Individual and Consolidated Financial Statements

Brisanet Participações S.A.

December 31, 2023
with Independent Auditor's Report

MANAGEMENT REPORT – Fiscal year ended on 12/31/2023

Message from CEO

Our commitment to promoting high-performance connectivity spans decades, technologies, and generations. The substantial and growing results we have achieved over time validate the effort, strategic guidance, and synchronous work of all the people who form and sustain the Company's success.

Brisanet's strength in the telecommunications market has not only been consolidated but has grown in an effective and assured manner. Until then, focusing on fixed broadband, as we enter 2023, we introduced a new service to our catalog: mobile telephony (4G/5G), while maintaining the growth of fiber optic customers in a solid and profitable manner. During this period, we added more than 192 thousand customers to the base organically, surpassing all operators registered with Anatel in the Northeast region of Brazil. This ensured that we remain among the five largest companies in fixed broadband access in the country and in the leadership of the Northeast, with a total of 1,292,091 subscribers.

We ended the year offering FTTH (fiber to the customer's home) in 158 cities in the nine northeastern states, in addition to offering mobile service in more than 40 cities with mobile service, including everything from the capitals to municipalities with less than 10 thousand inhabitants, covering a population of 4 million people. In this way, we materialize our purpose of internalizing 5G. In 2024, we will be focused on further expanding the reach of the mobile service, with a forecast of reaching coverage of 14 million inhabitants in 300 cities in the Northeast.

The year 2023 also represented a considerable advance in the Company's financial performance. Adjusted EBITDA was R$591.6 million, growing 36% compared to the previous year, and net profit was 160% higher, reaching R$163.3 million in the year. This performance is the result of the growth of the fiber customer base and efforts to increase productivity and reduce costs, even in a year in which we began to sell new services, with the launch of mobile.

We present important progress in Corporate Governance. We held the 1st Brisanet Compliance Week and launched the Women's Channel, among other initiatives that contribute to a safer and more transparent corporate environment. Furthermore, we continue to contribute in a valuable way towards regional development through the creation of jobs. Currently, our workforce includes more than 8 thousand employees, local talents who perform essential skills for the company's success.

Within the scope of human and organizational development, the Company has also carried out important initiatives to train and qualify employees. Projects such as the Management Track, the Leadership Development Program (LDP), 5G Training and the Technical Improvement Tracks totaled more than 160 thousand hours of training carried out. These actions contribute, contributing significantly to the assertiveness of executing operations, from infrastructure implementation to after-sales service.

As we lead the process of digital inclusion and universalization of connectivity in the Northeast region, we also introduce sustainable initiatives into the business. In this sense, we initiated a change in our energy matrix, adding third-party solar energy in some consumer units. This measure resulted in the reduction of greenhouse gas emissions, thus contributing to the global energy transition towards a more sustainable planet.

We are confident that the Company's current business model is perfectly aligned with our commitment to innovation. Therefore, we remain firm in our mission to not only connect people, but to promote an increasingly inclusive and accessible future. To achieve this goal, we will continue to implement constant improvements internally, ensuring data security and enabling increasingly advanced products and solutions. We will honor every opportunity to consolidate the Brisanet brand, while promoting the technological, economic, and social development of the locations in which we are present.

We are confident that the Company's current business model perfectly aligns with its commitment to innovation. Therefore, we remain firm in our mission to not only connect people, but to provide an increasingly inclusive and accessible future. To this end, we will continue to implement constant improvements internally, ensuring data security and enabling increasingly advanced products and solutions. We will honor every opportunity to consolidate the Brisanet brand, while promoting the technological, economic, and social development of the locations in which we are present.

José Roberto Nogueira
CEO

HIGHLIGHTS

Brisanet	2023	2022
Operating Highlights		
Cities served	**158**	154
Access Ports - '000	**4,670**	4,231
HP added- '000	878	1,655
Total HP - '000	**6,995**	6,117
HC added- '000	192	257
Total HC - '000	**1,292**	1,100
Financial Highlights (BRL million)		
Net revenue	**1,227.9**	985.2
Gross Margin (%)	*46%*	*42%*
Operating income	***250.7***	*166.6*
EBITDA	**580.0**	435.8
EBITDA Margin (%)	*47%*	*44%*
Adjusted EBITDA	**591.6**	435.8
Adjusted EBITDA Margin (%)	*48%*	*44%*
Net income (loss)	**163.3**	60.7
Net debt	**745.7**	743.8
Net debt/LTM EBITDA (x)	**1.29x**	1.70x

Reconciliation of EBITDA with Net Profit:

BRL million	2023	2022	2023 x 2022
Net Income	**163.3**	**60.7**	***169.1%***
(+) Income tax and social contrib.	5.4	44.9	*-88.0%*
(+) Net financial result	81.9	61.0	*34.3%*
(+) Depreciation and amortiz.	329.3	269.2	*22.4%*
EBITDA	**580.0**	**435.8**	***33.1%***
EBITDA margin (%)	*47.2%*	*44.2%*	*3.0 p.p.*
(+) FECOP (one-off)	11.5	0.0	*0.0%*
Adjusted EBITDA	**591.6**	**435.8**	***35.8%***
Adjusted EBITDA margin (%)	*48.2%*	*44.2%*	*4.0 p.p.*

OPERATIONAL PERFORMANCE

Brisanet ended 2023, with fixed broadband service through fiber optics in 158 cities, in the 9 states of the Northeast region, and mobile service coverage in more than 40 cities, covering a population of almost 4 million inhabitants mainly in the state of CE, but also in some cities in the state of RN.

The Company added 878 thousand HPs (households) and 192 thousand new customers in 2023, having ended the year with 1,292 thousand customers and showing greater growth than the sum of the 10 most relevant competitors in the same period.

Brisanet	2023	2022
Operating Highlights		
Cities served	**158**	154
Access Ports - '000	**4,670**	4,231
HP added- '000	878	1,655
Total HP - '000	**6,995**	6,117
HC added- '000	192	257
Total HC - '000	**1,292**	1,100

In 2024, the focus is to occupy the infrastructure that has been built over the last few years, expand, and maintain our FTTH customer base and implement the 4G/5G mobile network infrastructure.

Brisanet also operates through its franchisor, Agility Telecom. The brand is represented by 70 franchisees who operate in smaller cities or rural districts in the Northeast states – Ceará, Rio Grande do Norte, Paraíba, Pernambuco and Alagoas – serving 183.1 thousand customers.

ECONOMIC-FINANCIAL PERFORMANCE

Net Revenue

In 2023, Brisanet presented consolidated net revenue of R$1,227.9 million, with growth of 24.6% compared to 2022. This growth is basically explained by the 17% growth in the customer base and the increase in revenue from B2B customers.

The Company offers a range of products and services, with fixed broadband being the main one, representing more than 92% of revenue.

Revenue from franchisees represented 2% of gross revenue.

Gross Margin

The Company presented a gross profit of R$570.3 million, with a margin on net revenue of 46% in 2023, compared to R$412.4 million and a margin of 42% in 2022. The growth of the customer base made dilution possible costs leading to an increase in margin. This profitability growth in fiber customers was partially mitigated by expenses related to the implementation of the mobile business.

Operational expenses

Operating expenses totaled R$319.7 million in 2023, compared to R$245.8 million in 2022.

Commercial expenses were R$176.9 million in 2023, compared to R$120.6 million in 2022, a growth of 30%, mainly related to the increase in personnel with the entry into the mobile segment and the increase in the provision for credit losses expected, which grew 116.7% related to the change in parameters aimed at covering in the short term 100% of receivables overdue for more than 181 days.

General and administrative expenses totaled R$115.5 million in 2023, a reduction of 3% when compared to those recorded in 2022.

EBITDA

Brisanet's EBITDA was R$580.0 million in 2023, growing 33.1% in relation to the EBITDA recorded in 2022. The greatest growth in relation to net revenue growth is due to the reduction in the pace of expansion, with the lower incidence of fixed expenses prior to the full occupation of new areas.

The EBITDA margin was 47.2% in 2023, 3 p.p. higher than the 44.2% recorded in 2022.

Adjusted EBITDA was R$591.6 million in 2023, with a margin of 48.2% and growth of 36% compared to 2022. The adjustment refers to R$11.5 million in tax expenses in the state of CE, relating to the period from 2019 to 2022, recognized in 3Q23.

Financial Result

The net financial result was negative R$81.9 million in 2023, 34.3% higher than the negative R$61.0 million recorded in 2022. Despite the gross debt having decreased by 6.7% and the debt indexes – CDI and IPCA - also having been lower in 2023, the Company's financial income was reduced by R$41 million, given the drop in the average cash invested, due to the repayment of some financing, and the drop in the reference interest rate for financial investments (CDI).

Net Profit

As a result, the Company presented a net profit in the 2023 fiscal year in the amount of R$163.3 million, when compared to a net profit of R$60.7 million in the 2022 fiscal year.

Indebtedness

Brisanet had gross debt of R$1,249.7 million on December 31, 2023, compared to R$1,338.9 million at the end of 2022. Gross debt is made up of loans and financing, debentures, lease obligations and derivative operations.

Considering cash at the end of 2023 of R$504.1 million, the Company's net debt totaled R$745.7 million, compared to R$743.8 million at the end of 2022.

The Company monitors the net debt/EBITDA indicator as a reference for its debt level. This is the same metric used for the financial limits imposed by debentures, where this indicator cannot be greater than 3.5x per year. In 2023, net debt/EBITDA was 1.29x.

Investments

In 2023, Brisanet invested, when measured by additions to fixed assets and intangible assets, the amount of R$464.1 million, compared to R$857.0 million in 2022.

The Company has a 'stock' of equipment and constructions to be activated in the coming months' worth R$459.0 million, recorded in 'fixed assets and imports in progress' (balance of R$199.7 million) and 'fixed assets in warehouse' (balance of R$259.3 million).

Of the R$553.1 million in fixed/intangible additions already in operation, R$38.6 million were maintenance capex, the remainder was applied to the Company's organic expansion, being R$300 million in FTTH, R$132 million in 5G and R$36 million in backbone.

Relationship with Independent Auditors

Ernst & Young Auditores Independentes S.S. is the company responsible for external audit services related to the examination of the financial statements of Brisanet Participações S.A. for the fiscal years 2023 and 2022. No additional services other than auditing were contracted, therefore the independence of the external auditor in examining the financial statements was preserved.

Brisanet Participações S.A.

Individual and consolidated financial statements

December 31, 2023

Contents

A free translation from Portuguese into English of Independent Auditor's Report on Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB)

Independent auditor's report on individual and consolidated financial statements

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

Opinion

We have audited the individual and consolidated financial statements of Brisanet Participações S.A. (the "Company"), identified as Individual and Consolidated, respectively, which comprise the statement of financial position as at December 31, 2023, and the statements of profit or loss, of comprehensive income, of changes in equity, and of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the individual and consolidated financial position of the Company as at December 31, 2023, and its individual and consolidated financial performance and cash flows for the year then ended in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with the Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of individual and consolidated financial statements section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical principles set forth in the Code of Professional Ethics for Accountants and the professional standards issued by Brazil's National Association of State Boards of Accountancy (CFC), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matter

A key audit matter is one that, in our professional judgment, was of most significance in our audit of the financial statements of the current period. This matter was addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide an individual opinion on this matter. For the matter below, our description of how our audit addressed the matter, including any commentary on the findings or outcome of our procedures, is provided in that context.

We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the individual and consolidated financial statements section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

Revenue recognition

The Company's revenue recognition process considers certain calculations to measure unbilled revenues from services rendered. Any error in the calculations may have a material impact on the Company's individual and consolidated financial statements. For this reason, we consider the recognition of revenue from services provided to be significant for our audit. The revenues earned by the Company and its subsidiaries and their recognition criteria in the statements of profit or loss are disclosed in Explanatory Notes 3.a and 21.

How our audit addressed this matter

Our audit procedures included the following, among others: (i) understanding of the significant internal controls implemented by management regarding revenue recognition and measurement; (ii) documentary examination of billed revenue for a sample of transactions incurred; (iii) understanding of the criteria adopted by the Company's management to measure revenue incurred and not yet billed at the end of the year; (iv) examination of the calculation of the estimated unbilled service revenue; (v) testing of the reports extracted from the system used to calculate unbilled service revenue; and (vi) review of the disclosures made by the Company in the individual and consolidated financial statements.

Based on the results of audit procedures performed on revenue recognition and measurement, which are consistent with the management's assessment, we consider the revenue recognition and measurement criteria to be acceptable, as well as the respective disclosures in Notes 3.a and 21, in the context of the financial statements taken as a whole.

Other matters

Statements of value added

The individual and consolidated statements of value added (SVA) for the year ended December 31, 2023, prepared under the responsibility of the Company's executive board, and presented as supplementary information for IFRS purposes, were submitted to audit procedures conducted jointly with the audit of the Company's individual and consolidated financial statements. To form our opinion, we evaluated if these statements are reconciled to the financial statements and accounting records, as applicable, and if their form and content comply with the criteria defined by Accounting Pronouncement NBC TG 09 – Statement of Value Added. In our opinion, these individual and consolidated statements of value added were prepared fairly, in all material respects, in accordance with the criteria defined in the abovementioned accounting pronouncement, and are consistent in relation to the individual and consolidated financial statements taken as a whole.

Other information accompanying the individual and consolidated financial statements and the auditor's report

The executive board is responsible for such other information, which comprises the Management Report.

Our opinion on the individual and consolidated financial statements does not cover the Management Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Management Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the executive board and those charged with governance for the individual and consolidated financial statements

The executive board is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, the executive board is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the executive board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the subsidiaries' financial reporting process.

Auditor's responsibilities for the audit of the individual and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identified and assessed risks of material misstatements of the individual and consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and its subsidiaries' internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive board.
- Concluded on the appropriateness of the executive board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the scope and timing of the planned audit procedures and significant audit findings, including deficiencies in internal control that we may have identified during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements, including applicable independence requirements, and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we are required to determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Fortaleza, March 20, 2024.

ERNST & YOUNG
Auditores Independentes S.S. Ltda.
CRC-CE001042/F

Nathália Araújo Domingues

Nathalia Domingues
Accountant CE-020833/O

Brisanet Participações S.A.

Statements of financial position
December 31, 2023
(In thousands of reais)

		Individual		Consolidated	
	Note	**12/31/2023**	**12/31/2022**	**12/31/2023**	**12/31/2022**
Assets					
Current assets					
Cash and cash equivalents	4	**9**	2,126	**323,220**	203,542
Short-term investments	4	**14,225**	12,020	**180,867**	391,540
Trade accounts receivable	5	**-**	-	**163,105**	140,822
Inventories		**-**	-	**8,794**	5,449
Taxes recoverable	6	**854**	18	**35,893**	38,642
Derivative transactions	26	**-**	-	**133**	95
Prepaid expenses		**95**	-	**2,059**	1,400
Dividends receivable	7 and 8	**4,710**	4,500	**-**	-
Other assets		**-**	-	**7,797**	2,911
Total current assets		**19,893**	18,664	**721,868**	784,401
Noncurrent assets					
Long-term receivables					
Financial investment	4	**300,000**	300,000	**-**	-
Trade accounts receivable	5	**-**	-	**204**	-
Taxes recoverable	6	**-**	-	**44,287**	59,761
Judicial deposits		**-**	-	**7,623**	5,467
Derivative transactions	26	**-**	-	**1,476**	2,364
Prepaid expenses		**47**	-	**4,373**	2,607
Deferred income and social contribution taxes	24	**-**	-	**8,369**	-
Other assets		**-**	-	**38**	38
Investments	8	**1,536,078**	1,390,100	**-**	-
Right of use	15	**-**	-	**43,839**	36,493
Property, plant and equipment	9	**-**	-	**2,090,472**	1,956,020
Intangible assets	10	**-**	-	**273,729**	231,133
Total noncurrent assets		**1,836,125**	1,690,100	**2,474,410**	2,293,883
Total assets		**1,856,018**	1,708,764	**3,196,278**	3,078,284

	Note	Individual		Consolidated	
		12/31/2023	**12/31/2022**	**12/31/2023**	**12/31/2022**
Liabilities and equity					
Current liabilities					
Trade accounts payable	11	**150**	3	**95,844**	66,003
Loans and financing	12	**-**	-	**95,605**	154,618
Debentures	13	**13,616**	14,297	**19,194**	23,593
Promissory note	14	**-**	-	**-**	72,350
Lease liabilities	15	**-**	-	**14,611**	14,234
Labor and social obligations	16	**19**	-	**53,439**	46,377
Taxes payable	6	**685**	3,858	**23,233**	30,264
Taxes paid in installments		**-**	-	**4,457**	749
Derivative transactions	26	**-**	-	**5,542**	3,382
Proposed dividends	7 and 20	**38,867**	14,418	**38,867**	14,418
Other accounts payable	18	**-**	-	**22,127**	24,122
Total current liabilities		**53,337**	32,576	**372,919**	450,110
Noncurrent liabilities					
Loans and financing	12	**-**	-	**208,399**	205,170
Debentures	13	**298,174**	297,565	**876,075**	840,258
Lease liabilities	15	**-**	-	**31,932**	24,636
Taxes paid in installments		**-**	-	**16,512**	4,401
Deferred income and social contribution taxes	24	**-**	-	**-**	5,711
Derivative transactions	26	**-**	-	**-**	3,121
Provision for contingencies	17	**-**	-	**11,543**	1,883
Other accounts payable	18	**-**	-	**170,840**	164,367
Total noncurrent liabilities		**298,174**	297,565	**1,315,301**	1,249,547
Equity	20				
Capital		**1,281,606**	1,281,606	**1,281,606**	1,281,606
Treasury shares		**(9,758)**	(9,758)	**(9,758)**	(9,758)
Income reserves		**232,659**	106,775	**232,659**	106,775
		1,504,507	1,378,623	**1,504,507**	1,378,623
Noncontrolling interests		**-**	-	**3,551**	4
Total equity		**1,504,507**	1,378,623	**1,508,058**	1,378,627
Total liabilities and equity		**1,856,018**	1,708,764	**3,196,278**	3,078,284

See accompanying notes.

Brisanet Participações S.A.

Statements of profit or loss
December 31, 2023
(In thousands of reais, except earnings per share, stated in reais)

		Individual		Consolidated	
	Note	**12/31/2023**	**12/31/2022**	**12/31/2023**	**12/31/2022**
Net operating revenue	21	**-**	-	**1,227,870**	985,244
Cost of services rendered	22	**-**	-	**(657,557)**	(572,834)
Gross profit		**-**	-	**570,313**	412,410
Operating expenses					
Administrative expenses	22	**(2,035)**	(3,110)	**(115,524)**	(119,073)
Selling expenses	22	**-**	-	**(176,872)**	(120,587)
Equity pickup	8	**169,194**	69,004	**-**	-
Other operating expenses, net	22	**1**	1	**(27,261)**	(6,142)
Income before finance income (costs) and taxes		**167,160**	65,895	**250,656**	166,608
Finance income	23	**44,015**	15,144	**107,261**	148,609
Finance costs	23	**(47,522)**	(15,196)	**(189,177)**	(209,625)
Finance income (costs)		**(3,507)**	(52)	**(81,916)**	(61,016)
Income before income and social contribution taxes		**163,653**	65,843	**168,740**	105,592
Income and social contribution taxes	24	**-**	(5,136)	**(5,391)**	(44,888)
Net income for the year		**163,653**	60,707	**163,349**	60,704
Net income attributable to					
Controlling interests		**-**	-	**163,653**	60,707
Noncontrolling interests		**-**	-	**(304)**	(3)
Basic earnings per share – R$	25	**0.367**	0.136	**-**	-
Diluted earnings per share – R$	25	**0.367**	0.136	**-**	-

See accompanying notes.

Brisanet Participações S.A.

Statements of comprehensive income
December 31, 2023
(In thousands of reais)

	Individual		Consolidated	
	12/31/2023	**12/31/2022**	**12/31/2023**	**12/31/2022**
Net income for the year	**163,653**	60,707	**163,349**	60,704
Other comprehensive income	**-**	-	**-**	-
Comprehensive income for the year	**163,653**	60,707	**163,349**	60,704
Net income attributable to				
Controlling interests	**-**	-	**163,653**	60,707
Noncontrolling interests	**-**	-	**(304)**	(3)

See accompanying notes.

Brisanet Participações S.A.

Statements of changes in equity
December 31, 2023
(In thousands of reais)

	Consolidated									
	Individual									
	Capital				Income reserves					
	Capital	Share issue costs	Treasury shares	Capital reserves	Legal reserve	Retained profits	Retained earnings (accumulated losses)	Subtotal	Noncontrolling interests	Equity
Balances at December 31, 2021	1,321,859	(40,253)	-	-	1,568	58,918	-	1,342,092	7	1,342,099
Treasury shares (Note 20)	-	-	(9,758)	-	-	-	-	(9,758)	-	(9,758)
Net income for the year	-	-	-		-	-	60,707	60,707	(3)	60,704
Profit allocation (Note 20):										
Legal reserve	-	-	-	-	3,035	-	(3,035)	-	-	-
Mandatory minimum dividends	-	-	-	-	-	-	(14,418)	(14,418)	-	(14,418)
Retained profits	-	-	-	-	-	43,254	(43,254)	-	-	-
Balances at December 31, 2022	1,321,859	(40,253)	(9,758)	-	4,603	102,172	-	1,378,623	4	1,378,627
Treasury shares (Note 20)	**-**	**-**	**-**	-	**-**	**-**	**-**	**-**	**-**	**-**
Reflective effect of capital increase in controlled company (Note 8.b)	**-**	**-**	**-**	**1,098**	**-**	**-**	**-**	**1,098**	**3,851**	**4,949**
Net income for the year	**-**	**-**	**-**	-	**-**	**-**	**163,653**	**163,653**	**(304)**	**163,349**
Profit allocation (Note 20):										
Legal reserve	**-**	**-**	**-**	-	**8,184**	**-**	**(8,184)**	**-**	**-**	**-**
Mandatory minimum dividends	**-**	**-**	**-**	-	**-**	**-**	**(38,867)**	**(38,867)**	**-**	**(38,867)**
Retained profits	**-**	**-**	**-**	-	**-**	**116,602**	**(116,602)**	**-**	**-**	**-**
Balances at December 31, 2023	**1,321,859**	**(40,253)**	**(9,758)**	**1,098**	**12,787**	**218,774**	**-**	**1,504,507**	**3,551**	**1,508,058**

See accompanying notes.

Brisanet Participações S.A.

Statements of cash flows
December 31, 2023
(In thousands of reais)

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Cash flows from operating activities				
Net income for the year	**163,653**	60,707	**163,349**	60,704
Adjustments to reconcile net income for the year:				
Depreciation and amortization	**-**	-	**329,346**	269,151
Residual value upon write-off of PPE and intangible assets	**-**	-	**4,899**	2,194
Provision for losses on property, plant and equipment	**-**	-	**-**	7,833
Allowance for expected credit losses	**-**	-	**66,455**	30,667
Set-up (reversal) of provision for contingencies	**-**	-	**11,155**	1,604
Equity pickup	**(169,194)**	(69,004)	**-**	-
Monetary variation and exchange differences	**37,959**	12,913	**65,625**	78,787
Derivative transactions	**-**	-	**111**	4,151
Interest on leases	**-**	-	**5,703**	4,012
Interest on debentures	**6,274**	2,048	**21,933**	29,807
Interest on promissory notes	**-**	-	**1,271**	1,627
Interest on loans and financing	**-**	-	**24,766**	52,851
Allocation of funding costs and negative goodwill	**664**	222	**5,425**	5,408
Financial investment yield	**(44,003)**	(3,123)	**(10,124)**	(69,122)
Deferred income and social contribution taxes	**-**	-	**(14,079)**	14,270
Increase (decrease) in assets				
Trade accounts receivable	**-**	-	**(88,941)**	(62,773)
Inventories	**-**	-	**(3,345)**	(1,736)
Taxes recoverable	**(6)**	-	**18,223**	(926)
Prepaid expenses	**(142)**	-	**(2,425)**	306
Judicial deposits	**-**	-	**(2,156)**	(3,325)
Other assets	**-**	-	**(176)**	10,020
Increase (decrease) in liabilities				
Trade accounts payable	**147**	3	**30,853**	(120,029)
Labor and social obligations	**19**	(86)	**7,062**	4,595
Taxes payable	**668**	4,443	**7,701**	18,375
Taxes paid in installments	**-**	-	**15,819**	(1,722)
Provision for contingencies	**-**	-	**(1,495)**	(650)
Derivatives			**(5,195)**	-
Other accounts payable	**-**	(3)	**3,407**	22,676
Cash flows from (used in) operating activities	**(3,961)**	8,120	**655,167**	358,755
Interest paid on loans and financing, promissory notes, debentures and leases	**(44,969)**	-	**(124,015)**	(90,046)
Income and social contribution taxes paid	**(3,841)**	(619)	**(14,732)**	(13,023)
Net cash from (used in) operating activities	**(52,771)**	7,501	**516,420**	255,686
Cash flows from investing activities				
Financial investments and redemptions		(308,897)	**196,048**	(272,125)
Additions to PPE		-	**(398,209)**	(828,723)
Additions to intangible assets		-	**(65,898)**	(28,337)
Yields received from redeemed financial investments	**41,798**	-	**24,749**	
Proceeds from disposal of PPE and intangible assets		-	**24,716**	
Operations in consortia		-	**-**	1,181
Dividends and profits received	**23,274**	13,809	**-**	-
Net cash from (used in) investing activities	**65,072**	(295,088)	**(218,594)**	(1,128,004)

Brisanet Participações S.A.

Statements of cash flows (Continued)
December 31, 2023
(In thousands of reais)

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Cash flows from financing activities				
Loans and financing taken out	**-**	-	**98,157**	18,212
Debentures taken out, net	**-**	296,679	**-**	296,679
Raising of promissory notes, net	**-**	-	**-**	69,380
Repayment of principal of loans and financing	**-**	-	**(153,509)**	(250,783)
Repayment of principal of promissory notes	**-**	-	**(64,000)**	(6,000)
Repayments of leases	**-**	-	**(49,327)**	(42,129)
Treasury shares	**-**	(9,758)	**-**	(9,758)
Capital increase - noncontrolling interests	**-**	-	**4,949**	-
Dividends/profits distributed	**(14,418)**	(533)	**(14,418)**	(533)
Net cash from (used in) financing activities	**(14,418)**	286,388	**(178,148)**	75,068
(Decrease) increase in cash and cash equivalents	**(2,117)**	(1,199)	**119,678**	(797,250)
Cash and cash equivalents				
At beginning of year	**2,126**	3,325	**203,542**	1,000,792
At end of year	**9**	2,126	**323,220**	203,542
(Decrease) increase in cash and cash equivalents	**(2,117)**	(1,199)	**119,678**	(797,250)

See accompanying notes.

Brisanet Participações S.A.

Statements of value added
December 31, 2023
(In thousands of reais)

	Individual		Consolidated	
	12/31/2023	**12/31/2022**	**12/31/2023**	**12/31/2022**
Revenues	**-**	1	**1,353,630**	1,104,184
Gross operating revenue less discounts	**-**	-	**1,383,323**	1,127,193
Allowance for expected credit losses	**-**	-	**(66,455)**	(30,667)
Other revenues	**-**	1	**36,762**	7,658
Inputs acquired from third parties	**(2,035)**	(2,092)	**(255,377)**	(191,321)
Cost of products, services and goods sold	**-**	-	**(49,251)**	(43,160)
Materials, electricity, third-party services and other	**(2,035)**	(2,092)	**(152,936)**	(134,361)
Loss on/recovery of assets	**-**	-	**(17,151)**	(8,011)
Other inputs	**-**	-	**(36,039)**	(5,789)
Gross value added	**(2,035)**	(2,091)	**1,098,253**	912,863
Depreciation and amortization	**-**	-	**(329,349)**	(269,151)
Net value added generated	**(2,035)**	(2,091)	**768,904**	643,712
Value added received in transfer	**213,209**	84,148	**107,261**	148,609
Equity pickup	**169,194**	69,004	**-**	-
Finance income	**44,015**	15,144	**107,261**	148,609
Total value added to be distributed	**211,174**	82,057	**876,165**	792,321
Distribution of value added				
Taxes, charges and contributions	**2,559**	5,305	**221,951**	238,791
Federal	**2,559**	5,305	**67,069**	144,909
State	**-**	-	**43,829**	92,545
Local	**-**	-	**109,526**	1,337
Other taxes, charges and contributions	**-**	-	**1,527**	-
Personnel	**-**	849	**223,382**	211,905
Salaries	**-**	847	**173,528**	164,154
Unemployment Compensation Fund (FGTS)	**-**	-	**14,455**	14,656
Benefits	**-**	2	**35,399**	33,095
Debt remuneration	**44,962**	15,196	**267,483**	280,921
Interest, exchange differences and borrowing costs	**44,962**	15,196	**182,732**	209,625
Rents	**-**	-	**84,751**	71,296
Equity remuneration	**163,653**	60,707	**163,349**	60,704
Dividends/profits distributed	**-**	14,418	**-**	14,418
Retained profits	**163,653**	46,289	**163,349**	46,286
Value added	**211,174**	82,057	**876,165**	792,321

See accompanying notes.

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.

At the Board of Directors' Meeting held 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, under ticker symbol "BRIT3", which was completed upon settlement of the shares on July 30, 2021 in the amount of R$1,255,650. Share issue costs totaled RR40,253.

a) Subsidiaries

Currently, the Company has the following subsidiaries:

i) *Brisanet Serviços de Telecomunicações S.A. ("Brisanet Serviços")*

The company provides telecommunications 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.

1. Operations (Continued)

a) Subsidiaries (Continued)

i) *Brisanet Serviços de Telecomunicações S.A. (“Brisanet Serviços”)* (Continued)

4J Serviços de Telecomunicações Ltda. (‘4J Telecomunicações’)

On November 16, 2021, Brisanet Serviços established 4J Serviços de Telecomunicações Ltda., holding 100% of its units of interest, with capital totaling R$50.4J Serviços de Telecomunicações Ltda. ('4J Telecomunicações') is primarily engaged in the provision of telecommunications services of fiber optic technology and radio, fixed telephony and VOIP services in general.

On February 1, 2023, a new member, ADLService Comunicações e Serviços Ltda., joined 4J Serviços de Telecomunicações Ltda., which subscribed 528,534 new units of interest with a par value of R$1.00 (one real) each, on the same date, direct subsidiary Brisanet Serviços subscribed 595,986 new units of interest with a par value of R$1.00 (one real) each through the capitalization of future capital contributions (AFAC), which entailed the absorption of the accumulated loss of R$1,098 by the new member. The company Brisanet Serviços now has 55% participation and ADLService Comunicações e Serviços Ltda. 45% equity participation.

On August 28, 2023, the 4J Serviços de Telecomunicações Ltda. incresead its share capital by R$10,999 (Brisanet Serviços subscribed R$ 5,404 and ADLService Comunicações e Serviços Ltda. Subscribed R$ 4,421), represented by 10,999,448 units of interest, with a par value of R$1.00 (one real).

Merger of direct subsidiary RPS Prestação de Serviços de Informática Ltda. into Brisanet Serviços de Telecomunicações S.A.

On April 30, 2023, the shareholders of Brisanet Serviços, at the Special General Meeting, approved the merger of the net assets, in the amount of R$25,892, of aforementioned subsidiary. The merged net assets, measured by external experts at book value, at base date April 30, 2023, are as follows:

(Amounts expressed in thousands of reais)

1. Operations (Continued)

a) Subsidiaries (Continued)

i) *Brisanet Serviços de Telecomunicações S.A. (“Brisanet Serviços”)* (Continued)

Merger of direct subsidiary RPS Prestação de Serviços de Informática Ltda. into Brisanet Serviços de Telecomunicações S.A. (Continued)

	04/30/2023
Current assets	**25,893**
Cash and cash equivalents	66
Trade accounts receivable	25,367
Taxes recoverable	446
Other assets	14
Noncurrent assets	**13,681**
Deferred taxes	1,699
Judicial deposits	10
Property, plant and equipment	11,959
Right of use	13
Total assets	**39,574**
Total liabilities	**13,682**
Merged net assets	**25,892**

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:

Company	Grant	Area	Effective period
Brisanet Serviços	Authorization to provide international long-distance STFC	For region 1 STFC	Indefinite
Brisanet Serviços	Authorization to provide Multimedia Communication Services (MCS)	All regions in Brazil	Indefinite
Brisanet Serviços	Authorization to provide Conditioned Access Services (SeAC)	All regions in Brazil	Indefinite

1. **Operations** (Continued)

c) 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, restated monthly by reference to the Extended Consumer Price Index (IPCA). The remaining balance will be covered by commitments with offer of the service in certain areas until 2030.

d) Tax reform

The tax reform, established by Constitutional Amendment 132, of December 20, 2023, consolidates a new tax system with the extinction of ICMS, ISS, IPI, PIS and COFINS taxes, and establishes a Value Added Tax (VAT) dual: the Contribution on Goods and Services (CBS), under federal jurisdiction, and the Tax on Goods and Services (IBS), under state and municipal jurisdiction. In addition, it creates the Selective Tax (IS), which will be levied on goods and services with harmful effects on health or the environment. It also foresees a transition period for the new regime from 2026 to 2032, with a gradual reduction in tax incentives from 2029 onwards, culminating in their complete extinction in 2033. These changes also introduce full non-cumulability, with a broader credit base broad for companies.

e) Approval of the financial statements

The Company board of directors and its subsidiaries authorized the completion of the individual and consolidated financial statements on March 20, 2024.

2. Basis of preparation and presentation of the financial statements

2.1. Basis of preparation of the financial statements

The individual and consolidated financial statements were prepared in accordance with the accounting practices adopted in Brazil, which comprise the rules issued by the Brazilian Securities and Exchange Commission (CVM), Brazilian Accounting Standards – General (NBC TG), and the pronouncements issued by the Brazilian FASB (CPC), and are in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

2. Basis of preparation and presentation of the financial statements (Continued)

2.1. Basis of preparation of the financial statements (Continued)

The individual and consolidated financial statements were prepared in accordance with several measurement bases used in accounting estimates. Accounting estimates involved in the preparation of the financial statements 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 financial statements. 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, assessment of the fair value of financial assets and liabilities, as well as other risk analyses to determine other provisions, including provision for contingencies.

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

The presentation of the Statement of Value Added (DVA), individual and consolidated, is required by the Brazilian corporation law and the accounting practices adopted in Brazil applicable to publicly-held companies. Its presentation is not required under IFRS. Consequently, under IFRS, this statement is presented as supplementary information, without prejudice to the set of financial statements.

2.2. Statement of relevance

All information relevant to the financial statements, and only such information, is being disclosed and corresponds to the information used in management of the Company and its subsidiaries' activities, according to Accounting Guidance OCPC 07.

2.3. Going-concern statement

Management has evaluated the ability of the Company and its subsidiaries to continue as a going concern and is convinced that they have the resources to continue their business in the future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt as to the ability to continue as a going concern. Accordingly, these individual and consolidated financial statements were prepared under the going concern assumption.

2.4. Basis of measurement

The individual and consolidated financial statements were prepared on a historical cost basis, except where otherwise indicated.

(Amounts expressed in thousands of reais)

2. Basis of preparation and presentation of the financial statements (Continued)

2.5. Functional and presentation currency

The individual and consolidated financial statements are presented in Brazilian reais (R$), which is also the functional currency of the Company and its subsidiaries. In all individual and consolidated financial statements presented in reais, the amounts were rounded to the nearest thousand, unless otherwise stated.

2.6. Basis of consolidation

As at December 31, 2023 and 2022, the Company maintains investments by means of direct subsidiaries, all of which are located in Brazil, as follows:

	12/31/2023	12/31/2022
Brisanet Serviços de Telecomunicações S.A.	**99.99%**	99.99%
RPS – Prestação de Serviços de Informática Ltda. (a)	**-**	99.99%
4J Serviços de Telecomunicações Ltda. (b)	**55.00%**	100%

(a) According to Note 1, RPS Prestação de Serviços de Informática Ltda. was merged into Brisanet Serviços de Telecomunicações S.A. on April 30, 2023.
(b) According to Note 1, 4J Serviços de Telecomunicações Ltda. is the direct subsidiary of Brisanet Serviços de Telecomunicações S.A.

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 its power over the entity. The subsidiaries are fully included in the consolidation from the date when control is transferred to the Company. Consolidation is interrupted from the date when the Company ceases to have control.

Transactions between entities, unrealized gains and balances 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 financial statements of the parent company, investments in subsidiaries are recorded under the equity method.

3. Accounting policy information

a) Revenue recognition

NBC TG 47 - Revenue from Contracts with Customers establishes a model that evidences if the recognition criteria have been met, observing the following steps: (i) identification of the contract with the customer; (ii) identification of performance obligations; (iii) determination of the transaction price; (iv) allocation of the transaction price; and (v) recognition of revenue upon fulfillment of the performance obligation.

Considering the aspects above, revenues are recorded at the amount that reflects the expectation of the consideration to be received for the services offered to the customers. Gross revenue is stated net of taxes, rebates and discounts.

As certain billing cut-offs occur in intermediate dates within the months of the year, at the end of each month there are revenues already accrued by the Company and its subsidiaries, but not effectively billed to its customers. These unbilled revenues are recorded based on estimates, which take into account consumption data, number of days elapsed since the last billing date, among others.

Income or loss from operations of the Company and its subsidiaries is recorded on an accrual basis. All services are recognized as the performance obligation in transferring the promised good or service to the customer is satisfied. Unbilled revenue is also recognized, taking into account the accrual period of the services provided, and the billing period for the customer. This consumption data base of unbilled customers is estimated based on the number of days that have elapsed since the last billing date, according to the chosen plan, for accounting recognition and allocation to the appropriate revenue components.

Multimedia Communication Services (MCS)

Revenues related to multimedia communication services (MCS) are recorded at the amount of the telecommunication service that permits the provision of transmission, emission and reception capacity of multimedia information, using any means, to subscribers within a service provision area.

IT services

All revenues from IT services are recognized as the performance obligation in transferring the promised good or service to the customer is satisfied.

3. Accounting policy information (Continued)

a) Revenue recognition (Continued)

Value added services

Revenues from value added services are recorded at the amount of the self-support and replay services provided for pay TV and caller ID in telephony.

Equipment rental services

Revenues from equipment rental services are recorded at the equipment rental amount.

Pay TV service operation - SeAC

Revenues from the pay TV service - SeAC are accounted for at the amount of the audiovisual content distribution service organized into sets of channel and programming packages, in addition to provision of other services related to this offer.

Sale of fixed switched telephone services (STFC)

Revenues from telephony services are recorded at the amount of installation, operation and provision of fixed switched telephone services (STFC) to subscribers, in the Local, National Long Distance and International Long Distance modes. All services are billed monthly based on the measurement made by the billing or tariff systems that identify information for accounting recognition and allocation to the respective revenue components. The services rendered between the billing date and the end of each month are calculated and accounted for as revenue in the month the service is rendered.

Sale of goods/products

Revenue from the sale of goods is accounted for by transactions carried out with a single product, chips for mobile data. All revenues are recognized when the product is sold and transferred to the customer.

3. Accounting policy information (Continued)

a) Revenue recognition (Continued)

Sale of goods/products (Continued)

The sale of goods/products that are part of the ordinary activities of the Company and its subsidiaries is measured at the fair value of the amounts received or receivable, net of returns, commercial discounts and monetary rebates on certain types of transactions. Revenue is recognized when: (i) there is compelling evidence of the existence, usually in the form of sales contracts already entered into between the parties, in which (ii) the risks and rewards of ownership of the item have been transferred to the buyer, (iii) the associated costs may be measured reliably as well as (iv) the possible returns of these products, (v) when there is no longer any involvement of the management of the Parent Company and its subsidiaries with the products sold, and (vi) the amount of revenue can be measured reliably.

b) Finance income and costs

Finance income comprises interest on investments made by the Company and its subsidiaries, including short-term investment yield, present value adjustment of financial assets, and gains on the disposal of financial assets.

Finance costs comprise expenses with interest on loans and financing, monetary restatement of taxes in installments and provisions, changes in the fair value of financial assets at fair value through profit or loss, and finance costs recognized on an accrual basis.

Gains or losses from exchange differences are shown separately in P&L for the period, segregated between finance income and costs.

c) Cash and cash equivalents

These include cash balances, demand deposits, and short-term investments considered to be highly liquid, convertible into a known cash amount, subject to an insignificant risk of change in fair value, and which are redeemable within 90 days of the investment date.

d) Trade accounts receivable

Trade accounts receivable are recorded at the billed amount, including applicable direct taxes. When applicable and necessary, an allowance for expected credit losses is set up for an amount considered sufficient by management to cover any losses on realization of receivables.

3. Accounting policy information (Continued)

e) Transactions in foreign currency

Transactions in foreign currency are translated into the functional currency of the Company and its subsidiaries at the exchange rate prevailing on the transaction dates. Monetary assets and liabilities denominated and calculated in foreign currency on the reporting date are translated into the functional currency at the exchange rate effective on such date. Exchange gain or loss on monetary items is the difference between amortized cost of the functional currency at the beginning of the period, adjusted by the effective rate and payments over the year, and the amount of amortized cost in foreign currency, translated at the rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currency that are measured at fair value are translated into the functional currency of the entity at the rate corresponding to the closing of the year in which the fair value was determined. Differences in foreign currencies resulting from translation are recognized directly in profit or loss for the year. Non-monetary items that are measured at historical cost in a foreign currency are translated using the rate in force on the transaction date.

The individual and consolidated financial statements are presented in Brazilian reais (R$), which is also the functional currency of the Company and its subsidiaries.

f) Investments

Investments in subsidiaries and affiliates in which the Company and its subsidiaries have significant administrative influence, as well as investments in companies of the same group or that are under common control, are measured by the equity pickup method.

Other investments that do not fall under the above category are valued at acquisition cost, less provision for loss, when applicable.

g) Property, plant and equipment

Recognition and measurement

Property, plant and equipment items are measured at acquisition or build-up cost, less taxes recoverable, accumulated depreciation, and impairment losses, where applicable.

3. Accounting policy information (Continued)

g) Property, plant and equipment (Continued)

Recognition and measurement (Continued)

The costs of property, plant and equipment items include those that are directly attributable to their acquisition or build-up. The costs of assets built up internally include the cost of materials and salaries of employees directly involved in the asset construction or build-up projects. They also include any other costs directly attributable to the asset until it is in condition to be used for the purposes intended by the entity, in addition to costs of decommissioning asset items and recovering the sites where such assets are installed, and borrowing costs related to qualifying assets.

When parts of a property, plant and equipment item have significantly different useful lives, these parts are considered individual items, and are accounted for and controlled separately, including for depreciation purposes.

Gains and losses on the disposal of an asset arise from the difference between the disposal value and the net value resulting from cost less and accumulated depreciation of this asset, being recognized directly in P&L for the year.

Subsequent costs

Subsequent expenses are capitalized to the extent that future benefits associated with such expenses are likely to flow to the Company and its subsidiaries. Recurring maintenance and repair costs are posted to profit or loss.

Depreciation

Depreciation is recognized in profit or loss by the straight-line method based on the estimated useful life of each component. Depreciation of PPE items begin when they are installed and available for use or, for assets internally built, when the construction is completed and the assets are available for use. Depreciation rates are presented in Note 9.

Depreciation methods, useful lives and residual values are reviewed at each year end and any adjustments are recognized as change in accounting estimates.

The residual value and useful lives of assets, as well as the depreciation methods used, are reviewed at the year end and adjusted prospectively, as applicable.

3. Accounting policy information (Continued)

g) Property, plant and equipment (Continued)

Interest capitalization

Interest on loans directly attributable to acquisition, build-up or production of an asset, which require a substantial period to be finalized for the intended use or sale (qualifying assets), is capitalized as part of the cost of the respective assets during construction phase. From the date when the corresponding asset becomes operational, capitalized costs are depreciated over the estimated useful life of the asset.

h) Intangible assets

Intangible assets refer substantially to goodwill, software development and improvement, and licenses. Upon initial recognition, intangible assets acquired separately are measured at acquisition cost and subsequently stated net of accumulated amortization and impairment, if applicable.

The useful life of intangible assets is assessed as finite or indefinite. Finite-lived intangible assets are amortized over their economic useful lives and are tested for impairment whenever there is any indication of loss in the item’s economic value. The amortization period and method for an intangible asset with a finite useful life are reviewed at least at each year end. Changes in the estimated useful life or in the expected consumption of economic benefits of these assets are recorded by means of changes in the period or under the amortization method, as applicable, and treated as changes in accounting estimates.

Intangible assets with indefinite life are not amortized, but are tested annually for impairment, individually or at the cash-generating unit level. Indefinite useful life is reviewed annually to determine whether such assessment is still justifiable. Otherwise, useful life is changed from indefinite to finite on a prospective basis.

Gains and losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the statement of profit or loss when the asset is derecognized.

3. Accounting policy information (Continued)

i) Leases

Leases are recognized as a right to use the asset, in assets, and as an obligation to pay the lease, in liabilities, at the lower of the present value of the mandatory minimum installments of the agreement or the fair value of the asset.

The amounts recorded as property, plant and equipment are depreciated over the lower of the estimated economic useful life of the item or the duration determined in the lease agreement. The interest implicit in the right-of-use liability payable recognized is allocated to P&L according to the duration of the agreement using the nominal interest rate method.

j) Impairment of non-financial assets

Property, plant and equipment items, finite-lived intangible assets and, when applicable, other non-financial assets are reviewed at least annually to identify evidence of impairment or whenever events or significant events or changes in circumstances indicate that their carrying amount may not be recoverable.

Where applicable, if loss derives from situations in which the carrying amount of the asset exceeds its recoverable amount, defined as the higher of value in use or net sales value, such loss is recognized in P&L for the year.

For impairment testing purposes, assets are grouped at the lowest level of detail for which there are individualized cash flow estimates.

Intangible assets with indefinite useful lives are tested for impairment annually, individually or at the cash-generating unit level, as the case may be or when the circumstances indicate an impairment loss.

k) Other current and noncurrent assets and liabilities

An asset is recognized in the statement of financial position when it refers to a resource controlled by the Company and its subsidiaries arising from past events and from which future economic benefits are expected, and its cost or value can be reliably measured. Contingent assets are not recognized. A liability is recognized in the statement of financial position when the Company and its subsidiaries have a legal or constructive obligation as a result of a past event, the settlement of which is likely to require an outflow of economic benefits. Assets and liabilities are classified as current whenever their realization or settlement is likely to occur within the next twelve months. Otherwise, they are stated as noncurrent.

3. Accounting policy information (Continued)

l) Taxation

Current income and social contribution taxes

Current tax assets and liabilities for last year and prior years are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and laws used to calculate the amount are those in force or substantially in force at the financial statement date.

Income and social contribution taxes for the current year were calculated in accordance with the related taxation regime. The taxation regime of the Company and its subsidiaries is presented below.

Company	Taxation regime
Brisanet Serviços Telecomunicações S.A.	Taxable profit as per quarterly accounting records
4J Serviços de Telecomunicações Ltda.	Taxable profit as per annual accounting records

Deferred income and social contribution taxes

Deferred taxes arise from income and social contribution tax losses and temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts. Deferred tax assets, when applicable, are recognized on income and social contribution tax losses, as well as for all temporary differences, only to the extent that taxable profit is likely to be available for future realization.

Sales taxes

Revenues, expenses and assets are recognized net of sales taxes, except when: (i) sales taxes incurred on the purchase of goods or services are not recoverable, in which case sales taxes are recognized as part of the asset acquisition cost or of the expense item, as applicable; and (ii) amounts receivable and payable are presented jointly with sales taxes.

3. Accounting policy information (Continued)

m) Provisions

Provisions are recorded when the Company and its subsidiaries have a present (legal or constructive) obligation arising from past events, the settlement of which is expected to result in an outflow of economic benefits and that can be reliably estimated.

When the Company and its subsidiaries expect some or all of a provision to be reimbursed, for example, under an insurance contract, reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is stated in the statement of profit or loss, net of any reimbursement.

n) Critical accounting estimates and judgments

Accounting estimates and judgments are continuously assessed and are based on experience and other factors, including expected future events considered reasonable in the circumstances.

Management makes estimates concerning the future based on assumptions. By definition, accounting estimates seldom correspond to actual results. Estimates and assumptions that present a significant risk, likely to cause a significant adjustment to the carrying amounts of assets and liabilities for the next year are as follows:

i) *Provision for tax, civil and labor contingencies*

The Company and its subsidiaries are parties to legal and administrative proceedings (Note 17). Provisions are recorded for all legal proceedings whose likelihood of loss is estimated as probable with a certain degree of reliability. Assessment of the likelihood of loss includes an evaluation of available evidence, the hierarchy of laws, available case law, recent court decisions and their relevance in the legal system, as well as the opinion of external legal advisors.

Management believes that the provisions for tax, civil and labor contingencies are fairly presented in the financial statements and are sufficient to cover possible losses.

3. Accounting policy information (Continued)

n) Critical accounting estimates and judgments (Continued)

ii) *Current and deferred taxes*

There are uncertainties regarding the interpretation of complex tax regulations and the amount and timing of future taxable profits. The Company and its subsidiaries set up provisions at amounts deemed sufficient to cover any risks relating to interpretation of certain legal matters. Deferred tax assets are calculated based on a study on the expected realization of future taxable profit. This study is annually reviewed and approved by management. Projections of future profits take into consideration the main performance variables of the Brazilian economy, sales volume and contribution margin, and tax rates.

iii) *Fair value of derivatives and other financial instruments*

Fair value of financial instruments not traded in an active market is determined by using valuation techniques. The Company and its subsidiaries exercise their best judgment to select various methods and define assumptions mainly based on the market conditions at the statement of financial position date.

iv) *Useful lives of intangible assets and PPE*

Depreciation or amortization of PPE and intangible assets takes into consideration management's best estimate on the use of these assets in the Company's operations. Changes in the economic scenario and/or consumer market may require a revision of these useful life estimates.

o) Present value adjustment of assets and liabilities

Noncurrent monetary assets and liabilities are monetarily restated and, therefore, adjusted to their present value. Present value adjustment to current monetary assets and liabilities is calculated and only recorded if considered significant in relation to the individual and consolidated financial statements taken as a whole. For purposes of recording and determining significance, the present value adjustment is calculated considering contractual cash flows and the explicit, and sometimes implicit, interest rates of the respective assets and liabilities. Based on analyses and on management's best estimate, the Company and its subsidiaries concluded that the present value adjustment of current monetary assets and liabilities is not significant in relation to the individual and consolidated financial statements taken as a whole. As such, no adjustments were accounted for.

3. Accounting policy information (Continued)

p) Operating segment

Operating segments are defined as components of a business for which separate financial information is available and is assessed regularly by the operating decision-maker so that funds may be allocated to a given segment and its performance may be evaluated. Given that all decisions are made based on the consolidated reports, that there are no managers responsible for a particular segment, and that all strategic planning, financial, purchase, and investment decisions are made on a consolidated basis, the Company management concluded that there is only one reportable segment.

q) Financial assets and liabilities

i) *Financial assets*

Upon initial recognition, financial assets are classified as measured at amortized cost, at fair value through other comprehensive income, and at fair value through profit or loss.

Classification of financial assets upon initial recognition depends on the characteristics of the contractual cash flows of the financial asset and the business model adopted by the Company and its subsidiaries for managing these financial assets. All financial assets are recognized at fair value plus, in the case of financial assets not recognized at fair value through profit or loss, transaction costs directly attributable to their acquisition.

Subsequent measurement

For subsequent measurement purposes, financial assets are classified into four categories:

- Financial assets at amortized cost;
- Financial assets at fair value through other comprehensive income, with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss.

3. Accounting policy information (Continued)

q) Financial assets and liabilities (Continued)

i) *Financial assets* (Continued)

Subsequent measurement (Continued)

The Company and its subsidiaries have no financial assets classified as financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses (debt instruments) or financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition (equity instruments).

Financial assets at amortized cost

The Company and its subsidiaries measure financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets for the purpose of receiving contractual cash flows; and
- The contractual terms of the financial asset originate, at specified dates, cash flows that constitute solely payments of principal and interest on the outstanding amount.

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recorded in P&L when the asset is derecognized, modified or impaired.

The Company and its subsidiaries’ financial assets at amortized cost include cash and cash equivalents, financial investments, trade accounts receivable, and judicial deposits.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets initially recognized at fair value through profit or loss, or financial assets to be necessarily measured at fair value. Financial assets are classified as held for trading if acquired to be sold or repurchased in the short term.

3. Accounting policy information (Continued)

q) Financial assets and liabilities (Continued)

i) *Financial assets* (Continued)

Subsequent measurement (Continued)

Financial assets at fair value through profit or loss (Continued)

Financial assets with cash flows that are not "solely payments of principal and interest - SPPI" are classified and measured at fair value through profit or loss.

Financial assets at fair value through profit or loss are recorded in the statement of financial position at fair value, with the net changes in fair value recognized in the statement of profit or loss.

The Company's and its subsidiaries' financial assets classified at fair value through profit or loss include marketable securities and derivative transactions.

Derecognition (write-off)

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is written off when: the rights to receive cash flows from the asset have expired; the Company and its subsidiaries have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without significant delay to a third party under a pass-through arrangement; and either (i) the Company and its subsidiaries have transferred substantially all risks and rewards of the asset, or (b) the Company and its subsidiaries have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control over the asset.

Impairment of financial assets (including allowance for expected losses on trade accounts receivable)

A financial asset is derecognized when recovery of the contractual cash flows is not reasonably expected.

ii) *Financial liabilities*

Upon initial recognition, financial liabilities are classified as financial liabilities at fair value through profit or loss, financial liabilities at amortized cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

3. Accounting policy information (Continued)

q) Financial assets and liabilities (Continued)

ii) *Financial liabilities* (Continued)

Financial liabilities are initially recognized at fair value and, in the case of loans and financing and accounts payable, include directly attributable transaction costs.

Financial liabilities of the Company and its subsidiaries include trade accounts payable, debentures, promissory notes, lease obligations, derivative transactions, and loans and financing.

Subsequent measurement

After initial recognition, loans and financing subject to interest are subsequently measured at amortized cost by the effective interest rate method. Gains and losses are recognized in the statement of profit or loss through the amortization process by the effective interest rate method.

Derecognition (write-off)

A financial liability is written off when the obligation under the liability is discharged or canceled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

iii) *Derivative financial instruments*

The Company and its subsidiaries use derivative financial instruments such as interest rate swaps and currency forwards to hedge against interest rate and currency risks. These derivative financial instruments are initially recognized at fair value on the date when a derivative agreement is entered into and are subsequently measured at fair value. Variations in fair value of derivative instruments of the Company and its subsidiaries are immediately recorded in the statement of profit or loss under Finance income (costs).

3. Accounting policy information (Continued)

r) Government grants

Government grants are recognized when there is reasonable certainty that the benefit will be received and that all the related conditions will be met. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to offset, are expensed. When the grant relates to an asset, it is recognized as deferred revenue and posted to P&L in equal amounts throughout the expected useful life of the related asset.

s) Statements of cash flows

The statement of cash flows was prepared under the indirect method and is presented according to NBCT 3.8 – Statement of Cash Flows (equivalent to CPC 03 (R2) issued by Brazil's National Association of State Boards of Accountancy (CFC)).

t) New or revised pronouncements applied for the first time in 2023

The following amendments to accounting standards became effective as of January 1, 2023:

• CPC 50/IFRS 17: Insurance contracts (Superseding CPC 11/IFRS 17);
• Amendments to CPC 23: Definition of accounting estimates (Amendments to IAS 8);
• Disclosure of accounting policies (Amendments to IAS 1 and IFRS Practice Statement 2);
• Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

These changes had no impact on the individual and consolidated financial statements of the Company and its subsidiaries, except for amendment to IAS 1, whose changes had an impact on the Company's accounting policy disclosures, but not on the measurement, recognition or presentation of items in the financial statements. In addition, the Company did not elect to early adopt any standards or pronouncements.

u) Standards issued but not yet effective

The new and amended standards and interpretations issued but not yet in effect until the date of issue of the individual and consolidated financial statements are described below:

- Lease liabilities in sale and leaseback transactions (CPC 06/IFRS 16);
- Classification of liabilities as current or noncurrent with *covenants* (CPC 26/IAS 1);
- Disclosures of supplier financing arrangements (CPC 03/IAS 7 and CPC 40/IFRS 7);
- Effect of changes in foreign exchange rates and translation of financial statements (CPC 02/IAS 21).

3. Accounting policy information (Continued)

u) Standards issued but not yet effective (Continued)

The amendments above are effective for periods beginning on or after January 1, 2024 and must be applied retrospectively. The Company concluded that there will be no impact therefrom on the individual and consolidated financial statements.

On August 30, 2023, the Federal Government issued Provisional Executive Order No. 1185, revoking article 30 of Federal Law No. 12973/2014 and brought new rules involving investment subsidies in the calculation of the Corporate Income Tax (IRPJ), Social Contribution Tax on Net Profit (CSLL), and Contribution Taxes on Gross Revenue for Social Integration Program (PIS) and for Social Security Financing (COFINS", effective as of January 1, 2024.

As of January 1, 2024, in accordance with Law No. 14,789/2023, Brisanet investment subsidies, represented by ICMS tax incentives, are now subject to federal taxes (IRPJ, CSLL, PIS and COFINS). In return, upon prior authorization with the Federal Revenue of Brazil, Brisanet will be able, after sending the 2024 ECF in 2025, to use a tax credit of 25% corresponding to IRPJ on the value of these subsidies.

Previously, until 12/31/2023, the procedure adopted consisted of the direct exclusion of subsidies from the IRPJ/CSLL and PIS/COFINS calculation base, ensuring an immediate tax saving of 37.65% on the value of the subsidy. With Law No. 14,789/2023, the savings will be reduced to 25%, with an economic impact only in the following year.

This means that in 2024, Brisanet's investment subsidy revenues will be subject to a total taxation of 37.65% (25% IRPJ, 9% CSLL, 0.65% PIS and 3% COFINS). Only in 2025, upon authorization with the RFB, will it be possible to use the 25% IRPJ credit on the value of this subsidy. This credit will be used through compensation or refund.

(Amounts expressed in thousands of reais)

4. Cash and cash equivalents and financial investments

	Individual		Consolidated	
	12/31/2023	**12/31/2022**	**12/31/2023**	**12/31/2022**
Cash		-		-
Checking accounts and other	**-**	8	**1,469**	940
Financial investments:	**-**			
Sweep accounts	**9**	2,118	**5,548**	6,828
Bank Deposit Certificates (CDB)	**-**	-	**315,830**	195,683
Debit cards	**-**	-	**373**	91
	9	2,126	**323,220**	203,542

Cash equivalents correspond to transactions with financial institutions in the Brazilian financial market and subject to low credit risk. These transactions are remunerated by reference to the Interbank Deposit Certificates (CDI) variation at the average rate of 101.68% at December 31, 2023 (103.04% at December 31, 2022) and are available for use in the operations of the Company and its subsidiaries, i.e. are highly-liquid financial assets and with insignificant risk of change in value.

Financial investments

	Individual		Consolidated	
	12/31/2023	**12/31/2022**	**12/31/2023**	**12/31/2022**
Investment funds (a)	**-**	-	**-**	56
Certificate accounts with lottery prizes (b)	**-**	-	**-**	3,600
CDB (c)	**-**	-	**180,867**	387,884
Debentures (d)	**314,225**	312,020	**-**	-
	314,225	312,020	**180,867**	391,540
Current	**14,225**	12,020	**180,867**	391,540
Noncurrent	**300,000**	300,000	**-**	-

(a) Investment funds have variable income (fixed income and multimarket funds), with an average yield of 93.91% of the CDI for the year;

(b) Certificate accounts with lottery prizes, with an average yield of 0.5% p.m. plus the reference rate (TR), were acquired in previous years and have a grace period for redemption, usually proportional to repayment of the loans to which they were offered as collateral. The amount was fully redeemed on June 2, 2023;

(c) Bank Deposit Certificates (CDB) had an average yield equivalent to 101.86% of the CDI in 2023, with liquidity above 90 days; and

(d) This refers to the second private placement of debentures through subsidiary Brisanet Serviços Telecomunicações S.A., where the yield will be 2.00% p.a. + CDI. The term of the 2nd Issue Debentures is of 60 months from the issue date, and payments are due in 3 annual consecutive installments over the contract period, every year on August 25, beginning August 25, 2025, and final maturity on August 25, 2027. Remuneration will be paid semi-annually from the first payment on February 25, 2027, with maturities every August and February 25 of each year.

(Amounts expressed in thousands of reais)

5. Trade accounts receivable (Consolidated)

	12/31/2023	12/31/2022
Trade accounts receivable	**182,556**	143,987
Allowance for expected credit losses	**(19,247)**	(3,165)
Accounts receivable, net	**163,309**	140,822
Current	**163,105**	140,822
Noncurrent	**204**	-

The aging list of trade accounts receivable is as follows:

	12/31/2023	12/31/2022
Falling due	**80,243**	49,575
Past due:		
1 to 30 days	**41,153**	36,598
31 to 60 days	**8,106**	5,950
61 to 180 days	**24,772**	21,145
181 to 360 days	**28,282**	30,719
Over 360 days	**-**	-
	182,556	143,987
(-) Allowance for expected credit losses	**(19,247)**	(3,165)
Accounts receivable, net	**163,309**	140,822

At December 31, 2023, DSO was of 45 days (46 days at December 31, 2022).

Changes in allowance for expected credit losses are as follows:

	12/31/2023	12/31/2022
Opening balance	**(3,165)**	(19,293)
Set-up	**(66,893)**	(30,782)
Reversal	**438**	115
Write-off	**50,373**	46,795
Closing balance	**(19,247)**	(3,165)

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

(Amounts expressed in thousands of reais)

6. Taxes recoverable and payable

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Assets				
State VAT (ICMS) recoverable	**-**	-	**8,625**	11,328
ICMS recoverable on PPE	**-**	-	**68,351**	82,955
PIS and COFINS recoverable	**-**	-	**63**	472
IRPJ and CSLL recoverable	**854**	18	**2,472**	2,998
Other taxes recoverable	**-**	-	**669**	650
	854	18	**80,180**	98,403
Current	**854**	18	**35,893**	38,642
Noncurrent	**-**	-	**44,287**	59,761
Current liabilities				
ICMS payable	**-**	-	**7,981**	12,285
IRPJ and CSLL payable	**-**	3,842	**2,016**	8,968
PIS and COFINS payable	**665**	-	**3,697**	2,563
ISS payable	**-**	-	**121**	111
Taxes on unbilled revenue (a)	**-**	-	**5,426**	3,994
Other taxes payable	**20**	16	**3,992**	2,343
	685	3,858	**23,233**	30,264

(a) Taxes provisioned due to the recognition of unbilled revenue, taking into account the accrual period of the services provided, and the billing period for the customer.

7. Transactions with related parties

Outstanding balances on the reporting dates are as follows:

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Current assets				
Right of use	**-**	-	**1,056**	-
IOE receivable	**4,710**	-	**-**	-
Dividends receivable	**-**	4,500	**-**	-
	4,710	4,500	**1,056**	-
Current liabilities				
Leases payable - current	**-**	-	**318**	-
Leases payable - noncurrent	**-**	-	**717**	-
Dividends payable	**38,867**	14,418	**-**	14,418
	38,867	14,418	**1,035**	14,418

(Amounts expressed in thousands of reais)

7. Transactions with related parties (Continued)

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Statement of profit or loss				
Administrative expenses				
AGILITY Segurança Eletronic	-	-	(2,088)	(1,546)
Imobiliária Pau D'arco Ltda.	-	-	-	(22)
JPMF Imobiliária Ltda	-	-	-	(31)
S&L Locadora de Veículos Ltda.	-	-	(37,964)	(33,502)
Nosso Atacarejo Comércio de Gêneros Alimentícios Ltda.	-	-	(3,631)	(2,817)
Ls Agricultura Ltda.	-	-	(10)	-
Nossa Fruta Brasil Indústria de Alimentos Ltda.		-	(333)	(222)
Agritech Semiárido Agricultura Ltda.	-	-	(2)	(3)
		-	(44,028)	(38,143)
Other operating expenses				
S&L Locadora de Veículos Ltda.	-	-	(1)	-
	-	-	(1)	-
		-	(44,029)	(38,143)

(Amounts expressed in thousands of reais)

7. Transactions with related parties (Continued)

	Operations with Consortia	
	12/31/2023	**12/31/2022**
Income (loss) from operations with consortia		
Net operating revenue	**1,916**	-
Costs and expenses	**-**	-
Interconnection and means of connection	**(1,852)**	(1,819)
Personnel	**(222)**	(159)
Third-party services	**(718)**	(62)
Depreciation and amortization	**(621)**	(86)
General costs and expenses	**(206)**	(52)
	(1,703)	(2,178)
Finance income (costs)		
Late-payment interest and fines	**(672)**	(17)
Other finance income (costs)	**-**	2
	(672)	(15)
Net income (loss)	**(2,375)**	(2,193)

The nature of transactions with related parties is as follows:

Related party	Nature of transaction
AGILITY Segurança Eletrônica Ltda.	Software rental and licensing
BMW Consortium	Cinturão Digital project
Conecta Sec Consortium	Provision of equipment lease services
Imobiliária Pau D'arco Ltda.	Real property rental agreement
JPMF Imobiliária Ltda.	Real property rental agreement
S&L Locadora de Veículos Ltda.	Vehicle lease agreement (IFRS 16)
Nosso Atacarejo Comércio de Gêneros Alimentícios Ltda.	Supply of food, cleaning and consumption products
Nossa Fruta Brasil Indústria de Alimentos Ltda.	Food product supply
Agritech Semiárido Agricultura Ltda.	Food product supply

(Amounts expressed in thousands of reais)

7. Transactions with related parties (Continued)

Operations with Consortia	Equity interest
BMW Consortium	50%
Conecta Sec Consortium	34%

Operations with consortia refer to the concession granted by the government of the state of Ceará for the use of the *Cinturão Digital do Ceará (CDC)* project, in which the Company holds 50% interest in the BWM Consortium. On October 27, 2022, the Conecta Sec Consortium was established referring to the contract for the provision of services to the Education and Culture Office of the city of João Pessoa, in which the Company holds 34% interest.

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 R$5.217.

Key management personnel compensation – Company and subsidiaries

Compensation of the key management personnel of the Company and its subsidiaries totaled R$3,825 at December 31, 2023, related to the payment of salaries and pro-labore (R$2,687 at December 31, 2022).

(Amounts expressed in thousands of reais)

8. Investments (Individual)

a) Breakdown

	12/31/2023	12/31/2022
Interests held in subsidiaries		
Brisanet Serviços de Telecomunicações S.A.	**1,536,078**	1,360,910
RPS – Prestação de Serviços de Informática Ltda.	**-**	29,190
	1,536,078	1,390,100
Classified as:		
Investments	**1,536,078**	1,390,100
Provision for losses on investments	**-**	-
	1,536,078	1,390,100

b) Changes in investments

	Brisanet Serviços de Telecomunicações S.A.	RPS – Prestação de Serviços de Informática Ltda.	12/31/2023	12/31/2022
Opening balance	**1,360,910**	**29,190**	**1,390,100**	1,339,405
Merger (i)	**25,892**	**(25,892)**	**-**	-
Dividends receivable	**-**	**-**	**-**	(4,500)
Dividends received (iii)	**(18,774)**	**-**	**(18,774)**	(13,809)
Other (iv)	**1,098**	**-**	**1,098**	-
IOE receivable (v)	**(5,540)**	**-**	**(5,540)**	-
Equity pickup	**172,492**	**(3,298)**	**169,194**	69,004
Closing balance	**1,536,078**	**-**	**1,536,078**	1,390,100

(i) On April 30, 2023, subsidiary RPS Prestação de Serviços Ltda. was fully merged into subsidiary Brisanet Serviços de Telecomunicações S.A. (see Note 1).

(ii) These refer to the change in the equity interest of Brisanet Serviços de Telecomunicações S.A. in its direct subsidiary 4J Serviços de Telecomunicações Ltda., according to Note 1.

(iii) These refer to dividends received from subsidiary Brisanet Serviços de Telecomunicações S.A. in 2023, as follows: R$1,485 in March; R$365 in April; R$14,823 in May; R$242 in June; R$306 in July; R$324 in August; and R$345 in September, R$290 in october, R$304 in November and R$290 in december. These refer to dividends received from subsidiary RPS Prestação de Serviços in the amount of R$13,809 in 2022.

(iv) This refers to the impact of values between subsidiaries in equity.

(v) In December, the amount of R$5,540 related to interest on equity was recognized in Brisanet Participações referring to Brisanet Serviços, which must be paid in 2024.

(Amounts expressed in thousands of reais)

8. Investments (Individual) - Continued

c) Information on investments in subsidiaries

	12/31/2023					
	Capital	Equity	Net income for the period	(%) Equity interest	Investment balance	Equity pickup
Brisanet Serviços de Telecomunicações S.A.	**1,343,245**	**1,536,078**	**172,493**	**99.99**	**1,536,078**	**169,194**
					1,536,078	**169,194**

	12/31/2022					
	Capital	Equity (capital deficiency)	Net income (loss) for the period	(%) Equity interest	Investment balance	Equity pickup
Brisanet Serviços de Telecomunicações S.A.	1,311,176	1,360,910	67,938	99.99	1,360,910	67,937
RPS - Prestação de Serviços de Informática Ltda.	32,070	29,190	1,067	99.99	29,190	1,067
					1,390,100	69,004

9. Property, plant and equipment (Consolidated)

a) Breakdown

	Annual average depreciation rate - %	12/31/2023			12/31/2022
		Cost	Accumulated depreciation	Net	Net
Land	-	**30,733**	**-**	**30,733**	24,054
Buildings	4%	**4,060**	**(338)**	**3,722**	-
Fiber-optic cables	5%	**391,378**	**(48,492)**	**342,886**	272,086
Network construction	10%	**358,757**	**(65,006)**	**293,751**	309,234
Machinery and equipment	10%	**120,354**	**(31,811)**	**88,543**	57,325
Furniture and fixtures	10%	**6,263**	**(1,709)**	**4,554**	3,811
Sundry installations	10%	**312,001**	**(73,553)**	**238,448**	210,986
Planes and aircraft	10%	**1,800**	**(351)**	**1,449**	1,611
Leasehold improvements	15%	**28,857**	**(374)**	**28,483**	687
Computers and peripherals	20%	**42,858**	**(19,186)**	**23,672**	11,891
Vehicles	20%	**82,443**	**(33,874)**	**48,569**	58,067
Software	20%	**131,729**	**(93,631)**	**38,098**	74,183
Electronic equipment	20%	**703,809**	**(321,526)**	**382,283**	304,202
Installations (customer activation)	25%	**157,821**	**(55,486)**	**102,335**	75,923
Advances to suppliers	-	**3,915**	**-**	**3,915**	144,200
Imports in progress	-	**29,751**	**-**	**29,751**	14,180
Construction in progress	-	**169,967**	**-**	**169,967**	145,799
PPE in supplies room	-	**259,313**	**-**	**259,313**	247,781
		2,835,809	**(745,337)**	**2,090,472**	1,956,020

(Amounts expressed in thousands of reais)

9. Property, plant and equipment (Consolidated) - Continued

b) Changes in balances

	12/31/2022	Additions	Write-offs	Transfers	Depreciation	12/31/2023
Land	24,054	**1,632**	**(218)**	**5,265**	**-**	**30,733**
Buildings	-	**-**	**-**	**3,925**	**(203)**	**3,722**
Fiber-optic cables	272,086	**60,530**	**(7,746)**	**35,662**	**(17,646)**	**342,886**
Network construction	309,234	**19,578**	**(1,999)**	**88**	**(33,150)**	**293,751**
Machinery and equipment	57,325	**25,775**	**(917)**	**14,230**	**(8,340)**	**88,073**
Furniture and fixtures	3,811	**958**	**(10)**	**364**	**(569)**	**4,554**
Sundry installations	210,986	**32,284**	**(7,873)**	**30,659**	**(27,608)**	**238,448**
Planes and aircraft	1,611	**-**	**-**	**-**	**(162)**	**1,449**
Leasehold improvements	687	**24,235**	**-**	**3,844**	**(283)**	**28,483**
Computers and peripherals	11,891	**10,693**	**(412)**	**6,995**	**(5,495)**	**23,672**
Vehicles	58,067	**3,115**	**(260)**	**-**	**(12,353)**	**48,569**
Software	74,183	**-**	**(4,071)**	**(7,833)**	**(24,181)**	**38,098**
Electronic equipment	304,202	**154,929**	**(3,662)**	**39,299**	**(112,015)**	**382,753**
Installations (customer activation)	75,923	**62,717**	**-**	**-**	**(36,305)**	**102,335**
Advances to suppliers	144,200	**-**	**-**	**(140,285)**	**-**	**3,915**
Imports in progress	14,180	**60**	**-**	**15,511**	**-**	**29,751**
Construction in progress	145,799	**26,003**	**(2)**	**(1,833)**	**-**	**169,967**
PPE in supplies room	247,781	**17,423**	**-**	**(5,891)**	**-**	**259,313**
	1,956,020	**439,932**	**(27,170)**	**-**	**(278,310)**	**2,090,472**

(Amounts expressed in thousands of reais)

9. Property, plant and equipment (Consolidated) - Continued

b) Changes in balances (Continued)

	12/31/2021	Additions	Write-offs	Transfers	Allowance for losses (i)	Depreciation	12/31/2022
Land	12,338	8,786	-	2,930	-	-	24,054
Fiber-optic cables	203,862	41,878	-	40,790	-	(14,444)	272,086
Network construction	139,576	11,578	-	179,063	-	(20,983)	309,234
Machinery and equipment	44,131	15,165	-	4,383	-	(6,354)	57,325
Furniture and fixtures	3,608	587	-	97	-	(481)	3,811
Sundry installations	150,950	19,402	(16)	63,422	-	(22,772)	210,986
Planes and aircraft	1,773	-	-	-	-	(162)	1,611
Leasehold improvements	704	14	-	-	-	(31)	687
Computers and peripherals	13,580	2,385	-	360	-	(4,434)	11,891
Vehicles	11,591	57,441	(1,052)	-	-	(9,913)	58,067
Software	104,969	24	(1)	1,804	-	(32,613)	74,183
Electronic equipment	287,266	113,436	(21)	6,734	(7,833)	(95,380)	304,202
Installations (customer activation)	24,498	-	-	69,171	-	(17,746)	75,923
Advances to suppliers	30,484	250,695	-	(136,979)	-	-	144,200
Imports in progress	52,227	83,887	(1,104)	(120,830)	-	-	14,180
Construction in progress	227,919	16,340	-	(98,460)	-	-	145,799
PPE in supplies room	36,800	223,466	-	(12,485)	-	-	247,781
	1,346,276	845,084	(2,194)	-	(7,833)	(225,313)	1,956,020

(i) Amounts provisioned in 2022 and reversed in the subsequent year with the effective write-off.

9. Property, plant and equipment (Consolidated) - Continued

Interest capitalization

In the year ended December 31, 2023, the Company and its subsidiaries capitalized interest on loans and financing with an average capitalization rate of 1.06% (1.19% on December 31, 2022), in the amount of R$24,347 (R$27,033 on December 31, 2022).

Capitalization of depreciation

In the year ended December 31, 2023, the Company and its subsidiaries capitalized depreciation on PPE used in installations, infrastructure and network expansions, amounting to R$17,376 (R$16,361 at December 31, 2022).

Guarantees

At December 31, 2023, the Company recorded PPE items given in guarantee amounting to R$73,295 (R$149,738 at December 31, 2022).

Software

Software relating specifically to operation of modems of the Company and its subsidiaries, which are jointly controlled and meet the PPE classification criteria, in accordance with NBC TG 04 (R4).

Impairment

The Company and its subsidiaries periodically analyze whether there are indications that certain assets could be recorded in accounting for amounts that exceed the recoverable amount. After internal analysis, management concluded that there was no need to set up a provision for impairment on PPE and intangible assets of the Company and its subsidiaries as of December 31, 2023 and 2022.

(Amounts expressed in thousands of reais)

10. Intangible assets (Consolidated)

Changes in balances

	Average annual amortization rate - %	12/31/2022	Additions	Write-offs	Transfer	12/31/2023
Cost						
Radiofrequency license - GHZ	20%	1,336	**-**	**-**	**-**	**1,336**
Software and system licenses	20%	17,824	**15,536**	**-**	**332**	**33,692**
ADM projects	20%	3,247	**18,833**	**-**	**11,126**	**33,206**
Customer portfolio and relationship with the franchisee (a)	7%	47,008	**199**	**(2,644)**	**-**	**44,563**
Radiofrequency license – 4G (b)	7%	2,804	**-**	**-**	**-**	**2,804**
Radiofrequency license – 5G (b)	5%	168,431	**-**	**-**	**-**	**168,431**
Software development and API (c)	5%	8,221	**-**	**-**	**13,022**	**21,243**
Intangible assets under development (d)	-	1,334	**29,389**	**-**	**(24,560)**	**6,163**
Trademarks and patents	-	3	**-**	**-**	**-**	**3**
5G mobile networks use license	-	-		**-**	**80**	**80**
Software in progress	-	-	**1,941**	**-**	**-**	**1,941**
Total cost		250,208	**65,898**	**(2,644)**	**-**	**313,462**
Accumulated amortization						
Radiofrequency license - GHZ	20%	(810)	**(267)**	**-**	**-**	**(1,077)**
Software and system licenses	20%	(4,970)	**(4,521)**	**-**	**-**	**(9,491)**
ADM projects	20%	(1,167)	**(2,196)**	**-**	**-**	**(3,363)**
Customer portfolio and relationship with the franchisee (a)	7%	(2,795)	**(2,819)**	**200**	**-**	**(5,414)**
Radiofrequency license – 4G (b)	7%	(361)	**(226)**	**-**	**-**	**(587)**
Radiofrequency license – 5G (b)	5%	(8,423)	**(8,420)**	**-**	**-**	**(16,843)**
Software development and API (c)	5%	(549)	**(2,409)**	**-**	**-**	**(2,958)**
Total accumulated amortization		(19,075)	**(20,858)**	**200**	**-**	**(39,733)**

(Amounts expressed in thousands of reais)

10. Intangible assets (Consolidated) - Continued

Changes in balances (Continued)

	Average annual amortization rate - %	12/31/2021	Additions	Write-offs	Transfer	12/31/2022
Cost						
Radiofrequency license - GHZ	20%	171,235	-	-	(169,899)	1,336
Software and system licenses	20%	15,717	3,443	-	(1,336)	17,824
ADM projects	20%	2,476	794	-	(23)	3,247
Customer portfolio and relationship with the franchisee (a)	7%	32,463	14,545	-	-	47,008
Radiofrequency license – 4G (b)	7%	-	-	-	2,804	2,804
Radiofrequency license – 5G (b)	5%	-	-	-	168,431	168,431
Software development and API (c)	5%	-	8,221	-	-	8,221
Intangible assets under development (d)	-	-	1,334	-	-	1,334
Trademarks and patents	-	3	-	-	-	3
Total cost		221,894	28,337	-	(23)	250,208
Accumulated amortization						
Radiofrequency license - GHZ	20%	(136)	(267)	-	(407)	(810)
Software and system licenses	20%	(2,451)	(3,062)	-	543	(4,970)
ADM projects	20%	(596)	(594)	-	23	(1,167)
Customer portfolio and relationship with the franchisee (a)	7%	-	(2,795)	-	-	(2,795)
Radiofrequency license – 4G (b)	7%	-	(225)	-	(136)	(361)
Radiofrequency license – 5G (b)	5%	-	(8,423)	-	-	(8,423)
Software development API (c)	5%	-	(549)	-	-	(549)
Total accumulated amortization		(3,183)	(15,915)	-	23	(19,075)
Intangible assets, net		218,711	12,422	-	-	231,133

(a) As disclosed in Note 1, in line with the expansion strategy of the Company and its subsidiaries, intangible assets were acquired from small providers. These contracts will be amortized over 15 to 16 years.

(b) This refers to radiofrequency licenses amortized over the term of the concession arrangement, which is 15 years for 4G and 20 years for 5G.

(c) These refer to software and APIs development projects prepared by the Company itself.

(d) This refers to expenses with software and APIs development projects prepared by the Company itself from the configuration period until the moment they come into operation.

(Amounts expressed in thousands of reais)

11. Trade accounts payable

At December 31, 2023 and 2022, trade accounts payable is broken down as follows:

	Individual		Consolidated	
	12/31/2023	**12/31/2022**	**12/31/2023**	**12/31/2022**
Domestic trade accounts payable	**150**	3	**62,045**	23,608
Foreign trade accounts payable	**-**	-	**33,799**	42,395
	150	3	**95,844**	66,003

12. Loans and financing (Consolidated)

Type	Weighted average rates	12/31/2023	12/31/2022
Working capital	0.82% p.m.	**11,425**	17,485
Working capital	0.21% p.m. + CDI	**85,395**	134,998
Working capital	0.28% p.m. + TJLP	**-**	1,279
Working capital	0.47% p.m. + TLP	**316**	4,114
Working capital (Loan 4131)	0.19% p.m. + CDI	**27,322**	65,095
PPE financing (CDC)	1.18% p.m.	**9,155**	12,583
PPE financing (FINEM)	0.29% p.m. + TJLP	**-**	2,601
PPE financing (FINEM)	0.50% p.m. + TLP	**17,024**	36,074
Financing - TR	0.29% p.m. + TR	**153,367**	50,791
Financing for import (foreign currency)	0.40% p.m.	**-**	34,768
		304,004	359,788
Current		**95,605**	154,618
Noncurrent		**208,399**	205,170

Guarantees for loans and financing include shareholder sureties, disposal of assets, financial investments and credit rights on accounts receivable, as described in the table below:

	12/31/2023	12/31/2022
Sureties and disposals	**149,704**	358,342
Assets and credit rights given in guarantee	**73,295**	149,738
	222,999	508,080

(Amounts expressed in thousands of reais)

12. Loans and financing (Consolidated) - Continued

Changes in loans and financing are as follows:

	12/31/2023	12/31/2022
Opening balance	**359,788**	570,848
Fundraising	**98,157**	18,212
Interest allocated	**31,258**	52,851
Monetary variation and exchange differences	**716**	23,349
Repayment of principal	**(153,509)**	(250,783)
Interest paid	**(32,406)**	(54,689)
Closing balance	**304,004**	359,788

Noncurrent portions mature as follows:

	12/31/2023	12/31/2022
2024	**-**	93,464
2025	**64,850**	62,079
2026	**17,740**	12,515
2027	**14,738**	7,251
From 2028 onwards	**111,071**	29,861
	208,399	205,170

Covenants

Loan and financing covenants substantially refer to annual financial ratios, default with creditors, 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 year ended December 31, 2023 and 2022 and concluded that all requirements have been legally met.

(Amounts expressed in thousands of reais)

13. Debentures

a) Breakdown

	Individual		
	Charges (p.a.)	12/31/2023	12/31/2022
First issue - Brisanet Participações	2.00% p.a. + CDI	**314,225**	314,961
(-) Issue costs to be allocated		**(1,761)**	(2,242)
(-) Negative goodwill		**(674)**	(857)
		311,790	311,862
Current		**13,616**	14,297
Noncurrent		**298,174**	297,565

	Consolidated		
	Charges (p.a.)	12/31/2023	12/31/2022
Nonconvertible debentures			
First issue - Brisanet Serviços	5.77% p.a. + IPCA	**603,637**	576,810
First issue - Brisanet Participações	2.00% p.a. + CDI	**314,225**	314,961
(-) Issue costs to be allocated		**(21,919)**	(27,063)
(-) Negative goodwill		**(674)**	(857)
		895,269	863,851
Current		**19,194**	23,593
Noncurrent		**876,075**	840,258

b) Changes

Changes in debentures are as follows:

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Opening balance	**311,862**	-	**863,851**	515,850
Debentures raised	**-**	300,000	**-**	300,000
Monetary restatement	**37,959**	12,913	**64,618**	48,185
Interest allocated	**6,274**	2,048	**39,469**	29,807
Amortization of interest	**(44,969)**	-	**(77,996)**	(31,556)
Debenture costs	**-**	(2,402)	**-**	(2,402)
Amortization of funding costs	**480**	160	**5,143**	4,824
Negative goodwill	**-**	(919)	**-**	(919)
Amortization of negative goodwill	**184**	62	**184**	62
Closing balance	**311,790**	311,862	**895,269**	863,851

(Amounts expressed in thousands of reais)

13. Debentures (Continued)

b) Changes (Continued)

Noncurrent portions mature as follows:

	Individual		Consolidated	
	12/31/2023	**12/31/2022**	**12/31/2023**	**12/31/2022**
2025	**100,000**	100,000	**269,764**	262,183
2026	**100,000**	100,000	**269,764**	262,132
2027	**100,000**	100,000	**269,764**	262,128
From 2028 onwards	**-**	-	**84,881**	81,071
	300,000	300,000	**894,173**	867,514
(-) Issue costs to be allocated	**(1,321)**	(1,761)	**(17,203)**	(26,582)
(-) Negative goodwill	**(505)**	(674)	**(506)**	(674)
	298,174	297,565	**876,464**	840,258

c) Issue of debentures

Significant information regarding the issue of debentures by the Company and its subsidiaries is as follows:

Issuer	Ticker	Type	Units issued	Issue date	Final maturity	Average charges	Funds raised
Brisanet Serv. Tel. S.A.	BRST11	1st issue – 1st series	500,000	03/15/2021	03/15/2028	5.77% p.a. + IPCA	**R$500,000**
Brisanet Part. S.A.	BRIT11	1st issue – 1st series	300,000	08/25/2022	08/25/2027	2.00% p.m. + CDI	**R$300,000**

d) Guarantees

First-series debentures issued by subsidiary Brisanet Serviços de Telecomunicações S.A. are consistently 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 minimum amount of R$40,000 or 40% of the amount raised.

The first-series debentures issued by the Company are unsecured, without additional guarantees.

(Amounts expressed in thousands of reais)

13. Debentures (Continued)

e) Covenants

The debentures have covenants substantially related to early maturity, including compliance with "financial ratios", default with creditors, bankruptcy, transformation of the corporation type or any corporate reorganization involving the issuer, early maturity of any financial debt and/or obligations where the amount is greater than 3% of the Company's equity, in-court or out-of-court measures that compromise payment capacity, constitution of mortgage, pledge, chattel mortgage, assignment in trust, usufruct, trust, promise of sale, purchase option (except option to purchase shares issued by the issuer within the scope of incentive plans established in favor of managing officers and employees).

At December 31, 2023, the Company and its subsidiaries concluded that all requirements had been legally met.

14. Promissory note

a) Breakdown

	Charges (p.a.)	12/31/2023	12/31/2022
First issue			
Promissory note not convertible into shares	2.60% p.m. + CDI	-	72,448
(-) Issue costs to be allocated		-	(98)
		-	72,350
Current		-	72,350
Noncurrent		-	-

b) Changes

Changes in promissory notes are as follows:

	12/31/2023	12/31/2022
Opening balance	**72,350**	-
Raising of promissory notes	**-**	70,000
Monetary restatement	**291**	7,253
Interest allocated	**1,271**	1,627
Amortization of principal	**(64,000)**	(6,000)
Interest amortization	**(10,010)**	(432)
Cost on promissory notes	**-**	(620)
Amortization of funding costs	**98**	522
Closing balance	**-**	72,350

(Amounts expressed in thousands of reais)

14. Promissory note (Continued)

b) Changes (Continued)

The final maturity of the 1st issue of promissory notes occurred on February 25, 2023.

15. Rights of use and lease liabilities (Consolidated)

Changes in lease liabilities are as follows:

	12/31/2023	12/31/2022
Opening balance	**38,870**	35,490
Interest allocated	**5,703**	4,012
Additions due to new contracts	**54,900**	44,866
Consideration paid	**(49,327)**	(42,129)
Interest paid	**(3,603)**	(3,369)
Closing balance	**46,543**	38,870
Current	**14,611**	14,234
Noncurrent	**31,932**	24,636

The Company’s agreements have a payment term from 2 to 10 years with an average discount rate of 10.94%.

(Amounts expressed in thousands of reais)

15. Rights of use and lease liabilities (Consolidated) (Continued)

Agreement maturity and undiscounted installments, reconciled to the balances at December 31, 2023 and 2022 are as follows:

	12/31/2023	12/31/2022
Installment maturity		
2023	**-**	16,021
2024	**15,643**	10,321
2025	**11,789**	5,767
From 2026 onwards	**24,268**	11,799
Undiscounted amounts	**51,700**	43,908
Embedded interest	**(5,157)**	(5,038)
Lease liabilities balance	**46,543**	38,870

Changes in rights of use are as follows:

	12/31/2023	12/31/2022
Opening balance	**36,493**	35,928
Additions due to new contracts	**54,900**	44,866
Amortization expenses	**(47,554)**	(44,301)
Closing balance	**43,839**	36,493

Below is a table indicating the potential right of PIS/COFINS to be recovered embedded in the lease/lease consideration, according to the deadlines for payment. Undiscounted balances and balances discounted to present value:

Cash flows	Nominal value	Adjusted to present value
Lease payments	**51,700**	**46,543**
PIS/COFINS (9,25%)	**(4,782)**	**(4,305)**

Additional information required by CVM/SNC/SEP Memorandum Circular No. 02/2019

In compliance with NBC TG 06 (R3), in measuring and remeasuring their lease liabilities 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 NBC TG 06 (R3). This barring may cause material misstatements in the information provided, given the current reality of long-term interest rates in the Brazilian economic scenario.

(Amounts expressed in thousands of reais)

15. Rights of use and lease liabilities (Consolidated) (Continued)

Additional information required by CVM/SNC/SEP Memorandum Circular No. 02/2019--Continued

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 December 31, 2023 and 2022 are presented below:

Additional information required by CVM/SNC/SEP Memorandum Circular No. 02/2019 (Continued)

	12/31/2023	12/31/2022
Rights of use, net		
NBC TG 06 (R3) / IFRS 16	**43,839**	36,493
Amounts including future inflation	**2,025**	38,606
Variation	**45,864**	75,099
Lease obligations		
NBC TG 06 (R3) / IFRS 16	**46,543**	38,870
Amounts including future inflation	**2,150**	41,121
Variation	**48,693**	79,991

	12/31/2023	12/31/2022
Finance costs		
NBC TG 06 (R3) / IFRS 16	**(5,703)**	(4,012)
Amounts including future inflation	**(263)**	(4,244)
Variation	**(5,966)**	(8,256)
Depreciation expenses		
NBC TG 06 (R3) / IFRS 16	**(47,554)**	(44,301)
Amounts including future inflation	**(2,197)**	(46,866)
Variation	**(49,751)**	(91,167)

16. Labor and social obligations

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Salaries and wages	**-**	-	**15,339**	12,649
Social charges on salaries and wages	**19**	-	**9,343**	7,588
Accrued vacation pay	**-**	-	**21,134**	19,205
Social charges on accrued vacation pay	**-**	-	**7,442**	6,853
Other	**-**	-	**181**	82
	19	-	**53,439**	46,377

(Amounts expressed in thousands of reais)

17. Provision for contingencies (Consolidated)

The Company updated its contingency policy as of 2023, adopting a more conservative approach. As a result, lawsuits that would only be considered as probable losses when appeals could no longer be filed started to be classified as such at lower court levels. This change in estimate caused an increase in the provision for contingencies for the year ended December 31, 2023, due to the balances of ongoing civil, tax and labor lawsuits, for which provisions for contingencies were set up in the amount of R$11,543 (R$1,833 at December 31, 2022). There are no contingencies whose individual amounts are significant. The Company's judicial deposits amount to R$7,052 (R$5,467 at December 31, 2022).

Changes in provision for contingencies are as follows:

	Labor	Tax	Civil	Total
Balance at December 31, 2021	889	2	38	929
Set-up	2,748	1,012	230	3,990
Reversal	(1,588)	(592)	(206)	(2,386)
Write-off	(639)	-	(11)	(650)
Balance at December 31, 2022	1,410	422	51	1,883
Set-up	**18,516**	**736**	**1,859**	**21,111**
Reversal	**(8,205)**	**(775)**	**(976)**	**(9,956)**
Write-off	**(1,495)**	**-**	**-**	**(1,495)**
Balance at December 31, 2023	**10,226**	**383**	**934**	**11,543**

With the update of the contingency policy mentioned above, the Company adopted a more conservative view on tax proceedings, starting to consider the loss as possible from the assessment notice. This change caused an increase in possible contingencies for the year ended December 31, 2023, due to the balances of ongoing tax, civil and labor lawsuits for which an amount of R$56,029 was considered as a possible loss (R$8,818 at December 31, 2022).

Decision on the Relativization of Res Judicata

On February 8, 2023, the Federal Supreme Court (STF) unanimously considered that a final and unappealable decision on the constitutionality of taxes collected on a continuous basis (successive treatment tax relationship) loses its effects automatically if the STF subsequently holds an opposite position on the same tax matter. This means, in practice, that decisions handed down in direct claims of unconstitutionality or constitutionality (ADIs or ADCs), or in an appeal to the STF with general repercussion (generally binding decision), interrupt the effects of previous decisions in the context of successive treatment tax relations, even if they have already become final and unappealable.

(Amounts expressed in thousands of reais)

17. Provision for contingencies (Consolidated) (Continued)

Decision on the Relativization of Res Judicata (Continued)

The STF decision determined that, where a res judicata is withdrawn and the respective tax is considered due, the rules of non-retroactivity and anteriority (i.e., a principle whereby tax payment may only be enforced ninety days after the tax is created or has its rules changed, or in the following year, depending on the tax) must be observed (Decision on the Relativization of Res Judicata).

The Company assessed the aforementioned STF decision and identified no impact on profit or loss, or the need for disclosure, as it considers the impact on the referred to proceedings to be remote.

18. Other accounts payable

	Individual		Consolidated	
	12/31/2023	**12/31/2022**	**12/31/2023**	**12/31/2022**
Authorization for use of radiofrequency (5G) (a)	**-**	-	**177,676**	169,188
Radiofrequency license - LTE (4G) (b)	**-**	-	**2,074**	2,441
(-) Amount adjusted to present value	**-**	-	**(213)**	(719)
Other obligations payable (c)	**-**	-	**13,430**	17,579
	-	-	**192,967**	188,489
Current	**-**	-	**22,127**	24,122
Noncurrent	**-**	-	**170,840**	164,367

(a) Obligation payable referring to the right to use radio frequencies (5G), acquired through the 5G radio frequency auction. For further details, see Note 1, item "d".

(b) Obligation payable referring to the right to use radio frequencies (4G), acquired in 2018 with an effective term of 15 years.

(c) In the consolidated financial statements, these refer to advances from customers, obligations with plans (health and dental), and other provisions.

(Amounts expressed in thousands of reais)

19. Government grants (Consolidated)

Subsidiary Brisanet Serviços de Telecomunicações S.A. has the following tax benefits:

Government grant	**Benefit granted**	**Effective period**	**Note**	**Amount recorded in P&L for the year**	
				12/31/2023	**12/31/2022**
Federal - SUDENE – (Ceará, Rio Grande do Norte, Paraíba and Alagoas)	Reduction by 75% in non-refundable income tax and surtax.	01/01/2018 to 12/31/2032	Note 24	**8,879**	5,161
Federal - Worker's Meal Program (PAT)	Direct deduction on Income Tax, limited to 4% of the tax due (without surtax) in each calculation base period. The calculated amount must be the lower of 15% of the sum of the expenses to carry out PAT and 15% of R$1.99 (in reais) multiplied by the number of meals provided in the period.	Indefinite	Note 24	**519**	241
Federal – Reinvestment SUDENE - Banco do Nordeste	Reinvest in its own projects to modernize and supplement equipment, 30% of Income Tax due	01/01/2022 to 12/31/2023	Note 24	**601**	314
Federal – Rouanet Law	Deduction of amounts intended for cultural incentive projects through donation or limited sponsorship up to 4% of the tax due	Indefinite	Note 24	**130**	-
State – Paraíba, Ceará, Pernambuco	Reduction by 75% of ICMS amounts on intrastate communication revenues in each state.	PB from 06/01/2020 to 06/01/2030, CE from 10/01/2019 to indefinite (annual renewal), PE from 04/01/2022 to indefinite (semiannual renewal)	Note 21	**68,947**	74,864
	Definitive exclusion of ICMS tax benefits.		Note 23	**23,442**	-

(Amounts expressed in thousands of reais)

20. Equity (Individual)

a) Capital

At December 31, 2023 and 2022, subscribed and paid-in capital amounts to R$1,321,859, represented by 449,094,916 common shares.

	Equity breakdown
Number of shares	**449,094,916**
Number of treasury shares	**3,350,000**
Capital	**1,321,859**
Share issue cost	**(40,253)**
Treasury shares	**(9,758)**
Total	**1,271,848**

At December 31, 2023 and 2022, capital authorized for increase by the Board of Directors, regardless of statutory amendment, is of up to 150,000,000 additional common shares.

b) Income reserves

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

Retained profits: Company management submits for approval at the Annual General Meeting (AGM) the allocation of the remaining portion of net income for the year to the capital budget for expansion of the Company's business.

c) Profit distribution

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 is distributed. Loss for the year will be mandatorily absorbed by retained earnings, and by the income and legal reserves. After recognition of the legal reserve, a minimum of 25% (twenty-five percent) will be allocated to payment of mandatory minimum dividends due to shareholders.

Changes in dividends payable are as follows:

	12/31/2023	12/31/2022
Opening balance	**14,418**	533
Mandatory minimum dividends	**38,867**	14,418
Dividends paid out	**(14,418)**	(533)
Closing balance	**38,867**	14,418

(Amounts expressed in thousands of reais)

21. Net operating revenue (Consolidated)

	Consolidated	
	12/31/2023	**12/31/2022**
Gross sales revenue		
Services provided	**1,381,051**	1,126,406
Goods resold	**2,272**	787
	1,383,323	1,127,193
Deductions from gross revenue		
(-) Taxes on revenue	**(224,400)**	(216,813)
Tax benefits (Note 19)	**68,947**	74,864
	(155,453)	(141,949)
Net operating revenue	**1,227,870**	985,244

22. Operating costs and expenses by nature and function

	Individual					
	12/31/2023			12/31/2022		
	Administrative expenses	**Other operating income (expenses), net**	**Total**	**Administrative expenses**	**Other operating income (expenses), net**	**Total**
	(2,035)	**1**	**(2,034)**	(3,110)	1	(3,109)
By nature:						
Salaries and wages	**-**	**-**	**-**	(1,016)	-	(1,016)
Taxes, charges and contributions	**-**	**-**	**-**			
Third-party services	**(1,587)**	**-**	**(1,587)**	(1,595)	-	(1,595)
General expenses	**-**	**-**	**-**	(497)	-	(497)
Other personnel expenditures	**-**	**-**	**-**	(2)	-	(2)
Provision for contingencies	**-**	**-**	**-**	-	-	-
Other	**(448)**	**1**	**(447)**	-	1	1

(Amounts expressed in thousands of reais)

22. Operating costs and expenses by nature and function (Continued)

	Consolidated									
	12/31/2023					12/31/2022				
	Cost of services	Administrative expenses	Selling expenses	Other operating income (expenses), net	Total	Cost of services	Administrative expenses	Selling expenses	Other operating income (expenses), net	Total
	(657,557)	(115,524)	(176,872)	(27,261)	(977,214)	(572,834)	(110,263)	(120,587)	(14,952)	(818,636)
By nature:										
Interconnection and means of connection	(36,262)	-	-	-	(36,262)	(28,925)	-	-	-	(28,925)
Direct connectivity costs (Link)	(19,660)	-	-	-	(19,660)	(23,859)	-	-	-	(23,859)
Indirect costs of right of way (utility poles)	(79,794)	-	-	-	(79,794)	(65,906)	-	-	-	(65,906)
Indirect costs of customer activation	-	-	-	-	-	-	-	-	-	-
Salaries and wages	(120,258)	(54,820)	(56,733)	-	(231,811)	(128,205)	(52,345)	(41,403)	-	(221,953)
Salaries and wages of customer activation	-	-	-	-	-	-	-	-	-	-
Third-party services	(12,844)	(12,041)	(8,540)	-	(33,425)	(8,774)	(13,734)	(13,317)	-	(35,825)
Advertising and publicity	-	-	(30,036)	-	(30,036)	-	-	(22,352)	-	(22,352)
Depreciation and amortization	(314,425)	(12,626)	(2,298)	-	(329,349)	(254,287)	(12,811)	(2,053)	-	(269,151)
General expenses	-	-	-	-	-	-	(12,571)	(2,949)	-	(15,520)
Taxes, charges and contributions	-	-	-	(10,834)	(10,834)	-	-	-	(8,810)	(8,810)
Electric power and water	(11,604)	(2,405)	(19)	-	(14,028)	(9,222)	(2,010)	(18)	-	(11,250)
Materials and maintenance	(19,421)	(2,954)	(763)	-	(23,138)	(16,706)	(2,908)	(642)	-	(20,256)
Other personnel expenditures	(18,649)	(8,220)	(8,530)	-	(35,399)	(17,890)	(8,655)	(6,550)	-	(33,095)
Allowance for expected credit losses	-	-	(66,455)	-	(66,455)	-	-	(30,667)	-	(30,667)
Provision for contingencies	-	-	-	(11,153)	(11,153)	-	-	-	(1,604)	(1,604)
System maintenance services	(10,544)	(9,992)	(1,493)	-	(22,029)	(6,040)	(5,229)	(636)	-	(11,905)
Other (a)	(14,096)	(12,466)	(2,005)	(5,274)	(33,841)	(13,020)	-	-	(4,538)	(17,558)

(a) Includes debts relating to the Poverty Combat Fund (FECOP) - CE.

(Amounts expressed in thousands of reais)

23. Finance income (costs)

	Individual		Consolidated	
	12/31/2023	**12/31/2022**	**12/31/2023**	**12/31/2022**
Finance costs				
Interest on loans and financing, debentures and promissory notes	**(44,897)**	(15,183)	**(138,987)**	(137,919)
Late-payment interest and fines	**(57)**	(1)	**(922)**	(572)
Exchange losses	**-**	-	**(10,256)**	(37,205)
Bank charges	**(8)**	(8)	**(5,626)**	(7,305)
Interest on leases	**-**	-	**(5,759)**	(3,941)
Tax on Financial Transactions (IOF)	**(2,560)**	(4)	**(6,763)**	(414)
Collection fees	**-**	-	**(1,751)**	(1,699)
Interest on installment payments	**-**	-	**(1,018)**	(443)
Derivative transactions – swap	**-**	-	**(17,524)**	(19,680)
Other	**-**	-	**(571)**	(447)
	(47,522)	(15,196)	**(189,177)**	(209,625)
Finance income				
Interest income received	**-**	12,020	**17,944**	13,074
Financial investment yield	**44,015**	3,123	**64,804**	69,122
Exchange gains	**-**	1	**11,204**	50,286
Derivative transactions – swap	**-**	-	**12,440**	12,912
Other finance income	**-**	-	**869**	3,215
	44,015	15,144	**107,261**	148,609
Finance income (costs)	**(3,507)**	(52)	**(81,916)**	(61,016)

24. Income and social contribution taxes

At December 31, 2023, income and social contribution taxes were calculated on taxable profit computed as a percentage of gross revenue (“Lucro Presumido”) and on taxable profit based on accounting records of the Company (“Lucro real”), at the rate of 15% for income tax, and surtax of 10% for profits exceeding R$240 over 12 months, and at 9% for social contribution tax.

Current income and social contribution tax expense is as follows:

(Amounts expressed in thousands of reais)

24. Income and social contribution taxes (Continued)

	Individual		Consolidated	
	12/31/2023	**12/31/2022**	**12/31/2023**	**12/31/2022**
Taxable profit computed as per accounting records *(lucro real)*: (a)				
Current IRPJ	**-**	-	**(21,757)**	(19,590)
Current CSLL	**-**	-	**(7,842)**	(7,059)
Tax benefit – income tax reduction (Note 19)	**-**	-	**8,879**	5,161
Tax incentive – PAT (Note 19)	**-**	-	**519**	241
Tax incentive – Reinvestment and Rouanet Law (Note 19)	**-**	-	**731**	314
Deferred income and social contribution taxes	**-**	-	**14,079**	(14,270)
	-	-	**(5,391)**	(35,203)
Taxable profit computed as a percentage of gross *revenue (lucro presumido)*: (b)				
Income tax	**-**	(3,773)	**-**	(7,108)
Social contribution tax	**-**	(1,363)	**-**	(2,577)
	-	(5,136)	**-**	(9,685)
Total income and social contribution tax expenses:				
Current income and social contribution taxes	**-**	(5,136)	**(29,599)**	(36,334)
Deferred income and social contribution taxes	**-**	-	**14,079**	(14,270)
Tax benefit – income tax reduction (Note 19)	**-**	-	**8,879**	5,161
Tax incentive – Reinvestment and Rouanet Law (Note 19)	**-**	-	**519**	314
Tax incentive – PAT (Note 19)	**-**	-	**731**	241
	-	(5,136)	**(5,391)**	(44,888)

(a) Subsidiary Brisanet Serviços de Telecomunicações S.A. computes taxable profit as per quarterly accounting records (lucro real); and

(b) The Company and its subsidiaries, except Brisanet Serviços de Telecomunicações S.A. computed taxable profit as a percentage of gross revenue *(lucro presumido)* until December 31, 2022.

Breakdown of deferred income and social contributions taxes in P&L is as follows:

	12/31/2023	**12/31/2022**
Assets		
Income and social contribution tax losses	**456**	12,380
Temporary differences on allowance for expected credit losses	**2,978**	987
Temporary differences on provision for contingencies	**1,760**	495
Temporary differences on derivative transactions	**562**	1,125
Temporary differences on leases	**96**	750
Temporary differences on the provision for profit sharing	**117**	
Temporary differences on the provision for losses on assets	**-**	2,468
Temporary differences on the provision for customer activation	**2,400**	-
	8,369	18,205
Liabilities		
Temporary differences on derivative transactions	**-**	-
Temporary differences on installation and activation of customers	**-**	(23,916)
Leases payable	**-**	-
	-	(23,916)
Deferred income and social contribution taxes, net	**8,369**	(5,711)

(Amounts expressed in thousands of reais)

24. Income and social contribution taxes (Continued)

	IRPJ	CSLL	Total
2024	**1,189**	**1,602**	**2,791**
2025	**283**	**231**	**514**
2026	**1,092**	**1,455**	**2,547**
2027	**856**	**1,232**	**2,088**
From 2028 onwards	**175**	**254**	**429**
Deferred tax balance	**3,595**	**4,774**	**8,369**

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

	Individual	
	12/31/2023	12/31/2022
Income before income and social contribution taxes	**163,653**	65,843
Combined statutory rate - 34%	**34%**	34%
Income and social contribution taxes at statutory rates	**(55,642)**	(22,387)
Permanent differences		
Equity pickup	**57,526**	-
IOE	**(1,884)**	-
Effect on taxes of entities taxed based on the *lucro presumido*	**-**	17,251
Other additions (exclusions), net	**-**	-
	-	
Current income and social contribution tax expenses	**-**	(5,136)
Deferred income and social contribution tax expenses	**-**	-
	-	(5,136)
Effective rate (%)	**-**	8%

	Consolidated	
	12/31/2023	12/31/2022
Income before income and social contribution taxes	**168,740**	105,592
Combined statutory rate - 34%	**34%**	34%
Income and social contribution taxes at statutory rates	**(57,372)**	(35,901)
Permanent differences		
Tax benefit – income tax reduction (Note 18)	**8,879**	5,161
Tax incentive – PAT (Note 18)	**519**	241
Tax incentive – Reinvestment and Rouanet Law (Note 18)	**731**	314
Tax incentive – ICMS reduction (Note 18)	**23,442**	-
Write-off of PPE due to malfunction, breakdown and loss	**2,664**	(2,664)
(Reversal) write-off of allowance for expected credit loss	**(6,552)**	3,909
Tax credits not previously created (a)	**23,042**	-
Other additions (exclusions), net	**(744)**	(15,948)
	(5,391)	(44,888)
Current income and social contribution tax expenses	**(19,470)**	(30,618)
Deferred income and social contribution tax expenses	**14,079**	(14,270)
	(5,391)	(44,888)
Effective rate (%)	**3%**	43%

(a) The subsidiary Brisanet Serviços de Telecomunicações S.A, reviewed the deferred IRPJ and CSSL tax credits and recorded the amount of R$23,042 according to the probability of realizing this balance.

(Amounts expressed in thousands of reais)

25. 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.

	12/31/2023	12/31/2022
Profit (loss) attributable to Company shareholders	**163,653**	60,707
Weighted average number of common shares issued, net of treasury shares	**445,774,916**	445,774,716
Basic and diluted earnings (loss) per share – in (R$)	**0.367**	0.136

26. Financial instruments and risk management

a) Capital management

The Company's and its subsidiaries' management administer their 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 and its subsidiaries' capital management 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 and its subsidiaries' capital structure and their 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 and its subsidiaries' financial balance.

(Amounts expressed in thousands of reais)

26. Financial instruments and risk management (Continued)

a) Capital management (Continued)

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.

At December 31, 2023 and 2022, debt ratios are summarized as follows:

		Consolidated	
	Note	**12/31/2023**	**12/31/2022**
Total loans and financing	12	**304,004**	359,788
Total debentures	13	**895,269**	863,851
Total promissory notes	14	**-**	72,350
Total lease liabilities	15	**46,543**	38,870
Total derivatives	26	**5,542**	6,503
Less: Cash and cash equivalents	4	**(323,220)**	(203,542)
Less: Financial investments – short-term:	4	**(180,867)**	(391,540)
Less: Derivatives	26	**(1,609)**	(2,459)
Net debt	A	**745,662**	743,821
Total equity		**1,508,058**	1,378,627
Equity plus net debt	B	**2,253,720**	2,122,448
Financial leverage ratio	A/B	**33.09%**	35.05%

b) Material 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.

(Amounts expressed in thousands of reais)

26. Financial instruments and risk management (Continued)

c) Category of financial instruments

	Consolidated	
	12/31/2023	**12/31/2022**
Financial assets at amortized cost:		
Financial investment	**180,867**	391,540
Trade accounts receivable	**163,309**	140,822
Financial assets at fair value through profit or loss		
Derivative transactions	**1,609**	2,459
	345,785	534,821
Financial liabilities at amortized cost:		
Trade accounts payable	**96,856**	66,003
Loans and financing	**304,004**	359,788
Debentures	**895,269**	863,851
Promissory notes	**-**	72,350
Lease obligations	**46,543**	38,870
Financial liabilities at fair value through profit or loss		
Derivative transactions	**5,542**	6,503
	1,348,214	1,407,365

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:

- Short-term investments: presented at book value adjusted by the rates in effect on each investment date.
- Trade accounts receivable: classified as receivables and recorded at their original amounts, subject to allowance for expected credit losses, when applicable.
- Derivative transactions: these are contracts that have a price derived from an asset, based on a forecast reference rate or index.
- Trade accounts payable: derive from transactions with third parties for purchase of assets and materials necessary for Company operation, at market prices.
- Loans and financing: measured at amortized cost under the effective interest rate method.
- Debentures: securities issued by the Company, with a maturity date, interest rate, form of remuneration and conditions established at the time of issuing the securities.

26. Financial instruments and risk management (Continued)

c) Category of financial instruments (Continued)

- Promissory notes: credit securities issued by the Company for the short term, with predetermined terms, conditions and guarantees.

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 8. At December 31, 2023, Company subsidiaries recorded allowance for expected credit losses amounting to R$19,247 (R$3,165 at December 31, 2022), considered sufficient by management to cover expected losses on realization of trade accounts receivable. As disclosed in Note 5, 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 4.

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.

(Amounts expressed in thousands of reais)

26. Financial instruments and risk management (Continued)

f) Liquidity risk

Management analyzes the continuous forecasts of the liquidity requirements of the Company and its subsidiaries to ensure that cash is sufficient to maintain operations. 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 12/31/2023	Within 6 months	Between 6 and 12 months	Between 1 and 2 years	Between 2 and 5 years	Above 5 years
Trade accounts payable	**95,844**	**81,093**	**14,751**	**-**	**-**	**-**
Loans and financing	**304,004**	**42,617**	**52,988**	**82,589**	**29,159**	**96,651**
Derivatives	**5,542**	**2,895**	**2,647**	**-**	**-**	**-**
Debentures	**895,269**	**10,068**	**9,126**	**528,483**	**347,592**	**-**
Promissory note	**-**	**-**	**-**	**-**	**-**	**-**
Lease obligations	**46,543**	**7,281**	**7,330**	**18,976**	**12,850**	**106**

	Total at 12/31/2022	Within 6 months	Between 6 and 12 months	Between 1 and 2 years	Between 2 and 5 years	Above 5 years
Trade accounts payable	66,003	55,892	10,111	-	-	-
Loans and financing	359,788	84,224	70,394	155,650	26,988	22,532
Derivatives	6,503	1,461	1,921	3,121	-	-
Debentures	863,851	23,593	-	246,864	513,826	79,568
Promissory note	72,350	-	72,350	-	-	-
Lease obligations	38,870	11,651	2,583	8,558	11,087	4,991

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.

(Amounts expressed in thousands of reais)

26. Financial instruments and risk management (Continued)

h) Currency risk

This risk refers to exchange rate fluctuations on commitments in foreign currency. 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. At December 31, 2023, Company subsidiaries presented a consolidated balance receivable of R$1,609 (R$2,459 at December 31, 2022) 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	12/31/2023	12/31/2022
Derivative transactions receivable – Swap	**1,609**	2,459
	1,609	2,459
Current	**133**	95
Noncurrent	**1,476**	2,364
	1,609	2,459

Maturity of swap transactions:

	12/31/2023	12/31/2022
2023	**-**	93
2024	**134**	-
2025	**290**	84
From 2026 onwards	**1,185**	2,282
	1,609	2,459

26. Financial instruments and risk management (Continued)

h) Currency risk (Continued)

Breakdown of financial instruments (Continued)

Subsidiary Brisanet Serviços engages in instruments for financial transactions in foreign currency aimed at fundraising and import financing. At December 31, 2023 and 2022, derivatives transactions represented 3.51% (R$10,675 / R$303,983) and 15.82% (R$56,921 / R$359,788), respectively, of its bank debt.

For the current year, the Company engaged in derivatives 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.

At December 31, 2023, derivative financial instruments amounted to R$1,609 (R$2,459 in 2022). 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 year ended December 31, 2023, net realized and unrealized gains (losses) deriving from these contracts were recorded in finance income (costs), and represented consolidated net loss of R$5,084 (consolidated net loss of R$6,767 at December 31, 2022).

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).

(Amounts expressed in thousands of reais)

26. Financial instruments and risk management (Continued)

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

Three scenarios are considered below, to wit: (i) current scenario (probable), which is adopted by the Company, (ii) scenario with decrease of 25% of the risk variable considered, and (iii) 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.

Interest rate risk

12/31/2023			**Consolidated**		
Instrument/transaction	**Probable scenario p.a.**	**Risk**	**Current scenario**	**Scenario II**	**Scenario III**
Working capital	**11.57%**	CDI increase	**(11,806)**	**(14,758)**	**(16,529)**
Working capital	**6.26%**	TLP increase	**(20)**	**(25)**	**(28)**
PPE financing (FINEM)	**6.68%**	TLP increase	**(1,137)**	**(1,421)**	**(1,591)**
Financing - TR	**3.83%**	TR increase	**(5,874)**	**(7,342)**	**(8,224)**
Financial investment	**9.00%**	CDI decrease	**45,357**	**56,696**	**63,500**
Projected income (loss)			**26,520**	**33,150**	**37,128**

12/31/2022			**Consolidated**		
Instrument/transaction	**Probable scenario p.a.**	**Risk**	**Current scenario**	**Scenario II**	**Scenario III**
Working capital	12.39%	CDI increase	(17,004)	(21,255)	(25,506)
Working capital	7.37%	TJLP increase	(98)	(122)	(147)
Working capital	5.79%	TLP increase	(257)	(321)	(386)
PPE financing (FINEM)	7.37%	TJLP increase	(199)	(249)	(299)
PPE financing (FINEM)	5.79%	TLP increase	(2,255)	(2,818)	(3,382)
Financing - TR	1.63%	TR increase	(1,004)	(1,255)	(1,506)
Financial investment	12.39%	CDI decrease	48,512	36,384	24,256
Projected income (loss)			27,695	10,364	(6,970)

(Amounts expressed in thousands of reais)

26. Financial instruments and risk management (Continued)

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

Currency risk

12/31/2023			Consolidated		
Instrument/transaction	**Dollar (probable)**	**Risk**	**Current scenario**	**Scenario II**	**Scenario III**
Trade accounts payable	4.84	Dollar increase	**-**	**(8,450)**	**(16,900)**
Loans and financing	4.84	Dollar increase	**-**	**(13,344)**	**(26,688)**
Projected income (loss)				**(21,794)**	**(43,588)**

12/31/2022			Consolidated		
Instrument/transaction	**Dollar (probable)**	**Risk**	**Current scenario**	**Scenario II**	**Scenario III**
Trade accounts payable	5.41	Dollar increase	-	(10,599)	(21,198)
Loans and financing	5.41	Dollar increase	-	(24,966)	(49,932)
Projected income (loss)			-	(35,565)	(71,130)

j) Fair value hierarchy

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

- Level 1: quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all data that has significant effects on fair value recorded that are directly or indirectly observable; and
- Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable active market data.

(Amounts expressed in thousands of reais)

26. Financial instruments and risk management (Continued)

j) Fair value hierarchy (Continued)

	Consolidated				
	12/31/2023				
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets at amortized cost:					
Financial investment	**180,867**	**180,867**	**-**	**180,867**	**-**
Trade accounts receivable	**163,309**	**163,309**	**-**	**163,309**	**-**
Financial assets at fair value through profit or loss:					
Derivative transactions	**1,609**	**1,609**	**-**	**1,609**	**-**
	345,785	**345,785**		**345,785**	**-**
Financial liabilities at amortized cost:					
Trade accounts payable	**95,844**	**95,844**	**-**	**95,844**	**-**
Loans and financing	**304,004**	**304,004**	**-**	**304,004**	**-**
Debentures	**895,269**	**895,269**	**-**	**895,269**	**-**
Promissory notes	**-**	**-**	**-**	**-**	**-**
Financial liabilities at fair value through profit or loss:					
Derivative transactions	**5,542**	**5,542**	**-**	**5,542**	**-**
	1,300,659	**1,300,659**	**-**	**1,300,659**	**-**

	Consolidated				
	12/31/2022				
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets at amortized cost:					
Financial investment	391,540	391,540	-	391,540	-
Trade accounts receivable	140,822	140,822	-	140,822	-
Financial assets at fair value through profit or loss:					
Derivative transactions	2,459	2,459	-	2,459	-
	534,821	534,821	-	534,821	-
Financial liabilities at amortized cost:					
Trade accounts payable	66,003	66,003	-	66,003	-
Loans and financing	359,788	359,788	-	359,788	-
Debentures	863,851	863,851	-	863,851	-
Promissory notes	72,350	72,350	-	72,350	-
Financial liabilities at fair value through profit or loss:					
Derivative transactions	6,503	6,503	-	6,503	-
	1,368,495	1,368,495	-	1,368,495	-

(Amounts expressed in thousands of reais)

26. Financial instruments and risk management (Continued)

j) Fair value hierarchy (Continued)

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.

Changes in liabilities arising from financing activities

Changes for the year ended December 31, 2023 in the liabilities arising from financing activities of the Company and its subsidiaries are as follows:

	Individual						
	12/31/2023						
		Cash flows		Adjustment to income			
	Opening balance	Net cash flows used in financing activities	Net cash flows from (used in) operating activities	Exchange differences and monetary variation	Interest on leases, debentures, promissory notes and loans and financing	Amortization of funding costs and negative goodwill	Closing balance
Debentures	311,862	**-**	**(44,969)**	**37,959**	**6,274**	**664**	**311,790**

	Consolidated							
	12/31/2023							
		Cash flows		Noncash transactions	Adjustment to income			
	Opening balance	Net cash flows used in financing activities	Net cash flows from (used in) operating activities	Acquisition of new right-of-use agreements	Exchange differences and monetary variation	Interest on leases, debentures, promissory notes and loans and financing	Amortization of funding costs and negative goodwill	Closing balance
Loans and financing	359,788	**(55,352)**	**(32,406)**	**-**	**716**	**31,258**	**-**	**304,004**
Debentures	863,851	**-**	**(77,996)**	**-**	**64,618**	**39,469**	**5,327**	**895,269**
Promissory note	72,350	**(64,000)**	**(10,010)**	**-**	**291**	**1,271**	**98**	**-**
Leases	38,870	**(49,327)**	**(3,603)**	**54,900**	**-**	**5,703**	**-**	**46,543**

(Amounts expressed in thousands of reais)

27. Insurance coverage (Consolidated)

Management of the Company and its subsidiaries takes 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:

	12/31/2023	12/31/2022
PPE – Civil liability (dollars)	**US$20,000**	US$26,800
PPE – Civil liability (reais)	**R$7,769**	-
PPE – Operational risk (dollars)	**US$5,200**	US$13,069
PPE – Operational risk (reais)	**R$1,800**	R$1,571
D&O	**R$50,000**	R$50,000
Other assets and operations – Operational risk	**R$307,420**	R$292,371

28. Transactions not involving cash or cash equivalents

	Consolidated	
	12/31/2023	12/31/2022
Capitalization of interest (Note 9)	**24,347**	27,033
Capitalization of depreciation (Note 9)	**17,376**	16,361
New lease agreements (Note 15)	**54,900**	44,866

* * *

CAPITAL BUDGET PROPOSAL FOR THE FISCAL YEAR TO BE ENDED ON DECEMBER 31, 2024

The management of Brisanet Participações S.A. (“Company” and “Administration”, respectively) submits to the ANNUAL AND Extraordinary Shareholders' General Meeting to be held on April 25, 2024 (“A/EGM”) the following capital budget proposal for the fiscal year to end on December 31, 2024, in accordance with article 196 of Law No. 6,404, of December 15, 1976, as amended (“Corporate Law”).

The Company's capital budget proposed here considers, for the fiscal year ending on December 31, 2024, expenses of R$ 600,000,000.00 (six hundred million reais), with the objective of meeting the growth project of business, as detailed below:

Allocation of Resources	**In R$**
Fiber Optic Network Infrastructure	50,000,000.00
Expansion/maintenance of the customer base	150,000,000.00
Implementation of mobile network infrastructure – 4G/5G	350,000,000.00
Others	50,000,000
Total	**600,000,000.00**

Source of Resources	**In R$**
Retention of a portion of net profit for the fiscal year ending December 31, 2023	116,602,979.48
Own resources	483,397,020.52
Total	**600,000,000.00**

Therefore, to comply with article 196 of the Corporation Law, the Administration proposes to the A/EGM the approval of the amount of R$ 600,000,000.00 (six hundred million reais), corresponding to budgeted expenses for the fiscal year to end on December 31, 2024, with the aim of meeting the Company's business growth project.

OFFICERS' REPRESENTATION

In compliance with the provisions of article 27, paragraph 1, item V, of CVM Resolution No. 80 of March 29, 2022, the undersigned officers of Brisanet Participações S.A. ("Company") represent that they have reviewed, discussed and agree with the Company's Financial Statements for the year ended December 31, 2023.

Luciana Paulo Ferreira

Investor Relations Officer

José Roberto Nogueira

Chief Executive Officer

João Paulo Estevam

Chief Operating Officer

OFFICERS’ REPRESENTATION

In compliance with the provisions of article 27, paragraph 1, item V, of CVM Resolution No. 80 of March 29, 2022, the undersigned officers of Brisanet Participações S.A. (“Company”) represent that they have reviewed, discussed and agree with the opinions expressed in the Independent Auditor’s Report of Ernst & Young Auditores Independentes S.S. Ltda. on the Company’s Financial Statements for the year ended December 31, 2023.

Luciana Paulo Ferreira

Investor Relations Officer

José Roberto Nogueira

Chief Executive Officer

João Paulo Estevam

Chief Operating Officer

BRISANET PARTICIPAÇÕES S.A.

FISCAL YEAR 2023

About the Statutory Audit Committee ("Audit Committee" and/or "CAE"):

The Audit Committee of Brisanet Participações S.A. ("Company") is an advisory body linked directly to the Company's Board of Directors, on a permanent basis, subject to these Internal Regulations ("Rules"), the provisions of the Company's Bylaws ("Bylaws") and applicable legislation and regulations. The Audit Committee aims to strengthen the Company's best corporate governance practices. Its installation was approved by the Company's Board of Directors at a meeting held on May 31, 2021, and is available on its IR page.

Composition:

In accordance with the Internal Regulations of the Audit Committee of Brisanet Participações S.A, the CAE will function on a permanent basis and will report to the Company's Board of Directors, acting independently in relation to the Executive Board. The Audit Committee is made up of at least 3 (three) members, elected and dismissed by the Board of Directors for a term of 2 (two) years. Currently, the CAE is made up of 4 (four) independent members, as follows:

Name	Position	Independent
Geraldo Luciano Mattos Júnior	Audit Committee Coordinator and Member of the Board of Directors	Yes
Eliardo Araújo Lopes Viera	Member	Yes
Eduardo Luiz Rota	Member	Yes
Stephano Gomes Gabriel	Member	Yes

*The Committee's ordinary and extraordinary meetings in 2023 were held virtually**

Duties and Responsibilities:

The Management of Brisanet Participações S.A is responsible for defining and implementing processes and procedures for collecting data necessary for the preparation of financial statements, in compliance with corporate legislation, accounting practices adopted in Brazil and the relevant regulations issued by the Securities and Exchange Commission. Furniture. Management is also responsible for the internal control processes, policies and procedures that ensure the safeguarding of assets, the timely recognition of liabilities and the elimination or reduction, to appropriate levels, of the Company's risk factors.

The Executive Board is responsible for supervising, among other activities, the Company's internal control, compliance, and corporate risk environments. Additionally, it is responsible for providing information that supports the actions of the Company's CAE.

The Internal Audit's duties are to assess the quality of Brisanet Participações S/A's internal control systems and compliance with the policies and procedures defined by Management, including those adopted in the preparation of financial reports.

The Independent Audit is responsible for examining the financial statements with a view to issuing a report on their adherence to applicable standards. As a result of its work, the independent audit issues a report with recommendations on accounting procedures and internal controls, in addition to reports on special quarterly reviews for the purpose of meeting the requirements of the Securities and Exchange Commission.

The responsibilities of the Audit Committee of Brisanet Participações S.A are listed in its Regulations and are carried out in strict accordance with the requirements set out in CVM Normative Instruction nº. 80, in the Novo Mercado Regulations, in the recommendations of the annual Best Corporate Governance Practices of the Brazilian Institute of Corporate Governance ("IBGC"), in the Company's Bylaws and those defined in its Regulations, namely:

(i) giving an opinion on the hiring and dismissal of independent auditing services;

(ii) evaluate the quarterly information, interim statements and annual financial statements;

(iii) evaluate, monitor and recommend to management the correction or improvement of internal policies, as well as having means for receiving and processing information about non-compliance with applicable legal and regulatory provisions;

(iv) review, prior to any relevant external disclosure in the financial statements in its explanatory notes, management reports, audit report (opinion) or any document to the public, relating to the Company and its controlled companies;

(v) request clarifications as to the points that generated any changes in the issuance of the opinion of the independent audit report;

(vi) monitor the resolution, by the Company's Board of Executive Officers, of the recommendations made by the independent audit or internal audit;

(vii) monitor the evolution and update of risk mapping;

(viii) monitor all stages of the risk management process;

(ix) monitor and ensure the application and reliability of the internal audit and internal controls;

(x) evaluate, monitor and recommend the correction or improvement of the Company's internal policies, including the Related Party Transactions Policy;

(xi) have means for receiving and processing information about non-compliance with legal and regulatory provisions applicable to the Company, in addition to internal regulations and codes, including provisions for specific procedures to protect the provider and the confidentiality of information;

(xii) ensure the Company's clarity and adherence to its mission, vision, values, strategic guidelines, the Company's Code of Ethics, internal policies, procedures and processes;

(xiii) check and monitor transactions with related parties;

(xiv) identify conflicts of interest;

(xv) identify opportunities and continuous improvement;

(xvi) coordinate and monitor the Company's whistleblowing and ombudsman channel, ensuring its proper operation with independence, secrecy, confidentiality and free of retaliation;

(xvii) investigate and monitor events that put the Company's internal controls or compliance at risk;

(xviii) ensure that the personnel's training and qualification schedule is in place, enabling them to identify, anticipate, measure, monitor and, if applicable, mitigate risks, pursuant to the Company's Risk Management Policy; and

(xix) ensure that the structure is dimensioned to fulfill the role of good corporate governance.

Meetings Held and Main Topics Discussed:

The Audit Committee of Brisanet Participações S.A. met ordinarily and extraordinarily at least 12 (twelve) times in the period between January 1, 2023, and December 31, 2023, of which among the activities carried out during the year, it is worth highlighting the following aspects:

a) approval of the annual calendar of meetings for the year 2023.
b) presentation of the Work Plan for the Controls and Risks, Compliance and Internal Audit areas for the year 2023.
c) monitoring the process of preparing and reviewing the financial statements of Brisanet Participações S.A., through meetings with administrators and external auditors to discuss the quarterly information (March 31, June 30 and September 30, 2023) and the statements financial statements of the Company and its subsidiaries, relating to the year ended December 31, 2023;
d) Discuss with the External Auditors the Planning and Conclusion of the quarterly and annual work, results obtained and mitigating actions, when necessary, which include the points of attention and recommendations arising from the work of the External Audit, as well as regarding the monitoring of the measures adopted (action plans) by the Administration;
e) monitoring of the most relevant reports received by the ethics channel, receipt and treatment of reports received regarding fraud, theft and embezzlement, as well as knowledge and monitoring of the actions adopted by the Company, when applicable;
f) monitoring of the Compliance program, the proposed plan and activities carried out throughout the year at Brisanet Participações S.A. in terms of interactions with public agents and related parties;
g) Monitoring of external consultancy hired to audit the Company's ITGC;
h) Approval of the Company's External Audit Plan for the year 2024;
i) monitoring the internal control system regarding its effectiveness and improvement processes, evaluation of the work plan for the year and the respective policies related to the topic.
j) Monitoring of the Company's strategic and operational risks and Internal Controls project carried out in Payroll, as well as follow-up of risk action plans and internal controls in the areas of purchasing, supply and IT Governance;
k) evaluation and application of the transaction policy between related parties, as well as transactions carried out during the year, which were reported at periodic meetings;
l) monitoring of schedules related to the management of the Company's assets;

All meetings were recorded in minutes and signed by its members, and were duly filed at the Company's headquarters.

Reporting to the Board of Directors:

The Audit Committee reports to the Board of Directors and operates with operational autonomy and its own budget in the exercise of its functions, functioning as an auxiliary, consultative and advisory body to the Company's Board of Directors regarding control over the quality of statements financial and internal controls, aiming at the reliability and integrity of information. The role of its members is non-delegable and must be performed exclusively by elected members.

The Committee reported at all Board of Directors Meetings regarding the activities carried out during the year, covering the work carried out and discussions at meetings held during 2023.

Conclusion:

The members of the Audit Committee of Brisanet Participações S.A., in the exercise of their legal duties and responsibilities, as provided for in the committee's own Internal Regulations, reviewed and analyzed the individual and consolidated financial statements, accompanied by the independent auditors' report relating to the year social security ended on December 31, 2023 ("2023 Annual Financial Statements") and, considering the information provided by the Company's Management and by Ernst & Young Auditores Independentes S.S., which adequately reflect, in all relevant aspects, the equity positions and financial aspects of the Company and its subsidiaries, unanimously recommend the approval of the aforementioned documents by the Company's Board of Directors and subsequent forwarding to the Ordinary General Meeting of Shareholders.

Pereiro/CE, March 14, 2024.

Geraldo Luciano Mattos Júnior
Committee Coordinator

Eduardo Luiz Rota
Committee Member

Eliardo Araújo Lopes Viera
Committee Member

Stephano Gomes Gabriel
Committee Member