

**4Q21**  
**EARNINGS**  
**RELEASE**

GRUPO  
**brisanet**

## BRISANET REGISTERED GROSS REVENUE OF R\$238 MILLION IN 4Q21, 36% HIGHER THAN IN 4Q20

**Pereiro, CE, March 24, 2022. Brisanet Participações S.A.** (B3: BRIT3), the largest company among independent internet service providers in Brazil, according to ANATEL's ranking, announces today its results for the fourth quarter of 2021 (4Q21) and the audited numbers for FYE2021.

The financial information presented herein has been prepared in accordance with the International Accounting Standards ("IFRS") and the accounting standards and practices of the Brazilian Corporate Law and the pronouncements, guidelines and interpretations issued by the Accounting Pronouncements Committee ("CPC") and approved by the Brazilian Securities Commission ("CVM").

Founded 23 years ago, **BRISANET** is, according to ANATEL's ranking, the largest Brazilian company among independent internet service providers in the country. With a product portfolio almost 100% in optical fiber and operations focused on the Northeast region of the country, the Company is **one of the 5G regional players** since it acquired last December the right to use 3 radiofrequencies at the 5G Bid promoted by Anatel. The Company will operate these frequencies in two regions – Northeast and MidWest.

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

The Company operates in eight of the nine states of the region - Ceará, Rio Grande do Norte, Paraíba, Pernambuco, Alagoas, Piauí, Sergipe and Maranhão - providing fixed broadband services through optical fiber in 131 cities.

Brisanet	4Q21	4Q20	2021	2020
<b><u>Operating Highlights</u></b>				
Cities served	120	96	120	96
Access Ports - '000	3,234	1,922	3,234	1,922
HP added- '000	702	310	1,900	1,078
Total HP - '000	4,462	2,563	4,462	2,563
HC added- '000	53	69	219	273
Total HC - '000	843	624	843	624
<b><u>Financial Highlights (R\$ million)</u></b>				
Net Revenue	204.5	149.4	728.8	471.8
Gross Margin (%)	43%	47%	45%	50%
Operating Income	20.3	33.6	79.8	85.9
EBITDA	66.5	58.1	237.4	173.5
Adjusted EBITDA	68.5	69.5	271.4	208.1
Adjusted EBITDA Margin (%)	33%	46%	37%	44%
Net Income	1.5	19.9	2.2	29.1
Net Debt	74.6	492.7	74.6	492.7
Net Debt/EBITDA Itm (x)	0.3	2.8	0.3	2.8



## MESSAGE FROM MANAGEMENT

Brisanet's history has always been guided by the search for the new, to bring the future into the present, overcoming all adversities and circumstances. This happened in different ways and at different times: it was like this in 1998, at the beginning of everything, when we carried out the first radio signal tests in the city of Pereiro (CE) and region; in 2011, with the implementation of optical fiber in the city of Pau dos Ferros (RN); and in 2021, when we listed at B3 and were granted 03 lots in the 5G auction (3.5 GHz and 2.3 GHz in the Northeast and 3.5 GHz in the Midwest).

Innovation drives us to always seek the best for our customers, and the achievements of the Brisanet Group in 2021 have taken us to new levels to now solidify our strategies and goals. In 2021 alone, we built around 1.9 million HPs (households), the same amount built between 2011 and 2019, and we are servicing with fixed broadband 120 cities in 8 of the 9 states in the Northeast region. In 2021, we initiated services in 24 new cities and 4 new states - Alagoas, Piauí, Sergipe and Maranhão.

Following this path, the Company added to its client base 219 thousand new customers in a totally organic way, representing a 35% growth, in addition to obtaining a 50% increase in revenue, consolidating itself as the largest broadband provider in the Northeast, according to the National Telecommunications Agency (Anatel), with a total of 843 thousand customers. In 2022, the focus is to occupy the infrastructure that was built throughout 2021, with an estimated growth of the customer base higher than the previous year, since 80% of the new cities were delivered in the second half of the year.

The numbers obtained express a notable advance in the expansion plan that we have built, revealing that our forces are increasingly focused on growth, conquering clients and advancing in facilities to monetize investments made over the last few months. The paths for the results to be achieved need to be optimized, taking advantage of opportunities for gain and productivity on a large scale. Brisanet's track record shows that the company has the means to implement all the necessary infrastructure to launch a significant 5G pilot project in 2022.

In Corporate Governance, in 2021, Brisanet implemented several improvement measures, such as: hiring dedicated professionals with experience in the market; creation of internal regulations for the advisory committees to the Board of Directors; annual calendar of corporate meetings; thematic agenda for strategic meetings; implementation of new policies, rules and procedures; creation of the Code of Ethics; development of new electronic training programs; hiring a 24-hour anonymous reporting channel, operated by an independent company; recurrent dissemination of initiatives; as well as the deliberations focused on internal control, risks and internal audit.

The Company has also progressively advanced to align itself with sustainable development in order to meet the needs of the current generation without compromising future generations. We plan and execute our practices in light of the Sustainable Development Goals (SDGs), we encourage volunteering and social responsibility practices, in addition to drawing up economic and socio-environmental development strategies guided by the premises of the Group's Sustainability Policy, created in 2021. Ongoing projects aim to improve the Company's energy capacity and efficiency, promoting a safe work environment through professional qualification and skills programs.

We ended 2021 with an increase of approximately 2,300 new employees. Through job creation, socioeconomic development, and digital inclusion, we have left a legacy of transformation and social inclusion. The proof of this is that, only in the vicinity of the



Headquarters, Brisnet exerts influence and contributes to the development, directly and indirectly, of nine municipalities: Pereiro (CE), Jaguaribe (CE), Iracema (CE), Ererê (CE), ), São Miguel (RN), Pau dos Ferros (RN), Dr. Severiano (RN), Encanto (RN) and Vem Ver (RN).

We remain proud of Brisnet's trajectory and of all the people who contributed to the achievements of 2021, certain that we will establish a true technological revolution. For this reason, we will continue to promote the continuous growth of employees in line with an administration that is increasingly aligned with our organizational principles. We are confident and prepared to face the challenges that lie ahead. Since the emergence of Brisnet, we have innovated in technology and expanded our operations. Now, more than ever, we are committed to keep working on improving our service levels.

**José Roberto Nogueira**

**CEO**



## 4Q21 HIGHLIGHTS

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- ✓ Net operating revenue grew 37% in 4Q21 when compared to 4Q20 and 8% when compared to 3Q21. This is the result of the Company's organic geographic expansion, having started in 10 new cities in the 4Q21 alone, and in 2021 added 1.9 million homes passed (HP) - the same amount it added from 2011 to 2019.
- ✓ B2C ARPU (average revenue per unit) was R\$92.43 in 4Q21, an increase of 6.8% when compared to 4Q20. In a year in which competitors in the region increased their customer base through M&A and in which small ISPs, even those recently acquired, reduced prices to increase their HC base; the Company, with its successful strategy of organic expansion, increased its average ticket as direct result of the expansion in capitals and the greater penetration in classes A and B.
- ✓ Adjusted EBITDA for non-recurring items were R\$68.5 million, with margin of 33.5%, a 1% drop when compared to 4Q20 due to higher operational costs. The Company is focused on increasing take-up rate for HPs built during 2021 so as to dilute these costs and return to a profitability closer to historical data.
- ✓ On December 26, 2021, Brisagnet Serviços de Telecomunicações S.A., controlled by the Company, paid the first installment of the grant for the 5G radiofrequencies. The remaining 19 installments will be paid each December readjusted by SELIC. Grant balance at December 31, 2021 was R\$160.0 million.
- ✓ On January 31, 2022, the Extraordinary Shareholders Meeting of Brisagnet Serviços de Telecomunicações S.A. approved the incorporation of the net assets of the indirect subsidiary Agility Serviços de Telecomunicações Ltda, in the amount of R\$81.5 million.
- ✓ In the first 2 months of 2022, Brisagnet added 40 thousand customers and started operations in Recife and metropolitan area. The Company already serves 884,000 customers through the Brisagnet brand and 199,000 through the Agility brand and is present in almost 350 cities in the Northeast.

## CONFERENCE CALL

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March 25, 2022 – Friday – 10am (NY Time) – In Portuguese with simultaneous translation to English

Brisagnet – 4Q21 Earnings Release

Please join us for the zoom meeting at:

[https://tenmeetings.com.br/ten-events/#/webinar?evento=ConferênciadeResultadosBrisagnet4T21\\_928](https://tenmeetings.com.br/ten-events/#/webinar?evento=ConferênciadeResultadosBrisagnet4T21_928)

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

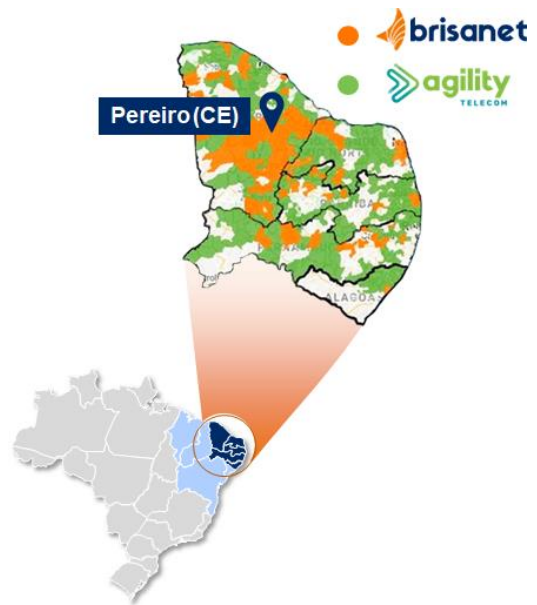
In 2010, the Company became the largest internet radio operator in Brazil, serving more than 30,000 customers in 150 cities in the countryside of the Northeast region. To supply the Company's expansion, managers saw in optical fiber a way to provide more connectivity and began to study different ways 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 131 cities in the states of Alagoas, Ceará, Maranhão Paraíba, Pernambuco, Piauí, Rio Grande do Norte and Sergipe, totaling almost 900,000 subscribers and over 8,000 employees, with a network structure based on its own digital optical fiber belt. In addition to having almost 100 franchisees in Agility Telecom, which together add up to almost 200,000 subscribers in smaller cities and rural districts in these same Northeastern states.





## OPERATING RESULTS

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

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

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

Brisanet also has more than 20,000 km of backbone infrastructure (lanes used to distribute internet to other networks), with 5,000 km added in 2H21, and more than 45,000 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 4Q21, 702,000 HPs and 53,000 customers were added. The drop in take up is normal if we consider that the HPs are released in blocks and that the activation of customers has a curved behavior, accelerating more when the city is fully delivered. In addition, delays from suppliers – notably vehicles – hampered the planning of infrastructure deliveries, which also affected the commercial planning of entry into new cities.

Additionally, the Brazilian scenario of recession and high inflation has impacted, especially in 2H21, the purchasing power of classes C, D and E, which are the Company's main public. The increase in Governmental aid and some other reliefs being released for these classes would tend to soften this scenario throughout 2022 were it not for the recent upward trends for inflation. The expectation for 2022 is that the additions will grow gradually as the newly activated cities become more mature – the historic take up (port occupation) is 30% after 18 months.

The Company continues to estimate a HC base of approximately 1.3 million by the end of 2022. The Brazilian and global economic scenario of inflation and supply restrictions, if intensified, could affect this estimate.

	4Q21	3Q21	4Q20	4Q21 x 4Q20	4Q21 x 3Q21
Access Ports	3,233,606	2,788,221	1,922,020	68%	16%
Added HP	702,228	578,770	309,953	127%	21%
Homes Passed (HP)	4,462,358	3,760,130	2,562,693	74%	19%
Added HC	52,552	61,759	69,385	-24%	-15%
Homes Connected (HC)	843,283	790,731	624,301	35%	7%
Cities served	120	110	96	25%	9%
Churn	2.25%	2.25%	2.02%	11%	0%



Agility Telecom*	4Q21	3Q21
Homes Passed (HP)	92,080	74,713
Added HP	809,833	717,753
Homes Connected (HC)	30,943	11,040
Added HC	190,049	159,106
# of franchisees	94	93

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

The Company continues its organic expansion, with **February having registered the addition of 208,000 HPs**, with this, Brisanet's fiber optic infrastructure is already in front of **4.9 million homes in the Northeast**.

At the end of February, the Company was already present in 131 cities, **servicing a total of 883 thousand customers and already present in Recife**. By the end of the first half of 2022, the Company also intends to start servicing Salvador, concluding horizontal areas in these two large capitals until the end of 2022.

## FINANCIAL RESULTS

### Gross Revenue by product

R\$ million	4Q21	3Q21	4Q20	4Q21 x 4Q20	4Q21 x 3Q21	2021	2020	2021 x 2020
<b>Gross Revenue</b>	<b>237.6</b>	<b>219.4</b>	<b>175.2</b>	<b>35.6%</b>	<b>8.3%</b>	<b>841.6</b>	<b>550.4</b>	<b>52.9%</b>
Broadband	218.3	202.1	156.0	40.0%	8.0%	777.5	510.6	52.3%
B2C	205.5	189.8	144.3	42.4%	8.3%	725.8	471.3	54.0%
B2B	12.8	12.3	11.7	9.3%	3.7%	51.7	39.3	31.6%
Fixed telephony	11.6	10.8	7.8	48.8%	7.8%	40.4	24.4	65.6%
Others	7.6	6.6	11.4	-32.9%	16.5%	23.7	15.4	53.9%
ARPU broadband	\$ 92.43	\$ 90.87	\$ 86.53	6.8%	1.7%	\$ 91.48	\$ 86.57	5.7%

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

The average B2C ticket increased 6.8% compared to 4Q20 and 1.7% compared to 3Q21, evidencing the sale of higher value packages as we advance in capitals and areas with greater economic power - classes A and B. In a year of intensified competition, with several acquisitions by medium-sized ISPs and a drop in prices among small providers, the Company shows that the strategy of service additions and organic expansion, from the periphery to the centers - from the classes C and D for A and B, is a perfect fit from the point of view of increasing internet ticket in environments of greater competition.

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

R\$ million	4Q21	3Q21	4Q20	4Q21 x 4Q20	4Q21 x 3Q21	2021	2020	2021 x 2020
Net Revenue	204.5	190.0	149.4	36.9%	7.6%	728.8	471.8	54.5%





Comparing the fourth quarter of 2021 and the same quarter in 2020, Brisanet's net revenue grew by 36.9%, from R\$149.4 million in 4Q20 to R\$204.5 million in 4Q21. This was mainly due to the increase in the number of subscribers - which increased from 624,301 to 843,283 in December 2021 (+35%) - and the increased share of higher value packages in the customer base.

## Cost of Services

Costs of Services Rendered (In millions of R\$)	4Q21	3Q21	4Q20	4Q21 x 4Q20	4Q21 x 3Q21	2021	2020	2021 x 2020
Personnel	(28.8)	(29.8)	(22.3)	29%	-3%	(113.1)	(64.9)	74%
Clients Activation	-	-	(11.3)	n.m.	n.m.	(24.5)	(34.6)	-29%
Interconnection	(8.9)	(5.2)	(2.0)	346%	72%	(21.3)	(6.6)	2.2
Connectivity	(6.0)	(5.3)	(3.1)	91%	12%	(20.8)	(13.3)	57%
Right of Passage	(11.6)	(11.5)	(4.2)	173%	0%	(34.7)	(19.3)	80%
Utilities	(3.8)	(3.1)	(0.7)	473%	24%	(9.8)	(2.6)	285%
Materials and maintenance	(8.2)	(7.0)	(6.1)	35%	18%	(23.2)	(9.3)	149%
Third-party Services	(3.2)	(4.3)	(0.6)	485%	-25%	(13.9)	(3.6)	285%
Others	(7.8)	(1.5)	(5.9)	32%	413%	(11.5)	(2.6)	349%
Depreciation and Amortization	(38.3)	(35.5)	(23.6)	62%	8%	(131.5)	(80.5)	63%
<b>Total</b>	<b>(116.7)</b>	<b>(103.3)</b>	<b>(79.9)</b>	<b>46%</b>	<b>13%</b>	<b>(404.4)</b>	<b>(237.1)</b>	<b>71%</b>

The Company's Cost of services in 4Q21 totaled R\$116.7 million compared to R\$79.9 million in 4Q20, representing an increase of 46%. Cost rose 13% when compared to 3Q21. Excluding depreciation, cash costs increased 16%, or R\$10.6 million, given the 7% growth in the customer base and the increases in personnel costs with the Collective Bargaining Agreement closed in 4Q, which raised costs by around half of the payroll by 10%, the rest by 4% on average and paid a 30% bonus on one salary. In addition, some items have suffered from inflationary adjustments such as electricity, materials and others.

Within the cost of services provided, when compared to 4Q20, the variation is mainly due to:

- personnel expenses, which rose 29%, or R\$6.5 million, with the growth in the number of employees to support the growth of HPs planned for the year and the growth of the customer base, in addition to the salary adjustment mentioned above;
- depreciation and amortization, which grew R\$11.7 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\$7.4 million due to the 74% increase in the number of HPs, and the fact that we are already paying for poles in cities still under construction;
- the increase in electricity and means of connection are linked not only to the growth of HC but also to the inflationary effect on tariffs and contracts. Some connection means costs in the amount of R\$3.2 million were not being accounted for and the year adjustment was made in 4Q21;
- finally, the increase in link expenses, in the amount of R\$2.9 million, is also related to the 35% increase in the customer base.



## Operational Expenses

Operational expenses (In millions of R\$)	4Q21	3Q21	4Q20	4Q21 x 4Q20	4Q21 x 3Q21	2021	2020	2021 x 2020
Personnel	(29.0)	(26.2)	(15.7)	85%	11%	(104.3)	(63.4)	64%
Third-party Services	(7.3)	(10.9)	-	n.m.	-33%	(31.8)	(6.6)	379%
Marketing expenses	(4.6)	(5.4)	(2.7)	75%	-13%	(19.5)	(9.2)	112%
Taxes and contributions	(2.4)	(0.9)	(0.3)	798%	165%	(5.9)	(2.1)	174%
Provision for doubtful accounts	(7.2)	(3.5)	-	n.m.	106%	(21.0)	(25.5)	-17%
Other Expenses	(9.1)	(6.9)	(15.8)	-43%	32%	(36.0)	(34.9)	3%
Depreciation and amortization	(7.9)	(6.4)	(1.5)	436%	23%	(26.0)	(7.1)	267%
<b>Total</b>	<b>(67.5)</b>	<b>(60.1)</b>	<b>(35.9)</b>	<b>88%</b>	<b>12%</b>	<b>(244.5)</b>	<b>(148.8)</b>	<b>64%</b>

The Company's operating expenses in 4Q21 grew 88% when compared to 4Q20 and 12% when compared to the previous quarter.

The growth in General and Administrative Expenses, excluding depreciation and amortization, was R\$4.7 million when compared to the same quarter of 2020, and is related to 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\$9.1 million higher in 4Q21 when compared to 4Q20, mainly due to higher expenses with vendors, business partners and advertising and marketing. The Company's CAC grew during 2021, also influenced by inflation, but there is room for improvement and the Company is working on optimization initiatives so that it remains around R\$130.

Expenses with provision for doubtful accounts (PCLD) increased in 4Q21 compared to 4Q20, since in that year the adjustment was all in 3Q. When comparing the amounts to the Company's revenue, there was no change.

## EBITDA and Adjusted EBITDA

R\$ million	4Q21	3Q21	4Q20	4Q21 x 4Q20	4Q21 x 3Q21	2021	2020	2021 x 2020
Net Income	1.5	(6.6)	19.9	-92%	n.m.	2.2	29.1	-92%
(+) Income tax and social contribut	2.4	2.6	11.4	-79%	-8%	10.1	14.6	-31%
(+) Net financial result	16.4	30.6	2.3	614%	-46%	67.5	42.1	60%
(+) Depreciation and amortization	46.2	40.6	24.5	89%	14%	157.6	87.6	80%
<b>EBITDA</b>	<b>66.5</b>	<b>67.2</b>	<b>58.1</b>	<b>14%</b>	<b>-1%</b>	<b>237.4</b>	<b>173.5</b>	<b>37%</b>
<b>EBITDA margin (%)</b>	<b>32.5%</b>	<b>35.4%</b>	<b>38.9%</b>	<b>- 6 p.p.</b>	<b>- 3 p.p.</b>	<b>32.6%</b>	<b>36.8%</b>	<b>- 4 p.p.</b>
Non-recurring itens	2.0	5.5	-	n.m.	n.m.	9.5	-	n.m.
Installation services	-	-	11.3	n.m.	n.m.	24.5	34.6	-29%
<b>Adjusted EBITDA</b>	<b>68.5</b>	<b>72.6</b>	<b>69.5</b>	<b>-1%</b>	<b>-6%</b>	<b>271.4</b>	<b>208.1</b>	<b>30%</b>
<b>Adjusted EBITDA Margin (%)</b>	<b>33.5%</b>	<b>38.2%</b>	<b>46.5%</b>	<b>- 13 p.p.</b>	<b>- 5 p.p.</b>	<b>37.2%</b>	<b>44.1%</b>	<b>-7 p.p.</b>

The Company presented in 4Q21 Adjusted EBITDA margin (for non-recurring items) of 33.5% compared to 46.5% in 4Q20. The quarter's margin was impacted by a fixed cost structure to serve a much larger customer base. This is normal during organic growth and the Company believes that we will gradually see a margin improvement as fixed costs are absorbed by a larger customer base.

Non-recurring items in 4Q21 refer to a one-time bonus paid under the collective bargaining agreement signed in December.



## Financial Result

In 4Q21, financial result was an expense of R\$16.4 million, compared to an expense of R\$2.3 million in the same period in 2020. In comparison with 3Q21, the financial result of 4Q21 improved by R\$14.2 million. Despite the growth in interest rates, this improvement is the result of the lower exchange rate variation in the period, since in the 3Q the Real depreciated 8.7% while in the 4Q21 the depreciation was 2.6%. The Company's exposed base is approximately R\$200 million, including international suppliers and financing.

R\$ million	4Q21	3Q21	4Q20	4Q21 x 4Q20	4Q21 x 3Q21	2021	2020	2021 x 2020
Financial revenue	30.6	26.3	25.6	19.3%	16.3%	109.2	66.4	64.5%
Financial expenses	(47.0)	(56.9)	(27.9)	68.2%	-17.5%	(176.7)	(108.5)	62.8%
<b>Net financial result</b>	<b>(16.4)</b>	<b>(30.6)</b>	<b>(2.3)</b>	<b>614.2%</b>	<b>n.m.</b>	<b>(67.5)</b>	<b>(42.1)</b>	<b>60.3%</b>

**Financial income** in 4Q21 mainly reflects the interest from the IPO funds invested in the period, in the amount of R\$20.2 million, and R\$2.0 million from the positive result of derivative operations, basically consisting of swap for exchange rate protection of long-term debts in foreign currency and NDF operations to protect accounts payable with international suppliers. Active exchange rate variations reached R\$5.0 million.

**Financial expenses** basically consisted of: (i) interest expenses in 4Q21 in the amount of R\$30.4 million, an increase of 12.7% in relation to the previous quarter due to the SELIC and IPCA increases in the period, and (ii) foreign exchange variations of R\$9.8 million, due to the 1.4% devaluation of the Real, when comparing 12/31/2021 to 09/30/2021.

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.

For comparison purposes, it is necessary to adjust the financial result breakdowns to reflect the adequacy of some lines, which were, in the financial result note, switched. The change involves interest on loans, exchange rate variation and derivatives lines. The correct values and changes from the published figures are reflected below.

R\$ million	1Q21		2Q21		3Q21		4Q21	4Q21 x 3Q21 Adjusted
	Pub.	Adjusted	Pub.	Adjusted	Pub.	Adjusted		
<b>Net financial result</b>	(30.1)	(30.1)	9.6	9.9	(30.6)	(31.0)	(16.4)	<b>-47.0%</b>
Financial Expenses	(40.4)	(40.3)	(32.5)	(32.2)	(56.9)	(57.2)	(47.0)	-17.9%
Interest on Loans/Debentures	(25.9)	(10.7)	(12.9)	(15.3)	(13.3)	(26.9)	(30.4)	12.8%
Exchange rate variation	(8.5)	(24.3)	(3.9)	(3.0)	(39.8)	(24.9)	(9.8)	-60.7%
Derivatives	(0.5)	(0.7)	(11.3)	(9.2)	0.2	(1.8)	(3.4)	90.1%
Others	(5.5)	(4.7)	(4.4)	(4.8)	(4.0)	(3.6)	(3.5)	-4.2%
Financial Revenue	10.2	10.2	42.1	42.2	26.3	26.3	30.6	16.4%
Interest on Cash Investment	0.4	0.4	2.3	2.3	11.4	11.4	20.2	77.3%
Exchange rate variation	3.5	2.2	35.1	35.6	4.4	5.2	5.0	-4.8%
Derivatives	1.0	4.2	2.2	(0.2)	6.2	5.3	2.0	-61.5%
Others	5.3	3.4	2.6	4.4	4.3	4.3	3.3	-23.0%



## Indebtedness

R\$ million	Dec/2021	Dec/2020	Var. (%)
<b>Gross Debt</b>	<b>1,122.1</b>	<b>673.5</b>	<b>66.6%</b>
(-) Cash and cash equivalents	1,000.8	171.1	484.9%
(-) Short-term investments	46.7	9.7	n.m.
<b>Net Debt</b>	<b>74.6</b>	<b>492.7</b>	<b>-84.9%</b>

Brisanet had a gross debt of R\$1.1 billion in December 2021, earmarked for investment in the geographic expansion of its fiber optic network. Gross debt comprises loans and financing, debentures, lease obligations and derivative transactions.

Considering cash and financial investments at the end of the period of R\$1.0 billion, the Company had a net debt of R\$74.6 million, compared to a net debt of R\$492.7 million at the end of 2020. This is due the inflow of funds from the IPO last July.

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

Type	Weighted average rates	2021	2020
Working capital	0.66% p.m. - Fixed	<b>48,240</b>	54,879
Working capital	0.17% p.m. + CDI	<b>251,867</b>	340,449
Working capital	0.25% p.m. + TJLP	<b>7,933</b>	13,304
Working capital	0.27% p.m. + TLP	<b>6,348</b>	11,340
Working capital (foreign currency)	0.17% p.m. + CDI	<b>46,934</b>	-
PPE financing (CDC)	0.73% p.m. - Fixed	<b>20,528</b>	26,800
PPE financing (FINEM)	0.29% p.m. + TJLP	<b>7,744</b>	12,652
PPE financing (FINEM)	0.23% p.m. + TLP	<b>26,088</b>	55,262
Financing - TR	0.33% p.m. + TR	<b>53,934</b>	-
PPE financing (Brazilian Financing Fund for the Northeast - FNE)	0.21% p.m. + IPCA	-	44,448
Import financing	0.42% p.m. + exchange rate	<b>101,232</b>	92,613
		<b>570,848</b>	651,747
Current		<b>236,917</b>	251,877
Noncurrent		<b>333,931</b>	399,870

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%.

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

## Capex

R\$ million	2021	2020	Var. (%)
<b>Capex</b>			
Additions to PPE <sup>1</sup>	827.7	403.4	105.2%
(-) PPE in progress	(214.5)	(13.2)	n.m.
(-) Advances to Suppliers	(25.4)	(1.2)	n.m.
(-) Imported equipment in transit	(16.8)	(7.2)	134.0%
Additions to Intangible Assets	216.0	5.0	n.m.
<b>Capex Adjusted - 'In Operations'</b>	<b>786.9</b>	<b>386.8</b>	<b>103.5%</b>

<sup>1</sup> See note # 9 of the FYE 2021 FS

<sup>2</sup> See note #10 of the FYE2021 FS, R\$168.4 mm were related to 5G and only R\$8.4 were paid in 2021



In 2021, Brisanet invested, when measured by additions to property, plant and equipment and intangibles, the amount of R\$1.05 billion, compared to R\$408 million in 2020.

Of this R\$1.05 billion, R\$168.4 million correspond to the right to use 5G radio frequencies, to be paid in 20 annual installments adjusted by SELIC, with the first installment having been paid in December 2021.

Of the remaining R\$884.7 million, R\$256.7 million was added to the lines of property, plant and equipment in progress, property, plant and equipment in warehouse, advances to suppliers and imports in progress. These items represent amounts already committed or spent, but which are not yet in operation, that is, they are investments made that are not linked to the generation of results.

The remaining R\$622.4 million was invested in the Company's organic expansion:

- 1.9 million HPs,
- 280 thousand customer installations – base growth and replacement,
- approximately 400 LTE sites, and
- R\$20 million in land for data centers and vehicles for expansion, R\$52 million in Agility Telecom and R\$80 million in backbone and DWDM (backbone lighting).

## NOTICES

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### Conference Call

March 25, 2022 – Friday - 10 am (NY Time) – In Portuguese with Simultaneous translation to English

Brisanet – 4Q21 Earnings Release

Join the Zoom Meeting

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

### Investor Relations

Phone. +55 88 2105-0288

E-mail: falecomri@grupobrisanet.com.br

Website: ri.brisanet.com.br

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



## ATTACHMENT I – INCOME STATEMENTS

	Consolidated - R\$ '000				
	4Q21	3Q21	4Q20	2021	2020
Net operating revenue	204,470	190,012	149,397	728,755	471,774
Cost of services	(116,689)	(103,311)	(79,917)	(404,429)	(237,141)
<b>Gross profit</b>	<b>87,781</b>	<b>86,701</b>	<b>69,480</b>	<b>324,326</b>	<b>234,633</b>
<b>Operating expenses</b>					
Administrative expenses	(37,209)	(36,613)	(26,516)	(149,973)	(86,591)
Selling expenses	(20,711)	(18,645)	(11,564)	(69,231)	(34,693)
Tax expenses	(2,424)	(914)	(270)	(5,880)	(2,143)
Other operating revenue (expenses), net	(7,143)	(3,950)	2,490	(19,407)	(25,350)
<b>Earnings before financial result and taxes</b>	<b>20,294</b>	<b>26,579</b>	<b>33,620</b>	<b>79,835</b>	<b>85,856</b>
Financial revenues	30,581	26,286	25,628	109,242	66,416
Financial expenses	(46,979)	(56,914)	(27,924)	(176,729)	(108,528)
<b>Net financial result</b>	<b>(16,398)</b>	<b>(30,628)</b>	<b>(2,296)</b>	<b>(67,487)</b>	<b>(42,112)</b>
<b>Income (Loss) before income tax and social contribution</b>	<b>3,896</b>	<b>(4,049)</b>	<b>31,324</b>	<b>12,348</b>	<b>43,744</b>
Income tax and social contribution	(2,377)	(2,576)	(11,435)	(10,105)	(14,621)
<b>Income (Loss) for the period</b>	<b>1,519</b>	<b>(6,625)</b>	<b>19,889</b>	<b>2,243</b>	<b>29,123</b>

Agility Telecom	4Q21	3Q21	2021
<b>(R\$ million)</b>			
<b>Net revenue</b>	<b>3.2</b>	<b>2.4</b>	<b>5.7</b>
Cost of services	(2.8)	(3.0)	(5.8)
<b>Gross profit</b>	<b>0.5</b>	<b>(0.6)</b>	<b>(0.1)</b>
<b>Gross Margin (%)</b>	<b>14%</b>	<b>-24%</b>	<b>-10%</b>
Administrative Expenses	(0.5)	(1.2)	(1.7)
<b>Operational results</b>	<b>(0.1)</b>	<b>(1.8)</b>	<b>(1.8)</b>
Net financial expenses	0.1	(0.3)	(0.2)
Taxes	(1.0)	0.1	(0.9)
<b>Net Loss</b>	<b>(1.0)</b>	<b>(2.0)</b>	<b>(3.0)</b>





## ATTACHMENT II – BALANCE SHEET

	Consolidated - In R\$ '000		Consolidated - In R\$ '000	
	December 2021	December 2020	December 2021	December 2020
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	1,000,792	171,104		
Short-term investments	46,693	9,665		
Trade accounts receivables	107,873	69,555		
Inventories	3,713	525		
Taxes recoverable	42,807	18,424		
Derivative operations	297	3,701		
Prepaid expenses	1,851	1,398		
Other assets	12,913	12,627		
<b>Total current assets</b>	<b>1,216,939</b>	<b>286,999</b>		
<b>Noncurrent assets</b>				
Short-term investments	3,600	6,480		
Accounts receivable	843	-		
Taxes recoverable	54,671	23,166		
Transactions with related parties	1,181	1,153		
Court-related deposits	2,142	905		
Derivative operations	1,011	8,217		
Prepaid expenses	2,462	778		
Deferred income and social contribution ta	8,559	2,144		
Other assets	38	38		
Rights-of-use	35,928	34,117		
Property, plant and equipment	1,346,276	647,532		
Intangible assets	218,711	6,721		
<b>Total noncurrent assets</b>	<b>1,675,422</b>	<b>731,251</b>		
<b>Total assets</b>	<b>2,892,361</b>	<b>1,018,250</b>		
<b>Liabilities and equity</b>				
<b>Current liabilities</b>				
Suppliers	186,032	137,229		
Loans and financing	236,917	251,877		
Debentures	8,909	-		
Lease obligations	7,958	5,562		
Labor and social obligations	41,782	27,100		
Taxes payable	24,912	18,100		
Taxes paid in installments	1,771	1,274		
Derivative operations	983	151		
Other accounts payable	4,723	499		
<b>Total current liabilities</b>	<b>513,987</b>	<b>441,792</b>		
<b>Noncurrent</b>				
Loans and financing	333,931	399,870		
Debentures	506,941	-		
Lease obligations	27,532	27,912		
Transactions with related parties	-	12,161		
Taxes paid in installments	5,099	6,589		
Derivative operations	218	-		
Provision for contingencies_Others	162,554	2,729		
	1,036,275	449,261		
<b>Equity</b>				
Capital	1,281,606	66,209		
Income reserve	60,486	60,982		
	1,342,092	127,191		
Noncontrolling interest	7	6		
<b>Total equity</b>	<b>1,342,099</b>	<b>127,197</b>		
<b>Total liabilities and equity</b>	<b>2,892,361</b>	<b>1,018,250</b>		



## ATTACHMENT III – STATEMENT OF CASH FLOW

	Consolidated - In R\$ '000	
	2021	2020
Cash flow from operating activities		
Net income (loss) for the period	2,243	29,123
Adjustments to reconcile income (loss) for the period:		
Depreciation and amortization	157,575	87,618
Residual value upon write-off of PPE and intangible asse	2,152	1,960
Allowance for doubtful accounts	21,039	25,454
Provision for contingencies	(1,800)	791
Monetary and exchange variation	44,085	4,407
Derivative operations	11,660	(11,767)
Interest on leases	2,515	2,781
Interest on loans and financing and debentures	82,820	49,562
Short-term investment income	(34,297)	(1,551)
Deferred income and social contribution taxes	(6,415)	189
(Increase) decrease in assets		
Trade accounts receivable	(60,200)	(35,724)
Inventories	(3,188)	246
Taxes recoverable	(55,888)	(20,144)
Prepaid expenses	(2,137)	(2,023)
Court-related deposits	(1,237)	(163)
Other assets	(286)	(4,908)
Increase (decrease) in liabilities		
Suppliers	48,803	111,431
Labor and social obligations	14,682	9,395
Taxes payable	24,868	20,995
Taxes paid in installments	(993)	(803)
Other accounts payable	165,316	(294)
<b>Cash from (used in) operating activities</b>	<b>411,317</b>	<b>266,575</b>
Interest paid	(70,012)	(26,216)
Income tax and social contribution paid	(18,056)	(19,285)
<b>Net cash from (used in) operating activities</b>	<b>323,249</b>	<b>221,074</b>
Cash flows from investing activities		
Short-term investments	149	(9,887)
Additions to Property, plant and equipment	(827,688)	(403,368)
Additions to intangible assets	(215,975)	(4,990)
Intercompany loans received	(28)	47
<b>Net cash from (used in) investing activities</b>	<b>(1,043,542)</b>	<b>(418,198)</b>
Cash flows from financing activities		
Loans and financing raised	684,151	474,435
Amortization of principal of loans and financing	(308,197)	(120,581)
Lease paid	(27,004)	(20,077)
Intercompany loans paid	(12,161)	5,292
Capital increase	1,215,397	
Dividend/Profits distributed	(2,205)	(9,651)
<b>Net cash from (used in) financing activities</b>	<b>1,549,981</b>	<b>329,418</b>
<b>Increase (Decrease) in cash and cash equivalents</b>	<b>829,688</b>	<b>132,294</b>

