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São Paulo, November 10, 2022: Locaweb Serviços de Internet SA (B3: LWSA3) informs its shareholders and other market participants of the 3Q22 results

Highlights

Net Revenue of **R$ 304.3** million in 3Q22, a growth of **45.5%** *vs* 3Q21

Commerce reached **R$ 197.6** million in Net Revenue, a growth of **87.1%** *vs.* 3Q21

Increase in Net Revenue in the Commerce segment in 3Q22 *vs* 2Q22 was **14%**

Commerce segment already accounts for **65%** of the Group's Net Revenue

Adjusted EBITDA of **R$ 50.4** million in 3Q22 with **16.6%** of EBITDA margin, **expansion of 2.3 p.p. when compared to EBITDA margin of 2Q22 and expansion in comparison to 3Q21**

Growth in organic EBITDA margins

Improvement of EBITDA margin of acquired companies compared to 2Q22

Platform subscriber base[1] grew **32.4%**, from **114.1 thousand** subscribers in 3Q21 to **151.0 thousand** in 3Q22

Continued pace of new platform subscribers' additions[1] in 3Q22 compared to the previous four quarters

TPV Intermediator Vindi (Sub acquirer)[2] grew by **70.4%** in 3Q22 *vs* 3Q21, as a result of capturing synergies in the ecosystem and, for the 4th consecutive quarter, **higher sales growth in our clients' own stores**

Adjusted net income of **R$33.4** million (**+30.8%** vs 3Q22)

Conference call (simultaneous translation)
November 11th, 2022, at 03:00 pm (Brasília time)
https://mzgroup.zoom.us/webinar/register/WN_8qmYdTRDTqCHKbRXcDlGbA

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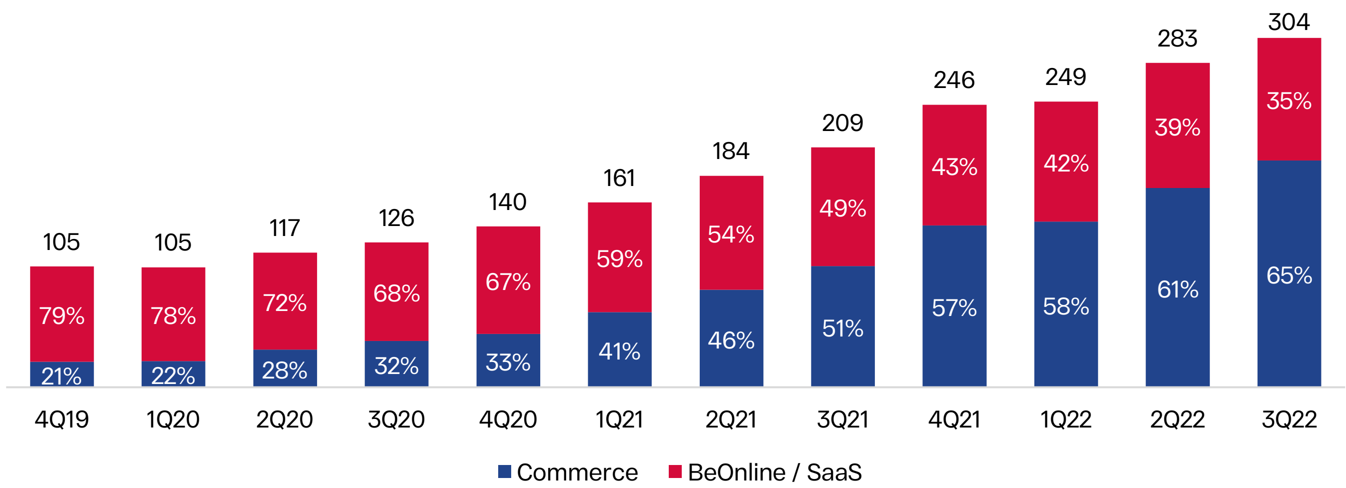
[1] Platform Subscribers: Considers the number of Tray, Bling, Dooca and Bagy subscribers in the two periods of comparison
[2] TPV Intermediator Vindi refers to the former Yapay TPV, which was renamed Vindi in 2022

Message from Management

This is the third quarter of the year 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 3rd 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 continues to grow;
- 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%
  - 3Q22 x 3Q21: + 60%
- Payment solution (Vindi/Yapay) showing strong growth compared to 3Q21:
  - Sales growth in our clients' own stores accelerating quarter over quarter
  - Synergies with Vindi / Yapay making headway within the group
- Acquired companies posting 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 68% in 3Q22 when compared to 3Q21. In the comparison with the previous quarter (2Q22), the growth was 10%
  - Squid grew by 20% in 3Q22 *vs.* 3Q21 and by 22% compared to the previous quarter (2Q22)
- Commerce segment already accounts for 65% of the Group's Net Revenue, as shown in the graph below.



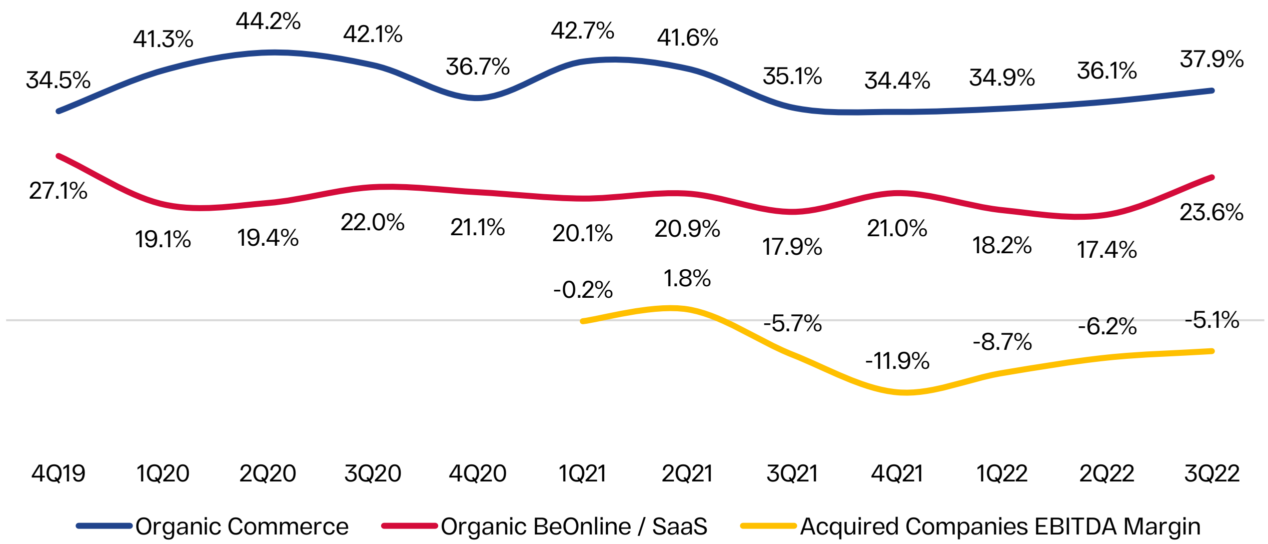
Following is the analysis of the company's EBITDA margin breakdown into three items: (i) the organic Commerce operation, which includes Tray, Tray Corp, and Yapay; (ii) the BeOnline/SaaS operation, and (iii) all companies that were acquired after the IPO (inorganic operation).

This quarter we observed the organic margins of the Commerce and BeOnline/SaaS segments showing growth when compared to the results of 3Q21, 4Q21, 1Q22 and 2Q22, reaching 30% in the quarter.

In the BeOnline / SaaS segment, we introduced a change in the commercial strategy of the **corporate** operation with the discontinuation of some products and services, aiming at a better profitability *versus* operation growth, which impacted the expansion of the segment's Net Revenue (+3.1% vs 3Q21).

Such a change, however, contributed, **among other factors such as the enhancement of other operations in the segment**, to improve the organic Adjusted EBITDA Margin of the segment, which increased from 17.4% in 2Q22 to 23.6% in 3Q22.

Most of the acquired companies are following their respective Business Plans as agreed at the time of the acquisitions, when growth was set as the priority for the first years of the acquisition. In 3Q22, we continue to see an improvement in the profitability of the acquired companies, resulting in an expansion of 1.1 p.p. in the EBITDA margin compared to 2Q22 (+6.8 p.p. compared to the lowest level of margins achieved in 4Q21), as can be seen in the chart below:



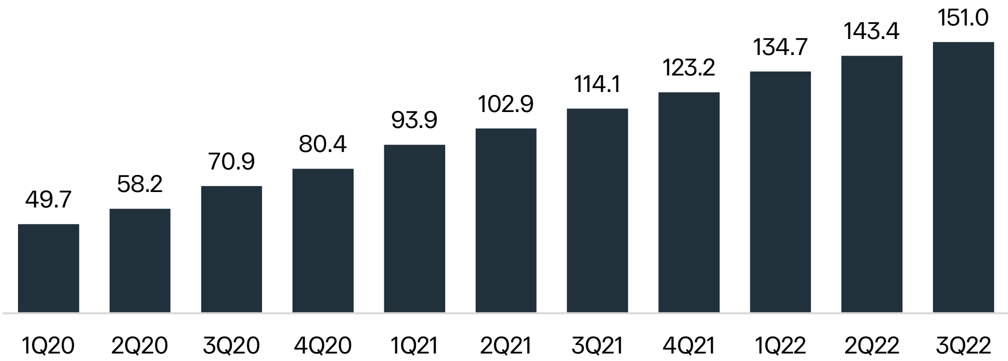
Regarding the margin of the acquired companies, we take the opportunity to highlight that, although the consolidated numbers are still negative, we can observe that the five largest companies we acquired, whose business maturation stages are at more advanced levels, already post positive EBITDA. These companies, which together account for more than 85% of the acquired companies' revenue, reported Adjusted EBITDA of R$1.4 million in 3Q22.

The other companies, which represent no more than 15% of the revenue of the acquired companies, are in different stages of maturation, accelerating the development of products, integrations, and their respective growth. In this quarter, these companies consumed R$ 7.4 million. It is worth recalling that these operations have expectations of future growth in their business plans (as agreed upon their acquisitions).

In addition, many of the smaller companies must have part of their operations consolidated into larger structures (examples: creation of a single commercial structure for Commerce Enterprise and the merger of Dooca with Bagy), so we continue with our plan to expand the margins in the acquired companies.

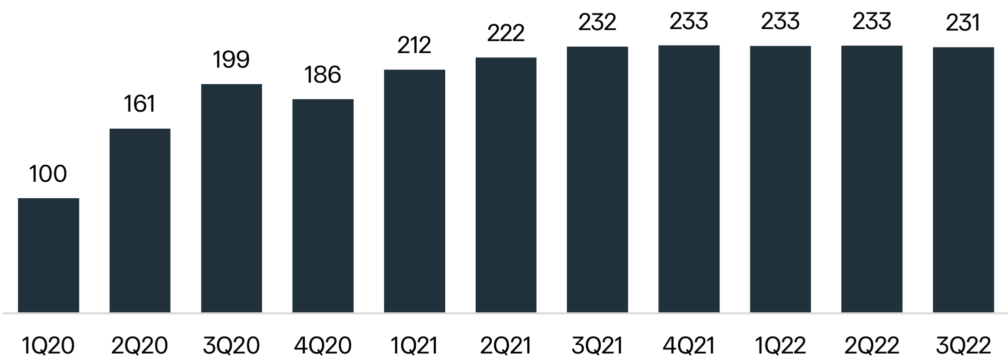
Operating Performance

We ended 3Q22 with a base of 151.0 thousand paying e-commerce subscribers, a growth of 32.4% in 3Q22 vs 3Q21.



Should we consider the same proforma base as of 1Q20, we notice a stability in the addition of new e-commerce subscribers in the third 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 the levels recorded during the pandemic.

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



Regarding the total volume of customers of the Commerce operation, during the 3Q we reached more than 401,000 unique customers. It is important to observe that this volume refers to subscribers and sporadic users of the ecosystem, who may have used the platform one or more times during the 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 **10.7%** in 3Q22, as shown in the "E-commerce Platform GMV" chart.

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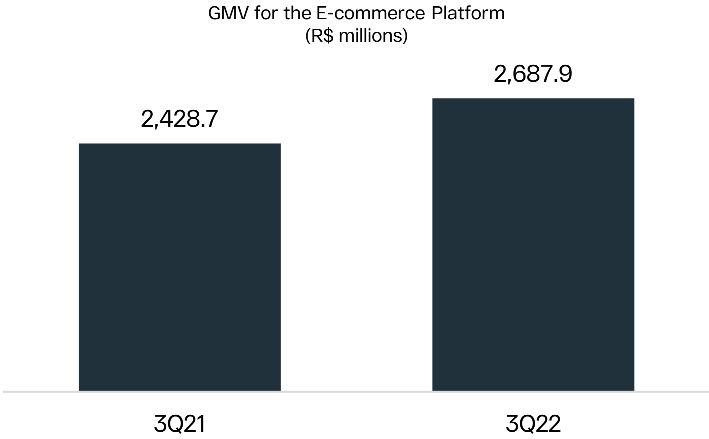
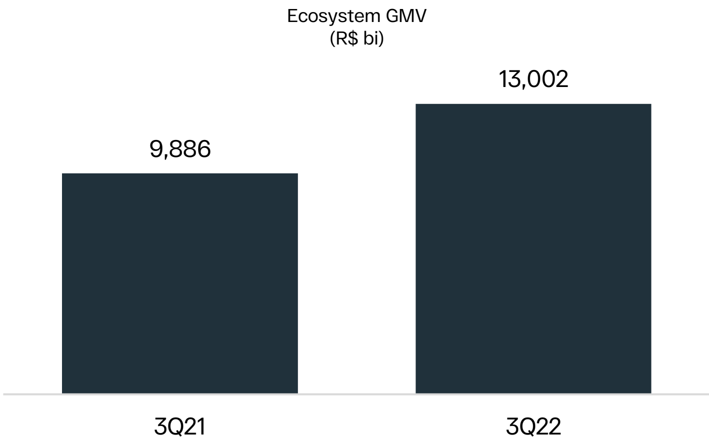
It is important to point out that in 3Q22, as observed in 2Q22, 1Q22 and 4Q21, the growth in sales at our clients' own stores was much higher (**+15%** vs 3Q21) than the growth in sales made in marketplaces compared to the same period in 2021.



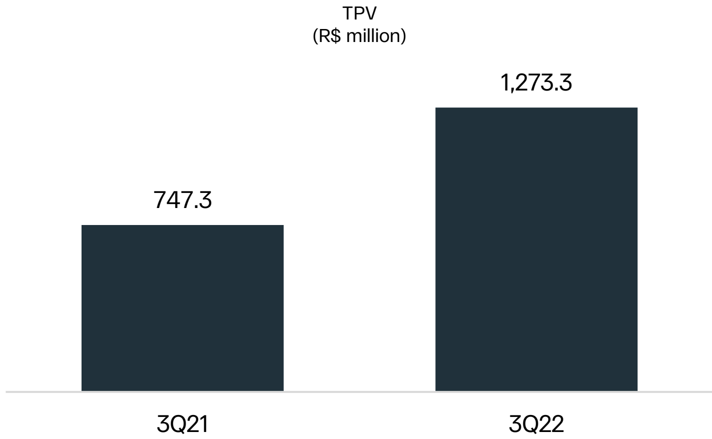
The strongest growth in sales in our clients' own stores was driven by the Locaweb ecosystem, which allows the storekeeper to make efforts in other media on their own by using the tools available in the control panel (for example: integration with Google PMax, email marketing, integration with social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

An example of this is the integration with Google PMax, which has so far generated R$211 million (R$115 million up to August/22) of incremental GMV on the platform since it was first launched, with the solution being adopted by more than 50% of the Tray customers. This project took us to the level of "Google Partner", being one of the main partners in Latin America and among the main partners in E-commerce in the American continent. With this impressive result, as of 1Q23, according to Google, new and different features will be unlocked to enhance this successful partnership.

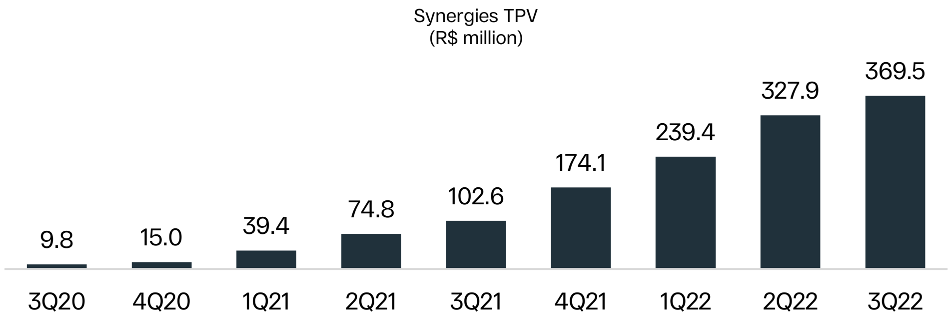
Considering all the GMV transacted through the Locaweb ecosystem, that is, the Platform GMV (shown above) and the GMV traded on marketplaces via ERP operations and marketplace integrators, we reached a volume of R$ 13.0 billion in 3Q22, a volume **31.5%** higher than in 3Q21, as shown in the chart below:



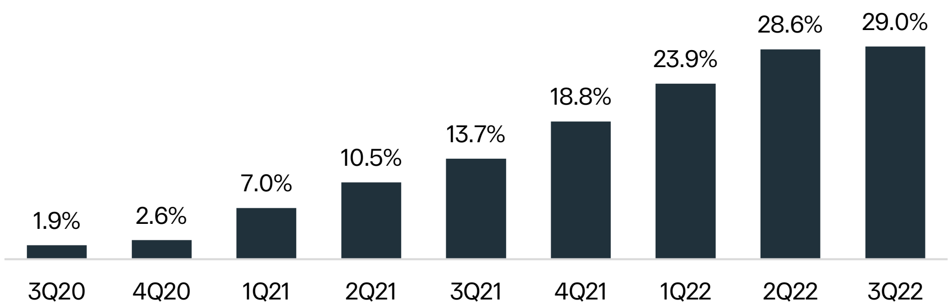
The TPV Intermediator Vindi (new nomenclature for the TPV Yapay) grew by **70.4%** in 3Q22 *vs* 3Q21 as a result of the faster growth in sales at our clients' own stores, as well as the acceleration in the capture of synergies between the companies acquired and our payment solution.



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



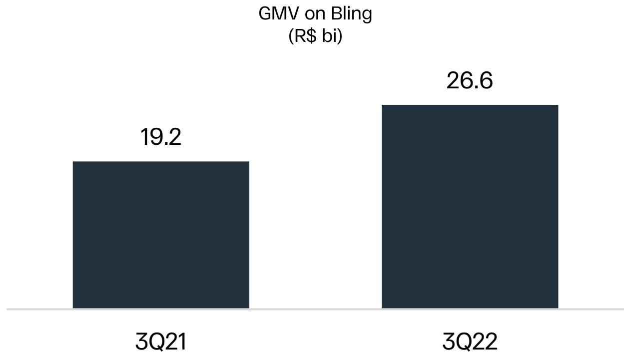
In percentage of the TPV, we continue to show growth, as shown in the chart below:



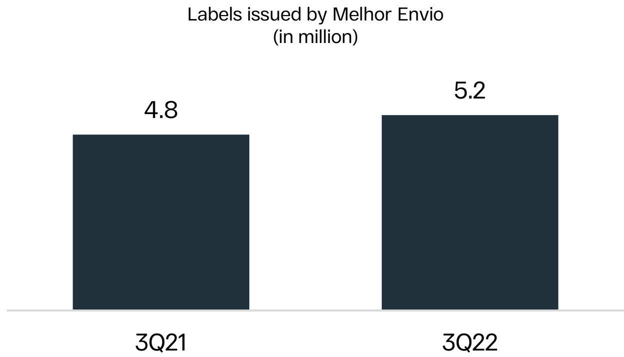
Excluding the TPV from the synergies, TPV growth was 40% in 3Q22 *vs.* 3Q21, a higher growth than the increase in GMV, thus indicating greater penetration of Vindi/Yapay in the base of the platforms.

Operational Performance of the Acquired Companies

At Bling, we have seen a growth of **38.4%** in the GMV of Invoices (online and offline) in 3Q22, reaching R$26.6 billion in the quarter, as shown in the chart below:



The number of Labels issued by Melhor Envio grew by **8.7%** in 3Q22 when compared to the same period of 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 64% growth in net revenue per label issued in 3Q22 compared to 3Q21.

At Squid, Net Revenue grew 20% compared to 3Q21. Once again, we observed that customer accounts with higher 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 and Investor Day 2022

As mentioned on Locaweb Day 2022 on October 18, our investments in acquisitions since the IPO and in R&D have the purpose of developing an environment integrating our acquired companies, a robust agnostic partner network, and an increasingly robust Onboarding process. All this supported by an e-learning matrix that permeates all these processes.

After the event, we sent participants a perception survey and more than **97%** of those who responded to the survey confirmed that all the materials presented at the event were able to clearly demonstrate the evolutions made by the Company in its Ecosystem of digital solutions.

For investors who did not have the opportunity to watch the live event, the *replay* is available at the following link: https://ri.locaweb.com.br/en/corporate-governance/investor-day/

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 **54.2%** in 3Q22 (24.2% Net Revenue growth with 30% of EBITDA margin).

In the analysis of the Organic Commerce segment (Tray + Tray Corp + Yapay), the number reaches **98.0%** (60.1% of Net Revenue growth with 37.9% EBITDA margin).

Earnout Provision Policy

Semiannually, earnouts provisions, in the liability account "Accounts Payable to Former Shareholders", are adjusted based on the best estimates of the performance of the acquired companies.

These variations in provisions, as they do not reflect the Company's operating result, are accounted for in Financial Expenses and will be included in Adjusted Net Income, as will be presented in this report.

Due to the better performance of the acquired companies in relation to the Business Plan initially recorded in the books, the Company made an incremental provision of R$ 16 million (equivalent to approximately 2% of the previously recorded liability) for the payment of the respective Earnout.

The amount recorded in liabilities, which totals R$ 841.8 million, represents the present value of the estimates made in this semi-annual review.

Sustainability Report

On October 18th, together with the Company's 1st Investor Day, the 1st Locaweb ESG Report was published, related to the base year 2021, reaffirming one of the commitments assumed with stakeholders to accelerate our Environmental Sustainability, Social and Corporate Governance strategy.

For the preparation of the material, the report adopted the guidelines of the Global Reporting Initiative (GRI), a global best practice for monitoring and reporting on sustainability. The topics and indicators covered were selected based on an in-depth study of the aspects of the operation that have the greatest potential to generate impacts on our stakeholders, the environment and society, in line with the Sustainable Development Goals (SDGs), which make up of the United Nations (UN) 2030 Agenda.

To access the document, click here.

Summary of Indicators

Consolidated

(R$ million)

LOCAWEB COMPANY	3Q22	3Q21	vs 3Q21	9M22	9M21	vs 9M21
Net Revenue	304.3	209.1	45.5%	835.6	554.3	50.7%
Gross Profit	139.6	100.9	38.3%	379.8	256.5	48.1%
Gross Margin (%)	45.9%	48.3%	-2.4 p.p.	45.5%	46.3%	-0.8 p.p.
EBITDA	31.1	25.9	20.1%	106.3	76.6	38.7%
EBITDA Margin (%)	10.2%	12.4%	-2.2 p.p.	12.7%	13.8%	-1.1 p.p.
Adjusted EBITDA [1]	50.4	33.6	50.2%	123.7	111.4	11.1%
Adjusted EBITDA Margin (%)	16.6%	16.0%	0.5 p.p.	14.8%	20.1%	-5.3 p.p.
Net Income	(6.4)	(3.7)	70.8%	11.4	(8.5)	233.6%
Adjusted Net Income [2]	33.4	25.6	30.8%	101.9	58.3	74.7%
Adjusted Net Income Margin (%)	11.0%	12.2%	-1.2 p.p.	12.2%	10.5%	1.7 p.p.
Cash Generation [3]	24.6	10.3	139.1%	49.8	46.5	7.1%
Cash Conversion (%) [3]	48.8%	30.6%	18.1 p.p.	40.2%	41.7%	-1.5 p.p.
Net Debt (Cash) [4]	(1,420.4)	(1,780.3)	-20.2%	(1,420.4)	(1,780.3)	-20.2%

[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	3Q22	3Q21	vs 3Q21	9M22	9M21	vs 9M21
Platform GMV [1]	2,687.9	2,428.7	10.7%	7,712.5	6,869.3	12.3%
Invoices GMV on Bling (R$ mm) [2]	26,632.0	19,248.0	38.4%	73,413.4	49,479.0	48.4%
TPV	1,273.3	747.3	70.4%	3,418.9	2,025.1	68.8%
Platform Subscribers (thousand) [3]	151.0	114.1	32.4%	151.0	114.1	32.4%
Labels issued by Melhor Envio (thousand)	5,236	4,817	8.7%	15,100	12,504	20.8%
Gross revenue, net of rebate	215.9	118.2	82.6%	564.3	286.1	97.2%
Net Revenue	197.6	105.6	87.1%	515.4	255.8	101.5%
Platform Subscription Net Revenue	79.4	54.2	46.4%	214.7	115.0	86.7%
Ecosystem Net Revenue	118.2	51.4	130.0%	300.6	140.7	113.6%
Gross Profit	103.5	65.5	58.1%	271.8	160.2	69.7%
Gross Margin (%)	52.4%	62.0%	-9.6 p.p.	52.7%	62.6%	-9.9 p.p.
EBITDA	24.7	15.7	57.4%	60.3	53.0	13.9%
EBITDA Margin (%)	12.5%	14.9%	-2.4 p.p.	11.7%	20.7%	-9.0 p.p.
Adjusted EBITDA	27.7	16.7	66.1%	64.8	57.1	13.5%
Adjusted EBITDA Margin (%)	14.0%	15.8%	-1.8 p.p.	12.6%	22.3%	-9.8 p.p.

[1] Platform GMV: Sum of the GMVs of Tray and Dooca, 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, Dooca and Bagy subscribers in the two periods of comparison

BeOnline/SaaS
(R$ million)

BeOnline / SaaS	3Q22	3Q21	vs 3Q21	9M22	9M21	vs 9M21
Clients EoP - BeOnline / SaaS	397.7	402.9	-1.3%	397.7	402.9	-1.3%
Gross revenue, net of rebate	117.6	113.5	3.6%	350.8	327.3	7.2%
Net Revenue	106.7	103.5	3.1%	320.2	298.6	7.2%
Gross Profit	36.1	35.5	1.7%	108.0	96.3	12.1%
Gross Margin (%)	33.8%	34.3%	-0.5 p.p.	33.7%	32.3%	1.5 p.p.
EBITDA	6.4	10.2	-37.5%	46.0	23.7	94.3%
EBITDA Margin (%)	6.0%	9.8%	-3.9 p.p.	14.4%	7.9%	6.4 p.p.
Adjusted EBITDA [1]	22.7	16.9	34.4%	58.9	54.3	8.5%
Adjusted EBITDA Margin (%)	21.2%	16.3%	5.0 p.p.	18.4%	18.2%	0.2 p.p.

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

// Net Operating Revenues
(R$ million)

LOCAWEB COMPANY	3Q22	3Q21	vs 3Q21	9M22	9M21	vs 9M21
Commerce	197.6	105.6	87.1%	515.4	255.8	101.5%
Segment share in the consolidated	*64.9%*	*50.5%*	*14.4 p.p.*	*61.7%*	*46.1%*	*15.5 p.p.*
BeOnline / SaaS	106.7	103.5	3.1%	320.2	298.6	7.2%
Segment share in the consolidated	*35.1%*	*49.5%*	*-14.4 p.p.*	*38.3%*	*53.9%*	*-15.5 p.p.*
Net Revenue - Consolidated	**304.3**	**209.1**	**45.5%**	**835.6**	**554.3**	**50.7%**

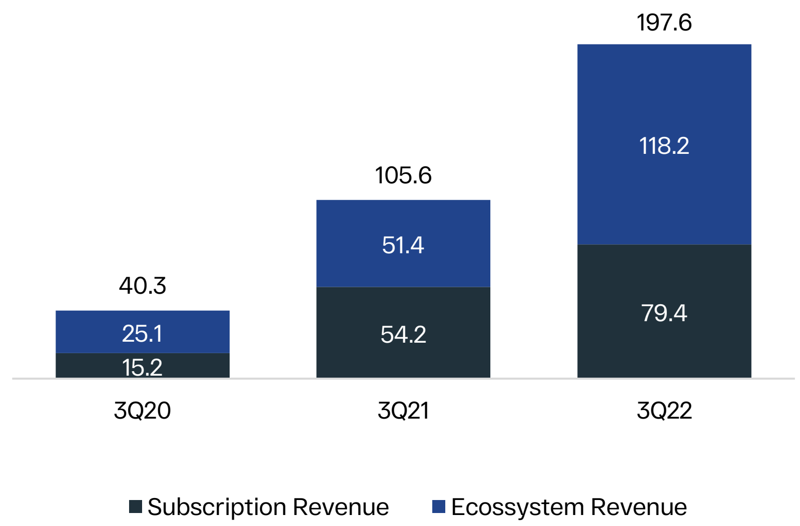
Locaweb's Net Revenue totaled R$ 304.3 million in 3Q22, an increase of 45.5% when compared to 3Q21. In the first nine months of 2022, growth was 50.7%, amounting to R$835.6 million.

The share of the Commerce segment, which includes revenues from Tray, Tray Corp, Melhor Envio, Vindi, Ideris, Samurai, Dooca, Credisfera, Bling, Bagy, Octadesk, Squid, and Síntese, went from 50.5% in 3Q21 to 64.9% in 3Q22.

In the Commerce segment, Net Operating Revenue increased by 87.1% in 3Q22, from R$ 105.6 million in 3Q21 to R$ 197.6 million in 3Q22. In 9M22, growth was 101.5%.

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 46.4% in 3Q22, and the Ecosystem Revenue, which grew 130.0% in the quarter compared to with 3Q21.

The graph below shows the evolution of the two revenue sources in 3Q20, 3Q21, and 3Q22:



In 3Q22, we saw an acceleration in organic Net Revenue growth in the Commerce segment when compared to 3Q21, 4Q21, 1Q22 and 2Q22, when growth was around 34%, 42%, 44% and 45%, respectively. Organic growth in 3Q22 vs 3Q21 was **60%**.

Among the acquired companies in the Commerce segment, we highlight the solid growth of **68%** of Bling and Melhor Envio in 3Q22 vs 3Q21. 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 78% of total net revenue from the acquisitions (Bling, Melhor Envio, Squid, and Octadesk), proforma growth in 3Q22 was **45%**.

Net Operating Revenue from BeOnline/SaaS increased by 3.1%, from R$ 103.5 million in 3Q21 to R$ 106.7 million in 3Q22.

As previously mentioned in this report, in the BeOnline / SaaS segment, we introduced a change in the commercial strategy of the corporate operation with the discontinuation of some products and services, aiming at an increased profitability versus operation growth, which impacted the expansion of the segment's Net Revenue (+3.1% vs 3Q21).

Operating Costs and Expenses

(R$ million)

LOCAWEB COMPANY	3Q22	3Q21	vs 3Q21	9M22	9M21	vs 9M21
Cost of Services	164.7	108.2	52.2%	455.7	297.8	53.0%
% Net Revenue	*54.1%*	*51.7%*	*2.4 p.p.*	*54.5%*	*53.7%*	*0.8 p.p.*
Selling Expenses	65.5	45.7	43.6%	185.4	107.4	72.6%
% Net Revenue	*21.5%*	*21.8%*	*-0.3 p.p.*	*22.2%*	*19.4%*	*2.8 p.p.*
General and Administrative Expenses	60.6	53.0	14.3%	164.3	136.0	20.8%
% Net Revenue	*19.9%*	*25.3%*	*-5.4 p.p.*	*19.7%*	*24.5%*	*-4.9 p.p.*
Other Operating (Revenues) Expenses	8.8	(0.2)	-4116.1%	(0.8)	(1.1)	-27.7%
% Net Revenue	*2.9%*	*-0.1%*	*3.0 p.p.*	*-0.1%*	*-0.2%*	*0.1 p.p.*
Total Operating Cost and Expenses	**299.6**	**206.6**	**45.0%**	**804.7**	**540.2**	**49.0%**
% Net Revenue	*98.5%*	*98.8%*	*-0.3 p.p.*	*96.3%*	*97.4%*	*-1.1 p.p.*

Locaweb's total operating costs and expenses grew by 45.0% in 3Q22 when compared to the same period in the previous year. In the first nine months of 2022, growth reached 49.0%

Cost of Services

The cost of services in 3Q22 was R$164.7 million and R$108.2 million in the same period in 2021, an increase of 52.2% in the comparison between the two periods, which represented 54.1% of net revenue in 3Q22 and 51.7% in 3Q21, an expansion of 2.4 p.p., impacted, mainly, by the acquired companies that have, at the moment, different cost structures from the organic operations.

Selling Expenses

Selling expenses, which encompass the marketing and sales teams, as well as the contracted services of the same nature, in 3Q22 amounted to R$65.5 million, an increase of 43.6% when compared to 3Q21.

As shown in previous quarters, the Company increased its Marketing efforts in the Commerce segment, with the purpose of strengthening 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:

LOCAWEB COMPANY	3Q22	2Q22	3Q21	3Q22 vs 2Q22	3Q22 vs 3Q21
Commerce					
Selling Expenses	45.8	43.9	26.3	4.3%	74.3%
% Net Revenue	*23.2%*	*25.3%*	*24.9%*	*-2.1 p.p*	*-1.7 p.p*
BeOnline / SaaS					
Selling Expenses	19.8	19.4	19.4	2.0%	1.9%
% Net Revenue	*18.5%*	*17.8%*	*18.7%*	*0.7 p.p*	*-0.2 p.p*
Consolidated					
Selling Expenses	65.5	63.3	45.7	3.6%	43.6%
% Net Revenue	*21.5%*	*22.4%*	*21.8%*	*-0.8 p.p*	*-0.3 p.p*

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 3Q22 in the Commerce segment represented 14.9% of the segment's organic net revenue, while in 3Q21, it accounted for 17.7%.

General and Administrative Expenses

General and administrative expenses, which include the teams in the 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 3Q22 was R$ 60.6 million and R$ 53.0 million in the same period of 2021, which represented a growth of 14.3%.

Other Operating Expenses

As explained in the 2Q22 report, the Other Operating Expenses line was positively impacted by the recording of earnouts payments below the amount that had been provisioned (an amount that was excluded from the Adjusted EBITDA calculation). In 3Q22, this amount was reclassified to Financial Expenses, thus generating a negative impact on EBITDA for the quarter, which was adjusted in the calculation of Adjusted EBITDA also in the amount of R$ 9.4 million.

// Gross Profit
(R$ million)

LOCAWEB COMPANY	3Q22	3Q21	vs 3Q21	9M22	9M21	vs 9M21
Commerce	103.5	65.5	58.1%	271.8	160.2	69.7%
Margin (%)	*52.4%*	*62.0%*	*-9.6 p.p.*	*52.7%*	*62.6%*	*-9.9 p.p.*
BeOnline / SaaS	36.1	35.5	1.7%	108.0	96.3	12.1%
Margin (%)	*33.8%*	*34.3%*	*-0.5 p.p.*	*33.7%*	*32.3%*	*1.5 p.p.*
Gross Profit	**139.6**	**100.9**	**38.3%**	**379.8**	**256.5**	**48.1%**
Gross Margin (%)	*45.9%*	*48.3%*	*-2.4 p.p.*	*45.5%*	*46.3%*	*-0.8 p.p.*

Consolidated Gross Profit increased by 38.3% in 3Q22 when compared to 3Q21, reaching R$139.6 million. In 3Q22, there was a drop of 2.4 p.p. in the Gross Margin when compared to 3Q21. In the first nine months of 2022, the Company's Gross Margin recorded a decrease of 0.8 p.p. compared to the same period of the previous year.

The 9.6 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)

LOCAWEB COMPANY	3Q22	3Q21	vs 3Q21	9M22	9M21	vs 9M21
Net Income (Loss)	**(6.4)**	**(3.7)**	**70.8%**	**11.4**	**(8.5)**	**233.6%**
(+) Net Financial Income	(1.6)	(4.2)	-61.0%	(15.4)	0.8	-2061.0%
(+) Current Income Tax and Social Contribution	12.7	10.4	21.8%	34.9	21.9	59.0%
(+) Depreciation and Amortization	26.4	23.4	12.8%	75.5	62.4	20.9%
EBITDA	**31.1**	**25.9**	**20.1%**	**106.3**	**76.6**	**38.7%**
(+) Stock Options Plan and Restricted Shares Plan	6.0	2.8	113.5%	10.9	9.4	16.2%
(+) M&A Expenses	4.1	4.9	-16.1%	6.1	17.7	-65.3%
(+) 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	0.0	0.0	n/a
(+) Others	(0.2)	0.0	n/a	0.4	0.0	n/a
Adjusted EBITDA	**50.4**	**33.6**	**50.2%**	**123.7**	**111.4**	**11.1%**
Adjusted EBITDA Margin (%)	*16.6%*	*16.0%*	*0.5 p.p.*	*14.8%*	*20.1%*	*-5.3 p.p.*

As a result of the figures presented above, Locaweb's Adjusted EBITDA in 3Q22 was R$50.4 million, 50.2% higher than in 3Q21, with the Adjusted EBITDA Margin expanding by 0.5 pp in the same period.

It is worth noting that in comparison with the immediately preceding quarters, we continue to observe an improvement in the group's consolidated margins, from 12.9% in 4Q21, 13.2% in 1Q22, and 14.3% in 2Q22 to 16.6% in 3Q22.

EBITDA and Adjusted EBITDA by segment
(R$ million)

LOCAWEB COMPANY	3Q22	3Q21	vs 3Q21	9M22	9M21	vs 9M21
Commerce						
Adjusted EBITDA	27.7	16.7	66.1%	64.8	57.1	13.5%
Adjusted EBITDA Margin (%)	*14.0%*	*15.8%*	*-1.8 p.p.*	*12.6%*	*22.3%*	*-9.8 p.p.*
BeOnline / SaaS						
Adjusted EBITDA	22.7	16.9	34.4%	58.9	54.3	8.5%
Adjusted EBITDA Margin (%)	*21.2%*	*16.3%*	*5.0 p.p.*	*18.4%*	*18.2%*	*0.2 p.p.*
Consolidated						
Adjusted EBITDA	**50.4**	**33.6**	**50.2%**	**123.7**	**111.4**	**11.1%**
Adjusted EBITDA Margin (%)	*16.6%*	*16.0%*	*0.5 p.p.*	*14.8%*	*20.1%*	*-5.3 p.p.*

The Commerce Adjusted EBITDA Margin decreased by 1.8 pp in 3Q22, mainly driven by the results of the acquired companies, as presented in the beginning of the report. It is worth remembering that both Commerce and BeOnline / SaaS organic operations had margin expansion compared to the previous quarter (2Q22).

// Financial Result

(R$ million)

LOCAWEB COMPANY	3Q22	3Q21	vs 3Q21	9M22	9M21	vs 9M21
Financial revenues	49.3	25.4	94.3%	139.7	49.8	180.5%
Financial expenses	(47.7)	(21.2)	125.0%	(124.2)	(50.6)	145.7%
Net financial income (expenses)	**1.6**	**4.2**	**-61.0%**	**15.4**	**(0.8)**	**2061.0%**

The net financial result in 3Q22 was R$1.6 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) Effects of Earnouts, which total R$ 33.4 million;
   a. Effect of Adjustment to Present Value of Earnouts from acquisitions, which totaled R$ 18.0 million in the quarter compared to R$ 15.0 million in 3Q21;
   b. Incremental provisioning of approximately R$ 16 million (equivalent to approximately 2% of the previously recorded liability) for the payment of the respective Earnouts, as presented at the beginning of the report;

(ii) The expense of R$16 million resulting from the advance of receivables at Vindi, the modality chosen by the Company to finance the working capital necessary for the payment operations. This expense was higher than that of 1Q22 (R$ 3.6 million) and 2Q22 (R$11 million) in view of 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 has been occurring along 3Q22, through the readjustment of fees for services provided.

Regarding the growth in financial expenses, it is important to point out that, based on the experience with the payment operation (Yapay) launched in 2015, the Company believes in the thesis of embedded finance as an important factor in the profitability of the operation, since it brings growth and product differentiation to our customers.

Within this horizon of ecosystem integrations, the Company found an opportunity to continue expanding this strategy. The POS solution, whose efforts and deliveries were addressed on our Investor Day, is a first step, which precedes other solutions such as credit and banking and, within an Ecosystem where the customer acquisition cost has already been made, the offer of these new solutions to the customer directly leads to the expansion of the ARPU for the Company.

Net Income and Adjusted Net Income
(R$ million)

LOCAWEB COMPANY	3Q22	3Q21	vs 3Q21	9M22	9M21	vs 9M21
Net income	**(6.4)**	**(3.7)**	**-70.8%**	**11.4**	**(8.5)**	**233.6%**
(+) Stock Options Plan and Restricted Shares Plan	6.0	2.8	113.5%	10.9	9.4	16.2%
(+) Intangible amortization	9.8	8.5	15.0%	28.8	19.3	49.3%
(+) Adjustment of Acquisition Earnout	33.4	15.0	123.3%	69.2	32.2	114.8%
(+) Deferred income tax and social contribution	(8.3)	2.6	-425.1%	(17.9)	1.4	-1383.2%
(+) CPC 06 adjustment	(1.6)	0.4	-501.3%	(1.0)	1.1	-192.9%
(+) MtM	0.0	0.0	100.0%	0.1	(1.6)	-109.4%
(+) IPO and Follow-on Expenses	0.4	0.0	72862.4%	0.4	5.1	-91.4%
Adjusted net income	**33.4**	**25.6**	**30.8%**	**101.9**	**58.3**	**74.7%**
Adjusted net income margin (%)	*11.0%*	*12.2%*	*-1.2 p.p.*	*12.2%*	*10.5%*	*1.7 p.p.*

Based on the figures presented above, Locaweb's Adjusted Net Income in 3Q22 was R$ 33.4 million, a growth of 30.8% compared to 3Q21.

Indebtedness / Cash Position
(R$ million)

LOCAWEB COMPANY	3Q22	2Q22	1Q22	4Q21	3Q21	2Q21
(+) Loan and financing	0.5	11.2	10.4	29.0	33.1	48.6
(-) Derivatives Result (FX swap) [1]	0.0	(2.7)	(1.8)	(8.7)	(9.7)	(10.2)
Bank Gross Debt	**0.5**	**8.5**	**8.6**	**20.3**	**23.3**	**38.4**
(-) Cash and cash equivalents [2]	(1,420.9)	(1,438.3)	(1,546.4)	(1,586.1)	(1,803.6)	(1,896.0)
Net debt (cash) (ex lease liability)	**(1,420.4)**	**(1,429.8)**	**(1,537.8)**	**(1,565.8)**	**(1,780.3)**	**(1,857.6)**
(+) Lease liability [3]	79.3	81.9	74.7	76.8	74.7	76.7
Net debt (cash)	**(1,341.2)**	**(1,347.9)**	**(1,463.1)**	**(1,488.9)**	**(1,705.6)**	**(1,780.9)**

[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 2021 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 and 2022, the Company presented a net cash balance of R$ 1,420.4 million in 3Q22. Excluding the effects of the adoption of IFRS 16, the net cash balance is R$ 1,341.2 million.

Also noteworthy are the potential earnouts payable arising from the acquisitions, which total R$841.8 million.

Cash Flow
(R$ million)

LOCAWEB COMPANY	3Q22	3Q21	vs 3Q21	9M22	9M21	vs 9M21
Income (loss) before income taxes	**6.3**	**6.7**	**-5.5%**	**46.3**	**13.4**	**245.6%**
Items that do not affect cash	67.4	41.1	64.1%	159.5	108.3	47.4%
Variations in working capital	9.5	16.5	42.3%	(63.0)	(8.9)	-607.2%
Net cash provided by operating activities (A)	**83.3**	**64.3**	**29.5%**	**142.7**	**112.7**	**26.6%**
Capex for permanent assets	(11.3)	(11.3)	0.5%	(33.0)	(36.3)	-9.2%
Capex for development	(14.5)	(12.0)	20.8%	(41.0)	(28.6)	43.4%
Free Cash Flow - After Capex	**57.4**	**41.0**	**40.0%**	**68.8**	**47.8**	**43.8%**
Acquisition	(49.1)	(108.5)	-54.8%	(189.4)	(871.1)	-78.3%
Other Investments	(13.3)	3.7	-462.5%	(11.6)	3.7	-416.5%
Net cash provided by investment activities (B)	**(88.2)**	**(128.1)**	**-31.2%**	**(274.9)**	**(932.3)**	**-70.5%**
Subscription of capital stock	0.0	1.0	-98.2%	4.0	2,282.5	-99.8%
Loan and financing	(8.1)	(18.4)	-55.9%	(20.7)	(50.3)	-59.0%
Commercial lease	(4.4)	(3.4)	29.1%	(12.9)	(10.1)	27.5%
Dividends and interest on equity	0.0	0.0	n/a	0.0	0.0	n/a
Others	0.0	(6.8)	-100.0%	(1.7)	(6.8)	-74.8%
Net cash provided by financing activities (C)	**(12.5)**	**(27.5)**	**-54.8%**	**(31.3)**	**2,215.3**	**-101.4%**
Net increase (decrease) in cash and cash equivalents (A + B + C)	**(17.4)**	**(91.3)**	**-81.0%**	**(163.5)**	**1,395.7**	**-111.7%**

Net cash from operations totaled R$ 83.3 million in 3Q22 compared to R$ 64.3 million in 3Q21. The increase is directly related to the better management of the Company's working capital, especially at Vindi.

The “Acquisition” cash outflow of R$ 49.1 million in 3Q22 refers to the acquisition of Síntese in August and the payment of earnouts installments and/or of acquisition price adjustments.

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

LOCAWEB COMPANY	3Q22	3Q21	vs 3Q21	9M22	9M21	vs 9M21
Adjusted EBITDA	50.4	33.6	50.2%	123.7	111.4	11.1%
Capex	25.8	23.3	10.9%	74.0	64.9	14.0%
Cash Generation (R$ M)	**24.6**	**10.3**	**139.1%**	**49.8**	**46.5**	**7.1%**
Cash conversion (%)	48.8%	30.6%	18 p.p.	40.2%	41.7%	-2 p.p.
Capex as a % of Net Revenue	8.5%	11.1%	-3 p.p.	8.9%	11.7%	-3 p.p.

The Company's cash generation, measured by Adjusted EBITDA minus Capex, grew by 139.1% in 3Q22. Total Capex grew by 10.9% compared to 3Q21 and represents, as mentioned in 1Q22 and 2Q22, about 25% of the total capital budget approved at the General Shareholders' Meeting. Capex for intangibles was in line with that presented in 3Q21, 4Q21, 1Q22, and 2Q22.

Also noteworthy is the Capex dilution, which has grown at a slower pace than the growth in Net Revenue.

// ATTACHMENT I - INCOME STATEMENT

Income Statement (in R$ million)	3Q21	3Q22	9M21	9M22
NET REVENUE	**209.1**	**304.3**	**554.3**	**835.6**
Cost of Services	(108.2)	(164.7)	(297.8)	(455.7)
GROSS PROFIT	**100.9**	**139.6**	**256.5**	**379.8**
Operating income (expenses)	**(98.4)**	**(134.9)**	**(242.3)**	**(349.0)**
Selling expenses	(45.7)	(65.5)	(107.4)	(185.4)
General and administrative expenses	(53.0)	(60.6)	(136.0)	(164.3)
Other operating income (expenses), net	0.2	(8.8)	1.1	0.8
Income before financial results and income taxes	**2.5**	**4.7**	**14.2**	**30.8**
FINANCIAL RESULT	**4.2**	**1.6**	**(0.8)**	**15.4**
Financial income	25.4	49.3	49.8	139.7
Financial expenses	(21.2)	(47.7)	(50.6)	(124.2)
Income (loss) before income taxes	**6.7**	**6.3**	**13.4**	**46.3**
Income Taxes	**(10.4)**	**(12.7)**	**(21.9)**	**(34.9)**
Current income taxes	(7.9)	(21.0)	(20.5)	(52.8)
Deferred income taxes	(2.6)	8.3	(1.4)	17.9
Net income (loss)	**(3.7)**	**(6.4)**	**(8.5)**	**11.4**

* 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)	3Q21	3Q22	9M21	9M22
GROSS REVEVENUE, net of rebate	**113.5**	**117.6**	**327.3**	**350.8**
Taxes and rebates	(10.0)	(10.9)	(28.7)	(30.6)
NET REVENUE	**103.5**	**106.7**	**298.6**	**320.2**
Cost of Services	(68.1)	(70.6)	(202.3)	(212.2)
GROSS PROFIT	**35.5**	**36.1**	**96.3**	**108.0**
Operating income (expenses)	**(43.1)**	**(48.4)**	**(121.4)**	**(117.4)**
Selling expenses	(19.4)	(19.8)	(51.4)	(57.7)
General and administrative expenses	(23.8)	(19.8)	(70.3)	(60.5)
Other operating income (expenses), net	0.1	(8.8)	0.3	0.7
Income before financial results and income taxes	**(7.7)**	**(12.4)**	**(25.1)**	**(9.4)**
Depreciation and amortization	17.9	18.7	48.8	55.4
EBITDA	**10.2**	**6.4**	**23.7**	**46.0**

* 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)	3Q21	3Q22	9M21	9M22
GROSS REVEVENUE, net of rebate	**118.2**	**215.9**	**286.1**	**564.3**
Taxes and rebates	(12.6)	(18.3)	(30.3)	(48.9)
NET REVENUE	**105.6**	**197.6**	**255.8**	**515.4**
Cost of Services	(40.1)	(94.1)	(95.6)	(243.6)
GROSS PROFIT	**65.5**	**103.5**	**160.2**	**271.8**
Operating income (expenses)	**(55.3)**	**(86.4)**	**(120.9)**	**(231.6)**
Selling expenses	(26.3)	(45.8)	(56.0)	(127.8)
General and administrative expenses	(29.2)	(40.7)	(65.7)	(103.9)
Other operating income (expenses), net	0.2	0.1	0.8	0.1
Income before financial results and income taxes	**10.2**	**17.1**	**39.3**	**40.2**
Depreciation and amortization	**5.5**	**7.7**	**13.6**	**20.1**
EBITDA	**15.7**	**24.7**	**53.0**	**60.3**

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

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ATTACHMENT IV - Consolidated Balance Sheet

Assets (R$ million)	Sep, 2022	Dec, 2021
Current Assets		
Cash and cash equivalents	1,420.9	1,584.4
Restricted cash	-	1.7
Accounts receivable	610.2	503.6
Taxes recoverable	14.8	6.2
Income tax and social contribution to be recovered	19.1	25.3
Derivatives	-	8.7
Other assets	28.9	22.0
Total current assets	**2,094.0**	**2,151.9**
Non-current assets		
Marketable Securities	13.3	-
Restricted cash	-	-
Judicial deposits	0.5	0.5
Other assets	5.8	4.3
Deferred income taxes	59.7	42.0
Investments	95.3	88.7
Porperty and equipment	71.3	69.6
Intangible assets	2,279.4	2,218.8
Total non-current assets	**2,525.4**	**2,423.9**
Total assets	**4,619.4**	**4,575.9**

Liabilities and Equity (R$ mln)	Sep, 2022	Dec, 2021
Current liabilities		
Suppliers	52.7	42.1
Loans and financing	0.4	28.7
Lease liability	11.4	9.3
Salaries and related charges	103.1	71.7
Income tax and social contribution payable	0.4	1.0
Other taxes payable	11.3	9.4
Deferred revenue	74.8	58.2
Payables to clients	458.2	414.8
Interest on shareholders' equity and dividends payable	0.0	0.0
Taxes in installments	2.9	2.9
Accounts payable to former shareholders	268.2	36.1
Other liabilities	3.3	2.7
Total current liabilities	**986.9**	**677.0**
Non-current liabilities		
Loans and financing	0.1	0.3
Deferred revenue	2.9	1.1
Provision for legal proceedings	5.8	2.7
Accounts payable to former shareholders	573.5	868.1
Lease liability	67.9	67.6
Taxes in installments	16.3	17.3
Deferred income tax and social contribution	1.1	1.4
Other liabilities	5.0	5.2
Total non-current liabilities	**672.7**	**963.8**
EQUITY		
Capital Stock	2,930.7	2,926.8
Shares held in Treasury	(47.5)	(45.8)
Capital reserves	60.8	49.6
Earning reserves	4.4	4.4
Earnings of the period	11.4	-
Total EQUITY	**2,959.8**	**2,935.1**
Total liabilities and equity	**4,619.4**	**4,575.9**

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ATTACHMENT V - Cash Flow

Cash Flow (R$ mln)	3Q22	3Q21	9M22	9M21
Net Cash provided by operating activities				
Income (loss) before income taxes	**6.3**	**6.7**	**46.3**	**13.4**
Items that do not affect cash	**67.4**	**41.1**	**159.5**	**108.3**
Variations in working capital	**9.5**	**16.5**	**(63.0)**	**(8.9)**
Net cash provided by operating activities	**83.3**	**64.3**	**142.7**	**112.7**
Net cash provided by investment activities				
Purchase of property and equipment	(11.3)	(11.3)	(33.0)	(36.3)
Accounts payable for acquisition of equity interest	(21.0)	-	(161.3)	(1.1)
Restricted Financial Application	(13.3)	3.7	(11.6)	3.7
Acquisition of subsidiaries, net of cash acquired	(28.1)	(108.5)	(28.1)	(870.0)
Acquisition and development of intangible assets	(14.5)	(12.0)	(41.0)	(28.6)
Net cash provided by investment activities	**(88.2)**	**(128.1)**	**(274.9)**	**(932.3)**
Net cash provided by financing activities	**(12.5)**	**(27.5)**	**(31.3)**	**2,215.3**
Net increase (decrease) in cash and cash equivalents	**(17.4)**	**(91.3)**	**(163.5)**	**1,395.7**
Cash and cash equivalents at beginning of the year	1,438.3	1,891.7	1,584.4	404.6
Cash and cash equivalents at end of the year	1,420.9	1,800.3	1,420.9	1,800.3
Net increase (decrease) in cash and cash equivalents	**(17.4)**	**(91.3)**	**(163.5)**	**1,395.7**