

EARNINGS RELEASE 2Q23

A man and a woman in business attire are looking at a laptop in a meeting. The man is standing and pointing at the screen, while the woman is sitting and looking at the screen. There are other laptops and a coffee cup on the desk.

 **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 ranking¹, 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)². 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
Operating Highlights			
Cities served	157	155	149
Access Ports - '000	4,545	4,401	3,866
HP added- '000	288	280	414
Total HP - '000	6,745	6,457	5,517
HC added- '000	51	59	68
Total HC - '000	1,210	1,159	977
Financial Highlights (R\$ million)			
Net Revenue	300.2	292.1	236.6
Gross Margin (%)	47%	47%	39%
Operating Income	68.1	62	31.7
EBITDA	148.4	139.4	96.6
EBITDA Margin (%)	49%	48%	41%
Net Income (loss)	43.9	25.2	(1.3)
Net Debt	757.3	761.8	717.9
Net Debt/EBITDA ltm (x)	1.38	1.53	2.32

^{1, 2}: 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	78%	4%	4,544,906	3,866,318
Added HP	287,872	279,882	413,848	-30%	3%	313,901	632,712
Homes Passed (HP)	6,745,024	6,457,152	5,516,966	22%	4%	6,745,024	5,516,966
Added HC	50,703	58,758	67,754	-25%	-14%	109,461	133,946
Homes Connected (HC)	1,209,536	1,158,833	977,229	24%	4%	1,209,536	977,229
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.

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

FINANCIAL RESULTS

GROSS REVENUE BY PRODUCT

BRL million	2Q23	1Q23	2Q22	2Q23 x 2Q22	2Q23 x 1Q23	1H23	1H22
Gross Revenue	336.5	328.1	273.3	23%	3%	664.6	526.8
Broadband	313.7	300.9	247.0	27%	4%	614.6	472.9
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
ARPU broadband	R\$ 88.83	R\$ 90.91	R\$ 92.01	-3%	-2%	R\$ 89.87	R\$ 91.71

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%
Total	(158.4)	(153.5)	(144.4)	10%	3%

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%
Total	(73.7)	(76.6)	(60.5)	22%	-4%

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	43,9	25,2	(1,3)	-	74%	69,1	8,2	743%
(+) 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%
EBITDA	148,4	139,4	96,6	54%	6%	287,8	174,2	65%
EBITDA margin (%)	49%	48%	41%	8,6 p.p.	1,7 p.p.	49%	38%	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)
Net financial result	(20.3)	(26.0)	(34.7)	-41%	-22%	(46.3)	(33.5)

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. (%)
Gross Debt	1,212.4	1,338.9	-9.5%
(-) Cash and cash equivalents	197.1	203.5	-3.2%
(-) Short-term investments	257.9	391.5	-34.1%
Net Debt	757.3	743.8	1.8%

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.	16,107	17,485
Working capital	0.21% p.m. + CDI	110,031	134,998
Working capital	0.28% p.m. + TJLP	-	1,279
Working capital	0.47% p.m. + TLP	2,213	4,114
Working capital (Loan 4131)	0.22% p.m. + CDI	43,241	65,095
PPE financing (CDC)	0.80% p.m.	9,920	12,583
PPE financing (FINEM)	0.29% p.m. + TJLP	-	2,601
PPE financing (FINEM)	0.45% p.m. + TLP	16,686	36,074
Financing - TR	0.35% p.m. + TR	65,108	50,791
Impor financing (foreign currency)	0.40% p.m.	3,029	34,768
		266,335	359,788
Current		106,294	154,618
Non-current		160,041	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. (%)
Capex			
Additions to PPE ¹	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%
Capex Adjusted - 'In Operations'	179.7	376.5	-52.3%

¹See 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 thousand³ 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

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³ 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.

Anatel confirmed:
**We have
the most
satisfied
customers
in
Brazil**

**THE BEST
INTERNET
IN BRAZIL**
[ANATEL SURVEY 2022]

brisanet

Leader in all states surveyed, occupying the first position in the ranking by UF.
Source: Satisfaction and Perceived Quality Survey - Anatel 2022.

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

* 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
TOTAL CURRENT ASSETS	654,858	784,401

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
TOTAL NON-CURRENT ASSETS	2,374,525	2,293,883
TOTAL ASSETS	3,029,383	3,078,284

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
TOTAL CURRENT LIABILITIES	328,431	450,110

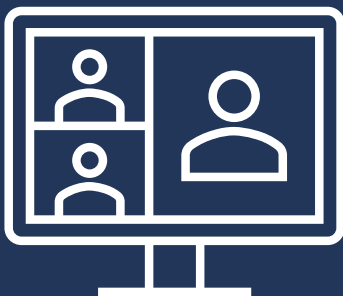
NON-CURRENT

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
TOTAL NON-CURRENT LIABILITIES	1,252,694	1,249,547

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
TOTAL EQUITY	1,448,258	1,378,627
TOTAL LIABILITIES AND EQUITY	3,029,383	3,078,284

Consolidated - In R\$ 000	1H23	1H22
Net income (loss) for the period	69,103	8,236
Adjustments to reconcile income (loss) for the period:		
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
(Increase) decrease in assets		
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
Increase (decrease) in liabilities		
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
Cash from (used in) operating activities	277,221	130,714
Interest paid	(69,365)	(71,287)
Income tax and social contribution paid	(11,890)	(5,294)
Net cash from (used in) operating activities	195,966	54,133
Cash flows from investing activities		
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)
Net cash from (used in) investing activities	(7,312)	(564,024)
Cash flows from financing activities		
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)
Net cash from (used in) financing activities	(195,075)	(82,423)
Increase (Decrease) in cash and cash equivalents	(6,421)	(592,314)
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
Increase (decrease) in cash and cash equivalents	(6,421)	(592,314)



EARNINGS CONFERENCE CALL

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

In Portuguese, with simultaneous translation into English
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