

CONFERENCE CALL TRANSCRIPTION

3Q22





Pedro Albuquerque: Good morning everyone, thank you for joining us for this 3Q earnings call. This is being streamed on our website and on our platform. We are also releasing our new webcast tool that works both for TC and other listed companies through Prisma, our investor affairs branch.

We are just about to finish a very challenging year as you know. We made a number of adjustments on TC, operating adjustments, cost reductions and we also set up a number of new business units. The worst is gone, and I firmly believe that up to 3Q we will begin to show this robust growth in revenues and an even greater reduction of its costs, meaning margin expansion from now on.

TC is a unique company. We have over 700,000 investors registered on our platform. We also have about 200 asset managers as clients through Economática. At Economática itself we have MFOs, Wealth, financial institutions, education institutions as well that are clients there, and at Prisma, our investor affairs area, we have over 100 companies, both publicly listed and not. So this enables cross-selling between, this unmatched possibility of cross-selling between the platforms within our ecosystem.

Let me give you an example: we recently acquired Dibrán. It was, it is TC's future broker, it depends on approval by Brazil's central bank, but we already have an operating agreement with Dibrán, and we already bringing our customer base from here, from TC to Dibrán in FX. This will make our difference in our revenue for 4Q. These are large companies, publicly-listed companies that have been our clients for some time. We are bringing them to Dibrán and also non publicly listed companies.

We also have an advisory area. We have a number of mandates already, we have, retainer fees have already been paid and we will probably soon launch DCM and ECM operations that will also drive revenues for TC in a significant way from now on.

We also have Economática, I mentioned it. We recently launched the TC Economática terminal. It was set up in record time, we spent less than a year to set it up, we spent about 1 million BRL to produce it in a very streamlined project, because we have much experience and we can acquire this substantial market share with this business unit, with this division.

And last but not least we opened our manager. We bought Pandhora, it is a quantitative manager. We launch new products and we are opening multiple accounts, so from now on TC will be a new enterprise with incredible prospects of extracting revenue of this massive



customer base, all people who are already using TC, both in retail, institutional investors and also publicly listed companies.

With this overview I will now turn it over to PH, who will give you some more information about TC Investmentos, our broker, and also our asset management area, where we have Pandhora, our wealth manager and our MFO. Hello PH, over to you.

Pedro Henrique Feres: Good morning everyone. The broker, the TC broker, right? Our brokerage area. It plays an essential role for the business. As Pedro said it gives us a 360 view of the company, brings that into the company and it also starts new business fronts, sources of revenue. The cross-selling with the TC ecosystem becomes a lot more robust. Recent acquisitions having increased synergies with the Group and after the arrival of the broker, again, we acquire an increasingly, and even better 360 view of our customers within TC. We are very excited about it.

There are two main roads for the broker, two main areas for the broker: first institutional area, where we have already made some progress in our negotiations with the regulation agencies, they are approving the licenses we applied for. I believe that in 3Q this will be already well set up. We will have operations desks of all kinds, we will bring several types of operating desks to the TC ecosystem: FX, USD, derivatives, BTC, terms. So we come with a very institutional approach where we will be able to cater to customers like investment banks, asset managers, MFOs. It is a very institutional approach again, and the prospects are great, new sources of revenue. We have great synergy with Arko, a partner company, so we will generate a lot of content, information, news, a great inflow of information for our customers.

And simultaneously we have been working with TC retail. We shall soon announce a strategic partnership to take care of our B2C area, meaning our retail customers, the over 700,000 customers we have in our base, and then we will actually set the TC ecosystem into motion, including all the companies we have acquired: InvestAI, DXA, Prisma, Galícia, Pandhora, our Multi Family Office. So we have great synergies that we can tap into, a great synergy of products. Without modesty, no other enterprise in the capital market has such a complete ecosystem.

Thinking, talking about B2C or the retail market, we are working with new financial products, we will distribute all kinds of products. It is going to be a one-stop-shop, end-to-end platform with fixed income, investment funds, we will begin to offer all kinds of investments and financial products to our customers. It will be a landscape where we will be able to use the



strength of our network, of this social power. We will be able to harness that to positively influence our customers to make the right investments, the right products, at the right time, the right way.

We are inspired by the copy trade model. We pay a lot of attention to quantitative, we have advisory at the foundation of our work and it is going to drive revenues as well, so we are going to structure that and distribute this operation throughout our base. It is a very profitable operation, both for customers and for TC itself.

There are also other business lines and other fronts that the market cannot price properly yet, ultra-profitable FX operations, another offshore model stage. It will be a gradual process but we will have, again, FX, insurances, pension plans. There are many business lines that now with the broker we can tap into and we can show a different value in these things. We will take a step ahead of this SAS model. It is a 100% SAS company and it will adopt an increasingly transactional model. So again, we will take advantage of our complete ecosystem to make this transaction.

We recently acquired Pandhora. It is a quantitative asset manager and we believe that the quantitative market there is still room for growth, there is still much room for growth in this quantitative market in Brazil, it accounts for only 1% of investment funds in Brazil, so again there is much room for growth.

And in addition to Pandhora's quantitative area we have opened the Pandhora manager for other products. We recently launched a new fund, so there is a lot going on. Our ecosystem is becoming increasingly complex, especially now with Pandhora and its open products. We should soon launch other classes of assets, again with great synergy with our base. So we understand the demands of our customers, we serve them in our ecosystem and we launch new products to keep up with the developments of the market. It is the mindset we have here. We pay attention to our customers' demands and we try to meet those demands with new products and new transactions.

We have recently launched TC's MFO and that is really 360, full 360 because we originate the operation and then we distribute it, we place it, we bring revenue to these guys and we take care of their equity here, not only the net wealth but also their other investments. We consider their life cycle, how they spend their money, how they should spend their money, if there acquitted the is really, if their investments are appropriate to their needs, and then we forward that to the wealth managers and analyze again the equity of those customers.



So as a manager and as a Multi Family Office broker, with all the ecosystem that TC has put together, we are capable of having very unique and competitive products.

Pedro Albuquerque: Awesome, thank you PH. This is important to emphasize that from now on we want to expand TC based on all the initiatives he mentioned. We want to increase our revenue, but with strict discipline when it come to our costs and expenses, and I can promise you there will be some positive surprises over the next quarters in terms of cost reductions, costs rationalization.

We see this very small cash burn with the cost reductions, but we believe that over the next quarters we will delivery increasingly positive results with this combination: cost reductions and revenue increase, topline increase.

That being said, let me share some additional information with you. We talked about the launch of the TC Econômica terminal. That is a vast market. There are some local players, but we believe we have this competitive edge over them and this technological advantage over them, as well over local players, and our solution is also low cost in comparison with them.

At Prisma we are making like this major revolution in investor relations. We are updating all the investor relations management system area, we delivered a complete website, analytics, and this also enables companies to communicate better between themselves and with customers within TC.

Conference calls are already streamed on our platform, documents submitted to CVM appear directly on our TC feed and users can comment on them and discuss what is going on in the companies - and there is a lot coming up.

TC is growing in its investor relations area because of the various strength of our ecosystem, and once we bring more companies to our SAS B2B revenue model we will start to bring those, the same companies, to other areas, like advisory, we already have some signed mandates for that; TC Sfoggia, which is a company, well, we started this business division this year, but it is already delivering this revenue of about 6 million BRL - and we have barely started.

We have a number of signed contracts, publicly listed companies, family concerns to make this optimization analysis, this tax optimization analysis to gather with TC Sfoggia, which means we are very assertive in our strategy. We are doing plenty of cross-selling between TC's own business units.



Finally, Galícia Education. In the middle of the turmoil we faced over the past months, we announced two acquisitions: Pandhora, PH just talked about that; and we also acquired Galícia Educação, Galícia Education, and now we have access to a customer base of over 250,000 students, which will enable us to continue to extract synergies, encourage people to open their accounts at TC's investment area, our broker.

There is a plethora of opportunities. I firmly believe we are a new company already; you will see that over the next quarters. Our asset management area is being plugged into the ecosystem as well, and I believe that will boost our strength in this area so that we can drive a new cycle of growth at TC.

And now over to Pedro Machado to talk about the figures.

Pedro Machado: Thank you, Pedro. So we see that our headcount has decreased over the year. It is a continuous effort to focus on priority, or priority projects to work with a leaner and more efficient team.

We have also strived to consolidate the use of some tools, and this appears on the operating expenses of 3Q, almost 4 million BRL lower than in the previous quarter. There is about 9 million BRL in nonrecurring revenues, especially contract terminations and attorney costs because of the slanderous video against TC. So these are probably nonrecurring expenses and that is why we reported them separately.

But our efforts go beyond 3Q. We are still working on it, we still have this cost reduction mindset so that we can strike a balance here and, again, achieve better results and again increase our revenue base, like Pedro and PH said. So we expect the company to become profitable very, very soon.

In terms of registered users the change over the quarter was of 3%, we now have 717,000 registered users. Paying users decreased by 17%, this is the result of the churn. We see that many customers no longer have to file their income tax because they had no profit in the period, so in the short term this affected the number of paying users, it is related to income tax returns.

There was a decline in the net revenue from 23.8 million to 17.3 million in this quarter, but again when we would look over the last 12 months, like versus 2021, there has been an



increase of 24%. This resilience comes from B2B operations, B2B revenues that now make up 41% of TC's revenue, total revenue.

Our cash position. This is the calculation we did to come to the final amount of 20 million BRL in 3Q, this is the proforma position. This is what we used for the acquisition of Pandhora, again the proforma cash in 3Q is 209 million BRL. The acquisition can be paid with shares, so there is no need for cash disbursement over the next years.

The thing that we will still have to pay in terms of acquisitions is 7 million for Dibrán upon approval of the federal bank. This will have to come from our cash. Turnouts are not that high, it accounts for about 500,000 BRL, so that is not, there will be no cash outflow because of previous acquisitions, no adjustments.

Looking at our EBITDA, profit, our profit and EBITDA, gross profit dropped from 15 million to 8.3 million. This is mainly because of the decrease in revenues, and as we said before we are striving to achieve greater efficiency in costs and expenses and with those efforts we expect to improve this margin, actually, and recover our revenue, also driven by new businesses that we have been investing on over the year and that should start monetizing soon - and again, also the strict discipline that we have adopted around our costs, expenses. We want to keep our operation as lean as possible.

And now let us open for questions and answers, thank you.

Q&A Session

Francianne Sousa: Good morning everyone. So let us take a look at some of the questions we received here. Laércio from Prisma has a few questions. First he talks about the TRS contract and the impact it had on our financial discipline, and his question is what financial impact can we expect for the next quarters and if there is any regrets about the contract.

Pedro Albuquerque: No, absolutely no regrets. Many companies announced TRS contracts, but we cannot really predict what will happen over the next quarters, this will depend on the oscillation of the stock price - but we are optimistic, we are excited about it. Today in terms of revenues TC is completely different from the TC of the future - it is actually coming about in 4Q already.



So all these business units and all this synergy with our customer base in retail, institutional customers and then inside institutional asset managers, publicly listed companies, private companies, so this large customer base is being distributed among our business units, and we do not need funds to attract customers, these customers anymore; they are already our customers, they are already on our platform. This is a competitive advantage that TC has and now we will unleash or unlock this revenue, because we have new business units. With the operating agreement we have with Dibrán we already are doing, we are already doing FX for many companies, including publicly listed companies. So the revenue potential of that is great for TC, and that is why we are optimistic.

And it is not only FX. We have a counter or desk where we can negotiate insurances, both for retail and for corporations, for institutional clients. That is likely to bring us revenue. We are talking to insurance brokers and encouraging them to use our desk, and it is a unique desk or counter, so we are encouraging them to use that. So we have multiple opportunities ahead, and again multiple business units here: advisory, Dibrán with FX, PH is here, he has just told you how the brokerage will work for institutional customers and also the broker for retail, which is plugged to our platform.

Francianne Sousa: Second question, also a Laercio's question. He wants to learn more about paying users and why do you think some paying users are not renewing their subscriptions, and what actions are planned to change that.

Pedro Albuquerque: Yes, we have struggled with paying users for individual subscribers. We have some, but the thing is now we think we achieved this balance in revenue in retail operations, because we lost many customers, individual users, especially at Sencon, and also that is one of the most expensive products, the Premium. It can be heavy on your credit card - but most of it is already past.

So I think that from now on we will maintain our retail revenue or lose very little of it, and actually I think we are able to offset it with institutional revenue - and one day retail will pick up speed again. It is a cycle of the market, there is a change in the Federal Administration, there are still many uncertainties regarding the new administration. Once the smoke clears I think that TC is well-positioned to pick up speed again and recover revenue in retail.

With the broker it is a little different, we have the manager already, and customers who invest in TC Pandhóra's funds now will begin to receive services in exchange of their investment, and this will also happen with the broker. And what do I mean by that? This will enable, this will



drive growth for TC again. I think that the services we provide are unique, distinctive, and once you start investing in our funds in the future, in our broker, once you start working with us like that, once you have access to these services, we have this competitive advantage that is relevant.

Francianne Sousa: Another question, but I do not know who asked this one, they are asking about the TC broker. He is asking whether the focus is going to be like trade, like Genial, which does that, and they are asking how TC is going to compete with the brokers that are already there. They are asking if there is any acquisition on the radar in the trading area.

Pedro Albuquerque: PH, over to you, you can answer this one.

Pedro Henrique Feres: All right. So I would not say that the only focus of our broker is trading. Of course we will work on that, of course we are going to dedicate ourselves to that, but it will be just another business line, and we will compete with Genial, XP, Modal. We will be competitors of those brokers that are already established in this retail market, so we will have similar operations. We have a significant base of traders here, we like that, we know this market, we are familiar with it. So yes, we are going, and we are going to come up with innovations in this market.

What I see is that today all brokers do pretty much the same thing. Same products, same charges, same things, same old. So I do not see innovation and distinctiveness from one broker to the other. Some have a better risk system, some have a slightly better platform or some free services that come with the platform, but that is commodity, those are commodities for us.

We will have those services as well, but I believe we will stand out because we will share distinctive content on our platform. So yes, I believe we will provide better services than the competition. Today we have many influencers, content producers. We will focus on copy trading, quantitative focus on high-frequency retail operations. So again it is an interesting line of revenues, so yes we are going to enter this market and we are on top of our game.

As for acquisitions well, of course we are always looking for good market opportunities, we are always considering good opportunities. So if a new opportunity emerges and if it makes sense we will consider it.



Francianne Sousa: Thank you PH. Now the next question is from Mateus, and he is asking us about the prospect of opening revenue data for the B2B vertical.

Pedro Machado: Well, I will just give you a high-level view of B2B revenues. Economática accounts for over half of this revenue, and with the launch of the TC Economática terminal it should stay there. After that we have Prisma with investor relations solutions and we also have TC Sfoggia, which is just for tax optimization.

Considering this pipeline we believe that TC Sfoggia is likely to grow faster than Prisma, and that is what I can tell you in the B2B, regarding the B2B landscape. We also have the advisory area with significantly higher tickets, but it is not frequently, it is not like recurring revenue like Economática and Prisma.

Francianne Sousa: Thank you. We have some other questions here talking about the video, the defamatory slanderous video that was shared against TC, so I will try and summarize them. How we, what we are doing to address this attack on our reputation and what are we doing to mitigate the damage to our reputation, if there has been any progress in the identification of the perpetrators and if TC is doing anything to clarify the situation.

Pedro Albuquerque: Well, as for TC's reputation at first, yes, there was an impact our reputation. We had a number of negotiations in place for the TC broker and they all came to a halt, they were postponed. Without that slanderous video the TC broker would already be up and running - but I believe it is not time to look back now, we should look into the future, look ahead. All those players we were negotiating with our back to the table to discuss with us. I think that we addressed the situation with a lot of transparency, at all times, with relevance news and relevant information.

So I believe we managed it well. We shared a number of conclusive materials from the federal police, from public prosecutor's office and also from CVM - Brazil's SEC - and we also, and as for BTG and BTG's attitude we do not expect anything to happen to the Empiricus partners coming from BTG.

There is only so much we can do, we did what we could do. We have shared some documents, some very objective documents with the stakeholders and now we expect the authorities to take action. It is a very serious case with a strong impact on Brazil's capital market - not only TC - so it has to be clarified for the sake of our industry as a whole.



We have, here at the office we mobilized the company over the past four months. I have dedicated a significant part of my time to that, other directors did the same. We turned our company upside down with such a brutal, slanderous attack, and honestly I believe few companies could survive an attack like that. I believe that we are emerging from this storm even stronger. In the middle of such an absurd attack we announced two acquisitions, we could proceed with the restructuring work here. We have many ongoing conversations for some outstanding partnerships in the future, and at the same time we were managing this very complex and delicate case of this anonymous video.

Now we handed it to the authorities. We trust the authorities, we have given the authorities a number of evidence, pieces of evidence, and I hope we can get a response to that in the short term - but like I said in the beginning it is not only up to us. We have already shared some very relevant materials with the authorities and now all we can do is wait.

Francianne Sousa: Right, now a question coming from station. Dário is asking about the distinctive features of TC Sfoggia for recovery, for recovery initiatives

Pedro Albuquerque: Well, Sfoggia is a very interesting case. It has this great synergy with the rest of the TC ecosystem. Like we said, we have a large base of individual customers and we also have many institutional customers like managers, MFOs. We also have a large base of publicly listed companies, which is unique, it is a unique asset that we have; and we also have private companies, and some of them are already beginning to use Sfoggia's tax optimization services. Their revenue is about 6 million BRL, but the business started a few months ago and it is growing steadily.

It analyzes all your entries, all your accounting entries with a software, and it also makes estimates for future revenues. Once they calculate your tax credits, so it looks into the past and it looks into the future. It is a very interesting thing that Sfoggia does. And this customer base is also feeding other units like advisory, Dibrán and a number of units are, we can also unlock revenue in other units based on that. So I think it is a very assertive movement in B2B - of course without losing focus on B2C.

B2C remains very important for TC and I firmly believe in the potential of our broker. Like Feres said, we have many distinctive features, especially the copy trading. No one has copy trading in Brazil today, but we can do that because we have a community. So TC's broker will have many distinctive features, again unique services and again the copy trading that, which means that it is just a possibility of a user sharing his portfolio publicly with the risk factor, with



everything, and then other users can automatically replicate those trades. We know many people have jobs like they are engineers, lawyers, businesspeople. They do not have the time to use TC every day or very frequently, so with that we will attract this new audience to TC with a much greater potential customer base that will use the broker and the copy trading initiative.

Francianne Sousa: Well, I think those were the main questions, I think those were the questions.

Pedro Albuquerque: All right. So thank you very much for watching us. I thank the shareholders, our team. I leave you with an optimistic message. I think that the worst is gone, from now on the prospect is great. We are still working on cost reductions. Shareholders can expect some good surprises in that sense and again our business units are beginning to bloom and increase our revenue, so thank you very much for joining us.