

## **Interim Financial Information**

### **Brisanet Participações S.A.**

June 30, 2023

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

# **Brisanet Participações S.A.**

June 30, 2023

## Contents

Performance comments.....	1
Independent auditor’s review report on quarterly information .....	17
Reviewed individual and consolidated interim financial information	
Statements of financial position.....	19
Statements of profit or loss .....	21
Statements of comprehensive income .....	22
Statements of changes in equity .....	23
Statements of cash flows .....	24
Statements of value added .....	26
Notes to the interim financial statements.....	27
Officers’ representation on the quarterly information .....	69

# EARNINGS RELEASE 2Q23

A man and a woman in business attire are looking at a laptop in a meeting. The man is pointing at the screen while the woman looks on. The background is a blurred office setting.

 **brisanet | 5G**

## Brisanet records EBITDA of R\$148.4 million in 2Q23, with margin on net revenue of 49.4%

**Brisanet Participações S.A.** (B3: BRIT3), the largest fixed broadband provider in the Northeast region, according to Anatel's ranking<sup>1</sup>, announces today its results for the second quarter of 2023 (2Q23) and the first six months of the year (1H23).

The financial information presented herein was prepared in accordance with the International Accounting Standards ("IFRS") and with the accounting standards and practices of the Brazilian Corporate Law and the pronouncements, guidelines and interpretations issued by the Accounting Pronouncements Committee ("CPC") and approved by the Brazilian Securities and Exchange Commission ("CVM").

Founded 25 years ago, **BRISANET** has a 28% market share in fiber in 7 of the 9 states in the Northeast (NE)<sup>2</sup>. The Northeast is the country's region with the highest percentage of fiber optic customers in the country, with 83% of total fixed broadband.

With a 100% fiber optic product portfolio, the Company has been one of the 5G regional 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 of the country. The commercialization of 5G starts now in 3Q23.

In addition, Brisanet also operates through the **Agility Telecom** brand, which provides internet services under the franchise model in smaller cities and rural regions of the Northeast. The Company operates in all nine states of the Northeast region, providing fixed broadband services through optical fiber in 157 cities, under the Brisanet brand alone.

Brisanet	2Q23	1Q23	2Q22
<b>Operating Highlights</b>			
<b>Cities served</b>	157	155	149
<b>Access Ports - '000</b>	4,545	4,401	3,866
<b>HP added- '000</b>	288	280	414
<b>Total HP - '000</b>	6,745	6,457	5,517
<b>HC added- '000</b>	51	59	68
<b>Total HC - '000</b>	1,210	1,159	977
<b>Financial Highlights (R\$ million)</b>			
<b>Net Revenue</b>	300.2	292.1	236.6
<b>Gross Margin (%)</b>	47%	47%	39%
<b>Operating Income</b>	68.1	62	31.7
<b>EBITDA</b>	148.4	139.4	96.6
<b>EBITDA Margin (%)</b>	49%	48%	41%
<b>Net Income (loss)</b>	43.9	25.2	(1.3)
<b>Net Debt</b>	757.3	761.8	717.9
<b>Net Debt/EBITDA ltm (x)</b>	1.38	1.53	2.32

<sup>1, 2</sup>: Jun/23 data

## MAIN HIGHLIGHTS OF THE PERIOD

---

- ✓ **Net operating revenue grew 27% in 2Q23** when compared to 2Q22 and 3% when compared to 1Q23. This is the result of the Company's geographic expansion, which in 2Q23 **added organically 51 thousand customers to its base**, a growth of 4% over the base of March 2023.
- ✓ **EBITDA in 2Q23 was R\$148.4 million with a margin of 49.4%**, an increase of 54% compared to EBITDA in 2Q22, stating the improvement in the margin due to actions aimed at reducing costs since April 2022 and the reduction in the pace of expansion, which reduces the initial costs of entering new cities. **In 1H23, EBITDA reached R\$287.8 million, with a margin of 48.6%.**
- ✓ The Company's debt level, measured by the **ratio of net debt to EBITDA (LTM) was 1.4x at the end of 2Q23**. This is the fifth consecutive quarter of leverage reduction. The 10% growth in **2Q23 LTM EBITDA, which was R\$549.4 million**, and the virtually stable net debt account for this low level of leverage.
- ✓ In terms of cash flow, in 2Q23, **the Company generated a volume of operating cash 54% higher than that of the same quarter of the previous year and 3% higher than the generation of 1Q23**. Operating cash generation was R\$140.8 million in this quarter, in line with EBITDA for the period. In 1H23, the Company generated R\$277.2 million in cash, 96% of the EBITDA registered in the period.
- ✓ **Net income reached R\$43.9 million in 2Q23**, an increase of R\$45 million compared to the negative result in 2Q22, due to the higher result generated by operations in the period.
- ✓ In July, the Company had net additions of 16.1 thousand customers, thus serving 1,226 thousand customers with fixed broadband.

## EARNINGS CONFERENCE CALL

---

**Date:** 08/16/2023 – Wednesday

**Time:** 08 AM (NY Time) – In Portuguese with simultaneous translation

**Brisanet – 2Q23 Earnings Release**

To access, [click here](#).

## OPERATIONAL RESULTS

Brisanet's mission is to provide a quality internet service to all citizens of the Northeast region, including those who live far from large urban centers. One of the Company's main quality and efficiency differentials comes from its verticalized operation. The Company operates throughout the entire value chain, from mapping potential new areas to receive fiber to providing support and service monitoring for customers.

One of the Company's pillars of quality is its relationship with the customer, which is mainly managed through its proprietary management platform that allows knowing and acting in real time, from the operations center, at the Company's headquarters, on what happens to your infrastructure and your 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 the ability to increase data speed in the future.

Brisanet also has over 33,600 km of backbone infrastructure (roads used to distribute the internet to other networks) and over 61,500 km of FTTH (fiber-to-the-home) cables. The FTTH modality corresponds to the fiber optic transmission network architecture where the network reaches the customer's residence, coming directly from the distribution box of the company supplying the

**In 2Q23, 288 thousand HPs and 51 thousand customers were added.** Despite the more challenging scenario, Brisanet remains the company with the highest organic subscriber growth. In July 2023, we added 16.1 thousand customers to the base, which now totals 1,226 thousand customers. **The expectation for 2023 is to reach the end of 2023 with at least 1.3 million customers.**

Brazilian economic scenario, especially in the region where we operate, remains challenging. Inflation and the pricing strategy adopted by the competition continue to exert pressure on the telecommunications market.

Brisanet continues to advance in capitals and metropolitan regions, **with market share in fiber between 50 and 65% in Natal, Maceió and João Pessoa, and over 19% in Fortaleza.** In Teresina and Aracaju, where the Company entered in the second half of 2021, the share is already above 14% in the Piauí capital and above 22% in the Sergipe capital (Jun-23 figures).

Operational Data	2Q23	1Q23	2Q22	2Q23 x 2Q22	2Q23 x 1Q23	1H23	1H22
Access Ports	4,544,906	4,370,946	3,866,318	18%	4%	4,544,906	3,866,318
Added HP	287,872	279,882	413,848	-30%	3%	313,901	632,712
<b>Homes Passed (HP)</b>	<b>6,745,024</b>	<b>6,457,152</b>	<b>5,516,966</b>	<b>22%</b>	<b>4%</b>	<b>6,745,024</b>	<b>5,516,966</b>
Added HC	50,703	58,758	67,754	-25%	-14%	109,461	133,946
<b>Homes Connected (HC)</b>	<b>1,209,536</b>	<b>1,158,833</b>	<b>977,229</b>	<b>24%</b>	<b>4%</b>	<b>1,209,536</b>	<b>977,229</b>
Cities served	157	155	149	5%	1%	157	149
Churn	2.28%	2.35%	2.66%	-14%	-3%	2.38%	2.67%

The increase in competition and the drop in purchasing power, notably of the classes with lower purchasing power, despite not having increased delinquency, has had an impact on churn. The Company has been working on actions to reduce it and we have already started to see a reduction, in 2Q23 the average monthly churn was 2.28% compared to an average of 2.35% in 1Q23.

<b>Agility Telecom</b>	<b>2Q23</b>	<b>1Q23</b>	<b>2Q22</b>
Homes Passed (HP)	(10,832)	(46,752)	51,244
<b>Added HP</b>	<b>877,837</b>	<b>888,669</b>	<b>953,284</b>
Homes Connected (HC)	(9,684)	(7,184)	8,996
<b>Added HC</b>	<b>199,420</b>	<b>209,104</b>	<b>211,034</b>
# of franchisees	80	83	95

## FINANCIAL RESULTS

### GROSS REVENUE BY PRODUCT

<b>BRL million</b>	<b>2Q23</b>	<b>1Q23</b>	<b>2Q22</b>	<b>2Q23 x 2Q22</b>	<b>2Q23 x 1Q23</b>	<b>1H23</b>	<b>1H22</b>
<b>Gross Revenue</b>	<b>336.5</b>	<b>328.1</b>	<b>273.3</b>	<b>23%</b>	<b>3%</b>	<b>664.6</b>	<b>526.8</b>
<b>Broadband</b>	<b>313.7</b>	<b>300.9</b>	<b>247.0</b>	<b>27%</b>	<b>4%</b>	<b>614.6</b>	<b>472.9</b>
B2C	284.5	272.6	230.2	24%	4%	557.1	443.7
B2B	29.2	28.3	16.8	74%	3%	57.5	29.2
Fixed telephony	9.8	10.1	10.1	-3%	-3%	19.9	21.4
Others	13.0	17.1	16.3	-21%	-24%	30.1	32.5
<b>ARPU broadband</b>	<b>R\$ 88.83</b>	<b>R\$ 90.91</b>	<b>R\$ 92.01</b>	<b>-3%</b>	<b>-2%</b>	<b>R\$ 89.87</b>	<b>R\$ 91.71</b>

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.

The average B2C ticket in 2Q23 was R\$88.83. The reduction in purchasing power, a reflection of accumulated inflation since August 2021, has reversed the previous trend of increased revenue from more expensive and faster internet plans. In addition, price competition between providers has made the market more intense, stimulating the promotion of offers and causing this effect on ARPU.

B2B revenue has grown over the quarters, registering a 74% increase between 2Q23 and 2Q22, because of the expansion of the presence in larger cities.

Agility Telecom's revenue, in the amount of R\$8.3 million in 2Q23, is in Others. In 1H23, revenue was R\$16.9 million, an increase of R\$3.1 million compared to 1H22 revenue, evidencing better franchisee management.

Comparing 1Q23 and 1Q22, Brisanet's net revenue grew by 27%, from R\$236.6 million in 2Q22 to R\$300.2 million in 2Q23. This was mainly due to the increase in the number of subscribers - which increased by 24% between the periods - and the increase in B2B revenues.

BRL million	2Q23	1Q23	2Q22	2Q23 x 2Q22	2Q23 x 1Q23	1H23	1H22
Net Revenue	300.2	292.1	236.6	27%	3%	592.3	453.5

## COSTS OF SERVICES

Costs of Services Rendered (In millions of BRL)	2Q23	1Q23	2Q22	2Q23 x 2Q22	2Q23 x 1Q23
Personnel	(33.6)	(32.7)	(39.2)	-14%	3%
Interconnection	(9.4)	(8.0)	(7.9)	18%	18%
Connectivity	(4.2)	(5.5)	(6.1)	-31%	-22%
Right of Passage	(19.7)	(20.3)	(14.8)	33%	-3%
Utilities	(2.8)	(2.5)	(2.4)	17%	11%
Materials and maintenance	(3.6)	(3.8)	(3.9)	-9%	-7%
Third-party Services	(3.0)	(2.4)	(2.6)	15%	23%
Others	(5.6)	(4.5)	(5.8)	-5%	24%
Depreciation and Amortization	(76.6)	(73.8)	(61.6)	24%	4%
<b>Total</b>	<b>(158.4)</b>	<b>(153.5)</b>	<b>(144.4)</b>	<b>10%</b>	<b>3%</b>

The Company's cost of services provided in 2Q23 amounted to R\$158.4 million compared to R\$144.4 million in 2Q22, representing an increase of 10%. Isolating depreciation, cash costs fell 1%, even with a 24% growth in the customer base. Total cost increased 3% when compared to 1Q23, in line with the increase in revenue.

Compared to 2Q22, the variation is mainly due to:

- expenses with renting poles (right of way) increased by R\$4.9 million due to the 22% increase in the number of HPs;
- depreciation and amortization, which grew by R\$15.0 million, given the growth in assets and intangible assets resulting from the expansions carried out;
- increase in productivity, which made it possible to reduce personnel costs by 14%, even with salary readjustments and an increase in the customer base;
- reduction of R\$1.9 million in the cost of link, with the diversification of suppliers and the increase of local content in the data centers; and
- The reduction in costs with materials and maintenance was partly due to the immobilization of renovations with stores (owned and leased).

When comparing the 1H23 with the 1H22, cash costs fell by 2%, even with an increase of 27% among the average customer base in these periods.



## OPERATIONAL EXPENSES

Operational expenses (In millions of BRL)	2Q23	1Q23	2Q22	2Q23 x 2Q22	2Q23 x 1Q23
Personnel	(30.8)	(28.7)	(26.8)	15%	7%
Third-party Services	(5.1)	(5.5)	(6.3)	-18%	-6%
Marketing expenses	(6.7)	(7.0)	(5.2)	29%	-4%
Taxes and contributions	(4.3)	(3.4)	(2.0)	113%	25%
Provision for doubtful accounts	(17.5)	(11.4)	(6.9)	154%	54%
Other Expenses / (revenues)	(5.5)	(17.0)	(10.0)	-45%	-68%
Depreciation and amortization	(3.8)	(3.6)	(3.3)	14%	4%
<b>Total</b>	<b>(73.7)</b>	<b>(76.6)</b>	<b>(60.5)</b>	<b>22%</b>	<b>-4%</b>

The Company's operating expenses in 2Q23 increased by approximately 22% compared to 2Q22 and decreased by 4% compared to the previous quarter.

General and Administrative Expenses, excluding depreciation and amortization, increased notably in the systems line, due to improvements in the Company's collection system.

Selling Expenses, excluding depreciation and amortization, were 20.6% higher in 2Q23 when compared to the previous quarter, due to higher personnel expenses, mainly related to the increase in staff to operate in the mobile business, and the higher provision for allowance for losses with receivables (PCLD).

PCLD increased R\$6.1 million compared to 1Q23 and was R\$17.5 million. With this increase, along with the natural improvement in 'accounts receivable overdue for more than 181 days' over the past quarters (as shown in the table below), to lead to full coverage of accounts receivable over 181 days overdue by the end of 2023.

Accounts Receivable (in millions of BRL)	Jun23	Mar23	Dec22
Falling due	64.9	59.3	49.6
Past due under 180 days	68.2	66.2	63.7
Past due over 181 days	28.5	30.5	30.7
PCLD	(9.8)	(4.1)	(3.2)

In 1H23, operating expenses amounted to R\$150.2 million compared to R\$122.6 million in 1H22. Higher provisions for PCLD and for contingencies and higher commercial expenses with personnel were responsible for this increase.

## EBITDA

BRL million	2Q23	1Q23	2Q22	2Q23 x 2Q22	2Q23 x 1Q23	1H23	1H22	1H23 x 1H22
Net Income	<b>43,9</b>	<b>25,2</b>	<b>(1,3)</b>	-	<b>74%</b>	<b>69,1</b>	<b>8,2</b>	<b>743%</b>
(+) Income tax and social contribution	3,8	10,8	(1,7)	-	-64%	14,7	7,7	91%
(+) Net financial result	20,3	26,0	34,7	-41%	-22%	46,3	33,5	38%
(+) Depreciation and amortization	80,3	77,4	64,9	24%	4%	157,7	124,8	26%
<b>EBITDA</b>	<b>148,4</b>	<b>139,4</b>	<b>96,6</b>	<b>54%</b>	<b>6%</b>	<b>287,8</b>	<b>174,2</b>	<b>65%</b>
<b>EBITDA margin (%)</b>	<b>49%</b>	<b>48%</b>	<b>41%</b>	8,6 p.p.	1,7 p.p.	<b>49%</b>	<b>38%</b>	10,2 p.p.

The Company presented an EBITDA margin of 49.4% in 2Q23, compared to 40.8% in 2Q22 and 47.7% in the previous quarter. In the analysis against 2Q22, the margin improvement is due to the dilution of fixed costs by base growth and cost reduction initiatives adopted by the Company from 2Q22 onwards, as well as the reduction in the pace of fiber expansion, since organic expansion has an initial cost structure – poles, sales/repair/inventory/maintenance teams – that burden the Company's total operating costs/expenses.

Compared to the previous quarter, the increase in the margin is because of provisions for contingency in the previous quarter, if it were not for this impact, the margin would be stable. The Company remains confident in the improvement of its cash generation, having presented, in this quarter, a growth of 54% year on year.

## FINANCIAL RESULTS

In 2Q23, the financial result was an expense of R\$20.3 million, 41% less than in 2Q22 and 22% less than in the previous quarter.

Compared to 1Q23, this quarter's result reflects lower interest expenses, partially offset by lower yields on financial investments.

In interest expenses, the biggest change occurred in charges on incentivized debentures (annual cost of IPCA + 5.77%), since the IPCA reference was 2.0% for 1Q23 (IPCA of Dec/22 to Feb/23) and 1.56% for 2Q23 (IPCA from Mar to May/23). There was also a reduction due to the amortization of import financing and promissory notes. Income from financial investments decreased due to the drop in average cash between periods – it was R\$531 million in 1Q23 and R\$461 million in 2Q23.

At the end of June 2023, the Company had R\$13.0 million in international suppliers and R\$46.3 million in financing in foreign currency. The Company adopts the policy of contracting hedging instruments to protect part of its financing and suppliers in foreign currency.

BRL million	2Q23	1Q23	2Q22	2Q23 x 2Q22	2Q23 x 1Q23	1H23	1H22
Financial revenue	24.1	28.8	32.8	-27%	-16%	52.8	84.8
Financial expenses	(44.4)	(54.8)	(67.5)	-34%	-19%	(99.1)	(118.3)
<b>Net financial result</b>	<b>(20.3)</b>	<b>(26.0)</b>	<b>(34.7)</b>	<b>-41%</b>	<b>-22%</b>	<b>(46.3)</b>	<b>(33.5)</b>

**Financial income** in 2Q23, mainly reflects interest on funds invested in the period, in the amount of R\$14.9 million and R\$5.0 million from exchange variation/derivative operations.

**Financial expenses** basically consisted of: (i) interest expenses in 2Q23 in the amount of R\$32.9 million, (ii) operations with derivatives in the amount of R\$4.9 million - derivatives are basically swaps for currency hedging of debts in foreign currency, and (ii) foreign exchange liabilities of R\$2.9 million.

## INDEBTEDNESS

BRL million	Jun-23	Dec-22	Var. (%)
<b>Gross Debt</b>	<b>1,212.4</b>	<b>1,338.9</b>	<b>-9.5%</b>
(-) Cash and cash equivalents	197.1	203.5	-3.2%
(-) Short-term investments	257.9	391.5	-34.1%
<b>Net Debt</b>	<b>757.3</b>	<b>743.8</b>	<b>1.8%</b>

Brisanet had gross debt of R\$1.2 billion in June 2023, earmarked for investment in the geographic expansion of its fiber optic network and future 4G/5G operations. Gross debt comprises loans and financing, debentures, leasing obligations and derivative transactions.

Considering cash and financial investments at the end of the period of R\$455.1 million, the Company had a net debt of R\$757.3 million, compared to a net debt of R\$743.8 million at the end of 2022. Most of this resource is invested in instruments with liquidity of less than 90 days and with average yield in the period of 102% CDI.

The reduction in gross debt was due to the amortization of promissory notes due in February and some import financing.

The Company monitors its indebtedness using the net debt/EBITDA indicator. On June 30, 2023, the **debt level was 1.38x**, 0.15x lower than at the end of the previous quarter. This is the fifth consecutive quarter of reduction of this indicator.

The Company adopts the policy of contracting hedging instruments to protect part of the financing carried out in foreign currency. As of June 30, 2023, total foreign currency financing (includes Loan 4131) represented less than 4% of total gross debt.

Below is the breakdown of loans and financing:

Type	Weighted average rates	Jun-23	Dec-22
Working capital	0.81% p.m.	<b>16,107</b>	17,485
Working capital	0.21% p.m. + CDI	<b>110,031</b>	134,998
Working capital	0.28% p.m. + TJLP	-	1,279
Working capital	0.47% p.m. + TLP	<b>2,213</b>	4,114
Working capital (Loan 4131)	0.22% p.m. + CDI	<b>43,241</b>	65,095
PPE financing (CDC)	0.80% p.m.	<b>9,920</b>	12,583
PPE financing (FINEM)	0.29% p.m. + TJLP	-	2,601
PPE financing (FINEM)	0.45% p.m. + TLP	<b>16,686</b>	36,074
Financing - TR	0.35% p.m. + TR	<b>65,108</b>	50,791
Impor financing (foreign currency)	0.40% p.m.	<b>3,029</b>	34,768
		<b>266,335</b>	<b>359,788</b>
<b>Current</b>		<b>106,294</b>	154,618
<b>Non-current</b>		<b>160,041</b>	205,170

On March 15, 2021, the Company issued debentures, non-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. interest/remuneration equivalent to the IPCA + 5.7694%. As of June 30, 2023, the balance was R\$573.4 million.

On August 25, 2022, the Company issued debentures, non-convertible into shares, in the total amount of R\$300 million, with a maturity of 5 (five) years, maturing, therefore, on August 25, 2027. About these debentures interest of CDI +2.0% per annum. As of June 30, 2023, the balance was R\$312.6 million.

Considering financing, debentures, and leasing, more than half of the Company's debt matures from 2026 onwards.

Including debentures as well, the Company's debt is well balanced between IPCA (47%) and CDI (38%), with the remaining 15% split between prepayment, TJLP/TLP and foreign currency.

## CAPEX

BRL million	1H23	1H22	Var. (%)
<b>Capex</b>			
Additions to PPE <sup>1</sup>	201.7	606.0	-66.7%
(-) PPE in progress / in Inventory	(182.1)	(60.8)	199.5%
(-) Advances to Suppliers	141.6	(183.9)	-
(-) Imported equipment in transit	12.3	(6.0)	<i>nm</i>
Additions to Intangible Assets	6.3	21.2	-70.4%
<b>Capex Adjusted - 'In Operations'</b>	<b>179.7</b>	<b>376.5</b>	<b>-52.3%</b>

<sup>1</sup>See note 7 and 24, of the Interim Accounting Statement of 06.30.2023

In 1H23, Brisanet invested, when measured by additions to fixed and intangible assets, the amount of R\$208.0 million, compared to R\$627.2 million in 1H22.

The Company has an inventory of equipment and buildings to be activated in the coming months in the amount of R\$577.6 million, accounted for in 'fixed assets and imports in progress' (balance of R\$238.9 million) and 'fixed assets in warehouse' (balance of R\$338.7 million).

Of the R\$179.7 million in property, plant, and equipment/intangible assets already in operation, R\$20 million was maintenance capex, the remainder was used in the Company's organic expansion, mainly in:

- 568 thousand<sup>3</sup> HPs,
- 266,000 customer installations – base growth and replacement, and
- R\$12 million in backbone.

## NOTICES

The Interim Financial Information as of 06/30/2023, reviewed by Ernst & Young Auditores Independentes S.S. Ltda., are available on our [website](#).

## INVESTOR RELATIONS

**Tel.** +55 88 2105-0288

**E-mail:** falecomri@grupobrisanet.com.br

**Website:** [ri.brisanet.com.br/en](http://ri.brisanet.com.br/en)

<sup>3</sup> Of the 628,000 HP added in the semester, 60,000 came from Agility withdrawal, where the investment had already taken effect, but the HP was accounted for as Agility.

### **LEGAL NOTICE**

*The consolidated financial and operating 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 forecasts about future events. Such forecasts do not constitute acts that took place in the past and only reflect the expectations of the Company's managers. The terms "anticipates", "believes", "estimates", "expects", "intends", "plans", "projects", "objectives", as well as other similar terms aim to identify such forecasts which evidently involve risks or uncertainties foreseen or not by the Company. Therefore, the future results of the Company's operations may differ from current expectations and the reader should not rely exclusively on the forecasts made herein. These forecasts only issue opinions on the date they are made, and the Company does not undertake to update them considering new information or future developments.*

### **NON-ACCOUNTING MEASURES**

*Consistent with market practice, we disclose non-accounting (non-GAAP) measures that are not recognized under IFRS or other accounting standards, including "Net Debt", "EBITDA", "Adjusted EBITDA". Non-accounting measures provide useful information for their investors, market analysts and the general public to compare their operating performance with that of other companies in the same and other sectors. However, these nonaccounting 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. Potential investors should not base their investment decision on non-accounting information as a substitute for accounting measures such as profitability or liquidity.*



	2Q23	1Q23	2Q22*
<b>Consolidated - In R\$ 000</b>			
Net operating revenue	300,207	292,080	236,603
Cost of services	(158,449)	(153,515)	(144,382)
<b>Gross profit</b>	<b>141,758</b>	<b>138,565</b>	<b>92,221</b>
<b>Operating expenses</b>			
Administrative expenses	(29,401)	(27,008)	(27,576)
Selling expenses	(43,002)	(35,728)	(28,200)
Other operating revenue (expenses), net	(1,284)	(13,827)	(4,742)
<b>Earnings before financial result and taxes</b>	<b>68,071</b>	<b>62,002</b>	<b>31,703</b>
Financial revenues	24,082	28,765	32,831
Financial expenses	(44,387)	(54,750)	(67,535)
<b>Net financial result</b>	<b>(20,305)</b>	<b>(25,985)</b>	<b>(34,704)</b>
<b>Income (Loss) before income tax and social contribution</b>	<b>47,766</b>	<b>36,017</b>	<b>(3,001)</b>
Income tax and social contribution	(3,848)	(10,832)	1,746
<b>Income (Loss) for the period</b>	<b>43,918</b>	<b>25,185</b>	<b>(1,255)</b>

\* Adjusted to reflect the change in PCLD lines – from Other net operating income (expenses) to Selling Expenses – and in the line of Other Expenses – Tax expenses classified as Administrative.

**Consolidated - In R\$ 000**
**ASSETS**
**CURRENT ASSETS**

Cash and cash equivalents	197,121	203,542
Short-term investments	257,933	391,540
Trade accounts receivables	151,848	140,822
Inventories	6,307	5,449
Taxes recoverable	33,731	38,642
Derivative operations	82	95
Prepaid expenses	3,297	1,400
Other assets	4,539	2,911
<b>TOTAL CURRENT ASSETS</b>	<b>654,858</b>	<b>784,401</b>

**NON-CURRENT ASSETS**

Taxes recoverable	54,157	59,761
Court-related deposits	6,074	5,467
Derivative operations	1,502	2,364
Prepaid expenses	2,976	2,607
Deferred income and social contribution taxes	943	-
Other assets	38	38
Rights-of-use	51,547	36,493
Property, plant and equipment	2,030,583	1,956,020
Intangible assets	226,705	231,133
<b>TOTAL NON-CURRENT ASSETS</b>	<b>2,374,525</b>	<b>2,293,883</b>
<b>TOTAL ASSETS</b>	<b>3,029,383</b>	<b>3,078,284</b>

**LIABILITIES AND EQUITY**
**CURRENT LIABILITIES**

Suppliers	66,052	66,003
Loans and financing	106,294	154,618
Debentures/Promissory Notes	20,051	95,943
Lease obligations	27,970	14,234
Labor and social obligations	57,916	46,377
Taxes payable	23,896	30,264
Taxes paid in installments	1,917	749
Derivative operations	6,036	3,382
Proposed Dividends	-	14,418
Other accounts payable	18,299	24,122
<b>TOTAL CURRENT LIABILITIES</b>	<b>328,431</b>	<b>450,110</b>

**NON-CURRENT**

Loans and financing	160,041	205,170
Debentures	865,949	840,258
Lease obligations	25,151	24,636
Taxes paid in installments	7,375	4,401
Derivative operations	2,462	3,121
Other accounts payable	191,716	171,961
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>1,252,694</b>	<b>1,249,547</b>

**EQUITY**

Capital	1,281,606	1,281,606
Income reserve	176,060	106,775
Treasury shares	(9,758)	(9,758)
	1,447,908	1,378,623
Noncontrolling interest	350	4
<b>TOTAL EQUITY</b>	<b>1,448,258</b>	<b>1,378,627</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>3,029,383</b>	<b>3,078,284</b>



<b>Consolidated - In R\$ 000</b>	<b>1H23</b>	<b>1H22</b>
<b>Net income (loss) for the period</b>	<b>69,103</b>	<b>8,236</b>
<b>Adjustments to reconcile income (loss) for the period:</b>		
Depreciation and amortization	157,694	124,803
Residual value on write-off of fixed and intangible assets	7,796	202
Provision for fixed assets losses	-	4,268
Allowance for doubtful accounts	28,951	13,228
Provision for contingencies	6,169	784
Monetary and exchange variation	30,967	57,021
Derivative operations	2,871	2,305
Interest on leases	2,846	1,754
Interest on loans, financ., debent. and promissory note	31,938	71,988
Short-term investment income	(57,126)	(32,384)
Deferred income and social contribution taxes	4,305	(1,144)
Appropriation of funding costs	2,762	2,543
<b>(Increase) decrease in assets</b>		
Trade accounts receivable	(39,979)	(30,210)
Inventories	(858)	65
Taxes recoverable	10,514	(5,260)
Prepaid expenses	(2,266)	(1,041)
Court-related deposits	(607)	(207)
Other assets	(1,628)	5,731
<b>Increase (decrease) in liabilities</b>		
Suppliers	49	(119,672)
Labor and social obligations	11,539	10,153
Taxes payable	5,522	1,471
Taxes paid in installments	4,142	(1,185)
Other accounts payable	2,517	17,265
<b>Cash from (used in) operating activities</b>	<b>277,221</b>	<b>130,714</b>
Interest paid	(69,365)	(71,287)
Income tax and social contribution paid	(11,890)	(5,294)
<b>Net cash from (used in) operating activities</b>	<b>195,966</b>	<b>54,133</b>
<b>Cash flows from investing activities</b>		
Short-term investments	166,206	63,265
Additions to Property, plant and equipment	(201,707)	(605,962)
Additions to intangible assets	(6,281)	(21,208)
Receipt of earnings redemption of financial investments	24,527	-
Receipts from the sale of fixed and intangible assets	9,943	-
Intercompany loans received	-	(119)
<b>Net cash from (used in) investing activities</b>	<b>(7,312)</b>	<b>(564,024)</b>
<b>Cash flows from financing activities</b>		
Loans and financing raised	2,376	16,712
Amortization of principal of loans and financing	(93,965)	(140,328)
Promissory note raised	-	69,380
Amortization of principal of promissory note	(64,000)	(2,000)
Lease paid	(25,596)	(21,801)
Acquisition of non-controlling interests	528	-
Dividend/Profits distributed	(14,418)	(533)
Treasury shares	-	(3,853)
<b>Net cash from (used in) financing activities</b>	<b>(195,075)</b>	<b>(82,423)</b>
<b>Increase (Decrease) in cash and cash equivalents</b>	<b>(6,421)</b>	<b>(592,314)</b>
Cash and cash equivalents at the beginning of the year	203,542	1,000,792
Cash and cash equivalents at the end of the year	197,121	408,478
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(6,421)</b>	<b>(592,314)</b>



## EARNINGS CONFERENCE CALL

**August 16, 2023**  
**8 AM (NY Time) | 9 AM (BRT)**

In Portuguese, with simultaneous translation into English  
To access, **click here.**  
**<https://ri.brisanet.com.br/en>**



Centro Empresarial Iguatemi  
Av. Washington Soares, 55  
5º andar - sala 506 a 509 - Bairro Cocó  
60811-341 - Fortaleza - CE - Brasil  
Tel: +55 85 3392-5600  
Fax: +55 85 3392-5659  
ey.com.br

**A free translation from Portuguese into English of Independent auditor's review report on quarterly information prepared in Brazilian currency in accordance with NBC TG 21 – Interim Financial Reporting and IAS 34 - Interim Financial Reporting**

---

## **Independent auditor's review report on quarterly information**

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

### **Introduction**

We have reviewed the 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, 2023, which comprises the statement of financial position as at June 30, 2023, and the related statements of profit or loss and of comprehensive income 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 the explanatory notes.

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 Brazilian Securities and Exchange Commission (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, 2023, 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 – Statement 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, 2023.

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

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

## Brisanet Participações S.A.

Statements of financial position  
June 30, 2023  
(In thousands of reais)

	Note	Individual		Consolidated	
		06/30/2023	12/31/2022	06/30/2023	12/31/2022
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	3	14	2,126	197,121	203,542
Financial investments	3	15,320	12,020	257,933	391,540
Trade accounts receivable	4	-	-	151,848	140,822
Inventories		-	-	6,307	5,449
Taxes recoverable	5	23	18	33,731	38,642
Derivative transactions	25	-	-	82	95
Prepaid expenses		89	-	3,297	1,400
Dividends receivable	6	-	4,500	-	-
Other assets		-	-	4,539	2,911
<b>Total current assets</b>		<b>15,446</b>	<b>18,664</b>	<b>654,858</b>	<b>784,401</b>
<b>Noncurrent assets</b>					
<b>Long-term receivables</b>					
Financial investment	3	300,000	300,000	-	-
Taxes recoverable	5	-	-	54,157	59,761
Judicial deposits		-	-	6,074	5,467
Derivative transactions	25	-	-	1,502	2,364
Prepaid expenses		-	-	2,976	2,607
Deferred income and social contribution taxes	23	943	-	943	-
Other assets		-	-	38	38
Investments	7	1,444,300	1,390,100	-	-
Right of use	14	-	-	51,547	36,493
Property, plant and equipment	8	-	-	2,030,583	1,956,020
Intangible assets	9	-	-	226,705	231,133
<b>Total noncurrent assets</b>		<b>1,745,243</b>	<b>1,690,100</b>	<b>2,374,525</b>	<b>2,293,883</b>
<b>Total assets</b>		<b>1,760,689</b>	<b>1,708,764</b>	<b>3,029,383</b>	<b>3,078,284</b>

	Note	Individual		Consolidated	
		06/30/2023	12/31/2022	06/30/2023	12/31/2022
Liabilities and equity					
Current liabilities					
Trade accounts payable	10	-	3	66,052	66,003
Loans and financing	11	-	-	106,294	154,618
Debentures	12	14,722	14,297	20,051	23,593
Promissory note	13	-	-	-	72,350
Lease obligations	14	-	-	27,970	14,234
Labor and social obligations	15	18	-	57,916	46,377
Taxes payable	5	199	3,858	23,896	30,264
Taxes paid in installments		-	-	1,917	749
Derivative transactions	25	-	-	6,036	3,382
Proposed dividends	6 and 19	-	14,418	-	14,418
Other accounts payable	17	-	-	18,299	24,122
Total current liabilities		14,939	32,576	328,431	450,110
Noncurrent liabilities					
Loans and financing	11	-	-	160,041	205,170
Debentures	12	297,842	297,565	865,949	840,258
Lease obligations	14	-	-	25,151	24,636
Taxes paid in installments		-	-	7,375	4,401
Deferred income and social contribution taxes	23	-	-	10,959	5,711
Derivative transactions	25	-	-	2,462	3,121
Provision for contingencies	16	-	-	8,052	1,883
Other accounts payable	17	-	-	172,705	164,367
Total noncurrent liabilities		297,842	297,565	1,252,694	1,249,547
Equity					
Capital	19	1,281,606	1,281,606	1,281,606	1,281,606
Treasury shares		(9,758)	(9,758)	(9,758)	(9,758)
Income reserves		176,060	106,775	176,060	106,775
		1,447,908	1,378,623	1,447,908	1,378,623
Noncontrolling interests		-	-	350	4
Total equity		1,447,908	1,378,623	1,448,258	1,378,627
Total liabilities and equity					
		1,760,689	1,708,764	3,029,383	3,078,284

See accompanying notes.

## Brisanet Participações S.A.

### Statements of profit or loss

Three- and six-month periods ended June 30, 2023

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

	Note	Individual				Consolidated			
		04/01/2023 to 06/30/2023	04/01/2022 to 06/30/2022	01/01/2023 to 06/30/2023	01/01/2022 to 06/30/2022	04/01/2023 to 06/30/2023	04/01/2022 to 06/30/2022	01/01/2023 to 06/30/2023	01/01/2022 to 06/30/2022
Net operating revenue	20	-	-	-	-	300,207	236,603	592,287	453,536
Cost of services rendered	21	-	-	-	-	(158,449)	(144,382)	(311,964)	(281,553)
Gross profit		-	-	-	-	141,758	92,221	280,323	171,983
Operating expenses									
Administrative expenses	2	(503)	(828)	(1,110)	(1,580)	(29,401)	(27,576)	(56,409)	(56,484)
Selling expenses	21	-	-	-	-	(43,002)	(28,200)	(78,730)	(57,555)
Equity pickup	7	44,806	(428)	71,116	9,773	-	-	-	-
Other operating expenses, net	21	(516)	3	(1,042)	40	(1,284)	(4,742)	(15,111)	(8,559)
Income (loss) before finance income (costs) and taxes		43,787	(1,253)	68,694	8,233	68,071	31,703	130,073	49,385
Finance income	22	11,805	3	22,387	9	24,082	32,831	52,847	84,844
Finance costs	22	(11,266)	(3)	(23,009)	(4)	(44,387)	(67,535)	(99,137)	(118,306)
Finance income (costs)		(181)	-	(622)	5	(20,305)	(34,704)	(46,290)	(33,462)
Income before income and social contribution taxes		43,606	(1,253)	68,342	8,238	47,766	(3,001)	83,783	15,923
Income and social contribution taxes	23	408	(2)	943	(2)	(3,848)	1,746	(14,680)	(7,689)
Net income (loss) for the period		44,014	(1,255)	69,285	8,236	43,918	(1,255)	69,103	8,234
Net income (loss) attributable to									
Controlling interests		-	-	-	-	44,014	(1,255)	69,285	8,236
Noncontrolling interests		-	-	-	-	(96)	-	(182)	(2)
Basic earnings (loss) per share – R\$	24	0.11	(0.00)	0.17	0.02	-	-	-	-
Diluted earnings (loss) per share – R\$	24	0.11	(0.00)	0.17	0.02	-	-	-	-

See accompanying notes.

## Brisanet Participações S.A.

Statements of comprehensive income (loss)  
 Three- and six-month periods ended June 30, 2023  
 (In thousands of reais)

	Individual				Consolidated			
	04/01/2023 to 06/30/2023	04/01/2022 to 06/30/2022	01/01/2023 to 06/30/2023	01/01/2022 to 06/30/2022	04/01/2023 to 06/30/2023	04/01/2022 to 06/30/2022	01/01/2023 to 06/30/2023	01/01/2022 to 06/30/2022
Net income (loss) for the period	44,014	(1,255)	69,285	8,236	43,918	(1,255)	69,103	8,234
Other comprehensive income	-	-	-	-	-	-	-	-
Comprehensive income for the period	44,014	(1,255)	69,285	8,236	43,918	(1,255)	69,103	8,234
Net income (loss) attributable to								
Controlling interests	-	-	-	-	44,014	(1,255)	69,285	8,236
Noncontrolling interests	-	-	-	-	(96)	-	(182)	(2)

See accompanying notes.



## Brisanet Participações S.A.

Statements of changes in equity  
Six-month period ended June 30, 2023  
(In thousands of reais)

	Consolidated									
	Capital		Individual					Subtotal	Noncontrolling interests	Equity
	Capital	Share issue costs	Treasury shares	Legal reserve	Retained profits	Retained earnings (accumulated losses)				
Balances at December 31, 2021	1,321,859	(40,253)	-	1,568	58,918	-	1,342,092	7	1,342,099	
Treasury shares	-	-	(3,853)	-	-	-	(3,853)	-	(3,853)	
Net income for the period	-	-	-	-	-	8,236	8,236	(2)	8,234	
Profit allocation (Note 19):										
Retained profits	-	-	-	-	8,236	(8,236)	-	-	-	
Balances at June 30, 2022	1,321,859	(40,253)	(3,853)	1,568	67,154	-	1,346,475	5	1,346,480	
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	<b>1,321,859</b>	<b>(40,253)</b>	<b>(9,758)</b>	<b>4,603</b>	<b>102,172</b>	<b>69,285</b>	<b>1,447,908</b>	<b>350</b>	<b>1,453,944</b>	

See accompanying notes.

## Brisanet Participações S.A.

Statements of cash flows  
Six-month period ended June 30, 2023  
(In thousands of reais)

	Individual		Consolidated	
	06/30/2023	06/30/2022	06/30/2023	06/30/2022
Cash flows from operating activities				
Net income for the period	<b>74,971</b>	8,236	<b>74,789</b>	8,236
Adjustments to reconcile income (loss) for the period:				
Depreciation and amortization	-	-	<b>157,694</b>	124,803
Residual value upon write-off of PPE and intangible assets	-	-	<b>17,739</b>	202
Provision for losses on property, plant and equipment	-	-	-	4,268
Allowance for expected credit losses	-	-	<b>28,951</b>	13,228
Provision for contingencies	-	-	<b>6,169</b>	784
Equity pickup	<b>(71,116)</b>	(9,773)	-	-
Monetary variation and exchange differences	<b>19,489</b>	-	<b>30,967</b>	57,021
Derivative transactions	-	-	<b>2,871</b>	2,305
Interest on leases	-	-	<b>2,846</b>	1,754
Interest on debentures	<b>3,126</b>	-	<b>19,598</b>	15,811
Interest on promissory notes	-	-	<b>1,271</b>	619
Interest on loans and financing	-	-	<b>11,069</b>	55,558
Appropriation of funding costs	<b>332</b>	-	<b>2,762</b>	2,543
Financial investment yield	<b>(40,508)</b>	(9)	<b>(57,126)</b>	(32,384)
Deferred income and social contribution taxes	<b>(943)</b>	-	<b>4,305</b>	(1,144)
(Increase) decrease in assets				
Trade accounts receivable	-	-	<b>(39,979)</b>	(30,210)
Inventories	-	-	<b>(858)</b>	65
Taxes recoverable	<b>(5)</b>	-	<b>10,514</b>	(5,260)
Prepaid expenses	<b>(89)</b>	(91)	<b>(2,266)</b>	(1,041)
Judicial deposits	-	-	<b>(607)</b>	(207)
Other assets	-	(1)	<b>(1,628)</b>	5,731
Increase (decrease) in liabilities				
Trade accounts payable	<b>(3)</b>	4	<b>49</b>	(119,672)
Labor and social obligations	<b>18</b>	1	<b>11,539</b>	10,153
Taxes payable	<b>182</b>	1	<b>5,522</b>	1,471
Taxes paid in installments	-	-	<b>4,142</b>	(1,185)
Other accounts payable	-	(3)	<b>2,517</b>	17,265
Cash flows from (used in) operating activities	<b>(20,232)</b>	(1,635)	<b>277,221</b>	130,714
Interest paid	<b>(22,245)</b>	-	<b>(69,365)</b>	(71,287)
Income and social contribution taxes paid	<b>(3,841)</b>	(1)	<b>(11,890)</b>	(5,294)
Net cash flows from (used in) operating activities	<b>(46,318)</b>	(1,636)	<b>195,966</b>	54,133
Cash flows from investing activities				
Financial investments	<b>19,087</b>	9	<b>166,206</b>	63,265
Additions to PPE	-	-	<b>(201,707)</b>	(605,962)
Additions to intangible assets	-	-	<b>(6,281)</b>	(21,208)
Receipts from Financial investment yield	<b>18,221</b>	-	<b>24,527</b>	-
Receipts from the sale of fixed and intangible assets	-	-	<b>9,943</b>	-
Intercompany loans received	-	-	-	(119)
Dividends and profits received	<b>21,416</b>	4,012	-	-
Net cash flows from (used in) investing activities	<b>58,624</b>	4,021	<b>(7,312)</b>	(564,024)

## Brisanet Participações S.A.

Statements of cash flows (Continued)  
Six-month period ended June 30, 2023  
(In thousands of reais)

	Individual		Consolidated	
	06/30/2023	06/30/2022	06/30/2023	06/30/2022
Cash flows from financing activities				
Loans and financing taken out	-	-	2,376	16,712
Repayment of principal of loans and financing	-	-	(93,965)	(140,328)
Raising of promissory notes, net of funding costs	-	-	-	69,380
Repayment of principal of promissory notes	-	-	(64,000)	(2,000)
Lease payments	-	-	(25,596)	(21,801)
Treasury shares	-	(3,853)	-	(3,853)
Capital increase - noncontrolling interests	-	-	528	-
Dividends/profits distributed	(14,418)	(533)	(14,418)	(533)
Net cash flows from (used in) financing activities	(14,418)	(4,386)	(195,075)	(82,423)
Increase (decrease) in cash and cash equivalents	(2,112)	(2,001)	(6,421)	(592,314)
Cash and cash equivalents				
At beginning of period	2,126	3,325	203,542	1,000,792
At end of period	14	1,324	197,121	408,478
Increase (decrease) in cash and cash equivalents	(2,112)	(2,001)	(6,421)	(592,314)

See accompanying notes.

## Brisanet Participações S.A.

Statements of value added  
Six-month period ended June 30, 2023  
(In thousands of reais)

	Individual		Consolidated	
	06/30/2023	06/30/2022	06/30/2023	06/30/2022
Revenues	-	40	<b>651,599</b>	515,694
Gross operating income less discounts	-	-	<b>664,668</b>	526,809
Allowance for expected credit losses	-	-	<b>(28,951)</b>	(13,228)
Other revenues	-	40	<b>15,882</b>	2,113
Inputs acquired from third parties	<b>(1,111)</b>	(1,025)	<b>(115,590)</b>	(99,597)
Cost of sales	-	-	<b>(23,271)</b>	(23,596)
Materials, electricity, third-party services and other	<b>(1,111)</b>	(1,025)	<b>(68,993)</b>	(69,471)
Loss on/recovery of assets	-	-	<b>(8,325)</b>	(4,278)
Other inputs	-	-	<b>(15,001)</b>	(2,252)
Gross value added	<b>(1,111)</b>	(985)	<b>536,009</b>	416,097
Depreciation and amortization	-	-	<b>(157,694)</b>	(124,803)
Net value added generated	<b>(1,111)</b>	(985)	<b>378,315</b>	291,294
Value added received in transfer	<b>93,503</b>	9,782	<b>52,847</b>	84,844
Equity pickup	<b>71,116</b>	9,773	-	-
Finance income	<b>22,387</b>	9	<b>52,847</b>	84,844
Total value added to be distributed	<b>92,392</b>	8,797	<b>431,162</b>	376,138
Distribution of value added				
Taxes, charges and contributions	<b>98</b>	94	<b>116,093</b>	107,160
Federal	<b>98</b>	94	<b>65,031</b>	60,182
State	-	-	<b>50,191</b>	46,253
Local	-	-	<b>871</b>	725
Other taxes, charges and contributions	-	-	-	-
Personnel	-	463	<b>104,551</b>	110,013
Salaries	-	462	<b>81,964</b>	83,981
Unemployment Compensation Fund (FGTS)	-	-	<b>7,006</b>	7,708
Benefits	-	1	<b>15,581</b>	18,324
Debt remuneration	<b>23,009</b>	4	<b>141,415</b>	150,729
Interest, exchange differences and borrowing costs	<b>23,009</b>	4	<b>99,137</b>	118,306
Rents	-	-	<b>42,278</b>	32,423
Equity remuneration	<b>69,285</b>	8,236	<b>69,103</b>	8,236
Dividends/profits distributed	-	-	-	-
Retained profits/losses	<b>69,285</b>	8,236	<b>69,103</b>	8,236
Value added	<b>92,392</b>	8,797	<b>431,162</b>	376,138

See accompanying notes.

## Brisanet Participações S.A. e Consolidado

Notes to the interim financial information (Continued)

June 30, 2023

(In thousands of reais)

### 1. Operations

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

The Company, through its subsidiary Brisanet Serviços de Telecomunicação S.A. (“Brisanet Serviços”), offers telecommunications services that are authorized by Brazil’s National Telecommunications Agency (ANATEL), the agency responsible for regulating the telecommunications sector in Brazil in accordance with the General Telecommunications Law and its respective regulations. Tariffs charged are also regulated by ANATEL. 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 provided Conditioned Access Services (SeAC)	All regions in Brazil	Indefinite

#### a) Corporate changes in the period

##### A 4J Serviços de Telecomunicações Ltda ('4J Telecomunicações')

On November 16, 2021, Brisanet Serviços established the company 4J Serviços de Telecomunicações Ltda. holding 100% of its units of interest, with capital totaling R\$50. 4J Serviços de Telecomunicações Ltda ('4J Telecomunicações') is primarily engaged in the provision of fiber optic and radio telecommunications services, fixed telephony and VoIP services in general.

On February 1, 2023, the new member, ADLService Comunicações e Serviços Ltda., joined 4J Serviços de Telecomunicações Ltda., which subscribed 528,534 new units of interest with a par value of R\$1.00 (one real) each and on, the same date, the direct subsidiary Brisanet Serviços subscribed 595,986 new units of interest with a par value of R\$1.00 (one real) each through the capitalization future capital contributions (AFAC). The subscribed and paid-in capital of the indirect subsidiary 4J Serviços de Telecomunicações Ltda., as restated, is R\$1,174, represented by 1,174,520 units of interest, with a par value of R\$1.00 (one real) each with Brisanet Serviços and ADLService Comunicações e Serviços Ltda. as members, holding equity interest of 55% and 45%, respectively.

## Brisanet Participações S.A. e Consolidado

Notes to the interim financial information (Continued)  
June 30, 2023  
(In thousands of reais)

### 1. Operations (Continued)

#### a) Corporate changes in the period (Continued)

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

At the Special General Meeting held on April 30, 2023, shareholders approved the merger of the net assets of the Company's direct subsidiary RPS Prestação de Serviços de Informática Ltda., in the amount of R\$25,892, by Brisanet Serviços de Telecomunicações S.A. The merged net assets, measured by external experts at book value, at base date April 30, 2023, are as follows:

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

#### b) Outcome of the 5G Auction

On November 4, 2021, Brisanet Serviços de Telecomunicações S.A., a wholly-owned subsidiary of the Company, won 3 Lots in the 5G Auction conducted by Brazil's National Telecommunications Agency ("Anatel") to obtain the right to use radio frequencies, primarily of 2 regional blocks of 80 MHz in the 3.5 GHz range - 1 block in the Northeast and 1 in the Midwest - as well as 1 lot of 50MHz in the Northeast region in the 2.3 GHz range, all for a period of 20 (twenty) years, extendable against valuable consideration, in accordance with the regulations in force on the expiration date. The total amount offered for the 3 lots was R\$1,466,386, of which only R\$168,360 will be disbursed, restated monthly by reference to the Extended Consumer Price Index (IPCA). The remaining balance will be covered by commitments with offer of the service in certain areas until 2030.

## Brisanet Participações S.A. e Consolidado

Notes to the interim financial information (Continued)  
June 30, 2023  
(In thousands of reais)

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

#### a) Basis of preparation and presentation

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

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

This interim financial information should be read in conjunction with the Company's and its subsidiaries' individual and consolidated financial statements for the year ended December 31, 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).

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 quarterly information.

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

#### b) Basis of consolidation

As at June 30, 2023 and December 31, 2022, the Company maintains investments by means of direct subsidiaries, all of which are located in Brazil, as follows:

	<u>06/30/2023</u>	<u>12/31/2022</u>
Brisanet Serviços de Telecomunicações S.A.	99.99%	99.99%
RPS - Prestação de Serviços de Informática Ltda.	-	99.99%

## **Brisanet Participações S.A. e Consolidado**

Notes to the interim financial information (Continued)  
June 30, 2023  
(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)

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

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

Completion of this interim financial information was authorized by management of the Company and its subsidiaries on August 14, 2023.

#### c) Operating segments

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

#### d) Amendments to accounting standards and pronouncements

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

- CPC 50/IFRS 17: Insurance contracts (Replacement CPC 11/IFRS 15)
- Amendments to CPC 23: Definition of accounting estimates (Amendments to IAS 8);
- Disclosure of accounting policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12);



## Brisanet Participações S.A. e Consolidado

Notes to the interim financial information (Continued)

June 30, 2023

(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)

These amendments did not impact the interim financial information of the Company and its subsidiaries. Additionally, in the period ended June 30, 2023, no new standards or pronouncements were published which are expected to impact the Company's quarterly information. Finally, the Company did not elect to early adopt the standards or pronouncements.

Additionally, amendments to standards and pronouncements already issued, but which are not yet in effect as of the date of issuance of this interim information, are described below:

- Lease liability in sale and leaseback transaction - (CPC 06/IFRS 16)
- Classification of liabilities as current or non-current and non-current with covenants (CPC 26/IAS 1)
- Disclosures of financing agreements with suppliers (CPC03/IAS 7 and CPC40/IFRS 7)

The changes are effective for periods beginning on or after January 1, 2024 and must be applied retrospectively. The Company is currently evaluating the impact that the changes will have on current practice and is evaluating the effects of the initial application on its individual and consolidated financial statements and interim information.

### 3. Cash and cash equivalents and short-term investments

	Individual		Consolidated	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Checking accounts and other	10	8	3,123	940
Short-term investments:				
Sweep accounts	4	2,118	764	6,828
Bank Deposit Certificates (CDB)	-	-	192,787	195,683
Debit cards	-	-	447	91
	<b>14</b>	<b>2,126</b>	<b>197,121</b>	<b>203,542</b>

Cash equivalents correspond to transactions with financial institutions in the Brazilian financial market and subject to low credit risk. These transactions are remunerated by the Interbank Deposit Certificates (CDI) variation at the average rate of 102.17% at June 30, 2023 (103.04% at December 31, 2021) 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.

## Brisanet Participações S.A. e Consolidado

Notes to the interim financial information (Continued)

June 30, 2023

(In thousands of reais)

### 3. Cash and cash equivalents and short-term investments (Continued)

#### Short-term investments

	Individual		Consolidated	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Investment funds (a)	-	-	1	56
Certificate accounts with lottery prizes (b)	-	-	-	3,600
CDB (c)	-	-	257,932	387,884
Debentures (d)	315,320	312,020	-	-
	<b>315,320</b>	<b>312,020</b>	<b>257,933</b>	<b>391,540</b>
Current	15,320	12,020	257,933	391,540
Noncurrent	300,000	300,000	-	-

- (a) Investment funds have variable income (fixed income and multimarket funds), with an average yield of 102.04% of the CDI for the period;
- (b) Certificate accounts with lottery prizes, with an average yield of 0.5% p.m. plus the reference rate (TR), were acquired in previous years and have a grace period for redemption, usually proportional to repayment of the loans, to which they were offered as collateral, with the total amount redeemed on June 2, 2023;
- (c) Bank Deposit Certificates (CDB) had an average yield equivalent to 103.12% of the CDI in the period, with liquidity above 90 days; and
- (d) This refers to the second private placement of debentures through the subsidiary Brisanet Serviços Telecomunicações S.A, where the yield will be 2.00% p.a. + CDI. The term of the 2<sup>nd</sup> 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.

### 4. Trade accounts receivable (Consolidated)

	06/30/2023	12/31/2022
Trade accounts receivable	161,603	143,987
Allowance for expected credit losses	(9,755)	(3,165)
Accounts receivable, net	<b>151,848</b>	<b>140,822</b>
Current	151,848	140,822
Noncurrent	-	-

The aging list of trade accounts receivable is as follows:

	06/30/2023	12/31/2022
Falling due	64,946	49,575
Past due:		
1 to 30 days	39,428	36,598
31 to 60 days	7,805	5,950
61 to 180 days	20,946	21,145
Over 181 days	28,478	30,719
	<b>161,603</b>	<b>143,987</b>
(-) Allowance for expected credit losses	<b>(9,755)</b>	<b>(3,165)</b>
Accounts receivable, net	<b>151,848</b>	<b>140,822</b>

## Brisanet Participações S.A. e Consolidado

Notes to the interim financial information (Continued)

June 30, 2023

(In thousands of reais)

### 4. Trade accounts receivable (Consolidated)

At June 30, 2023, DSO was of 46 days (45 days as of December 31, 2022).

Changes in allowance for expected credit losses are as follows:

	<u>06/30/2023</u>	<u>12/31/2022</u>
Opening balance	(3,165)	(19,293)
Set-up	(29,336)	(30,782)
Reversal	385	115
Write-off	22,361	46,795
Closing balance	<u>(9,755)</u>	<u>(3,165)</u>

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

### 5. Taxes recoverable and payable

	<u>Individual</u>		<u>Consolidated</u>	
	<u>06/30/2023</u>	<u>12/31/2022</u>	<u>06/30/2023</u>	<u>12/31/2022</u>
<b>Assets</b>				
State VAT (ICMS) recoverable	-	-	10,277	11,328
ICMS recoverable on fixed assets	-	-	76,220	82,955
PIS and COFINS recoverable	-	-	66	472
Corporate Income Tax (IRPJ) and Social Contribution on Net Profit (CSLL) recoverable	23	18	666	2,998
Other taxes recoverable	-	-	659	650
	<u>23</u>	<u>18</u>	<u>87,888</u>	<u>98,403</u>
Current	23	18	33,731	38,642
Noncurrent	-	-	54,157	59,761
<b>Current liabilities</b>				
ICMS payable	-	-	10,865	12,285
IRPJ payable	-	2,704	850	4,666
CSLL payable	-	1,138	1,829	4,302
PIS and COFINS payable	179	-	2,855	2,563
ISS payable	-	-	120	111
Taxes on unbilled revenue (a)	-	-	4,804	3,994
Other taxes payable	20	16	2,573	2,343
	<u>199</u>	<u>3,858</u>	<u>23,896</u>	<u>30,264</u>

(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.

## Brisanet Participações S.A. e Consolidado

Notes to the interim financial information (Continued)

June 30, 2023

(In thousands of reais)

### 6. Transactions with related parties

Outstanding balances on the reporting dates are as follows:

	Individual		Consolidated	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Current assets				
Right of use	-	-	17,033	-
Dividends receivable	-	4,500	-	-
	-	4,500	17,033	-
Current liabilities				
Leases payable	-	-	17,563	-
Dividends payable	-	14,418	-	14,418
	-	14,418	17,563	14,418

	Consolidated			
	04/01/2023 to 06/30/2023	04/01/2022 to 06/30/2022	01/01/2023 to 06/30/2023	01/01/2022 to 06/30/2022
Statement of profit or loss				
AGILITY Segurança Eletronic	(500)	(292)	(987)	(719)
Imobiliária Pau D'arco Ltda	-	(9)	-	(16)
JPMF Imobiliária Ltda	-	-	-	(31)
S&L Locadora de Veículos Ltda	(9,224)	(8,155)	(20,386)	(16,761)
Nosso Atacarejo Comércio de Gêneros Alimentícios Ltda.	(842)	(690)	(1,617)	(1,316)
Nossa fruta Brasil Indústria de Alimentos Ltda	(78)	(54)	(150)	(96)
	(10,644)	(9,200)	(23,140)	(18,939)

	Operations with Consortia	
	06/30/2023	06/30/2022
Income (loss) on operations with consortia		
Net operating revenue	721,981	-
Costs and expenses		
Interconnection and means of connection	(906,323)	(923,546)
Personnel	(115,536)	(75,455)
Third-party services	(220,474)	(30,450)
Depreciation and amortization	(207,837)	(40,288)
General costs and expenses	(99,996)	(41,757)
	(828,185)	(1,111,496)
Finance income (costs)	(1,508)	(17,422)
Net income (loss)	(829,693)	(1,128,918)

## Brisanet Participações S.A. e Consolidado

Notes to the interim financial information (Continued)  
June 30, 2023  
(In thousands of reais)

### 6. Transactions with related parties (Continued)

The nature of transactions with related parties is as follows:

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

  

<b>Operations with Consortia</b>	<b>Interest</b>
BMW Consortium	50%
Conecta Sec Consortium	34%

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

#### Guarantees in financial contracts of related parties

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

<b>Related party</b>	<b>Nature of transaction</b>
Nossa Fruta Brasil Indústria de Alimentos Ltda.	Guarantees for loans and financing totaling R\$6,611.

#### Key management personnel compensation – Company and subsidiaries

Compensation of the key management personnel of the Company and its subsidiaries totaled R\$1,562 in the period ended June 30, 2023 (R\$497 as of June 30, 2022).

## Brisanet Participações S.A. e Consolidado

Notes to the interim financial information (Continued)

June 30, 2023

(In thousands of reais)

### 7. Investments (Individual)

#### a) Breakdown

	<u>06/30/2023</u>	<u>12/31/2022</u>
Interests held in subsidiaries		
Brisanet Serviços de Telecomunicações S.A.	1,449,986	1,360,910
RPS - Prestação de Serviços de Informática Ltda.	-	29,190
	<u>1,449,986</u>	<u>1,390,100</u>

#### b) Changes in investments

	Brisanet Serviços de Telecomunicações S.A.	RPS - Prestação de Serviços de Informática Ltda.	<u>06/30/2023</u>	<u>06/30/2022</u>
Opening balance	1,360,910	29,190	1,390,100	1,339,405
Dividends received (i)	(16,916)	-	(16,916)	(4,050)
Dividends receivable	-	-	-	38
Merger (ii)	25,892	(25,892)	-	-
Equity pickup	74,414	(3,298)	71,116	9,773
Closing balance	<u>1,444,300</u>	<u>-</u>	<u>1,444,300</u>	<u>1,345,166</u>

(i) This refers to dividends received from the subsidiary Brisanet Serviços de Telecomunicações S.A in the amount of R\$1,485 in March 2023, R\$366 in April 2023, R\$14,823 in May 2023 and R\$ 242 in June 2023.

(ii) On April 30, 2023, subsidiary RPS was fully merged into subsidiary Brisanet Serviços, see Note 1.

#### c) Information on investments in subsidiaries

	<u>06/30/2023</u>					
	<u>Capital</u>	<u>Equity (capital deficiency)</u>	<u>Net income (loss) for the period</u>	<u>Interest held - %</u>	<u>Investment balance</u>	<u>Equity pickup</u>
Brisanet Serviços de Telecomunicações S.A.	1,343,242	1,444,304	71,116	99.99	1,444,300	71,116
					<u>1,444,300</u>	<u>71,116</u>
	<u>12/31/2022</u>					
	<u>Capital</u>	<u>Equity (capital deficiency)</u>	<u>Net income (loss) for the period</u>	<u>Interest held - %</u>	<u>Investment balance</u>	<u>Equity pickup</u>
Brisanet Serviços de Telecomunicações S.A.	1,311,176	1,360,910	67,938	99.99	1,360,910	67,937
RPS - Prestação de Serviços de Informática Ltda.	32,070	29,193	1,067	99.99	29,190	1,067
					<u>1,390,100</u>	<u>69,004</u>

## Brisanet Participações S.A. e Consolidado

Notes to the interim financial information (Continued)

June 30, 2023

(In thousands of reais)

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

#### a) Breakdown

	Annual average depreciation rate - %	06/30/2023		12/31/2022
		Cost	Accumulated depreciation	Net
Land	-	26,172	-	24,054
Buildings	4%	4,061	(102)	-
Fiber-optic cables	5%	356,960	(40,829)	272,086
Network construction	10%	350,992	(48,195)	309,234
Machinery and equipment	10%	90,991	(29,679)	57,325
Furniture and fixtures	10%	5,588	(1,419)	3,811
Sundry installations	10%	274,799	(60,415)	210,986
Planes and aircraft	10%	1,800	(270)	1,611
Leasehold improvements	15%	2,284	(122)	687
Computers and peripherals	20%	26,426	(15,926)	11,891
Vehicles	20%	81,948	(29,658)	58,067
Software	20%	166,804	(118,016)	74,183
Electronic equipment	20%	581,780	(264,522)	304,202
Installations (customer activation)	25%	124,095	(35,227)	75,923
Advances to suppliers	-	2,638	-	144,200
Imports in progress	-	1,927	-	14,180
Construction in progress	-	237,045	-	145,799
PPE in supplies room	-	338,653	-	247,781
		<b>2,674,963</b>	<b>(644,380)</b>	<b>1,956,020</b>

## Brisanet Participações S.A. e Consolidado

Notes to the interim financial information (Continued)

June 30, 2023

(In thousands of reais)

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

#### b) Changes in balances

	<b>12/31/2022</b>	<b>Additions</b>	<b>Write-offs</b>	<b>Transfers</b>	<b>Depreciation</b>	<b>06/30/2023</b>
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
	<b>1,956,020</b>	<b>224,492</b>	<b>(15,858)</b>	<b>-</b>	<b>(134,071)</b>	<b>2,030,583</b>



## Brisanet Participações S.A. e Consolidado

Notes to the interim financial information (Continued)

June 30, 2023

(In thousands of reais)

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

#### b) Changes in balances (Continued)

	12/31/2021	Additions	Write-offs	Transfers	Allowance for losses (vii)	Depreciation	06/30/2022
Land	12,338	5,230	-	3,961	-	-	21,529
Fiber-optic cables	203,862	16,844	-	40,685	-	(6,707)	254,684
Network construction	139,576	7,529	-	53,301	-	(8,333)	192,073
Machinery and equipment	44,131	4,957	-	7,179	-	(2,791)	53,476
Furniture and fixtures	3,608	460	-	-	-	(227)	3,841
Sundry installations	150,950	11,843	(28)	49,621	-	(10,420)	201,966
Planes and aircraft	1,773	-	-	-	-	(81)	1,692
Leasehold improvements	704	-	-	-	-	(15)	689
Computers and peripherals	13,580	1,873	-	-	-	(2,188)	13,265
Vehicles	11,591	49,129	(165)	-	-	(3,833)	56,722
Software	104,969	24	(2)	-	-	(16,943)	88,048
Electronic equipment	287,266	1,605	(7)	70,235	(4,268)	(45,503)	309,328
Installations (customer activation)	24,498	-	-	38,682	-	(6,589)	56,591
Advances to suppliers	30,484	238,711	-	(54,790)	-	-	214,405
Imports in progress	52,227	82,494	-	(76,444)	-	-	58,277
Construction in progress	227,919	89,624	-	(123,060)	-	-	194,483
PPE in supplies room	36,800	103,636	-	(9,370)	-	-	131,066
	<u>1,346,276</u>	<u>613,959</u>	<u>(202)</u>	<u>-</u>	<u>(4,268)</u>	<u>(103,630)</u>	<u>1,852,135</u>

## **Brisanet Participações S.A. e Consolidado**

Notes to the interim financial information (Continued)  
June 30, 2023  
(In thousands of reais)

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

#### Interest capitalization

In the period ended June 30, 2023, the Company and its subsidiaries capitalized interest on loans and financing amounting to R\$13,968 (R\$27,033 as of December 31, 2022).

#### Capitalization of depreciation

In the period ended June 30, 2023, the Company and its subsidiaries capitalized depreciation on PPE used in installations, infrastructure and network expansions, in the amount of R\$8,817 (R\$16,361 as of December 31, 2022).

#### Guarantees

As at June 30, 2023, the Company and its subsidiaries recorded PPE items given in guarantee amounting to R\$113,637 (R\$149,738 as of December 31, 2022).

#### Software

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

#### Impairment

The Company and its subsidiaries periodically analyze whether there are indications that certain assets could be recorded in accounting for amounts that exceed the recoverable amount. After internal analysis, management concluded that there were no indications of impairment on PPE and intangible assets of the Company and its subsidiaries as of June 30, 2023 and December 31, 2022.

## Brisanet Participações S.A. e Consolidado

Notes to the interim financial information (Continued)

June 30, 2023

(In thousands of reais)

### 9. Intangible assets (Consolidated)

#### Changes in balances

	Average annual amortization rate - %	12/31/2022	Additions	Write-offs	Transfer	06/30/2023
<b>Cost</b>						
Radiofrequency license - GHZ	20%	1,336	-	-	-	1,336
Software and system licenses	20%	17,824	75	-	-	17,899
ADM projects	20%	3,247	248	-	-	3,495
Customer portfolio and relationship with the franchisee (a)	7%	47,008	199	(2,021)	-	45,186
Radiofrequency license – 4G (b)	7%	2,804	-	-	-	2,804
Radiofrequency license – 5G (b)	5%	168,431	-	-	-	168,431
Software development and API (c)	5%	8,221	-	-	6,337	14,558
Intangible assets under development (d)	-	1,334	5,759	-	(6,337)	756
Trademarks and patents	-	3	-	-	-	3
<b>Total cost</b>		<b>250,208</b>	<b>6,281</b>	<b>(2,021)</b>	<b>-</b>	<b>254,468</b>
<b>Accumulated amortization</b>						
Radiofrequency license - GHZ	20%	(810)	(134)	-	-	(944)
Software and system licenses	20%	(4,970)	(1,784)	-	-	(6,754)
ADM projects	20%	(1,167)	(336)	-	-	(1,503)
Customer portfolio and relationship with the franchisee (a)	7%	(2,795)	(1,429)	140	-	(4,084)
Radiofrequency license – 4G (b)	7%	(361)	(113)	-	-	(474)
Radiofrequency license – 5G (b)	5%	(8,423)	(4,210)	-	-	(12,633)
Software development and API (c)	5%	(549)	(822)	-	-	(1,371)
<b>Total accumulated amortization</b>		<b>(19,075)</b>	<b>(8,828)</b>	<b>140</b>	<b>-</b>	<b>(27,763)</b>
<b>Intangible assets, net</b>		<b>231,133</b>	<b>(2,547)</b>	<b>(1,881)</b>	<b>-</b>	<b>226,705</b>
<b>Cost</b>						
Radiofrequency license - GHZ	20%	171,235	-	-	(169,899)	1,336
Software and system licenses	20%	15,717	717	-	(1,336)	15,098
ADM projects	20%	2,476	742	-	-	3,218
Customer portfolio and relationship with the franchisee (a)	7%	32,463	14,804	-	-	47,267
Radiofrequency license – 4G (b)	7%	-	-	-	2,804	2,804
Radiofrequency license – 5G (b)	5%	-	-	-	168,431	168,431
Software development and API (c)	-	-	4,945	-	-	4,945
Trademarks and patents	-	3	-	-	-	3
<b>Total cost</b>		<b>221,894</b>	<b>21,208</b>	<b>-</b>	<b>-</b>	<b>243,102</b>
<b>Accumulated amortization</b>						
Radiofrequency license - GHZ	20%	(136)	(133)	-	(407)	(676)
Software and system licenses	20%	(2,451)	(1,459)	-	543	(3,367)
ADM projects	20%	(596)	(276)	-	-	(872)
Customer portfolio and relationship with the franchisee (a)	7%	-	(1,207)	-	-	(1,207)
Radiofrequency license – 4G (b)	7%	-	(113)	-	(136)	(249)
Radiofrequency license – 5G (b)	5%	-	(4,211)	-	-	(4,211)
<b>Total accumulated amortization</b>		<b>(3,183)</b>	<b>(7,399)</b>	<b>-</b>	<b>-</b>	<b>(10,582)</b>
<b>Intangible assets, net</b>		<b>218,711</b>	<b>13,809</b>	<b>-</b>	<b>-</b>	<b>232,520</b>

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

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

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

## Brisanet Participações S.A. e Consolidado

Notes to the interim financial information (Continued)

June 30, 2023

(In thousands of reais)

### 10. Trade accounts payable

As at June 30, 2023 and December 31, 2022, breakdown of trade accounts payable is as follows:

	Individual		Consolidated	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Domestic trade accounts payable	-	3	<b>53,092</b>	23,608
Foreign trade accounts payable	-	-	<b>12,960</b>	42,395
	-	3	<b>66,052</b>	66,003

### 11. Loans and financing (Consolidated)

Type	Weighted average rates	06/30/2023	12/31/2022
Working capital	0.81% p.m.	<b>16,107</b>	17,485
Working capital	0.21% p.m. + CDI	<b>110,031</b>	134,998
Working capital	0.28% p.m. + TJLP	-	1,279
Working capital	0.47% p.m. + TLP	<b>2,213</b>	4,114
Working capital (Loan 4131)	0.22% p.m. + CDI	<b>43,241</b>	65,095
PPE financing (CDC)	0.80% p.m.	<b>9,920</b>	12,583
PPE financing (FINEM)	0.29% p.m. + TJLP	-	2,601
PPE financing (FINEM)	0.45% p.m. + TLP	<b>16,686</b>	36,074
Financing - TR	0.35% p.m. + TR	<b>65,108</b>	50,791
Financing for import (foreign currency)	0.40% p.m.	<b>3,029</b>	34,768
		<b>266,335</b>	359,788
Current		<b>106,294</b>	154,618
Noncurrent		<b>160,041</b>	205,170

The 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:

	06/30/2023	12/31/2022
Sureties and disposals	<b>200,955</b>	358,342
Assets and credit rights given in guarantee	<b>113,637</b>	149,738
	<b>314,592</b>	508,080

## Brisanet Participações S.A. e Consolidado

Notes to the interim financial information (Continued)

June 30, 2023

(In thousands of reais)

### 11. Loans and financing (Consolidated) (Continued)

Changes in loans and financing are as follows:

	<u>06/30/2023</u>	<u>06/30/2022</u>
Opening balance	359,788	570,848
Fundraising	<b>2,376</b>	16,712
Interest appropriated	<b>17,926</b>	55,558
Monetary variation and exchange differences	<b>(510)</b>	23,716
Repayment of principal	<b>(93,965)</b>	(140,328)
Interest paid	<b>(19,280)</b>	(54,082)
Closing balance	<b>266,335</b>	472,424

Noncurrent portions mature as follows:

	<u>06/30/2023</u>	<u>12/31/2022</u>
2024	<b>47,862</b>	93,464
2025	<b>62,182</b>	62,079
2026	<b>12,596</b>	12,515
2027	<b>7,317</b>	7,251
2028	<b>7,317</b>	7,251
2029 onwards	<b>22,767</b>	22,610
	<b>160,041</b>	205,170

#### Covenants

Loan and financing covenants substantially refer to annual financial ratios, default with creditors, in-court or out-of-court measures that compromise payment capacity, insolvency and commitment of guarantees offered. The Company and its subsidiaries analyzed covenants for the period ended June 30, 2023 and year ended December 31, 2022 and concluded that all requirements have been legally met.

## Brisanet Participações S.A. e Consolidado

Notes to the interim financial information (Continued)

June 30, 2023

(In thousands of reais)

### 12. Debentures

#### a) Breakdown

	Charges (p.a.)	Individual	
		06/30/2023	12/31/2022
First issue - Brisanet Participações	2.00% p.a. + CDI	315,330	314,961
(-) Issue costs to be recorded		(2,001)	(2,242)
(-) Negative goodwill		(765)	(857)
		<b>312,564</b>	<b>311,862</b>
Current		14,722	14,297
Noncurrent		297,842	297,565
	Charges (p.a.)	Consolidated	
		06/30/2023	12/31/2022
First issue Brisanet Serviços	5.77% p.a. + IPCA	595,926	576,810
First issue - Brisanet Participações	2.00% p.a. + CDI	315,330	314,961
(-) Issue costs to be recorded		(24,491)	(27,063)
(-) Negative goodwill		(765)	(857)
		<b>886,000</b>	<b>863,851</b>
Current		20,051	23,593
Noncurrent		865,949	840,258

#### b) Changes

	Individual		Consolidated	
	06/30/2023	06/30/2022	06/30/2023	06/30/2022
Opening balance	311,862	-	863,851	515,850
Monetary restatement	19,489	-	38,297	30,631
Interest appropriated	3,126	-	19,598	15,811
Amortization of interest	(22,245)	-	(38,410)	(15,307)
Amortization of funding costs	240	-	2,572	2,332
Amortization of negative goodwill	92	-	92	-
Closing balance	<b>312,564</b>	-	<b>886,000</b>	<b>549,317</b>

## Brisanet Participações S.A. e Consolidado

Notes to the interim financial information (Continued)

June 30, 2023

(In thousands of reais)

### 12. Debentures (Continued)

#### b) Changes (Continued)

Noncurrent portions mature as follows:

	Individual		Consolidated	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
2025	100,000	100,000	267,558	262,183
2026	100,000	100,000	267,505	262,132
2027	100,000	100,000	267,501	262,128
2028 onwards	-	-	83,757	81,071
	<b>300,000</b>	<b>300,000</b>	<b>886,321</b>	<b>867,514</b>
(-) Issue costs to be recorded	(1,561)	(1,761)	(19,775)	(26,582)
(-) Negative goodwill	(597)	(674)	(597)	(674)
	<b>297,842</b>	<b>297,565</b>	<b>865,949</b>	<b>840,258</b>

#### c) Issue of debentures

The main information regarding the issue of debentures by the Company and its subsidiaries are as follows:

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

#### d) Guarantees

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

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

## Brisanet Participações S.A. e Consolidado

Notes to the interim financial information (Continued)

June 30, 2023

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

### 13. Promissory note

#### a) Breakdown

	<u>Charges (p.a.)</u>	<u>06/30/2023</u>	<u>12/31/2022</u>
First issue (i)			
	2.60% p.m. +	-	
Promissory note not convertible into shares	CDI		72,448
(-) Issue costs to be recorded		-	(98)
			<u>72,350</u>
Current		-	72,350
Noncurrent		-	-

Changes in promissory notes are as follows:

#### b) Changes

	<u>06/30/2023</u>	<u>06/30/2022</u>
Opening balance	72,350	-
Raising of promissory notes	-	70,000
Monetary restatement	291	2,674
Interest appropriated	1,271	619
Amortization of principal	(64,000)	(2,000)
Interest amortization	(10,010)	(63)
Cost on promissory notes	-	(620)
Amortization of funding costs	98	211
Closing balance	<u>-</u>	<u>70,821</u>

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



## Brisanet Participações S.A. e Consolidado

Notes to the interim financial information (Continued)

June 30, 2023

(In thousands of reais)

### 14. Rights of use and lease obligations (Consolidated)

#### Agreements per period and discount rate

Agreement period	Rate % p.a.	
	06/30/2023	12/31/2022
2 years	10.94%	10.94%
3 years	10.94%	10.94%
4 years	10.94%	10.94%
5 years	10.94%	10.94%
10 years	10.94%	10.94%

Changes in lease obligations are as follows:

	06/30/2023	06/30/2022
Opening balance	38,870	35,490
Interest appropriated	2,846	1,754
Additions due to new agreements	38,666	37,373
Consideration paid	(25,596)	(21,801)
Interest paid	(1,665)	(1,835)
Closing balance	53,121	50,981
Current	27,970	25,474
Noncurrent	25,151	25,507

Agreement maturity and undiscounted installments, reconciled to the balances at June 30, 2023 and December 31, 2022 are as follows:

	06/30/2023	12/31/2022
Installment maturity		
2023	19,303	16,021
2024	9,772	10,321
2025	6,259	5,767
2026	4,419	3,895
2027 onwards	19,128	7,904
Undiscounted amounts	58,881	43,908
Embedded interest	(5,760)	(5,038)
Lease obligation balance	53,121	38,870

## Brisanet Participações S.A. e Consolidado

Notes to the interim financial information (Continued)

June 30, 2023

(In thousands of reais)

### 14. Rights of use and lease obligations (Consolidated) (Continued)

Changes in rights of use are as follows:

	<u>06/30/2023</u>	<u>06/30/2022</u>
Opening balance	36,493	35,928
Additions due to new agreements	<b>38,666</b>	37,373
Amortization expenses	<b>(23,612)</b>	(21,771)
Closing balance	<u><b>51,547</b></u>	<u>51,530</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	<b>58,881</b>	<b>53,121</b>
Potential PIS/COFINS (9.25%)	<b>(5,446)</b>	<b>(4,914)</b>

#### 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 obligations 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 significant 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, 2023 and December 31, 2022 are presented below.

	<u>06/30/2023</u>	<u>12/31/2022</u>
Rights of use, net		
NBC TG06(R3) / IFRS 16	<b>51,547</b>	36,493
Amounts including future inflation	<b>54,099</b>	38,606
Variation	<u><b>2,552</b></u>	<u>2,113</u>
Lease obligations		
NBC TG06(R3) / IFRS 16	<b>53,121</b>	38,870
Amounts including future inflation	<b>55,750</b>	41,121
Variation	<u><b>2,629</b></u>	<u>2,251</u>

## Brisanet Participações S.A. e Consolidado

Notes to the interim financial information (Continued)

June 30, 2023

(In thousands of reais)

### 14. Rights of use and lease obligations (Consolidated) (Continued)

	06/30/2023	12/31/2022
Finance costs		
NBC TG06(R3) / IFRS 16	(2,846)	(4,012)
Amounts including future inflation	(2,987)	(4,244)
Variation	(141)	(232)
Depreciation expenses		
NBC TG06(R3) / IFRS 16	(23,612)	(44,301)
Amounts including future inflation	(24,781)	(46,866)
Variation	(1,169)	(2,565)

### 15. Labor and social obligations

	Individual		Consolidated	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Salaries and wages	-	-	13,668	12,649
Social charges on salaries and wages	18	-	6,858	7,588
Accrued vacation pay	-	-	27,395	19,205
Social charges on accrued vacation pay	-	-	9,923	6,853
Other	-	-	72	82
	18	-	57,916	46,377

### 16. Provision for contingencies (Consolidated)

The Company updated its contingency policy as of 2023, adopting a more conservative approach. As a result, lawsuits that would only be considered as probable losses when appeals could no longer be filed started to be classified as such at lower court levels. This change in estimate caused an increase in the provision for contingencies in the period ended June 30, 2023, due to the balance of ongoing civil, tax and labor lawsuits, for which provisions for contingencies were set up in the amount of R\$8,052 (R\$1,833 at December 31, 2022). There are no contingencies whose individual amounts are significant. The Company's judicial deposits amount to R\$6,074 (R\$5,467 at December 31, 2022).

Changes in provision for contingencies are as follows:

	Labor	Tax	Civil	Total
Balance at December 31, 2021	889	2	38	929
Set-up	2,748	1,012	230	3,990
Reversal	(1,588)	(592)	(206)	(2,386)
Write-off	(639)	-	(11)	(650)
Balance at December 31, 2022	1,410	422	51	1,883
Set-up	12,120	660	1,597	14,377
Reversal	(5,930)	(571)	(705)	(7,206)
Write-off	(1,002)	-	-	(1,002)
Balance at June 30, 2023	6,598	511	943	8,052

## Brisanet Participações S.A. e Consolidado

Notes to the interim financial information (Continued)

June 30, 2023

(In thousands of reais)

### 16. Provision for contingencies (Consolidated) (Continued)

With the update of the contingency policy mentioned above, the Company adopted a more conservative view on tax proceedings, starting to consider the loss as possible from the assessment notice. This change caused an increase in possible contingencies in the period ended June 30, 2023, due to the balance of ongoing tax, civil and labor lawsuits for which an amount of R\$53,947 was considered as a possible loss (R\$8,818 at December 31 of 2022).

#### Decision on the Relativization of Res Judicata

On February 8, 2023, the Federal Supreme Court (STF) unanimously considered that a final and unappealable decision on the constitutionality of taxes collected on a continuous basis (successive treatment tax relationship) loses its effects automatically if the STF subsequently holds an opposite position on the same tax matter. This means, in practice, that decisions handed down in direct claims of unconstitutionality or constitutionality (ADIs or ADCs), or in an appeal to the STF with general repercussion (generally binding decision), interrupt the effects of previous decisions in the context of successive treatment tax relations, even if they have already become final and unappealable. The decision of the STF determined that, in cases in which a res judicata is withdrawn and the respective tax is considered due, the rules of non-retroactivity and anteriority (annual, ninety-day enactment period, and ninety-day notice period, depending on the tax) must be observed (Decision on the Relativization of Res Judicata).

The Company assessed the aforementioned decision of the STF and did not identify any impact on profit or loss, also without the need for disclosure, as it considers the impact on the referred to proceedings to be remote.

### 17. Other accounts payable (Consolidated)

	Consolidated	
	06/30/2023	12/31/2022
Authorization for use of radiofrequency (5G) (a)	178,844	169,188
Radiofrequency license - LTE (4G) (b)	2,398	2,441
(-) Amount adjusted to present value	(459)	(719)
Other obligations payable (c)	10,221	17,579
	<b>191,004</b>	<b>188,489</b>
Current	18,299	24,122
Noncurrent	172,705	164,367

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

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

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

## Brisanet Participações S.A. e Consolidado

Notes to the interim financial information (Continued)

June 30, 2023

(In thousands of reais)

### 18. Government grants (Consolidated)

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

Government grant	Benefit granted	Effective period	Note	Amount recorded in P&L for the period	
				06/30/2023	06/30/2022
Federal - Superintendency for the Development of the Northeast (SUDENE)	Decrease of 75% in non-refundable income tax and surtax.	01/01/2018 to 12/31/2027	Note 23	4,341	-
Federal - Worker's Meal Program (PAT)	Direct deduction on Income Tax, limited to 4% of the tax due (without surtax) in each calculation base period. The calculated amount must be the lower of 15% of the sum of the expenses to carry out PAT and 15% of R\$1.99 (in reais) multiplied by the number of meals provided in the period.	Indefinite	Note 23	268	-
Federal - Reinvestment - Banco do Nordeste	Reinvest in its own projects to modernize and supplement equipment, 30% of Income Tax due Deduction of amounts intended for cultural incentive projects through donation or limited sponsorship up to 4% of the tax due	01/01/2022 to 12/31/2023	Note 23	298	-
Federal - Rouanet Law		Indefinite	Note 23	130	-
State - Paraíba, Ceará, Pernambuco	Reduction by 75% of the ICMS amounts on intrastate revenues.	PB from 06/01/2020 to 06/01/2030, CE from 09/01/2020 to indefinite (annual renewal), PE from 04/01/2022 to indefinite (semiannual renewal)	Note 20	33,186	41,848

### 19. Equity (Individual)

#### a) Capital

At June 30, 2023 and December 31, 2022, subscribed and paid-in capital amounts to R\$1,321,859, represented by 449,094,916 common shares.

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

As of June 30, 2023 and December 31, 2022, capital authorized for increase by the Board of Directors, regardless of statutory amendment, is of up to 150,000,000 additional common shares.

## Brisanet Participações S.A. e Consolidado

Notes to the interim financial information (Continued)

June 30, 2023

(In thousands of reais)

### 19. 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:* The 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

The 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 sharing. The loss for the year will be mandatorily absorbed by retained earnings, by the income reserves and by the legal reserve, thus after recognition of the legal reserve, 25% (twenty-five percent), at least, will be allocated to the payment of the mandatory minimum dividend due to shareholders.

Changes in dividends payable are as follows:

	<u>06/30/2023</u>	<u>06/30/2022</u>
Opening balance	14,418	533
Dividends paid	<u>(14,418)</u>	<u>(533)</u>
Closing balance	<u>-</u>	<u>-</u>

### 20. Net operating revenue (Consolidated)

	<b>Consolidated</b>			
	<u>04/01/2023 to 06/30/2023</u>	<u>04/01/2022 to 06/30/2022</u>	<u>01/01/2023 to 06/30/2023</u>	<u>01/01/2022 to 06/30/2022</u>
Gross sales revenue				
Services provided	335,791	273,245	663,806	526,558
Products resold	740	92	862	251
	<u>336,531</u>	<u>273,337</u>	<u>664,668</u>	<u>526,809</u>
Deductions from gross revenue				
(-) Taxes on revenue	(53,214)	(59,789)	(105,567)	(115,121)
Tax benefits (Note 18)	16,890	23,055	33,186	41,848
	<u>(36,324)</u>	<u>(36,734)</u>	<u>(72,381)</u>	<u>(73,273)</u>
Net operating revenue	<u>300,207</u>	<u>236,603</u>	<u>592,287</u>	<u>453,536</u>

## Brisanet Participações S.A. e Consolidado

Notes to the interim financial information (Continued)

June 30, 2023

(In thousands of reais)

### 21. Operating costs and expenses by nature and function

	Individual					
	04/01/2023 to 06/30/2023			04/01/2022 to 06/30/2022		
	Administrative expenses	Other operating income (expenses), net	Total	Administrative expenses	Other operating income (expenses), net	Total
	(503)	(516)	(1,019)	(828)	3	(825)
By nature:						
Salaries and wages	-	-	-	(277)	-	(277)
Third-party services	(293)	-	(293)	(394)	-	(394)
Taxes, charges and contributions	-	(516)	(516)	-	-	-
Other	(210)	-	(210)	(157)	3	(154)
	Individual					
	01/01/2023 to 06/30/2023			01/01/2022 to 06/30/2022		
	Administrative expenses	Other operating income (expenses), net	Total	Administrative expenses	Other operating income (expenses), net	Total
	(1,110)	(1,042)	(2,152)	(1,580)	40	(1,540)
By nature:						
Salaries and wages	-	-	-	(554)	-	(554)
Third-party services	(761)	-	(761)	(793)	-	(793)
Taxes, charges and contributions	-	(1,042)	(1,042)	-	-	-
Other personnel expenses	-	-	-	(1)	-	(1)
Other	(349)	-	(349)	(232)	40	(192)

## Brisanet Participações S.A. e Consolidado

Notes to the interim financial information (Continued)

June 30, 2023

(In thousands of reais)

### 21. Operating costs and expenses by nature and function (Continued)

	Consolidated					Consolidated				
	04/01/2023 to 06/30/2023				Total	04/01/2022 to 06/30/2022				Total
Cost of services	Administrative expenses	Selling expenses	Other operating income (expenses), net	Cost of services		Administrative expenses	Selling expenses	Other operating income (expenses), net		
	(158,449)	(29,401)	(43,002)	(1,284)	(232,136)	(144,382)	(27,576)	(28,200)	(4,742)	(204,900)
By nature:										
Interconnection and means of connection	(9,363)	-	-	-	(9,363)	(7,920)	-	-	-	(7,920)
Direct connectivity costs (Link)	(4,240)	-	-	-	(4,240)	(6,143)	-	-	-	(6,143)
Indirect costs of right of way (utility poles)	(19,711)	-	-	-	(19,711)	(14,825)	-	-	-	(14,825)
Salaries and wages	(29,585)	(13,742)	(13,384)	-	(56,711)	(34,441)	(12,933)	(9,682)	-	(57,056)
Third-party services	(3,010)	(3,053)	(2,085)	-	(8,148)	(2,616)	(3,182)	(3,112)	-	(8,910)
Advertising and promotion	-	-	(6,701)	-	(6,701)	-	-	(5,190)	-	(5,190)
Depreciation and amortization	(76,572)	(3,179)	(581)	-	(80,332)	(61,596)	(2,752)	(563)	-	(64,911)
Taxes, charges and contributions	-	-	-	(4,253)	(4,253)	-	-	-	(1,953)	(1,953)
Electric power and water	(2,768)	(560)	(4)	-	(3,332)	(2,366)	(444)	(8)	-	(2,818)
Materials and maintenance	(3,572)	(589)	(131)	-	(4,292)	(3,910)	(496)	(210)	-	(4,616)
Other personnel expenses	(4,059)	(1,800)	(1,886)	-	(7,745)	(4,715)	(2,643)	(1,572)	-	(8,930)
Allowance for expected credit losses	-	-	(17,535)	-	(17,535)	-	-	(6,901)	-	(6,901)
Provision for contingencies	-	-	-	(209)	(209)	-	-	-	(580)	(580)
System maintenance services	(2,292)	(2,846)	(364)	-	(5,502)	(1,449)	(930)	(147)	-	(2,526)
Other	(3,277)	(3,632)	(331)	3,178	(4,062)	(4,401)	(4,196)	(815)	(2,209)	(11,621)



## Brisanet Participações S.A. e Consolidado

Notes to the interim financial information (Continued)

June 30, 2023

(In thousands of reais)

### 21. Operating costs and expenses by nature and function (Continued)

	Consolidated					Consolidated				
	01/01/2023 to 06/30/2023				Total	01/01/2022 to 06/30/2022				Total
Cost of services	Administrative expenses	Selling expenses	Other operating income (expenses), net	Cost of services		Administrative expenses	Selling expenses	Other operating income (expenses), net		
	(311,964)	(56,409)	(78,730)	(15,111)	(462,214)	(281,553)	(56,484)	(57,555)	(8,559)	(404,151)
By nature:										
Interconnection and means of connection	(17,317)	-	-	-	(17,317)	(15,663)	-	-	-	(15,663)
Direct connectivity costs (Link)	(9,693)	-	-	-	(9,693)	(12,550)	-	-	-	(12,550)
Indirect costs of right of way (utility poles)	(40,055)	-	-	-	(40,055)	(29,509)	-	-	-	(29,509)
Salaries and wages	(57,940)	(26,864)	(25,531)	-	(110,335)	(68,669)	(25,487)	(19,590)	-	(113,746)
Third-party services	(5,450)	(6,145)	(4,445)	-	(16,040)	(4,573)	(6,999)	(7,856)	-	(19,428)
Advertising and promotion	-	-	(13,654)	-	(13,654)	-	-	(10,320)	-	(10,320)
Depreciation and amortization	(150,336)	(6,240)	(1,118)	-	(157,694)	(116,890)	(6,960)	(953)	-	(124,803)
Taxes, charges and contributions	-	-	-	(7,669)	(7,669)	-	-	-	(4,141)	(4,141)
Electric power and water	(5,268)	(1,102)	(8)	-	(6,378)	(4,597)	(1,078)	(11)	-	(5,686)
Materials and maintenance	(7,414)	(1,029)	(307)	-	(8,750)	(8,223)	(1,823)	(243)	-	(10,289)
Other personnel expenses	(8,436)	(3,556)	(3,590)	-	(15,582)	(9,730)	(5,228)	(3,366)	-	(18,324)
Allowance for expected credit losses	-	-	(28,951)	-	(28,951)	-	-	(13,228)	-	(13,228)
Provision for contingencies	-	-	-	(7,171)	(7,171)	-	-	-	(775)	(775)
System maintenance services	(4,071)	(4,826)	(565)	-	(9,462)	(2,954)	(1,612)	(269)	-	(4,835)
Other	(5,984)	(6,647)	(561)	(271)	(13,463)	(8,195)	(7,297)	(1,719)	(3,643)	(20,854)

## 22. Finance income (costs)

	Individual			
	04/01/2023 to 06/30/2023	04/01/2022 to 06/30/2022	01/01/2023 to 06/30/2023	01/01/2022 to 06/30/2022
Finance costs				
Interest on loans and financing, debentures and promissory notes	(11,244)	-	(22,947)	-
Late-payment interest and fines	(19)	-	(57)	-
Bank charges	(3)	(3)	(5)	(4)
	<b>(11,266)</b>	<b>(3)</b>	<b>(23,009)</b>	<b>(4)</b>
Finance income				
Financial investment yield	11,085	3	22,387	9
	<b>11,085</b>	<b>3</b>	<b>22,387</b>	<b>9</b>
Finance income (costs)	<b>(181)</b>	<b>-</b>	<b>(622)</b>	<b>5</b>

	Consolidated			
	04/01/2023 to 06/30/2023	04/01/2022 to 06/30/2022	01/01/2023 to 06/30/2023	01/01/2022 to 06/30/2022
Finance costs				
Interest on loans and financing, debentures and promissory notes	(32,949)	(35,737)	(75,848)	(71,988)
Late-payment interest and fines	(277)	(285)	(386)	(842)
Exchange losses	(2,906)	(24,350)	(6,137)	(27,787)
Bank charges	(1,300)	(1,734)	(2,677)	(3,613)
Interest on leases	(1,474)	(840)	(2,846)	(1,754)
Tax on Financial Transactions (IOF)	(69)	(73)	(168)	(247)
Collection fees	(437)	(420)	(855)	(872)
Interest on installment payments	(87)	(101)	(172)	(250)
Derivative transactions – swap	(4,863)	(3,984)	(9,782)	(10,942)
Other	(25)	(11)	(266)	(11)
	<b>(44,387)</b>	<b>(67,535)</b>	<b>(99,137)</b>	<b>(118,306)</b>
Finance income				
Interest income received	4,181	3,062	7,612	5,628
Financial investment yield	14,892	13,292	32,599	32,384
Exchange gains	3,049	8,855	7,950	37,462
Derivative transactions – swap	1,951	7,471	4,386	7,471
Other finance income	9	151	300	1,899
	<b>24,082</b>	<b>32,831</b>	<b>52,847</b>	<b>84,844</b>
Finance income (costs)	<b>(20,305)</b>	<b>(34,704)</b>	<b>(46,290)</b>	<b>(33,462)</b>

## 23. Income and social contribution taxes

As at June 30, 2023, income and social contribution taxes were calculated on taxable profit computed on accounting records of the Company (“lucro real”) (at June 30, 2022, IRPJ and CSLL calculated on taxable profit computed as a percentage of gross revenue and on accounting records of the Company – “lucro presumido” and “lucro real”) at the rate of 15% for income tax, and surtax of 10% for profits exceeding R\$120 over 6 months, and at 9% for social contribution tax.

## 23. Income and social contribution taxes (Continued)

Current income and social contribution tax expense is as follows:

	<b>Individual</b>			
	<b>04/01/2023 to 06/30/2023</b>	04/01/2022 to 06/30/2022	<b>01/01/2023 to 06/30/2023</b>	01/01/2022 to 06/30/2022
Taxable profit computed on accounting records: (a)				
Deferred income and social contribution taxes	<b>408</b>	-	<b>943</b>	-
	<b>408</b>	-	<b>943</b>	-
Taxable profit computed as a percentage of gross revenue: (b)				
Income tax	-	(2)	-	(2)
Social contribution tax	-	-	-	-
	-	(2)	-	(2)
Total income and social contribution tax expenses:				
Current income and social contribution taxes	-	(2)	-	(2)
Deferred income and social contribution taxes	<b>408</b>	-	<b>943</b>	-
	<b>408</b>	(2)	<b>943</b>	(2)

	<b>Consolidated</b>			
	<b>04/01/2023 to 06/30/2023</b>	04/01/2022 to 06/30/2022	<b>01/01/2023 to 06/30/2023</b>	01/01/2022 to 06/30/2022
Taxable profit computed on accounting records: (a)				
Current IRPJ	<b>(2,235)</b>	-	<b>(11,329)</b>	(3,569)
Tax benefit – income tax reduction (Note 18)	<b>2,101</b>	-	<b>4,341</b>	-
Tax incentive – PAT (Note 18)	<b>122</b>	-	<b>268</b>	-
Tax incentive – Reinvestment and Rouanet Law (Note 18)	<b>263</b>	-	<b>428</b>	-
Current social contribution taxes	<b>(807)</b>	-	<b>(4,083)</b>	(1,284)
Deferred income and social contribution taxes	<b>(3,292)</b>	3,531	<b>(4,305)</b>	1,144
	<b>(3,848)</b>	3,531	<b>(14,680)</b>	(3,709)
Taxable profit computed as a percentage of gross revenue: (b)				
Income tax	-	(1,311)	-	(2,920)
Social contribution tax	-	(474)	-	(1,060)
	-	(1,785)	-	(3,980)
Total income and social contribution tax expenses:				
Current income and social contribution taxes	<b>(3,042)</b>	(1,785)	<b>(15,412)</b>	(8,833)
Deferred income and social contribution taxes	<b>(3,292)</b>	3,531	<b>(4,305)</b>	1,144
Tax benefit – income tax reduction (Note 18)	<b>2,101</b>	-	<b>4,341</b>	-
Tax incentive – PAT (Note 18)	<b>122</b>	-	<b>268</b>	-
Tax incentive – Reinvestment and Rouanet Law (Note 18)	<b>263</b>	-	<b>428</b>	-
	<b>(3,848)</b>	1,746	<b>(14,680)</b>	(7,689)

(a) The Company and its subsidiaries compute taxable profit on accounting records (“lucro real”); and

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

## 23. Income and social contribution taxes (Continued)

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

	Individual		Consolidated	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
<b>Assets</b>				
Income and social contribution tax losses	943	-	8,107	12,380
Temporary differences on allowance for expected credit losses	-	-	2,003	987
Temporary differences on provision for contingencies	-	-	1,483	495
Temporary differences on derivative transactions	-	-	1,478	1,125
Temporary differences on the provision for profit sharing	-	-	86	-
Temporary differences on leases	-	-	4	750
Temporary differences on the provision for losses on assets	-	-	-	2,468
	<b>943</b>	<b>-</b>	<b>13,161</b>	<b>18,205</b>
<b>Liabilities</b>				
Temporary differences on installation and activation of customers	-	-	(23,177)	(23,916)
	-	-	(23,177)	(23,916)
Deferred income and social contribution tax liabilities, net	<b>943</b>	<b>-</b>	<b>(10,016)</b>	<b>(5,711)</b>

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

	Individual			
	04/01/2023 to 06/30/2023	04/01/2022 to 06/30/2022	01/01/2023 to 06/30/2023	01/01/2022 to 06/30/2022
Income before income and social contribution taxes	43,606	(1,253)	68,342	8,238
Combined statutory rate - 34%	34%	34%	34%	34%
Income and social contribution taxes at statutory rates	(14,826)	426	(23,236)	(2,801)
<b>Permanent differences</b>				
Equity pickup	15,234	-	24,179	-
Effect on taxes of entities taxed based on the "lucro presumido" regime	-	(428)	-	2,799
Other additions (exclusions), net	-	-	-	-
	<b>408</b>	<b>(2)</b>	<b>943</b>	<b>(2)</b>
Current income and social contribution tax expenses	-	(2)	-	(2)
Deferred income and social contribution tax expenses	408	-	943	-
	<b>408</b>	<b>(2)</b>	<b>943</b>	<b>(2)</b>
Effective rate (%)	1%	0%	1%	0%

## 23. Income and social contribution taxes (Continued)

	<b>Consolidated</b>			
	<b>04/01/2023 to 06/30/2023</b>	04/01/2022 to 06/30/2022	<b>01/01/2023 to 06/30/2023</b>	01/01/2022 to 06/30/2022
Income before income and social contribution taxes	<b>47,766</b>	(3,001)	<b>83,783</b>	15,923
Combined statutory rate - 34%	34%	34%	34%	34%
Income and social contribution taxes at statutory rates	<b>(16,240)</b>	1,020	<b>(28,486)</b>	(5,414)
Permanent differences				
Tax benefit – income tax reduction (Note 18)	<b>2,101</b>	-	<b>4,341</b>	-
Tax incentive – PAT (Note 18)	<b>122</b>	-	<b>268</b>	-
Tax incentive – Reinvestment and Rouanet Law (Note 18)	<b>263</b>	-	<b>428</b>	-
Tax incentive – ICMS reduction (Note 18)	<b>5,743</b>	-	<b>5,743</b>	-
Write-off of PPE due to malfunction, breakdown and loss	<b>4,172</b>	(821)	<b>2,664</b>	(1,451)
Effect on taxes of entities taxed based on the “lucro presumido” regime	-	(1,949)	-	(3,980)
Write-off of allowance for expected credit loss	<b>(1,900)</b>	1,477	<b>(2,253)</b>	623
Other additions (exclusions), net	<b>1,891</b>	2,019	<b>2,615</b>	2,533
	<b>(3,848)</b>	1,746	<b>(14,680)</b>	(7,689)
Current income and social contribution tax expenses	<b>(556)</b>	(1,785)	<b>(10,375)</b>	(8,833)
Deferred income and social contribution tax expenses	<b>(3,292)</b>	3,531	<b>(4,305)</b>	1,144
	<b>(3,848)</b>	1,746	<b>(14,680)</b>	(7,689)
Effective rate (%)	<b>8%</b>	-	<b>-18%</b>	-48%

## 24. 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.

	<b>04/01/2023 to 06/30/2023</b>	04/01/2022 to 06/30/2022	<b>01/01/2023 to 06/30/2023</b>	01/01/2022 to 06/30/2022
Profit (loss) attributable to Company shareholders	<b>44,014</b>	(1,255)	<b>69,285</b>	8,236
Weighted average number of common shares issued	<b>449,094,916</b>	449,094,916	<b>449,094,916</b>	449,094,916
Basic and diluted earnings (loss) per share – in (R\$)	<b>0.10</b>	(0.00)	<b>0.15</b>	0.02

## 25. Financial instruments and risk management

### a) Capital management

The Company's and its subsidiaries' management administer their funds to ensure business continuity, maximize application of these funds for expanding services, new technologies, as well as for working capital financing and providing return to shareholders.

The Company's and its subsidiaries' capital management consists of contracting financial liabilities with financial institutions, and applying funds in cash and cash equivalents, marketable securities and equity.

Management periodically reviews the Company's and its subsidiaries' capital structure and their ability to settle liabilities, monitors on a timely basis the average term of trade accounts payable and takes the necessary measures to ensure the Company's and its subsidiaries' financial balance.

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

As at June 30, 2023 and December 31, 2022, debt ratios are summarized as follows:

	Note	Consolidated	
		06/30/2023	12/31/2022
Total loans and financing	11	<b>266,335</b>	359,788
Total debentures	12	<b>886,000</b>	863,851
Total promissory notes	13	-	72,350
Total lease obligations	14	<b>53,121</b>	38,870
Total derivatives	25	<b>8,498</b>	6,503
Less: cash and cash equivalents	3	<b>(197,121)</b>	(203,542)
Less: short-term investments	3	<b>(257,933)</b>	(391,540)
Less: derivatives	25	<b>(1,584)</b>	(2,459)
Net debt	A	<b>757,316</b>	743,821
Total equity		<b>1,453,944</b>	1,378,627
Equity plus net debt	B	<b>2,211,260</b>	2,122,448
Financial leverage ratio	A / B	<b>34.25%</b>	35.05%

## 25. Financial instruments and risk management (Continued)

### b) Category of financial instruments

	<b>Consolidated</b>	
	<b>06/30/2023</b>	<b>12/31/2022</b>
Financial assets at amortized cost:		
Cash and cash equivalents	<b>197,121</b>	203,542
Financial investment	<b>257,933</b>	391,540
Trade accounts receivable	<b>151,848</b>	140,822
Financial assets at fair value through profit or loss:		
Derivative transactions	<b>1,584</b>	2,459
	<b>608,486</b>	738,363
Financial liabilities at amortized cost:		
Trade accounts payable	<b>66,052</b>	66,003
Loans and financing	<b>266,335</b>	359,788
Debentures	<b>886,000</b>	863,851
Promissory notes	-	72,350
Lease obligations	<b>53,121</b>	38,870
Financial liabilities at fair value through profit or loss:		
Derivative transactions	<b>8,498</b>	6,503
	<b>1,280,006</b>	1,407,365

Management conducted an analysis and is of the opinion that the Company's financial instruments, which are recorded at book value, do not present significant variations as compared with respective market values.

### c) Credit risk

Trade accounts receivable subject to credit risk are presented in Note 4. As at June 30, 2023, Company subsidiaries recorded allowance for expected credit losses amounting to R\$9,755 (R\$3,165 at December 31, 2022), 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.

### d) Market risk

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

## 25. Financial instruments and risk management (Continued)

### e) Liquidity risk

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

	<b>Total at 06/30/2023</b>	<b>Within 6 months</b>	<b>From 6 to 12 months</b>	<b>From 1 to 2 years</b>	<b>From 2 to 5 years</b>	<b>Over 5 years</b>
Trade accounts payable	66,052	55,933	10,119	-	-	-
Loans and financing	266,335	51,261	55,033	118,982	21,952	19,107
Derivatives	8,498	2,482	3,554	2,462	-	-
Debentures	886,000	13,554	6,497	340,665	525,284	-
Lease obligations	53,121	23,335	4,635	7,523	11,896	5,732
	<b>Total at 12/31/2022</b>	<b>Within 6 months</b>	<b>From 6 to 12 months</b>	<b>From 1 to 2 years</b>	<b>From 2 to 5 years</b>	<b>Over 5 years</b>
Trade accounts payable	66,003	55,892	10,111	-	-	-
Loans and financing	359,788	84,224	70,394	155,650	26,988	22,532
Derivatives	6,503	1,461	1,921	3,121	-	-
Debentures	863,851	23,593	-	246,864	513,826	79,568
Promissory note	72,350	72,350	-	-	-	-
Lease obligations	38,870	11,651	2,583	8,558	11,087	4,991

### f) Financial risk factors

The Company manages liquidity risk based on cash flow management and seeks to maintain cash and cash equivalents at a level that is sufficient to meet its short-term needs.

### g) Currency risk

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



## 25. Financial instruments and risk management (Continued)

### g) Currency risk (Continued)

#### *Derivative financial instruments*

The derivatives and fx forward contracts have as counterparty a financial institution and were contracted to cover potential risks involved in the purchase of PPE items abroad. The essential terms of the fx forward contracts were negotiated so as to be in line with the existing sale commitments contracted in foreign currency. As at June 30, 2023, Company subsidiaries presented a consolidated balance receivable of R\$1,584 (R\$2,459 at December 31, 2022) equivalent to the estimated positive adjustment to be received financially upon contract maturity, based on their market value on respective date.

#### *Breakdown of financial instruments*

Description	06/30/2023	12/31/2022
Derivative transactions receivable – Swap	1,584	2,459
	1,584	2,459
Current	82	95
Noncurrent	1,502	2,364
	1,584	2,459

Maturity of swap transactions:

	06/30/2023	12/31/2022
2023	28	93
2024	131	-
2025	156	84
2026	200	91
2027 onwards	1,069	2,191
	1,584	2,459

The Company's subsidiaries engage in instruments for financial transactions in foreign currency aimed at fundraising and import financing. As at June 30, 2023 and December 31, 2022, derivative transactions represented 11.26% (R\$29,997 / R\$266,335) and 15.82% (R\$56,921 / R\$359,788), respectively, of these subsidiaries' bank debt.

For the current period, the Company engaged in derivative instruments to protect financial transactions denominated in foreign currency. These transactions were performed using the same credit operations in order to prevent any position mismatch.

## 25. Financial instruments and risk management (Continued)

### g) Currency risk (Continued)

#### *Breakdown of financial instruments (Continued)*

At June 30, 2023, derivative financial instruments amounted to R\$1,584 (R\$2,459 in 2022). The Company measures its foreign-currency loan liabilities at amortized cost and hedges such items by means of derivative financial instruments (swaps).

In the period ended June 30, 2023, net realized and unrealized gains (losses) deriving from these contracts were recorded in finance income (costs), and represented consolidated net loss of R\$5,396 (consolidated net loss of R\$3,471 as of June 30, 2022).

### 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).

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

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

#### *Interest rate risk*

06/30/2023	Consolidated				
Instrument/transaction	Probable scenario p.a.	Risk	Current scenario	Scenario II	Scenario III
Working capital	13.90%	CDI increase	(21,305)	(26,631)	(31,957)
Working capital	7.15%	TLP increase	(158)	(198)	(237)
PPE financing (FINEM)	7.12%	TLP increase	(1,188)	(1,485)	(1,782)
Financing - TR	3.26%	TR increase	(2,123)	(2,653)	(3,184)
Financial investment	13.90%	CDI decrease	35,853	26,890	17,926
Projected income (loss)			11,079	(4,077)	(19,234)

## 25. Financial instruments and risk management (Continued)

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

#### *Interest rate risk (Continued)*

<u>12/31/2022</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	12.39%	CDI increase	(17,004)	(21,255)	(25,506)
Working capital	7.37%	TJLP increase	(98)	(122)	(147)
Working capital	5.79%	TLP increase	(257)	(321)	(386)
PPE financing (FINEM)	7.37%	TJLP increase	(199)	(249)	(299)
PPE financing (FINEM)	5.79%	TLP increase	(2,255)	(2,818)	(3,382)
Financing - TR	1.63%	TR increase	(1,004)	(1,255)	(1,506)
Financial investment	12.39%	CDI decrease	48,512	36,384	24,256
Projected income (loss)			27,695	10,364	(6,970)

#### *Currency risk*

<u>06/30/2023</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	4.80	Dollar increase	-	(3,240)	(6,480)
Loans and financing	4.80	Dollar increase	-	(757)	(1,515)
Projected income (loss)			-	(3,997)	(7,995)

<u>12/31/2022</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	5.41	Dollar increase	-	(10,599)	(21,198)
Loans and financing	5.41	Dollar increase	-	(24,966)	(49,932)
Projected income (loss)			-	(35,565)	(71,130)

### i) Fair value hierarchy

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

- Level 1: prices (without adjustments) quoted in active markets for identical assets or liabilities;
- Level 2: other techniques for which all data that has a significant impact on fair value recorded may be observed, either directly or indirectly; and
- Level 3: techniques that use data that has a significant impact on fair value recorded that are not based on data that may be observed in the active market.

## 25. Financial instruments and risk management (Continued)

### i) Fair value hierarchy (Continued)

<b>Consolidated</b>					
<b>06/30/2023</b>					
	<b>Carrying amount</b>	<b>Fair value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Financial assets at amortized cost:					
Financial investment	257,933	257,933	-	257,933	-
Trade accounts receivable	151,848	151,848	-	-	151,848
Financial assets at fair value through profit or loss:					
Derivative transactions	1,584	1,584	-	1,584	-
	<b>411,365</b>	<b>411,365</b>	<b>-</b>	<b>259,517</b>	<b>151,848</b>
Financial liabilities at amortized cost:					
Trade accounts payable	66,052	66,052	-	66,052	-
Loans and financing	266,335	266,335	-	266,335	-
Debentures	886,000	886,000	-	886,000	-
Promissory notes	-	-	-	-	-
Financial liabilities at fair value through profit or loss:					
Derivative transactions	8,498	8,498	-	8,498	-
	<b>1,226,885</b>	<b>1,226,885</b>	<b>-</b>	<b>1,226,885</b>	<b>-</b>
<b>Consolidated</b>					
<b>12/31/2022</b>					
	<b>Carrying amount</b>	<b>Fair value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Financial assets at amortized cost:					
Financial investment	391,540	391,540	-	391,540	-
Trade accounts receivable	140,822	140,822	-	-	140,822
Financial assets at fair value through profit or loss:					
Derivative transactions	2,459	2,459	-	2,459	-
	<b>534,821</b>	<b>534,821</b>	<b>-</b>	<b>393,999</b>	<b>140,822</b>
Financial liabilities at amortized cost:					
Trade accounts payable	66,003	66,003	-	66,003	-
Loans and financing	359,788	359,788	-	359,788	-
Debentures	863,851	863,851	-	863,851	-
Promissory notes	72,350	72,350	-	72,350	-
Financial liabilities at fair value through profit or loss:					
Derivative transactions	8,965	8,965	-	8,965	-
	<b>1,370,957</b>	<b>1,370,957</b>	<b>-</b>	<b>1,370,957</b>	<b>-</b>

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.

## 25. Financial instruments and risk management (Continued)

### j) Fair value hierarchy (Continued)

#### *Changes in liabilities arising from financing activities*

The changes for the period ended June 30, 2023 in the liabilities arising from financing activities of the Company and its subsidiaries are as follows:

	Individual						
	06/30/2023						
	Cash flows			Adjustment to income			
Opening balance	Net cash flows used in financing activities	Net cash flows from (used in) operating activities	Exchange differences and monetary variation	Interest on leases, debentures, promissory notes and loans and financing	Amortization of funding costs and negative goodwill		Closing balance
Debentures	311,862	-	(22,245)	19,489	3,126	332	312,564

	Consolidated							
	06/30/2023							
	Cash flows		Noncash transactions	Adjustment to income				
Opening balance	Net cash flows used in financing activities	Net cash flows from (used in) operating activities	Acquisition of new right-of-use agreements	Exchange differences and monetary variation	Interest on leases, debentures, promissory notes and loans and financing	Amortization of funding costs and negative goodwill		Closing balance
Loans and financing	359,788	(91,589)	(19,280)	-	(510)	17,926	-	266,335
Debentures	863,851	-	(38,410)	-	38,297	19,598	2,664	886,000
Promissory note	72,350	(64,000)	(10,010)	-	291	1,271	98	-
Leases	38,870	(25,596)	(1,665)	38,666	-	2,846	-	53,121

## 26. 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:

	06/30/2023	12/31/2022
PPE – Civil liability	US\$32,000	US\$26,800
PPE – Operational risk (dollar)	US\$6,800	US\$13,069
PPE – Operational risk (real – R\$)	R\$1,571	R\$1,571
D&O	R\$50,000	R\$50,000
Other assets and operations – Operational risk	R\$294,938	R\$292,371

## 27. Transactions not involving cash or cash equivalents

	Consolidated	
	06/30/2023	31/06/2022
Capitalization of interest (Note 8)	13,968	17,727
Capitalization of depreciation (Note 8)	8,817	7,997
Addition of new lease agreements (Note 14)	38,666	37,373

## 28. Events after the reporting period

### Funds raised from financing with the Studies and Projects Financing Agency (FINEP)

The subsidiary Brisanet Serviços de Telecomunicações S.A., in order to finance its operations related to 5G, took out credit in the amount of R\$ 150,000 from the Studies and Projects Financing Agency (FINEP) under the FINEP 5G line, for the construction and assembly of 5G towers and acquisition of equipment for backbones capacity expansion. Initially, the first tranche was released in July 2023 in the amount of R\$ 75,000, with the second tranche expected to be released in October 2023.

\* \* \*

## **OFFICERS REPRESENTATION**

Pursuant to article 27, paragraph 1st, item V from CVM Resolution 80 of March 29, 2022, Bisanet Participações S.A. (“Company”) officers signed herein declare that they have revised, discussed and agreed with com the Company's Quarterly Information for the three-month period ended June 30, 2023.

Luciana Paulo Ferreira

**Investor Relations Officer**

José Roberto Nogueira

**CEO**

João Paulo Estevam

**COO**

## **OFFICERS REPRESENTATION**

Pursuant to article 27, paragraph 1<sup>st</sup>, item V from CVM Resolution 80 of March 29, 2022, Bisanet Participações S.A. (“Company”) officers signed herein declare that they have revised, discussed and agreed with the opinions expressed in the Independent Auditors' Report Ernst & Young Auditores Independentes S.S. Ltda. on the Company's Quarterly Information for the three-month period ended June 30, 2023.

Luciana Paulo Ferreira

**Investor Relations Officer**

José Roberto Nogueira

**CEO**

João Paulo Estevam

**COO**