of employees and simplifying their journey through the tool. The Téo robot column continues to be displayed to facilitate frequency treatment and relieve service channels.

2021 was very unique year, as we had significant advances in the Strategic Plan with the progress of the M&A and we continued to be immersed in remote work, facts that impacted the communication process with the internal public. In addition to maintaining operational mobilization, aligned with the strategic direction, ensuring the perception of care for people, strengthening strategic cooperation and being transparent about organizational restructuring, internal communication began to encourage new behaviors and an agile mindset, to guide the new the company's working model (more collaborative), which will be the engine of a new performance in the market.

We create strategies to overcome physical distance and maintain good interpersonal relationships, with productive bonds, whether through messages about collaboration or encouraging praise.

In 2021, we kept employees aligned with the Transformation Plan, communicating their significant advances and giving visibility to strategic behaviors and projects. We kept an updated on the intranet a space dedicated to the Company's Transformation Plan, which was launched in 2020, and objectively presents the Plan, the concept of structural separation and also directs to specific content on topics related to transformation, from the most structuring to the new relationship that must be cultivated with consumers. We reinforce and humanize the strategy through corporate and executive alignments, videos and messages from the president. In addition, we also created specific pages and segmented communications with guidelines for the corporate reorganization processes that affect the internal public, as was the case of the migration to V.tal, the transfer of work records between companies of the Oi group and the developments of the incorporation of the fixed.

We strengthened the fiber strategy, highlighting the turnaround in residential revenue and the product's competitive advantages. In addition to internally reverberating Oi Fibra's new positioning and the concepts developed by marketing with the dissemination of commercials and digital actions, we also celebrated the milestone of 3 million customers, the arrival of fiber in São Paulo, leadership in growth and expansion of the number of connected customers.

We expanded knowledge about Oi's new role in the market, communicating throughout the year the evolution of business strategies focused on digital services: in the marketplace segment (with Oi Place and products that enable digital life, such as wi-fi mesh), corporate (with Oi Soluções), in offers for PMEs (with Oi Seu Negócios), on the online content platform (with Oi Play) and also in the promotion of the advantages club for customers and employees (with Oi+ Alegria). We also highlight the new verticals of operation, such as Oi Conta ZAP, Oi_masterdados and etc. We boosted retail and B2B offers with mobilization campaigns. Even with partnerships that raffled off rewards for employees, as was the case with Oi Fibra's offer with HBO Max.

We continue to contribute to the Company's presence strategy on digital channels and social medias; We reinforced with our employees the importance of disclosing digital customer service channels and we mobilized employees to access and be part of Oi's social networks.

Based on transparency, the communication area continued to update the timeline on the intranet with the relevant facts about the Judicial Reorganization, such as the presentation of the three-year plan 2022-2024 and the advances in the disposals of the UPIs, as well as regulatory approvals and competitors.

Employees also periodically monitored the Company's results through transparent disclosure of Oi's quarterly results and the performance of Corporate Indicators, which ensure operational guidance. In addition, we contributed to the mobilization around the new work model, through the communication of training in favor of agility and also with the dissemination of the ambidextrous management model, and the adoption of OKRs at Oi. To enhance the agility model, more than 1,000 people were involved in agile teams, which made strategic deliveries possible in a collaborative and multidisciplinary way.

In 2021, Oi and Oi Futuro held mentorings for employees of NAVE Generation, an exclusive talent program for students trained in the Oi Futuro education initiative, which is now in its third edition. The Mentoring aim to support the professional development of graduates hired as digital residents at Oi.

In 2021, we had three Corporate Alignments, internal events of senior leadership with the entire Company. These meetings were held remotely and transmitted to employees throughout Brazil online. Our first event in April was dedicated to getting everyone on the same page about the progress of our operation and the next steps related to organizational redesign. In July, we presented to the Company more details of the strategic plan for the three-year period from 2022 to 2024 and talked about the importance of changing the mindset towards an increasingly agile, efficient and collaborative work environment. To end the year, at our last meeting, we thanked employees for their commitment in 2021, in addition to reinforcing the strategic guidelines and updating everyone on the progress of the transitions related to V.tal and the Mobile operation.

In this second completely digital year, given the predominance of remote work, our initiatives promoted internal engagement with the aim of maintaining the connection between the employee and Oi. To this end, we take advantage of the commemorative dates and our sponsored events to strengthen this relationship. There were several digital actions available on Interativa for employees from all over Brazil, such as the sending of special poetry on Mother's Day, the Olympics sweep. (highlighting Fiber Athletes) and the Children's Day workshops.

Other events that brought the Oi team together were the Encounters for Diversity and the Knowledge Moment. The latter, completed 2 years with 24 editions and more than 38 thousand participations in lectures on various topics such as innovation, technology, human skills and trends, in addition to a special edition for leadership. In the Diversity pillar, in addition to the Census and training aimed at overcoming unconscious biases, we had lectures on topics such as gender, color/ethnicity, sexual orientation, disabilities and their intersections. The objective is to broaden perspectives, promote dialogue between employees and managers, reflections and awareness, in addition to building an increasingly safe and respectful work environment. In 2021, following the Diversity calendar, we had Oi por Elas (by Women), in March, Oi por Todes (by everyone), in June, in addition to Oi Minha Cor (My color) and Oi for inclusion in November

In addition, in May 2022, we started the 'Praise is good' movement, encouraging the exchange of positive messages and reinforcing the recognition of essential attitudes for the transformation of Oi. Another important movement was highlighted through the 'Fala Sério' campaign, which was launched in August to disseminate the culture of ethics, integrity and compliance, highlighting behaviors that should be banned at Oi.

Finally, it is worth mentioning the carrying out of internal surveys, direct channels with employees that allow mapping actions and directing efforts in line with the vision of the internal public. To that end, the Engagement for Transformation Monitoring Survey, carried out quarterly, aimed to capture perceptions about the internal environment and important factors for the challenges of the company's transformation. The survey was carried out in three waves, using an internal online form and its items were organized into five pillars: transparency and communication; leadership and protagonism; respectful and healthy environment; attitudes towards transformation and agile mindset. In November 2021, we carried out the 3rd wave of the survey and, even after the changes, we maintained the level of internal engagement from the beginning of the year. All pillars showed a small drop compared to the values recorded in the 2nd wave, but even so, employee engagement remained at a high level: above 80% favorability. In addition to the Engagement Survey, we also carried out the Perception of Remote Work survey, which aimed to understand perceptions about the current home office model and ensure quality of life, transparency, productivity and acceptance. The survey was also carried out in May through an internal online form and based on the results observed, we developed a guide to good practices in the home office to provide useful information that contributes to daily life on: healthy living, practical organization, smart breaks , productive meetings and transparent communication.

In 2021, Oi maintained its sponsorship activities, focusing on projects related to sports and games. In the sport category, the highlight was the STU Open, a stage of the national Skate Street and Park circuit, which took place in Rio de Janeiro. The edition marked the resumption of the audience at the event, following the health protocols required for the moment of the pandemic. The event was also broadcast online. Oi was responsible for delivering all data links necessary for the operation of the event, such as connecting the judges' booth, broadcast and press room, in addition to offering Oi WiFi to the audience present.

On social networks, in a year of great results in surfing and skateboarding in Brazil, the fiber and ability to overcome the great talents supported by the company was an inspiration for the content transmitted in the last year. During the Olympic period, Oi reinforced its 19-year support for sports with the concept "Athletes of Oi. Fiber Athletes". The campaign featured the hashtag "Onde tem Fibra #TamoJunto" (Where there's Fiber #we'retogether) reinforcing Fibra's positioning, creating a relationship with the athletes' performance in points such as: performance, speed and stability. In addition, Oi also launched a campaign to thank the athletes and the support of the fans who were alongside the athletes sponsored by the company throughout 2021.

Among the games and technology platform projects, Game XP stands out, which is the largest game park in the world and that this year had its first edition in digital format. Oi was present as a master sponsor, naming the games arena, Oi Game Arena, with Oi Fibra being the event's official internet site. At Oi Game Arena, the Grrrls League final took place, a women's CSGO championship, a project also sponsored by the Company, which formed the first women's CSGO league in Brazil, strengthening the presence of women in games

Finally, the company reinforced its brand presence, operating in the sports, games and technology territories, with partnerships with influencers and seeking to amplify the reach of sponsored projects, through the production of content on its social networks. In the Games territory, Game XP's coverage brought the best moments and backstage of the 100% online event, enhancing the experience of the Oi Fibra connection and also reinforcing the product's attributes. This content action impacted more than 5 million views on stories and the Game XP campaign had more than 36 million impacted.

14 – External Audit

Under the terms of CVM Instruction no. 381/2003, we inform that Oi S.A. and its subsidiaries hired SS Independent Auditors BDO RCS to provide audit services for their Financial Statements, prepared in accordance with accounting practices adopted in Brazil and IFRS, and to provide non-audit services, permitted by the independence rules adopted in Brazil and in the United States.

Such services did not exceed the level of 5% of the total fees related to the provision of external audit services.

The Company's policy regarding the contracting of services not related to auditing is based on the principles of independence and transparency of the external auditor. These principles consist of: (a) the auditor should not audit his/her own work, (b) the auditor should not perform managerial functions for his/her client and (c) the auditor should not promote the interests of his/her client.

In compliance with CVM Instruction 381, Oi informs that, in 2021, SS Independent Auditors BDO RCS and its related parties did not provide services that could affect their independence, ratified by a Letter of Independence periodically submitted to the Company.

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INDEPENDENT AUDITOR'S REPORT ON THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

To the
Shareholders and Management of
OI S.A. (Under Court-Ordered Reorganization)
Rio de Janeiro - RJ

Opinion on the financial statements

We have audited the individual and consolidated financial statements of Oi S.A. – Under Court-Ordered Reorganization ("Company"), identified as parent company and consolidated, respectively, which comprise the statement of financial position as at December 31, 2021, and the respective statements of operations, comprehensive income (loss), changes in equity and cash flows for the year then ended, as well as the corresponding notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the individual and consolidated financial position of Oi S.A. – Under Court-Ordered Reorganization as at December 31, 2021, its individual and consolidated financial performance and its individual and consolidated cash flows for the year then ended in accordance with Brazilian accounting practices and International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB)

Basis for opinion on the financial statements

We conducted our audit in accordance with Brazilian and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the individual and consolidated financial statements" section of our report. We are independent of the Company and its controlled companies in accordance with the relevant ethical principles established in the Code of Ethics for Professional Accountants and in the professional standards issued by the Brazilian Federal Council of Accounting (CFC), and we have fulfilled our other ethical responsibilities in accordance with these standards. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty as to going concern

We draw attention to Note 1 to the individual and consolidated financial statements, in the section on going concern, which states that the individual and consolidated financial statements have been prepared assuming the continuity of the Company as a going concern, considering among others the following aspects: (i) compliance with the requirements set forth in the Amended Court-Ordered Reorganization Plan ("Amended PRJ"), as well as with the requirements of Law No. 11.101/2005; (ii) success in the implementation of the strategic plan; and (iii) conclusion of the process of disposal of the last two Isolated Production Units (UPIs) referring to the operation of the telecommunication networks (InfraCo UPI) and to the TV business (TVCo UPI, currently TVCo Operation), provided for in the Amended PRJ, which had not been finished until the date of conclusion of our work. These measures aim to reverse the conditions generating recurring loss to the Company. As at December 31, 2021, it was reported consolidated loss for the year in the amount of R$ 8,492,526 thousand and consolidated deficit in equity of R$ 722,981 thousand. These events or conditions indicate that there are significant uncertainties that may cast doubt on the Company's going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the section "Material uncertainty as to going concern", we determined that the matters described below are the key audit matters to be communicated in our report.

Recoverability of long-term assets	Audit response
As described in Notes 16 and 17, the Company and its controlled companies have recorded the amounts of R$ 16,192,523 thousand and R$ 4,005,385 thousand, under fixed and intangible assets, respectively, in the consolidated financial statements. The Company tests these assets for impairment annually or whenever there is indication that their book value cannot be recovered. The mentioned test was prepared based on projections included in the strategic plan. The assumptions used are presented in Note 2. They involve significant judgment for certain business conditions used as basis for the future results of the Company's continued operations, and consider the success of the new strategic plan as a whole. As a result of the impairment testing of fixed and intangible assets, the Company identified and recognized a reversal of impairment loss previously recognized for intangible assets amounting to R$ 1,017,506 thousand, as described in Note 17. Considering that any change in the assumptions used and in the economic conditions of the market in which the Company operates may generate significant effects in the evaluation and impacts on the consolidated financial statements, we considered this a key audit matter.	Our audit procedures included: ▪ Carrying out relevant internal control tests referring to the cycle of evaluation of recoverability of assets; ▪ Reviewing the reasonableness of the value-in-use calculation model adopted by Management to prepare the projections, including the main assumptions and criteria used, such as (i) long-term growth rates applied in said projections, by means of comparison with market data, when available; (ii) discount rate, evaluating the capital cost to the Company; (iii) growth rate in perpetuity; (iv) comparison with cash flow projections of the strategic plan approved by Management; ▪ Reviewing arithmetic calculations to determine value in use and reversal of impairment loss previously recognized under intangible assets; ▪ Reviewing the disclosures made by the Company. Based on the results of the audit procedures described above, we believe that the criteria and assumptions adopted by Management to determine the value in use of long-term assets for the purpose of impairment testing are reasonable, considering the applicable accounting practices and reasonableness of the supporting documentation on projections, maintained by Management, to corroborate its conclusion.

Realization of deferred taxes	Audit response
As stated in Note 10, the Company and its controlled companies have deferred taxes recorded in the amount of R$ 5,758,295 thousand in the consolidated financial statements, arising from Income and Social Contribution tax losses and from nondeductible and/or taxable temporary differences. Management evaluates the risk of impairment of these assets at least annually, based on projections of future taxable income. As a result of this evaluation, the Company recognized said deferred taxes considering future taxable profit substantially based on the estimates of capital gains that are expected after the completion of the process of disposing UPIs. Considering that any changes in the assumptions used, in the Company's business conditions and in the process of disposing UPIs may generate significant effects on projections of future taxable income and, consequently, impacts on the consolidated financial statements, we considered this a key audit matter.	Our audit procedures included: ▪ Testing relevant internal controls related to deferred tax assets and liabilities, including internal controls over the analysis of the realization of such taxes; ▪ Reviewing the reasonableness of the model adopted by Management to prepare the projections, including the main assumptions and criteria used, such as: (i) estimate of capital gains from disposal of UPIs; (ii) long-term growth rates applied in said projections, by means of comparison with market data, when available; (iii) discount rate, evaluating the capital cost to the Company; (iv) growth rate in perpetuity; (v) comparison with cash flow projections of the strategic plan approved by Management; ▪ Reviewing arithmetic calculations on the recognition and measurement of deferred tax assets; ▪ Reviewing the disclosures made by the Company. Based on the results of the audit procedures described above, we believe that the criteria and assumptions adopted by Management to determine the realization value of deferred taxes are reasonable, considering the applicable accounting practices and reasonableness of the supporting documentation on projections, maintained by Management, to corroborate its conclusion.

Provision for contingencies

As described in Note 24, the Company and its controlled companies are party to legal and administrative proceedings at civil, labor, and tax levels, which arise from the normal course of its business. As at December 31, 2021, the Company and its controlled companies have matters of tax and civil nature being discussed at several procedural levels, in the total amount of R$ 29,776,648 thousand and R$ 5,395,580 thousand, respectively, of which R$ 1,224,628 thousand and R$ 3,023,263 thousand, respectively, are provisioned, referring to proceedings with probable outflow of funds, according to the evaluation of Management based on the opinion of its legal counselors.

The definition and measurement of the amounts provisioned and disclosed depends on Management's critical judgment in relation to the probability of loss highlighted in the ongoing discussions, as a result of the interpretations of the current legislation, the judicial decisions and the evolution of the jurisprudence. Additionally, considering the significance of the amounts involved and the complexity of the legal and regulatory environment, any changes in the assumptions adopted in determining the loss prognosis may have a material impact on the Company's financial statements.

For these reasons, we considered the evaluation of recognition, measurement and disclosure of these contingencies a key audit matter.

Audit response

Our audit procedures included:

- Revaluating our understanding and the environment of internal controls, including the involvement of our Information Technology experts, related to the cycle of identification, recognition, measurement and disclosures of contingent liabilities;
- Evaluating the methodology, assumptions and criteria used by the Company, including adjustments, for the recognition, measurement and disclosure of contingencies in the financial statements;
- Obtaining external confirmation letters from the legal counselors in charge of the tax proceedings, aiming to confirm: (i) the existence of the proceedings and their current status; (ii) the respective assessment of loss involved and the applicable legal grounds;
- Involving our tax experts to evaluate the defense nature, grounds and/or thesis, and possible changes in the prognosis of loss for certain relevant tax proceedings, which involve complex judgment and subjectivity in evaluations, as well as obtaining legal opinion, through Management, from tax experts for certain proceedings with relevant changes in loss estimates for the year ended December 31, 2021;
- Obtaining external confirmation letters, by sampling, from the legal counselors in charge of the civil and labor proceedings of large volume, to confirm the existence of the proceedings;
- Conducting tests, by means of sampling, to evaluate the basis of large volume proceedings, whose measurement is made by the Company's internal system;
- Regarding the tax aspects of income taxes, our evaluation included: (i) meetings with Management to update our understanding and evaluation of internal controls to identify and monitor uncertain tax treatments; (ii) criteria adopted for the recognition and measurement of tax liabilities, if applicable;
- Reviewing the disclosures made by the Company in Note 24.

Based on the result of the audit procedures described above, we identified adjustments that, for not being material, were not made by the Company. Therefore, we considered acceptable the criteria and assumptions adopted by Management for the recognition and measurement of the provisions for contingencies, as well as the mentioned disclosures in Note 24, for being consistent with the internal controls and supporting documentation kept by the Company, including the position of its legal counselors.

Assets held for sale and discontinued operations	Audit response
As described in Notes 2(c) and 31, UPIs referring to the Mobile Assets, Towers, Data Centers, InfraCo and TVCo businesses were presented in the consolidated financial statements as at December 31, 2020, as assets held for sale under current assets and "Discontinued operations" in income (loss) for the year. To determine this presentation, the Company's Management prepared, based on certain criteria, assumptions and best available information at the time, the combined carve-out financial statements to reflect the business of each said UPI, since the internal process for defining and/or forming different legal entities legally representing each of them had not been concluded by December 31, 2020. During 2021, based on the amendment to the terms and conditions presented in the binding proposal for the purchase and sale of InfraCo UPI, as well as on the review of certain business aspects to attract possible parties interested in the purchase of TVCo Operation, the Company reflected these reclassifications in the presentation of the consolidated financial statements as at December 31, 2021. Considering the relevance and complexity of the judgments made to adequately reflect the transactions, we considered this a key audit matter.	Our audit procedures included: ▪ Evaluating and testing relevant internal controls related to the assets held for sale and discontinued operations; ▪ Reading and analyzing the relevant documentation related to the process of disposal of UPIs, focusing on the review of the amended terms and conditions in the relevant documentation of InfraCo UPI; ▪ Discussing with Management the amendments made to certain business conditions in the structure for the sale of assets related to TVCo Operation, as well as analyzing relevant internal formalizations; ▪ Reviewing the reclassifications recognized in the consolidated financial statements as at December 31, 2021, as well as evaluating the relevant supporting documentation; ▪ Reviewing the disclosures made by the Company in the notes. Based on the results of the audit procedures described above, we have identified adjustments to the presentation of continuing and discontinued operations, whose amounts, when material, were corrected by the Company. Accordingly, we considered the balances and disclosures on this matter to be reasonable, considering the accounting practices and supporting documentation established and maintained by Management, to support their conclusion, presented in the financial statements. However, due to failures in certain internal controls related to the identified adjustments referred to above, which may have caused material misstatements, we considered this matter a "significant weakness" in the Company's internal controls.

Other matters

Statements of value added

The individual and consolidated statements of value added, prepared under the responsibility of the Company's Management for the year ended December 31, 2021, and presented as supplementary information for IFRS purposes, were submitted to the same audit procedures followed for the audit of the Company's financial statements taken as a whole. In order to form an opinion, we have checked whether these statements are reconciled with the financial statements and accounting records as applicable, and whether its form and contents meet the criteria established in Technical Pronouncement NBC TG 09 - Statement of Value Added. In our opinion, the statements of value added were properly prepared, in all material respects, in accordance with the criteria established in that Technical Pronouncement and are consistent with the individual and consolidated financial statements taken as a whole.

Other information accompanying the individual and consolidated financial statements and auditor's report

The Company's Management is responsible for the other information that comprises the Management Report.

Our opinion on the individual and consolidated financial statements does not cover the Management Report and we do not express any form of audit conclusion thereon.

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether the report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Management Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with governance for the individual and consolidated financial statements

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with Brazilian accounting practices and with the IFRS, issued by IASB, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company and its controlled companies or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and its controlled companies' financial reporting process.

Auditor's responsibilities for the audit of the individual and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian standards and International Standards on Auditing (ISAs) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian standards and ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls;

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its controlled companies' internal controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and disclosures made by Management;
- Conclude about the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether there is material uncertainty related to events or conditions that may cast significant doubt on the Company's and its controlled companies' ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its controlled companies to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The accompanying financial statements have been translated into English for the convenience of readers outside Brazil.

Rio de Janeiro, May 4, 2022.

BDO RCS Auditores Independentes SS
CRC 2 SP 013846/F

Esmir de Oliveira
Accountant CRC 1 SP 109628/O-0 – S – RJ

Oi S.A. – Under Reorganization and controlled companies

Balance sheets as of December 31, 2021 and 2020

In thousands of Reais, except where indicated to the contrary

Assets	Grade	Parent Company 2021	Parent Company 2020	Consolidated 2021	Consolidated 2020 Re-presented
Current					
Cash and cash equivalents	8	769,582	1,952,680	2,917,251	4,107,941
Financial investments	8	185,307	184,682	188,566	193,715
Derivative financial instruments		7,175		7,175	
Credits with related parties	29	2,616,447	33,912		
Receivables	9	3,350,284	1,400,570	4,264,954	4,140,985
Inventories		188,276	66,033	311,622	378,462
Current taxes recoverable	10	138,436	45,159	297,035	358,121
Other taxes	11	679,337	929,572	897,338	1,823,744
Legal deposits and blocks	12	933,644	716,047	1,181,457	1,095,827
Dividends and interest on equity	29	22,866	2,466	25	
Asset related to pension funds	27	793	4,984	2,175	7,618
Prepaid expenses	13	548,157	233,952	577,803	491,380
Assets held for sale	31	3,527,711	100,622	35,043,996	20,154,976
Other assets	14	875,092	346,445	736,670	756,515
		13,843,107	6,017,124	46,426,067	33,509,284
Non-current					
Credits with related parties	29	9,210,285	7,587,660		
Financial investments	8	2,612	3,174	9,423	10,341
Deferred taxes recoverable	10	5,665,670	3,724,398	5,758,295	3,671,070
Other taxes	11	269,882	445,187	711,144	1,448,371
Legal deposits and blocks	12	3,815,098	3,220,445	4,038,913	6,198,008
Asset related to pension funds	27	24,755	36,917	24,755	36,917
Prepaid expenses	13	138,462	76,087	342,698	304,099
Other assets	14	459,685	66,560	414,201	597,672
Investments	15	6,231,635	7,353,440	27,072	123,579
Fixed	16	13,937,490	6,948,832	16,192,523	24,242,546
Intangible	17	3,527,387	3,045,378	4,005,385	3,697,900
		43,282,961	32,508,078	31,524,409	40,330,503
Total assets		57,126,068	38,525,202	77,950,476	73,839,787

Liabilities and shareholder's equity	Grade	Parent Company 2021	Parent Company 2020	Consolidated 2021	Consolidated 2020 Re-presented
Current					
Suppliers	18	2,069,380	820,488	3,374,114	2,641,586
Suppliers – Subject to PRJ	18	619,201	149,583	655,183	665,104
Salaries, social charges and benefits		246,384	284,171	553,850	745,462
Derivative financial instruments		13,830	10,967	13,830	10,967
Loans and financing	19	436,240	408,027	2,900,410	424,957
Credit assignment	20	180,327	41,268	180,327	196,720
Current taxes collectable	10			14,776	12,382
Other taxes	11	285,756	174,097	1,538,180	1,217,961
Dividends and interest on equity		825,334	4,775	5,762	18,094
Authorizations and concessions payable	21		17,828	62,553	43,415
Lease payable	22	501,229	146,415	676,074	654,662
Tax refinancing program	23	87,353	55,784	97,888	93,715
Provisions	24	413,881	471,867	716,764	781,942
Liabilities associated with assets held for sale	31			13,569,773	7,736,420
Other obligations	25	1,269,085	459,036	2,037,547	1,586,905
		6,948,000	3,044,306	26,397,031	16,830,292
Non-current					
Suppliers – Subject to PRJ	18	3,543,424	1,444,477	3,779,116	5,020,972
Loans and financing	19	22,913,743	12,935,035	30,082,708	25,918,777
Debts with related parties	19 and 29	2,083,239	1,591,964		
Credit assignment	20		37,829		180,327
Other taxes	11	645,741	549,829	930,344	1,324,000
Lease payable	22	2,101,487	541,805	2,332,100	2,327,016
Tax refinancing program	23	158,546	156,845	172,506	252,502
Provisions	24	3,609,133	1,413,298	4,949,889	5,028,521
Provisions for pension funds	27	813,401	702,058	813,401	702,058
Provision for negative equity	15	8,522,071	6,017,583		
Other obligations	25	6,542,957	2,338,681	9,216,362	8,485,412
		50,933,742	27,729,404	52,276,426	49,239,585
Owners' equity	26				
Capital		32,538,937	32,538,937	32,538,937	32,538,937
Share issuance cost		(801,073)	(801,073)	(801,073)	(801,073)
Capital reserves		3,928,326	3,906,771	3,928,326	3,906,771
Shares in treasury		(33,315)	(33,315)	(33,315)	(33,315)
Accumulated losses		(36,774,102)	(28,257,917)	(36,774,102)	(28,257,917)
Other comprehensive results		385,553	398,089	385,553	398,089
		(755,674)	7,751,492	(755,674)	7,751,492
Participation of non-controlling parties				32,693	18,418
Total shareholders' equity		(755,674)	7,751,492	(722,981)	7,769,910
Total liabilities and net equity		57,126,068	38,525,202	77,950,476	73,839,787

The explanatory notes from the administration are an integral part of the financial statements.

Oi S.A. – Under Reorganization and controlled companies

Income statements
Years ended December 31, 2021 and 2020
In thousands of Reais, except where indicated to the contrary

		Parent Company		Consolidated	
	Grade	2021	2020 Re-presented	2021	2020 Re-presented
Sales and/or services revenue	4 and 5	6,632,549	3,545,254	10,483,479	10,930,222
Cost of the goods and/or services sold	5	(6,865,357)	(2,669,653)	(9,924,345)	(7,912,350)
Gross Profit (Loss)		(232,808)	875,601	559,134	3,017,872
Operating income (expenses)					
Result on equity in earnings	5 and 15	(6,831,650)	(11,509,394)	(3,203)	31,624
Expenses with sales	5	(1,020,197)	(586,690)	(2,308,050)	(2,416,200)
General and administrative expenses	5	(1,205,148)	(873,266)	(2,333,204)	(2,748,533)
Other operating incomes	5	2,580,301	2,383,573	4,144,744	4,736,518
Other operational expenses	5	(306,372)	(921,245)	(2,096,560)	(3,954,839)
		(6,783,066)	(11,507,022)	(2,596,273)	(4,351,430)
Loss before financial result and taxes		(7,015,874)	(10,631,421)	(2,037,139)	(1,333,558)
Financial revenues	5 and 6	1,870,890	3,160,275	352,104	1,049,224
Financial expenses	5 and 6	(6,357,583)	(6,812,051)	(9,905,998)	(13,811,156)
Financial result	5 and 6	(4,486,693)	(3,651,776)	(9,553,894)	(12,761,932)
Loss before taxation		(11,502,567)	(14,283,197)	(11,591,033)	(14,095,490)
Income tax and social contribution					
Current	7	(17,188)	680	(51,016)	(20,975)
Deferred	7	1,941,272	3,736,483	2,087,225	3,571,895
Loss of continuing operations		(9,578,483)	(10,546,034)	(9,554,824)	(10,544,570)
Discontinued operations					
Net result from discontinued operations (net of taxes)	31	1,062,298	16,071	1,062,298	16,071
Loss for the year		(8,516,185)	(10,529,963)	(8,492,526)	(10,528,499)
Loss attributed to controlling shareholders		(8,516,185)	(10,529,963)	(8,516,185)	(10,529,963)
Loss (profit) attributed to non-controlling shareholders				23,659	1,464
Loss allocated to ordinary shares - basic and diluted		(8,293,113)	(10,254,142)	(8,293,113)	(10,254,142)
Loss allocated to preferred shares - basic and diluted		(223,072)	(275,821)	(223,072)	(275,821)
Weighted average representing the outstanding shares (In thousands of shares)					
Common shares - basic and diluted		5,796,459	5,796,448	5,796,459	5,796,448
Preferred shares - basic and diluted		155,915	155,915	155,915	155,915
Basic loss and diluted per share profit:	26(e)				
Ordinary shares – basic and diluted (R$)		(1.43)	(1.77)	(1.43)	(1.77)
Preferred shares – basic and diluted (R$)		(1.43)	(1.77)	(1.43)	(1.77)
Basic loss and diluted per share profit - Continuing operations	26(e)				
Ordinary shares – basic and diluted (R$)		(1.61)	(1.77)	(1.61)	(1.77)
Preferred shares – basic and diluted (R$)		(1.61)	(1.77)	(1.61)	(1.77)

The explanatory notes from the administration are an integral part of the financial statements.

Basic and diluted per share loss (profit) - Continuing operations:	26(e)				
Ordinary shares – basic and diluted (R$)		0.18	(0.00)	0.18	(0.00)
Preferred shares – basic and diluted (R$)		0.18	(0.00)	0.18	(0.00)

The explanatory notes from the administration are an integral part of the financial statements.

Oi S.A. – Under Reorganization and controlled companies

Comprehensive income statement
Years ended December 31, 2021 and 2020
In thousands of Reais, except where indicated to the contrary

	Parent Company		Consolidated	
	2021	**2020**	**2021**	**2020**
Loss for the year	(8,516,185)	(10,529,963)	(8,492,526)	(10,528,499)
Result in hedge accounting	3,343	(2,409)	3,343	(2,409)
Actuarial Gain (Loss)	(15,873)	580,134	(15,873)	579,956
Exchange variation on foreign investment	(6)	53,404	(9,390)	99,966
Comprehensive result of continuing operations	(12,536)	631,129	(21,920)	677,513
Comprehensive result of discontinued operations				178
Total comprehensive income of year	(8,528,721)	(9,898,834)	(8,514,446)	(9,850,808)
Comprehensive result assigned to controlling shareholder	(8,528,721)	(9,898,834)	(8,528,721)	(9,898,834)
Comprehensive result assigned to non-controlling			14,275	48,026

The explanatory notes from the administration are an integral part of the financial statements.

Oi S.A. – Under Reorganization and controlled companies

Statements of changes in equity of years ended on December 31st, 2021 and 2020

In thousands of Reais, except where indicated to the contrary

	Assigned to participation of controlling shareholders						Total participation of controlling shareholders	Participation of shareholders non-controlling shareholders	Total shareholders' equity
	Capital stock	Share issuance cost	Capital reserves	Shares in treasury	Accumulated losses	Other comprehensive results			
On January 1st, 2020	**32,538,937**	**(801,073)**	**3,906,771**	**(33,315)**	**(17,727,954)**	**(233,040)**	**17,650,326**	**146,180**	**17,796,506**
Profit (loss) for the year					(10,529,963)		(10,529,963)	1,464	(10,528,499)
Other comprehensive results						631,129	631,129	46,562	677,691
Reduction of interest of non-controlling shareholders								(175,788)	(175,788)
On December 31st, 2020	**32,538,937**	**(801,073)**	**3,906,771**	**(33,315)**	**(28,257,917)**	**398,089**	**7,751,492**	**18,418**	**7,769,910**
Share-based compensation			21,555				21,555		21,555
Profit (loss) for the year					(8,516,185)		(8,516,185)	23,659	(8,492,526)
Other comprehensive results						(12,536)	(12,536)	(9,384)	(21,920)
On December 31st, 2021	**32,538,937**	**(801,073)**	**3,928,326**	**(33,315)**	**(36,774,102)**	**385,553**	**(755,674)**	**32,693**	**(722,981)**

The explanatory notes from the administration are an integral part of the financial statements.

Oi S.A. – Under Reorganization and controlled companies

Statements of Cash Flow
Years ended December 31, 2021 and 2020
In thousands of Reais, except where indicated to the contrary

	Parent Company		Consolidated	
	2021	2020 Re-presented	2021	2020 Re-presented
Operating activities of continuing operations				
Loss before taxation	(11,502,567)	(14,283,197)	(11,591,033)	(14,095,490)
Loss items that do not affect cash				
Charges, financial income, inflation adjustment and exchange rate change updates	2,046,910	8,107,641	5,761,494	10,435,290
Amortization of discount of debts and inflation adjustment and exchange rate change	486,866	(6,057,803)	582,929	(1,746,789)
Adjustment to fair value of suppliers	(123,929)	62,014	128,716	193,248
Operation with derivative financial instruments (Note 6)	(10,198)	134,987	(10,198)	134,987
Depreciation and Amortization (Note 5)	2,672,703	1,504,162	4,002,033	3,904,864
Expected losses in account receivables (Note 5)	15,701	82,578	90,843	228,357
Reversal of losses with impairment (Note 5)	(1,017,506)	(1,129,708)	(641,371)	(800,378)
Provisions/(Reversals) (Note 5)	(123,329)	163,519	195,554	135,893
Provision of contract for consideration (Note 25)	1,132,243		1,505,642	
Equity method (Note 5)	6,831,650	11,509,394	3,203	(31,624)
Result with disposals and write-off of assets	(231,816)	(42,364)	(1,046,814)	(199,035)
Concession contract extension fee - ANATEL	87,398	56,796	158,366	313,798
Participation of employees and managers	20,167	73,009	90,850	345,556
Tax recovery	(41,441)	(116,035)	(79,691)	(391,461)
Inflation adjustment of provisions/(reversals) (Note 6)	336,007	352,972	726,769	877,700
Inflation Adjustment of tax refinancing program (Note 6)	4,962	3,651	6,618	6,800
Others	266	(565,383)	119,352	198,156
	584,087	(143,767)	3,262	(490,128)
Equity change				
Receivables	732,740	(99,883)	(367,430)	848,659
Inventories	(6,006)	(20,269)	7,582	(51,982)
Taxes	422,519	331,518	941,206	1,416,573
Increases/decreases in financial investments	15,887	1,468	18,627	21,801
Suppliers	513,307	528,393	522,484	262,060
Salaries, social charges and benefits	(100,176)	51,780	(260,908)	(245,315)
Credit assignment		96,292		459,014
Authorizations and concessions	(34,556)		(83,673)	(41,209)
Provisions	(332,466)	(321,923)	(599,323)	(640,505)
Variation of assets and liabilities held for sale	34,339		294,676	485,858
Other assets and liabilities accounts	(448,537)	(61,643)	(258,809)	(111,625)
	797,051	505,733	214,432	2,403,329
Financial charges paid - Debit	(877,383)	(792,320)	(1,248,080)	(805,975)
Financial charges paid - Leases	(141,196)		(188,971)	(151,639)
Income tax and social contribution paid - Company			(5,858)	(33,436)
Income tax and social contribution paid - Third parties			(72,937)	(78,540)
	(1,018,579)	(792,320)	(1,515,846)	(1,069,590)

Oi S.A. – Under Reorganization and controlled companies

Statements of Cash Flow
Years ended December 31, 2021 and 2020
In thousands of Reais, except where indicated to the contrary

Cash flow generated by (used in) the operating activities - Continued operations	362,559	(430,354)	(1,298,152)	843,611
Cash flow generated by (used in) the operating activities – Discontinued operations			1,187,522	3,642,617
Cash flow generated by (used in) the operating activities	362,559	(430,354)	(110,630)	4,486,228

Oi S.A. – Under Reorganization and controlled companies

Statements of Cash Flow
Years ended December 31, 2021 and 2020
In thousands of Reais, except where indicated to the contrary

(Continued)

	Parent Company		Consolidated	
	2021	2020 Re-presented	2021	2020 Re-presented
Investment activities - of continued operations				
Acquisitions of fixed and intangible assets	(1,824,724)	(783,268)	(3,499,879)	(3,455,136)
Credits with related parties - Receipt/Releases	(22,647)	365,093		
Proceeds obtained from the sale of investments and fixed assets	528,849	3,500	1,239,713	144,422
Cash received for capital reduction in subsidiary - PT Participações		3,741,302		
Cash received on the sale of investments - PT Ventures				4,132,422
Reduction in the participation of non-controlling shareholders				(175,788)
Legal deposits and blocks	(400,778)	(59,134)	(523,333)	(274,176)
Legal redemptions of deposits and legal blockage	524,014	531,939	776,786	646,875
Capital increase in subsidiary	(684,090)	(2,229,632)		
Cash flow applied in investment activities - Continued operations	(1,879,376)	1,569,800	(2,006,713)	1,018,619
Cash flow applied in investment activities - Discontinued operations			(2,790,927)	(4,241,818)
Cash flow applied in investment activities	(1,879,376)	1,569,800	(4,797,640)	(3,223,199)
Financing activities				
Net funding of costs			6,412,426	2,485,898
Payment of principal from loans and financing	(2,029)	(4,833)	(3,512,716)	(11,267)
Receipts/(Payments) of derivative financial instrument operations	10,666	(119,551)	10,666	(119,551)
Tax refinancing program	(68,212)	(54,706)	(81,084)	(81,671)
Leases	(326,567)	(144,823)	(580,674)	(596,597)
Cash and cash equivalents acquired by merger	725,084			
Cash flow generated by financing activities - Continued operations	338,942	(323,913)	2,248,618	1,676,812
Cash flow generated by financing activities - Discontinued operations			1,534,006	(877,182)
Cash flow generated by financing activities	338,942	(323,913)	3,782,624	799,630
Exchange rate change on cash and cash equivalents	(5,223)	187,180	(65,044)	205,014
Cash and cash equivalents transferred to those held for sale				(241,677)
Cash flow for the year	(1,183,098)	1,002,713	(1,190,690)	2,025,996
Cash and cash equivalents				
Final Balance	769,582	1,952,680	2,917,251	4,107,941
Initial balance	1,952,680	949,967	4,107,941	2,081,945
Change on the year	(1,183,098)	1,002,713	(1,190,690)	2,025,996

In thousands of Reais, except where indicated to the contrary

Additional disclosures to the cash flow statement

a) Non-cash transactions

	PARENT COMPANY		CONSOLIDATED	
	2021	2020	2021	2020
Change between economic and financial investment (acquisition of fixed assets and intangible assets)	317,590	138,315	189,183	174,223
Compensation of judicial deposits against provisions	59,269	158,180	239,053	376,376
Compensation of judicial deposits against suppliers	1,391,762		1,404,007	199,821
Compensation of recoverable taxes against taxes payable	1,692,855	1,078,648	3,983,177	4,377,247
Fistel Rate	1,834		488,075	

Reconciliation of liabilities resulting from financing activities

Operations of financial charges and debt settlement resulting from financing activities are presented in Note 19.

b) Merger of Telemar Norte Leste S.A. – Under Judicial Reorganization (“Telemar”)

The assets acquired and liabilities assumed arising from the merger of Telemar on May 3, 2021 are presented in Note 1.

1. GENERAL INFORMATION

Oi S.A. – under Judicial Reorganization ("Company" or "Oi"), is a Switched Fixed-line Telephony Services ("SFTS") concessionaire, operating since July 1998 in Regions I and II of the General Concession Plan ("GCP"), except Sectors 03, 20, 22, and 25, as a domestic local and long-distance carrier, and a license to operate SFTS services in Region III of the GCP and Sectors 03, 20, 22, and 25, as a domestic local and long-distance carrier. The Company also provides domestic and international long-distance services in Regions I, II, and III of the GCP under licenses granted by Agência Nacional de Telecomunicações - ANATEL (National Telecommunications Agency), the regulator of the Brazilian telecommunications industry ("ANATEL" or "Agency").

The Company is headquartered in Brazil, in the city of Rio de Janeiro, in distrcit of Centro (Downtown), at Rua do Lavradio, 71 – 2º andar.

Oi also has authorization to provide MCS – Multimedia Communication Services, and SCAS - Conditional Access Services, in both cases throughout Brazil, as a result of the merger of its subsidiary Oi Móvel S.A. - In Judicial Reorganization ("Oi Móvel"), which took place on February 22, 2022.

The authorizations to provide mobile telephony services held by Oi Móvel were waived prior to this merger.

Abroad, the Company provides fixed and mobile telecommunications services essentially related to its subsidiary Timor Telecom (Note 31).

The Company is registered with the Brazilian Securities and Exchange Commission ("CVM") and its shares are traded on B3 S.A. – Brasil, Bolsa, Balcão ("B3") under codes OIBR3 and OIBR4. The American Depositary Receipts ("ADRs") representing common and preferred shares of its issuance are being traded on the US over-the-counter market, under the trading codes "OIBZQ" and "OIBRQ", respectively.

The arrangements for the withdrawal of its ADRs representing NYSE ordinary shares - "New York Stock Exchange began on September 30, 2021, when the Board of Directors of Oi approved the voluntary withdrawal of the ADRs representing NYSE ordinary shares, starting to maintain a Level 1 ADR program. To this end, on October 15, 2021, the Company filed Form 25F with the U.S Securities and Exchange Commission ("SEC").

On November 16, 2021, the Company filed Form 15F with the SEC to deregister and terminate its disclosure obligations under the U.S. United States Securities Exchange Act of 1934 ("Disclosure Obligations"). Immediately after the filing of Form 15F, the Company's Disclosure Obligations were suspended, giving rise to a period of ninety (90) days for the deregistration becoming effective.

On February 14, 2022, the deregistration of the Company with the SEC became effective.

On that occasion, the Company also clarified (i) that the deregistration of Oi with the SEC does not impact the listing of the Company's shares on B3, and Oi remains subject to the applicable disclosure obligations under Brazilian legislation and regulations; and (ii) that it will continue to disclose its periodic reports, annual and interim results, and communications as required by applicable laws and regulations on its investor relations website (ri.oi.com.br), including in English language.

The deregistration of the Company with the SEC represents the fulfillment of another important step in Oi's Transformation Plan to simplify the operational structure and adjust its cost base.

Concession Agreements

The local and nationwide STFC long-distance concession agreements entered into by the Company and Telemar, merged by the Company on May 3, 2021, with ANATEL, are effective until December 31, 2025. These concession agreements provide for reviews on a five-year basis and in general have a higher degree of intervention in the management of the business than the licenses to provide private services, especially with regard to obligations of universalization and continuity of services.

After the end of the term of the Agency's Public Hearing No. 51/2018, a proposal to amend the General Plan of Universalization Goals (PGMU), forwarded to the Ministry of Communications (Letter No. 478/2020/GPR-ANATEL, dated December 1, 2020), were approved, through Appellate Decision nº 619/2020, in addition to the new texts for the Concession Agreements (Resolution No. 737/2020).

On December 2020, Oi filed a Request for Annulment against Appellate Decision No. 619/2020 and Resolution No. 737/2020, Process No. 53500.001636/2021-37, and these regulations jointly approved the proposal of the PGMU V and the drafts of the SFTS Concession Agreements for the period from 2021 to 2025, as shown in the case file No. 53500.040174/2018-78. The drafts of the Concession Agreements were not executed by Oi, as in the case of the 2015 Agreement revision. Thus, the contracts signed in 2011 remain in force. The Request for Annulment was denied, according to the collegiate decision taken at the 907th Meeting of the Board of Directors of ANATEL, whose subpoena took place on January 19, 2022. The Company evaluates actions on the subject.

On January 28, 2021, the Government enacted Decree 10,610/2021, which repeals Decree 9619/2018 and approves the PGMU V, applicable to 2021-2025. Among the determinations of the new PGMU, the creation of the obligation to build fiber optic backhaul for several locations stands out, in which the balance resulting from changes in the goals of the previous PGMU will be used. The PGMU V also provides for the end of the obligation for new installations arising from the obligation presented in PGMU IV of fixed wireless access, and the infrastructure already installed must be maintained until the end of the concession.

As a result of the enactment of Law 13,879/2019, which opens the legal possibility of adapting to the private law regime of SFTS provision from a public regime, as well as Decree 10,402/2020, which regulates Law 13,879/2019 and set a deadline for ANATEL to edit the rules for adapting concessions to licenses, ANATEL enacted Resolution 741/2021, which approves the Regulation for the Adaptation of Switched Fixed-line Telephony Service Concessions to Licenses of the same service. Such regulation establishes the rules for the migration from the concession regime to authorization, remaining pending, however, the determination of the Migration Balance Calculation Methodology and its quantification, individualized by concessionaire (the work is being carried out by a consultancy contracted by ANATEL/ ITU and is expected to be approved by the Agency's Board of Directors by the end of the first half of 2022).

With the submission of the Judicial Reorganization Plan (“PRJ”, “Plan” or “Original PRJ”), on June 20, 2016, ANATEL started some procedures to monitor the Company's financial situation, as well as assess its ability to regarding the fulfillment of the obligations inherent to the terms of the concession contracts. In March 2019, ANATEL decided, among other things, to maintain the special monitoring of the provision of telecommunications services by companies belonging to Grupo Oi for the year 2019, with the imposition of measures related to transparency, corporate governance and corporate control, performance economic-financial and operational, and asset and credit management, as informed in the Notice to the Market released by the Company on May 8, 2019.

On February 10, 2020, according to the Notice to the Market released by the Company, the Board of Directors of ANATEL understood that there was no need for special monitoring based on the decision issued in May 2019, as it considered the Company's short-term liquidity risk to be resolved. and its subsidiaries, revoking the obligations previously attributed to the companies of the Oi Group, maintaining the ordinary monitoring until the present date.

On December 30th, 2020, Oi filed with ANATEL a Request for the Initiation of Arbitration Proceedings related to issues related to its Concession Contracts. On August 13, 2021, Oi and ANATEL entered into the Arbitration Commitment Agreement that outlines the purpose and the rules applicable to the arbitration procedure to be conducted between the parties.

On May 3, 2021, ANATEL’S Act No. 2,875/2021 was published on the Federal Official Gazette. This Act transfers to Oi the concessions held by its wholly-owned subsidiary Telemar for the provision of STFC services both under public and private law, in all their modalities, and SCM services, including the associated licenses for the right to use radiofrequencies. As a result of the transfer of the concessions, Telemar’s merger with and into Oi became effective on that date, under the terms approved at the Company’s Special Shareholders Meeting of April 30, 2021.

Corporate Authorization

At a meeting held on May 4, 2022, the Board of Directors considered and approved the Company's Financial Statements, as well as authorized their publication.

Judicial Reorganization

On June 20, 2016, the Company and its wholly-owned, direct and indirect subsidiaries, Oi Móvel (merged into the Company on February 2022), Telemar (merged into the Company on May 2021), Copart 4 Participações S.A. – Under Judicial Reorganization ("Copart 4" merged into Telemar on January 2019), Copart 5 Participações S.A. – Under Judicial Reorganization ("Copart 5" merged into the Company on March 2019), Portugal Telecom International Finance B.V. – Under Judicial Reorganization ("PTIF") and Oi Brasil Holdings Cooperatief U.A. – Under Judicial Reorganization ("Oi Holanda") (together with the Company, the "Oi Companies" or "Debtors") filed a request for judicial reorganization before the Judicial District of the Capital of the State of Rio de Janeiro ("Judicial Reorganization Process").

On December 19, 2017, after confirming the necessary quorum of class I, II, III and IV creditors, the General Meeting of Creditors was installed, with the Judicial Reorganization Plan for Oi Companies ("Plan", or "PRJ") was approved by a large majority of creditors on December 20, 2017.
On January 8, 2018, the judicial reorganization court ("Judicial Reorganization Court") issued a decision that ratified the PRJ and granted the judicial reorganization to the Oi Companies, which was published on February 5, 2018 ("PRJ's Homologation").

On July 31, 2018, the restructuring of the Oi Companies' financial debt was completed with the implementation of the applicable terms and conditions provided for in the PRJ, including the completion of the first capital increase provided for in the PRJ Capital Increase - Capitalization of Credits.

On January 25, 2019 the Company completed the second capital increase provided for in the PRJ, with the issue of 3,225,806,451 new book-entry, registered ordinary shares, without par value, including new ordinary shares represented by ADSs, pursuant to the PRJ and the subscription and commitment agreement entered into by the Company, its subsidiaries, and the Backstop Investors.

On December 6, 2019, the Company disclosed a Material Fact informing that the Oi Companies had filed a petition before the Judicial Reorganization Court requesting that the judicial supervision of the Oi Companies not be terminated on February 4, 2020, the date on which the Confirmation of the PRJ would complete 2 (two) years. The measure of not ending the judicial supervision did not bring changes to the current situation of the Oi Companies and had no impact on the fulfillment of the Plan in force, neither in relation to current credits nor on any new resources that came to be accessed by the Oi Companies. It is worth noting that the continuity of judicial supervision at the end of the two-year period is a natural measure that has been applied in most judicial reorganization proceedings. Notwithstanding the good progress of the Plan's implementation, which has already completed most of the steps established in the process and which were important for the Company's recovery, the request presented to the Judicial Reorganization Court circumstances related to the complexity inherent to the magnitude of its Recovery Process and the ongoing reforms in the legal-regulatory environment, which required measures to be implemented within the scope of the Judicial Reorganization Process.

On December 23, 2019, the Company disclosed a Material Fact Notice informing that its subsidiary Oi Móvel entered into a 1st issue indenture of collateralized, simple, nonconvertible debentures, with additional trust security, in a single series, for private placement, in the total amount of up to R$2,500,000,000.00 ("Oi Móvel 1st Issue Debentures", "Oi Móvel 1st Issue", and "Oi Móvel 1st Issue Indenture", respectively), pursuant Clause 5.3 of the Original PRJ. The Oi Móvel 1st Issue Debentures were paid in on February 4, 2020, having been settled on July 30, 2021, upon prepayment of the Oi Móvel 1st Issue Debentures with funds arising from the Issue of Oi Móvel Notes (as defined below in item 2. Financing provided for in the Amendment to the PRJ, of this note).

On February 28, 2020, the Company disclosed a Material Fact informing that, on February 28, 2020, the Oi Companies filed a petition before the Judicial Reorganization Court, exposing their interest in taking it to the deliberation of a new general meeting of creditors ("New AGC"), an amendment to the Plan ("Amendment to the Plan" or "Amendment to the PRJ"), aiming to achieve greater operational and financial flexibility to continue its investment project and the fulfillment of its strategic transformation plan ("Strategic Plan"), both already widely publicized to the market.

In line with the foregoing, on March 6th, 2020, the Company released a Material Fact, informing that the Judicial Reorganization Court issued a decision, on the same date, granting the Company's request for a New AGC to resolve on the Amendment to the Plan.

On June 15th, 2020, the Oi Companies filed with the Judicial Reorganization Court, the proposed Amendment to the PRJ, which aimed to give greater flexibility to the Original PRJ, with the creation of a more efficient corporate and operational structure, aiming the maximization of the Company's value for the benefit of all its stakeholders. This movement was completely aligned with the Strategic Plan, which has been implemented with transparency.

On August 13th, 2020, the Oi Companies filed with the Judicial Reorganization Court an updated proposal for the Amendment to the PRJ, adjusting certain terms and conditions. This proposal reflected the various interactions with creditors, potential investors and other stakeholders, including those conducted before the mediator appointed by the Judicial Reorganization Court, with the objective of discussing improvements to the Amendment to the PRJ.

The Amendment to the PRJ was submitted to the vote of the creditors of the Debtors and approved in the New AGC held on September 8th, 2020, the date of the first call, having been approved by the Judicial Reorganization Court by means of a decision rendered on October 5th, 2020 and published on October 8th, 2020, a decision that also rejected all allegations of procedural nullities by Nova AGC, ruling out the allegation of unequal treatment between creditors and rejecting requests for nullity of the voting quorum and approval of the Amendment to the PRJ, by do not contain defects in their formation and will and, among other measures, set a period of 12 (twelve) months for the end of the judicial reorganization of the Debtors, counted from the date of publication of said decision, which may be extended, if there is a need to finalize the acts related to the disposals provided for in the Amendment to the PRJ.

The Amendment to the PRJ aims to allow the Oi Companies and their subsidiaries ("Oi Group") to enable the execution of their long-term plan, with the necessary equation of the its debt, in the current context, and the continuity of its activities following the aforementioned PRJ and its Strategic Plan.

The main objective of Grupo Oi's strategy is to transform its business model, focusing on the use and rapid expansion of its extensive optical fiber infrastructure as a competitive differential, including its transport networks (backbone, backhaul and data network), and primary and secondary access networks (dedicated links, metropolitan rings and FTTH access networks), enabling and supporting the needs of high-speed connection and provision of services to its residential, business, corporate and government customers, as well as the provision of infrastructure services for the other telecommunications service providers in the country, including the feasibility of connections for the new 5G technology.

On July 19, 2021, the Company released a Material Fact Notice to its shareholders and to the market in general presenting its Strategic Plan for the three-year period 2022-24, focused on the transformation of the "New Oi", after the confirmation of the winning bids in the bidding processes for the sale of the main UPIs, and considering the structural separation set forth in the Amendment to the PRJ. The Company intends to use the drivers of its Strategic Plan to pursue a sustainable business model by (i) accelerating revenue generation by its core businesses, as regards the connectivity platform and customer-focused digital services, notably: (i) B2C and SME Fiber customers, in the copper, TV, digital services segments; (ii) B2B customers (Oi Soluções) with regard to connectivity and IT solutions; and (iii) Infrastructure in the Digital, IPTV, DTH, and copper segments, and implementation of new sources of revenue, (ii) restructuring its cost structure, (iii) solving concession-related issues; and (iv) developing the InfraCo (defined below) to become a leading provider of digital solutions and fiber optics connections that improve people's lives and businesses throughout the country.

On September 2, 2021, the Judicial Reorganization Court issued a decision granting the Debtors's request to extend the period of judicial supervision of the Judicial Reorganization Process until the end of March 2022, once the need (i) to finalize the acts related to the disposals of the UPIs; (ii) the implementation of certain conditions provided for in the Amendment to the PRJ; in addition to having had a favorable opinion from the Judicial Administrator acting in the case. Subsequently, in response to the motion for clarification filed by certain financial institutions, the Judicial Reorganization Court issued a decision clarifying that the period of judicial supervision was extended until the specific date of March 31st, 2022. An appeal was filed by BNDES against the decision, so that the judicial supervision ends only on May 30, 2022, as expressly provided for in the Amendment to the PRJ. On February 9th, 2022, the aforementioned appeal was dismissed, and the deadline for closing the Judicial Reorganization was maintained for March 31st, 2022. It is noteworthy that the National Bank for Economic and Social Development – BNDES ("BNDES") filed a motion for clarification against the judgment that dismissed its appeal, in order to recognize the termination of judicial supervision only within the period provided for in the Amendment to the PRJ. Said appeal awaits judgment.

On March 28nd, 2022, in view of the proximity of the end of the supervision period and the uniqueness of the judicial reorganization of Grupo Oi, the Judicial Reorganization Court issued a decision determining certain preparatory measures necessary to guide the orderly conclusion of the process. The aforementioned decision, published on March 30, 2022, determined, among other things, (i) that the Trustee present the General List of Creditors ("QGC"), within 60 days, which must include all incidents of authorization and credit challenges sentenced until March 28, 2022; and (ii) that the Debtors create an administrative proceeding, so that the late bankruptcy creditors who have not filed the correct distribution depending on their request for qualification or challenge, perform administrative clearance.

The Judicial Reorganization Court also clarified that the incidents that are not decided until the approval of the QGC and the end of the judicial reorganization must proceed normally and, after being decided, will be inserted in the list of creditors by the Debtors themselves.

Amendment to PRJ

For further information on the objectives of the Amendment to the PRJ, as well as the composition of each UPI provided for in the Amendment to the PRJ, and the terms and conditions applicable to the disposals, including those relating to the structure and minimum price, please consult the Amendment to the PRJ available, for consultation purposes, at the electronic address www.recjud.com.br.

The Amendment to the PRJ provides for the possibility of making adjustments to the payment terms and conditions of the prepetition creditors and also mechanisms that would allow or require the Company to pay certain claims subject to the Plan within a term shorter than the term provided for in the Original PRJ.

1. Payment of Creditors

Detailed information on the payment proposals provided for with respect to each class of creditors that were adjusted in the Addendum to the PRJ is summarized below, as well as an indication of the payments by class that were made under the Original PRJ and the Addendum to the PRJ. On December 31, 2021, the total amount of R$2,934,821 was paid to creditors, of which R$2,939,348 related to regular payments of the Original PRJ and R$5,473 under the Amendment to the PRJ.

1.1 Labor Claims

The Amendment to the PRJ prescribed that labor creditors whose claims had not been fully settled by the date of the New AGC would have their claims up to a total of R$50,000 paid within 30 days of ratification of the Amendment to the PRJ, provided that said labor claims (i) were listed in the trustee's list of creditors; (ii) were the subject of a final and unappealable court decision that terminated the underlying lawsuit and ratified the amount due to the related creditor; or (iii) in the case of creditors entitled to recover lawyers' fee, a decision was rendered in the event of claim qualification or challenge filed by the date of the New AGC, provided that they elect this form of payment.

In 2021, the Company made straight-line payments to Labor Claims (Class I), related to the Amendment to the PRJ, in the amount of R$1,170 (2020 - R$7,322).

It is noteworthy that, within the scope of the Original PRJ, throughout the year ended December 31, 2021, regular payments were made to Labor Claims (Class I) in the amount of R$ 42,918 (2020 – R$ 57,184).

1.2 Collateralized Claim

The Amendment that PRJ provided that, in the event of the disposal of the UPI Ativos Móveis, part of the funds to be paid by the winning bidder of the related bidding process and the buyer of the UPI Ativos Móveis would be paid, at the risk and expense of the Debtors and using the Debtors' full instructions on the amount due to each Creditor with collateralized claims and the related data for payment, directly assigned by the buyer to the Creditors with collateralized claims for the prepayment of 100.0% of the remaining amount of Collateralized Claims (as defined in the Amendment to the PRJ), which occurred on April 22, 2022 with the completion of the disposition of UPI Ativos Móveis with payment to the Creditor with Real Guarantee, in the amount of R$ 4,640,058,296.99.

The final completion of the disposition of UPI Ativos Móveis took place after December 31, 2021 and before the filing date of the Company's financial statements, see item 6. Disposition UPI Ativos Móveis, of this note.

1.3 Regulatory agencies' claims

In light of the Amendment to the PRJ, approved at the AGC held on September 8, 2020 and ratified by a court decision issued on October 5, 2020, the claims of Regulatory Agencies are being paid as provided for by Law 13,988. This law allows the negotiation of all amounts established under Noncompliance Investigation Proceedings (PADOS) registered as enforceable debt, payable in 84 installments, after a 50% discount on the consolidated claim limited to the principal, a six-month grace period, and with the possible use of judicial deposits made as guarantee of the processed claims, fully transferable to ANATEL for the early settlement of as many initial installments as possible to be paid with the total amount of the deposits. Accordingly, the Company devised the installment plan, as established in the Amendment to the PRJ, and the transfer of judicial deposits for payment of the first installments commencing in December 2020 (Notes 12 and 18).

In 2021, the amount of judicial deposits converted into income reached the amount of R$ 1,404,007 (2020 – R$ 199,821), pursuant to the Amendment to the PRJ.

1.4 Unsecured Claims

1.4.1 Class III Unsecured Creditors.

1.4.1.1 Straight-line payment option

Pursuant to the Amendment to the PRJ, within 45 days after the New AGC, Class III Unsecured Creditors (as defined in the Plan), with claims of up to R$3,000 that have not yet been fully settled by the date of the New AGC and that have filed a claim qualification or challenge by the date of the New AGC, may elect to receive the full claim, via the on-line platform to be made available by the Oi Group www.credor.oi.com.br. The option to receive R$3,000 may be exercised, within the same term, by the Class III Unsecured Creditors with claims higher than R$3,000 provided that (i) the claims had not yet been fully paid by the date of the New AGC; (ii) they had already filed a claim qualification or challenge by the date of the New AGC; and (iii) at the time the option is exercised, such creditors granted the Debtors, on the same platform, a receipt of full payment of their claims.

The Amendment to the PRJ prescribes that the payment of the related claims is made through a deposit, in Brazilian legal tender, in a bank account in Brazil to be indicated by the corresponding Class III Unsecured Creditors, within no more than ninety (90) calendar days beginning on (a) the date of the Court Ratification of the Amendment to the PRJ; or (b) the issue date of the final decision that, in the event the claim in not claimed or is disputed, determined the inclusion of their related Unsecured Claims in the General List of Creditors.
In relation to the straight-line payments, provided for by the Amendment to the PRJ, on the year ended on December 31, 2021, the Debtors made a payment to Class III Unsecured Creditors in the amount of R$ 1,681 (2020 – R$ 12,018).

1.4.1.2 Repurchase Obligation in Liquidity Events

The Amendment to the PRJ includes an amendment to Clause 5.2 of the Original Plan to provide for the obligation of prepayment at a discount, by the Debtors, of the Unsecured Creditors that have elected Restructuring Options I or II, pursuant to Clauses 4.3.1.2 or 4.3.1.3 of the Original Plan, respectively, also when there is one or more Liquidity Events (notably meaning, collectively, the Round 1 Purchase Obligation Liquidity Event, the Round 2 Purchase Obligation Liquidity Event and the Round 3 Purchase Obligation Liquidity Event, as defined in the Amendment to the PRJ) in the first five years from the court ratification of the PRJ. Accordingly, the Amendment to the PRJ establishes that the Oi Group shall allocate 100.0% of the Net Revenue from Liquidity Events (as defined in the Amendment to the PRJ) exceeding R$6.5 billion to, in up to the payment rounds, anticipate the payment of the claims held by the Unsecured Creditors provide for in said Clause, at a discount of fifty-five percent (55%) on the related Total Balance of the Unsecured Claims, as described in Clause 5.4 of the Amendment to the PRJ.

1.4.1.3 Reverse Auction

The Amendment to the PRJ allows the Debtors, at any time, during the five-years period after the ratification of the Amendment to the PRJ, to hold one or more prepayment rounds to the Unsecured Creditors that offer the highest discount rate of their claims in each round held (“Reverse Auction”). In each Reverse Auction, the winning bidder shall be the Unsecured Creditors that successively offer the lowest amount novated unsecured claims under the terms of the Plan in each round, under the terms provided for in Clause 4.7.1 of the Amendment to the PRJ.

The specific terms of each Reverse Auction, including the rules, the net present value (NPV) of the future payment flows of the related unsecured claims, as provided for in the Plan, to be taken into consideration, which cannot be lower than one hundred percent (100%) of the NPV of the related unsecured claims at any Reverse Auction, and the maximum amount of the related unsecured claims to be paid by the Debtors, including possible restrictions, will be detailed in the related notice to be disclosed prior to the Reverse Auction, at www.recjud.com.br, and subsequently sent to the interested Unsecured Creditors that complete their registration, as provided for in Clause 4.7.4 of the Amendment to the PRJ.

1.4.1.4 Bank Sureties

The Amendment to the PRJ allows the Debtors to seek in the market a credit limit for hiring bank guarantees to be provided to the Unsecured Creditors. Clause 5.6.6 and following of the Amendment to the PRJ provides for the possibility of the Unsecured Creditors to offer bank guarantee lines to the benefit of the Debtors, within the limit of their restructured claims, to be drawn on the condition that the Debtors reduce their exposure under guarantee in relation to the position as at December 31, 2017, while guaranteeing the reduction of the prepayment discount from 55% to 50%, to be applied at each Exercise Round of the Purchase Obligation, to volumes equivalent to those offered in new guarantee lines, as provided for in the Amendment to PRJ.

1.4.1.5. Regular Payments (Class III)

In relation to the regular payments provided for under the PRJ, in the year ended December 31, 2021, the Debtors made payments to Class III creditors in the amount of R$ 1,479,862 (2020 – R$ 1,372,593).

1.4.2 ME/EPP Unsecured Creditors, listed in Class IV.

Pursuant to the Amendment to the PRJ, within 45 days after the New AGC, ME/EPP Unsecured Creditors (as defined in the Plan), with claims of up to R$150,000.00 that have not yet been fully settled by the date of the New AGC and that have filed a claim qualification or challenge by the date of the New AGC, may elect to receive the full claim, via the on-line platform to be made available by the Oi Group www.credor.oi.com.br. The option to receive R$150,000.00 may be exercised, within the same term, by the ME/EPP Unsecured Creditors, listed in Class IV, with claims higher than R$150,000.00 provided that (i) the claims had not yet been fully paid by the date of the New AGC; (ii) they had already filed a claim qualification or challenge by the date of the New AGC; and (iii) at the time the option is exercised, such creditors granted the Debtors, on the same platform, a receipt of full payment of their claims.

The Amendment to the PRJ prescribes that the payment of the related claims is made through a deposit, in Brazilian legal tender, in a bank account in Brazil to be indicated by the corresponding ME/EPP Unsecured Creditors, within no more than ninety (90) calendar days as of (a) the date of the court ratification of the Amendment to the PRJ, that is, October 8, 2020 ("Ratification of Amendment to PRJ"); or (b) the issue date of the final decision that, in the event the claim in not claimed or is disputed, determined the inclusion of their related ME/EPP Unsecured Claims in the General List of Creditors.

In the year ended on December 31, 2021, the Company made straight-line payments to Amendment to PRJ to ME/EPP Unsecured Claims (Class IV), in the amount of R$ 2,622 (2020 - R$5,259).

It is noteworthy that, within the scope of the Original PRJ, in the year ended December 31, 2021, regular payments were made to ME/EPP Unsecured Claims (Class IV in the amount of R$ 2,561 (2020 – R$ 2,585).

2. Financing provided for in the Amendment to the PRJ

Infraco SPC Debentures - Section 5 of the Amendment to the PRJ

On February 18th, 2021, Oi disclosed a Material Fact informing that its subsidiary BrT Multimedia (defined in the Amendment to the PRJ as the "SPE InfraCo") executed a deed of issuance of convertible debentures, of the type with real guarantee, to private placement, in the total amount of up to R$ 2,500,000,000.00 ("InfraCo Debentures", "InfraCo Issue" and "InfraCo Issue Deed", respectively).

The InfraCo Issuance was approved based on the provisions of Section 5 of the Amendment to the PRJ. As provided for in the Amendment to the PRJ and the InfraCo Deed of Issuance will hold an option to purchase all the preferred shares held by the Debenture Holders as a result of the Conversion. Alternatively, and at the sole discretion of Oi (by itself and as successor by merger of Telemar and Oi Móvel), SPE InfraCo may redeem all the preferred shares held by the Debenture Holders as a result of the Conversion.

The InfraCo Debentures are convertible into redeemable preferred shares, representing the majority of voting shares of SPE InfraCo, mature in 24 (twenty-four) months from the Issue Date - Infraco Issue (defined below), except in the event of early redemption and early maturity of the InfraCo Debentures provided for in the respective InfraCo Debenture Deed and count real guarantees provided by SPE InfraCo.

On May 26th, 2021 ("Issuance Date – InfraCo Issue"), the Company released a Notice to the Market informing shareholders and the market in general of the conclusion of the subscription and payment of the private placement of the InfraCo Issuance in the total amount of R$ 2,500,000,000.00.

2nd Issue of Oi Móvel Debentures – Clause 5.5.2 of the Amendment to the Plan (as defined below)

On June 21st, 2021, the Company disclosed a Material Fact informing that its direct subsidiary, Oi Móvel, responsible for contributing the mobile telephony assets to the capital stock of Mobile Assets UPI, pursuant to the Amendment to the Plan (as defined below), signed a deed of issuance of non-convertible debentures, of the type with real guarantee, with additional Fidejussory guarantee, in a single series, for private placement, of the 2nd issue of Oi Móvel S.A. – Under Judicial Reorganization, in the total amount of R$ 2,000,000,000.00 ("Oi Móvel Debentures 2nd Issuance", "2nd Oi Móvel Issuance" and "Deed of 2nd Oi Móvel Issuance", respectively).

The Oi Móvel 2nd Issuance Debentures are non-convertible, mature in 16 months from the Issuance Date - 2nd Oi Móvel Issuance (defined below), except in the event of early redemption and early maturity of the Debentures provided for in the Deed of the 2nd Oi Móvel Issue and have real and personal guarantees provided by Oi Móvel and the Company.

The 2nd Oi Móvel Issue was approved based on clause 5.5.2 of the Amendment to the Plan (as defined below) and is part of an out-of-competition financing, in the "Debtor in Possession Financing (DIP Financing)" modality with the objective of financing the operating activities and general and administrative expenses of Oi and its subsidiaries undergoing judicial reorganization, until the date of financial settlement of the sale of Mobile Assets UPI.

On July 30th, 2021 (“Issuance Date - 2nd Oi Móvel Issue”), the Company released a Notice to the Market informing shareholders and the market in general of the conclusion of the subscription and payment of the 2nd Oi Móvel Issuance for private placement in the amount of R$ 2,000,000,000.00.

On April 20, 2022, with the completion of the disposition of UPI Ativos Móveis, the Oi Móvel 2nd Issue Debentures were fully paid off in the amount of R$ 2,355,778,380.52.

Issue of Oi Móvel Notes – Clause 5.5.4 of the Amendment to the Plan (as defined below)

On July 27th, 2021, the Company disclosed a Material Fact informing that an offer of “note units” was priced in the international market, comprising “senior notes” to be issued by its direct subsidiary Oi Móvel, with real and Fidejussory guarantees provided by Oi Móvel and by the Company (“Oi Móvel Notes”), in line with the provisions of Clause 5.5.4 of the Amendment to the Plan (as defined below).

On July 30th, 2021, the issuance of the “Notes” in the total amount of US$ 880,000,000.00 was completed, with maturity on July 30th, 2026 and remunerative interest, as provided for in the “Indenture” of the Oi Móvel Notes, on the same date, with part of the net proceeds obtained from the issuance of the Oi Móvel Notes, the full settlement of the 1st Issue Oi Móvel Debentures, maturing in January 2022 and principal amount of R$ 2,500,000,000.00 (plus interest and charges).

On April 13, 2022, due to the definition of the closing date of the UPI Ativos Móvel Operation, the Company started a public offering for the acquisition in cash (“Public Offer for Acquisition”) of up to 100% of the Oi Móvel Notes, subject to the to the conclusion of the UPI Ativos Móvel Operation, in compliance with the obligations set forth in Clause 4.07 of the Oi Móvel Notes indenture, dated July 30, 2021 (“Oi Mobile Notes Issuance Indenture”).

On April 20th, 2022, at 5:00 pm, New York time, the Tender Offer for the Acquisition of the Oi Móvel Notes was closed, with the adhesion of 98.71% of the outstanding principal.

On April 26th, 2022, the settlement of the Tender Offer for the Oi Móvel Notes (“Payment Date of the Public Offer to Acquisition”) took place. Holders of Oi Móvel Notes, which were validly tendered (and whose offers were not validly withdrawn) by April 20, 2022, received US$ 1,029.17 for each US$ 1,000 of principal amount of validly tendered Oi Móvel Notes (and whose offers have not been validly withdrawn) and accepted for repurchase, plus accrued and unpaid interest, if any, on the Oi Móvel Notes accepted for repurchase, from (and including) the last interest payment date prior to the Payment Date of the Tender Offer up to, but not including, the Tender Offer Payment Date. The total paid by the Company, within the scope of the Public Offer for the Acquisition of Oi Móvel Notes, related to the principal, plus the premium in relation to the accrued and unpaid interest par, was R$ 4,315,144,192.14.

3. Disposition UPI Data Center

The Amendment to the PRJ provided for the disposition of UPI Data Center – which was composed of 100% of the shares issued by the company Drammen RJ Infraestrutura e Redes de Telecomunicações SA ("UPI Data Center") – through a competitive procedure, under the terms of LRF, upon submission of closed proposals for the acquisition of 100% of the shares of UPI Data Center held by the Debtors.

On December 11th, 2020, the Company, Telemar and Oi Móvel entered into a Share Purchase Agreement for UPI Data Center ("UPI Data Center Contract") with Titan Venture Capital e Investimentos Ltda. ("Titan") for the total amount of R$ 325 million, to be paid as follows: (i) a cash installment in the amount of R$ 250 million; and (ii) R$ 75 million, in installments to be paid in the form and term provided for in the UPI Data Center Contract.

On March 12, 2021, after compliance with all the preceding contractual obligations, the disposition of UPI Data Center to Titan was completed, with the transfer of all the shares issued by UPI Data Center to Titan, which, in turn, paid the cash portion, with the remaining amount to be paid in six semi-annual installments and a final one, in the amounts, manner, and time periods set forth in the UPI Data Center Contract.

4. Disposition UPI Torres

The Amendment to the PRJ provided for the disposition of UPI Torres – which was composed of 100% of the shares issued by the company Caliteia RJ Infraestrutura e Redes de Telecomunicações SA ("UPI Torres") – through a competitive procedure, under the terms of the LRF, through the submission of closed proposals for the acquisition of 100% of the shares of UPI Torres held by the Debtors.

On December 23, 2020, Telemar and Oi Móvel entered into an Agreement for the Purchase and Sale of Shares Through UPI and Other Covenants ("UPI Torres Contract") with Highline do Brasil II Infraestrutura de Telecomunicações S.A ("Highline"), for the total amount of R$1,067 million, to be paid as follows: a cash installment in the amount of R$860 million, with the remaining balance to be paid after the calculations and adjustments to the price provided for in the UPI Torres Contract.

On March 30th, 2021, after fulfilling all previous contractual obligations, the disposition of UPI Torres to Highline was completed, with the transfer of all the shares issued by UPI Torres to Highline, which, in turn, paid the installment in cash. On June 25th, 2021, the remaining balance was paid by Highline after calculations and adjustments that are usual for this type of operation, pursuant to the Contract and the Amendment to PRJ.

5. Partial Sale of UPI InfraCo - Investment Agreement and Other Covenants

The Amendment to the PRJ provides for the segregation of the Company's assets, liabilities, and rights related to the operation of telecommunications networks, as well as new investments in infrastructure, in UPI InfraCo, for the purpose of expanding its fiber optics networks. Under this structure, it was agreed that BrT Multimídia would be used and Oi would maintain a relevant stake in the capital stock of UPI InfraCo.

In this context, on October 1, 2021, an Investment and Other Covenants Agreement ("UPI InfraCo Agreement") was entered into between the Company and Globenet Cabos Submarinos S.A. ("Globenet"), which aims to sell shares representing the control of BrT Multimídia to the aforementioned investor ("Operação UPI InfraCo"), whose winning proposal in the competitive legal process was approved by the Judicial Reorganization Court, in a hearing held on July 7, 2021, pursuant to the Amendment to the PRJ.

The value of the operation totals R$ 12,923,338,290.67 (twelve billion, nine hundred and twenty-three million, three hundred and thirty-eight thousand, two hundred and ninety reais and sixty-seven cents) ("UPI InfraCo Closing Price"), which will be subject to price adjustment mechanisms based on certain financial and operational performance metrics of BrT Multimídia.

After the payment of all installments and the conclusion of all the steps that condition the closing of the UPI InfraCo Operation, Globenet's shareholders will hold shares representing 57.9% of the voting and total capital stock of BrT Multimídia, with Oi and its affiliates remaining with the remaining share in the voting and total capital. As with the UPI InfraCo Closing Price, said participation will also be subject to adjustments arising from the closing conditions of the operation.

On October 18, 2021, the General Superintendence of the Administrative Council for Economic Defense - CADE published the SG Dispatch No. 1538/2021, approving the UPI InfraCo Operation without restrictions, provided that, pursuant to the applicable legislation, the approval decision would become final within 15 (fifteen) calendar days, counted from its publication, if there was no appeal from interested third parties or the operation call back by the CADE Administrative Court.

On November 4th, 2021, the Transit In Rem Judicatam Certificate was issued for the unrestricted approval by CADE of the UPI InfraCo Operation, pursuant to the Merger No. 08700.005071/2021. The Company informed, on the occasion, that the effective conclusion of the UPI InfraCo Operation is subject to the prior consent of ANATEL, being the deliberation of the matter scheduled by its Board of Directors for May 5, 2022, as well as the fulfillment of the usual conditions precedent for operations of this nature, provided for in the UPI InfraCo Agreement.

6. Disposition of UPI Ativos Móveis

The Amendment to the PRJ provided for the sale of UPI Ativos Móveis, as defined below, through a competitive procedure, under the terms of the LRF, through the submission of closed proposals for the acquisition of 100% of the shares of the UPI Ativos Móveis, with the payment of a price of at least R$ 15.7 billion in cash.

On September 7, 2020, Oi accepted a binding proposal submitted jointly by Telefônica Brasil SA ("Vivo"), TIM SA ("Tim") and Claro SA ("Claro" and, jointly with Vivo and Tim, "Buyers") for the acquisition of UPI Ativos Móveis and granted the Buyers, as provided for in Clause 5.3.9.1.6 of the PRJ Amendment, the right, at its sole discretion, to cover the highest value offer that was eventually presented in the competitive sale process of UPI Ativos Móveis ("right to top").

On November 10th, 2020, the Public Notice ("Public Notice UPI Ativos Móveis") presented by the Debtors for the sale of UPI Ativos Móveis was published.

On December 14, 2020, a hearing was held in the Judicial Reorganization Court for the opening of closed proposals presented within the scope of the competitive procedure for the sale of UPI Ativos Móveis, in the form and under the terms provided for in the Amendment to the PRJ and in the Public Notice of the UPI Ativos Móveis. During the aforementioned hearing, there was only one proposal for the acquisition of UPI Ativos Móveis, which was jointly presented by the Buyers in the exact terms and conditions of the binding proposal for the acquisition of UPI Ativos Móveis presented by them.

The Judicial Reorganization Court approved the Buyers' proposal as the winner of the competitive procedure for the sale of UPI Ativos Móveis, after favorable statements from the Prosecutor's Office of the State of Rio de Janeiro and the Judicial Manager.

As provided for in the UPI Ativos Móveis Notice, on January 28, 2021, the Company, Telemar and Oi Móvel, both merged into the Company, as highlighted above, and the Buyers, signed the respective Share Purchase Agreement ("UPI Ativos Móveis Agreement"), and the effective conclusion of the disposition of UPI Ativos Móveis is subject to compliance with the conditions set forth in such agreement, among which, the prior consent of ANATEL and the approval of the purchase and sale of shares by CADE.

On January 31st, 2022, ANATEL, in resolution at the 19th Special Meeting of the Board of Directors, granted prior consent to the disposition of UPI Ativos Móveis by Oi and Oi Móvel to the Buyers with the transfer of authorizations for the use of associated radio frequencies to the UPI Ativos Móveis, and subsequently (after the transfer of control) to each of the Buyers, being certain that the transfers are subject to the fulfillment of certain conditions established by ANATEL.

The UPI Ativos Móveis is represented by 100% of the shares issued by Cozani RJ Infraestrutura e Redes de Telecomunicações S.A. ("Cozani"), Garliava RJ Infraestrutura e Rede de Telecomunicações S.A. ("Garliava") and Jonava RJ Infraestrutura e Rede de Telecomunicações ("Jonava"), to whose capital stock Oi Móvel contributed, on December 27th, 2021 and on February 9th, 2022, through capital increase operations, with the Assets, Liabilities and UPI Ativos Móveis Rights described in Attachment 5.3.1 of the Amendment to the PRJ and in the UPI Ativos Móveis Public Notice.

It should be noted that, on February 8th, 2022, the radiofrequency grants associated with the SMP held by Oi Móvel were transferred to Cozani and Garliava. On the same day, the Extracts of the Personal Mobile Service Authorization Terms of Cozani, Garliava and Jonava were published in the Official Federal Gazette. The Terms of Authorization for the Right to Use Radio Frequencies by Cozani and Garliava were published in the Official Federal Gazette on February 9th, 2022.

On February 9th, 2022, the CADE Court, in deliberation at the 190th Ordinary Trial Session, approved the Mobile Assets UPI Operation, conditioned to the execution and fulfillment of the Agreement on Concentration Control ("ACC"). The complete CADE judgment certificate can be accessed on the website of the Federal Official Gazette, at https://www.in.gov.br/en/web/dou/-/ata-da-190-sessao-ordinaria-de-julgamentorealizada-em-9-de-fevereiro-de-2022-380735205, according to the Notice to the Market released by the Oi on February 16th, 2022.

On April 13, 2022, the Company and the Buyers, signatories of the UPI Ativos Móveis Agreement, exchanged notices confirming the fulfillment or temporary waiver, as the case may be, of all conditions precedent for the conclusion of the UPI Ativos Móveis Operation ("CPs"), as well as entered into the First Amendment to the UPI Ativos Móveis Agreement (“1st Amendment”), through which they agreed to change certain terms and conditions of the UPI Ativos Móveis Agreement, and scheduled its closing for April 20, 2022.

On the same occasion, the Company informed that, due to the definition of the closing date of the UPI Ativos Móveis Operation, it started the Public Offer for Acquisition of up to 100% of the Oi Móvel Notes, conditioned to the conclusion of the UPI Ativos Móveis Operation, in compliance with the obligations set forth in Clause 4.07 of the Notes Oi Móvel Deed of Issue.

On April 20, 2022, the Company disclosed a Material Fact informing that, after the fulfillment (or temporary waiver) of the CPs provided for in the UPI Ativos Móveis Agreement, the UPI Ativos Móveis Operation was closed on the same date.

The adjusted closing price of the UPI Assets Mobile Operation was R$ 15,922,235,801.48, corresponding to the base price of the UPI Mobile Assets Operation of R$ 15,744,000,000.00, plus positive adjustments of R$ 178,235,801.48 ("Adjusted Closing Price of the UPI Assets Mobile Operation"), in the form of the UPI Assets Mobile Agreement, to reflect, among others, the amount of net debt and working capital of each of the Mobile UPIs transferred to the Buyers, as well as the reduction or increase, as the case may be, of amounts individually agreed between the Company and the Buyers.

In addition to the Adjusted Closing Price of the UPI Ativos Móveis Operation, the Company may also be entitled to an additional net contingent amount of up to R$ 294,607,842.49, to be received in case of achievement of certain migration goals of customer bases and frequencies, of which R$ 49,607,842.49 net have already been received on this date. Upon closing, all shares issued by (i) Cozani were transferred to Tim; (ii) Garliava were transferred to Vivo; and (iii) Jonava were transferred to Claro.

The Buyers also paid, on the same date, the price of R$ 586,000,000.00, referring to the transition services, to be provided by the Company, under the terms of the respective contracts for the provision of transition services (“Transition Service Agreements”), which already reflect the agreement between the Company and the Buyers to remove certain costs related to transition services from the scope of the Transition Service Agreements.

In addition, contracts were signed, on the same date, for the supply of capacity to transmit telecommunication signals in an industrial exploitation regime related to the services of data transmission capacity in the take or pay modality ("Contracts for the Supply of Capacity for Transmission of Signals de Telecommunications”) with a net present value of R$ 819,000,000.00, to be paid in monthly installments by the Buyers over a period of up to 10 (ten) years.

In thousands of Reais, except where indicated to the contrary

With the conclusion of the UPI Ativos Móveis Operation, there was also the full settlement of the credit with real guarantee owned by BNDES with the Company, in the amount of R$ 4,640,058,296.99, whose payment was made directly by the Buyers to BNDES, on behalf of the Company, by deducting such amount from the closing price paid to the Company, in line with the provisions of Clause 4.2.5 of the Plan and pursuant to the UPI Ativos Móveis Agreement.

It is noteworthy that the conclusion of the UPI Ativos Móveis Operation represents the implementation of one of the most critical stages of the Company's Strategic Transformation Plan and Plan, aiming to ensure Oi greater financial flexibility and efficiency and long-term sustainability, with its repositioning in the market and its conversion into the largest provider of telecommunications infrastructure in the country, based on the massification of fiber optics and high-speed internet, the provision of solutions for companies and the preparation for the evolution to 5G, aimed at businesses with greater added value and with a growth trend and vision of the future.

On April 26th, 2022, the settlement of the Tender Offer for the Oi Móvel Notes took place.

7. Corporate restructuring provided for in the PRJ

7.1. Merger of Telemar with and into the Company, under the PRJ

On May 3, 2021, the concessions held by its wholly-owned subsidiary Telemar for the provision of STFC services both under public and private law, in all their modalities, and SCM services, including the associated licenses for the right to use radiofrequencies, were transferred to the Company. Due to the aforementioned transfer of grants, the merger of Telemar by the Company became effective on said date, in connection with the PRJ, under the terms approved at the Extraordinary General Meeting of the Company of April 30, 2021.

The assets acquired and liabilities assumed from Telemar on May 3, 2021 arising from the merger are summarized below:

Cash and cash equivalents	725,084
Financial investments	4,295
Receivables	1,819,296
Inventories	135,203
Taxes recoverable	627,239
Dividends and interest on own capital	1,622,606
Legal deposits and blocks	2,342,486
Prepaid expenses	393,229
Investments	3,231,218
Fixed	14,801,995
Intangible	20,536
Loans and financing	(7,715,041)
Suppliers	(4,534,031)
Credit assignment	(246,133)
Taxes to be collected	(647,980)
Lease payable	(1,901,424)
Provisions	(2,274,944)
Other assets and liabilities	(2,241,617)
Merged net assets	**6,162,017**

The merger of Telemar into the parent company does not affect the Company's consolidated financial statements.

7.2. Merger of Oi Móvel with and into the Company, under the PRJ

On January 27th, 2022, Oi's Special Shareholders' Meeting was held, at which the merger operation of Oi Móvel by the Company was approved, with the completion of the merger subject to the following conditions: (i) grant by ANATEL of prior consent for the operation and publication by ANATEL, in the Federal Official Gazette, of the transfer to Oi of the Conditional Access Service (SeAC) (pay TV) held by Oi Móvel, and consolidation of the Multimedia Communication Service grant (SCM) with the one already owned by Oi; and (ii) obtaining authorization from the Debenture Holder of the 2nd Issuance of Simple Debentures, Non-Convertible into Shares, of the Kind with Real Guarantee, with Additional Fidejussory Guarantee, in a Single Series, for Private Placement, of Oi Móvel ("Authorization of the Debenture Holder of the 2nd Issuance of Simple Debentures”).

On January 31, 2022, ANATEL, in resolution at the 19th Special Meeting of the Board of Directors, granted prior consent for the corporate transaction of incorporation of Oi Móvel by the Company, with the transfer of the grants held by Oi Móvel to the Company for the provision of Conditional Access Service (SeAC) and Multimedia Communication Service (SCM), after compliance with certain conditions. Such consent was also subject to the waiver of the Personal Mobile Service (SMP) by Oi Móvel.

On February 18th, 2022, authorization was obtained from the Debenture Holder of the 2nd Issuance of Simple Debentures.

On February 22nd, 2022, ANATEL published Act No. 2802/2022, by which the grantn for exploration of SeAC held by Oi Móvel was transferred to Oi, and the consolidation of the SCM concession granted by Oi Móvel with the one already owned by Oi.

Thus, on February 22, 2022, the conditions for the merger of Oi Móvel by the Company were fully verified, which was implemented and became effective on the same date.

7.3. Oi’s activities once the measures provided for in the Amendment to the PRJ are implemented

If the corporate restructuring carried out to segregate the UPIs and the sale of these UPIs as provided for by the Amendment to the PRJ is implemented, the Company will retain all activities, assets, rights and obligations not expressly transferred to the UPIs, residential, business, and corporate customers (including utility assets), in addition to the Digital and IT services (Oi Soluções), as well as the field maintenance and installation operations at Serede - Serviços de Rede S.A. (“Serede”) and customer service operations at Brasil Telecom Call Center S.A.

With these measures, the goal is to ensure that this set of remaining assets is sufficient to guarantee the continuity of the Company as a going concern and the payment of its debts under the terms of the Amendment to the PRJ.

In thousands of Reais, except where indicated to the contrary

8. Full Content of the Amendment to the PRJ

The full Amendment to the PRJ is available to the Company's shareholders at the Company's headquarters and on its website (www.oi.com.br/ri or http://www.recjud.com.br/), CVM's Empresas.NET System (www.cvm.gov.br), and the website of B3 S.A. – Brasil, Bolsa, Balcão (www.b3.com.br;).

Company's subsidiaries

The interests held in the capital of the Company's subsidiaries are shown below:

Companies related to continued operations

Company	Activity	Host Country	Direct 2021	Indirect 2021	Direct 2020	Indirect 2020
Oi Holanda	Obtaining funds in the international market	Netherlands	100%		100%	
PTIF	Obtaining funds in the international market	Netherlands	100%		100%	
CVTEL, BV	Investment management	Netherlands	100%		100%	
Carrigans Finance S.à.r.l.	Investment management	Luxemburg	100%		100%	
Rio Alto Gestão de Créditos e Participações S.A. ("Rio Alto")	Credit rights portfolio management and participation in other companies	Brazil	100%		100%	
Oi Serviços Financeiros S.A. ("Oi Serviços Financeiros")	Financial services	Brazil	100%		99.87%	0.13%
Oi Soluções S.A.	Provision of telecommunications and information technology services in Brazil and abroad	Brazil	99.80%	0.20%	99.80%	0.20%
Paggo Empreendimentos S.A.	Payment and credit systems	Brazil		100%		100%
Paggo Acquirer Gestão de Meios de Pagamentos Ltda.	Payment and credit systems	Brazil		100%		100%
Paggo Administradora Ltda. ("Paggo Administradora")	Payment and credit systems	Brazil		100%		100%
Serede – Serviços de Rede S.A. ("Serede")	Network services	Brazil	99.12%	0.88%	17.51%	82.49%
Brasil Telecom Call Center S.A. ("BrT Call Center")	Call center and telemarketing services	Brazil	100%			100%
BrT Card Serviços Financeiros Ltda. ("BrT Card")	Financial services	Brazil	99.99%	0.01%		100%
Pointer Networks S.A. ("Pointer")	Internet Wifi	Brazil		100%		100%
VEX Venezuela C.A	Internet Wifi	Venezuela		100%		100%
VEX USA Inc.	Internet Wifi	United States of America		100%		100%
VEX Ukraine LLC	Internet Wifi	Ukraine		40%		40%
PT Participações, SGPS, S.A. ("PT Participações")	Management of shareholdings	Portugal	100%		100%	
Oi Investimentos Internacionais S.A. ("Oi Investimentos")	Consulting and business management services, preparation of projects and economic studies and investment management	Portugal		100%		100%
Africatel GmbH & Co.KG.	Investment management	Germany		100%		100%
Africatel GmbH	Investment management	Germany		100%		100%
Africatel Holdings, BV	Investment management	Netherlands		86%		86%
TPT - Telecomunicações Publicas de Timor, S.A. ("TPT")	Provision of services and purchase and sale of telecommunications, multimedia and information technology products in Timor	Portugal		76.14%		76.14%
Timor Telecom, S.A.	Concessionaire of telecommunications services in Timor	Timor		44%		44%
Lemvig Serviços de Televisão por Assinatura S.A	Provision of telecommunications services, in any of its modalities and scopes, including the provision of SCM, SLP and SeAC Services.	Brazil	0.05%	99.95%		

In thousands of Reais, except where indicated to the contrary

Companies/Businesses classified as assets held for sale and related to discontinued operations

Company	Activity	Host Country	Direct 2021	Indirect 2021	Direct 2020	Indirect 2020
Oi Móvel (*)	Mobile telephony - Region I, II and III	Brazil	100%			100%
Brasil Telecom Comunicação Multimídia S.A. (“BrT Multimídia”)	General telecommunications	Brazil	68.34%	31.66%		100%
Drammen RJ Infraestrutura e Redes de Telecomunicações S.A. (“Drammen”)	Infrastructure maintenance and leasing services and provision of telecommunications services	Brazil			48,37%	51,63%
Cozani RJ Infraestrutura e Redes de Telecomunicações S.A.	Infrastructure maintenance and leasing services and provision of telecommunications services	Brazil	0.01%	99.99%	0.05%	99.95%
Jonava RJ Infraestrutura e Redes de Telecomunicações S.A	Infrastructure maintenance and leasing services and provision of telecommunications services	Brazil	0.01%	99.99%	0.08%	99.92%
Garliava RJ Infraestrutura e Redes de Telecomunicações S.A	Infrastructure maintenance and leasing services and provision of telecommunications services	Brazil	0.01%	99.99%	0.08%	99.92%

(*) Exclusively, Mobility (UPI Ativos Móveis) businesses

Companies classified as assets held for sale

Company	Activity	Host Country	Direct 2021	Indirect 2021	Direct 2020	Indirect 2020
CST – Companhia Santomense de Telecomunicações, S.A. R.L.	Exploitation of the public telecommunications service in São Tomé and Príncipe	São Tomé				51%
Calitéia RJ Infraestrutura e Redes de Telecomunicações S.A.	Infrastructure maintenance and leasing services	Brazil			0.01%	99.99%

Interests in joint ventures and interests in associates are valued using the equity method and are shown below:

Company	Activity	Host Country	Direct 2021	Indirect 2021	Direct 2020	Indirect 2020
Companhia AIX de Participações (“AIX”)	Execution, completion and commercial operation of underground pipeline networks for optical fibers, under the terms of the Refibra	Brazil	50%			50%
Companhia ACT de Participações (“ACT”)	Technical consultancy and inspection of activities linked to the Refibra Consortium	Brazil	50%			
Paggo Soluções e Meios de Pagamento S.A. (“Paggo Soluções”)	Financial	Brazil		50%		50%
Hispamar Satélites S.A. (“Hispamar”)	Satellite Operation	Brazil				19.04%

Continuing of operations

The Financial Statements for the year ended December 31, 2021 were prepared on the assumption of the normal continuity of the Company's business and in compliance with the legal requirements applicable in a judicial reorganization and although there are no indications in this regard, the conditions and circumstances are highlighted. which, by their very nature, indicate relevant uncertainties that may affect the success of the judicial reorganization and, eventually, raise substantial doubts about the ability of the Oi Companies to continue in operation. The purpose of the judicial reorganization is to ensure the continuity of the operations of the Oi Companies.

This continuity was reinforced with the approval of the Amendment to the PRJ (Note 1) and depends, ultimately, on the success of the Judicial Reorganization Process, on the fulfillment of other forecasts by the Oi Companies.

The Company has been successful in complying with the obligations established in the judicial reorganization proceedings. On December 31, 2021, and after the implementation of the PRJ, the total negative equity amounted to R$722,981 (R$755,674 in the parent company), the consolidated loss for the year amounted to R$8,492,526 (R$8,516. 185 in the parent company) and net working capital amounted to R$20,029,036 (R$6,895,107 in the parent company). On December 31, 2020 and after the implementation of the PRJ, total shareholders' equity was R$ 7,769,910 (R$ 7,751,492 in the Parent Company), consolidated loss for the period then ended was R$ 10,528,499 (R$ 10,529,963 in the Controlled Company), and working capital totaled R$ 16,678,992 (R$ 2,972,818 in the Parent Company).

2. MAIN ACCOUNTING POLICIES

Statement of compliance

The Company's individual and consolidated interim financial information has been prepared and is being presented in accordance with the pronouncements, guidelines and interpretations issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM), which are consistent with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB). All the relevant information specific to the financial statements, and only this information, are being evidenced and correspond to those used in the management of the Company's Management.

(a) Preparation base

The Financial Statements were prepared based on the historical cost, except for certain financial instruments measured at their fair values, as described in item (b) of the accounting policies below.

The preparation of financial statements requires the use of certain accounting estimates and also the exercise of judgment by the Company's administration in the process of applying the group's accounting policies. Those areas that require a higher level of judgment and are more complex, as well as areas in which assumptions and estimates are significant, are disclosed in item (c).

(b) Main accounting policies

Consolidation criteria of subsidiaries by the integral method

The full consolidation was prepared in accordance with IFRS 10 / CPC 36 (R3) – Consolidated Statements and include the financial statements of the Company's direct and indirect subsidiaries. The main consolidation procedures are:

- sum of asset, liability, income and expense account balances, according to their accounting nature;
- elimination of asset and liability account balances, as well as relevant income and expenses, between the consolidated companies;
- elimination of investments and corresponding interests in the shareholders' equity of subsidiaries;
- highlight of the participation of non-controlling shareholders in shareholders' equity and income for the year; and
- consolidation of exclusive investment funds (Note 8).

Functional and presentation currency

The Company and its subsidiaries operate mainly as telecommunications industry operators in Brazil, Africa, and Asia, and engage in activities typical of this industry. The items included in the financial statements of each group company are measured using the currency of the main economic environment where it operates (“functional currency”). The individual and consolidated financial statements are presented in Brazilian reais (R$), which is the Company’s functional and presentation currency.

Transactions and balances

Foreign currency transactions are converted into the functional currency using the exchange rates prevailing on the transaction dates. Foreign exchange gains and losses arising on the settlement of the transaction and the translation at the exchange rates prevailing at period-end, related foreign currency-denominated monetary assets and liabilities are recognized in the income statement, except when qualified as hedge accounting and, therefore, deferred in equity as cash flow hedges.

In thousands of Reais, except where indicated to the contrary

Group companies with a different functional currency

The results and financial position of all entities of the Group none of which have a currency of a hyperinflationary economy, whose functional currency is different from the presentation currency, are converted into the presentation currency, as follows:

- the assets and liabilities are converted by using the closing rate at the date of its balance sheet.
- revenue and expenses disclosed in the statement of profit or loss are translated using the average exchange rate;
- all the resulting foreign exchange differences are recognized as a separate component of equity in other comprehensive income; and
- goodwill and fair value adjustments, arising from the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rate.

On December 31, 2021 and 2020, the foreign currency-denominated assets and liabilities were converted into Brazilian reais using mainly the following foreign exchange rates:

	Closure		Average	
Currency	**2021**	**2020**	**2021**	**2020**
Euro	6.3210	6.3779	6.3784	5.8989
US Dollar	5.5805	5.1967	5.3956	5.1578
Cape Verdean escudo	0.0573	0.0578	0.0579	0.0535
São Tomé and Príncipe dobra	0.25800	0.260300	0.26048	0.023705
Kenyan shilling	0.0494	0.0476	0.0492	0.0484
Namibian dollar	0.3499	0.3540	0.3651	0.3139
Mozambican metical	0.0883	0.0700	0.0838	0.0742

Information per segments

The Company's Management's plan to implement the corporate restructuring to segregate and dispose of the UPIs, in the form of the Amendment to the PRJ, generated a change in the information on operating segments that excludes discontinued operations and is presented considering the business segments that will not be transferred for the UPIs, that is, the continuing business segments.

Management monitors and follows up on the performance of service offerings in a customer-segmented view, with the results being analyzed on a consolidated basis regarding the resources to be allocated for performance evaluation and strategic decisions, which include the results of discontinued UPIs not sold yet, consistent with the internal reports provided to the Company's main resolution body, the Board of Directors. Information on operating segments and consolidated view of results are presented in Notes 28 and 31, respectively.

Business combination

The Company uses the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and equity instruments issued. The consideration transferred includes the fair value of assets and liabilities resulting from a contingent consideration agreement, when applicable. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values on the acquisition date. For cases in which the gains on assets acquired were the basis, the Company depreciates them based on their useful lives and, if there is evidence of impairment, the Company performs tests to assess the extent of the impairment of the assets. assets and; for cases where the basis is future economic profitability (“goodwill”), the Company annually tests the recoverable amount.

Cash and cash equivalents

This group is represented by cash balances in cash and in fixed funds, bank accounts and very short-term, highly liquid financial investments (usually with a maturity of less than three months), readily convertible into a known amount of cash and subject to an insignificant risk of change in value, being stated at fair value on the closing dates of the years presented and not exceeding market value, whose classification is determined as follows (Note 8).

Financial assets

Financial assets are classified according to their purpose as: (i) amortized cost; (ii) fair value through other comprehensive income; and (iii) fair value through profit or loss.

The Company classifies its financial assets under the following measurement categories: (1) assets measured at amortized cost - that is, financial assets that meet the following conditions: (i) the business model under which financial assets are held to obtain cash flows contractual cash flows and (ii) the contractual terms of the financial asset generate, on specified dates, cash flows that are only payments of principal and interest on the outstanding principal amount (accounts receivable, loans and cash equivalents). Amortized cost is reduced by impairment losses; (2) financial assets fair value through other comprehensive income. Interest income is calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net income is recognized in other comprehensive income. Upon derecognition, the result accumulated in other comprehensive income is reclassified to income; and (3) financial assets at fair value through profit or loss. The net result, including interest, is directly recognized in the profit or loss.

Receivables

Accounts receivable arise mainly from invoiced telecommunications services and services provided to customers not invoiced up to the balance sheet date, classified at amortized cost and do not differ from their fair values, net of the provision for expected losses.

The Company recognizes an allowance for expected credit losses for trade accounts receivable based on historical credit loss experience in accordance with observable data to reflect the effects of current and future conditions, provided such data are available without undue cost or effort. The Company assumes credit risk of a financial asset from its initial recognition when contractual payments are not yet due, except when reasonable and sustainable information available demonstrates otherwise.

Noncurrent assets held for sale and discontinued operations

Non-current assets are classified as assets held for sale when their carrying amount is recoverable, mainly through a sale, and when such sale is highly probable.   These assets are valued at the lower of carrying amount and fair value less costs to sell. Any impairment loss on a group of assets held for sale is initially allocated to goodwill, and then to the remaining assets and liabilities on a pro-rata basis.

Discontinued operation is a component or a business unit that comprises operations and cash flows that can be clearly distinguished operationally from the rest of the Company. The classification of a discontinued operation occurs upon disposal, or when the operation meets the criteria to be classified as held for sale.

Directly associated assets and liabilities that meet the criteria for recognition as assets held for sale and discontinued operations are presented in Note 31.

Investments

In the Parent Company's Individual Financial Statements, the financial information of subsidiaries and joint ventures, as well as associated companies, is recognized using the equity method. Other investments are recorded at acquisition cost and deducted from the provision for adjustment to realizable value, when applicable.

The financial statements of subsidiaries are fully consolidated in the Consolidated Financial Statements from the date on which control begins until the date on which control ceases to exist Investments in jointly-owned subsidiaries are recognized in the Consolidated Financial Statements using the equity method.

The accounting policies of subsidiaries and joint ventures are in line with the policies adopted by the Company (Note 15).

Fixed

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation. Historical costs include expenses that are directly attributable to the acquisition of assets. They also include certain expenses with facilities, when it is probable that future economic benefits associated with these expenses will flow to the Company and the costs of dismantling, removing and restoring assets. Borrowing and financing costs when directly attributable to the acquisition, construction or production of a qualifying asset are capitalized in the initial cost of these assets. Qualifying assets are those that necessarily take a substantial amount of time to get ready for use.

Subsequent costs are included in the carrying amount as appropriate, only when these assets generate future economic benefits and can be measured reliably. The residual balance of the replaced asset is written off. Maintenance and repair expenses are recorded in income over the period in which they occur, however they are capitalized only when they clearly represent an increase in installed capacity or economic useful life.

Assets linked to finance lease agreements are recorded in fixed assets at fair value or, if lower, at the present value of the minimum lease payments, on the contract's initial date.

Depreciation is calculated using the straight-line method, according to the expected economic useful lives of the assets, which the Company reviews annually (Note 16).

Intangible

Acquired intangible assets with finite useful lives are recorded at cost, less accumulated amortization and impairment losses. Amortization is recognized on a straight-line basis based on the estimated useful lives of the assets. The estimated useful lives and amortization methods are reviewed at each year end and the effect of any changes in the estimates is accounted for prospectively. Acquired intangible assets with indefinite useful lives are recorded at cost, less accumulated impairment losses.

The software licenses acquired are capitalized based on the costs incurred to acquire the software and make them ready to be used.

The costs associated to the maintenance of the software are recognized as expenses, as incurred.

Regulatory licenses associated with added value are amortized over the term of the STFC concession. Other regulatory licenses for the operation of mobile telephony services are recognized at acquisition cost and amortized over the term of validity of the respective licenses (Note 17).

Reduction in the recoverable amount from long-term assets

Long-term assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An eventual loss is recognized at an amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost to sell and its value in use. For the purpose of assessing the recoverable value, assets are grouped at the lowest level for which there are CGUs - Cash Generating Units. In 2020, the Company grouped its assets at the level of UPIs and continuing operations assets into 3 (three) CGUs: Mobile Assets, Infra and Assets of continued operations.

These calculations require the use of judgments and assumptions that may be influenced by different external and internal factors, such as economic trends, industry trends and interest rates, changes in business strategies and changes in the type of services and products provided by the Company to the market. The use of different assumptions can significantly change the financial information.

For the purposes of impairment testing, the Company considered the fair value net of selling expenses for the UGC whose binding proposals were received and for other UGR the value in use. In calculating the value in use, the cash flow forecasts cover a period of ten years and take into account the average useful life of the assets, the cash flow period of the judicial reorganization plan and are consistent with previous years. The discount rate used in cash flows corresponds to the weighted average cost of capital of 10.29% (2020 - 9.94%), which is reviewed at least annually by the Company.

In accordance with CPC 01 / IAS 36, a loss or a reversal of the provision for impairment must be allocated to the carrying amount of the cash-generating unit's assets. On December 31, 2021, a reversal was allocated to CGU Assets from continuing operations of R$1,018 million (2020 - R$1,130 million), due to the evolution in the scenarios and financial indicators, in line with the Company's Strategic Plan (Note 1), and recognized an impairment loss on assets linked to TV operations of R$376 million (2020 - R$329 million) (Notes 5, 16 and 17).

Adjustment at present value

The Company evaluates its financial assets and liabilities to identify the occurrence of the applicability of the adjustment to present value. For recording purposes, the adjustment to present value is calculated taking into account contractual cash flows and interest rates explicitly, and in certain cases implicit in liabilities.

In general terms, when applicable, the rate used is the average return on investments or the Company's global funding, depending on whether the financial instrument is an asset or a liability, respectively. The accounting entry is the asset or liability that gave rise to the financial instrument, when applicable, and the presumed financial charges are appropriated to the Company's results for the term of the transaction.

Under the terms and conditions of the Original PRJ and the Amendment to the PRJ, certain balances of suppliers and legal proceedings within the scope of ANATEL were adjusted to fair value on the date of novation of the insolvency liabilities, in accordance with the requirements set forth in IFRS 9 / CPC 48, equivalent to the present value at the time, calculated based on an internal valuation that took into account the cash flows of these liabilities and assumptions related to discount rates, consistent with the maturity and currency of each financial liability.

The present value of leasing contracts is measured by discounting the flows of fixed future payments, which do not consider projected inflation, using the incremental interest rate, in accordance with market conditions, estimated with the spread of intrinsic risk. of the Company.

Additionally, assets acquired through leasing contracts, as well as unearned income from the assignment of fixed towers are adjusted to present value.

Deterioration of financial assets

The Company assesses, on the end date of the year, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is considered impaired when there is objective evidence of impairment, which is the result of one or more events that occurred after the initial recognition of the asset, and when there is an impact on cash flows estimated futures.

In the case of equity investments classified as available for sale, a significant or prolonged decline in their fair value below their cost is considered objective evidence of impairment.

Loans and financing

Loans and financing are stated at amortized cost, restated by inflation adjustment or exchange rate change and plus interest incurred up to the end of the year (Note 19).

On the date of restructuring/novation of financial liabilities subject to judicial reorganization, the Company recognized loan and financing commitments at fair value, as required by IFRS 9/CPC 48. The fair value, on the restructuring date of each financial liability, was calculated based on an internal valuation that took into account the cash flows of these liabilities and assumptions related to discount rates, consistent with the maturity and currency of each financial liability.

The financial liability of loans and financing is derecognised when the debt is extinguished or when there is a substantial change in the contractual terms. Under the terms and conditions of the Amendment to the PRJ, there is an obligation to prepay at a discount to class II and III creditors, if one or more Liquidity Events occur (Note 1). Such prepayment obligations do not meet the conditions for derecognition of the liability or substantial change in the contractual terms, as they depend on the achievement of certain conditions precedent set forth in the PRJ and which are not under the control of the Company.

Transaction costs incurred are measured at amortized cost and recognized in liabilities, reducing the balance of loans and financing, and appropriated to income over the duration of the contracts.

Leases

The Company recognizes a right-of-use asset and a lease liability on its balance sheet with respect to leased assets. The right-of-use asset is measured at cost, which consists of the initial measurement value of the lease liability, plus initial direct costs incurred, estimated costs to dismantle and remove the asset at the end of the lease, other payments made before lease commencement date, and calculated at present value, discounted at the incremental borrowing rate. The discount rates used were obtained in accordance with market conditions, estimated with the spread of the Company's intrinsic risk.

Financial liabilities and equity instruments

Debt or equity instruments issued by the Company and its subsidiaries are classified as financial liabilities or equity instruments, respecting the contractual substance of the transaction.

Provisions

The amount recognized as a provision is the best estimate of the disbursement required to settle the present obligation at the balance sheet date, based on the opinion of the management and internal and external legal advisors, with the amounts recorded based on estimates of the costs of the outcome of the proceedings (Note 23).

To measure the amount of provisions to be set up, the Company essentially adopts two methodologies: (i) statistical measurement model and (ii) individual measurement model. To determine the methodology to be used, the Company considers, among other criteria, the number of lawsuits, the value of the lawsuit, the estimated value of the eventual payment and the nature of the lawsuit.

The statistical measurement model is usually used in situations where there is (i) a significant volume of administrative or judicial proceedings of a similar nature, (ii) the proceedings individually have a low value and (iii) it is possible to determine a statistical model based on historical information on conviction rates, amount of payments and movement in the number of cases. In this model, the Company usually uses the calculation of the expected value as determined by paragraph 39 of CPC 25 / IAS 37, as well as requests opinions from external experts to assess the risk of loss. The main contingencies object of this model are labor and civil (PEX and JEC).

The individual measurement model is usually used in situations where (i) the process has a high value, (ii) it is reasonably possible to make an assessment of the individual risk of the expenditure to be made and (iii) there is no similarity in nature on the cases. In this model, the Company uses external expert opinions in the areas covered to assess the risk of loss. The main contingencies object of this model are tax and strategic civil.

The increase in the obligation due to the passage of time is recognized as a financial expense.

Onerous obligation

The Company recognizes a present obligation when events make contracting services onerous.

The contract becomes onerous when: (i) the contract obligations exceed the economic benefits expected to be received during the contract and (ii) the costs are unavoidable.

The Company measures the onerous obligation according to the lowest net cost of exiting the contract, and this is determined based on: (i) the cost of fulfilling the contract or (ii) the cost of any compensation or penalties arising from non-fulfilment of the contract, whichever is lesser.

The tax base assumptions of the onerous obligation must be periodically reassessed and measured whenever there are significant changes in these assumptions.

Employee benefits

<u>Private pension plans</u> **-** Private pension plans and other retirement benefits sponsored by the Company and its subsidiaries for the benefit of their employees are managed by two foundations. Contributions are determined based on actuarial calculations and, when applicable, accounted for in profit or loss on an accrual basis (Note 26).

The Company and its subsidiaries have defined benefit and defined contribution plans.

In the defined contribution plan, the sponsor pays fixed contributions to a fund managed by a separate entity. Contributions are recognized as expenses related to employee benefits when incurred. The sponsor does not have a legal or constructive obligation to pay additional contributions if the fund does not have sufficient assets to pay all employees with the benefits related to services provided in the current and previous years.

The defined benefit is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit is determined by discounting estimated future cash outflows, using the projection of the inflation rate plus long-term interest. The obligation recognized in the balance sheet, in respect of defined benefit pension plans that are in deficit, corresponds to the present value of the defined benefits, less the fair value of plan assets.

Actuarial gains and losses resulting from changes in actuarial valuations of retirement plans, whose actuarial obligations or actuarial assets are recorded by the Company, are fully recognized in other comprehensive income in shareholders' equity (Note 25).

The asset recognized in the balance sheet corresponds to the present value of the economic benefits available, in the form of refunds or reductions in future contributions to the plan.

Employee profit sharing **-** The provision referring to the employee profit sharing program is accounted for on the accrual basis and the determination of the amount, which is paid until April of the year following the year in which the provision is recorded, considers a set of operational goals and approved with the category unions, through a specific collective-bargaining agreement. This cost is recorded annually in personnel expenses.

Share-based compensation – The Company maintains a share-based compensation plan, settled with shares, in which the entity receives services from employees as consideration for equity instruments. The fair value of employee services received in exchange for the grant of shares is recognized as an expense. The total amount to be recognized is determined by reference to the fair value of the shares granted, based on the achievement of performance and performance targets, corresponding to the number of shares that the beneficiary will be entitled to in each year of delivery of the shares granted. The total amount of the expense is recognized over the period in which the specific rights acquisition conditions must be met.

On the balance sheet date, the Company reviews the estimates of the number of shares that will have their rights acquired, considering the acquisition conditions not related to the market and the conditions for length of service. The Company recognizes the impact of the revision of the initial estimates, if any, in the income statement, with a corresponding entry in shareholders' equity.

The fair value of employee services received in exchange for the shares, net of any directly attributable operation costs, are credited to share capital when the shares are exercised.

Social contributions payable in connection with the grant of shares are considered an integral part of the grant itself, and the collection is treated as a cash-settled operation.

Recognition of revenue

Revenues correspond substantially to the amount of consideration received or receivable for the sale of services in the regular course of the activities of the Company and its subsidiaries.

Revenue is recognized when it transfers control over goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Company has applied judgments that significantly affect the determination of the amount and timing of recognition of revenue from a contract with the customer, considering the five-step recognition model: (i) identification of the contract, (ii) identification of separate performance obligations in the contract, (iii) determination of the transaction price, (iv) allocation of the transaction price to the performance obligations, and (v) recognition of revenue when the performance obligation is satisfied.

Revenue from services is recognized when they are provided. Local and long-distance calls are charged according to the measurement process in accordance with current legislation. Services charged in fixed monthly amounts are calculated and accounted for on a straight-line basis. Prepaid services are recorded as unearned revenue and are recognized in revenue as the services are used by customers.

Revenues from the sale of cell phones and their accessories are recorded when they are delivered and accepted by customers. Discounts and rebates related to revenue from services rendered and from the sale of handsets and accessories are considered in the recognition of the related revenue. Revenues that involve transactions with multiple elements are identified in each of their components and the recognition criteria are applied individually.
Income arising from the receipt of credits from customers, in which such credits had already been recorded as a definitive loss for non-payment, but recovered and received in the collection process, are recognized in income in other operating income.

Revenue is not recognized if there is significant uncertainty in its performance (Notes 4 and 5).

Recognition of expenses

Expenses are accounted for on an accrual basis, in accordance with their connection with the realization of revenues. Expenses paid in advance and which apply to future years are deferred according to their respective durations. Incremental costs to obtain a contract with a customer (contract fulfillment costs), mainly sales commissions, are recognized in profit or loss on a systematic basis consistent with the transfer of goods and services to customers.

Financial incomes and expenses

Financial income is recorded on the accrual basis and represents the effective interest earned on accounts receivable settled after maturity, gains from financial investments and gains from derivative financial instruments. Financial expenses are mainly represented by effective interest incurred, adjustments to fair value and other charges on loans, financing, derivative financial instrument contracts. They also include bank fees and expenses, financial intermediation costs in the collection of accounts receivable from customers and other financial transactions (Notes 5 and 6).

Current and deferred income tax and social contribution on profit

Income tax and social contribution on profit are accounted for on an accrual basis. The aforementioned taxes attributable to temporary differences, tax losses and negative basis of social contribution are recorded in assets or liabilities, as the case may be, only on the assumption of future realization or enforceability. The Company prepares technical studies that contemplate the future generation of results in accordance with Management's expectations, considering the continuity of the companies. The Company reduces the carrying amount of the deferred tax asset to the extent that it is no longer probable that sufficient taxable income will be available to allow the benefit of part or all of that deferred tax asset to be used.

Any reduction in the deferred tax asset is reversed to the extent that it becomes probable that sufficient taxable income will be available. The technical studies are updated annually, approved by the Board of Directors and examined by the Audit Committee, and the tax credits are adjusted according to the results of these reviews. Deferred tax assets and liabilities are measured at the tax rates applicable in the period in which the liability is expected to be settled or the asset is expected to be realized, based on the tax rates provided for in tax legislation in force at the end of each reporting period, or when new legislation has been substantially approved. The measurement of deferred tax assets and liabilities reflects the tax consequences that would result from the way in which the Company expects, at the end of each reporting period, to recover or settle the carrying amount of these assets and liabilities (Note 7).

Income per share

Basic income per share is calculated using the income for the year attributable to the Company's controlling shareholders, divided by the weighted average number of common and preferred shares outstanding during the year. Diluted earnings per share are calculated using the aforementioned average of outstanding shares, adjusted by instruments potentially convertible into shares, with a dilutive effect, in the years presented, pursuant to CPC 41 / IAS 33 (Note 25 (f)).

(c) Critical accounting estimates and judgments

The Company is based on estimates and assumptions derived from historical experience and other factors, including expectations of future events, which it considers reasonable and relevant, as well as requiring judgments related to these matters. Results of operations and financial position may differ if experiences and assumptions used in measuring estimates differ from actual results. Estimates that have a significant risk of causing material adjustments to the accounting balances of assets and liabilities are listed below:

Recognition of revenue and accounts receivable

The Company's revenue recognition policy is significant as it is a relevant component of operating results. The determination of the amount and timing of revenue recognition by management, collection capacity and the rights to receive certain revenues for the use of the network are based on judgments related to the nature of the fee charged for the services provided, the price of certain products and the power to collect these revenues. If changes in conditions cause Management to believe that these criteria are not being met in certain transactions, the amount of accounts receivable may be affected. In addition, the Company relies on measurement guidelines for certain revenues in accordance with the rules defined by ANATEL.

Expected losses in accounts receivables from customers

The recognition of expected losses on accounts receivable from customers takes into account the measures implemented to restrict the provision of services to customers with accounts in arrears and to collect delinquent customers, as well as the credit risk individually and collectively. The estimate of expected loss on accounts receivable from customers is recognized in an amount considered sufficient to cover possible losses in the realization of these receivables, based on historical default rates and on prospective information, such as projections of future conditions that impact collections.

There are instances of agreements with certain customers to collect overdue accounts, including agreements that allow customers to settle their delinquent accounts in installments.

The amounts that we actually fail to receive for these accounts may differ from the amount of the established provision and additional provisions may be necessary.

Depreciation and amortization of assets with a defined useful life

Fixed and intangible assets with defined useful lives are depreciated and amortized, respectively, using the straight-line method over the useful lives of the respective assets. Depreciation and amortization rates of the most relevant assets are shown in Note 16 and 17, respectively.

The useful lives of certain assets may vary between the fixed-line and mobile segments. The Company annually reviews the useful lives of these assets.

Reduction in the recoverable amount from long-term assets

The recoverable amounts of long-lived assets are determined based on the comparison between the calculations of value in use and sale value. These calculations require the use of judgments and assumptions that may be influenced by different external and internal factors, such as economic trends, industry trends and interest rates, changes in business strategies and changes in the type of services and products that Company provides to the market. The use of different assumptions can significantly change our the financial statements.

For the purposes of evaluating the impairment testing by UGC, the Company defined the fair value net of selling expenses for the UGC whose binding proposals were received and for other UGR the value in use of assets.

When measuring the value in use, the Company updated the cash flow projections used to determine the value in use of long-lived assets (fixed and intangible assets) for the purpose of evaluating potential signs of impairment of these assets. The updating of said projections considered, among other aspects: (i) updating of the assumptions and criteria used in the projections of future cash flows; (ii) updating and normalizing the WACC used in the calculation of value in use to reflect the current economic context; (iii) definition of sensitivity scenarios to assess possible impacts.

Such forecasts cover a period of 10 years, considering the average useful life of the assets, and are consistent with previous years. The discount rate used in cash flows corresponds to the weighted average cost of capital of 10.29% (2020 - 9.94%).

In accordance with CPC 01 (R1) / IAS 36, an impairment loss must be allocated to reduce the carrying amount of the cash-generating unit's assets, first to reduce the carrying amount of any goodwill for expected future profitability and then, to the unit's other assets in proportion to the carrying amount of each unit's asset.

In 2021, as a result of the asset impairment test, the Company recognized a reversal of impairment losses of R$1,018 million (2020 - R$1,130 million), previously recognized, related to the expected future profitability of assets with a defined useful life. Continuing Operations Assets CGU, due to evolution in financial scenarios and indicators, in line with the Company's Strategic Plan (Note 1), and recognized a loss with impairment of assets linked to TV operations of R$ 376 million (2020 - R$329 million) (Notes 5, 16 and 17).

Leases

The assumptions regarding the appropriate discount rates used in calculating the present value of lease payments are subject to significant fluctuations due to different external and internal factors, including economic trends and the Company's financial performance. Using different assumptions to measure the present value of our leases could have a material effect on the estimated present value of the right-of-use asset and lease liability on the balance sheet.

Fair value of financial liabilities

The assumptions on the appropriate discount rates used in calculating the fair value of our financial liabilities are subject to significant fluctuations due to different external and internal factors, including economic trends and the Company's financial performance. The use of different assumptions to measure the fair value of financial liabilities may have a material effect on the estimated fair value of these financial liabilities and the amounts recorded as loans and financing in the balance sheet, as well as the amounts recorded in profit or loss.

Provisions

The Company recognizes, under the terms of CPC 25 / IAS 37, provisions for contingencies originated essentially in the legal and administrative sphere, with labor, tax and civil nature, as detailed in Note 23.

Depending on the nature of the contingency, the Company's Management uses a statistical evaluation methodology or individual evaluation in the calculation of provisions for contingencies. In any of the methodologies, the Company uses a set of assumptions, information, internal and external risk assessment and statistical models that it deems to be adequate, including the successful implementation of the Judicial Reorganization Plan, however it is possible that they may change in the future, which may result in changes in future provisions for losses.

Recognition of onerous liabilities

The Company recognizes onerous liabilities when the obligations of the contracts exceed the economic benefits expected to be received throughout the contract, and the costs are unavoidable, the Company and its subsidiaries, in accordance with CPC 25/IAS 37, an onerous obligation is measured at the lowest net exit cost of contracts brought to present value.

Contractual burden calculations require the use of estimates and assumptions. The use of different estimates and assumptions could significantly affect the Company's results.

Deferred income tax and social contribution

The Company recognizes and settles income taxes based on the results of operations determined in accordance with Brazilian corporate law, considering the precepts of tax legislation, which are significantly different from the amounts calculated for CPCs and IFRSs. In accordance with CPC 32 / IAS 12, the Company recognizes deferred tax assets and liabilities based on the differences between accounting book balances and the tax bases of assets and liabilities.

The Company regularly reviews deferred tax assets for recoverability and recognizes a provision for impairment if it is probable that these assets will not be realized, based on historical taxable income, projected future taxable income and estimated time for reversal of temporary existing differences. These calculations require the use of estimates and assumptions. The use of different estimates and assumptions could result in a provision for impairment of all or a significant part of the deferred tax asset.

Employee benefits

The actuarial valuation is based on assumptions and estimates with respect to interest rates, investment returns, inflation levels for future periods, mortality rates and projected employment levels related to retirement benefit liabilities. The accuracy of these assumptions and estimates will determine the creation of sufficient reserves for accrued pension and health care costs and the amount to be provided each year as retirement benefit costs.

Such assumptions and estimates are subject to significant fluctuations due to different internal and external factors, such as economic trends, social indicators, our ability to create new jobs and retain our employees. All assumptions are reviewed at each base date. If these assumptions and estimates are not accurate, there may be a need to review the provisions for retirement benefits, which could significantly affect the Company's results.

Reclassifications of the comparative period's accounting balances

The Company made some reclassifications in the comparative period, resulting from: (i) the change in the sale plan of UPI TVCo, which is no longer classified as assets held for sale and liabilities associated with held for sale in the balance sheet and discontinued operation in the income statement of the year, as determined by CPC 31, the entity must carry out the reclassification including such operations in the result of continuing operations in all periods presented, including amounts related to previous periods. By amending the sales plan, the Company maintained some assets classified as held for sale (see Note 30 b) and (ii) reclassifications between the perimeters of continuing and discontinued operations in the income statement, substantially from UPI InfraCo, between the financial result accounts and the statements of cash flows, for better comparability, understanding of these transactions and balances in the Financial Statements. These reclassifications do not affect the income of the year nor the Company's equity on that date. We highlight below the stated reclassifications:

In thousands of Reais, except where indicated to the contrary

Reclassifications on the balance sheet:

	CONSOLIDATED		
	2020		
	Previously presented	**Reclassifications**	**Current presentation**
Receivables	3,974,238	166,747	4,140,985
Other taxes	1,823,451	293	1,823,744
Prepaid expenses	330,131	161,249	491,380
Assets held for sale	20,771,942	(616,966)	20,154,976
Other assets	754,292	2,223	756,515
Other current assets	6,141,684		6,141,684
Current assets	**33,795,738**	**(286,454)**	**33,509,284**
Other taxes	1,447,166	1,205	1,448,371
Prepaid expenses	128,385	175,714	304,099
Other assets	595,704	1.968	597,672
Fixed	24,135,058	107,488	24,242,546
Intangible	3,697,821	79	3,697,900
Others non-current assets	10,039,915		10,039,915
Non-current assets	**40,044,049**	**286,454**	**40,330,503**
Total assets	**73,839,787**		**73,839,787**
Suppliers	3,275,919	30,771	3,306,690
Salaries, social charges and benefits	742,378	3,084	745,462
Other taxes	1,189,145	28,816	1,217,961
Liabilities associated with assets held for sale	9,195,376	(1,458,956)	7,736,420
Other obligations	1,373,436	213,469	1,586,905
Other current liabilities	2,236,854		2,236,854
Current liabilities	**18,013,108**	**(1,182,816)**	**16,830,292**
Other obligations	7,302,596	1,182,816	8,485,412
Other non-current liabilities	40,754,173		40,754,173
Non-current liabilities	**48,056,769**	**1,182,816**	**49,239,585**
Owners' equity	**7,769,910**		**7,769,910**
Total liabilities	**73,839,787**		**73,839,787**

In thousands of Reais, except where indicated to the contrary

Reclassifications in the income statement:

	PARENT COMPANY			CONSOLIDATED		
	2020			2020		
	Previously presented	Reclassifications	Current presentation	Previously presented	Reclassifications	Current presentation
Sales and/or services revenue	**3,545,254**		**3,545,254**	**9,284,303**	**1,645,919**	**10,930,222**
Cost of the goods and/or services sold	(2,669,653)		(2,669,653)	(7,271,335)	(641,015)	(7,912,350)
Gross profit	**875,601**		**875,601**	**2,012,968**	**1,004,904**	**3,017,872**
Operating income (expenses)						
Result on equity in earnings	(11,493,323)	(16,071)	(11,509,394)	31,624		31,624
Expenses with sales	(586,690)		(586,690)	(2,217,796)	(198,404)	(2,416,200)
General and administrative expenses	(873,266)		(873,266)	(2,748,473)	(60)	(2,748,533)
Other operating incomes	2,383,573		2,383,573	4,727,424	9,094	4,736,518
Other operational expenses	(921,245)		(921,245)	(3,616,966)	(337,873)	(3,954,839)
Loss before financial result and taxes	**(10,615,350)**	**(16,071)**	**(10,631,421)**	**(1,811,219)**	**477,661**	**(1,333,558)**
Financial revenues	10,850,449	(7,690,174)	3,160,275	4,202,220	(3,152,996)	1,049,224
Financial expenses	(14,502,225)	7,690,174	(6,812,051)	(16,477,660)	2,666,504	(13,811,156)
Financial result	**(3,651,776)**		**(3,651,776)**	**(12,275,440)**	**(486,492)**	**(12,761,932)**
Loss before taxation	**(14,267,126)**	**(16,071)**	**(14,283,197)**	**(14,086,659)**	**(8,831)**	**(14,095,490)**
Income tax and social contribution						
Current	680		680	(20,975)		(20,975)
Deferred	3,736,483		3,736,483	3,571,895		3,571,895
Loss of continuing operations	**(10,529,963)**	**(16,071)**	**(10,546,034)**	**(10,535,739)**	**(8,831)**	**(10,544,570)**
Discontinued operations						
Net result from discontinued operations (net of taxes)		16,071	16,071	7,240	8,831	16,071
Loss for the year	**(10,529,963)**		**(10,529,963)**	**(10,528,499)**		**(10,528,499)**

In thousands of Reais, except where indicated to the contrary

Reclassifications in the statement of cash flows:

	PARENT COMPANY			CONSOLIDATED		
	2020			2020		
	Previously presented	Reclassifications	Current presentation	Previously presented	Reclassifications	Current presentation
Loss before taxation	(14,267,126)	(16,071)	(14,283,197)	(14,086,659)	(8,831)	(14,095,490)
Depreciation and amortization	1,504,162		1,504,162	4,341,705	(436,841)	3,904,864
Expected losses in accounts receivables from	82,578		82,578	859,886	(631,529)	228,357
Reversal of losses with impairment	(1,129,708)		(1,129,708)	(1,129,708)	329,330	(800,378)
Provisions/(Reversals)	163,519		163,519	578,239	(442,346)	135,893
Equity method	11,493,323	16,071	11,509,394	(31,624)		(31,624)
Inflation adjustment of provisions/(reversals)	352,972		352,972	879,178	(1,478)	877,700
Others	(565,383)		(565,383)	(244,190)	442,346	198,156
Receivables	(99,883)		(99,883)	122,457	726,202	848,659
Other operational activities	2,035,192		2,035,192	9,497,949		9,497,949
Cash flow generated by (used in) the operating activities - Continued operations	**(430,354)**		**(430,354)**	**787,233**	**(23,147)**	**764,086**
Cash flow generated by (used in) the operating activities – Discontinued operations				3,619,470	23,147	3,642,617
Cash flow generated by (used in) the operating activities	**(430,354)**		**(430,354)**	**4,406,703**		**4,406,703**
Cash flow applied in investment activities - Continued operations	1,569,800		1,569,800	1,098,144		1,098,144
Cash flow applied in investment activities - Discontinued operations				(4,241,818)		(4,241,818)
Cash flow applied in investment activities	**1,569,800**		**1,569,800**	**(3,143,674)**		**(3,143,674)**
Cash flow generated by financing activities - Continued operations	(323,913)		(323,913)	1,676,812		1,676,812
Cash flow generated by financing activities - Discontinued operations				(877,182)		(877,182)
Cash flow generated by financing activities	**(323,913)**		**(323,913)**	**799,630**		**799,630**
Exchange rate change on cash and cash equivalents	187,180		187,180	205,014		205,014
Cash and cash equivalents transferred to those held for sale				(241,677)		(241,677)
Cash flow for the year	**1,002,713**		**1,002,713**	**2,025,996**		**2,025,996**

(d) New standards, changes and interpretations of standards

(d.1) New standards adopted on January 1, 2021:

Standards and amendments to standards		**Mandatory applications starting on or after:**
Standards improvement	Definition of reference interest rates for the application of IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	January 1st, 2021

The amendments to the mentioned standards had no impacts on the Company’s Financial Statements.

(d.2) New standards, interpretations, and amendments issued by the IASB that are effective in future accounting periods and that the Company decided not to adopt in advance are the following, effective for periods beginning on or after January 1, 2022:

In thousands of Reais, except where indicated to the contrary

Standards and amendments to standards		**Mandatory applications starting on or after:**
IAS 37	Onerous contract – classification of the cost of fulfilling an onerous contract.	January 1st, 2022
IAS 16	Fixed assets - classification of items before the fixed assets being in operating conditions	January 1st, 2022
IFRS 3	Conceptual structure	January 1st, 2022
Standards improvement	IFRS 1 – aspects of first-time adoption in a subsidiary; IFRS 9 - 10% test criterion to reverse financial liabilities; IFRS 16 - illustrative examples of leases; and IAS 41 – fair value measurement aspects	January 1st, 2022
IAS 1	Classification of liabilities as current or non-current	January 1st, 2023
IFRS 4	Insurance contract – temporary exemptions to the application of IFRS 9 for insurers	January 1st, 2023
IFRS 17	New Insurance Contracts standard superseding IFRS 4	January 1st, 2023

The Company does not anticipate any impact from these amounts to accounting standards.

3. FINANCIAL INSTRUMENTS AND RISK ANALYSIS

3.1. Fair value measurement

CPC 46/IFRS 13 defines fair amount as the price that would be received for the sale of an asset or paid for the transfer of a liability in an unforced transaction between market participants on measurement date. The standard clarifies that fair value must be based on the assumptions that market participants use when assigning a value/price to an asset or liability and establishes a hierarchy that prioritizes the information used to develop these assumptions. The fair value hierarchy gives more weight to available market information (i.e., observable data) and less weight to information related to non-transparent data (i.e., unobservable data). Additionally, the standard requires the company to consider all aspects of non-performance risk, including the Company's own credit, when measuring the fair value of a liability.

CPC 40 / IFRS 7 establishes a three-level hierarchy to be used when measuring and disclosing fair value. A categorization instrument in the fair value hierarchy is based on the lowest level of input that is significant for its measurement. Below is a description of the three levels of hierarchy:

Level 1 — Inputs are prices negotiated (without adjustments) in active markets for identical assets or liabilities that the entity may have access to at the measurement date.

Level 2 — Inputs are different from prices traded in active markets included in Level 1, being observable information for the asset or liability, directly or indirectly. Level 2 inputs include prices in an active market for similar assets or liabilities, prices in an inactive market for identical assets or liabilities; or “inputs” that are observable or that can corroborate the observation of market data by correlation or otherwise for substantially all of the asset or liability.

Level 3 - inputs, for the asset or liability are not based on observable market data. These "inputs" represent the best estimates of the Company's Management, generally measured using pricing models, discounted cash flows, or similar methodologies that require significant judgment or estimation.

The Company and its subsidiaries carried out an evaluation of their financial assets and liabilities in relation to market values or actual realization (fair value), using available information and appropriate valuation methodologies for each situation. The interpretation of market data regarding the choice of methodologies requires considerable judgment and establishment of estimates to arrive at a value considered adequate for each situation. Consequently, the estimates presented may not necessarily indicate the amounts that could be obtained in the current market. The use of different assumptions to determine the fair value may have a material effect on the values obtained.

Some of the Company's financial liabilities classified as amortized cost were measured at fair value on the novation date of these financial liabilities and maintained at amortized cost in the subsequent measurement, in accordance with accounting guidelines in CPC 48 / IFRS 9, and as a result of the implementation of the Reorganization Plan Court ratified on January 2018.

In thousands of Reais, except where indicated to the contrary

The book values and estimated fair values of our main financial assets and liabilities as of December 31, 2021 and 2020 are summarized as follows:

	Accounting measurement	PARENT COMPANY		CONSOLIDATED	
		2021			
		Book value	Fair value	Book value	Fair value
Assets					
Cash and bank accounts	Fair value	197,605	197,605	697,123	697,123
Cash equivalents	Fair value	571,977	571,977	2,220,128	2,220,128
Financial investments	Fair value	187,919	187,919	197,989	197,989
Derivative financial instruments	Fair value	7,175	7,175	7,175	7,175
Credits with related parties	Amortized cost	11,826,732	11,826,732		
Accounts receivable (i)	Amortized cost	3,350,284	3,350,284	4,264,954	4,264,954
Dividends and interest on equity	Amortized cost	22,866	22,866	25	25
Financial assets at fair value	Fair value	42,793	42,793	42,793	42,793
Liabilities					
Suppliers (i)	Amortized cost	6,232,005	6,232,005	7,808,413	7,808,413
Loans and financing (ii)					
Loans and financing	Amortized cost	9,845,135	9,845,135	12,169,843	12,169,843
Debts with related parties	Amortized cost	2,083,239	2,083,239		
Public Debentures	Amortized cost	4,514,282	4,514,282	4,514,282	4,514,282
Private Debentures				2,179,950	2,179,950
“Senior Notes”	Amortized cost	8,990,566	8,901,059	14,119,043	14,403,514
Derivative financial instruments	Fair value	13,830	13,830	13,830	13,830
Dividends and interest on equity	Amortized cost	825,334	825,334	5,762	5,762
Authorizations and concessions payable (iii)	Amortized cost			62,553	62,553
Tax refinancing program (iii)	Amortized cost	245,899	245,899	270,394	270,394
Lease payable (iv)	Amortized cost	2,602,716	2,602,716	3,008,174	3,008,174

In thousands of Reais, except where indicated to the contrary

	Accounting measurement	PARENT COMPANY		CONSOLIDATED Re-presented	
		2020			
		Book value	Fair value	Book value	Fair value
Assets					
Cash and bank accounts	Fair value	174,952	174,952	692,742	692,742
Cash equivalents	Fair value	1,777,728	1,777,728	3,415,199	3,415,199
Financial investments	Fair value	187,856	187,856	204,056	204,056
Credits with related parties	Amortized cost	7,621,572	7,621,572		
Accounts receivable (i)	Amortized cost	1,400,570	1,400,570	4,140,985	4,140,985
Dividends and interest on equity	Amortized cost	2,466	2,466		
Financial assets at fair value	Fair value	71,594	71,594	71,594	71,594
Liabilities					
Suppliers (i)	Amortized cost	2,414,548	2,414,548	8,327,662	8,327,662
Loans and financing (ii)					
Loans and financing	Amortized cost	2,556,144	2,556,144	10,542,777	10,542,777
Debts with related parties	Amortized cost	1,591,964	1,591,964		
Public Debentures	Amortized cost	2,590,369	2,590,369	4,034,603	4,034,603
Private Debentures				3,569,805	3,569,805
“Senior Notes”	Amortized cost	8,196,549	9,821,284	8,196,549	9,821,284
Derivative financial instruments	Fair value	10,967	10,967	10,967	10,967
Dividends and interest on equity	Amortized cost	4,775	4,775	18,094	18,094
Authorizations and concessions payable (iii)	Amortized cost	17,828	17,828	43,415	43,415
Tax refinancing program (iii)	Amortized cost	212,629	212,629	346,217	346,217
Lease payable (iv)	Amortized cost	688,220	688,220	2,981,678	2,981,678

For the closure of the year ended on December 31, 2021:

(i) The balances of accounts receivable have short-term expiration and, therefore, they are not adjusted to fair value. The balances of suppliers subject to the judicial reorganization were adjusted to fair value at the date of novation of the liabilities and are represented by the amounts expected to be settled (Note 18).

In thousands of Reais, except where indicated to the contrary

(ii) The balance of the borrowings and financing with the BNDES, Local Banks, and ECAs correspond to exclusive markets, and the fair value of these instruments is similar to their carrying amounts. The balances of borrowings and financing refers to the bonds issued in the international market, for which is there is a secondary market, and their fair values differ from their carrying amounts.

(iii) The licenses and concessions payable and the tax refinancing program are stated at the amounts that these obligations are expected to be discharged and are not adjusted to fair value.

(iv) The leases payable are represented by the amounts that the obligations are expected to be settled, adjusted at present value.

The levels of the financial assets/liabilities, cash and cash equivalents, financial investments and derivative financial instruments assessed at fair value on December 31, 2021 and , 2020, are as follows:

	Hierarchy of fair value	PARENT COMPANY		CONSOLIDATED	
		Fair value	Fair value	Fair value	Fair value
		2021	2020	2021	2020
Assets					
Cash and bank accounts	Level 1	197,605	174,952	697,123	692,742
Cash equivalents	Level 1	571,977	1,777,728	2,220,128	3,415,199
Financial investments	Level 1	187,919	187,856	197,989	204,056
Derivative financial instruments	Level 2	7,175		7,175	
Liabilities					
Derivative financial instruments	Level 2	13,830	10,967	13,830	10,967

There were no transfers between levels in the periods ended on December 31, 2021 and 2020.

The Company and its subsidiaries carried out an evaluation of their financial assets and liabilities in relation to market values or actual realization (fair value), using available information and appropriate valuation methodologies for each situation, namely:

(a) Cash and cash equivalents and financial investments

Foreign currency-denominated cash equivalents and cash investments are basically kept in checking deposits denominated in euro and US dollars.

The fair value of securities traded in active markets is equivalent to the amount of the last closing quotation available at the end of the reporting period, multiplied by the number of outstanding securities.

For the remaining contracts, the Company carries out an analysis comparing the current contractual terms and conditions with the terms and conditions effective for the contract when they were originated. When terms and conditions are not similar, fair value is calculated by discounting future cash flows at the market rates prevailing at the end of the period, and when similar, fair value is similar to the carrying amount on the reporting date.

(b) Derivative financial instruments

The Company conducts derivative transactions to manage certain market risks, mainly the foreign exchange risk. At the closing date of the period ended on December 31, 2021, these instruments include Non-deliverable Forward (NDF) contracts.

It is worth noting that the Company does not use derivatives for purposes other than the hedging these risks and the method used to calculate the fair value of the derivative instruments contracted throughout the year was the future cash flows method associated to each contracted instrument, discounted using the market rates prevailing at the reporting date.

3.2. Financial risk management

The Company's and its subsidiaries' activities expose them to several financial risks, such as: market risk (including currency fluctuation risk, interest rate risk on fair value, interest rate risk on cash flows), credit risk, and liquidity risk. According to their nature, financial instruments may involve known or unknown risks, and it is important to assess to the best judgment the potential of these risks. The Company and its subsidiaries may use derivative financial instruments to mitigate certain exposures to these risks.

The Company's risk management process is a three-step process, taking into account its consolidated structure: strategic, tactical, and operational. At the strategic level, the Company's executive committee agrees with the Board of Directors the risk guidelines to be followed each financial year. Financial Risk Management Committee is responsible for overseeing and ensuring that Oi comply with the existing policies. At the operating level, risk management is carried out by the Company's treasury officer, in accordance with the policies approved by the Board of Directors.

The Financial Risk Management Committee meets on a monthly basis and currently consists of the Chief Finance and Investor Relations Officer, Chief Governance, Risks and Compliance Officer, the Chief Treasurer and Performance Analysis Officer, and no more than other two officers from the finance department and at least one former finance officer.

The Hedging and Cash Investments Policies, approved by the Board of Directors, document the management of exposures to market risk factors generated by the financial transactions of the Oi Group companies. In line with the Hedge Policy pillars, the strategy is focused on the preservation of the Company's cash flows, maintaining its liquidity, and complying with the financial covenants, if applicable.

3.2.1. Market risk

(a) Exchange rate risk

Financial assets

The Company is not exposed to any material foreign exchange risk involving foreign currency-denominated financial assets on December 31, 2021 for which the Company does not enter into any exchange rate risk coverage.

In thousands of Reais, except where indicated to the contrary

Financial liabilities

The Company and its subsidiaries have foreign currency-denominated or foreign currency-indexed borrowings and financing. The risk associated with these liabilities is related to the possibility of fluctuations in foreign exchange rates that could increase the balance of such liabilities. The Company's and its subsidiaries' borrowings and financing exposed to this risk represent approximately 62.0% (2020 – 64.0%) of total liabilities from borrowings and financing, less the contracted currency hedging transactions.

In order to minimize this type of risk, throughout the year ended December 31, 2021, the Company maintained the contracting of hedge operations for the exchange rate exposure of short-term cash flow, in the form of a forward contract in currency for interest of the Qualified Bond due in February and August 2021 and due in February 2022, as well as for a relevant portion of the expenses denominated in Dollars until February 2022. Additionally, the Company kept in an "offshore" account part of the amount disbursed in the issuance of the "Bond" 2026, as a natural "hedge" for the payment of interest on this instrument in January 2022, in addition to a portion of the amounts that will potentially be the object of the offer repurchase of these notes.

The percentage of currency hedging for the effects of foreign exchange exposure in the financial result of Borrowings and financing contracted is 37.9%. This percentage includes the exchange rate impacts on the adjustment gain at fair value.

Foreign currency-denominated financial assets and financial liabilities are presented in the balance sheet as follows (includes intragroup balances transferred to Company amounts):

	PARENT COMPANY			
	2021		2020	
	Value accounting	Value fair	Value accounting	Value fair
Financial assets				
Cash and bank accounts	132,046	132,046	148,750	148,750
Credits with related parties	9,243,796	9,243,796	7,621,168	7,621,168
Derivative financial instruments	7,175	7,175		
Financial liabilities				
Loans and financing (Note 19)	16,450,279	16,450,279	10,833,843	10,833,843
Derivative financial instruments	13,830	13,830	10,967	10,967

	CONSOLIDATED			
	2021		2020	
	Value accounting	Value fair	Value accounting	Value fair
Financial assets				
Cash and bank accounts	546,036	546,036	526,133	526,133
Cash equivalents	687,279	687,279	1,410	1,410
Derivative financial instruments	7,175	7,175		
Financial liabilities				
Loans and financing (Note 19)	20,350,832	20,350,832	16,841,745	16,841,745
Derivative financial instruments	13,830	13,830	10,967	10,967

In thousands of Reais, except where indicated to the contrary

The values of derivative financial instruments as of December 31, 2021 and 2020 are summarized below:

	Derivatives designated for "Hedge" accounting					
			PARENT COMPANY		CONSOLIDATED	
			Fair value		Fair value	
	Notional (US$)	Expiration (years)	Amounts (payable)/receivable		Amounts (payable)/receivable	
			2021	2020	2021	2020
Non Deliverable Forward Contracts						
USD/R$ (NDF)	2,798	< 1 year	(218)	(3,561)	(218)	(3,561)

	Derivatives not designated for "Hedge" accounting					
			PARENT COMPANY		CONSOLIDATED	
			Fair value		Fair value	
	Notional (US$)	Expiration (years)	Amounts (payable)/receivable		Amounts (payable)/receivable	
			2021	2020	2021	2020
Non Deliverable Forward Contracts						
USD/R$ (NDF)	82,677	< 1 year	(6,437)	(7,406)	(6,437)	(7,406)

On December 31, 2021 and 2020, the main hedging transactions conducted with financial institutions with the objective minimizing the foreign exchange risk were as follows:

NDF Contracts - "*Non Deliverable Forward*"

US$/R$: US$/R$: Refer to future dollar purchase transactions using NDF to hedge against the depreciation of the Brazilian Real against that dollar. The key strategy for these contracts is to eliminate foreign exchange differences during the contract period, mitigating unfavorable changes in foreign exchange rates on dollar-denominated debts or operating expenses.

As of December 31, 2021, the amounts shown below were recorded as a result of operations with derivative financial instruments:

	PARENT COMPANY		CONSOLIDATED	
	2021	2020	2021	2020
Forward operations in currencies - financial result	10,198	134,987	10,198	134,987
Forward operations in currencies - operational result	1,437	3,478	1,437	3,478
Total	**11,635**	**138,465**	**11,635**	**138,465**

In thousands of Reais, except where indicated to the contrary

And the movements below referring to foreign exchange hedges designated for hedge accounting purposes were recorded in other comprehensive income:

Table of movements in hedge accounting effects in other comprehensive income		
	PARENT COMPANY	CONSOLIDATED
Balance in 2020	**(3,561)**	**(3,561)**
Amortization of hedges to income	3,343	3,343
Balance in 2021	**(218)**	**(218)**

Exchange risk sensitivity analysis

Pursuant to CPC 40 (R1)/IFRS 7, on the closure date of year ended on December 31, 2021, the management estimated the depreciation scenarios of the Brazilian Real in relation to other currencies, at the end of the year.

The foreign exchange rates used for the probable scenario are the closing rates prevailing in December 2021. The probable rates were then depreciated by 25% and 50% and used as benchmark for the possible and remote scenarios, respectively.

	Rate	
Description	**2021**	**Depreciation**
Probable Scenario		
Dollar	5.5805	0%
Euro	6.4596	0%
Possible Scenario		
Dollar	6.9756	25%
Euro	8.0745	25%
Remote Scenario		
Dollar	8.3708	50%
Euro	9.6894	50%

The impacts of foreign exchange exposure on the foreign currency-denominated debt with third parties, taking into consideration derivatives and offshore cash, in the sensitivity scenarios estimated by the Company, are shown in the table below (excludes intragroup balances):

In thousands of Reais, except where indicated to the contrary

		2021					
		PARENT COMPANY			**CONSOLIDATED**		
Description	**Risk individual**	***Probable Scenario***	***Possible Scenario***	***Remote Scenario***	***Probable Scenario***	***Possible Scenario***	***Remote Scenario***
US dollar debts	Dollar appreciation	21,119,005	26,398,756	31,678,507	27,197,809	33,997,261	40,796,714
Derivatives (net position - USD)	Dollar depreciation	6,437	(108,738)	(223,913)	6,437	(108,738)	(223,913)
US dollar cash	Dollar depreciation	(74,431)	(93,038)	(111,646)	(868,211)	(1,085,264)	(1,302,317)
Euro debt	Euro appreciation	258,445	323,056	387,668	3,779,129	4,723,912	5,668,694
Euro cash	Euro depreciation	(57,426)	(71,783)	(86,139)	(349,063)	(436,328)	(523,594)
Fair value adjustment	Dolar/Euro depreciation	(6,999,227)	(8,749,034)	(10,498,841)	(10,532,527)	(13,165,659)	(15,798,791)
Total assets/liabilities indexed to exchange fluctuation		**14,252,803**	**17,699,219**	**21,145,636**	**19,233,574**	**23,925,184**	**28,616,793**
Total (gain) loss			**3,446,416**	**6,892,833**		**4,691,610**	**9,383,219**

(b) Interest rate risk

Financial assets

Cash equivalents and cash investments in local currency are substantially maintained in financial investment funds exclusively managed for the Company and its subsidiaries, and investments in private securities issued by prime financial institutions. Most of the portfolio of exclusive funds consists of repurchase agreements pegged to the SELIC rate (Central Bank’s policy rate).

The interest rate risk linked to these assets arises from the possibility of decreases in these rates and consequent decrease in the return on these assets.

Financial liabilities

The Company and its subsidiaries have borrowings and financing subject to floating interest rates, based on the Long-term Interest Rate (TJLP), the CDI, the Benchmark Rate, and more recently the Broad Consumer Price Index (IPCA) in the case of real-denominated debt as at December 31, 2021. After the approval of the PRJ, the Company does not have borrowings and financing subject to the foreign currency-denominated floating interest rate.

On December 31, 2021, approximately 31.6% (2020 – 35.9%) of the incurred debt was subject to floating interest rates. The most material exposure of Company’s and its subsidiaries’ debt after is to CDI. Therefore, a continued increase in this interest rate would have an adverse impact on future interest payments.

In thousands of Reais, except where indicated to the contrary

These assets and liabilities are presented in the balance sheet as follows:

	PARENT COMPANY			
	2021		2020	
	Book value	Value fair	Book value	Value fair
Financial assets				
Cash equivalents	571,977	571,977	1,777,728	1,777,728
Financial investments	187,919	187,919	187,856	187,856
Credits with related parties	2,582,937	2,582,937	404	404
Financial liabilities				
Loans and financing (Note 19)	8,976,796	8,976,796	4,092,958	4,101,183

	CONSOLIDATED			
	2021		2020	
	Book value	Value fair	Book value	Value fair
Financial assets				
Cash equivalents	1,532,849	1,532,849	3,413,789	3,413,789
Financial investments	197,989	197,989	204,056	204,056
Financial liabilities				
Loans and financing (Note 19)	12,605,425	12,605,425	9,501,988	9,501,988

Interest rate fluctuation risk sensitivity analysis

Management believes that the most material risk related to interest rate fluctuations arises from its liabilities pegged to the CDI and the TJLP. This risk is associated to an increase in those rates. The TJLP has been successively cut from March 2019 to March 2021, when it was set at 4.39% per year. After successive reductions, as of April 2021, the National Monetary Council decided to increase the rate to 4.61% p.a.. Subsequently, from July to September 2021, the TJLP was raised to 4.88% p.a. and from October to December 2021 to 5.32% p.a.. Before the end of the quarter, in turn, the National Monetary Council had already announced that the rate would continue to rise, this time to 6.08% p.a., in force in period from January to March 2022. It should be noted that, with the conclusion of the disposition of UPI Ativos Móveis, the debts indexed to the TJLP were fully prepaid, thus not representing interest rate risk for the Company as of this date. As for the CDI, this index has also been showing successive increases since March 2021, after a long period of stability at 1.90% pa. After seven successive increases, the CDI ended the quarter at 9.15% p.a.

Pursuant to CPC 40 (R1)/IFRS 7, on the closure date of year ended on December 31, 2021, the management estimated the scenarios of exchange rate changes at CDI and TJLP rates. For the probable scenario, the rates in effect at the end of the year were used.

In thousands of Reais, except where indicated to the contrary

The rates were stressed by 25% and 50%, serving as a parameter for the possible and remote scenarios, respectively.

2021					
Interest rate scenarios					
Probable Scenario		**Possible Scenario**		**Remote Scenario**	
CDI	**TJLP**	**CDI**	**TJLP**	**CDI**	**TJLP**
9.15%	5.32%	11.44%	6.65%	13.73%	7.98%

Such sensitivity analysis considers outflows for the repayment of debts to third parties in future dates. Thus, the aggregate of the amounts for each scenario is not equivalent to the fair values, or even the fair values of these liabilities.

The impacts of exposure to interest rates, in the sensitivity scenarios estimated by the Company, are shown in the table below:

		2021					
		PARENT COMPANY			**CONSOLIDATED**		
Description	**Risk individual**	***Probable Scenario***	***Possible Scenario***	***Remote Scenario***	***Probable Scenario***	***Possible Scenario***	***Remote Scenario***
CDI debts	CDI	5,642,345	7,116,218	8,612,355	6,011,918	7,523,722	9,057,946
TJLP debts	TJLP appreciation	2,454,805	2,859,925	3,261,713	3,355,284	3,908,657	4,457,382
Total assets/liabilities linked to interest rate		**8,097,150**	**9,976,143**	**11,874,068**	**9,367,202**	**11,432,379**	**13,515,328**
Total (gain) loss			**1,878,993**	**3,776,918**		**2,065,177**	**4,148,126**

3.2.2. Credit risk

The concentration of credit risk associated to accounts receivables from customers is not relevant due to the diversification of the portfolio. The expected losses on accounts receivables from customers are adequately covered by an allowance intended to cover possible losses on their realization.

Transactions with financial institutions (cash investments and borrowings and financing) are made with prime entities, avoiding the concentration risk. The credit risk of financial investments is assessed by setting caps for investment in the counterparts, taking into consideration the ratings released by the main international risk rating agencies for each one of such counterparts. On December 31, 2021, approximately 81.15% of the consolidated financial investments were made with counterparties with an AAA, AA, A, and sovereign risk rating.

3.2.3. Liquidity risk

The liquidity risk also arises from the possibility of the Company being unable to discharge its liabilities on maturity dates and obtain cash due to market liquidity restrictions. Management uses its resources mainly to fund capital expenditures incurred on the expansion and upgrading of the network, invest in new businesses.

The Company’s management monitors the continual forecasts of the liquidity requirements to ensure that the company has sufficient cash to meet its operating needs and fund capital expenditure to modernize and expand its network.

In 2021, Oi carried out the disbursement of financing operations that were important to strengthen the cash, to be used as "funding" to maintain the high level of CAPEX included in the Company's Strategic Plan, pending the necessary approvals for the conclusion of the M&As of UPI Ativos Móveis and UPI InfraCo. In May 2021, Oi completed the subscription and payment of the R$2,500 million convertible debentures issued by Brasil Telecom Comunicação Multimídia S.A. The funds disbursed through these debentures are being used to support the subsidiary's CAPEX, focused on the expansion of the fiber-to-the-home (FTTH) network. In July 2021, Oi Móvel issued R$2,000 million in simple, nonconvertible debentures indexed to the CDI and a US$880 million Senior Bond. For details of the disbursements, see Note 19 – Borrowings and Financing. Part of the total amount disbursed with the Bond was used in the prepayment of the DIP Loan of that subsidiary. Both funds raised are in line with the provisions of the Amendment to the PRJ.

In the last quarter of 2021, CADE approved the transaction involving the sale of Oi's mobile assets to the Buyers, but with the adoption of measures that mitigate competition risks. Also in this period, CADE approved the sale of control of SPE InfraCo to Globenet, controlled by BTG Pactual, and Warrington Investment, of the sovereign fund GIC Infra.

As detailed in Notes 1 and 33 b), on April 20, 2022, the disposition of UPI Ativos Móveis was concluded. As part of the receipt of these funds, and as provided for in the Company's Judicial Reorganization Plan, on the same date, the full settlement of its debts with BNDES was carried out, in the amount of R$ 4,640 million. Additionally, in line with the provisions of the indenture of the second issue of debentures by Oi Móvel, the advance payment of this debt was made, in the amount of R$ 2,356 million. Finally, also on this date, the mandatory public offering for the Senior Bond 2026 was closed, as provided for in its “indenture”, with adhesion of 98.71% of the total outstanding principal, which represents approximately US$ 869 millions. Such pre-payments are the beginning of the reduction of the Company's leverage, in line with what is stated in the Amendment to the Judicial Reorganization Plan, transforming its capital structure and pursuing the financial sustainability of Nova Oi.

Capital management

The Company seeks to manage its equity structure according to best market practices.

The objective of the Company’s capital management is to ensure that liquidity levels and financial leverage allow the sustained growth of the Group, the strategic investment plan, and returns to shareholders.

We may change our capital structure, according to existing economic and financial conditions, to optimize our financial leverage and debt management.

In thousands of Reais, except where indicated to the contrary

The indicators used to measure capital structure management are: Gross debt to accumulated twelve-month EBITDA (earnings before interest (financial income and expenses), taxes, depreciation, and amortization), and the interest coverage ratio, as shown below:

Gross debt-to-EBITDA.. between 2x and 4.0x
Interest coverage ratio (*).. higher than 1.75
(*) Measures the Company's ability to cover its future interest obligations.

3.2.4. Risk of accelerated maturity of borrowings and financing

At the end of December 31, 2021 there was no risk of accelerated maturity of the Company's debt.

In line with the provisions of the Plan, as amended, BNDES (Brazilian development bank) agrees that, as of the Court Ratification of the Amendment to the PRJ (October 8, 2020) and until the first of the financial settlement of the disposal of the UPI Mobile Assets or by May 30, 2022, the obligation to comply with the financial ratios set forth in the agreement will be temporarily stayed by BNDES and, therefore, during such period, its noncompliance will not imply a possible breach of the agreement, as reported in Note 19, 'Covenants' section.

4. SALES AND/OR SERVICES REVENUE

	PARENT COMPANY		CONSOLIDATED	
	2021	2020	2021	2020 Re-presented
Gross revenue from sales and/or services	**8,182,287**	**4,523,709**	**14,781,167**	**15,222,547**
Deductions from gross revenue	**(1,549,738)**	**(978,455)**	**(4,297,688)**	**(4,292,325)**
Taxes	(1,530,653)	(969,267)	(2,890,995)	(3,034,240)
Other deductions	(19,085)	(9,188)	(1,406,693)	(1,258,085)
Sales and/or services revenue	**6,632,549**	**3,545,254**	**10,483,479**	**10,930,222**

In thousands of Reais, except where indicated to the contrary

5. INCOME PER NATURE

	PARENT COMPANY		CONSOLIDATED	
	2021	2020 Re-presented	2021	2020 Re-presented
Sales and/or services revenue	**6,632,549**	**3,545,254**	**10,483,479**	**10,930,222**
Operating income (expenses):				
Interconnection	(155,877)	(74,642)	(143,979)	(169,453)
Personnel (i)	(681,099)	(438,994)	(1,842,350)	(1,851,196)
Third-party services	(1,793,513)	(984,606)	(4,043,552)	(4,287,916)
Network maintenance service	(930,271)	(484,003)	(437,636)	(514,776)
Cost of appliances and others			(7,287)	(10,316)
Publicity and advertising	(58,607)	(70,082)	(363,368)	(313,745)
Rentals and insurances	(1,205,678)	(457,047)	(1,368,116)	(1,374,289)
(Provisions) / Reversals	123,329	(36,772)	(195,554)	(135,893)
Expected losses in accounts receivables from	(15,701)	(5,222)	(90,843)	(228,357)
Reversal of losses with impairment (ii)	1,017,506	1,129,708	641,371	800,378
Taxes and other revenues (expenses) (iii)	(6,106,929)	(11,232,524)	86,275	(36,658)
Other net operating incomes (expenses) (iv)	(1,168,880)	(18,329)	(753,546)	(236,695)
Operating expenses excluding depreciation and amortization	**(10,975,720)**	**(12,672,513)**	**(8,518,585)**	**(8,358,916)**
Depreciation and amortization	(2,672,703)	(1,504,162)	(4,002,033)	(3,904,864)
Total operating expenses	**(13,648,423)**	**(14,176,675)**	**(12,520,618)**	**(12,263,780)**
Loss before financial result and taxes	**(7,015,874)**	**(10,631,421)**	**(2,037,139)**	**(1,333,558)**
Financial income:				
Financial revenues	1,870,890	3,160,275	352,104	1,049,224
Financial expenses	(6,357,583)	(6,812,051)	(9,905,998)	(13,811,156)
Total financial income	**(4,486,693)**	**(3,651,776)**	**(9,553,894)**	**(12,761,932)**
Loss before taxation	**(11,502,567)**	**(14,283,197)**	**(11,591,033)**	**(14,095,490)**
Income tax and social contribution	1,924,084	3,737,163	2,036,209	3,550,920
Loss from the year of continued operations	**(9,578,483)**	**(10,546,034)**	**(9,554,824)**	**(10,544,570)**
Discontinued operations				
Net result from discontinued operations (net of taxes) (Note 31)	1,062,298	16,071	1,062,298	16,071
Loss for the year	**(8,516,185)**	**(10,529,963)**	**(8,492,526)**	**(10,528,499)**
Loss attributed to controlling shareholders	(8,516,185)	(10,529,963)	(8,516,185)	(10,529,963)
Loss (profit) attributed to non-controlling shareholders			23,659	1,464
Operational expenses per function:				
Cost of the goods and/or services sold	(6,865,357)	(2,669,653)	(9,924,345)	(7,912,350)
Expenses with sales	(1,020,197)	(586,690)	(2,308,050)	(2,416,200)
General and administrative expenses	(1,205,148)	(873,266)	(2,333,204)	(2,748,533)
Other operating incomes	2,580,301	2,383,573	4,144,744	4,736,518
Other operational expenses	(306,372)	(921,245)	(2,096,560)	(3,954,839)
Result on equity in earnings	(6,831,650)	(11,509,394)	(3,203)	31,624
Total operating expenses	**(13,648,423)**	**(14,176,675)**	**(12,520,618)**	**(12,263,780)**

(i) It considers employee training expenses in the amount of R$15,242 (2020 - R$19,060) in the consolidated.

In thousands of Reais, except where indicated to the contrary

(ii) Reversal with impairment of long-lived assets Note 2 (b), in the item Impairment of long-lived assets.

(iii) It includes result on equity method.

(iv) In 2021, mainly represented by the gain on the disposition of UPI Torres in the amount of R$986,196 and by the recognition of a provision for an additional onerous obligation, related to the submarine cable capacity agreement, in the amount of R$1,505,642, see Note 25 (i). In 2020, mainly represented by personnel expenses in the amount of R$ 85,057 referring to expenses with the Departure Incentive Plan - PIS and expenses with PDD of R$ 113,782 due to the expectation of losses with government customers.

6. FINANCIAL RESULT

	PARENT COMPANY		CONSOLIDATED	
	2021	2020 Re-presented	2021	2020 Re-presented
Financial revenues				
Interest and inflation adjustments on other assets	100,435	396,544	183,038	443,375
Revenues from financial investments	37,643	57,769	85,665	113,670
Interest on loans with related parties	1,025,181	758,146		
Other revenues	63,164	14,965	18,356	30,283
Total	**1,226,423**	**1,227,424**	**287,059**	**587,328**
Financial expenses and other charges				
a) Expenses with loans and financing				
Amortization of the discount of debts with third parties	(880,583)	(590,700)	(1,243,217)	(1,412,950)
Amortization of the discount of debts with related parties	(635,747)	(1,041,671)		
Interest on loans with third parties	(1,449,633)	(1,166,532)	(1,945,406)	(1,553,036)
Interest on debentures	(240,056)	(100,807)	(748,659)	(545,749)
Interest on loans with related parties	(48)			
Subtotal:	**(3,206,067)**	**(2,899,710)**	**(3,937,282)**	**(3,511,735)**
b) Other Charges				
Interest on leases	(253,183)	(81,050)	(346,958)	(345,114)
Gain on disposal / foreign exchange on conversion of investments abroad	67,461	398,799	76,808	161,284
Tax on financial transactions and bank charges	(98,137)	(100,443)	(502,602)	(202,521)
Interest and inflation adjustments on other liabilities (i)	(1,475,199)	(1,869,249)	(2,512,866)	(5,521,054)
Inflation adjustment of (provisions)/reversals	(336,007)	(352,972)	(726,769)	(877,700)
Interest on taxes and contributions in installments - tax refinancing	(4,962)	(3,651)	(6,618)	(6,801)
Operations with derivative financial instruments	10,198	(134,987)	10,198	(134,987)
Other expenses (ii)	(544,119)	(151,020)	(818,057)	(313,029)
Subtotal:	**(2,633,948)**	**(2,294,573)**	**(4,826,864)**	**(7,239,922)**
Total	**(5,840,015)**	**(5,194,283)**	**(8,764,146)**	**(10,751,657)**
Exchange rate variations, net	**126,899**	**315,083**	**(1,076,807)**	**(2,597,603)**
Financial result	**(4,486,693)**	**(3,651,776)**	**(9,553,894)**	**(12,761,932)**

In thousands of Reais, except where indicated to the contrary

(i) This item includes interest related to the adjustment to present value associated with the liabilities of onerous contracts and suppliers subject to RJ and the respective monetary variations.

(ii) Mainly represented by banking and financial fees and commissions.

7. INCOME TAX AND SOCIAL CONTRIBUTION ON PROFIT

Income taxes comprise income and social contribution taxes. The income tax rate is 25% and the social contribution tax rate is 9%, yielding a combined nominal tax rate of 34%.

The records relating to the provision for income tax and social contribution on profit recognized in income are as follows:

	PARENT COMPANY		CONSOLIDATED	
	2021	**2020**	**2021**	**2020**
Income tax and social contribution on profit				
Current taxes	(17,188)	680	(51,016)	(20,975)
Deferred taxes (Note 10)	1,941,272	3,736,483	2,087,225	3,571,895
Total	**1,924,084**	**3,737,163**	**2,036,209**	**3,550,920**

	PARENT COMPANY		CONSOLIDATED	
	2021	**2020 Re-presented**	**2021**	**2020 Re-presented**
Loss before taxation	**(11,502,567)**	**(14,283,197)**	**(11,591,033)**	**(14,095,490)**
IRPJ AND CSLL				
IRPJ+CSLL on taxed income	3,910,873	4,856,287	3,940,951	4,792,467
Equity method	(2,322,761)	(3,913,194)	(1,089)	10,752
Tax incentives (i)			143	74
Permanent exclusions (additions) (ii)	(805,383)	1,847,293	(6,235,243)	(246,256)
Reversal (Provision) to the realization value of deferred tax credits (Note 10)	1,141,355	946,777	4,654,737	(519,426)
Tax effects of deferred tax assets of controlled companies abroad (iii)			(323,290)	(486,691)
Effect of IRPJ/CSLL on the income statement	**1,924,084**	**3,737,163**	**2,036,209**	**3,550,920**

(i) (i) Refer basically to Additional IR (10%) of subsidiaries.

(ii) (ii) The tax effects of permanent additions are represented primarily by the write-off of deferred tax credits, amounting to R$6,520,403, related to tax loss carryforwards of subsidiary Telemar, merged with and into the Company on May 3, 2021, and by the effects of changes in foreign exchange rates on the fair value adjustments to restructured liabilities included in the PRJ.

(iii) Tax effects of unrecognized deferred tax assets of controlled companies abroad that do not have a history of profitability and/or expected generation of taxable income.

In thousands of Reais, except where indicated to the contrary

8. CASH, CASH EQUIVALENTS AND FINANCIAL INVESTMENTS

Cash equivalents and financial investments made by the Company and its subsidiaries in the years ended December 31, 2021 and 2020 are measured at their respective fair values.

(a) Cash and cash equivalents

	PARENT COMPANY		CONSOLIDATED	
	2021	**2020**	**2021**	**2020**
Cash and bank accounts	197,605	174,952	697,123	692,742
Cash equivalents	571,977	1,777,728	2,220,128	3,415,199
Total	**769,582**	**1,952,680**	**2,917,251**	**4,107,941**

	PARENT COMPANY		CONSOLIDATED	
	2021	**2020**	**2021**	**2020**
Compromised operations (i)	355,093	1,518,113	1,204,694	2,919,122
“Time Deposits”			687,279	1,407
CDB - Interbank certificate of deposit	185,008	185,564	234,607	343,084
Private bonds (ii)	28,945	71,254	89,523	134,411
Others	2,931	2,797	4,025	17,175
Cash equivalents	**571,977**	**1,777,728**	**2,220,128**	**3,415,199**

(b) Short and long term financial investments

	PARENT COMPANY		CONSOLIDATED	
	2021	**2020**	**2021**	**2020**
Private bonds (iii)	171,053	170,660	177,863	177,827
Government Bonds	16,866	17,196	20,126	26,229
Total	**187,919**	**187,856**	**197,989**	**204,056**
Current	185,307	184,682	188,566	193,715
Non-current	2,612	3,174	9,423	10,341

(i) (i) Represented, mainly, by exclusive investment funds, most the portfolio of which consists of government bonds with yields pegged to SELIC (Central Bank’s policy rate). The portfolio is preferably allocated to highly liquid spot market instruments for all investments.

(ii) Represented primarily by highly liquid treasury financial bills of private banks pegged to CDI.

(iii) Represented mainly by investments whose yields are pegged to SELIC and CDB rates.

The Company and its subsidiaries hold cash investments in Brazil and abroad for the purpose of earning interest on cash, benchmarked to CDI in Brazil, LIBOR for the US dollar-denominated portion, and EURIBOR for the euro-denominated portion.

In thousands of Reais, except where indicated to the contrary

9. ACCOUNTS RECEIVABLE

	PARENT COMPANY[1]		CONSOLIDATED	
	2021	2020	2021	2020 Re-presented
Invoiced Services	3,690,948	1,471,972	4,497,565	4,161,385
Services to be invoiced	449,889	378,225	708,453	1,024,380
Subtotal	**4,140,837**	**1,850,197**	**5,206,018**	**5,185,765**
Expected losses in accounts receivables from customers	(790,553)	(449,627)	(941,064)	(1,044,780)
Total	**3,350,284**	**1,400,570**	**4,264,954**	**4,140,985**

[1] These amounts include balances with related parties pursuant to Note 29 and include balances merged with Telemar (Note 1).

The aging list of receivables is as follows:

	PARENT COMPANY		CONSOLIDATED	
	2021	2020	2021	2020 Re-presented
Due	3,403,538	1,469,935	4,057,307	3,828,322
Overdue up to 60 days	186,816	120,279	359,639	564,145
Overdue from 61 to 90 days	30,842	14,665	78,554	88,377
Overdue from 91 to 120 days	28,734	11,898	70,480	76,252
Overdue from 121 to 150 days	25,073	12,366	74,375	78,409
Overdue above 150 days	465,834	221,054	565,663	550,260
Total	**4,140,837**	**1,850,197**	**5,206,018**	**5,185,765**

Movements in expected losses in accounts receivables from customers are as follows:

	PARENT COMPANY	CONSOLIDATED Re-presented
Balance on 01/01/2020	**(461,957)**	**(773,771)**
Expected losses in accounts receivables from customers	(19,850)	(508,220)
Accounts receivable from customers written off as uncollectible	32,180	314,629
Transfer for assets held for sale		(77,418)
Balance in 2020	**(449,627)**	**(1,044,780)**
Merger Telemar (Note 1)	(287,300)	
Expected losses in accounts receivables from customers	(15,701)	(89,691)
Accounts receivable from customers written off as uncollectible	(37,925)	193,407
Balance in 2021	**(790,553)**	**(941,064)**

In thousands of Reais, except where indicated to the contrary

10. CURRENT AND DEFERRED INCOME TAX

	ASSETS			
	PARENT COMPANY		CONSOLIDATED	
	2021	2020	2021	2020
Current taxes recoverable				
IR recoverable (i)	82,056	10,466	150,009	179,780
CS recoverable (i)	4,820	3	41,792	73,435
IRRF/CS – Withheld tax (ii)	51,560	34,690	105,234	104,906
Total current	**138,436**	**45,159**	**297,035**	**358,121**
Deferred taxes recoverable				
IR and CS on temporary differences [1]	5,665,670	3,724,398	5,758,295	3,671,070
Total non-current	**5,665,670**	**3,724,398**	**5,758,295**	**3,671,070**

[1] See movement table below.

	LIABILITIES			
	PARENT COMPANY		CONSOLIDATED	
	2021	2020	2021	2020
Current taxes collectable				
IR payable			13,452	11,752
CS payable			1,324	630
Total current			**14,776**	**12,382**

(i) They refer mainly to prepaid IR and CS that will be offset against federal taxes.

(ii) IRRF credits on financial investments, derivatives, intragroup loans, government entities, and other amounts that are used as deductions from income tax payable for the years, and social contribution withheld at source on services provided to government agencies.

In thousands of Reais, except where indicated to the contrary

Movement of deferred income tax and social contribution

	PARENT COMPANY				
	Balance at 2020	**Recognized in result of deferred IR/CS**	**Recognized directly in the Net Equity**	**Merger Telemar** (Note 1)	**Balance at 2021**
Deferred taxes assets related to:					
Temporary differences					
Provisions	421,463	(30,330)		540,864	931,997
Tax provision with suspended enforceability	125,495	(96,102)			29,393
Provisions for pension funds	(50,806)	213	5,174	(159,690)	(205,109)
Expected losses in accounts receivables from	167,165	16,604		256,907	440,676
Profits sharing	30,252	(31,338)		3,410	2,324
Exchange rate changes	3,548,033	313,487		1,184,559	5,046,079
Incorporated premium (i)	1,131,992	(292,138)			839,854
Onerous obligation	536,237	390,416		961,672	1,888,325
Leases	13,748	10,079		39,802	63,629
ORA – MTM Derivatives	1,211	(1,137)			74
Other additions and temporary exclusions	217,967	(7,392)		510,414	720,989
Deferred tax on temporary diferences	**6,142,757**	**272,362**	**5,174**	**3,337,938**	**9,758,231**
Tax loss and negative base of CSLL (iii)	4,991,972	1,147,136			6,139,108
Total deferred taxes assets	**11,134,729**	**1,419,498**	**5,174**	**3,337,938**	**15,897,339**
Deferred taxes liabilities					
Temporary differences and IR and CS on surplus value	(1,467,357)	(619,581)		313,425	(1,773,513)
Provision for the recovery value (iii)	(5,942,974)	1,141,355	(5,174)	(3,651,363)	(8,458,156)
Total deferred taxes – Assets (Liabilities)	**3,724,398**	**1,941,272**			**5,665,670**

	CONSOLIDATED			
	Balance at 2020	**Recognized in the result of deferred IR/CS**	**Recognized directly in the Net Equity**	**Balance at 2021**
Deferred taxes assets related to:				
Temporary differences				
Provisions	1,223,404	33,277		1,256,681
Tax provision with suspended enforceability	169,539	(125,482)		44,057
Provisions for pension funds	(211,187)	(991)	6,644	(205,534)
Expected losses in accounts receivables from customers	487,033	57,987		545,020
Profits sharing	133,156	(96,447)		36,709
Exchange rate changes	3,442,455	608,539		4,050,994
Incorporated premium (i)	1,131,992	(292,138)		839,854
Onerous obligation	2,438,425	522,782		2,961,207
Leases	196,332	95,582		291,914
ORA – MTM Derivatives	1,211	(1,137)		74
Other additions and temporary exclusions	1,127,492	75,679		1,203,171
Deferred tax on temporary diferences	**10,139,852**	**877,651**	**6,644**	**11,024,147**
Tax loss and negative base of CSLL (iii)	16,561,970	(3,955,955)		12,606,015
Total deferred taxes assets	**26,701,822**	**(3,078,304)**	**6,644**	**23,630,162**
Deferred taxes liabilities				
Temporary differences and IR and CS on surplus value (ii)	(2,423,808)	510,792		(1,913,016)
Provision for the recovery value (iii)	(20,606,944)	4,654,737	(6,644)	(15,958,851)
Total deferred taxes – Assets (Liabilities)	**3,671,070**	**2,087,225**		**5,758,295**

(i) (i) Refer to: (i) deferred income tax and social contribution assets calculated as tax benefit originating from the goodwill paid on acquisition of the Company and recognized by the merged companies in the course of 2009. The realization of the tax credit arises from the amortization of the goodwill balance based on the STFC license and in the appreciation of property, plant and equipment, the utilization of which is estimated to occur through 2025, and (ii) deferred income tax and social contribution assets originating from the goodwill paid on the acquisition of interests in the Company in 2008-2011, recognized by the companies merged with and into Telemar Participações S.A. ("TmarPart") and by TmarPart merged with and into the Company on September 1, 2015, which was based on the Company's expected future profitability and the amortization of which is estimated to occur through 2025.

(ii) Refers basically to the tax effects on the appreciation of surplus value of fixed and intangible assets, merged from TmarPart.

(iii) The Company regularly tests deferred tax assets for impairment and recognizes an allowance for impairment losses of deferred tax assets when it is probable that these assets will not be realized, based on a statement of expected generation of future taxable income, supported by a technical feasibility study and the matching the estimated annual realization portion of the asset and liability temporary differences. With the publication of Law 14,112, in December 2020, the rule for offsetting Tax Losses and Negative Base of Social Contribution was changed for gains arising from capital gain resulting from the judicial sale of assets or rights and for gains arising from the debt reduction. In these two situations, the 30% limit on taxable income for offsetting the tax loss and negative basis of social contribution is not applied, and the offset of up to 100% of these gains from the total tax loss and negative basis of social contribution is allowed, limited to their total value. Based on this Law, the Company offset 100% of the gains obtained with the sale of UPI Ativos Móveis and UPI InfraCo and with the renegotiation of debts within the scope of judicial reorganization. The allowance for impairment losses is reversed as it becomes probable that taxable income will be available.

Throughout the period, at the time of the merger of Telemar (Note 1), the Company derecognized deferred tax credits on tax loss carryforwards to profit or loss and the corresponding provisions were reversed at the realizable value of these credits, totaling R$6,520,403.

The stock of tax loss carryforwards in Brazil and foreign subsidiaries is approximately R$ 26,464,472 and R$ 14,432,380, and corresponds to R$ 8,997,921 and R$ 3,608,095 in deferred tax assets, respectively, which can be carried forward indefinitely and offset against taxes payable in the future.

Non-levy of IRPJ/CSLL on Selic update of undue tax

On September 24, 2021, the Federal Supreme Court ("STF") unanimously decided, in its ruling on the merits of Appeal RE No. 1.063.187, which sets precedence on Issue No. 962, for the unconstitutionality of the levy of corporate income tax (IRPJ) and social contribution on net income (CSLL) on adjustments made to tax overpayments using SELIC (Central Bank's policy rate) refunded under a court decision. On September 29, 2021, the Court issued the Judgment Minutes but the full decision has not been issued to date.

In thousands of Reais, except where indicated to the contrary

On July 12, 2019, the Company and its subsidiary Oi Móvel filed lawsuits challenging the assessment of IRPJ and CSLL on the amounts corresponding to the SELIC adjustment plus (i) the amounts related to the unduly paid or overpaid taxes that have been refunded as a result of a tax overpayment recovery or administrative offset lawsuit; and (ii) the judicial deposits withdrawn by the companies; also claiming the right to offset the overpaid taxes since July 12, 2014.

With regards to the lawsuit filed by Oi, the court awarded a ruling on October 29, 2020, which was later confirmed in the appellate court in a hearing held on August 13, 2021, leading to the filing of special and extraordinary appeals by the Company, which have not yet been judged. The lawsuit to which Oi Móvel is a party is still pending judgment by the lower court.

Based on the STF's decision, as well as on the legal grounds stated in the Supreme Court's decision, the Company believes it is entitled to claiming deferred IRPJ and CSLL assets totaling approximately R$506 million. The Company believes that the criteria required for recognition of deferred tax assets have been met, but will not have an impact on the interim financial information for the period ended December 31, 2021, due to the existing limitation for purposes of recognizing tax credits.

11. OTHER TAXES

	ASSETS			
	PARENT COMPANY		**CONSOLIDATED**	
	2021	**2020**	**2021**	**2020 Re-presented**
ICMS to be recovered (i)	427,096	221,582	607,065	1,058,081
PIS and COFINS (ii)	483,615	1,153,103	958,160	2,115,486
Others	38,508	74	43,257	98,548
Total	**949,219**	**1,374,759**	**1,608,482**	**3,272,115**
Current	679,337	929,572	897,338	1,823,744
Non-current	269,882	445,187	711,144	1,448,371

	LIABILITIES			
	PARENT COMPANY		**CONSOLIDATED**	
	2021	**2020**	**2021**	**2020 Re-presented**
ICMS	155,852	129,638	331,320	411,472
ICSM Covenant No. 69/1998	65,146	47,476	139,110	136,462
PIS and COFINS (iii)	68,520	274,605	145,443	565,750
FUST/FUNTTEL/Broadcasting (iv)	574,926	258,245	675,550	667,147
Fistel (v)	2,883	654	974,374	488,538
Others (vi)	64,170	13,308	202,727	272,592
Total	**931,497**	**723,926**	**2,468,524**	**2,541,961**
Current	285,756	174,097	1,538,180	1,217,961
Non-current	645,741	549,829	930,344	1,324,000

(i) Recoverable ICMS arises mostly from prepaid taxes and credits claimed on purchases of property, plant and equipment, which can be offset against ICMS payable within 48 months, pursuant to Supplementary Law 102/2000.
(ii) The Company and its subsidiaries filed legal proceedings to claim the right to deduct ICMS from the PIS and COFINS tax bases and the recovery of past unduly paid amounts, within the relevant statute of limitations.

In 2019, the 1st and 2nd Region Federal Courts (Brasília and Rio de Janeiro) issued final and unappealable decisions favorable to the Company on two of the three main lawsuits of the Company relating to the discussion about the non-levy of PIS and COFINS on ICMS.
These credits were cleared for offset by the Federal Revenue Service between May and October 2019 so that the Company has been using them to pay federal taxes due since June 2019. The total amount of the credit was approximately R$3 billion, added to the three lawsuits.

(iii) Represented primarily by the Social Integration Program Tax on Revenue (PIS) and Social Security Funding Tax on Revenue (COFINS) on revenue, financial income, and other income.

(iv) The Company and Oi Móvel filed lawsuits to discuss the correct calculation of the contribution to the FUST and in the course of the lawsuits made escrow deposits to suspend its collection. These discussions are also being judged by higher courts and a possible transformation of the deposited amounts into definitive payments should not occur within two (2) years.

(v) The Company and Oi Móvel, together with other industry companies, filed a lawsuit aiming at removing the obligation to pay the Installation Inspection Fee (TFI) and the Operation Fee (TFF). The court awarded a sentence rejecting the claims, which led to the filing of an appeal, which is still awaiting judgment. Regarding the TFF for the year 2020 and the pending judgment of the aforementioned appeal, a request was made for anticipation of an appeal, granted on March 18, 2020, to suspend the enforceability of the TFF for the year 2020, this request renewed for the year 2021, also granted by decision rendered in March 2021, to maintain the suspension of enforceability until the appeal is judged.

(vi) Represented primarily by inflation adjustment to suspended taxes and withholding tax on intragroup loans and interest on capital.

12. LEGAL DEPOSITS AND BLOCKS

In some situations, the Company makes, as ordered by courts or even at its own discretion to provide guarantees, judicial deposits to ensure the continuity of ongoing lawsuits. These judicial deposits can be required for lawsuits with a likelihood of loss, as assessed by the Company based on the opinion of its legal counselors, as probable, possible, or remote. The Company recognizes in current assets that amount it expects to withdraw from escrow deposits or the amount of escrow deposits it expects to offset against provisions in the coming twelve months.

In thousands of Reais, except where indicated to the contrary

As set forth by relevant legislation, judicial deposits are adjusted for inflation.

	PARENT COMPANY[1]		CONSOLIDATED	
	2021	**2020**	**2021**	**2020**
Civil (i)	2,274,259	2,718,735	2,461,938	4,433,968
Tax	1,848,773	888,000	1,926,137	1,985,621
Labor	673,637	344,990	895,767	902,294
Subtotal:	**4,796,669**	**3,951,725**	**5,283,842**	**7,321,883**
Estimated loss	(47,927)	(15,233)	(63,472)	(28,048)
Total	**4,748,742**	**3,936,492**	**5,220,370**	**7,293,835**
Current	933,644	716,047	1,181,457	1,095,827
Non-current	3,815,098	3,220,445	4,038,913	6,198,008

[1]The parent company's balances in 2021 include the judicial deposits of Telemar merged in May 2021 (Note 1).

(i) The reduction made in the period results mainly from the transfer of judicial deposits to the regulatory agency ANATEL, in accordance with the provisions of the Amendment to the PRJ and the transaction agreement signed, based on the provisions of Law 13988/2020 (Notes 1 and 18).

13. PREPAID EXPENSES

	PARENT COMPANY		CONSOLIDATED	
	2021	**2020**	**2021**	**2020 Re-presented**
Costs incurred in fulfilling contracts (IFRS 15) (i)	337,886	187,927	723,967	592,543
Publicity and advertising	6,699	511	8,792	20,928
Insurances	31,573	12,245	38,307	46,780
Bank suretyship	30,695	5,860	34,760	24,956
Others	279,766	103,496	114,675	110,272
Total	**686,619**	**310,039**	**920,501**	**795,479**
Current	548,157	233,952	577,803	491,380
Non-current	138,462	76,087	342,698	304,099

(i) Represented by commission expenses incurred in fulfilling contracts. The movements in the period are as follows:

	PARENT COMPANY	CONSOLIDATED Re-presented
Balance on 01/01/2020	**236,319**	**1,016,337**
Incurred costs	103,847	838,248
Appropriation of income	(152,239)	(789,087)
Transfer for assets held for sale		(472,955)
Balance in 2020	**187,927**	**592,543**
Merger Telemar (Note 1)	251,837	
Incurred costs	154,391	1,084,666
Appropriation of income	(256,269)	(953,242)
Balance in 2021	**337,886**	**723,967**

In thousands of Reais, except where indicated to the contrary

14. OTHER ASSETS

	PARENT COMPANY[1]		CONSOLIDATED	
	2021	2020	2021	2020 Re-presented
Sureties with related parties		60,340		
Credits receivable (i)	204,316	89,620	204,440	427,451
Advances to and amounts recoverable from suppliers	395,449	69,480	316,935	298,459
Amounts receivable from the sale of property, plant and equipment items	223,019	84,031	223,019	308,803
Amounts receivable	323,446	54,145	124,156	177,626
Amounts receivable from disposition of investment (ii)	46,302		85,319	
Advances to employees	29,188	16,802	53,259	48,545
Others	113,057	38,587	143,743	93,303
Total	**1,334,777**	**413,005**	**1,150,871**	**1,354,187**
Current	875,092	346,445	736,670	756,515
Non-current	459,685	66,560	414,201	597,672

[1]The balances of parent company in 2021 include the balances merged from Telemar (Note 1).

(i) The credits receivable from Fundação Sistel arise from the Company's interest in the distribution of the PBS-A plan surplus, duly approved by the National Pension Plan Authority (PREVIC). On December 31, 2021, the Company had claim to eleven (11) installments receivable that are adjustable according to the Plan's profitability.

(ii) Amounts receivable arising from the sale of the UPI Data Center (Note 1, item 3).

15. INVESTMENTS

	PARENT COMPANY		CONSOLIDATED	
	2021	2020	2021	2020
Investment in controlled companies	6,209,496	7,339,368		
Joint Business	22,139		22,139	25,081
Investment in affiliates				50,799
Tax incentives, net of allowances for losses		10,273		31,876
Other investments		3,799	4,933	15,823
Total	**6,231,635**	**7,353,440**	**27,072**	**123,579**

In thousands of Reais, except where indicated to the contrary

Summary of the movements in investment balances

	PARENT COMPANY	CONSOLIDATED
Balance on 01/01/2020	**14,497,222**	**133,765**
Equity method (i)	(9,460,467)	(1,378)
Capital increase in subsidiary	2,262,121	
Reclassification from/to held for sale	58,966	
Dividends	(4,402)	
Others		(8,808)
Balance in 2020	**7,353,440**	**123,579**
Equity method (i)	(4,226,695)	(1,810)
Transfer to excess of liabilities over assets	1,077,599	
Capital increase - BrT Multimídia (ii)	7,855,043	
Merger Telemar (iii)	(2,246,708)	
Dividends	(7,151)	
Investment reduction (iv)	(116,250)	(94,697)
Reclassification held for sale (v)	(3,457,643)	
Balance in 2021	**6,231,635**	**27,072**

(i) Composition shown below.
(ii) Capital increase in Brt Multimídia, substantially, through the transfer of assets, liabilities and rights related to the operation of fiber optic networks of SPE InfraCo (Note 16).
(iii) Merger of Telemar by the Company in May 2021. (Note 1).
(iv) Substantially written-off investments due to the disposals of subsidiary Drammen (UPI Data Center) and affiliate Hispamar, R$36,774 and R$52,941, respectively.
(v) Reclassification of assets held for sale from assets held in UPI InfraCo (by the percentage of 57.9% to be sold) and UPI Ativos Móveis, via direct investment in Oi Móvel, in view of meeting the criteria for recognition as assets held for sale (Note 31).

The main data related to direct equity interests in subsidiaries, for equity accounting purposes, are as follows:

			PARENT COMPANY				
			2021				
			Quantity in thousands of shares			Interest - %	
Controlled companies and Joint Business	Owners' equity	Profit (Loss) net for the year	Common	Preferred	Membership interests	Total Capital	Voting Capital
Telemar		(1,666,575)					
Rio Alto	3,982	143	215,538,129	215,538,129		100	100
Oi Holanda	(2,366,739)	(320,851)	100			100	100
Oi Serviços Financeiros	1,998	2,663	799			100	100
PTIF	(4,673,136)	(748,760)	0.042			100	100
CVTEL	(5,224)	(267)	18			100	100
Carrigans	148		0.100			100	100
Serede	(349,545)	(98,134)	24,431,651			99.12	99.12
PT Participações	404,797	90,508	1,000,000			100	100
Drammen		3,601					
Oi Móvel	(1,077,599)	(5,446,049)	14,209,581			100	100
BrT Serviços Financeiros	667	16			7,499,999	100	100
BrT Call Center	(52,903)	(10,587)		22,370		100	100
BrT Multimídia	10,846,925	(719,145)	2,066,887			68.34	68.34
Hispamar		(8,887)					
AIX	18,714	1,436	298,563			50	50

			PARENT COMPANY			
			2020			
			Quantity in thousands of shares		Interest - %	
Controlled companies	Owners' equity	Profit (Loss) net for the year	Common	Preferred	Total Capital	Voting Capital
Telemar	7,156,690	(10,067,385)	154,032,213	190,464,750	100	100
Rio Alto	3,908	29	215,538,129	215,538,129	100	100
Oi Holanda	(2,045,888)	(552,359)	100		100	100
Oi Serviços Financeiros	2,970	3,958	799		100	100
PTIF	(3,924,376)	(1,004,957)	0.042		100	100
CVTEL	(3,297)	(828)	18		100	100
Carrigans	147		0.100		100	100
Serede	(251,411)	65,409	24,431,651		17.51	17.51
PT Participações (*) (i)	229,466	99,751	1,000,000		100	100
Drammen	79,524	16,249	30,847,363		48.37	48.37

In thousands of Reais, except where indicated to the contrary

	Equity method		Investment Value		Provision for negative equity	
Controlled companies and Joint Business	**2021**	**2020 Re-presented**	**2021**	**2020**	**2021**	**2020**
Telemar	(618,123)	(10,067,385)		7,156,690		
Rio Alto	143	29	3,982	3,908		
Oi Holanda	(320,851)	(552,359)			2,366,739	2,045,888
Oi Serviços Financeiros	2,663	3,958	1,998	2,970		
PTIF	(748,760)	(1,004,957)			4,673,136	3,924,376
CVTEL	(230)	(264)			5,224	3,297
Carrigans			148	147		
Serede	(55,164)	11,453			346,470	44,022
PT Participações	90,508	99,751	404,797	229,466		
Drammen	1,742	5,977		38,466		
Oi Móvel	(4,311,147)				1,077,599	
BrT Serviços Financeiros	13		667			
BrT Call Center	(7,939)				52,903	
BrT Multimídia	329,371		7,412,788			
Hispamar	(1,060)					
AIX	(2,255)		22,139			
Unrealized result with investees	(128,263)	10,474	(212,487)	(35,075)		
Result of discontinued operations	(1,062,298)	(16,071)				
Equivalence of continued operation in the result (Note 5)	**(6,831,650)**	**(11,509,394)**				
Exchange variation on equity method	84,823					
Equity method in the provision for negative shareholders' equity (i)	1,132,945	1,546,127				
Reflective equivalence on other comprehensive results	324,889	473,184				
Result of discontinued operations	1,062,298	16,071				
Reclassification for assets held for sale		13,545	(1,402,397)	(57,204)		
Total	**(4,226,695)**	**(9,460,467)**	**6,231,635**	**7,339,368**	**8,522,071**	**6,017,583**

(i) Represented by equity in the subsidiaries Oi Holanda, PTIF, CVTEL, BrT Call Center, and Serede.

In thousands of Reais, except where indicated to the contrary

Summarized financial information

	2021		
Controlled companies and Joint Business	**Assets**	**Liabilities**	**Revenues**
Telemar (1)			1,402,121
Oi Holanda (1)	2,959,813	5,326,552	
PTIF (1)	2,147,064	6,820,200	
Rio Alto	5,541	1,559	
Oi Serviços Financeiros	13,341	11,343	464
CVTEL	4	5,228	
Serede	1,116,527	1,466,072	1,932,630
PT Participações	584,799	180,002	216,319
Drammen			18,348
Oi Móvel	26,241,946	27,319,545	10,550,966
BrT Serviços Financeiros	686	19	
BrT Call Center	145,787	198,690	435,029
BrT Multimídia	18,933,258	8,086,333	3,001,796
AIX	46,586	27,872	55,872

(1) Amounts adjusted for consolidation and equity accounting purposes

	2020		
Controlled companies	**Assets**	**Liabilities**	**Revenues**
Telemar (1)	30,029,239	22,872,549	4,985,552
Oi Holanda (1)	2,208,027	4,253,915	
PTIF (1)	1,665,144	5,589,520	
Rio Alto	5,386	1,478	
Oi Serviços Financeiros	14,303	11,333	586
CVTEL		3,297	
Serede	1,305,345	1,556,756	2,272,019
PT Participações	716,476	487,010	218,893
Drammen	107,558	28,034	40,481

(1) Amounts adjusted for consolidation and equity accounting purposes

In thousands of Reais, except where indicated to the contrary

16. FIXED ASSETS

	PARENT COMPANY							
	Works in Progress	Automatic switching equipment	Transmission and other equipment [(1)]	Infrastructure	Buildings	Right of use - leases	Other assets	Total
Fixed assets cost (gross value)								
Balance on 01/01/2020	**92,241**	**6,308,419**	**25,260,963**	**6,843,588**	**1,796,985**	**709,740**	**2,297,906**	**43,309,842**
Corporate Restructuring			(1,197)	(11,314)	(50,005)		(16,483)	(78,999)
Contractual changes						21,533		21,533
Additions	810,522		232,763		2,307	152,021	3,156	1,200,769
Write-off	(7,560)	(35)	(269,297)	(309)	(17,368)	(88,792)	(1,847)	(385,208)
Transfers	(648,106)	234,635	1,333,196	(301,672)	14,688		(632,741)	
Balance in 2020	**247,097**	**6,543,019**	**26,556,428**	**6,530,293**	**1,746,607**	**794,502**	**1,649,991**	**44,067,937**
Merger Telemar (Note 1)	924,917	10,309,857	38,837,650	9,711,658	2,221,012	2,225,160	2,409,449	66,639,703
Corporate Restructuring (i)	(425,478)	(1,812)	(14,861,736)	(7,616,240)	(324,436)		(43,880)	(23,273,582)
Contractual changes						78,273		78,273
Additions	1,793,502	(269)	221,949	69,227	230	190,706	10,078	2,285,423
Write-off	(11,708)		(274,728)	(24,702)	(67,566)	(72,351)	(3,064)	(454,119)
Transfers	(1,634,195)	(25,096)	1,385,278	167,684	43,315		63,014	
Balance in 2021	**894,135**	**16,825,699**	**51,864,841**	**8,837,920**	**3,619,162**	**3,216,290**	**4,085,588**	**89,343,635**
Accumulated depreciation								
Balance on 01/01/2020		**(6,224,607)**	**(21,836,073)**	**(4,786,367)**	**(1,513,000)**	**(50,609)**	**(1,778,675)**	**(36,189,331)**
Corporate Restructuring			645	3,492	32,138		11,877	48,152
Expense of depreciation		(24,116)	(825,256)	(114,631)	(24,230)	(75,361)	(51,723)	(1,115,317)
Write-off		35	107,389	208	17,043	10,873	1,843	137,391
Transfers		(229,768)	318,851	(438,981)	(42,108)		392,006	
Balance in 2020		**(6,478,456)**	**(22,234,444)**	**(5,336,279)**	**(1,530,157)**	**(115,097)**	**(1,424,672)**	**(37,119,105)**
Merger Telemar (Note 1)		(10,129,808)	(30,309,241)	(7,112,428)	(1,889,348)	(371,179)	(2,025,704)	(51,837,708)
Corporate Restructuring (i)		2	9,471,794	5,491,697	259,783		33,583	15,256,859
Expense of depreciation		(50,033)	(1,357,395)	(251,880)	(45,871)	(244,225)	(108,558)	(2,057,962)
Write-off			236,242	24,557	57,709	31,025	2,238	351,771
Transfers		45,454	(49,862)	3,909	71		428	
Balance in 2021		**(16,612,841)**	**(44,242,906)**	**(7,180,424)**	**(3,147,813)**	**(699,476)**	**(3,522,685)**	**(75,406,145)**
Net fixed assets								
Balance in 2020	**247,097**	**64,563**	**4,321,984**	**1,194,014**	**216,450**	**679,405**	**225,319**	**6,948,832**
Balance in 2021	**894,135**	**212,858**	**7,621,935**	**1,657,496**	**471,349**	**2,516,814**	**562,903**	**13,937,490**
Annual depreciation rate (average)		10%	12%	10%	9%	8%	15%	

(1) Transmission and other equipment include transmission and data communication equipment.

(i) Reduction through, substantially, the transfer of assets incorporated by the subsidiary Brt Multimídia, via capital increase, in relation to the process of segregation of assets, liabilities and rights related to the operation of fiber optic networks of SPE InfraCo (Note 15).

In thousands of Reais, except where indicated to the contrary

	CONSOLIDATED							
	Works in Progress	**Automatic switching equipment**	**Transmission and other equipment [(1)]**	**Infrastructure**	**Buildings**	**Right of use - leases**	**Other assets**	**Total**
Fixed assets cost (gross value)								
Balance on 01/01/2020	**2,158,327**	**20,213,536**	**67,333,635**	**31,993,328**	**4,236,477**	**8,835,501**	**6,806,796**	**141,577,600**
Contractual changes						809,262		809,262
Additions	7,155,675	53	477,901	47,905	5,468	1,515,130	111,222	9,313,354
Losses expenses with impairment			(329,330)					(329,330)
Write-off (i)	(86,181)	(595)	(608,648)	(2,069)	(20,001)	(1,251,088)	(4,855)	(1,973,437)
Transfers	(7,077,897)	331,961	6,957,110	363,356	36,947		(611,477)	
Transfer for assets held for sale (ii)	(197,009)	(3,338,828)	(21,317,530)	(1,686,315)	(117,406)	(6,321,774)	(1,432,213)	(34,411,075)
Balance in 2020 - Re-presented	**1,952,915**	**17,206,127**	**52,513,138**	**30,716,205**	**4,141,485**	**3,587,031**	**4,869,473**	**114,986,374**
Contractual changes						124,279		124,279
Additions	2,880,577	5,577	256,380	159,576	950	513,483	54,914	3,871,457
Losses expenses with impairment			(106,538)					(106,538)
Write-off	(28,907)	(62,734)	(453,080)	(75,282)	(67,576)	(330,017)	(11,890)	(1,029,486)
Transfers	(3,317,359)	56,406	2,902,387	226,130	40,946		91,490	
Transfer for assets held for sale (ii)	(4,652)	60,605	(15,628,755)	(7,048,553)	(291,101)	(24,378)	(122,649)	(23,059,483)
Balance in 2021	**1,482,574**	**17,265,981**	**39,483,532**	**23,978,076**	**3,824,704**	**3,870,398**	**4,881,338**	**94,786,603**
Accumulated depreciation								
Balance on 01/01/2020		**(19,211,934)**	**(50,355,582)**	**(23,495,796)**	**(2,726,033)**	**(929,910)**	**(5,947,511)**	**(102,666,766)**
Expense of depreciation		(268,439)	(3,882,008)	(432,887)	(89,845)	(1,061,116)	(234,318)	(5,968,613)
Write-off		594	410,528	975	18,373	215,188	4,479	650,137
Transfers		(177,601)	418,437	(611,211)	(43,369)		413,744	
Transfer for assets held for sale (ii)		2,753,280	10,895,034	1,230,377	73,177	1,097,308	1,192,238	17,241,414
Balance in 2020 - Re-presented		**(16,904,100)**	**(42,513,591)**	**(23,308,542)**	**(2,767,697)**	**(678,530)**	**(4,571,368)**	**(90,743,828)**
Expense of Depreciation (ii)		(103,821)	(2,078,894)	(452,473)	(84,971)	(462,295)	(196,859)	(3,379,313)
Write-off		61,892	407,534	74,070	57,710	175,407	2,343	778,956
Transfers		(537)	93	(249)	428		265	
Transfer for assets held for sale (ii)		(25,130)	9,244,715	5,166,893	247,071	252	116,304	14,750,105
Balance in 2021		**(16,971,696)**	**(34,940,143)**	**(18,520,301)**	**(2,547,459)**	**(965,166)**	**(4,649,315)**	**(78,594,080)**
Net fixed assets								
Balance in 2020 - Re-presented	**1,952,915**	**302,027**	**9,999,547**	**7,407,663**	**1,373,788**	**2,908,501**	**298,105**	**24,242,546**
Balance in 2021	**1,482,574**	**294,285**	**4,543,389**	**5,457,775**	**1,277,245**	**2,905,232**	**232,023**	**16,192,523**
Annual depreciation rate (average)		10%	12%	10%	9%	11%	15%	

(1) Transmission and other equipment include transmission and data communication equipment.

(i) They refer basically to the impacts arising from the sale of UPI Towers.

In thousands of Reais, except where indicated to the contrary

(ii) Represented basically by assets of the UPIs transferred to held-for-sale assets (Note 31 (a.1)).

(iii) It considers the amount of R$295,537 reclassified to profit or loss from discontinued operations (Note 31 (a.2)).

Additional information

Pursuant to ANATEL's concession agreements, the property, plant and equipment items of the Concessionaires that are indispensable for the provision of the Switched Fixed-line Telephony Services ("STFC") provided for in said agreements are considered returnable assets.

On December 31, 2021, the residual balance of the Company's returnable assets is R$6,092,717 (2020 – R$ 2,970,354) and consists of assets and installations in progress, switching and transmission equipment, payphones, outside network equipment, power equipment, and systems and operation support equipment. On a consolidated basis, this balance amounts to R$8,328,195 (2020 - R$ 9,095,320).

In the period ended December 31, 2021, financial charges and transaction costs incurred on works in progress were capitalized at the average rate of 7% per year.

Movements in the rights of use - leases

	PARENT COMPANY					
	Towers	**Physical Space**	**Vehicles**	**Real estate properties**	**Distributed energy**	**Total**
Lease cost (gross value)						
Balance on 01/01/2020	**644,082**	**39,302**	**24,806**	**1,550**		**709,740**
Contractual changes	25,151	(3,316)		(302)		21,533
Additions	33,430	86,427	32,104	60		152,021
Write-off	(25,652)	(59,920)	(3,220)			(88,792)
Balance in 2020	**677,011**	**62,493**	**53,690**	**1,308**		**794,502**
Merger Telemar (Note 1)	1,921,298	254,857		24,061	24,944	2,225,160
Contractual changes	92,376	(6,050)	220	(8,293)	20	78,273
Additions	29,344	160,960	397	5		190,706
Write-off	(7,228)	(25,918)	(28,680)		(10,525)	(72,351)
Balance in 2021	**2,712,801**	**446,342**	**25,627**	**17,081**	**14,439**	**3,216,290**
Accumulated depreciation						
Balance on 01/01/2020	**(41,441)**	**(5,814)**	**(3,143)**	**(211)**		**(50,609)**
Expense of depreciation	(49,194)	(14,428)	(11,558)	(181)		(75,361)
Write-off	2,276	7,728	869			10,873
Balance in 2020	**(88,359)**	**(12,514)**	**(13,832)**	**(392)**		**(115,097)**
Merger Telemar (Note 1)	(272,020)	(86,539)		(11,355)	(1,265)	(371,179)
Expense of depreciation	(152,261)	(60,678)	(26,639)	(3,910)	(737)	(244,225)
Write-off	1,134	9,754	19,836		301	31,025
Balance in 2021	**(511,506)**	**(149,977)**	**(20,635)**	**(15,657)**	**(1,701)**	**(699,476)**
Net right of use						
Balance in 2020	**588,652**	**49,979**	**39,858**	**916**		**679,405**
Balance in 2021	**2,201,295**	**296,365**	**4,992**	**1,424**	**12,738**	**2,516,814**

In thousands of Reais, except where indicated to the contrary

	CONSOLIDATED						
	Towers	**Physical Space**	**Shops**	**Vehicles**	**Real estate properties**	**Distributed energy**	**Total**
Lease cost (gross value)							
Balance on 01/01/2020	**7,883,920**	**475,054**	**129,014**	**259,266**	**88,247**		**8,835,501**
Contractual changes	747,366	7,717	19,058	22,267	12,849	5	809,262
Additions	909,795	490,945	3,047	77,281	9,123	24,939	1,515,130
Write-off	(807,203)	(335,869)	(2,523)	(92,372)	(13,121)		(1,251,088)
Transfer for assets held for sale (i)	(6,156,519)	(165,203)			(52)		(6,321,774)
Balance in 2020	**2,577,359**	**472,644**	**148,596**	**266,442**	**97,046**	**24,944**	**3,587,031**
Contractual changes	114,503	14,790	30,387	1,375	(37,843)	1,067	124,279
Additions	29,346	333,264		107,867	32,596	10,410	513,483
Write-off	(8,404)	(40,377)	(6,361)	(246,040)	(18,309)	(10,526)	(330,017)
Transfer for assets held for sale	(4,225)	(20,153)					(24,378)
Balance in 2021	**2,708,579**	**760,168**	**172,622**	**129,644**	**73,490**	**25,895**	**3,870,398**
Accumulated depreciation							
Balance on 01/01/2020	**(724,263)**	**(88,929)**	**(29,876)**	**(67,759)**	**(19,083)**		**(929,910)**
Expense of depreciation	(781,439)	(119,913)	(32,572)	(103,997)	(22,296)	(899)	(1,061,116)
Write-off	103,120	63,285	684	45,556	2,543		215,188
Transfer for assets held for sale (i)	1,074,383	22,886			39		1,097,308
Balance in 2020	**(328,199)**	**(122,671)**	**(61,764)**	**(126,200)**	**(38,797)**	**(899)**	**(678,530)**
Expense of depreciation	(184,802)	(125,184)	(36,389)	(99,084)	(15,106)	(1,730)	(462,295)
Write-off	1,497	13,198	3,126	145,349	11,936	301	175,407
Transfer for assets held for sale	(10,686)	10,938					252
Balance in 2021	**(522,190)**	**(223,719)**	**(95,027)**	**(79,935)**	**(41,967)**	**(2,328)**	**(965,166)**
Net right of use							
Balance in 2020	**2,249,160**	**349,973**	**86,832**	**140,242**	**58,249**	**24,045**	**2,908,501**
Balance in 2021	**2,186,389**	**536,449**	**77,595**	**49,709**	**31,523**	**23,567**	**2,905,232**

(i) Represented basically by assets of the UPIs transferred to held-for-sale assets (Note 31).

In thousands of Reais, except where indicated to the contrary

17. INTANGIBLE ASSETS

	PARENT COMPANY				
	Intangible at formation	**Data processing systems**	**Regulatory licenses**	**Others**	**Total**
Intangible assets cost (gross value)					
Balance on 01/01/2020	**12,489**	**2,596,764**	**14,477,394**	**474,962**	**17,561,609**
Additions	104			41	145
Transfers	(12,509)	(31,360)	739	43,130	
Balance in 2020	**84**	**2,565,404**	**14,478,133**	**518,133**	**17,561,754**
Merger Telemar (Note 1)	10	2,694,123		379,141	3,073,274
Corporate Restructuring	16	(3,806)			(3,790)
Additions	58,627	12		69	58,708
Transfers	(58,737)	58,737			
Balance in 2021		**5,314,470**	**14,478,133**	**897,343**	**20,689,946**
Accrued amortization					
Balance on 01/01/2020		**(2,544,197)**	**(12,251,607)**	**(461,434)**	**(15,257,238)**
Amortization expenses		(15,497)	(371,294)	(2,055)	(388,846)
Reversal of losses with impairment			1,129,708		1,129,708
Transfers			1,974	(1,974)	
Balance in 2020		**(2,559,694)**	**(11,491,219)**	**(465,463)**	**(14,516,376)**
Merger Telemar (Note 1)		(2,685,038)		(367,700)	(3,052,738)
Corporate Restructuring		3,790			3,790
Amortization expenses		(13,895)	(597,235)	(3,611)	(614,741)
Reversal of losses with impairment			1,017,506		1,017,506
Balance in 2021		**(5,254,837)**	**(11,070,948)**	**(836,774)**	**(17,162,559)**
Net intangible assets					
Balance in 2020	**84**	**5,710**	**2,986,914**	**52,670**	**3,045,378**
Balance in 2021		**59,633**	**3,407,185**	**60,569**	**3,527,387**
Annual amortization rate (average)		20%	20/%	23%	

In thousands of Reais, except where indicated to the contrary

	CONSOLIDATED				
	Intangible at formation	**Data processing systems**	**Regulatory licenses**	**Others**	**Total**
Intangible assets cost (gross value)					
Balance on 01/01/2020	**12,364**	**9,400,583**	**18,602,742**	**1,922,834**	**29,938,523**
Additions	258,073	1,324		28,016	287,413
Write-off		(60,216)			(60,216)
Transfers	(261,326)	98,060	(117,764)	281,030	
Transfer for assets held for sale (i)		(1,970,354)	(3,812,085)	(1,211,048)	(6,993,487)
Balance in 2020 - Re-presented	**9,111**	**7,469,397**	**14,672,893**	**1,020,832**	**23,172,233**
Additions	161,728	31,898		6,539	200,165
Write-off		(36,455)	(17)	(12,225)	(48,697)
Transfers	(168,539)	169,683		(1,144)	
Transfer for assets held for sale (i)	(84)	(262,861)	26,553	23,972	(212,420)
Balance in 2021	**2,216**	**7,371,662**	**14,699,429**	**1,037,974**	**23,111,281**
Accrued amortization					
Balance on 01/01/2020		**(8,498,327)**	**(15,635,036)**	**(1,807,295)**	**(25,940,658)**
Amortization expenses		(322,566)	(518,590)	(67,470)	(908,626)
Reversal of losses expenses with impairment			1,129,708		1,129,708
Write-off		12,191			12,191
Transfers			1,974	(1,974)	
Transfer for assets held for sale (i)		1,856,407	3,328,365	1,048,280	6,233,052
Balance in 2020 - Re-presented		**(6,952,295)**	**(11,693,579)**	**(828,459)**	**(19,474,333)**
Amortization expenses		(285,398)	(597,258)	(17,874)	(900,530)
Reversal of losses expenses with impairment			1,017,506		1,017,506
Write-off		37,732		10,237	47,969
Transfer for assets held for sale (i)		245,409	(26,463)	(15,454)	203,492
Balance in 2021		**(6,954,552)**	**(11,299,794)**	**(851,550)**	**(19,105,896)**
Net intangible assets					
Balance in 2020 - Re-presented	**9,111**	**517,102**	**2,979,314**	**192,373**	**3,697,900**
Balance in 2021	**2,216**	**417,110**	**3,399,635**	**186,424**	**4,005,385**
Annual amortization rate (average)		20%	20%	23%	

(i) Represented basically by assets of the UPIs transferred to held-for-sale assets (Note 31).

In thousands of Reais, except where indicated to the contrary

18. SUPPLIERS

	PARENT COMPANY[1]		CONSOLIDATED	
	2021	2020	2021	2020 Re-presented
ANATEL (*)	5,576,284	2,253,571	5,854,157	7,054,295
Services	2,397,377	589,789	1,973,827	1,506,987
Infrastructure, network and plant maintenance materials	209,659	455,787	1,748,495	2,459,582
Pole rental and right of way	383,629	85,504	494,778	115,154
Others	105,189	27,464	356,616	314,333
Adjustment at present value (**)	(2,440,133)	(997,567)	(2,619,460)	(3,122,689)
Total	**6,232,005**	**2,414,548**	**7,808,413**	**8,327,662**
Current	2,688,581	970,071	4,029,297	3,306,690
Non-current	3,543,424	1,444,477	3,779,116	5,020,972
Suppliers subject to Judicial Reorganization	4,162,625	1,594,060	4,434,299	5,686,076
Suppliers not subject to Judicial Reorganization	2,069,380	820,488	3,374,114	2,641,586
Total	**6,232,005**	**2,414,548**	**7,808,413**	**8,327,662**

[1] These amounts include balances with related parties pursuant to Note 29 and merger of subsidiary Telemar on May 2021 (Note 1).

(*) Regulatory Agency's claim pursuant to the Amendment to the PRJ, the amount of which recognized as enforceable debt was the subject matter of the Operation Agreement entered into pursuant to Law 13988/2020 (Note 1). The reduction in the period is mainly due to the reduction in liabilities resulting from the conversion into income of escrow deposits in favor of ANATEL (Note 12).

(**) The calculation takes into consideration the contractual flows provided for in the PRJ and the Operation Agreement entered into with ANATEL, discounted using rates that range from 14.9% per year to 17.2% per year considering the maturities of each liability (ANATEL and other payables).

Maturity schedule of long-term suppliers

	PARENT COMPANY	CONSOLIDATED
2023	59,263	41,909
2024	1,350,704	1,392,853
2025	1,346,179	1,395,729
2026	1,499,616	1,560,709
2027 to 2030	1,251,935	1,303,076
2031 and subsequent years	446,220	610,471
Adjustment at present value (**)	(2,410,493)	(2,525,631)
Total non-current	**3,543,424**	**3,779,116**

In thousands of Reais, except where indicated to the contrary

19. LOANS AND FINANCING

Loans and Financing by nature

	PARENT COMPANY[1]		CONSOLIDATED			
					Contractual expiration	
	2021	2020	2021	2020	Principal	Interest
Senior Notes foreign currency	9,664,934	9,000,226	14,876,979	9,000,226	Jul/2026	Biannual
Debentures						
Public	7,522,196	4,666,043	7,522,196	7,267,752	Aug/2023 to	Biannual
Private			2,199,882	3,583,906	May/2023	Monthly
Financial Institutions						
National currency						
BNDES	3,232,633	1,089,195	4,586,453	4,256,709	Mar/2024 to	Monthly
Others	1,989,169	604,641	2,170,694	2,102,188	Apr/2021 to	Monthly and
Foreign currency	9,644,474	1,256,636	9,644,474	8,825,443	Aug/2023 to	Biannual
Multilateral foreign currency financing	561,244	492,674	561,244	492,674	Aug/2024 to Feb/2030	Biannual
General Offer						
National currency	207,006	151,988	207,035	207,035	Feb/2038 to Feb/2042	Single Installment
Foreign currency	1,506,797	1,423,268	5,894,241	5,782,888	Feb/2038 to Feb/2042	
Loan with subsidiaries (Note 29)	25,201,896	25,751,080				
Subtotal	**59,530,349**	**44,435,751**	**47,663,198**	**41,518,821**		
Transaction cost incurred	(11,031)	(11,217)	(115,024)	(27,103)		
Debts discount (*)	(34,086,096)	(29,489,508)	(14,565,056)	(15,147,984)		
Total	**25,433,222**	**14,935,026**	**32,983,118**	**26,343,734**		
Current	436,240	408,027	2,900,410	424,957		
Non-current	24,996,982	14,526,999	30,082,708	25,918,777		

[1]The parent company's balances in 2021 include the loans and financing of Telemar merged in May 2021 (Note 1).
(*) The calculation takes into account the contractual flows provided for in the PRJ, discounted at rates that vary between 12.6% p.a. and 16.4% p.a. depending on the respective maturities and currency of each instrument

Cost of transactions per nature

	PARENT COMPANY		CONSOLIDATED	
	2021	2020	2021	2020
Financial Institutions	10,506	10,927	94,568	12,437
Debentures	525	290	20,456	14,666
Total	**11,031**	**11,217**	**115,024**	**27,103**
Current	1,386	1,385	39,550	14,402
Non-current	9,645	9,832	75,474	12,701

Composition of debt by currency

	PARENT COMPANY		CONSOLIDATED	
	2021	2020	2021	2020
Euro	1,435,361	1,086,527	735,717	590,083
US Dollar (*)	15,014,918	9,747,316	19,615,115	16,251,663
Brazilian Reais	8,982,943	4,101,183	12,632,286	9,501,988
Total	**25,433,222**	**14,935,026**	**32,983,118**	**26,343,734**

(*) It considers Oi Móvel's First Issue Private Debenture. Even though this is a local debt, denominated in Brazilian reais, it is compounded on a daily basis based on the US dollar (US$) foreign exchange rate.

In thousands of Reais, except where indicated to the contrary

Composition of debt by index

	Index/Rate	PARENT COMPANY 2021	PARENT COMPANY 2020	CONSOLIDATED 2021	CONSOLIDATED 2020
Pre-fixed rate	1.75% p.a. – 13.61% p.a.	14,083,749	9,092,617	21,432,821	15,980,649
CDI	80% CDI	5,705,664	2,921,511	5,781,082	5,184,615
TJLP	2.95% p.a. + TJLP	3,232,139	1,088,926	4,585,465	4,255,632
TR	0% p.a.	38,992	22,633	38,998	30,830
Others	0% p.a.	2,372,678	1,809,339	1,144,752	892,008
Total		**25,433,222**	**14,935,026**	**32,983,118**	**26,343,734**

Maturity schedule of the long-term debt and debt issuance costs allocation schedule

	Long-Term Debt		Transaction cost		Debts discount	
	PARENT COMPANY	CONSOLIDATED	PARENT COMPANY	CONSOLIDATED	PARENT COMPANY	CONSOLIDATED
	2021					
2023	380,477	385,674	1,808	20,085	1,456,060	1,112,652
2024	896,742	949,670	1,808	20,085	1,461,890	1,118,579
2025	10,248,560	10,300,905	1,231	19,508	1,382,886	1,039,556
2026	935,027	5,939,797	422	11,102	1,270,416	927,027
2027 and subsequent years	46,631,917	27,147,192	4,376	4,694	28,514,844	10,367,242
Total	**59,092,723**	**44,723,238**	**9,645**	**75,474**	**34,086,096**	**14,565,056**

Movements of loans and financing

	2020	Fundraising	Interest and inflation adjustment and foreign exchange rate change	Amortization of debts discount	Payment of principal and interests	Payment of taxes and others	Transfers and others	2021
Loans and Financing	41,518,821	6,465,317	4,495,287		(4,669,436)	(165,988)	19,197	47,663,198
Debts discount	(15,147,984)		(660,288)	1,243,216				(14,565,056)
Transaction cost	(27,103)						(87,921)	(115,024)
Total Loans and Financing	**26,343,734**	**6,465,317**	**3,834,999**	**1,243,216**	**(4,669,436)**	**(165,988)**	**(68,724)**	**32,983,118**

On December 23, 2019, Oi Móvel entered into a 1st issue indenture of collateralized, simple, nonconvertible debentures, with additional trust security, in a single series, for private placement, in the total amount of up to R$2,500,000,000.00 (“Oi Móvel 1st Issue Debentures”, “Oi Móvel 1st Issue”, and “Oi Móvel 1st Issue Indenture”, respectively), pursuant Clause 5.3 of the Original Judicial Reorganization Plan. Oi Móvel’s 1st Issue Debentures were paid in on February 4, 2020 and were settled on July 30, 2021.

As mentioned in Note 1, section Financing provided for in the Amendment to the PRJ, on June 21, 2021, Oi Móvel signed an indenture of the issue of nonconvertible, collateralized debentures, with additional fiduciary guarantee, in a single series, for private placement, totaling R$2,000 million, to be fully subscribed on July 30, 2021 ("Oi Móvel Debentures 2nd Issue", "Oi Móvel 2nd Issue" and "Oi Móvel 2nd Issue Indenture", respectively). The Oi Móvel 2nd Issue Debentures are capitalized monthly with interest added to the principal and paid in a single installment upon the maturity of the issue, on November 30, 2022, or upon completion of the disposition of UPI Ativos Móveis, whichever occurs first.

Also as mentioned in Note 1, section Financing provided for in the Amendment to the PRJ, on July 30, 2021, Oi Móvel issued collateralized US dollar-denominated Senior Notes in the aggregate amount of US$880 million, subject to semiannually interest payments and coupon of 8.75% p.a. This issue's principal will be repaid in a bullet payment upon maturity, on July 30, 2026. Part of these funds were used to fully repay the Oi Móvel's 1st Issue Debentures, which mature in January 2022 and have a principal of R$2,500 million (including interest and charges). This issue's indenture prescribes that the issuer will make a repurchase offer for these notes after the completion of the disposition of UPI Ativos Móveis. Acceptance of the offer is at the sole discretion of each holder.

On August 2021, the Company paid interest on the "Senior Notes" issued within the scope of the implementation of the Original Plan, which mature in July 2025, a debt that has semi-annual interest payments and a coupon of 10% p.a..

Guarantees

BNDES financing facilities are originally collateralized by receivables of the Company and its subsidiaries Telemar, merged with and into the Company on May 3, 2021, and Oi Móvel.

The bonds issued by Oi Móvel on July 30, 2021 are fully guaranteed by receivables from the Company and its subsidiaries, in addition to a personal guarantee provided by the Company and the pledge of radio frequency use rights, until the disposition of UPI Ativos Móveis, all will only be exercised in the event of default.

The 2nd Issue Oi Móvel Debentures are fully guaranteed by the receivables arising from the planned sale of UPI Ativos Móveis, by the shares of Oi Móvel and by the dividends receivable that the Company has to receive from BrT Multimídia, in addition to a personal guarantee from the Company.

The total amount of the guarantees is R$ 3,553,701.

"Covenants"

Pursuant to Clause 17 of Appendix 4.2.4 to the Judicial Reorganization Plan ("Original Plan"), the Company and its subsidiaries are subject to certain covenants existing in some loan and financing agreements, based on certain financial ratios, which are monitored on a quarterly basis.

In thousands of Reais, except where indicated to the contrary

In line with the provisions of the Original Plan, as amended ("Amendment to the PRJ"), BNDES (Brazilian development bank) agreed that, as of the Court Ratification of the Amendment to the PRJ, issued on October 8, 2020, and until the first of the financial settlement of the disposal of the UPI Mobile Assets or by May 30, 2022, the obligation to comply with the financial ratios set forth in the BNDES financing agreement will be temporarily stayed by BNDES and, therefore, during such period, its noncompliance will not cause, among other contractually prescribed consequences, the accelerated maturity of the outstanding balance of the Company's debt.

20. CREDIT ASSIGNMENT

	PARENT COMPANY		CONSOLIDATED	
	2021	2020	2021	2020
Credit assignment	180,327	79,097	180,327	377,047
Total	**180,327**	**79,097**	**180,327**	**377,047**
Current	180,327	41,268	180,327	196,720
Non-current		37,829		180,327

This credit assignment refers to an advance received from a financial institution of cash flows receivable from Fundação Sistel, as described in Note 14. On August 14, 2020, the Company received R$ 459,014, of which R$362,722 is recognized at Telemar, merged with and into the Company on May 3, 2021, related to the early settlement of 28 monthly, successive installments, corresponding to the period August 2020-November 2022, discounted at the rate of 11.35% per year.

21. AUTHORIZATIONS AND CONCESSIONS PAYABLE

	PARENT COMPANY		CONSOLIDATED	
	2021	2020	2021	2020
PMS			62,553	
SFTS concessions		17,828		43,415
Total		**17,828**	**62,553**	**43,415**
Current		17,828	62,553	43,415

Correspond to amounts payable to ANATEL for radiofrequency grants and authorizations to provide PMS, obtained through auctions, and concessions for SFTS services.

22. LEASE PAYABLE

	PARENT COMPANY		CONSOLIDATED	
	2021	2020	2021	2020
Towers	2,263,935	593,665	2,241,507	2,280,952
Physical Space	318,114	52,736	571,963	371,240
Shops			85,376	94,121
Real estate properties	1,577	1,020	32,616	63,793
Vehicles	5,351	40,799	51,765	146,974
Distributed energy	13,739		24,947	24,598
Total	**2,602,716**	**688,220**	**3,008,174**	**2,981,678**
Current	501,229	146,415	676,074	654,662
Non-current	2,101,487	541,805	2,332,100	2,327,016

In thousands of Reais, except where indicated to the contrary

Movement of lease payable

	PARENT COMPANY	CONSOLIDATED
Balance on 01/01/2020	**656,359**	**8,150,026**
New Hires	152,021	1,511,738
Cancellation	(80,960)	(1,093,644)
Interest	84,169	1,029,662
Payments	(144,823)	(1,789,106)
Contractual changes	21,454	809,122
Transfer held for sale		(5,636,120)
Balance in 2020	**688,220**	**2,981,678**
Merger Telemar (Note 1)	1,901,424	
New Hires	190,707	513,483
Cancellation	(43,583)	(164,631)
Interest	255,439	353,460
Payments	(467,764)	(769,645)
Contractual changes	78,273	124,279
Transfer held for sale		(30,450)
Balance in 2021	**2,602,716**	**3,008,174**

Maturity schedule of long-term lease payable

	PARENT COMPANY	CONSOLIDATED
2023	501,603	623,910
2024	483,307	571,528
2025	466,999	539,126
2026	301,662	335,114
2027 to 2030	1,114,308	1,130,706
2031 and subsequent years	2,067,768	1,970,705
Total	**4,935,647**	**5,171,089**
Interest	(2,834,160)	(2,938,989)
Non-current	**2,101,487**	**2,332,100**

The present value of leases payable was calculated based on a projection of future fixed payments, which do not take into consideration the projected inflation, discounted using discount rates that range from 10.79% to 12.75% aa.

Contracts not recognized as leases payable

The Company elected to not recognize a lease liability for short-term leases (leases with expected period of 12 months or less) or leases of low value assets. On December 31, 2021, these leases were recognized in profit or loss in the amount of R$2,410 (2020 R$ 1,977) in the Parent Company and R$ 20,884 (2020 - R$ 25,710) on a consolidated basis. Additionally, the Company also recognized in profit or loss the amount of R$ 16,870 (2020 – R$ 941), in the Parent Company and R$ 80,694 (2020 – R$ 4,938) on a consolidated basis, related to variable lease payments.

In thousands of Reais, except where indicated to the contrary

Supplementary information

In compliance with Circular/CVM/SNC/SEP/No. 02/2019, on December 18, 2019 and Circular SNC/SEP01/20, on February 5, 2020, the table below shows required supplementary information:

PARENT COMPANY							
Maturity expiration	**Average Rate discount**	**2023**	**2024**	**2025**	**2026**	**2027 to 2030**	**Over 2031**
Up to 2023	10.79%	13,031					
2024 to 2030	12.27%	91,992	86,728	70,420	33,036	39,805	
2031 to 2034	12.58%	302,952	302,952	302,952	174,999	699,997	404,940
From 2035	12.75%	93,628	93,627	93,627	93,627	374,506	1,662,828
Total		**501,603**	**483,307**	**466,999**	**301,662**	**1,114,308**	**2,067,768**
Projected inflation[1]		4.78%	4.21%	4.45%	4.80%	5.50%	5.79%

CONSOLIDATED							
Maturity expiration	**Average Rate discount**	**2023**	**2024**	**2025**	**2026**	**2027 to 2030**	**Over 2031**
Up to 2023	10.79%	31,508					
2024 to 2030	12.27%	208,168	187,294	154,892	78,833	105,579	
2031 to 2034	12.58%	289,612	289,612	289,612	161,659	646,636	366,455
From 2035	12.75%	94,622	94,622	94,622	94,622	378,491	1,604,250
Total		**623,910**	**571,528**	**539,126**	**335,114**	**1,130,706**	**1,970,705**
Projected inflation[1]		4.78%	4.21%	4.45%	4.80%	5.50%	5.79%

[1]Source: Anbima

23. TAX REFINANCING PROGRAM

The outstanding balance of the tax refinancing program is broken down as follows:

	PARENT COMPANY		**CONSOLIDATED**	
	2021	**2020**	**2021**	**2020**
Installment of Law no. 11,941/2009 and Law no.	245,472	212,202	269,967	345,790
PERT (Law no. 13,496/2017) (i)	427	427	427	427
Total	**245,899**	**212,629**	**270,394**	**346,217**
Current	87,353	55,784	97,888	93,715
Non-current	158,546	156,845	172,506	252,502

The amounts of the installment payment created under Law 11,941/2009, Provisional Act (MP) 766/2017, and Law 13469/2017, divided into principal, fine and interest, which include the debt declared at the time the deadline to join the program (Law 11941/2009 installment plan) was reopened as provided for by Law 12865/2013 and Law 12996/2014, are broken down as follows:

In thousands of Reais, except where indicated to the contrary

	CONSOLIDATED				
	2021				2020
	Principal	**Fines**	**Interest**	**Total**	**Total**
COFINS	1,874		92,774	94,648	121,184
Income tax	899		23,510	24,409	31,261
PIS	24,616		23,665	48,281	61,822
INSS – SAT	400	213	1,227	1,840	2,356
Social contribution	377	15	7,105	7,497	9,603
CPMF	13,444	1,518	20,541	35,503	45,459
PERT – Other debits - RFB	240		187	427	427
Others	5,778	3,014	48,997	57,789	74,105
Total	**47,628**	**4,760**	**218,006**	**270,394**	**346,217**

The payment schedule is as follows:

	PARENT COMPANY	CONSOLIDATED
2022	87,353	97,888
2023	86,788	94,403
2024	71,758	78,103
Total	**245,899**	**270,394**

The tax debts, as is the case of the debts included in tax refinancing programs, are not subject to the terms of the judicial reorganization terms.

(i) Special Tax Regularization Program - PERT

The Company elected to include in and settle through PERT only tax debts that in aggregate do not exceed the fifteen million Brazilian reais (R$15,000,000.00) ceiling set by Article 3 of Law 13496/2017.

The tax debts included in said program were those being disputed at the administrative level in proceedings classified with a low likelihood of the Company winning and which, in the event of an unfavorable outcome, would result in a lawsuit—and entail all the associated costs—, the reason why the cost effectiveness of joining the program was quite positive, because of the benefits offered by PERT (especially the payment of just 5% of the debt in cash).

In thousands of Reais, except where indicated to the contrary

24. PROVISIONS

Balance breakdown

		PARENT COMPANY		CONSOLIDATED	
	Nature	**2021**	**2020**	**2021**	**2020**
	Labor				
(i)	Overtime	302,318	275,929	494,678	659,318
(ii)	Indemnifications	96,590	62,217	171,646	222,153
(iii)	Other bonuses	113,491	48,522	237,156	253,173
(iv)	Stability/Reinstatement	108,979	77,217	182,664	194,122
(v)	Retirement complement	52,204	53,310	69,070	103,274
(vi)	Salary differences and reflexes	32,435	40,555	46,572	88,102
(vii)	Attorney's/expert's fees	27,074	42,555	44,758	87,143
(viii)	Severance pay	15,222	8,152	29,980	31,394
(ix)	Labor fines	13,642	5,444	27,931	28,420
(x)	Employment relationship	10,186	26	22,253	20,636
(xi)	FGTS	6,700	4,538	12,428	15,977
(xii)	Subsidiaries	197	181	377	5,465
(xiii)	Other shares	55,511	42,418	79,349	87,443
	Total	**834,549**	**661,064**	**1,418,862**	**1,796,620**
	Tax				
(i)	ICMS	494,080	161,300	794,955	781,249
(ii)	ISS	83,867	7	85,998	71,394
(iii)	INSS (joint liability, fees, and severance pay)	20,826	459	37,597	36,927
(iv)	IPTU	108,755	58,541	108,755	150,223
(v)	Other shares	175,531	16,710	197,323	185,624
	Total	**883,059**	**237,017**	**1,224,628**	**1,225,417**
	Civil				
(i)	ANATEL	1,060,007	271,766	1,298,116	1,264,321
(ii)	Corporate	296,828	338,932	296,828	338,932
(iii)	Special Court	43,809	36,384	79,797	97,973
(iv)	Other shares	904,762	340,002	1,348,422	1,087,200
	Total	**2,305,406**	**987,084**	**3,023,163**	**2,788,426**
	Total provisions	**4,023,014**	**1,885,165**	**5,666,653**	**5,810,463**
	Current	413,881	471,867	716,764	781,942
	Non-current	3,609,133	1,413,298	4,949,889	5,028,521

Pursuant to the laws applicable to labor, tax, and civil lawsuits, amounts disputed in lawsuits are adjusted for inflation on a monthly basis using the relevant adjustment indices, including the General Market Price Index (IGPM), Benchmark Rate (TR) and SELIC.

As provided for in article 10-C of Law No. 10,522/2002, included by Law No. 14,112/2020, the Federal Public Administration was authorized to enter into operation agreements for the payment of public credits registered in active debt of the Union, including those held by their municipalities, under more advantageous conditions than those provided for in Law No. 13,988/2020. In this context, the Company has been making its best efforts to settle tax and regulatory debts, including the renegotiation of agreements entered into before the new legal diploma came into force, with the application of discount percentages and payment terms greater than those provided for in the previous legal framework.

In thousands of Reais, except where indicated to the contrary

Summary of the movements in provisions balances:

	PARENT COMPANY			
	Labor	**Tax**	**Civil**	**Total**
Balance on 01/01/2020	**664,371**	**146,193**	**881,463**	**1,692,027**
Inflation adjustment	68,243	73,893	210,836	352,972
Additions / (Reversals)	(5,260)	(40,038)	208,817	163,519
Write-offs for payment/terminations	(66,290)	56,969	(314,032)	(323,353)
Balance in 2020	**661,064**	**237,017**	**987,084**	**1,885,165**
Merger Telemar (Note 1)	457,671	736,766	1,080,507	2,274,944
Inflation adjustment	(119,835)	37,471	418,371	336,007
Additions / (Reversals)	(92,915)	(10,842)	(587)	(104,344)
Write-offs for payment/terminations	(71,436)	(117,353)	(179,969)	(368,758)
Balance in 2021	**834,549**	**883,059**	**2,305,406**	**4,023,014**

	CONSOLIDATED			
	Labor	**Tax**	**Civil**	**Total**
Balance on 01/01/2020	**2,051,032**	**1,050,948**	**2,149,700**	**5,251,680**
Inflation adjustment	107,884	177,360	605,995	891,239
Additions / (Reversals)	(25,432)	(7,188)	614,767	582,147
Write-offs for payment/terminations	(333,731)	21,721	(539,962)	(851,972)
Foreign exchange variation abroad		1,301		1,301
Transfer held for sale	(3,133)	(18,725)	(42,074)	(63,932)
Balance in 2020	**1,796,620**	**1,225,417**	**2,788,426**	**5,810,463**
Inflation adjustment	(70,771)	94,523	703,017	726,769
Additions / (Reversals)	(19,187)	114,818	124,510	220,141
Write-offs for payment/terminations	(287,800)	(210,130)	(592,790)	(1,090,720)
Balance in 2021	**1,418,862**	**1,224,628**	**3,023,163**	**5,666,653**

Details of contingent liabilities, by nature

The breakdown of contingent liabilities with a possible unfavorable outcome and, therefore, not recognized in accounting, is as follows:

	PARENT COMPANY[1]		**CONSOLIDATED**	
	2021	**2020**	**2021**	**2020**
Labor	171,791	108,379	218,892	299,178
Tax	20,205,438	5,633,770	28,552,020	28,419,340
Civil	1,902,992	1,415,787	2,372,417	2,464,987
Total	**22,280,221**	**7,157,936**	**31,143,329**	**31,183,505**

[1]The parent company's balances in 2021 include the contingent liabilities of Telemar merged in May 2021 (Note 1).

Summary of the main objects linked to the constituted provisions and contingent liabilities

Provisions

Labor

The Company faces a high volume of labor contingencies, calculating the provision based on a statistical methodology that considers, among others, the total number of existing processes, the cause of the process, the value of the process, the historical payments made and the technical opinion of the legal advisors.

(i) Overtime – refer to the claim for salary and additional payment due to work supposedly performed beyond the ordinarily contracted working hours;

(ii) Indemnities – refer to amounts supposedly resulting from work accidents, leased vehicles, occupational disease, moral damages and temporary stability;

(iii) Miscellaneous additional - refer to the claim for a hazard premium, based on article 193 of the CLT, due to the alleged risk of employee contact with the electrical power system, unhealthy work premium, on-call, transfer surcharge;

(iv) Stability/Reintegration – refers to the claim arising from alleged non-compliance with the employee's special condition, guaranteeing the impossibility of terminating the employment contract without cause;

(v) Retirement supplement – differences supposedly due in the benefit salary related to severance pay;

(vi) Salary differences and reflexes – mainly refer to requests for salary increases arising from union negotiations allegedly not complied with. The reflexes concern the repercussion of the salary increase supposedly due on other amounts calculated based on the employee's salary;

(vii) Attorney/expert fees - installments payable in the proceedings to the lawyers who sponsor the claimants, as well as the experts appointed by the Court, when it is necessary, for the procedural instruction, of expert technical evidence;

(viii) Severance pay – refer to amounts allegedly not paid in the contractual termination or their differences;

(ix) Labor fines - amounts resulting from the delay or non-payment of certain amounts of the employment contract, within the terms provided for in current legislation and collective-bargaining agreements and conventions;

(x) Employment relationship - complaints from former employees of outsourced companies requiring the recognition of the direct employment relationship with the Company and its subsidiaries, on the grounds of illegal outsourcing and/or configuration of the elements of the relationship, such as direct subordination;

(xi) FGTS – claims referring to the alleged differences due regarding the claimant's FGTS deposit and reflection of other deferred labor funds that affect the balance of the linked account;

(xii) Subsidiarity – refers to a request for liability of the Company, made by third-party employees, due to alleged non-compliance with their labor rights by their direct employers;

(xiii) Other actions – refers to various inquiries related to readmission requests, profit sharing, salary integration, among others.

Tax

Provisions for tax contingencies are calculated individually, considering the risk assessment of Management and its legal advisors. These contingencies are not covered by the Judicial Reorganization Plan.

(i) ICMS - Refers to the provision considered sufficient by Management to cover various tax assessments related to: (a) requirement of taxation of certain revenues by ICMS instead of ISS; (b) compensation and appropriation of credits on the acquisition of goods and other inputs, including those necessary for the maintenance of the network and (c) assessments related to non-compliance with ancillary obligations.

(ii) ISS - The Company and Telemar maintain provisions for tax assessments related to questions about the levy of ISS on various value-added, technical and administrative services, in addition to equipment leasing.

(iii) INSS - Provision related, substantially, to the probable loss portion of joint liability and severance pay.

(iv) IPTU – Provision related to entries related to the collection of IPTU carried out by several different municipalities in which the Company has properties.

(v) Other actions - Refers, substantially, to provisions to cover various tax assessments related to the collection of income tax and social contribution.

Civil

(i) ANATEL - On June 30, 2016, administrative and judicial proceedings for non-compliance in the total estimated amount of R$ 14.5 billion were in the sphere of ANATEL and AGU, which were registered in the PRJ as eligible for payment in the form of the Plan. On that date, there were R$ 8.4 billion in net lawsuits and R$ 6.1 billion in illiquid lawsuits.

Regarding the processes registered in the PRJ, and considering the publication of the decision that granted the judicial reorganization on February 5, 2018, the Company revised the criteria for calculating the provision for these regulatory contingencies, starting to consider the best estimate of the output discounted future cash associated with each of the two forms of payment provided for in the PRJ for this category of credits.

Considering the Amendment to the PRJ, approved at the AGC held on September 8, 2020 and ratified by a court decision issued on October 5, 2020, the claims of Regulatory Agencies shall be paid as provided for by Law 13,988/2020. This Law allows the negotiation of all PADOS registered in enforceable debt, with payment in 84 installments, 50% discount of legal additions and a six-month grace period. Therefore, the Company revised again the criteria of regulatory contingencies for all PADOS not enrolled in Enforceable Debt, considering the historical success rate for cases with fines applied and individual assessment of risk and value for each non-compliance in cases without a first instance decision. On December 31, 2021, the amount of this provision was R$ 1,298 million.

The Company disagrees and questions the existence of some of the non-compliances, as well as questions the disproportionality and unreasonableness of the amount of fines imposed in view of the non-compliance identified, keeping recorded in the balance sheet the amount it considers a probable loss.

(ii) Corporate – Financial Participation Agreements – the financial participation agreements emerged, governed by ministerial ordinances No. 415/1972, 1,181/1974, 1,361/1976, 881/1990, 86/1991 and 1,028/1996. The promising subscriber, when entering into a financial participation agreement for the acquisition of a telephone line, participated financially in the concessionaire company, paying in a certain amount that, initially, was launched as a capitalizable resource and, later, after the capital increase was approved by the Shareholders' Meeting, was released to the company's equity, thus generating the issuance of shares. The lawsuits filed against the former CRT - Companhia Riograndense de Telecomunicações, a company merged into the Company, and other local operators, members of the Telebrás system, discuss the form used to carry out the shareholding retribution under the aforementioned financial participation agreements.

The Company provided for the risk of loss in relation to these actions, considering certain legal theses. During 2009, the Superior Court of Justice issued a Precedent - a statement that summarizes the majority opinion of a court on a certain matter - which led the Company to review the assessment of value and degree of risk attributed to the processes that discussed the matter. The Company, obviously respecting the peculiarities of each decision and supported by the assessment of its internal and external legal advisors, changed its estimate of the probability of loss from possible to probable. During 2009, the Company's Management, supported by its internal and external legal advisors, reviewed the process of measuring the provision for contingencies related to financial participation agreements. This review included additional considerations corresponding to the dates and theses that guided the final and unappealable decision of existing cases, as well as the use of statistical criteria to estimate the amount of the provision for contingencies referring to the aforementioned cases. Based on a methodology developed with the support of its internal and external consultants, the Company currently accrues legal proceedings of this nature, taking into account, mainly, for the purpose of calculating non-prescribed and prescribed processes, the following variables: (i) the number of lawsuits without payment, (ii) the average value of historical losses, (iii) the average number of contracts per lawsuit and (iv) the effects of the payment of these contingencies within the scope of the judicial reorganization ratified on January 8, 2018. Specifically for processes with an agreement in the mediation of illiquid one, the agreed amount is considered.

At the end of 2010, the Superior Court of Justice established criteria for compensation to be followed by the Company, for the benefit of shareholders of the extinct CRT, in the event that it is not possible to issue additional shares, eventually due, due to a conviction handed down. The criteria should be based on (i) defining the number of shares to which the claimant would be entitled, measuring the capital invested by the equity value of the share informed in the CRT's monthly balance sheet on the date of the respective payment, (ii) after calculating the aforementioned amount is multiplied by the number of shares by the value of their quotation on the Stock Exchange, in force at the closing of the trading session on the day in which the decision became unappealable, at which time the claimant became entitled to the shares and to trade or sell them and (iii) the result obtained shall be subject to inflation adjustment (IPC/INPC), as of the Stock Exchange trading session on the day in which the decision became unappealable, and legal interest since the date of summons. When there is succession, the parameter value will be that of the shares on the Stock Exchange of the successor company.

Based on the new profile and history of termination of legal proceedings, in the context of the PRJ, as well as the assessment of the risk of loss, Management updated the provisioning estimate in 2019. In addition, eventual changes may occur, if there is a significant variation in the items above, mainly in relation to the market price of the Company's shares.

(iii) Special Civil Courts - inquiries made by clients whose individual indemnity amounts do not exceed 40 minimum wages; and

The Company faces a high volume of contingencies from special civil courts, calculating the provision based on a statistical methodology that considers, among others, the total number of existing cases, the cause of the case, the value of the case, the historical payments made, the technical opinion of legal advisors and the effects of the Judicial Reorganization Plan approved on January 8, 2018.

(iv) Other lawsuits – refers to several lawsuits in progress covering contractual termination, certain agencies demanding the reopening of customer service centers, indemnification of former suppliers and contractors, basically due to lawsuits in which companies supplying equipment proposed against the Company, the review of contractual conditions due to the supervenience of an economic stabilization plan, as well as litigation whose main nature refers to discussions of contractual breaches.

Provisions for these contingencies are calculated individually, considering the risk assessment of Management and its legal advisors.

Contingent liabilities

The Company and its subsidiaries also have several lawsuits whose expectations of loss are classified as possible in the opinion of their legal advisors and for which provisions for losses in lawsuits have not been set up.

In Management's opinion, based on its legal advisors, the main contingencies classified as possible loss are summarized below:

Labor

They refer to questions in various claims regarding salary differences, overtime, hazard and unhealthy work premiums, and subsidiary liability, among others, in the approximate amount of R$ 218,892 (2020 - R$ 299,178).

Tax

The main existing causes are represented by the following objects:

(i) ICMS - arises from discussions about the levy of said tax on the provision of activities and/or services, such as, for example, the levy of ICMS on ancillary activities, supplementary services, services provided to exempt customers, subscription without deductible or even disallowance of credits that the States understand as undue, such as credits of fixed assets, divergence on the calculation of the crediting coefficient (CIAP), among others, in the approximate amount of R$ 13,423,299 (2020 - R$ 13,464,237);

(ii) ISS – alleged levy on services auxiliary to communication and discussion regarding the classification of services taxed by municipalities in the List of Complementary Law No. 116/2003, in the approximate amount of R$ 2,603,643 (2020 - R$ 2,761,531) ;

(iii) INSS – assessments regarding the addition of items in the contribution salary supposedly owed by the Company, in the approximate amount of R$ 634,634 (2020 - R$ 626,090); and

(iv) Federal taxes - several assessments of federal taxes, mainly related to disallowances made in the calculation of taxes, errors in the fulfillment of ancillary obligations, transfer of PIS and COFINS and FUST related to the effects of the change in the interpretation of its tax base by ANATEL. The approximate amount is R$ 11,890,444 (2020 - R$ 11,567,482).

Civil

The risk classification is based on the procedural stage, on the evidence of the process and on the evaluation of internal and external consultants (when necessary). Legal actions that do not have any decision that indicates a high chance of loss or gain and/or are still subject to review by higher levels of the Judicial Branch, regardless of the object, may have their risk classified as possible and therefore be subject to information through explanatory notes in the balance sheet. Such lawsuits amount to approximately R$ 2,372,417 (2020 - R$ 2,464,987).

Civil action filed by Fenapas before the 5th Business Court of RJ, where the Company and other operators, in addition to SISTEL, are the defendants, seeking to annul the spin-off of the PBS pension plan, alleging, in summary, the "dismantling of the supplementary pension system of the Fundação Sistel", which originated several specific PBS mirror plans, and corresponding allocations of resources from the technical surplus and tax contingency existing at the time of the spin-off. The value is inestimable and the orders cannot be settled due to their unenforceability, considering that they involve the return of SISTEL's spun-off assets related to the telecommunication operators of the former Telebrás System.

In thousands of Reais, except where indicated to the contrary

Guarantees

The Company has bank guarantee letters and guarantee insurance granted by several financial institutions and insurers to guarantee commitments arising from lawsuits, contractual obligations, and biddings with ANATEL. The adjusted amount of contracted bonds and guarantee insurances, effective on December 31, 2021 corresponds to 10,209,447 (2020 - R$ 4,571,603) in the Parent Company and R$ 11,379,606 (2020 - R$ 11,705,924 on a consolidated basis. The commission charges on these contracts are based on market rates.

25. OTHER OBLIGATIONS

	PARENT COMPANY[1]		CONSOLIDATED	
	2021	2020	2021	2020 Re-presented
Onerous obligation (i)	5,553,898	1,577,170	8,709,432	7,171,839
Appropriate revenues (ii)	1,328,730	431,427	1,358,799	1,525,785
Provisions for indemnities payable	505,026	532,000	505,026	532,000
Advance payments from customers	87,153	40,776	335,232	232,439
Consignation in favor of third parties	14,570	13,056	21,133	37,303
Provision for demobilization of assets	19,601	7,413	19,601	18,836
Others	303,064	195,875	304,686	554,115
Total	**7,812,042**	**2,797,717**	**11,253,909**	**10,072,317**
Current	1,269,085	459,036	2,037,547	1,586,905
Non-current	6,542,957	2,338,681	9,216,362	8,485,412

[1]The parent company's balances in 2021 include the liabilities of Telemar merged in May 2021 (Note 1).

(i) The Company and its subsidiaries maintain an agreement with, Globenet Cabos Submarinos S.A., for the supply of capacity to transmit telecommunications signals through submarine cables that connect North America to South America and, also, contract the provision of space segment capacity for the purpose of providing the DTH TV service. Given that (a) the obligations of the contracts exceed the economic benefits expected to be received throughout the contract, and (b) the costs are unavoidable, the Company and its subsidiaries, in accordance with CPC 25/IAS 37, recognized an onerous obligation measured at the lowest net exit cost of contracts brought to present value. On December 31, 2021, considering the conclusion of the asset segregation process for UPI InfraCo, related to the telecommunications network, in line with the terms of the Strategic Plan and the PRJ for the disposition of UPI InfraCo, as well as the probable approval by the ANATEL of the sale of the respective UPI and the fulfillment of the precedent conditions, the Company recognized a provision for an additional onerous obligation, related to the submarine cable capacity contract, in the amount of R$1,506 million.

(ii) Amounts received a prepayment for the assignment of the commercial operation and the use of infrastructure assets that are recognized in revenue for the agreements' effective period.

26. NET EQUITY

(a) Capital Stock

Subscribed and paid-in capital is R$32,538,937 (2020 - R$ 32,538,937), represented by the following shares, without par value:

	Quantity (in thousands of shares)	
	2021	**2020**
Total Capital in shares		
Common Shares	6,440,497	5,796,478
Preferred Shares	157,727	157,727
Total	**6,598,224**	**5,954,205**
Shares in treasury		
Common Shares	644,050	30
Preferred Shares	1,812	1,812
Total	**645,862**	**1,842**
Outstanding shares		
Common Shares	5,796,447	5,796,448
Preferred Shares	155,915	155,915
Total Outstanding shares	**5,952,362**	**5,952,363**

On December 31, 2021, the Company assessed a loss for the year in the amount of R$ 8,516,185. According to the proposal of the Company's Management, subject to the approval of the AGO, the loss for the year was recorded in the accumulated losses account.

The Company is authorized to increase the capital stock, upon resolution of the Board of Directors, in common and preferred shares, until the amount of its capital stock reaches R$ 38,038,701,741, observing the legal limit of 2/3 (two thirds) of the capital stock of non-voting shares in the event of the issuance of new preferred shares without this right.

By resolution of the Shareholders' Meeting or the Board of Directors, the Company's capital may be increased by capitalizing retained earnings or previous reserves allocated by the Shareholders' Meeting. Under these conditions, capitalization may be carried out without changing the number of shares.

The capital stock is represented by common and preferred shares, with no par value, and there is no obligation, in capital increases, to maintain a proportion between them.

By resolution of the Shareholders’ Meeting or the Board of Directors, the preemptive right to issue shares, subscription bonuses or debentures convertible into shares, in the cases provided for in art. 172 of the Brazilian Corporation Law.

At the AGO - Annual Shareholders’ Meeting of the Company held on April 30, 2021, the allocation of the loss for the year 2020 in the amount of R$ 10,529,963 was approved, recorded in the accrued losses account.

(b) Treasury shares

On December 31, 2021, the Company keeps all its treasury preferred shares pledged as collateral in lawsuits.

On March 28, 2021, at a meeting of the Board of Directors, the replacement of 30,596 registered Class "A" preferred shares of Telemar by the issuance of 644,020 common shares issued by Oi, to be held in treasury, as a result of the merger of Telemar by the Company, which took place in May 2021.

	Shares common (*)	Preferred Shares (*)
Balance on 01/01/2020	**30**	**1,812**
Balance in 2020	**30**	**1,812**
Share issuance	644,020	
Balance in 2021	**644,050**	**1,812**

Market value of treasury shares

The market value of the treasury shares at the end of the year was as follows:

	2021		2020	
	Preferred	Common	Preferred	Common
Quantity in thousands of treasury shares	1,812	644,050	1,812	30
Quotation per share on BOVESPA (R$)	1.28	0.76	2.82	2.20
Market value	2,319	489,478	5,110	68

The table below shows the deduction of the value of the treasury shares from the balances of the reserve that gave rise to the repurchase:

	2021	2020
Accounting balance of capital reserves	3,928,326	3,906,771
Shares in treasury	(33,315)	(33,315)
Balance, net of treasury shares	**3,895,011**	**3,873,456**

(c) Capital reserves

The capital reserves consist mainly of the reserves described below and according to the following practices:

Special merger goodwill reserve: represents the net amount of the balancing item to the tax credit amount.

Special merger reserve - net assets: represented by: (i) the net assets merged by the Company under the Corporate Reorganization approved on February 27, 2012; and (ii) the net assets merged with and into the Company upon the merger of TmarPart approved on September 1, 2015.

In thousands of Reais, except where indicated to the contrary

Other capital reserves: mainly represented by: (i) R$ 3,837,009 related to the capital increase with new resources that took place in January 2019, and (ii) R$ 2,462,799 related to the absorption of capital reserves, due to the delivery of treasury shares to Bratel in April 2019.

(d) Other comprehensive results

For purposes presentation of ITR Online form of CVM/B3, they were included in other comprehensive income and are stated below:

	Other comprehensive results	Share issuance cost	Equity valuation adjustment	Total
Balance on 01/01/2020	**(91,169)**	**(801,073)**	**(141,871)**	**(1,034,113)**
Result in hedge accounting	(2,409)			(2,409)
Actuarial Gain	580,134			580,134
Exchange variation on foreign investment	53,404			53,404
Balance in 2020	**539,960**	**(801,073)**	**(141,871)**	**(402,984)**
Result in hedge accounting	3,343			3,343
Actuarial Loss	(15,873)			(15,873)
Exchange variation on foreign investment	(6)			(6)
Balance in 2021	**527,424**	**(801,073)**	**(141,871)**	**(415,520)**

(e) Basic and diluted profit (loss) per share

The common and preferred shareholders have different rights in terms of dividends, voting rights, and liquidation, as prescribed by the Company's bylaws. Accordingly, basic and diluted profit (losses) per share were calculated based on profit (loss) for the period available to the common and preferred shareholders.

Basic
Basic profits (losses) per share are calculated by dividing the profit attributable to the owners of the Company, available to common and preferred shareholders, by the weighted average number of common and preferred shares outstanding during the period.

Diluted
Diluted profits (loss) per share are calculated by adjusting the weighted average number of outstanding common and preferred shares, to estimate the dilutive effect of all convertible securities.

The table below shows the calculations of basic and diluted profit (loss) per share:

	2021	2020 Re-presented
Loss of continuing operations	(9,578,483)	(10,546,034)
Profit from discontinued operations (net of taxes)	1,062,298	16,071
Loss Attributable to Controlling Shareholders of Company	**(8,516,185)**	**(10,529,963)**
Loss allocated to ordinary shares - basic and diluted	(8,293,113)	(10,254,142)
Loss allocated to preferred shares - basic and diluted	(223,072)	(275,821)
Weighted average of the outstanding shares (In thousands of shares)		
Common shares - basic and diluted	5,796,459	5,796,448
Preferred shares - basic and diluted	155,915	155,915
Loss per share (in Brazilian Reais):		
Common shares - basic and diluted	(1.43)	(1.77)
Preferred shares - basic and diluted	(1.43)	(1.77)
Loss per share of continued operations (in Brazilian Reais):		
Common shares - basic and diluted	(1.61)	(1.77)
Preferred shares - basic and diluted	(1.61)	(1.77)
Profit (Loss) per share of discontinued operations (in Brazilian Reais):		
Common shares - basic and diluted	0.18	(0.00)
Preferred shares - basic and diluted	0.18	(0.00)

Preferred shares will become voting shares if the Company does not pay minimum dividends to which preferred shares are entitled under the Company's Bylaws during three consecutive years.

27. EMPLOYEE'S BENEFITS

(a) Pension plans

The Company and its subsidiaries sponsor retirement benefit plans ("Pension Funds") for their employees, as long as they opt for such plans, and for assisted participants. The table below shows the benefit plans in place as of December 31, 2021.

Benefit Plans	Sponsor Companies	Manager
TCSPREV	Oi, Oi Móvel and BrT Multimídia	FATL
TelemarPrev	Oi and Oi Móvel	FATL
PAMEC	Oi	Oi
PBS-A	Oi and Oi Móvel	SISTEL
PBS-Telemar	Oi	FATL
PBS-TNC	Oi Móvel	FATL
CELPREV	Oi Móvel	FATL
PAMA	Oi	SISTEL

In thousands of Reais, except where indicated to the contrary

SISTEL – Fundação Sistel de Seguridade Social
FATL – Fundação Atlântico de Seguridade Social
The Company, for pension fund purposes, when referred to in this note, may also be called “Sponsor”. Sponsored plans are evaluated by independent actuaries at the end of the fiscal year. For the fiscal year ended December 31, 2021, the actuarial valuations were carried out by PREVUE Consultoria. The bylaws provide for the approval of the supplementary pension policy, and the solidarity attributed to the defined benefit plans is linked to the acts signed with the foundations, with the consent of PREVIC – National Superintendence of Complementary Pensions, in what concerns specific plans. PREVIC is the official body that approves and supervises these plans.

In sponsored defined benefit plans, there is no longer the possibility of new adhesions as they are closed plans. Contributions from participants and the sponsor are defined in the Cost Plan.

For sponsored defined benefit plans that present a deficit in actuarial status, actuarial liabilities are recognized. For plans that present a surplus actuarial situation, assets are constituted in cases of explicit authorization for compensation with future employer contributions.

Provisions for pension plans

They refer to the recognition of the actuarial deficit of the defined benefit plans, as shown below:

	PARENT COMPANY		CONSOLIDATED	
	2021	**2020**	**2021**	**2020**
Actuarial Liabilities				
Financial obligations - BrTPREV Plan (i)	804,778	694,063	804,778	694,063
PAMEC Plan	8,623	7,995	8,623	7,995
Total	**813,401**	**702,058**	**813,401**	**702,058**
Non-current	813,401	702,058	813,401	702,058

(i) (The Company had a financial obligations agreement entered into with Fundação Atlântico intended for the payment of the mathematical provision without coverage by the plan’s equity. With the approval and ratification of the PRJ, the related claim of Fundação Atlântico against Oi is subject to the terms and conditions of the PRJ.

Asset constituted to offset future employer contributions

The Company recognized an asset with the TCSPREV Plan, referring to: (i) contributions from the sponsor with no right of redemption by participants who left the Plan; and (ii) part of the Plan's surplus, attributed to the sponsor.

In thousands of Reais, except where indicated to the contrary

The recognized asset is intended to offset future employer contributions. Its composition is shown below:

	PARENT COMPANY		CONSOLIDATED	
	2021	**2020**	**2021**	**2020**
Actuarial assets				
TCSPREV Plan	25,548	41,901	25,683	42,233
CELPREV Plan			420	160
PBS-TNC Plan			827	2,142
Total	**25,548**	**41,901**	**26,930**	**44,535**
Current	793	4,984	2,175	7,618
Non-current	24,755	36,917	24,755	36,917

Features of sponsored supplementary pension plans

1) FATL

FATL, a closed multi-sponsored and multi-plan supplementary pension entity, is a legal entity governed by private law, with social security and non-profit purposes, with patrimonial, administrative and financial autonomy, with headquarters and jurisdiction in the city of Rio de Janeiro, state of Rio de Janeiro, has the objective of managing and executing social security benefit plans for the employees and directors of its sponsors.

Plans

(i) PBS-Telemar

It is a defined benefit pension plan, closed to new members, registered with the CNPB under number 2000.0015-56.

The contribution of Active Participants of the PBS-Telemar Benefit Plan corresponds to the sum of: (i) 0.5% to 1.5% levied on the Participation Salary (according to the Participant's age on the date of enrollment) ; (ii) 1% levied on the Participation Salary that exceeds half of the Standard Unit and (iii) 11% levied on the Participation Salary that exceeds the Standard Unit. The contribution of the Sponsors is equivalent to 8% of the payroll of employees who are Active Participants in the Plan. The financial system used to determine the cost of the Plan is capitalization.

(ii) TelemarPrev

It is a Social Security Benefit Plan in the Variable Contribution modality, registered with the CNPB under No. 2000.0065-74.

The Participant's Normal Contribution is composed of two installments: (i) Basic - equivalent to 2% of the Participation Salary, and (ii) Standard - equivalent to 3% levied on the positive difference between the total Participation and the Social Security Portion. The Additional Extraordinary Contribution of the Participant is optional, in a percentage representing multiples of 0.5% of the Participation Salary, and for a period not less than 6 (six) months. The Participant's Extraordinary Contribution, also optional, cannot be less than 5% of the Participation Salary ceiling.

The Plan's Regulations establish the parity of contribution between Participants and Sponsors, up to the limit of 8% of the Participation Salary, noting that the Sponsor is not required to monitor the Extraordinary Contributions made by the Participant. The financial system used to determine the cost of the Plan is capitalization.

(iii) TCSPREV

It is a Social Security Benefit Plan in the Variable Contribution modality, closed to new members, registered with the CNPB under No. 2000.0028-38.

On November 30, 2018, the date of the effective merger, the TCSPREV Benefit Plan merged the BrTPREV Benefit Plan (CNPB No. 2002.0017-74), becoming the universal successor of the rights and obligations of this Plan, assuming all its assets and liabilities. The aforementioned merger was approved by PREVIC Ordinance No. 995, of October 24, 2018, published in the Federal Official Gazette No. 208 on October 29, 2018.

With the recognition and registration of the merger, the Participants and Beneficiaries linked to BrTPREV automatically become Participants and Beneficiaries of TCSPREV, respecting the categories of Beneficiaries on the day before the merger date.

The monthly and mandatory Basic Contribution of Active Participants of TCSPREV and BrTPREV corresponds to the result obtained with the application of a percentage, which may vary from 3% to 8% of the Participation Salary, according to the age and choice of the Participant. The Plan's Regulations establish the parity of contribution between Participants and Sponsors.

The monthly Contribution of the Participants of the Founder/Alternative Plan, previously incorporated by BrTPREV, corresponds to the sum of: (i) 3% levied on the Participation Salary; (ii) 2% levied on the Participation-Salary that exceeds half of the highest Contribution-Salary of the Official Social Security, and (iii) 6.3% levied on the Participation-Salary that exceeds the highest Contribution-Salary of the Social Security. The Plan's Regulations establish the parity of contribution between Participants and Sponsors.

In compliance with the regulatory criteria, contributions from Sponsors, related to Participants of TCSPREV and BrTPREV, will automatically cease in the month following the month in which the Participant turns 60 years old, 10 years of Credited Service and 10 years of relationship with the Plan.

For participants who migrated from the PBS-TCS Plan to the TCSPREV Plan, contributions from Sponsors will cease in the month following the month in which the Participant turns 57 years old, 10 years of uninterrupted connection to the PBS-TCS and the TCSPREV Plan, 10 years of Service Credited by the Sponsor and 35 years of relationship with the Social Security system.

The Voluntary Contribution of TCSPREV and BrTPREV Participants will correspond to the result obtained with the application of a percentage of up to 22%, in whole numbers, chosen by the Participant, applicable to their Participation Salary.

The Participant's Sporadic Contribution will be optional and will have the amount and frequency freely defined by the Participant, according to the TCSPREV or BrTPREV Plan, provided that it is not less than a UPTCS (TCSPREV Pension Unit) or a UPBrT (BrT Pension Unit), respectively. There is no consideration from the Sponsor in relation to the Participant's Voluntary or Occasional contributions.

The financial system used to determine the cost of the Plan is capitalization.

(iv) PBS-TNC

It is a defined benefit pension plan, closed to new members, registered with the CNPB under number 2000.0013-19.

The contribution of Active Participants of the PBS-TNC Benefit Plan corresponds to the sum of: (i) 0.28% to 0.85% levied on the Participation Salary (according to the Participant's age on the date of enrollment) ; (ii) 0,57% levied on the Participation Salary that exceeds half of the Standard Unit and (iii) 6,25% levied on the Participation Salary that exceeds the Standard Unit. The contribution of the Sponsors is equivalent to a percentage of the payroll of employees who are Active Participants in the Plan, as defined annually in the Cost Plan.

The contribution of Assisted Participants (only for those who receive a retirement allowance) is equivalent to a percentage to be fixed annually in the Cost Plan, levied on the global benefit, limited to the amount of the allowance.

The financial system used to determine the cost of the Plan is capitalization.

(v) CELPREV

It is a Social Security Benefit Plan in the Defined Contribution modality, registered with the CNPB under No. 2000.0009-29.

On January 12, 2018, through Ordinance No. 22 published in the Official Gazette on January 16, 2018, PREVIC approved the new text of the Plan Regulation, covering the closing of the mass of CELPREV participants, with new adhesions being prohibited.

The Participant's Basic Normal Contribution will correspond to the result obtained with the application of a percentage of 0%, 0.5%, 1%, 1.5% or 2%, according to the option, on their Participation Salary (SP). The Sponsors will contribute an amount equivalent to this Contribution, deducting the monthly and mandatory Contribution of their responsibility necessary to cover the Risk (Sick Pay).

The Participant's Additional Normal Contribution will correspond to the result obtained with the application of a percentage from 0% to 6%, in multiples of 0.5%, according to the option, on the Participation Salary that exceeds 10 Reference Units of the Plan (URP). The Sponsors will contribute with equal amount.

The Participant's Voluntary Contribution will correspond to the percentage in whole number, freely chosen by the same, applied to the Participation Salary. There will be no counterpart from the Sponsor on the value of this contribution.

The Sponsor's Eventual Contribution will be voluntary and will correspond to the application of a percentage between 50% and 150% of the sum of the Normal Basic and Additional Normal contributions of the Sponsor, according to consistent and non-discriminatory criteria, made at a frequency determined by it.

The Special Sponsor Contribution is specific to new entrants to the Plan, within 90 days from March 18, 2004.

The monthly and mandatory Risk Contribution of the Sponsor, necessary to guarantee the cost of the Sick Pay, will correspond to a percentage of the Participation Salary of Non-Migrant Participants.

The financial system used to determine the cost of the Plan is capitalization.

2) SISTEL

SISTEL is a non-profit, social security, assistance and non-profit entity governed by private law, established in November 1977, with the objective of instituting and operating private plans for the granting of savings or income, of complementary or similar benefits of official social security, to employees and their families linked to SISTEL's sponsors.

Plans

(i) PBS-A

The defined benefit plan, jointly maintained with other sponsors linked to the provision of telecommunications services, intended for participants who were in the condition of being assisted on January 31, 2000.

Contributions to the PBS-A are conditioned to the calculation of the accumulated deficit. On December 31, 2020, the date of the last actuarial valuation, this plan had a surplus.

In December 2019, the National Superintendence of Complementary Pensions (Previc) approved the allocation of a special reserve of the PBS-A Benefit Plan, with the reversal of amounts to sponsors and improvement of benefits, in the form of temporary income, to those assisted. The total amount of the Company's interest in the PBS-A surplus corresponds to R$ 669,054 (R$ 140,274 in the parent company), to be received in 36 monthly installments, corrected by the Plan's profitability, whose accounting recognition will be given upon receipt of the installments, with effect on other comprehensive income, as required by IAS 19/CPC 33.

(ii) PAMA

PAMA is a health care plan for retirees whose objective is to provide medical care coverage to assisted participants, with their co-participation and contribution, as long as they are linked to Defined Benefit pension plans, managed by SISTEL.

Until 2014, the Company did not consider the assets and liabilities of the PAMA plan, as it is multi-employer and similar to "defined contribution" plans (payment of benefits is limited to the amount of contributions received by the plan), with no obligations beyond of existing balances.

However, based on the position of ANS - National Agency for Supplementary Health, that SISTEL is a health care plan stipulator adapted to Law No. 9,656/1998 and, consequently, it does not qualify as a health plan operator, the Foundation will now have to maintain a flow of obligations even if there is no corresponding contributory income. Thus, it is no longer possible to maintain the defined contribution plan configuration.

In October 2015, pursuant to a court order, SISTEL transferred part of the excess funds from the PBS-A benefit plan, in the amount of R$3,042 million, to PAMA's solvency. Of the total transferred, R$ 2,127 million were related to plans sponsored by the Company, prorated proportionally to the portion of the defined benefit obligations. The value was established on the basis of actuarial studies prepared by an external consultancy based on assumptions adhered to the mass of PAMA users, as well as an assessment of the growth of medical expenses inherent to this mass. As from the aforementioned court order, the Company began to calculate and disclose information on PAMA's actuarial obligations, in accordance with the rules of CPC 33 (CVM 695).

3) PAMEC-BrT -Assistance plan managed by the Company

It is an assistance plan, intended for the medical assistance of retirees and pensioners linked to the TCSPREV Benefit Plan. Benefit Plan is managed by FATL.

Contributions to PAMEC-BrT were paid in full in July 1998, through a single allocation. However, as this plan is now managed by the Company, after the transfer of management by Fundação 14 in November 2007, there is no equity constituted to cover current expenses, and the actuarial obligation is fully recognized in the Company's liabilities.

In thousands of Reais, except where indicated to the contrary

Status of sponsored plans revaluated at the end of the fiscal year.

Movements in actuarial obligations, fair value of assets and amounts recognized in the balance sheet

	PARENT COMPANY					
	2021					
	PENSION PLANS				HEALTH CARE PLANS	
	TCSPREV	PBS-Telemar	TelemarPrev	PBS-A	PAMEC	PAMA
Present value of the actuarial obligation at the beginning of the year	**3,680,103**	**8,702**	**240,477**	**1,185,846**	**7,995**	**756,707**
Interest on actuarial obligations	270,352	636	17,793	83,424	614	58,183
Current service cost	160		75			206
Contributions from participants during the year	9					
Net benefits paid	(285,017)	(895)	(10,535)	(85,402)	(1,176)	(51,160)
Increase/(decrease) of assets as a result of changes due to merger of subsidiary		322,112	4,230,581	4,063,215		3,001,593
Result of the benefit obligation included in other comprehensive income	(137,515)	(2,315)	11,810	(84,517)	1,190	(102,975)
Present value of the actuarial obligation at the end of the year	**3,528,092**	**328,240**	**4,490,201**	**5,162,566**	**8,623**	**3,662,554**
Fair value of plan assets at the beginning of the year	**4,001,317**	**10,200**	**242,363**	**1,654,568**		**815,985**
Income from plan assets	294,893	751	17,937	117,781		62,837
Amortizing contributions received from the sponsor	17				1,176	
Benefit Payments	(285,017)	(895)	(10,535)	(85,402)	(1,176)	(51,160)
Result of the benefit obligation included in other comprehensive income	(244,507)	(2,448)	31,152	(70,568)		(40,829)
i. Increase/(decrease) of assets as a result of changes due to merger of subsidiary		399,964	4,577,625	5,974,150		3,597,063
Fair value of plan assets at the end of the year	**3,766,703**	**407,572**	**4,858,542**	**7,590,529**		**4,383,896**
(=) Net actuarial liabilities/(assets) value	**(238,611)**	**(79,332)**	**(368,341)**	**(2,427,963)**	**8,623**	**(721,342)**
Effect of the maximum limit on recognition of onerous assets/liabilities	213,063	79,332	368,341	2,427,963		721,342
(=) Net actuarial liabilities/(assets) value recognized	**(25,548)**				**8,623**	

In thousands of Reais, except where indicated to the contrary

	PARENT COMPANY					
	2020					
	PENSION PLANS				HEALTH CARE PLANS	
	TCSPREV	**PBS-Telemar**	**TelemarPrev**	**PBS-A**	**PAMEC**	**PAMA**
Present value of the actuarial obligation at the beginning of the year	**3,773,132**	**8,691**	**220,748**	**1,193,618**	**6,264**	**749,152**
Interest on actuarial obligations	270,366	620	15,927	85,301	469	56,232
Current service cost	193		125			239
Contributions from participants during the year	11					
Net benefits paid	(272,305)	(739)	(8,969)	(96,480)	(772)	(47,044)
Increase/(decrease) of assets as a result of changes in the Plan						
Result of the benefit obligation included in other comprehensive income	(91,294)	130	12,646	3,407	2,034	(1,872)
Increase/(decrease) of assets as a result of merger of the Plan						
Present value of the actuarial obligation at the end of the year	**3,680,103**	**8,702**	**240,477**	**1,185,846**	**7,995**	**756,707**
Fair value of plan assets at the beginning of the year	**4,008,930**	**10,302**	**234,488**	**1,749,246**		**793,830**
Income from plan assets	287,886	739	16,948	126,584		59,646
Amortizing contributions received from the sponsor	21				772	
Benefit Payments	(272,305)	(739)	(8,969)	(96,480)	(772)	(47044)
Result of the benefit obligation included in other comprehensive income	(23,215)	(102)	(104)	(124,782)		9,553
Increase/(decrease) of assets as a result of merger of the Plan						
Fair value of plan assets at the end of the year	**4,001,317**	**10,200**	**242,363**	**1,654,568**		**815,985**
(=) Net actuarial liabilities/(assets) value	**(321,214)**	**(1,498)**	**(1,886)**	**(468,722)**	**7,995**	**(59,278)**
Effect of the maximum limit on recognition of onerous assets/liabilities	279,313	1,498	1,886	468,722		59,278
(=) Net actuarial liabilities/(assets) value recognized	**(41,901)**				**7,995**	

In thousands of Reais, except where indicated to the contrary

	CONSOLIDATED							
	2021							
	PENSION PLANS						HEALTH CARE PLANS	
	TCSPREV	PBS-Telemar	TelemarPrev	PBS-A	PBS-TNC	CELPREV	PAMEC	PAMA
Present value of the actuarial obligation at the beginning of the year	**3,685,376**	**356,273**	**4,941,275**	**5,598,965**	**40,005**	**16**	**7,995**	**4,163,564**
Interest on actuarial obligations	270,740	26,275	365,599	393,553	2,953	1	614	319,885
Current service cost	192	35	1,029		71	1		345
Contributions from participants during the year	9	6						
Net benefits paid	(285,263)	(25,290)	(321,359)	(401,294)	(2,669)		(1,176)	(285,044)
Increase/(decrease) of assets as a result of changes in the Plan			23,240					
Result of the benefit obligation included in other comprehensive income	(138,153)	(29,059)	(371,058)	(425,473)	(3,708)	(10)	1,190	(536,196)
Increase/(decrease) of assets as a result of merger of the Plan								
Present value of the actuarial obligation at the end of the year	**3,532,901**	**328,240**	**4,638,726**	**5,165,751**	**36,652**	**8**	**8,623**	**3,662,554**
Fair value of plan assets at the beginning of the year	**4,010,101**	**417,624**	**4,980,035**	**7,812,030**	**62,221**	**3,213**		**4,524,869**
Income from plan assets	295,549	30,966	368,560	555,771	4,650	212		348,248
Amortizing contributions received from the sponsor							1,176	
Sponsor	8	9						
Participants	9	6						
Benefit Payments	(285,263)	(25,290)	(321,359)	(401,294)	(2,669)		(1,176)	(285,044)
Result of the benefit obligation included in other comprehensive income	(244,431)	(15,743)	(33,132)	(371,296)	(3,226)	854		(204,177)
Increase/(decrease) of assets as a result of merger of the Plan			25,145					
Fair value of plan assets at the end of the year	**3,775,973**	**407,572**	**5,019,249**	**7,595,211**	**60,976**	**4,279**		**4,383,896**
(=) Net actuarial liabilities/(assets) value	**(243,072)**	**(79,332)**	**(380,523)**	**(2,429,460)**	**(24,324)**	**(4,271)**	**8,623**	**(721,342)**
Effect of the maximum limit on recognition of onerous assets/liabilities	217,047	79,332	380,523	2,429,460	23,497	3,851		721,342
Transfer held for sale	342							
(=) Net actuarial liabilities/(assets) value recognized	**(25,683)**				**(827)**	**(420)**	**8,623**	

In thousands of Reais, except where indicated to the contrary

	CONSOLIDATED							
	2020							
	PENSION PLANS						HEALTH CARE PLANS	
	TCSPREV	PBS-Telemar	TelemarPrev	PBS-A	PBS-TNC	CELPREV	PAMEC	PAMA
Present value of the actuarial obligation at the beginning of the year	**3,778,685**	**365,286**	**4,978,517**	**5,640,885**	**40,715**	**30**	**6,264**	**4,143,620**
Interest on actuarial obligations	270,765	26,264	358,983	402,675	2,930	2	469	310,799
Current service cost	232	38	2,001		65	2		406
Contributions from participants during the year	11	31						
Net benefits paid	(272,538)	(24,374)	(296,598)	(455,255)	(2,564)		(772)	(260,871)
Increase/(decrease) of assets as a result of changes in the Plan								
Result of the benefit obligation included in other comprehensive income	(91,779)	(10,972)	(101,628)	10,660	(1,141)	(18)	2,034	(30,390)
Increase/(decrease) of assets as a result of merger of the Plan								
Present value of the actuarial obligation at the end of the year	**3,685,376**	**356,273**	**4,941,275**	**5,598,965**	**40,005**	**16**	**7,995**	**4,163,564**
Fair value of plan assets at the beginning of the year	**4,017,260**	**430,646**	**5,298,688**	**8,266,862**	**64,837**	**4,191**		**4,422,743**
Income from plan assets	288,492	31,125	382,772	597,785	4,722	311		332,125
Amortizing contributions received from the sponsor							772	
Sponsor	10	65						
Participants	11	31						
Benefit Payments	(272,538)	(24,374)	(296,598)	(455,255)	(2,564)		(772)	(260,871)
Result of the benefit obligation included in other comprehensive income	(23,134)	(19,869)	(404,827)	(597,362)	(4,774)	(1,289)		30,872
Increase/(decrease) of assets as a result of merger of the Plan								
Fair value of plan assets at the end of the year	**4,010,101**	**417,624**	**4,980,035**	**7,812,030**	**62,221**	**3,213**		**4,524,869**
(=) Net actuarial liabilities/(assets) value	**(324,725)**	**(61,351)**	**(38,760)**	**(2,213,065)**	**(22,216)**	**(3,197)**	**7,995**	**(361,305)**
Effect of the maximum limit on recognition of onerous assets/liabilities	282,365	61,351	38,760	2,213,065	20,073	3,037		361,305
Transfer held for sale	127							
(=) Net actuarial liabilities/(assets) value recognized	**(42,233)**				**(2,143)**	**(160)**	**7,995**	

The Company determines the amount available for deduction of future contributions in accordance with the applicable legal provisions and the regulation of the benefit plan. The value of the asset linked to the TCSPREV, PBS-TNC and CELPREV Plans recognized in the Company's Financial Statements does not exceed the present value of future contributions.

In thousands of Reais, except where indicated to the contrary

Expense (income) components of benefits

.	PARENT COMPANY					
	2021					
	PENSION PLANS				HEALTH CARE PLANS	
	TCSPREV	PBS-Telemar	TelemarPrev	PBS-A	PAMEC	PAMA
Current service cost	160		75			206
Interest on actuarial obligations	270,352	636	17,793	83,424	614	58,183
Income from plan assets	(294,893)	(751)	(17,937)	(117,781)		(62,837)
Interest on onerous liabilities	21,339	114	144	34,357		4,653
Effect of unrecognized net actuarial assets						
Expenses (income) recognized in the income statement	**(3,042)**		**75**		**614**	**206**
Expense (income) recognized in other comprehensive income	19,404	77,851	346,970	1,910,936	1,190	595,264
Total expenses (income) recognized	**16,362**	**77,851**	**347,044**	**1,910,936**	**1,804**	**595,470**

.	PARENT COMPANY					
	2020					
	PENSION PLANS				HEALTH CARE PLANS	
	TCSPREV	PBS-Telemar	TelemarPrev	PBS-A	PAMEC	PAMA
Current service cost	193		125			239
Interest on actuarial obligations	270,366	619	15,927	85,301	469	56,232
Income from plan assets	(287,886)	(739)	(16,948)	(126,584)		(59,646)
Interest on onerous liabilities	13,370	120	1,021	41,283		3,414
Effect of unrecognized net actuarial assets						(239)
Expenses (income) recognized in the income statement	**(3,957)**		**125**		**469**	
Expense (income) recognized in other comprehensive income	17,920		(125)		2,034	
Total expenses (income) recognized	**13,963**				**2,503**	

In thousands of Reais, except where indicated to the contrary

	CONSOLIDATED							
	2021							
	PENSION PLANS						HEALTH CARE PLANS	
	TCSPREV	PBS-Telemar	TelemarPrev	PBS-A	PBS-TNC	CELPREV	PAMEC	PAMA
Current service cost	192	35	1,029		71	1		345
Interest on actuarial obligations	270,740	26,275	365,599	393,553	2,953	1	614	319,885
Income from plan assets	(295,549)	(30,966)	(368,560)	(555,771)	(4,650)	(212)		(348,248)
Interest on onerous liabilities	21,573	4,687	2,961	162,218	1,533	200		28,363
Effect of unrecognized net actuarial assets		(31)	(1,029)					(345)
Expenses (income) recognized in the income statement	**(3,044)**				**(93)**	**(10)**	**614**	
Expense (income) recognized in other comprehensive income	19,387				1,408	(251)	1,190	
Total expenses (income) recognized	**16,343**				**1,315**	**(261)**	**1,804**	

	CONSOLIDATED							
	2020							
	PENSION PLANS						HEALTH CARE PLANS	
	TCSPREV	PBS-Telemar	TelemarPrev	PBS-A	PBS-TNC	CELPREV	PAMEC	PAMA
Current service cost	232	38	2,001		65	2		406
Interest on actuarial obligations	270,765	26,264	358,983	402,675	2,930	2	469	310,800
Income from plan assets	(288,491)	(31,124)	(382,772)	(597,785)	(4,723)	(311)		(332,125)
Interest on onerous liabilities	13,524	4,856	23,789	195,110	1,550	293		21,325
Effect of unrecognized net actuarial assets		(34)	(2,001)					(406)
Expenses (income) recognized in the income statement	**(3,970)**				**(178)**	**(14)**	**469**	
Expense (income) recognized in other comprehensive income	18,180				1,298	76	2,034	
Total expenses (income) recognized	**14,210**				**1,120**	**62**	**2,503**	

In thousands of Reais, except where indicated to the contrary

The main actuarial assumptions adopted

	CONSOLIDATED							
	PENSION PLANS						HEALTH CARE PLANS	
	TCSPREV	PBS-Telemar	TelemarPrev	PBS-A	PBS-TNC	CELPREV	PAMEC	PAMA
Nominal discount rate of the actuarial obligation	8.88%	8.88%	8.88%	8.88%	8.88%	8.78%	8.88%	8.88%
Estimated Inflation Rate	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Estimated nominal salary increase and index	By Sponsor	0.00%	By Sponsor	N/A	0.00%	0.00%	N/A	N/A
Estimated index of nominal increase of benefits	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	N/A	N/A
Expected total nominal rate of return on plan assets	8.88%	8.88%	8.88%	8.88%	8.88%	8.78%	8.88%	8.88%
Biometric General Mortality Table	AT-2000 Basic smoothed by 15% sex-segregated	AT-2000 Basic smoothed by 15% sex-segregated	AT-2000 Basic smoothed by 15% sex-segregated	AT-2000 Basic smoothed by 15% sex-segregated	AT-2000 Basic smoothed by 15% sex-segregated	N/A	AT-2000 Basic smoothed by 15% sex-segregated	AT-2000 Basic smoothed by 15% sex-segregated
Biometric disability entry table	Álvaro Vindas	Álvaro Vindas	Álvaro Vindas	N/A	Álvaro Vindas	N/A	N/A	Álvaro Vindas
Biometric invalid mortality table	AT-49, sex-segregated, aggravated by 20%	AT-49, sex-segregated, aggravated by 20%	AT-49, sex-segregated, aggravated by 20%	AT-49, sex-segregated, aggravated by 20%	AT-49, sex-segregated, aggravated by 20%	N/A	AT-49, sex-segregated, aggravated by 20%	AT-49, sex-segregated, aggravated by 20%
Turnover rate	By Sponsor	Null	By sponsor, void from the age of 50 and void for the Settled Benefit	N/A	0.1	10%	N/A	N/A
Start age of the benefits	57 years	57 years	55 years	N/A	57 years	55 years	N/A	57 years
Nominal growth rate of medical costs	N/A	N/A	N/A	N/A	N/A	N/A	6.61%	6.61%

N/A = Not applicable.

ADDITIONAL INFORMATION - 2021
a) The assets and liabilities of the plans are positioned as of December 31, 2021.
b) The registration data used for the plans managed by FATL and Sistel are as of July 31, 2021, and for the PAMEC plan as of September 30, 2021, all projected for December 31, 2021.

Plan investment policy

The investment strategy of the Benefit Plans is described in its investment policy, which is approved annually by the deliberative council of the sponsored funds. It defines that investment decisions must consider: (i) capital preservation; (ii) the diversification of applications; (iii) risk tolerance according to conservative assumptions; (iv) the expected rate of return as a function of actuarial liability; (v) the compatibility between the investment's liquidity and the cash flow of the plans and (vi) reasonable administration costs. It also defines the volume ranges for the different types of investment allowed for pension funds, which are: fixed income, equity, structured investments, investments abroad, loans to participants and real estate investments.

In thousands of Reais, except where indicated to the contrary

The average limits established for the different types of investments allowed for pension funds are as follows:

ASSET SEGMENT	TCSPREV	PBS-Telemar	TelemarPrev	PBS-A	PBS-TNC	CELPREV	PAMA
Fixed Income	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Variable Income	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
Structured investments	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Investments abroad	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Real estate properties	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Loans to participants	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%

The allocation of plan assets as of December 31, 2021 is shown below:

ASSET SEGMENT	TCSPREV	PBS-Telemar	TelemarPrev	PBS-A	PBS-TNC	CELPREV	PAMA
Fixed Income	87.10%	97.20%	92.90%	96.71%	96.80%	74.10%	100.00%
Variable Income	1.50%	0.00%	0.90%	0.02%	0.02%	3.70%	0.00%
Structured investments	7.40%	1.50%	3.50%	0.00%	2.96%	14.40%	0.00%
Investments abroad	2.50%	0.00%	1.30%	0.00%	0.00%	6.50%	0.00%
Real estate properties	1.00%	0.90%	0.80%	3.20%	0.00%	0.30%	0.00%
Loans to participants	0.50%	0.40%	0.6%	0.07%	0.22%	1.00%	0.00%

(b) Employees' profit sharing

In the year ended December 31, 2021, the Company and its subsidiaries recorded provisions for employee profit sharing based on estimates of achievement of individual and corporate goals, in the total amount of R$ 20,810 (2020 – R$ 147,816) in the parent company and R$ 81,037 (2020 – R$ 385,667) in the consolidated.

(c) Share-based compensation

The Company's compensation strategy, since 2019, when the Share-based Long-Term Incentive Plans (ILP) were approved at the Shareholders' Meeting, is to concentrate most of the compensation package on variable components, therefore subject to compliance with performance and the smaller part in fixed salaries. The short- and long-term variable components have targets that adhere to Oi's strategy and, therefore, aim to align the interests of managers with shareholders. The definitions and execution of the compensation strategy adopted by the Company are monitored and supervised by the Board of Directors, through its People, Appointments and Corporate Governance Committee.

Plan for granting shares to the Board of Directors

The members of the Board of Directors and the respective committees receive fixed monthly fees. Additionally, with the objective of aligning the interests of the Board members with those of the Company's shareholders, in addition to bringing the compensation of Oi's Board closer to that of the comparable market, a long-term share-based incentive plan was established for the Board of Directors (Board of Directors' Share Granting Plan) which was submitted and approved at the Extraordinary Shareholders' Meeting held on April 26, 2019.

The plan provides for the granting of annual shares over three years, representing a maximum of 0.40% of the Company's capital stock.

The implementation of the plan approved by the Meeting is suspended, by court decision, until the Company's judicial reorganization is concluded, at which time shares will be granted to the members of the Board of Directors holding these rights, respectively, on the grant dates in 2019, 2020 and 2021.

In view of the prospect, with reasonable probability, of the conclusion of the Judicial Reorganization Plan in 2022, it was necessary to carry out the provisioning of the amounts in accordance with the terms originally provided for in the Plan.

Thus, the Company recognizes on December 31, 2021 the obligation related to the long-term incentive plan, in accordance with the rules approved at the Meeting, in the amount of R$ 9,883 (2020 – R$ 4,893).

The number of shares in each grant is calculated individually for the members of the Board of Directors according to their role and will be delivered to them, provided that the plan's performance condition is met.

Plan for granting shares to the Chief Executive Officer

The exclusive long-term incentive plan for the Chief Executive Officer was submitted and approved at the Extraordinary General Meeting held on April 30, 2021. The purpose of the plan is to promote high engagement, encouraging actions aimed at the success of the Company's transformation plan.

The plan corresponds to a single grant to the beneficiary, representing 0.10% of the Company's total capital stock, on October 4, 2021, the date of approval of the stock grant plan, which corresponds to a total of 5,904,205 shares, settled in a single vesting, at the end of 2024, if all the performance conditions provided for in the plan are met. The average share price on the grant date corresponds to R$ 1.21 per share.

The plan does not provide for additional dilution of current shareholders, in relation to the limits already approved at the Extraordinary General Meeting held on April 26, 2019 for the stock grant plans for executives and the board of directors, since there will be leftover shares of said plans.

Plan for granting shares to executives

The long-term share-based incentive plan for executives (Executive Share Grant Plan) was approved at the Extraordinary General Meeting held on April 26, 2019, together with the Board of Directors Plan, as described above. The Executives' plan, as well as that of the Board of Directors, in addition to the objectives already mentioned above, at the same time, allows for a competitive position in relation to the executives' remuneration in relation to the market.

The plan provides for the granting of annual shares over three years, representing a maximum of 1.5% of the Company's capital stock.

In thousands of Reais, except where indicated to the contrary

The number of shares per grant is calculated individually with the objective of maintaining the competitiveness of the executives in relation to the performance of their functions and will be delivered to them, as long as the performance condition of the plan is met.

The information used in the evaluation of the stock grant plan for executives is presented below:

Grant Date	Share dilution percentage (i)	Number of shares granted	Vesting installments	Vesting dates	Average share value on the grant date	Estimated fair value on the vesting date (ii)
12/30/2019	0.57%	33,704,937	1/3	12/30/2020	0.95	34,406
			1/3	12/30/2021		
			1/3	12/30/2022		
12/30/2020	0.36%	21,549,687	1/3	12/30/2021	2.02	47,079
			1/3	12/30/2022		
			1/3	12/30/2023		
12/30/2021	0.62%	36,759,795	1/3	12/30/2022	0.96	38,934
			1/3	12/30/2023		
			1/3	12/30/2024		

(i) The dilution percentages related to the shares granted informed in the table above, will not be fully achieved as a result of the departures of the Company's executives and, consequently, of the program. As of December 31, 2021, the total dilution percentage of the program's accumulated shares was 1.38%.

(ii) The estimated fair value on the date of acquisition of the right was measured considering the value of the shares granted on December 30, 2019, December 30, 2020 and December 30, 2021, corrected by the weighted average cost of capital of 10.98%, 9.94% and 10.29%, respectively, estimated for the three-year period of the program, brought to present value by the opportunity cost of the period of 14.67%, 10.55% and 10.25%, respectively, which corresponds to the fair value of the share.

The movements that occurred in the balance of the grant of shares are summarized below:

	Shares	Average share value R$
Grant of shares on 12/30/2019	**33,704,937**	0.95
Grant of shares on 12/30/2020	21,549,687	2.02
Share Grant Balance in 2020	55,254,624	
Settled grants (i)	(14,128,406)	2.04
Increase in the granting of shares (ii)	667,330	2.02
Grant of shares on 12/30/2021	36,759,795	0.96
Share Grant Balance in 2021	**78,553,343**	

(i) In February 2021, the cash settlement of the first period of acquisition of the right of the first grant of shares was carried out, considering the quotation of the Company's ordinary shares (OIBR3), at the close of trading 45 days from the vesting date, as established in the share grant agreement.

(ii) Grants made to executives hired during 2021.

The fair value of the share grant is determined based on the vesting period and recognized as the services are provided. The expense recognized in the year ended December 31, 2021 was R$ 32,444 (2020 – R$ 28,822).

28. INFORMATION PER SEGMENT

The Company's Board of Directors uses information per business segments to make decisions. The Company identified only one operating segment that excludes discontinued operations and corresponds to the Telecommunications business in Brazil.

In addition to the Telecommunications businesses in Brazil, the Company has other businesses that individually or jointly do not meet any of the quantitative indicators that require disclosure as a reportable business segment. These businesses essentially relate to the companies Companhia Santomense de Telecomunicações, S.A.R.L. (“CSTT”), a company sold in November 2021, and Timor Telecom S.A., which provide fixed and mobile telecommunications services.

Revenue generation is evaluated by the Board of Directors in the segmented view by customer in the following categories:

- Residential Services, focused on the sale of fixed telephony services, including voice services, data communication services (broadband);
- Business/Corporate that include business solutions for our small, medium and large corporate customers, in addition to Digital and IT services (Oi Soluções); and
- TV DTH services.

In thousands of Reais, except where indicated to the contrary

Telecommunications in Brazil

In preparing the financial information for this reportable segment, transactions between the companies that comprise it are eliminated. The financial information for this reportable segment as of December 31, 2021 and 2020 is as follows:

	2021	2020 Re-presented
Residential	5,214,246	5,187,357
Business / Corporate (B2B services)	3,548,898	3,900,942
TV DTH	1,418,368	1,530,369
Other services and businesses	85,648	92,661
Revenue from sales and/or services	**10,267,160**	**10,711,329**
Operating expenses		
Depreciation and amortization	(3,953,918)	(3,838,740)
Interconnection	(140,775)	(165,377)
Personnel	(1,794,110)	(1,802,890)
Third-party services	(3,983,809)	(4,224,853)
Network maintenance services	(436,003)	(514,147)
Cost of appliances and others	2,515	6,077
Publicity and advertising	(360,838)	(310,912)
Rentals and insurances	(1,343,975)	(1,357,074)
Provisions / Reversals	(195,554)	(141,968)
Expected losses in accounts receivables from customers	(89,691)	(227,007)
Reversal of losses with impairment	641,371	1,129,708
Taxes and other expenses	(11,553)	(297,688)
Other net operating incomes (expenses)	(753,546)	(518,334)
Operating result before financial result and taxes	**(2,152,726)**	**(1,551,876)**
Financial result		
Financial revenues	341,004	3,983,457
Financial expenses	(9,908,191)	(16,698,736)
Result before taxes	**(11,719,913)**	**(14,267,155)**
Income tax and social contribution	2,042,019	3,576,271
Loss of continuing operations	**(9,677,896)**	**(10,690,884)**
Discontinued operations		
Net result from discontinued operations (net of taxes) (Note 31)	1,062,298	16,071
Loss for the year	**(8,615,598)**	**(10,674,813)**

In thousands of Reais, except where indicated to the contrary

Reconciliation of revenues and net income and information by geographic market

For the years ended December 31, 2021 and 2020, the reconciliation between revenues from the Telecommunications segment in Brazil and total consolidated revenues is as follows:

	2021	2020 Re-presented
Revenue from sales and/or services		
Revenues related to the reported segment	10,267,160	10,711,329
Revenues from other businesses	216,319	218,893
Revenue from sales and/or services from continuing operations (Note 5)	**10,483,479**	**10,930,222**

For the years ended December 31, 2021 and 2020, the reconciliation between income before financial income and taxes of the Telecommunications segment in Brazil and consolidated income before financial income and taxes is as follows:

	2021	2020 Re-presented
Income before financial income and taxes		
Telecommunications in Brazil	(2,152,726)	(1,551,876)
Other business	115,587	218,318
Income before financial income and taxes from continuing operations (Note 5)	**(2,037,139)**	**(1,333,558)**

Total assets, liabilities and tangible and intangible assets by geographic market as of December 31st, 2021 are as follows:

	2021				
	Total assets	**Total liabilities**	**Intangible assets**	**Intangible assets**	**Investment in tangible and intangible assets**
Brazil	77,393,084	78,775,824	16,124,752	3,992,742	6,534,873
Others, mainly Africa	557,392	(102,367)	67,771	12,643	22,291

In thousands of Reais, except where indicated to the contrary

29. TRANSACTIONS WITH RELATED PARTIES

Consolidated related party transactions

	PARENT COMPANY	
	2021	**2020**
Assets		
Receivables	**1,955,107**	**1,028,195**
BrT Call Center	50,464	92,012
BrT Multimídia	133,846	2,657
Oi Móvel	1,770,201	804,891
Telemar		123,318
Serede	551	3,970
Paggo Administradora	45	
Drammen		1,270
Calitéia		77
Credits with related parties (current and non-current)	**11,826,732**	**7,621,572**
PTIF	6,137,597	5,049,527
Oi Holanda	3,106,199	2,571,641
Pointer	737	404
BrT Multimídia	2,582,199	
Dividends and interest on equity receivable	**22,841**	**2,466**
Oi Serviços Financeiros	4,624	990
Rio Alto	1,546	1,476
BrT Serviços Financeiros	16	
Oi Móvel	16,655	
Others	**443,816**	**155,978**
Telemar		63,671
Oi Móvel	5,275	13,202
Oi Holanda	18,555	17,836
PTIF	700	309
CVTEL	3,322	1,485
Serede	272,375	39,248
BrT Multimídia	107,150	17,039
BrT Call Center	36,439	
Drammen		3,188

In thousands of Reais, except where indicated to the contrary

	PARENT COMPANY	
	2021	**2020**
Liabilities		
Suppliers	**454,705**	**139,509**
BrT Call Center	72,711	60,262
BrT Multimídia	75,523	29,031
Oi Móvel	174,052	33,654
Telemar		11,492
Paggo Administradora	101	47
Serede	132,318	
Drammen		5,023
Loans and financing (i)	**2,083,239**	**1,591,964**
Telemar		59,889
Oi Móvel	1,170	
Oi Holanda	2,082,069	1,532,075
Dividends (ii)	**819,571**	
Oi Móvel	819,571	
Other obligations	**43,350**	**31,690**
Telemar		3,393
Oi Móvel	11,763	
Rio Alto	975	975
BrT Multimídia	4,766	717
Oi Investimentos	13,927	11,972
PT Participações	11,919	14,633

(i) The Company enters into loan agreements with its subsidiaries under market conditions and interest in order to finance its activities or repay debts. The amounts shown are net of AVJ.

(ii) Dividends due after the merger of Telemar by the Company on May 3, 2021.

	PARENT COMPANY	
	2021	**2020**
Revenues		
Revenue from services provided	**1,011,741**	**44,900**
BrT Multimídia	508,642	539
Oi Móvel	497,878	30,194
Telemar	4,371	13,413
Serede	624	317
Paggo Administradora	7	
Drammen	219	437
Other operating incomes	**104,483**	**45,276**
BrT Multimídia	45,683	5,851
Oi Móvel	47,006	38,200
Serede	1,734	6
BrT Call Center	9,356	
Drammen	472	832
Calitéia	232	387
Financial revenues	**2,310,127**	**9,305,002**
BrT Multimídia	155,725	
Telemar	1,177	3,590
Oi Holanda	988,459	7,536,101
PTIF	1,121,275	1,757,201
PT Participações		8,105
BrT Call Center	43,461	
Pointer	30	5

In thousands of Reais, except where indicated to the contrary

	PARENT COMPANY	
	2021	**2020**
Operating costs and expenses	**(1,382,392)**	**(766,690)**
BrT Multimídia	(388,824)	(1,367)
Oi Móvel	(57,375)	(26,622)
Telemar	(3,195)	(11,303)
Paggo Administradora		(249)
BrT Call Center	(411,403)	(437,264)
Serede	(518,372)	(283,028)
Drammen	(3,223)	(6,857)
Financial expenses	**(1,117,073)**	**(7,716,863)**
Telemar	(6,788)	(20,364)
Oi Móvel	(48)	
Serede	(13,321)	(3,940)
BrT Call Center	(26,068)	(1,614)
BrT Multimídia	(7,238)	(6,498)
Oi Holanda	(1,004,143)	(7,515,087)
PTIF	(55,674)	(169,061)
PT Participações	(3,793)	(299)

Credits with related parties

The Company may grant lines of credit to its subsidiaries in order to provide working capital for its operating activities. For these cases, the maturity term can be renegotiated based on the projected cash flows of these companies, at the rate corresponding to 115% of the CDI (2020 – 115% of the CDI). In the year ended December 31, 2021, there are no outstanding balances between the companies of the group for this purpose, since, in accordance with what was approved in the PRJ, the “intercompany” credits in Reais were extinguished for purposes of working capital, through the matching of accounts between the Brazilian Debtors.

The intercompany lines of credit in effect on December 31, 2021 are in accordance with the approved PRJ. Intercompany credits not covered by the aforementioned reconciling of accounts in the form of the PRJ were renegotiated and will be paid from 20 years after the end of the payment of the credits provided for in the conditions of the General Payment Method, updated by the TR for the lines in Reais and exchange variation for international lines of credit. Additionally, lines of credit were created between the Company, PTIF and Oi Holanda, since within the scope of the implementation of the PRJ, the financial debts of the Debtors were substantially consolidated in the Company, which issued financial and capital instruments for the settlement of the debts originally recorded by said subsidiaries. In the second quarter of 2021, a loan was entered into between Oi and PTIF in the amount of US$ 4.15 million to complement the payment of a “fee” by this company (non-operating), due within the scope of the updating of documents necessary to from the approval of the Amendment to the PRJ. With the exception of this one, in the year ended December 31, 2021, there was no opening of other loan agreements between the Company and its subsidiaries.

In thousands of Reais, except where indicated to the contrary

According to Clause 5.3.8.1 of the Amendment to the PRJ, on the closing date of the partial sale of UPI InfraCo, BrT Multimidia, as SPE InfraCo, will have extra-bankruptcy debt in the total amount of R$ 2,426,473,858.77 with Telemar, due to the assumption of debt by Oi (as successor by incorporation of Oi Móvel, which took place on February 22, 2022), the amount of which will be adjusted by the rate equivalent to 115% of the CDI since June 8, 2020 until the date of its effective payment by BrT Multimidia ("InfraCo Debt"). Due to the merger of Telemar by the Company, on May 3, 2021, Oi succeeded the InfraCo debt by merger. For more information on the partial sale of UPI InfraCo and on the merger of Telemar and Oi Móvel by Oi, see Note 1. The InfraCo Debt will be paid at the conclusion of the sale of the control of UPI InfraCo.

Guarantees

The Company and the other Debtors are jointly and severally liable for the fulfillment of all obligations established in the PRJ, as provided for.

Oi Futuro

Since 2001, Oi has reinforced its commitment to building a more diverse and inclusive society through projects and programs developed by Oi Futuro, its innovation and creativity institute for social impact. Legally constituted as an OSCIP (Civil Society Organization of Public Interest), Oi Futuro is present in all regions of the country with operations in the areas of Culture, Education and Social Innovation, contributing to the ESG (Environmental Social Governance) agenda and to the Sustainable Development Goals (SDGs). Through its subsidiary Oi Móvel, contributions were made to Oi Futuro in the amount of R$ 13,871 (2020 – R$ 15,089).

Transactions with jointly controlled related parties, associates and unconsolidated entities

	PARENT COMPANY		CONSOLIDATED	
	2021	**2020**	**2021**	**2020**
Dividends receivable	**25**		**25**	
Other entities	25		25	

	PARENT COMPANY		CONSOLIDATED	
	2021	**2020**	**2021**	**2020**
Accounts payable and other liabilities	**412**	**520**	**2,994**	**66,021**
Hispamar		520		61,078
Other entities	412		2,994	4,943

	PARENT COMPANY		CONSOLIDATED	
	2021	**2020**	**2021**	**2020**
Revenue				
Revenue from services provided	**404**	**201**	**404**	**498**
Hispamar	404	197	404	439
Other entities		4		59
Other revenues		**2**		**6,118**
Hispamar		2		2
Other entities				6,116
Financial income				**120**
Other entities				120

In thousands of Reais, except where indicated to the contrary

	PARENT COMPANY		CONSOLIDATED	
	2021	**2020**	**2021**	**2020**
Costs/Expenses				
Operating costs and expenses	**(104,998)**	**(3,824)**	**(183,525)**	**(224,909)**
Hispamar	(104,998)	(3,820)	(153,579)	(202,399)
Other entities		(4)	(29,946)	(22,510)
Financial expenses	**(26)**		**(42)**	**(81)**
Hispamar	(25)		(40)	(77)
Other entities	(1)		(2)	(4)

Balances and transactions with jointly controlled, affiliated or unconsolidated entities result from commercial operations carried out in the normal course of activity, namely the provision of telecommunications services by the Company to these entities and the acquisition of content and the leasing of infrastructure from these entities.

Remuneration of key management personnel

On December 31, 2021, the compensation of the managers, responsible for planning, directing and controlling the Company's activities, which include the members of the Board of Directors and statutory officers, was R$43,428 (2020 - R$73,263), as following table:

	2021	2020
Compensation of Management key personnel[1]		
Short-term benefits to managers (i)[2]	31,113	63,157
Share-based compensation	12,315	10,106
Total	**43,428**	**73,263**

[1] The amounts shown refer to the parent company and the consolidated, given that the key management personnel are allocated to the Company.

[2] The values shown do not consider the impacts related to social charges according to the decision expressed by the collegiate on December 8, 2020 (CVM Process No. 19957.007457/2018-10) and informed in the Official Letter of January 2021.

(i) Wages, salaries, fees, paid leaves and paid sick pay, profit sharing and bonuses, non-monetary benefits (such as health care, housing, automobiles and free or subsidized goods or services).

30. INSURANCES

During the concession period, the concessionaire is responsible for maintaining the following insurance coverage, according to the established terms: "all risks" insurance for material damages related to the property, which covers all insurable assets that belong to the concession and preservation insurance of economic conditions to continue operating the service. Assets and liabilities of relevant and/or high risk values are covered by insurance. The Company and its subsidiaries maintain insurance guaranteeing coverage for material damages, among others. Management understands that the amount insured is sufficient to guarantee the integrity of assets and operational continuity, as well as compliance with the rules established in the Concession Agreements.

In thousands of Reais, except where indicated to the contrary

Insurance policies provide the following coverage, according to the risks and nature of the assets:

	CONSOLIDATED	
	2021	**2020**
Modality of insurance		
Operational risks and lost profits	800,000	800,000
Civil liability - third parties (*)	279,025	415,740
Fire - inventories	170,000	170,000
Theft - inventories	20,000	20,000
General Civil Liability	30,000	30,000
Civil liability - vehicles	2,000	2,000

(*) according to the exchange rate on December 31, 2021 (ptax): R$ 5.5805 = US$ 1.00

31. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

	PARENT COMPANY		CONSOLIDATED	
	2021	**2020**	**2021**	**2020 Re-presented**
Assets				
Disposal of UPIs (a) (*)	3,514,847		34,339,237	19,046,550
TVCo Operation (b)			691,895	961,491
International operations (c)		57,204		99,633
Sale of Real Estate	12,864	43,418	12,864	47,302
Total	**3,527,711**	**100,622**	**35,043,996**	**20,154,976**

(*) In the parent company, it refers to interest in investments held for sale.

	CONSOLIDATED	
	2021	**2020 Re-presented**
Liabilities		
Disposal of UPIs (a)	13,569,773	7,693,991
International operations (c)		42,429
Total	**13,569,773**	**7,736,420**

(a) Disposal of UPIs

The assets and liabilities related to the disposition of UPI Ativos Móveis and UPI InfraCo are classified as held for sale, as their book values are recovered, mainly through a sale operation rather than continued use. The Company considers that the sale of these assets is a highly probable sale, due to the evolution of the sale plan of these assets, including the disposition of UPI Ativos Móveis concluded on April 20, 2022, for further details see Notes 1 and 33 b). The group of assets and liabilities of UPIs are stated at the lower of book value and fair value, minus selling expenses.

In thousands of Reais, except where indicated to the contrary

(a.1) Assets held for sale

The main components of assets held for sale and liabilities associated with assets held for sale of UPIs, net of intragroup operations, are shown below:

	2021	2020 Re-presented
Assets held for sale	**34,339,237**	**19,046,550**
Cash and cash equivalents	172,278	207,925
Receivables	1,024,055	908,836
Inventories	52,749	11,932
Taxes	939,081	235,121
Prepaid expenses	639,239	616,936
Other assets	66,530	79,768
Fixed assets (i)	30,659,125	16,228,847
Intangible	786,180	757,185
Liabilities associated with assets held for sale	**13,569,773**	**7,693,991**
Salaries, social charges and benefits	91,374	205,479
Suppliers	1,216,671	1,236,326
Loans and financing (ii)	2,870,768	
Current and deferred taxes	1,446,187	8,456
Other taxes	264,652	193,388
Leases payable (iii)	7,312,573	5,636,122
Other obligations	367,548	414,220

(i) Movement of property, plant and equipment from assets held for sale

	Works in Progress	Automatic switching equipment	Transmission equipment and others	Infrastructure	Buildings	Right of use - leases	Other assets	Total
Net fixed assets								
Balance in 2020 - Re-presented	**624,911**	**585,734**	**9,106,645**	**48,833**	**476,556**	**5,224,465**	**161,703**	**16,228,847**
Contractual changes						1,082,727		1,082,727
Additions (*)	3,876,275	2,189	96,489	495	14,230	1,090,566	2,392	5,082,636
Write-off		(870)	(23,150)	(4,768)	(21)	(15,588)	(66)	(44,463)
Transfers from/to assets held for sale (**)	4,652	(35,475)	6,384,040	1,881,660	44,030	24,126	6,345	8,309,378
Transfers	(2,543,119)	67,767	2,265,556	199,777	(669)		10,688	
Balance in 2021	**1,962,719**	**619,345**	**17,829,580**	**2,125,997**	**534,126**	**7.406,296**	**181,062**	**30,659,125**

(*) Additions to the property, plant and equipment group arise mainly from: (i) new investments in infrastructure, related to the expansion of fiber optic networks, and (ii) recognition of right of use on leases arising, substantially, from lease agreements of towers signed with Highline, the company that acquired the UPI Torres.

(**) Transfers to assets held for sale are mainly related to capital increases in the subsidiary Brt Multimídia, in the amount of R$ 8,098,860, resulting substantially from the merged net assets, in relation to the asset segregation processes, liabilities and rights related to the operation of fiber optic networks of UPI InfraCo (Note 16).

In thousands of Reais, except where indicated to the contrary

(ii) The increase in loans and financing is represented by the private placement of debentures convertible into shares of InfraCo UPI, pursuant to the Amendment to the PRJ. The debentures have monthly capitalization updated by the variation of the IPCA + 11% p.a., incorporated into the principal and paid in a single installment upon the maturity of the issuance, on May 26, 2023, fully guaranteed by rights, including credit, present and future, not limited to the revenue stream of BrT Multimídia, as well as its operating assets, except for wholesale contracts, as well as the amounts to be paid by the potential acquirer of the shareholding portion of InfraCo UPI within the scope of the definitive documents related to this sale transaction, except the funds paid in consideration for the acquisition of the shareholding of InfraCo UPI. The Company guarantees this instrument. The total amount of the guarantees is R$ 2,879,000. Additional information see Note 1, item Financing provided for in the Amendment to the PRJ.

(iii) Addition arising from the lease agreements signed with Highline (item (i) above).

(a.2) Discontinued operations

Operations related to UPI Ativos Móveis and UPI InfraCo are classified as discontinued operations as they are an integral part of a coordinated sales plan.

The main components of income and expenses related to the result of discontinued operations of UPIs, net of intragroup operations, are shown below:

	2021	2020
Sales and/or services revenue	**7,449,901**	**7,845,542**
Operating income (expenses):		
Interconnection	(243,934)	(297,997)
Personnel	(426,570)	(610,413)
Third-party services	(1,307,066)	(1,203,237)
Network maintenance service	(334,133)	(375,385)
Cost of appliances and others	(71,024)	(103,414)
Publicity and advertising	(52,970)	(41,446)
Rentals and insurances	(1,213,235)	(992,447)
(Provisions) / Reversals	743	(3,909)
Expected losses in accounts receivables from customers	(121,271)	(166,759)
Taxes and other income (expenses)	(262,428)	(212,964)
Other net operating incomes (expenses)	244,447	
Operating expenses excluding depreciation and amortization	**(3,787,441)**	**(4,007,971)**
Depreciation and amortization (i)	(295,537)	(3,032,624)
Total operating expenses	**(4,082,978)**	**(7,040,595)**
Profit before financial result and taxes	**3,366,923**	**804,947**
Financial income:		
Financial revenues	49,100	18,496
Financial expenses	(1,371,807)	(758,957)
Total financial income	**(1,322,707)**	**(740,461)**
Profit before taxes	**2,044,216**	**64,486**
Income tax and social contribution	(981,918)	(48,415)
Profit of the year	**1,062,298**	**16,071**

(i) Depreciation expense from discontinued operations arises from the classification to Held for Sale, on May 1, 2021, of the assets subject to the IRU contracts between Oi and UPI InfraCo. According to CPC 31/IFRS 5, the respective depreciation expense must be presented in a comparative manner to the previous periods, which generated the reclassification of the depreciation expense previously presented in the continued operation to the discontinued operation, in the previous year ended on December 31, 2020, in the amount of R$744,265.

(b) TVCo Operation

The Company plans to transfer the entirety of the DTH postpaid customer base ("direct to home") and regulate the use of the Company's IPTV ("internet protocol television") infrastructure ("TVCo Operation"), with the provision of services in relation to this infrastructure carried out by the buyer, with the sharing of income earned. In addition, it considers that the Company's equipment with DTH technology will be granted to the buyer.
The Company considers that the sale of the TVCo Operation is a highly probable sale, due to the evolution of the plan to sell these assets, as disclosed in Note 33 d), and is measured at the lower of the book value and the fair value minus selling expenses.

As it is not a separate line of business in accordance with the concept of CPC 31/IFRS 5, the TVCo Operation is not a discontinued operation and its results are reported in the Company's continued operation.

(c) International Operations

The management of Oi was authorized to take the necessary measures for the sale of investments in Africa and Asia.

On November 26, 2021, after verifying the conditions set forth in the Agreement for the Purchase and Sale of Shares and Assignment of Credits signed on October 20, 2020 and obtaining the approvals and administrative authorizations necessary for the conclusion of the operation (among them the approval by the Government of the Democratic Republic of São Tomé and Príncipe, at the proposal of the General Regulatory Authority of the Democratic Republic of São Tomé and Príncipe - AGER), Africatel Holdings, BV (“Africatel Holdings”) sold to Visabeira Global, SGPS, S.A. the shareholding it held in Companhia Santomense de Telecomunicações, S.A.R.L. (“CST”), representing 51% (fifty-one percent) of the respective share capital. On that occasion, Africatel Holdings and Oi also assigned the credits they held over CST, for the global amount of US$ 6,000,000.00 (six million US Dollars).

In addition, on December 10, 2021, Africatel Holdings sold to Ramalhosa Limited its shareholding in Directel – Listas Telefónicas Internacionais LDA. (“Directel”), representing 100% (one hundred percent) of the respective share capital, in addition to the interest in its subsidiaries, for the amount of EUR 25,000.00 (twenty-five thousand euros), and Africatel Holdings and Oi Investimentos Internacionais S.A. assigned the credits they held to Directel for EUR 1.00 (one euro).

In thousands of Reais, except where indicated to the contrary

As of December 31, 2021, the Company has no international operations classified as held for sale. As of December 31, 2020, the main components of assets held for sale and liabilities associated with assets held for sale from operations in Africa are shown below:

	Operations in Africa
	2020
Assets held for sale	**99,633**
Cash, cash equivalents and short-term investments	33,752
Receivables	41,609
Dividends receivable	
Assets held for sale	
Other assets	7,172
Investments	191
Fixed	13,659
Intangible	3,250
Liabilities directly associated with assets held for sale	**42,429**
Loans and financing	10,406
Suppliers	11,223
Other liabilities	20,800
Interest of non-controlling shareholders	
Total assets held for sale, net of corresponding liabilities - Consolidated	**57,204**
Intragroup eliminations	
Total assets held for sale - Parent company	**57,204**
Investments in Africa	57,204

The Company remains committed to selling the operating assets essentially related to the investments in the subsidiary Timor Telecom, S.A. and has been evaluating projects to demobilize the companies that will remain in the process of selling the international companies.

32. OTHER INFORMATION

a) Operation Map of the Mine ("*Mapa da Mina*")

On December 10, 2019, the Brazilian Federal Police launched the 69th phase of the Car Wash Operation, named “Operação Mapa da Mina” (Criminal Search and Apprehension Request No. 5024872-64.2018.4.04.7000/PR – 13th Federal Criminal Court of Curitiba), having as one of its main targets, Fábio da Silva, son of former president Luiz Inácio Lula da Silva. The investigation, in which neither the Company nor any of its current managers are defendants, investigates an alleged suspicious transfer from several companies to the companies Gamecorp and Grupo Gol, in exchange for alleged benefits with the Federal Government. As a result of this investigation, the Company was searched and seized in buildings in the States of São Paulo, Rio de Janeiro and Brasília. Since then, the Company has been cooperating with the investigations, presenting all the clarifications and documents that have been requested until then.

On March 12, 2020, a Writ of Habeas Corpus was granted (Habeas Corpus No. 5052647-8.2019.4.04.000/PR), within the scope of the Federal Regional Court of the 4th Region, determining the remittance of the records of said Operation, to the Judiciary Section of São Paulo, as there is no connection between the facts narrated in the investigation and those found in the Car Wash Operation. On December 7, 2020, the 10th Criminal Court of São Paulo declined the competence to process the case and ordered the remittance of the case to one of the courts of the Judicial Subsection of Rio de Janeiro/RJ.

As a result of this decision, requests for reconsideration and appeal in the strict sense were filed by the defenses of those involved so that the investigation remains under the jurisdiction of the 10th Federal Court of São Paulo.

On October 28, 2021, the appeal in the strict sense was judged and the jurisdiction of the 10th Criminal Court of São Paulo was defined for the judgment of the investigation records.

On December 13, 2021, the Federal Public Prosecutor's Office manifested itself in the records requesting the nullity and consequent shelving of the investigation. This request awaits court approval.

On January 17, 2022, the illegality of the evidence was recognized and the court granted the request to close the procedure.

The Company, among the initiatives carried out, hired an independent external auditor in order to promote a forensic investigation addressing all the allegations contained in the case records and created a Multidisciplinary Committee formed by members of various boards, such as the legal department, compliance, internal audit and accounting, aiming to establish the main procedures to be carried out, as well as to define a schedule of relevant activities in response to the allegations of the aforementioned investigation involving the Company and its subsidiaries. In this regard, the Multidisciplinary Committee established the following procedures: (i) hiring a renowned, specialized and independent law firm in relation to the Company and its subsidiaries to conduct an internal investigation into allegations contained in the investigations by the MPF and PF; (ii) evaluation by an external legal advisor of the results of said internal investigation to be conducted by the specialized law firm, if applicable; (iii) evaluation by external legal advisors of possible legal and regulatory impacts in the Brazilian and American scope, referring to all allegations contained in the investigation, considering the applicable legislation to combat corruption and/or illegal acts; (iv) assessment by the compliance board of whether any material weaknesses in the internal control environment during the period covered by the investigations remain in the current scenario of governance and internal controls of the Company; (v) periodic meetings to assess the status of the assessments to be carried out; (vi) presentation of the results of all evaluations to be carried out to the members of the Audit, Risks and Controls Committee ("CARC"), linked to the Company's Board of Directors. In this context, in February 2020, the specialized law firm concluded its internal independent investigation based on interviews, information and documents presented by the Company's management, as well as the existence of inherent limitations given the period covered by said investigation (2003 to 2019), that no indications of illegalities practiced by the Company were identified, within the scope of the allegations contained in the Investigation of the MPF and PF, "Operação Mapa da Mina". The referred internal use report was widely discussed and presented to the members of the Multidisciplinary Committee, as well as to the members of CARC.

b) Potential effects of the COVID-19 pandemic

In January 2020, the World Health Organization announced that COVID-19 was a global health emergency and, in March, classified it as a pandemic that has caused deaths and the imposition of measures that cause unprecedented social and economic impacts in Brazil and around the world.

The Company understands the fundamental role of telecommunications for society, is complying with the health and safety recommendations established by the authorities, and has been monitoring the situation, its developments and possible impacts. For this reason, since March 2020, it has maintained a multidisciplinary crisis response team focused on ensuring the continuity of its operation and customer service, on the health of its employees and on monitoring actions to combat the effects of the pandemic.

Among the main measures adopted and maintained by the Company since the beginning of the pandemic, we highlight:

- Home Office: around 71% of the workforce is working remotely and has been able to fulfill their duties without any interruption;
- Safe field work protocol: employees whose activities are not compatible with remote work, such as external service technicians (classified by the authorities as an essential service), follow sanitary and preventive protocols, including the use of PPE (personal protective equipment), testing and timely isolation of any suspected or confirmed cases;
- Inventory coverage: we maintain regular communications with our suppliers and service providers in order to ensure timely deliveries of inputs and equipment and prevent interruptions in our logistics and supply chain;
- Network strengthening: the Company reacted quickly to the increase in demand for telecom services and activated new circuits in its backbone infrastructure, which did not suffer any significant decline despite the increase in traffic.
- Digitization: the Company intensified and maintains the digitization of processes, sales and service channels, telemarketing and tele-agents, providing alternatives to its customers and minimizing possible impacts of restrictions on face-to-face activities.

Over the second quarter of 2021, due to a new wave of the pandemic, more strongly in April 2021, local and regional authorities promoted and applied social isolation and quarantine measures and enacted decrees limiting “non-essential” commercial operations, which resulted in the closing of part of the Company's retail stores and distribution channels for its mobile service. On the other hand, demand continues to grow for our broadband services, specifically, FTTH services, both from residential and B2B customers. In the operational aspect, there were no significant impacts given that the provision of telecom services is classified as an essential activity and continues to operate normally.

During the second quarter, with the gradual advance of vaccination and reduction of bed occupancy rates, many states and municipalities began the process of gradual reopening and easing of restrictive measures. In this way, in compliance with all established protocols, the Company gradually resumed the activities of its own stores, although the situations in each location continue to be monitored in case of eventual changes.

As we entered the third quarter of the year, we restructured the questionnaire for monitoring the health of our workforce, making it not only a tool for preventing and combating the effects of the pandemic, but also an instrument for surveying vaccination among our personnel and monitoring people with chronic illnesses.

At the end of the fourth quarter, with the easing of restrictive actions and festivities, even considering the advance of vaccine coverage, Brazil faces a new wave of disease transmission with the Omicron variant. In this way, Oi recorded 437 confirmed cases of COVID-19 in the period, which are being monitored and receiving all necessary support.

With the virus variants and a scenario that was unstable, particularly for the elderly and people with comorbidities, and the advance to the third stage of vaccination, uncertainties still persisted about the duration of vaccine coverage and permanence of the pandemic. We continue without records of material deviations in our operations and results, and maintaining the mitigating actions already adopted.

In the first four months of 2022, the scenario has already evolved positively towards broader vaccination and flexibility in the use of masks indoors and outdoors in several units of the Federation. However, care for risk groups remains in environments where there is agglomeration.

c) Corporate restructuring to form UPI InfraCo

The corporate transactions below, in particular the capital increases and partial spin-offs of BrT Multimídia, are in line with the terms of the Strategic Plan and the PRJ, as amended, and constitute stages of the corporate and equity restructuring process of the Oi Companies described in PRJ, with the objective of optimizing its operations, assets and liabilities and, more specifically, the formation of InfraCo UPI. Having made this caveat, we now list the acts that took place in fiscal years 2020 and 2021.

At the Extraordinary General Meeting of the indirect subsidiary BrT Multimídia held on June 8, 2020, the first capital increase was approved, in the amount of R$ 822,673,091.98, without the issuance of new shares, which was fully subscribed and paid in by Oi Móvel, also an indirect subsidiary of the Company, through the transfer of the net assets formed by (i) assets recorded in the property, plant and equipment and intangible assets of Oi Móvel, of the FTTH (“Fiber-to-the-Home”) equity class, by (ii)) part of the materials for use and consumption acquired for use in the FTTH expansion, and (iii) the balance of dividends payable.

Subsequently, at the Extraordinary General Meeting of BrT Multimídia held on October 13, 2020, the second capital increase was approved, in the total amount of R$ 1,673,412,964.45, through the issuance, by BrT Multimídia, of 52,700 common shares, registered and without par value, with the amount of R$ 173,485,677.43 being attributed to the capital stock account and the amount of R$ 1,499,927,287.02 being allocated to the formation of a capital reserve. Oi Móvel subscribed all the shares issued as a result of the aforementioned capital increase, which were paid in through the contribution of FTTH fiber assets, recorded in the property, plant and equipment and intangible assets of Oi Móvel, to the equity of BrT Multimídia.

At the Extraordinary General Meeting of BrT Multimídia held on December 30, 2020, the capitalization of an Advance for Future Capital Increase ("AFAC") in the amount of R$ 700,000,000.00, which had been granted by Oi Móvel, was approved to BrT Multimídia. As a result of the aforementioned capital increase, BrT Multimídia issued 212,640 registered ordinary shares with no par value, which were fully subscribed and paid in by Oi Móvel, through the capitalization of the AFAC granted.

At the Extraordinary General Meeting of BrT Multimídia held on January 1, 2021, the first partial spin-off was approved, for the segregation and removal of its assets from elements not related to the scope of activity of InfraCo UPI, which were merged into Oi Móvel. As a result of the partial spin-off, the capital stock of BrT Multimídia was reduced by R$17,698,607.37, without the cancellation of shares, from R$ 2,013,309,621.84 to R$ 1,995,611,014.47, divided into 611,586 common, nominative shares with no par value.

At the Annual and Extraordinary General Meeting held on April 30, 2021, the second partial spin-off of BrT Multimídia was approved, for the segregation and removal of its assets from elements not related to the scope of activity of InfraCo UPI, which were incorporated by Oi. Considering that the spun-off assets of BrT Multimídia were valued at R$ 0.00 (zero reais), the capital stock of BrT Multimídia did not undergo any change as a result of the transaction.

At the Extraordinary General Meeting held on September 1, 2021, the third partial spin-off of BrT Multimídia was approved, with the merger of the spun-off portion into Oi Móvel. As a result of the operation, the capital stock of BrT Multimídia was reduced by R$ 132,960,967.37 and 22,587 registered ordinary shares with no par value issued by BrT Multimídia that belonged to Oi Móvel were cancelled. As a result, the capital stock of BrT Multimídia is now represented by 640,503 (six hundred and forty thousand, five hundred and three) ordinary shares with no par value.

Subsequently, at the Extraordinary General Meeting of BrT Multimídia held on September 27, 2021, the third capital increase was approved, in the total amount of R$ 5,884,740,642.68, through the issuance by BrT Multimídia of 1,048,739 ordinary shares, registered and without par value. As a result of the aforementioned capital increase, Oi Móvel subscribed for 45,844 of the shares issued, in the amount of R$ 257,243,507.17, which were paid in through contribution of Fiber To The Home ("FTTH") assets, Optical Network Terminal ("ONT"), Optical Line Terminal ("OLT"), External Network and real estate (including land, air conditioning equipment, elevators and improvements made). Oi subscribed for 1,002,895 of the shares issued, in the amount of R$ 5,627,497,135.51, which were paid up through the contribution of Fiber Backhaul assets (comprising the network and transmission equipment, including the Carrier Grade Access ("CGA"), Packet Transport Network ("PTN"), Synchronous Digital Hierarchy ("SDH"), Plesiochronous Digital Hierarchy ("PDH"), Ethernet Demarcation Device ("EDD") and optical modem, ducts and poles, data circuits, Optical Network Terminals ("ONTs") and Ethernet Demarcation Devices ("EDDs") equipment, real estate (including land, air conditioning equipment, elevators and improvements made), as well as performed and unpaid portions of the Price of the Agreement for the Assignment of the Irrevocable Use of Shutdown Optical Fibers, of the Agreement for the Assignment of the Irrevocable Right of Use of Telecommunication Signal Transmission Capacity, and of the Assignment of Irrevocable Right to Use of Network, all entered into on April 26, 2021, between Telemar, merged into the Company on May 3, 2021, Oi, and BrT Multimídia. With this increase, there was a change in the proportion of the Company's shareholding, so that Oi became the majority shareholder with 59.37%, and Oi Móvel now holds a 40.63% interest in the capital stock of BrT Multimídia.

At the Extraordinary General Meeting of BrT Multimídia held on November 15, 2021, the fourth capital increase was approved, in the total amount of R$ 1,740,987,952.43, through the issuance by BrT Multimídia of 316,111 common, nominative and no par value shares. As a result of the aforementioned capital increase, Oi Móvel subscribed for 4,189 of the shares issued, in the amount of R$ 23,070,923.93, which were paid in through the contribution of basic infrastructure assets, IT systems, among others. Oi subscribed for 311,922 of the shares issued, in the amount of R$ 1,717,917,028.50, which were paid up through the contribution of Fiber Backhaul assets (comprising network and transmission equipment, including Carrier Grade Access - “CGA”, Packet Transport Network – “PTN”, Synchronous Digital Hierarchy – “SDH”, Plesiochronous Digital Hierarchy – “PDH”, Ethernet Demarcation Device – “EDD” and optical modem, ducts, towers and poles, data circuits, Optical Network Terminal - "ONT" and Ethernet Demarcation Device - "EDD" equipment, as well as performed and unpaid portions of the Price of the Agreement for the Assignment of Irrevocable Use of Shutdown Optical Fibers, the Agreement for the Assignment of the Irrevocable Use of Telecommunication Signal Transmission Capacity, and the Agreement for the Assignment of the Irrevocable Use of the Network, all entered into on April 26, 2021 between Oi and BrT Multimídia.

At the Extraordinary General Meeting held on December 1, 2021, the 4th partial spin-off of BrT Multimídia was approved, with the merger of the spun-off portion into Oi Móvel. As a result of the transaction, the capital stock of BrT Multimídia was reduced by R$ 244,042,514.08 and 45,014 registered ordinary shares with no par value issued by BrT Multimídia that belonged to Oi Móvel were cancelled. As a result, the capital stock of BrT Multimídia is now R$9,542,209,778.26, represented by 1,960,318 ordinary shares with no par value.

At the Extraordinary General Meeting of BrT Multimídia held on December 20, 2021, the last capital increase for the year was approved, in the total amount of R$ 569,959,973.44, through the issuance by BrT Multimídia of 106,569 common, nominative and without par value. As a result of the aforementioned capital increase, Oi Móvel subscribed for 8,969 of the shares issued, in the amount of R$ 47,969,050.63, which were paid in through the contribution of Basic Infrastructure, IT Systems/Infra and Network Works Fiber not yet completed. Oi subscribed for 97,600 of the shares issued, in the amount of R$ 521,990,922.81, which were paid in through the contribution of Basic Infrastructure assets, IT Systems/Infra, Spare Parts, Fiber Network Works not yet completed and inventory. With the aforementioned increase, there was a change in the proportion of the Company's shareholding, so that Oi Móvel now holds a 31.66% interest and Oi now holds a 68.34% interest in the capital stock of BrT Multimídia.

Finally, at the Extraordinary General Meeting of BrT Multimídia held on January 21, 2022, the contribution of Globenet's funds to BrT Multimídia in the form of Advance for Future Capital Increase (“AFAC”) was approved, in anticipation of the amounts due by Globenet as the Primary Portion of the UPI InfraCo Operation, subject to the terms of the UPI InfraCo Agreement. It is important to point out that the referred AFAC does not imply the acquisition of shares issued by BrT Multimídia by Globenet and, consequently, its entry into the capital stock of BrT Multimídia, nor any change in the control of BrT Multimídia until the closing of the Operation. UPI InfraCo, which will only occur with the closing of the UPI InfraCo Operation.

The partial spin-off operations were approved without solidarity, so that Oi Móvel and Oi became responsible only for the obligations transferred to them as a result of each partial spin-off, not having assumed any responsibility, individually or jointly, for any debts, obligations or responsibilities of BrT Multimídia, of whatever nature, present, contingent, past and/or future, which have not been transferred as a result of the partial spin-offs in question.

d) Sale of equity interest in Hispamar

On December 28, 2021, Oi sold its shareholding in Hispamar Satélites S.A ("Hispamar Satélites"), representing 19.04% (nineteen and four hundredths percent) of the respective share capital, to the Hispamar Satellites, for the amount of R$ 50,800,000.00 (fifty million, eight hundred thousand reais). The shares will be held, at first, in treasury, and the amount will be paid in variable and consecutive monthly installments, by means of offsetting the amounts owed by Oi due to the Agreement for the Use of Satellite Capacity on the Amazonas 3 Satellite and the Agreement of Capacity Contracted by Oi in the Satellite System.

33. SUBSEQUENT EVENTS

a) Merger of Oi Móvel by Oi

At the Special Shareholders' Meeting held on January 27, 2022, Oi approved the merger of Oi Móvel ("Merger"). The Merger was conditioned to the implementation of the following conditions: (i) concession by ANATEL of prior consent for the operation; (ii) publication by ANATEL, in the Federal Official Gazette, of the transfer to Oi of the SeAC (pay TV) grant held by Oi Móvel, and consolidation of the SCM grant with the one already held by Oi; and (iii) obtaining authorization from the Debenture Holder of the 2nd Issue of Simple Debentures, Non-Convertible into Shares, of the Kind with Real Guarantee, with Additional Personal Guarantee, in a Single Series, for Private Placement, of Oi Móvel ("2nd Issue of Debentures of Oi Móvel").

On January 31st, 2022, ANATEL granted preliminary approval for the Merger, and on February 18, 2022, the Company obtained authorization from the Debenture Holder of the 2nd Issue of Debentures of Oi Móvel for the Merger.

On February 22, 2022, was published in the Official Federal Gazette ("DOU"), Act No. 2802/2022, by which the grant for exploration of the Conditioned Access Service ("SeAC") (pay TV) held by Oi Móvel was transferred to Oi, and authorized the consolidation of the Multimedia Communication Service ("SCM") concession granted by Oi Móvel with the one already owned by Oi.

Thus, on February 22, 2022, the conditions for the Merger were fully verified, and the Merger of Oi Móvel by Oi was implemented and became effective. Accordingly, Oi Móvel was extinguished, which was absorbed by Oi and succeeded in all rights and obligations, in accordance with article 227 of the Corporation Act.

With the aforementioned Merger, the net assets of Oi Móvel, valued at R$ 1,073,718,901.02, according to the appraisal report of its book value on September 30, 2021, was merged into the Company's equity. However, as it is a merger of a company whose shares are fully owned by Oi, the aforementioned Merger did not result in an increase in Oi's shareholders' equity, given that Oi already had the consolidated record of Oi Móvel in its financial statements consolidated, by equity method, so that the Company did not have its capital stock changed as a result of the Oi Móvel Merger.

Said merger constitutes one of the stages of the corporate and equity restructuring process of the Oi companies, expressly provided for in the Amendment to the Judicial Reorganization Plan, with the objective of guaranteeing the optimization of operations and increase of the results of Oi and its subsidiaries in judicial reorganization and other direct and indirect subsidiaries of Oi (Note 1).

b) Disposition of UPI Ativos Móveis

The Amendment to the PRJ provided for the sale of UPI Ativos Móveis, as defined below, through a competitive procedure, under the terms of the LRF, through the submission of closed proposals for the acquisition of 100% of the shares of the UPI Ativos Móveis, with the payment of a price of at least R$ 15.7 billion in cash.

On September 7, 2020, Oi accepted a binding proposal submitted jointly by Telefônica Brasil S.A. (“Vivo”), TIM S.A. (“Tim”) and Claro S.A. (“Claro” and, when jointly, with Vivo and Tim, “Buyers”) for the acquisition of UPI Ativos Móveis and granted the Buyers, as provided for in Clause 5.3.9.1.6 of the PRJ Amendment, the right, at its sole discretion, to cover the highest value offer that was eventually presented in the competitive process of disposal of UPI Ativos Móveis (“right to top”).

On November 10th, 2020, the Public Notice (“Public Notice UPI Ativos Móveis”) presented by the Debtors for the sale of UPI Ativos Móveis was published.

On December 14, 2020, a hearing was held in the Judicial Reorganization Court for the opening of closed proposals presented within the scope of the competitive procedure for the sale of UPI Ativos Móveis, in the form and under the terms provided for in the Amendment to the PRJ and in the Public Notice of the UPI Ativos Móveis. During the aforementioned hearing, there was only one proposal for the acquisition of UPI Ativos Móveis, which was jointly presented by the Buyers in the exact terms and conditions of the binding proposal for the acquisition of UPI Ativos Móveis presented by them.
The Judicial Reorganization Court approved the Buyers’ proposal as the winner of the competitive procedure for the sale of UPI Ativos Móveis, after favorable statements from the Prosecutor's Office of the State of Rio de Janeiro and the Judicial Manager.

As provided for in the UPI Ativos Móveis Notice, the respective Share Purchase and Sale Agreement was entered into with the Buyers, having obtained the consent of ANATEL and the approval of the purchase and sale of shares by CADE for the operation.

UPI Ativos Móveis is represented by 100% of the shares issued by Cozani RJ Infraestrutura e Redes de Telecomunicações S.A. (“Cozani”), Garliava RJ Infraestrutura e Rede de Telecomunicações S.A. (“Garliava”) and Jonava RJ Infraestrutura e Rede de Telecomunicações (“Jonava”), to whose capital stock Oi Móvel contributed, on December 27th, 2021 and on February 9th, 2022, through capital increase operations, with the Assets, Liabilities and UPI Ativos Móveis Rights described in Attachment 5.3.1 of the Amendment to the PRJ and in the UPI Ativos Móveis Public Notice.

On April 20, 2022, after the fulfillment (or temporary release), as the case may be, of the conditions precedent to do so, the disposition of UPI Ativos Móveis was concluded, so that all the shares issued by (i) Cozani were transferred to Tim; (ii) Garliava was transferred to Vivo; and (iii) Jonava was transferred to Claro. For more information about the operation, please refer to Note 1.

c) Debts settled due to the closing of the UPI Ativos Móveis Operation

As mentioned in item b) above and already detailed in Note 1, on April 20, 2022, the disposition of UPI Ativos Móveis was concluded. As part of the receipt of these funds, and as provided for in the Company's Judicial Reorganization Plan, on the same date, the full settlement of its debts with BNDES was carried out, in the amount of R$ 4,640 million. Additionally, in line with the provisions of the indenture of the second issue of debentures by Oi Móvel, the advance payment of this debt was made, in the amount of R$ 2,356 million. Finally, also on this date, the mandatory public offering for the Senior Bond 2026 was closed, as provided for in its “indenture”, with adhesion of 98.71% of the total outstanding principal, which represents approximately US$ 869 million in principal (R$4,109 million). Such pre-payments are the beginning of the reduction of the Company's leverage, in line with what is stated in the Amendment to the Judicial Reorganization Plan, transforming its capital structure and pursuing the financial sustainability of Nova Oi.

d) Term Sheet Execution: Transfer of the DTH Base and Use of the IPTV Infrastructure

The Amendment to the PRJ provided for the disposal of assets, liabilities and rights related to the pay-TV business, described in its Annex 5.3.5, also establishing the possibility of disposal of said assets jointly through the constitution of UPI TVCo or by another modality provided for in Law No. 11,101/2005, pursuant to Clause 5.1 of the Amendment to the PRJ.

On April 28th, 2022, the Company entered into with Sky Serviços de Banda Larga Ltda. (“Sky”) Term Sheet (“Instrument”) to (i) allow the eventual transfer of the entire DTH (direct to home) post-paid customer base (“DTH Base”), in continuity with its strategy of divestment of the pay-TV business based on DTH technology; and (ii) the use of Oi's IPTV (internet protocol television) infrastructure ("IPTV Infrastructure") and the provision of services in relation to this infrastructure by Sky, with the sharing of revenues earned between Oi and Sky (“TVCo Operation”).

In accordance with the Instrument, and subject to the implementation of the conditions precedent for the closing of the TVCo Operation, which will be provided for in the Definitive Contracts (as defined below) of the TVCo Operation (“TVCo CPs”), Sky has committed to acquire the Base Oi's DTH and Oi agreed to transfer the DTH Base to Sky, as well as agreed to provide Sky with services related to the IPTV Infrastructure. The exact terms and conditions of the TVCo Operation will be contained in the definitive agreements to be discussed between Oi and Sky (“Definitive Agreements”).

The effective conclusion of the TVCo Operation is also subject to obtaining authorization from the Company's Judicial Reorganization court to transfer the DTH Base and obtaining approval from CADE, as well as compliance with the TVCo CPs.

The closing of the TVCo Operation, which should only take place after the fulfillment of the TVCo CPs, will ensure that the Oi Group will carry out its strategy of divestment of the pay-TV business based on DTH technology, at the same time that it will enable the maintenance of a important participation in the generation of revenue from content from the provision of subscription TV services via IP protocol (IPTV), based on platforms and equipment with IPTV technology that will remain the property of the Company and/or companies in which it holds interest.

Annex - Added value statement
Years ended December 31, 2021 and 2020
In thousands of Reais, except where indicated to the contrary

	Parent Company		Consolidated	
	2021	2020 Re-presented	2021	2020 Re-presented
Revenues				
Services and goods revenue	8,182,287	4,523,709	14,781,167	15,222,547
Unconditional discounts and returns	(19,085)	(9,188)	(1,406,693)	(1,258,085)
Expected losses in accounts receivables from customers	(15,701)	(5,222)	(90,843)	(228,357)
Other revenues	1,491,387	1,237,762	3,033,121	3,511,096
	9,638,888	5,747,061	16,316,752	17,247,201
Inputs purchased from third parties				
Interconnection costs	(155,877)	(74,642)	(143,979)	(169,453)
Materials and energy	(817,984)	(410,466)	(1,119,024)	(1,121,178)
Costs of sold goods			(8,281)	(11,723)
Third-party services	(2,473,186)	(1,406,605)	(4,730,205)	(4,959,028)
Others	(94,763)	(61,384)	(175,869)	(227,217)
	(3,541,810)	(1,953,097)	(6,177,358)	(6,488,599)
Gross added value	6,097,078	3,793,964	10,139,394	10,758,602
Withholdings				
Depreciation and amortization	(2,672,703)	(1,504,162)	(4,002,033)	(3,904,864)
Provisions/Reversals (Includes inflation adjustment)	(212,678)	(389,744)	(922,323)	(1,013,593)
Reversal of losses with impairment	1,017,506	1,129,708	641,371	800,378
Result of discontinued operations	1,062,298	16,071	1,062,298	16,071
Other expenses	(1,649,524)	(802,648)	(2,446,244)	(2,638,118)
	(2,455,101)	(1,550,775)	(5,666,931)	(6,740,126)
Net added value produced by the Company	3,641,977	2,243,189	4,472,463	4,018,476
Added value received in transfer				
Equity method	(6,831,650)	(11,509,394)	(3,203)	31,624
Financial revenues	1,226,423	1,227,424	287,059	587,328
	(5,605,227)	(10,281,970)	283,856	618,952
Total added value to be distributed	(1,963,250)	(8,038,781)	4,756,319	4,637,428
Added Value Distribution				
Personnel				
Direct compensation	(406,997)	(283,398)	(1,171,047)	(1,245,440)
Benefits	(145,447)	(76,272)	(346,305)	(304,744)
FGTS	(21,183)	(18,951)	(99,703)	(73,742)
Others	(11,664)	(6,913)	(37,348)	(43,616)
	(585,291)	(385,534)	(1,654,403)	(1,667,542)
Taxes and Fees				
Federal	1,832,231	3,742,918	1,598,940	3,194,024
State	(1,093,685)	(768,822)	(2,377,155)	(2,510,869)
Municipal	(60,906)	(22,993)	(248,551)	(241,906)
	677,640	2,951,103	(1,026,766)	441,249

Annex - Added value statement
Years ended December 31, 2021 and 2020
In thousands of Reais, except where indicated to the contrary

(Continued)

	Parent Company		Consolidated	
	2021	2020 Re-presented	2021	2020 Re-presented
Third-party capital remuneration				
Interest and other financial charges	(5,439,606)	(4,599,704)	(9,199,562)	(12,565,345)
Rental, leases and insurance	(1,205,678)	(457,047)	(1,368,114)	(1,374,289)
	(6,645,284)	(5,056,751)	(10,567,676)	(13,939,634)
Own capital remuneration				
Interest of non-controlling shareholders			(23,659)	(1,464)
Withheld Losses	8,516,185	10,529,963	8,516,185	10,529,963
	8,516,185	10,529,963	8,492,526	10,528,499
Distributed added value	1,963,250	8,038,781	(4,756,319)	(4,637,428)