



Méliuz – 2020 Conference Call

March 31st, 2021

Operator: Good morning and thank you for waiting. Welcome to the conference call to discuss the earnings of Méliuz in 2020. Here with us today are **Israel Salmen, CEO and Founder, Lucas Marques, Operations Officer** and **Luciano Valle, Investor Relations Officer**.

This event is being recorded and all participants will be in listen-only mode during the Méliuz presentation. After that we'll start a Q&A Session, when further instructions will be given. Should you need any assistance during this call, please request the help of an operator by pressing *0.

This event is also being simultaneously webcasted in all and can be accessed at <https://ri.meliuz.com.br>, where the presentation is available. The replay of this event will be available shortly after it is finished. We remind you that participants of the webcast may send questions to Méliuz via website and they will be answered by the IR team after the end of the conference.

Before proceeding, I would like to mention that forward-looking statements made during this conference call, pertaining to Méliuz's business prospects, operational financial targets and forecasts are based on assumptions and beliefs of the company's management, as well as on information currently available to Méliuz. Forward-looking statements are not guarantee of performance, as they involve risks, uncertainties and assumptions and therefore depend on circumstances which may or may not occur.

Investors should understand that general economic conditions, industry conditions and other operating factors may affect the future performance of Méliuz and may lead to results that are materially different from those presented in such forward-looking statements.



Now I would like to turn the conference over to Israel Salmen, Founder and CEO, who will begin the presentation. Mr. Salmen, you may start.

Mr. Israel Salmen: Good morning, thank you all. Good morning everyone, especially to the big family of Méliuz that's present in this call, in our earnings release, to bring our team even closer, we take this opportunity to bring everyone closer and tell everything that has happened and it's a pleasure to talk to all of you.

So, I would like to start by talking about the plans that we presented to you in the 3rd quarter, in the first earnings conference call for the 3rd quarter of 2020, we talked about the plan that had four pillars: to grow our user base; to launch products that would promote higher user engagement level; launch also new financial services products; and, finally, to grow our team, not only technology, but the development team as well.

Our user base, as we presented in the previous remote operations announcement, had a strong growth. We opened 25 thousand new accounts per day on average and to grow also the number of active users in the last two months, with the growth of more than 150%, when compared to the 4th quarter of 2019. Now speaking about the products that we have launched to foster the engagement of the user base, we already talked about Gift Card sales through the app, we like that product very much, because we start to work with players with a high recurrence of purchase, such as Uber Eats, iFood and Uber Apps, among others, and that's good because it brings users back to our systems, to our platform, at a higher frequency, which enables us to do cross-selling of other products, such as Méliuz Card, Marketplace, so that enables cross-selling at that user base that comes from the Gift Card. We also... important that users of prepaid mobile phones can do mobile top-up using our app and, of course, they get cashback in all the transactions

This slide is an extra feature that we bring. In 2020 operations forecast, we had not spoken about Méliuz Nota Fiscal product. What is this product? Well, using the apps for iPhone and Android, our users are able to get cashback when they buy specific products from several brands that are our partners from any kind of store, even if the store is a



partner of Méliuz or not. So they can buy at the supermarket, at the bakery, or any other store, and when they buy a Heineken product, or a Pernod, or a Seara product, they get a special cashback. And this product is very interesting, because it involves a very high number of data that allows us to build reports, very specific, for these partner industries.

For example, industries have access to information such as the price to consumers, it's small and medium-sized stores, which is sometimes hard to find in this market today. So we provide also information in terms of penetration in many towns of Brazil and number of active users, for example, it has grown a lot from the 3rd quarter to the 4th quarter of 2020, from 15 thousand active users to 65 thousand active users. It's a new product that has just started, but we see a strong adoption from SKUs captured, for you to have an idea of the size of the opportunity we're speaking about, of these 65 thousand users that scan the “nota fiscal”, the consumer receipts in Brazil, we have captured 2.5 million SKUs and we can provide several types of information to our partner companies, for example, what other types of products are being purchased with the product of that brand? This is valuable information used by companies in the decision-making process.

And finally, the number of offers that were activated, 123 thousand offers activated in the app and 65 thousand users have activated 123 thousand offers. And the growth is a highlight also, we went from 15 thousand to 65 thousand, from 290 thousand SKUs to 2.5 million and from 34 thousand activated offers to 123 thousand.

So, this is a new product, it's the first time we disclose this data to give you an idea of the size of it and how we believe this is an important product for 2021. We're investing heavily and our team continues to create several campaigns for the CBG brands and we expect to disclose more and more details about our performance and delivery in this feature in the next quarters.

The 3rd pillar is the launch of new financial services products. I would like to highlight a project that we launched recently, in March 2021, but this is a major for us because it's Méliuz Empréstimos, a loan feature that allows users to obtain a quote for a loan with



one click in more than 20 financial institutions and providing 30 different credit products, so they fill out the application, using the app or the website, and after filling out that form, they can send it to 20 financial institutions, so it makes the decision-making process easier. So this is a very exciting product, it was recently launched, this month, and we expect to have more figures closely, shortly, but soon we will intend to disclose the figures about this feature. And as we launch new products such as Méliuz Nota Fiscal, Méliuz Empréstimos, Gift Card and Mobile Top-Up, Méliuz becomes more robust in terms of products offers to users. That means we have new acquisition channels to bring in new users, because sometimes users didn't want to start their journey in Méliuz through the Marketplace or Card, but they become an active user through Méliuz Nota Fiscal or Méliuz Empréstimos, the loan or customer receipt feature. So these new acquisition channels boost our growth in future quarters and we're very excited about it.

And of the four strategy pillars, the last one is how our team has grown, and here I would like to comment on something I have already addressed in other opportunities. In our history of 10 years before the IPO, we have raised BRL 30 million with investment funds and with these funds, BRL 30 million, we were able to bring the company to the IPO moment with robust figures in terms of deliveries and, more importantly, with 142 employees. We're a very lean company, highly qualified team, but for everything we want to build, for such a big dream we have, to improve current products and launch new ones, we need to increase the staff and our top priority is to bring good people, talented people to keep the quality and the culture of the company at a very high level;

The 4th quarter was very important, as well as the first three months of this year, to build a base that would enable us to grow the number of people in the team. In the last three years pre-IPO, we remained at an average of 142 employees, but after the IPO, we needed to have a strong human resources team, to allow us to recruit very qualified people to ensure that we are bringing people that will adapt to the culture and remain in the company for many years and also to insure the onboarding of these people that's very smooth, because if you hire someone, do a good onboarding process, explain our growth processes, our history for the person to understand where the company is now,



where we have come from, so all of that is important, we reinforce this team and are now reaping the fruit of that investment.

So we went from 142 employees to 182 now and we have 72 open positions, as you can see. 53 of those open positions are for product and engineering, as well as other departments that will help us grow, such as operations, marketing and so on. The next slide, I will turn the floor to Lucas Marques, our Operations Officer, also responsible for the growth team and he will talk more about the growth of the company, and then I will come back at the end of the presentation.

Mr. Lucas Marques: Good morning, okay, I hope you all can hear me, investors, analysts. Before going into the results, I would like to make two comments. First, these spectacular results that you will see is not magic, it's the result of very hard work of our team in 2020. And so I would like to take this opportunity to thank our team, because I wanted to look at the next slides and see that you are part of this amazing result. Also, when we talk about growth, Méliuz captures a BRL 100 million, that is similar to an airplane that's about to take off. You turn on the turbines, then you hit the engine and then you start getting velocity, until you reach maximum speed. And the growth team is only starting to use all the funds and resources and we're now speeding up, so we're very excited about the near future.

This is the slide about the total open accounts and active users and I would like to highlight an important point here. Why are we so excited about these figures? Because, from the user point of view, it works like this, first thing is to open an account at Méliuz. Most users will not make a purchase or use our website shortly after opening the account. With time, they get to know all the features and become an active user, so these 14 million, in terms of open accounts in the 4th quarter, starts to have an impact in the next quarters. Also, in terms of active users, it's very exciting, because once the user becomes active, the return is not high in the first months, it increases with time, so we're very happy, because we have planted the seed to harvest in the future, in the next months.



Now, talking about the main figures, we opened 2.4 million accounts in the last quarter. The GMV of the Marketplace, it doesn't include TPV or credit card, we're speaking about 2.5 million, a 50% growth when compared to the previous quarter. In terms of active users, we reached 5.3 million, which is a 50% growth when compared to the previous quarter and 152 when compared to the same period of last year. 3.1 million cards applications were reached, 17.5 times growth, when compared to last year. And something that makes us very happy and during the roadshow we talked about that with investors, for us, all platforms that allow to communicate with users are important. We continue to invest to improve the technology in each one of them. The app or the plug-in we have 700 thousand active users per week, but what's important, the plug-in is good, but the app is the platform that is growing the most and we're very happy about that, because in the app, we notice that the cross-selling happens more easily, so users who start to use our app in the e-commerce are more prone to requesting a card and now that we have Gift Card and loans, that will happen even more quickly. We see lots of people getting to Méliuz because of the credit card, that start using other products we offer. So, we're very happy that the app is the platform that's growing the most.

Now, speaking about GMV, we've had a growth of 57% when compared to the 4th quarter 2019 and, as you may see, we have grown constantly, 51% above Brazilian e-commerce average is for a long time, despite having been this best quarter in terms of GMV, we could be even happier, but we are not because the travel and tourism industry has not yet recovered. Its average ticket is higher and because it's not good right now, it decreases the revenues. So we expect that, with vaccination increasing, the tourism and travel industry will soon recover and this GMV will increase even more in years to come.

This is the retention chart. This is a chart that many people are not used to seeing, but what does it show? Looking at the right side first, you can see the revenue per users of one cohort remains along time. For example, 2015, that's the first year. So let's think that users started using Méliuz and bought BRL 100. And the same users, in 2016, bought BRL 110. That already considers the users that have left the platform, so we had 100, now we have 90 users, but these 90 users more than offset those users we have



lost, for some reason. So I would like to explain also we're not disclosing accrued figures, so here, if I say BRL 100 in 2015, another 100 in 2016, another 100 in 2018, and so on and so forth. So, it's growing and we're happy, not only because we're able to maintain revenue levels, but as we increase the technology and CRM, adding new partners to the Marketplace, the retention of GMV has grown also. So, in the second year after a cohort, we used to retain the same BRL 100, now in 2018, for example, in the second month, or rather, in the second year, we had BRL 120, supposing that it started at 100. And here we see the same increase when compared to 2019, so we're very happy, because retention has improved with time. That's thanks to the technology and other features.

And the chart on the left shows that, more and more, as we increase the capacity to bring more new users, the cohorts increase. So the cohort of 2020 is higher than 2019. So if these users remain with us, we can ensure a sustainable growth for this year. So I hope it's very clear now, but if you have questions, feel free to ask them. And speaking of card, this is the chart that excites me the most and makes me really happy, because see how interesting it is. This is card applications accrued. It took us a year and a half to reach 1.6 million cards requested. In one quarter, we have reached a similar figure, 1.5 million. So, we have been able to accelerate the number of people that apply for a credit card with us and, more than that, they use other platforms, as you will see in the next slide.

So, we had a growth of 608% in the TPV in the quarter, comparing 4Q19 to 4Q20 and the TPV LTM, considers the last 12 months, and we reached BRL 942 million. And why are we excited about this? Because the card, as well as the e-commerce, the user first applies for the card, there is this approval process, then the card takes some time to arrive at the person's home, so that the person can start using. So, there is a period there between applying for the card and start using the card. In the beginning, you are a bit cautious and then, with time, you start using the card more often. So, we are excited because these giant figures we had in card requests in the last quarters will bring a higher TPV in future quarters.



Mr. Israel Salmen: Thank you, Lucas. Let's look at the final highlights of the presentation, talking about the financial results of the company. Let me start by talking about the net revenue of the 4th quarter, it has grown more than 80% year-on-year. We continue with a solid growth of revenue and the CAGR of growth has been higher in this last quarter, higher than the average, 69%. We have had the record high revenue in the Marketplace, with a growth of more than 50% on the quarter comparison and the net revenue growth of 50% in the Marketplace was higher than the average growth of the net revenue in the year, which was 38%.

So, after some months of the pandemic, on the 2nd and 3rd quarter, we are accelerating again, resuming growth and also the travel industry is still suffering, so we believe that once the immunization schedule and the immunization increases we're able to resume the GMV from trips, which is an important part for us and also the number of active users. We continue to grow our revenues exponentially, coming from financial services, and net revenue comparing the 4Q19 to 4Q20 has grown 15 times, reaching 7.9 million and the net revenue in the year, comparing 2019 to 2020 has grown by 11 times, 14.6 million in 2021, compared to 1.3 million in 2019.

This slide gives us two types of feelings. On one hand, we're very happy, because we're able to show to our investors pre-IPO, our current investors, our capacity to build a business that generates cash with positive margins, able to grow quickly generating EBITDA and, on the other hand, we look at this EBITDA and, when we look at the EBITDA of the year, we went from 10.6 million in 2019 to 30.3 million in 2020, a growth of 186%, we look at this result and we understand that now we are a publicly traded company, we're a part of Novo Mercado and the net income in this year was slightly above BRL 19 million, but for a publicly traded company at Novo Mercado, we have to approve mandatorily, at the general meeting at the end of April, we have to pay out 25% of our net income. That would be a bit below BRL 5 million that we have to pay as dividends to our shareholders. But when I look at the size of this profit sharing of 5 million, I compared to 8.1 million that we invested in marketing for the company to grow in 2020 and I compare it to 18 million that we invested in people, in hiring new people in our team, and I see that this money could be much better spent. So, we'll pay



out dividends of almost 5 million, knowing that there's more room to grow, more room to invest in technology, so there's mixed feelings with the slide. We're happy with our capacity to generate profit, EBITDA and to continue to grow, but at the same time, I believe we can grow even more if we didn't have to pay dividends.

So this point, this change in focus, we generated spectacular EBITDA. What change of focus was that? Since I first talked to you in our roadshow, I have emphasized our change in mindset. Pre-IPO, we were focused on margin and cash generation and after the IPO we're focused on growing, as Lucas showed so well. And there's more growth to unlock, so we have mixed feelings, as shown on the slide, that we could do a lot more and we hope, and in the next quarters, we can achieve that, so use these funds and resources in the best ways possible, because in my point of view, as one of the largest shareholders of Méliuz today, these funds would be much better invested if we used it to increase technology, people and we believe that the best is yet to come, and paying dividends to shareholders right now is not the best way to share these funds. So I hope that we can be very efficient, as we have always been, doing tests and trying to find the best way to grow, invest in marketing, unlock new acquisition channels, so that we can harvest the fruit of all that in the future. This is the new mindset for our business and I hope that our team is able to use these funds in the best way possible and grow even faster, with more engagement and more people highly-qualified in our team, especially in the technology team, building outstanding products for our more than 14 million users,

Okay, I have some slides to talk about Picodi, our internationalization movement. Let me recap. The acquisition of Picodi was a unique move for us, it's a product that's already present in 44 countries, translated into 19 languages and has 68 million people that visit the platforms in several countries and it is integrated, disclosing a pool of offers of more than 12 thousand stores in the platform. So, we were able to bring this unique player, that has a global operation, that has 94 people, so we brought 94 more people to the CASH3 group, that will help us in the decision-making process. And as I spoke in the video for the M&A, we have people from Méliuz, along with Picodi team, to continue from now on.



What are the next steps for Picodi? I brought the slides again that talk about the GMV. This is the retention figures, because what we want to do with Picodi is exactly this, to use these more than 60 million visits that Picodi has in its website and start opening accounts for these users, having a closer relationship with them, so that they can be more than one-time visitor, because one-time visitors doesn't pay for anything. The visitors that we like is the visitors that become a user, that's someone we can relate to, that we can send a post notification in the app, an e-mail and they can bring again to the system, to the ecosystem, and offer new products along time.

So, what do we expect for Picodi in the next months and even for the whole year of 2021? In the first 6 months of Picodi, we will be focused on implementing our know-how in terms of cashback, retention of users and products and then start with new products. So, when we look at Picodi figures from last year, they will start to have a movement of growth closer to Méliuz only towards the end of 2021, after the entire product is ready to replicate all the retention cohorts that you see on the screen. So, for all of you who want to talk about projections of growth for Picodi, we will start to replicate this growth of retention of user towards the end of 2021, after the cashback product is fully implemented and we are operating at full speed with all the team of Picodi and users of Picodi, to have this product available.

And here I have a pro forma slide of what the net revenue of Méliuz and EBITDA would look like if we added the two operations, Méliuz and Picodi. So, net revenue from 2020 would have been 155 million, of which Picodi's accountable for 19%, would be accountable for 19%, and the net revenue of Picodi for slightly over BRL 30 million is divided in several geographies, so we are now diversified also in terms of geographies and that's very important for our future.

In terms of GMV, the GMV of Picodi in 2022 was slightly above BRL 1 million, which is 30% of our GMV if compared to the pro forma on the slide, adding Méliuz to Picodi figures, you'll see that the average commission received by Picodi is lower than Méliuz, when we look at the commission value and the GMV generated, so that's another upside



that we'll start to unlock in future years, once the cashback product is working. Because, as we have a cashback product that is implemented with greater user retention and we're able to show to these 12 thousand stores of Picodi that we have a product that increases sales, we are able to improve or increase commissions, as we did in Brazil. So, it's not only about being present in several countries and adding cashback products in many countries, but improving Picodi margin products in terms of take rate.

And EBITDA would also be 71% for Méliuz and 29% for Picodi, but as I mentioned in the other slides, I repeat, there's a lot of growth to be unlocked, so we prefer to invest more in people technology, growth, than sharing the profit with the shareholders. I believe, in the short-run, I believe we will increase, we will be able to distribute a lot of dividends when we have a more robust platform in the future. Right now, we are focusing on growing and will do so in the future months.

And finally, as we have done in the 3rd quarter and will do again, I'll tell you a bit about the plan for the next quarters and we'll keep you updated about them in the next calls. First, to continue to increase our team. We understand that after creating this structure with the recruiting and selection team, people development and onboarding team, it's now time to accelerate the benefits from these new investments to bring more and more people who are talented, qualified, to increase the technology team, our engineers, because we're very excited, we're very prepared to engage new people. We know that with this new team, we will continue to unlock new projects and improve current projects and products and this is a priority for the Méliuz team in 2021.

Number two is to continue to grow our user base, benefiting from a broader portfolio of products and services. Now we have Méliuz Empréstimos, in loans, Méliuz Nota Fiscal, that is growing quickly, the Gift Card, that is restricted in space, but it's now increasing and the Mobile Top-Up in app purchase, Méliuz Card in the Marketplace. And we can do cross-selling among these platforms, but they also mean new entry doors, new acquisition channels for our platforms to accelerate our growth.



Number three, to continue advancing on our M&A funnel. We still have a number of conversations going on and there are technology companies that will reinforce our growth in Marketplace and financial services. We continue to look around and we're very excited, we believe there's a lot of value to unlock, because there are several companies that, when combined with our business model, will allow us to grow even faster, in addition to adding highly talented and qualified people to our team.

And number four, implementing cashback model in Picodi. We have a list of tools and features that we intend to launch at Picodi and the technology of team at Picodi is very qualified, they're working on that as well, with André, our Strategy Director, and Aninha, who moved from Picodi to work with us and to create the best Picodi yet to come, so this period of our first six months that we have to make it work and then we'll start to benefit from all the hard work and to start building the cohorts as we did for Méliuz. So these are the slides we had to show you, I'm very happy to present them to you and I'm very excited about future quarters. And now we can start the Q&A Session. Thank you.

Q&A SESSION

Operator: Thank you. Ladies and gentlemen, we will now start the Q&A Session. In order to ask a question, please press *1. To remove your question from the cue, press *2. The first question comes from Vinicius Figueiredo, from Itaú BBA.

Mr. Vinicius Figueiredo: Good morning, Israel, Lucas, Luciano, how are you? First, I would like to congratulate you on Marketplace increasing kpis, it's very good news. The first question would be cashback. We saw an important acceleration of the GMV of Marketplace and it wasn't necessarily accompanied by a more aggressive expense in cashback, in terms of percentage of revenue, which resulted in a better-than-expected EBITDA margin. How can we look at that towards the future? What do you think will be the cashback over... the ratio of cashback for 2021, given the best cash position of the company of the year?



The second question is about the new features. We saw a lot of news, Mobile Top-Up, Empréstimos, could you give us a more detailed about the economics of these new products and how these services will be monetized? It would also be nice to give some color on the pipeline of new features for the coming months.

Mr. Israel Salmen: Thank you, Vinicius. Now, speaking about the percentage of cashback, and Lucas can add to that if he wants to, Vinicius, as we have said previously with you, we test everything we do. The percentage of cashback, when compared to commissions, we understand that this is a price and we make lots of tests about price, should we increase cashback and increase the cashback that is transferred in campaigns to unlock more growth, so we ask ourselves these questions every week and we test them every week, the several hypotheses, and we accelerate them when we think it makes sense to increase the take rate for a certain campaign, when it doesn't, we don't. So, we always compare the incremental sale generated to the cashback calculated. So far, we have been able to maintain growth with margin and nothing has shown us, so far, Vinicius, that we need to change and sacrifice the margins more than we have done so far. Could that change quickly? Yes, so this is why we tested every week, so then we don't lose the timing for change. So testing and looking at the data is part of our DNA and we'll continue to do that, but the figures of the 4th quarter, these figures are the result of tests that indicated us that the best take rate for cashback is the one you saw. Lucas, would you like to add to that?

Mr. Lucas Marques: I would just add one thing, Israel. It's very important to understand that when we make those tests, let's suppose a store's providing cashback of 5%. If we change it to 7%, this increase is seen as cost in the growth team, we're subsidizing cashback. If we compare the impact of this increase with all acquisition channels, if one day this increase in subsidized cashback provides a better return, we can migrate that, but today it doesn't make any sense, we tested every week with several stores, with several user bases, sometimes in a very automated manner, and so far we have seen that it doesn't make sense to spend that much money on cashback. We're very aware of that. Of course, we will continue to test that, if it changes, the ratio between cashback and with other acquisition channels, we will be ready to change that, we have



budget for that. And when we do that, it's deducted from the marketing budget. For our internal controls, this increase in cashback is a marketing expense.

Mr. Israel Salmen: So, talking about the take rate dynamics, we haven't yet disclosed the figures of the Mobile Top-Up and Gift Card, but the dynamics is very similar to the Marketplace, we get the commission, a part of it that is the take rate, that is turned into a cashback. And the margins we have right now are similar to market margins. So, in terms of guidance I could say that, but I hope we could highlight that and emphasize these figures in the next quarters, as we started doing now for Nota Fiscal. So, soon you will know when we start doing that, disclosing the figures.

Mr. Vinicius Figueiredo: Okay, that's very clear, thank you very much for the answers.

Operator: The next question comes from Ricardo Buchbiguel, from BTG Pactual.

Mr. Ricardo Buchbiguel: Good Morning, congratulations on your earnings. First, I would like to ask you how do you see the contribution of Picodi in terms of income and revenues of Méliuz? Looking from the point of view of this result, how do you see Picodi growing? And also, given the growth you had in financial services, will this line become more important in revenues in 2021, because cards has grown a lot, so have you seen the applications for co-branded cards increase this year? Thank you.

Mr. Israel Salmen: Thank you for the questions, Ricardo. Okay, talking about the card figures first. Very shortly, we'll disclose operational guidance about the next quarter, that we talk about the results of Gift Card, Marketplace. I won't give you any main guidance right now. For right now, this call is for the earnings and results of the 4th quarter of 2020 and the year of 2020. But our focus is on product and technology, that is, to making the cashback product to work well in Picodi in many countries. We estimate this year for Picodi, in which it will replicate last year's results. We believe that at the end of this period, when we have the basic data that's necessary to have cashback in these several countries, to start building the cohorts that I've shown in the slides, so as of the first 6 months, as of the second half of this year, we'll start building the cohorts



and then we'll have more certainty about the cohorts, how they will behave. I would say that around the 3rd or 4th quarter, it will be easier for us to show the growth, so we prefer not to provide any guidance about the growth of Picodi now. We now are focused on product and to replicate the results of last year for Picodi, while we're focusing on implementing all the tools. Is that clear?

Mr. Ricardo Buchbiguel: Yes, it's very clear, thank you.

Operator: The next question from Christian Faria, from Bradesco BBI.

Mr. Christian Faria: Good morning Israel, Lucas and Luciano. Thank you for the results. I'd like to understand about the dynamics of the Nota Fiscal product. Today, it's a product that you offer as an intelligent solution? And the second point would be how is the engagement of acquisition of new partners in Méliuz, on average, you have more than 800 partners? Nota Fiscal is a new product, so it has fewer partners. So, this intelligence that you offer, is it more towards adding economically to all the parties or to getting more partners? Thank you.

Mr. Israel Salmen: Thank you, I'll start and then Lucas can complement on that, because this is an operation that was born in his arms, in his team, Méliuz Nota Fiscal. But last year, Christian, thank you for the questions, by the way, I told my team the following: "Hello team, what do I expect from you for Nota Fiscal for this year? I expect retention both of users who have used it for the first time, so they need to go back every week at a high rate and use the product again, and I expect retention from partners. This is the metric that I expect for 2020". And this remains the same metric for 2021. So, bringing more partners but, more than that, causing these partners to continue to make campaigns with us, for if Ambev makes a campaign with us and doesn't come back, we don't have the market for this product, we don't have a product, so having repeated campaigns is a crucial metric for Méliuz in 2020 and now in 2021 even more. For users the same applies. Lucas, could you explain? It still is not the focus of the operation and there is lots of areas of learning, so we can diversify the types of campaign, right?



Mr. Lucas Marques: Yes, Christian, thank you for your question. We're very excited, the team is listening, we're happy to hear that you're interested. But speaking about financial, since it's a new product, we're also testing that aspect. Currently, charge model is the following: you charge a certain percentage about the entire cashback that is distributed, so we make an offer to the user. If the user uses the offer, so if he purchases the product and scans the nota fiscal, the consumer receipt, we provide cashback and we try to charge a placement, "okay, I will disclose your offer to a huge user base using the app, e-mail, and even if the campaign doesn't succeed, I want to charge a bit for the media, like a media company would". So, we're still not charging for the data, because right now we're building reports, trying to understand what the industry values, what works and what doesn't, but there may be a time when we start monetizing the data aspect of it. This is a possibility we cannot ignore. But as Israel said, our team is totally focused now on showing to users that users must, like the future, use it several times.

Many industries that came to us, came organically, because they heard of other campaigns and they wanted to be our partners, because we're not focused in having new partners come onboard, but of course, this year, we'll focus on that more often. But we want to make the industries pleased with our products, as well as users.

Mr. Christian Faria: Okay, perfect, thank you for the answers.

Mr. Israel Salmen: Vinicius, I would like to go back to one important point that I would like to reinforce to all the listeners. Vinicius from BBA asked the question, something very important for our model that that we didn't bring the slide this time, but we brought it the first presentation. In terms of GMV, the strongest quarter for our model is the 4th quarter. That's when we have Black Friday, Christmas, and in terms of revenue, the strongest quarter for Méliuz is the 1st quarter of the next year, of the following year. So, when we calculate the percentage of cashback that was paid to users, received, and all the commissions, it's important to consider this mismatch. So, GMV of the 4th quarter will generate a revenue that will be shown in the 1st quarter of 2021. So, 4th quarter 2020 generates revenue mostly for the 1st quarter of 2021. So, it's



important to consider this mismatch, because some stores pay us some months after sales are made, so that we can make all these calculations and compare quarter-on-quarter in terms of percentage, to see what's growing and what's not. And what would be the cashback margin when compared to total commissions and the comparison to GMV. I hope I have been clear that it's always important to take into account this mismatch between the GMV and the revenue.

Mr. Lucas Marques: Israel, can I say something about Nota fiscal that I forgot? Since it's a new product, my team of growth has not invested money in paid channels for this product, so we're not making Google Ads, Facebook Ads, no paid advertising. So, this growth comes from users of our own base. So, just to remind you that as we did with the card, when we first launched the card, it grew a lot in the first year, but it was natural and then we started escalating that growth in the second year and we intend to do the same with Nota fiscal, we'll escalate when we think it's time for that.

Operator: Now I would like to turn the floor over to Luciano Valle.

Mr. Luciano Valle: First, I would like to thank you all that have stayed with us in this conference call. We have many questions received by the webcast. Unfortunately we don't have time to answer all of them, because we have more than 10 questions, so I would like to thank you all that sent questions and rest assured that I will answer each question, okay? So, with that we can close and I will turn the floor over to Israel for his final remarks.

Operator: This ends the Q&A session. Now I would like to turn the floor over to Mr. Israel Salmen for his final remarks.

Mr. Israel Salmen: I would like to thank all investors, all the Méliuz team for the hard work. It's been a wonderful experience for us, post-IPO, all these new routines of disclosing the results and the earnings, we're very excited about the next steps. Thank you all who attended this call. Okay, and let's work hard for 2021.



Operator: The conference call of Méliuz has now ended. We thank you all for participating and have a good day. Thank you for using Chorus Call.