

Earnings Release

1Q23





Results

1Q23

São Paulo, May 10, 2023 - 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 2023 (1Q23)**. 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 11, 2023

11:00 am (Brasilia time)

10:00 am (New York time)

Watch live:

Webcast

Q&A

Use one of the platforms above to submit questions.

Highlights of the period

1Q23

755,000 REGISTERED
USERS¹
+18% (1Q23/1Q22)

R\$ 25 million OPERATING
EXPENSES
-28% (1Q23/4Q22)

-R\$ 17 million EBITDA
+36 p.p. in EBITDA Margin (1Q23/4Q22)

(R\$'000)	1Q23	1Q22	Var. (%)	4Q22	Var. (%)
Net revenue	13,526	25,436	-46.8%	15,896	-14.9%
Cost of services rendered (CSR)	-10,665	-12,295	-13.3%	-10,751	-0.8%
Gross profit	2,861	13,141	-78.2%	5,145	-44.4%
<i>Gross margin (%)</i>	<i>21.2%</i>	<i>51.7%</i>	<i>n.a.</i>	<i>32.4%</i>	<i>n.a.</i>
Net profit (loss)	-32,053	-20,393	57.2%	-40,406	-20.7%
<i>Net margin (%)</i>	<i>-237.0%</i>	<i>-80.2%</i>	<i>n.a.</i>	<i>-254.2%</i>	<i>n.a.</i>
EBITDA	-16,593	-16,209	2.4%	-25,242	-34.3%
<i>EBITDA Margin (%)</i>	<i>-122.7%</i>	<i>-63.7%</i>	<i>n.a.</i>	<i>-158.8%</i>	<i>n.a.</i>

1. Including Sencon users.



Message from Management

We started the year with stabilization of TC revenues, with no reductions in sales in any of the months of the quarter.

At the same time, we promoted another strong adjustment of costs throughout the company, finalized in April, which brings us a perspective of improvement in the results that will be disclosed throughout the year.

We know that it is fundamental not only the stabilization of revenues, which has occurred, but also the resumption of growth. The main revenue generating projects of TC started their operation at the end of the quarter, with the transactional part being the most important.

The ramp-up of the operation is going according to plan, which brings us a prospect of returning to growth in the near term. This, combined with the delivery of the strong cost reductions that we have mentioned in previous quarters, will again drive TC to profitability, which has always been present in our history, from the founding to the IPO.

We also promoted during the month of March a major restructuring of TC's plans in order to strengthen our community, raise the quality of service, bring in new contributors and extend the reach of current contributors, and as a consequence to grow the number of subscribers to the platform again.

The first signs are very encouraging, with a material rise in NPS (Net Promoter Score) in the Master plan, TC's main plan, of more than 12 points in March alone, compared to February before the changes, an exponential increase in the number of posts on the platform, and the highest sales volume of the year recorded in early May.

We see the return of growth in the number of B2C subscribers in TC as fundamental, which will also be beneficial for our entire ecosystem, including the B2B business units.

We are on the right track, with a much lighter and more focused company, with better integration between our areas without ever losing our innovative essence. Our main projects are coming online and running within our initial expectations, which will bring us ahead a new cycle of growth and value generation for TC.

Pedro Albuquerque

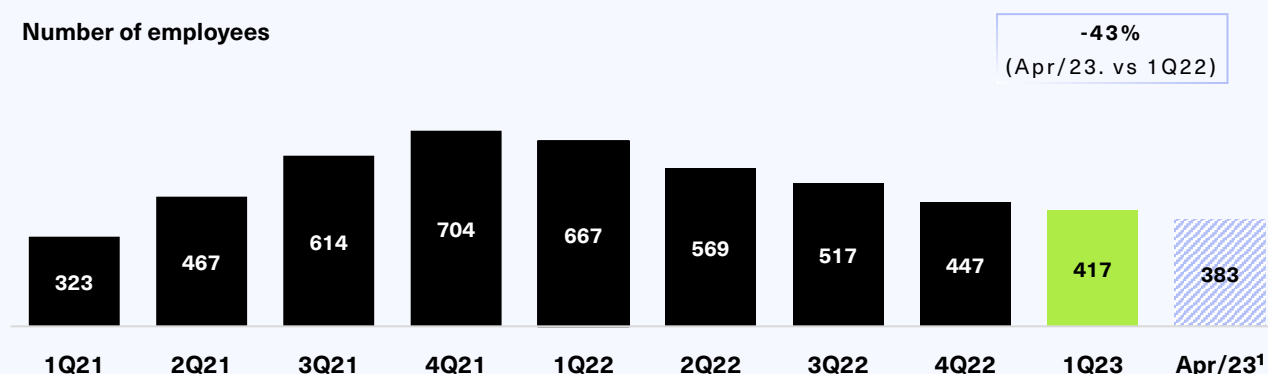
Founder and CEO of TC

Financial and Operational Performance

CORPORATE

At the end of March 2023, the Company's headcount totaled **417 employees**, 37.5% lower than in 1Q22. This reduction was even more significant when compared to the headcount at the end of April 2023, reflecting the **financial discipline process** adopted by the TC since the beginning of last year.

Number of employees



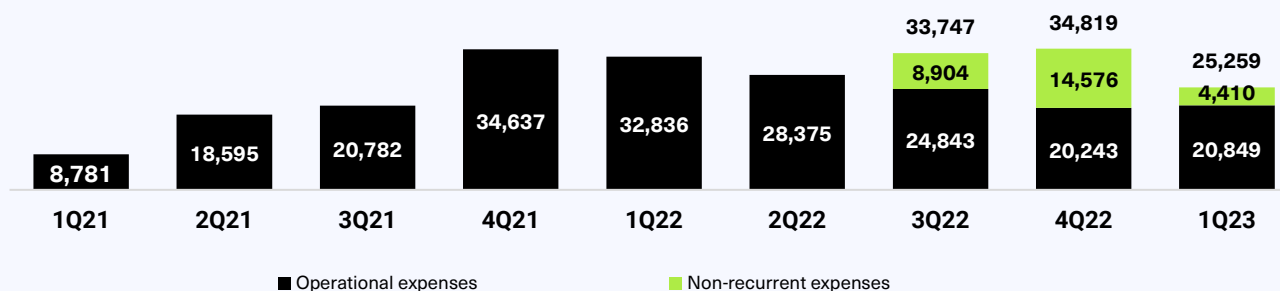
1. Number of employees as of April 28, 2023.

This same process also started reflecting on TC's **operating expenses**, which totaled **R\$ 25.3 million** in 1Q23, 27.5% and 23.1% lower than in 4Q22 and 1Q22, respectively. After **excluding non-recurring items**, operating expenses decreased 36.5% in 1Q23 when compared to the same period of 2022.

The Company will continue with this rationalization of costs and expenses for the next periods and will work to quickly resume its operating profitability.

Operational expenses

(R\$ thousand)



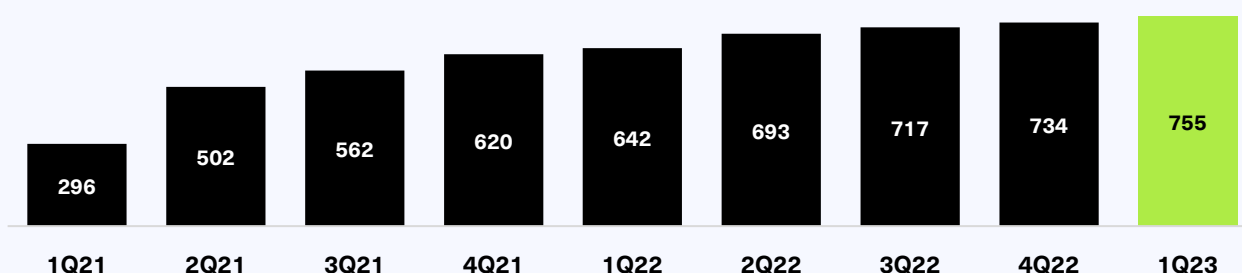
2. Non-recurring expenses for the period related to terminations, optimization of operating systems and legal advisory.

REGISTERED USERS

TC ended 1Q23 with **755,000 registered users**, accounting for an increase of 17.6% compared to the 1Q22 and 2.9% compared to 4Q22. The Company continues increasing its registered user base, aiming to upsell available plans and monetize its offers through other services offered in its ecosystem as, for example, the possibility to place buy and sell orders via the "TC Inwertimentos" app.

Number of registered users¹
(thousand)

+18% (1Q23/1Q22)



1. Numbers as of 2Q21 include Sencon users.

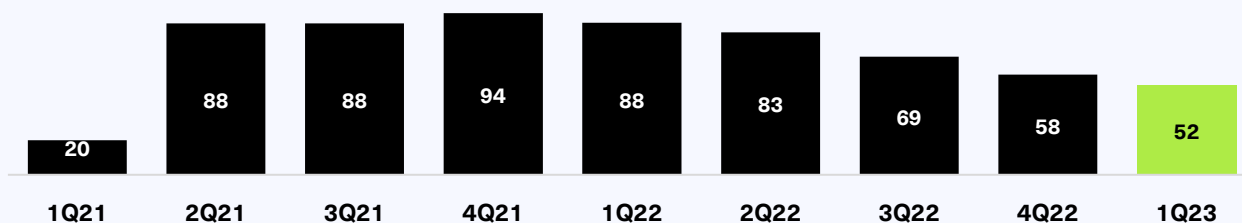
PAYING USERS

At the end of 1Q23, the number of **paying users** totaled **52,000**, 10.3% lower than the immediately previous period, reflecting the decrease in individual *B2C* subscriptions.

It is worth mentioning that, in this first quarter, the Company made important adjustments to the structure of the TC Community area, aiming to offer an increasingly better investment experience for platform users and, consequently, retaining such users and generating upsell and/or contracting other services offered.

Number of paying users¹
(thousand)

-10% (1Q23/4Q22)

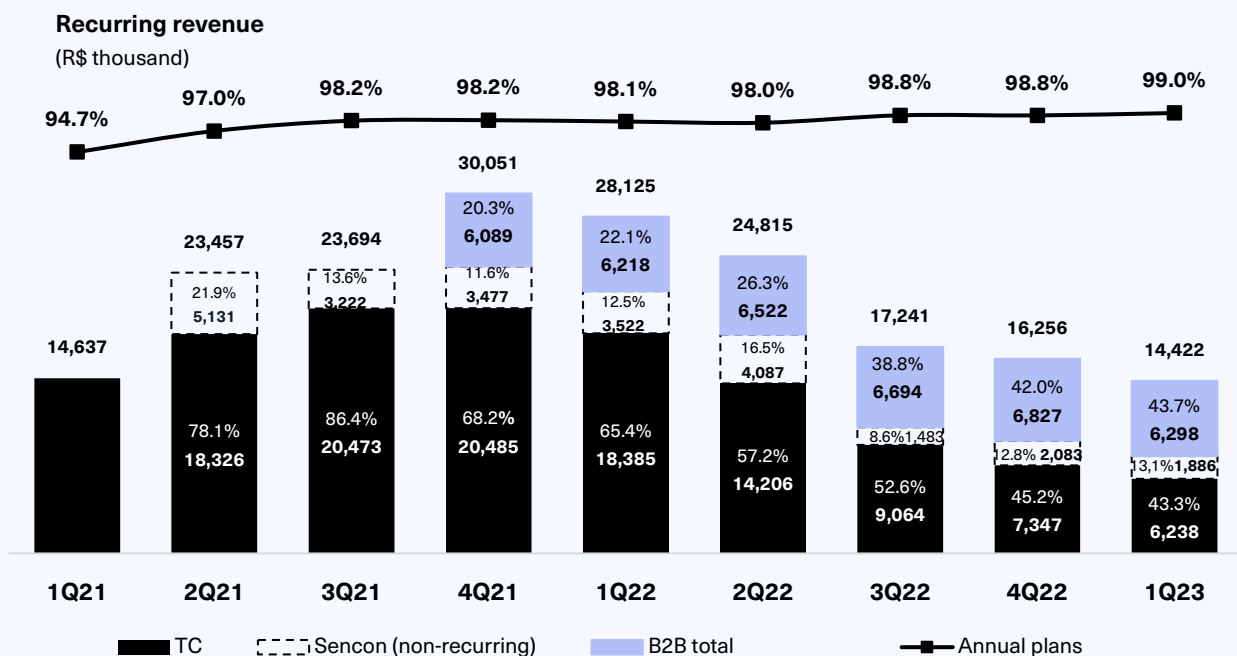


1. Numbers as of 2Q21 include Sencon users.

RECURRING REVENUE

TC adopts the SaaS (Software as a Service) model and had, at the end of March 2023, **99.0% of its subscriptions linked to annual plans** with automatic renewal, providing resilience and greater revenue predictability. As presented in the chart below, there was an increase in **annual subscriptions** (+0.9 p.p. compared to 1Q22).

The Company's **recurring revenue** reached **R\$ 14.4 million** in 1Q23, accounting for a decrease over previous periods, reflecting the lower number of B2C paying users in the quarter.



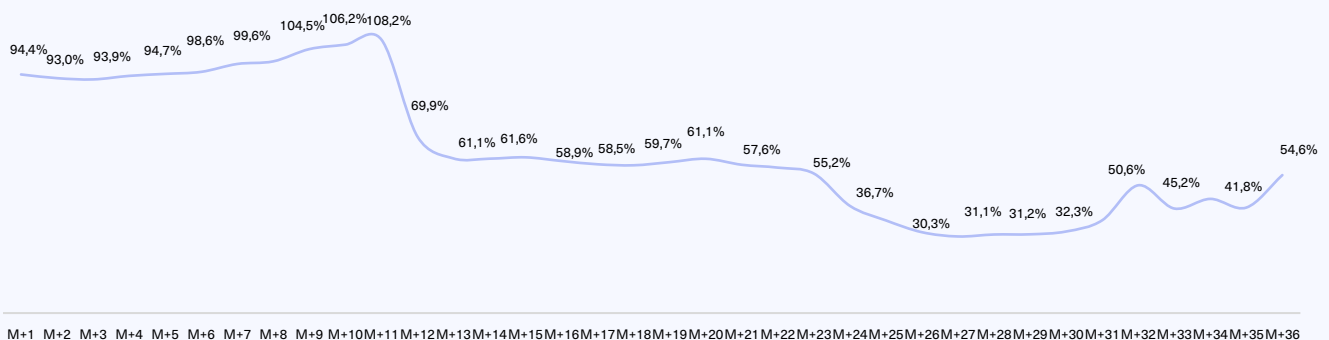


REVENUE RETENTION

The chart below indicates the average behavior of revenue retention contracted by TC customers, measured by monthly cohorts. The curve behavior obtained indicates that, considering customer changes (upgrades, downgrades, cross-selling and cancellations), revenue from TC cohorts is well supported on average during the first year.

The decrease recorded in the M+12 and M+24 periods reflect the seasonality of plan renewal, considering that most of them are annual and make up a significant part of the revenue. In the following periods, it is possible to observe a recovery of revenue from customers who remained in the cohort - which occurs especially in terms of the customer's experience during their journey on the platform, the launch of new products and promotional campaigns.

Monthly net revenue retention B2C segment (%)



1. Include B2C recurring and non-recurring revenue data.

NET REVENUE

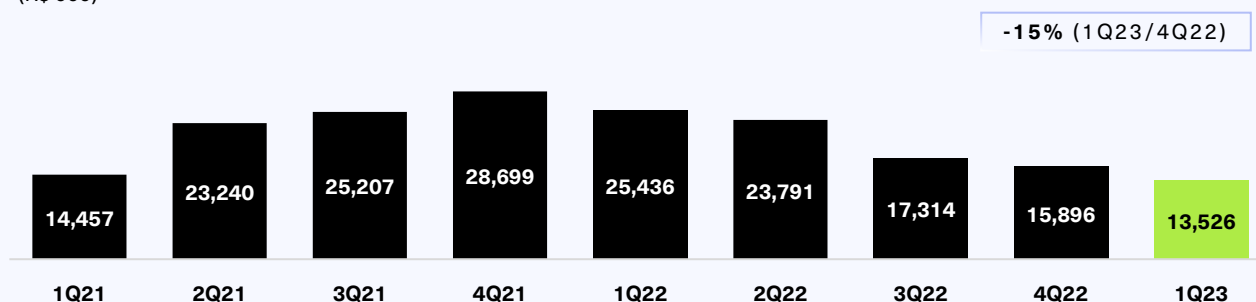
Net revenue totaled **R\$ 13.5 million** in 1Q23, 14.9% lower than in 4Q22. This difference was mainly due to the change in the number of paying users in the period.

(R\$'000)	1Q23	1Q22	Var. (%)	4Q22	Var. (%)
Gross revenue	15,167	28,698	-47.1%	17,676	-14.2%
Deductions	-1,641	-3,262	-49.7%	-1,780	-7.8%
Net revenue	13,526	25,436	-46.8%	15,896	-14.9%

The Company has been working continuously to improve its operating profitability and add value to its shareholders by and add value to its shareholders by increasing the share of the transactional and B2B segments in its revenues and by continuously developing its products.

Evolution of net revenue

(R\$ 000)

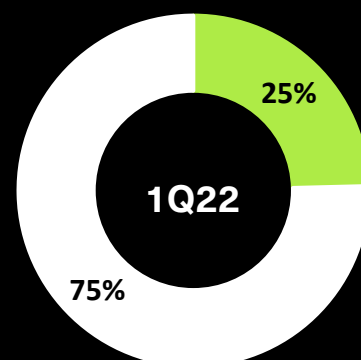
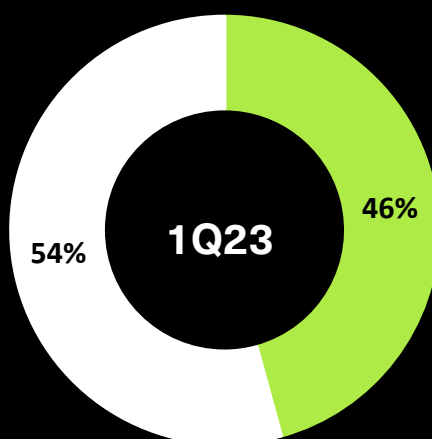


Regarding the revenue share by segment, the B2B segment has become increasingly important in the **breakdown of gross revenue** of the Company. In 1Q23, revenues from institutional customers reached 46% of the total, accounting for an increase of 21.0 p.p. over 1Q22.

BREAKDOWN OF GROSS REVENUE

■ B2B

■ B2C



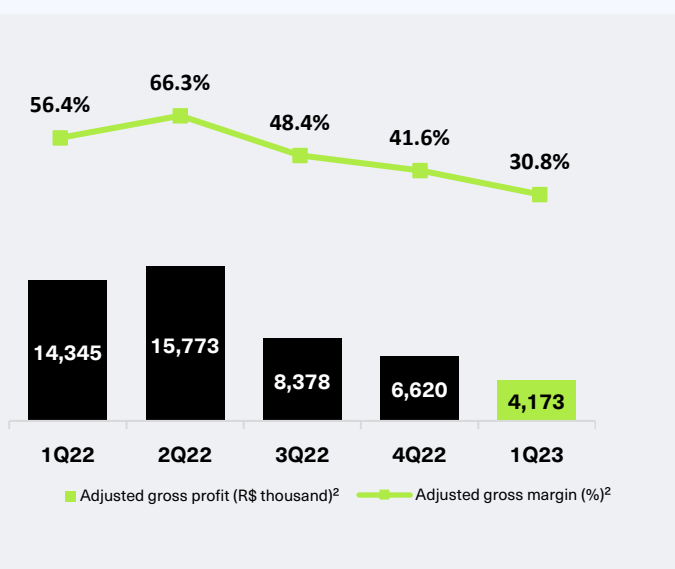
OPERATING RESULT

GROSS PROFIT AND GROSS MARGIN

Gross profit, totaled **R\$ 2.9 million** in 1Q23, with a **gross margin** of **21.2%**. After the inclusion of non-recurring items that affect the cost, the Company calculated a **gross profit** of **R\$ 4.2 million**, with an **adjusted gross margin** of **30.8%**.

The variation between the amount calculated at the end of March 2023 and the other periods was impacted mainly by the reduction in revenue in the period.

(R\$'000)	1Q23	1Q22	Var. (%)	4Q22	Var. (%)
Net revenue	13,526	25,436	-46.8%	15,896	-14.9%
Cost of services rendered (CSR)	-10,665	-12,295	-13.3%	-10,751	-0.8%
Gross profit	2,861	13,141	-78.2%	5,145	-44.4%
<i>Gross margin</i>	<i>21.2%</i>	<i>51.7%</i>	<i>n.a.</i>	<i>32.4%</i>	<i>n.a.</i>
Operational cost adjustments ¹	1,312	1,204	8.9%	1,475	-11.1%
Adjusted gross profit²	4,173	14,345	-70.9%	6,620	-37.0%
<i>Adjusted gross margin (%)²</i>	<i>30.8%</i>	<i>56.4%</i>	<i>n.a.</i>	<i>41.6%</i>	<i>n.a.</i>



CSR, which represents the costs that incur on a service provided, totaled **R\$10.7 million** in the last quarter, a reduction of 0.8% and 13.3% compared to 4Q22 and 1Q22, respectively, beginning to reflect the adjustments made to the TC over the last few months in the context of cost rationalization and financial discipline adopted by the Company.

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

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

OPERATING EXPENSES

Operating expenses reached **R\$ 25.3 million** in 1Q23, accounting for a 27.5% decrease when compared to 4Q22 and 23.1% compared to the same period of 2022, an effect of the financial discipline process adopted by the Company over the last few months, which includes: (i) the reduction in the number of employees; (ii) the review of all tool and infrastructure expenses; and (iii) the renegotiation with suppliers.

After excluding non-recurring items, operating expenses totaled **R\$ 20.8 million** in the last quarter, 36.5% lower than in 1Q22. Compared to the end of December 2022, expenses were 3.0% higher, reflecting the reduction in non-recurring items in 1Q23.

(R\$'000)	1Q23	1Q22	Var. (%)	4Q22	Var. (%)
Adjusted operating expenses¹	-20,849	-32,836	-36.5%	-20,243	3.0%
Non-recurrent expenses ²	-4,410	-	-	-14,576	-69.7%
Other operating expenses	-25,259	-32,836	-23.1%	-34,819	-27.5%
General and administrative	-21,076	-25,603	-17.7%	-23,637	-10.8%
Sales / marketing expenses	-3,954	-6,616	-40.2%	-5,683	-30.4%
Other operating expenses, net	-122	-73	67.1%	-5,556	-97.8%
Share of profit (loss) of investees	-107	-544	-80.3%	57	-287.7%

1. Includes adjustments to non-recurring expenses.

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

FINANCE INCOME (COSTS)

The Company recorded a **financial loss** of **R\$ 8.7 million** in 1Q23, due to derivatives transaction expenses.

(R\$'000)	1Q23	1Q22	Var. (%)	4Q22	Var. (%)
Finance income (costs), net	-8,668	-9,361	-7.4%	-5,334	62.5%
Finance income	7,269	6,824	6.5%	22,915	-68.3%
Finance costs	-15,937	-16,185	-1.5%	-28,249	-43.6%

CASH STRUCTURE

Cash and cash equivalents position at the end of 1Q23, including restricted short-term investments, totaled **R\$ 166.8 million**, a 10.1% decrease in relation to the amount calculated at the end of December 2022.

(R\$'000)	1Q23	1Q22	Var. (%)	4Q22	Var. (%)
Banks	3,348	38,903	-91.4%	8,534	-60.8%
Short-term investments	124,500	232,639	-46.5%	139,079	-10.5%
Cash and cash equivalents	127,848	271,542	-52.9%	147,613	-13.4%
Pledged short-term investment ¹	38,949	-	n.a	37,945	n.a
Total	166,797	271,542	-38.6%	185,558	-10.1%

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

In view of the above, the Company remains in a comfortable position regarding its cash availability, especially when considering that its obligations with third parties are essentially a result of its operating activities.



NET PROFIT (LOSS) AND NET MARGIN

In the last quarter, the company had a **net loss** of **R\$ 32.1 million**, showing an improvement of 20.7% in relation to 4Q22 mainly due to the reduction in operating expenses in the period.

(R\$'000)	1Q23	1Q22	Var. (%)	4Q22	Var. (%)
Gross profit	2,861	13,141	-78.2%	5,145	-44.4%
(+/-) Operating income (expenses)	-25,259	-32,836	-23.1%	-34,819	-27.5%
(+/-) Finance income (costs)	-8,668	-9,361	-7.4%	-5,334	62.5%
(+/-) Income tax/social contribution on net profit	-987	8,663	-111.4%	-5,398	-81.7%
Net profit (loss)	-32,053	-20,393	57.2%	-40,406	-20.7%
<i>Net margin</i>	<i>-237.0%</i>	<i>-80.2%</i>	<i>n.a.</i>	<i>-254.2%</i>	<i>n.a.</i>
(+/-) Non-recurring items ¹	5,721	4,301	33.0%	16,051	-64.4%
Adjusted net profit (loss)²	-26,332	-16,092	63.6%	-24,355	8.1%
<i>Adjusted net margin²</i>	<i>-194.7%</i>	<i>-63.3%</i>	<i>n.a.</i>	<i>-153.2%</i>	<i>n.a.</i>

1. Refers to non-recurring expenses related to M&As/lawsuits (legal advisory), impairment and optimization of operating systems.

2. Includes non-recurring item adjustments.

EBITDA AND EBITDA MARGIN

The Company recorded a negative **EBITDA** of **R\$ 16.6 million** at the end of 1Q23, an improvement of 34.3% in relation to 4Q22, when the figure totaled R\$ 25.2 million.

(R\$'000)	1Q23	1Q22	Var. (%)	4Q22	Var. (%)
Net profit (loss)	-32,053	-20,393	57.2%	-40,406	-20.7%
(+/-) Income tax/social contribution on net profit	-987	8,663	-111.4%	-5,398	-81.7%
(+/-) Finance income (costs)	-8,668	-9,361	-7.4%	-5,334	62.5%
(+/-) Depreciation/amortization	5,805	3,486	66.5%	4,432	31.0%
EBITDA	-16,593	-16,209	2.4%	-25,242	-34.3%
EBITDA margin (%)	-122.7%	-63.7%	<i>n.a.</i>	-158.8%	<i>n.a.</i>
(+/-) Non-recurring items ¹	5,721	4,301	33.0%	16,051	-64.4%
Adjusted EBITDA²	-10,872	-11,908	8.7%	-9,191	18.3%
<i>Adjusted EBITDA Margin (%)²</i>	<i>-80.4%</i>	<i>-46.8%</i>	<i>n.a.</i>	<i>-57.8%</i>	<i>n.a.</i>

1. Refers to non-recurring expenses related to M&As/lawsuits (legal advisory), impairment and optimization of operating systems.

2. Includes non-recurring item adjustments.



Events after the reporting period

PARTNERSHIP BETWEEN TC AND OM

On May 2, 2023, the TC informed, through a notice to the market, that the Company entered into a Corporate Partnership Agreement with OM Distribuidora de Títulos e Valores Mobiliários LTDA. (OM or Ourominas) for the cross-selling of services and products of the companies in their respective bases with sharing of customer revenues.

The purpose of the Agreement is to establish a commercial partnership to evaluate the results and synergies between the businesses for a possible evolution and creation of a joint venture.

This partnership aims to generate business opportunities between the parties through the cross-sell of products, considering that TC currently has over 750,000 registered users on its platform and Ourominas has around 500,000 active customers. The initiative is the result of the Company's efforts to implement its growth and profitability strategy through the transactional segment, based on the distribution of financial products; the verticalization of its structure; and starting to work with B2B and B2C partnerships.

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, 2023, Grant Thornton Auditores Independentes was engaged to perform solely external audit services.

Attachments

STATEMENT OF FINANCIAL POSITION (CONSOLIDATED)

(R\$'000)	1Q23	2022
ASSETS	562,361	583,781
Current Assets	193,740	209,613
Cash and cash equivalents	127,848	147,613
Pledged short-term investment	38,949	37,945
Trade receivables	10,030	9,340
Advances	764	2,202
Recoverable taxes	8,665	6,081
Other receivables	7,484	6,432
Non-current assets	368,621	374,168
Other receivables	9,642	8,959
Deferred tax assets	35,440	35,302
Financial assets	80,016	80,300
Related parties	3,625	4,233
Investments	45,690	46,943
Property and equipment	14,536	16,527
Intangible assets	179,672	181,904
LIABILITIES AND SHAREHOLDERS' EQUITY	562,361	583,781
Current liabilities	61,274	49,558
Payroll and related taxes	4,449	4,548
Taxes payable	1,508	1,231
Contract liabilities	2,896	2,796
Leases	2,955	3,489
Other payables	14,164	14,234
Derivatives - Liabilities	34,591	22,549
Dividends payable	711	711
Non-current liabilities	468	731
Leases	62	506
Provision for contingencies	406	225
Shareholders' equity	499,852	532,365
Share capital	581,164	581,164
Capital reserve	26,023	25,975
Treasury shares	-1,223	-1,223
Retained earnings (loss)	-106,112	-73,551
Non-controlling interests	767	1,127
Total shareholders' equity	500,619	533,492

STATEMENT OF PROFIT OR LOSS (CONSOLIDATED)

R\$ thousand – accumulated amounts)	1Q23	1Q22
Net revenue	13,526	25,436
Cost of services rendered (CSR)	-10,665	-12,295
Gross profit	2,861	13,141
Other operating expenses	-25,259	-32,836
Sales / marketing expenses	-3,954	-6,616
General and administrative	-21,076	-25,603
Other operating expenses, net	-122	-73
Share of profit (loss) of investees	-107	-544
Operating profit (loss) before finance income (costs)	-22,398	-19,695
Finance income	7,269	6,824
Finance costs	-15,937	-16,185
Finance income (costs), net	-8,668	-9,361
Profit (loss) before income tax and social contribution	-31,066	-29,056
Current income tax and social contribution	-1,125	-584
Deferred income tax and social contribution	138	9,247
Net profit (loss)	-32,053	-20,393



STATEMENT OF CASH FLOWS (CONSOLIDATED)

(R\$ thousand – accumulated amounts)

	1Q23	1Q22
Operating activities		
Profit (loss) for the period	-32,053	-20,393
Adjustments due to:	-12,285	-9,817
Depreciation and amortization	5,805	3,486
Net write-off and adjustments of property and equipment and intangible assets	108	45
Expected loss for doubtful accounts	1,226	-
Recognized Granted Options	48	-
Exchange-rate changes	284	15,453
Provision for contingencies	181	34
Provision for chargeback	-	23
Share of profit (loss) of investees	107	544
Deferred tax	-138	-9,247
Income (loss) with derivatives	12,042	-
Interest expenses	105	238
Decrease (increase) in assets		
Trade receivables	-1,916	722
Advances	1,438	-308
Recoverable taxes	-2,584	1,174
Dividends received from investees	1,019	-
Other receivables	-1,735	449
(Decrease) increase in liabilities		
Payroll and related taxes	-99	1,626
Taxes payable	277	319
Contract liabilities	100	-998
Other payables	-70	-7,570
Net cash provided (consumed) in operating activities	-15,855	-14,403
Cash flow from investing activities		
Capital contribution	-	-21,465
Profit Distribution	-741	-
Pledged short-term investment	-1,004	-
Acquisition of property and equipment	-27	-743
Acquisition of intangible assets	-1,663	-9,158
Net cash generated (consumed) in investing activities	-3,435	-31,366
Net cash generated (consumed) in financing activities		
Lease payment	-1,083	-1,122
Related parties - assets	608	-
Net cash generated (consumed) in financing activities	-475	-1,122
Net increase (decrease) in cash and cash equivalents	-19,765	-46,891
Cash and cash equivalents		
At the beginning of year	147,613	318,433
At the end of year	127,848	271,542
Net increase (decrease) in cash and cash equivalents	-19,765	-46,891



Glossary

AMORTIZATION: It is the installment payment of a debt during a pre-established period. In other words, the payment of a loan, 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.

COHORT: Cohort is a concept intended to classify a group of users with similar behaviors.

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

COST OF SERVICES 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 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).

IMPAIRMENT: It means “deterioration” in a free translation and covers the analysis by the Company of the devaluation of its assets.

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.

M&A (MERGERS AND ACQUISITIONS): Mergers and acquisitions, in Portuguese Merger is an operation by which two or more companies join together to form a new company. Acquisition is the purchase of one company by another.

NPS (NET PROMOTER SCORE): It is a methodology for evaluating the level of customer satisfaction regarding the products/services purchased.

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 loans, 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.

UPGRADE/UPSELL: The term upgrade refers to a customer's request to switch from a service plan to a plan superior to the one initially contracted.