

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

**FINANCIAL STATEMENTS
ON DECEMBER 31, 2021
WITH INDEPENDENT AUDITORS' REPORT**

TERRA INVESTIMENTOS DISTRIBUIDORA DE TÍTULOS E VALORES MOBILIÁRIOS LTDA.

FINANCIAL STATEMENTS

On December 31, 2021
(In Reais - R\$)

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INDEPENDENT AUDITORS' REPORT ON THE 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 on December 31, 2021 and the respective statements of income, comprehensive income, changes in shareholders' equity and cash flows for the semester and financial year 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 December 31, 2021, the performance of its operations and its cash flows for the semester and financial year 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 - Execution of tax credit

We draw attention to Note No. 10.4 which, on December 31, 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\$ 8,294, 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 financial 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 submission 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 by the internal controls that it has determined 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 it operating continuity and using the going concern basis of accounting in the elaboration of the financial statements unless management either intends to settle 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 operating continuity, 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 operating. 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 findings 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 remain in operating continuity.
- 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, March 28, 2022.

CONFIANÇA AUDITORES INDEPENDENTES
CRC-SP No. 2SP022750/O-8

José Júlio de Sousa Pereira
Accountant
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 December 31, 2021 and 2020

Amounts in R\$ 1,00

| ASSETS | Explanatory Note | 12/31/21 | 12/31/20 |
|--|-----------------------------|-----------------|-----------------|
| CURRENT | | 122,251 | 155,314 |
| CASH AND CASH EQUIVALENTS | 4 | 222 | 3,505 |
| FINANCIAL INSTRUMENTS | | 108,237 | 152,870 |
| Short-term interbank investment | 5 | 70,502 | 94,003 |
| Bond and securities | 6 | 29,389 | 26,083 |
| Securities negotiation and intermediation | 7.1 | 8,346 | 32,784 |
| OTHER ASSETS | | 13,792 | 4,619 |
| Other credits - Miscellaneous | 8 | 11,189 | 2,044 |
| Income receivable | 8 | 2,235 | 2,023 |
| Prepaid expenses | | 368 | 552 |
| PROV. EXPECTED LOSSES ASSOCIATED WITH: | 9 | (9,160) | (5,680) |
| Risk of income receivable and other credits | | (9,160) | (5,680) |
| NON-CURRENT | | 98,335 | 88,494 |
| FINANCIAL INSTRUMENTS | | 87,878 | 72,567 |
| Bond and securities | 6 | 87,878 | 72,567 |
| TAX CREDITS | 10 | 8,294 | 5,623 |
| OTHER ASSETS | | 2,047 | 2,671 |
| Other credits - Miscellaneous | 8 | 2,047 | 2,671 |
| INVESTMENTS | 11 | 1,962 | 2,603 |
| Interests affiliates/subsidiaries: in the country | | 1,911 | 2,566 |
| Other investments | | 51 | 37 |
| FIXED ASSETS FOR USE | 3.h | 3,500 | 4,583 |
| Other fixed assets for use | | 5,798 | 6,596 |
| (Reduction to the recoverable value of fixed assets) | | (18) | - |
| (Accumulated depreciation) | | (2,280) | (2,013) |
| INTANGIBLE | 3.h | 3,814 | 447 |
| Intangible Assets | | 6,564 | 2,280 |
| (Accumulated amortization) | | (2,750) | (1,833) |
| TOTAL ASSETS | | 220,586 | 243,808 |

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

BALANCE SHEET

On December 31, 2021 and 2020

Amounts in R\$ 1,000

| LIABILITIES | Explanatory Note | 12/31/21 | 12/31/20 |
|---|-------------------------|-----------------|-----------------|
| CURRENT | | 181,940 | 201,687 |
| FINANCIAL INSTRUMENTS | | 164,471 | 190,756 |
| Deposits | 12 | 82,275 | - |
| Open market funding | 12 | 67,909 | 53,962 |
| Securities negotiation and intermediation | 12 | 14,287 | 136,794 |
| DEFERRED TAX OBLIGATIONS | | 41 | - |
| OTHER LIABILITIES | | 17,428 | 10,931 |
| Social security and statutory | 13 | 5,662 | 5,066 |
| Tax and pension | 13 | 6,063 | 3,228 |
| Miscellaneous | 13 | 5,703 | 2,637 |
| NON-CURRENT | | 3,167 | 3,413 |
| PROVISIONS | | 3,167 | 3,413 |
| Tax and pension | 13 | 406 | 550 |
| Miscellaneous - Contingent liabilities | 17 | 2,761 | 2,863 |
| SHAREHOLDER'S EQUITY | | 35,479 | 38,708 |
| Capital: | 14 | 22,298 | 22,298 |
| Of those domiciled in the country | | 22,298 | 22,298 |
| Profit reserves | | 13,119 | 18,494 |
| Equity valuation adjustments | | 62 | (2,084) |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | 220,586 | 243,808 |

**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 IN

Semester ended December 31, 2021 and financial years ended December 31, 2021 and 2020

Amounts in R\$ 1,000

| | 2nd-SEM-21 | 2021 | 2020 |
|---|----------------|----------------|----------------|
| REVENUE FROM FINANCIAL INTERMEDIATION | 5,030 | 10,393 | 9,317 |
| Result from operations with bonds and securities | 4,834 | 9,759 | 8,626 |
| Result with derivative financial instruments | 196 | 634 | 691 |
| EXPENSES FROM FINANCIAL INTERMEDIATION | (1,766) | (2,778) | (1,115) |
| Funding operations in the market | (1,766) | (2,778) | (1,115) |
| GROSS RESULT FROM FINANCIAL INTERMEDIATION | 3,264 | 7,615 | 8,202 |
| OTHER OPERATING REVENUES / EXPENSES | 1,703 | (4,954) | 15,288 |
| Revenues from service provision | 40,176 | 75,945 | 68,547 |
| Personnel expenses | (7,000) | (15,539) | (10,680) |
| Other administrative expenses | (29,453) | (51,003) | (36,761) |
| Tax expenses | (4,359) | (8,098) | (7,240) |
| Result of interest in affiliates and subsidiaries | 1,148 | 178 | 635 |
| Provision for doubtful credits | 1,252 | (9,385) | (7,694) |
| Provision (Reversal) of operating provisions | (650) | 133 | (364) |
| Other operating revenues | 1,908 | 5,027 | 9,542 |
| Other operating expenses | (1,319) | (2,212) | (697) |
| OPERATING INCOME | 4,967 | 2,661 | 23,490 |
| NON-OPERATING INCOME | - | (419) | - |
| RESULT BEFORE TAXATION ON PROFIT AND INTEREST | 4,967 | 2,242 | 23,490 |
| INCOME TAX AND SOCIAL CONTRIBUTION | 853 | 4,057 | (3,065) |
| Provision for income tax | - | - | (3,984) |
| Provision for social contribution | - | - | (2,464) |
| IRPJ (Company Income Tax) - Deferred tax asset | 533 | 2,422 | 2,114 |
| CSLL (Social Contribution on Net Income) - Deferred tax asset | 320 | 1,635 | 1,269 |
| INCOME FROM EQUITY INVESTMENTS IN THE PROFIT | (4,110) | (9,722) | (8,075) |
| NET PROFIT (LOSS) FOR THE SEMESTER | 1,710 | (3,423) | 12,350 |
| No. of shares | 22,298,000 | 22,298,000 | 22,298,000 |
| Profit/(Loss) per thousand shares.....R\$ | 76,71 | -153,48 | 553.82 |

**THE EXECUTIVE
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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 December 31, 2021 and financial years ended December 31, 2021 and 2020

Amounts in R\$ 1,000

| | 2nd-SEM-21 | 2021 | 2020 |
|---|--------------|----------------|---------------|
| NET INCOME FOR THE SEMESTER/FINANCIAL YEAR | 1,710 | (3,423) | 12,350 |
| COMPREHENSIVE INCOME | 1,806 | 2,146 | (447) |
| Adjustments that will be transferred to income: | 1,806 | 2,142 | (431) |
| TVM (Bonds and Securities) adjustment | 3,011 | 3,570 | (718) |
| TVM adjustment IR/CS (Income Tax/Social Contribution) | (1,205) | (1,428) | 287 |
| Adjustments that will not be transferred to income | - | 4 | (16) |
| TOTAL COMPREHENSIVE INCOME | 3,516 | (1,277) | 11,903 |

THE EXECUTIVE
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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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Semester ended December 31, 2021 and financial years ended December 31, 2021 and 2020

Amounts in R\$ 1,000

| Semester from 07/01/21 to 12/31/21 | | | | | |
|---|-----------------|-------------------------|------------------------------|-----------------------------|---------|
| | PAID-IN CAPITAL | SPECIAL PROFIT RESERVES | EQUITY VALUATION ADJUSTMENTS | RETAINED EARNINGS OR LOSSES | TOTAL |
| BALANCES AT THE BEGINNING OF THE SEMESTER ON 07/01/21 | 22,298 | 18,494 | (1,744) | (5,133) | 33,915 |
| Adjustment at market value - TVM and derivatives | - | - | 1,806 | - | 1,806 |
| Net profit of the semester | - | - | - | 1,710 | 1,710 |
| Destinations: | - | (5,375) | - | 3,423 | (1,952) |
| Interest equity | - | - | - | (1,952) | (1,952) |
| Profit special reserve | - | (5,375) | - | 5,375 | - |
| BALANCES AT THE END OF THE SEMESTER ON 12/31/21 | 22,298 | 13,119 | 62 | - | 35,479 |
| CHANGES OF THE SEMESTER: | - | (5,375) | 1,806 | 5,133 | 1,564 |
| Financial year from 01/01/21 to 12/31/21 | | | | | |
| | PAID-IN CAPITAL | SPECIAL PROFIT RESERVES | EQUITY VALUATION ADJUSTMENTS | RETAINED EARNINGS OR LOSSES | TOTAL |
| BALANCES AT THE BEGINNING OF THE FINANCIAL YEAR ON 01/01/21 | 22,298 | 18,494 | (2,084) | - | 38,708 |
| Adjustment at market value - TVM and derivatives | - | - | 2,142 | - | 2,142 |
| Reflexive evaluation adjustments | - | - | 4 | - | 4 |
| Loss for the financial year | - | - | - | (3,423) | (3,423) |
| Destinations: | - | (5,375) | - | 3,423 | (1,952) |
| Interest equity | - | - | - | (1,952) | (1,952) |
| Profit special reserve | - | (5,375) | - | 5,375 | - |
| BALANCES AT THE END OF THE FINANCIAL YEAR ON 12/31/21 | 22,298 | 13,119 | 62 | - | 35,479 |
| CHANGES OF THE FINANCIAL YEAR: | - | (5,375) | 2,146 | - | (3,229) |
| Financial year from 01/01/20 to 12/31/20 | | | | | |
| | PAID-IN CAPITAL | SPECIAL PROFIT RESERVES | EQUITY VALUATION ADJUSTMENTS | RETAINED PROFITS OR LOSSES | TOTAL |
| BALANCES AT THE BEGINNING OF THE FINANCIAL YEAR ON 01/01/20 | 22,298 | 7,180 | (1,637) | - | 27,841 |
| Adjustment at market value - TVM and derivatives | - | - | (447) | - | (447) |
| Net profit for the financial year | - | - | - | 12,350 | 12,350 |
| Destinations: | - | 11,314 | - | (12,350) | (1,036) |
| Interest equity | - | - | - | (1,036) | (1,036) |
| Loss absorption with reserves | - | 11,314 | - | (11,314) | - |
| BALANCES AT THE END OF THE FINANCIAL YEAR ON 12/31/20 | 22,298 | 18,494 | (2,084) | - | 38,708 |
| CHANGES OF THE FINANCIAL YEAR: | - | 11,314 | (447) | - | 10,867 |

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 December 31, 2021 and financial years ended December 31, 2021 and 2020

Amounts in R\$ 1,000

| | 2nd-SEM-21 | 12/31/21 | 12/31/20 |
|---|------------------|-----------------|----------------|
| Cash flows from operating activities | | | |
| Net profit/(loss) for the semester and financial year | 1,710 | (3,423) | 12,350 |
| Depreciation/amortization/losses recoverable value | 1,708 | 2,277 | 962 |
| Provision for other doubtful credits | (1,252) | 9,385 | 2,360 |
| Result of interests in affiliates/subsidiaries | (1,148) | (178) | (635) |
| Adjustments of equity valuation in the result | - | - | 44 |
| Provision (reversal) of provisions for contingent liabilities | 650 | (133) | - |
| Provision for taxes in the result | - | - | 6,448 |
| Provision (reversal) of deferred taxes | (853) | (4,057) | (3,383) |
| | <u>815</u> | <u>3,871</u> | <u>18,146</u> |
| Variation of Assets and Obligations | | | |
| (Increase) reduction in financial assets | (127,629) | (25,000) | 35,606 |
| (Increase) reduction in deferred tax assets | (439) | 7,751 | 28,430 |
| (Increase) reduction of other assets | 310 | (2,671) | (3,678) |
| (Increase) reduction of other values and property | 7,018 | (13,401) | 1,052 |
| Increase (decrease) in financial liabilities | - | - | (9) |
| Increase (decrease) in TVM and derivative financial instruments | (138,415) | (26,285) | 31,013 |
| Increase (decrease) in deferred tax obligations | - | - | (32,912) |
| Increase (decrease) in other liabilities | 894 | 4,098 | - |
| Income tax and social contribution paid | 3,161 | 7,312 | 17,029 |
| | (158) | (1,804) | (5,319) |
| Net cash from operating activities | (126,814) | (21,129) | 53,752 |
| Cash flow from investment activities | | | |
| Disposals of: | | | |
| Investments | - | 22 | - |
| Fixed assets for use | 716 | 716 | - |
| Inversions in: | | | |
| Investments | (35) | (35) | - |
| Fixed assets for use | (1,029) | (4,850) | (4,052) |
| Net cash invested in investment activities | (348) | (4,147) | (4,052) |
| Cash flows from financing activities | | | |
| Payment of interests on equity | (292) | (1,508) | 180 |
| Net cash invested in financing activities | (292) | (1,508) | 180 |
| Net increase of cash and cash equivalents | (127,454) | (26,784) | 49,880 |
| Cash and cash equivalents at the beginning of the semester/financial year | 198,178 | 97,508 | 47,628 |
| Cash and cash equivalent at the end of the semester/financial year | <u>70,724</u> | <u>70,724</u> | <u>97,508</u> |

 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.

Explanatory notes to the financial statements
In the semester ended December 31, 2021 and Financial Years
ended December 31, 2021 and 2020
(In thousands of Reais)

1. Operating context

Terra Investimentos Distribuidora de Títulos e Valores Mobiliários Ltda. (Distributor), has as corporate purpose the (a) underwriting, individually or in consortium with other authorized companies, issuance of bonds and securities for resale; (b) intermediating public offering and distribution of bonds and securities in the market; (c) buying and selling bonds and securities, both on its own and on behalf of third parties; and conducting 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 March 28, 2022.

3. Summary of significant 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.

Explanatory notes to the financial statements

In the semester ended December 31, 2021 and Financial Years ended December 31, 2021 and 2020
(In thousands of Reais)

c) Short-term interbank investments

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

d) Bonds 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 revenue 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 shareholders' 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 revenue or expense in case of non-exercise;

TERRA INVESTIMENTOS DISTRIBUIDORA DE TÍTULOS E VALORES MOBILIÁRIOS LTDA.

Explanatory notes to the financial statements

In the semester ended December 31, 2021 and Financial Years ended December 31, 2021 and 2020
(In thousands of Reais)

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 Intangible 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 property, 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) Revenue and expenses

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

Financial revenue 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.

Explanatory notes to the financial statements
In the semester ended December 31, 2021 and Financial Years ended December 31, 2021 and 2020
(In thousands of Reais)

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 Statement CPC 25, issued by the Accounting Statements 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 financial years. In compliance with this guideline, it is noted that the net loss for the financial year on December 31, 2021, in the amount of R\$ 3,423, and net profit on December 31, 2020, in the amount of R\$ 12,350, was obtained exclusively based on recurring income.

4. Cash and cash equivalents

| <u>Description</u> | <u>12/31/2021</u> | <u>12/31/2020</u> |
|---|-------------------|-------------------|
| Bank deposits | 182 | 48 |
| Free reserves | 40 | 3,457 |
| Short-Term Interbank Investments (Explanatory Note 5) | 70,502 | 94,003 |
| | <u>70,724</u> | <u>97,508</u> |

TERRA INVESTIMENTOS DISTRIBUIDORA DE TÍTULOS E VALORES MOBILIÁRIOS LTDA.

Explanatory notes to the financial statements
In the semester ended December 31, 2021 and Financial Years ended December 31, 2021 and
2020
(In thousands of Reais)

5. Short-term interbank investments

| Description | 12/31/2021 | 12/31/2020 |
|---|---------------|---------------|
| Short-term interbank investments | | |
| National Treasury Bills – LTN – own resources | 385 | 94,003 |
| National Treasury Notes – NTN – own resources | 30,567 | - |
| National Treasury Bills – LTN – financed position | 19,619 | - |
| National Treasury Notes – NTN – financed position | 19,931 | - |
| | 70,502 | 94,003 |

6. Bond and securities and derivative financial instruments

a) Portfolio classification by securities:

| Description | 12/31/2021 | 12/31/2020 |
|---|----------------|---------------|
| Current assets | | |
| Own portfolio: | | |
| Financial Treasury Bills - LFT | 2,595 | 387 |
| Capitalization bond | - | 100 |
| Agribusiness credit bills | - | 59 |
| Bank deposit certificates | 48 | - |
| Shares of publicly held companies | - | 766 |
| Debentures | 200 | - |
| | 2,843 | 1,312 |
| Bound to the provision of guarantee: | | |
| Financial Treasury Bills - LFT | - | - |
| Investment fund Câmara BMF&BOVESPA | 25,928 | 24,771 |
| | 25,928 | 24,771 |
| Repurchase agreement: | | |
| Financial Treasury Bills - LFT | 618 | - |
| | 618 | - |
| Total current assets | 29,389 | 26,083 |
| Non-current Assets | | |
| Own portfolio: | | |
| Financial Treasury Bills - LFT | 13,898 | 22,078 |
| | 13,898 | 22,078 |
| Bound to the provision of guarantee: | | |
| Financial Treasury Bills - LFT | 46,201 | 50,489 |
| | 46,201 | 50,489 |
| Repurchase agreement: | | |
| Financial Treasury Bills - LFT | 27,779 | - |
| | 27,779 | - |
| Total non-current assets | 87,879 | 72,567 |
| | 117,267 | 98,650 |

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On December 31, 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).

Investment fund shares were updated by the respective share value, on the last business day of the financial 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 | | | | Market | Cost Value |
|---|------------------|--------------|---------------|----------------|----------------|
| | Without due date | Up to 1 year | Over 365 days | Value | |
| Securities available for sale: | | | | | |
| Financial treasury bills | - | 3,212 | 87,879 | 91,091 | 90,987 |
| Bank deposit certificates | 48 | - | - | 48 | 48 |
| Debentures | 200 | - | - | 200 | 200 |
| Total of securities available for sale | 248 | 3,212 | 87,879 | 91,339 | 91,235 |
| Securities for negotiation: | | | | | |
| Investment fund Câmara BMF&BOVESPA | 25,928 | - | - | 25,928 | 25,928 |
| Total securities for negotiation | 25,928 | - | - | 25,928 | 25,928 |
| Total | 26,176 | 3,212 | 87,879 | 117,267 | 117,163 |

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

On December 31, 2021, adjustments to market value (negative) were registered on securities classified in the available-for-sale securities category, in the amount of R\$ 103 (positive adjustment of R\$ 3,466 on December 31, 2020), which were recognized as a trade-off of the shareholders' equity. In the financial year ended December 31, 2021, the amounts recognized for income tax and social contribution were R\$ 41. In the financial year ended December 31, 2020, the recognized amounts of deferred income tax and social contribution assets were R\$ 1,387, according to Explanatory Note 10.3.

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c) Derivative financial instruments

On December 31, 2021 and 2020 there were no outstanding derivative financial instrument transactions.

7. Financial Instruments - Assets

7.1 Securities negotiation and intermediation

| Description | 12/31/2021 | 12/31/2020 |
|--|--------------|---------------|
| Debtors Outstanding settlement accounts | 6,720 | 19,170 |
| Clearing department | - | 7,507 |
| Transactions with financial assets and commodities | 1,158 | - |
| Other credits for negotiation | 468 | 6,107 |
| | 8,346 | 32,784 |

8. Other Assets

| Description | 12/31/2021 | 12/31/2020 |
|--|---------------|--------------|
| Commissions and brokerage receivables | 2,235 | 2,023 |
| Miscellaneous: | | |
| Advances and anticipations | 128 | 82 |
| Prepaid fixed assets accounts | 544 | 259 |
| Taxes and contributions to be offset (a) | 613 | 74 |
| Miscellaneous debtors - country | 9,897 | 1,373 |
| Payments to be reimbursed | - | 94 |
| Amounts receivable from affiliated companies (see Explanatory Note 17) | 7 | 162 |
| Debtors escrow (b) and (see Explanatory Note 17) | 2,047 | 2,671 |
| | 13,236 | 4,715 |
| Miscellaneous - short term | 13,424 | 4,067 |
| Miscellaneous - long term | 2,047 | 2,671 |

(a) Substantially represented by prepayment of income tax and IRRF (Withholding Income Tax) on commissions.

(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 Bolsa de Mercadorias e Futuros (BM&F), on December 31, 2021, the value was updated in the amount of R\$ 1,828 (R\$ 1,791 on December 31, 2020).

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9. Provision for Expected Losses Associated with Credit Risk

9.1 Provision for other doubtful debtors

| Description | 12/31/2021 | 12/31/2020 |
|---|--------------|--------------|
| Clients - doubtful accounts | 8,504 | 5,334 |
| Funds fee receivables | 651 | - |
| Compensation funds from repurchase agreements | 5 | - |
| Temporary loan agreements - doubtful accounts (a) | - | 346 |
| | 9,160 | 5,680 |

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

10. Tax credits

10.1 Tax credits on temporary expenses and revenues

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

| Description | 12/31/2021 | 12/31/2020 |
|---|--------------|--------------|
| Temporary differences | | |
| Provision for doubtful accounts | (13,807) | (9,023) |
| Labor contingencies | (732) | (1,037) |
| Civil contingencies | - | (20) |
| Tax contingencies | (193) | - |
| Expenses with deferred assets | (97) | (123) |
| Amortizations of the share premium | (1,227) | (389) |
| Update of contingent liabilities | (849) | (818) |
| Update of judicial deposits | 865 | 818 |
| | (16,040) | (10,592) |
| Income tax and social contribution | | |
| Income tax - 25% | 4,009 | 2,647 |
| Social contribution - 15% | 2,406 | 1,589 |
| | 6,415 | 4,236 |

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10.2 Tax credits on tax losses and negative basis of social contribution

On December 31, 2021, the tax effects on tax losses and negative basis of social contribution were registered:

| Description | 12/31/2021 | 12/31/2020 |
|---------------------------------------|----------------|------------|
| Tax loss | (4,243) | - |
| Negative basis of social contribution | (5,457) | - |
| | <u>(9,700)</u> | - |
| Income tax and social contribution | | |
| Income tax - 25% | 1,060 | - |
| Social contribution - 15% | 819 | - |
| | <u>1,879</u> | - |

10.3 Tax credits on market value adjustment

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

| Description | 12/31/2021 | 12/31/2020 |
|---|---------------------|---------------------|
| Value in shareholders' equity | | |
| Adjustment for market on bonds and securities | - | (3,466) |
| Reflexive adjustment - Monetar DTVM Ltda. | = | (5) |
| | - | <u>(3,471)</u> |
| Income tax and social contribution | | |
| Income tax - 25% | - | 867 |
| Social contribution - 15% | = | 520 |
| | - | <u>1,387</u> |
| Overall total | <u>8,294</u> | <u>5,623</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 January 17, 2022.

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.

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The Management, based on its expected results, understands that it will accrue 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:

| Term | Realization expectation |
|------|-------------------------|
| 2022 | 1,025 |
| 2023 | 6,309 |
| 2024 | 445 |
| 2025 | 236 |
| 2026 | 279 |
| | 8,294 |

On December 31, 2021, the present value of tax credits amounts to R\$ 6,923 for 5 years, considering the Special System for Settlement and Custody (Selic) rate of 4.15% per year.

11. Investments

| Description | 12/31/2021 | 12/31/2020 |
|---|------------|------------|
| Interests in affiliates and subsidiaries - Monetar DTVM Ltda. | 1,911 | 2,566 |
| Equity securities - BBM | 15 | 15 |
| Other investments | 36 | 22 |
| | 1,962 | 2,603 |

Interests in affiliates and subsidiaries – Monetar DTVM Ltda.

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

| Description | Balances on 12/31/2020 | Addition | Write-off | Equity Method | Balance 12/31/2021 |
|-------------------------------------|---------------------------|----------|-----------|---------------|-----------------------|
| Investment in Monetar | 654 | - | - | 1,017 | 1,671 |
| Share Premium | 1,227 | - | - | - | 1,227 |
| Amortization of the share premium | (389) | - | (838) | - | (1,227) |
| Equity method | 1,078 | - | - | (839) | 240 |
| Reflexive TVM adjustment in Monetar | (4) | - | 4 | - | - |
| | 2,566 | - | (834) | 178 | 1,911 |

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Below, we present the main information of Monetar DTVM, regarding the financial year on December 31, 2021:

| Description | 12/31/2021 | 12/31/2020 |
|---|--------------|--------------|
| Assets | | |
| Cash and cash equivalents | 90 | - |
| Financial instruments | - | 1,817 |
| Tax credit | 827 | 1 |
| Other assets | 3,317 | 917 |
| Provision for expected losses associated with credit risk | (1,399) | - |
| Total assets | 2,835 | 2,735 |
| Liabilities | | |
| Other liabilities | 712 | 815 |
| Shareholder's equity | 2,123 | 1,920 |
| Total liabilities | 2,835 | 2,735 |

Other investments

On December 31, 2021 and 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 | 12/31/2021 | 12/31/2020 |
|---|---------------|----------------|
| Deposits | | |
| Available clients resources | 82,275 | - |
| | 82,275 | - |
| Open market funding | | |
| Repurchases to be settled - Own portfolio | 28,358 | - |
| Repurchases to be settled - Third-party portfolio | 39,551 | 53,962 |
| | 67,909 | 53,962 |
| Securities negotiation and intermediation | | |
| Clearing department | 2,418 | - |
| Creditors account outstanding settlements | 11,368 | 135,048 |
| Commissions and brokerage fees payable | 241 | 307 |
| Transactions with financial assets and commodities | - | 872 |
| Obligations for securities negotiation and intermediation | - | 567 |
| Other obligations for securities negotiation and intermediation | 260 | - |
| | 14,287 | 136,794 |

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13. Other liabilities

| Description | 12/31/2021 | 12/31/2020 |
|---|--------------|--------------|
| Social security and statutory | | |
| Interest on equity payable | 1,659 | 1,216 |
| Profit share | 4,003 | 3,850 |
| | 5,662 | 5,066 |
| Tax and pension | | |
| Taxes and contributions on profit | - | 1,248 |
| Taxes and contributions to be collected (a) | 6,469 | 2,530 |
| | 6,469 | 3,778 |
| Short term | 6,063 | 3,228 |
| Long term | 406 | 550 |
| Miscellaneous | | |
| Obligations for the acquisition of property and rights | 107 | 231 |
| Provisions for accrued liabilities (b) | 2,472 | 2,253 |
| Provision for contingent liabilities (see Explanatory Notes 17) | 2,761 | 2,863 |
| Amounts payable to related companies (see Explanatory | 1,675 | - |
| Miscellaneous creditors – country | 1,449 | 153 |
| | 8,464 | 5,500 |
| Short term | 5,703 | 2,637 |
| Long term | 2,761 | 2,863 |

(a) Substantially represented by taxes withheld on financial investments from clients.

(b) Substantially represented by amounts payable to brokers arising from the provision of services in the month.

14. Shareholders' equity

14.1 Capital

The capital 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 equity

In the financial year ended December 31, 2021, interest on equity was paid in the amount of R\$ 1,952 (R\$ 1,036 on December 31, 2020), as provided by Article 9 of Law No. 9.249/95.

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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 at liquidity, profitability and security. The control policy consists of permanent follow-up of the contracted conditions versus those conditions effective in the market. The Company does not make applications of speculative nature, in derivatives or any other risk assets. The results obtained with these operations are consistent with the policies and strategies defined by the company's management. The operations of the Company and its subsidiaries are subject to the risk factors described below:

a) Considerations on risks

(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-class and with compensation in short-term securities. Regarding accounts receivable, the Company limits its exposure to credit risks through clients' 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 raised 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 equity (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.

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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 | 12/31/2021 | 12/31/2020 |
|---|----------------|--------------|
| Current assets | | |
| Monetar DTVM Ltda. | - | 162 |
| Miscellaneous debtors country - former shareholders | - | 346 |
| Terra Gestora de Recursos Ltda | 2 | - |
| Terra Holding Financeira Ltda | 5 | - |
| | 7 | 508 |
| Current liabilities | | |
| Monetar DTVM Ltda. (a) | (1,773) | (674) |
| Monetar DTVM Ltda. (b) | 98 | - |
| | (1,675) | (674) |
| Result | | |
| Apportionment of operating expenses (b) | 1,359 | 580 |
| | 1,359 | 580 |

(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 the directors

In the financial years ending December 31, 2021 and 2020 there was no compensation for key management personnel, considered to be short-term benefits.

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17. Contingent Liabilities

| Description | 12/21/2021 | 12/31/2020 |
|---------------------|--------------|--------------|
| Tax contingencies | 2,029 | 1,806 |
| Labor contingencies | 732 | 1,037 |
| Other contingencies | - | 20 |
| | 2,761 | 2,863 |

17.1 Tax contingencies

Contingent liabilities classified as probable losses

On June 20, 2012, the Distributor was charged in the amount of 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 Bolsa de Mercadorias e Futuros (BM&F) in 2007. The liability provision updated on December 31, 2021, is R\$ 1,836 (R\$ 1,806 on 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 December 31, 2021, of R\$ 1,828 (R\$ 1,791 on December 31, 2020), as described in Note 8 (b).

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 notice of infraction issued by the Brazilian Federal Revenue Service, regarding the note on the appropriated credits regarding the services contracted 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, on December 31, 2021, is R\$ 2,195 (R\$ 392 on December 31, 2020).

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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\$ 732 (R\$ 1,037 on 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 financial year ended on December 31, 2021, the Distributor had questions regarding labor lawsuits, which, according to the legal advisors, the estimated risks of loss for these suits was considered possible in the amount of R\$ 3,761 (R\$ 3,307 on 31 December 2020).

17.3 Civil contingencies

Contingent liabilities classified as possible losses

In the financial year ended on December 31, 2021, the Distributor had questions regarding civil lawsuits, which, according to the legal advisors, the estimated risks of loss for that suit was considered possible in the amount of R\$ 862 (R\$ 166 on 31 December 2020).

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).

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Reference equity:

| Account | Description | Base Value | PR value |
|---------|---------------------------------|------------|------------|
| 100 | Reference Equity (PR) | R\$ 29,518 | R\$ 29,518 |
| 110 | Level I Reference Equity (PR_1) | R\$ 29,518 | R\$ 29,518 |
| 111 | Core Capital - CP | R\$ 29,518 | R\$ 29,518 |
| 111,01 | Capital | R\$ 22,510 | R\$ 22,510 |

Basel Index:

| Basel Index | % |
|-------------|-------|
| Jul/21 | 15.25 |
| Aug/21 | 14.79 |
| Sep/21 | 15.62 |
| Oct/21 | 17.36 |
| Nov/21 | 18.12 |
| Dec/21 | 14.68 |

Assets Weighted by Operating Risk:

| RWAOPAD Account | RWAOPAD Value |
|--|---------------|
| 870 - RWAOPAD | R\$ 124,717 |
| 871 - APPROACH FROM | R\$ 9,977 |
| BASIC INDICATOR 871.10.00 - INDICATOR FROM | R\$ 41,211 |
| T-3 EXPOSURE 871.20.00 - INDICATOR FROM | R\$ 73,466 |
| T-2 EXPOSURE 871.30.00 - INDICATOR FROM | R\$ 84,869 |
| T-1 EXPOSURE | |

19. Sensitivity Analysis

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

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

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Financial investments in its 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 Câmara BM&FBOVESPA, 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.

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:

Decreasing Scenario

| | |
|---------------|------------|
| Pre - 01 Year | (346) b.p. |
| Shares | -32.40% |
| Exchange | -15.30% |

| | |
|---------------|----------|
| Pre - 01 Year | 455 b.p. |
| Shares | 27.60% |
| Exchange | 19.60% |

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 | 12/31/2021 | Risk-based variation |
|---|-------------------|-----------------------------|
| Cash and cash equivalents (a) | 222 | - |
| Short-term Interbank Investments (a) | 70,502 | - |
| Bond and securities (a) | 117,267 | - |
| Securities Negotiation and Intermediation (a) | 8,346 | - |
| | <u>196,337</u> | |

(a) No variation for the period

20. 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.

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On December 31, 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 financial year ended on December 31, 2021, is 14.68% (20.09% on December 31, 2020).

21. Other matters

Effects of the Coronavirus on Financial Statements

In March 2020, the pandemic of the 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.

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**