

**1Q22**

**EARNINGS**

**RELEASE**

GRUPO  
**brisanet**

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

**Pereiro, CE, May 12, 2022. Brisagnet Participações S.A.** (B3: BRIT3), the largest company among independent internet service providers in Brazil, according to ANATEL's ranking, and leader in fixed broadband in the Northeast, today announces its results for the first quarter of 2022 (1Q22) compared to the first quarter of 2021 (1Q21), unless otherwise indicated.

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

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

The Company operates in eight of the nine states of the region - Ceará, Rio Grande do Norte, Paraíba, Pernambuco, Alagoas, Piauí, Sergipe, Maranhão and Bahia - providing fixed broadband services through optical fiber in 142 cities (April data).

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



## 1Q22 HIGHLIGHTS

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

## CONFERENCE CALL

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

Brisanet – 1Q22 Earnings Release

Please join us for the zoom meeting at:

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

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



## BRIEF HISTORY

Brisanet was founded in 1998, in the city of Pereiro, in the semiarid region of the State of Ceará, in Brazil. The Company was created with the aim of providing internet via radio, with quality and affordable prices in the interior of the Northeast, 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.

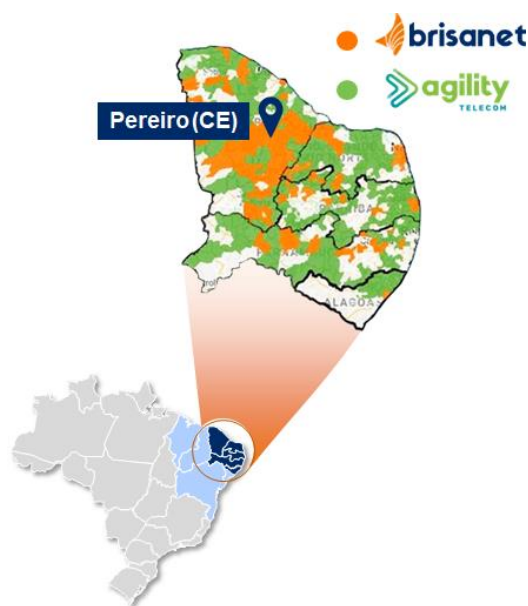
In 2010, the Company became the largest internet radio operator in Brazil, serving more than 30,000 customers in 150 cities in the countryside of the Northeast region. To supply the Company's expansion, managers saw in optical fiber a way to provide more connectivity and began to study different ways 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 142 cities in the states of Alagoas, Bahia, Ceará, Maranhão Paraíba, Pernambuco, Piauí, Rio Grande do Norte and Sergipe, totaling more than 933,000 subscribers and over 8,000 employees, with a network structure based on its own digital optical fiber belt and organic expansions. In addition to having almost 100 franchisees in Agility Telecom, which together add up to more than 206,000 subscribers in smaller cities and rural districts in these same Northeastern states.



## OPERATING RESULTS

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

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

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

Brisanet also has more than 23,500 km of backbone infrastructure (lanes used to distribute internet to other networks) and more than 50,000 km of FTTH (fiber-to-the-home). The FTTH modality corresponds to the fiber optic transmission network architecture where the network reaches the customer's residence, coming directly from the service provider's distribution box.

**In 1Q22, 641,000 HPs and 66,000 customers were added.** In 2022, the Company estimates that net additions will grow gradually, as recently added cities become more mature and as the Company adds new clients from the 19 new cities added in this first quarter – these cities represent roughly half the new cities expected for the year.

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

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

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

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



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

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

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

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

## FINANCIAL RESULTS

### Gross Revenue by product

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

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

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

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

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




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

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

## Cost of Services

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

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

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

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



## Operational Expenses

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

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

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

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

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

## EBITDA and Adjusted EBITDA

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





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

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

## Financial Result

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

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

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

**Financial expenses** basically consisted of: (i) interest expenses in 1Q22 in the amount of R\$35.9 million, an increase of 18.2% in relation to the previous quarter due to the SELIC and IPCA increases in the period and the increase in the base with the inclusion of the installments readjustments related to the 5G spectrum, (ii) operations with derivatives in the amount of R\$7.0 million - the derivatives are basically swap for exchange protection of long-term debts in foreign currency and dollar locks in NDF transactions to protect accounts payable with international suppliers, and (ii) foreign exchange variations in the amount of R\$3.4 million.

Although the debt in foreign currency is partially protected from variations through exchange rate swap instruments, the effects of the currency impact the line of exchange variations, being partially offset by the positive result of operations with derivatives.

## Indebtedness

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



Brisanet had a gross debt of R\$1.1 billion in March 2022, earmarked for investment in the geographic expansion of its fiber optic network. Gross debt comprises loans and financing, debentures, promissory notes, lease obligations and derivative transactions.

Considering cash and financial investments at the end of the period of R\$518.6 million, the Company had a net debt of R\$628.4 million, compared to a net debt of R\$74.6 million at the end of 2021. Most of this resource is invested in instruments with liquidity of less than 90 days and with an average yield in the period of 112.16% CDI.

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

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

Find below the breakdown for loans and financing:

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

On February 25, 2022, the Company, through its subsidiary, Brisanet Serviços de Telecomunicações S.A., issued its 1st promissory note (PN), in 4 series, of 5 promissory notes, in the total amount of R\$70 million, having been the object of public distribution, with restricted placement efforts aimed at professional investors, without guarantees. The PN has a term of 12 months and interest of CDI+2.6% p.a. As of March 31, 2022, the balance was R\$70.2 million.

On March 15, 2021, the Company issued debentures, non-convertible into shares, in the amount of R\$500 million, which will be settled in semiannual installments, with initial maturity in March 2025 and ending in March 2028. These debentures bear interest/ remuneration equivalent to the IPCA + 5.7694%. As of March 31, 2022, the balance was R\$522.3 million.

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



## Capex

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

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

In 1Q22, Brisagnet invested, when measured by additions to property, plant and equipment and intangibles, the amount of R\$498.4 million, compared to R\$151.3 million in the first quarter of 2021.

Of this amount, just around R\$230 million corresponds to the purchase of equipment for the assembly of 5G ERBs (radio base stations). This purchase is registered in Advances to suppliers and aims to enable the implementation of the 5G pilot project by the end of 2022.

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

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

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

## NOTICES

### Conference Call

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

Brisagnet – 1Q22 Earnings Release

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## Investor Relations

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Website: 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.*



## ATTACHMENT I – INCOME STATEMENTS

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



## ATTACHMENT II – BALANCE SHEET

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



## ATTACHMENT III – STATEMENT OF CASH FLOW

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

