



Announcement | Lisbon | 6 December 2019

Notice to the Market disclosed by Oi

PHAROL, SGPS S.A. hereby informs on the Notice to the Market 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.

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Oi S.A. – In Judicial Reorganization

Federal Taxpayers' (CNPJ/MF) No. 76.535.764/0001-43

Board of Trade (NIRE) No. 33.3.0029520-8

Publicly-Held Company

MATERIAL FACT

Oi S.A. – In Judicial Reorganization (“Oi” or the “Company”), in accordance with the provisions set forth in Article 157, Paragraph 4, of Law No. 6,404/76 and pursuant to CVM Instruction No. 358/02, hereby informs its shareholders and the market in general that, on this date, the Company and its subsidiaries in judicial reorganization (the “Oi Companies”) filed a petition before the 7th Corporate Court of Rio de Janeiro requesting that the Oi Companies’ judicial supervision not be terminated on February 4, 2020, the date that is two years after the date of the judicial approval of the Judicial Reorganization Plan (the “JR Plan”). The non-termination of the judicial supervision does not change the Oi Companies' current situation and has no bearing on the compliance with the JR Plan in effect, nor on current receivables or any new resources that may be accessed by the Oi Companies. It is worth emphasizing that the extension of judicial supervision at the end of the two-year period is a common measure that has been applied in most judicial reorganization proceedings.

Despite the positive progress with respect to the implementation of the JR Plan, including the completion of many of the steps required by the process which have been important for the Company’s recovery, the application presents to the Court circumstances related to the complexity inherent to a judicial reorganization process of this magnitude, as well as to ongoing legal and regulatory reforms, which require additional measures be taken within the scope of the judicial reorganization. The non-termination of the judicial reorganization will allow the Oi Companies to continue to execute its JR Plan with stability and transparency and will allow the Oi Companies to remain focused on making improvements that will benefit its customers.

Oi reiterates its commitment to the execution of its strategic transformation plan with a focus on the expansion of fiber optics in Brazil and on businesses with higher added-value and with a growth trend and forward thinking. This movement is already beginning to yield positive results in the Company's operational and financial indicators, which will be accelerated beginning in 2020, reaching consolidation in 2021.

The Company will keep its shareholders and the market informed of the development of the subject matter of this Material Fact.

Rio de Janeiro, December 6, 2019.

Oi S.A. – In Judicial Reorganization

Camille Loyo Faria

Chief Financial and Investor Relations Officer

Special Note Regarding Forward-Looking Statements

This Material Fact contains forward-looking statements. Statements other than historical facts, including statements of the Company's beliefs and expectations, business strategies, future synergies, cost savings, future costs and future liquidity, are forward-looking statements. The words "will", "must", "should", "could", "anticipates", "intends", "believes", "estimates", "expects", "predicts", "plans", "targets", "objective", "projects", "forecasts" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. There is no guarantee that the expected events, tendencies or expected results will actually occur. Such statements reflect the current view of the Company's management and are subject to various risks and uncertainties. These statements are based on several assumptions and factors, including general economic and market conditions, industry conditions, corporate approvals, operating factors and other factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations. All forward-looking statements attributable to the Company or its affiliates, or people acting on their behalf, are expressly qualified in their entirety by the cautionary notices set forth in this paragraph. No undue reliance should be placed on these statements. Forward-looking statements speak only as of the date on which they were made. Except as otherwise required by federal securities laws of Brazil or of the U.S., or by the rules and regulations of the CVM, the SEC, or applicable regulatory authorities of other countries, the Company and its affiliates do not have any intention or obligation to update or publicly announce the results of any revisions to any of its forward-looking statements to reflect actual results, future events or developments, changes in assumptions or changes in other factors

affecting forward-looking statements. However, it is advisable to consult other disclosures made by the Company on matters related to reports and communications filed by the Company within the CVM and the SEC.