

# **Interim Financial Information**

## **Brisanet Participações S.A.**

March 31, 2022

with Independent Auditor's Review Report

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March 31, 2022

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**1Q22**

**EARNINGS**

**RELEASE**

GRUPO  
**brisanet**

## BRISANET RECORDS GROWTH OF 66,000 CLIENTS IN 1Q22 AND NET INCOME ALMOST 5X HIGHER THAN IN 2021

**Pereiro, CE, May 12, 2022. Brisagnet 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 first quarter of 2022 (1Q22) compared to the first quarter of 2021 (1Q21), 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 eight of the nine states of the region - Ceará, Rio Grande do Norte, Paraíba, Pernambuco, Alagoas, Piauí, Sergipe, Maranhão and Bahia - providing fixed broadband services through optical fiber in 142 cities (April data).

Brisagnet	1Q22	1Q21	4Q21
<b><u>Operating Highlights</u></b>			
Cities served	139	96	120
Access Ports - '000	3,618	2,143	3,234
HP added- '000	641	295	702
Total HP - '000	5,103	2,858	4,462
HC added- '000	66	51	53
Total HC - '000	909	675	843
<b><u>Financial Highlights (R\$ million)</u></b>			
Net Revenue	216.9	164.1	204.5
Gross Margin (%)	37%	51%	43%
Operating Income	17.7	26.5	20.3
EBITDA	77.6	58.3	66.5
Adjusted EBITDA	77.6	70.7	68.5
Adjusted EBITDA Margin (%)	36%	43%	33%
Net Income (loss)	9.5	(7.2)	1.6
Net Debt	628.4	604.9	74.6
Net Debt/EBITDA ltm (x)	2.4	2.9	0.3



## 1Q22 HIGHLIGHTS

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- ✓ Net operating revenue grew 32% in 1Q22 when compared to 1Q21 and 6% when compared to 3Q21. This is the result of the Company's organic geographic expansion, having started in 19 new cities and added 66,000 clients in the 1Q22 alone, surpassing even the ISPs that grow through acquisitions (information available at [teleco.com.br](http://teleco.com.br)).
- ✓ B2C ARPU (average revenue per unit) was R\$91.41 in 1Q22, an increase of 5% when compared to 1Q21. In a year in which competitors in the region increased their customer base through M&A and in which small ISPs, even those recently acquired, reduced prices to increase their HC base; the Company, with its successful strategy of organic expansion, increased its average ticket as direct result of the expansion in capitals and the greater penetration in classes A and B. Compared to the previous quarter, ARPU remained practically stable.
- ✓ Adjusted EBITDA for non-recurring items were R\$77.6 million, with margin of 35.8%, a 2.3 p.p. increase when compared to 4Q21, due to a higher dilution of fixed costs as our client's base increases. The Company is focused on increasing take-up rate for HPs built since July 2021 (1.9 mm HPs in the last 3 quarters) so as to dilute these costs and return to a profitability closer to historical data.
- ✓ In March 2022, the Company acquired the first 5G radios from Huawei to implement the 5G pilot project. This investment, in the amount of approximately R\$230 million, was paid as an Advance to Suppliers and represents most of the amount that will be invested this year in this line of business.

## CONFERENCE CALL

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May 13, 2022 – Friday – 9 am (NY Time) – In Portuguese with simultaneous translation to English

Brisanet – 1Q22 Earnings Release

Please join us for the zoom meeting at:

[https://tenmeetings.com.br/ten-events/#/webinar?evento=ConferênciadeResultadosBrisanet4T21\\_928](https://tenmeetings.com.br/ten-events/#/webinar?evento=ConferênciadeResultadosBrisanet4T21_928)

The link is also available at our website – [ri.brisanet.com.br/en](http://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, seeking to promote the local development of 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.

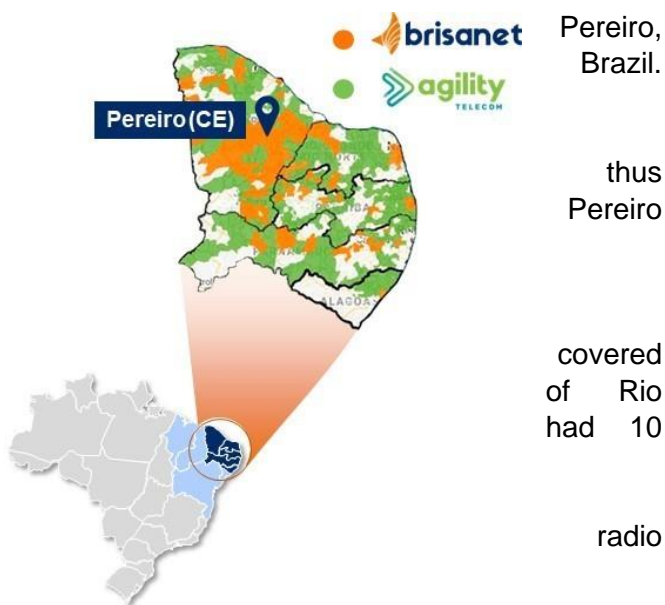
In 2010, the Company became the largest internet operator in Brazil, serving more than 30,000 customers in 150 cities in the countryside of the Northeast region. To supply the Company's expansion, managers saw in optical fiber a way to provide more connectivity and began to study different ways to make 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 142 cities in the states of Alagoas, Bahia, Ceará, Maranhão, Paraíba, Pernambuco, Piauí, Rio Grande do Norte and Sergipe, totaling more than 933,000 subscribers and over 8,000 employees, with a network structure based on its own digital optical fiber belt and organic expansions. In addition to having almost 100 franchisees in Agility Telecom, which together add up to more than 206,000 subscribers in smaller cities and rural districts in these same 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 more than 23,500 km of backbone infrastructure (lanes used to distribute internet to other networks) and more than 50,000 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 1Q22, 641,000 HPs and 66,000 customers were added.** In 2022, the Company estimates that net additions will grow gradually, as recently added cities become more mature and as the Company adds new clients from the 19 new cities added in this first quarter – these cities represent roughly half the new cities expected for the year.

In this first quarter, we started operations in Recife, still with a very small area – around 30,000 HPs. At the beginning of the second semester, we intend to enter Salvador, leaving only São Luiz/MA among the capitals of the Northeast for the year 2023.

The Brazilian economic scenario, especially in the region where we operate, remains challenging. The increase in Auxílio Brazil and some other reliefs that the Government made available had just began to have positive effects when there was a new wave of price increases, as an indirect consequence of the war between Russia and Ukraine, which has lasted almost 2 months and has no clear prospect of resolution. The March IPCA inflation index was 1.6%, the highest monthly level since 1994, the accumulated for 1Q22 was 2.54% and the April preview continues to indicate an increase, with 1.7%.

The Company estimate a HC base higher than 1.2 million by the end of 2022. The Brazilian and global economic scenario of inflation and supply restrictions, if intensified, could affect this estimate.

	1Q22	1Q21	4Q21	1Q22 x 1Q21	1Q22 x 4Q21
Access Ports	3,618,008	2,143,354	3,233,606	69%	12%
Added HP	640,760	295,112	702,228	117%	-9%
Homes Passed (HP)	5,103,118	2,857,805	4,462,358	79%	14%
Added HC	66,192	50,521	52,552	31%	26%
Homes Connected (HC)	909,475	674,821	843,283	35%	8%
Cities served	139	96	120	45%	16%
Churn	2.51%	2.02%	2.25%	24%	12%





Agility Telecom*	1Q22	4Q21
Homes Passed (HP)	92,207	92,080
Added HP	902,040	809,833
Homes Connected (HC)	11,989	30,943
Added HC	202,038	190,049
# of franchisees	98	94

\* 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 **April having registered the addition of 200,207 HPs**, with this, Brisanet's fiber optic infrastructure is already in front of **5.3 million homes in the Northeast**.

At the end of April, the Company was already present in 142 cities, **servicing a total of 933,279 customers and already present in Recife** and in the state of Bahia. By the end of the year, the Company also plans to enter Salvador and complete the horizontal areas of these two large capitals.

## FINANCIAL RESULTS

### Gross Revenue by product

R\$ million	1Q22	4Q21	1Q21	1Q22 x 1Q21	1Q22 x 4Q21
<b>Gross Revenue</b>	<b>253.4</b>	<b>237.6</b>	<b>187.4</b>	<b>35.2%</b>	<b>6.7%</b>
Broadband	225.9	218.3	175.2	29%	3%
B2C	213.5	205.5	162.2	32%	4%
B2B	12.4	12.8	13.1	-5%	-3%
Fixed telephony	11.3	11.6	8.6	31%	-3%
Others	16.2	7.6	3.6	353%	112%
ARPU broadband	R\$ 91.41	R\$ 92.43	R\$ 87.32	4.7%	-1.1%

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.

The average B2C ticket increased 4.7% compared to 1Q21, evidencing the sale of higher value packages as we advance in capitals and areas with greater economic power - classes A and B. In a year of intensified competition, with several acquisitions by medium-sized ISPs and a drop in prices among small providers, the Company shows that the strategy of service additions and organic expansion, from the periphery to the centers - from the classes C and D for A and B, is a perfect fit from the point of view of increasing internet ticket in environments of greater competition.

Compared to 4Q21, there was a decrease of 1.1% due to the effect of Black Friday promotions on January revenues. Considering the March ARPU, there would be no drop.

Over 90% of the Company's gross revenue come from fixed broadband services through optical fiber.



R\$ million	1Q22	4Q21	1Q21	1Q22 x 1Q21	1Q22 x 4Q21
Net Revenue	216.9	204.5	164.1	32.2%	6.1%

Comparing the first quarter of 2022 and the same quarter in 2021, Brisanet's net revenue grew by 32.2%, from R\$164.1 million in 1Q21 to R\$216.9 million in 1Q22. This was mainly due to the increase in the number of subscribers - which increased from 674,821 to 909,475 in March 2022 (+35%) - and the increased share of higher value packages in the customer base.

### Cost of Services

Costs of Services Rendered (In millions of R\$)	1Q22	4Q21	1Q21	1Q22 x 1Q21	1Q22 x 4Q21
Personnel	(39.2)	(33.2)	(24.4)	61%	18%
Clients Activation	-	-	(12.4)	n.m	n.m
Interconnection	(7.3)	(8.9)	(2.5)	188%	-18%
Connectivity	(6.4)	(6.0)	(5.2)	24%	7%
Right of Passage	(14.7)	(11.6)	(3.2)	353%	27%
Utilities	(2.2)	(3.8)	(1.1)	101%	-42%
Materials and maintenance	(4.3)	(8.2)	(3.0)	42%	-48%
Third-party Services	(2.0)	(3.2)	(3.1)	-36%	-40%
Others	(5.8)	(3.5)	(0.1)	5700%	66%
Depreciation and Amortization	(55.3)	(38.3)	(26.2)	111%	44%
<b>Total</b>	<b>(137.2)</b>	<b>(116.7)</b>	<b>(81.2)</b>	<b>69%</b>	<b>18%</b>

The Company's Cost of services in 1Q22 totaled R\$137.2 million compared to R\$81.2 million in 1Q21, representing an increase of 69%. Cost rose 18% when compared to 4Q21. Excluding depreciation, cash costs increased just 4%, or R\$3.5 million, given the 8% growth in the customer base.

Within the cost of services provided, when compared to 1Q21, the variation is mainly due to:

- personnel expenses, which rose 61%, or R\$14.9 million, with the growth in the number of employees to support the growth of HPs planned for the year, the growth of the customer base, the salary readjustment that took place in 4Q21, as reported in the 2021 earnings release, and also the migration of personnel linked to logistics from administrative expenses to costs;
- depreciation and amortization, which grew R\$29.0 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\$11.4 million due to the 79% increase in the number of HPs, and the fact that we are already paying for poles in cities still under construction (no active HPs) or low take up rate; and
- the increase in electricity and means of connection are linked not only to the growth of HC but also to the inflationary effect on tariffs and contracts. This variation was R\$6 million.



## Operational Expenses

Operational expenses (In millions of R\$)	1Q22	4Q21	1Q21	1Q22 x 1Q21	1Q22 x 4Q21
Personnel	(26.8)	(29.0)	(26.0)	3%	-8%
Third-party Services	(8.5)	(7.3)	(4.9)	n.m.	16%
Marketing expenses	(5.1)	(4.6)	(3.8)	34%	11%
Taxes and contributions	(2.2)	(2.4)	(1.0)	120%	-8%
Provision for doubtful accounts	(6.3)	(7.2)	(7.8)	n.m.	-13%
Other Expenses	(8.6)	(9.1)	(7.3)	18%	-5%
Depreciation and amortization	(4.6)	(7.9)	(5.6)	-18%	-42%
<b>Total</b>	<b>(62.1)</b>	<b>(67.5)</b>	<b>(56.4)</b>	<b>10%</b>	<b>-8%</b>

The Company's operating expenses in 1Q22 grew 10% when compared to 1Q21 and dropped 8% when compared to the previous quarter.

The decrease in General and Administrative Expenses, excluding depreciation and amortization, was R\$4.9 million when compared to 1Q21 and also when compared to 4Q21. As of 2Q22, the Company intensified the structuring of the Company's support areas for growth and for the IPO – accounting, financial, legal, HR and store personnel – with personnel expenses, third-party services and others. In relation to the previous quarter, the decrease is explained by the migration of the logistics team from the administrative area to the cost of services sold.

Selling expenses, excluding depreciation and amortization, were R\$9.0 million higher in 1Q22 when compared to 1Q21, mainly due to higher expenses with vendors, business partners and advertising and marketing. The Company's CAC grew during 2021, also influenced by inflation, but there is room for improvement and the Company is working on optimization initiatives so that it remains around R\$130 as of 2Q22. Compared to the previous quarter, the drop is explained by the migration. In comparison with 4Q21, a 10% reduction in CAC is already evident in 1Q22.

In relation to expenses with allowance for doubtful accounts (PCLD), since 4Q21 the Company has provisioned 2.5% of monthly gross sales in addition to credits overdue for 360 days. The amount in 1Q22 was R\$0.9 million lower when compared to 4Q21, even with higher revenues. This shows that losses on overdue accounts have been falling, as we had indicated in the first releases.

## EBITDA and Adjusted EBITDA

R\$ million	1Q22	4Q21	1Q21	1Q22 x 1Q21	1Q22 x 4Q21
Net Income	9.5	1.6	(7.2)	-232%	511%
(+) Income tax and social contributi	(9.4)	(2.4)	(3.6)	161%	295%
(+) Net financial result	1.2	(16.4)	(30.1)	-104%	-107%
(+) Depreciation and amortization	(59.9)	(46.2)	(31.8)	88%	30%
<b>EBITDA</b>	<b>77.6</b>	<b>66.5</b>	<b>58.3</b>	<b>33%</b>	<b>17%</b>
<b>EBITDA margin (%)</b>	<b>35.8%</b>	<b>32.5%</b>	<b>35.5%</b>	<b>0,3 p.p.</b>	<b>3,3 p.p.</b>
Non-recurring itens		2.0		n.m.	n.m.
Installation services			12.4	n.m.	n.m.
<b>Adjusted EBITDA</b>	<b>77.6</b>	<b>68.5</b>	<b>70.7</b>	<b>10%</b>	<b>13%</b>
<b>Adjusted EBITDA Margin (%)</b>	<b>35.8%</b>	<b>33.5%</b>	<b>43.1%</b>	<b>-7,3 p.p.</b>	<b>2,3 p.p.</b>



The Company presented in 1Q22 Adjusted EBITDA margin (the same as EBITDA margin) of 35.8% compared to 43.1% in 1Q21 and to 33.5% in the previous quarter. The quarter's margin was impacted by a fixed cost structure to serve a much larger customer base. This is normal during organic growth and the Company believes that we will gradually see a margin improvement as fixed costs are absorbed by a larger customer base.

Compared to 4Q21, the margin has already improved by 2.3 p.p. within the rationale of improving margins as fixed costs are absorbed by a larger customer base.

## Financial Result

In 1Q22, financial result was an income of R\$1.2 million, compared to an expense of R\$30.1 million in the same period in 2021. In comparison with 4Q21, the financial result of 1Q22 improved by R\$17.6 million. Despite the growth in interest rates, this improvement is the result of the lower exchange rate variation in the period, since in the 4Q the Real depreciated by 1.4% while in the 1Q22 there was an appreciation of 15%. At the end of March, the Company's foreign exchange exposed base was around R\$116 million, between international suppliers and financing, which represents a drop of almost 60% compared to December 2021.

R\$ million	1Q22	4Q21	1Q21	1Q22 x 1Q21	1Q22 x 4Q21
Financial revenue	52.0	30.6	10.2	410%	70%
Financial expenses	(50.8)	(46.9)	(40.3)	26%	8%
<b>Net financial result</b>	<b>1.2</b>	<b>(16.3)</b>	<b>(30.1)</b>	<b>-104%</b>	<b>-107%</b>

**Financial income** in 1Q22 mainly reflects the interest from the IPO funds invested in the period, in the amount of R\$19.1 million, and R\$28.6 million from active exchange rate variations as the Real appreciated in the period as explained above.

**Financial expenses** basically consisted of: (i) interest expenses in 1Q22 in the amount of R\$35.9 million, an increase of 18.2% in relation to the previous quarter due to the SELIC and IPCA increases in the period and the increase in the base with the inclusion of the installments readjustments related to the 5G spectrum, (ii) operations with derivatives in the amount of R\$7.0 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) foreign exchange variations in the amount of R\$3.4 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.



## Indebtedness

R\$ million	Mar/2022	Dec/2021	Var. (%)
<b>Gross Debt</b>	<b>1,147.0</b>	<b>1,122.1</b>	<b>2.2%</b>
(-) Cash and cash equivalents	505.9	1,000.8	-49.5%
(-) Short-term investments	12.7	46.7	-72.8%
<b>Net Debt</b>	<b>628.4</b>	<b>74.6</b>	<b>742.4%</b>

Brisanet had a gross debt of R\$1.1 billion in March 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\$518.6 million, the Company had a net debt of R\$628.4 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 112.16% CDI.

The increase in net debt was basically due to the application of cash in investments – expansion of the fiber optic network, expansion of the customer base, recomposition of the customer base and acquisition of equipment for the implementation of a 5G pilot project in 2022.

The Company adopts the policy of contracting hedge instruments to protect long-term financing carried out in foreign currency. As of December 31, 2021, total foreign currency financing represented 10% of total gross indebtedness.

Find below the breakdown for loans and financing:

Type	Weighted average rates	03/31/2022	12/31/2021
Working capital	0.66% p.m. - Fixed	<b>22,265</b>	48,240
Working capital	0.17% p.m. + CDI	<b>223,032</b>	251,867
Working capital	0.25% p.m. + TJLP	<b>6,986</b>	7,933
Working capital	0.27% p.m. + TLP	<b>5,081</b>	6,348
Working capital (foreign currency)	0.17% p.m. + CDI	<b>35,516</b>	46,934
PPE financing (CDC)	0.73% p.m. – Fixed	<b>17,778</b>	20,528
PPE financing (FINEM)	0.29% p.m. + TJLP	<b>6,455</b>	7,744
PPE financing (FINEM)	0.23% p.m. + TLP	<b>24,585</b>	26,088
Financing - TR	0.33% p.m. + TR	<b>52,783</b>	53,934
Import financing	0.42% p.m. + exchange rate	<b>90,083</b>	101,232
		<b>484,564</b>	<b>570,848</b>
Current		<b>210,483</b>	236,917
Noncurrent		<b>274,081</b>	333,931

On February 25, 2022, the Company, through its subsidiary, Brisanet 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 March 31, 2022, the balance was R\$70.2 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 March 31, 2022, the balance was R\$522.3 million.



Including the debentures, approximately 60% of the Company's debt matures from 2025 onwards.

## Capex

R\$ million	1Q22	1Q21	Var. (%)
<b>Capex</b>			
Additions to PPE <sup>1</sup>	484.5	143.3	238.2%
(-) PPE in progress	(57.8)	(29.9)	93.2%
(-) Advances to Suppliers	(238.7)	(59.3)	302.3%
(-) Imported equipment in transit	29.2	0.0	n.m.
Additions to Intangible Assets	15.7	8.0	96.9%
<b>Capex Adjusted - 'In Operations'</b>	<b>232.9</b>	<b>62.0</b>	<b>275.7%</b>

<sup>1</sup> See note # 9 of the 1Q22 FS

In 1Q22, Brisanet invested, when measured by additions to property, plant and equipment and intangibles, the amount of R\$498.4 million, compared to R\$151.3 million in the first quarter 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 registered in Advances to suppliers and aims to enable the implementation of the 5G pilot project by the end of 2022.

The Company intends to activate a large part of the PPE in progress (balance of R\$218.3 million) and of the property, plant and equipment in inventory (balance of R\$104.1 million) during 2022, which should reduce disburseable capex in the coming quarters.

The R\$232.9 million in fixed/intangible assets already in operation were applied to the Company's organic expansion, notably in:

- 650,000 HPs,
- 130,000 customer installations – base growth and replacement,
- R\$18 million in backbone DWDM (backbone lighting),
- R\$37 million in vehicles for expansion, which corresponds to more than 50% of the annual budget and
- R\$25 million in Agility Telecom.



## NOTICES

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### Conference Call

May 13, 2022 – Friday - 9 am (NY Time) – In Portuguese with Simultaneous translation to English

Brisanet – 1Q22 Earnings Release

Join the Zoom Meeting

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*Of this amount, just over R\$200 million corresponds to the purchase of equipment for the assembly of 5G ERBs (radio base stations). This purchase is recorded in 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.*



## ATTACHMENT I – INCOME STATEMENTS

	Consolidated - R\$ '000		
	1Q22	4Q21	1Q21
Net operating revenue	216,933	204,470	164,129
Cost of services	(137,171)	(116,689)	(81,208)
<b>Gross profit</b>	<b>79,762</b>	<b>87,781</b>	<b>82,921</b>
<b>Operating expenses</b>			
Administrative expenses	(28,908)	(37,254)	(35,031)
Selling expenses	(23,028)	(20,711)	(13,777)
Tax expenses	(2,188)	(2,424)	(964)
Other operating revenue (expenses), net	(7,956)	(7,098)	(6,640)
<b>Earnings before financial result and taxes</b>	<b>17,682</b>	<b>20,294</b>	<b>26,509</b>
Financial revenues	52,013	30,581	10,242
Financial expenses	(50,771)	(46,944)	(40,383)
<b>Net financial result</b>	<b>1,242</b>	<b>(16,363)</b>	<b>(30,141)</b>
<b>Income (Loss) before income tax and social contribution</b>	<b>18,924</b>	<b>3,931</b>	<b>(3,632)</b>
Income tax and social contribution	(9,435)	(2,377)	(3,592)
<b>Income (Loss) for the period</b>	<b>9,489</b>	<b>1,554</b>	<b>(7,224)</b>



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## ATTACHMENT II – BALANCE SHEET

	Consolidated - In R\$ '000			Consolidated - In R\$ '000	
	March 2022	December 2021		March 2022	December 2021
<b>Assets</b>			<b>Liabilities and equity</b>		
<b>Current Assets</b>			<b>Current liabilities</b>		
Cash and cash equivalents	505,873	1,000,792	Suppliers	92,101	186,032
Short-term investments	12,741	46,693	Loans and financing	210,483	236,917
Trade accounts receivables	117,812	107,873	Debentures	71,722	8,909
Inventories	2,904	3,713	Lease obligations	33,941	7,958
Taxes recoverable	45,389	42,807	Labor and social obligations	49,938	41,782
Derivative operations	-	297	Taxes payable	21,886	24,912
Prepaid expenses	2,695	1,851	Taxes paid in installments	1,107	1,771
Other assets	6,637	12,913	Derivative operations	2,961	983
Total current assets	694,051	1,216,939	Other accounts payable	18,835	4,723
			Total current liabilities	502,974	513,987
<b>Noncurrent assets</b>			<b>Noncurrent</b>		
Short-term investments	3,600	3,600	Loans and financing	274,081	333,931
Accounts receivable	581	843	Debentures	522,303	506,941
Taxes recoverable	62,693	54,671	Lease obligations	26,675	27,532
Transactions with related parties	1,244	1,181	Taxes paid in installments	4,951	5,099
Court-related deposits	2,773	2,142	Derivative operations	6,237	218
Derivative operations	1,417	1,011	Provision for contingencies_Others	159,095	162,554
Prepaid expenses	2,803	2,462		993,342	1,036,275
Deferred income and social contribution ta:	6,172	8,559	<b>Equity</b>		
Other assets	38	38	Capital	1,281,606	1,281,606
Rights-of-use	60,724	35,928	Income reserve	69,977	60,486
Property, plant and equipment	1,779,431	1,346,276	Treasury shares	-	1,533
Intangible assets	230,844	218,711		1,350,050	1,342,092
Total noncurrent assets	2,152,320	1,675,422	Noncontrolling interest	5	7
Total assets	2,846,371	2,892,361	Total equity	1,350,055	1,342,099
			Total liabilities and equity	2,846,371	2,892,361



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## ATTACHMENT III – STATEMENT OF CASH FLOW

	Consolidated - In R\$ '000	
	Mar 22	Mar 21
Cash flow from operating activities		
Net income (loss) for the period	9,489	(7,224)
Adjustments to reconcile income (loss) for the period:		
Depreciation and amortization	59,892	31,824
Residual value upon write-off of PPE and intangible asse	29	138
Allowance for doubtful accounts	6,327	7,843
Provision for contingencies	195	(1,981)
Monetary and exchange variation	30,928	4,968
Derivative operations	7,888	(534)
Interest on leases	1,249	1,209
Interest on loans and financing and debentures	27,216	25,903
Short-term investment income	(19,092)	(408)
Deferred income and social contribution taxes	2,389	240
Others	11,107	-
(Increase) decrease in assets		
Trade accounts receivable	(16,004)	(19,848)
Inventories	809	248
Taxes recoverable	(10,604)	(4,578)
Prepaid expenses	(1,185)	1,392
Court-related deposits	(631)	(32)
Other assets	6,276	1,602
Increase (decrease) in liabilities		
Suppliers	(93,931)	35,085
Labor and social obligations	8,156	15,986
Taxes payable	(1,158)	(103)
Taxes paid in installments	(812)	(345)
Other accounts payable	10,990	418
<b>Cash from (used in) operating activities</b>	<b>39,523</b>	<b>91,803</b>
Interest paid	(43,437)	(13,528)
Income tax and social contribution paid	(1,871)	(6,371)
<b>Net cash from (used in) operating activities</b>	<b>(5,785)</b>	<b>71,904</b>
Cash flows from investing activities		
Short-term investments	(225,767)	(76,324)
Additions to Property, plant and equipment	(481,510)	(143,264)
Additions to intangible assets	(15,712)	(8,368)
Intercompany loans received		804
Others	279,303	40,275
<b>Net cash from (used in) investing activities</b>	<b>(443,686)</b>	<b>(186,877)</b>
Cash flows from financing activities		
Loans and financing raised	-	49,835
Lease paid	(10,927)	(5,688)
Intercompany loans paid	-	7,264
Capital increase		
Dividend/Profits distributed	(1,533)	(1,704)
Others	(32,988)	(48,415)
<b>Net cash from (used in) financing activities</b>	<b>(45,448)</b>	<b>1,292</b>
<b>Increase (Decrease) in cash and cash equivalents</b>	<b>(494,919)</b>	<b>(113,681)</b>



## **II - Officers' representation**

**REPRESENTATION FOR PURPOSES OF ARTICLE 25  
OF CVM RULING No. 480**

**LUCIANA PAULO FERREIRA**, Brazilian, divorced, administrator, bearer of Identity Card RG No. 08495887-5 SSP/RJ and Individual Taxpayer Identification (CPF/ME) No. 016.657.567-48, with business address in the city of Pereiro, state of Ceará, at Rodovia CE-138, Trecho Pereiro CE Divisa com RN, Km 14, Estrada Carrossal Brisa 1 Km, Portão A, Prédio 1, Entrada 2, 1º Andar, Sala 1, CEP 63460-000, as the Investor Relations Officer of **BRISANET PARTICIPAÇÕES**, a corporation with head office in the city of Pereiro, state of Ceará, at Rodovia CE-138, Trecho Pereiro CE Divisa com RN, Km 14, Estrada Carrossal Brisa 1 Km, Portão A, Prédio 1, Entrada 2, 1º Andar, Sala 1, CEP 63460-000, enrolled with the National Registry of Legal Entities (CNPJ/ME) under No. 19.796.586/0001-70 (“Company”), represents that, pursuant to article 26, paragraph 1, items V and VI of Ruling No. 480, of December 7, 2009, issued by the Brazilian Securities and Exchange Commission (CVM), as amended (CVM Ruling No. 480), jointly with the other Company officers: (a) she has reviewed, discussed and agrees with the review report issued by Ernst & Young Auditores Independentes S/S on the interim financial information for the three-month period ended March 31, 2022; and (b) she had reviewed, discussed and agrees with the interim financial information for the three-month period ended March 31, 2022.

Luciana Paulo Ferreira

**Investor Relations Officer**

**III - Individual and consolidated interim financial information with independent auditor's report**

# **Brisanet Participações S.A.**

## Interim financial information

March 31, 2022

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A free translation from Portuguese into English of Independent Auditor's Review Report on interim financial information prepared in Brazilian currency in accordance with accounting practices adopted in Brazil and with IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB)

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## Independent auditor's review report on interim financial information

To the Shareholders, Board of Directors and Officers  
**Brisanet Participações S.A.**  
Pereiro – CE

### Introduction

We have reviewed the accompanying individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR) of Brisanet Participações S.A. (the "Company") for the quarter ended March 31, 2022, which comprises the statement of financial position as at March 31, 2022, and the related statements of profit or loss, of comprehensive income, of changes in equity and of cash flows for three-month period then ended, including explanatory notes.

The executive board is responsible for the preparation of the individual and consolidated interim financial information in accordance with NBC TG 21 – Interim Financial Reporting and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of this financial information in accordance with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

### Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## **Conclusion on the individual and consolidated interim financial information**

Based on our review, nothing has come to our attention that causes us to believe that the individual and consolidated interim financial information included in the Quarterly Information referred to above was not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information (ITR), and presented consistently with the rules issued by the CVM.

## **Other matters**

### *Statements of value added*

The quarterly information referred to above includes the individual and consolidated statements of value added (SVA) for the three-month period ended March 31, 2022, prepared under the responsibility of the Company's executive board, and presented as supplementary information for IAS 34 purposes. These statements were subject to review procedures performed together with the review of the quarterly information, in order to determine whether they are reconciled with the interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in NBC TG 09 – Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added were not prepared, in all material respects, pursuant to such standard and consistently with the individual and consolidated interim financial information taken as a whole.

Recife, May 11, 2022.

ERNST & YOUNG  
Auditores Independentes S.S.  
CRC-2SP015199/O-6



Francisco da Silva Pimentel  
Accountant CRC-1SP171230/O-7-T-PE



A free translation from Portuguese into English of interim financial information prepared in Brazilian currency in accordance with accounting practices adopted in Brazil and with IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB)

## Brisanet Participações S.A.

Statements of financial position  
March 31, 2022  
(In thousands of reais)

	Note	Individual		Consolidated	
		03/31/2022	12/31/2021	03/31/2022	12/31/2021
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	3	1,435	3,325	505,873	1,000,792
Short-term investments	3	-	-	12,741	46,693
Trade accounts receivable	4	-	-	117,812	107,873
Inventories		-	-	2,904	3,713
Taxes recoverable	5	18	18	45,389	42,807
Derivative transactions	26	-	-	-	297
Prepaid expenses		137	-	2,695	1,851
Other assets		3	-	6,637	12,913
<b>Total current assets</b>		<b>1,593</b>	<b>3,343</b>	<b>694,051</b>	<b>1,216,939</b>
<b>Noncurrent assets</b>					
<b>Long-term receivables</b>					
Financial investments	3	-	-	3,600	3,600
Trade accounts receivable	4	-	-	581	843
Taxes recoverable	5	-	-	62,693	54,671
Transactions with related parties	6	-	-	1,244	1,181
Judicial deposits		-	-	2,773	2,142
Derivative transactions	26	-	-	1,417	1,011
Prepaid expenses		-	-	2,803	2,462
Deferred income and social contribution taxes	26	-	-	6,172	8,559
Other assets		-	-	38	38
Investments	7	1,352,797	1,342,780	-	-
Right of use	14	-	-	60,724	35,928
Property, plant and equipment	8	-	-	1,779,431	1,346,276
Intangible assets	9	-	-	230,844	218,711
<b>Total noncurrent assets</b>		<b>1,352,797</b>	<b>1,342,780</b>	<b>2,152,320</b>	<b>1,675,422</b>
<b>Total assets</b>		<b>1,354,390</b>	<b>1,346,123</b>	<b>2,846,371</b>	<b>2,892,361</b>

	Note	Individual		Consolidated	
		03/31/2022	12/31/2021	03/31/2022	12/31/2021
Liabilities and equity					
Current liabilities					
Trade accounts payable	10	141	-	92,101	186,032
Loans and financing	11	-	-	210,483	236,917
Debentures	12	-	-	1,473	8,909
Promissory note	13	-	-	70,249	-
Lease obligations	14	-	-	33,941	7,958
Labor and social obligations	15	87	86	49,938	41,782
Taxes payable	5	34	34	21,886	24,912
Taxes paid in installments	16	-	-	1,107	1,771
Derivative transactions	26	-	-	2,961	983
Proposed dividends	6 and 20	533	533	533	533
Other accounts payable	18	392	3	18,302	4,190
Total current liabilities		<b>1,187</b>	656	<b>502,974</b>	513,987
Noncurrent liabilities					
Loans and financing	11	-	-	274,081	333,931
Debentures	12	-	-	522,303	506,941
Lease obligations	14	-	-	26,675	27,532
Taxes paid in installments	16	-	-	4,951	5,099
Provision for losses on investments	7	3,153	3,375	-	-
Derivative transactions	26	-	-	6,237	218
Provision for contingencies	17	-	-	1,124	929
Other accounts payable	18	-	-	157,971	161,625
Total noncurrent liabilities		<b>3,153</b>	3,375	<b>993,342</b>	1,036,275
Equity					
Capital	20	1,281,606	1,281,606	1,281,606	1,281,606
Treasury shares		(1,533)	-	(1,533)	-
Income reserves		69,977	60,486	69,977	60,486
		<b>1,350,050</b>	1,342,092	<b>1,350,050</b>	1,342,092
Noncontrolling interests		-	-	5	7
Total equity		<b>1,350,050</b>	1,342,092	<b>1,350,055</b>	1,342,099
Total liabilities and equity					
		<b>1,354,390</b>	1,346,123	<b>2,846,371</b>	2,892,361

See accompanying notes.

## Brisanet Participações S.A.

### Statements of profit or loss

Three-month period ended March 31, 2022

(In thousands of reais, except earnings per share, stated in reais)

	Note	Individual		Consolidated	
		03/31/2022	03/31/2021	03/31/2022	03/31/2021
Net operating revenue	21	-	-	<b>216,933</b>	164,129
Cost of services	22	-	-	<b>(137,171)</b>	(81,208)
Gross profit		-	-	<b>79,762</b>	82,921
Operating expenses					
Administrative expenses	22	<b>(752)</b>	(155)	<b>(28,908)</b>	(35,031)
Selling expenses	22	-	-	<b>(23,028)</b>	(13,777)
Tax expenses	22	-	-	<b>(2,188)</b>	(964)
Equity pickup	7	<b>10,201</b>	(7,083)	-	-
Other operating expenses, net	22	<b>37</b>	-	<b>(7,956)</b>	(6,640)
Income (loss) before finance income (costs) and taxes		<b>9,486</b>	(7,238)	<b>17,682</b>	26,509
Finance income	23	<b>6</b>	-	<b>52,013</b>	10,242
Finance costs	23	<b>(1)</b>	-	<b>(50,771)</b>	(40,383)
Finance income (costs)		<b>5</b>		<b>1,242</b>	(30,141)
Income before income and social contribution taxes		<b>9,491</b>	(7,238)	<b>18,924</b>	(3,632)
Income and social contribution taxes	24	-	-	<b>(9,435)</b>	(3,592)
Net income (loss) for the period		<b>9,491</b>	(7,238)	<b>9,489</b>	(7,224)
Net income (loss) attributable to					
Controlling interests		-	-	<b>9,491</b>	(7,238)
Noncontrolling interests		-	-	<b>(2)</b>	14
Basic earnings per share – R\$	25	<b>0.02</b>	(0.10)		
Diluted earnings per share – R\$	25	<b>0.02</b>	(0,10)		

See accompanying notes.

## Brisanet Participações S.A.

Statements of comprehensive income  
Three-month period ended March 31, 2022  
(In thousands of reais)

	Individual		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Net income (loss) for the period	9,491	(7,238)	9,489	(7,224)
Other comprehensive income	-	-	-	-
Comprehensive income (loss) for the period	9,491	(7,238)	9,489	(7,224)
Net income attributable to				
Controlling interests	-	-	9,491	(7,238)
Noncontrolling interests	-	-	(2)	14

See accompanying notes.

## Brisanet Participações S.A.

Statements of changes in equity  
 Three-month period ended March 31, 2022  
 (In thousands of reais)

	Consolidated								
	Capital			Individual Income reserves			Subtotal	Noncontrolling interests	Equity
	Capital	Share issue costs	Treasury shares	Legal reserve	Retained profits	Accumulated losses			
Balances at December 31, 2020	66,209	-	-	1,456	59,526	-	127,191	6	127,197
Loss for the period	-	-	-	-	-	(7,238)	(7,238)	14	(7,224)
Profit allocation (Note 19):									
Dividends distributed	-	-	-	-	(1,704)	-	(1,704)	-	(1,704)
Balances at March 31, 2021	66,209	-	-	1,456	57,822	(7,238)	118,249	20	118,269
Balances at December 31, 2021	1,321,859	(40,253)	-	1,568	58,918	-	1,342,092	7	1,342,099
Treasury shares	-	-	(1,533)	-	-	-	(1,533)	-	(1,533)
Net income for the period	-	-	-	-	-	9,491	9,491	(2)	9,489
Profit allocation (Note 19):									
Retained profits	-	-	-	-	9,491	(9,491)	-	-	-
Balances at March 31, 2022	1,321,859	(40,253)	(1,533)	1,568	68,409	-	1,350,050	5	1,350,055

See accompanying notes.

## Brisanet Participações S.A.

Statements of cash flows  
Three-month period ended March 31, 2022  
(In thousands of reais)

	Individual		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Cash flows from operating activities				
Net income (loss) for the period	9,491	(7,238)	9,489	(7,224)
Adjustments to reconcile net income in the period:				
Depreciation and amortization	-	-	59,892	31,824
Residual value upon write-off of PPE and intangible assets	-	-	29	138
Provision for PPE's losses	-	-	1,849	-
Allowance for expected credit losses	-	-	6,327	7,843
Set-up (reversal) of provision for contingencies	-	(2)	195	(1,981)
Equity pickup	(10,201)	7,083	-	-
Monetary variation and exchange differences	-	-	30,928	4,968
Derivative transactions	-	-	7,888	(534)
Interest on leases	-	-	1,249	1,209
Interest on debentures	-	-	7,871	-
Interest on promissory notes	-	-	164	-
Interest on loans and financing	-	-	27,216	25,903
Appropriation of funding costs	-	-	1,223	-
Short-term investment yield	(6)	-	(19,092)	(408)
Deferred income and social contribution taxes	-	-	2,389	240
(Increase) decrease in assets				
Trade accounts receivable	-	-	(16,004)	(19,848)
Inventories	-	-	809	248
Taxes recoverable	-	-	(10,604)	(4,578)
Prepaid expenses	(137)	-	(1,185)	1,392
Judicial deposits	-	-	(631)	(32)
Other assets	(3)	-	6,276	1,602
Increase (decrease) in liabilities				
Trade accounts payable	141	-	(93,931)	35,085
Labor and social obligations	1	59	8,156	15,986
Taxes payable	-	14	(1,158)	(103)
Taxes paid in installments	-	-	(812)	(345)
Other accounts payable	389	5	10,990	418
Cash flows from (used in) operating activities	(325)	(79)	39,523	91,803
Interest paid	-	-	(43,437)	(13,528)
Income and social contribution taxes paid	-	-	(1,871)	(6,371)
Net cash flows from (used in) operating activities	(325)	(79)	(5,785)	71,904
Cash flows from investing activities				
Short-term investments	986	-	(225,767)	(76,324)
Redemption of short-term investments	(1,056)	-	279,366	40,910
Additions to PPE	-	-	(481,510)	(143,264)
Additions to intangible assets	-	-	(15,712)	(8,368)
Intercompany loans granted	-	-	(63)	(635)
Intercompany loans received	-	-	-	804
Dividends and profits received	38	1,875	-	-
Net cash flows from (used in) investing activities	(32)	1,875	(443,686)	(186,877)

## Brisanet Participações S.A.

Statements of cash flows (Continued)  
 Three-month period ended March 31, 2022  
 (In thousands of reais)

	Individual		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Cash flows from financing activities				
Loans and financing raised	-	-	-	49,835
Repayment of principal of loans and financing	-	-	(102,368)	(39,735)
Funding of promissory notes, net of funding costs	-	-	69,380	-
Lease payments	-	-	(10,927)	(5,688)
Payment of derivative financial instruments	-	-	-	(756)
Intercompany loans received	-	3	-	7,624
Intercompany loans paid	-	-	-	(8,284)
Treasury shares	(1,533)	-	(1,533)	-
Dividends/profits distributed	-	(1,704)	-	(1,704)
Net cash flows from (used in) financing activities	(1,533)	(1,701)	(45,448)	1,292
Increase (decrease) in cash and cash equivalents	(1,890)	95	(494,919)	(113,681)
Cash and cash equivalents				
At beginning of period	3,325	5	1,000,792	171,104
At end of period	1,435	100	505,873	57,423
Increase (decrease) in cash and cash equivalents	(1,890)	95	(494,919)	(113,681)

See accompanying notes.

## Brisanet Participações S.A.

Statements of value added  
Three-month period ended March 31, 2022  
(In thousands of reais)

	Individual		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Revenues				
Gross operating income less discounts	-	-	253,472	188,311
Allowance for expected credit losses	-	-	(6,327)	(7,843)
Other revenues	40	-	815	63
Inputs acquired from third parties				
Cost of sales	-	-	(13,964)	(23,264)
Materials, electricity, third-party services and other	(475)	(1)	(32,918)	(18,966)
Loss on/recovery of assets	-	-	(1,860)	(32)
Other inputs	-	-	(581)	1,940
Gross value added	(435)	(1)	198,637	140,209
Depreciation and amortization	-	-	(59,892)	(31,824)
Net value added generated	(435)	(1)	138,745	108,385
Value added received in transfer				
Equity pickup	10,201	(7,083)	-	-
Finance income	6	-	52,013	10,242
Total value added to be distributed	9,772	(7,084)	190,758	118,627
Distribution of value added				
Taxes, charges and contributions				
Federal	47	-	35,365	21,836
State	-	-	23,593	16,474
Local	-	-	353	316
Personnel	47	-	59,311	38,626
Personnel				
Salaries	231	154	42,011	36,116
Unemployment Compensation Fund (FGTS)	-	-	3,531	3,169
Benefits	1	-	9,394	2,987
Debt remuneration	232	154	54,936	42,272
Debt remuneration				
Interest, exchange differences and borrowing costs	1	-	50,771	40,374
Rents	-	-	16,248	4,579
Equity remuneration	1	-	67,019	44,953
Equity remuneration				
Dividends/profits distributed	-	1,704	-	1,704
Retained profits/losses	9,492	(8,942)	9,492	(8,928)
Value added	9,772	(7,084)	190,758	118,627

See accompanying notes.



# Brisanet Participações S.A. and Consolidated

Notes to interim financial information  
March 31, 2022  
(In thousands of reais)

## 1. Operations

Brisanet Participações S.A. (the “Company”) is a publicly-held corporation, established on February 19, 2014, located in Pereiro, state of Ceará. The Company is primarily engaged in holding equity interests in other companies.

On July 28, 2021, the public offering of the Company’s shares on the stock market of B3 S.A. - Brasil, Bolsa e Balcão, denominated “Novo Mercado” was approved at the Board of Directors’ Meeting, under ticker symbol “BRIT3”, completed upon settlement of the shares on July 30, 2021 in the amount of R\$1,255,650. Share issue costs totaled R\$40,253.

### a) Subsidiaries

Currently, the Company has the following subsidiaries:

#### i) *Brisanet Serviços de Telecomunicações S.A. (“Brisanet Serviços”)*

Provision of telecommunication services - MCS (Multimedia Communication Service); equipment rental; IT services; radio and optical fiber network installation services; wholesale, retail and import of telecommunications and IT equipment; pay television; pay cable television; provision of monitoring services; wholesale, retail, import and rental of electronic monitoring equipment; electronic equipment maintenance; wholesale, retail and import of monitoring cameras and materials; manufacture of pre-cast concrete structures, in series or by order; electronic equipment installation and assembly; circuit-switched telephone services – PSTN (Public Switched Telephone Network); licensing or assignment of rights-of-use relating to computer programs; customizable computer system development; non-customizable computer system development; IT technical support, maintenance and services; provision, with no definitive assignment, of audio, video, image and text content through the internet, in compliance with the tax immunity of books, newspapers and periodicals (except for distribution of content by Conditioned Access Service providers, referred to in Federal Law No. 12485, of September 12, 2011, subject to State VAT - ICMS); value added services; and administrative support and office services.

#### Acquisition and merger of investments

On March 11, 2021, Brisanet Serviços acquired 100% of the units of interest of Agility Serviços de Telecomunicações Ltda. (“Agility”), a company that belongs to Brisanet Group shareholders, for the amount of R\$10.

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais)

### 1. Operations (Continued)

#### a) Subsidiaries (Continued)

##### i) *Brisanet Serviços de Telecomunicações S.A. (“Brisanet Serviços”)* (Continued)

##### Acquisition and merger of investments (Continued)

At the Special General Meeting held on January 31, 2022, shareholders approved the merger of the net assets of the Company’s indirect subsidiary Agility Serviços de Telecomunicações Ltda., in the amount of R\$81,479, by the direct subsidiary Brisanet Serviços de Telecomunicações S.A. The merged net assets, in subsidiary Brisanet Serviços de Telecomunicações S.A., measured by external experts at book value, at base date December 31, 2021, are as follows:

	<u>12/31/21</u>
Current assets	<u>43,886</u>
Cash and cash equivalents	38,417
Short-term investments	1,903
Trade accounts receivable	3,530
Taxes recoverable	1
Other	35
Noncurrent assets	<u>37,593</u>
Trade accounts receivable	843
Taxes recoverable	1
Property, plant and equipment	10,777
Intangible assets	<u>25,972</u>
Total assets	<u>81,479</u>
Merged net assets	<u>81,479</u>

##### Agility Serviços de Telecomunicações Ltda. (“Agility Telecom”)

Provision of telecommunication services (Multimedia Communication Service – MCS); maintenance and repair of controlling and testing devices and instruments; wholesale of IT equipment; wholesale of other IT machinery and equipment, parts and pieces; internet protocol voice providers (Voice over IP – VOIP); telecommunications activities; computer program development by order; development and licensing of customizable computer programs; development and licensing of non-customizable computer programs; data treatment, application service providers and internet hosting services; provision of IT services; intermediation and agency of services and business in general; rental of office machinery and equipment; rental of other self-operating commercial and industrial machinery and equipment; administrative support and office combined services; provision of services mainly to companies; non-financial institutions’ holding companies; franchising sale and licensing; when the services provided, products sold and machinery and equipment rented are not commensurate with the company’s physical space, third-party warehouses will be contracted for storing respective products, machinery and equipment.

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)  
March 31, 2022  
(In thousands of reais)

### 1. Operations (Continued)

#### a) Subsidiaries (Continued)

##### i) *Brisanet Serviços de Telecomunicações S.A. (“Brisanet Serviços”)* (Continued)

###### Establishment of company

On November 16, 2021, Brisanet Serviços established the company 4J Serviços de Telecomunicações Ltda., holding 100% of its units of interest, with capital totaling R\$50.

4J Serviços de Telecomunicações Ltda. (‘4J Telecomunicações’)

Provision of MCS Telecommunications services; fixed switched telephone services (STFC); Voice over Internet Protocol (VOIP) providers; equipment rental; computer services; fiber optic and radio network installation services; specialized retail trade of telephony and communication equipment; specialized retail trade of telephony and communication equipment; wholesale, retail and import of computer and telecommunication equipment; pay television; cable pay-television operators; provision of monitoring service; wholesale, retail, import and rental of equipment for electronic monitoring; maintenance of electronic monitoring equipment; wholesale, retail and import of cameras and monitoring materials; manufacture of pre-molded reinforced concrete structures, in series and to order; installation and assembly of electronic equipment; intermediation and agency of services and business in general; licensing or assignment of the right to use computer programs; customizable computer system and development; non-customizable computer system and development; technical support, maintenance and services in information technology; availability, without definitive assignment, of audio, video, image and text content via the internet, respecting the immunity of books, newspapers and periodicals (except for the distribution of content by the providers of Conditional Access Service, addressed by Federal Law No. 12485, of September 12, 2011, subject to ICMS); added value services; data processing, application service providers and internet hosting services; office services and administrative support.

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais)

### 1. Operations (Continued)

#### a) Subsidiaries (Continued)

ii) *Brisanet Gerenciadora de Ativos Ltda. (“Brisanet Gerenciadora de Ativos”)*

Activities relating to asset management, advisory and consulting services in IT and out-of-court collection.

iii) *RPS – Prestação de Serviços de Informática Ltda. (“RPS”)*

IT technical support, including installation, configuration and maintenance of databank and computer programs, as well as technical support services for IT equipment in general; rental of chattel properties and IT equipment; IT equipment installation services, and image and data equipment monitoring services; sale of electronic equipment; import of electronic material; import of IT and telecommunications equipment and of consumption material; and rental of self-driving vehicles, including buses.

iv) *Interservice – Serviços de Elaboração de Dados Ltda. - ME (“Interservice”)*

IT technical support, including installation, configuration and maintenance of databank and computer programs, as well as technical support services for equipment in general; data processing and the like; and IT advisory and consulting services.

v) *Universo Serviços de Telecomunicações Ltda. - ME (“Universo Serviços”)*

*Merger of direct subsidiary Universo Serviços de Telecomunicações Ltda. by Brisanet Serviços de Telecomunicações S.A.*

At the Special General Meeting held on January 31, 2022, shareholders approved the merger of the net assets of the Company’s indirect subsidiary Universo Serviços de Telecomunicações Ltda., in the amount of R\$28,419, by Brisanet Serviços de Telecomunicações S.A.

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais)

### 1. Operations (Continued)

#### a) Subsidiaries (Continued)

##### v) *Universo Serviços de Telecomunicações Ltda. - ME (“Universo Serviços”)*

The merged net assets, in subsidiary Brisanet Serviços, measured by external experts at book value, at base date January 31, 2022, are as follows:

	<u>01/31/22</u>
Current assets	24,403
Cash and cash equivalents	784
Trade accounts receivable	22,973
Taxes recoverable	619
Prepaid expenses	14
Other	13
Noncurrent assets	4,016
Taxes recoverable	61
Deferred taxes	329
Property, plant and equipment	2,736
Intangible assets	771
Right of use	119
Total assets	<u>28,419</u>
Merged net assets	<u>28,419</u>

#### b) Authorizations

The services offered by the Company and its subsidiaries, as well as tariffs charged, are authorized by the National Telecommunications Agency (Anatel), which is responsible for regulating the telecommunications sector in Brazil in accordance with the General Telecommunications Law and respective regulations. In this context, the Company and its subsidiaries have the following authorizations:

<u>Company</u>	<u>Grant</u>	<u>Area</u>	<u>Effective period</u>
Universo Serviços	Authorization to provide international long-distance STFC	For region 1 STFC	Indefinite
Brisanet Serviços	Authorization to provide Multimedia Communication Services (MCS)	All regions in Brazil	Indefinite
Brisanet Serviços	Authorization to provide Conditioned Access Services (SeAC)	All regions in Brazil	Indefinite

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais)

### 1. Operations (Continued)

#### c) Operations with franchisees and other transactions

In 2021, Agility Serviços de Telecomunicações ("Agility Telecom"), an indirect subsidiary of the Company, carried out 15 operations to purchase fixed and intangible assets from small providers, within its planning, as a franchisor, aiming to expand its telecommunications services and remaining with the optical fiber network infrastructure. With the migration of these operations to franchisees, Agility now charges 25% of the franchisee's billing, while Brisanet Serviços, which also acquired fixed and intangible assets from small providers, charges 5% for providing a link to its franchisees. In the current period, no new operations were carried out.

#### d) Outcome of the 5G Auction

On November 4, 2021, Brisanet Serviços de Telecomunicações S.A., a wholly-owned subsidiary of the Company, won 3 Lots in the 5G Auction conducted by Brazil's National Telecommunications Agency ("Anatel") to obtain the right to use radio frequencies, primarily of 2 regional blocks of 80 MHz in the 3.5 GHz range - 1 block in the Northeast and 1 in the Midwest - as well as 1 lot of 50MHz in the Northeast region in the 2.3 GHz range, all for a period of 20 (twenty) years, extendable against valuable consideration, in accordance with the regulations in force on the expiration date. The total amount offered for the 3 lots was R\$1,466,386, of which only R\$168,360 will be disbursed. The remaining balance will be covered by commitments with offer of the service in certain areas until 2030.

#### e) COVID-19

Covid-19 was identified in December 2019 in China, reached various countries rapidly and was declared a pandemic on March 11, 2020 by the World Health Organization (WHO). This disease also had impacts on economic activities, which suffered and are still suffering significant losses.

In Brazil, as from March 2020, various states adopted lockdown measures, which at first generated uncertainties in operating P&L of the Company and its subsidiaries. However, the telecommunications industry presented a significant increase during the pandemic, contributing with the service demands for the governments and society as a whole. Since the beginning of the pandemic, Company management has been monitoring the impacts of Covid-19 and any material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

## **Brisanet Participações S.A. and Consolidated**

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais)

### **1. Operations (Continued)**

#### e) COVID-19 (Continued)

The pandemic had no impacts on the Company's and its subsidiaries' cash flow and revenue recognition, since the number of customers increased significantly due to the demand for access to internet points, which resulted directly in increased generation of cash and cash equivalents. In addition to the increase in number of customers, days sales outstanding (DSO) increased significantly whereas average collection period decreased. The Brazilian economy went into a recession after the pandemic impacts. In order to contain credit limitation, the federal government zeroed Tax on Financial Transactions (IOF) on fundraising and reduced interest on the loan facilities provided by the Brazilian Development Bank (BNDES), Caixa Econômica Federal and Banco do Nordeste. The federal government adopted various measures to minimize the pandemic impacts on the companies' cash flow. From these measures, the Company and its subsidiaries used Provisional Executive Order (MP) No. 927/2020 and Ministry of Economy rulings to pay Unemployment Compensation Fund (FGTS) in installments subject to no interest, extend the due dates of employer's social security portions, federal contribution taxes on gross revenue for Social Integration Program (PIS) and for Social Security Financing (COFINS), and suspend the installment payment of federal taxes. Financial instruments were directly impacted by the US dollar fluctuation during the pandemic. The Company and its subsidiaries adopted the measure of setting the foreign currency to minimize the effects and manage the cash flow. In consonance with referred to government orders, Brisanet Group adopted various measures to ensure compliance with health protocols, with a view to rendering activity routines fully feasible for employees, suppliers and customers, such as holding meetings and training courses through videoconference, work from home and personalized remote customer services, among other security actions. lockdown restricted circulation in other segments and the society as a whole. This restriction increased internet access demand, which caused a significant increase in Brisanet Group customers during the pandemic. The measures adopted by the Government to minimize the social impact of lockdown along with the restriction of the supply of products ended up generating inflationary pressure since the second half of 2021, with the relaxation of circulation restrictions and the expansion of vaccination. This inflationary environment, with annual rates around 10% but with greater effects on food and fuel, has impacted the costs and expenses of the Company and its subsidiaries.

Company management and technical team considered that insurance contracts, impairment, inventories and other items described in the Company's and its subsidiaries' individual and consolidated interim financial information did not change significantly due to Covid-19.

#### f) Approval of interim financial information

Completion of the individual and consolidated interim financial information was authorized by management of the Company and its subsidiaries on May 11, 2022.

## **Brisanet Participações S.A. and Consolidated**

Notes to interim financial information (Continued)  
March 31, 2022  
(In thousands of reais)

### **2. Basis of preparation and presentation of interim financial information and summary of significant accounting policies**

#### **2.1. Basis of preparation**

This interim financial information was prepared under the historical cost convention which, in the case of certain financial assets and liabilities (including derivative instruments), is adjusted to reflect measurement at fair value.

This interim financial information was prepared and is presented in accordance with NBC TG 21 – Interim Financial Reporting and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), and with accounting practices adopted in Brazil, which comprise the rules issued by the Brazilian Securities and Exchange Commission (CVM) and the Brazilian Accounting Standards (NBC) issued by Brazil's National Association of State Boards of Accountancy (CFC).

Additionally, the Company considered the guidance provided in Technical Guidance OCPC 07 issued by the CPC in November 2014, in the preparation of its interim financial information. As such, management evidences all significant information that is consistent with the information used to manage the Company's operations.

This interim financial information should be read in conjunction with the Company's and its subsidiaries' individual and consolidated financial statements for the year ended December 31, 2021, specifically Notes 2 and 3, which were prepared and presented in accordance with the accounting practices adopted in Brazil, including the pronouncements issued by the Brazilian FASB (CPC) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The presentation of the Statement of Added Value (SVA), although not required by IFRS, is mandatory for publicly-held corporations in Brazil. Consequently, this statement is presented as supplementary information for IFRS purposes, without prejudice to the set of the quarterly information.

The interim financial information is presented in reais, the functional and presentation currency, and all amounts are expressed in thousands of reais, unless otherwise stated.



## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais)

## 2. Basis of preparation and presentation of interim financial information and summary of significant accounting policies (Continued)

### 2.2. Changes in accounting practices

Preparation of quarterly information requires the use of certain critical accounting estimates and use of professional judgment by Company management in the process of applying the accounting practices. No changes have been recorded in assumptions and judgements by Company management in using such estimates to prepare this interim financial information, in relation to those applied in the individual and consolidated financial statements as at December 31, 2020.

### 2.3. Accounting judgments, estimates and assumptions

The individual and consolidated interim financial information was prepared in accordance with several measurement bases used in accounting estimates. Accounting estimates involved in the preparation of the interim financial information were based on both objective and subjective factors and use of professional judgment by management to determine the adequate amount to be recorded in the interim financial information. Significant items subject to these estimates and assumptions include the selection of useful lives of property, plant and equipment and intangible assets, analyses of their recoverability in operations, assessment of the fair value of financial assets and liabilities, as well as other risk analyses to determine other provisions, including provision for contingencies.

Settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the interim financial information due to uncertainties inherent in the estimate process. Company management reviews its accounting estimates and assumptions at least on an annual basis.

### 2.4. Basis of consolidation

As at March 31, 2022 and December 31, 2020, the Company maintains investments by means of direct subsidiaries, all of which are located in Brazil, as follows:

	<u>03/31/2022</u>	<u>12/31/2021</u>
Brisanet Serviços de Telecomunicações S.A.	99.99%	99.99%
Brisanet Gerenciadora de Ativos Ltda.	99.98%	99.98%
RPS – Prestação de Serviços de Informática Ltda.	99.99%	99.99%
Interservice – Serviços de Elaboração de Dados Ltda. - ME	99.99%	99.99%
Universo Serviços de Telecomunicações Ltda. - ME	-	99.99%

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais)

### 2. Basis of preparation and presentation of the financial statements (Continued)

#### 2.4. Basis of consolidation (Continued)

Subsidiaries are all entities over which the Company holds control. The Company controls an entity when the Company is exposed or entitled to variable returns based on its involvement with the entity and can affect these returns through the power used in the investee. The subsidiaries are fully included in the consolidation as from the date when control is transferred to the Company. Consolidation is interrupted as from the date when the Company ceases to have control.

Transactions between entities, balances and unrealized gains in transactions between the Company and its subsidiaries are eliminated. Unrealized gains and losses are only eliminated if the operation provides evidence of impairment of transferred assets. The subsidiaries' accounting policies are changed when necessary to ensure consistency with the policies adopted by the Company.

In the individual interim financial information of the parent company, investments in subsidiaries are recorded under the equity method.

### 3. Cash and cash equivalents and short-term investments

	Individual		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Cash	-	-	-	5
Checking accounts and other	76	79	4,123	4,701
Short-term investments:				
Sweep accounts	212	6	15,595	16,617
Bank Deposit Certificates (CDB)	1,147	3,240	484,108	974,727
Debit cards	-	-	2,047	4,742
	<b>1,435</b>	<b>3,325</b>	<b>505,873</b>	<b>1,000,792</b>

Cash equivalents correspond to transactions with financial institutions in the Brazilian financial market and subject to low credit risk. These transactions are remunerated by the Interbank Deposit Certificates (CDI) variation at the average rate of 112% at March 31, 2022 (105.84% at December 31, 2021) and are available for use in the operations of the Company and its subsidiaries, i.e. are highly-liquid financial assets.

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais)

### 3. Cash and cash equivalents and short-term investments (Continued)

#### Short-term investments

	<b>Consolidated</b>	
	<b>03/31/2022</b>	<b>12/31/2021</b>
Investment funds (a)	1,363	21,491
Certificate accounts with lottery prizes (b)	9,420	9,820
CDB (c)	5,558	18,982
	<b>16,341</b>	<b>50,293</b>
Current	12,741	46,693
Noncurrent	3,600	3,600

(a) Investment funds have variable income (fixed income and multimarket funds), with an average of 99.96% of the CDI for the period;

(b) Certificate accounts with lottery prizes, with an average yield of 0.5% p.m. plus the reference rate (TR), were acquired in previous years and have a grace period for redemption, usually proportional to repayment of the loans, to which they are collateral; and

(c) Bank Deposit Certificates (CDB) had an average yield of 112.16% of the CDI in the first quarter of 2022, with liquidity above 90 days.

### 4. Trade accounts receivable (Consolidated)

	<b>03/31/2022</b>	<b>12/31/2021</b>
Trade accounts receivable	139,032	128,009
Allowance for expected credit losses	(20,639)	(19,293)
Accounts receivable, net	<b>118,393</b>	<b>108,716</b>
Current	117,812	107,873
Noncurrent	581	843

The aging list of trade accounts receivable is as follows:

	<b>03/31/2022</b>	<b>12/31/2021</b>
Falling due	48,120	41,136
Past due:		
1 to 30 days	28,695	28,898
31 to 60 days	7,564	5,524
61 to 180 days	16,912	16,767
181 to 360 days	18,477	17,538
Over 360 days	19,264	18,146
	<b>139,032</b>	<b>128,009</b>
(-) Allowance for expected credit losses	<b>(20,639)</b>	<b>(19,293)</b>
Accounts receivable, net	<b>118,393</b>	<b>108,716</b>

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais)

### 4. Trade accounts receivable (Consolidated) (Continued)

At March 31, 2022, DSO was of 42 days (46 days as of December 31, 2021).

Changes in allowance for expected credit losses are as follows:

	<u>03/31/2022</u>	<u>12/31/2021</u>
Opening balance	(19,293)	(20,791)
Set-up	<b>(6,368)</b>	(24,229)
Reversal	<b>40</b>	3,190
Write-off	<b>4,982</b>	22,537
Closing balance	<b>(20,639)</b>	(19,293)

No individual customer represents more than 10% of total accounts receivable. In accordance with IFRS 9/NBC TG 48, allowance for expected credit losses is set up based on analysis of customer portfolio, in an amount considered sufficient by management to cover expected losses on realization of receivables, as well as of sales returns and customer discounts.

### 5. Taxes recoverable and payable

	<u>Individual</u>		<u>Consolidated</u>	
	<u>03/31/2022</u>	<u>12/31/2021</u>	<u>03/31/2022</u>	<u>12/31/2021</u>
<b>Assets</b>				
State VAT (ICMS) recoverable	-	-	<b>10,810</b>	10,092
ICMS recoverable on fixed assets	-	-	<b>90,104</b>	80,939
PIS and COFINS recoverable	-	-	<b>157</b>	151
Corporate Income Tax (IRPJ) and Social Contribution on Net Profit (CSLL) recoverable	<b>18</b>	18	<b>6,306</b>	5,557
Other taxes recoverable	-	-	<b>705</b>	739
	<b>18</b>	18	<b>108,082</b>	97,478
<b>Current</b>				
Current	<b>18</b>	18	<b>45,389</b>	42,807
Noncurrent	-	-	<b>62,693</b>	54,671
<b>Current liabilities</b>				
ICMS payable	-	-	<b>7,195</b>	9,963
IRPJ payable	-	-	<b>1,530</b>	2,917
CSLL payable	-	-	<b>1,870</b>	1,199
PIS and COFINS payable	-	-	<b>3,261</b>	3,094
ISS payable	-	-	<b>110</b>	129
Other taxes payable	<b>34</b>	34	<b>7,920</b>	7,610
	<b>34</b>	34	<b>21,886</b>	24,912

ICMS statutory taxation for communication services is of approximately 30% in the states of Pernambuco, Paraíba, Rio Grande do Norte and Ceará. ICMS is paid to suppliers at the following rates in each state: São Paulo-25%, Rio de Janeiro-30% and Ceará-30%.

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais)

### 6. Transactions with related parties

Outstanding balances on the reporting dates are as follows:

	Individual		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Noncurrent assets				
Other related parties				
BWM Consortium (a)	-	-	1,244	1,181
	-	-	1,244	1,181
Current liabilities				
Dividends payable	533	533	533	533
	533	533	533	533

	Individual		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Statement of profit or loss				
AGILITY Segurança Eletronic (b)	-	-	(427)	(293)
BWM Consortium (c)	-	-	(479)	(420)
Imobiliária Pau D'arco Ltda. (d)	-	-	(7)	(10)
JPMF Imobiliária Ltda (d)	-	-	(31)	(103)
S&L Locadora de Veículos Ltda (e)	-	-	(8,606)	(3,920)
Nosso Atacarejo Comércio de Gêneros Alimentícios Ltda. (f)	-	-	(626)	(467)
Nossa fruta Brasil Indústria de Alimentos Ltda.(g)	-	-	(42)	(37)
	-	-	(10,218)	(5,250)

- (a) BWM Consortium refers to project Cinturão Digital do Ceará (CDC), comprised by Brisanet Serviços, Wirelink Telecom and MOB Telecom, which currently consists of a modern optical fiber network of approximately 3,000 km in the entire state of Ceará, which serves over 90% of the urban population. Brisanet Serviços holds 50% interests in the project structure;
- (b) Expenses with software rental and licensing;
- (c) Expenses with maintenance of Cinturão Digital project;
- (d) Expenses with real property rental; and
- (e) S&L Locadora de Veículos Ltda., company under common control, engaged in rental of vehicles. All rental contracts undergo a quotation process and the best technical (service level) and commercial proposal is chosen. The Company approved a contract for the provision of rental services for 2,156 vehicles, in the total estimated amount of R\$2,869/month and term of 1 (one) year. The prices of the services are established according to the market quotation and vary according to the quantity and categories, namely light, medium and heavy vehicles.
- (f) Expenses with food, cleaning and consumption products.
- (g) Food product expenses.

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais)

### 6. Transactions with related parties (Continued)

The nature of transactions with related parties is as follows:

<u>Related party</u>	<u>Nature of transaction</u>
AGILITY Segurança Eletrônica Ltda.	Software rental and licensing
BWM Consortium	Cinturão Digital project
Imobiliária Pau D'arco Ltda.	Real property rental agreement
JPMF Imobiliária Ltda	Real property rental agreement
S&L Locadora de Veículos Ltda.	Vehicle rental agreement
Nosso Atacarejo Comércio de Gêneros Alimentícios Ltda.	Supply of food, cleaning and consumption products
Nossa Fruta Brasil Indústria de Alimentos Ltda.	Food product supply

Transactions with related parties mostly refer to transfers of amounts between Group companies in order to cover any current operating expenses, services rendered and supply of goods.

#### Guarantees in financial contracts of related parties

The Company and its subsidiaries are guarantors of certain loans and financing held with financial institutions for the benefit of the parties listed below. The related parties are under common control of the shareholders of the Company and its subsidiaries.

<u>Related party</u>	<u>Nature of transaction</u>
Nossa Fruta Brasil Indústria de Alimentos Ltda.	Guarantees for loans and financing totaling R\$9,835

#### Key management personnel compensation – Company and subsidiaries

Compensation of the key management personnel of the Company and its subsidiaries totaled R\$503 in the period ended March 31, 2022 (R\$177 as of March 31, 2021).

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais)

### 7. Investments (Individual)

#### a) Breakdown

	<u>03/31/2022</u>	<u>12/31/2021</u>
Interests held in subsidiaries		
Brisanet Serviços de Telecomunicações S.A.	<b>1,302,151</b>	1,283,471
Brisanet Gerenciadora de Ativos Ltda.	<b>(3,153)</b>	(3,375)
RPS – Prestação de Serviços de Informática Ltda.	<b>45,440</b>	40,979
Interservice – Serviços de Elaboração de Dados Ltda. - ME	<b>5,206</b>	5,453
Universo Serviços de Telecomunicações Ltda. - ME	-	12,877
	<b><u>1,349,644</u></b>	<u>1,339,405</u>
Classified as:		
Investments	<b>1,352,797</b>	1,342,780
Provision for losses on investments	<b>(3,153)</b>	(3,375)
	<b><u>1,349,644</u></b>	<u>1,339,405</u>

#### b) Changes in investments

	Brisanet Serviços de Telecomunicações S.A.	Brisanet Gerenciadora de Ativos Ltda.	RPS - Prestação de Serviços de Informática Ltda.	Interservice - Serviços de Elaboração de Dados Ltda - ME	Universo Serviços de Telecomunicações Ltda - ME	03/31/2022	12/31/2021
Opening balance	1,283,471	(3,375)	40,979	5,453	12,877	1,339,405	127,524
Capital increase	-	-	-	-	-	-	1,245,418
Merger (i)	12,877	-	-	-	(12,877)	-	-
Dividends receivable	-	-	-	-	-	-	(37,744)
Dividends received	38	-	-	-	-	38	(1,023)
Equity pickup	5,765	222	4,461	(247)	-	10,201	5,230
Closing balance	<b>1,302,151</b>	<b>(3,153)</b>	<b>45,440</b>	<b>5,206</b>	<b>-</b>	<b>1,349,644</b>	<b>1,339,405</b>

(i) Refers to merger of Universo Serviços de Telecomunicações Ltda. by the Company's subsidiary Brisanet Serviços de Telecomunicações S.A., on 01/31/2022.

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais)

### 7. Investments (Individual) (Continued)

#### c) Information on investments in subsidiaries

	03/31/2022					
	Capital	Equity (capital deficiency)	Net income (loss) for the period	Interest held - %	Investment balance	Equity pickup
Brisanet Serviços de Telecomunicações S.A.	1,311,170	1,302,152	5,641	99.99%	1,302,151	5,765
Brisanet Gerenciadora de Ativos Ltda.	5	(3,154)	222	99.98%	(3,153)	222
RPS – Prestação de Serviços de Informática Ltda.	32,000	45,440	4,461	99.99%	45,440	4,461
Interservice – Serviços de Elaboração de Dados Ltda. - ME	70	5,206	(247)	99.99%	5,206	(247)
					<u>1,349,644</u>	<u>10,201</u>
	12/31/2021					
	Capital	Equity (capital deficiency)	Net income (loss) for the period	Interest held - %	Investment balance	Equity pickup
Brisanet Serviços de Telecomunicações S.A.	1,311,000	1,283,471	(33,967)	99.99%	1,283,471	(33,967)
Brisanet Gerenciadora de Ativos Ltda.	5	(3,375)	(93)	99.98%	(3,375)	(93)
RPS - Prestação de Serviços de Informática Ltda.	32,000	40,979	17,859	99.99%	40,979	17,859
Interservice - Serviços de Elaboração de Dados Ltda. - ME	70	5,453	4,378	99.99%	5,453	4,378
Universo Serviços de Telecomunicações Ltda. - ME	170	12,877	17,053	99.99%	12,877	17,053
					<u>1,339,405</u>	<u>5,230</u>



## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais)

### 8. Property, plant and equipment (Consolidated)

#### a) Breakdown

	Annual average depreciation rate - %	03/31/2022		12/31/2021
		Cost	Accumulated depreciation	Net
Land	-	21,322	-	12,338
Optical fiber cables	5%	262,742	(21,084)	203,862
Network construction	10%	170,717	(15,008)	139,576
Machinery and equipment	10%	150,142	(56,143)	93,999
Furniture and fixtures	10%	4,440	(781)	3,608
Sundry installations (i)	10%	211,692	(29,161)	150,950
Planes and aircraft	10%	1,800	(68)	1,732
Leasehold improvements	15%	765	(69)	704
Computers and peripherals	20%	23,628	(10,372)	13,580
Vehicles	20%	61,789	(14,959)	11,591
Software	20%	176,144	(79,707)	104,969
Electronic equipment	20%	368,458	(102,580)	287,266
Installations (customer activation) (ii)	20%	45,461	(4,484)	24,498
Advances to suppliers (iii)	-	269,195	-	30,484
Imports in progress (iv)	-	23,063	-	52,227
PPE in progress (v)	-	218,346	-	227,919
PPE in supplies room (vi)	-	104,143	-	36,800
		<b>2,113,847</b>	<b>(334,416)</b>	<b>1,779,431</b>

#### b) Changes in balances

	12/31/2021	Additions	Write-offs	Transfers	Provision for PPE's losses	Depreciation	03/31/2022
Land	12,338	5,042	-	3,942	-	-	21,322
Optical fiber cables	203,862	4,106	-	36,800	-	(3,110)	241,658
Network construction	139,576	7,718	-	12,459	-	(4,044)	155,709
Machinery and equipment	44,131	2,053	-	49,184	-	(1,369)	93,999
Furniture and fixtures	3,608	161	-	-	-	(110)	3,659
Sundry installations (i)	150,950	11,858	(16)	24,563	-	(4,824)	182,531
Planes and aircraft	1,773	-	-	-	-	(41)	1,732
Leasehold improvements	704	-	-	-	-	(8)	696
Computers and peripherals	13,580	757	-	-	-	(1,081)	13,256
Vehicles	11,591	36,746	(9)	-	-	(1,498)	46,830
Software	104,969	24	-	-	-	(8,556)	96,437
Electronic equipment	287,266	1,330	(4)	,957	(1,849)	(21,822)	265,878
Installations (customer activation) (ii)	24,498	-	-	19,529	-	(3,050)	40,977
Advances to suppliers (iii)	30,484	238,711	-	-	-	-	269,195
Imports in progress (iv)	52,227	25,573	-	(54,737)	-	-	23,063
PPE in progress (v)	227,919	66,957	-	(76,530)	-	-	218,346
PPE in supplies room (vi)	36,800	83,510	-	(16,167)	-	-	104,143
	<b>1,346,276</b>	<b>484,546</b>	<b>(29)</b>	<b>-</b>	<b>(1,849)</b>	<b>(49,513)</b>	<b>1,779,431</b>

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais)

### 8. Property, plant and equipment (Consolidated) (Continued)

#### b) Changes in balances (Continued)

	12/31/2020	Additions	Write-offs	Transfers	Depreciation	12/31/2021
Land	3,014	9,217	-	107	-	12,338
Optical fiber cables	108,512	12,567	-	91,040	(8,257)	203,862
Network construction	54,141	474	-	92,031	(7,070)	139,576
Machinery and equipment	18,866	26,443	-	3,048	(4,226)	44,131
Furniture and fixtures	2,115	1,840	(9)	-	(338)	3,608
Sundry installations (i)	77,840	19,690	(62)	65,023	(11,541)	150,950
Planes and aircraft	-	1,800	-	-	(27)	1,773
Leasehold improvements	765	-	-	-	(61)	704
Computers and peripherals	10,810	6,560	-	-	(3,790)	13,580
Vehicles	6,695	7,965	(6)	-	(3,063)	11,591
Software	108,611	1,283	-	27,794	(32,719)	104,969
Electronic equipment	165,448	25,952	(8)	157,966	(62,092)	287,266
Installations (customer activation) (ii)	-	-	-	25,933	(1,435)	24,498
Advances to suppliers (iii)	5,035	25,449	-	-	-	30,484
Imports in progress (iv)	35,426	312,056	-	(295,255)	-	52,227
PPE in progress (v)	50,254	382,136	-	(204,471)	-	227,919
PPE in supplies room (vi)	-	16	-	36,784	-	36,800
	<u>647,532</u>	<u>833,448</u>	<u>(85)</u>	<u>-</u>	<u>(134,619)</u>	<u>1,346,276</u>

(i) Sundry installations

This refers to materials used in infrastructure of external networks.

(ii) Installations (customer activation)

Since July 2021, the Company and its subsidiaries are recording expenses incurred with activation of new customers in assets.

(iii) Advances to suppliers

These refer basically to advances for import of equipment. In March 2022, the Company recorded the amount advanced for the purchase of 5G – R\$229 million.

(iv) Imports in transit

Refers to shipping of equipment and costs incurred in transit.

(v) PPE in progress

This balance refers to civil works, network infrastructure, machinery and equipment, and market equipment being installed so that they begin to be used.

(vi) PPE in supplies room

The balance of PPE in supplies room refers to ONU equipment, routers, drop cables, and fiber cables that are not yet in use.

(vii) Provision for PPE's losses

Refer to the provision for estimated losses for non-return of ONU handsets, setup boxes, telephone sets and routers, by the Company's customers and its subsidiaries.

## **Brisanet Participações S.A. and Consolidated**

Notes to interim financial information (Continued)  
March 31, 2022  
(In thousands of reais)

### **8. Property, plant and equipment (Consolidated) (Continued)**

#### Interest capitalization

In the period ended March 31, 2022, the Company and its subsidiaries capitalized interest on loans and financing amounting to R\$9,070 (R\$24,285 as of December 31, 2021).

#### Depreciation capitalization

In the period ended March 31, 2022, the Company and its subsidiaries capitalized depreciation on PPE used in installations, infrastructure and network expansions, in the amount of R\$3,036 (R\$5,760 as of December 31, 2021).

#### Guarantees

As at March 31, 2022, the Company and its subsidiaries recorded PPE items given in guarantee amounting to R\$95,892 (R\$150,936 as of December 31, 2021).

#### Software

Software relating specifically to operation of modems of the Company and its subsidiaries, which are jointly controlled and meet the PPE classification criteria, in accordance with NBC TG 04 (R4).

#### Impairment

The Company and its subsidiaries periodically analyze whether there are indications that certain assets could be recorded in accounting for amounts that exceed the recoverable amount. After internal analysis, management concluded that there was no need to set up a provision for impairment on PPE and intangible assets of the Company and its subsidiaries as of March 31, 2022 and December 31, 2021.

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais)

### 9. Intangible assets (Consolidated)

#### Changes in balances

	Average annual amortization rate - %	12/31/2021	Additions	Write-offs	03/31/2022
<b>Cost</b>					
Radiofrequency license - GHZ	20%	171,235	-	-	171,235
Software and system licenses	20%	15,717	695	-	16,412
ADM projects	20%	2,476	213	-	2,689
Customer portfolio and relationship with the franchisee (a)	7%	32,463	14,804	-	47,267
Trademarks and patents	-	3	-	-	3
<b>Total cost</b>		<b>221,894</b>	<b>15,712</b>		<b>237,606</b>
<b>Accumulated amortization</b>					
Radiofrequency license - GHZ	20%	(136)	(2,160)	-	(2,296)
Software and system licenses	20%	(2,451)	(773)	-	(3,224)
ADM projects	20%	(596)	(130)	-	(726)
Customer portfolio and relationship with the franchisee (a)	7%	-	(516)	-	(516)
<b>Total accumulated amortization</b>		<b>(3,183)</b>	<b>(3,579)</b>		<b>(6,762)</b>
<b>Intangible assets, net</b>		<b>218,711</b>	<b>12,133</b>	<b>-</b>	<b>230,844</b>

	Average annual amortization rate - %	12/31/2020	Additions	Write-offs	12/31/2021
<b>Cost</b>					
Radiofrequency license - GHZ	20%	205	171,030	-	171,235
Software and system licenses	20%	6,326	9,391	-	15,717
ADM projects	20%	1,455	1,021	-	2,476
Customer portfolio and relationship with the franchisee (a)	7%	-	34,530	(2,067)	32,463
Trademarks and patents	-	-	3	-	3
<b>Total cost</b>		<b>7,986</b>	<b>215,975</b>	<b>(2,067)</b>	<b>221,894</b>
<b>Accumulated amortization</b>					
Radiofrequency license - GHZ	20%	(27)	(109)	-	(136)
Software and system licenses	20%	(929)	(1,522)	-	(2,451)
ADM projects	20%	(309)	(287)	-	(596)
<b>Total accumulated amortization</b>		<b>(1,265)</b>	<b>(1,918)</b>	<b>-</b>	<b>(3,183)</b>
<b>Intangible assets, net</b>		<b>6,721</b>	<b>214,057</b>	<b>(2,067)</b>	<b>218,711</b>

(a) As disclosed in Note 1, in line with the expansion strategy of the Company and its subsidiaries, intangible assets were acquired from small providers. These contracts will be amortized over 15 to 16 years.

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais)

### 10. Trade accounts payable (Consolidated)

As at March 31, 2022 and December 31, 2021, breakdown of trade accounts payable is as follows:

	Individual		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Domestic suppliers	141	-	65,705	79,724
Foreign suppliers	-	-	26,396	106,308
	<b>141</b>	-	<b>92,101</b>	<b>186,032</b>

### 11. Loans and financing (Consolidated)

Type	Weighted average rates	03/31/2022	12/31/2021
Working capital	0.66% p.m. - Fixed	22,265	48,240
Working capital	0.17% p.m. + CDI	223,032	251,867
Working capital	0.25% p.m. + TJLP	6,986	7,933
Working capital	0.27% p.m. + TLP	5,081	6,348
Working capital (foreign currency)	0.17% p.m. + CDI	35,516	46,934
PPE financing (CDC)	0.73% p.m. - Fixed	17,778	20,528
PPE financing (FINEM)	0.29% p.m. + TJLP	6,455	7,744
PPE financing (FINEM)	0.23% p.m. + TLP	24,585	26,088
Financing - TR	0.33% p.m. + TR	52,783	53,934
Import financing	0.42% p.m. + exchange rate	90,083	101,232
		<b>484,564</b>	<b>570,848</b>
Current		210,483	236,917
Noncurrent		274,081	333,931

The guarantees for loans and financing include shareholder sureties, disposal of assets, financial investments and credit rights on accounts receivable, as described in the table below:

	03/31/2022	12/31/2021
Short-term investments	17,733	37,768
Sureties and disposals	458,307	570,847
Assets and credit rights given in guarantee	95,892	136,121
	<b>571,932</b>	<b>744,736</b>

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)  
March 31, 2022  
(In thousands of reais)

### 11. Loans and financing (Consolidated) (Continued)

Changes in loans and financing are as follows:

	<u>03/31/2022</u>	<u>12/31/2021</u>
Opening balance	570,848	651,747
Funds raised	-	216,797
Interest recognized	<b>27,216</b>	59,346
Monetary variation and exchange differences	<b>16,084</b>	7,659
Repayment of principal	<b>(102,368)</b>	(308,197)
Interest paid	<b>(27,216)</b>	(56,504)
Closing balance	<b>484,564</b>	570,848

Noncurrent portions mature as follows:

	<u>03/31/2022</u>	<u>12/31/2021</u>
2023	<b>89,169</b>	135,988
2024	<b>92,170</b>	109,186
2025	<b>58,939</b>	54,986
2026	<b>9,999</b>	9,994
2027	<b>4,761</b>	4,755
2028 onwards	<b>19,043</b>	19,022
	<b>274,081</b>	333,931

#### Covenants

Loan and financing covenants substantially refer to annual financial ratios, default with creditors, in-court or out-of-court measures that compromise payment capacity, insolvency and commitment of guarantees offered. The Company and its subsidiaries analyzed covenants for the period ended March 31, 2022 and year ended December 31, 2021 and concluded that all requirements have been legally met.

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais)

### 12. Debentures (Consolidated)

#### a) Breakdown

	<b>Charges (p.a.)</b>	<b>03/31/2022</b>	<b>12/31/2021</b>
First issue (i)			
Nonconvertible debentures	5.77% p.a. + IPCA	<b>552,095</b>	545,335
(-) Issue costs to be recorded		<b>(28,319)</b>	(29,485)
		<b>523,776</b>	515,850
Current		<b>1,473</b>	8,909
Noncurrent		<b>522,303</b>	506,941

Changes in debentures are as follows:

#### b) Changes

	<b>03/31/2022</b>	<b>12/31/2021</b>
Opening balance	<b>515,850</b>	-
Debentures raised	-	500,000
Monetary restatement	<b>14,196</b>	36,426
Interest	<b>7,871</b>	20,313
Amortization of interest	<b>(15,307)</b>	(11,404)
Debenture costs	-	(32,646)
Amortization of funding costs	<b>1,166</b>	3,161
Closing balance	<b>523,776</b>	515,850

Noncurrent portions mature as follows:

	<b>03/31/2022</b>	<b>12/31/2021</b>
2025	<b>157,356</b>	153,299
2026	<b>157,306</b>	153,250
2027	<b>157,302</b>	153,258
2028 onwards	<b>78,658</b>	76,619
	<b>550,622</b>	536,426
(-) Issue costs to be recorded	<b>(28,319)</b>	(29,485)
	<b>522,303</b>	506,941

#### i) *First issue*

On March 15, 2021, Brisanet Serviços issued 500,000 junior nonconvertible debentures, in a single series, secured and with additional personal guarantee, at unit value of R\$1,000.00 (one thousand reais), amounting to R\$500,000 ("Debentures – 1<sup>st</sup> issue"), for public distribution with restricted placement efforts.

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)  
March 31, 2022  
(In thousands of reais)

### 12. Debentures (Continued)

#### b) Changes (Continued)

##### i) *First issue* (Continued)

The debt balance relating to the unit value of Debentures – 1<sup>st</sup> issue is subject to interest corresponding to 100% of IPCA plus 5.77% p.a.

Interest is paid on a semi-annual basis in March and September as from date of issue of the Debentures – 1<sup>st</sup> issue. The first payment is due on September 15, 2021, and each March 15 and September 15 henceforth. The last payment matures on March 15, 2028.

The term of the Debentures – 1<sup>st</sup> issue is of 84 months as from issue date, and payments are due in seven semi-annual consecutive installments over the contract period, every March 15 and September 15, beginning on March 15, 2025 and final maturity on March 15, 2028.

Debenture issue costs are amortized in P&L using the effective cost method, and presented in “Debentures” as a reduction of debt, as established by NBC TG 08 – Transaction Costs and Premiums upon Issue of Securities.

Debentures are guaranteed by surety from shareholders and companies that are part of the economic group and the flow of credit rights from accounts receivable, in the amount of R\$R\$515,850.

#### Covenants

The debenture covenants substantially refer to annual financial ratios, default with creditors, bankruptcy, transformation of the corporation type or any corporate reorganization involving the issuer, settlement of any financial debt where the amount is greater than 3% of the equity of the Brisanet group, in-court or out-of-court measures that compromise payment capacity, constitution of mortgage, pledge, chattel mortgage, assignment in trust, usufruct, trust, promise of sale, purchase option (except option to purchase shares issued by the issuer within the scope of incentive plans established in favor of administrators and employees) and commitment of guarantees offered. The Company and its subsidiaries analyzed covenants for the period ended March 31, 2022 and year ended December 31, 2021 and concluded that all requirements have been legally met.



## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)  
March 31, 2022  
(In thousands of reais)

### 13. Promissory note

#### a) Breakdown

	<u>Charges (p.a.)</u>	<u>03/31/2022</u>
First issue (i)		
Promissory note not convertible into shares	2.60% p.m. +	70,812
(-) Issue costs to be recorded	CDI	(563)
		<u>70,249</u>
Current		70,249
Noncurrent		-

Changes in promissory notes are as follows:

#### b) Changes

	<u>03/31/2022</u>
Opening balance	-
Raising of promissory notes	70,000
Monetary restatement	648
Interest	164
Cost on promissory notes	(620)
Amortization of funding costs	57
Closing balance	<u>70,249</u>

#### i) *First issue*

On February 25, 2022, Brisanet Serviços de Telecomunicações S.A. issued its 1<sup>st</sup> promissory note, in 4 series, with 5 promissory notes, in the total amount of R\$70,000, for public distribution and restricted placement efforts, aimed at professional investors, with no security interest and with guarantee of companies belonging to the Brisanet Participações group.

The unit face value of this promissory notes is not monetarily restated, and is subject to payment of interest corresponding to 100.00% of the accumulated DI over extra group variation, plus a surcharge of 2.60% per year, calculated exponentially and cumulatively on a pro rata temporis basis.

The 1<sup>st</sup> issue of promissory notes has a 12-month term from the issue date, with quarterly payments in 5 series, with maturity of the 1<sup>st</sup> series on May 25, 2022 in the amount of R\$ 2,000, of the 2<sup>nd</sup> series on August 25, 2022 in the amount of R\$2,000, of the 3<sup>rd</sup> series on November 24, 2022 in the amount of R\$2,000, and final maturity of the 4<sup>th</sup> and 5<sup>th</sup> series on February 25, 2023 in the amount of R\$32,000 each.

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais)

### 14. Rights of use and lease obligations (Consolidated)

Company subsidiaries are parties to lease agreements and used discount rates based on risk-free interest rates observable in the Brazilian market, for their agreement periods, adjusted to these subsidiaries' reality (credit spread). These spreads were obtained based on the debt profile presented by the Company subsidiaries at March 31, 2022 and December 31, 2021, updated at each date of recognition of new capitalizations of the new lease agreements. Nominal rates applied at March 31, 2021 and December 31, 2021 are as follows:

#### Agreements per period and discount rate

Agreement period	Rate % p.a.	
	03/31/2022	12/31/2021
2 years	11.76%	9.54%
3 years	11.76%	9.54%
4 years	11.76%	9.54%
5 years	11.76%	9.54%
10 years	11.76%	9.54%

Changes in lease obligations are as follows:

	03/31/2022	12/31/2021
Opening balance	35,490	33,474
Interest recognized	1,249	2,515
Additions due to new agreements	35,718	28,609
Consideration paid	(10,927)	(27,004)
Interest paid	(914)	(2,104)
Closing balance	<u>60,616</u>	<u>35,490</u>
Current	33,941	7,958
Noncurrent	26,675	27,532

Agreement maturity and undiscounted installments, reconciled to the balances at March 31, 2022 and December 31, 2021 are analyzed below:

	03/31/2022	12/31/2021
Installment maturity		
2022	34,265	10,035
2023	10,006	9,227
2024	7,687	7,068
2025 onwards	22,817	22,784
Undiscounted amounts	74,775	49,114
Embedded interest	(14,159)	(13,624)
Lease obligation balance	<u>60,616</u>	<u>35,490</u>

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)  
 March 31, 2022  
 (In thousands of reais)

### 14. Rights of use and lease obligations (Consolidated) (Continued)

Changes in rights of use are as follows:

	<u>03/31/2022</u>	<u>12/31/2021</u>
Opening balance	35,928	34,117
Additions due to new agreements	35,718	28,609
Amortization expenses	<u>(10,922)</u>	<u>(26,798)</u>
Closing balance	<u>60,724</u>	<u>35,928</u>

Potential PIS/COFINS recoverable embedded in lease/rental consideration amounts, based on payment periods is as follows: Undiscounted balances and balances discounted to present value:

<u>Cash flows</u>	<u>Nominal amount</u>	<u>Amount adjusted to present value</u>
Lease consideration	74,775	60,616
Potential PIS/COFINS (9.25%)	(6,917)	(5,607)

#### Misleading information due to application of NBC TG 06 (R3)

In compliance with NBC TG 06 (R3), in measuring and remeasuring their lease obligations and rights of use, Company subsidiaries used the cash flow method without considering future inflation projected in the flows to be discounted, as barred by NBC TG 06 (R3). This barring may cause significant misstatements in the information provided, given the current reality of long-term interest rates in the Brazilian economic scenario.

As such, for the purposes of safeguarding reliability of the information and complying with the guidance provided by CVM by means of CVM/SNC/SEP Memorandum Circular No. 02/2019, as well as preserving Brazilian market investors, the comparative balances of lease obligations and right-of-use assets, finance costs and depreciation expenses at March 31, 2022 and December 31, 2021 are presented below:

	<u>03/31/2022</u>	<u>12/31/2021</u>
Rights of use, net		
NBC TG06(R3) / IFRS 16	60,724	35,928
Amounts including future inflation	67,422	39,672
Variation	<u>6,698</u>	<u>3,744</u>
Lease obligations		
NBC TG06(R3) / IFRS 16	60,616	35,490
Amounts including future inflation	67,302	39,188
Variation	<u>6,686</u>	<u>3,698</u>

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais)

### 14. Rights of use and lease obligations (Consolidated) (Continued)

Finance costs		
NBC TG06(R3) / IFRS 16	(1,249)	(2,515)
Amounts including future inflation	(1,387)	(2,777)
Variation	(138)	(262)
Depreciation expenses		
NBC TG06(R3) / IFRS 16	(10,922)	(26,798)
Amounts including future inflation	(12,127)	(29,590)
Variation	(1,205)	(2,792)

### 15. Labor and social obligations

	Individual		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Salaries and wages	57	57	14,746	14,653
Social charges on salaries and wages	30	29	7,894	7,590
Accrued vacation pay	-	-	20,055	13,753
Social charges on accrued vacation pay and 13 <sup>th</sup> monthly salary	-	-	7,164	5,714
Other	-	-	79	72
	87	86	49,938	41,782

### 16. Taxes paid in installments (Consolidated)

	03/31/2022	12/31/2021
Federal (a)	6,058	6,433
State	-	437
	6,058	6,870
Current	1,107	1,771
Noncurrent	4,951	5,099

(a) These refer to Tax Recovery Program (REFIS) and Special Tax Settlement Program (PERT) implemented by Law No. 13496 of October 24, 2017, in 150 installments, of which 92 installments are not yet due at March 31, 2022.

Changes in taxes paid in installments are as follows:

	03/31/2022	12/31/2021
Opening balance	6,870	7,863
Restatements	149	571
New installment payments	-	458
Amortization of principal and interest	(961)	(2,022)
Closing balance	6,058	6,870

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais)

### 16. Taxes paid in installments (Consolidated) (Continued)

Noncurrent portions mature as follows:

	<u>03/31/2022</u>	<u>12/31/2021</u>
2023	523	798
2024	697	798
2025	697	798
2026	697	798
2027 onwards	2,337	1,907
	<u>4,951</u>	<u>5,099</u>

### 17. Provision for contingencies (Consolidated)

As at March 31, 2022, the Company and its subsidiaries are parties to proceedings of civil, tax and labor natures whose likelihood of an unfavorable outcome was considered probable, for which provision for contingencies was set up in the amount of R\$1,124 (R\$929 at December 31, 2021). There are no contingencies whose individual amounts are significant.

Changes in provision for contingencies are as follows:

	<u>Labor</u>	<u>Tax</u>	<u>Civil</u>	<u>Total</u>
Balance at December 31, 2020	1,777	950	2	2,729
Set-up	892	-	47	939
Reversal	(1,780)	(948)	(11)	(2,739)
Balance at December 31, 2021	889	2	38	929
Set-up	308	-	29	337
Reversal	(104)	-	(38)	(142)
Balance at March 31, 2022	<u>1,093</u>	<u>2</u>	<u>29</u>	<u>1,124</u>

Additionally, at March 31, 2022, the Company and its subsidiaries recorded civil and labor lawsuits assessed as possible loss in the amount of R\$3,696 (R\$3,040 at December 31, 2021).

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais)

### 18. Other accounts payable

	Individual		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Authorization for use of radiofrequency (5G) (a)	-	-	<b>163,946</b>	160,010
Radiofrequency license - LTE (4G) (b)	-	-	<b>2,731</b>	1,866
(-) Amount adjusted to present value	-	-	<b>(917)</b>	(251)
Other obligations payable (b)	<b>392</b>	3	<b>10,513</b>	4,190
	<b>392</b>	3	<b>176,273</b>	165,815
Current	<b>392</b>	3	<b>18,302</b>	4,190
Noncurrent	-	-	<b>157,971</b>	161,625

- (a) Obligation payable referring to the right to use radio frequencies (5G), acquired through the 5G radio frequency auction. Further details are presented in Note 1, item "c".
- (b) Obligation to pay referring to the right to use radio frequencies (4G), acquired in 2018 with an effective term of 15 years.
- (c) In the consolidated statements, these refer to advances from customers, obligations with plans (health and dental), and other provisions.

### 19. Government grants (Consolidated)

#### a) Federal Government

Subsidiary Brisanet Serviços de Telecomunicações S.A. was granted a tax benefit by means of the Superintendency for the Development of the Northeast (SUDENE), pursuant to Certificate of Income Tax Reduction No. 0214/2017:

Benefit: Decrease of 75% in non-refundable income tax and surtax.

Effective period: 10 years.

Entitlement period (calendar year): 01/01/2018 to 12/31/2027.

Subsidiary Universo Serviços de Telecomunicações Ltda was granted a tax benefit by means of the Superintendency for the Development of the Northeast (SUDENE), pursuant to Certificate of Income Tax Reduction No. 0081/2019:

Benefit: Decrease of 75% in non-refundable income tax and surtax.

Effective period: 10 years.

Entitlement period (calendar year): 01/01/2019 to 12/31/2028.

The subsidiary Brisanet Serviços de Telecomunicações S.A. did not record income tax benefit for the period ended March 31, 2022 (R\$438 as of March 31, 2021).

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais)

### 19. Government grants (Consolidated) (Continued)

#### b) State Government

Subsidiary Brisanet Serviços de Telecomunicações S.A. was granted tax benefit by means of an agreement in the states of Ceará and Paraíba. This benefit reduces by 75% the ICMS amounts on intrastate revenues.

Agreement No. 202001782-2 – State of Paraíba Finance Office (Sefaz-PB), effective from 06/2020, Agreement No. 00556/2020 – State of Ceará Finance Office (Sefaz-CE), effective from 09/2020 (renewal).

In the period ended March 31, 2022, subsidiary Brisanet Serviços de Telecomunicações S.A. recorded ICMS benefits amounting to R\$18,793 (R\$13,572 as of March 31, 2021) as a reduction of ICMS expenses.

### 20. Equity (Individual)

#### a) Capital

At March 31, 2022 and December 31, 2021, subscribed and paid-in capital amounts to R\$1,321,859, represented by 449,094,916 common shares.

Shareholders	Shares		Percentage - %	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Jose Roberto Nogueira	148,185,781	148,185,781	33.00%	33.00%
Jordão Estevam Nogueira	35,282,878	35,316,878	7.86%	7.86%
João Paulo Estevam	35,316,878	35,312,878	7.86%	7.86%
Paulo Estevam da Silva	35,312,878	35,282,878	7.86%	7.86%
Miguel Estevam Parente	21,169,728	21,169,728	4.71%	4.71%
Ana Paula Nogueira	17,641,436	17,641,436	3.93%	3.93%
Jordania Karina Nogueira Estevam	17,641,436	17,641,436	3.93%	3.93%
Francisco Estevam Sobrinho	15,877,173	15,877,173	3.54%	3.54%
Francisco de França Reis	10,584,864	10,584,864	2.36%	2.36%
Pedro Sales Queiroz Estevam	7,938,593	7,938,593	1.77%	1.77%
Gabriela Queiroz Estevam	7,938,593	7,938,593	1.77%	1.77%
Shares - offering (Verde Asset Management S.A)	25,577,400	24,351,500	5.70%	5.42%
Shares - offering Treasury shares	70,221,778	71,853,178	15.62%	15.99%
	405,500	-	0.09%	-
Total	449,094,916	449,094,916	100%	100%

## **Brisanet Participações S.A. and Consolidated**

Notes to interim financial information (Continued)  
March 31, 2022  
(In thousands of reais)

### **20. Equity (Individual) (Continued)**

#### a) Capital (Continued)

All shares are registered and with no par value, and capital may be increased subject to no statutory reform, through decision of the Board of Directors, by means of reserve capitalization, with or without change in the number of shares.

As of March 31, 2022, capital authorized for increase by the Board of Directors, regardless of statutory amendment, is of up to 150,000,000 additional common shares.

On June 21, 2021, the Company carried out a capital increase in the amount of R\$5,650, distributed proportionally among shareholders. Subscribed and paid-in capital increased to R\$71,859, represented by 71,859,213 shares with a par value of R\$1.00 (one real) each.

At the Special Meeting held on July 6, 2021, the shareholders approved the proposal for the split of all common shares representing the Company's capital, in the proportion of 5 shares for each share held by each shareholder, and capital is now represented by 359,296,065 common registered shares with no par value. Also at this meeting, an increase in the capital limit was approved, which may be increased by the Board of Directors, regardless of statutory amendment, up to the limit of 900,000,000 additional common shares.

On July 28, 2021, the Company's capital increase was approved in the amount of R\$1,250,000, from R\$71,859 to R\$1,321,859, upon issue of 89,798,851 common shares within the scope of the public offering of shares, with increase in the Company's capital from 359,296,065 to 449,094,916 common shares. Share issue costs totaled R\$40,253, which were recorded in a contra account of capital.



## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais)

### 20. Equity (Individual) (Continued)

#### a) Capital (Continued)

On October 19, 2021, Brisanet Participações (“Company”), listed on B3’s Novo Mercado under ticker symbol BRIT3, disclosed, in compliance with article 12 of CVM Resolution No. 44/21, that it had been informed on October 18, 2021 by VERDE ASSET MANAGEMENT S.A. (“Verde”) that investment funds managed by that company (“Fundos Verde”) had increased equity interest in the Company’s capital, now holding 24,351,500 common shares issued by the Company, corresponding to 5.42% of the share capital and the total issued in this type of share. At March 31, 2022, the number of shares increased to 25,577,400, corresponding to 5.70% of the capital and of the total issued in this type of share.

On February 2, 2022, the shareholders approved at the Special General Meeting the creation of a Buyback Program of shares issued by the Company, to be held in treasury, canceled or subsequently sold in the market, through B3 trading. The Share Buyback Program is limited to the repurchase of up to 9,500,000 shares issued by the Company, with investment of the Company’s available resources, without reducing capital. At March 31, 2022, the Company recorded the amount of R\$1,533 referring to the treasury shares.

#### b) Income reserves

*Legal reserve:* recorded based on 5% of net income for the year, capped at 20% of capital, pursuant to Brazilian Corporation Law in force.

*Retained profits:* The Company management submits for approval at the General Shareholders’ Meeting the allocation of the remaining portion of net income for the year to the capital budget for expansion of the Company’s business.

#### c) Profit distribution

The accumulated losses, if any, and the provision for income and social contribution taxes, will be deducted from profit or loss for the year, before any profit sharing. The loss for the year will be mandatorily absorbed by retained earnings, by the income reserves and by the legal reserve, thus after recognition of the legal reserve, 25% (twenty-five percent), at least, will be allocated to the payment of the mandatory minimum dividend due to shareholders.

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais)

### 20. Equity (Individual) (Continued)

#### a) Profit distribution (Continued)

Changes in dividends payable are as follows:

	<u>03/31/2022</u>	<u>12/31/2021</u>
Opening balance	533	-
Mandatory minimum dividends	-	533
Dividends approved	-	2,205
Dividends paid	-	(2,205)
Closing balance	<u>533</u>	<u>533</u>

### 21. Net operating revenue (Consolidated)

	<u>03/31/2022</u>	<u>03/31/2021</u>
Gross sales revenue		
Services provided	253,313	187,440
Products resold	159	3
	<u>253,472</u>	<u>187,443</u>
Deductions from gross revenue		
(-) Taxes on revenue	(55,332)	(36,886)
Tax benefits (Note 19)	18,793	13,572
	<u>(36,539)</u>	<u>(23,314)</u>
Net operating revenue	<u>216,933</u>	<u>164,129</u>

### 22. Operating costs and expenses by nature and function

	Individual					
	03/31/2022			03/31/2021		
	Administrative expenses	Other operating income (expenses), net	Total	Administrative expenses	Other operating income (expenses), net	Total
	(752)	(38)	(790)	(155)	-	(155)
By nature:						
Salaries and wages	(277)	-	(277)	(155)	-	(155)
Third-party services	(399)	-	(399)	-	-	-
General expenses	(75)	-	(75)	-	-	-
Other personnel expenses	(1)	-	(1)	-	-	-
Other	-	(38)	(38)	-	-	-

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais)

### 22. Operating costs and expenses by nature and function (Continued)

	Consolidated											
	03/31/2022			03/31/2021								
	Cost of services	Administrative expenses	Selling expenses	Tax expenses	Other operating income (expenses), net	Total	Cost of services	Administrative expenses	Selling expenses	Tax expenses	Other operating income (expenses), net	Total
	(137,171)	(28,908)	(23,028)	(2,188)	(7,956)	(199,251)	(81,208)	(35,031)	(13,777)	(964)	(6,640)	(137,620)
By nature:												
Interconnection and means of connection	(7,743)	-	-	-	-	(7,743)	(2,520)	-	-	-	-	(2,520)
Direct connectivity costs (Link)	(6,407)	-	-	-	-	(6,407)	(5,150)	-	-	-	-	(5,150)
Indirect costs of right of way (utility poles)	(14,684)	-	-	-	-	(14,684)	(3,239)	-	-	-	-	(3,239)
Indirect costs of customer activation (a)	-	-	-	-	-	-	(3,028)	-	-	-	-	(3,028)
Salaries and wages	(34,228)	(12,554)	(9,908)	-	-	(56,690)	(21,156)	(12,818)	(6,698)	-	-	(40,672)
Salaries and wages of customer activation (a)	-	-	-	-	-	-	(9,354)	-	-	-	-	(9,354)
Third-party services	(1,957)	(3,817)	(4,744)	-	-	(10,518)	(3,077)	(3,485)	(1,392)	-	-	(7,954)
Advertising and promotion	-	-	(5,130)	-	-	(5,130)	-	-	(3,849)	-	-	(3,849)
Depreciation and amortization	(55,294)	(4,208)	(390)	-	-	(59,892)	(26,247)	(5,402)	(175)	-	-	(31,824)
General expenses	-	(3,101)	(904)	-	-	(4,005)	-	(6,423)	(685)	-	-	(7,108)
Taxes, charges and contributions	-	-	-	(2,188)	-	(2,188)	-	-	-	(964)	-	(964)
Electric power and water	(2,231)	(634)	(3)	-	-	(2,868)	(1,109)	(223)	-	-	-	(1,332)
Materials and maintenance	(4,313)	(1,327)	(33)	-	-	(5,673)	(3,046)	(828)	299	-	-	(3,575)
Other personnel expenses	(5,015)	(2,585)	(1,794)	-	-	(9,394)	(3,219)	(5,442)	(1,075)	-	-	(9,736)
Allowance for expected credit losses	-	-	-	-	(6,327)	(6,327)	-	-	-	-	(7,843)	(7,843)
Provision for contingencies	-	-	-	-	(195)	(195)	-	-	-	-	1,981	1,981
Software and projects (b)	(1,505)	(682)	(122)	-	-	(2,309)	(2,613)	(410)	(202)	-	-	(3,225)
Other	(3,794)	-	-	-	(1,434)	(5,228)	2,550	-	-	-	(778)	1,772

(a) Expenses with activation of services to customers - As of July 2021, these activation expenses are being recorded in property, plant and equipment as installation costs. The amounts recorded up to the first half of the year were included as salaries and wages and other personnel expenses.

(b) These refer to system maintenance services.

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais)

### 23. Finance income (costs)

	Individual		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Finance costs				
Interest on loans and financing, debentures and promissory notes	-	-	(36,251)	(25,903)
Late-payment interest and fines	-	-	(557)	(399)
Exchange losses	-	-	(3,437)	(8,503)
Bank charges	(1)	-	(1,879)	(2,650)
Interest on leases	-	-	(914)	(1,209)
Tax on Financial Transactions (IOF)	-	-	(174)	(719)
Collection fees	-	-	(452)	(331)
Interest on installment payments	-	-	(149)	(215)
Derivative transactions – swap	-	-	(6,958)	(454)
	<b>(1)</b>	-	<b>(50,771)</b>	<b>(40,383)</b>
Finance income				
Interest income received	-	-	2,566	1,892
Short-term investment yield	6	-	19,092	408
Exchange gains	-	-	28,607	3,535
Derivative transactions – swap	-	-	-	988
Other finance income	-	-	1,748	3,419
	<b>6</b>	-	<b>52,013</b>	<b>10,242</b>
Finance income (costs)	<b>5</b>	-	<b>1,242</b>	<b>(30,141)</b>

### 24. Income and social contribution taxes (Consolidated)

As at March 31, 2022 and 2021, income and social contribution taxes were calculated on taxable profit computed as a percentage of gross revenue (“Lucro Presumido”) and on taxable profit computed on accounting records of the Company (“Lucro real”), at the rate of 15% income tax, and surtax of 10% for profits exceeding R\$60 over 3 months, and at 9% for social contribution tax.

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais)

### 24. Income and social contribution taxes (Consolidated) (Continued)

Current income and social contribution tax expense is as follows:

	<u>03/31/2022</u>	<u>03/31/2021</u>
Taxable profit computed on accounting records: (a)		
Current income tax	<b>(3,610)</b>	(1,348)
Tax benefit – income tax reduction (Note 19)	-	438
Current social contribution tax	<b>(1,299)</b>	(916)
Deferred income and social contribution taxes	<b>(2,387)</b>	(240)
	<u><b>(7,296)</b></u>	<u>(2,066)</u>
Taxable profit computed as a percentage of gross revenue: (b)		
Income tax	<b>(1,609)</b>	(1,254)
Social contribution tax	<b>(586)</b>	(273)
	<u><b>(2,195)</b></u>	<u>(1,527)</u>
Total income and social contribution tax expenses:		
Current income and social contribution taxes	<b>(7,104)</b>	(3,790)
Deferred income and social contribution taxes	<b>(2,387)</b>	(240)
Tax benefit – income tax reduction (Note 19)	-	438
	<u><b>(9,491)</b></u>	<u>(3,592)</u>

(a) Subsidiaries Brisanet Serviços de Telecomunicações S.A. and Universo Serviços de Telecomunicações Ltda. compute taxable profit on their accounting records ('lucro real').

(b) The Company and the other subsidiaries compute taxable profit as a percentage of gross revenue ('lucro presumido').

Breakdown of deferred income and social contributions taxes on income is as follows:

	<u>03/31/2022</u>	<u>03/31/2021</u>
Assets		
Income and social contribution tax losses	<b>437</b>	-
Temporary differences on allowance for expected credit losses	<b>1,175</b>	305
Temporary differences on provision for contingencies	<b>82</b>	-
Temporary differences on derivative transactions	<b>2,250</b>	-
Temporary differences on lease payable	<b>85</b>	-
	<u><b>4,029</b></u>	<u>305</u>
Liabilities		
Temporary differences on derivative transactions	-	(173)
Temporary differences on provision for contingencies	-	(278)
Temporary differences on installation and activation of customers	<b>(6,416)</b>	-
Lease payable	-	(94)
	<u><b>(6,416)</b></u>	<u>(545)</u>
Deferred income and social contribution taxes, net	<u><b>(2,387)</b></u>	<u>(240)</u>

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais)

### 24. Income and social contribution taxes (Consolidated) (Continued)

Reconciliation of income and social contribution tax expenses is as follows:

a) Subsidiaries that adopt the 'lucro real' regime

	<u>03/31/2022</u>	<u>03/31/2021</u>
Income (loss) before income and social contribution taxes	13,115	(5,795)
Combined statutory rate - 34%	34%	34%
Income and social contribution taxes at statutory rates	<u>(4,459)</u>	1,970
Permanent differences		
Tax benefit – income tax reduction (Note 19)	-	438
Offset - tax loss carryforward	6,239	-
(Additions) exclusions, net	<u>(6,689)</u>	<u>(4,234)</u>
Income and social contribution tax expenses	<u>(4,909)</u>	<u>(1,826)</u>
Effective rate (%)	<b>(37%)</b>	(31%)

b) Company and subsidiaries that adopt the 'lucro presumido' regime

	<u>03/31/2022</u>		<u>03/31/2021</u>	
	IRPJ	CSLL	IRPJ	CSLL
Gross revenue	12,483	12,483	17,369	17,369
Gross revenue percentage	32%	32%	32%	32%
Finance income	2,518	2,518	257	257
Deducted portion	(60)	-	(60)	-
Gross revenue base	<u>6,452</u>	<u>6,513</u>	<u>5,755</u>	<u>5,815</u>
	<u>(1,609)</u>	<u>(586)</u>	<u>(1,254)</u>	<u>(273)</u>
Effective rate (%)	<b>25%</b>	<b>9%</b>	22%	5%

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)  
March 31, 2022  
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### 25. Earnings (loss) per share

#### a) Basic and diluted

Basic earnings per share is calculated by dividing the profit attributable to the Company's shareholders by the weighted average number of common shares issued in the period, excluding common shares purchased by the Company and held as treasury shares.

Diluted earnings per share are calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all potentially dilutive common shares. The Company has no potentially dilutive common shares.

	<u>03/31/2022</u>	<u>03/31/2021</u>
Profit (loss) attributable to Company shareholders	9,491	(7,238)
Weighted average number of common shares issued	<u>449,094,916</u>	<u>69,209,213</u>
Basic and diluted earnings (loss) per share – in (R\$)	<u>0.02</u>	<u>(0.10)</u>

### 26. Financial instruments and risk management

#### a) Capital management

Company management administers Company funds to ensure business continuity, maximize application of these funds for expanding services, new technologies, as well as for working capital financing and providing return to shareholders.

The Company's capital structure consists of contracting financial liabilities with financial institutions, and applying funds in cash and cash equivalents, marketable securities and equity.

Management periodically reviews the Company's capital structure and its ability to settle liabilities, monitors on a timely basis the average term of trade accounts payable and takes the necessary measures to ensure the Company's financial balance.

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais)

### 26. Financial instruments and risk management (Continued)

#### a) Capital management (Continued)

The Company monitors its financial position based on the financial leverage ratio, similarly to other companies in the same industry. This ratio corresponds to net debt divided by total capital. Net debt corresponds to total loans less cash and cash equivalents. Total capital is determined by adding equity and net debt.

As at March 31, 2022 and December 31, 2021, debt ratios are summarized as follows:

	Note	Consolidated	
		03/31/2022	12/31/2021
Total loans and financing	12	<b>484,564</b>	570,848
Total debentures	13	<b>523,776</b>	515,850
Total promissory notes	14	<b>70,249</b>	-
Total lease obligations	15	<b>60,616</b>	35,490
Total derivatives	26	<b>7,781</b>	-
Less: cash and cash equivalents	4	<b>(505,873)</b>	(1,000,792)
Less: short-term investments	4	<b>(12,741)</b>	(46,693)
Less: derivatives	26	-	(107)
Net debt	A	<b>628,372</b>	74,596
Total equity		<b>1,350,055</b>	1,342,099
Equity plus net debt	B	<b>1,978,427</b>	1,416,695
Financial leverage ratio	A / B	<b>31,76%</b>	5.27%

#### b) Significant accounting policies

Detailed information on significant accounting policies and methods adopted, including criteria for recognition and basis of measurement of revenues and expenses for each class of financial assets and liabilities, in addition to equity, is presented in Note 2.



## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais)

### 26. Financial instruments and risk management (Continued)

#### c) Category of financial instruments

	<b>Consolidated</b>	
	<b>03/31/2022</b>	<b>12/31/2021</b>
Financial assets at amortized cost:		
Cash and cash equivalents	<b>505,873</b>	1,000,792
Financial investments	<b>16,341</b>	46,693
Trade accounts receivable	<b>118,393</b>	108,716
Financial assets at fair value through profit or loss		
Derivative transactions	<b>1,417</b>	1,308
	<b>642,024</b>	1,157,509
Financial liabilities at amortized cost:		
Trade accounts payable	<b>93,356</b>	186,032
Loans and financing	<b>484,564</b>	570,848
Debentures	<b>523,776</b>	515,850
Promissory notes	<b>70,249</b>	-
Lease obligations	<b>60,616</b>	35,490
Financial liabilities at fair value through profit or loss		
Derivative transactions	<b>9,198</b>	1,201
	<b>1,241,759</b>	1,309,421

Management conducted an analysis and is of the opinion that the Company's financial instruments, which are recorded at book value, do not present significant variations as compared with respective market values. Fair value of financial instruments is the amount for which an asset or a liability may be exchanged or settled, between known parties willing to carry out a fair market transaction, rather than in a sale or distressed liquidation. The methods and assumptions used for estimating any changes in relation to fair value of the Company's and its subsidiaries' financial assets and liabilities include:

- *Cash and cash equivalents*: presented at market value, which equals book value. Short-term investments included in cash and cash equivalents are classified as available for sale. Market value is reflected in the amounts recorded in the statements of financial position.
- *Short-term investments*: presented at fair value adjusted by the rates in effect on investment date.
- *Trade accounts receivable*: classified as receivables and recorded at their original amounts, subject to allowance for expected credit losses, when applicable.

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)  
March 31, 2022  
(In thousands of reais)

### 26. Financial instruments and risk management (Continued)

c) Category of financial instruments (Continued)

- *Trade accounts payable*: derive from transactions with third parties for purchase of assets and materials necessary for Company operation, at market prices.
- *Loans and financing*: measured at amortized cost under the effective interest rate method.

d) Credit risk

This is the risk of financial loss due to a counterparty's failure to perform an obligation under a financial instrument or customer contract. The Company is exposed to credit risk in its operating and financing activities, including deposits in banks and financial institutions, and other financial instruments.

Trade accounts receivable subject to credit risk are presented in Note 4. As at March 31, 2022, Company subsidiaries recorded allowance for expected credit losses amounting to R\$20,639 (R\$19,293 at December 31, 2021), considered sufficient by management to cover expected losses on realization of trade receivables. As disclosed in Note 4, no individual customer represents more than 10% of total accounts receivable.

Credit risk to which balances with banks and financial institutions are subject is managed by the finance area according to the policy established by the Company. Surplus funds are invested only in approved counterparties and within the limit established for each counterparty. Credit limit is reviewed annually by Company management and may be adjusted during the year. These limits are established with a view to minimizing risk concentration, therefore mitigating financial risk in cases of counterparty bankruptcy. Cash and cash equivalents, and marketable securities subject to credit risk are presented in Note 3.

e) Market risk

This is the risk that the fair value of the future cash flows of a financial instrument will fluctuate due to changes in market prices. Market price includes interest rate risk. Financial instruments affected by market risk include loans and financing payable and deposits measured at fair value through profit or loss.

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais)

### 26. Financial instruments and risk management (Continued)

#### f) Liquidity risk

Management analyzes the continuous forecasts of Company liquidity requirements to ensure that cash is sufficient for Company operation. Management is of the understanding that the Company is fully able to honor its financial commitments. Management analyzed the Company's current and projected cash position and believes that it has sufficient liquidity to continue fulfilling its obligations.

Financial liabilities, by maturity bracket, corresponding to the period remaining between the reporting date and contractual maturity date are as follows:

	Total at 03/31/2022	Within 6 months	From 6 to 12 months	From 1 to 2 years	From 2 to 5 years	Over 5 years
Trade accounts payable	92,101	74,609	17,492	-	-	-
Loans and financing	484,564	90,836	119,647	173,052	86,956	14,073
Derivatives	9,198	467	2,494	6,237	-	-
Debentures	523,776	1,473	-	-	466,862	55,441
Promissory note	70,249	4,136	66,113	-	-	-
Lease obligations	60,616	17,316	16,625	12,568	8,948	5,159
	<b>Total at 12/31/2021</b>	<b>Within 6 months</b>	<b>From 6 to 12 months</b>	<b>From 1 to 2 years</b>	<b>From 2 to 5 years</b>	<b>Over 5 years</b>
Trade accounts payable	186,032	150,701	35,331	-	-	-
Loans and financing	570,848	90,911	146,006	245,174	69,735	19,022
Derivatives	1,201	61	922	218	-	-
Debentures	515,850	8,908	-	-	459,798	47,144
Lease obligations	35,490	4,060	3,898	12,972	9,235	5,325

#### g) Financial risk factors

The Company manages liquidity risk based on cash flow management and seeks to maintain cash and cash equivalents at a level that is sufficient to meet its short-term needs.

#### h) Currency risk

This risk refers to exchange rate fluctuations on commitments in foreign currency. The Company subsidiaries use derivatives (fx forward contracts and swaps) recorded as financial instruments to mitigate risks of exchange losses due to fluctuations of the Brazilian real (R\$), in consonance with the Company's currency risk management policy.

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais)

### 26. Financial instruments and risk management (Continued)

#### h) Currency risk (Continued)

##### *Derivative financial instruments*

The derivatives and fx forward contracts have as counterparty a financial institution and were contracted to cover potential risks involved in the purchase of PPE items abroad. The essential terms of the fx forward contracts were negotiated so as to be in line with the existing sale commitments contracted in foreign currency. As at March 31, 2022, Company subsidiaries presented a consolidated balance receivable of R\$1,417 (R\$1,308 at December 31, 2021) equivalent to the estimated positive adjustment to be received financially upon contract maturity, based on their market value on respective date.

##### *Breakdown of financial instruments*

Description	03/31/2022	12/31/2021
Derivative transactions receivable – Swap	1,417	1,308
	1,417	1,308
Current	-	297
Noncurrent	1,417	1,011
	1,417	1,308

##### Maturity of swap transactions:

	03/31/2022	12/31/2021
2021	-	-
2022	322	297
2023	1,095	1,011
	1,417	1,308

	03/31/2022	12/31/2021
Outstanding swap transactions:		
Loans and financing – book value	29,032	46,935
Loans and financing – fair value	(27,615)	(45,627)
Gain adjustments from financial instruments – swap	1,417	1,308
	1,417	1,308

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais)

### 26. Financial instruments and risk management (Continued)

#### h) Currency risk (Continued)

##### *Breakdown of financial instruments* (Continued)

Subsidiaries Brisanet Serviços and RPS Prestação de Serviços engage in instruments for financial transactions in foreign currency aimed at fundraising and import financing. As at March 31, 2022 and December 31, 2021, hedging transactions represented 5.99% (R\$29,032 / R\$484,564) and 8.22% (R\$46,935 / R\$570,848), respectively, of these subsidiaries' bank debt.

For the current period, the Company engaged in hedging instruments to protect financial transactions denominated in foreign currency. These transactions were performed using the same credit operations in order to prevent any position mismatch.

At March 31, 2022, derivative financial instruments amounted to R\$1,417 (R\$1,308 in 2021). The Company measures its foreign-currency loan liabilities at amortized cost and hedges such items by means of derivative financial instruments (swaps). In order to prevent accounting mismatches between measurement of financial liabilities (amortized cost and fair value), the Company classified referred to instruments as financial liabilities measured at fair value.

In the period ended March 31, 2022, net realized and unrealized gains (losses) deriving from these contracts were recorded in finance income (costs), and represented consolidated net loss of R\$6,958 (gain of R\$534 as of March 31, 2021).

#### i) Sensitivity analysis of CDI and USD variations

Management administers any exposure to interest rate variations by managing cash flow. Currency rate fluctuation has an impact on loans and financing, and on commitments to foreign suppliers, which are hedged by derivative financial instruments, in consonance with the Company' risk management policy (item g).

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais)

### 26. Financial instruments and risk management (Continued)

#### i) Sensitivity analysis of CDI and USD variations (Continued)

Three scenarios are considered below, to wit: (i) current scenario (probable), which is adopted by the Company, (ii) the scenario with decrease of 25% of the risk variable considered, and (iii) the scenario with decrease of 50% of the risk variable considered. These scenarios were defined based on hypotheses of changes in key variables at the date of termination of the respective agreements subject to these risks. Worth mentioning, the scenarios presented are subject to significant adjustments due to variations in the Company's operating performance, which may affect debt and liquidity level.

#### *Interest rate risk*

03/31/2022		Consolidated			
Instrument/transaction	Probable scenario p.a.	Risk	Current scenario	Scenario II	Scenario III
Working capital	8.21%	Fixed	(1,829)	(2,286)	(2,743)
Working capital	12.41%	CDI increase	(27,676)	(34,595)	(41,514)
Working capital	6.35%	TJLP increase	(323)	(403)	(484)
Working capital	11.30%	TLP increase	(807)	(1,009)	(1,210)
Working capital (foreign currency)	11.92%	CDI increase	(4,233)	(5,291)	(6,350)
PPE financing (CDC)	7.92%	Fixed	(1,408)	(1,760)	(2,112)
PPE financing (FINEM)	6.41%	TJLP increase	(414)	(517)	(621)
PPE financing (FINEM)	11.51%	TLP increase	(2,830)	(3,537)	(4,245)
Financing - TR	1.59%	TR increase	(840)	(1,050)	(1,260)
Financial investments	11.65%	CDI decrease	1,904	1,428	952
Projected income (loss)			(38,456)	(49,020)	(59,587)

12/31/2021		Consolidated			
Instrument/transaction	Probable scenario	Risk	Current scenario	Scenario II	Scenario III
Working capital	0.66%	Fixed	(318)	(398)	(478)
Working capital	9.80%	CDI increase	(25,111)	(31,389)	(37,667)
Working capital	5.57%	TJLP increase	(462)	(577)	(693)
Working capital	11.01%	TLP increase	(716)	(895)	(1,074)
Working capital (foreign currency)	9.80%	CDI increase	(4,679)	(5,849)	(7,019)
PPE financing (CDC)	0.73%	Fixed	(150)	(187)	(225)
PPE financing (FINEM)	5.61%	TJLP increase	(457)	(571)	(685)
PPE financing (FINEM)	10.97%	TLP increase	(2,922)	(3,652)	(4,383)
Financing - TR	0.33%	TR increase	(178)	(222)	(267)
Financial investments	1.23%	CDI decrease	11,610	8,708	5,805
Projected income (loss)			(23,383)	(35,032)	(46,686)

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais)

### 26. Financial instruments and risk management (Continued)

i) Sensitivity analysis of CDI and USD variations (Continued)

*Currency risk*

<u>03/31/2022</u>			<u>Consolidated</u>		
<u>Instrument/transaction</u>	<u>Probable dollar rate</u>	<u>Risk</u>	<u>Current scenario</u>	<u>Scenario II</u>	<u>Scenario III</u>
Trade accounts payable	4.73	Dollar increase	-	(6,599)	(13,198)
Loans and financing	4.73	Dollar increase	-	(31,400)	(62,800)
Projected income (loss)			-	(37,999)	(75,998)

<u>12/31/2021</u>			<u>Consolidated</u>		
<u>Instrument/transaction</u>	<u>Probable dollar rate</u>	<u>Risk</u>	<u>Current scenario</u>	<u>Scenario II</u>	<u>Scenario III</u>
Trade accounts payable	5.58	Dollar increase	-	(26,402)	(52,803)
Loans and financing	5.58	Dollar increase	-	(26,577)	(53,154)
Projected income (loss)			-	(52,979)	(105,957)

j) Fair value hierarchy

The Company classifies and discloses the fair value of financial instruments based on measurement techniques:

- Level 1: prices (without adjustments) quoted in active markets for identical assets or liabilities;
- Level 2: other techniques for which all data that has a significant impact on fair value recorded may be observed, either directly or indirectly; and
- Level 3: techniques that use data that has a significant impact on fair value recorded that are not based on data that may be observed in the active market.

	<u>Consolidated</u>			
	<u>03/31/2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Financial assets				
Derivative transactions	1,417	-	1,417	-
Financial liabilities				
Derivative transactions	9,198	-	9,198	-

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais)

### 26. Financial instruments and risk management (Continued)

#### j) Fair value hierarchy (Continued)

	Consolidated			
	12/31/2021	Level 1	Level 2	Level 3
Financial assets				
Derivative transactions	1,308	-	1,308	-
Financial liabilities				
Derivative transactions	1,201	-	1,201	-

Financial assets and liabilities recorded at amortized cost approximate their fair value, since these amounts are adjusted for provisions, to present value and/or at floating market rates.

### 27. Insurance coverage (Consolidated)

Management of the Company and its subsidiaries take out various types of insurance, whose amounts are considered sufficient by management and insurance brokers to cover any claims.

Insurance coverage in effect is as follows:

	03/31/2022	12/31/2021
Aircraft – civil liability risk	US\$40,000	US\$40,000
Aircraft – operational risk	US\$10,400	US\$10,400
D&O	R\$50,000	-
Other items – operational risk	R\$8,170	R\$10,604

### 28. Transactions not involving cash or cash equivalents

	Consolidated	
	03/31/2022	03/31/2021
Capitalization of interest (Note 8)	9,070	1,601
Capitalization of depreciation (Note 8)	3,036	-
Write-off of allowance for credit loss (Note 4)	4,982	4,894

\* \* \*