

LOCAWEB SERVIÇOS DE INTERNET S.A.

Publicly held Company
CNPJ 02.351.877/0001-52
NIRE 35.300.349.482

MATERIAL FACT

São Paulo, September 29th, 2020 – **Locaweb Serviços de Internet S.A.** ("Company") pursuant to the Rule of the Brazilian Securities Commission ("CVM") No. 358, of January 3, 2002, as amended, and the provisions of Paragraph 4 of Article 157 of Law No. 6404, of December 15, 1976, as amended, hereby informs the market that, on the date hereof, it was signed a Purchase and Sale and Other Covenants Agreement between the Company and the **Etus Social Network Brasil Ltda.** ("Etus") quotaholders to regulate the acquisition of the entire capital stock of Etus by the Company ("Agreement").

About the Acquisition

Etus, founded in 2015 with headquarters in the city of Ribeirão Preto, São Paulo state, is a company that offers the most complete and robust solution for management and digital marketing in social networks, such as Facebook, Instagram, LinkedIn, Pinterest and Twitter, among others, and already has over 100 thousand brands being served.

On the platform, it is possible to schedule and boost posts, to manage interactions with social network profiles, capture leads, to have complete reports of all actions and other functions in a single place. It has advanced features to guarantee excellent positioning, which significantly increases customer success, conversion and improves after sales.

With a SaaS business model, Etus has a product already consolidated in the market and adopts, as Locaweb, the subscription model for its customers. Etus, which already has a substantial organic growth in recent years, will be able to further accelerate this growth with synergies and immediate integration with the customer base of all Locaweb operations: BeOnline / SaaS and Commerce.

This acquisition is consistent with the Company's strategy of offering the largest and most complete ecosystem to support our clients in the process of digitizing their business.

Following the Company's operating model in other acquisitions, Mr. André Patrocínio, Mr. Márcio Garcia and Mr. Bruno Rafael Nery, founding partners of Etus, will remain in Etus operations.

Agreement

The closing price for the acquisition of all Etus quotas is R\$18.95 million, and as a guarantee to the Company with respect to certain indemnification obligations assumed by the sellers in the Contract, a portion of this amount will be retained by the Company and may subsequently be released to sellers, in accordance with the rules and procedures provided for in the Agreement. The closing price is also subject to certain adjustments to net debt and working capital, which are usual in this type of transaction.

In addition, the sellers will be entitled to receive an earnout, depending on the achievement of certain financial goals determined based on the net operating revenue.

The acquisition of Etus was concluded on this date, and the parties are only expected to comply with certain post-closing obligations usual for this type of transaction.

The Company clarifies that the present transaction is not subject to approval by the general meeting for not achieving the requirements of art. 256 of the Brazilian Corporation Law and will keep the market and its shareholders timely and adequately informed about the subsequent facts to the signing of the Agreement, in accordance with the applicable legislation.

Rafael Chamas Alves
CFO and IRO