



## BRISANET PARTICIPAÇÕES S.A.

### 2Q21 Results

**BRISANET STARTS TRADING ON B3 AND RAISES R\$1.25 BILLION FOR THE EXPANSION OF THE COMPANY**

*Brisanet's shares began trading on B3 on July 29, 2021, in the Novo Mercado Segment (B3: BRIT3), with the highest standards of corporate governance.*

**BRIT**  
B3 LISTED NM



**Pereiro, CE, August 16, 2021. 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 second quarter of 2021 (2Q21).

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 22 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 with operations focused on the Northeast region of the country, the Company also operates through its subsidiary **AGILITY TELECOM**, which provides internet services under the franchise model.

In the five states in which it operates, Ceará, Rio Grande do Norte, Paraíba, Pernambuco and Alagoas, Brisanet has more than one third of the optical fiber broadband market. This important achievement was obtained without neglecting the quality of its services and prioritizing customer satisfaction. That is how, even in a year in which its customer base grew by almost 80%, the Company obtained four out of seven of the highest scores in the "ANATEL Satisfaction Survey", with the highest score in the country's Northeast region and in Brazil, as a whole.

To expand its growth, the Company carried out a successful IPO on B3 - the Brazilian Stock Exchange - raising proceeds of R\$1.25 billion, which will be used mainly for the expansion of its network, in order to maintain the Company's organic growth.

In July 2021, Brisanet shares began trading on B3 under the trading code BRIT3. The Company's IPO resulted in a volume of R\$1.25 billion, as mentioned, and launched almost 90 million common shares in the market. It is also important to highlight that the Company has listed its shares in the Novo Mercado segment of B3, which ensures the highest standards of Corporate Governance.

## 2Q21 HIGHLIGHTS

- ✓ **Issue, on March 15, 2021, of R\$ 500 million of the 1<sup>st</sup> Debentures, exempt of income tax, by Brisanet Serviços - a wholly owned subsidiary of Brisanet Participações S.A., with a brA+ rating by S&P Global Ratings.**
- ✓ **66% growth of net operating revenue in 2Q21 over 2Q20. This result is due to the Company's geographic expansion, which only in 2Q21 entered 4 new cities, and since June 2020 added 1.1 million homes passed (HP) and 268,000 homes connected (HC).**
- ✓ **IPO at B3, launching 90 million shares in the Novo Mercado segment, raised R\$1.25 billion.**
- ✓ **Brisanet was the Company, among the five largest of its segment, that added the most customers in the 1<sup>st</sup> half of 2021, according to ANATEL, ending the period with 736,000 subscribers, 57% higher than in June last year. The Company is the fourth largest in Brazil, the largest amongst the regional players.**

| Brisanet                                  | 2Q21  | 1Q21  | 2Q20  | 1H21  | 1H20  |
|---|-------|-------|-------|-------|-------|
| <b>Operating Highlights</b>               |       |       |       |       |       |
| Cities served                             | 100   | 96    | 93    | 100   | 93    |
| Access Ports - '000                       | 2,317 | 2,107 | 1,498 | 2,317 | 1,498 |
| HP Added- '000                            | 280   | 247   | 245   | 527   | 513   |
| HP Total- '000                            | 3,089 | 2,809 | 1,997 | 3,089 | 1,997 |
| HC Added- '000                            | 62    | 51    | 65    | 112   | 117   |
| HC Total- '000                            | 737   | 675   | 469   | 737   | 469   |
| <b>Financial Highlights (R\$ million)</b> |       |       |       |       |       |
| Net Revenue                               | 170.2 | 164.1 | 102.3 | 334.4 | 200.3 |
| Gross Margin (%)                          | 39%   | 51%   | 52%   | 45%   | 52%   |
| Operating Income                          | 6.5   | 26.5  | 30.3  | 33.0  | 32.7  |
| EBITDA                                    | 44.1  | 58.3  | 49.2  | 102.5 | 69.7  |
| Adjusted EBITDA                           | 58.2  | 70.7  | 57.7  | 128.9 | 84.1  |
| Adjusted EBITDA Margin (%)                | 34%   | 43%   | 56%   | 39%   | 42%   |
| Net Income                                | 14.5  | (7.2) | 11.9  | 7.3   | (6.8) |
| Net Debt                                  | 773.6 | 493.0 | n.a.  | 773.6 | n.a.  |
| Net Debt/EBITDA ltm (x)                   | 3.8   | 2.9   | n.a.  | 3.8   | n.a.  |

| Agility Telecom | 2Q21 |
|-----------------|------|
|-----------------|------|

**Operating Highlights**

|                  |     |
|------------------|-----|
| HP - '000        | 643 |
| HC - '000        | 148 |
| # of franchisees | 93  |

**Financial Highlights (R\$ million)**

|                  |       |
|------------------|-------|
| Net Revenue      | 1.4   |
| Gross Income     | 0.8   |
| Gross Margin (%) | 54%   |
| Operating Income | 0.5   |
| Net Loss         | (0.2) |

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

**CONFERENCE CALL**

August 17, 2021 – Tuesday – 9AM (NY Time) – In English

Brisanet – 2Q21 Earnings Release

Join the Zoom Meeting

<https://zoom.us/j/93638883118?pwd=UzdtNUFpN1c0SzNqby9oWnhtZmlmQT09>

Meeting ID: 936 3888 3118

Password: 451955

Dial by your location - +1 929 205 6099 US (New York)

Find your local number: <https://zoom.us/u/aDie9lgco>

## MESSAGE FROM MANAGEMENT

### **New challenges and the commitment to expand the Brazilian Northeast optical fiber coverage**

The first half of 2021 was marked by the emergence of new challenges and the motivation to honor the commitment to expand our network's coverage in the Northeast. In June, for the first time in our history, we were ranked as the fourth largest fixed broadband services supplier in Brazil, in terms of access numbers, with approximately 736,000 subscribers, according to data released by ANATEL. This number represents a growth of more than 100,000 customers, for the period.

With this significant increase in the number of customers, the Group's job creation has also advanced. Aiming at preparing ourselves for the accelerated growth ahead, our company hired more than 2,100 new employees in the first six months of the year, achieving an average of 350 new jobs per month, the highest hiring rate in the organization's history. Of these 2,100, 60% were hired for expansion and operations, 23% for the commercial area and the remaining for the administrative areas. This number demonstrates our commitment to continue contributing to the development of the Brazilian Northeastern regions, through the generation of employment and income.

Today, we have the largest market share among optical fiber internet providers in the Northeast, thus serving the states of Alagoas, Ceará, Paraíba, Pernambuco and Rio Grande do Norte. Although our services are consolidated in these areas, the expansion of our geographic coverage does not stop. As a result, the implementation of our network moves towards new states, such as Piauí, where we started in July and Sergipe, where clients should start coming in September.

The Brisanet Group also continues to expand through Agility Telecom, which seeks to strengthen providers in small towns and rural communities. In the first six months of the year, municipalities such as Quixelô (CE), Brejo do Cruz (PB), Goiana (PE) and Jardim de Piranha (RN) were awarded the infrastructure of our franchise network. Through Agility, we will continue to provide technological quality to strengthen our operations and cover more and more northeastern regions that still lack network access.

As Brisanet expands and consolidates, new possibilities also emerge. After 22 years of history, our listing on the B3 Stock Exchange honors all the effort and maturity of the Brisanet Group. Our obligations after the IPO will pose new challenges, but we are confident of our long-term commitment to our business and to our new stakeholders.

We are determined, intensely and relentlessly, to pursue excellence in all the principles of Corporate Governance. Transparency in all aspects of the organization; equity in the treatment of interested parties; accountability with clarity and precision; and responsibility, fundamentals that should add even more value to our capital, mitigating risks, while taking advantage of business opportunities. Our interests are aligned with the best governance and compliance practices in order to preserve and add value with a long-term vision.

We believe that the Company's solid growth is directly related to our ability to develop people, coupled with strong investments in technology and network infrastructure. We continue the mission to positively impact humanity, while breeding know-how, producing social and technological inclusion. We are sure that we have found the right path.

## 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.

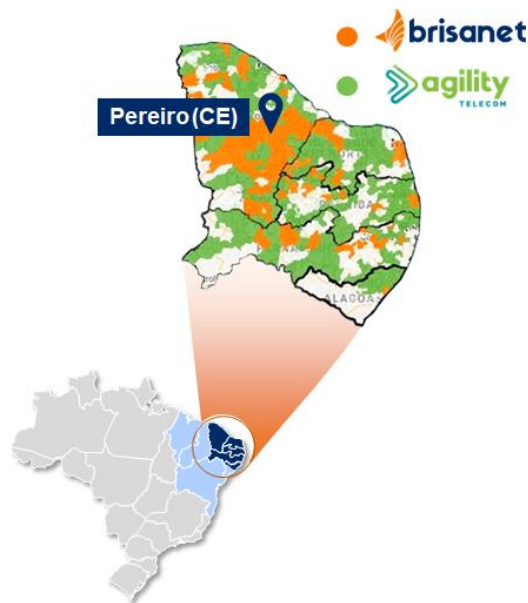
In 2000, as a result of the expansion of its business, the Company's operations already covered several cities in the state of Ceará, such as Pereiro, Jaguaribe, Icó and Limoeiro do Norte, and in the state of Rio Grande do Norte, such as São Miguel and Pau dos Irons. In the same year, the Company had 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 and served around 350,000 subscribers in 90 Northeastern cities, using optical fiber technology.

Today, the Company operates as an internet provider via optical fiber, cable TV, music streaming, fixed and mobile telephony. Brisanet serves around 100 cities in the states of Alagoas, Ceará, Paraíba, Pernambuco and Rio Grande do Norte, totaling more than 736,000 subscribers and almost 7,000 employees, with a network structure based on its own digital optical fiber belt. In addition to having more than 100 franchisees in Agility Telecom, which together add up to more than 150,000 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 the customers' one. In addition, the Company's growth in services to local offices has resulted in increased levels of capillarity and customer satisfaction, as a more specialized and individualized services for each region become possible.

The Company has a fully integrated state-of-the-art data center structure, which guarantees quality and stability in internet access, through remote monitoring and management of data centers in real time.

Brisanet also has more than 16,000 km of backbone infrastructure (paths used to distribute internet to other networks), with almost 1,000 km added in 2Q21, and close to 42,000 km of FTTH (fiber-to-the-home) cables. The FTTH modality corresponds to the optical fiber transmission network architecture where the network reaches the subscriber residence, coming directly from the distribution box of the company providing the service.

|                              | 2Q21      | 1Q21      | 2Q20      | 2Q20 x<br>2Q21 | 1Q21 x<br>2Q21 |
|------------------------------|-----------|-----------|-----------|----------------|----------------|
| Access Ports                 | 2,317,068 | 2,107,014 | 1,497,655 | 55%            | 10%            |
| Homes Passed (HP) - Added    | 280,072   | 246,659   | 245,188   | 14%            | 14%            |
| Homes Passed (HP) - Total    | 3,089,424 | 2,809,352 | 1,996,873 | 55%            | 10%            |
| Homes Connected (HC) - Added | 61,759    | 50,508    | 65,044    | -5%            | 22%            |
| Homes Connected (HC) - Total | 736,580   | 674,821   | 468,896   | 57%            | 9%             |
| Cities served                | 100       | 96        | 93        | 8%             | 4%             |
| Churn                        | 2.46%     | 2.02%     | 2.63%     | -6%            | 22%            |

| Agility Telecom*             | 2Q21    |
|------------------------------|---------|
| Homes Passed (HP) - Added    | 81,760  |
| Homes Passed (HP) - Total    | 643,040 |
| Homes Connected (HC) - Added | 15,910  |
| Homes Connected (HC) - Total | 148,066 |
| # of franchisees             | 93      |

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

The remarkable capillarity obtained by the Company results from an increase in its number of customers at a compound annual rate ("CAGR") of 58% in the last 2.5 years, associated with the organic growth of the Company. HP growth is even more important, having increased at a CAGR of 88% in the same period.

This pace is even more accelerated in the beginning of the second half, **with July having already registered the addition of 199,000 HPs**, almost the same amount added in 2Q21, which was impacted by the delay of some equipment necessary for the expansion.

At the end of July, the Company was already present in 101 cities, including two Northeastern state capitals, Teresina, in the state of Piauí, and Aracaju, in the state of Sergipe. **In July 2021, the Company had a total of 754,477 clients.**

## FINANCIAL RESULT

### Gross Revenue by product

| R\$ million          | 2Q21         | 1Q21         | 2Q20         | 2Q21x<br>2Q20 | 2Q21 x<br>1Q21 | 1H21         | 1H20         | 1H21 x<br>1H20 |
|----------------------|--------------|--------------|--------------|---------------|----------------|--------------|--------------|----------------|
| <b>Gross Revenue</b> | <b>197.1</b> | <b>187.4</b> | <b>120.6</b> | <b>63.4%</b>  | <b>5.2%</b>    | <b>384.5</b> | <b>233.5</b> | <b>64.7%</b>   |
| Broadband            | 180.8        | 173.3        | 111.9        | 61.6%         | 4.4%           | 354.1        | 216.4        | 63.6%          |
| B2C                  | 169.1        | 161.1        | 103.5        | 63.4%         | 4.9%           | 330.2        | 199.1        | 65.8%          |
| B2B                  | 11.8         | 12.1         | 8.4          | 40.1%         | -3.1%          | 23.9         | 17.3         | 38.3%          |
| Fixed telephony      | 10.1         | 9.3          | 5.3          | 89.8%         | 9.4%           | 19.4         | 10.3         | 88.2%          |
| Others               | 6.2          | 4.9          | 3.4          | 81.4%         | 25.0%          | 11.1         | 6.8          | 63.6%          |
| ARPU broadband       | \$ 88.47     | \$ 87.32     | \$ 86.39     | 2.4%          | 1.3%           | \$ 87.92     | \$ 86.57     | 1.6%           |

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) – which reached almost R\$500 thousand in revenues in 2Q21 - among others, which increase the average ticket acquired by a customer and the perception of the Company's own value.

As can be seen, more than 90% of the Company's gross revenue comes from fixed broadband services through optical fiber.

In the comparison between the second quarter of the current year and the same quarter in 2020, Brisanet's net revenue grew 66.4%, from R\$ 102.3 million in 2Q20 to R\$ 170.2 million in 2Q21. This was mainly due to the increase in the number of subscribers - from 468,896 to 736,580, in June 2021 (+57%).

Broadband ARPU increased 2.4% when compared to 2Q20, proving the increase in higher speed combos as we advance in state capitals and higher purchasing power areas.

### Cost of Services and Operating Expenses

| R\$ million                     | 2Q21           | 1Q21           | 2Q20          | 2Q21x<br>2Q20 | 2Q21 x<br>1Q21 | 1H21           | 1H20           | 1H21 x<br>1H20 |
|---------------------------------|----------------|----------------|---------------|---------------|----------------|----------------|----------------|----------------|
| Personnel                       | (51.1)         | (48.1)         | (24.2)        | 111%          | 6%             | (99.2)         | (55.1)         | 80%            |
| Clients Activation              | (12.1)         | (12.4)         | (8.5)         | 43%           | -2%            | (24.5)         | (24.2)         | 1%             |
| Connectivity                    | (4.3)          | (5.2)          | (5.9)         | -27%          | -17%           | (9.5)          | (8.5)          | 12%            |
| Right of Passage                | (8.4)          | (2.9)          | (8.2)         | 3%            | 185%           | (11.3)         | (10.7)         | 6%             |
| Rents                           | (1.4)          | (1.7)          | -             | n.m.          | -18%           | (3.1)          | (0.6)          | 417%           |
| Materials and maintenance       | (7.2)          | (3.6)          | 0.5           | n.m.          | 102%           | (10.8)         | (3.9)          | 176%           |
| Third-party Services            | (12.0)         | (7.9)          | (2.9)         | 314%          | 51%            | (19.9)         | (7.3)          | 172%           |
| Marketing and Advertising       | (5.7)          | (3.9)          | (1.7)         | 235%          | 46%            | (9.6)          | (4.1)          | 134%           |
| Software                        | (0.3)          | (2.5)          | (1.1)         | -73%          | -88%           | (2.8)          | (1.9)          | 47%            |
| Provision for Doubtful Accounts | (2.5)          | (7.9)          | (0.1)         | n.m.          | -68%           | (10.4)         | (11.9)         | -13%           |
| Others                          | (21.0)         | (9.7)          | (1.1)         | 1809%         | 116%           | (30.7)         | (2.4)          | 1179%          |
| Depreciation and Amortization   | (37.7)         | (31.8)         | (18.9)        | 99%           | 19%            | (69.5)         | (37.0)         | 88%            |
| <b>Total</b>                    | <b>(163.7)</b> | <b>(137.6)</b> | <b>(72.0)</b> | <b>127%</b>   | <b>19%</b>     | <b>(301.3)</b> | <b>(167.6)</b> | <b>80%</b>     |

The Company's total costs and expenses amounted to R\$164 million in 2Q21, when compared to R\$72 million, in 2Q20. It is worth noting that 2Q20 was the quarter most

impacted by the COVID-19 pandemic in terms of cost reductions; not only recording a decrease in personnel expenses, due to government incentives and a slight reduction in staff, but also an expansion freeze, which resulted in reduced expenses on food, fuel and materials, during the period.

Brisanet's costs of services grew by 104%, or R\$54 million, from R\$49 million in 2Q20, to R\$103 million - in 2Q21.

This variation within the costs of services is mainly due to: (i) personnel expenses - which rose 116% - or R\$20 million, with the growth in the number of employees to support the growth of HPs planned for the year and a larger customer base; (ii) a R\$13 million higher depreciation and amortization due to the growth in assets and PPE resulting from the expansions carried out; (iii) R\$8 million higher direct costs, mainly due to lower expenses than usual with renovations, materials in 2Q20 - due to the lower base and stoppages related to the COVID-19 pandemic, as well as higher costs with channel licenses readjusted by a higher inflationary index, which is currently being renegotiated; and (iv) higher expenses with Materials and Maintenance, in the amount of R\$4 million, due to the expansion of the Company's service network and also by the increase in inputs prices - notably fuels and electric power - both due to the impact of inflation registered in the period.

Administrative expenses grew by R\$25 million, or 152%, compared to 2Q20. Personnel expenses accounted for R\$8 million, depreciation for R\$6 million and expenses with third-party services for R\$11 million. These increases are due to the Company's structural preparations to go public as well as to support its growth expansion.

Selling expenses grew by R\$11 million, when comparing 2Q21 with the same quarter of last year. Personnel and marketing expenses accounted for this increase, with R\$5 million for personnel, related to a larger customer base, and R\$4 million for advertising and promotion, due to higher investments in branding at the state capitals.

Also noteworthy is the decrease in the provision for expected credit losses, which went from R\$7.8 million in 1Q21, to R\$2.5 million in 2Q21.

### EBITDA and Adjusted EBITDA

| R\$ million                          | 2Q21         | 1Q21         | 2Q20         | 2Q20 x 2Q21 | 1Q21 x 2Q21 | 1H21         | 1H20         | 1H21 x 1H20 |
|--------------------------------------|--------------|--------------|--------------|-------------|-------------|--------------|--------------|-------------|
| Net Income                           | 14.5         | (7.2)        | 11.9         | 22%         | n.m.        | 7.3          | (6.8)        | n.m.        |
| (+) Income tax and social contributi | 1.6          | 3.6          | 2.0          | -23%        | -57%        | 5.2          | 5.4          | -5%         |
| (+) Net financial result             | (9.6)        | 30.1         | 16.3         | n.m.        | n.m.        | 20.5         | 34.1         | -40%        |
| (+) Depreciation and amortizatio     | 37.7         | 31.8         | 18.9         | 100%        | 18%         | 69.5         | 37.0         | 88%         |
| <b>EBITDA</b>                        | <b>44.1</b>  | <b>58.3</b>  | <b>49.2</b>  | <b>-10%</b> | <b>-24%</b> | <b>102.5</b> | <b>69.7</b>  | <b>47%</b>  |
| <b>EBITDA margin (%)</b>             | <b>25.9%</b> | <b>35.5%</b> | <b>48.1%</b> | <b>-46%</b> | <b>-27%</b> | <b>30.6%</b> | <b>34.8%</b> | <b>-12%</b> |
| Non-recurring itens                  | 2.0          | 0.0          | 0.0          | n.m.        | n.m.        | 2.0          | 0.0          | n.m.        |
| Installation services                | 12.1         | 12.4         | 8.5          | 43%         | -2%         | 24.5         | 14.4         | 71%         |
| <b>Adjusted EBITDA</b>               | <b>58.2</b>  | <b>70.7</b>  | <b>57.7</b>  | <b>1%</b>   | <b>-18%</b> | <b>128.9</b> | <b>84.1</b>  | <b>53%</b>  |
| <b>Adjusted EBITDA Margin (%)</b>    | <b>34.2%</b> | <b>43.1%</b> | <b>56.4%</b> | <b>-39%</b> | <b>-21%</b> | <b>38.6%</b> | <b>42.0%</b> | <b>-8%</b>  |

The Company's Adjusted EBITDA, excluding indirect costs and labor installation services - which started to be accounted for as of July 2021 - in the amount of R\$12.1 million, and non-recurring expenses related to the Company's IPO - in the amount of R\$ 2 million - was R\$58.2 million in 2Q21, a 1% increase, when compared to the same period in 2020. Adjusted EBITDA margin was 34.2% in 2Q21.



Adjusted EBITDA did not grow in line with revenues mainly due to the impacts of higher expenses deriving from the largest structure for the accelerated growth, start of operations in larger cities, capitals, and metropolitan regions, as well as the listing of the Company's shares. In addition, in 2Q20, EBITDA was favored by labor benefits associated with the pandemic; in the approximate amount of R\$600,000; by the 5% reduction in the headcount and by the stop of expansion movements, which were resumed in 2H20.

Compared to 1Q21, Adjusted EBITDA dropped 21% mainly due to higher fixed costs, mostly related to personnel, as the Company is already structured to absorb the expansion in the coming months.

### Financial Result

In 2Q21, the financial result was an income of R\$ 9.6 million, compared to an expense of R\$ 16.3 million, in the same period of the previous year. Compared to 1Q21, the financial result for 2Q21 improved by R\$ 30.1 million.

| R\$ million                 | 2Q21       | 1Q21          | 2Q20          | 2Q20 x<br>2Q21 | 1Q21 x<br>2Q21 | 1H21          | 1H20          | 1H21 x<br>1H20 |
|-----------------------------|------------|---------------|---------------|----------------|----------------|---------------|---------------|----------------|
| Financial revenue           | 42.1       | 10.2          | 7.9           | 431.2%         | 311.4%         | 52.4          | 10.0          | 425.7%         |
| Financial expenses          | (32.5)     | (40.4)        | (24.3)        | 33.8%          | -19.6%         | (72.9)        | (44.1)        | 65.3%          |
| <b>Net financial result</b> | <b>9.6</b> | <b>(30.1)</b> | <b>(16.3)</b> | <b>n.m.</b>    | <b>n.m.</b>    | <b>(20.5)</b> | <b>(34.1)</b> | <b>-39.9%</b>  |

**Financial income** in the period analyzed was mainly affected by the 12% appreciation of the Brazilian Real against the USD, since almost all necessary inputs are imported ones, and by approximately 20% of loans and financing are denominated in foreign currency. Active exchange variations increased from R\$ 7.7 million to R\$ 35.1 million in 2Q21.

**Financial expenses** increased, mainly due to higher interest expenses in the amount of R\$ 12.9 million, resulting from the increase in the Company's indebtedness in the period and due to R\$ 11.3 million in derivative transactions aimed at hedging our foreign currency exposure.

Although more than half of this indebtedness in foreign currency is protected from exchange variations through exchange swap instruments, the effects on the local currency still negatively impact the line of exchange variations, in addition to operations with derivatives.

### Net Income

In the second quarter of 2021, net income was R\$ 14.5 million, an increase of R\$ 2.6 million over the same period in 2020. The main reasons for the variations are related to the factors mentioned above.

### Indebtedness

| R\$ million                   | Jun/2021       | Dec/2020     | Var. (%)     |
|-------------------------------|----------------|--------------|--------------|
| <b>Gross Debt</b>             | <b>1,121.1</b> | <b>673.7</b> | <b>66.4%</b> |
| (-) Cash and cash equivalents | 269.2          | 171.1        | 57.3%        |
| (-) Short-term investments    | 78.4           | 9.7          | 710.8%       |
| <b>Net Debt</b>               | <b>773.6</b>   | <b>493.0</b> | <b>56.9%</b> |

In June 2021, Brisanet presented a Gross Debt of R\$1,121 million, earmarked for investments in the geographic expansion of its optical fiber network. Gross debt is composed by financing, debentures, leasing obligations and derivative operations.

Considering cash and short-term investments at the end of the period of R\$347 million, the Company's net debt totaled R\$774 million, compared to R\$493 million at the end of 2020. It is also worth mentioning, that 78% of the debt has long-term maturity.

The Company adopts the policy of contracting hedging instruments to protect financial transactions carried out in foreign currency. These operations are carried out with the same credit operations in order to avoid any mismatching of positions. On June 30, 2021, total debt in foreign currency represented 15% of the Company's gross debt.

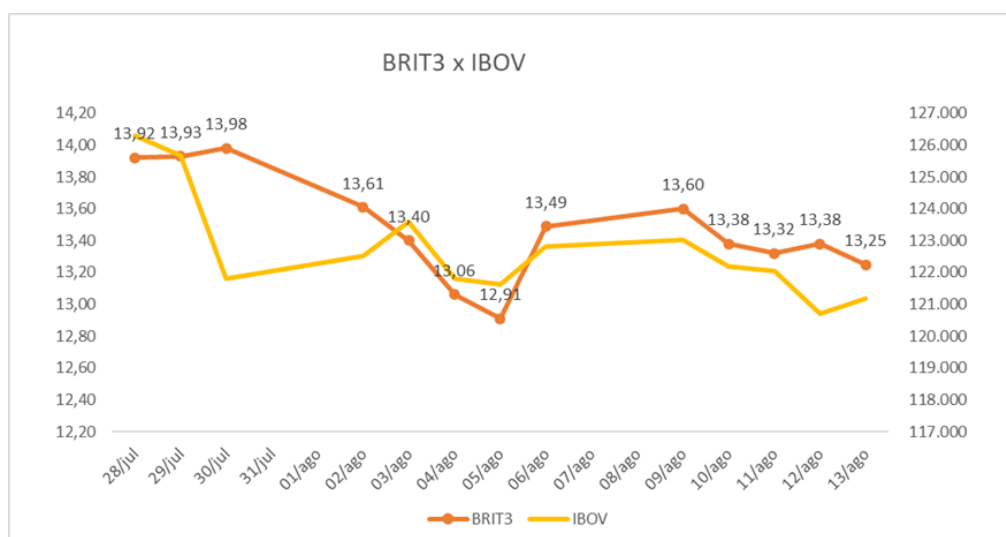
On March 15, 2021, the Company issued debentures, non-convertible into shares, in the amount of R\$500,000, which will be settled in semiannual installments, with initial maturity in March 2025 and ending in March 2028. These debentures bear interest/remuneration equivalent to the IPCA + 5.7694%.

### Capex

Throughout 2021, Brisanet added 385,000 ports, expanding into eight new cities and a continuous growth in areas where it was already present. In addition, almost 50,000 ports were added at Agility Telecom and almost 900 km added to our backbone. This growth was reflected in the greater cash flow destined to investments, in the amount of R\$367 million during the first half of 2021, representing 110% of the net revenue for the year. About 38% of this Capex was represented by an increase of R\$148 million in imports and fixed assets in progress, therefore associated with equipment and buildings which are not yet concluded or activated. In the first half of 2020, capex was R\$153 million, R\$213 million lower than in 1H21.

### CAPITAL MARKETS

Since the beginning of its trading on B3, on July 29, 2021, until August 13, Brisanet's shares (BRIT3) have shown a depreciation of 4.8%, compared to a depreciation of 4.0% of the Ibovespa Index, with an average daily trading volume of R\$9.8 million, excluding the first trading day, when it was R\$172.3 million.



## COVID-19

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Considering the last 15 months, the impacts of the pandemic caused by Covid-19 did not affect the Company's cash flow nor the Company's and its subsidiaries' revenues, as there was a significant increase in the number of customers with greater demand for internet access, which led to an increase of cash generation and cash equivalents. In addition to the increase in the number of customers, there was a significant improvement in the accounts receivables turnover and a reduction in the average collection period.

The lockdown caused circulation restrictions for other sectors and the society itself. However, with this restriction, there was a growth in demand for internet access, which caused a significant increase in the number of customers of the Group, during this period of the pandemic. This increase, in its turn, resulted in a significant positive impact until the third quarter of 2020. In certain quarters, such as 2Q20, margins were positively affected by the increase in revenues and lower costs, arising from the reduction in the workforce and benefits granted by the Brazilian Federal Government.

In line with government decrees, the Company has also adopted all measures to guarantee health protocols and full feasibility of the activities' routine of our employees, suppliers and customers, including the adoption of videoconferences for meetings and training, home office work and personalized remote customer service, in addition to other safety measures.

Currently, with the restrictions of the lockdown, the national economy suffered from the increase in input prices. For the Company, this effect was marginal, mainly impacting fuel expenses and imported inputs, affected by the devaluation of the Brazilian Real.

## NOTICES

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### Conference Call

August 17, 2021 – Tuesday – 9AM (NY Time) – In English

Brisanet – 2Q21 Earnings Release

Join the Zoom Meeting

<https://zoom.us/j/93638883118?pwd=UzdtNUFpN1c0SzNqby9oWnhtZmlmQT09>

Meeting ID: 936 3888 3118

Password: 451955

Dial by your location

+1 929 205 6099 US (New York)

Find your local number: <https://zoom.us/u/aDie9lgco>

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*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 – FINANCIAL STATEMENTS

|  | Consolidated - R\$ '000 |                 |                 |                 |                 |
|--|-------------------------|-----------------|-----------------|-----------------|-----------------|
|  | 2Q21                    | 1Q21            | 2Q20            | 1H21            | 1H20            |
| Net operating revenue  | 170,144                 | 164,129         | 102,303         | 334,273         | 200,317         |
| Cost of services   | (103,221)               | (81,208)        | (49,062)        | (184,429)       | (95,255)        |
| <b>Gross profit</b>  | <b>66,923</b>           | <b>82,921</b>   | <b>53,241</b>   | <b>149,844</b>  | <b>105,062</b>  |
| <b>Operating expenses</b>                                      |                         |                 |                 |                 |                 |
| Administrative expenses  | (41,120)                | (35,031)        | (16,316)        | (76,151)        | (37,423)        |
| Selling expenses   | (16,098)                | (13,777)        | (5,318)         | (29,875)        | (14,638)        |
| Tax expenses   | (1,578)                 | (964)           | (525)           | (2,542)         | (1,707)         |
| Other operating revenue (expenses), net                        | (1,674)                 | (6,640)         | (778)           | (8,314)         | (18,560)        |
| <b>Earnings before financial result and taxes</b>              | <b>6,453</b>            | <b>26,509</b>   | <b>30,304</b>   | <b>32,962</b>   | <b>32,734</b>   |
| Financial revenues   | 42,133                  | 10,242          | 7,932           | 52,375          | 9,962           |
| Financial expenses   | (32,488)                | (40,383)        | (24,276)        | (72,871)        | (44,094)        |
| <b>Net financial result</b>                                    | <b>9,645</b>            | <b>(30,141)</b> | <b>(16,344)</b> | <b>(20,496)</b> | <b>(34,132)</b> |
| <b>Income (Loss) before income tax and social contribution</b> | <b>16,098</b>           | <b>(3,632)</b>  | <b>13,960</b>   | <b>12,466</b>   | <b>(1,398)</b>  |
| Income tax and social contribution                             | (1,560)                 | (3,592)         | (2,033)         | (5,152)         | (5,429)         |
| <b>Income (Loss) for the period</b>                            | <b>14,538</b>           | <b>(7,224)</b>  | <b>11,927</b>   | <b>7,314</b>    | <b>(6,827)</b>  |

| Agility Telecom            | 2Q21         |
|----------------------------|--------------|
| <b>(R\$ million)</b>       |              |
| <b>Net revenue</b>         | <b>1.4</b>   |
| Cost of services           | (0.7)        |
| <b>Gross profit</b>        | <b>0.8</b>   |
| <b>Gross Margin (%)</b>    | <b>54%</b>   |
| Administrative Expenses    | 0.3          |
| <b>Operational results</b> | <b>0.5</b>   |
| Net financial expenses     | (0.5)        |
| Taxes                      | (0.2)        |
| <b>Net Loss</b>            | <b>(0.2)</b> |



## ATTACHMENT II – BALANCE SHEET

|   | Consolidated - R\$ '000 |              |                                   | Consolidated - R\$ '000 |              |
|---|-------------------------|--------------|-----------------------------------|-------------------------|--------------|
|   | Jun 31. 2021            | Dec 31. 2020 |                                   | Jun 31. 2021            | Dec 31. 2020 |
| <b>Assets</b>                             |                         |              | <b>Liabilities and equity</b>     |                         |              |
| <b>Current Assets</b>                     |                         |              | <b>Current liabilities</b>        |                         |              |
| Cash and cash equivalents                 | 269,191                 | 171,104      | Suppliers                         | 175,973                 | 137,229      |
| Short-term investments                    | 78,368                  | 9,665        | Loans and financing               | 214,674                 | 251,877      |
| Trade accounts receivables                | 86,352                  | 69,555       | Debentures                        | 11,566                  | -            |
| Inventories                               | 231                     | 525          | Lease obligations                 | 14,593                  | 5,562        |
| Taxes recoverable                         | 20,194                  | 18,424       | Labor and social obligations      | 44,030                  | 27,100       |
| Derivative operations                     | 2,306                   | 3,701        | Taxes payable                     | 29,486                  | 18,100       |
| Prepaid expenses                          | 999                     | 1,398        | Taxes paid in installments        | 1,551                   | 1,274        |
| Other assets                              | 5,177                   | 12,627       | Derivative operations             | 458                     | 151          |
| Total current assets                      | 462,818                 | 286,999      | Other accounts payable            | 4,846                   | 499          |
|   |                         |              | Total current liabilities         | 497,177                 | 441,792      |
| <b>Noncurrent assets</b>                  |                         |              | <b>Noncurrent</b>                 |                         |              |
| Short-term investments                    | 9,670                   | 6,480        | Loans and financing               | 387,352                 | 399,870      |
| Taxes recoverable                         | 39,500                  | 23,166       | Debentures                        | 468,183                 | -            |
| Transactions with related parties         | 942                     | 1,153        | Lease obligations                 | 27,927                  | 27,912       |
| Court-related deposits                    | 1,183                   | 905          | Transactions with related parties | -                       | 12,161       |
| Derivative operations                     | 3,248                   | 8,217        | Taxes paid in installments        | 5,643                   | 6,589        |
| Prepaid expenses                          | -                       | 778          | Derivative operations             | 1,948                   | -            |
| Deferred income and social contribution t | 4,766                   | 2,144        | Provision for contingencies       | 1,095                   | 2,729        |
| Other assets                              | 38                      | 38           |                                   | 892,148                 | 449,261      |
| Investments                               | -                       | -            | <b>Equity</b>                     |                         |              |
| Rights-of-use                             | 42,449                  | 34,117       | Capital                           | 71,859                  | 66,209       |
| Property, plant and equipment             | 946,561                 | 647,532      | Income reserve                    | 66,090                  | 60,982       |
| Intangible assets                         | 16,106                  | 6,721        |                                   | 137,949                 | 127,191      |
| Total noncurrent assets                   | 1,064,463               | 731,251      | Noncontrolling interest           | 7                       | 6            |
| Total assets                              | 1,527,281               | 1,018,250    | Total equity                      | 137,956                 | 127,197      |
|   |                         |              | Total liabilities and equity      | 1,527,281               | 1,018,250    |

## ATTACHMENT III – STATEMENT OF CASH FLOW

|  | Consolidated - R\$ '000 |           |
|--|-------------------------|-----------|
|  | 2Q21                    | 2Q20      |
| Cash flow from operating activities                        |                         |           |
| Net income (loss) for the period                           | 7,314                   | (6,827)   |
| Adjustments to reconcile income (loss) for the period:     |                         |           |
| Depreciation and amortization                              | 69,491                  | 37,015    |
| Residual value upon write-off of PPE and intangible assets | 12                      | 432       |
| Allowance for doubtful accounts                            | 10,377                  | 11,925    |
| Provision for contingencies                                | (1,634)                 | -         |
| Equity pickup  | -                       | -         |
| Monetary and exchange variation                            | (27,174)                | 18,430    |
| Derivative operations                                      | 8,619                   | -         |
| Interest on leases   | 1,905                   | 959       |
| Interest on loans and financing and debentures             | 39,628                  | 10,092    |
| Short-term investment income                               | (2,670)                 | (763)     |
| Deferred income and social contribution taxes              | (2,622)                 | (2,638)   |
| (Increase) decrease in assets                              |                         |           |
| Trade accounts receivable                                  | (21,554)                | (15,060)  |
| Inventories  | 294                     | (203)     |
| Taxes recoverable  | (18,104)                | (7,206)   |
| Prepaid expenses   | 1,177                   | (2,833)   |
| Court-related deposits                                     | (278)                   | (71)      |
| Other assets   | 7,661                   | (7,897)   |
| Increase (decrease) in liabilities                         |                         |           |
| Suppliers  | 69,318                  | 12,155    |
| Labor and social obligations                               | 16,930                  | 11,921    |
| Taxes payable  | 16,322                  | 3,974     |
| Taxes paid in installments                                 | (669)                   | 1,221     |
| Other accounts payable                                     | 4,346                   | 141       |
| Cash from (used in) operating activities                   | 173,976                 | 64,767    |
| Interest paid  | (44,777)                | (15,546)  |
| Income tax and social contribution paid                    | (4,936)                 | (4,343)   |
| Net cash from (used in) operating activities               | 124,263                 | 44,878    |
| Cash flows from investing activities                       |                         |           |
| Short-term investments                                     | (76,020)                | (38,415)  |
| Redemption of short-term investments                       | 6,797                   | 22,020    |
| Additions to Property, plant and equipment                 | (357,087)               | (147,640) |
| Additions to intangible assets                             | (10,170)                | (4,906)   |
| Loans granted to related parties                           | -                       | (663)     |
| Intercompany loans received                                | -                       | 4,442     |
| Net cash from (used in) investing activities               | (436,480)               | (165,162) |
| Cash flows from financing activities                       |                         |           |
| Loans and financing raised                                 | 54,086                  | 206,537   |
| Amortization of principal of loans and financing           | (92,719)                | (41,940)  |
| Debentures raised  | 500,000                 | -         |
| Debentures raised costs                                    | (32,646)                | -         |
| Lease paid   | (9,701)                 | (3,011)   |
| Intercompany loans paid                                    | (12,161)                | -         |
| Capital increase   | 5,650                   | -         |
| Dividend/Profits distributed                               | (2,205)                 | (6,900)   |
| Net cash from (used in) financing activities               | 410,304                 | 154,686   |