EARNINGS RELEASE 1Q23

brisanet

Brisanet records EBITDA of R$139.4 million in 1Q23, with profit of R$25.2 million

Brisanet Participações S.A. (B3: BRIT3), second largest company among independent internet service providers in Brazil[1] and the largest fixed broadband provider in the Northeast region, according to Anatel's ranking, today announces its results for the first quarter of 2023 (1Q23).

The financial information presented herein was prepared in accordance with the International Financial Reporting 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 28,3% market share in fiber in 7[2] of the 9 states in the region. With a 100% fiber optic product portfolio, the Company has been **one of the regional 5G mobile operators** since December 2021, having won 3 frequencies in the 5G auction promoted by Anatel. The Company will be able to operate in the Northeast and Midwest of the country.

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 155 cities[3], under the Brisanet brand alone.

Brisanet	1Q23	4Q22	1Q22
Operating Highlights			
Cities served	155	154	139
Access Ports - '000	4,371	4,231	3,618
HP added- '000	280	252	641
Total HP - '000	6,397	6,117	5,103
HC added- '000	59	60	66
Total HC - '000	1,159	1,100	909
Financial Highlights (R$ million)			
Net Revenue	292.1	277.5	216.9
Gross Margin (%)	*47%*	*46%*	*37%*
Operating Income	62.0	68.0	17.7
EBITDA	139.4	143.0	77.6
Adjusted EBITDA Margin (%)	*48%*	*52%*	*36%*
Net Income (loss)	25.2	30.5	9.5
Net Debt	761.8	743.8	628.4
Net Debt/EBITDA ltm (x)	1.5	1.7	2.4

1 Considering the Brisanet and Agility brands (through franchisees) in March/2023.
2 CE, RN, PB, PE, AL, SE e PI – Anatel data from Feb/2023.
3 Mar/23 data

MAIN HIGHLIGHTS OF THE PERIOD

- ✓ **Net operating revenue grew 35% in 1Q23**, when compared to 1Q22 and 5% when compared to 4Q22. This result is the result of the Company's organic geographic expansion, which in 1Q23 **added 59 thousand customers to its base organically**, a growth of 5% over the base of December 2023.

- ✓ **EBITDA in 1Q23 was R$139.4 million with a margin of 47.7%, an increase of 80%** compared to EBITDA in 1Q22, evidencing the improvement in the margin due to actions aimed at reducing costs from April 2022 and the reduction in the pace of expansion, which reduces the initial costs of entering new cities.

- ✓ The Company's **debt level, measured by the ratio of net debt to EBITDA, was 1.5x at the end of 1Q23**. This is the fourth consecutive quarter of debt reduction. The growth in 1Q23 UDM EBITDA, which was R$497.6 million, and the practically stable net debt account for this low level of leverage.

- ✓ In terms of cash flow, in 1Q23, **the Company generated a volume of operating cash 250% higher than that of the same quarter of the previous year and 25% higher than the generation of 4Q22.** Operating cash generation was R$137.0 million in this quarter, almost 100% of EBITDA for the period converted into cash.

- ✓ **Net income reached R$25.2 million in 1Q23**, a growth of 165% compared to 1Q22.

EARNINGS CONFERENCE CALL

Date: 05/11/2023 – Thursday
Time: 09 AM – In Portuguese with simultaneous translation

Brisanet – 1Q23 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 almost 29,000 km of backbone infrastructure (roads used to distribute the internet to other networks) and more than 61,000 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 providing the service.
In 1Q23, 280 thousand HPs and 59 thousand customers were added. Despite the more challenging scenario, Brisanet remains the company with the highest organic subscriber growth. The expectation for 2023 is to grow around 20 thousand subscribers/month.

The 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 the 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 the second half of 2021, the share is already above 14% in the Piauí and above 20% in the Sergipe (Mar-23 figures).

	1Q23	4Q22	1Q22	1Q23 x 1Q22	1Q23 x 4Q22
Access Ports	4,370,946	4,231,005	3,618,008	*21%*	*3%*
Added HP	279,882	252,460	640,760	*-56%*	*11%*
Homes Passed (HP)	**6,397,104**	**6,117,222**	**5,103,118**	***25%***	***5%***
Added HC	58,758	60,315	66,192	*-11%*	*-3%*
Homes Connected (HC)	**1,158,833**	**1,100,075**	**909,475**	***27%***	***5%***
Cities served	155	154	139	*12%*	*0%*
Churn	*2.35%*	*2.27%*	*2.51%*	*-6%*	*4%*

The increase in competition and the drop in purchasing power, notably of the classes with lower purchasing power, despite not having increased defaults, had an impact on churn compared to history - in 1Q23 it represented a monthly average of 2.35%, compared to 2.27% in 4Q22. The Company has been working to reduce churn and despite this one-off increase, churn in 1Q23 fell by 0.08 p.p. compared to the 2022 average and 0.16 p.p. compared to 1Q22.

Agility Telecom	1Q23	4Q22	1Q22
Homes Passed (HP)	(46,752)	13,128	92,207
Added HP	**948,717**	**995,469**	**902,040**
Homes Connected (HC)	(7,184)	1,294	11,989
Added HC	**209,104**	**216,288**	**202,038**
# of franchisees	83	90	98

FINANCIAL RESULTS

GROSS REVENUE BY PRODUCT

R$ million	1Q23	4Q22	1Q22	1Q23 x 1Q22	1Q23 x 4Q22
Gross Revenue	**328.1**	**292.4**	**237.6**	***38%***	***12%***
Broadband	300.9	289.0	225.9	*33.2%*	*4.1%*
B2C	272.6	267.2	213.5	*27.7%*	*2.0%*
B2B	28.3	21.8	12.4	*128.2%*	*29.8%*
Fixed telephony	10.1	7.4	11.3	*-10.6%*	*36.5%*
Others	17.1	11.6	16.2	*5.6%*	*47.4%*
ARPU broadband	R$ 90.91	R$ 90.20	R$ 91.41	*-0.5%*	*0.8%*

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 1Q23 was R$90.91. The reduction in purchasing power, a reflection of accumulated inflation since August 2021, has reduced the previous trend of increasing more expensive and faster internet plans. In addition, price competition among 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 128% increase between 1Q23 and 1Q22, as a result of the expansion of the presence in larger cities.

Agility Telecom's revenue, in the amount of R$8.6 million in 1Q23, is in Others.

Comparing 1Q23 and 1Q22, Brisanet's net revenue grew by 35%, from R$216.9 million in 1Q22 to R$292.1 million in 1Q23. This was mainly due to the increase in the number of subscribers - which increased by 27% between the periods - and the increase in B2B revenues.

R$ million	1Q23	4Q22	1Q22	1Q23 x 1Q22	1Q23 x 4Q22
Net Revenue	292.1	277.5	216.9	35%	5%

COSTS OF SERVICES

Costs of Services Rendered (In millions of R$)	1Q23	4Q22	1Q22	1Q23 x 1Q22	1Q23 x 4Q22
Personnel	(32.7)	(32.9)	(39.2)	*-17%*	*0%*
Interconnection	(8.0)	(6.6)	(7.3)	*9%*	*21%*
Connectivity	(5.5)	(5.4)	(6.4)	*-15%*	*1%*
Right of Passage	(20.3)	(20.0)	(14.7)	*39%*	*2%*
Utilities	(2.5)	(2.4)	(2.2)	*12%*	*5%*
Materials and maintenance	(3.8)	(4.1)	(4.3)	*-11%*	*-6%*
Third-party Services	(2.4)	(2.3)	(2.0)	*25%*	*5%*
Others	(4.5)	(6.9)	(5.8)	*-22%*	*-35%*
Depreciation and Amortization	(73.8)	(71.5)	(55.3)	*33%*	*3%*
Total	**(153.5)**	**(152.0)**	**(137.2)**	***12%***	***1%***

The Company's cost of services rendered in 1Q23 amounted to R$153.5 million compared to R$137.2 million in 1Q22, representing an increase of 12%. Isolating depreciation, cash costs fell 3%, even with a 27% growth in the customer base. Total cost rose only 1% when compared to 4Q22.

Compared to 1Q22, the variation is mainly due to:

- expenses with renting poles (right of way) increased by R$5.6 million due to the 25% increase in the number of HPs;
- depreciation and amortization, which grew by R$18.5 million, given the growth in assets and intangible assets resulting from the expansions carried out;
- increase in productivity that enabled the reduction of personnel costs by 17%, even with salary readjustments and an increase in the customer base; and
- The reduction in costs with materials and maintenance was partly due to the immobilization of renovations with stores (owned and leased).

OPERATIONAL EXPENSES

Operational expenses (In millions of R$)	1Q23	4Q22	1Q22	1Q23 x 1Q22	1Q23 x 4Q22
Personnel	(28.7)	(26.2)	(26.8)	*7%*	*10%*
Third-party Services	(5.5)	(6.1)	(8.6)	*-36%*	*-10%*
Marketing expenses	(7.0)	(6.1)	(5.1)	*36%*	*13%*
Taxes and contributions	(3.4)	(2.5)	(2.2)	*56%*	*37%*
Provision for doubtful accounts	(11.4)	(9.4)	(6.3)	*80%*	*22%*
Other Expenses / (revenues)	(17.0)	2.5	(8.4)	*102%*	-
Depreciation and amortization	(3.6)	(3.5)	(4.6)	*-22%*	*4%*
Total	**(76.6)**	**(51.3)**	**(62.1)**	***23%***	***49%***

The Company's operating expenses in 1Q23 increased approximately 23% compared to 1Q22 and 49% compared to the previous quarter.

General and Administrative Expenses, excluding depreciation and amortization, fell 3.1% compared to 1Q22 and increased 3.7% compared to 4Q22. The decrease is mainly related to lower expenses with third-party materials and services. The growth in expenses is related to a reversal of profit sharing that occurred in 4Q22, due to non-compliance with 2022 targets.

Selling Expenses, excluding depreciation and amortization, were 21.5% higher in 1Q23 when compared to 1Q22 and 11.6% higher compared to 4Q22, mainly due to the reclassification of PCLD for this item, higher personnel expenses, and marketing, both related to the expansion of the Company's area of operation, which in 2022 added 34 new cities.

The provision for allowance for losses with receivables (PCLD) increased by R$5.1 million compared to 1Q22. The Company periodically reviews the % of PCLD on gross revenue. As of 1Q23 it will be 3.5%. There was no increase in default. As we see below, accounts receivable overdue for more than 181 days have been falling since 1Q22, despite the Company's revenue having grown by 35% in the last year. The amount of the provision in 1Q23 was R$11.4 million.

Accounts Receivable (in millions of R$)	1Q23	4Q22	1Q22	1Q23 x 1Q22	1Q23 x 4Q22
Falling due	59.3	49.6	48.1	23%	20%
Past due under 180 days	66.2	63.7	53.2	25%	4%
Past due over 181 days	30.5	30.7	37.7	-19%	-1%

The Company also updated its contingency policy as of 2023, adopting a more conservative approach. As a result, lawsuits that would only be considered as probable losses from the exhaustion of resources, started to be classified as such from the first instance. This change caused a greater adjustment in the first quarter of 2023, due to the balance of open cases. Provisions for labor, civil and tax contingencies totaled R$7.0 million in 1Q23 and are included in the 'Other Expenses' line in the table above.

EBITDA

R$ million	1Q23	4Q22	1Q22	1Q23 x 1Q22	1Q23 x 4Q22
Net Income	**25.2**	**30.5**	**9.5**	***165%***	***-17%***
(+) Income tax and social contribution	10.8	21.1	9.4	*15%*	*-49%*
(+) Net financial result	26.0	16.4	(1.2)	*nm*	*58%*
(+) Depreciation and amortization	77.4	74.9	59.9	*29%*	*3%*
EBITDA	**139.4**	**143.0**	**77.6**	***80%***	***-3%***
EBITDA margin (%)	***47.7%***	***51.5%***	***35.8%***	**-**	**-**

The Company presented an EBITDA margin of 47.7% in 1Q23, compared to 35.8% in 1Q22 and 51.5% in the previous quarter. In the analysis against 1Q22, 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 expansion, since organic expansion has an initial cost structure – poles, sales/repair/inventory/maintenance teams – that burden the Company's total operating costs/expenses.

In relation to the previous quarter, the main factor responsible for the decrease in the margin were provisions for loan losses and provisions for contingencies, in the amount of R$10.0 million, or 3.6 p.p. bigger. The Company remains confident in the improvement of its cash generation, having presented in this quarter, even with these untimely effects, growth of 80% year on year. Had it not been for the one-off effects of the ICMS increase in the RN in January and February and the review of the provision for contingencies, the EBITDA margin would have been equivalent to that of 4Q22.

FINANCIAL RESULT

In 1Q23, the **financial result was an expense of R$26.0 million**, 58% higher than the previous quarter and R$27.2 million higher than 1Q22. Compared to 4Q22, this quarter's result reflects higher interest expenses, lower yields on financial investments and a lower positive effect from exchange rate variation.

In interest expenses, the biggest change occurred in charges on incentivized debentures (annual cost of IPCA + 5.77%), since the IPCA reference was 0.7% for 4Q22 and 2.0% for 1Q23 (IPCA from Dec/22 to Feb/23). Income from financial investments decreased due to the drop in average cash between periods – it was R$644 million in 4Q22 and R$531 million in 1Q23.

At the end of December, the Company had R$24.1 million in international suppliers and R$84.6 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. Even though the debt in foreign currency is partially hedged against variations by means of exchange rate swap instruments, the reflections of the currency impact the line of exchange variations, being partially offset by the negative or positive result of operations with derivatives. In this quarter, the average balance of suppliers in foreign currency was lower than in the previous quarter. Added to this, the settlement of some derivative contracts in March – which was very volatile in terms of the exchange rate – ended up reducing the positive impact of the appreciation of the real in the period.

R$ million	1Q23	4Q22	1Q22	1Q23 x 1Q22	1Q23 x 4Q22
Financial revenue	28.8	35.1	52.0	*-45%*	*-18%*
Financial expenses	(54.8)	(51.6)	(50.8)	*8%*	*6%*
Net financial result	**(26.0)**	**(16.5)**	**1.2**	***nm***	***58%***

Financial income for 1Q23 mainly reflects interest on funds invested in the period, in the amount of R$17.7 million and R$9.4 million from exchange variation/derivative operations.

Financial expenses basically consisted of: (i) interest expenses in 1Q23 in the amount of R$42.9 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) passive foreign exchange variations of R$3.2 million.

INDEBTEDNESS

R$ million	Mar-23	Dec-22	Var. (%)
Gross Debt	**1,228.3**	**1,338.9**	***-8.3%***
(-) Cash and cash equivalents	156.4	203.5	***-23.2%***
(-) Short-term investments	310.1	391.5	***-20.8%***
Net Debt	**761.8**	**743.8**	***2.4%***

Brisanet had a gross debt of R$1.2 billion in March 2023 allocated to investment in the geographic expansion of its fiber optic network. Gross debt comprises loans and financing, debentures, promissory notes, lease obligations and derivative transactions. Considering Cash and financial investments at the end of the period of R$466.5 million, the Company had a net debt of R$761.8 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 103.3% CDI.

The reduction in gross debt was mainly due to the amortization of promissory notes due in February and the payment of interest on the two issues of debentures in February and March.

The Company monitors its indebtedness using the net debt/EBITDA ratio. **On March 31, 2023, the debt level was 1.5x**, 0.2x lower than at the end of the previous quarter. This is the fourth 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 December 31, 2022, total foreign currency financing represented less than 7% of total gross debt.

Below is the breakdown of loans and financing:

Type	Weighted average rates	03/31/2023	12/31/2022
Working capital	0.81% a.m. - Fixed	**16,021**	17,485
Working capital	0.21% a.m. + CDI	**124,011**	134,998
Working capital	0.28% a.m. + TJLP	**481**	1,279
Working capital	0.47% a.m. + TLP	**3,173**	4,114
Working capital (foreign currency)	0.22% a.m. + CDI	**57,812**	65,095
PPE financing (CDC)	0.80% a.m. - Fixed	**10,763**	12,583
PPE financing (FINEM)	0.29% a.m. + TJLP	**824**	2,601
PPE financing (FINEM)	0.45% a.m. + TLP	**18,551**	36,074
Financing - TR	0.35% a.m. + TR	**65,981**	50,791
Importing financing (foreign currency)	0.40% a.m. - Fixed	**26,842**	34,768
		324,459	359,788
Current		**137,853**	154,618
Non-current		**186,606**	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 March 31, 2023, the balance was R$557.9 million.

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

On August 25, 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 year. As of March 31, 2023, the balance was R$301.3 million.

Also including debentures and promissory notes, the Company's debt is well balanced between IPCA and CDI, the other 17% divided between prepayment, TJLP/TLP and foreign currency.

CAPEX

R$ million	1Q23	1Q22	Var. (%)
Capex			
Additions to PPE[1]	104.0	481.5	*-78.4%*
(-) PPE in progress / in Inventory	(55.0)	(57.8)	*-4.9%*
(-) Advances to Suppliers	34.8	(238.7)	*nm*
(-) Imported equipment in transit	6.5	29.2	*-77.7%*
Additions to Intangible Assets	2.7	15.7	*-82.7%*
Capex Adjusted - 'In Operations'	**93.0**	**229.9**	***-59.6%***

[1]See note 8 and 27 of the Interim Accounting Statement of 03.31.2023

In 1Q23, Brisanet invested, when measured by additions to fixed and intangible assets, the amount of R$106.7 million, compared to R$497.2 million in 1Q22.

The Company has an inventory of equipment and buildings to activate in the coming months, accounted for in 'fixed assets and imports in progress' (balance of R$201.1 million) and 'fixed assets in warehouse' (balance of R$255.1 million).

Of the R$93.0 million in property, plant and equipment/intangible assets already in operation, R$9.2 million was maintenance capex, the remainder was used in the Company's organic expansion, mainly in:

- 280,000 HPs,
- 136,000 customer installations – growth and replacement base, and
- R$5 million in *backbone* and,
- R$1.5 million in Consortiums – BWM and Conecta Sec.

NOTICES

The Interim Financial Information as of 03/31/2023, reviewed by Ernst & Young Auditores Independentes S.S., are available on our **website**.

INVESTOR RELATIONS

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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 in light of 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.

Consolidated - In R$ '000	1Q23	4Q22*	1Q22*
Net operating revenue	292,080	277,461	216,933
Cost of services	(153,515)	(149,013)	(137,171)
Gross profit	**138,565**	**128,448**	**79,762**
Operating expenses			
Administrative expenses	(27,008)	(26,015)	(28,908)
Selling expenses	(35,728)	(32,060)	(29,355)
Other operating revenue (expenses), net	(13,827)	(2,347)	(3,817)
Earnings before financial result and taxes	**62,002**	**68,026**	**17,682**
Financial revenues	28,765	35,121	52,013
Financial expenses	(54,750)	(51,559)	(50,771)
Net financial result	**(25,985)**	**(16,438)**	**1,242**
Income (Loss) before income tax and social contribution	**36,017**	**51,588**	**18,924**
Income tax and social contribution	(10,832)	(21,127)	(9,435)
Income (Loss) for the period	**25,185**	**30,461**	**9,489**

* Adjusted to reflect the change in allowance for losses with receivables – from Other Net Operating Income (Expenses) to Selling Expenses

Consolidated - In R$ '000	03.31.2023	12.31.2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	**156,400**	203,542
Short-term investments	**310,077**	391,540
Trade accounts receivables	**151,874**	140,822
Inventories	**5,371**	5,449
Taxes recoverable	**38,765**	38,642
Derivative operations	**51**	95
Prepaid expenses	**3,627**	1,400
Other assets	**2,083**	2,911
TOTAL CURRENT ASSETS	**668,248**	784,401
NON-CURRENT ASSETS		
Taxes recoverable	**56,061**	59,761
Court-related deposits	**5,738**	5,467
Derivative operations	**2,293**	2,364
Prepaid expenses	**3,163**	2,607
Other assets	**38**	38
Rights-of-use	**38,351**	36,493
Property, plant and equipment	**1,993,889**	1,956,020
Intangible assets	**228,411**	231,133
TOTAL NON-CURRENT ASSETS	**2,327,944**	2,293,883
TOTAL ASSETS	**2,996,192**	3,078,284

LIABILITIES AND EQUITY	03.31.2023	12.31.2022
CURRENT LIABILITIES		
Suppliers	**57,983**	66,003
Loans and financing	**137,853**	154,618
Debentures	**5,194**	95,943
Lease obligations	**14,201**	14,234
Labor and social obligations	**51,745**	46,377
Taxes payable	**29,231**	30,264
Taxes paid in installments	**738**	749
Derivative operations	**4,831**	3,382
Proposed Dividends	**14,418**	14,418
Other accounts payable	**19,653**	24,122
TOTAL CURRENT LIABILITIES	**335,847**	450,110
NON-CURRENT		
Loans and financing	**186,606**	205,170
Debentures	**854,001**	840,258
Lease obligations	**25,036**	24,636
Taxes paid in installments	**4,213**	4,401
Derivative operations	**2,918**	3,121
Other accounts payable	**183,231**	171,961
TOTAL NON-CURRENT LIABILITIES	**1,256,005**	1,249,547
EQUITY		
Capital	**1,281,606**	1,281,606
Income reserve	**132,046**	106,775
Treasury shares	**(9,758)**	(9,758)
	1,403,894	1,378,623
Non-controlling interest	**446**	4
TOTAL EQUITY	**1,404,340**	1,378,627
TOTAL LIABILITIES AND EQUITY	**2,996,192**	3,078,284

Consolidated - In R$ '000	1Q23	1Q22
Cash flow from operating activities		
Net income (loss) for the period	**25,185**	**9,489**
Adjustments to reconcile income (loss) for the period:		
Depreciation and amortization	77,362	59,892
Residual value upon write-off of PPE and intangible assets	1,097	29
Provision for fixed assets losses	4,437	1,849
Allowance for doubtful accounts	11,416	6,327
Provision for contingencies	6,962	195
Monetary and exchange variation	9,399	30,928
Derivative operations	1,361	7,888
Interest on leases	1,202	1,249
Interest on debentures	22,403	7,871
Interest on promissory note	1,271	164
Interest on loan, financing	9,305	27,216
Amortization on issuance costs and negative goodwill	1,430	1,223
Short-term investment income	(17,707)	(19,092)
Income tax and social contribution	10,832	9,435
(Increase) decrease in assets		
Trade accounts receivable	(22,467)	(16,004)
Inventories	78	809
Taxes recoverable	3,577	(10,604)
Prepaid expenses	(2,783)	(1,185)
Court-related deposits	(271)	(631)
Other assets	827	6,276
Increase (decrease) in liabilities		
Suppliers	(8,020)	(93,931)
Labor and social obligations	5,368	8,156
Taxes payable	(4,445)	(8,204)
Taxes paid in installments	(199)	(812)
Provision for contingencies	(622)	
Other accounts payable	(553)	10,990
Cash from (used in) operating activities	**136,445**	**39,523**
Interest paid	(57,143)	(43,437)
Income tax and social contribution paid	(6,407)	(1,871)
Net cash from (used in) operating activities	**72,895**	**(5,785)**
Cash flows from investing activities		
Short-term investments	99,170	53,599
Additions to Property, plant and equipment	(103,964)	(481,510)
Additions to intangible assets	(2,726)	(15,712)
Intercompany loans received	-	(63)
Net cash from (used in) investing activities	**(7,520)**	**(443,686)**

Cash flows from financing activities		
Amortization of principal of loans and financing	(35,681)	(102,368)
Promissory note raised	(64,000)	69,380
Lease paid	(13,364)	(10,927)
Intercompany loans paid		
Acquisition of non-controlling interests	528	-
Treasury shares	-	(1,533)
Net cash from (used in) financing activities	**(112,517)**	**(45,448)**
Increase (Decrease) in cash and cash equivalents	**(47,142)**	**(494,919)**
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	156,400	505,873
Increase (decrease) in cash and cash equivalents	**(47,142)**	**(494,919)**

EARNINGS **CONFERENCE CALL**

May 11, 2023
8 AM (EDT) | 9 AM (BRT)
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