



 **DESKTOP**

**EARNINGS
RELEASE**

3Q23

Desktop Reports Third Quarter 2023 Results

Highlights

- *By maintaining growth leadership among the largest telecom players in Brazil, Desktop reached the important milestone of 1 million subscribers in October 2023;*
- *Focusing on profitability and efficiency gains, there was another quarter of records: (i) Adjusted EBITDA reached R\$ 128 million, supporting the high level of EBITDA margin at 50%; and (ii) Adjusted Net Profit reached R\$ 40 million, with a net margin of 16%.*

Sumaré, November 13, 2023 - 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 third quarter of 2023 (3Q23).

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

November 14, 2023
09:00 a.m. (EST)
[Click here](#)

Summary of Results for 3Q23

- **Net Revenue:** R\$ 255 million, a growth of 36% compared to 3Q22, and 3% compared to 2Q23;
- **Adjusted EBITDA:** R\$ 128 million, a growth of 35% compared to 3Q22, and 4% compared to 2Q23. The adjusted EBITDA margin totaled 50% in the quarter, in line with 3Q22 and 2Q23;
- **Adjusted Net Income:** R\$ 40 million, a growth of 11% compared to 3Q22, and 22% compared to 2Q23;
- **Total Cash (EoP):** R\$ 173 million on 09/30/2023;
- **Homes Connected (HCs):** 999 thousand subscribers in September 2023, representing a growth of 33% compared to the same period of 2022;
- **Homes Passed (HPs):** 4.3 million Homes Passed in September 2023, representing a growth of 15% over the same period in 2022;
- **Infrastructure:** approximately 55,000 km of network, comprising 10,000 km of backbone and 45,000 km of FTTH access network, a 18% growth in network total extension compared to the end of 3Q22.

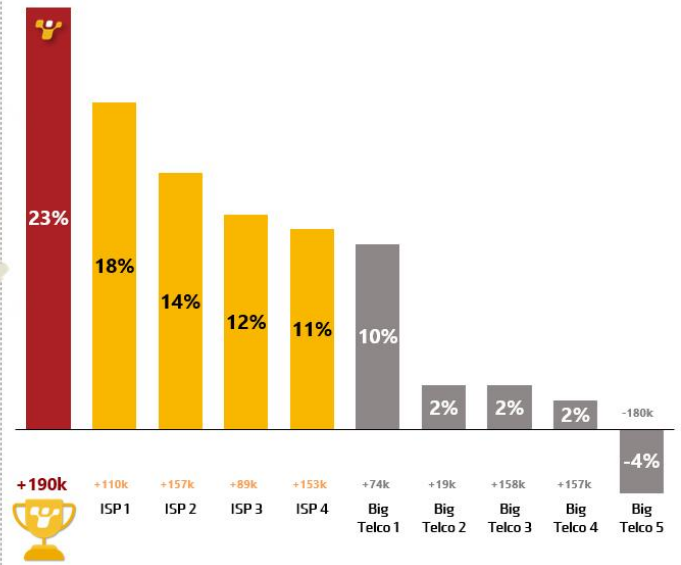
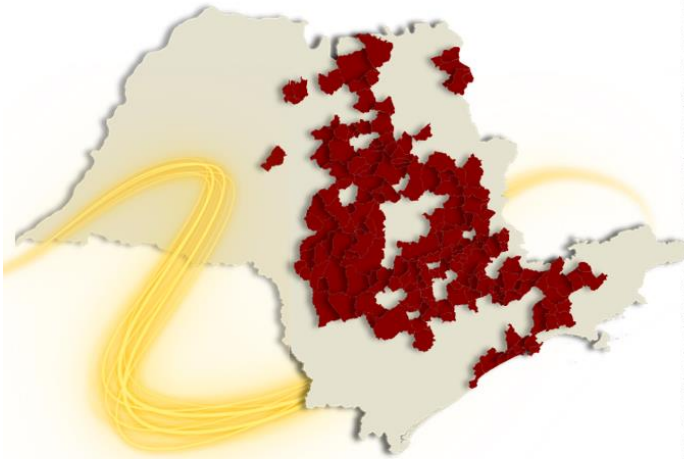
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Figure 1 – Desktop reached, in October, the mark of 1 million subscribers in São Paulo

In October, Desktop reached the important milestone of 1 million subscribers...

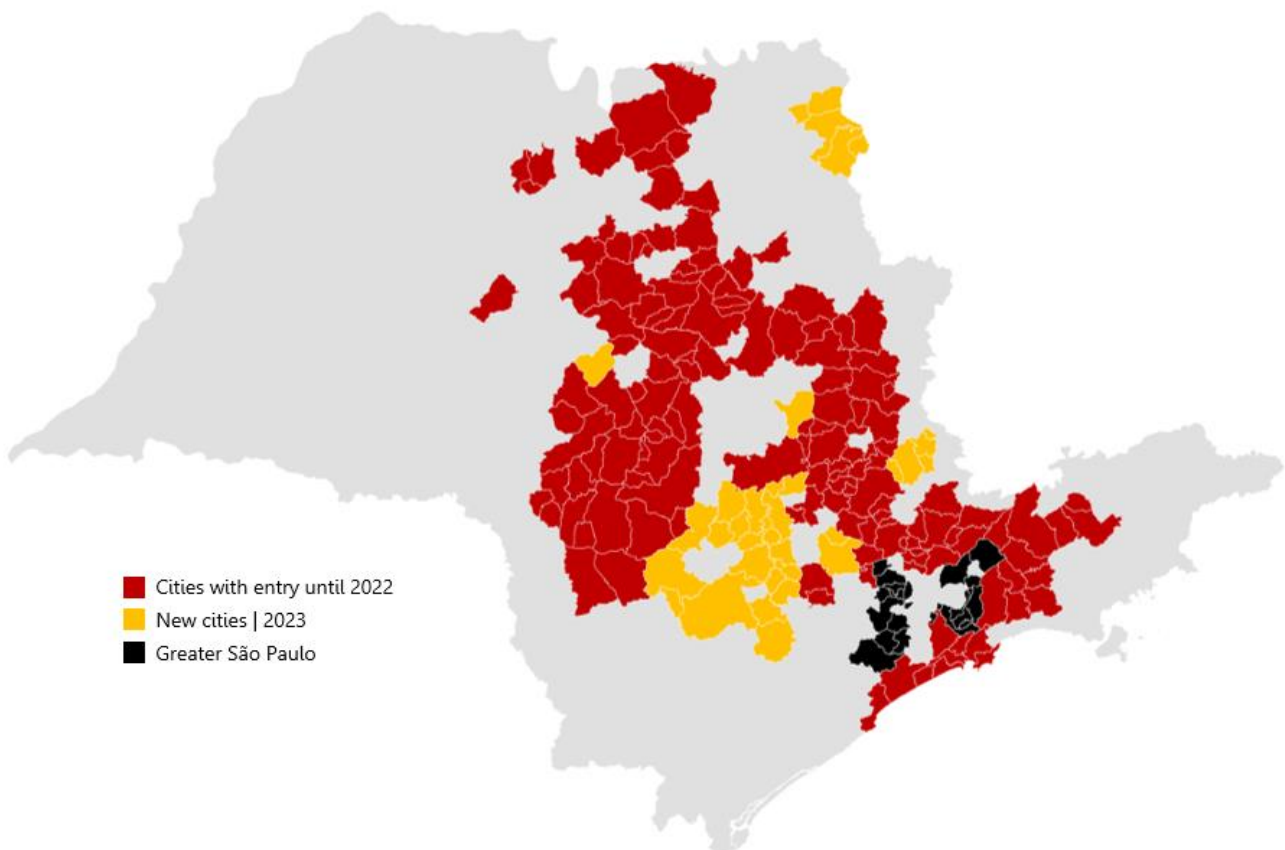
...maintaining leadership in the growth ranking among the biggest players in Brazil.



Note 1: ISPs are smaller internet platforms, generally focused only on providing broadband services (does not consider Big/Large Telcos, such as Vivo, Claro, Tim, Oi and Algar).
 Note 2: Accumulated from the first 9 months of 2023 of the Top 10 players in Brazil
 Source: Anatel.

With a strategy of opening new markets in the adjacencies of its operation, Desktop was able to reach, in October 2023, the important mark of 1 million subscribers in its base, concentrated exclusively in the interior of the State of São Paulo, enabling the maximum extraction of operational efficiencies, strengthening its regional dominance and maintaining leadership in the growth ranking among the largest players in Brazil, through the strategy of organic and inorganic growth avenues.

Figure 2 - Geographic Coverage



Financial Summary

R\$ '000	3Q23	3Q22	Var. %	9M23	9M22	Var. %
Net Revenue	254,547	187,453	36%	723,225	512,871	41%
Adjusted EBITDA	127,962	94,614	35%	361,418	239,291	51%
<i>Adjusted EBITDA Margin (%)</i>	<i>50%</i>	<i>50%</i>	<i>0 p.p</i>	<i>50%</i>	<i>47%</i>	<i>3 p.p</i>
Adjusted Net Income	40,156	36,119	11%	99,002	52,775	88%
<i>Adjusted Net Margin (%)</i>	<i>16%</i>	<i>19%</i>	<i>-4 p.p</i>	<i>14%</i>	<i>10%</i>	<i>3 p.p</i>

Operational Summary

'000	3Q23	2Q23	1Q23	4Q22	3Q22	CQGR %
Subscribers EoP	999	976	955	809	749	7%
Net Organic Additions (ex-M&As)	23	21	29	24	37	-11%
Homes Passed EoP	4,312	4,243	4,235	3,858	3,734	4%
Cities Served (#)	183	183	182	145	136	8%

Management's Letter

Strategic positioning in the State of São Paulo and recognition

During 3Q23, Desktop once again prioritized the profitability of its investments already made in fiber optic infrastructure, since the Company's 55 thousand km of network are covered with a significant number of free ports.

Maximizing the return on investments is the Company's priority and, in this context, it is with great pride that Desktop announces that, in the month of September, based on its economic and financial data for 2022, it was chosen by Anuário Telecom as a **Standout of the Year** in Converged Services.

After the end of 3Q23, Desktop reached, in October, the emblematic mark of **1 million subscribers**, a milestone of great importance for the Company's history, and which summarizes the efforts that each team member directs, daily, to deliver a differentiated connectivity experience for customers.

Commercial performance and subscribers

During 3Q23, Desktop delivered 23 thousand organic net additions to the subscriber base, 9% above the immediately previous quarter. It is worth highlighting the greater incentive to digital channels, which present better quality of client entry. In 3Q23, 40% of sales were generated through digital channels, an increase of 20 p.p. versus 3Q22.

Delivering solid financial results

Desktop's Net Revenue in 3Q23 grew by 36% compared to 3Q22, and by 3% versus 2Q23, totaling R\$ 255 million. The growth was the result of the evolution in the number of Desktop subscribers, as well as ticket management between the periods. The Company's Adjusted EBITDA reached R\$ 128 million in 3Q23, an annual increase of 35%, allowing the maintenance of the EBITDA margin at the level of 50%.

The Company's Adjusted Net Income reached R\$ 40 million in 3Q23, 11% above the previous year, and 22% above 2Q23. The net margin reached 16%.

At the end of 3Q23, the Annualized Proforma Net Debt/EBITDA ratio was 2.4x.

Development of the ESG Agenda

With regard to the ESG agenda, the Company presented two important initiatives aimed at the well-being, inclusion and development of employees. In 3Q23, **Desktop Affinity Groups** were launched, social groups formed by people who share common interests, objectives, identities or experiences, aiming to create a support and discussion network, develop new leadership profiles, and structure activities, events and actions aligned with the groups' agendas.

As part of the professional development of the Desktop team, **Desktop University** was launched, a strategic continuous learning program, which proposes personalized training solutions for teams, aligned with the routine challenges of each business area.

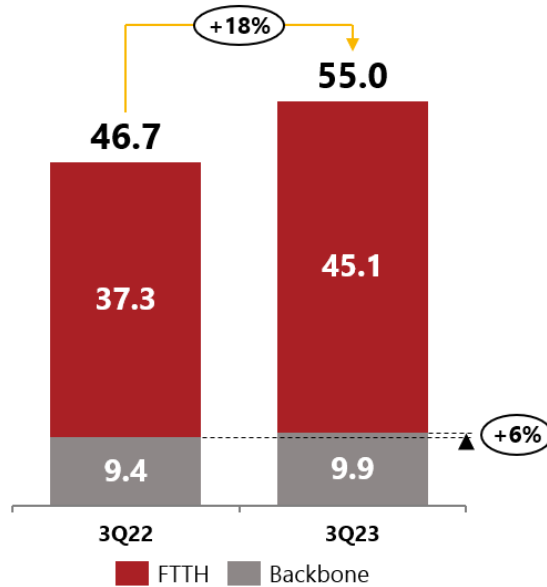
The Company thanks its employees, customers and business partners for the quarter's results.

Operating Performance

Network Extension ('000 km)

Addition of 8.3 thousand km of network between 3Q22 and 3Q23, representing a growth of 18%: (i) 7.7 thousand km of access network (21% of growth) and (ii) 0.5 thousand km of backbone (6% of growth).

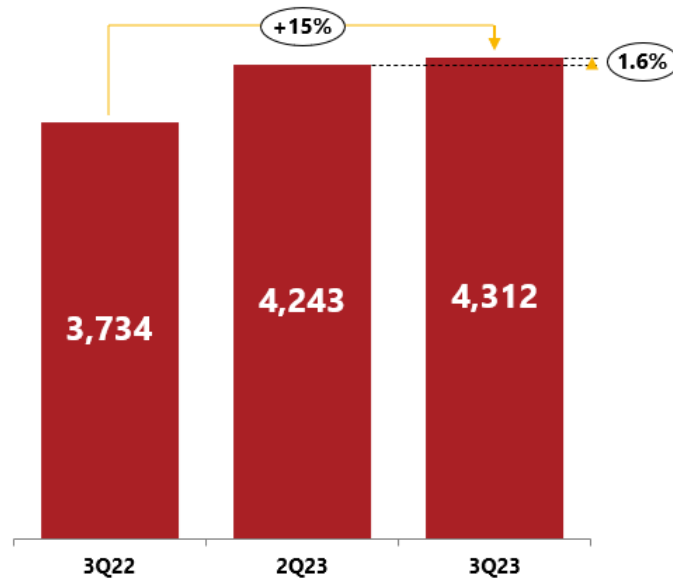
Figure 3 - Network Extension ('000 KM)



Homes Passed (HPs)

Increase of approximately 580 thousand Homes Passed in annual comparison, reaching 4.3 million of homes in September 2023, a growth of 15% compared to 3Q22 and 1.6% compared to 2Q23.

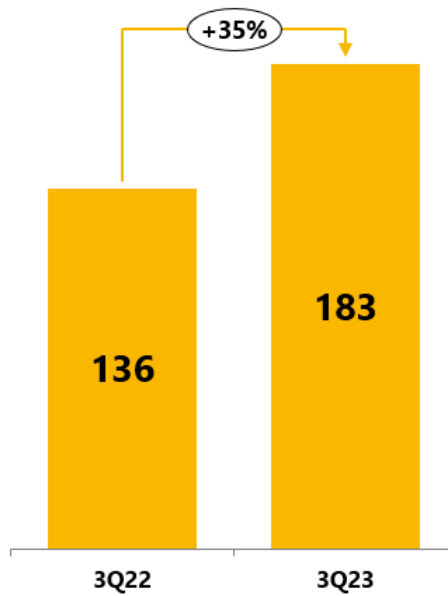
Figure 4 - Homes Passed (HPs) - ('000)



Total Cities

Increase of 47 new cities in the Company's coverage between 3Q22 and 3Q23, a growth of 35% over the number of cities served in the same period of the previous year. All new cities are in line with Desktop's strategy to expand geographically to adjacent areas to the Company's operations.

Figure 5 - Number of Cities Served



Homes Connected (HCs)

The Company's subscriber base grew by 33% compared to the end of 3Q22, reaching 999 thousand connected homes. The evolution of the Company's client base was due to the capture of 23 thousand new net organic subscribers. Continuing the strategy of improving the profile of new customers and financial efficiency, sales through digital channels increased by 20p.p. on total sales, in the annual comparison, reaching 40% in 3Q23.

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

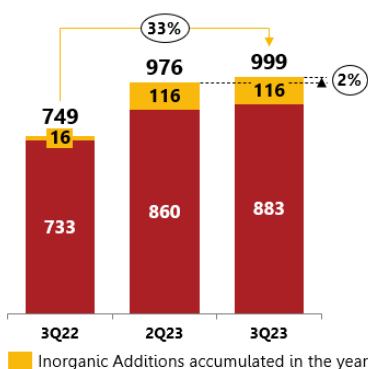


Figure 7 - Quarterly Net Organic Additions - ('000)

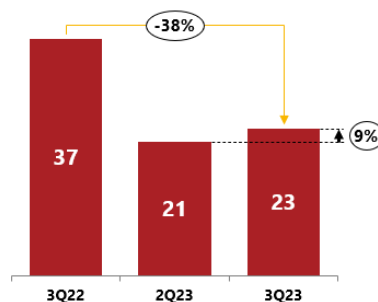
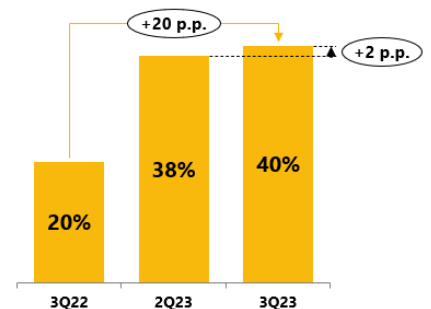


Figure 8 - Sales in the Digital Ecosystem - (%)



Economic-Financial Performance

Net Revenue

Net Revenue totaled R\$ 255 million in 3Q23, a 36% growth when compared to 3Q22. The evolution was mainly due to the increase in organic and inorganic net additions, as a result of the increased penetration of the existing network and the significant expansion of geographic coverage, including 47 new cities in the annual comparison of 3Q23 with 3Q22.

R\$ '000	3Q23	3Q22	Var. %	9M23	9M22	Var. %
Net Revenue	254,547	187,453	36%	723,225	512,871	41%
(-) Cost of Services Provided	(60,587)	(54,894)	10%	(175,033)	(150,737)	16%
Gross Profit	193,960	132,559	46%	548,192	362,134	51%
<i>Gross Margin (%)</i>	<i>76%</i>	<i>71%</i>	<i>6 p.p</i>	<i>76%</i>	<i>71%</i>	<i>5 p.p</i>

Adjusted EBITDA

Desktop reached R\$ 128 million in Adjusted EBITDA in 3Q23, an increase of 35% in the annual comparison, and 4% above 2Q23. With an EBITDA margin of 50%, the Company was able to maintain the high level of margin when compared to 3Q22 and 2Q23, demonstrating the continued capture of efficiencies, mainly in connectivity costs.

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	3Q23	3Q22	Var. %	9M23	9M22	Var. %
Net Income	35,254	25,132	40%	84,953	39,653	114%
Financial Results	(49,297)	(43,827)	12%	(150,813)	(102,970)	46%
Income tax	(1,894)	3,953	NM	(5,491)	(7,468)	-26%
Depreciation and Amortization	(41,077)	(26,907)	53%	(118,933)	(75,657)	57%
EBITDA¹	127,522	91,913	39%	360,190	225,748	60%
<i>EBITDA Margin (%)</i>	<i>50%</i>	<i>49%</i>	<i>1 p.p</i>	<i>50%</i>	<i>44%</i>	<i>6 p.p</i>
Non-recurring and/or non-operating expenses	(440)	(2,701)	-84%	(1,228)	(13,543)	-91%
Non-recurring expenses from M&As	-	(1,958)	NM	(478)	(9,051)	-95%
Stock Option Plan	(440)	(743)	-41%	(750)	(4,492)	-83%
Adjusted EBITDA²	127,962	94,614	35%	361,418	239,291	51%
<i>Adjusted EBITDA Margin (%)</i>	<i>50%</i>	<i>50%</i>	<i>0 p.p</i>	<i>50%</i>	<i>47%</i>	<i>3 p.p</i>

- EBITDA calculated according to CVM Resolution No 156/2022 (=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\$ 41 million in 3Q23, an increase of 53% compared to 3Q22. This growth was driven by the larger investments in network expansion, clients installation and M&As.

R\$ '000	3Q23	3Q22	Var. %	9M23	9M22	Var. %
Depreciation and Amortization	(41,077)	(26,907)	53%	(118,933)	(75,657)	57%

Financial Results

The financial result was negative by R\$ 49.3 million in 3Q23. The increase compared to 3Q22 is due to the Company's higher indebtedness. During 3Q22, interest was recognized retroactively referring to the installments of M&As, due to the reformulation of the accounting methodology applied. The Company presents its Adjusted Financial Result for better comparability, allocating the amounts in due competences.

R\$ '000	3Q23	3Q22	Var. %	9M23	9M22	Var. %
Net Financial Result	(49,297)	(43,827)	12%	(150,813)	(102,970)	46%
(+) Financial revenue	9,061	12,224	-26%	25,764	38,639	-33%
(-) Financial expense	(58,358)	(56,051)	4%	(176,577)	(141,609)	25%
Adjustment related to 3Q22 and 9M22 interest	-	12,851	NM	-	1,875	NM
(-) Interest on M&As installments payable for 4Q21 and 6M22	-	12,851	NM	-	1,875	NM
Net Adjusted Financial Result	(49,297)	(30,976)	59%	(150,813)	(101,095)	49%

Adjusted Net Profit

Adjusted Net Profit totaled R\$ 40.2 million in 3Q23, an increase of 11% in the annual comparison and 22% above that recorded in 2Q23.

The net margin for the quarter reached 16%, a reduction of 4p.p. in the annual comparison, mainly due to the higher level of current financial expenses and the greater tax deferral in the comparative period.

R\$ '000	3Q23	3Q22	Var. %	9M23	9M22	Var. %
Net Profit	35,254	25,132	40%	84,953	39,653	114%
<i>Net Margin (%)</i>	<i>14%</i>	<i>13%</i>	<i>0 p.p</i>	<i>12%</i>	<i>8%</i>	<i>4 p.p</i>
Non-recurring and/or non-operating expenses²	(4,902)	(10,987)	-55%	(14,049)	(13,122)	7%
Non-recurring expenses from M&As	-	(1,292)	NM	(315)	(5,973)	-95%
Stock Option Plan	(290)	(491)	-41%	(495)	(2,965)	-83%
Amortization of capital gains	(4,612)	(722)	NM	(13,239)	(2,946)	349%
Interest on M&As installments payments for 4Q21 and 6M22	-	(8,481)	NM	-	(1,238)	NM
Adjusted Net Profit¹	40,156	36,119	11%	99,002	52,775	88%
<i>Adjusted Net Margin (%)</i>	<i>16%</i>	<i>19%</i>	<i>-4 p.p</i>	<i>14%</i>	<i>10%</i>	<i>3 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%.

Annualized Proforma Net Revenue and EBITDA

Below, we present the annualized view of our Net Revenue and Adjusted EBITDA for 3Q23, to provide greater clarity to the real effect of our accelerated growth.

The "Annualized Pro Forma Net Revenue" reaches approximately R\$ 1,018 million, an increase of 43% to the amount recorded in the full year of 2022, while the "Annualized Pro Forma Adjusted EBITDA" totals approximately R\$ 512 million, an increase of 51% compared to the amount recorded in the full year of 2022.

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

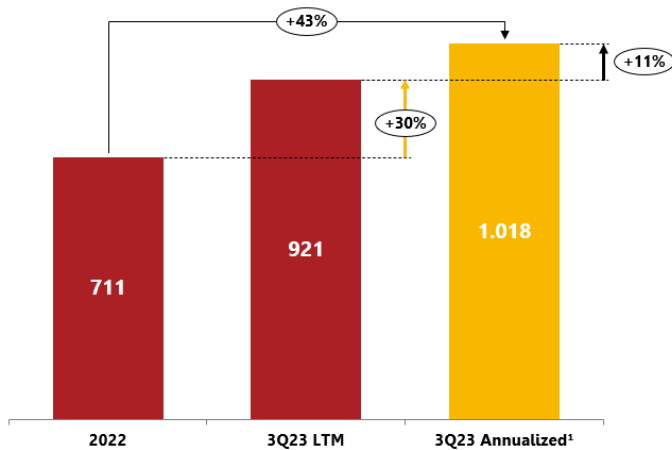
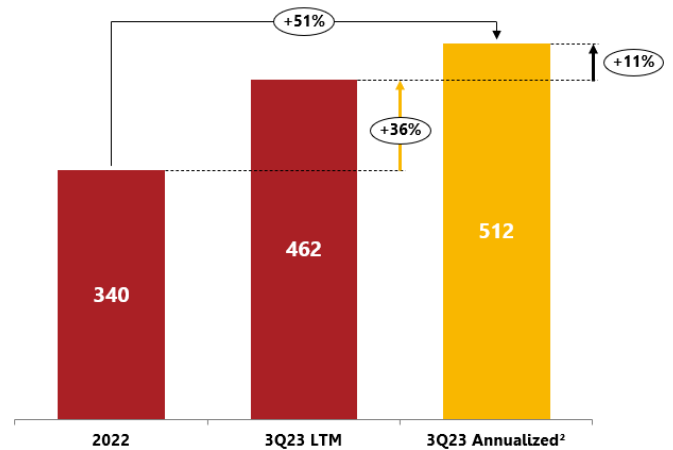


Figure 10 – Annualized Pro Forma Adjusted EBITDA - (R\$ million)



1 - Considers 3Q23 net revenue multiplied by 4;

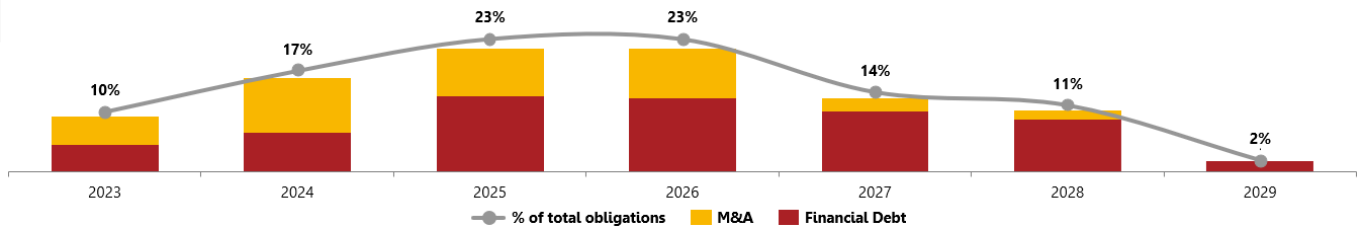
2 - Considers 3Q23 Adjusted EBITDA multiplied by 4.

Liquidity and Indebtedness

The Company ended 3Q23 with a net debt of R\$ 1,248.6 million, which represents 2.4x Annualized Proforma EBITDA, a reduction of 0.1x when compared to the level presented in 2Q23 and presenting a leverage reduction of 0.2x when compared to 3Q22.

Liquidity (R\$ '000)	3Q23	3Q22	Var. %	2Q23	Var. %
(+) Cash and cash equivalents	115,868	100,442	15%	62,839	84%
(+) Financial investments	57,088	201,744	-72%	108,956	-48%
Liquidity	172,956	302,186	-43%	171,795	1%
Indebtedness (R\$ '000)	3Q23	3Q22	Var. %	2Q23	Var. %
(-) Debentures	807,395	813,617	-1%	795,150	2%
(-) Loans and financing	54,683	65,114	-16%	57,520	-5%
(-) Lease Liabilities	40,240	46,576	-14%	45,392	-11%
Gross Debt	902,318	925,307	-2%	898,062	0%
(-) Liquidity	172,956	302,186	-43%	171,795	1%
Net Debt	729,362	623,121	17%	726,267	0%
M&As Commitments (R\$ '000)	3Q23	3Q22	Var. %	2Q23	Var. %
(-) M&As Term Installments	519,194	382,045	36%	499,588	4%
Net Debt+ M&As Term Installments	1,248,556	1,005,166	24%	1,225,855	2%
Leverage (R\$ '000)	3Q23	3Q22	Var. %	2Q23	Var. %
Annualized Proforma EBITDA	511,852	378,466	35%	492,048	4%
Net Debt/EBITDA Pro Forma Annualized (x)	2.4x	2.7x	-0.2x	2.5x	-0.1x

Debt Schedule (R\$ mm)

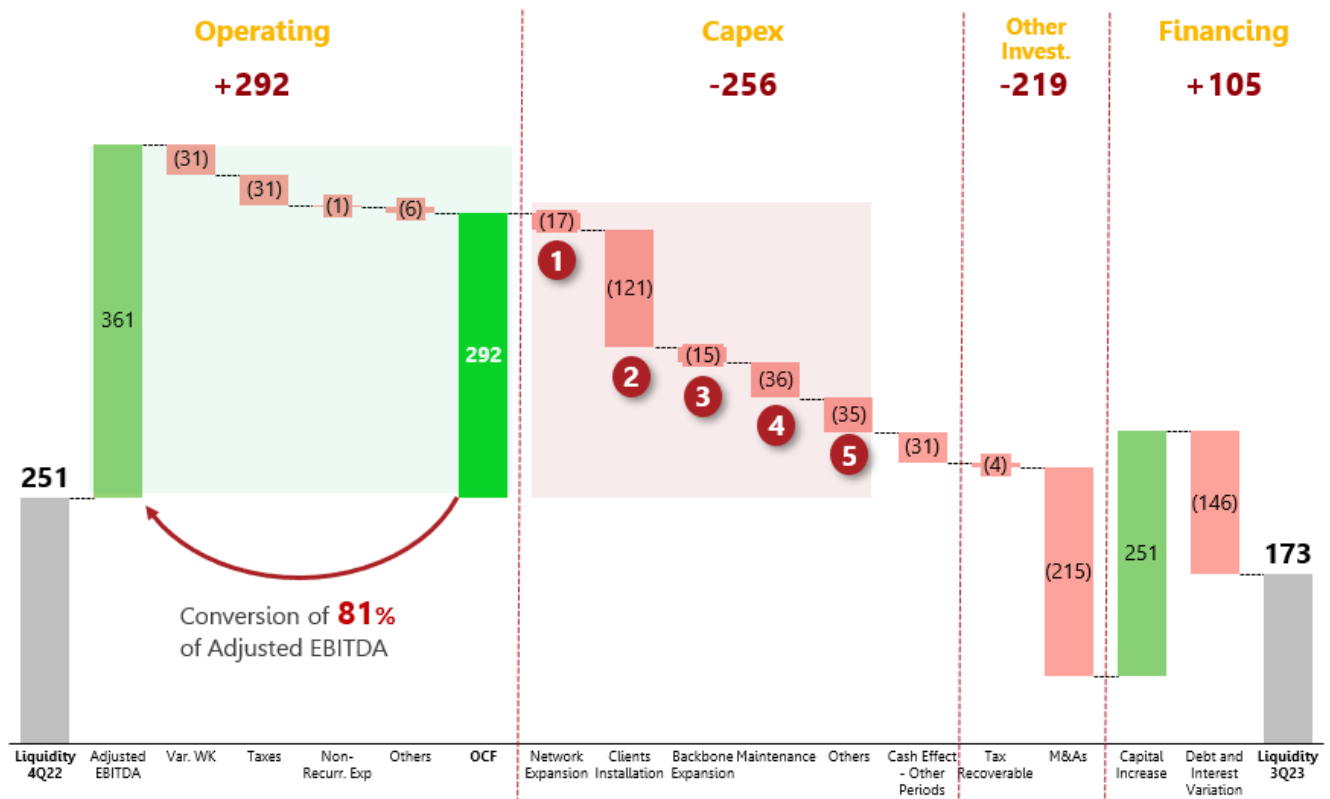


Cash Flow

The Company ended 9M23 with R\$ 173 million in cash and short-term investments. During the period, Desktop converted 81% of its EBITDA into recurring operating cash flow. Adjusted cash flow from investments (CAPEX) totaled R\$ 475 million, mainly composed of (i) R\$ 215 million in expenditures for the payment of installments of M&A operations carried out; (ii) R\$ 121 million used to install new clients, and (iii) R\$ 22 million of investments in technology, within Desktop's digital transformation framework.

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)	9M23
1	Network Expansion	17,480
	Increase (Decrease) of inventory	(5,272)
	Network Expansion - Adjusted	22,751
	Ports Added ('000)	94
	CAPEX/PORT	241
2	Clients Installation	120,680
	Increase (Decrease) of inventory	(29,618)
	Clients Installation - Adjusted	150,299
	Gross Adds ('000)	287
	CAPEX/GROSS ADDS	524
3	Backbone Expansion	15,472
	% of Total CAPEX	7%
4	Maintenance	36,430
	% of Net Revenue	5%
5	I.T.	21,920
5	Others	13,260
	Total adjusted CAPEX	225,242

Appendix

Balance Sheet - Consolidated

R\$ '000	3Q23	2022
TOTAL ASSETS	2,943,277	2,520,858
Current Assets	380,584	393,219
Cash and cash equivalents	115,868	68,629
Financial Investments	57,088	182,793
Accounts receivable from clients	109,994	82,546
Mutual and other accounts receivable from related parts	5,256	2,347
Recoverable taxes	39,015	37,014
Income tax and social contribution	22,188	2,585
Prepaid expenses	20,153	15,107
Other receivables	11,022	2,198
Non-Current Assets	2,562,693	2,127,639
Recoverable taxes	41,050	38,041
Deferred income tax and social contribution	89,315	61,407
Judicial deposits	2,072	2,516
Prepaid expenses	33,453	25,620
Other receivables	6,944	8,804
Property and equipment	1,371,730	1,161,483
Right of use	37,286	36,112
Intangible assets	980,843	793,656
LIABILITIES AND EQUITY	2,943,277	2,520,858
Current liabilities	450,817	453,927
Suppliers	55,839	83,378
Accounts payable for acquisition of companies	84,749	162,073
Accounts payable to related parties	56,732	14,342
Loans and borrowings	21,393	18,411
Debentures	105,028	73,040
Social and labor obligations	57,659	41,926
Taxes payable	30,014	28,148
Dividends Payable	2,594	2,594
Income tax and social contribution	15,986	10,400
Leasing liabilities	17,511	17,305
Other amounts payable	3,312	2,310
Non-Current Liabilities	1,208,956	1,115,062
Accounts payable for acquisition of companies	244,196	245,532
Accounts payable to related parties	133,517	26,293
Loans and borrowings	33,290	45,198
Debentures	702,367	744,600
Taxes payable	7,109	9,540
Deferred income tax and social contribution	46,198	-
Leasing liabilities	22,729	20,605
Provisions for contingencies	17,983	21,727
Other amounts payable	1,567	1,567
Equity	1,283,504	951,869
Share capital	953,004	751,846
Capital reserve	87,797	39,626
Income reserve	144,684	142,104
Net Income for the period	75,410	-
Equity attributed to controlling shareholders	1,260,895	933,576
Interest of non-controlling shareholders	22,609	18,293

Consolidated Income Statement

R\$ '000	3Q23	3Q22	Var. %	9M23	9M22	Var. %
Gross Revenue	296.783	221.578	34%	844,877	623,276	36%
(-) Deductions	(42.236)	(34.125)	24%	(121,652)	(110,405)	10%
Net Revenue	254.547	187.453	36%	723,225	512,871	41%
(-) Cost of Services provided	(60.587)	(54.894)	10%	(175,033)	(150,737)	16%
Gross Profit	193.960	132.559	46%	548,192	362,134	51%
<i>Gross Margin (%)</i>	<i>76%</i>	<i>71%</i>	<i>6 p.p</i>	<i>76%</i>	<i>71%</i>	<i>5 p.p</i>
(-) Commercial expenses	(31.218)	(21.707)	44%	(85,541)	(55,356)	55%
(-) General and administrative	(32.350)	(14.844)	118%	(82,788)	(66,183)	25%
(+/-) Other income (expenses), net	4.080	3.819	7%	7,885	7,179	10%
(-) Depreciation and amortization	(41.077)	(26.907)	53%	(118,933)	(75,657)	57%
(-) Loss due to impairment of accounts receivable	(6.949)	(7.912)	-12%	(27,558)	(22,026)	25%
(-) Financial Result	(49.297)	(43.827)	12%	(150,813)	(102,970)	46%
EBT	37.148	21.179	75%	90,444	47,121	92%
(+/-) Income Taxes	(1.894)	3.953	NM	(5,491)	(7,468)	-26%
Net Income	35.254	25.132	40%	84,953	39,653	114%
<i>Net Margin (%)</i>	<i>14%</i>	<i>13%</i>	<i>0 p.p</i>	<i>12%</i>	<i>8%</i>	<i>4 p.p</i>

R\$ '000	3Q23	3Q22	Var. %	9M23	9M22	Var. %
Net Income	35.254	25.132	40%	84,953	39,653	114%
Financial result	(49.297)	(43.827)	12%	(150,813)	(102,970)	46%
Income tax	(1.894)	3.953	NM	(5,491)	(7,468)	-26%
Depreciation and Amortization	(41.077)	(26.907)	53%	(118,933)	(75,657)	57%
EBITDA¹	127.522	91.913	39%	360,190	225,748	60%
<i>EBITDA Margin (%)</i>	<i>50%</i>	<i>49%</i>	<i>1 p.p</i>	<i>50%</i>	<i>44%</i>	<i>6 p.p</i>
Non-recurring and/or non-operating expenses	(440)	(2.701)	-84%	(1,228)	(13,543)	-91%
Non-recurring expenses from M&As	-	(1.958)	NM	(478)	(9,051)	-95%
Stock Option Plan	(440)	(743)	-41%	(750)	(4,492)	-83%
Adjusted EBITDA²	127.962	94.614	35%	361,418	239,291	51%
<i>Adjusted EBITDA Margin (%)</i>	<i>50%</i>	<i>50%</i>	<i>0 p.p</i>	<i>50%</i>	<i>47%</i>	<i>3 p.p</i>

- 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	3Q23	3Q22	Var. %	9M23	9M22	Var. %
Net Profit	35.254	25.132	40%	84,953	39,653	114%
<i>Net Margin (%)</i>	<i>14%</i>	<i>13%</i>	<i>0 p.p</i>	<i>12%</i>	<i>8%</i>	<i>4 p.p</i>
Non-recurring and/or non-operating expenses²	(4.902)	(10.987)	-55%	(14,049)	(13,122)	7%
Non-recurring expenses from M&As	-	(1.292)	NM	(315)	(5,973)	-95%
Stock Option Plan	(290)	(491)	-41%	(495)	(2,965)	-83%
Amortization of capital gains	(4.612)	(722)	NM	(13,239)	(2,946)	349%
Interest on M&As installments payable for 4Q21 and 6M22	-	(8.481)	NM	-	(1,238)	NM
Adjusted Net Profit¹	40.156	36.119	11%	99,002	52,775	88%
<i>Adjusted Net Margin (%)</i>	<i>16%</i>	<i>19%</i>	<i>-4 p.p</i>	<i>14%</i>	<i>10%</i>	<i>3 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	9M23	9M22
BoP – Cash Balance	68,629	141,493
Cash flows from operating activities		
Profit before income tax and social contribution	90,444	47,121
Adjustments for:		
Depreciation and amortization	88,875	58,891
Write-off of property and equipment and intangible assets	529	1,569
Amortization of right-of-use assets	18,548	15,287
Amortization of capital gains	11,510	1,479
Charges on loans, financing, debentures and leases	106,183	100,278
Appropriation of commission on debentures	876	1,030
Income from financial Investments	(12,632)	(24,266)
Charges on accounts payable for acquisition of companies	54,750	25,067
Financial update on contingencies	64	(81)
Provision for contingencies	942	1,109
Loss (Gain) due to impairment of accounts receivable	(1,104)	1,903
Effective write-off of accounts receivable	28,662	20,123
Result of operations with non-controlling partners	(3,994)	-
Stock option plan	751	4,492
Adjusted profit before income tax and social contribution	384,404	254,002
Variation in assets and liabilities:		
Accounts receivable from clients	(39,681)	(46,221)
Taxes recoverable	(4,439)	(20,363)
Judicial deposits	(11)	(801)
Prepaid expenses	(12,777)	(18,293)
Other accounts receivable from related parts	(2,909)	(3,659)
Other receivables	444	4,687
Suppliers	(55,404)	(35,502)
Accounts payable for acquisition of companies	-	(1,470)
Social and labor obligations	13,897	15,932
Taxes payables	(7,915)	(3,218)
Contingency payment	(2,459)	-
Other amounts payable	(23,092)	(1,866)
Net cash generated from operating activities	250,058	143,228
Income tax and social contribution paid	(31,244)	(25,298)
Interest paid	(90,181)	(80,636)
Net cash (applied in) generated by operating activities	128,633	37,294
Cash flows from investing activities:		
Interest received net from financial investments	138,402	136,063
Acquisition of Investments	(75,000)	(10,000)
PP&E and intangible assets acquisition - Capex	(213,791)	(338,274)
Cash used in investing activities	(150,389)	(212,211)
Cash and cash equivalents obtained in acquisitions	2,874	3,471
Net cash used in investing activities after mergers	(147,515)	(208,740)
Cash flows from financing activities:		
Proceeds from loans, financing, and debentures	-	500,000
Amortization of loans, financing, and debentures	(35,701)	(342,079)
Commissions on loans, financing, and debentures	-	(1,772)
Capital Increase	251,158	908
Payment of lease liabilities	(23,646)	(20,666)
Interest of non-controlling shareholders	2,909	2,630
Payment of deferred installment referring to the acquisition of subsidiaries	(128,599)	(8,626)
Net cash (applied in) from financing activities	66,121	130,395
Net increase (decrease) in cash and cash equivalents	47,239	(41,051)
Eop – Cash Balance	115,868	100,442

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 approximately 3,900 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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