

Seabras Restructuring FAQ

1. What did Seabras Announce?

- Seabras 1 Bermuda Ltd (“Seabras Bermuda”) and Seabras 1 USA LLC (“Seabras US” and, together with Seabras Bermuda, the “Companies”) announced on December 23, 2019 that they have commenced a process to restructure Seabras Bermuda’s secured debt.
- To facilitate this financial restructuring, the Companies filed voluntary petitions for reorganization under Chapter 11 of the U.S. Bankruptcy Code (the “Filings”).

2. Why are the Companies filing to restructure its debt now?

- This filing is not being done in haste or due to dwindling cash resources – the Companies remain in a solid cash position with the ability to meet their financial commitments throughout this restructuring.
- However, the unexpectedly steep decline in wholesale capacity pricing on the US-Brazil route combined with the recent overbuild on that route remain serious challenges.
- This is a planned, voluntary restructuring that will strengthen the Companies financially and position the Companies for long-term success.

3. Will restructuring impact operations?

- No. Through this restructuring process, the Companies will continue operations with the same exemplary management and operations teams from Seaborn Networks in place.
- Seaborn Networks has historically provided all SG&A and Operations & Engineering to the Companies on an outsourced basis and that is expected to continue through the restructuring process and thereafter.
- Seaborn Networks is not part of the Filings nor is Seaborn Networks undertaking a restructuring process, and Seaborn Networks remains a debt-free and healthy business. The management team and broader workforce of Seaborn Networks is expected to remain unchanged through the Companies’ restructuring process. Seaborn Networks is not owned by either of the Companies, but is an indirect shareholder of Seabras Group.

4. Can the Companies meet their financial obligations during restructuring?

- Yes. The Companies have sufficient liquidity to continue normal telecommunications operations and to meet their ongoing financial obligations.
- This means funding our operating expenses (including Seaborn Networks’ employee wages and benefits) and spending the resources needed to meet the Companies’ ongoing operational, financial and regulatory compliance obligations.

5. How long will the Chapter 11 restructuring process take?

- The Companies anticipate it will take several months to complete the restructuring process, and look forward to working closely with the Companies' senior debt holders to expedite this process.
- The Companies will make every effort to move through this process as quickly, efficiently and transparently as possible.
- The Companies believe they are well-positioned to quickly and successfully restructure through Chapter 11, and intend to emerge as stronger and more competitive.

6. Does the restructuring impact the Companies' proposed branch to Recife, Pernambuco and any other planned branches and extensions?

- No. This restructuring does not impact Seabras Group's proposed branch to Recife, Pernambuco, which will enable the first international submarine cable route for the center of Northeast Brazil.
- This restructuring also does not impact other planned development activities of Seabras Group which are expected to continue as planned without delay.

7. Are the Companies for sale or are they being liquidated?

- No. The Companies are not for sale and there is no plan for the Companies to be sold or liquidated through the restructuring processes nor do the boards of directors of the Companies wish to have either Company or their respective assets sold through these processes. The Companies will be continuing business as usual through these processes.
- The Filings were made solely to accomplish a financial restructuring to improve the competitive positions of the Companies and are not operational restructurings.

8. How can I find more information?

- For more information about the Seabras Group restructuring process, please see <https://seabornnetworks.com/seabras-restructuring/> to keep all stakeholders informed throughout the process.