

São Paulo, November 11, 2020: LocaWeb Serviços de Internet S.A. (B3: LWSA3) announces to its shareholders and the market in general its results for 3Q20

## Highlights

Net Revenue of **R\$126.2** million in 3Q20, up by **23.8%** over 3Q19

Commerce reached **R\$40.3** million in Net Revenue, up by **90.3%** over 3Q19

When compared to 2Q20, Net Revenue for the Commerce segment grew by **23.2%**

In 3Q20, Commerce's EBITDA grew **113.6%** over 3Q19, totaling **R\$17.0** million and already represents **47.5%** of the group's EBITDA

**Intensification** of **Marketing** efforts with maintenance of profitability of the operation

In the Commerce segment, GMV grew by **90.4%** in 3Q20 vs. 3Q19, totaling **R\$1.9** billion

Commerce's TPV grew by **160.8%** in 3Q20 vs. 3Q19, reaching **R\$518.0** million

The addition of new stores in Commerce increased by **341.6%** in 3Q20 versus 4Q19 (Store owners base nearly doubled between January and September 2020)

BeOnline/SaaS reached **R\$85.9** million in Net Revenue, up by **6.4%** over 3Q19

Adjusted EBITDA totaled **R\$35.8** million in 3Q20, up by **17.9%** over 3Q19

Operating Cash Generation<sup>1</sup> of **R\$57.0 million** in 9M20, up by **46.8%** vs 9M19

Adjusted Net Income of **R\$12.5** million in 3Q20, up by **30.4%** over 3Q19

Net Cash Position<sup>2</sup> of **R\$378.2** million. Excluding the effects of IFRS 16, Net Cash Position totals **R\$449.3** million

We have consistently advanced in our M&A process: **Social Miner**, **Etus** and **Vindi**

### Conference Call (simultaneous translation): Nov 13, 2020

3:00 p.m. (Brasília time): +1 (412) 717-9627

1:00 p.m. (USA - EST): +1 (844) 204-8942

Access Code: LOCAWEB

### Investor Relations

+55 11 3544-0479

ri.locaweb.com.br

ri@locaweb.com.br



<sup>1</sup> Adjusted EBITDA less Capex

<sup>2</sup> Corresponds to loans and financing less the balance of derivatives (foreign exchange swap), less cash and cash equivalents

## // Comments from the Management

We are, once again, pleased to present Locaweb's results for the third quarter 2020, thus completing the first cycle of four releases, starting with 4Q19 results. The highlight of the third quarter of 2020 was, once again, a consistent result in all our business lines (especially the 90% growth in Commerce) and by a robust move in M&A.

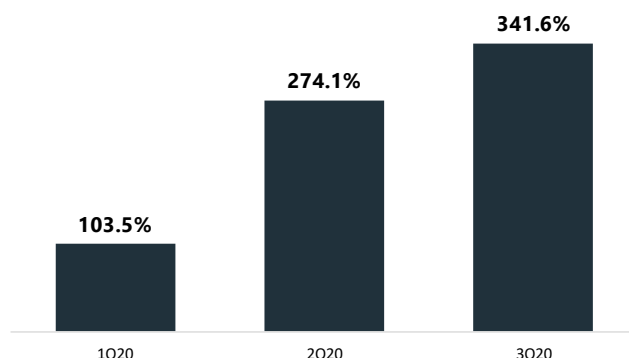
As detailed in other quarters, growth in the Commerce segment relies basically on two factors: (i) the increase in GMV within the existing customer base and (ii) the entrance of new customers, which will contribute to subscription revenues and expanding GMV according to the success of their stores.

In relation to GMV growth, the quality of our ecosystem, which continues to be expanded rapidly and already includes more than 328 integrations, as well as the quality of our platform, contributed to the increase in our customers' sales volume and made our growth much higher than the market:

- In 6M20 vs 6M19 our GMV grew 74% vs 47% of the market (according to Webshoppers 42). That is, our growth was 57% higher than the market.
- In 3Q20 vs 3Q19 our GMV grew 90.4% vs 43.5% of the market (according to Ebit). That is, our growth was 108% higher than the market.

There are two important points to be noted. The first is that we are increasingly accelerating our growth in relation to the market, which was already noticed with the increase of our market share in GMV, which went from 5.0% in 2019 to 7.5% in 6M20. The second point is that, even with the reopening of the economy, we accelerated the growth of our GMV in 3Q20 (90.4% vs 74%).

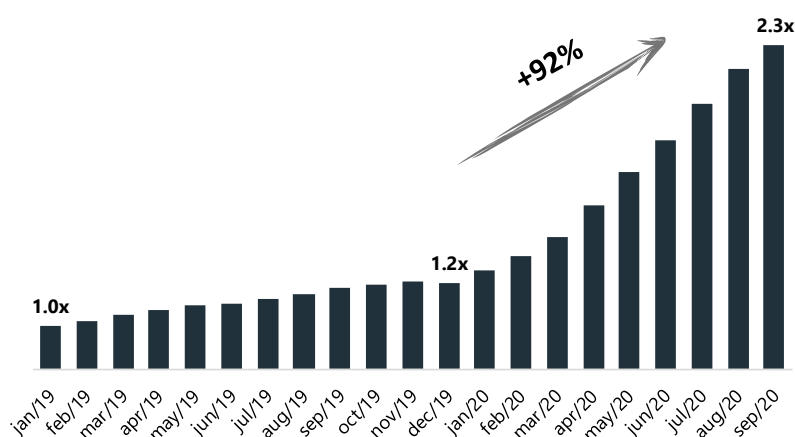
In terms of addition of new stores, we reported, for the third consecutive quarter, the best quarter in the history of our Commerce business, even considering the process to reopen the economy. In 3Q20, the number of new stores increased by 341.6% over 4Q19. With these volumes of new entrants, we strengthened our position as the largest, best and most efficient digitalization tool for Small and Medium Business (SMBs) in Brazil, paving the way for a strong growth in revenue for coming quarters. The chart below shows the growth in addition of new stores compared to the last quarter of 2019:



This significant increase in new stores in 3Q20 is due to three factors: (i) increased number of tool integrations, keeping our attractiveness compared to the competition; (ii) additional marketing efforts to directly attract new customers; and (iii) brand marketing efforts.

Despite the intensification of marketing efforts in 3Q20, we were able to maintain the profitability of the Commerce operation. This is due to the scalability and efficiency of our operation and will make us consolidate our leadership position, maintaining the profitability of the operation.

As a result of the strong entrance of new stores on the Tray platform, we saw a robust growth in our customer base since January 2019, as shown in the chart below:



Through the increase in the number of new clients and churn trends similar to what we observed in the second half of 2019, we are paving the way for a great revenue growth in the coming years since ARPU of new clients is multiplied by 7x over the next three years as the average spending level of new clients reach the same levels of our mature customer base.

In 3Q20, in the BeOnline/SaaS segment, we took an important step in the group's cross-sell agenda, making available for KingHost one of Locaweb's most successful products, Cloud VPS. In this model, Locaweb adapted its product so that KingHost can offer to its customers the product that best fits its customer profile, with all the product's robustness and scalability already offered by Locaweb.

Besides the start of the process to offer SaaS products at KingHost, we continued, as reported in the second quarter, to rollout of the integration between Delivery Direto and our payment solution Yapay. Currently around 50% of the customer base of Delivery Direto is already qualified to use Yapay in the payment system through Delivery Direto platform, which will help increase the amount transacted at Yapay.

Also regarding Delivery Direto, we continue to see a strong growth in new customers, even after the economy reopened. Currently, the customer base already grew by 118.1% compared to one year ago, when we acquired the company.

The sales volume for SMEs in the BeOnline/SaaS segment remains fast-paced. Since the beginning of 2020, sales in the segment have grown 25% vs. 9M19, while sales in 3Q20 grew 24% YoY. Sales to the large

accounts segment, served by our Nextios brand, went through a major sales recovery this quarter, growing over 100% compared to 3Q19, which will bring good results in this segment in 2021.

In October we had a great achievement, our Tray/Tray Corp/Yapay and KingHost units won the GPTW (Great Place to Work) award, placed among the top 35 Brazilian medium companies to work in 2020. This award results from excellent practices we adopt in Locaweb group and what we hear from our employees, building an organization increasingly adapted to our society and committed to building an environment that continues to encourage new ideas, projects and products, besides developing and retaining talents.

At the end of 3Q20 and the beginning of 4Q20, we had a strong M&A move, with three companies, which reinforce our solutions ecosystem with strong synergy in customers from all segments of the group: BeOnline, SaaS and Commerce. We will talk specifically about each of the companies in another chapter of this report.

It should be noted that, even with the deals announced, we remain capitalized with the funds obtained from the IPO, which, will continue to be mainly used for new acquisitions. We maintain our search pace for new acquisitions, using the same principles that guided us in the past.

## **Business Highlights for the Quarter**

### **// M&As**

#### **// Etus**

Etus, founded in 2015 with headquarters in the city of Ribeirão Preto in the countryside of the state of São Paulo, is a company that offers the most complete and robust solution for management and digital marketing on social networks, such as Facebook, Instagram, LinkedIn, Pinterest, and Twitter, among others, and already has over 100,000 brands served.

On the platform, it is possible to schedule and boost posts, manage interactions with network profiles, capture leads, issue complete reports on all actions, among other features, in a single environment. Etus has advanced features to ensure an excellent positioning, which significantly increases the customer success, conversion and improves after sales.

With a SaaS business model, Etus has a product already consolidated in the market and adopts, like 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. As a first step towards capturing synergies, since the acquisition date, we have included Etus on our websites to ensure an important source of traffic for this company's inbound and sales channels. However, the biggest gains will occur with the offer on product control panels such as hosting, which will be done in the first quarter of 2021.

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

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

## **// Social Miner**

Social Miner, founded in 2014 with headquarters in the city of São Paulo, is a company that offers a SaaS platform for e-commerces and retailers to increase sales, engage consumers, convert visitor flows to registrations and/or purchases and decrease the cost of acquiring customers, using big data and artificial intelligence.

The platform allows real-time interactions with e-commerce visitors, through behavioral messages, personalized web pushes and other smart channels, always in line with the strategy defined by the customer.

Through artificial intelligence, Big Data and Machine Learning, we will be able to define the best moment to impact the user, with individualized content, in the right channel, thereby increasing sales, reducing our customers' media costs and decreasing the cost to bring new users - while increasing the Life Time Value (LTV) of consumers.

With the integration of solutions from Social Miner, which has a consolidated product in the market, and All In, a company acquired by LocaWeb in 2013, we now offer a complete suite of services that follows the entire consumer journey for e-commerces and retailers of all segments and sizes, which will be very important to boost the sales of customers of our e-commerce platform Tray.

This M&A is consistent with the Company's strategy to offer the largest and most complete ecosystem to support our retailers in the process to accelerate their sales.

Following the Company's operating model in other acquisitions, the founding partners of Social Miner, Ricardo Rodrigues and Roger Mattos, will remain in the Social Miner operation.

## **// Vindi**

Our Board of Directors approved the formalization of a binding proposal to acquire up to 100% of the total share capital (on a fully diluted basis) of Vindi Tecnologia e Marketing S.A., a company that offers solutions in the subscription model (plans and monthly fees) and combines recurring billing software with a payment platform.

On the same formalization date, the binding proposal has already been accepted by shareholders representing 79.33% of Vindi's total share capital (on a fully diluted basis), including the three founding shareholders who also are Vindi's main executives and will remain in the Company.

We will keep the market and our shareholders up to date on the facts after the presentation of the binding proposal.

## // Commerce

*"Even with the economy reopened, our efforts to offer the best platform to the market together with marketing efforts have led us to increase our volume of new customer."*

Fernando Cirne, CEO of Locaweb

- Reinforcing our position to have the most complete ecosystem for Brazilian ecommerce, this quarter we had 158 new integrations on the platform, reaching 328 integrations that really contribute to our customer's success.
- Focused on the stores' performance for Black Friday, several optimizations were applied on the platform. With emphasis on the optimization of key tools for the store owner's operation and also for the store's performance to increase access by simultaneous buyers. The improvements bring a better use of the platform's caches, leading to more access received without the need to increase the number of servers.
- We continued optimizing the new Administrative Panel, implementing new features in the store owners' dashboard with the comparison of data with previous periods, making it even easier to access information about their store. In addition, new order filters were applied, making it easier to find information. All changes are being made based on suggestions from store owners, increasingly ensuring the rise of the NPS of the application.
- Focused on keeping our integration with Mercado Livre, always with the main features, improvements were made to the creation of advertisements. Among the improvements we highlight the display on the ad's health (bringing key information so that store owners may increase their exposure) and also the automatic completion of additional information. Besides optimizing ad ranking, the store owners using Mercado Livre in the "Fulfillment" model will be able to monitor the inventory of their ads in this model directly from the Tray platform.
- Evolving our integration with Amazon, Tray now has integration with "FBA Classic". This model will allow the store owners to use storage and logistical operations entirely via Amazon, controlling the inclusion of their products and monitoring the flow of orders through Tray.
- Thinking about making our corporate solution even more complete, we improved our distribution multi-center feature allowing our store owners to sell with several inventories, and create rules to provide easy pick-up, drive-thru and pick-up at own stores.
- So that store owners can set better shipping strategies for their store, *Frete Fácil* now allows store owners to set discounts or additional values for their shipping quotes. They can even set free shipping for some tables in their online store, focusing on increasing the average sales ticket.
- In this quarter, our *Loja de Temas* reached 117 themes available for our customers to easily choose what best suits their business, between paid and free options.
- We were certified by nine new partners, further increasing our certified network and now totaling 193 accredited partners, including agencies, consultancies, pictures, content, and sales.

## // BeOnline / SaaS

*"We intensified the development of new products and features in our existing solutions, consolidating Locaweb as the largest platform for digitizing SME customers in Brazil. We continue working to increase the cross-sell possibilities within our customer base."*

Fernando Cirne, CEO of Locaweb

- This quarter, hosting customers benefited from a new WordPress application installer. With it, besides the company's operational efficiency gain, we now provide the customer with a better experience and much more speed in the installation of this content management software (CMS) which is widely used by entrepreneurs and developers worldwide.
- At the end of the quarter, we replaced our SPAM filter software with artificial intelligence Anti-SPAM software to provide to Locaweb E-Mail customers more possibilities to filter unwanted messages and more security in email phishing and malware filters. Customers now have more robust and accurate filtering options.
- Using synergies with Locaweb, KingHost made available a new range of Professional E-Mail products, for customers looking for mailboxes with extensive security (backup, SSL certificate, anti-virus and anti-SPAM) and who need to professionalize their companies with their own domain.
- We took an important step in the Cross-Sell agenda this quarter, making available for KingHost one of Locaweb's most successful products, Cloud VPS. In this model, Locaweb adapted its product so that King Host can offer to its customers the product that best fits its customer profile, with all the product's robustness and scalability already offered by Locaweb.
- As a first step towards capturing synergies, since the acquisition date, we have included Etus on our websites to ensure an important source of traffic for this company's inbound and sales channels. However, the biggest gains will occur with the offer on product control panels such as hosting, which will be done in the first quarter of 2021.
- Reinforcing the synergy between the Group's units, we continue with the rollout of the integration between Delivery Direto and Yapay. Currently around 50% of the customer base is already qualified to use Yapay in the payment system through Delivery Direto platform.
- Still under the effect of the fast-paced digitalization of restaurants, Delivery Direto's customer base continues to grow at a fast pace, up by 118% YoY. We also continue to see the digitalization's impact on the GMV's increase for the quarter, up by 3.1 times over 3Q 2019.
- Reinforcing the pioneering spirit and position of the market's best own delivery app, in the quarter we launched important tools such as the digital menu with QR Code for restaurants to be able to reopen without contact, adjustments to LGPD and multi-store tools for franchises.



## // People

*"Our Tray/Tray Corp/Yapay and KingHost units were recognized as one of the best companies to work for, according to GPTW (Great Place to Work). This award results from Locaweb group's commitment to its employees, besides its consistent investment in benefits, career plans, leadership training program, and professional recognition."*

Fernando Cirne, CEO of Locaweb

- Our COVID-19 crisis committee continues to daily monitor the numbers of cases in all operating regions, as well as government decisions, recommendations from health agencies and market practices. Based on this information, besides the results from the return survey and customer feedback, we made the decision to start the gradual return to the office with the service team. To this end, measures were adopted such as: mandatory training for those returning, strict rules on wearing masks and keeping a distance between professionals, specific guidelines for managers, reinforcement of office cleaning, distribution of individual protection kits and table hygiene, acrylic protection, sanitary mats, among others. The measures continue to be periodically reviewed to ensure the health and safety of our professionals.
- For employees who are still at home, we launched our Telework Guide with tips on how to keep the productivity, good relationships with the team and health when working from home.
- We kept the fast pace of hiring, adding over 300 new employees this quarter across the group, reinforcing our commitment to provide quality services to our customers and contribute to the country's digital transformation.
- We are committed to Inclusion & Diversity in all our processes and this quarter we analyzed the data from the company's 2<sup>nd</sup> Inclusion & Diversity census, with the main results of increasing the presence of women in the company and in leadership positions, increasing the number of black people and LGBTQIA+ people identified in the survey.
- Focused on the mental health of Locawebbers, we have organized a special program for Yellow September with round tables, lectures, exercises and psychological support for our professionals.
- We launched the Quero ser Dev 2020 program, this time in a special edition, entirely focused on female developers. We had a total of 983 registrations, 310% more women than last year, from 23 different states.
- In October, our Tray/Tray Corp/Yapay and KingHost units won the Great Place to Work award, placed among the top 35 Brazilian medium companies to work in 2020. This achievement results from practices we adopt in Locaweb Group and what we hear from our employees, building an organization increasingly adapted to our society and committed to building an environment that continues to encourage new ideas, projects and products, besides developing talents.



## // Sustainability

*"We seek to achieve economic, environmental and social balance in all of our actions, leading our business with socio-environmental responsibility and contributing to a sustainable development. The purposes of our investments in sustainability are to expand our presence in the community, to encourage teamwork in volunteer work and to provide training in skills that are important for entering the job market"*

Fernando Cirne, CEO of Locaweb

- Besides the actions related to the People pillar, such as inclusion & diversity, mentioned above, we have three sub-themes in social responsibility: Consulting, Knowledge and One-Off Actions.
  - In the Consulting pillar, we launched #JuntosNoDigital, an initiative created to help small and medium businesses with content on digital presence, finance, e-commerce and marketing and everything that is part of that moment that calls for creativity and innovation. In addition to information, our employees offer mentoring for entrepreneurs to open or keep their businesses running online. KingHost's #DistantesMasJuntos movement also helps entrepreneurs and small businesses affected by Covid-19 to digitize their operations and continue to sell, by creating a promotion wall in which entrepreneurs can publish their business and contacts for free.
  - In the Knowledge pillar, we will provide training to get young people ready to enter our industry and/or in the job market. Our volunteer employees will be responsible for setting up computer, math, logic and English classes and helping develop these young people. In partnership with the Obra do Berço Association (our partner in hiring young apprentices), we are currently developing a mentoring and monitoring project for ten vulnerable young people to provide training in soft skills and core skills for the job market, all with the support of executives from business units and customers/partners.
  - Also on the Knowledge pillar, we launched new content at *Escola de E-commerce* ([www.escoladeecommerce.com.br](http://www.escoladeecommerce.com.br)) to help get the store owner ready and educate the market with good practices, so that they can open their own online stores and have the best results possible. Complementing the knowledge, we have e-Tray, a channel focused on teaching everything about the settings and exclusive features of the Tray platform, with complete courses for each stage when creating an online store.
  - Within One-Off Actions, we supported the institution *Gerando Falcões*, the project *Anjos da Vida* and made donations to *Hospital Santa Casa de Misericórdia* in Porto Alegre, *Peinha* community, among others.
  - In addition to these actions, we also offered free products to some non-profit institutions. Below are some of the partner institutions: VagaLume, Arte Solidária, Casa do Adalto, TenYad, Fundação Lar Harmonia.
- Regarding the Environmental subject, the Company adopted some measures to minimize the environmental impact from its operations, such as:

- New cleaning service agreement, reinforcing waste sorting;
- Changing data center technology to save water consumption;
- Replacing the building's lamps by LED;
- Reducing the use of plastic cups by delivering mugs to employees;
- Digital signature to reduce paper costs;
- Improving the control of the use of air conditioning.

## // Summary Indicators

### // Consolidated

(R\$ million)

<b>locaweb</b>	<b>3Q20</b>	<b>3Q19</b>	<b>vs 3Q19</b>	<b>9M20</b>	<b>9M19</b>	<b>vs 9M19</b>
Net Revenue	126.2	101.9	23.8%	348.1	280.5	24.1%
Gross Profit	54.9	42.8	28.3%	144.8	115.9	25.0%
Gross Margin (%)	43.5%	42.0%	1.5 p.p.	41.6%	41.3%	0.3 p.p.
EBITDA	30.9	29.6	4.4%	74.5	77.3	-3.6%
EBITDA Margin (%)	24.4%	29.0%	-4.6 p.p.	21.4%	27.6%	-6.1 p.p.
Adjusted EBITDA <sup>1</sup>	35.8	30.3	17.9%	93.0	80.7	15.3%
Adjusted EBITDA Margin (%)	28.3%	29.8%	-1.4 p.p.	26.7%	28.8%	-2.0 p.p.
Net Income	7.8	6.0	30.6%	10.8	11.1	-3.2%
Adjusted Net Income <sup>2</sup>	12.5	9.6	30.4%	28.9	17.8	62.1%
Adjusted Net Income Margin (%)	9.9%	9.4%	0.5 p.p.	8.3%	6.3%	1.9 p.p.
Cash Generation <sup>3</sup>	21.5	23.3	-7.9%	57.0	38.8	46.8%
Cash Conversion (%) <sup>3</sup>	60%	77%	-16.8 p.p.	61%	48%	13.1 p.p.
Net debt (cash) <sup>4</sup>	(449.3)	82.4	n/a	(449.3)	82.4	n/a

<sup>1</sup> Adjusted EBITDA refers to the net profit (loss) adjusted by the financial result, income tax and social contribution on profit, depreciation and amortization costs and expenses, expenses with stock option plans, expenses related to mergers and acquisitions; non-recurring bonus expenses considered by the Company's management, financial income related to derivatives used as a hedge instrument against exchange variation on operating liabilities, write-off resulting from the sale of investments of subsidiary company Eventuals and extraordinary IPO expenses.

<sup>2</sup> Adjusted Net Income is calculated from net profit (loss), excluding: (i) stock option plan expenses; (ii) amortization expenses of intangibles resulting from the acquisitions of companies; (iii) adjustments related to CPC 06 (refers to the sum of financial expenses with interest due to updating of lease liabilities and the depreciation expense of right-of-use assets minus lease liability payments already made); (iv) mark-to-market of derivative financial instruments; and (v) extraordinary expenses related to the IPO.

<sup>3</sup> Cash Generation consists of "Adjusted EBITDA – Capex" and Cash Conversion consists of the dividing the "Adjusted EBITDA – Capex" by "Adjusted EBITDA".

<sup>4</sup> Corresponds to loans and financing less the balance of derivatives (foreign exchange swap), less cash and cash equivalents (does not consider lease liabilities related to IFRS 16).

## // Commerce

(R\$ million)

Commerce	3Q20	3Q19	vs 3Q19	9M20	9M19	vs 9M19
Total GMV <sup>1</sup>	1,873.5	984.2	90.4%	4,733.6	2,625.1	80.3%
TPV (Yapay)	518.0	198.6	160.8%	1,141.6	503.8	126.6%
Gross revenue, net of rebate	45.4	23.9	90.5%	108.1	65.2	65.8%
Commerce Take rate <sup>2</sup>	2.4%	2.4%	0.0 p.p.	2.3%	2.5%	-0.2 p.p.
Net Revenue	40.3	21.2	90.3%	95.8	57.8	65.8%
Gross Profit	27.1	14.3	90.1%	65.8	38.5	70.9%
Gross Margin (%)	67.4%	67.4%	-0.1 p.p.	68.7%	66.7%	2.0 p.p.
EBITDA	17.0	7.9	113.6%	40.9	22.3	83.1%
EBITDA Margin (%)	42.1%	37.5%	4.6 p.p.	42.6%	38.6%	4.0 p.p.

<sup>1</sup> Total GMV includes GMV of stores plus GMV of other channels that we offer for integration to our customers.

<sup>2</sup> Take-rate: Gross revenue, net of rebate divided by the Total GMV.

## // BeOnline / SaaS

(R\$ million)

BeOnline / SaaS	3Q20	3Q19	vs 3Q19	9M20	9M19	vs 9M19
Clients EoP - BeOnline / SaaS <sup>1</sup>	372.7	364.4	2.3%	372.7	364.4	2.3%
Gross revenue, net of rebate	94.4	90.5	4.4%	276.7	249.7	10.8%
Net Revenue	85.9	80.8	6.4%	252.2	222.7	13.2%
Gross Profit	27.8	28.6	-2.6%	79.0	77.3	2.2%
Gross Margin (%)	32.4%	35.4%	-3.0 p.p.	31.3%	34.7%	-3.4 p.p.
EBITDA	13.9	21.6	-35.8%	33.7	55.0	-38.8%
EBITDA Margin (%)	16.2%	26.8%	-10.6 p.p.	13.4%	24.7%	-11.3 p.p.
Adjusted EBITDA <sup>2</sup>	18.8	22.4	-16.1%	52.2	58.4	-10.6%
Adjusted EBITDA Margin (%)	21.9%	27.7%	-5.9 p.p.	20.7%	26.2%	-5.5 p.p.

<sup>1</sup> Does not consider the number of paying customers of Etus, which was acquired in September 2020.

<sup>2</sup> Adjusted EBITDA refers to the net profit (loss) adjusted by the financial result, income tax and social contribution on profit, depreciation and amortization costs and expenses, expenses with stock option plans, expenses related to mergers and acquisitions; non-recurring bonus expenses considered by the Company's management, financial income related to derivatives used as a hedge instrument against exchange variation on operating liabilities, write-off resulting from the sale of investments of subsidiary company Eventuals and extraordinary IPO expenses.

## // Performance

### // Net Operating Revenue

(R\$ million)

<b>locaweb</b>	<b>3Q20</b>	<b>3Q19</b>	<b>vs 3Q19</b>	<b>9M20</b>	<b>9M19</b>	<b>vs 9M19</b>
Commerce	40.3	21.2	90.3%	95.8	57.8	65.8%
<i>Segment share in the consolidated</i>	<i>31.9%</i>	<i>20.8%</i>	<i>11.1 p.p.</i>	<i>27.5%</i>	<i>20.6%</i>	<i>6.9 p.p.</i>
BeOnline / SaaS	85.9	80.8	6.4%	252.2	222.7	13.2%
<i>Segment share in the consolidated</i>	<i>68.1%</i>	<i>79.2%</i>	<i>-11.1 p.p.</i>	<i>72.5%</i>	<i>79.4%</i>	<i>-6.9 p.p.</i>
<b>Net Revenue - Consolidated</b>	<b>126.2</b>	<b>101.9</b>	<b>23.8%</b>	<b>348.1</b>	<b>280.5</b>	<b>24.1%</b>

Locaweb's Net Revenue reached R\$126.2 million in 3Q20, up by 23.8% over 3Q19.

In the first nine months of 2020, grew 24.1% YoY.

<b>Commerce</b>	<b>3Q20</b>	<b>3Q19</b>	<b>vs 3Q19</b>	<b>9M20</b>	<b>9M19</b>	<b>vs 9M19</b>
Total GMV <sup>1</sup>	1,873.5	984.2	90.4%	4,733.6	2,625.1	80.3%
TPV (Yapay)	518.0	198.6	160.8%	1,141.6	503.8	126.6%
Gross revenue, net of rebate	45.4	23.9	90.5%	108.1	65.2	65.8%
Commerce Take rate <sup>2</sup>	2.4%	2.4%	0.0 p.p.	2.3%	2.5%	-0.2 p.p.
Net Revenue	40.3	21.2	90.3%	95.8	57.8	65.8%

<sup>1</sup> Total GMV includes GMV of stores plus GMV of other channels that we offer for integration to our customers.

<sup>2</sup> Take-rate: Gross revenue, net of rebate divided by the Total GMV.

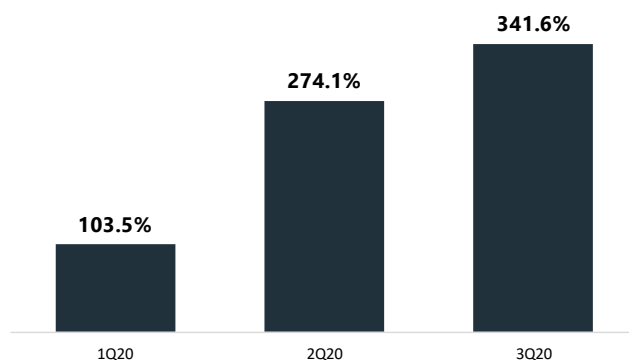
In the Commerce segment, Net Operating Revenue in 3Q20 grew by 90.3%, from R\$21.2 million in 3Q19 to R\$40.3 million in 3Q20, thus representing 31.9% of the group's total revenue. The segment's excellent performance in the quarter reflected the accelerated 23.2% growth over 2Q20.

In the first nine months of 2020, Net Operating Revenue grew 65.8% YoY.

This strong growth was due to the 90.4% increase of our GMV in 3Q20, and a 80.3% growth in 9M20, both year-on-year, reflecting the expansion of our customer base, which nearly doubled in 2020, and their respective sales volumes against the same period in the previous year. This was not only driven by the entry of new customers, but also by the strong sales growth of stores that already existed in our customer base in 2019 ("Same Store Sales").

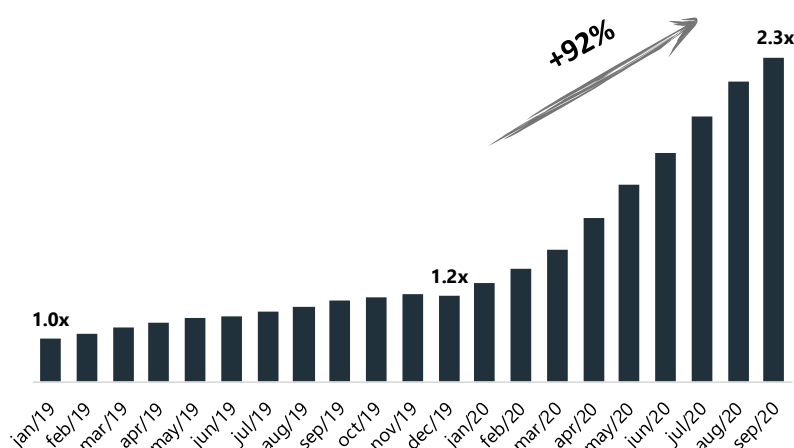
We reported, for the third consecutive quarter, the best quarter in the history of our Commerce business in terms of new stores. In 3Q20, the number of new stores increased by 341.6% over 4Q19. With these volumes of new entrants, we strengthened our position as the largest, best and most efficient digitalization tool for Small and Medium Business (SMBs) in Brazil.

The chart below illustrates the growth in the addition of new stores during the first three quarters of 2020 versus 4Q19:

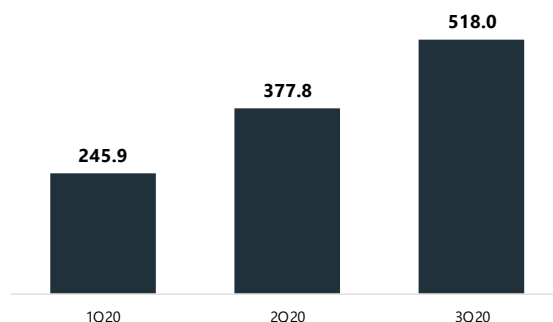


The quarter's data reinforces that, even with the reopening of businesses in many cities, we did not see signs of slowdown in new store additions.

As a result of the strong entrance of new stores on the Tray platform, our customer base has increased significantly since January 2019, as illustrated in the chart below:



The 160.8% growth (vs 3Q19) in the total transacted (TPV) on our payment platform, Yapay, also contributed to the strong growth of the segment's net revenue in the quarter. The chart below shows the growth of the volume transacted in our payment solution in the last three quarters (in R\$ million):



Even with the strong increasing of new customers, rejuvenating the base of store owners, the take-rate remained stable.

Given the faster growth, the Commerce segment's share in the Company's total revenue base increased from 20.8% in 3Q19 to 31.9% in 3Q20.

BeOnline / SaaS	3Q20	3Q19	vs 3Q19	9M20	9M19	vs 9M19
Clients EoP - BeOnline / SaaS <sup>1</sup>	372.7	364.4	2.3%	372.7	364.4	2.3%
Gross revenue, net of rebate	94.4	90.5	4.4%	276.7	249.7	10.8%
Net Revenue	85.9	80.8	6.4%	252.2	222.7	13.2%

<sup>1</sup> Does not consider the number of paying customers of Etus, which was acquired in September 2020.

The number of clients in the BeOnline / SaaS segment (end of period), increased by 2.3% in 3Q20 over 3Q19. It should be noted that in this quarter there was no new customers brought by Etus, a company acquired in September.

The Net Operating Revenue of BeOnline / SaaS increased by 6.4%, from R\$80.8 million in 3Q19 to R\$85.9 million in 3Q20. In 9M20, Net Operating Revenue increased by 13.2% YoY, reaching R\$252.2 million.

In this quarter, we highlight the growth in sales of corporate solutions, which ended up suffering throughout the pandemic, the growth of our entire suite of corporate email solutions, from the Criador de Sites (Site Builder) and Delivery Direto products, all of which had high growth rates compared to 2019.

## // Operating Costs and Expenses

(R\$ million)

locaweb	3Q20	3Q19	vs 3Q19	9M20	9M19	vs 9M19
Cost of Services	71.3	59.1	20.6%	203.2	164.7	23.4%
Selling Expenses	20.4	18.4	10.7%	58.0	53.6	8.1%
General and Administrative Expenses	17.7	11.2	58.0%	54.7	29.4	86.0%
Other Operating (Revenues) Expenses	(0.4)	(3.8)	-90.1%	(0.8)	(5.8)	-86.9%
<b>Total Operating Cost and Expenses</b>	<b>109.0</b>	<b>84.9</b>	<b>28.3%</b>	<b>315.1</b>	<b>241.9</b>	<b>30.3%</b>
% Net Revenue	86.3%	83.3%	3.0 p.p.	90.5%	86.2%	4.3 p.p.

Locaweb's total operating costs and expenses increased by 28.3% in 3Q20 versus the same period in the previous year.

In 9M20, Net Operating Revenue increased by 30.3% over 9M19.

### Cost of Services

Cost of Services totaled R\$71.3 million in 3Q20 and R\$59.1 million in 3Q19, corresponding to an increase of 20.6% in the comparison between both periods and representing 56.5% and 58.0% of net revenue in 3Q20 and 3Q19, respectively. The dilution of the cost of services and the consequent percentage increase in the



company's gross margin is due to the robust growth seen in the Commerce segment, which also has margins higher than the Company's consolidated.

### Selling Expenses

Selling expenses, which includes marketing and sales teams, as well as third-party services of the same nature and provisions for doubtful accounts totaled R\$20.4 million in 3Q20, increasing by 10.7% over 3Q19.

As presented in the previous quarter, the Company increased its Brand Marketing efforts at Tray to solidify the brand as a leader in SME digitalization segment in Brazil, which represented part of the growth observed in selling expenses.

### General and Administrative Expenses

General and Administrative Expenses, which comprise finance, HR, accounting and tax teams, third-party services of the same nature, as well as assets depreciation and amortization of IFRS 16 and PPA, totaled R\$17.7 million in 3Q20 and R\$11.2 million in 3Q19, an increase of 58.0%.

The increase is mainly due to the following:

- (i) increase in the non-cash fair value provisions for the Company's share options, which were increased prior to the IPO aimed at retaining its key executives for the next 4 years, resulting in provisioned amounts that were R\$3.6 million higher than in 3Q19,
- (ii) R\$1.1 million increase in depreciation and amortization expenses, with emphasis on the PPA of the acquired companies (KingHost and Delivery Direto);
- (iii) new corporate divisions created after the IPO (such as the Investor Relations, Internal Controls and Internal Audit departments and control and governance bodies), in the amount of R\$1.5 million.

## // Gross Profit

(R\$ million)

<b>locaweb</b>	<b>3Q20</b>	<b>3Q19</b>	<b>vs 3Q19</b>	<b>9M20</b>	<b>9M19</b>	<b>vs 9M19</b>
Commerce	27.1	14.3	90.1%	65.8	38.5	70.9%
Margin (%)	67.4%	67.4%	-0.1 p.p.	68.7%	66.7%	2.0 p.p.
BeOnline / SaaS	27.8	28.6	-2.6%	79.0	77.3	2.2%
Margin (%)	32.4%	35.4%	-3.0 p.p.	31.3%	34.7%	-3.4 p.p.
<b>Gross Profit</b>	<b>54.9</b>	<b>42.8</b>	<b>28.3%</b>	<b>144.8</b>	<b>115.9</b>	<b>25.0%</b>
Gross Margin (%)	43.5%	42.0%	1.5 p.p.	41.6%	41.3%	0.3 p.p.

The BeOnline/SaaS segment was impacted in 2020 by the exchange rate depreciation, with a R\$2.5 million impact in the quarter related to the exchange rate depreciation in the payment of software licenses linked to the US dollar. However, as said in 1Q20 and 2Q20, the Company is able to transfer this increase on to its clients with a lag period. The 3Q20 result reflects this dynamic and, therefore, the gross margin of the segment in 3Q20 reached 32.4%, which represents a 3.2 p.p. increase over 2Q20, immediately previous quarter.

Consolidated Gross Profit increased by 28.3% in 3Q20 versus 3Q19, reaching R\$54.9 million. In the first nine months of 2020, Gross Profit grew 25.0%, reaching R\$144.8 million.

In 3Q20, the Gross Margin grew 1.5 p.p. over 3Q19, reaching 43.5%.

## // EBITDA and Adjusted EBITDA

(R\$ million)

<b>locaweb</b>	<b>3Q20</b>	<b>3Q19</b>	<b>vs 3Q19</b>	<b>9M20</b>	<b>9M19</b>	<b>vs 9M19</b>
<b>Net Income (Loss)</b>	<b>7.8</b>	<b>6.0</b>	<b>30.6%</b>	<b>10.8</b>	<b>11.1</b>	<b>-3.2%</b>
(+) Net Financial Income	3.5	8.6	-59.8%	9.2	21.3	-56.7%
(+) Current Income Tax and Social Contribution	6.0	2.4	149.7%	12.9	6.2	109.0%
(+) Depreciation and Amortization	13.6	12.6	8.4%	41.6	38.7	7.5%
<b>EBITDA</b>	<b>30.9</b>	<b>29.6</b>	<b>4.4%</b>	<b>74.5</b>	<b>77.3</b>	<b>-3.6%</b>
(+) Stock Options Plan	4.2	0.6	646.8%	11.1	1.7	559.2%
(+) M&A Expenses	0.7	0.1	1143.1%	0.9	0.9	0.9%
(+) Non-recurring Bonus Expenses	0.0	0.1	-100.0%	0.0	0.7	-100.0%
(+) IPO Expenses	0.0	0.0	n/a	6.4	0.0	n/a
<b>Adjusted EBITDA</b>	<b>35.8</b>	<b>30.3</b>	<b>17.9%</b>	<b>93.0</b>	<b>80.7</b>	<b>15.3%</b>
<i>Adjusted EBITDA Margin (%)</i>	<i>28.3%</i>	<i>29.8%</i>	<i>-1.4 p.p.</i>	<i>26.7%</i>	<i>28.8%</i>	<i>-2.0 p.p.</i>

As presented in the numbers above, LocaWeb's Adjusted EBITDA was R\$35.8 million in 3Q20, increasing by 17.9% over 3Q19, with Adjusted EBITDA Margin reducing by 1.4 p.p. It should be noted that, compared to 2Q20, the Company's Adjusted EBITDA Margin grew 1.0 p.p. due to the accelerated growth of Commerce and the recovery of Margins in BeOnline/SaaS.

In 9M20, Adjusted EBITDA grew by 15.3% over 9M19.

The Company recognized IPO-related expenses as non-recurring expenses in 1Q20.

## // EBITDA and Adjusted EBITDA by segment

(R\$ million)

<b>locaweb</b>	<b>3Q20</b>	<b>3Q19</b>	<b>vs 3Q19</b>	<b>9M20</b>	<b>9M19</b>	<b>vs 9M19</b>
<b>Commerce</b>						
EBITDA	17.0	7.9	113.6%	40.9	22.3	83.1%
<i>EBITDA Margin (%)</i>	<i>42.1%</i>	<i>37.5%</i>	<i>4.6 p.p.</i>	<i>42.6%</i>	<i>38.6%</i>	<i>4.0 p.p.</i>
<b>BeOnline / SaaS</b>						
Adjusted EBITDA	18.8	22.4	-16.1%	52.2	58.4	-10.6%
<i>Adjusted EBITDA Margin (%)</i>	<i>21.9%</i>	<i>27.7%</i>	<i>-5.9 p.p.</i>	<i>20.7%</i>	<i>26.2%</i>	<i>-5.5 p.p.</i>
<b>Consolidated</b>						
Adjusted EBITDA	<b>35.8</b>	<b>30.3</b>	<b>17.9%</b>	<b>93.0</b>	<b>80.7</b>	<b>15.3%</b>
<i>Adjusted EBITDA Margin (%)</i>	<i>28.3%</i>	<i>29.8%</i>	<i>-1.4 p.p.</i>	<i>26.7%</i>	<i>28.8%</i>	<i>-2.0 p.p.</i>

The EBITDA of the Commerce segment increased by 113.6% in 3Q20, reaching R\$17.0 million, and EBITDA Margin increased by 4.6 p.p., reaching 42.1% in 3Q20. The Commerce segment's share in the Company's consolidated Adjusted EBITDA went from 26.2% in 3Q19 to 47.5% in 3Q20.

The Adjusted EBITDA of the BeOnline / SaaS segment, due to the impacts already mentioned, reduced by 16.1% in 3Q20, with the Adjusted EBITDA Margin of the segment retracting by 5.9 p.p. We highlight the 1.1 p.p. growth in the EBITDA Margin compared to 2Q20, the previous quarter.

## // Financial Result

(R\$ million)

<b>locaweb</b>	<b>3Q20</b>	<b>3Q19</b>	<b>vs 3Q19</b>	<b>9M20</b>	<b>9M19</b>	<b>vs 9M19</b>
Financial expenses	(8.9)	(17.4)	-49.0%	(52.2)	(31.3)	66.5%
Financial revenues	5.4	8.8	38.4%	43.0	10.0	327.7%
<b>Net financial income (expenses)</b>	<b>(3.5)</b>	<b>(8.6)</b>	<b>59.8%</b>	<b>(9.2)</b>	<b>(21.3)</b>	<b>56.7%</b>

The net financial result in 3Q20 totaled a net expense of R\$3.5 million, up by 59.8% over 3Q19. The net financial result totaled an R\$9.2 million expense in 9M20, an improvement of 56.7% compared to 9M19. It should be noted that part of the improvement in the net financial result is due to the reduction of the balance of bank gross debt by approximately R\$20.5 million.

Since the instruments used to raise debt (Bacen Circulars 3844 and 4131) are issued in dollars, with a 100% swap of the amount in reais, the strong exchange rate devaluation of the real against the dollar in 3Q20 resulted in a negative impact on financial expenses (interest), which was offset by the financial income from the foreign exchange swap.

## // Net Income and Adjusted Net Income

(R\$ million)

<b>locaweb</b>	<b>3Q20</b>	<b>3Q19</b>	<b>vs 3Q19</b>	<b>9M20</b>	<b>9M19</b>	<b>vs 9M19</b>
<b>Net income</b>	<b>7.8</b>	<b>6.0</b>	<b>30.6%</b>	<b>10.8</b>	<b>11.1</b>	<b>-3.2%</b>
(+) Stock option plan	4.2	0.6	647.3%	11.1	1.7	559.2%
(+) Intangible amortization	1.2	0.3	372.8%	3.4	0.8	328.2%
(+) Deferred income tax and social contribution	(0.5)	0.5	-198.9%	(0.9)	0.7	-234.4%
(+) CPC 06 adjustment	0.0	0.6	-100.0%	1.0	1.8	-45.9%
(+) MtM	(0.2)	1.7	-111.6%	(0.8)	1.7	-146.8%
(+) IPO Expenses	0.0	0.0	n/a	4.3	0.0	n/a
<b>Adjusted net income</b>	<b>12.5</b>	<b>9.6</b>	<b>30.4%</b>	<b>28.9</b>	<b>17.8</b>	<b>62.1%</b>
<i>Adjusted net income margin (%)</i>	<i>9.9%</i>	<i>9.4%</i>	<i>0.5 p.p.</i>	<i>8.3%</i>	<i>6.3%</i>	<i>1.9 p.p.</i>

Based on the numbers already presented, Locaweb's Adjusted Net Income reached R\$12.5 million in 3Q20, up by 30.4% over 3Q19, with Net Margin reaching 9.9% in 3Q20.

In the first nine months of 2020, Adjusted Net Income increased by 62.1% over 9M19.

## // Indebtedness / Cash Balance

(R\$ million)

<b>locaweb</b>	<b>3Q20</b>	<b>2Q20</b>	<b>1Q20</b>	<b>4Q19</b>	<b>3Q19</b>
(+) Loan and financing	98.4	123.7	126.4	116.5	126.9
(-) Derivatives Result (FX swap) <sup>1</sup>	(27.3)	(32.1)	(29.1)	(4.9)	(8.6)
<b>Bank Gross Debt</b>	<b>71.1</b>	<b>91.6</b>	<b>97.3</b>	<b>111.6</b>	<b>118.2</b>
(-) Cash and cash equivalents <sup>2</sup>	(520.4)	(535.7)	(530.7)	(35.3)	(35.8)
<b>Net debt (cash) (ex lease liability)</b>	<b>(449.3)</b>	<b>(444.1)</b>	<b>(433.4)</b>	<b>76.3</b>	<b>82.4</b>
(+) Lease liability <sup>3</sup>	71.1	72.6	69.0	70.2	71.5
<b>Net debt (cash)</b>	<b>(378.2)</b>	<b>(371.5)</b>	<b>(364.4)</b>	<b>146.5</b>	<b>153.9</b>

<sup>1</sup> Balance of Derivative Financial Instruments in the Balance Sheet.

<sup>2</sup> Considers restricted short and long-term cash used as guarantee in financial funding.

<sup>3</sup> Interest on lease liabilities refers to the adoption of CPC 06(R2)/IFRS 16 as of January 1, 2019.

With the proceeds from the IPO (R\$544.7 million, net of transaction costs), the Company had a net cash balance of R\$378.2 million in 3Q20. Excluding the effects from the adoption of IFRS 16, the net cash balance was R\$449.3 million. In 3Q20, the bank gross debt balance was reduced by approximately R\$20.5 million.

It should be noted that the Company has no foreign exchange exposure on its debt since the instruments used for funding (Bacen Circulars 3844 and 4131) are issued in dollars, with a 100% swap of the amount in reais. All of the Company's financial derivatives have the purpose to hedge the Company's debts.

## // Cash Flow

(R\$ million)

<b>locaweb</b>	<b>3Q20</b>	<b>3Q19</b>	<b>vs 3Q19</b>	<b>9M20</b>	<b>9M19</b>	<b>vs 9M19</b>
<b>Income (loss) before income taxes</b>	<b>13.8</b>	<b>8.4</b>	<b>64.6%</b>	<b>23.7</b>	<b>17.3</b>	<b>36.9%</b>
Items that do not affect cash	21.2	17.6	20.7%	65.6	51.7	26.9%
Variations in working capital	5.2	(0.3)	2137.0%	(32.8)	(6.4)	415.0%
<b>Net cash provided by operating activities</b>	<b>40.2</b>	<b>25.7</b>	<b>56.4%</b>	<b>56.6</b>	<b>62.7</b>	<b>-9.7%</b>
Capex for permanent assets	(9.0)	(3.9)	129.8%	(22.5)	(32.0)	-29.6%
Capex for development	(5.3)	(3.1)	69.8%	(13.6)	(9.9)	36.8%
<b>Free Cash Flow - After Capex</b>	<b>25.9</b>	<b>18.7</b>	<b>38.9%</b>	<b>20.5</b>	<b>20.8</b>	<b>-1.4%</b>
Acquisition	(16.7)	(9.6)	74.3%	(28.3)	(26.1)	8.7%
<b>Net cash provided by investment activities</b>	<b>(31.0)</b>	<b>(16.6)</b>	<b>86.5%</b>	<b>(64.4)</b>	<b>(68.0)</b>	<b>-5.2%</b>
Subscription of capital stock	0.4	0.0	n/a	546.8	0.1	n/a
Loan and financing	(21.9)	2.7	-926.1%	(42.9)	26.5	-261.7%
Commercial lease	(3.0)	(2.6)	11.7%	(8.3)	(7.5)	9.6%
Dividends and interest on equity	0.0	(2.7)	-100.0%	0.0	(6.1)	-100.0%
Others	(0.0)	(0.1)	-67.0%	(0.1)	(0.6)	-76.6%
<b>Net cash provided by financing activities</b>	<b>(24.5)</b>	<b>(2.8)</b>	<b>766.4%</b>	<b>495.5</b>	<b>12.3</b>	<b>3918.3%</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(15.3)</b>	<b>6.3</b>	<b>-343.8%</b>	<b>487.6</b>	<b>7.0</b>	<b>6820.9%</b>

Net cash from operating activities totaled R\$40.2 million in 3Q20 versus R\$25.7 million in 3Q19. This R\$14.5 million increase in operating cash in 3Q20 is related to the Company's operating earnings before taxes and the increase in receivables to be transferred, as a result of the Company's significant operational growth.

The cash expense related to the acquisition, totaling R\$16.7 million, refers to the acquisition of Etus, made on the last day of September 2020.

## // Cash Generation (Adjusted EBITDA – Capex)

(R\$ million)

<b>locaweb</b>	<b>3Q20</b>	<b>3Q19</b>	<b>vs 3Q19</b>	<b>9M20</b>	<b>9M19</b>	<b>vs 9M19</b>
Adjusted EBITDA	35.8	30.3	17.9%	93.0	80.7	15.3%
Capex	14.3	7.0	103.1%	36.1	41.9	-13.9%
<b>Cash Generation (R\$ M)</b>	<b>21.5</b>	<b>23.3</b>	<b>-7.9%</b>	<b>57.0</b>	<b>38.8</b>	<b>46.8%</b>
Cash conversion (%)	60%	77%	-17 p.p.	61%	48%	13 p.p.

The Company's operating cash generation, as measured by Adjusted EBITDA less Capex, decreased 7.9% in 3Q20 vs. 3Q19.

It is worth noting that Capex for Fixed Assets in 2019, was concentrated in the first quarter, representing approximately 70% of the amount spent during 2019, and therefore Capex in 3Q20 increased by more than 103% when compared to 3Q19. It should be noted that the distribution of Capex in 2020 is more linear.

In 9M20, cash generation grew by 46.8% versus the first 9 months of 2019.

It should be noted that the growth in segments that do not require high investments in Capex (SaaS and Commerce) will help the Company's operational leverage.

## // EXHIBIT I – Income Statement

Income Statement (in R\$ million)	3Q19	3Q20	9M19	9M20
<b>NET REVENUE</b>	<b>101.9</b>	<b>126.2</b>	<b>280.5</b>	<b>348.1</b>
Cost of Services	(59.1)	(71.3)	(164.7)	(203.2)
<b>GROSS PROFIT</b>	<b>42.8</b>	<b>54.9</b>	<b>115.9</b>	<b>144.8</b>
<b>Operating income (expenses)</b>	<b>(25.8)</b>	<b>(37.7)</b>	<b>(77.2)</b>	<b>(111.9)</b>
Selling expenses	(18.4)	(20.4)	(53.6)	(58.0)
General and administrative expenses	(11.2)	(17.7)	(29.4)	(54.7)
Other operating income (expenses), net	3.8	0.4	5.8	0.8
<b>Income before financial results and income taxes</b>	<b>17.0</b>	<b>17.2</b>	<b>38.6</b>	<b>32.9</b>
<b>FINANCIAL RESULT</b>	<b>(8.6)</b>	<b>(3.5)</b>	<b>(21.3)</b>	<b>(9.2)</b>
Financial income	8.8	5.4	10.0	43.0
Financial expenses	(17.4)	(8.9)	(31.3)	(52.2)
<b>Income (loss) before income taxes</b>	<b>8.4</b>	<b>13.8</b>	<b>17.3</b>	<b>23.7</b>
<b>Income Taxes</b>	<b>(2.4)</b>	<b>(6.0)</b>	<b>(6.2)</b>	<b>(12.9)</b>
Current income taxes	(1.9)	(6.5)	(5.5)	(13.9)
Deferred income taxes	(0.5)	0.6	(0.7)	1.0
<b>Net income (loss)</b>	<b>6.0</b>	<b>7.8</b>	<b>11.1</b>	<b>10.8</b>



## // EXHIBIT II - Income Statement BeOnline / SaaS

Income Statement (in R\$ million)	3Q19	3Q20	9M19	9M20
<b>GROSS REVENUE, net of rebate</b>	<b>90.5</b>	<b>94.4</b>	<b>249.7</b>	<b>276.7</b>
Taxes and rebates	(9.7)	(8.5)	(27.0)	(24.5)
<b>NET REVENUE</b>	<b>80.8</b>	<b>85.9</b>	<b>222.7</b>	<b>252.2</b>
Cost of Services	(52.2)	(58.1)	(145.4)	(173.2)
<b>GROSS PROFIT</b>	<b>28.6</b>	<b>27.8</b>	<b>77.3</b>	<b>79.0</b>
<b>Operating income (expenses)</b>	<b>(18.8)</b>	<b>(26.3)</b>	<b>(58.3)</b>	<b>(84.0)</b>
Selling expenses	(14.1)	(13.7)	(40.9)	(43.4)
General and administrative expenses	(8.5)	(13.0)	(21.7)	(41.4)
Other operating income (expenses), net	3.8	0.4	4.3	0.8
<b>Income before financial results and income taxes</b>	<b>9.7</b>	<b>1.5</b>	<b>19.0</b>	<b>(5.0)</b>
Depreciation and amortization	11.9	12.4	36.0	38.6
<b>EBITDA</b>	<b>21.6</b>	<b>13.9</b>	<b>55.0</b>	<b>33.7</b>

## // EXHIBIT III – Income Statement Commerce

Income Statement (in R\$ million)	3Q19	3Q20	9M19	9M20
<b>GROSS REVENUE, net of rebate</b>	<b>23.9</b>	<b>45.4</b>	<b>65.2</b>	<b>108.1</b>
Taxes and rebates	(2.7)	(5.2)	(7.4)	(12.3)
<b>NET REVENUE</b>	<b>21.2</b>	<b>40.3</b>	<b>57.8</b>	<b>95.8</b>
Cost of Services	(6.9)	(13.1)	(19.3)	(30.0)
<b>GROSS PROFIT</b>	<b>14.3</b>	<b>27.1</b>	<b>38.5</b>	<b>65.8</b>
<b>Operating income (expenses)</b>	<b>(7.0)</b>	<b>(11.3)</b>	<b>(18.9)</b>	<b>(27.9)</b>
Selling expenses	(4.4)	(6.7)	(12.7)	(14.6)
General and administrative expenses	(2.7)	(4.6)	(7.7)	(13.3)
Other operating income (expenses), net	(0.0)	-	1.5	-
<b>Income before financial results and income taxes</b>	<b>7.3</b>	<b>15.8</b>	<b>19.6</b>	<b>37.9</b>
Depreciation and amortization	<b>0.7</b>	<b>1.2</b>	<b>2.7</b>	<b>3.0</b>
<b>EBITDA</b>	<b>7.9</b>	<b>17.0</b>	<b>22.3</b>	<b>40.9</b>

## // EXHIBIT IV – Consolidated Balance Sheet

Assets (R\$ million)	Sep, 2020	Dec, 2019	Liabilities and Equity (R\$ mln)	Sep, 2020	Dec, 2019
<b>Current Assets</b>			<b>Current liabilities</b>		
Cash and cash equivalents	512.9	25.3	Suppliers	21.7	12.8
Restricted cash	4.3	2.7	Loans and financing	64.4	48.7
Accounts receivable	302.5	125.3	Lease liability	5.7	5.4
Taxes recoverable	6.0	8.1	Salaries and related charges	42.4	28.8
Derivatives	27.3	4.9	Other taxes payable	9.3	4.0
Other assets	12.7	10.0	Deferred revenue	43.1	37.1
<b>Total current assets</b>	<b>865.7</b>	<b>176.2</b>	Payables to clients	213.4	82.2
<b>Non-current assets</b>			Interest on shareholders' equity and dividends payable	0.0	0.0
Restricted cash	3.2	7.4	Taxes in installments	2.8	2.8
Judicial deposits	0.6	0.8	Accounts payable to former shareholders	3.4	14.7
Other assets	17.9	1.3	Other liabilities	0.9	1.4
Deferred income taxes	4.7	3.7	<b>Total current liabilities</b>	<b>407.3</b>	<b>237.9</b>
Investments	73.1	74.6	<b>Non-current liabilities</b>		
Property and equipment	67.1	67.8	Loans and financing	34.0	67.8
Intangible assets	185.7	182.3	Provision for legal proceedings	0.9	1.0
<b>Total non-current assets</b>	<b>352.2</b>	<b>337.8</b>	Accounts payable to former shareholders	31.7	30.1
<b>Total assets</b>	<b>1,217.9</b>	<b>514.0</b>	Lease liability	65.4	64.8
			Provision for losses on investments	-	-
			Taxes in installments	20.2	21.9
			Other liabilities	1.4	2.1
			<b>Total non-current liabilities</b>	<b>153.6</b>	<b>187.7</b>
			<b>EQUITY</b>		
			Capital Stock	636.2	53.6
			Capital reserves	(6.3)	18.3
			Earning reserves	16.4	16.4
			Earnings of the period	10.8	-
			<b>Total EQUITY</b>	<b>657.1</b>	<b>88.3</b>
			<b>Total liabilities and equity</b>	<b>1,217.9</b>	<b>514.0</b>

## // EXHIBIT V – Cash Flow Statement

Cash Flow (R\$ mln)	3Q20	3Q19	9M20	9M19
<b>Net Cash provided by operating activities</b>				
Income (loss) before income taxes	13.8	8.4	23.7	17.3
Items that do not affect cash	21.2	17.6	65.6	51.7
Variations in working capital	5.2	(0.3)	(32.8)	(6.4)
<b>Net cash provided by operating activities</b>	<b>40.2</b>	<b>25.7</b>	<b>56.6</b>	<b>62.7</b>
<b>Net cash provided by investment activities</b>				
Purchase of property and equipment	(9.0)	(3.9)	(22.5)	(32.0)
Accounts payable for acquisition of equity interest	-	-	(11.6)	(4.1)
Acquisition of subsidiaries, net of cash acquired	(16.7)	(9.6)	(16.7)	(21.9)
Acquisition and development of intangible assets	(5.3)	(3.1)	(13.6)	(9.9)
<b>Net cash provided by investment activities</b>	<b>(31.0)</b>	<b>(16.6)</b>	<b>(64.4)</b>	<b>(68.0)</b>
<b>Net cash provided by financing activities</b>	<b>(24.5)</b>	<b>(2.8)</b>	<b>495.5</b>	<b>12.3</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(15.3)</b>	<b>6.3</b>	<b>487.6</b>	<b>7.0</b>
Cash and cash equivalents at beginning of the year	528.2	18.6	25.3	17.8
Cash and cash equivalents at end of the year	512.9	24.8	512.9	24.8
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(15.3)</b>	<b>6.3</b>	<b>487.6</b>	<b>7.0</b>

## // EXHIBIT VI – Operational Data

locaweb	1Q19	2Q19	3Q19	4Q19	2019	1Q20	2Q20	3Q20
GMV Commerce (R\$ million) <sup>1</sup>	833.5	807.3	984.2	1,117.2	3,742.2	1,203.6	1,656.4	1,873.5
TPV (R\$ million) <sup>1</sup>	153.0	152.3	198.6	225.0	728.9	245.9	377.8	518.0
Clients EoP - BeOnline / SaaS (in thousands)	290.4	361.2	364.4	364.9	364.9	365.5	369.3	372.7

<sup>1</sup> The difference between the values disclosed in 4Q19 and 2019 refers to the adjustment of methodology that had already been adjusted from 1Q20 (also for 1Q19, 2Q19 and 3Q19)

## // INVESTOR RELATIONS DEPARTMENT

### // **Rafael Chamas**

Chief Financial and Investor Relations Officer

### // **Henrique Marquezi Filho**

Investor Relations Manager

### // **Gabriel Caseiro**

Investor Relations Analyst

**Email:** [ri@locaweb.com.br](mailto:ri@locaweb.com.br)

**Phone:** +55 11 3544-0479