

3Q22

EARNINGS

RELEASE

GRUPO
brisanet

BRISANET RECORDS EBITDA MARGIN OF 46.6% IN 3Q22

Pereiro, CE, November 14, 2022. Brisabet Participações S.A. (B3: BRIT3), the largest company among independent internet service providers in Brazil, according to ANATEL's ranking, and leader in fixed broadband in the Northeast, today announces its results for the third quarter of 2022 (3Q22) compared to the third quarter of 2021 (3Q21), unless otherwise indicated.

Founded 23 years ago, **BRISANET** is, according to the ANATEL ranking, the largest Brazilian company among independent internet service providers in Brazil, leader in fixed broadband in the Northeast region and with a 28% market share in fiber in the 7 of the 9 states in the region. With a portfolio of products 100% in fiber optics and operations focused on the Northeast region of the country, the Company has been **one of the regional 5G mobile operators** since December 2021, having won 3 frequencies in the 5G auction promoted by Anatel. The Company will be able to operate in the Northeast and Midwest of the country.

In addition, the Company also operates through its brand **AGILITY TELECOM**, which provides broadband under the franchise model in smaller cities and rural areas.

The Company operates in all the nine states of the region providing fixed broadband services through optical fiber in 152 cities.

Brisanet	3Q22	2Q22	3Q21	9M22	9M21
<u>Operating Highlights</u>					
Cities served	152	149	110	152	110
Access Ports - '000	4,080	3,866	2,788	4,080	2,788
HP added- '000	348	413	579	1,402	1,197
Total HP - '000	5,865	5,517	3,760	5,865	3,760
HC added- '000	63	68	54	196	166
Total HC - '000	1,040	977	791	1,040	791
<u>Financial Highlights (R\$ million)</u>					
Net Revenue	254.2	236.6	190.0	707.8	524.3
Gross Margin (%)	44%	39%	46%	40%	45%
Operating Income	49.2	31.7	26.6	98.6	59.5
EBITDA	118.6	96.6	68.5	292.8	170.9
Adjusted EBITDA	118.6	96.6	74.0	292.8	200.9
Adjusted EBITDA Margin (%)	47%	41%	39%	41%	38%
Net Income (loss)	22.0	(1.3)	(6.6)	30.2	0.7
Net Debt	710.5	717.9	(181.9)	710.5	(181.9)
Net Debt/EBITDA ltm (x)	2.0	2.3	n.m	2.0	n.m



3Q22 HIGHLIGHTS

- ✓ **Net operating revenue grew 34% in 3Q22** when compared to 3Q21 and 7% when compared to 2Q22. This is the result of the Company's organic geographic expansion that **added 63,000 clients in the 3Q22, reaching 6.4% growth over the base of June 2022.**
- ✓ **EBITDA was R\$118.6 million in 3Q22, with margin of 46.6%**, a 7.7 p.p. increase when compared to Adjusted EBITDA in 3Q21, highlighting margin improvement as a result of cost reduction initiatives put in place as of April 2022 and the reduction in the pace of expansion, which reduces the initial costs of entering in new cities.
- ✓ The Company's indebtedness level, measured by the **net debt to EBITDA ratio, was 2.0x at the end of September 2022.** The reduction in indebtedness throughout the year is a reflection of lower cash consumption and the significant increase in **EBITDA LTM Set 22 which reached R\$359.2 million.**
- ✓ **In October 2022**, the Company added 19,819 subscriptions to its customer base and 99,613 HPs in 1 new city, reaching 1,059,579 customers. In the same period, Agility Telecom had 214,470 customers in 90 franchisees.

CONFERENCE CALL

November 17, 2022 – Thursday – 11 am (NY Time) – In Portuguese with simultaneous translation to English

Brisanet – 3Q22 Earnings Release

Please join us for the zoom meeting at:

https://tenmeetings.com.br/ten-events/#/webinar?evento=Brisanet3T22_106

The link is also available at our website – ri.brisanet.com.br/en



BRIEF HISTORY

Brisanet was founded in 1998, in the city of Pereiro, in the semiarid region of the State of Ceará, in Brazil. The Company was created with the aim of providing internet via radio, with quality and affordable prices in the interior of the Northeast, thus seeking to promote the local development of Pereiro and the underlying regions.

In 2000, as a result of the expansion of its business, the Company's operations already covered several cities in the state of Ceará and in the state of Rio Grande do Norte. In the same year, the Company had 10 employees and served 350 customers.

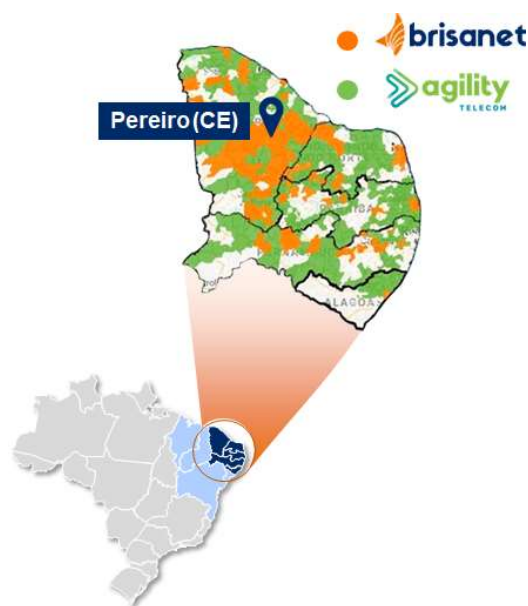
In 2010, the Company became the largest internet radio operator in Brazil, serving more than 30,000 customers in 150 cities in the countryside of the Northeast region. To supply the Company's expansion, managers saw in optical fiber a way to provide more connectivity and began to study different ways to make the new technology viable.

In 2011, the Company began deploying optical fiber in the city of Pau dos Ferros, in the State of Rio Grande do Norte, the first city in Brazil to be 100% served with the technology.

In 2014, the Company sought to expand its services through optical fiber, starting to invest in the transmission of the fixed phone signal in the city of Juazeiro do Norte, in Ceará. In the following year, 2015, the Company also started to provide cable TV services and, in 2018, mobile telephony services, through MVNO ("mobile virtual network operator") with a national operator.

In 2019, the Company took an important step in its expansion plan by activating its services in the city of João Pessoa, in the State of Paraíba, thus becoming the first state capital to be served by Brisanet. In that same year, as a reflection of its strategic planning, the Company has already grown to over 4,000 employees, out of which half were contracted that same year, and served around 350,000 subscribers in 90 Northeastern cities.

Today, the Company operates as an internet provider via optical fiber, cable TV, music streaming, fixed and mobile telephony. Brisanet serves around 153 cities in the nine states of the Northeast totaling more than 1 million subscribers and over 7,000 employees, with an optical fiber network structure built over the last 12 years. In addition to having 90 franchisees in Agility Telecom, which together add up to more than 214,000 subscribers in smaller cities and rural districts in 5 of the Northeastern states.



OPERATING RESULTS

Brisanet's mission is to provide a quality internet service for all citizens in the Northeast region, including those who live far from large urban centers. One of the Company's main differentials in terms of quality and efficiency comes from its vertical operation. The Company operates throughout its value chain, from mapping of potential new areas to receive fiber, to providing support and monitoring its services to customers.

One of the Company's quality pillars is its relationship with the customer, which is mainly managed through its proprietary management platform. It allows to know and even to act, in real time, from its operations center at the Company's headquarters, upon events happening to its infrastructure and its customers.

The Company has a fully integrated state-of-the-art data center structure and with local content, which guarantees the quality and stability of internet access, as well as link savings and the ability to increase data speed in the future.

Brisanet also has almost 27,000 km of backbone infrastructure (lanes used to distribute internet to other networks) and more than 59,000 km of FTTH (fiber-to-the-home). The FTTH modality corresponds to the fiber optic transmission network architecture where the network reaches the customer's residence, coming directly from the service provider's distribution box.

In 3Q22, 347,796 HPs and 62,531 customers were added. Despite the more challenging scenario, Brisanet continues to be the company with the highest organic growth in subscribers. The expectation for the last three months of this year is to grow around 50,000 subscribers.

The Brazilian economic scenario, especially in the region where we operate, remains challenging. The expectation of improvement in the purchasing power of the C, D and E classes, our largest audience, has not yet materialized. In addition, inflation and the pricing strategy adopted by competitors continue to exert pressure on the telecommunications market. Thus, the Company estimates a base of approximately 1.1 million customers by the end of 2022.

Brisanet continues to advance in capitals and metropolitan regions, **with fiber market share of 51%, 62% and 70% in Natal, Maceió and João Pessoa, respectively, and above 18% in Fortaleza**, where the horizontal area was concluded at the beginning of the year and the vertical is being done on demand. In Teresina and Aracajú, where the Company entered the second half of 2021, the market share is already above 12% in PI and above 17% in SE (data as of Sep-22).

	3Q22	2Q22	3Q21	3Q22 x 3Q21	3Q22 x 2Q22
Access Ports	4,079,529	3,866,318	2,788,221	46%	6%
Added HP	347,796	413,848	578,770	-40%	-16%
Homes Passed (HP)	5,864,762	5,516,966	3,760,13	56%	6%
Added HC	62,531	67,754	54,151	15%	-8%
Homes Connected (HC)	1,039,76	977,229	790,731	31%	6%
Cities served	152	149	110	38%	2%
Churn	2.43%	2.66%	2.25%	8%	-9%



Agility Telecom*	3Q22	3Q21
Added HP	29,057	74,713
Homes Passed (HP)	982,341	717,753
Added HC	3,960	11,040
Homes Connected (HC)	214,994	159,106
# of franchisees	93	93

* Agility Telecom became a part of Grupo Brisanet after Mar/2021, starting to be consolidated as of Apr/2021 and incorporated as of Dec/21.

The Company continues its organic expansion, with **October having registered the addition of 99,613 HPs**, with this Brisanet's fiber optic infrastructure is already in front of **6 million homes in the Northeast**.

At the end of October, the Company was already present in 153 cities, **servicing more than 1.06 million customers and already present in Recife** and in the state of Bahia. With the reduction in the pace of expansion, the Company should not add any more relevant cities in the next 4 to 5 months.

FINANCIAL RESULTS

Gross Revenue by product

R\$ million	3Q22	2Q22	3Q21	3Q22 x 3Q21	3Q22 x 2Q22	9M22	9M21	9M22 X 9M21
Gross Revenue	292.4	273.3	219.4	33%	7%	819.2	604.0	35.6%
Broadband	273.9	247.0	202.1	35.6%	10.9%	746.9	559.1	33.6%
B2C	255.1	230.2	189.8	34.4%	10.8%	698.8	520.2	34.3%
B2B	18.9	16.8	12.3	53.2%	12.4%	48.1	38.9	23.7%
Fixed telephony	8.3	10.1	10.8	-23.1%	-17.4%	29.7	28.7	3.4%
Others	10.2	16.3	6.6	55.0%	-37.7%	42.7	16.1	165.2%
ARPU broadband	R\$ 92.05	R\$ 92.01	R\$ 92.87	1.3%	0.0%	R\$ 91.84	R\$ 88.89	3.3%

The Company's revenue comprises fixed broadband internet services, fixed telephony services and others such as: cable TV and mobile phones and complementary services, such as "BrisaMusic" (music streaming), BrisaPlay (video streaming) - among others, which increase the average ticket purchased per customer and the Company's perception of value. Recently, in 2022, the Company launched Brisa Conecta+, which aims to improve the quality of wifi inside the customer's home.

Agility Telecom revenues are included in Others and represented R\$22.3 million in 9M22.

The average B2C ticket increased 1% compared to 3Q21 and remained stable compared to the previous quarter. The reduction in purchasing power, a reflection of the inflation accumulated since August 2021, has reduced the previous trend of increasing more expensive and faster internet plans. In addition, price competition among providers – from large to small sizes – has made the market more fierce, stimulating the promotion of offers and causing this ARPU stability. Since June of this year, the Company has implemented a new plan table, reflecting the adjustment of part of the inflation in the last two years.

R\$ million	3Q22	2Q22	3Q21	3Q22 x 3Q21	3Q22 x 2Q22	9M22	9M21	9M22 X 9M21
Net Revenue	254.2	236.6	190.0	34%	7%	707.8	524.3	35%




Comparing the third quarter of 2022 and the same quarter in 2021, Brisagnet's net revenue grew by 34%, from R\$190.0 million in 3Q21 to R\$254.2 million in 3Q22. This was mainly due to the increase in the number of subscribers - which increased from 790,731 in September 2021 to 1,039,760 in September 2022 (+31%).

Cost of Services

Costs of Services Rendered (In millions of R\$)	3Q22	2Q22	3Q21	3Q22 x 3Q21	3Q22 x 2Q22	9M22	9M21	9M22 x 9M21
Personnel	(34.8)	(39.2)	(29.8)	17%	-11%	(113.2)	(80.0)	42%
Clients Activation	-	-	-	n.m	n.m	n.m	(24.5)	n.m
Interconnection	(6.7)	(7.9)	(5.2)	29%	-16%	(21.9)	(12.4)	77%
Connectivity	(5.9)	(6.1)	(5.3)	11%	-4%	(18.4)	(14.8)	24%
Right of Passage	(16.4)	(14.8)	(11.5)	42%	11%	(45.9)	(23.2)	98%
Utilities	(2.3)	(2.4)	(3.1)	-27%	-5%	(6.9)	(6.0)	15%
Materials and maintenance	(4.4)	(3.9)	(7.0)	-37%	11%	(12.6)	(15.0)	-16%
Third-party Services	(1.9)	(2.6)	(4.3)	-56%	-28%	(6.5)	(10.7)	-39%
Others	(4.1)	(5.8)	(1.5)	170%	-30%	(15.7)	(8.0)	96%
Depreciation and Amortization	(65.9)	(61.6)	(35.5)	86%	7%	(182.8)	(93.2)	96%
Total	(142.3)	(144.4)	(103.3)	38%	-1%	(423.9)	(287.8)	47%

The Company's Cost of services in 3Q22 totaled R\$142.3 million compared to R\$103.3 million in 3Q21, representing an increase of 38%. **Cost dropped 1% when compared to 2Q22.** Excluding depreciation, **cash costs dropped 8%, or R\$6.4 million, despite the 6% growth in the customer base.**

Within the cost of services provided, when compared to 3Q21, the variation is mainly due to:

- personnel expenses, which rose 17%, or R\$5.0 million, despite the salary readjustment that took place in 4Q21 and the provision of increased funds for the 2022 CBA, whose reference date is September;
- depreciation and amortization, which grew R\$30.4 million, given the growth in assets and intangibles resulting from the expansions carried out;
- expenses with pole rental (right of way) increased by approximately R\$4.9 million due to the 56% increase in the number of HPs;
- the increase in interconnection and connectivity is linked not only to the growth of HC but also to the inflationary effect on tariffs and contracts. This variation was R\$2.1 million; and
- the reduction of almost R\$6.0 million in electricity, materials and third-party services.

Operational Expenses

Operational expenses (In millions of R\$)	3Q22	2Q22	3Q21	3Q22 x 3Q21	3Q22 x 2Q22	9M22	9M21	9M22 x 9M21
Personnel	(28.1)	(26.8)	(26.2)	7%	5%	(81.8)	(75.2)	9%
Third-party Services	(6.9)	(6.3)	(10.9)	-37%	9%	(21.7)	(24.5)	-11%
Marketing expenses	(5.9)	(5.2)	(5.6)	6%	14%	(16.2)	(14.9)	9%
Taxes and contributions	(2.2)	(2.0)	(0.9)	137%	11%	(6.3)	(3.5)	80%
Provision for doubtful accounts	(8.2)	(6.9)	(3.4)	137%	18%	(21.4)	(13.9)	54%
Other Expenses	(8.0)	(10.0)	(1.7)	372%	-20%	(26.5)	(26.8)	-1%
Depreciation and amortization	(3.5)	(3.3)	(6.4)	-45%	6%	(11.4)	(18.2)	-37%
Total	(62.7)	(60.5)	(60.1)	4%	4%	(185.3)	(177.0)	5%



The Company's operating expenses in 3Q22 rose 4% both in comparison with 3Q21 and with the previous quarter, percentages well below the increase in net revenue.

The decrease in General and Administrative Expenses, excluding depreciation and amortization, were stable in relation to the comparison periods if we exclude expenses related to the IPO in the amount of R\$5.5 million in 3Q21.

Selling expenses, excluding depreciation and amortization, were R\$2.8 million higher in 3Q22 when compared to 3Q21, mainly due to higher expenses with vendors and business partners.

The fiercer competition and the drop in purchasing power, notably, of the lower purchasing power classes, has increased the churn in relation to history - in 3Q22 it represented a monthly average of 2.43%. From January to September this year, the average monthly churn was 2.73%, 0.3 p.p. above the average monthly churn of 9M21.

EBITDA and Adjusted EBITDA

R\$ million	3Q22	2Q22	3Q21	3Q22 x 3Q21	3Q22 x 2Q22	9M22	9M21	9M22 x 9M21
Net Income	22.0	(1.3)	(6.6)	-432%	-1854%	30.2	0.7	4283%
(+) Income tax and social contributi	16.1	(1.7)	2.6	524%	-1021%	23.8	7.7	208%
(+) Net financial result	11.1	34.7	30.6	-64%	-68%	44.6	51.1	-13%
(+) Depreciation and amortizatio	69.4	64.9	41.9	66%	7%	194.2	111.4	74%
EBITDA	118.6	96.6	68.5	73%	23%	292.8	170.9	71%
EBITDA margin (%)	46.6%	40.8%	36.0%	10.6 p.p.	6.6 p.p.	41.4%	32.6%	8.8 p.p.
Non-recurring itens			5.5	n.m.	n.m.		5.5	n.m
Installation services			-	n.m.	n.m.		24.5	n.m
Adjusted EBITDA	118.6	96.6	74.0	60%	23%	292.8	200.9	46%
Adjusted EBITDA Margin (%)	46.6%	40.8%	38.9%	7.7 p.p.	5.8 p.p.	41.4%	38.3%	3.1 p.p.

The Company presented 3Q22 Adjusted EBITDA margin (the same as EBITDA margin) of 46.6% compared to 36.0% in 2Q21 and to 40.8% in the previous quarter. In the analysis against 3Q21, the margin improvement results from the dilution of fixed costs by the growth of the base and by the cost reduction initiatives adopted by the Company since the beginning of April, as well as the reduction in the expansion pace, since the organic expansion has an initial cost structure – poles, stores, repair/inventory/maintenance teams – which overwhelms the Company's total operating costs/expenses.

Financial Result

In 3Q22, financial result was an expense of R\$11.1 million, 64% lower than in the same period of 2021 and 68% lower than in the previous quarter. This quarter's result reflects lower interest and foreign exchange variation expenses. Interest fell in relation to the previous quarter due to the effect of deflation on the incentivized debenture charges (IPCA + 5.77%). The exchange rate variation reflects the lower devaluation of the real (3% in 3Q22 x 11% in 2Q22 and 3Q21) and the lower foreign currency exposed balance. At the end of September, the Company had R\$49.0 million in international suppliers and R\$165.2 million in foreign currency financing. The Company adopts the policy of contracting hedging instruments to protect part of its financing and suppliers in foreign currency. Therefore, the balance exposed in September was less than R\$70 million.



R\$ million	3Q22	2Q22	3Q21	3Q22 x 3Q21	3Q22 x 2Q22	9M22	9M21	9M22 X 9M21
Financial revenue	28.6	32.8	26.3	9%	-13%	113.50	78.7	44%
Financial expenses	(39.7)	(67.5)	(57.2)	-31%	-41%	(158.0)	(129.8)	22%
Net financial result	(11.1)	(34.7)	(31.0)	-64%	-68%	(44.5)	(51.1)	-13%

Financial income in 3Q22 mainly reflects the interest from the IPO funds and the debentures issued in August 2022 applied in the period, in the amount of R\$16.2 million, R\$6.1 million from active exchange rate variation, and R\$2.5 million in derivative operations since a portion of the US dollar exposure is hedged with swap instruments.

Financial expenses basically consisted of: (i) interest expenses in 3Q22 in the amount of R\$25.0 million, (ii) operations with derivatives in the amount of R\$4.6 million - the derivatives are basically swap for exchange protection of long-term debts in foreign currency and dollar locks in NDF transactions to protect accounts payable with international suppliers, and (ii) passive exchange variations in the amount of R\$7.5 million.

Although the debt in foreign currency is partially protected from variations through exchange rate swap instruments, the effects of the currency impact the line of exchange variations, being partially offset by the positive result of operations with derivatives. Therefore, the net impact of the Real's depreciation in this quarter was R\$3.5 million.

Indebtedness

R\$ million	Sep/2022	Dec/2021	Var. (%)
Gross Debt	1,403.3	1,122.1	25.1%
(-) Cash and cash equivalents	387.6	1,000.8	-61.3%
(-) Short-term investments	305.3	46.7	553.9%
Net Debt	710.5	74.6	852.4%

Brisanet had a gross debt of R\$1.4 billion in September 2022, earmarked for investment in the geographic expansion of its fiber optic network. Gross debt comprises loans and financing, debentures, promissory notes, lease obligations and derivative transactions.

Considering cash and financial investments at the end of the period of R\$692.9 million, the Company had a net debt of R\$710.5 million, compared to a net debt of R\$74.6 million at the end of 2021. Most of this resource is invested in instruments with liquidity of less than 90 days and with an average yield in the period of 103% CDI.

The increase in gross debt was basically due to the issuance of R\$300 million in debentures in August. This resource will be used for investments in the year 2023.

The Company monitors its indebtedness using the net debt/EBITDA ratio. **On September 30, 2022, the indebtedness level was 2.0x**, 0.3x lower than at the end of the previous quarter.

The Company adopts the policy of contracting hedge instruments to protect a portion of its financing carried out in foreign currency. As of September 30, 2022, total foreign currency financing represented around 12% of total gross indebtedness.

Find below the breakdown for loans and financing:



Type	Weighted average rates	09/30/2022	12/31/2021
Working capital	0.85% a.m. - Fixed	19,116	48,240
Working capital	0.17% a.m. + CDI	145,978	251,867
Working capital	0.25% a.m. + TJLP	2,551	7,933
Working capital	0.46% a.m. + TLP	26,460	6,348
Working Capital (foreign currency)	0.17% a.m. + CDI	80,832	46,934
PPE financing (CDC)	0.83% a.m. - Fixed	14,355	20,528
PPE financing (FINEM)	0.29% a.m. + TJLP	3,889	7,744
PPE financing (FINEM)	0.23% a.m. + TLP	-	26,088
Financing – TR	0.33% a.m. + TR	67,724	53,934
Import financing (foreign currency)	0.37% a.m - Fixed	84,328	101,232
		445,233	570,848
Current		209,530	236,917
Noncurrent		235,703	333,931

On February 25, 2022, the Company, through its subsidiary, Brisagnet Serviços de Telecomunicações S.A., issued its 1st promissory note (PN), in 4 series, of 5 promissory notes, in the total amount of R\$70 million, having been the object of public distribution, with restricted placement efforts aimed at professional investors, without guarantees. The PN has a term of 12 months and interest of CDI+2.6% p.a. As of September 30, 2022, the balance was R\$71.7 million.

On March 15, 2021, the Company issued debentures, non-convertible into shares, in the amount of R\$500 million, which will be settled in semiannual installments, with initial maturity in March 2025 and ending in March 2028. These debentures bear interest/ remuneration equivalent to the IPCA + 5.7694%. As of September 30, 2022, the balance was R\$536.9 million.

Considering loans and financing, the debentures and the leases, almost half of the Company's debt matures from 2026 onwards.

On August 25, the Company issued debentures, non-convertible into shares, in the total amount of R\$300 million, with a maturity of 5 (five) years, maturing, therefore, on August 25, 2027. These debentures bear interest at CDI + 2.0% per year. As of September 30, 2022, the balance was R\$300.5 million.

Capex

R\$ million	9M22	9M21	Var. (%)
Capex			
Additions to PPE ¹	716.5	608.9	17.7%
(-) PPE in progress / in Inventory	(98.7)	(222.0)	-55,6%
(-) Advances to Suppliers	(148.7)	(21.3)	598.2%
(-) Imported equipment in transit	33.6	(14.3)	-335,4%
Additions to Intangible Assets	24.5	19.5	25.4%
Capex Adjusted - 'In Operations'	527.2	370.8	42.2%

¹ See note # 8 and 28 of the 3Q22 FS

In 9M22, Brisagnet invested, when measured by additions to property, plant and equipment and intangibles, the amount of R\$741.0 million, compared to R\$628.4 million in the same period of 2021.



Of this amount, just around R\$230 million corresponds to the purchase of equipment for the assembly of 5G ERBs (radio base stations). This purchase is recorded in Advances to suppliers (R\$162.7 mm in Sep/22) and PPE in inventory and aims to enable the implementation of the 5G pilot project as of the end of 2022.

The Company has an inventory of equipment and constructions to activate, accounted for in 'PPE in progress and Imported equipment in transit' (balance of R\$176.9 million) and 'PPE in inventory' (balance of R\$205.2 million), in the coming months.

Out of the R\$527.2 million in fixed/intangible assets already in operation, R\$7.6 million were maintenance capex, and the remaining were applied to the Company's organic expansion, notably in:

- 1.4 million HPs,
- 392,000 customer installations – base growth and replacement,
- R\$28 million in backbone DWDM (backbone lighting),
- R\$53 million in vehicles for expansion,
- R\$27 million in Agility Telecom and lands, and
- R\$8 million in IT systems development.

NOTICES

The Interim Financial Information as of 09/30/2022 revised by Ernst & Young Auditores Independentes S.A. are available on our website – ri.brisanet.com.br/en

Conference Call

November 17, 2022 – Thursday – 11 am (NY Time) – In Portuguese with simultaneous translation to English

Brisanet – 3Q22 Earnings Release

Please join us for the zoom meeting at:

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The link is also available at our website – ri.brisanet.com.br/en

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LEGAL NOTICE

The consolidated financial and operating information, disclosed in this document, except where otherwise indicated, is presented in accordance with international accounting standards IFRS (International Financial Reporting Standards) and in Reais (R\$), in accordance with the Brazilian Corporation Law, Law 6,404/76 and the pronouncements, guidelines and



interpretations issued by the Accounting Pronouncements Committee ("CPC") and approved by the Securities and Exchange Commission ("CVM").

This document may contain forecasts about future events. Such forecasts do not constitute acts that took place in the past and only reflect the expectations of the Company's managers. The terms "anticipates", "believes", "estimates", "expects", "intends", "plans", "projects", "objectives", as well as other similar terms aim to identify such forecasts which evidently involve risks or uncertainties foreseen or not by the Company. Therefore, the future results of the Company's operations may differ from current expectations and the reader should not rely exclusively on the forecasts made herein. These forecasts only issue opinions on the date they are made and the Company does not undertake to update them in light of new information or future developments.

NON-ACCOUNTING MEASURES

Consistent with market practice, we disclose non-accounting (non-GAAP) measures that are not recognized under IFRS or other accounting standards, including "Net Debt", "EBITDA", "Adjusted EBITDA". Non-accounting measures provide useful information for their investors, market analysts and the general public to compare their operating performance with that of other companies in the same and other sectors. However, these non-accounting measures do not have standardized meanings and methodologies and may not be directly comparable with metrics of the same or similar name published by other companies. Potential investors should not base their investment decision on non-accounting information as a substitute for accounting measures such as profitability or liquidity.

ANNEXES

Annex I – Income Statement

Annex II – Balance Sheet

Annex III – Cash Flows



ATTACHMENT I – INCOME STATEMENT

	Consolidated - R\$ '000				
	3Q22	2Q22	3Q21	9M22	9M21
Net operating revenue	254,247	236,603	190,012	707,783	524,285
Cost of services	(142,328)	(144,382)	(103,311)	(423,881)	(287,740)
Gross profit	111,919	92,221	86,701	283,902	236,545
Operating expenses					
Administrative expenses	(27,721)	(27,576)	(36,613)	(84,205)	(11,276)
Selling expenses	(22,812)	(21,299)	(18,645)	(67,139)	(48,520)
Tax expenses	(2,166)	(1,953)	(914)	(6,307)	(3,456)
Other operating revenue (expenses), net	(10,040)	(9,690)	(3,950)	(27,686)	(12,264)
Earnings before financial result and taxes	49,180	31,703	26,579	98,565	59,541
Financial revenues	28,644	32,831	26,286	113,488	78,661
Financial expenses	(39,743)	(67,535)	(56,914)	(158,049)	(129,785)
Net financial result	(11,099)	(34,704)	(30,628)	(44,561)	(51,124)
Income (Loss) before income tax and social contribution	38,081	(3,001)	(4,049)	54,004	8,417
Income tax and social contribution	(16,072)	1,746	(2,576)	(23,761)	(7,728)
Income (Loss) for the period	22,009	(1,255)	(6,625)	30,243	689



ATTACHMENT II – BALANCE SHEET

	Consolidated - In R\$ '000		Consolidated - In R\$ '000	
	September 2022	December 2021	September 2022	December 2021
Assets				
Current Assets				
Cash and cash equivalents	387,555	1,000,792		
Short-term investments	305,317	46,693		
Trade accounts receivables	134,360	107,873		
Inventories	4,950	3,713		
Taxes recoverable	37,840	42,807		
Derivative operations	520	297		
Prepaid expenses	1,874	1,851		
Other assets	1,436	12,913		
Total current assets	873,852	1,216,939		
Noncurrent assets				
Short-term investments	-	3,600		
Accounts receivable	176	843		
Taxes recoverable	63,029	54,671		
Transactions with related parties	1,287	1,181		
Court-related deposits	4,706	2,142		
Derivative operations	1,782	1,011		
Prepaid expenses	2,729	2,462		
Deferred income and social contribution t	2,404	8,559		
Other assets	38	38		
Rights-of-use	46,251	35,928		
Property, plant and equipment	1,906,305	1,346,276		
Intangible assets	231,504	218,711		
Total noncurrent assets	2,260,211	1,675,422		
Total assets	3,134,063	2,892,361		
Liabilities and equity				
Current liabilities				
Suppliers	79,064	186,032		
Loans and financing	209,530	236,917		
Debentures	73,382	8,909		
Lease obligations	21,298	7,958		
Labor and social obligations	59,821	41,782		
Taxes payable	30,019	24,912		
Taxes paid in installments	766	1,771		
Derivative operations	2,484	983		
Other accounts payable	20,652	4,723		
Total current liabilities	497,016	513,987		
Noncurrent				
Loans and financing	235,703	333,931		
Debentures	835,346	506,941		
Lease obligations	24,690	27,532		
Taxes paid in installments	4,588	5,099		
Derivative operations	3,193	218		
Provision for contingencies_Others	170,590	162,554		
	1,274,110	1,036,275		
Equity				
Capital	1,281,606	1,281,606		
Income reserve	90,732	60,486		
Treasury shares	(9,405)	-		
	1,362,933	1,342,092		
Noncontrolling interest	4	7		
Total equity	1,362,937	1,342,099		
Total liabilities and equity	3,134,063	2,892,361		



ATTACHMENT III – STATEMENT OF CASH FLOW

	Consolidated - In R\$ '000	
	Sep 22	Sep 21
Cash flow from operating activities		
Net income (loss) for the period	30,243	689
Adjustments to reconcile income (loss) for the period:	-	-
Depreciation and amortization	194,198	111,400
Residual value upon write-off of PPE and intangible assets	259	91
Allowance for doubtful accounts	21,388	13,867
Provision for contingencies	1,028	(2,074)
Monetary and exchange variation	62,732	35,882
Derivative operations	3,482	5,023
Interest on leases	2,518	2,759
Interest on loans, financing, debentures and promissory note	63,774	56,489
Short-term investment income	(48,538)	(11,405)
Deferred income and social contribution taxes	6,155	(4,596)
Others	10,063	1,995
(Increase) decrease in assets		
Trade accounts receivable	(47,208)	(40,402)
Inventories	(1,237)	297
Taxes recoverable	(3,391)	(35,462)
Prepaid expenses	(290)	1,211
Court-related deposits	(2,564)	(659)
Other assets	11,477	(1,497)
Increase (decrease) in liabilities		
Suppliers	(106,968)	51,554
Labor and social obligations	18,039	22,271
Taxes payable	12,154	11,679
Taxes paid in installments	(1,516)	(1,394)
Other accounts payable	23,470	1,830
Cash from (used in) operating activities	249,268	219,548
Interest paid	(71,968)	(73,755)
Income tax and social contribution paid	(7,047)	(6,087)
Net cash from (used in) operating activities	170,253	139,706
Cash flows from investing activities		
Short-term investments	(206,486)	(41,581)
Additions to Property, plant and equipment	(716,464)	(608,900)
Additions to intangible assets	(24,451)	(19,498)
Intercompany loans received	-	126
Others	(106)	-
Net cash from (used in) investing activities	(947,507)	(669,853)
Cash flows from financing activities		
Loans and financing raised	16,712	61,776
Amortization of principal of loans and financing	(172,484)	(136,623)
Debentures raised	296,679	467,354
Promissory note raised	69,380	-
Amortization of principal of promissory note	(4,000)	-
Lease paid	(32,332)	(16,334)
Intercompany loans paid	-	(12,163)
Acquisition of non-controlling interests	-	1,255,650
Share issue expenses	-	(40,253)
Dividend/Profits distributed	(533)	(2,205)
Treasury shares	(9,405)	-
Others	-	-
Net cash from (used in) financing activities	164,017	1,577,202
Increase (Decrease) in cash and cash equivalents	(613,237)	1,047,055

