

LOCAWEB SERVIÇOS DE INTERNET S.A.

Publicly held Company
CNPJ 02.351.877/0001-52
NIRE 35.300.349.482

MATERIAL FACT

São Paulo, January 26, 2021 – **Locaweb Serviços de Internet S.A.** ("Company") pursuant to the Rule of the Brazilian Securities Commission ("CVM") No. 358, of January 3, 2002, as amended, and the provisions of Paragraph 4 of Article 157 of Law No. 6404, of December 15, 1976, as amended ("Corporations Law"), hereby informs the market that, on the date hereof, it was signed a Quota Purchase and Sale and Other Covenants Agreement between the Company and the quotaholders of **Connectplug Desenvolvimento de Softwares Ltda.** ("ConnectPlug"), to regulate the acquisition of the entirety of the capital stock of ConnectPlug by the Company ("Transaction").

About the Acquisition

Founded in 2015 in Curitiba, ConnectPlug is a SaaS platform with a point-of-sale (POS) and a comprehensive management system. With a large presence in the food services segments the platform provides important features, such as an ordering and delivery manager integrated with many marketplaces, a seamless self-service solution to support clients ordering in stores or restaurants and digital table menu for low-touch order process fully integrated with ConnectPlug's KDS (kitchen display system). Initially crafted to support food services companies, the platform became strongly present in other segments, focused on SMEs, due its completeness, easy-to-use interface and integration capabilities.

With this acquisition, Locaweb, which already has the most complete ecosystem of digital solutions for SMEs and a strong presence in food services market through Delivery Direto, strengthens its portfolio and enters in a new segment of digital services for brick and mortar businesses and expand possibilities of cross-selling with Tray's clients.

As Locaweb, ConnectPlug presented strong growth in 2020 and generated recurring annual revenue (ARR) of R\$ 4 million. At this period the company also played a fundamental role in helping thousands of companies to transform themselves digitally and even after the economy reopened, this growth remains bold and consistent.

With this acquisition Locaweb reaches a new market and expands the group's capacity to offer omnichannel solutions. ConnectPlug allows merchants to take advantage of all the features that a SaaS system delivers, with a vast capacity for issuing invoices from all Brazilian's locations, business intelligence reports and the possibility of working offline for remote internet access locations.

Following the Company's operating modeling other acquisitions, Mrs. Rafael Hasson, Bernardo Faria Marques and Edson Procopio Junior, founding partners of ConnectPlug, will remain in the ConnectPlug operation, within the Company's unit.

Transaction

The closing price for the acquisition of all quotas of ConnectPlug is R\$18 million. The closing price is subject to certain adjustments of net debt and working capital, which are usual in this type of transaction.

Additionally, part of the sellers may be entitled to receive an earnout, depending on the achievement of certain financial goals based on the net operating revenue of ConnectPlug.

The acquisition of ConnectPlug by the Company was concluded on the date hereof and the parties are only expected to comply with certain post-closing obligations which are customary in this type of transaction.

The Company clarifies that the present transaction is not subject to approval by the general meeting for not achieving the requirements of art. 256 of the Brazilian Corporation Law and will keep the market and its shareholders timely and adequately informed about the subsequent facts to the signing of the Agreement, in accordance with the applicable legislation

Rafael Chamas Alves
CFO and IRO