WDC NETWORKS

EARNINGS CALL PRESENTATION 4Q23

March 7th 2023

LVTC B3 LISTED NM

IGC-NM B3 IGC B3 ITAG B3

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Legal Warning

The statements contained in this document regarding WDC Networks' business and growth prospects are based solely on the Management expectations for the future of the business. These expectations depend substantially on market conditions, the performance of the Brazilian economy, the sector and international markets and, therefore, are subject to change without prior notice.

All variations shown herein are calculated based on the numbers without rounding. This performance report includes accounting and non-accounting data. Non-accounting data was not subject to review by the independent auditors of the Company."

Highlights 4Q23

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Revenue Backlog increased 8.2% compared to 4Q22, amount R$874.8 million in 4Q23

Record total sales in the Enterprise segment in 2023, reaching R$369.9 million (+8.7% versus 2022)

Reduction in Operational Expenses by 4.4% versus 4Q22, result of the Company's continuous efforts to control expenses

Operational performance improvement with an EBITDA margin of 25.7% and cash generation from operating activities of R$317.7 million

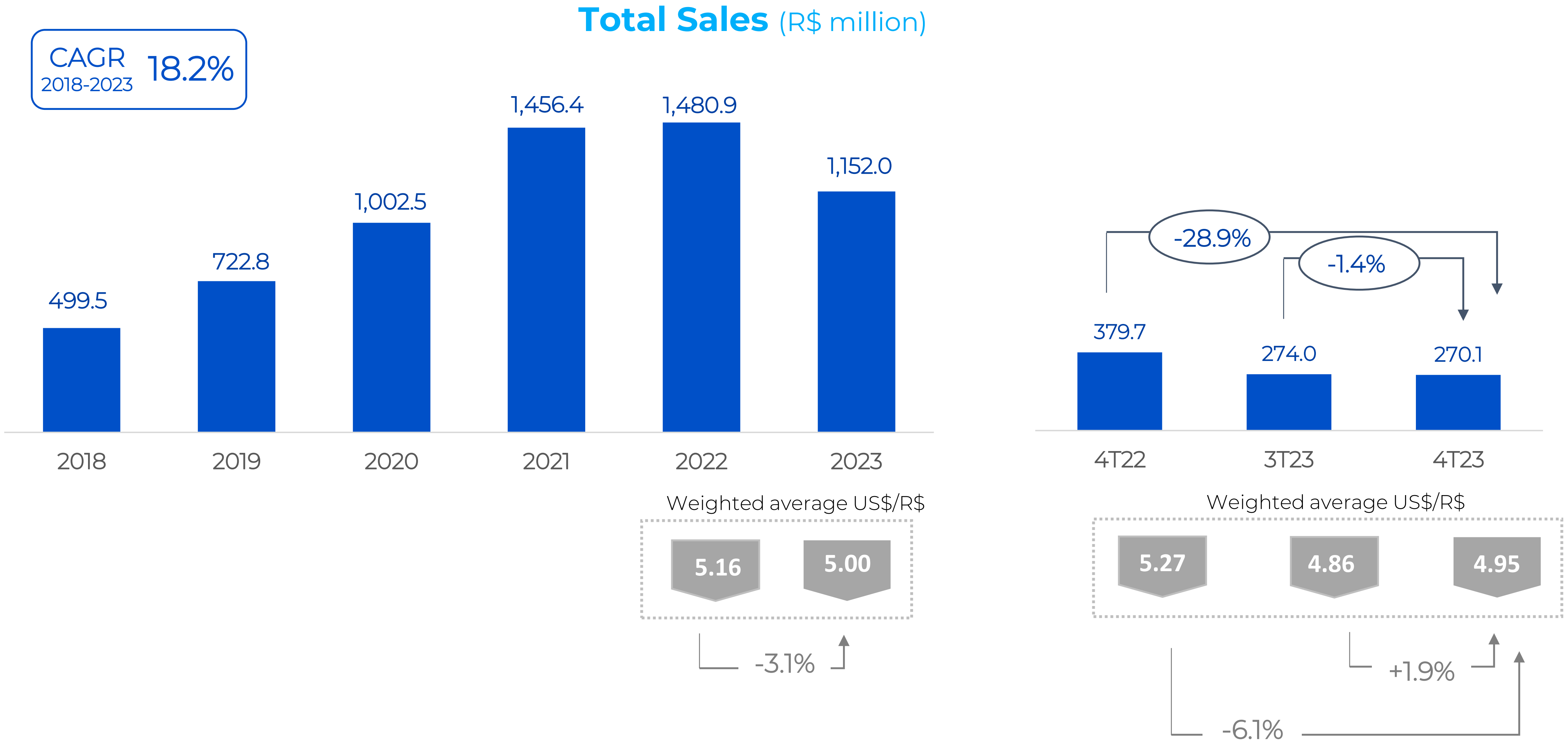
High-cost inventories practically liquidated in the Solar segment

In December 2023, Gross Debt totaled R$590.4 million, a decrease of 25.8% compared to December 2022

Total cash balance and equivalents amount R$102 million in 2023

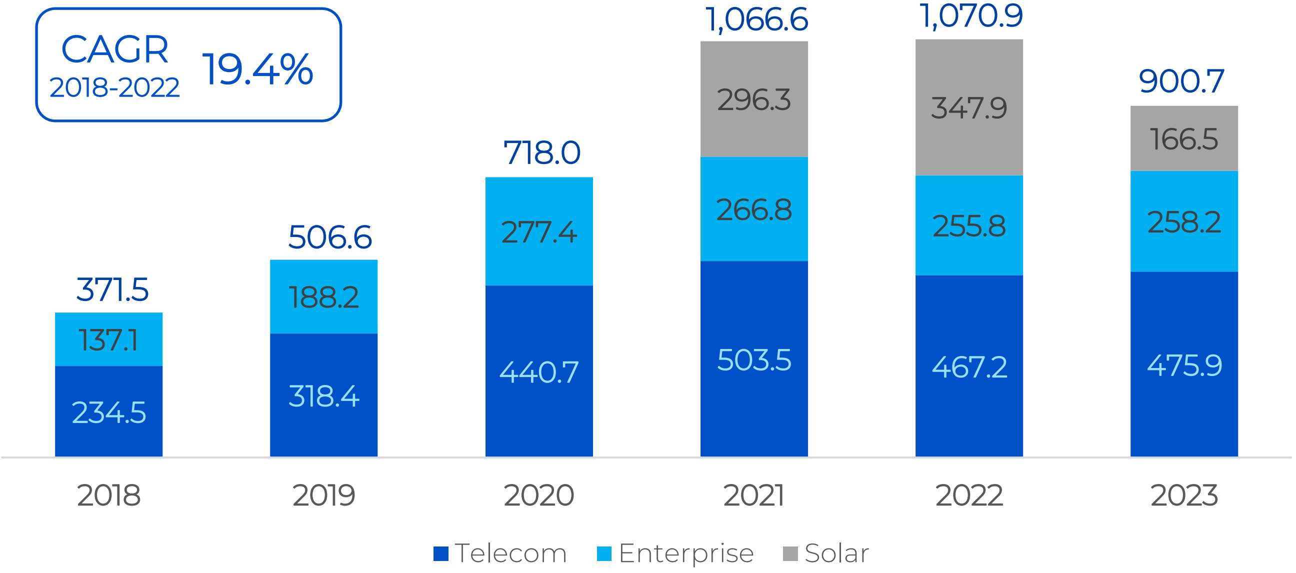
Current liquidity increased from 2.20x in 2022 to 2.74x in 2023 and general liquidity increased from 1.65x in 2022 to 1.88x in 2023

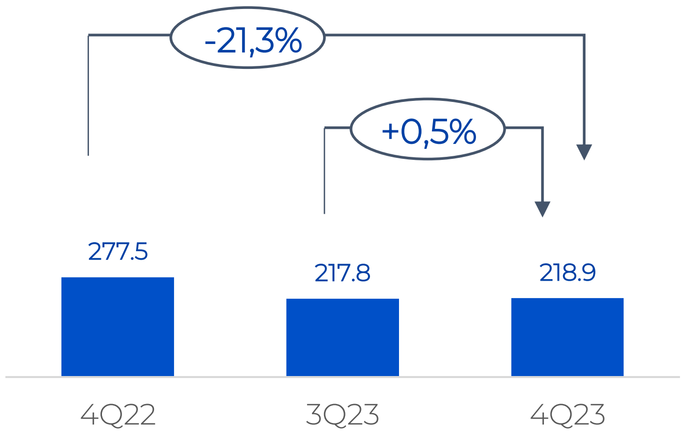
Total Sales


Total Sales (R$ million)
CAGR 2018-2023 18.2%
499.5
722.8
1,002.5
1,456.4
1,480.9
1,152.0
2018
2019
2020
2021
2022
2023
Weighted average US$/R$
5.16
5.00
-3.1%
-28.9%
-1.4%
379.7
274.0
270.1
4T22
3T23
4T23
Weighted average US$/R$
5.27
4.86
4.95
+1.9%
-6.1%

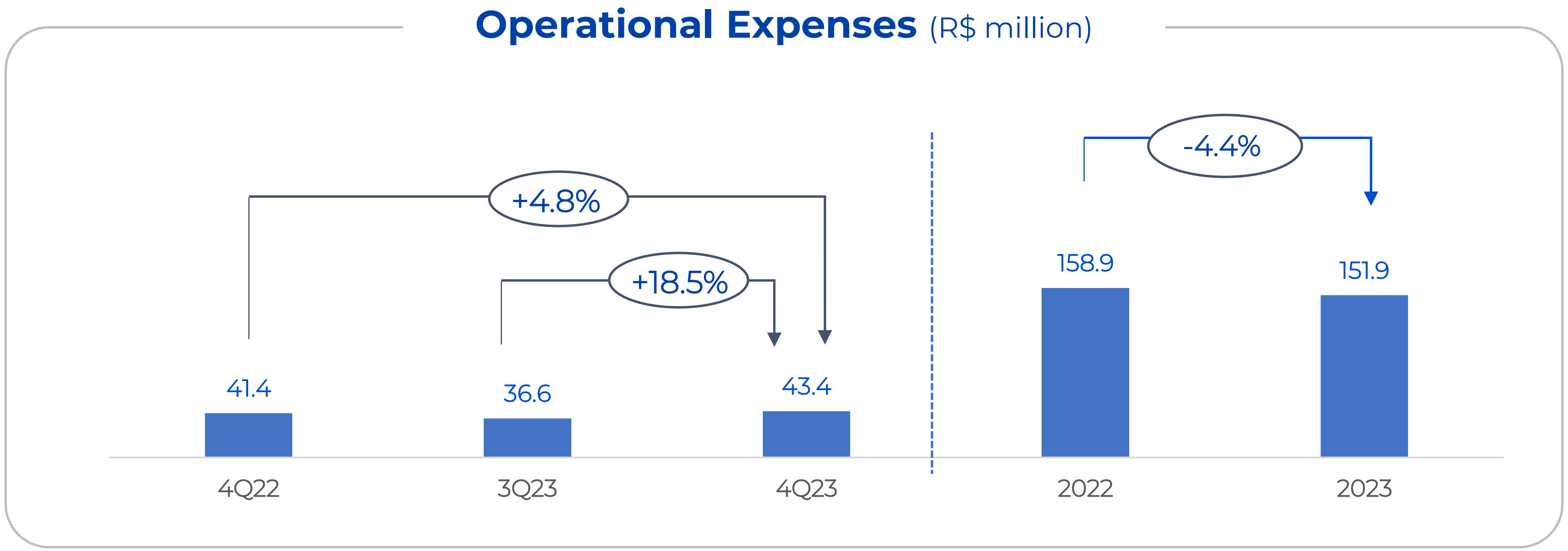
Net Revenue

Net Revenue (R$ million)



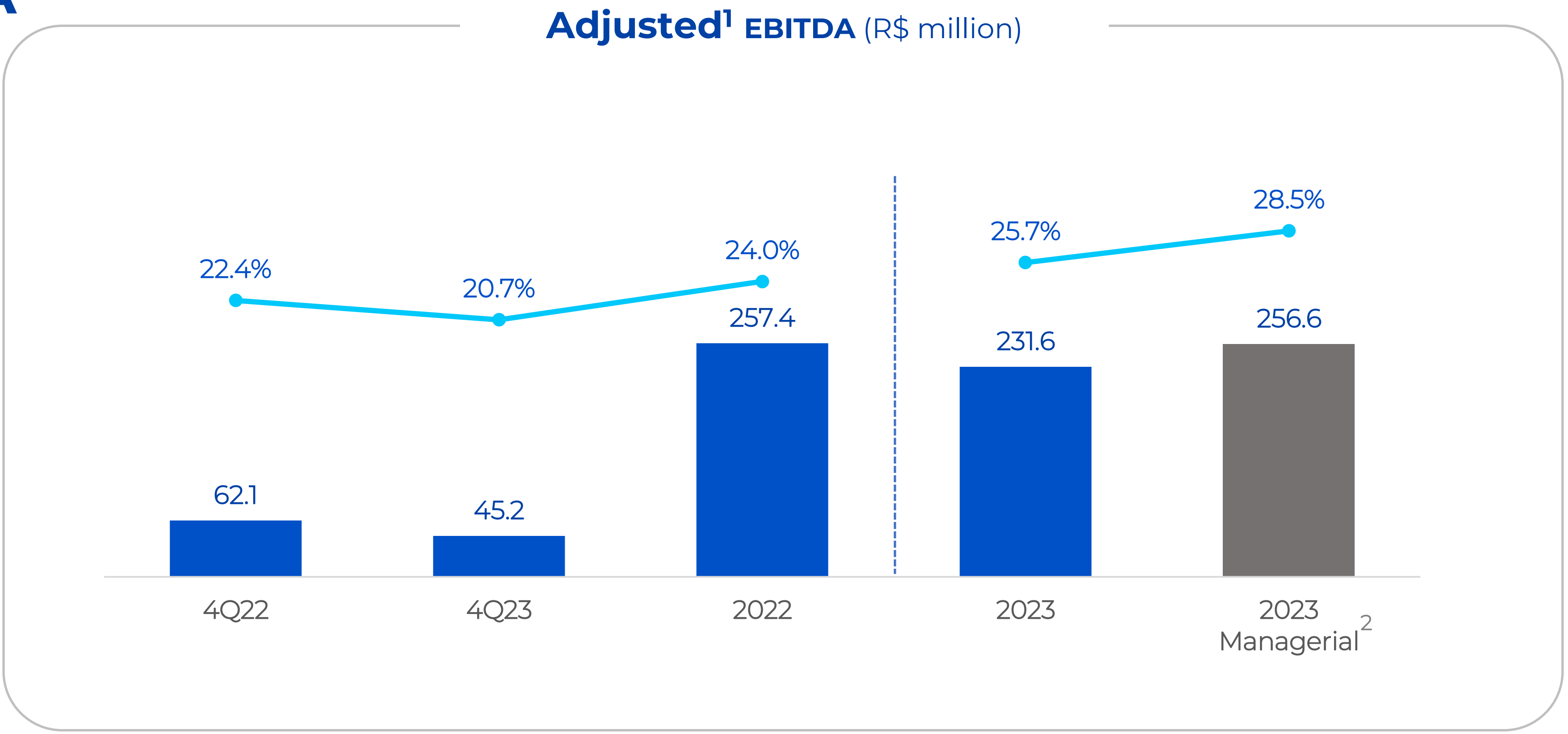


Operational Expenses



- The company continues reducing expenses
- In 4Q23, were provisioned R$7 million in outstanding and outstanding securities of a client who filed a bankruptcy request
- Excluding this effect, the company would reach R$144.9 million in expenses in 2023, representing a reduction of 8.8% compared to 2022

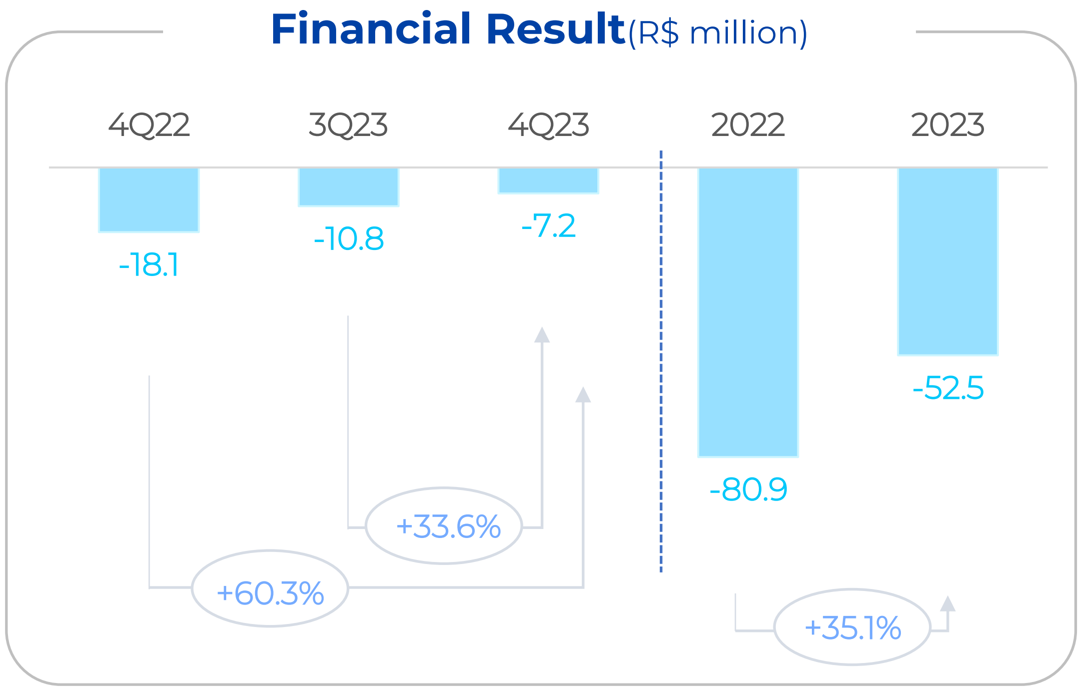
EBITDA

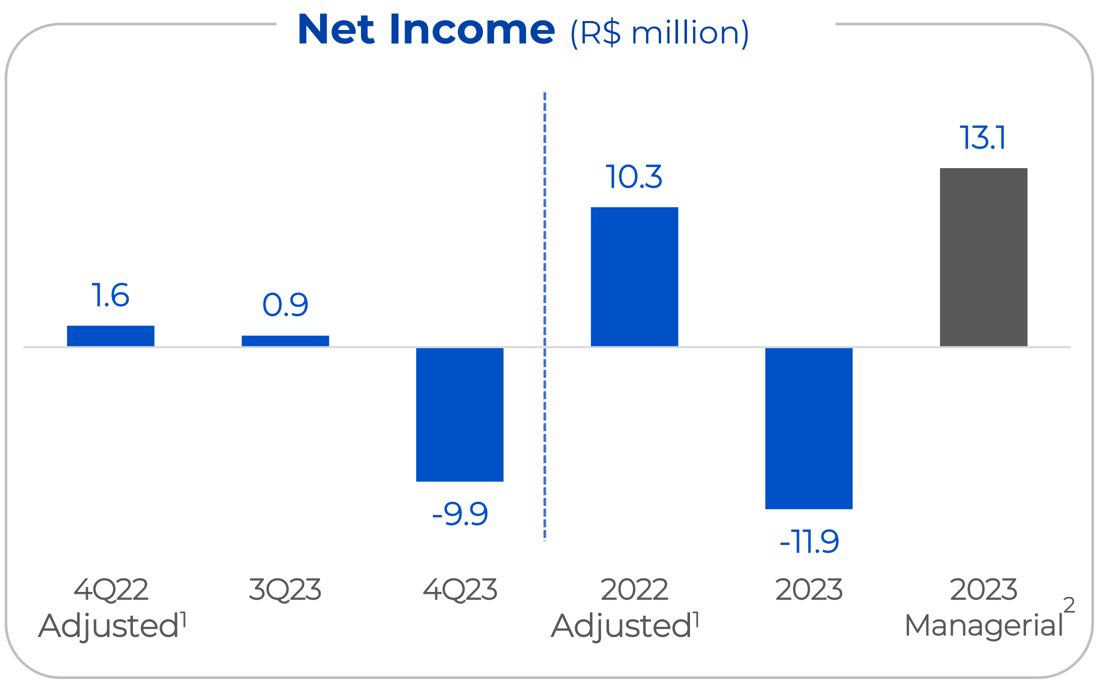


- Request for bankruptcy (mentioned previously), contributes negatively by 0.8 p.p. to the EBITDA margin in 2023
- Solar Segment generated a negative impact of R$18 million on Gross Profit, which impacted EBITDA or 2.0 p.p. on the EBITDA margin in 2023

1 Adjusted term refers to the exclusion of expenses with M&A operations carried out in 2022. In 2023, there are no adjustments
2 Managerial EBITDA = (EBITDA of R$ 231.6 million + R$ 7 million provision due bankruptcy + R$ 18 million from Solar) / (Net revenue of R$ 900.7 million)

Financial Result and Net Income





Reduction in debt level, already reflects in Financial Result improvement

1 Adjusted term refers to the exclusion of expenses with M&A operations carried out in 2022. In 2023, there are no adjustments
2 Managerial net profit = (net profit of –R$ 11.9 + R$ 7 million provision due bankruptcy + R$ 18 million from solar)

Results Report

Consolidated Statement (R$ million, except where indicated)	Consolidated			Telecom			Enterprise			Solar		
	2023	2022	Δ %	2023	2022	Δ %	2023	2022	Δ %	2023	2022	Δ %
Financial Results												
Total Sales	1,152.0	1,480.9	-22.2%	577.8	725.4	-20.4%	369.9	340.2	8.7%	204.3	415.2	-50.8%
Net Revenue	900.7	1,070.9	-15.9%	475.9	467.2	1.9%	258.2	255.8	1.0%	166.5	347.9	-52.1%
Gross Income	188.3	247.7	-24.0%	108.4	127.9	-15.3%	77.9	76.4	2.0%	1.9	43.4	-95.6%
Gross Margin (% Net Revenue)	*20.9%*	*23.1%*	*-2,2 p.p.*	*22.8%*	*27.4%*	*-4.6*	*30.2%*	*29.9%*	*0.3*	*1.2%*	*12.5%*	*-11.3*

Net Debt and Leverage

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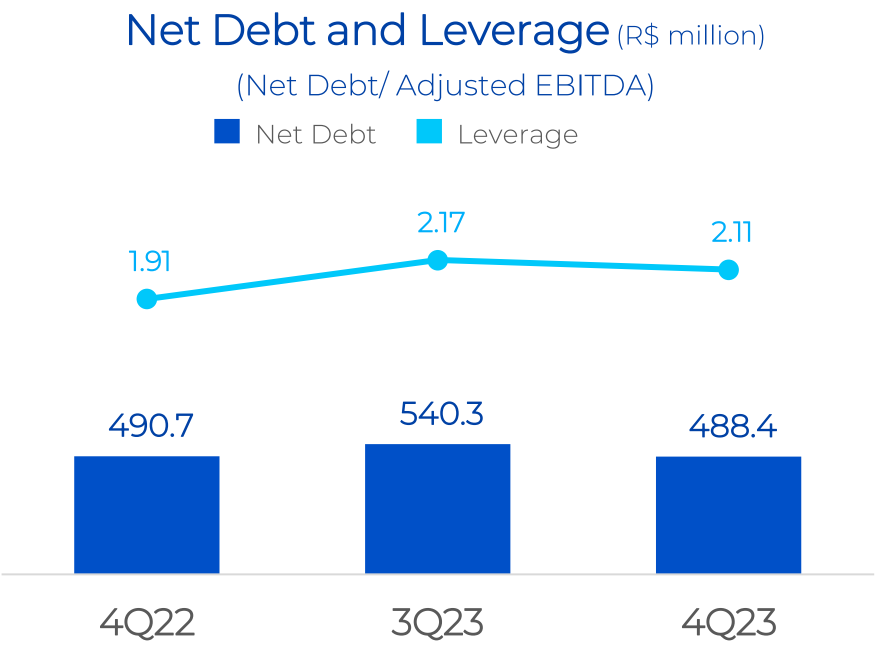
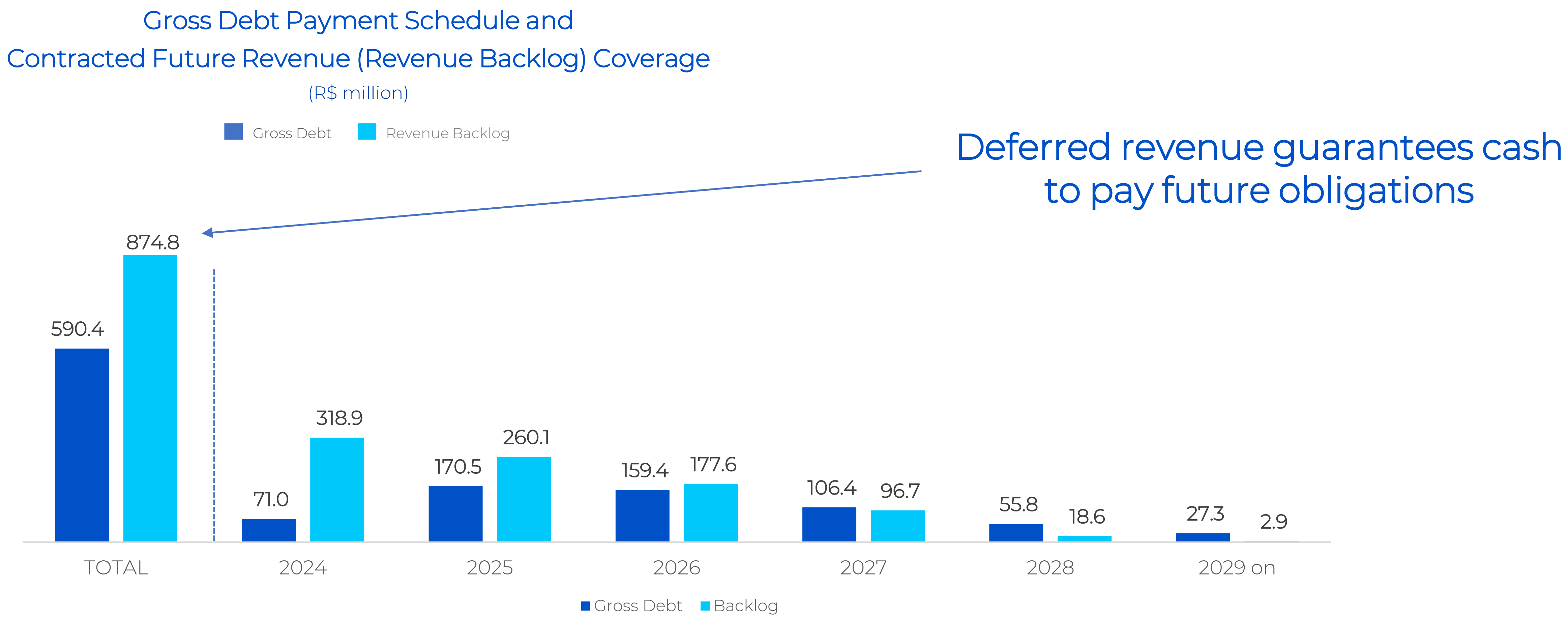


Indebtedness (R$ Millions)	4Q22	3Q23	4Q23
Short term debt	*227.5*	*118.2*	*71.0*
Long term debt	*567,9*	*520,6*	*519,4*
Gross Debt	795.4	638.8	590.4
Cash and Financial Investments	(304.6)	(98.5)	(102.0)
Net Debt	490.7	540.3	488.4
TaaS Revenue Backlog	808.3	873.8	874.8
Backlog Hedge on Net Debt	1.65x	1.62x	1.79x

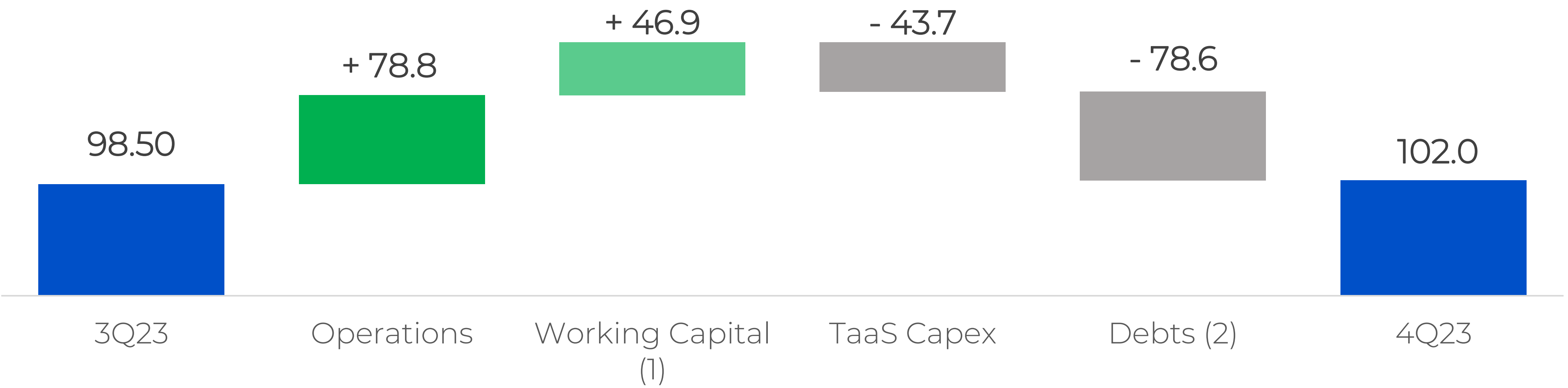
- Reduction in Financial Leverage, achieved mainly due to the reduction of gross debt
- Greater security for shareholders

1 Equipment rental contracts which monthly payments are recognized in the income statement according to the due date and the installments due are called "Revenue Backlog".

Payment Capacity

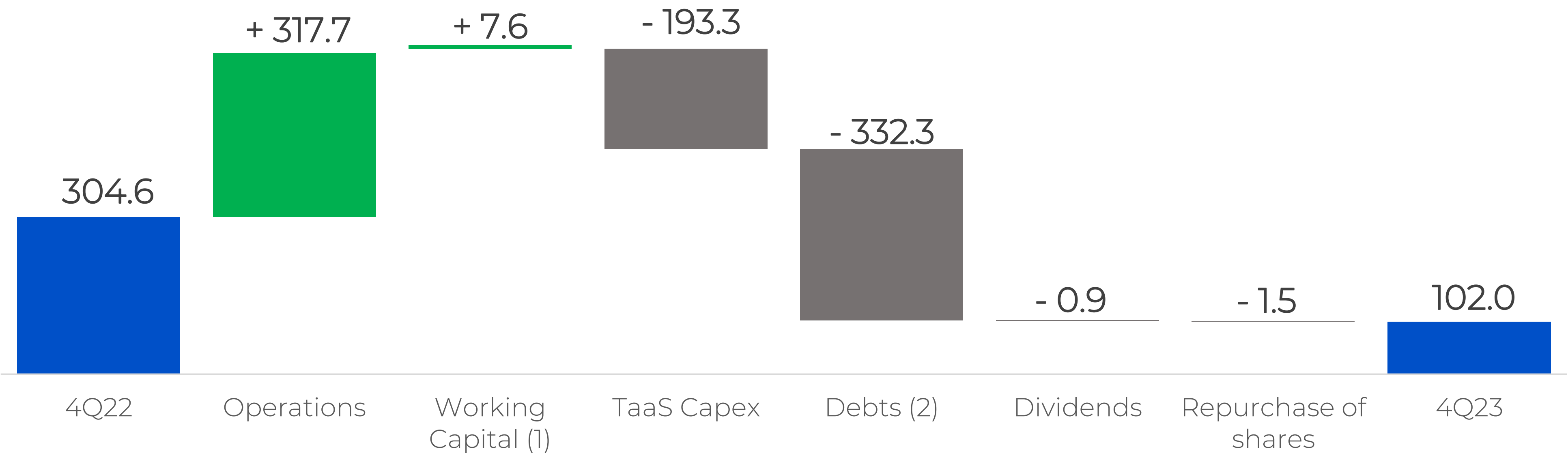


Quarterly Cash Flow | (R$ million)



(1) Working Capital: inventories, advances to suppliers, suppliers and trade receivables
(2) Debts: payment of loans and financing (principal + interests) and derivatives settlement

Annual Cash Flow | (R$ million)



(1) Working Capital: inventories, advances to suppliers, suppliers and trade receivables
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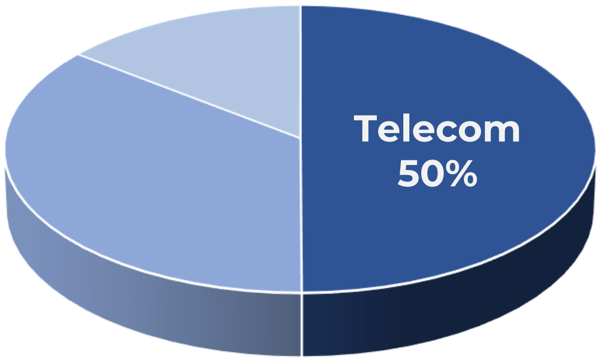
Business Unit - Telecom

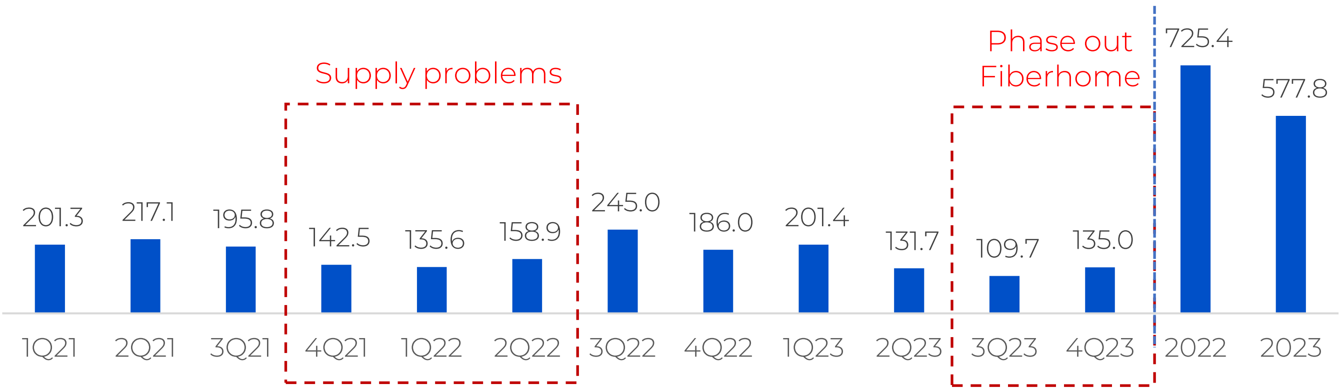


Share by business unit in Total Sales 4Q23

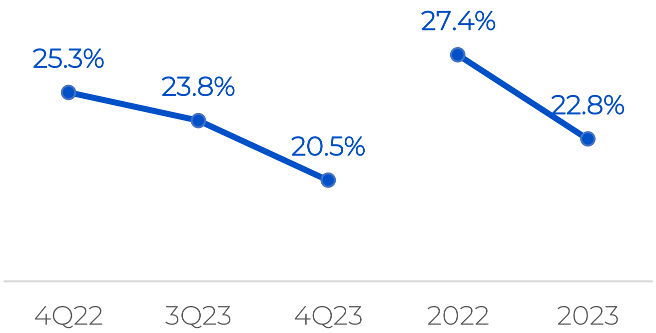
Highlights

- Decrease in sales in 2023 explained by reduced organic growth of ISPs, consolidation of regional providers and end of Fiberhome distribution
- *Increase in the supply of ONU WIFI 6*, which in this quarter represented more than 25% of ONU sales
- *50% of sales in 2023 were made through TaaS* (versus 58% in 2022).
- In 2023, was sold more than 987,000 ONUs, which represented 35% market share in relation to 2.8 million new net subscribers[1]

Evolution in Total Sales (R$ million)

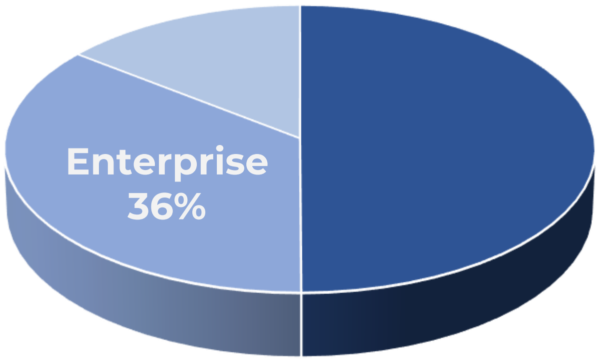


Gross Margin (%)



[1] In fiber figures, according to the database provided by Anatel

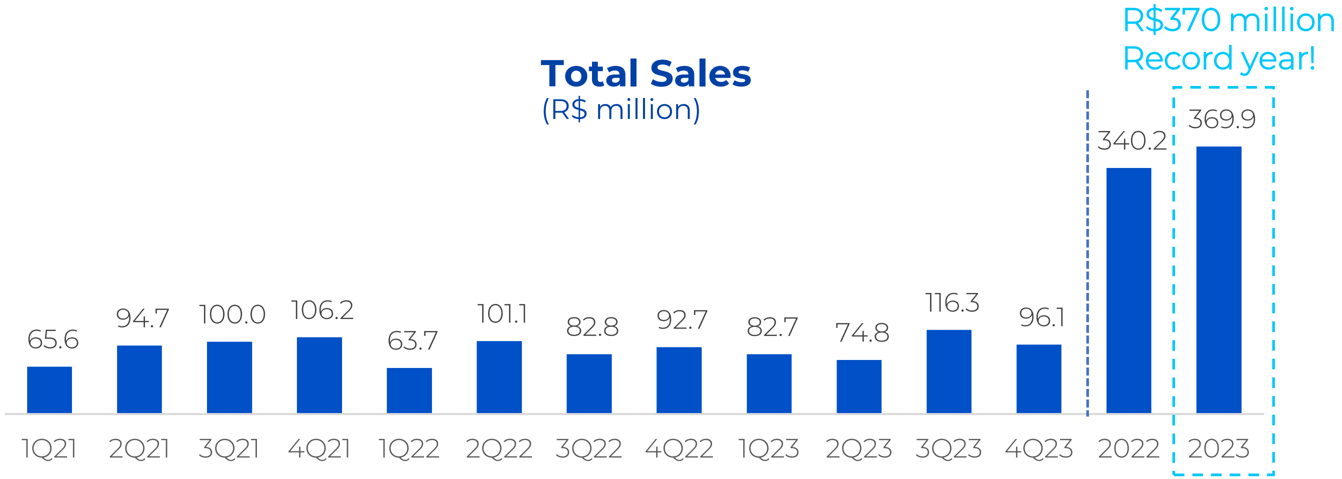
Business Unit - Enterprise

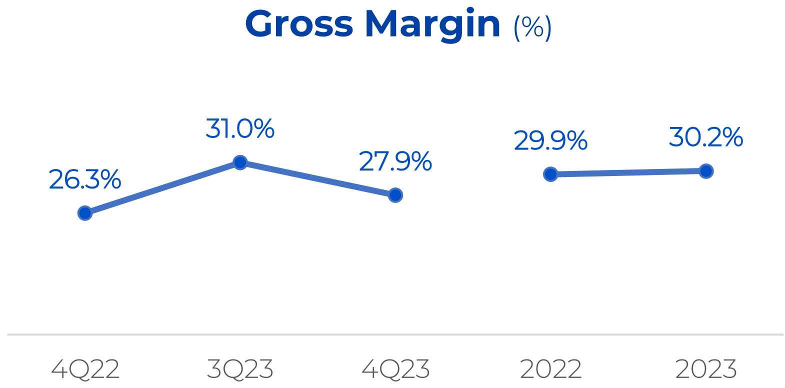


Share by business unit in Total Sales 4Q23

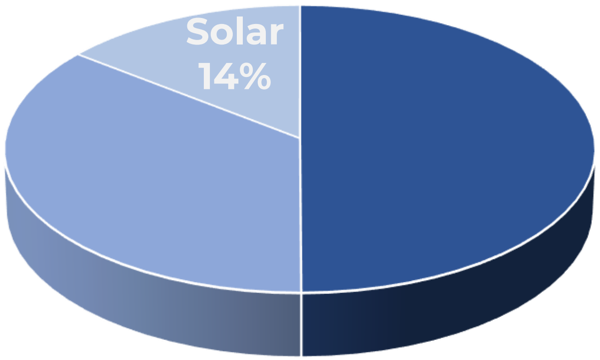
Highlights

- *Sales reached R$ 370 million in 2023*
- *TaaS representing almost 30% of the segment's Total Sales in 2023* (versus 21.5% in 2022)
- *Audio & Video* vertical is mainly responsible for the growth in 2023 with *LED panels in Out-Of-Home media and Cybersecurity*
- In 2023, the company maintained *30% of Gross Margin*





Business Unit – Solar Energy

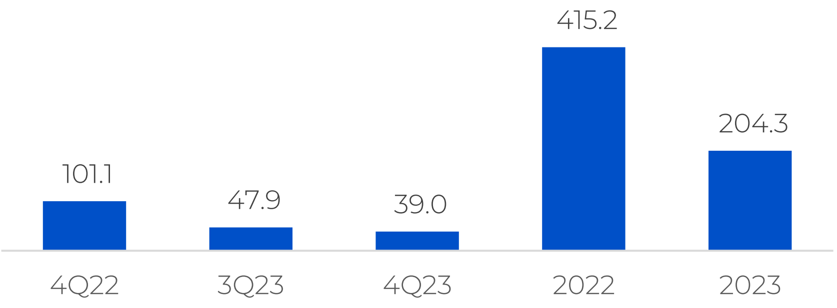


Share by business unit in Total Sales 4Q23

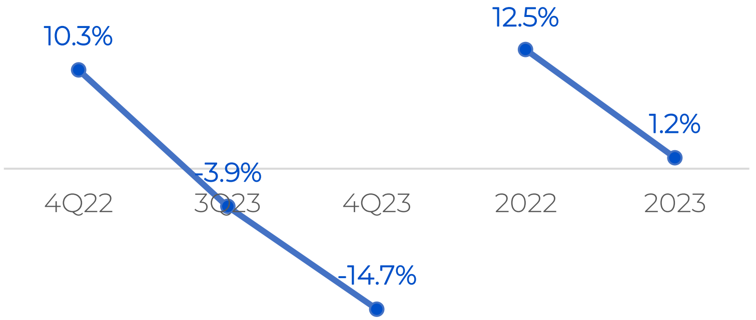
Highlights

- Decrease in sales explained by the drop in the replacement cost of products from Chinese manufacturers, in addition to even more compressed credit for the end consumer
- *High-cost inventory practically liquidated*
- Lower prices create a challenge in making freight expenses viable
- *Segment impacted consolidated Gross Profit by R$18 million in 2023*

Total Sales
(R$ million)



Gross Margin (%)



WDC Repositioning 2024

Before	Now
Focus on products	Focus on solutions (products + services)
Product-based business units	Cross-selling of the entire portfolio for business verticals (Education, Retail, Transport, Telecom, Entertainment, Hospitality, etc.)
TaaS only for products	Taas for products and services
Channel generating “leads”	WDC generating “leads” for the channel
Poor engagement with the end customer	Proximity to the end customer
	Design Center

Repositioning Advantages

- More control over opportunities
- Creating a lead generator for channels
- Design of projects before competition
- Add managed services (value added)
- Avoid price wars
- Increase project efficiency
- Reduce customer operating costs

THANK YOU!
Q&A

Feel free to contact us, we are at your disposal.

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