

lwsa
Earnings Release

4Q24

March 13, 2025





Help businesses be born and thrive through technology

EARNINGS RESULTS CONFERENCE CALL

March 14, 2025 (Friday)

10:00 a.m. - Brasília time

09:00 a.m. - New York time

[Registration link](#)

Portuguese with simultaneous translation into
English

IR CONTACTS

André Kubota

CFO and IRO

Henrique Marquezi

IR Director

Henry Yuji Gomes

IR Coordinator

Ricardo Reis

IR Analyst

Phone Number // +55 11 3544-0479

E-mail // ri@lwsa.tech

Website // ri.lwsa.tech

About LWSA

LWSA is a benchmark in digital transformation in Brazil, providing essential digitalization services and reliable tools to create, manage and expand businesses of any size.

With a focus on innovation, integration and security, LWSA powers the digital ecosystem for companies, offering solutions for online presence, e-commerce, management and financial services. The Company serves +700 thousand clients in different sectors, including SMEs and large companies, connecting technology and business in an efficient and integrated manner.

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Disclaimer

LWSA S/A (“Company”) announces today its results for the fourth quarter of 2024 (4Q24).

The statements contained in this document related to business prospects, projections on operating and financial results and those related to LWSA S/A's growth perspectives are merely projections and, as such, are based exclusively on the expectations of the Board about the future of the business.

These expectations depend materially on market conditions, the performance of the Brazilian economy, the sector and international markets and, therefore, are subject to changes without notice.

All variations presented here are calculated based on numbers in millions of reais (unless otherwise stated), as well as rounding.

This performance report features accounting and non-accounting data such as operational, organic and pro-forma financial data and projections based on the expectations of the Company's Management.

The non-accounting data has not been reviewed by the Company's independent auditors.



São Paulo, March 13, 2025: LWSA S/A (B3: LWSA3) informs its shareholders and other market participants of the 4Q24 results

Quarter Highlights

*Quarter with margin expansion,
positive operating cash generation and significant GMV and TPV growth*

Operational (4Q24 vs 4Q23):

+16.3% of Ecosystem GMV (R\$19.5 billion)

+15.3% of TPV (R\$2.1 billion)

+12.4% of Own Store GMV (R\$1.7 billion)

+4.8% in the Subscriber Base (193.2 thousand)

Financial (4Q24 vs 4Q23):

+4.8% Consolidated Net Revenue (**R\$ 364.1 million**) and **+8.1%** excluding Squid results

+6.7% of Net Revenue - Commerce (**R\$ 259.7 million**) and **+11.8%** excluding Squid results

+20.1% of Platform Subscription Revenue in the Commerce segment

+19.0% of Adjusted EBITDA (**R\$81.3 million**)

+2.7 p.p. of Adjusted EBITDA Margin (**22.3%**)

-25.8% of Financial Expenses from the Advance of Receivables

R\$ 35.8 mm of Free Cash Flow after Capex

// Summary of Indicators

(R\$ million)

LWSA	4Q24	4Q23	vs 4Q23	3Q24	vs 3Q24	2024	2023	vs 2023
MAIN OPERATIONAL INDICATORS								
Platform Subscribers (thousand)	193.2	184.3	4.8%	191.2	1.0%	193.2	184.3	4.8%
Ecosystem GMV	19,542.1	16,805.8	16.3%	17,377.2	12.5%	69,664.0	58,827.0	18.4%
TPV	2,107.0	1,828.1	15.3%	1,983.4	6.2%	7,581.7	6,578.6	15.2%
FINANCIAL INDICATORS								
Commerce Net Revenue	259.7	243.4	6.7%	243.0	6.9%	950.0	875.2	8.5%
Platform Subscription Net Revenue	124.9	104.0	20.1%	116.8	7.0%	458.5	375.0	22.3%
Ecosystem Net Revenue	134.8	139.4	-3.3%	126.3	6.7%	491.6	500.2	-1.7%
Beonline / SaaS Net Revenue	104.4	103.9	0.5%	106.3	-1.8%	420.0	417.5	0.6%
Consolidated Net Revenue	364.1	347.3	4.8%	349.3	4.2%	1370.0	1292.8	6.0%
Commerce Gross Profit	129.4	130.7	-1.0%	132.5	-2.3%	495.9	455.4	8.9%
Commerce Gross Margin (%) ¹	49.8%	53.7%	-3.9 p.p	54.5%	-4.7 p.p	52.2%	52.0%	0.2 p.p
BeOnline / SaaS Gross Profit	38.6	35.1	10.0%	42.0	-8.0%	159.1	142.5	11.7%
BeOnline / SaaS Gross Margin (%)	37.0%	33.8%	3.2 p.p	39.5%	-2.5 p.p	37.9%	34.1%	3.8 p.p
Consolidated Gross Profit	168.0	165.8	1.3%	174.5	-3.7%	655.0	597.9	9.6%
Consolidated Gross Margin (%)	46.1%	47.7%	-1.6 p.p	49.9%	-3.8 p.p	47.8%	46.3%	1.6 p.p
Commerce Adjusted EBITDA	56.6	48.2	17.4%	47.6	18.7%	177.8	138.1	28.7%
Commerce Adjusted EBITDA Margin (%)	21.8%	19.8%	2.0 p.p	19.6%	2.2 p.p	18.7%	15.8%	2.9 p.p
BeOnline / SaaS Adjusted EBITDA	24.7	20.1	22.8%	26.0	-4.9%	103.6	88.4	17.1%
BeOnline / SaaS Adjusted EBITDA Margin (%)	23.7%	19.4%	4.3 p.p	24.5%	-0.8 p.p	24.7%	21.2%	3.5 p.p
Consolidated Adjusted EBITDA	81.3	68.3	19.0%	73.7	10.5%	281.4	226.6	24.2%
Consolidated Adjusted EBITDA Margin (%)	22.3%	19.7%	2.7 p.p	21.1%	1.2 p.p	20.5%	17.5%	3.0 p.p
Net Income	(17.5)	(45.1)	-61.2%	16.9	-203.5%	42.2	(73.7)	157.2%
Net Margin (%)	-4.8%	-13.0%	8.2 p.p	4.8%	-9.6 p.p	3.1%	-5.7%	8.8 p.p
Adjusted Net Income	42.9	53.0	-19.1%	37.0	15.8%	149.9	142.4	5.3%
Adjusted Net Margin (%)	11.8%	15.3%	-3.5 p.p	10.6%	1.2 p.p	10.9%	11.0%	-0.1 p.p
Net debt (cash) of Earnouts	(100.0)	(349.6)	n/a	(153.7)	n/a	(100.0)	(349.6)	n/a
OTHER OPERATIONAL INDICATORS								
Own Store GMV	1,662.6	1,478.5	12.4%	1,488.5	11.7%	5,824.3	5,008.9	16.3%
Labels issued on the logistic operation (thousand)	6,090.7	5,760.1	5.7%	5,797.9	5.1%	22,846.5	21,471.2	6.4%
Clients EoP - BeOnline / SaaS (thousand)	390.6	404.0	-3.3%	393.9	-0.9%	390.6	404.0	-3.3%

¹ Details of Margin and Operating Costs and Expenses on page 10

// Message from Management

We concluded a year in which LWSA achieved significant productivity gains, reflected in the Gross and EBITDA margins, which showed notable expansion compared to previous periods and consistent performance in its operational indicators. Despite the macroeconomic scenario for retail and e-commerce in Brazil, these indicators continue to demonstrate a strong growth trajectory.

Our operational indicators, particularly GMV, the paying subscriber base of the Commerce segment and consequently the subscription revenue of the Commerce segment, continued to deliver growth above the market averages. This result reflects the quality and robustness of our ecosystem, which has enabled our clients to accelerate sales on their e-commerce platforms and marketplaces, while also optimizing their business management.

In 2024, LWSA's Ecosystem GMV reached the impressive mark of R\$ 69.7 billion, representing a significant share of the Brazilian e-commerce. This brand reaffirms our relevance and importance for all market players, including retailers and marketplaces, consolidating our role as facilitators and drivers of growth in the sector.

We understand, however, that the growth in LWSA's Consolidated Net Revenue fell short of its full potential, partly due to Squid's restructuring. However, when considering the consolidated results, disregarding the effects of Squid, we observe a growth of 10.4%, in the Commerce segment, also without considering Squid's results, showing an expansion of 15.8% in its net revenue in 2024.

Squid's restructuring process, which began in January 2024 and was widely discussed with our investors throughout the year, was completed within that same year. Since then, Squid has demonstrated improvements in revenue and profitability, quarter over quarter. It is worth noting that in the first quarter of 2025, the comparative bases will be properly aligned for the group, meaning that it will no longer be necessary to disclose "Ex-Squid" results.

We also highlight that 2024 was a year of major developments in our products, generating greater value for our customers.

This year, we expanded the reach of our e-commerce platforms to a complete Omnichannel solution, which integrates the digital world with the physical (off-line) world through the launch of a unified POS (software) with integrated payment capture and logistics capabilities in a unified manner. Within this scope, we enhanced the offering with a management module for multi-stores and franchises for SMEs, which is already being used by some of our customers.

We made 'Live Shop' available to our SME clients, which offers the possibility for clients to do live streams in their own store with an integrated shopping cart and full product control directly in the control panel. This is a strategy widely used in countries where e-commerce is in more advanced stages than the Brazilian market, and thus we expanded the sales channels available to our clients. We launched Woz, a generative AI productivity solution, which is transforming our customer service and sales operations by reducing our clients' operational costs and increasing their efficiency through its three integrated solutions: (i) Woz Agente, which resolves up to 40% of demands instantly; (ii)

Woz Co-Piloto, which assists teams with intelligent and customized responses; and (iii) Woz Transcrição, which converts and summarizes audio to optimize service time. This technology has already boosted our customers' productivity by more than 50% (time and service volume), transforming how companies communicate and scale their operations.

At Wake, within our Enterprise E-commerce Platform operation, in 2024, we advanced our strategy for acquiring new clients, bringing on board important brands such as Shop2gether, Canal, OQVestir, Blue Man, Adriana Degreas, and Inbrands. We are growing into other Omnichannel segments with clients such as Farma Delivery and Soneda, and we have expanded our sales and service channels by accrediting more than 30 partner agencies. Additionally, we have developed an application that integrates several systems into a single solution (Wake U), connecting sales and operations in real-time and reinforcing the "Real Unified Commerce" concept that we offer. We now offer fully integrated OMS solutions to our retailers, thus contributing to a more efficient journey at each stage of the sales process.

In payments and financial solutions, we obtained approval from Bacen (Brazil's Central Bank) to become a Payment Institution and started offering the digital account product to our client, another important step in the journey within our ecosystem.

Regarding the quarter's results, we highlight the 20.1% growth in the Commerce Platform Subscription Net Revenue, a result of the expansion of our platform subscriber base and the continued growth of our client's ARPU, which grew by 14.6% when compared to 4Q23. In addition, we achieved a significant 2.7 percentage point expansion in the Adjusted EBITDA Margin compared to 4Q23, driven by group synergies, headcount control, and organizational optimization. During this quarter, we generated R\$ 35.8 million in free cash flow and ended the period with R\$ 447.4 million in cash.

We reiterate management's commitment to capitalizing on opportunities in the dynamic competitive market. We are dedicated to leveraging the various opportunities our ecosystem offers and building new growth avenues, accelerating our development with responsibility, profitability, and cash generation.

// Capital Allocation

Concerning capital allocation, as previously noted in the last quarter, we distributed more than R\$ 190 million to our shareholders via a robust share buyback program, with the shares now canceled (34 million shares – representing 5.7% of the Company's total shares), and dividends disbursed in November.

In February 2025, along those same lines, we approved another major buyback program of 38.8 million shares, equivalent to 10% of the Company's free float.

// Earnouts

In accordance with the Earnout Re-calculation Policy, conducted and presented to the market every six months in our past earnings releases, we completed the final review of the Earnout payment estimates in December 2024.

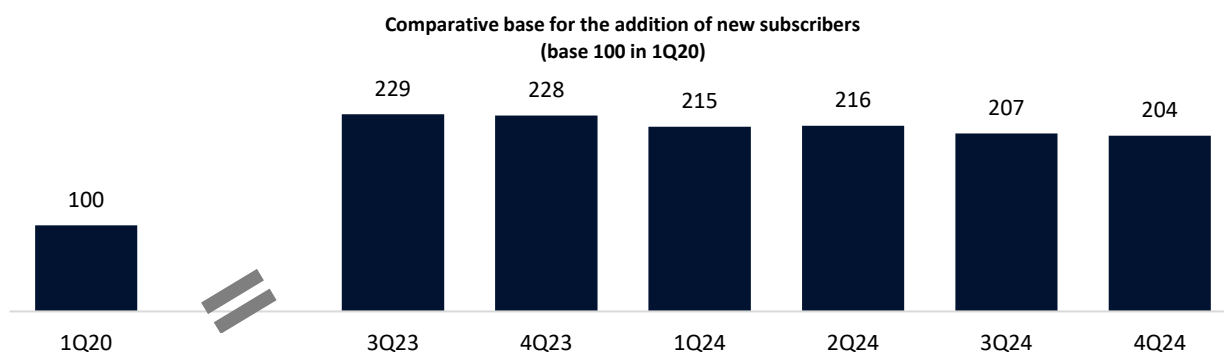
In June 2024, the estimated Earnout payment value was R\$ 242.8 million. In December this amount reached R\$ 274.6 million, with payments mostly due in 2Q25 (approximately R\$ 230.0 million), and the remaining balance to be paid out gradually until the end of 2027, considering the positive performance of the acquired companies Bagy, Síntese and Octadesk.

The increase in the earnouts payable balance led to the recognition of a financial expense of R\$40.5 million, which, net of taxes, was R\$ 26.7 million in the 4Q24 results. It is worth noting that within the financial expense, R\$ 7.5 million refers to 4Q24 AVP and the remainder related to the revaluation of balances.

// Operating Performance

We ended 4Q24 with a base of 193.2 thousand paying e-commerce subscribers, a growth of 4.8% vs 4Q23.

We noticed a slight drop in the pace of gross addition of new e-commerce subscribers in the quarter when compared to the previous quarter. This drop, as mentioned in the Company's previous earnings call, is part of a customer acquisition strategy, who have a higher LTV, which is reflected in the important growth in GMV and in platform subscription revenue. The chart below, based on 100 1Q20, shows the evolution of customer additions by quarter.



The GMV transacted through LWSA's ecosystem, that is, our clients' Own Stores GMV and the GMV traded on marketplaces via ERP operations and marketplace integrators reached a volume of R\$ 19.5 billion in 4Q24, a volume 16.3% higher than in 4Q23. In 2024, growth was up 18.4%, when compared to 2023, reaching R\$ 69.7 billion.

In 4Q24, we noted a 12.4% growth vs 4Q23 in sales in our clients' own stores. In 2024, growth was 16.3% vs 2023.

It is worth noting that the growth in sales in our clients' own stores in 2024, above the market, is due to the value proposition of LWSA's ecosystem, which allows retailers to boost their sales across different media and channels on their own through their control panel. This process is supported by our e-learning ecosystem, which aims to give the retailer greater power over marketing efforts.

The TPV of the payment operation grew by 15.3% in 4Q24 vs 4Q23, reaching R\$ 2.1 bi in the period, as a result particularly of the acceleration to capture synergies across the acquired companies and our payment solution. In 2024, the TPV was R\$ 7.6 billion, which showed an increase of 15.2% compared to 2023.

// Financial Performance

// Net Operating Revenue

(R\$ million)

LWSA	4Q24	4Q23	vs 4Q23	3Q24	vs 3Q24	2024	2023	vs 2023
Commerce	259.7	243.4	6.7%	243.0	6.9%	950.0	875.2	8.5%
<i>Segment share in the consolidated</i>	<i>71.3%</i>	<i>70.1%</i>	<i>1.2 p.p.</i>	<i>69.6%</i>	<i>1.8 p.p.</i>	<i>69.3%</i>	<i>67.7%</i>	<i>1.6 p.p.</i>
BeOnline / SaaS	104.4	103.9	0.5%	106.3	-1.8%	420.0	417.5	0.6%
<i>Segment share in the consolidated</i>	<i>28.7%</i>	<i>29.9%</i>	<i>-1.2 p.p.</i>	<i>30.4%</i>	<i>-1.8 p.p.</i>	<i>30.7%</i>	<i>32.3%</i>	<i>-1.6 p.p.</i>
Net Revenue - Consolidated	364.1	347.3	4.8%	349.3	4.2%	1,370.0	1,292.8	6.0%

In the Commerce segment, Net Operating Revenue increased by 6.7% in 4Q24, from R\$ 243.4 million in 4Q23 to R\$ 259.7 million in 4Q24. In 2024, the growth was 8.5%, reaching R\$ 950.0 million.

Platform Subscription Net Revenue showed a growth of 20.1% in 4Q24 vs 4Q23 and 22.3% in 2024, resulting from the growth of the customer base and the ARPU expansion of the existing base.

Ecosystem Net Revenue, impacted by Squid, fell 3.3% vs 4Q23. Ex Squid, Ecosystem Net Revenue grew 4.1% vs 4Q23.

As mentioned in previous earnings reports, the operational and commercial restructuring of Squid has impacted the annual growth of both the Commerce segment and the Consolidated results. Excluding the effects of Squid from the annual comparison, Net Revenue from the Commerce segment grew 11.8% in 4Q24 vs 4Q23 and 15.8% in 2024 compared to 2023.

In this specific quarter, the Financial Services operation showed a lower growth than the expected potential in monetizing the flows that go through the operation (lower volume of one-time receivables anticipation). This trend was partially offset by a 25.8% decrease in financial expenses related to the anticipation of receivables. We have already observed a normalization in the monetization of these financial flows in the first months of 2025.

In the BeOnline/SaaS segment, we remained focused on discontinuing some less profitable operations within the Nextios corporate operation, which naturally led to the stabilization of its Net Revenue in the YoY comparison (and consequently affected the group's growth when compared to the previous year). Growth was 0.5% compared to 4Q23 and 0.6% compared to 2023.

LWSA's Net Revenue totaled R\$ 364.1 million in 4Q24, representing a 4.8% increase over 4Q23 and up 4.2% compared to 3Q24. Excluding the effects of Squid in the annual comparison, growth was 8.1%.

// Operating Costs and Expenses

(R\$ million)

LWSA	4Q24	4Q23	vs 4Q23	3Q24	vs 3Q24	2024	2023	vs 2023
Cost of Services	196.1	181.5	8.0%	174.9	12.2%	715.0	694.8	2.9%
% Net Revenue	53.9%	52.3%	1.6 p.p.	50.1%	3.8 p.p.	52.2%	53.7%	-1.6 p.p.
Selling Expenses	71.2	70.1	1.7%	75.9	-6.2%	292.5	272.5	7.3%
% Net Revenue	19.6%	20.2%	-0.6 p.p.	21.7%	-2.2 p.p.	21.3%	21.1%	0.3 p.p.
General and Administrative Expenses	69.6	68.0	2.4%	64.7	7.6%	257.4	252.6	1.9%
% Net Revenue	19.1%	19.6%	-0.5 p.p.	18.5%	0.6 p.p.	18.8%	19.5%	-0.7 p.p.
Other Operating (Revenues) Expenses	(2.9)	(4.7)	-37.4%	(0.6)	372.5%	(8.7)	(13.6)	-36.1%
% Net Revenue	-0.8%	-1.3%	0.5 p.p.	-0.2%	-0.6 p.p.	-0.6%	-1.1%	0.4 p.p.
Total Operating Cost and Expenses	334.1	314.9	6.1%	314.9	6.1%	1,256.2	1,206.3	4.1%
% Net Revenue	91.8%	90.7%	1.1 p.p.	90.1%	1.6 p.p.	91.7%	93.3%	-1.6 p.p.

LWSA's total operating costs and expenses increased by 6.1% in 4Q24 when compared to the same period of the previous year. In 2024, the growth in total costs and expenses was 4.1% vs 2023.

Cost of Services

The cost of services in 4Q24 was R\$ 196.1 million, an increase of 8.0% in comparison between the two periods, which represented 53.9% of the Net Revenue in 4Q24 and 52.3% in 4Q23. This increase is directly related to an active provision of R\$ 9.6 million concerning a commercial litigation arising from a 2023 contract with a logistics supplier that failed to fulfill the contractual terms. The Company has already filed a lawsuit and is awaiting legal proceedings. As this is a non-recurring event related to 2023, we have adjusted the aforementioned amount in the EBITDA calculation for 2024. Furthermore, the Company continues to take appropriate legal actions and believes there is a good chance of recovering the said amount.

Excluding this impact in 4Q24 and 2024, costs of services provided would represent 51.2% and 51.5% of net revenue, respectively.

In 2024, growth in costs and services provided was 2.9% compared to 2023.

Selling Expenses

Selling expenses, which encompass the marketing and sales teams, as well as the contracted services of the same nature, amounted to R\$ 71.2 million in 4Q24, an increase of 1.7% when compared to 4Q23.

In 2024, selling expense growth was 7.3% versus 2023.

General and Administrative Expenses

General and administrative expenses, which include the teams in the administrative areas such as finance, HR, accounting and fiscal, expenses and outsourced services related to these areas, as well

as depreciation and amortization of IFRS 16 and PPA assets, in 4Q24 was R\$ 69.6 million and R\$ 68.0 million in the same period of 2023, which represented a growth of 2.4%, lower than the Company's net revenue growth, resulting from the Company's initiatives to consolidate structures and capture operational synergies within the group.

In 2024, the growth in general and administrative expenses was 1.9% when compared to 2023.

// Gross Profit

(R\$ million)

LWSA	4Q24	4Q23	vs 4Q23	3Q24	vs 3Q24	2024	2023	vs 2023
Commerce	129.4	130.7	-1.0%	132.5	-2.3%	495.9	455.4	8.9%
Margin (%)	49.8%	53.7%	-3.9 p.p.	54.5%	-4.7 p.p.	52.2%	52.0%	0.2 p.p.
BeOnline / SaaS	38.6	35.1	10.0%	42.0	-8.0%	159.1	142.5	11.7%
Margin (%)	37.0%	33.8%	3.2 p.p.	39.5%	-2.5 p.p.	37.9%	34.1%	3.8 p.p.
Gross Profit	168.0	165.8	1.3%	174.5	-3.7%	655.0	597.9	9.6%
Gross Margin (%)	46.1%	47.7%	-1.6 p.p.	49.9%	-3.8 p.p.	47.8%	46.3%	1.6 p.p.

Consolidated Gross Profit increased by 1.3% in 4Q24 when compared to 4Q23, reaching R\$ 168.0 million, with -1.6 p.p. in the Company's Gross Margin. In 2024, growth was 9.6% with an expansion of 1.6 p.p. in the Consolidated Gross Margin.

The Gross Margin was impacted by the provisions related to the litigation with the aforementioned logistics supplier. Excluding the effects of this provision, the consolidated Gross Profit for 4Q24 would show a growth of 7.1%, and the Consolidated Gross Margin would be 48.8%, representing an expansion of 1.0 p.p. compared to 4Q23. Specifically, in the Commerce segment, the Gross Margin for 4Q24 would be 54.0%, indicating an expansion of 0.3 p.p..

// EBITDA and Adjusted EBITDA

(R\$ million)

LWSA	4Q24	4Q23	vs 4Q23	3Q24	vs 3Q24	2024	2023	vs 2023
Net Income (Loss)	(17.5)	(45.1)	-61.2%	16.9	-203.5%	42.2	(73.7)	157.2%
(+) Net Financial Income	45.4	111.6	-59.3%	8.5	432.2%	48.9	196.1	-75.1%
(+) Current Income Tax and Social Contribution	2.1	(34.1)	-106.1%	9.0	-76.7%	22.7	(35.9)	163.3%
(+) Depreciation and Amortization	33.6	29.9	12.4%	33.3	0.9%	130.4	118.1	10.4%
EBITDA	63.6	62.2	2.1%	67.7	-6.1%	244.2	204.6	19.4%
(+) Stock Options Plan and Restricted Shares Plan	3.8	3.7	1.3%	4.6	-17.9%	15.0	15.7	-4.7%
(+) M&A Expenses	0.3	2.3	-85.8%	1.4	-75.8%	4.5	6.2	-28.0%
(+) Non-Recurring Expenses / Restructuring	13.6	0.0	n/a	0.0	n/a	17.7	0.0	n/a
Adjusted EBITDA	81.3	68.3	19.0%	73.7	10.4%	281.4	226.6	24.2%
Adjusted EBITDA Margin (%)	22.3%	19.7%	2.7 p.p.	21.1%	1.2 p.p.	20.5%	17.5%	3.0 p.p.

LWSA's Adjusted EBITDA in 4Q24 was R\$ 81.3 million, 19.0% higher than in 4Q23, with Adjusted EBITDA Margin expanding by 2.7 p.p. in the same period. In 2024, Adjusted EBITDA was R\$ 281.4 million with an Adjusted EBITDA margin of 20.5%, representing an expansion of 3.0 p.p. over 2023.

Non-recurring expenses are related to (i) the provision related to the commercial litigation that occurred in 2023 in the amount of R\$ 9.6 million and (ii) severance costs related to headcount reduction and corporate restructurings, which totaled R\$ 4.0 million in the quarter.

// Adjusted EBITDA margin by segment

LWSA	4Q24	4Q23	vs 4Q23	3Q24	vs 3Q24	2024	2023	vs 2023
Commerce								
Adjusted EBITDA	56.6	48.2	17.4%	47.6	18.7%	177.8	138.1	28.7%
Adjusted EBITDA Margin (%)	21.8%	19.8%	2.0 p.p.	19.6%	2.2 p.p.	18.7%	15.8%	2.9 p.p.
BeOnline / SaaS								
Adjusted EBITDA	24.7	20.1	22.8%	26.0	-4.9%	103.6	88.4	17.1%
Adjusted EBITDA Margin (%)	23.7%	19.4%	4.3 p.p.	24.5%	-0.8 p.p.	24.7%	21.2%	3.5 p.p.
Consolidated								
Adjusted EBITDA	81.3	68.3	19.0%	73.7	10.5%	281.4	226.6	24.2%
Adjusted EBITDA Margin (%)	22.3%	19.7%	2.7 p.p.	21.1%	1.2 p.p.	20.5%	17.5%	3.0 p.p.

The Adjusted EBITDA margin of the Commerce segment expanded by 2.0 p.p. compared to 4Q23 and 2.2 p.p. compared to 3Q24. For the year, the expansion was 2.9 p.p., primarily resulting from the Company's initiatives to consolidate structures and capture operational synergies within the group

In the BeOnline / SaaS segment, the Adjusted EBITDA margin in 2024 was 24.7%, in line with the percentage expected and commented by the Company in recent quarters.

// Financial Result

(R\$ million)

LWSA	4Q24	4Q23	vs 4Q23	3Q24	vs 3Q24	2024	2023	vs 2023
Financial revenues	14.9	37.0	-59.9%	15.4	-3.4%	91.0	161.7	-43.7%
Financial expenses	(60.3)	(148.6)	-59.5%	(23.9)	152.0%	(139.9)	(357.8)	-60.9%
Net financial income (expenses)	(45.4)	(111.6)	-59.3%	(8.5)	432.2%	(48.9)	(196.1)	-75.1%

Net financial result in 4Q24 was an expense of R\$ 45.4 million. In terms of financial expenses, we would like to highlight the following points:

- (i) Recalculation of the fair value of Earnouts, which totaled R\$ 40.5 million in 4Q24, related to (i) the AVP of the remaining balance to be paid in April/25 and (ii) to the semi-annual process of reviewing the Earnout balances payable, amounting to R\$ 34.0 million;
- (ii) The expense of R\$ 10.2 million, resulting from the advance of receivables in the payment operations, the modality chosen by the Company to finance the working capital necessary for the payment operations. The value mentioned as a percentage of TPV decreased from 0.75% in 4Q23 to 0.48% in 4Q24;
- (iii) Lower financial income related to the allocation of the Company's cash, mainly due to the reduction in the cash balance resulting from the payment of earnouts (R\$ 561 million in 2024), the share buyback program that consumed R\$ 152.6 million in the last twelve months and the dividend payment in the amount of R\$ 40.0 million. This drop in the cash balance reduced the Company's Financial Revenue by R\$ 22.9 million in 4Q24 and R\$ 73.0 million in 2024.

In 2024, the net financial result represented an expense of R\$ 48.9 million, an amount 75% lower than the result in 2023.

// Effective Tax Rate

(R\$ million)

LWSA	2024	2023
Income (loss) before income taxes	64.9	(109.7)
Combined statutory rate of 34%	34%	34%
Income taxes at a combined statutory rate of 34%	(22.1)	37.3
Adjustments to the effective rate		
Effect of stock options plan expenses	(2.4)	(2.3)
Deferred tax not accounted for tax loss	(5.6)	(4.5)
Tax benefit from Lei do Bem	9.7	11.8
Others	(2.3)	(6.4)
Income taxes in the statements of operations	(22.7)	35.9
Effective rate	35.0%	32.8%

The effective income tax rate in 2024 was 35.0%.

// Net Income

(R\$ million)

LWSA	4Q24	4Q23	vs 4Q23	3Q24	vs 3Q24	2024	2023	vs 2023
Net income	(17.5)	(45.1)	-61.2%	16.9	-203.5%	42.2	(73.7)	157.2%
(+) Stock Options Plan and Restricted Shares Plan	3.8	3.7	1.3%	4.6	-17.9%	15.0	15.7	-4.7%
(+) Intangible amortization	9.4	10.0	-5.9%	9.7	-3.0%	39.0	39.9	-2.1%
(+) Adjustment of Acquisition Earnout	40.5	126.3	-68.0%	7.5	439.6%	69.0	273.0	-74.7%
(+) Deferred Income Tax and Social Contribution	(2.3)	(42.0)	-94.6%	(1.6)	37.4%	(24.4)	(112.5)	-78.3%
(+) Non-Recurring Expenses / Restructuring ¹	9.0	0.0	n/a	0.0	n/a	9.0	0.0	n/a
Adjusted net income	42.9	53.0	-19.1%	37.0	15.8%	149.9	142.4	5.3%
<i>Adjusted net income margin (%)</i>	<i>11.8%</i>	<i>15.3%</i>	<i>-3.5 p.p.</i>	<i>10.6%</i>	<i>1.2 p.p.</i>	<i>10.9%</i>	<i>11.0%</i>	<i>-0.1 p.p.</i>

¹ Net of Income Tax and Social Contribution

4Q24 resulted in a net loss of R\$ 17.5 million for the Company, an amount 61.2% lower than that posted in 4Q23. The net loss in the period was mainly due to the review of Earnouts, as already described in this report. In 2024, the Company reported a Net Profit of R\$ 42.2 million, reversing a loss of R\$ 73.7 million in 2023.

Adjusting the Net Profit for the effects of Stock Option Plans, PPA Intangible Amortization, the non-recurring provision related to the litigation with a supplier, and the Acquisition Earnout Adjustments, in addition to Deferred Income Tax and Social Contribution, the Adjusted Net Profit for 4Q24 was R\$ 42.9 million, an amount 19.1% lower than that recorded in 4Q23, impacted by lower financial revenue in the period (explained in the Financial Expenses chapter), as the Company distributed part of its cash as dividends and by repurchasing shares.

// Indebtedness / Cash Position

(R\$ million)

LWSA	4Q24	3Q24	4Q23
Bank Gross Debt	0.0	0.0	0.0
(-) Cash and cash equivalents	(447.4)	(460.3)	(1,188.2)
Net debt (cash) (ex lease liability)	(447.4)	(460.3)	(1,188.2)
(+) Lease liability ¹	74.4	70.7	77.4
Net debt (cash)	(373.0)	(389.6)	(1,110.8)
(-) Earnouts	273.0	235.9	761.2
Net debt (cash) of Earnouts	(100.0)	(153.7)	(349.6)

¹ Lease liability refers to the adoption of CPC 06(R2)/IFRS 16 as of January 1, 2019

Mainly due to the share buyback carried out in 3Q24 and 4Q24, which totaled R\$ 112 million, the Company's cash balance decreased to R\$ 447.4 million in 4Q24. Excluding the remaining balance of Earnouts, the net cash balance is R\$ 100.0 million.

// Cash Flow

(R\$ million)

LWSA	4Q24	4Q23	vs 4Q23	3Q24	vs 3Q24	2024	2023	vs 2023
Income (loss) before income taxes	(15.4)	(79.2)	-80.6%	25.9	-159.4%	64.9	(109.7)	159.2%
Items that do not affect cash	84.4	166.2	-49.2%	47.6	77.5%	222.2	417.4	-46.8%
Variations in working capital ¹	1.1	23.5	-95.2%	(35.0)	-103.2%	(141.1)	(35.7)	295.5%
Net cash provided by operating activities (A)	70.2	110.4	-36.5%	38.5	82.4%	146.0	272.1	-46.3%
Capex for permanent assets	(8.9)	(5.5)	62.5%	(6.5)	37.8%	(29.1)	(25.7)	13.2%
Capex for development	(25.5)	(20.6)	23.5%	(22.1)	15.4%	(83.9)	(75.3)	11.5%
Free Cash Flow - After Capex	35.8	84.3	-57.5%	10.0	259.4%	33.1	171.2	-80.7%
Acquisition	(3.4)	(0.6)	487.9%	0.0	n/a	(560.8)	(367.2)	52.7%
Other Investments	(0.1)	(0.3)	-70.2%	0.0	n/a	(1.2)	(4.8)	-75.3%
Net cash provided by investment activities (B)	(37.8)	(26.9)	40.5%	(28.5)	32.7%	(674.9)	(472.9)	42.7%
Loan and financing	(0.0)	(0.0)	-89.4%	(0.0)	-16.7%	(0.1)	(0.4)	-83.2%
Commercial lease	(5.3)	(4.7)	12.9%	(4.9)	8.2%	(20.1)	(18.2)	10.2%
Share Buyback / Dividends / Others	(39.9)	2.5	-1712.8%	(110.5)	-63.9%	(191.8)	(40.6)	371.9%
Net cash provided by financing activities (C)	(45.3)	(2.3)	1868.6%	(115.5)	-60.8%	(211.9)	(59.2)	257.8%
Net increase (decrease) in cash and cash equivalents (A + B + C)	(13.0)	81.2	-116.0%	(105.5)	-87.7%	(740.8)	(260.0)	184.9%

¹ In the Working Capital variation, we recorded the payment of R\$11.8 million related to income tax and social contribution paid in 4Q24 and R\$74.3 million in 2024.

Net cash from operations totaled R\$ 70.2 million in 4Q24, while Free Cash Flow after Capex stood at R\$ 35.8 in the quarter.

It is important to highlight that, in the working capital line, in 4Q24 we had a disbursement of R\$ 11.8 million for income tax and social security contributions amounting to R\$ 74.3 million in 2024. We emphasize that we began in August 2024 the stage of simplifying the organizational structure with the incorporation of Tray, Bling, and Etus in August 2024, and KingHost, Melhor Envio, and Ideris in February 2025. This will enable us to capture tax benefits related to the goodwill of these acquisitions, which will be amortized over the coming years, resulting in a significant reduction in the line item of income tax and social contribution paid.

Of the total income tax and social contributions paid in 4Q24, just over 60% refer to companies whose incorporation were approved at the General Shareholders' Meeting on February 28 and will bring benefits as of April/2025.

// Cash Generation (Adjusted EBITDA - Capex)

(R\$ million)

LWSA	4Q24	4Q23	vs 4Q23	3Q24	vs 3Q24	2024	2023	vs 2023
Adjusted EBITDA	81.3	68.3	19.0%	73.7	10.4%	281.4	226.6	24.2%
Capex	34.4	26.1	31.6%	28.5	20.5%	113.0	100.9	11.9%
Cash Generation (R\$ M)	47.0	42.2	11.3%	45.2	4.0%	168.4	125.6	34.1%
Cash conversion (%)	57.8%	61.8%	-4.0 p.p.	61.3%	-3.5 p.p.	59.9%	55.5%	4.4 p.p.
Capex as a % of Net Revenue	9.4%	7.5%	1.9 p.p.	8.2%	1.3 p.p.	8.2%	7.8%	0.4 p.p.

The Company's cash generation, measured by Adjusted EBITDA minus Capex, increased from R\$ 42.2 million in 4Q23 to R\$ 47.0 million in 4Q24, with growth of 11.3% in the period.

The increase in R&D capex in the quarter is directly related to the internal updates described in the Message from the Management which aim at the continuous improvement of our product and, consequently, the acceleration of the Company's growth.

In 2024, the growth of this metric was 34.1% versus 2023.

// ATTACHMENT I - INCOME STATEMENT

Income Statement (in R\$ million)	4Q23	4Q24	2023	2024
NET REVENUE	347.3	364.1	1,292.8	1,370.0
Cost of Services	(181.5)	(196.1)	(694.8)	(715.0)
GROSS PROFIT	165.8	168.0	597.9	655.0
OPERATING INCOME (EXPENSES)	(133.4)	(138.0)	(511.4)	(541.2)
Selling expenses	(70.1)	(71.2)	(272.5)	(292.5)
General and administrative expenses	(68.0)	(69.6)	(252.6)	(257.4)
Other operating income (expenses), net	4.7	2.9	13.6	8.7
INCOME BEFORE FINANCIAL RESULTS AND INCOME TAXES	32.4	30.0	86.5	113.8
FINANCIAL RESULT	(111.6)	(45.4)	(196.1)	(48.9)
Financial income	37.0	14.9	161.7	91.0
Financial expenses	(148.6)	(60.3)	(357.8)	(139.9)
INCOME (LOSS) BEFORE INCOME TAXES	(79.2)	(15.4)	(109.7)	64.9
INCOME TAXES	34.1	(2.1)	35.9	(22.7)
Current income taxes	(7.8)	(4.4)	(76.5)	(47.1)
Deferred income taxes	42.0	2.3	112.5	24.4
NET INCOME (LOSS)	(45.1)	(17.5)	(73.7)	42.2

* Selling Expenses also consider the amount of the "impairment loss", which is open in the Income Statement.

// ATTACHMENT II - BeOnline/SaaS Income Statement

Income Statement (in R\$ million)	4Q23	4Q24	2023	2024
GROSS REVENUE, net of rebate	113.4	112.6	455.6	453.5
Taxes and rebates	(9.5)	(8.2)	(38.1)	(33.4)
NET REVENUE	103.9	104.4	417.5	420.0
Cost of Services	(68.8)	(65.8)	(275.1)	(260.9)
GROSS PROFIT	35.1	38.6	142.5	159.1
OPERATING INCOME (EXPENSES)	(40.2)	(39.1)	(153.7)	(155.0)
Selling expenses	(16.9)	(19.6)	(68.7)	(73.2)
General and administrative expenses	(23.5)	(19.8)	(91.9)	(82.4)
Other operating income (expenses), net	0.3	0.3	6.8	0.7
INCOME BEFORE FINANCIAL RESULTS AND INCOME TAXES	(5.1)	(0.4)	(11.2)	4.2
DEPRECIATION AND AMORTIZATION	20.2	20.4	81.3	81.3
EBITDA	15.1	20.0	70.1	85.5

* Selling Expenses also consider the amount of the "impairment loss", which is open in the Income Statement.

// ATTACHMENT III - Commerce Income Statement

Income Statement (in R\$ million)	4Q23	4Q24	2023	2024
GROSS REVENUE, net of rebate	267.2	284.8	958.7	1,042.0
Taxes and rebates	(23.8)	(25.1)	(83.5)	(92.0)
NET REVENUE	243.4	259.7	875.2	950.0
Cost of Services	(112.8)	(130.4)	(419.8)	(454.1)
GROSS PROFIT	130.7	129.4	455.4	495.9
OPERATING INCOME (EXPENSES)	(93.2)	(98.9)	(357.7)	(386.2)
Selling expenses	(53.2)	(51.7)	(203.8)	(219.2)
General and administrative expenses	(44.5)	(49.8)	(160.7)	(175.0)
Other operating income (expenses), net	4.4	2.6	6.8	8.0
INCOME BEFORE FINANCIAL RESULTS AND INCOME TAXES	37.4	30.4	97.7	109.6
DEPRECIATION AND AMORTIZATION	9.7	13.2	36.8	49.1
EBITDA	47.1	43.6	134.5	158.8

* Selling Expenses also consider the amount of the "impairment loss", which is open in the Income Statement.

// ATTACHMENT IV - Consolidated Balance Sheet

Balance Sheet (R\$ millions)	4Q23	1Q24	2Q24	3Q24	4Q24
ASSETS	31/12/2023	31/03/2024	30/06/2024	30/09/2024	31/12/2024
Current Assets					
Cash and cash equivalents	1,188.2	1,126.3	565.8	460.3	447.4
Restricted cash	0.0	0.0	0.0	0.0	96.6
Accounts receivable	707.6	802.6	771.8	771.7	712.4
Taxes recoverable	4.0	8.3	3.7	3.5	2.4
Income tax and social contribution to be recovered	23.3	19.3	38.1	42.2	39.7
Derivatives	0.0	-	2.7	0.9	0.0
Other assets	27.3	41.2	39.4	47.1	36.0
Total current assets	1,950.4	1,997.6	1,421.4	1,325.8	1,334.5
Non-current assets					
Marketable Securities	16.6	17.6	18.8	18.6	15.0
Restricted cash	0.0		0.0	0.0	0.0
Judicial deposits	0.5	0.6	0.5	0.6	0.5
Other assets	8.3	9.0	9.8	12.0	11.4
Deferred income taxes	182.8	200.4	203.2	205.7	211.2
Investments	0.0	0.0	0.0	0.0	0.0
Property and equipment	89.4	85.0	82.1	81.5	80.7
Right of Use Assets	68.2	65.4	63.5	60.9	64.4
Intangible assets	2,288.1	2,284.8	2,288.2	2,288.9	2,292.9
Total non-current assets	2,654.0	2,662.8	2,666.0	2,668.1	2,676.1
TOTAL ASSETS	4,604.4	4,660.5	4,087.4	3,993.9	4,010.6

// ATTACHMENT IV - Consolidated Balance Sheet

Balance Sheet (R\$ million)	4Q23	2Q24	3Q24	4Q24
<u>Liabilities and Equity</u>	31/12/2023	30/06/2024	30/09/2024	31/12/2024
Current liabilities				
Suppliers	45.6	28.6	35.9	40.5
Loans and financing	0.1	0.0	0.0	0.0
Lease liability	13.7	12.8	12.9	14.5
Salaries and related charges	108.4	100.8	97.7	84.6
Income tax and social contribution payable	0.0	0.0	0.0	0.0
Other taxes payable	14.5	19.0	15.6	16.1
Deferred revenue	94.7	95.6	102.1	99.3
Payables to clients	559.7	594.5	575.9	614.7
Interest on shareholders' equity and dividends payable	0.0	0.0	0.0	0.0
Taxes in installments	3.1	3.4	3.1	3.3
Derivative financial instruments	0.0	0.0	0.0	0.0
Accounts payable to former shareholders	575.1	189.4	188.8	231.1
Other liabilities	26.8	23.2	25.5	25.8
Total current liabilities	1,441.6	1,067.2	1,057.4	1,129.8
Loans and financing				
Loans and financing	0.0	0.0	0.0	0.0
Deferred revenue	3.0	1.3	1.2	0.8
Provision for legal proceedings	6.2	6.1	7.8	8.2
Accounts payable to former shareholders	186.1	39.0	47.1	41.9
Lease liability	63.7	60.3	57.8	59.9
Taxes in installments	14.3	13.3	12.8	12.1
Deferred income tax and social contribution	6.0	6.8	7.1	10.0
Other liabilities	1.5	1.6	2.0	2.0
Total non-current liabilities	280.7	128.5	135.7	135.0
EQUITY				
Capital Stock	2,940.1	2,868.3	2,868.3	2,868.3
Shares held in Treasury	(63.2)	(104.6)	(58.0)	(25.4)
Canceled Shares held in Treasury	-	-	-	(189.7)
Capital reserves	77.1	83.4	(157.1)	90.4
Earning reserves	0.0	0.0	87.3	2.2
Asset valuation adjustment	0.0	1.8	0.6	0.0
Earnings of the period	(71.9)	42.8	59.7	0.0
Total EQUITY	2,882.1	2,891.7	2,800.8	2,745.8
Total liabilities and equity	4,604.4	4,087.4	3,993.9	4,010.6

// ATTACHMENT V - Cash Flow

Cash Flow (R\$ mln)	4Q23	4Q24	2023	2024
Net Cash provided by operating activities				
Income (loss) before income taxes	(79,221.0)	(15,391.0)	(109,653.0)	64,916.0
Items that do not affect cash	166,169.0	84,426.0	417,442.0	222,221.0
Variations in working capital	23,487.0	1,129.0	(35,688.0)	(141,135.0)
Net cash provided by operating activities	110,435.0	70,164.0	272,101.0	146,002.0
Net cash provided by investment activities				
Purchase of property and equipment	(5,474.0)	(8,893.0)	(25,660.0)	(29,053.0)
Accounts payable for acquisition of equity interest	(381.0)	(3,507.0)	(367,205.0)	(560,835.0)
Acquisition of subsidiaries, net of cash acquired	0.0	97.0	0.0	42.0
Sale of Equity Interest	(199.0)	0.0	0.0	0.0
Restricted Financial Application	(451.0)	(75.0)	(4,950.0)	(1,175.0)
Acquisition and development of intangible assets	(20,622.0)	(25,461.0)	(75,255.0)	(83,897.0)
Proceeds from Sale of Assets	199.0	0.0	199.0	0.0
Net cash provided by investment activities	(26,928.0)	(37,839.0)	(472,871.0)	(674,918.0)
Net cash provided by investment activities				
Capital Contribution / Proceeds from the Exercise of Stock Options	2,476.0	547.0	5,944.0	1,257.0
Lease Liabilities	(4,729.0)	(5,339.0)	(18,191.0)	(20,053.0)
Loans and Financing Paid	(49.0)	(5.0)	(370.0)	(59.0)
Interest and Foreign Exchange Variation Paid	2.0	0.0	(35.0)	(9.0)
Dividends and Interest on Equity Paid	0.0	(40,000.0)	(30,815.0)	(40,001.0)
Treasury Shares	0.0	(481.0)	(15,771.0)	(153,064.0)
Net cash provided by investment activities	(2,300.0)	(45,278.0)	(59,238.0)	(211,929.0)
Net increase (decrease) in cash and cash equivalents				
	81,207.0	(12,953.0)	(260,008.0)	(740,845.0)
Cash and cash equivalents at beginning of the year	1,107,016.0	460,331.0	1,448,231.0	1,188,223.0
Cash and cash equivalents at end of the year	1,188,223.0	447,378.0	1,188,223.0	447,378.0
Net increase (decrease) in cash and cash equivalents	81,207.0	(12,953.0)	(260,008.0)	(740,845.0)

// Glossary

Adjusted EBITDA – A metric that results from EBITDA after excluding non-recurring items.

AI (Artificial Intelligence) – Acronym for Artificial Intelligence.

AVP (Present Value Adjustment) – Acronym for Present Value Adjustment.

Average Revenue Per User (ARPU) – A metric used by subscription-based companies to measure their revenue per user.

Bacen (Central Bank of Brazil) – Acronym for Central Bank of Brazil.

Bookings – Addition of new customers.

CAC (Customer Acquisition Cost) – Determines how much the company is spending to acquire a new customer.

CAPEX (Capital Expenditure) – Resources invested in the development, expansion, or acquisition of an asset.

Churn – Metric used to determine loss of revenue or customers.

Cross-Selling – A technique used to sell multiple complementary services to the same customer.

Earnout – A contractual clause in mergers and acquisitions that provides for additional payments based on future business performance.

Ecosystem GMV – All GMV transacted within the company by e-commerce platform subscribers, whether in their own stores or marketplaces.

EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) – A financial metric measuring a company's operating performance.

EoP (End of Period) – A term referring to the end of a given period.

ERP (Enterprise Resource Planning) – A system developed to unify the control of different departments and processes.

Free Float – The portion of a company's shares that are freely available for trading on the market, meaning they are not held by majority shareholders or controllers.

GMV (Gross Merchandise Volume) – The total value of goods transacted.

Goodwill – The premium paid for acquiring a company above its market value.

Headcount – The total number of employees in an organization.

Inside Sales – A sales structure that relies on an internal team of employees.

Live Shop – A sales format that takes place through live-streaming events. Offers are presented while products are showcased along with their features and functionalities.

LTV (Lifetime Value) – A business metric that estimates the contribution margin generated by each customer over their lifecycle with the company.

LTV/CAC (Lifetime Value/Customer Acquisition Cost) – Metrics used to measure overall business performance.

Market Share – The portion of a market controlled by a particular company.

Marketplaces – Platforms managed by a company that aggregate products and services from various brands.

Omnichannel / Omnicanal – A retail trend that integrates all of a company's sales channels, ensuring a seamless experience between online and offline environments. Omnichannel strategies unify physical stores, online platforms, and customer interactions.

OMS (Order Management System) – A system that supports all stages of the sales process, from customer order placement to final delivery.

POS (Point of Sale) – The physical or digital location where transactions occur.

PPA (Purchase Price Allocation) – A process that determines the value of a company's acquired assets and liabilities, typically conducted after a merger, acquisition, or other business combination.

R&D (Research and Development) – Acronym for Research and Development.

TPV (Total Payment Volume) – KPI used to measure the total volume of money transacted through payment methods.

Up-Selling – A strategy aimed at encouraging customers to purchase a more premium or advanced version of a product or service.

White Label – A business model in which a product can be resold by other companies under their own brand, without disclosing the original manufacturer.

YoY (Year over Year) – An acronym used to compare performance on an annual basis.

lwsa

(B3: LWSA3)

**Check out the other 4Q24 documents
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Thank you.

LWSA Team.