Individual and Consolidated Financial Statements

Brisanet Serviços de Telecomunicações S.A.

December 31, 2024
with Independent Auditor's Report

Brisanet Serviços de Telecomunicações S.A.

Individual and consolidated financial statements

December 31, 2024

Contents

MANAGEMENT REPORT - Financial year ended 12/31/2024

Message from CEO

This year, 2024, was marked by major challenges, including the expansion of 5G coverage throughout the Northeast, the organic growth of broadband services and the diversification of our portfolio, factors that ensured the consolidation of Brisanet as one of the country's leading ISPs. This has been the Company's trajectory over the last 26 years, based on constant evolution to connect our customers with quality and efficiency, wherever they are.

The expansion of 5G technology continued from the countryside to the state capitals, culminating in two important launches. In July, Fortaleza (CE) hosted Brisatech, a technology event that brought together major players to discuss innovation and digital inclusion, as well as officially launching 5G in the Ceará capital. The event was attended by the Minister of Communications, Juscelino Filho, representatives of the National Telecommunications Agency (Anatel), the Ceará State Government, as well as entrepreneurs, investors, employees and customers. In November, we launched 5G in Natal (RN), the capital of Rio Grande do Norte.

Brisanet, working to align price, quality and significant coverage, ended the year with its mobile service active in 237 northeastern municipalities and coverage of over 10 million inhabitants - urban and rural - in the states of Ceará, Rio Grande do Norte and Paraíba. In this segment, the Company reached around 338,000 subscribers in a year marked by intense commercial activation and diversification of face-to-face and digital sales channels, strategies that ensured a market share of over 20% in the smaller towns.

Regarding broadband, the main strength of our business, the numbers continue to increase progressively and solidly. In 2024, we achieved organic growth of 157,625 new fiber customers, reaching the mark of 1,436,235 connected via FTTH (Fiber to the Home), in addition to 13,481 via FWA (Fixed Wireless Access), adding up to 1,449,716 customers. This figure not only positions the Company as the largest broadband operator in the Northeast but also consolidates us as the fifth largest in the country, according to Anatel's December/2024 data.

The Company's financial performance in 2024 reflected our commercial advances in mobile service and fiber optics, demonstrating Brisanet's ability to expand its revenue in a challenging market. It is worth highlighting the 15% growth in revenue compared to the previous year, reaching R$1.6 billion. EBITDA increased by 4% compared to 2023, reaching R$605 million at the end of 2024. Capital expenditure was R$995 million, an increase of 114% over the previous year, reflecting the investments made in the 5G segment. The scenario marks the beginning of a path of continuous improvement, with medium-term projections of growth in profitability as investments in infrastructure and technology are consolidated.

The purpose of connecting people and transforming the future is becoming increasingly consistent with the approval of credit lines from the National Bank for Economic and Social Development (BNDES), through the Telecommunications Services Universalization Fund (FUST). In May, the Company raised R$146.15 million to expand connectivity on the outskirts of Greater Fortaleza. In October, R$200 million was granted to support the connectivity of public schools and the implementation of a high-capacity fiber optic data transport network. In December, R$ 214.5 million was approved to expand mobile broadband internet in 416 favelas in Maranhão, Paraíba, Pernambuco, Piauí and Rio Grande do Norte.

The resources acquired in the last year contribute directly to Brisanet's historical legacy of promoting significant connectivity and digital inclusion. Through these investments, we will further expand the coverage of our services, allowing millions of people to have access to quality internet, information, education, job creation and essential services. With this support, we will bring innovation and connectivity to this population, generating new opportunities and transforming lives.

We believe that the success of our business comes from the synergy between solid infrastructure, operational efficiency, commercial strategy and human and organizational development. In 2024, we reached the mark of 9,000 employees and promoted courses, training and qualifications in the commercial, operational and management areas, tirelessly seeking to strengthen the workforce by constantly improving customer service, increasing sales and training managers to optimize the Company's strategic results.

The year 2024 was also one of public recognition for our Company. Brisanet stood out in the Satisfaction and Perceived Quality Survey carried out by Anatel, obtaining the best scores in all 08 (eight) states in which it was evaluated (AL, BA, CE, PB, PE, PI, RN and SE). In the Best Plan Award, Brisanet was elected the best regional operator in the country, winning 10 state awards and 179 municipal awards. In the Experience Award, the Company was certified in the “Broadband Internet” category for the second year running. And in the RN Leaders Award, Brisanet was voted the best IT and Telecom Company in Rio Grande do Norte.

This growing reputation reflects the effectiveness of the growth strategy adopted by Brisanet, based on a balance between the accelerated expansion of 5G coverage and the consistent increase in the customer base, in order to produce long-lasting and sustainable results. As a result, we have grown progressively in mobile telephony and in the fiber optic segment, increasingly consolidating our position as the largest telecom in the Northeast and one of the five largest in Brazil. Our main goal is for Brisanet to be synonymous with excellence in connectivity and customer satisfaction, offering solutions and continuous improvements that guide us towards a more connected future for all.

José Roberto Nogueira
CEO

HIGHLIGHTS

Brisanet	2024	2023
Operating Highlights		
Cities served - FTTH	**158**	**158**
Access Ports - '000	**4,718**	**4,670**
HP added- '000	95	878
Total HP - '000	**7,091**	**6,995**
HC added- '000	158	192
Total HC - '000	**1,450**	**1,292**
FTTH	**1,436**	**1,292**
FWA	**13**	**-**
Cities served - Mobile	**237**	**45**
Mobile Access	**338**	**-**
Financial Highlights (BRL million)		
Net revenue	**1427.8**	**1,227.9**
Gross Margin (%)	*42%*	*47%*
Operating income	**192.9**	**257.1**
EBITDA	**604.9**	**583.3**
EBITDA Margin (%)	*42%*	*48%*
Adjusted EBITDA	**604.9**	**594.9**
Adjusted EBITDA Margin (%)	*42%*	*48%*
Net income	**60.8**	**172.2**
Net debt	**1,359.9**	**748.1**
Net debt/LTM EBITDA (x)	**2.25x**	**1.28x**

Reconciliation of EBITDA to net profit:

BRL million	2024	2023	2024 x 2023
Net Income	**60.8**	**172.2**	***-64.7%***
(+) Income tax and social contrib.	18.2	7.1	*156.1%*
(+) Net financial result	113.9	77.9	*46.3%*
(+) Depreciation and amortization	412.0	326.2	*26.3%*
EBITDA	**604.9**	**583.3**	***3.7%***
EBITDA margin (%)	*42%*	*48%*	*-5.1 p.p.*
(-) Reclass. of Exp. 4Q23/FECOP	-	11.5	-
Adjusted EBITDA	**604.9**	**594.9**	***1.7%***
Adjusted EBITDA margin (%)	*42%*	*48%*	*-6.1 p.p.*

OPERATIONAL PERFORMANCE

Brisanet ended 2024 with fixed broadband service via optical fiber in 158 cities in the 9 states of the Northeast region and mobile service coverage in more than 240 cities, covering a population of more than 10.2 million inhabitants, mainly in the states of CE, RN and PB.

The Company added 95,000 new HPs (households) and 158,000 customers in 2024, ending the year with a total of 1.449 million customers. In addition to fixed broadband, the Company reaffirmed its commitment as a new regional mobile operator and plans to further expand its coverage in the coming years, in line with the commitment made in the 2021 frequency auctions. By the end of 2024, it will have almost 338,000 mobile customers (4G/5G).

Operational Data	2024	2023	2024 x 2023
Access Ports	4,717,726	4,670,030	*1.0%*
Added HP	95,392	878,050	*-89.1%*
Homes Passed (HP)	**7,090,664**	**6,995,272**	***1.4%***
Added HC	157,625	192,016	*-17.9%*
Homes Connected (HC)	**1,449,716**	**1,292,091**	***12.2%***
Cities served	*158*	*158*	-
Churn	*2.30%*	*2.30%*	*0.00 p.p.*

Brisanet also operates through its franchisor, Agility Telecom, which has more than 60 franchisees. These franchisees operate in smaller towns and rural districts in the northeastern states of Ceará, Rio Grande do Norte, Paraíba, Pernambuco and Alagoas - serving more than 140,000 customers.

ECONOMIC-FINANCIAL PERFORMANCE

Net Revenue

In 2024, Brisanet recorded consolidated net revenue of R$1,428 million, an increase of 16% compared to 2023. This result was mainly driven by the growth in the number of broadband subscribers and the significant increase in revenues from the B2B sector. Both variables were fundamental to the positive performance recorded.

Gross Margin

In 2024, the Company achieved a gross profit of R$601 million, representing a margin on net revenue of 42%, compared to the R$574 million and 46% margin achieved in 2023. Despite the more pressured margin due to the accelerated pace and expansion of the mobile segment, the growth in the customer base helped to dilute costs throughout the year.

Operating Expenses

Operating expenses totaled R$408 million in 2024, compared to R$316 million in 2023.

Commercial expenses totaled R$229 million in 2024, a 30% increase on the R$177 million recorded in 2023. This growth was mainly driven by the increase in personnel with the entry into the mobile telephony segment, as well as higher advertising and publicity expenses. At the end of the year, the provision for doubtful accounts (PCLD) was R$74 million. Coverage of loans more than 181 days past due reached 96%.

General and administrative expenses (GAD) totaled R$118 million in 2024, an increase of 66% when compared to those recorded in 2023, mainly due to the reallocation of logistics expenses from cost to GAD.

EBITDA

In 2024, Brisanet's EBITDA reached R$605 million, a 4% increase on the figure recorded in 2023. The lower percentage growth in EBITDA than the growth in revenue is the result of the impact of costs and expenses associated with the mobile business, which has not yet generated the expected increase in revenue. The EBITDA margin, in turn, was 42%, 5 percentage points lower than the 48% recorded in 2023.

Adjusted EBITDA for 2024 has not been adjusted. However, the Adjusted EBITDA of R$595 million for 2023 was impacted by an adjustment of R$11.5 million, relating to tax expenses in the state of Ceará, for the period from 2019 to 2022, recognized in 3Q23.

Financial Results

The net financial result was a negative R$114 million in 2024, 46% higher than the negative R$78 million recorded in 2023.

Financial revenue refers mainly to interest in invested resources. The 6% increase in revenue is explained by the increase in the SELIC interest rate in the period.

Financial expenses refer mainly to interest on loans, financing and debentures. The 23% increase is mainly due to the issue of debentures in July 2024 and the increase in the SELIC rate.

Net profit

The Company presented a net profit of R$61 million in 2024, compared to a net profit of R$172 million in 2023. The recognition of IR/CSSL credits in 2023 and the taxation of state tax benefits in 2024 explain the difference in profitability between the years.

Indebtedness

Brisanet had a gross debt of R$1,978 million on December 31, 2024, compared to R$1,252 million at the end of 2023. Gross debt is made up of loans and financing, debentures, leasing obligations and derivative transactions.

Considering the cash at the end of 2024 of R$618 million, the Company's net debt reached R$1,360 million, compared to R$748 million at the end of 2023.

The Company follows the net debt/EBITDA indicator as a reference for its level of indebtedness. This is the same metric used for the financial limits imposed by the debentures, where this indicator cannot be greater than 3.5x for the year. In 2024, net debt/EBITDA was 2.25x.

Investments

In 2024, Brisanet invested, when measured by additions to fixed and intangible assets, the amount of R$995 million, compared to R$464 million in 2023. The variation is explained by the expansion of the mobile infrastructure and the stockpiling of equipment for this infrastructure during the 2024 financial year.

In addition, there are amounts already disbursed and capitalized that do not yet generate revenue, such as equipment in stock, in the process of being imported and works in progress, totaling R$582 million.

Relationship with Independent Auditors

Ernst & Young Auditores Independentes S.S. Ltda. is the Company responsible for the external audit services related to the examination of the financial statements of Brisanet Serviços de Telecomunicações S.A. for the fiscal years 2024 and 2023. No additional non-audit services were contracted, thus preserving the external auditor's independence in the examination of the financial statements.

Shape the future
with confidence

Independent auditor's report on individual and consolidated financial statements

To the Shareholders, Board of Directors and Officers of
Brisanet Serviços de Telecomunicações S.A.
Pereiro – CE

Opinion

We have audited the individual and consolidated financial statements of Brisanet Serviços de Telecomunicações S.A. (the "Company"), which comprise the balance sheet as of December 31, 2024, and the related income statements, statements of comprehensive income, statements of changes in equity, and statements of cash flows for the year then ended, as well as the corresponding notes to the financial statements, including the significant accounting policies and other explanatory information.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company, both individually and consolidated, as of December 31, 2024, and the financial performance and cash flows, individually and consolidated, for the year then ended, in accordance with the accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) (currently referred to by the IFRS Foundation as "IFRS accounting standards").

Basis for Opinion

Our audit was conducted in accordance with Brazilian and international auditing standards. Our responsibilities under these standards are described in the section titled "Auditor's Responsibilities for the Audit of the Individual and Consolidated Financial Statements" below. We are independent of the Company and its subsidiaries in accordance with the relevant ethical requirements set out in the Code of Professional Ethics for Accountants and the professional standards issued by the Federal Accounting Council, and we have fulfilled our other ethical responsibilities in accordance with these standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

A key audit matter is one that, in our professional judgment, was the most significant in our audit of the current year's financial statements. This matter was addressed in the context of our audit of the individual and consolidated financial statements taken as a whole, and in forming our opinion thereon, and we do not express a separate opinion on this matter. For the matter below, the description of how our audit addressed the matter, including any comments on the results of our procedures, is presented in the context of the financial statements taken as a whole.

We have fulfilled the responsibilities described in the section titled "Auditor's Responsibilities for the Audit of the Individual and Consolidated Financial Statements," including those related to this key audit matter. Therefore, our audit included performing planned procedures to respond to our assessment of the risks of material misstatement in the financial statements. The results of our procedures, including those performed to address the matter below, provide the basis for our audit opinion on the Company's financial statements.

Revenue Recognition

The revenue recognition process at the end of each period involves certain calculations to measure the revenue incurred but not yet invoiced. Any misstatement in these calculations could significantly impact the individual and consolidated financial statements of the Company. Therefore, we consider the recognition of revenue from services rendered to be a significant matter for our audit.
The revenue earned by the Company and its subsidiaries and their recognition criteria are disclosed in Note 3.a and 21.

How Our Audit Addressed This Matter

Our audit procedures included, among others: (i) Obtaining an understanding of the relevant internal controls implemented by the management regarding the recognition and measurement of revenue; (ii) Document reviews of billed revenue for a sample of incurred transactions; (iii) Obtaining an understanding of the criteria adopted by the Company's management for measuring incurred and unbilled revenue at the end of the year; (iv) Examining the calculation of the estimate for revenue from services to be invoiced; (v) Testing reports extracted from the system used to calculate revenue from services to be invoiced; and (vi) Reviewing the disclosures made by the Company in the individual and consolidated financial statements.

Based on the results of the audit procedures performed on the recognition and measurement of revenue from services rendered, which is consistent with the management's assessment, we find the recognition and measurement criteria for revenue from services rendered to be acceptable, as well as the related disclosures in Notes 3.a and 21, within the context of the financial statements taken as a whole.

Other Matters

Statement of Value Added

The individual and consolidated Statement of Value Added (DVA) for the year ended December 31, 2024, prepared under the responsibility of the Company's management and presented as supplementary information for IFRS purposes, has been subject to audit procedures performed in conjunction with the audit of the Company's individual and consolidated financial statements.
For our opinion, we evaluated whether these statements are reconciled with the financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - Statement of Value Added.
In our opinion, these individual and consolidated Statements of Value Added have been appropriately prepared, in all material respects, in accordance with the criteria defined in this Technical

Pronouncement and are consistent with 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 Company's management is responsible for the other information, which includes 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 audit conclusion on this report.

In connection with the audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether the 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 our work, we conclude that there is a material misstatement in the Management Report, we are required to communicate that fact. We have nothing to report in this regard.

Responsibilities of the Management and Governance for the Individual and Consolidated Financial Statements

The management 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 the International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) (currently referred to by the IFRS Foundation as “IFRS accounting standards”), and for the internal controls that it determines as 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 management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to the going concern assumption, and using that basis of accounting in the preparation of the financial statements, unless the management intends to liquidate the Company or cease its operations, or has no realistic alternative but to do so.

The governance of the Company and its subsidiaries is responsible for overseeing the financial statement preparation process.

Auditor's Responsibilities for the Audit of the Individual and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance that the individual and consolidated financial statements, taken as a whole, are free from material misstatement, whether due to fraud or error, and to issue an audit report containing our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with Brazilian and international auditing standards 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 influence the economic decisions of users taken based on these financial statements.

As part of the audit conducted in accordance with Brazilian and international auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. Furthermore:

• We identify and assess the risks of material misstatement in the individual and consolidated financial statements, whether due to fraud or error, and design and perform audit procedures in response to those risks, and obtain 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 that from error, as fraud may involve acts of bypassing internal controls, collusion, forgery, concealment, or intentional misrepresentations.

• We obtain an understanding of the relevant internal controls for the audit to plan audit procedures appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries' internal controls.

• We assess the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as the related disclosures in the financial statements.

• We conclude on the appropriateness of the use of the going concern basis of accounting by management and, based on the audit evidence obtained, whether there is a material uncertainty 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 audit report to the related disclosures in the individual and consolidated financial statements or, if the disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

• We evaluate 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 planned scope, timing of the audit, and significant audit findings, including any significant deficiencies in internal controls identified during our work.

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

From the matters communicated to those charged with governance, we determine those that were of most significance in the audit of the current year's financial statements and are therefore the key audit matters. We describe these matters in our audit 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, within reasonable possibility, outweigh the public interest benefits of such communication.

Fortaleza, March 24, 2025.

ERNST & YOUNG
Auditores Independentes S.S. Ltda.
CRC CE-001042/F

Nathalia Araújo Domingues
Accountant CE-020833/O

Brisanet Serviços de Telecomunicações S.A.

Statements of financial position
December 31, 2024
(In thousands of reais)

		Individual		Consolidated	
	Note	2024	2023	2024	2023
Assets					
Current assets					
Cash and cash equivalents	4	**238,469**	322,945	**238,791**	323,210
Financial investments	4	**379,255**	180,867	**379,255**	180,867
Trade accounts receivable	5	**182,349**	162,662	**183,215**	163,105
Inventories		**10,928**	8,794	**10,928**	8,794
Taxes recoverable	6	**42,288**	35,018	**42,328**	35,039
Derivative transactions	26	**283**	133	**283**	133
Prepaid expenses	7	**14,086**	1,964	**14,099**	1,964
Other assets		**8,064**	7,757	**8,113**	7,796
Total current assets		**875,722**	720,140	**877,012**	720,908
Noncurrent assets					
Long-term receivables					
Trade accounts receivable	5	**5,732**	203	**5,756**	204
Taxes recoverable	6	**45,217**	44,286	**45,221**	44,287
Judicial deposits		**7,357**	7,623	**7,357**	7,623
Derivative transactions	26	**3,194**	1,476	**3,194**	1,476
Prepaid expenses	7	**11,672**	4,317	**11,712**	4,326
Deferred income and social contribution taxes	24	**10,132**	7,862	**10,732**	8,369
Other assets		**-**	38	**-**	38
Investments	9	**4,338**	4,334	**-**	-
Right-of-use assets	15	**88,566**	43,635	**90,654**	43,839
Property, plant and equipment	10	**2,675,854**	2,080,211	**2,685,004**	2,090,472
Intangible assets	11	**289,443**	273,729	**289,443**	273,729
Total noncurrent assets		**3,141,505**	2,467,714	**3,149,073**	2,474,363
Total assets		**4,017,227**	**3,187,854**	**4,026,085**	**3,195,271**

See accompanying notes.

		Individual		Consolidated	
	Note	**2024**	**2023**	**2024**	2023
Liabilities and equity					
Current liabilities					
Trade accounts payable	12	**180,493**	98,752	**180,525**	98,834
Loans and financing	13	**93,148**	94,914	**94,501**	95,605
Debentures	14	**329,187**	19,414	**329,187**	19,414
Lease obligations	15	**31,307**	14,468	**31,973**	14,611
Labor and social obligations	16	**74,521**	61,684	**74,970**	62,089
Taxes payable	6	**36,187**	22,403	**36,395**	22,548
Taxes paid in installments		**3,792**	4,457	**3,792**	4,457
Derivative transactions	26	**-**	5,542	**-**	5,542
Dividends payable		**15,300**	4,710	**15,300**	4,710
Other accounts payable	18	**15,613**	10,316	**15,884**	10,316
Total current liabilities		**779,548**	336,660	**782,527**	338,126
Noncurrent liabilities					
Loans and financing	13	**239,209**	206,065	**240,209**	208,399
Debentures	14	**1,227,691**	878,290	**1,227,691**	878,290
Lease obligations	15	**56,554**	31,862	**57,882**	31,932
Taxes paid in installments		**12,638**	16,512	**12,638**	16,512
Provision for contingencies	17	**11,931**	11,543	**11,931**	11,543
Other accounts payable	18	**172,481**	170,840	**172,482**	170,841
Total noncurrent liabilities		**1,720,504**	1,315,112	**1,722,833**	1,317,517
Equity	20				
Capital		**1,372,036**	1,343,246	**1,372,036**	1,343,246
Capital reserve		**(25,059)**	1,098	**(25,059)**	1,098
Income reserves		**170,198**	191,738	**170,198**	191,738
		1,517,175	1,536,082	**1,517,175**	1,536,082
Noncontrolling interests		**-**	-	**3,550**	3,546
Total equity		**1,517,175**	1,536,082	**1,520,725**	1,539,628
Total liabilities and equity		**4,017,227**	3,187,854	**4,026,085**	3,195,271

See accompanying notes.

Brisanet Serviços de Telecomunicações S.A.

Statements of profit or loss
December 31, 2024
(In thousands of reais, except earnings per share, stated in reais)

		Individual		Consolidated	
	Note	**2024**	2023	**2024**	2023
Net operating revenue	21	**1,421,724**	1,224,839	**1,427,794**	1,227,870
Cost of services rendered	22	**(824,371)**	(653,117)	**(826,706)**	(654,400)
Gross profit		**597,353**	571,722	**601,088**	573,470
Operating expenses					
Administrative expenses	22	**(186,439)**	(112,423)	**(188,012)**	(113,482)
Selling expenses	22	**(227,391)**	(175,068)	**(229,190)**	(176,872)
Equity pickup	9	**4**	(689)	**-**	-
Other operating expenses, net	22	**8,931**	(25,997)	**9,012**	(25,981)
Income before finance income (costs) and taxes		**192,458**	257,545	**192,898**	257,135
Finance income	23	**113,579**	107,212	**113,671**	107,248
Finance costs	23	**(227,064)**	(184,667)	**(227,614)**	(185,105)
Finance income (costs)		**(113,485)**	(77,455)	**(113,943)**	(77,857)
Income before income and social contribution taxes		**78,973**	180,090	**78,955**	179,278
Income and social contribution taxes	24	**(18,183)**	(7,597)	**(18,161)**	(7,090)
Net income (loss) for the period		**60,790**	172,493	**60,794**	172,188
Net income attributable to					
Controlling interests				**60,790**	172,493
Noncontrolling interests				**4**	(305)
Basic earnings per share – R$	24	**0.14**	0.43	**0.14**	0.43
Diluted earnings per share – R$	24	**0.14**	0.43	**0.14**	0.43
Number of shares (ex-treasury)		**438,008**	**1,368,739**	**438,008**	1,368,739

See accompanying notes.

Brisanet Serviços de Telecomunicações S.A.

Statements of comprehensive income
Year ended December 31, 2024
(In thousands of reais)

	Individual		Consolidated	
	2024	**2023**	**2024**	**2023**
Net income	**60,790**	172,493	**60,794**	172,188
Other comprehensive income	**-**	-	**-**	-
Comprehensive income for the year	**60,790**	172,493	**60,794**	172,188
Net income attributable to				
Controlling interests	**-**	-	**60,790**	172,493
Noncontrolling interests	**-**	-	**4**	(305)

See accompanying notes.

Brisanet Serviços de Telecomunicações S.A.

Statements of changes in equity
Year ended December 31, 2024
(In thousands of reais)

			Capital reserve							
	Capital	Capital reserve	Legal reserve	Tax incentive reserve	Retained profits	Retained profits	Retained earnings (accumulated losses)	Equity (Individual)	Noncontrolling interests	Consolidated equity
Balances at December 31,2022	1,311,176	-	3,376	41,486	-	4,872	-	1,360,910	-	1,360,910
Merger (Note 1)	32,070	-	-	-	-	-	(6,175)	25,895	-	25,895
Effect of change in corporate interests of investee	-	1,098	-	-	-	-	-	1,098	3,851	4,949
Net income for the year	-	-	-	-	-	-	172,493	172,493	(305)	172,188
Profit allocation (Note 20)::					-					
Profit distribution	-	-	-	-	-	-	(18,774)	(18,774)	-	(18,774)
Interest on Equity (IOE)	-	-	-	-	-	-	(5,540)	(5,540)	-	(5,540)
Legal reserve	-	-	8,626	-	-	-	(8,626)	-	-	-
Tax incentive reserve	-	-	-	78,427	-	-	(78,427)	-	-	-
Retained profits	-	-	-	-	-	54,951	(54,951)	-	-	-
Balances at December 31, 2023	**1,343,246**	**1,098**	**12,002**	**119,913**	**-**	**59,823**	**-**	**1,536,082**	**3,546**	**1,539,628**
Merger (Note 1 and 20)	**28,790**	**(26,153)**	**-**	**-**	**-**	**-**	**(4,507)**	**(1,870)**	**-**	**(1,870)**
Cancellation of shares	**-**	**(4)**	**-**	**-**	**-**	**-**	**-**	**(4)**	**-**	**(4)**
Distribution of supplementary dividends for 2023	**-**	**-**	**-**	**-**	**-**	**(59,823)**	**-**	**(59,823)**	**-**	**(59,823)**
Net income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**60,790**	**60,790**	**4**	**60,794**
Profit allocation (Note 20):										
Tax incentive reserve	**-**	**-**	**-**	**6,842**	**-**	**-**	**(6,842)**	**-**	**-**	**-**
Legal reserve	**-**	**-**	**2,697**	**-**	**-**	**-**	**(2,697)**	**-**	**-**	**-**
Interest on equity	**-**	**-**	**-**	**-**	**-**	**-**	**(15,300)**	**(15,300)**	**-**	**(15,300)**
Withholding Income Tax on Interest		**-**			**-**				**-**	
on Equity	**-**		**-**	**-**		**-**	**(2,700)**	**(2,700)**		**(2,700)**
Retained profits	**-**	**-**	**-**	**-**	**28,744**	**-**	**(28,744)**	**-**	**-**	**-**
Balances at December 31, 2024	**1,372,036**	**(25,059)**	**14,699**	**126,755**	**28,744**	**-**	**-**	**1,517,175**	**3,550**	**1,520,725**

See accompanying notes.

Brisanet Serviços de Telecomunicações S.A.

Statements of cash flows
Year ended December 31, 2024
(In thousands of reais)

	Individual		Consolidated	
	2024	2023	**2024**	2023
Cash flows from operating activities				
Net income (loss) for the period	**60,790**	172,493	**60,794**	172,188
Adjustments to reconcile net income (loss) in the year:				
Depreciation and amortization	**410,444**	325,587	**411,994**	326,190
Residual value upon write-off of PPE and intangible assets	**4,800**	12,812	**4,782**	12,812
Provision for losses on property, plant and equipment	**9,242**	-	**9,242**	-
Allowance for expected credit losses	**73,219**	66,318	**73,735**	66,455
Set-up (reversal) of provision for contingencies	**1,114**	9,799	**1,113**	9,799
Equity pickup	**(4)**	689	**-**	-
Derivative transactions	**(7,410)**	(111)	**(7,410)**	(111)
Interest on leases	**10,882**	5,673	**10,992**	5,703
Interest and monetary variation on debentures	**123,147**	86,225	**123,147**	79,510
Interest and monetary variation on promissory notes	**-**	1,340	**-**	1,562
Interest and monetary variation on loans and financing	**22,783**	25,091	**23,171**	31,719
Allocation of funding costs	**4,822**	4,760	**4,822**	4,760
Financial investment yield	**(64,791)**	(10,124)	**(67,768)**	(10,124)
Deferred income and social contribution taxes	**(81)**	(13,573)	**(175)**	(14,080)
(Increase) decrease in assets				
Trade accounts receivable	**(98,435)**	(66,905)	**(99,399)**	(67,485)
Inventories	**(2,134)**	(3,345)	**(2,134)**	(3,345)
Taxes recoverable	**(7.954)**	19,081	**(7,974)**	19,059
Prepaid expenses	**(17,231)**	(2,274)	**(17,275)**	(2,283)
Judicial deposits	**266**	(2,160)	**266**	(2,160)
Other assets	**(268)**	(11,034)	**(278)**	(11,069)
Increase (decrease) in liabilities				
Trade accounts payable	**80,643**	29,620	**80,593**	29,694
Labor and social obligations	**21.381**	6,985	**21,512**	7,043
Taxes payable	**12.917**	14,307	**13,026**	14,443
Taxes paid in installments	**(4,539)**	15,969	**(4,539)**	15,969
Write-off of provision for contingencies	**(725)**	(1,494)	**(725)**	(1,494)
Other accounts payable	**(11,767)**	(21,914)	**(11,581)**	(21,833)
Cash flows from (used in) operating activities	**621,110**	663,815	**619,931**	662,922
Interest paid	**(99,741)**	(120,407)	**(100,186)**	(120,548)
Income and social contribution taxes paid	**(4,484)**	(10,751)	**(4,529)**	(10,751)
Net cash flows from operating activities	**516,885**	532,657	**515,216**	531,623
Cash flows from investing activities				
Financial investments	**(200,586)**	196,048	**(198,707)**	196,048
Additions to PPE	**(930,798)**	(387,726)	**(930,997)**	(398,209)
Additions to intangible assets	**(63,667)**	(65,899)	**(63,667)**	(65,899)
Capital increase in investees	**-**	(4,726)	**-**	-
Yields received from redeemed financial investments	**66,989**	24,749	**68,084**	24,749
Proceeds from disposal of PPE and intangible assets	**26,475**	16,795	**26,670**	16,802
Merger	**-**	66	**-**	66
Net cash flows from (used in) investing activities	**(1,101,587)**	(220,693)	**(1,098,617)**	(226,443)

Brisanet Serviços de Telecomunicações S.A.

Statements of cash flows (Continued)
Year ended December 31, 2024
(In thousands of reais)

	Individual		Consolidated	
	2024	2023	**2024**	2023
Cash flows from financing activities				
Loans and financing taken out	**123,641**	95,157	**123,641**	96,616
Debentures raised	**600,000**	-	**600,000**	-
Repayment of principal of loans and financing	**(96,975)**	(152,009)	**(97,641)**	(152,009)
Repayment of principal of promissory note	**-**	(64,000)	**-**	(64,000)
Payment of leases	**(61,929)**	(49,048)	**(62,507)**	(49,324)
Capital decrease	**(4)**	-	**(4)**	-
Dividends/profits distributed	**(64,532)**	(19,605)	**(64,532)**	(19,605)
Capital increase - noncontrolling interests	**-**	-	**-**	4,949
Merger	**25**	-	**25**	-
Net cash flows used in financing activities	**500,226**	(189,505)	**498,982**	(183,373)
Increase (decrease) in cash and cash equivalents	**(84,476)**	122,459	**(84,419)**	121,807
Cash and cash equivalents				
At beginning of year	**322,945**	200,486	**323,210**	201,403
At end of year	**238,469**	322,945	**238,791**	323,210
Increase (decrease) in cash and cash equivalents	**(84,476)**	122,459	**(84,419)**	121,807

See accompanying notes.

Brisanet Serviços de Telecomunicações S.A.

Statements of value added
Year ended December 31, 2024
(In thousands of reais)

	Individual		Consolidated	
	2024	**2023**	**2024**	2023
Revenues	**1,565,973**	1,348,670	**1,572,835**	1,352,302
Gross operating revenue less discounts	**1,578,778**	1,379,590	**1,586,020**	1,383,323
Allowance for expected credit losses	**(73,219)**	(66,318)	**(73,735)**	(66,455)
Other revenues	**60,414**	35,398	**60,550**	35,434
Inputs acquired from third parties	**(337,133)**	(250,018)	**(337,862)**	(250,736)
Cost of products, services and goods sold	**(62,940)**	(49,251)	**(62,851)**	(49,251)
Materials, electricity, third-party services and other	**(239,998)**	(150,189)	**(240,793)**	(150,897)
Loss on/recovery of assets	**(19,640)**	(17,151)	**(19,642)**	(17,151)
Other inputs	**(14,555)**	(33,427)	**(14,576)**	(33,437)
Gross value added	**1,228,840**	1,098,652	**1,234,973**	1,101,566
Depreciation and amortization	**(410,444)**	(325,587)	**(411,994)**	(326,190)
Net value added generated	**818,396**	773,065	**822,979**	775,376
Value added received in transfer	**(410,444)**	106,523	**113,671**	107,248
Equity pickup	**4**	(689)	**-**	-
Finance income	**113,579**	107,212	**113,671**	107,248
Total value added to be distributed	**931,979**	879,588	**936,650**	882,624
Distribution of value added				
Taxes, charges and contributions	**249,214**	220,477	**250,860**	221,086
Federal	**86,408**	66,572	**86,630**	66,209
State	**161,008**	152,385	**162,431**	153,355
Local	**1,798**	1,520	**1,799**	1,522
Personnel	**301,692**	221,088	**304,145**	223,381
Salaries	**231,501**	171,847	**233,339**	173,528
Unemployment Compensation Fund (FGTS)	**18,191**	14,322	**18,332**	14,455
Benefits	**52,000**	34,919	**52,474**	35,398
Debt remuneration	**320,283**	265,530	**320,851**	265,969
Interest, exchange differences and borrowing costs	**227,064**	180,782	**227,614**	181,219
Rents	**93,219**	84,748	**93,237**	84,750
Equity remuneration	**60,790**	172,493	**60,794**	172,188
Dividends/profits distributed	**18,000**	84,137	**18,000**	84,137
Retained profits/losses	**42,790**	88,356	**42,790**	88,356
Retained earnings / Non-controlling loss	**-**	-	**4**	(305)
Value added	**931,979**	879,588	**936,650**	882,624

See accompanying notes.

(In thousands of reais)

1. Operations

Brisanet Serviços de Telecomunicações S.A. (the Company or Brisanet Serviços) was incorporated on August 1, 2001, and converted into a privately-held corporation on November 25, 2020, located in Pereiro, state of Ceará. The Company obtained registration with the Securities and Exchange Commission (CVM) on November 5, 2024.

The Company's purpose is to provide telecommunications services, primarily operating in the fiber and mobile telephony segments. The services are authorized by Brazil's National Telecommunications Agency (ANATEL), the agency responsible for regulating the telecommunications sector in Brazil in accordance with the General Telecommunications Law and its respective regulations. Tariffs charged are also regulated by ANATEL. In this context, the Company has 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 provided Conditioned Access Services (SeAC)	All regions in Brazil	Indefinite

a) <u>Corporate changes during the fiscal year</u>

<u>Incorporation of the direct parent company Brisanet Participações S.A. by Brisanet Serviços de Telecomunicações S.A.</u>

On December 4, 2024, the shareholders of Brisanet Serviços, through a Special General Meeting (SGM), approved the downstream merger of the net assets of Brisanet Participações S.A., amounting to R$28,790. The merged net assets, measured by external experts at book value, at base date March 31, 2024, are as follows:

	03/31/2024
Current assets	**68,810**
Cash and cash equivalents	40
Financial investments	3,429
Taxes recoverable	854
Prepaid expenses	198
Dividends receivable	64,289
Noncurrent assets	**300,418**
Financial investments	300,000
Prepaid expenses	24
Deferred income and social contribution taxes	394
Total assets	**369,228**
Total liabilities	**340,438**
Merged net assets	**28,790**

1. Operations (Continued)

a) 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 24, 2025.

2. Basis of preparation and presentation of the individual and consolidated financial statements

2.1. Basis of preparation and presentation

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).

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

2.1. Basis of preparation and presentation (Continued)

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.

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.

Basis of measurement

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

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

2.2. Basis of consolidation

At December 31, 2024 and 2023, the Company holds investments in subsidiaries in Brazil, which operate in the same telecommunications segment, as detailed below:

	(%) Equity interest
4J Serviços de Telecomunicações Ltda.	**55.00%**

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 subsidiary are eliminated. Unrealized gains and losses are only eliminated if the operation provides evidence of impairment of transferred assets. The subsidiary's 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 the subsidiary are recorded under the equity method.

3. Summary of accounting policies

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. Summary of accounting policies (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. Summary of accounting policies (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, debentures, 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. Summary of accounting policies (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. Summary of accounting policies (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 residual value 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 10.

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. Summary of accounting policies (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. Summary of accounting policies (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. Summary of accounting policies (Continued)

l) <u>Taxation</u>

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 subsidiary is presented below.

Company	Taxation regime
Brisanet Serviços Telecomunicações S.A.	Taxable profit as per annual 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. Summary of accounting policies (Continued)

m) <u>Provisions</u>

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) <u>Critical accounting estimates and judgments</u>

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. Summary of accounting policies (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.

v) *Allowance for expected credit losses on accounts receivable*

The Company adopts the practice of estimating expected credit losses (ECL), which assesses the credit risk of receivables by aging category, considering the average percentage of non-receipt related to each aging category over a 12-month period. Thus, whenever there are indications that a review is necessary, a percentage of estimated expected losses is established for each aging category on the aging list. For recognition of actual losses, the Company writes down the gross carrying amount of a financial asset that is not reasonably expected to be settled in whole or in part, and receivables that are overdue for more than 360 days are fully written off. The Company does not expect any significant recovery of the amount written off, although it may still be recovered through legal, out-of-court, or administrative proceedings.

3. Summary of accounting policies (Continued)

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.

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.

3. Summary of accounting policies (Continued)

q) Financial assets and liabilities (Continued)

i) *Financial assets* (Continued)

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.

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.

3. Summary of accounting policies (Continued)

q) Financial assets and liabilities (Continued)

i) *Financial assets* (Continued)

Subsequent measurement (Continued)

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.

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.

3. Summary of accounting policies (Continued)

q) Financial assets and liabilities (Continued)

i) *Financial assets* (Continued)

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.

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.

3. Summary of accounting policies (Continued)

q) Financial assets and liabilities (Continued)

ii) *Financial liabilities* (Continued)

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).

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.

3. Summary of accounting policies (Continued)

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) Amendments to accounting standards and pronouncements

As of January 1, 2024, various new or amended standards have become applicable for the current period; however, the Company did not need to change its accounting policies or make retrospective adjustments as a result of the adoption of these new or amended standards.

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

- Effect of changes in foreign exchange rates and translation of financial statements (CPC 02/IAS 21)
- Subsidiaries without public accountability: Disclosures (IFRS 19)
- Presentation and disclosure in financial statements (IFSR 18)

The amendments above are effective for periods beginning on or after January 1, 2025 and must be applied retrospectively. The Company is assessing the impacts the amendments will have on current practice and on its individual and consolidated financial statements.

(In thousands of reais)

4. Cash and cash equivalents and financial investments

	Individual		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Cash				
Checking accounts and other	**2,289**	1,465	**2,291**	1,468
Financial investments:				
Sweep accounts	**4,307**	5,277	**4,626**	5,540
Bank Deposit Certificates (CDB)	**231,386**	315,830	**231,386**	315,830
Debit cards	**487**	373	**488**	372
	238,469	322,945	**238,791**	323,210

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 100.35% at December 31, 2024 (101.86% at December 31, 2023) 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	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Bank Deposit Certificate (CDB) (a)	**379,255**	**180,867**	**379,255**	**180,867**
	379,255	**180,867**	**379,255**	**180,867**
Current	**379,255**	**180,867**	**379,255**	**180,867**
Noncurrent	**-**	**-**	**-**	**-**

(a) Bank Deposit Certificates (CDB) had an average yield equivalent to 100.91% of the CDI in 2024 (101.86% of the CDI in 2023), with liquidity above 90 days.

(In thousands of reais)

5. Trade accounts receivable

	Individual		Consolidated	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
Trade accounts receivable	**220,514**	182,031	**221,748**	182,608
Allowance for expected credit losses	**(31,462)**	(19,114)	**(31,802)**	(19,247)
Present value adjustment	**(971)**	(52)	**(975)**	(52)
Accounts receivable, net	**188,081**	162,865	**188,971**	163,309
Current	**182,349**	162,662	**183,215**	163,105
Noncurrent	**5,732**	203	**5,756**	204

The aging list of trade accounts receivable is as follows:

	Individual		Consolidated	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
Falling due	**102,846**	80,240	**103,241**	80,243
Past due:				
1 to 30 days	**50,031**	40,981	**50,347**	41,153
31 to 60 days	**9,917**	8,060	**9,981**	8,106
61 to 180 days	**24,842**	24,616	**25,003**	24,772
Over 181 days	**32,878**	28,134	**33,176**	28,334
	220,514	182,031	**221,748**	182,608
(-) Allowance for expected credit losses	**(31,462)**	(19,114)	**(31,802)**	(19,247)
Present value adjustment	**(971)**	(52)	**(975)**	(52)
Accounts receivable, net	**188,081**	162,865	**188,971**	163,309

At December 31, 2024, DSO was of 48 days (46 days at December 31, 2023).

Changes in allowance for expected credit losses are as follows:

	Individual		Consolidated	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
Opening balance	**(19,114)**	(3,132)	**(19,247)**	(3,132)
Set-up	**(73,219)**	(66,756)	**(73,735)**	(66,893)
Reversal	**-**	438	**-**	438
Write-off	**60,871**	50,336	**61,180**	50,340
Closing balance	**(31,462)**	(19,114)	**(31,802)**	(19,247)

(In thousands of reais)

6. Taxes recoverable and payable

	Individual		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Assets				
State VAT (ICMS) recoverable	**6,203**	8,605	**6,227**	8,625
ICMS recoverable on PPE	**62,697**	68,349	**62,701**	68,351
PIS and COFINS recoverable	**156**	63	**156**	63
IRPJ and CSLL recoverable	**4,550**	1,617	**4,552**	1,617
Tax credits from grants	**5,860**	-	**5,860**	-
Other taxes recoverable	**8,039**	670	**8,053**	670
	87,505	79,304	**87,549**	79,326
Current	**42,288**	35,018	**42,328**	35,039
Noncurrent	**45,217**	44,286	**45,221**	44,287
Current liabilities				
ICMS payable	**9,738**	7,900	**9,838**	7,981
IRPJ and CSLL payable	**4,933**	2,016	**4,960**	2,016
PIS and COFINS payable	**10,880**	3,022	**10,894**	3,032
Service Tax (ISS) payable	**121**	121	**121**	121
Other taxes payable	**10,515**	9,344	**10,582**	9,398
	36,187	22,403	**36,395**	22,548

7. Prepaid expenses

	Individual		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Assets				
Lease agreements to be allocated - 5G (a)	**10,563**	2,483	**10,563**	2,483
Insurance and commissions	**14,911**	2,094	**14,953**	2,094
Other	**283**	1,704	**284**	1,713
	25,758	6,281	**25,811**	6,290
Current	**14,086**	1,964	**14,099**	1,964
Noncurrent	**11,672**	4,317	**11,712**	4,326

(a) The lease agreements do not meet the definition of a lease according to CPC 06 (R2), as the Company does not exercise control over the item, which is an essential requirement for its classification as a lease. The use is restricted to a specific area designated exclusively for the construction of mobile network sites, not meeting the criteria for recognition as a lease.

(In thousands of reais)

8. Transactions with related parties

	Individual		Consolidated	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
Noncurrent assets				
Right-of-use assets	**126**	1,056	**126**	1,056
	126	1,056	**126**	1,056
Current liabilities				
Leases payable (a)	**77**	568	**77**	568
Debentures (b)	**-**	14,225	**-**	14,225
Dividends payable (c)	**15,300**	4,710	**15,300**	4,710
Noncurrent liabilities				
Debentures (b)	**-**	300,000	**-**	300,000
Leases payable (c)	**56**	717	**56**	717
	15,433	320,220	**15,433**	320,220

(a) The entire balance of current leases refers to a contract with Imobiliária Pau D'Arco Ltda.

(b) The balance of debentures of Brisanet Participações was zeroed out in December 2024, due to the merger of this company by Brisanet Serviços.

(c) The balance as of December 31, 2023, refers to the amount payable to Brisanet Participações S.A., incorporated during the current fiscal year. The balances as of December 31, 2024, refer to the amount payable to the controlling individual shareholders.

	Individual		Consolidated	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
Statement of profit or loss				
Operating revenue				
Agility Segurança Eletrônica LTDA	**18**	-	**18**	-
Nossa Fruta Brasil Industria de Alimentos	**24**	16	**24**	16
Nosso Atacarejo Comercio de Gêneros	**74**	66	**74**	66
Agritech Semiárido Agricultura Ltda	**3**	1	**3**	1
	119	83	**119**	83
Costs and expenses				
Agility Segurança Eletrônica LTDA	**(2,277)**	(2,088)	**(2,277)**	(2,088)
Nosso Atacarejo Comercio de Gêneros	**(5,066)**	(3,632)	**(5,066)**	(3,632)
Nossa Fruta Brasil Industria de Alimentos	**(411)**	(333)	**(411)**	(333)
LS Agricultura	**-**	(10)	**-**	(10)
Agritech Semiárido Agricultura Ltda	**(14)**	(2)	**(14)**	(2)
S&L Locadora de Veículos Ltda.	**(35,052)**	(37,963)	**(35,052)**	(37,963)
Imobiliária Pau D’arco	**(111)**	(48)	**(111)**	(48)
	(42,931)	(44,028)	**(42,931)**	(44,028)
Other operating expenses				
S&L Locadora de Veículos Ltda.	**(146)**	(1)	**(146)**	(1)
	(146)	(1)	**(146)**	(1)
	(42,958)	(43,994)	**(42,958)**	(43,994)

(In thousands of reais)

8. Transactions with related parties (Continued)

	Operations with Consortia	
	12/31/2024	12/31/2023
Income (loss) from operations with consortia		
Net operating revenue	**2,268**	1,916
Costs and expenses		
Interconnection and means of connection	**(1,858)**	(1,852)
Personnel	**(257)**	(222)
Third-party services	**(517)**	(718)
Depreciation and amortization	**(1,008)**	(621)
General costs and expenses	**(244)**	(206)
	(1,616)	(1,703)
Finance income (costs)		
Late-payment interest and fines	**(549)**	(672)
Net income (loss)	**(2,165)**	(2,375)

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 lease agreement
S&L Locadora de Veículos Ltda.	Vehicle rental agreement
Nosso Atacarejo Comércio de Gêneros Alimentícios Ltda.	Supply of food, cleaning and consumption products
Nossa Fruta Brasil Indústria de Alimentos Ltda.	Food product supply
LS Agricultura Ltda	Earthmoving services and rental of goods and equipment
Agritech Semiárido Agricultura Ltda	Food product supply

Operations with Consortia	Interest
BMW Consortium	50%
Conecta Sec Consortium	34%

The Company has two operations with consortia. The first one refers 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. The second one refers to a contract entered into on October 27, 2022 for the provision of services to the Education and Culture Office of the city of João Pessoa, state of Paraíba (PB), in which the Company holds 34% interest.

(In thousands of reais)

8. Transactions with related parties (Continued)

Guarantees in financial contracts of related parties

At December 31, 2023, the Company and its subsidiaries were guarantors of certain loans and financing with financial institutions for the benefit of the parties listed below. The guarantee was terminated during the period ended June 30, 2023. 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 at December 31, 2023

Key management personnel compensation – Company and subsidiaries

Compensation of the key management personnel of the Company and its subsidiaries as salary and management fees totaled R$5,402 in the year ended December 31, 2024 (R$2,037 at December 31, 2023). As of December 31, 2024, the Company and its subsidiaries do not provide key management personnel with compensation in the following categories: a) long-term benefits; b) severance pay; c) post-employment benefits; and d) share-based compensation.

(In thousands of reais)

9. Investments

a) Breakdown

	12/31/2024	12/31/2023
Interests held in subsidiaries		
4J Serviços de Telecomunicações Ltda	**4,338**	4,334
	4,338	4,334
Classified as:		
Investments	**4,338**	4,334
	4,338	4,334

b) Changes in investments

	12/31/2024	12/31/2023
Opening balance	**4,334**	(801)
Capital increase	**-**	4,726
Gain from change in equity interest	**-**	1,098
Equity pickup	**4**	(689)
Closing balance	**4,338**	4,334

c) Information on investments in subsidiary

	12/31/2024	12/31/2023
Current assets	**1,294**	769
Noncurrent assets	**11,905**	10,982
Current liabilities	**2,983**	1,466
Noncurrent liabilities	**2,328**	2,404
Equity	**7,888**	7,881
Revenues	**6,148**	3,085
Costs and expenses	**(6,140)**	(4,080)
Profit or loss	**8**	(995)

(In thousands of reais)

10. Property, plant and equipment

a) Breakdown

	Average depreciation rate p.a. (%)	Individual 12/31/2024 Cost	Accumulated depreciation	Net	12/31/2023 Net
Land	-	**41,447**	**-**	**41,447**	**30,574**
Buildings	4%	**66,294**	**(745)**	**65,549**	**3,722**
Tools	10%	**575**	**(27)**	**548**	**-**
Fiber-optic cables	5%	**444,204**	**(68,389)**	**375,815**	**341,121**
Network construction	10%	**357,756**	**(98,993)**	**258,763**	**291,862**
Machinery and equipment	10%	**154,374**	**(44,469)**	**109,905**	**143,992**
Furniture and fixtures	10%	**10,136**	**(2,518)**	**7,618**	**4,512**
Sundry installations	10%	**344,888**	**(104,604)**	**240,284**	**235,020**
Planes and aircraft	10%	**1,800**	**(513)**	**1,287**	**1,449**
Leasehold improvements	15%	**156,272**	**(3,681)**	**152,591**	**28,288**
Computers and peripherals	20%	**63,235**	**(27,167)**	**36,068**	**23,635**
Vehicles	20%	**79,839**	**(43,620)**	**36,219**	**48,230**
Software	20%	**126,624**	**(108,703)**	**17,921**	**39,473**
Electronic equipment	20%	**1,098,350**	**(457,687)**	**640,663**	**326,368**
Installations (customer activation)	28%	**221,842**	**(109,407)**	**112,435**	**102,335**
Advances to suppliers	-	**6,035**	**-**	**6,035**	**3,915**
Imports in progress	-	**76,541**	**-**	**76,541**	**29,753**
Construction in progress	-	**106,894**	**-**	**106,894**	**166,650**
PPE in supplies room	-	**389,271**	**-**	**389,271**	**259,312**
		3,746,377	**(1,070,523)**	**2,675,854**	**2,080,211**

	Average depreciation rate p.a. (%)	Consolidated 12/31/2024 Cost	Accumulated depreciation	Net	12/31/2023 Net
Land	-	**41,607**	**-**	**41,607**	**30,734**
Buildings	4%	**66,294**	**(745)**	**65,549**	**3,722**
Tools	10%	**575**	**(27)**	**548**	**-**
Fiber-optic cables	5%	**446,125**	**(68,514)**	**377,611**	**342,868**
Network construction	10%	**359,709**	**(99,253)**	**260,456**	**293,750**
Machinery and equipment	10%	**154,555**	**(44,492)**	**110,063**	**144,151**
Furniture and fixtures	10%	**10,182**	**(2,525)**	**7,657**	**4,553**
Sundry installations	10%	**348,433**	**(105,077)**	**243,356**	**238,446**
Planes and aircraft	10%	**1,800**	**(513)**	**1,287**	**1,449**
Leasehold improvements	15%	**156,624**	**(3,691)**	**152,933**	**28,485**
Computers and peripherals	20%	**63,285**	**(27,185)**	**36,100**	**23,678**
Vehicles	20%	**80,005**	**(43,675)**	**36,330**	**48,567**
Software	20%	**126,623**	**(108,702)**	**17,921**	**39,473**
Electronic equipment	20%	**1,099,996**	**(457,982)**	**642,014**	**326,538**
Installations (customer activation)	28%	**222,361**	**(109,530)**	**112,831**	**102,335**
Advances to suppliers	-	**6,035**	**-**	**6,035**	**3,915**
Imports in progress	-	**76,541**	**-**	**76,541**	**29,753**
Construction in progress	-	**106,894**	**-**	**106,894**	**168,743**
PPE in supplies room	-	**389,271**	**-**	**389,271**	**259,312**
		3,756,915	**(1,071,911)**	**2,685,004**	**2,090,472**

(In thousands of reais)

10. Property, plant and equipment (Continued)

b) Changes in balances

	Individual						
	12/31/2023	Additions	Write-offs	Transfers	Provision for losses (i)	Depreciation	12/31/2024
Land	30,574	50	-	10,823	-	-	41,447
Buildings	3,722	-	-	62,233	-	(407)	65,548
Tools	-	575	-	-	-	(27)	548
Fiber-optic cables	341,121	62,139	(4,992)	5,593	(7,125)	(20,921)	375,815
Network construction	291,862	752	(60)	281	-	(34,071)	258,764
Machinery and equipment	143,992	28,202	(65)	(48,095)	(1,404)	(12,726)	109,904
Furniture and fixtures	4,512	3,732	(1)	187	-	(812)	7,618
Sundry installations	235,020	35,342	(2,162)	4,527	-	(32,443)	240,284
Planes and aircraft	1,449	-	-	-	-	(162)	1,287
Leasehold improvements	28,288	106,952	(12)	20,672	-	(3,308)	152,592
Computers and peripherals	23,635	18,650	(28)	1,957	(24)	(8,122)	36,068
Vehicles	48,230	737	(329)	1	-	(12,420)	36,219
Software	39,473	-	(1,335)	(1,376)	-	(18,842)	17,920
Electronic equipment	326,368	362,513	(4,007)	100,823	(689)	(144,346)	640,662
Installations (customer activation)	102,335	63,794	-	228	-	(53,921)	112,436
Advances to suppliers	3,915	2,700	-	(579)	-	-	6,036
Imports in progress	29,753	60,229	-	(13,441)	-	-	76,541
Construction in progress	166,650	68,733	-	(128,489)	-	-	106,894
PPE in supplies room	259,312	145,304	-	(15,345)	-	-	389,271
	2,080,211	960,404	(12,991)	-	(9,242)	(342,528)	2,675,854

(In thousands of reais)

10. Property, plant and equipment (Continued)

b) Changes in balances (Continued)

	Individual						
	12/31/2022	Additions	Merger of assets	Write-offs	Transfers	Depreciation	12/31/2023
Land	23,584	1,473	471	(219)	5,265	-	30,574
Buildings		-	-	-	3,925	(203)	3,722
Fiber-optic cables	268,961	58,753	3,039	(7,746)	35,662	(17,548)	341,121
Network construction	309,233	17,625	-	(1,999)	88	(33,085)	291,862
Machinery and equipment	113,361	25,611	39	(917)	14,230	(8,332)	143,992
Furniture and fixtures	3,808	916	2	(10)	362	(566)	4,512
Sundry installations	208,896	28,740	1,973	(7,873)	30,660	(27,376)	235,020
Planes and aircraft	1,611	-	-	-	-	(162)	1,449
Leasehold improvements	687	24,121	1	-	3,760	(281)	28,288
Computers and peripherals	11,829	10,642	52	(412)	6,995	(5,471)	23,635
Vehicles	56,575	2,719	1,331	(254)	-	(12,141)	48,230
Software	74,388	-	435	(4,071)	(7,833)	(23,446)	39,473
Electronic equipment	241,558	154,741	4,361	(3,662)	39,299	(109,929)	326,368
Installations (customer activation)	75,923	62,717	-	-	-	(36,305)	102,335
Advances to suppliers	144,200	-	-	-	(140,285)	-	3,915
Imports in progress	14,183	59	-	-	15,511	-	29,753
Construction in progress	144,232	23,910	256	-	(1,748)	-	166,650
PPE in supplies room	247,781	17,422	-	-	(5,891)	-	259,312
	1,940,810	429,449	11,960	(27,163)	-	(274,845)	2,080,211

(In thousands of reais)

10. Property, plant and equipment (Continued)

b) Changes in balances (Continued)

	Consolidated						
	12/31/2023	Additions	Write-offs	Transfers	Provision for losses (i)	Depreciation	12/31/2024
Land	30,734	50	-	10,823	-	-	41,607
Buildings	3,722	-	-	62,234	-	(407)	65,549
Tools	-	575	-		-	(27)	548
Fiber-optic cables	342,868	62,139	(4,992)	5,736	(7,124)	(21,016)	377,611
Network construction	293,750	752	(60)	280	-	(34,266)	260,456
Machinery and equipment	144,150	28,218	(65)	(48,091)	(1,405)	(12,744)	110,063
Furniture and fixtures	4,553	3,735	(1)	187	-	(817)	7,657
Sundry installations	238,446	35,343	(2,162)	4,526	-	(32,797)	243,356
Planes and aircraft	1,449	-	-		-	(162)	1,287
Leasehold improvements	28,485	107,104	(12)	20,673	-	(3,317)	152,933
Computers and peripherals	23,678	18,650	(28)	1,956	(24)	(8,132)	36,100
Vehicles	48,567	737	(506)	(1)	-	(12,467)	36,330
Software	39,473	-	(1,335)	(1,376)	-	(18,841)	17,921
Electronic equipment	326,538	362,539	(4,006)	102,256	(689)	(144,624)	642,014
Installations (customer activation)	102,335	63,794	-	747	-	(54,045)	112,831
Advances to suppliers	3,915	2,700	-	(580)	-	-	6,035
Imports in progress	29,753	60,230	-	(13,442)	-	-	76,541
Construction in progress	168,744	68,733	-	(130,583)	-	-	106,894
PPE in supplies room	259,312	145,304	-	(15,345)	-	-	389,271
	2,090,472	960,603	(13,167)	-	(9,242)	(343,662)	2,685,004

(In thousands of reais)

10. Property, plant and equipment (Continued)

b) Changes in balances (Continued)

	Consolidated						
	12/31/2022	**Additions**	**Merger of assets**	**Write-offs**	**Transfers**	**Depreciation**	**12/31/2023**
Land	23,584	1,633	471	(219)	5,265	-	30,734
Buildings	-	-	-	-	3,925	(203)	3,722
Fiber-optic cables	268,961	60,530	3,039	(7,746)	35,662	(17,578)	342,868
Network construction	309,233	19,578	-	(1,999)	88	(33,150)	293,750
Machinery and equipment	113,361	25,775	39	(917)	14,230	(8,338)	144,150
Furniture and fixtures	3,808	959	2	(10)	363	(569)	4,553
Sundry installations	208,896	32,284	1,973	(7,873)	30,660	(27,494)	238,446
Planes and aircraft	1,611	-	-	-	-	(162)	1,449
Leasehold improvements	687	24,235	1	-	3,844	(282)	28,485
Computers and peripherals	11,829	10,693	52	(412)	6,995	(5,479)	23,678
Vehicles	56,575	3,115	1,331	(254)	-	(12,200)	48,567
Software	74,388	-	435	(4,071)	(7,833)	(23,446)	39,473
Electronic equipment	241,558	154,929	4,361	(3,662)	39,299	(109,947)	326,538
Installations (customer activation)	75,923	62,717	-	-	-	(36,305)	102,335
Advances to suppliers	144,200	-	-	-	(140,285)	-	3,915
Imports in progress	14,183	59	-	-	15,511	-	29,753
Construction in progress	144,320	26,003	254	-	(1,833)	-	168,744
PPE in supplies room	247,781	17,422	-	-	(5,891)	-	259,312
	1,940,898	439,932	11,958	(27,163)	-	(275,153)	2,090,472

10. Property, plant and equipment (Continued)

Interest capitalization

In the year ended December 31, 2024, the Company and its subsidiaries capitalized interest on loans and financing with an average capitalization rate of 0.89% (1.06%% at December 31, 2023), amounting to RR14,823 (R$24,347 at December 31, 2023).

Capitalization of depreciation

In the year ended December 31, 2024, the Company and its subsidiaries capitalized depreciation on PPE used in installations, infrastructure and network expansions, amounting to R$14,783 (R$17,376 at December 31, 2023).

Guarantees

At December 31, 2024, the Company recorded PPE items given in guarantee amounting to R$33,543 (R$73,295 at December 31, 2023).

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, 2024 and 2023.

(In thousands of reais)

11. Intangible assets

		Individual and Consolidated				
	Average annual amortization rate - %	12/31/2023	Additions	Write-offs	Transfers	12/31/2024
Cost						
Radiofrequency license - GHZ	20%	1,336	**-**	**-**	**-**	**1,336**
Software and system licenses	20%	33,692	**10,755**	**-**	**1,029**	**45,476**
ADM projects	20%	33,206	**29,824**	**-**	**5,655**	**68,685**
Customer portfolio / Exploration rights	7%	18,307	**-**	**(1,375)**	**-**	**16,932**
Customer portfolio and relationship with franchisee	7%	26,256	**-**	**(16,496)**	**-**	**9,760**
Radiofrequency license – 4G	7%	2,804	**-**	**-**	**-**	**2,804**
Radiofrequency license – 5G	5%	168,431	**-**	**-**	**-**	**168,431**
Mobile networks license	-	80	**8,151**	**-**	**-**	**8,231**
Software development and API	5%	21,243	**10,066**	**-**	**-**	**31,309**
Intangible assets under development	-	6,163	**4,871**	**(3,355)**	**(4,845)**	**2,834**
Trademarks and patents	-	3	**-**	**-**	**-**	**3**
Software in progress	-	1,941	**-**	**-**	**(1,839)**	**102**
Total cost		313,462	**63,667**	**(21,226)**	**-**	**355,903**
Accumulated amortization						
Radiofrequency license - GHZ	20%	(1,077)	**(259)**	**-**	**-**	**(1,336)**
Software and system licenses	20%	(9,491)	**(5,907)**	**-**	**-**	**(15,398)**
ADM projects	20%	(3,363)	**(7,819)**	**-**	**-**	**(11,182)**
Customer portfolio / Exploration rights		(2,219)	**(1,081)**	**161**	**-**	**(3,139)**
Customer portfolio and relationship with franchisee	7%	(3,195)	**(1,354)**	**2,780**	**-**	**(1,769)**
Radiofrequency license – 4G	7%	(587)	**(225)**	**-**	**-**	**(812)**
Radiofrequency license – 5G	5%	(16,843)	**(8,422)**	**-**	**-**	**(25,265)**
Software development and AP	5%	(2,958)	**(4,601)**	**-**	**-**	**(7,559)**
Total accumulated amortization		(39,733)	**(29,668)**	**2,941**	**-**	**(66,460)**
Intangible assets, net		273,729	**33,999**	**(18,285)**	**-**	**289,443**

(In thousands of reais)

11. Intangible assets (Continued)

	Average annual amortization rate - %	Individual and Consolidated				
		12/31/2022	Additions	Write-offs	Transfers	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	18,834	-	11,125	**33,206**
Customer portfolio and relationship with franchisee	7%	47,008	199	(2,644)	-	**44,563**
Radiofrequency license – 4G	7%	2,804	-	-	-	**2,804**
Radiofrequency license – 5G	5%	168,431	-	-	-	**168,431**
Software development and API	5%	8,221	-	-	13,023	**21,243**
Intangible assets under development	-	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	65,899	(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 franchisee	7%	(2,795)	(2,819)	200	-	**(5,414)**
Radiofrequency license – 4G	7%	(361)	(226)	-	-	**(587)**
Radiofrequency license – 5G	5%	(8,423)	(8,420)	-	-	**(16,843)**
Software development and API	5%	(549)	(2,410)	-	-	**(2,958)**
Total accumulated amortization		(19,075)	(20,859)	200	-	**(39,733)**
Intangible assets, net		231,133	45,040	(2,444)	-	**273,729**

(In thousands of reais)

12. Trade accounts payable

As at December 31, 2024 and 2023, breakdown of trade accounts payable is as follows:

	Individual		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Domestic trade accounts payable	**82,204**	61,812	**82,236**	65,035
Foreign trade accounts payable	**98,289**	36,940	**98,289**	33,799
	180,493	98,752	**180,525**	98,834

13. Loans and financing

Type	Weighted average rates	Individual 12/31/2024	Individual 12/31/2023	Consolidated 12/31/2024	Consolidated 12/31/2023
Working capital	0.82% p.m.	**12,619**	11,425	**12,619**	11,425
Working capital	0.21% p.m. + CDI	**39,578**	85,395	**39,578**	85,395
Working capital	0.47% p.m. + TLP	**-**	316	**-**	316
Working capital (Loan 4131)	0.19% p.m. + CDI	**-**	24,297	**2,353**	27,322
PPE financing (CDC)	1.18% p.m.	**4,304**	9,155	**4,304**	9,155
PPE financing (FINEM)	0.50% p.m. + TLP	**9,963**	17,024	**9,963**	17,024
Financing - TR	0.29% p.m. + TR	**239,509**	153,367	**239,509**	153,367
Financing for import (foreign currency)	0.40% p.m.	**26,384**	-	**26,384**	-
		332,357	300,979	**334,710**	304,004
Current		**93,148**	94,914	**94,501**	95,605
Noncurrent		**239,209**	206,065	**240,209**	208,399

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:

	Individual		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Sureties and disposals	**272,979**	146,680	**275,333**	149,705
Assets and credit rights given in guarantee	**44,426**	73,295	**44,426**	73,295
	317,405	219,975	**319,759**	223,000

(In thousands of reais)

13. Loans and financing (Continued)

Changes in loans and financing are as follows:

	Individual		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Opening balance	**300,979**	349,160	**304,004**	350,701
Merger	**-**	9,087	**-**	9,087
Fundraising	**123,641**	95,157	**123,641**	96,616
Interest allocated	**20,436**	30,868	**20,825**	31,003
Monetary variation and exchange differences	**4,397**	716	**4,396**	716
Repayment of principal	**(96,975)**	(152,009)	**(97,641)**	(152,009)
Interest paid	**(20,121)**	(32,000)	**(20,515)**	(32,110)
Closing balance	**332,357**	300,979	**334,710**	304,004

Noncurrent portions mature as follows:

	Individual		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
2025	**93,148**	63,515	**94,501**	64,850
2026	**22,007**	16,740	**23,007**	17,740
2027	**23,532**	14,739	**23,532**	14,739
2028 onwards	**193,670**	111,071	**193,670**	111,070
	332,357	206,065	**334,710**	208,399

<u>Covenants</u>

Loan and financing agreements establish restrictive obligations (covenants) related to: maintaining annual financial ratios (financial covenants), default with creditors, in-court or out-of-court measures that compromise payment capacity, insolvency and commitment of guarantees offered, as well as certain restrictions related to the disposal of assets, disposal of corporate control and corporate reorganization. These covenants also include clauses related to the default of obligations, in-court reorganization and bankruptcy, death, insolvency, incapacitation, changes in the corporate purpose or significant portion of assets, and final and unappealable decisions on issues such as racial and gender discrimination, child labor, slave labor, harassment, or environmental crimes.

(In thousands of reais)

13. Loans and financing (Continued)

Covenants (Continued)

Below are the financial covenants included in the Company's loan and financing agreements and the actual ratios determined during the years.

Financial covenant	Calculation period	12/31/2024	12/31/2023
Net debt-to-EBITDA ratio: equal to or lower than 3.0	Annual	**2.23**	1.29
Net debt-to-EBITDA ratio: lower than 3.5	Annual	**2.23**	1.29
EBITDA/Debt Service: equal to or higher than 1.0	Annual	**2.31**	1.48

The Company and its subsidiaries analyzed covenants for the year ended December 31, 2024 and 2023 and concluded that all requirements have been legally met.

14. Debentures

a) Breakdown

	Individual and Consolidated		
	Charges (p.a.)	12/31/2024	12/31/2023
Nonconvertible debentures			
First issue	5.77% p.a. + IPCA	**633,543**	603,637
Second issue	2.00% p.a. + CDI	**313,227**	314,225
Third issue	1.60% p.a. + CDI	**634,205**	-
(-) Issue costs to be allocated		**(23,608)**	(20,158)
(-) Negative goodwill		**(489)**	-
		1,556,878	897,704
Current		**329,187**	19,414
Noncurrent		**1,227,691**	878,290

b) Changes

	Individual and Consolidated	
	12/31/2024	12/31/2023
Opening balance	**897,704**	864,009
Debentures raised	**600,000**	-
Merger	**(7,332)**	-
Interest and monetary restatement	**135,264**	103,858
Amortization of interest	**(73,580)**	(74,825)
Amortization of funding costs	**4,806**	4,662
Amortization of negative goodwill	**16**	-
Closing balance	**1,556,878**	897,704

(In thousands of reais)

14. Debentures (Continued)

b) Changes (Continued)

Noncurrent portions mature as follows:

	Individual and Consolidated	
	12/31/2024	12/31/2023
2025	**335,738**	269,764
2026	**278,095**	269,764
2027	**278,095**	269,764
2028 onwards	**689,048**	84,881
	1,580,976	894,173
(-) Issue costs to be allocated	**(24,098)**	(15,883)
	1,556,878	878,290

c) Issue of debentures

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

Issue date	Ticker	Units issued	Issue date	Final maturity	Average charges	Fundraising
First issue	BRST11	500,000	03/15/2021	03/15/2028	5.77% p.a. + IPCA	R$500,000
Second issue	BRIT11	300,000	09/25/2022	08/25/2027	2.00% p.a. + CDI	R$300,000
Third issue	BRIT12	600,000	07/10/2024	07/10/2030	1.60% p.a. + CDI	R$600,000

d) Guarantees

First-series debentures issued by the Company 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 second- and third-series debentures issued by the Company are unsecured, without additional guarantees.

(In thousands of reais)

14. Debentures (Continued)

e) Covenants

The debentures have covenants substantially related to early maturity, including compliance with "financial ratios" (financial covenants), 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).

Below are the financial covenants included in the Company's debenture agreements and the actual ratios determined during the years.

Financial covenant	Calculation period	12/31/2024	12/31/2023
Net debt-to-EBITDA ratio: lower than 3.5	Annual	**2.26**	1.29

At December 31, 2024 and 2023, the Company concluded that all requirements have been legally met.

(In thousands of reais)

15. Right-of-use assets and lease liabilities

Contracts per period and discount rate

Changes in lease liabilities are as follows:

	Individual		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Opening balance	**46,330**	38,664	**46,543**	38,853
Interest allocated	**11,538**	5,673	**11,648**	5,703
Additions due to new contracts	**98,382**	54,613	**100,654**	54,914
Consideration paid	**(62,349)**	(49,048)	**(62,899)**	(49,324)
Interest paid	**(6,040)**	(3,572)	**(6,091)**	(3,603)
Closing balance	**87,861**	46,330	**89,855**	46,543
Current	**31,307**	14,468	**31,973**	14,611
Noncurrent	**56,554**	31,862	**57,882**	31,932

The Company's agreements have a payment term from 2 to 10 years with an average discount rate of 7.18%.

Agreement maturity and undiscounted installments, reconciled to the balances at December 31, 2024 and 2023 are as follows:

	Individual		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Installment maturity				
2024	**-**	15,643	**-**	15,643
2025	**45,280**	11,789	**47,301**	11,789
2026 onwards	**48,792**	24,036	**49,465**	24,268
Undiscounted amounts	**94,072**	51,468	**96,766**	51,700
Embedded interest	**(6,211)**	(5,138)	**(6,911)**	(5,157)
Lease liabilities balance	**87,861**	46,330	**89,855**	46,543

Changes in right-of-use assets are as follows:

	Individual		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Opening balance	**43,635**	36,281	**43,839**	36,479
Additions due to new contracts	**97,962**	54,613	**100,262**	54,914
Amortization expenses	**(53,031)**	(47,259)	**(53,447)**	(47,554)
Closing balance	**88,566**	43,635	**90,654**	43,839

(In thousands of reais)

15. Right-of-use assets and lease liabilities (Continued)

Contracts per period and discount rate (Continued)

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

	Consolidated	
Cash flows	**Nominal amount**	**Amount adjusted to present value**
Lease consideration	96,766	89,855
Potential PIS/COFINS (9.25%)	(8,951)	(8,312)

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 right-of-use assets, the Company and its 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.

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, 2024 and 2023 are presented below:

	Individual		**Consolidated**	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
Right-of-use assets, net				
NBC TG 06 (R3) / IFRS 16	**88,566**	43,635	**90,654**	43,839
Amounts including future inflation	**92,844**	45,650	**95,031**	45,864
Variation	**4,278**	2,015	**4,377**	2,025
Lease liabilities				
NBC TG 06 (R3) / IFRS 16	**87,861**	46,330	**89,855**	46,543
Amounts including future inflation	**92,105**	48,470	**94,195**	48,693
Variation	**4,244**	2,140	**4,340**	2,150

(In thousands of reais)

15. Right-of-use assets and lease liabilities (Continued)

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

	Individual		Consolidated	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
Finance costs				
NBC TG 06 (R3) / IFRS 16	**(9,732)**	(5,673)	**(9,842)**	(5,703)
Amounts including future inflation	**(10,202)**	(5,935)	**(10,317)**	(5,966)
Variation	**(470)**	(262)	**(475)**	(263)
Depreciation expenses				
NBC TG 06 (R3) / IFRS 16	**(53,031)**	(47,248)	**(53,447)**	(47,554)
Amounts including future inflation	**(56,033)**	(49,431)	**(56,439)**	(49,751)
Variation	**(3,002)**	(2,183)	**(2,992)**	(2,197)

16. Labor and social obligations

	Individual		Consolidated	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
Salaries and wages	**18,994**	15,249	**19,130**	15,339
Social charges on salaries and wages	**13,371**	9,274	**13,457**	9,324
Accrued vacation pay and 13th monthly salary	**25,241**	21,003	**25,409**	21,134
Social charges on accrued vacation pay and 13th monthly salary	**9,033**	7,395	**9,092**	7,442
Other	**7,882**	8,763	**7,882**	8,850
	74,521	61,684	**74,970**	62,089

17. Provision for contingencies

Changes in provision for contingencies are as follows:

	Individual and Consolidated			
	Labor	**Tax**	**Civil**	**Total**
Balance at December 31, 2022	1,098	423	51	1,572
Merger	1,381	285	-	1,666
Set-up	16,197	450	1,860	18,507
Reversal	(6,957)	(775)	(977)	(8,709)
Write-off	(1,493)	-	-	(1,493)
Balance at December 31, 2023	**10,226**	**383**	**934**	**11,543**
Set-up	**9,626**	**308**	**831**	**10,765**
Reversal	**(8,818)**	**(142)**	**(692)**	**(9,652)**
Write-off	**(725)**	**-**	**-**	**(725)**
Balance at December 31, 2024	**10,309**	**549**	**1,073**	**11,931**

(In thousands of reais)

17. Provision for contingencies (Continued)

The balance of tax, civil and labor proceedings for which the likelihood of loss has been assessed as possible totals R$220,586 (R$56,029 at December 31, 2023).

The estimate of possible losses refers substantially to legal and administrative tax proceedings, among which R$171,350 related to legal claims concerning inclusion of Value Added Services in the tax base of ICMS on Multimedia Communication Services.

The Company's judicial deposits amount to R$7,357 (R$7,623 at December 31, 2023).

18. Other accounts payable

	Individual		Consolidated	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
Authorization for use of radiofrequency (5G)	**181,092**	177,676	**181,092**	177,676
Radiofrequency license - LTE (4G)	**1,875**	2,074	**1,875**	2,074
(-) Amount adjusted to present value	**(67)**	(213)	**(67)**	(213)
Other obligations payable	**5,194**	1,619	**5,466**	1,620
	188,094	181,156	**188,366**	181,157
Current	**15,613**	10,316	**15,884**	10,316
Noncurrent	**172,481**	170,840	**172,482**	170,841

19. Government grants

The Company has the following tax benefits:

			Amount recorded in P&L for the period	
Government grant	**Benefit granted**	**Note**	**12/31/2024**	**12/31/2023**
Federal – SUDENE - Effective term from 10/2019 to 12/2027.	Reduction by 75% in non-refundable income tax and surtax.	Note 24	**6,446**	8,879
Federal - Worker's Meal Program (PAT) – Indefinite term	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.	Note 24	**460**	519

(In thousands of reais)

19. Government grants (Continued)

Government grant	Benefit granted	Note	Amount recorded in P&L for the period	
			12/31/2024	12/31/2023
Federal – Reinvestment – Banco do Nordeste – Effective term from 01/2022 to 12/2024.	Reinvest in its own projects to modernize and supplement equipment, 30% of Income Tax due.	Note 24	**396**	601
Federal - Rouanet Law – Indefinite term.	Deduction of amounts intended for cultural incentive projects through donation or limited sponsorship up to 4% of the tax due.	Note 24	**498**	130
Federal – Tax expenditures handed to promote social and economic development considered as foregone debts - FUST	Reduction in the contribution to the Universal Telecommunications Services Fund (FUST) in exchange for the implementation of a connectivity project for public schools.	Note 21	**1,698**	-
State – ICMS – All units, from 07/27/2015 to indefinite	Reduction of the ICMS tax base on subscription television services, resulting in a tax burden of 10% in Ceará State and 15% in other states.	Note 21	**48**	-
State - ICMS CE from 10/01/2019 to indefinite (annual renewal) PB from 06/01/2020 to 06/01/2030 PE from 04/01/2022 to indefinite (semiannual renewal) AL from 06/10/2024 to 12/31/2032	Reduction by 75% of the ICMS amounts on intrastate revenues.	Note 21	**84,238**	68,947
	Permanent exclusion of ICMS tax benefits.	Note 24	**-**	23,442
State - ICMS SE from 03/07/2024 to 04/30/2026 (renewable) RN from 04/12/2024 to 06/30/2026 (renewable) PB from 05/01/2024 to 04/30/2026 (renewable) CE from 08/01/2024 to 07/31/2025 (renewable) PI from 09/01/2024 to 04/31/2026 (renewable)	Matching credit of 1% of the ICMS debts related to the provision of telecommunication services, replacing the reversals of debts from the same services.	Note 21	**670**	-

(In thousands of reais)

20. Equity (Individual)

a) Capital

The subscribed and paid-in capital of the Company as of December 31, 2024, is R$1,372,036 (R$1,343,246 as of December 31, 2023), divided into 438,007,537 common shares, all registered, book-entry, and without par value (1,368,739,142 shares as of December 31, 2023).

	Shares		Percentage - %	
Shareholders	**12/31/2024**	**12/31/2023**	**12/31/2024**	**12/31/2023**
Brisanet Participações S.A.	**-**	1,368,735,472	**-**	99.99%
José Roberto Nogueira	**148,185,781**	3,670	**33.83%**	0.01%
João Paulo Estevam	**35,774,178**	-	**8.17%**	-
Jordão Estevam Nogueira	**35,467,378**	-	**8.10%**	-
Paulo Estevam da Silva	**35,327,878**	-	**8.07%**	-
Other controlling entities	**98,883,822**	-	**22.58%**	-
Other shareholders	**84,368,500**	-	**19.26%**	-
Total	**438,007,537**	1,368,739,142	**100.00%**	100.00%

The movement of the number of common shares during the fiscal year is presented below:

	2024
Number of common shares at the beginning of the fiscal year	1,368,739,142
Repurchase and cancellation of shares from minority shareholders	**(3,670)**
Cancellation of shares held by Brisanet Participações due to reverse merger	**(1,368,735,472)**
Issuance of shares, without par value, to the shareholders of the merged entity	**438,007,537**
Number of common shares at the end of the fiscal year	**438,007,537**

On July 29, 2024, as a preliminary step to begin the downstream merger process, completed by the Company in December 2024, the Company redeemed 3,670 shares, totaling R$4,018.88, which were in the name of the CEO, José Roberto Nogueira. The redemption was carried out based on the Company's equity value as of March 31, 2024, using the capital reserve, without capital reduction, and with consequent cancellation of the redeemed shares, in accordance with the provisions of article 44 of the Corporation Law.

On December 4, 2024, the shareholders of Brisanet Serviços, through a Special General Meeting (SGM), approved the downstream merger of the net assets of Brisanet Participações S.A., amounting to R$28,790. All common shares held by Brisanet Participações in the Company have been canceled.

20. Equity (Individual) - (Continued)

a) Capital (Continued)

In the context of this merger, the exchange ratio of shares for the shareholders of Brisanet Participações to Brisanet Serviços was set so that 1 (one) common share issued by the Company would be assigned for each 1 (one) common share issued by Brisanet Participações held by its shareholders, totaling 438,007,537 common shares, already excluding dissenting shareholders who exercised their right of withdrawal (note 20, item c), thus reducing the number of common shares at the end of the fiscal year.

b) Capital reserve

As a result of the merger process of Brisanet Participações S.A., the amount of R$ 26,153 was paid to shareholders holding 7,737,379 common shares issued by Brisanet Participações S.A., prior to the merger, who exercised their right of withdrawal in accordance with CVM regulations.

c) 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.

Tax incentive reserve: It is constituted annually from the portion of profit derived from the investment grants received by the Company, as detailed in Explanatory Note No. 19. As of December 31, 2024, the tax incentive reserves totaled R$ 126,755 (R$ 119,913 as of December 31, 2023).

As presented in Note 19, the Company benefits from tax incentives granted by the states of Ceará and Paraíba, with a 75% reduction in the ICMS (State VAT) due in each state. Until December 31, 2023, the Company was required to establish a reserve related to this incentive, based on article 30 of Law No. 12973/2014. However, with the repeal of this article by Law No. 14789/2023, as of January 1, 2024, the Company ceased to set up this reserve, as there is no longer a legal obligation for its maintenance.

The Company also benefits from a 75% reduction in income tax and surtax until December 31, 2027, calculated on profit from tax incentive activities (“*lucro da exploração*”).

(In thousands of reais)

20. Equity Individual - (Continued)

c) Income reserves (Continued)

	2024	2023
Reduction in income tax and surtax - SUDENE - Federal	**6,446**	8,879
Reinvestment SUDENE - Federal	**396**	601
Reduction of 75% in ICMS - State	**-**	68,947
	6,842	78,427

Investment reserve: is constituted by the remaining balance of the net income determined in the balance sheet after legal deductions and aims to provide funds that ensure the capitalization level of the Company, investments in activities related to the Company's corporate purpose, or the payment of future dividends to shareholders or their anticipations. The annual portion of net income allocated to the Investment Reserve will be submitted for approval by the shareholders at the Annual General Meeting within four months following the end of the fiscal year. The balance of profit reserves, with legal exceptions, shall not exceed the value of the Company's share capital.

On December 31, 2024, after applying the legal deductions, the amount of R$ 28,744 was allocated for the establishment of the investment reserve.

Retained earnings reserve: This reserve is established with the objective of retaining part of the profits earned by the Company, based on a duly approved capital budget, in accordance with Article 196 of Law No. 6,404/1976 (Corporation Law). This reserve aims to ensure that the company can finance its future investment plan and other strategic projects without the immediate need for dividend distribution or external fundraising.

In accordance with current legislation, the balance of this reserve may not exceed the amount of the approved capital budget, and any excess must be allocated to the distribution of dividends or the establishment of other reserves, as decided by the shareholders.

(In thousands of reais)

20. Equity (Individual) (Continued)

d) 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 and the tax incentive reserves, a minimum of 25% (twenty-five percent) will be allocated to payment of mandatory minimum dividends due to shareholders.

	2024
Allocation of the profit for the fiscal year	
Profit for the fiscal year	**60,790**
Legal reserve – 5%	**(2,697)**
Tax incentive reserve	**(6,842)**
Profit to be distributed	**51,251**
(-) Interest on equity attributed as mandatory minimum dividends – 25%	**(12,813)**
(-) Approved supplementary interest on equity	**(2,487)**
(-) Withholding tax on interest on equity	**(2,700)**
	18,000

The General Shareholders' Meeting approved on December 30, 2024, the distribution of dividends in the form of interest on equity amounting to R$ 12,813, corresponding to the mandatory minimum dividend, and R$ 2,487 as supplementary minimum dividends, totaling R$ 15,300. The payment will be made in the first half of 2025.

The Company allocated the interest on equity to the minimum dividend at its net value after withholding income tax. The amount of R$ 2,700 related to withholding income tax was recognized in current liabilities to fulfill the tax obligations related to the credit of interest on equity.

21. Net operating revenue

	Individual		Consolidated	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
Gross sales revenue				
Services provided	**1,578,285**	1,377,263	**1,585,527**	1,381,051
Goods resold	**493**	2,327	**493**	2,272
	1,578,778	1,379,590	**1,586,020**	1,383,323
Deductions from gross revenue				
(-) Taxes on revenue	**(243,708)**	(223,698)	**(244,880)**	(224,400)
Tax benefits (Note 19)	**86,654**	68,947	**86,654**	68,947
	(157,054)	(154,751)	**(158,226)**	(155,453)
Net operating revenue	**1,421,724**	1,224,839	**1,427,794**	1,227,870

(In thousands of reais)

22. Operating costs and expenses by nature and function

Individual

	12/31/2024					12/31/2023				
	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**
	(824,371)	**(186,439)**	**(227,391)**	**8,931**	**(1,229,270)**	(653,117)	(112,423)	(175,068)	(25,997)	(966,605)
By nature:										
Interconnection and means of connection	**(55,231)**	**-**	**-**	**-**	**(55,231)**	(36,262)	-	-	-	(36,262)
Direct connectivity costs (Link)	**(22,605)**	**-**	**-**	**-**	**(22,605)**	(19,660)	-	-	-	(19,660)
Indirect costs of right of way (utility poles)	**(80,880)**	**-**	**-**	**-**	**(80,880)**	(79,794)	-	-	-	(79,794)
Salaries and wages	**(141,016)**	**(84,983)**	**(80,383)**	**-**	**(306,382)**	(119,572)	(54,216)	(55,807)	-	(229,595)
Third-party services	**(24,807)**	**(18,710)**	**(6,465)**	**-**	**(49,982)**	(12,899)	(10,438)	(8,539)	-	(31,876)
Advertising and publicity	**-**	**-**	**(36,134)**	**-**	**(36,134)**	-	-	(29,570)	-	(29,570)
Depreciation and amortization	**(387,334)**	**(20,453)**	**(2,657)**	**-**	**(410,444)**	(310,904)	(12,385)	(2,298)	-	(325,587)
Taxes, charges and contributions	**-**	**-**	**-**	**(17,288)**	**(17,288)**	-	-	-	(10,818)	(10,818)
Electric power and water	**(20,344)**	**(3,304)**	**(35)**	**-**	**(23,683)**	(11,605)	(2,381)	(18)	-	(14,004)
Materials and maintenance	**(21,953)**	**(12,583)**	**(1,111)**	**-**	**(35,647)**	(19,381)	(2,942)	(752)	-	(23,075)
Other personnel expenditures	**(25,962)**	**(12,824)**	**(13,214)**	**-**	**(52,000)**	(18,504)	(8,109)	(8,306)	-	(34,919)
Allowance for expected credit losses	**-**	**-**	**(73,219)**	**-**	**(73,219)**	-	-	(66,318)	-	(66,318)
Provision for contingencies	**-**	**-**	**-**	**(1,113)**	**(1,113)**	-	-	-	(9,799)	(9,799)
System maintenance services	**(24,980)**	**(12,920)**	**(4,848)**	**-**	**(42,748)**	(10,543)	(9,992)	(1,494)	-	(22,029)
Other	**(19,259)**	**(20,662)**	**(9,325)**	**27,332**	**(21,914)**	(13,993)	(11,960)	(1,966)	(5,380)	(33,299)

Consolidated

	12/31/2024					12/31/2023				
	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**
	(826,706)	**(188,012)**	**(229,190)**	**9,012**	**(1,234,896)**	(654,400)	(113,482)	(176,872)	(25,981)	(970,735)
By nature:										
Interconnection and means of connection	**(55,231)**	**-**	**-**	**-**	**(55,231)**	(36,262)	-	-	-	(36,262)
Direct connectivity costs (Link)	**(22,605)**	**-**	**-**	**-**	**(22,605)**	(19,660)	-	-	-	(19,660)
Indirect costs of right of way (utility poles)	**(80,880)**	**-**	**-**	**-**	**(80,880)**	(79,794)	-	-	-	(79,794)
Salaries and wages	**(141,749)**	**(85,927)**	**(81,147)**	**-**	**(308,823)**	(120,258)	(54,820)	(56,733)	-	(231,811)
Third-party services	**(24,732)**	**(18,747)**	**(6,466)**	**-**	**(49,945)**	(12,844)	(10,454)	(8,540)	-	(31,838)
Advertising and publicity	**-**	**-**	**(36,415)**	**-**	**(36,415)**	-	-	(30,036)	-	(30,036)
Depreciation and amortization	**(388,644)**	**(20,690)**	**(2,660)**	**-**	**(411,994)**	(311,268)	(12,624)	(2,298)	-	(326,190)
Taxes, charges and contributions	**-**	**-**	**-**	**(17,321)**	**(17,321)**	-	-	-	(10,829)	(10,829)
Electric power and water	**(20,345)**	**(3,343)**	**(35)**	**-**	**(23,723)**	(11,605)	(2,404)	(19)	-	(14,028)
Materials and maintenance	**(22,005)**	**(12,625)**	**(1,116)**	**-**	**(35,746)**	(19,421)	(2,953)	(763)	-	(23,137)
Other personnel expenditures	**(26,106)**	**(12,981)**	**(13,387)**	**-**	**(52,474)**	(18,648)	(8,220)	(8,530)	-	(35,398)
Allowance for expected credit losses	**-**	**-**	**(73,735)**	**-**	**(73,735)**	-	-	(66,455)	-	(66,455)
Provision for contingencies	**-**	**-**	**-**	**(1,113)**	**(1,113)**	-	-	-	(9,799)	(9,799)
System maintenance services	**(24,988)**	**(12,923)**	**(4,849)**	**-**	**(42,760)**	(10,544)	(9,992)	(1,493)	-	(22,029)
Other	**(19,421)**	**(20,776)**	**(9,380)**	**27,446**	**(22,131)**	(14,096)	(12,015)	(2,005)	(5,353)	(33,469)

(In thousands of reais)

23. Finance income (costs)

	Individual		Consolidated	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
Finance costs				
Interest on loans and financing, and debentures	**(167,234)**	(137,238)	**(167,627)**	(137,628)
Late-payment interest and fines	**(747)**	(857)	**(750)**	(865)
Exchange losses	**(24,257)**	(10,256)	**(24,257)**	(10,256)
Bank charges	**(6,624)**	(5,605)	**(6,658)**	(5,612)
Interest on leases	**(10,886)**	(5,728)	**(10,997)**	(5,759)
Taxes on financial transactions	**(376)**	(4,203)	**(376)**	(4,205)
Collection fees	**(1,762)**	(1,751)	**(1,764)**	(1,751)
Interest on installment payments	**(1,818)**	(934)	**(1,818)**	(934)
Derivative transactions – swap	**(11,960)**	(17,524)	**(11,960)**	(17,524)
Other finance costs	**(1,400)**	(571)	**(1,407)**	(571)
	(227,064)	(184,667)	**(227,614)**	(185,105)
Finance income				
Interest income received	**20,704**	17,909	**20,790**	17,944
Financial investment yield	**66,672**	64,791	**66,673**	64,792
Exchange gains	**4,506**	11,204	**4,506**	11,204
Derivative transactions – swap	**14,832**	12,440	**14,832**	12,440
Other finance income	**6,865**	868	**6,870**	868
	113,579	107,212	**113,671**	107,248
Finance income (costs)	**(113,485)**	(77,455)	**(113,943)**	(77,857)

24. Income and social contribution taxes

As at December 31, 2024 and 2023, income and social contribution taxes were calculated on taxable profit based on accounting records (“*Lucro real*”), at the rate of 10% income tax (IRPJ), and 10% surtax on profits exceeding R$240 over 9% months, and at 9% for social contribution tax (CSLL).

Current income and social contribution tax expense is as follows:

	Individual		Consolidated	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
Taxable profit computed as per accounting records (“*lucro real*”):				
Current income and social contribution taxes	**(26,064)**	(31,299)	**(26,136)**	(31,299)
Deferred income and social contribution taxes	**81**	13,573	**175**	14,080
Tax benefit – income tax reduction (Note 19)	**6,446**	8,879	**6,446**	8,879
Tax incentive – PAT (Note 19)	**460**	519	**460**	519
Tax incentive – Rouanet Law (Note 19)	**498**	130	**498**	130
Tax incentive – Reinvestment (Note 19)	**396**	601	**396**	601
	(18,183)	(7,597)	**(18,161)**	(7,090)

(In thousands of reais)

24. Income and social contribution taxes (Continued)

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

	Individual		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Assets				
Income and social contribution tax losses	**-**	-	**415**	456
Temporary differences on allowance for expected credit losses	**4,817**	2,933	**4,932**	2,978
Temporary differences on provision for PPE due to malfunction	**1,409**	-	**1,409**	-
Temporary differences on provision for contingencies	**1,819**	1,760	**1,819**	1,760
Temporary differences on derivative transactions	**-**	562	**-**	562
Temporary differences on the provision for profit sharing	**597**	117	**606**	117
Temporary differences on lease payable	**-**	90	**-**	96
Temporary differences on installation and activation of customers	**4,698**	2,400	**4,698**	2,400
	13,340	7,862	**13,879**	8,369
Liabilities				
Temporary differences on derivative transactions	**(530)**	-	**(530)**	-
Temporary differences on expenses with commissions	**(1,420)**	-	**(1,434)**	-
Temporary differences on leases	**(1,258)**	-	**(1,183)**	-
	(3,208)	-	**(3,147)**	-
Deferred income and social contribution taxes, net	**10,132**	7,862	**10,732**	8,369

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

	Individual		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Income before income and social contribution taxes	**78,973**	180,090	**78,955**	178,588
Combined statutory rate - 34%	**34%**	34%	**34%**	34%
Income and social contribution taxes at statutory rates	**(26,852)**	(61,231)	**(26,847)**	(60,720)
Permanent differences				
Equity pickup	**1**	-	**-**	-
Tax benefit – income tax reduction (Note 19)	**6,446**	8,879	**6,446**	8,879
Tax incentive – PAT (Note 19)	**460**	519	**460**	519
Tax incentive – Rouanet Law (Note 19)	**498**	130	**498**	130
Tax incentive – ICMS reduction (Note 19)	**-**	23,442	**-**	23,442
Tax incentive – Reinvestment	**396**	601	**396**	601
Previously unaccrued tax credits	**-**	12,432	**-**	12,432
Difference in tax rates of deferred taxes (a)	**48**	7,589	**48**	7,589
(Additions) exclusions, net	**819**	42	**836**	38
	(18,183)	(7,597)	**(18,161)**	(7,090)
Current income and social contribution tax expenses	**(18,264)**	(21,170)	**(18,336)**	(21,170)
Deferred income and social contribution tax expenses	**81**	13,573	**175**	14,080
Income and social contribution tax expenses	**(18,183)**	(7,597)	**(18,161)**	(7,090)
Effective rate (%)	**23%**	4%	**23%**	4%

(a) Refers to the effect of the difference in tax rates generated upon the recognition of deferred taxes, considering the 75% reduction in the income tax rate granted by government subsidy (Note 19)..

25. Earnings (loss) per share

The purpose of calculating earnings per share is to allow performance comparisons between different companies in the same period, as well as for the same company in different periods.

As explained in explanatory note 20, the Company carried out a reverse merger with Brisanet Participações S.A., thereby canceling all ordinary shares of the Company held by the merged entity. Concurrently, the Company issued ordinary shares, with no par value, to the shareholders of this entity, excluding dissenting shareholders who exercised their right of withdrawal, thus becoming direct shareholders of the Company at a ratio of 1 (one) ordinary share for 1 (one) ordinary share. Since the number of shares of the Company prior to the merger was greater than that of the merged entity, this resulted in the effective reduction of 930,727,935 ordinary shares that were canceled without any compensation or change in resources.

Thus, for the calculation of earnings per share, the Company considered the current composition of ordinary shares for the comparative period as if the cancellation of these excess ordinary shares had occurred from the beginning of the fiscal year 2023, as required by Technical Pronouncement CPC 41. Therefore, both the numerator (net income for the year) and the denominator (number of shares) are on comparable bases.

	2024	**2023**
Profit (loss) attributable to Company shareholders	**60,790**	172,493
Weighted average number of common shares (in thousands)	**438,010**	401,974
Basic and diluted earnings (loss) per share – in (R$)	**0.14**	0.43

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 year.

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.

(In thousands of reais)

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.

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, 2024 and 2023, debt ratios are summarized as follows:

		Controladora		Consolidado	
	Notas	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Total loans and financing	13	**332,357**	300,979	**334,710**	304,004
Total debentures	14	**1,556,878**	897,704	**1,556,878**	897,704
Total lease liabilities	15	**87,861**	46,330	**89,855**	46,543
Total derivatives	26	**-**	5,542	**-**	5,542
Less: Cash and cash equivalents	4	**(238,469)**	(322,945)	**(238,791)**	(323,210)
Less: Financial investments - current	4	**(379,255)**	(180,867)	**(379,255)**	(180,867)
Less: Derivatives	26	**(3,477)**	(1,609)	**(3,477)**	(1,609)
Dívida líquida	A	**1,355,895**	**745,134**	**1,359,920**	748,107
Net debt		**1,517,175**	1,536,082	**1,520,725**	1.539.628
Equity plus net debt	B	**2,873,070**	2,281,216	**2,880,645**	2.287.735
Financial leverage ratio	A/B	**47.19%**	**32.66%**	**47.21%**	32.70%

(In thousands of reais)

26. Financial instruments and risk management (Continued)

b) Category of financial instruments

	Individual		Consolidated	
	12/31/2024	12/31/2023	**12/31/2024**	12/31/2023
Financial assets at amortized cost:				
Financial investments	**379,255**	180,867	**379,255**	180,867
Trade accounts receivable	**188,081**	162,865	**188,971**	163,309
Derivative transactions	**3,477**	1,609	**3,477**	1,609
	570,813	345,341	**571,703**	345,785
Financial liabilities at amortized cost:				
Trade accounts payable	**180,493**	98,752	**180,525**	98,834
Loans and financing	**332,357**	300,979	**334,710**	304,004
Debentures	**1,556,878**	897,704	**1,556,878**	897,704
Lease obligations	**87,861**	46,330	**89,855**	46,543
Derivative transactions	**-**	5,542	**-**	5,542
	2,157,589	1,349,307	**2,161,968**	1,352,627

a) 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.

b) Credit risk

The Company is exposed to credit risk in its operational activities, primarily concerning accounts receivable. The customer's credit risk is managed centrally, subject to procedures, controls, and policies established by the Company regarding management of each customer’s credit risk.

An impairment analysis is performed at each reporting date using an allowance matrix to assess expected credit losses. The allowance rates are based on days past due, and the calculation reflects the probability-weighted loss and reasonable and supportable information that is available at the reporting date regarding past events, current conditions, and forecasts of future economic conditions. Significant variations in projected unemployment and default rates for the region in which the Company operates are taken into account in this analysis, although the most significant impact still arises from the historical loss experience with customers. Furthermore, although the amount of expected credit losses is sensitive to changes in circumstances and projected economic conditions, the Group's historical credit loss experience and the forecast of economic conditions may not represent the actual pattern of the customer in the future.

The maximum exposure to credit risk at the reporting date is the carrying amount of financial assets disclosed in Note 5. At December 31, 2024, the Company and its subsidiaries recorded allowance for expected credit losses amounting to R$31,802 (R$19,247 at December 31, 2023), considered sufficient by management to cover expected losses on realization of trade receivables. No individual customer represents more than 10% of total accounts receivable.

(In thousands of reais)

26. Financial instruments and risk management (Continued)

d) 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.

e) 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:

	Individual					
	12/31/2024					
	Total em 12/31/2024	**Menos de 6 meses**	**Entre 6 e 12 meses**	**Entre 1 e 2 anos**	**Entre 2 e 5 anos**	**Mais de 5 anos**
Trade accounts payable	**180,493**	**157,244**	**23,249**	**-**	**-**	**-**
Loans and financing	**332,357**	**32,538**	**60,610**	**45,111**	**65,625**	**128,473**
Debentures	**1,556,878**	**143,961**	**185,226**	**543,308**	**684,383**	**-**
Lease obligations	**87,861**	**10,837**	**20,470**	**26,087**	**23,201**	**7,266**

	Individual					
	12/31/2023					
	Total em 12/31/2023	Menos de 6 meses	Entre 6 e 12 meses	Entre 1 e 2 anos	Entre 2 e 5 anos	Mais de 5 anos
Trade accounts payable	98,752	83,131	15,621	-	-	-
Loans and financing	300,979	42,591	52,323	80,256	29,159	96,650
Debentures	897,704	17,402	2,012	530,200	348,090	-
Lease obligations	46,330	6,618	6,827	19,419	13,360	106

(In thousands of reais)

26. Financial instruments and risk management (Continued)

e) Liquidity risk (Continued)

	Consolidated					
	12/31/2024					
	Total at 12/31/2024	**Less than 6 months**	**Between 6 and 12 months**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Above 5 years**
Trade accounts payable	**180,525**	**157,272**	**23,253**	**-**	**-**	**-**
Loans and financing	**334,710**	**32,891**	**61,610**	**46,112**	**65,624**	**128,473**
Debentures	**1,556,878**	**143,961**	**185,226**	**543,308**	**684,383**	**-**
Lease obligations	**89,855**	**11,169**	**20,804**	**26,751**	**23,422**	**7,709**

	Consolidated					
	12/31/2024					
	Total at 12/31/2023	**Less than 6 months**	**Between 6 and 12 months**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Above 5 years**
Trade accounts payable	98,834	84,083	14,751	-	-	-
Loans and financing	304,004	42,616	52,989	82,589	29,159	96,651
Derivatives	5,542	2,771	2,771	-	-	-
Debentures	897,704	17,402	2,012	530,200	348,090	-
Lease obligations	46,543	7,281	7,330	18,976	12,850	106

d) 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.

e) Currency risk

This risk refers to exchange rate fluctuations on commitments in foreign currency. The Company uses 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 to be in line with the existing sale commitments contracted in foreign currency. As at December 31, 2024, the Company records a balance receivable of R$3,477 (R$1,609 at December 31, 2023) equivalent to the estimated positive adjustment to be received financially upon contract maturity, based on their fair values on the respective date.

(In thousands of reais)

26. Financial instruments and risk management (Continued)

g) Currency risk (Continued)

Breakdown of financial instruments

Description	Individual and Consolidated 12/31/2024	12/31/2023
Assets		
Derivative transactions receivable – Swap	**3,477**	1,609
	3,477	1,609
Current	**283**	133
Noncurrent	**3,194**	1,476
Liabilities		
Derivatives transactions - Swap	-	5,542
	-	5,542
Current	-	5,542
Noncurrent	-	-

The maturity of derivatives and swap transactions receivable is shown below:

	Individual and Consolidated 12/31/2024	12/31/2023
2024	**-**	133
2025	**283**	290
2026 onwards	**2,194**	1,186
	3,477	1,609

As of December 31, 2023, the Company engaged in instruments for financial transactions in foreign currency aimed at fundraising and import financing. Derivatives transactions accounted for 3.51% (R$10,675/R$303,983) of the bank debt.

For the current year, the Company engaged in derivative instruments to hedge 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, 2024, derivative financial instruments amounted to assets of R$3,477 (R$1,609/R$5,542, assets and liabilities, respectively at December 31, 2023). The Company measures its loan liabilities in foreign currency at amortized cost, which are hedged by derivative financial instruments (swaps).

In the year ended December 31, 2024, net realized and unrealized gains (losses) deriving from these contracts were recorded in finance income (costs), and represented a consolidated net loss of R$2,872 (consolidated net loss of R$5,084 at December 31, 2023).

(In thousands of reais)

26. Financial instruments and risk management (Continued)

h) Sensitivity analysis of CDI and USD variations

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

Three scenarios are considered below, to wit: (i) current scenario (probable), which is adopted by the Company, (ii) scenario with increase of 25% of the risk variable considered, and (iii) scenario with increase of 50% of the risk variable considered. Additionally, two more scenarios were included with the opposite effect, demonstrating the impacts of a 25% reduction (iv) and a 50% reduction (v) in risk variables. 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

12/31/2024			**Individual**				
Instrument/transaction	**Probable scenario p.a.**	**Risk**	**Scenario I (current)**	**Scenario II +25%**	**Scenario III +50%**	**Scenario IV -25%**	**Scenario V -50%**
Working capital	17.58%	CDI	**(6,956)**	**(8,695)**	**(10,434)**	**(5,217)**	**(3,478)**
Working capital	6.88%	TLP	**(685)**	**(857)**	**(1,028)**	**(514)**	**(343)**
Financing - TR	1.17%	TR	**(2,812)**	**(3,515)**	**(4,218)**	**(2,109)**	**(1,406)**
Debentures – first issue	6.35%	IPCA	**(40,222)**	**(50,278)**	**(60,334)**	**(30,167)**	**(20,111)**
Debentures – second/third issue	15.14%	CDI	**(143,485)**	**(179,355)**	**(215,225)**	**(107,613)**	**(71,742)**
Financial investments	15.14%	CDI	**93,082**	**116,352**	**139,622**	**69,811**	**46,541**
Projected income (loss)			**(101,078)**	**(126,348)**	**(151,617)**	**(75,809)**	**(50,539)**

12/31/2023			**Individual**				
Instrument/transaction	**Probable scenario p.a.**	**Risk**	**Scenario I (current)**	**Scenario II +25%**	**Scenario III +50%**	**Scenario IV -25%**	**Scenario V -50%**
Working capital	11.57%	CDI	(11,456)	(14,320)	(17,184)	(8,592)	(5,728)
Working capital	6.26%	TLP	(20)	(25)	(30)	(15)	(10)
PPE financing (FINEM)	6.68%	TLP	(1,137)	(1,422)	(1,706)	(853)	(569)
Financing - TR	3.83%	TR	(5,874)	(7,342)	(8,811)	(4,406)	(2,937)
Debentures – first issue	6.25%	IPCA	(36,467)	(45,584)	(54,701)	(27,350)	(18,234)
Debentures – second issue	11.57%	CDI	(36,356)	(45,445)	(54,534)	(27,267)	(18,178)
Financial investments	9.00%	CDI	45,357	56,696	68,036	34,018	22,679
Projected income (loss)			(45,953)	(57,442)	(68,930)	(34,465)	(22,977)

(In thousands of reais)

26. Financial instruments and risk management (Continued)

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

Interest rate risk (Continued)

12/31/2024			Consolidated				
Instrument/transaction	**Probable scenario p.a.**	**Risk**	**Scenario I (current)**	**Scenario II +25%**	**Scenario III +50%**	**Scenario IV -25%**	**Scenario V -50%**
Working capital	11.57%	CDI	**(6,956)**	**(8,695)**	**(10,434)**	**(5,217)**	**(3,478)**
PPE financing (FINEM)	6.68%	TLP	**(685)**	**(857)**	**(1,028)**	**(514)**	**(343)**
Financing - TR	3.83%	TR	**(2,812)**	**(3,515)**	**(4,218)**	**(2,109)**	**(1,406)**
Debentures – first issue	6.25%	IPCA	**(40,222)**	**(50,278)**	**(60,334)**	**(30,167)**	**(20,111)**
Debentures – second issue	11.57%	CDI	**(143,484)**	**(179,355)**	**(215,226)**	**(107,613)**	**(71,742)**
Financial investments	9.00%	CDI	**91,729**	**114,662**	**137,594**	**68,797**	**45,865**
Projected income (loss)			**(102,430)**	**(128,038)**	**(153,646)**	**(76,823)**	**(51,215)**

12/31/2023			Consolidated				
Instrument/transaction	**Probable scenario p.a.**	**Risk**	**Scenario I (current)**	**Scenario II +25%**	**Scenario III +50%**	**Scenario IV -25%**	**Scenario V -50%**
Working capital	11.57%	CDI	(11,806)	(14,758)	(17,709)	(8,855)	(5,903)
Working capital	6.26%	TLP	(20)	(25)	(30)	(15)	(10)
PPE financing (FINEM)	6.68%	TLP	(1,137)	(1,421)	(1,706)	(853)	(569)
Financing - TR	3.83%	TR	(5,874)	(7,342)	(8,811)	(4,406)	(2,937)
Debentures – first issue	6.25%	IPCA	(36,467)	(45,584)	(54,701)	(27,350)	(18,234)
Debentures – second issue	11.57%	CDI	(36,356)	(45,445)	(54,534)	(27,267)	(18,178)
Financial investments	9.00%	CDI	45,357	56,696	68,036	34,018	22,679
Projected income (loss)			(46,303)	(57,879)	(69,455)	(34,728)	(23,152)

(In thousands of reais)

26. Financial instruments and risk management (Continued)

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

Currency risk

12/31/2024			Individual and Consolidated		
Instrument/transaction	**Probable dollar rate**	**Risk**	**Current scenario**	**Scenario II**	**Scenario III**
Trade accounts payable	6.00	Dollar increase	**(16,382)**	**20,477**	**24,572**
Loans and financing	6.00	Dollar increase	**(4,397)**	**5,497**	**6,596**
Projected income (loss)			**(20,779)**	**25,974**	**31,168**

12/31/2023			Individual and Consolidated		
Instrument/transaction	**Probable dollar rate**	**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)**

i) 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.

(In thousands of reais)

26. Financial instruments and risk management (Continued)

i) Fair value hierarchy (Continued)

	Individual 12/31/2024				
	Carrying amount	**Fair value**	**Level 1**	**Level 2**	**Level 3**
Financial assets at amortized cost:					
Financial investments	**379,255**	**379,255**	**-**	**379,255**	**-**
Trade accounts receivable	**188,081**	**188,081**	**-**	**188,081**	**-**
Financial assets at fair value through profit or loss:					
Derivative transactions	**3,477**	**3,477**	**-**	**3,477**	**-**
	570,813	**570,813**	**-**	**570,813**	**-**
Financial liabilities at amortized cost:					
Trade accounts payable	**180,493**	**180,493**	**-**	**180,493**	**-**
Loans and financing	**332,357**	**332,357**	**-**	**332,357**	**-**
Debentures	**1,556,878**	**1,556,878**	**-**	**1,556,878**	**-**
Financial liabilities at fair value through profit or loss:					
Derivative transactions	**-**	**-**	**-**	**-**	**-**
	2,069,728	**2,069,728**	**-**	**2,069,728**	**-**

	Consolidated 12/31/2024				
	Carrying amount	**Fair value**	**Level 1**	**Level 2**	**Level 3**
Financial assets at amortized cost:					
Financial investments	**379,255**	**379,255**	**-**	**379,255**	**-**
Trade accounts receivable	**188,971**	**188,971**	**-**	**188,971**	**-**
Financial assets at fair value through profit or loss:					
Derivative transactions	**3,477**	**3,477**	**-**	**3,477**	**-**
	571,703	**571,703**	**-**	**571,703**	**-**
Financial liabilities at amortized cost:					
Trade accounts payable	**180,525**	**180,525**	**-**	**180,525**	**-**
Loans and financing	**334,710**	**334,710**	**-**	**334,710**	**-**
Debentures	**1,556,878**	**1,556,878**	**-**	**1,556,878**	**-**
Financial liabilities at fair value through profit or loss:					
Derivative transactions	**-**	**-**	**-**	**-**	**-**
	2,072,113	**2,072,113**	**-**	**2,072,113**	**-**

(In thousands of reais)

26. Financial instruments and risk management (Continued)

i) Fair value hierarchy (Continued)

	Individual				
	12/31/2023				
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets at amortized cost:					
Financial investments	180,867	180,867	-	180,867	-
Trade accounts receivable	162,865	162,865	-	162,865	-
Financial assets at fair value through profit or loss:					
Derivative transactions	1,609	1,609	-	1,609	-
	345,341	345,341	-	345,341	-
Financial liabilities at amortized cost:					
Trade accounts payable	98,752	98,752	-	98,752	-
Loans and financing	300,979	300,979	-	300,979	-
Debentures	897,704	897,704	-	897,704	-
Financial liabilities at fair value through profit or loss:					
Derivative transactions	5,542	5,542	-	5,542	-
	1,302,977	1,302,977	-	1,302,977	-

	Consolidated				
	12/31/2023				
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets at amortized cost:					
Financial investments	180,867	180,867	-	180,867	-
Trade accounts receivable	163,308	163,308	-	163,308	-
Financial assets at fair value through profit or loss:					
Derivative transactions	1,609	1,609	-	1,609	-
	345,784	345,784	-	345,784	-
Financial liabilities at amortized cost:					
Trade accounts payable	98,834	98,834	-	98,834	-
Loans and financing	304,004	304,004	-	304,004	-
Debentures	897,704	897,704	-	897,704	-
Financial liabilities at fair value through profit or loss:					
Derivative transactions	5,542	5,542	-	5,542	-
	1,306,084	1,306,084	-	1,306,084	-

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.

(In thousands of reais)

26. Financial instruments and risk management (Continued)

j) Changes in liabilities arising from financing activities

Changes for the year ended December 31, 2024 in the liabilities arising from financing activities of the Company and its subsidiaries are as follows:

	Individual			
	12/31/2024			
	Empréstimos e financiamentos	**Debêntures**	**Arrendamentos**	**Dividendos**
Opening balance	**300,979**	**897,704**	**46,330**	4,710
Cash flows				
Net cash flows used in financing activities	**26,666**	**600,000**	**(62,349)**	**(64,532)**
Net cash flows used in operating activities	**(20,121)**	**(73,580)**	**(6,040)**	**-**
Noncash transactions (Note 28)	**2,050**	**4,785**	**99,038**	**75,122**
Adjustments to income				
Amortization of funding costs	**-**	**4,822**	**-**	**-**
Interest, foreign exchange differences and monetary variations on leases, debentures, promissory notes, and loans and financing	**22,783**	**123,147**	**10,882**	**-**
Closing balance	**332,357**	**1,556,878**	**87,861**	**15,300**

	Individual			
	12/31/2023			
	Empréstimos e financiamentos	**Debêntures**	**Arrendamentos**	**Dividendos**
Opening balance	304,004	897,704	46,543	-
Cash flows				
Net cash flows used in financing activities	26,000	600,000	(62,899)	(19,605)
Net cash flows used in operating activities	(20,515)	(73,580)	(6,091)	-
Noncash transactions (Note 28)	2,050	4,875	101,310	24,315
Adjustments to income				
Amortization of funding costs	-	4,822	-	-
Interest, foreign exchange differences and monetary variations on leases, debentures, promissory notes, and loans and financing	23,171	123,147	10,992	-
Closing balance	334,710	1,556,878	89,855	4,710

(In thousands of reais)

26. Financial instruments and risk management (Continued)

	Consolidated			
	12/31/2024			
	Empréstimos e financiamentos	**Debêntures**	**Arrendamentos**	**Dividendos**
Opening balance	349,160	864,009	38,664	4,710
Cash flows				
Net cash flows used in financing activities	**(56,852)**	**-**	**(49,037)**	**(64,532)**
Net cash flows used in operating activities	**(32,000)**	**(74,825)**	**(3,572)**	**-**
Noncash transactions (Note 28)	**15,580**	**17,633**	**54,602**	**75,122**
Adjustments to income				
Amortization of funding costs	**-**	**4,662**	**-**	**-**
Interest, foreign exchange differences and monetary variations on leases, debentures, promissory notes, and loans and financing	**25,091**	**86,225**	**5,673**	**-**
Closing balance	**300,979**	**897,704**	**46,330**	**15,300**

	Consolidado			
	12/31/2023			
	Empréstimos e financiamentos	**Debêntures**	**Arrendamentos**	**Dividendos**
Opening balance	349,160	864,009	38,853	-
Cash flows				
Net cash flows used in financing activities	(55,393)	-	(49,324)	(19,605)
Net cash flows used in operating activities	(32,110)	(74,825)	(3,603)	-
Noncash transactions (Note 28)	9,087	24,250	54,914	24,315
Adjustments to income				
Amortization of funding costs	-	4,760	-	-
Interest, foreign exchange differences and monetary variations on leases, debentures, promissory notes, and loans and financing	31,719	79,510	5,703	-
Closing balance	304,004	897,704	46,543	4,710

(In thousands of reais)

27. Insurance coverage (Consolidated)

Management of the Company and its subsidiary 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:

	12/31/2024	12/31/2023
PPE – Civil liability (dollars)	**U$20,500**	U$20,000
PPE – Civil liability (reais)	**R$8,324**	R$7,769
PPE – Operational risk (dollars)	**U$6,000**	U$5,200
PPE – Operational risk (reais)	**R$1,800**	R$1,800
D&O (reais)	**R$50,000**	-
Other assets and operations – Operational risk	**R$400,980**	R$307,420

28. Transactions not involving cash or cash equivalents

	Individual		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Capitalization of interest (Note 10)	**14,823**	24,347	**14,823**	24,347
Capitalization of depreciation (Note 10)	**14,783**	17,376	**14,783**	17,376
New lease agreements (Note 15)	**98,382**	54,613	**100,654**	54,914

29. Events after the reporting period

Reverse Auction 4G/5G

Following the Relevant Fact disclosed on October 8, 2024, regarding the 1st reverse auction conducted by the Administrator Entity for the Digitalization of TV and RTV Channels (EAD) and by the Implementation Group for the Redistribution and Digitalization of TV and RTV Channels (GIRED), the Company announces that, on February 28, 2025, it received the amount of R$25.9 million, and on March 21, 2025, the amount of R$29.4 million. The remaining balance of the amount approved in the auction will be paid throughout the second quarter of 2025.

The Company participated in the second auction of the Implementation Group for the Redistribution and Digitalization Process (GIRED), an incentive project aimed at transferring resources, through the Administrator Entity of the Redistribution and Digitalization Process for TV and RTV Channels (EAD), to finance the installation of Base Radio Stations (ERBs) with the aim of offering Personal Mobile Service (SMP) in specific locations, in accordance with established technical requirements. The selection of beneficiaries for the resources occurred through a reverse auction, in which individual bids were made for each location, with the purpose of expanding access to mobile telephony and broadband internet in more than 40 locations in the Northeast and Central-West regions that still lack coverage.

At the time of this announcement, the Company reports that it was successful in the auction, securing R$ 59.9 million for 47 locations and is awaiting the signing of the terms with ANATEL, a necessary step for the continuation of coverage expansion in the targeted regions."

* * *

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 Serviços de Telecomunicações S.A. ("Company") represent that they have reviewed, discussed and agree with the Company's individual and consolidated Financial Statements for the year ended December 31, 2024.

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 Serviços de Telecomunicações 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 individual and consolidated Financial Statements for the year ended December 31, 2024.

Luciana Paulo Ferreira

Investor Relations Officer

José Roberto Nogueira

Chief Executive Officer

João Paulo Estevam

Chief Operating Officer

ANNUAL REPORT OF THE STATUTORY AUDIT COMMITTEE OF BRISANET SERVIÇOS DE TELECOMUNICAÇÕES S.A.

FISCAL YEAR 2024

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

The Audit Committee of Brisanet Serviços de Telecomunicações S.A. ("Company") is an advisory body directly linked to the Company's Board of Directors, of a permanent nature, subject to its Internal Regulations ("Regulations"), the provisions of the Company's Bylaws ("Bylaws"), and applicable legislation and regulatory standards.

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 an Extraordinary General Meeting held on July 29, 2024, and is available on its Investor Relations page (https://ri.brisanet.com.br).

Composition:

According to the Internal Regulations of the Audit Committee of Brisanet Serviços de Telecomunicações S.A., the CAE will operate on a permanent basis and will report to the Company's Board of Directors, acting independently from the Board of Executive Officers. The Audit Committee is composed of at least 3 (three) members, elected and dismissed by the Board of Directors for a term of 2 (two) years.

Currently, although the CAE was established together with the election of 4 (four) members, the CAE is currently composed of 3 (three) members, all of whom are independent, as per the data in the table below:

Name	Function	Independent
Geraldo Luciano Mattos Júnior	**Member (CAE Coordinator) and Board Member**	Yes
Eliardo Araújo Lopes Viera	Member	Yes
Stephano Gomes Gabriel	Member	Yes

Duties and Responsibilities:

The Company's Management is responsible for defining and implementing processes and procedures for collecting data necessary for preparing the financial statements, in compliance with corporate law, accounting practices adopted in Brazil and the relevant regulations issued by the Brazilian Securities and Exchange Commission (CVM). 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. It is also responsible for providing information to support the work of the Company's CAE.

The Internal Audit is responsible for assessing the quality of the Company'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 Committee – a function currently performed by Ernst & Young Auditores Independentes S/S Ltda. ("EY Brasil") – is responsible for examining the financial statements with a view to issuing a report on their compliance with applicable standards. As a result of its work, the Independent Audit Committee issues reports with recommendations on accounting procedures and internal controls, in addition to reports on quarterly special reviews for the purpose of meeting CVM requirements.

The responsibilities of the Company's Audit Committee are set forth in its Internal Regulations and are performed in strict compliance with the requirements set forth in CVM Resolution No. 80 of March 29, 2022, as amended ("CVM Resolution 80"), in the Novo Mercado Regulations, in the recommendations of the annual Best Corporate Governance Practices of the Brazilian Institute of Corporate Governance ("IBGC") and in the Bylaws. The main duties of the CAE, as defined in its Internal Regulations, are:

(i) to issue opinions on the hiring and dismissal of independent audit services;

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

(iii) to evaluate, monitor and recommend to management the correction or improvement of internal policies, as well as to have means to receive and process information regarding non-compliance with applicable legal and regulatory provisions;

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

(v) to request clarifications on the points that generated possible changes in the opinion issued in the independent audit report;

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

(vii) to monitor the evolution and updating of the risk mapping;
(viii) to monitor all stages of the risk management process;

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

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

(xi) have means to receive and process information about non-compliance with legal and regulatory provisions applicable to the Company, in addition to internal regulations and codes, including specific procedures for protecting 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 reporting and ombudsman channel, ensuring proper functioning with independence, secrecy, confidentiality and freedom from retaliation;

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

(xviii) ensure that the training and qualification grid for personnel enables them to identify, anticipate, measure, monitor and, if applicable, mitigate risks, in accordance with 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 Company's Audit Committee met ordinarily or extraordinarily at least 12 (twelve) times in the period between January 1, 2024 and December 31, 2024, and the following activities were highlighted among the activities carried out during the year:

a) monitoring the results of audits carried out on the Company's Property, Plant and Equipment and on operations in the B2G segment, as well as the balance sheet of the Ethics Channel for the year 2023;

b) monitoring the process of preparing and reviewing the Company's financial statements, through meetings with Management and the Independent Auditors to discuss the quarterly information (March 31, June 30 and September 30, 2024) and the financial statements of the Company and its subsidiaries for the year ended December 31, 2024;

c) monitoring the most relevant reports received by the ethics channel, receiving and handling complaints received regarding fraud, theft and embezzlement, as well as knowledge and monitoring of the actions adopted by the Company, when applicable;

d) reassessment and monitoring of the progress of the Action Plans of the Company's Internal Audit and Risk and Internal Control areas; e) monitoring of the Compliance program, the proposed plan and activities carried out throughout the year in the Company, especially with regard to interactions with public agents and related parties;

e) monitoring of the Compliance program, the proposed plan and activities carried out throughout the year in the Company, especially with regard to interactions with public agents and related parties;

f) monitoring of the internal control system regarding its effectiveness, its improvement processes, the assessment of the work plan for the year and the respective policies related to the topic; and

g) application of the Related Party Transactions Policy by assessing the transactions carried out during the year, which were reported during the periodic meetings.

All meetings were recorded in minutes and signed by their members, and were duly filed at the Company's registered office.

Reporting to the Board of Directors:

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

The Committee reported at all Board of Directors Meetings on the activities developed during the fiscal year, including the work performed and the discussions at the meetings held during the year 2024.

Conclusion:

The members of the Company's Audit Committee, in the exercise of their legal duties and responsibilities, as provided for in the Internal Regulations of the CAE itself, reviewed and analyzed the individual and consolidated financial statements, accompanied by the Independent Auditor's report for the fiscal year ended December 31, 2024 (“2024 Annual Financial Statements”) and, considering the information provided by the Company's Management and by EY Brasil, which adequately reflect, in all material aspects, the equity and financial positions of the Company and its subsidiaries, unanimously recommend the approval of said documents by the Company's Board of Directors, with subsequent submission for deliberation at the Company's Annual General Meeting.

Pereiro/CE, March 20, 2025

Geraldo Luciano Mattos Júnior
Committee Coordinator

Eliardo Araújo Lopes Viera
Committee Member

Stephano Gomes Gabriel
Committee Member