

DESKTOP

**EARNINGS
RELEASE**

4Q21 & 2021



Desktop Reports Fourth Quarter 2021 and Full Year Results

Highlights

- *More than 2 million Homes Passed were added to Desktop's coverage in 2021, spread across 97 new cities;*
- *123 thousand organic net additions to the subscribers base in 2021, demonstrating the strong demand for Desktop services, in addition to the assertiveness in the process of selecting new areas;*
- *+5 acquisitions in 2021, adding a total of +275 thousand subscribers to the Company's base, solidify Desktop's leadership among ISPs in the State of SP.*

Sumaré, March 30, 2022 - Desktop S.A. (“Desktop” or “Company”) (B3: DESK3), market-leading ISP platform in the State of São Paulo and one of the largest in Brazil, announced today the consolidated results for the fourth quarter of 2021 (4Q21) and for the 2021 fiscal year.

The financial statements were prepared in accordance with the rules of the Brazilian Securities and Exchange Commission (CVM) 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 31, 2022
10h00 (EDT)
Tel: +1 412 717-9627
Code: Desktop

Webcast

[Click here](#)
March 31, 2022
10h00 (EDT)

Summary of Results for 4Q21 and 2021

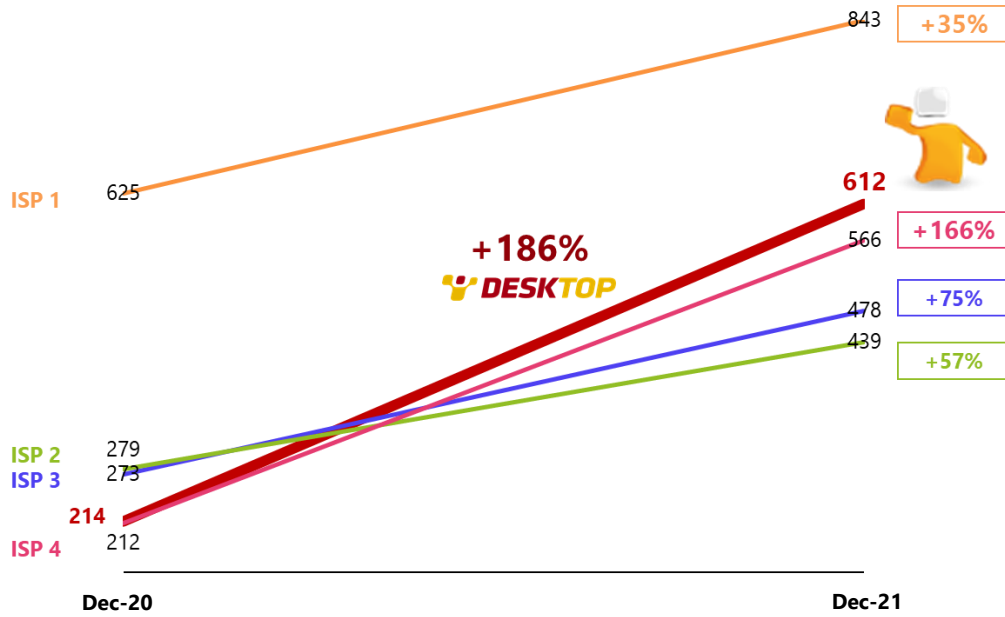
- **Gross Revenue:** R\$ 151 million, an increase of 138% when compared to 4Q20 and 27% compared to 3Q21. Gross Revenue in 2021 grew by 106% compared to 2020;
- **Adjusted EBITDA:** R\$ 52 million, an increase of 140% compared to 4Q20 and 29% compared to 3Q21. Adjusted EBITDA margin of 42% in the quarter, decrease of 1p.p. compared to the 4Q20, and in line with the 3Q21. In the year, adjusted EBITDA reached R\$146 million;
- **Total Cash (EoP):** R\$ 455 million on 12/31/2021;
- **Homes Connected (HCs):** 612 thousand subscribers in December 2021, representing a growth of 186% compared to the same period in 2020 and 58% compared to September 2021
- **Homes Passed (HPs):** 2.9 million Homes Passed in December 2021, representing an increase of 232% compared to the same period in 2020 and 52% compared to September 2021;
- **New Cities:** During 4Q21, the Company began operating in 54 new cities, totaling 122 cities served;
- **Extensive and Robust Infrastructure:** ~9 thousand km of backbone + ~31 thousand km of FTTH access network, +467% network growth in 2021; and
- **Acquisitions:** +3 acquisitions, (i) **Net Barretos** (+63 thousand subscribers), (ii) **LPNet** (+130 thousand subscribers) and (iii) **Infolog**, signed in December/21 and closed in January/22 (+16 thousand Subscribers). The 4Q21 figures include two months of Net Barretos (November and December), one month of LPNet (December) and do not include the acquisition of Infolog.

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In 2021, according to Anatel, Desktop had the highest subscribers' growth among the largest ISPs in Brazil.

Figure 1- National Market | Number of Subscribers ('000)



In its operating region (State of São Paulo), the Company took the absolute leadership in 2021. In this market, there are still several growth opportunities, both organically and through M&As.

Figure 1 – State of São Paulo Market | Subscribers market share (%)

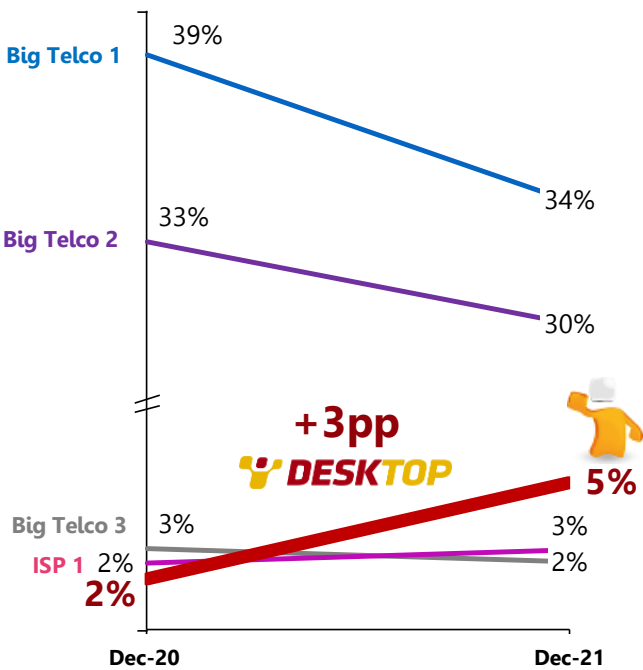
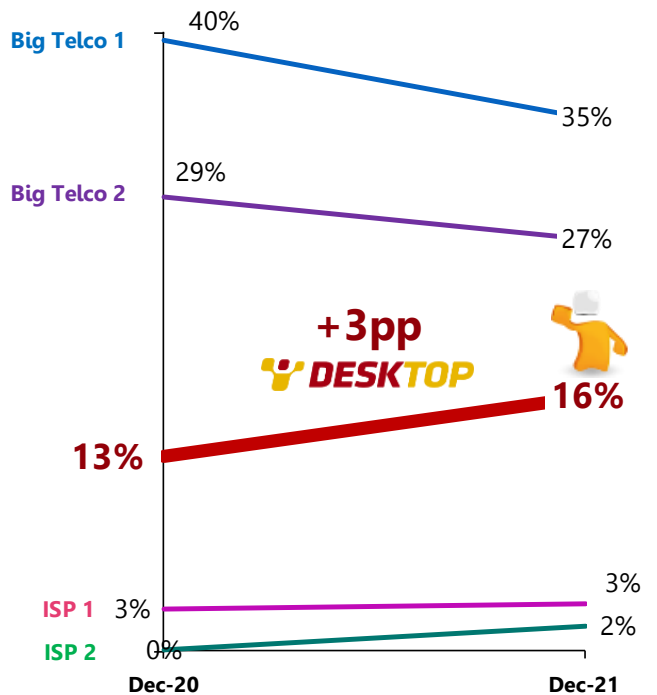
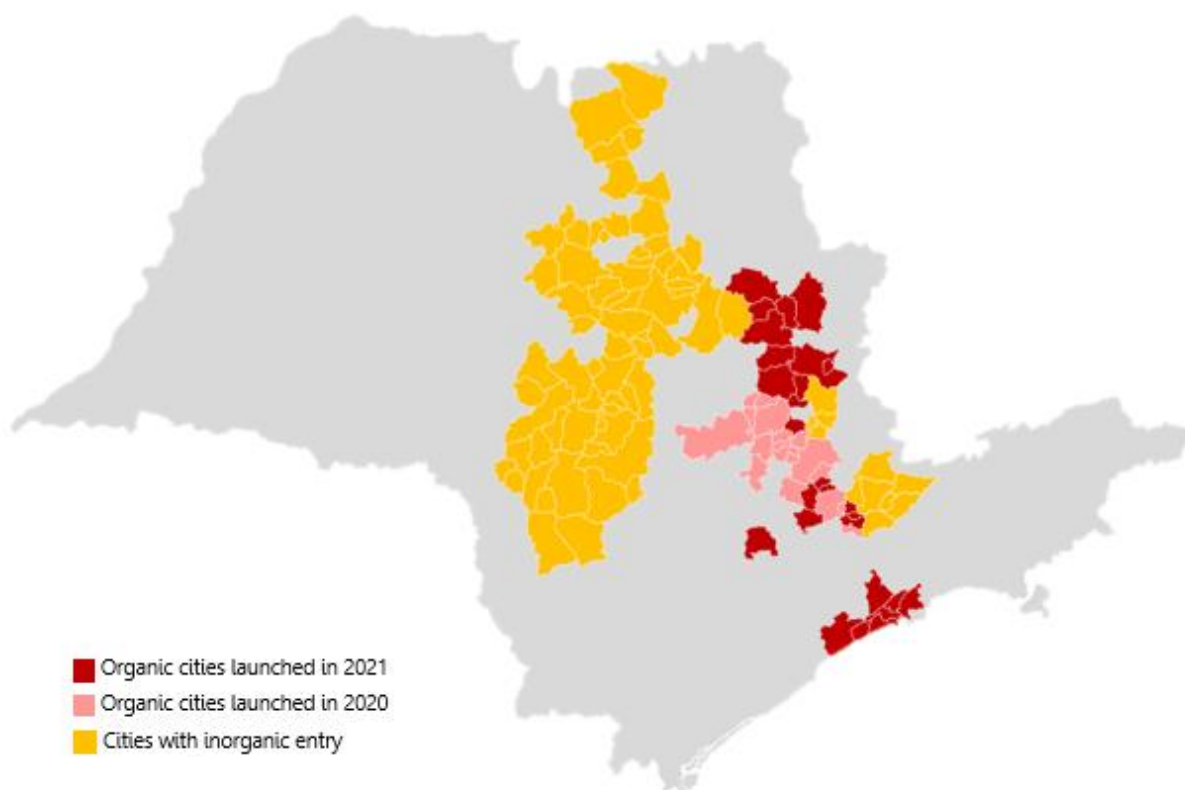


Figure 3 - State of São Paulo Market | Subscribers market share in cities where Desktop operates (%)



The map below exemplifies the Company's geographic expansion, which follows a strategy of planned adjacent growth, through the execution of organic and inorganic projects, seeking to maximize synergies, returns and generation of value for shareholders.

Figure 4 - Geographic Coverage



Financial Summary

R\$ '000	4Q21	4Q20	Var. %	2021	2020	Var. %
Net Revenue	123,480	50,242	146%	348,926	167,086	109%
Adjusted EBITDA	51,562	21,440	140%	146,301	87,686	67%
<i>Adjusted EBITDA Margin (%)</i>	<i>42%</i>	<i>43%</i>	<i>-1 p.p</i>	<i>42%</i>	<i>52%</i>	<i>-11 p.p</i>
Adjusted Net Income	19,037	7,460	155%	44,903	38,764	16%
<i>Net Margin (%)</i>	<i>15%</i>	<i>15%</i>	<i>1 p.p</i>	<i>13%</i>	<i>23%</i>	<i>-10 p.p</i>

Operational Summary

R\$ '000	4Q21	3Q21	2Q21	1Q21	4Q20	CQGR %
Subscribers EoP	612	387	333	254	214	30%
Net Organic Additions (ex-M&As)	32	34	32	25	15	20%
Homes Passed EoP	2,926	1,925	1,581	1,107	880	35%
Cities Served (#)	122	68	54	33	25	49%

Message from the Management

New levels of strategic positioning and growth

“Among several achievements and lessons learned, the year of 2021 was the most important step in our history so far. Following the successful IPO at B3, Desktop reached new levels in terms of brand positioning and the execution of organic and inorganic growth, consolidating itself as one of the largest ISPs in Brazil.” commented Denio Alves Lindo.

It is important to note that this accelerated expansion overlapped with the Covid-19 pandemic, with serious consequences in Brazil. Like most sectors, we faced challenges that range from the supply of certain inputs, which had their delivery times increased by the lower availability in the market, as well as operational difficulties caused by covid-related movement restrictions.

Geographic and sales expansion with a focus on maximizing returns

During 4Q21, the Company started organic operations in several cities, such as São Bernardo do Campo, Estiva Gerbi, Cabreúva, Itanhaém, Leme, Louveira, Mogi Guaçu and Mongaguá, totaling a coverage of 122 cities. “Desktop's organic net additions reached 32 thousand new customers in the last quarter of 2021, in line with 3Q21, even with occasional challenges identified to launch new HPs during 3Q21, which impacted the commercial schedule for 4Q21, especially for the month of October/21”, said Ermino Cecchetto, Chief Revenue Officer. For 1Q22, we expect net additions to be close to 39 thousand subscribers.

Regarding the inorganic avenue of growth, we were very assertive in identifying targets and executing acquisitions, totaling approximately 275 thousand subscribers in 2021, comprising: **(i)** Netion - ~15 thousand subscribers in March/21; **(ii)** C-Lig - ~47 thousand subscribers in May/21; **(iii)** Starnet - ~20 thousand subscribers in August/21; **(iv)** Net Barretos - ~63 thousand subscribers in November/21; and **(v)** LPNet - ~130 thousand subscribers in December/21.

“Net Barretos and LP Net, acquired in 4Q21, are two of the most relevant assets in the State of São Paulo. These acquisitions intensify our penetration in the region, given the significant increase in coverage that these companies have brought. This also brings us closer to the southern region of Minas Gerais and northern Paraná, expanding our range of potential expansion,” added Bruno Leão, M&A and Investor Relations Officer. Also, at the end of December/21, Desktop signed the acquisition of Infolog, with approximately 16 thousand subscribers. The closing of the Infolog acquisition took place at the beginning of January/22, and the results will only be consolidated as of 1Q22.

The Company's Gross Revenue grew by 138%, reaching R\$151 million in the quarter, reflecting the strong expansion of the subscribers base, while Adjusted EBITDA totaled R\$52 million. Also, to ensure continued growth, the financial structure was reinforced with the 3rd issue of debentures, in the amount of R\$350 million. “These debentures demonstrate our ability to access better funding, in addition to the assertiveness of our liability management, since the issuance lengthened the average term and made our debt cheaper,” commented Carla Cardilo, Chief Financial Officer.

ESG initiatives

Regarding the most relevant Environmental, Social and Governance (ESG) issues, Desktop started to work in coordination with teams dedicated to pointing out the best direction to be followed. Desktop recognizes the importance of ESG issues in all spheres and is committed to identifying and acting on the most material issues in the sector. The important ESG journey will be part of the Company's history, with the clear objective of occupying the position of ‘value generator’ for all stakeholders.

Desktop Manifesto and ratification of corporate culture

Finally, the **Desktop Manifesto** was launched, which summarizes what moves the Company forward: **'VOCÊS' (YOU)**.

- **(V) Velocity:** being fast and assertive in the quality of services offered, in delivering results, in proposing improvements and in bringing solutions.
- **(O) Boldness:** taking smart risks and finding alternative paths with strategies that value the team. Each experience builds strength and opens the range of possibilities.
- **(C) Growth:** being a leader, looking ahead and planning for continuous growth.
- **(E) Entrepreneurship:** building and maintaining a team capable of idealizing, coordinating and achieving. Give each employee the opportunity to be the owner, surpassing goals and bringing solutions that always put the Customer first.
- **(S) Synergy:** in every way, seek to generate value through simultaneous efforts. All are important pieces in teamwork, each one represents a small part of the result.

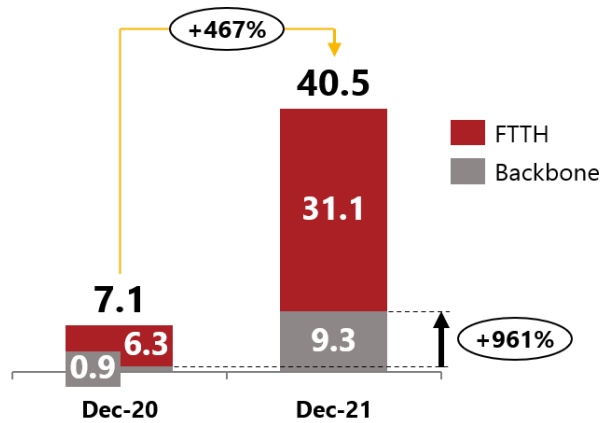
“And with that, I finish, with a thank you to customers, partners, and especially employees, who have written the biggest chapter in our history so far and will help us to write even bigger chapters from now on,” concluded Denio Alves Lindo.

Operating Performance

Network Extension ('000 km)

Addition of 33.4 thousand km of network in 2021, representing a growth of 467%, being: (i) 24.8 thousand km of access network (394% growth) and (ii) 8.4 thousand km of backbone (961% growth).

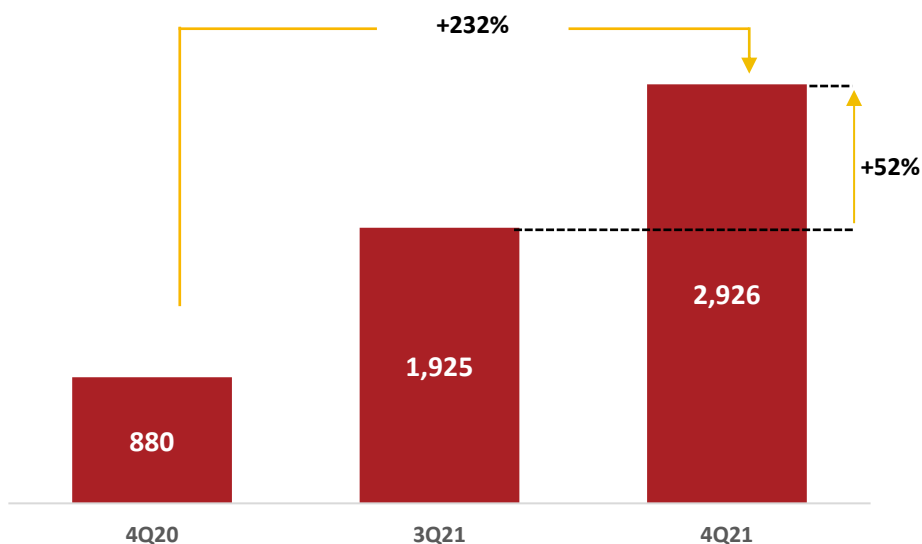
Figure 5 – Network Extension ('000 KM)



Homes Passed (HPs)

Increase of over 2 million Homes Passed in 2021, reaching 2.93 million of homes in December 2021, growth of 232% compared to 4Q20 and 52% compared to 3Q21.

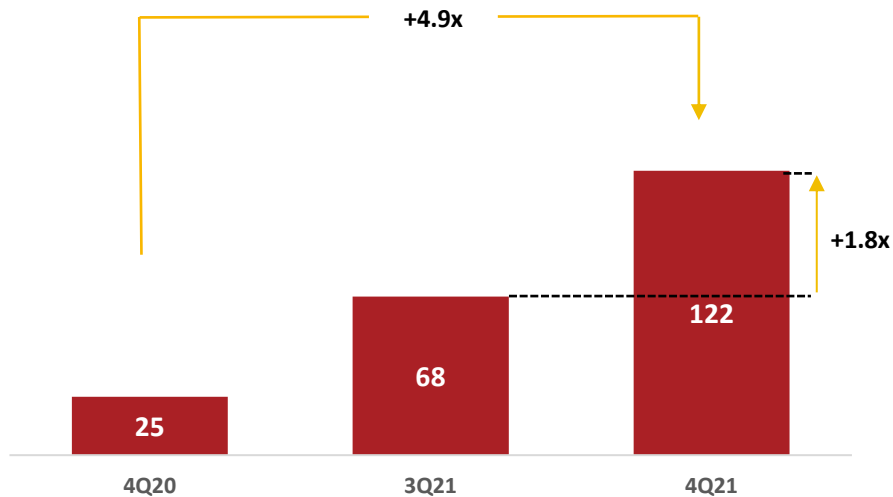
Figure 6 – Homes Passed (HPs) - ('000)



New Cities

Increase of almost 100 new cities in the Company's coverage throughout 2021, growth of approximately 4.9x over the number of cities served in 4Q20 and 1.8x over the number of cities served in 3Q21. All new cities are in line with Desktop's strategy to expand geographically to areas adjacent to the Company's operations.

Figure 7– Number Cities Served

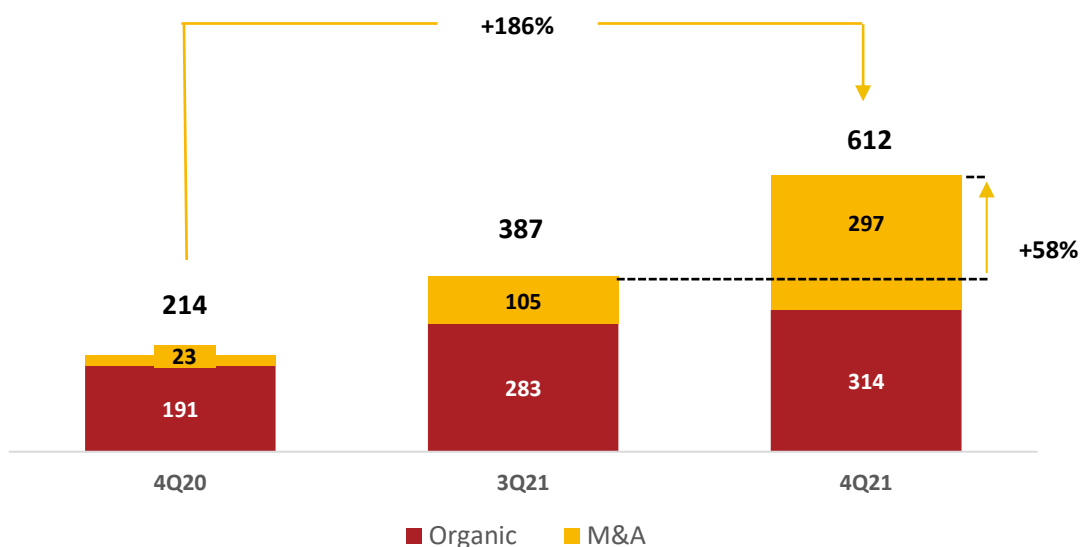


Homes Connected (HCs)

The Company's subscribers base grew by 186% compared to the end of 4Q20, reaching 612 thousand homes connected. Compared to the end of 3Q21, the growth was by 58%.

Regarding inorganic growth, the evolution in the quarter is due to the closing of the Net Barretos transaction, in November 2021, and LPNet, in December 2021, adding 63 thousand subscribers and 130 thousand subscribers, respectively, to the Desktop's base. Considering the acquisition of Infolog, the number of subscribers grows to around 628 thousand.

Figure 8 – Evolution of Homes Connected - ('000)



The omnichannel sales initiatives by Desktop’s commercial team supported the Company’s accelerated network expansion during 4Q21, bringing 32 thousand net organic additions to the subscriber’s base in the quarter, and 123 thousand in 2021. In 3Q21, there were challenges in the process to launch new regions, impacting the commercial schedule for 4Q21, especially for the month of October. Nevertheless, the Company had a recovery of growth in November and December, and is poised to deliver a significant growth in net additions in 1Q22E, with approximately 39 thousand new subscribers in the quarter.

Figure 9 - Quarterly Net Organic Additions - ('000)

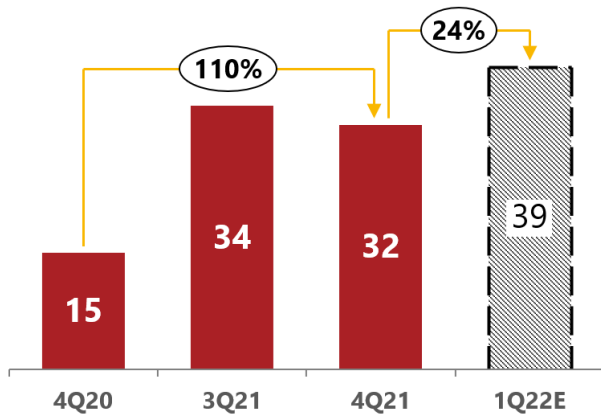
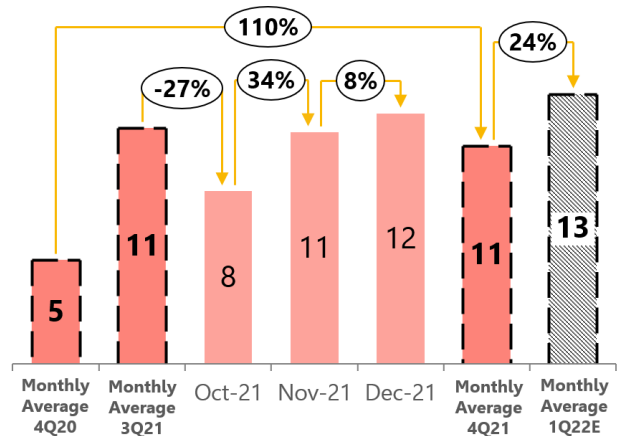


Figure 10 - Monthly Net Organic Additions - ('000)



Economic-Financial Performance

Gross Revenue

Gross Revenue totaled R\$151.0 million in 4Q21, an increase of 138% when compared to 4Q20. In 2021, there was a growth of 106% when compared to 2020, reaching R\$ 436.1 million in Gross Revenue. The evolution is mainly due to the increase in net additions, as a result of the increased penetration of the existing network and the significant expansion of geographic coverage via organic expansion and M&As, covering 97 new cities in the annual comparison of 4Q21 with 4Q20.

R\$ '000	4Q21	4Q20	Var. %	2021	2020	Var. %
Gross Revenue	151,050	63,592	138%	436,063	211,567	106%
(-) Taxes and Deductions	(27,570)	(13,350)	107%	(87,137)	(44,481)	96%
Net Revenue	123,480	50,242	146%	348,926	167,086	109%
(-) Cost of Services Provided	(37,014)	(11,610)	219%	(99,187)	(35,845)	177%
Gross Profit	86,466	38,632	124%	249,739	131,242	90%
Gross Margin (%)	70%	77%	-7 p.p	72%	79%	-7 p.p

Adjusted EBITDA

Even with EBITDA margin negatively impacted by the acceleration of organic growth, Adjusted EBITDA totaled R\$ 52 million in 4Q21, a growth of 140% when compared to 4Q20, driven by the significant increase in revenue.

In addition to the adjustments at the management level, which increased payroll in 2021, the opening of new cities generates the natural anticipation of costs that precede the capture of revenues, such as (i) rental of poles paid to concessionaires; (ii) hiring and training for the operations, commercial and service teams, in preparation for the new volume of demand predicted; (iii) connectivity costs; and (iv) advertising and marketing expenses, reflecting efforts to establish the Company's presence in these new regions. The normalization of the EBITDA margin is expected according to the gradual maturation of the new cities, through an increase in the share of mature cities in the consolidated results.

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 IPO and M&As (ex. lawyers and auditors), write-off of fixed assets, and expenses related to the Option Stock Plan.

In this quarter there was the full payment of salary readjustment for the year 2021, also contemplating a retroactive payment of R\$ 1.1 million referring to 9M21. Such payment is being reflected in the line "Salary adjustment referring to 9M21". The adjustment is only between quarters, reducing 4Q21 expenses and increasing 9M21 expenses, there is no impact on EBITDA for 2021.

R\$ '000	4Q21	4Q20	Var. %	2021	2020	Var. %
Net Income	16,922	5,955	184%	30,668	26,593	15%
Financial Results	(12,917)	(4,198)	208%	(34,652)	(8,194)	323%
Income tax	2,814	(2,426)	NM	(3,420)	(12,727)	-73%
Depreciation and Amortization	(23,018)	(6,581)	250%	(60,628)	(21,731)	179%
EBITDA¹	50,042	19,160	161%	129,368	69,245	87%
<i>EBITDA Margin (%)</i>	<i>41%</i>	<i>38%</i>	<i>2 p.p</i>	<i>37%</i>	<i>41%</i>	<i>-4 p.p</i>
Non-recurring and/or non-operating expenses	(1,520)	(2,280)	-33%	(16,934)	(18,441)	-8%
Salary adjustment referring to 9M21	(1,078)	-	NM	-	-	NM
Non-recurring expenses from IPO and M&As	1,431	(2,280)	NM	(11,449)	(11,080)	3%
Asset Retirement	-	-	NM	(365)	(7,361)	-95%
Stock Option Plan	(1,873)	-	NM	(5,120)	-	NM
Adjusted EBITDA²	51,562	21,440	140%	146,301	87,686	67%
<i>Adjusted EBITDA Margin (%)</i>	<i>42%</i>	<i>43%</i>	<i>-1 p.p</i>	<i>42%</i>	<i>52%</i>	<i>-11 p.p</i>

- EBITDA calculated according to CVM Instruction 527/2012 (=from the sum of net income, taxes, financial income and depreciation);
- 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\$ 23.0 million in 4Q21, a 250% increase compared to 4Q20. This growth was derived from the largest investments in network expansion and customer installation.

R\$ '000	4Q21	4Q20	Var. %	2021	2020	Var. %
Depreciation and Amortization	(23,018)	(6,581)	250%	(60,628)	(21,731)	179%

Financial Results

Financial Results was negative by R\$ 12.9 million in 4Q21, a 208% increase when compared to 4Q20. The increase is due to the Company's higher indebtedness, including the 3rd debentures issuance in the amount of R\$ 350 million in 4Q21.

R\$ '000	4Q21	4Q20	Var. %	2021	2020	Var. %
Net Financial Result	(12,917)	(4,198)	208%	(34,652)	(8,194)	323%
(+) Financial revenue	12,635	899	NM	23,298	3,404	NM
(-) Financial expense	(25,552)	(5,097)	NM	(57,950)	(11,598)	NM

Adjusted Net Profit

Adjusted Net Profit totaled R\$19.0 million in 4Q21, an increase of 155% when compared to 4Q20. In 2021, there was a growth of 16% versus the previous year, reaching R\$ 45.0 million.

Our margins have been pressured: (i) by the strong expansion of the operation and the consequent anticipation of costs and expenses, as described in the Adjusted EBITDA section; and (ii) higher financial expenses, given the Company's new capital structure. These negative effects were partially offset by a positive effect resulting from the reduction of IR/CSLL due to the amount of expenses related to the IPO.

R\$ '000	4Q21	4Q20	Var. %	2021	2020	Var. %
Net Profit	16.922	5.955	184%	30.668	26.593	15%
<i>Net Margin (%)</i>	<i>14%</i>	<i>12%</i>	<i>2 p.p</i>	<i>9%</i>	<i>16%</i>	<i>-7 p.p</i>
Non-recurring and/or non-operating expenses²	(2.115)	(1.505)	41%	(14.235)	(12.171)	17%
Salary adjustment referring to 9M21	(711)	-	NM	-	-	NM
Non-recurring expenses from IPO and M&As	944	(1,505)	NM	(7,556)	(7,313)	3%
Asset Retirement	-	-	NM	(241)	(4,858)	-95%
Stock Option Plan	(1,236)	-	NM	(3,379)	-	NM
Amortization of capital gains	(1,112)	-	NM	(3,059)	-	NM
Adjusted Net Profit¹	19,037	7,460	155%	44,903	38,764	16%
<i>Adjusted Net Margin (%)</i>	<i>15%</i>	<i>15%</i>	<i>1 p.p</i>	<i>13%</i>	<i>23%</i>	<i>-10 p.p</i>

- Adjusted Net Profit to exclude non-recurring items that should not be considered in the calculation of current generation of profits;
- Net amounts of taxes at a rate of 34%.

Annualized Proforma Gross Revenue and EBITDA

The continued accelerated growth is evident when we annualize gross revenue and EBITDA achieved in 4Q21.

"Annualized Pro Forma Gross Revenue " reaches approximately R\$ 740 million, an increase of 70% to the amount recorded in 2021, while the "Adjusted EBITDA Pro Forma Annualized" totals approximately R\$ 267 million, an increase of 82% compared to 2021 EBITDA.

Figure 11 – Annualized Pro Forma Gross Revenue (R\$ millions)

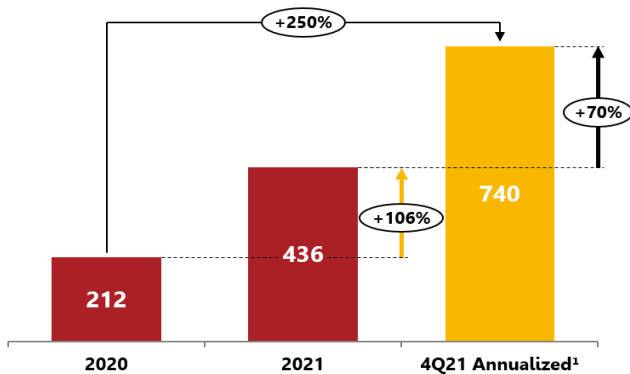
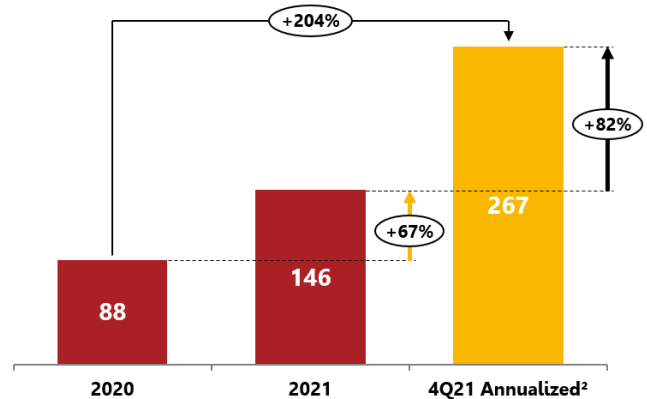


Figure 12 – Annualized Pro Forma Adjusted EBITDA - (R\$ millions)



1 - Considers 4Q21 gross revenue (Desktop, LPNet and Net Barretos) annualized, ie, considers 12 months of Gross Revenue from all companies. For LPNet, the audited Gross Revenue of December/2021 was considered multiplied by 12. For Net Barretos, the sum of the Audited Gross Revenues of November/2021 and December/2021 multiplied by 6 was considered.

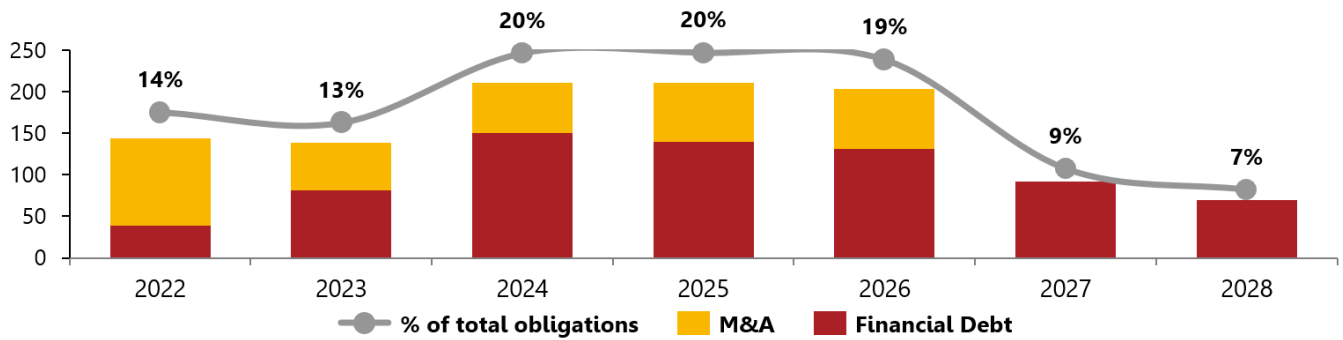
2 - Considers the Adjusted EBITDA reached in 4Q21 (Desktop, LPNet and Net Barretos) annualized, ie, it considers 12 months of EBITDA for all companies. For LPNet, was considered the audited from December/2021 multiplied by 12. For Net Barretos was considered the sum of the audited EBITDAs from November/2021 and December/2021 multiplied by 6.

Liquidity and Indebtedness

The Company ended 4Q21 with a net debt of R\$ 601.4 million, reflection of the issuance of debentures and obtaining long-term loans and financing to support the Company's growth, and the term installments of acquisitions. The average term of the Company's financial debt (loans, financing and debentures) is 5.5 years.

Liquidity (R\$ Mil)	4Q21	4Q20
(+) Cash and cash equivalents	141,493	54,941
(+) Financial investments	313,541	26,711
Liquidity	455,034	81,652
Indebtedness (R\$ '000)	4Q21	4Q20
(-) Debenture	545,854	-
(-) Loans and financing	160,273	201,919
Gross Debt	706,127	201,919
(-) Liquidity	455,034	81,652
Net Debt	251,093	120,267
M&As Commitments (R\$ Mil)	4Q21	4Q20
(-) M&As Term Installments	350,320	10,851
Net Debt+ M&As Term Installments	601,413	131,118
Leverage (R\$ Mil)	4Q21	4Q20
Annualized Pro Forma EBITDA	266,819	88,157
Net Debt/EBITDA Pro Forma Annualized (x)	2.3x	1.5x

Debt Schedule (R\$ mm)



Cash Flow

The Company ended 2021 with R\$ 455 million in cash, mainly from the IPO funding and the 3rd issue of debentures in the amount of R\$ 350 million.

Desktop's adjusted cash flow from investments (CAPEX), net of the accounting effects of capital gains from M&As, totaled R\$ 389 million in the year, mainly composed of amounts allocated to customer activation and network expansion. It is worth noting that the amount includes (i) certain purchases for projects that are still in the execution phase, that is, that have not been commercially launched ("Pre-Operational Capex") and (ii) the inventory that the Company contracted, with the objective of mitigating the possible shortage of certain inputs given the challenges of the pandemic ("Inventory Capex").

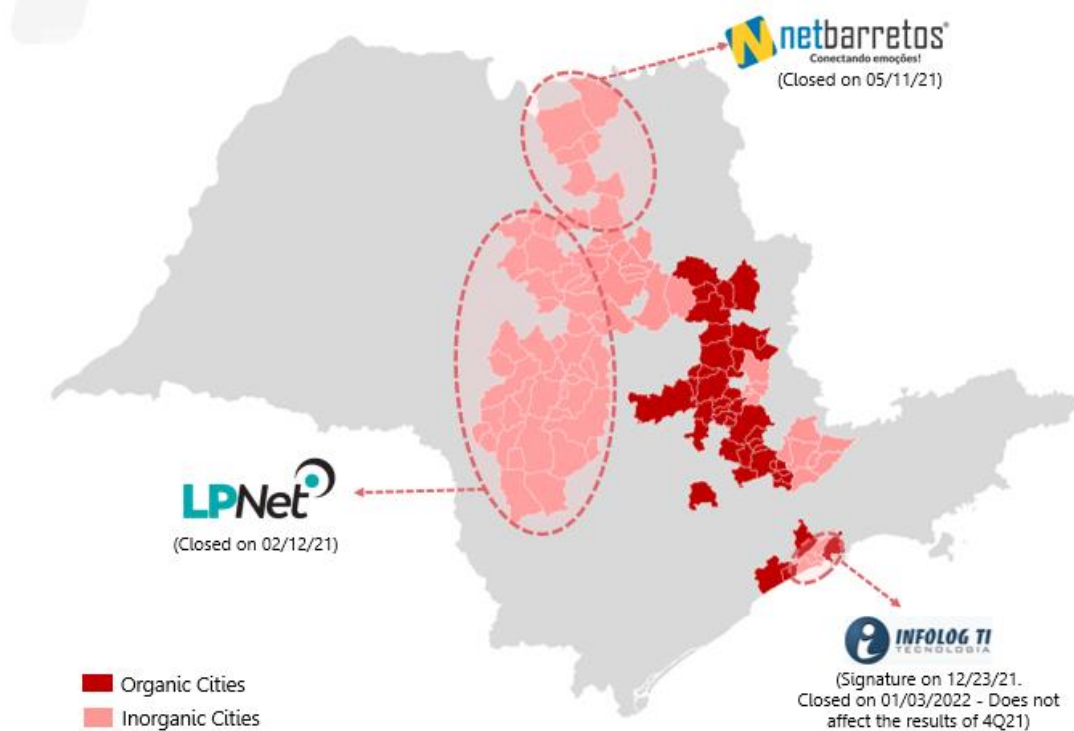
The Company provides its cash flow with some managerial adjustments in order to provide greater clarity regarding the source and destination of its funds.

Adjusted Cash Flow	2021
Cash flow from operating activities	61,165
(-) CAPEX – PP&E	-388,560
(-) CAPEX – Tax recoverable	-23,237
(-) Intangible assets	-25,768
(-) M&As	-380,731
Cash flow from investing activities	-818,296
(+) Indebtedness Variation	427,612
(+) Capital increase	704,777
Cash flow from financing activities	1,132,389
Net increase (decrease) in cash and cash equivalents	375,258
BoP – Cash Balance	79,776
EoP - Cash Balance	455,034

Acquisitions

In 4Q21, the Company made important movements in its M&As agenda, involving **(i)** Net Barreto's closing; **(ii)** LP Net's closing ; and **(iii)** Infolog's signing of the Sale and Purchase Agreement.

Figure 13 - Geographic Coverage of the new M&As



On November 5, 2021, the Company completed the acquisition of 100% of the share capital of Net Barretos, a leader in broadband internet services with fiber optic technology, operating in the municipalities of Barretos, Bebedouro, Colina, Guaíra, Jaborandi, Jaboticabal, Pitangueiras and Olímpia. On the closing date of the transaction, the Company had approximately 63 thousand subscribers in its customer base.

On December 2, 2021, the transaction for the acquisition of 100% of the shares representing the capital stock of LPNet, one of the largest providers of broadband internet services with fiber optic technology in the State of São Paulo, was concluded, operating in more than 40 municipalities in the region and with approximately 130 thousand Subscribers in its customer base on the closing date of the transaction.

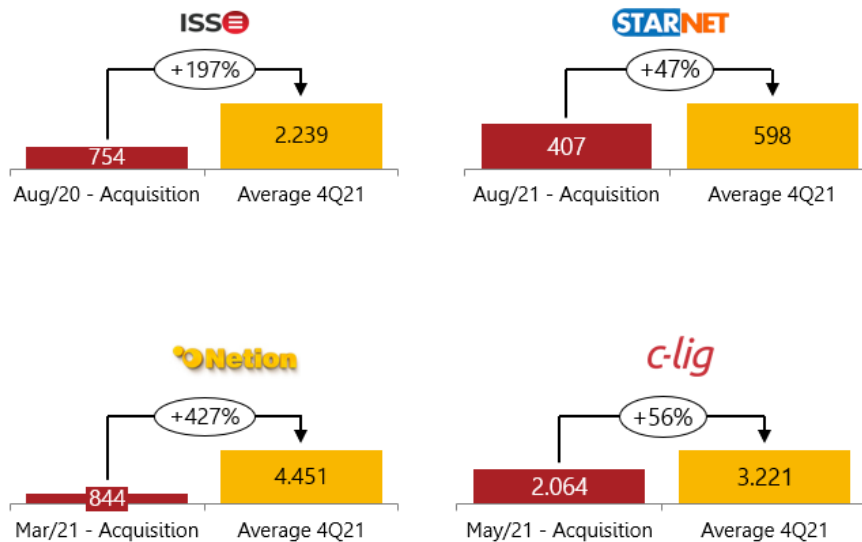
On December 23, 2021, Desktop signed an Agreement for the Purchase and Sale of Shares and Other Covenants for the acquisition of 100% of the shares representing the share capital of Infolog, a provider of broadband internet services with fiber optic technology in the region of Baixada Santista, with approximately 16 thousand Subscribers in its customer base. The Infolog transaction closed in January 2022, and the 4Q21 numbers were not impacted.

All acquisitions are located in the interior of the State of São Paulo and are in line with Desktop's inorganic growth strategy through the acquisition of assets that: **(i)** are located in geographic areas adjacent to the Company's current operations; **(ii)** that have strong dominance in their market; and **(iii)** with the potential to continue post-transaction growth organically.

Integrations and Synergies

Desktop managed to boost sales of acquisitions through: (i) better use of the existing backbone for geographic expansion and (ii) process improvements.

Figure 14 - Monthly Sales (#)



Given the relevance of the M&As agenda, Desktop has a team dedicated to conducting the acquisition integration process, which starts the first activities before the signing of contracts. As a result, although Net Barretos and LPNet occurred at the end of 4Q21, all integration processes have already begun.

The completion of M&As synergies capture processes is expected for the end of 2022.

Figure 15 – Status of key synergies (#)



Appendix

Balance Sheet - Consolidated

R\$ '000	2021	2020
TOTAL ASSETS	2,164,654	404,578
Current Assetes	545,909	119,360
Cash and cash equivalentes	141,493	54,941
Financial investments	313,541	24,835
Trade receivables	54,044	29,254
Taxes recoverable	19,819	6,208
Income tax and social contribution	4,712	2,053
Other Trade receivables - related parties	802	-
Other Assets	11,498	2,069
Noncurrent assets	1,618,745	285,218
Financial investments	-	1,876
Taxes recoverable	30,520	11,558
Deferred income tax and social contribution	38,617	-
Judicial deposits	1,809	598
Other Assets	16,494	5,698
Property and equipment	809,046	219,814
Right-of-use assets	55,263	8,271
Intangible assets	666,996	37,403
LIABILITIES AND EQUITY	2,164,654	404,578
Current liabilities	294,579	101,186
Suppliers	68,781	43,239
Trade payables (M&A)	87,916	3,121
Trade payables - related parties (M&A)	10,390	1,126
Loans and borrowings	38,419	29,970
Debentures	7,694	-
Social and labor obligations	29,196	7,697
Taxes payable	22,024	10,746
Dividends Payable	1,554	255
Income tax and social contribution	7,074	2,432
Rental liabilities	19,453	974
Other obligations	2,078	1,626
Non-Current Liabilities	978,791	188,169
Trade payables (M&A)	221,109	-
Trade payables - related parties (M&A)	30,905	6,604
Loans and borrowings	121,854	171,949
Debentures	538,160	-
Deferred income tax and social contribution	23	1,258
Taxes payable	13,956	-
Rental liabilities	37,197	8,010
Provisions for contingencies	14,984	348
Other obligations	603	-
Equity	891,284	115,223
Share capital	750,481	28,249
Advance for future capital increase	-	20,541
Capital reserve	40,698	-
Legal reserve	2,631	1,341
Income reserve	87,525	39,027
Retained earnings	-	25,229
Equity attributable to owners of the Company	881,335	114,387

Equity attributable to noncontrolling interests	9,949	836
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Consolidated Income Statement

R\$ '000	4Q21	4Q20	Var. %	2021	2020	Var. %
Gross Revenue	151,050	63,592	138%	436,063	211,567	106%
(-) Sales tax	(27,570)	(13,350)	107%	(87,137)	(44,481)	96%
Net Revenue	123,480	50,242	146%	348,926	167,086	109%
(-) Cost of Services provided	(37,014)	(11,610)	219%	(99,187)	(35,845)	177%
Gross Profit	86,466	38,632	124%	249,739	131,242	90%
<i>Gross Margin (%)</i>	<i>70%</i>	<i>77%</i>	<i>-7 p.p</i>	<i>72%</i>	<i>79%</i>	<i>-7 p.p</i>
(-) Commercial expenses	(10,725)	(5,470)	96%	(31,169)	(11,331)	175%
(-) General and administrative	(17,354)	(10,381)	67%	(71,698)	(31,905)	125%
(+/-) Other income (expenses), net	(1,628)	(355)	NM	2,915	(3,595)	NM
(-) Depreciation and amortization	(23,018)	(6,581)	250%	(60,628)	(21,731)	179%
(-) Loss due to impairment of accounts receivable	(6,717)	(3,266)	106%	(20,419)	(15,167)	35%
(-) Financial Result	(12,917)	(4,198)	208%	(34,652)	(8,194)	323%
EBT	14,108	8,381	68%	34,088	39,320	-13%
(+/-) Income Taxes	2,814	(2,426)	NM	(3,420)	(12,727)	-73%
Net Income	16,922	5,955	184%	30,668	26,593	15%
<i>Net Margin (%)</i>	<i>14%</i>	<i>12%</i>	<i>2 p.p</i>	<i>9%</i>	<i>16%</i>	<i>-7 p.p</i>

R\$ '000	4Q21	4Q20	Var. %	2021	2020	Var. %
Net Income	16,922	5,955	184%	30,668	26,593	15%
Financial result	(12,917)	(4,198)	208%	(34,652)	(8,194)	323%
Income tax	2,814	(2,426)	NM	(3,420)	(12,727)	-73%
Depreciation and Amortization	(23,018)	(6,581)	250%	(60,628)	(21,731)	179%
EBITDA¹	50,042	19,160	161%	129,368	69,245	87%
<i>EBITDA Margin (%)</i>	<i>41%</i>	<i>38%</i>	<i>2 p.p</i>	<i>37%</i>	<i>41%</i>	<i>-4 p.p</i>
Non-recurring and/or non-operating expenses	(1,520)	(2,280)	-33%	(16,934)	(18,441)	-8%
Salary readjustment referring to 9M21	(1,078)	-	NM	-	-	NM
Non-recurring expenses from IPO and M&As	1,431	(2,280)	NM	(11,449)	(11,080)	3%
Asset Retirement	-	-	NM	(365)	(7,361)	-95%
Stock Option Plan	(1,873)	-	NM	(5,120)	-	NM
Adjusted EBITDA²	51,562	21,440	140%	146,301	87,686	67%
<i>Adjusted EBITDA Margin (%)</i>	<i>42%</i>	<i>43%</i>	<i>-1 p.p</i>	<i>42%</i>	<i>52%</i>	<i>-11 p.p</i>

- 1- EBITDA calculated according to CVM 527/2012 instruction. (= from the sum of net income, income taxes, financial result and depreciation);
- 2- Adjusted EBITDA excluding non-recurring items that must not be considered to calculate the operating cash flow

R\$ Mil	4Q21	4Q20	Var. %	2021	2020	Var. %
Net Profit	16,922	5,955	184%	30,668	26,593	15%
<i>Net Margin (%)</i>	<i>14%</i>	<i>12%</i>	<i>2 p.p</i>	<i>9%</i>	<i>16%</i>	<i>-7 p.p</i>
Non-recurring and/or non-operating expenses²	(2,115)	(1,505)	41%	(14,235)	(12,171)	17%
Salary adjustment referring to 9M21	(711)	-	NM	-	-	NM
Non-recurring expenses from IPO and M&As	944	(1,505)	NM	(7,556)	(7,313)	3%
Asset Retirement	-	-	NM	(241)	(4,858)	-95%
Stock Option Plan	(1,236)	-	NM	(3,379)	-	NM
Amortization of capital gains	(1,112)	-	NM	(3,059)	-	NM
Adjusted Net Profit¹	19,037	7,460	155%	44,903	38,764	16%
<i>Adjusted Net Margin (%)</i>	<i>15%</i>	<i>15%</i>	<i>1 p.p</i>	<i>13%</i>	<i>23%</i>	<i>-10 p.p</i>

- 1- Adjusted Net Profit to exclude non-recurring items that should not be considered in the calculation of current generation of profits.
- 2- Net amounts of taxes at a rate of 34%.

Consolidated Cash Flow

R\$ '000	2021	2020
BoP – Cash Balance	54,941	8,560
Cash flows from operating activities		
Profit before income tax and social contribution	34,088	39,320
Adjustments for:		
Depreciation and amortization	55,180	20,837
Write-off of property and equipment and intangible assets	2,893	7,388
Amortization of right-of-use assets	5,448	894
Provisions for interest on loans, borrowings and leases	37,986	2,360
Appropriation of commission on debentures	357	-
Income from financial investments	-5,163	-115
Provision for contingencies	-607	235
Loss due to reduction to recoverable amount of accounts receivables	1,419	15,167
Effective write-off of securities accounts receivable	19,000	-
Stock option plan	5,120	-
Result assigned to non-controllers	-	232
Adjusted profit before income tax and social contribution	155,721	86,318
Variation in assets and liabilities:		
Trade receivables	-31,614	-24,864
Taxes recoverable	-31,019	-7,474
Judicial deposits	-1,104	-11
Outras contas a receber partes relacionadas	-802	-
Other assets	-4,294	-4,532
Suppliers	-525	32,425
Trade payables (M&A)	663,232	3,121
Accounts payable related share (M&A)	67,489	8,298
Social and labor obligations	9,762	5,739
Taxes payables	-5,544	4,257
Other obligations	-27,983	1,647
Net cash generated from operating activities	793,319	104,924
Income tax and social contribution paid	-12,393	-11,491
Interest paid	-27,951	-3,635
Net cash from operating activities	752,975	89,798
Cash flows from investing activities:		
Acquisition of financial investments	-416,222	-241,234
Redemption of financial investments	135,412	219,989
Acquisition of subsidiaries	-390,940	-
Acquisition of property and equipment and intangible assets	-1,176,519	-209,577
Cash used in investing activities	-1,848,269	-230,822
Aquisição da controladas, líquido do caixa obtido na aquisição	49,457	1
Net cash used in investing activities after mergers	-1,798,812	-230,821
Cash flows from financing activities:		
Proceeds from loans, borrowings and debentures	550,300	178,460
Repayment of loans, borrowings and debentures	-108,858	-10,189
Commissions on debentures	-6,196	-
Capital Increase	704,777	-
Payment of lease liabilities	-7,634	-1,408
Advance for future capital increase	-	20,541
Net cash from financing activities	1,132,389	187,404
Net increase (decrease) in cash and cash equivalents	86,552	46,381
Eop – Cash Balance	141,493	54,941

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 more than 30,000 kilometers of fiber optic network and approximately 1,500 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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