



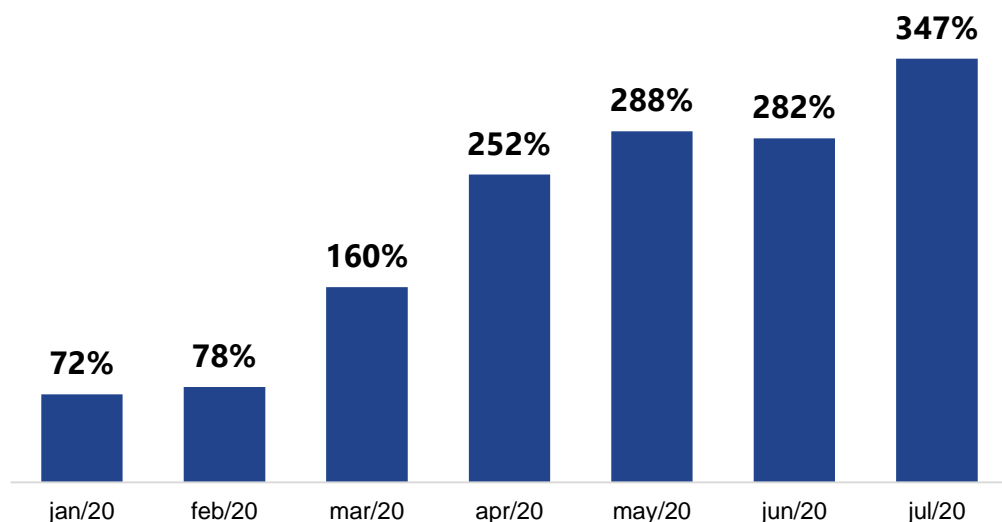
Results Presentation

2Q20

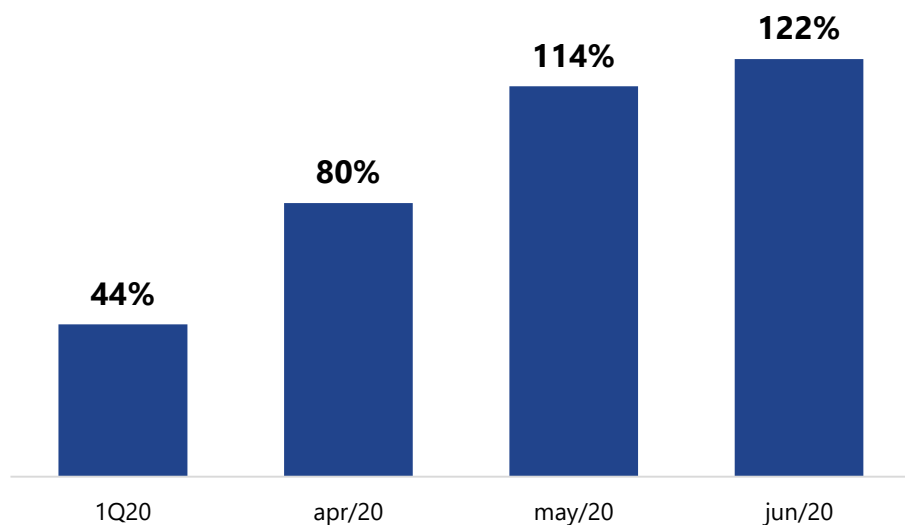
- // We had the **best** quarter of Locaweb's **history**
- // Following the accelerated **digitalization** process of companies initiated in Jan/20, we had a **continuous increase** in addition of new stores and in the ecosystem's GMV throughout 2Q20
 - // The addition of new stores in the Commerce segment increased by **274%** in 2Q20 vs 4Q19 (**282%** in June)
 - // In Commerce, GMV increased by **105%** in 2Q20 (vs 2Q19)
- // As a result of the strong entrance of new stores, our customer base **increased drastically in 2020**. In just 3 months of 2020, we **already surpassed the customer base growth** reported in 2019
- // **Market dominance + productivity + scalability** allowed our Commerce segment's **EBITDA margin** to reach **44.2%**
- // We also intensified our **Brand Marketing** efforts for Tray, with the objective of **consolidating the brand as a leading platform** for SMBs in Brazil

- // BeOnline / SaaS solutions for SMBs reported an organic growth of over **29%** in **new sales** in 2Q20 (vs 2Q19)
- // **Excellent performance** of our Hosting, Cloud VPS, Site Builder and E-mail
- // Delivery Direto: Increased sales by **4x**, **doubling** the customer base since the acquisition and breaking **historical record** of revenue and GMV on the platform
- // **Continuity** in the development of new products and features, in addition to the strong **evolution** of the **M&A** pipeline
- // Even with the reopening of commercial establishments in some cities, we did not see **any signs of slow down** in new store additions or GMV in July/20
- // Efforts to retain talents, plus the Company's strength during the pandemic, **reduced** the Group's **turnover** by **45%** in 2Q20 vs 1Q20

Addition of new stores (vs 4Q19 monthly average)



GMV Growth (vs the same period in 2019)

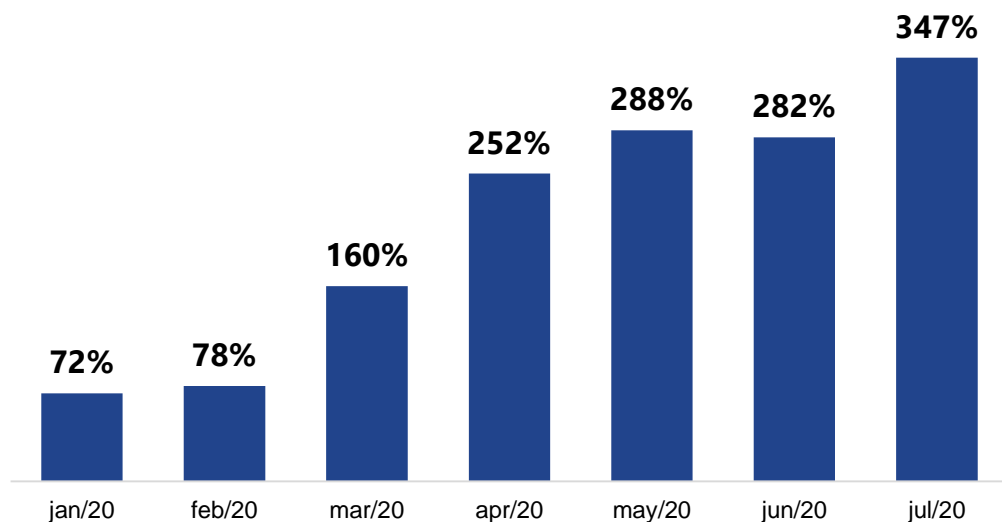


Consolidated as the largest and best E-Commerce platform for SMBs in Brazil

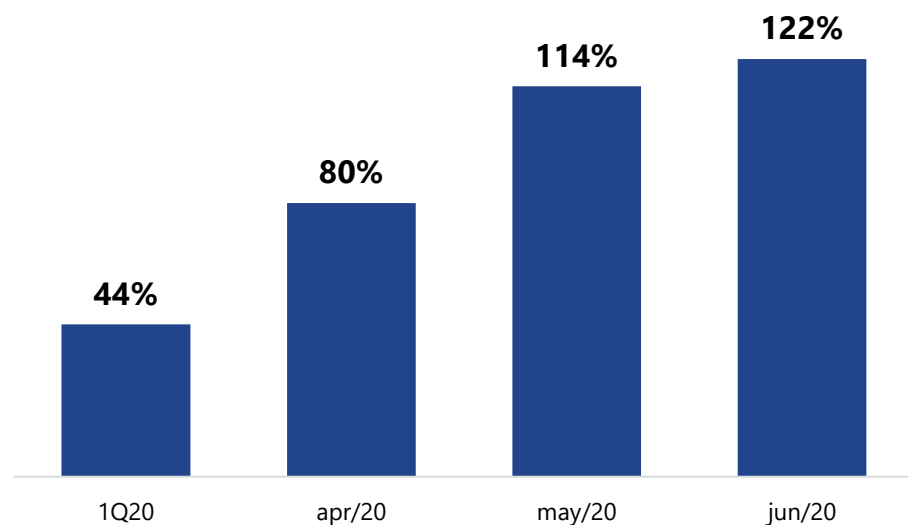
Platform with **170** integrations



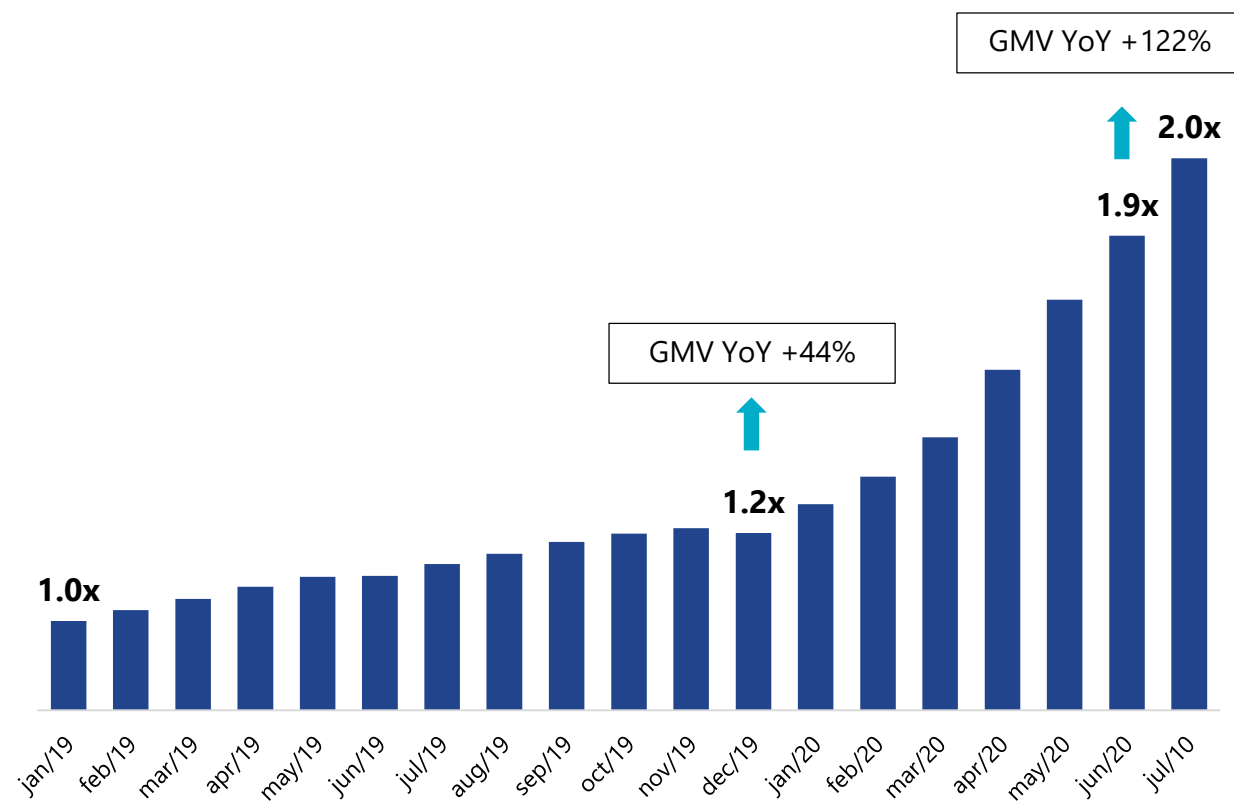
Addition of new stores (vs 4Q19 monthly average)



GMV Growth (vs the same period in 2019)



As a result of the strong entrance of new stores, our customer base increased drastically in 2020



Since January 2020, sales increased by 24% over the same period in 2019, while sales growth in 2Q20 was 29% higher than in 2Q19.

▶ Hosting portfolio

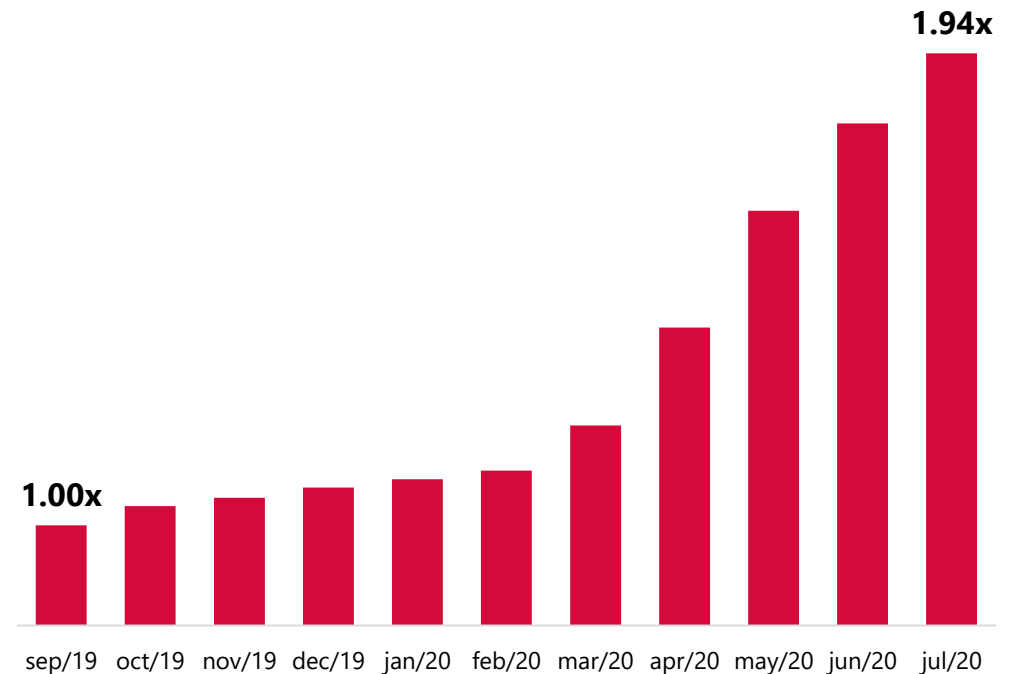
▶ Cloud VPS

▶ Site Builder

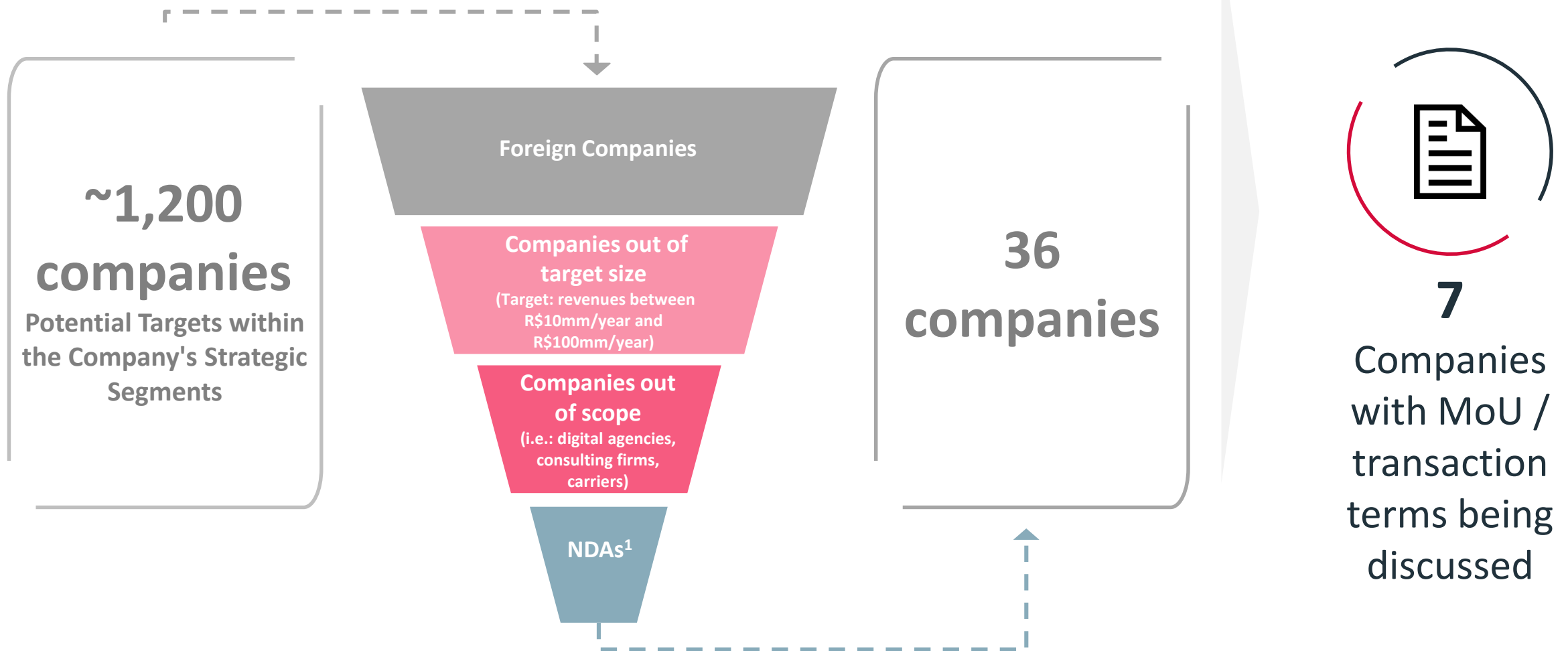
▶ E-mail portfolio

▶ Delivery Direto:

Delivery Direto's customer base doubled since its acquisition in Sep/19



The Company is capitalized and its investment plan remains unchanged



// Integration with new sales channels (Market-places)

We launched the integration with the Leroy Merlin market-place, a company that operates 21 departments, including building materials, furniture, lighting and security.

// Integration with Mercado Envios Flex

We launched the integration with Mercado Envios Flex This option allows stores that have their own delivery system to deliver orders received through the Mercado Livre platform.

// Integration with the "B2W Entregas" delivery labels system

We launched the "B2W Entregas" system that allows our customers to print their own delivery labels directly through the virtual store's Administrative Panel.

// New delivery option: "Clique e Retire"

We launched, in partnership with the national postal office, a new delivery option called "Clique e Retire", in which postal branches and accredited establishments can store orders to be pick-up by clients, offering an additional facility for online shopping

// New payment option: "Auxílio Emergencial Caixa"

A new payment option is also available for all customers: "Auxílio Emergencial Caixa", allows thousands of people to purchase essential goods at the stores on our platform by using their government Emergency Aid card through the Yapay processing system

// New items in our Theme Shop

We launched 7 new themes in our Theme Shop, reaching a total of 112 themes available for our customers to choose from

// Yapay Showcase (“Vitrine Yapay”)

We launched the Yapay Showcase, a new resource focused on small store owners and local businesses that need to quickly set up a complete online store with a checkout option. Through the Yapay application (IOS or Android), in just a few minutes a free-of-charge showcase can be created. Once the showcase is created, it can be used to sell products on all social media networks and the Internet in general, with formats mainly for mobile devices. After a sale is made, the store will receive payments with full security through its Yapay account.

// Improving the capacity to write-off registered bank slips

Due to the exponential growth of online transactions in the last quarter, Yapay developed a new integration tool to further improve the ability to write-off registered bank slips. Through this feature, we guarantee that our customers can safely increase their scale and growth.

// Reduction in transaction processing time

We improved our platform's transaction processing for real-time responses. With this update, Yapay reduced its partner processing return times by 50%. This improvement mainly affects the food delivery market, which has been growing rapidly during the pandemic.

// PIX – Central Bank of Brazil

We signed up as an Indirect PIX Participant, an instant payment method announced by the Central Bank of Brazil that allows money transfers to be executed in only a few seconds. PIX replaces the TED and DOC money transfers, which have limited operating hours, with a new money transfer option available 24/7, in addition to being a new alternative for substituting bank slips, which are commonly used in e-commerce.

// Optimizing E-mail Marketing

Aimed at supporting small businesses, the E-mail Marketing solution delivered contact and mailing optimization features, in addition to contact classification filters. With this, businesses have higher quality mailings and can consequently improve the assertiveness of their campaigns

// Integration between Delivery Direto and Yapay

Aimed at reinforcing synergy and cross-selling opportunities among the Group's units, we developed the integration between Delivery Direto and Yapay, our payment solution product, in order to capture the GMV transaction volumes in restaurant applications. We began this roll-out for our customers and, in less than a month, we managed to activate more than 700 stores

// Delivery Direto: exclusive module for pizzerias

At Delivery Direto, we launched an exclusive module for pizzerias that allows clients to create specific orders for this type of meal

// Integration between PABX Locaweb and Desk360

In order to expand the communication capabilities of our customers who use the Desk360 suite for management and client relationships, we also advanced in the integration between PABX Locaweb and Desk360, aligned with our strategy to increase our SaaS product integrations. We continue with this integration agenda among products, not only for Locaweb's portfolio, but also with other units within the Group

// Let's Encrypt - Cybersecurity for our customers

In order to deliver even more value to small businesses, we enhanced the integration of our Hosting with the “Let’s Encrypt” feature, a free-of-charge cyber security solution. With this feature, in addition to users accessing a certified website, the indexing with search engines, such as Google, was improved

locaweb

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Results

Highlights for 2Q20 Results

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+24.8%

Net Revenues in 2Q20 vs. 2Q19
(R\$117.3 million)

+3.7 p.p.

Increase in EBITDA margin of the
Commerce segment in 2Q20

+69.5%

Net Revenues in the Commerce
segment in 2Q20 vs. 2Q19

+147.8%

Adjusted Net Income growth in
2Q20 (R\$12.0 million)

+13.2%

Net Revenue for BeOnline / SaaS in
2Q20 vs 2Q19

**R\$19.7
million**

Cash Generation¹ in 2Q20. Cash Generation
in 6M20 reached **R\$35.5 million (+128.9%**
vs 6M19)

+105.2%

GMV in 2Q20 vs 2Q19
(R\$1.7 billion)

**R\$444.1
million**

Net cash Position²

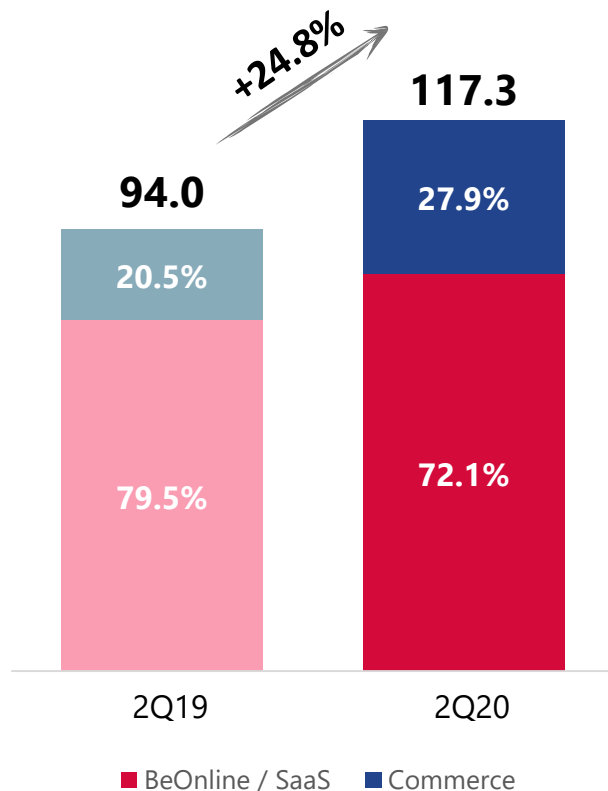
(1) EBITDA minus Capex

(2) Cash plus derivative income less loans and financing (does not include lease liabilities (IFRS 16))

Net Revenue: Quarter with a strong growth

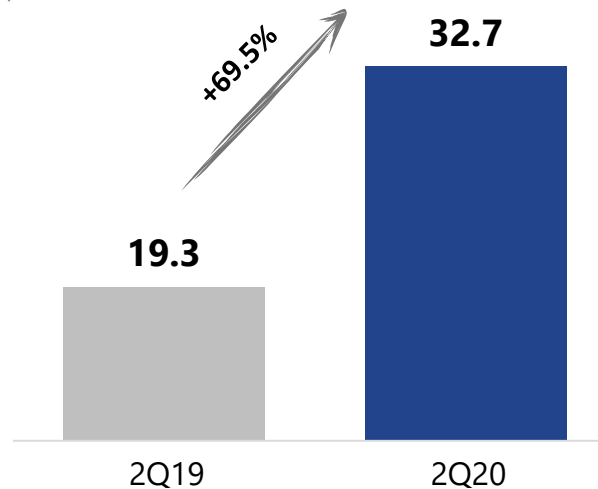
Consolidated

R\$ million



Commerce

R\$ million



GMV

R\$1.7 billion

+105.2% vs. 2Q19

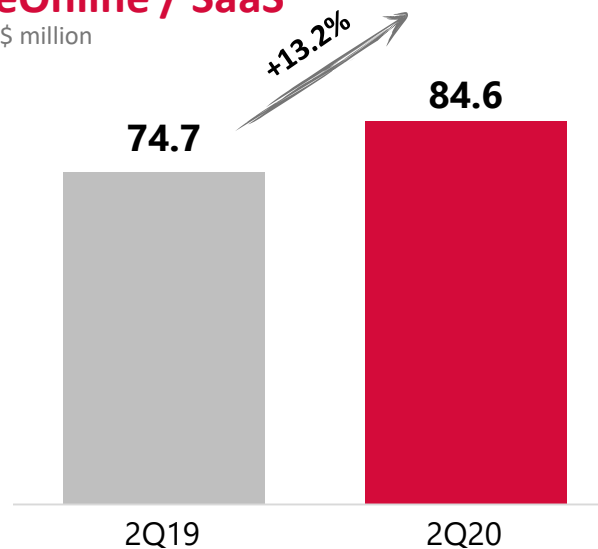
TPV

R\$377.8 million

+148.1% vs. 2Q19

BeOnline / SaaS

R\$ million



Customers

369,3 thousand

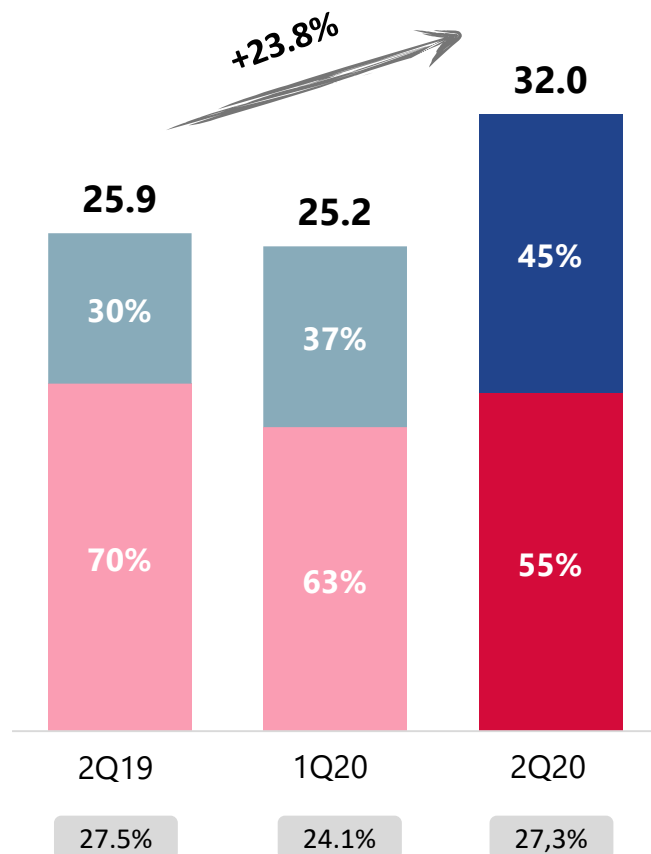
+2.2% vs. 2Q19

Adjusted EBITDA¹: Margin expansion trend

Consolidated

R\$ million

EBITDA Margin

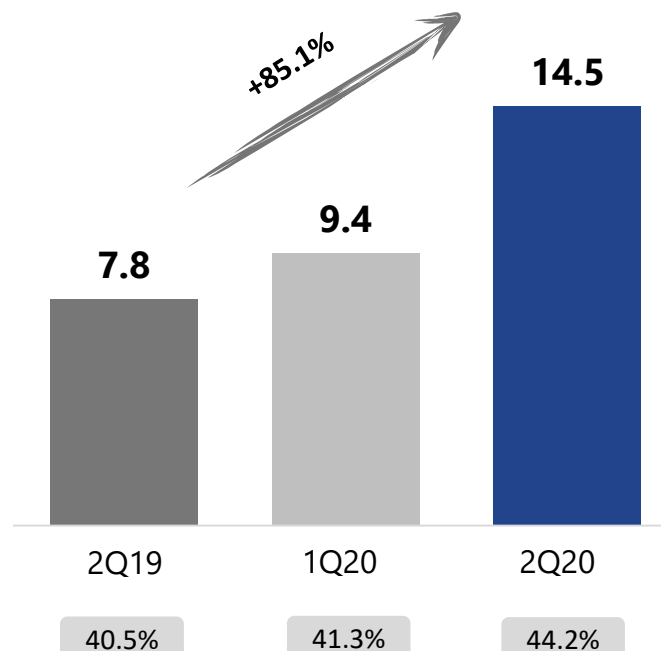


■ BeOnline / SaaS ■ Commerce

Commerce

R\$ million

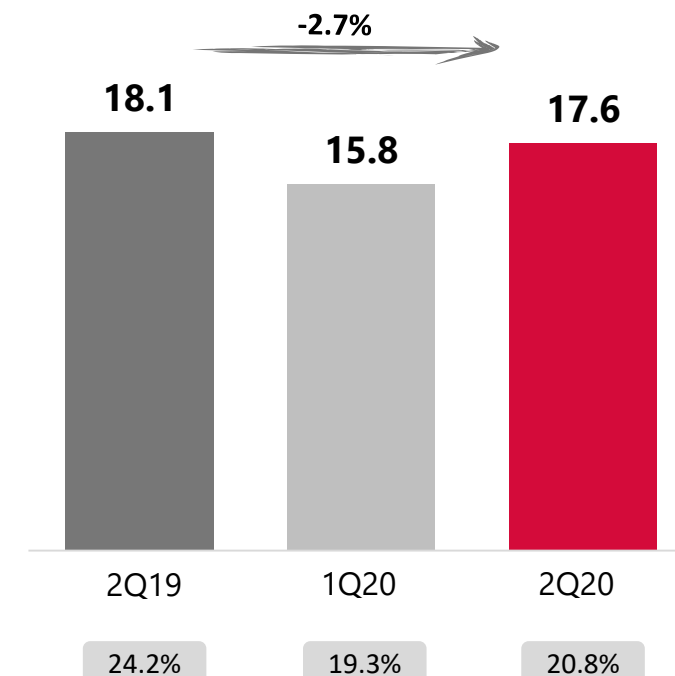
EBITDA Margin



BeOnline / SaaS

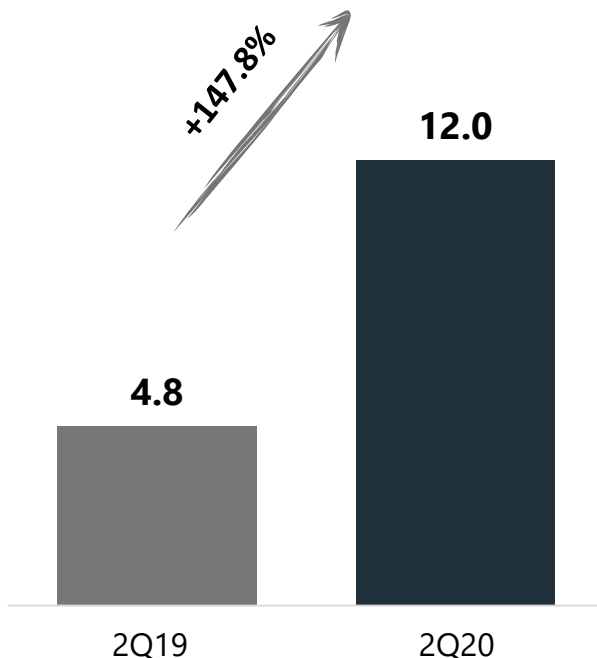
R\$ million

EBITDA Margin



Adjusted Net Income: Growth of 147.8% vs 2Q19

R\$ million



Recomposition of Adjusted Net Income Margin

R\$ million

locaweb	2Q20	2Q19	vs 2Q19
Net income	5.2	3.7	40.6%
(+) Stock option plan	3.2	0.6	471.0%
(+) Intangible amortization	1.0	0.3	278.4%
(+) Deferred income tax and social contribution	1.0	0.6	63.7%
(+) CPC 06 adjustment	0.4	0.6	-39.3%
(+) MtM	1.1	(0.9)	-218.0%
(+) IPO Expenses	0.0	0.0	n/a
Adjusted net income	12.0	4.8	147.8%
<i>Adjusted net income margin (%)</i>	<i>10.2%</i>	<i>5.1%</i>	<i>5.1 p.p.</i>

Increase in Net Income Margin by 5.1 p.p., reaching 10.2% in 2Q20

Cash-generating and well-capitalized Company

Cash Flow

R\$ million

locaweb	2Q20	2Q19
Income (loss) before income taxes	10.6	5.7
Items that do not affect cash	22.9	16.2
Variations in working capital	5.2	(14.6)
Net cash provided by operating activities	38.7	7.3
Capex for permanent assets	(7.4)	(3.6)
Capex for development	(5.0)	(3.6)
Free Cash Flow - After Capex	26.4	0.1
Acquisition	(11.6)	(16.5)
Net cash provided by investment activities	(24.0)	(23.6)
Subscription of capital stock	1.7	0.1
Loan and financing	(6.1)	(2.7)
Commercial lease	(2.8)	(2.6)
Dividends and interest on equity	0.0	(1.7)
Others	(0.0)	(0.3)
Net cash provided by financing activities	(7.2)	(7.1)
Net increase (decrease) in cash and cash equivalents	7.6	(23.4)

Cash Flow

// Change in Working Capital

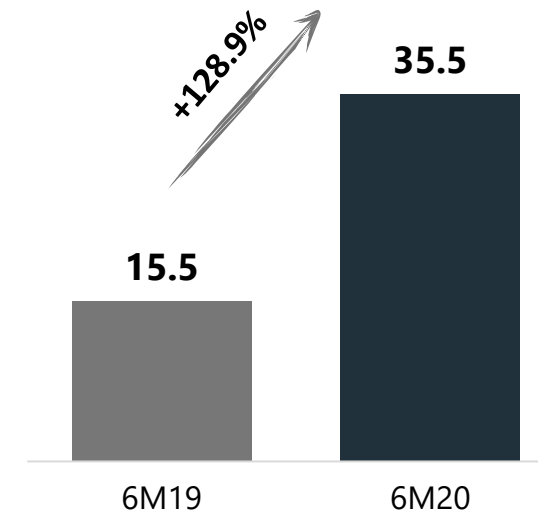
- Reversal of the negative change in working capital observed in 1Q20 due to the normalization of Yapay's working capital, after the capitalization made in 1Q20

// Capex

- 2019: In 2019, 70% of Capex in PP&E was concentrated in the first quarter, therefore the amounts in 2Q20 increased by more than 100% when compared to 2Q19
- Commerce and SaaS scalability:
 - Capex 6M20: R\$21.8 millions (-37.5% vs 6M19)
 - Capex 2019: R\$47.7 millions

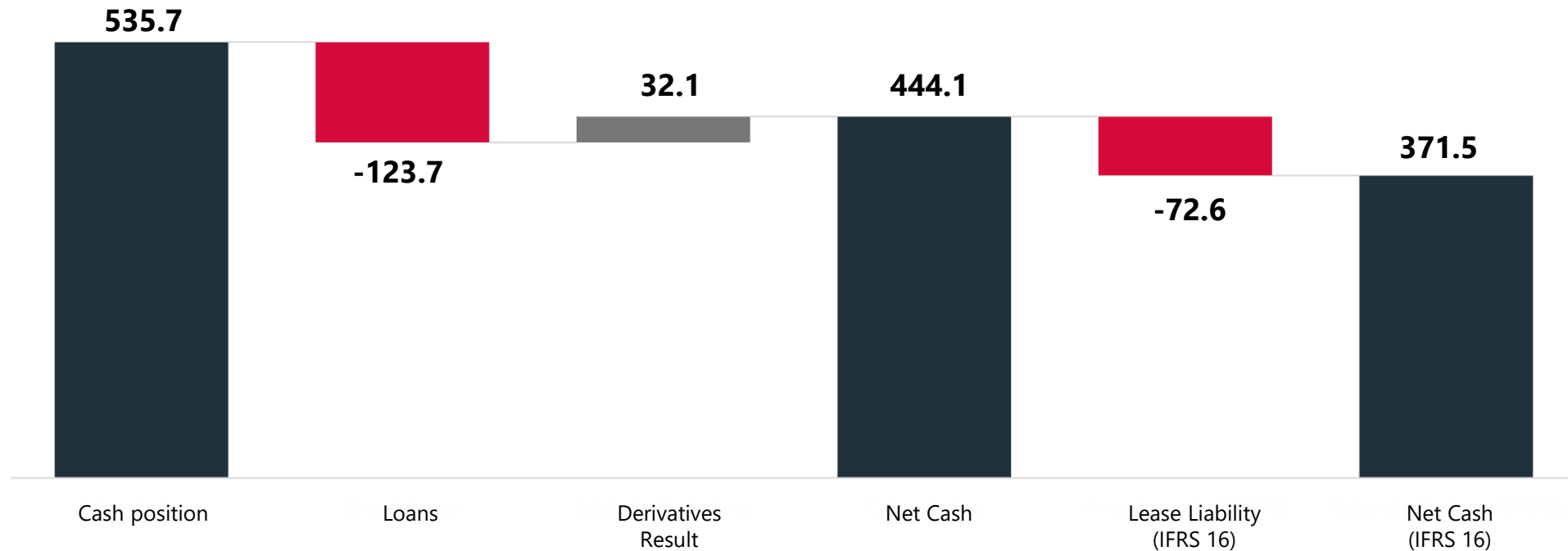
Cash Generation (Adjusted EBITDA – Capex)

R\$ million



Cash Position

R\$ millions



Cash position will be mainly used for new acquisitions

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Strategic Positioning

- // Covid-19 substantially **increased TAM¹** in all of the Company's segments
- // Well-positioned and relevant Company in high growth segments: **E-Commerce and SaaS**
- // **Most complete portfolio** and **rapidly evolving** in Brazil for digitalization of **SMBs**
- // **Well-capitalized** Company with the resources obtained from the IPO and with strong and consistent **cash generation**
- // Strong ability to accelerate sales:
 - // Low CAC allows **accelerating customer acquisition**, with additional profitable efforts
- // Consolidation of Tray as a leading platform for SMBs: **Product Quality + scalability + Brand Marketing Efforts = Market dominance**
- // Clear strategy and robust **M&A** pipeline
- // We have programs to **Develop, Retain and Attract** the best people

¹ Total Addressable Market