

Giovanna Velarde - Operator

Good morning and thank you for standing by. Welcome to the Méliuz Webinar to discuss the results of the second quarter 2022. My name is Giovanna Velarde. I work in the Méliuz folks' team, and I'll be the host of this event.

Our event will be held in Portuguese and translated into English simultaneously. Just select the desired language on the interpretation button located at the bottom of the screen. Again, for non-Portuguese speaking audience, let me inform that this event is being translated simultaneously into English. You can select the preferred language by clicking on the interpretation button, which is located at the bottom of the screen.

With us today we have Israel Salmen, founder and CEO of Méliuz, Luciano Valle, CFO and Investor Relations Officer, and Davi Holanda, founder and CEO of Bankly. Before turning the floor to Israel, I would like to inform you that this event is being recorded, and at this moment, all participants will be in a listen only mode during Méliuz presentation, and then we will start the Q&A session.

To Ask a question, just click on the Raise Your Hand icon on Zoom. The materials presented are available for download on our website. Irmeliuz.com.br, in the results center session. Over to you, Israel.

Israel Salmen – CEO at Méliuz

Thank you, Jojo. As usual. I would like to introduce myself. For those who cannot see me on screen, my name is Israel, Méliuz CEO, I'm 33 years old, white man. I wear dark glasses and I'm wearing a dark T-shirt in a sunny room. I believe this is a very important day because finally we have Davi Hollanda with us. [02:01] So, it will be very nice to have him talk about Bankly at the end of the presentation. And Luciano and I will coordinate the part related to Méliuz and the other companies.

In June, we completed a rollout of our new app to our user base. And this new app, as you all know, is our starting point for an ecosystem which will be more robust with more cross-selling among the products available, and a better experience for the users who already use the financial services on our app, on our co-branded card now. And now we're going to have our proprietary card which is management will be done within the app.

We had an increase in the number of average days that a user accesses the new app, showing that our thesis of increased engagement and better experience is materializing. So, we had an increase of 24% when compared to June of the first half of 2022, in 2021 and our digital accounts have reached 1.2 million and the TPV of Méliuz card reached 7.3 million, and the TPV of the co-branded card reached nearly 800 million.

We can move on to the next slide, please. We'd like to point out that Méliuz is evolving at all times. So, we are far from the level of product that we would like to offer or the level of a service we would like to provide to our users. But at the same time, we have a team that we need in order to create those products and to put the new services in practice and improve our services even more for the final users.

We would like to draw your attention to some points. The first one is that most of our team for the development of products, the team is allocated not only in the development team, but most teams are allocated into whatever is new. Whatever was not our core business when we had the IPO

and the team that allocated into the new things, our focus is on whatever is on the screen.

We are in the process of improvement at the user experience that also include the chat Méliuz, which is a direct communication using the app. And this is something that we didn't used to have, and this will help a lot in order to improve the user experience. Cryptic back, this is something that we have been mentioning for some time and out there is the company that we acquired last year, and we know the potential that this feature has in terms of retention and activation of the cards.

We are very enthusiastic about this feature that we are about to launch and also the payment of *boletos*, the bank account payments. Many of our users have access to this tool. We are about to release to 100% of our users this feature and we would also like to mention the social commerce, all users of medias already have access to the promote it, but within the app of Méliuz.

We believe that this feature, this tool will help us take more sales to our partners. At the same time, it will help users to find what would be the best offer, the best deals. And we cannot forget that we call it social commerce because the offers that our published in that area are published by the group of users. More than 1 million people sharing those Promotions, the best deals with the community.

We are very enthusiastic, and we are very happy because finally we brought in on board that this nice experience such as the from a bit inside Méliuz environment, Méliuz continues developing the platforms, the site and apps of all the users who like to use only that limited experience. But we have those first steps of promo bit also inside of Méliuz.

Another point that that we have been including is insurance. We have a part dedicated to this feature which is not on the air yet. But as I said in the beginning of the presentation, this will reinforce the fact that most of our team today is allocated in whatever is new.

We can move on to the next one, please. Our user base reached 25 million people and 7.7 million users are active in the past 12 months. And in a period when we have been accelerating marketing investments, we had an accelerated number of accounts opened. We opened nearly 26,000 accounts of ever useful day in the second quarter of 2022.

And now, talking a little bit about growing with efficiency. I have already mentioned about are not being so dependent on marketing investment in order to grow. So, we had a comparison when you compare year on year, so the reduction was 41% in marketing expenses, as to total buyers, we continue growing in numbers. We grew 90% in the number of active buyers on the platform.

About investments, [AUDIO FAILURE] we had estimates in marketing generated a lower number of the new buyers on the yearly comparison, but the new buyers, even though we see this 20% lower, they set-off in the growth of GMV and also the take rate improvements that we have been managing to accomplish along the time. So even though the number of new buyers dropped to the GMV was very strong this quarter because we are now bringing in new users which are more qualified.

So, we can move on to the next one, please. And then before discussing invoice and [AUDIO FAILURE] I'm going to go over some operational numbers. Talking about GMV that we had there. I did announce the previously GMV growth by 38% with a net take rate of 2.1%. The GMV of the last 12 months. Now, we are talking exclusively about Méliuz, and it grew even up quarter where the growth of e-commerce in Brazil was very slow. So, it's very important you mentioned this, that it's a moment when the e-commerce is accelerating in Brazil and the fourth quarter was also a less accelerated quarter. But even so, we had the growth of 38%, in terms of GMV.

We'd like to point out as well, another aspect which is more related to revenue, and the Lucien will bring more callers to that in a minute. But the second quarter of this year is weaker historically than the first quarter of the year. The reason is that in the first quarter of the year, we have a recognition of revenues which is substantially high, and they are related to Black Friday and also to Christmas season.

So, the comparison base for shopping in the second quarter is the worst. And I would say considering this drop in the Brazilian e-commerce, this weakening of the e-commerce in Brazil as

well as this mismatch of seasonality of first quarter and the second quarter.

Now, going a bit further and discussing expenses and revenues and Luciano, please add to the information I'm giving now, but the second quarter, not only for shopping, but also to financial services, the second quarter of this year has a comparison base, which is the second quarter of last year when we still had the operation of generation of new co-branded credit cards, when we had the partnership with the bank and this quarter we would not we stopped generating this card. All we do is to generate our new credit card.

And there are two important things to consider that will explain why we had this revenue drop in the financial services. The first one is about former co-branded card that we received R\$45 for activation of card and that brought in most of the finance revenue the moment to activate the card. On the other hand, that the new card will bring in revenue along the time because we do not have any revenue when the card is activated. But we are capturing some revenues along the time and in addition to that, it's another point and the last one related to this theme, it's important to mention that as to the credit cards, when we compare the one co-branded with Banco Pan, and when we compare the credit card of Méliuz.

We were accelerating the issue of the cards. The market was different from the economic viewpoint and now with this new market, we are being much more cautious when we do the rollout of our card. We are moving slowly, and we are getting to know our user base. And the pace of growth, when we compare the two cards, the winning, the one of the past and the one we have now, we see that the pace is a bit lower when we see the results. And that explains the results, we can move on, please.

Talking about invoice now, I always like to show you those slides because they show how much the product has high engagement from users and also high retention of users through the time. In the second quarter of this year, more than 400 users were scanning invoices and receiving cash back when purchased at physical stores. And out of this number, a little bit more than 400,000 users that can do invoices. We captured more than 42 million of what we referred to as sell out data point, which would be product different products that users are consuming in those stores at the end of the day.

I'd like to point out that we have a plan which is quite aggressive to use all those data to improve ever more capacity, to get to know our users, to launch specific campaigns, or to focus on different brands, or to feed our credit score with that information. They're very valuable so that we can be very assertive when we provide credit to our users.

And lastly, now talking about Picodi, the cash back operation continues to grow, the number of total buyers Grew in the second quarter of 2022, in comparison to the last quarter of last year, when we basically started the cash back operation there.

So, we saw that our thesis when we acquired Picodi is becoming true. More than 400,000 accounts that were opened in the countries where we launched the cash back operation. We have to remind you that we are operating in 40 countries considering Picodi as a whole, and we have a plan that up to the end of the year we are going to finish the rollout into all those 44 countries, and this will accelerate the figures we see on the right.

As to GMV, we grew by 81% in the cash back operation, a very accelerated growth and we reached a 30.7 of the currencies in Poland, which is the comparison base and that net revenue more than doubled in the second quarter and it already accounts for 15% of the total net revenue of Picodi.

So, we are replacing the former model of Picodi with this new business model, which is a model that in which we believe generating value to the shareholders, the users. We are very happy, and I would say that we are in line with the objectives that we developed and established the moment we made this acquisition. And this is something that makes us so very happy considering the results we have seen so far. I'll turn the call to Luciano now so that he can continue the presentation.

Luciano Valle - CFO and Investor Relations Officer

Thank you, Israel. Good morning, thank you very much for attending our conference. I am Luciano, I'm CFO and IRO, I'm in a sunny place. I'm wearing a black T-shirt, I do not wear glasses, I have dark hair, and I am white man. Israel has already mentioned something related to revenues, but what is important to talk about the financial aspects of our company?

Considering the adverse scenario that we have been facing and the sector has been undergoing some difficulties, we sent in this quarter very robust results considering all the scenario. Starting with net revenue, we can see that that we had a total revenue of nearly 80 million cases in the group, as a whole, a 45% growth compared to the same period of last year.

Part of this dynamics is driven by the behavior of our partners and also when we make the comparisons with the former of period. When we look at these numbers in the last 12 months, at the end of the second quarter, we reached revenue higher than 320, a growth above 86%, when we compare with the same period of the previous year.

So, we can move on to the next slide, please. And now related in relation to the expenses, when we look at the results, when we exclude the non-recurring items that we saw in this quarter, and we see the results that we started to capture as of June, and we can see that there has been a drop of 7% in the expenses from 108 in the beginning of the year and close 201. This shows how our discipline in the controlling expenses in costs have been playing out without forgetting all the elements that generate value on our on our platform.

On the next slide, we present a little bit of the breakdown of our results. It's important to mention that here we show some of our discipline in some of the care we are taking to maintain the financial health of the company without forgetting about the investing in something sustainable along the time, as we said in the previous slide, we moved from 79 million in the second quarter and reached to a net result of -28.

It's important to mention that all this discipline is reflected in the balance sheet. When we look at our cash position, we saw that along the second quarter, we maintained a stable position compared to that when observed in the first quarter of this this year, which is a cash position higher than R\$400 million, providing more comfort and more safety and Confidence, showing that the strategy that we have been implementing has been successful so that we can continue along those line, and we believe there are many things ahead of us considering everything that we have been developing and everything that the team has been doing in the less quarters. With this, I turn the call to Davi, he can talk a bit more about Bankly operation.

Davi Hollanda - CEO at Bankly

Good morning and good afternoon. Thank you, Luciano. Thank you, Israel, for the words. I am Davi Hollanda, I'm 48 years old, CEO and founder of Bankly. I'm a white man. I have straight hair, dark hair. I'm wearing prescription glasses and I'm wearing a blue pullover. Before talking about Bankly, I would like to say that I'm very enthusiastic.

We have built a lot of things related to infrastructure. It's a bit tough because you don't see that in the hand of the client and now, we are beginning to see the results. So, we're picking the first fruits and there are many fruits to be harvested. And I would like to thank Bankly team who has been believing in this journey since 2020 up to now. So, I would like to tell you that we are just in the beginning and there's a lot to come.

The future has much more to come than the past to tell us. Only to start talking about Bankly, but before we start talking about Bankly, I would like to remind you a moment that what is the moment that we have been experiencing. We have the technological low of 25 years in a single two years,

and the first time I saw Internet it was back in 1995 on Time magazine.

So, from then up to today, we see a lot of evolution. We have seen changes, but so far for some companies, for a company to become digital, all we needed to do was to have a fan page or ecommerce or something in the social media. Everything was very superficial back then, and with this technological download that we had that was suppressed by the pandemic, we now start to experience “fintechzation” of companies. So, this is a phenomenon that goes much beyond having just one website or a fan page.

Now we have areas, digital areas within the company, and we add more products and services so that the client can use them along their journey. So how can we have a screen time from the client? How can we have higher perceived value? And along this journey and considering this vision we have Bankly. Bankly is nothing but the infrastructure business combined with technology regulatory aspects so that we can provide the best added value to the client.

So, it's not because the pandemic is about to be over the habits that we acquired in the past two years, the digital habits, I mean, there's a mean that they're not going to be used anymore. Those digital habits came to stay. We believe that those digital habits came to stay, and in this gold rush, we are selling tools for our partners to add value to their clients.

So here I would like to ask what a bank to you is. In the past it was very easy to characterize what a bank would be, a bank branch with a manager, and this person would be the head of a community in a small region, in a neighborhood. And then this manager would give credit, would sell services and products. And this is a business that has been evolving.

I don't mean to say that the traditional bank is going to end, but as we see it, we believe that this is going to evolve. As Jeff Bezos said, “everybody needs financial services, but not everyone needs a bank, not necessarily a bank”. So, this is where Bankly comes in and helps companies offering services, doing the consumption journey, and even helping those companies with some improvements in their operations.

I'm going to show you some cases so that you can see this much clearer. So now moving on to the next slide, please. Here, we put a little bit more context. So, we have a double click so as to say we have the traditional banks where the clients would pay for the services. So, we had some charges, we had something that was paid monthly, and then we saw an evolution. I think this is what we saw the new banks, where we do not see any charges for the services. These are the so-called digital accounts.

And now, what we see is a third generation that in fact, you cannot even give a meaning to it. What we are talking about are companies whose purpose is not to provide banking services, but they come, they emerge because they have a lot of users in their customer base. And the bank comes from downside, in order to complement the experience that a company provides to the clients, it's a different direction.

So, there are international cases, there are local cases, here you can see some of our clients, Méliuz, for example, would be one of the examples whose mission is to help the merchant to sell more so that the traffic can be more qualified, providing the best experience to the users, to the client. And then will we consider Méliuz, and we embed some services on Méliuz platform.

There's another case with the Girabank, which is one of the most important influencers of Latin America. So, it has already an installed community of 30 million clients, and within this ecosystem they decided to expand this ecosystem and offer financial solutions and services to this ecosystem. So that was an enormous service. The number of accounts that were open on the single day or the engagement that we saw is another case.

And you also have Voltz, for example, which is the company that comes from the Energisa, the electrical company provider, to provide financial services not only to the final users but also to the whole ecosystem that permeates the Energisa chain. So, they use an ecosystem that was already there.

We also have Uber and Cornershop, when they use our API of payment for those who use their services. So, there are different cases. Some of the cases are more obvious, more evident and

we saw many cases which were not obvious at all, but the financial services will come and add somehow to those services already existing.

Here, we see an interaction with our mind, our mindset. The way I wake up every morning when and the way I asked my team to wake up every day. I ask them to ask: "how can we help our partner, our client to grow sustainably?" Our success is 100% connected to the success of our partner.

As I mentioned, some partners, Méliuz would be an example, Girabank, Voltz and also Cornershop. So we need to wake up every day and think: "how can I possibly make them grow?" So, to that purpose we have a monthly review with the clients. We share the best practices, what could work in different situations and that to help them really.

We have a profitable operation, that has already been implemented, which is going to last for a long time. And talking about our model, our model is a more a subscription one. So, the client will pay a transaction package for each use of API. And as I said, we want the client to overcome or to expand this package. We want to help them grow.

So, the pay-as-you-go strategy comes into play when the client will pay additional amounts for additional transactions. So, the role of our team is to invite them on board to adopt a new practice. So that the client will not use only the minimal package and the client will grow and, obviously, in a sustainable way and we are also going to be successful in our region.

Now, moving on to the next slide, here we bring a little bit of our model. So, about our model, we do not necessarily believe that there will be 10,000 banks. That's not what we believe. I'm going to give you another example. A client can hire a single API, a single product offered by us.

I'm going to give an example of a company that manages condominiums. So, the company needs to issue more than 100,000 *boletos* every month so they could hire our API of *boletos*, which is highly technological. They can issue those bank slips by means of our *boleto* API. So, in fact, it's not using a bank. It's just improving the client's operation.

It's bringing in more operational efficiency to the company. Maybe we have an API that can respond more quickly, or maybe we can help them reduce their operational costs. This is just an example, but there are many others of clients that come to us and hire one single API or one or two or three APIs to solve an operational question issue.

And when we move on to the second case, we can have industries or companies with 10,000 employees and instead of selling their payrolls, they could have a bank specific or for the employees, a bank of 10,000 employees will pay for itself, so we can offer a better condition for the employee. Maybe the payroll transactions will be better. The card conditions will be more favorable to the employees. Maybe they will help the employees to solve their indebtedness.

So, they can make the salary of the employee to be better used. So, because they're offering better conditions than the market can offer, because they know the reality of the employee more than any other institution. So, in practice, they're increasing the salary of the employee in an indirect way.

So, we have many examples of robust companies that instead of selling their payroll, they would hire the APIs and would offer this in-house payroll to the clients. So, we also have cases of full banks such as Méliuz and other clients. Voltz would be another example, and Girabank. And they offer all of the APIs and all the products that we have on our shelf from virtual card, credit card debt card to prepaid card accounting card TED transferences, account statement and so on and so forth. PIX transfers and other products, crypto as well.

So more than 25 products can be offered, and the clients can use they can modulate. It can be like building blocks to be chosen so each block can be chosen. Then they can build their own values. The value that you want to deliver to the client.

And moving on to the next slide, I have already mentioned some of it, but I'll bring some examples and one of the examples I didn't mention is the 123Milhas. In their business model, they needed to generate a prepaid virtual card in order to pay for the flight related fees and charges. They

didn't have this revenue in the past. They would generate a card from a traditional and now they have their own prepaid virtual card, and they would have the compensation from the interaction of that transaction.

This is just an example of another non-obvious sector that, as I said, there will be many non-obvious new operations. Moving on to the next slide, we are going to go deeper into how we believe the success came to our business. It's a scalable business. We saw a lot of scale growing in the past few months, so we have been building this business since March 2020.

So, there are many tools that we have implemented security and everything. They are the best of the market used across the world, by the way, so for the operation to be profitable, it needs to be scalable. And the scale started to come, especially in the past two months, by the opening of many accounts from many partners and many cards are being issued. And we believe that the cards that are about to come are months which are going to be more successful from the economic perspective.

And now, explaining a little bit about the model, it has a model of subscription revenue. So, we have a guaranteed minimum revenue per client that comes on board our platform. At present, we have about 200 clients on our platform, 200 partners, these are the words we use internally. We see clients and obviously we want to help our partner to grow so that this growth can be sustainable and long termed and with results.

In our minds, the client needs to grow, generating positive results. Obviously, what we do is cross best practices which are transformed into products. And the example that I would like to give you only to illustrate, you can look at this graph.

Here we see we start offering crypto to Méliuz. So, we see that there is the feed with Méliuz. So, we launch the product with values, the product will mature and, in the future, we are going to open this to the market. So, we are adding a product so if we are adding a product, obviously we are increasing the engagement of the client.

We are also increasing or adding value to the client and more revenue will be generated to our partner and then we are going to have a cut part, a portion of that revenue. it's a business where you have R&D. The magic of all of this is that you have a technological base, for Several clients. It's a business that as soon as you start scaling up and you start to broadening, it will become a business with high potential growth potential.

So, I would like to wrap up my part or my presentation By Giving you this message, a single R&D for 200 clients for the time being, but we can have many more in the future. And everything that would accelerate the business of a client can be rolled out and replicated to the other clients as we saw with crypto. So, I would like to end my words here and I turn the call back to the operator.

Q&A Session

Ricardo Buchpiguel – BTG Pactual

Good morning, everyone. Congratulations on the results. I have two questions on my side. First, since you had the Bankly consolidation, the balance sheet was a bit confused quarter on quarter. So, we would like to hear from you. How the cash burn happened in the quarter. And I would also like to understand the perspective in terms of break-even of the company and how can we see the cash evolution having this in mind. I'll ask the second question later.

Israrel Salmen – CEO at Méliuz

Riccardo, I'm going to observe the first part of the question in order to explain the second part of the question. I believe that important to point out is something that I didn't mention during the

presentation. The expenses of Méliuz started to ramp up in an aggressive way when we had higher investments in marketing in the first quarter of last year.

So, when we look at the comparison bed base, even related to expenses that I would say that we are at the peak of expenses that we could reach. And when we compare to the second quarter of last year, there were expenses that were beginning to grow.

So, it's important to mention this because in the last three months we not only deaccelerated the pace of hires and we started to do more with less, and that whole held back our expenses in terms personnel. And as I mentioned during the presentation, we have been managing to deliver growth with profitability with a positive net take rate, even decreasing our investments in marketing.

Having said this and now talking about Méliuz perspective, we believe that it's really possible to reach a breakeven of the company in the first quarter of night next year. This is our purpose and I'm referring to Méliuz maybe Davi could also provide his contribution, since we are aligned and we're working in the same direction. But in terms of bank, I think he could provide more color related to Bankly. Thank you very much for the question.

Davi Hollanda - CEO at Bankly

As to Bankly, and we also have this mission of reaching the breakeven of the operation with growth, generating result without cash burn and also maintaining the growth rate. So, this is an alignment that was spread through the group. This is an idea that we had managing to put into practice at Bankly. It basically and it's even faster than we had first imagined.

This has been the guidelines and the guidance, and the direction and the team have virtues, has bought this idea and I had an internal letter, and I shared the message with all the employees. Everybody knows what they need to do. Each department knows what they need to do. So, I have my own activities. So, it's business that is being built not only in Davi's mind or Israel's mind, but it's in everybody's mind.

Luciano Valle - CFO and Investor Relations Officer

Okay. Let me just add to what you've just said. It's an important note related to your question. This is what is important and what is important to point out, and What we're saying is no news. It's something that we have been there. We know what to do. We know how to replicate. And the out everything that we have been done along our history, this control, this discipline, this way we look at the financial health without losing the Sustainability of the business. We are going to maintain all those actions focusing on margin grows, business growth, profitability. It's something that we are used to doing.

So, it's something that we see as a strength of the group and it's not the first time we have been there. So, it's something very important to mention. This is no news to us. This is something that we are used to do, and everybody knows. What We did and they all know that we had our always hands on the steering wheel and all the efforts we have been making. Will Bear their fruits. So, I would like to mention this point and that is associated with your question.

Ricardo – BTG Pactual

No, it's very clear. In relation to my second question, I would like to understand how you see the evolution of new products of financial services, those connected to Méliuz, Méliuz card and the wallet account and how the evolution of those features should match this focus is reaching the breakeven point in the beginning of next year.

So, I understood that there would be many efforts involved, hands on and hands on the steering wheel and everything. But when those as those products grow, so what kind of pressures do you expect from the margins? I would like to see your view in this regard.

Israrel Salmen – CEO at Méliuz

Yes. You are absolute right. Even though it adds more revenue for the medium and long terms. But we are at a place where we try to balance the expenses, what we need to do in terms of expenses and also the pace, the speed of penetration that we would like to imprint in the financial services on our base and what we are doing today, holding our hand firmly on the steering wheel, we have the payments of the *boletos* and all the features, some of them are already available for. But Méliuz basis when we look at *boletos* payment but the credit card, this is where we have is something that we have to focus our attention to in order to reach the objective that we want. This is where we are looking very closely. We are very cautious when we look at the credit card. It seems that the macro seems to improve when we see the interest curve and inflation. But we prefer to be more cautious at this time, and we want to accelerate the card credit card when we feel more confident, when we can be sure that we can have high returns from our efforts. So it's a battle where we can have work, where we are going to look at the customer and very cautiously and this is something that we are looking for the future.

William Barranjard - Itaú BBA

Good morning, everyone. Thank you very much for the call and for the opportunity of asking you a question. The first question is a follow up of Bankly, I would like to understand how you see the revenue evolution of Bankly, considering the total operation of Méliuz in terms of share for this year and for next year.

And the second question is related to expenses. Could you explain a little bit more the dynamics of the expenses of the quarter, especially the number of extraordinary items on 90 million? And I would like to know what the level of expenses would be expected going to the future, especially Bankly starting in the quarter. Would we have to multiply by three the 14 million or is there a different calculation?

Davi Hollanda - CEO at Bankly

As to revenue I can answer. In relation to revenue, now we are going to see the results. We have been doubling in relation to the previous year, but practically without Méliuz revenue, especially in relation to credit.

As Israel mentioned before, we are ready to pace, considering the macro scenario that is in me to say that is low. So, this revenue will have the results along this year. And what I mentioned during the presentation was that the beauty of Bankly business is the exponential growth of its infrastructure.

We touched upon all the credit investment and all the credit platform is internal. The model, the team, the collection, policies, and everything. We wanted to serve Méliuz first and foremost, and we have already reached the comfort level that we wanted in order to look at other clients. So, we have a repressed demand, nearly 200 clients and those 200 clients are on our platform, and we have repressed demand out of those 200 that want to look at credit.

So, we have the team, the technology, and this is why this operation is so beautiful. It's a single architecture that can provide services to different clients. So, we believe that revenue is likely to grow in the future, considering that we haven't captured yet a good the best share of its full

potential.

We have a distributed product to other clients. I'm just would like to add, that the way we built the credit dimension, we put the credit as a driver of the money. So, in the future, if you would like to use PIX payments in the credit card, this intelligence would already be inside our ecosystem. Instead of being a plastic, it's going to be digital, which is the PIX payment method. So, this is as to the revenue.

In relation to expenses, In fact, we try to make some operational improvements as to expenses. We made adjustments, for example, to the team: where we prioritize the aspect with prior time that was shorter or longer and we try to make all the adaptations.

We also worked with our suppliers, so we sat down with each of the suppliers in order to make the proper adjustments, considering the perspectives or the content. And we have a weekly meeting to talk about efficiency committee in order to make the company ever lighter and understand where we can allocate the funds in the best possible way.

Luciano Valle - CFO and Investor Relations Officer

Thank you, Davi. William, the part of the mindset that was described by the Davi would be applicable to Méliuz as well, and then we do not usually give guidance, but we understand that we have a more controlled effort in relation to expenses in different lines.

Marketing where we could reduce expenses related to marketing, but the efficiencies were maintained high, and we understand that we have teams in the proper side, and we have been making one off adjustment and we are also looking at other expenses of our business.

Talking about the extraordinary items that you mentioned, there are two reasons for those non-recurring expenses that we reported in the second quarter. Part come from the M&A, the completion of the Bankly M&A. It is, as we said, that this is the first time that Davi is being part of the results event. So, some of the expenses were recognized in the second quarter of 2022.

And the other part is related to how we recognize our talents and how we make incentives to our employees. And we have a program of incentive to our employees. And we had some shares in Treasury that we needed to zero them. And part of it was done in order to use to give recognition to our employees.

And since we carry the Treasury shares and acquisition costs, it was more relevant than the value to the market when it actually materialized. So, if we remove or if we do not consider those effects, these are effects that they are not going to be posted in the future. And this is what we can expect for the future.

William Bahadur – Itaú BBA

Okay. That was very clear. Thank you very much.

Luca Brandi – Bank of America

Thank you. Hello, good afternoon, everyone. I have two questions. One is along the lines of what you have already commented, and Davi added when he mentioned the parts of Bankly. But I wondered, looking at his stand, what's the mindset shift? How is it happening? You said that you had your hands on, how did you make this mine shift? How has this transition been and how have you been conveying this mindset to the other companies?

And now talking about Bankly, more specifically, how you see the evolution of revenues in terms of lines. How much revenue will come from each product, looking to the future, and also looking at new clients and existing clients? So how do you see that the revenues going to come from the

current revenues? And about the current lines, do you see initial growth and then stabilization or do you see that? Do you expect the revenues to continue growing in the future?

Israrel Salmen – CEO at Méliuz

Thank you. Okay. I'm going to answer the first part. The transition to the breakeven point. And thank you for the question, by the way. It doesn't happen overnight. So, we along the last two months, we have lot of tasks to be done. And one of them, I'm responsible for. We had an operational efficiency committee that was created involving all the boards, all in order to make a list of improvement points related to expenses and also some points that could even improve our revenues.

So more than 70 items were listed during those committee. And along the months we have been prioritizing those that are going to give more impact in the short term. And this would be one of the examples of what we have been doing. In addition to that, we have an educational work involving all the team and we're doing it. If it's one step behind before the IPO, we entered this breakeven mode, and this is what we did.

Basically, we trained all our team. We educated all the personnel about what EBITDA is, what would influence that specific line, what we would have to do in each area in order to have a positive impact and be a company that would generate cash. And we reached that objective before the IPO. You probably remember that when we had the IPO, we had a 20% EBITDA margin at that time.

This was a result of the educational work effort that we had with our teams and also the missions that we completed in order to reach this objective. And when we look at the present, we see something very similar. Our team grew a lot in the past year, and that means that many people did not experience the moment we have back then, including the companies that we acquired.

So, we are doing the work again, educating, defining these OKRs of the teams, focused on this operational efficiency and all those issues and there are many meetings that we have with our teams. One happened last Friday, by the way, and this is what we call is an open game where we talk about different topics. And last Friday, we talked a lot about operational efficiency.

And in that meeting that we had on Friday, we talked about EBITDA and everything that will cause Impact on the target of the company, the new directions, the products that we were building and developing that would generate revenue only in the long term. So, we wanted to use those human resources and allocate them in the products that will generate revenue in the short term. I'm very happy with the pace we are having, and I think that in the next quarter we are going to have the result of all the features committee operation efficiency has done, it will be much clearer as the results come in.

Davi Hollanda - CEO at Bankly

I have already mentioned but we have already talked about this committee of efficiency that would look at the revenue and we would also look at the expenses. So, there are many calculations, a lot of math involved. So, we are always doing calculations, making adjustments to the capital according to the project, we have the margins that we consider to be balanced matter margins for our business model. In other words, we are doing what we must do and we're doing all the calculations.

So, in practice, what is the PNL for each product and each one has to pay for itself, considering the margin that would be healthy for the business. And as I mentioned, we have this possibility. But I would say that there's something which is very important related to this moment, which is the confidence in the team.

We have this mutual trust to have this mutual transparency from the senior management of the company up to those who are working as interns of the company. So, we have a transparency permeating all the ecosystems and we have regular meetings. We also have all hands events that we take all day, and it's focused on alignment with a trust basis of everything in order to reach the results.

As to the revenue expectations Or Guidance. I can say that we are just beginning. In fact, many products that started to gain in scale poured into the, for example, accounts that are being opened Girabank, New Bankly, and there also clients that I cannot mention now since they are ramping off, they are migrating from one model to another. And they used to work in a model that they would contract just one API and now they want to operate with different APIs.

So, the expectation or my expectation in relation to the product is that all the products that are on our shelves, credit card, credit in general, the crypto as a service, so many products that have more to offer in the months to come.

Luca Brandi – Bank of America

Okay, it's clear. Thank you.

Igor – Genial Investimentos

Hello. Good afternoon. How are you? I would like to ask a question in relation to stock options. You mentioned during the conference that this is going to be a non-recurring event. You also mentioned that 27% of your personnel had the partnership and with the financial services vertical that is likely to grow in the months to come, don't you think that this percentage is going to increase as time goes by? And wouldn't we have an additional expense with stock option?

Luciano Valle - CFO and Investor Relations Officer

I can answer this. Thank you for the question. It was an excellent question. Thank you for raising the issue. We have a stock option that we are going to continue using. The accounting result on the result, which is not going to be at the same proportion that we observe today. It's as the accrual, the value for the options along the time, but because it's different when you grant shares that you carry in the Treasury. I'm saying that what is nonrecurring is to have the shares in Treasury and use in this program of recognition of our employees.

This is specific effect that we observed in the second quarter in relation to the position that we had in the Treasury shares to complement what we offer to our employees in relation to what we are going to do in the future, it's still, yes, one of our main tools because part of our culture is to value our employees, create this spirit that is part of our culture, which is the gain-gain principle and the entrepreneurial spirit. And all those who contribute more or most will be recognized, considering what we've been doing in our business. I don't know if it was clear the way I answered.

Igor gets – Genial Investimentos

Yes, it was. So you realize the amount in the Treasury. And so this is an effect that is not like too likely to be seen in the quarters to come.

Israrel Salmen – CEO at Méliuz

Yes, exactly. I would like to add to Luciano that the of the stock option program are maintained mostly, which is the base program. It's in the part of expenses with personnel. So it's important for Igor to understand that when we say that it's an extraordinary event, it is really extraordinary. And this was a cost that was carried at the moment of the share.

Igor – Genial Investimentos

Okay. Perfect. Thank you, Luciano. Thank you, Israel.

Giovanna Velarde – Operator

Thank you, Igor. We now close the Q&A session. I would like to turn the call back to Israel for his final remarks.

Israrel Salmen – CEO at Méliuz

Thank you. Thank you all for attending this event. And I would like to honor the presence of a Cashthree group Bankly team. The team continues engaged and with the mindset that the best is still to come, considering everything that we've built along the months so the product and the services that we have to offer.

So we are doing what we believe in and I believe that this quarter showed that our company, our model, is very resilient considering the drop in the e-commerce. So, we are very enthusiastic, very engaged and now with the new partners of the company. And I really believe that the best is about to come. Thank you very much.

Giovanna Velarde - Operator

The webinar to discuss the results of 2Q2022 has come to an end. Thank you very much for your participation and see you next time.