



Announcement | Lisbon | 23 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

Corporate Taxpayer's Registry (CNPJ/MF) No. 76.535.764/0001-43

Board of Trade (NIRE) No. 33.3.0029520-8

Publicly-Held Company

MATERIAL FACT

Debentures issue by Oi Móvel

Oi S.A. - In Judicial Reorganization (“Oi” or the “Company”), in compliance with article 157, Paragraph 4, of Law No. 6,404/76 and the provisions of CVM Instruction No. 358/02, hereby informs its shareholders and the market in general that its subsidiary Oi Móvel S.A. - In Judicial Reorganization (“Oi Móvel”) executed a deed for the issue (the “Issue”) of a single series of non-convertible secured *in rem* debentures with additional personal guarantee in a private placement in a total amount of up to R\$ 2,500,000,000.00 (the “Debentures”).

Pursuant to the Company's and Oi Móvel's competent corporate resolutions, the Issue and Debentures have as main characteristics:

- (i) Maturity and Maturity Date: 24 (twenty-four) months, counted from the issue date, except in the event of an early redemption or early maturity of the Debentures as provided for in the Debenture Deed;
- (ii) Remuneration: U.S. dollar fluctuation plus interest of (i) 12.66% (twelve point sixty-six per cent) per year (PIK) during the first twelve months after the first payment; and (ii) 13.61% (thirteen point sixty-one per cent) per year onwards; and
- (iii) Guarantees: the Debentures are secured *in rem* and with personal guarantees provided by Oi Móvel, the Company and its subsidiary Telemar Norte Leste S.A. – In Judicial Reorganization.

The Issue was approved on the basis of the provisions of Clause 5.3 of the Oi Companies' Judicial Reorganization Plan, and is considered a financing not subject to bankruptcy rules (*extraconcursal*), in the category of Debtor in Possession Financing (DIP Financing).

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 23, 2019.

Oi S.A. – In Judicial Reorganization

Camille Loyo Faria

Chief Financial Officer and Investor Relations Director

This Material Fact shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these Debentures in any state or jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction. The Debentures have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and may not be offered or sold in the United States absent registration under the Securities Act or an applicable exemption from the registration requirements of the Securities Act.