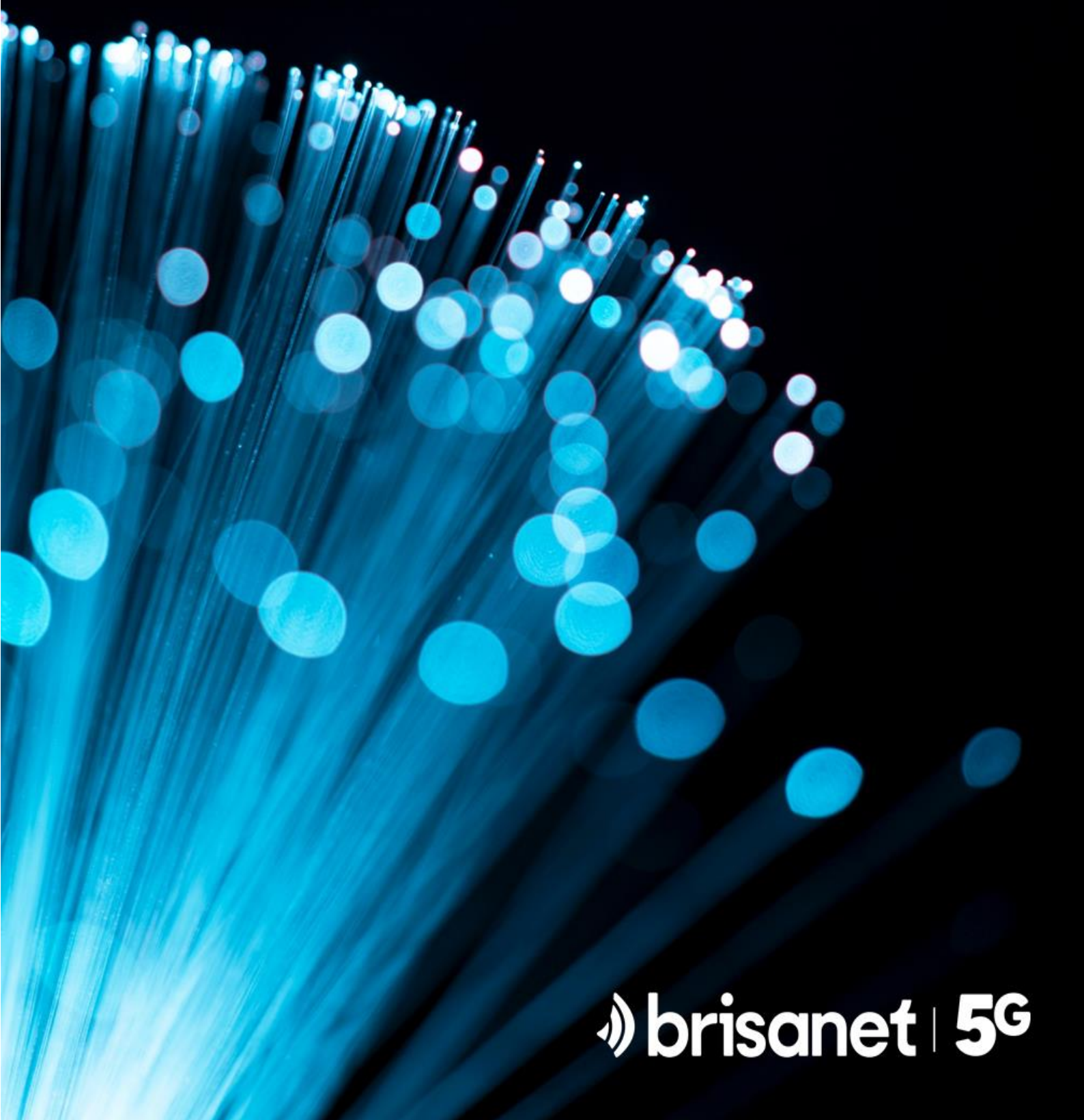


2Q24

EARNINGS RELEASE



 **brisanet | 5G**

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

Brisanet Participações S.A. (“Company” or “Brisanet”, B3: BRIT3), the largest fixed broadband provider in the Northeast region, according to the Anatel¹ ranking, today announces its results for the second quarter of 2024 (2Q24).

With 25 years of history, Brisanet has a 28% market share in fiber in 7² of the 9 states in the Northeast (NE). The NE is the region of the country with the highest percentage of fiber optic customers in the country, with 85% of the total fixed broadband using this technology.

With a 100% fiber optic product portfolio, the Company has been **one of the regional 5G mobile** operators since December 2021, having won 3 frequencies in the 5G auction promoted by Anatel. The Company will be able to operate in the Northeast and MidWest regions. The commercialization of 5G began at the end of 3Q23 and **at the end of June 2024, we had 128,404 active customers in the mobile segment.**

Brisanet	2Q24	1Q24	2Q23
Operating Highlights			
Cities served - FTTH	158	158	157
Access Ports - '000	4,693	4,683	4,545
HP added- '000	21	26	288
Total HP - '000	7,042	7,021	6,745
HC added- '000	36.6	32	51
Total HC - '000	1,361	1,324	1,210
Cities served - Mobile	133	96	-
Mobile Access	128,404	78,089	-
Financial Highlights (R\$ million)			
Net revenue	346.5	334.4	300.2
<i>Gross Margin (%)</i>	40%	43%	47%
Operating income	46.1	47.3	68.1
EBITDA	145.6	141.3	148.4
<i>Adjusted EBITDA Margin (%)</i>	42%	42%	49%
Adjusted EBITDA	145.6	141.3	148.4
<i>Adjusted EBITDA Margin (%)</i>	42%	42%	49%
Net income	17.3	20.1	43.9
Net debt	891.0	833.6	757.3
Net debt/LTM EBITDA (x)	1.54x	1.42x	1.38x

¹ and ² June/24 Data

MAIN HIGHLIGHTS OF THE PERIOD

- ✓ **Net operating revenue grew 15% in 2Q24** when compared to 2Q23 and 4% when compared to 1Q24. In the first half of 2024, net revenue reached R\$680.9 million. The growth is mainly the result of the increase in the company's take-up rate, which in 2Q24 reached 19.3% and **added 36.6 thousand customers to its base organically**.
- ✓ **EBITDA in 2Q24 was R\$ 145.6 million with a margin of 42%**, a reduction of 1.9% compared to 2Q23 EBITDA. This drop in margin reflects the start of mobile operations (4G/5G), as happened with the FTTH business during the period of most intense investment in 2022, as part of the operating costs are fixed and will be diluted with the gradual increase of the customer base.
- ✓ Regarding cash flow, in 1H24, **the Company generated cash flows from operating activities of R\$356 million**, a volume 24% higher than the EBITDA for the period, which was R\$286.8 million. **In 2Q24, cash flows from operating reached R\$208.4 million, 43% higher than the period's EBITDA**.
- ✓ **Net profit reached R\$17.3 million in 2Q24**, a reduction of 60.6% compared to the result of 2Q23, as already mentioned, the main reason for this level were the costs and expenses associated with the mobile segment. This quarter the effective tax ("IR/CSSL") rate was 19%³.

EARNINGS CONFERENCE CALL

Date: August 15, 2024 – Thursday

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

Brisanet – 2Q24 Earnings Release

To access, [click here](#)

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

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

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

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

In the second quarter of 2024, the Company registered 36,601 new customers (HCs). The Company ratifies its commitment and objective of continuing to increase its fiber customer base organically.

The Company continues to advance in capitals and metropolitan regions, with fiber market share stable between **50 and 66% in Natal, Maceió and João Pessoa**, growing and above **22% in Fortaleza and Aracaju** (numbers from June-24).

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

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

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

⁴ July/24 Data

⁵ July/24 Data

GROSS REVENUE BY PRODUCT

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

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

B2B revenue has grown over the quarters, having registered almost 7% increase in 2Q24, compared to the previous year, this percentage reflects the expansion and presence in larger cities.

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

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

COST OF SERVICE PROVIDED

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

The Company's costs with services provided in 2Q24 totaled R\$206.4 million compared to R\$158.4 million in 2Q23, representing an increase of 30%, mainly reflecting the impacts of the start of operations in the mobile segment (4G/5G) and greater streaming sales.

The biggest impacts are described below:

- depreciation and amortization, which grew by R\$17.2 million, given the growth in assets and intangible assets resulting from the expansions carried out;

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

OPERATIONAL EXPENSES

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

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

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

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

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

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

EBITDA

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

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

In the last nine months, we recruited more than fifteen hundred new employees (we have more than 9 thousand employees at the end of June 2024) and extended 4G/5G coverage to a population of 7 million inhabitants in July 2024. Following the organic growth model, which we consider to be the most effective, we remain focused on expanding our operations and assets to meet future demand. This implies an initial increase in costs and expenses. A significant portion of these is fixed in nature and as we gain new customers and expand our revenue base, we are gradually able to capitalize on this operational leverage.

	2021	2022	2023	2Q23	1Q24	2Q24
Net Revenue	728.8	985.2	1,227.9	300.2	334.4	346.5
Variation %	54.5%	35.2%	24.6%			
EBITDA	271.4	435.8	591.5	148.4	141.3	145.6
EBITDA Margin	37.2%	44.2%	48.2%	49.4%	42.2%	42.0%
<u>Costs and Expenses (% over net revenue)</u>						
Personnel	29.8%	26.1%	21.7%	21.5%	26.0%	27.0%
Link + Right of Passage	7.6%	9.1%	8.1%	8.0%	7.7%	7.6%
Content and Connection means	2.9%	2.9%	3.0%	3.1%	3.9%	3.8%
PCLD	2.9%	3.1%	5.4%	5.8%	5.6%	5.2%
Marketing and advertising	2.7%	2.3%	2.4%	2.2%	2.6%	2.3%
Third-party Services	6.3%	3.6%	2.7%	2.7%	3.4%	3.9%
Materials and Maintenance	4.8%	2.1%	1.9%	1.4%	2.4%	2.4%
Systems maintenance	0.9%	1.2%	1.8%	1.8%	2.3%	3.1%
Power and water	1.3%	0.9%	0.9%	1.1%	1.2%	1.6%
Fiscal expenses	0.8%	0.9%	0.9%	1.4%	0.5%	0.6%
Provisions for contingencies	-0.2%	0.2%	0.9%	0.1%	0.5%	0.2%
Others	2.9%	3.3%	2.1%	1.4%	1.7%	0.3%

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

We believe that the development of 5G will have the same characteristic, but with a smaller impact on the margin and faster recovery. Our margin expectation for 2H24 is a similar margin to 1H24, as we are still working on the massification of 5G sales and revenues.

FINANCIAL RESULT

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

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

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

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

INDEBTEDNESS

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

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

Considering Cash and financial investments at the end of the period of R\$381.1 million, the Company presented a net debt of R\$891.0 million, compared to the net debt of R\$745.7 million at the end of 2023. Most of this resource is applied in instruments with liquidity of less than 90 days and with an average profitability over the period of 102.9% of the CDI.

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

The Company monitors its debt using the **net debt/EBITDA indicator**. **On June 30, 2024, the debt level was 1.54x**, still well below the internal target of up to 3.5x.

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

Breakdown of loans and financing as follows:

Modality	Weighted average rates	June/2024	Dec/2023
Working capital	0,82% a.m.	8,164	11,425
Working capital	0,21% a.m. + CDI	62,566	85,395
Working capital	0,47% a.m. + TLP	-	316
Working capital (Loan 4131)	0,19% a.m. + CDI	15,915	27,322
PPE financing (CDC)	1,18% a.m.	6,957	9,155
PPE financing (FINEM)	0,50% a.m. + TLP	13,605	17,024
Financing - TR	0,29% a.m. + TR	166,646	153,367
Financing - (FUNTELL)	0,40% a.m. + TR	8,745	-
Total		282,598	304,004
Current		88,208	95,605
Non-current		194,390	208,399

On March 15, 2021, the Company issued debentures, not convertible into shares, in the amount of R\$500 million, which will be settled in semi-annual installments, with initial maturity in March 2025 and final maturity in March 2028. These debentures are subject to interest/remuneration equivalent to IPCA + 5.7694%. On June 30, 2024, the balance was R\$602.4 million.

On August 25, 2022, the Company issued debentures, not convertible into shares, in the total amount of R\$300 million, with a maturity period of 5 (five) years, expiring, therefore, on August 25, 2027. These debentures bear interest at CDI +2.0% per year. On June 30, 2024, the balance was R\$310.6 million.

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

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

Also including debentures, the Company's debt is well balanced between IPCA (50%) and CDI (33%), pre-fixed (16%) and TJLP/TLP (1%). Debt in foreign currency is fully protected and accounted for in CDI.

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

CAPEX / Free Cash Flow

Free Cash Flow (In millions of R\$)	2021	2022	2023	1Q24	1H24
Cash generated by operating activities	411	359	655	147	356
% EBITDA	151.6%	82.3%	110.7%	104.0%	124.1%
Capex	1,044	857	464	165	346
% Net Revenue	143.3%	87.0%	37.8%	49.3%	99.7%
Free Cash Flow	(633)	(498)	191	(18)	10
% Net Revenue	-87%	-51%	16%	-5%	2%
Net Debt	75	744	746	834	891
Net Debt/EBITDA	0.30x	1.70x	1.29x	1.43x	1.54x

In 1H24, Brisnet invested, when measured by additions to fixed assets and intangible assets, the amount of R\$346 million. The Company has amounts already disbursed and capitalized that are not yet generating revenue – these are equipment in warehouses or in the process of being imported and construction in progress. These items total R\$430 million.

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



NOTICE

The interim financial information as of June 30, 2024, reviewed by Ernst & Young Auditores Independentes S.S. Ltda., is now available on our [website](#).

INVESTOR RELATIONS

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LEGAL NOTICE

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

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

NON-ACCOUNTING MEASURES

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

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

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

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

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EARNINGS CONFERENCE CALL

August 14, 2024

8 AM (EDT - NY Time) | 09 AM (BRT)

In Portuguese, with simultaneous translation into English

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