



WDC
NETWORKS



EARNINGS
RELEASE
3Q23

LVTC
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Conference Call

November 10, 2023 – Friday
11:00 a.m. (Brasília) | 10:00 a.m. (EST)

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Earnings Release 3Q23

WDC Networks achieves EBITDA Margin of 27.7%, Cash and equivalents exceeds expectations and reaches R\$98.5 million and Enterprise breaks record in Total Sales in the 3rd quarter of 2023

Ilhéus, November 9, 2023 – 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 the pioneer in marketing Technology as a Service (TaaS), today reports its results for the third quarter of 2023 (3Q23). 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 with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standard Board (IASB).

HIGHLIGHTS | 3Q23 (consolidated)

- ⇒ 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 high-cost inventories in the Solar segment
- ⇒ Delivery of first 5G Private Network with NOKIA technology
- ⇒ Great Place to Work (GPTW) award

R\$116,3

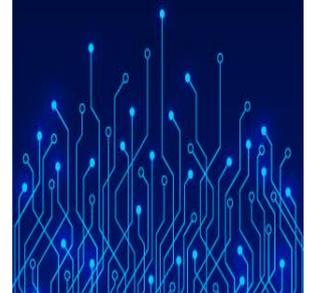
million
Enterprise Total Sales in
3Q23 – RECORD

27.7%

EBITDA Margin in 3Q23

R\$874

million
Revenue Backlog



Summary of Consolidated Results and Financial Indicators

| Highlights (In R\$ million, except when indicated) | 3Q23 | | 3Q22 | Δ % | 2Q23 | | Δ % | YTD 2023 | | YTD 2022 | Δ % |
|--|-------|-------|-----------|-------|-----------|-------|---------|------------|--|----------|-----|
| | | | | | | | | | | | |
| Consolidated Financial Income | | | | | | | | | | | |
| Total Sales | 274.0 | 434.4 | -36.9% | 250.3 | 9.5% | 881.9 | 1,101.2 | -19.9% | | | |
| Net Revenue | 217.8 | 267.9 | -18.7% | 219.7 | -0.9% | 681.8 | 793.4 | -14.1% | | | |
| Gross Income | 47.8 | 59.4 | -19.5% | 51.7 | -7.4% | 149.6 | 189.0 | -20.8% | | | |
| Gross Margin (% Net Revenue) | 22.0% | 22.2% | -0.2 p.p. | 23.5% | -1.6 p.p. | 21.9% | 23.8% | -1.9 p.p. | | | |
| Adjusted EBITDA | 60.3 | 62.7 | -3.7% | 68.6 | -12.0% | 186.4 | 195.4 | -4.6% | | | |
| Adjusted EBITDA Margin (% Net Revenue) | 27.7% | 23.4% | 4.3 p.p. | 31.2% | -3.5 p.p. | 27.3% | 24.6% | 2.7 p.p. | | | |
| Adjusted Net Income | 0.9 | 2.2 | -61.3% | 3.5 | -75.6% | (2.0) | 8.7 | -123.3% | | | |
| Adjusted Net Margin (% Net Revenue) | 0.4% | 0.8% | -0.4 p.p. | 1.6% | -1.2 p.p. | -0.3% | 1.1% | -1.4 p.p. | | | |
| Main Financial Indicators | | | | | | | | | | | |
| Deferred Revenue Backlog | 873.8 | 757.9 | 15.3% | 865.9 | 0.9% | 873.8 | 757.9 | 15.3% | | | |
| Investment in Property, Plant and Equipment for Lease (CAPEX TaaS) | 36.2 | 85.1 | -57.5% | 35.0 | 3.5% | 149.4 | 168.0 | -11.1% | | | |
| Net Debt / Adjusted LTM EBITDA (x) | 2.2 | 1.7 | 30.3% | 2.3 | -4.6% | 2.17 | 1.67 | 30.3% | | | |
| Main Operating Indicators | | | | | | | | | | | |
| % Produced Internally (% Total Sales) | 49% | 57% | -7.6 p.p. | 47% | 2.3 p.p. | 50% | 60% | -10.0 p.p. | | | |
| % TaaS (% Total Sales) | 35% | 45% | -9.3 p.p. | 32% | 3.7 p.p. | 37% | 35% | 1.9 p.p. | | | |
| % TaaS (% Gross Revenue) | 32% | 23% | 8.4 p.p. | 33% | -1.0 p.p. | 31% | 23% | 7.9 p.p. | | | |
| New TaaS Agreements' (sic) Term (average in months) | 52 | 55 | -5.5% | 49 | 4.6% | 52 | 53 | -1.1% | | | |
| Quantity of New TaaS Agreements | 347 | 340 | 2.1% | 298 | 16.4% | 995 | 935 | 6.4% | | | |
| New TaaS Agreements' Value (average R\$ thousand/agreement) | 280 | 572 | -51.1% | 267 | 4.9% | 327 | 412 | -20.6% | | | |

Message from Management

The third quarter of 2023 was marked by a few formidable challenges overcome, such as the increase in **EBITDA margin to 27.7%**, equalization of our photovoltaic panel inventories and the migration of photovoltaic generator production from Extrema to Salvador. In addition, our **Enterprise** business unit posted record in Total Sales of **R\$116.3 million** (42.5% of the Company's total sales) in 3Q23.

TaaS ended the quarter **with balance Revenue Backlog of R\$873.8 million**. Note that the Capex and expenses for this backlog revenue have already been recorded in the Balance Sheet, i.e., in the future, this whole backlog revenue will become EBITDA, subject only to PIS/COFINS deductions. This backlog revenue places us in a comfortable position vis-à-vis our loan payment commitments and financial expenses, bringing reassurance to our debentureholders and other creditors.

As planned, the share of the **Enterprise segment** in the Company's sales has been increasing every quarter (42.5% of Total Sales in 3Q23), amounting to R\$116.3 million in the quarter and **R\$273.8 million in the year**. The segment's recovery was largely driven by the execution of Out of Home (OOH) media contracts at football stadiums, subway stations and other busy urban spaces. Cybersecurity sales grew as well, and we signed distribution agreements with two new manufacturers (**Hillstone and Synopsys**), further increasing the portfolio of products available at our sales channels.

Telecom accounted for 40.0% of Total Sales, totaling **R\$109.7 million in 3Q23 and R\$442.8 million in 9M23**. In addition to the challenging scenario faced by the sector, since 2022 our Telecom results have been adversely affected by irregular supply from one of our oldest partners due to the shortage of semiconductors. This situation led us this year to **strengthen our partnership with Finnish company NOKIA** in the FTTH, IP Routers and DWDM segments, and **deliver our first 5G private network with this technology**. For 2024, we are expanding our partnership with **Chinese giant Huawei for all technologies marketed by it in Brazil**. We also developed our own **Easy4Link** brand for **fiber-optic cables**.

The **Solar Power segment** posted sales of **R\$47.9 million in 3Q23 and R\$165.3 million in 9M23**. The current scenario continues with benchmark prices remaining approximately 40% below the average in 2022, directly impacting sales volume, despite the recovery in energy volume (kWp).

Our **cash balance** ended 3Q23 at **R\$98.5 million**, 30% above planned for the period, reflecting our rigorous management of inventories, payment deadlines and expenses, which eliminated the need for fresh borrowings. Leverage (**Net Debt/Adjusted EBITDA**) ended the quarter at **2.17x**, which we consider a healthy ratio for the Company.

In the quarter, we were also recognized by **Great Place to Work (GPTW)** as one of the best companies to work in Brazil – the merit goes to all our employees for their extraordinary dedication every day to the Company and for contributing to the sustainability of our business.

We remain firm in our purpose: the satisfaction of our clients, in an agile and simple manner, with efficient management and the constant pursuit of improvements.

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) | 3Q23 | 3Q22 | Δ % | 2Q23 | Δ % | 2023 Acum. | 2022 Acum. | Δ % |
|---|----------------|----------------|------------------|----------------|------------------|----------------|------------------|------------------|
| Sales Gross Revenue | 176,939 | 239,959 | -26.3% | 170,888 | 3.5% | 556,606 | 716,374 | -22.3% |
| TaaS (VGV Leases) | 97,032 | 194,461 | -50.1% | 79,426 | 22.2% | 325,250 | 384,813 | -15.5% |
| Total Sales | 273,971 | 434,419 | -36.9% | 250,314 | 9.5% | 881,856 | 1,101,187 | -19.9% |
| Net Revenue | 217,823 | 267,906 | -18.7% | 219,733 | -0.9% | 681,816 | 793,420 | -14.1% |
| Gross Income | 47,819 | 59,398 | -19.5% | 51,663 | -7.4% | 149,598 | 188,967 | -20.8% |
| <i>Gross Margin (% Net Revenue)</i> | <i>22.0%</i> | <i>22.2%</i> | <i>-0.2 p.p.</i> | <i>23.5%</i> | <i>-1.6 p.p.</i> | <i>21.9%</i> | <i>23.8%</i> | <i>-1.9 p.p.</i> |

TELECOM

| TELECOM (In R\$ million, except when indicated) | 3Q23 | 3Q22 | Δ % | 2Q23 | Δ % | 2023 Acum. | 2022 Acum. | Δ % |
|--|----------------|----------------|------------------|----------------|-----------------|----------------|----------------|------------------|
| Sales Gross Revenue | 66,335 | 80,019 | -17.1% | 70,989 | -6.6% | 216,341 | 218,367 | -0.9% |
| TaaS (VGV Leases) | 43,379 | 164,962 | -73.7% | 60,697 | -28.5% | 226,432 | 321,054 | -29.5% |
| Total Sales | 109,713 | 244,981 | -55.2% | 131,686 | -16.7% | 442,773 | 539,422 | -17.9% |
| Net Revenue | 113,932 | 121,580 | -6.3% | 119,812 | -4.9% | 357,248 | 339,735 | 5.2% |
| Gross Income | 27,099 | 31,191 | -13.1% | 27,704 | -2.2% | 84,049 | 95,627 | -12.1% |
| <i>Gross Margin (% Net Revenue)</i> | <i>23.8%</i> | <i>25.7%</i> | <i>-1.9 p.p.</i> | <i>23.1%</i> | <i>0.7 p.p.</i> | <i>23.5%</i> | <i>28.1%</i> | <i>-4.6 p.p.</i> |

Total Sales came to R\$109.7 million in 3Q23, down 16.7% (R\$22.0 million) from 2Q23 and 55.2% (R\$135.3 million) from 3Q22, mainly due to two factors: (i) the new environment of regional ISPs, which has been facing challenges to grow organically, and; (ii) irregular supply from our oldest FTTN supplier since 2022.

In 3Q23, net revenue came to R\$113.9 million, down 4.9% (R\$5.9 million) from 2Q23 and 6.3% (R\$7.7 million) from 3Q22, due to the two factors mentioned above, which was partially offset by higher revenue booked from TaaS agreements. In 2023, net revenue was R\$357.2 million, an increase of 5.2% (R\$17.5 million).

Gross Income from the Telecom segment was R\$27.1 million in 3Q23, down 2.2% (R\$0.6 million) from 2Q23. Gross margin was 23.8% in 3Q23, up 0.7 p.p. from 2Q23 but down 13.1% (R\$4.1 million) from 3Q22. In 3Q23, gross margin contracted 4.1 p.p. from 3Q22; in 9M23, Gross Income from the Telecom segment was R\$84.0 million, decreasing 12.1% (R\$11.6 million), with gross margin of 23.5%, down 4.6 p.p. from 9M22.

ENTERPRISE

| ENTERPRISE (In R\$ million, except when indicated) | 3Q23 | 3Q22 | Δ % | 2Q23 | Δ % | 2023 Acum. | 2022 Acum. | Δ % |
|---|----------------|---------------|-----------------|---------------|------------------|----------------|----------------|------------------|
| Sales Gross Revenue | 74,713 | 61,168 | 22.1% | 57,196 | 30.6% | 191,011 | 197,287 | -3.2% |
| TaaS (VGV Leases) | 41,623 | 21,667 | 92.1% | 17,585 | 136.7% | 82,784 | 50,305 | 64.6% |
| Total Sales | 116,336 | 82,835 | 40.4% | 74,781 | 55.6% | 273,795 | 247,592 | 10.6% |
| Net Revenue | 71,079 | 60,719 | 17.1% | 60,029 | 18.4% | 190,115 | 187,354 | 1.5% |
| Gross Income | 22,013 | 18,607 | 18.3% | 19,857 | 10.9% | 58,915 | 58,417 | 0.9% |
| <i>Gross Margin (% Net Revenue)</i> | <i>31.0%</i> | <i>30.6%</i> | <i>0.3 p.p.</i> | <i>33.1%</i> | <i>-2.1 p.p.</i> | <i>31.0%</i> | <i>31.2%</i> | <i>-0.2 p.p.</i> |

In the Enterprise segment, Sales totaled R\$116.3 million in 3Q23, up 55.6% (R\$41.6 million) from 2Q23, the highest sales ever in this segment. Compared to 3Q22, growth was 40.4% (R\$33.5 million). In 9M23, Total Sales came to R\$273.8 million, increasing 10.6% (R\$26.2 million) from 9M22.

The growth registered in 3Q23 and 9M23 mainly reflects the segment represented by the Audio and Video vertical, which has been standing out with Out-Of-Home media at football stadiums, subway stations and other busy urban spaces.

In 3Q23, net revenue from the Enterprise segment was R\$71.1 million, increasing 18.4% (R\$11.1 million) from 2Q23, reflecting the growth of total sales, mainly driven by TaaS, which accounted for 35.8% this quarter and will contribute to deferred revenue to be recognized in the future. Compared to 3Q22, net revenue grew 17.1% (R\$10.4 million). In 9M23, net revenue was R\$190.1 million, an increase of 1.5% (R\$2.7 million).

Gross Income from the Enterprise segment came to R\$22.0 million in 3Q23, up 10.9% (R\$2.1 million) from 3Q22, with gross margin of 31.0% in 3Q23, down 2.1 p.p. from 2Q23. In relation to 3Q22, Gross Income increased 18.3% (R\$3.4 million). Gross margin increased 0.4 p.p. in 3Q23 vs. 3Q22. In 9M23, Gross Income from the Enterprise segment was R\$58.9 million, increasing 0.9% (R\$0.5 million), with gross margin of 31.0%, down 0.2 p.p. from 9M22.

SOLAR

| SOLAR (In R\$ million, except when indicated) | 3Q23 | 3Q22 | Δ % | 2Q23 | Δ % | 2023 Acum. | 2022 Acum. | Δ % |
|--|----------------|----------------|-------------------|---------------|-------------------|----------------|----------------|------------------|
| Sales Gross Revenue | 35,891 | 98,771 | -63.7% | 42,703 | -16.0% | 149,255 | 300,720 | -50.4% |
| TaaS (VGV Leases) | 12,030 | 7,832 | 53.6% | 1,144 | 951.4% | 16,034 | 13,453 | 19.2% |
| Total Sales | 47,922 | 106,603 | -55.0% | 43,847 | 9.3% | 165,289 | 314,173 | -47.4% |
| Net Revenue | 32,811 | 85,607 | -61.7% | 39,892 | -17.7% | 134,453 | 266,331 | -49.5% |
| Gross Income | - 1,293 | 9,599 | -113.5% | 4,103 | -131.5% | 6,635 | 34,924 | -81.0% |
| <i>Gross Margin (% Net Revenue)</i> | <i>-3.9%</i> | <i>11.2%</i> | <i>-15.2 p.p.</i> | <i>10.3%</i> | <i>-14.2 p.p.</i> | <i>4.9%</i> | <i>13.1%</i> | <i>-8.2 p.p.</i> |

Sales in the Solar segment totaled R\$47.9 million in 3Q23, up 9.3% (R\$4.1 million) from 2Q23, reflecting our decision to sell our old inventories, acquired at higher prices, to kick off a new positive cycle for the coming quarters. Compared to 3Q22, sales decreased 55.0% (R\$58.7 million). In 9M23, Total Sales came to R\$165.3 million, down 47.4% (R\$148.9 million) from 9M22,

affected by market prices, which are 40% below the 2022 average, although energy volumes (kWp) are recovering. We did not observe any improvement in credit availability for end consumers from financial agents, but, with the recovery of kWp volumes, we expect to soon recover our margins.

In 3Q23, net revenue from the Solar segment totaled R\$32.8 million, down 17.7% (R\$7.1 million) from 2Q23, due to the persistent macroeconomic challenges facing the sector. Compared to 3Q22, net revenue decreased 61.7% (R\$52.8 million). In 9M23, net revenue was R\$134.5 million, a decrease of 49.5% (R\$131.8 million).

The Solar segment registered Gross Loss of R\$1.3 million in 3Q23, a decrease of 131.5% (R\$5.4 million) from 2Q23. Gross margin in 3Q23 stood at -3.9%, down 14.2 p.p. from 2Q23, resulting from our strategy of expediting the sale of inventories at higher prices as quickly as possible in order to enter a new cycle of positive results.

Compared to 3Q22, the decrease was 113.5% (R\$10.9 million). Gross margin contracted 15.2 p.p. in 3Q23 vs. 3T22. In 9M23, Gross Income was R\$6.6 million, decreasing 81.0% (R\$28.3 million), Gross margin was 4.9%, down 8.2 p.p. from 9M22.

TaaS (Technology as a Service) – Technology Lease

This WDC business segment is based on equipment lease agreements. The Company buys, sets up and activates the assets, signing agreements with its clients for terms of up to 60 months. All Capex costs, selling expenses, freight, etc. are booked in the same month the products are delivered.

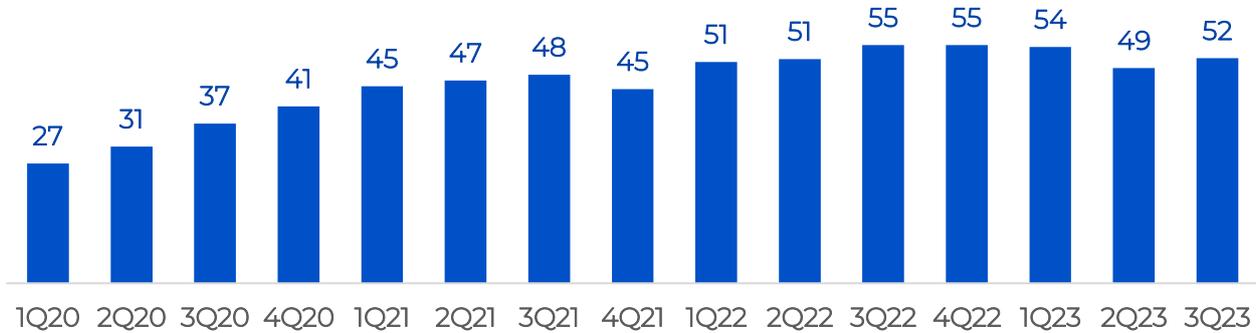
Monthly fees are recognized in the balance sheet only in the month of the due date, and the only tax levied on monthly fees is PIS/COFINS. Monthly fees not yet due are called “Backlog Revenue.”

In 3Q23, the average ticket of TaaS agreements was R\$279,600 per agreement. A total of 347 new TaaS agreements were added in the quarter.



The average term of new TaaS agreements was 52 months in 3Q23, compared to 55 months in 3Q22.

Term of New TaaS Agreements
(average in months)



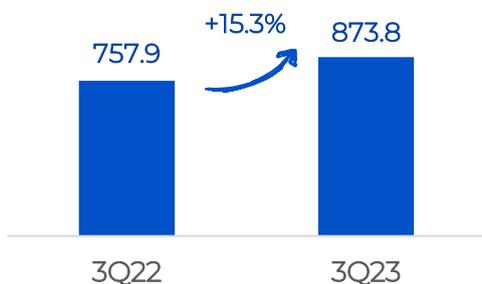
Note that our strategy of executing agreements for increasingly longer periods, in an attempt to reach an average term of 60 months, is a positive factor in the long run as it matches the monthly revenues with depreciation of the equipment.

Future Revenues (Revenue Backlog)

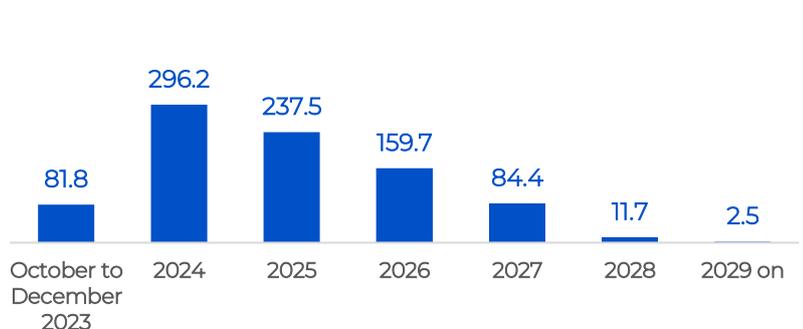
Backlog Revenue came to R\$873.8 million in 3Q23. Revenue Backlog is the sum of monthly fees under sales agreements signed the Company that will be recognized month by month as guaranteed results, with no need for fresh investments, given that the capex was already incurred in prior periods. This aspect shows the resilience of the Company’s business model and puts it in a comfortable position regarding the payment of debts and other obligations in the short and medium terms.

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

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



Future Revenues Schedule
(R\$ million)



The receivables timeframe indicates the amount of Future Revenue to be recognized by the Company as from October 2023. In compliance with accounting standards, these amounts do not appear as

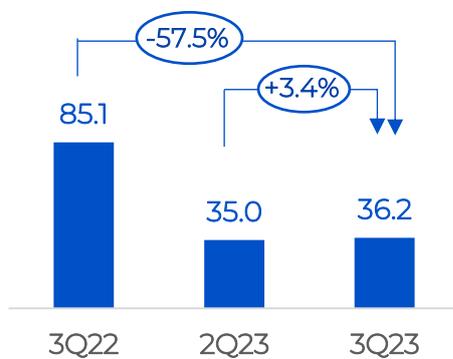
“receivables” of the Company but will translate as monthly revenues over the term of the agreements by the accrual method.

Investment in TaaS Assets – Capex

In 3Q23, total investments in TaaS Assets (Capex to be converted to Opex by TaaS) came to R\$36.2 million, down 57.5% from 3Q22 and up 3.4% from 2Q23. In 9M23, Capex amounted to R\$149.4 million, decreasing 11.1% from 9M22.

Investment in TaaS assets - CAPEX

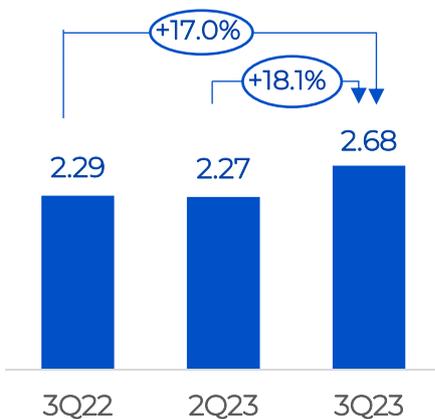
(R\$ million)



In 3Q23, total investment in TaaS Assets (Capex to be transformed into Opex by TaaS) totaled R\$36.2 million, 57.5% below 3Q22 and 3.4% above the previous quarter. In 9M23, capex totaled R\$149.4 million, a balance 11.1% below that in 2022.

Mark-up TaaS

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



One of the important indicators is the relationship between the VGV of the contracts and the value of Capex made, that is, the Mark-up of these contracts indicates how many revenue will be generated by the investment made.

Consolidated Financial Information

Adjusted EBITDA and Adjusted EBITDA Margin

| Adjusted EBITDA Reconciliation (In R\$ million, except when indicated) | 3Q23 | 3Q22 | Δ % | 2Q23 | Δ % | YTD 2023 | YTD 2022 | Δ % |
|---|--------------|--------------|-----------------|--------------|------------------|--------------|--------------|-----------------|
| Consolidated EBITDA | 60.3 | 62.6 | -3.7% | 68.6 | -12.0% | 186.4 | 195.3 | -4.6% |
| <i>EBITDA Margin (% Net Revenue)</i> | <i>27.7%</i> | <i>23.4%</i> | <i>4.3 p.p.</i> | <i>31.2%</i> | <i>-3.5 p.p.</i> | <i>27.3%</i> | <i>24.6%</i> | <i>2.7 p.p.</i> |
| (+) Mergers and Acquisitions (M&A) Expenses | - | 0.03 | n.a | - | | - | 0.03 | -100.0% |
| (+) Non-recurring Expenses and Revenues | - | 0.03 | n.a | - | | - | 0.03 | -100.0% |
| Consolidated Adjusted EBITDA | 60.3 | 62.7 | -3.7% | 68.6 | -12.0% | 186.4 | 195.4 | -4.6% |
| <i>Adjusted EBITDA Margin (% Net Revenue)</i> | <i>27.7%</i> | <i>23.4%</i> | <i>4.3 p.p.</i> | <i>31.2%</i> | <i>-3.5 p.p.</i> | <i>27.3%</i> | <i>24.6%</i> | <i>2.7 p.p.</i> |

EBITDA margin surpassed expectations in 3Q23, reaching 27.7%, increasing 4.3 p.p. from 3Q22. Although sales decreased from R\$434.5 million to R\$274.0 million, adjusted EBITDA remained stable, decreasing from R\$62.7 million to R\$60.3 million (-3.7%). In the year, EBITDA remained stable as well, decreasing from R\$195.4 million (margin of 24.6%) to R\$186.4 million (margin of 27.3%).

The main reasons for this healthy result were:

- Decrease of 4.8% in Operating Expenses, excluding depreciation, in 3Q23 vs. 3Q22, mainly due to efforts to reduce the allowance for doubtful accounts (PDD) and more efficient management of defaulting clients in the quarter. Compared to the previous quarter, operating expenses increased 15.5% (R\$4.8 million), mainly due to expenses with the migration of the distribution center from Extrema (MG) to Salvador (BA). In 9M23, operating expenses ex-depreciation decreased 4.9% (R\$5.5 million) from 9M22;
- Decrease in costs, excluding depreciation, by 27.5% (R\$46.0 million) vs. 3Q22 and by 1.2% (R\$1.5 million) vs. 2Q23. In 9M23, costs ex-depreciation decreased 20.0% (R\$97.1 million) from 9M22.

Financial Result

| Financial Income (In R\$ million, except when indicated) | 3Q23 | 3Q22 | Δ % | 2Q23 | Δ % | YTD 2023 | YTD 2022 | Δ % |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Net Exchange Variation & Adjustment to fair value Der. Inst. | (1.5) | (3.5) | -56.5% | (0.6) | 165.5% | (4.9) | (23.5) | -79.1% |
| Financial Revenues | 14.9 | 28.5 | -47.6% | 12.7 | 17.4% | 42.8 | 48.2 | -11.4% |
| Financial Expenses | (24.2) | (40.8) | -40.6% | (28.3) | -14.4% | (83.2) | (87.6) | -5.1% |
| (+/-) Financial Income | (10.8) | (15.7) | -31.3% | (16.2) | -33.1% | (45.3) | (62.8) | -27.9% |

In 3Q23, Net Financial Result decreased 33.1% (R\$5.4 million) from 2Q23 and 31.3% (R\$4.9 million) from 3Q22, reflecting the Company's cash management and efforts to avoid fresh borrowings and use cash wisely to pay more expensive debt. In 9M23, the financial result was an expense of R\$45.3 million, down 27.9% (R\$17.5 million) from 9M22. The changes are 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 3Q23, a foreign exchange loss was recorded due to the appreciation of the Brazilian real against other currencies, in the total amount of -R\$1.5 million, comprising: (i) exchange variation on foreign currency loans: -R\$1.1 million; (ii) fair value adjustments of derivatives (swaps of foreign currency loans): R\$0.9 million; and (iii) exchange variation on Assets (Liabilities) in foreign currency: +R\$1.3 million.

| (In R\$ million) | 12/31/2021 | 03/31/2022 | 6/30/2022 | 09/30/22 | 12/31/2022 | 03/31/2023 | 06/30/2023 | 09/30/2023 |
|--|------------|------------|-----------|----------|------------|------------|------------|------------|
| Exchange Rates Dollar Ptax | 5.5799 | 4.7372 | 5.2374 | 5.4060 | 5.2171 | 5.0798 | 4.8186 | 5.0070 |
| Inventory in transit | 83.1 | 51.6 | 33.3 | 26.7 | 40.7 | 21.4 | 31.2 | 3.7 |
| Advances to International Suppliers | 69.8 | 109 | 40.3 | 51.079 | 40.6 | 7.6 | 5.4 | 4.4 |
| International Suppliers | -133 | -64.9 | -43.7 | -36.842 | -86.4 | -37.9 | -37.9 | 0.0 |
| Assets (Liabilities) in foreign currency | 19.8 | 95.7 | 29.9 | 40.9 | -5.1 | -8.9 | -1.3 | 8.1 |
| Equivalent to US\$ | 3.6 | 20.2 | 5.7 | 7.6 | -1.0 | -1.8 | -0.3 | 1.6 |

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

- In 3Q23, Financial Income totaled R\$14.9 million, increasing 25.1% (R\$13.6 million) from 3Q22, chiefly due to the higher interest and fines received from clients in arrears.

- In 3Q23, Financial Expenses came to R\$24.2 million, decreasing 40.6% (R\$16.6 million) from 3Q22, chiefly due to the lower interest on loans, financing and debentures compared to 3Q22.

Net Income/Loss and Net Margin

| Net Income (In R\$ million, except when indicated) | 3Q23 | 3Q22 | Δ % | 2Q23 | Δ % | YTD 2023 | YTD 2022 | Δ % |
|---|-------------|-------------|------------------|-------------|------------------|--------------|-------------|------------------|
| EBIT | 11.2 | 20.3 | -44.8% | 19.5 | -42.7% | 41.1 | 71.5 | -42.5% |
| <i>EBIT Margin (% Net Revenue)</i> | <i>4.6%</i> | <i>7.6%</i> | <i>-3.0 p.p.</i> | <i>8.9%</i> | <i>-4.3 p.p.</i> | <i>6.0%</i> | <i>9.0%</i> | <i>-3.0 p.p.</i> |
| (+/-) Financial Income | (10.8) | (15.7) | -31.3% | (16.2) | -33.1% | (45.3) | (62.8) | -27.9% |
| (-) Provision for IR and CSLL | 0.5 | 10.7 | -95.5% | 0.2 | 210.7% | 2.2 | 13.0 | -83.3% |
| Net Income | 0.9 | 15.2 | -94.4% | 3.5 | -75.6% | (0.0) | 21.7 | -100.0% |
| <i>Net Margin (% Net Revenue)</i> | <i>0.4%</i> | <i>5.7%</i> | <i>-5.3 p.p.</i> | <i>1.6%</i> | <i>-1.2 p.p.</i> | <i>0.0%</i> | <i>2.7%</i> | <i>-2.7 p.p.</i> |
| (+) Mergers and Acquisitions (M&A) Expenses | - | 0.03 | -100.0% | - | n.a. | 0.0 | 0.03 | n.a. |
| (-) Exclu. ICMS Subsidy IRPJ/CSLL Base (17-20) | - | 13.0 | -100.0% | - | n.a. | 0.0 | (13.0) | -100.0% |
| (-) IR and CSLL Reversal | - | 0.01 | -100.0% | - | n.a. | 0.0 | (0.01) | -100.0% |
| (+) Non-recurring Expenses and Revenues and IR and CSLL | - | 13.0 | -100.0% | 0.0 | n.a. | 0.0 | -13.0 | -100.0% |
| Adjusted Net Income | 0.9 | 2.2 | -61.3% | 3.5 | -75.6% | (2.0) | 8.7 | -123.3% |
| <i>Adjusted Net Income Margin (% Net Revenue)</i> | <i>0.4%</i> | <i>0.8%</i> | <i>-0.4 p.p.</i> | <i>1.6%</i> | <i>-1.2 p.p.</i> | <i>-0.3%</i> | <i>1.1%</i> | <i>-1.4 p.p.</i> |

Due to the strategic decision to rapidly reduce solar inventories, which caused a loss of R\$1.29 million in 3Q23, Adjusted Net Income was R\$0.9 million, down 61.3% (R\$1.3 million) from 3Q22 and 75.6% (R\$2.6 million) from 2Q23. Adjusted net margin was 0.4% in 3Q23. In 9M23, Net Loss came to R\$2.0 million.

Cash Flow

Quarter
(R\$ million)

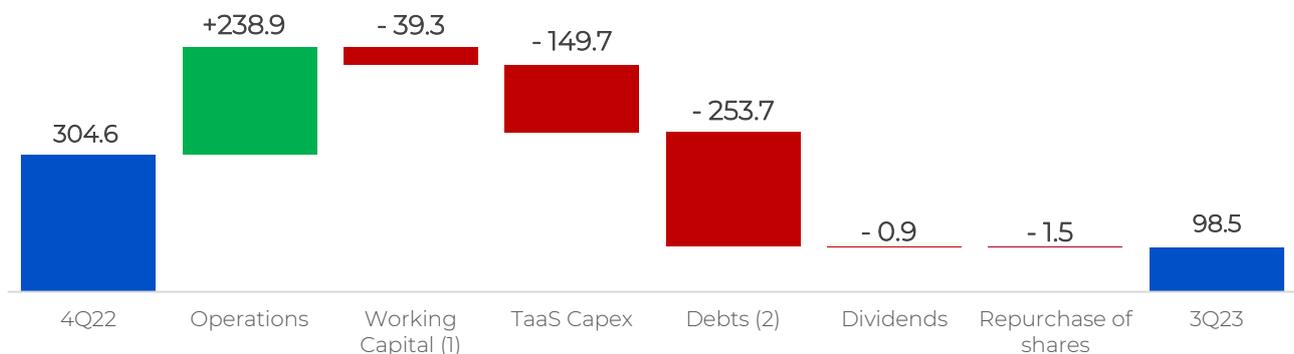


(1) Working Capital: inventories, advances to suppliers, suppliers and trade receivables

(2) Debts: payment of loans and financing (principal + interests) and derivatives settlement

In 3Q23, the Company generated operating cash flow of +R\$93.9 million. Operating Working Capital was +R\$12.7 million. Capex, which went to the acquisition of fixed and intangible assets, mainly related to the TaaS model, consumed R\$36.2 million. Payment of debt (principal) and derivatives totaled R\$41.3 million, while interest payments came to R\$2.8 million. Cash balance at the end of the quarter was R\$98.5 million.

9M23
(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

In 9M23, the Company generated operating cash flow of R\$238.9 million. Operating Working Capital was -R\$39.3 million. Capex, which went to the acquisition of fixed and intangible assets, mainly related to the TaaS model, consumed R\$149.7 million. Payment of debt (principal) and derivatives totaled R\$187.5 million.

million, while interest payments came to R\$66.2 million. Dividend payment consumed R\$0.9 million, while repurchase of shares consumed R\$1.5 million. Cash balance at the end of the quarter was R\$98.5 million.

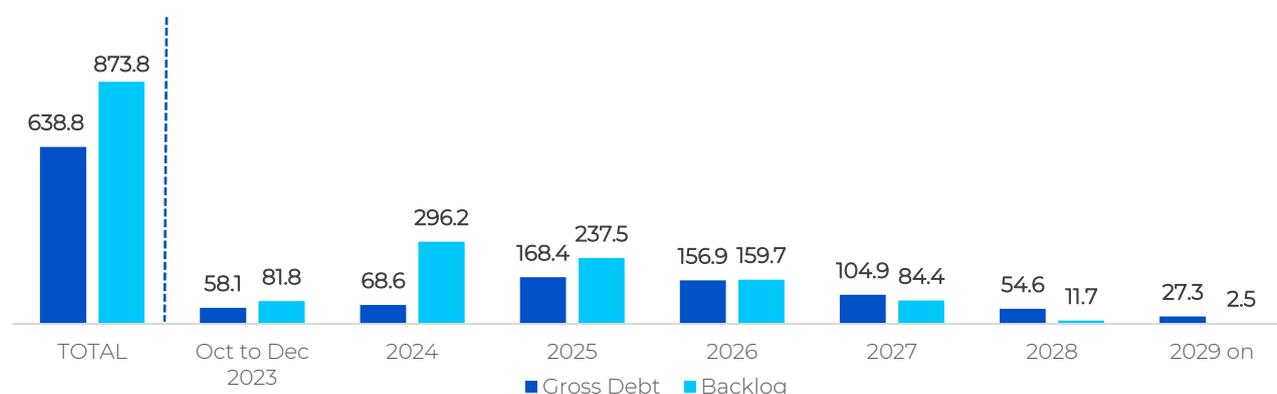
Debt

| Indebtedness (In R\$ million, except when indicated) | 3Q23 | 3Q22 | Δ % | 2Q23 | Δ % |
|---|--------------|--------------|---------------|--------------|--------------|
| (+) Loans, financing and debentures | 627.5 | 905.0 | -30.7% | 629.8 | -0.4% |
| Current | 112.2 | 280.9 | -60.0% | 110.4 | 1.6% |
| Non-Current | 515.3 | 624.2 | -17.4% | 519.4 | -0.8% |
| (+) Commercial leases | 5.2 | 2.4 | 116.8% | 4.1 | 25.0% |
| Current | 1.3 | 1.3 | 0.8% | 1.3 | -3.1% |
| Non-Current | 3.9 | 1.1 | 252.6% | 2.8 | 38.5% |
| (+/-) Net derivative financial instruments | 6.2 | 8.5 | -27.7% | 10.2 | -39.5% |
| Assets | - | (1.7) | -100.0% | 0.0 | |
| Liabilities | 6.2 | 10.2 | -39.6% | 10.2 | -39.5% |
| Gross Debt | 638.8 | 915.9 | -30.3% | 644.1 | -0.8% |
| (-) Disp. (Cash and Equiv.) and Invest. of CP | (98.5) | (464.5) | -78.8% | (72.3) | 36.3% |
| Net Debt | 540.3 | 451.4 | 19.7% | 571.9 | -5.5% |
| Adjusted LTM EBITDA | 248.5 | 270.5 | -8.1% | 250.8 | -0.9% |
| Net Debt / Adjusted LTM EBITDA | 2.17 | 1.67 | 30.3% | 2.28 | -4.6% |

From 3Q23 onwards, commercial leases were included in the composition of gross debt. To standardize the comparative periods, previous quarters were adjusted.

Net Debt to Adjusted EBITDA (LTM) stood at 2.17x in 3Q23. Management considers this cash position healthy. An extremely important factor to demonstrate the Company's capacity to settle its obligations with its debentureholders and other creditors is the backlog revenue schedule, as shown in the chart below. Note that in 2024 we will have practically five times backlog revenue in relation to debt payment commitments.

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



Note that the Capex and expenses for this backlog revenue have already been recorded in the Balance Sheet, i.e., in the future, it will fully become EBITDA, subject only to PIS/COFINS deductions.

ROIC

| ROIC (In R\$ million, except when indicated) | 3Q23 | 3Q22 | Δ % | 2Q23 | Δ % |
|---|---------|---------|-----------|---------|-----------|
| Net Revenue | 217.8 | 267.9 | (0.2) | 219.7 | -0.9% |
| EBIT (LTM) | 58.4 | 108.6 | -46.3% | 67.5 | -13.5% |
| (-) Provision for IR and CSLL (LTM) | 4.5 | 11.7 | -61.7% | 14.7 | -69.5% |
| Operating Income after Taxes (NOPAT) = (A) | 62.9 | 120.3 | -47.8% | 82.1 | -23.5% |
| (+) Equity | 644.9 | 647.9 | -0.5% | 643.1 | 0.3% |
| (+) Gross Debt | 638.8 | 915.9 | -30.3% | 644.1 | -0.8% |
| (+) Cash (Cash and Equiv.) and CP Investments | (98.5) | (464.5) | -78.8% | (72.3) | 36.3% |
| Invested Capital | 1,185.2 | 1,099.3 | 7.8% | 1,214.9 | -2.5% |
| Average Invested Capital of 2022 and 2021 = (B) | 1,161.8 | 969.6 | 19.8% | 1,176.7 | -1.3% |
| ROIC = (A/B) | 5.4% | 12.4% | -7.0 p.p. | 7.0% | -1.6 p.p. |

Appendices

Statement of Income

| Consolidated Statement (In R\$ million, except when indicated) | 3Q23 | 3Q22 | Δ % | 2Q23 | Δ % | YTD 2023 | YTD 2022 | Δ % |
|---|----------------|----------------|------------------|----------------|------------------|----------------|------------------|------------------|
| Sales Gross Revenue | 176,939 | 239,959 | -26.3% | 170,888 | 3.5% | 556,606 | 716,374 | -22.3% |
| TaaS (VGV Leases) | 97,032 | 194,461 | -50.1% | 79,426 | 22.2% | 325,250 | 384,813 | -15.5% |
| Total Sales | 273,971 | 434,419 | -36.9% | 250,314 | 9.5% | 881,856 | 1,101,187 | -19.9% |
| Sales Gross Revenue | 176,939 | 239,959 | -26.3% | 170,888 | 3.5% | 556,606 | 716,374 | -22.3% |
| Lease Gross Revenue | 82,447 | 73,280 | 12.5% | 83,448 | -1.2% | 249,260 | 214,623 | 16.1% |
| Gross Revenue | 259,386 | 313,239 | -17.2% | 254,336 | 2.0% | 805,866 | 930,997 | -13.4% |
| (-) Tax levy on Revenues | (34,014) | (38,060) | -10.6% | (32,110) | 5.9% | (103,069) | (114,060) | -9.6% |
| (-) Returns | (7,549) | (7,273) | 3.8% | (2,493) | 202.8% | (20,981) | (23,518) | -10.8% |
| Net Revenue | 217,823 | 267,906 | -18.7% | 219,733 | -0.9% | 681,816 | 793,420 | -14.1% |
| (-) CMV | (170,004) | (208,508) | -18.5% | (168,070) | 1.2% | (532,218) | (604,452) | -12.0% |
| Gross Income | 47,819 | 59,398 | -19.5% | 51,663 | -7.4% | 149,598 | 188,967 | -20.8% |
| <i>Gross Margin (% Net Revenue)</i> | <i>22.0%</i> | <i>22.2%</i> | <i>-0.2 p.p.</i> | <i>23.5%</i> | <i>-1.6 p.p.</i> | <i>21.94%</i> | <i>23.8%</i> | <i>-1.9 p.p.</i> |
| (-) Personnel Expenses | (12,729) | (13,172) | -3.4% | (15,682) | -18.8% | (42,786) | (38,573) | 10.9% |
| (-) Commercial Expenses | (12,555) | (19,151) | -34.4% | (13,153) | -4.5% | (43,692) | (59,091) | -26.1% |
| (-) General and Administrative Expenses | (2,297) | (4,967) | -53.7% | (3,483) | -34.0% | (8,531) | (14,562) | -41.4% |
| (+/-) Other operating income/expenses | (9,049) | (1,834) | 393.5% | 183 | 5036.8% | (13,466) | (5,208) | 158.6% |
| (-) Operating Expenses | (36,630) | (39,125) | -6.4% | (32,136) | 14.0% | (108,475) | (117,434) | -7.6% |
| EBIT | 11,188 | 20,273 | -44.8% | 19,527 | -42.7% | 41,123 | 71,533 | -42.5% |
| <i>EBIT Margin (% Net Revenue)</i> | <i>4.6%</i> | <i>7.6%</i> | <i>-3.0 p.p.</i> | <i>8.9%</i> | <i>-4.3 p.p.</i> | <i>6.0%</i> | <i>9.0%</i> | <i>-3.0 p.p.</i> |
| (+) Depreciation and Amortization | 49,147 | 42,351 | 16.0% | 49,037 | 0.2% | 145,249 | 123,788 | 17.3% |
| EBITDA | 60,336 | 62,624 | -3.7% | 68,564 | -12.0% | 186,373 | 195,321 | -4.6% |
| <i>EBITDA Margin (% Net Revenue)</i> | <i>27.7%</i> | <i>23.4%</i> | <i>4.3 p.p.</i> | <i>31.2%</i> | <i>-3.5 p.p.</i> | <i>27.3%</i> | <i>24.6%</i> | <i>2.7 p.p.</i> |
| (+) Mergers and Acquisitions (M&A) Expenses | - | 30 | -100.0% | - | n.a. | - | 30 | -100.0% |
| (+) Non-recurring Expenses and Revenues | - | 30 | -100.0% | - | n.a. | - | 30 | -100.0% |
| Adjusted EBITDA | 60,336 | 62,654 | -3.7% | 68,564 | -12.0% | 186,373 | 195,351 | -4.6% |
| <i>Adjusted EBITDA Margin (% Net Revenue)</i> | <i>27.7%</i> | <i>23.4%</i> | <i>4.3 p.p.</i> | <i>31.2%</i> | <i>-3.5 p.p.</i> | <i>27.3%</i> | <i>24.6%</i> | <i>2.7 p.p.</i> |
| (+/-) Financial Income | (10,819) | (15,744) | -31.3% | (16,172) | -33.1% | (45,317) | (62,829) | -27.9% |
| (-) Provision for IR and CSLL | 486 | 10,678 | -95.5% | 156 | 210.7% | 2,170 | 12,968 | -83.3% |
| Net Income | 855 | 15,207 | -94.4% | 3,512 | -75.6% | (2,024) | 21,672 | -100.0% |
| <i>Net Margin (% Net Revenue)</i> | <i>0.4%</i> | <i>5.7%</i> | <i>-5.3 p.p.</i> | <i>1.6%</i> | <i>-1.2 p.p.</i> | <i>0.0%</i> | <i>2.7%</i> | <i>-2.7 p.p.</i> |
| (+) Mergers and Acquisitions (M&A) Expenses | - | 30 | -100.0% | - | n.a. | - | 30 | -100.0% |
| (-) Exclu. ICMS Subsidy IRPJ/CSLL Base (17-20) | - | (13,015) | -100.0% | - | n.a. | - | (13,015) | -100.0% |
| (-) IR and CSLL Reversal | - | (10) | -100.0% | - | n.a. | - | (10) | -100.0% |
| (+) Non-recurring Expenses and Revenues and IR and CSLL | - | (12,995) | -100.0% | - | n.a. | - | (12,995) | -100.0% |
| Adjusted Net Income | 855 | 2,212 | -61.3% | 3,512 | -75.6% | (2,024) | 8,677 | -123.3% |
| <i>Adjusted Net Margin (% Net Revenue)</i> | <i>0.4%</i> | <i>0.8%</i> | <i>-0.4 p.p.</i> | <i>1.6%</i> | <i>-1.2 p.p.</i> | <i>-0.3%</i> | <i>1.1%</i> | <i>-1.4 p.p.</i> |

Balance Sheet

| Consolidated Balance Sheet (In R\$ million, except when indicated) | | | | | |
|---|------------------|------------------|-------------|------------------|------------|
| | 3Q23 | 2Q22 | Δ % | 2Q23 | Δ % |
| Assets | | | | | |
| Current Assets | | | | | |
| Cash and cash equivalents | 98,502 | 229,055 | -57% | 72,257 | 36% |
| Short-term investments | 0 | 300,464 | -100% | 0 | |
| Trade receivables, net | 224,740 | 157,986 | 42% | 209,538 | 7% |
| Recoverable taxes | 35,643 | 62,110 | -43% | 57,611 | -38% |
| Derivative financial instruments | 0 | 1,724 | -100% | 0 | |
| Inventories | 228,818 | 302,464 | -24% | 284,649 | -20% |
| Advances to suppliers | 24,718 | 47,748 | -48% | 19,662 | 26% |
| Prepaid Expenses | 786 | 945 | -17% | 1,160 | -32% |
| Total Current Assets | 613,207 | 1,102,496 | -44% | 644,877 | -5% |
| Non-Current Assets | | | | | |
| Trade receivables, net | 191,519 | 118,213 | 62% | 174,217 | 10% |
| Judicial Deposits | 109 | 109 | 0% | 109 | 0% |
| Derivative financial instruments | 0 | 1,085 | -100% | 0 | |
| Recoverable taxes | 22,590 | 0 | | 0 | |
| Deferred taxes | 28,927 | 25,243 | 15% | 28,342 | 2% |
| Right-of-use assets | 5,063 | 2,999 | 69% | 4,039 | 25% |
| Property, plant and equipment, net | 423,445 | 418,709 | 1% | 435,489 | -3% |
| Net intangible assets | 104,218 | 61,509 | 69% | 105,389 | -1% |
| Total Non-Current Assets | 775,871 | 627,867 | 24% | 747,585 | 4% |
| Total Assets | 1,389,078 | 1,730,363 | -20% | 1,392,462 | 0% |
| Liabilities | | | | | |
| Current Liabilities | | | | | |
| Suppliers | 68,640 | 95,075 | -28% | 79,611 | -14% |
| Personnel, social charges and benefits | 7,003 | 5,693 | 23% | 7,158 | -2% |
| Taxes payable | 6,312 | 12,041 | -48% | 4,961 | 27% |
| Loans, financing, and debentures | 112,204 | 277,821 | -60% | 110,417 | 2% |
| Derivative financial instruments | 4,725 | 10,757 | -56% | 7,479 | -37% |
| Lease Liabilities | 1,294 | 1,743 | -26% | 1,336 | -3% |
| Related Parts | 22 | 158 | -86% | 28 | -21% |
| Other liabilities | 23,043 | 17,769 | 30% | 13,116 | 76% |
| Total Current Liabilities | 223,243 | 421,057 | -47% | 224,106 | 0% |
| Non-Current Liabilities | | | | | |
| Loans, financing, and debentures | 515,255 | 667,312 | -23% | 519,387 | -1% |
| Derivative Financial Instruments | 1,444 | 847 | 70% | 2,715 | -47% |
| Provisions for lawsuits | 388 | 362 | 7% | 385 | 1% |
| Leases | 3,865 | 1,285 | 201% | 2,790 | 39% |
| Total Non-Current Liabilities | 520,952 | 669,806 | -22% | 525,277 | -1% |
| Equity | | | | | |
| Share capital | 301,397 | 301,397 | 0% | 301,397 | 0% |
| Treasury Stock | -8,536 | 0 | | -8,536 | 0% |
| Capital reserves | 236,632 | 236,632 | 0% | 236,632 | 0% |
| Retained earnings | 116,734 | 94,427 | 24% | 116,734 | 0% |
| Accumulated Loss/ Earnings | -2,024 | 6,465 | -131% | -2,879 | -30% |
| Other Comprehensive Results | 680 | 579 | 17% | -269 | -353% |
| Total Equity | 644,883 | 639,500 | 1% | 643,079 | 0% |
| Total Liabilities and Equity | 1,389,078 | 1,730,363 | -20% | 1,392,462 | 0% |

Statement of Cash Flow

| Consolidated Statement of Cash Flows (In R\$ thousand, except when indicated) | 3Q23 | 3Q22 | Δ % | 2Q23 | Δ % | YTD 2023 | YTD 2022 | Δ % |
|---|-----------------|-----------------|--------------|-----------------|--------------|------------------|------------------|--------------|
| Cash Flow From Operating Activities | | | | | | | | |
| Net Income for the period | 855 | 15,207 | -94% | 3,512 | -76% | (2,024) | 21,672 | -109% |
| Adjustments to reconcile Income or loss for the period to cash from operating activities | 71,098 | 69,889 | 2% | 77,937 | -9% | 231,929 | 225,073 | 3% |
| Depreciation and amortization | 49,148 | 42,349 | 16% | 49,037 | 0% | 145,250 | 123,787 | 17% |
| Expected credit losses | 133 | 5,208 | -97% | 3,240 | -96% | 7,733 | 20,304 | -62% |
| Provision for inventory obsolescence | (1,803) | (298) | 505% | (1,924) | -6% | (2,144) | 3,235 | -166% |
| Provision for legal and other proceedings, net | 3 | 12 | -75% | 3 | 0% | 10 | 12 | -17% |
| Mark-to-market of derivatives | (883) | 3,066 | -129% | 4,673 | -119% | 8,075 | 26,171 | -69% |
| Income from short-term investments | - | (10,407) | -100% | - | - | - | (15,697) | -100% |
| Interest and foreign exchange variation expenses | 25,776 | 36,094 | -29% | 20,050 | 29% | 71,912 | 65,280 | 10% |
| Expenses for adjustment to the present value | (1,410) | 3,894 | -136% | 435 | 424% | (205) | 13,789 | -101% |
| Write-off of property, plant and equipment and intangible assets | 619 | 648 | -4% | 2,580 | -76% | 3,468 | 1,160 | 199% |
| Income tax and social security contribution | 76 | (8,128) | -101% | - | - | 76 | (2,714) | -103% |
| Deferred income tax and social contribution | (561) | (2,549) | -78% | (157) | 257% | (2,246) | (10,254) | -78% |
| Assets decrease (increase) | 21,984 | 6,705 | 228% | (5,202) | -523% | 47,329 | (73,752) | -164% |
| Trade receivables | (30,767) | (22,610) | 36% | (16,137) | 91% | (71,716) | (63,717) | 13% |
| Recoverable taxes | (622) | (613) | 1% | 7,080 | -109% | 6,237 | (13,713) | -145% |
| Inventories | 57,951 | 53,313 | 9% | 6,565 | 783% | 83,787 | 9,224 | 808% |
| Advances to suppliers and legal deposits | (4,952) | (19,922) | -75% | (3,246) | 53% | 28,880 | 3,663 | 688% |
| Prepaid expenses | 374 | (140) | -367% | 536 | -30% | 141 | 28 | 404% |
| Derivatives Settlement | - | (3,323) | -100% | - | - | - | (9,237) | -100% |
| | | | | | | | 0 | |
| Liabilities increase (decrease) | (4,451) | (9,515) | -53% | (61,778) | -93% | (156,389) | (165,329) | -5% |
| Suppliers | (12,655) | (6,435) | 97% | (4,735) | 167% | (74,865) | (122,454) | -39% |
| Taxes payable | 1,251 | 9,354 | -87% | 2,664 | -53% | (245) | 15,016 | -102% |
| Personnel, social charges and benefits | (155) | 679 | -123% | 1,790 | -109% | 2,178 | (1,946) | -212% |
| Deferred revenue | - | - | - | - | - | - | (437) | -100% |
| Related parties | (6) | (34) | -82% | (9) | -33% | (103) | (108) | -5% |
| Other liabilities | 9,927 | 186 | 5237% | (14,600) | -168% | (17,106) | (15,533) | 10% |
| Payment of interest | (2,813) | (11,495) | -76% | (46,888) | -94% | (66,248) | (36,970) | 79% |
| Payment of income tax and social contribution | - | (1,770) | -100% | - | - | - | (2,897) | -100% |
| Net cash generated by (used in) operating activities | 89,486 | 82,286 | 9% | 14,469 | 518% | 120,845 | 7,664 | 1477% |
| Cash Flow From Investment Activities | (36,202) | (59,129) | -39% | (35,115) | 3% | 2,514 | (140,423) | -102% |
| Acquisition of property, plant and equipment and intangible assets | (36,202) | (85,146) | -57% | (35,115) | 3% | (149,656) | (169,788) | -12% |
| Short-term investment application | - | (254,419) | -100% | - | - | 0 | (668,847) | -100% |
| Redemption of Short-term investments | - | 280,436 | -100% | - | - | 152,170 | 698,212 | -78% |
| Net cash generated by (used in) investment activities | (36,202) | - | - | (35,115) | 3% | 2,514 | - | - |
| Cash flow from Financing Activities | (27,988) | (72,468) | -61% | (41,069) | -32% | (177,932) | 274,279 | -165% |
| Entry of new loans and debentures | - | (1,410) | -100% | - | - | 0 | 488,008 | -100% |
| Vendor Operations | 13,704 | - | - | - | - | 13,704 | 0 | - |
| Funding Cost | - | 0 | - | 0 | - | 0 | 0 | - |
| Payment of loans and financing (principal) | (38,149) | (63,737) | -40% | (36,341) | 5% | (177,944) | (197,490) | -10% |
| Payment of commercial leases | (401) | (572) | -30% | (716) | -4.4% | (1,832) | (2,044) | -10% |
| Derivatives Settlement | (3,142) | - | - | (3,053) | 3% | (9,506) | 0 | - |
| Dividends and interests on capital paid | - | - | - | (862) | -100% | (862) | (11,252) | -92% |
| Increase in capital and reserves - IPO, net of emission expenses | - | - | - | - | - | - | 3,806 | -100% |
| Share Buyback | - | (6,749) | -100% | (97) | -100% | (1,492) | (6,749) | -78% |
| Net cash resulting from financing activities | (27,988) | (72,468) | -61% | (41,069) | -32% | (177,932) | 274,279 | -165% |
| Effect of Foreign Exchange Variation on Cash and Cash Equivalents | 949 | (58) | - | (246) | - | 605 | (299) | -302% |
| Change in the Company's Net Cash | 26,245 | (49,369) | -153% | (61,961) | -142% | (53,968) | 141,221 | -138% |
| Cash and cash equivalents at the beginning of the period | 72,257 | 229,055 | -68% | 134,218 | -46% | 152,470 | 38,465 | 296% |
| Cash and cash equivalents at the end of the period | 98,502 | 179,686 | -45% | 72,257 | 36% | 98,502 | 179,686 | -45% |

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