



## **Conference Call Transcript Méliuz 1Q23 Results**

### **Giovana Villari:**

Good afternoon and thank you for standing by. Welcome to Méliuz's webinar to discuss the result for 1Q23. My name is Giovana Villari, I work in Méliuz's folks' team and I will host this event.

Our conference will be held in Portuguese and translated into English simultaneously. To select the preferred language, click on the interpretation button located at the bottom of the screen.

Again, for a non-Portuguese speaker audience, let me inform you that this event is being simultaneously translated into English. Please select the preferred language by clicking on the interpretation button, which is located at the bottom of the screen.

With us here today we have Israel Salmen, founder and CEO of Méliuz, Gabriel Loures, Growth Director, André Amaral, Director of Strategy, Shopping and Data, and Marcio Penna, Méliuz's Investor Relations Head.

Before turning the floor over to Israel, I would like to inform you that this event is being recorded and, at this moment, all participants will be in listen-only mode. Then, we will start the Q&A session. To ask a question, just click on the raise hand icon on Zoom. The materials presented are available for download on our website: [ri.meliuz.com.br](https://ri.meliuz.com.br), in the results center session.

Over to you, Israel.

### **Israel Salmen:**

Thank you. Good afternoon, everyone. It is a pleasure to be here speaking to you.

I make it a point to bring all the management team that are involved in the great missions that we have for the year ahead of us, and I am very happy with the performance of our team.

We started the year with some sad news. We unfortunately had to reduce our team, people we like, people who had a very good relationship with the rest of the team and somehow this can impact our team. We get a bit upset but the team is very engaged in the mission. What I saw our team doing in the three or four first months of the year made me very proud.

At the moment, we are changing ways. We are starting an agreement with Banco BV and I see that the team is very engaged. I have the feeling that they have control over what is happening, I trust them and we are going to focus on the Company that you saw at IPO. A Company that arrived at the IPO generating cash, with a positive margin and showing growth.

This is no news for us, we have done this a number of times last year, when Méliuz had hardly received any investments and then we received some investments from the IPO, which made us go back to the trajectory that demanded by the moment.

So, we are ever more aware of the costs and expenses related to the operation and we are also optimizing revenues and some lines of businesses with growth and also involved in the growth of subsidiaries.



I feel that the team is very engaged with our purpose and the results that we are going to show you will make you to understand what the new Méliuz is after the agreement with the Banco BV, after the sale of Bankly and with a leaner team so that we can proceed with the next steps.

André and I will be available for the Q&A session, but the presentation will be coordinated by Gabriel and Marcio. So, I turned the floor to them and then I will be back to talk to you again.

**Gabriel Loures:**

Thank you, Israel. Good afternoon, everyone. My name is Gabriel.

I am going to go over our results. I am the Growth Director and I am going to talk about this vertical in Brazil shopping, as well as international shopping and I will bring more details about our partnership with BV and also discuss our vertical of financial services.

As you know, we made a sales agreement with BV in December 2022. In the agreement, we support the partnership with the bank to offer a portfolio of financial services and products launched on Méliuz's app, but in the asset like model, where Banco BV will compensate for the activation of those products and it also brings in all the expertise that the bank has in offering those products to the client, for instance, fraud prevention and other topics that are brought with the expertise of BV.

During this period, we started developing in January and, in the beginning of March, we had a red pilot project running for employees of Méliuz and BV, and, after April 12th, we opened the first current account and the first card for the final user.

We are very happy with the speed that we exerted in this offer and this was partly possible because we use the same structure of the bank as a service, that is Bankly, that we used for the cards and for our account.

We have a multidisciplinary team across the Company, Bankly, Méliuz, BV, working on the offer of those products so that we can scale up the volume of the opening of those accounts and cards so that we can do this in a progressive manner in months to come.

We cannot see the results in the PNL of Méliuz yet, Marcio will provide more detail about it, shortly, for two reasons. First, the volume in 1Q23 was negligent and the costs are also reflected in the PNL in part of 1Q23 and it started to be passed through as of the second fortnight of March. We are going to show you a little bit how this is materialized in our PNL.

We are accomplishing our mission which is to scale up our offer of product and offer our financial services included in our purchase experience. So, we create a Méliuz experience, a unique experience to the user, regardless or not if they are open in a Méliuz or BV account, and this will ensure the partner partnership in the long term.

As next steps, we are also going to launch new financial products. According to the financial agreement, we executed both related to insurance, credit and other products that are on the road map of the partnership and all the technical team is working on this. In addition, we also have some formal items in order to formalize the agreement with the Bank BV. Marcio will also provide more details about it.



Now, about vertical shopping, we have the focus on optimizing the image. We showed once again a quarter with a growth in our net take rate. So, in 1Q22 we reached a net take rate of 2% and now we have reached 2.2%, and this forces our positioning of Méliuz in front of our partners.

In spite of the challenging moment we are facing, we can improve month after month. The amount will have a return and Méliuz continues to be a very strategic channel for those partners. This can be seen in the higher volume of campaigns for our users. Our users can see new opportunities to get cash back and it also reflects the commissioning plan of Méliuz, which is reflected in the net take rate.

Together with that, on our side, we work to ensure intelligence in the segmentation and the offer of cash back to ensure that our cash back strategy will generate value to the user. However, at this time, we would reduce the cost that it has in our PNL in a segmented and smart rate.

So, we do hundreds of tests in order to ensure with proper metrics showing that we are delivering cash back in the optimum manner. At the same time that we are working to improve the net take rate, we also see that we have reduced the marketing expenses when compared to the same period of last year.

This drop of 42% is only possible because Méliuz has some groups which are retained and, month after month, we continue purchasing more and more. So, we managed to ensure a healthy behavior of our purchases.

We retain the purchases, we grasp the reins and make all the adjustments of investment, also monitoring the higher interest rates and we also increase our return target, reducing the payback time expected from the campaigns. And, with this, we can maintain our business in a healthy way, at the same time that we receive marketing investment and bring more results to our system.

This slide reflects the evolution of our model and the win-win model that we have for Méliuz. We have been managing to deliver more campaigns together with our partners, more opportunities for them to generate efficient sales, more opportunities for our users to gain cash back and then, at the same time, a healthier margin for the business.

And this is reflected in our financial results. In spite of the 42% reduction that I mentioned before, our revenue dropped only 11% year on year, comparing the two first quarters of those years, and this is reflected in our effort and our business lines that generate incremental results for Méliuz and also ensures for our partners exposure in all our channel of communication.

As I said, our cash back advances had to drop 27% in terms of cash back related expenses and the consequences of healthier marketing in our shopping Brazil business with a growth of 32%. As we can see on the right, year over year, from R\$19.9 million to a margin of R\$26.5 million in 1Q23, for reinforcing that we can generate value to our users and we can also make it profitable, going with better cash back businesses and better management of our business.

I would now like to talk about the international shopping business, the Picodi. A big milestone was reached. Two million accounts have been opened since the cash back operation was launched and, as we mentioned in the last release of results, Picodi reached those results much quicker than Méliuz. In spite of operating in less than two years, we have already reached this mark, on the other hand, with Méliuz, we took over five years.

And the result is a very high level of buyers, in comparison to the 1Q22, we can see this great increase. This is reflected in the operating numbers. The GMV of the Company grew by 400% and net income and cash back operation also grew in line with the 400%.

Cash back operation now accounts for 38% of Picodi's net income total of Picodi against 26% of 4Q22, showing the efficiency of our strategy. When we replace the legacy business with a cash back business, that is very successful and our expectation is that it will bring gain more users that will continue purchasing with Picodi, allowing us to grow the business exponentially as we did with Méliuz, when we were generating ever more results and more GMV.

In relation to operating results and revenues, this is what I had to say. I would like to turn the floor over to Marcio, who will talk more about the financial aspects.

**Marcio Penna:**

Thank you, Gabriel. Good afternoon, everyone. It is a pleasure to be here with you once again.

Next slide, more important than speaking about the costs and expenses that were reduced along 1Q23, better yet is to show that the Company is making a long-term effort. Then, we have been doing this for one year, reducing all those costs as a whole so that we can have a more asset-like structure.

Therefore, we reviewed 1Q23 and we have performed a release when we see cost structure that can be sustainable for the quarters to come. We can see the variation here. We have a robust reduction in terms of expenses and costs in all lines related to expenses, especially head counts, personnel, as was mentioned in the beginning of our presentation.

And, at the end of the period, excluding Bankly, which is about to be sold, and the extraordinary items, namely those which are not recurrent in the balance sheet, excluding those, we get to a level of expenses, which is much below of what we had at the end of 4Q22.

And the last green column shows the expenses that were excluded after the commercial agreement that we signed with Banco BV, but this amount of R\$5.5 million shows as if it had happened in the quarter as a whole.

So, we did this because you can understand what our cost study would be from today on. We have recurring expenses because we believe that this is what Méliuz can deliver in the next quarter in terms of expenses and costs.

We see upside, in the sense, we believe we can have further reduction and we are working hard on this and this is everybody's goals inside Méliuz. So, we are negotiating with suppliers, we are making operational improvements, we are maximizing the margins of the products that are delivered in order to reduce operating expenses even further in a sustainable and longstanding manner for the quarters to come.

Now, moving on to the next slide. Here, we show how this would impact the bottom line of the Company. So, again, excluding the Bankly, which is about to be sold to Banco BV, we come from a consolidated EBITDA -13.1 excluding the extraordinary items, which are non-recurring, as we mentioned in the report with the provision of Americanas and the costs of the termination of agreement, court fees, because of the transaction related to BV, out of R\$7 million, so we get to an adjusted EBITDA of R\$7.6 million in the period.

So, bringing into a more long-lasting structure that we can deliver downwards, excluding the expenses that, after the trade agreement that I mentioned in the previous slide, we reached a recurring result of R\$1.5 million.

We are working hard in order to generate cash for this year, operating cash for this year and improving the result of the Company period over period, but we delivered a very good improvement in comparison to the previous quarters, considering the cash level, which is very robust, the financial result is very positive, R\$13.8 million and, excluding some other expenses related to amortization of R\$0.7 million, we get to a recurring net result of R\$7.6 million.

And this is a result, as I said, more important than the result of 1Q23. We can see this as a new Company, an asset-like Company that is going to be operated from now on. So, we have more upside generating more revenues. We still do not have the revenue from the agreement with the Banco BV and this is something that is going to start materializing as of the second quarter.

Next slide. As we have done in the past quarters, we show a little bit of what is been happening with our single partnership with the Banco BV and, in 1Q23, it is very important because we had one approval of the bylaws and we had the election of a new member that is integrating the board to help us in the evolution of the Company.

We started the offer of our financial products of accounts and cards, and the acquisition of the minority share of 3.85% of Méliuz with Banco BV. What are the next steps? As we said, we talked about the preemptive right exercise, which is something that is already materializing and it is going as far as the May 26<sup>th</sup> and we are about to complete the signature of the SPA for the sale of 100% of the share of Bankly in a partnership with Banco BV, so we are very close to this event.

The next delivery is related to this, as soon as the SPA is signed and the preemptive right is completed. The transaction will have to be approved by the central bank and, after the approval by the central bank, we are going to complete the transaction and then we will have to wait for two years so that the preemptive right will continue for the Company and they are also allowed to offer the same terms and conditions.

In this timeline related to the sales partnership with Banco BV, some weeks ago, we talked about a grouping and deployment of the shares. So, the shares will have a new value with different quantities for the shareholders.

I finish the presentation here and we can now open the Q&A session.

**Ricardo Buchpiguél, BTG Pactual:**

Good afternoon, everyone. Congratulations on the results. I have three questions on my side.

First, could you quantify the impact of the reduction in Americanas' sales this quarter for Méliuz and how much of the flow of Americanas' sales could be redirected to other partners who are operating inside Méliuz's environment, considering that we are in the second half of the second quarter?

Could you also provide more information about the cost adjustments that were made during 1Q23? I would like to understand what were the measures adopted to control costs and what we should expect in the future, as you commented that there is still more space.

Finally, I would like to understand the details related to the cash flow. In 1Q23, we saw a drop of R\$116 million in the cash position and there was a cash burn of R\$24 million, excluding the balance from Bankly customers, as you mentioned in the release.

Does that mean that the difference of the R\$92 million drop is related to the lower number of clients of Bankly? And if so, could you justify and explain what happened to justify the drop? Thank you.

**André Amaral:**

I can start answering the first question and Marcio and Israel can continue. Thank you for the question.

In relation to Americanas, the market understands that this was one of the largest e-commerce players and we estimate that we are a representative snapshot of the Brazilian market, but we understood also that there was a drop before the crisis. We observed some reduction, there is a significant reduction in fact losing ground while Méliuz started to continue growing.

The share of Americanas lost some ground during the period and the share at the end of 2022 was much lower than we saw in other moments of our history. And when the crisis happened, as we saw in the beginning of the year, quickly, we started adopting some strategies to direct flow to other e-commerce partners and we were very successful in this new redirection.

We measured this, we monitored this very closely in the beginning when everything was happening, so that we could monitor what we were losing in terms of Americanas and what would happen to the other related partners.

What we can say here is that a large part of those sales, may be them all, we saw them dropping to other partners, of course, not 100%. We still have some partners. We have some e-commerce in the same category of Americanas, which are not partners of Méliuz. So, we have lost some sales, but we made a lot of efforts with other partners and that evolved our sales team and we managed to absorb a lot of the volume.

So, what we saw in 1Q23, as Gabriel has already explained in detail in the release, they are consequences of the e-commerce trend and also when we prioritize the campaigns with better operating margins for the Company, the consequence is that there is a deceleration of GMV that we increased the operating margin of this vertical.

In summary, a large part of the sales was successfully migrated to other partners and Americanas itself announced that their volume had a significant reduction as a whole, not only at Méliuz. Those sales continue to exist in other players and we could do a very successful job in this regard.

**Gabriel Loures:**

I can answer the question about costs, Ricardo, and I can provide some context. Since last year, we have been running a committee called the operational efficiency team, in which we look at the cost of the Company. I can say for sure that the results of cost reduction in 1Q22 is not a result of the efforts made in 1Q23, but it is an effort that has been done for a long time.



More specifically talking about the cost lines and looking at Méliuz, we commented on the optimization of cash back related costs which are our main line of cost. We have been working a lot on reviewing suppliers and negotiating in order to understand each supplier and we have been negotiating with them all.

As mentioned in the beginning of the presentation, we had a reduction of our head count so that we could make adjustments to the new market moment and this had an impact on the results in a positive manner.

Now, looking at the partnership with Banco BV, as Marcio explained, we started to deliver some of the costs. Some of the costs are going to be assumed by Bank BV and this will mean a reduction in the cost basis, now, a Company more asset light.

And this has not been seen in 1Q23, totally considering that this started happening after the second half of March, but we expect that we are going to see the results in the quarters to come.

## **Israel Salmen:**

Just let me add, Ricardo, thank you for the question.

We can say for sure that most of the gains that are going to come from renegotiation with suppliers are not reflected in this result. They will start to be seen in the future. So, Loures, we have been working on this and most of the results are going to be seen in the next cycle and they are not irrelevant. These are costs that we consider to be very high and I can say that we were very successful in our negotiations.

## **Marcio Penna:**

Ricardo, thank you for the question. I am going to answer your last question in relation to the difference of cash. Comparing 4Q22 and 1Q23, you are right. According to 1Q23 results, we had the reduction of around R\$116 million and we have to make it clear that not everything is related to cash burn.

So, R\$23 million, as we mentioned in the report, came from Méliuz cash, R\$17 million from the parent company, payment of bonus, cash burn and other items, and the remainder, about R\$7 million, related to cash burn, related to Bankly and other subsidiaries put together.

The remainder, which is the biggest part of this item, about R\$90 million, are not cash burns. So, there is a counterpart, 90% of this amount is related to a project that was discontinued, Meu Acesso (My Access), which was a prepaid card product.

Then, the balance was delivered to the client, what we do not account for as cash, and the strategy behind it is to focus on banking as a service, using the platform that the product is going to evolve along the time.

The prepaid card is a product that we do not consider to have profitable margins. And the remaining 10%, which is not related to cash burned, is cash used for the credits to be paid, related to the guarantees that we have to have in the period of the end of the year to cover factors related to the credit card of our customers.

So, we have this obligation to have this amount because, if we have more expenses in this period, we have this provision and if we do not use it, it goes back to the other line.

So, this is the explanation. I hope it was clear, if not, you can let me know.

**Ricardo Buchpiguel:**

Yes, it was very clear. Thank you.

**Lucca Brendim, Bank of America:**

Hello, good afternoon, everyone. Thank you for answering my questions. I have two questions on my side.

The first one is related to an update on what shopping Brazil is playing out looking at the second half of the year and make a comparison if there is any change considering what we saw in the market in the first half of the year.

And the other one is related to Bankly. You mentioned about cash burn of the subsidiary as a whole, but I would like to know how Bankly would behave if there is any adjustment and if there will be a further cash burn. Also, if there is any way that we can monitor this so that we can see this is reflected in the final amount of the purchase.

Thank you.

**Gabriel Loures:**

I am going to answer the first question and then André will add to that.

Looking into the future, in terms of e-commerce, we understand it is facing a challenging period, but we are very enthusiastic about everything that we have been doing inside Méliuz in the shopping Brazil vertical.

We are growing revenues, as we mentioned in the latest release, about Méliuz Ads, which has grown and shown a lot of value for partners, and is basically how we make our partners stand out more for our users, for our customers. This increases this item, which we monetize via Méliuz Ads.

And there are other initiatives that are done here. So, we are getting closer to our users, we are taking all the opportunities on commemorative periods and, at the same time, we create other lines, in order for other partners to join in other revenue lines we are working on.

Then, as a new partner portfolio, we are very cautious, but we are very enthusiastic. We are enthusiastic about the possibility, not only for the second quarter, but also for the rest of the year.

**André Amaral:**

Only to add, it is important to mention that we also have other initiatives that many of them are being tested right now. So, it is difficult to quantify to provide any guidance. We do not provide any guidance related to this, but the product team is working on new solutions in the e-commerce protocol in order to solve other pains of our partners, in addition to the other ones that we already





addressed. So, this is something that we can expect along the next months in a new project being launched.

**Israel Salmen:**

Hello, Luca, thank you for the question.

Bankly was negotiated at R\$210 million in addition to the CDI over the period, which would be as far as the Bank of Brazil approved. So, this is an amount which is relevant that will be approved by the Central Bank. I would say that I will look at this as a top priority.

I am working with the Bankly team and we are leading this front. We are very focused on this break even on Bankly. Then, we just mentioned the breakeven for Méliuz, we mentioned that some of the results are still to come, so we can expect the same with Bankly.

And this is something that does not happen overnight. Therefore, for the second quarter, we are going to continue making a lot of adjustments that will start to generate the results in the second half of the year.

I am personally leading this and Bankly's team is engaging in order to reverse this result and protect what we expect in terms of EV that we negotiated with Bankly and we are about to receive. So, we are monitoring this very closely and I thank you again for the question.

**Lucca Brendim:**

OK. That was very clear. Thank you for the answers.

**Andrew Ruben, Morgan Stanley:**

Hi. Thank you.

I was hoping you could update a bit more on Picodi, how far along you are in the shift that cash back, look like a nice ramp of users in 1Q23. And then how should we think about the legacy coupon business? How does that progress over the coming quarters and years?

Thank you.

**Gabriel Loures:**

Looking at Picodi, we have made a lot of progress in the 44 countries where Picodi operates. Going back in our history, we launched the cash back first for nine countries in September 2021. And then, last year, we did the rollout of this feature of cash back to all the other countries where Picodi operates.

Obviously, some countries are more relevant for the final results of the Company. All of the strategies here of converting a user into a cash back user is based on the power of the crop that is provided by us, because it is the user that will come back after the first purchase and, as a consequence, it generates value over time.



And the coupon user is a user that comes in organically looking for better opportunities. He can go back to Picodi or not, or maybe he will buy just once and he can use the discount at another site.

So, the strategy of the business is to qualify organic traffic into recurring users over time. And the idea is that the cash back business will continue growing and be ever more relevant considering the result of Picodi.

We are going to build those groups that will generate a GMV and we will pile up along the next quarters in order to increase the result of the Company in an almost exponential way, just like Méliuz found since its foundation in 2011.

I hope it was clear.

**Israel Salmen:**

I would also like to reinforce a point which is very important.

When we started Méliuz in 2011, for some years, we had a level of net take rate which is half of what we see today. So, we offered less cash back to the users. And as a consequence, we generated fewer sales to our partners, and fewer incentives for purchases.

And along the way, after we visited the operations of our partner shops, when we saw the affiliated networks and also when we grew the number of users of Méliuz, our part of negotiation of purchasing power was greater with the shopkeepers. At Picodi, this is something we have not even started.

So, there is a big upside as we see it, because we have a stronger user base and we are going to start knocking at the doors of our partners, who are more than 10,000 across the world. Also considering our partner affiliates so that we can do a work which is similar to what we did in Brazil to those take rates.

So, it is a combination of cohorts using users that are accumulated, as Gabriel mentioned. But there is a lot of opportunity in terms of revenue to be gained and we know the way since we have done that in the past and the proof is that, when we look at users, as Loures mentioned, we managed in less than two years to bring in an international base of users of two million people.

And we took over five years at Méliuz to do that, so this is a result of the know-how we have, how to make this product work, and how to relate well with the user. Therefore, we understand this commission ramp up that we received from the shops will happen at a better pace than we saw with Méliuz in the past.

I can only say positive things about this operation, even though it is small. I am very enthusiastic for this operation in the future.

**Andrew Ruben:**

Great. Thank you both.

**Kaio da Prato: UBS:**



Thank you, Israel, Marcio, everyone. Thank you for the possibility of asking questions.

I would, once again, go back to the adjusted member considering Méliuz alone with the negative EBITDA of R\$1.5 million and profit of R\$8 million. You mentioned renegotiation with suppliers, so I would like to understand a little bit more. What is the potential of those negotiations? This is the first question.

In addition, the second question would be what could be the other growth drivers for Méliuz in the future? I understand that GMV growth is a key but, at the same time, you have focused on image and less on cash back. So how do you see this dynamic? Can we see a moment when GMV will grow stronger as in some previous quarters, or if in the short term, we are going to see the growth going to lower cost and expenses?

So, if you could talk about the dynamic, it would be very helpful. Thank you.

**Gabriel Loures:**

I can talk about suppliers and then you can add to what I said. As I mentioned, we have worked very hard on renegotiating with all suppliers of Méliuz. So, this is valid for the large and small suppliers. Of course, we are observing all the contracts for periods, but we are making a lot of effort in order to find the best solutions considering everything that we deliver to our clients and all the products that we have been using at Méliuz.

Therefore, I cannot provide an exact number in terms of expectation on suppliers because we do not provide guidance, but what we can see is that we are looking at all cost lines of the Company and we are having a very concentrated effort.

But it is just the beginning of the work and we hope that this review, this number and this revision of the base of customers will grow and we will bring more results.

**Marcio Loures:**

I can answer the second part of your question that is related to the growth guidance in the future and what we expect down the road. Kaio, thank you for the question.

Usually, we expect and understand that the market shopping Brazil is cyclic. We are undergoing a moment which is more challenging that we have to face in the past, but maybe there will be a drop in the interest rate and we may start a new better cycle for the growth of the Company, for the retail sector especially, and this will drive our core business, which is the cash back.

In addition to everything, which is known to everyone, there are other products that we are launching, for instance, Méliuz Ads. We have been working on this project on our app. We are providing opportunities to our partners to be more exposed by Méliuz's users and have a better chance to be clicked on and to sell more.

So, we continue boosting the sales now with Méliuz Ads and we have seen this growing in terms of percentage every quarter. As to revenues, it has 100% margin because we create this in-house work, so there is no need to hire anything external.

In addition to that, we have the Méliuz Invoice, which is an offline product that has been growing a lot. It has already been accessed by more than 3,000 cities in Brazil and with no advertisement,



no marketing from our side. Our user using the app tries to find what is Méliuz Invoive and they consume the product.

Then, we do a lot of tests in order to see what is the best way to offer this to the user, so as our partners can have more sales and obviously the best way to have the remuneration of the transactions. And, of course, this is going to be an avenue for growth for Méliuz.

And, in addition, we have to mention Picodi, that is the pathway which is not a short term, but we expect that, in the average term, it will bring robust results to the Company. I would also like to remind you that we have other subsidiaries companies, Promobit, Melhor Plano and Muambator, and they have been working well.

In addition, there are companies generating cash and we expect all of them by the end of the year generate cash. So, these are opportunities that we see from a general viewpoint. And, lastly, Gabriel, André and Israel, if it is the case, please add to what I said, we have a partnership with the Banco BV that does not involve only the current account and the card, but there are also other products that can be offered to the market in the future.

Therefore, these are financial products that are going to be announced to the market as of the second half of this year.

**André Amaral:**

Only to add some more information. One of the main growth drivers that we can expect along the next two months is certainly in the vertical of financial services, as a consequence of the partnership we are establishing with Banco BV.

Everybody remembers the co-branded card. We grew that project, but we understand it had some limitations in terms of revenue leverage because we did not have any control over the project. It was just a partner, so we moved on only with Bankly in the past year.

As we have announced before, this is no news to most of you, with the partnership with Banco BV, we can open accounts at a faster speed and be remunerated by this, since we are also going to be generating value to BV, we are also going to use the card and we have more control, different from what happened when we had the co-branded.

And, as we mentioned before in April, we started the roll out of cards, considering the partnership with BV. We also have a team developing accessory products with very positive margins and we believe that those products are going to bring good results for the next month.

So, we have some squads dedicated to the construction of those products that, in addition to the remuneration from those cards, are also going to be drivers for the margins and for revenues to the Company.

**Kaio da Prato:**

Ok. Thank you for the answer. It was very clear. Thank you, André, Marcio and Gabriel.

**Operator:**

We now close the Q&A session. I would like to turn the floor back to Israel for his closing remarks.



**Israel Salmen:**

Thank you for everyone's presence. We continue to be highly engaged with our mission, focusing on what we have to do and we know exactly what we have to do up to the end of the year. I am very engaged and committed to this and I convey all my trust to the team and my willingness to make everything happen. And I feel very light in the accomplishment of this mission up to the end of this year. I think we are on the right track and we will be together in the next earnings release.

Thank you very much.

**Operator:**

The webinar on the results of 1Q23 of Méliuz has come to an end. Thank you.