



**Conference Call Transcript
3Q21 Results
Brasil Brokers (BBRK3 BZ)
November 12, 2021**

Operator:

Good evening, ladies and gentlemen, and thank you for waiting. At this time, we would like to welcome everyone to Brasil Brokers 3Q21 earnings conference call.

We would like to inform you that this call and the slides are being broadcast simultaneously through the internet on the Company's website at www.brbrokers.com.br/ir, where the presentation is available for download. Also, this event is being recorded, and all participants will be in listen-only mode during the Company's presentation. After the Company's remarks are completed, there will be a Q&A session. At that time, further instructions will be given. Should any participant need assistance during this call, please press *0 to reach the operator.

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

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 that general economic conditions, industry conditions and other operating factors could also affect the future results of Brasil Brokers and could cause results to differ materially from those expressed in such forward looking statements.

Mr. Daniel Guerbatin, the Company's CEO, will present the operational results, and Ms. Andrea de Rizzio, CFO in IRO, will present the financial results.

Mr. Guerbatin, you may begin the conference.

Daniel Guerbatin:

Good afternoon. Welcome to the 3Q earnings conference call of Brasil Brokers. Today, we decided to make this call at the same time of our weekly open meeting so that all our staff could watch it together with our investors and future investors.



**Conference Call Transcript
3Q21 Results
Brasil Brokers (BBRK3 BZ)
November 12, 2021**

We are on slide three in the beginning of this year, we defined the strategic planning of the Company for the next five-year cycle, and we reaffirm our purpose to make each real estate experience unique.

In order to attain that purpose, we have worked with four strategic drivers: profitability, customer experience, digital transformation and ecosystem. All our management indicators, everyday work focus and decisions we make reflect one or more of these strategic drivers.

In order to make clear how we do things around here. In the Last Investors Day we announced our six values: entrepreneur spirit, fair play, power of relationships, innovate and create value, delight customers, and driven by results. These six values build our culture and support our purpose.

This new culture of Brasil Brokers is in line with the best practices of the new economy and strengthens the results obtained in the last months. We are growing continuously, and this quarter our revenue was 13% higher than the previous quarter.

We improved our EBITDA by R\$6 million when compared to the previous quarter, and it is also the second continuous quarter in which our adjusted EBITDA is positive. In this 3Q, we launched Credintegrados, a system of Credimorar that will improve the experience of our customers and boost the performance of this business segment.

We started a transfer plan to move our system to the cloud that will be more flexible for growth. We also started a transformation of all our systems that were monolithic into microservices, and that is part of our digital transformation strategy, since something that is produced for one vertical can be used for another vertical, improving the performance of the Company as a whole.

We remain focused on reducing waste, and ensuring that the revenue per head count ratio is stable or better at each quarter.

Our digital transformation efforts are stronger at Credimorar and Desenrola and, as I said before, they overflow to other companies and verticals of Brasil Brokers Group.

Now I turn the floor over to Andrea Rizzo, our CFO and Investor Relations Officer, who will bring us more details about finance and performance. Then I will be back to talk more about operations.



**Conference Call Transcript
3Q21 Results
Brasil Brokers (BBRK3 BZ)
November 12, 2021**

Andrea Rizzio:

Thank you, Daniel. Good afternoon, everyone. Starting our presentation on slide four, I will speak a bit about our earnings in the last quarter.

Gross revenue realized in the 3Q21 reached R\$50.5 million, 58% higher than the same period of 2020. When looking at year to date and 9M, we reached a total of R\$136 million, 13% higher than in the entire year of 2020. When we speak of our gross income, year to date in 9M21 it reached R\$72 million, 16% higher than the amount of last year.

On slide five, let us look at administrative expenses. That had a substantial drop in proportion to gross revenue. They went from 59% in the 3Q20 to 49% in the 3Q21. That reflects the Company's control of administrative expenses, and the fact that restructuring processes did not affect the Company's sustainability.

We present a positive adjusted EBITDA, with no labor liabilities for the second consecutive quarter, and amounting to R\$1.2 million in the 3Q21. This quarter specifically, we had additional one off gains whose objective was strategic for the Company. Therefore, if we were to consider the EBITDA 100% from operations, we would have reached the amount of R\$3.5 million, an excellent performance.

On slide six, we will detail a bit more our cost indicators, where in the 3Q, our fixed costs were around 37% of gross revenue, and our revenue per headcount grew from 28 to 35, showing a gain of efficiency of 25%.

Slide seven shows us that this set of actions and indicators that are positive had a direct reflect on the generation of cash from operations of R\$2.5 million in the 3Q21, and a total cash burn of R\$11 million due to investments in technology, structural consulting services and payment of liabilities from previous years.

Although we do not have a slide that shows our liabilities, it is worth pointing out that that inventory of labor liability was reduced from 373 claims in the 1Q20 to 261 claims in the end of September 2021, a 30% reduction in the amount of labor claims. In the period of 2021, only for new labor claims were filed, and therefore, we consider this topic solved in the Company, and in the next earnings calls, it will only be addressed in the release.



**Conference Call Transcript
3Q21 Results
Brasil Brokers (BBRK3 BZ)
November 12, 2021**

Finally, I take this opportunity to invite all of you to access our new Investor Relations website that represents Brasil Brokers. There, you may find the content of this call, as well as all our previous presentations, financial statements, material facts, notices to the market and updated ownership structure.

I finish the results part, and I turned the floor over to Daniel, who will continue the call speaking about the performance of each of our operations. Thank you.

Daniel Guerbatin:

Thank you, Andrea. On slide eight, we show a snapshot of our digital transformation. We now have 52% of our leads coming from digital channels and 75% of our sales already come from digital channels. Therefore, the use of digital leads, combined with our track record of better customer experience and customer relationship, is almost 50% better than offline leads. The explanation for that is that we developed systems and processes that improve the performance in terms of funnel of the leads coming from digital channels.

On slide nine, we see that Credimorar continues to follow its path of growth, and has attained in the last quarter a PSV of R\$1.257 billion, coming from several products: housing, credit, home equity and consortium.

We see on slide ten that the performance of intermediation of ready properties in this vertical is composed of brands such as Desenrola, Bamberg and Brasil Brokers. We maintain the PSV when compared to the last quarter, and continue with our plan to concentrate sales on properties above R\$1 million. Almost half of our sales already happen in this market segment.

On slide 11, I detail the leasing operations of Desenrola, our main initiative in this market segment. We have improved continuously our processes and systems, and are already able to show a superior performance in conversions of the funnel when compared to traditional operations in our track record.

On slide 12, we see information of the intermediation segments of launches that works with Abyara in São Paulo and Brasil, brokers in the rest of Brazil. And there, although the PSV contracts and number of units launch have dropped, we are selling more, which shows that our performance in those developments that we chose to participate in has



**Conference Call Transcript
3Q21 Results
Brasil Brokers (BBRK3 BZ)
November 12, 2021**

improved, and therefore we serve better the developers with more commissions to associate brokers and a better EBITDA for the Company.

The next two slides show some initiatives connected to ESG and diversity. We understand that modern companies should look at these issues in a strategic way, and all initiatives have the total engagement of all our staff.

One of them that I am most proud of is the Movement Gigantesca. On slide 14. I explain in more detail. This movement has crossed the path of more than 400 people among staff members, partners and suppliers. We had gatherings talking about several topics linked to diversity, and I believe that a more diverse and inclusive company will bring more innovative ideas, engagement, and certainly better results.

Thank you all, and let us now open for the Q&A session.

Carlos Herrera, Condor Insider (via webcast):

Could you give us an overview of how the Company is going to the 4Q21? How do you see the year of 2022, and what are the main risks and opportunities of the Company?

Daniel Guerbatin:

We see the 4Q21 in a very good manner, although with uncertainty because we are now starting the 4Q, but we do see that the first month, October, had a behavior that was very similar to other months. The Company continues to grow in terms of revenue. We still see a very good quarter.

As for 2022, there is a lot of uncertainty. Apparently, it will be a more complex year because of presidential elections, and we are cautious about our budget and the way we structure the Company for next year.

Today, the Company is rather flexible. We have a model in which we are able to adapt well to market conditions, and we have a structure at which forecasts are done on a monthly basis, and therefore we are able to follow the plan and adjust the plan as it unfolds.

But we do see very good prospects for next year. We have talked to developers, banks and although everyone is cautious, people see and envisage a good year.



**Conference Call Transcript
3Q21 Results
Brasil Brokers (BBRK3 BZ)
November 12, 2021**

In terms of risks and opportunities of the Company, the Company has invested a lot in digital transformation, which always brings a risk associated to execution. This year so far, everything we set ourselves to do, we were able to execute, and the performance has been even better than planned in the beginning of the year. Our staff, our associates have really put a lot of effort to deliver the best results.

So I understand that there is a risk associated to it, of course, especially in the execution, but many opportunities as well. The Company is very diversified in terms of revenue sources, so we are able to absorb the market opportunities.

Operator:

This ends the Q&A session. At this time, I would like to turn the floor back to Mr. Daniel Guerbatin for his final remarks.

Daniel Guerbatin:

Brasil Brokers remains at its digital transformation and a sustainable growth path. We are following the strategic plan that was agreed to with the Board of Directors in the beginning of this year and reviewing it every month, and we are able to reach all collaborators, all staff members, because we are doing a management system through KPIs. We are on the right path, and our results show this good transformation.

Thank you all for attending, and have a good weekend.

Operator:

The conference call of Brasil Brokers has now ended. We thank you all for attending, and have a good evening.

"This document is a transcript produced by MZ. MZ uses its best efforts to guarantee the quality (current, accurate and complete) of the transcript. However, it is not responsible for possible flaws, as outputs depend on the quality of the audio and on the clarity of speech of participants. Therefore, MZ is not responsible or liable, contingent or otherwise, for any injury or damages, arising in connection with the use, access, security, maintenance, distribution or transmission of this transcript. This document is a simple transcript and does not reflect any investment opinion of MZ. The entire content of this document is sole and total responsibility of the Company hosting this event, which was transcribed by MZ. Please, refer to the Company's Investor Relations (and/or institutional) website for further specific and important terms and conditions related to the usage of this transcript"