

São Paulo, August 11, 2022. Locaweb Serviços de Internet SA (B3: LWSA3) informs its shareholders and other market participants of the 2Q22 results

Highlights

Net Revenue of **R\$ 282.5** million in 2Q22, growth of **53.3%** vs. 2Q21 and **13.6%** vs 1Q22

Commerce reached **R\$ 173.6** million in Net Revenue, a growth of **104.7%** vs. 2Q21

Commerce Segment increased its share of the group's Net Revenue from 46.0% in 2Q21 to **61.5%** in 2Q22

Organic growth of Net Revenue from the Commerce segment in 2Q22 vs. 2Q21 was **45%**

Adjusted EBITDA of **R\$ 40.4** million in 2Q22 with **14.3%** of EBITDA margin, **expansion vs 1Q22 EBITDA margin**

Maintenance of organic EBITDA margins for four consecutive quarters

Growth of EBITDA margin of acquired companies compared to 1Q22

Platform subscriber base¹ grew **39.4%**, from **102.9 thousand** subscribers in 2Q21 to **143.4 thousand** in 2Q22

Continued pace of new platform subscribers additions¹ in 2Q22 compared to 1Q22, 4Q21 and 3Q21

TPV Intermediator Vindi (Sub acquirer)² grew by **60.8%** in 2Q22 vs. 2Q21, as a result of capturing synergies in the ecosystem and, for the 3rd consecutive quarter, **higher sales growth in our clients' own stores**

BeOnline/SaaS has reached **R\$ 108.9** million in Net Revenue, a growth of **9.5%** vs. 2Q21

Adjusted net income of **R\$ 38.7** million, an increase of **63.2%** vs 2Q21

Conference call (simultaneous translation)
August 12th, 2022, at 03:00 pm (Brasília time)

https://tenmeetings.com.br/ten-events/#/webinar?evento=ConferenciadeResultados2T22-Locaweb_681

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¹ Platform Subscribers: Considers the number of Tray, Bling, Dooça and Bagy subscribers in the two periods of comparison

² TPV Intermediator Vindi refers to the former Yapay TPV, which was renamed Vindi in 2022

// Message from Management

Another quarter in which the results presented by the Company are in line with the budget plan drawn up with the Board of Directors.

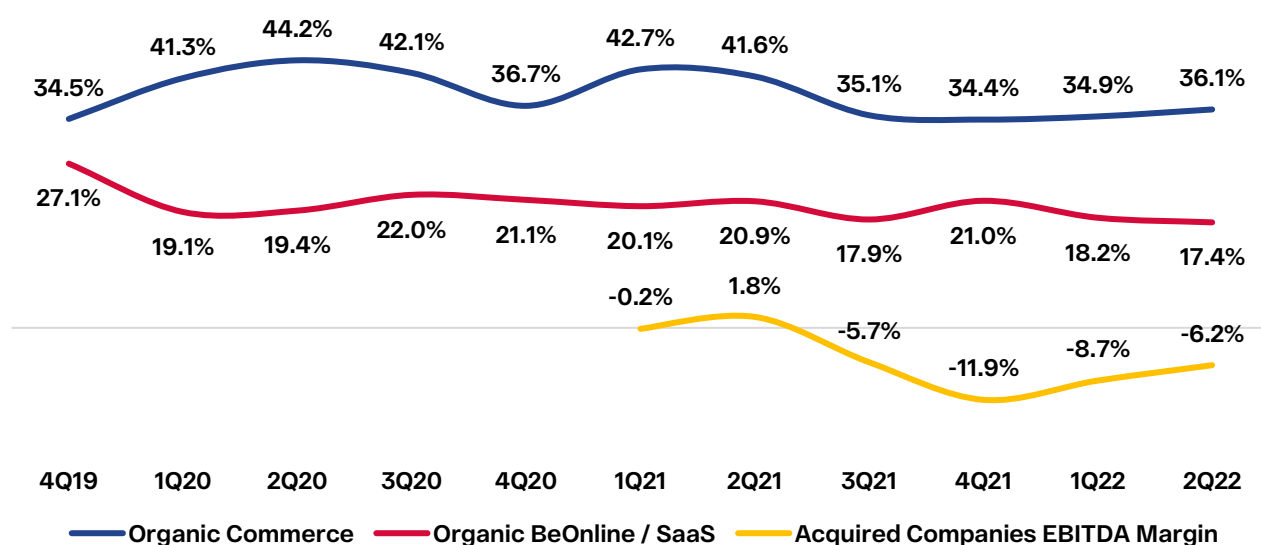
We highlight in this 2nd quarter:

- Maintenance in the pace of new subscribers additions to e-commerce platforms, at the same level of investments in customer acquisition;
- Platform subscriber base growing at a consistent pace;
- Payment solution (Vindi/Yapay) showing strong growth compared to 2Q21:
 - Sales growth in our clients' own stores accelerating quarter over quarter
 - Synergies with Vindi / Yapay making headway within the group
- Organic Commerce operation maintaining an accelerated level of Net Revenue growth compared to previous quarters:
 - 4Q21 x 4Q20: + 42%
 - 1Q22 x 1Q21: + 44%
 - 2Q22 x 2Q21: + 45%
- Acquired companies with a very fast pace of Net Revenue growth:
 - Bling and Melhor Envio, which together account for ~50% of the revenue from the acquired companies, showing a growth of 73% in 2Q22 when compared to 2Q21. In the comparison with the previous quarter (1Q22), the growth was 19%
 - Squid grew by 59% in 2Q22 vs. 2Q21 and by 46% compared to the previous quarter (1Q22)

Following is the analysis of the company's EBITDA margin breakdown into three items: (i) the organic Commerce operation, which includes Tray, Tray Corp, and Yapay; (ii) the BeOnline/SaaS operation, and (iii) all companies that were acquired after the IPO (inorganic operation).

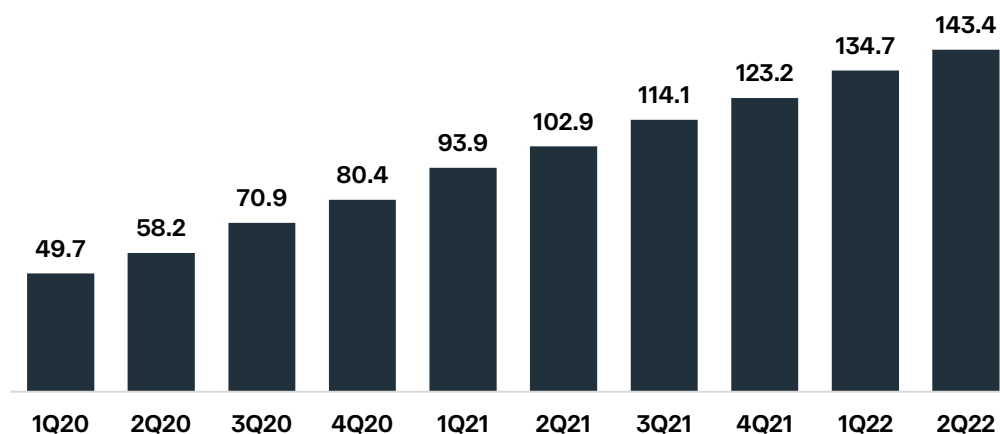
This quarter we observed the organic margins of the Commerce and BeOnline/SaaS segments in line with the results of 3Q21, 4Q21 and 1Q22. Therefore, the organic consolidated EBITDA margin remained close to 26% in the quarter, as observed in 4Q21 and 1Q22.

The acquired companies are following their respective Business Plans as agreed at the time of the acquisitions in which we prioritize growth in the first years of the acquisition. In 2Q22, we continue to see an improvement in the profitability of the acquired companies, resulting in an expansion of 2.5 p.p. in the EBITDA margin compared to 1Q22 (+5.7 p.p. compared to the lowest level of margins achieved in 4Q21), as can be seen in the chart below:



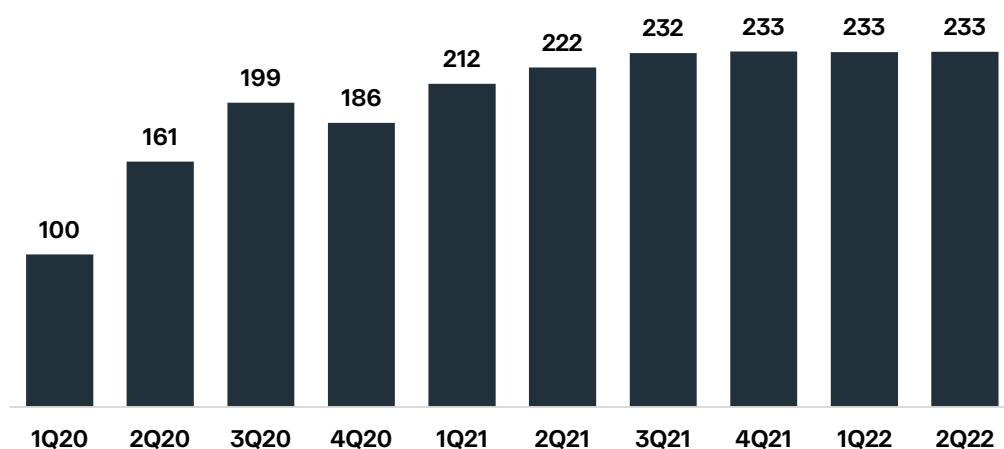
// Operating Performance

We ended 2Q22 with a base of 143.4 thousand paying e-commerce subscribers, a growth of 39% in 2Q22 vs 2Q21.



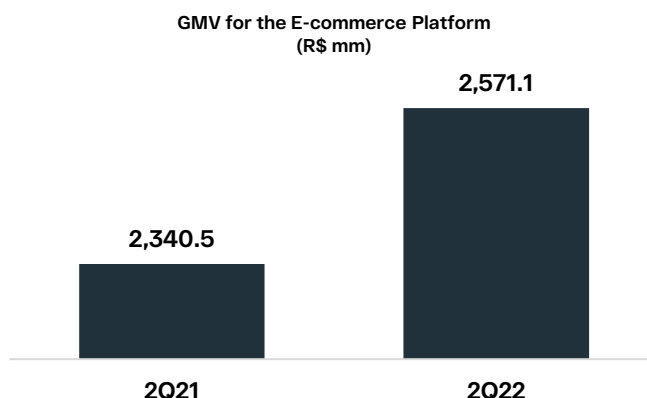
Considering the same proforma base as of 1Q20, we notice a stability in the addition of new e-commerce subscribers in the second quarter of the year when compared to the last two quarters of the year 2021, which demonstrates that our marketing efforts are resulting in the addition of clients at levels higher than those recorded during the pandemic.

The chart below, on a 100 1Q20 basis, shows the evolution of customer additions by quarter.



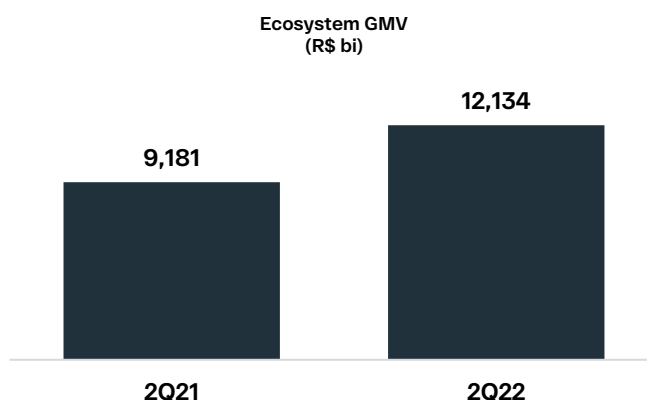
The GMV of the E-commerce Platform, which includes Tray, Tray Corp, and Dooca, mainly due to the acceleration of sales in our clients' own stores, grew by **9.9%** in 2Q22, as shown in the "E-commerce Platform GMV" chart.

It is important to point out that in 2Q22, as observed in 1Q22 and 4Q21, the growth in sales at our clients' own stores was much higher (**+15.3%** vs 2Q21) than the growth in sales made in marketplaces compared to the same period in 2021.

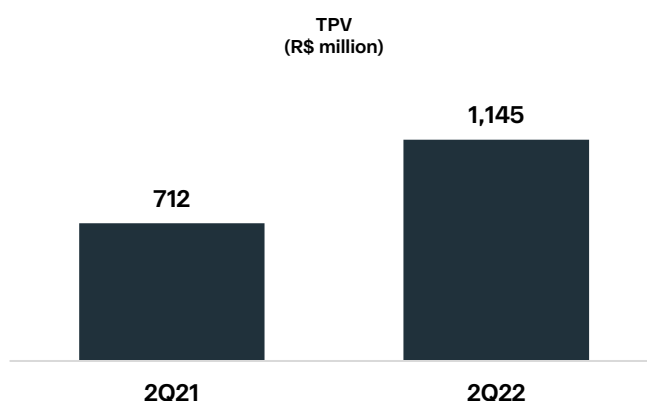


The biggest growth in sales in our clients' own stores was driven by the Locaweb ecosystem, which allows the storekeeper to make efforts in other media on their own using the tools available in the control panel (for example: integration with Google PMax, email marketing, integration with social media such as WhatsApp, Instagram, and Facebook), all supported by our e-learning ecosystem, which aims to empower our merchants over their marketing efforts.

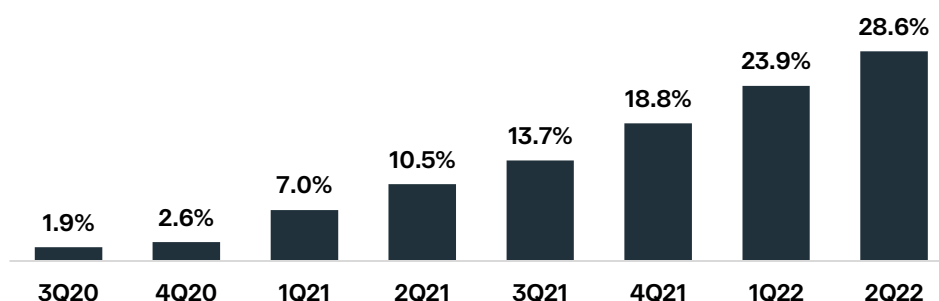
Considering all the GMV transacted through the Locaweb ecosystem, that is, the Platform GMV (shown above) and the GMV traded on marketplaces via ERP operations and marketplace integrators, we reached a volume of R\$ 12.1 billion in 2Q22, a volume **32.2%** higher than in 2Q21 and **10.0%** higher than in 1Q22, as shown in the chart below:



The TPV Intermediator Vindi (new nomenclature for the TPV Yapay) grew by **60.8%** in 2Q22 vs. 2Q21 and **14.5%** vs. 1Q22, as a result of the faster growth in sales at our clients' own stores, as well as the acceleration in the capture of synergies between the companies acquired and our payment solution.



A quick synergy that we were able to create after the acquisitions is in the integration of our payments solution with the acquired companies. This TPV exclusively captured via synergies continues to show significant growth, as shown in the chart below:



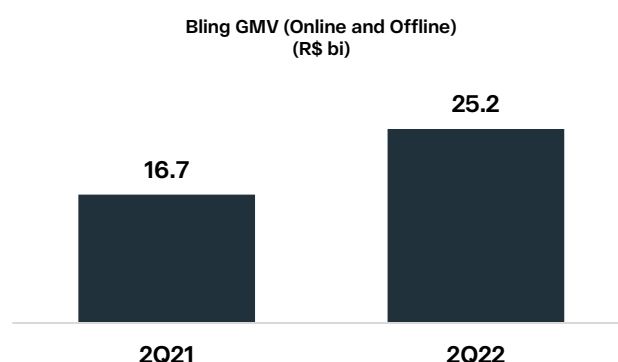
Excluding the TPV from the synergies, TPV growth was 28% in 2Q22 vs. 2Q21, a higher growth than the increase in GMV, thus indicating greater penetration of Vindi/Yapay in the base of the platforms.

With the migration of lower average ticket customers from Etus to free solutions on the market in early 2022, we noticed a 0.9% reduction in the size of the customer base in the BeOnline/SaaS segment versus 2Q21,

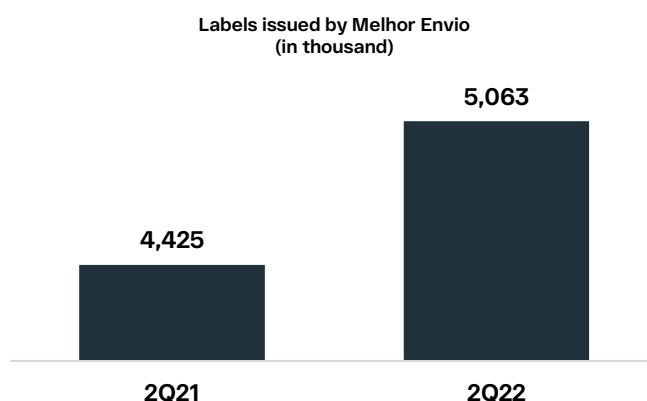
which currently is at 398.3 thousand subscribers. In comparison with the previous quarter (1Q22), we observed that the base has remained stable. Even with the drop in the customer base, the segment showed a net revenue growth of 9.5%, due to the increase in ARPU.

Operational Performance of the Acquired Companies

At Bling, we have seen a growth of **51.1%** in the GMV of Invoices (online and offline) in 2Q22, reaching R\$25.2 billion in the quarter, as shown in the chart below:



The number of Labels issued by Melhor Envio grew by **14.4%** in 2Q22 when compared to the same period in the previous year.



It is important to point out that in Melhor Envio, due to a review/update in the prices recorded on the platform, we noticed a ~70% growth in net revenue per label issued in 2Q22 compared to 2Q21.

At Squid, Net Revenue grew 59% compared to 2Q21. We observed that customer accounts with the highest recurrence rate performed well in the period. In addition, we continue to invest in the sales and product teams, to serve more and more customers of different sizes via our platform.

// Operation Evolution

Our investment in R&D aims to develop an integrated environment (**unified solutions**) with our acquired companies, as well as a robust agnostic partner network and an increasingly solid onboarding process. All this supported by an e-learning matrix that permeates all these processes.

Consisting of multidisciplinary journeys and activities in the retail market, the **Onboarding** process seeks to direct the first steps to be taken by the merchant on the platform. Since the end of 2021 and the beginning of 2022, when we accelerated investments in R&D in the Company, making this process increasingly robust, and as a consequence we have noticed an increasing level of engagement of our customers in the Onboarding process.

Regarding the Platform's Unified Solutions Ecosystem, we continue to accelerate the integrations of the acquired companies and we have already launched the following integrations for our customers within our control panel:

- **Samurai:** Dropshipping
- **Credisfera:** Credit
- **Vindi:** Plugin
- **All In:** Lead generation
- **Octadesk:** Chat
- **CPlug:** Invoice issuer

In addition to the deliveries already made, new and important integrations should take place in the coming quarters, such as the integration with Melhor Envio and Squid.

Over the last few months we have delivered solutions and integrations with Big Techs that together are unique across the market where we operate. Of these solutions, we highlight the integrations with Facebook, Instagram, TikTok, and Google PMax, which are already bringing good results for the Company and our customers.

In the Results Presentation, we will give more insight to the market about the improvements in our platform, as well as the integrations.

Rule of 40

A metric widely used by the market to measure the dynamics between growth and profitability and that results in a sum greater than 40 percentage points.

When we consider all our organic operations (BeOnline/SaaS and Commerce) this number reaches **49.5%** in 2Q22 (23.4% Net Revenue growth with 26.1% EBITDA margin).

In the analysis of the Organic Commerce segment (Tray + Tray Corp + Yapay), the number reaches **81.1%** (45.0% Net Revenue growth with 36.1% EBITDA margin).

// Síntese Soluções Acquisition

On August 4th, we announced our 14th acquisition after the IPO. Founded in 2013 in São Paulo, Síntese is a platform that specializes in omnichannel solutions for the retail market. With a wide presence in the fashion segment, the company offers OMS (Order Management System), WMS (Warehouse Management System), and TMS (Tracking Management System), serving major brands such as Shoulder, Track & Field, Grupo Soma, Aramis, and Loungerie, among others.

With this acquisition, we reinforce our e-commerce portfolio and take an important step in the digitalization of physical retail through a robust platform for integrating online commerce and stores. Thus, we continue to consolidate our position as the best option for the digitalization of companies in Brazil, expanding cross-sell opportunities through our online retailers base.

Síntese has been growing at an accelerated pace since 2018, with a compound annual growth rate of around 45% between 2018 and 2021, in addition to operating with positive profitability.

Following the Company's operating model as seen in other acquisitions, Messrs. Flávio Santos, Everton Geronimo, Leandro Rocha, and Tiago Carvalho, partners of the company, will remain in the Síntese operation.

// Summary of Indicators

// Consolidated (R\$ million)

locawebcompany	2Q22	2Q21	vs 2Q21	6M22	6M21	vs 6M21
Net Revenue	282.5	184.3	53.3%	531.3	345.2	53.9%
Gross Profit	131.4	86.3	52.2%	240.2	155.6	54.4%
Gross Margin (%)	46.5%	46.8%	-0.3 p.p.	45.2%	45.1%	0.2 p.p.
EBITDA	45.8	33.9	34.9%	75.2	50.7	48.2%
EBITDA Margin (%)	16.2%	18.4%	-2.2 p.p.	14.2%	14.7%	-0.5 p.p.
Adjusted EBITDA ¹	40.4	41.3	-2.1%	73.3	77.8	-5.8%
Adjusted EBITDA Margin (%)	14.3%	22.4%	-8.1 p.p.	13.8%	22.5%	-8.7 p.p.
Net Income	13.3	3.6	270.7%	17.8	(4.8)	470.5%
Adjusted Net Income ²	38.7	23.7	63.2%	68.4	32.7	109.0%
Adjusted Net Income Margin (%)	13.7%	12.9%	0.8 p.p.	12.9%	9.5%	3.4 p.p.
Cash Generation ³	15.4	21.6	-28.6%	25.2	36.2	-30.4%
Cash Conversion (%) ³	38.1%	52.3%	-14.2 p.p.	34.4%	46.5%	-12.2 p.p.
Net Debt (Cash) ⁴	(1,429.8)	(1,857.6)	-23.0%	(1,429.8)	(1,857.6)	-23.0%

¹ Adjusted EBITDA refers to net income (loss) adjusted by the financial result, income tax and social contribution on income, 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 EBITDA Margin is calculated by dividing EBITDA by Net Operating Revenue.

² Adjusted Net Income is calculated based on net income (loss), excluding: (i) stock option plan expenses; (ii) intangible amortization expenses arising from the acquisition of companies; (iii) adjustments related to CPC 06 (refers to the sum of interest financial expenses due to the restatement 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) Adjustment to Present Value related to Earnout from acquisitions.

³ Cash generation is measured by "Adjusted EBITDA – Capex" and Cash Conversion is formed by dividing "Adjusted EBITDA – Capex" by "Adjusted EBITDA".

⁴ Corresponds to loans and financing less the balance of derivatives (currency swap), less cash and cash equivalents (does not consider lease liabilities related to IFRS 16).

// Commerce

(R\$ million)

Commerce	2Q22	2Q21	vs 2Q21	6M22	6M21	vs 6M21
Platform GMV ¹	2,571.1	2,340.5	9.9%	5,024.6	4,440.7	13.1%
Invoices GMV on Bling (R\$ mm) ²	25,238.0	16,699.0	51.1%	46,781.4	30,231.0	54.7%
TPV	1,145.3	712.4	60.8%	2,145.6	1,277.7	67.9%
Platform Subscribers (thousand) ³	143.4	102.9	39.4%	143.4	102.9	39.4%
Labels issued by Melhor Envio (thousand)	5,063	4,425	14.4%	9,864	7,687	28.3%
Gross revenue, net of rebate	188.4	94.7	99.1%	348.4	167.9	107.5%
Net Revenue	173.6	84.8	104.7%	317.8	150.2	111.6%
Platform Subscription Net Revenue	72.3	35.6	103.0%	135.4	60.8	122.5%
Ecosystem Net Revenue	101.3	49.2	106.0%	182.4	89.3	104.2%
Gross Profit	95.3	53.9	76.8%	168.3	94.7	77.7%
Gross Margin (%)	54.9%	63.6%	-8.7 p.p.	53.0%	63.1%	-10.1 p.p.
EBITDA	21.6	22.9	-5.6%	35.6	37.3	-4.4%
EBITDA Margin (%)	12.5%	27.0%	-14.6 p.p.	11.2%	24.8%	-13.6 p.p.
Adjusted EBITDA	22.6	22.9	-1.3%	37.1	40.4	-8.3%
Adjusted EBITDA Margin (%)	13.0%	27.0%	-14.0 p.p.	11.7%	26.9%	-15.3 p.p.

¹ Platform GMV: Sum of the GMVs of Tray and Dooça, our 2 main e-commerce platforms

² GMV of Invoices issued by Bling considers both online and offline amounts. Data measurement started in 4Q20, so we do not have 2020 consolidated data

³ Platform Subscribers: Considers the number of Tray, Bling, Dooça and Bagy subscribers in the two periods of comparison

// BeOnline/SaaS

(R\$ million)

BeOnline / SaaS	2Q22	2Q21	vs 2Q21	6M22	6M21	vs 6M21
Clients EoP - BeOnline / SaaS	398.3	402.1	-0.9%	398.3	402.1	-0.9%
Gross revenue, net of rebate	118.3	109.1	8.5%	233.2	213.8	9.1%
Net Revenue	108.9	99.5	9.5%	213.5	195.0	9.5%
Gross Profit	36.0	32.4	11.3%	71.9	60.8	18.2%
Gross Margin (%)	33.1%	32.5%	0.6 p.p.	33.7%	31.2%	2.5 p.p.
EBITDA	24.1	11.0	119.6%	39.6	13.5	193.7%
EBITDA Margin (%)	22.2%	11.0%	11.1 p.p.	18.6%	6.9%	11.6 p.p.
Adjusted EBITDA ¹	17.8	18.4	-3.2%	36.2	37.4	-3.1%
Adjusted EBITDA Margin (%)	16.3%	18.5%	-2.1 p.p.	17.0%	19.2%	-2.2 p.p.

¹ The concept of Adjusted EBITDA is described in the table of consolidated results

// Net Operating Revenues

(R\$ million)

locawebcompany	2Q22	2Q21	vs 2Q21	6M22	6M21	vs 6M21
Commerce	173.6	84.8	104.7%	317.8	150.2	111.6%
Segment share in the consolidated	61.5%	46.0%	15.4 p.p.	59.8%	43.5%	16.3 p.p.
BeOnline / SaaS	108.9	99.5	9.5%	213.5	195.0	9.5%
Segment share in the consolidated	38.5%	54.0%	-15.4 p.p.	40.2%	56.5%	-16.3 p.p.
Net Revenue - Consolidated	282.5	184.3	53.3%	531.3	345.2	53.9%

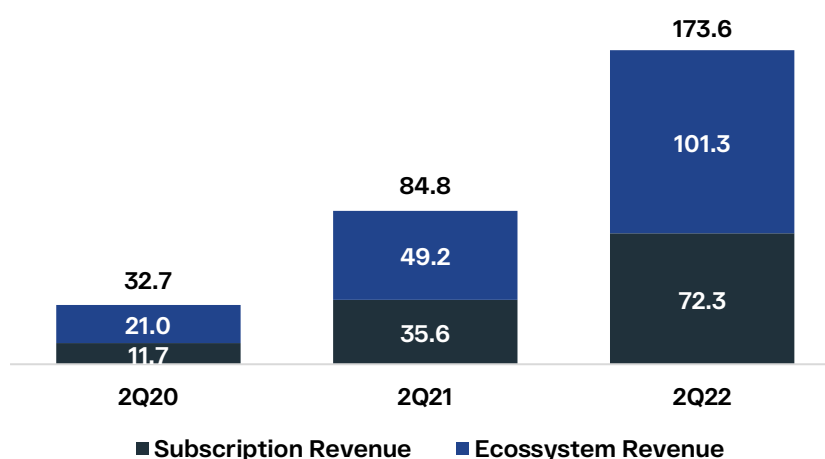
Locaweb's Net Revenue totaled R\$282.5 million in 2Q22, an increase of 53.3% when compared to 2Q21. The proforma growth that considers all the companies in the same periods of 2021, was 30.9% in 2Q22 vs 2Q21. In the first six months of 2022, growth was 53.9%, amounting to R\$531.3 million.

The share of the Commerce segment, which includes revenues from Tray, Tray Corp, Melhor Envio, Vindi, Ideris, Samurai, Dooca, Credisfera, Bling, Bagy, Octadesk and Squid, went from 46.0% in 2Q21 to 61.5% in 2Q22.

In the Commerce segment, Net Operating Revenue in 2Q22 grew by 104.7%, from R\$84.8 million in 2Q21 to R\$173.6 million in 2Q22. In 6M22, growth was 111.6%.

The growth shown is the result of the increase in the two sources of revenue in the Commerce segment: the Platform Subscription Revenue, which grew 103.0% in 2Q22, and the Ecosystem Revenue, which grew 106.0% in the quarter compared to with 2Q21.

The graph below shows the evolution of the two revenue sources in 2Q20, 2Q21 and 2Q22:



In 2Q22, we had an acceleration in organic Net Revenue growth in the Commerce segment when compared to 3Q21, 4Q21 and 1Q22, when growth was around 34%, 42% and 44%, respectively. Organic growth in 2Q22 vs 2Q21 was **45%**.

Among the acquired companies in the Commerce segment, we highlight the solid proforma growth of **73%** of Bling and Melhor Envio in 2Q22 vs 2Q21. It is worth observing that these companies represent approximately 50% of the total net revenue of the acquired companies.

If we consider the four largest companies acquired, which together account for around 77% of total net revenue from the acquisitions (Bling, Melhor Envio, Squid, and Octadesk), proforma growth in 2Q22 was **68%**.

Net Operating Revenue from BeOnline/SaaS increased by 9.5%, from R\$99.5 million in 2Q21 to R\$108.9 million in 2Q22. In the first half, growth was 9.5% compared to the same period in 2022.

// Operating Costs and Expenses

(R\$ million)

locawebcompany	2Q22	2Q21	vs 2Q21	6M22	6M21	vs 6M21
Cost of Services	151.1	98.0	54.2%	291.0	189.6	53.5%
% Net Revenue	53.5%	53.2%	0.3 p.p.	54.8%	54.9%	-0.2 p.p.
Selling Expenses	63.3	34.6	83.0%	119.9	61.8	94.0%
% Net Revenue	22.4%	18.8%	3.6 p.p.	22.6%	17.9%	4.7 p.p.
General and Administrative Expenses	56.2	38.7	45.1%	103.8	83.0	25.0%
% Net Revenue	19.9%	21.0%	-1.1 p.p.	19.5%	24.0%	-4.5 p.p.
Other Operating (Revenues) Expenses	(9.2)	(0.4)	2483.8%	(9.6)	(0.9)	963.7%
% Net Revenue	-3.3%	-0.2%	-3.1 p.p.	-1.8%	-0.3%	-1.5 p.p.
Total Operating Cost and Expenses	261.4	170.9	52.9%	505.2	333.5	51.5%
% Net Revenue	92.5%	92.8%	-0.2 p.p.	95.1%	96.6%	-1.5 p.p.

Locaweb's total operating costs and expenses grew by 52.9% in 2Q22 when compared to the same period in the previous year. In the first six months of 2022, growth reached 51.5%.

Cost of Services

The cost of services in 2Q22 was R\$151.1 million and R\$98.0 million in the same period in 2021, an increase of 54.2% in the comparison between the two periods, which represented 53.5% of net revenue in 2Q22 and 53.2% in 2Q21, a slight increase of 0.3 p.p., in line with the growth in the Company's Net Revenue.

It is worth noting that the Cost of Services Provided by the acquired companies totaled R\$ 53.3 million, thus contributing to the growth recorded in the quarter.

Selling Expenses

Selling expenses, which encompass the marketing and sales teams, as well as contracted services of the same nature, in 2Q22 amounted to R\$63.3 million, an increase of 83.0% when compared to 2Q21.

As shown in previous quarters, the Company increased its Marketing efforts at Tray, as mentioned at the beginning of this report, with the objective of solidifying the brand as the leader in the SME digitization segment in Brazil and maintaining the segment's growth pace, which represented a large part of the growth observed in selling expenses in the Commerce segment.

The table below shows the share of selling expenses over the segments and consolidated revenue:

locawebcompany	2Q21	1Q22	2Q22
Commerce			
Selling Expenses	17.1	38.1	43.9
% Net Revenue	20.2%	26.5%	25.3%
BeOnline / SaaS			
Selling Expenses	17.4	18.5	19.4
% Net Revenue	17.5%	17.7%	17.8%
Consolidated			
Selling Expenses	34.6	56.6	63.3
% Net Revenue	18.8%	22.8%	22.4%

It is worth pointing out that such expenses also consolidate the expenses of the acquired companies, which have a structure/process of customer acquisition that is still different from those in place by the Company. From the organic viewpoint, selling expenses in 2Q22 in the Commerce segment represented 15.9% of the segment's organic net revenue, while in 2Q21, it accounted for 16.3%.

General and Administrative Expenses

General and administrative expenses, which include the teams of administrative areas such as finance, HR, accounting and fiscal, expenses and outsourced services related to these areas, as well as depreciation and amortization of IFRS 16 and PPA assets, in 2Q22 was R\$ 56.2 million and R\$ 38.7 million in the same period of 2021, which represented a growth of 45.1%. As a percentage of net revenue, we observed a drop of 1.1 pp.

Other Operating Expenses

The amount of R\$9.4 million, which caused a positive impact on the Company's results refers to the reversal of earnouts materialized in a company acquired before the IPO. It is worth noting that this amount has a corresponding debit of R\$7.3 million as Financial Expenses, therefore, the settlement of the earnouts payment brought a net effect before tax of R\$2.1 million, adjusted in the Net Income.

// Gross Profit

(R\$ million)

locawebcompany	2Q22	2Q21	vs 2Q21	6M22	6M21	vs 6M21
Commerce	95.3	53.9	76.8%	168.3	94.7	77.7%
Margin (%)	54.9%	63.6%	-8.7 p.p.	53.0%	63.1%	-10.1 p.p.
BeOnline / SaaS	36.0	32.4	11.3%	71.9	60.8	18.2%
Margin (%)	33.1%	32.5%	0.6 p.p.	33.7%	31.2%	2.5 p.p.
Gross Profit	131.4	86.3	52.2%	240.2	155.6	54.4%
Gross Margin (%)	46.5%	46.8%	-0.3 p.p.	45.2%	45.1%	0.2 p.p.

Consolidated Gross Profit increased by 52.2% in 2Q22 when compared to 2Q21, reaching R\$131.4 million. In 2Q22, there was a slight drop of 0.3 p.p. in Gross Margin when compared to 2Q21. In the first six months of 2022, the Company's Gross Margin recorded a slight improvement of 0.2 p.p. compared to the same period of the previous year.

The 8.7 p.p. drop observed in the Commerce segment, as explained in previous quarters, is directly related to the acquisition of companies in a high growth stage and the consequent structuring of processes to support such growth.

// EBITDA and Adjusted EBITDA

(R\$ million)

locawebcompany	2Q22	2Q21	vs 2Q21	6M22	6M21	vs 6M21
Net Income (Loss)	13.3	3.6	270.7%	17.8	(4.8)	470.5%
(+) Net Financial Income	(2.5)	0.9	-394.5%	(13.8)	5.0	-376.8%
(+) Current Income Tax and Social Contribution	10.4	8.9	16.8%	22.1	11.5	92.9%
(+) Depreciation and Amortization	24.6	20.6	19.8%	49.1	39.1	25.6%
EBITDA	45.8	33.9	34.9%	75.2	50.7	48.2%
(+) Stock Options Plan and Restricted Shares Plan	2.5	3.3	-23.8%	4.9	6.5	-25.7%
(+) M&A Expenses	0.9	4.1	-76.8%	2.1	12.9	-83.9%
(+) IPO and Follow-on Extraordinary Expenses	0.0	0.0	n/a	0.0	7.7	-100.0%
(+) Earnouts adjustment	(9.4)	0.0	n/a	(9.4)	0.0	n/a
(+) Others	0.6	0.0	n/a	0.6	0.0	n/a
Adjusted EBITDA	40.4	41.3	-2.1%	73.3	77.8	-5.8%
<i>Adjusted EBITDA Margin (%)</i>	<i>14.3%</i>	<i>22.4%</i>	<i>-8.1 p.p.</i>	<i>13.8%</i>	<i>22.5%</i>	<i>-8.7 p.p.</i>

As a result of the numbers presented above, Locaweb's Adjusted EBITDA in 2Q22 was R\$ 40.4 million, 2.1% lower than in 2Q21, with the Adjusted EBITDA Margin posting a reduction of 8.1 p.p. in the same period, mainly due to the consolidation of the results of the acquired companies.

It is worth noting that in comparison with the immediately preceding quarters, we continue to observe a slight improvement in the group's consolidated margins, from 12.9% in 4Q21 and 13.2% in 1Q22 to 14.3% in 2Q22.

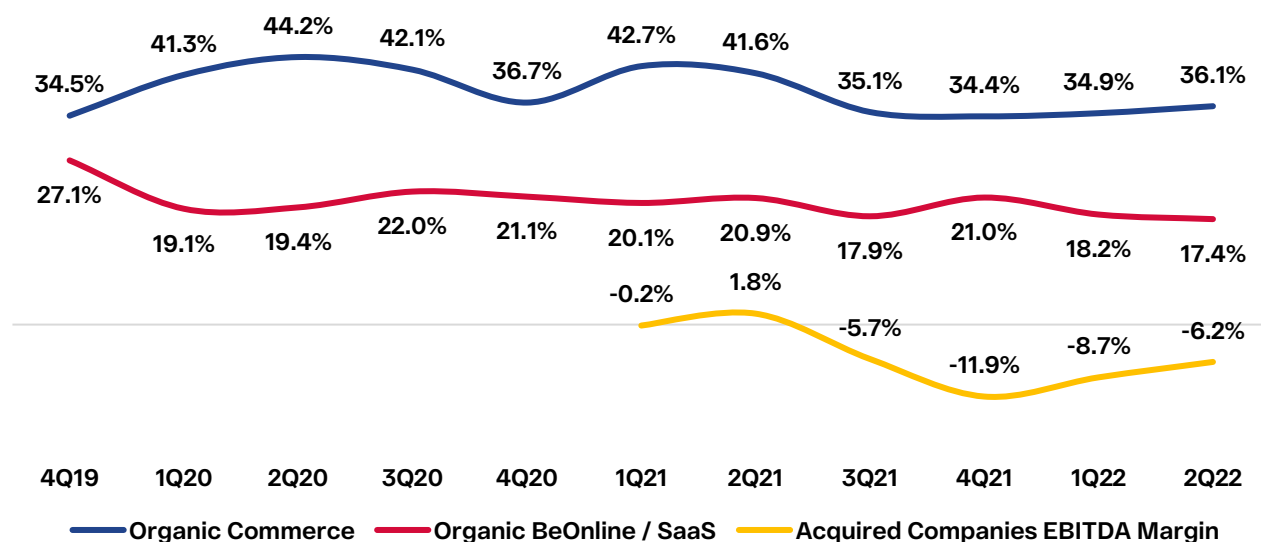
// EBITDA and Adjusted EBITDA by segment

(R\$ million)

locawebcompany	2Q22	2Q21	vs 2Q21	6M22	6M21	vs 6M21
Commerce						
Adjusted EBITDA	22.6	22.9	-1.3%	37.1	40.4	-8.3%
Adjusted EBITDA Margin (%)	13.0%	27.0%	-14.0 p.p.	11.7%	26.9%	-15.3 p.p.
BeOnline / SaaS						
Adjusted EBITDA	17.8	18.4	-3.2%	36.2	37.4	-3.1%
Adjusted EBITDA Margin (%)	16.3%	18.5%	-2.1 p.p.	17.0%	19.2%	-2.2 p.p.
Consolidated						
Adjusted EBITDA	40.4	41.3	-2.1%	73.3	77.8	-5.8%
Adjusted EBITDA Margin (%)	14.3%	22.4%	-8.1 p.p.	13.8%	22.5%	-8.7 p.p.

Commerce Adjusted EBITDA fell 1.3% in 2Q22, reaching R\$ 22.6 million, with a 14.0 p.p. reduction in the EBITDA margin, which was 13.0% in the quarter, mainly driven by the results of the companies acquired in the results of the segment.

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



It is worth mentioning again that the companies we chose for acquisition have products that complement our ecosystem, with high cross-sell potential, and are in an accelerated growth stage. When the acquisition is made, a BP is developed together with the seller, so that we can provide guidance to the management of the acquired company after the M&A is completed. Depending on the stage of these companies, this business plan includes investments to accelerate growth and R&D for their integration into the Locaweb ecosystem. Thus, in the first years, the acquisition strategy does not prioritize profitability. With the growth of operations and consequent operational gains in scale, these operations tend to report positive EBITDA margins in their segments. On average, the business plans consider that this level of profitability, close to organic margins, tends to occur between 3 and 4 years after the acquisition.

// Financial Result

(R\$ million)

locawebcompany	2Q22	2Q21	vs 2Q21	6M22	6M21	vs 6M21
Financial revenues	47.9	15.2	214.2%	90.3	24.4	270.4%
Financial expenses	(45.3)	(16.1)	181.6%	(76.5)	(29.4)	160.6%
Net financial income (expenses)	2.5	(0.9)	394.5%	13.8	(5.0)	376.8%

The net financial result in 2Q22 was R\$ 2.5 million.

The growth in financial income refers to the investment made using the proceeds from the Follow-on offering of mid-February 2021, which, with the increase in the interest rate, is generating greater financial income.

In terms of financial expenses, we would like to highlight the following points:

- (i) The Effect of the Adjustment to Present Value of Earnouts of the recent acquisitions and the impact arising from the payment related to the acquisition earnout made before the IPO, which totaled R\$18.2 million in the quarter when compared to R\$10.5 million in 2Q21;
- (ii) The expense of R\$ 11 million resulting from the advance of receivables at Vindi, the modality chosen by the Company to finance the working capital necessary for the payment operations. This expense was higher than in 1Q22 (R\$ 3.6 million) due to the expansion of the processed TPV, the increase in interest rates (Selic), and the offer of new products that demand greater investment in working capital. It is worth mentioning that the transfer of this increase in financial expenses will take place throughout 3Q22, through the readjustment of fees for services provided;
- (iii) The amount of R\$7.3 million in other financial expenses refers to interest on reversal of earnouts materialized in a company acquired before the IPO. It is important to mention that there is a corresponding entry of R\$9.4 million, which was adjusted in the EBITDA, bringing a net effect on the Net Income of R\$2.1 million

// Net Income and Adjusted Net Income

(R\$ million)

locawebcompany	2Q22	2Q21	vs 2Q21	6M22	6M21	vs 6M21
Net income	13.3	3.6	270.7%	17.8	(4.8)	470.5%
(+) Stock Options Plan and Restricted Shares Plan	2.5	3.3	-23.8%	4.9	6.5	-25.7%
(+) Intangible amortization	9.0	6.2	43.9%	19.0	10.7	76.5%
(+) Adjustment to present value of Acquisition Earnout	18.2	10.5	73.6%	37.9	17.2	119.6%
(+) Earnouts adjustment	(2.1)	0.0	n/a	(2.1)	0.0	n/a
(+) Deferred income tax and social contribution	(2.6)	2.0	-228.1%	(9.6)	(1.2)	730.6%
(+) CPC 06 adjustment	0.3	0.0	835.3%	0.5	0.7	-23.4%
(+) MtM	0.1	(2.0)	107.6%	0.1	(1.6)	-109.3%
(+) IPO and Follow-on Expenses	0.0	0.0	n/a	0.0	5.1	-100.0%
Adjusted net income	38.7	23.7	63.2%	68.4	32.7	109.0%
Adjusted net income margin (%)	13.7%	12.9%	0.8 p.p.	12.9%	9.5%	3.4 p.p.

Based on the figures presented above, Locaweb's Adjusted Net Income in 2Q22 was R\$38.7 million, 63.2% higher than in 2Q21.

// Indebtedness / Cash Position

(R\$ million)

locawebcompany	2Q22	1Q22	4Q21	3Q21	2Q21	1Q21
(+) Loan and financing	11.2	10.4	29.0	33.1	48.6	64.1
(-) Derivatives Result (FX swap) ¹	(2.7)	(1.8)	(8.7)	(9.7)	(10.2)	(17.7)
Bank Gross Debt	8.5	8.6	20.3	23.3	38.4	46.4
(-) Cash and cash equivalents ²	(1,438.3)	(1,546.4)	(1,586.1)	(1,803.6)	(1,896.0)	(2,412.9)
Net debt (cash) (ex lease liability)	(1,429.8)	(1,537.8)	(1,565.8)	(1,780.3)	(1,857.6)	(2,366.5)
(+) Lease liability ³	81.9	74.7	76.8	74.7	76.7	74.5
Net debt (cash)	(1,347.9)	(1,463.1)	(1,488.9)	(1,705.6)	(1,780.9)	(2,292.0)

¹ Balance of Derivative Financial Instruments in the Balance Sheet

² Considers short and long-term restricted cash arising from guarantees offered in financial funding

³ Lease liability refers to the adoption of CPC 06(R2)/IFRS 16 as of January 1, 2019

With the funds raised in February in the subsequent offering of shares (Follow-on), and the outflows resulting from the payment of part of the price of the acquisitions of companies over 2021, the Company presented a net cash balance of R\$ 1,429.8 million in 2Q22. Excluding the effects of the adoption of IFRS 16, the net cash balance is R\$1,347.9 million.

Also noteworthy are the potential earnouts payable arising from the acquisitions, which total R\$811.8 million.

// Cash Flow

(R\$ million)

locawebcompany	2Q22	2Q21	vs 2Q21	6M22	6M21	vs 6M21
Income (loss) before income taxes	23.7	12.5	89.5%	39.9	6.7	498.1%
Items that do not affect cash	44.1	37.0	19.1%	92.1	67.2	37.1%
Variations in working capital	(9.1)	(20.0)	54.5%	(72.6)	(25.5)	-185.1%
Net cash provided by operating activities (A)	58.7	29.5	98.9%	59.5	48.4	22.9%
Capex for permanent assets	(11.9)	(10.1)	18.0%	(21.7)	(25.1)	-13.5%
Capex for development	(13.1)	(9.6)	36.2%	(26.4)	(16.5)	59.8%
Free Cash Flow - After Capex	33.7	9.8	243.3%	11.4	6.8	67.0%
Acquisition	(139.2)	(522.7)	-73.4%	(140.3)	(762.6)	-81.6%
Restricted Cash	1.7	0.0	n/a	1.7	0.0	n/a
Net cash provided by investment activities (B)	(162.6)	(542.3)	-70.0%	(186.8)	(804.2)	-76.8%
Subscription of capital stock	3.9	8.2	-52.2%	3.9	2,281.5	-99.8%
Loan and financing	(0.5)	(5.7)	-91.5%	(12.6)	(32.0)	-60.7%
Commercial lease	(4.4)	(3.8)	15.6%	(8.5)	(6.7)	26.7%
Dividends and interest on equity	0.0	0.0	n/a	0.0	0.0	n/a
Others	(1.7)	0.0	n/a	(1.7)	(0.0)	3708.1%
Net cash provided by financing activities (C)	(2.6)	(1.2)	118.0%	(18.8)	2,242.8	-100.8%
Net increase (decrease) in cash and cash equivalents (A + B + C)	(106.5)	(514.1)	-79.3%	(146.1)	1,487.0	-109.8%

Net cash from operating activities totaled R\$58.7 million in 2Q22 compared to R\$29.5 million in 2Q21. The increase is directly related to the better management of the Company's working capital, especially at Vindi.

The "Acquisition" cash outflow of R\$ 139.2 million in 2Q22 refers to the payment of earnouts and acquisitions of Octadesk (R\$ 29 million), Melhor Envio (R\$ 68 million), Vindi (R\$ 11 million), Bagy (R\$ 5 million), Squid (R\$ 6 million), and KingHost (R\$ 19 million) whose value refers to the price retained in the acquisition. It is important to highlight that these amounts paid were entered in Liabilities "Accounts payable to former shareholders" and, therefore, were deducted from this account, whose balance on June 30 was R\$ 811.8 million.

For 2022, we also project the payment of earnouts installments totaling approximately R\$35 million.

// Cash Generation (Adjusted EBITDA - Capex)

(R\$ million)

locawebcompany	2Q22	2Q21	vs 2Q21	6M22	6M21	vs 6M21
Adjusted EBITDA	40.4	41.3	-2.1%	73.3	77.8	-5.8%
Capex	25.0	19.7	26.9%	48.1	41.6	15.7%
Cash Generation (R\$ M)	15.4	21.6	-28.6%	25.2	36.2	-30.4%
Cash conversion (%)	38.1%	52.3%	-14 p.p.	34.4%	46.5%	-12 p.p.
Capex as a % of Net Revenue	8.8%	10.7%	-2 p.p.	9.1%	12.1%	-3 p.p.

The Company's cash generation, measured by Adjusted EBITDA minus Capex, was impacted by a lower cash conversion (Adjusted EBITDA) as explained in this report and the maintenance of the Company's investment pace in the development of its products. Total Capex grew by 26.9% compared to 2Q21 and represents, as mentioned in 1Q22, exactly 25% of the total capital budget approved at the General Shareholders' Meeting. Capex for intangibles was in line with that presented in 3Q21, 4Q21 and 1Q22.

Also noteworthy is the dilution of Capex, which has grown at a slower pace than the growth in net revenue.

// ATTACHMENT I - INCOME STATEMENT

Income Statement (in R\$ million)	2Q21	2Q22	6M21	6M22
NET REVENUE	184.3	282.5	345.2	531.3
Cost of Services	(98.0)	(151.1)	(189.6)	(291.0)
GROSS PROFIT	86.3	131.4	155.6	240.2
Operating income (expenses)	(73.0)	(110.3)	(143.9)	(214.1)
Selling expenses	(34.6)	(63.3)	(61.8)	(119.9)
General and administrative expenses	(38.7)	(56.2)	(83.0)	(103.8)
Other operating income (expenses), net	0.4	9.2	0.9	9.6
Income before financial results and income taxes	13.3	21.1	11.7	26.1
FINANCIAL RESULT	(0.9)	2.5	(5.0)	13.8
Financial income	15.2	47.9	24.4	90.3
Financial expenses	(16.1)	(45.3)	(29.4)	(76.5)
Income (loss) before income taxes	12.5	23.7	6.7	39.9
Income Taxes	(8.9)	(10.4)	(11.5)	(22.1)
Current income taxes	(6.9)	(13.0)	(12.6)	(31.8)
Deferred income taxes	(2.0)	2.6	1.2	9.6
Net income (loss)	3.6	13.3	(4.8)	17.8

* Selling Expenses also consider the amount of the "impairment loss", which is open in the Income Statement.

// ATTACHMENT II - INCOME STATEMENT BeOnline/SaaS

Income Statement (in R\$ million)	2Q21	2Q22	6M21	6M22
GROSS REVENUE, net of rebate	109.1	118.3	213.8	233.2
Taxes and rebates	(9.6)	(9.4)	(18.7)	(19.8)
NET REVENUE	99.5	108.9	195.0	213.5
Cost of Services	(67.1)	(72.9)	(134.2)	(141.6)
GROSS PROFIT	32.4	36.0	60.8	71.9
Operating income (expenses)	(37.6)	(30.6)	(78.3)	(69.0)
Selling expenses	(17.4)	(19.4)	(32.0)	(37.9)
General and administrative expenses	(20.4)	(20.6)	(46.5)	(40.6)
Other operating income (expenses), net	0.3	9.4	0.2	9.5
Income before financial results and income taxes	(5.2)	5.4	(17.5)	3.0
Depreciation and amortization	16.2	18.7	31.0	36.7
EBITDA	11.0	24.1	13.5	39.6

* Selling Expenses also consider the amount of the "impairment loss", which is open in the Income Statement.

// ATTACHMENT III - INCOME STATEMENT Commerce

Income Statement (in R\$ million)	2Q21	2Q22	6M21	6M22
GROSS REVENUE, net of rebate	94.7	188.4	167.9	348.4
Taxes and rebates	(9.9)	(14.8)	(17.7)	(30.6)
NET REVENUE	84.8	173.6	150.2	317.8
Cost of Services	(30.9)	(78.3)	(55.4)	(149.5)
GROSS PROFIT	53.9	95.3	94.7	168.3
Operating income (expenses)	(35.4)	(79.7)	(65.6)	(145.2)
Selling expenses	(17.1)	(43.9)	(29.8)	(82.0)
General and administrative expenses	(18.3)	(35.6)	(36.5)	(63.2)
Other operating income (expenses), net	0.1	(0.2)	0.7	0.0
Income before financial results and income taxes	18.5	15.7	29.1	23.2
Depreciation and amortization	4.4	6.0	8.1	12.4
EBITDA	22.9	21.6	37.3	35.6

* Selling Expenses also consider the amount of the "impairment loss", which is open in the Income Statement.

// ATTACHMENT IV - Consolidated Balance Sheet

Assets (R\$ million)	June, 2022	Dec, 2021	Liabilities and Equity (R\$ mln)	June, 2022	Dec, 2021
Current Assets			Current liabilities		
Cash and cash equivalents	1,438.3	1,584.4	Suppliers	55.2	42.1
Restricted cash	-	1.7	Loans and financing	11.1	28.7
Accounts receivable	602.1	503.6	Lease liability	11.3	9.3
Taxes recoverable	9.6	6.2	Salaries and related charges	85.9	71.7
Income tax and social contribution to be recovered	31.2	25.3	Income tax and social contribution payable	-	1.0
Derivatives	2.7	8.7	Other taxes payable	11.6	9.4
Other assets	27.8	22.0	Deferred revenue	63.0	58.2
Total current assets	2,111.8	2,151.9	Payables to clients	458.8	414.8
Non-current assets			Interest on shareholders' equity and dividends payable	0.0	0.0
Restricted cash	-	-	Taxes in installments	2.9	2.9
Judicial deposits	0.5	0.5	Accounts payable to former shareholders	275.2	36.1
Other assets	6.0	4.3	Other liabilities	2.8	2.7
Deferred income taxes	51.9	42.0	Total current liabilities	977.8	677.0
Investments	98.8	88.7	Non-current liabilities		
Property and equipment	74.4	69.6	Loans and financing	0.1	0.3
Intangible assets	2,230.8	2,218.8	Deferred revenue	2.1	1.1
Total non-current assets	2,462.5	2,423.9	Provision for legal proceedings	5.2	2.7
Total assets			Accounts payable to former shareholders	536.6	868.1
			Lease liability	70.7	67.6
			Taxes in installments	16.7	17.3
			Deferred income tax and social contribution	1.7	1.4
			Other liabilities	4.5	5.2
			Total non-current liabilities	637.4	963.8
			EQUITY		
			Capital Stock	2,930.7	2,926.8
			Shares held in Treasury	(47.5)	(45.8)
			Capital reserves	53.6	49.6
			Earning reserves	4.4	4.4
			Earnings of the period	17.8	-
			Total EQUITY	2,959.0	2,935.1
			Total liabilities and equity	4,574.2	4,575.9

// ATTACHMENT V - Cash Flow

Cash Flow (R\$ mln)	2Q22	2Q21	6M22	6M21
Net Cash provided by operating activities				
Income (loss) before income taxes	23.7	12.5	39.9	6.7
Items that do not affect cash	44.1	37.0	92.1	67.2
Variations in working capital	(9.1)	(20.0)	(72.6)	(25.5)
Net cash provided by operating activities	58.7	29.5	59.5	48.4
Net cash provided by investment activities				
Purchase of property and equipment	(11.9)	(10.1)	(21.7)	(25.1)
Accounts payable for acquisition of equity interest	(139.2)	-	(140.3)	(1.1)
Restricted Financial Application	1.7	-	1.7	-
Acquisition of subsidiaries, net of cash acquired	-	(522.7)	-	(761.5)
Acquisition and development of intangible assets	(13.1)	(9.6)	(26.4)	(16.5)
Net cash provided by investment activities	(162.6)	(542.3)	(186.8)	(804.2)
Net cash provided by financing activities	(2.6)	(1.2)	(18.8)	2,242.8
Net increase (decrease) in cash and cash equivalents	(106.5)	(514.1)	(146.1)	1,487.0
Cash and cash equivalents at beginning of the year	1,544.8	2,405.7	1,584.4	404.6
Cash and cash equivalents at end of the year	1,438.3	1,891.7	1,438.3	1,891.7
Net increase (decrease) in cash and cash equivalents	(106.5)	(514.1)	(146.1)	1,487.0

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