locaweb

São Paulo, August 11, 2021: Locaweb Serviços de Internet S.A. (B3: LWSA3) informs its shareholders and other market participants on the results for the 2Q21

Highlights

Net Revenue of **R$ 184.3** million in 2Q21, growth of **57.1%** vs 2Q20

Commerce reached **R$ 84.8** million in net revenue, a growth of **159.3%** vs 2Q20

In the Commerce segment, Subscription revenue grew **204.7%** vis-a-vis 2Q20. The Ecosystem revenue, on the other hand, grew **134.0%** when compared to 2Q20

In 2Q21, the Commerce Adjusted EBITDA grew **58.5%** vs 2Q20, totaling **R$ 22.9** million, which already represents approximately **56%** of the group's consolidated EBITDA

Commerce's TPV grew **88.6%** in 2Q21 vs 2Q20, reaching **R$ 712.4** million

Client's base grew **32.7%** in the first 6 months of 2021 (from Dec/2020 to Jun/2021)

Maintenance of the pace of new store additions in 2Q21 vs 1Q21 and strong growth vs 4Q20, even with the reopening of the economy

With the acquisition of Bling, our Commerce segment reaches approximately **100 thousand** active and paying subscriptions

Accelerated integration agenda and acquired companies with **excellent** performance in 2Q21

Expansion of **6.0 p.p.** in Gross Margin, with highlight to the new increase in Gross Margin in BeOnline / SaaS

Intensification of **marketing** efforts in the Commerce segment with maintenance of the profitability of the operation (organic basis)

Adjusted EBITDA of **R$ 41.3** million in the 2Q21, growth of **28.8%** vis-à-vis the 2Q20

Net Cash Position[1] standing at **R$ 1,857.6 million**

We continue to make consistent strides in our acquisition process, having completed the **Bagy** and **Octadesk** acquisitions

Conference Call (simultaneous translation): 08/13/2021
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[1] Corresponds to the balance of loans and financing, minus the balance of derivatives (currency swaps), minus the balance of cash and cash equivalents

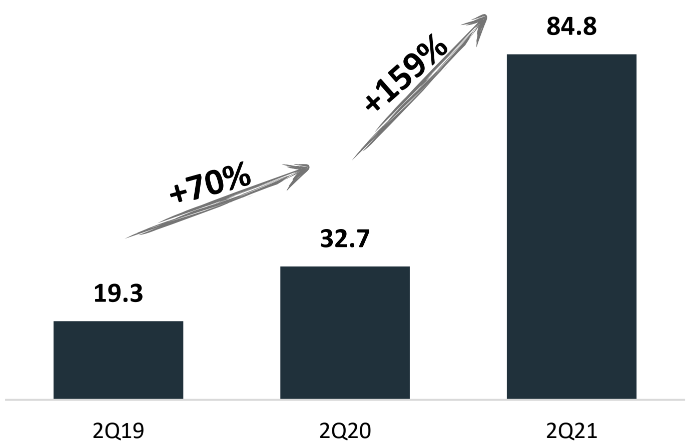
Message from the Management

"Even with the reopening of the economy, we saw our operation accelerate significantly when compared to the second quarter of the previous year, which already showed very aggressive growth. This is a result of our ecosystem, subscription-based business model and strong investment in customer acquisition."
Fernando Cirne, CEO of Locaweb

It is with great pleasure that we present to the market the second quarter 2021 results from Locaweb. In this quarter, we have three important highlights: (i) strong growth in operations (ii) acquisition of the most relevant ERP for SMEs in Brazil, Bling; and (iii) progress on the integration agenda

Regarding the growth of the operation, we once again had a quarter with a very consistent performance in all our business lines with accelerating growth compared to the previous quarter. We also underscore the important growth in the Commerce operation, which even when compared to the strong 2nd quarter of 2020, showed growth of 159% in Net Revenue.

It is worth remembering that we had already presented strong growth in 2Q20 vs 2Q19, with the Commerce segment growing 70% in the period.

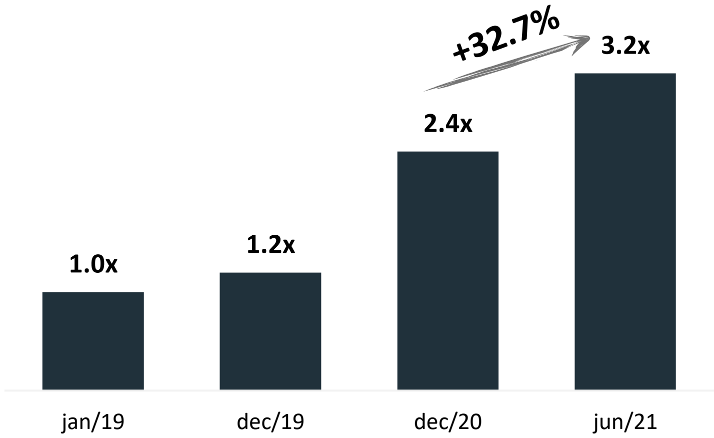


Subscription revenue in the Commerce segment grew 204.7% in the quarter and with the acquisition of Bling we approached 100 thousand active paying customers in the segment. In 2Q21, the addition of new stores showed no slowdown compared to the first quarter of the year and grew 40.7% when compared to the fourth quarter of 2020.

Worthy of note is that in June we launched at Dooca a 14-days free version, allowing the shopkeeper to create an account in a few clicks and test all the features available for creating their virtual store. This strategy will also be an important tool for capturing and converting leads for the entire Locaweb Commerce ecosystem.

With this increase in the volume of new customers and churn trends very similar to historical data, we continue to pave the way for a large revenue growth in the coming years, since the ARPU of new customers continues to be multiplied by more than seven over the next three years, until it reaches the average spending of our base.

As a result of the strong addition of new stores, we have seen our customer base growth increase dramatically since January 2019, as presented in the chart below.



We continue to expand our Commerce ecosystem, which presently has more than 483 integrations, as well as the quality of our platform, which has contributed to the consistent increase in sales for our clients.

Still on the topic of integrations within the platform, Tray launched a new and important integration with Facebook to help SMBs sell with social commerce, being the first national e-commerce platform to be available in Facebook's application store in a native and complete way, containing the best in page management and making ads through the integration.

Through this feature, the entrepreneur who has an online store with Tray can maximize their results with the automatic creation of a Facebook page with a business manager, product catalog, ad account and pixel within the new conversion API standard.

This represents an evolution from the previous method, made possible through cookies, as it is a more assertive, secure, and stable resource. In addition, it is also possible to perform integration with the Instagram account, highlighting the strength of social commerce and boosting sales on different social networks.

In the BeOnline / SaaS segment, the sales volume for SMBs remains accelerated. In 2Q21, sales in the segment showed growth of 15.5% vs 2Q20.

Nextios, our brand responsible for the corporate segment in BeOnline / SaaS, that posted a sales growth of 47.3% in 2Q21, launched Nextios E-Marketplace, a robust ecosystem of business solutions and cutting-edge technologies, a true *one-stop shop* for customers to consume solutions, services, and technologies with agility, stripped of bureaucracy.

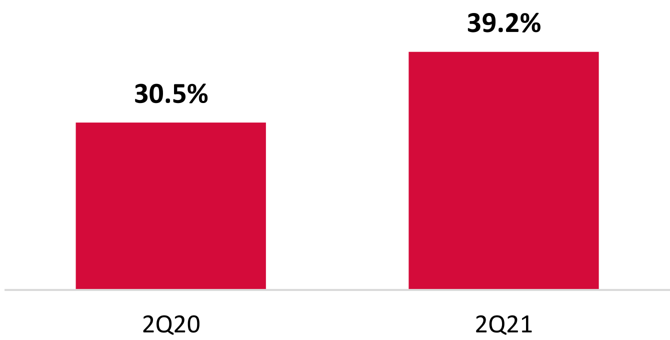
The Nextios E-Marketplace expands the offer of Nextios solutions, investing in another front to increase flexibility by adapting the service to the needs of each client. The customer, in turn, now has access to a new way of hiring technology solutions through a digital catalog with a curator of Brazilian software companies and service providers (ERP, CRM, HR etc.), which makes it easier to find solutions, test, buy and deploy.

This quarter, following in BeOnline / SaaS, we reached the maximum level of excellence in customer service in Reclame AQUI, the RA1000. The recognition again reinforces Locaweb's passion for making businesses be born and thrive through technology.

This is an unprecedented seal for Locaweb in the segment of BeOnline / SaaS specifically, granted to companies that, in addition to being classified as **GREAT** (in Portuguese: "**ÓTIMO**"), deliver a solution above **90%** in this channel.

The seal is the result of the evolution of processes in the Customer Service team, in addition to the focus of the Products and Technology structure in solving the main points of friction in the user journey. The achievement is extremely valuable in terms of the perception of quality of our service, enhancing reputation and competitiveness, directly impacting booking and churn indicators of the operation.

Still in BeOnline / SaaS, we continue to observe the gradual change in the revenue mix within the segment, since the growth of SaaS products is faster than the growth presented in the BeOnline segment. The chart below (on a management basis) shows SaaS revenue growth in the revenue mix between quarter:



In June we announced to the market the conclusion of the acquisition of Bling, an online management system for the e-commerce and micro and small enterprises (MSEs) segment, with over 200 integrations, which offers solutions in the SaaS model for physical, virtual or hybrid businesses, assisting in the management and organization of business through modules for issuing electronic invoices, product catalogs, inventory and multichannel sales, POS, financial management, integrations with e-commerce platforms, marketplaces and logistics solutions, among others.

Although Bling's operational results are not yet being considered in this report for comparative purposes (only the financial results for June), Bling has shown a very strong growth in 2Q21 compared to 2Q20, with new customer additions growth of 133%, customer base increase of 74%, increase in the number of invoices issued by 39% and in the number of labels issued via integration with Melhor Envio by 303%, and the value in Reais referring to the issuance of invoices in 2Q21 surpassed the R$ 16 billion mark.

Still in M&As, in early July and August, we had two important moves in our M&A agenda, with the purchase of Bagy and OctaDesk.

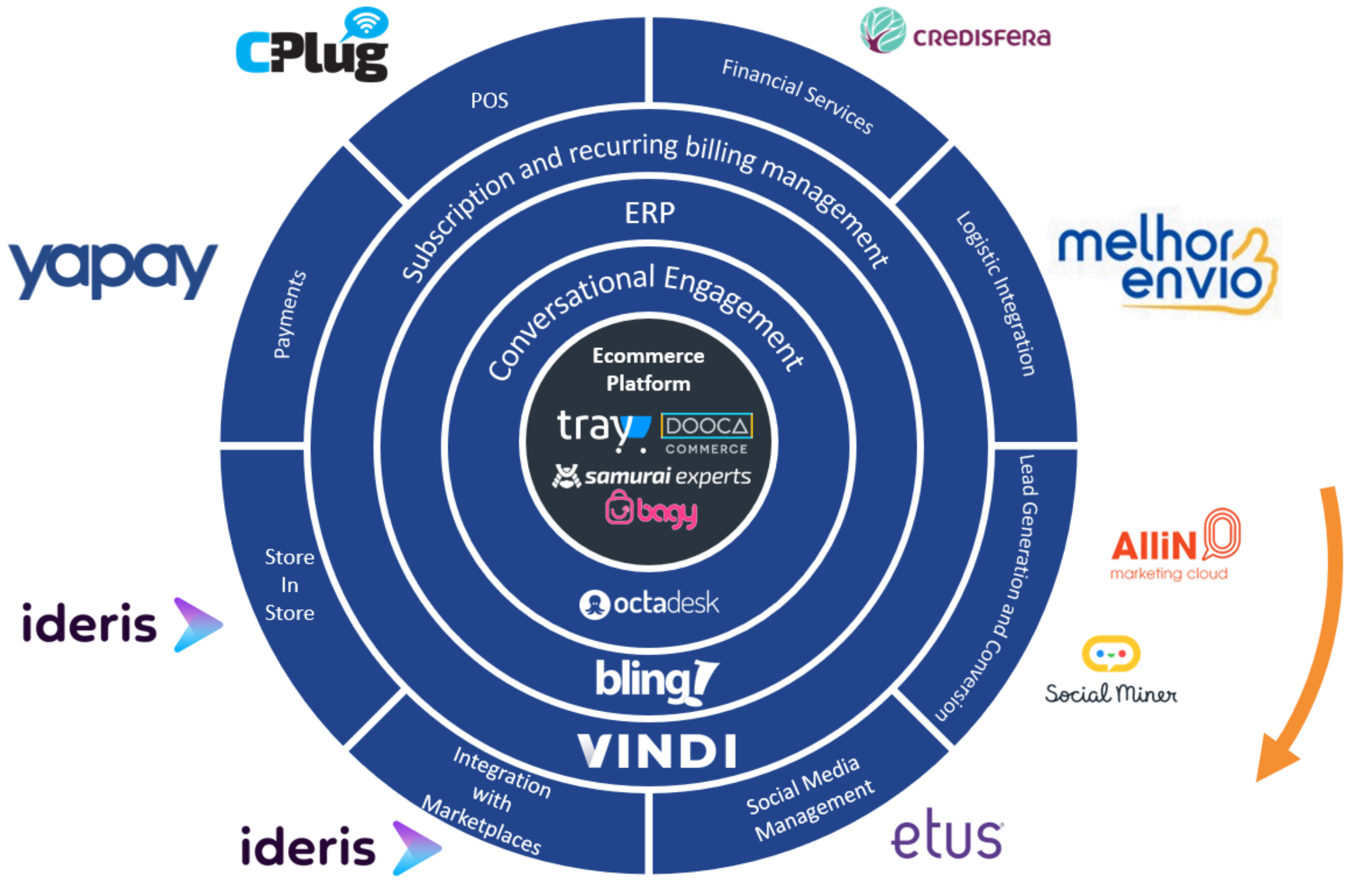
Founded in 2017 in Belo Horizonte, Bagy is an e-commerce platform focused on social commerce, with over 13.5 thousand active customers and 127 thousand followers on social networks. Its goal is to help SMEs, individuals, and influencers set up an online store quickly and simply. By downloading the Bagy application, users can create a store in a few minutes, using their cell phone to register products, take pictures, set forth prices, and even offer native integration with major social networks, especially Instagram and Facebook, and the Mercado Livre marketplace.

Octadesk, founded in 2015 in the city of São Paulo, is a platform for small and medium enterprises to better relate to their customers at all stages of their journey (marketing, sales and customer service), in real time and across multiple channels such as WhatsApp, chat, Instagram, email, among others, organizing their interactions in a single place. Providing automation and scale through chatbots, pre-programmed virtual assistants and technology embedded in Artificial Intelligence, the platform has the ability to make conversations humanized, improving the experience in customer relations and boosting the companies' results in all digital channels.

Conversational Commerce, which is gaining great relevance in global commerce, enables consumers to obtain, through a conversation, information about products, shopping links, conversion, support, answers to questions, requests, evaluations, among other interactions, bringing the best of the physical world (personalized human service) into a virtual interaction. Solutions of this type, which until recently were a reality only for large companies, today, with Octadesk, are also accessible to small and medium-sized companies.

With the acquisition of Octadesk, Locaweb takes another important step in its strategy to have the most complete ecosystem of technological solutions for SMEs, which reinforces the company's social commerce strategy, with strong and immediate synergy with Locaweb e-commerce customers, as well as services, industry, and other verticals, as presented below:

locaweb



It is worth mentioning that the acquired companies now contribute as sales channels for new products for the entire ecosystem, in addition to helping reduce churn.

In July, Locaweb and its executives were recognized among the best companies and professionals by one of the most respected publications of the world financial market, Institutional Investor.
Year in, year out, the Institutional Investor magazine ranks, by voting of investors and market analysts, the best CEOs, CFOs, and Investor Relations professionals in Latin America in each business segment. This year, the survey results reflected the opinion of 765 Sell Side and Buy Side analysts about 340 companies.

With little more than a year as a publicly traded company, Locaweb is in the ranking of the best companies, directors, and professionals in the Investor Relations field in Latin America.

Besides the individual awards, Locaweb ranked second in the category of Best IR Program in Latin America in the segment. The evaluation considered the performance in attributes related to the Investor Relations area, such as the accessibility of senior managers, the quality and depth of answers, transparency of financial reports and their disclosure.

It is an honor to be recognized in such a short time as a Publicly held Company by such a demanding and important public. Our relationship with investors is guided by transparency and the award reflects the work and dedication of the entire Locaweb team.

The award recognizes the transparency and clarity of the information provided to the market, demonstrates the credibility achieved by Locaweb among investors and financial analysts, and reinforces the confidence of the market in our ability to deliver.

Finally, it is worth remembering that in May the Company joined the Bovespa Index, B3's main index, composed of shares with the highest trading volume in the last 12 months. The Locaweb shares entered in position 49 among 84 listed stocks and is now part of the index with a participation of 0.557%. In the months following the entrance in the index, we further increased our liquidity and we are among the 30 most traded stocks in B3.

Integration of Acquisitions

"This quarter, we have made consistent progress to integrate all the companies we have already acquired since our IPO. We already have significant results, both for our customers and for our shareholders."
Fernando Cirne, CEO da Locaweb

Our acquisition integration agenda, which is being led by a dedicated executive within the Financial Department with extensive experience in M&A integrations, has been presenting consistent and significant advances.

It is worth remembering, as we commented in the last results release, that the purpose of the integrations is to bring a much more fluid, simple, and at the same time complete journey for our clients. In this sense, several platforms will have a more connected and unique experience, not only through the UX/UI and design disciplines, but also through deeper integrations of software, dashboards, billings, and registrations.

Regarding the integration of back-office activities, the so-called "integration management office" (IMO) has been acting to coordinate integrations between the acquired companies and the Locaweb group.

Through a robust integration methodology which includes an extensive checklist to fully understand the operations and the direction of integration activities, the office coordinates activities based on three pillars:

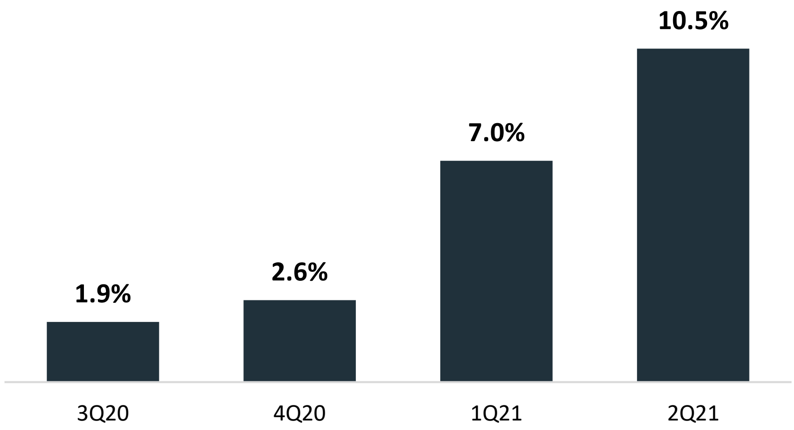
- **Back-office:** Finance, Accounting, Tax, Procurement, Facilities and Legal;
- **Business – Support:** People Management, Business Intelligence, Cyber Security and IT;
- **Business – Core:** Capture synergy and cross-sell, starting with the development of product integration all the way to go-to-market activities (Commercial and Marketing) and Customer Service.

We highlight below 14 integrations that are already in production with Yapay:

Integrations with Yapay:

- Delivery Direto
- Melhor Envio
- Dooca
- Vindi
- Etus

As we have mentioned in other earnings releases, one quick synergy we have been able to capture post-acquisition is in the integration of our payment solution, Yapay, with the acquired companies. This TPV exclusively captured via synergies showed strong growth in the quarter, higher than 90% compared to 1Q21 (immediately preceding quarter) and already represents more than 10% of Yapay's TPV, as shown in the chart below:



In the last results release, we mentioned how quickly we developed the integrations between Vindi and Yapay and now, six months after the beginning of the integrations, we are able to present some numbers that give you a magnitude of the size of the opportunities within our ecosystem:

- In six months, the integration already shows expressive results and continues to accelerate. Some indicators:
    - Yapay already processes almost 10% of Vindi's TPV
    - About 70% of Vindi's new customers already use Yapay
    - 20% of Vindi's customers are already running on Yapay

// Integration with Etus

The integration strategy with Etus is to offer a robust social network management tool for all customers of the Locaweb base. Since the acquisition, the integrations below are already in operation

- Integrated sale in Site Builder ("Criador de Sites")
- Integrated sale in WordPress
- Integrated sale in Hosting control panel
- Offer via Locaweb website

// CPlug

- Already integrated with Delivery Direto

CPlug has a very robust POS solution and management system for restaurants and integrated with Delivery Direto strengthens not only the product, but also the sales channel of both solutions.

// Social Miner

- Offer for SMBs integrated with Tray

Development of a product suitable for SMEs fully integrated with Tray, which has been in operation since 2Q21.

// Ideris

- Integration with Tray Corp:

Aiming at increasing our customers' GMV, the development of the integration of Ideris with Tray Corp was finalized and presently in the testing phase, moving towards a robust delivery for shopkeepers, who will be able to expand their sales channels enjoying an optimized integration.

Always focusing on the customer experience in a centralized way, contributing greatly to the increase of sales, with this integration customers now have available more than 23 integrations with marketplaces, managing them within their Tray Corp panel.

// Credisfera

- In June, we ran the first Credisfera operation with Tray clients, using third party funding. It is worth noting that this operation takes place within the client's administrative control panel, maintaining a native and unique experience with greater potential for adoption. This solution can be easily replicated in all operations of the ecosystem, highlighting the great opportunity to offer credit to ERP Bling customers.

// Dooca

- Development of a native integration with the Bling ERP.

Highlight of the Growth in Acquired Companies

"Our acquired companies have been showing expressive growth, even over a quarter that already showed aggressive numbers. This not only points to the quality of the companies we acquire, but also how much these companies are being accelerated by our ecosystem."
Rafael Chamas, CFO and IRO at Locaweb

Melhor Envio

- Growth of 201.9% in the number of labels issued in 2Q21 and of 199.8% in Freight GMV vs 2Q20.
- Customer base grew 283.2% in 2Q21 vs 2Q20.

Bling

- Growth of 133.1% in new customer additions in 2Q21 compared to the same period last year.
- Customer base grew 74.3% in 2Q21 vs 2Q20.
- Labels issued via Melhor Envio showed growth of 303.3% in 2Q21 vs 2Q20.

Vindi

- TPV growth in 2Q21 of 73.1% vs 2Q20.

Etus

- Significant year-over-year sales growth, with highlight to the month of June, which showed a 253.4% increase in sales vs. June of 2020.
- Customer base grew 60.5% in 2Q21 vs 2Q20.

Dooca

- Customer base grew 192% in 2Q21 vs 2Q20.

Ideris

- Customer base grew 57.9% in the 2Q21 vis-à-vis the 2Q20

Summary of Indicators

Consolidated

(R$ million)

locaweb	2Q21	2Q20	vs 2Q20	6M21	6M20	vs 6M20
Net Revenue	184.3	117.3	57.1%	345.2	221.8	55.6%
Gross Profit	86.3	47.8	80.4%	155.6	89.9	73.0%
Gross Margin (%)	46.8%	40.8%	6.0 p.p.	45.1%	40.5%	4.5 p.p.
EBITDA	33.9	28.7	18.0%	50.7	43.7	16.1%
EBITDA Margin (%)	18.4%	24.5%	-6.1 p.p.	14.7%	19.7%	-5.0 p.p.
Adjusted EBITDA [1]	41.3	32.0	28.8%	77.8	57.3	35.9%
Adjusted EBITDA Margin (%)	22.4%	27.3%	-4.9 p.p.	22.5%	25.8%	-3.3 p.p.
Net Income	3.6	5.2	-31.8%	(4.8)	3.0	-261.6%
Adjusted Net Income [2]	23.7	12.6	87.7%	32.7	17.7	85.1%
Adjusted Net Income Margin (%)	12.9%	10.8%	2.1 p.p.	9.5%	8.0%	1.5 p.p.
Cash Generation [3]	21.6	19.7	9.7%	36.2	35.5	2.1%
Cash Conversion (%) [3]	52.3%	61.4%	-9.1 p.p.	46.5%	62.0%	-15.4 p.p.
Net Debt (Cash) [4]	(1,857.6)	(444.1)	318.3%	(1,857.6)	(444.1)	318.3%

[1] Adjusted EBITDA refers to net income (loss) adjusted by the financial result, income tax and social contribution on profit, depreciation and amortization costs and expenses, stock option plan expenses, and extraordinary expenses related to the IPO and Follow-on. The EBITDA Margin is calculated by dividing EBITDA by Net Operating Revenue. The Adjusted EBIDTA Margin is calculated by dividing the Adjusted EBITDA by the Net Operating Revenue.
[2] Adjusted Net Income is calculated from net income (loss) excluding: (i) stock option plan expenses; (ii) amortization expenses of intangibles arising from business acquisitions; (iii) adjustments related to CPC 06 (refers to the sum of interest expense due to the updating of the lease liability and the depreciation expense of the right-of-use asset less the lease liability payments made); (iv) mark-to-market of derivative financial instruments; (v) deferred income tax and social contribution; (vi) extraordinary expenses related to the IPO and the Follow-on; and (vii) Present Value Adjustment related to the Earnout of the acquisitions.
[3] Cash Generation is measured by "Adjusted EBITDA - Capex" and Cash Conversion is composed by dividing "Adjusted EBITDA - Capex" by "Adjusted EBITDA".
[4] Corresponds to loans and financing less derivatives balance (currency swap), less cash and cash equivalents (does not consider lease liabilities related to IFRS 16).

// Commerce
(R$ million)

Commerce	2Q21	2Q20	vs 2Q20	6M21	6M20	vs 6M20
Ecommerce GMV [1]	4,630.2	2,807.9	64.9%	8,861.9	4,761.6	86.1%
TPV (Yapay)	712.4	377.8	88.6%	1,277.7	623.7	104.9%
Gross revenue, net of rebate	94.7	36.9	156.3%	167.9	62.7	167.8%
Net Revenue	84.8	32.7	159.3%	150.2	55.6	170.3%
Platform Subscription Net Revenue	35.6	11.7	204.7%	60.8	21.6	181.9%
Ecosystem Net Revenue	49.2	21.0	134.0%	89.3	34.0	162.9%
Gross Profit	53.9	23.1	133.3%	94.7	38.7	144.7%
Gross Margin (%)	63.6%	70.7%	-7.1 p.p.	63.1%	69.7%	-6.6 p.p.
EBITDA	22.9	14.5	58.5%	37.3	23.9	55.9%
EBITDA Margin (%)	27.0%	44.2%	-17.2 p.p.	24.8%	43.0%	-18.2 p.p.
Adjusted EBITDA [2]	22.9	14.5	58.5%	40.4	23.9	69.2%
Adjusted EBITDA Margin (%)	27.0%	44.2%	-17.2 p.p.	26.9%	43.0%	-16.1 p.p.

[1] GMV Ecommerce: The sum of Tray, Ideris and Dooca's GMV (proforma on 2Q20 - considering as if all assets were at the base in 2Q20)
[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	2Q21	2Q20	vs 2Q20	6M21	6M20	vs 6M20
Clients EoP - BeOnline / SaaS	402.1	369.3	8.9%	402.1	369.3	8.9%
Gross revenue, net of rebate	109.1	91.0	19.9%	213.8	182.3	17.3%
Net Revenue	99.5	84.6	17.6%	195.0	166.3	17.3%
Gross Profit	32.4	24.7	31.0%	60.8	51.2	18.8%
Gross Margin (%)	32.5%	29.2%	3.3 p.p.	31.2%	30.8%	0.4 p.p.
EBITDA	11.0	14.3	-23.0%	13.5	19.8	-31.8%
EBITDA Margin (%)	11.0%	16.9%	-5.8 p.p.	6.9%	11.9%	-5.0 p.p.
Adjusted EBITDA [1]	18.4	17.6	4.4%	37.4	33.4	12.1%
Adjusted EBITDA Margin (%)	18.5%	20.8%	-2.3 p.p.	19.2%	20.1%	-0.9 p.p.

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

Performance

Net Operating Revenues

(R$ million)

locaweb	2Q21	2Q20	vs 2Q20	6M21	6M20	vs 6M20
Commerce	84.8	32.7	159.3%	150.2	55.6	170.3%
Segment share in the consolidated	*46.0%*	*27.9%*	*18.1 p.p.*	*43.5%*	*25.0%*	*18.5 p.p.*
BeOnline / SaaS	99.5	84.6	17.6%	195.0	166.3	17.3%
Segment share in the consolidated	*54.0%*	*72.1%*	*-18.1 p.p.*	*56.5%*	*75.0%*	*-18.5 p.p.*
Net Revenue - Consolidated	**184.3**	**117.3**	**57.1%**	**345.2**	**221.8**	**55.6%**

Locaweb's net revenue totaled R$ 184.3 million in 2Q21, an increase of 57.1% compared to 2Q20. In the first six months of 2021, net revenue growth was 55.6%, totaling R$ 345.2 million.

The share of the Commerce segment, which considers revenues from Tray, Tray Corp, Melhor Envio, Vindi, Ideris, Samurai, Dooca, Credisfera and Bling (only the month of June/21), increased from 27.9% in 2Q20 to 46.0% in 2Q21.

Commerce	2Q21	2Q20	vs 2Q20	6M21	6M20	vs 6M20
Ecommerce GMV [1]	4,630.2	2,807.9	64.9%	8,861.9	4,761.6	86.1%
TPV (Yapay)	712.4	377.8	88.6%	1,277.7	623.7	104.9%
Gross revenue, net of rebate	94.7	36.9	156.3%	167.9	62.7	167.8%
Net Revenue	84.8	32.7	159.3%	150.2	55.6	170.3%
Platform Subscription Net Revenue	35.6	11.7	204.7%	60.8	21.6	181.9%
Ecosystem Net Revenue	49.2	21.0	134.0%	89.3	34.0	162.9%

[1] Ecommerce GMV: adds the GMVs of Tray, Ideris and Dooca (proforma 2Q20 – considering all assets as being on the 2Q20 base)

In the Commerce segment, the net operating revenue in 2Q21 grew 159.3%, from R$32.7 million in 2Q20 to R$84.8 million in 2Q21. In the first half of 2021, the growth was 170.3%.

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

(i) Platform Subscription Revenue:

The customer base (Tray + Dooca) grew 32.7% in the first six months of 2021 and 72.4% compared to the 2Q20 base;

The addition of new stores, meanwhile, grew 40.7% in the quarter compared to 4Q20;

In addition to the two points mentioned above, we had the acquisition of Bling, whose revenues in June/21 positively impacted growth.

(ii) Ecosystem Revenue:

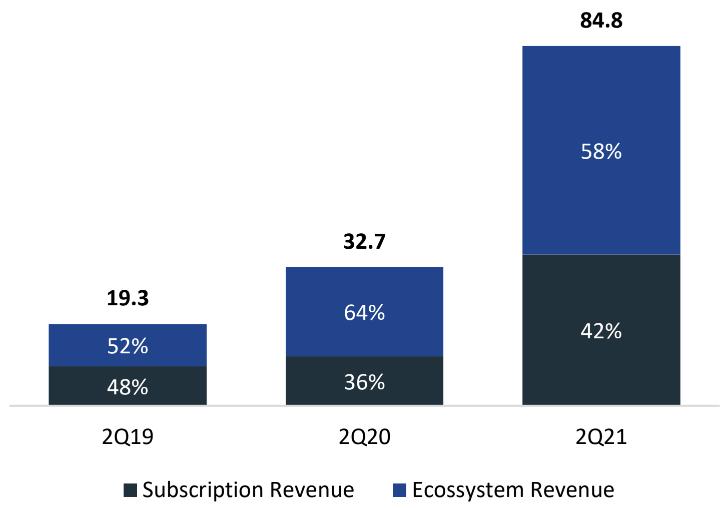
Refers to the revenue charged for the use of services provided by our ecosystem (examples: Yapay, Melhor Envio, selling on marketplaces, etc).

Our TPV at Yapay increased by 88.6% compared to 2Q20, a consequence of the growth of the customer base, the sales of own store customers and the rapid integrations of Yapay within our ecosystem, which already represent 10.5% of Yapay's TPV, as presented at the beginning of the report.

The GMV of the sales made by Tray, Dooca and Ideris grew 64.9% in 2Q21 vs 2Q20 (proforma), totaling R$4.6 billion. It is important to point out that this quarter we have a stronger comparison base.

There is also compensation referring to other platforms, which also showed strong growth in 2Q21, such as Melhor Envio, which grew 199.8% in GMV and 201.9% in the number of labels issued compared to the same period last year.

The chart below shows the evolution of the two revenue sources in 2Q19, 2Q20 and 2Q21:



BeOnline / SaaS	2Q21	2Q20	vs 2Q20	6M21	6M20	vs 6M20
Clients EoP - BeOnline / SaaS	402.1	369.3	8.9%	402.1	369.3	8.9%
Gross revenue, net of rebate	109.1	91.0	19.9%	213.8	182.3	17.3%
Net Revenue	99.5	84.6	17.6%	195.0	166.3	17.3%

The number of customers in the BeOnline / SaaS segment (end of period) grew by 8.9% between 2Q20 and 2Q21.

The BeOnline / SaaS net operational revenue grew 17.6%, from R$ 84.6 million in 2Q20 to R$ 99.5 million in 2Q21. In the first half of 2021, the growth was 17.3%, totaling R$195.0 million.

We underscore once again that this quarter, the growth in sales of enterprise solutions, which have suffered throughout the pandemic, the growth of our entire Suite of solutions for corporate email, Cloud VPS, Delivery Direto and Etus, all of which showed high growth rates compared to 2Q20.

// Operating Costs and Expenses

(R$ million)

locaweb	2Q21	2Q20	vs 2Q20	6M21	6M20	vs 6M20
Cost of Services	98.0	69.5	41.1%	189.6	131.9	43.7%
Selling Expenses	34.6	18.6	85.5%	61.8	37.6	64.4%
General and Administrative Expenses	38.7	14.9	160.2%	83.0	37.0	124.4%
Other Operating (Revenues) Expenses	(0.4)	(0.2)	125.9%	(0.9)	(0.4)	132.9%
Total Operating Cost and Expenses	**170.9**	**102.8**	**66.2%**	**333.5**	**206.1**	**61.8%**
% Net Revenue	*92.8%*	*87.7%*	*5.1 p.p.*	*96.6%*	*92.9%*	*3.7 p.p.*

Locaweb's total operating costs and expenses grew by 66.2% in 2Q21 when compared to the same period last year. In the first six months of 2021, the growth was 61.8%.

Cost of services

The cost of services provided in 2Q21 was R$ 98.0 million and R$ 69.5 million in the same period of 2020, an increase of 41.1% when comparing the two periods, which represented 53.2% of net revenue in 2Q21 and 59.2% in 2Q20, a reduction of 6.0 p.p.

The growth in the cost of services, below the Company's net revenue growth in the period, reflects the robust growth in the Commerce segment, which also has higher margins than the Company's consolidated net revenue.

It is worth pointing out that the Cost of Services Rendered of the acquired companies totaled R$ 16.4 million.

Selling Expenses

Selling expenses, which comprise the marketing and sales teams, as well as the services contracted of this same nature, in 2Q21 were R$34.6 million, an increase of 85.5% when compared to 2Q20.

As presented in previous quarters, the Company increased brand marketing efforts at Tray, aiming to solidify the brand as the leader in the SME digitalization segment in Brazil, which accounted for much of the growth observed in sales expenses in the Commerce segment, as presented in the table below:

locaweb	2Q20	1Q21	2Q21	2Q21 vs 2Q20	2Q21 vs 1Q21
Commerce					
Selling Expenses	4.2	12.6	17.1	305.3%	35.8%
% Net Revenue	*18.5%*	*27.2%*	*26.2%*	*7.7 p.p*	*-0.9 p.p*
BeOnline / SaaS					
Selling Expenses	14.4	14.6	17.4	20.9%	19.3%
% Net Revenue	*17.6%*	*15.6%*	*18.2%*	*0.6 p.p*	*2.6 p.p*
Consolidated					
Selling Expenses	18.6	27.2	34.6	85.5%	27.0%
% Net Revenue	*17.8%*	*19.4%*	*21.5%*	*3.7 p.p*	*2.1 p.p*

General and Administrative Expenses

General and administrative expenses, that comprise the teams from administrative areas such as finances, HR, accounting and tax areas, expenses and outsourced services relating to these areas, as well as depreciation and amortization of IFRS 16 assets and PPA, stood in the 2Q21 at R$ 38.7 million and R$ 14.9 million in the same period of 2020, representing a growth of 160.2%.

This increase is mainly due to the factors listed below, which summed up total R$ 20.2 million:

(i) Expenses relating to the amortization of PPA intangibles, totaling R$ 5.2 million;
(ii) Expenses relating to the company acquisition process, totaling R$ 4.0 million; and
(iii) Inorganic effect which relates to the acquired companies, in the amount of R$ 11.0 million.

// Gross Profit

(R$ million)

locaweb	2Q21	2Q20	vs 2Q20	6M21	6M20	vs 6M20
Commerce	53.9	23.1	133.3%	94.7	38.7	144.7%
Margin (%)	*63.6%*	*70.7%*	*-7.1 p.p.*	*63.1%*	*69.7%*	*-6.6 p.p.*
BeOnline / SaaS	32.4	24.7	31.0%	60.8	51.2	18.8%
Margin (%)	*32.5%*	*29.2%*	*3.3 p.p.*	*31.2%*	*30.8%*	*0.4 p.p.*
Gross Profit	**86.3**	**47.8**	**80.4%**	**155.6**	**89.9**	**73.0%**
Gross Margin (%)	*46.8%*	*40.8%*	*6.0 p.p.*	*45.1%*	*40.5%*	*4.5 p.p.*

Consolidated gross profit increased 80.4% in 2Q21 when compared with 2Q20, reaching R$86.3 million. In 2Q21, there was a 6.0 p.p. increase in Gross Margin when compared to 2Q20, reflecting the recovery in the BeOnline / SaaS margin, which was impacted in 2020 by the effects of the pandemic, already explained in previous results.

As mentioned above, the Cost of Services Rendered of the acquired companies totaled R$16.4 million in 2Q21.

EBITDA and Adjusted EBITDA

(R$ million)

locaweb	2Q21	2Q20	vs 2Q20	6M21	6M20	vs 6M20
Net Income (Loss)	**3.6**	**5.2**	**-31.8%**	**(4.8)**	**3.0**	**-261.6%**
(+) Net Financial Income	0.9	3.9	-77.9%	5.0	5.7	-13.2%
(+) Current Income Tax and Social Contribution	8.9	5.3	66.9%	11.5	7.0	64.5%
(+) Depreciation and Amortization	20.6	14.3	44.2%	39.1	28.0	39.6%
EBITDA	**33.9**	**28.7**	**18.0%**	**50.7**	**43.7**	**16.1%**
(+) Stock Options Plan	3.3	3.2	3.4%	6.5	6.9	-5.3%
(+) M&A Expenses	4.1	0.1	3909.8%	12.9	0.2	5326.3%
(+) IPO and Follow-on Extraordinary Expenses	0.0	0.0	n/a	7.7	6.4	19.2%
Adjusted EBITDA	**41.3**	**32.0**	**28.8%**	**77.8**	**57.3**	**35.9%**
Adjusted EBITDA Margin (%)	*22.4%*	*27.3%*	*-4.9 p.p.*	*22.5%*	*25.8%*	*-3.3 p.p.*

As a result of the numbers presented above, Locaweb's Adjusted EBITDA in 2Q21 was R$41.3 million, 28.8% higher vis-a vis 2Q20, with the Adjusted EBITDA Margin presenting a reduction of 4.9 p.p. in the same period, due mainly to the consolidation of the results of the acquired companies, which have lower EBITDA margins than those presented in the group.

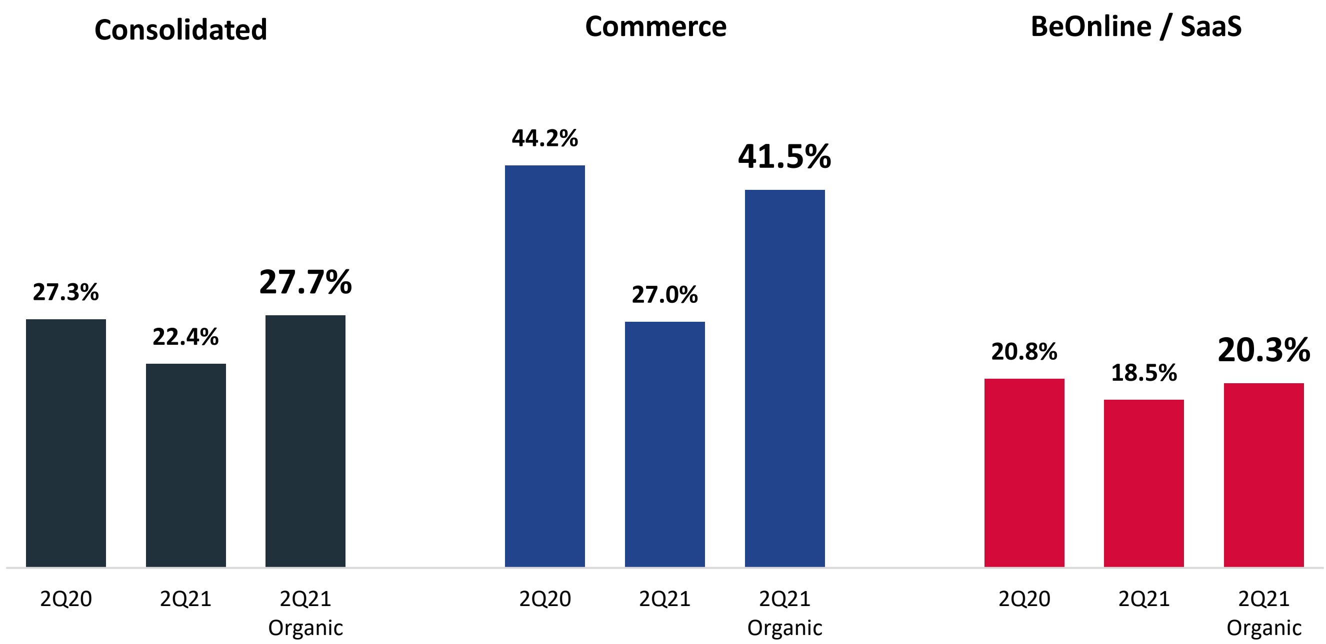
EBITDA and Adjusted EBITDA per segment

(R$ million)

locaweb	2Q21	2Q20	vs 2Q20	6M21	6M20	vs 6M20
Commerce						
Adjusted EBITDA	22.9	14.5	58.5%	40.4	23.9	69.2%
Adjusted EBITDA Margin (%)	*27.0%*	*44.2%*	*-17.2 p.p.*	*26.9%*	*43.0%*	*-16.1 p.p.*
BeOnline / SaaS						
Adjusted EBITDA	18.4	17.6	4.4%	37.4	33.4	12.1%
Adjusted EBITDA Margin (%)	*18.5%*	*20.8%*	*-2.3 p.p.*	*19.2%*	*20.1%*	*-0.9 p.p.*
Consolidated						
Adjusted EBITDA	**41.3**	**32.0**	**28.8%**	**77.8**	**57.3**	**35.9%**
Adjusted EBITDA Margin (%)	*22.4%*	*27.3%*	*-4.9 p.p.*	*22.5%*	*25.8%*	*-3.3 p.p.*

The Commerce Adjusted EBITDA grew 58.5% in 2Q21, reaching R$ 22.9 million with a reduction of 17.2 p.p. in the EBITDA margin, standing at 27.0% in the quarter, exclusively related to the consolidation of the results of the acquired companies in the segment results. Organically, the Commerce segment presented slight compression in comparison with 2Q20, reaching 41.5% of Adjusted EBITDA margin.

The chart below shows the inorganic impact brought by the acquired companies on segment margins:



The Adjusted EBITDA for BeOnline / SaaS showed a growth of 4.4% in the 2Q21 with a reduction of 2.3 p.p. in the segment´s EBITDA margin vis-à-vis the 2Q20.

// Financial Results

(R$ million)

locaweb	2Q21	2Q20	vs 2Q20	6M21	6M20	vs 6M20
Financial expenses	(16.1)	(12.3)	30.5%	(29.4)	(43.3)	-32.1%
Financial revenues	15.2	8.4	80.4%	24.4	37.5	-35.0%
Net financial income (expenses)	**(0.9)**	**(3.9)**	**77.9%**	**(5.0)**	**(5.7)**	**13.2%**

The net financial result in 2Q21 was a net expense of R$ 0.9 million, which represented an improvement of 77.9% in comparison with 2Q20. This improvement is directly related to the cash raised in the Follow-on, in mid-February.

It is important to highlight that, despite the improvement in the financial result, the financial expense was heavily impacted by the effect of the Adjustment to Present Value of Earnouts of recent acquisitions, which in the quarter totaled R$ 10.5 million compared to R$ 0.7 million in 2Q20. Also noteworthy is the 55.6% growth when compared to 1Q21, when it totaled R$ 6.7 million.

Net Income and Adjusted Net Income

(R$ million)

locaweb	2Q21	2Q20	vs 2Q20	6M21	6M20	vs 6M20
Net income	**3.6**	**5.2**	**-31.8%**	**(4.8)**	**3.0**	**-261.6%**
(+) Stock option plan	3.3	3.2	3.4%	6.5	6.9	-5.3%
(+) Intangible amortization	6.2	1.0	497.5%	10.7	2.2	378.8%
(+) Adjustment to present value of Acquisition Earnout	10.5	0.7	1457.4%	17.2	1.3	1180.3%
(+) Deferred income tax and social contribution	2.0	1.0	101.7%	(1.2)	(0.4)	168.9%
(+) CPC 06 adjustment	0.0	0.4	-90.4%	0.7	1.0	-27.8%
(+) MtM	(2.0)	1.1	-276.1%	(1.6)	(0.6)	175.5%
(+) IPO and Follow-on Expenses	0.0	0.0	n/a	5.1	4.3	19.2%
Adjusted net income	**23.7**	**12.6**	**87.7%**	**32.7**	**17.7**	**85.1%**
Adjusted net income margin (%)	*12.9%*	*10.8%*	*2.1 p.p.*	*9.5%*	*8.0%*	*1.5 p.p.*

Based on the numbers presented above, Locaweb's adjusted net income in 2Q21 was R$23.7 million, 87.7% higher than 2Q20, with a 2.1 p.p. expansion in the adjusted net income margin.

Since the previous quarter, the Company has been adjusting the Net Income with the present value of the Earnouts of the acquisitions.

Indebtedness / Cash position

(R$ million)

locaweb	2Q21	1Q21	4Q20	2Q20
(+) Loan and financing	48.6	64.1	84.6	123.7
(-) Derivatives Result (FX swap) [1]	(10.2)	(17.7)	(19.4)	(32.1)
Bank Gross Debt	**38.4**	**46.4**	**65.2**	**91.6**
(-) Cash and cash equivalents [2]	(1,896.0)	(2,412.9)	(409.4)	(535.7)
Net debt (cash) (ex lease liability)	**(1,857.6)**	**(2,366.5)**	**(344.2)**	**(444.1)**
(+) Lease liability [3]	76.7	74.5	69.5	72.6
Net debt (cash)	**(1,780.9)**	**(2,292.0)**	**(274.7)**	**(371.5)**

[1] Balance of Derivative Financial Instruments in the Balance Sheet
[2] Considers the restricted cash of the short and long term arising from guarantees provided in financial funding
[3] Lease liabilities refer to the adoption of CPC 06(R2)/IFRS 16 as of January 1, 2019

With the funds raised in February in the follow-on offering and the proceeds from the payment of part of the price of the acquisitions in the period, the Company had a net cash balance of R$1,780.9 million in 2Q21. Excluding the effects of IFRS 16 adoption, the net cash balance is R$1,857.6 million.

Cash Flow
(R$ million)

locaweb	2Q21	2Q20	vs 2Q20	6M21	6M20	vs 6M20
Income (loss) before income taxes	**12.5**	**10.6**	**18.0%**	**6.7**	**9.9**	**-32.9%**
Items that do not affect cash	37.0	22.9	61.5%	67.2	44.4	51.4%
Variations in working capital	(20.0)	5.2	482.5%	(25.5)	(38.0)	33.0%
Net cash provided by operating activities (A)	**29.5**	**38.7**	**-23.8%**	**48.4**	**16.3**	**196.6%**
Capex for permanent assets	(10.1)	(7.4)	36.5%	(25.1)	(13.5)	85.2%
Capex for development	(9.6)	(5.0)	93.1%	(16.5)	(8.2)	100.7%
Free Cash Flow - After Capex	**9.8**	**26.4**	**-62.8%**	**6.8**	**(5.5)**	**-224.8%**
Acquisition	(522.7)	(11.6)	4394.9%	(762.6)	(11.6)	6458.4%
Net cash provided by investment activities (B)	**(542.3)**	**(24.0)**	**2161.6%**	**(804.2)**	**(33.4)**	**2307.2%**
Subscription of capital stock	8.2	1.7	380.1%	2,281.5	546.4	317.5%
Loan and financing	(5.7)	(6.1)	-6.7%	(32.0)	(21.0)	52.2%
Commercial lease	(3.8)	(2.8)	36.7%	(6.7)	(5.3)	26.6%
Dividends and interest on equity	0.0	0.0	n/a	0.0	0.0	n/a
Others	0.0	(0.0)	-100.0%	(0.0)	(0.1)	-55.9%
Net cash provided by financing activities (C)	**(1.2)**	**(7.2)**	**-83.1%**	**2,242.8**	**520.0**	**331.3%**
Net increase (decrease) in cash and cash equivalents (A + B + C)	**(514.1)**	**7.6**	**-6875.9%**	**1,487.0**	**502.9**	**195.7%**

Net cash provided by operating activities totaled R$29.5 million in 2Q21 compared to R$38.7 million in 2Q20. The drop in operating cash vs. 1Q21 is directly related to the receivables to be passed on from the Yapay operation compared to the accounts receivable from clients, which grew at a higher rate in the period, as well as the extinguishment of operating liabilities of the acquired companies, amounting to R$19 million, as agreed in the respective purchase and sale contracts.

The cash expenditure related to the acquisition of companies, in the amount of R$522.7 million, refers to the acquisitions that were finalized in the quarter (Bling and PagCerto).

Cash Generation (Adjusted EBITDA – Capex)
(R$ million)

locaweb	2Q21	2Q20	vs 2Q20	6M21	6M20	vs 6M20
Adjusted EBITDA	41.3	32.0	28.8%	77.8	57.3	35.9%
Capex	19.7	12.4	59.4%	41.6	21.8	91.1%
Cash Generation (R$ M)	**21.6**	**19.7**	**9.7%**	**36.2**	**35.5**	**2.1%**
Cash conversion (%)	52.3%	61.4%	-9 p.p.	46.5%	62.0%	-15 p.p.

Despite the 28.8% 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 2021 in the first half of the year, as we have already executed most of the annual investment in fixed assets expected in organic operations. In addition, we observed organic growth in Research and Development in the amount of R$4.6 million.

ANNEX I – Income Statement

Income Statement (in R$ million)	2Q20	2Q21	6M20	6M21
NET REVENUE	**117.3**	**184.3**	**221.8**	**345.2**
Cost of Services	(69.5)	(98.0)	(131.9)	(189.6)
GROSS PROFIT	**47.8**	**86.3**	**89.9**	**155.6**
Operating income (expenses)	**(33.4)**	**(73.0)**	**(74.2)**	**(143.9)**
Selling expenses	(18.6)	(34.6)	(37.6)	(61.8)
General and administrative expenses	(14.9)	(38.7)	(37.0)	(83.0)
Other operating income (expenses), net	0.2	0.4	0.4	0.9
Income before financial results and income taxes	**14.5**	**13.3**	**15.7**	**11.7**
FINANCIAL RESULT	**(3.9)**	**(0.9)**	**(5.7)**	**(5.0)**
Financial income	8.4	15.2	37.5	24.4
Financial expenses	(12.3)	(16.1)	(43.3)	(29.4)
Income (loss) before income taxes	**10.6**	**12.5**	**9.9**	**6.7**
Income Taxes	**(5.3)**	**(8.9)**	**(7.0)**	**(11.5)**
Current income taxes	(4.3)	(6.9)	(7.4)	(12.6)
Deferred income taxes	(1.0)	(2.0)	0.4	1.2
Net income (loss)	**5.2**	**3.6**	**3.0**	**(4.8)**

* Expenses with sales also considers the value of the "impairment loss", which is open in the financial statement.

ANNEX II – Income Statement - BeOnline / SaaS

Income Statement (in R$ million)	2Q20	2Q21	6M20	6M21
GROSS REVEVENUE, net of rebate	**91.0**	**109.1**	**182.3**	**213.8**
Taxes and rebates	(6.4)	(9.6)	(16.0)	(18.7)
NET REVENUE	**84.6**	**99.5**	**166.3**	**195.0**
Cost of Services	(59.9)	(67.1)	(115.1)	(134.2)
GROSS PROFIT	**24.7**	**32.4**	**51.2**	**60.8**
Operating income (expenses)	**(23.8)**	**(37.6)**	**(57.6)**	**(78.3)**
Selling expenses	(14.4)	(17.4)	(29.7)	(32.0)
General and administrative expenses	(9.5)	(20.4)	(28.3)	(46.5)
Other operating income (expenses), net	0.2	0.3	0.4	0.2
Income before financial results and income taxes	**1.0**	**(5.2)**	**(6.4)**	**(17.5)**
Depreciation and amortization	13.3	16.2	26.2	31.0
EBITDA	**14.3**	**11.0**	**19.8**	**13.5**

* Selling Expenses also considers the value of the "impairment loss", which is open in the FINANCIAL STATEMENT.

ANNEX III – Commerce Income Statement

Income Statement (in R$ million)	2Q20	2Q21	6M20	6M21
GROSS REVEVENUE, net of rebate	**36.9**	**94.7**	**62.7**	**167.9**
Taxes and rebates	(4.2)	(9.9)	(7.1)	(17.7)
NET REVENUE	**32.7**	**84.8**	**55.6**	**150.2**
Cost of Services	(9.6)	(30.9)	(16.9)	(55.4)
GROSS PROFIT	**23.1**	**53.9**	**38.7**	**94.7**
Operating income (expenses)	**(9.6)**	**(35.4)**	**(16.6)**	**(65.6)**
Selling expenses	(4.2)	(17.1)	(7.9)	(29.8)
General and administrative expenses	(5.4)	(18.3)	(8.7)	(36.5)
Other operating income (expenses), net	-	0.1	-	0.7
Income before financial results and income taxes	**13.5**	**18.5**	**22.1**	**29.1**
Depreciation and amortization	**0.9**	**4.4**	**1.8**	**8.1**
EBITDA	**14.5**	**22.9**	**23.9**	**37.3**

* Selling Expenses also considers the value of the "impairment loss", which is open in the FINANCIAL STATEMENT.

locaweb

// ANNEX IV – Consolidated Balance Sheet

Assets (R$ million)	Jun, 2021	Dec, 2020
Current Assets		
Cash and cash equivalents	1,891.7	404.6
Restricted cash	1.6	1.6
Accounts receivable	414.4	358.6
Taxes recoverable	17.3	9.4
Derivatives	10.2	19.4
Other assets	18.2	13.9
Total current assets	**2,353.4**	**807.5**
Non-current assets		
Restricted cash	2.7	3.2
Judicial deposits	0.5	0.5
Other assets	1.3	1.2
Deferred income taxes	22.5	20.7
Investments	87.3	76.3
Porperty and equipment	70.3	65.1
Intangible assets	1,496.5	477.9
Total non-current assets	**1,681.1**	**644.9**
Total assets	**4,034.6**	**1,452.4**

Liabilities and Equity (R$ mln)	Jun, 2021	Dec, 2020
Current liabilities		
Suppliers	20.3	20.5
Loans and financing	36.0	56.9
Lease liability	8.0	5.8
Salaries and related charges	53.1	36.0
Other taxes payable	8.6	5.8
Deferred revenue	58.0	43.6
Payables to clients	326.0	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	2.8	4.1
Total current liabilities	**518.1**	**450.6**
Non-current liabilities		
Loans and financing	12.6	27.7
Deferred revenue	0.4	-
Provision for legal proceedings	1.4	1.1
Accounts payable to former shareholders	453.8	211.6
Lease liability	68.7	63.7
Taxes in installments	18.3	19.6
Deferred income tax and social contribution	0.6	-
Other liabilities	3.4	4.0
Total non-current liabilities	**559.2**	**327.8**
EQUITY		
Capital Stock	2,897.8	643.7
Capital reserves	44.0	10.1
Earning reserves	20.2	20.2
Earnings of the period	(4.8)	-
Total EQUITY	**2,957.2**	**674.0**
Total liabilities and equity	**4,034.6**	**1,452.4**

ANNEX V – DFC

Cash Flow (R$ mln)	2Q21	2Q20	6M21	6M20
Net Cash provided by operating activities				
Income (loss) before income taxes	**12.5**	**10.6**	**6.7**	**9.9**
Items that do not affect cash	**37.0**	**22.9**	**67.2**	**44.4**
Variations in working capital	**(20.0)**	**5.2**	**(25.5)**	**(38.0)**
Net cash provided by operating activities	**29.5**	**38.7**	**48.4**	**16.3**
Net cash provided by investment activities				
Purchase of property and equipment	(10.1)	(7.4)	(25.1)	(13.5)
Accounts payable for acquisition of equity interest	-	(11.6)	(1.1)	(11.6)
Acquisition of subsidiaries, net of cash acquired	(522.7)	-	(761.5)	-
Acquisition and development of intangible assets	(9.6)	(5.0)	(16.5)	(8.2)
Net cash provided by investment activities	**(542.3)**	**(24.0)**	**(804.2)**	**(33.4)**
Net cash provided by financing activities	**(1.2)**	**(7.2)**	**2,242.8**	**520.0**
Net increase (decrease) in cash and cash equivalents	**(514.1)**	**7.6**	**1,487.0**	**502.9**
Cash and cash equivalents at beginning of the year	2,405.7	520.6	404.6	25.3
Cash and cash equivalents at end of the year	1,891.7	528.2	1,891.7	528.2
Net increase (decrease) in cash and cash equivalents	**(514.1)**	**7.6**	**1,487.0**	**502.9**

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