

**Israel Salmen:**

[error in recording the simultaneous translation during the first minutes of the webcast, transcription only available in Portuguese]

(...) but when we speak about the new app and the timeline that you see here, with a focus for the launch in January, we cannot forget the main focus now, which is Black Friday.

It is arriving, and it is the most important moment for the online shopping sector, and we are very enthusiastic as always. Black Friday is always an incredible moment. The entire team is mobilized to deliver novelties to our users and partners. And as always, we have great enthusiasm regarding this event.

Finally, to speak to you about the credit card, which is a novelty, we recently launched the waitlist with information on the new card, but also on the new app, which will happen at the launch in January. So we are beginning to include interested users in the waiting line, warming up for this launch in January.

Once again, this makes our team extremely enthusiastic. To speak a little further about the Dabacuri project. Now, what is this word, 'Dabacuri'? This is a word we use in-house to the new app and new card project, and in practice, this word means the union of two tribes: a tribe from Méliuz that began in 2011, the shopping tribe, and the purchasing tribe with the new Méliuz that began to be built in 219 with a cobranded card, which refers to financial services. We are stepping on this to go faster and launch new products.

So the Dabacuri project, as its main landmarks, has the hiring and training of new teams. We have new heads and directors, and most of the product team has been hired in the last few months to work on this project.

This new app has a completely remodeled architecture, and we are very satisfied with this because it will give greater agility to our product team that can build new features and new products.

The waitlist, which I have just mentioned, that is in the air is part of the Dabacuri project. The onboarding and registration features, all of this is ready for bitcoin and Pix as well, and we are now at the conclusion of the project so that in January we can have this new app, and the credit card, and the novelty of the account that we did not have formally, that we now have and will lead to greater engagement and a better contact of Méliuz with the users, the digital accounts per se, transactions through Pix, the purchase and sale of bitcoin, as I mentioned, and several enhancements in terms of the user experience, all the way from the experience with the credit card that will be within the Méliuz app.

The former card has the experience divided between two apps, hampering our users' experience. Here, all the experience will be on a single app, bringing greater engagement and greater points of contact with the users, and will enable us to cross-sell products and services with greater ease.

Additionally, we have improved the back office and the servicing of our clients. We have an in-app chat to improve our services, and a remodel help center. Of course, this adds other functionalities. If I were to speak about them, it would take the entire presentation. But we truly are very enthusiastic with this because it is a new stage for Méliuz.

I will give the floor and then return to speak to you further.

**Lucas Marques:**

Hello, good morning. Let me introduce myself. I am Lucas. I am a little dark now; I have a big beard, I am white and I have brown eyes.

Let us speak first about people. We tend to say that results do not appear magically, they are the result of the work of an exceptional team, and the challenge we have for 2022 is gigantic to bring financial services.

So we have increased our team, as Israel mentioned. We have brought in some heads to work with the new lines of financial services, but also a great number of developers. We were lucky to bring a higher number than we had foreseen.

The fact that we did the IPO, that we were in the media and had exposure enabled us to attract a high number of talents, and the heads that we have for the card and the accounts have also helped us in terms of enhancing technology.

And this is our focus. And because of this, we now have 53% of the Méliuz team allocated to technology and products. Another important point is that 70% of this team is developing technologies and enhancements that will still be launched. The cost we are paying for now, but the result of the work of this team is something that we will only harvest in coming years.

One of the concerns of investors, as well as our concern, is to grow, but we want to grow with quality. Méliuz is known for its culture, and this was always our concern when we spoke about increasing the team.

We have been able to do this. Our turnover is below 1% a month, a very good figure. In other technology companies, this rate is from 3.5% to 5%. We are way below what we see in technology. Companies. Our engineer turnover is 1% a month.

And when we look at the assessment that these new members coming into Méliuz about our integration, the average is 9.9. We are very satisfied, because beyond bringing in an incredible team and very quickly, the faster we bring them in, the faster we can deliver on our promises.

But we also have to make these people feel at home and imbue them with our culture, and we are very happy. We have an incredible team that is happy and ready to deliver what we need.

Let us speak a bit about how we are doing in terms of growth. The first point here refers to the opening of accounts. In the last earnings result, and in the release, we said that we were trying to speed up with our card and with our partner, and that this would have a negative impact that would decrease the rate of growth of new accounts.

Why? Because when you are launching a credit card, many people do not have the account. They come because of the credit card and they open up an account in Méliuz. We did expect the impact, but we continue to have a growth of 10% vis-à-vis the 2Q21. We have launched our card, and in January, we will recover these rates, and once again invest on users for our credit card.

This same impact happens in our active users. Why? Many of our new users were due to the campaigns we had with the credit cards. As we have stopped these campaigns, we decrease the number of new users, but they do become assets. So we have had a slowdown in this growth, but as we had already stated in the last quarter, we spoke about this transparently with the investors.

Here we show you that despite all of this, we continue to increase engagement with our users, with our app. Our app, of course, is a main source of growth and will continue to be. Users use it very frequently. With the experience of the card being within the app, this engagement will increase even further, and the insight sessions will also increase, as we have promised.

To speak about shopping, perhaps this is our most important slide. We have a significant focus this year to bring in new shoppers to our vertical shopping. As I tend to say, when we bring in a new shopping, the greatest impact is not on users. Usually, they have a low GMV, but as the shoppers remain with Méliuz, we create these GMV cohorts, enabling us to create larger cohorts.

You can see to the right in the graph that we have not only been able to retain these cohorts, but we have increased retention and created larger cohorts. So these are three positive effects that we have perceived, even with competition and much more. We have not felt the impact on our cohorts.

To speak about GMV, as expected, we have a GMV 21% higher than the 2Q21, and the novelty here is that we have decided based on the request of investors to bring in the take rate, which is a management tool. Why? The GMV that we generate in the quarter becomes revenue for the following quarter. And this is clear when we look at the revenues of the 1Q, which is always higher because they are the results of the last quarter, which include Black Friday.

So we have brought in the take rate because of investors, and especially in this 3Q, the month of September was very strong, and the impact of a growth in GMV and revenues will be easier perceived in the results of the last quarter.

Here, the invoice, which has continued to surprise us very positively. Although it sounds incredible, we are not disclosing this and paying media for this vertical, but despite this, we have had excellent results of users activating offers. We reached 294,000 users using this feature; the number of offers, 3.6 million, and an incredible number of data points. And we continue to be very enthusiastic, and we believe that this feature is just beginning to grow.

The great novelty here is that we have reinforced our team. We are waiting to be certain that the invoice would remain and become a sustainable product. In retention rates, we see that it has been very good. Therefore, we have reinforced the team and it should improve in the year 2022.

And to bring you very important data, even though we have not disclosed it in paid media, we already have users using this feature in more than 3,600 cities in Brazil, 65% of the cities in the country.

Now to speak about our financial services, as I mentioned, we stopped making investments in paid media, and because of this, there was a certain slowdown. We did not feel an impact on revenues, not for the time being, because we still have a base that is still using this card, and we believe that this will continue on.

Despite the fact that we are not disseminating the card, users are using that card because we have a growth in TPV.

When we speak about crypto assets, especially Alter, which was our acquisition in this sector, we had a very consistent growth month on month, quarter on quarter. And of course, this makes us extremely happy.

Alter has had excellent results. This is what gives us greater enthusiasm. We see a very high engagement of users, and there is an enormous opportunity for growth. So we have brought it here simply to show you what we can expect in the coming year. These are figures referring only to Alter, without Méliuz having done any dissemination. This is an achievement of the Alter team.

We will speak about our international vertical. As promised, we have a cashback feature in nine countries where we thought the opportunities were greater. We have several users using the cashback, redeeming it. It truly is operational, and the idea is to continue on with the rollout, with enhancements, increasing other features to have a greater impact.

And we are in the process of creating an app. With the creation of the app, you will see that the impact will be gigantic. The app is what most engages users and grows at a very fast pace. So we are quite enthusiastic with the next steps.

And it is worthwhile thinking about the following: as with a story of mergers, and you could see this in the cohort graphs, this is a gradual process. We put a user in the cohort, they will buy this year, they will buy the next year and in future years, and this is how we end up building a base. Imagine this with gradual growth, achieving a very similar result as Méliuz has during its history.

A few numbers. R\$234 million in GMV in the 3Q, R\$7.7 million net revenue. Picodi, which is one of the greatest assets, has organic traffic, which is not paid. And most of this traffic of R\$13 million is our traffic. When we add cashbacks, we add users at a very low price. We have a return on investment that is very efficient and we are enthusiastic with the next steps.

**Luciano Valle:**

Good morning. I am going to speak to you about financial services. I am Luciano Valle, CFO and IRO. I am a white man, I do not have a beard. I have dark hair, but yes, with a few grey hair, and I am wearing a black T shirt and an earphone.

To speak about our results, let us begin with our net revenue. At the end of the 3Q, we presented total revenues of R\$58.7 million for the Group as a whole. This represents an 8% growth when we look at the results of the 2Q, and a growth of 129% vis-à-vis the 3Q20.

When we look at net revenue in the last 12 months, we get R\$208.4 million for the Group, equivalent to almost 20% vis-à-vis the former quarter, and a growth of 96% in the last 12 months ending in the 3Q20.

To speak about net revenue per business vertical, in the shopping vertical, in the 1Q, we got to R\$47.1 million of revenue, a growth of almost 10% compared to the previous quarter, and 110% vis-à-vis the 3Q20.

As we had highlighted here, R\$7.7 million of revenues comes from Picodi, our international operations, and 39.4% from the national vertical. In the last 12 months, we reached R\$168 million, a growth of 70% vis-à-vis the last quarter, and 70% growth vis-à-vis the 3Q20

in our financial services vertical, Lucas has already mentioned the impact of our slowdown. With the present day card that we have, we still have not had this impact fully reflected in the figures. We got to R\$8.6 million in the 3Q, stable vis-à-vis the previous quarter, and the growth of 171% vis-à-vis the 3Q20. For the revenues of the last 12 months, we got to R\$34 million, a growth of almost 20% compared to the 2Q21, and more than 370% vis-à-vis the 3Q20. We will have a greater impact in this line item in the 4Q because of our strategy.

And to look at our EBITDA, it is important to underscore a message that we have given in the presentation. We continue to invest to deliver new and better products, and this is to reinforce our commitment of generating value in the long term.

When we look at the EBITDA numbers, they reflect this strategy, and we have made the decision to deliver what it is that we hope in the future. We are building the base at present to harvest the results in the future.

In the last quarter, our EBITDA was R\$-7.2 million, and we now got to an adjusted EBITDA in this quarter of almost R\$-10 million due to the increase of investments that we have made in the growth of the team of R\$6 million in the last quarter.

And finally, when it comes to financial results, as we did in the 2Q, a proforma vision of our net revenue considering Acesso. This is an acquisition that still awaits the approval of the Central Bank. We got to R\$285.8 million net revenue accrued in the last 12 months at the end of the 3Q, a growth of 12% vis-à-vis the 2Q, when we had R\$255.5 million net revenues for the last 12 months.

And it is important to speak about what we have been doing during the last year. Yesterday, we announced our results. After the IPO, this is our fifth announcement, so that we can underscore the main messages for the coming quarters. First of all, we want to continue to reinforce our team, always with a focus on products and technology. This will always be our priority when it comes to people, to reinforce the team that is strategic for the Company.

On our national shopping agenda, we are quite focused on getting ready to deliver an excellent Black Friday. This is the main quarter of the year, and has been a very important day for our team and our journey within shopping.

In the international shopping vertical, we are making strides in the tests and the launch of new features in Picodi. And finally, we would also like to reinforce the message we gave at the beginning, a full focus on structuring and developing the new app and the new financial products that we will launch in January of 2022.

These are the first efforts, the waitlist for the credit card. So this will be the focus from the coming quarters.

And with this, I would like to return the floor to Jojo so that we can go on to questions and answers.

Thank you very much. We now go on for the Q&A session, to make a question please raise your hand.

**Fred Mendes, Bank of America:**

The most important point in coming months. When I look at the partnership with Banco PAN, this is natural, but it took you six months of TAS to gain scale and take off. I know you do not speak about deadlines, but you already have knowledge about channels. So will it be a shorter term until the takeoff compared to what you had with Banco PAN? This is the first question.

The second question is for Lucas. You began with 140 employees, you now have 870 for Méliuz, it is 340 in a year. If you think that the main purpose of your team are in place, the main executives, or do you still have work to be done? Of course, you will always have work to be done, but have you hired most of your team or are you still in the process of doing this? Thank you.

**Israel Salmen:**

Thank you, Fred, for the question I will answer now first, in terms of the speed that we are able to print our new credit card. The cobranded card was a learning for us in 2019, and this related more to their distribution channels, how to efficiently attract the audience with efficiency, and ensure that this audience would stay with us in the long term.

There were months of learning, and I do believe that we have learned a great deal, and we are ready to distribute our own card. However, Fred, there is new learning now with our own card that relates more to the risks. Which will be our risk appetite in the part of credit, and in this, we will be very cautious at the beginning with our hand on the steering wheel, always with our hands on the steering wheel. You can expect a new cycle of learning.

However, I would like to remind you that we will be launching other products simultaneously, and these new products will always generate learning and new metrics so that we can set up an ever better framework to accelerate the credit card.

So this mix makes us comfortable with a great deal of challenges in the short term. So the distribution challenges, given we have learned a great deal, we know how to handle this business. Nevertheless, we have a great deal of learning ahead of us. We do not want to make mistakes. This is not something that we want to do, to come back to call and explain why one of our quarters was bad. We want to take big steps where we are very conscious, expanding the number of users, but only when we are comfortable.

Do not expect us to come back and offer you justifications. Quite the contrary, we will continue with our hands steadily on the steering wheel.

**Lucas Marques:**

Fred, thank you for the question. Yes, most of the key positions have been hired. It was a surprise for us. We thought this would be a lengthier process, especially in terms of devs, technology and the heads.

So we have practically hired persons for all of the positions. There will be few novelties in the coming months. We have a very full team, almost a full team, perhaps one or another person for the coming year.

**Fred Mendes:**

Thank you. That was very clear.

**Otávio Tanganelli, Bradesco BBI:**

Thank you for taking my question. We do see some players speaking about a slowdown in e-commerce and perhaps a possible anticipation of Black Friday. I would like to hear your vision if this makes sense, if there is a marginal slow down of e-commerce, something that you have felt. And Luciano spoke about this, but if you could further explore your expectations for Black Friday. Thank you very much.

**Israel Salmen:**

Otávio, to be very transparent, we have not felt any impact here. And I think that this might be the result of our concern since the IPO up to present, creating a very good cohort for our products. If you have more shoppers, if one or another shopper stops buying, this is offset by this. We have not felt this impact when speaking about Méliuz, of course.

As Luciano said, we do believe it will be an excellent Black Friday.

**Otávio Tanganelli:**

Very clear, thank you very much.

**Marco Calvi, Itaú:**

Good morning. Two questions on my side. First of all, I would like to hear you remarking on Alter very generally, which is the crypto strategy that will help you with a new card? We have seen the crypto back on the card, which I found very interesting. Is this a complementary initiative that will leverage your offer of financial services?

And a second and more objective question, the expansion of the take rate from the quarterly and year on year outlook. You spoke about the Black Friday campaign. If you could explain if there is another factor underlying the expansion of the take rate year-on-year and quarter-on-quarter. Thank you.

**Israel Salmen:**

Thank you. Calvin, if I can speak about the crypto part here, I will address your question directly. What is important to say about the Alter acquisition is that in the short term, we want to increase engagement. The buying and selling tool, the sending and receiving of crypto gives us a great deal of enthusiasm.

In the middle and long term, we would like to convey the image that we are open minded about what is happening worldwide, and to bring in the Alter group and their knowledge in blockchain and cryptocurrency in-house shows you that we are not about to stop here where this short term engagement tool. We want to broaden our horizons and we are quite enthusiastic for the medium and long term.

Now, to speak about the new credit card and how it speaks to the crypto currency, Alter uses our passion with Crypto Bank, and this relates more to the credit card. And in our case, we have the Crypto Bank and a credit card per se, initially. And besides this, it is our understanding that the crypto custody, always with our hands on the steering wheel. could help us to work with collateral systems with cryptocurrency. We have, of course, to calculate the warranties. This is very volatile, but it is something that we can also use. So this, very broadly, is what we are intending to do.

Regarding the take rate, Calvi, we are striding through our commercial team to carry out recurrent campaigns with our user base, and all of this refers to our strategy of having a more engaged user. We are able to negotiate better conditions with the stores, we create more campaigns and the sales machine has been working very well.

What happened in the last quarter and continues to happen now is that we are able to close more campaigns. We are triggering more communication, working with more communication in the app as well as in our site. And with this, we have increased the take rate for the average commission through time.

This generates more engagement and, by generating more engagement, we have a better possibility of delivering new products and services in January for a highly engaged base. There are no mysteries here.

**Marco Calvi:**

Thank you very much. That is excellent.

**Andrew Ruben, Morgan Stanley:**

Thanks very much for the question. As it pertains to international operations, can you talk a bit more about the early cashback rollout and the timing between when you introduce and when we should see the benefits? Thank you.

**Israel Salmen:**

Thank you for the question. I can say that we are within what was forecast. We launched in the countries that we have forecast in the first six months since the acquisition.

The Picodi team, the technology team is extremely strong, and we were surprised with the speed in which they were able to put everything in the air. We already have tests with the new app that should go out for the Android base before Black Friday, which will also increase engagement.

And as Lucas mentioned on the acquisition of new users, the new cohorts, the new hardness of users represent a piece of a greater whole, a piece of the revenues of the GMV generated by users. And this logic is also valid for Picodi.

As we include these new users, they will form the first cohorts that will begin to have a more expressive impact on our exponential revenues through time. And after, we will be able to accumulate several cohorts through the quarters.

I believe we will begin to see the results of Picodi at the end of the first year with greater consistency, and this will become exponential in the second and third years.

This is what we observed in Brazil. When we began this in Brazil in 2011, we were able to put this in action through the years, once our product had a good fit and was working well, and we were able to add new cohorts, or harvest quarter on quarter.

Andrew, we do have a commitment to give you ever more information throughout the quarters regarding how these new cohorts or harvests are performing, so that you can analyze this and better understand what you can expect from these new groups.

Going forward, this is what our IR team is planning to do. So we can respond to your question better in the coming quarters when we have more information on the performance of these cohorts or harvests.

**Giovana Villari:**

At this point, we would like to end our question and answer session. I will return the floor to Israel for the closing remarks.

**Israel Salmen:**

Thank you, Giovana. I think that Méliuz has never been in such a golden moment as we are living now. We work with people that we like, that we have finger picked. We maintain our culture, our discipline, bringing in the right people to the team.

And this means bringing in people that will stand with us over the long term. When we look at the turnover, we see that very few people are leaving our engineering. My vision is to build a long term company, and the main business that we have to focus on is the people, and this is where we truly focus, on the door of entry.

And once we bring in the right people, our commitment is to build quality products, always testing novelties, always innovating, never bringing in products that are based on hypotheses. We base ourselves on data and test to know what truly works and what does not work.

We are capitalized, we still have the resources of the IPO and the follow on, but now we have a full team that is very well trained. More than 800 people that will give us that power to work and develop new features with greater agility.

If this were not sufficient, we have worked during the entire year to prepare an incredible Black Friday. Our team has delivered a great number of functionalities to engage our base to offer more functionalities to our partners.

And I want to mention the new app, the card and all the novelties we will offer you in January that will change Méliuz completely. We find ourselves in a golden moment, with a great deal of enthusiasm.

I would like to thank all of you for your presence. I thank Luca and Luciano for their presentation, and we hope to see you in the coming quarter. Thank you very much.

**Giovana Villari:**

Thank you, Israel. Méliuz concludes its earnings release for the 3Q21. Thank you for your participation. We will see you at the next call. Thank you very much.

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