São Paulo, May 12, 2021. Locaweb Serviços de Internet S.A. (B3: LWSA3) announces to its shareholders and the market in general its results for 1Q21.

Highlights

Net Revenue of **R$160.9** million in 1Q21, up by **53.9%** over 1Q20

Commerce reached **R$65.4** million in Net Revenue, up by **186.0%** over 1Q20

In the Commerce segment, Subscription Revenue grew **154.9%** compared to 1Q20. The Ecosystem revenue, on the other hand, grew **209.7%** in relation to 1Q20

In 1Q21, Adjusted EBITDA of the Commerce segment increased **85.6%** over **1Q20**, totaling **R$17.5** million and already represents approximately 50% of the group's EBITDA

Commerce's TPV grew **129.9%** in 1Q21 vs. 1Q20, reaching **R$565.3** million

Client's base in the Commerce segment grew **21.8%** in only three months (from Dec/2020 to Mar/2021)

Record addition of new stores in 1Q21: **+44.4%** vs. 4Q20

The acquired companies recorded **excellent** performance in 1Q21

Increased marketing efforts in the Commerce segment with maintenance of the profitability of operations (organic base)

Adjusted EBITDA totaled **R$36.6** million in 1Q21, up by **44.8%** over 1Q20

Acquired ARR at the acquisitions: **R$172 million**

Operating cash generation[1] totaled **R$ 14.6 million** in 1Q21

Net Cash Position[2] of **R$2,292.0** million. Excluding the effects of IFRS 16, the Net Cash Position was **R$2,366.5** million

We continue to constantly move forward with our acquisition process, having signed a Purchase and Sale Agreement with **Bling**, an ERP platform that enriches our ecosystem

Conference Call (simultaneous translation): May 14, 2021
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[1] Adjusted EBITDA less Capex.
[2] Corresponds to loans and financing less the balance of derivatives (foreign exchange swap), less cash and cash equivalents.

Management Comments

We are very pleased to present Locaweb's results for the first quarter of 2021. As anticipated in the 4Q20 earnings release in late March, the first quarter of 2021 was once again marked by consistent performance across all business lines, led by substantial growth in the Commerce operation (Net Revenue: +186% vs. 1Q20), individual growth of the companies acquired in late 2020 and a very important M&A move.

As anticipated in the 4Q20 results, we once again had a very strong quarter in terms of addition of new stores, the best in the Company's history. In 1Q21, the addition of new stores increased 44.4% over 4Q20. In March 2021, we saw an improvement in the historical daily average addition of new stores (+67.8% over 4Q20). It is worth reinforcing once again that, with these volumes of new merchants, our subscription revenue continues to grow consistently and we have strengthened our position as the biggest, best and most efficient tool for digitizing SMEs in Brazil and paving the way for strong revenue growth in the coming quarters.

This increase in the addition of new stores in 1Q21 was due to four factors: (i) increased tool integration, which ensured the tool remained attractive in relation to the competition; (ii) increased marketing efforts to directly attract new customers; (iii) brand marketing efforts; and (iv) the attractiveness of our ecosystem with the acquired companies.

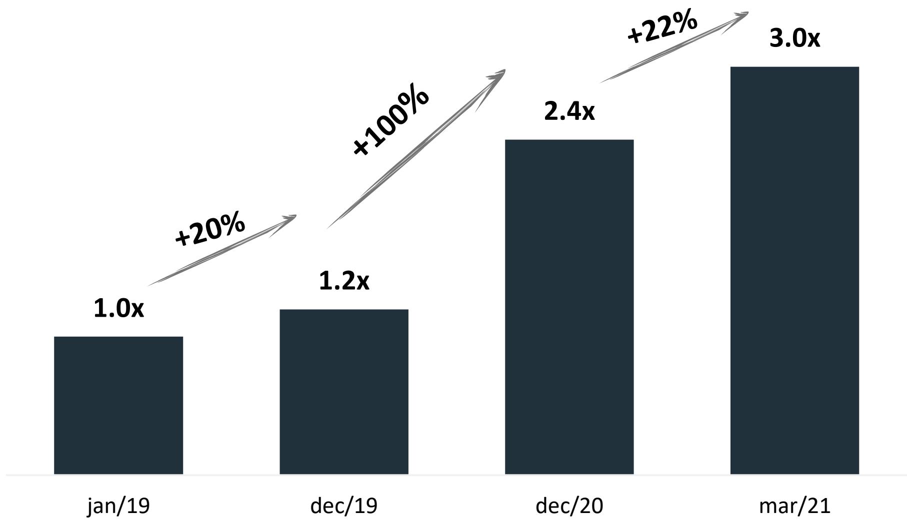
In recent years and especially as of the second half of 2020, Tray has been developing its customer acquisition platform, making it scalable and predictable, through a strategy that monitors the customers' shopping journey from the beginning, when they are still in the learning and discovery stage, to the purchase decision.

At the initial stages, we are able to monitor customers through Escola de E-commerce (E-commerce School), our content portal for SMBs, which has more than 2,000 articles and 500,000 visits per month. As customers move forward in their journey of discovery and learning, we begin to present Tray and its entire ecosystem, reducing customer acquisition costs and making sales intelligence more predictable and scalable.

We also made progress with Tray's partner program. In 1Q21, we entered into 300 new partnerships, totaling 1,072, the largest e-commerce partnership network in Brazilian e-commerce, which results in a powerful sales channel and new customer referrals for Tray.

Through this increase in the number of new customers and churn trends in line with historical data, we are paving the way for massive revenue growth in the coming years, since ARPU of new customers should continue to grow more than sevenfold over the next three years, until it reaches the average expense of our base.

As a result of the strong addition of new stores, our customer base has increased drastically since January 2019, as shown in the chart below:



We continued to expand our Commerce ecosystem, which already has more than 427 integrations, and improve the quality of our platform, which contributed to the increase in our customers' sales.

Finally, another important source of growth for the Commerce operation was the entry of new own operations in its ecosystem, through acquisitions and the strong organic growth presented by all these companies. We also highlight the consistent progress in the integration agenda, which has been conducted by our CFO, Rafael Chamas, and by an executive with extensive experience in M&A integrations.

The purpose of the integrations is to offer our customers a more fluid, simpler and more complete product use journey. In this sense, several platforms will have a unique and more connected experience, not only through design and UX/UI disciplines, but also through more profound software, panel, billing and registration integrations.

In addition, some integrations are already running and bringing financial returns, such as the integration between Vindi and Yapay. Combining the extensive experience of both teams, in late 2020, we launched a unique and integrated solution between Vindi and Yapay, so that Vindi customers could have all collection, receipts and transactions with Yapay's technology, security and experience in payment methods on the same platform. We carried out a highly successful pilot project with a hundred customers between January and February, and we now intend to scale the integration.

Sales volume for SMEs in the BeOnline/SaaS segment remains at a fast pace. In 1Q21, BeOnline/SaaS sales grew 23.1% over 1Q20.

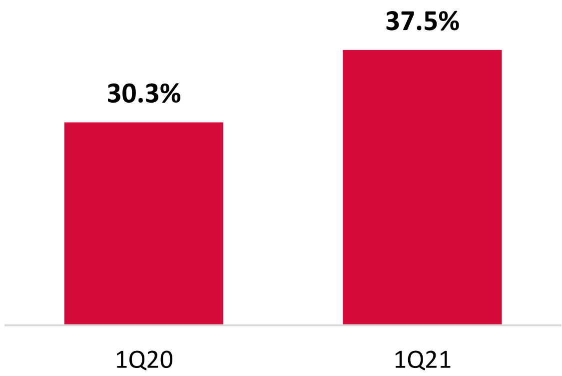
As for Delivery Direto, we continued to see solid growth in the entry of new customers. The customer base is currently 150% larger than the base of September 2019, when we acquired the company.

At Delivery Direto, as more customers are able to use Yapay as its main payment method, we are capturing around 20% of Delivery Direto's GMV at Yapay. This reinforces the platforms' cross-selling capacity and expands existing opportunities for synergy.

In February 2021, we also enabled CPlug's POS to automatically receive orders from Delivery Direto, reflecting on the entire automation of the ordering flow, increasing both products' potential sales.

Nextios, our brand responsible for the corporate segment, became the first and only partner of AWS (Amazon Web Services) with Financial Services competency in Brazil and the third in Latin America. This positioned Nextios as a pioneering and exclusive partner in Brazil with official AWS competency in digital transformation and cloud enablement for the entire financial market. This acquired competency, close to Open Banking phases 2 and 3, leaves Nextios very well positioned in the national scenario, increasing Locaweb ecosystem's access to this market.

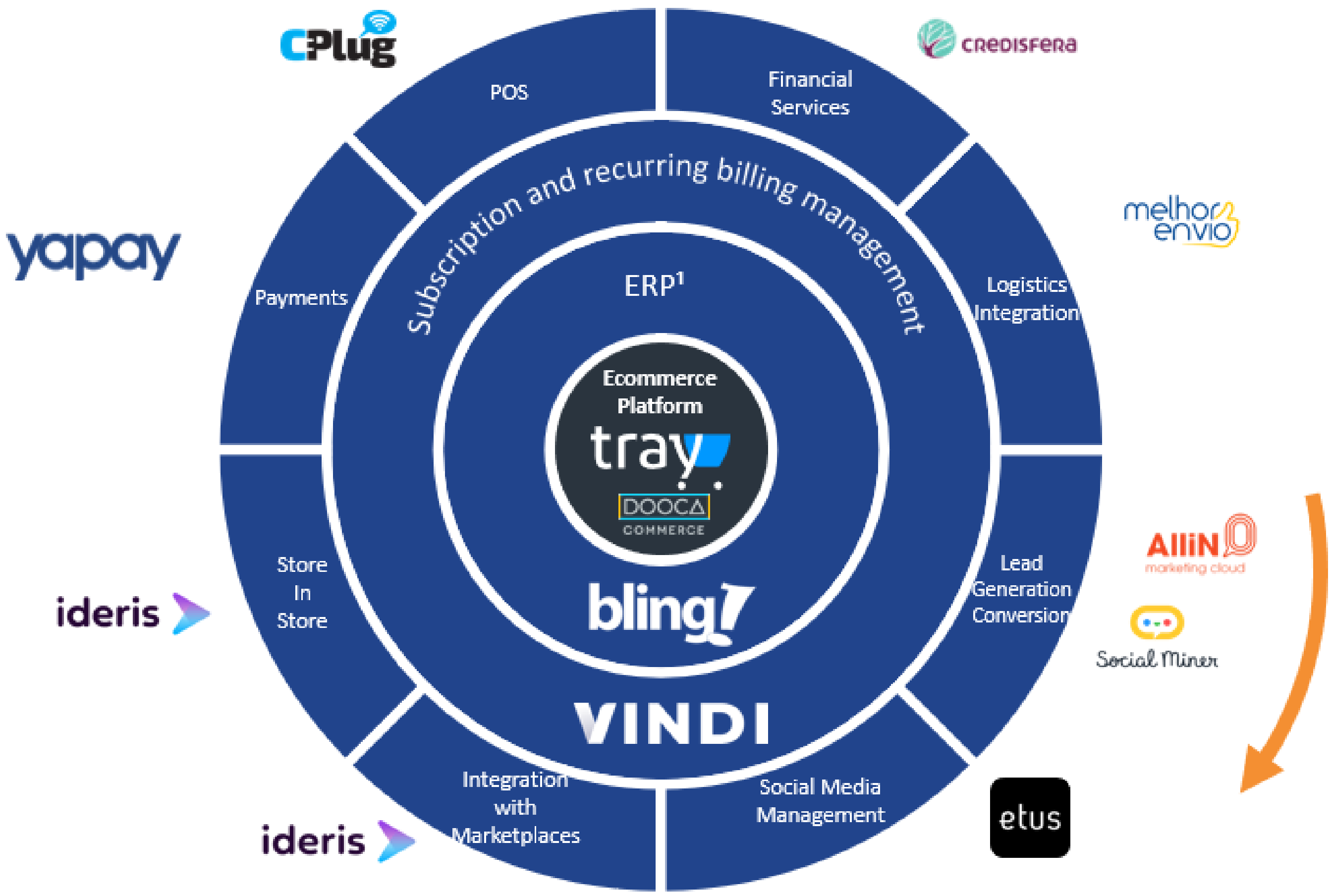
Still on BeOnline/SaaS, we continue to observe a gradual change in the revenue mix of the segment, as SaaS products grow at a faster pace than the BeOnline segment. The chart below (on a managerial basis) shows the growth in SaaS revenue in the revenue mix between quarters:



In April, we made a strong M&A move, involving the signing of a Purchase and Sale Agreement for Bling, an ERP platform that reinforces our ecosystem of solutions with strong synergy with customers from all segments of the group (BeOnline, SaaS and Commerce).

With this acquisition, Locaweb, which already has the most complete ecosystem of technology solutions for micro and small businesses and strong operations in the e-commerce market, has further strengthened its portfolio and joined the important and synergistic management system market.

Bling is already benefitting from the great potential for synergy with the entire ecosystem that Locaweb built: e-commerce platform, marketplace integrator, POS, payments, subscription management, logistics integration, digital marketing and financial services, among others, as shown in the mandala below, which was updated with Bling.



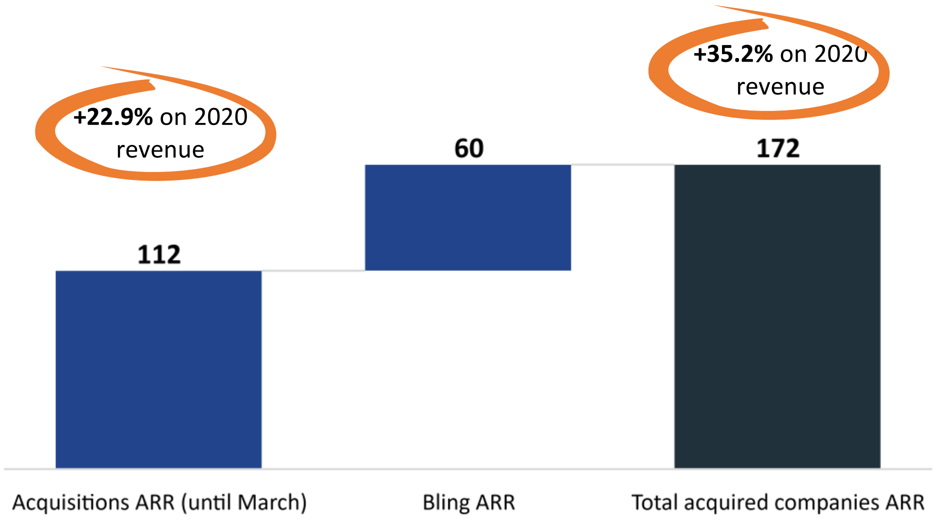
[1] Acquisition pending approval by the Brazilian antitrust authority (CADE)

It is worth noting that, in addition to offering the platform to Locaweb's more than 400,000 customers, Bling will continue to work agnostically, with new integrations and meeting the demands of the entire market.

A large share of Locaweb's Commerce customers already use some ERP solution and Bling is the one with the greatest penetration in this base. This also opens up a huge possibility for all Locaweb's new Commerce customers to be integrated into the platform since the beginning.

Similarly to Locaweb, Bling has been growing substantially. In the last 12 months, the company's paying customer base increased 62%, and ARR (Annual Recurring Revenue) reached R$60 million, up 79% year on year, in addition to having great EBITDA generation capacity.

As a result, we have reached the following impact on the company's growth through acquisitions (ARR in R$ million):



It is worth noting that, in addition to the growth brought about by the strengthening of the ecosystem with acquisitions, all acquired operations are showing strong organic growth, which will bring incremental growth to our operation, in addition to the 35.2% shown above and also organic growth of Locaweb's base operation.

In addition, the ecosystem expansion through the new acquisitions mentioned last quarter and the Bling acquisition will dramatically accelerate the growth pace of our Commerce segment, as (i) it increases customers' ARPU, (ii) reduces churn rates and (iii) speeds up the acquisition of new customers.

Another important benefit deriving from the recent acquisitions is our larger team of digital entrepreneurs. These entrepreneurs, who make up one of the most complete teams in Brazil, in addition to contributing to the Company's operational/strategic direction, encourage talent retention and attract new companies to our M&A pipeline.

In February 2021, we concluded our follow-on and despite the Bling acquisition, the largest in the Company's history, we remain capitalized and, as previously mentioned, funds will continue to be used to make new acquisitions. We maintain our search pace for new acquisitions, using the same principles that guided us in the past.

Finally, in May, the Company joined the Bovespa Index, B3's main index, composed of the stocks with the highest trading volume in the last 12 months. Locaweb shares joined the index ranked 49th among the 84 stocks listed and accounted for 0.557% of the index, against traditional companies that are also listed in the index.

Locaweb, which was already included in indexes such as IBrX-100, SMLL, IGC, IGC-NM and ITAG, is now listed in nine indexes on the São Paulo Stock Exchange.

Business highlights for the quarter

"Due to the high synergy of the new operations acquired, our acquisition model and our intensive integration process, we can already see substantial results in many of these operations."
Fernando Cirne, CEO of Locaweb

Melhor Envio

- Growth of 400% in the number of labels issued in 1Q21 and 360.9% in Freight GMV compared to 1Q20.
- Integration with Yapay as the payment method for Melhor Envio. As a result, stores may use not only credit card for payment, but also the sales balance in their wallet at Yapay, to generate freight.
- We concluded the integration with the MadeiraMadeira marketplace, and the stores on this platform can now offer quotes from Melhor Envio partner carriers directly in their ads.
- We launched a new logistics solution, Melhor Drop, and we structured its integration into our online platform. At these collection/shipping points, stores can drop any package with a Melhor Envio label to be shipped, regardless of the carrier, which will guarantee a reduction in logistics costs for both Melhor Envio and the end customer.
- We increased the base of carriers who provide services to the platform.
- Customer service and successful team excellence was recognized by the achievement of RA 1000 certification granted by the Reclame Aqui platform (12-month consolidated).

Ideris

- Growth of 175.7% in Net Revenue in 1Q21 compared to 1Q20.
- Completion of the technical integration with Tray Corp. We began the beta phase with some customers; it is expected to be available to the entire base in June 2021.
- Beginning of the technical integration with Tray, expected to be made available to the base in the third quarter.

Credisfera

- Final phase of the structuring process of the operation's funding and integration of the operation's products, with Go-Live scheduled for the end of 2Q21.

// CPlug

- We enabled Cplug's POS to also automatically receive orders from Delivery Direto, reflecting on the entire automation of the ordering flow: thermal printers, KDS (Kitchen Display System), invoice generation and inventory control.

// Etus

- Product fully integrated into BeOnline/SaaS sales processes and control panels. The next stage will be to integrate it into E-commerce processes.

// Vindi

- TPV growth of 59.0% over 1Q20.

- The technical integration between Vindi and Yapay has already been finalized, and we have already begun the customer base roll-out: 10% of Vindi's customer base already use the integration with Yapay.

// Dooca

- Revenue growth of 231% vs 1Q20.

// Samurai

- Revenue growth of 93% vs 1Q20.

Summary of Indicators

Consolidated

(R$ million)

locaweb	1Q21	1Q20	vs 1Q20
Net Revenue	160.9	104.5	53.9%
Gross Profit	69.3	42.1	64.7%
Gross Margin (%)	43.0%	40.2%	2.8 p.p.
EBITDA	16.8	15.0	12.6%
EBITDA Margin (%)	10.5%	14.3%	-3.8 p.p.
Adjusted EBITDA [1]	36.6	25.2	44.8%
Adjusted EBITDA Margin (%)	22.7%	24.1%	-1.4 p.p.
Net Income	(8.4)	(2.3)	268.9%
Adjusted Net Income [2]	9.0	5.1	78.4%
Adjusted Net Income Margin (%)	5.6%	4.8%	0.8 p.p.
Cash Generation [3]	14.6	15.8	-7.4%
Cash Conversion (%) [3]	40.0%	62.6%	-22.6 p.p.
Net Debt (Cash) [4]	(2,366.5)	(433.4)	446.0%

[1] Adjusted EBITDA refers to net income (loss) adjusted by the financial result, income tax and social contribution, depreciation and amortization costs and expenses, stock option plan expenses, merger and acquisition expenses, and non-recurring expenses related to the IPO and Follow-on. EBITDA Margin is calculated by dividing EBITDA by Net Operating Revenue. The Adjusted EBIDTA Margin is calculated by dividing Adjusted EBITDA by Net Operating Revenue.
[2] Adjusted Net Income is calculated from net income (loss), excluding: (i) stock option plan expenses; (ii) amortization expenses of intangible assets due to the acquisition of companies; (iii) adjustments related to CPC 06 (refers to the sum of financial interest expenses due to the restatement of lease liabilities and the depreciation expense of right-of-use assets less lease liability payments made); (iv) mark-to-market of derivative financial instruments; (v) deferred income tax; (vi) non-recurring expenses related to the IPO and the follow-on; and (vii) present value adjustment related to the earnout of acquisitions.
[3] Cash Generation consists of "Adjusted EBITDA – Capex", and Cash Conversion consists of dividing "Adjusted EBITDA – Capex" by "Adjusted EBITDA".
[4] Corresponds to loans and financing less the balance of derivatives (foreign exchange swap), less cash and cash equivalents (does not consider lease liabilities related to IFRS 16).

// Commerce
(R$ million)

Commerce	1Q21	1Q20	vs 1Q20
Ecommerce GMV [1]	4,231.7	1,953.8	116.6%
TPV (Yapay)	565.3	245.9	129.9%
Gross revenue, net of rebate	73.2	25.8	184.2%
Net Revenue	65.4	22.9	186.0%
Platform Subscription Net Revenue	25.2	9.9	154.9%
Ecosystem Net Revenue	40.2	13.0	209.7%
Gross Profit	40.8	15.6	161.8%
Gross Margin (%)	62.4%	68.2%	-5.8 p.p.
EBITDA	14.3	9.4	51.9%
EBITDA Margin (%)	21.9%	41.3%	-19.4 p.p.
Adjusted EBITDA [2]	17.5	9.4	85.6%
Adjusted EBITDA Margin (%)	26.8%	41.3%	-14.5 p.p.

[1] Ecommerce GMV: The sum of Tray, Ideris and Dooca's GMV (proforma on 1Q20 - considering as if all assets were at the base in 1Q20)
[2] Adjusted EBITDA refers to net income (loss) adjusted by the financial result, income tax and social contribution, depreciation and amortization costs and expenses, merger and acquisition expenses and non-recurring expenses related to the IPO and the follow-on.

// BeOnline / SaaS
(R$ million)

BeOnline / SaaS	1Q21	1Q20	vs 1Q20
Clients EoP - BeOnline / SaaS	394.8	365.5	8.0%
Gross revenue, net of rebate	104.7	91.3	14.7%
Net Revenue	95.6	81.7	17.0%
Gross Profit	28.5	26.5	7.5%
Gross Margin (%)	29.8%	32.4%	-2.6 p.p.
EBITDA	2.5	5.5	-54.6%
EBITDA Margin (%)	2.6%	6.8%	-4.1 p.p.
Adjusted EBITDA [1]	19.1	15.8	20.6%
Adjusted EBITDA Margin (%)	19.9%	19.3%	0.6 p.p.

[1] Adjusted EBITDA refers to net income (loss) adjusted by the financial result, income tax and social contribution, depreciation and amortization costs and expenses, stock option plan expenses, merger and acquisition expenses, and non-recurring expenses related to the IPO and Follow-on. EBITDA Margin is calculated by dividing EBITDA by Net Operating Revenue. The Adjusted EBIDTA Margin is calculated by dividing Adjusted EBITDA by Net Operating Revenue.

Performance

Net Operating Revenue
(R$ million)

locaweb	1Q21	1Q20	vs 1Q20
Commerce	65.4	22.9	186.0%
Segment share in the consolidated	*40.6%*	*21.9%*	*18.8 p.p.*
BeOnline / SaaS	95.6	81.7	17.0%
Segment share in the consolidated	*59.4%*	*78.1%*	*-18.8 p.p.*
Net Revenue - Consolidated	**160.9**	**104.5**	**53.9%**

Locaweb's Net Revenue came to R$160.9 million in 1Q21, up by 53.9% over 1Q20.

The Commerce segment, which includes revenue from Tray, Tray Corp, Melhor Envio, Vindi, Ideris, Samurai, Dooca and Credisfera, accounted for 40.6% of Net Revenue in 1Q21, up from 21.9% in 1Q20.

Commerce	1Q21	1Q20	vs 1Q20
Ecommerce GMV [1]	4,231.7	1,953.8	116.6%
TPV (Yapay)	565.3	245.9	129.9%
Gross revenue, net of rebate	73.2	25.8	184.2%
Net Revenue	65.4	22.9	186.0%
Platform Subscription Net Revenue	25.2	9.9	154.9%
Ecosystem Net Revenue	40.2	13.0	209.7%

[1] Ecommerce GMV: The sum of Tray, Ideris and Dooca's GMV (proforma on 1Q20 - considering as if all assets were at the base in 1Q20)

In the Commerce segment, Net Operating Revenue grew 186.0%, from R$22.9 million in 1Q20 to R$65.4 million in 1Q21.

The strong growth presented is the result of a substantial increase in the two sources of revenue in the Commerce segment:

(i) **Platform Subscription Net Revenue:**
The clients base (Tray + Dooca) grew 22% in the first three months of 2021 and 109% compared to the 1Q20 base;
The addition of new stores, on the other hand, grew 44% in the quarter compared to the immediately previous quarter (4Q20).

(ii) Ecosystem Net Revenue:

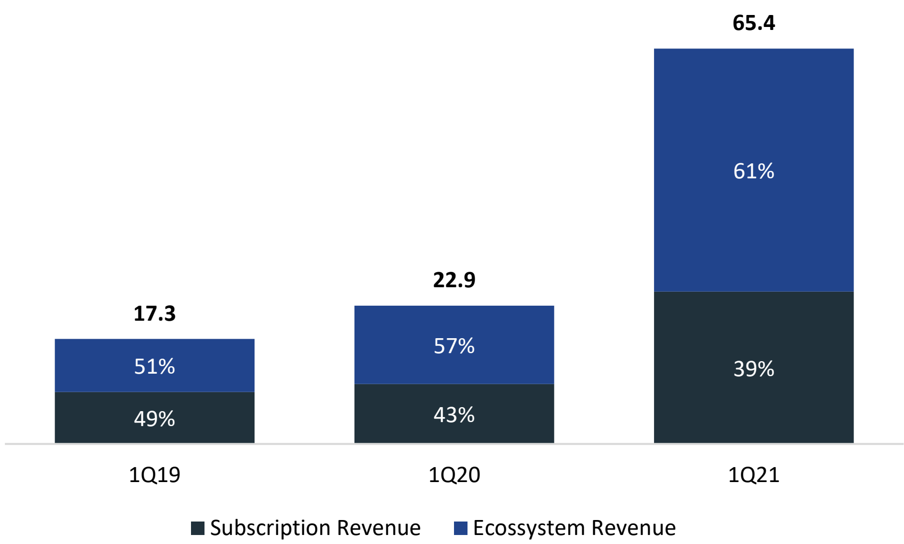
Refers to the revenue charged for the use of services provided by our ecosystem (examples: Yapay, Melhor Envio, sale in marketplaces, etc.).

Our TPV at Yapay increased 129.9% compared to 1Q20, as a consequence of the growth in the clients base and its sales in their own store, which grew 129.1% in 1Q21 compared to the same period of the previous year.

The GMV of sales made by Tray, Dooca and Ideris grew 116.6% in 1Q21 vs 1Q20 (proforma), totaling R$ 4.2 billion.

There are also remunerations related to other platforms, which also showed strong growth in 1Q21, such as Melhor Envio (as previously presented in the report).

The graph below shows the evolution of the two sources of revenue in 1Q19, 1Q20 and 1Q21:



BeOnline / SaaS	1Q21	1Q20	vs 1Q20
Clients EoP - BeOnline / SaaS	394.8	365.5	8.0%
Gross revenue, net of rebate	104.7	91.3	14.7%
Net Revenue	95.6	81.7	17.0%

The number of customers in the BeOnline / SaaS segment (end of period) increased 8.0% year on year in 1Q21. It is worth noting that Etus, a company acquired in September, brought new customers to the platform this quarter.

Net Operating Revenue from the BeOnline/SaaS segment increased 17.0%, moving up from R$81.7 million in 1Q20 to R$95.6 million in 1Q21.

This quarter, we once again highlight an increase in the sale of corporate solutions (which were affected throughout the pandemic) and expansion of our entire suite of corporate email solutions, SMTP and Delivery Direto, all of which with high growth rates compared to 1Q20.

// Operating Costs and Expenses
(R$ million)

locaweb	1Q21	1Q20	vs 1Q20
Cost of Services	91.7	62.5	46.7%
Selling Expenses	27.2	19.0	43.6%
General and Administrative Expenses	44.3	22.1	100.2%
Other Operating (Revenues) Expenses	(0.5)	(0.2)	137.7%
Total Operating Cost and Expenses	**162.6**	**103.3**	**57.4%**
% Net Revenue	*101.0%*	*98.8%*	*2.2 p.p.*

Locaweb's total operating costs and expenses increased 57.4% year on year in 1Q21.

Cost of Services
The cost of services totaled R$91.7 million in 1Q21 and R$62.5 million in 1Q20, corresponding to a 46.7% increase in the year-on-year comparison and representing 57.0% of net revenue in 1Q21 and 59.8% in 1Q20, a 2.8 p.p. decline.

The increase in the cost of services was in line with the Company's net revenue growth in the period, reflecting the mix of solid growth seen in the Commerce segment, whose margins are higher than those of the Company's consolidated results, and the impact of costs of services rendered by the companies acquired in the period, which totaled R$11.9 million.

Selling Expenses
Selling expenses, which include marketing and sales teams, as well as third-party services of the same nature and provisions for doubtful accounts, totaled R$27.2 million in 1Q21, up by 43.6% over 1Q20.

As presented in the previous quarter, the Company increased its Brand Marketing efforts on the Tray platform, aiming at solidifying the brand as the leader in the digitization segment of SMBs in Brazil, which accounted for a large part of the growth seen in selling expenses in the Commerce segment, as shown in the table below:

locaweb	1Q20	4Q20	1Q21	1Q21 vs 1Q20	1Q21 vs 4Q20
Commerce					
Selling Expenses	3.7	9.6	12.6	242.1%	31.8%
% Net Revenue	*16.2%*	*20.6%*	*19.3%*	*3.2 p.p*	*-1.3 p.p*
BeOnline / SaaS					
Selling Expenses	15.3	14.6	14.6	-4.4%	0.1%
% Net Revenue	*18.7%*	*15.6%*	*15.3%*	*-3.4 p.p*	*-0.3 p.p*
Consolidated					
Selling Expenses	19.0	24.2	27.2	43.6%	12.7%
% Net Revenue	*18.1%*	*17.2%*	*16.9%*	*-1.2 p.p*	*-0.3 p.p*

General and Administrative Expenses

General and administrative expenses, which comprise administrative, finance, HR, accounting and tax teams, and third-party services related to these areas, as well as asset depreciation and amortization of IFRS 16 and PPA, totaled R$44.3 million in 1Q21, compared to R$22.1 million in 1Q20, a 100.2% increase.

The increase was mainly due to the factors described below, which totaled R$18.3 million:

(i) Company acquisition expenses in the amount of R$8.7 million;
(ii) IPO and follow-on expenses in the amount of R$1.2 million;
(iii) New corporate divisions created after the IPO (such as the Investor Relations, Internal Controls and Internal Audit departments and the control and governance bodies), in the amount of R$1.0 million; and
(iv) Inorganic effect related to the acquired companies, in the amount of R$7.3 million.

// Gross Profit

(R$ million)

locaweb	1Q21	1Q20	vs 1Q20
Commerce	40.8	15.6	161.8%
Margin (%)	*62.4%*	*68.2%*	*-5.8 p.p.*
BeOnline / SaaS	28.5	26.5	7.5%
Margin (%)	*29.8%*	*32.4%*	*-2.6 p.p.*
Gross Profit	**69.3**	**42.1**	**64.7%**
Gross Margin (%)	*43.0%*	*40.2%*	*2.8 p.p.*

The BeOnline/SaaS segment was impacted by currency depreciation in 1Q21, with a R$1.9 million impact in the quarter related to currency depreciation on software license payments in dollars.

Consolidated Gross Profit increased 64.7% in 1Q21 versus 1Q20, reaching R$69.3 million. The Gross Margin rose 2.8 p.p. over 1Q20.

EBITDA and Adjusted EBITDA
(R$ million)

locaweb	1Q21	1Q20	vs 1Q20
Net Income (Loss)	**(8.4)**	**(2.3)**	**268.9%**
(+) Net Financial Income	4.1	1.8	123.2%
(+) Current Income Tax and Social Contribution	2.6	1.6	56.8%
(+) Depreciation and Amortization	18.5	13.7	34.8%
EBITDA	**16.8**	**15.0**	**12.6%**
(+) Stock Options Plan	3.2	3.7	-12.9%
(+) M&A Expenses	8.8	0.1	6382.5%
(+) IPO and Follow-on Extraordinary Expenses	7.7	6.4	19.2%
Adjusted EBITDA	**36.6**	**25.2**	**44.8%**
Adjusted EBITDA Margin (%)	*22.7%*	*24.1%*	*-1.4 p.p.*

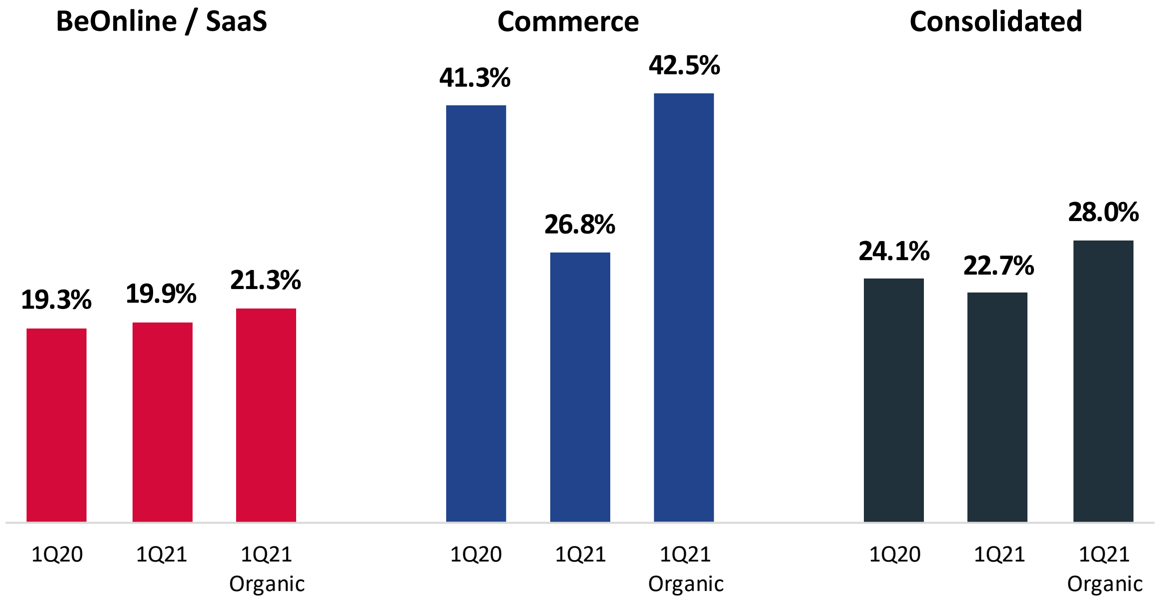
As presented in the figures above, Locaweb's adjusted EBITDA was R$36.6 million in 1Q21, up by 44.8% over 1Q20, with adjusted EBITDA margin down by 1.4 p.p. in the same period, mainly due to the consolidation of results of the acquired companies, whose EBITDA margins were lower than those presented by the group.

EBITDA and Adjusted EBITDA by segment
(R$ million)

locaweb	1Q21	1Q20	vs 1Q20
Commerce			
Adjusted EBITDA	17.5	9.4	85.6%
Adjusted EBITDA Margin (%)	*26.8%*	*41.3%*	*-14.5 p.p.*
BeOnline / SaaS			
Adjusted EBITDA	19.1	15.8	20.6%
Adjusted EBITDA Margin (%)	*19.9%*	*19.3%*	*0.6 p.p.*
Consolidated			
Adjusted EBITDA	**36.6**	**25.2**	**44.8%**
Adjusted EBITDA Margin (%)	*22.7%*	*24.1%*	*-1.4 p.p.*

Adjusted EBITDA from the Commerce segment increased 85.6% in 1Q21, reaching R$17.5 million, and the EBITDA margin dropped 14.5 p.p., to 26.8% in the quarter, mainly due to the consolidation of results of the acquired companies into the results of the segment. Organically, the Commerce segment showed an increase in profitability (Adjusted EBITDA Margin) compared to 1Q20, reaching 42.5%.

The graph below shows the inorganic impact of the acquired companies on the margins of the segments:



Adjusted EBITDA of the BeOnline/SaaS segment increased by 20.6% in 1Q21, and EBITDA margin of the segment grew 0.6 p.p. compared to 1Q20.

// Financial Result

(R$ million)

locaweb	1Q21	1Q20	vs 1Q20
Financial expenses	(13.3)	(5.3)	149.5%
Financial revenues	9.2	3.5	-163.5%
Net financial income (expenses)	**(4.1)**	**(1.8)**	**-123.2%**

The net financial result totaled a net expense of R$4.1 million in 1Q21, up by 123.2% over 1Q20, an increase that was directly related to present value adjustments referring to the earnouts of the acquired companies, which totaled R$6.7 million in 1Q21.

It is also worth noting that we only had financial income from the proceeds of the follow-on after the settlement of the transaction in mid-February.

Net Income and Adjusted Net Income

(R$ million)

locaweb	1Q21	1Q20	vs 1Q20
Net income	**(8.4)**	**(2.3)**	**268.9%**
(+) Stock option plan	3.2	3.7	-12.9%
(+) Intangible amortization	4.5	1.2	276.1%
(+) Adjustment to present value of Acquisition Earnout	6.7	0.7	902.7%
(+) Deferred income tax and social contribution	(3.2)	(1.4)	121.8%
(+) CPC 06 adjustment	0.7	0.6	7.6%
(+) MtM	0.4	(1.7)	-121.0%
(+) IPO and Follow-on Expenses	5.1	4.3	19.2%
Adjusted net income	**9.0**	**5.1**	**78.4%**
Adjusted net income margin (%)	*5.6%*	*4.8%*	*0.8 p.p.*

Based on the above-mentioned figures, Locaweb's Adjusted Net Income reached R$9.0 million in 1Q21, up by 78.4% over 1Q20.

As of this quarter, the Company started to adjust the Net Income with the present value of the Earnouts of the acquisitions.

Indebtedness / Cash Balance

(R$ million)

locaweb	1Q21	4Q20	1Q20
(+) Loan and financing	64.1	84.6	126.4
(-) Derivatives Result (FX swap) [1]	(17.7)	(19.4)	(29.1)
Bank Gross Debt	**46.4**	**65.2**	**97.3**
(-) Cash and cash equivalents [2]	(2,412.9)	(409.4)	(530.7)
Net debt (cash) (ex lease liability)	**(2,366.5)**	**(344.2)**	**(433.4)**
(+) Lease liability [3]	74.5	69.5	69.0
Net debt (cash)	**(2,292.0)**	**(274.7)**	**(364.4)**

[1] Balance of Derivative Financial Instruments in the Balance Sheet.
[2] Considers restricted short and long-term cash used as guarantees in financial funding.
[3] Interest on lease liabilities refers to the adoption of CPC 06(R2)/IFRS 16 as of January 1, 2019.

With the proceeds obtained in February from the Follow-on offering and outlays arising from the payment of part of the price of the company acquisitions in the period, the Company had a net cash balance of

R$2,292.0 million in 1Q21. Excluding the effects from the adoption of IFRS 16, the net cash balance was R$2,366.5 million.

// Cash Flow

(R$ million)

locaweb	1Q21	1Q20	vs 1Q20
Income (loss) before income taxes	**(5.8)**	**(0.6)**	**815.1%**
Items that do not affect cash	30.2	21.4	40.7%
Variations in working capital	(5.4)	(43.2)	87.4%
Net cash provided by operating activities (A)	**18.9**	**(22.4)**	**-184.4%**
Capex for permanent assets	(15.0)	(6.2)	143.2%
Capex for development	(6.9)	(3.3)	112.4%
Free Cash Flow - After Capex	**(3.0)**	**(31.8)**	**-90.6%**
Acquisition	(239.9)	0.0	n/a
Net cash provided by investment activities (B)	**(261.8)**	**(9.4)**	**2677.8%**
Subscription of capital stock	2,273.3	544.7	317.3%
Loan and financing	(26.3)	(14.9)	76.1%
Commercial lease	(2.9)	(2.5)	15.5%
Dividends and interest on equity	0.0	0.0	n/a
Others	(0.0)	(0.1)	-19.8%
Net cash provided by financing activities (C)	**2,244.0**	**527.2**	**325.7%**
Net increase (decrease) in cash and cash equivalents (A + B + C)	**2,001.1**	**495.3**	**304.0%**

Net cash from operating activities totaled R$ 18.9 million in 1Q21 compared to a cash consumption of R$ 22.4 million in 1Q20. The growth in operating cash vs. 1Q20 is directly related to a relative improvement in the receivables account to be passed on from Yapay's operation compared to the line of accounts receivable from customers, which grew at a slower pace. It is worth remembering that in 1Q20, after the IPO, the Company made a capital injection at Yapay, reducing the need to prepay receivables with acquirers and, consequently, increasing the balance of Accounts Receivable.

The cash expenditure related to the acquisition of companies, in the amount of R$ 239.9 million, refers to the acquisitions that were completed in the quarter (Social Miner, Vindi, Connect Plug, Samurai, Credisfera and Dooca).

// Cash Generation (Adjusted EBITDA – Capex)

(R$ million)

locaweb	1Q21	1Q20	vs 1Q20
Adjusted EBITDA	36.6	25.2	44.8%
Capex	21.9	9.4	132.5%
Cash Generation (R$ M)	**14.6**	**15.8**	**-7.4%**
Cash conversion (%)	40.0%	62.6%	-23 p.p.

Despite the expressive 44.8% increase in Adjusted EBITDA, the Company's cash generation, as measured by Adjusted EBITDA minus Capex, was impacted by the anticipation of part of the investments planned for the year 2021, since we have already executed approximately 35% of the annual investment in fixed assets expected in organic operations. In addition, we observed an organic growth in Research and Development in the amount of R$ 3.6 million.

It is worth remembering that the growth in segments that do not require high investments in Capex (SaaS and Commerce) will contribute to the Company's operational leverage.

// APPENDIX I – Income Statement

Income Statement (in R$ million)	1Q20	1Q21
NET REVENUE	**104.5**	**160.9**
Cost of Services	(62.5)	(91.7)
GROSS PROFIT	**42.1**	**69.3**
Operating income (expenses)	**(40.8)**	**(70.9)**
Selling expenses	(19.0)	(27.2)
General and administrative expenses	(22.1)	(44.3)
Other operating income (expenses), net	0.2	0.5
Income before financial results and income taxes	**1.2**	**(1.7)**
FINANCIAL RESULT	**(1.8)**	**(4.1)**
Financial income	3.5	9.2
Financial expenses	(5.3)	(13.3)
Income (loss) before income taxes	**(0.6)**	**(5.8)**
Income Taxes	**(1.6)**	**(2.6)**
Current income taxes	(3.1)	(5.8)
Deferred income taxes	1.4	3.2
Net income (loss)	**(2.3)**	**(8.4)**

* Selling expenses also considers the amount of the "*perda por redução ao valor recuperável*", that is segregated in the Income Statement

** 1Q20 Financial Result was restated

APPENDIX II - Income Statement (BeOnline/SaaS)

Income Statement (in R$ million)	1Q20	1Q21
GROSS REVEVENUE, net of rebate	**91.3**	**104.7**
Taxes and rebates	(9.6)	(9.2)
NET REVENUE	**81.7**	**95.6**
Cost of Services	(55.2)	(67.1)
GROSS PROFIT	**26.5**	**28.5**
Operating income (expenses)	**(33.9)**	**(40.7)**
Selling expenses	(15.3)	(14.6)
General and administrative expenses	(18.8)	(26.1)
Other operating income (expenses), net	0.2	(0.0)
Income before financial results and income taxes	**(7.4)**	**(12.3)**
Depreciation and amortization	12.9	14.8
EBITDA	**5.5**	**2.5**

* Selling expenses also considers the amount of the "*perda por redução ao valor recuperável*", that is segregated in the Income Statement

APPENDIX III – Income Statement (Commerce)

Income Statement (in R$ million)	1Q20	1Q21
GROSS REVEVENUE, net of rebate	**25.8**	**73.2**
Taxes and rebates	(2.9)	(7.9)
NET REVENUE	**22.9**	**65.4**
Cost of Services	(7.3)	(24.6)
GROSS PROFIT	**15.6**	**40.8**
Operating income (expenses)	**(7.0)**	**(30.2)**
Selling expenses	(3.7)	(12.6)
General and administrative expenses	(3.3)	(18.2)
Other operating income (expenses), net	-	0.6
Income before financial results and income taxes	**8.6**	**10.6**
Depreciation and amortization	0.8	3.7
EBITDA	**9.4**	**14.3**

* Selling expenses also considers the amount of the "*perda por redução ao valor recuperável*", that is segregated in the Income Statement

APPENDIX IV – Consolidated Balance Sheet

Assets (R$ million)	Mar, 2021	Dec, 2020
Current Assets		
Cash and cash equivalents	2,405.7	404.6
Restricted cash	3.2	1.6
Accounts receivable	402.0	358.6
Taxes recoverable	12.2	9.4
Derivatives	17.7	19.4
Other assets	21.4	13.9
Total current assets	**2,862.2**	**807.5**
Non-current assets		
Restricted cash	4.0	3.2
Judicial deposits	0.5	0.5
Other assets	1.2	1.2
Deferred income taxes	23.9	20.7
Investments	82.3	76.3
Porperty and equipment	68.0	65.1
Intangible assets	855.3	477.9
Total non-current assets	**1,035.2**	**644.9**
Total assets	**3,897.4**	**1,452.4**

Liabilities and Equity (R$ mln)	Mar, 2021	Dec, 2020
Current liabilities		
Suppliers	24.4	20.5
Loans and financing	51.0	56.9
Lease liability	12.0	5.8
Salaries and related charges	49.1	36.0
Other taxes payable	7.1	5.8
Deferred revenue	54.8	43.6
Payables to clients	304.3	271.7
Interest on shareholders' equity and dividends payable	0.0	0.0
Taxes in installments	2.9	2.8
Accounts payable to former shareholders	2.4	3.4
Other liabilities	5.8	4.1
Total current liabilities	**513.8**	**450.6**
Non-current liabilities		
Loans and financing	13.1	27.7
Provision for legal proceedings	1.1	1.1
Accounts payable to former shareholders	344.0	211.6
Lease liability	62.5	63.7
Taxes in installments	19.0	19.6
Other liabilities	1.8	4.0
Total non-current liabilities	**441.5**	**327.8**
EQUITY		
Capital Stock	2,889.6	643.7
Capital reserves	40.7	10.1
Earning reserves	20.2	20.2
Earnings of the period	(8.4)	-
Total EQUITY	**2,942.1**	**674.0**
Total liabilities and equity	**3,897.4**	**1,452.4**

// APPENDIX V – Cash Flow Statement

Cash Flow (R$ mln)	1Q21	1Q20
Net Cash provided by operating activities		
Income (loss) before income taxes	**(5.8)**	**(0.6)**
Items that do not affect cash	**30.2**	**21.4**
Variations in working capital	**(5.4)**	**(43.2)**
Net cash provided by operating activities	**18.9**	**(22.4)**
Net cash provided by investment activities		
Purchase of property and equipment	(15.0)	(6.2)
Accounts payable for acquisition of equity interest	(1.1)	-
Acquisition of subsidiaries, net of cash acquired	(238.9)	-
Acquisition and development of intangible assets	(6.9)	(3.3)
Net cash provided by investment activities	**(261.8)**	**(9.4)**
Net cash provided by financing activities	**2,244.0**	**527.2**
Net increase (decrease) in cash and cash equivalents	**2,001.1**	**495.3**
Cash and cash equivalents at beginning of the year	404.6	25.3
Cash and cash equivalents at end of the year	2,405.7	520.6
Net increase (decrease) in cash and cash equivalents	**2,001.1**	**495.3**

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