



**WDC**  
NETWORKS



EARNINGS  
**RELEASE**  
2Q24

**LVTC**  
B3 LISTED NM

Conference Call  
August 8, 2024 - Thursday  
10:00 a.m. (Brasília time) | 9:00 a.m. (EST)

Portuguese: [click here](#)

**IGC-NM B3**

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## Earnings Release 2Q24

*WDC achieves its goal of becoming more profitable and records **its highest Adjusted EBITDA ever, totaling R\$74.7 million (+8.9% vs. 2Q23)**. Adjusted Net Income totaled R\$8.4 million (R\$13.1 million in the first six months of 2024), **WDC's second straight quarter of profitability**, reversing the loss of 2023.*

Ilhéus, August 7, 2024 - Livetech da Bahia Indústria e Comércio S.A. (B3: LVTC3) ("Company" or "WDC Networks"), a technology company in the Telecommunications, Solar Power and Enterprise segments founded in 2003 and a pioneer in marketing Technology as a Service (TaaS), today reports its results for the second quarter of 2024 (2Q24). The individual and consolidated financial statements were prepared and are presented in accordance with the accounting practices adopted in Brazil, which include the accounting pronouncements, guidance and interpretations issued by the Accounting Pronouncements Committee (CPC) and approved by the Federal Accounting Council (CFC) and the Securities and Exchange Commission of Brazil (CVM), and the International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB).

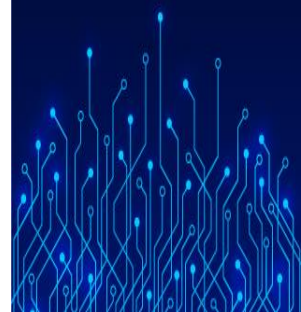
### HIGHLIGHTS | 2Q24 (consolidated)

- WDC records its highest Adjusted EBITDA ever (R\$74.7 million) in 2Q24, 8.9% higher than in 2Q23. In 6M24, the record result was maintained, reaching R\$142.9 million (+13.4% vs. 6M23).
- The Company achieved Adjusted EBITDA Margin of 38.7%, an improvement of 7.5 p.p. compared to 2Q23, which is WDC's highest EBITDA Margin ever.
- Adjusted Net Income increased significantly in 2Q24 to R\$8.4 million (+138.1% vs. 2Q23). In the year to date, the Company reversed the net loss of 6M23 (-R\$2.9 million) with Adjusted Net Income of R\$13.1 million in 6M24.
- For the second straight time, WDC improves its Gross Margin across all segments in 2Q24, which came to 28.7% in 2Q24 vs. 23.5% in 2Q23 (consolidated).
  - Enterprise margin was 33.8% in 2Q24 vs. 33.1% in 2Q23.
  - Telecom margin was 27.1% in 2Q24 vs. 23.1% in 2Q23.
  - Solar Power margin was 18.5% in 2Q24 vs. 10.3% in 2Q23.
- The Company maintains a low level of Operating Expenses, which in absolute terms reached R\$31.5 million, an improvement of 1.8% compared to 2Q23. The ratio of Operating Expenses to Net Revenue was only 16.3% in 2Q24.
- Revenue Backlog remained high, at R\$842.4 million in 2Q24 (-2.7% vs. 2Q23).

**R\$ 74.7**  
**million**  
in Adjusted EBITDA

**38.7%**  
Adjusted EBITDA  
Margin

**R\$8.4**  
**million**  
Net Income Adjusted



- ⇒ Current liquidity ratio was 2.55x in 2Q24 vs. 2.37x in 2Q23
- ⇒ Net debt / Adjusted EBITDA LTM remains healthy, moving from 2.06x in 1Q24 to 2.14x in 2Q24.
- ⇒ Conversion of EBITDA into operating cash flow (ex-interest) resulted in R\$69.8 million (consolidated) in 6M24
- ⇒ In total sales (ex-Solar), the Company remained stable in the comparison between 2Q24 and 2Q23. Comparing 2Q24 versus 1Q24, growth of 4.4%, reaching the amount of R\$206.4 million.

## Summary of Consolidated Results and Financial Indicators

Highlights (In R\$ million, except when indicated)	2Q24	2Q23	Δ %	1Q24	Δ %	2024 Acum.	2023 Acum.	Δ %
<b>Consolidated Financial Income</b>								
Total Sales	220.0	250.3	-12.1%	224.6	-2.1%	444.6	607.9	-26.9%
Net Revenue	193.1	219.7	-12.1%	209.5	-7.8%	402.7	464.0	-13.2%
Gross Income	55.5	51.7	7.4%	54.1	2.5%	109.6	101.8	7.7%
Gross Margin (% Net Revenue)	28.7%	23.5%	5.2 p.p.	25.8%	2.9 p.p.	27.2%	21.9%	5.3 p.p.
Adjusted EBITDA	74.7	68.6	8.9%	68.2	9.6%	142.9	126.0	13.4%
Adjusted EBITDA Margin (% Net Revenue)	38.7%	31.2%	7.5 p.p.	32.5%	6.1 p.p.	35.5%	27.2%	8.3 p.p.
Adjusted Net Income	8.4	3.5	138.1%	4.7	76.5%	13.1	(2.9)	-555.0%
Adjusted Net Margin (% Net Revenue)	4.3%	1.6%	2.7 p.p.	2.3%	2.1 p.p.	3.3%	-0.6%	3.9 p.p.
<b>Main Financial Indicators</b>								
Deferred Revenue Backlog	842.4	865.9	-2.7%	853.2	-1.3%	842.4	865.9	-2.7%
Investment in Property, Plant and Equipment for Lease (CAPEX TaaS)	44.0	35.0	26.0%	31.2	41.1%	75.3	113.2	-33.5%
Net Debt / Adjusted LTM EBITDA (x)	2.1	2.3	-6.1%	2.1	4.0%	2.14	2.28	-6.1%
<b>Main Operating Indicators</b>								
% Produced Internally (% Total Sales)	45%	47%	-2.4 p.p.	43%	1.6 p.p.	44%	47%	-3.2 p.p.
% TaaS (% Total Sales)	39%	32%	7.1 p.p.	31%	8.0 p.p.	35%	38%	-2.7 p.p.
% TaaS (% Gross Revenue)	40%	33%	7.2 p.p.	36%	4.2 p.p.	38%	31%	7.3 p.p.
New TaaS Agreements' (sic) Term (average in months)	47	49	-4.7%	50	-5.0%	53	53	0.8%
Quantity of New TaaS Agreements	397	298	33.2%	309	28.5%	706	648	9.0%
New TaaS Agreements' Value (average R\$ thousand/agreement)	215	267	-19.2%	224	-3.9%	219	352	-37.8%

## Message from Management

In the second quarter of 2024 (2Q24), WDC remained focused on its plan to be increasingly profitable while staying true to its core values and improving people's quality of life through technology, in an agile and uncomplicated way. For the second straight quarter, our gross margins improved for all segments and our **consolidated EBITDA hit the record-high mark of R\$74.7 million, with EBITDA margin of 38.7%**. These numbers reflect the Company's efforts in its strategic repositioning, to avoid selling at any price, and in controlling costs and expenses to make WDC increasingly efficient and competitive.

As part of our plan for the future and aligned with the new positioning, we made significant progress in services in 2Q24, which accounted for 18.7% of our Gross Revenue. In the same quarter of 2023, services accounted for 13.8% of our Gross Revenue. We are excited about this achievement and believe we can advance even further, especially with the strategy of exploring a wide range of market verticals and being attentive to M&A's opportunities that will help us improve the recurring services we provide with our solutions, making us even more strategic for our clients.

Nevertheless, in 2Q24 TaaS agreements added up to **R\$842.4 million of revenue backlog**. This **huge asset** does not appear in the balance sheet as a receivable, according to the IFRS15/CPC40 standards, but it ensures predictability and gross revenue recurrence, as it refers to commitments undertaken by our clients to pay monthly lease fees to WDC. Note that (i) WDC carried out all Capex at the time of sale, (ii) the "churn" of these contracts is low and (iii) these monthly fees, in turn, are converted into EBITDA by deducting only PIS/COFINS and depreciation of leased equipment. In 2Q24, TaaS accounted for 40% of gross revenue. This revenue backlog places us in a comfortable position vis-à-vis our loan payment commitments and financial expenses, corresponding to approximately 1.58 times our Net Debt.

Sales in the **Enterprise** segment amounted to R\$82.0 million 2Q24. Although it is a decrease compared to 1Q24, it is the best first half-year ever recorded by Enterprise, with sales reaching R\$188.3 million, an increase of 24.1% compared to 6M23. This segment achieved excellent gross margin in 2Q24, of 33.8% vs. 33.1% in 2Q23 and 31.5% in 1Q24.

**Telecom** delivered a remarkable performance in 2Q24 and once again achieved the highest sales, accounting for 57% of total sales in 2Q24. The segment's gross margin improved as well, advancing 4.0 p.p. from 2Q23, reaching 27.1%. The new services contracts were a highlight and boosted the Telecom margin.

In the **Solar Power** segment, WDC remains focused on making more profitable sales. In 2Q24, **our gross margin was 18.5%**, as against 10.3% in 2Q23 and 12.8% in 1Q24. We recognize that the challenge facing this segment is still huge for distributors such as WDC, since the logistics of delivering products to all regions involves high transportation costs in relation to total sales, given that prices have decreased considerably.

We generate operating cash (ex-interest) in the amount of R\$24.7 million on a consolidated basis. As a measure to preserve and reinforce cash, in June 2024, we contracted a new debt with Banco do Brasil in the amount of R\$50 million. However, on the other hand, we continued to amortize other obligations. At the end of 2Q24, our leverage level was **2.14x Net Debt/LTM EBITDA** (versus 2.28x in 2Q23 and 2.06x in 1Q24), a level that we consider healthy for the Company.

June 16, 2024 has become a milestone for WDC: on this date, **we inaugurated our incredible showroom**. This is an important and very strategic step for the Company, as it showcases our new position. The showroom has several environments focusing on verticals, clearly showing the applicability of our portfolio.

In this quarter, [we advanced in our repositioning](#), strengthened the Design Center area, intensified the trading of services, delivered our showroom, which clearly demonstrates the applicability of our portfolio, and maintained an active agenda prospecting M&A opportunities. In 2024, the challenges ahead of us are plenty, but we are currently implementing our go-to-market strategy, aiming to offer more services and products in different verticals.

Thank you very much and we are counting on you in this journey towards success!

[WDC Networks](#)

## Financial Information

### CONSOLIDATED

CONSOLIDATED (In R\$ million, except when indicated)	2Q24	2Q23	Δ %	1Q24	Δ %	2024 Acum.	2023 Acum.	Δ %
<b>Backlog</b>	<b>842.4</b>	<b>872.1</b>	<b>-3.4%</b>	<b>853.2</b>	<b>-1.3%</b>	<b>842.4</b>	<b>872.1</b>	<b>-3.4%</b>
Sales of Products and Services	134.4	170.9	-21.3%	155.4	-13.5%	289.8	379.7	-23.7%
TaaS (VGV Leases)	85.5	79.4	7.7%	69.3	23.5%	154.8	228.2	-32.2%
<b>Total Sales</b>	<b>220.0</b>	<b>250.3</b>	<b>-12.1%</b>	<b>224.6</b>	<b>-2.1%</b>	<b>444.6</b>	<b>607.9</b>	<b>-26.9%</b>
Net Revenue by Products and Services	111.9	144.0	-22.3%	130.9	-14.5%	242.8	252.0	-3.7%
Net Revenue by TaaS	81.3	75.7	7.3%	78.6	3.3%	159.9	150.3	6.4%
<b>Net Revenue</b>	<b>193.1</b>	<b>219.7</b>	<b>-12.1%</b>	<b>209.5</b>	<b>-7.8%</b>	<b>402.7</b>	<b>464.0</b>	<b>-13.2%</b>
<b>Gross Income</b>	<b>55.5</b>	<b>51.7</b>	<b>7.4%</b>	<b>54.1</b>	<b>2.5%</b>	<b>109.6</b>	<b>101.8</b>	<b>7.7%</b>
<i>Gross Margin (% Net Revenue)</i>	<i>28.7%</i>	<i>23.5%</i>	<i>5.2 p.p.</i>	<i>25.8%</i>	<i>2.9 p.p.</i>	<i>27.2%</i>	<i>21.9%</i>	<i>5.3 p.p.</i>
<b>EBITDA</b>	<b>74.6</b>	<b>68.6</b>	<b>8.8%</b>	<b>68.2</b>	<b>9.4%</b>	<b>142.8</b>	<b>126.0</b>	<b>13.3%</b>
<i>EBITDA Margin (% Net revenue)</i>	<i>38.6%</i>	<i>31.2%</i>	<i>7.4 p.p.</i>	<i>32.5%</i>	<i>6.1 p.p.</i>	<i>35.5%</i>	<i>27.2%</i>	<i>8.3 p.p.</i>

### TELECOM

TELECOM (In R\$ million, except when indicated)	2Q24	2Q23	Δ %	1Q24	Δ %	2024 Acum.	2023 Acum.	Δ %
<b>Backlog</b>	<b>614.6</b>	<b>693.1</b>	<b>-11.3%</b>	<b>629.7</b>	<b>-2.4%</b>	<b>614.6</b>	<b>693.1</b>	<b>-11.3%</b>
Sales of Products and Services	64.5	71.0	-9.2%	52.7	22.3%	117.2	150.0	-21.9%
TaaS (VGV Leases)	60.0	60.7	-1.1%	38.7	55.3%	98.7	183.1	-46.1%
<b>Total Sales</b>	<b>124.5</b>	<b>131.7</b>	<b>-5.5%</b>	<b>91.4</b>	<b>36.2%</b>	<b>215.9</b>	<b>333.1</b>	<b>-35.2%</b>
Net Revenue by Products and Services	54.4	58.8	-7.4%	43.8	24.4%	98.2	121.0	-18.9%
Net Revenue by TaaS	62.3	61.1	2.0%	61.1	2.0%	123.3	122.3	0.9%
<b>Net Revenue</b>	<b>116.7</b>	<b>119.8</b>	<b>-2.6%</b>	<b>104.8</b>	<b>11.3%</b>	<b>221.5</b>	<b>243.3</b>	<b>-9.0%</b>
<b>Gross Income</b>	<b>31.6</b>	<b>27.7</b>	<b>14.2%</b>	<b>25.7</b>	<b>23.0%</b>	<b>57.4</b>	<b>56.9</b>	<b>0.7%</b>
<i>Gross Margin (% Net Revenue)</i>	<i>27.1%</i>	<i>23.1%</i>	<i>4.0 p.p.</i>	<i>24.5%</i>	<i>2.6 p.p.</i>	<i>25.9%</i>	<i>23.4%</i>	<i>2.5 p.p.</i>
<b>Main Operating Indicators</b>								
% TaaS (% Total Sales)	48.2%	46.1%	2.1 p.p.	42.3%	5.9 p.p.	45.7%	55.0%	-9.2 p.p.
% TaaS (% Gross Revenue)	51.6%	48.7%	2.9 p.p.	56.1%	-4.5 p.p.	53.7%	47.3%	6.4 p.p.
New TaaS Agreements' (sic) Term (average in months)	45.5	47.8	-11.6%	43.5	16.9%	44.7	52.1	-20.1%
Quantity of New TaaS Agreements	290	220	-0.1%	225	-0.4%	515	492	2.0%
New TaaS Agreements' Value (average R\$ thousand/agreement)	207.0	275.9	112.3%	171.8	31.3%	191.6	372.1	-35.9%



In 2Q24, total sales in the Telecom segment came to R\$124.5 million, decreasing 5.5% from 2Q23 and increasing 36.2% from 1Q24. This quarter, WDC had a successful participation in the event ABRINT 2024, which helped boost sales in 2Q24.

In 6M24, sales reached R\$215.9 million, down 35.2% from 6M23, explained by the current scenario of slowdown in the market of Internet Service Providers (ISP) in terms of new subscriptions. According to information from the Brazilian Telecommunications Agency (Anatel), since January 2024 the sector has generated 992,700 new fiber subscriptions, representing growth of only 2.7% in the subscription base. In the first half of 2024.

In 2Q24, net revenue totaled R\$116.7 million, down 2.6% from 2Q23 and up 11.3% from 1Q24. In 6M24, net revenue reached R\$221.5 million, decreasing 9.0% from 6M23.

Gross Income totaled R\$31.6 million with gross margin of 27.1% in 2Q24, compared to gross income of R\$27.7 million and gross margin of 23.1% in 2Q23 and gross income of R\$25.7 million and gross margin of 24.5% in 1Q24. Gross margin improved by 2.6 p.p. due to the composition of the products and services mix in 2Q24, which had higher margins.

In 6M24, gross income reached R\$57.4 million, stable in relation to 6M23. Gross margin was 25.9% in 6M24, an improvement of 3.7 p.p. from 6M23.

## ENTERPRISE

ENTERPRISE (In R\$ million, except when indicated)	2Q24	2Q23	Δ %	1Q24	Δ %	2024 Acum.	2023 Acum.	Δ %
<b>Backlog</b>	<b>203.3</b>	<b>159.9</b>	<b>27.1%</b>	<b>197.9</b>	<b>2.8%</b>	<b>203.3</b>	<b>159.9</b>	<b>27.1%</b>
Sales of Products and Services	57.1	57.2	-0.2%	75.8	-24.6%	132.9	116.3	14.2%
TaaS (VGV Leases)	24.9	17.6	41.3%	30.6	-18.8%	55.4	41.2	34.7%
<b>Total Sales</b>	<b>82.0</b>	<b>74.8</b>	<b>9.6%</b>	<b>106.4</b>	<b>-22.9%</b>	<b>188.3</b>	<b>157.5</b>	<b>19.6%</b>
Net Revenue by Products and Services	46.4	46.5	-0.3%	64.2	-27.7%	110.5	92.2	19.9%
Net Revenue by TaaS	17.3	13.5	28.5%	15.9	8.8%	33.3	26.8	24.1%
<b>Net Revenue</b>	<b>63.7</b>	<b>60.0</b>	<b>6.1%</b>	<b>80.1</b>	<b>-20.5%</b>	<b>143.8</b>	<b>119.0</b>	<b>20.8%</b>
<b>Gross Income</b>	<b>21.5</b>	<b>19.9</b>	<b>8.4%</b>	<b>25.3</b>	<b>-14.8%</b>	<b>46.8</b>	<b>36.9</b>	<b>26.7%</b>
<i>Gross Margin (% Net Revenue)</i>	<i>33.8%</i>	<i>33.1%</i>	<i>0.7 p.p.</i>	<i>31.5%</i>	<i>2.2 p.p.</i>	<i>32.5%</i>	<i>31.0%</i>	<i>1.5 p.p.</i>
<b>Main Operating Indicators</b>								
% TaaS (% Total Sales)	30.3%	23.5%	6.8 p.p.	28.8%	1.6 p.p.	29.4%	26.1%	3.3 p.p.
% TaaS (% Gross Revenue)	25.1%	20.6%	4.4 p.p.	18.8%	6.3 p.p.	21.6%	20.3%	1.4 p.p.
New TaaS Agreements' (sic) Term (average in months)	49.8	52.4	-4.9%	57.9	-13.9%	54.2	52.5	3.2%
Quantity of New TaaS Agreements	134	76	76.3%	92	45.7%	226	157	43.9%
New TaaS Agreements' Value (average R\$ thousand/agreement)	185.5	231.4	-19.8%	332.6	-44.2%	245.3	262.2	-6.4%

The Enterprise segment remains strong, with total sales amounting to R\$82.0 million in 2Q24, 9.6% higher than in 2Q23. Compared to 1Q24, total sales decrease 19.6%, explained by a high value-added

project in Colombia carried out last quarter. The share of TaaS in the Company's sales increased as well, to 30.3% in 2Q24 (23.5% in 2Q23 and 28.8% in 1Q24).

In 6M24, total sales came to R\$188.3 million, increasing 19.6% from 6M23. Note that, during this period, TaaS increased its share in sales, which was 29.4% in 6M24 vs. 26.1% in 6M23, mainly due to the improvement in electronic security, as well as the performance of our Colombia branch in 2024.

In 2Q24, net revenue from the Enterprise segment totaled R\$63.7 million, 6.1% higher than in 2Q23 and 20.5% lower than in 1Q24, explained by the same reasons for the variation in total sales. In 6M24, net revenue came to R\$143.8 million vs. R\$119.0 million in 6M23 (+20.8%), reinforcing the growth trajectory of this segment in the Company.

Gross Income from the Enterprise segment came to R\$21.5 million in 2Q24, increasing 8.4% from 2Q23, with gross margin expanding by 0.7 p.p., to 33.8%. Compared to 1Q24, Gross Income decreased by 14.8% with a 2.2 p.p. margin growth. The improvement in gross margin between quarters is explained by the higher share of TaaS in revenue.

## SOLAR POWER

SOLAR (In R\$ million, except when indicated)	2Q24	2Q23	Δ %	1Q24	Δ %	2024 Acum.	2023 Acum.	Δ %
<b>Backlog</b>	<b>24.5</b>	<b>19.0</b>	<b>28.8%</b>	<b>25.6</b>	<b>-4.6%</b>	<b>24.5</b>	<b>19.0</b>	<b>28.8%</b>
Sales of Products and Services	12.9	42.7	-69.8%	26.9	-52.1%	39.7	113.4	-64.9%
TaaS (VGV Leases)	0.6	1.1	-44.6%	-	n.a.	0.6	4.0	-84.2%
<b>Total Sales</b>	<b>13.5</b>	<b>43.8</b>	<b>-69.2%</b>	<b>26.9</b>	<b>-49.7%</b>	<b>40.4</b>	<b>117.4</b>	<b>-65.6%</b>
Net Revenue by Products and Services	11.1	38.7	-71.4%	23.0	-51.9%	34.0	38.7	-12.1%
Net Revenue by TaaS	1.6	1.2	39.2%	1.6	0.6%	3.3	1.2	177.5%
<b>Net Revenue</b>	<b>12.7</b>	<b>39.9</b>	<b>-68.2%</b>	<b>24.6</b>	<b>-48.4%</b>	<b>37.3</b>	<b>101.6</b>	<b>-63.3%</b>
<b>Gross Income</b>	<b>2.3</b>	<b>4.1</b>	<b>-42.9%</b>	<b>3.2</b>	<b>-25.7%</b>	<b>5.5</b>	<b>7.9</b>	<b>-30.7%</b>
<i>Gross Margin (% Net Revenue)</i>	<i>18.5%</i>	<i>10.3%</i>	<i>8.2 p.p.</i>	<i>12.8%</i>	<i>5.6 p.p.</i>	<i>14.7%</i>	<i>7.8%</i>	<i>6.9 p.p.</i>

Main Operating Indicators								
% TaaS (% Total Sales)	4.7%	2.6%	2.1 p.p.	0.0%	4.7 p.p.	1.6%	3.4%	-1.8 p.p.
% TaaS (% Gross Revenue)	12.3%	3.0%	9.4 p.p.	6.3%	6.0 p.p.	8.3%	2.2%	6.1 p.p.
New TaaS Agreements' (sic) Term (average in months)	104.4	104.6	-0.1%	-	n.a.	104.4	84.3	24.0%
Quantity of New TaaS Agreements	5	6	-16.7%	-	n.a.	5	17	-70.6%
New TaaS Agreements' Value (average R\$ thousand/agreement)	126.7	190.7	-33.6%	-	n.a.	126.7	235.5	-46.2%

In the Solar Power segment, we continued to operate more cautiously, focusing on higher margins and profitability. Therefore, total sales came to R\$13.5 million in 2Q24, decreasing 69.2% from 2Q23 and 49.7% from 1Q24. In 6M24, total sales amounted to R\$40.4 million, down 65.6% from 6M23.



In 2Q24, net revenue from the Solar Power segment amounted to R\$12.7 million, down 68.2% from 2Q23 and 48.4% from 1Q24. In 6M24, net revenue declined 63.3% compared to 6M23.

As mentioned, the strategy of focusing on higher margins has been proving to be assertive. In 2Q24, Solar Power recorded gross income of R\$2.3 million vs. R\$4.1 million in 2Q23. On the other hand, gross margin increased by 8.2 p.p., from 10.3% in 2Q23 to 18.5% in 2Q24. Compared to 1Q24, gross income decreased 25.7%, while gross margin increased 5.6 p.p.

In 6M24, gross income was R\$5.5 million (R\$7.9 million in 6M23), with gross margin of 14.7%, improving 6.9 p.p. from 6M23.

### Technology as a Service (TaaS) and Future Revenues (Revenue Backlog)

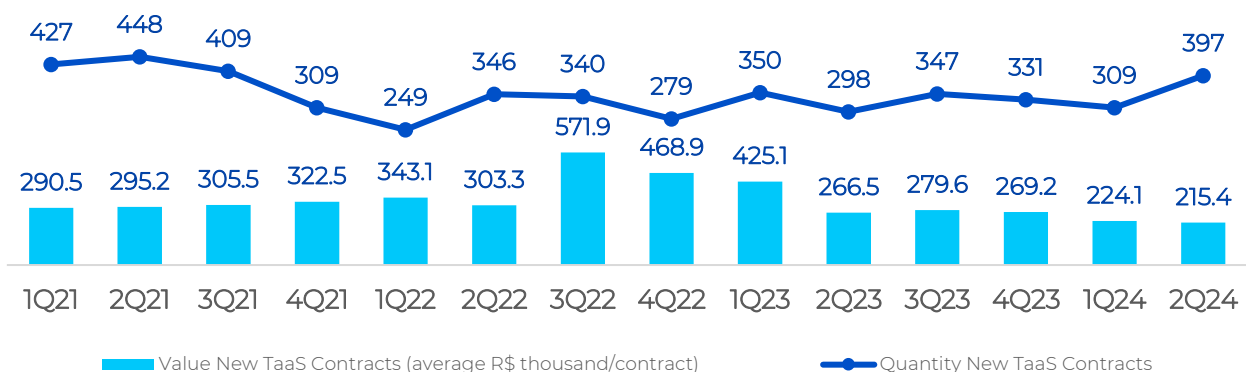
This WDC business model is based on equipment lease agreements. The Company buys, sets up and activates these assets, leasing them to its clients for terms of up to 60 months.

Revenue Backlog is the sum of monthly fees under lease agreements that will be recognized as gross revenue month by month, with no need for fresh investments, given that the Capex was already incurred at the time of execution of the lease agreement, subtracting only PIS/COFINS and depreciation of the assets leased.

In this sense, from an EBITDA perspective, the backlog represents a predictable cash flow to be received in the future without any new disbursements by WDC.

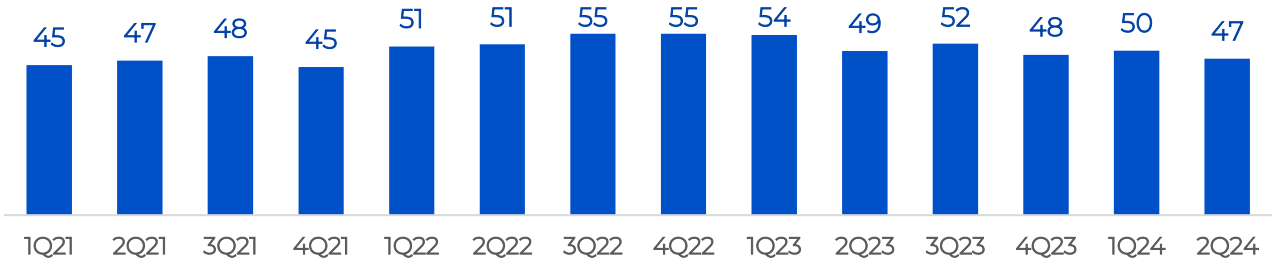
In 2Q24, we executed 397 new TaaS agreements totaling R\$85,511 thousand, at an average ticket of R\$215.4 thousand.

TaaS Agreements



Term New TaaS Agreements  
(average in months)

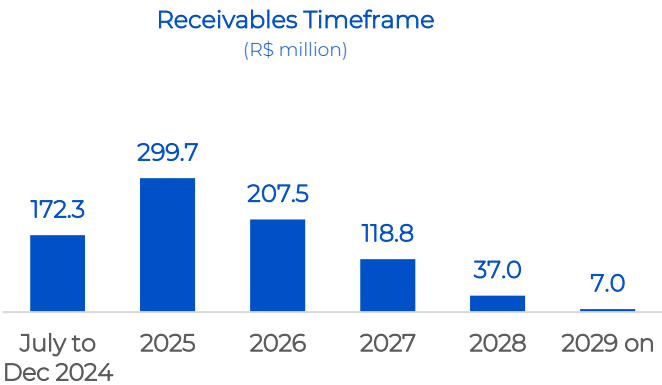
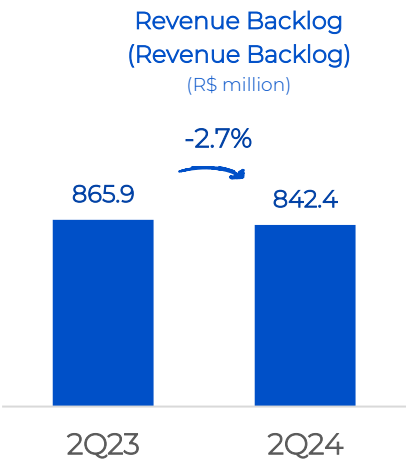
The average term of new TaaS agreements was 47 months in 2Q24, compared to 50 months in 1Q24.



Note that our strategy of focusing on increasingly longer agreements (close to 60 months) is a positive factor in the long run, as it matches the monthly revenues with depreciation of equipment.

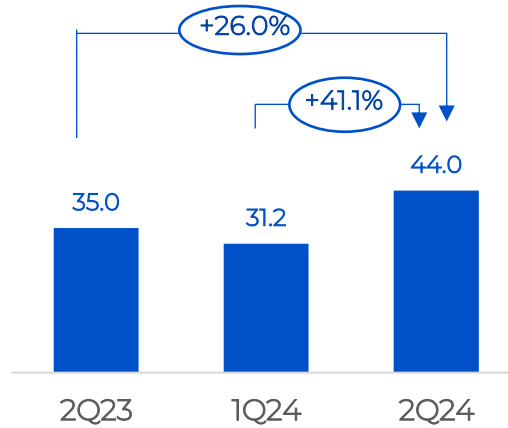
In 2Q24, Revenue Backlog came to R\$842.4 million.

TaaS represents the ability to predict future revenues, demonstrates the Company's resilience and places it in a comfortable position to cover its expenses and debts.



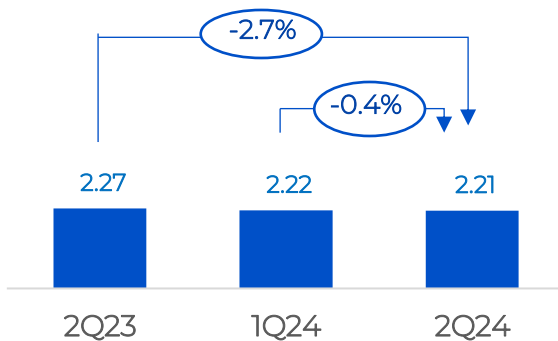
The receivables timeframe indicates the amount of Future Revenue to be recognized by the Company as from July 2024. In compliance with accounting standards, these amounts do not appear as “receivables” of the Company at the time the lease agreement is executed, but will translate as monthly revenues and, therefore, be registered as trade receivables according to the term of the agreements by the accrual method.

### Investment in TaaS Assets - Capex (R\$ million)



In 2Q24, total investment in TaaS Assets came to R\$44.0 million, up 26.0% from 2Q23 and 41.1% from 1Q24.

### Managerial TaaS Mark-up (# Total TaaS Sales / Investments in TaaS Assets - Capex)



TaaS Mark-up is the ratio of the potential sales value (PSV) of agreements to the Capex amount, i.e. the mark-up of these agreements indicates how much revenue will be generated by the investment made.

Note: The Company has been transferring old inventory balances to property, plant and equipment. This volume was subject to managerial adjustment to ensure mark-up comparability in the periods.

## Consolidated Financial Information

## Adjusted EBITDA and EBITDA Margin (Consolidated)

Adjusted EBITDA Reconciliation (In R\$ million, except when indicated)	2Q24	2Q23	Δ %	1Q24	Δ %	2024 Acum.	2023 Acum.	Δ %
<b>Gross Income</b>	<b>55.5</b>	<b>51.7</b>	<b>7.4%</b>	<b>54.1</b>	<b>2.5%</b>	<b>109.6</b>	<b>101.8</b>	<b>7.7%</b>
Gross Margin (% Net Revenue)	28.7%	23.5%	0.2 p.p.	25.8%	0.1 p.p.	27.2%	21.9%	5.3 p.p.
(-) Operating Expenses	(31.6)	(32.1)	-1.8%	(36.2)	-12.9%	(67.8)	(71.8)	-5.7%
<b>EBIT</b>	<b>23.9</b>	<b>19.5</b>	<b>22.6%</b>	<b>17.9</b>	<b>33.7%</b>	<b>41.9</b>	<b>29.9</b>	<b>39.8%</b>
EBIT Margin (% Net Revenue)	12.4%	8.9%	0.4 p.p.	8.5%	0.5 p.p.	10.4%	6.5%	3.9 p.p.
(+) Depreciation and Amortization	50.7	49.0	3.3%	50.3	0.8%	100.9	96.1	5.0%
<b>Consolidated EBITDA</b>	<b>74.6</b>	<b>68.6</b>	<b>8.8%</b>	<b>68.2</b>	<b>9.4%</b>	<b>142.8</b>	<b>126.0</b>	<b>13.3%</b>
EBITDA Margin (% Net Revenue)	38.6%	31.2%	7.4 p.p.	32.5%	6.1 p.p.	35.5%	27.2%	8.3 p.p.
(+) IPO expenses	-	-	n.a.	-	n.a.	0	0	n.a.
(+) Mergers and Acquisitions (M&A) Expenses	0.03	-	n.a.	-	n.a.	0.03	-	n.a.
(+) Rem. Expenses Share-Based Variable	-	-	n.a.	-	n.a.	-	-	n.a.
(-) Excluding ICMS Credit on PIS/COFINS Base (17-20)	-	-	n.a.	-	n.a.	-	-	n.a.
(+) Pre-Operating Expenses	0.1	-	n.a.	-	n.a.	0.1	-	n.a.
<b>(+) Non-recurring Expenses and Revenues</b>	<b>0.1</b>	<b>-</b>	<b>n.a.</b>	<b>-</b>	<b>n.a.</b>	<b>0.09</b>	<b>-</b>	<b>n.a.</b>
<b>Consolidated Adjusted EBITDA</b>	<b>74.7</b>	<b>68.6</b>	<b>8.9%</b>	<b>68.2</b>	<b>9.6%</b>	<b>142.9</b>	<b>126.0</b>	<b>13.4%</b>
Adjusted EBITDA Margin (% Net Revenue)	38.7%	31.2%	7.5 p.p.	32.5%	6.1 p.p.	35.5%	27.2%	8.3 p.p.

The Company recorded its highest quarterly Adjusted EBITDA (consolidated), totaling R\$74.7 million in 2Q24 vs. R\$68.6 million in 2Q23 and R\$68.2 million in 1Q24. This improvement is mainly due to the increase in gross income, driven by a higher share of TaaS, trading of services and rigorous management of operating expenses.

In 6M24, consolidated Adjusted EBITDA was R\$142.9 million, an improvement of 13.4% compared to 6M23.

Consolidated Adjusted EBITDA margin totaled 38.7%, increasing 7.5 p.p. from 2Q23 and 6.1 p.p. from 1Q24. It is also the best EBITDA margin ever recorded by the Company.

In 6M24, consolidated Adjusted EBITDA margin was 35.5% vs. 27.2% in 6M23.

Note that the Company's constant cost-cutting efforts led to a reduction (absolute terms) of Operating Expenses of 5.7% in 6M24 vs. 6M23.

## Financial Result

Financial Income (In R\$ million, except when indicated)	2Q24	2Q23	Δ %	1Q24	Δ %	2024 Acum.	2023 Acum.	Δ %
Net Exchange Variation & Adjustment to fair value Der. Inst.	(4.3)	(0.6)	644.8%	(3.2)	35.0%	(7.5)	(3.4)	120.8%
Financial Revenues	14.5	12.7	14.3%	14.0	4.2%	28.5	27.8	2.5%
Financial Expenses	(24.5)	(28.3)	-13.3%	(22.2)	10.7%	(46.7)	(58.9)	-20.7%
<b>(+/-) Financial Income</b>	<b>(14.3)</b>	<b>(16.2)</b>	<b>-11.6%</b>	<b>(11.4)</b>	<b>25.4%</b>	<b>(25.7)</b>	<b>(34.5)</b>	<b>-25.6%</b>

- Financial Revenues in 6M24 totaled R\$28.5 million, an increase of 2.5% (R\$0.7 million) compared to 6M23, due to present value adjustments and customer fee charges.

- Financial Expenses totaled R\$46.7 million in 6M24, R\$12.2 million higher than in 6M23, mainly due to the lower interest paid on loans, financing and debentures, reflecting the reduction in the Company's gross debt and lower Selic rate.

Net Financial Result in 6M24 improved R\$8.8 million in relation to 6M23, explained by the following factors:

- The Net Exchange Variation and Fair Value Adjustment of derivatives reflect the Company's exchange exposure on its assets and liabilities in foreign currencies, net of any hedges contracted through financial derivatives. In 6M24, a foreign exchange loss was recorded against other currencies, in the total amount of -R\$7.5 million, of which: i) exchange variation on foreign currency loans: -R\$9.5 million; and (ii) fair value adjustments of derivatives (swaps of foreign currency loans): +R\$2.0 million.

(In R\$ million)	2Q23	1Q24	2Q24
Exchange Rates Dollar Ptax	4,8186	4,9956	5,5583
Inventory in transit	31,2	13,9	19,4
Advances to International Suppliers	5,4	11,3	9,6
International Suppliers	-37,9	-72,7	-57,7
Assets (Liabilities) in foreign currency	-1,3	-47,5	-28,7
Equivalent to US\$	-0,3	-9,5	-5,2

Source: <https://www.bcb.gov.br/estabilidadefinanceira/historicocotacoes>

## Net Income/Loss and Net Margin

Net Income (In R\$ million, except when indicated)	2Q24	2Q23	Δ %	1Q24	Δ %	2024 Acum.	2023 Acum.	Δ %
<b>Net Revenue</b>	<b>193.1</b>	<b>219.7</b>	<b>-12.1%</b>	<b>209.5</b>	<b>(0.1)</b>	<b>402.7</b>	<b>464.0</b>	<b>-13.2%</b>
<b>EBIT</b>	<b>23.9</b>	<b>19.5</b>	<b>22.6%</b>	<b>17.9</b>	<b>33.7%</b>	<b>41.9</b>	<b>29.9</b>	<b>39.8%</b>
<i>EBIT Margin (% Net Revenue)</i>	<i>12.4%</i>	<i>8.9%</i>	<i>3.5 p.p.</i>	<i>8.5%</i>	<i>3.9 p.p.</i>	<i>10.4%</i>	<i>6.5%</i>	<i>3.9 p.p.</i>
(+/-) Financial Income	(14.3)	(16.2)	-11.6%	(11.4)	25.4%	(25.7)	(34.5)	-25.6%
(-) Provision for IR and CSLL	(1.4)	0.2	-965.6%	(1.8)	-24.0%	(3.1)	1.7	-285.9%
<b>Net Income</b>	<b>8.3</b>	<b>3.5</b>	<b>136.4%</b>	<b>4.7</b>	<b>75.2%</b>	<b>13.0</b>	<b>(2.9)</b>	<b>n.a.</b>
<i>Net Margin (% Net Revenue)</i>	<i>4.3%</i>	<i>1.6%</i>	<i>2.7 p.p.</i>	<i>2.3%</i>	<i>2.0 p.p.</i>	<i>3.2%</i>	<i>-0.6%</i>	<i>3.9 p.p.</i>
(+) IPO expenses	-	-	n.a.	-	n.a.	0.0	0.0	n.a.
(+) Mergers and Acquisitions (M&A)	0.03	-	n.a.	-	n.a.	0.0	0.0	n.a.
Expenses	-	-	n.a.	-	n.a.	-	0.0	n.a.
(-) Exclu. ICMS Subsidy IRPJ/CSLL Base (17-20)	-	-	n.a.	-	n.a.	-	0.0	n.a.
(+) Pre-Operating Expenses	0.1	-	n.a.	-	n.a.	0.1	0.0	n.a.
(-) IR and CSLL Reversal	0.03	-	n.a.	-	n.a.	0.0	0.0	n.a.
(+) Non-recurring Expenses and Revenues and IR and CSLL	0.06	-	n.a.	-	n.a.	0.1	0.0	n.a.
<b>Adjusted Net Income</b>	<b>8.4</b>	<b>3.5</b>	<b>138.1%</b>	<b>4.7</b>	<b>76.5%</b>	<b>13.1</b>	<b>(2.9)</b>	<b>n.a.</b>
<i>Adjusted Net Income Margin (% Net Revenue)</i>	<i>4.3%</i>	<i>1.6%</i>	<i>2.7 p.p.</i>	<i>2.3%</i>	<i>2.1 p.p.</i>	<i>3.3%</i>	<i>-0.6%</i>	<i>3.9 p.p.</i>

In the consolidated result, Adjusted Net Income in 2Q24 was R\$8.4 million, versus R\$3.5 million in 2Q23 and R\$4.7 million in 1Q24. The positive result in 2Q24 is explained by a better product mix, more services and reversal of obsolete inventories. In 6M24, Adjusted Net Income reached R\$13.1 million versus a net loss of R\$2.9 million in 6M23.

Note that this is the second consecutive quarter of profitability, with reversal of the loss from 6M23.

## Cash Flow

Quarter<sup>1</sup>  
(R\$ million)



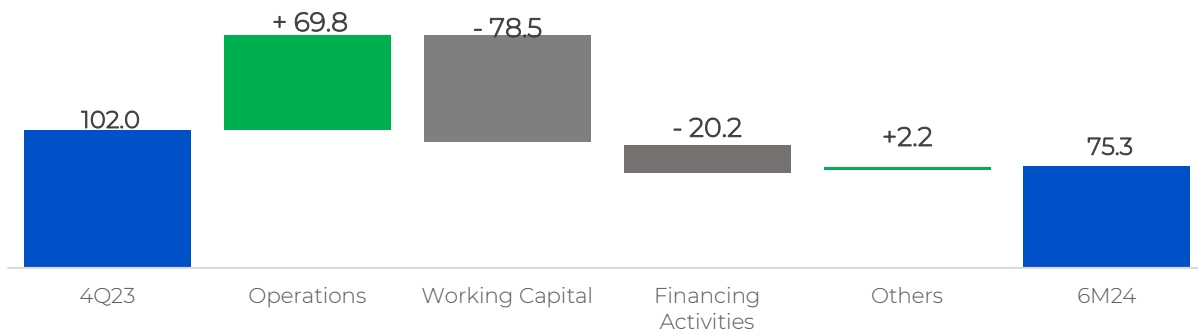
<sup>1</sup> In this document, the interest paid to the Debentures, in the amount of -R\$33.3 million in 2Q24, was allocated by the management to financing activities.

In 2Q24, the Company generated operating cash flow of +R\$24.7 million. Investment activities, mainly related to the Technology as a Service (TaaS) model, consumed -R\$46.0 million, while financing activities,



considering the inflow of R\$50 million (new loan taken out in June), loan repayments and other factors, totaled +R\$1.0 million. Cash balance at the end of 2Q24 was R\$75.3 million.

**Year to date<sup>1</sup>**  
(R\$ million)



<sup>1</sup> In this document, the interest paid to the Debentures, in the amount of -R\$34.0 million in 6M24, was allocated by the management to financing activities.

In 6M24, the Company generated operating cash flow of +R\$69.8 million. Investment activities, mainly related to the Technology as a Service (TaaS) model, consumed -R\$78.5 million, while financing activities, considering the inflow of R\$50 million (new loan taken out in June), loan repayments and other factors, totaled -R\$18 million. Cash balance at the end of 6M24 was R\$75.3 million.

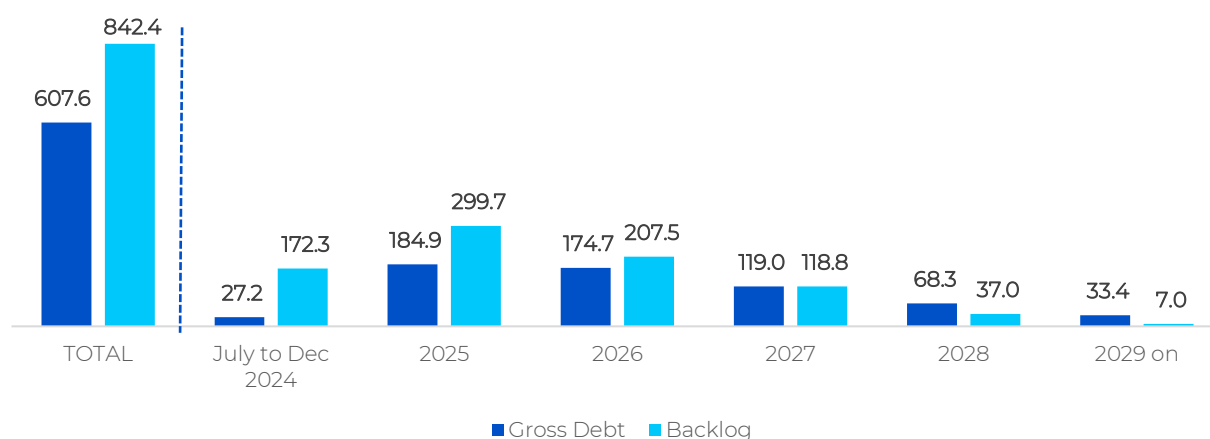
## Debt

Indebtedness (In R\$ million, except when indicated)	2Q24	2Q23	Δ %	1Q24	Δ %
<b>(+) Loans, financing and debentures</b>	<b>594.7</b>	<b>629.8</b>	<b>-5.6%</b>	<b>580.1</b>	<b>2.5%</b>
Current	66.1	110.4	-40.2%	69.1	-4.5%
Non-Current	528.7	519.4	1.8%	510.9	3.5%
<b>(+) Commercial leases</b>	<b>12.7</b>	<b>4.1</b>	<b>207.2%</b>	<b>11.7</b>	<b>7.9%</b>
Current	4.0	1.3	197.2%	3.6	11.3%
Non-Current	8.7	2.8	212.0%	8.2	6.5%
<b>(+/-) Net derivative financial instruments</b>	<b>0.2</b>	<b>10.2</b>	<b>-98.2%</b>	<b>2.9</b>	<b>-93.6%</b>
Assets	(0.1)	0.0		0.0	
Liabilities	0.3	10.2	-96.8%	2.9	-88.8%
<b>Gross Debt</b>	<b>607.6</b>	<b>644.1</b>	<b>-5.7%</b>	<b>594.7</b>	<b>2.2%</b>
(-) Disp. (Cash and Equiv.) and Invest. of CP	(75.3)	(72.3)	4.2%	(95.7)	-21.3%
<b>Net Debt</b>	<b>532.3</b>	<b>571.9</b>	<b>-6.9%</b>	<b>499.0</b>	<b>6.7%</b>
<b>EBITDA UDM</b>	<b>248.4</b>	<b>250.6</b>	<b>-0.9%</b>	<b>242.3</b>	<b>2.5%</b>
<b>Net Debt / EBITDA LTM</b>	<b>2.14</b>	<b>2.28</b>	<b>-6.1%</b>	<b>2.06</b>	<b>4.1%</b>

In 2Q24, as a measure to strengthen its cash position, the Company took out a new loan with Banco do Brasil of R\$50 million, at a CDI + 1.9% rate. Therefore, considering this new loan, the ratio of Net Debt to Adjusted EBITDA LTM stood at 2.14x in 2Q24, a healthy level in the management's view, due to the Company's capacity to settle its obligations towards its debentureholders and other creditors.

Note that, for the remainder of 2024, we will have six times revenue backlog (TaaS) in relation to debt payment commitments.

**Gross Debt Payment Schedule and  
Coverage of Future Revenues (Revenue Backlog)**  
(R\$ million)



## ROIC

ROIC (In R\$ million, except when indicated)	2Q24	2Q23	Δ %	1Q24	Δ %
Net Revenue	193.1	219.7	-12.1%	209.5	-7.8%
EBIT (LTM)	48.3	67.5	-28.4%	43.9	10.1%
(-) Provision for IR and CSLL (LTM)	(0.6)	14.7	-104.0%	0.9	-162.5%
Operating Income after Taxes (NOPAT) = (A)	47.7	82.1	-41.9%	44.8	6.5%
(+) Equity	650.4	643.1	1.1%	640.7	1.5%
(+) Gross Debt	607.6	644.1	-5.7%	594.7	2.2%
(+) Cash (Cash and Equiv.) and CP Investments	(75.3)	(72.3)	4.2%	(95.7)	-21.3%
Invested Capital	1,182.6	1,214.9	-2.7%	1,139.7	3.8%
Average Invested Capital of 2022 and 2021 = (B)	1,153.1	1,176.7	-2.0%	1,131.6	1.9%
ROIC = (A/B)	4.1%	7.0%	-2.8 p.p.	4.0%	0.2 p.p.

## Appendices

### Statement of Income

Consolidated Statement (In R\$ million, except when indicated)	2Q24	2Q23	Δ %	1Q24	Δ %	2024 Acum.	2023 Acum.	Δ %
Sales of Products and Services	134,445	170,888	-21.3%	155,359	-13.5%	289,804	379,667	-23.7%
TaaS (VGV Leases)	85,511	79,426	7.7%	69,254	23.5%	154,766	228,218	-32.2%
<b>Total Sales</b>	<b>219,956</b>	<b>250,314</b>	<b>-12.1%</b>	<b>224,613</b>	<b>-2.1%</b>	<b>444,570</b>	<b>607,885</b>	<b>-26.9%</b>
Sales Gross Revenue	134,445	170,888	-21.3%	155,359	-13.5%	289,804	379,667	-23.7%
Lease Gross Revenue	89,537	83,448	7.3%	86,657	3.3%	176,194	166,813	5.6%
<b>Gross Revenue</b>	<b>223,982</b>	<b>254,336</b>	<b>-11.9%</b>	<b>242,016</b>	<b>-7.5%</b>	<b>465,998</b>	<b>546,480</b>	<b>-14.7%</b>
(-) Tax levy on Revenues	(26,476)	(32,110)	-17.5%	(27,254)	-2.9%	(53,730)	(69,054)	-22.2%
(-) Returns	(4,388)	(2,493)	76.0%	(5,222)	-16.0%	(9,610)	(13,433)	-28.5%
<b>Net Revenue</b>	<b>193,119</b>	<b>219,733</b>	<b>-12.1%</b>	<b>209,540</b>	<b>-7.8%</b>	<b>402,659</b>	<b>463,993</b>	<b>-13.2%</b>
(-) CMV	(137,622)	(168,070)	-18.1%	(155,410)	-11.4%	(293,033)	(362,214)	-19.1%
<b>Gross Income</b>	<b>55,496</b>	<b>51,663</b>	<b>7.4%</b>	<b>54,130</b>	<b>2.5%</b>	<b>109,626</b>	<b>101,780</b>	<b>7.7%</b>
<i>Gross Margin (% Net Revenue)</i>	<i>28.7%</i>	<i>23.5%</i>	<i>5.2 p.p.</i>	<i>25.8%</i>	<i>2.9 p.p.</i>	<i>27.2%</i>	<i>21.9%</i>	<i>5.3 p.p.</i>
(-) Personnel Expenses	(14,596)	(15,682)	-6.9%	(14,079)	3.7%	(28,675)	(30,057)	-4.6%
(-) Commercial Expenses	(11,348)	(13,153)	-13.7%	(17,040)	-33.4%	(28,388)	(31,137)	-8.8%
(-) General and Administrative Expenses	(2,558)	(3,483)	-26.6%	(3,289)	-22.2%	(5,847)	(6,233)	-6.2%
(+/-) Other operating income/expenses	(3,050)	183	-1764.2%	(1,813)	68.3%	(4,863)	(4,417)	10.1%
(-) Operating Expenses	(31,552)	(32,136)	-1.8%	(36,221)	-12.9%	(67,773)	(71,845)	-5.7%
<b>EBIT</b>	<b>23,944</b>	<b>19,527</b>	<b>22.6%</b>	<b>17,909</b>	<b>33.7%</b>	<b>41,854</b>	<b>29,935</b>	<b>39.8%</b>
<i>EBIT Margin (% Net Revenue)</i>	<i>12.4%</i>	<i>8.9%</i>	<i>3.5 p.p.</i>	<i>8.5%</i>	<i>3.9 p.p.</i>	<i>10.4%</i>	<i>6.5%</i>	<i>3.9 p.p.</i>
(+) Depreciation and Amortization	50,666	49,037	3.3%	50,276	0.8%	100,942	96,102	5.0%
<b>EBITDA</b>	<b>74,610</b>	<b>68,564</b>	<b>8.8%</b>	<b>68,186</b>	<b>9.4%</b>	<b>142,795</b>	<b>126,037</b>	<b>13.3%</b>
<i>EBITDA Margin (% Net Revenue)</i>	<i>38.6%</i>	<i>31.2%</i>	<i>7.4 p.p.</i>	<i>32.5%</i>	<i>6.1 p.p.</i>	<i>35.5%</i>	<i>27.2%</i>	<i>8.3 p.p.</i>
(+/-) Financial Income	(14,289)	(16,172)	-11.6%	(11,392)	25.4%	(25,681)	(34,499)	-25.6%
(-) Provision for IR and CSLL	(1,353)	156	-965.6%	(1,779)	-24.0%	(3,132)	1,685	-285.9%
<b>Net Income</b>	<b>8,303</b>	<b>3,512</b>	<b>136.4%</b>	<b>4,738</b>	<b>75.2%</b>	<b>13,041</b>	<b>(2,879)</b>	<b>-553.0%</b>
<i>Net Margin (% Net Revenue)</i>	<i>4.3%</i>	<i>1.6%</i>	<i>2.7 p.p.</i>	<i>2.3%</i>	<i>2.0 p.p.</i>	<i>3.2%</i>	<i>-0.6%</i>	<i>3.9 p.p.</i>
(+) Non-recurring Expenses and Revenues and IR and CSLL	59	-	n.a.	0	n.a.	59	0	n.a.
<b>Adjusted Net Income</b>	<b>8,361</b>	<b>3,512</b>	<b>138.1%</b>	<b>4,738</b>	<b>76.5%</b>	<b>13,099</b>	<b>(2,879)</b>	<b>-555.0%</b>
<i>Adjusted Net Margin (% Net Revenue)</i>	<i>4.3%</i>	<i>1.6%</i>	<i>2.7 p.p.</i>	<i>2.3%</i>	<i>2.1 p.p.</i>	<i>3.3%</i>	<i>-0.6%</i>	<i>3.9 p.p.</i>

## Balance Sheet

Consolidated Balance Sheet (In R\$ million, except when indicated)	2Q24	2Q23	Δ %	1Q24	Δ %
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents	75,321	72,257	4%	95,710	-21%
Trade receivables, net	250,661	209,538	20%	237,090	6%
Recoverable taxes	19,455	57,611	-66%	20,401	-5%
Derivative financial instruments	123	0		0	
Inventories	207,045	284,649	-27%	208,119	-1%
Advances to suppliers	23,082	19,662	17%	22,634	2%
Prepaid Expenses	314	1,160	-73%	349	-10%
<b>Total Current Assets</b>	<b>576,001</b>	<b>644,877</b>	<b>-11%</b>	<b>584,303</b>	<b>-1%</b>
<b>Non-Current Assets</b>					
Trade receivables, net	260,145	174,217	49%	233,023	12%
Judicial Deposits	109	109	0%	109	0%
Derivative financial instruments	18	0		0	
Deferred taxes	35,045	28,342	24%	33,793	4%
Right-of-use assets	11,785	4,039	192%	11,061	7%
Property, plant and equipment, net	394,376	435,489	-9%	400,664	-2%
Net intangible assets	105,809	105,389	0%	103,602	2%
<b>Total Non-Current Assets</b>	<b>838,214</b>	<b>747,585</b>	<b>12%</b>	<b>822,214</b>	<b>2%</b>
<b>Total Assets</b>	<b>1,414,215</b>	<b>1,392,462</b>	<b>2%</b>	<b>1,406,517</b>	<b>1%</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Suppliers	114,329	79,611	44%	127,606	-10%
Personnel, social charges and benefits	6,560	7,158	-8%	5,278	24%
Taxes payable	12,749	4,961	157%	12,886	-1%
Loans, financing, and debentures	66,059	110,417	-40%	69,141	-4%
Derivative financial instruments	327	7,479	-96%	2,457	-87%
Lease Liabilities	3,970	1,336	197%	3,568	11%
Related Parts	5	28	-82%	9	-44%
Other liabilities	22,324	13,116	70%	25,157	-11%
<b>Total Current Liabilities</b>	<b>226,323</b>	<b>224,106</b>	<b>1%</b>	<b>246,102</b>	<b>-8%</b>
<b>Non-Current Liabilities</b>					
Loans, financing, and debentures	528,658	519,387	2%	510,938	3%
Derivative Financial Instruments	0	2,715	-100%	454	-100%
Provisions for lawsuits	150	385	-61%	147	2%
Leases	8,706	2,790	212%	8,178	6%
<b>Total Non-Current Liabilities</b>	<b>537,514</b>	<b>525,277</b>	<b>2%</b>	<b>519,717</b>	<b>3%</b>
<b>Equity</b>					
Share capital	301,397	301,397	0%	301,397	0%
Treasury Stock	-8,536	-8,536	0%	-8,536	0%
Capital reserves	236,632	236,632	0%	236,632	0%
Retained earnings	104,858	116,734	-10%	104,858	0%
Accumulated Loss/ Earnings	13,041	-2,879	-553%	4,738	175%
Other Comprehensive Results	2,986	-269	-1210%	1,609	86%
<b>Total Equity</b>	<b>650,378</b>	<b>643,079</b>	<b>1%</b>	<b>640,698</b>	<b>2%</b>
<b>Total Liabilities and Equity</b>	<b>1,414,215</b>	<b>1,392,462</b>	<b>2%</b>	<b>1,406,517</b>	<b>1%</b>

## Statement of Cash Flow

Consolidated Statement of Cash Flows (In R\$ thousand, except when indicated)	2Q24	2Q23	Δ %	1Q24	Δ %	2024 Acum.	2023 Acum.	Δ %
<b>Cash Flow From Operating Activities</b>								
Net Income for the period	8,303	3,512	136%	4,738	75%	13,041	(2,879)	-553%
<b>Adjustments to reconcile Income or loss for the period to cash from operating activities</b>	<b>75,403</b>	<b>77,937</b>	<b>-3%</b>	<b>80,212</b>	<b>-6%</b>	<b>155,615</b>	<b>160,831</b>	<b>-3%</b>
Depreciation and amortization	50,663	49,037	3%	50,278	1%	100,941	96,102	5%
Expected credit losses	1,875	3,240	-42%	7,185	-74%	9,060	7,600	19%
Provision for inventory obsolescence	(3,241)	(1,924)	68%	(1,918)	69%	(5,159)	(341)	1413%
Provision for legal and other proceedings, net	3	3	0%	3	0%	6	7	-14%
Mark-to-market of derivatives	(1,604)	4,673	-134%	(367)	337%	(1,971)	8,958	-122%
Interest and foreign exchange variation expenses	23,265	20,050	16%	21,352	9%	44,617	46,136	-3%
Expenses for adjustment to the present value	2,668	435	513%	1,822	46%	4,490	1,205	273%
Write-off of property, plant and equipment and intangible assets	422	2,580	-84%	78	441%	500	2,849	-82%
Income tax and social security contribution	2,595	0		2,704.00	-4%	5,299	0	
Deferred income tax and social contribution	(1,243)	(157)	692%	(925)	34%	(2,168)	(1,685)	29%
<b>Assets decrease (increase)</b>	<b>(36,136)</b>	<b>(5,202)</b>	<b>595%</b>	<b>(78,000)</b>	<b>-54%</b>	<b>(114,136)</b>	<b>25,345</b>	<b>-550%</b>
Trade receivables	(50,149)	(16,137)	211%	(44,342)	13%	(94,491)	(40,949)	131%
Recoverable taxes	9,981	7,080	41%	(6,341)	-257%	3,640	6,859	-47%
Inventories	5,164	6,565	-21%	(26,373)	-120%	(21,209)	25,836	-182%
Advances to suppliers and legal deposits	142	(3,246)	-104%	(1,101)	-113%	(959)	33,832	-103%
Prepaid expenses	(1,274)	536	-338%	157	-911%	(1,117)	(233)	379%
<b>Liabilities increase (decrease)</b>	<b>(56,146)</b>	<b>(61,778)</b>	<b>-9%</b>	<b>37,461</b>	<b>-250%</b>	<b>(18,685)</b>	<b>(151,938)</b>	<b>-88%</b>
Suppliers	(18,577)	(4,735)	292%	28,900	-164%	10,323	(62,210)	-117%
Taxes payable	(531)	2,664	-120%	4,731	-111%	4,200	(1,496)	-381%
Personnel, social charges and benefits	1,282	1,790	-28%	1,544	-17%	2,826	2,333	21%
Related parties	(4)	(9)	-56%	(7)	-43%	(11)	(97)	-89%
Other liabilities	(2,833)	(14,600)	-81%	3,004	-194%	171	(27,033)	-101%
Payment of interest	(33,273)	(46,888)	-29%	(711)	4580%	(33,984)	(63,435)	-46%
Payment of income tax and social contribution	2,210.00	0		-		2,210.00	0	
<b>Net cash generated by (used in) operating activities</b>	<b>(8,576)</b>	<b>14,469</b>	<b>-159%</b>	<b>44,411</b>	<b>-119%</b>	<b>35,835</b>	<b>31,359</b>	<b>14%</b>
<b>Cash Flow From Investment Activities</b>	<b>(46,019)</b>	<b>(35,115)</b>	<b>31%</b>	<b>(32,449)</b>	<b>42%</b>	<b>(78,468)</b>	<b>38,716</b>	<b>-303%</b>
Acquisition of property, plant and equipment and intangible assets	(46,019)	(35,115)	31%	(32,449)	42%	(78,468)	(113,454)	-31%
Redemption of Short-term investments	-	0		-		0	152,170	-100%
<b>Net cash generated by (used in) investment activities</b>	<b>(46,019)</b>	<b>(35,115)</b>	<b>31%</b>	<b>(32,449)</b>	<b>42%</b>	<b>(78,468)</b>	<b>38,716</b>	<b>-303%</b>
<b>Cash flow from Financing Activities</b>	<b>32,829</b>	<b>(41,069)</b>	<b>-180%</b>	<b>(19,060)</b>	<b>-272%</b>	<b>13,769</b>	<b>(149,944)</b>	<b>-109%</b>
Entry of new loans and debentures	50,000.00	0		-		50,000	0	
Vendor Operations	3,724	-		5,888.00	-37%	9,612	0	
Payment of loans and financing (principal)	(18,915)	(36,341)	-48%	(22,559)	-16%	(41,474)	(139,795)	-70%
Payment of commercial leases	(859)	(716)	20%	(393)	119%	(1,252)	(1,431)	-13%
Derivatives Settlement	(1,121)	3,053.00	-63%	(1,996)	-44%	(3,117)	(6,364)	-51%
Share Buyback	-	(97)	-100%	0		0	(1,492)	-100%
<b>Net cash resulting from financing activities</b>	<b>32,829</b>	<b>(41,069)</b>	<b>-180%</b>	<b>(19,060)</b>	<b>-272%</b>	<b>13,769</b>	<b>(149,944)</b>	<b>-109%</b>
<b>Effect of Foreign Exchange Variation on Cash and Cash Equivalents</b>	<b>1,377</b>	<b>(246)</b>	<b>-660%</b>	<b>849</b>	<b>62%</b>	<b>2,226</b>	<b>(344)</b>	<b>-747%</b>
<b>Change in the Company's Net Cash</b>	<b>(20,389)</b>	<b>(61,961)</b>	<b>-67%</b>	<b>(6,249)</b>	<b>226%</b>	<b>(26,638)</b>	<b>(80,213)</b>	<b>-67%</b>
Cash and cash equivalents at the beginning of the period	95,710	134,218	-29%	101,959	-6%	101,959	152,470	-33%
Cash and cash equivalents at the end of the period	75,321	72,257	4%	95,710	-21%	75,321	72,257	4%



# Talk to Investor Relations



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