



Earnings Conference Call  
August 11, 2021 (Wednesday)  
9:00 am BRT | 8:00 am EST

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EARNINGS  
**2Q21**  
August 10, 2021

**Banco Modal S.A.** | [modalmais  
ri.modal.com.br](https://modalmais.ri.modal.com.br)

# 2Q21 EARNINGS RELEASE

**AUGUST 10, 2021.** Banco Modal S.A. (B3: MODL11) today announces its financial results for the second quarter and first half of 2021. The financial information is compliant with the consolidated financial statements in IFRS. Comparisons presented in this document refer to year-over-year comparisons, i.e. 2Q21 vs 2Q20, unless otherwise noted.

## Highlights



**Total AuC**  
**R\$26.0 billion**  
**+87.7%**



**Retail AuC**  
**R\$16.8 billion**  
**+152.2%**



**Enrolled Clients**  
**1.4 million**  
**+36.5%**



**Active Clients**  
**440,300**  
**+36.9%**



**Net Revenue**  
**R\$177.6 million**  
**+89.1%**



**Annualized ROAE**  
**14.2%**  
**+1.2 p.p.**



**Adjusted Net Income**  
**R\$45.9 million**  
**+137.4%**



**Adjusted Net Margin**  
**25.8%**  
**+5.3 p.p.**

- **Expansion:** new partnerships announced with key independent financial advisors (IFAs) and multi-family offices (MFOs) in Brazil's South and Southeast regions. Six new IFA offices were added that bring more than R\$3 billion in AuC, from which we highlight the combination of Valore and Elbrus in Paraná, forming a well-known and traditional player in their market with high adherence to the differentials of our ecosystem (on the signature date, the combined operations had over R\$2 billion in AuC). In Santa Catarina, Nova Capital brings the prospect of R\$1 billion in the short term, is already beginning its expansion into the countryside of São Paulo state, and is strongly driven by synergies with our leading B2B model.
- **Vaivoa Project - tech as a core:** our Technology Excellence Academy, which has received over 11,000 applications from all Brazilian states, with an exclusive and fully remote program aimed at training tech professionals for the financial markets, in all the essential skills for high-level developers. Approved applicants receive a scholarship for the duration of the course and have an opportunity to jump-start their technical careers and work in an environment that fosters Digital Transformation.



### Products by Credit Suisse - Customized financial advisory service

Officially launched in late June, the Modal Premium app, *products by Credit Suisse*, gives access to the best and most attractive products in the market through a fully digital, technological and secure bank, with exclusive benefits and financial solutions.

## OPERATIONAL AND FINANCIAL HIGHLIGHTS

<i>Financial Highlights</i> (in R\$ thousands except when indicated)	2Q21	2Q20	Δ	1H21	1H20	Δ
<b>Gross Revenue</b> <sup>(1)</sup>	<b>187,014</b>	<b>99,509</b>	<b>87.9%</b>	<b>319,558</b>	<b>173,218</b>	<b>84.5%</b>
<b>Net Revenue</b>	<b>177,561</b>	<b>93,909</b>	<b>89.1%</b>	<b>302,065</b>	<b>163,147</b>	<b>85.1%</b>
<b>Gross Profit</b>	<b>148,435</b>	<b>74,962</b>	<b>98.0%</b>	<b>250,733</b>	<b>127,203</b>	<b>97.1%</b>
<i>Gross Margin (%)</i>	83.6%	79.8%	3.8 p.p.	83.0%	78.0%	5.0 p.p.
<b>Adjusted EBT</b> <sup>(2)</sup>	<b>62,468</b>	<b>30,017</b>	<b>108.1%</b>	<b>99,837</b>	<b>32,591</b>	<b>206.3%</b>
<i>Adjusted EBT Margin (%)</i>	35.2%	32.0%	3.2 p.p.	33.1%	20.0%	13.1 p.p.
<b>Adjusted Net Income</b> <sup>(3)</sup>	<b>45,857</b>	<b>19,319</b>	<b>137.4%</b>	<b>69,891</b>	<b>22,478</b>	<b>210.9%</b>
<i>Adjusted Net Margin (%)</i>	25.8%	20.6%	5.3 p.p.	23.1%	13.8%	9.4 p.p.
<b>Shareholders' Equity</b> <sup>(4)</sup>	<b>1,378,087</b>	<b>396,606</b>	<b>247.5%</b>	<b>1,378,087</b>	<b>396,606</b>	<b>247.5%</b>
<b>Total Assets</b> <sup>(5)</sup>	<b>5,790,144</b>	<b>3,772,767</b>	<b>53.5%</b>	<b>5,790,144</b>	<b>3,772,767</b>	<b>53.5%</b>

<i>Operational Highlights</i>	2Q21	2Q20	Δ
<b>Annualized ROAE (%)</b> <sup>(6)</sup>	<b>14.2%</b>	<b>13.0%</b>	<b>1.3 p.p.</b>
<b>Basel Index (%)</b>	<b>37.0%</b>	<b>12.1%</b>	<b>24.9 p.p.</b>
<b>AuC (R\$ bn)</b>	<b>26.0</b>	<b>13.9</b>	<b>87.7%</b>
Retail AuC	16.8	6.7	152.2%
Institutional AuC	9.2	7.2	27.9%
<b>Active Clients (number of clients)</b>	<b>440,270</b>	<b>321,565</b>	<b>36.9%</b>
<b>Enrolled Clients (number of clients)</b>	<b>1,354,689</b>	<b>992,194</b>	<b>36.5%</b>
<b>Revenue Yield (%)</b>	<b>1.33%</b>	<b>1.30%</b>	<b>0.03 p.p.</b>
<b>AuC Retail Average per Cohort (R\$ thousands)</b>	<b>102.7</b>	<b>21.2</b>	<b>383.9%</b>

(1) See revenue reconciliation at the end of the document.

(2) Earnings before Taxes, adjusted for the provision of the Phantom Stock Option plan.

(3) Net Income from Continuing Operations, adjusted for the provision of the Phantom Stock Option plan after taxes.

(4) Adjusted Shareholders' Equity. See Glossary for definition.

(5) Total Assets, excluding the assets held for sale.

(6) Return on Average Adjusted Shareholders' Equity. See Glossary for definition.

## Subsequent Events

- **Strategic alliance in Brazil between Eleven and global research giant Morningstar:** taking another step towards consolidating its Research as a Service (RaaS) business, Eleven will develop and distribute customized content in Brazil in collaboration with Morningstar, a leading global provider of independent research, covering more than 500 listed companies and 200 investment funds and ETFs. At the forefront of the transformation of Brazil's investment ecosystem, this strategic alliance reinforces our positioning and competitive advantages, delivering even more value to our clients.
- **AuC migration of new B2B partners:** after a little more than one month of partnership, RJ Investimentos, one of our B2B partners, already reached the mark of R\$1.0 billion in assets transferred to our custody in July (equivalent to approximately 35% of AuC on the date the partnership was

signed). In July, new IFA offices were signed totaling more than R\$1.0 billion in AuC, including Plus, a traditional office in Belo Horizonte-MG operating for more than 20 years.

- **News and financial education portal - 1Bilhão:** as part of our growth strategy in the financial education segment, in July we completed the acquisition of 1Bilhão ([www.1bilhao.com.br](http://www.1bilhao.com.br)), a news and financial education portal focused on retail investors, with more than 450 thousand subscribers.

## MESSAGE FROM MANAGEMENT

### Efficient Execution & Profitable Growth

To say that the second quarter of 2021 was a period of hard work at modalmais is redundant and is not as important as highlighting the quality of our deliveries. We are proud of our capacity of execution which has gone well beyond financial results and funding. It is no surprise that we sought to expand our ecosystem through partnerships and acquisitions in order to continuously gain scale while improving and simplifying our customer experience.

Among this quarter's highlights, we continued to evolve our B2B partnerships. We attracted some key IFA offices and one major multi-family office. Our efforts to accelerate AuC migration from these partnerships to modalmais already delivered promising results in 2Q21.

IFA offices were seeking a partner that would be fully aligned with their growth strategy, and they found all these support at modalmais. After a little over a month into our partnership, RJ Investimentos transferred R\$1 billion in assets into our custody. This amount is equivalent to approximately 35% of its total AuC, attesting our operational agility and execution capacity. They have also counted on the support of Proseek to select, recruit, and train qualified professionals to reinforce their team. The new IFAs announced in June located in the South region, our goal is to support their expansion, which includes increasing physical presence and operations. Together they sum up to R\$2.5 billion in assets under custody. This ecosystem has been working well to attract not only IFAs, but also their current clients while simultaneously expanding the size of their operations. All the offices we have partnered with have rapidly increased their number of IFAs within 30 days after the signature date. For the upcoming quarters, the plan is to enter into new partnerships in strategic regions to keep solidifying our presence nationwide.

Another important highlight was the launch of Modal Premium: our app for high net worth segments which combines our technology with Credit Suisse's asset allocation experience and products. We believe this app is unique and a turning point in the use of technology for high-end clients. We are confident that we can still extract a lot of value from all the externalities of this partnership with Credit Suisse.

Our operation remains with strong growth pace in our main KPIs for 2Q21. Our AuC increased 88% over 2Q20, totaling R\$26 billion driven by Retail AuC which grew 2.5 times in the last 12 months. Our client base increased 36.5% to 1.4 million enrolled clients while active clients grew 36.9% to 440,000. Most importantly, our client base growth was qualified: the average retail AuC of the cohort of these new clients reached R\$102,700. All these numbers are important, and while we are proud of them, we want to accelerate this growth even further in the coming quarters.

The solidity of the operation is reflected in the accelerated pace of our revenue growth with high profitability, even during a period of natural increases in expenses. In line with our strategy of better balancing our revenue lines, we have strengthened our Capital Markets and Institutional Desk areas, complementary to Retail Portfolio and Retail Flow revenues of our digital platform that continue to grow consistently. Institutional Desk revenue doubled, and Capital Markets revenue grew sixfold, as a direct result of our increased share in capital market operations. This reflects the value of our increasingly wider and more sophisticated distribution base, and the integration with Eleven. Costs continued to lag revenue, demonstrating room to continue delivering increased operating leverage. Although expenses virtually doubled both in the second-quarter and first-half comparisons, our adjusted operating income (EBT) more than doubled between 2Q20 and 2Q21, and tripled between 1H20 and 1H21, with an operating margin of over 30% in the two periods.

In research, there is still great synergy with Eleven and several niches to be explored. We have already begun to win mandates for the public offering of shares and debt precisely because of our high-quality research team. In addition, one of the major differentials of Eleven's acquisition is the possibility of greater integration between asset recommendations and order executions. In July, we also announced a strategic partnership with Morningstar which will expand the range of customized services for local and international investments and expand the distribution of Research as a Service (RaaS) for all of Latin America. This will be another financial education driver for our clients and partners. We are very happy about this, a further step which places us at the forefront of the transformation of the financial ecosystem which will break down international boundaries as well as local barriers. This is a clear example of how we have designed the contribution of the Digital Content area to our performance and consolidated results.

As I have been saying since our roadshow, everything we are doing and delivering only mark the beginning. We operate in a highly competitive market that is constantly developing and has enormous potential for growth. In times of open finance, clients belong to the market. Qualitative differentials in the experience and services will be essential to establish long-term aligned relationships with clients, partners, and investors. This is what we are building. For this reason, efficient execution and profitable growth are our 'jobs to be done.'

**Cristiano Ayres, CEO**

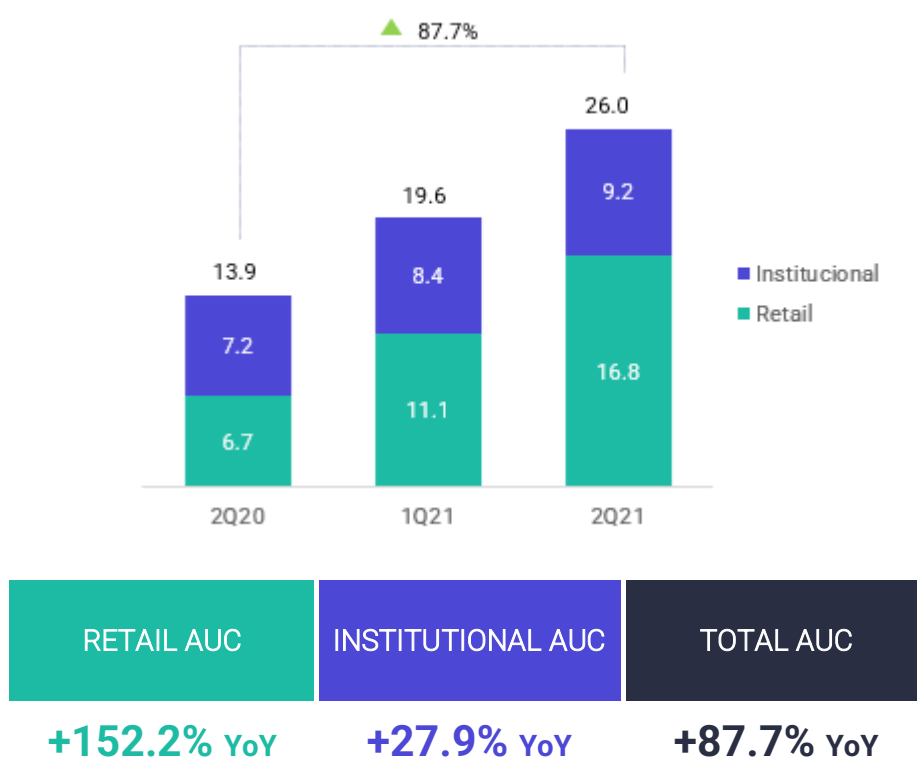


## OPERATIONAL PERFORMANCE

### Assets under Custody

Assets under Custody (AuC) totaled R\$26.0 billion in 2Q21, up 87.7% from 2Q20, led by Retail AuC, which increased 152.2%, from R\$6.7 billion in 2Q20 to R\$16.8 billion in 2Q21.

### Assets under Custody – AuC (R\$ billion)



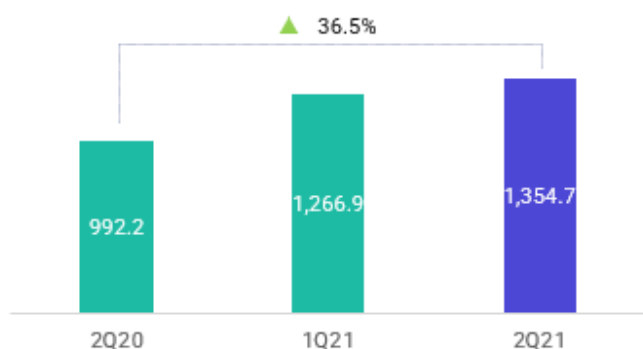
The fast-paced growth of Retail AuC was mainly due to the investment products ecosystem combined with financial education and customized advisory service, which has contributed not only to attracting new clients, but also to increasing the average AuC of existing clients.

Partnerships with independent financial advisors (IFAs) and multi-family offices (MFOs) continue at a fast pace, with a positive impact on AuC due to the beginning of AuC migration process. The highlight was **RJ Investimentos**, which after a little more than one month of partnership, reached the mark of R\$1.0 billion in assets transferred to our custody (equivalent to approximately 35% of AuC on the date the partnership was signed). Key factors for the speed and consistency of migration include the combination of the solid relationship between the partners selected as protagonists and their client bases with an allocation intelligence machine enabled by the combination of our team with Eleven, in addition to the strategies and products by Credit Suisse via Modal Premium app, officially launched in late June.

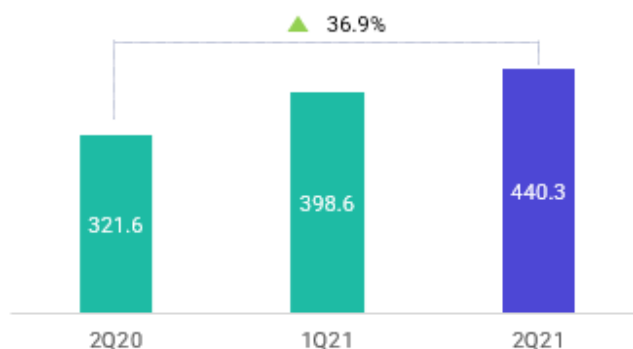
In 2Q21, we also entered into new partnerships with important offices in the Southeast and South region of Brazil, consolidating our presence in this important and growing market.

## Client Base (‘000)

### Enrolled Clients

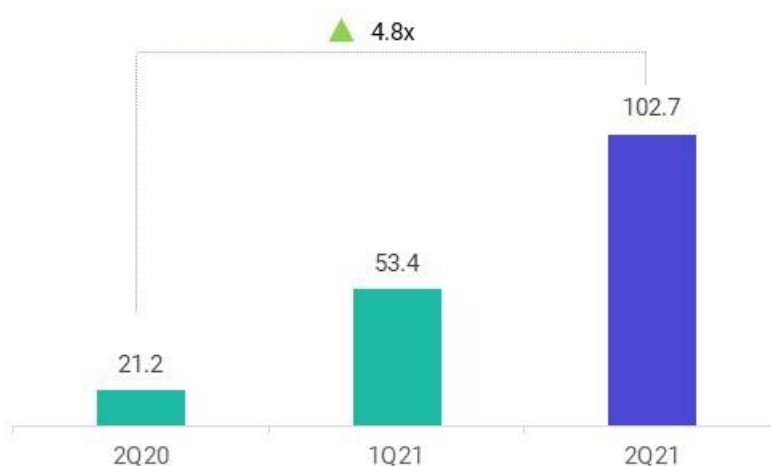


### Active Clients



The number of enrolled clients increased 36.5% YoY, reaching 1.4 million in 2Q21, while the active client base grew 36.9%, totaling 440,300 active clients, reflecting our ongoing client attraction and acquisition strategy.

## Retail AuC by Cohort (R\$ thousands)



The 2Q21 cohort ended the quarter with an average AuC of R\$102,700, approximately five times higher than the average AuC of the 2Q20 cohort at the end of June 2021, demonstrating the differentials of our ecosystem related to products and customized financial advisory services.

# FINANCIAL PERFORMANCE

## Gross Revenue

Gross Revenue (R\$ thousands, except when indicated)	2T21	2T20	Δ	1H21	1H20	Δ
<b>Retail Portfolio</b>	57,678	21,035	174.2%	91,599	37,990	141.1%
<b>Retail Flow</b>	51,918	48,369	7.3%	102,481	87,420	17.2%
<b>Capital Markets</b>	31,646	5,477	477.8%	49,322	10,504	369.6%
<b>Institutional Desk</b>	27,686	13,847	100.0%	52,449	19,302	171.7%
<b>Digital Content</b>	6,066	4,965	22.2%	8,441	8,668	-2.6%
<b>Others</b>	12,020	5,817	106.7%	15,267	9,334	63.6%
<b>Total</b>	<b>187,014</b>	<b>99,509</b>	<b>87.9%</b>	<b>319,558</b>	<b>173,218</b>	<b>84.5%</b>



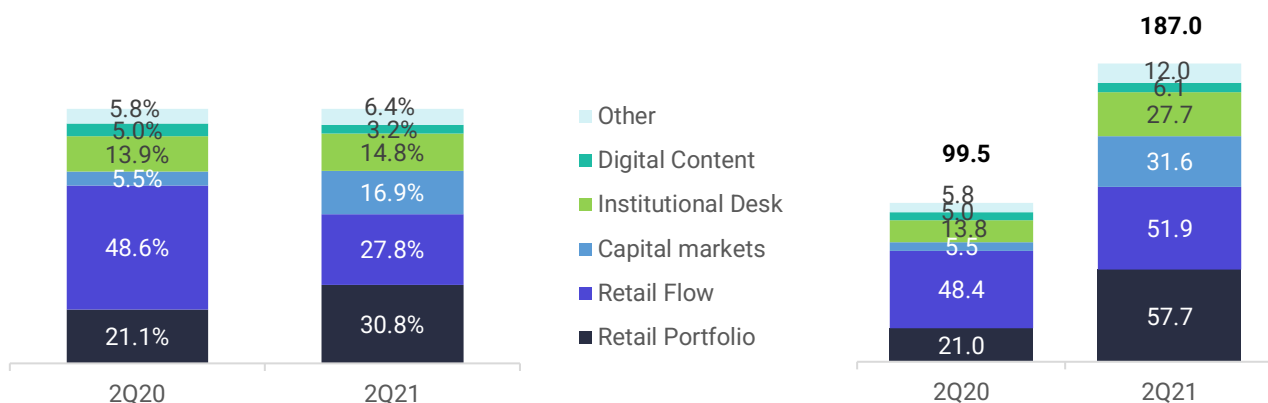
Gross Revenue was R\$187.0 million in 2Q21, up 87.9% over the same period last year. As in 1Q21, the accelerated pace of revenue growth reflects the initiatives in place for product and service complementarity in our ecosystem, with sustained profitability. The main drivers that positively impacted revenue include: (i) 152.2% increase in Retail AuC, driven by growth fueled by new clients, an increase in the average AuC of existing clients, in addition to the beginning of the AuC migration process of new B2B partners; (ii) Revenue Yield resilience; (iii) a more balanced contribution from different revenue lines; and (iv) the integration of recent acquisitions, with general positive impacts on our various business fronts.

Maintaining the 1Q21 trend, our Capital Markets and Institutional Desk units, which have important synergies with our digital platform, continued to grow substantially in 2Q21, reflecting the positive result of the recent partnerships and the integration of our acquisitions.

In 1H21, Gross Revenue totaled R\$319.6 million, an increase of 84.5% over the same period last year.

## Revenue Breakdown

% of total revenue | R\$ million

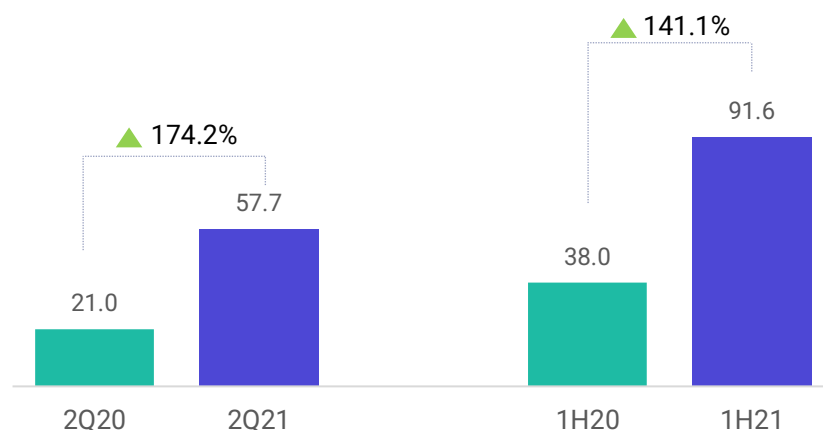




As previously mentioned, a more balanced contribution from revenue lines in 2Q21 and 1Q21 became evident in the YoY comparison. Retail Portfolio, Retail Flow and Capital Markets accounted for 31%, 28% and 17%, respectively, of total Gross Revenue in 2Q21, versus 21%, 49% and 6%, respectively, in 2Q20.

The diversification of our growth sources reflects our belief that it is not enough to just make products available, but it is also necessary to understand the different demands and desires of our different clients and partner profiles, a key factor in building aligned long-term relationships.

### Retail Portfolio (R\$ million)

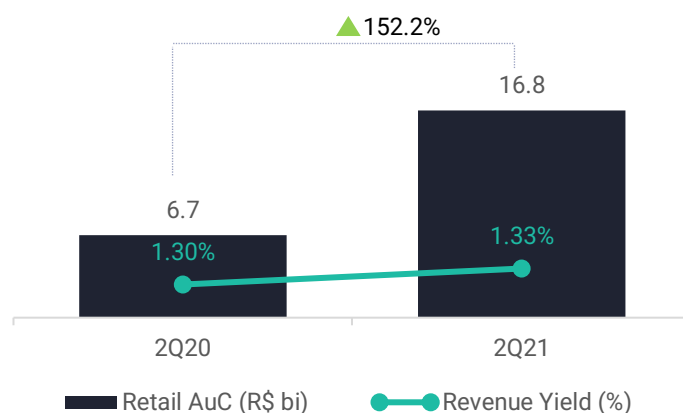


Retail Portfolio revenue totaled R\$57.7 million in 2Q21, up 174.2% over the same period last year.

As already mentioned, the strong Retail Portfolio performance in the quarter was directly related to the YoY increase of 152.2% in Retail AuC (B2B and B2C clients) and stable Revenue Yield between 2Q20 and 2Q21.

In 1H21, Retail Portfolio revenue totaled R\$91.6 million, an increase of 141.1% over the same period last year.

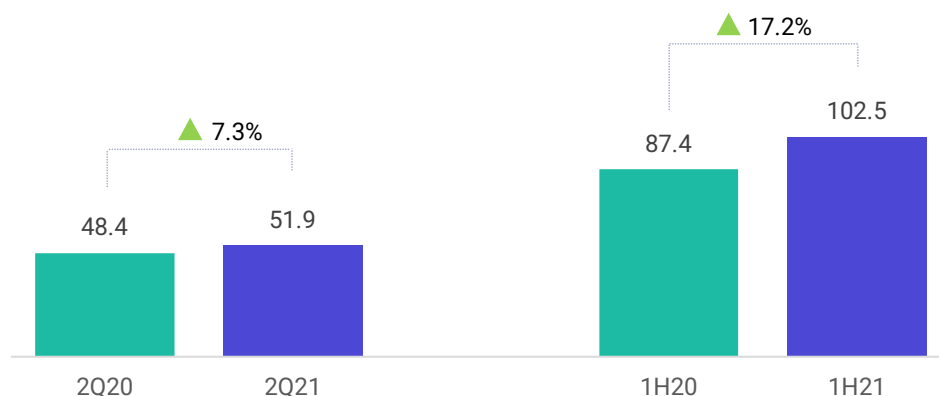
### Revenue Yield (%)



Revenue Yield measures revenue as a percentage of the Average Retail AuC<sup>(1)</sup>. We calculate the Revenue Yield of Retail Portfolio considering the last 12 months revenue in relation to the Average Retail AuC<sup>(1)</sup>. In 2Q21, Revenue Yield stood at 1.33%, 0.03 p.p. higher than in 2Q20, demonstrating the resilience and consistency of the revenue mix despite significant growth in Retail AuC and different client profiles.

(1) Average AuC Retail: the sum of AuC Retail at the beginning of the period and each quarter end in a given year, with five data points in a year, divided by five.

## Retail Flow (R\$ million)

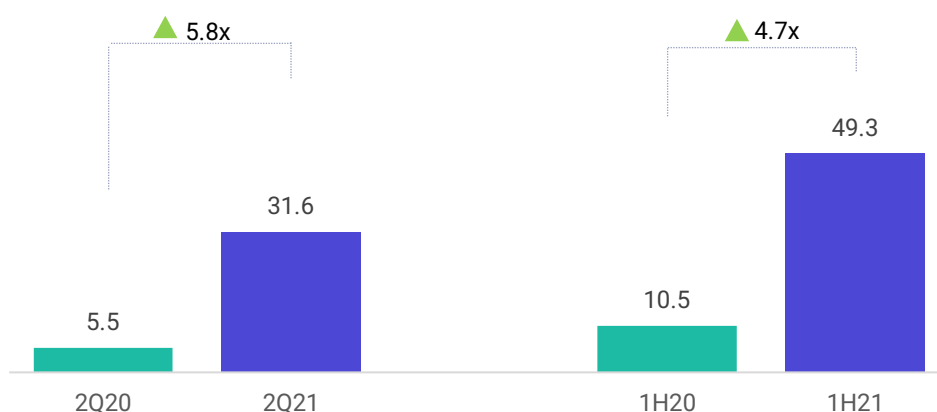


Retail Flow revenue totaled R\$51.9 million in 2Q21, up 7.3% over the same period last year.

With a less drastic change than in other segments, performance reflected the decline in trading volume in the futures market at B3 in April and May.

In 1H21, Retail Flow revenue totaled R\$102.5 million, an increase of 17.2% over the same period last year.

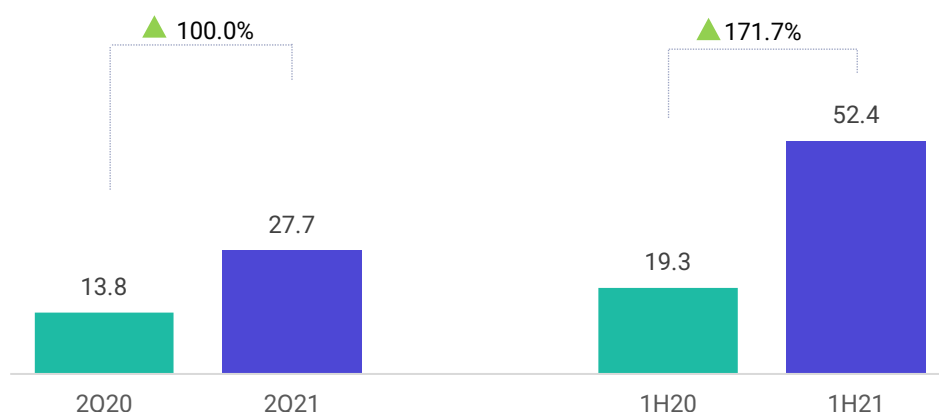
## Capital Markets (R\$ million)



Capital Markets revenue totaled R\$31.6 million in 2Q21, approximately six times higher than in the same period last year. The strong performance of this segment was due to (i) rapid growth in DCM (Debt Capital Markets) transactions, dealflow of which was positively impacted by our larger client distribution base; and (ii) the positive impact of Eleven's networking and reputation which keeps helping us bring clients and business flow.

In 1H21, Capital Markets revenue totaled R\$49.3 million, approximately five times higher than in 1H20.

### Institutional Desk (R\$ million)



Institutional Desk revenue totaled R\$27.7 million in 2Q21, up 100.0% over 2Q20. In 2Q21, Institutional Desk revenue was impacted by low trading volume at B3 in April and May, offset by an increase in the range of solutions offered to institutional clients and growth in the number of clients and business flow.

In 1H21, Institutional Desk revenue totaled R\$52.4 million, an increase of 171.7% over the same period last year.

### Digital Content and Others

Digital Content revenue totaled R\$6.0 million in 2Q21, up 22.2% over the same period last year. It is also important to note that, among other integration initiatives, we prioritized free content over paid content in 2Q21 as a way to engage clients and test content for different client profiles.

In 1H21, Digital Content revenue totaled R\$8.4 million, in line with the R\$8.7 million recorded in the same period last year.

Others revenue is mostly composed of financial revenue from our cash position. In 2Q21, Others revenue totaled R\$12.0 million, an increase of 106.7% over 2Q20, due to proceeds of our IPO (completed on April 30, 2021). In 1H21, Others revenue totaled R\$15.3 million, up 63.6% over 1H20.

## Net Revenue

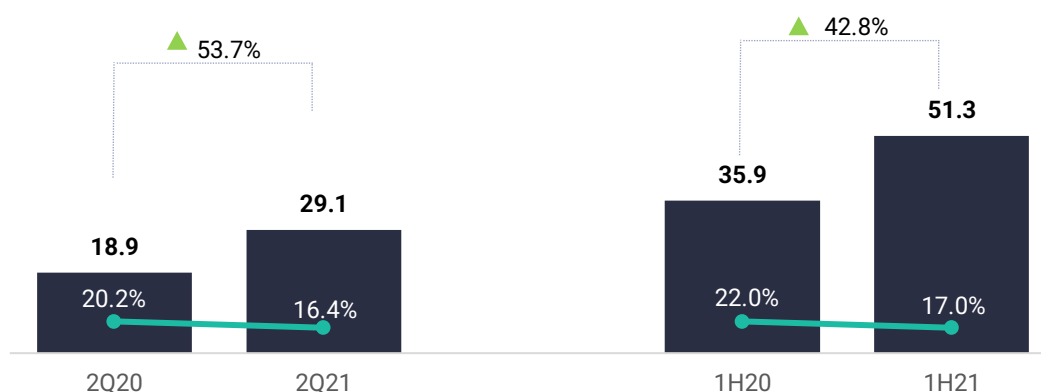
Net Revenue, i.e. revenue after deducting revenue taxes, namely PIS, COFINS, ISS and IRRF (over incentivized debentures), totaled R\$177.6 million in 2Q21, up 89.1% over 2Q20. In 1H21, Net Revenue totaled R\$302.1 million, an increase of 85.1% over the same period last year.

## COGS and Gross Profit

The Cost of Goods and Services (COGS), mainly composed of costs related to custody, brokerage, systems and services payable to B3 and financial agents; home broker platforms; and IFA commissions.

### COGS

(R\$ million | % Net Revenue)



COGS totaled R\$29.1 million in 2Q21 (16.4% of Net Revenue), an increase of 53.7% over 2Q20 (20.2% of Net Revenue), demonstrating important operational leverage between the periods, as costs grew less than revenue.

In 1H21, COGS totaled R\$51.3 million (17.0% of Net Revenue), up 42.8% from R\$35.9 million in 1H20 (22.0% of Net Revenue).

## Gross Profit

Gross Profit (R\$ thousands, except when indicated)	2Q21	2Q20	Δ	1H21	1H20	Δ
Net Revenue	177,561	93,909	89.1%	302,065	163,147	85.1%
(+) COGS	(29,126)	(18,947)	53.7%	(51,332)	(35,944)	42.8%
Gross Profit	148,435	74,962	98.0%	250,733	127,203	97.1%
Gross Margin (%)	83.6%	79.8%	3.8 p.p.	83.0%	78.0%	5.0 p.p.

Due to the aforementioned effects, Gross Profit totaled R\$148.4 million in 2Q21, up 98.0% over 2Q20, together with a substantial gain of 3.8 p.p. in Gross Margin, which reached 83.6% in the period.

In 1H21, Gross Profit was R\$250.7 million, 97.1% higher than in the same period last year, while Gross Margin was 83.0% (up 5.0 p.p. over 1H20).

## Selling, General, and Administrative Expenses

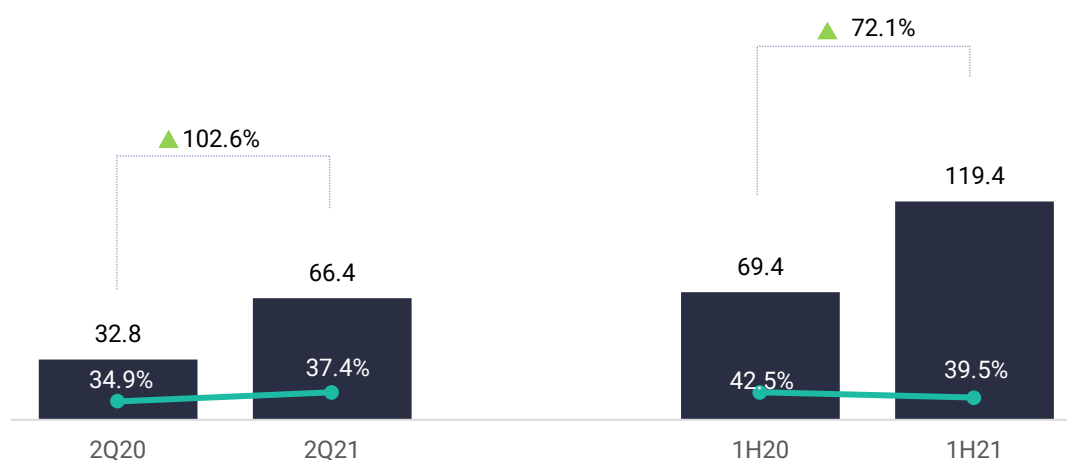
SG&A (R\$ thousands, except when indicated)	2Q21	2Q20	Δ	1H21	1H20	Δ
Personnel	(32,914)	(18,504)	77.9%	(58,920)	(37,050)	59.0%
Profit Sharing	(7,268)	28	n.a.	(11,800)	(34)	n.a.
Third Party Services	(7,905)	(3,818)	107.1%	(14,992)	(8,957)	67.4%
Marketing Expenses	(11,258)	(4,984)	125.9%	(20,248)	(10,573)	91.5%
Administrative Expenses	(5,871)	(4,615)	27.2%	(10,973)	(9,482)	15.7%
Other	(1,213)	(890)	36.4%	(2,465)	(3,267)	-24.5%
<b>Adjusted SG&amp;A</b>	<b>(66,429)</b>	<b>(32,782)</b>	<b>102.6%</b>	<b>(119,398)</b>	<b>(69,363)</b>	<b>72.1%</b>
<b>% of Net Revenue</b>	<b>-37.4%</b>	<b>-34.9%</b>	<b>-2.5 p.p.</b>	<b>-39.5%</b>	<b>-42.5%</b>	<b>3.0 p.p.</b>
(+) Phantom Stock Options <sup>(1)</sup>	(13,217)	(1,393)	848.8%	(13,358)	(1,393)	858.9%
<b>Total SG&amp;A</b>	<b>(79,646)</b>	<b>(34,175)</b>	<b>133.1%</b>	<b>(132,756)</b>	<b>(70,756)</b>	<b>87.6%</b>

(1) The increase in the provision for the Phantom Stock Options program reflects an increase in our Shareholders' Equity, associated with the completion of the IPO through the primary and secondary public offering of units, completed in April 2021.

Selling, General, and Administrative Expenses, excluding the non-recurring effect of the provision for the Phantom Stock Options program, an important alignment and talent attraction and retention tool, totaled R\$66.4 million in 2Q21, up 102.6% over 2Q20, due to the sustainable growth of our operation. Adjusted Selling, General, and Administrative represented 37.4% of Net Revenue in 2Q21, versus 34.9% in the same period last year. The increase in expenses was driven by (i) a 77.9% increase in personnel expenses, related to growth of approximately 82.9% in headcount compared to 2Q20, due to, among other reasons, the reinforcement of the internal financial advisory team (B2C) and the teams of the recently acquired companies; (ii) quarterly provisioning for profit sharing (in 2020, it was mostly accounted for in 4Q20); and (iii) growth of 125.9% in marketing expenses, as part of the strategy to strengthen the brand and acquire new clients in the period, with positive effects on the quality of the cohort of new clients in 2Q21.

In 1H21, Adjusted Selling, General, and Administrative Expenses totaled R\$119.4 million, 72.1% higher than in 1H20, but 3.0 p.p. lower as a percentage of Net Revenue.

### Adjusted SG&A Expenses (R\$ million | % of Net Revenue)



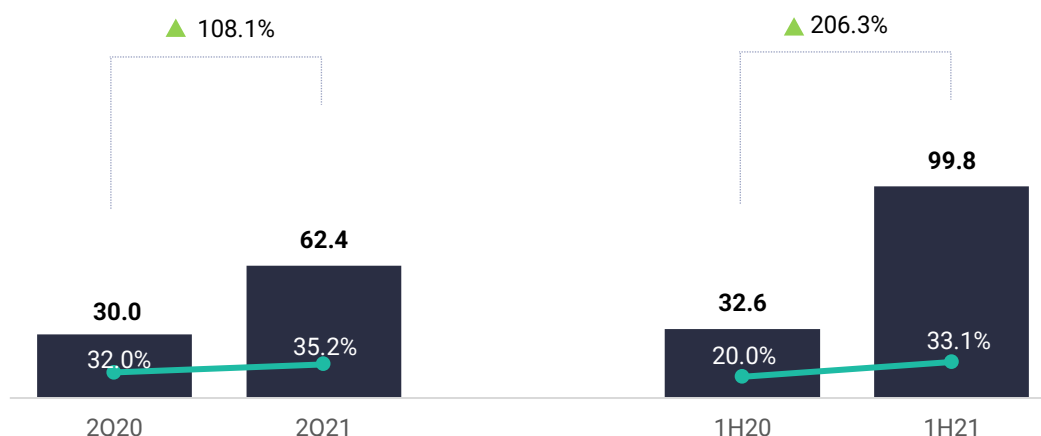
## Earnings Before Taxes (EBT)

<b>EBT</b> (R\$ thousands, except when indicated)	2Q21	2Q20	Δ	1H21	1H20	Δ
<b>Gross Profit</b>	<b>148,435</b>	<b>74,962</b>	<b>98.0%</b>	<b>250,733</b>	<b>127,203</b>	<b>97.1%</b>
(+) Adjusted SG&A Expenses	(66,429)	(32,782)	102.6%	(119,398)	(69,363)	72.1%
(+) Equity Method	920	(142)	-748.8%	1,721	627	174.4%
(+) Depreciation and Amortization	(6,214)	(3,952)	57.3%	(11,336)	(7,388)	53.4%
<b>Adjusted EBIT<sup>(1)</sup></b>	<b>76,712</b>	<b>38,086</b>	<b>101.4%</b>	<b>121,720</b>	<b>51,079</b>	<b>138.3%</b>
<i>Adjusted EBIT Margin %</i>	<i>43.2%</i>	<i>40.6%</i>	<i>2.6 p.p.</i>	<i>40.3%</i>	<i>31.3%</i>	<i>9.0 p.p.</i>
(+) Financial Expenses	(14,244)	(8,069)	76.5%	(21,883)	(18,488)	18.4%
<b>Adjusted EBT<sup>(1)</sup></b>	<b>62,468</b>	<b>30,017</b>	<b>108.1%</b>	<b>99,837</b>	<b>32,591</b>	<b>206.3%</b>
<i>Adjusted EBT Margin %</i>	<i>35.2%</i>	<i>32.0%</i>	<i>3.2 p.p.</i>	<i>33.1%</i>	<i>20.0%</i>	<i>13.1 p.p.</i>

(1) Excluding the effect of the provision for the Phantom Stock Options program.

Earnings Before Taxes (EBT), excluding the non-recurring effect of the provision for the Phantom Stock Options program, totaled R\$62.5 million in 2Q21, up 108.1% over 2Q20, and Adjusted EBT Margin was 35.2%, 3.2 p.p. higher than in 2Q20. In 1H21, Adjusted EBT totaled R\$99.8 million, up 206.3% over 1H20, with an increase of 13.1 p.p. in Adjusted EBT margin.

### Adjusted EBT and Adjusted EBT Margin (R\$ million | % of Net Revenue)



## Net Income

<b>Net Income</b> (R\$ thousands, except when indicated)	2Q21	2Q20	Δ	1H21	1H20	Δ
<b>Adjusted EBT</b>	<b>62,468</b>	<b>30,017</b>	<b>108.1%</b>	<b>99,837</b>	<b>32,591</b>	<b>206.3%</b>
Phantom Stock Options	(13,217)	(1,393)	848.8%	(13,358)	(1,393)	858.9%
<b>EBT</b>	<b>49,251</b>	<b>28,624</b>	<b>72.1%</b>	<b>86,479</b>	<b>31,198</b>	<b>177.2%</b>
Income Tax and Social Contribution	(10,911)	(10,201)	7.0%	(24,196)	(9,616)	151.6%
<b>Net Income<sup>(1)</sup></b>	<b>38,340</b>	<b>18,423</b>	<b>108.1%</b>	<b>62,283</b>	<b>21,582</b>	<b>188.6%</b>
Phantom Stock Options after Tax	7,517	897	738.5%	7,608	897	748.6%
<b>Adjusted Net Income<sup>(2)</sup></b>	<b>45,857</b>	<b>19,319</b>	<b>137.4%</b>	<b>69,891</b>	<b>22,478</b>	<b>210.9%</b>
<i>Adjusted Net Margin %</i>	<i>25.8%</i>	<i>20.6%</i>	<i>5.3 p.p.</i>	<i>23.1%</i>	<i>13.8%</i>	<i>9.4 p.p.</i>

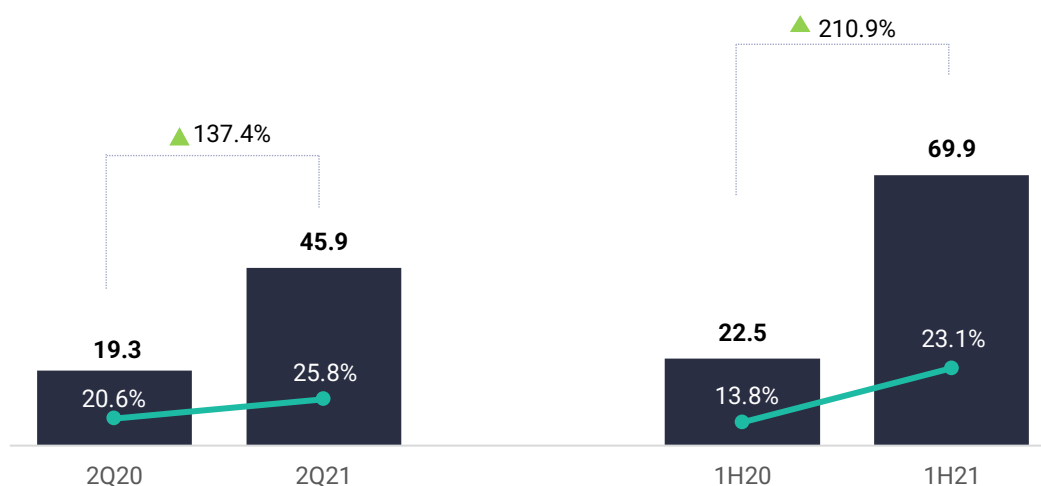
(1) Net Income from Continuing Operations.

(2) Net Income from Continuing Operations, adjusted for the provision for the Phantom Stock Option program after taxes.

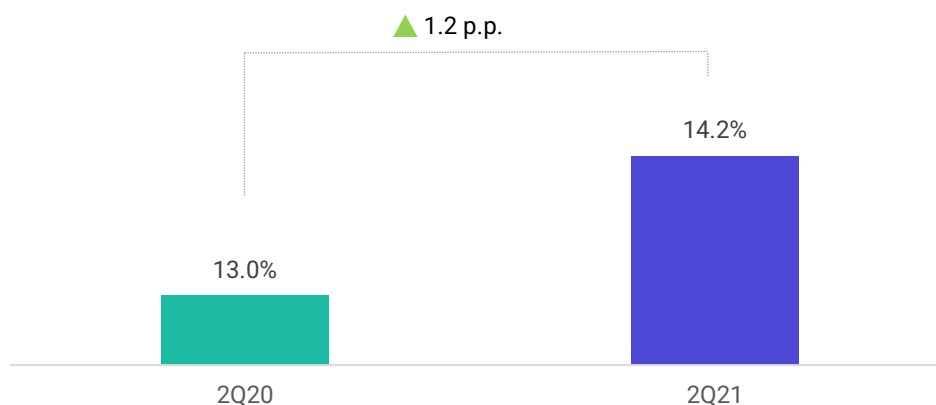


Adjusted Net Income totaled R\$45.9 million in 2Q21, up 137.4% over 2Q20. Adjusted Net Margin was 25.8% in 2Q21, 5.3 p.p. higher than in 2Q20, demonstrating the solid trend of capturing balanced growth among all areas, with a positive impact on the bottom line. In 1H21, Adjusted Net Income totaled R\$69.9 million, 210.9% higher than in 1H20, and Adjusted Net Margin was 23.1%, an increase of 9.4 p.p.

### Adjusted Net Income (R\$ million | % of Net Revenue)



### Annualized Return on Average Equity (ROAE) (%)



Annualized ROAE stood at 14.2% at the end of 2Q21, 1.2 p.p. higher than in 2Q20, due to the profitability gains over the period, especially in light of our high level of operational leverage.

## CAPITAL STRUCTURE AND CAPITAL ADEQUACY RATIO

As shown below, our Capital Adequacy Ratio reached 37.0% at the end of 2Q21, strongly associated with the strengthening of our capital following the completion of our IPO through the public offering of primary and secondary units in April 2021.

<b>Capital Adequacy Ratio</b> <i>(in R\$ thousands except when indicated)</i>	<b>2Q21</b>	<b>1Q21</b>
Principal Capital (Tier I)	1,083,161	465,149
<b>Reference Equity</b>	<b>1,083,161</b>	<b>465,149</b>
Credit Risk Weighted Assets (RWACPAD) (a)	2,035,718	1,549,968
Market Risk Weighted Assets (RWAMPAD) (b)	373,540	401,476
Operational Risk Weighted Assets (RWAOPAD) (c)	515,691	515,691
<b>RWA (a) + (b) + (c)</b>	<b>2,924,949</b>	<b>2,467,135</b>
Minimum Required Reference Equity	233,996	197,371
Gap in relation to the Minimum Required Reference Equity	849,165	267,778
<b>Ratio (%)</b>	<b>37.0%</b>	<b>18.9%</b>

## RECONCILIATION OF GROSS AND NET REVENUE

<b>Reconciliation of Gross and Net Revenue (IFRS - Managerial)</b> <i>(R\$ thousands, except when indicated)</i>	<b>2Q21</b>	<b>2Q20</b>	<b>1H21</b>	<b>1H20</b>
<b>Gross Revenue</b>	<b>187,014</b>	<b>99,509</b>	<b>319,558</b>	<b>173,218</b>
Result of financial intermediation and services <sup>(1)</sup>	167,932	88,724	288,245	148,841
(-) Funding Expenses <sup>(2)</sup>	14,244	8,069	21,883	18,488
(+) Other operating revenues <sup>(3)</sup>	4,838	2,716	9,430	5,889
<b>(-) Income tax on Revenues <sup>(4)</sup></b>	<b>(9,453)</b>	<b>(5,601)</b>	<b>(17,493)</b>	<b>(10,072)</b>
Contribution to the social integration program (PIS)	(813)	(517)	(1,582)	(944)
Contribution for social security financing (COFINS)	(4,765)	(3,067)	(9,414)	(5,592)
Tax on services (ISS)	(3,199)	(1,448)	(5,189)	(2,651)
Income tax withheld at source (IRRF)	(676)	(568)	(1,308)	(884)
<b>Net Revenue</b>	<b>177,561</b>	<b>93,909</b>	<b>302,065</b>	<b>163,147</b>

- (1) Considers the balance of the "Result of financial intermediation and services" account in accordance with the Income Statement,  
(2) Considers the balance of "Expenses with Interest and Similar" as Funding Expenses in the Income Statement, excluding the balance of "Expenses with Committed Operations" (for more details, see the notes to the Audited Financial Statements).  
(3) Considers the portion of "Other Operating Income", included in the balance of "Other operating income (expenses)" in the Income Statement (for more details, see the notes to the Audited Financial Statements).  
(4) Considers the balance of "Contribution to the social integration program (PIS)", "Contribution for the social security financing (COFINS)", "Tax on services (ISS)", and "Income tax withheld at source (IRRF)" in "Tax Expenses" in the Income Statement (for additional details, see the notes to the Audited Financial Statements).

## CONSOLIDATED BALANCE SHEET

Assets (R\$ thousands)	06/30/2021	12/31/2020
<b>Cash and cash equivalents</b>	<b>2,167,826</b>	<b>2,057,592</b>
<b>Financial Assets</b>	<b>3,105,724</b>	<b>1,768,530</b>
<b>At Amortized Cost</b>	<b>1,000,229</b>	<b>453,017</b>
Securities	25,021	-
Other financial assets	423,893	318,224
Decrease in Compulsory Deposits in the Brazilian Central Bank	16,845	14,978
Credit Operations	536,912	127,821
(-) Provision for Expected Losses	(2,442)	(8,006)
<b>At Fair Value Through Other Comprehensive Income</b>	<b>1,117,447</b>	<b>892,544</b>
Marketable securities	1,117,447	892,544
<b>At Fair Value Through Profit or Loss</b>	<b>988,048</b>	<b>422,969</b>
Marketable securities	902,624	335,712
Derivatives	85,424	87,257
<b>Non-current Assets held for sale</b>	<b>310.794</b>	<b>332.828</b>
<b>Investments in associates</b>	<b>1,727</b>	<b>2,117</b>
<b>Other Assets</b>	<b>112,164</b>	<b>17,225</b>
<b>Tax Assets</b>	<b>147,579</b>	<b>112,161</b>
Income tax recoverable	36,908	36,926
Deferred income tax and social contribution	110,671	75,235
<b>Property and equipment</b>	<b>35,021</b>	<b>21,755</b>
<b>Right of use of leases</b>	<b>12,549</b>	<b>12,124</b>
<b>Intangible assets</b>	<b>207,511</b>	<b>81,419</b>
<b>Total Assets</b>	<b>6,100,938</b>	<b>4,405,751</b>

<i>Liabilities</i>		
<i>(R\$ thousands)</i>	<b>06/30/2021</b>	<b>12/31/2020</b>
<b>Financial liabilities</b>	<b>4,587,830</b>	<b>3,745,436</b>
<b>At amortized cost</b>	<b>4,524,100</b>	<b>3,728,786</b>
Deposits	2,884,884	2,092,060
Funding in the open market	1,301,497	1,412,003
Other financial Liabilities	332,018	224,723
Obligations for loans	5,701	-
<b>At Fair Value Through Profit or Loss</b>	<b>63,730</b>	<b>16,650</b>
Derivatives	63,730	16,650
<b>Provisions and Contingent Liabilities</b>	<b>2,030</b>	<b>1,460</b>
<b>Other Liabilities</b>	<b>63,508</b>	<b>36,437</b>
<b>Liabilities associated to Non-current Assets held for sale</b>	<b>1,094</b>	<b>11,839</b>
<b>Tax Liabilities</b>	<b>68,389</b>	<b>24,326</b>
Current income tax and social contribution	22,026	23,620
Deferred income tax and social contribution	43,356	617
Other tax liabilities	3,007	89
<b>Total liabilities</b>	<b>4,722,851</b>	<b>3,819,498</b>
<b>Shareholders' equity</b>	<b>1,378,087</b>	<b>586,253</b>
<b>Equity attributable to owners of the parent</b>	<b>1,378,087</b>	<b>586,253</b>
Share capital	1,074,966	291,908
Capital Reserves	195,579	228,974
Revenue reserves	67,339	71,385
Treasury shares	-	(6,349)
Other comprehensive income	583	335
Profit reserve to be paid in	39,620	-
<b>Total Liabilities and Shareholders' Equity</b>	<b>6,100,938</b>	<b>4,405,751</b>

# INCOME STATEMENT

Income Statement (R\$ thousands)	2Q21	2Q20	1H21	1H20
<b>Income from interest and similar earnings</b>	<b>43,013</b>	<b>23,573</b>	<b>77,894</b>	<b>54,354</b>
At amortized cost and fair value through other comprehensive income	43,013	23,573	77,894	54,354
<b>Expenses with interest and similar</b>	<b>(25,183)</b>	<b>(16,377)</b>	<b>(39,550)</b>	<b>(39,245)</b>
At amortized cost	(25,183)	(16,377)	(39,550)	(39,245)
Result of financial assets and liabilities at fair value through profit or loss	124,916	20,755	124,822	2,041
Service revenue	87,460	47,569	148,442	87,632
Foreign Exchange Result and Foreign Exchange Variation of Transactions Abroad	(62,873)	12,530	(28,927)	46,276
Result in the Sale of Credit Operations	-	-	-	6
<b>Financial assets expected losses</b>	<b>599</b>	<b>674</b>	<b>5,564</b>	<b>(2,223)</b>
Credit Operations	599	674	5,564	(2,223)
<b>Results of financial Intermediation and services</b>	<b>167,932</b>	<b>88,724</b>	<b>288,245</b>	<b>148,841</b>
Personnel expenses	(40,182)	(18,476)	(70,720)	(37,084)
Tax	(9,929)	(5,633)	(18,081)	(11,172)
General and administrative expenses	(57,627)	(33,398)	(104,533)	(67,505)
Equity in results of investees	920	(142)	1,721	627
Other operating income (expenses)	(11,553)	(1,990)	(9,368)	(2,048)
Provisions and contingent liabilities	(310)	(461)	(785)	(461)
<b>Result before taxation</b>	<b>49,251</b>	<b>28,624</b>	<b>86,479</b>	<b>31,198</b>
Income Taxes				
Current	1,184	(1,772)	(3,519)	(4,889)
Deferred	(12,095)	(8,429)	(20,677)	(4,727)
<b>Profit from continuing operations</b>	<b>38,340</b>	<b>18,423</b>	<b>62,283</b>	<b>21,582</b>
Income from discontinued operations	(7,344)	5,207	(7,664)	(932)
<b>Consolidated profit for the period</b>	<b>30,996</b>	<b>23,630</b>	<b>54,619</b>	<b>20,650</b>
<b>Diluted and basic earnings per share (in R\$)</b>				
Common shares	0.06188	321.31931	0.10053	374.11834
Preferred shares	0.06275	321.31931	0.10195	374.11834

## MANAGERIAL INCOME STATEMENT

Managerial Income Statement (in R\$ thousands)	2T21	2T20	1H21	1H20
<b>Gross Revenue</b>				
Retail Portfolio	57,678	21,035	91,599	37,990
Retail Flow	51,918	48,369	102,481	87,420
Capital Markets	31,646	5,477	49,322	10,504
Institutional Desk	27,686	13,847	52,449	19,302
Digital Content	6,066	4,965	8,441	8,668
Other	12,020	5,817	15,267	9,334
<b>Total Gross Revenue</b>	<b>187,014</b>	<b>99,509</b>	<b>319,558</b>	<b>173,218</b>
Taxes and Deductions	(9,453)	(5,601)	(17,493)	(10,072)
<b>Net Revenue</b>	<b>177,561</b>	<b>93,909</b>	<b>302,065</b>	<b>163,147</b>
COGS	(29,126)	(18,947)	(51,332)	(35,944)
<b>Gross Profit</b>	<b>148,435</b>	<b>74,962</b>	<b>250,734</b>	<b>127,203</b>
SG&A	(66,429)	(32,782)	(119,398)	(69,363)
Personnel expenses	(32,914)	(18,504)	(58,920)	(37,050)
Profit sharing	(7,268)	28	(11,800)	(34)
Third-party services	(7,905)	(3,818)	(14,992)	(8,957)
Marketing Expenses	(11,258)	(4,984)	(20,248)	(10,573)
Administrative Expenses	(5,871)	(4,615)	(10,973)	(9,482)
Other Expenses	(1,213)	(890)	(2,465)	(3,267)
Equity in results of investees	920	(142)	1,721	627
Depreciation and Amortization	(6,214)	(3,952)	(11,336)	(7,388)
<b>Adjusted EBIT</b>	<b>76,712</b>	<b>38,086</b>	<b>121,720</b>	<b>51,079</b>
Financial Expenses	(14,244)	(8,069)	(21,883)	(18,488)
<b>Adjusted EBT</b>	<b>62,468</b>	<b>30,017</b>	<b>99,837</b>	<b>32,591</b>
Phantom Stock Options	(13,217)	(1,393)	(13,358)	(1,393)
<b>EBT</b>	<b>49,251</b>	<b>28,624</b>	<b>86,479</b>	<b>31,198</b>
Income Tax and Social Contribution	(10,911)	(10,201)	(24,196)	(9,616)
<b>Net Income</b>	<b>38,340</b>	<b>18,423</b>	<b>62,283</b>	<b>21,581</b>
Phantom Stock Option after Tax	7,517	897	7,608	897
<b>Adjusted Net Income</b>	<b>45,857</b>	<b>19,319</b>	<b>69,892</b>	<b>22,478</b>



# CASH FLOW

<b>Cash Flows</b> (in R\$ thousands)		1H21	1H20
<b>Cash flow from operations</b>			
<b>Consolidated Profit for the period</b>		<b>54.619</b>	<b>20.651</b>
Provision for financial assets expected loss		(5.564)	2.223
Depreciation and amortization		13.925	9.816
Deferred income tax and social contribution		20.677	4.727
Provision for share-based payments		13.358	(1.365)
Provision for contingencies		785	461
Provision for profit sharing		11.8	34
Equity in results of investees		(1.721)	(627)
Appropriation of lease liability interest		702	(457)
Effect of the changes in the foreign exchange rates in cash and cash equivalents		(34.846)	(48.648)
<b>Adjusted profit (loss)</b>		<b>73.735</b>	<b>(13.185)</b>
<b>Variations in assets and liabilities</b>			
(Increase) Decrease in compulsory deposits at the Brazilian Central Bank		(1.867)	(2.802)
Increase (Decrease) in financial assets at amortized cost		(525.802)	82.474
(Increase) Decrease in financial assets at fair value through profit or loss		(564.126)	(347.876)
(Increase) Decrease in financial assets at fair value through other comprehensive income		(224.858)	153.569
(Increase) Decrease in income taxes to offset		195	368
Increase (Decrease) in other assets		(117.257)	(8.084)
(Increase) Decrease in financial liabilities at amortized cost		753.434	1.008.727
Increase (Decrease) in financial liabilities at fair value through profit or loss		47.08	89.774
(Increase) Decrease in provisions		(215)	(682)
Increase (Decrease) in current tax liabilities and other tax liabilities		1.686	10.537
(Increase) Decrease in other liabilities		6.552	13.887
Increase (Decrease) in Liabilities associated with Non-current Assets held for sale		(10.745)	(171)
Dividends received		2.063	1.265
Income Tax and Social Contribution Paid		(5.395)	(5.707)
(Increase) Decrease in Non-current Assets held for sale - Discontinued Operations		22.034	(14.262)
<b>Net cash provided by (used in) operating activities</b>		<b>(543.486)</b>	<b>967.832</b>
<b>Cash flows from investing activities</b>			
Acquisition of property and equipment		(16.709)	(5.725)
Disposal of property, plant and equipment		221	314
Acquisition of intangible assets		(46.277)	(20.015)
Disposal of intangible assets		195	89
(Addition) Disposal of Investments		48	(720)
Acquisition of companies (amount paid)		(64.224)	-
<b>Net cash provided by (used in) investing activities</b>		<b>(126.746)</b>	<b>(26.057)</b>
<b>Cash flows from financing activities</b>			
Capital Increase/Reduction		783.058	-
Transaction costs IPO		(33.395)	-
Dividends paid		(4)	-
<b>Net cash provided by (used in) financing activities</b>		<b>745.663</b>	<b>-</b>
<b>Increase (Decrease) in cash and cash equivalents</b>		<b>75.431</b>	<b>941.775</b>
Cash and cash equivalents at the beginning of the period		2.057.592	502.473
Effects of the changes in the foreign exchange rates in cash and cash equivalents		34.846	48.648
Cash and cash equivalents at end of period		2.167.869	1.492.896

## GLOSSARY

<b>Active Client</b>	Client with a position above R\$10.00 or who has operated over the last three months. This criterion is in accordance with our proposal to democratize investments.
<b>Adjusted Shareholders' Equity</b>	Shareholders' Equity adjusted to non-recurring effects. For December 31, 2019, Shareholders' Equity is adjusted to the net shareholders' equity of discontinued operations, object of partial spin-off for the creation of MAF Distribuidora de Títulos e Valores Mobiliários S.A., with the consequent reduction in the share capital of Banco Modal.
<b>AuC</b>	Assets Under Custody represent the total amount of all financial assets under custody of Banco Modal.
<b>Capital Markets Revenue</b>	Through our Capital Markets unit, we offer structuring and distribution services for debt securities (DCM - Debt Capital Markets), both in the primary and the secondary markets (via our fixed income secondary trading desk), besides financial advisory services in mergers & acquisitions. In addition to being a vertical that broadens our scope of activity, we believe that the Capital Markets services are complementary since products originated and structured by our team are mainly distributed to our digital platform's clients and partners.
<b>Digital Content Revenue</b>	Through our Digital Content unit, we offer courses and live rooms for various audiences and investor profiles.
<b>Institutional Desk Revenue</b>	Through our Institutional Desk unit, we offer operations in the equities, futures and fixed income markets, besides FX, currency derivatives, indexes and commodities, as well as market-making transactions to institutional partners, such as investment fund managers who also distribute their funds in our digital platform.
<b>Other Revenue</b>	Other revenue is mostly composed of financial income from remuneration of equity.
<b>Phantom Stock Options</b>	Banco Modal's stock option program in the "Phantom Shares" modality, which consists of compensation with cash payment, with no effective delivery of shares.
<b>Retail Flow Revenue</b>	Business Unit through which we offer our customers financial products and services related to futures transactions, with or without leverage, as well as plan and home broker platform subscriptions.
<b>Retail Portfolio Revenue</b>	Business Unit through which we offer our retail investor clients, high net worth individuals and B2B partners a wide range of products and services (such as fixed income, own and third-party investment funds and structured products, among others), mostly distributed through our digital platform.
<b>Revenue Yield</b>	It is calculated by dividing the Retail Portfolio business unit revenue for the last twelve months by the average AUC Retail. Average AuC Retail is calculated using the sum of AuC Retail at the beginning of the period and each quarter end in a given year, with five data points in a year, divided by five.
<b>ROAE</b>	Return on Average Shareholders' Equity - corresponds to the net profit (loss) of the fiscal year from continued operations attributed to the controlling shareholders, divided by the Adjusted Average Shareholders' Equity. For the quarter, ROAE considers annualized net income (loss). Adjusted Average Shareholders' Equity is calculated by the simple average between Adjusted Shareholders' Equity at the beginning and end of the fiscal year.

## DISCLAIMER

**Forward-looking statements**

This document may contain estimates and forward-looking statements primarily based on the current expectations and estimates of future events and trends that affect or may affect the business, financial condition, and results of operations, cash flow, liquidity, prospects and the trading price of the units. Although we believe that these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to significant risks, uncertainties and assumptions and are made in light of information currently available to us. Forward-looking statements speak only as of the date they were made, and we do not undertake the obligation to update publicly or to revise any forward-looking statements after we distribute this document as a result of new information, future events or other factors. In light of the risks and uncertainties described above, the forward-looking events and circumstances discussed in this document might not occur and future results may differ materially from those expressed in or suggested by these forward-looking statements. Forward-looking statements involve risks and uncertainties and are not a guaranty of future results. As a result, you should not make any investment decision on the basis of the forward-looking statements contained herein.

**Rounding**

Certain percentages and other amounts included in this document have been rounded to facilitate their presentation. Accordingly, figures shown as totals in certain tables may not be an arithmetical aggregation of the figures that precede them and may differ from the financial statements.

**Differences Between Audited Income Statement and Managerial (Unaudited) Income Statement**

The differences between Audited Income Statement and Managerial (Non-Audited) Income Statement are not exhaustive and should not be construed as a reconciliation of the Managerial Income Statement to the income statement or financial statements. The business units presented in the Managerial income statement should not be presumed to be operating segments under IFRS because our management does not solely rely on such information for decision making purposes. Accordingly, the Managerial Income Statement contains data about the business, operating and financial results that are not directly comparable to the income statement or the financial statements and should not be considered in isolation or as an alternative to such income statement or financial statements. In addition, although our management believes that the Managerial Income Statement is useful for evaluating our performance; the Managerial Income Statement is not based on Brazilian GAAP or IFRS.