

**2Q22**

**EARNINGS**

**RELEASE**

GRUPO  
**brisanet**

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

Pereiro, CE, August 12, 2022. **Brisanet Participações S.A.** (B3: BRIT3), the largest company among independent internet service providers in Brazil, according to ANATEL's ranking, and leader in fixed broadband in the Northeast, today announces its results for the second quarter of 2022 (2Q22) compared to the second quarter of 2021 (2Q21), unless otherwise indicated.

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

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

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

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



## 2Q22 HIGHLIGHTS

---

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

## CONFERENCE CALL

---

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

Brisanet – 2Q22 Earnings Release

Please join us for the zoom meeting at:

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

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



## BRIEF HISTORY

Brisanet was founded in 1998, in the city of Pereiro, in the semiarid region of the State of Ceará, in Brazil. The Company was created with the aim of providing internet via radio, with quality and affordable prices in the interior of the Northeast, thus seeking to promote the local development of Pereiro and the underlying regions.

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

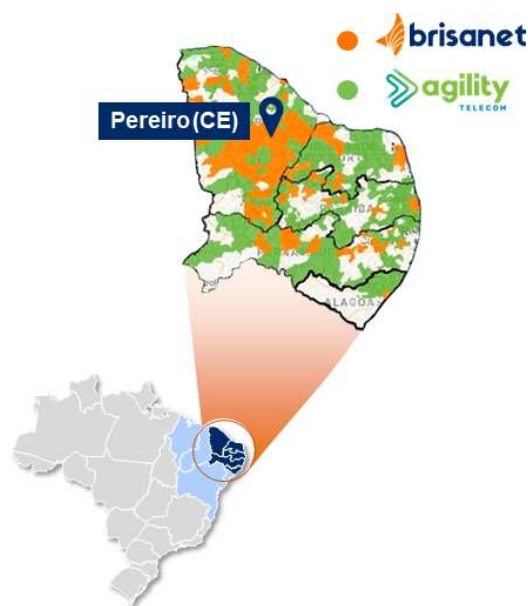
In 2010, the Company became the largest internet radio operator in Brazil, serving more than 30,000 customers in 150 cities in the countryside of the Northeast region. To supply the Company's expansion, managers saw in optical fiber a way to provide more connectivity and began to study different ways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

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

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

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

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



## OPERATING RESULTS

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

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

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

Brisanet also has more than 26,000 km of backbone infrastructure (lanes used to distribute internet to other networks) and more than 58,000 km of FTTH (fiber-to-the-home). The FTTH modality corresponds to the fiber optic transmission network architecture where the network reaches the customer's residence, coming directly from the service provider's distribution box.

**In 2Q22, 414,000 HPs and 68,000 customers were added.** In 2022, the Company estimates that net additions will grow gradually, as recently added cities become more mature and as the Company adds new clients from the 29 new cities added in this first half – these cities represent more than half the new cities expected for the year.

In this first quarter, we started operations in Recife, still with a very small area – around 54,000 HPs. At the beginning of the fourth quarter, we intend to enter Salvador, leaving only São Luiz/MA among the capitals of the Northeast for the year 2023.

The Brazilian economic scenario, especially in the region where we operate, remains challenging. The expectation for the second half is that the increase in Auxílio Brasil and some other relief measures taken by the Government may bring some improvement in the purchasing power of classes C, D and E, our largest audience. Despite this, inflation and the pricing strategy adopted by competitors continue to exert pressure on the telecommunications market. The Company estimate a HC base slightly higher than 1.1 million by the end of 2022.

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



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

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

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

At the end of July, the Company was already present in 152 cities, **servicing a total of 997,229 customers and already present in Recife** and in the state of Bahia. By the end of the year, the Company also plans to enter Salvador and complete the horizontal areas of these two large capitals.

## FINANCIAL RESULTS

### Gross Revenue by product

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

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

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

The average B2C ticket increased 4% compared to 2Q21, evidencing the sale of higher value packages as we advance in capitals and areas with greater economic power. In a year of intensified competition, with several acquisitions by medium-sized ISPs and a drop in prices among small providers, the Company shows that the strategy of service additions and organic expansion, from the periphery to the centers - from the classes C- and D for C+ and B, is a perfect fit from the point of view of increasing internet ticket in environments of greater competition.

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




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

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

## Cost of Services

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

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

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

- personnel expenses, which rose 52%, or R\$13.4 million, with the growth in the number of employees to support the growth of HPs planned for the year, the growth of the customer base, the salary readjustment that took place in 4Q21, as reported in the 2021 earnings release, and also the migration of personnel linked to logistics from administrative expenses to costs;
- depreciation and amortization, which grew R\$30.1 million, given the growth in assets and intangibles resulting from the expansions carried out;
- expenses with pole rental (right of way) increased by approximately R\$6.4 million due to the 78.5% increase in the number of HPs, and the fact that we are already paying for poles in cities still under construction (no active HPs) or low take up rate; and
- the increase in electricity and means of connection and link are linked not only to the growth of HC but also to the inflationary effect on tariffs and contracts. This variation was R\$5.6 million.



## Operational Expenses

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

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

The decrease in General and Administrative Expenses, excluding depreciation and amortization, was R\$29.3 million when compared to 2Q21. As of 2Q21, the Company intensified the structuring of the Company's support areas for growth and for the IPO – accounting, financial, legal, HR and store personnel – with personnel expenses, third-party services and others.

Selling expenses, excluding depreciation and amortization, were R\$4.8 million higher in 2Q22 when compared to 2Q21, mainly due to higher expenses with vendors and business partners. The Company's CAC grew during 2021, also influenced by inflation, but there is room for improvement and the Company is working on optimization initiatives so that it remains around R\$130 as of 4Q22. In comparison with 1Q22, a 9% reduction in CAC is already evident in 2Q22, when it was R\$155.

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

## EBITDA and Adjusted EBITDA

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

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





inventory/maintenance teams – which overwhelms the Company's total operating costs/expenses.

## Financial Result

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

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

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

**Financial expenses** basically consisted of: (i) interest expenses in 2Q22 in the amount of R\$35.7 million, (ii) operations with derivatives in the amount of R\$4.0 million - the derivatives are basically swap for exchange protection of long-term debts in foreign currency and dollar locks in NDF transactions to protect accounts payable with international suppliers, and (ii) foreign exchange variations in the amount of R\$24.3 million.

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

## Indebtedness

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

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

Considering cash and financial investments at the end of the period of R\$427.9 million, the Company had a net debt of R\$717.9 million, compared to a net debt of R\$74.6 million at the end of 2021. Most of this resource is invested in instruments with liquidity of less than 90 days and with an average yield in the period of 101.2% CDI.



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

The Company monitors its indebtedness using the net debt/EBITDA ratio. **On June 30, 2022, the indebtedness level was 2.3x**, 0.13x lower than at the end of the previous quarter.

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

Find below the breakdown for loans and financing:

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

On February 25, 2022, the Company, through its subsidiary, Brisagnet Serviços de Telecomunicações S.A., issued its 1st promissory note (PN), in 4 series, of 5 promissory notes, in the total amount of R\$70 million, having been the object of public distribution, with restricted placement efforts aimed at professional investors, without guarantees. The PN has a term of 12 months and interest of CDI+2.6% p.a. As of June 30, 2022, the balance was R\$70.8 million.

On March 15, 2021, the Company issued debentures, non-convertible into shares, in the amount of R\$500 million, which will be settled in semiannual installments, with initial maturity in March 2025 and ending in March 2028. These debentures bear interest/ /remuneration equivalent to the IPCA + 5.7694%. As of June 30, 2022, the balance was R\$549.3 million.

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

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



## Capex

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

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

In 1H22, Brisagnet invested, when measured by additions to property, plant and equipment and intangibles, the amount of R\$614.0 million, compared to R\$367.3 million in the first half of 2021.

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

The Company intends to activate part of the PPE in progress (balance of R\$194.5 million) and of the property, plant and equipment in inventory (balance of R\$131.1 million) during 2022, which should reduce disburseable capex in the coming quarters.

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

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

## NOTICES

### Conference Call

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

Brisagnet – 2Q22 Earnings Release

Please join us for the zoom meeting at:

[https://tenmeetings.com.br/ten-events/#/webinar?evento=Brisagnet2T22\\_877](https://tenmeetings.com.br/ten-events/#/webinar?evento=Brisagnet2T22_877)



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

## Investor Relations

Phone. +55 88 2105-0288

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

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

*Of this amount, just over R\$200 million corresponds to the purchase of equipment for the assembly of 5G ERBs (radio base stations). This purchase is recorded in The consolidated financial and operating information, disclosed in this document, except where otherwise indicated, is presented in accordance with international accounting standards IFRS (International Financial Reporting Standards) and in Reais (R\$), in accordance with the Brazilian Corporation Law, Law 6,404/76 and the pronouncements, guidelines and interpretations issued by the Accounting Pronouncements Committee ("CPC") and approved by the Securities and Exchange Commission ("CVM").*

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



## ATTACHMENT I – INCOME STATEMENTS

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



## ATTACHMENT II – BALANCE SHEET

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



## ATTACHMENT III – STATEMENT OF CASH FLOW

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

