

Conference Call Transcript

LWSA

1Q26's Results

Operator:

Good morning, ladies and gentlemen. Welcome to LWSA's first quarter 2026 results conference call. Joining us today are Mr. Rafael Chamas, CEO, and Mr. André Kubota, CFO and Investor Relations Director.

For the Q&A session, we will have the company's senior management. This event is being broadcast over the internet via Zoom Webinar, with simultaneous translation into English, and can be accessed at ri.lwsa.tech by clicking the link in the pop-up. Presentation slides are available for download in the results center of the IR website, under the Financial Information tab. Information is presented in reais and was prepared in accordance with accounting practices adopted in Brazil, based on the pronouncements, guidelines, and interpretations issued by the Accounting Pronouncements Committee (CPC).

Before starting, we would like to mention that the statements contained in this document, related to business prospects, projections on operational and financial results, and those related to growth prospects, are merely projections and, as such, are based exclusively on management's expectations about the future of the business. These expectations depend substantially on market conditions, the performance of the Brazilian economy, the sector, and international markets, and are therefore subject to change without prior notice.

All variations presented here are calculated based on figures in millions of reais, except where noted, as are roundings. This performance report includes accounting and non-accounting data, such as operational, organic and pro-forma financial, and projections based on the company's management expectations. Non-accounting data has not been subject to review by independent auditors.

For the Q&A session, we advise that questions be sent via the Q&A icon at the bottom of your screen, stating your name and company. By dynamic standard, your names will be announced so that you can ask your question live. At that moment, a request to activate your microphone will appear on the screen.

Now, I would like to turn the floor over to Mr. Rafael Chamas, who will begin the presentation, and subsequently to Mr. André Kubota. Please, Rafael, go ahead. Good morning to all.

Rafael Chamas:

Aqui está a tradução técnica do segundo trecho (fala do CEO Rafael Chamas): Rafael Chamas: Thank you very much for participating in the first quarter 2026 results call. I will start the presentation by highlighting some key points, then I will discuss important developments in our product deliveries for our customers, and after that, I will hand it over to Kubota, our CFO, to go deeper into the results. We have seen very consistent results this first quarter, which

has been the hallmark of our deliveries. We continue with double-digit top-line revenue growth, at an adjusted 10% growth; we will detail the operation further in a moment.

The e-commerce operation grew by 14.3%, and I would like to highlight two relevant growth components here, which I will elaborate on later. We had an excellent expansion in our customer base—net additions were very strong—and subscription revenue, which is crucial to our business dynamics, was also very positive. Third, we have consistently delivered a continuous expansion of profitability over the last 6 or 7 quarters. We closed the first quarter with an EBITDA of 91 million, a 28% year-over-year growth. Our margin also expanded to 25%, an increase of nearly 4 percentage points, which was primarily converted into excellent cash generation.

This quarter, we generated 80.6 million in operating cash, which is quite significant relative to revenue, representing a margin of 22.2%. This was an outstanding cash generation for the quarter. We have been very disciplined in the company's capital allocation; we will show how this generation has been accumulating over time, but in the last 12 months, we distributed nearly 400 million in cash to our shareholders. We remain very disciplined with how we utilize this cash generation.

Moving to the next slide, regarding operational highlights: we closed the quarter with a GMV of 20.3 billion across our entire ecosystem, an 11.5% growth. TPV, an essential part of our monetization through payment operations, reached 2.2 billion, also expanding by 10%. As mentioned on the previous slide regarding net customer additions, we closed the quarter with 211,000 customers in our e-commerce operation, an expansion of nearly 8%. Notably, we had a net addition of almost 5,000 customers (4,700 to be precise) compared to December 2025, which is significantly higher than last year's average. In 2025, the average net addition was 3.3 thousand customers per quarter. Thus, this quarter, we managed to expand our customer base through acquisition and churn optimization while simultaneously achieving an excellent improvement in company profitability.

Regarding financial results, I mentioned e-commerce at 14% (252 million), but I must emphasize subscription revenue. Subscriptions are vital for us; we have discussed monetization and pricing dynamics in the SaaS world extensively, and I think there is a very interesting highlight here. In addition to base growth, we saw a growth in subscription revenue of nearly 19%, closing the quarter with 146 million in revenue.

Bringing more detail to the EBITDA of 91 million, this was an expansion of nearly 28%, with a 25% margin—a year-over-year increase of 3.6 percentage points. Cash generation, as I mentioned, was 80.6 million, resulting in a free cash flow margin of 22.2% relative to revenue, the highest we have delivered since the company's IPO.

Moving to the next slide: in our last call in December, I spoke about how we fit into an agentic logic, primarily due to our data and the essential nature of our operation, and how we are preparing for this agentic world. I will present three concrete cases of relevant deliveries for our customers where the value of our operation is fully intrinsic to our product. There are no additional charges for specific modules, as AI is part of how we serve our customers within our products. I will bring three practical cases of agentic AI use in our operation.

Case one: how we integrated a conversational assistant into our management system, allowing for a fully conversational operation on the platform. Case two: the storefront already personalized by agents, which is substantially robust and powerful for our customers; we are the first e-commerce platform in Brazil to offer this. And finally, how we have utilized our platform for native and complete integration with LLMs, bringing our customers into the world of LLMs in a contextualized and fully integrated native manner.

Those are the three cases. The first one includes a video that will be played with sound; please, let's move to the next slide.

Vídeo:

It's time to give rhythm to your Bling with artificial intelligence.

Meet Bling's new AI assistant, the conversational intelligence that speeds up your business. With it, you stop jumping from screen to screen and command your operation in a single place. Need to upload a product list? Just drag your spreadsheet into the chat and it does the mapping instantly.

Want to know which product performed best over the last 15 days? Just ask, and the assistant returns insights, interacting directly with your browser. When it's time to sell, the listing agent kicks in. It generates high-performance descriptions and automatically fills in the entire technical data sheet with just one click.

For an impeccable showcase, the image agent removes backgrounds from photos, all within Bling. Less time on operations, more time thinking about your business.

Rafael Chamas:

As you could see in the video, with AI, we are able to bring a lot of efficiency and productivity to our customers. I mentioned this in the 4Q25 call, and here it becomes very evident. AI, especially agentic AI, changes the interface. It facilitates the use of tools in general, improves our customer experience, and simplifies onboarding and operations.

But obviously, for that to work—as we saw there—it is very complex. Take a catalog or inventory upload, for example, which isn't in the video; today, the customer is able to place a purchase or replenishment order in a fully conversational manner. So, the interface and the product usage experience are facilitated.

However, for this to occur in a native and secure way, that is where LWSA's great strength lies. We have all the domains in our hands: sales catalogs, logistics inventory, financial services—all of them very well tied together and integrated. This allows us to build tools with this level of robustness, as you saw here in the case of Bling.

Moving to the next slide, another case where I bring a major agentic evolution: Wake, which was the first Brazilian platform to allow the storefront to be completely personalized by

agents. What does this mean? Today, if our customers use AI design tools—and you have seen several very relevant evolutions there—anything created in any of those tools can be utilized by our own agents. They take those components and bring everything that was built natively to the website, to the storefront.

So, the storefront is composed, obviously, of various design and layout components, and more; these agents were built with the goal of bringing much more agility to our customers for customizations, front-end builds, and campaign adjustments. Thus, everything that is visual, the agents interpret whatever was built in those tools and natively move it into production for our merchants. It is a major gain—an operational gain, much more agility, and obviously, great efficiency in the operation as a product.

Finally, moving to the last case I brought today, a platform optimized by LLMs. Our major objective is to take our customers to all available sales channels and optimize exposure, and LLMs play a relevant role—one that will only increase. Today, all of our customers are natively integrated with all LLMs; new customers are as well, by definition.

What we end up providing is, in a contextualized conversation—for example, a search for a Mother's Day gift—our customer already appears in the LLM with photos and prices, directed so that the conversion occurs within the site. In this way, we can bring much more exposure to our customers and fulfill our mission of enabling and helping them to maximize their sales.

I will now hand over the floor to our CFO, André Kubota.

André Kubota:

Good morning, everyone. Thank you for joining our call. Moving to the next slide, discussing the financial results for the first quarter of 2026: in the consolidated results, revenue grew 10%, reaching R\$ 362.8 million. In the Commerce segment, we grew 14.3%, reaching R\$ 262 million. It is important to highlight that subscription revenue grew even faster, at 18.9% year-over-year. The BeOnline and SaaS segment remained practically at the same level as last year, at R\$ 100.7 million.

Moving to the next slide, regarding EBITDA, we had very strong growth of 28.4% year-over-year, reaching R\$ 91 million. This came with a very robust margin of 25.1%, basically reflecting three main factors: high operational efficiency, with operational leverage and dilution of fixed costs; and a very strong optimization of the products and services we provide to our customers, focusing on products with higher profitability and greater return to the shareholder.

Regarding the Commerce segment, we had very strong growth of 52.8%, reaching R\$ 64.9 million and achieving its best percentage margin for a quarter at 24.8%. In the BeOnline and SaaS segment, despite a drop compared to last year, I will show further ahead that it maintains a very robust margin, in line with previous quarters, at 25.8%. Moving to the next slide, taking a slightly longer view of the last 24 months, we reached a record EBITDA for a first quarter, as well as a record margin for the period.

We reached 25.1%, with R\$ 91 million in the quarter. On the next slide, the Commerce segment shows a very similar dynamic, with the best historical level for a first quarter, reaching R\$ 64.9 million with a margin of 24.8%. For the BeOnline and SaaS segment, we have included a 12-month view, basically demonstrating that despite some variations between quarters, the margin has remained stable at around 25% since the fourth quarter of 2024. Another very positive highlight, in our view, is the strong cash generation—the conversion of EBITDA into cash. We have reached the highest historical level of recent years in terms of cash generation. This is already net of the investments and CAPEX we make to reinvest in the company's growth.

In the last 12 months, we reached R\$ 317.4 million, representing an operating cash flow margin of 21.9%. A large part of this generated cash continues to be returned to shareholders, whether through dividends, buybacks, or capital reduction; in the last 12 months, we reached a figure of practically R\$ 200 million. With that, I return the floor to the operator for the Q&A session.

Operator:

I would like to remind you that questions should be sent via the Q&A icon at the bottom of your screen. By dynamic standard, your names will be announced so that you can ask your question live.

Lucca Brendim, Bofa:

Good morning, everyone. Thank you for taking my questions. I have two on my end.

The first one is going a bit into the cases you mentioned regarding the implementation of AI solutions already, specifically entering the storefront Figma that you have already started rolling out. I would like to understand, if you can provide more color, exactly what is included in this solution, if you have already rolled it out to all customers or if it is being done gradually, if you have reached the final version of the product, or if you want to go even further with it.

Also, how is the monetization of this? Is it truly about bringing greater efficiency to the product, or is there something that ends up being charged separately? And the second question, regarding the margin: if you could give a little color on this expansion and how much of it is sustainable, if these new levels we are seeing are levels we should expect in the coming quarters, and how we should think about expansion looking forward in general. Also, if you could give some color on this entire expansion we saw, how much of it was brought by AI efficiencies.

Alessandro Gil:

Thank you for the question. I will start by addressing the part on my end, specifically regarding the AI features, beginning with the storefront feature. This is a feature that will, in fact, be available to all customers.

We started with a small customer base, and it has no additional cost. What we have been doing is enriching our solution with a series of agents to improve our customers' lives, not just

in terms of operations, which is the case here. There is a significant demand for high flexibility in how the layout responds to the brand and the business conditions of these customers.

For instance, within our base, we have both Shoulder, the case you saw, which is a fashion company, and Yamaha, which sells motorcycles. These involve completely different demands, layout conditions, and front-end business rules, and our platform is robust enough to meet any type of customization. Based on this, we created agents that facilitate the high flexibility that layouts allow and incorporate them into the platform components in a much faster and more efficient manner.

Consequently, what we see in the day-to-day is a "time to revenue"—meaning the store implementation time—being achieved much faster. For us, this is not only a competitive advantage but also a business advantage, allowing us to further monetize the operation. Furthermore, in our customers' daily routines, the ease of changing layouts, creating versions, and performing A/B testing is much greater.

So, this is a feature that adds significant value to the customers' daily operations, but over time, we have been developing a series of other things that will bring even more robustness and better results for our clients. What we are doing now is creating a series of agents that will link store performance data to specific platform features. Therefore, we envision, in the very short term, having dynamically modified prices based on customer purchase history via agents, promotions created exclusively for specific customer types, and inventory allocation.

There is a series of features that go beyond what we have traditionally seen in the market. We are focused on further monetizing the operations of major accounts, which is our mission here. These features, empowered by artificial intelligence agents, will increasingly bring better performance, higher profitability, and, in some cases, significantly higher sales for our customers.

Now, I would like to bring in Kubota to discuss the margins.

André Kubota:

Regarding the margin, I believe we are working very hard on our business efficiency. It is worth remembering that the business itself inherently has very good profitability. We basically have a few factors here that led us to continue expanding the margin this quarter. I think one of them is something we have been talking about quite a bit: the essence of the business is that it has a very high gross margin; therefore, with growth—even as we aim to accelerate that growth—there is a very strong dilution of fixed costs. This is natural for the business, it will continue to happen, and it is structural. This contributed a few percentage points to the margin expansion.

The second point, regarding AI, which was also a comment mentioned in your question, I believe we do have gains there. We already mentioned that perhaps in the second half of last year, we heavily utilized artificial intelligence tools, including internal tools for customer service. Consequently, our customer service has already reached a very high percentage of automated interactions via artificial intelligence.

This significantly helped our customer service headcount efficiency without a drop in NPS. In fact, our NPS increased, and we continued to be one of the best brands, winning awards in customer service forums. The third point, and still regarding artificial intelligence, is that we have been doing a massive rollout of tools since last year across all areas, mainly product, engineering, and development, but also for operational support areas.

We already did this last year and are currently transitioning to additional tools internally. This has provided a very large efficiency gain, although in terms of cost, I think that has not been the focus at this initial moment. We have focused heavily on using it for roadmap anticipation, early product improvements, and in support activities, where we have also focused a lot on efficiency and the automation of more operational tasks. We have automated quite a bit of this, gaining significant efficiency and improving process governance. So, on this point, I believe artificial intelligence brought gains in customer service, but from a cost perspective in the other areas I mentioned, that has not been the focus at this time.

Finally, and perhaps the most important structural point, is what we have been doing very strongly in terms of portfolio optimization. We have a portfolio that we have been simplifying greatly over time, increasingly focused on the customer journey. It is public knowledge that we made important divestments last year, but there are also many products and services that we have been optimizing or discontinuing over time as we replaced certain features. All of this results in a very strong increase in profitability, as well as a significant focus on products and services that add value to our customers and bring higher profitability to the company. I think that is roughly the vision we are seeing.

Leonardo Olmos, UBS:

Hi everyone, good morning. Congratulations on the super consistent performance. I just wanted to know a bit more about the Wake environment. You mentioned the impact on an enterprise e-commerce customer and the sales pipeline; if you could update us a bit more on that, as well as the increase in the average ticket. So, just to give a bit of an update on this environment of larger Wake customers.

And the second question, which could affect these but perhaps even other smaller ones, is if you could give a little more color on Locaweb Cloud. We ask this a lot because you have a large competitor that has been doing very well in cloud for many years, and we want to see if you have had updates on the cloud side and if you think it could be an interesting proposal for your customers.

Alessandro Gil:

Well, the first point is, looking at the results we have historically seen with customers migrating to Wake, the super positive part is that our customers today are our greatest salespeople. We have seen a very significant return in terms of results, performance, and specifically in sales. Therefore, we have a series of cases that have been publicly disclosed.

The most recent launch was Shoulder, which saw a very significant double-digit increase of 30% year-over-year. This was a super positive return based on several platform factors, such

as better inventory allocation, improved inventory visibility for physical stores, faster order approval times, and a much faster store.

So, we have had very significant success with customers migrating here, not only in performance but also in how flexible the solution is today to meet various scopes. Looking ahead, we have a very expressive pipeline; we have signed a series of super important brands that will be launched in the coming months, and we are looking at the rest of the year very optimistically with a series of other brands that will further enrich our portfolio of important, iconic Brazilian retail brands within Wake. Regarding the average ticket, what I can tell you is that since the beginning of the operation until now, we have roughly quintupled our average sold ticket. The brands and new contracts are coming in with a much higher ticket, which reflects the size of the customers we have been selling to. Obviously, our business, which caters to medium and large companies, is a reputational business. We started back then with a scale of slightly smaller customers, built cases with them, and then larger retailers gained confidence and placed their operations with us. This has increasingly brought in other retailers, and we are at a very significant pace to continue this ticket increase and bring even larger customers into the operation.

Higor Franco:

Great, Léo. Good morning and thank you for the question. Let me give you a little color here regarding Locaweb Cloud. Before that, let me just do a quick recap.

Locaweb Cloud is a product that has just come out of its Soft Launch; we launched it in April after several months of testing—including tests with various customers, internal tests, and so on. So, it is a recent product, still in a very early ramp-up stage. It is well within our expectations in terms of performance, yet it has been very surprising in terms of customer feedback and how customers have been using the product in a much more advanced way. This has made us very happy; the feedback has been spectacular, and we have seen customers using it precisely for much more advanced workloads than what we typically see from a traditional Locaweb customer. Let me explain better what that means. A traditional Locaweb customer is one who uses a Virtual Private Server (VPS), so it is a customer using a somewhat simpler workload.

Customers on Locaweb Cloud also use that type of application and workload, but they also have the capacity for more advanced use. For instance, these are customers who can connect with external LLMs, utilize auto-scaling, use external APIs, and take advantage of various other sophisticated services that the cloud itself delivers. We have seen these customers making this type of use, with two availability zones, more advanced computing resources, and so forth. So, we are very happy, Léo, to see the quality that this product has been able to deliver at the edge for these customers in this initial cycle. I am here next to Williams; Tray is a major customer using the product, and we have also seen Tray utilizing it at scale. What I can share with you is that this has given us the motivation to accelerate the roadmap.

We had a development plan, and we are discussing a stronger anticipation of that plan, given that we have seen demand for features appearing and customers providing excellent feedback. As you said yourself, we see a huge market. There is a unique, very large window of opportunity here that we are fully capable of riding, and we will do everything in our power

to ride this opportunity well. So, we are structuring this, Léo; it is in our plan and, ultimately, we are indeed working toward it.

Luiz Chagas, XP:

Hi, good morning, everyone. Thank you for the opportunity and congratulations again on the results.

I have two questions on my end. The first is still regarding the margin. Returning to this theme, you mentioned that G&A expenses fell year-over-year due to the reduction in headcount. I would like to understand if this reduction was already fully captured in the first quarter or if there is some incremental effect to be captured in the coming quarters.

And the second question: you mentioned an improvement in operational dynamics in March after a slightly more challenging February. If you could comment on how April performed in terms of GMV, monetization, and SMB dynamics, that would be great.

André Kubota:

Hi, Luiz, how are you? Kubota speaking here. I will take the first question. Regarding providing a bit more detail on the margin, I think that from a headcount perspective, the optimization we carried out was basically done throughout last year, quarter by quarter. So, this major reduction largely happened last year. A portion of it is also obviously related to the divestments we made.

With those divestments, the headcount also left along with the sales of those companies. This should represent roughly half of that gain. The other half was greater efficiency related to all the points I mentioned regarding customer service and operational efficiency.

Looking ahead, we obviously have a growth acceleration plan. Therefore, we understand that we have already reached this level, and we are not forecasting any additional reductions. In fact, on the contrary, we may eventually even have small increases over time, but nothing that changes the dynamics from a margin standpoint or what we have shared with you over time regarding our business dynamics in terms of profitability.

That said, I am not sure if Rafa has any additional points, but I will also pass the second question to him here.

Rafael Chamas:

Luiz, good morning. Thank you for the question. Regarding your point about April, I think we can separate it into two things.

When I think about operational indicators, you have seen that performance has been heavily driven by base growth and subscriptions. These are health indicators for our operation. They remained strong in April; we had a good net addition of customers, very controlled churn curves, and monetization. I believe you saw that ARPU expanded well. This is obviously a

dynamic of our customer success. When they perform well, we monetize more, as we are constantly thinking about packaging and pricing. All of this helps significantly.

Second, when we think about the more transactional side, the GMV. April was a month with many holidays, so it is obviously a somewhat slower month in that sense. However, we do not see any change in trends here. I believe what we saw in the first quarter should be the tone for the second quarter. The important thing to state is that the operational health and dynamic indicators are all functioning very well, and April was another month in that regard.

Maria Clara Infanzozzi, Itaú:

Good morning, everyone. Thank you for the opportunity. I would like to ask you to explore a bit how you have been perceiving the trends for BeOnline. This quarter, we saw a stabilization of the top-line. So, I would like to hear what you are seeing in this BU, what the perspectives are looking forward, and if you could also give me a brief overview of how you view the cloud business. Thank you.

Higor Franco:

Thank you for the question. Let's go, let me bring a bit of color here regarding the BeOnline portfolio. In BeOnline, we have products more related to digital presence. So, when we talk about digital presence, for example, we are talking about domains, hosting, and products that have a more intrinsic relationship with websites. This is a portfolio that has slower growth; it is a somewhat more consolidated portfolio, which is the case worldwide.

When we compare it with peers, including those in the United States, we notice it is a portfolio that has indeed been consolidated for many years. Therefore, this is a place where Locaweb is very well established; it is a market leader with a very solid market share position and strong solidity. From an ecosystem and offering standpoint, it is very robust, with a very large base. So, we play a game here where we offer customers a very good cost-benefit combination, and we continue with this strategy—so much so that when we look at this portfolio, it remains very healthy in terms of solidity and margin.

Our approach for this strategy is to continue serving the customer well; it is a place where we care about NPS, customer service, and the ability to keep this customer with us in the long term, while obviously serving them with other, more modern elements. It is a base that is very favorable to the use of AI, where we can increment more modern products, and we have already been doing this. For example, just a few weeks ago, we launched a website builder using AI, and we have been using AI so that customers can buy and use domains. So, it is a base where we can create innovations through the use of AI, but it is a base where, when we look at the TAM, there is a certain level of consolidation.

However, when we talk about cloud, or other types of markets like agent utilization and task execution—meaning automation—this is a market where we see an opportunity for Locaweb and BeOnline to position themselves, and that is where we have recently aimed the portfolio. We are talking, then, about a first launch with Locaweb Cloud, positioning the company in what we call infrastructure. When we compare this to other global players who are also infrastructure players, Locaweb has the potential to play this game. To some extent, it was

already a player that performed well in Brazil, but now with AI, this reaches another level of use and attention. We have brought attributes that make it easier for the customer to run this type of application, such as ease of connectivity, ease of understanding price, having predictability, running in Brazil, etc.

So, we put this product live precisely to target this type of customer and ease of use; thus, we have been placing Locaweb and BeOnline in this other part of the portfolio, obviously without forgetting or failing to innovate in that other, more consolidated area. There is also another area of BeOnline that deals with customer productivity, the productivity of entrepreneurs, developers, and so on, which is another place where we operate and will put more effort. Here, I am talking about helping the entrepreneur or developer better serve their customer, be more productive, create applications, and perform daily tasks faster.

These other portfolios and products are things we have been thinking about for BeOnline; they are still "in the oven," but eventually, at some point, we will start exploring and bringing them to market as well. So, Maria, just to summarize: there is the more consolidated part that we take care of with great care and where we worry about bringing innovation by looking at what is appearing in the market now, but there is also a whole new part that we are now starting to structure and put live, where we see plenty of opportunity to play. That is where we will likely put most of our efforts in the coming years for BeOnline.

Maria Clara Infantozzi, Itaú

And just a follow-up. Thinking about a potential return to growth, do you believe this could be a reality as early as the second half of the year, or perhaps more for the medium term?

Higor Franco:

I believe it is more for the medium term, Maria. I see that we have a very strong concern with bringing products to market that actually generate value.

We have been very concerned with, for example, Locaweb Cloud, which is a product we spent almost a year and a half developing, Maria. We are more concerned with serving the 300,000 customers we already have in the BeOnline base—over 300,000 customers—well, and being able to actually set up an ecosystem that doesn't break a huge machine and a huge reputation that we already have in the market, rather than seeking short-term gains here. So, here, we are very focused on maintaining good profitability for this market and this operation while, at the same time, ensuring the quality and reputation that we already have for this portfolio. Therefore, to answer you clearly, we think long-term.

Silvio Doria, Safra:

Good morning, everyone! Thank you for taking my question. Just two on my end. You mentioned several large customers joining the base this quarter; were these customers already running at full GMV for the quarter? Or will part of the effect still appear in the coming quarters?

And another question specifically for Scarpa: I would like him to comment a bit on the dynamics of financial services within the group, expectations for the year, and an idea of the take rate dynamics for the year. Those are my two questions.

Alessandro Gil:

Hi, Alê from Wake, how are you? Thank you for the question. Man, we are in the ramp-up process; there are several customers moving up and growing, so we still anticipate a GMV growth dynamic for the coming months. It is a natural process that we observe, which obviously involves the natural growth of the customers themselves as they onboard the platform. Therefore, we still have some—or quite a bit of—additional GMV to see in the coming months.

Marcelo Scarpa:

Marcelo Scarpa speaking, thank you for participating in the call. Well, I will start by discussing financial services. I believe we are coming from a payment operation that is still very tractioned. We closed the first quarter with R\$ 2.2 billion in TPV, an increase of 10% year-over-year. We have been improving our conversion month by month. We are at the lowest historical chargeback rates for the operation. Therefore, it is a very healthy operation.

We also see a difference in the mix. We are increasing the number of larger customers here, mainly in partnership with Wake. This is a customer profile that has different installment and prepayment dynamics compared to the rest of the portfolio. Consequently, we see this reflected in the take rates as well.

We have been maintaining a very strong preservation of profitability and financial stability. When we look at financial expenses, they are practically in line, at 0.5% of TPV year-over-year. So, the payment operation is very robust and highly tractioned.

When we look at the two other financial services verticals, banking and credit, the digital account faces a quite complex regulatory environment. The regulatory environment in Brazil is very complex. Therefore, we have been balancing all the regulatory compliance required for the digital account environment with the evolution of the user journey.

We have an important journey evolution here, a product roadmap, mainly with Bling. As a result, we see a month-over-month increase in account activation. This is a positive scenario with plenty of room to grow. I foresee a very significant acceleration of the digital account throughout the year.

The account is also a vital source of information for credit modeling. Credit is something we started here in the first quarter, still in a very conservative manner. We have been testing audiences, conversion, pricing, and policies. We are very excited about the first vintages, the first cohorts.

We are investing heavily in modeling internal information from the ecosystem. We have a wealth of data here to model credit on a large scale. The team is dedicated to this—how we put all this information into the "blender" to bring out a very adherent credit model.

And then, another main point we are very focused on for this next quarter is the evolution of the embedded journey within the ecosystem platforms. By truly embedding credit into the platforms, we believe we can scale this product substantially.

In summary, Silvio, we are very excited about the other forms of monetization we have within financial services. We will talk more about this in the upcoming calls.

Victoria Antonello, JPMorgan:

Hi everyone, good morning, how are you? Thank you for taking my question. I have one here on my end. In the release, you brought a very interesting data point regarding ecosystem GMV excluding Ideris. We saw a year-over-year growth of 15.9% , but looking at the chart you provided, there is even a downward trend over the last three quarters. And if we look at Meli and Shopee, we still see this GMV performing a bit below the roughly 30% they claim to reach. What do you believe this says about how the market is behaving, and how do you see this market shaping up for the future? Thank you.

Willians Marques:

Hi, Victoria, thank you for the question. Willians here; I will provide a bit of color. Looking primarily at SMBs, which represent the largest portion of this ecosystem GMV. When we look at our products, they have this entire relationship with marketplaces—and you mentioned what I believe are the main ones, but we have more than 30 integrations, right? So, besides Mercado Livre and Shopee, we have many other marketplaces that grow less than those currently leading this movement. Therefore, when we look at the consolidated number, we have growth that is lower than the leaders, but we track them here and are at the same pace at which they grow.

Thus, we see our business as very healthy in following this market movement, and at times, the quarters are also very dynamic. We see that in some quarters we can even perform better, eventually due to an addition of customers who are performing better, by growing above their rate. So, we view the quality of our products very positively. We have marketplace integrations in Bling and Tray, in addition to Ideris, and we are managing to keep up and, as I have mentioned many times, perform above the market. But when we look at the consolidated figures, that number drops a little bit.

The most important thing I would mention is that this GMV is part of the entire componentization of our pricing and our packaging. Therefore, the more the customer performs, the more we have a direct and positive impact on ARPU growth, which is what we are showing in this release. Consequently, the customer ends up having to migrate to higher plans, paying a bit more according to the volume they are selling, and we have another very positive effect for us related to customer retention, the LTV.

So, the customer who is selling well and selling in marketplaces remains active; they become a loyal customer and stay with us for much longer. Thus, besides paying more, they are still a customer who will not have churn or mortality. So, we have a combined effect here, and it is very relevant for us that our customers are performing well in GMV.

So, of course, there is oscillation quarter-over-quarter, but we are looking at the numbers in a very healthy way here

Gustavo Farias, UBS:

Good morning, everyone. Thank you for the opportunity. I have a question on my end, actually, a follow-up regarding financial services. I'd like to understand the TPV growth we saw this quarter, which, compared to previous quarters, showed a deceleration. I want to know if this is 100% explained by seasonal effects or if there is something else we should be aware of.

Marcelo Scarpa:

Hi, Gustavo. Good morning. This is Marcelo Scarpa. Thank you for the question. What we see here is that there is indeed a seasonal issue when we look at the first quarter, but we actually see higher TPV growth than the growth of our own-store GMV.

So, I don't think there's any cause for concern here. As I mentioned in the previous question, we are operating with a lot of traction, with financial expenses completely in line and maintaining our profitability.

Rafael Chamas:

I would just like to add one point for us. Transactional monetization is an important part of the revenue, but not the only one. As you have seen, subscription growth of 19% shows the health we have had in adding customers. The complexity of e-commerce is significant and has been increasing. We brought a case study here; we spoke briefly about marketplaces, but we also presented the case of integration with LLMs. Therefore, the environment has become increasingly complex, and managing presence across multiple channels is difficult. Our essentiality is even more prominent, I would say, considering the concurrent channels, and transactionality is just one way to monetize.

Furthermore, following up on what Scarpa mentioned in the previous answer, we are seeking other ways to monetize this GMV and TPV transactional volume through other financial services lines. So, I would say that while it continues to be an important part of the expansion, the core here is undoubtedly the expansion of the customer base and subscription revenue. This is what allows us to continue driving TPV or financial services in a way that tracks our customers' success.

Operator:

Thank you. Since there are no further questions, we are now closing the Q&A session and turning the floor back to our CEO, Rafael Chamas, for his closing remarks.

Rafael Chamas:

Well, I would like to thank everyone for participating in another call and wish you all a good day.

Thank you, and until next time.

Operator:

LWCA first quarter 2026 earnings conference call is now concluded. We thank everyone for their participation and have a great day.