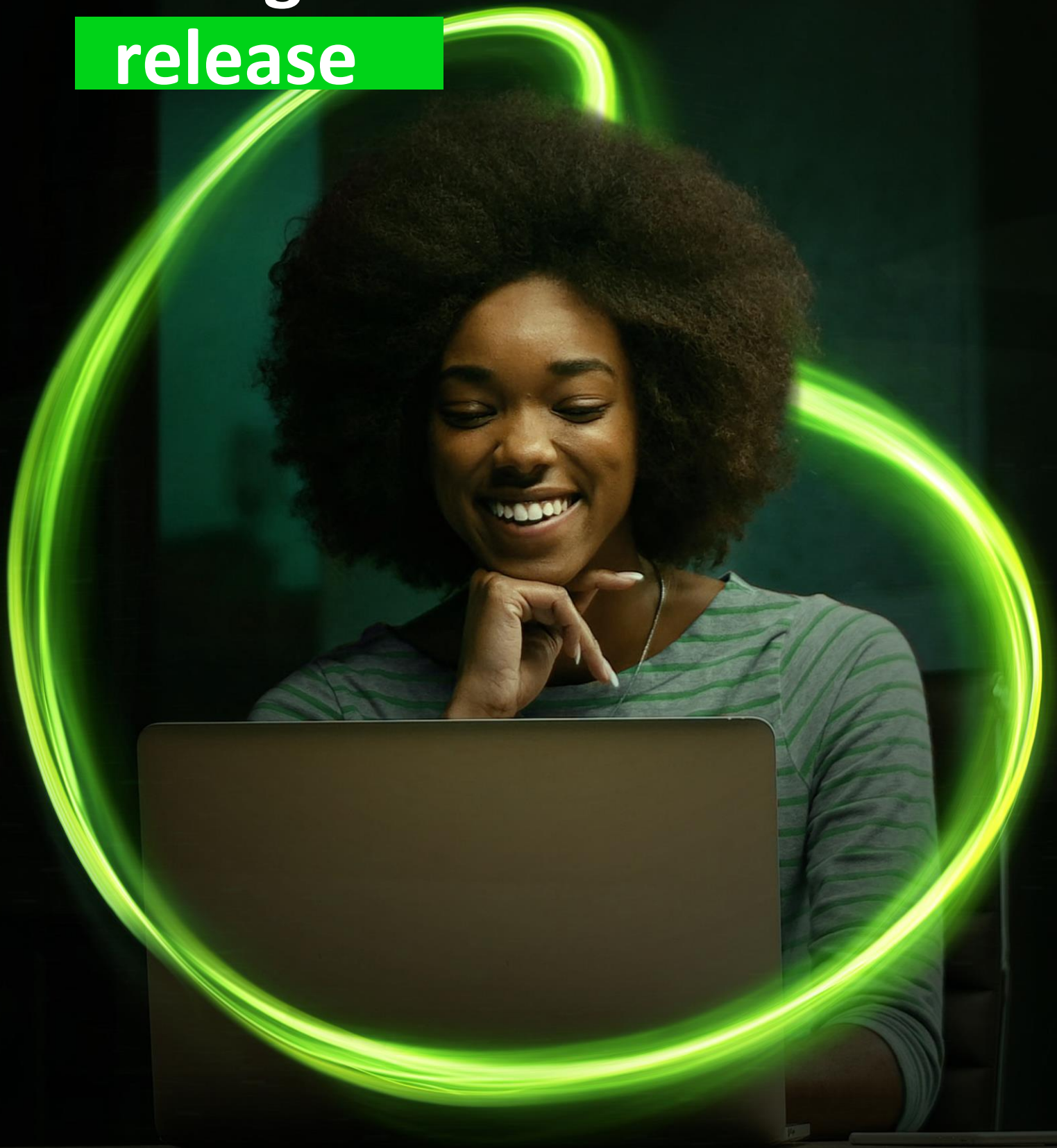


Earnings
release

3Q22



OIBR

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Earnings Release

November 09, 2022

Conference call in English

November 10, 2022
11:00 a.m. (Brasília)
9:00 am (NY) / 2:00 pm (UK)
ZOOM: [click here](#)

Conference call in Portuguese

**SIMULTANEOUS
TRANSLATION**

November 10, 2022
11:00 a.m. (Brasília)
9:00 am (NY) / 2:00 pm (UK)
TEAMS: [click here](#)

Consolidated Information and Results (Unaudited)

This report contains the operational and financial performance of Oi S.A. – under Judicial Reorganization (“Oi S.A.” or “Oi” or “Company”) – and its subsidiaries for the third quarter of 2022.



Brazilian Operations Highlights

Q3 RESULTS MARK THE BEGINNING OF OUR NEW OPERATING MODEL, AND SHOW NEW OI REVENUE GROWTH AND OPEX REDUCTION AS KEY OPERATIONAL INDICATORS

Quarter Highlights



NEW OI'S REVENUES grew 10% YoY with CORE representing 70% of total	+36% YOY	Homes passed, reaching 18mn	+39% YoY	Core revenue growth
	+21% YOY	Homes connected, totaling 4mn	+31% YoY	Fiber revenue growth
			+55% YoY	ICT revenue growth
Double digit YoY reduction in OPEX and new CAPEX profile	-16% YOY	Routine Opex reduction despite higher variable costs linked to Fiber Revenue growth		
	~480 R\$ MN	Capex in 3Q impacted by seasonal ONT ¹ investments to support fiber growth		
60% Gross FINANCIAL DEBT reduction since start of JR	R\$ 18 BN NET DEBT	35% reduction in gross financial debt since 1Q22		
Other KEY UPDATES for the call today	Hiring of Moelis & Co to optimize Oi's capital structure aiming to guarantee long term execution of its plan			
	Mobile Sale Price adjustment discussion arbitration process initiated with 3 buyers			
	Sale of Non-Core Tower and DTH assets with ongoing regulatory and competitive approval processes			
	Reverse stock split proposed to comply with B3 rules and align share price to best practices in Brazil			

1. ONT – consumers' premise equipment (eg. router)

1- ONT = consumers' premises equipment (eg. router).



Summary

Table 1 – Highlights

in R\$ million or otherwise stated	3Q22	3Q21	2Q22	YoY	QoQ	2022	2021	YoY
Oi S.A. Consolidated								
Total Net Revenues	2.770	4.520	2.770	-38,7%	0,0%	9.955	13.362	-25,5%
Routine EBITDA	168	1.460	388	-88,5%	-56,9%	1.808	3.883	-53,4%
Routine EBITDA Margin (%)	6,1%	32,3%	14,0%	-26,2 p.p.	-8,0 p.p.	18,2%	29,1%	-10,9 p.p.
Net Income (Loss) attributable to owners of the Company	-3.064	-4.813	-321	-36,3%	855,0%	-1.603	-6.711	-76,1%
Net Debt	18.334	29.899	16.123	-38,7%	13,7%	18.334	29.899	-38,7%
Available Cash	3.590	4.132	5.031	-13,1%	-28,6%	3.590	4.132	-13,1%
CAPEX	480	1.815	412	-73,6%	16,6%	1.254	5.574	-77,5%
BRAZIL								
Total Net Revenues	2.748	4.464	2.740	-38,4%	0,3%	9.872	13.192	-25,2%
Routine EBITDA	224	1.443	384	-84,5%	-41,7%	1.828	3.843	-52,4%
Routine EBITDA Margin (%)	8,1%	32,3%	14,0%	-24,2 p.p.	-5,9 p.p.	18,5%	29,1%	-10,6 p.p.
CAPEX	479	1.812	410	-73,6%	16,9%	1.234	5.555	-77,8%
Routine EBITDA - CAPEX	-255	-369	-26	-30,8%	895,0%	594	-1.712	-134,7%

In 2Q22, the Company delivered two important milestones of its transformation plan, with the closing of the sale of the mobile operation and the partial sale of the fiber infrastructure, operated by V.tal. Thus, the consolidated result was impacted until March 2022 by the Mobile segment and until May 2022 by the infrastructure operation. This way, the comparability of information in relation to the previous year has an important impact arising from the divestment operations concluded in 2022 mentioned above.

As of June 2022, Oi's new fiber operating model, through the V.tal network, inaugurated in the country an unprecedented way of using a neutral network with a relevant scale, which will encourage the development of the Brazilian fiber market. In this new scenario, the Company will benefit, after a transition period, from a better operational generation, due to the lower need for Capex when compared to the new costs and, on the other hand, it captures the appreciation of the expansion of V.tal, through its shareholding in the infrastructure operation of the neutral fiber network, the absolute leader in the country.



Net Revenues

Table 2 – Net Revenues Breakdown

R\$ million	Quarter					9 months			Weight %	
	3Q22	3Q21	2Q22	YoY	QoQ	2022	2021	YoY	3Q22	3Q21
Consolidated Total Net Revenues	2.770	4.520	2.770	-38,7%	0,0%	9.955	13.362	-25,5%	100%	100%
Brazil	2.748	4.464	2.740	-38,4%	0,3%	9.872	13.192	-25,2%	99,2%	98,7%
Continued Operations	2.445	2.223	2.237	10,0%	9,3%	6.806	6.652	2,3%	88,3%	49,2%
Fiber	1.053	805	958	30,8%	9,9%	2.923	2.087	40,1%	38,0%	17,8%
Oi Soluções	745	652	686	14,3%	8,7%	2.051	1.998	2,6%	26,9%	14,4%
Legacy	454	764	502	-40,7%	-9,7%	1.546	2.551	-39,4%	16,4%	16,9%
Subsidiaries and Others	194	3	92	7398,1%	110,8%	286	16	1697,8%	7,0%	0,1%
Discontinued Operations and Operations Held for Sale	304	2.240	503	-86,4%	-39,6%	3.066	6.540	-53,1%	11,0%	49,6%
International Operations	22	57	30	-61,8%	-27,1%	83	171	-51,1%	0,8%	1,3%
Revenue Generating Units (RGU) - ('000)	13.455	55.464	13.681	-75,7%	-1,7%	13.455	55.464	-75,7%	100%	100%
Continued Operations	12.640	13.733	12.830	-8,0%	-1,5%	12.640	13.733	-8,0%	93,9%	24,8%
Fiber	7.538	6.285	7.265	19,9%	3,7%	7.538	6.285	19,9%	56,0%	11,3%
Oi Soluções	2.266	2.336	2.286	-3,0%	-0,9%	2.266	2.336	-3,0%	16,8%	4,2%
Legacy	2.716	4.979	3.156	-45,5%	-14,0%	2.716	4.979	-45,5%	20,2%	9,0%
Public Telephones	121	133	122	-9,0%	-0,6%	121	133	-9,0%	0,9%	0,2%
Discontinued Operations and Operations Held for Sale	815	41.731	851	-98,0%	-4,3%	815	41.731	-98,0%	6,1%	75,2%

Consolidated net revenues totaled R\$ 2,770 million in 3Q22, remaining flat q-o-q and down by 38.7% y-o-y, due to the evolution of Oi's discontinued operations.

Net revenue from Brazilian operations ("Brazil") totaled R\$ 2,748 million (+0.3% q-o-q. and -38.4% y-o-y), mainly due to the conclusion of the sale of UPI Ativos Móveis and V.tal.

Net revenues from continuing operations in Brazil amounted to R\$ 2,445 million (+9.3% q-o-q. and +10.0% y-o-y.).

Net revenues from subsidiaries and others totaled R\$ 194 million in 3Q22. After the closing of the sale of V.tal, field operations for the construction and maintenance of fiber infrastructure provided by SEREDE, to V.tal started to be recognized as Oi's revenue¹.

Net revenue from international operations totaled R\$ 22 million, down by 27.1% from 2Q22 and 61.8% lower than in 3Q21.

¹ Until the closing of the sale, revenues and costs were classified as intercompany and thus eliminated from the consolidated results.



Fiber

Table 3 – Net Revenue and Fiber RGUs

	3Q22	3Q21	2Q22	YoY	QoQ	2022	2021	YoY
Fiber								
Net Revenues (R\$ million)	1.053	805	958	30,8%	9,9%	2.923	2.087	40,1%
ARPU	93	89	89	4,8%	5,5%	93	89	4,8%
FTTH - Homes Connected (HC's)	3.824	3.166	3.678	20,8%	4,0%	3.824	3.166	20,8%
Net Adds	146	327	144	-55,2%	1,7%	444	1.060	-58,1%
Take up	20,9%	23,5%	21,8%	-2,6 p.p.	-0,9 p.p.	20,9%	23,5%	-2,6 p.p.
Revenue Generating Units (RGU) - ('000)	7.538	6.285	7.265	19,9%	3,7%	7.538	6.285	19,9%
Fixed Broadband	3.780	3.117	3.632	21,3%	4,1%	3.780	3.117	21,3%
Fixed Line in Service	3.690	3.073	3.560	20,1%	3,7%	3.690	3.073	20,1%
IPTV	68	95	74	-28,8%	-8,5%	68	95	-28,8%

The Company ended 3Q22 with 3,824 thousand Homes Connected (HCs) with Fiber. Net additions for HCs totaled 146 thousand accesses in 3Q22 (89% of the addition were in the Residential segment), in line with the volume of 2Q22 net additions, as a result of our continuous focus on quality of new customers. In the last 12 months, a total of 658 thousand HCs were added. Revenues from Fiber services reached R\$ 1,053 million in 3Q22 (+9.9% q-o-q. and +30.8% y-o-y.).

As mentioned in the previous quarter, the slowdown in net additions reported since the end of 2021 was mainly due to adjustments in the management of customer acquisition, derived from macroeconomic conditions and their impacts on involuntary churn and delinquency, which began to improve since May, with the performance of quarterly net additions posting stable results. The Company's efforts to reinforce and refine its credit models continued to show results, as churn rate fell by -0.5 p.p. in relation to 1Q22, period in which the figure reached its highest recorded level. The increase in fiber base is associated with the increase in ARPU, as the Company has been implementing strategies to differentiate its offers, such as the increase of speeds – Oi has the best entry level offer with 400mbps, beginning in September – and the sale of new services and higher value-added products (e.g.: Oi *Fibra X*). As a result, ARPU of fiber customer ended 3Q22 at R\$ 93.49, growing by 4.80% y-o-y.

The Company continues to prioritize the quality of incoming customers, focusing regions with greater purchasing power and therefore with better credit scores. In 3Q22, 43.6% of Fiber customers (+10.4 p.p. q-o-q.) already had broadband plans of 400 mbps or higher. In the quarter, the addition of customers in this range increased by 445 thousand new customers. This upselling allows us, in particular, to shield and protect our base while stimulating the sales of new services.

The Company's differentiation plans continues to be strategic, providing complementary products and services to fiber plans that improve the customer's experience. In this sense, new services were launched in the first half of the year, such as Oi *Fibra X* (FTTR – Fiber to the Room). A customer that purchases Oi *Fibra X* along with its entry offer has an average ARPU approximately 50% higher than a standalone fiber customer. The sale of the product began in Blumenau (SC), where 7% of the gross additions of Oi *Fibra* already purchased it with *Fibra X*. By the end of 2023, *Fibra X* will be launched in 10 more cities. Furthermore, our strategy of connecting homes allows us to offer our existing customer base many other accretive services to fiber, such as *Técnico Virtual*, Oi Place, Oi Play TV and Oi Expert, which increase customer revenue.



In addition, through its wholly-owned subsidiary SEREDE, Oi can deliver differentiated technical services to customers, increasing satisfaction levels with the installation and use of our fiber services, since it has the control over its specialized workforce.

Oi Soluções

Table 4 – Net Revenue of the Oi Soluções segment

	Quarter					9 months			Weight %	
	3Q22	3Q21	2Q22	YoY	QoQ	2022	2021	YoY	3T22	3T21
Oi Soluções										
Net Revenues (R\$ million)	745	652	686	14,3%	8,7%	2.051	1.998	2,6%	100,0%	100,0%
ICT	147	95	124	55,3%	18,6%	376	274	37,4%	19,7%	14,5%
Telecom	328	336	331	-2,4%	-1,2%	997	1.022	-2,5%	44,0%	51,5%
Non-Core	271	221	230	22,1%	17,4%	678	703	-3,5%	36,3%	34,0%

Net revenue from Oi Soluções totaled R\$ 745 million in 3Q22 (+8.7% q-o-q. and +14.3% y-o-y.).

Core IT revenues, which are the Company's focus to guarantee the segment's turnaround, totaled R\$ 147 million in 3Q22, increasing by 18.6% when comparing to 2Q22 and by 55.3% from 3Q21 – the quarter's highlight was in the Unified Communications line, with the signing of a new contract in 2Q22. Telecom revenues totaled R\$ 328 million in the quarter (-1.2% q-o-q. and -2.4% y-o-y.).

This segment's recovery trend for revenues, which grew 14.3% y-o-y., is still at a gradual. In the short-term, these dynamics are strongly impacted by the challenging macroeconomic scenario in Brazil, reflected in price reductions from contract renegotiations for legacy products with companies and government, which impact mainly Telecom and Non-Core revenues.

Growth in Core IT revenues is supported by medium-term actions, such as the portfolio's evolution in selling value-added services and the increased exposure of its base to new digital solutions. In this sense, the Oi Soluções platform has been significantly recognized in the market and expanded its products and services, with currently over 70 partnerships. The products and services with the greatest contributions to revenue growth are: Client Business Management services, Network Infrastructure Management services, Professional IT Technical Support services, and Unified Communication solutions.

Additionally, Non-Core revenues totaled R\$ 271 million in 3Q22 (+17.4% q-o-q. and +22.1% y-o-y.). Revenue growth quarter after quarter is associated with Wholesale services dynamics.

Legacy - Copper (Fixed Voice, Broadband and Others)

Table 5 – Legacy Net Revenues and RGUs

	3Q22	3Q21	2Q22	YoY	QoQ	2022	2021	YoY
Legacy								
Net Revenues (R\$ million)	454	764	502	-40,7%	-9,7%	1.546	2.551	-39,4%
Copper Voice	330	540	368	-38,9%	-10,2%	1.129	1.804	-37,4%
Copper Broadband	123	224	135	-44,9%	-8,4%	416	747	-44,2%
Revenue Generating Units (RGU) - ('000)	2.716	4.979	3.156	-45,5%	-14,0%	2.716	4.979	-45,5%
Copper Voice	1.990	3.444	2.276	-42,2%	-12,6%	1.990	3.444	-42,2%
Copper Broadband	726	1.535	880	-52,7%	-17,5%	726	1.535	-52,7%



Net revenue from legacy services totaled R\$ 454 million in 3Q22, down 9.7% q-o-q and 40.7% y-o-y. The Company ended 3Q22 with 1,990 thousand copper fixed voice customers (-12.6% q-o-q and -42.2% y-o-y.). In the copper broadband segment, the Company recorded 726 thousand RGUs, down by 17.5% in the quarter and by 52.7% in the annual comparison.

Copper services maintains a downward trend in line with: (i) a structural change in the sector, with lower demand arising from the replacement of fixed lines with mobile lines, prioritization of more advanced technologies, with lower latency and higher speed, such as Fiber connectivity; and (ii) reduction in the Company's focus on commercializing these services, accelerating the migration to alternative technologies with lower service costs. In this sense, Oi has been working continuously to maximize margins in two legacy businesses and balance the falling revenue trend, creating strategies to maintain ARPU levels by the use of a 'smart pricing' approach; the decommissioning of unused infrastructure and implementation of operational efficiency measures under current regulations, such as the migration of copper customers to alternative technologies, such as WLL and VoIP; and the digitization of customer service processes. As an example for this initiatives, there's the public phones (TUP) connected via WLL (Wireless Local Loop).

Additional Information (Discontinued Operations and Operations Held for Sale)

	3Q22	3Q21	2Q22	YoY	QoQ	2022	2021	YoY
Discontinued Operations and Operations Held for Sale								
Net Revenues (R\$ million)	304	2.240	503	-86,4%	-39,6%	3.066	6.540	-53,1%
Of which DTH TV	304	355	312	-14,4%	-2,7%	947	1.077	-12,0%
Revenue Generating Units (RGU) - ('000)	815	41.731	851	-98,0%	-4,3%	815	41.731	-98,0%
Of which DTH TV	815	1.030	851	-20,9%	-4,3%	815	1.030	-20,9%

To turn market analysis easier, in this section we provide complementary information on discontinued operations for Mobile and V.tal, which are included in the total revenue line, and highlighting DTH operations, which still are consolidated in our revenues.

However, with the closing of the sale of UPI Ativos Móveis and UPI InfraCo, revenues from these operations are no longer impacting the Company's total revenue in its financial statements since they were migrated to their buyers as of April and June, respectively.

In addition to the operations mentioned above, given that the Company is negotiating to conclude the sale of the TV DTH operation, we allocated the revenues from this operation to this group.

Net revenues from TV DTH was R\$ 304 million in 3Q22, down by 2.7% from 2Q22 and 14.4% lower than in 3Q21. This drop was due to the decrease in the base, which fell by 4.3% in the quarterly comparison and by 20.9% in relation to 3Q21. We expect the sale of the DTH TV customer base, which already has the term sheet signed with Sky, to be concluded by the end of 2023 or beginning of 2024, after the regulatory approvals. After the closing, revenues and content-related costs associated with the business, that currently has a small contribution margin, will no longer be consolidated by Oi. With the proceeds from this transaction, we expect to finance the onerous contract of satellite capacity, thus reducing the operating cash flow from that business.



Operating Costs and Expenses

Table 6 – Breakdown of Routine Operating Costs and Expenses

R\$ million	3Q22	3Q21	2Q22	YoY	QoQ	2022	2021	YoY
Routine Operating Costs and Expenses								
Brazil	2.524	3.020	2.356	-16,4%	7,2%	8.044	9.349	-14,0%
Personnel	527	553	507	-4,8%	4,0%	1.550	1.663	-6,8%
Interconnection	37	95	53	-61,3%	-30,2%	175	288	-39,4%
Third-Party Services	934	1.281	1.001	-27,1%	-6,7%	3.231	3.906	-17,3%
Network Maintenance Service	127	187	139	-31,9%	-8,4%	465	593	-21,6%
Device Costs and other	3	19	10	-86,1%	-74,6%	21	51	-58,2%
Marketing	70	95	93	-26,8%	-24,9%	233	334	-30,3%
Rent and Insurance	905	638	643	41,7%	40,7%	2.205	1.948	13,2%
Provision for Bad Debt	-91	72	54	-227,0%	-267,6%	47	200	-76,8%
Contingencies, Taxes and Other	14	80	-144	-83,0%	-109,5%	117	366	-68,1%
International Operations	78	40	26	94,1%	203,3%	104	130	-20,2%
Routine OPEX	2.602	3.060	2.382	-15,0%	9,3%	8.147	9.479	-14,0%

Consolidated routine Opex, including international operations, totaled R\$ 2,602 million in 3Q22, increasing by 9.3% versus 2Q22 and down by 15.0% in the annual comparison. Routine Opex from Brazilian operations amounted to R\$ 2,524 million (+7.1% q-o-q. and -16.4% y-o-y.).

When compared to the previous year, the closing of the sale operations of UPI Móvel and the partial sale of V.tal also had a relevant impact on the reduction of the Company's costs that were directly related to these operations.

As part of the strategic plan, Oi continues to act strongly on the fronts of cost reduction, process simplification, efficiency and digital transformation, ensuring the implementation of one of the most important operational stages of the transformation plan. As a result of these actions, the Company's costs continued to show good results with significant reductions in the main groups of operating costs and expenses.

3Q22 marked the transition to the new fiber operating model, being the first quarter to have the full impact of V.tal's infrastructure lease agreement, which is booked as an expense, replacing the Capex-based growth model, representing an impact positive in operating cash flow generation, despite a lower EBITDA margin, which tends to expand as the model gains scale and fixed costs are diluted.

Personnel

Personnel expenses totaled R\$ 527 million in 3Q22 (+4.0% q-o-q. and -4.8% y-o-y.). The reduction in the quarterly and annual comparison was mainly due to higher expenses with termination of employee contracts, as a result of our workforce restructuring, in line with the objectives of transformation of operations and new sizing of the Company. The reduction in headcount, since 1Q22, has been mainly related to the transfer of employees to V.tal and the end of commercial operations in Mobile segment. With this process, the Company had lower expenses with salaries and charges, down by 17.0% in the annual comparison and by 4.5% over the previous quarter, even with the annual adjustment for inflation of 8.0% relating to the 2021 fiscal year, applied in May 2022.



Interconnection

In 3Q22, interconnection costs for Brazilian operations totaled R\$ 37 million (-30.2% q-o-q. and -61.3% y-o-y.), which was impacted by the closing of the sale of Mobile operations.

Third-Party Services

Costs and expenses related to third-party services from Brazilian operations totaled R\$ 934 million (-6.7% q-o-q. and -27.1% y-o-y.). The reduction in the annual comparison was mainly due to (i) a 49% decline in selling expenses as commission expenses fell, in addition to lower costs related to handset shipping and prepaid top-ups; (ii) a 22% drop in content acquisition costs due to the exit of the mobile assets and renegotiation with providers of TV content; (iii) a 37% reduction in electricity, mainly due to the departure of the Mobile operations, V.tal and power efficiency projects; and (iv) a 32% drop in general expenses arising from many efficiency initiatives implemented in the period.

The third-party services line concentrates a substantial part of the Company's operational efficiency initiatives, especially in specialized services and G&A.

Network Maintenance Services

Network maintenance service costs and expenses amounted to R\$ 127 million in the quarter (-8.4% q-o-q. and -31.9% y-o-y.). This reduction was due to lower network management costs with the departure of UPI Móvel.

Handset Costs and Others

Handset costs from Brazilian operations totaled R\$ 3 million in 3Q22, reducing by 74.6% against the previous quarter and by 86.1% over the same period in 2021. Costs with wireless devices (WLL) and IT equipment of Nova Oi's customers are allocated to this line.

Marketing

Marketing expenses totaled R\$ 70 million in the quarter (-24.9% q-o-q. and -26.8% y-o-y.). This reduction was mainly due to the implementation of more efficient and direct Fiber campaigns, prioritizing alternative media over broadcast TV. In comparison with 2Q22, in addition to the aforementioned reason, the reduction was also due to the campaigns to launch Nova Oi, focusing on the brand's repositioning, which had a greater volume in the previous quarter.

Rent and Insurance

Rent and insurance expenses in Brazilian operations totaled R\$ 905 million in 3Q22, up by 40.7% over 2Q22 and 41.7% higher than in 3Q21. This growth is explained by the new fiber operating model, renting V.tal's infrastructure, which started this June. These new costs result from the connection of new fiber accesses and the provision of capacity to maintain the installed fiber of B2C and B2B customers. When compared to the previous year, it is important to highlight the relevant Capex reduction related to network deployment that resulted from the shift of the fiber operating model.

Provision for Bad Debt

Provision for bad debt totaled R\$ 91 million in 3Q22. This positive performance was mainly due to recovered debt of large B2B customers already provisioned. Furthermore, the new credit policy strategy being implemented by the



Company since the end of last year reinforced this quarter, are improving the profile of the incoming customer base and thus mitigating the impact of delinquency.

Contingencies, Taxes and Other

Contingencies, taxes and other totaled R\$ 14 million in 3Q22, reducing by 109.5% from 2Q22 and 83.0% from 3Q21. The decrease was mainly due to provisions for the payment of Fistel, a fee established by Anatel, arising from the conclusion of the sale of mobile asset.

EBITDA

Table 7 – EBITDA and EBITDA Margin

	3Q22	3Q21	2Q22	YoY	QoQ	2022	2021	YoY
Oi S.A.								
Routine EBITDA (R\$ million)	168	1.460	388	-88,5%	-56,9%	1.808	3.883	-53,4%
Brazil	224	1.443	384	-84,5%	-41,7%	1.828	3.843	-52,4%
International Operations	-56	17	4	438,2%	1479,3%	-20	41	149,3%
Routine EBITDA Margin (%)	6,1%	32,3%	14,0%	-26,2 p.p.	-8,0 p.p.	18,2%	29,1%	-10,9 p.p.
Brazil	8,1%	32,3%	14,0%	-24,2 p.p.	-5,9 p.p.	18,5%	29,1%	-10,6 p.p.
International Operations	-259,2%	29,3%	13,7%	-288,4 p.p.	-272,8 p.p.	-24,2%	24,0%	-48,2 p.p.
Non-routine Items (R\$ million)	-58	-62	8.188	n.m.	n.m.	8.134	1.153	n.m.
EBITDA (R\$ million)	110	1.398	8.577	-92,2%	-98,7%	9.942	5.037	97,4%
Brazil	166	1.381	8.573	-88,0%	-98,1%	9.962	4.996	99,4%
International Operations	-56	17	4	-438,2%	-1479,3%	-20	41	-149,3%
EBITDA Margin (%)	4,0%	30,9%	309,6%	-27,0 p.p.	-305,7 p.p.	99,9%	37,7%	62,2 p.p.

In 3Q22, routine EBITDA from Brazilian operations totaled R\$ 224 million (-41.7% q-o-q. and -84.5% y-o-y.). Routine EBITDA margin from Brazilian operations was 8.1%, reducing by 5.9 p.p. from the previous quarter and by 24.2 p.p. in the annual comparison.

The reduction in EBITDA in the quarter was mainly due to the impact of the sale of the mobile assets, which had a higher margin, in addition to the new fiber operating model. This movement is in line with Nova Oi's business model and the brand's repositioning. It is important to stress that the partial sale of V.tal, a great opportunity for the FTTH expansion with positive impacts with the exchange of Capex for Opex. This new dynamic will allow the Company to be more efficient in terms of operating cash flow generation.

In terms of International Operations, routine EBITDA was negative by R\$ 56 million in 3Q22, compared to R\$ 4 million in 2Q22 and R\$ 17 million in 3Q21.

Non-routine items totaled -R\$ 58 million in 3Q22, and mainly related to terminations arising from SEREDE's operational adequacy process in the period.



Capex

Table 8 – Capex

R\$ Milhões	3Q22	3Q21	2Q22	YoY	QoQ	2022	2021	YoY
Capex								
Brazil	479	513	410	-6,7%	16,9%	1.234	1.610	-23,3%
International Operations	1	3	2	-72,3%	-52,9%	21	20	4,0%
Total	480	517	412	-7,1%	16,6%	1.254	1.629	-23,0%

In 3Q22, the Company's consolidated Capex was R\$ 480 million, with the Brazilian operations responsible investments of R\$ 479 million.

Investments in the Fiber operation totaled R\$ 328 million in 3Q22. In the quarter, the focus of the investment was linked to the seasonality of acquisition of new ONTs (Optical Network Terminals, or Customer Premise Equipment) and later installed with new fiber sales.

Investments in the Oi Soluções operation totaled approximately R\$ 81 million in the quarter. They were focused on the evolution of the portfolio: (i) for the sale of value-added services, increasing the exposure of our base to digital solutions, such as Cloud, Cybersecurity, IoT, Big Data, etc., and (ii) for the implementation of tailor-made projects for B2B customers.

Lastly, investments in the legacy network reached R\$ 59 million in the quarter and were allocated in network optimization, in compliance with current regulatory rules. In addition, the dynamics of this line is also impacted by investments made to replace infrastructure due to vandalism and theft.

Operational Cash Flow (Routine EBITDA – Capex)

Table 9 - Operational Cash Flow

R\$ million	3Q22	3Q21	2Q22	YoY	QoQ	2022	2021	YoY
Oi S.A.								
Routine EBITDA	168	1.460	388	-88,5%	-56,9%	1.808	3.883	-53,4%
Capex	480	1.815	388	-73,6%	23,6%	1.231	5.574	-77,9%
Routine Operational Cash Flow (EBITDA - Capex)	-312	-355	0	12,1%	-202697,1%	577	-1.691	134,1%

Table 10 - Operational Cash Flow from Brazilian Operations

R\$ million	3Q22	3Q21	2Q22	YoY	QoQ	2022	2021	YoY
Oi S.A.								
Routine EBITDA	224	1.443	384	-84,5%	-41,7%	1.828	5.331	-65,7%
Capex	479	1.812	386	-73,6%	24,0%	1.210	7.503	-83,9%
Routine Operational Cash Flow (EBITDA - Capex)	-255	-369	-2	30,8%	-11922,3%	618	-2.172	128,5%



Routine Operational Cash Flow was negative by R\$ 255 million in 3Q22 in the Brazilian operations. These amount reflect the Company's new transition scenario, after the conclusion of the sale of the mobile assets and fiber infrastructure, with positive impacts in the business model. However, it should be noted that in this quarter, capex was impacted by the acquisition of new ONTs, as mentioned in the Investment section.

Depreciation / Amortization

Table 11 – Depreciation and Amortization

R\$ million	3Q22	3Q21	2Q22	YoY	QoQ	2022	2021	YoY
Depreciation and Amortization								
Total	1.102	1.087	1.036	1,3%	6,3%	3.121	3.275	-4,7%

Depreciation and amortization expenses totaled R\$ 1,102 million in 3Q22, up by 6.3% from 2Q22 and 1.3% higher than in 3Q21.

Financial Results

Table 12 – Financial Result

R\$ million	3Q22	3Q21	2Q22	2022	2021
Oi S.A. Consolidated					
Net Interest (on fin. investments and loans and financing)	-472	-809	-703	-2.074	-1.919
Amortization of fair value adjustment	-338	-483	-531	-627	-901
Net FX Result (on fin. investments and loans and financing)	-359	-1.224	-1.003	997	-675
Other Financial Income / Expenses	-842	-2.314	-902	-1.572	-4.080
Net Financial Income (Expenses)	-2.011	-4.830	-3.139	-3.276	-7.576

Oi S.A. recorded a consolidated net financial expenses of R\$ 2,011 million in 3Q22, reducing by R\$ 1,128 million in the quarter and by R\$ 2,819 million over the same period in the previous year. This reduction is mainly explained by the lower “net FX result”, as a lower depreciation of the Brazilian real against the U.S. dollar in the quarter, of 3.22%, versus a depreciation of 10.56% and a 8.74% in 2Q22 and 3Q21, respectively, in addition to reduced “Other Financial Expenses”.

Other Financial Expenses the main factor of reduction was the decreased depreciation of the Brazilian Real on onerous liabilities related to data transmission via submarine cables and satellites, totaling R\$ 154 million in 3Q22 compared to R\$ 743 million in the previous quarter. Additionally, the decline in “Amortization of the adjustment to fair value” are also related to the depreciation of the U.S. dollar in the quarter. Lastly, the expenses reduction in the item “Net interest” in the quarter occurred due to prepayments of debts in 2Q22, despite the higher CDI rate and the absolute level of the dollar in the period.

Likewise, year-on-year, consolidated net financial expenses reduced due to the lower depreciation of the Brazilian real against the U.S. dollar, as mentioned above, resulting in lower financial expenses under the “Other Financial



Income/Expenses” and “Net FX Result” lines. Finally, the “Net Interest” line fell in the quarterly and annual comparisons, mainly due to prepayments in the period.

Income Tax and Social Contribution

Table 13 - IRPJ and CSLL

R\$ million	3Q22	3Q21	2Q22	YoY	QoQ	2022	2021	YoY
Income Tax and Social Contribution								
Total	60	292	4.722	-79,5%	-98,7%	5.144	900	471,4%

The Company recorded an Income Tax and Social Contribution amount of R\$ 60 million, compared to R\$ 4,722 million in 2Q22 and R\$ 292 million in 3Q21. The amount reported in 2Q22 was mainly explained by the taxation over the capital gain arising from the sale of assets during the quarter. Additionally, part of this result is also attributed to the impact of the review of deferred tax assets, as detailed in item 7 of the financial statements. It is worth mentioning that these amounts do not impact the Company’s cash, due to the use of the accumulated loss stock.

Net Earnings (Loss)

Table 14 – Net Earnings (Loss) (Oi S.A. Consolidated)

R\$ million	3Q22	3Q21	2Q22	YoY	QoQ	2022	2021	YoY
Net Earnings (Loss)								
Earnings before interest and taxes (EBIT)	-992	310	7.540	-419,8%	113,2%	6.822	1.762	287,1%
Financial Results	-2.011	-4.830	-3.139	58,4%	35,9%	-3.276	-7.576	-56,8%
Income Tax and Social Contribution	-60	-292	-4.722	-79,5%	-98,7%	-5.144	-900	471,4%
Consolidated Net Income (Loss)	-3.062	-4.811	-321	36,4%	-855,1%	-1.599	-6.714	-76,2%
attributable to owners of the Company	-3.064	-4.813	-321	36,3%	-855,0%	-1.603	-6.711	-76,1%
attributable to non-controlling interests	1	1	0	-13,3%	718,6%	3	-3	-230,2%

The Company's operating earnings (loss) before the financial result and taxes (EBIT) was negative by R\$ 992 million in 3Q22, compared to positive results of R\$ 7,540 million in 2Q22 and R\$ 310 million in 3Q21. The positive result in the previous quarter was mainly due to gains from the sales of the mobile assets and V.tal. 3Q22, the Company posted a negative net financial result of R\$ 2,011 million and an Income Tax and Social Contribution credit of R\$ 60 million. As a result, the Company recorded a consolidated net loss of R\$ 3,062 million in the period.



Liquidity & Indebtedness

Table 15 – Cash Position (Brazilian Operations)

R\$ Million

Initial Cash Position	5.031
Routine EBITDA	224
IFRS16	-187
Capex	-479
ONT Capex	-156
Working capital	-109
Onerous liability	-88
Judicial Deposits + Taxes	53
Financial operations	-512
Non Core	-188
Final Cash Position	3.590

The Company ended the quarter with a consolidated cash position of R\$ 3,590 million, 28.6% q-o-q and 13.1% y-o-y.

In 3Q22, there was a consumption of working capital of R\$109 million, whose dynamic is a lever for the liquidity management of the Company.

The quarter was impacted by an extraordinary R\$156 million related to ONTs acquired by V.tal for Oi, due to the need for technical adaptation of the procurement systems after the closing of the transaction. Thus, Oi is repurchasing that equipment from V.tal, since it is responsible for this Capex, as provided for in the announcement of the closing of the partial sale of the infrastructure operation.

In the Financial Operations line, which totaled approximately R\$ 512 million, the main impact was the payment of semi-annual interest on the Qualified Bond (Bond 2025).

The Non-Core line, which had a consumption of R\$ 188 million in 3Q22, was impacted mostly by V.tal's capital increase of R\$160 million.



Table 16 – Indebtedness

R\$ Million	3Q22	3Q21	2Q22	% Gross Debt
Debt				
Short Term	1.215	2.960	382	5,5%
Long Term	20.709	31.072	20.772	94,5%
Total Debt	21.924	34.031	21.154	100,0%
Local Currency Exposure	6.775	14.884	6.429	30,9%
Foreign Currency Exposure	15.171	19.164	14.760	69,2%
Swaps	-22	-17	-35	-0,1%
(-) Cash	-3.590	-4.132	-5.031	-16,4%
(=) Net Debt	18.334	29.899	16.123	83,6%

Consolidated gross debt was R\$ 21,924 million in 3Q22, up by 3.6% or R\$ 769 million from 2Q22. In the annual comparison, debt reduced by 35.6% or R\$ 12,108 million. The increase in the quarter was mainly explained depreciation of the Brazilian real against the U.S. dollar by 3.2%, in addition to interest accrual and amortization of the adjustment to present value (AVP). It is worth highlighting that the Company paid R\$ 439 million in interest in 3Q22, partially offsetting the increase in debt in the quarter.

Year-over-year, just as in the previous quarter, the reduction was mainly due to the closing of the sale of UPI Ativos Móveis, in April 2022, and the partial sale of UPI InfraCo, in June 2022, in which we prepaid the following debt instruments: BNDES, 2nd Debentures Issue, 2026 Senior Bond and the 2nd Private Debentures Issue, which have a sum of R\$ 14,631 million. Added to this is the 0.6% appreciation of the Brazilian real vs. the U.S. dollar in the annual comparison. On the other hand, these items were partially offset by the normal accrual of interest in the period and the amortization of the (AVP).

The Company ended 3Q22 with consolidated cash of R\$ 3,590 million, down by R\$ 1,441 million, or 28.6%, q-o-q, and by R\$ 542 million, or 13.1%, year-over-year. As a result, net debt totaled R\$ 18,334 million in the period, up R\$ 2,211 million, or 13.7%, from 2Q22 and down by R\$ 11,565 million, or 38.7% lower from 3Q21, mainly due to a lower gross debt in the period. The reduction in cash position was mainly due to recurring Capex at a higher level, in addition to the payment of non-recurring obligations, including half-yearly interest on the Qualified Bond.

Table 17 – Gross Debt Breakdown

R\$ Milhões			
Composição da Dívida Bruta - 3T22	Valor de Face	Ajuste a Valor Justo (AVJ)	Valor Justo
Bancos Locais	10.374	(3.645)	6.729
ECAs	9.471	(4.543)	4.928
Bonds Qualificados	9.101	(513)	8.588
Facility "Não Qualificados"	573	(127)	446
Oferta Geral	5.420	(4.203)	1.217
Bond 2026	47	-	47
Outros	(32)	-	(32)
Dívida Bruta Total	34.954	(13.030)	21.924



Additional Information

Table 18 – Income Statement (Oi S.A. Consolidated)

R\$ million	3Q22	3Q21	2Q22
Net Operating Revenues	2.770	4.520	2.770
Operating Costs and Expenses	-2.660	-3.123	5.806
Personnel	-609	-564	-530
Interconnection	-38	-96	-53
Third-Party Services	-798	-1.294	-999
Network Maintenance Service	-148	-187	-155
Handset Costs/Other (COGS)	-3	-21	-11
Marketing	-70	-96	-87
Rent and Insurance	-1.040	-645	-861
Provision for Contingencies	-56	-57	-10
Provision for Bad Debt	71	-73	-46
Taxes and Other Revenues (Expenses)	32	-90	8.558
EBITDA	110	1.398	8.577
Margin %	4,0%	30,9%	309,6%
Depreciation and Amortization	-1.102	-1.087	-1.036
EBIT	-992	310	7.540
Financial Expenses	-1.877	-4.817	-1.457
Financial Income	-134	-12	-1.682
Net Earnings (Loss) Before Tax and Social Contribution	-3.003	-4.520	4.401
Income Tax and Social Contribution	-60	-292	-4.722
Consolidated Net Earnings (Loss)	-3.062	-4.811	-321
Margin %	-110,6%	-106,4%	-11,6%
Profit (Loss) attributed to the controlling shareholders	-3.064	-4.813	-321
Profit (Loss) attributed to the non-controlling shareholders	1	1	0



Table 19 – Balance Sheet (Oi S.A. Consolidated)

R\$ million	06/30/2022	03/31/2022	06/30/2021
TOTAL ASSETS	48.830	50.951	75.529
Current	13.608	15.086	46.291
Cash and cash equivalents	3.379	4.826	3.020
Financial investments	201	196	192
Derivatives	27	40	25
Accounts Receivable	4.673	4.999	4.238
Inventories	288	296	422
Recoverable Taxes	291	306	362
Other Taxes	442	459	973
Assets in Escrow	753	799	1.354
Held-for-sale Assets	894	704	34.413
Other Current Assets	2.661	2.461	1.292
Non-Current Assets	35.222	35.864	29.238
Long Term	7.067	7.070	9.445
.Recoverable and Deferred Taxes	1.210	1.210	3.671
.Other Taxes	307	538	1.016
.Financial investments	10	10	9
.Assets in Escrow	4.209	4.250	4.077
.Other	1.331	1.063	671
Investments	8.056	8.176	113
Property Plant and Equipment	16.743	17.032	16.508
Intangible Assets	3.356	3.586	3.172
TOTAL LIABILITIES	48.830	50.951	75.529
Current	9.947	9.002	23.470
Suppliers	4.124	3.893	3.546
Leases	635	667	700
Loans and Financing	1.236	417	268
Credit Assignment - Sistel	33	82	197
Financial Instruments	4	4	4
Payroll and Related Accruals	502	493	610
Provisions	908	676	872
Payable Taxes	11	10	11
Other Taxes	772	829	1.669
Dividends Payable	6	6	21
Liabilities associated to held-for-sale assets	0	0	13.938
Authorizations and Concessions Payable	39	36	0
Other Accounts Payable	1.679	1.889	1.632
Non-Current Liabilities	41.134	41.219	50.980
Suppliers	4.245	4.117	3.607
Leases	2.446	2.428	2.437
Loans and Financing	20.709	20.772	31.072
Credit Assignment - Sistel	0	0	33
Payable and Deferred Taxes	0	0	0
Other Taxes	2.080	2.056	1.316
Contingency Provisions	3.851	4.192	4.455
Pension Fund Provision	886	879	779
Other Accounts Payable	6.917	6.775	7.282
Shareholders' Equity	-2.251	730	1.079



Subsequent Events

- **Sale of UPI Mobile Assets:** As of October 5, 2022, the Parties started meetings with a view to reaching an amicable solution regarding the Losses notified by the Buyers through the Notice of Indemnity on September 17, 2022, fully contested by the Company, as per notice sent on September 30, 2022.

At the request of the Company, the Court of the 7th Business Court of the Judicial District of the Capital of the State of Rio de Janeiro granted the injunction requested by Oi, ordering the subpoena to the Buyers to deposit the amount of R\$ 1,527,801,711.76 of which R\$ 515,565,143.11 by Telefônica, R\$ 342,705,888.62 by Claro and R\$ 669,530,680.03 by Tim, in an account bound to the reorganization process ("Precautionary Decision").

The Reorganization Court also determined the immediate initiation of a mediation procedure, with a view to an amicable settlement of the dispute between Oi and the Buyers, which was rejected by Buyers through petition filed on October 20, 2022.

On October 4, 2022, the Buyers filed a request for Suspension of the Injunction to the Court of Appeals of the State of Rio de Janeiro ("TJRJ"), which was not known by the acting President of the TJRJ, as per decision issued on October 5, 2022. On October 5, 2022, the Buyers filed interlocutory appeals with a request for the attribution of supersedeas against the Precautionary Decision. On October 13, 2022, the Appellate Judge, responsible for the 8th Civil Chamber of the TJRJ, denied granting a supersedeas to the appeals filed by the Buyers. On October 17, 2022, the Buyers filed a new request for Suspension of the injunction, this time with the Superior Court of Justice ("STJ"), again not known, this time by the Justice President of the STJ, on October 19, 2022.

Having exhausted the appeals described above, on October 19, 2022, Tim deposited in court the amount of R\$ 669,530,680.03 on October 20, 2022, Telefônica deposited in court the amount of R\$ 515,565,143.11 and on October 25, 2022, Claro deposited in court the amount of R\$ 342,705,888.62 all of them referring to the Withheld Amount.

For more information, see note 28 of the ITR.

- **Reverse Stok Split Proposal:** On October 17, 2022, Oi disclosed to the market its intention to submit a reverse split proposal of all common and preferred shares issued by the Company to its Extraordinary General Meeting, set for November 18, 2022, in a ratio of 50:1 for each share class. The shares issued by the Company that represent American Depositary Shares ("ADSs") will not be subject to the reverse split. Therefore, the ratio of the ADSs with the local shares will be adjusted in order to maintain the total number of ADSs. As a result, each common share will represent 10 (ten) ON ADSs (1 ON : 10 ON ADSs), while one preferred share will be equivalent to 50 (fifty) PN ADSs (1 PN : 50 PN ADSs). The reverse split proposal has as main objective to adjust the price of the shares issued by the Company to an amount equal to or greater than R\$ 1.00 per unit, in compliance with item 5.2.f of the Listing Issuers and Admission to Trading of Securities Rules ("Rules") and items 5.1.2 (vi) and 5.2 of the Issuer's Manual ("Manual") of B3 S.A. – Brasil, Bolsa, Balcão.



- **Hiring a Financial Assistant:** On October 27, 2022, the Company disclosed a Material Fact, informing its shareholders and the market in general that it hired Moelis & Company to assist it in dealings with its creditors in order to optimize its indebtedness profile, in compliance with the its Strategic Planning and to the PRJ, as amended by the Amendment to the PRJ. The negotiations to be undertaken by Oi are in line with the proposal presented and approved by the Company's creditors at the Creditors' Meeting held on September 8, 2020 and aim to guarantee its commitment to continue the implementation of its strategic plan for growth in the Brazilian market through the provision of high-speed broadband services, corporate and IT solutions and generation of new revenues, in addition to the continuous search for cost efficiency.

CVM RESOLUTION 44/2021, ART. 12: Direct or indirect controlling shareholders and shareholders who elect members of the Board of Directors or the Fiscal Council, and any other individual or legal entity, or group of persons, acting as a group or representing the same interests, that attains a direct or indirect interest representing five percent (5%), ten percent (10%), fifteen percent (15%), and so forth, of a type or class of shares of the capital of a publicly held company, must notify the Brazilian Securities and Exchange Commission (CVM) and the Company of the fact, in accordance with the above article.

Oi recommends that its shareholders comply with the terms of article 12 of CVM Instruction 44/2021, but it takes no responsibility for the disclosure or otherwise of acquisitions or disposals by third parties of interests corresponding to 5% or more of any type or class of its shares, or of rights over those shares or other securities that it has issued.

Table 20 – Shares of the Company's Capital Stock

	Ações do Capital Social	Em Tesouraria	Em circulação
Ordinárias	6.445.310.218	644.049.685	5.801.260.533
Preferenciais	157.727.241	1.811.755	155.915.486
Total	6.603.037.459	645.861.440	5.957.176.019

Shareholding position on September 30, 2022.

Please note

The main tables in this Earnings Release will be available in Excel format in the "Financial Information/Quarterly Reports" section of the Company's website (<https://ri.oi.com.br/en/>).

Definitions of the terms used in the Earnings Release are available in the Glossary section of the Company's website: <https://ri.oi.com.br/en/glossary/>



This report includes consolidated financial and operating information for Oi S.A. - Under Judicial Reorganization ("Oi S.A." or "Oi" or "Company") and its direct and indirect subsidiaries as of September 30, 2022. In compliance with CVM instructions, the information is presented in accordance with International Financial Reporting Standards (IFRS). Due to the seasonality of the telecommunications sector in its quarterly results, the Company will focus on comparing its financial results with the same period of the previous year, unless stated otherwise.

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

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

Oi – Investor Relations

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