

**Conference Call Transcript
2Q21 Results
Brasil Brokers (BBRK3 BZ)
August 13, 2021**

Operator:

Good afternoon, ladies and gentlemen, and thank you for waiting. Welcome to the conference call for earnings of Brasil Brokers' for 2Q21.

We inform all the participants that this call and the slides are being broadcasted simultaneously through the Internet at www.brbrokers.com.br/ir, where the presentation is available for download. We inform you that this event is being recorded and participants will be in listen mode only. Next, we will begin the Q&A session when further instructions will be supplied. If any participant needs any assistance, please dial *0 to reach the operator.

We would like to inform you that questions can only be asked by chat option in the webcast. So if you are only connected by phone, the Company invites you to join the webcast too.

Before proceeding, let me mention that forward-looking statements are based on the beliefs and assumptions of Brasil Brokers' management, and on information currently available to the Company. They involve risks, uncertainties and assumptions because they relate to future events and therefore depend on circumstances that may or may not occur in the future. Investors should understand the general economic conditions, industry conditions and other operating factors could also affect the future results of result Brasil Brokers and could cause results to differ materially from those expressed in such forward-looking statements.

First, Mr. Daniel Guerbatin, CEO of the Company, will present the operational results. Then, Mrs. Andrea de Rizzio, CFO and Investor Relations, will present the financial results.

Mr. Daniel Guerbatin, you may proceed.

Daniel Guerbatin:

Good afternoon. Thank you for participating in our conference call for 2Q21. It is a great pleasure to be the bearer of excellent news, the results of 2Q21, and also year to date until June 30.



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In spite of a restructuring, the Company begins to consolidate the transformation and get the first positive results. Our gross margin in the 1H is 62%, and this shows that our growth is sustainable.

We will present in this column the improvement in revenue and the gross results in all the Company's verticals, as a result of the constant growth of Credimor as a platform to distribute financial products based on technology; second, the growth of Desenrola as a platform for purchase, sale and digital rental; third, the growth of sales in the primary markets; and fourth, a leaner structure and the improvement in the efficiency of our sales. These are really victories that we have through technology, improving processes and the constant improvement of the way we work and the construction of a Company that is more united.

Brasil Brokers operates with strategic builders such as profitability, digital transformation, customer experience and ecosystem.

On slide two, we can see the constant improvement of our gross results, one of the great indicators that we follow month after month. We reached R\$25 million, with an improvement of 23% in relation to 1Q, 102% two in relation to 2Q20. This result is due to result improvement of net revenue, and also strictly variable cost control.

The Company continues with the division of gross results being well diversified, 38% for financial services, 32% in ready units, 28% in intermediation of launches and 2% in other business.

The highlights of the quarter are an increase of 16% in units financed by Credimor in comparison with 1Q21, growth of 182% in units launched in comparison with 1Q21, growth of 9% in the average value of the units sold in the ready segment.

Continuing with some highlights on slide number three, in Brasil Broker's Group, gross revenue had an increase of 23% in relation to the previous quarter, reaching R\$47 million, 57% coming from financial services of Credimor, 22% in ready units, 19% of the primary market and 2% in other business.

We did not have new labor lawsuits in the period, which shows that the actions that we implemented are correct.



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In Credimorar, we grew 24% in gross revenue when compared to 1Q21, revenues boosted with the diversification of products such as home equity and the consolidated distribution channel. And Credintegrados is a system that allows the whole journey of the client to be done in a fluid and transparent way.

In Desenrola, we have approximately 2,200 pieces of real estate being managed and leased, and the system is ready to receive new businesses and to expand the current business with a good experience for the clients. And we already did the rollout for the city of Niteroi, in Rio de Janeiro, in August.

In launches, our average ticket was 11% better than the previous quarter due to a greater number of launches, and also medium and high income units in São Paulo and Rio de Janeiro. Our gross revenue in the segment was 24% higher than in the previous quarter.

On slide four, we will detail the segments of ready units where we operate with the brands Bamberg, Brasil Brokers and Desenrola. R\$357 million with 530 units, and we are working in a priority way to medium and high income real estate. We have growth in all the indicators in this business line.

On slide five, we look at rental or leasing where we also work with the brands Bamberg, Brasil Brokers and Desenrola. In this segment, most of the portfolio is already in the Desenrola model, with volume, agility and technology in processing the leasing or rental of the real estate.

Bamberg has a lot of experience in this segment, also with high value real estate in São Paulo. Part of the process and technology in Desenrola was already migrated to Bamberg to help boost this segment, with professional pictures, 360 degree tours, digital contracts, and also a team for follow up of leads.

On slide six, we have our vertical of financial services with Credimorar, which had a quarter of production with the billing of R\$1 billion, and this consolidates the partnership with the three main private financial institutions of the country.

All the indicators are improving month after month, showing that the investment in technology, diversification of products, and a team that does their best to make things easy for the clients, with this we continue with Credimorar being the leader in real estate financing, with many banks.

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On slide seven, we see the results of the primary segment, where we work with the brands Abyara in São Paulo and Brasil Brokers in Rio. We launched in this quarter R\$2 billion in VGV, with more than 4,000 units that originated a VGV of R\$430 million, with 726 units sold.

Now, I would like to pass the floor to Mrs. Andrea de Rizzio, our CFO, an Investor Relations Officer.

Andrea de Rizzio:

Thank you, Daniel. Good afternoon. I will continue the presentation on slide eight, where we will give more details about our results.

We are very satisfied to have another quarter where we show growth for the Company, the consequence of hard work and also strict cost control with responsibility. Our gross revenue in 2Q21 reached R\$47 million, 23% above 1Q21, and 100% higher than in the same period in 2020, this due to a correct strategy, which was very well explained by Daniel.

When we talk about management expenses and administrative expenses, we see a drop in relation to gross revenue. We went from 69% in 2Q20 to 48% in administrative expenses in 2Q21. This demonstrates that the restructuring done was correct and sustainable, giving support to the growth of revenue without interfering in the quality of our services.

We show an adjusted EBITDA without labor liabilities of R\$2.4 million. This result is significant for us. We understand that it represents a new landmark for the Company.

On slide nine, we show the results of EBITDA, together with structural actions that have an effect on the generation of operational cash of R\$4.9 million in 2Q21, with a cash consumption of R\$3.3 million coming from investments in technology and payments of liabilities from previous years.

Slide ten refers to the inventory of labor liabilities, we have reduced from 355 labor claim in 2Q20 to 277 claims at the end of June 202 a reduction of 23% in lawsuits, I highlight once again that the new lawsuits have dropped in number. 2Q21 was closed without new lawsuits. Thus, this shows that we are on the right track.



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Finally, I would like to thank the efforts of all our team that is doing an excellent work, and to stress to our investors and to the markets that we from Brasil Brokers value ethics and responsibility.

We are a company listed on Novo Mercado in the stock market, and we aim at profitability with transparency, best practices, and also following the rules of the CVM, our SEC.

On our Investor Relations site, you can download the contents of this call. Also material facts, communications to the market and shareholder's structure.

We ask that you always look for trustworthy sources of information. If you need any clarification, talk to us and we will be available to answer. Our e-mail is our ri@brbrokers.com.br.

With this, I would like to conclude the results section, and I pass the word back to Daniel, who we will continue with our call, talking about our transformation.

Daniel Guerbatin:

Thank you, Andrea. This is certainly one of the topics that is very important in our management, the cultural transformation of the Company.

As you can see on slide 12, in the last few months, we intensified our project for cultural transformation involving the six companies that are part of the Group, with the participation of 92% of the Company in surveys.

Guided by our purpose of making each experience a unique partnership, we defined our work made up of our vision, values and behaviors. These are the pillars of the transformation.

And we began a group of cultural ambassadors formed by 22 people who dedicate part of their work to intensify the building and spreading of this project and its values. At the same time, to be aligned with behaviors and execution, we all consolidate more and more the OKR methodology as a model of management for the Company.

This journey of transformation is built on various actions, with sustainable objectives to support our business strategy and to form a unique corporate identity based on



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transparency, agility and collaboration, to generate collective commitments, motivate attitudes and improve the customer's experience and profitability.

On slide 13, we would like to highlight the creation of an area dedicated to ESG practices, and the progress of actions that reinforce the Company and its commitment to generate a positive impact in the whole ecosystem.

In governance, we created policies that clarified topics such as social responsibility, diversity and donation. To mitigate the corporate practices that generate environmental impact, we established partnerships with institutions specialized in reprocess and reuse of paper, and also the correct disposal of technological materials.

We continue, on slide 14, showing the social impacts. We structured projects that generate an effective contribution for society, with the highlights to the program 'The Future Begins at Home', where the Company gives financial support to the revamping of families in situations of poverty and vulnerability; and also, another project, 'Young Entrepreneur', which works with volunteers helping to teach poor, young people.

Apart from this, we also we also collected and donated 1,300 kg of food donated to institutions for poor people.

On slide 15, I would like to share with you our movement called 'Gigantesca', which was created to arise the corporate conscience on diversity and inclusion. We believe that it is urgent to create plural elements facilitating expression, ideas and a horizontal communication which will enable innovation.

For this, this project 'Gigantesca' promotes monthly meetings with debates on the type of diversity conditions we have already reached with the participation of 550 people. Based on this, the Company is committed to address and treat these conditions in order to promote the Company light with good relationships, and which is really helping the evolution of the business, without any prejudice.

I thank you all, and we would like to begin the Q&A session.

Gabriel (via webcast):

1 - Why did the Company have an increase in the wages of the Board and other employees? Because the company has a loss, wouldn't it be unfair to have this increase?

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2 - Is the company studying partnerships with other banks in real estate credit?

Andrea de Rizzio:

Good afternoon. Thank you for the question. The Company did not have wage increases for the council. We have a long term stock option plan, which is considered as compensation, although stock options are not. That is why we had a meeting to approve the total amount of stock options.

There was an increase due to legislation for one member of the council, and due to legislation of the CVM, our SEC. So there was no increase in wages or fixed compensation nor variable compensation for any of the executives. What we did have is the stock option plan for five years.

Daniel Guerbatin:

Talking about Credimorar, we have partnerships with Bradesco, Itaú and Santander banks. Credimorar is diversifying its products. It distributes home equity, Santander and other startups such as QCash. So we have been increasing our portfolio both in terms of products and banks linked to these products.

Operator:

Since there are no more questions, we would like to pass the floor to Mr. Daniel for his final comments.

Daniel Guerbatin:

I thank you all for participating in this conference call, and I invite you to the Investor Day on August 28 at 3 p.m. To participate, please register yourself.

We wish you a good week. Thank you.

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Operator:

The conference call of Brasil Brokers is concluded. We thank you very much, and wish you a good afternoon.

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