

DESKTOP

EARNINGS
RELEASE

4Q24 and
2024



Desktop Reports Fourth Quarter 2024 and Full Year Results

Highlights

- In 2024, Desktop delivered the highest growth in organic net additions as a percentage of homes passed (network coverage) among the industry's major players;
- In terms of profitability, the company reached a record Adjusted Net Income in the fourth quarter of 2024, totaling R\$ 54 million. The accumulated Adjusted Net Income for the year was R\$ 199 million, representing a 33% increase compared to 2023;
- Regarding cash generation, in 2024, the company: (i) achieved operating cash flow + capex of R\$ 105 million, 48% higher than in 2023; and (ii) completed the raising of R\$ 1 billion for Liability Management, resulting in a reduction of the average spread from CDI+2.7% to CDI+1.3%, and an extension of the debt maturity from 4.2 years to 5.4 years.

Sumaré, March 17, 2025 - Desktop S.A. (“Desktop” or “Company”) (B3: DESK3), market-leading ISP in the state of São Paulo and one of the largest in Brazil, announced today the consolidated results for the fourth quarter of 2024 (4Q24) and full year 2024.

The financial statements were prepared in accordance with the rules of the Brazilian Securities and Exchange Commission (CVM) and the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). Adjusted metrics, excluding non-recurring events, are also provided for better comparability. Non-financial information, such as volume, quantity, and average price in reais, were not examined by the independent auditors.

Conference Call

March 18, 2025
10:00 a.m. (EDT)
[Click here](#)

Summary of Results for 4Q24 and 2024

- **Net Revenue:** R\$ 292 million, an 11% increase compared to 4Q23 and 2% growth versus 3Q24. For full year 2024, net revenue reached R\$ 1,129 billion, 14% higher than in 2023;
- **Adjusted EBITDA:** R\$ 150 million, an 11% increase compared to 4Q23. Adjusted EBITDA margin reached 51% in the quarter, 0.1 p.p. lower than in 4Q23 and in line with 3Q24. For the full year, Adjusted EBITDA totaled R\$ 579 million, 16% higher than in 2023, with a 51% margin, reflecting a 1 p.p. expansion versus the same period;
- **Adjusted Net Income:** R\$ 54 million, 8% higher than 4Q23 and 13% above 3Q24. On a full-year basis, Adjusted Net Income reached R\$ 199 million, 33% above 2023, while Adjusted Net Margin expanded by 3 p.p., reaching 18%;
- **Total Cash (EoP):** R\$ 384 million as of December 31, 2024;
- **Homes Connected (HCs):** 1,131 thousand subscribers as of December 2024, representing 11% growth compared to the same period in 2023;
- **Homes Passed (HPs):** 4.5 million as of December 2024, a 3% increase versus December 2023;
- **Infrastructure:** approximately 55,000 km of network, including 11,000 km of backbone and 45,000 km of FTTH access network.

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Competition Overview

Figure 1 – Desktop stands out in utilizing its existing network among peers
(Net Additions in 2024 / Average HPs - %)

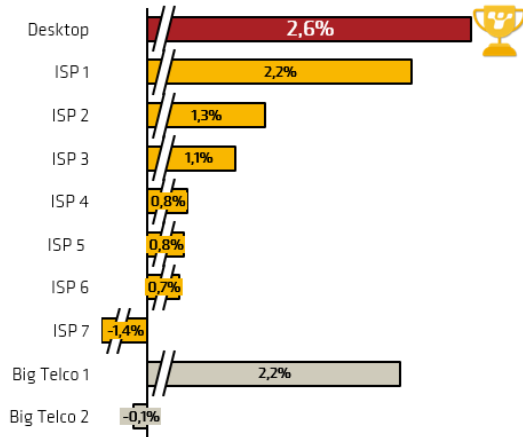
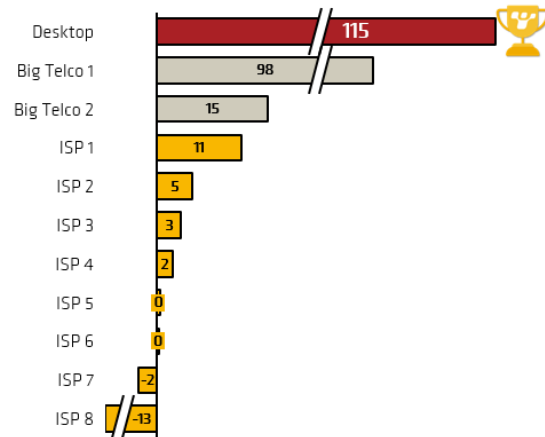


Figure 2 – Leader in absolute volume of new customers in its operating region
(Total Net Additions - '000)



Throughout 2024, Desktop continued to stand out in terms of competition. In addition to maximizing the utilization of its existing infrastructure, measured by the connection of new organic customers within its built-out coverage, the company delivered the highest level of organic customer growth in its operating region, accelerating its performance compared to the previous year.

Figure 3 – Best Internet Provider in the State of São Paulo (MB)



This growth leadership reflects Desktop's relentless pursuit of differentiation, focusing on delivering higher product and service quality. For the second consecutive year, Desktop was recognized as The Best Internet Provider in the State of São Paulo.

Financial Summary

R\$ '000	4Q24	4Q23	Var. %	2024	2023	Var. %
Net Revenue	292,436	263,166	11%	1,128,842	986,391	14%
Adjusted EBITDA	150,240	135,588	11%	578,788	497,005	16%
Adjusted EBITDA Margin (%)	51%	52%	0 p.p	51%	50%	1 p.p
Adjusted Net Income	54,111	49,934	8%	198,790	148,936	33%
Adjusted Net Margin (%)	19%	19%	0 p.p	18%	15%	3 p.p

Operational Summary

'000	4Q24	3Q24	2Q24	1Q24	4Q23
Subscribers EoP	1,131	1,109	1,078	1,046	1,017
Net Organic Additions (ex-M&As)	23	31	32	29	18
Homes Passed EoP	4,481	4,401	4,368	4,352	4,342
Cities Served (#)	194	186	185	185	184

Management's Letter

Key Milestones Throughout 2024

With a team driven by the obsession to serve customers with excellence, Desktop delivered the highest number of organic net additions in its operating region, 17% ahead of the second-largest player, and the highest growth in homes passed percentage among the largest players in the sector nationwide.

The focus on delivering high-quality products and first-class services has continuously strengthened the Desktop brand in São Paulo, once again earning recognition as **The Best Internet Provider in the State of São Paulo** by the Melhor Escolha award.

From an institutional perspective, some of the key milestones of the year included:

- (i) The reinforcement of corporate culture through **Desktop Way** (Jeito Desktop), which focuses on preserving the pillars that have driven the company's success (Being Simple and Approachable, Delivering Excellence, and Solving with Agility) and disseminating them across all levels;
- (ii) The publication of Desktop's first ESG Report, consolidating its sustainability and social impact guidelines, reaffirming its commitment to transparency and best governance practices;
- (iii) Desktop's recognition as an outstanding workplace, receiving the **Great Place to Work (GPTW)** certification in November, validating its commitment to a collaborative, innovative, and motivating environment for employees.

Growth Delivery with Improved Profitability and Cash Conversion

During 4Q24, Desktop recorded 23,000 organic net additions, a 29% increase compared to 4Q23. The decline in additions compared to 3Q24 was primarily due to December seasonality, a historically weaker month caused by fewer business days and shifts in consumer priorities during the holiday season.

On an annual basis, Desktop expanded its subscriber base by approximately 115,000, driven by three key factors: (i) Brand strengthening; (ii) Portfolio and commercial management evolution, now fully integrated across all regions, continuously expanding with new products, including Desktop Mobile; (iii) Excellence in service and customer experience, recognized for the third consecutive year by the Experience Awards, where Desktop was honored as a benchmark in Customer Experience (CX).

Regarding the commercial portfolio, it is worth noting that on March 17, 2025, Desktop launched **Desktop Mais**, the company's new convergent offering, combining its renowned FTTH broadband service with a new mobile solution via MVNO. Initially available in 60 cities, this offer enhances monetization opportunities, adding cross-sell potential (fiber + mobile) and strengthening up-sell campaigns for broadband customers.

Regarding financial results for the quarter, subscriber base expansion drove Net Revenue to R\$ 292 million, reflecting an 11% year-over-year growth and a 2% increase versus 3Q24. Adjusted EBITDA reached R\$ 150 million, growing 11% year-over-year and 2% compared to 3Q24, maintaining a robust EBITDA margin of 51%. On a full-year basis, Desktop reported Net Revenue of R\$ 1,129 billion, 14% higher than in 2023, and Adjusted EBITDA of R\$ 579 million, up 16% versus 2023, with a 51% margin, 1 p.p. higher than the previous year.

A key financial highlight for 4Q24 was Desktop's record Adjusted Net Income, which reached R\$ 54 million, bringing full-year 2024 Adjusted Net Income to R\$ 199 million, 33% higher than in 2023.

Regarding cash generation, Desktop achieved Operating Cash Flow + Capex of R\$ 105 million, representing 48% growth compared to 2023.

The year was also marked by initiatives to enhance the company's financial strength, including the issuance of the 6th and 7th debentures, totaling R\$ 1 billion, to refinance previous debt. This resulted in a reduction of the average spread from CDI+2.7% to CDI+1.3% and an extension of debt maturity from 4.2 years to 5.4 years.



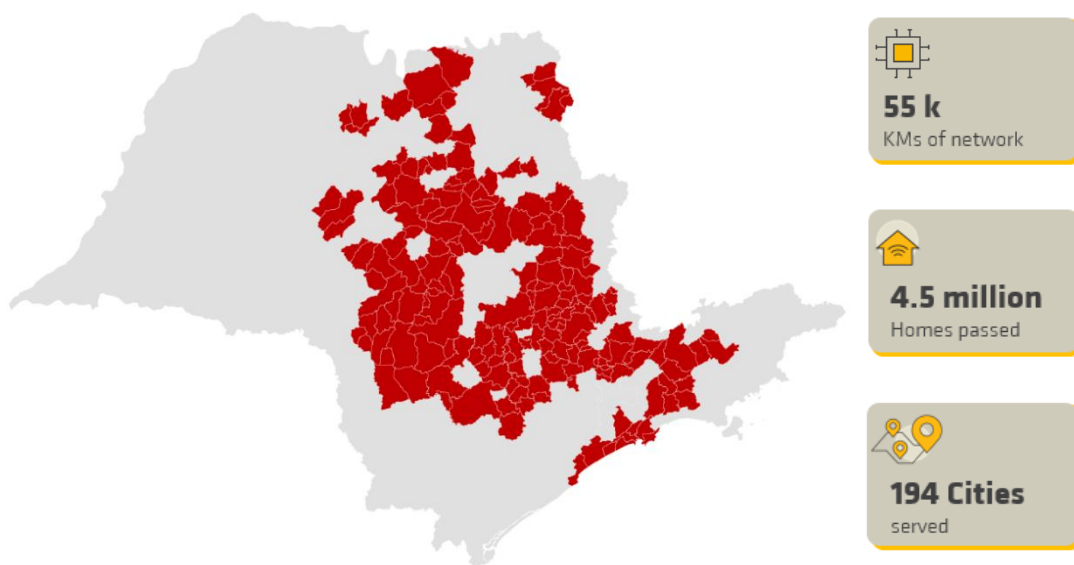
With a year of significant achievements and sustained growth, Desktop is well-positioned for the challenges and opportunities of 2025. We sincerely thank our customers, employees, and partners for their trust and remain focused on maintaining Desktop as a benchmark for quality and growth in the industry.

Operating Performance

Geographic Presence

At the end of 4Q24, Desktop operated in 194 cities across the interior of São Paulo State, an increase of ten cities compared to 4Q23. With its own fiber optic network infrastructure extending 55,000 kilometers, including 11,000 km of backbone and 45,000 km of FTTH access network, the company covered 4.5 million households (Homes Passed - HPs), reflecting a 3% expansion compared to the same period last year.

Figure 4 - Desktop's Geographic Positioning



Homes Connected (HCs)

The company's access base grew by 11% compared to the end of 4Q23, reaching 1.131 million connected homes by December 2024. With 23,000 organic net additions in 4Q24, representing a 29% year-over-year increase, Desktop maintained its strong growth momentum, outperforming the market. The company sustained an average of approximately 10,000 organic net additions per month throughout 2024.

Figure 5 - Evolution of Homes Connected ('000)

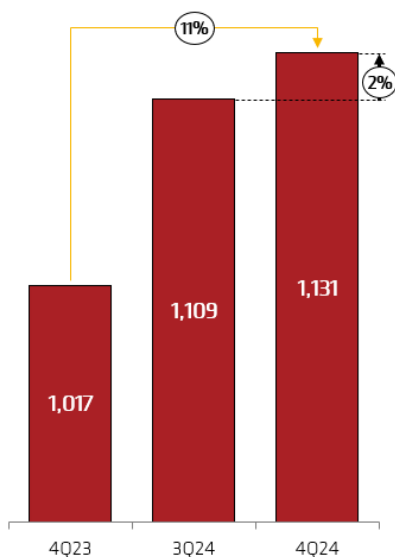
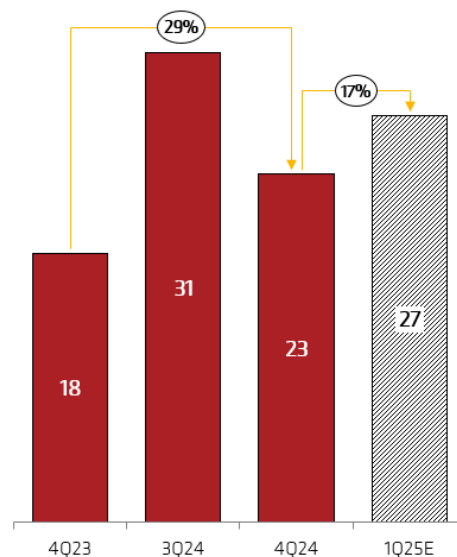


Figure 6 - Organic Net Adds ('000)



Economic-Financial Performance

Net Revenue

The company's net revenue totaled R\$ 292.4 million in 4Q24, representing an 11% increase compared to 4Q23. This growth was primarily driven by the expansion of the customer base and effective management of the company's pricing strategy.

R\$ '000	4Q24	4Q23	Var. %	2024	2023	Var. %
Net Revenue	292,436	263,166	11%	1,128,842	986,391	14%
(-) Cost of Services Provided	(72,025)	(62,909)	14%	(271,739)	(237,942)	14%
Gross Profit	220,411	200,257	10%	857,103	748,449	15%
Gross Margin (%)	75%	76%	-1 p.p	76%	76%	0 p.p

Adjusted EBITDA

Desktop reached R\$ 150.2 million in adjusted EBITDA in 4Q24, reflecting an 11% year-over-year increase. The company maintained an adjusted EBITDA margin of 51%, in line with both 4Q23 and 3Q24. On a full-year basis, Desktop recorded R\$ 578.8 million in adjusted EBITDA, 16% higher than the previous year, with a margin of 51%, representing a 1 percentage point expansion compared to 2023. This improvement was mainly attributed to a reduction in impairment losses on accounts receivable, driven by an improvement in the credit profile of the customer base, as well as a consequent decrease in the average churn rate over the periods.

The Company discloses its Adjusted EBITDA excluding other non-recurring operating income (expenses) because it understands that it should not be considered in the calculation of recurring operating cash generation.

Adjusted EBITDA is calculated from net income (loss), plus depreciation and amortization, income taxes, net financial income, and the result of other non-operating and/or non-recurring income/expenses, such as one-off M&As (e.g. lawyers and auditors) and expenses related to the Stock Option Plan.

R\$ '000	4Q24	4Q23	Var. %	2024	2023	Var. %
Net Income	24,471	32,025	-24%	100,074	116,978	-14%
Financial Results	(65,640)	(52,131)	26%	(197,405)	(202,944)	-3%
Income tax	757	(2,796)	NM	(60,735)	(8,287)	NM
Depreciation and Amortization	(59,121)	(47,097)	26%	(214,980)	(166,029)	29%
EBITDA¹	148,475	134,049	11%	573,194	494,238	16%
EBITDA Margin (%)	51%	51%	0 p.p	51%	50%	1 p.p
Non-recurring and/or non-operating expenses	(1,765)	(1,539)	15%	(5,594)	(2,767)	102%
Non-recurring expenses from M&As	(1,588)	(754)	111%	(3,121)	(1,232)	153%
Stock Option Plan	(177)	(785)	-77%	(2,473)	(1,535)	61%
Adjusted EBITDA²	150,240	135,588	11%	578,788	497,005	16%
Adjusted EBITDA Margin (%)	51%	52%	0 p.p	51%	50%	1 p.p

1. EBITDA calculated according to CVM Resolution No 156/2022 (=from the sum of net income, taxes, financial income and depreciation);

2. Adjusted EBITDA to exclude non-recurring items that should not be considered in the calculation of operating cash current generation.

Depreciation and Amortization

Depreciation and amortization totaled R\$ 59.1 million in 4Q24, representing a 26% increase compared to 4Q23. This growth was driven by higher investments in network infrastructure, customer installations, and technology.

R\$ '000	4Q24	4Q23	Var. %	2024	2023	Var. %
Depreciation and Amortization	(59,121)	(47,097)	26%	(214,980)	(166,029)	29%

Financial Results

The financial result was negative at R\$ 65.6 million in 4Q24. The deterioration compared to 4Q23 was due to (i) a higher level of company debt, (ii) one-time fees related to debt prepayment as part of the Liability Management initiatives initiated in 3Q24, and (iii) an increase in the interest rate curve over the period.

R\$ '000	4Q24	4Q23	Var. %	2024	2023	Var. %
Net Financial Result	(65,640)	(52,131)	26%	(197,405)	(202,944)	-3%
(+) Financial revenue	21,532	6,341	240%	67,068	32,105	109%
(-) Financial expense	(87,172)	(58,472)	49%	(264,473)	(235,049)	13%

Adjusted Net Profit

Adjusted Net Profit totaled R\$ 54.1 million in 4Q24, reflecting a 8% year-over-year increase, with an adjusted net margin of 19%.

For the full year, Desktop recorded adjusted net income of R\$ 198.8 million, with a margin of 18%.

R\$ '000	4Q24	4Q23	Var. %	2024	2023	Var. %
Net Profit	24,471	32,025	-24%	100,074	116,978	-14%
Net Margin (%)	8%	12%	-4 p.p	9%	12%	-3 p.p
Non-recurring and/or non-operating expenses	(29,640)	(17,909)	66%	(98,716)	(31,958)	209%
Non-recurring expenses from M&As ²	(1,048)	(498)	111%	(2,060)	(813)	153%
Stock Option Plan ²	(117)	(518)	-77%	(1,632)	(1,013)	61%
Amortization of capital gains ²	(5,310)	(5,844)	-9%	(22,460)	(19,083)	18%
Debenture prepayment fees ²	(8,033)	-	NM	(8,033)	-	NM
Deferred taxes (goodwill generated by M&A operations) ³	(15,132)	(11,049)	37%	(64,531)	(11,049)	NM
Adjusted Net Profit¹	54,111	49,934	8%	198,790	148,936	33%
Adjusted Net Margin (%)	19%	19%	0 p.p	18%	15%	3 p.p

- Adjusted Net Profit to exclude non-recurring or non-cash items that should not be considered in the calculation of current generation of profits;
- Net amounts of taxes at a rate of 34%;
- The Company records income tax and deferred social contribution liabilities from tax amortizations of goodwill. This liability is created to offset the effects of the reduction in taxable profit resulting from this tax amortization and will be realized from the moment the goodwill is realized, or by testing the recoverability of this goodwill ("impairment"). The Company adjusts this amount in its Adjusted Net Income since the expense has no cash effect.

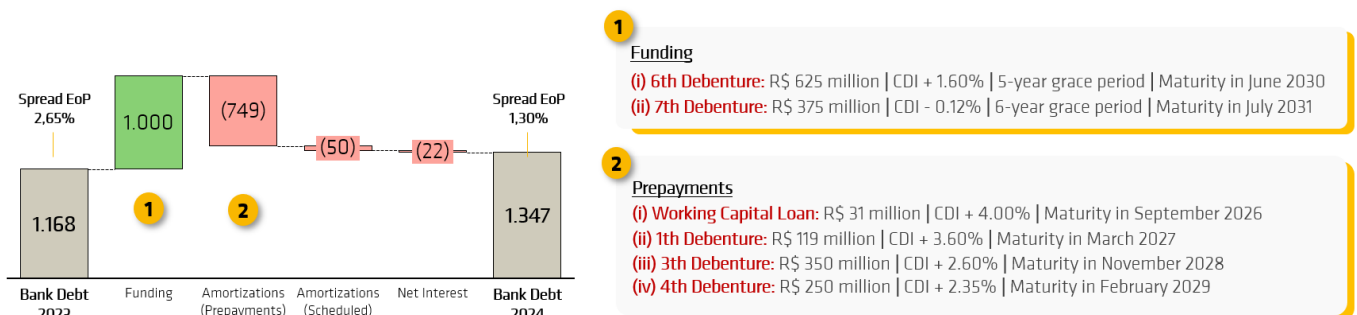
Liquidity and Indebtedness

The Company ended 4Q24 with a net debt of R\$ 1,455.2 million, which represents 2.4x the Annualized Proforma EBITDA, in line with the level presented in 4Q23.

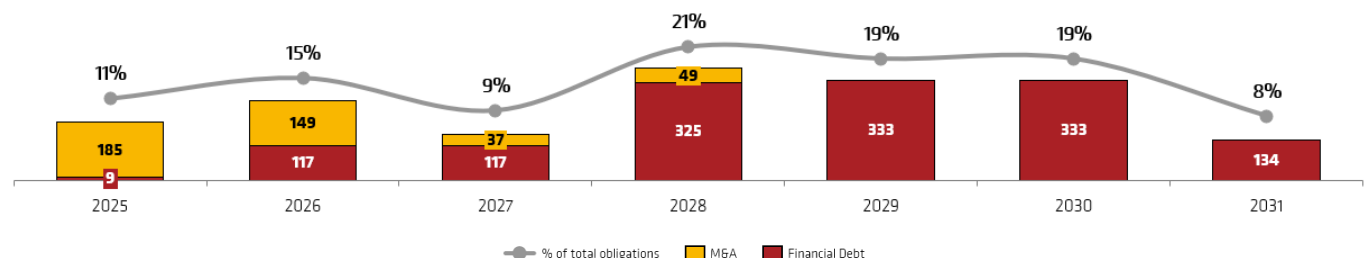
Liquidity (R\$ '000)	4Q24	4Q23	Var. %
(+) Cash and cash equivalents	290,953	329,655	-12%
(+) Financial investments	92,591	83,543	11%
Liquidity	383,544	413,198	-7%
Indebtedness (R\$ '000)	4Q24	4Q23	Var. %
(-) Loans and Debentures	1,347,339	1,168,367	15%
(-) Lease Liabilities	71,013	43,527	63%
Gross Debt	1,418,352	1,211,894	17%
(-) Liquidity	383,544	413,198	-7%
Net Debt	1,034,808	798,696	30%
M&As Commitments (R\$ '000)	4Q24	4Q23	Var. %
(-) M&As Term Installments	420,424	510,411	-18%
Net Debt+ M&As Term Installments	1,455,232	1,309,107	11%
Leverage (R\$ '000)	4Q24	4Q23	Var. %
Annualized Proforma EBITDA	600,960	542,352	11%
Net Debt/EBITDA Pro Forma Annualized (x)	2.4x	2.4x	0,0x

Liability Management (R\$ Million)

It is worth highlighting the various liability management initiatives carried out during the second half of 2024, which included debenture issuances and prepayments, as well as other financing lines. These initiatives extended Desktop's bank debt maturity and reduced the cost to CDI + 1.3% by the end of 4Q24 (vs. CDI + 2.7% in 4Q23).



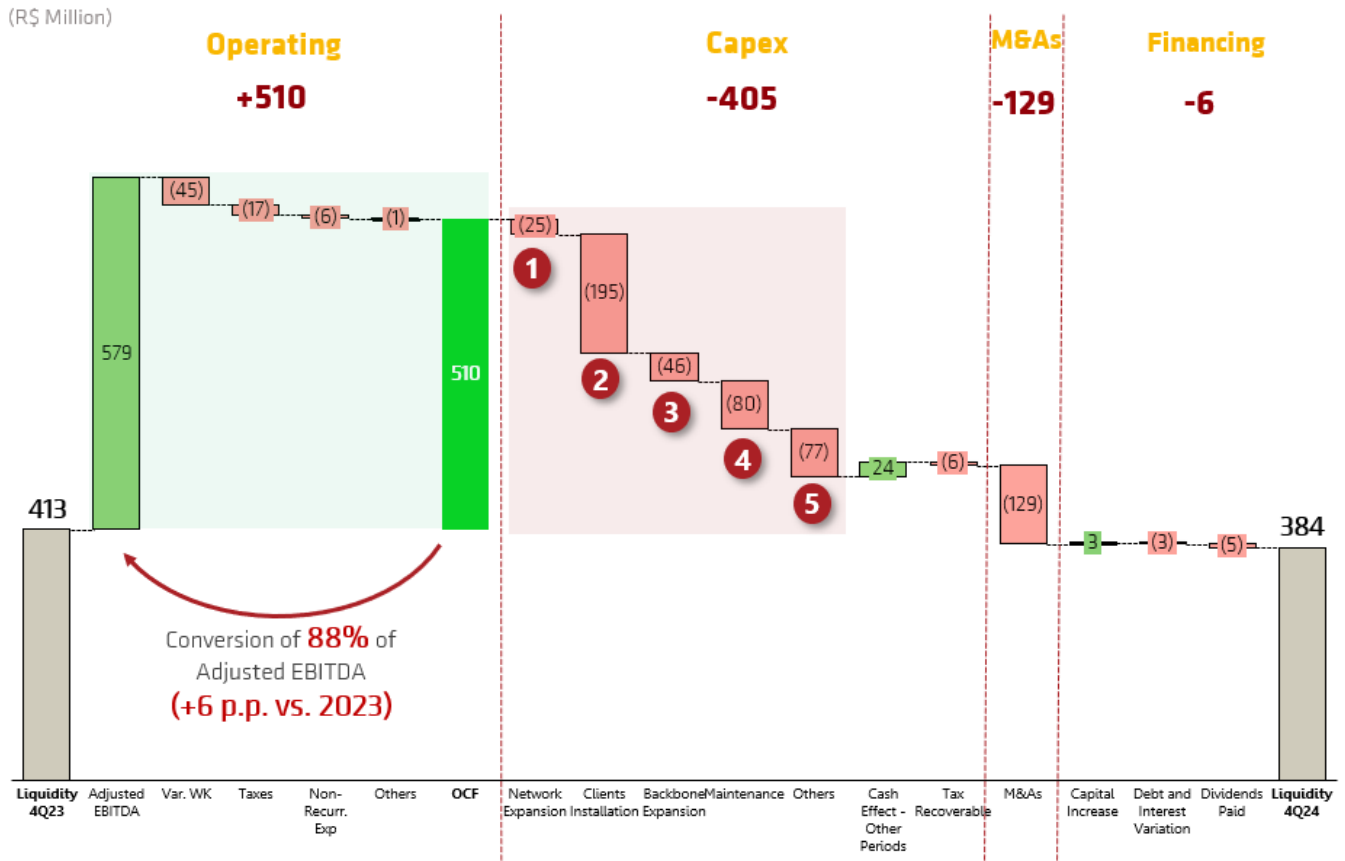
Debt Schedule (R\$ Million)



Cash Flow

The company ended 2024 with R\$ 383.5 million in cash and financial investments. During the period, Desktop converted 88% of its EBITDA into operating cash flow. Adjusted investment cash flow totaled R\$ 533.7 million, with key highlights including: (i) R\$ 128.8 million allocated to installment payments related to M&A transactions; and (ii) R\$ 194.7 million used for new customer installations.

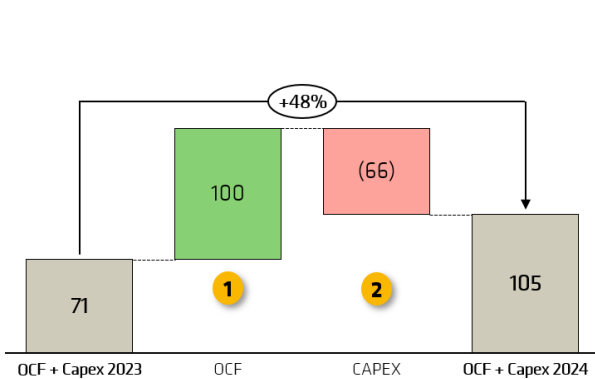
The company provides a managerial-adjusted view of its cash flow and CAPEX to enhance transparency regarding the sources and allocation of its financial resources.



It is worth noting that CAPEX is composed of additions to fixed assets and intangible assets, including (i) purchases for projects that are still in the execution phase, that is, that have not been commercially launched (“Pre-Operational Capex”); and (ii) purchases that are in inventory (“Inventory Capex”). In order to clarify the capex per port and gross adds, we adjusted by the increase and decrease of inventory.

CAPEX (R\$ '000)		2024
1	Network Expansion	24,908
	Increase (Decrease) of inventory	(756)
	Network Expansion - Adjusted	25,664
	Ports Added ('000)	110
	CAPEX/PORT	234
2	Clients Installation	194,720
	Increase (Decrease) of inventory	(38,791)
	Clients Installation - Adjusted	233,512
	Gross Adds ('000)	406
	CAPEX/GROSS ADDS	575
3	Backbone Expansion	46,380
	% of Total CAPEX	11%
4	Maintenance	79,729
	% of Net Revenue	7%
5	I.T.	32,462
5	Others	44,484
	Building Refurbish (One-off)	9,653
	Other Capex	34,831
	Total adjusted CAPEX	422,683

Compared to 2023, Desktop's cash generation, based on the Adjusted Operating Cash Flow (FCO) + Capex metric, expanded by 48%, reaching R\$ 105.2 million.



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- (i) Strong increase in EBITDA and margin;
- (ii) Improved working capital dynamics, mainly due to supplier payment terms;
- (iii) Lower tax/social contribution payment after the acceleration of M&A incorporations.

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- (i) Higher customer installation volume, driven by the Company's acceleration compared to 2023.
- (ii) Increased investments in backbone modernization, data centers, and access network.
- (iii) Improved payment terms dynamics with suppliers.

Appendix

Balance Sheet - Consolidated

R\$ '000	2024	2023
TOTAL ASSETS	3,510,912	3,247,841
Current Assets	651,527	611,739
Cash and cash equivalents	290,953	329,655
Financial Investments	92,591	83,543
Accounts receivable from clients	162,619	112,539
Recoverable taxes	60,884	49,223
Income tax and social contribution	1,438	2,886
Prepaid expenses	34,759	22,714
Other receivables	8,283	11,179
Non-Current Assets	2,859,385	2,636,102
Recoverable taxes	39,804	41,050
Deferred income tax and social contribution	65,199	91,868
Judicial deposits	2,294	2,078
Prepaid expenses	50,396	34,721
Other receivables	7,101	7,907
Property and equipment	1,643,187	1,413,463
Right of use	64,996	42,278
Intangible assets	986,408	1,002,737
LIABILITIES AND EQUITY	3,510,912	3,247,841
Current liabilities	425,605	482,101
Suppliers	123,483	71,112
Accounts payable for acquisition of companies	135,614	124,350
Accounts payable to related parties	22,068	46,552
Loans and debentures	10,321	129,765
Leasing liabilities	31,345	19,766
Social and labor obligations	59,174	47,920
Taxes payable	35,015	30,595
Income tax and social contribution	1,300	4,500
Dividends Payable	4,409	5,324
Other amounts payable	2,876	2,217
Non-Current Liabilities	1,716,221	1,471,606
Accounts payable for acquisition of companies	174,075	240,682
Accounts payable to related parties	88,667	98,827
Loans and debentures	1,337,018	1,038,602
Leasing liabilities	39,668	23,761
Taxes payable	3,112	6,328
Deferred income tax and social contribution	64,045	45,116
Provisions for contingencies	8,724	16,986
Other amounts payable	912	1,304
Equity	1,369,086	1,294,134
Share capital	955,700	953,169
Capital reserve	64,404	88,482
Income reserve	329,820	242,259
Treasury Shares	(1,680)	(316)
Equity attributed to controlling shareholders	1,348,244	1,283,594
Interest of non-controlling shareholders	20,842	10,540

Consolidated Income Statement

R\$ '000	4Q24	4Q23	Var. %	2024	2023	Var. %
Gross Revenue	337,627	307,002	10%	1,310,308	1,151,879	14%
(-) Deductions	(45,191)	(43,836)	3%	(181,466)	(165,488)	10%
Net Revenue	292,436	263,166	11%	1,128,842	986,391	14%
(-) Cost of Services provided	(72,025)	(62,909)	14%	(271,739)	(237,942)	14%
Gross Profit	220,411	200,257	10%	857,103	748,449	15%
Gross Margin (%)	75%	76%	-1 p.p	76%	76%	0 p.p
(-) Commercial expenses	(36,923)	(29,014)	27%	(137,043)	(114,555)	20%
(-) General and administrative	(33,006)	(26,813)	23%	(127,770)	(109,602)	17%
(+/-) Other income (expenses), net	4,952	1,049	NM	12,509	8,934	40%
(-) Depreciation and amortization	(59,121)	(47,097)	26%	(214,980)	(166,029)	29%
(-) Loss due to impairment of accounts receivable	(6,959)	(11,430)	-39%	(31,605)	(38,988)	-19%
(-) Financial Result	(65,640)	(52,131)	26%	(197,405)	(202,944)	-3%
EBT	23,714	34,821	-32%	160,809	125,265	28%
(+/-) Income Taxes	757	(2,796)	NM	(60,735)	(8,287)	NM
Net Income	24,471	32,025	-24%	100,074	116,978	-14%
Net Margin (%)	8%	12%	-4 p.p	9%	12%	-3 p.p

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Stock Option Plan	(177)	(785)	-77%	(2,473)	(1,535)	61%
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- 2- Adjusted EBITDA excluding non-recurring items that must not be considered to calculate the operating cash flow.

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Net Margin (%)	8%	12%	-4 p.p	9%	12%	-3 p.p
Non-recurring and/or non-operating expenses	(29,640)	(17,909)	66%	(98,716)	(31,958)	209%
Non-recurring expenses from M&As ²	(1,048)	(498)	111%	(2,060)	(813)	153%
Stock Option Plan ²	(117)	(518)	-77%	(1,632)	(1,013)	61%
Amortization of capital gains ²	(5,310)	(5,844)	-9%	(22,460)	(19,083)	18%
Debenture prepayment fees ²	(8,033)	-	NM	(8,033)	-	NM
Deferred taxes (goodwill generated by M&A operations) ³	(15,132)	(11,049)	37%	(64,531)	(11,049)	NM
Adjusted Net Profit¹	54,111	49,934	8%	198,790	148,936	33%
Adjusted Net Margin (%)	19%	19%	0 p.p	18%	15%	3 p.p

- 1- Adjusted Net Profit to exclude non-recurring or non-cash items that should not be considered in the calculation of current generation of profits;
- 2- Net amounts of taxes at a rate of 34%;
- 3- The Company records income tax and deferred social contribution liabilities from tax amortizations of goodwill. This liability is created to offset the effects of the reduction in taxable profit resulting from this tax amortization and will be realized from the moment the goodwill is realized, or by testing the recoverability of this goodwill ("impairment"). The Company adjusts this amount in its Adjusted Net Income since the expense has no cash effect.

Consolidated Cash Flow

R\$ '000	2024	2023
BoP – Cash Balance	329,655	68,629
Cash flows from operating activities		
Profit before income tax and social contribution	160,809	125,265
Adjustments for:		
Depreciation and amortization	150,114	114,961
Write-offs of property, plant, and equipment and intangible assets	1,664	904
Amortization of right-of-use assets	30,835	26,044
Write-offs of right of use	2,021	448
Write-off of lease liabilities	(2,210)	-
Amortization of capital gains	34,031	24,933
Interest expenses on loans, debentures, and leases	201,431	139,351
Amortization of transaction costs on loans and debentures	7,147	1,326
Interest on financial investments	(21,645)	(14,022)
Interest on loan and accounts payable to related parties	10,221	15,345
Interest expenses on accounts payable for business acquisitions	30,009	56,990
Financial update on contingencies	-	64
Reversal (Provision) for contingencies	2,719	(490)
Loss (Gain) on impairment of accounts receivable	(6,005)	667
Effective write-off of accounts receivable	37,610	38,321
Result from transactions with non-controlling shareholders	(6,532)	(3,994)
Stock option plan	2,472	1,535
Adjusted profit before income tax and social contribution	634,691	527,648
Variation in assets and liabilities:		
Accounts receivable from clients	(81,685)	(53,656)
Recoverable taxes	(6,339)	(11,495)
Judicial deposits	325	(632)
Prepaid expenses	(27,720)	(16,606)
Other accounts receivable from related parts	-	(2,909)
Other receivables	(6,602)	3,072
Suppliers	(16,645)	(42,769)
Labor and social obligations	11,254	4,158
Taxes payables	1,204	(10,175)
Contingency payment	(2,662)	(2,459)
Other payables	268	(24,453)
Net cash generated from operating activities	506,089	369,724
Income tax and social contribution paid	(17,307)	(29,786)
Interest paid	(199,972)	(134,232)
Net cash (applied in) generated by operating activities	288,810	205,706
Cash flows from investing activities:		
Acquisition of financial investment	(514,607)	(298,425)
Net redemptions of financial investments	527,204	411,762
Acquisition of Investments	-	(90,805)
Acquisition of PP&E – Capex	(356,271)	(299,038)
Cash used in investing activities	(343,674)	(276,506)
Cash and cash equivalents obtained from acquisitions	-	2,874
Net cash used in investing activities after mergers	(343,674)	(273,632)
Cash flows from financing activities:		
Proceeds from loans, borrowings, and debentures	1,000,000	350,000
Amortization of loans and debentures	(799,116)	(62,040)
Transaction costs on loans and debentures	(18,602)	(4,191)
Capital Increase	2,531	251,323
Treasury Shares	(1,681)	(362)
Dividends paid	(5,274)	(2,148)
Shares granted under Matching Plan	355	47
Lease liability payments	(39,810)	(36,124)
Interest of non-controlling shareholders	-	2,909
Payment of deferred installment related to the acquisition of subsidiaries	(122,241)	(170,462)
Net cash (applied in) from financing activities	16,162	328,952
Net increase (decrease) in cash and cash equivalents	(38,702)	261,026
Eop – Cash Balance	290,953	329,655

About Desktop S.A.

Desktop is one of the leading ISP platforms in the State of São Paulo and one of the largest in Brazil, according to data from Anatel (National Telecommunications Agency). Focused on the fiber optic market, the Company operates through the best practices of network building to support its organic growth. In 2020, Desktop adopted the hybrid growth model, balancing organic expansion with inorganic, through the acquisition of the best assets in the adjacencies of its operation. With 55,000 kilometers of fiber optic network and more than 4,500 employees, the Company is committed to delivering the best end-to-end experience to customers. Desktop shares have been traded on B3 (**DESK3**) since July 2021. For more information, visit: www.ri.desktop.com.br

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