



Announcement | Lisbon | 21 April 2022

Material Fact disclosed by Oi

PHAROL, SGPS S.A. hereby informs on the Material Fact disclosed by Oi, S.A., according to the company's announcement attached hereto.

PHAROL, SGPS S.A.

Public Company
Share capital Euro 26,895,375
Registered in the Commercial
Registry Office of Lisbon and
Corporation no. 503 215 058

PHAROL is listed on the Euronext
(PHR).
Information may be accessed on
Bloomberg under the symbol PHR
PL.

Luis Sousa de Macedo
Investor Relations Director
ir@pharol.pt
Tel.: +351 212 697 698
Fax: +351 212 697 649

pharol.pt



Oi S.A. – In Judicial Reorganization

Federal Taxpayers' Registry [CNPJ/ME] No. 76.535.764/0001-43

Board of Trade [NIRE] No. 33.3.0029520-8

Publicly-Held Company

MATERIAL FACT

Closing of the sale of Mobile Assets UPI

Oi S.A. – In Judicial Reorganization (“Oi” or the “Company”), pursuant to article 157, paragraph 4, of Law no. 6,404/76 [the “Brazilian Corporation Law”], and CVM Resolution no. 44/2021, and further to the information contained in the Material Facts dated September 7, 2020, December 14, 2020, January 31, 2022, February 9, 2022 and April 13, 2022, as well as the Notice to the Market released on January 29, 2021, hereby informs its shareholders and the market in general that, after the fulfillment (or temporary waiver) of all precedent conditions provided for in the Agreement for the Purchase and Sale of Shares and Other Covenants entered into on January 28, 2021 [“Agreement”], between the Company, Telemar Norte Leste – Under Judicial Reorganization [“Telemar”, succeeded by merger by Oi], Oi Móvel – Under Judicial Reorganization [“Seller”, succeeded by merger by Oi, and together with Oi and Telemar, “Oi Companies”] and TIM S.A., Telefônica Brasil S.A. and Claro S.A. [respectively, “Tim”, “Vivo”, “Claro” and, when together, “Purchasers”], on this date, occurred the closing of the sale of the Mobile Assets UPI to the Purchasers, which were winners of the competitive procedure held on December 14, 2020, in accordance with the Amendment to the Judicial Reorganization Plan [“Amendment to the PRJ”] ratified by the Court of the 7th Business Court of the Judicial District of the Capital of the State of Rio de Janeiro on October 5, 2020 [“Transaction”].

The Adjusted Closing Price of the Transaction was BRL 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 Brazilian cents], and corresponds to the Base Price of the Transaction, of BRL 15,744,000,000.00 [fifteen billion, seven hundred and forty-four million Reais], plus positive adjustments of BRL

178,235,801.48 [one hundred and seventy-eight million, two hundred and thirty-five thousand, eight hundred and one Reais and forty-eight Brazilian cents], pursuant to the Agreement to reflect, among others, the amount of net debt and working capital of each of the Mobile SPEs transferred to the Purchasers, as well as the reduction or increase, as the case may be, of amounts individually agreed between Oi and the Purchasers.

With the closing of the Transaction, the Purchasers, on this date, paid in cash an amount, together, of BRL 14,474,759,819.53 [fourteen billion, four hundred and seventy-four million, seven hundred and fifty-nine thousand, eight hundred and nineteen Reais and fifty-three Brazilian cents] ["Transaction Price" - amount received at the closing], equivalent to the Adjusted Closing Price of the Transaction less the amount of BRL 1,447,475,981.95 [one billion, four hundred and forty-seven million, four hundred and seventy-five thousand, nine hundred and eighty-one Reais and ninety-five Brazilian cents] ["Retained Value"], equivalent to 10% of the Transaction Price, retained by the Purchasers for up to 120 days, pursuant to the Agreement, for possible compensation of amounts that Oi may have to pay to the Purchasers due to possible post-sale adjustments and other indemnification obligations under the Agreement.

In addition to the Adjusted Closing Price of the Transaction, Oi may also be entitled to an additional net contingent amount of up to BRL 294,607,842.49 [two hundred and ninety-four million, six hundred and seven thousand, eight hundred and forty-two reais and forty-nine Brazilian cents], to be received in case of reaching certain migration goals of customer bases and frequencies, of which BRL 49,607,842.49 [forty-nine million, six hundred and seven thousand, eight hundred and forty-two Reais and forty-nine Brazilian cents] net have already been received on this date.

Upon closing, all shares issued by (i) Cozani RJ Infraestrutura e Redes de Telecomunicações S.A. ["Cozani"] was transferred to Tim; (ii) Garliava RJ Infraestrutura e Redes de Telecomunicações S.A. ["Garliava"] was transferred to Vivo; and (iii) Jonava RJ Infraestrutura e Redes de Telecomunicações S.A. ["Jonava"] was transferred to Claro.

The Purchasers also paid, on this date, the price of BRL 586,000,000.00 [five hundred and eighty-six million Reais], referring to transition services to be provided by Oi, in the terms of the respective Contracts for the Provision of Transition Services, which already reflects an agreement between Oi and the Purchasers to withdraw from the scope of the contracts certain costs related to the transition services.

In addition, the Contracts for the Supply of Capacity for the Transmission of Telecommunications Signals in an Industrial Exploration Regime were signed related to the services of data transmission capacity in the take or pay modality with a net present value of R\$ 819,000,000.00 [eight hundred and nineteen million Reais], to be paid in monthly installments by the Purchasers over a period of up to 10 years.

Oi also informs that, with the conclusion of the Transaction, occurred the full settlement of the secured credit held by the *Banco Nacional de Desenvolvimento Econômico e Social* - BNDES with the Company, in the amount of BRL 4,640,058,296.99 [four billion, six hundred and forty million, fifty-eight thousand, two hundred and ninety-six reais and ninety-nine Brazilian cents], which payment was made directly by the Purchasers to BNDES, on behalf of Oi, by deducting such amount from the Closing Price paid to Oi, in line with the provisions of Clause 4.2.5 of the Judicial Reorganization Plan and under the terms of the Agreement.

Finally, the Company confirms that, on this date, at 5:00 pm, New York time, the public offer for the acquisition in cash [“Public Offer for Acquisition”] of all Senior Secured Notes due in 2026 [“Notes”] will be closed. The payment date for the Public Offer for Acquisition of the Notes is scheduled for April 26, 2022, and the Company will disclose a specific Notice to the Market, including the total of Notes to be repurchased on this date, after the market closes.

The conclusion of the Transaction, on this date, represents the fulfillment of the most critical stages of the Judicial Recovery Plan and the Strategic Transformation Plan of Oi, aimed at ensuring the Company 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 higher value-added businesses with a growth trend and vision of the future.

The Company reaffirms its commitment to keep its shareholders and the market informed about the relevant and significant aspects of these subjects.

Rio de Janeiro, April 20, 2022.

Oi S.A. – In Judicial Reorganization

Cristiane Barretto Sales
Chief Financial Officer and Investor Relations Officer