

**Conference Call Transcript**  
**LWSA**  
**1Q25's Results**

**Operator:**

Good morning, ladies and gentlemen. Welcome to LWSA's 1Q25 earnings conference.

Joining us today are CEO, Mr. Rafael Chamas, and CFO and IRO, Mr. André Kubota. For the Q&A session, we will also be joined by the Company's senior management team.

This event is being streamed online via Zoom webinar with simultaneous interpretation into English and will be available for replay at [ri.lwsa.tech](http://ri.lwsa.tech). You can download the slide deck for this presentation at the same website's results center under the Financial Information tab.

The reported figures are denominated in Brazilian real and have been calculated in accordance with Brazil's standard accounting practices as per the statements, guidelines, and interpretations issued by the Brazilian Accounting Pronouncements Committee.

Before moving on, we would like to mention that any statement made during this presentation regarding LWSA's business prospects, operational and financial forecasts, as well as future growth estimates, are merely projections and, as such, will be based solely on its management's outlook for the business. This outlook relies heavily on market conditions, the performance of the Brazilian economy, the industry, and international markets, and therefore may change without prior notice.

Unless stated otherwise, all variations and rounded-off figures presented here have been calculated in thousands of Brazilian reais. This business performance presentation includes both accounting and non-accounting data, such as organic and pro forma operating and financial results, as well as projections based on the Company's management's expectations. The non-accounting data have not been reviewed by independent auditors.

For the question-and-answer session, we kindly ask that you use the Q&A button located at the bottom side of your screen to submit your question. When doing so, please remember to state your name and the name of your Company. As standard practice, your name will be announced so you can ask your question live. A prompt to activate your microphone will then appear on your screen.

I will now turn over to Mr. Rafael Chamas, who will begin the presentation followed by Mr. André Kubota.

Please, Mr. Chamas, you may proceed.

**Rafael Chamas:**

Good morning, everyone, and thank you for joining our 1Q25 earnings presentation.

On slide three, I start by bringing you the most important takeaway messages that I tried to convey in our 4Q24 conference. In 2025, our focus was accelerating Company growth. I

mentioned that, in 2024, we saw sound operational operators, but growth itself fell short of what the Company can deliver.

Second, continued focus on profitability. We have been very successful in making the Company more profitable. Our product strategy has also been sharply focused on our customer journey, so, following a cycle of M&A, our ecosystem has been very well rounded, and focus on customer journey during these interactions will be significant for the Company and, obviously, cash generation and return to shareholders. These are obviously the first main topics I would like to convey to you at the beginning of the presentation.

As to our operational fundamentals, we remain really solid. Our GMV for our ecosystem has significantly improved to R\$18.2 billion, up 14.5%. This includes revenue from our close to 200,000 subscribers, which is what we see in the right-hand side of the slide, a 6.8% increase in our subscriber base, even more than what we had last quarter. We ended 1Q25 with 195,900 customers. And another very interesting data point that speaks to our GMV is the revenue from subscriptions, which has gone up by 15.5%, in keeping with the increase in our GMV.

Next slide, our own-store GMV has also gone up at a significant tune by 14.1%. We ended 1Q25 with R\$1.5 billion in our own stores, which is interesting because we have incremental growth here. On the right-hand side, our payments indicate our TPV, which went up by 15.7%, having processed R\$2 billion in 1Q25.

I talked about reigniting growth in the Company last quarter. We were affected by the restructuring at Squid, which is something we have discussed at length, and we are now seeing acceleration again. 1Q25 ended, in consolidated terms, with an 8.8% increase in net revenue, surpassing every quarter in 2024.

Now, thinking about profitability, in the next slide, this is the second topic we mentioned in our agenda. As I said, profitability has grown successively. In comparison with the first quarter of last year, both our margins and our adjusted EBITDA have gone up. We end 1Q25 with a 20.1% margin, an increase of one percentage point versus last year, and growth of 15.1%, at R\$70.2 million when it comes to EBITDA in 1Q25.

On slide eight, again, this slide was presented in 4Q24. The Company has been very consistent in how it offers its products, streamlining and obviously offering the same simplified structure to customers in a very integrated way as well. This has been the slogan of the Company's GMV growth.

I will mention a few items, but I just wanted to remind you of the journeys that we have with hosting, in the e-commerce world, our e-commerce platform, which we offer for many different segments, including a few integrated solutions in a fully embedded and streamlined way for financial services and logistics, and I will give you a few concrete examples of that in the next few slides, also in terms of ERP, to manage our cash and electronic management as well as conversational tools. So this is how we are looking at the Company's portfolio right now.

Over to the following slide, and over the next three slides, I will explore something I have not shown you that much previously, which is how Bling provides broader and more integrated journeys for small and medium businesses.

We often talk about the more obvious integration, which is payment forms in electronic commerce, but ERP can also be an incremental source of revenue from our clients. That is

because Bling offers the possibility to have several touchpoints along the retailer journey. This is a concrete example: a journey that has added a lot of value to our customers that has been delivered in May 2025, which allows them to integrate logistics tools across the entire ERP journey.

Of course we have a very powerful logistics tool, which is Melhor Envio, which we leverage to offer a completely transparent, seamless, and integrated journey within Melhor Envio. What I mean by that is by accessing or subscribing to Bling, the customer already has a fully integrated operation of its entire ecosystem.

Obviously, Melhor Envio access was not fully transparent before, and now we have a single touchpoint and point of service within Bling. It addresses labeling and contact, so there is no secondary touchpoint. This is fully integrated, which is what I mean by integrating the journey in full and, in this case, a specific journey, which is the ERP journey.

This was something that was very important to us, and we are already seeing its results. We have had significant growth in terms of logistics in 1Q25 when it comes to labeling, and this is already the result of this integration that we have with Bling.

Another very interesting thing that we have in terms of the customer journey, still talking about Bling, are AI solutions that allow the customer this integration via artificial intelligence and automation. AI is a major focus for us. We have been very comprehensive in terms of thinking of ways of using AI within the Company, whether in processes, but most importantly in ways to add greater and more numerous capacities for the customers. So from simplifying settings and the journey itself to simplifying how to use the product itself, this is how much of our energy and efforts have been devoted.

In this first slide, we bring you, within Bling itself, how artificial intelligence is being used to offer suggestions that I would say improve the Company's management capacities by using Bling. The video shows how it works.

Smart product recommendation. Based on predictive sales and inventory behavior, we anticipate the customer flow, so we recommend how much the client can purchase and when. So based on the client's record, we have not only information about their sales and predictions for it, but also intelligence to help them better manage their inventory and working capital.

This is very powerful, and since March 2025, this has been available to our entire client base, and feedback has been overwhelmingly positive because it adds context and intelligence to the client's ERP.

The following slide also adds an interesting fact, which is we have begun to introduce conversational logic via AI within Bling. So you can see here how it works on the mobile phone. This gives us the idea of a much simpler and easier interface for the client to have more information about their business in a much simpler and seamless way, which is the conversational interface.

So, via WhatsApp, they get significant information about their business performance, information about their operations, and their results. They can also use this for service requests, so we are adding to Bling an entire conversational logic, which, for a product such as this one, which is focused on SMEs, is outstandingly powerful.

In the following slide, again, talking about returns to shareholders, in 2024, our shareholder distribution was very significant, both in terms of buybacks and dividend sharing. In combination, that added up to R\$192.6 million.

And now in 2025, we have opened another program where we are buying 38.8 million shares, which is already underway. So we have purchased 9 million shares in 1Q25. In April, we have already purchased 1.5 million shares of this total, which allows us to say that, without a question, reinvesting in the Company is the best use of our money, and this is something we continue to believe in and invest in.

Now I would like to turn over to our CFO, André Kubota.

André, please, go ahead.

**André Kubota:**

Thank you, Rafael.

Good morning, everyone. I am thrilled to join you for our 1Q25 earnings conference.

On this slide, I start by talking about our net revenue. In consolidated terms, growth was by 8.8% year-over-year to R\$348.9 million. When we look at the breakdown in commerce, we saw a 12.6% increase year-over-year, whereas BeOnline/SaaS grew by 0.9% year-over-year.

In the following slide, looking at the adjusted EBITDA for 1Q25, in consolidated terms, growth was by 15.1% versus 1Q24 to R\$70.2 million. That was an EBITDA margin by 20.1%. I think a major highlight in this case, going back to what Rafael said as to our focus and profitability, is that this is very significant.

Looking at the breakdown on the commerce side, growth was by 29% year-over-year, with a 17.2% margin, and BeOnline/SaaS was pretty much in line with last year, but with a more significant margin at 26.8%.

Moving on to the next slide, talking about cash generation, which is our adjusted EBITDA minus CapEx and financial expenses, which have to do with anticipated receivables, we grew by 46% year-over-year to R\$34.6 million at a 9.9% margin when it comes to net revenue.

With a bit more detail about our cash flow, in the following slide, you see that we started the year with R\$447.4 million as a cash position and an operational cash flow of R\$73.6 million, a cash basis income tax of R\$10 million, which is a reduction of almost half of what we paid last year, and a CapEx of R\$25 million, with a cash generation that is significantly robust, to R\$485.9 million operational cash after CapEx.

So we have what we call payment-related working capital, and this was a significant highlight for 1Q25 because, given the surplus cash we had in 1Q25, we chose to specifically use a little bit more of the Company's cash to reduce our expenses with anticipated receivables in 1Q25. Also, we spent R\$5.6 million in leasing, with earnouts at R\$429.7 million, and with the R\$26 million buybacks that we had plus the earnouts in 1Q25, we ended with a very significant cash at the end of 1Q25 of R\$399.3 million.

Now, I would like to turn the conference back to the operator to begin our Q&A session.

Thank you.

**Lucca Brendim, Bank of America:**

Could you give us more color about the working capital dynamics? Something similar to what we had occurred in Q4 and Q1 of last year.

Second, could you add more color about the impacts of the reburdening of your payroll? How much of the cost could you pass over to customers, and could you repeat the same trend?

**André Kubota:**

Thank you for your question.

I do not know if everyone can hear me. Please, tell me if you cannot hear me.

Trying to address the first question with regard to working capital, in 1Q25, we tried to add more color about our cash flow and, most importantly, our working capital. In both our earnings release and the presentation, we mentioned this trend, especially when it comes to payments. So when we look at the receivable balance, that has to do with sales from our clients in-store, especially payment processing companies. And the balance that we have to retransfer is what they build, so we have to pass it over to them.

Now, because we had a cash surplus, we decided to allocate a little bit more of our own capital as opposed to anticipating those receivables, pushing back some of those expenses. So even though the benchmark interest rate is higher and even though our TPV has gone up, our expenses were essentially flat, looking a lot like what we had last year.

Now, looking forward, with the earnout payments, we believe this should go back to normal, and this was a specific decision in 1Q25 to make our capital use more efficient. I think this somewhat addresses your first point.

As to your second point, with regard to the payroll taxes, our prospect for the year was an impact of close to 1% in our EBITDA margin for the year. In 1Q25, the impact was very close to the level that we had established and shared with the market.

And as to cost pass-through, obviously, our client base is very diverse, most of which are small and medium businesses, and unlike corporate contracts which have very specific cyclic adjustments, that is something we have done over the course of the customer journey, and we should see repercussions of that throughout the year.

So, obviously, that should be taken into account when we look at our margins, that even with that impact, we were able to offset those gains and, of course, in part by adjusting our pricing. Our product's pricing power is significant, and, obviously, we have been able to leverage that over the course of 1Q25, and we will continue to do so throughout the year.

I am not sure if that addresses your question, but this is sort of how we look at this.

**Leonardo Olmos, UBS:**

Hello. Good morning, everyone.

First of all, I would like to hear about earnouts. This is a follow-up to Lucca's question. I just wanted to hear a little bit more about how you have been annualizing your cash generation. Kubota explained your relationship between corporate tax and cash flow and everything that you have been doing. How could we expect the general trend of your cash flow throughout the year 2025? That is my first point.

And second, could you speak a little bit more about the gross addition of users in the commerce segment, which had a positive development in 1Q25?

Thank you.

**André Kubota:**

Good morning.

I will start by addressing your first point. Thank you for your questions. With regard to cash generation, what we tried to do in order to make it easier for everyone to understand, in 1Q25, we created a cash generation proxy, which is EBITDA minus Capex minus expense anticipation, which speaks to the slide we had in our presentation that addressed our cash flow. When you look at this operational trend, which was available in the last slide, that is a good indicator of what would be a guidance about our cash flow dynamics.

Also, we decided with regard to our capital structure to advance some of our receivables. In 1Q25, we did less of that in terms of the receivables we had with our payment processing firms. And, as I said, considering that now the payments will not be as high as in 1Q25, we understand that, over the course of the year, this should go back to normal and offset the effect that we saw in 1Q25.

As to earnout payments, much of what we have outstanding should be settled in 2Q25. The remaining payments will be a lot less significant, so I think the best way to believe how it will do throughout the year is to think about that.

As to your next question, if I have addressed your first point, I will now turn to Willians for him to answer.

**Willians Marques:**

Hello, Leonardo. Thank you for your questions.

Going back to something I mentioned in our previous call, since last year, we have been unifying all our commerce teams and SMEs, and we had different initiatives with Bagy and Tray. These are still existing brands, but the entire marketing and intelligence is no longer separate.

We are already seeing the results of that, and we understand that these brands complement one another. Tray has a client profile that is a lot more connected to the brick-and-mortar world, whereas Bagy has this internet/online-focused client base. So it is a combination of these two efforts, which are now connected under a single leadership and a single team, that has allowed us to start accelerating and providing a prospect for the year, which is to see more and more results of this new trend.

This has to do with the acquisition that we made, but it also goes back to the important point, which is to advance with our products and our SME platforms. We have developed the product very substantially. We already have integrated marketplaces, ERP integrations, a very strong integration with Bling, logistics solutions, payment solutions, and many other factors that we are always highlighting here.

And alongside Bling, we were pioneers in bringing the TikTok shop yesterday, so the effect of having this adjusted operation with our product development has placed our product at the vanguard when it comes to SME solutions.

So I hope this addresses your points.

**Leonardo Olmos:**

Great. Thank you.

Thank you, Kubota. Your answer really helps us to forecast and understand where your Company's mind is at.

And also thank you for your answers, Willians. Could you talk a little bit more about go-to-market, because many software companies conducted several acquisitions, but even though it expands your margins, sometimes you lose the opportunity to get a bigger share of the market. Now, because you are leading all of that, you could maybe give us a good perspective.

How does all of this integration that you have is not affecting your bottom line, especially looking at different profiles of customers? How are you managing all of that?

**Willians Marques:**

Great, Leonardo.

We are seeing results that have been impacted by the reorganization, especially in the first couple of months, but we have had senior leadership under Thiago Mazeto, who had been conducting the Tray's operations and is ahead of our acquisition, so he was in charge of this operation and we also have a few segmentations internally.

The strategy is unified, but we have customer profile-dedicated teams, so it is not fully horizontal. We have Bagy-related teams and Tray-focused teams, so what we are seeing is that these two brands complement each other very seamlessly.

Therefore, we have a unified strategy, which avoids cannibalization, and each brand focuses on one client profile. They are not competing with one another, and we have a Bagy-focused team for those customers more focused on social media and their digital natives, and Tray even has a PDV Tray initiative focusing more on the more mature offline clients and clients from brick-and-mortar operations.

Therefore, we have been trying to manage this really well, and the result was investments that were optimized by having this separation. So we started by adjusting, and we now see that the teams are working very well together, and marketing has also provided all of these benefits for us.

**Leonardo Olmos:**

Amazing. Thank you, everyone. Have a great day.

**Maria Clara, Itaú BBA:**

Hello, everyone. Thank you for taking my questions.

I just wanted to hear a little bit more about your growth prospects for the year. It was clear that you expect to see some acceleration and commerce growth, especially on a comparison basis with last year, but I just wanted to hear a bit more about how cross-selling, in addition to several other options, could help drive that growth and also understand how we could think about your growth build-up over the course of the year.

Thank you.

**Rafael Chamas:**

Hello. Good morning. This is Rafael speaking. Thank you for your question.

First of all and very importantly, in our previous conference, Otávio also helped us with that, and I explored a little bit more today of how we could unlock growth within the Company. Obviously, this will be progressive. The growth in 1Q25 was very much connected to what we saw last quarter, so it is a progressive operation, but it is leveraged by these very powerful assets we have within the Group.

Willians brought a few important factors that have to do with guiding our go-to-market clients. So first of all, it speaks to how we communicate with customers and especially which are our products and offerings that we have available in different journeys to different audiences.

Second, I mentioned a few examples within Bling. For example, that also goes back to that, which is incremental products that we offer within that journey. Whenever we think of our SaaS strategy, the up-selling and cross-selling dynamics are very important and very powerful when we leverage them.

That is why we have had a product perspective since last year, which is trying to leverage all of this power that we have within the ecosystem, whether that is with brick-and-mortar solutions, online solutions, or payment solutions, so that that can be used throughout the journey, but also making the most of what we have in terms of products and brands to help our customers.

And we are seeing this happen, especially starting with logistics. So the delivery we have with Bling is very significant within the commerce journey. This was something that we already had, and we are now optimizing. And we are seeing TPV and payment indicators also accelerate, so we are starting to see more traction in payments.

So, obviously, all of these elements combined tend to help the Company accelerate, but, again, these are progressive trends. We have been working on several different fronts. I mentioned our strategic plan, which will allow us to leverage all of this potential in isolated and integrated journeys to work better, and we are supposed to see results of that throughout the year, but, again, it is a slow buildup and a slow burn.



**Maria Clara:**

Great, that was very clear.

Thank you.

**Silvio Dória, Safra:**

Thank you for taking my question.

I have a question about your cloud solutions. In 1Q25, we saw the impact of migrating to the cloud in your results. Could you talk a little bit more about that? Is some economy of scale already clear, or are your costs still weighing on your results and will continue to do so in 2Q25? I just wanted to understand how specific that is.

And my second question has to do with your GMV. Currently, how much of your GMV is coming specifically from Mercado Livre? I just wanted to understand whether MELI is a good proxy to understand your GMV dynamics and whether that has changed over the last few quarters.

**Higor Franco:**

Hello, Silvio. This is Higor.

I will take your first question about the cloud migration. A few consolidation and migration initiatives have been occurring, which is what the market calls workload, and these are operations that rely on cloud services.

Obviously, observing synergies is continuous work, as well as potential optimizations that we can work on, always seeking to have a consumption per SaaS user versus infrastructure. We have internal metrics for better efficiency in terms of cloud consumption, and the consolidation you mentioned is part of our strategy to build something bigger that, in the medium to long term, you will already begin to see in our indicators coming from these synergies.

Just to add a little bit more color, what happened in the last few months is that we found significant room to consolidate and technologically evolved one of the significant parks we have in public clouds, and because this is a migration that involves a significant part of our online base, we decided to do this as safely as possible, which is why we created redundancies so that this movement could occur in a very secure way, without leading to a lack of availability.

So, over the last few weeks and months, that has put a bit more pressure on our cloud efficiency indicators, but that was on behalf of getting a lot more synergy in the medium to long term, and we are already beginning to see from our latest indicators the benefits of that shift.

Therefore, without going too much into detail, this was, in general, the movement we conducted and explained some of what you are seeing in our report.

**Rafael Chamas:**

Silvio, now going to your second point, we already have over R\$70 billion in GMV running in our ecosystem from our latest figures. Obviously, we do not break down this figure for the marketplace, but it is to be expected to have such a significance as a proxy for the market.

Always remembering that our client profile is usually low added-value products. That is what we can see massively in our customer base, but if you look at our categories, such as footwear, electronics, and so on and so forth, that is more in line with what we have with the rest of the market.

But if you look at Magalu, Shopee, etc., there are a multitude of channels. We already talked about our TikTok stores, so, within our client base, we have every type of sales channel and divisions within our segments that are very similar to what you see in the market share at large.

**Silvio Dória:**

Thank you, everyone. That was very clear.

**Livea Mizobata, JP Morgan:**

Good morning, everyone. Thank you for taking my questions.

My first one has to do with the GMV dynamics. I wanted to understand where your mind's at with regard to e-commerce in this first half of the year and anything you can add in terms of the holistic perspective of the competitive environment.

And secondly, within the Company's strategy, both short-term and long-term, would it make sense for you to divest from any of your assets? Where is your mind at when it comes to new M&As?

**Rafael Chamas:**

Hello, Livea.

Let us take it piece by piece. Starting with our GMV, as I said earlier, it is close to R\$18 billion, so that is 15% growth. Just underscoring what I said before, our consolidated GMV, considering our client profile, is focused on medium added-value items and not subjected to significant credit cycles, so they have grown at a good level but within a more challenging macro environment.

We saw a growth in 1Q25 that is very similar to what we had in the previous quarter, and what we are seeing in April is very much in line with that. And in spite of the volatility that the holidays and celebrations such as Mother's Day have brought, we are seeing levels very close to what we have seen so far in 1Q25.

As to your second point, which is divesting from assets, currently, we have a very broad portfolio, which makes a lot of sense strategically and is very synergistic. So obviously what we have done over time is to focus everywhere we are seeing a greater competitive edge and a wider market and seek strategies that allow us to monetize every aspect where our competitive edge is more significant, such as cloud, which has brought greater clients and, as we said, is adding more profitability and revenue to the Company.

So we have no prospect of divestment. What we have are strategies focused on maximizing the assets that we currently have. We talk a lot about normalized growth and that the normalizing cycle has taken place, and I think that our 1Q25 results showed that this was a successful strategy so far, so this is the prospect of monetizing the existing assets.

And to your last question, about our M&A focus, the broader focus of the Company is to unlock value with the existing assets. The cycle that started since our IPO has been very healthy. I think that we became more relevant in the Brazilian market. In 2020, e-commerce was just a theory for the Company. It was less than 20% of the Company's revenue, and now there is over R\$70 billion coming in via our ecosystem.

Now we have our broader basis with Wake that allows us to grow our offers and journeys. We have a logistics solution with Melhor Envio. All of that was made possible by our M&As. We brought significant assets to the Group, and that helped us to cement our place as a Group and solidify our economy. So our focus now is to unlock value with our existing assets, integrating journeys such as the one I showed you today with Bling, but there are several others taking place at the same time as well.

**Livea Mizobata:**

Perfect. Very clear. Thank you.

**Luís Chagas, XP:**

Hello, everyone.

We have two questions. The first is about CapEx. When we look at your CapEx year-over-year, that was 5% lower. So my question is, what should we expect in terms of CapEx for the year and for the next quarter as well?

And the next question is about your transformation process. You have many initiatives on several different fronts. Could you talk a little bit more about the 80/20 of these initiatives, meaning what fronts and initiatives are you most excited about and you expect to unlock the most value or generate the greatest impact?

**André Kubota:**

Good morning, Luís. This is André speaking.

I will take your first question about CapEx. I think, first of all, quarter-by-quarter you can see some fluctuation or volatility in our CapEx, whether in terms of fixed assets or new products. And what we have been sharing and commenting on so far is that 1Q25 might have been a little bit lower than expected for the year. And a more normalized level, which would be closer to what we had in 4Q24, would be more or less what we expect for the year at large, not considering this fluctuation between quarters.

But obviously and very importantly, we always look at our profitability and cash generation. Obviously, that also has to do with how the Company is growing and what the market's economic performance is more broadly. So, 4Q24 might be a better proxy for the year at large.

And to your second point, I will now turn back to Rafael's team, which will help clarify that.

**Otávio Dantas:**

Hello. Good morning. This is Otávio speaking.

I think we have touched on points that are representative of how excited we are this year, especially with regard to our strategic plan, and I am referring to the embedded, with our simplified journeys.

I think the illustrations we provided speak to the fronts we are betting the most on. These are projects that are now coming to life, and going back to what Rafael mentioned, they show the practical gains in terms of revenue, which will be gradual and have to do with how much our client base will change over time.

But I would mention e-commerce itself, payments, as was mentioned, and when William spoke, he mentioned this *en passant*, but our POS is specifically in e-commerce. So, thinking about the omnichannel journey more broadly, going to offline from a very wide client base online already. I think these examples best show our ambitions for the year.

**Luís Chagas**

Perfect, everyone. Thank you.

**Daniel Federle, Bradesco BBI:**

Good morning, everyone.

I just wanted you to help me understand your margin dynamics. Last year, you mentioned Squid was giving you losses to the tune of R\$8 million. Considering that Squid is no longer incurring losses, your margins excluding Squid have not improved. So my question is about helping me understand how the margins are doing. Is Squid still accruing losses? How can we look at that moving forward?

And, in connection to that, even the Company's message, which is that the Group will continue to grow, what are the implications of that? What does it mean to focus on growth? Should we expect your margins not to widen anymore moving forward because the money is being reinvested? What does that mean in terms of profitability?

Thank you.

**André Kubota:**

Hello, Federle. How are you? Good morning. Thank you for your questions.

With regard to Squid, starting in 1Q25, we sort of moved the topic out of the way. There was significant restructuring last year, and the impact of that — and I am trying to help you calculate how it will go moving forward — was resolved in 1Q25.

We are not giving any guidance business by business, but what I can say is that our profitability has increased over the year. The increase in our revenue last year itself was progressively

higher. Obviously, there are some seasonal impacts, but when we compare the dynamics year-over-year, we no longer see any detractor from revenue when it comes to Squid.

When we look at all our units, including commerce, we are seeing better things. Commerce itself has increased year-over-year, and Wake Creators is inserted in that context. Squid, as we always say, has a very strong operational leverage nature. So we see that with growing revenue, despite the 1% impact on EBITDA coming from the renewed payroll, we were able to grow the Company's profitability.

Of course we have no official guidance with regard to our margin trend moving forward, but we are very much focused on reigniting our growth trend, and, obviously, that requires expenses or investments, which should be expected moving forward for us to generate value and unlock value for the future. So what we want to show the market is a little bit of that dynamic.

Of course, there is a little bit of operational leverage, which will help our EBITDA to grow. There are also the synergies that we realized last year and that are now having an impact this year. There is the reburden payroll, which is a detractor, and there are also more expenses and more investment to reignite growth, which goes back to the initiatives that Rafael and Otávio mentioned because, again, we really believe the Company's potential and the size of the market are a lot bigger than what we are leveraging, and, as leaders, we want to continue growing and outgrowing the market.

I do not know if Rafael has anything to add, but this is sort of how we are looking at things.

**Rafael Chamas:**

Hello, Federle.

Just adding to what Kubota said, you have been monitoring the Company for a long time. We are very disciplined when it comes to cash generation and profitability. That is clear, but, obviously, we are exposed to a very thriving market, as we are in e-commerce, and we have several significant assets.

So our major investments were in M&A, and they have to do with the investments we have done so far. Of course, whatever we need to do to have more competitive products is focused on structural discipline, cash discipline, and profitability and does not clash with our growth-focused plan.

**Daniel Federle:**

OK. Perfect. Thank you, everyone.

**Operator:**

With no further questions, this concludes the Q&A session. I will now return the conference to our CEO, Rafael Chamas, for his closing remarks.

**Rafael Chamas:**

Everyone, thank you so much for joining us and for your questions. They really help us clarify a few aspects of our earnings release, and we will see you again in the next conference.

**Operator:**

This concludes LWSA's 1Q25 earnings conference.

On behalf of the Company, we would like to thank you all for joining and wish you a great day.