

DESKTOP

EARNINGS
RELEASE

2Q24



Desktop Reports Second Quarter 2024 Results

Highlights

- Desktop delivered another quarter of acceleration in organic net additions, sustaining regional and national growth leadership in 2024, according to Anatel data;
- Maintaining consistency in the delivery of profitability, Desktop achieved records in Adjusted EBITDA and Adjusted Net Income in 2Q24, totaling R\$ 144 million and R\$ 54 million, with margins of 51% and 19%, respectively, in the period, and annual growth of 17% and 63%;
- In July/24, Desktop concluded the issuance of the 6th and 7th debentures, totaling 1 billion reais, in line with the Company's strategy to reduce the cost and increase the term of its debts.

Sumaré, August 6, 2024 - 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 second quarter of 2024 (2Q24).

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

August 7, 2024
10:00 a.m. (EDT)
[Click here](#)

Summary of Results for 2Q24

- **Net Revenue:** R\$ 280 million, a growth of 14% compared to 2Q23, and 4% compared to 1Q24;
- **Adjusted EBITDA:** R\$ 144 million, a growth of 17% compared to 2Q23, and 4% compared to 1Q24. The adjusted EBITDA margin totaled 51% in the quarter, 1p.p. above the margins presented in 2Q23;
- **Adjusted Net Income:** R\$ 54 million, a growth of 63% compared to 2Q23, and 24% above 1Q24;
- **Total Cash (EoP):** R\$ 294 million on 6/30/2024;
- **Homes Connected (HCs):** 1,078 thousand subscribers in June 2024, representing a growth of 10% compared to the same period of 2023;
- **Homes Passed (HPs):** 4.4 million Homes Passed in June 2024, representing a growth of 3% over the same period in 2023;
- **Infrastructure:** approximately 57,000 km of network, comprising 11,000 km of backbone and 46,000 km of FTTH access network, a 6% growth in network total extension compared to the end of 2Q23.

Contact

E-mail: ri@desktop.net.br
Tel: +55 19 3514-3100
www.ri.desktop.com.br/en/

Figure 1 – Desktop stands out in subscriber growth in its area of activity ('000)

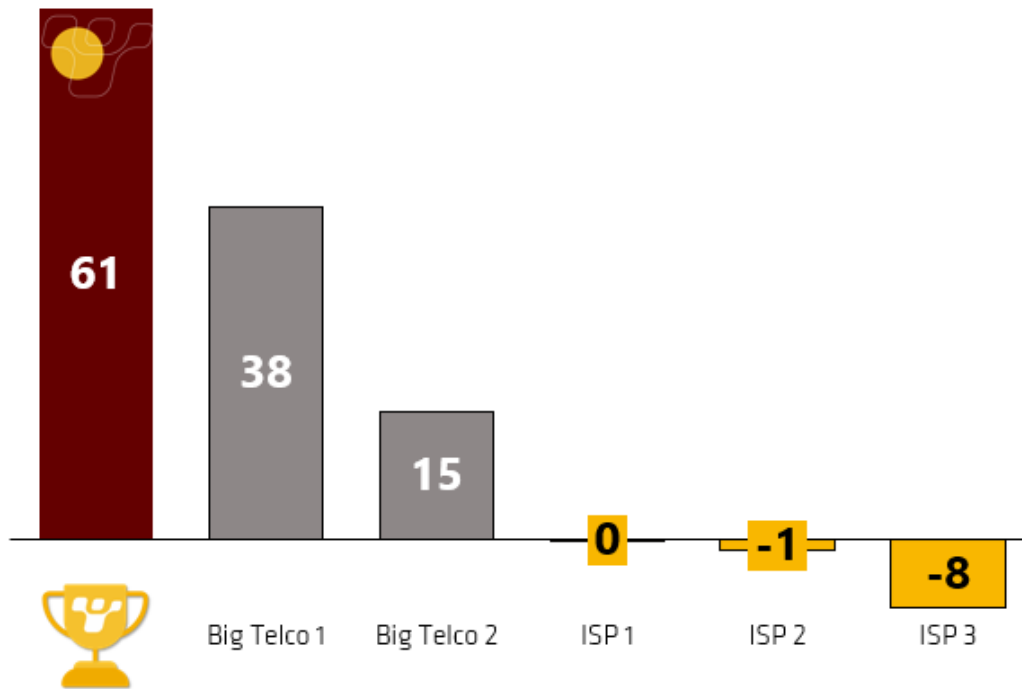
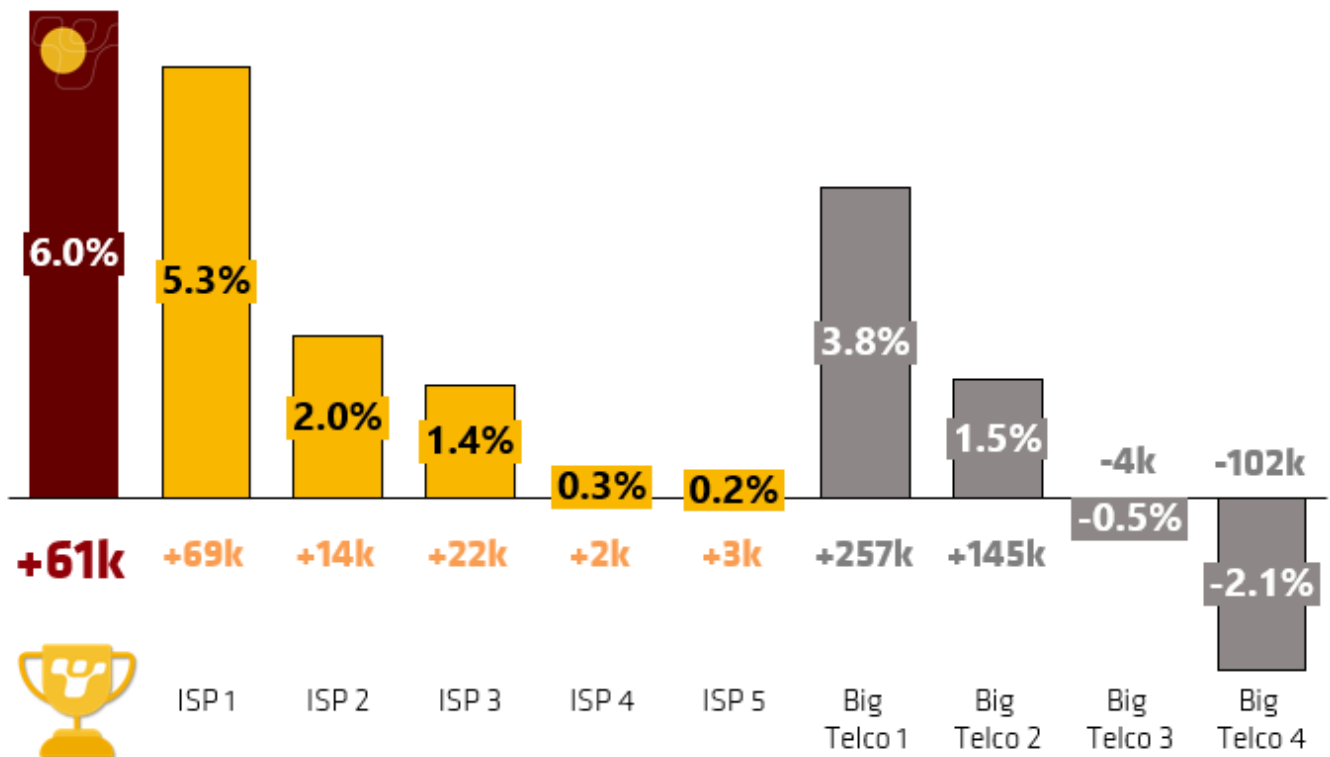


Figure 2 - Desktop stands out in organic subscriber growth in Brazil (in % of base)



According to Anatel data, in the first 6 months of 2024, Desktop continues to be the company with the highest subscriber base growth in the cities where it operates, also maintaining the leadership in organic growth of the subscriber base in Brazil, as a percentage of the base, among the largest national players.

Financial Summary

R\$ '000	2Q24	2Q23	Var. %	6M24	6M23	Var. %
Net Revenue	280,081	246,643	14%	548,299	468,678	17%
Adjusted EBITDA	143,585	123,013	17%	281,426	233,456	21%
Adjusted EBITDA Margin (%)	51%	50%	1 p.p	51%	50%	2 p.p
Adjusted Net Income	53,678	32,932	63%	96,860	58,846	65%
Adjusted Net Margin (%)	19%	13%	6 p.p	18%	13%	5 p.p

Operational Summary

'000	2Q24	1Q24	4Q23	3Q23	2Q23
Subscribers EoP	1,078	1,046	1,017	999	976
Net Organic Additions (ex-M&As)	32	29	18	23	21
Homes Passed EoP	4,368	4,352	4,342	4,312	4,243
Cities Served (#)	184	184	184	183	183

Management's Letter

Desktop's first ESG report

In July/24, Desktop published its first Sustainability Report, covering the year 2023, from January to December, and based on the Company's material elements. By committing to make this an annual material, Management expects the report to fulfill three main functions: (i) communicate Desktop's ESG practices; (ii) engage the Company's stakeholders; and (iii) contribute to the management of ESG issues within the Company, being the main guide of the sustainability journey.

It is worth highlighting Desktop's great evolution in the social sphere, with the launch of the Corporate University, the internal engagement rate of 71%, and social projects with the communities in which the Company operates, which reinforce the corporate purpose of "Connecting to expand possibilities".

Marketing and Sales Strategy enhancing commercial performance and Desktop brand

During 2Q24, Desktop delivered 32 thousand organic net adds to the subscriber base, a volume 51% higher than in 2Q23, and 9% higher than in the immediately previous quarter, maintaining the trend of accelerating organic net adds and reaching the highest level since 3Q22, when Desktop redesigned its growth strategy seeking greater financial efficiency and greater cash generation.

The excellent performance reflects Desktop's marketing and sales strategy, which associated with the high quality of the service provided, structurally enhances the commercial performance and the strength of the Desktop brand in the interior of São Paulo, which becomes, more and more, synonymous with technology, service and cutting-edge product.

Commitment to delivering profitability

In the second quarter of 2024, Desktop's Net Revenue increased by 14% compared to the same period of the previous year and grew by 4% compared to the first quarter of the same year, reaching R\$ 280 million. The company's Adjusted EBITDA was R\$ 144 million, reaching an annual growth of 17% and reflecting an EBITDA margin of 51%.

The Company's Adjusted Net Income reached a record of R\$ 54 million in 2Q24, 63% above the previous year, with a net margin of 19%. The Company was able to maintain a high level of profitability, as a result of the various initiatives to improve operational efficiency and the optimization of the tax structure, with the acceleration of corporate mergers carried out throughout 2023.

At the end of 2Q24, Desktop's Net Debt/Annualized Proforma EBITDA ratio was 2.4x, representing a reduction in leverage of 0.1x versus 2Q23 and 1Q24.

It is worth noting that, in July/24, in line with the continuous search for efficiency and value generation for shareholders and stakeholders, Desktop concluded the 6th and 7th issuance of the Company's debentures, which, together, represent the amount of 1 billion reais, according to material facts reported on June 28 and July 3. Combined with the prepayments of previous debts, such issuances will result in a reduction in the cost of debt and an extension of the Company's average payment term.

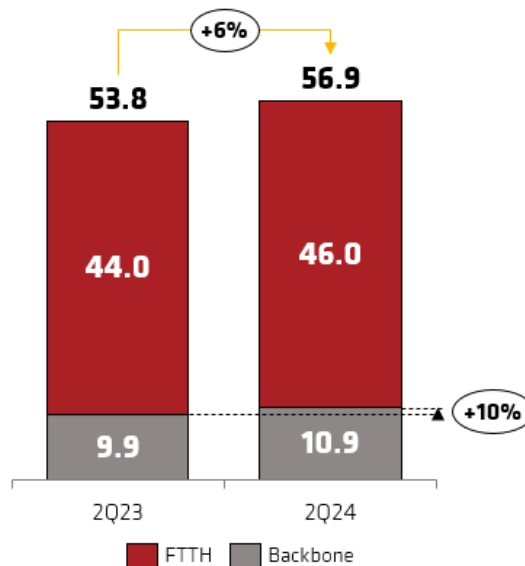
The Company thanks all employees and partners for another quarter of excellent financial and operational results.

Operating Performance

Network Extension ('000 km)

Addition of 3,041 km of network between 2Q23 and 2Q24, which represents a 6% growth in the total extension of the network.

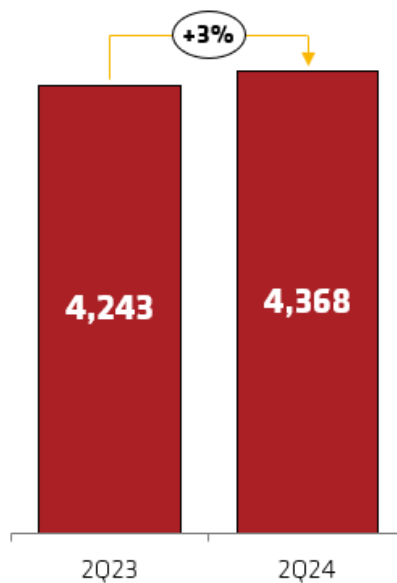
Figure 3 – Network Extension ('000 KM)



Homes Passed (HPs)

Increase of approximately 125 thousand Homes Passed in annual comparison, reaching 4.4 million of homes in June 2024, a growth of 3% compared to 2Q23, in line with the strategy of the Company with a focus on monetizing the network already built in recent years.

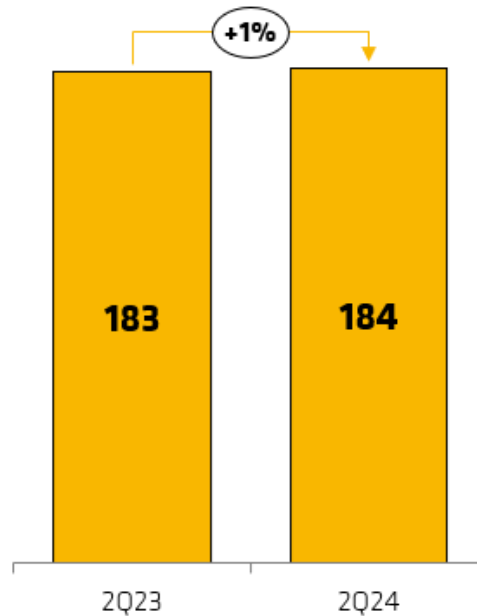
Figure 4 – Homes Passed (HPs) - ('000)



Total Cities

Increase of 1 new city in the Company's coverage between 2Q23 and 2Q24, a growth of 1% over the number of cities served in the same period of the previous year, maintaining Desktop's strategy of expanding geographically to areas adjacent to the Company's operation.

Figure 5 - Number of Cities Served



Homes Connected (HCs)

The Company's subscribers base grew by 10% compared to the end of 2Q23, totaling 1,078 thousand homes connected at the end of June/24. The 32 thousand organic net adds in 2Q24 represent a growth of 51% versus 2Q23, and 9% above the immediately previous quarter. The growth in the Company's level of net adds is a consequence of the various initiatives already commented in previous quarters, which include boosting digital channels, standardizing the portfolio, and focusing on training and qualification of the commercial team. In addition, the commercial performance reflects the growing recognition of the Desktop brand, in the interior of São Paulo, as a reference in technology and telecom service.

Figure 6 - Evolution of Homes Connected - ('000)

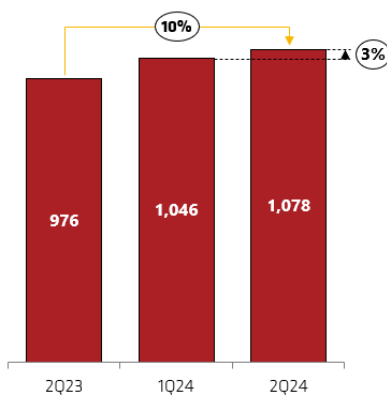


Figure 7 - Quarterly Net Organic Additions - ('000)

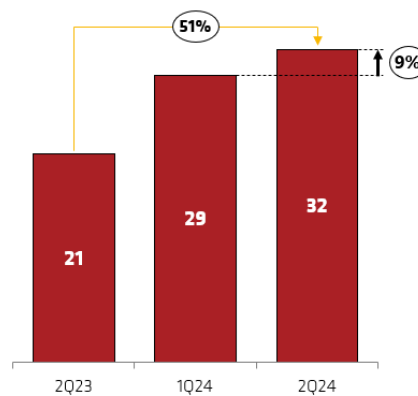
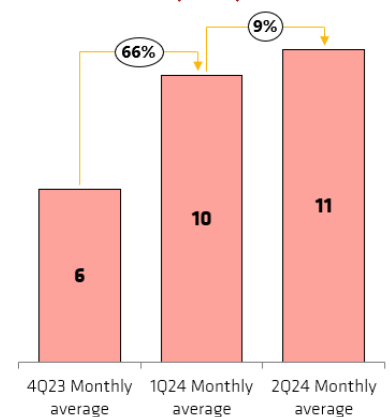


Figure 8 - Average Monthly Net Organic Additions - ('000)



Economic-Financial Performance

Net Revenue

Net Revenue totaled R\$ 280 million in 2Q24, an increase of 14% when compared to 2Q23. The evolution was mainly due to the increase in the Company's customer base and the Company's ticket management.

R\$ '000	2Q24	2Q23	Var. %	6M24	6M23	Var. %
Net Revenue	280,081	246,643	14%	548,299	468,678	17%
(-) Cost of Services Provided	(66,300)	(58,538)	13%	(130,686)	(114,446)	14%
Gross Profit	213,781	188,105	14%	417,613	354,232	18%
Gross Margin (%)	76%	76%	0 p.p	76%	76%	1 p.p

Adjusted EBITDA

Desktop reached R\$ 144 million in Adjusted EBITDA in 2Q24, an increase of 17% in the annual comparison. The Company was able to deliver an adjusted EBITDA margin of 51%.

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 (ex. lawyers and auditors) and expenses related to the Stock Option Plan.

R\$ '000	2Q24	2Q23	Var. %	6M24	6M23	Var. %
Net Income	29,767	28,545	4%	51,137	49,699	3%
Financial Results	(39,957)	(54,887)	-27%	(85,892)	(101,516)	-15%
Income tax	(21,042)	2,105	NM	(39,872)	(3,597)	NM
Depreciation and Amortization	(51,213)	(41,666)	23%	(101,464)	(77,856)	30%
EBITDA¹	141,979	122,993	15%	278,365	232,668	20%
EBITDA Margin (%)	51%	50%	1 p.p	51%	50%	1 p.p
Non-recurring and/or non-operating expenses	(1,606)	(20)	NM	(3,061)	(788)	288%
Non-recurring expenses from M&As	(1,413)	(319)	343%	(1,413)	(478)	196%
Stock Option Plan	(193)	299	NM	(1,648)	(310)	NM
Adjusted EBITDA²	143,585	123,013	17%	281,426	233,456	21%
Adjusted EBITDA Margin (%)	51%	50%	1 p.p	51%	50%	2 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\$ 51.2 million in 2Q24, an increase of 23% compared to 2Q23. This growth was driven by the larger investments in network, client installation and technology.

R\$ '000	2Q24	2Q23	Var. %	6M24	6M23	Var. %
Depreciation and Amortization	(51,213)	(41,666)	23%	(101,464)	(77,856)	30%

Financial Results

The Financial Result was negative by R\$ 40.0 million in 2Q24. The improvement compared to 2Q23 is mainly due to the lower level of interest rates and higher cash and equivalents in the period.

R\$ '000	2Q24	2Q23	Var. %	6M24	6M23	Var. %
Net Financial Result	(39,957)	(54,887)	-27%	(85,892)	(101,516)	-15%
(+) Financial revenue	9,537	6,886	38%	21,479	16,703	29%
(-) Financial expense	(49,494)	(61,773)	-20%	(107,371)	(118,219)	-9%

Adjusted Net Profit

Adjusted Net Profit totaled R\$ 54 million in 2Q24, an increase of 63% in the annual comparison.

The net margin for the quarter reached 19%, an increase of 6p.p. in the annual comparison, mainly due to the greater tax efficiency of Desktop.

R\$ '000	2Q24	2Q23	Var. %	6M24	6M23	Var. %
Net Profit	29,767	28,545	4%	51,137	49,699	3%
Net Margin (%)	11%	12%	-1 p.p	9%	11%	-1 p.p
Non-recurring and/or non-operating expenses	(23,911)	(4,387)	NM	(45,723)	(9,147)	NM
Non-recurring expenses from M&As ²	(933)	(211)	343%	(933)	(315)	196%
Stock Option Plan ²	(127)	197	NM	(1,088)	(205)	NM
Amortization of capital gains ²	(5,285)	(4,374)	21%	(11,869)	(8,627)	38%
Deferred taxes (goodwill generated by M&A operations) ³	(17,566)	-	NM	(31,834)	-	NM
Adjusted Net Profit¹	53,678	32,932	63%	96,860	58,846	65%
Adjusted Net Margin (%)	19%	13%	6 p.p	18%	13%	5 p.p

- 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%;
- 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.

Annualized Proforma Net Revenue and EBITDA

Below, the annualized view of Net Revenue and Adjusted EBITDA for 2Q24 is presented, to provide greater clarity regarding the real effect of the Company's accelerated growth.

The "Annualized Pro Forma Net Revenue" reaches approximately R\$ 1,120 million, an increase of 14% to the amount recorded in the full year of 2023, while the "Annualized Pro Forma Adjusted EBITDA" totals approximately R\$ 574 million, an increase of 16% compared to the amount recorded in the full year of 2023.

Figure 9 – Annualized Pro Forma Net Revenue - (R\$ million)

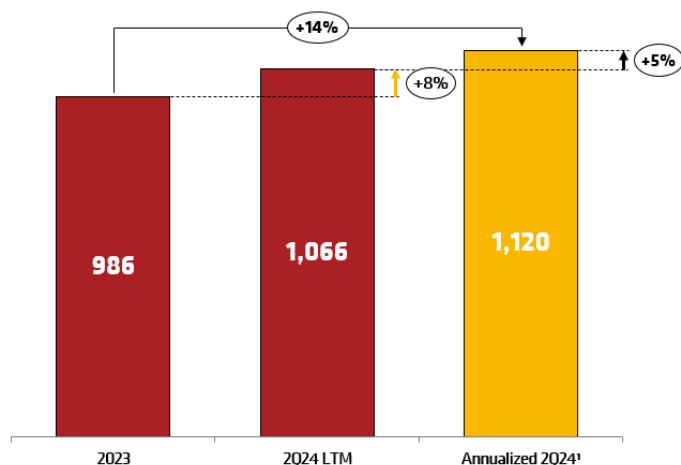
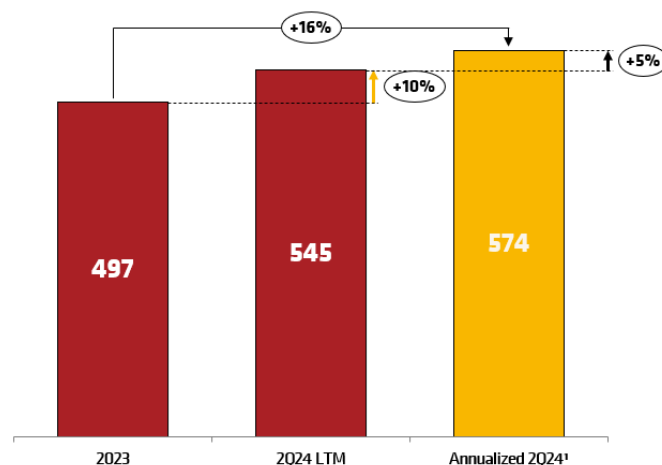


Figure 10 – Annualized Pro Forma Adjusted EBITDA - (R\$ million)



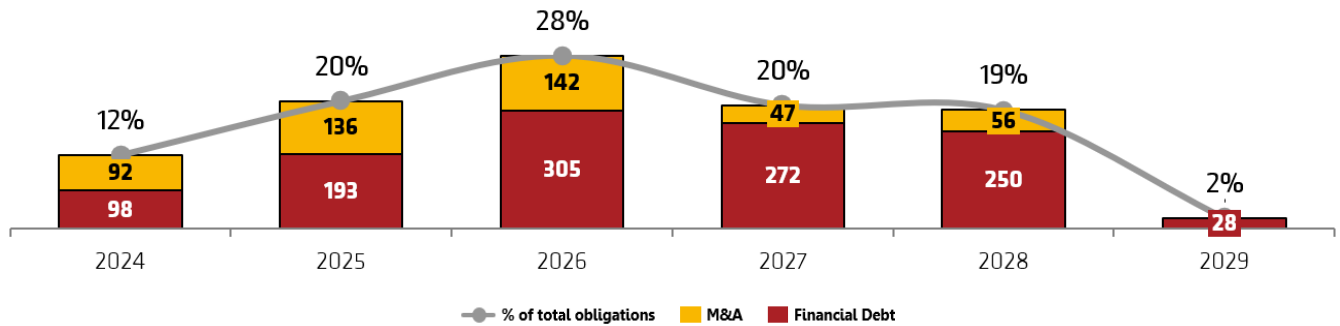
1 - Considers 2Q24 net revenue multiplied by 4;
2 - Considers 2Q24 Adjusted EBITDA multiplied by 4.

Liquidity and Indebtedness

The Company ended 2Q24 with a net debt of R\$ 1,371.1 million, which represents 2.4x the Annualized Proforma EBITDA, 0.1x below the level presented in 2Q23.

Liquidity (R\$ '000)	2Q24	2Q23	Var. %
(+) Cash and cash equivalents	181,459	62,839	189%
(+) Financial investments	112,110	108,956	3%
Liquidity	293,569	171,795	71%
Indebtedness (R\$ '000)	2Q24	2Q23	Var. %
(-) Loans and Debentures	1,137,380	852,670	33%
(-) Lease Liabilities	53,161	45,392	17%
Gross Debt	1,190,541	898,062	33%
(-) Liquidity	293,569	171,795	71%
Net Debt	896,972	726,267	24%
M&As Commitments (R\$ '000)	2Q24	2Q23	Var. %
(-) M&As Term Installments	474,167	499,588	-5%
Net Debt+ M&As Term Installments	1,371,139	1,225,855	12%
Leverage (R\$ '000)	2Q24	2Q23	Var. %
Annualized Proforma EBITDA	574,340	492,052	17%
Net Debt/EBITDA Pro Forma Annualized (x)	2.4x	2.5x	-0.1x

Debt Schedule (R\$ mm)

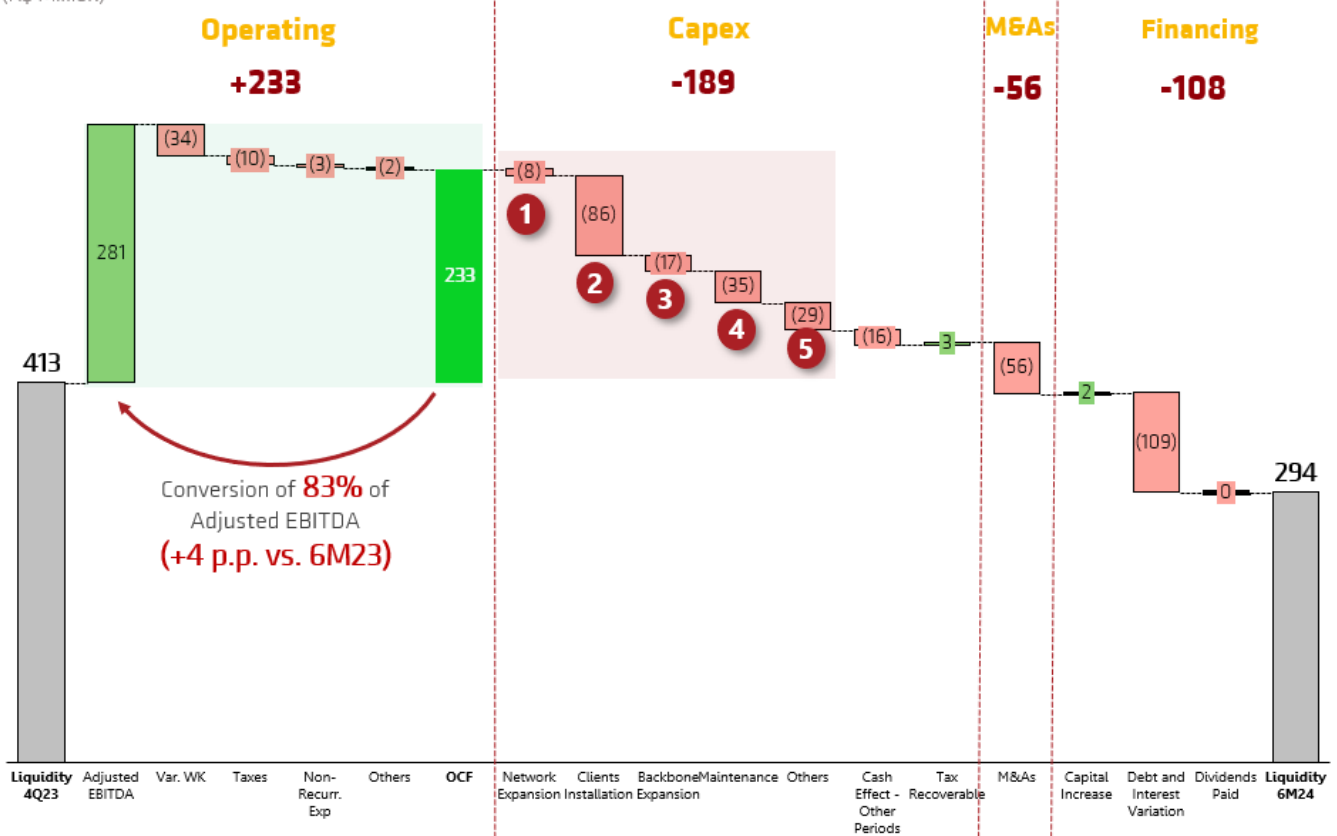


Cash Flow

The Company ended 6M24 with R\$ 294 million in cash and investments. During the period, Desktop converted 83% of its EBITDA into operating cash flow. Adjusted cash flow from investments totaled R\$ 245 million, mainly composed of (i) R\$56 million in expenditures for the payment of installments of M&A operations carried out; and (ii) R\$ 86 million used to install new clients.

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

(R\$ Million)



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)	6M24
1	Network Expansion	7,542
	Increase (Decrease) of inventory	(132)
	Network Expansion - Adjusted	7,674
	Ports Added ('000)	33
	CAPEX/PORT	233
2	Clients Installation	86,354
	Increase (Decrease) of inventory	(30,949)
	Clients Installation - Adjusted	117,303
	Gross Adds ('000)	208
	CAPEX/GROSS ADDS	565
3	Backbone Expansion	17,247
	% of Total CAPEX	10%
4	Maintenance	34,867
	% of Net Revenue	6%
5	I.T.	14,245
5	Others	15,043
	Total adjusted CAPEX	175,297

Appendix

Balance Sheet - Consolidated

R\$ '000	2024	2023
TOTAL ASSETS	3,213,642	3,247,841
Current Assets	530,570	611,739
Cash and cash equivalentes	181,459	329,655
Financial Investments	112,110	83,543
Accounts receivable from clients	138,535	112,539
Recoverable taxes	49,621	49,223
Income tax and social contribution	5,162	2,886
Prepaid expenses	33,482	22,714
Other receivables	10,201	11,179
Non-Current Assets	2,683,072	2,636,102
Recoverable taxes	39,804	41,050
Deferred income tax and social contribution	59,714	91,868
Judicial deposits	2,201	2,078
Prepaid expenses	42,815	34,721
Other receivables	14,418	7,907
Property and equipment	1,504,258	1,413,463
Right of use	51,949	42,278
Intangible assets	967,913	1,002,737
LIABILITIES AND EQUITY	3,213,642	3,247,841
Current liabilities	531,515	482,101
Suppliers	71,496	71,112
Accounts payable for acquisition of companies	123,957	124,350
Accounts payable to related parties	20,626	46,552
Loans and debentures	194,849	129,765
Leasing liabilities	22,434	19,766
Social and labor obligations	54,765	47,920
Taxes payable	31,078	30,595
Income tax and social contribution	5,715	4,500
Dividends Payable	4,904	5,324
Other amounts payable	1,691	2,217
Non-Current Liabilities	1,359,774	1,471,606
Accounts payable for acquisition of companies	237,357	240,682
Accounts payable to related parties	92,227	98,827
Loans and debentures	942,531	1,038,602
Leasing liabilities	30,727	23,761
Taxes payable	4,572	6,328
Deferred income tax and social contribution	34,677	45,116
Provisions for contingencies	16,575	16,986
Other amounts payable	1,108	1,304
Equity	1,322,353	1,294,134
Share capital	954,725	953,169
Capital reserve	64,058	88,482
Income reserve	243,890	242,259
Treasury Shares	(1,997)	(316)
Net profit for the period	44,342	-
Equity attributed to controlling shareholders	1,305,018	1,283,594
Interest of non-controlling shareholders	17,335	10,540

Consolidated Income Statement

R\$ '000	2Q24	2Q23	Var. %	6M24	6M23	Var. %
Gross Revenue	326,228	287,696	13%	638,384	548,094	16%
(-) Deductions	(46,147)	(41,053)	12%	(90,085)	(79,416)	13%
Net Revenue	280,081	246,643	14%	548,299	468,678	17%
(-) Cost of Services provided	(66,300)	(58,538)	13%	(130,686)	(114,446)	14%
Gross Profit	213,781	188,105	14%	417,613	354,232	18%
Gross Margin (%)	76%	76%	0 p.p	76%	76%	1 p.p
(-) Commercial expenses	(32,393)	(28,493)	14%	(63,484)	(54,323)	17%
(-) General and administrative	(32,352)	(27,625)	17%	(63,688)	(50,437)	26%
(+/-) Other income (expenses), net	1,068	1,918	-44%	3,275	3,805	-14%
(-) Depreciation and amortization	(51,213)	(41,666)	23%	(101,464)	(77,856)	30%
(-) Loss due to impairment of accounts receivable	(8,125)	(10,912)	-26%	(15,351)	(20,609)	-26%
(-) Financial Result	(39,957)	(54,887)	-27%	(85,892)	(101,516)	-15%
EBT	50,809	26,440	92%	91,009	53,296	71%
(+/-) Income Taxes	(21,042)	2,105	NM	(39,872)	(3,597)	NM
Net Income	29,767	28,545	4%	51,137	49,699	3%
Net Margin (%)	11%	12%	-1 p.p	9%	11%	-1 p.p

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Depreciation and Amortization	(51,213)	(41,666)	23%	(101,464)	(77,856)	30%
EBITDA¹	141,979	122,993	15%	278,365	232,668	20%
EBITDA Margin (%)	51%	50%	1p.p	51%	50%	1p.p
Non-recurring and/or non-operating expenses	(1,606)	(20)	NM	(3,061)	(788)	288%
Non-recurring expenses from M&As	(1,413)	(319)	343%	(1,413)	(478)	196%
Stock Option Plan	(193)	299	NM	(1,648)	(310)	NM
Adjusted EBITDA²	143,585	123,013	17%	281,426	233,456	21%
Adjusted EBITDA Margin (%)	51%	50%	1p.p	51%	50%	2p.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 excluding non-recurring items that must not be considered to calculate the operating cash flow.

R\$ '000	2Q24	2Q23	Var. %	6M24	6M23	Var. %
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Net Margin (%)	11%	12%	-1p.p	9%	11%	-1p.p
Non-recurring and/or non-operating expenses	(23,911)	(4,387)	NM	(45,723)	(9,147)	NM
Non-recurring expenses from M&As ²	(933)	(211)	343%	(933)	(315)	196%
Stock Option Plan ²	(127)	197	NM	(1,088)	(205)	NM
Amortization of capital gains ²	(5,285)	(4,374)	21%	(11,869)	(8,627)	38%
Deferred taxes (goodwill generated by M&A operations) ³	(17,566)	-	NM	(31,834)	-	NM
Adjusted Net Profit¹	53,678	32,932	63%	96,860	58,846	65%
Adjusted Net Margin (%)	19%	13%	6p.p	18%	13%	5p.p

- 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%;
- 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	6M24	6M23
BoP – Cash Balance	329,655	68,629
Cash flows from operating activities		
Profit before income tax and social contribution	91,009	53,297
Adjustments for:		
Depreciation and amortization	71,274	53,620
Write-off of property and equipment and intangible assets	420	404
Amortization of right-of-use assets	12,207	13,152
Write-offs of right of use	657	60
Write-off of lease liabilities	(780)	-
Amortization of capital gains	17,983	11,084
Charges on loans, debentures and leases	78,575	71,254
Appropriation of transaction costs on loans and debentures	1,006	583
Income from financial investments	(5,834)	(9,067)
Interest on loan and accounts payable to related parties	3,287	6,088
Charges on accounts payable for company acquisitions	15,520	30,063
Financial update on contingencies	-	65
Provision for contingencies	2,214	994
Loss (Gain) due to impairment of accounts receivable	1,511	2,433
Effective write-off of accounts receivable	13,840	18,176
Stock option plan	1,648	311
Income tax and social contribution	(397)	-
Adjusted profit before income tax and social contribution	304,139	252,516
Variation in assets and liabilities:		
Accounts receivable from clientes	(41,347)	(27,721)
Taxes recoverable	2,663	(8,540)
Judicial deposits	(659)	(213)
Prepaid expenses	(18,862)	(17,930)
Other accounts receivable from related parts	-	(2,909)
Other receivables	(6,695)	(7,657)
Suppliers	(23,808)	(55,329)
Social and labor obligations	6,845	4,980
Taxes payables	(1,022)	(1,583)
Contingency payment	(927)	(2,345)
Other amounts payable	(719)	(3,444)
Net cash generated from operating activities	219,608	129,825
Income tax and social contribution paid	(9,751)	(23,015)
Interest paid	(74,761)	(69,515)
Net cash (applied in) generated by operating activities	135,096	37,295
Cash flows from investing activities:		
Acquisition of financial investment	(46,652)	(211,934)
Redemptions of financial investments	23,919	294,903
Acquisition of Investments	-	(75,000)
PP&E and intangible assets acquisition - Capex	(156,338)	(140,463)
Cash used in investing activities	(179,071)	(132,494)
Cash and cash equivalents obtained in acquisitions	-	2,874
Net cash used in investing activities after mergers	(179,071)	(129,620)
Cash flows from financing activities:		
Amortization of loans and debentures	(31,208)	(32,204)
Transaction cost on loans and debentures	(392)	-
Capital Increase	1,556	251,158
Treasury Shares	(1,681)	-
Dividends paid	(420)	-
Payment of lease liabilities	(17,025)	(16,388)
Interest of non-controlling shareholders	-	2,909
Payment of deferred installment referring to the acquisition of subsidiaries	(55,051)	(118,940)
Net cash (applied in) from financing activities	(104,221)	86,535
Net increase (decrease) in cash and cash equivalents	(148,196)	(5,790)
Eop – Cash Balance	181,459	62,839

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 57,000 kilometers of fiber optic network and more than 4,000 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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Investor Relations

ri@desktop.net.br

www.ri.desktop.com.br

