

Quarterly information (ITR)

Brisanet Participações S.A.

June 30, 2024

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

Brisanet Participações S.A.

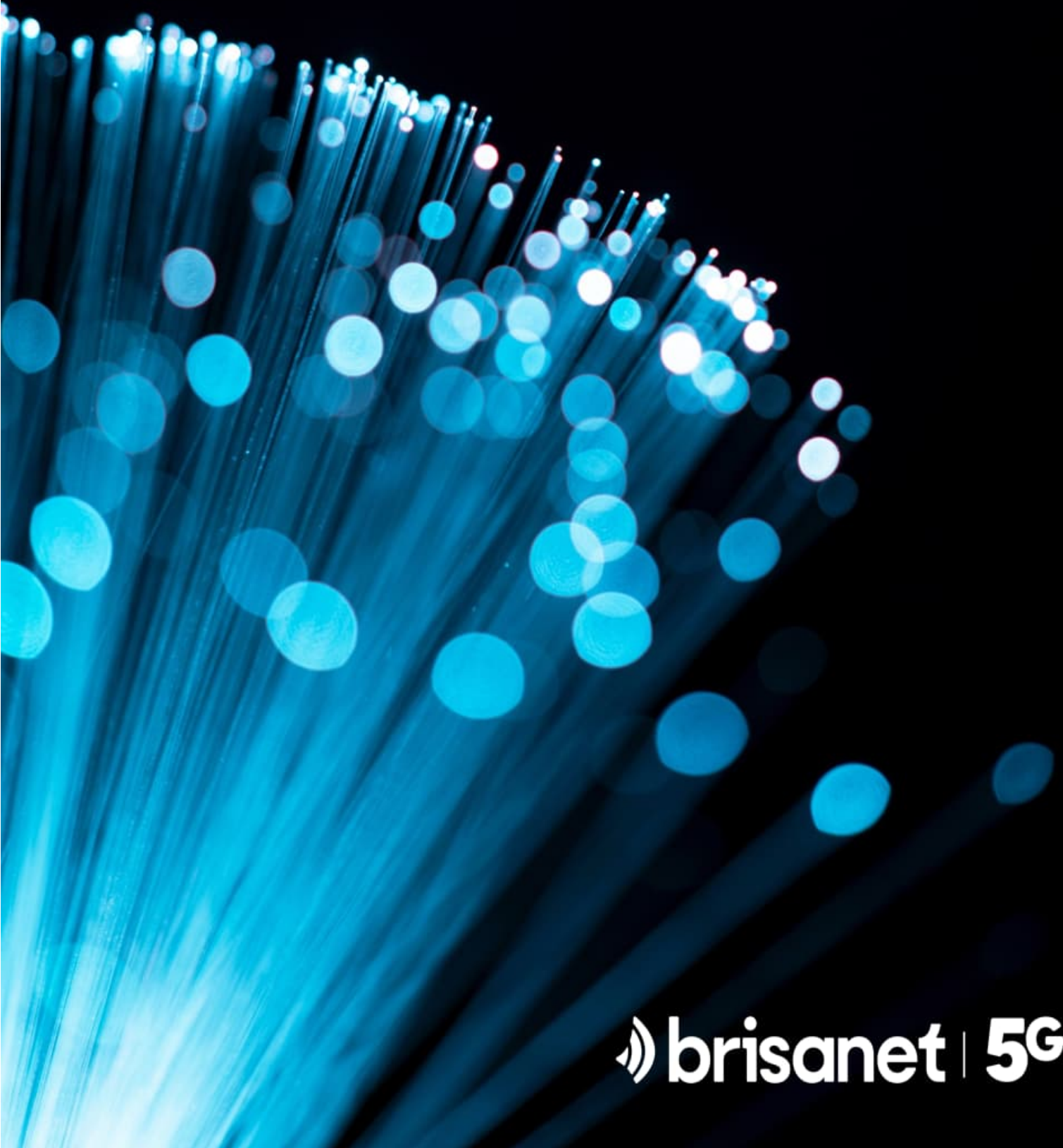
June 30, 2024

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2Q24

EARNINGS RELEASE



 **brisanet | 5G**

Brisanet generated R\$208 million in operating cash flows in 2Q24

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 second quarter of 2024 (2Q24).

With 25 years of history, Brisanet has a 28% 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 June 2024, we had 128,404 active customers in the mobile segment.**

Brisanet	2Q24	1Q24	2Q23
Operating Highlights			
Cities served - FTTH	158	158	157
Access Ports - '000	4,693	4,683	4,545
HP added- '000	21	26	288
Total HP - '000	7,042	7,021	6,745
HC added- '000	36.6	32	51
Total HC - '000	1,361	1,324	1,210
Cities served - Mobile	133	96	-
Mobile Access	157,684	78,089	-
Financial Highlights (R\$ million)			
Net revenue	346.5	334.4	300.2
<i>Gross Margin (%)</i>	40%	43%	47%
Operating income	46.1	47.3	68.1
EBITDA	145.6	141.3	148.4
<i>Adjusted EBITDA Margin (%)</i>	42%	42%	49%
Adjusted EBITDA	145.6	141.3	148.4
<i>Adjusted EBITDA Margin (%)</i>	42%	42%	49%
Net income	17.3	20.1	43.9
Net debt	891.0	833.6	757.3
Net debt/LTM EBITDA (x)	1.54x	1.42x	1.38x

¹ and ² June/24 Data

MAIN HIGHLIGHTS OF THE PERIOD

- ✓ **Net operating revenue grew 15% in 2Q24** when compared to 2Q23 and 4% when compared to 1Q24. In the first half of 2024, net revenue reached R\$680.9 million. The growth is mainly the result of the increase in the company's take-up rate, which in 2Q24 reached 19.3% and **added 36.6 thousand customers to its base organically**.
- ✓ **EBITDA in 2Q24 was R\$ 145.6 million with a margin of 42%**, a reduction of 1.9% compared to 2Q23 EBITDA. 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 1H24, **the Company generated cash flows from operating activities of R\$356 million**, a volume 24% higher than the EBITDA for the period, which was R\$286.8 million. **In 2Q24, cash flows from operating reached R\$208.4 million, 43% higher than the period's EBITDA.**
- ✓ **Net profit reached R\$17.3 million in 2Q24**, a reduction of 60.6% compared to the result of 2Q23, 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.

EARNINGS CONFERENCE CALL

Date: August 15, 2024 – Thursday

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

Brisanet – 2Q24 Earnings Release

To access, [click here](#)

³ For further information, check Note 22 to the Company's Quarterly Information as of June 2024

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 43,000 km of backbone infrastructure (paths used to distribute internet to other networks), more than 280 data centers and more than 78,000 km of FTTH (fiber-to-the-home) cables. In mobile, the implemented infrastructure already reaches 133 cities⁴, covering a population slightly higher than 7 million people.

In the second quarter of 2024, the Company registered 36,601 new customers (HCs). 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 **22% in Fortaleza and Aracaju** (numbers from June-24).

Operational Data	2Q24	1Q24	2Q23	2Q24 x 2Q23	2Q24 x 1Q24
Access Ports	4,693,374	4,683,014	4,544,906	3%	0%
Added HP	20,720	25,968	287,872	-93%	-20%
Homes Passed (HP)	7,041,960	7,021,240	6,745,024	4%	0%
Added HC	36,601	32,161	50,703	-28%	14%
Homes Connected (HC)	1,360,854	1,324,253	1,209,536	13%	3%
Cities served	158	158	157	1%	0%
Churn	2.34%	2.45%	2.28%	0.06 p.p.	-0.11 p.p.

The Company also operates through its franchisor, Agility Telecom. The brand is represented by 67 franchisees who operate in smaller cities or rural districts in the region serving 171,924 customers⁵.

With **an addition of 73,225 mobile customers added in 2Q24**, the customer base for the period totaled 128,404.

⁴ July/24 Data

⁵ July/24 Data

GROSS REVENUE BY PRODUCT

R\$ million	2Q24	1Q24	2Q23	2Q24 x 2Q23	2Q24 x 1Q24	1H24	1H23
Gross Revenue	386.6	373.847	336.5	14.9%	3.4%	760.4	664.7
Broadband	346.3	334.5	313.7	10.4%	3.5%	680.8	605.7
B2C	315.2	304.6	284.5	10.8%	3.5%	619.7	556.4
B2B	31.1	29.9	29.2	6.6%	4.0%	61.0	49.3
Fixed telephony	8.0	8.7	9.8	-18.1%	-7.3%	16.7	19.7
Others	32.3	30.7	13.0	148.4%	5.2%	63.0	39.3

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 7% increase in 2Q24, compared to the previous year, this percentage reflects the expansion and presence in larger cities.

The Other revenues line includes revenues from streaming, Agility Telecom's and mobile services, and grew significantly due to the increase in content sales.

In the comparison between 2Q24 and 2Q23, Brisagnet's net revenue grew by 15%, going from R\$300.2 million in 2Q23 to R\$346.5 million in 2Q24. This was mainly due to the increase in the number of subscribers and the increase in B2B revenues. For the semester, net revenue totaled R\$680.9 million, an increase of 15% over the same period last year.

COST OF SERVICE PROVIDED

Costs of Services Rendered (R\$ million)	2Q24	1Q24	2Q23	2Q24 x 2Q23	2Q24 x 1Q24	1H24	1H23
Personnel	(45.3)	(42.2)	(33.6)	34.5%	7.4%	(87.4)	(66.4)
Interconnection	(13.3)	(12.9)	(9.4)	41.9%	3.1%	(26.2)	(17.3)
Connectivity	(6.0)	(5.3)	(4.2)	40.8%	12.2%	(11.3)	(9.7)
Right of Passage	(20.3)	(20.3)	(19.7)	2.9%	-0.2%	(40.6)	(40.1)
Utilities	(4.6)	(3.9)	(2.8)	66.0%	16.5%	(8.5)	(5.3)
Materials and maintenance	(5.4)	(5.8)	(3.6)	50.3%	-7.8%	(11.2)	(7.4)
Third-party Services	(6.4)	(5.1)	(3.0)	112.0%	24.6%	(11.5)	(5.5)
Others	(11.4)	(7.4)	(5.6)	105.4%	55.1%	(18.8)	(10.1)
Depreciation and Amortization	(93.8)	(88.5)	(76.6)	22.5%	6.0%	(182.3)	(150.3)
Total	(206.4)	(191.5)	(158.4)	30.3%	7.8%	(397.9)	(312.0)

The Company's costs with services provided in 2Q24 totaled R\$206.4 million compared to R\$158.4 million in 2Q23, representing an increase of 30%, 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\$17.2 million, given the growth in assets and intangible assets resulting from the expansions carried out;

- increase in personnel costs that grew by R\$11.6 million due to the growth in number of employees since 2H23 to keep up with the growth in revenue and support personnel – call center, IT, telephony – linked to the start of mobile operations;
- growth in the means of connection account, by R\$3.9 million, due to the increase in content offered through third-party streaming; and
- An increase of R\$3.3 million in system maintenance included in the other line.

OPERATIONAL EXPENSES

Operational expenses (R\$ million)	2Q24	1Q24	2Q23	2Q24 x 2Q23	2Q24 x 1Q24	1H24	1H23
Personnel	(48.4)	(44.9)	(30.8)	57.0%	7.7%	(93.3)	(59.5)
Third-party services	(7.0)	(6.3)	(5.1)	36.1%	10.2%	(13.3)	(10.6)
Marketing expenses	(8.0)	(8.7)	(6.7)	20.1%	-7.8%	(16.8)	(13.7)
Taxes and contributions	(2.2)	(1.7)	(4.3)	-49.3%	24.5%	(3.9)	(7.7)
Provision for doubtful accounts	(18.0)	(18.7)	(17.5)	2.8%	-3.5%	(36.7)	(29.0)
Other expenses	(4.7)	(9.8)	(5.5)	-14.5%	-52.0%	(14.5)	(22.5)
Depreciation and amortization	(5.7)	(5.4)	(3.8)	51.5%	5.1%	(11.1)	(7.4)
Total	(94.0)	(95.6)	(73.7)	27.5%	-1.7%	(189.6)	(150.3)

The Company's operating expenses in 2Q24 increased by around 27% compared to 2Q23 and decreased by 2% compared to the previous quarter.

General and Administrative Expenses (GAE), excluding depreciation and amortization, grew R\$17.4 million compared to 2Q23, mainly due to the reclassification of logistics expenses from cost to GAE – around R\$8.5 million in 2Q24 – with greater impact in personnel expenses and materials and maintenance expenses.

Commercial Expenses, excluding depreciation and amortization, were R\$12.5 million higher in 2Q24, when compared to 2Q23, due to higher personnel and advertising and publicity expenses.

The Provision for Expected Credit Losses (PCLD) totaled R\$18.0 million in 2Q24. The Company aims to fully cover overdue payments over 181 days. At the end of June, considering the write-offs made and the balance of R\$33.0 million, provisions covered 83% of these overdue payments.

Other Operational Revenue (Expenses) were R\$11.6 million better than in 2Q23 due to fiscal credits recoveries in 2Q24, in the amount of R\$8.7 million.

EBITDA

R\$ million	2Q24	1Q24	2Q23	2Q24 x 2Q23	2Q24 x 1Q24	1H24	1H23
Net Income	17.3	20.1	43.9	-60.6%	-14.0%	37.4	69.1
(+) Income tax and social contribution	4.3	4.7	3.8	10.6%	-9.6%	9.0	14.7
(+) Net financial result	24.5	22.5	20.3	20.8%	9.0%	47.0	46.3
(+) Depreciation and amortization	99.5	94.0	80.3	23.9%	5.9%	193.5	157.7
EBITDA	145.6	141.3	148.4	-1.9%	3.1%	286.8	287.8
EBITDA margin (%)	42%	42%	49%	-7.4 p.p.	-0.2 p.p.	42%	49%

The Company presented an EBITDA of R\$145.6 million in 2Q24, with a margin of 42%. Ebitda in the period was impacted by costs and expenses related to the mobile business, without a corresponding increase in revenue.

In the last nine months, we recruited more than fifteen hundred new employees (we have more than 9 thousand employees at the end of June 2024) and extended 4G/5G coverage to a population of 7 million inhabitants in July 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	2Q23	1Q24	2Q24
Net Revenue	728.8	985.2	1,227.9	300.2	334.4	346.5
Variation %	54.5%	35.2%	24.6%			
EBITDA	271.4	435.8	591.5	148.4	141.3	145.6
EBITDA Margin	37.2%	44.2%	48.2%	49.4%	42.2%	42.0%
<u>Costs and Expenses (% over net revenue)</u>						
Personnel	29.8%	26.1%	21.7%	21.5%	26.0%	27.0%
Link + Right of Passage	7.6%	9.1%	8.1%	8.0%	7.7%	7.6%
Content and Connection means	2.9%	2.9%	3.0%	3.1%	3.9%	3.8%
PCLD	2.9%	3.1%	5.4%	5.8%	5.6%	5.2%
Marketing and advertising	2.7%	2.3%	2.4%	2.2%	2.6%	2.3%
Third-party Services	6.3%	3.6%	2.7%	2.7%	3.4%	3.9%
Materials and Maintenance	4.8%	2.1%	1.9%	1.4%	2.4%	2.4%
Systems maintenance	0.9%	1.2%	1.8%	1.8%	2.3%	3.1%
Power and water	1.3%	0.9%	0.9%	1.1%	1.2%	1.6%
Fiscal expenses	0.8%	0.9%	0.9%	1.4%	0.5%	0.6%
Provisions for contingencies	-0.2%	0.2%	0.9%	0.1%	0.5%	0.2%
Others	2.9%	3.3%	2.1%	1.4%	1.7%	0.3%

During the years of greatest investment in fiber – 2021 and 2022 – EBITDA margin was initially affected – as low as 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 characteristic, but with a smaller impact on the margin and faster recovery. Our margin expectation for 2H24 is a similar margin to 1H24, as we are still working on the massification of 5G sales and revenues.

FINANCIAL RESULT

In 2Q24, **the financial result was an expense of R\$24.5 million**, 21% higher than 2Q23 and 9% lower than 1Q24.

R\$ million	2Q24	1Q24	2Q23	2Q24 x 2Q23	2Q24 x 1Q24	1H24	1H23
Financial revenue	27.3	23.1	24.1	13.5%	18.3%	50.4	52.8
Financial expenses	(51.8)	(45.6)	(44.4)	16.8%	13.7%	(97.4)	(99.1)
Net financial result	(24.5)	(22.5)	(20.3)	20.8%	9.0%	(47.0)	(46.3)

Financial income in 2Q24 mainly reflects interest on resources invested in the period, in the amount of R\$10.7 million, active interest received in the amount of R\$6.5 million and R\$8.9 million in exchange rate variation/derivative operations.

Financial expenses basically consisted of: (i) interest expenses in 2Q24 in the amount of R\$32.3 million, (ii) derivative operations in the amount of R\$7.3 million – derivatives are basically swaps for exchange rate protection of debts in foreign currency, (iii) passive exchange rate variations of R\$7.1 million. This increase is a reflection of a higher balance for international suppliers in a quarter where the Brazilian real depreciated 11.3% when compared to the US dollar.

INDEBTEDNESS

R\$ million	June/24	Dec/23	Var. (%)
Gross Debt	1,272.1	1,249.7	1.8%
(-) Cash and cash equivalents	152.4	323.2	-52.8%
(-) Short-term investments	228.6	180.9	26.4%
Net Debt	891.0	745.7	19.5%

Brisanet presented gross debt of R\$1.3 billion in June 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\$381.1 million, the Company presented a net debt of R\$891.0 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 102.9% 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 June 30, 2024, the debt level was 1.54x**, still well below the internal target of up to 3.5x.

The Company adopts the policy of contracting hedge instruments to protect financing carried out in foreign currency, which corresponded to 1% of the total on June 30, 2024.

Breakdown of loans and financing as follows:

Modality	Weighted average rates	June/2024	Dec/2023
Working capital	0,82% a.m.	8,164	11,425
Working capital	0,21% a.m. + CDI	62,566	85,395
Working capital	0,47% a.m. + TLP	-	316
Working capital (Loan 4131)	0,19% a.m. + CDI	15,915	27,322
PPE financing (CDC)	1,18% a.m.	6,957	9,155
PPE financing (FINEM)	0,50% a.m. + TLP	13,605	17,024
Financing - TR	0,29% a.m. + TR	166,646	153,367
Financing - (FUNTELL)	0,40% a.m. + TR	8,745	-
Total		282,598	304,004
Current		88,208	95,605
Non-current		194,390	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 June 30, 2024, the balance was R\$602.4 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. These debentures bear interest at CDI +2.0% per year. On June 30, 2024, the balance was R\$310.6 million.

On July 15, 2024, the Company issued bonds that cannot be converted into shares with a total amount of R\$ 600 million with a term of 6 (six) years, which will therefore mature in July 2030. These debentures bear interest at a CDI + 1.60% per year.

Considering financing, debentures and leasing in 2Q24, more than 40% of the Company's debt matures after 2027.

Also including debentures, the Company's debt is well balanced between IPCA (50%) and CDI (33%), pre-fixed (16%) 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 of R\$)	2021	2022	2023	1Q24	1H24
Cash generated by operating activities	411	359	655	147	356
% EBITDA	151.6%	82.3%	110.7%	104.0%	124.1%
Capex	1,044	857	464	165	346
% Net Revenue	143.3%	87.0%	37.8%	49.3%	99.7%
Free Cash Flow	(633)	(498)	191	(18)	10
% Net Revenue	-87%	-51%	16%	-5%	2%
Net Debt	75	744	746	834	891
Net Debt/EBITDA	0.30x	1.70x	1.29x	1.43x	1.54x

In 1H24, Brisnet invested, when measured by additions to fixed assets and intangible assets, the amount of R\$346 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\$430 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 financial information as of June 30, 2024, reviewed by Ernst & Young Auditores Independentes S.S. Ltda., is now available on our [website](#).

INVESTOR RELATIONS

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LEGAL NOTICE

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 BRL '000	2Q24	1Q24	2Q23	1H24	1H23
Net operating revenue	346,453	334,419	300,207	680,871	592,287
Cost of services	(206,397)	(191,475)	(158,449)	(397,871)	(311,964)
Gross profit	140,056	142,944	141,758	283,000	280,323
Operating expenses					
Administrative expenses	(48,682)	(42,930)	(29,401)	(91,612)	(56,409)
Selling expenses	(55,608)	(53,150)	(43,002)	(108,757)	(78,730)
Net other operating revenue (expenses)	10,304	453	(1,284)	10,756	(15,111)
Earnings before financial result & taxes	46,070	47,317	68,071	93,387	130,073
Financial revenues	27,323	23,087	24,082	50,410	52,847
Financial expenses	(51,845)	(45,582)	(44,387)	(97,427)	(99,137)
Net financial result	(24,522)	(22,495)	(20,305)	(47,017)	(46,290)
Income (Loss) before IR and CSLL	21,548	24,822	47,766	46,370	83,783
Income tax and social contribution	(4,257)	(4,710)	(3,848)	(8,967)	(14,680)
Income (Loss) for the period	17,291	20,112	43,918	37,403	69,103

Consolidated - In R\$ '000	06/30/2024	12/31/2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	152,433	323,220
Short-term investments	228,635	180,867
Trade accounts receivables	168,488	163,105
Inventories	11,082	8,794
Taxes recoverable	39,710	35,893
Derivative operations	514	133
Prepaid expenses	10,568	2,059
Prepaid expenses	-	-
Other assets	8,865	7,797
TOTAL CURRENT ASSETS	620,295	721,868
NON-CURRENT ASSETS		
Accounts receivable	4,184	204
Taxes recoverable	38,602	44,287
Court-related deposits	7,683	7,623
Derivative operations	2,303	1,476
Prepaid expenses	7,046	4,373
Deferred income and social contribution taxes	4,309	8,369
Other assets	-	38
Rights-of-use	73,653	43,839
Property, plant and equipment	2,262,057	2,090,472
Intangible assets	280,276	273,729
TOTAL NON-CURRENT ASSETS	2,680,113	2,474,410
TOTAL ASSETS	3,300,408	3,196,278
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Suppliers	139,258	95,844
Loans and financing	88,208	95,605
Debentures	104,385	19,194
Lease obligations	39,224	14,611
Labor and social obligations	75,749	53,439
Taxes to be collected	18,084	23,233
Tax installments	4,296	4,457
Derivatives Operations	2,142	5,542
Proposed Dividends	-	38,867
Other bills to pay	36,835	22,127
TOTAL CURRENT LIABILITIES	508,181	372,919
NON-CURRENT		
Loan and financing	194,390	208,399
Debentures	808,608	876,075
Lease obligations	37,941	31,932
Tax installments	14,401	16,512
Provision for contingency	13,348	11,543
Other bills to pay	178,078	170,840
TOTAL NON-CURRENT LIABILITIES	1,246,766	1,315,301
EQUITY		
Capital	1,281,606	1,281,606
Income reserve	270,127	232,659
Treasury shares	(9,758)	(9,758)
	1,541,975	1,504,507
Non-controlling interest	3,486	3,551
TOTAL EQUITY	1,545,461	1,508,058
TOTAL LIABILITIES AND EQUITY	3,300,408	3,196,278

Consolidated - In R\$ '000	1H24	1H23
Cash flow from operating activities		
Net income (loss) for the period	37,403	69,103
Adjustments to reconcile income (loss) for the period:		
Depreciation and amortization	193,460	157,694
Residual value upon write-off of PPE and intangible assets	2,861	7,796
Provision for estimated doubtful accounts	36,730	28,951
Provision (reversal) for contingencies	2,205	6,169
Derivative operations	(4,608)	2,871
Interest on leases	3,595	2,846
Interest on debentures	45,850	50,565
Interest on promissory note	-	1,271
Interest on loans and financing	11,221	11,069
Appropriation of funding costs	2,664	2,762
Short-term investment income	(4,335)	(57,126)
Deferred income and social contribution taxes	8,047	4,305
(Increase) decrease in assets		
Trade accounts receivable	(46,093)	(39,979)
Inventories	(2,288)	(858)
Taxes recoverable	1,868	10,514
Prepaid expenses	(11,182)	(2,266)
Court-related deposits	(60)	(607)
Other assets	(1,030)	(1,628)
Increase (decrease) in liabilities		
Suppliers	43,414	49
Labor and social obligations	22,310	11,539
Taxes payable	(5,149)	5,522
Taxes paid in installments	(2,272)	4,142
Provision for contingencies	(400)	-
Other accounts payable	21,945	2,517
Cash from (used in) operating activities	356,156	277,221
Interest paid	(50,576)	(69,365)
Income tax and social contribution paid	(3,987)	(11,890)
Net cash from (used in) operating activities	301,593	195,966
Cash flows from investing activities		
Short-term investments	(52,419)	166,206
Additions to Property, plant and equipment	(322,948)	(201,707)
Additions to intangible assets	(22,595)	(6,281)
Revenue on short-term investments	8,986	24,527
Revenue on sale of fixed and intangible assets	4,194	9,943
Net cash from (used in) investing activities	(384,782)	(7,312)
Cash flows from financing activities		
Loans and financing raised	24,977	2,376
Amortization of principal of loans and financing	(48,062)	(93,965)
Promissory note raised	-	(64,000)
Acquisition of non-controlling interests	-	528
Dividend/Profits distributed	(38,867)	(14,418)
Treasury shares	(25,646)	(25,596)
Net cash from (used in) financing activities	(87,598)	(195,075)
Increase (Decrease) in cash and cash equivalents	(170,787)	(6,421)
Cash and cash equivalents at the beginning of the period	323,220	203,542
Cash and cash equivalents at the end of the period	152,433	197,121
Increase (decrease) in cash and cash equivalents	(170,787)	(6,421)

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EARNINGS CONFERENCE CALL

August 14, 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 Report on Review of Quarterly Information (ITR) prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil, and in accordance with NBC TG 21 – Interim Financial Reporting and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB)

Independent auditor's report on review of 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 June 30, 2024, which comprises the statement of financial position as at June 30, 2024, and the related statements of profit or loss and of comprehensive income (loss) for the three- and six-month periods then ended, and of changes in equity and of cash flows for the six-month period then ended, including material accounting policy and other explanatory information.

Executive board responsibility for individual and consolidated interim financial 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 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 the Quarterly Information (ITR), and presented consistently with the rules issued by the CVM.

Other matters

Statements of value added

The quarterly information referred to above includes the individual and consolidated statements of value added (SVA) for the six-month period ended June 30, 2024, prepared under the responsibility of the Company's executive board, and presented as supplementary information for IAS 34 purposes. These statements were subject to review procedures conducted jointly with the review of the quarterly information for the purpose of concluding 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 defined in NBC TG 09 – Statements of Value Added. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added were not prepared, in all material respects, in accordance with the criteria defined in referred to Standard and consistently with the individual and consolidated interim financial information taken as a whole.

Fortaleza, August 14, 2024.

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

Nathalia Araújo Domingues
Nathalia Araújo Domingues
Accountant CE-020833/O

A free translation from Portuguese into English of Quarterly Information (ITR) prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil, and in accordance with NBC TG 21 – Interim Financial Reporting and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB)

Brisanet Participações S.A.

Statements of financial position
June 30, 2024
(In thousands of reais)

	Note	Individual		Consolidated	
		06/30/2024	12/31/2023	06/30/2024	12/31/2023
Assets					
Current assets					
Cash and cash equivalents	3	138	9	152,433	323,220
Financial investments	3	12,650	14,225	228,635	180,867
Trade accounts receivable	4	-	-	168,488	163,105
Inventories		-	-	11,082	8,794
Taxes recoverable	5	857	854	39,710	35,893
Derivative transactions	24	-	-	514	133
Prepaid expenses		433	95	10,568	2,059
Dividends receivable	6 and 7	24,033	4,710	-	-
Other assets		1	-	8,865	7,797
Total current assets		38,112	19,893	620,295	721,868
Noncurrent assets					
Long-term receivables					
Financial investments	3	300,000	300,000	-	-
Trade accounts receivable	4	-	-	4,184	204
Taxes recoverable	5	-	-	38,602	44,287
Judicial deposits		-	-	7,683	7,623
Derivative transactions	25	-	-	2,303	1,476
Prepaid expenses		-	47	7,046	4,373
Deferred income and social contribution taxes	21	765	-	4,309	8,369
Other assets		-	-	-	38
Investments	7	1,513,904	1,536,078	-	-
Rights of use	14	-	-	73,653	43,839
Property, plant and equipment	8	-	-	2,262,057	2,090,472
Intangible assets	9	-	-	280,276	273,729
Total noncurrent assets		1,814,669	1,836,125	2,680,113	2,474,410
Total assets		1,852,781	1,856,018	3,300,408	3,196,278

	Note	Individual		Consolidated	
		06/30/2024	12/31/2023	06/30/2024	12/31/2023
Liabilities and equity					
Current liabilities					
Trade accounts payable	10	83	150	139,258	95,844
Loans and financing	11	-	-	88,208	95,605
Debentures	12	11,986	13,616	104,385	19,194
Lease obligations	13	-	-	39,224	14,611
Labor and social obligations	14	38	19	75,749	53,439
Taxes payable	5	138	685	18,084	23,233
Taxes paid in installments		-	-	4,296	4,457
Derivative transactions	24	-	-	2,142	5,542
Proposed dividends	6 and 17	-	38,867	-	38,867
Other accounts payable	16	-	-	36,835	22,127
Total current liabilities		12,245	53,337	508,181	372,919
Noncurrent liabilities					
Loans and financing	11	-	-	194,390	208,399
Debentures	12	298,561	298,174	808,608	876,075
Lease obligations	13	-	-	37,941	31,932
Taxes paid in installments		-	-	14,401	16,512
Provision for contingencies	15	-	-	13,348	11,543
Other accounts payable	16	-	-	178,078	170,840
Total noncurrent liabilities		298,561	298,174	1,246,766	1,315,301
Equity					
Capital	18	1,281,606	1,281,606	1,281,606	1,281,606
Treasury shares		(9,758)	(9,758)	(9,758)	(9,758)
Income reserves		270,127	232,659	270,127	232,659
		1,541,975	1,504,507	1,541,975	1,504,507
Noncontrolling interests		-	-	3,486	3,551
Total equity		1,541,975	1,504,507	1,545,461	1,508,058
Total liabilities and equity					
		1,852,781	1,856,018	3,300,408	3,196,278

See accompanying notes.

Brisanet Participações S.A.

Statements of profit or loss

Three- and six-month periods ended June 30, 2024

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

	Note	Individual				Consolidated			
		04/01/2024 to 06/30/2024	04/01/2023 to 06/30/2023	01/01/2024 to 06/30/2024	01/01/2023 to 06/30/2023	04/01/2024 to 06/30/2024	04/01/2023 to 06/30/2023	01/01/2024 to 06/30/2024	01/01/2023 to 06/30/2023
Net operating revenue	19	-	-	-	-	346,453	300,207	680,871	592,287
Cost of services rendered	20	-	-	-	-	(206,397)	(158,449)	(397,871)	(311,964)
Gross profit		-	-	-	-	140,056	141,758	283,000	280,323
Operating expenses									
Administrative expenses	20	(505)	(503)	(1,054)	(1,110)	(48,682)	(29,401)	(91,612)	(56,409)
Selling expenses	20	-	-	-	-	(55,608)	(43,002)	(108,757)	(78,730)
Equity pickup	7	18,035	44,806	38,954	71,116	-	-	-	-
Other operating expenses, net	20	-	(516)	-	(1,042)	10,304	(1,284)	10,756	(15,111)
Income (loss) before finance income (costs) and taxes		17,530	43,787	37,900	68,964	46,070	68,071	93,387	130,073
Finance income	21	9,233	11,085	18,798	22,387	27,323	24,082	50,410	52,847
Finance costs	21	(9,819)	(11,266)	(19,995)	(23,009)	(51,845)	(44,387)	(97,427)	(99,137)
Finance income (costs)		(586)	(181)	(1,197)	(622)	(24,522)	(20,305)	(47,017)	(46,290)
Income before income and social contribution taxes		16,944	43,606	36,703	68,342	21,548	47,766	46,370	83,783
Income and social contribution taxes	22	371	408	765	943	(4,257)	(3,848)	(8,967)	(14,680)
Net income for the period		17,315	44,014	37,468	69,285	17,291	43,918	37,403	69,103
Net income attributable to									
Controlling interests		-	-	-	-	17,315	44,014	37,468	69,285
Noncontrolling interests		-	-	-	-	(24)	(96)	(65)	(182)
Basic earnings per share – R\$	23	0,04	0.10	0,08	0.16				
Diluted earnings per share – R\$	23	0,04	0.10	0,08	0.16				

See accompanying notes.

Brisanet Participações S.A.

Statements of comprehensive income (loss)
 Three- and six-month periods ended June 30, 2024
 (In thousands of reais)

	Individual				Consolidated			
	04/01/2024 to 06/30/2024	04/01/2023 to 06/30/2023	01/01/2024 to 06/30/2024	01/01/2023 to 06/30/2023	04/01/2024 to 06/30/2024	04/01/2023 to 06/30/2023	01/01/2024 to 06/30/2024	01/01/2023 to 06/30/2023
Net income for the period	17,315	44,014	37,468	69,285	17,291	43,918	37,403	69,103
Other comprehensive income	-	-	-	-	-	-	-	-
Comprehensive income for the period	17,315	44,014	37,468	69,285	17,291	43,918	37,403	69,103
Net income attributable to								
Controlling interests	-	-	-	-	17,315	44,014	37,468	69,285
Noncontrolling interests	-	-	-	-	(24)	(96)	(65)	(182)

See accompanying notes.

Brisanet Participações S.A.

Statements of changes in equity
Six-month periods ended June 30, 2024
(In thousands of reais)

	Attributable to parent's shareholders									Equity
	Capital			Income reserve				Equity attributable to controlling interests	Noncontrolling interests	
	Capital	Share issue costs	Treasury shares	Capital reserve	Legal reserve	Retained profits	Retained earnings (accumulated losses)			
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	-	-	-	-	-	-	69,285	69,285	(182)	69,103
Balances at June 30, 2023	1,321,859	(40,253)	(9,758)	-	4,603	102,172	69,285	1,447,908	350	1,448,258
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	-	-	-	-	-	-	37,468	37,468	(65)	37,403
Balances at June 30, 2024	1,321,859	(40,253)	(9,758)	1,098	12,787	218,774	37,468	1,541,975	3,486	1,545,461

See accompanying notes.

Brisanet Participações S.A.

Statements of cash flows
Six-month periods ended June 30, 2024
(In thousands of reais)

	Individual		Consolidated	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Cash flows from operating activities				
Net income for the period	37,468	69,285	37,403	69,103
Adjustments to reconcile income (loss) for the period:				
Depreciation and amortization	-	-	193,460	157,694
Residual value upon write-off of PPE and intangible assets	-	-	2,861	7,796
Allowance for expected credit losses	-	-	36,730	28,951
Provision for contingencies	-	-	2,205	6,169
Equity pickup	(37,954)	(71,116)	-	-
Derivative transactions	-	-	(4,608)	2,871
Interest on leases	-	-	3,595	2,846
Interest and monetary variation on debentures	18,785	22,615	45,850	50,565
Interest and monetary variation on promissory notes	-	-	-	1,271
Interest and monetary variation on loans and financing	-	-	11,221	11,069
Allocation of funding costs	332	332	2,664	2,762
Financial investment yield	(1,574)	(40,508)	(4,335)	(57,126)
Deferred income and social contribution taxes	(765)	(943)	(8,047)	4,305
(Increase) decrease in assets				
Trade accounts receivable	-	-	(46,093)	(39,979)
Inventories	-	-	(2,288)	(858)
Taxes recoverable	(4)	(5)	1,868	10,514
Prepaid expenses	(291)	(89)	(11,182)	(2,266)
Judicial deposits	-	-	(60)	(607)
Other assets	-	-	(1,030)	(1,628)
Increase (decrease) in liabilities				
Trade accounts payable	(67)	(3)	43,414	49
Labor and social obligations	19	18	22,310	11,539
Taxes payable	(547)	182	(5,149)	5,522
Taxes paid in installments	-	-	(2,272)	4,142
Write-off of provision for contingencies	-	-	(400)	-
Other accounts payable	-	-	21,945	2,517
Cash flows from (used in) operating activities	14,403	(20,232)	356,156	277,221
Interest paid	(20,360)	(22,245)	(50,576)	(69,365)
Income and social contribution taxes paid	-	(3,841)	(3,987)	(11,890)
Net cash flows from (used in) operating activities	(5,957)	(46,318)	301,593	195,966
Cash flows from investing activities				
Financial investments	(17,211)	19,087	(52,419)	166,206
Additions to PPE	-	-	(322,948)	(201,707)
Additions to intangible assets	-	-	(22,595)	(6,281)
Yield from redeemed financial investments	20,360	18,121	8,986	24,527
Proceeds from disposal of PPE and intangible assets	-	-	4,194	9,943
Dividends and profits received	41,804	21,416	-	-
Net cash flows from (used in) investing activities	44,953	58,624	(384,782)	(7,312)

Brisanet Participações S.A.

Statements of cash flows (Continued)
Six-month periods ended June 30, 2024
(In thousands of reais)

	Individual		Consolidated	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Cash flows from financing activities				
Loans and financing taken out	-	-	24,977	2,376
Repayment of principal of loans and financing	-	-	(48,062)	(93,965)
Repayment of principal of promissory notes	-	-	-	(64,000)
Repayments of leases	-	-	(25,646)	(25,596)
Capital increase - noncontrolling interests	-	-	-	528
Dividends/profits distributed	1,938	(14,418)	(38,867)	(14,418)
Net cash flows from (used in) financing activities	1,938	(14,418)	(87,598)	(195,075)
Increase (decrease) in cash and cash equivalents	129	(2,112)	(170,787)	(6,421)
Cash and cash equivalents				
At beginning of period	9	2,126	323,220	203,542
At end of period	138	14	152,433	197,121
Increase (decrease) in cash and cash equivalents	129	(2,112)	(170,787)	(6,421)

See accompanying notes.

Brisanet Participações S.A.

Statements of value added
Six-month periods ended June 30, 2024
(In thousands of reais)

	Individual		Consolidated	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Revenues	-	-	749,239	651,599
Gross operating revenue less discounts	-	-	760,296	664,668
Allowance for expected credit losses	-	-	(36,730)	(28,951)
Other revenues	-	-	25,673	15,882
Inputs acquired from third parties	(1,054)	(1,111)	(153,103)	(115,590)
Cost of products, services and goods sold	-	-	(30,785)	(23,271)
Materials, electricity, third-party services and other	(1,054)	(1,111)	(111,290)	(68,993)
Loss on/recovery of assets	-	-	(3,898)	(8,325)
Other inputs	-	-	(7,132)	(15,001)
Gross value added	(1,054)	(1,111)	596,134	536,009
Depreciation and amortization	-	-	(193,460)	(157,694)
Net value added generated	(1,054)	(1,111)	402,674	378,315
Value added received in transfer	57,752	93,503	50,410	52,847
Equity pickup	38,954	71,116	-	-
Finance income	18,798	22,387	50,410	52,847
Total value added to be distributed	56,698	92,392	453,084	431,162
Distribution of value added				
Taxes, charges and contributions	(765)	98	121,093	116,093
Federal	(765)	98	38,994	65,031
State	-	-	81,197	50,191
Local	-	-	902	871
Personnel	-	-	151,906	104,551
Salaries	-	-	115,932	81,964
Unemployment Compensation Fund (FGTS)	-	-	10,005	7,006
Benefits	-	-	25,969	15,581
Debt remuneration	19,995	23,009	142,682	141,415
Interest, exchange differences and borrowing costs	19,995	23,009	97,427	99,137
Rents	-	-	45,255	42,278
Equity remuneration	37,468	69,285	37,403	69,103
Retained profits/losses	37,468	69,285	37,403	69,103
Value added	56,698	92,392	453,084	431,162

See accompanying notes.

Brisanet Participações S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais)

1. Corporate information

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. In this context, the Company and its subsidiaries have the following authorizations:

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

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

a) Basis of preparation and presentation

This individual and consolidated 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 the 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 from interim individual and consolidated financial information that is consistent with the information used to manage the Company's operations.

This individual and consolidated 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, 2022, specifically 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).

Brisanet Participações S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais)

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

a) Basis of preparation and presentation (Continued)

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 individual and consolidated interim financial information.

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

Completion of this individual and consolidated interim financial information was authorized by management of the Company and its subsidiaries on August 14, 2024.

b) Basis of consolidation

As at June 30, 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 a 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.

Notes to individual and consolidated interim financial information

June 30, 2024

(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.

c) Operating segments

Operating segments are defined as components of an enterprise for which separate financial information is available and evaluated on a regular basis by the chief operating decision maker in deciding how to allocate resources to an individual segment and in evaluating the segment's performance. Considering that all decisions are made based on consolidated reports, that there are no managers who are responsible for a specific segment and that all decisions regarding strategic, financial planning, purchasing, investments and application of resources are made on a consolidated basis, The Company's management concluded that it has only one reportable 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 noncurrent with *covenants* (CPC 26/IAS 1);
- Disclosures of supplier financing arrangements (CPC 03/IAS 7 and CPC 40/IFRS 7);

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

Brisanet Participações S.A.

Notes to individual and consolidated interim financial information
June 30, 2024
(In thousands of reais)

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

d) Amendments to accounting standards and pronouncements (Continued)

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

- Lack of exchangeability (CPC 02/IAS 21)
- Subsidiaries without public accountability: Disclosures (IFRS 19)
- Presentation and disclosure in financial statements (IFRS 18)

The above changes are valid for periods starting from January 1, 2025 and must be applied retrospectively. The Company is evaluating the impacts of applying these changes to current practice in its individual and consolidated interim financial information.

Brisanet Participações S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais)

3. Cash and cash equivalents and financial investments

	Individual		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Cash				
Checking accounts and other	-	-	3,710	1,469
Financial investments:				
Sweep accounts	138	9	1,649	5,548
Bank Deposit Certificates (CDB)	-	-	146,671	315,830
Debit cards	-	-	403	373
	138	9	152,433	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 101.84% at June 30, 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	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Bank Deposit Certificates (CDB) (a)	-	-	228,635	180,867
Debentures (b)	312,650	314,225	-	-
	312,650	314,225	228,635	180,867
Current	12,650	14,225	228,635	180,867
Noncurrent	300,000	300,000	-	-

(a) Bank Deposit Certificates (CDB) had an average yield equivalent to 102.87% of the CDI in the period (101.86% at December 31, 2023), 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.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais)

4. Trade accounts receivable (Consolidated)

	<u>06/30/2024</u>	<u>12/31/2023</u>
Trade accounts receivable	200,183	182,556
Allowance for expected credit losses	(27,511)	(19,247)
Accounts receivable, net	<u>172,672</u>	<u>163,309</u>
Current	168,488	163,105
Noncurrent	4,184	204

The aging list of trade accounts receivable is as follows:

	<u>06/30/2024</u>	<u>12/31/2023</u>
Falling due	87,080	80,243
Past due:		
1 to 30 days	49,323	41,153
31 to 60 days	8,391	8,106
61 to 180 days	22,398	24,772
181 to 360 days	32,991	28,282
Over 360 days	-	-
	<u>200,183</u>	<u>182,556</u>
(-) Allowance for expected credit losses	(27,511)	(19,247)
Accounts receivable, net	<u>172,672</u>	<u>163,309</u>

At June 30, 2024, DSO was of 46 days (45 days as of December 31, 2023).

Changes in allowance for expected credit losses are as follows:

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

	<u>06/30/2024</u>	<u>12/31/2023</u>
Opening balance	(19,247)	(3,165)
Set-up	(36,730)	(66,455)
Write-off	28,466	50,373
Closing balance	<u>(27,511)</u>	<u>(19,247)</u>

Brisanet Participações S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais)

5. Taxes recoverable and payable

	Individual		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Assets				
State VAT (ICMS) recoverable	-	-	5,578	8,625
ICMS recoverable on PPE	-	-	61,445	68,351
Federal contribution taxes on gross revenue for Social Integration Program (PIS) and for Social Security Financing (COFINS) recoverable	-	-	156	63
Corporate Income Tax (IRPJ) and Social Contribution on Net Profit (CSLL) recoverable	857	854	5,263	2,472
Other taxes recoverable	-	-	5,870	669
	857	854	78,312	80,180
Current	857	854	39,710	35,893
Noncurrent	-	-	38,602	44,287
Current liabilities				
ICMS payable	-	-	7,715	7,981
IRPJ and CSLL payable	-	-	-	2,016
PIS and COFINS payable	136	665	2,505	3,697
Service Tax (ISS) payable	-	-	130	121
Taxes on unbilled revenue (a)	-	-	5,720	5,426
Other taxes payable	1	20	2,014	3,992
	137	685	18,084	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	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Current assets				
Rights of use	-	-	19,806	1,056
Interest on Equity (IOE) receivable	-	4,710	-	-
Dividends receivable	24,033	-	-	-
Noncurrent assets				
Property, plant and equipment	-	-	97	-
	24,033	4,710	19,903	1,056
Current liabilities				
Leases payable - current	-	-	20,060	318
Dividends payable	-	38,867	-	-
Noncurrent liabilities				
Leases payable - noncurrent	-	-	91	717
	-	38,867	20,151	1,035

Brisanet Participações S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais)

6. Transactions with related parties (Continued)

	Consolidated			
	04/01/2024 to 06/30/2024	04/01/2023 to 06/30/2023	01/01/2024 to 06/30/2024	01/01/2023 to 06/30/2023
Statement of profit or loss				
Administrative expenses				
AGILITY Segurança Eletronic	(609)	(500)	(609)	(987)
S&L Locadora de Veículos Ltda	(8,759)	(9,224)	(8,759)	(20,386)
Nosso Atacarejo Comércio de Gêneros Alimentícios Ltda.	(1,279)	(842)	(1,279)	(1,617)
Agritech Semiárido Agricultura Ltda	(9)		(9)	
Nossa fruta Brasil Indústria de Alimentos Ltda	(107)	(78)	(107)	(150)
	(10,763)	(10,644)	(10,763)	(23,140)
Other operating expenses				
S&L Locadora de Veículos Ltda	(97)	-	(11)	-
	(97)	-	(11)	-

	Operations with Consortia	
	06/30/2024	06/30/2023
<u>Income (loss) from operations with consortia</u>		
Net operating revenue	1,043	721,981
Costs and expenses		
Interconnection and means of connection	(929)	(906,323)
Personnel	(134)	(115,536)
Third-party services	(215)	(220,474)
Depreciation and amortization	(548)	(207,837)
General costs and expenses	(112)	(99,996)
	(895)	(828,185)
Finance income (costs)	(281)	(1,508)
Net income (loss)	(1,176)	(829,693)

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
Ls Agricultura Ltda	Earthmoving services
Agritech Semiárido Agricultura Ltda	Food product supply
Operations with Consortia	% interest
BMW Consortium	50%
Conecta Sec Consortium	34%

Brisanet Participações S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais)

6. Transactions with related parties (Continued)

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\$3,745

Key management personnel compensation – Company and subsidiaries

Compensation of the key management personnel of the Company and its subsidiaries totaled R\$3,103 in the period ended June 30, 2024 (R\$1,562 as at June 30, 2023), being carried out through salaries and pro-labore. As of June 30, 2024, the Company and its subsidiaries do not have remuneration for key Management personnel in the categories of: a) long-term benefits; b) employment contract termination benefits; c) post-employment benefits; and d) share-based remuneration.

7. Investments (Individual)

a) Breakdown

	<u>06/30/2024</u>	<u>12/31/2023</u>
Interests held in subsidiaries		
Brisanet Serviços de Telecomunicações S.A.	<u>1,513,904</u>	<u>1,536,078</u>
	<u>1,513,904</u>	<u>1,536,078</u>
Classified as:		
Investments	<u>1,513,904</u>	<u>1,536,078</u>
	<u>1,513,904</u>	<u>1,536,078</u>

Brisanet Participações S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais)

7. Investments (Individual)

b) Changes in investments

	<u>06/30/2024</u>	<u>06/30/2023</u>
Opening balance	1,536,078	1,390,100
Dividends receivable (i)	(24,033)	-
Dividends received (ii)	(37,094)	(16,916)
Equity pickup	38,954	71,116
Closing balance	1,513,904	1,444,300

(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, R\$ 464 in April, R\$ 34.483 in May and R\$ 600 in June.

c) Information on investments in subsidiaries

	Brisanet Serviços de Telecomunicações S.A.		
	<u>06/30/2024</u>	<u>12/31/2023</u>	<u>06/30/2023</u>
Capital	1,343,245	1,343,245	1,343,242
Equity	1,452,782	1,536,078	1,444,304
Net income for the period	38,954	172,493	71,116
% equity interest	99.99%	99.99%	99.99%
Investment balance	1,513,904	1,536,078	1,444,300
Equity pickup	38,954	169,194	71,116

Brisanet Participações S.A.

Notes to individual and consolidated interim financial information
June 30, 2024
(In thousands of reais)

8. Property, plant and equipment (Consolidated)

a) Breakdown

	Annual average depreciation rate - %	06/30/2024		12/31/2023	
		Cost	Accumulated depreciation	Equity	Equity
Land	-	39,939	-	39,939	30,733
Buildings	4%	16,368	(440)	15,928	3,722
Tools	10%	303	(4)	299	-
Fiber-optic cables	5%	421,383	(58,089)	363,294	342,886
Network construction	10%	359,689	(82,123)	277,566	293,751
Machinery and equipment	10%	144,410	(38,472)	105,938	88,543
Furniture and fixtures	10%	8,610	(2,049)	6,561	4,554
Sundry installations	10%	324,135	(89,232)	234,903	238,448
Planes and aircraft	10%	1,800	(432)	1,368	1,449
Leasehold improvements	15%	78,209	(1,489)	76,720	28,483
Computers and peripherals	20%	47,761	(23,016)	24,745	23,672
Vehicles	20%	81,622	(39,368)	42,254	48,569
Software	20%	130,314	(102,318)	27,996	38,098
Electronic equipment	20%	885,748	(383,725)	502,023	382,283
Installations (customer activation)	25%	193,015	(80,173)	112,842	102,335
Advances to suppliers	-	2,924	-	2,924	3,915
Imports in progress	-	57,002	-	57,002	29,751
Construction in progress	-	151,626	-	151,626	169,967
PPE in supplies room	-	218,129	-	218,129	259,313
		3,162,987	(900,930)	2,262,057	2,090,472

Brisanet Participações S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais)

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

b) Changes in balances

	12/31/2023	Additions	Write-offs	Transfers	Depreciation	06/30/2024
Land	30,733	-	-	9,206	-	39,939
Buildings	3,722	-	-	12,307	(102)	15,927
Tools	-	303	-	-	(4)	299
Fiber-optic cables	342,886	29,519	(2,037)	3,043	(10,117)	363,294
Network construction	293,751	723	(46)	262	(17,123)	277,567
Machinery and equipment	88,073	16,717	-	7,026	(5,878)	105,938
Furniture and fixtures	4,554	2,194	-	154	(341)	6,561
Sundry installations	238,448	10,708	(736)	2,466	(15,983)	234,903
Planes and aircraft	1,449	-	-	-	(81)	1,368
Leasehold improvements	28,483	30,789	(12)	18,575	(1,115)	76,720
Computers and peripherals	23,672	3,139	-	1,764	(3,830)	24,745
Vehicles	48,569	113	(191)	-	(6,237)	42,254
Software	38,098	-	(546)	-	(9,556)	27,996
Electronic equipment	382,753	148,935	(1,945)	38,617	(66,337)	502,023
Installations (customer activation)	102,335	34,448	-	746	(24,687)	112,842
Advances to suppliers	3,915	688	-	(1,679)	-	2,924
Imports in progress	29,751	19,501	-	7,750	-	57,002
Construction in progress	169,967	34,868	-	(53,209)	-	151,626
PPE in supplies room	259,313	5,844	-	(47,028)	-	218,129
	2,090,472	338,489	(5,513)	-	(161,391)	2,262,057

Brisanet Participações S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais)

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

b) Changes in balances (Continued)

	12/31/2022	Additions	Write-offs	Transfers	Depreciation	06/30/2023
Land	24,054	161	-	1,957	-	26,172
Buildings	-	-	-	4,061	(102)	3,959
Fiber-optic cables	272,086	27,497	(2,751)	27,713	(8,414)	316,131
Network construction	309,234	11,333	(5)	(1,513)	(16,252)	302,797
Machinery and equipment	57,325	5265	(35)	2,773	(4,016)	61,312
Furniture and fixtures	3,811	266	-	359	(267)	4,169
Sundry installations	210,986	8,678	(1,205)	9,213	(13,288)	214,384
Planes and aircraft	1,611	-	-	-	(81)	1,530
Leasehold improvements	687	377	-	1,128	(30)	2,162
Computers and peripherals	11,891	604	-	206	(2,201)	10,500
Vehicles	58,067	510	(82)	-	(6,205)	52,290
Software	74,183	-	(11,143)	-	(14,252)	48,788
Electronic equipment	304,202	58,103	(637)	8,507	(52,917)	317,258
Installations (customer activation)	75,923	28,991	-	-	(16,046)	88,868
Advances to suppliers	144,200	-	-	(141,562)	-	2,638
Imports in progress	14,180	59	-	(12,312)	-	1,927
Construction in progress	145,799	76,273	-	14,973	-	237,045
PPE in supplies room	247,781	6,375	-	84,497	-	338,653
	1,956,020	224,492	(15,858)	-	(134,071)	2,030,583

Brisanet Participações S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais)

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

Capitalization of interest

In the period ended June 30, 2024, the Company and its subsidiaries capitalized interest on loans and financing with an average capitalization rate of 0.93% (1.21% at June 30, 2023), amounting to R\$8,099 (R\$13,968 at June 30, 2023).

Capitalization of depreciation

In the period ended June 30, 2024, the Company and its subsidiaries capitalized depreciation on PPE used in installations, infrastructure and network expansions, in the amount of R\$7,442 (R\$8,817 at June 30, 2023).

Guarantees

As at June 30, 2024, the Company and its subsidiaries recorded PPE items given in guarantee amounting to R\$113,637 (R\$113,637 at June 30, 2023).

Software

Software relating specifically to operation of modems of the Company and its subsidiaries 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 at June 30, 2024 and December 31, 2023.

Brisanet Participações S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais)

9. Intangible assets (Consolidated)

Changes in balances

	Average annual amortization rate	12/31/2023	Additions	Write-offs	Transfers	06/30/2024
	- %					
Cost						
Radiofrequency license - GHZ	20%	1,336	-	-	-	1,336
Software and system licenses	20%	33,692	5,012	-	1,029	39,733
ADM projects	20%	33,206	-	-	1,453	34,659
Customer portfolio and relationship with franchisee	7%	44,563	-	(1,760)	-	42,803
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	16,760	-	(2,482)	20,411
Trademarks and patents	-	3	-	-	-	3
5G mobile networks use license	-	80	2,663	-	-	2,743
Software in progress	-	1,941	(1,840)	-	-	101
Total cost		313,462	22,595	(1,760)	-	334,297
Accumulated amortization						
Radiofrequency license - GHZ	20%	(1,077)	(134)	-	-	(1,211)
Software and system licenses	20%	(9,491)	(3,191)	-	-	(12,682)
ADM projects	20%	(3,363)	(3,393)	-	-	(6,756)
Customer portfolio and relationship with franchisee	7%	(5,414)	(1,340)	218	-	(6,536)
Radiofrequency license – 4G	7%	(587)	(113)	-	-	(700)
Radiofrequency license – 5G	5%	(16,843)	(4,211)	-	-	(21,054)
Software development and API	5%	(2,958)	(2,124)	-	-	(5,082)
Total accumulated amortization		(39,733)	(14,506)	218	-	(54,021)
Intangible assets, net		273,729	8,089	(1,542)	-	280,276

Brisanet Participações S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais)

9. Intangible assets (Consolidated) (Continued)

Changes in balances (Continued)

	Average annual amortization rate	12/31/2022	Additions	Write-offs	Transfers	12/31/2023
	- %					
Cost						
Radiofrequency license - GHZ	20%	1,336	-	-	-	1,336
Software and system licenses	20%	17,824	15,536	-	332	33,692
ADM projects	20%	3,247	18,833	-	11,126	33,206
Customer portfolio and relationship with franchisee	7%	47,008	199	(2,644)	-	44,563
Radiofrequency license – 4G	7%	2,804	-	-	-	2,804
Radiofrequency license – 5G	5%	168,431	-	-	-	168,431
Software development and API	5%	8,221	-	-	13,022	21,243
Intangible assets under development	-	1,334	29,389	-	(24,560)	6,163
Trademarks and patents	-	3	-	-	-	3
5G mobile networks use license	-	-	-	-	80	80
Software in progress	-	-	1,941	-	-	1,941
Total cost		250,208	65,898	(2,644)	-	313,462
Accumulated amortization						
Radiofrequency license - GHZ	20%	(810)	(267)	-	-	(1,077)
Software and system licenses	20%	(4,970)	(4,521)	-	-	(9,491)
ADM projects	20%	(1,167)	(2,196)	-	-	(3,363)
Customer portfolio and relationship with franchisee	7%	(2,795)	(2,819)	200	-	(5,414)
Radiofrequency license – 4G	7%	(361)	(226)	-	-	(587)
Radiofrequency license – 5G	5%	(8,423)	(8,420)	-	-	(16,843)
Software development and API	5%	(549)	(2,409)	-	-	(2,958)
Total accumulated amortization		(19,075)	(20,858)	200	-	(39,733)
Intangible assets, net		231,133	45,040	(2,444)	-	273,729

Brisanet Participações S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais)

10. Trade accounts payable

As at June 30, 2024 and December 31, 2023, breakdown of trade accounts payable is as follows:

	Individual		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Domestic trade accounts payable	83	150	57,219	62,045
Foreign trade accounts payable	-	-	82,039	33,799
	83	150	139,258	95,844

11. Loans and financing (Consolidated)

Type	Weighted average rates	06/30/2024	12/31/2023
Working capital	0.82% p.m.	8,164	11,425
Working capital	0.21% p.m. + CDI	62,566	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	15,915	27,322
PPE financing (CDC)	1.18% p.m.	6,957	9,155
PPE financing (FINEM)	0.29% p.m. + TJLP	-	-
PPE financing (FINEM)	0.50% p.m. + TLP	13,605	17,024
Financing - TR	0.29% p.m. + TR	166,646	153,367
Financing for import (foreign currency)	0.40% p.m.	8,745	-
		282,598	304,004
Current		88,208	95,605
Noncurrent		194,390	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:

	06/30/2024	12/31/2023
Sureties and disposals	103,059	149,704
Assets and credit rights given in guarantee	10,533	73,295
	113,592	222,999

Brisanet Participações S.A.

Notes to individual and consolidated interim financial information
June 30, 2024
(In thousands of reais)

11. Loans and financing (Consolidated) (Continued)

Changes in loans and financing are as follows:

	<u>06/30/2024</u>	<u>06/30/2023</u>
Opening balance	304,004	359,788
Fundraising	24,977	2,376
Interest allocated	10,917	17,926
Monetary variation and exchange differences	1,618	(510)
Repayment of principal	(48,062)	(93,965)
Interest paid	(10,856)	(19,280)
Closing balance	<u>282,598</u>	<u>266,335</u>

Noncurrent portions mature as follows:

	<u>06/30/2024</u>	<u>12/31/2023</u>
2025	28,713	64,850
2026	20,972	17,740
2027	19,096	14,738
From 2028 onwards	125,609	111,071
	<u>194,390</u>	<u>208,399</u>

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 June 30, 2024 and year ended December 31, 2023 and concluded that all requirements have been legally met.

Brisanet Participações S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais)

12. Debentures

a) Breakdown

		Individual	
		Charges (p.a.)	06/30/2024
First issue - Brisanet Participações	2.00% p.a. + CDI	312,650	314,225
(-) Issue costs to be allocated		(1,521)	(1,761)
(-) Negative goodwill		(582)	(674)
		310,547	311,790
Current		11,986	13,616
Noncurrent		298,561	298,174

		Consolidated	
		Charges (p.a.)	06/30/2024
Nonconvertible debentures			
First issue - Brisanet Serviços	5.77% p.a. + IPCA	620,272	603,637
First issue - Brisanet Participações	2.00% p.a. + CDI	312,650	314,225
(-) Issue costs to be allocated		(19,347)	(21,919)
(-) Negative goodwill		(582)	(674)
		912,993	895,269
Current		104,385	19,194
Noncurrent		808,608	876,075

b) Changes

	Individual		Consolidated	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Opening balance	311,790	311,862	895,269	863,851
Monetary restatement	15,690	19,489	31,928	38,297
Interest allocated	3,095	3,126	20,245	19,598
Amortization of interest	(20,360)	(22,245)	(37,112)	(38,410)
Amortization of funding costs	240	240	2,572	2,572
Amortization of negative goodwill	92	92	92	92
Closing balance	310,548	312,564	912,994	886,000

Brisanet Participações S.A.

Notes to individual and consolidated interim financial information
June 30, 2024
(In thousands of reais)

12. Debentures (Continued)

b) Changes (Continued)

Noncurrent portions mature as follows:

	Individual		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
2025	100,000	100,000	187,201	269,764
2026	100,000	100,000	274,403	269,764
2027	100,000	100,000	274,403	269,764
From 2028 onwards		-	87,202	84,881
	300,000	300,000	823,209	894,173
(-) Issue costs to be allocated	(1,041)	(1,321)	(14,203)	(17,203)
(-) Negative goodwill	(398)	(505)	(398)	(506)
	298,561	298,174	808,608	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 Serviços	BRST11	1 st issue – 1 st series	500,000	03/15/2021	03/15/2028	5.77% p.a. + IPCA	R\$500,000
Brisanet Participações	BRIT11	1 st issue – 1 st series	300,000	08/25/2022	08/25/2027	2.00% p.m. + CDI	R\$300,000

d) Guarantees

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

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

Brisanet Participações S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(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 June 30, 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>06/30/2024</u>	<u>12/31/2023</u>
Opening balance	46,543	38,870
Interest allocated	4,057	5,703
Additions due to new contracts	54,819	54,900
Consideration paid	(25,646)	(49,327)
Interest paid	(2,608)	(3,603)
Closing balance	<u>77,165</u>	<u>46,543</u>
Current	39,224	14,611
Noncurrent	37,941	31,932

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

Brisanet Participações S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais)

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

Contracts per period and discount rate (Continued)

Agreement maturity and undiscounted installments, reconciled to the balances at June 30, 2024 and December 31, 2023 are as follows:

	<u>06/30/2024</u>	<u>12/31/2023</u>
Installment maturity		
2024	33,274	15,643
2025	17,014	11,789
From 2026 onwards	<u>32,516</u>	<u>24,268</u>
Undiscounted amounts	82,804	51,700
Embedded interest	<u>(5,639)</u>	<u>(5,157)</u>
Lease liabilities balance	<u><u>77,165</u></u>	<u><u>46,543</u></u>

Changes in rights of use are as follows:

	<u>06/30/2024</u>	<u>06/30/2023</u>
Opening balance	43,839	36,493
Additions due to new contracts	54,819	38,666
Amortization expenses	<u>(25,005)</u>	<u>(23,612)</u>
Closing balance	<u><u>73,653</u></u>	<u><u>51,547</u></u>

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

<u>Cash flows</u>	<u>Nominal amount</u>	<u>Amount adjusted to present value</u>
Lease consideration	82,804	77,165
Potential PIS/COFINS (9.25%)	<u>(7,659)</u>	<u>(7,138)</u>

Brisanet Participações S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais)

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

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 June 30, 2024 and December 31, 2023 are presented below.

	<u>06/30/2024</u>	<u>12/31/2023</u>
Rights of use, net		
NBC TG 06 (R3) / IFRS 16	73,653	43,839
Amounts including future inflation	3,115	2,025
Variation	76,768	45,864
Lease obligations		
NBC TG 06 (R3) / IFRS 16	77,165	46,543
Amounts including future inflation	3,264	2,150
Variation	80,429	48,693
Finance costs		
NBC TG 06 (R3) / IFRS 16	(4,057)	(5,703)
Amounts including future inflation	(173)	(263)
Variation	(4,228)	(5,966)
Depreciation expenses		
NBC TG 06 (R3) / IFRS 16	(25,005)	(47,554)
Amounts including future inflation	(1,057)	(2,197)
Variation	(26,602)	(49,751)

Brisanet Participações S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais)

14. Labor and social obligations

	Individual		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Salaries and wages	-	-	17,997	15,339
Social charges on salaries and wages	38	19	10,916	9,343
Accrued vacation pay and 13 Salaries	-	-	33,692	21,134
Social charges on accrued vacation pay and 13 salaries	-	-	13,072	7,442
Other	-	-	72	181
	38	19	75,749	53,439

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	18,516	736	1,859	21,111
Reversal	(8,205)	(775)	(976)	(9,956)
Write-off	(1,495)	-	-	(1,495)
Balance at June 30, 2023	10,226	383	934	11,543
Balance at December 31, 2023	10,226	383	934	11,543
Set-up	5,607	83	383	6,073
Reversal	(3,592)	(83)	(193)	(3,868)
Write-off	(400)	-	-	(400)
Balance at June 30, 2024	11,842	383	1,124	13,348

15. Provision for contingencies (Consolidated) (Continued)

Proceedings of a tax, civil and labor nature whose likelihood of an unfavorable outcome was considered possible amount to R\$94,407 (R\$56,029 at December 31, 2023). Estimated possible losses mainly comprise tax proceedings, among which R\$83,153 referring to legal claims concerning inclusion of Value Added Services in the calculation base of ICMS on Multimedia Communication Services.

The Company's judicial deposits amount to R\$7,683 (R\$7,623 at December 31, 2023).

Brisanet Participações S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais)

16. Other accounts payable (Consolidated)

	Individual		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Authorization for use of radiofrequency (5G) (a)	-	-	185,135	177,676
Radiofrequency license - LTE (4G) (b)	-	-	2,117	2,074
(-) Amount adjusted to present value	-	-	(221)	(213)
Other obligations payable (c)	-	-	27,882	13,430
	-	-	214,913	192,967
Current	-	-	36,835	22,127
Noncurrent	-	-	178,078	170,840

(a) Obligation to pay relating to the right to use radio frequencies (5G), acquired through the 5G radio frequency auction.

(b) Obligation to pay relating to the right to use radio frequencies (4G), acquired in 2018 with a term of 15 years of use.

(c) In the consolidated, refers to advances from customers, obligations under agreements (health and dental) and other provisions.

17. Government grants (Consolidated)

Subsidiary Brisanet Serviços has the following tax benefits:

Government grant	Benefit granted	Note	Amount recorded in P&L for the period ended	
			06/30/2024	06/30/2023
Federal - Superintendency for the Development of the Northeast (SUDENE). Effective from 01/2018 to 12/2027	Reduction by 75% in non-refundable income tax and surtax.	Note 23	1,129	4,341
Federal - Worker's Meal Program (PAT). Effective for indefinite period	Direct deduction on Income Tax, limited to 4% of the tax due (without surtax) in each calculation base period. The calculated amount must be the lower of 15% of the sum of the expenses to carry out PAT and 15% of R\$1.99 (in reais) multiplied by the number of meals provided in the period.	Note 23	110	268
Federal Reinvestment - Banco do Nordeste. Effective from 01/2022 to 12/2023	Reinvest in its own projects to modernize and supplement equipment, 30% of Income Tax due	Note 23	-	298
Federal – Rouanet Law. Effective for indefinite period	Deduction of amounts intended for cultural incentive projects through donation or limited sponsorship up to 4% of the tax due	Note 23	73	130
State – Paraíba, Ceará, Pernambuco. PB from 06/2020 to 06/2030	Reduction by 75% of the ICMS amounts on intrastate revenues.	Note 20	38,988	33,186
CE from 09/2020 to indefinite (annually renewed)	Temporary exclusion of ICMS tax benefits.	Note 23	13,199	5,743
PE from 04/2022 to indefinite (semiannually renewed)				

18. Equity (Individual)

Brisanet Participações S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais)

a) Capital

At June 30, 2024 and December 31, 2023, subscribed and paid-in capital amounts to R\$1,321,859, represented by 449,094,916 common shares.

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

As of June 30, 2024 and December 31, 2023, capital authorized for increase by the Board of Directors, regardless of statutory amendment, is of up to 900,000,000 additional common shares.

18. Equity (Individual) (Continued)

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>06/30/2024</u>	<u>06/30/2023</u>
Opening balance	38,867	14,418
Dividends paid out	(38,867)	(14,418)
Closing balance	<u>-</u>	<u>-</u>

19. Net operating revenue (Consolidated)

Brisanet Participações S.A.

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June 30, 2024

(In thousands of reais)

	Consolidated			
	04/01/2024 to 06/30/2024	04/01/2023 to 06/30/2023	01/01/2024 to 06/30/2024	01/01/2023 to 06/30/2023
Gross sales revenue				
Services provided	386,392	335,791	759,989	663,806
Goods resold	57	740	307	862
	386,449	336,531	760,296	664,668
Deductions from gross revenue				
(-) Taxes on revenue	(59,656)	(53,214)	(118,413)	(105,567)
Tax benefits (Note 18)	19,660	16,890	38,988	33,186
	(39,996)	(36,324)	79,425	(72,381)
Net operating revenue	346,453	300,207	680,871	592,287

20. Operating costs and expenses by nature and function

	Individual					
	04/01/2024 to 06/30/2024			04/01/2023 to 06/30/2023		
	Administrative expenses	Other operating income (expenses), net	Total	Administrative expenses	Other operating income (expenses), net	Total
By nature:	(505)	-	(505)	(503)	(516)	(1,019)
Third-party services	(424)	-	(424)	(293)	-	(293)
Taxes, charges and contributions	-	-	-	-	(516)	(516)
Other	(81)	-	(81)	(210)	-	(210)
	Individual					
	01/01/2024 to 06/30/2024			01/01/2022 to 06/30/2022		
	Administrative expenses	Other operating income (expenses), net	Total	Administrative expenses	Other operating income (expenses), net	Total
By nature:	(1,055)	-	(1,055)	(1,110)	(1,042)	(2,152)
Third-party services	(926)	-	(926)	(761)	-	(761)
Taxes, charges and contributions	-	-	-	-	(1,042)	(1,042)
Other	(129)	-	(129)	(349)	-	(349)

Brisanet Participações S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais)

21. Finance income (costs)

	Individual			
	04/01/2024 to 06/30/2024	04/01/2023 to 06/30/2023	01/01/2024 to 06/30/2024	01/01/2023 to 06/30/2023
Finance costs				
Interest on loans and financing, debentures and promissory notes	(9,817)	(11,244)	(19,992)	(22,947)
Late-payment interest and fines	-	(19)	-	(57)
Exchange losses	(2)	-	(2)	-
Bank charges	-	(3)	(1)	(5)
	(9,819)	(11,266)	(19,995)	(23,009)
Finance income				
Financial investment yield	9,233	11,085	18,798	22,387
	9,233	11,085	18,798	22,387
Finance income (costs)	(586)	(181)	(1,197)	(622)

	Consolidated			
	04/01/2024 to 06/30/2024	04/01/2023 to 06/30/2023	01/01/2024 to 06/30/2024	01/01/2023 to 06/30/2023
Finance costs				
Interest on loans and financing, debentures and promissory notes	(32,323)	(32,949)	(68,907)	(75,848)
Late-payment interest and fines	(147)	(277)	(521)	(386)
Exchange losses	(7,120)	(2,906)	(9,496)	(6,137)
Bank charges	(1,591)	(1,300)	(3,100)	(2,677)
Interest on leases	(1,862)	(1,474)	(3,598)	(2,846)
Tax on Financial Transactions (IOF)	(97)	(69)	(204)	(168)
Collection fees	(446)	(437)	(887)	(855)
Interest on installment payments	(444)	(87)	(867)	(172)
Derivative transactions – swap	(7,274)	(4,863)	(8,941)	(9,782)
Other	(541)	(25)	(906)	(266)
	(51,845)	(44,387)	(97,427)	(99,137)
Finance income				
Interest income received	6,478	4,181	11,447	7,612
Financial investment yield	10,678	14,892	23,741	32,599
Exchange gains	54	3,049	198	7,950
Derivative transactions – swap	8,867	1,951	11,122	4,386
Other finance income	1,246	9	3,902	300
	27,323	24,082	50,410	52,847
Finance income (costs)	(24,522)	(20,305)	(47,017)	(46,290)

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).

Brisanet Participações S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais)

21. Income and social contribution taxes (Continued)

Current income and social contribution tax expense is as follows:

	Individual			
	04/01/2024 to 06/30/2024	04/01/2023 to 06/30/2023	01/01/2024 to 06/30/2024	01/01/2023 to 06/30/2023
Taxable profit computed as per accounting records (lucro real):				
Current income and social contribution taxes	-	-	-	-
Deferred income and social contribution taxes	371	408	765	943
Total income and social contribution tax expenses	<u>371</u>	<u>408</u>	<u>765</u>	<u>943</u>
	Consolidated			
	04/01/2024 to 06/30/2024	04/01/2023 to 06/30/2023	01/01/2024 to 06/30/2024	01/01/2023 to 06/30/2023
Taxable profit computed as per accounting records (lucro real):				
Current income and social contribution taxes	(1,933)	(3,042)	(6,220)	(15,412)
Deferred income and social contribution taxes	(2,415)	(3,292)	(4,059)	(4,305)
Tax benefit – income tax reduction (Note 18)	95	2,101	1,129	4,341
Tax incentive – PAT (Note 18)	(10)	122	110	268
Tax incentive – Reinvestment and Rouanet Law (Note 18)	6	263	73	428
Total income and social contribution tax expenses	<u>(4,257)</u>	<u>(3,848)</u>	<u>(8,967)</u>	<u>(14,680)</u>

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

	06/30/2024	12/31/2023
Assets		
Income and social contribution tax losses	1,250	456
Temporary differences on allowance for expected credit losses	4,241	2,978
Temporary differences on provision for contingencies	1,943	1,760
Temporary differences on derivative transactions	-	562
Temporary differences on leases	30	96
Temporary differences on the provision for profit sharing	862	117
Temporary differences on installation and activation of customers	3,439	2,400
	<u>11,765</u>	<u>8,369</u>
Liabilities		
Temporary differences on derivative transactions	53	-
Temporary differences on expenses with commissions	662	-
Temporary differences on grants	5,920	-
Temporary differences on leases	820	-
	<u>7,455</u>	<u>-</u>
Deferred income and social contribution taxes, net	<u>4,310</u>	<u>8,369</u>

Brisanet Participações S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais)

21. Income and social contribution taxes (Continued)

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

	Individual			
	04/01/2024 to 06/30/2024	04/01/2023 to 06/30/2023	01/01/2024 to 06/30/2024	01/01/2023 to 06/30/2023
Income before income and social contribution taxes	16,944	43,606	36,703	68,342
Combined statutory rate - 34%	34%	34%	34%	34%
Income and social contribution taxes at statutory rates	(5,761)	(14,826)	(12,479)	(23,236)
Permanent differences				
Equity pickup	6,132	15,234	13,244	24,179
	371	408		943
Current income and social contribution tax expenses	-	-	-	-
Deferred income and social contribution tax expenses	371	408	765	943
	371	408	765	943
Effective rate (%)	2%	1%	2%	1%
	Consolidated			
	04/01/2024 to 06/30/2024	04/01/2023 to 06/30/2023	01/01/2024 to 06/30/2024	01/01/2023 to 06/30/2023
Income before income and social contribution taxes	21,549	47,766	46,371	83,783
Combined statutory rate - 34%	34%	34%	34%	34%
Income and social contribution taxes at statutory rates	(7,326)	(16,240)	(15,766)	(28,486)
Permanent differences				
Tax benefit – income tax reduction (Note 18)	95	2,101	1,129	4,341
Tax incentive – PAT (Note 18)	(10)	122	110	268
Tax incentive – Reinvestment and Rouanet Law (Note 18)	6	263	73	428
Tax incentive – ICMS reduction (Note 18)	6,625	5,743	13,199	5,743
Write-off of PPE due to malfunction, breakdown and loss	-	4,172	-	2,664
Write-off of allowance for expected credit losses	(1,263)	(1,900)	(2,810)	(2,253)
Other additions (exclusions), net	(2,384)	1,891	(4,902)	2,615
	(4,257)	(3,848)	(8,967)	(14,680)
Current income and social contribution tax expenses	(1,841)	(556)	(4,908)	(10,375)
Deferred income and social contribution tax expenses	(2,415)	(3,292)	(4,059)	(4,305)
	(4,257)	(3,848)	(8,967)	(14,680)
Effective rate (%)	20%	8%	19%	18%

Brisanet Participações S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(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.

	04/01/2024 to 06/30/2024	04/01/2023 to 06/30/2023	01/01/2024 to 06/30/2024	01/01/2023 to 06/30/2023
Profit (loss) attributable to Company shareholders	17,315	44,014	37,468	69,285
Weighted average number of common shares issued	445,744,916	445,744,916	445,744,916	445,744,916
Basic and diluted earnings (loss) per share – in (R\$)	0.04	0.10	0.08	0.16

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.

Brisanet Participações S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais)

24. Financial instruments and risk management (Continued)

a) Capital management (Continued)

The Company monitors its financial position based on the financial leverage ratio, similarly to other companies in the same industry. This ratio corresponds to net debt divided by total capital. Net debt corresponds to total loans less cash and cash equivalents. Total capital is determined by adding equity and net debt.

As at June 30, 2024 and December 31, 2023, debt ratios are summarized as follows:

	Note	Consolidated	
		06/30/2024	12/31/2023
Total loans and financing	11	282,598	304,004
Total debentures	12	912,993	895,269
Total lease liabilities	13	77,165	46,543
Total derivatives	25	2,142	5,542
Less: Cash and cash equivalents	3	(152,433)	(323,220)
Less: Financial investments – short-term	3	(228,635)	(180,867)
Less: Derivatives	25	(2,817)	(1,609)
Net debt	A	891,013	745,662
Total equity		1,545,461	1,508,058
Equity plus net debt	B	2,436,474	2,253,720
Financial leverage ratio	A/B	36.57%	33.09%

b) Category of financial instruments

	Consolidated	
	06/30/2024	12/31/2023
Financial assets at amortized cost:		
Financial investments	228,635	180,867
Trade accounts receivable	171,672	163,309
Financial assets at fair value through profit or loss		
Derivative transactions	2,817	1,609
	404,124	345,785
Financial liabilities at amortized cost:		
Trade accounts payable	139,258	96,856
Loans and financing	282,598	304,004
Debentures	912,993	895,269
Lease obligations	77,165	46,543
Financial liabilities at fair value through profit or loss		
Derivative transactions	2,142	5,542
	1,414,156	1,348,214

Brisanet Participações S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(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 notes: 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. As at June 30, 2024, Company subsidiaries recorded allowance for expected credit losses amounting to R\$27,511 (R\$19,247 at December 31, 2023), considered sufficient by management to cover expected losses on realization of trade receivables. As disclosed in Note 4, no individual customer represents more than 10% of total accounts receivable.

Brisanet Participações S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais)

24. Financial instruments and risk management (Continued)

d) Market risk

This is the risk that the fair value of the future cash flows of a financial instrument will fluctuate due to changes in market prices. Financial instruments affected by market risk include loans and financing payable and deposits measured at fair value through profit or loss.

e) Liquidity risk

Management analyzes the continuous forecasts of the liquidity requirements of the Company and its subsidiaries to ensure that cash is sufficient to maintain operations. Management is of the understanding that the Company is fully able to honor its financial commitments. Management analyzed the Company's current and projected cash position and believes that it has sufficient liquidity to continue fulfilling its obligations. Financial liabilities, by maturity bracket, corresponding to the period remaining between the reporting date and contractual maturity date are as follows:

	Total at 06/30/2024	Within 6 months	Between 6 and 12 months	Between 1 and 2 years	Between 2 and 5 years	Above 5 years
Trade accounts payable	139,258	28,089	111,169	-	-	-
Loans and financing	282,598	44,320	43,888	40,310	55,198	98,882
Derivatives	2,142	2,142	-	-	-	-
Debentures	912,993	20,291	84,094	269,075	539,533	-
Lease obligations	77,165	33,274	5,950	18,831	17,685	1,425
	Total at 12/31/2023	Within 6 months	Between 6 and 12 months	Between 1 and 2 years	Between 2 and 5 years	Above 5 years
Trade accounts payable	95,844	81,093	14,751	-	-	-
Loans and financing	304,004	42,617	52,988	82,589	29,159	96,651
Derivatives	5,542	2,895	2,647	-	-	-
Debentures	895,269	10,068	9,126	528,483	347,592	-
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.

Brisanet Participações S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais)

24. Financial instruments and risk management (Continued)

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.

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 June 30, 2024, Company subsidiaries presented a balance equivalent to the estimated adjustments to be received or paid upon contract maturity, based on their market value on respective date.

Breakdown of financial instruments

Description	06/30/2024	12/31/2023
Current	514	133
Noncurrent	2,303	1,476
Derivative transactions receivable – Swap	2,817	1,609
Current	2,142	5,542
Derivative transactions payable – Swap	2,142	5,542

Maturity of receivable swap transactions:

	06/30/2024	12/31/2023
2024	422	134
2025	344	290
From 2026 onwards	2,051	1,185
	2,817	1,609

Maturity of payable swap transactions:

	06/30/2024	12/31/2023
2024	2,142	5,542
	2,142	5,542

Brisanet Participações S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais)

24. Financial instruments and risk management (Continued)

g) Currency risk (Continued)

Breakdown of financial instruments (Continued)

Company subsidiaries engage in instruments for financial transactions in foreign currency aimed at fundraising and import financing. As at June 30, 2024 and December 31, 2023, derivative transactions represented 2.16% (R\$6,091 / R\$282,598) and 3.51% (R\$10,675 / R\$303,983) respectively, of these subsidiaries' 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.

At June 30, 2024, derivative financial instruments amounted to R\$2,817 (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 the period ended June 30, 2024, net realized and unrealized gains (losses) deriving from these contracts were recorded in finance income (costs), and represented consolidated net loss of R\$5,473 (consolidated net loss of R\$5,396 at June 30, 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.

Brisanet Participações S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais)

24. Financial instruments and risk management (Continued)

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

Interest rate risk

<u>06/30/2024</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	13.07%	CDI increase	(9,461)	(11,827)	(14,192)
Working capital	0.46%	TLP increase	-	-	-
PPE financing (FINEM)	6.71%	TLP increase	(913)	(1,141)	(1,369)
Financing - TR	3.97%	TR increase	(6,616)	(8,270)	(9,924)
Financial investments	10.50%	CDI decrease	40,083	50,105	60,125
Projected income (loss)			23,093	28,867	34,640

<u>12/31/2023</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	11.57%	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 investments	9.00%	CDI decrease	45,357	56,696	63,500
Projected income (loss)			26,520	33,150	37,128

Currency risk

<u>06/30/2024</u>			<u>Consolidated</u>		
<u>Instrument/transaction</u>	<u>Dollar (probable)</u>	<u>Risk</u>	<u>Current scenario</u>	<u>Scenario II</u>	<u>Scenario III</u>
Trade accounts payable	5.21	Dollar increase	-	(20,510)	(41,020)
Loans and financing	5.21	Dollar increase	-	(7,613)	(15,227)
Projected income (loss)			-	(28,123)	(56,247)

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

Brisanet Participações S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais)

24. Financial instruments and risk management (Continued)

i) Fair value hierarchy

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

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

	Consolidated				
	06/30/2024				
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets at amortized cost:					
Financial investments	228,635	228,635	-	228,635	-
Trade accounts receivable	172,672	172,672	-	172,672	-
Financial assets at fair value through profit or loss:					
Derivative transactions	2,817	2,817	-	2,817	-
	404,124	404,124	-	404,124	-
Financial liabilities at amortized cost:					
Trade accounts payable	139,258	139,258	-	139,258	-
Loans and financing	282,598	282,598	-	282,598	-
Debentures	912,994	912,994	-	912,994	-
Promissory notes	77,165	77,165	-	77,165	-
Financial liabilities at fair value through profit or loss:					
Derivative transactions	2,142	2,142	-	2,142	-
	1,414,157	1,414,157	-	1,414,157	-
Consolidated					
12/31/2023					
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets at amortized cost:					
Financial investments	180,867	180,867	-	180,867	-
Trade accounts receivable	163,309	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.

Notes to individual and consolidated interim financial information

June 30, 2024

(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 June 30, 2024 in the liabilities arising from financing activities of the Company and its subsidiaries are as follows:

	Individual	
	06/30/2024	
	Debentures	Dividends payable
Opening balance	311,790	38,867
Cash flows		
Net cash flows used in financing activities	-	-
Net cash flows used in operating activities	(20,360)	(38,867)
Non cash transactions	-	-
Adjustment to income		
Amortization of issuance costs	332	-
Interests	3,428	-
Closing balance	310,548	-

	Consolidated				
	06/30/2024				
	Loans and financing	Debentures	Lease	Derivatives	Dividends payable
Opening balance	304.004	895.269	46.543	5.542	38.867
Cash flows					
Net cash flows used in financing activities	(23.085)	-	(25.646)	(3.167)	(38.867)
Net cash flows used in operating activities	(10.856)	(37.112)	(2.608)	(233)	-
Non cash transactions	1.314	6.323	55.281	-	-
Adjustment to income					
Fair value of derivatives	-	-	-	-	-
Amortization of issuance costs	-	2.664	-	-	-
Interests	11.221	45.850	3.595	-	-
Closing balance	282.598	912.994	77.165	2.142	-

Brisanet Participações S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais)

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:

	Consolidated	
	06/30/2024	12/31/2023
PPE – Civil liability (dollars)	U\$20,000	U\$20,000
PPE – Civil liability (reais)	R\$7,769	R\$7,769
PPE – Operational risk (dollars)	U\$5,200	U\$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\$385,348	R\$307,420

26. Transactions not involving cash or cash equivalents

	Consolidated	
	06/30/2024	12/31/2023
Capitalization of interest (Note 8)	8,099	24,347
Capitalization of depreciation (Note 8)	7,442	17,376
New lease agreements (Note 13)	54,819	54,900

27. Subsequent events

On July 10, 2024, the Company raised R\$600,000 in the form of debentures. The maturity of this new debenture is 6 years, with amortizations occurring in July 2028, 2029 and 2030. The resources obtained from the issue will be used for working capital and to subsidize projected growth.

* * *

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 six-month period ended June 30, 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 conclusions expressed in the Independent Auditor's Review Report of Ernst & Young Auditores Independentes S.S. Ltda. on the Company's Quarterly Information for the six-month period ended June 30, 2024.

Luciana Paulo Ferreira

Investor Relations Officer

José Roberto Nogueira

Chief Executive Officer

João Paulo Estevam

Chief Operating Officer