

# **Interim Financial Information**

## **Brisanet Participações S.A.**

June 30, 2022

with Independent Auditor's Review Report

# **Brisanet Participações S.A.**

June 30, 2022

## Contents

Comments on business projection trends.....	1
Declaration of the officers on the interim financial information and on the independent auditors' review report on interim financial information .....	15
Independent auditors' review report on interim financial information .....	16
Reviewed individual and consolidated interim financial information	
Statements of financial position.....	18
Statements of profit or loss .....	20
Statements of comprehensive income .....	21
Statements of changes in equity .....	22
Statements of cash flows .....	23
Statements of value added .....	25
Notes to individual and consolidated interim financial information .....	26

**2Q22**

**EARNINGS**

**RELEASE**

GRUPO  
**brisanet**

## BRISANET RECORDS GROWTH OF 68,000 CLIENTS IN 2Q22 AND EBITDA MARGIN OF 40.8%

**Pereiro, CE, August 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 second quarter of 2022 (2Q22) compared to the second quarter of 2021 (2Q21), unless otherwise indicated.

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

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

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

Brisagnet	2Q22	1Q22	2Q21	1H22	1H21
<b><u>Operating Highlights</u></b>					
Cities served	149	139	100	149	100
Access Ports - '000	3,866	3,618	2,317	3,866	2,317
HP added- '000	413	641	280	413	280
Total HP - '000	5,516	5,103	3,089	5,516	3,089
HC added- '000	68	66	62	68	62
Total HC - '000	977	909	737	977	737
<b><u>Financial Highlights (R\$ million)</u></b>					
Net Revenue	236.6	216.9	170.2	453.5	334.4
Gross Margin (%)	39%	37%	39%	38%	45%
Operating Income	31.7	17.7	6.5	49.4	33.0
EBITDA	96.6	77.6	44.4	174.2	102.4
Adjusted EBITDA	96.6	77.6	58.5	174.2	128.9
Adjusted EBITDA Margin (%)	41%	36%	34%	38%	39%
Net Income (loss)	(1.3)	9.5	14.5	8.2	7.3
Net Debt	717.9	628.4	773.6	717.9	773.6
Net Debt/EBITDA ltm (x)	2.3	2.4	3.7	2.3	3.7

## 2Q22 HIGHLIGHTS

---

- ✓ **Net operating revenue grew 39% in 2Q22** when compared to 2Q21 and 9% when compared to 1Q22. This is the result of the Company's organic geographic expansion, having started in 10 new cities – totaling 49 cities in the last 12 month - and **added 68,000 clients in the 2Q22** alone, surpassing not only the ISPs that grow through M&A but also the big TelCos (whose client base has been flat for 2 years), and thus **achieving the highest client base growth in Brazil for the first six months of 2022**.
- ✓ B2C ARPU (average revenue per unit) was R\$92.01 in 2Q22, an increase of 4% when compared to 2Q21. 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 restrain churn; the Company, with its successful strategy of organic expansion, increased its average ticket as direct result of the expansion in capitals and the greater share of higher value combos. Compared to the previous quarter, ARPU remained practically stable.
- ✓ **Adjusted EBITDA was R\$96.6 million, with margin of 40.8%**, a 6.4 p.p. increase when compared to 1Q22, due to a higher dilution of fixed costs as our client's base increases as well as the result of recent cost reduction initiatives put in place as of April 2022. The Company is focused on increasing take-up rate for HPs built since July 2021 (2.3 mm HPs in the last 4 quarters) so as to dilute these costs and return to a profitability closer to historical data.
- ✓ In July 2022, the Company added 20,000 subscriptions to its customer base and 161,000 HPs in 3 new cities, reaching 997,278 customers. In the same period, Agility Telecom had 212,538 customers in 95 franchisees.

## CONFERENCE CALL

---

August 15, 2022 – Monday – 10 am (NY Time) – In Portuguese with simultaneous translation to English

Brisanet – 2Q22 Earnings Release

Please join us for the zoom meeting at:

[https://tenmeetings.com.br/ten-events/#/webinar?evento=Brisanet2T22\\_877](https://tenmeetings.com.br/ten-events/#/webinar?evento=Brisanet2T22_877)

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, thus seeking to promote the local development of Pereiro and the underlying regions.

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

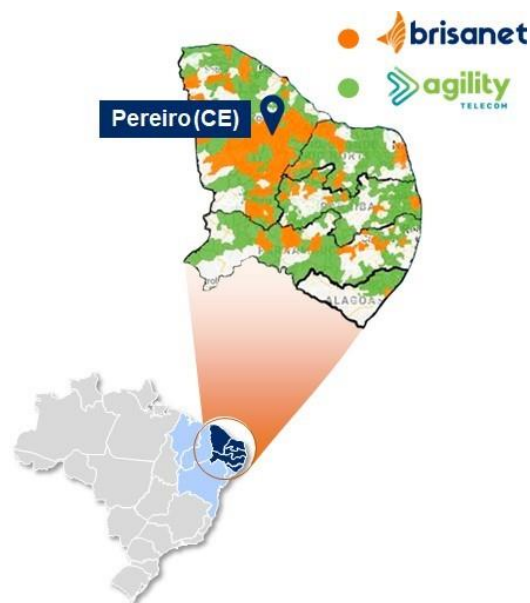
In 2010, the Company became the largest internet radio operator in Brazil, serving more than 30,000 customers in 150 cities in the countryside of the Northeast region. To supply the Company's expansion, managers saw in optical fiber a way to provide more connectivity and began to study different ways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

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

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

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

Today, the Company operates as an internet provider via optical fiber, cable TV, music streaming, fixed and mobile telephony. Brisanet serves around 152 cities in the nine states of the Northeast totaling almost 1 million subscribers and over 7,000 employees, with a network structure based on its own digital optical fiber belt and organic expansions. In addition to having 95 franchisees in Agility Telecom, which together add up to more than 212,000 subscribers in smaller cities and rural districts in 5 of the Northeastern states.



## OPERATING RESULTS

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

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

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

Brisanet also has more than 26,000 km of backbone infrastructure (lanes used to distribute internet to other networks) and more than 58,000 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 2Q22, 414,000 HPs and 68,000 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 29 new cities added in this first half – these cities represent more than half the new cities expected for the year.

In this first quarter, we started operations in Recife, still with a very small area – around 54,000 HPs. At the beginning of the fourth quarter, 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 expectation for the second half is that the increase in Auxílio Brasil and some other relief measures taken by the Government may bring some improvement in the purchasing power of classes C, D and E, our largest audience. Despite this, inflation and the pricing strategy adopted by competitors continue to exert pressure on the telecommunications market. The Company estimate a HC base slightly higher than 1.1 million by the end of 2022.

	2Q22	1Q22	2Q21	2Q21 x 2Q22	1Q22 x 2Q22
Access Ports	3,866,318	3,618,008	2,317,068	67%	7%
Added HP	413,848	640,760	280,072	48%	-35%
Homes Passed (HP)	5,516,966	5,103,118	3,089,424	79%	8%
Added HC	67,754	66,192	61,759	10%	2%
Homes Connected (HC)	977,229	909,475	736,580	33%	7%
Cities served	149	139	100	49%	7%
Churn	2.50%	2.51%	2.46%	n.m.	n.m.

Agility Telecom*	2Q22	2Q21
Homes Passed (HP)	51,244	
Added HP	953,284	643,040
Homes Connected (HC)	8,996	
Added HC	211,034	148,066
# of franchisees	95	93

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

The Company continues its organic expansion, with **July having registered the addition of 161,000 HPs**, with this, Brisanet's fiber optic infrastructure is already in front of **5.68 million homes in the Northeast**.

At the end of July, the Company was already present in 152 cities, **servicing a total of 997,229 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	2Q22	1Q22	2Q21	2Q22 X 2Q21	2Q22 X 1Q22	1H22	1H21	1H22 X 1H21
<b>Gross Revenue</b>	<b>273.3</b>	<b>253.5</b>	<b>197.1</b>	<b>39%</b>	<b>8%</b>	<b>526.8</b>	<b>384.5</b>	<b>37.0%</b>
Broadband	242.5	225.9	181.8	33%	7.3%	468.4	357.1	<b>31.2%</b>
B2C	230.2	213.5	168.3	37%	7.8%	443.7	330.5	<b>34.3%</b>
B2B	12.3	12.4	13.5	-9%	-0.7%	24.7	26.6	<b>-7.1%</b>
Fixed telephony	10.1	11.3	9.3	8%	-11.1%	21.4	17.9	<b>19.1%</b>
Others	20.8	16.2	6.0	248%	28.2%	37.1	9.6	<b>287.9%</b>
ARPU broadband	R\$ 92.01	R\$ 91.41	R\$ 88.47	4%	1%	R\$ 91.72	R\$ 87.92	4.3%

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

Agility Telecom revenues are included in Others and represented R\$13.8 million in 1H22.

The average B2C ticket increased 4% compared to 2Q21, evidencing the sale of higher value packages as we advance in capitals and areas with greater economic power. 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 C+ and B, is a perfect fit from the point of view of increasing internet ticket in environments of greater competition.

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



R\$ million	2Q22	1Q22	2Q21	2Q22 X 2Q21	2Q22 X 1Q22	1H22	1H21	1H22 X 1H21
Net Revenue	236.6	216.9	170.1	39%	9%	453.5	334.3	36%

Comparing the second quarter of 2022 and the same quarter in 2021, Brisagnet's net revenue grew by 39.1%, from R\$170.1 million in 2Q21 to R\$236.6 million in 2Q22. This was mainly due to the increase in the number of subscribers - which increased from 736,580 to 977,229 in June 2022 (+33%) - and the increased share of higher value packages in the customer base.

## Cost of Services

Costs of Services Rendered (In millions of R\$)	2Q22	1Q22	2Q21	2Q22 x 2Q21	2Q22 x 1Q22
Personnel	(39.2)	(39.2)	(25.7)	52%	0%
Clients Activation	-	-	(12.1)	n.m	n.m
Interconnection	(7.9)	(7.3)	(4.7)	69%	9%
Connectivity	(6.1)	(6.4)	(4.3)	41%	-4%
Right of Passage	(14.8)	(14.7)	(8.4)	77%	1%
Utilities	(2.4)	(2.2)	(1.8)	33%	6%
Materials and maintenance	(3.9)	(4.3)	(4.9)	-21%	-9%
Third-party Services	(2.6)	(2.0)	(3.3)	-20%	34%
Others	(5.8)	(5.8)	(6.4)	-9%	1%
Depreciation and Amortization	(61.6)	(55.3)	(31.5)	96%	11%
<b>Total</b>	<b>(144.4)</b>	<b>(137.2)</b>	<b>(103.2)</b>	<b>40%</b>	<b>5%</b>

The Company's Cost of services in 2Q22 totaled R\$144.4 million compared to R\$103.2 million in 2Q21, representing an increase of 40%. Cost rose 5% when compared to 1Q22. Excluding depreciation, cash costs increased just 1%, or R\$0.9 million, given the 7% growth in the customer base.

Within the cost of services provided, when compared to 2Q21, the variation is mainly due to:

- personnel expenses, which rose 52%, or R\$13.4 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\$30.1 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\$6.4 million due to the 78.5% 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 and link are linked not only to the growth of HC but also to the inflationary effect on tariffs and contracts. This variation was R\$5.6 million.

## Operational Expenses

Operational expenses (In millions of R\$)	2Q22	1Q22	2Q21	2Q22 x 2Q21	2Q22 x 1Q22
Personnel	(26.8)	(26.8)	(24.5)	10%	0%
Third-party Services	(6.3)	(8.5)	(23.0)	-73%	-26%
Marketing expenses	(5.2)	(5.1)	(5.7)	-9%	2%
Taxes and contributions	(2.0)	(2.2)	(1.6)	22%	-11%
Provision for doubtful accounts	(6.9)	(6.3)	(2.5)	172%	10%
Other Expenses	(10.0)	(8.6)	3.1	n.a.	17%
Depreciation and amortization	(3.3)	(4.6)	(6.2)	-47%	-28%
<b>Total</b>	<b>(60.5)</b>	<b>(62.1)</b>	<b>(60.5)</b>	<b>0%</b>	<b>-3%</b>

The Company's operating expenses in 2Q22 were stable when compared to 2Q21 and dropped 3% when compared to the previous quarter.

The decrease in General and Administrative Expenses, excluding depreciation and amortization, was R\$29.3 million when compared to 2Q21. As of 2Q21, 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.

Selling expenses, excluding depreciation and amortization, were R\$4.8 million higher in 2Q22 when compared to 2Q21, mainly due to higher expenses with vendors and business partners. 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 4Q22. In comparison with 1Q22, a 9% reduction in CAC is already evident in 2Q22, when it was R\$155.

In relation to expenses with allowance for doubtful accounts (PCLD), since 4Q21 the Company has provisioned 2.5% of monthly gross sales.

## EBITDA and Adjusted EBITDA

R\$ million	2Q22	1Q22	2Q21	2Q22x 2Q21	2Q22 x 1Q22
Net Income	(1.3)	9.5	14.5	-109%	-113%
(+) Income tax and social contributi	(1.7)	9.4	1.6	-212%	-119%
(+) Net financial result	34.7	(1.2)	(9.6)	n.d.	n.d.
(+) Depreciation and amortization	64.9	59.9	37.7	72%	8%
<b>EBITDA</b>	<b>96.6</b>	<b>77.6</b>	<b>44.1</b>	<b>119%</b>	<b>25%</b>
<b>EBITDA margin (%)</b>	<b>40.8%</b>	<b>35.8%</b>	<b>25.9%</b>	<b>14,7 p.p.</b>	<b>5,0 p.p.</b>
Non-recurring itens			2.0	n.m.	n.m.
Installation services			12.1	n.m.	n.m.
<b>Adjusted EBITDA</b>	<b>96.6</b>	<b>77.6</b>	<b>58.2</b>	<b>66%</b>	<b>25%</b>
<b>Adjusted EBITDA Margin (%)</b>	<b>40.8%</b>	<b>35.8%</b>	<b>34.2%</b>	<b>6.4 p.p.</b>	<b>5.0 p.p.</b>

brisanet  
LEVANDO O MUNDO ATE VOCE

**The Company presented in 2Q22 Adjusted EBITDA margin (the same as EBITDA margin) of 40.8%** compared to 34.2% in 2Q21 and to 35.8% in the previous quarter. In the analysis against 2Q21, the margin improvement results from the dilution of fixed costs by the growth of the base and by the cost reduction initiatives adopted by the Company since the beginning of April, as well as the reduction in the expansion pace, since the organic expansion has an initial cost structure – poles, stores, repair/ inventory/maintenance teams – which overwhelms the Company's total operating costs/expenses.

## Financial Result

In 1Q22, financial result was an expense of R\$34.7 million, compared to an income of R\$9.6 million in the same period in 2021. In comparison with 4Q21, the financial result of 1Q22 improved by R\$17.6 million. This quarter's result was impacted by the increase in interest rates since November 2021 and the 10.6% depreciation of the real in 2Q22. At the end of June, the Company's foreign exchange exposed base was around R\$95 million, between international suppliers and financing, which represents a drop of around 65% compared to December 2021.

R\$ million	2Q22	1Q22	2Q21	2Q22 X 2Q21	2Q22 X 1Q22	1H22	1H21	1H22 X 1H21
Financial revenue	32.8	52.0	42.1	-22%	-37%	84.83	52.4	62%
Financial expenses	(67.5)	(50.8)	(32.5)	108%	33%	(118.3)	(72.9)	62%
<b>Net financial result</b>	<b>(34.7)</b>	<b>1.2</b>	<b>9.6</b>	<b>n.m.</b>	<b>n.m.</b>	<b>(33.5)</b>	<b>(20.5)</b>	<b>63%</b>

**Financial income** in 2Q22 mainly reflects the interest from the IPO funds invested in the period, in the amount of R\$13.3 million, R\$8.9 million from active exchange rate variation, and R\$7.5 million in derivative operations since a portion of the US dollar exposure is hedged with swap instruments.

**Financial expenses** basically consisted of: (i) interest expenses in 2Q22 in the amount of R\$35.7 million, (ii) operations with derivatives in the amount of R\$4.0 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\$24.3 million.

Although the debt in foreign currency is partially protected from variations through exchange rate swap instruments, the effects of the currency impact the line of exchange variations, being partially offset by the positive result of operations with derivatives. Therefore, the net impact of the Real's depreciation in this quarter was R\$12 million.

## Indebtedness

R\$ million	Jun/2022	Dec/2021	Var. (%)
<b>Gross Debt</b>	<b>1,145.7</b>	<b>1,122.1</b>	<b>2.1%</b>
(-) Cash and cash equivalents	408.5	1,000.8	-59.2%
(-) Short-term investments	19.4	46.7	-58.4%
<b>Net Debt</b>	<b>717.9</b>	<b>74.6</b>	<b>862.3%</b>

Brisanet had a gross debt of R\$1.1 billion in June 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\$427.9 million, the Company had a net debt of R\$717.9 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 101.2% 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 monitors its indebtedness using the net debt/EBITDA ratio. **On June 30, 2022, the indebtedness level was 2.3x**, 0.13x lower than at the end of the previous quarter.

The Company adopts the policy of contracting hedge instruments to protect long-term financing carried out in foreign currency. As of June 30, 2022, total foreign currency financing represented around 10% of total gross indebtedness.

Find below the breakdown for loans and financing:

Type	Weighted average rates	06/30/2022	12/31/2021
Working capital	0.66% p.m. - Fixed	<b>20,707</b>	48,240
Working capital	0.17% p.m. + CDI	<b>156,952</b>	251,867
Working capital	0.25% p.m. + TJLP	<b>3,817</b>	7,933
Working capital	0.27% p.m. + TLP	<b>6,012</b>	6,348
Working capital (foreign currency)	0.17% p.m. + CDI	<b>86,145</b>	46,934
PPE financing (CDC)	0.73% p.m. – Fixed	<b>16,085</b>	20,528
PPE financing (FINEM)	0.29% p.m. + TJLP	<b>5,173</b>	7,744
PPE financing (FINEM)	0.23% p.m. + TLP	<b>18,283</b>	26,088
Financing – TR	0.33% p.m. + TR	<b>73,262</b>	53,934
Import financing	0.42% p.m. + exchange rate	<b>85,988</b>	101,232
		<b>472,424</b>	570,848
Current		<b>214,363</b>	236,917
Noncurrent		<b>258,061</b>	333,931

On February 25, 2022, the Company, through its subsidiary, Brisnet 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 June 30, 2022, the balance was R\$70.8 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 June 30, 2022, the balance was R\$549.3 million.

Considering loans and financing, the debentures and the leases, approximately 58% of the Company's debt matures from 2025 onwards.

On July 20, the Company's Board of Directors approved the Company's first issuance of simple, non-convertible, unsecured debentures, in a single series, in the total amount of R\$300 million, object of an offering distribution with restricted distribution efforts, under the terms of Law No. 6,385, of December 7, 1976, as amended, and by CVM Instruction 476, limited to the remuneration of CDI +2.0%, according to bookbuilding, with a term of maturity of 5 years, maturing, therefore, on August 25, 2027. The debentures are expected to be issued and integralized at the end of August.

## Capex

R\$ million	6M22	6M21	Var. (%)
<b>Capex</b>			
Additions to PPE <sup>1</sup>	606.0	357.1	69.7%
(-) PPE in progress	(60.8)	(103.7)	-41.3%
(-) Advances to Suppliers	(183.9)	(20.9)	780.4%
(-) Imported equipment in transit	(6.0)	(34.2)	-82.3%
Additions to Intangible Assets	21.3	10.2	109.7%
<b>Capex Adjusted - 'In Operations'</b>	<b>376.5</b>	<b>208.5</b>	<b>80.6%</b>

<sup>1</sup> See note # 8 and 28 of the 2Q22 FS

In 1H22, Brisagnet invested, when measured by additions to property, plant and equipment and intangibles, the amount of R\$614.0 million, compared to R\$367.3 million in the first half 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 part of the PPE in progress (balance of R\$194.5 million) and of the property, plant and equipment in inventory (balance of R\$131.1 million) during 2022, which should reduce disburseable capex in the coming quarters.

Out of the R\$376.5 million in fixed/intangible assets already in operation, R\$5.5 million were maintenance capex, and the remaining were applied to the Company's organic expansion, notably in:

- 1,055,000 HPs,
- 266,000 customer installations – base growth and replacement,
- R\$20 million in backbone DWDM (backbone lighting),
- R\$49 million in vehicles for expansion, which corresponds to almost the totality of the annual budget,
- R\$25 million in Agility Telecom and lands, and
- R\$5 million in IT systems development.

## NOTICES

---

### Conference Call

August 15, 2022 – Monday – 10 am (NY Time) – In Portuguese with simultaneous translation to English

Brisanet – 2Q22 Earnings Release

Please join us for the zoom meeting at:

[https://tenmeetings.com.br/ten-events/#/webinar?evento=Brisanet2T22\\_877](https://tenmeetings.com.br/ten-events/#/webinar?evento=Brisanet2T22_877)

The link is also available at our website – [ri.brisanet.com.br/en](http://ri.brisanet.com.br/en)

### Investor Relations

Phone. +55 88 2105-0288

E-mail: [falecomri@grupobrisanet.com.br](mailto:falecomri@grupobrisanet.com.br)

Website: [ri.brisanet.com.br](http://ri.brisanet.com.br)

*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.*

## ANEXOS

---

### ATTACHMENT I – INCOME STATEMENTS

Anexo II – Balanço Patrimonial

Anexo III – Demonstração de Fluxos de Caixa



## ATTACHMENT I – INCOME STATEMENTS

	Consolidated - R\$ '000		
	2Q22	1Q22	2Q21
Net operating revenue	236,603	216,933	170,144
Cost of services	(144,382)	(137,171)	(103,221)
<b>Gross profit</b>	<b>92,221</b>	<b>79,762</b>	<b>66,923</b>
<b>Operating expenses</b>			
Administrative expenses	(27,576)	(28,908)	(41,120)
Selling expenses	(21,299)	(23,028)	(16,098)
Tax expenses	(1,953)	(2,188)	(1,578)
Other operating revenue (expenses), net	(9,690)	(7,956)	(1,674)
<b>Earnings before financial result and taxes</b>	<b>31,703</b>	<b>17,682</b>	<b>6,453</b>
Financial revenues	32,831	52,013	42,133
Financial expenses	(67,535)	(50,771)	(32,488)
<b>Net financial result</b>	<b>(34,704)</b>	<b>1,242</b>	<b>9,645</b>
<b>Income (Loss) before income tax and social contribution</b>	<b>(3,001)</b>	<b>18,924</b>	<b>16,098</b>
Income tax and social contribution	1,746	(9,435)	(1,560)
<b>Income (Loss) for the period</b>	<b>(1,255)</b>	<b>9,489</b>	<b>14,538</b>



## ATTACHMENT II - BALANCE SHEET

	Consolidated - In R\$ '000		Consolidated - In R\$ '000	
	June 2022	December 2021	June 2022	December 2021
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	408,478	1,000,792	66,360	186,032
Short-term investments	19,409	46,693	214,363	236,917
Trade accounts receivables	125,306	107,873	80,238	8,909
Inventories	3,648	3,713	25,474	7,958
Taxes recoverable	35,695	42,807	51,935	41,782
Derivative operations	250	297	21,089	24,912
Prepaid expenses	2,643	1,851	909	1,771
Other assets	7,182	12,913	1,587	983
Total current assets	<u>602,611</u>	<u>1,216,939</u>	<u>17,966</u>	<u>4,723</u>
<b>Noncurrent assets</b>				
Short-term investments	-	3,600	258,061	333,931
Accounts receivable	393	843	539,900	506,941
Taxes recoverable	67,043	54,671	25,507	27,532
Transactions with related parties	1,300	1,181	4,776	5,099
Court-related deposits	2,349	2,142	3,142	218
Derivative operations	2,281	1,011	166,827	162,554
Prepaid expenses	2,711	2,462	998,213	1,036,275
Deferred income and social contribution ta:	9,703	8,559		
Other assets	38	38	1,281,606	1,281,606
Rights-of-use	51,530	35,928	68,722	60,486
Property, plant and equipment	1,852,135	1,346,276	(3,853)	-
Intangible assets	232,520	218,711	1,346,475	1,342,092
Total noncurrent assets	<u>2,222,003</u>	<u>1,675,422</u>	<u>5</u>	<u>7</u>
Total assets	<u>2,824,614</u>	<u>2,892,361</u>	<u>1,346,480</u>	<u>1,342,099</u>
			<u>2,824,614</u>	<u>2,892,361</u>
<b>Liabilities and equity</b>				
<b>Current liabilities</b>				
Suppliers				
Loans and financing				
Debentures				
Lease obligations				
Labor and social obligations				
Taxes payable				
Taxes paid in installments				
Derivative operations				
Other accounts payable				
Total current liabilities			<u>479,921</u>	<u>513,987</u>
<b>Noncurrent</b>				
Loans and financing				
Debentures				
Lease obligations				
Taxes paid in installments				
Derivative operations				
Provision for contingencies_Others				
Total noncurrent liabilities				
<b>Equity</b>				
Capital				
Income reserve				
Treasury shares				
Total equity				
Noncontrolling interest				
Total equity				
Total liabilities and equity			<u>2,824,614</u>	<u>2,892,361</u>

**brisanet**  
LEVANDO O MUNDO ATE VOCE

## ATTACHMENT III – STATEMENT OF CASH FLOW

	Consolidated - In R\$ '000	
	Jun 22	Jun 21
Cash flow from operating activities		
Net income (loss) for the period	8,236	7,314
Adjustments to reconcile income (loss) for the period:		
Depreciation and amortization	124,803	69,491
Residual value upon write-off of PPE and intangible asse	202	12
Allowance for doubtful accounts	13,228	10,377
Provision for contingencies	784	(1,634)
Monetary and exchange variation	57,021	(26,267)
Derivative operations	2,305	8,619
Interest on leases	1,754	1,905
Interest on loans and financing and debentures	71,988	39,628
Short-term investment income	(32,384)	(2,670)
Deferred income and social contribution taxes	(1,144)	(2,622)
Others	6,811	-
(Increase) decrease in assets		
Trade accounts receivable	(30,210)	(27,174)
Inventories	65	294
Taxes recoverable	(5,260)	(18,104)
Prepaid expenses	(1,041)	1,177
Court-related deposits	(207)	(278)
Other assets	5,731	7,661
Increase (decrease) in liabilities		
Suppliers	(119,672)	69,318
Labor and social obligations	10,153	16,930
Taxes payable	1,471	16,322
Taxes paid in installments	(1,185)	(669)
Other accounts payable	17,265	4,346
<b>Cash from (used in) operating activities</b>	<b>130,714</b>	<b>173,976</b>
Interest paid	(71,287)	(44,777)
Income tax and social contribution paid	(5,294)	(4,936)
<b>Net cash from (used in) operating activities</b>	<b>54,133</b>	<b>124,263</b>
Cash flows from investing activities		
Short-term investments	63,265	(69,223)
Additions to Property, plant and equipment	(605,962)	(357,087)
Additions to intangible assets	(21,208)	(10,170)
Intercompany loans received	(119)	-
Others	-	-
<b>Net cash from (used in) investing activities</b>	<b>(564,024)</b>	<b>(436,480)</b>
Cash flows from financing activities		
Loans and financing raised	(56,236)	428,721
Lease paid		(9,701)
Intercompany loans paid		(12,161)
Capital increase	-	5,650
Dividend/Profits distributed	(533)	(2,205)
Treasury shares	(3,853)	-
Others	(21,801)	
<b>Net cash from (used in) financing activities</b>	<b>(82,423)</b>	<b>410,304</b>
<b>Increase (Decrease) in cash and cash equivalents</b>	<b>(592,314)</b>	<b>98,087</b>

**brisanet**  
LEVANDO O MUNDO ATE VOCE

**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 25, 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 June 30, 2022; and (b) she had reviewed, discussed and agrees with the interim financial information for the three-month period ended June 30, 2022.

Luciana Paulo Ferreira

**Investor Relations Officer**



Centro Empresarial Iguatemi  
Av. Washington Soares, 55  
5º andar - sala 506 a 509 - Bairro Cocó  
60811-341 - Fortaleza - CE - Brasil  
Tel: +55 85 3392-5600  
Fax: +55 85 3392-5659  
ey.com.br

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)

---

## 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 June 30, 2022, which comprises the statement of financial position as at June 30, 2022, and the related statements of profit or loss and of comprehensive income (loss) for the three- and six-month periods then ended, and of changes in equity and of cash flows for the six-month period then ended, including the 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). 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 Brazilian Securities and Exchange Commission (CVM).

## **Other matters**

### *Statements of value added*

The abovementioned quarterly information includes the individual and consolidated statements of value added (SVA) for the six-month period ended June 30, 2022, prepared under the responsibility of the Company's executive board, and presented as supplementary information by IAS 34. These statements were subject to review procedures performed together with the review of the quarterly information with the objective to conclude 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 set forth by NBC TG 09 – Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that they 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.

Fortaleza, August 12, 2022.

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

*Nathália Araújo Domingues*  
Nathália Araújo Domingues  
Accountant CE-020833/O-7

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  
June 30, 2022  
(In thousands of reais)

	Note	Individual		Consolidated	
		06/30/2022	12/31/2021	06/30/2022	12/31/2021
Assets					
Current assets					
Cash and cash equivalents	3	1,324	3,325	408,478	1,000,792
Short-term investments	3	-	-	19,409	46,693
Trade accounts receivable	4	-	-	125,306	107,873
Inventories		-	-	3,648	3,713
Taxes recoverable	5	18	18	35,695	42,807
Derivative transactions	26	-	-	250	297
Prepaid expenses		91	-	2,643	1,851
Other assets		1	-	7,182	12,913
Total current assets		1,434	3,343	602,611	1,216,939
Noncurrent assets					
Long-term receivables					
Financial investments	3	-	-	-	3,600
Trade accounts receivable	4	-	-	393	843
Taxes recoverable	5	-	-	67,043	54,671
Transactions with related parties	6	-	-	1,300	1,181
Judicial deposits		-	-	2,349	2,142
Derivative transactions	26	-	-	2,281	1,011
Prepaid expenses		-	-	2,711	2,462
Deferred income and social contribution taxes	24	-	-	9,703	8,559
Other assets		-	-	38	38
Investments	7	1,348,105	1,342,780	-	-
Right of use	14	-	-	51,530	35,928
Property, plant and equipment	8	-	-	1,852,135	1,346,276
Intangible assets	9	-	-	232,520	218,711
Total noncurrent assets		1,348,105	1,342,780	2,222,003	1,675,422
Total assets		1,349,539	1,346,123	2,824,614	2,892,361

	Note	Individual		Consolidated	
		06/30/2022	12/31/2021	06/30/2022	12/31/2021
Liabilities and equity					
Current liabilities					
Trade accounts payable	10	4	-	66,360	186,032
Loans and financing	11	-	-	214,363	236,917
Debentures	12	-	-	9,417	8,909
Promissory note	13	-	-	70,821	-
Lease obligations	14	-	-	25,474	7,958
Labor and social obligations	15	87	86	51,935	41,782
Taxes payable	5	34	34	21,089	24,912
Taxes paid in installments	16	-	-	909	1,771
Derivative transactions	26	-	-	1,587	983
Proposed dividends	6 and 20	-	533	-	533
Other accounts payable	18	-	3	17,966	4,190
Total current liabilities		125	656	479,921	513,987
Noncurrent liabilities					
Loans and financing	11	-	-	258,061	333,931
Debentures	12	-	-	539,900	506,941
Lease obligations	14	-	-	25,507	27,532
Taxes paid in installments	16	-	-	4,776	5,099
Provision for losses on investments	7	2,939	3,375	-	-
Derivative transactions	26	-	-	3,142	218
Provision for contingencies	17	-	-	1,713	929
Other accounts payable	18	-	-	165,114	161,625
Total noncurrent liabilities		2,939	3,375	998,213	1,036,275
Equity					
Capital	20	1,281,606	1,281,606	1,281,606	1,281,606
Treasury shares		(3,853)	-	(3,853)	-
Income reserves		68,722	60,486	68,722	60,486
		1,346,475	1,342,092	1,346,475	1,342,092
Noncontrolling interests		-	-	5	7
Total equity		1,346,475	1,342,092	1,346,480	1,342,099
Total liabilities and equity					
		1,349,539	1,346,123	2,824,614	2,892,361

See accompanying notes.

## Brisanet Participações S.A.

### Statements of profit or loss

Three and six-month period ended June 30, 2022

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

	Note	Individual				Consolidated			
		04/01/2022 to 06/30/2022	04/01/2021 to 06/30/2021	01/01/2022 to 06/30/2022	01/01/2021 to 06/30/2021	04/01/2022 to 06/30/2022	04/01/2021 to 06/30/2021	01/01/2022 to 06/30/2022	01/01/2021 to 06/30/2021
Net operating revenue	21	-	-	-	-	236,603	170,144	453,536	334,273
Cost of services	22	-	-	-	-	(144,382)	(103,221)	(281,553)	(184,429)
Gross profit		-	-	-	-	92,221	66,923	171,983	149,844
Operating expenses									
Administrative expenses	22	(828)	(1,252)	(1,580)	(1,407)	(27,576)	(41,120)	(56,484)	(76,151)
Selling expenses	22	-	-	-	-	(21,299)	(16,098)	(44,327)	(29,875)
Tax expenses	22	-	-	-	-	(1,953)	(1,578)	(4,141)	(2,542)
Equity pickup	7	(428)	15,811	9,773	8,728	-	-	-	-
Other operating expenses, net	22	3	(6)	40	(6)	(9,690)	(1,674)	(17,646)	(8,314)
Income (loss) before finance income (costs) and taxes		(1,253)	14,553	8,238	7,315	31,703	6,453	49,385	32,962
Finance income	23	3	-	9	-	32,831	42,133	84,844	52,375
Finance costs	23	(3)	(2)	(4)	(2)	(67,535)	(32,488)	(118,306)	(72,871)
Finance income (costs)		-	(2)	5	(2)	(34,704)	9,645	(33,462)	(20,496)
Income before income and social contribution taxes		(1,253)	14,551	8,238	7,313	(3,001)	16,098	15,923	12,466
Income and social contribution taxes	24	(2)	-	(2)	-	1,746	(1,560)	(7,689)	(5,152)
Net income (loss) for the period		(1,255)	14,551	8,236	7,313	(1,255)	14,538	8,234	7,314
Net income (loss) attributable to									
Controlling interests		-	-	-	-	(1,255)	14,551	8,236	7,313
Noncontrolling interests		-	-	-	-	-	(13)	(2)	1
Basic earnings per share – R\$	25	(0.00)	0.22	0.02	0.11	-	-	-	-
Diluted earnings per share – R\$	25	(0.00)	0.22	0.02	0.11	-	-	-	-

See accompanying notes.



## Brisanet Participações S.A.

Statements of comprehensive income  
 Three and six-month period ended June 30, 2022  
 (In thousands of reais)

	Individual				Consolidated			
	04/01/2022 to 06/30/2022	04/01/2021 to 06/30/2021	01/01/2022 to 06/30/2022	01/01/2021 to 06/30/2021	04/01/2022 to 06/30/2022	04/01/2021 to 06/30/2021	01/01/2022 to 06/30/2022	01/01/2021 to 06/30/2021
Net income (loss) for the period	<b>(1,255)</b>	14,551	<b>8,236</b>	7,313	<b>(1,255)</b>	14,538	<b>8,234</b>	7,314
Other comprehensive income	-	-	-	-	-	-	-	-
Comprehensive income (loss) for the period	<b>(1,255)</b>	14,551	<b>8,236</b>	7,313	<b>(1,255)</b>	14,538	<b>8,234</b>	7,314
Net income attributable to								
Controlling interests	-	-	-	-	<b>(1,255)</b>	14,551	<b>8,236</b>	7,313
Noncontrolling interests	-	-	-	-	-	(13)	<b>(2)</b>	1

See accompanying notes.

## Brisanet Participações S.A.

Statements of changes in equity  
Six-month period ended June 30, 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
Capital increase	5,650	-	-	-	-	-	5,650	-	5,650
Net income for the period	-	-	-	-	-	7,313	7,313	1	7,314
Profit allocation (Note 20):									
Dividends distributed	-	-	-	-	(2,205)	-	(2,205)	-	(2,205)
Retained profits	-	-	-	-	7,313	(7,313)	-	-	-
Balances at June 30, 2021	71,859	-	-	1,456	64,634	-	137,949	7	137,956
Balances at December 31, 2021	1,321,859	(40,253)	-	1,568	58,918	-	1,342,092	7	1,342,099
Treasury shares	-	-	(3,853)	-	-	-	(3,853)	-	(3,853)
Net income for the period	-	-	-	-	-	8,236	8,236	(2)	8,234
Profit allocation (Note 20):									
Retained profits	-	-	-	-	8,236	(8,236)	-	-	-
Balances at June 30, 2022	1,321,859	(40,253)	(3,853)	1,568	67,154	-	1,346,475	5	1,346,480

See accompanying notes.

## Brisanet Participações S.A.

Statements of cash flows  
Six-month period ended June 30, 2022  
(In thousands of reais)

	Individual		Consolidated	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Cash flows from operating activities				
Net income (loss) for the period	<b>8,236</b>	7,313	<b>8,236</b>	7,314
Adjustments to reconcile net income in the period:				
Depreciation and amortization	-	-	<b>124,803</b>	69,491
Residual value upon write-off of PPE and intangible assets	-	-	<b>202</b>	12
Provision for PPE's losses	-	-	<b>4,268</b>	-
Allowance for expected credit losses	-	-	<b>13,228</b>	10,377
Set-up (reversal) of provision for contingencies	-	(5)	<b>784</b>	(1,634)
Equity pickup	<b>(9,773)</b>	(8,728)	-	-
Monetary variation and exchange differences	-	-	<b>57,021</b>	(26,267)
Derivative transactions	-	-	<b>2,305</b>	8,619
Interest on leases	-	-	<b>1,754</b>	1,905
Interest on debentures	-	-	<b>15,811</b>	-
Interest on promissory notes	-	-	<b>619</b>	-
Interest on loans and financing	-	-	<b>55,558</b>	39,628
Appropriation of funding costs	-	-	<b>2,543</b>	-
Short-term investment yield	<b>(9)</b>	-	<b>(32,384)</b>	(2,670)
Deferred income and social contribution taxes	-	-	<b>(1,144)</b>	(2,622)
(Increase) decrease in assets				
Trade accounts receivable	-	-	<b>(30,210)</b>	(27,174)
Inventories	-	-	<b>65</b>	294
Taxes recoverable	-	-	<b>(5,260)</b>	(18,104)
Prepaid expenses	<b>(91)</b>	-	<b>(1,041)</b>	1,177
Judicial deposits	-	-	<b>(207)</b>	(278)
Other assets	<b>(1)</b>	(2)	<b>5,731</b>	7,661
Increase (decrease) in liabilities				
Trade accounts payable	<b>4</b>	56	<b>(119,672)</b>	69,318
Labor and social obligations	<b>1</b>	73	<b>10,153</b>	16,930
Taxes payable	<b>1</b>	19	<b>1,471</b>	16,322
Taxes paid in installments	-	-	<b>(1,185)</b>	(669)
Other accounts payable	<b>(3)</b>	1	<b>17,265</b>	4,346
Cash flows from (used in) operating activities	<b>(1,635)</b>	(1,273)	<b>130,714</b>	173,976
Interest paid	-	-	<b>(71,287)</b>	(44,777)
Income and social contribution taxes paid	<b>(1)</b>	-	<b>(5,294)</b>	(4,936)
Net cash flows from (used in) operating activities	<b>(1,636)</b>	(1,273)	<b>54,133</b>	124,263
Cash flows from investing activities				
Increase in investments and AFAC in subsidiaries	-	(8,170)	-	-
Short-term investments	<b>(6,080)</b>	-	<b>(1,710,316)</b>	(76,020)
Redemption of short-term investments	<b>6,089</b>	-	<b>1,773,581</b>	6,797
Additions to PPE	-	-	<b>(605,962)</b>	(357,087)
Additions to intangible assets	-	-	<b>(21,208)</b>	(10,170)
Intercompany loans received	-	-	<b>(119)</b>	-
Dividends and profits received	<b>4,012</b>	6,481	-	-
Net cash flows from (used in) investing activities	<b>4,021</b>	(1,689)	<b>(564,024)</b>	(436,480)

## Brisanet Participações S.A.

Statements of cash flows (Continued)  
Six-month period ended June 30, 2022  
(In thousands of reais)

	Individual		Consolidated	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Cash flows from financing activities				
Loans and financing raised	-	-	16,712	54,086
Repayment of principal of loans and financing	-	-	(140,328)	(92,719)
Funding of promissory notes, net of funding Costs	-	-	69,380	-
Amortization of the principal of promissory notes	-	-	(2,000)	-
Funding of debentures, net of costs of captures	-	-	-	467,354
Lease payments	-	-	(21,801)	(9,701)
Intercompany loans paid	-	(330)	-	(12,161)
Treasury shares	(3,853)	-	(3,853)	-
Capital increase	-	5,650	-	5,650
Dividends/profits distributed	(533)	(2,205)	(533)	(2,205)
Net cash flows from (used in) financing activities	(4,386)	3.115	(82,423)	410,304
Increase (decrease) in cash and cash equivalents	(2,001)	153	(592,314)	98,087
Cash and cash equivalents				
At beginning of period	3,325	5	1,000,792	171,104
At end of period	1,324	158	408.478	269,191
Increase (decrease) in cash and cash equivalents	(2,001)	153	(592,314)	98,087

See accompanying notes.

## Brisanet Participações S.A.

Statements of value added  
Six-month period ended June 30, 2022  
(In thousands of reais)

	Individual		Consolidated	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Revenues				
Gross operating income less discounts	-	-	526,809	384,545
Allowance for expected credit losses	-	-	(13,228)	(10,377)
Other revenues	40	7	2,113	3,406
Inputs acquired from third parties				
Cost of sales	-	-	(23,596)	(27,177)
Materials, electricity, third-party services and other	(1,025)	(944)	(69,471)	(59,255)
Loss on/recovery of assets	-	(13)	(4,278)	(105)
Other inputs	-	-	(2,252)	(1,581)
Gross value added	(985)	(950)	416,097	289,456
Depreciation and amortization	-	-	(124,803)	(69,491)
Net value added generated	(985)	(950)	291,294	219,965
Value added received in transfer				
Equity pickup	9,773	8,728	-	-
Finance income	9	-	84,844	52,375
Total value added to be distributed	8,797	7,778	376,138	272,340
Distribution of value added				
Taxes, charges and contributions				
Federal	94	77	60,182	46,252
State	-	-	46,253	31,933
Local	-	-	725	644
Other taxes, charges and contributions	-	-	-	2
Personnel				
Salaries	462	385	83,981	73,662
Unemployment Compensation Fund (FGTS)	-	-	7,708	6,351
Benefits	1	1	18,324	18,918
Debt remuneration				
Interest, exchange differences and borrowing costs	4	2	118,306	72,871
Rents	-	-	32,423	14,394
Equity remuneration				
Dividends/profits distributed	-	2,205	-	2,205
Retained profits/losses	8,236	5,108	8,236	5,108
Value added	8,797	7,778	376,138	272,340

See accompanying notes.

# Brisanet Participações S.A. and Consolidated

Notes to interim financial information  
June 30, 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)

June 30, 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	43,886
Cash and cash equivalents	38,417
Short-term investments	1,903
Trade accounts receivable	3,530
Taxes recoverable	1
Other	35
Noncurrent assets	37,593
Trade accounts receivable	843
Taxes recoverable	1
Property, plant and equipment	10,777
Intangible assets	25,972
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)

June 30, 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)

June 30, 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)

June 30, 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)

June 30, 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) 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 August 12, 2022.

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

Notes to interim financial information (Continued)

June 30, 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)

June 30, 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, 2021.

#### 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 June 30, 2022 and December 31, 2021, the Company maintains investments by means of direct subsidiaries, all of which are located in Brazil, as follows:

	<u>06/30/2022</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)

June 30, 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	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Cash	-	-	-	5
Checking accounts and other	12	79	9,488	4,701
Short-term investments:				
Sweep accounts	21	6	2,530	16,617
Bank Deposit Certificates (CDB)	1,291	3,240	395,459	974,727
Debit cards	-	-	1,001	4,742
	<u>1,324</u>	<u>3,325</u>	<u>408,478</u>	<u>1,000,792</u>

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 101.22% at June 30, 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)

June 30, 2022

(In thousands of reais)

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

#### Short-term investments

	<b>Consolidated</b>	
	<b>06/30/2022</b>	<b>12/31/2021</b>
Investment funds (a)	53	21,491
Certificate accounts with lottery prizes (b)	4,407	9,820
CDB (c)	14,949	18,982
	<b>19,409</b>	<b>50,293</b>
Current	19,409	46,693
Noncurrent	-	3,600

(a) Investment funds have variable income (fixed income and multimarket funds), with an average of 96.38% 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 101.51% of the CDI in the second quarter of 2022, with liquidity above 90 days.

### 4. Trade accounts receivable (Consolidated)

	<b>06/30/2022</b>	<b>12/31/2021</b>
Trade accounts receivable	140,885	128,009
Allowance for expected credit losses	(15,186)	(19,293)
Accounts receivable, net	<b>125,699</b>	<b>108,716</b>
Current	125,306	107,873
Noncurrent	393	843

The aging list of trade accounts receivable is as follows:

	<b>06/30/2022</b>	<b>12/31/2021</b>
Falling due	53,817	41,136
Past due:		
1 to 30 days	23,920	28,898
31 to 60 days	5,865	5,524
61 to 180 days	19,275	16,767
181 to 360 days	22,984	17,538
Over 360 days	15,024	18,146
	<b>140,885</b>	<b>128,009</b>
(-) Allowance for expected credit losses	(15,186)	(19,293)
Accounts receivable, net	<b>125,699</b>	<b>108,716</b>

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais)

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

At June 30, 2022, DSO was of 43 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	<b>(19,293)</b>	(20,791)
Set-up	<b>(13,333)</b>	(24,229)
Reversal	<b>105</b>	3,190
Write-off	<b>17,335</b>	22,537
Closing balance	<b><u>(15,186)</u></b>	<u>(19,293)</u>

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>06/30/2022</u>	<u>12/31/2021</u>	<u>06/30/2022</u>	<u>12/31/2021</u>
<b>Assets</b>				
State VAT (ICMS) recoverable	-	-	<b>10,753</b>	10,092
ICMS recoverable on fixed assets	-	-	<b>87,982</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>3,142</b>	5,557
Other taxes recoverable	-	-	<b>704</b>	739
	<b><u>18</u></b>	<u>18</u>	<b><u>102,738</u></b>	<u>97,478</u>
Current	<b>18</b>	18	<b>35,695</b>	42,807
Noncurrent	-	-	<b>67,043</b>	54,671
<b>Current liabilities</b>				
ICMS payable	-	-	<b>7,200</b>	9,963
IRPJ payable	-	-	<b>1,223</b>	2,917
CSLL payable	-	-	<b>476</b>	1,199
PIS and COFINS payable	-	-	<b>3,652</b>	3,094
ISS payable	-	-	<b>113</b>	129
Other taxes payable	<b>34</b>	34	<b>8,425</b>	7,610
	<b><u>34</u></b>	<u>34</u>	<b><u>21,089</u></b>	<u>24,912</u>

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)

June 30, 2022

(In thousands of reais)

### 6. Transactions with related parties

Outstanding balances on the reporting dates are as follows:

	Individual		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Noncurrent assets				
Other related parties				
BWM Consortium (a)	-	-	1,300	1,181
	-	-	1,300	1,181
Current liabilities				
Dividends payable	-	533	-	533
	-	533	-	533

	Consolidated			
	04/01/2022 to 06/30/2022	04/01/2021 to 06/30/2021	01/01/2022 to 06/30/2022	01/01/2021 to 06/30/2021
Statement of profit or loss				
AGILITY Segurança Eletronic (b)	(292)	(93)	(719)	(875)
BWM Consortium (c)	(650)	(499)	(1,129)	(919)
Imobiliária Pau D'arco Ltda. (d)	(9)	(9)	(16)	(19)
JPMF Imobiliária Ltda (d)	-	(103)	(31)	(206)
S&L Locadora de Veículos Ltda (e)	(8,155)	(3,920)	(16,761)	(7,841)
Nosso Atacarejo Comércio de Gêneros Alimentícios Ltda. (f)	(690)	(453)	(1,316)	(920)
Nossa fruta Brasil Indústria de Alimentos Ltda.(g)	(54)	(37)	(96)	(74)
	(9,850)	(5,114)	(20,068)	(10,854)

- (a) BWM Consortium refers to project Cinturão Digital do Ceará (CDC), comprised by Brisanet Serviços 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 1,911 vehicles, in the total estimated amount of R\$2,761/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)

June 30, 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\$9,199

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

Compensation of the key management personnel of the Company and its subsidiaries totaled R\$497 in the period ended June 30, 2022 (R\$620 as of June 30, 2021).

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais)

### 7. Investments (Individual)

#### a) Breakdown

	<b>06/30/2022</b>	<b>12/31/2021</b>
Interests held in subsidiaries		
Brisanet Serviços de Telecomunicações S.A.	<b>1,298,268</b>	1,283,471
Brisanet Gerenciadora de Ativos Ltda.	<b>(2,939)</b>	(3,375)
RPS – Prestação de Serviços de Informática Ltda.	<b>45,005</b>	40,979
Interservice – Serviços de Elaboração de Dados Ltda. - ME	<b>4,832</b>	5,453
Universo Serviços de Telecomunicações Ltda. - ME	-	12,877
	<b>1,345,166</b>	1,339,405
Classified as:		
Investments	<b>1,348,105</b>	1,342,780
Provision for losses on investments	<b>(2,939)</b>	(3,375)
	<b>1,345,166</b>	1,339,405

#### 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	06/30/2022	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)	<b>12,877</b>	-	-	-	<b>(12,877)</b>	-	-
Dividends receivable	<b>38</b>	-	-	-	-	<b>38</b>	(37,744)
Dividends received (ii)	-	-	<b>(4,050)</b>	-	-	<b>(4,050)</b>	(1,023)
Equity pickup	<b>1,882</b>	<b>436</b>	<b>8,076</b>	<b>(621)</b>	-	<b>9,773</b>	5,230
Closing balance	<b>1,298,268</b>	<b>(2,939)</b>	<b>45,005</b>	<b>4,832</b>	-	<b>1,345,166</b>	1,339,405

(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.

(ii) Refers to dividends received from the subsidiary RPS Prestação de Serviços in the amount of R\$4,050 in May 2022.

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais)

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

#### c) Information on investments in subsidiaries

	06/30/2022					
	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	1,298,268	1,882	99.99%	1,298,268	1,882
Brisanet Gerenciadora de Ativos Ltda.	5	(2,939)	436	99.98%	(2,939)	436
RPS – Prestação de Serviços de Informática Ltda.	32,000	45,005	8,076	99.99%	45,005	8,076
Interservice – Serviços de Elaboração de Dados Ltda. - ME	70	4,832	(621)	99.99%	4,832	(621)
					<u>1,345,166</u>	<u>9,773</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)

June 30, 2022

(In thousands of reais)

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

#### a) Breakdown

	Annual average depreciation rate - %	06/30/2022		12/31/2021
		Cost	Accumulated depreciation	Net
Land	-	21,529	-	12,338
Optical fiber cables	5%	279,362	(24,678)	203,862
Network construction	10%	211,366	(19,293)	139,576
Machinery and equipment	10%	75,576	(22,100)	44,131
Furniture and fixtures	10%	4,739	(898)	3,608
Sundry installations (i)	10%	236,741	(34,775)	150,950
Planes and aircraft	10%	1,800	(108)	1,773
Leasehold improvements	15%	765	(76)	704
Computers and peripherals	20%	24,744	(11,479)	13,580
Vehicles	20%	74,095	(17,373)	11,591
Software	20%	176,142	(88,094)	104,969
Electronic equipment	20%	471,056	(161,728)	287,266
Installations (customer activation) (ii)	20%	64,615	(8,024)	24,498
Advances to suppliers (iii)	-	214,405	-	30,484
Imports in progress (iv)	-	58,277	-	52,227
PPE in progress (v)	-	194,483	-	227,919
PPE in supplies room (vi)	-	131,066	-	36,800
		<b>2,240,761</b>	<b>(388,626)</b>	<b>1,852,135</b>

#### b) Changes in balances

	12/31/2021	Additions	Write-offs	Transfers	Provision for PPE's losses	Depreciation	06/30/2022
Land	12,338	5,230	-	3,961	-	-	21,529
Optical fiber cables	203,862	16,844	-	40,685	-	(6,707)	254,684
Network construction	139,576	7,529	-	53,301	-	(8,333)	192,073
Machinery and equipment	44,131	4,957	-	7,179	-	(2,791)	53,476
Furniture and fixtures	3,608	460	-	-	-	(227)	3,841
Sundry installations (i)	150,950	11,843	(28)	49,621	-	(10,420)	201,966
Planes and aircraft	1,773	-	-	-	-	(81)	1,692
Leasehold improvements	704	-	-	-	-	(15)	689
Computers and peripherals	13,580	1,873	-	-	-	(2,188)	13,265
Vehicles	11,591	49,129	(165)	-	-	(3,833)	56,722
Software	104,969	24	(2)	-	-	(16,943)	88,048
Electronic equipment	287,266	1,605	(7)	70,235	(4,268)	(45,503)	309,328
Installations (customer activation) (ii)	24,498	-	-	38,682	-	(6,589)	56,591
Advances to suppliers (iii)	30,484	238,711	-	(54,790)	-	-	214,405
Imports in progress (iv)	52,227	82,494	-	(76,444)	-	-	58,277
PPE in progress (v)	227,919	89,624	-	(123,060)	-	-	194,483
PPE in supplies room (vi)	36,800	103,636	-	(9,370)	-	-	131,066
	<b>1,346,276</b>	<b>613,959</b>	<b>(202)</b>	<b>-</b>	<b>(4,268)</b>	<b>(103,630)</b>	<b>1,852,135</b>

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

June 30, 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
	<b>647,532</b>	<b>833,448</b>	<b>(85)</b>	<b>-</b>	<b>(134,619)</b>	<b>1,346,276</b>

(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)

June 30, 2022

(In thousands of reais)

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

#### Interest capitalization

In the period ended June 30, 2022, the Company and its subsidiaries capitalized interest on loans and financing amounting to R\$17,727 (R\$24,285 as of December 31, 2021).

#### Depreciation capitalization

In the period ended June 30, 2022, the Company and its subsidiaries capitalized depreciation on PPE used in installations, infrastructure and network expansions, in the amount of R\$7,997 (R\$5,760 as of December 31, 2021).

#### Guarantees

As at June 30, 2022, the Company and its subsidiaries recorded PPE items given in guarantee amounting to R\$150,742 (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 June 30, 2022 and December 31, 2021.

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais)

### 9. Intangible assets (Consolidated)

#### Changes in balances

	Average annual amortization rate -					
	%	12/31/2021	Additions	Write-offs	Transfers	06/30/2022
<b>Cost</b>						
Radiofrequency license - GHZ	20%	171,235	-	-	(169,899)	1,336
Software and system licenses	20%	15,717	717	-	(1,336)	15,098
ADM projects	20%	2,476	742	-	-	3,218
Customer portfolio and relationship with the franchisee (a)	7%	32,463	14,804	-	-	47,267
Radiofrequency license 4G (b)	7%	-	-	-	2,804	2,804
Radiofrequency license 5G (b)	5%	-	-	-	168,431	168,431
Software and API development (c)	-	-	4,945	-	-	4,945
Trademarks and patents	-	3	-	-	-	3
<b>Total cost</b>		<b>221,894</b>	<b>21,208</b>	-	-	<b>243,102</b>
<b>Accumulated amortization</b>						
Radiofrequency license - GHZ	20%	(136)	(133)	-	(407)	(676)
Software and system licenses	20%	(2,451)	(1,459)	-	543	(3,367)
ADM projects	20%	(596)	(276)	-	-	(872)
Customer portfolio and relationship with the franchisee (a)	7%	-	(1,207)	-	-	(1,207)
Radiofrequency license 4G (b)	7%	-	(113)	-	(136)	(249)
Radiofrequency license 5G (b)	5%	-	(4,211)	-	-	(4,211)
<b>Total accumulated amortization</b>		<b>(3,183)</b>	<b>(7,399)</b>	-	-	<b>(10,582)</b>
<b>Intangible assets, net</b>		<b>218,711</b>	<b>13,809</b>	-	-	<b>232,520</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>(3,183)</b>
<b>Intangible assets, net</b>		<b>6,721</b>	<b>214,057</b>	<b>(2,067)</b>	<b>218,711</b>



## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais)

### 9. Intangible assets (Consolidated) (Continued)

- (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.
- (b) This refers to radiofrequency licenses amortized over the term of the concession arrangement, which is 15 years for 4G and 20 years for 5G.
- (c) This refers to new and existing software and APIs developed by the Company itself.

### 10. Trade accounts payable (Consolidated)

As at June 30, 2022 and December 31, 2021, breakdown of trade accounts payable is as follows:

	Individual		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Domestic suppliers	4	-	20,456	79,724
Foreign suppliers	-	-	45,904	106,308
	<b>4</b>	<b>-</b>	<b>66,360</b>	<b>186,032</b>

### 11. Loans and financing (Consolidated)

Type	Weighted average rates	06/30/2022	12/31/2021
Working capital	0.66% p.m. - Fixed	20,707	48,240
Working capital	0.17% p.m. + CDI	156,952	251,867
Working capital	0.25% p.m. + TJLP	3,817	7,933
Working capital	0.27% p.m. + TLP	6,012	6,348
Working capital (foreign currency)	0.17% p.m. + CDI	86,145	46,934
PPE financing (CDC)	0.73% p.m. - Fixed	16,085	20,528
PPE financing (FINEM)	0.29% p.m. + TJLP	5,173	7,744
PPE financing (FINEM)	0.23% p.m. + TLP	18,283	26,088
Financing – TR	0.33% p.m. + TR	73,262	53,934
Import financing	0.42% p.m. + exchange rate	85,988	101,232
		<b>472,424</b>	<b>570,848</b>
Current		214,363	236,917
Noncurrent		258,061	333,931

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais)

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

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:

	<u>06/30/2022</u>	<u>12/31/2021</u>
Short-term investments	-	37,768
Sureties and disposals	<b>542,701</b>	570,847
Assets and credit rights given in guarantee	<b>150,742</b>	136,121
	<b>693,443</b>	<b>744,736</b>

Changes in loans and financing are as follows:

	<u>06/30/2022</u>	<u>12/31/2021</u>
Opening balance	<b>570,848</b>	651,747
Funds raised	<b>16,712</b>	216,797
Interest recognized	<b>55,558</b>	59,346
Monetary variation and exchange differences	<b>23,716</b>	7,659
Repayment of principal	<b>(140,328)</b>	(308,197)
Interest paid	<b>(54,082)</b>	(56,504)
Closing balance	<b>472,424</b>	<b>570,848</b>

Noncurrent portions mature as follows:

	<u>06/30/2022</u>	<u>12/31/2021</u>
2023	<b>54,540</b>	135,988
2024	<b>93,821</b>	109,186
2025	<b>60,585</b>	54,986
2026	<b>12,426</b>	9,994
2027	<b>7,178</b>	4,755
2028 onwards	<b>29,511</b>	19,022
	<b>258,061</b>	<b>333,931</b>

#### 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 June 30, 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)

June 30, 2022

(In thousands of reais)

### 12. Debentures (Consolidated)

#### a) Breakdown

	<u>Charges (p.a.)</u>	<u>06/30/2022</u>	<u>12/31/2021</u>
First issue (i)			
Nonconvertible debentures	5.77% p.a. + IPCA	576,471	545,335
(-) Issue costs to be recorded		(27,154)	(29,485)
		<u>549,317</u>	<u>515,850</u>
Current		9,417	8,909
Noncurrent		539,900	506,941

Changes in debentures are as follows:

#### b) Changes

	<u>06/30/2022</u>	<u>12/31/2021</u>
Opening balance	515,850	-
Debentures raised	-	500,000
Monetary restatement	30,631	36,426
Interest	15,811	20,313
Amortization of interest	(15,307)	(11,404)
Debenture costs	-	(32,646)
Amortization of funding costs	2,332	3,161
Closing balance	<u>549,317</u>	<u>515,850</u>

Noncurrent portions mature as follows:

	<u>06/30/2022</u>	<u>12/31/2021</u>
2025	162,052	153,299
2026	162,001	153,250
2027	161,997	153,258
2028 onwards	81,004	76,619
	<u>567,054</u>	<u>536,426</u>
(-) Issue costs to be recorded	(27,154)	(29,485)
	<u>539,900</u>	<u>506,941</u>

#### 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)

June 30, 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 minimum amount of R\$40,000 or 40% of the amount raised.

#### 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 June 30, 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)

June 30, 2022

(In thousands of reais)

### 13. Promissory note

#### a) Breakdown

	<u>Charges (p.a.)</u>	<u>06/30/2022</u>
First issue (i)		
Promissory note not convertible into shares	2.60% p.m. +	71,229
(-) Issue costs to be recorded	CDI	(408)
		<u>70,821</u>
Current		70,821
Noncurrent		-

Changes in promissory notes are as follows:

#### b) Changes

	<u>06/30/2022</u>
Opening balance	-
Raising of promissory notes	70,000
Monetary restatement	2,674
Interest	619
Principal amortization	(2,000)
Interest amortization	(63)
Cost on promissory notes	(620)
Amortization of funding costs	211
Closing balance	<u>70,821</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)

June 30, 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 June 30, 2022 and December 31, 2021, updated at each date of recognition of new capitalizations of the new lease agreements. Nominal rates applied at June 30, 2021 and December 31, 2021 are as follows:

#### Agreements per period and discount rate

<u>Agreement period</u>	<u>Rate % p.a.</u>	
	<u>06/30/2022</u>	<u>12/31/2021</u>
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:

	<u>06/30/2022</u>	<u>12/31/2021</u>
Opening balance	35,490	33,474
Interest recognized	1,754	2,515
Additions due to new agreements	37,373	28,609
Consideration paid	(21,801)	(27,004)
Interest paid	(1,835)	(2,104)
Closing balance	<u>50,981</u>	<u>35,490</u>
Current	25,474	7,958
Noncurrent	25,507	27,532

Agreement maturity and undiscounted installments, reconciled to the balances at June 30, 2022 and December 31, 2021 are analyzed below:

	<u>06/30/2022</u>	<u>12/31/2021</u>
Installment maturity		
2022	22,779	10,035
2023	10,537	9,227
2024	7,947	7,068
2025 onwards	15,918	22,784
Undiscounted amounts	57,181	49,114
Embedded interest	(6,200)	(13,624)
Lease obligation balance	<u>50,981</u>	<u>35,490</u>

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais)

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

Changes in rights of use are as follows:

	<u>06/30/2022</u>	<u>12/31/2021</u>
Opening balance	35,928	34,117
Additions due to new agreements	37,373	28,609
Amortization expenses	<u>(21,771)</u>	<u>(26,798)</u>
Closing balance	<u>51,530</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	57,181	50,981
Potential PIS/COFINS (9.25%)	(5,289)	(4,716)

#### 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 June 30, 2022 and December 31, 2021 are presented below:

	<u>06/30/2022</u>	<u>12/31/2021</u>
Rights of use, net		
NBC TG06(R3) / IFRS 16	51,530	35,928
Amounts including future inflation	<u>54,931</u>	<u>39,672</u>
Variation	<u>3,401</u>	<u>3,744</u>
Lease obligations		
NBC TG06(R3) / IFRS 16	50,981	35,490
Amounts including future inflation	<u>54,346</u>	<u>39,188</u>
Variation	<u>3,365</u>	<u>3,698</u>

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais)

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

	<u>06/30/2022</u>	<u>12/31/2021</u>
Finance costs		
NBC TG06(R3) / IFRS 16	(1,754)	(2,515)
Amounts including future inflation	<u>(1,870)</u>	<u>(2,777)</u>
Variation	<u>(116)</u>	<u>(262)</u>
Depreciation expenses		
NBC TG06(R3) / IFRS 16	(21,771)	(26,798)
Amounts including future inflation	<u>(23,208)</u>	<u>(29,590)</u>
Variation	<u>(1,437)</u>	<u>(2,792)</u>

### 15. Labor and social obligations

	<u>Individual</u>		<u>Consolidated</u>	
	<u>06/30/2022</u>	<u>12/31/2021</u>	<u>06/30/2022</u>	<u>12/31/2021</u>
Salaries and wages	57	57	12,186	14,653
Social charges on salaries and wages	30	29	6,854	7,590
Accrued vacation pay	-	-	23,330	13,753
Social charges on accrued vacation pay and 13 <sup>th</sup> monthly salary	-	-	9,482	5,714
Other	-	-	83	72
	<u>87</u>	<u>86</u>	<u>51,935</u>	<u>41,782</u>

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

	<u>03/31/2022</u>	<u>12/31/2021</u>
Federal (a)	5,685	6,433
State	-	437
	<u>5,685</u>	<u>6,870</u>
Current	909	1,771
Noncurrent	4,776	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 89 installments are not yet due at June 30, 2022.

Changes in taxes paid in installments are as follows:

	<u>06/30/2022</u>	<u>12/31/2021</u>
Opening balance	6,870	7,863
Restatements	250	571
New installment payments	-	458
Amortization of principal and interest	<u>(1,435)</u>	<u>(2,022)</u>
Closing balance	<u>5,685</u>	<u>6,870</u>



## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais)

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

Noncurrent portions mature as follows:

	<u>30/06/2022</u>	<u>12/31/2021</u>
2023	<b>399</b>	798
2024	<b>798</b>	798
2025	<b>798</b>	798
2026	<b>798</b>	798
2027 onwards	<b>1,983</b>	1,907
	<b><u>4,776</u></b>	<b><u>5,099</u></b>

### 17. Provision for contingencies (Consolidated)

As at June 30, 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\$1,713 (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	<b>826</b>	<b>591</b>	<b>67</b>	<b>1,484</b>
Reversal	<b>(635)</b>	-	<b>(65)</b>	<b>(700)</b>
Balance at June 30, 2022	<b><u>1,080</u></b>	<b><u>593</u></b>	<b><u>40</u></b>	<b><u>1,713</u></b>

Additionally, at June 30, 2022, the Company and its subsidiaries recorded civil and labor lawsuits assessed as possible loss in the amount of R\$3,648 (R\$3,040 at December 31, 2021).

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais)

### 18. Other accounts payable

	Individual		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Authorization for use of radiofrequency (5G) (a)	-	-	<b>168,459</b>	160,010
Radiofrequency license - LTE (4G) (b)	-	-	<b>3,033</b>	1,866
(-) Amount adjusted to present value	-	-	<b>(1,030)</b>	(251)
Other obligations payable (c)	-	3	<b>12,618</b>	4,190
	-	3	<b>183,080</b>	165,815
Current	-	3	<b>17,966</b>	4,190
Noncurrent	-	-	<b>165,114</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.

The subsidiary Brisanet Serviços de Telecomunicações S.A. did not record income tax benefit for the period ended June 30, 2022 (R\$686 as of June 30, 2021).

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

June 30, 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).

As of April 2022, the subsidiary Brisanet Serviços de Telecomunicações S.A. obtained accreditation from the state of Pernambuco, through DPC Notice No. 46/2022, published in the Official Gazette of the State of Pernambuco, of March 29, 2022, for use of a tax benefit for a 75% ICMS tax base reduction, according to ICMS Agreement No. 19/18.

In the period ended June 30, 2022, subsidiary Brisanet Serviços de Telecomunicações S.A. recorded ICMS benefits amounting to R\$41,848 (R\$28,489 as of June 30, 2021) as a reduction of ICMS expenses.

### 20. Equity (Individual)

#### a) Capital

At June 30, 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 - %	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Jose Roberto Nogueira	148,185,781	148,185,781	33.00%	33.00%
Paulo Estevam da Silva	35,316,878	35,282,878	7.86%	7.86%
João Paulo Estevam	35,312,878	35,312,878	7.86%	7.86%
Jordão Estevam Nogueira	35,282,878	35,316,878	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)	25,622,100	24,351,500	5.71%	5.42%
Shares – offering	69,332,578	71,853,178	15.44%	15.99%
Treasury shares	1,250,000	-	0.28%	-
Total	449,094,916	449,094,916	100%	100%

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)  
June 30, 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 June 30, 2022 and December 31, 2021, 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\$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.

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 June 30, 2022, the number of shares increased to 25,622,100, corresponding to 5.71% of the capital and of the total issued in this type of share.

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais)

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

#### a) Capital (Continued)

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 June 30, 2022, the Company recorded the amount of R\$ 3,853 referring to the treasury shares.

On May 10, 2022, the allocation of net income for the year ended December 31, 2021, in the amount of R\$2,240, was approved as follows: 5% of net income, equivalent to R\$112, allocated to legal reserve, 25% of net income, equivalent to R\$ 532, fully settled by the date set out at the SGM held on May 31, 2022, the remaining balance of R\$1,596, in accordance with the terms of article 196 of the Brazilian Corporation Law, was allocated to the retained profit reserve, as provided for in the capital budget for the year ending December 31, 2022.

#### 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)

June 30, 2022

(In thousands of reais)

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

#### c) Profit distribution (Continued)

Changes in dividends payable are as follows:

	06/30/2022	12/31/2021
Opening balance	533	-
Mandatory minimum dividends	-	533
Dividends approved	-	2,205
Dividends paid	(533)	(2,205)
Closing balance	-	533

### 21. Net operating revenue (Consolidated)

	Consolidated			
	04/01/2022 to 06/30/2022	04/01/2021 to 06/30/2021	01/01/2022 to 30/06/2022	01/01/2021 to 30/06/2021
Gross sales revenue				
Services provided	273,245	196,880	526,558	384,320
Products resold	92	222	251	225
	<u>273,337</u>	<u>197,102</u>	<u>526,809</u>	<u>384,545</u>
Deductions from gross revenue				
(-) Taxes on revenue				
Tax benefits (Note 19)	(59,789)	(41,875)	(115,121)	(78,761)
	<u>23,055</u>	<u>14,917</u>	<u>41,848</u>	<u>28,489</u>
Net operating revenue	<u>(36,734)</u>	<u>(26,958)</u>	<u>(73,273)</u>	<u>(50,272)</u>

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

	Individual					
	04/01/2022 to 06/30/2022			04/01/2021 to 06/30/2021		
	Administrative expenses	Other operating income (expenses), net	Total	Administrative expenses	Other operating income (expenses), net	Total
	(828)	3	(825)	(1,252)	(6)	(1,258)
By nature:						
Salaries and wages	(277)	-	(277)	(153)	-	(153)
Third-party services	(394)	-	(394)	(76)	-	(76)
General expenses	(157)	-	(157)	(1,022)	-	(1,022)
Other personnel expenses	-	3	3	(1)	(6)	(7)

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais)

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

	Individual					
	01/01/2022 to 06/30/2022			01/01/2021 to 06/30/2021		
	Administrative expenses	Other operating income (expenses), net	Total	Administrative expenses	Other operating income (expenses), net	Total
	(1,580)	40	(1,540)	(1,407)	(6)	(1,413)
By nature:						
Salaries and wages	(554)	-	(554)	(308)	-	(308)
Third-party services	(793)	-	(793)	(76)	-	(76)
General expenses	(232)	-	(232)	(1,022)	-	(1,022)
Other personnel expenses	(1)	-	(1)	(1)	-	(1)
Other	-	40	40	-	(6)	(6)

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais)

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

	Consolidated											
	04/01/2022 to 06/30/2022					04/01/2021 to 06/30/2021						
	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
	(144,382)	(27,576)	(21,299)	(1,953)	(9,690)	(204,900)	(103,221)	(41,120)	(16,098)	(1,578)	(1,674)	(163,691)
By nature:												
Interconnection and means of connection	(7,920)	-	-	-	-	(7,920)	(4,701)	-	-	-	-	(4,701)
Direct connectivity costs (Link)	(6,143)	-	-	-	-	(6,143)	(4,347)	-	-	-	-	(4,347)
Indirect costs of right of way (utility poles)	(14,825)	-	-	-	-	(14,825)	(8,385)	-	-	-	-	(8,385)
Indirect costs of customer activation (a)	-	-	-	-	-	-	(1,284)	-	-	-	-	(1,284)
Salaries and wages	(34,441)	(12,933)	(9,682)	-	-	(57,056)	(22,944)	(13,101)	(7,337)	-	-	(43,382)
Salaries and wages of customer activation (a)	-	-	-	-	-	-	(10,835)	-	-	-	-	(10,835)
Third-party services	(2,616)	(3,182)	(3,112)	-	-	(8,910)	(3,288)	(6,977)	(1,689)	-	-	(11,954)
Advertising and promotion	-	-	(5,190)	-	-	(5,190)	-	-	(5,698)	-	-	(5,698)
Depreciation and amortization	(61,596)	(2,752)	(563)	-	-	(64,911)	(31,465)	(6,017)	(185)	-	-	(37,667)
General expenses	-	(4,196)	(815)	-	-	(5,011)	-	(6,757)	(63)	-	-	(6,820)
Taxes, charges and contributions	-	-	-	(1,953)	-	(1,953)	(10)	-	-	(1,578)	-	(1,588)
Electric power and water	(2,366)	(444)	(8)	-	-	(2,818)	(1,785)	(213)	(33)	-	-	(2,031)
Materials and maintenance	(3,910)	(496)	(210)	-	-	(4,616)	(4,948)	(5,305)	(299)	-	-	(10,552)
Other personnel expenses	(4,715)	(2,643)	(1,572)	-	-	(8,930)	(2,796)	(2,006)	(594)	-	-	(5,396)
Allowance for expected credit losses	-	-	-	-	(6,901)	(6,901)	-	-	-	-	(2,534)	(2,534)
Provision for contingencies	-	-	-	-	(580)	(580)	-	-	-	-	(347)	(347)
Software and projects (b)	(1,449)	(930)	(147)	-	-	(2,526)	458	(744)	(200)	-	-	(486)
Other	(4,401)	-	-	-	(2,209)	(6,610)	(6,891)	-	-	-	1,207	(5,684)



## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais)

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

	Consolidated						Consolidated					
	06/30/2022			06/30/2021			06/30/2022			06/30/2021		
	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
	(281,553)	(56,484)	(44,327)	(4,141)	(17,646)	(404,151)	(184,429)	(76,151)	(29,875)	(2,542)	(8,314)	(301,311)
By nature:												
Interconnection and means of connection	(15,663)	-	-	-	-	(15,663)	(7,221)	-	-	-	-	(7,221)
Direct connectivity costs (Link)	(12,550)	-	-	-	-	(12,550)	(9,497)	-	-	-	-	(9,497)
Indirect costs of right of way (utility poles)	(29,509)	-	-	-	-	(29,509)	(11,624)	-	-	-	-	(11,624)
Indirect costs of customer activation (a)	-	-	-	-	-	-	(4,312)	-	-	-	-	(4,312)
Salaries and wages	(68,669)	(25,487)	(19,590)	-	-	(113,746)	(44,100)	(25,919)	(14,035)	-	-	(84,054)
Salaries and wages of customer activation (a)	-	-	-	-	-	-	(20,189)	-	-	-	-	(20,189)
Third-party services	(4,573)	(6,999)	(7,856)	-	-	(19,428)	(6,365)	(10,462)	(3,081)	-	-	(19,908)
Advertising and promotion	-	-	(10,320)	-	-	(10,320)	-	-	(9,547)	-	-	(9,547)
Depreciation and amortization	(116,890)	(6,960)	(953)	-	-	(124,803)	(57,712)	(11,419)	(360)	-	-	(69,491)
General expenses	-	(7,297)	(1,719)	-	-	(9,016)	-	(13,180)	(748)	-	-	(13,928)
Taxes, charges and contributions	-	-	-	(4,141)	-	(4,141)	(10)	-	-	(2,542)	-	(2,552)
Electric power and water	(4,597)	(1,078)	(11)	-	-	(5,686)	(2,894)	(436)	(33)	-	-	(3,363)
Materials and maintenance	(8,223)	(1,823)	(243)	-	-	(10,289)	(7,994)	(6,133)	-	-	-	(14,127)
Other personnel expenses	(9,730)	(5,228)	(3,366)	-	-	(18,324)	(6,015)	(7,448)	(1,669)	-	-	(15,132)
Allowance for expected credit losses	-	-	-	-	(13,228)	(13,228)	-	-	-	-	(10,377)	(10,377)
Provision for contingencies	-	-	-	-	(775)	(775)	-	-	-	-	1,634	1,634
Software and projects (b)	(2,954)	(1,612)	(269)	-	-	(4,835)	(2,155)	(1,154)	(402)	-	-	(3,711)
Other	(8,195)	-	-	-	(3,643)	(11,838)	(4,341)	-	-	-	429	(3,912)

(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)

June 30, 2022

(In thousands of reais)

### 23. Finance income (costs) (Consolidated)

	04/01/2022 to 06/30/2022	04/01/2021 to 06/30/2021	01/01/2022 to 06/30/2022	01/01/2021 to 06/30/2021
Finance costs				
Interest on loans and financing, debentures and promissory notes	(35,737)	(12,896)	(71,988)	(39,628)
Late-payment interest and fines	(285)	(615)	(842)	(1,014)
Exchange losses	(24,350)	(3,909)	(27,787)	(12,412)
Bank charges	(1,734)	(2,101)	(3,613)	(4,751)
Interest on leases	(840)	(696)	(1,754)	(1,905)
Tax on Financial Transactions (IOF)	(73)	(406)	(247)	(1,125)
Collection fees	(420)	(348)	(872)	(679)
Interest on installment payments	(101)	(171)	(250)	(386)
Derivative transactions – swap	(3,984)	(11,327)	(10,942)	(11,781)
Others	(11)	(19)	(11)	810
	<b>(67,535)</b>	<b>(32,488)</b>	<b>(118,306)</b>	<b>(72,871)</b>
Finance income				
Interest income received	3,062	2,332	5,628	4,224
Short-term investment yield	13,292	2,262	32,384	2,670
Exchange gains	8,855	35,144	37,462	38,679
Derivative transactions – swap	7,471	2,174	7,471	3,162
Other finance income	151	221	1,899	3,640
	<b>32,831</b>	<b>42,133</b>	<b>84,844</b>	<b>52,375</b>
Finance income (costs)	<b>(34,704)</b>	<b>9,645</b>	<b>(33,462)</b>	<b>(20,496)</b>

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

As at June 30, 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\$120 over 6 months, and at 9% for social contribution tax.

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais)

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

Current income and social contribution tax expense is as follows:

	04/01/2022 to 06/30/2022	04/01/2021 to 06/30/2021	01/01/2022 to 06/30/2022	01/01/2021 to 06/30/2021
Taxable profit computed on accounting records: (a)				
Current income tax	-	(1,101)	(3,569)	(2,968)
Tax benefit – income tax reduction (Note 19)	-	248	-	686
Current social contribution tax	-	(412)	(1,284)	(808)
Deferred income and social contribution taxes	3,531	2,862	1,144	2,622
	<b>3,531</b>	1,597	<b>(3,709)</b>	(468)
Taxable profit computed as a percentage of gross revenue: (b)				
Income tax	(1,311)	(2,219)	(2,920)	(3,473)
Social contribution tax	(474)	(938)	(1,060)	(1,211)
	<b>(1,785)</b>	(3,157)	<b>(3,980)</b>	(4,684)
Total income and social contribution tax expenses:				
Current income and social contribution taxes	(1,785)	(4,670)	(8,833)	(8,460)
Deferred income and social contribution taxes	3,531	2,862	1,144	2,622
Tax benefit – income tax reduction (Note 19)	-	248	-	686
	<b>1,746</b>	(1,560)	<b>(7,689)</b>	(5,152)

(a) Subsidiaries Brisanet Serviços de Telecomunicações S.A. 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:

	06/30/2022	31/12/2021
Assets		
Income and social contribution tax losses	21,004	10,582
Temporary differences on allowance for expected credit losses	4,154	4,397
Temporary differences on provision for contingencies	451	235
Temporary differences on derivative transactions	749	9,405
Temporary differences on lease payable	1,344	-
	<b>27,702</b>	24,619
Liabilities		
Temporary differences on derivative transactions	-	(28)
Temporary differences on installation and activation of customers	(17,826)	(6,511)
Lease payable	(173)	(9,521)
	<b>(17,999)</b>	(16,060)
Deferred income and social contribution taxes, net	<b>9,703</b>	8,559

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

June 30, 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

	Consolidated			
	04/01/2022 to 06/30/2022	04/01/2021 to 06/30/2021	01/01/2022 to 06/30/2022	01/01/2021 to 06/30/2021
Income (loss) before income and social contribution taxes	(7,415)	4,325	5,700	(1,470)
Combined statutory rate - 34%	34%	34%	34%	34%
Income and social contribution taxes at statutory rates	2,521	(1,470)	(1,938)	500
Permanent differences				
Tax benefit – income tax reduction (Note 19)	-	248	-	686
Offset - tax loss carryforward	-	-	6,239	-
(Additions) exclusions, net	(2,521)	2,819	(9,154)	(1,654)
Income and social contribution tax expenses	-	1,597	(4,853)	(468)
Effective rate (%)	-	(37%)	(85%)	(32%)

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

	01/01/2022 to 06/30/2022		01/01/2021 to 06/30/2021	
	IRPJ	CSLL	IRPJ	CSLL
Gross revenue	24,256	24,256	34,899	34,899
Gross revenue percentage	32%	32%	32%	32%
	7,762	7,762	11,168	11,168
Finance income	3,748	3,748	2,273	2,273
	11,510	11,510	13,441	13,441
Deducted portion	(120)	-	(120)	-
Gross revenue base	11,390	11,510	13,321	13,441
	(2,920)	(1,060)	(3,473)	(1,211)
Effective rate (%)	26%	9%	26%	9%
	04/01/2022 to 06/30/2022		04/01/2021 to 06/30/2021	
	IRPJ	CSLL	IRPJ	CSLL
Gross revenue	11,773	11,773	17,530	17,530
Gross revenue percentage	32%	32%	32%	32%
	3,767	3,767	5,610	5,610
Finance income	1,230	1,230	2,016	2,016
	4,997	4,997	7,626	7,626
Deducted portion	(60)	-	(60)	-
Gross revenue base	4,937	4,997	7,566	7,626
	(1,311)	(474)	(2,219)	(938)
Effective rate (%)	26%	9%	29%	5%

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais)

### 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.

	01/04/2022 to 30/06/2022	01/04/2021 to 30/06/2021	06/30/2022	06/30/2021
Profit (loss) attributable to Company shareholders	(1.255)	14.551	8,236	7,313
Weighted average number of common shares issued	449.094.916	66.271.991	449,094,916	66,271,991
Basic and diluted earnings (loss) per share – in (R\$)	(0,00)	0,22	0,02	0,11

### 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)

June 30, 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 June 30, 2022 and December 31, 2021, debt ratios are summarized as follows:

	Note	Consolidated	
		06/30/2022	12/31/2021
Total loans and financing	11	<b>472,424</b>	570,848
Total debentures	12	<b>549,317</b>	515,850
Total promissory notes	13	<b>70,821</b>	-
Total lease obligations	14	<b>50,981</b>	35,490
Total derivatives	26	<b>4,729</b>	-
Less: cash and cash equivalents	3	<b>(408,478)</b>	(1,000,792)
Less: short-term investments	3	<b>(19,409)</b>	(46,693)
Less: derivatives	26	<b>(2,531)</b>	(107)
Net debt	A	<b>717,854</b>	74,596
Total equity		<b>1,346,475</b>	1,342,099
Equity plus net debt	B	<b>2,064,329</b>	1,416,695
Financial leverage ratio	A / B	<b>34,77%</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)

June 30, 2022

(In thousands of reais)

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

#### c) Category of financial instruments

	<b>Consolidated</b>	
	<b>06/30/2022</b>	<b>12/31/2021</b>
Financial assets at amortized cost:		
Cash and cash equivalents	<b>408,478</b>	1,000,792
Financial investments	<b>19,409</b>	46,693
Trade accounts receivable	<b>125,699</b>	108,716
Financial assets at fair value through profit or loss		
Derivative transactions	<b>2,531</b>	1,308
	<b>556,117</b>	1,157,509
Financial liabilities at amortized cost:		
Trade accounts payable	<b>66,360</b>	186,032
Loans and financing	<b>472,424</b>	570,848
Debentures	<b>549,317</b>	515,850
Promissory notes	<b>70,821</b>	-
Lease obligations	<b>50,981</b>	35,490
Financial liabilities at fair value through profit or loss		
Derivative transactions	<b>4,729</b>	1,201
	<b>1,214,632</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)

June 30, 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 June 30, 2022, Company subsidiaries recorded allowance for expected credit losses amounting to R\$15,186 (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)

June 30, 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 06/30/2022	Within 6 months	From 6 to 12 months	From 1 to 2 years	From 2 to 5 years	Over 5 years
Trade accounts payable	66,360	53,415	12,945	-	-	-
Loans and financing	472,424	144,122	70,241	184,681	48,183	25,197
Derivatives	4,729	467	-	129	-	4,133
Debentures	549,318	9,417	-	81,031	324,013	134,857
Promissory note	70,821	7,229	63,592	-	-	-
Lease obligations	50,981	14,564	10,910	10,570	7,526	7,411
	<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)

June 30, 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 June 30, 2022, Company subsidiaries presented a consolidated balance receivable of R\$2,531 (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	06/30/2022	12/31/2021
Derivative transactions receivable – Swap	2,531	1,308
	2,531	1,308
Current	250	297
Noncurrent	2,281	1,011
	2,531	1,308

##### Maturity of swap transactions:

	06/30/2022	12/31/2021
2022	249	-
2023	70	297
2024	2,212	1,011
	2,531	1,308

	06/30/2022	12/31/2021
Outstanding swap transactions:		
Loans and financing – book value	85,528	46,935
Loans and financing – fair value	(82,997)	(45,627)
Gain adjustments from financial instruments – swap	2,531	1,308
	2,531	1,308

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

Notes to interim financial information (Continued)

June 30, 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 June 30, 2022 and December 31, 2021, hedging transactions represented 8.67% (R\$ 40,977 / R\$ 472,424) 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 June 30, 2022, derivative financial instruments amounted to R\$ 2,531 (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 June 30, 2022, net realized and unrealized gains (losses) deriving from these contracts were recorded in finance income (costs), and represented consolidated net loss of R\$ 3,471 (loss of R\$ 14,943 as of June 30, 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)

June 30, 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*

06/30/2022		Consolidated			
Instrument/transaction	Probable scenario p.a.	Risk	Current scenario	Scenario II	Scenario III
Working capital	12.41%	CDI increase	(19,478)	(24,347)	(29,217)
Working capital	6.35%	TJLP increase	(242)	(303)	(364)
Working capital	11.30%	TLP increase	(679)	(849)	(1,019)
Working capital (foreign currency)	11.92%	CDI increase	(10,268)	(12,836)	(15,403)
PPE financing (FINEM)	6.41%	TJLP increase	(332)	(414)	(497)
PPE financing (FINEM)	11.51%	TLP increase	(2,104)	(2,630)	(3,157)
Financing - TR	1.59%	TR increase	(1,165)	(1,456)	(1,747)
Financial investments	11.65%	CDI decrease	2,261	1,696	1,131
Projected income (loss)			(32,007)	(41,139)	(50,273)

12/31/2021		Consolidated			
Instrument/transaction	Probable scenario	Risk	Current scenario	Scenario II	Scenario III
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 (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)			(22,915)	(34,447)	(45,983)

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais)

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

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

##### *Currency risk*

<u>06/30/2022</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	5.35	Dollar increase	-	(11,476)	(22,952)
Loans and financing	5.35	Dollar increase	-	(21,497)	(42,994)
Projected income (loss)			-	(32,973)	(65,946)
<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>06/30/2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Financial assets				
Derivative transactions	2,531	-	2,531	-
Financial liabilities				
Derivative transactions	4,729	-	4,729	-

## Brisanet Participações S.A. and Consolidated

Notes to interim financial information (Continued)

June 30, 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:

	06/30/2022	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\$7,650	R\$10,604

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

	Consolidated	
	06/30/2022	06/30/2021
Capitalization of interest (Note 8)	17,727	5,574
Capitalization of depreciation (Note 8)	7,997	-
Write-off of allowance for credit loss (Note 4)	17,335	5,620

### 29. Events after the reporting period

On July 20 of 2022, the Company's Board of Directors approved the first (1<sup>st</sup>) Company issuance of non-privileged unsecured nonconvertible debentures in a single series in the total amount of R\$300,000 (three hundred million reais), subject to a public distribution offering and restricted placement efforts, under the terms of Law No. 6385, of December 7, 1976, as amended by CVM Ruling No. 476, limited to the remuneration of CDI +2.0%, according to bookbuilding, maturing on August 25, 2025 (a maturity of five (5) years).