



EARNINGS RELEASE 1Q24

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Results

São Paulo, May 15, 2024 - TC S.A. ["TC" or "Company"], one of the most innovative and technological platforms, with products and services for individual and institutional investors, as well as for B2B customers, announces its results for the **first quarter of 2024 (1Q24)**. The financial information is presented in Reais (R\$), in accordance with accounting practices adopted in Brazil (BR GAAP) and International Financial Reporting Standards (IFRS).

Earnings videoconference

May 16, 2024

11:00 am (Brasilia time)

10:00 am (New York time)

Watch live:

[TC Platform](#)

[Webcast](#)

Q&A

Use the chat available on the platforms above to send your question

- TC recorded the **lowest quarterly operating cash burn since the IPO**;
- **Adjusted operating expenses fell by 58%** compared to 1Q23;
- **TC Investimentos**, through a partnership, continues to **exceed the administration's expectations**.

(R\$'000)	1Q24	4Q23	Δ%	1Q23	Δ%
Net revenue	11,386	13,405	-15.1%	13,526	-15.8%
Cost of services rendered (CSR)	-9,148	-8,972	2.0%	-10,665	-14.2%
Adjusted gross profit¹	2,518	4,179	-39.7%	4,173	-39.7%
<i>Adjusted gross margin (%)¹</i>	<i>22.1%</i>	<i>31.2%</i>	<i>n.a.</i>	<i>30.8%</i>	<i>n.a.</i>
Adjusted net profit (loss)¹	-5,379	-19,563	-72.5%	-26,332	-79.6%
<i>Adjusted net margin¹</i>	<i>-47.2%</i>	<i>-145.9%</i>	<i>n.a.</i>	<i>-194.7%</i>	<i>n.a.</i>
Adjusted EBITDA¹	-6,232	-4,465	39.6%	-10,872	-63.5%
<i>Adjusted EBITDA margin¹</i>	<i>-54.7%</i>	<i>-33.3%</i>	<i>n.a.</i>	<i>-80.4%</i>	<i>n.a.</i>

1. Includes non-recurring item adjustments. Gross profit includes only cost adjustments.

Message from Management

We started the year maintaining our unwavering spending discipline, which will allow us to cross the bridge to launching our own brokerage operation. We are still in the regulatory approval phase, but progress on our project is extremely exciting and promising.

It is with this discipline that we have achieved the company's lowest level of cash burn since our IPO. Although our revenues are still compressed, we have concrete growth prospects for the next quarter and, above all, we see the launch of our own brokerage operation as the decisive link that will unite all the potential users and community present on our platform with a business model that is undeniably a revenue enhancer.

Our expectations are based on the significant volume of clients and transactions we have already carried out through our partnership with Genial Investimentos.

We believe we have a unique model, as TC has demonstrated the ability to convert organic users into active accounts at TC Investimentos. This is due to our extensive user base that accesses our platform on a daily basis, resulting in a well below average CAC (customer acquisition cost).

Despite significant cutbacks and strict financial discipline, we haven't lost our capacity for innovation. Our platform today is at a new level, providing investors with an unparalleled environment for debates on trading, as well as access to information, data and education on the financial market.

Finally, I would like to point out that we remain attentive to simplifying our operation, having started the process of divesting assets that are not fundamental to our strategy in the previous quarter. We hope to be able to announce news soon.

Many thanks to our clients, team, shareholders and partners for working with us.

Pedro Albuquerque
Founder and CEO of TC

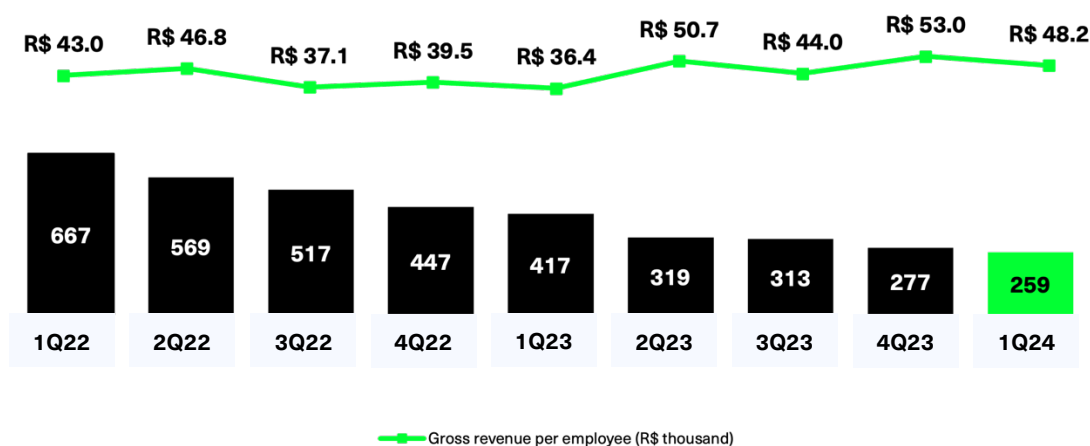
Financial and operating performance

CORPORATE

TC ended the first quarter of 2024 with **259 employees**, 6.5% lower than the last quarter. Such decrease was even more significant compared to 1Q23, a direct result of the strict implementation of financial control measures adopted by management.

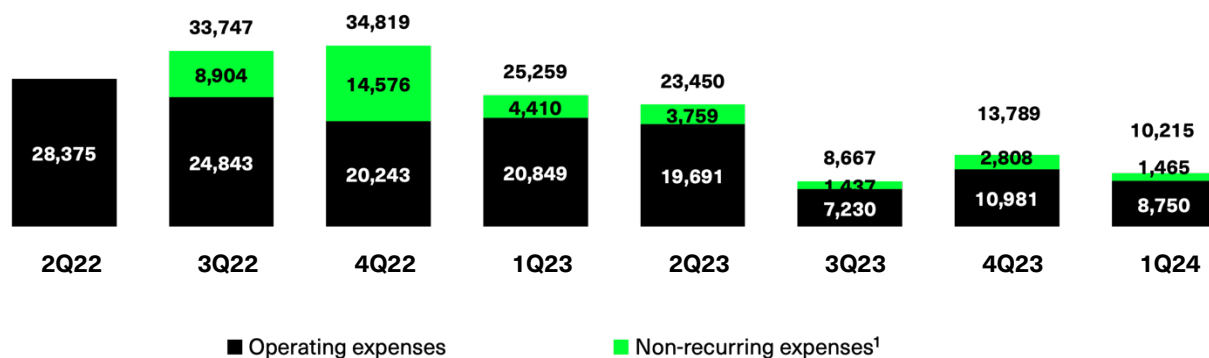
In 1Q24, the Company achieved an average **gross revenue of R\$ 48.2 thousand per employee**.

Number of employees



In the first quarter of 2024, **operating expenses** totaled **R\$ 10.2 million**, marking a significant decrease of 59.6% compared to the same period in 2023.

Operating expenses
(R\$'000)



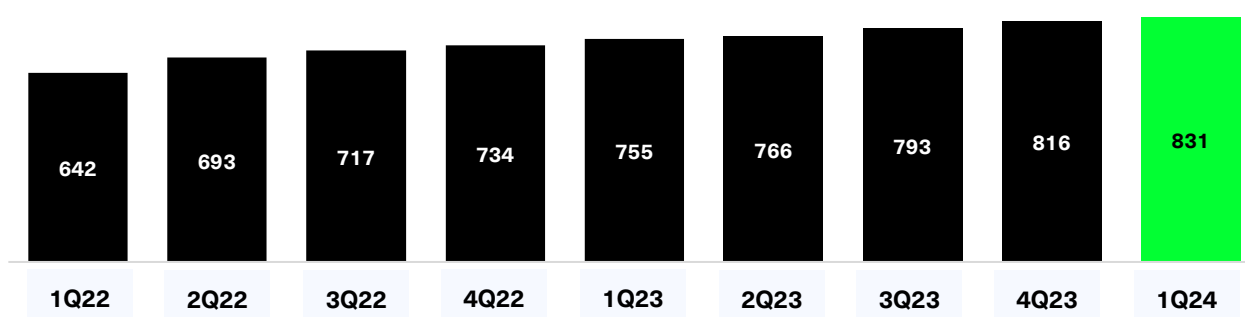
1. Non-recurring expenses for the period related to terminations, optimization of operating systems and legal advisory.

REGISTERED USERS

TC ended the first quarter of 2024 with **831 thousand registered users**, accounting for a growth of 10.1% compared to the first quarter of 2023. Considering the favorable opinion of the Central Bank of Brazil (Bacen) for the acquisition of Dibran DTVM (according to the Material Fact published on April 3, 2024), the TC's focus is currently primarily directed to the brokerage firm. In this sense, we are moving towards a platform less focused on monetization of SaaS business and prioritizing the conversion of the registered user base into 'TC Investimentos' leads and customers.

Number of registered users
(thousand)

1.8% (1Q24/4Q23)
10.1% (1Q24/1Q23)



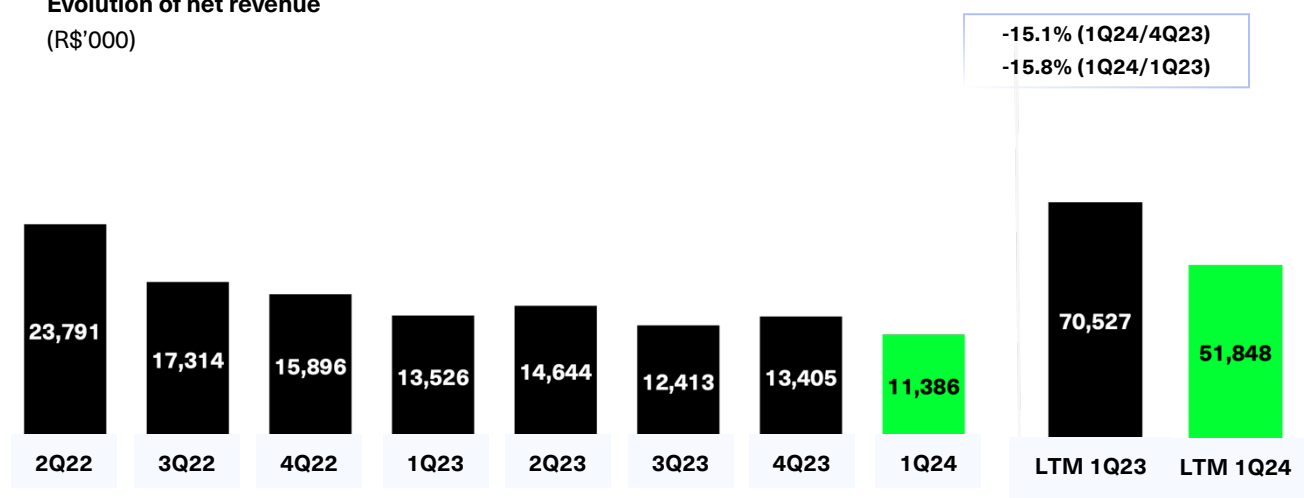
NET REVENUE

Net revenue reached **R\$ 12.4 million** during 1Q24, recording a drop of 17.7% compared to the value recorded in 1Q23.

(R\$'000)	1Q24	4Q23	Δ%	1Q23	Δ%
Gross revenue	12,481	14,678	-15.0%	15,167	-17.7%
Deductions	-1,095	-1,273	-14.0%	-1,641	-33.3%
Net revenue	11,386	13,405	-15.1%	13,526	-15.8%

The company estimates potential for significant growth in its revenue with the approval and completion of the acquisition of Dibran DTVM, currently pending regulatory approval.

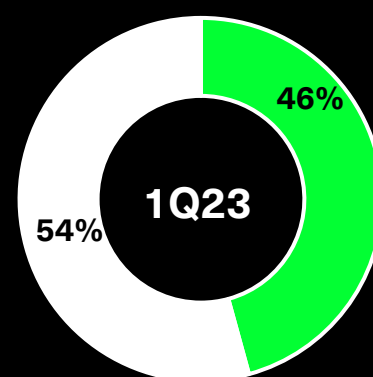
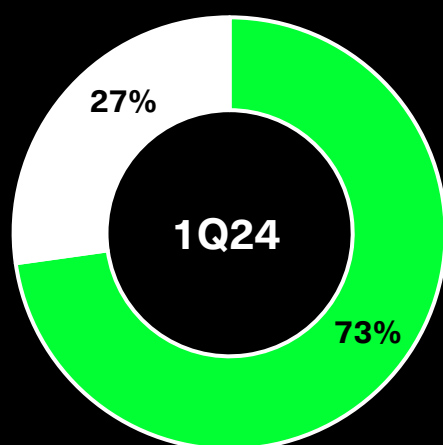
Evolution of net revenue
(R\$'000)



Regarding the revenue share by segment, the B2B segment has become increasingly important in the breakdown of gross revenue of the Company. In 1Q24, revenues from institutional customers reached 73% of the total, accounting for an increase of 27.0 pp over 1Q23.

BREAKDOWN OF GROSS REVENUE

B2B
 B2C



OPERATING PROFIT (LOSS)

GROSS PROFIT AND GROSS MARGIN

Gross profit totaled **R\$ 2.2 million** in 1Q24, with a **gross margin** of **19.7%**. After including non-recurring items that affect the cost, the Company recorded a gross profit of R\$ 2.5 million, with adjusted gross margin of 22.1%.

(R\$'000)	1Q24	4Q23	Δ%	1Q23	Δ%
Net revenue	11,386	13,405	-15.1%	13,526	-15.8%
Cost of services rendered (CSR)	-9,148	-8,972	2.0%	-10,665	-14.2%
Gross profit	2,238	4,433	-49.5%	2,861	-21.8%
<i>Gross margin</i>	<i>19.7%</i>	<i>33.1%</i>	<i>n.a.</i>	<i>21.2%</i>	<i>n.a.</i>
Operating cost adjustments ¹	280	-254	-210.2%	1,312	-78.7%
Adjusted gross profit²	2,518	4,179	-39.7%	4,173	-39.7%
<i>Adjusted gross margin (%)¹</i>	<i>22.1%</i>	<i>31.2%</i>	<i>n.a.</i>	<i>30.8%</i>	<i>n.a.</i>

1. Refer to non-recurring operating costs for the period.

2. Includes adjustments to non-recurring items that affect the cost.

The CSS, which represents the costs incurred on a service provided, totaled R\$ 9.1 million in the last quarter, accounting for a decrease of 14.2% compared to 1Q23, beginning to reflect the adjustments made to TC over the last few months in the context of cost rationalization and financial discipline adopted by the Company.

OPERATING EXPENSES

Adjusted operating expenses totaled **R\$ 8.7 million** in 1Q24, accounting for a decrease of 58.0% compared to 1Q23.

(R\$'000)	1Q24	4Q23	Δ%	1Q23	Δ%
Adjusted operating expenses¹	-8,750	-10,981	-20.3%	-20,849	-58.0%
Non-recurring expenses ²	-1,465	-2,808	-47.8%	-4,410	-66.8%
Adjust expenses ³	-4,422	-144,112	<i>n.a.</i>	-	-
Operating expenses	-14,637	-157,901	-90.7%	-25,259	-42.1%
General and administrative expenses	-12,410	-18,577	-33.2%	-21,076	-41.1%
Sales / marketing expenses	-2,214	-3,130	-29.3%	-3,954	-44.0%
Other operating income (expenses), net	27	-135,932	-100.0%	-122	-122.1%
Share of profit (loss) of investees	-40	-262	-84.7%	-107	-62.6%

1. Includes adjustments to non-recurring expenses.

2. Non-recurring expenses for the period related to terminations, optimization of operating systems and legal advisory.

3. Adjustment of non-operating expenses.

FINANCE INCOME (COSTS)

The Company presented a **financial result** of **R\$ 1.4 million** in 1Q24, accounting for an increase of almost 118% compared to 1Q23.

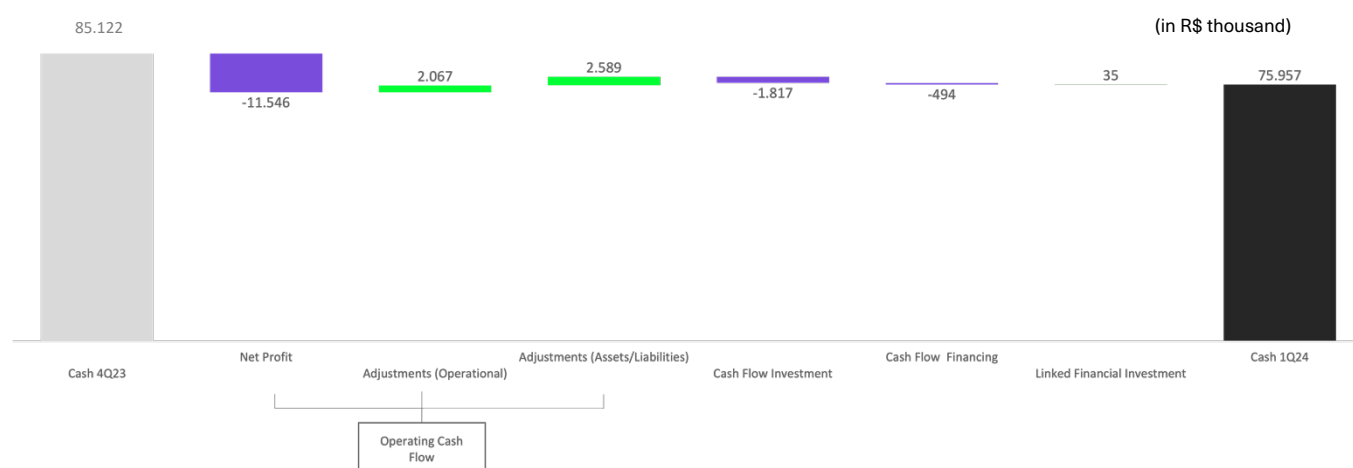
(R\$'000)	1Q24	4Q23	Δ%	1Q23	Δ%
Finance income (costs), net	1,475	-185	-897.3%	-8,668	-117.0%
Finance income	2,476	2,727	-9.2%	7,269	-65.9%
Finance costs	-1,001	-2,912	-65.6%	-15,937	-93.7%

CASH STRUCTURE

The **cash and cash equivalents** position in 1Q24, including linked financial investments, totaled **R\$75.9 million**. Cash burn in the quarter was **R\$9.1 million**, the lowest reported by the company since the IPO.

(R\$'000)	1Q24	4Q23	Δ%	1Q23	Δ%
Banks	10,259	6,509	57.6%	3,348	206.4%
Short-term investments	63,998	76,948	-16.8%	124,500	-48.6%
Cash and cash equivalents	74,257	83,457	-11.0%	127,848	-41.9%
Pledged short-term investment ¹	1,700	1,665	2.1%	38,949	-95.6%
Total	75,957	85,122	-10.8%	166,797	-54.5%

1. Restricted short-term investments as collateral for derivative financial instruments.



NET PROFIT (LOSS) AND NET MARGIN

During 1Q24, the company recorded an **adjusted net loss** of **R\$ 5.3 million**, accounting for an improvement of 79.6% compared to 1Q23.

(R\$'000)	1Q24	4Q23	Δ%	1Q23	Δ%
Gross profit	2,238	4,433	-49.5%	2,861	-21.8%
(+/-) Operating income (expenses)	-14,637	-157,901	-90.7%	-25,259	-42.1%
(+/-) Finance income (costs)	1,475	-185	-897.3%	-8,668	-117.0%
(+/-) Income tax/Social contribution on net profit	-622	-35,970	-98.3%	-987	-37.0%
Net profit (loss)	-11,546	-189,623	-93.9%	-32,053	-64.0%
<i>Net margin</i>	<i>-101.4%</i>	<i>-1414.6%</i>	<i>n.a.</i>	<i>-237.0%</i>	<i>n.a.</i>
(+/-) Non-recurring items ¹	1,745	2,554	-31.7%	5,721	-69.5%
Adjust loss ³	-3,903	-167,506	<i>n.a.</i>	-	-
Adjusted net profit (loss)²	-5,379	-19,563	-72.5%	-26,332	-79.6%
<i>Adjusted net margin²</i>	<i>-47.2%</i>	<i>-145.9%</i>	<i>n.a.</i>	<i>-194.7%</i>	<i>n.a.</i>

1. Refers to non-recurring expenses related to termination, lawsuits (legal advisory) and optimization of operating systems.

2. Includes adjustments to non-recurring items.

3. Adjustment of non-operating expenses.

EBITDA AND EBITDA MARGIN

The Company recorded a negative **adjusted EBITDA** of **R\$ 6.2 million** at the end of 1Q24, accounting for an improvement of 42.7% over 1Q23, whose amount calculated was R\$ 10.8 million.

(R\$'000)	1Q24	4Q23	Δ%	1Q23	Δ%
Net profit (loss)	-11,546	-189,623	-93.9%	-32,053	-64.0%
(+/-) Income tax/Social contribution on net profit	-622	-35,970	-98.3%	-987	-37.0%
(+/-) Finance income (costs)	1,475	-185	-897.3%	-8,668	-117.0%
(+/-) Depreciation/amortization	2,264	7,279	-68.9%	5,805	-61.0%
EBITDA	-10,135	-12,181	-16.8%	-16,593	-38.9%
EBITDA margin (%)	-89.0%	-90.9%	<i>n.a.</i>	-122.7%	<i>n.a.</i>
(+/-) Non-recurring items ¹	1,745	2,554	-31.7%	5,721	-69.5%
EBITDA adjustment ³	-3,903	-5,162	-	-	-
Adjusted EBITDA²	-6,232	-4,465	39.6%	-10,872	-42.7%
<i>Adjusted EBITDA margin (%)²</i>	<i>-54.7%</i>	<i>-33.3%</i>	<i>n.a.</i>	<i>-80.4%</i>	<i>n.a.</i>

1. Refers to non-recurring expenses related to termination, lawsuits (legal advisory) and optimization of operating systems.

2. Includes adjustments to non-recurring items.

3. Adjustment of non-operating expenses.

Events after the reporting period

DEVELOPMENTS OF THE RELEVANT FACT DISCLOSED ON 06/09/2022

On April 3, 2024, TC S.A. informed shareholders and the market in general about the update of the procedure for direct acquisition of Dibran Holding Financeira Ltda., (indirect acquisition of Dibran Distribuidora De Títulos e Valores Mobiliários Ltda.). The Company was informed by the Central Bank of Brazil ("Bacen") on the favorable opinion for the publication of the Statement of Purpose, referring to the process of changing control of Dibran Holding. The conclusion and closing of the Transaction are subject to the verification of certain precedent conditions, including obtaining all necessary regulatory approvals for the consolidation of shareholding control, including the Central Bank.

Additional information

RELATIONSHIP WITH AUDITORS

The Company's policy for engaging services not related to external audit with independent auditors is based on the principles that preserve its independence. These principles comprise internationally accepted standards, in which: (a) the auditor should not audit its own work; (b) the auditor must not exercise a management role in its customer; and (c) the auditor must not generate conflicts of interest with its customer.

During the period ended March 31, 2024, Grant Thornton Auditores Independentes Ltda. was engaged to perform solely external audit services.

Annexes

STATEMENT OF FINANCIAL POSITION (CONSOLIDATED)

(R\$'000)	1Q24	1Q23
ASSETS	300,477	562,361
Current assets	102,870	193,740
Cash and cash equivalents	74,257	127,848
Pledged short-term investment	1,700	38,949
Trade receivables	11,275	10,030
Advances	4,041	764
Recoverable taxes	4,810	8,665
Derivatives	-	-
Other receivables	6,787	7,484
Noncurrent assets	197,607	368,621
Recoverable taxes.	10,959	9,642
Other receivables	6,709	9,642
Deferred tax assets	234	35,440
Financial assets	32,162	80,016
Related parties	185	3,625
Investments	44,165	45,690
Property and equipment	11,553	14,536
Intangible assets	91,640	179,672
LIABILITIES AND SHAREHOLDERS' EQUITY	300,477	562,361
Current liabilities	23,615	61,274
Payroll and related taxes	1,473	4,449
Taxes payable	1,168	1,508
Contract liabilities	3,595	2,896
Leases	694	2,955
Other payables	16,089	14,164
Derivative financial instruments	596	34,591
Dividends payable	-	711
Noncurrent liabilities	4,566	468
Leases	2,383	62
Provision for contingencies	2,183	406
Contract liabilities - Noncurrent	-	-
Shareholders' equity	272,487	499,852
Share capital	581,164	581,164
Capital reserve	25,975	26,023
Treasury shares	-5,407	-1,223
Accumulated losses	-329,245	-106,112
Non-controlling interests	-191	767
Total shareholders' equity	272,296	500,619

STATEMENT OF PROFIT OR LOSS (CONSOLIDATED)

(R\$'000)	1Q24	1Q23
Net revenue	11,386	13,526
Cost of services rendered (CSR)	-9,148	-10,665
Gross profit	2,238	2,861
Operating expenses	-14,637	-25,259
Sales / marketing expenses	-2,214	-3,954
General and administrative expenses	-12,410	-21,076
Other operating income (expenses), net	27	-122
Share of profit (loss) of investees	-40	-107
Operating profit (loss) before finance income (costs)	-12,399	-22,398
Finance income	2,476	7,269
Finance costs	-1,001	-15,937
Finance income (costs), net	1,475	-8,668
Profit (loss) before income tax and social contribution	-10,924	-31,066
Current income tax and social contribution	-665	-1,125
Deferred income tax and social contribution	43	138
Net profit (loss)	-11,546	-32,053

STATEMENT OF CASH FLOWS (CONSOLIDATED)

(R\$'000)	1Q24	1Q23
Operating activities		
Profit (loss) for the period	-11,546	-32,053
Adjustments due to:	-9,202	-12,285
Fair value - 2TM	-	-
Depreciation and amortization	2,264	5,805
Net write-off and adjustments of property and equipment and intangible assets	-3	108
Expected loss with doubtful accounts	128	1,226
Options granted recognized	-	48
Exchange-rate changes	-	284
Provision for contingencies	-287	181
Share of profit (loss) of investees	40	107
Deferred tax	-43	-138
Income (loss) with derivatives	164	12,042
Interest expenses	81	105
Decrease (increase) in assets		
Trade receivables	450	-1,916
Advances	-82	1,438
Recoverable taxes	109	-2,584
Dividends received from investees	256	1,019
Other receivables	1,564	-1,735
(Decrease) increase in liabilities		
Payroll and related taxes	-460	-99
Taxes payable	325	277
Contract liabilities	173	100
Other payables	-119	-70
Dividends received from subsidiaries/associated companies	-	-
Net cash provided (consumed) in operating activities	-6,986	-15,855
Cash flow from investing activities		
Profit distribution	-	-741
Pledged short-term investment	-35	-1,004
Acquisition of property and equipment	-168	-27
Acquisition of intangible assets	-1,464	-1,663
Net cash generated (consumed) in investing activities	-1,667	-3,435
Cash flow from financing activities		
Lease payment	-616	-1,083
Related parties	3	608
Dividends paid	66	-
Acquisition of treasury shares	-	-
Net cash generated (consumed) in financing activities	-547	-475
Net increase (decrease) in cash and cash equivalents	-9,200	-19,765
Cash and cash equivalents		
At the beginning of year	83,457	147,613
At the end of year	74,257	127,848
Net increase (decrease) in cash and cash equivalents	-9,200	-19,765

Glossary

AMORTIZATION: It is the installment payment of a debt during a pre-established period. In other words, the payment of a borrowing, financing or something similar, by means of installments.

ASSETS: Goods, values or credits that form the assets of an individual or company.

B2B (BUSINESS TO BUSINESS): “Business to business” model where the end customer is another business or organization.

B2C (BUSINESS TO CONSUMER): “Business to consumer” model where the final customer is an individual.

STATEMENT OF FINANCIAL POSITION: It is a financial statement that presents a “picture” of the company’s financial position.

BR GAAP: Refers to the set of accounting standards in force in Brazil.

CASH AND CASH EQUIVALENTS: Cash is the amount of cash and bank deposits available to a company. Cash Equivalents are all short-term, highly liquid investments that are subject to an insignificant risk of change in value.

SOCIAL CONTRIBUTION (CSLL): Complement of Income Tax taxation.

COST OF SERVICES SOLD/RENDERED (CSR): Represents the costs incurred on the sale of a product or service provided by a company.

DEPRECIATION: Depreciation indicates how much of an asset’s value has been used. It is used in accounting to try to match the cost of an asset to the income the asset helps the company earn.

OPERATING/SG&A EXPENSES: Selling, General and Administrative Expenses, or SG&A. Include all costs that are not directly related to production (employee salaries and marketing expenses, for example).

DOWNGRADE: Request by the end user of the service to switch from the current plan to another with a lower cost than that initially contracted.

EBITDA/ADJUSTED EBITDA: Financial indicator that informs the profit of a company before discounting what said company spent on interest and taxes, as well as what it lost in depreciation and amortization. When it is disclosed as “adjusted”, it means that the calculation was made in a customized way by a company, using its own rules.

HEADCOUNT: The number of employees in a company.

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS): International Financial Reporting Standards. It is the set of international accounting standards issued and reviewed by the International Accounting Standards Board (IASB).

INCOME TAX (IR): Federal income tax.

GROSS PROFIT: Gross operating profit or sales profit is the difference between a company’s revenue and its variable costs (raw materials, production costs, commissions and other productive inputs).

NET PROFIT (LOSS): Actual earning of a company, calculated by the difference between total revenue, total costs and expenses, finance income and costs, and taxes.

GROSS MARGIN: Result of dividing Gross Profit by Net Revenue. It presents the company’s profitability, according to a percentage of profit that the company earns on its sales.

EBITDA MARGIN: Difference between the EBITDA value by the revenue value, representing the portion of revenue that generated cash for the Company.

NET MARGIN: Result of dividing Net Profit by Net Revenue, which indicates the percentage of profit in relation to total revenues for the period.

LIABILITIES: It is the balance of everything that is owed by an individual or a company.

SHAREHOLDERS’ EQUITY: Shareholders’ equity represents the residual value of a company’s assets after deducting all its liabilities.

GROSS REVENUE: Represents the amount of revenue arising from a transaction between an entity and a buyer that must be measured at fair value. It can arise from both the sale of goods and the provision of services.

NET REVENUE: Represents the result of sales and services rendered after deducting costs, discounts, rebates, returns and taxes levied on sales/services.

FINANCE INCOME (COSTS): Difference between total finance income (income not related to the company's activities, such as interest and discounts) and finance costs (expenses not related to the company's activities, such as borrowings, tax on financial operations and bank fees).

SAAS (SOFTWARE AS A SERVICE): SaaS, or Software as a Service, is a way of making software and technology solutions available over the Internet as a service.