

1Q24

EARNINGS RESULTS

 **brisanet | 5G**

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

Brisanet Participações S.A. (“Company” or “Brisanet”, B3: BRIT3), the largest fixed broadband provider in the Northeast region, according to the Anatel¹ ranking, today announces its results for the first quarter of 2024 (1Q24).

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

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

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

¹ and ² March/24 Data

MAIN HIGHLIGHTS OF THE PERIOD

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

EARNINGS CONFERENCE CALL

Date: May 16, 2024 – Thursday

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

Brisanet – Q1 2024 Earnings Release

To access, [click here](#).

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

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

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

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

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

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

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

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

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

⁴ April/24 Data

⁵ April/24 Data

GROSS REVENUE BY PRODUCT

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

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

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

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

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

COST OF SERVICE PROVIDED

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

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

The biggest impacts are described below:

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

OPERATIONAL EXPENSES

Operational expenses (R\$ million)	1Q24	4Q23	1Q23	1Q24 x 1Q23	1Q24 x 1Q23
Personnel	(44.9)	(34.9)	(28.7)	56.4%	28.7%
Third-party services	(6.3)	(5.3)	(5.5)	76.3%	79.1%
Marketing expenses	(8.7)	(8.9)	(7.0)	25.6%	-2.1%
Taxes and contributions	(1.7)	1.1	(3.4)	-49.3%	-
Provision for doubtful accounts	(18.7)	(19.9)	(11.4)	63.8%	-5.8%
Other expenses	(9.8)	(7.2)	(17.0)	-42.4%	35.0%
Depreciation and amortization	(5.4)	(3.8)	(3.6)	50.6%	40.9%
Total	(95.6)	(79.0)	(76.6)	24.9%	21.1%

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

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

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

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

EBITDA

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

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

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

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

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

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

FINANCIAL RESULT

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

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

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

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

INDEBTEDNESS

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

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

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

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

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

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

Breakdown of loans and financing as follows:

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

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

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

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

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

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

CAPEX / Free Cash Flow

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

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

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

NOTICE

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

INVESTOR RELATIONS

Tel. +55 88 2105-0288

E-mail: falecomri@grupobrisanet.com.br

Website: ri.brisanet.com.br/en

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

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

NON-ACCOUNTING MEASURES

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

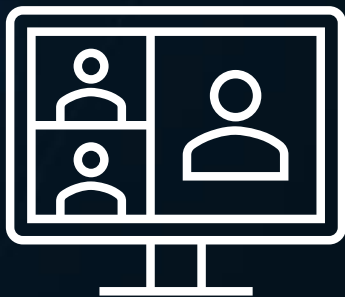


Consolidated - In R\$ '000	1Q24	4Q23	1Q23
Net operating revenue	334,419	325,071	292,080
Cost of services	(191,475)	(178,535)	(153,515)
Gross profit	142,944	146,536	138,565
Operating expenses			
Administrative expenses	(42,930)	(30,677)	(27,008)
Selling expenses	(53,150)	(51,626)	(35,728)
Other operating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

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

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

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EARNINGS CONFERENCE CALL

May 16, 2024

8 AM (EDT – NY Time) | 09 AM (BRT)

In Portuguese, with simultaneous translation into English

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