

**TERRA INVESTIMENTOS DISTRIBUIDORA DE  
TÍTULOS E VALORES MOBILIÁRIOS LTDA.**

**FINANCIAL STATEMENTS ON  
JUNE 30, 2021  
WITH INDEPENDENT AUDITORS' REPORT**

**TERRA INVESTIMENTOS DISTRIBUIDORA DE TÍTULOS E VALORES  
MOBILIÁRIOS LTDA.**

**FINANCIAL STATEMENTS**

On June 30, 2021 (In  
reais - R\$)

Table of Contents

Independent Auditors' Report.....	1
Audited Financial Statements	
Balance Sheets .....	4
Income Statements .....	6
Comprehensive Income Statement .....	7
Statement of Changes in Shareholders' Equity .....	8
Statement of Cash Flows .....	9
Notes to the Financial Statements.....	10



## INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

To

Directors and Shareholders of  
**TERRA INVESTIMENTOS DISTRIBUIDORA DE TÍTULOS E VALORES MOBILIÁRIOS LTDA.**  
São Paulo - SP

### Opinion

We have audited the financial statements of **Terra Investimentos Distribuidora de Títulos e Valores Mobiliários Ltda.** ("Distributor"), which comprise the balance sheet as of June 30, 2021, and the respective statements of income, comprehensive income, changes in shareholders' equity and cash flows for the semester ended on that date, as well as the corresponding explanatory notes, including the summary of the main accounting policies.

In our opinion, the financial statements referred to above fairly present, in all material aspects, the equity and financial position of **Terra Investimentos Distribuidora de Títulos e Valores Mobiliários Ltda.** on June 30, 2021, the performance of its operations and its cash flows for the semester then ended, in accordance with accounting practices used in Brazil, applicable to institutions authorized to operate by the Central Bank of Brazil ("BACEN").

### Basis for opinion

Our audit was conducted according to the Brazilian and international audit standards. Our responsibilities, in accordance with such standards, are described in the following section entitled "Auditor's responsibilities for the audit of the financial statements." We are independent in relation to the Distributor, in accordance with the relevant ethical principles set out in the Code of Professional Ethics of Accountants and professional standards issued by the Accounting Federal Council, and we have complied with other ethical responsibilities according to these standards. We believe that the audit evidence obtained is sufficient and appropriate to justify our opinion.

### Emphasis - Realization of tax credit

We draw attention to Note no. 10.4 which, on June 30, 2021, informs that the Distributor had recorded in its assets, income tax and social contribution tax credits calculated on tax losses and intertemporal differences in the amount of R\$ 8,604, representing about 25% of its shareholders' equity on that date. The amount to be used in the future for tax offset purposes is conditioned to the generation of taxable income and may vary from Management's current estimate, which is expected to be conducted in the next 5 fiscal years. Our opinion contains no reservations related to this matter.



## **Management's responsibilities for the financial statements**

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Central Bank of Brazil ("BACEN"), and for such internal controls it determines as necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Throughout the preparation of the financial statements, the management is responsible for assessing the Distributor's ability to continue as a going concern, disclosing, as applicable, matters related to its operating continuity and using the going concern basis of accounting in the elaboration of the financial statements unless management either intends to liquidate the Distributor or to cease operations, or has no realistic alternative but to do so.

The people in charge of the Distributor's management are those responsible for the supervision of the process of preparation of the financial statements.

## **Auditor's responsibility for the audit of the financial statements**

We aim to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether due to fraud or error, and issue an audit report containing our opinion. Reasonable safety is a high level of safety, but not a guarantee that the audit carried out according to Brazilian and international audit standards always detect possible existing material misstatement. Misstatements may arise from fraud or error and are considered relevant if, individually or jointly, they may reasonably be expected to influence the economic decisions of users taken based on these financial statements.

As part of an audit in accordance with Brazilian and international auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. Furthermore:

- We have identified and assessed the risks of material misstatement in the financial statements, regardless of whether due to fraud or error; we plan and perform audit procedures in response to these risks; and we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of non-detection of relevant misstatement resulting from fraud is higher than derived from error, as the fraud may involve the act of circumventing internal controls, colluding, falsification, omission or false intentional representations.



- We understand the relevant internal controls for the audit for us to plan audit procedures appropriate to the circumstances, but not with the purpose of expressing opinion on the effectiveness of the internal controls of the Distributor.
- We assess the adequacy of accounting policies used and the reasonableness of accounting estimates and respective disclosures made by the management.
- We conclude on the appropriateness of management's use of the accounting basis and the going concern, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Distributor's ability to continue as a going concern. If we conclude that there is a relevant uncertainty, we should draw attention in our audit report to the respective disclosures in the financial statements or include a change in our opinion if the disclosures are inadequate. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Distributor to no longer maintain itself as a going concern.
- We evaluate the overall presentation, structure and content of financial statements, including disclosures and even if the financial statements represent the related transactions and events in a manner consistent with the appropriate presentation objective.

We communicate with the management regarding, among other aspects, the planned reach, the audit time and the significant audit observations, including possible significant deficiencies in the internal controls we identified during our works.

São Paulo, August 31, 2021.

CONFIANÇA AUDITORES INDEPENDENTES  
CRC-SP (Regional Accounting Council) No.  
2SP022750/O-8

José Júlio de Sousa Pereira  
Contador  
CRC-SP No. 1SP094178/O-3

**TERRA INVESTIMENTOS D.T.V.M. LTDA.**

CNPJ(MF) (Corporate Taxpayer Registration)  
03.751.794/0001-13

**BALANCE SHEET**

**On June 30, 2021, and December 31, 2020**

Amounts in R\$ 1,000

<b>ASSETS</b>	<b>NE</b>	<b>06/30/21</b>	<b>12/31/20</b>
<b>CURRENT</b>		<b>258,650</b>	<b>155,314</b>
<b>CASH AND CASH EQUIVALENTS</b>	<b>4</b>	<b>382</b>	<b>3,505</b>
<b>FINANCIAL INSTRUMENTS</b>		<b>250,474</b>	<b>154,893</b>
Short-term interbank investment	<b>5</b>	197,796	94,003
Bond and securities	<b>6.a</b>	29,923	26,083
Derivative financial instruments	<b>6.c</b>	1,064	-
Income receivable	<b>7.2</b>	2,867	2,023
Securities negotiation and intermediation	<b>7.1</b>	18,824	32,784
<b>OTHER ASSETS</b>		<b>16,323</b>	<b>2,596</b>
Other credits - Miscellaneous	<b>8</b>	15,912	2,044
Prepaid expenses		411	552
<b>PROVISION FOR EXPECTED ASSOCIATED LOSSES WITH CREDIT RISK</b>	<b>9</b>	<b>(8,529)</b>	<b>(5,680)</b>
Risk of income receivable and other credits		(8,529)	(5,680)
<b>NON-CURRENT ASSETS</b>		<b>93,249</b>	<b>88,494</b>
<b>FINANCIAL INSTRUMENTS</b>		<b>72,925</b>	<b>72,567</b>
Bond and securities	<b>6.a</b>	72,925	72,567
<b>TAX CREDITS</b>	<b>10</b>	<b>8,604</b>	<b>5,623</b>
<b>OTHER ASSETS</b>		<b>1,993</b>	<b>2,671</b>
Other credits - Miscellaneous	<b>8</b>	1,993	2,671
Other securities and assets		-	-
Prepaid expenses		-	-
<b>INVESTMENTS</b>	<b>11</b>	<b>1,493</b>	<b>2,603</b>
Interests of affiliates/subsidiaries: in the country		1,478	2,566
Other investments		15	37
<b>FIXED ASSETS FOR USE</b>	<b>3.h</b>	<b>7,971</b>	<b>4,583</b>
Use of other fixed assets		10,009	6,596
(Reduction to the recoverable value of fixed assets)		(1)	-
(Accumulated depreciation)		(2,037)	(2,013)
<b>INTANGIBLE ASSETS</b>	<b>3.h</b>	<b>263</b>	<b>447</b>
Intangible Assets		2,280	2,280
(Accumulated amortization)		(2,017)	(1,833)
<b>TOTAL ASSETS</b>		<b>351,899</b>	<b>243,808</b>

**TERRA INVESTIMENTOS D.T.V.M. LTDA.**

CNPJ(MF) 03.751.794/0001-13

**BALANCE SHEET**

**On June 30, 2021, and December 31, 2020**

Amounts in R\$ 1,000

LIABILITY	NE	06/30/21	12/31/20
<b>CURRENT</b>		<b>315,420</b>	<b>201,687</b>
<b>FINANCIAL INSTRUMENTS</b>		<b>302,886</b>	<b>190,756</b>
Deposits	12	136,144	-
Open market funding	12	138,629	53,962
Derivatives	6.c	1,064	-
Securities negotiation and intermediation	12	27,049	136,794
<b>OTHER LIABILITIES</b>		<b>12,534</b>	<b>10,931</b>
Corporate and statutory	13	4,712	5,066
Tax and social security	13	2,051	3,228
Miscellaneous	13	5,771	2,637
<b>NON-CURRENT ASSETS</b>		<b>2,564</b>	<b>3,413</b>
<b>PROVISIONS</b>		<b>2,564</b>	<b>3,413</b>
Tax and social security	13	475	550
Miscellaneous - Contingent liabilities	17	2,089	2,863
<b>SHAREHOLDER'S EQUITY</b>		<b>33,915</b>	<b>38,708</b>
Capital:	14	22,298	22,298
Of domiciled in the country		22,298	22,298
Profit reserves		18,494	18,494
Equity valuation adjustments		(1,744)	(2,084)
Accumulated profits or (losses)		(5,133)	-
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>351,899</b>	<b>243,808</b>

**THE EXECUTIVE BOARD**

**REINALDO DANTAS**

Accountant CRC 1SP 110330/O-6

*The explanatory notes are an integral part of the financial statements.*

**TERRA INVESTIMENTOS D.T.V.M. LTDA.**CNPJ(MF) 03.751.794/0001-13 **INCOME****STATEMENT FOR THE**

Semester ended on June 30, 2021, and 2020

Amount in R\$ 1,000

	<b>06/30/21</b>	<b>06/30/20</b>
<b>INCOME FROM FINANCIAL INTERMEDIATION</b>	<b>5,363</b>	<b>5,589</b>
Result from operations with bonds and securities	4,925	4,918
Result with derivative financial instruments	438	671
<b>EXPENSES FROM FINANCIAL INTERMEDIATION</b>	<b>(1,012)</b>	<b>(716)</b>
Funding operations in the market	(1,012)	(716)
<b>GROSS RESULT FROM FINANCIAL INTERMEDIATION</b>	<b>4,351</b>	<b>4,873</b>
<b>OTHER OPERATING REVENUE / EXPENSES</b>	<b>(6,657)</b>	<b>10,173</b>
Revenue from service provision	35,769	31,586
Personnel expenses	(8,539)	(4,840)
Other administrative expenses	(21,550)	(16,711)
Tax expenses	(3,739)	(3,416)
Result of interest in affiliates and subsidiaries	(970)	149
Expenses with provisions	(10,637)	(1,419)
Provision (Reversal) of operating provisions	783	-
Other operating revenues	3,119	5,175
Other operating expenses	(893)	(351)
<b>OPERATING INCOME</b>	<b>(2,306)</b>	<b>15,046</b>
<b>NON-OPERATING INCOME</b>	<b>(419)</b>	<b>-</b>
<b>RESULT BEFORE TAXATION ON PROFIT AND INTERESTS</b>	<b>(2,725)</b>	<b>15,046</b>
<b>INCOME TAX AND SOCIAL CONTRIBUTION</b>	<b>3,204</b>	<b>(2,904)</b>
Provision for income tax	-	(2,205)
Provision for social contribution	-	(1,363)
IRPJ - Deferred tax asset	1,889	415
CSLL - Deferred tax asset	1,315	249
<b>STATUTORY INTEREST IN THE PROFIT</b>	<b>(5,612)</b>	<b>(3,632)</b>
<b>NET PROFIT (LOSS) FOR THE SEMESTER</b>	<b>(5,133)</b>	<b>8,510</b>
<b>No. of shares.....:</b>	<b>22,298,000</b>	<b>22,298,000</b>
<b>Profit/(Loss) per thousand shares ...R\$</b>	<b>(230.19)</b>	<b>381.67</b>

THE EXECUTIVE BOARD

REINALDO DANTAS

Accountant CRC 1SP 110330/O-6

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**TERRA INVESTIMENTOS D.T.V.M. LTDA.****CNPJ(MF) 03.751.794/0001-13****COMPREHENSIVE INCOME STATEMENT****Semester ended on June 30, 2021, and 2020**

Amount in R\$ 1,000

	<b>06/30/21</b>	<b>06/30/20</b>
<b>NET INCOME FOR THE SEMESTER</b>	<b>(5,133)</b>	<b>8,510</b>
<b>COMPREHENSIVE INCOME</b>	<b>340</b>	<b>(200)</b>
Adjustments that will be transferred to incomes:	336	(218)
TVM adjustment	559	(364)
TVM adjustment IR/CS	(223)	146
Adjustments that will not be transferred to incomes	4	18
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>(4,793)</b>	<b>8,310</b>

**THE EXECUTIVE BOARD****REINALDO DANTAS**

Accountant CRC 1SP 110330/O-6

*The notes are an integral part of the financial statements.*

**TERRA INVESTIMENTOS D.T.V.M. LTDA.**

CNPJ(MF) 03.751.794/0001-13

**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

**Semester ended on June 30, 2021, and 2020**  
1,000

Amounts in R\$

Semester from 01/01/21 to 06/30/21					
	CAPITAL PAID IN	SPECIAL PROFIT RESERVES	EQUITY VALUATION ADJUSTMENT	ACCUMULAT ED PROFITS OR LOSSES	TOTAL
BALANCES AT THE BEGINNING OF THE SEMESTER ON 01/01/21	22,298	18,494	(2,084)	-	38,708
Adjustment at market value - TVM and derivatives			336	-	336
Reflexive evaluation adjustments			4		4
Loss for the semester				(5,133)	(5,133)
<b>BALANCES END OF THE ON THE SEMESTER ON 06/30/21</b>	<b>22,298</b>	<b>18,494</b>	<b>(1,744)</b>	<b>(5,133)</b>	<b>33,915</b>
CHANGES OF THE SEMESTER:	-	-	340	(5,133)	(4,793)
Semester from 01/01/20 to 06/30/20					
	CAPITAL PAID IN	SPECIAL PROFIT RESERVES	EQUITY VALUATION ADJUSTMENT	ACCUMULAT ED PROFITS OR LOSSES	TOTAL
BALANCES AT THE BEGINNING OF THE SEMESTER ON 01/01/20	22,298	7,180	(1,637)	-	27,841
Adjustment at market value - TVM and derivatives			(200)		(200)
Net profit of the semester				8,510	8,510
<b>BALANCES END OF THE ON THE SEMESTER ON 06/30/20</b>	<b>22,298</b>	<b>7,180</b>	<b>(1,837)</b>	<b>8,510</b>	<b>36,151</b>
CHANGES OF THE SEMESTER:	-	-	(200)	8,510	8,310

**THE EXECUTIVE BOARD**

**REINALDO DANTAS**  
Accountant CRC 1SP 110330/O-6

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**TERRA INVESTIMENTOS D.T.V.M. LTDA.**

CNPJ(MF) 03.751.794/0001-13

**STATEMENT OF CASH FLOWS (Indirect Method)**

Semester ended on June 30, 2021, and 2020

Amounts in R\$ 1,000

	<b>1st-SEM-21</b>	<b>1st-SEM-20</b>
<b><i>Cash flows from operating activities</i></b>		
<b>Net profit/(loss) for the semester and fiscal year</b>	<b>(5,133)</b>	<b>8,510</b>
Depreciation/amortization/recoverable value losses	569	454
Allowance for loan losses	10,637	529
Result of interests in affiliates/subsidiaries	970	(149)
Equity valuation adjustments in the result	-	129
Provision (reversal) of provisions for contingent liabilities	(783)	-
Provision for taxes in the result	-	3,568
Provision (reversal) of deferred taxes	(3,204)	(664)
	<u>3,056</u>	<u>12,377</u>
<b><i>Variation of Assets and Obligations</i></b>		
	<u>102,629</u>	<u>12,719</u>
(Increase) reduction in financial assets	8,190	(5,530)
(Increase) reduction in deferred tax assets	(2,981)	(817)
(Increase) reduction of other assets	(20,419)	2,182
(Increase) reduction of other values and assets	-	9
Increase (decrease) in financial liabilities	112,130	38,119
Increase (decrease) in TVM and derivative financial instruments	-	(133)
Increase (decrease) in deferred tax obligations	3,204	-
Increase (decrease) in other liabilities	4,151	(18,789)
Income tax and social contribution paid	(1,646)	(2,322)
<b>Net cash from operating activities</b>	<u><b>105,685</b></u>	<u><b>25,096</b></u>
<b><i>Cash flow from investment activities</i></b>		
Disposals of: Investments	22	-
Inversions in:		
Fixed assets for use	(3,821)	(2,129)
<b>Net cash invested in investment activities</b>	<u><b>(3,799)</b></u>	<u><b>(2,129)</b></u>
<b><i>Cash flows from financing activities</i></b>		
Payment of interests on equity	(1,216)	(1,143)
<b>Net cash invested in financing activities</b>	<u><b>(1,216)</b></u>	<u><b>(1,143)</b></u>
<b>Net Increase of cash and cash equivalents</b>	<u><b>100,670</b></u>	<u><b>21,824</b></u>
Cash and cash equivalent at the beginning of the semester/fiscal year	97,508	47,628
Cash and cash equivalent at the end of the semester/fiscal year	198,178	69,452

THE EXECUTIVE BOARD

REINALDO DANTAS

Accountant CRC 1SP 110330/O-6

*The explanatory notes are an integral part of the financial statements.*

# TERRA INVESTIMENTOS DISTRIBUIDORA DE TÍTULOS E VALORES MOBILIÁRIOS LTDA.

Notes to the financial statements for the semesters  
ended on June 30, 2021, and 2020  
And fiscal year ended on December 31, 2020  
(In thousands of reais)

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## 1. Operating context

Terra Investimentos Distribuidora de Títulos e Valores Mobiliários Ltda, (Distributor), has the corporate purpose of (a) to underwrite, in isolation or in consortium with other authorized companies, issuance of bonds and securities for resale; (b) to intermediate public offering and distribution of bonds and securities in the market; (c) to buy and sell bonds and securities, both on its own and on behalf of third parties; and conduct other activities regulated by the Central Bank of Brazil and the Brazilian Securities Exchange Commission.

## 2. Presentation of financial statements

The financial statements were prepared in accordance with accounting practices adopted in Brazil, which cover corporate law, Pronouncements, Guidelines and Interpretations issued by the Accounting Pronouncements Committee - CPC and presented with the guidelines established by the Central Bank of Brazil, through the Accounting Plan of the Institutions of the National Financial System – COSIF.

These financial statements were approved by the Distributor's Executive Board on July 30, 2021.

## 3. Summary of main accounting practices

### a) Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank deposits, short-term, high-liquidity investments with negligible risk of value change and limits, with maturity, at the date of acquisition, equal to or less than 90 days.

### b) Accounting Estimates

Accounting estimates are determined by the Management, considering factors and assumptions based on judgment. Significant items subject to these estimates and assumptions include provisions for adjusting assets to probable realization or recoverable value, provisions for losses, provisions for contingencies, mark-to-market of financial instruments, deferred taxes, among others. The settlement of the transactions involving such estimates may result in different values, due to inaccuracies inherent to the process of their determination. Management reviews the estimates and assumptions at least every six months.

# TERRA INVESTIMENTOS DISTRIBUIDORA DE TÍTULOS E VALORES MOBILIÁRIOS LTDA.

Notes to the financial statements for the semesters  
ended on June 30, 2021, and 2020  
And fiscal year ended on December 31, 2020  
(In thousands of reais)

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c) Short-term interbank investments

They are presented at the investment value, plus income obtained up to the dates of the financial statements.

d) Bond and securities

In compliance with the provisions of Circular Letter No. 3068/01 of the Central Bank of Brazil, the bonds and securities comprising the portfolio are classified into three distinct categories, according to the Management's intention, namely:

- Securities for negotiation
- Securities available for sale
- Securities held to maturity.

Securities classified for negotiation and available for sale are valued at their market value on the balance sheet date, and those classified as securities held to maturity are valued at acquisition cost, plus income obtained through the balance sheet date.

Securities for negotiation are classified in current assets, regardless of maturity.

Adjustments to market value of securities classified for negotiation are recognized in profit or loss for the period.

Adjustments to market value of securities classified as available for sale are accounted for as a trade-off to the separate equity account, deducting the tax effects, being transferred to income for the period upon effective realization, through the definitive sale of the respective bonds and securities.

e) Derivative financial instruments

Derivative financial instruments composed of transactions with options, accounted for pursuant to the following criteria:

Transactions with options – premiums paid or received are accounted for at fair value in assets or liabilities, respectively, until the effective exercise of the option, and accounted for as a reduction or increase in the cost of the right-of-use, for the effective exercise of the option, or as income or expense in case of non-exercise;

# TERRA INVESTIMENTOS DISTRIBUIDORA DE TÍTULOS E VALORES MOBILIÁRIOS LTDA.

Notes to the financial statements for the semesters  
ended on June 30, 2021, and 2020  
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(In thousands of reais)

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f) Securities negotiation and intermediation

It represents the intermediation of transactions carried out on the stock exchanges, registered at the value of the commitment assumed on behalf of its clients. Brokerage is recognized in profit or loss on an accrual basis.

g) Investments

Investments are valued at acquisition cost, deducting the provision for loss, when applicable.

h) Fixed and Intangibles Assets

They are stated at acquisition cost, deducting the respective depreciation of fixed assets and amortization of intangible assets, which are calculated using the linear method, at the following annual rates: (i) fixed assets: vehicles and computer system, 20%; other goods, 10%; (ii) intangible assets: software and customer portfolio, 20%.

i) Provision for income tax and social contribution on net profit

The provision for income tax is constituted at the rate of 15% of taxable income, plus an additional 10% on profits that exceed R\$ 240 in the year. The provision for social contribution is being calculated at the rate of 15%, after making the adjustments determined by tax legislation.

j) Income and expenses

Income and expenses are recognized on an accrual basis, observing the "pro rata" day criteria for those of a financial nature.

Financial income and expenses are calculated using the exponential method.

Transactions with fixed rates are registered at the redemption value, and the revenue and expenses regarding future periods are registered in a reduction account of the respective assets and liabilities. Transactions with floating rates or indexed to foreign currencies are updated through the balance sheet date using the agreed indices.

# TERRA INVESTIMENTOS DISTRIBUIDORA DE TÍTULOS E VALORES MOBILIÁRIOS LTDA.

Notes to the financial statements for the semesters  
ended on June 30, 2021, and 2020  
And fiscal year ended on December 31, 2020  
(In thousands of reais)

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## k) Contingent assets and liabilities and legal, tax and social security obligations

The recognition, measurement, and disclosure of contingent assets and liabilities and legal obligations are carried out in accordance with the criteria defined in Technical Pronouncement CPC 25, issued by the Accounting Pronouncements Committee (CPC), complying with the following criteria:

- Contingent assets - they are not recognized in the financial statements, except when there is evidence that provides assurance of their realization, on which no more resources are allowed;
- Contingent liabilities - they are recognized in the financial statements when, based on the opinion of the Legal Counsel and Management, the risk of loss in a judicial or administrative proceeding is considered probable, with a probable outflow of resources to settle the obligations and when the amounts involved are measurable with sufficient certainty. Contingent liabilities classified as possible losses by the Legal Counsel are only disclosed in the notes, while those classified as remote losses do not require provision and disclosure.
- Legal obligations – tax and social security – they refer to lawsuits where the legality and constitutionality of certain taxes (or taxes and contributions) are being challenged. The amount discussed is quantified, registered, and updated monthly.

## l) Recurring and non-recurring results

The Distributor's internal policies consider as recurring and non-recurring results arising and/or not from transactions carried out in accordance with the Distributor's typical activities. In addition, Management considers non-recurring results that are not expected to occur frequently in future years. In compliance with this guideline, it is noted that the net loss for the semester on June 30, 2021, in the amount of R\$ 5,133, and net profit on December 31, 2020, in the amount of R\$ 8,510, was obtained exclusively based on recurring income.

## 4. Cash and cash equivalents

<u>Description</u>	<u>06/30/2021</u>	<u>12/31/2020</u>
Bank deposits	102	48
Free reserves	280	3,457
Short-Term Interbank Investments (Note 5)	197,796	94,003
	<u><b>198,178</b></u>	<u><b>97,508</b></u>

# TERRA INVESTIMENTOS DISTRIBUIDORA DE TÍTULOS E VALORES MOBILIÁRIOS LTDA.

Notes to the financial statements for the semesters  
ended on June 30, 2021, and 2020

And fiscal year ended on December 31, 2020

(In thousands of reais)

## 5. Short-term interbank investments

Description	06/30/2021	12/31/2020
Short-term interbank investments		
National Treasury Bills – LTN – own resources	10,001	94,003
National Treasury Notes – NTN – own resources	49,166	-
National Treasury Notes – NTN – financed position	138,629	-
	<u>197,796</u>	<u>94,003</u>

## 6. Bond and securities and derivative financial instruments

### a) Portfolio classification by securities:

Description	06/30/2021	12/31/2020
<b>Current assets</b>		
<b>Own portfolio:</b>		
Financial Treasury Bills - LFT	250	387
Capitalization bond	100	100
Agribusiness credit bills	62	59
Bank deposit certificates	46	-
Shares of publicly held companies	1,447	766
	<u>1,905</u>	<u>1,312</u>
<b>Linked to the provision of guarantees:</b>		
Financial Treasury Bills - LFT	2,940	-
Investment Fund BM&FBOVESPA Chamber	25,078	24,771
	<u>28,018</u>	<u>24,771</u>
<b>Total current assets</b>	<b>29,923</b>	<b>26,083</b>
<b>Non-current Assets</b>		
<b>Own portfolio:</b>		
Financial Treasury Bills - LFT	206	22,078
	<u>206</u>	<u>22,078</u>
<b>Linked to the provision of guarantees:</b>		
Financial Treasury Bills - LFT	72,719	50,489
	<u>72,719</u>	<u>50,489</u>
<b>Total non-current assets</b>	<b>72,925</b>	<b>72,567</b>
	<u>102,848</u>	<u>98,650</u>

As of June 30, 2021, and December 31, 2020, Bank Deposit Certificates (CDB) and shares in publicly-held companies are held in custody at B3 S.A. – Brasil, Bolsa, Balcão, as well as government bonds are held in custody at the Special Settlement and Custody System (SELIC).



# TERRA INVESTIMENTOS DISTRIBUIDORA DE TÍTULOS E VALORES MOBILIÁRIOS LTDA.

Notes to the financial statements for the semesters  
ended on June 30, 2021, and 2020  
And fiscal year ended on December 31, 2020  
(In thousands of reais)

Investment fund shares were updated by the respective share value, on the last business day of the fiscal year, and are held in custody by the Trustee.

## b) Portfolio classification by categories and maturities

Securities are classified as available for sale and for negotiation, and are represented as follows:

Description	06/30/2021				
	Without due date	Up to 1 year	Above 365 days	Value of Market	Value of Cost
<b>Securities available for sale:</b>					
Financial treasury bills	-	3,190	72,925	76,115	76,325
Capitalization bond	100	-	-	100	100
Agribusiness credit bills	-	62	-	62	62
Bank deposit certificates	-	46	-	46	46
Shares in publicly held companies	1,447	-	-	1,447	4,145
<b>Total of securities available for sale</b>	<b>1,547</b>	<b>3,298</b>	<b>72,925</b>	<b>77,770</b>	<b>80,678</b>
<b>Securities for negotiation:</b>					
Investment Fund BM&FBOVESPA Chamber	25,078	-	-	25,078	25,078
<b>Total securities for negotiation</b>	<b>25,078</b>	<b>-</b>	<b>-</b>	<b>25,078</b>	<b>25,078</b>
<b>Total</b>	<b>26,625</b>	<b>3,298</b>	<b>72,925</b>	<b>102,848</b>	<b>105,756</b>

Description	12/31/2020				
	Without due date	Up to 1 year	Over 365 days	Market value	Cost Value
<b>Securities available for sale:</b>					
Financial treasury bills	-	387	72,567	72,954	73,041
Capitalization bond	100	-	-	100	100
Investment Fund BM&FBOVESPA Chamber	24,771	-	-	24,771	24,771
Agribusiness credit bills	-	59	-	59	59
Shares in publicly held companies	766	-	-	766	4,145
<b>Total</b>	<b>25,637</b>	<b>446</b>	<b>72,567</b>	<b>98,650</b>	<b>102,116</b>

On June 30, 2021, adjustments to market value were registered on securities classified in the available-for-sale securities category, in the amount of R\$ 2,908 (R\$ 3,466 on December 31, 2020), which were recognized as a trade-off of the equity. In the semester ended June 30, 2021, the amounts recognized for income tax and social contribution were R\$ 1,164 (R\$ 1,387 as of December 31, 2020), in compliance with Note 10.3.

# TERRA INVESTIMENTOS DISTRIBUIDORA DE TÍTULOS E VALORES MOBILIÁRIOS LTDA.

Notes to the financial statements for the semesters  
ended on June 30, 2021, and 2020  
And fiscal year ended on December 31, 2020  
(In thousands of reais)

## c) Derivative financial instruments

As of June 30, 2021, there were transactions with derivative financial instruments outstanding; they are represented as detailed below:

<u>Description</u>	<u>06/30/2021</u>		<u>12/31/2020</u>	
	<u>Asset</u>	<u>Liability</u>	<u>Asset</u>	<u>Liability</u>
Term sales receivable	1,064	1,064	-	-
	<u>1,064</u>	<u>1,064</u>	-	-

## 7. Financial Instruments - Assets

### 7.1 Securities negotiation and intermediation

<u>Description</u>	<u>06/30/2021</u>	<u>12/31/2020</u>
Outstanding settlement accounts of debtors	17,699	19,170
Clearing cash	-	7,507
Allowances - security deposits	2	-
Other credits for negotiation	1,123	6,107
	<u>18,824</u>	<u>32,784</u>

### 7.2 Income receivable

<u>Description</u>	<u>06/30/2021</u>	<u>12/31/2020</u>
Commissions and brokerage receivables	2,867	2,023
	<u>2,867</u>	<u>2,023</u>

# TERRA INVESTIMENTOS DISTRIBUIDORA DE TÍTULOS E VALORES MOBILIÁRIOS LTDA.

Notes to the financial statements for the semesters  
ended on June 30, 2021, and 2020  
And fiscal year ended on December 31, 2020  
(In thousands of reais)

## 8. OTHER ASSETS

Description	06/30/2021	12/31/2020
Miscellaneous:		
Advances and anticipations	201	82
Prepaid fixed assets accounts	279	259
Taxes and contributions to be offset	537	74
Miscellaneous debtors - country	14,895	1,373
Payments to be reimbursed	-	94
Amounts receivable from affiliated companies (see NE 16)	-	162
Security deposits of debtors (b) and (see NE 17)	1,993	2,671
	<u>17,905</u>	<u>4,715</u>
<b>Miscellaneous - short term</b>	<b>15,912</b>	<b>2,044</b>
<b>Miscellaneous - long term</b>	<b>1,993</b>	<b>2,671</b>

- (a) Substantially represented by withholding income tax on commissions and financial investments;
- (b) In January 2008, the Company, supported by an injunction and considering the uncertainties regarding the understanding on the matter by the tax authorities, decided to deposit in court the amounts due for income tax and social contribution, regarding the equity adjustment of securities of the Commodities and Futures Exchange (BM&F), as of June 30, 2021, the value was updated in the amount of R\$ 1,800 (R\$ 1,791 as of December 31, 2020).

## 9. PROVISION FOR EXPECTED ASSOCIATED LOSSES WITH CREDIT RISK

### 9.1 Provision for other doubtful debtors

Description	06/30/2021	12/31/2020
Clients - doubtful debtors	7,528	5,334
Funds fee receivables	549	-
Mutual agreements - doubtful debtors	452	346
	<u>8,529</u>	<u>5,680</u>

- (a) Refers to the provision for losses on transactions between related parties, represented by a mutual agreement with former partners.

# TERRA INVESTIMENTOS DISTRIBUIDORA DE TÍTULOS E VALORES MOBILIÁRIOS LTDA.

Notes to the financial statements for the semesters  
ended on June 30, 2021, and 2020  
And fiscal year ended on December 31, 2020  
(In thousands of reais)

## 10. Tax credits

### 10.1 Tax credits on temporary expenses and revenues

On June 30, 2021, and December 31, 2020, tax effects on temporarily non-deductible expenses and income were registered, as shown in the table below:

<u>Description</u>	<u>06/30/2021</u>	<u>12/31/2020</u>
<b>Temporary differences</b>		
Provision for doubtful accounts	(13,206)	(9,023)
Labor contingencies	(81)	(1,037)
Civil contingencies	-	(20)
Tax contingencies	(193)	-
Expenses with deferred assets	(107)	(123)
Amortizations of the share premium	(389)	(389)
Update of contingent liabilities	(827)	(818)
Update of judicial deposits	833	818
	<b>(13,970)</b>	<b>(10,592)</b>
<b>Income tax and social contribution</b>		
Income tax - 25%	3,492	2,647
Social contribution - 15%	2,096	1,589
	<b><u>5,588</u></b>	<b><u>4,236</u></b>

### 10.2 Tax credits on tax loss and negative basis of social contribution

On June 30, 2021, the tax effects on tax losses and negative basis of social contribution were registered:

<u>Description</u>	<u>06/30/2021</u>	<u>12/31/2020</u>
Tax loss	(4,176)	-
Negative basis of social contribution	(5,389)	-
	<b>(9,565)</b>	-
<b>Income tax and social contribution</b>		
Income tax - 25%	1,044	-
Social contribution - 15%	808	-
	<b><u>1,852</u></b>	<b><u>-</u></b>

# TERRA INVESTIMENTOS DISTRIBUIDORA DE TÍTULOS E VALORES MOBILIÁRIOS LTDA.

Notes to the financial statements for the semesters  
ended on June 30, 2021, and 2020  
And fiscal year ended on December 31, 2020  
(In thousands of reais)

## 10.3 Tax credits on market value adjustment

On June 30, 2021, and December 31, 2020, the tax effects on market value adjustment on securities were registered:

<u>Description</u>	<u>06/30/2021</u>	<u>12/31/2020</u>
Value in equity		
Adjustment for market on bonds and securities	(2,908)	(3,466)
Reflexive adjustment - Monetar DTVM Ltda.	-	(5)
	<u>(2,908)</u>	<u>(3,471)</u>
Income tax and social contribution		
Income tax - 25%	727	867
Social contribution - 15%	437	520
	<u>1,164</u>	<u>1,387</u>

## 10.4 Expected realization of deferred tax credits

The technical study on the realization of tax credits was prepared by the management, based on current and future scenarios, whose main assumptions used in the projections were the macroeconomic, production, and funding cost indicators, the inflow of resources through capital reinforcement and realization of assets. This study, including the adopted assumptions, was approved by the Executive Board on August 31, 2021.

Deferred income tax and social contribution will be realized as the temporary differences are reversed or meet the tax deductibility parameters, or when tax losses are offset.

The Management, based on its expected results, understands that it will earn taxable results in up to five years to absorb the tax credits registered in the financial statements. This estimate will be periodically reviewed, so that any changes in the recovery perspective of these credits are timely considered in the financial statements.

Below is the composition of the tax credits value, in view of the expected realization of deferred tax assets:

<u>Term</u>	<u>Paid-in expectancy</u>
2021	4,392
2022	972
2023	972
2024	972
2025	1,296
	<u>8,604</u>

# TERRA INVESTIMENTOS DISTRIBUIDORA DE TÍTULOS E VALORES MOBILIÁRIOS LTDA.

Notes to the financial statements for the semesters  
ended on June 30, 2021, and 2020

And fiscal year ended on December 31, 2020

(In thousands of reais)

As of June 30, 2021, the present value of tax credits amounts to R\$ 8,018 for 5 years, considering the Special System for Settlement and Custody (Selic) rate of 4.15% per year.

## 11. Investments

<u>Description</u>	<u>06/30/2021 12/31/2020</u>	
Interests in affiliates and subsidiaries - Monetar DTVM Ltda.	1,478	2,566
Equity securities - BBM	15	15
Other investments	-	22
	<u>1,493</u>	<u>2,603</u>

### Interests in affiliates and subsidiaries – Monetar DTVM Ltda.

Below, we present the transactions that occurred in the fiscal year for the investment in Monetar DTVM Ltda.:

<u>Description</u>	<u>Balance 12/31/2020</u>	<u>Addition</u>	<u>Low</u>	<u>Equivalence Equity</u>	<u>Balance 06/30/2021</u>
Investment in Monetar	654	-	-	-	654
Share Premium	1,227	-	-	-	1,227
Amortization of the share premium	(389)	-	(122)	-	(511)
Equity method	1,078	-	-	(970)	108
Reflexive TVM adjustment on Monetar	(4)	-	4	-	-
	<u>2,566</u>	<u>-</u>	<u>(118)</u>	<u>(970)</u>	<u>1,478</u>

Pursuant to the Share Purchase and Sale Agreement executed on August 16, 2018, entered into between Terra Investimentos Distribuidora de Títulos e Valores Mobiliários Ltda. (“Terra Investimentos”) and the shareholders of Monetar Distribuidora de Títulos e Valores Mobiliários Ltda. (“Monetar DTVM”), had the purpose of regulating the sale, assignment, and transfer by the sellers and the purchase and acquisition by the Buyers, of 90% of the shares of the Company's capital stock, with everything they represent. The effective acquisition of the shares by the Buyers was subject to the verification of the Conditions Precedent and the other terms and conditions established in this Agreement, including authorization by the Central Bank of Brazil, and without reservations or restrictions that prevent the transfer of shares and corporate control of the Company to the Buyers.

On May 8, 2019, through the Official Letter 8988/2019-BCB/Deorf/GTSP1, the Central Bank of Brazil approved the transfer of control from Monetar to Terra Investimentos, pursuant to the Share Purchase and Sale Agreement executed on August 16, 2018.

In compliance with the Articles of Incorporation of Monetar DTVM, enrolled with the Trade Board of the State of Rio de Janeiro (JUCERJA) on June 24, 2019, the capital stock is R\$ 2,770, divided into 2,770,000 shares of one real each, fully subscribed and paid in the country's currency.

# TERRA INVESTIMENTOS DISTRIBUIDORA DE TÍTULOS E VALORES MOBILIÁRIOS LTDA.

Notes to the financial statements for the semesters  
ended on June 30, 2021, and 2020  
And fiscal year ended on December 31, 2020  
(In thousands of reais)

Below, we present the main information of Monetar DTVM, regarding the semester on June 30, 2021:

Description	06/30/2021
<b>Asset</b>	
Cash and cash equivalents	86
Other credits:	
Income receivable	986
Miscellaneous	1,891
Allowance for loan losses	(1,436)
<b>Total assets</b>	<b>1,527</b>
<b>Liability</b>	
Other obligations:	
Tax and social security	72
Miscellaneous	608
Shareholder's equity	847
<b>Total liabilities</b>	<b>1,527</b>

## Other investments

On June 30, 2021, and December 31, 2020, the Distributor invests in shares in the company "Terra Futuros Investimentos Ltda" and in the company "Terra Investments LLC", fully zeroed by the equity method.

## 12. Financial Instruments - Liabilities

Description	06/30/2021	12/31/2020
<b>Deposits</b>		
Available clients resources	136,144	-
	<b>136,144</b>	-
<b>Open market funding</b>		
Repurchases to be settled - Third-party portfolio	138,629	53,962
	<b>138,629</b>	<b>53,962</b>
<b>Securities negotiation and intermediation</b>		
Clearing cash	9,393	-
Outstanding creditors account settlements	13,227	135,048
Commissions and brokerage fees payable	430	307
Transactions with financial assets and commodities	3,988	872
Obligations for securities negotiation and intermediation	11	567
	<b>27,049</b>	<b>136,794</b>

# TERRA INVESTIMENTOS DISTRIBUIDORA DE TÍTULOS E VALORES MOBILIÁRIOS LTDA.

Notes to the financial statements for the semesters  
ended on June 30, 2021, and 2020  
And fiscal year ended on December 31, 2020  
(In thousands of reais)

## 13. Other liabilities

<u>Description</u>	<u>06/30/2021</u>	<u>12/31/2020</u>
Corporate and statutory		
Interest on shareholders' equity payable	-	1,216
Profit share	<u>4,712</u>	<u>3,850</u>
	<u><b>4,712</b></u>	<u><b>5,066</b></u>
Tax and social security		
Taxes and contributions on profit	-	1,248
Taxes and contributions payable	<u>2,526</u>	<u>2,530</u>
	<u><b>2,526</b></u>	<u><b>3,778</b></u>
<b>Short term</b>	<b>2,051</b>	<b>3,228</b>
<b>Long term</b>	<b>475</b>	<b>550</b>
Miscellaneous		
Obligations for the acquisition of goods and rights	81	231
Provisions for accrued liabilities	3,347	2,253
Provision for contingent liabilities (see NE. 17)	2,089	2,863
Amounts payable to related companies (see NE 16)	1,026	-
Miscellaneous creditors – country	<u>1,317</u>	<u>153</u>
	<u><b>7,860</b></u>	<u><b>5,500</b></u>
<b>Short term</b>	<b>5,771</b>	<b>2,637</b>
<b>Long term</b>	<b>2,089</b>	<b>2,863</b>

- (a) Substantially represented by federal taxes installments (income tax and social contribution) arising from the non-payment of estimates determined during 2007;
- (b) Substantially represented by amounts payable to brokers arising from the provision of services in the month.

## 14. Shareholder's equity

### 14.1 Capital stock

The capital stock is R\$ 22,298, and is represented by 22,298,000 shares, fully paid up by shareholders domiciled in the country.

### 14.2 Interest on shareholders' equity

In the semester ended June 30, 2021, interest on equity was paid in the amount of R\$ 1,216 (R\$ 1,143 on December 31, 2020), as provided by Article 9 of Law No. 9,249/95.



# TERRA INVESTIMENTOS DISTRIBUIDORA DE TÍTULOS E VALORES MOBILIÁRIOS LTDA.

Notes to the financial statements for the semesters  
ended on June 30, 2021, and 2020  
And fiscal year ended on December 31, 2020  
(In thousands of reais)

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## 15. Financial instruments

The Company maintains transactions with financial instruments. Management of these instruments is carried out through operating strategies and internal controls, aimed liquidity, profitability and security. The control policy consists of permanent follow-up of the contracted conditions versus those effective in the market. The Company does not make speculative applications in derivatives or any other risky assets. The results obtained from these transactions are consistent with the policies and strategies defined by the Company's Management. The transactions of the Company and its subsidiaries are subject to the risk factors described below:

### a) Risk considerations

#### (i) Credit risk

The Company restricts exposure to credit risks associated with cash and cash equivalents, making its investments in financial institutions rated as first-rate and with compensation in short-term securities. Regarding accounts receivable, the Company limits its exposure to credit risks through client's selectivity and continuous credit analysis. Additionally, there is no relevant history of losses, through monitoring of individual position limits, in order to minimize possible issues of default in accounts receivable.

#### (ii) Interest rate risk

It arises from the possibility of the Company having gains or losses arising from fluctuations in interest rates on its financial assets and liabilities. The Company does not have transactions with derivatives to protect against interest rate variations.

#### (iii) Exchange rate risk

The associated risk arises from the possibility of the Company incurring losses due to fluctuations in exchange rates, which increase amounts captured in the market. The Company periodically monitors the net exposure of assets and liabilities in foreign currency; however, it does not have transactions with derivatives to protect against exchange rate variations.

#### (iv) Capital structure risk (or financial risk)

It results from the choice between own capital (capital contributions and retained earnings) and third-party capital that the Company makes to finance its transactions. In order to mitigate liquidity risks and optimize the weighted average cost of capital, the Company permanently monitors indebtedness levels in accordance with its internal policy.

# TERRA INVESTIMENTOS DISTRIBUIDORA DE TÍTULOS E VALORES MOBILIÁRIOS LTDA.

Notes to the financial statements for the semesters  
ended on June 30, 2021, and 2020  
And fiscal year ended on December 31, 2020  
(In thousands of reais)

## b) Valuation of financial instruments

The main assets and liabilities of financial instruments are described below, as well as the criteria for their appreciation:

### (i) Cash and cash equivalents and bond and securities

The market value of these assets does not differ from the amounts presented in the financial statements. The agreed rates reflect the usual market conditions.

## 16. Transactions with related parties

### a) The Distributor has, as a related party, the amounts described below:

Description	06/30/2021	12/31/2020
<b>Current assets</b>		
Monetar DTVM Ltda.	-	162
Miscellaneous country debtors - former shareholders	-	346
	<u>-</u>	<u>508</u>
<b>Current liabilities</b>		
Monetar DTVM Ltda. (a)	(1,177)	(674)
Monetar DTVM Ltda. (b)	151	-
	<u>(1,026)</u>	<u>(674)</u>
<b>Result</b>		
Apportionment of operating expenses (b)	560	580
	<u>560</u>	<u>580</u>

(a) Represented by current account.

(b) Represented by apportionment of operating expenses.

The operations were carried out based on rates, terms, and values usually practiced in the market on the date of the operations, considering the absence of risk.

### b) Compensation of directors

In the semester ended on June 30, 2021, and the fiscal year ended on December 31, 2020, there was no compensation for key management personnel, considered short-term benefits.

# TERRA INVESTIMENTOS DISTRIBUIDORA DE TÍTULOS E VALORES MOBILIÁRIOS LTDA.

Notes to the financial statements for the semesters  
ended on June 30, 2021, and 2020  
And fiscal year ended on December 31, 2020  
(In thousands of reais)

## 17. Contingent Liabilities

<u>Description</u>	<u>06/30/2021</u>	<u>12/31/2020</u>
Tax contingencies	2,008	1,806
Labor contingencies	81	1,037
Other contingencies	-	20
	<u>2,089</u>	<u>2,863</u>

### 17.1 Tax contingencies

#### Contingent liabilities classified as probable losses

On June 20, 2012, the Distributor received R\$ 532 from an inspection procedure by the Brazilian Federal Revenue Service ("RFB"), aiming to evaluate the tax effects of the equity adjustment of the securities of the Commodities and Futures Exchange (BM&F) in 2007. The liability provision updated as of June 30, 2021, is R\$ 1,815 (R\$ 1,806 as of December 31, 2020).

Within this context, the Distributor was forced to appeal through an injunction, aiming at suspending the liability, for which it made a judicial deposit in the updated amount, on June 30, 2021, of R\$ 1,800 (R\$ 1,791 on December 31, 2020), as described in Note 8(c).

In the first semester of 2021, a provision was made for tax contingencies in the case filed by the Securities and Exchange Commission in the amount of R\$ 193, with a judicial deposit in the same amount.

#### Contingent liabilities classified as possible losses

On April 15, 2015, the Distributor was subject to a tax assessment notice issued by the Brazilian Federal Revenue Service, with the objective of disallowing the appropriated credits regarding the services taken in the execution of its social activity, in particular the services of autonomous investment agents of the base of calculation of PIS (Social Integration Program) and COFINS (Contribution to the Financing of Social Security) contributions. The Distributor submitted an objection to the notice of infraction alleging the legality of the appropriated credits, as well as requesting the cancellation of the fine and interests incurred. Our legal advisors understood that the probability of loss in the aforementioned process was possible, whose updated amount, as of June 30, 2021, is R\$ 2,195 (R\$ 392 as of December 31, 2020).

# TERRA INVESTIMENTOS DISTRIBUIDORA DE TÍTULOS E VALORES MOBILIÁRIOS LTDA.

Notes to the financial statements for the semesters  
ended on June 30, 2021, and 2020  
And fiscal year ended on December 31, 2020  
(In thousands of reais)

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## 17.2 Labor contingencies

### Contingent liabilities classified as probable losses

The Distributor has questions regarding labor lawsuits, in which it constituted a provision for contingencies in the amount of R\$ 81 (R\$ 1,037 as of December 31, 2020). On December 31, 2020, a court deposit was made in the amount of R\$ 857.

### Contingent liabilities classified as possible losses

In the semester ended on June 30, 2021, the Distributor had questions regarding labor proceedings, which, according to the legal advisors, the estimated risks of loss for these proceedings were considered possible in the amount of R\$ 360 (R\$ 3,307 on 31 December 2020).

## 17.3 Civil contingencies

### Contingent liabilities classified as possible losses

The Distributor has no questions regarding civil proceedings for the semester ended on June 30, 2021, according to the legal advisors. As of December 31, 2020, the estimated risk of loss was R\$ 166 for lawsuits considered possible.

## 17.4 Other contingencies

### Contingent liabilities classified as probable losses

On December 31, 2020, the Distributor had other questions regarding the INSS proceedings in which it made a provision for contingencies in the amount of R\$ 20, with a judicial freezing in the amount of R\$ 22 (same balance as of June 30, 2021).

## 18. Capital management

In compliance with the regulations of the Central Bank of Brazil, the concepts of the Basel Committee and its Corporate Policies, the Distributor established a Capital Management Structure that has the purpose of complying with the requirements of Resolution No. 4,557/17 of the Central Bank of Brazil, which provides for the capital management structure.

Below is the information regarding risk management and the calculation of risk-weighted assets (RWA), and the adequacy of the prudential consolidated reference equity, in compliance with the requirements of the Central Bank of Brazil (BACEN).

# TERRA INVESTIMENTOS DISTRIBUIDORA DE TÍTULOS E VALORES MOBILIÁRIOS LTDA.

Notes to the financial statements for the semesters  
ended on June 30, 2021, and 2020  
And fiscal year ended on December 31, 2020  
(In thousands of reais)

## Reference equity:

<b>Account</b>	<b>Description</b>	<b>Base value</b>	<b>PR value</b>
100	Reference Equity (PR)	R\$ 31,082	R\$ 31,082
110	Level I Reference Equity (PR_1)	R\$ 31,082	R\$ 31,082
111	Principal Capital - CP	R\$ 31,082	R\$ 31,082
111,01	Capital stock	R\$ 22,382	R\$ 22,382

## Basel Index:

<b>Basel Index</b>	<b>%</b>
January/2021	19.75
February/2021	19.71
March/2021	16.44
April/2021	15.23
May/2021	11.10
June/2021	12.81

## Assets Weighted by Operating Risk:

<b>RWAOPAD Account</b>	<b>RWAOPAD Value</b>
870 - RWAOPAD	R\$ 109,856
871 - BASIC INDICATOR APPROACH	R\$ 8,788
871.10.00 - EXPOSURE INDICATOR ON T-3	R\$ 34,953
871.20.00 - EXPOSURE INDICATOR ON T-2	R\$ 59,293
871.30.00 - EXPOSURE INDICATOR IN T-1	R\$ 81,522

## **18. Sensitivity Analysis**

The Institution, in general, seeks to maintain your resources allocated to investments with low credit and market risk.

It focuses its services on institutional clients, large legal entities, and individuals.

Financial investments in the Company's own portfolio are made in fixed income securities of financial institutions that are financially sound and have a rating within the parameters established by the risk committee, or in federal government bonds.

Bonds and Securities are made up of investments in the Liquidation Investment Fund of BM&FBOVESPA Chamber and are inherent to the performance of its activity as a Securities Distributor and in variable income assets with maximum exposure and pre-established by the risk committee.

# TERRA INVESTIMENTOS DISTRIBUIDORA DE TÍTULOS E VALORES MOBILIÁRIOS LTDA.

Notes to the financial statements for the semesters  
ended on June 30, 2021, and 2020  
And fiscal year ended on December 31, 2020  
(In thousands of reais)

To determine capital sensitivity and measure any impacts, we carry out periodic simulations based on the risk scenarios disclosed by B3 CORE (Close-Out Risk Evaluation), as indicated below:

Low Scenario	
Pre - 01 Year	(274) b.p.
Shares	(32.40%)
Exchange Rate	(15.30%)
High Scenario	
Pre - 01 Year	245 b.p.
Shares	27.60%
Exchange Rate	24.50%

In accordance with Circular Letter No. 3,959 and Resolution 4,720, of the Central Bank of Brazil, the Distributor uses, for purposes of sensitivity of book values, the following:

Account	06/30/2021	Variation according to the risk
Availability (a)	382	-
Short-term Interbank Investments (a)	197,796	-
Bond and securities (a)	103,912	-
Securities Negotiation and Intermediation (a)	(144,369)	-
	<b>157,721</b>	

(a) No variation for the period

## 19. Operating Limits

Financial institutions are required to maintain a Reference Equity compatible with the risks of their activities, higher than the minimum of 8% of the Required Equity.

As of June 30, 2021, and 2020, the Distributor was within the capital and equity limits compatible with the risk of the asset structure, in accordance with the rules and instructions established by Resolution No. 2099/94 and complementary legislation.

The Index calculated for the semester ended on June 30, 2021, is 22.52% (20.09% on December 31, 2020).

# TERRA INVESTIMENTOS DISTRIBUIDORA DE TÍTULOS E VALORES MOBILIÁRIOS LTDA.

Notes to the financial statements for the semesters  
ended on June 30, 2021, and 2020  
And fiscal year ended on December 31, 2020  
(In thousands of reais)

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## 21. Other matters

### Effects of the Coronavirus on Financial Statements

In March 2020, the pandemic of a new coronavirus brought economic and financial impacts to various segments, consequently affecting investment values.

Considering the current scenario of uncertainty, it is not yet possible to assess the impacts arising from an economic slowdown on the Distributor's results. The Distributor's Management will continue with preventive actions aimed at everyone's safety and monitoring any changes in the guidelines issued by competent bodies and/or by the local health authorities.

The Distributor's equity is constantly evaluated at fair value and, considering recent events, Management may review the fair value of the assets.

On June 30, 2021, the Distributor submitted the amount of R\$ 25,525, represented by investments in investment funds and shares of publicly-held companies, as follows:

<b>Investments</b>	<b>R\$</b>
Investment Fund BM&FBOVESPA Chamber	25,078
Shares of publicly held companies	1,447
	<u><b>26,525</b></u>

The change in the market value of the investment in the Fund above, from June 30, 2021, to August 25, 2021, was 0.78% (yield).

## 22. SUBSEQUENT EVENTS

Up to the date of authorization for issuance of these financial statements, there were no events that could significantly change the equity, economic, and financial situation in the financial statements presented.

**THE EXECUTIVE BOARD**

**REINALDO DANTAS**  
**Accountant CRC-**  
**1SP110330/O-6**