



Earnings Release

2Q21

AUGUST 2021

ri.tc.com.br/en-US



São Paulo, August 12, 2021

TC reports growth of 213% in gross revenue in 2Q21.

TC Traders Club S.A. ("TC" or "Company"), one of the largest investor communities in Latin America, announced today its results for the second quarter of 2021 (2Q21). The financial information reported is presented in Reais (R\$) and in accordance with accounting practices adopted in Brazil (BR GAAP) and International Financial Reporting Standards (IFRS).

Earnings Conference Call

(in Portuguese with simultaneous translation
into English)

August 13, 2021

09:00 a.m. (Brasília time)

08:00 a.m. (New York time)

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Highlights of the period

GROSS REVENUE (million)

R\$ 26.4

△ +213% (2Q21/2Q20)

GROSS PROFIT (million)

R\$ 14.3

△ +117% (2Q21/2Q20)

REGISTERED USERS

502k

△ +194% (2Q21/2Q20)

PAYING USERS

88k

△ +516% (2Q21/2Q20)

(R\$ thousand)	2Q21	1Q21	Var. (%)	2Q20	Var.(%)
Gross Revenue	26,359	16,466	60.1%	8,421	213.0%
Deductions	-3.119	-2.009	55.2%	-571	445.9%
Net Revenue	23,240	14,457	60.8%	7,850	196.1%
COGS	-8,898	-3,685	141.5%	-1,247	613.6%
Gross Profit	14,342	10,772	33.1%	6,603	117.2%
<i>Gross Margin</i>	61.7%	74.5%	n.a.	84.1%	n.a.
Adjusted Net Profit*	1,068	1,166	-8.4%	3,859	-72.3%
<i>Adjusted Net Margin*</i>	4.6%	8.1%	n.a.	49.1%	n.a.
Adjusted EBITDA*	1,139	2,553	-55.4%	4,870	-76.6%
<i>Adjusted EBITDA margin*</i>	4.9%	17.7%	n.a.	62.0%	n.a.

*Including nonrecurring effects

Recent events

IPO

On July 28, 2021 TC concluded its Initial Public Offering (IPO) process. The trading of the Company's common shares occurred on this same date on the Novo Mercado (New Market) segment of B3 under the ticker "**TRAD3**", at R\$ 9.50 per share.

TC intends to use the net proceeds from the IPO to: **(i)** make strategic acquisitions that enable the improvement of the Company's ecosystem; **(ii)** make investments in the development and improvement of the TC platform; and **(iii)** make marketing investments.

The Company became one of the youngest companies to go public on the Brazilian stock exchange, closing the first trading day with an appreciation of 32.6% – one of the most expressive debuts for the year.



Message from [management](#)

"If at first the idea is not absurd, then there is no hope for it."

THE JOURNEY IS THE REWARD

The history of TC, one of the companies that went from its foundation to the listing on our Stock Exchange in less time, is truly emotional. A unique project, which departed from what we were used to (and tired of) in the financial market.

Before TC, the game was uneven: the retail participants were the last to receive information or received no information at all. We started to change this scenario with a vibrant community, created from scratch by winning investors and with a real willingness to teach and learn. Currently, TC transcends the social element, undeniably in our DNA, to deliver investors and future investors an extremely powerful platform in terms of market intelligence, relevant news and data.

INVENTING THE FUTURE

We are proud of what we have built so far, but we do not live in the past. We live in the present and the future. This is not just a statement, but the essence of how we have run the company so far and how we will continue to manage it, with even more dedication and enthusiasm. And the same goes for our over 460 employees, almost all of them also platform users and fans, who act like owners, who love our purpose and our mission and who also firmly believe, like me, that we are here to leave a growing legacy in favor of our capital market evolution, of people's financial lives and, consequently, of our country.

We are a nimble and daring company. We are not afraid of making mistakes, but we also do not repeat them. We believe in a collaborative work environment, where each of our more than 30 squads will take TC to new heights with constant deliveries.

We will certainly have a challenging journey ahead, but we are more excited than ever, since with less than R\$ 3 million we built TC and, currently, honoring the trust of our thousands of shareholders, we have important resources in our hands to further accelerate our growth on multiple areas.

We know that outstanding companies are built with outstanding execution and real innovation, both consistently and relentlessly. In this regard, we have the great privilege of working with a team of spectacular people daily, with extremely high knowledge and a track record in technology, projects, entrepreneurship and capital markets.

Something is certain in our new and spectacular path as a publicly-held company: do not expect monotony and lack of creativity. Do not expect more of the same, but always expect discipline,



responsibility, innovation and eagerness to win. TC is currently just the foundation of a full ecosystem, which we will make a reality with technique and speed.

Finally, nothing is more difficult than turning a disruptive idea into a listed company. We do not underestimate the difficulties of the days ahead, but we believe that the challenges overcome to get here have made us stronger, more organized and better prepared for the challenges ahead.

We report excellent growth indicators today: an increase of 213% in revenue compared to the previous year and of 516% in the number of paying users. Here, importantly, we optimize the company's management to grow in an accelerated and sustainable manner and prioritize revenue growth over short-term profitability. That said, with an extremely scalable platform and a team adequately sized to support not only the growth we have already had, but also the one we will work day and night to continue delivering, the Company is extremely well-positioned to provide its shareholders the generation of expected value in the medium and long term.

I would like to thank our spectacular team and thousands of customers and shareholders. I am just another participant serving our amazing company.

Pedro Albuquerque
Founder and CEO

What is TC?

TC is an application that connects, informs and encourages people to engage in the investment world through the TC Community, an environment that brings together news, collaborative feed and channels to interact and share investment ideas. The application also offers data, macroeconomic indicators, information and courses on economics, finance and investments, in addition to several features that increase user engagement on the platform.

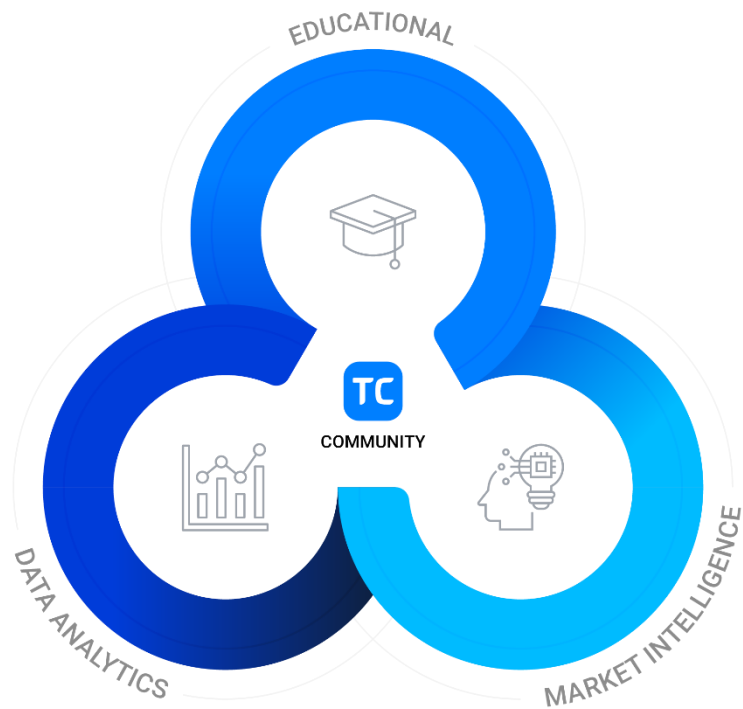
The Company's purpose is to educate, demystify and change the history of the financial market in Brazil through **three content streams** - all of them essential to develop the knowledge necessary for those who already invest or wish to start investing:

Market intelligence: analysis, production of news and information for users, investment ideas and sell-side reports;

Data analysis: mathematical, statistical and computational models that help investors in the decision-making process; and

Financial education: courses, workshops, books, videos, competitions and articles.

TC offers a platform with quick and free registration, giving instant access to several tools that meet the needs of both the beginner and the advanced investor. Moreover, if the user has more specific goals or wants more sophisticated solutions, differentiated access and even more in-depth content, he or she can subscribe to one of the six available subscription plans.



The Company currently has over 500,000 registered users on the platform and its revenue comes from the sale of subscription plans, services and courses. TC believes in the growth potential of its business, considering the increase in the number of individuals on the stock exchange, their low exposure to risky assets and the ability to improve products and expand the portfolio.



In a thriving and constantly changing market, TC has the mission of democratizing access to market information and intelligence, providing individual investors with the same level of access as large institutional investors. By reducing this gap, the platform gives autonomy and power, educates and prepares its users to improve in their investments, contributing to the strengthening of the capital market in Brazil.

TC can be seen as a **cause and a consequence** of the growth in the number of individual investors within the country.

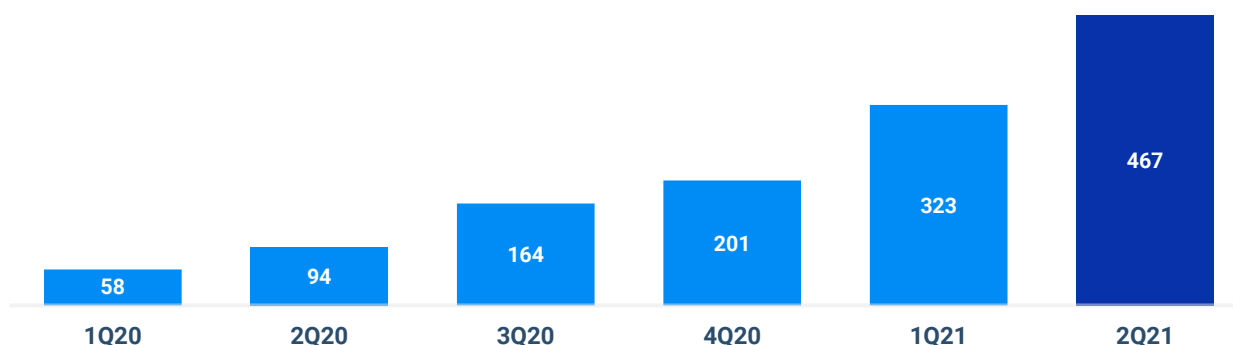
Financial and operating performance

CORPORATE

TC grows at an impressive speed – the numbers clearly demonstrate our evolution in recent years. At the end of June, we had a staff of **467** employees, of which approximately 50% are part of the technology team.

We started the year with 201 employees and practically doubled the size of our team in 6 months. We accelerated hiring to face the enormous challenge of our IPO. With these numbers, we are close to what we believe to be the ideal model for the Company's sustainable development in the short and medium term.

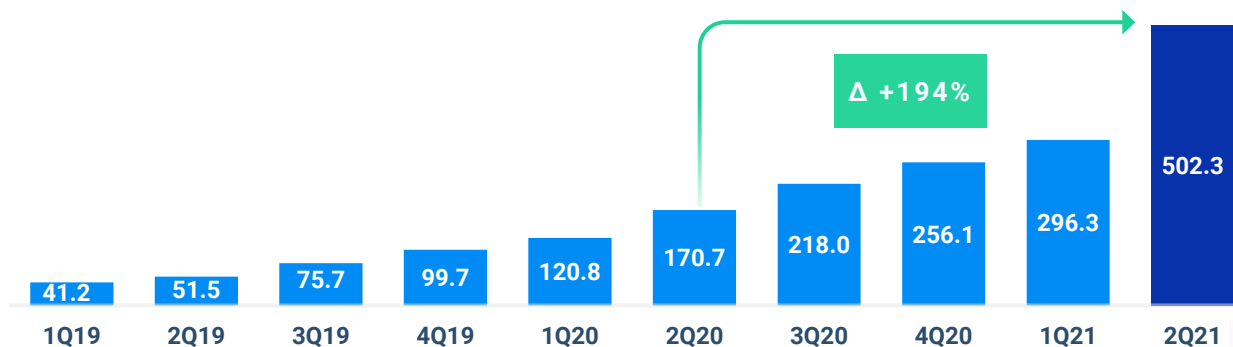
Number of Employees



REGISTERED USERS

We ended 2Q21 with **502.3 thousand** users registered on the TC platform. In comparison with the same period of previous year, we obtained a growth of 194% in our user base. The strong growth can be explained by the adoption of new strategies to attract new users, involving advertising campaigns on TV and social media, in addition to the acquisition of Sencon, completed in mid-April, which added approximately 150,000 users to our base.

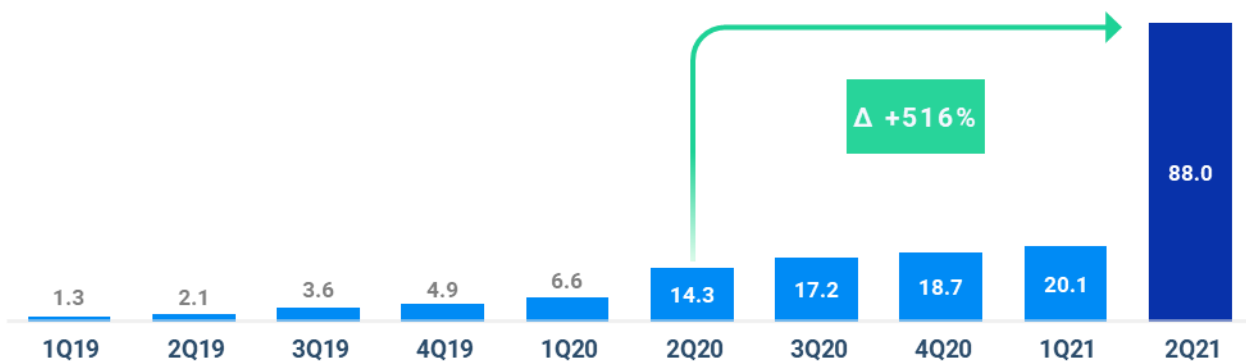
Number of Registered Users (thousand)



PAYING USERS

We have also recorded a strong growth in the base of customers who joined some type of plan offered by TC. At the end of June, we had **88,000** paying customers in our active base, an expressive growth of 516% compared to the same period of the previous year.

Number of Paying Users (thousand)

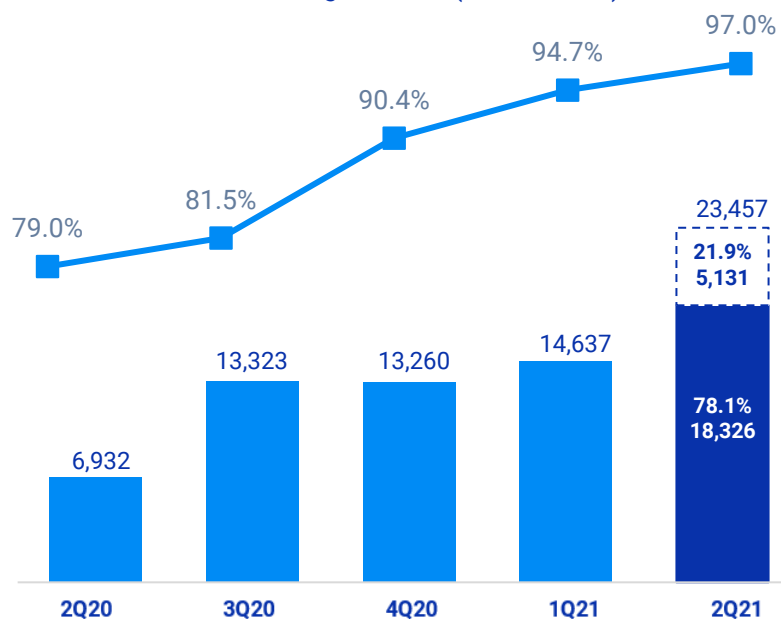


RECURRING REVENUE

TC is a legitimate SaaS (software as a service) Company, with 97% of its subscriptions linked to annual plans with automatic renewal, providing resilience and greater revenue predictability in the business.

Sencon's revenues, a recent acquisition made by the Company, are not in the SaaS model yet and the conversion to recurring revenue is being made, with the first plans in this model launched late July and August.

Recurring Revenue (R\$ thousand)

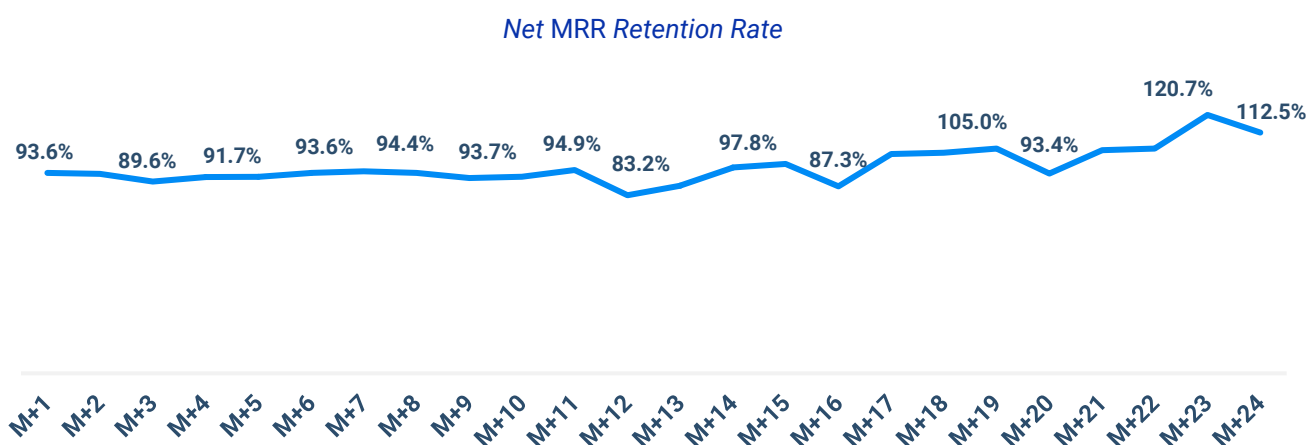


NET MONTHLY RECURRING REVENUE RETENTION

Our policy is to adopt annual plans, which mitigates the seasonality of the base churn. Overall, churn is a metric that indicates the level of customers who canceled their plans during the period analyzed, which can generate lost revenue.

Aiming to measure the revenue volume that is maintained within the Company in each cohort, we use a metric called Net Monthly Recurring Revenue Retention, which indicates how much net revenue we are able to retain in percentage terms in relation to the number of customers who have canceled or migrated their plans during the same period.

The chart below shows that, in a period of 24 months, we were able to maintain a retention level of almost **97%** of the net revenue calculated in the initial month during the period. It is important to observe that, in certain periods, we were able to reach a higher revenue level in relation to that observed at the beginning of the cohort analysis, which reflects our high capacity to retain and promote upselling within the platform.



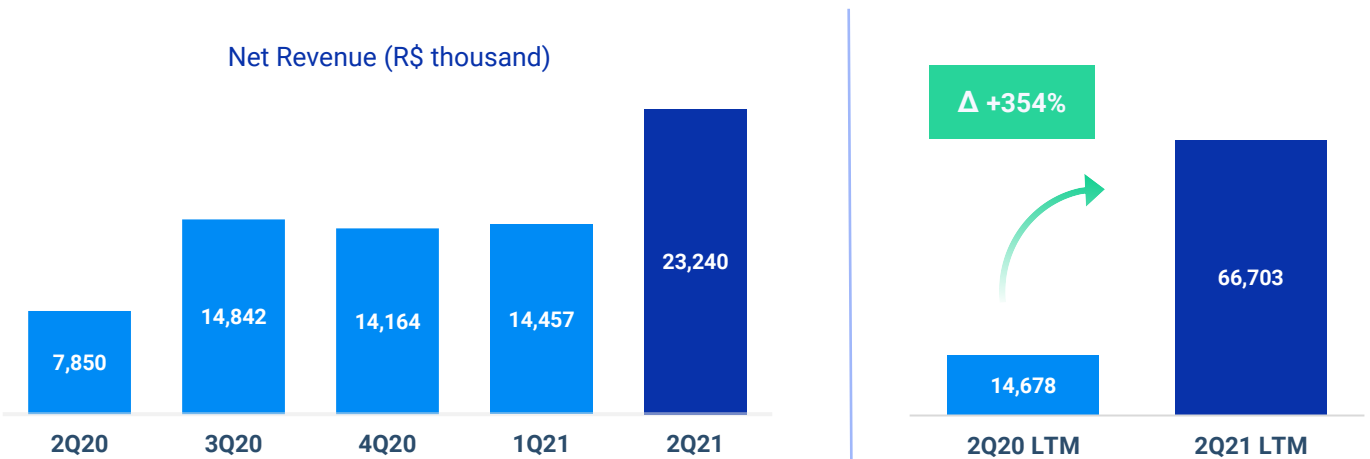
NET REVENUE

At the end of 2Q21, the Company recorded net revenue of **R\$ 23.2 million**. The amount is 196% higher than the revenue obtained in the same period of the previous year, when it totaled R\$7.9 million. Compared to 1Q21, the net revenue recorded by TC was 61% higher. In the twelve-month period ended June 2021, the Company's net revenue reached **R\$ 66.7 million**, 354% higher than the revenue recorded in LTM2Q20.

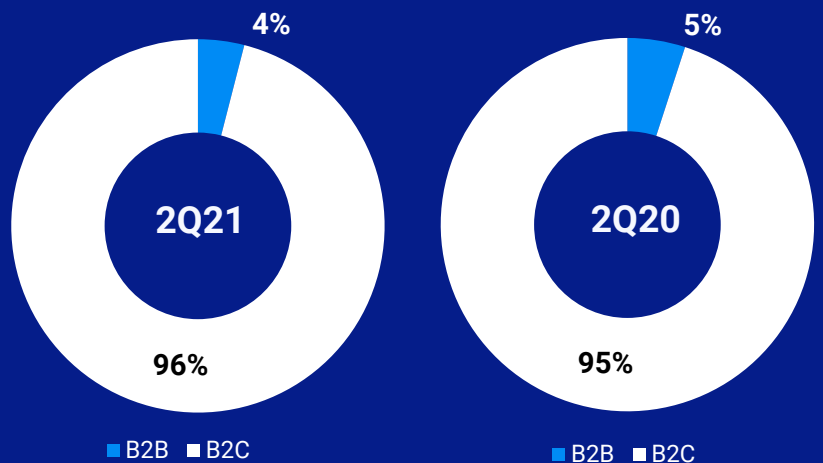
(R\$ thousand)	2Q21	1Q21	Var. (%)	2Q20	Var. (%)
Gross Revenue	26,359	16,466	60.1%	8,421	213.0%
(-) Deductions	-3,119	-2,009	55.2%	-571	445.9%
Net Revenue	23,240	14,457	60.8%	7,850	196.1%



The robust growth reflects the increase of the number of subscriptions, coupled with the launch of new plans with higher added value. The TC Premium, a sales success since its launch, is a great highlight, since it offers portfolio recommendations made by analysts certified and authorized by the Brazilian Securities and Exchange Commission (CVM), among other differentials, such as automated Income Tax calculation, account review and monthly control of the Federal Revenue Collection Document (DARF) and the preparation of the variable income return form by a specialized accountant.



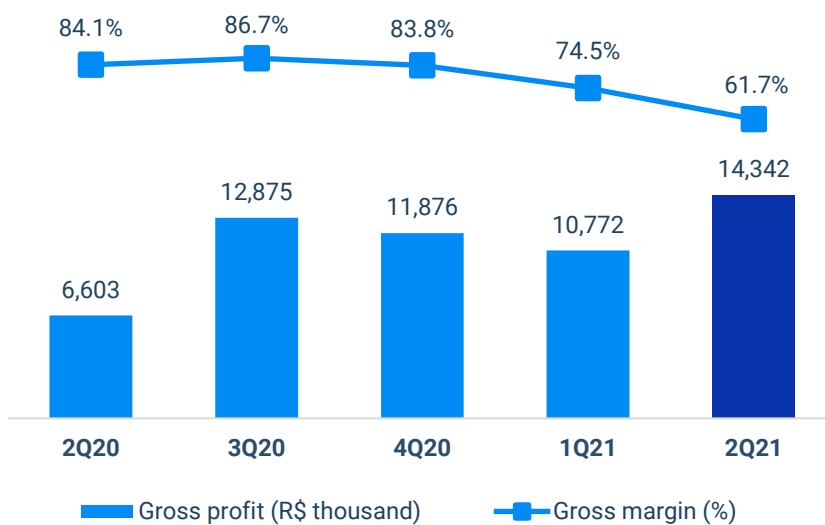
GROSS REVENUE BREAKDOWN



GROSS PROFIT AND GROSS MARGIN

The Company's gross profit totaled **R\$ 14.3 million** in the three-month period ended June 2021, accounting for a 117.2% growth when compared to the same period of the previous year, and 33.1% higher than in 1Q21.

(R\$ thousand)	2Q21	1Q21	Var. (%)	2Q20	Var. (%)
Net Revenue	23,240	14,457	60.8%	7,850	196.1%
(-) COGS	-8,898	-3,685	141.5%	-1,247	613.6%
Gross Profit	14,342	10,772	33.1%	6,603	117.2%
Gross Margin (%)	61.7%	74.5%	n.a.	84.1%	n.a.



The Cost of Services Sold (COGS), which is directly linked to the provision of services to the end customer, reached R\$8.9 million in 2Q21. The robust growth is partially explained by the increase in costs related to the hiring of employees for the technology team, mostly developers.

The Company focused its investments on building the team to sustain its growth over the past 12 months. Based on this fact, the Company was able

to maintain its gross margin at healthy levels for the operation, at around 60%, helped mainly by the strong scalability characteristic of its business.

OPERATING PROFIT (LOSS)

The Company's operating expenses reached **R\$ 18.6 million** in 2Q21. The increase in comparison with the other periods is due to the growth in the number of employees, as mentioned above. The growth also reflects the investments made in new acquisitions and marketing strategies to attract new users.

(R\$ thousand)	2Q21	1Q21	Var. (%)	2Q20	Var. (%)
Operating (Expenses) Income	-18,595	-8,781	111.8%	-1,823	920.0%
General and Administrative Expenses	-12,041	-6,379	88.8%	-1,473	717.4%
Sales/Marketing Expenses	-4,341	-2,402	80.7%	-350	1140.3%
Other Operating Net (Expenses) Income	-2,213	-		-	

FINANCE INCOME (COSTS)

At the end of 2Q21, the Company presented a negative financial result of **R\$ 240,000**.

(R\$ thousand)	2Q21	1Q21	Var. (%)	2Q20	Var. (%)
Financial Income	-240	-153	56.9%	-13	1746.2%
Financial Revenues	281	40	602.5%	8	3412.5%
Financial Expenses	-521	-193	169.9%	-21	2381.0%

NET PROFIT AND NET MARGIN

The Company's accounting profit in 2Q21 was strongly impacted by the non-recurring effect of expenses related to the cancellation of the stock option plan in the amount of R\$1.9 million, which, despite not impacting cash, was maintained in the result under the requirements of CPC 10, as described in note 21 (e) of the Financial Statements for the period.

The Company is undergoing deep and accelerated growth, as explained above. This growth impacts both our cost and expense structure. We include the "growth adjustment" to reflect the actual situation of TC, considering the recurrence of such impacts on our financial structure.

Excluding the effects listed above, the Company recorded adjusted net profit of **R\$ 1.1 million** at the end of June, with an adjusted net margin of 4.6%.

(R\$ thousand)	2Q21	1Q21	Var. (%)	2Q20	Var. (%)
Gross Profit	14,342	10,772	33.1%	6,603	117.2%
(-/+) Operating Income	-18,595	-8,781	111.8%	-1,828	917.2%
(-/+) Financial Income	-240	-153	56.9%	-13	1746.2%
(-/+) Income Taxes and Social Contribution	2,290	-672	-440.8%	-908	-352.2%
Net Profit (Loss)	-2,203	1,166	-288.9%	3,859	-157.1%
Net Margin	-9.5%	8.1%	n.a.	49.1%	n.a.
(+/-) Non Recurring Items	1,957	-	-	-	-
(+/-) Growth Adjustment**	1,314	-	-	-	-
Adjusted Net Profit (Loss)*	1,068	1,166	-8.4%	3,859	-72.3%
Adjusted Net Margin*	4.6%	8.1%	n.a.	49.1%	n.a.

*Including nonrecurring effects.

**Refers to the exclusion of the effects of contracts made in order to prepare the Company for the expected growth for the next periods.

EBITDA AND EBITDA MARGIN

The Company adjusted EBITDA reached **R\$ 1.1 million** in 2Q21. At the end of the twelve-month period ended in June 2021, the Company's EBITDA reached **R\$ 16.3 million**, representing a growth of 143% compared to LTM2Q20, with an EBITDA margin of 24%.

(R\$ thousand)	2Q21	2Q20	Var. (%)	LTM2Q21	LTM2Q20	Var. (%)
Net (Loss) Profit	-2,203	3,859	-157.2%	7,295	5,138	42.0%
(+/-) Income Taxes and Social Contribution	-2,290	908	-352.2%	1,755	1,435	22.3%
(+/-) Financial Income	240	13	1746.2%	622	19	3173.7%
(-/+) Depreciation/Amortization	2,121	90	2256.7%	3,335	123	2611.4%
EBITDA	-2,132	4,870	-143.8%	13,007	6,715	93.7%
EBITDA Margin (%)	-9.2%	62.0%	n.a.	19.5%	45.7%	n.a.
(+/-) Non Recurring Items	1,957	-	-	1,957	-	-
(+/-) Growth Adjustment**	1,314	-	-	1,314	-	-
Adjusted EBITDA*	1,139	4,870	-143.8%	16,278	6,715	142.4%
Adjusted EBITDA Margin (%)*	4.9%	62.0%	n.a.	24.4%	45.7%	n.a.

*Including nonrecurring effects.

**Refers to the exclusion of the effects of contracts made in order to prepare the Company for the expected growth for the next periods.

Events after the reporting period

DEBENTURE CONVERSION AND CAPITAL INCREASE

The Extraordinary General Meeting held on July 5, 2021 approved **(i)** the conversion of 728 Convertible Debentures into 12,140,769 common shares issued by the Company, **(ii)** the Company's share capital increase through the issue of 12,140,769 common shares, at the unit price of approximately R\$ 5.99632527 per share, established in accordance with item I, paragraph 1 of Article 170 of the Brazilian Corporation Law, totaling R\$ 72,800,000.00 (seventy-two million and eight hundred thousand Reais), which were fully paid-in through the conversion of the 728 Convertible Debentures; and **(iii)** the automatic cancellation of all the Convertible Debentures due to their conversion. As a result of this conversion, the Company's share capital will be R\$ 78,509,607.60, fully subscribed and paid-in, divided into 224,286,049 common shares, all registered, book-entry, and with no par value.

Additional information

RELATIONSHIP WITH THE AUDITORS

The Company's policy for contracting services not related to external auditing with independent auditors is based on principles that preserve its independence. These principles consist of internationally accepted standards, in which: (a) the auditor should not audit their own work; (b) the auditor should not exercise a management role for his client; and (c) the auditor must not create conflicts of interest with its clients.

During the period ended June 30, 2021, Grant Thornton Auditores Independentes was not hired to perform services unrelated to external audit.

Annexes

BALANCE SHEET (CONSOLIDATED)

	2Q21	2020
ASSETS	160,599	20,014
Current assets	61,046	10,653
Cash and cash equivalents	46,791	6,180
Trade receivables	9,640	4,196
Advances	581	87
Recoverable taxes	794	27
Other receivables	2,933	163
Related parties	307	-
Non-current assets	99,553	9,361
Other receivables - LT	1,150	1,150
Deferred tax assets	2,184	-
Investments	-	-
Property and equipment	15,297	5,624
Intangible assets	80,922	2,587
LIABILITIES AND SHAREHOLDERS' EQUITY	160,599	20,014
Current liabilities	34,524	5,409
Payroll and related taxes	2,445	43
Taxes payable	1,935	2,071
Contract liabilities	4,369	1,948
Leases	2,749	1,010
Other trade payables	23,026	337
Non-current liabilities	77,198	2,041
Debentures convertible into shares	72,516	-
Lease - LT	4,682	2,041
Shareholders' equity	48,877	12,564
Share capital	5,710	5,000
Capital reserve	36,640	-
Earnings reserve	6,527	7,564

INCOME STATEMENT (CONSOLIDATED)

R\$ thousand	2Q21	2Q20
Net revenue	23,240	7,850
Cost of service rendered	(8,898)	(1,247)
Gross profit	14,342	6,603
Other operating revenues (expenses)	(18,595)	(1,828)
Sales / marketing expenses	(4,341)	(350)
General and administrative expenses	(12,041)	(1,473)
Other net operating revenues (expenses)	(2,213)	-
Share of profit (loss) of investees	-	-
Operating profit before financial income (costs)	(4,253)	4,780
Financial income	281	8
Financial costs	(521)	(21)
Net financial income (costs)	(240)	(13)
Profit before income tax and social contribution	(4,493)	4,767
Current income tax and social contribution	106	908
Deferred income tax and social contribution	2,184	-
Profit (loss) for the period	(2,203)	3,859

STATEMENTS OF CASH FLOWS (CONSOLIDATED)

R\$ thousand	2021	2020
Operating activities		
Profit (loss) for the period	(2,203)	3,859
Adjustments due to:	(113)	3,960
Depreciation and amortization	2,121	90
Goodwill - Stock options	1,957	-
Share of profit (loss) of investees	-	-
Deferred taxes	(2,184)	-
Interest expenses	196	16
Decrease (increase) in assets		
Trade accounts receivables	(4,013)	(2,573)
Advances	2,156	195
Recoverable taxes	(394)	(2)
Escrow deposit	-	-
Other	(2,084)	(60)
(Decrease) increase in liabilities		
Payroll and related taxes	1,675	(2)
Taxes payable	(115)	833
Contract liabilities	1,660	980
Other trade payables	(379)	(40)
Net cash generated (consumed) in operating activities	(1,607)	3,289
Cash flow from investing activities		
Acquisition of investment	-	-
Acquisition of subsidiary, net of cash	(19,825)	-
Acquisition of property and equipment	(4,810)	(643)
Acquisition of intangible assets	(918)	(334)
Net cash used in investing activities	(25,553)	(977)
Cash flow from financing activities		
Net funding of debentures convertible into shares	72,516	-
Payment of loan	-	-
Payment of leases	(512)	(43)
Related parties - Assets	-	(139)
Related parties - Liabilities	-	-



Paid-up capital	359	-
Profit distribution	-	-
Net cash consumed in financing activities	72,363	(182)
Net increase (decrease) in cash and cash equivalents	45,203	2,130
Cash and cash equivalents		
At the beginning of year	1,588	645
At the end of year	46,791	2,775
Net increase (decrease) in cash and cash equivalents	45,203	2,130

Glossary

AMORTIZATION: It is the installment payment of a debt during a pre-established period. In other words, the payment of a loan, financing or something similar, in installments.

ASSETS: Goods, values or credits that form the assets of an individual or company.

BALANCE SHEET: It is a financial statement that presents a "picture" of the company's financial position.

BR GAAP: refers to the set of accounting standards in force in Brazil.

CPC: Created by CFC Resolution No. 1.055/05, the CPC has the objective "the study, preparation and issuance of technical documents on Accounting procedures and the disclosure of information of this nature, to allow the issuance of standards by the Brazilian regulatory entity, aiming at the centralization and standardization of its production process, always taking into account the convergence of Brazilian Accounting to international standards."

CSV (COST OF SERVICES SOLD)/ COGS (COST OF GOODS SOLD): Represents the costs that are incurred from the sale of a product or service provided by a company.

DEBENTURES: They are fixed income investments where you make a loan to a company. In other words, they are simply debt securities of private companies.

DEPRECIATION: Depreciation indicates how much of an asset's value has been used. It is used in accounting to try to match the cost of an asset to the income the asset helps the company earn.

DIVIDEND: Dividend is the long-awaited profit of a company, divided among shareholders.

EBITDA/ADJUSTED EBITDA: It is a result indicator that excludes costs that do not necessarily impact the core business of the analyzed company. The acronym "EBITDA" means Earnings Before Interest, Taxes, Depreciation and Amortization. It basically shows a company's earning before discounting what it spent with interest and taxes, and lost with depreciation and amortization. When it is disclosed as "adjusted", it means that the calculation was made in a customized way by a company, using its own rules.

IFRS (INTERNATIONAL FINANCIAL REPORTING STANDARDS): A set of international accounting

standards issued and reviewed by the IASB (International Accounting Standards Board).

IPO (INITIAL PUBLIC OFFERING): The Initial Public Offering, also known as IPO, refers to the process in which a company sells its assets to the public for the first time.

LIABILITIES: It is the balance of everything that is owed by an individual or a company.

LTM (LAST TWELVE MONTHS): accumulated values over the last twelve months.

SHAREHOLDERS' EQUITY: Shareholders' equity represents the residual value of a company's assets after deducting all its liabilities.

ROA (RETURN ON ASSETS): It is an indicator that shows how profitable the company is in relation to the total assets it owns.

RSE OR RETURN ON SHAREHOLDERS' EQUITY: It is the acronym for Return on Shareholders' Equity. A company's equity is simply the own capital it produces. In other words, this indicator can measure how much value a company generates from its own funds and the funds of its shareholders.

SG&A: The acronym means Selling, General and Administrative Expenses. Selling, general and administrative expenses include all costs that are not directly related to production, such as employee salaries and marketing expenses.

STOCK OPTIONS: company offers the employee the option to buy company stock for a predetermined amount over a period previously stipulated in a contract.

UPSELL: Strategy that aims to sell a product with higher added value compared to that originally held by the consumer.