



# intelbras

Earnings  
**Release 3Q25**

October 28<sup>th</sup> 2025

## 3Q25 EARNINGS RELEASE

Intelbras generates consolidated net revenue of R\$1,124,689 thousand and Net Income of R\$147,904 thousand in the quarter.

São José (SC), October 27<sup>th</sup>, 2025 – Intelbras S.A. - Indústria de Telecomunicação Eletrônica Brasileira ("Intelbras" or "Company") announces its consolidated results for the quarter ended September 30<sup>th</sup>, 2025. The figures presented here are compared with those for the quarters ended September 30<sup>th</sup>, 2024 and June 30<sup>th</sup>, 2025, unless otherwise indicated. The accounting balances presented here were extracted from the interim financial information prepared in accordance with Brazilian corporate law and the practices adopted in Brazil, already in accordance with international accounting standards (IFRS). Non-accounting measures are presented in accordance with commonly accepted market practices.

### 3Q25 Highlights

**Net Operating Revenue** was R\$1,124,689 thousand in the quarter, representing a negative variation of 9.6% compared to the same period of the previous year.

Our **EBITDA** was R\$144.049 thousand, which represents a negative variation of 4.3% compared to the EBITDA of the same period of the previous year, representing an EBITDA margin of 12.8%, +0.7 percentage points compared to margin realized in 3Q24.

The **Company's consolidated ROIC (pre-tax)** calculated in the last four quarters was 14.5%, representing a positive variation of 0.9 p.p. compared to the previous quarter.

Our **Net Income** in 3Q25 was R\$147,904 thousand, which represents a growth of 14.3% compared to the net income recorded in 3Q24 and a net margin of 13.2%.



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### Management Message

At this moment, the Company focuses its efforts on improving ROIC and cash generation. It is not about giving up growth, but about growing revenues with returns, discipline and quality. After an accelerated expansion cycle between 2020 and 2024, we have identified inefficiencies that require corrections. Some decisions from that period did not deliver as planned, but we remain committed to growth, this is our essence.

We advanced in profitability, achieved relevant free cash generation, and after more than a year, we resumed a positive trajectory for our ROIC. The reduction in net operating revenue was expected as an effect of the strategy, and it was the result of some structural improvements, especially in commercial policies in businesses that had been underperforming. We also started important adjustments in fixed expenses, which will continue to be executed in the fourth quarter, aligning the operational structure to the necessary efficiency and productivity gains. This is the route we believe to be the most solid to generate long-term value and strengthen the Company.

The significant operating cash generation of R\$480,263 million in this quarter confirms the effectiveness of the strategy and enables the working capital to reach the levels considered appropriate by management in the coming quarters.



We maintain an attentive and critical posture for new business opportunities, especially arising from the proximity to our customers and technological partners. We keep investing in innovation and in the improvement of our relationship with customers, expanding our portfolio and strengthening the loyalty of our partners through a more efficient and agile company, with simplified and coordinated processes.

This third quarter represents a first step towards the Company's sustainable evolution, and the details of several actions and achievements are described in the next sections of this report.



## Main financial indicators

R\$ thousands	3Q25	2Q25	Δ%	3Q24	Δ%
<b>Net operating revenue</b>	<b>1,124,689</b>	<b>1,246,448</b>	<b>-9.8%</b>	<b>1,243,880</b>	<b>-9.6%</b>
<b>Gross profit</b>	<b>347,092</b>	<b>365,681</b>	<b>-5.1%</b>	<b>364,482</b>	<b>-4.8%</b>
Gross Margin	30.9%	29.3%	+1.6p.p	29.3%	+1.6p.p
<b>EBITDA</b>	<b>144,049</b>	<b>154,356</b>	<b>-6.7%</b>	<b>150,534</b>	<b>-4.3%</b>
EBITDA Margin	12.8%	12.4%	+0.4p.p	12.1%	+0.7p.p
<b>Profit for the period</b>	<b>147,904</b>	<b>136,295</b>	<b>8.5%</b>	<b>129,383</b>	<b>14.3%</b>
Net Profit Margin	13.2%	10.9%	+2.3p.p	10.4%	+2.8p.p
<b>ROIC (pre-tax)</b>	<b>14.5%</b>	<b>13.6%</b>	<b>+0.9p.p</b>	<b>21.3%</b>	<b>-6.8p.p</b>



## Net operating revenue

Our operating income in the period reflects the prioritization of profitability and return on invested capital that the Company has strategically focused. The decrease of 9.6% compared to the same period of the previous year represents an amount of R\$1,124,689 thousand, composed of a positive evolution in our Security Segment, but lower revenues in the Fiber Optic Networks (ICT Segment) and Solar Energy (Energy Segment) businesses.



## Gross Profit

In line with the strategy of prioritizing profitability and return, during the third quarter there was a positive evolution of our gross margin, both compared to the second quarter and compared to the same period of the previous year. The expansion of 1.6 percentage points represents improved quality in the ICT and Energy sales, as well as improvements in our Security Segment. The table below provides more information about gross profit.

R\$ thousands	3Q25	2Q25	Δ%	3Q24	Δ%
Net operating revenue	1,124,689	1,246,448	-9.8%	1,243,880	-9.6%
Cost of sales and services	(777,597)	(880,767)	-11.7%	(879,398)	-11.6%
<b>Gross profit</b>	<b>347,092</b>	<b>365,681</b>	<b>-5.1%</b>	<b>364,482</b>	<b>-4.8%</b>
<b>Gross margin</b>	<b>30.9%</b>	<b>29.3%</b>	<b>+1.5p.p</b>	<b>29.3%</b>	<b>+1.6p.p</b>

As observed in the second quarter of the current year, the PVA (Present Value Adjustment) continued to negatively impact the gross margin for the period, by the same magnitude. On the other hand, the gains achieved in the operation were sufficient for the positive reaction in the gross margins of the three segments.

## Operating Expenses

In a more challenging scenario of revenue evolution, expense control is necessary. Some adjustments in the business structure have already been made over this period, so that total expenses decreased by 2.9% compared to the immediately previous quarter.

R\$ thousands	3Q25	2Q25	Δ%	3Q24	Δ%
Selling expenses	(150,887)	(164,869)	-8.5%	(170,379)	-11.4%
General and administrative expenses	(71,767)	(70,275)	2.1%	(65,526)	9.5%
Other operating expenses, net	(10,320)	(4,676)	120.7%	(2,872)	259.3%
<b>Operating income (expenses)</b>	<b>(232,974)</b>	<b>(239,820)</b>	<b>-2.9%</b>	<b>(238,777)</b>	<b>-2.4%</b>

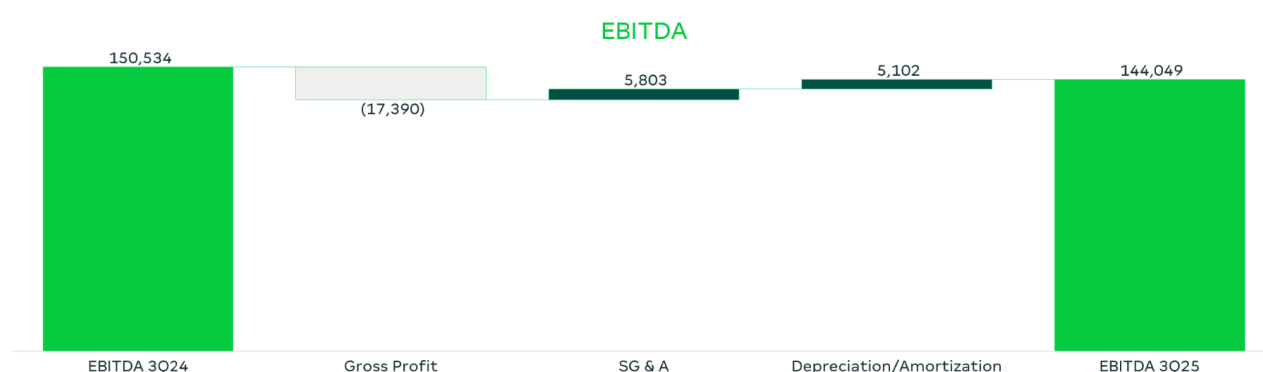
In a sequential analysis, selling expenses fell proportionally to revenue, while administrative and general expenses remained within the plans. Finally, the evolution of other net operating revenues (expenses) is at the appropriate level. On the other hand, there is room for improvement in the Company's efficiency and we are implementing actions to reduce operating expenses.

## EBITDA

The Company's operating result shows an improvement in the margin, which grew 0.7 percentage points compared to the same period of the previous year, reaching 12.8% in this quarter. However, Ebitda was negatively affected by the reduction in net operating revenue and positively by (i) the improvement in gross margin and (ii) the reduction in operating expenses, reaching a total of R\$144,049 thousand, resulting in a decrease of 4.3% compared to the same period of the previous year.

R\$ thousands	3Q25	2Q25	Δ%	3Q24	Δ%
Net operating revenue	1,124,689	1,246,448	-9.8%	1,243,880	-9.6%
Gross profit	347,092	365,681	-5.1%	364,482	-4.8%
(-) SG & A expenses	(232,974)	(239,820)	-2.9%	(238,777)	-2.4%
(+) Depreciation	17,030	16,243	4.8%	14,653	16.2%
(+) Amortization	12,901	12,252	5.3%	10,176	26.8%
<b>EBITDA</b>	<b>144,049</b>	<b>154,356</b>	<b>-6.7%</b>	<b>150,534</b>	<b>-4.3%</b>
<b>% EBITDA</b>	<b>12.8%</b>	<b>12.4%</b>	<b>+0.4p.p</b>	<b>12.1%</b>	<b>+0.7p.p</b>

The main negative effect on the evolution of Ebitda is due to the drop in gross profit, due to the 9.6% reduction in revenue, as illustrated in the chart below:



## Financial Results

There was a significant increase in financial revenue, generated from (i) the increase in the Company's cash level, which generated an increase in revenues from financial investments, and (ii) the more relevant present value adjustment (PVA), in line with what was observed in the composition of the gross margin (reduction in net operating revenue)

Financial expenses, mainly associated with interest on debts and exchange rate variation, which reflects a structured exchange rate protection policy, remain within the management's forecasts. The following table individually details the three elements that make up the financial result:

R\$ thousands	3Q25	2Q25	Δ%	3Q24	Δ%
Finance income	66,377	55,635	19.3%	51,539	28.8%
Finance costs	(34,189)	(36,287)	-5.8%	(43,124)	-20.7%
Exchange gains (losses), net	(2,814)	(8,224)	-65.8%	(7,978)	-64.7%

## Net Income

Net income of R\$147,904 thousand represents a growth of 14.3% compared to the same period of the previous year and a net margin of 13.2%. The increase reflects the better result before taxes and a slight improvement in the calculation of income tax and social contribution.

It should be noted that a relevant part of the financial result is originated by the adjustment to present value (financial revenues and expenses), which, on the other hand, negatively impacts the Company's



operating results. This net result portrays, therefore, the achievement of an important result, even during a strategic review and facing a challenging macroeconomic scenario.

## ROIC (pre-tax)

There was an improvement of 0.9 percentage points compared to the second quarter. Although still below management's expectations, there is already an 8.6% reduction in allocated capital, mainly due to the improvement in working capital and cash generation in the period.

The indicator still contains the impact of the first quarter, given its calculation of operating profit before the financial result of the last twelve months, and the details are presented in the table below:

R\$ thousands	3Q25	2Q25	Δ%	3Q24	Δ%
Operating profit before finance income (costs) LTM (a)	430,919	442,504		574,455	
Income tax and social contribution LTM	30,994	29,823		8,815	
<b>NOPAT LTM (b)</b>	<b>461,913</b>	<b>472,327</b>	<b>-2.2%</b>	<b>583,270</b>	<b>-20.8%</b>
Net (cash)/debit	(210,996)	144,835		(173,267)	
Equity	3,177,662	3,099,849		2,867,568	
<b>Capital employed (c)</b>	<b>2,966,666</b>	<b>3,244,684</b>	<b>-8.6%</b>	<b>2,694,301</b>	<b>10.1%</b>
<b>ROIC Pre-tax (a)/(c)</b>	<b>14.5%</b>	<b>13.6%</b>	<b>+0.9p.p</b>	<b>21.3%</b>	<b>-6.8p.p</b>

NOTE: LTM refers to the sum of the last 12 months.



## Business Segments Evolution

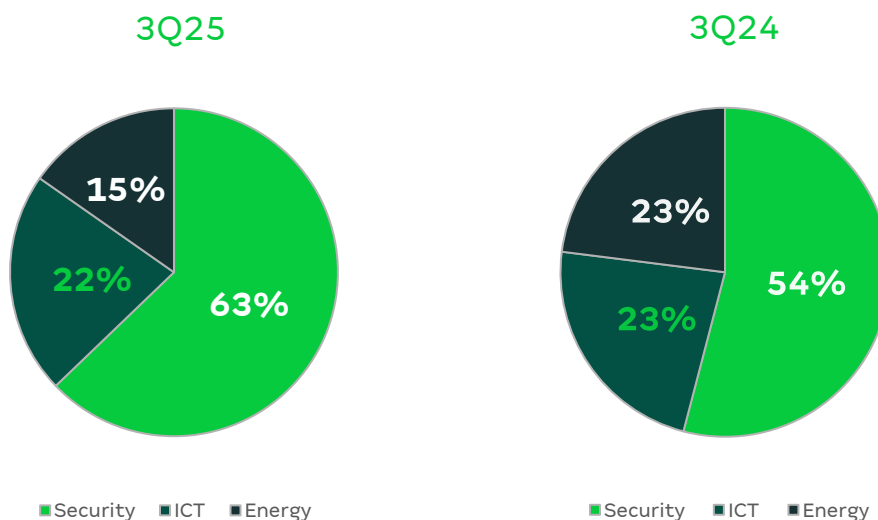
The prioritization of profitability and improvements in the return on invested capital impacted the growth of net operating revenue in the ICT and Energy segments. On the other hand, there was a relevant improvement in margins and working capital.

The evolution of revenues by segment is presented in the table below and further operational details are described in the sessions dedicated to each of the segments.

R\$ thousands	3Q25	3Q24	Δ%
<b>Intelbras</b>	<b>1,124,689</b>	<b>1,243,880</b>	<b>-9.6%</b>
Security	702,350	672,524	4.4%
ICT	248,806	285,162	-12.7%
Energy	173,533	286,194	-39.4%

The drop in revenue in the ICT and Energy businesses, when compared to the same period of the previous year, changed the composition of the company's revenues, so that Security gains relevance in the consolidated and Energy loses space:





## Security

Our Security segment proved to be solid in the execution of its strategies, maintaining its market presence, and reported a revenue growth in line with the sell-out achieved in the distribution channels. The macroeconomic scenario has been an additional challenge in conducting business with the final consumer, who has been behaving more conservatively in their acquisitions and investments during this quarter.

Thus, the growth of 4.4% compared to last year is in line with the reality of the market in the period and also in the first half of the year, further consolidating the Security segment as the Company's main business.

The positive evolution of the gross margin was due to a stable competitive scenario and the maintenance of prices in a large part of the portfolio, in addition to the observation of better costs of goods sold, the effect of the productivity of the factories and new material inputs with the local currency appreciated against the US dollar. On the other hand, as in the other segments, the gross margin of Security continues to be pressured by the effect of the PVA, already commented on in the Gross Profit session.

## ICT

Our ICT segment shows a relevant positive evolution in gross margin, due to the new commercial policy for the Fiber Optic Networks portfolio. The restriction in payment terms and discounts allowed the Company to perform healthier sales, which are reflected in the improvement of 3 percentage points in gross margin in the segment. This decision, although it impacted revenue, which fell by 6.1% compared to the second quarter of this year, allowed us to have a positive evolution of 5.8% in the segment's gross profit. In other words, the ICT Segment sold less, but contributed more to the Company's result than it had contributed in the previous quarter.



The table below summarizes this evolution.

ICT	3Q25	2Q25	Δ%
Net operating revenue	248,806	264,899	-6.1%
Gross profit	66,598	62,959	5.8%
Gross Margin	26.8%	23.8%	+3.0p.p

The remaining ICT portfolio continues to deliver, with adequate profitability and according to the strategy designed for the period, with emphasis on the evolution of the Enterprise Networks portfolio, which reinforces IP Security Solutions and expands our portfolio sold through the Distribution Channel.

## Energy

As observed in the first half of the year, the Energy Segment has been reducing its participation in large Solar Energy projects, concentrating even more its efforts on rooftop generators. Additionally, during the third quarter, the on-grid solar micro generator business remained pressured by still low costs at competitors (due to import quotas with the ex-tariff zeroing out the import tax), which prevented revenue growth in this product line as well. The 39.4% drop in net operating revenue, when compared to the same period of the previous year, also reflects the impact of these lower sales of microgenerators.

The other Energy businesses (power) showed growth, an evolution in line with forecast. On the other hand, as observed in Security, they were also affected by a more restricted business perspective in the distribution channel, with a lower sell-out happening in the commercial deals carried out by our partners.

Gross margin, in turn, showed a sequential improvement again, and reflects the prioritization of profitability in the commercial process.



## Cash and Debt Position

As observed in the second quarter, there was a strong operating cash generation due to the improvement in working capital, mainly due to the purchases of new materials to rebuild inventories. Our investing activities are in line with what was achieved during the first half of the year, and generated robust free cash flow in the period.

In financing activities, the Company paid dividends in the amount of R\$69,294 million in August, as well as new funding activities are within the Company's plan. The table below provides the summary of the cash flow and the comparison with the previous quarter and the same period of the previous year:

R\$ thousands	3Q25	2Q25	Δ R\$	3Q24	Δ R\$
Cash and cash equivalents at the beginning of the quarter	825,649	647,928	177,721	1,249,597	(423,948)
Net cash used in operating activities	480,263	225,472	254,791	1,472	478,791
Net cash used in investing activities	(25,644)	(32,497)	6,853	(52,218)	26,574
Net cash provided by financing activities	(40,545)	(15,254)	(25,291)	(65,213)	24,668
Cash and cash equivalents at the end of the quarter	1,239,723	825,649	414,074	1,133,638	106,085

The following chart illustrates the evolution of cash in the period, and reflects the relevant improvement in the company's working capital:



## Company Cash Evolution



Throughout the quarter, we raised new funds from BNDES, so that the evolution of our debt was +6% compared to the second quarter of 2025. With the strong cash generation in the period, the Company is now operating again with net cash. Details may be observed in the following table:

INSTITUTIONS	09/30/2025		06/30/2025		12/31/2024
	Principal + Interest	Movement	Principal + Interest	Movement	Principal + Interest
BNDES	324,066	45,664	278,402	27,860	250,542
FINEP	124,806	(7,627)	132,433	(15,326)	147,759
Debentures	480,327	19,116	461,211	(48,691)	509,902
Private banks and Credit Cooperatives	99<528	1,090	98,438	83,125	15,313
<b>Total Loans</b>	<b>1,028,727</b>	<b>58,243</b>	<b>970,484</b>	<b>46,968</b>	<b>923,516</b>

\* NOTE: values in R\$ thousands

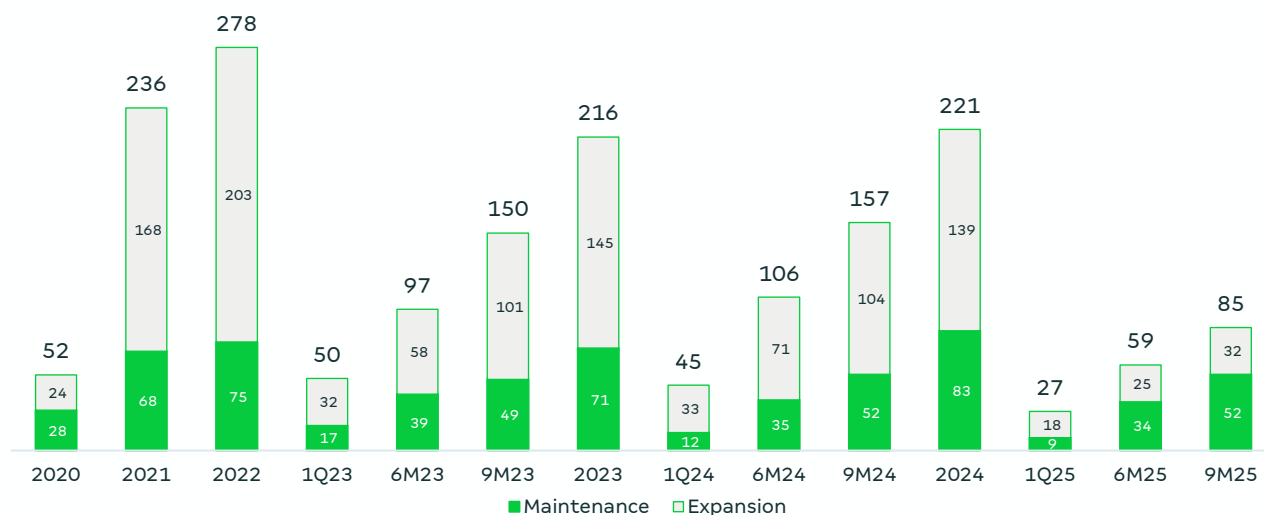




## CAPEX

The CAPEX investments made during the third quarter are shown in the chart below, and follow the forecast for the year and are in line with the Company's perspectives.

### CAPEX Growth (In million R\$)



## Perspectives

We are on the right track, but still at the beginning of the journey. Our discipline in the commercial processes and business analysis is already adequate this quarter, validating the ongoing adjustments and driving to a more prosperous future with our customers and partners. Prioritizing profitability and return on invested capital requires complex decisions and organizational consistency. We are conducting this evolution in a systemic and organized way.

The Solar Energy business has found its size and defined compatible structures, so that even in more challenging times of revenue, the business contributes positively to the Company's objectives. The focus remains on improving profitability, which should occur even if revenue does not grow or continues to decline over the next year.

The Fiber Optic Networks business is still under evaluation, aiming at the consolidation of its long-term plan. We operate at the appropriate price and payment terms during the quarter, without engaging in the price war and reinforcing our value proposition to small and micro providers, where our capillarity and services are recognized as differentials. Large Internet Service Providers tend to demand more payment terms and more aggressive pricing, but in this case, we will continue to be more selective.

Our Security Segment maintains its growth trajectory, operating efficiently in a challenging macroeconomic scenario, which has limited sales in the market in general. Our value proposition stands out, sustaining our absolute leadership position in this market. We keep investing in innovation, expanding the portfolio, which is already recognized as the most complete in the sector, and attentive to opportunities and the evolution of the macroeconomic scenario.

Regarding working capital, we are executing according to the annual plan, keeping the discipline. We generated significant cash in the third quarter, distributed R\$69,264 thousand in dividends in August,



and projected a robust cash position for the coming periods. Our inventory, which was mainly responsible for capital allocation in recent quarters, is being adjusted to sales, with calibrated resupply and no aggressive liquidations that compromise margins.

We see a year-end of 2025 with revenue limited by all the actions already taken and the macroeconomic scenario. For 2026, we will maintain our focus on profitability and return, which should reflect positive evolution in profit and ROIC. The necessary adjustments are being implemented to ensure the continuity of the Company's successful trajectory, together with our partners, employees and shareholders.

## Earnings Conference 3Q25

October 29<sup>th</sup> 2025 at 11h00 BRT

[https://tenmeetings.com.br/ten-events/#/webinar?evento=ConferenciadeResultados-3T25-Intelbras\\_187](https://tenmeetings.com.br/ten-events/#/webinar?evento=ConferenciadeResultados-3T25-Intelbras_187)



Statements of income	3Q25	2Q25	3Q24
<b>Net operating revenue</b>	<b>1,124,689</b>	<b>1,246,448</b>	<b>1,243,880</b>
Cost of sales and services	(777,597)	(880,767)	(879,398)
<b>Gross profit</b>	<b>347,092</b>	<b>365,681</b>	<b>364,482</b>
<b>Operating income (expenses)</b>			
Selling expenses	(150,887)	(164,869)	(170,379)
General and administrative expenses	(71,767)	(70,275)	(65,526)
Share of profit (loss) of subsidiaries	-	-	-
Equity	-	-	-
Other operating (expenses) income, net	(10,320)	(4,676)	(2,872)
	(232,974)	(239,820)	(238,777)
<b>Operating profit before finance income (costs)</b>	<b>114,118</b>	<b>125,861</b>	<b>125,705</b>
Finance income	66,377	55,635	51,539
Finance costs	(34,189)	(36,287)	(43,124)
Exchange gains (losses), net	(2,814)	(8,224)	(7,978)
<b>Profit before taxes</b>	<b>143,492</b>	<b>136,985</b>	<b>126,142</b>
Current income tax and social contribution	(3,022)	(2,712)	(2,066)
Deferred income tax and social contribution	7,434	2,022	5,307
<b>Net income</b>	<b>147,904</b>	<b>136,295</b>	<b>129,383</b>

Statements of income	9M25	9M24	AH%
<b>Net operating revenue</b>	<b>3,292,404</b>	<b>3,468,470</b>	<b>-5%</b>
Cost of sales and services	(2,308,415)	(2,379,194)	-3%
<b>Gross profit</b>	<b>983,989</b>	<b>1,089,276</b>	<b>-10%</b>
<b>Operating income (expenses)</b>			
Selling expenses	(452,823)	(470,380)	-4%
General and administrative expenses	(192,825)	(195,152)	-1%
Share of profit (loss) of subsidiaries	-	-	-
Equity	-	-	-
Other operating (expenses) income, net	(45,961)	(17,965)	156%
	(691,609)	(683,497)	1%
<b>Operating profit before finance income (costs)</b>	<b>292,380</b>	<b>405,779</b>	<b>-28%</b>
Finance income	168,236	154,025	9%
Finance costs	(114,604)	(118,888)	-4%
Exchange gains (losses), net	(16,089)	(38,496)	-58%
<b>Profit before taxes</b>	<b>329,923</b>	<b>402,420</b>	<b>-18%</b>
Current income tax and social contribution	(11,369)	(4,655)	144%
Deferred income tax and social contribution	27,239	3,108	776%
<b>Net income</b>	<b>345,793</b>	<b>400,873</b>	<b>-14%</b>

Balance Sheet	09/30/2025	06/30/2025	09/30/2024
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	1.239.723	825,649	1.133.638
Securities	15.410	11,986	279
Trade receivables	1.169.876	1,229,360	1.188.045
Inventories	1.515.470	1,466,653	2.016.089
Recoverable taxes	140.245	163,999	122.588
Derivative instruments	-	-	-
Other receivables	29,335	36,407	52.027
<b>Total current assets</b>	<b>4,110,059</b>	<b>3,734,054</b>	<b>4.512.666</b>
<b>Noncurrent assets</b>			
Securities	-	-	10,551
Trade receivables	15,215	17,324	26,378
Judicial deposits	5,335	5,278	6,166
Deferred taxes	110,569	103,123	69,647
Recoverable taxes	57,776	61,059	60,545
Related parties	-	-	-
Other receivables	756	795	4,369
Investments	6,727	6,772	5,307
Rights of use	18,018	13,912	16,600
Property, plant and equipment	689,668	692,449	665,258
Intangible assets	577,246	577,009	569,123
<b>Total noncurrent assets</b>	<b>1,481,310</b>	<b>1,477,721</b>	<b>1,433,944</b>
<b>Total assets</b>	<b>5,591,369</b>	<b>5,211,775</b>	<b>5,946,610</b>



**Liabilities****Current liabilities**

Accounts payables	707,910	532,083	1,311,127
Accounts payables drawn risk	202,374	123,933	337,545
Borrowings and financing	333,683	292,443	183,117
Leases	9,917	6,996	6,164
Derivative instruments	23,633	20,152	11,410
Payroll, related taxes and profit sharing	134,362	128,043	134,424
Taxes payable	48,949	51,721	34,536
Provision for warranties	26,524	27,493	43,277
Provision for tax, labor and civil risks	2,248	2,049	1,299
Accounts Payable for Acquisition of Business	12,796	12,391	862
Commission costs	-	-	-
Interest on capital/dividends	-	-	-
Other payables	118,559	138,852	134,759
<b>Total current liabilities</b>	<b>1,620,955</b>	<b>1,336,156</b>	<b>2,198,520</b>

**Noncurrent liabilities**

Accounts payables	-	-	536
Borrowings and financing	695,044	678,041	777,254
Leases payable	9,273	7,868	11,193
Taxes payable	2,547	2,623	467
Provision for warranties	40,125	39,122	28,580
Provision for tax, labor and civil risks	20,028	19,830	19,627
Investments in negative equity	-	-	-
Accounts Payable for Acquisition of Business	12,430	14,104	26,715
Total noncurrent liabilities	13,305	14,182	16,150
<b>Total noncurrent liabilities</b>	<b>792,752</b>	<b>775,770</b>	<b>880,522</b>

**Equity**

Share Capital	2,000,000	2,000,000	1,700,000
Share issuance costs	(26,701)	(26,701)	(26,701)
Treasury shares	(3,584)	(2,645)	-
Additional dividend proposed	-	-	-
Retained earnings	907,157	907,157	828,891
Valuation adjustments to equity	(1,195)	(1,171)	(1,094)
Cumulative translation adjustments	1,883	1,781	1,586
Profit reserves	276,820	198,031	341,466

<b>Total equity</b>	<b>3,154,380</b>	<b>3,076,452</b>	<b>2,844,148</b>
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Non-controlling interests	23,282	23,397	23,420
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<b>Total liabilities and equity</b>	<b>5,591,369</b>	<b>5,211,775</b>	<b>5,946,610</b>
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Cash Flow	09/30/2025	06/30/2025	09/30/2024
<b>Cash flows from operating activities</b>			
<b>Profit before taxes</b>	<b>329,923</b>	<b>186,431</b>	<b>402,420</b>
Adjustments to:			
Accrued interest and exchange differences	(14,428)	(13,071)	127,493
Depreciation	50,288	33,258	40,448
Amortization	36,889	23,988	30,609
Share of profit (loss) of subsidiaries	-	-	-
Provision for tax, labor and civil risks	6,458	5,513	2,528
Allowance for expected credit loss	22,594	16,034	1,577
Allowance for inventory losses	40,415	28,950	17,874
Tax credits	(95,849)	(82,998)	(98,016)
Present value adjustment	(22,388)	(21,998)	16,172
Accrued trade discounts	2,329	3,250	2,944
Provision for warranties	(1,443)	(1,477)	11,945
Derivative instruments	50,732	48,903	6,491
Writing off financial liabilities	-	-	-
Result in the write-off of leases, fixed assets and intangibles	4,179	1,580	7,519
	<b>409,699</b>	<b>228,363</b>	<b>570,004</b>
<b>Changes in assets and liabilities</b>			
(Increase) decrease in trade receivables	37,293	(18,309)	(243,817)
(Increase) decrease in inventories	234,381	291,741	(866,286)
(Increase) decrease in recoverable taxes	100,746	60,858	70,131
(Increase) decrease in escrow deposits	(215)	(158)	(412)
(Increase) decrease in other assets	8,161	3,352	(12,481)
Increase (decrease) in trade payables	(221,879)	(499,188)	693,498
Increase (decrease) in payroll, related taxes and profit sharing	12,574	6,255	21,976
Increase (decrease) in taxes payable	4,240	7,130	2,444
Increase (decrease) in other payables	(3,688)	18,025	(4,894)
Income tax and social contribution paid	(9,514)	(6,534)	(7,034)
	<b>571,798</b>	<b>91,535</b>	<b>223,129</b>
<b>Cash flows from investing activities</b>			
Acquisition of investments in subsidiaries	-	-	-
Acquisition of property, plant and equipment items	(53,515)	(41,651)	(98,328)
Acquisition of intangible assets	(31,075)	(17,250)	(58,649)
Capital increase in subsidiaries	-	-	-
Dividends received	-	-	-
(Acquisition) write-off of other investments	-	-	-
Cash from business combinations	-	-	-
Acquisition (Write-off) other Investments	(878)	(923)	(1,568)
	<b>(85,468)</b>	<b>(59,824)</b>	<b>(158,545)</b>



**Cash flows from financing activities**

Loans	206,406	141,439	124,807
Loans paid (principal)	(127,695)	(97,943)	(98,991)
Loans paid (interest)	(44,186)	(40,814)	(44,659)
Payment of lease (principal)	(5,116)	(3,362)	(5,575)
Payment of lease (finance charges)	(1,051)	(650)	(901)
Payables for acquisition of businesses (principal)	-	-	(7,404)
Payables for acquisition of businesses (interest)	-	-	(466)
Share Buyback Program	(2,851)	(1,912)	-
Payment of dividends – noncontrolling interests	(863)	(863)	(548)
Capital increase	-	-	-
Expenditures with issuing of shares	-	-	-
Dividends paid	(159,220)	(89,926)	(119,456)
Interest on capital paid	-	-	(80,922)

<b>Net cash provided by (used in) financing activities</b>	<b>(134,576)</b>	<b>(94,031)</b>	<b>(234,115)</b>
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<b>Increase in cash and cash equivalents, net</b>	<b>351,754</b>	<b>(62,320)</b>	<b>(169,531)</b>
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Cash and cash equivalents at the beginning of the year	887,969	887,969	1,303,169
Cash and cash equivalents at the end of the year	1,239,723	825,649	1,133,638



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