WDC NETWORKS

EARNINGS CALL PRESENTATION 3Q23

November 10th 2023

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IGC-NM B3

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Great Place To Work® Certificada Set/2023 - Set/2024 BRASIL

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 such as operating and pro forma financial data. Non-accounting data was not subject to review by the independent auditors of the Company."

Highlights 3Q23

WDC NETWORKS

Consolidated Results

Revenue Backlog increased 15.3% in 3Q23 vs. 3Q22 to R$873.8 million

EBITDA Margin increased to 27.7% in 3Q23 (+4.3 p.p. vs. 3Q22) to reach R$60.3 million

Operating Expenses decreased 6.4% vs. 3Q22, while efforts continue to control spending

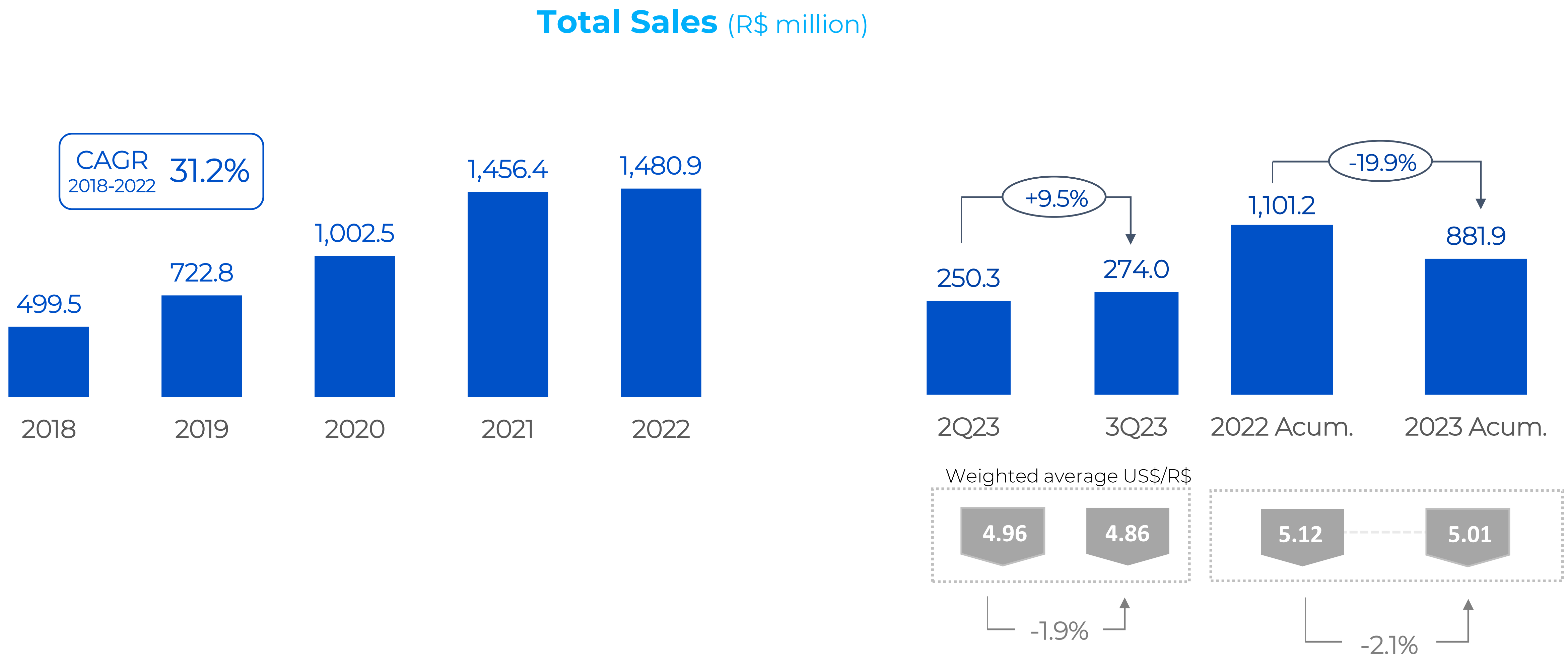
Record Total Sales in the Enterprise segment of R$116.3 million (+55.6% vs. 2Q23)

Reduction of hight-cost inventories in the Solar segment

Delivery of first 5G Private Network with NOKIA Technology

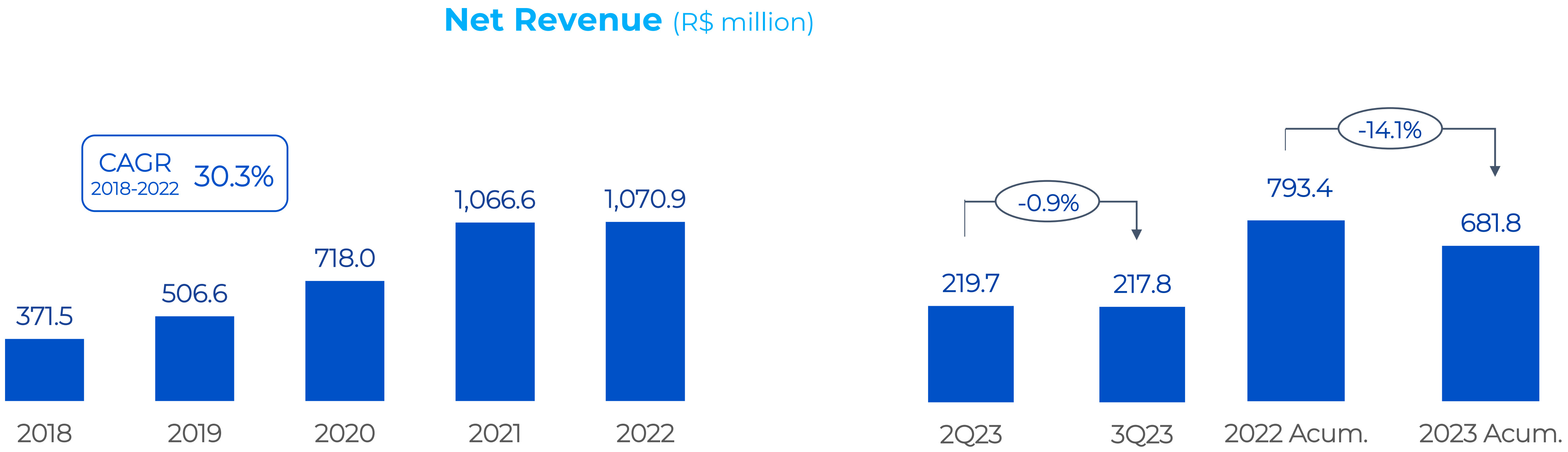
Great Place do Work (GPTW) award

Total Sales



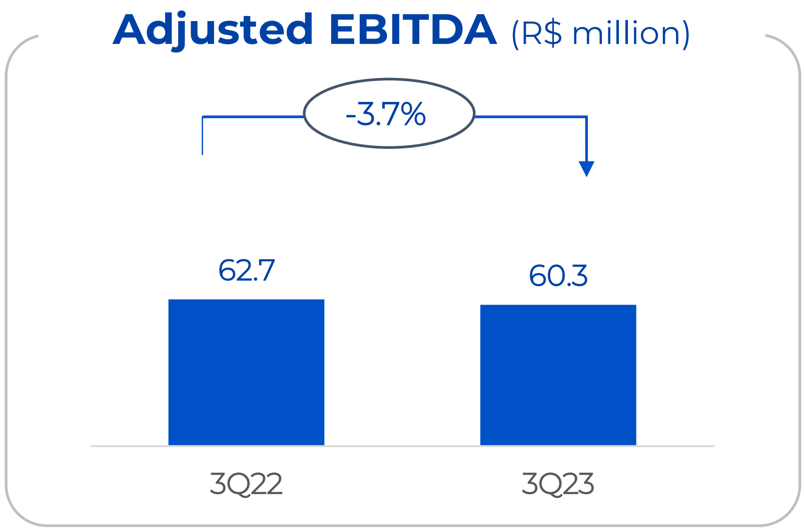
Total Sales (R$ million)
CAGR 2018-2022 31.2%
499.5
722.8
1,002.5
1,456.4
1,480.9
2018
2019
2020
2021
2022
+9.5%
-19.9%
250.3
274.0
1,101.2
881.9
2Q23
3Q23
2022 Acum.
2023 Acum.
Weighted average US$/R$
4.96
4.86
5.12
5.01
-1.9%
-2.1%

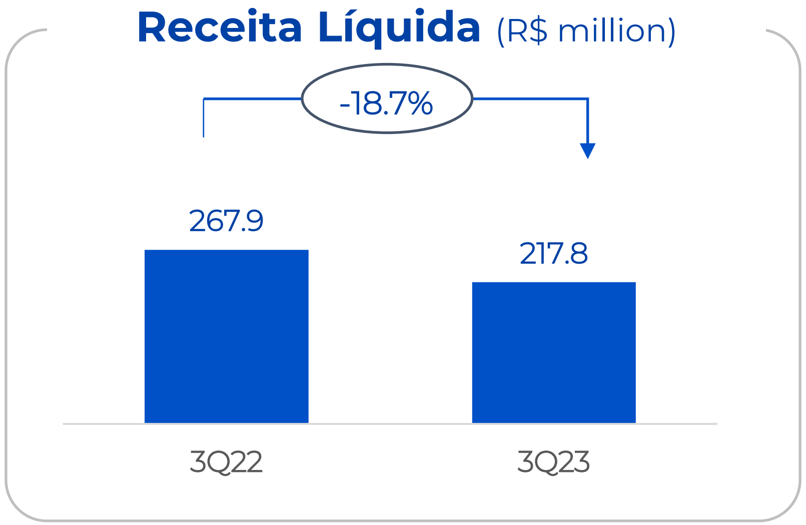
Net Revenue



Net Revenue (R$ million)
CAGR 2018-2022 30.3%
371.5
506.6
718.0
1,066.6
1,070.9
2018
2019
2020
2021
2022
-0.9%
-14.1%
219.7
217.8
793.4
681.8
2Q23
3Q23
2022 Acum.
2023 Acum.

EBITDA





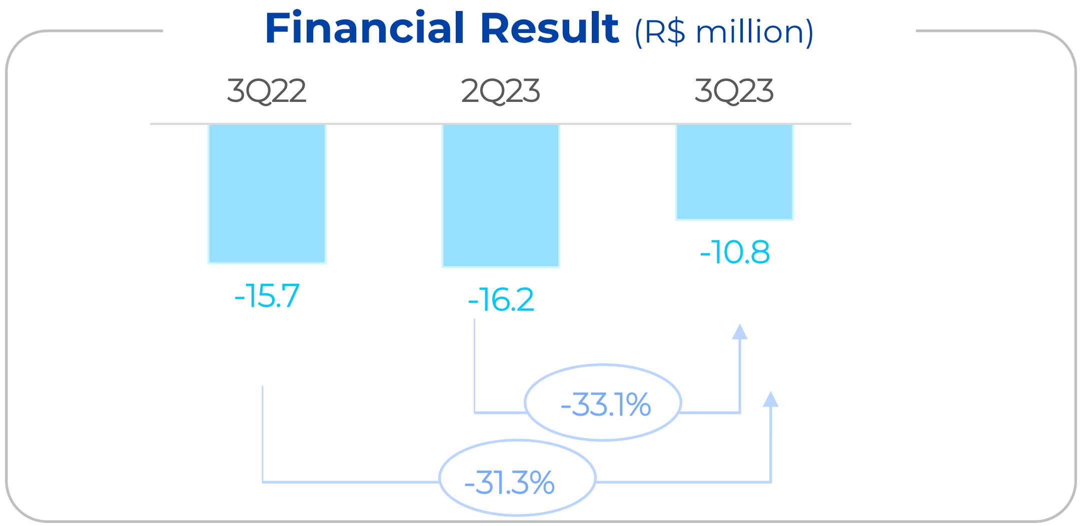
Positive factors in EBITDA analysis:

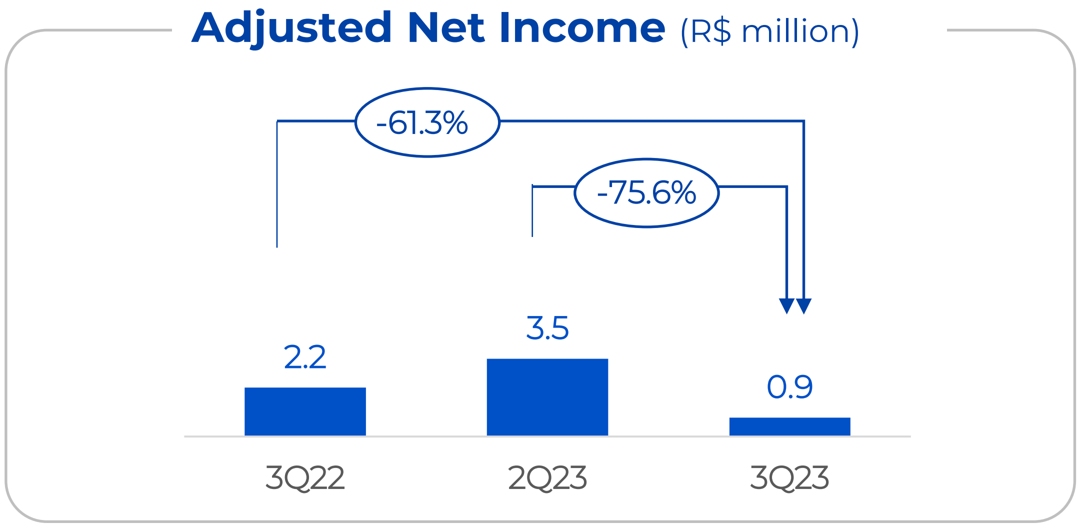
- The company did its “homework” reducing expenses
- TaaS revenue contribution from legacy contracts, generating revenue in down times

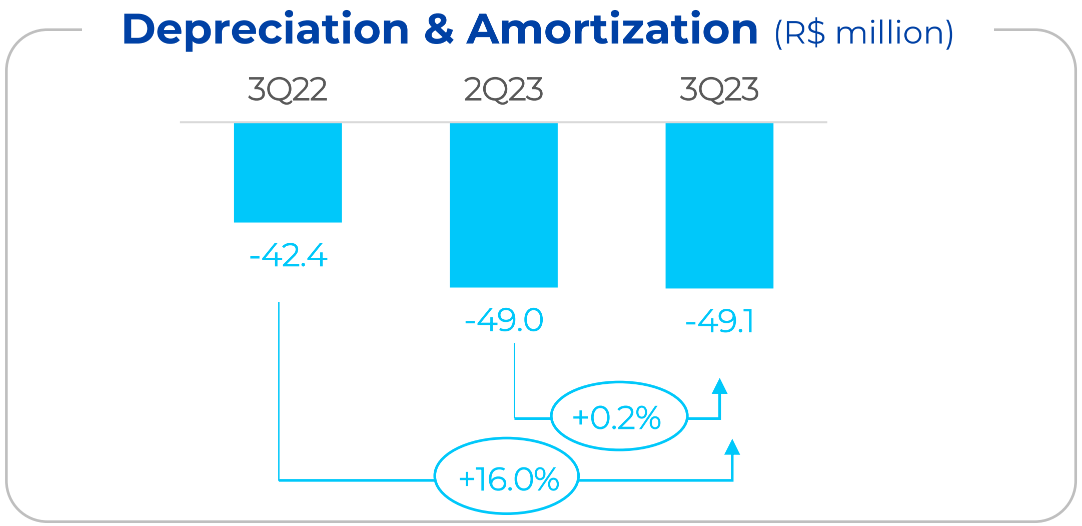
Factors that reduced EBITDA:

- Transition (non-recurring expenses) of the Photovoltaic Generators production from Extrema-MG to Salvador-BA;
- Impact of negative margin in the solar segment to clear old inventories

Financial Result and Net Income





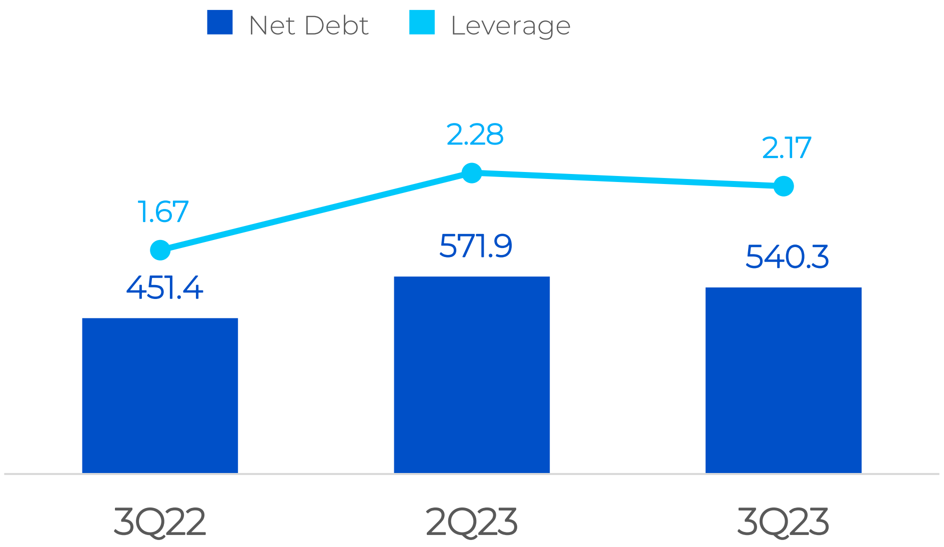


- Positive point: reduction in debt level without raising new debt
- TaaS contracts depreciation still affected by short-term contracts
- Net income still largely affected by depreciation

Net Debt and Leverage

Net Debt and Leverage (R$ million)

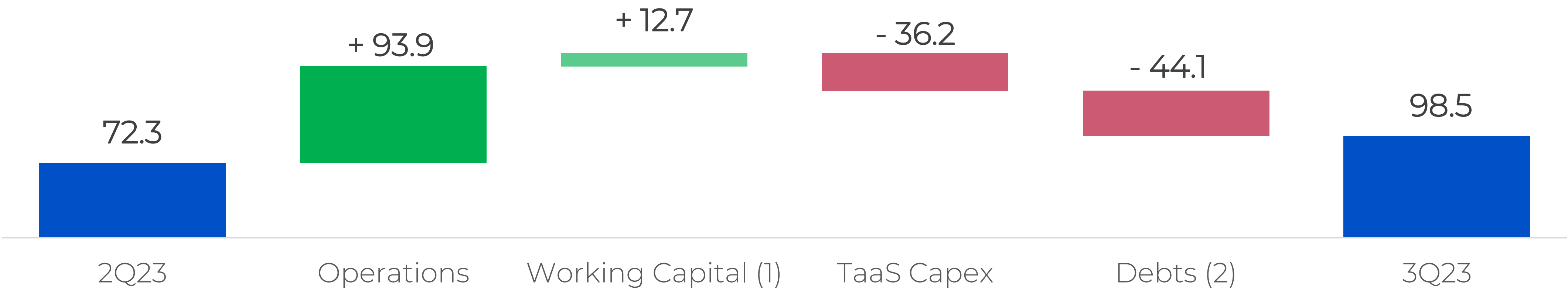
(Net Debt/ Adjusted EBITDA)



Indebtedness (R$ Millions)	3Q22	2Q23	3Q23
Gross Debt	915.9	644.1	638.8
Cash and Financial Investments	(464.5)	(72.3)	(98.5)
Net Debt	451.4	571.9	540.3
TaaS Revenue Backlog	757.9	865.9	873.8
Backlog Hedge on Net Debt	1.68x	1.51x	1.62x

- **Reduction in Financial Leverage, achieved mainly due to the Company's cash and cash equivalents increase** (+36.% vs. 2Q23)
- Greater security for shareholders

Cash Flow | (R$ million)

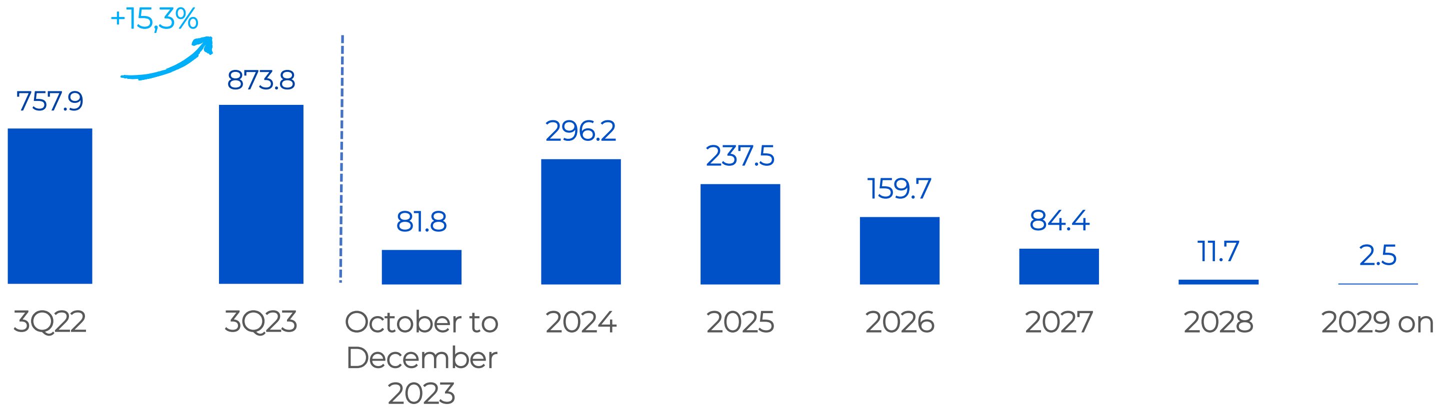


- Positive Working Capital due to inventories reduction
- Debt payment
- Cash and Equivalents 36.2% higher than 2Q23

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

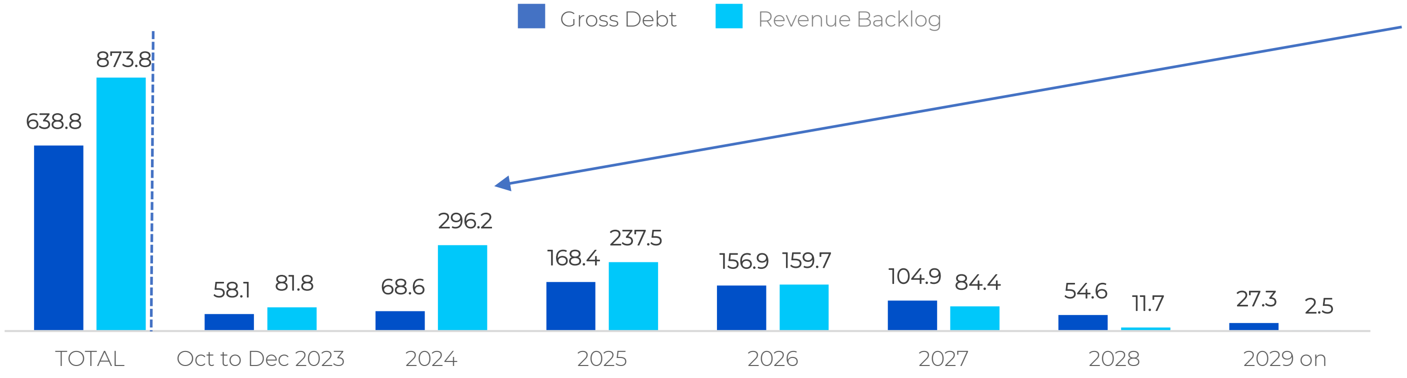
TaaS – Security in Payment Capacity

Contracted Future Revenue (Revenue Backlog)
(R$ million)



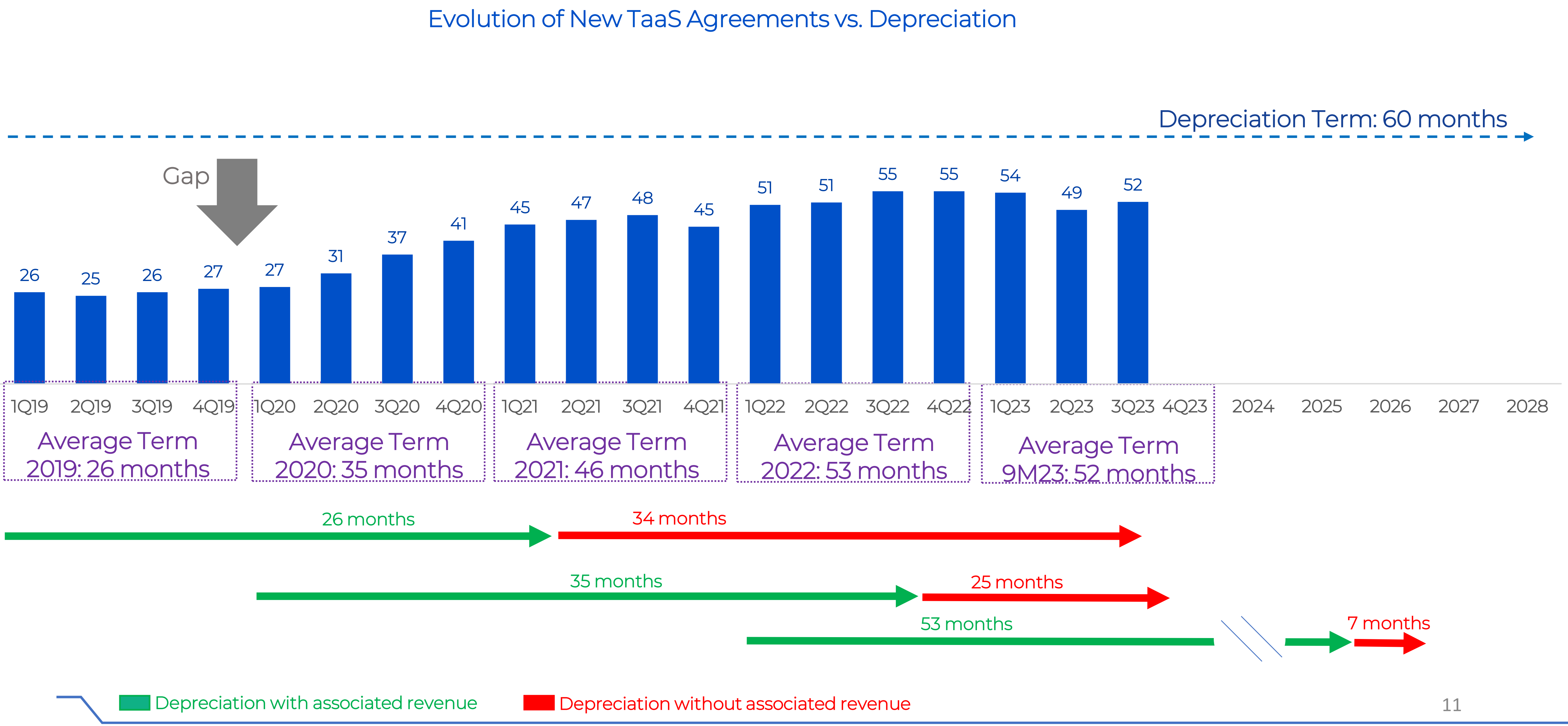
Deferred revenue guarantees cash to pay future obligations

Gross Debt Payment Schedule and
Contracted Future Revenue (Revenue Backlog) Coverage
(R$ million)

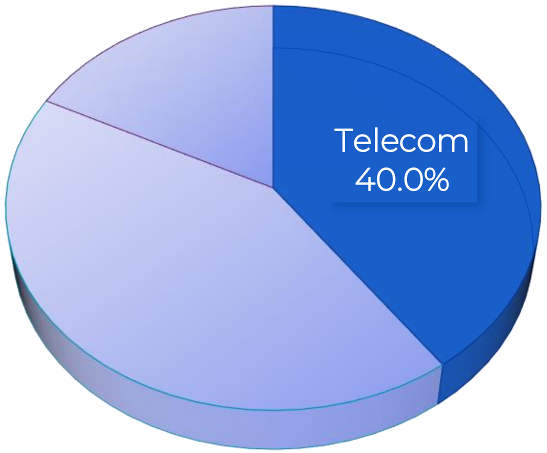


In 2024, the R$296 million from TaaS will be able to pay almost 5 times the debt balance for the year

TaaS – Positive Effect on Reducing Mismatched Depreciation



Business Unit - Telecom

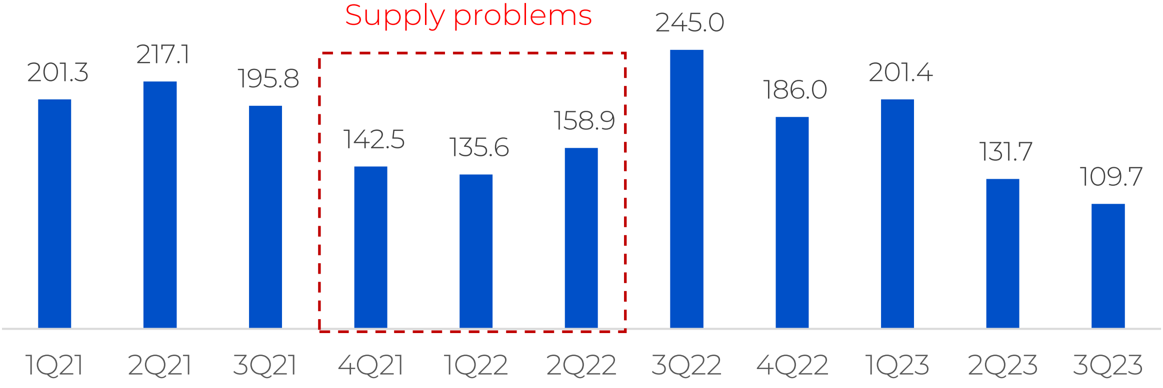


Share by business unit in Total Sales 3Q23

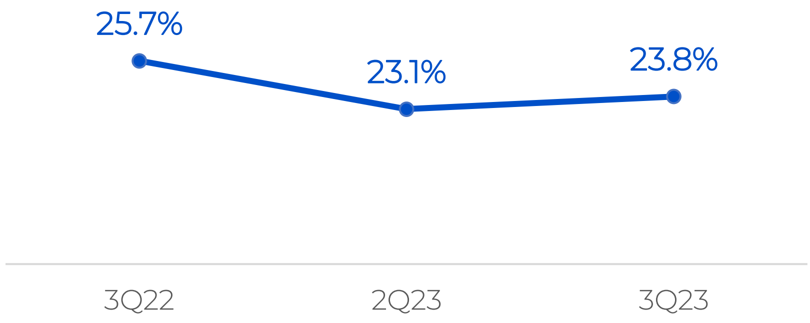
Highlights

- Supply problems during 2022 also had impacts in 2023, due to the loss of FTTH customers (Fiberhome Technology)
- In 2023 we react, strengthening partnerships with *Nokia*
- *We created our own brand of Fiber Cables: Easy4Link*
- We increased the Partnership with the Chinese giant *Huawei*

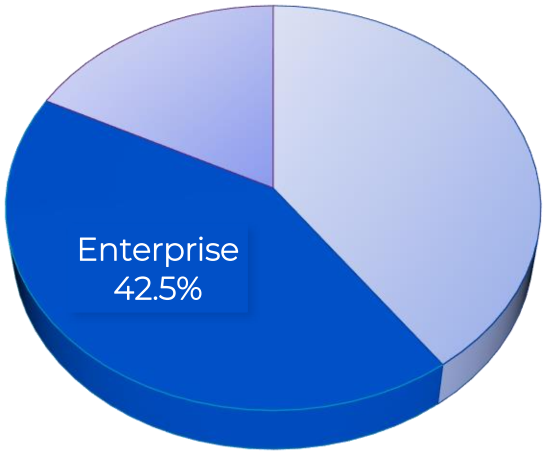
Evolution in Total Sales (R$ million)



Gross Margin (%)



Business Unit - Enterprise

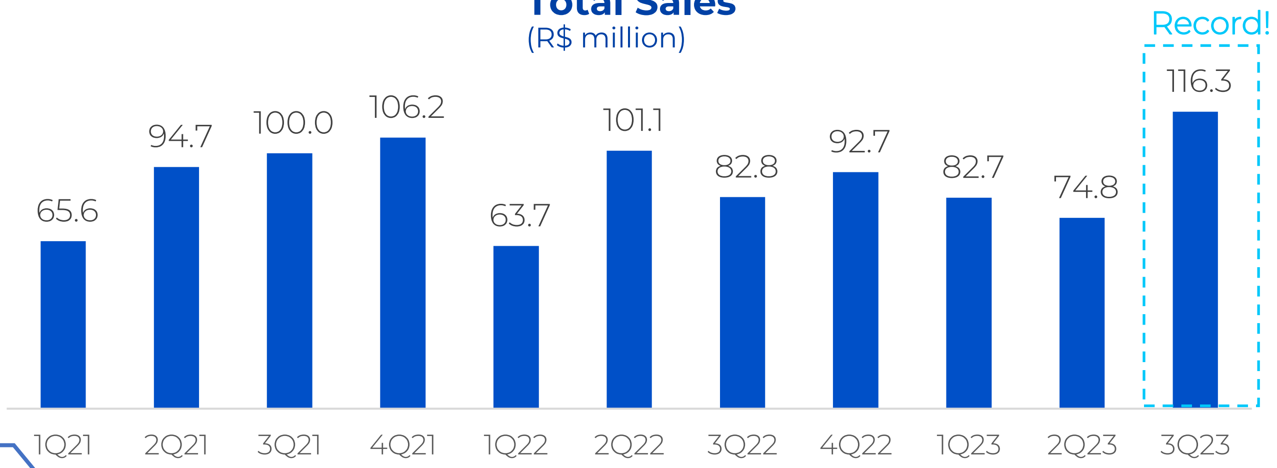


Share by business unit in Total Sales 3Q23

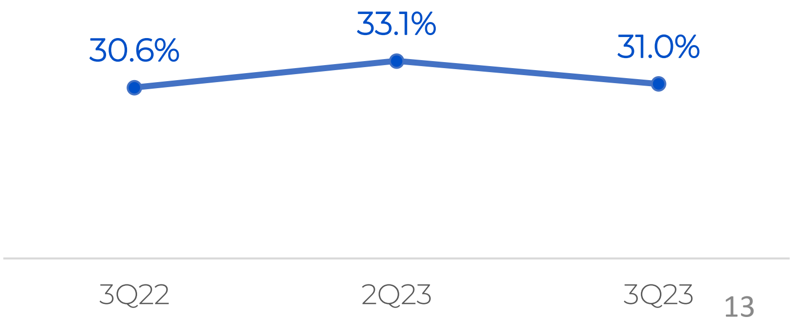
Highlights

- *Total Sales Enterprise reach RECORD sales in 3Q23*
- *TaaS representing 35.8% of the segment's Total Sales in 3Q23* (versus 26.2% in 3Q22)
- *Audio & Video* vertical is mainly responsible for the growth in 3Q23 with *LED panels in Out-Of-Home media*
- New partnerships increase product portfolio:
  - Cyber, connectivity for SMB - an unexplored segment yet

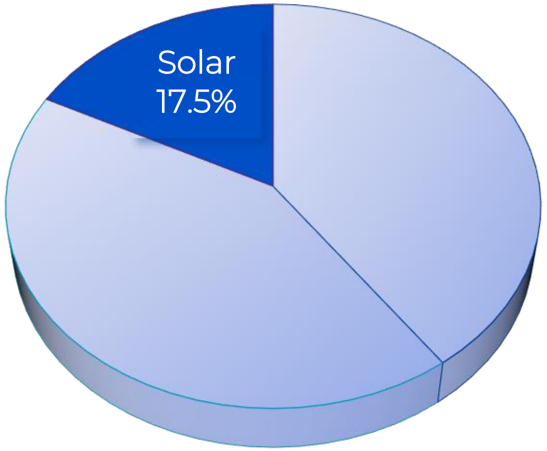
Total Sales
(R$ million)



Gross Margin (%)



Business Unit – Solar Energy

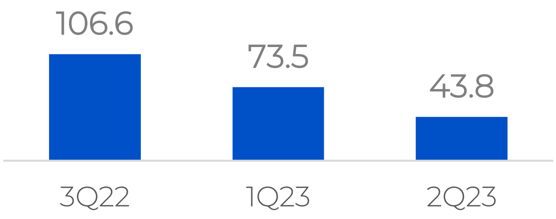


Share by business unit in Total Sales 3Q23

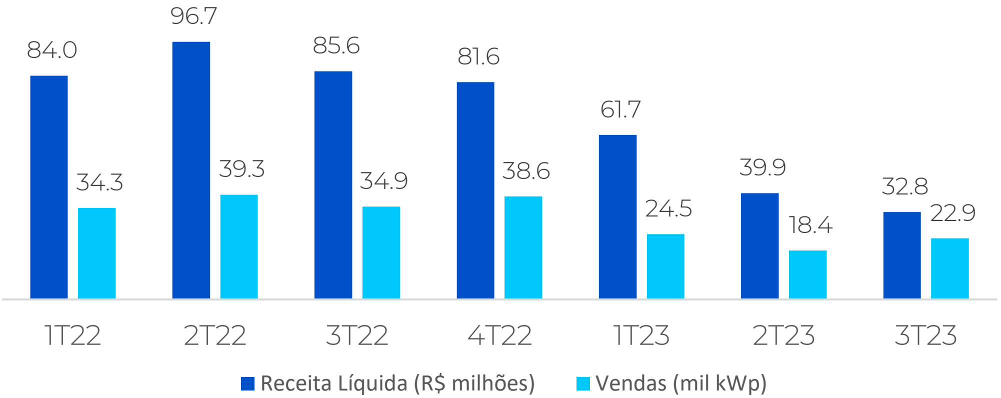
Highlights

- Normalization and adjustment of high-cost inventory levels
- New reality: prices 40% lower than in 2022
- Average Revenue 9M22 x 9M23: *R$88,8mm* x *R$44,8mm (-48.5%)*
- Average Sales (kWp) 9M22 x 9M23: *36.1 mil* x *21.9 mil (-39.3%)*
- *Consumer will have an impact on energy bills creating Solar demand*

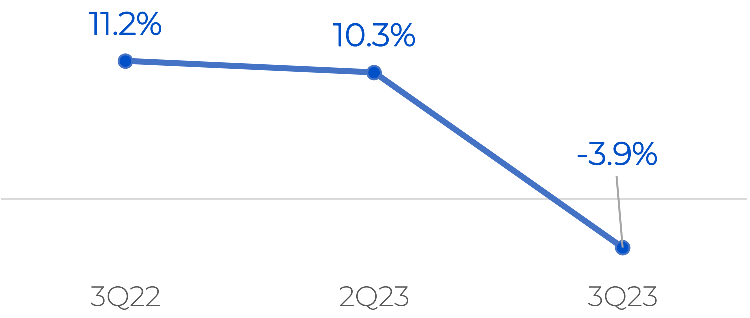
Total Sales (R$ million)



Generator sells (thousand kWp) **vs. Net revenue** (R$ million)



Gross Margin (%)



PERSPECTIVES

WDC NETWORKS

Consolidado

- *Falling interest rates should open a positive advantage in TaaS contracts x lower cost of capital*
- *Virtuous cycle of aligning TaaS Monthly Revenue x Depreciation*
- *Commercial Repositioning - Focus on business verticals x product sales*

Telecom

- *New and more robust technological partners, with more technology and better use of already installed DataCenters*

Enterprise

- *Growth of projects across verticals*
- *Partnerships for new products in SMB*
- *More offers in Cyber Security*

Solar

- *End of the effect of more expensive inventories in 4Q23*

THANK YOU!
Q&A

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

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