

# **Interim Financial Information**

## **Brisanet Participações S.A.**

September 30, 2021  
with Independent Auditor's Review Report

# **Brisanet Participações S.A.**

September 30, 2021

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## **I- Officers' representation**

## **Officers' representation**

In compliance with the provisions contained in article 25 of Ruling No. 480 of the Brazilian Securities and Exchange Commission (CVM), dated December 7, 2009, as amended, the Officers responsible for the preparation of the Company's interim financial information state that (a) they have reviewed, discussed and agreed with the interim financial information for the three- and nine-month periods ended September 30, 2021; and (b) they have reviewed, discussed and agreed with the review report issued by Ernst & Young Auditores Independentes S/S on the interim financial information for the three- and nine-month periods ended September 30, 2021.

José Roberto Nogueira  
CEO

Luciana Paulo Ferreira  
Investor Relations Officer

**II – Individual and consolidated interim  
financial information with independent  
auditor’s review report**

# **Interim Financial Information**

## **Brisanet Participações S.A.**

September 30, 2021  
with Independent Auditor's Review Report

# **Brisanet Participações S.A.**

## Interim financial information

September 30, 2021

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**A free translation from Portuguese into English of Independent auditor's review report on interim financial information prepared in Brazilian currency in accordance with NBC TG 21 – Interim Financial Statements and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB)**

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

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

### **Introduction**

We have reviewed the accompanying individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR), of Brisanet Participações S.A. (the "Company") for the quarter ended September 30, 2021, which comprises the statement of financial position as at September 30, 2021, and the related statements of profit or loss and of comprehensive income (loss) for the three- and nine-month periods then ended, and of changes in equity and of cash flows for nine-month period then ended, including the explanatory notes.

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

### **Scope of review**

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

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

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



### **Emphasis of matter – Restatement of individual and consolidated interim financial information**

We draw attention to Note 2 to the interim financial information for the three- and nine-month periods ended September 30, 2020, which has been amended and is restated to reflect the correction of errors and reclassifications in the book balances described in said note; and to enhance certain disclosures in the explanatory notes. On March 31, 2021, we issued unmodified review reports on the Company's interim financial information for the three- and nine-month periods ended September 30, 2020, which is now being restated. Our opinion remains unchanged, since the interim financial information and its prior-period corresponding figures have been adjusted retrospectively.

### **Other matters**

#### *Statements of value added*

The quarterly information referred to above includes the individual and consolidated Statements of Value Added (SVA) for the nine-month period ended September 30, 2021, prepared under the responsibility of Company management and presented as supplementary information for purposes of IAS 34. These statements were subject to review procedures performed together with the review of the quarterly information, in order to determine whether they are reconciled with the interim financial information and accounting records, as applicable, and whether their form and content comply with the criteria defined in NBC TG 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added were not prepared, in all material respects, pursuant to such standard and consistently with the individual and consolidated interim financial information taken as a whole.

Recife, November 11, 2021.

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



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

## Brisanet Participações S.A.

Statements of financial position  
September 30, 2021  
(In thousands of reais)

	Note	Individual		Consolidated	
		09/30/2021	12/31/2020	09/30/2021	12/31/2020
Assets					
Current assets					
Cash and cash equivalents	3	8	5	1,218,159	171,104
Short-term investments	3	3,997	-	65,531	9,665
Trade accounts receivable	4	-	-	95,889	69,555
Inventories		-	-	228	525
Taxes recoverable	5	-	-	29,856	18,424
Derivative transactions	24	-	-	3,118	3,701
Prepaid expenses		-	-	879	1,398
Other assets		-	-	14,124	12,627
Total current assets		4,005	5	1,427,784	286,999
Noncurrent assets					
Long-term receivables					
Short-term investments	3	-	-	3,600	6,480
Trade accounts receivable	4	-	-	201	-
Taxes recoverable	5	-	-	47,196	23,166
Transactions with related parties	6	-	-	1,027	1,153
Judicial deposits		-	-	1,564	905
Derivative transactions	24	-	-	4,813	8,217
Prepaid expenses		-	-	86	778
Deferred income and social contribution taxes	22	-	-	6,740	2,144
Other assets		-	-	38	38
Investments	7	1,340,921	131,292	-	-
Right-of-use	13	-	-	41,673	34,117
Property, plant and equipment	8	-	-	1,163,105	647,532
Intangible assets	9	-	-	24,900	6,721
Total noncurrent assets		1,340,921	131,292	1,294,943	731,251
Total assets		1,344,926	131,297	2,722,727	1,018,250

	Note	Individual		Consolidated	
		09/30/2021	12/31/2020	09/30/2021	12/31/2020
Liabilities and equity					
Current liabilities					
Trade accounts payable	10	-	-	<b>188,925</b>	137,229
Loans and financing	11	-	-	<b>228,992</b>	251,877
Debentures	12	-	-	<b>1,275</b>	-
Lease obligations	13	-	-	<b>12,966</b>	5,562
Labor and social obligations	14	<b>86</b>	-	<b>49,371</b>	27,100
Taxes payable	5	<b>38</b>	-	<b>23,692</b>	18,100
Taxes paid in installments	15	-	-	<b>1,490</b>	1,274
Derivative transactions	24	-	-	<b>120</b>	151
Other accounts payable		<b>1</b>	1	<b>752</b>	499
Total current liabilities		<b>125</b>	1	<b>507,583</b>	441,792
Noncurrent liabilities					
Loans and financing	11	-	-	<b>347,156</b>	399,870
Debentures	12	-	-	<b>489,801</b>	-
Lease obligations	13	-	-	<b>28,493</b>	27,912
Transactions with related parties	6	-	330	-	12,161
Taxes paid in installments	15	-	-	<b>5,317</b>	6,589
Derivative transactions	24	-	-	<b>1,067</b>	-
Provision for losses on investments	7	<b>3,728</b>	3,768	-	-
Provision for contingencies	16	-	7	<b>655</b>	2,729
Other accounts payable	-	-	-	<b>1,577</b>	-
		<b>3,728</b>	4,105	<b>874,066</b>	449,261
Equity					
Capital	18	<b>1,281,606</b>	66,209	<b>1,281,606</b>	66,209
Income reserves		<b>59,467</b>	60,982	<b>59,467</b>	60,982
		<b>1,341,073</b>	127,191	<b>1,341,073</b>	127,191
Noncontrolling interests		-	-	<b>5</b>	6
Total equity		<b>1,341,073</b>	127,191	<b>1,341,078</b>	127,197
Total liabilities and equity		<b>1,344,926</b>	131,297	<b>2,722,727</b>	1,018,250

See accompanying notes.

## Brisanet Participações S.A.

### Statements of profit or loss

Three- and nine-month periods ended September 30, 2021

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

	Note	Individual				Consolidated			
		07/01/2021 to 09/30/2021	07/01/2020 to 09/30/2020 (restated)	01/01/2021 to 09/30/2021	01/01/2020 to 09/30/2020 (restated)	07/01/2021 to 09/30/2021	07/01/2020 to 09/30/2020 (restated)	01/01/2021 to 09/30/2021	01/01/2020 to 09/30/2020 (restated)
Net operating revenue	19	-	-	-	-	190,012	122,060	524,285	322,377
Cost of services	20	-	-	-	-	(103,311)	(61,969)	(287,740)	(157,224)
Gross profit		-	-	-	-	87,933	60,091	236,545	165,153
Operating expenses									
Administrative expenses	20	(917)	-	(2,324)	-	(36,613)	(22,652)	(112,764)	(60,075)
Selling expenses	20	-	-	-	-	(18,645)	(8,491)	(48,520)	(23,129)
Tax expenses	20	-	-	-	-	(914)	(166)	(3,456)	(1,873)
Equity pickup	7	(5,710)	16,060	3,018	9,234	-	-	-	-
Other operating expenses, net	20	11	-	5	-	(3,950)	(9,280)	(12,264)	(27,840)
Income (loss) before finance income (costs) and taxes		(6,616)	16,060	699	9,234	26,579	19,502	59,541	52,236
Finance income	21	7	-	7	-	26,286	30,826	78,661	40,788
Finance costs	21	(14)	-	(16)	(1)	(56,914)	(36,510)	(129,785)	(80,604)
Finance income (costs)		(7)	-	(9)	(1)	(30,628)	(5,684)	(51,124)	(39,816)
Income before income and social contribution taxes		(6,623)	16,060	690	9,233	(4,049)	13,818	8,417	12,420
Income and social contribution taxes	22	-	-	-	-	(2,576)	2,243	(7,728)	(3,186)
Net income (loss) for the period		(6,623)	16,060	690	9,233	(6,625)	16,061	689	9,234
Net income (loss) attributable to									
Controlling interests						(6,623)	16,060	690	9,233
Noncontrolling interests						(2)	1	(1)	1
Basic earnings (loss) per share – R\$	23	(0.016)	0.242	0.002	0.139				
Diluted earnings (loss) per share – R\$	23	(0.016)	0.242	0.002	0.139				

See accompanying notes.

## Brisanet Participações S.A.

Statements of comprehensive income (loss)  
 Three- and nine-month periods ended September 30, 2021  
 (In thousands of reais)

	Individual				Consolidated			
	07/01/2021 to 09/30/2021	07/01/2020 to 09/30/2020 (restated)	01/01/2021 to 09/30/2021	01/01/2020 to 09/30/2020 (restated)	07/01/2021 to 09/30/2021	07/01/2020 to 09/30/2020 (restated)	01/01/2021 to 09/30/2021	01/01/2020 to 09/30/2020 (restated)
Net income (loss) for the period	<b>(6,623)</b>	16,060	<b>690</b>	9,233	<b>(6,625)</b>	16,061	<b>689</b>	9,234
Other comprehensive income (loss)	-	-	-	-	-	-	-	-
Comprehensive income (loss) for the period	<b>(6,623)</b>	16,060	<b>690</b>	9,233	<b>(6,625)</b>	16,061	<b>689</b>	9,234
Net income (loss) attributable to								
Controlling interests	-	-	-	-	<b>(6,623)</b>	16,060	<b>690</b>	9,233
Noncontrolling interests	-	-	-	-	<b>(2)</b>	1	<b>(1)</b>	1

See accompanying notes.

## Brisanet Participações S.A.

Statements of changes in equity  
 Nine-month period ended September 30, 2021  
 (In thousands of reais)

	Consolidated							
	Individual			Consolidated				
	Capital		Income reserves	Retained earnings	Subtotal		Noncontrolling interests	Equity
Capital	Share issue costs	Legal reserve	Retained profits	(accumulated losses)	Subtotal	Noncontrolling interests	Equity	
Balances at December 31, 2019	66,209	-	-	41,506	-	107,715	10	107,725
Net income for the period	-	-	-	-	9,233	9,233	1	9,234
Profit allocation (Note 17):								
Dividends distributed	-	-	-	(8,100)	-	(8,100)	-	(8,100)
Offset of losses with income reserves	-	-	-	9,233	(9,233)	-	-	-
Noncontrolling interests	-	-	-	-	-	-	(12)	(12)
Balances at September 30, 2020 - restated	66,209	-	-	42,639	-	108,848	(1)	108,847
Balances at December 31, 2020	66,209	-	1,456	59,526	-	127,191	6	127,197
Capital increase (Note 18)	<b>1,255,650</b>	-	-	-	-	<b>1,255,650</b>	-	<b>1,255,650</b>
Share issue costs (Note 18)	-	<b>(40,253)</b>	-	-	-	<b>(40,253)</b>	-	<b>(40,253)</b>
Net income for the period	-	-	-	-	690	690	(1)	689
Profit allocation (Note 17):								
Dividends distributed	-	-	-	(2,205)	-	(2,205)	-	(2,205)
Retained profits	-	-	-	690	(690)	-	-	-
Balances at September 30, 2021	<b>1,321,859</b>	<b>(40,253)</b>	<b>1,456</b>	<b>58,011</b>	-	<b>1,341,073</b>	<b>5</b>	<b>1,341,078</b>

See accompanying notes.

## Brisanet Participações S.A.

### Statements of cash flows

Nine-month period ended September 30, 2021

(In thousands of reais)

	Individual		Consolidated	
	09/30/2021	09/30/2020 (restated)	09/30/2021	09/30/2020 (restated)
Cash flows from operating activities				
Net income (loss) for the period	690	9,233	689	9,234
Adjustments to reconcile income (loss) for the period:				
Depreciation and amortization	-	-	111,400	62,262
Residual value upon write-off of PPE and intangible assets	-	-	91	1,629
Allowance for expected credit losses	-	-	13,867	25,454
Provision for contingencies	(5)	-	(2,074)	593
Equity pickup	(3,018)	(9,234)	-	-
Monetary variation and exchange differences	-	-	35,882	(162)
Interest on leases	-	-	2,759	2,812
Interest on loans and financing, and debentures	-	-	58,484	29,091
Short-term investment yield	-	-	(11,405)	(992)
Derivative transactions	-	-	5,023	-
Deferred income and social contribution taxes	-	-	(4,596)	(7,612)
(Increase) decrease in assets				
Trade accounts receivable	-	-	(40,402)	(13,337)
Inventories	-	-	297	(379)
Taxes recoverable	-	-	(35,462)	(13,241)
Prepaid expenses	-	-	1,211	(4,099)
Judicial deposits	-	-	(659)	(138)
Other assets	(2)	-	(1,497)	(22,724)
Increase (decrease) in liabilities				
Trade accounts payable	-	-	51,554	100,264
Labor and social obligations	86	-	22,271	11,304
Taxes payable	38	-	11,679	18,401
Taxes paid in installments	-	-	(1,394)	(206)
Other accounts payable	-	(2)	1,830	(804)
Cash flows from (used in) operating activities	(2,211)	(3)	219,548	197,350
Interest paid on loans and financing, debentures and leases	-	-	(73,755)	(18,811)
Income and social contribution taxes paid	-	-	(6,087)	(15,214)
Net cash flows from (used in) operating activities	(2,211)	(3)	139,706	163,325
Cash flows from investing activities				
Increase in investments and future capital contribution at subsidiaries	(1,245,418)	(10,364)	-	-
Short-term investments	(3,997)	-	(353,469)	(88,948)
Redemption of short-term investments	-	-	311,888	4,377
Additions to PPE	-	-	(608,900)	(264,334)
Additions to intangible assets	-	-	(19,498)	(6,318)
Intercompany loans received	-	10,363	126	7,421
Dividend and profit received	38,767	8,100	-	-
Net cash flows from (used in) investing activities	(1,210,648)	8,099	(669,853)	(347,802)

## Brisanet Participações S.A.

Statements of cash flows (Continued)  
 Nine-month period ended September 30, 2021  
 (In thousands of reais)

	Individual		Consolidated	
	09/30/2021	09/30/2020 (restated)	09/30/2021	09/30/2020 (restated)
Cash flows from financing activities				
Loans and financing raised	-	-	61,776	342,964
Repayment of principal of loans and financing	-	-	(136,623)	(83,918)
Debentures raised	-	-	467,354	-
Leases	-	-	-	(13,481)
Lease payments	-	-	(16,334)	(40,660)
Intercompany loans paid	(330)	-	(12,163)	-
Acquisition of noncontrolling interests	1,255,650	-	1,255,650	-
Share issue costs	(40,253)	-	(40,253)	-
Dividend/Profits distributed	(2,205)	(8,100)	(2,205)	(8,100)
Net cash flows from (used in) financing activities	1,212,862	(8,100)	1,577,202	196,805
Increase (decrease) in cash and cash equivalents	3	(4)	1,047,055	12,328
Cash and cash equivalents				
At beginning of period	5	12	171,104	38,810
At end of period	8	8	1,218,159	51,138
Increase (decrease) in cash and cash equivalents	3	(4)	1,047,055	12,328

See accompanying notes.



## Brisanet Participações S.A.

Statements of value added  
 Nine-month period ended September 30, 2021  
 (In thousands of reais)

	Individual		Consolidated	
	09/30/2021	09/30/2020 (restated)	09/30/2021	09/30/2020 (restated)
Revenues	<b>7</b>	-	<b>594,515</b>	395,322
Gross operating income less discounts	-	-	<b>603,975</b>	400,692
Allowance for expected credit losses	-	-	<b>(13,867)</b>	(25,454)
Other revenues	<b>7</b>	-	<b>4,407</b>	20,084
Inputs acquired from third parties	<b>(737)</b>	-	<b>(136,948)</b>	(83,058)
Cost of sales	-	-	<b>(36,206)</b>	(30,617)
Materials, electricity, third-party services and other	<b>(724)</b>	-	<b>(99,663)</b>	(52,441)
Loss on/Recovery of assets	<b>(13)</b>	-	<b>(105)</b>	-
Other inputs	-	-	<b>(974)</b>	-
Gross value added	<b>(730)</b>	-	<b>457,567</b>	312,264
Depreciation and amortization	-	-	<b>(111,400)</b>	(62,262)
Net value added generated	<b>(730)</b>	-	<b>346,167</b>	250,002
Value added received in transfer	<b>3,025</b>	9,234	<b>78,661</b>	40,788
Equity pickup	<b>3,018</b>	9,234	-	-
Finance income	<b>7</b>	-	<b>78,661</b>	40,788
Total value added to be distributed	<b>2,295</b>	9,234	<b>424,828</b>	290,790
Distribution of value added				
Taxes, charges and contributions	-	-	<b>92,576</b>	74,604
Federal	-	-	<b>41,261</b>	39,337
State	-	-	<b>50,324</b>	34,070
Municipal	-	-	<b>990</b>	1,197
Other taxes, charges and contributions	-	-	<b>1</b>	-
Personnel	<b>778</b>	-	<b>173,576</b>	107,518
Salaries	<b>616</b>	-	<b>107,351</b>	70,005
Social Security Tax (INSS)	<b>161</b>	-	<b>28,875</b>	19,795
Unemployment Compensation Fund (FGTS)	-	-	<b>9,388</b>	6,548
Benefits	<b>1</b>	-	<b>27,962</b>	11,170
Debt remuneration	<b>2</b>	1	<b>157,160</b>	91,334
Interest, exchange differences and borrowing costs	<b>2</b>	1	<b>129,785</b>	80,142
Rentals	-	-	<b>27,375</b>	11,192
Equity remuneration	<b>1,515</b>	9,233	<b>1,516</b>	17,334
Dividend/profits paid	<b>2,205</b>	-	<b>2,205</b>	8,100
Retained profits	<b>(690)</b>	9,233	<b>(689)</b>	9,234
Value added	<b>2,295</b>	9,234	<b>424,828</b>	290,790

See accompanying notes.

# Brisanet Participações S.A. e Consolidado

Notes to interim financial information  
September 30, 2021  
(In thousands of reais)

## 1. Operations

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

On November 22, 2020, the conversion of Brisanet Participações Ltda. from a limited liability company into a stock corporation was approved.

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

### a) Subsidiaries

Currently, the Company has the following subsidiaries:

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

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

## **Brisanet Participações S.A. e Consolidado**

Notes to interim financial information (Continued)  
September 30, 2021  
(In thousands of reais)

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

#### a) Subsidiaries (Continued)

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

###### Acquisition of investments

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

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

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

###### Merger of indirect subsidiary Global Indústria de Equipamentos para Redes de Comunicação Ltda.

On February 26, 2021, the shareholders, by means of a Special General Meeting (SGM), approved the merger of indirect subsidiary Global Indústria de Equipamentos para Redes de Comunicação Ltda. (“Global”) into Brisanet Serviços.

## Brisanet Participações S.A. e Consolidado

Notes to interim financial information (Continued)  
September 30, 2021  
(In thousands of reais)

### 1. Operations (Continued)

#### a) Subsidiaries (Continued)

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

The merged net assets, in subsidiary Brisanet Serviços, measured by external experts at book value, at base date January 31, 2021, are as follows:

	<u>01/31/2021</u>
Assets	
Current assets	
Cash and cash equivalents	<u>1</u>
Total assets	<u>1</u>
Merged net assets	<u><u>1</u></u>

Global is primarily engaged in industrial manufacture of equipment for optical fiber and communication networks; and import and export.

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

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

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

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

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

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

## Brisanet Participações S.A. e Consolidado

Notes to interim financial information (Continued)  
September 30, 2021  
(In thousands of reais)

### 1. Operations (Continued)

#### a) Subsidiaries (Continued)

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

Circuit-switched telephone services – PSTN (Public Switched Telephone Network); telecommunications network interconnection services; rental of chattel properties, including installation, configuration and maintenance of databank and computer programs, as well as technical support services for IT equipment in general; and retail sale of electronic and communication equipment.

#### b) Authorizations

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

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

#### c) COVID-19

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

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

## **Brisanet Participações S.A. e Consolidado**

Notes to interim financial information (Continued)  
September 30, 2021  
(In thousands of reais)

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

#### c) COVID-19 (Continued)

The pandemic had no impacts on the Company's and its subsidiaries' cash flow and revenue recognition, since the number of customers increased significantly due to the demand for access to internet points, which resulted directly in increased generation of cash and cash equivalents. In addition to the increase in number of customers, days sales outstanding (DSO) increased significantly whereas average collection period decreased.

The Brazilian economy struggled after the pandemic impacts. In order to contain credit limitation, the federal government zeroed Tax on Financial Transactions (IOF) on fundraising and reduced interest on the loan facilities provided by the Brazilian Development Bank (BNDES), Caixa Econômica Federal and Banco do Nordeste.

The federal government adopted various measures to minimize the pandemic impacts on the companies' cash flow. From these measures, the Company and its subsidiaries used Provisional Executive Order (MP) No. 927/2020 and Ministry of Economy rulings to pay Unemployment Compensation Fund (FGTS) in installments subject to no interest, extend the due dates of employer's social security portions, federal contribution taxes on gross revenue for Social Integration Program (PIS) and for Social Security Financing (COFINS), and suspend the installment payment of federal taxes.

In consonance with referred to government orders, Brisanet Group adopted various measures to ensure compliance with health protocols and render activity routines fully feasible for employees, suppliers and customers, such as holding meetings and training courses through videoconference, home office work and personalized remote customer services, among other security actions.

Lockdown restricted circulation in other segments and the society as a whole. This restriction increased internet access demand, which caused a significant increase in Brisanet Group customers during the pandemic.

To date, concerning operations, the Company and its subsidiaries identified no significant impacts relating to Covid-19.

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

## **Brisanet Participações S.A. e Consolidado**

Notes to interim financial information (Continued)  
September 30, 2021  
(In thousands of reais)

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

#### d) Approval of interim financial information

Completion of the individual and consolidated interim financial information was authorized by the Executive Board of the Company and its subsidiaries on November 11, 2021.

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

Significant accounting policies applied in the preparation of this interim financial information are defined below. These policies have been consistently applied in all periods presented, unless otherwise stated.

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

This interim financial information was prepared under the historical cost convention which, in the case of certain financial assets and liabilities (including derivative financial instruments), is adjusted to reflect measurement at fair value. This interim financial information is prepared and presented in accordance with NBC TG 21 – Interim Financial Statements and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB).

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

This interim financial information should be read in conjunction with the Company's and its subsidiaries' individual and consolidated financial statements for the year ended December 31, 2020, specifically Notes 2 and 3, which were prepared and presented in accordance with the accounting practices adopted in Brazil, including the pronouncements issued by the Brazilian FASB (CPC) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

## **Brisanet Participações S.A. e Consolidado**

Notes to interim financial information (Continued)  
September 30, 2021  
(In thousands of reais)

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

#### **2.2. Changes in accounting practices**

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

#### **2.3. Accounting judgments, estimates and assumptions**

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

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

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

The interim financial information was prepared in accordance with the accounting practices adopted in Brazil, which comprise the pronouncements of the Brazilian FASB (CPC), approved by Brazil's National Association of State Boards of Accountancy (CFC). As such, management evidences all significant information that is consistent with the information used to manage the Company's operations.



## Brisanet Participações S.A. e Consolidado

Notes to interim financial information (Continued)  
September 30, 2021  
(In thousands of reais)

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

#### 2.4. Basis of consolidation

As at September 30, 2021, the Company maintains investments by means of direct subsidiaries, all of which are located in Brazil, as follows:

	<u>09/30/2021</u>	<u>12/31/2020</u>
Brisanet Serviços de Telecomunicações Ltda.	99.99%	99.99%
Brisanet Gerenciadora de Ativos Ltda.	99.98%	99.98%
RPS - Prestação de Serviços de Informática Ltda.	99.99%	99.99%
Interservice - Serviços de Elaboração de Dados Ltda. - ME	99.99%	99.99%
Universo Serviços de Telecomunicações Ltda. - ME	99.99%	99.99%
Global Indústria de Equipamentos para Redes de Comunicação Ltda.	-	99.99%

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

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

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

## **Brisanet Participações S.A. e Consolidado**

Notes to interim financial information (Continued)  
September 30, 2021  
(In thousands of reais)

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

#### **2.5. Restatement of interim financial information**

During the current period, the Company adopted the guidance contained in CPC 23 - Accounting Policies, Changes in Accounting Estimates and Errors, and is restating its individual and consolidated financial information originally stated at March 31, 2021, corresponding to the period ended September 30, 2020, prepared in accordance with NBC TG 21 – Interim Financial Statements and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB). Management is also responsible for the presentation of this financial information in accordance with the rules issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of the Quarterly Information (ITR), and made the following adjustments, reclassifications and additional disclosures:

##### a) Additional disclosures

- Additional information:

- a.1) Note 6 – Impact on income (loss) on transactions with related parties;
- a.2) Note 9 – Disclosure of explanatory information on intangible assets;
- a.3) Note 11 – Disclosure of guarantees, capitalization of interest;
- a.4) Note 12 – Disclosure of guarantees;
- a.5) Note 13 – Term of the agreements, discount rate used, maturity of lease obligations, effect of inflation on the application of accounting standard CPC 06 (R2);
- a.6) Note 15 – Changes in installment balances and balances by maturity date;
- a.7) Note 16 – Changes in the balances of provision for contingencies;
- a.8) Note 20 – More detailed breakdown of operating costs and expenses by nature and function;
- a.8) Note 23 – Disclosure of earnings per share;
- a.9) Note 24 - Disclosure of balances by category of financial instruments, presentation of maturities of financial liabilities, sensitivity analysis of financial assets and liabilities exposed to interest rate risks and currency risk, and disclosure of financial assets and liabilities assessed as level 1, 2 or 3 in the fair value hierarchy.

## Brisanet Participações S.A. e Consolidado

Notes to interim financial information (Continued)  
September 30, 2021  
(In thousands of reais)

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

#### 2.5 Restatement of interim financial information (Continued)

##### b) Adjustments and reclassifications

- b.1) Recognition of unbilled revenues on an accrual basis;
- b.2) Reclassification of operating expenses;
- b.3) Supplementation of the allowance for ECL with accounts receivable;
- b.4) Adjustment of Tax on Financial Transactions (IOF) on intercompany loans;
- b.5) Adjustment of capitalization of interest on property, plant and equipment;
- b.6) Supplementation of interest and exchange differences on loans; and
- b.7) Supplementation of deferred taxes.

The statements of profit or loss, of cash flows and the statements of value added originally stated and restated are as follows:

#### Consolidated statement of profit or loss

Items	01/01/2020 to 09/30/2020			07/01/2020 to 09/30/2020			
	Originally stated	Adjustments	Restated	Originally stated	Adjustments	Restated	
Net operating revenue	b.1	322,240	137	322,377	124,534	(2,474)	122,060
Cost of services		(157,224)	-	(157,224)	(61,969)	-	(61,969)
Gross profit		165,016	137	165,153	62,565	(2,474)	60,091
Operating expenses:							
Administrative expenses	b.2	(60,075)	-	(60,075)	(21,889)	(763)	(22,652)
Selling expenses		(23,129)	-	(23,129)	(8,491)	-	(8,491)
Tax expenses	b.2	(1,873)	-	(1,873)	(165)	(1)	(166)
Other operating income, net	b.3	(16,032)	(11,808)	(27,840)	(15,959)	6,679	(9,280)
Income (loss) before finance income (costs) and taxes		63,907	(11,671)	52,236	16,061	3,441	19,502
Finance income	b.4, b.5 and b.6	39,535	1,253	40,788	28,574	2,252	30,826
Finance costs	b.6	(64,734)	(15,870)	(80,604)	(25,389)	(11,121)	(36,510)
Finance income (costs)		(25,199)	(14,617)	(39,816)	3,185	(8,869)	(5,684)
Income before income and social contribution taxes		38,708	(26,288)	12,420	19,246	(5,428)	13,818
Income and social contribution taxes	b.7	(11,283)	8,097	(3,186)	(2,953)	5,196	2,243
Net income for the year		27,425	(18,191)	9,234	16,293	(232)	16,061

## Brisanet Participações S.A. e Consolidado

Notes to interim financial information (Continued)  
September 30, 2021  
(In thousands of reais)

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

#### 2.5 Restatement of interim financial information (Continued)

##### Consolidated statements of cash flows:

	09/30/2020		
	Originally stated	Adjustments	Restated
Cash flows from operating activities			
Net income (loss) for the period	27,425	(18,191)	9,234
Adjustments to reconcile income (loss) for the period:			
Depreciation and amortization	62,262	-	62,262
Residual value upon write-off of PPE and intangible assets	1,629	-	1,629
Allowance for expected credit losses	20,205	5,249	25,454
Provision for contingencies	593	-	593
Monetary variation and exchange differences	15,533	(15,695)	(162)
Interest on leases	(17,359)	20,171	2,812
Interest on loans and financing, and debentures	-	29,091	29,091
Short-term investment yield	2,988	(3,980)	(992)
Deferred income and social contribution taxes	-	(7,612)	(7,612)
(Increase) decrease in assets			
Trade accounts receivable	(19,739)	6,402	(13,337)
Inventories	(380)	1	(379)
Advances to third-parties	(19,607)	19,607	-
Taxes recoverable	(13,241)	-	(13,241)
Prepaid expenses	(2,672)	(1,427)	(4,099)
Judicial deposits	(138)	-	(138)
Other assets	-	(22,724)	(22,724)
Increase (decrease) in liabilities			
Trade accounts payable	68,429	31,835	100,264
Labor and social obligations	2,354	8,950	11,304
Taxes payable	11,304	7,097	18,401
Taxes paid in installments	571	(777)	(206)
Other accounts payable	(272)	(532)	(804)
Cash flows from (used in) operating activities	<u>139,885</u>	<u>57,465</u>	<u>197,350</u>
Interest paid	(18,811)	-	(18,811)
Income and social contribution taxes paid	-	(15,214)	(15,214)
Net cash flows from (used in) operating activities	<u>121,074</u>	<u>42,251</u>	<u>163,325</u>
Cash flows from investing activities			
Short-term investments	(6,480)	(82,468)	(88,948)
Redemption of short-term investments	-	4,377	4,377
Additions to PPE	(264,334)	-	(264,334)
Additions to intangible assets	(6,318)	-	(6,318)
Intercompany loans received	-	7,421	7,421
Right of use	(40,660)	40,660	-
Net cash flows used in investing activities	<u>(317,792)</u>	<u>(30,010)</u>	<u>(347,802)</u>

## Brisanet Participações S.A. e Consolidado

Notes to interim financial information (Continued)  
September 30, 2021  
(In thousands of reais)

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

#### 2.5 Restatement of interim financial information (Continued)

	09/30/2020		
	Originally stated	Adjustments	Restated
Cash flows from financing activities			
Loans and financing raised	347,827	(4,863)	342,964
Repayment of principal of loans and financing	(83,918)	-	(83,918)
Leases	25,823	(39,304)	(13,481)
Lease payments	-	(40,660)	(40,660)
Taxes paid in installments	(214)	214	-
Intercompany loans	6,752	(6,752)	-
Noncontrolling interests	(3)	3	-
Dividend/Profits distributed	(8,101)	1	(8,100)
Net cash flows from (used in) financing activities	288,166	(91,361)	196,805
Increase (decrease) in cash and cash equivalents	91,448	(79,120)	12,328
Cash and cash equivalents			
At beginning of year	43,149	(4,339)	38,810
At end of year	134,597	(83,459)	51,138
Increase (decrease) in cash and cash equivalents	91,448	(79,120)	12,328

#### Consolidated statements of value added:

	09/30/2020		
	Originally stated	Adjustments	Restated
Revenues	383,377	11,945	395,322
Gross operating income less discounts	375,101	25,591	400,692
Allowance for expected credit losses	-	(25,454)	(25,454)
Other revenues	8,276	11,808	20,084
Inputs acquired from third parties	(83,735)	677	(83,058)
Cost of sales	(30,617)	-	(30,617)
Materials, electricity, third-party services and other	(53,118)	677	(52,441)
Loss on/Recovery of assets	-	-	-
Other inputs	-	-	-
Gross value added	299,642	12,622	312,264
Depreciation and amortization	(62,262)	-	(62,262)
Net value added generated	237,389	12,622	250,002
Value added received in transfer	39,535	1,253	40,788
Equity pickup	-	-	-
Finance income	39,535	1,253	40,788
Total value added to be distributed	276,915	13,875	290,790
Distribution of value added			
Taxes, charges and contributions	66,507	8,097	74,604
Federal	31,240	8,097	39,337
State	34,070	-	34,070
Municipal	1,197	-	1,197
Other taxes, charges and contributions	-	-	-

## Brisanet Participações S.A. e Consolidado

Notes to interim financial information (Continued)  
September 30, 2021  
(In thousands of reais)

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

#### 2.5 Restatement of interim financial information (Continued)

Personnel	107,520	(2)	107,518
Salaries	70,005	-	70,005
Benefits	11,172	(2)	11,170
Unemployment Compensation Fund (FGTS)	6,548	-	6,548
Social Security Tax (INSS)	19,795	-	19,795
Debt remuneration	75,463	15,871	91,334
Interest, exchange differences and borrowing costs	64,272	15,870	80,142
Rentals	11,191	1	11,192
Equity remuneration	27,425	(10,091)	17,334
Dividend/profits paid	8,101	(1)	8,100
Retained profits	19,324	(10,090)	9,234
Distribution of value added	276,915	13,875	290,790

The adjustments in the statements of comprehensive income and changes in equity basically refer to the net income for the period.

The adjustments in the Company's individual financial statements basically refer to the balance of investments and equity pickup.

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

	Individual		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Cash	4	3	5	6
Checking account	4	-	2,365	5,402
Short-term investments:				
Savings	-	-	1	-
Investment funds			7,698	
Automatic investments			62,893	
Bank Deposit Certificate (CDB)	-	2	1,141,909	165,222
Debit cards	-	-	3,288	474
	8	5	1,218,159	171,104

Cash equivalents correspond to transactions with financial institutions in the Brazilian financial market and subject to low credit risk. These transactions are remunerated by the Interbank Deposit Certificate rate (CDI) variation, among others, at the average rate of 103.22% at September 30, 2021 (98.10% at December 31, 2020) and are available for use in the operations of the Company and its subsidiaries, i.e. are immediate liquidity financial assets.

## Brisanet Participações S.A. e Consolidado

Notes to interim financial information (Continued)  
September 30, 2021  
(In thousands of reais)

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

#### Short-term investments

	Individual		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Investment funds (a)	-	-	40,699	9,665
Certificate accounts with lottery prizes (b)	-	-	11,530	6,480
CDB (c)	3,997	-	16,902	-
	<b>3,997</b>	-	<b>69,131</b>	16,145
Current	3,997	-	65,531	9,665
Noncurrent	-	-	3,600	6,480

(a) Investment funds have income equivalents of the CDI rate, plus interest of 0.37% p.m.;

(b) Certificate accounts are investments programmed during a period of time.

(c) These refer to CDB's with investment rates between 100% to 108% and liquidity of more than 90 days.

### 4. Trade accounts receivable (Consolidated)

	09/30/2021	12/31/2020
Trade accounts receivable	125,128	90,346
Allowance for expected credit losses	(29,038)	(20,791)
Accounts receivable, net	<b>96,090</b>	69,555
Current	95,889	69,555
Noncurrent	201	-

The aging list of trade accounts receivable is as follows:

	09/30/2021	12/31/2020
Falling due	45,399	29,075
Past due:		
01 to 30 days	17,728	20,064
31 to 60 days	4,845	2,677
61 to 180 days	13,857	6,384
181 to 360 days	14,392	8,687
Over 361 days	28,907	23,459
	<b>125,128</b>	90,346
(-) Allowance for expected credit losses	<b>(29,038)</b>	(20,791)
	<b>96,090</b>	69,555

## Brisanet Participações S.A. e Consolidado

Notes to interim financial information (Continued)  
September 30, 2021  
(In thousands of reais)

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

As at September 30, 2021, DSO was of 33 days (34 days at December 31, 2020).

Changes in allowance for expected credit losses are as follows:

	<u>09/30/2021</u>	<u>12/31/2020</u>
Opening balance	(20,791)	(21,232)
Set-up	<b>(17,057)</b>	(26,324)
Reversal	<b>3,190</b>	870
Write-off	<b>5,620</b>	25,895
Closing balance	<b><u>(29,038)</u></b>	<b><u>(20,791)</u></b>

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

### 5. Taxes recoverable and payable

	<u>Individual</u>		<u>Consolidated</u>	
	<u>09/30/2021</u>	<u>12/31/2020</u>	<u>09/30/2021</u>	<u>12/31/2020</u>
<b>Assets</b>				
State VAT (ICMS) recoverable	-	-	<b>4,323</b>	4,040
ICMS recoverable on fixed assets	-	-	<b>69,094</b>	31,372
PIS and COFINS recoverable	-	-	<b>133</b>	1,334
Corporate Income Tax (IRPJ) and Social Contribution on Net Profit (CSLL) recoverable	-	-	<b>2,819</b>	1,864
Other taxes recoverable	-	-	<b>683</b>	2,980
	<b>-</b>	<b>-</b>	<b><u>77,052</u></b>	<b><u>41,590</u></b>
<b>Current</b>				
Current	-	-	<b>29,856</b>	18,424
Noncurrent	-	-	<b>47,196</b>	23,166
<b>Current liabilities</b>				
ICMS payable	-	-	<b>9,543</b>	3,739
IRPJ payable	<b>34</b>	-	<b>3,027</b>	8,177
CSLL payable	<b>1</b>	-	<b>1,229</b>	3,193
PIS and COFINS payable	-	-	<b>2,894</b>	2,730
ISS payable	<b>3</b>	-	<b>132</b>	261
Other taxes payable	-	-	<b>6,867</b>	-
	<b>38</b>	<b>-</b>	<b><u>23,692</u></b>	<b><u>18,100</u></b>





## Brisanet Participações S.A. e Consolidado

Notes to interim financial information (Continued)  
September 30, 2021  
(In thousands of reais)

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

- (d) Expenses with real property rental; and
- (e) Expenses with vehicle, real property and billboard rental.

The nature of transactions with related parties is as follows:

Related party	Nature of transaction
AGILITY Segurança Eletrônica Ltda	Software rental and licensing
BWM Consortium	Cinturão Digital project
Imobiliária Pau D'arco Ltda	Real property rental agreement
JPMF Imobiliária Ltda	Real property rental agreement
S&L Locadora de Veículos Ltda.	Vehicle rental agreement

Transactions with related parties mostly refer to transfers of amounts between Group companies as a manner in which to cover any current expenses with operations.

#### Guarantees in financial contracts of related parties

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

Related party	Nature of transaction
Nossa Fruta Brasil Indústria de Alimentos Ltda.	Guarantees for loans and financing totaling approximately R\$20,331
Agritec Semiárido Agricultura Ltda.	Guarantees for loans and financing totaling approximately R\$333

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

Compensation of the key management personnel of the Company and its subsidiaries totaled R\$701 in the nine-month period ended September 30, 2021 (R\$68 in the nine-month period ended September 30, 2020).

## Brisanet Participações S.A. e Consolidado

Notes to interim financial information (Continued)  
September 30, 2021  
(In thousands of reais)

### 7. Investments (Individual)

#### a) Breakdown

	<b>09/30/2021</b>	<b>12/31/2020</b>
Interests held in subsidiaries		
Brisanet Serviços de Telecomunicações Ltda	<b>1,291,405</b>	73,529
Brisanet Gerenciadora de Ativos Ltda	<b>(3,728)</b>	(3,282)
RPS - Prestação de Serviços de Informática Ltda	<b>36,406</b>	41,377
Interservice - Serviços de Elaboração de Dados Ltda - ME	<b>4,797</b>	9,864
Univero Serviços de Telecomunicações Ltda - ME	<b>8,313</b>	6,522
Global Indústria de Equipamentos para Redes de Comunicação Ltda.	-	(486)
	<b>1,337,193</b>	127,524
Classified as:		
Investments	<b>1,340,921</b>	131,292
Provision for losses on investments	<b>(3,728)</b>	(3,768)
	<b>1,337,193</b>	127,524

#### b) Changes in investments

	Brisanet Serviços de Telecomunicações Ltda.	Brisanet Gerenciadora de Ativos Ltda.	RPS - Prestação de Serviços de Informática Ltda.	Interservice - Serviços de Elaboração de Dados Ltda - ME	Univero Serviços de Telecomunicações Ltda - ME	Global Indústria de Equipamentos para Redes de Comunicação Ltda.	09/30/2021	12/31/2020
Opening balance	73,529	(3,282)	41,377	9,864	6,522	(486)	127,524	97,675
Capital increase (i)	<b>1,245,418</b>	-	-	-	-	-	<b>1,245,418</b>	10,363
Merger Advance for future capital increase	<b>(486)</b>	-	-	-	-	<b>486</b>	-	-
Dividends receivable (ii)	-	-	<b>(18,257)</b>	<b>(8,789)</b>	<b>(10,698)</b>	-	<b>(37,744)</b>	-
Dividends received	<b>(1,023)</b>	-	-	-	-	-	<b>(1,023)</b>	(9,650)
Equity pickup	<b>(26,033)</b>	<b>(446)</b>	<b>13,286</b>	<b>3,722</b>	<b>12,489</b>	-	<b>3,018</b>	29,132
Closing balance	<b>1,291,405</b>	<b>(3,728)</b>	<b>36,406</b>	<b>4,797</b>	<b>8,313</b>	-	<b>1,337,193</b>	127,524

- (i) In 2021, this refers to a capital increase in Brisanet Serviços de Telecomunicações Ltda. amounting to R\$1,245,418 (R\$10,363 in 2020), related to the initial public offering of the Company.
- (ii) Dividends receivable comprise R\$8,789 from Interservice, R\$18,257 from RPS and R\$10,698 from Univero Serviços, which were used by the Company to increase investments in subsidiary Brisanet Serviços, in July 2021.

## Brisanet Participações S.A. e Consolidado

Notes to interim financial information (Continued)  
September 30, 2021  
(In thousands of reais)

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

#### c) Information on investments in subsidiaries

	09/30/2021					
	Capital	Equity (capital deficiency)	Net income (loss) for the period	Interest held - %	Investment balance	Equity pickup
Brisanet Serviços de Telecomunicações Ltda	1,311,000	1,289,703	(26,033)	99.99%	1,291,405	(26,033)
Brisanet Gerenciadora de Ativos Ltda	5	(3,728)	(446)	99.98%	(3,728)	(446)
RPS - Prestação de Serviços de Informática Ltda	32,000	36,410	13,286	99.99%	36,406	13,286
Interservice - Serviços de Elaboração de Dados Ltda - ME	70	4,798	3,722	99.99%	4,797	3,722
Universo Serviços de Telecomunicações Ltda - ME	170	8,313	12,489	99.99%	8,313	12,489
					<u>1,337,193</u>	<u>3,018</u>
	12/31/2020					
	Capital	Equity (capital deficiency)	Net income (loss) for the period	Interest held - %	Investment balance	Equity pickup
Brisanet Serviços de Telecomunicações Ltda	65,582	73,529	20,856	99.99%	73,529	20,856
Brisanet Gerenciadora de Ativos Ltda	5	(3,282)	(2,434)	99.99%	(3,282)	(2,434)
RPS - Prestação de Serviços de Informática Ltda	32,000	41,377	712	99.99%	41,377	712
Interservice - Serviços de Elaboração de Dados Ltda - ME	70	9,864	3,571	99.99%	9,864	3,571
Universo Serviços de Telecomunicações Ltda - ME	170	6,522	6,440	99.99%	6,522	6,440
Global Indústria de Equipamentos para Redes de Comunicação Ltda	1,000	(486)	(13)	99.99%	(486)	(13)
					<u>127,524</u>	<u>29,132</u>

## Brisanet Participações S.A. e Consolidado

Notes to interim financial information (Continued)

September 30, 2021

(In thousands of reais)

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

#### a) Breakdown

	Annual average depreciation rate - %	09/30/2021		12/31/2020	
		Cost	Accumulated depreciation	Net	Net
Land	-	3,089	-	3,089	3,014
Optical fiber cables	5%	192,834	(15,439)	177,395	108,512
Network construction	10%	108,575	(8,243)	100,332	54,141
Machinery and equipment	10%	57,832	(6,932)	50,900	18,866
Furniture and fixtures	10%	3,432	(236)	3,196	2,115
Sundry facilities (i)	10%	115,744	(8,836)	106,908	77,840
Leasehold improvements	15%	765	(23)	742	765
Computers and peripherals	20%	22,605	(8,194)	14,411	10,810
Vehicles	20%	16,215	(11,095)	5,120	6,695
Software	20%	175,470	(62,466)	113,004	108,611
Electronic equipment	20%	306,861	(67,173)	239,688	165,448
Advances to suppliers (ii)	-	26,326	-	26,326	5,035
Imports in progress (iii)	-	49,697	-	49,697	35,426
PPE in progress (iv)	-	272,297	-	272,297	50,254
		<b>1,351,742</b>	<b>(188,637)</b>	<b>1,163,105</b>	<b>647,532</b>

#### b) Changes in balances

	12/31/2020	Additions	Write-offs	Transfers	Depreciation	09/30/2021
Land	3,014	75	-	-	-	3,089
Optical fiber cables	108,512	9,948	-	64,660	(5,725)	177,395
Network construction	54,141	-	-	50,543	(4,352)	100,332
Machinery and equipment	18,866	35,382	-	-	(3,348)	50,900
Furniture and fixtures	2,115	1,324	(8)	-	(235)	3,196
Sundry facilities (i)	77,840	14,113	(78)	23,206	(8,173)	106,908
Leasehold improvements	765	-	-	-	(23)	742
Computers and peripherals	10,810	6,294	-	-	(2,693)	14,411
Vehicles	6,695	563	(5)	-	(2,133)	5,120
Software	108,611	1,283	-	27,144	(24,034)	113,004
Electronic equipment	165,448	3,680	-	113,080	(42,520)	239,688
Advances to suppliers (ii)	5,035	26,326	-	(5,035)	-	26,326
Imports in progress (iii)	35,426	232,143	-	(217,872)	-	49,697
PPE in progress (iv)	50,254	277,769	-	(55,726)	-	272,297
	<b>647,532</b>	<b>608,900</b>	<b>(91)</b>	<b>-</b>	<b>(93,236)</b>	<b>1,163,105</b>

## Brisanet Participações S.A. e Consolidado

Notes to interim financial information (Continued)  
September 30, 2021  
(In thousands of reais)

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

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

	12/31/2019	Additions	Write-offs	Transfers	Depreciation	12/31/2020
Land	3,008	6	-	-	-	3,014
Optical fiber cables	64,720	11,305	-	37,123	(4,636)	108,512
Network construction	-	-	-	58,032	(3,891)	54,141
Machinery and equipment	14,419	9,190	(64)	(52)	(4,627)	18,866
Furniture and fixtures	1,238	1,075	-	-	(198)	2,115
Sundry facilities (i)	46,446	18,651	-	19,602	(6,859)	77,840
Leasehold improvements	765	-	-	-	-	765
Computers and peripherals	7,219	6,073	-	-	(2,482)	10,810
Vehicles	9,209	193	(42)	426	(3,091)	6,695
Trucks and truck bodies	426	-	-	(426)	-	-
Software	33,698	889	-	89,636	(15,612)	108,611
Electronic equipment	66,473	9,813	(2)	118,392	(29,228)	165,448
Advances to suppliers (ii)	3,836	-	-	1,199	-	5,035
Imports in progress (iii)	28,245	278,697	-	(271,516)	-	35,426
PPE in progress (iv)	37,046	67,476	(1,852)	(52,416)	-	50,254
	<u>316,748</u>	<u>403,368</u>	<u>(1,960)</u>	<u>-</u>	<u>(70,624)</u>	<u>647,532</u>

(i) Sundry facilities

This refers to materials used in infrastructure of external networks.

(ii) Advances to suppliers

These refer basically to advances for purchase of equipment items.

(iii) Imports in progress

Refers to shipping of equipment and costs incurred in transit.

(iv) PPE in progress

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

(v) Interest capitalization

In the current period, the Company and its subsidiaries capitalized interest on loans and financing amounting to R\$12,568 (R\$5,081 in the year ended December 31, 2020).

(vi) Guarantees

As at September 30, 2021, the Company and its subsidiaries recorded PPE items given in guarantee amounting to R\$136,214 (R\$155,993 at December 31, 2020).

(vii) Software

Software relating specifically to operation of Company modems, which are jointly controlled and meet the PPE classification criteria, in accordance with CPC 04 (R1).

## Brisanet Participações S.A. e Consolidado

Notes to interim financial information (Continued)  
September 30, 2021  
(In thousands of reais)

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

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

##### (viii) Impairment

Annually, the Company and its subsidiaries analyze, at least whether there are indications that certain assets could be recorded in accounting for amounts that exceed the recoverable amount. For the year ended December 31, 2020, management concluded that no provision for impairment was required.

### 9. Intangible assets (Consolidated)

#### a) Changes in balances

	Average annual amortization rate - %	12/31/2020	Additions	Write-offs	09/30/2021
Cost					
Radiofrequency license - GHZ	20%	205	2,599	-	2,804
Software and system licenses	20%	6,326	3,080	-	9,406
ADM projects	20%	1,433	-	-	1,433
Goodwill	-	-	13,816	-	13,816
Trademarks and patents	-	-	3	-	3
Total cost		7,964	19,498	-	27,462
Accumulated amortization					
Radiofrequency license - GHZ	20%	(27)	(52)	-	(79)
Software and system licenses	20%	(929)	(1,052)	-	(1,981)
ADM projects	20%	(287)	(215)	-	(502)
Total accumulated amortization		(1,243)	(1,319)	-	(2,562)
Intangible assets, net		6,721	18,179	-	24,900

## Brisanet Participações S.A. e Consolidado

Notes to interim financial information (Continued)  
September 30, 2021  
(In thousands of reais)

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

#### a) Changes in balances (Continued)

	Average annual amortization rate - %	12/31/2019	Additions	Write-offs	12/31/2020
Cost					
Radiofrequency license - GHZ	20%	205	-	-	205
Software and system licenses	20%	1,336	4,990	-	6,326
ADM projects	20%	1,455	-	-	1,455
Total cost		<u>2,996</u>	<u>4,990</u>	<u>-</u>	<u>7,986</u>
Accumulated amortization					
Radiofrequency license - GHZ	20%	(13)	(14)	-	(27)
Software and system licenses	20%	(8)	(921)	-	(929)
ADM projects	20%	-	(309)	-	(309)
Total accumulated amortization		<u>(21)</u>	<u>(1,244)</u>	<u>-</u>	<u>(1,265)</u>
Intangible assets, net		<u>2,975</u>	<u>3,746</u>	<u>-</u>	<u>6,721</u>

### 10. Trade accounts payable (Consolidated)

As at September 30, 2021 and December 31, 2020, breakdown of trade accounts payable is as follows:

	09/30/2021	12/31/2020
Domestic suppliers	83,319	17,040
Foreign suppliers	105,606	120,189
	<u>188,925</u>	<u>137,229</u>



## Brisanet Participações S.A. e Consolidado

Notes to interim financial information (Continued)  
September 30, 2021  
(In thousands of reais)

### 11. Loans and financing (Consolidated)

Type	Weighted average rates	09/30/2021	12/31/2020
Working capital	0.82% p.m. – Fixed rate	<b>65,782</b>	54,879
Working capital	0.30% p.m. + CDI	<b>256,837</b>	340,449
	0.25% p.m. + Long-term Interest		
Working capital	Rate (TJLP)	<b>8,857</b>	13,304
Working capital	0.27% p.m. + TLP	<b>7,601</b>	11,340
Working capital (foreign currency)	0.35% p.m. + CDI (Swap)	<b>41,601</b>	-
PPE financing (CDC)	0.85% p.m. – Fixed rate	<b>28,386</b>	26,800
	0.29% p.m. + Long-term Interest		
PPE financing (FINEM)	Rate (TJLP)	<b>9,015</b>	12,652
PPE financing (FINEM)	0.23% p.m. + TLP	<b>27,575</b>	55,262
Financing - TR	0.21% p.m. + TR	<b>21,757</b>	
PPE financing (Brazilian Financing Fund for the Northeast - FNE)	0.21% p.m. + Extended Consumer Price Index (IPCA)	<b>39,320</b>	44,448
Import financing	0.46% p.m. + exchange rate	<b>69,417</b>	92,613
		<b>576,148</b>	651,747
Current		<b>228,992</b>	251,877
Noncurrent		<b>347,156</b>	399,870

Loans and financing with guarantees are broken down into surety from shareholders, disposal of assets, financial investments, bank guarantees and credit rights on accounts receivable, as follows:

	09/30/2021	12/31/2020
Financial investments	<b>58,276</b>	69,794
Guarantees and disposals	<b>580,715</b>	819,620
Assets given in guarantee	<b>136,214</b>	155,993
	<b>775,205</b>	1,045,407

Changes in loans and financing are as follows:

	09/30/2021	12/31/2020
Opening balance	651,747	264,983
Funds raised	<b>61,776</b>	474,435
Interest recognized	<b>43,809</b>	49,562
Monetary variations	<b>14,949</b>	7,314
Amortization of principal	<b>(136,623)</b>	(120,581)
Interest paid	<b>(59,510)</b>	(23,966)
Closing balance	<b>576,148</b>	651,747

Noncurrent portions mature as follows:

	09/30/2021	12/31/2020
2022	<b>40,426</b>	117,054
2023	<b>140,867</b>	103,882
2024	<b>96,194</b>	83,466
2025	<b>56,689</b>	55,271
2026	<b>12,379</b>	34,217
2027 onwards	<b>601</b>	5,980
	<b>347,156</b>	399,870

## Brisanet Participações S.A. e Consolidado

Notes to interim financial information (Continued)  
September 30, 2021  
(In thousands of reais)

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

#### Covenants

Loan and financing covenants substantially refer to annual financial ratios, default, in-court or out-of-court measures that compromise payment capacity, insolvency and commitment of guarantees offered. The Company and its subsidiaries analyzed covenants for the period ended September 30, 2021 and concluded that all requirements are legally met.

### 12. Debentures

#### a) Breakdown

	<u>Installments</u>	<u>Charges (p.a.)</u>	<u>09/30/2021</u>
First issue (i)			
Nonconvertible debentures	7	5.76% p.a. + IPCA	521,727
(-) Issue costs to be recorded			(30,651)
			<u>491,076</u>
Current			1,275
Noncurrent			489,801

Changes in loans and financing are as follows:

#### b) Changes

	<u>09/30/2021</u>
Opening balance	-
Debentures raised	500,000
Monetary restatement	20,451
Interest	12,680
Amortization of interest	(11,404)
Debenture costs	(32,646)
Amortization of funding costs	1,995
Closing balance	<u>491,076</u>

## Brisanet Participações S.A. e Consolidado

Notes to interim financial information (Continued)  
September 30, 2021  
(In thousands of reais)

### 12. Debentures (Continued)

#### b) Changes (Continued)

Noncurrent portions mature as follows:

	<u>09/30/2021</u>
2025	148,798
2026	148,687
2027 onwards	<u>222,967</u>
	520,452
(-) Issue costs to be recorded	<u>(30,651)</u>
	<u>489,801</u>

#### i) *First issue*

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

The debt balance relating to the unit value of Debentures – 1<sup>st</sup> issue is subject to interest corresponding to 100% of IPCA plus 5.7694% p.a.

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

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

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

Debentures are guaranteed by surety from shareholders and companies that are part of the economic group and the flow of credit rights from accounts receivable, in the amount of R\$491,076.

## Brisanet Participações S.A. e Consolidado

Notes to interim financial information (Continued)  
September 30, 2021  
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### 13. Rights of use and lease obligations (Consolidated)

Company subsidiaries are parties to lease agreements and used discount rates based on risk-free interest rates observable in the Brazilian market, for their agreement periods, adjusted to these subsidiaries' reality (credit spread). These spreads were obtained based on the debt profile presented by Company subsidiaries at September 30, 2021 and December 31, 2020 and adjusted at each date when new capitalizations relating to new lease agreements were recognized. Nominal rates practiced at September 30, 2021 and December 31, 2020 are as follows:

Agreements per period and discount rate:

Agreement period	Rate % p.a.	
	09/30/2021	12/31/2020
2 years	8.78%	7.89%
3 years	8.78%	7.89%
4 years	8.78%	7.89%
5 years	8.78%	7.89%
10 years	8.78%	7.89%

Changes in lease obligations are as follows:

	09/30/2021	12/31/2020
Opening balance	33,474	9,817
Interest recognized	2,759	2,781
Additions due to new agreements	24,401	43,203
Consideration paid	(16,334)	(20,077)
Interest paid	(2,841)	(2,250)
Closing balance	41,459	33,474
Current	12,966	5,562
Noncurrent	28,493	27,912

Agreement maturity and undiscounted installments, reconciled to the balances at September 30, 2021 and December 31, 2020 are as follows:

	09/30/2021	12/31/2020
Installment maturity		
2021	1,462	4,076
2022	5,850	7,852
2023	5,802	7,637
2024	5,252	5,126
2025 onwards	26,704	22,767
Undiscounted amounts	45,070	47,458
Embedded interest	(3,611)	(13,984)
Lease obligation balance	41,459	33,474

## Brisanet Participações S.A. e Consolidado

Notes to interim financial information (Continued)  
September 30, 2021  
(In thousands of reais)

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

Changes in rights of use are as follows:

	<u>09/30/2021</u>	<u>12/31/2020</u>
Opening balance	34,117	9,901
Additions due to new agreements	<b>24,401</b>	43,203
Amortization expenses	<b>(16,845)</b>	(18,987)
Closing balance	<b>41,673</b>	34,117

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

	<u>Cash flows</u>	<u>Nominal amount</u>	<u>Amount adjusted to present value</u>
Lease consideration		<b>44,968</b>	<b>41,357</b>
Potential PIS/COFINS (9.25%)		<b>4,160</b>	<b>3,826</b>

#### Misstatement due to application of CPC 06 (R2)

In compliance with CPC 02 (R2), in measuring and remeasuring their lease obligations and rights of use, Company subsidiaries used the cash flow method without considering future inflation projected in the flows to be discounted, as barred by CPC 06 (R2). This barring may cause significant misstatements in the information provided, given the current reality of long-term interest rates in the Brazilian economic scenario.

As such, for the purposes of safeguarding reliability of the information and complying with the guidance provided by CVM by means of CVM/SNC/SEP Memorandum Circular No. 02/2019, as well as preserving Brazilian market investors, the comparative balances of lease obligations and right-of-use assets, finance costs and depreciation expenses at September 30, 2021 and December 31, 2020 are presented below:

## Brisanet Participações S.A. e Consolidado

Notes to interim financial information (Continued)  
September 30, 2021  
(In thousands of reais)

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

#### Restatement due to application of CPC 06 (R2) (Continued)

	<u>09/30/2021</u>	<u>12/31/2020</u>
Rights of use, net		
CPC06(R2) / IFRS 16	<b>41,673</b>	34,117
Amounts including future inflation	<b>43,131</b>	35,311
Difference	<b>1,458</b>	1,194
Lease obligations		
CPC06(R2) / IFRS 16	<b>41,458</b>	33,474
Amounts including future inflation	<b>42,804</b>	34,646
Difference	<b>1,346</b>	1,172
Finance costs		
CPC06(R2) / IFRS 16	<b>(13,110)</b>	(2,781)
Amounts including future inflation	<b>(13,567)</b>	(2,878)
Difference	<b>(457)</b>	(97)
Depreciation expenses		
CPC06(R2) / IFRS 16	<b>(16,845)</b>	(18,987)
Amounts including future inflation	<b>(17,329)</b>	(19,652)
Difference	<b>(484)</b>	(665)

### 14. Labor and social obligations

	<u>Individual</u>		<u>Consolidated</u>	
	<u>09/30/2021</u>	<u>12/31/2020</u>	<u>09/30/2021</u>	<u>12/31/2020</u>
Salaries and wages	-	-	<b>12,355</b>	9,946
Social charges on salaries and wages	-	-	<b>6,819</b>	5,885
Accrued vacation pay and 13 <sup>th</sup> monthly salary	-	-	<b>21,753</b>	8,214
Social charges on accrued vacation pay and 13 <sup>th</sup> monthly salary	<b>29</b>	-	<b>8,373</b>	2,994
Other	<b>57</b>	-	<b>71</b>	61
	<b>86</b>	-	<b>49,371</b>	27,100

## Brisanet Participações S.A. e Consolidado

Notes to interim financial information (Continued)  
September 30, 2021  
(In thousands of reais)

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

	<u>09/30/2021</u>	<u>12/31/2020</u>
Federal (a)	6,807	7,806
State	-	57
	<u>6,807</u>	<u>7,863</u>
Current	1,490	1,274
Noncurrent	5,317	6,589

(a) These refer to Tax Recovery Program (REFIS) and Special Tax Settlement Program (PERT) implemented by Law No. 13496 of October 24, 2017, in 150 installments, of which 98 installments are not yet due at September 30, 2021.

Changes in taxes paid in installments are as follows:

	<u>09/30/2021</u>	<u>12/31/2020</u>
Opening balance	7,863	8,666
Restatements	340	149
New installment payments	-	2,077
Amortization of principal and interest	<b>(1,396)</b>	<b>(3,029)</b>
Closing balance	<u>6,807</u>	<u>7,863</u>

Noncurrent portions mature as follows:

	<u>30/09//2021</u>	<u>12/31/2020</u>
2022	1,087	1,390
2023	676	818
2024	676	818
2025	676	818
2026 onwards	<u>3,692</u>	<u>2,745</u>
	<u>6,807</u>	<u>6,589</u>

## Brisanet Participações S.A. e Consolidado

Notes to interim financial information (Continued)  
September 30, 2021  
(In thousands of reais)

### 16. Provision for contingencies (Consolidated)

As at September 30, 2021, the Company and its subsidiaries are parties to proceedings of civil, tax and labor natures whose likelihood of an unfavorable outcome was considered probable, for which management set up provision for contingencies, amounting to R\$652 (R\$2,729 at December 31, 2020). There are no contingencies whose individual amounts are significant.

Changes in provision for contingencies are as follows:

	Labor	Tax	Civil	Total
Balance at December 31, 2019	949	950	39	1,938
Set-up	844	-	1	845
Reversal	(16)	-	(38)	(54)
Balance at December 31, 2020	1,777	950	2	2,729
Set-up	537	-	65	602
Reversal	(1,711)	(948)	(17)	(2,676)
Balance at September 30, 2021	603	2	50	655

Additionally, at September 30, 2021, the Company and its subsidiaries had civil and labor lawsuits considered as a possible loss in the amount of R\$3,624 (R\$88 at December 31, 2020).

### 17. Government grants (Consolidated)

#### a) Federal Government

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

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

*Effective period:* 10 years.

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

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

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

*Effective period:* 10 years.

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



## **Brisanet Participações S.A. e Consolidado**

Notes to interim financial information (Continued)  
September 30, 2021  
(In thousands of reais)

### **17. Government grants (Consolidated) (Continued)**

a) Federal Government (Continued)

Subsidiaries Brisanet Serviços de Telecomunicações Ltda. and Universo Serviços de Telecomunicações Ltda. used the Sudene tax benefit in the period ended September 30, 2021, and recorded tax benefits relating to income tax decrease amounting to R\$1,017 (R\$910 in the period ended September 30, 2020) as reduction of income tax expenses.

b) State Government

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

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

In the nine-month period ended September 30, 2021, subsidiary Brisanet Serviços de Telecomunicações Ltda. recorded ICMS benefits amounting to R\$44,485 (R\$21,470 in the nine-month period ended September 30, 2020), as a reduction of ICMS expenses.

## Brisanet Participações S.A. e Consolidado

Notes to interim financial information (Continued)  
September 30, 2021  
(In thousands of reais)

### 18. Equity (Individual)

#### a) Capital

As at September 30, 2021, subscribed and paid-in capital amounts to R\$1,321,859 (R\$66,209 at December 31, 2020), represented by 449,094,916 common shares (66,209,213 shares at December 31, 2020).

Shareholders	Shares		Percentage - %	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
JRN Participações Eireli	-	27,807,617	-	42%
PES Participações Eireli	-	6,620,973	-	10%
JPE Participações Eireli	-	6,620,973	-	10%
JEN Participações Eireli	-	6,620,973	-	10%
MEP Participações Eireli	-	3,972,584	-	6%
ANP Participações Eireli	-	3,310,486	-	5%
JKN Participações Eireli	-	3,310,486	-	5%
GPF Participações Ltda	-	5,958,829	-	9%
FFR Participações Eireli	-	1,986,292	-	3%
José Roberto Nogueira	<b>148,185,781</b>	-	<b>33%</b>	-
Paulo Estevam da Silva	<b>35,282,878</b>	-	<b>7.86%</b>	-
João Paulo Estevam	<b>35,282,878</b>	-	<b>7.86%</b>	-
Jordão Estevam Nogueira	<b>35,282,878</b>	-	<b>7.86%</b>	-
Miguel Estevam Parente	<b>21,169,728</b>	-	<b>4.71%</b>	-
Jordania Karina Nogueira Estevam	<b>17,641,436</b>	-	<b>3.93%</b>	-
Ana Paula Nogueira	<b>17,641,436</b>	-	<b>3.93%</b>	-
Francisco Estevam Sobrinho	<b>15,877,173</b>	-	<b>3.54%</b>	-
Francisco de França Reis	<b>10,584,864</b>	-	<b>2.36%</b>	-
Pedro Salas Queiroz Estevam	<b>7,938,593</b>	-	<b>1.77%</b>	-
Gabriela Queiroz Estevam	<b>7,938,593</b>	-	<b>1.77%</b>	-
Shares - offering	<b>96,268,678</b>	-	<b>21.41%</b>	-
<b>Total</b>	<b>449,094,916</b>	<b>66,209,213</b>	<b>100%</b>	<b>100%</b>

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

As of September 30, 2021, capital authorized for increase by the Board of Directors, regardless of statutory amendment, is of up to 150,000,000 additional common shares.

## Brisanet Participações S.A. e Consolidado

Notes to interim financial information (Continued)  
September 30, 2021  
(In thousands of reais)

### 18. Equity (Individual) (Continued)

#### a) Capital (Continued)

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

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

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

#### b) Income reserves

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

*Retained profits:* The remaining retained profits balance will be allocated as decided by the shareholders.

#### c) Profit distribution

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

## Brisanet Participações S.A. e Consolidado

Notes to interim financial information (Continued)  
September 30, 2021  
(In thousands of reais)

### 18. Equity (Individual) (Continued)

#### c) Profit distribution (Continued)

Changes in dividend payable are as follows:

	<u>09/30/2021</u>	<u>12/31/2020</u>
Opening balance	-	-
Mandatory minimum dividend	-	277
Dividend approved	<b>2,205</b>	9,374
Dividend paid	<b>(2,205)</b>	(9,651)
Closing balance	<u>-</u>	<u>-</u>

### 19. Net operating revenue (Consolidated)

	<u>Consolidated</u>			
	<u>07/01/2021 to</u> <u>09/30/2021</u>	<u>07/01/2020 to</u> <u>09/30/2020</u>	<u>01/01/2021 to</u> <u>09/30/2021</u>	<u>01/01/2020 to</u> <u>09/30/2020</u>
		(restated)		(restated)
Gross sales revenue				
Services provided	<b>219,321</b>	141,787	<b>603,641</b>	375,238
Products resold	<b>109</b>	1	<b>334</b>	1
	<u><b>219,430</b></u>	<u>141,788</u>	<u><b>603,975</b></u>	<u>375,239</u>
Deductions from gross revenue				
(+ Taxes on revenue	<b>(45,414)</b>	(30,306)	<b>(124,175)</b>	(74,332)
Tax benefits (Note 17)	<b>15,996</b>	10,578	<b>44,485</b>	21,470
	<u><b>(29,418)</b></u>	<u>(19,728)</u>	<u><b>(79,690)</b></u>	<u>(52,862)</u>
Net operating revenue	<u><b>190,012</b></u>	<u>122,060</u>	<u><b>524,285</b></u>	<u>322,377</u>

## Brisanet Participações S.A. e Consolidado

Notes to interim financial information (Continued)  
September 30, 2021  
(In thousands of reais)

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

	Individual					
	01/01/2021 to 09/30/2021			07/01/2020 to 09/30/2020		
	Administrative expenses	Other operating income (expenses), net	Total	Administrative expenses	Other operating income (expenses), net	Total
	(2,324)	(5)	(2,329)	-	-	-
By nature:						
Third-party services	(657)	-	(657)	-	-	-
General expenses	(1,667)	-	(1,667)	-	-	-
Provision for contingencies	-	5	5	-	-	-
Other	-	(10)	(10)	-	-	-

	Individual					
	07/01/2021 to 09/30/2021			07/01/2020 to 09/30/2020		
	Administrative expenses	Other operating income (expenses), net	Total	Administrative expenses	Other operating income (expenses), net	Total
	(917)	11	(906)	-	-	-
By nature:						
Third-party services	(581)	-	(581)	-	-	-
General expenses	(336)	-	(336)	-	-	-
Provision for contingencies	-	-	-	-	-	-
Other	-	11	11	-	-	-

## Brisanet Participações S.A. e Consolidado

Notes to interim financial information (Continued)

September 30, 2021

(In thousands of reais)

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

	Consolidated											
	01/01/2021 to 09/30/2021					01/01/2020 to 09/30/2020						
	Cost of services	Administrative expenses	Selling expenses	Tax expenses	Other operating income (expenses), net	Total	Cost of services	Administrative expenses	Selling expenses	Tax expenses	Other operating income (expenses), net	Total
	(287,740)	(112,764)	(48,520)	(3,456)	(12,264)	(464,744)	(157,224)	(60,075)	(23,129)	(1,873)	(27,840)	(270,141)
By nature:												
Interconnection and means of connection	(12,389)	-	-	-	-	(12,389)	(4,581)	-	-	-	-	(4,581)
Direct connectivity costs (Link)	(14,831)	-	-	-	-	(14,831)	(8,208)	-	-	-	-	(8,208)
Indirect costs of right of way (utility poles)	(23,172)	-	-	-	-	(23,172)	(15,043)	-	-	-	-	(15,043)
Indirect costs of customer activation	(4,312)	-	-	-	-	(4,312)	(4,867)	-	-	-	-	(4,867)
Salaries and wages	(69,939)	(39,071)	(21,993)	-	-	(131,003)	(39,492)	(27,741)	(12,820)	-	-	(80,053)
Salaries and wages of customer activation	(20,189)	-	-	-	-	(20,189)	(18,403)	-	-	-	-	(18,403)
Third-party services	(10,662)	(18,544)	(5,933)	-	-	(35,139)	(3,826)	(6,066)	(1,720)	-	-	(11,612)
Advertising and promotion	-	(196)	(14,870)	-	-	(15,066)	-	(4)	(6,207)	-	-	(6,211)
Depreciation and amortization	(93,237)	(17,593)	(570)	-	-	(111,400)	(57,409)	(4,778)	(75)	-	-	(62,262)
General expenses	-	(14,241)	(1,134)	-	-	(15,375)	-	(8,328)	(923)	-	-	(9,251)
Taxes, charges and contributions	-	-	-	(3,456)	-	(3,456)	-	-	-	(1,873)	-	(1,873)
Electric power and water	(5,999)	(566)	(223)	-	-	(6,788)	(1,884)	(289)	(50)	-	-	(2,223)
Materials and maintenance	(14,956)	(9,473)	(97)	-	-	(24,526)	(7,161)	(5,171)	(38)	-	-	(12,370)
Other personnel expenses	(10,025)	(11,314)	(2,863)	-	-	(24,202)	(2,996)	(6,490)	(654)	-	-	(10,140)
Allowance for expected credit losses	-	-	-	-	(13,867)	(13,867)	-	-	-	-	(25,454)	(25,454)
Provision for contingencies	-	-	-	-	2,074	2,074	-	-	-	-	(593)	(593)
Software and projects (a)	(2,307)	(1,766)	(837)	-	-	(4,910)	(1,278)	(1,208)	(642)	-	-	(3,128)
Other	(5,722)	-	-	-	(471)	(6,193)	7,924	-	-	-	(1,793)	6,131

(a) These refer to system maintenance services.

## Brisanet Participações S.A. e Consolidado

Notes to interim financial information (Continued)

September 30, 2021

(In thousands of reais)

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

	Consolidated						Consolidated					
	07/01/2021 to 09/30/2021						07/01/2020 to 09/30/2020					
	Cost of services	Administrative expenses	Selling expenses	Tax expenses	Other operating income (expenses), net	Total	Cost of services	Administrative expenses	Selling expenses	Tax expenses	Other operating income (expenses), net	Total
	(103,311)	(36,613)	(18,645)	(914)	(3,950)	(163,433)	(61,969)	(22,652)	(8,491)	(166)	(9,280)	(102,558)
By nature:												
Interconnection and means of connection	(5,168)	-	-	-	-	(5,168)	(1,571)	-	-	-	-	(1,571)
Direct connectivity costs (Link)	(5,334)	-	-	-	-	(5,334)	(1,636)	-	-	-	-	(1,636)
Indirect costs of right of way (utility poles)	(11,548)	-	-	-	-	(11,548)	(4,339)	-	-	-	-	(4,339)
Indirect costs of customer activation	-	-	-	-	-	-	(902)	-	-	-	-	(902)
Salaries and wages	(25,839)	(13,151)	(7,958)	-	-	(46,948)	(15,346)	(10,279)	(4,486)	-	-	(30,111)
Salaries and wages of customer activation	-	-	-	-	-	-	(8,001)	-	-	-	-	(8,001)
Third-party services	(4,297)	(8,083)	(2,853)	-	-	(15,233)	(1,358)	(1,551)	(689)	-	-	(3,598)
Advertising and promotion	-	(193)	(5,357)	-	-	(5,550)	-	-	(2,425)	-	-	(2,425)
Depreciation and amortization	(35,525)	(6,174)	(210)	-	-	(41,909)	(23,346)	(1,846)	(55)	-	-	(25,247)
General expenses	-	(4,602)	(386)	-	-	(4,988)	-	(3,919)	(322)	-	-	(4,241)
Taxes, charges and contributions	10	-	-	(914)	-	(904)	-	-	-	(166)	-	(166)
Electric power and water	(3,105)	(130)	(190)	-	-	(3,425)	(2,991)	(662)	(18)	-	-	(3,671)
Materials and maintenance	(6,962)	199	(62)	-	-	(6,825)	(2,729)	(1,803)	(2)	-	-	(4,534)
Other personnel expenses	(4,010)	(3,866)	(1,194)	-	-	(9,070)	(2,432)	(2,311)	(249)	-	-	(4,992)
Allowance for expected credit losses	-	-	-	-	(3,490)	(3,490)	-	-	-	-	(13,529)	(13,529)
Provision for contingencies	-	-	-	-	440	440	-	-	-	-	(593)	(593)
Software and projects (b)	(152)	(613)	(435)	-	-	(1,200)	(695)	(281)	(245)	-	-	(1,221)
Other	(1,381)	-	-	-	(900)	(2,281)	3,377	-	-	-	4,842	8,219

(a) These refer to system maintenance services.

## Brisanet Participações S.A. e Consolidado

Notes to interim financial information (Continued)  
September 30, 2021  
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### 21. Finance income/(costs) (Consolidated)

	07/01/2021 to 09/30/2021	07/01/2020 to 09/30/2020 (restated)	01/01/2021 to 09/30/2021	01/01/2020 to 09/30/2020 (restated)
Finance costs				
Interest on loans and financing, and debentures	<b>(13,278)</b>	(9,963)	<b>(52,906)</b>	(20,472)
Late-payment interest and fines	<b>(331)</b>	(639)	<b>(1,345)</b>	(2,751)
Exchange losses	<b>(39,787)</b>	(19,726)	<b>(52,199)</b>	(46,087)
Bank charges	<b>(1,766)</b>	(2,796)	<b>(6,517)</b>	(5,776)
Interest on leases	<b>295</b>	(499)	<b>(1,610)</b>	(1,458)
Tax on Financial Transactions (IOF)	<b>(897)</b>	(65)	<b>(2,022)</b>	(255)
Collection fees	<b>(396)</b>	(288)	<b>(1,075)</b>	(884)
Interest on installment payments	<b>(91)</b>	(54)	<b>(477)</b>	(442)
Derivative transactions – swap	<b>180</b>	-	<b>(11,601)</b>	-
Other	<b>(843)</b>	(2,480)	<b>(33)</b>	(2,479)
	<b>(56,914)</b>	(36,510)	<b>(129,785)</b>	(80,604)
Finance income				
Interest income received	<b>2,290</b>	5,250	<b>6,514</b>	6,518
Short-term investment yield	<b>11,405</b>	229	<b>14,075</b>	992
Exchange gains	<b>4,363</b>	7,988	<b>43,042</b>	15,919
Derivative transactions – swap	<b>6,188</b>	17,359	<b>9,350</b>	17,359
Other finance income	<b>2,040</b>	-	<b>5,680</b>	-
	<b>26,286</b>	30,826	<b>78,661</b>	40,788
Finance income (costs)	<b>(30,628)</b>	(5,684)	<b>(51,124)</b>	(39,816)

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

As at September 30, 2021 and 2020, income and social contribution taxes were calculated on taxable profit computed as a percentage of gross revenue (“*Lucro Presumido*”) and on taxable profit computed on accounting records of the Company (“*Lucro real*”), at the rate of 15% income tax, and surtax of 10% for profits exceeding R\$180 over 9 months, and at 9% for social contribution tax.



## Brisanet Participações S.A. e Consolidado

Notes to interim financial information (Continued)  
September 30, 2021  
(In thousands of reais)

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

Current income and social contribution tax expense is as follows:

	07/01/2021 to 09/30/2021	07/01/2020 to 09/30/2020 (restated)	01/01/2021 to 09/30/2021	01/01/2020 to 09/30/2020 (restated)
Taxable profit computed on accounting records: (a)				
Current income tax	(1,811)	(264)	(4,779)	(1,617)
Current social contribution tax	(913)	(98)	(1,721)	(582)
Tax benefit – income tax reduction (Note 17)	331	146	1,017	910
Deferred income and social contribution taxes	1,974	4,974	4,596	7,612
	<b>(419)</b>	4,758	<b>(887)</b>	6,323
Taxable profit computed as a percentage of gross revenue: (b)				
Income tax	(1,541)	(1,825)	(5,014)	(6,982)
Social contribution tax	(616)	(690)	(1,827)	(2,527)
	<b>(2,157)</b>	(2,515)	<b>(6,841)</b>	(9,509)
Total income and social contribution tax expenses:				
Current income and social contribution taxes	(4,881)	(2,877)	(13,341)	(11,708)
Deferred income and social contribution taxes	1,974	4,974	4,596	7,612
Tax benefit – income tax reduction (Note 17)	331	146	1,017	910
	<b>(2,576)</b>	2,243	<b>(7,728)</b>	(3,186)

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

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

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

	12/31/2020	Changes	09/30/2021
Assets			
Income and social contribution tax losses	2,098	1,548	3,646
Allowance for expected credit losses	1,490	3,342	4,832
Provision for contingencies	353	(217)	136
Lease payable	21	-	21
	3,962	4,673	8,635
Liabilities			
Derivative transactions	(1,818)	30	(1,788)
Lease payable	-	(107)	(107)
	(1,818)	(77)	(1,895)
Deferred income and social contribution taxes, net	2,144	4,596	6,740

## Brisanet Participações S.A. e Consolidado

Notes to interim financial information (Continued)  
September 30, 2021  
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### 22. Income and social contribution taxes (Consolidated) (Continued)

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

a) Subsidiaries that adopt 'lucro real':

	07/01/2021 to 09/30/2021	07/01/2020 to 09/30/2020	01/01/2021 to 09/30/2021	01/01/2020 to 09/30/2020
		(restated)		(restated)
Income (loss) before income and social contribution taxes	(11,487)	16,476	(12,957)	15,688
Combined statutory rate - 34%	34%	34%	34%	34%
Income and social contribution taxes at statutory rates	3,906	(5,602)	4,406	(5,334)
Permanent differences				
Tax benefit – income tax reduction (Note 17)	331	146	1,017	910
(Additions) exclusions, net	(4,656)	10,214	(6,310)	10,747
Income and social contribution tax expenses	(419)	4,758	(887)	6,323
Effective rate (%)	(4%)	29%	7%	40%

b) Company and subsidiaries that adopt 'lucro presumido':

	01/01/2021 to 09/30/2021	01/01/2020 to 09/30/2020		
	Income tax	Social contribution tax	Income tax	Social contribution tax
			(restated)	
Gross revenue	56,293	56,293	73,784	73,784
Gross revenue percentage	32%	32%	32%	32%
Finance income	2,777	2,777	4,497	4,497
Deducted portion	(180)	-	(180)	-
Gross revenue base	20,611	20,791	27,928	28,108
	(5,014)	(1,827)	(6,982)	(2,527)
Effective rate (%)	25%	9%	25%	9%

## Brisanet Participações S.A. e Consolidado

Notes to interim financial information (Continued)  
September 30, 2021  
(In thousands of reais)

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

b) Company and subsidiaries that adopt 'lucro presumido': (Continued)

	07/01/2021 to 09/30/2021		07/01/2020 to 09/30/2020	
	Income tax	Social contribution tax	Income tax	Social contribution tax
Gross revenue	21,394	21,394	13,649	13,649
Gross revenue percentage	32%	32%	32%	32%
Finance income	6,846	6,846	4,368	4,368
	504	504	3,412	3,412
	7,350	7,350	7,780	7,780
Deducted portion	(60)	-	(60)	-
Gross revenue base	7,290	7,350	7,720	7,780
	(1,541)	(616)	(1,825)	(690)
Effective rate (%)	24%	9%	24%	9%

### 23. Earnings (loss) per share

a) Basic and diluted

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

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

	07/01/2021 to 09/30/2021	01/01/2021 to 09/30/2021	07/01/2020 to 09/30/2020	07/01/2020 to 09/30/2020
Profit attributable to Company shareholders	(6,623)	690	16,060	9,233
Weighted average number of common shares issued	421,764,831	362,549,275	66,209,213	66,209,213
Basic and diluted earnings (loss) per share – in (R\$)	(0.016)	0.002	0.242	0.139

## Brisanet Participações S.A. e Consolidado

Notes to interim financial information (Continued)  
September 30, 2021  
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### 24. Financial instruments and risk management

#### a) Capital management

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

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

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

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

As at September 30, 2021 and December 31, 2020, debt ratios are summarized as follows:

	Note	Consolidated	
		09/30/2021	12/31/2020
Total loans and financing	11	576,148	651,747
Total debentures	12	491,076	-
Total lease obligations	13	41,459	33,474
Total liabilities derivatives		1,187	-
Less: cash and cash equivalents	3	(1,218,159)	(171,104)
Less: short-term investments		(65,531)	(9,665)
Less: derivatives		(7,931)	(11,918)
Net debt	A	(181,751)	492,534
Total equity	18	1,341,078	127,197
Equity plus net debt – total capital	B	1,159,327	619,731
Financial leverage ratio	A / B	(16%)	79.5%

## Brisanet Participações S.A. e Consolidado

Notes to interim financial information (Continued)  
September 30, 2021  
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### 24. Financial instruments and risk management (Continued)

b) Significant accounting policies

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

c) Category of financial instruments

	Consolidated	
	09/30/2021	12/31/2020
Financial assets at amortized cost:		
Cash and cash equivalents	1,218,159	171,104
Financial investments	69,131	16,145
Trade accounts receivable	96,090	69,555
Financial assets at fair value through profit or loss		
Derivative transactions	7,931	11,918
	<u>1,391,311</u>	<u>268,722</u>
Financial liabilities at amortized cost:		
Trade accounts payable	188,925	137,229
Loans and financing	576,148	651,747
Debentures	491,076	-
Lease obligations	41,459	33,474
Financial liabilities at fair value through profit or loss.		
Derivative transactions	1,187	151
	<u>1,298,795</u>	<u>822,601</u>

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

- Cash and cash equivalents: presented at market value, which equals book value. Short-term investments included in cash and cash equivalents are classified as available for sale. Market value is reflected in the amounts recorded in the statements of financial position.
- Short-term investments: presented at fair value adjusted by the rates in effect on investment date.

## Brisanet Participações S.A. e Consolidado

Notes to interim financial information (Continued)  
September 30, 2021  
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### 24. Financial instruments and risk management (Continued)

#### c) Category of financial instruments (Continued)

- Trade accounts receivable: classified as receivables and recorded at their original amounts, subject to allowance for expected credit losses, when applicable.
- Trade account payable: derive from transactions with third parties for purchase of assets and materials necessary for company operation, at market prices.
- Loans and financing and debentures: measured at amortized cost under the effective interest rate method.

#### d) Credit risk

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

Trade accounts receivable subject to credit risk are presented in Note 4. As at September 30, 2021, Company subsidiaries recorded allowance for expected credit losses amounting to R\$29,038 (R\$20,791 at December 31, 2020), considered sufficient by management to cover expected losses on realization of trade receivables. As disclosed in Note 4, no individual customer represents more than 10% of total accounts receivable.

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

## Brisanet Participações S.A. e Consolidado

Notes to interim financial information (Continued)  
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### 24. Financial instruments and risk management (Continued)

e) Market risk

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

f) Liquidity risk

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

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

	Total at 09/30/2021	Within 6 months	From 6 to 12 months	From 1 to 2 years	From 2 to 5 years	Over 5 years
Trade accounts payable	188,925	143,629	45,296	-	-	-
Loans	576,148	69,503	176,123	135,115	192,963	2,444
Derivatives	44,570	8,697	13,896	17,527	4,450	-
Debentures	491,076	1,275	-	-	140,339	349,462
Lease obligations	41,359	10,641	3,360	11,687	9,406	6,265
	Total at 12/31/2020	Within 6 months	From 6 to 12 months	From 1 to 2 years	From 2 to 5 years	Over 5 years
Trade accounts payable	137,229	111,461	25,768	-	-	-
Loans	599,031	119,272	132,605	116,848	230,306	-
Derivatives	52,716	6,061	11,791	27,241	7,623	-
Lease obligations	33,474	961	4,601	7,779	9,914	10,219

g) Financial risk factors

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

## Brisanet Participações S.A. e Consolidado

Notes to interim financial information (Continued)  
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### 24. Financial instruments and risk management (Continued)

#### h) Currency risk

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

#### *Derivative financial instruments*

The derivatives and fx forward contracts have as counterparty a financial institution and were contracted to cover potential risks involved in the purchase of PPE items abroad. The essential terms of the fx forward contracts were negotiated so as to be in line with the existing sale commitments contracted in foreign currency. As at September 30, 2021, Company subsidiaries presented a consolidated balance receivable of R\$6,743 (R\$11,918 at December 31, 2020) equivalent to the estimated positive adjustment to be received financially upon contract maturity, based on their market value on respective date.

#### Breakdown of financial instruments

Description	09/30/2021	12/31/2020
Derivative transactions receivable – Swap	7,931	11,918
	7,931	11,918
Current	3,118	3,701
Noncurrent	4,813	8,217
	7,931	11,918



## Brisanet Participações S.A. e Consolidado

Notes to interim financial information (Continued)  
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### 24. Financial instruments and risk management (Continued)

#### h) Currency risk (Continued)

##### *Derivative financial instruments* (Continued)

Aging list of swap transactions:

	<u>09/30/2021</u>	<u>12/31/2020</u>
2021	492	3,701
2022	4,445	1,413
2023	2,808	3,817
2024	186	2,987
	<u>7,931</u>	<u>11,918</u>
	<u>09/30/2021</u>	<u>12/31/2020</u>
Outstanding swap transactions:		
Loans and financing – book value	44,570	52,716
Loans and financing – fair value	(36,639)	(40,798)
Gain adjustments from financial instruments – swap	<u>7,931</u>	<u>11,918</u>

Subsidiaries Brisanet Serviços and RPS Prestação de Serviços engage in instruments for financial transactions in foreign currency aimed at fundraising and import financing. As a result of the exchange increase, the policy adopted by the subsidiaries was efficient in the period. As at September 30, 2021 and December 31, 2020, hedging transactions represented 7.73% (R\$44,570 / R\$576,249) and 8.09% (R\$52,716 / R\$651,747), respectively, of these subsidiaries' bank debt.

Company management does not engage in transactions involving other financial instruments.

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

As at September 30, 2021, derivative financial instruments amounted to R\$7,931 (R\$11,918 at December 31, 2020). The Company measures its foreign-currency loan liabilities at amortized cost and hedges such items by means of derivative financial instruments (swaps). In order to prevent accounting mismatches between measurement of financial liabilities (amortized cost and fair value), the Company classified referred to instruments as financial liabilities measured at fair value.

In the nine-month period ended September 30, 2021, net realized and unrealized gains (losses) deriving from these contracts were recorded in finance income (costs), and represented consolidated net loss amounting to (no derivative transactions were performed in the nine-month period ended September 30, 2020).

## Brisanet Participações S.A. e Consolidado

Notes to interim financial information (Continued)  
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### 24. Financial instruments and risk management (Continued)

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

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

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

The Company does not consider loans and financing as subject to currency risk since these operations are hedged by derivative financial instruments (currency rate swaps).

#### *Interest rate risk*

September 30, 2021

Instrument/transaction	Probable scenario	Risk	Consolidated		
			Current scenario	Scenario II	Scenario III
Loans and financing	1.28%	CDI increase	12,171	15,214	18,257
Loans and financing	4.88%	TJLP increase	921	1,151	1,381
Loans and financing	2.87%	TLP increase	1,242	1,553	1,863
Loans and financing	6.56%	IPCA increase	2,797	3,496	4,196
		Reference rate			
Loans and financing	0%	(TR) increase	46	57	69
Short-term investments	1.28%	CDI decrease	(15,924)	(11,943)	(7,962)
Projected income (loss)			1,253	9,528	17,804

## Brisanet Participações S.A. e Consolidado

Notes to interim financial information (Continued)  
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### 24. Financial instruments and risk management (Continued)

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

*Interest rate risk* (Continued)

December 31, 2020

Instrument/transaction	Probable scenario	Risk	Consolidated		
			Current scenario	Scenario II	Scenario III
Loans and financing	2.75%	CDI increase	(9,362)	(11,703)	(14,044)
Loans and financing	4.87%	TJLP increase	(4,510)	(5,638)	(6,765)
Loans and financing	4.52%	IPCA increase	(2,009)	(2,511)	(3,014)
Short-term investments	2.75%	CDI decrease	4,988	3,741	2,494
Projected income (loss)			(10,893)	(16,111)	(21,329)

*Currency risk*

September 30, 2021

Instrument/transaction	Probable US dollar rate	Risk	Consolidated		
			Current scenario	Scenario II	Scenario III
Trade accounts payable	5.43	Dollar increase	-	(26,402)	(52,803)
Loans and financing	5.43	Dollar increase	-	(17,363)	(34,726)
Projected income (loss)				(43,765)	(87,529)

December 31, 2020

Instrument/transaction	Probable US dollar rate	Risk	Consolidated		
			Current scenario	Scenario II	Scenario III
Trade accounts payable	5.19	Dollar increase	-	(35,756)	(191,701)
Loans and financing	5.19	Dollar increase	-	(27,552)	(147,718)
Projected income (loss)			-	(63,308)	(339,419)

## Brisanet Participações S.A. e Consolidado

Notes to interim financial information (Continued)  
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(In thousands of reais)

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

j) Fair value hierarchy

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

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

	Consolidated			
	09/30/2021	Level 1	Level 2	Level 3
Financial assets				
Derivative transactions	7,931	-	7,931	-
Financial liabilities				
Derivative transactions	1,187	-	1,187	-

  

	Consolidated			
	12/31/2020	Level 1	Level 2	Level 3
Financial assets				
Derivative transactions	11,918	-	11,918	-
Financial liabilities				
Derivative transactions	151	-	151	-

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

### 25. Insurance coverage (Consolidated)

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

Insurance coverage in effect is as follows:

	09/30/2021
Aircraft – civil liability risk	US\$40,000
Aircraft – operational risk	US\$10,400
Other items – operational risk	R\$21,325

## **Brisanet Participações S.A. e Consolidado**

Notes to interim financial information (Continued)  
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### **26. Events after the reporting period**

#### a) Disclosure of significant shareholding

On October 19, 2021, Brisanet Participações (“Company”), listed on B3’s *Novo Mercado* under ticker symbol BRIT3, disclosed, in compliance with Article 12 of CVM Resolution No. 44/21, that it had been informed on the previous day by VERDE ASSET MANAGEMENT S.A. (“Verde”) that investment funds managed by that company (“Fundos Verde”) had increased its equity interest in the Company’s capital, now holding 24,351,500 common shares issued by the Company, corresponding to 5.42% of the share capital and the total issued in this type of share. That interest is represented solely by common shares held in a cash account. Verde also informed that the aforementioned increase reflects only an investment strategy and that no agreement or contract that regulates the exercise of voting rights or the purchase and sale of securities issued by the Company was entered into. In the same sense, Verde disclosed that it does not intend to change the Company’s composition of control or management structure and that it can assess the opportunity and convenience of exercising the right to elect a supervisory and/or management board member, under the terms of Law No. 6404/76.

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

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