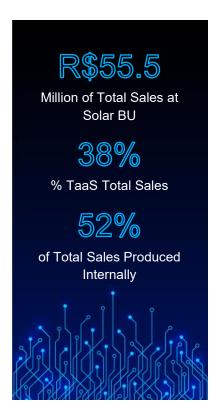




Highlights

- Records of Total Sales of R\$322.4 million, Gross Revenue of R\$269.4 million, Net Revenue of R\$225.6 million
- Growth of +74.5% of Total Sales in 1Q21 vs 1Q20
- Solar Business Unit (BU) at full *ramp-up* with R\$55.5 million of Total Sales in 1Q21, compared to R\$4.6 million in 1Q20
- Increase of the share of the Technology as a Service (TaaS) business model over Total Sales to 38.5% in 1Q21, vs 34.6% in 1Q20
- The average value of new TaaS agreements increased to R\$291 thousand per agreement, growth of +84.9% vs 1Q20
- Telecom Segment presented strong performance with increase in optical fiber facilities all over Brazil, reaching Total Sales of R\$201.3, and growth of +82.9% vs 1Q20



Summary of the Consolidated Results and Financial Indicators

Highlights (in R\$ million, unless otherwise indicated)	1Q21	1Q20	∆ % vs. 1Q20	4Q20	∆ % vs. 1Q20
Consolidated Financial Results					
Total Sales	322.4	184.8	74.5%	297.0	8.6%
Net Revenue	225.6	148.2	52.2%	211.6	6.6%
Gross Profit	65.6	52.5	24.8%	73.6	-10.8%
Adjusted EBITDA	59.3	51.2	15.7%	72.3	-18.1%
Adjusted EBITDA Margin (% Net Revenue)	26.3%	34.6%	-24.0%	34.2%	-23.1%
Adjusted Net Profit	11.2	10.0	11.8%	29.6	-62.1%
Adjusted Net Margin (% Net Revenue)	5.0%	6.8%	-26.6%	14.0%	-64.5%
Main Financial Indicators					
Backlog of Deferred Revenue	458.9	276.8	65.8%	407.3	12.7%
Net Debt/ Adjusted EBITDA (x)	2.2	na	na	1.8	19.4%
Main Operational Indicators					
% Produced Internally (% Total Sales)	52%	38%	36.9%	50%	3.7%
% TaaS (% Total Sales)	38%	35%	11.2%	37%	2.7%
% TaaS (% Gross Revenue)	26%	32%	-18.3%	27%	-2.2%
Average Term of New TaaS Agreements (months)	45	27	64.4%	41	11.3%
Number of New TaaS Agreements	427	407	4.9%	440	-3.0%
Avg. Value New TaaS Agreements (R\$ thousand / agreement)	291	157	84.9%	253	14.8%
Number of Customers Served (Period)	3,804	2,593	46.7%	3,489	9.0%



SUMMARY

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Message from the Management

It is a pleasure to disclose the first quarterly result of WDC Networks. After great effort from the entire team, we concluded our process of registration with the CVM to become a publicly-traded company. The Company reached record levels again this quarter, showing its capacity to perform the strategy defined by our Board of Directors. We also evolved in many aspects such as people, processes, systems, infrastructure, customer relationship, governance, among other. Looking at our history we see that it has not been easy to get where we are, but we believe that the fundamentals of our industry remain solid and that we can achieve even more.

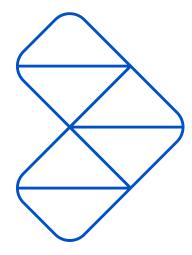
WDC is a technology company, incorporated in 2004, whose mission is to provide technologies to companies and people as a way to improve people's quality of life. We are always innovative and we always seek results with the DNA of agile performance, close to our customers. One of our main differentials is our "as a service" (TaaS) business model, which offers technology (hardware and software) as service, that is, we transform Capex into Opex and this is in line with the greatest world consumption trends. The market is changing, as well as consumption habits, and people and companies are no longer focusing on owning assets but beginning to pay for the use of technology. This model, known as TaaS - Technology as a Service, has turned out to be a source of growth in the Company and mainly providing resilience to WDC in different economic cycles.

The year 2020 was particularly important to the company as we broke down the barrier of Total Sales of R\$ 1 billion, and the figures for this quarter show that we are properly performing our plan. We grew 74.5% in relation to the same period of 2020. The Telecom Segment continues to advance at high speed and with soundness, in 1Q21 it grew 82.9% compared to the same period last year, this growth is consequence of the demand for high-speed internet in Brazil and the need of investments in infrastructure to support the demand. The telecommunications broad band market in Brazil continues to present solid fundamentals with excellent opportunities and outlook. In relation to the Corporate segment we reached the growth of 62.1% compared to the same period of 2020, that is, our solutions for surveillance cameras, cyber security and Wi-Fi has proved to be efficient, showing increasing demand. Our most recent business unit of photovoltaic solar energy, which commenced in 2020, grew more than 12x in relation to the same period last year and represented 22% of Net Revenue in 1Q21.

The Company broke consecutive records in the past years, but also in the quality of life of its employees, after all thanks to our almost 320 employees, we have been named on the list of GPTW – Great Place to Work, which makes us very happy and willing to carry on.

We invite you all to visit our figures and results.

WDC Networks #Descomplica

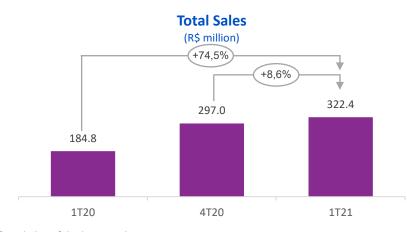




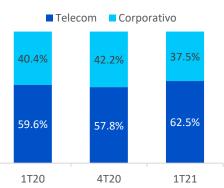
Consolidated and Segmented Results

Total Sales

The Total Sales index is the best index to measure WDC Networks' commercial effort since it includes the Gross Sales in accordance with IFRS and the nominal value of lease agreements, which will be recognized over the term of the agreements. In 1Q21 we broke the record of Total Sales, reaching R\$322.4 million, and growth of 74.9% in relation to the same period last year. This growth is consequence of the great demand in the Telecom segment and of the effort to increase the share of TaaS, which has been providing greater investment capacity by our customers. In addition, the Solar BU also contributed significantly with this performance and growth in the annual comparison. When compared to 4Q20, Total Sales grew 8.6%.







Translation of the images above:

Total Sales (R\$ million)

1Q20: 184,8 4Q20: 297,0 1Q21: 322,4 Total Segmented Sales

1Q20 4Q20 1Q21

Telecom Corporate

In the Telecom Segment it reached R\$201.3 million, growth of 82.9% compared to the same period last year and 17.4% in relation to the previous quarter, another record. This variation is due to the increase in the number of customers served, especially in view of the creation of an area dedicated to large operators. This group was created in April 2020 dedicated to the major customers and in 1Q21 it already represented approximately 17% of total Total Sales for the Telecom Segment. The share of this segment increased from 57.8% in 4Q20 and 59.6% in 1Q20 to 62.3% in 1Q21 due to this strong growth.

In the Corporate segment it reached R\$121.1 million, growth of 62.1% compared to the same period last year and decrease of 3.5% in relation to the previous quarter. The segment presents a great evolution compared to the same period last year, result of actions implemented in 2020 such as the restructuring of the sales team which we called "WDC Sales Engine" and maturation of the Solar BU. However, there was a slowdown in the quarter in relation to 4Q20 due to the high demand usually seen at year ends, delay in the receipt of raw materials and products that affected the delivery of certain orders, like in the collaboration area for example, which was solved in March, and the impact of the pandemic mainly on professional Audio and Video business (Pro-AV) with the no realization of certain holidays like Carnival for instance and large-sized events.

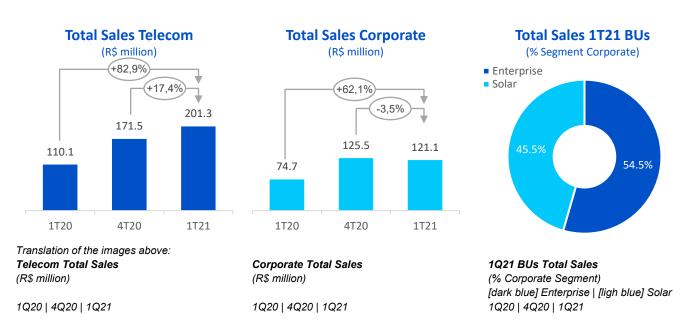
The Solar BU presented strong growth. In 1Q21 it represented 45.5% of the total corporate segment, against 6.1% in 1Q20. The growth of Solar BU is due to the precision in the performance of the strategic expansion plan, focused



[dark blue] Number of New Agreements

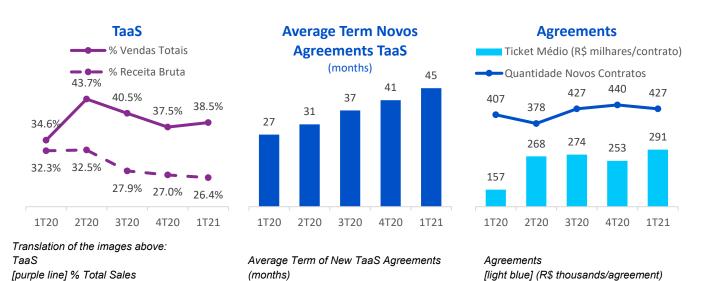
1Q20, 2Q20, 3Q20, 4Q20, 1Q21

on improvement of commercial and operational processes. We point out that even with the stagnation of the market due to the lockdowns, the solar business was able to advance and gain market share from its competitors. The launchings of Jinko's high power modules and the consolidation of the partnership with Longi (the second and first global suppliers) were fundamental for this progress. We expect that this segment will continue to grow.



TaaS – Technology as a Service and Backlog of Revenue

In line with our strategy, the TaaS increased its share to 38.5% of WDC's Total Sales and the average term of the agreements increased to 45 months. As result of these two factors, and considering that the average term was the most important, the share of TaaS in Gross Revenue dropped from 32.3% in 1Q20 to 27.0% and 26.4% in 4Q20 and 1Q21, respectively. Another important index that reflects the improvement in commercial efficiency is the number of new TaaS agreements which remained at high level in the past 3 quarters, reaching 427 new agreements in 1Q21, and additionally with increase of the average ticket to R\$291 thousand per agreement, 77% of increase compared to the same period last year when this index was R\$157 thousand per agreement.



1Q20, 2Q20, 3Q20, 4Q20, 1Q21

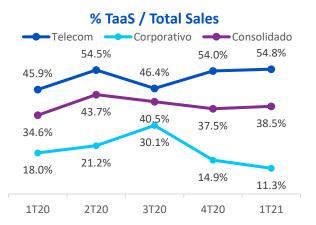
[purple line] Gross Revenue

1Q20, 2Q20, 3Q20, 4Q20, 1Q21



The Telecom Segment accounted for all the increase of the share of TaaS in Total Sales, from 45.9% in 1Q20 to 54.0% and 54.8% in 4Q20 and 1Q21, respectively. Our strategy is to continue to incentive the TaaS as solution to our ISP customers and also to large operators.

In the Corporate segment there was a decrease in this index, from 18.0% in 1Q20 and 14.9% in 4Q20 to 11.3% in 1Q21 mainly due to the increase of the share of Solar BU which did not commence the TaaS operations, which are expected to be implemented in the second half of 2021. Significant part of the performance below the expectation in the Corporate segment, as well as the growth of the share of Solar BU, is attributed to the pandemic, which caused slowdown in certain segments like telephony to offices, and Professional Audio and Video. The % of Corporate TaaS is not expected to reach the same levels as the Telecom Segment.



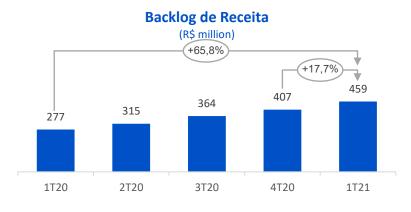




Translation of the images above % TaaS / Total Sales [dark blue] Telecom [light blue] Corporate [purple] Purple 1Q20, 2Q20, 3Q20, 4Q20, 1Q21

% TaaS / Gross Revenue 1Q20, 2Q20, 3Q20, 4Q20, 1Q21

Another consequence of the increase of the share of TaaS and the extension of the average term of the agreements is the increase in deferred revenues (or *Backlog of* revenues). Deferred revenues are important because they can be used as stock of future revenue and will be accounted for in accordance with the term of each agreement in future periods. We closed 1Q21 at R\$459 million in this caption, which represents a growth of 12.9% compared to 4Q20 and 65.8% compared to 1Q20.

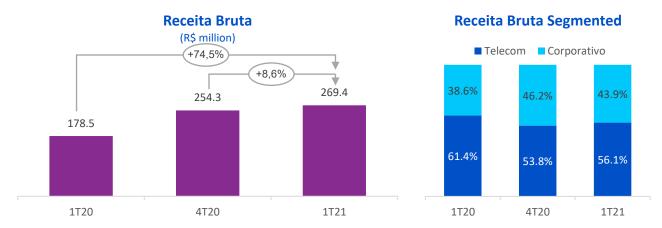


Revenue Blacklog (R\$ million) 1Q20, 2Q20, 3Q20, 4Q20, 1Q21



Gross Revenue

The Gross Revenue of WDC Networks was R\$269.4 million in 1Q21, growth of 51.0% compared to the same period last year and 6.0% in relation to the previous quarter. The lower growth and the decrease of the share of Telecom, when compared to the Total Sales index, is consequence of the % increase of TaaS and Average Terms of the agreements, duly offset by the material increase of the Backlog of revenues as previously mentioned.

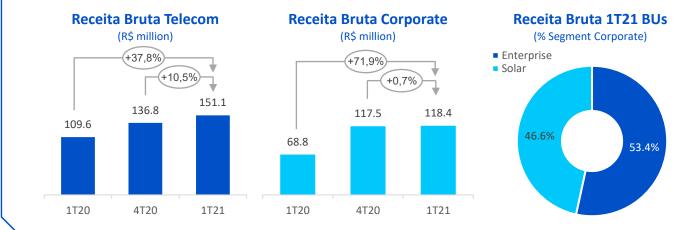


Translation of the images above: Gross Revenue (R\$ million) 1Q20 | 4Q20 | 1Q21

Segmented Gross Revenue
[dark blue] Telecom | [light blue] Corporate
1Q20 | 4Q20 | 1Q21

In the Telecom Segment it reached a total of R\$151.1 million, growth of 37.8% compared to the same period last year and 10.5% in relation to the previous quarter. The share of Telecom in Gross Revenue dropped to 55.9% in 1Q21, in relation to 4Q20 and 1Q20 which represented 53.8% and 61.4%, respectively. This decrease is due to the increase of TaaS as previously mentioned.

In the Corporate segment it reached a total of R\$118.4 million, growth of 71.9% compared to the same period last year and 0.7% in relation to the previous quarter. In the quarterly comparison, we observed an important effect of the TaaS strategy which allows us to have lower result volatility. Unlike the Telecom Segment which grew both in Total Sales as in the share of TaaS and extension of the average term of the agreements, the Corporate segment recorded a decrease in Total Sales, in the share of TaaS, and in the average term. Accordingly, the percentage of former agreements in the Gross Revenue in relation to new agreements increased, and this allowed us to reach positive growth in the Gross Revenue index, even with negative growth in Total Sales.





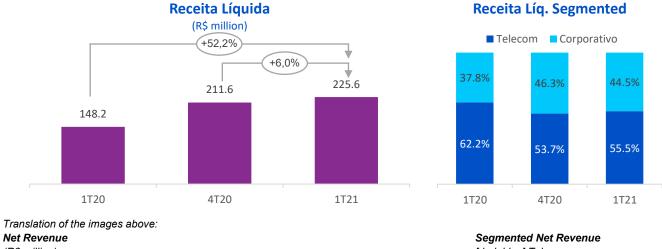
Translation of the images above: Telecom Gross Revenue (R\$ million) 1Q20 | 4Q20 | 1Q21

Corporate Gross Revenue (R\$ million) 1Q20 | 4Q20 |1Q21

1Q21 BUs Gross Revenue (% Corporate Segment) [dark blue] Enterprise [light blue] Solar

Net Revenue

The Net Revenue of WDC Networks was R\$225.6 million in 1Q21, growth of 52,2% compared to the same period last year and 6.0% in relation to the previous guarter.



(R\$ million)

1Q20 | 4Q20 | 1Q21

[dark blue] Telecom [light blue] Corporate 1Q20 | 4Q20 | 1Q21

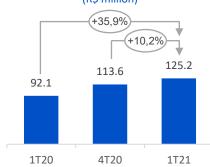
In the Telecom Segment it reached a total of R\$125.2 million, growth of 35.9% compared to the same period last year and 10.2% in relation to the previous quarter.

In the Corporate segment it reached a total of R\$100.4 million, growth of 79.0% compared to the same period last year in which Solar BU was being created and did not yet have relevant contribution and, and 2.5% in relation to the previous quarter.

The higher growth in relation to Gross Revenue is due to the greater share of Solar BU (22% of Consolidated Net Revenue in 1Q21, compared to 15% in 4Q20 and 3% in 1Q20 approximately), which has lower tax burden of 9.25% (PIS/COFINS) of Gross Revenue, compared to 14.4% of the Consolidated.



Receita Líquida Telecom (R\$ million)

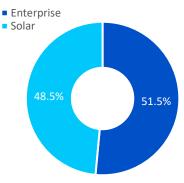


Receita Líq. Corporate



Receita Líquida 1T21 BUs

(% Segment Corporate)



Translation of the images above:

Telecom Gross Revenue (R\$ million) 1Q20 | 4Q20 | 1Q21 Corporate Gross Revenue (R\$ million) 1Q20 | 4Q20 | 1Q21

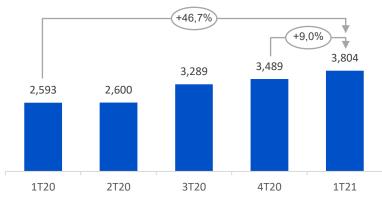
1Q21 BUs Gross Revenue

(% Corporate Segment)
[dark blue] Enterprise
[light blue] Solar

Commercial Performance

The commercial performance in 1Q21 presented strong growth and record of customers served in the quarter. We served 3,804 customers, 46.7% of growth compared to 1Q20 and 9.0% in relation to 4Q20. This performance of market gain is attributed to the strong growth of customers in the Telecom Segment and also to new customers from Solar BU (Corporate Segment).

Customers Served



Customers Served

1Q20 | 2Q20 | 3Q20 | 4Q20 | 1Q21



Gross Profit

Gross Profit (in R\$ million, unless otherwise indicated)	1Q21	1Q20	∆ % vs. 1Q20	4Q20	∆ % vs. 4Q20
Telecom	44.9	37.0	21.2%	45.7	-1.7%
Gross Margin (% Telecom Net Revenue)	35.9%	40.2%	-4.3 p.p	40.2%	-4.3 p.p
Corporativo Gross Margin (% Corporate Net Revenue)	20.7	15.5	33.4%	27.4	-24.4%
	20.6%	27.6%	-7 p.p	27.9%	-7.3 p.p
Consolidated Gross Profit Gross Margin (% Consolidated Net Revenue)	65.6 29.1%	52.5 35.4%	24.8% -6.4 p.p	73.0 34.5%	-10.2% -5.4 p.p

The Consolidated Gross Profit grew 24.8% when compared to the same period of last year, an excelente result in light of the growth and expansion of new businesses such as the Solar BU. However, we observerd a reduction of 6.4 p.p. in the Consolidade Gross Margin in the annual comparison caused by the increase in the average term of TaaS and the reduction of the TaaS share in the Gross Margin, as mentioned, and a slightly increase of COGS were the main factors responsible for the reduction of the magin in the period, the Taas being the main one.

In light of the quarterly comparison, 1Q21 compared to 4Q21, the Gross profit reduced from R\$73.0 million to R\$65.5 million. The Corporate segment was responsible for almost all the reduction in the Gross Profit for the same reasons mentioned before but with lower intensity.



1Q20, Volume, Margin, Freight, Depretiation TaaS, Others, 1Q21



Adjusted EBITDA

Adjusted EBITDA (in R\$ million, unless otherwise indicated)	1Q21	1Q20	∆ % vs. 1Q20	4Q20	∆ % vs. 4Q20
Telecom Adjusted EBITDA Margin (% Telecom Net Revenue)	52.2	43.4	20.2%	55.6	-6.1%
	41.7%	47.1%	-5.4 p.p	48.9%	-7.2 p.p
Corporate Adjusted EBITDA Margin (% Corporate Net Revenue)	7.1	7.8	-9.6%	16.7	-57.8%
	7.0%	13.9%	-6.9 p.p	17.1%	-10 p.p
Consolidated Adjusted EBITDA Adjusted EBITDA Margin (% Net Revenue)	59.3 26.3%	51.2 34.6%	15.7% -8.3 p.p	72.3 34.2%	-18.1% -7.9 p.p

The EBITDA of the Telecom Segment reached R\$52.2 million compared to R\$43.4 million in 1Q20, which represents growth of 20.2%. The decrease of margin in the period, from 47.1% in 1Q20 to 41.7% in 1Q21, is due to the increase in the average term of TaaS, which favors the long term by increasing Backlog of Revenues from higher Total Sales of TaaS, from R\$276.8 million in 1Q20 to R\$458.9 million in 1Q21, growth of 65.8%. This impact was already expected because as previously mentioned, our strategy is to increase the representativeness of TaaS with terms longer than formerly practiced by the Company.

As result of this strategy, we had higher Revenue recurrence since we are always close to our customers and higher predictability for the future years. In addition, the extension of the terms of the agreements approximates them to the useful life of depreciation of the leased assets (60 months). The negative from TaaS represented an impact of 4.7 p.p. in total decrease of EBITDA margin in relation to 1Q20.

Compared to 4Q20, the EBITDA of Telecom was impacted by the combination of a slight deterioration of gross margin, higher general and administrative expenses and finally a deterioration of expenses with allowance for doubtful accounts which also impacted the general result due to the worse economic conditions in view of the COVID-19 pandemic.

In relation to the Corporate segment, the Adjusted EBITDA in 1Q21 reached R\$7.1 million compared to \$7.8 million in 1Q20 and the EBITDA margin decreased from 13.9% in 1Q21 to 7.0% in 1Q20. This decrease in the margin was a combination of the TaaS effect and the deterioration of the margins.

In relation to 1Q20 the Adusted EBITDA of the Corporate segment decreased from R\$16.7 million to 7.1 million, in view of the aforementioned seasonality, and the impact of the pandemic on certain segments where we operate. The mix composition, with grater representativeness of Solar BU, has a material effect for the decrease of margins. With the maturation of Solar BU, entry of new suppliers, economic resumption after the lockdown phase, and with the end of the quarter of lowest seasonality for the Corporate segment we expect a gradual recovery of the enterprise BU, which encompasses the segments of Cyber security, Professional Audio and Video, and automation solutions, and consequently improvement of results.

Adjusted EBITDA Reconciled (in R\$ million, unless otherwise indicated)	1Q21	1Q20	∆ % vs. 1Q20	4Q20	∆ % vs. 4Q20
Consolidated EBITDA	56.6	47.3	19.7%	70.2	-19.4%
EBITDA Margin (% Net Revenue)	25.1%	31.9%	-6.8 p.p	33.2%	-8.1 p.p
(+) IPO Expenses	1.9	0.0	n.a.	0.0	n.a.
(+) Compensated Variable Expenses Based on Shares	0.8	3.8	-79.1%	2.1	-62.9%
(+) Pre-Operational Expenses	0.0	0.1	-100.0%	0.0	n.a.
Consolidated Adjusted EBITDA	59.3	51.2	15.7%	72.3	-18.1%
Adjusted EBITDA Margin (% Net Revenue)	26.3%	34.6%	a.a 8.8-	34.2%	-7.9 p.p



The Adjusted EBITDA grew 15.7% compared to the same period last year, driven by the growth of revenue mentioned above and the inception of Solar BU. However, there is a decrease of 8.3 p.p. in the Adjusted EBITDA Margin in the annual comparison, due to the aforementioned effects.

Items that affected the Adjusted EBITDA this quarter were mainly expenses related to the IPO process and registration as publicly-traded company with the CVM in the amount of R\$1.9 million and Variable Share-Based Remuneration Expenses in the amount of R\$0.8 million.

Financial Result

Financial Result (in R\$ million, unless otherwise indicated)	1Q21	1Q20	∆ % vs. 1Q20	4Q20	∆ % vs. 4Q20
Net Exchange Variation	(4.5)	(9.6)	-53.2%	6.8	-165.6%
Financial Revenue (ex. fx variance and derivative financial instruments)	1.9	1.3	39.9%	4.9	-61.7%
Financial Expense and Derivative Instruments	(12.0)	(10.1)	18.4%	(15.9)	-24.5%
(+/-) Financial Result	(14.6)	(18.3)	-20.5%	(4.2)	249.0%

The Financial Result in 1Q21 was R\$14.6 million negative, compared to R\$18.3 million negative and R\$4.2 million negative, in 1Q20 and 4Q20 respectively.

The Financial Expense of WDC derives mainly from bank indebtedness contracted to finance the CAPEX from TaaS. Part of this indebtedness was contracted in foreign currency with the proper derivative instruments in order to eliminate exchange risks. This decision is result of a conservative administration of the financial liabilities of the Company. The 1Q21 presented Financial Expense and Derivative Instruments of R\$12.0 million, 18.4% higher compared to 1Q20 and 24.5% lower than in 4Q20. These variations are consequence of the Company's total indebtedness in the different periods, and of the indexing units contracted (CDI and IPCA).

The Net Exchange Variation (Asset and Liability) represented an expense of R\$4.5 million in 1Q21, mainly due to the depreciation of the BRL against other foreign currencies on liabilities of foreign suppliers and inventory assets not yet nationalized. In addition, we inform that this effect is temporary since it will be annulled by the pricing of our sales linked to foreign currencies. Compared to former periods, the expense is even higher in 1Q20, also due to the high depreciation of the BRL at the beginning of the pandemic. Over a longer time horizon, the sum of this variation tends to be close to zero.

The Financial Revenue of WDC was R\$1.9 million in 1Q21, compared to R\$4.9 in 4Q20 and R\$1.3 million in 1Q20. This variation is due to the decrease of the Company's cash position.

Adjusted Net Profit

Net Profit (in R\$ million, unless otherwise indicated)	1Q21	1Q20	∆ % vs. 1Q20	4Q20	∆ % vs. 4Q20
EBIT	26.1	26.9	-3.0%	42.7	-38.9%
EBIT Margin (% Net Revenue)	11.6%	18.2%	-6.6 p.p	20.2%	-8.6 p.p
(+/-) Financial Result	(14.6)	(18.3)	-20.5%	(4.2)	249.0%
(-) Provision for IR and CSLL	(2.1)	(1.2)	80.5%	(10.4)	-79.8%
Net Profit	9.5	7.4	27.3%	28.2	-66.5%
Net Margin (% Net Revenue)	4.2%	5.0%	-0.8 p.p	13.3%	-9.1 p.p



Reconciliation Adjusted Net Profit (in R\$ million, unless otherwise indicated)	1Q21	1Q20	∆ % vs. 1Q20	4Q20	∆ % vs. 4Q20
Net Profit	9.5	7.4	27.3%	28.2	-66.5%
Adjusted Profit Margin (% Net Revenue)	4.2%	5.0%	-0.8 p.p	13.3%	-9.1 p.p
(+) IPO Expenses	1.9	0.0	n.a.	0.0	n.a.
(+) Compensated Variable Expenses based on Shares	0.8	3.8	-79.1%	2.1	-62.9%
(+) Pre-Operational Expenses	0.0	0.1	-100.0%	0.0	n.a.
(-) Write-off IR and CSLL	(0.9)	(1.3)	-32.5%	(0.7)	24.5%
Adjusted Net Profit	11.2	10.0	11.8%	29.6	-62.1%
Adjusted Net Profit Margin (% Net Revenue)	5.0%	6.8%	-1.8 p.p	14.0%	-9 p.p

The Adjusted Net Profit grew 3.5% compared to the same period last year. However, there is a decrease in Net Margin from 7.6% in 1Q20 to 5.2% in 1Q21. This decrease in Net Margin was mainly due to lower operating profit (Adjusted EBITDA) in view of the effects of i. extension of average terms of new TaaS agreements, ii. mix due to the representativeness of Solar BU and lower sales margin and iii. higher allowances for doubtful accounts. This effect was partially offset by the Net Financial Result which represented an expense of 6.5% of Net Revenue in 1Q21 and an expense of 12.4% in 1Q20.

Indebtedness

Indebtedness (in R\$ million, unless otherwise indicated)	∆ % vs. 1Q21	4Q20	∆ % vs. 4Q20
(+) Loans, financing and debentures	579.6	524.7	10.5%
Current	271.0	195.9	38.4%
Non-current	308.6	328.8	-6.2%
(+/-) Derivative Financial Instruments, Net	(14.6)	(14.2)	2.5%
Asset	(15.1)	(14.2)	6.4%
Liability	(0.5)	0.0	
Gross Debt	565.0	510.5	10.7%
(-) Cash Equivalents (Cash and Equiv.) and CP Investments	(45.4)	(89.8)	-49.5%
Net Debt	519.7	420.6	23.5%
Adjusted EBITDA UDM Net Debt / Adjusted EBITDA UDM (x)	239.5 2.17	231.4 1.82	3.5% 19.4%

The Net Debt increased from R\$420.6 million at the end of 4Q20 to R\$519.7 in 1Q21 as result of investments made to support the TaaS model and working capital related to the Company's growth strategy in 2021.

The index Net Debt over Adjusted EBITDA (UDM) was 2.17x in 1Q21 a deterioration in relation to 4Q20 which was 1.82x. However, this level reflects a healthy level in the opinion of WDC's management considering that the Backlog of Revenues of TaaS represents R\$458.9 million of inflow of future resources that will not require any investment by the Company. In terms of debt coverage, the Backlog of Revenues represents 88.3% of total Net Debt.



Debt Profile Maturity Term (% Total Months for the Average Term)	<12 months	between 12 and 24	between 24 and 36	> 36 months	Total	Average Term
Finimp	3%	2%	1%	0%	6%	27
Debentures (local bonds)	5%	6%	4%	3%	18%	39
Working Capital	39%	22%	12%	3%	76%	28
Total	47%	30%	17%	5%	100%	30



Exhibits

Income Statement

Consolidated Income Statement (R\$ thousands)	1Q21	1Q20	∆ % vs. 1Q20	4Q20	∆ % vs. 4Q20
Gross Revenue Sales	198,341	120,824	64.2%	185,664	6.8%
Gross Revenue TaaS (VGV Leases)	124,050	63,933	94.0%	111,299	11.5%
Total Sales, with no deferral	322,390	184,757	74.5%	296,963	8.6%
Gross Revenue Sales	198,341	120,824	64.2%	185,664	6.8%
Gross Revenue Lease	71,077	57,648	23.3%	68,618	3.6%
Gross Revenue, with deferral	269,418	178,472	51.0%	254,281	6.0%
(-) Taxes levied on Revenue	(38,500)	(28,212)	36.5%	(37,727)	2.0%
(-) Returns	(5,328)	(2,039)	161.4%	(4,978)	7.0%
Net Revenue	225,591	148,221	52.2%	211,576	6.6%
(-) CMV	(160,008)	(95,684)	67.2%	(138,552)	15.5%
Gross Profit	65,582	52,538	24.8%	73,024	-10.19%
Gross Margin (% Net Revenue)	29.1%	35.4%	-6.4 p.p	34.5%	-5.4 p.p
(-) Expenses with Personnel	(13,263)	(13,269)	0.0%	(13,227)	0.3%
(-) Commercial Expenses	(17,255)	(7,723)	123.4%	(12,405)	39.1%
(-) General and Administrative Expenses	(7,103)	(2,765)	156.9%	(3,827)	85.6%
(+/-) Other operating income/expenses	(1,858)	(1,874)	-0.8%	(854)	117.6%
(-) Operating Expenses	(39,480)	(25,631)	54.0%	(30,313)	30.2%
EBIT	26,103	26,907	-3.0%	42,712	-38.9%
EBIT Margin (% Net Revenue)	11.6%	18.2%	-6.6 p.p	20.2%	-8.6 p.p
(+) Depreciation & Amortization	30,480	20,368	49.6%	27,452	11.0%
EBITDA	56,583	47,274	19.7%	70,164	-19.4%
EBITDA Margin (% Net Revenue)	25.1%	31.9%	-6.8 p.p	33.2%	-8.1 p.p
(+) Rev, Expenses non-recurring	2,671	3,955	-32.5%	2,145	24.5%
Adjusted EBITDA	59,254	51,229	15.7%	72,309	-18.1%
Adjusted EBITDA Margin (% Net Revenue)	26.3%	34.6%	-8.3 p.p	34.2%	-7.9 p.p
(+/-) Financial Result	(14,561)	(18,325)	-20.5%	(4,170)	249.2%
(-) Provision for IR and CSLL	(2,091)	(1,158)	80.5%	(10,365)	-79.8%
Net Profit	9,450	7,423	27.3%	28,176	-66.5%
Net Margin (% Net Revenue)	4.2%	5.0%	-0.8 p.p	13.3%	-9.1 p.p
(+) Rev, Expenses non-recurring and Provision IR and CSLL	1,763	2,610	-32.5%	1,416	24.5%
Adjusted Net Profit	11,213	10,033	11.8%	29,592	-62.1%
Adjusted Net Margin (% Net Revenue)	5.0%	6.8%	-1.8 p.p	14.0%	-9 p.p



Balance Sheet

Balance Sheet						
(R\$ thousands, unless otherwise indicated)	1Q21	4Q20	∆ % vs. 4Q20	2020	2019	2018
Asset						
Asset Current						
Cash and cash equivalents	31,342	37,785	-17%	37,785	28,228	4,419
Short-term investments	14,008	52,046	-73%	52,046	4,130	0
Accounts receivable, net	162,447	162,581	0%	162,581	111,374	78,448
Recoverable taxes	33,628	22,762	48%	22,762	11,338	5,838
Derivative financial instruments	8,928	8,088	10%	8,088	366	0
Inventories	240,773	138,780	73%	138,780	167,805	165,618
Advances to suppliers	42,518	34,927	22%	34,927	11,014	3,965
Prepaid Expenses	276	183	51%	183	0	1,885
Total Asset Current	533,920	457,152	17%	457,152	334,255	260,173
Asset Non-current						
Accounts Receivable, net	50,690	43,590	16%	43,590	11,820	45,466
Deposits in Court	109	0		0	0	0
Derivative financial instruments	6,190	6,122	1%	6,122	0	0
Deferred taxes	18,106	15,231	19%	15,231	9,610	8,223
Asset of right to use	4,940	5,313	-7%	5,313	4,452	0
Fixed Assets, net	370,850	345,930	7%	345,930	239,253	145,753
Intangible assets, net	44,369	37,972	17%	37,972	16,365	18,069
Total Asset Non-current	495,254	454,158	9%	454,158	281,500	217,511
Total Asset	1,029,174	911,310	13%	911,310	615,755	477,684
Liability						
Liability Current						
Suppliers	209,327	149,074	40%	149,074	104,973	155,768
Personnel, charges and social benefits	22,791	24,269	-6%	24,269	11,173	6,182
Taxes payable	5,800	8,907	-35%	8,907	5,046	4,981
Loans, financings and debentures	271,036	195,861	38%	195,861	117,718	44,379
Discounted trade bills				0	0	25,527
Dividends payable	15,006	15,006	0%	15,006	4,896	6,575
Derivative financial instruments	548	0		0	2,731	2,986
Commercial leases	2,811	2,650	6%	2,650	1,885	0
Related parties	380	309	23%	309	0	4,701
Other obligations	45,413	45,225	0%	45,225	22,094	11,830
Deferred revenue	5,278	7,545	-30%	7,545	15,066	22,398
Total Liability Current	578,390	448,846	29%	448,846	285,582	285,327
Liability Non-current						
Loans, financings and debentures	308,564	328,808	-6%	328,808	239,969	51,689
Provision for Lawsuits	479	479	0%	479	556	364
Deferred revenue	5	437	-99%	437	7,982	70,952
Commercial leases	2,238	2,781	-20%	2,781	2,624	0
Other obligations	0	0		0	4,831	10,321
Total Liability Non-current	311,286	332,505	-6%	332,505	255,962	133,326
Shareholders' equity						
Capital stock	86,666	86,666	0%	86,666	86,666	86,666
Capital reserve	10,000	10,000	0%	10,000	10,000	10,000
Profit reserves	33,225	33,225	28%	33,225	7,360	5,424
Accrued profit (loss)	9,450	0		0	-29,816	-43,059
Other comprehensive income	157	68	132%	68	1	0
Total Shareholders' equity	139,498	129,959	7%	129,959	74,211	59,031
Total Liability and Shareholders' equity	1,029,174	911,310	13%	911,310	615,755	477,684



Cash Flow Statement

Consolidated Cash Flow Statement (R\$ thousands, unless otherwise indicated)	1Q21	1Q20	∆ % vs. 1Q20
Cash Flow from Operating Activities			
Net profit for the period	9,450	7,423	27.3%
Adjust to reconcile the income for the period with the cash of operating activities			
Depreciation and amortization	30,480	20,368	49.6%
Expected loss with reserve for doubtful debts	8,239	1,768	366.0%
Provision for observance of inventories	881	2,561	-65.6%
Provision for legal proceedings and others, net	0	(147)	-100.0%
Derivatives mark-to-market	2,481	(18,936)	-113.1%
Revenue of financial investment in short-term investments	(70)	(43)	62.8%
Expenses of interest and exchange variation	15,305	34,978	-56.2%
Expenses of present value adjustment	153	138	10.9%
Write-off of fixed and intangible assets	11	348	-96.8%
Expenses with share-based compensation	795	3,807	-79.1%
Provision for current income tax and social contribution	4,966	2,322	113.9%
Deferred Income tax and social contribution	(2,875)	(1,164)	147.0%
Decrease (increase) of assets:			
Accounts receivable	(15,399)	(35,728)	-56.9%
Income tax and social contribution taxes recoverable	0	(337)	-100.0%
Recoverable taxes	(10,866)	(849)	1179.9%
Inventories	(102,529)	42,493	-341.3%
Advances to suppliers	(7,700)	(3,871)	98.9%
Prepaid expenses	(93)	(4,651)	-98.0%
Derivative settlement	(2,841)	1,257	-326.0%
Increase (decrease) in liabilities			
Suppliers	55,531	(68,243)	-181.4%
Taxes payable	(2,242)	(955)	134.8%
Personnel, charges and social benefits	(2,273)	(3,538)	-35.8%
Deferred revenue	(2,699)	5,376	-150.2%
Related parties	71	1,144	-93.8%
Other obligations	226	2,193	-89.7%
Payment of interest	(12,933)	(12,120)	6.7%
Payment of income tax and social contribution	(5,831)	(2,862)	103.7%
Net cash generated from operating activities	(39,762)	(27,268)	45.8%
Cash Flow from Investment Activities	· · ·	, , ,	
Mutual assets with related parties	0	(2,863)	-100.0%
Acquisition of fixed and intangible assets	(61,097)	(42,195)	44.8%
Redemption of short-term investments	38,108	(42,133)	44.070
Net Cash used in investment activities	(22,989)	(45,058)	-49.0%
	(22,000)	(40,000)	40.070
Cash Flow from Financing Activities	00.400	00.000	0.40/
Admission of new loans and debentures	98,462	90,000	9.4%
Payment of chilipations due commercial losses	(41,388)	(31,691)	30.6%
Payment of obligations due commercial lease	(767)	(706)	8.6%
Net cash provided by financing activities	56,307	57,603	-2.2%
Variation of the Company's net cash	(6,444)	(14,723)	-56.2%
Cash and cash equivalents at the beginning of period Cash and cash equivalents at the end of period	37,785 31,342	28,228 13,505	33.9% 132.1%

Talk to the IR

