

Quarterly information (ITR)

Brisanet Participações S.A.

March 31, 2024

with Independent auditor's review report on quarterly information
(ITR)

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Contents

Comments on business projection trends.....	1
Independent auditor's review report on quarterly information	16
Reviewed individual and consolidated interim financial information	
Statements of financial position.....	18
Statements of profit or loss	20
Statements of comprehensive income	21
Statements of changes in equity	22
Statements of cash flows	23
Statements of value added	25
Notes to the interim financial statements.....	26
Officers' representation.....	64

1Q24

EARNINGS RESULTS

 **brisanet | 5G**

Brisanet records Cash Flows from Operations of R\$147 million in the quarter

Brisanet Participações S.A. (“Company” or “Brisanet”, B3: BRIT3), the largest fixed broadband provider in the Northeast region, according to the Anatel ranking, today announces its results for the first quarter of 2024 (1Q24).

With 25 years of history, Brisanet has a 29% market share in fiber in 7² of the 9 states in the Northeast (NE). The NE is the region of the country with the highest percentage of fiber optic customers in the country, with 85% of the total fixed broadband using this technology.

With a 100% fiber optic product portfolio, the Company has been **one of the regional 5G mobile** operators since December 2021, having won 3 frequencies in the 5G auction promoted by Anatel. The Company will be able to operate in the Northeast and MidWest regions. The commercialization of 5G began at the end of 3Q23 and **at the end of April 2024, we had over 78,000 active customers in the mobile segment.**

Brisanet	1Q24	4Q23	1Q23
Operating Highlights			
Cities served - FTTH	158	158	155
Access Ports - '000	4,683	4,670	4,401
HP added- '000	26	39	280
Total HP - '000	7,021	6,995	6,457
HC added- '000	32.2	35	59
Total HC - '000	1,324	1,292	1,159
Cities served - Mobile	98	45	-
Mobile Access	78,089	-	-
Financial Highlights (R\$ million)			
Net revenue	334.4	325.1	292.1
<i>Gross Margin (%)</i>	43%	45%	47%
Operating income	47.3	67.6	62.0
EBITDA	141.3	156.0	139.4
<i>Adjusted EBITDA Margin (%)</i>	42%	48%	48%
Adjusted EBITDA	141.3	151.6	139.4
<i>Adjusted EBITDA Margin (%)</i>	42%	47%	48%
Net income (loss)	20.1	62.5	25.2
Net debt	833.6	745.7	761.8
Net debt/LTM EBITDA (x)	1.43x	1.29x	1.53x

¹ and ² March/24 Data

MAIN HIGHLIGHTS OF THE PERIOD

- ✓ **Net operating revenue grew 14% in 1Q24** when compared to 1Q23 and 3% when compared to 4Q23. The growth is mainly the result of the increase in the Company's take-up rate, which in 1Q24 reached 19% and **added 32.2 thousand customers to its base organically**.
- ✓ **EBITDA in 1Q24 was R\$ 141.3 million with a margin of 42.2%**, a reduction of 1.4% compared to EBITDA in 1Q23. This drop in margin reflects the start of mobile operations (4G/5G), as happened with the FTTH business during the period of most intense investment in 2022, as part of the operating costs are fixed and will be diluted with the gradual increase of the customer base.
- ✓ Regarding cash flow, in 1Q24, **the Company generated cash flows from operating activities of R\$147.2 million**, a volume 3% higher than the EBITDA for the period. At the end of 2023, the Company generated R\$655.2 million in cash flows from operating activities.
- ✓ **Net profit reached R\$20.1 million in 1Q24**, a reduction of 20.1% compared to the result of 1Q23, as already mentioned, the main reason for this level were the costs and expenses associated with the mobile segment. This quarter the effective tax ("IR/CSSL") rate was 19%³.
- ✓ The Company had net additions of **9.1 thousand** customers, thus serving 1,333 thousand customers with fixed broadband. In the mobile segment, additions were **23 thousand** customers, reaching 78.1 thousand customers in the base at the end of April 2024.

EARNINGS CONFERENCE CALL

Date: May 16, 2024 – Thursday

Time: 09:00 AM – In Portuguese and with simultaneous translation into English

Brisanet – Q1 2024 Earnings Release

To access, [click here](#).

³ More information can be found in explanatory note 23 to the interim accounting information for the period ended 03/31/3024.

Brisanet's mission is to connect people by promoting digital and social inclusion, at the moment it only operates in the Northeast region. One of the Company's main quality and efficiency differences comes from its verticalized operation – whether in fixed broadband service through optical fiber (FTTH) or in mobile service (4G/5G).

One of the Company's quality pillars is its relationship with the customer, which is managed mainly through its own management platform that allows it to know and act in real time, from the operations center, at the Company's headquarters, on what happens with its infrastructure and customers. The Company has a state-of-the-art structure of fully integrated data centers with local content, which guarantees quality and stability in internet access, as well as savings and infrastructure for the implementation of its mobile network.

Brisanet has more than 40,000 km of backbone infrastructure (paths used to distribute internet to other networks), more than 280 data centers and more than 77,000 km of FTTH (fiber-to-the-home) cables. In mobile, the implemented infrastructure already reaches 98 cities⁴, covering a population of around 6 million people.

In the 1st quarter of 2024, 26.0 thousand HPs and 32.2 thousand customers (HCs) were added. In April 2024, we added 9.1 thousand customers to the base, which already totals 1,333 thousand customers. The Company ratifies its commitment and objective of continuing to increase its fiber customer base organically.

The Company continues to advance in capitals and metropolitan regions, with fiber market share stable between **50 and 66% in Natal, Maceió and João Pessoa**, growing and above **20% in Fortaleza and Aracaju** (numbers from Mar-24).

Operational Data	1Q24	4Q23	1Q23	1Q24 x 1Q23	1Q24 x 1Q23
Access Ports	4,683,014	4,670,030	4,400,970	6%	0%
Added HP	25,968	39,032	279,882	-91%	-33%
Homes Passed (HP)	7,021,240	6,995,272	6,457,152	9%	0%
Added HC	32,161	35,416	58,758	-45%	-9%
Homes Connected (HC)	1,324,253	1,292,092	1,158,833	14%	2%
Cities served	158	158	155	2%	0%
Churn	2.45%	2.32%	2.35%	0.10 p.p.	0.13 p.p.

The Company also operates through its franchisor, Agility Telecom. The brand is represented by 69 franchisees who operate in smaller cities or rural districts in the region serving 171,511 customers⁵.

With **an addition of 23 million mobile customers in April 2024**, the customer base for the period totaled 78,089.

⁴ April/24 Data

⁵ April/24 Data

GROSS REVENUE BY PRODUCT

R\$ million	1Q24	4Q23	1Q23	1Q24 x 1Q23	1Q24 x 1Q23
Gross Revenue	373.8	365.6	328.1	13.9%	2.3%
Broadband	339.2	335.9	298.7	13.6%	1.0%
B2C	309.3	307.0	275.1	12.4%	0.7%
B2B	29.9	28.9	23.6	26.6%	3.6%
Fixed telephony	8.7	8.9	10.0	-13.7%	-2.3%
Others	26.0	20.8	19.4	34.1%	24.9%

The Company's revenue is made up of fixed broadband internet services, fixed telephone services and others such as: pay TV and mobile telephony and complementary services, such as music and video streaming, which increase the average ticket purchased per customer and the perception of value of the Company itself.

B2B revenue has grown over the quarters, having registered almost 27% increase in 1Q24, compared to the previous year, this percentage reflects the expansion and presence in larger cities.

Agility Telecom's revenue, in the amount of R\$10.4 million in 1Q24, is in Others. In 1Q23, revenue was R\$8.6 million, representing an increase of R\$1.8 million this quarter, mainly related to non-recurring events.

In the comparison between 1Q24 and 1Q23, Brisagnet's net revenue grew by 15%, going from R\$292.1 million in 1Q23 to R\$334.4 million in 1Q24. This was mainly due to the increase in the number of subscribers and the increase in B2B revenues.

COST OF SERVICE PROVIDED

Costs of Services Provided (R\$ million)	1Q24	4Q23	1Q23	1Q24 x 1Q23	1Q24 x 1Q23
Personnel	(42.2)	(37.2)	(32.7)	28.8%	13.3%
Interconnection	(12.9)	(9.8)	(8.0)	61.9%	31.7%
Connectivity	(5.3)	(4.9)	(5.5)	-2.5%	7.9%
Right of Passage	(20.3)	(20.1)	(20.3)	-0.1%	1.4%
Utilities	(3.9)	(3.4)	(2.5)	57.7%	17.2%
Materials and maintenance	(5.8)	(6.5)	(3.8)	51.6%	-11.0%
Third-party Services	(5.1)	(4.1)	(2.4)	109.8%	26.0%
Others	(7.4)	(8.0)	(4.5)	64.3%	-7.9%
Depreciation and Amortization	(88.5)	(84.6)	(73.8)	20.0%	4.6%
Total	(191.5)	(178.5)	(153.5)	24.7%	7.2%

The Company's costs with services provided in 1Q24 totaled R\$191.5 million compared to R\$153.5 million in 1Q23, representing an increase of 25%, mainly reflecting the impacts of the start of operations in the mobile segment (4G/5G) and greater streaming sales.

The biggest impacts are described below:

- depreciation and amortization, which grew by R\$14.8 million, given the growth in assets and intangible assets resulting from the expansions throughout 2023;
- increase in personnel costs that grew by R\$9.5 million due to the growth of teams to keep up with the growth in revenue and support personnel – call center, IT, telephony – linked to the start of mobile operation; and
- growth in the means of connection account, by R\$4.9 million, due to the increase in content offered through third-party streaming.

OPERATIONAL EXPENSES

Operational expenses (R\$ million)	1Q24	4Q23	1Q23	1Q24 x 1Q23	1Q24 x 1Q23
Personnel	(44.9)	(34.9)	(28.7)	56.4%	28.7%
Third-party services	(6.3)	(5.3)	(5.5)	16.3%	19.1%
Marketing expenses	(8.7)	(8.9)	(7.0)	25.6%	-2.1%
Taxes and contributions	(1.7)	1.1	(3.4)	-49.3%	-
Provision for doubtful accounts	(18.7)	(19.9)	(11.4)	63.8%	-5.8%
Other expenses	(9.8)	(7.2)	(17.0)	-42.4%	35.0%
Depreciation and amortization	(5.4)	(3.8)	(3.6)	50.6%	40.9%
Total	(95.6)	(79.0)	(76.6)	24.9%	21.1%

The Company's operating expenses in 1Q24 increased by around 25% compared to 1Q23 and 21% compared to the previous quarter.

General and Administrative Expenses (GAE), excluding depreciation and amortization, grew R\$14.1 million compared to 1Q23, mainly due to the reclassification of logistics expenses from cost to GAE – around R\$7.8 million – with greater impact in personnel expenses and materials and maintenance expenses.

Selling Expenses, excluding depreciation and amortization, were R\$17.3 million higher in 1Q24, when compared to 1Q23, due to higher personnel and advertising expenses, and due to higher provisioning for losses with doubtful credits (PCLD).

PCLD totaled R\$18.7 million in 1Q24. The Company aims to fully cover overdue payments over 181 days. At the end of March, considering the write-offs made and the balance of R\$31.4 million, provisions covered 75% of these overdue payments.

EBITDA

R\$ million	1Q24	4Q23	1Q23	1Q24 x 1Q23	1Q24 x 1Q23
Net Income	20.1	62.5	25.2	-20.1%	-67.8%
(+) IR and CSLL	4.7	(15.1)	10.8	-56.5%	-131.1%
(+) Net financial result	22.5	20.2	26.0	-13.4%	11.6%
(+) Depreciation and amortization	94.0	88.4	77.4	21.4%	6.2%
EBITDA	141.3	156.0	139.4	1.4%	-9.4%
EBITDA margin (%)	42.2%	48.0%	47.7%	-5.5 p.p.	-5.7 p.p.
(-) Adjustment PIS/Cofins 9M23	-	(4.4)	-	-	-
Adjusted EBITDA	141.3	151.6	139.4	1.4%	-6.8%
Adjusted EBITDA margin (%)	42.2%	46.6%	47.7%	-5.5 p.p.	-4.4 p.p.

The Company presented an EBITDA of R\$141.3 million in 1Q24, with a margin of 42.2%. Ebitda in the period was impacted by costs and expenses related to the mobile business, without a corresponding increase in revenue.

In the last six months, we recruited more than a thousand new employees (we have more than 8.5 thousand employees at the end of March 2024) and extended 4G/5G coverage to a population of almost 6 million inhabitants in April 2024. Following the organic growth model, which we consider to be the most effective, we remain focused on expanding our operations and assets to meet future demand. This implies an initial increase in costs and expenses. A significant portion of these is fixed in nature and as we gain new customers and expand our revenue base, we are gradually able to capitalize on this operational leverage.

	2021	2022	2023	1Q23	1Q24
Net Revenue	728.8	985.2	1,227.9	292.1	334.4
Var. %	54.5%	35.2%	24.6%		
EBITDA	271.4	435.8	591.5	139.4	141.3
Mg Ebitda	37.2%	44.2%	48.2%	47.7%	42.2%
<u>Costs and Expenses (% of Net Revenue)</u>					
Personnel	29.8%	26.1%	21.7%	21.0%	26.0%
Link + costs of right of way	7.6%	9.1%	8.1%	8.8%	7.7%
Means of Connection	2.9%	2.9%	3.0%	2.7%	3.9%
PCLD	2.9%	3.1%	5.4%	3.9%	5.6%
Advertising and publicity	2.7%	2.3%	2.4%	2.4%	2.6%
Third-Party Services	6.3%	3.6%	2.7%	2.7%	3.4%
Materials and Maintenance	4.8%	2.1%	1.9%	1.5%	2.4%
Systems Maintenance	0.9%	1.2%	1.8%	1.4%	2.3%
Electric Power and Water	1.3%	0.9%	0.9%	1.0%	1.2%
Tax charges and contributions	0.8%	0.9%	0.9%	1.2%	0.5%
Provision for Contingencies	-0.2%	0.2%	0.9%	2.4%	0.5%
Others	2.9%	3.3%	2.1%	3.2%	1.7%

During the years of greatest investment in fiber – 2021 and 2022 – the EBITDA margin was initially affected – worth 32.5% in 4Q21 –, but with the increase in revenue, we diluted fixed costs and recovered the margin from 1Q23 onwards.

We believe that the development of 5G will have the same characteristics, but with a smaller impact on margin and faster recovery. Our margin expectation for 2Q24 is a similar margin to 1Q24, and for 2H24 it is an increase of a few percentage points compared to 1H24.

FINANCIAL RESULT

In 1Q24, **financial result was an expense of R\$22.5 million**, 13% higher than 4Q23 and 12% lower than 1Q23.

R\$ million	1Q24	4Q23	1Q23	1Q24 x 1Q23	1Q24 x 1Q23
Financial revenue	23.1	27.5	28.8	-19.7%	-15.9%
Financial expenses	(45.6)	(47.6)	(54.8)	-16.7%	-4.3%
Net financial result	(22.5)	(20.2)	(26.0)	-13.4%	11.6%

Financial income in 1Q24 mainly reflects interest on resources invested in the period, in the amount of R\$13.1 million, active interest received in the amount of R\$5.0 million and R\$2.4 million in exchange rate variation/derivative operations.

Financial expenses basically consisted of: (i) interest expenses in 1Q24 in the amount of R\$34.6 million, (ii) derivative operations in the amount of R\$1.7 million – derivatives are basically swaps for exchange rate protection of debts in foreign currency, (iii) passive exchange rate variations of R\$2.4 million, and (iv) interest on leases of R\$1.7 million.

INDEBTEDNESS

R\$ million	Mar/24	Dec/23	Var. (%)
Gross Debt	1,269.7	1,249.7	1.6%
(-) Cash and cash equivalents	169.1	323.2	-47.7%
(-) Short-term investments	267.1	180.9	47.7%
Net Debt	833.6	745.7	11.8%

Brisanet presented gross debt of R\$1.3 billion in March 2024, aimed at investing in mobile infrastructure and expanding its FTTH customer base. Gross debt is made up of loans and financing, debentures, lease obligations and derivative transactions.

Considering Cash and financial investments at the end of the period of R\$436.1 million, the Company presented a net debt of R\$833.6 million, compared to the net debt of R\$745.7 million at the end of 2023. Most of this resource is applied in instruments with liquidity of less than 90 days and with an average profitability over the period of 102.5% of the CDI.

The increase in gross debt in relation to Dec/23 was mainly due to the greater cash consumption in the period, as investments and interest payments were higher than operational cash generation.

The Company monitors its debt using the net debt/EBITDA indicator. **On March 31, 2024, the debt level was 1.43x**, still well below the internal target of up to 2x.

The Company adopts the policy of contracting hedge instruments to protect financing carried out in foreign currency, which corresponded to 2% of the total on March 31, 2024.

Breakdown of loans and financing as follows:

Modality	Weighted average rates	Mar/2024	Dec/2023
Working capital	0,82% a.m.	9,814	11,425
Working capital	0,21% a.m. + CDI	75,492	85,395
Working capital	0,47% a.m. + TLP	-	316
Working capital (Loan 4131)	0,19% a.m. + CDI	25,306	27,322
PPE financing (CDC)	1,18% a.m.	8,322	9,155
PPE financing (FINEM)	0,50% a.m. + TLP	15,436	17,024
Financing - TR	0,29% a.m. + TR	152,407	153,367
Financing - (FUNTELL)	0,53% a.m. + TR	9,245	-
Total		296,022	304,004
Current		98,838	95,605
Non-current		197,184	208,399

On March 15, 2021, the Company issued debentures, not convertible into shares, in the amount of R\$500 million, which will be settled in semi-annual installments, with initial maturity in March 2025 and final maturity in March 2028. These debentures are subject to interest/remuneration equivalent to IPCA + 5.7694%. On March 31, 2024, the balance was R\$586.4 million.

On August 25, 2022, the Company issued debentures, not convertible into shares, in the total amount of R\$300 million, with a maturity period of 5 (five) years, expiring, therefore, on August 25, 2027. About These debentures bear interest at CDI +2.0% per year. On March 31, 2024, the balance was R\$301.2 million.

Considering financing, debentures, and leasing, more than 50% of the Company's debt matures after 2026.

Also including debentures, the Company's debt is well balanced between IPCA (50%) and CDI (34%), pre-fixed (15%) and TJLP/TLP (1%). Debt in foreign currency is fully protected and accounted for in CDI.

The Company has been increasing the % of pre-fixed debt, notably in financing from development banks. On May 14, R\$146.15 million were contracted with BNDES FUST with a term of 15 years and interest of TR+1.2% to connect peripheral areas in greater Fortaleza. This type of financing is a very competitive source of resources, and we have other projects being analyzed with this and other development banks.

CAPEX / Free Cash Flow

Free Cash Flow (In millions)	2021	2022	2023	1Q24
Cash generated by operating activities	411	359	655	147
% EBITDA	151.6%	82.3%	110.7%	104.2%
Capex	1,044	857	464	165
% Net Revenue	143.3%	87.0%	37.8%	49.4%
Free Cash Flow	(633)	(498)	191	(18)
% Net Revenue	-87%	-51%	16%	-5%
Net debt	75	744	746	834
Net Debt/EBITDA	0.30x	1.70x	1.29x	1.43x

In 1Q24, Brisanet invested, when measured by additions to fixed assets and intangible assets, the amount of R\$165.3 million. The Company has amounts already disbursed and capitalized that are not yet generating revenue – these are equipment in warehouses or in the process of being imported and construction in progress. These items total R\$423 million.

During more intense periods of investment, the Company's free cash flow may be negative, always taking care to maintain the Company's net debt/EBITDA ratio healthy. These periods are followed by positive flow, as we saw in 2023. As explained in EBITDA, the mobile investment cycle (4G/5G), despite being intense, should not be followed by negative flows as we saw in FTTH. The Company already has a more mature FTTH business supporting the growth of this new segment.

NOTICE

The interim accounting information as of 03/31/2024, reviewed by Ernst & Young Auditores Independentes S.S. Ltda., is available on our [website](#).

INVESTOR RELATIONS

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The consolidated financial and operational information disclosed in this document, except where otherwise indicated, is presented in accordance with international accounting standards IFRS (International Financial Reporting Standards) and in Reais (R\$), in accordance with the Brazilian Corporation Law , Law 6,404/76 and the pronouncements, guidelines and interpretations issued by the Accounting Pronouncements Committee ("CPC") and approved by the Securities and Exchange Commission ("CVM").

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

NON-ACCOUNTING MEASURES

Consistent with market practices, we disclose non-accounting (non-GAAP) measures that are not recognized under IFRS or other accounting standards, including "Net Debt", "EBITDA", "Adjusted EBITDA". The Company's management believes that disclosing these non-accounting measures provide useful information for your investors, market analysts and the general public to compare your operating performance with that of other companies in the same and other industries. However, these non-accounting measures do not have standardized meanings and methodologies and may not be directly comparable with metrics of the same or similar name published by other companies. It is important to highlight that potential investors should not base their investment decision on non-accounting information as a substitute for accounting measures such as profitability or liquidity.

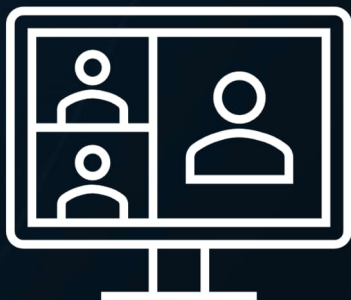


Consolidated - In R\$ '000	1Q24	4Q23	1Q23
Net operating revenue	334,419	325,071	292,080
Cost of services	(191,475)	(178,535)	(153,515)
Gross profit	142,944	146,536	138,565
Operating expenses			
Administrative expenses	(42,930)	(30,677)	(27,008)
Selling expenses	(53,150)	(51,626)	(35,728)
Other operating revenue (expenses), net	453	3,322	(13,827)
Earnings before financial result and taxes	47,317	67,555	62,002
Financial revenues	23,087	27,455	28,765
Financial expenses	(45,582)	(47,617)	(54,750)
Net financial result	(22,495)	(20,162)	(25,985)
Income (Loss) before IR and CSLL	24,822	47,393	36,017
Income tax and social contribution	(4,710)	15,123	(10,832)
Income (Loss) for the period	20,112	62,516	25,185

Consolidated - In R\$ '000	3/31/2024	12/31/2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	169,051	323,220
Short-term investments	267,090	180,867
Trade accounts receivables	169,179	163,105
Inventories	10,285	8,794
Taxes recoverable	37,897	35,893
Derivative operations	177	133
Prepaid expenses	8,386	2,059
Other assets	7,271	7,797
TOTAL CURRENT ASSETS	669,336	721,868
NON-CURRENT ASSETS		
Accounts receivable	2,277	204
Taxes recoverable	40,645	44,287
Court-related deposits	7,920	7,623
Derivative operations	1,702	1,476
Prepaid expenses	4,963	4,373
Deferred income and social contribution taxes	6,725	8,369
Other assets	38	38
Rights-of-use	80,486	43,839
Property, plant and equipment	2,173,155	2,090,472
Intangible assets	273,639	273,729
TOTAL NON-CURRENT ASSETS	2,591,550	2,474,410
TOTAL ASSETS	3,260,886	3,196,278
CURRENT LIABILITIES		
Suppliers	105,692	95,844
Loans and financing	96,543	95,605
Debentures	85,625	19,194
Lease obligations	46,383	14,611
Labor and social obligations	64,714	53,439
Taxes to be collected	16,536	23,233
Tax installments	4,482	4,457
Deferred taxes	40	-
Derivatives Operations	3,986	5,542
Proposed Dividends	38,867	38,867
Other bills to pay	27,782	22,127
TOTAL CURRENT LIABILITIES	490,650	372,919
NON-CURRENT		
Loan and financing	199,479	208,399
Debentures	801,941	876,075
Lease obligations	37,627	31,932
Tax installments	15,349	16,512
Provision for contingency	13,000	11,543
Other bills to pay	174,670	170,840
TOTAL NON-CURRENT LIABILITIES	1,242,066	1,315,301
EQUITY		
Capital	1,281,606	1,281,606
Income reserve	252,812	232,659
Treasury shares	(9,758)	(9,758)
	1,524,660	1,504,507
Non-controlling interest	3,510	3,551
TOTAL EQUITY	1,528,170	1,508,058
TOTAL LIABILITIES AND EQUITY	3,260,886	3,196,278

Consolidated - In R\$ '000	1Q24	1Q23
Cash flow from operating activities		
Net income (loss) for the period	20,112	25,185
Adjustments to reconcile income (loss) for the period:		
Depreciation and amortization	93,951	77,362
Residual value upon write-off of PPE and intangible assets	2,468	1,097
Provision for loss on fixed assets	-	4,437
Provision for estimated doubtful accounts	18,697	11,416
Provision (reversal) for contingencies	1,620	6,962
Monetary and exchange variation	18,585	9,399
Derivative operations	(588)	1,361
Interest on leases	1,735	1,202
Interest on debentures	6,662	22,403
Interest on promissory note	-	1,271
Interest on loans and financing	5,076	9,305
Appropriation of funding costs	1,332	1,430
Short-term investment income	(13,063)	(17,707)
Deferred income and social contribution taxes	4,710	10,832
(Increase) decrease in assets		
Trade accounts receivable	(26,844)	(22,467)
Write-off of provision for estimated credit losses	-	78
Inventories	(1,491)	3,577
Taxes recoverable	1,638	(2,783)
Prepaid expenses	(6,917)	(271)
Court-related deposits	(297)	827
Other assets	526	-
Increase (decrease) in liabilities		
Suppliers	9,848	(8,020)
Labor and social obligations	11,275	5,368
Taxes payable	(9,491)	(4,445)
Deferred taxes	40	-
Taxes paid in installments	(1,138)	(199)
Provision for contingencies	(163)	(622)
Other accounts payable	9,488	(553)
Cash from (used in) operating activities	147,771	136,445
Interest paid	(43,551)	(57,143)
Income tax and social contribution paid	(3,380)	(6,407)
Net cash from (used in) operating activities	100,840	72,895
Cash flows from investing activities		
Short-term investments	(73,160)	99,170
Additions to Property, plant and equipment	(156,979)	(103,964)
Additions to intangible assets	(8,362)	(2,726)
Revenue on sale of fixed and intangible assets	3,007	-
Net cash from (used in) investing activities	(235,494)	(7,520)
Cash flows from financing activities		
Loans and financing raised	9,882	-
Amortization of principal of loans and financing	(19,033)	(35,681)
Amortization of principal of promissory note	-	(64,000)
Lease paid	(12,235)	(13,364)
Derivative Instruments	1,871	-
Acquisition of non-controlling interests	-	528
Net cash from (used in) financing activities	(19,515)	(112,517)
Increase (Decrease) in cash and cash equivalents	(154,169)	(47,142)
Cash and cash equivalents at the beginning of the period	323,220	203,542
Cash and cash equivalents at the end of the period	169,051	156,400
Increase (decrease) in cash and cash equivalents	(154,169)	(47,142)

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EARNINGS CONFERENCE CALL

May 16, 2024

8 AM (EDT - NY Time) | 09 AM (BRT)

In Portuguese, with simultaneous translation into English

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A free translation from Portuguese into English of Independent Auditor's Review Report on interim financial information prepared in Brazilian currency in accordance with accounting practices adopted in Brazil and with IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB)

Independent auditor's review report on quarterly information

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

Introduction

We have reviewed the accompanying individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR) of Brisanet Participações S.A. (the "Company") for the quarter ended March 31, 2024, which comprises the statement of financial position as at March 31, 2024, and the related statements of profit or loss, of comprehensive income, of changes in equity and of cash flows for three-month period then ended, including material accounting policy and other explanatory information.

Executive board responsibility for interim accounting information

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

Scope of review

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



Conclusion on the individual and consolidated interim financial information

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

Other matters

Statements of value added

The abovementioned quarterly information includes the individual and consolidated statements of value added (SVA) for the three-month period ended March 31, 2024, prepared under the responsibility of the Company's executive board, and presented as supplementary information by IAS 34. These statements were subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled with the interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria set forth by NBC TG 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, pursuant to such standard and consistently with the individual and consolidated interim financial information taken as a whole.

Fortaleza, May 15, 2024.

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

Nathalia Araújo Domingues

Nathalia Araújo Domingues
Accountant CE-020833/O

Brisanet Participações S.A.

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

	Note	Individual		Consolidated	
		03/31/2024	12/31/2023	03/31/2024	12/31/2023
Assets					
Current assets					
Cash and cash equivalents	3	40	9	169,051	323,220
Financial investments	3	3,429	14,225	267,090	180,867
Trade accounts receivable	4	-	-	169,179	163,105
Inventories		-	-	10,285	8,794
Taxes recoverable	5	854	854	37,897	35,893
Derivative transactions	24	-	-	177	133
Prepaid expenses		198	95	8,386	2,059
Dividends receivable	6 and 7	64,289	4,710	-	-
Other assets		-	-	7,271	7,797
Total current assets		68,810	19,893	669,336	721,868
Noncurrent assets					
Long-term receivables					
Financial investment	3	300,000	300,000	-	-
Trade accounts receivable	4	-	-	2,277	204
Taxes recoverable	5	-	-	40,645	44,287
Judicial deposits		-	-	7,920	7,623
Derivative transactions	24	-	-	1,702	1,476
Prepaid expenses		24	47	4,963	4,373
Deferred income and social contribution taxes	22	394	-	6,725	8,369
Other assets		-	-	38	38
Investments	7	1,495,869	1,536,078	-	-
Right of use	13	-	-	80,486	43,839
Property, plant and equipment	8	-	-	2,173,155	2,090,472
Intangible assets	9	-	-	273,639	273,729
Total noncurrent assets		1,796,287	1,836,125	2,591,550	2,474,410
Total assets					
		1,865,097	1,856,018	3,260,886	3,196,278

	Note	Individual		Consolidated	
		03/31/2024	12/31/2023	03/31/2024	12/31/2023
Liabilities and equity					
Current liabilities					
Trade accounts payable	10	233	150	105,692	95,844
Loans and financing	11	-	-	96,543	95,605
Debentures	12	2,765	13,616	85,625	19,194
Lease obligations	13	-	-	46,383	14,611
Labor and social obligations	14	19	19	64,714	53,439
Taxes payable	5	159	685	16,536	23,233
Taxes paid in installments		-	-	4,482	4,457
Deferred taxes		-	-	40	-
Derivative transactions	24	-	-	3,986	5,542
Proposed dividends	6 and 18	38,867	38,867	38,867	38,867
Other accounts payable	16	-	-	27,784	22,127
Total current liabilities		42,043	53,337	490,650	372,919
Noncurrent liabilities					
Loans and financing	11	-	-	199,479	208,399
Debentures	12	298,395	298,174	801,941	876,075
Lease obligations	13	-	-	37,627	31,932
Taxes paid in installments		-	-	15,349	16,512
Deferred income and social contribution taxes	22	-	-	-	-
Derivative transactions	24	-	-	-	-
Provision for contingencies	15	-	-	13,000	11,543
Other accounts payable	16	-	-	174,670	170,840
Total noncurrent liabilities		298,395	298,174	1,242,066	1,315,301
Equity					
Capital	19	1,281,606	1,281,606	1,281,606	1,281,606
Treasury shares		(9,758)	(9,758)	(9,758)	(9,758)
Income reserves		252,811	232,659	252,812	232,659
		1,524,659	1,504,507	1,524,660	1,504,507
Noncontrolling interests		-	-	3,510	3,551
Total equity		1,524,659	1,504,507	1,528,170	1,508,058
Total liabilities and equity		1,865,097	1,856,018	3,260,886	3,196,278

See accompanying notes.

Brisanet Participações S.A.

Statements of profit or loss

Three-month period ended March 31, 2024

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

	Note	Individual		Consolidated	
		03/31/2024	03/31/2023	03/31/2024	03/31/2023
Net operating revenue	19	-	-	334,419	292,080
Cost of services rendered	20	-	-	(191,475)	(153,515)
Gross profit		-	-	142,944	138,565
Operating expenses					
Administrative expenses	20	(548)	(607)	(42,930)	(27,008)
Selling expenses	20	-	-	(53,150)	(35,728)
Equity pickup	7	20,918	26,310	-	-
Other operating expenses, net	20	-	(526)	453	(13,827)
Income before finance income (costs) and taxes		20,370	25,177	47,317	62,002
Finance income	21	9,564	11,302	23,087	28,765
Finance costs	21	(10,175)	(11,743)	(45,582)	(54,750)
Finance income (costs)		(611)	(441)	(22,495)	(25,985)
Income before income and social contribution taxes		19,759	24,736	24,822	36,017
Income and social contribution taxes	22	394	535	(4,710)	(10,832)
Net income for the period		20,153	25,271	20,112	25,185
Net income attributable to					
Controlling interests		-	-	20,153	25,271
Noncontrolling interests		-	-	(41)	(86)
Basic earnings per share – R\$	23	0.05	0.06	-	-
Diluted earnings per share – R\$	23	0.05	0.06	-	-

See accompanying notes.

Brisanet Participações S.A.

Statements of comprehensive income
Three-month period ended March 31, 2024
(In thousands of reais)

	Individual		Consolidated	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Net income for the period	20,153	25,271	20,112	25,185
Other comprehensive income	-	-	-	-
Comprehensive income for the period	20,153	25,271	20,112	25,185
Net income attributable to				
Controlling interests	-	-	20,153	25,271
Noncontrolling interests	-	-	(41)	(86)

See accompanying notes.

Brisanet Participações S.A.

Statements of changes in equity
 Three-month period ended March 31, 2024
 (In thousands of reais)

	Consolidated									
	Capital			Individual Income reserves			Retained earnings (accumulated losses)	Subtotal	Noncontrolling interests	Equity
	Capital	Share issue costs	Treasury shares	Capital reserve	Legal reserve	Retained profits				
Balances at December 31, 2022	1,321,859	(40,253)	(9,758)	-	4,603	102,172	-	1,378,623	4	1,378,627
Capital increase	-	-	-	-	-	-	-	-	528	528
Net income for the period	-	-	-	-	-	-	25,271	25,271	(86)	25,185
Balances at March 31, 2023	1,321,859	(40,253)	(9,758)	-	4,603	102,172	25,271	1,403,894	446	1,404,340
Balances at December 31, 2023	1,321,859	(40,253)	(9,758)	1,098	12,787	218,774	-	1,504,507	3,551	1,508,058
Net income for the period	-	-	-	-	-	-	20,153	20,153	(41)	20,112
Balances at March 31, 2024	1,321,859	(40,253)	(9,758)	1,098	12,787	218,774	20,153	1,524,660	3,510	1,528,170

See accompanying notes.

Brisanet Participações S.A.

Statements of cash flows Three-month period ended March 31, 2024 (In thousands of reais)

	Individual		Consolidated	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Cash flows from operating activities				
Net income for the period	20,153	25,271	20,112	25,185
Adjustments to reconcile income (loss) for the period:				
Depreciation and amortization	-	-	93,951	77,362
Residual value upon write-off of PPE and intangible assets	-	-	2,468	1,097
Provision for losses on property, plant and equipment	-	-	-	4,437
Allowance for expected credit losses	-	-	18,697	11,416
Set-up (reversal) of provision for contingencies	-	-	1,620	6,962
Equity pickup	(20,918)	(26,310)	-	-
Monetary variation and exchange differences	8,027	1,600	18,585	9,399
Derivative transactions	-	-	(588)	1,361
Interest on leases	-	-	1,735	1,202
Interest on debentures	1,538	9,936	6,662	22,403
Interest on promissory notes	-	-	-	1,271
Interest on loans and financing	-	-	5,076	9,305
Amortization of funding costs and negative goodwill	166	166	1,332	1,430
Financial investment yield	(9,524)	(11,302)	(13,063)	(17,707)
Income and social contribution taxes	(394)	(535)	4,710	10,832
(Increase) decrease in assets	-	-	-	-
Trade accounts receivable	-	-	(26,844)	(22,467)
Inventories	-	-	(1,491)	78
Taxes recoverable	-	(4)	1,638	3,577
Prepaid expenses	(79)	(142)	(6,917)	(2,783)
Judicial deposits	-	-	(297)	(271)
Other assets	-	-	526	827
Increase (decrease) in liabilities	-	-	-	-
Trade accounts payable	83	52	9,848	(8,020)
Labor and social obligations	-	13	11,275	5,368
Taxes payable	(526)	(2,373)	(9,491)	(4,445)
Taxes paid in installments	-	-	(1,138)	(199)
Deferred taxes	-	-	40	-
Provision for contingencies	-	-	(163)	(622)
Other accounts payable	(1)	-	9,488	(553)
Cash flows from (used in) operating activities	4,620	(3,628)	147,771	136,445
Interest paid on loans and financing, promissory notes, debentures and leases	(20,361)	(22,245)	(43,551)	(57,143)
Income and social contribution taxes paid	-	(1,281)	(3,380)	(6,407)
Net cash flows from (used in) operating activities	(15,741)	(27,154)	100,840	72,895
Cash flows from investing activities				
Financial investments and redemptions	14,225	19,082	(73,160)	99,170
Additions to PPE	-	-	(156,979)	(103,964)
Additions to intangible assets	-	-	(8,362)	(2,726)
Proceeds from disposal of PPE and intangible assets	-	-	3,007	-
Dividends and profits received	1,547	5,985	-	-
Net cash flows from (used in) investing activities	15,772	25,067	(235,494)	(7,520)

Brisanet Participações S.A.

Statements of cash flows (Continued)
 Three-month period ended March 31, 2024
 (In thousands of reais)

	Individual		Consolidated	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Cash flows from financing activities				
Loans and financing taken out	-	-	9,882	-
Repayment of principal of loans and financing	-	-	(19,033)	(35,681)
Repayment of principal of promissory notes	-	-	-	(64,000)
Repayments of leases	-	-	(12,235)	(13,364)
Financial instruments of derivatives	-	-	1,871	-
Capital increase - noncontrolling interests	-	-	-	528
Net cash flows used in financing activities	-	-	(19,515)	(112,517)
(Decrease) increase in cash and cash equivalents	31	(2,087)	(154,169)	(47,142)
Cash and cash equivalents				
At beginning of period	9	2,126	323,220	203,542
At end of period	40	39	169,051	156,400
(Decrease) increase in cash and cash equivalents	31	(2,087)	(154,169)	(47,142)

See accompanying notes.

Brisanet Participações S.A.

Statements of value added
Three-month period ended March 31, 2024
(In thousands of reais)

	Individual		Consolidated	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Revenues	-	-	364,383	320,661
Gross operating revenue less discounts	-	-	373,847	328,137
Allowance for expected credit losses	-	-	(18,697)	(11,416)
Other revenues	-	-	9,233	3,940
Inputs acquired from third parties	(548)	(607)	(72,596)	(58,912)
Cost of products, services and goods sold	-	-	(15,273)	(11,368)
Materials, electricity, third-party services and other	(548)	(607)	(50,275)	(33,194)
Loss on/recovery of assets	-	-	(2,952)	(4,583)
Other inputs	-	-	(4,096)	(9,767)
Gross value added	(548)	(607)	291,787	261,749
Depreciation and amortization	-	-	(93,951)	(77,362)
Net value added generated	(548)	(607)	197,836	184,387
Value added received in transfer	30,482	37,612	23,087	28,765
Equity pickup	20,918	26,310	-	-
Finance income	9,564	11,302	23,087	28,765
Total value added to be distributed	29,934	37,005	220,923	213,152
Distribution of value added				
Taxes, charges and contributions	(394)	(9)	59,619	60,918
Federal	(394)	(9)	19,713	35,922
State	-	-	39,479	24,494
Local	-	-	427	502
Personnel	-	-	73,335	50,788
Salaries	-	-	55,969	39,476
Unemployment Compensation Fund (FGTS)	-	-	4,978	3,515
Benefits	-	-	12,388	7,797
Debt remuneration	10,175	11,743	67,857	76,261
Interest, exchange differences and borrowing costs	10,175	11,743	45,582	54,750
Rents	-	-	22,275	21,511
Equity remuneration	20,153	25,271	20,112	25,185
Dividends/profits distributed	-	-	-	-
Retained profits/losses	20,153	25,271	20,112	25,185
Value added	29,934	37,005	220,923	213,152

See accompanying notes.

Brisanet Participações S.A. and Consolidated

Notes to interim accounting information
March 31, 2024
(Amounts expressed in thousands of reais)

1. Operations

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

The Company, through its subsidiary Brisanet Serviços de Telecomunicação S.A. (“Brisanet Serviços”), offers telecommunications services that 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.

The Company won 3 frequencies to operate 4G/5G in the Northeast and Central-West regions in the frequency auction held by Anatel in 2021. Since 2022, part of the investments has been allocated to implementing the physical and logical infrastructure necessary for mobile operations. In the fourth quarter of 2023, sales of this service began, with billing starting in the first quarter of 2024.

The Company remains committed to increasing mobile coverage in the northeast region.

2. Basis of preparation and presentation of quarterly information and summary of significant accounting policies

a) Basis of preparation and presentation

This interim financial information was prepared and is presented in accordance with NBC TG 21 – Interim Financial Reporting and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), and with accounting practices adopted in Brazil, which comprise the rules issued by the Brazilian Securities and Exchange Commission (CVM) and the Brazilian Accounting Standards (NBC) issued by Brazil’s National Association of State Boards of Accountancy (CFC).

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

Brisanet Participações S.A. and Consolidated

Notes to interim accounting information (Continued)

March 31, 2024

(Amounts expressed in thousands of reais)

2. Basis of preparation and presentation of quarterly information and summary of significant accounting policies (Continued)

a) Basis of preparation and presentation (Continued)

This interim financial information should be read in conjunction with the Company's and its subsidiaries' individual and consolidated financial statements for the year ended December 31, 2023, specifically the Notes 2 and 3, which were prepared and presented in accordance with the accounting practices adopted in Brazil, including the pronouncements issued by the Brazilian FASB (CPC) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The presentation of the Statement of Value Added (SVA), although not required by IFRS, is mandatory for publicly-held corporations in Brazil. Consequently, this statement is presented as supplementary information for IFRS purposes, without prejudice to the set of the interim financial information.

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

b) Basis of consolidation

As at March 31, 2024 and December 31, 2023, the Company maintains investments by means of direct subsidiaries, all of which are located in Brazil, as follows:

	<u>% interest</u>
Brisanet Serviços de Telecomunicações S.A.	99.99%
4J Serviços de Telecomunicações Ltda. (a)	55.00%

(a) 4J Serviços de Telecomunicações Ltda. is the direct subsidiary of Brisanet Serviços de Telecomunicações S.A.

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

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

Brisanet Participações S.A. and Consolidated

Notes to interim accounting information (Continued)

March 31, 2024

(Amounts expressed in thousands of reais)

2. Basis of preparation and presentation of quarterly information and summary of significant accounting policies (Continued)

b) Basis of consolidation (Continued)

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

Completion of this interim financial information was authorized by management of the Company and its subsidiaries on May 15, 2024.

c) Operating segments

The Company operates in the telecommunications segment. The operating units of the Company and its jointly controlled subsidiaries are part of a single production process. Therefore, the conclusion is that there is a single cash-generating unit and, consequently, a single operating segment.

d) Amendments to accounting standards and pronouncements

The following amendments to accounting standards became effective as of January 1, 2024:

- Lease liabilities in sale and leaseback transactions – (CPC 06/IFRS 16);
- Classification of liabilities as current or non-current and non-current with covenants (CPC 26/IAS 1);
- Disclosures of financing contracts with suppliers (CPC 03/IAS 7 and CPC 40/IFRS 7)

These amendments did not impact the interim financial information of the Company and its subsidiaries.

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

- Effect of changes in exchange rates and conversion of financial statements (CPC 02/IAS 21)

The above changes are valid for periods starting from January 1, 2025 and must be applied retrospectively. The Company concluded that there will be no material impacts on the application of these changes to current practice in its individual and consolidated interim financial statements.

Brisanet Participações S.A. and Consolidated

Notes to interim accounting information (Continued)

March 31, 2024

(Amounts expressed in thousands of reais)

3. Cash and cash equivalents and financial investments

	Individual		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Cash				
Checking accounts and other	1	-	3,208	1,469
Financial investments:				
Sweep accounts	39	9	1,604	5,548
Bank Deposit Certificates (CDB)	-	-	163,874	315,830
Debit cards	-	-	365	373
	40	9	169,051	323,220

Cash equivalents correspond to transactions with financial institutions in the Brazilian financial market and subject to low credit risk. These transactions are remunerated by the Interbank Deposit Certificates (CDI) variation at the average rate of 102.56% at March 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	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Investment funds (a)	-	-	-	-
Certificate accounts with lottery prizes	-	-	-	-
Bank Deposit Certificates (CDB) (a)	-	-	267,090	180,867
Debentures (b)	303,429	314,225	-	-
	303,429	314,225	267,090	180,867
Current	3,429	14,225	267,090	180,867
Noncurrent	300,000	300,000	-	-

(a) Bank Deposit Certificates (CDB) had an average yield equivalent to 103.33% of the CDI in quarter ended March 31, 2024, compared to 93.91% of the CDI in the previous quarter, with liquidity above 90 days; and

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

Brisanet Participações S.A. and Consolidated

Notes to interim accounting information (Continued)

March 31, 2024

(Amounts expressed in thousands of reais)

4. Trade accounts receivable (Consolidated)

	<u>03/31/2024</u>	<u>12/31/2023</u>
Trade accounts receivable	195,252	182,556
Allowance for expected credit losses	(23,796)	(19,247)
Accounts receivable, net	<u>171,456</u>	<u>163,309</u>
Current	169,179	163,105
Noncurrent	2,277	204

The aging list of trade accounts receivable is as follows:

	<u>03/31/2024</u>	<u>12/31/2023</u>
Falling due	85,894	80,243
Past due:		
1 to 30 days	47,244	41,153
31 to 60 days	7,219	8,106
61 to 180 days	23,528	24,772
181 to 360 days	31,367	28,282
Over 360 days	-	-
	<u>195,252</u>	<u>182,556</u>
(-) Allowance for expected credit losses	(23,796)	(19,247)
Accounts receivable, net	<u>171,456</u>	<u>163,309</u>

At March 31, 2024, DSO was of 46 days (45 days as of December 31, 2023).

Changes in allowance for expected credit losses are as follows:

	<u>03/31/2024</u>	<u>03/31/2023</u>
Opening balance	(19,247)	(3,165)
Set-up	(18,697)	(11,513)
Reversal	-	97
Write-off	14,148	10,474
Closing balance	<u>(23,796)</u>	<u>(4,107)</u>

No individual customer represents more than 10% of total accounts receivable.

Brisanet Participações S.A. and Consolidated

Notes to interim accounting information (Continued)

March 31, 2024

(Amounts expressed in thousands of reais)

5. Taxes recoverable and payable

	Individual		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Assets				
State VAT (ICMS) recoverable	-	-	8,691	8,625
ICMS recoverable on PPE	-	-	64,800	68,351
PIS and COFINS recoverable	-	-	156	63
IRPJ and CSLL recoverable	854	854	4,151	2,472
Other taxes recoverable	-	-	744	669
	854	854	78,542	80,180
Current				
Current	854	854	37,897	35,893
Noncurrent	-	-	40,645	44,287
Current				
ICMS payable	-	-	5,186	7,981
IRPJ and CSLL payable	-	-	615	2,016
PIS and COFINS payable	139	665	2,837	3,697
ISS payable	-	-	135	121
Taxes on unbilled revenue (a)	-	-	5,503	5,426
Other taxes payable	20	20	2,260	3,992
	159	685	16,536	23,233

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

6. Transactions with related parties

Outstanding balances on the reporting dates are as follows:

	Individual		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Current assets				
Right of use	-	-	28,244	1,056
IOE receivable	4,710	4,710	-	-
	4,710	4,710	28,244	1,056
Current liabilities				
Leases payable - current	-	-	28,380	318
Leases payable - noncurrent	-	-	109	717
Dividends payable	38,867	38,867	-	-
	38,867	38,867	28,489	1,035

Brisanet Participações S.A. and Consolidated

Notes to interim accounting information (Continued)

March 31, 2024

(Amounts expressed in thousands of reais)

6. Transactions with related parties (Continued)

	Individual		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Administrative expenses				
AGILITY Segurança Eletronic	-	-	(556)	(487)
S&L Locadora de Veículos Ltda	-	-	(8,768)	(11,162)
Nosso Atacarejo Comércio de Gêneros Alimentícios Ltda.	-	-	-	(774)
Nossa Fruta Brasil Indústria de Alimentos Ltda.	-	-	-	(72)
	-	-	(9,324)	(12,495)
Other operating expenses				
S&L Locadora de Veículos Ltda	-	-	(180)	(1)
	-	-	(180)	(1)
			Operations with Consortia	
			03/31/2024	03/31/2023
<u>Income (loss) from operations with consortia</u>				
Net operating revenue			503	96
Costs and expenses				
Interconnection and means of connection			(464)	(448)
Personnel			(64)	(59)
Third-party services			(42)	(65)
Depreciation and amortization			(329)	(57)
General costs and expenses			(133)	(20)
			(529)	(553)
Finance income (costs)				
Late-payment interest and fines			(145)	(1)
Other finance income (costs)			2	-
			(143)	(1)
Net income (loss)			(672)	(554)

The nature of transactions with related parties is as follows:

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

Brisanet Participações S.A. and Consolidated

Notes to interim accounting information (Continued)

March 31, 2024

(Amounts expressed in thousands of reais)

6. Transactions with related parties (Continued)

<u>Operations with Consortia</u>	<u>Noncontrolling</u>
BMW Consortium	50%
Conecta Sec Consortium	34%

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

Guarantees in financial contracts of related parties

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

<u>Related party</u>	<u>Nature of transaction</u>
Nossa Fruta Brasil Indústria de Alimentos Ltda.	Guarantees for loans and financing totaling R\$R\$4,490

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\$1,112 in the period ended March 31, 2024 (R\$825 as of December 31, 2023).

7. Investments (Individual)

a) Breakdown

	<u>03/31/2024</u>	<u>12/31/2023</u>
Interests held in subsidiaries		
Brisanet Serviços de Telecomunicações S.A.	<u>1,495,869</u>	<u>1,536,078</u>
	<u>1,495,869</u>	<u>1,536,078</u>
Classified as:		
Investments	<u>1,495,869</u>	<u>1,536,078</u>

Brisanet Participações S.A. and Consolidated

Notes to interim accounting information (Continued)

March 31, 2024

(Amounts expressed in thousands of reais)

7. Investments (Individual) - Continued

b) Changes in investments

	Brisanet Serviços de Telecomunicações S.A.	
	03/31/2024	03/31/2023
Opening balance	1,536,078	1,390,100
Dividends receivable (i)	(59,579)	-
Dividends received (ii)	(1,548)	(1,485)
Equity pickup	20,918	26,310
Closing balance	1,495,689	1,414,925

(i) These refer to dividends payable throughout 2024.

(ii) These refer to dividends received from subsidiary Brisanet Serviços de Telecomunicações S.A. in 2024, as follows: R\$ 842 in January, R\$ 337 in February, R\$ 368 in March.

c) Information on investments in subsidiaries

	03/31/2024					
	Capital	Equity	Net income for the period	(%) Equity interest	Investment balance	Equity pickup
Brisanet Serviços de Telecomunicações S.A.	1,343,245	1,495,873	20,918	99.9972%	1,495,869	20,918
					<u>1,495,869</u>	<u>20,918</u>
	12/31/2023					
	Capital	Equity	Net income for the period	(%) Equity interest	Investment balance	Equity pickup
Brisanet Serviços de Telecomunicações S.A.	1,343,245	1,536,078	172,493	99.99	1,536,078	169,194
					<u>1,536,078</u>	<u>169,194</u>

Brisanet Participações S.A. and Consolidated

Notes to interim accounting information (Continued)

March 31, 2024

(Amounts expressed in thousands of reais)

8. Property, plant and equipment (Consolidated)

a) Breakdown

	Annual average depreciation rates (%)	03/31/2024		12/31/2023	
		Cost	Accumulated depreciation	Net	Net
Land	-	30,733	-	30,733	30,733
Buildings	4%	4,061	(390)	3,671	3,722
Tools	5%	133	-	133	-
Fiber-optic cables	10%	404,829	(53,011)	351,818	342,886
Network construction	10%	359,490	(73,554)	285,936	293,751
Machinery and equipment	10%	131,779	(34,628)	97,151	88,543
Furniture and fixtures	10%	6,632	(1,871)	4,761	4,554
Sundry installations	10%	318,295	(81,234)	237,061	238,448
Planes and aircraft	10%	1,800	(392)	1,408	1,449
Leasehold improvements	15%	61,896	(823)	61,073	28,483
Computers and peripherals	20%	45,479	(21,085)	24,394	23,672
Vehicles	20%	82,369	(36,937)	45,432	48,569
Software	20%	131,030	(98,029)	33,001	38,098
Electronic equipment	20%	808,348	(351,460)	456,888	382,283
Installations (customer activation)	25%	176,226	(67,152)	109,074	102,335
Advances to suppliers	-	7,538	-	7,538	3,915
Imports in progress	-	36,510	-	36,510	29,751
Construction in progress	-	146,086	-	146,085	169,967
PPE in supplies room	-	240,487	-	240,487	259,313
		2,993,721	(820,566)	2,173,155	2,090,472

Brisanet Participações S.A. and Consolidated

Notes to interim accounting information (Continued)

March 31, 2024

(Amounts expressed in thousands of reais)

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

b) Changes in balances

	12/31/2023	Additions	Write-offs	Transfers	Depreciation	03/31/2024
Land	30,733	-	-	-	-	30,733
Buildings	3,722	-	-	-	(51)	3,671
Tools	-	133	-	-	-	133
Fiber-optic cables	342,886	13,239	(1,880)	2,539	(4,966)	351,818
Network construction	293,751	538	(46)	247	(8,554)	285,936
Machinery and equipment	88,543	5,694	-	5,732	(2,818)	97,151
Furniture and fixtures	4,554	222	-	148	(163)	4,761
Sundry installations	238,448	5,257	(655)	1,926	(7,915)	237,061
Planes and aircraft	1,449	-	-	-	(41)	1,408
Leasehold improvements	28,483	15,947	-	17,091	(448)	61,073
Computers and peripherals	23,672	1,160	-	1,462	(1,900)	24,394
Vehicles	48,569	98	(116)	-	(3,119)	45,432
Software	38,098	-	(283)	-	(4,814)	33,001
Electronic equipment	382,283	72,196	(1,281)	35,396	(31,706)	456,888
Installations (customer activation)	102,335	17,660	-	746	(11,667)	109,074
Advances to suppliers	3,915	5,313	-	(1,690)	-	7,538
Imports in progress	29,751	-	-	6,759	-	36,510
Construction in progress	169,967	25,005	-	(48,886)	-	146,086
PPE in supplies room	259,313	2,644	-	(21,470)	-	240,487
	2,090,472	165,106	(4,261)	-	(78,162)	2,173,155

Brisanet Participações S.A. and Consolidated

Notes to interim accounting information (Continued)

March 31, 2024

(Amounts expressed in thousands of reais)

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

b) Changes in balances (Continued)

	31/12/2022	Additions	Write-offs	Transfers	Allowance for losses	Depreciation	03/31/2023
Land	24,054	71	-	527	-	-	24,652
Buildings	-	-	-	3,925	-	(51)	3,874
Fiber-optic cables	272,086	10,302	-	13,604	-	(4,110)	291,882
Network construction	309,234	6,426	-	(2,063)	-	(8,046)	305,551
Machinery and equipment	57,325	2,476	-	1,976	-	(1,938)	59,839
Furniture and fixtures	3,811	113	-	175	-	(128)	3,971
Sundry installations	210,986	4,388	-	6,714	-	(6,544)	215,544
Planes and aircraft	1,611	-	-	-	-	(41)	1,570
Leasehold improvements	687	121	-	864	-	(10)	1,662
Computers and peripherals	11,891	348	-	149	-	(1,093)	11,295
Vehicles	58,067	510	(61)	-	-	(3,126)	55,390
Software	74,183	-	-	-	-	(7,246)	66,937
Electronic equipment	304,202	25,494	-	4,039	(4,437)	(25,961)	303,337
Installations (customer activation)	75,923	14,463	-	-	-	(7,657)	82,729
Advances to suppliers	144,200	-	-	(34,777)	-	-	109,423
Imports in progress	14,180	59	-	(6,579)	-	-	7,660
Construction in progress	145,799	39,180	-	8,471	-	-	193,450
PPE in supplies room	247,781	4,367	-	2,975	-	-	255,123
	<u>1,956,020</u>	<u>108,318</u>	<u>(61)</u>	<u>-</u>	<u>(4,437)</u>	<u>(65,951)</u>	<u>1,993,889</u>

Brisanet Participações S.A. and Consolidated

Notes to interim accounting information (Continued)

March 31, 2024

(Amounts expressed in thousands of reais)

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

Interest capitalization

In the period ended March 31, 2024, the Company and its subsidiaries capitalized interest on loans and financing with an average capitalization rate of 0.96% (1.56% at March 31, 2023), amounting to R\$4,323 (R\$7,028 at March 31, 2023).

Capitalization of depreciation

In the period ended March 31, 2024, the Company and its subsidiaries capitalized depreciation on PPE used in installations, infrastructure and network expansions, in the amount of R\$3,808 (R\$4,354 at March 31, 2023).

Guarantees

As at March 31, 2024, the Company recorded PPE items given in guarantee amounting to R\$45,005 (R\$123,070 as of March 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 were no indications of impairment on PPE and intangible assets of the Company and its subsidiaries as of March 31, 2024 and December 31, 2023.

Brisanet Participações S.A. and Consolidated

Notes to interim accounting information (Continued)

March 31, 2024

(Amounts expressed in thousands of reais)

9. Intangible assets (Consolidated)

Changes in balances

	Average annual amortization rate - %	12/31/2023	Additions	Write-offs	Transfer	03/31/2024
Cost						
Radiofrequency license - GHZ	20%	1,336	-	-	-	1,336
Software and system licenses	20%	33,692	1,897	-	327	35,916
ADM projects	20%	33,206	-	-	1,453	34,659
Customer portfolio and relationship with the franchisee (a)	7%	44,563	-	(1,375)	-	43,188
Radiofrequency license – 4G	7%	2,804	-	-	-	2,804
Radiofrequency license – 5G	5%	168,431	-	-	-	168,431
Software development and API	5%	21,243	-	-	-	21,243
Intangible assets under development	-	6,163	5,614	-	60	11,837
Trademarks and patents	-	3	-	-	-	3
5G mobile networks use license	-	80	851	-	-	931
Software in progress	-	1,941	-	-	(1,840)	101
Total cost		313,462	8,362	(1,375)	-	320,449
Accumulated amortization						
Radiofrequency license - GHZ	20%	(1,077)	(67)	-	-	(1,144)
Software and system licenses	20%	(9,491)	(1,614)	-	-	(11,105)
ADM projects	20%	(3,363)	(1,660)	-	-	(5,023)
Customer portfolio and relationship with the franchisee (a)	7%	(5,414)	(670)	161	-	(5,923)
Radiofrequency license – 4G	7%	(587)	(56)	-	-	(643)
Radiofrequency license – 5G	5%	(16,843)	(2,107)	-	-	(18,950)
Software development and API	5%	(2,958)	(1,064)	-	-	(4,022)
Total accumulated amortization		(39,733)	(7,238)	161	-	(46,810)
Intangible assets, net		273,729	1,124	(1,214)	-	(273,639)
Reconciliation to 2022						
	Average annual amortization rate - %	31/12/2022	Additions	Write-offs	Transfer	03/31/2023
Cost						
Radiofrequency license - GHZ	20%	1,336	-	-	-	1,336
Software and system licenses	20%	17,824	-	-	-	17,824
ADM projects	20%	3,247	212	-	-	3,459
Customer portfolio and relationship with the franchisee	7%	47,008	-	(1,100)	-	45,908
Radiofrequency license – 4G	7%	2,804	-	-	-	2,804
Radiofrequency license – 5G	5%	168,431	-	-	-	168,431
Software development and API	5%	8,221	-	-	-	8,221
Intangible assets under development	-	1,334	2,514	-	-	3,848
Trademarks and patents	-	3	-	-	-	3
Total cost		250,208	2,726	(1,100)	-	251,834
Accumulated amortization						
Radiofrequency license - GHZ	20%	(810)	(67)	-	-	(877)
Software and system licenses	20%	(4,970)	(891)	-	-	(5,861)
ADM projects	20%	(1,167)	(162)	-	-	(1,329)
Customer portfolio and relationship with the franchisee	7%	(2,795)	(722)	64	-	(3,453)
Radiofrequency license – 4G	7%	(361)	(56)	-	-	(417)
Radiofrequency license – 5G	5%	(8,423)	(2,103)	-	-	(10,526)
Software development and API	5%	(549)	(411)	-	-	(960)
Total accumulated amortization		(19,075)	(4,412)	64	-	(23,423)
Intangible assets, net		231,133	(1,686)	(1,036)	-	228,411

Brisanet Participações S.A. and Consolidated

Notes to interim accounting information (Continued)

March 31, 2024

(Amounts expressed in thousands of reais)

10. Trade accounts payable

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

	Individual		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Domestic trade accounts payable	233	150	65,643	62,045
Foreign trade accounts payable	-	-	40,049	33,799
	233	150	105,692	95,844

11. Loans and financing (Consolidated)

Type	Weighted average rates	03/31/2024	12/31/2023
Working capital	0.82% p.m.	9,814	11,425
Working capital	0.21% p.m. + CDI	75,492	85,395
Working capital	0.28% p.m. + TJLP	-	-
Working capital	0.47% p.m. + TLP	-	316
Working capital (Loan 4131)	0.19% p.m. + CDI	25,306	27,322
PPE financing (CDC)	1.18% p.m.	8,322	9,155
PPE financing (FINEM)	0.29% p.m. + TJLP	-	-
PPE financing (FINEM)	0.50% p.m. + TLP	15,436	17,024
Financing - TR	0.29% p.m. + TR	152,407	153,367
Financing (FUNTELL)	0.53% p.m. + TR	9,245	-
Financing for import (foreign currency)	0.40% p.m.	-	-
		296,022	304,004
Current		96,543	95,605
Noncurrent		199,479	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:

	03/31/2024	12/31/2023
Sureties and disposals	184,258	149,704
Assets and credit rights given in guarantee	45,005	73,295
	229,263	222,999

Brisanet Participações S.A. and Consolidated

Notes to interim accounting information (Continued)

March 31, 2024

(Amounts expressed in thousands of reais)

11. Loans and financing (Consolidated) - Continued

Changes in loans and financing are as follows:

	<u>03/31//2024</u>	<u>03/31//2023</u>
Opening balance	304,004	359,788
Fundraising	9,882	98,157
Interest allocated	5,759	31,258
Monetary variation and exchange differences	545	716
Repayment of principal	(19,033)	(153,509)
Interest paid	(5,135)	(32,406)
Closing balance	296,022	304,004

Noncurrent portions mature as follows:

	<u>03/31//2024</u>	<u>12/31/2023</u>
2025	53,456	64,850
2026	19,154	17,740
2027	16,259	14,738
From 2028 onwards	110,610	111,071
	199,479	208,399

Covenants

Loan and financing covenants substantially refer to annual financial ratios, default with creditors, in-court or out-of-court measures that compromise payment capacity, insolvency and commitment of guarantees offered. The Company and its subsidiaries analyzed covenants for the period ended March 31, 2024 and exercise ended December 31, 2023 and concluded that all requirements have been legally met.

Brisanet Participações S.A. and Consolidated

Notes to interim accounting information (Continued)

March 31, 2024

(Amounts expressed in thousands of reais)

12. Debentures

a) Breakdown

	Charges (p.a.)	Individual	
		03/31/2024	12/31/2023
First issue - Brisanet Participações	2.00% p.a. + CDI	303,429	314,225
(-) Issue costs to be allocated		(1,641)	(1,761)
(-) Negative goodwill		(628)	(674)
		301,160	311,790
Current		2,765	13,616
Noncurrent		298,395	298,174
	Charges (p.a.)	Consolidated	
		03/31/2024	12/31/2023
Nonconvertible debentures			
First issue - Brisanet Serviços	5.77% p.a. + IPCA	605,398	603,637
First issue - Brisanet Participações	2.00% p.a. + CDI	303,429	314,225
(-) Issue costs to be allocated		(20,633)	(21,919)
(-) Negative goodwill		(628)	(674)
		887,566	895,269
Current		85,625	19,194
Noncurrent		801,941	876,075

b) Changes

	Individual		Consolidated	
	03/31/2024	03/31/2023	03/31/2024	31/03/2023
Opening balance	311,790	311,862	895,269	863,851
Debentures raised	-	-	-	-
Monetary restatement	8,027	1,600	18,040	10,019
Interest allocated	1,538	9,936	10,037	22,403
Amortization of interest	(20,361)	(22,245)	(37,112)	(38,410)
Debenture costs	-	-	-	-
Amortization of funding costs	120	120	1,286	1,286
Negative goodwill	-	-	-	-
Amortization of negative goodwill	46	46	46	46
Closing balance	301,160	301,319	887,566	859,195

Brisanet Participações S.A. and Consolidated

Notes to interim accounting information (Continued)

March 31, 2024

(Amounts expressed in thousands of reais)

12. Debentures (Continued)

b) Changes (Continued)

Noncurrent portions mature as follows:

	Individual		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
2025	100,000	100,000	186,330	269,764
2026	100,000	100,000	272,618	269,764
2027	100,000	100,000	272,575	269,764
From 2028 onwards	-	-	86,351	84,881
	300,000	300,000	817,874	894,173
(-) Issue costs to be allocated	(1,161)	(1,321)	(15,489)	(17,203)
(-) Negative goodwill	(444)	(505)	(444)	(506)
	298,395	298,174	801,941	876,464

c) Issue of debentures

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

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

d) Guarantees

First-series debentures issued by the subsidiary Brisanet Serviços de Telecomunicações S.A. are consistently guaranteed by surety from shareholders and companies that are part of the economic group and the flow of credit rights from accounts receivable, in the minimum amount of R\$40,000 or 40% of the amount raised.

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

Brisanet Participações S.A. and Consolidated

Notes to interim accounting information (Continued)

March 31, 2024

(Amounts expressed in thousands of reais)

12. Debentures (Continued)

e) Covenants

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

At March 31, 2024, the Company and its subsidiaries concluded that all requirements had been legally met.

13. Rights of use and lease liabilities (Consolidated)

Contracts per period and discount rate

Changes in lease liabilities are as follows:

	<u>03/31//024</u>	<u>03/31/2023</u>
Opening balance	46,543	38,870
Interest allocated	2,000	1,202
Additions due to new contracts	49,006	13,211
Consideration paid	(12,235)	(13,364)
Interest paid	(1,304)	(682)
Closing balance	<u>84,010</u>	<u>39,237</u>
Current	46,383	14,201
Noncurrent	37,627	25,036

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

Agreement maturity and undiscounted installments, reconciled to the balances at March 31, 2024 and December 31, 2023 are analyzed below:

Brisanet Participações S.A. and Consolidated

Notes to interim accounting information (Continued)

March 31, 2024

(Amounts expressed in thousands of reais)

13. Rights of use and lease liabilities (Consolidated) - Continued

	<u>03/31/2024</u>	<u>12/31/2023</u>
Installment maturity		
2024	43,608	15,643
2025	15,216	11,789
From 2026 onwards	31,588	24,268
Undiscounted amounts	90,412	51,700
Embedded interest	(6,402)	(5,157)
Lease liabilities balance	84,010	46,543

Changes in rights of use are as follows:

	<u>03/31//2024</u>	<u>03/31//2023</u>
Opening balance	43,839	36,493
Additions due to new contracts	49,006	13,211
Amortization expenses	(12,359)	(11,353)
Closing balance	80,486	38,351

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

<u>Cash flows</u>	<u>Nominal amount</u>	<u>Amount adjusted to present value</u>
Lease consideration	90,412	84,010
Potential PIS/COFINS (9.25%)	(8,363)	(7,771)

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

In compliance with NBC TG 06 (R3), in measuring and remeasuring their lease liabilities and rights of use, Company subsidiaries used the cash flow method without considering future inflation projected in the flows to be discounted, as barred by NBC TG 06 (R3). This barring may cause material misstatements in the information provided, given the current reality of long-term interest rates in the Brazilian economic scenario.

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 March 31, 2023 and December 31, 2022 are presented below.

Brisanet Participações S.A. and Consolidated

Notes to interim accounting information (Continued)

March 31, 2024

(Amounts expressed in thousands of reais)

13. Rights of use and lease liabilities (Consolidated) - Continued

	<u>03/31/2024</u>	<u>12/31/2023</u>
Rights of use, net		
NBC TG 06 (R3) / IFRS 16	80,486	43,839
Amounts including future inflation Variation	3,002	2,025
	83,488	45,864
Lease obligations		
NBC TG 06 (R3) / IFRS 16	84,009	46,543
Amounts including future inflation Variation	3,134	2,150
	87,143	48,693
Finance costs		
NBC TG 06 (R3) / IFRS 16	(2,000)	(5,703)
Amounts including future inflation Variation	(75)	(263)
	(2,075)	(5,966)
Depreciation expenses		
NBC TG 06 (R3) / IFRS 16	(12,357)	(47,554)
Amounts including future inflation Variation	(461)	(2,197)
	(12,818)	(49,751)

14. Labor and social obligations

	<u>Individual</u>		<u>Consolidated</u>	
	<u>03/31/2024</u>	<u>12/31/2023</u>	<u>03/31/2024</u>	<u>12/31/2023</u>
Salaries and wages	-	-	17,154	15,339
Social charges on salaries and wages	19	19	8,845	9,343
Accrued vacation pay and 13 salaries	-	-	27,797	21,134
Social charges on accrued vacation pay and 13 salaries	-	-	10,851	7,442
Other	-	-	67	181
	19	19	64,714	53,439

Brisanet Participações S.A. and Consolidated

Notes to interim accounting information (Continued)

March 31, 2024

(Amounts expressed in thousands of reais)

15. Provision for contingencies (Consolidated)

Changes in provision for contingencies are as follows:

	Labor	Tax	Civil	Total
Balance at December 31, 2022	1,410	422	51	1,883
Set-up	8,171	364	854	9,389
Reversal	(1,681)	(284)	(462)	(2,427)
Write-off	(622)	-	-	(622)
Balance at March 31, 2023	7,278	502	443	8,223
Balance at December 31, 2023	10,226	383	934	11,543
Set-up	3,072	83	189	3,344
Reversal	(1,582)	(83)	(59)	(1,724)
Write-off	(163)	-	-	(163)
Balance at March 31, 2024	11,553	383	1,064	13,000

The balance of tax, civil and labor proceedings for which they were considered a possible loss is in the amount of R\$116,090 (R\$56,029 as of December 31, 2023). The estimate of possible losses refers in short to tax proceedings, among which R\$87,973 are related to legal actions that address the issue of including Value Added Service in the ICMS tax calculation base on Multimedia Communication Service.

The Company maintains amounts in judicial deposits in the amount of R\$7,920 (R\$7,623 as of December 31, 2023).

16. Other accounts payable (Consolidated)

	Individual		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Authorization for use of radiofrequency (5G)	-	-	181,484	177,676
Radiofrequency license - LTE (4G)	-	-	2,082	2,074
(-) Amount adjusted to present value	-	-	(244)	(213)
Other obligations payable	-	-	19,130	13,430
	-	-	202,452	192,967
Current	-	-	27,782	22,127
Noncurrent	-	-	174,670	170,840

Brisanet Participações S.A. and Consolidated

Notes to interim accounting information (Continued)

March 31, 2024

(Amounts expressed in thousands of reais)

17. Government grants (Consolidated)

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

Government grant	Benefit granted	Effective period	Note	Amount recorded in P&L for the year	
				03/31/2024	03/31/2023
Federal - Superintendency for the Development of the Northeast (SUDENE)	Reduction by 75% in non-refundable income tax and surtax.	01/01/2018 to 12/31/2027	Note 23	1,034	2,240
Federal - Worker's Meal Program (PAT)	Direct deduction on Income Tax, limited to 4% of the tax due (without surtax) in each calculation base period. The calculated amount must be the lower of 15% of the sum of the expenses to carry out PAT and 15% of R\$1.99 (in reais) multiplied by the number of meals provided in the period.	Indefinite	Note 23	120	146
Federal - Reinvestment - Banco do Nordeste	Reinvest in its own projects to modernize and supplement equipment, 30% of Income Tax due	01/01/2022 to 12/31/2023	Note 23	-	135
Federal - Rouanet Law	Deduction of amounts intended for cultural incentive projects through donation or limited sponsorship up to 4% of the tax due	Indefinite	Note 23	67	30
State - Paraíba, Ceará, Pernambuco	Reduction by 75% of the ICMS amounts on intrastate revenues.	PB from 06/01/2020 to 06/01/2030, CE from 10/01/2019 to indefinite (annual renewal), PE from 04/01/2022 to indefinite (semiannual renewal)	Note 20	19,328	16,296
	Temporary exclusion of ICMS tax benefits.		Note 23	6,574	5,541

18. Equity (Individual)

a) Capital

At March 31, 2024 and December 31, 2023, subscribed and paid-in capital amounts to R\$1,321,859, represented by 449,094,916 common shares.

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

Brisanet Participações S.A. and Consolidated

Notes to interim accounting information (Continued)

March 31, 2024

(Amounts expressed in thousands of reais)

18. Equity (Individual) (Continued)

a) Capital (Continued)

As of March 31, 2024 and December 31, 2023, capital authorized for increase by the Board of Directors, regardless of statutory amendment, is of up to 150,000,000 additional common shares.

b) Income reserves

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

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

c) Profit distribution

Accumulated losses, if any, and the provision for income and social contribution taxes, will be deducted from profit or loss for the year, before any profit is distributed. Loss for the year will be mandatorily absorbed by retained earnings, and by the income and legal reserves. After recognition of the legal reserve, a minimum of 25% (twenty-five percent) will be allocated to payment of mandatory minimum dividends due to shareholders.

Changes in dividends payable are as follows:

	<u>03/31/2024</u>	<u>03/31/2023</u>
Opening balance	38,867	14,418
Mandatory minimum dividends	-	-
Dividends approved	-	-
Dividends paid out	-	-
Closing balance	<u>38,867</u>	<u>14,418</u>

Brisanet Participações S.A. and Consolidated

Notes to interim accounting information (Continued)

March 31, 2024

(Amounts expressed in thousands of reais)

19. Net operating revenue (Consolidated)

	<u>03/31/2024</u>	<u>03/31/2023</u>
Gross sales revenue		
Services provided	373,572	328,015
Goods resold	275	122
	<u>373,847</u>	<u>328,137</u>
Deductions from gross revenue		
(-) Taxes on revenue	(58,756)	(52,353)
Tax benefits (Note 18)	19,328	16,296
	<u>39,428</u>	<u>(36,057)</u>
Net operating revenue	<u>334,419</u>	<u>292,080</u>

20. Operating costs and expenses by nature and function

	Individual					
	<u>03/31/2024</u>			<u>31/03/2023</u>		
	Administrative expenses	Other operating income (expenses), net	Total	Administrative expenses	Other operating income (expenses), net	Total
	(548)	-	(548)	(607)	(526)	(1,133)
By nature:						
Third-party services	(502)	-	(502)	(468)	-	(468)
General expenses	-	-	-	(139)	-	(139)
Taxes, charges and contributions	-	-	-	-	(526)	(526)
Other	(46)	-	-	-	-	-

Brisanet Participações S.A. and Consolidated

Notes to interim accounting information (Continued)

March 31, 2024

(Amounts expressed in thousands of reais)

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

	Consolidated									
	03/31/2024					31/03/2023				
	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
	(191,475)	(42,930)	(53,150)	453	(287,102)	(153,515)	(27,008)	(35,728)	(13,827)	(230,078)
By nature:										
Interconnection and means of connection	(12,879)	-	-	-	(12,879)	(7,954)	-	-	-	(7,954)
Direct connectivity costs (Link)	(5,317)	-	-	-	(5,317)	(5,453)	-	-	-	(5,453)
Indirect costs of right of way (utility poles)	(20,326)	-	-	-	(20,326)	(20,344)	-	-	-	(20,344)
Salaries and wages	(35,586)	(20,939)	(18,170)	-	(74,695)	(28,355)	(13,122)	(12,147)	-	(53,624)
Third-party services	(5,120)	(4,729)	(1,614)	-	(11,463)	(2,440)	(3,092)	(2,360)	-	(7,892)
Advertising and publicity	-	-	(8,731)	-	(8,731)	-	-	(6,953)	-	(6,953)
Depreciation and amortization	(88,533)	(4,735)	(683)	-	(93,951)	(73,764)	(3,061)	(537)	-	(77,362)
Taxes, charges and contributions	-	-	-	(1,732)	(1,732)	-	-	-	(3,416)	(3,416)
Electric power and water	(3,943)	(790)	(9)	-	(4,742)	(2,500)	(542)	(4)	-	(3,046)
Materials and maintenance	(5,825)	(2,098)	(237)	-	(8,160)	(3,842)	(440)	(176)	-	(4,458)
Other personnel expenditures	(6,575)	(2,781)	(3,033)	-	(12,389)	(4,377)	(1,756)	(1,704)	-	(7,837)
Allowance for expected credit losses	-	-	(18,697)	-	(18,697)	-	-	(11,416)	-	(11,416)
Provision for contingencies	-	-	-	(1,620)	(1,620)	-	-	-	(6,962)	(6,962)
System maintenance services	(4,395)	(2,466)	(735)	-	(7,596)	(1,779)	(1,980)	(201)	-	(3,960)
Other	(2,976)	(4,392)	(1,241)	3,805	(4,804)	(2,707)	(3,015)	(230)	(3,449)	(9,401)

Brisanet Participações S.A. and Consolidated

Notes to interim accounting information (Continued)

March 31, 2024

(Amounts expressed in thousands of reais)

21. Finance income (costs)

	Individual		Consolidated	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Finance costs				
Interest on loans and financing, debentures and promissory notes	(9,565)	(11,703)	(34,646)	(42,899)
Late-payment interest and fines	-	(38)	(797)	(109)
Exchange losses	-	-	(2,376)	(3,231)
Bank charges	-	(2)	(1,509)	(1,377)
Interest on leases	-	-	(1,735)	(1,372)
Tax on Financial Transactions (IOF)	(610)	-	(2,405)	(99)
Collection fees	-	-	(441)	(418)
Derivative transactions – swap	-	-	(1,666)	(4,919)
Other	-	-	(367)	(241)
	(10,175)	(11,743)	(45,582)	(54,750)
Finance income				
Interest income received	-	-	4,969	3,431
Financial investment yield	9,564	11,302	13,063	17,707
Exchange gains	-	-	144	4,901
Derivative transactions – swap	-	-	2,254	2,435
Other finance income	-	-	2,657	291
	9,564	11,302	23,087	28,765
Finance income (costs)	(611)	(441)	(22,495)	(25,985)

22. Income and social contribution taxes

As at March 31, 2024 and March 31, 2023, income and social contribution taxes were calculated on taxable profit computed on accounting records of the Company (“Lucro real”), at the rate of 15% income tax (IRPJ), and surtax of 10% for profits exceeding R\$60 over 3 months, and at 9% for social contribution tax (CSLL).

Current income and social contribution tax expense is as follows:

	Individual		Consolidated	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Taxable profit computed as per accounting records (<i>lucro real</i>)				
Current IRPJ	-	-	(3,151)	(9,094)
Current CSLL	-	-	(1,136)	(3,276)
Tax benefit – income tax reduction (Note 18)	-	-	1,034	2,240
Tax incentive – PAT (Note 18)	-	-	120	146
Tax incentive – Reinvestment and Rouanet Law (Note 18)	-	-	67	165
Deferred income and social contribution taxes	394	535	(1,644)	(1,013)
	394	535	(4,710)	(10,832)

Brisanet Participações S.A. and Consolidated

Notes to interim accounting information (Continued)

March 31, 2024

(Amounts expressed in thousands of reais)

22. Income and social contribution taxes (Continued)

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

	Individual		Consolidated	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Assets:				
Income and social contribution tax losses	394	535	861	456
Temporary differences on allowance for expected credit losses	-	-	3,677	2,978
Temporary differences on provision for contingencies	-	-	2,007	1,760
Temporary differences on derivative transactions	-	-	321	562
Temporary differences on leases	-	-	12	96
Temporary differences on the provision for profit sharing	-	-	560	117
Temporary differences on installation and activation of customers	-	-	2,871	2,400
	394	535	10,309	8,369
Liabilities:				
Temporary differences on derivative transactions	-	-	-	-
Temporary differences on installation and activation of customers	-	-	-	-
Temporary differences on leases	-	-	(385)	-
Temporary differences on commission expenses	-	-	(252)	-
Temporary differences on government grants	-	-	(2,948)	-
	-	-	(3,585)	-
	394	535	6,724	8,369

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

	Individual		Consolidated	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Income before income and social contribution taxes	19,759	24,736	24,822	36,017
Combined statutory rate - 34%	34%	34%	34%	34%
Income and social contribution taxes at statutory rates	(6,718)	(8,410)	(8,440)	(12,246)
Permanent differences				
Tax benefit – income tax reduction (Note 18)	-	-	1,034	2,240
Tax incentive – PAT (Note 18)	-	-	120	146
Tax incentive – Reinvestment and Rouanet Law (Note 18)	-	-	67	165
Tax incentive – ICMS reduction (Note 18) (a)	-	-	6,574	5,541
Equity pickup	7,112	8,945	-	-
Write-off of PPE due to malfunction, breakdown and loss	-	-	-	(1,508)
Write-off of allowance for expected credit loss	-	-	(1,547)	(353)
Other additions (exclusions), net	-	-	(2,518)	(4,817)
	394	535	(4,710)	(10,832)
Current income and social contribution tax expenses	-	-	(3,066)	(9,819)
Deferred income and social contribution tax expenses	394	535	(1,644)	(1,013)
	394	535	(4,710)	(10,832)
Effective rate (%)	2%	2%	-19%	-30%

(a) The Company has subsidies granted by state governments. The values of these tax incentives are recorded in the result, and are excluded in the calculation of taxes on profit, when the requirements set out in legislation are met and in accordance with Law 14,789, enacted on December 29, 2023, as it was decided to pay of Annual IR based on estimates and suspension balance sheets for 2024.

Brisanet Participações S.A. and Consolidated

Notes to interim accounting information (Continued)

March 31, 2024

(Amounts expressed in thousands of reais)

23. Earnings (loss) per share

a) Basic and diluted

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

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

	<u>03/31/2024</u>	<u>03/31/2023</u>
Profit (loss) attributable to Company shareholders	20,153	25,271
Weighted average number of common shares issued	<u>445,744,916</u>	<u>449,094,916</u>
Basic and diluted earnings (loss) per share – in (R\$)	<u>0.05</u>	<u>0.06</u>

24. 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.

Brisanet Participações S.A. and Consolidated

Notes to interim accounting information (Continued)

March 31, 2024

(Amounts expressed in thousands of reais)

24. Financial instruments and risk management (Continued)

a) Capital management (Continued)

As at March 31, 2024 and December 31, 2023, debt ratios are summarized as follows:

	Note	Consolidated	
		03/31/2024	12/31/2023
Total loans and financing	11	296,022	304,004
Total debentures	12	887,566	895,269
Total lease liabilities	13	84,010	46,543
Total derivatives	24	3,986	5,542
Less: Cash and cash equivalents	3	(169,051)	(323,220)
Less: Financial investments – short-term:	3	(267,090)	(180,867)
Less: Derivatives	24	(177)	(1,609)
Net debt	A	835,266	745,662
Total equity		1,528,168	1,508,058
Equity plus net debt	B	2,363,434	2,253,720
Financial leverage ratio	A/B	35.34%	33.09%

b) Category of financial instruments

	Consolidated	
	03/31/2024	12/31/2023
Financial assets at amortized cost:		
Financial investment	267,090	180,867
Trade accounts receivable	171,456	163,309
Financial assets at fair value through profit or loss		
Derivative transactions	1,879	1,609
	440,425	345,785
Financial liabilities at amortized cost:		
Trade accounts payable	105,692	96,856
Loans and financing	296,022	304,004
Debentures	887,566	895,269
Lease obligations	84,010	46,543
Financial liabilities at fair value through profit or loss		
Derivative transactions	3,986	5,542
	1,377,276	1,348,214

Brisanet Participações S.A. and Consolidated

Notes to interim accounting information (Continued)

March 31, 2024

(Amounts expressed in thousands of reais)

24. Financial instruments and risk management (Continued)

b) Category of financial instruments (Continued)

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

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

c) Credit risk

Trade accounts receivable subject to credit risk are presented in Note 4. At March 31, 2024, Company subsidiaries recorded allowance for expected credit losses amounting to R\$23,796 (R\$19,247 at December 31, 2023), considered sufficient by management to cover expected losses on realization of trade accounts receivable. As disclosed in Note 4, no individual customer represents more than 10% of total accounts receivable.

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.

Brisanet Participações S.A. and Consolidated

Notes to interim accounting information (Continued)

March 31, 2024

(Amounts expressed in thousands of reais)

24. Financial instruments and risk management (Continued)

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:

	Total at 03/31/2024	Within 6 months	From 6 to 12 months	From 1 to 2 years	From 2 to 5 years	Over 5 years
Trade accounts payable	105,692	77,643	28,049	-	-	-
Loans and financing	296,022	44,571	51,972	58,508	47,730	93,241
Derivatives	3,986	2,469	1,517	-	-	-
Debentures	887,566	17,305	68,320	267,310	534,631	-
Lease obligations	84,010	26,661	19,722	27,898	9,623	106

	Total at 12/31/2023	Within 6 months	From 6 to 12 months	From 1 to 2 years	From 2 to 5 years	Over 5 years
Trade accounts payable	95,844	81,093	14,751	-	-	-
Loans and financing	304,004	42,617	52,988	82,589	29,159	96,651
Derivatives	5,542	2,895	2,647	-	-	-
Debentures	895,269	10,068	9,126	528,483	347,592	-
Lease obligations	46,543	7,281	7,330	18,976	12,850	106

f) 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.

g) Currency risk

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

Brisanet Participações S.A. and Consolidated

Notes to interim accounting information (Continued)

March 31, 2024

(Amounts expressed in thousands of reais)

24. Financial instruments and risk management (Continued)

g) Currency risk (Continued)

Derivative financial instruments

The derivatives and fx forward contracts have as counterparty a financial institution and were contracted to cover potential risks involved in the purchase of PPE items abroad. The essential terms of the fx forward contracts were negotiated so as to be in line with the existing sale commitments contracted in foreign currency. As at March 31, 2024, Company subsidiaries presented a consolidated balance receivable of R\$1,879 (R\$1,609 at December 31, 2023) equivalent to the estimated positive adjustment to be received financially upon contract maturity, based on their market value on respective date.

Breakdown of financial instruments

Description	03/31/2024	12/31/2023
Derivative transactions receivable – Swap	1,879	1,609
	1,879	1,609
Current	177	133
Noncurrent	1,702	1,476

Maturity of swap transactions:

	03/31/2024	12/31/2023
2024	177	133
2025	291	291
From 2026 onwards	1,411	1,185
	1,879	1,609

Subsidiary Brisanet Serviços engages in instruments for financial transactions in foreign currency aimed at fundraising and import financing. At March 31, 2024 and December 31, 2023, derivative transactions represented 12.74% (R\$8,228 / R\$R\$296,022) and 3.51% (R\$10,675 / R\$303,983), respectively, of this subsidiary's bank debt.

For the current period, 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.

Brisanet Participações S.A. and Consolidated

Notes to interim accounting information (Continued)

March 31, 2024

(Amounts expressed in thousands of reais)

24. Financial instruments and risk management (Continued)

g) Currency risk (Continued)

Breakdown of financial instruments (Continued)

At March 31, 2024, derivative financial instruments amounted to R\$1,870 (R\$1,609 in 2023). The Company measures its foreign-currency loan liabilities at amortized cost and hedges such items by means of derivative financial instruments (swaps). In order to prevent accounting mismatches between measurement of financial liabilities (amortized cost and fair value), the Company classified referred to instruments as financial liabilities measured at fair value.

In the period ended March 31, 2024, net realized and unrealized gains (losses) deriving from these contracts were recorded in finance income (costs), and represented consolidated net loss of R\$1,644 (consolidated net loss of R\$5,084 at March 31, 2023).

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

Interest rate risk

<u>03/31/2024</u>	<u>Consolidated</u>				
<u>Instrument/transaction</u>	<u>Probable scenario p.a.</u>	<u>Risk</u>	<u>Current scenario</u>	<u>Scenario II</u>	<u>Scenario III</u>
Working capital	11.68%	CDI increase	(10,812)	(13,515)	(16,218)
Working capital	0.48%	TLP increase	-	-	-
PPE financing (FINEM)	6.70%	TLP increase	(1,034)	(1,293)	(1,551)
Financing - TR	3.78%	TR increase	(5,761)	(7,201)	(8,641)
Financial investment	9.00%	CDI decrease	38,931	48,664	58,397
Projected income (loss)			21,324	26,655	31,987

Brisanet Participações S.A. and Consolidated

Notes to interim accounting information (Continued)

March 31, 2024

(Amounts expressed in thousands of reais)

24. Financial instruments and risk management (Continued)

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

Interest rate risk (Continued)

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

Currency risk

03/31/2024			Consolidated		
Instrument/transaction	Dollar (probable)	Risk	Current scenario	Scenario II	Scenario III
Trade accounts payable	4.99	Dollar increase	-	(10,012)	(20,024)
Loans and financing	4.99	Dollar increase	-	(10,286)	(20,572)
Projected income (loss)			-	(20,298)	(40,596)

12/31/2023			Consolidated		
Instrument/transaction	Dollar (probable)	Risk	Current scenario	Scenario II	Scenario III
Trade accounts payable	4.99	Dollar increase	-	(8,450)	(16,900)
Loans and financing	4.99	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

Brisanet Participações S.A. and Consolidated

Notes to interim accounting information (Continued)

March 31, 2024

(Amounts expressed in thousands of reais)

24. Financial instruments and risk management (Continued)

i) Fair value hierarchy (Continued)

- 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.

	Consolidated				
	03/31/2024				
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets at amortized cost:					
Financial investment	267,090	267,090	-	267,090	-
Trade accounts receivable	171,456	171,456	-	171,456	-
Financial assets at fair value through profit or loss:					
Derivative transactions	1,879	1,879	-	1,879	-
	440,425	440,425	-	440,425	-
Financial liabilities at amortized cost:					
Trade accounts payable	105,692	105,692	-	105,692	-
Loans and financing	296,022	296,022	-	296,022	-
Debentures	887,566	887,566	-	887,566	-
Financial liabilities at fair value through profit or loss:					
Derivative transactions	3,986	3,986	-	3,986	-
	1,293,266	1,293,266	-	1,293,266	-

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

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.

Brisanet Participações S.A. and Consolidated

Notes to interim accounting information (Continued)

March 31, 2024

(Amounts expressed in thousands of reais)

24. Financial instruments and risk management (Continued)

j) Changes in liabilities arising from financing activities

The changes for the period ended March 31, 2024 in the liabilities arising from financing activities of the Company and its subsidiaries are as follows:

	Individual						Closing balance
	03/31/2024						
	Cash flows		Adjustment to income				
Opening balance	Net cash flows used in financing activities	Net cash flows from (used in) operating activities	Exchange differences and monetary variation	Interest on leases, debentures, promissory notes and loans and financing	Amortization of funding costs and negative goodwill		
Debentures	311,790	(20,361)	8,027	1,538	166		301,160

	Consolidated							Closing balance
	03/31/2024							
	Cash flows		Noncash transactions	Adjustment to income				
Opening balance	Net cash flows used in financing activities	Net cash flows from (used in) operating activities	Acquisition of new right-of-use agreements	Exchange differences and monetary variation	Interest on leases, debentures, promissory notes and loans and financing	Amortization of funding costs and negative goodwill		
Loans and financing	304,004	(9,151)	(5,135)	-	955	5,749	-	295,711
Debentures	895,269	-	(37,112)	-	18,040	10,037	1,332	887,566
Leases	46,543	(12,235)	(1,304)	49,006	-	2,000	-	84,010

25. Insurance coverage (Consolidated)

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

Insurance coverage in effect is as follows:

	03/31/2024	12/31/2023
PPE – Civil liability (dollars)	US\$20,000	US\$20,000
PPE – Civil liability (reais)	R\$7,769	R\$7,769
PPE – Operational risk (dollars)	US\$5,200	US\$5,200
PPE – Operational risk (reais)	R\$1,800	R\$1,800
D&O (reais)	R\$50,000	R\$50,000
Other assets and operations – Operational risk (reais)	R\$370,818	R\$307,420

Brisanet Participações S.A. and Consolidated

Notes to interim accounting information (Continued)

March 31, 2024

(Amounts expressed in thousands of reais)

26. Transactions not involving cash or cash equivalents

	Consolidated	
	03/31/2024	03/31/2023
Capitalization of interest (Note 8)	4,323	7,028
Capitalization of depreciation (Note 8)	3,808	4,354
New lease agreements (Note 13)	49,066	13,211

27. Subsequents events

Fundraising in financing with the Banco Nacional de Desenvolvimento Econômico e Social – BNDES

The subsidiary Brisanet Serviços de Telecomunicações S.A., transferring the financing of its operations related to 5G, obtained the approval of a credit line by the Banco Nacional de Desenvolvimento Econômico e Social – BNDES, in the amount of R\$ 146,151. The resources will be allocated to the application and improvement of telecommunications networks and services, as well as the research and implementation of new connection technologies – 5G/FWA. Disbursements are subject to compliance with the conditions set out in the contract.

* * *

OFFICERS' REPRESENTATION

In compliance with the provisions of article 27, paragraph 1, item V, of CVM Resolution No. 80 of March 29, 2022, the officers of Brisanet Participações S.A. ("Company") undersigned declare that they have reviewed, discussed and agree with the Company's Quarterly Information for the three-month period ended March 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 officers of Brisanet Participações S.A. ("Company") undersigned declare that they have reviewed, discussed and agree with the opinions expressed in the Independent Auditor's Review Report of Ernst & Young Auditores Independentes S.S. Ltda. on the Company's Quarterly Information for the three-month period ended March 31, 2024.

Luciana Paulo Ferreira

Investor Relations Officer

José Roberto Nogueira

Chief Executive Officer

João Paulo Estevam

Chief Operating Officer