

## Q3 2020 Earnings Call

### Company Participants

- Gustavo Henrique Santos de Sousa, Chief Financial Officer and Investor Relations Officer
- Paulo Rogerio Caffarelli, Chief Executive Officer
- Thiago Henrique Rouver Stanger, Treasurer

### Other Participants

- Karina Martins
- Neha Agarwala
- Tito Labarta

### Presentation

#### Operator

Good afternoon, everyone, and thank you for waiting. Welcome to Cielo's Third Quarter of 2020 Results Conference Call. With us we have Mr. Paulo Caffarelli, Gustavo Sousa and Jean Leroy. This event is being recorded and all participants will be on listen only mode during the company's presentation. After Cielo remarks there will be a question-and-answer session. At that time future instructions will be given (Operator Instructions). This event is also being broadcast live via webcast and may be accessed through Cielo's website at [ir.cielo.com.br/en/](http://ir.cielo.com.br/en/) where the presentation is also available.

Participants may view the slides in any order they wish. The replay will be available shortly after the event is concluded. Those following the presentation via the webcast may post their questions on our website, they will be answered by the IR team after the conference is finished.

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

Now, I'll turn the conference over to Mr. Paulo Caffarelli. Mr. Paulo, you may begin the presentation.

## Paulo Rogerio Caffarelli {BIO 7429811 <GO>}

Good afternoon, everyone. Thank you for taking part of this meeting. It's a pleasure again to talk to you. As the third quarter '20 indicates the most critical aspects are gone, growth is back, revenues in positive, profit are increasing and customer retail base is expanding according to 2019 strategy lifting to 37% from 32% the retail participation in the total portfolio. However, we are not satisfied yet, in order to offset the margins between corporate and retail, we have designed a plan in which the retail segment will account in the mid-term for more stake in our portfolio. But it's important to reinforce here that corporate segment is so important as the retail because it brings us data, volumes and customization of products.

In addition of it -- to it, the third quarter results were significantly boosted by the credit anticipation strategy, which is already in place since the beginning of the year reaching all-time high 32%. Furthermore, we applied strictly ZBB concepts on existing contracts, agreements, services and logistics in order to achieve operational efficiency, which also brought relevant results in the third quarter.

On top of this, it's worth highlighting the engagement dedication and the effort of our people who have been overperforming, even within such a complex environment created by COVID-19. Thanks to all of them. Talking about Cielo's operation, I must say that the company is immersed in a digital transformation, offering solutions to meet our clients needs. Cielo used a digital platform, Cielo Digi. The new features such as e-commerce QR codes and NFC, it means near field communication have reached 20% of Cielo's transactions which is 5 points above third quarter '19. These new channels will add more convenience and benefits for users as one more alternatives besides the traditional POS.

Having in mind that 2020 is the year of e-commerce. Cielo has not only prepared itself to offer customization solutions, but also created 7 business and tech courses to offer to the retailers who are willing to tap into e-commerce. This is a great opportunity to bring in and help them leverage their businesses. The opportunities are plenty, I mean Cielo can even become a tech supplier for companies.

In this case, I would mention WhatsApp, Facebook Pay and Bitz from Bradesco as a perfect examples of this new movement that Cielo is undergoing. Cielo has been selected among other acquirers for providing WhatsApp payment solution in an unprecedented initiative. We are looking forward to receiving the authorization of the regulator in the coming weeks to start operating in Brazil.

In September, Bradesco launched the digital wallet Bitz, as I mentioned before. And Cielo is responsible for providing the technology to boost the use of the cell phone as a payment tool. In November, Banco Central is going to implement PIX, and Cielo has been working to include this type of payment and its services to be aligned with the expansion that this tool might bring it to our segment. We do believe that PIX will enable the inclusion of millions of people into electronic transactions held by devices considering that nowadays 60 million people don't have a bank account in Brazil. So PIX represents a step forward to increase the formal economy in Brazil.

We have witnessed this fact in India, where millions of people have had access to the finance system. (inaudible) in November Cielo is prepared for the Black Friday. That will take place in the last week of the month. It's expected to be the biggest retail event in 2020 as it was in 2019. Moreover Cielo is aligned and in compliance with Banco Central hacienda to offer competitive solutions regarding to Banco (inaudible). It means alternatives for credit anticipation, this initiative will certainly bring a range of solutions and alternatives to merchants concerning to credit anticipation.

Along 25 years Cielo has built a solid and sustainable position in the acquired segment encompassed with the innovation power. Cielo operates throughout Brazil supported by technology in order to offer modern, convenient and competitive solutions to meet our clients needs and improve our service level as well. It's important to point out that the score of our recent NPS survey has significantly improved. Cielo is red and strong to be evolved and contributes to deal with the challenges to come after the pandemic. Thank you so much.

Now I will pass to Gustavo Sousa for doing the presentation and after that, we come back with the Q&A. Thank you.

### **Gustavo Henrique Santos de Sousa** {BIO 17683157 <GO>}

Thank you, Caffarelli. Good afternoon, everyone. I would like to start our presentation on Slide 4, in this slide we see the recovery and I'm referring specifically to a recovery versus the second quarter of key Cielo's metrics. The first our TPV increased by 29.4% Cielo's client base increased by 6.8% and Cateno's TPV increased by 28.6%. In this quarter, we also saw an increase in productivity of our commercial team. We'll see that in a couple of slides and we saw record penetration of prepayment in the SMB and the Long Tail segment, reaching close to 32%.

Moving to Page 5, where we see an information that we have been sharing with the market since the beginning of this crisis. Starting with the graph above on ICVA. We see a gradual improvement of performance throughout the third quarter. In the last two weeks of the month, ICVA reached the pre-crisis baseline. The same trend is also seen in -- on the TPVs of Cielo and Cateno. Even though we felt COVID impact on the third quarter, they weren't as severe as what we saw in the second quarter.

Now moving to Page 6. This comment that I made in the previous slide is demonstrated below. We estimate a TPV reduction caused by COVID in Cielo at BRL51 billion in the second quarter of 2020 and BRL21 billion in the third quarter. This TPV reduction is estimated to have caused an impact in revenues of BRL155 million, at Cateno the estimated impact of TPV in the second quarter is of BRL19.5 billion with a lower number of BRL6.7 billion in the third quarter, this TPV reduction in the third quarter is estimated to have caused foregone revenues of BRL62 million.

On Page 7, we have a summary of our financial metrics. Our net operating revenue totaled BRL2.9 billion in this quarter, and that's a 17.6% increase on the second quarter. Our EBITDA nearly doubled versus the second quarter reaching BRL480 billion, and our

EBITDA margin presented a recovery and finalized the quarter at 16.7%. We had a net income of BRL100 million, which is a recovery related to the loss that we presented on the previous quarter.

On Page 8, we have a breakdown of our net income by business units. On the light blue, we can see Cielo Brazil and also a recovery. We presented a positive number of a BRL117.5 million in net income of Cielo Brazil in the third quarter. We also have the proportional consolidation of Cateno, of course what we are showing, what I mean by proportional consolidation is 70% of Cateno's net income here at BRL56 billion. And we have a loss in other subsidiaries and these loss is concentrated on Cielo USA. We have been explaining to the market that MerchantE our American subsidiary is undergoing a turnaround process, at this point it is still presenting a loss and a loss that is magnified by the devaluated BRL.

On Page 9, we see some key metrics from Cielo where we colored in gray the columns that represent the direct impact of COVID. So on the third quarter, I'm now talking about the TPV, and that's the first chart. Our TPV totaled BRL165.6 billion, and that's a 29% increase versus the second quarter. Our client base which grew by 6.8% totaled 1,426,000 clients and our prepaid volume totaled BRL 12.8 billion. I'll talk with more detail about prepayment volume when we see the slide of prepayments on retail and Long Tail.

On Page 10, we have a view of the evolution of our revenue yield. I call your attention to the chart on the bottom where we have the quarterly variation of revenue yield. And that's a 0.06 contraction. The biggest part of this contraction is given to there's a portion of our revenues that does not vary according to TPV, I'm speaking mainly of a rental. So when we have a strong recovery of volumes and of course, rental doesn't follow that, that doesn't follow this recovery. We have a dilution of the rental revenue on the revenue yields and this explains the majority of the TPV contraction that we saw in this quarter.

Now on Page 11, the first chart shows the year-over-year increase of e-commerce in Cielo, and the second chart shows the combined participation of e-commerce NFC and QR code as total volume inside of Cielo we reached 19.4% in this third quarter.

On Slide 12. We have a metric of productivity of our sales force. This metric is the number of clients that accepted a commercial offers from Cielo per hunter per day. We coded this information on establishing the base 100 in the first quarter, because this is a very strategic information for us. It shows the performance of our hunters of our commercial team. And we can see that this metric improved a lot in the second quarter and most importantly in the third quarter.

On Page 13, the graph in purple, shows us the gradual increase of penetration of the SMB and Long Tail segments inside of yellow. These segments combined represented 32% of our total TPV on the second quarter of 2019, and they now account for 36.7% of our total TPV. This is a result of first on the large accounts segment, Cielo being very conservative in terms of pricing. What we have seen in the competition in terms of large accounts is a very aggressive pricing. And in some cases, we will not follow those prices, we may lose

the clients. But if -- we don't see that price is adequate. And on the other hand, we are increasing the participation of retail and Long Tail.

Our absolute focus is on the SMB segment. And still talking about SMB and Long Tail, we also show an increase of penetration of prepayment. On the second quarter of 2019, this penetration was at 23.9% and it is now at 31.8%. Since late last year, last year, we have been talking to the market explaining that our strategy is to allocate resources from Cielo in the most profitable segments, which meant reducing investments in prepayments in large accounts and prioritizing the expansion of penetration in SMBs and Retail -- SMBs and Long Tail. I'm sorry.

And now on Page 14, We have a view slide that shows some of the gains that we have had in terms of efficiency. We present normalized costs which excludes brand fees which vary with volume subsidies because we changed our strategy of subsidizing equipment since early this year and also the compensation that we pay to banks in our clients acquiring and net adds strategy, clients addition strategy and we also excluded non recurring expenses. With that, our normalized costs plus expenses totaled BRL640 million in this third quarter that's a 3.6% improvement versus the previous quarter and a 10.8% reduction versus the same quarter of the last year. And when we compare the same metric of the first nine months of 2020 versus the first nine months of 2019, we have savings of BRL150 million nearly a 7% improvement.

Now on Page 15, we have the view of our cash position and leverage Cielo's consolidated cash balance totaled BRL6.4 billion at the end of the third quarter. Our investments on pre payments totaled BRL3.6 billion and our leverage went to 1.08 times. And to summarize what we have discussed now on Page 16. We saw a recovery in volumes versus the second quarter. We also saw improvements in efficiency and in the productivity of the commercial team and also a resumption of growth on the -- in our client base. We also saw a record number of penetration on the Long Tail and SMB segments of our prepayment products and also adequate metrics in terms of the cash position and of leverage.

On Page 18, we show what Cielo Digi is which is a digital platform that aids our our clients that want to expand the digital efforts through a number of solutions and training and we also show an example of a partnership that we had with Bradesco in a digital wallet initiative, Bradesco's initiative of Bitz, which is a partnership with Cielo.

And on Slide 19 we have some comments on some recent developments. First, we have announced the sale of our stake at Orizon, we have signed this contract and we are now waiting for the regulatory approvals. Second, we have also created a new department inside Cielo completely dedicated to creating credit products that will soon complement our product offering to our clients, this same team is analyzing the third bullet point here which is the analysis of -- an internal analysis of asking for the regulatory approval for SCD, it's a regulatory license to do credit at Cielo, and as we have already announced to the market. We've received the approval from the Central Bank for Cielo to be an electronic currency issuer, and this will go live in November of this year.

With that, I finalize the presentation. Thank you all for your attention, and I would like to open for the Q&A session. Thank you very much.

## Questions And Answers

### Operator

(Question And Answer)

Thank you. The floor is now open for questions. (Operator Instructions) Our first question comes from Karina Martins with Citibank. Please Karina, you may proceed.

### Q - Karina Martins {BIO 21718601 <GO>}

Hi, everyone. Good afternoon. My question is regarding revenue yield. I just kind of wanted to understand what trends you're seeing for that going forward? Are you just seeing a shift towards credit volume and from debit? And also regarding POS rental revenues, efficiency, recovery in discount in the fourth quarter, so to just kind of understand short and mid-term trends for revenues. Thank you.

### A - Gustavo Henrique Santos de Sousa {BIO 17683157 <GO>}

Karina, I didn't understand the last bit of your question. I'll start by understanding the first half, which I understood then I'm going to ask you to ask that again, I'm sorry but your voice is a little more fluky us. So specifically, in terms of revenue yield and talking about trends. So what we have seen since the beginning of this year and probably impacted by the crisis was a relative stability in terms of revenue yields on SMBs. We are yet to see if this will continue now that economic activity is resuming normal levels in Brazil. Over the previous quarters, we have also explained to the market that we did the repricing of our portfolio. I believe that our SMB portfolio is now in line with the competition, but we're still to see if the behavior from the competition will change. At this point, we see that's stable over the last two quarters, okay?

In terms of your comment on revenue yield, yes, there is an important mix effect there as well because just to give an impact of the changing mix, I'm going to compare that to the third quarter of the last year. Debit as total TPV represented 39% of TPV on the third quarter of last year and this number went to 45% now in the third quarter. And just to give you a view, this number has fluctuated between 39% and 40% from the third quarter to the first quarter of this year, and starting with the price caused by the pandemic, the number went to close to 45% level. So what we are seeing is cardholders using more of the debit function in supermarkets and on the retail activity that is -- that actually gained traction during the crisis, okay?

I believe the second portion of your question was related to revenue yield and the impacts of POS rental. I'm going to answer that. If that's not the case, please repeat your question, okay? But what happens when we calculate revenue yield is that we take the total revenues and we divide that by TPV. In total revenues we had barriers that do not vary with TPV such as rent, the most important of them. When we have a strong increase

in terms of volume, this increase causes a dilution of this impact of, I'm going to call it for illustration purposes, of this fixed revenue, which causes a reduction in TPV. That's what we have on slide 10 of our presentation on the first top column there, okay? Please, if I didn't understand your question correctly, please repeat your question, feel free to do that.

**Q - Karina Martins** {BIO 21718601 <GO>}

No. Yes, yes. This is it, I just wanted to get maybe some more detail regarding the mix effect. When you look at the three months of the quarter, like what has been the evolution so that we can kind of understand it for the fourth quarter and moving on if the mix would already kind of shift back to a normal where credit volumes are much more representative than debit. I do know that in the fourth quarter, you did have seasonality with higher share of debit, but if looking from the beginning of the quarter until now, if there has already been kind of improvement in how much debit versus credit you are transacting?  
Thanks.

**A - Gustavo Henrique Santos de Sousa** {BIO 17683157 <GO>}

Karina, I'm terribly sorry, but the quality of your voice for us here is not that great. I'm going to ask our team to follow up with you and we'll answer the question for you, okay? Terribly sorry, but we can't hear you too well, so I didn't catch the essence of your question, okay?

**Q - Karina Martins** {BIO 21718601 <GO>}

Is it better now?

**A - Thiago Henrique Rouver Stanger**

Karina, I hope we will call you, right, after the call. I think it's better because we cannot hear, okay? This is Thiago by the way. Thank you, Karina.

**Q - Karina Martins** {BIO 21718601 <GO>}

Okay. I will send you an email. Thanks.

**A - Gustavo Henrique Santos de Sousa** {BIO 17683157 <GO>}

And Karina, we'll call you after this, but if you can shoot Thiago here an email, we will read your question and answer during the call, okay, if we get it while the call is live. If you shoot Thiago here an email, we will read your question and answer to it right away over here, okay?

**Q - Karina Martins** {BIO 21718601 <GO>}

That's perfect. Thanks, guys.

**Operator**

Our next question comes from Tito Labarta with Goldman Sachs. Please, Tito, you may proceed.

**Q - Tito Labarta** {BIO 20837559 <GO>}

Hi, good afternoon. Thanks for the call. A couple of questions. One on the TPV growth, right, if I make the adjustment excluding the impacts from COVID-19, estimate the year-over-year growth was around 9%. How do you think that, that will continue to evolve into next year? And how do you see your ability to potentially gain market share?

And then a second question in terms of the receivables market. Do you think that will happen next month on time as expected? Or do you foresee any delays? And what type of impact do you think that, that could have on pricing, also market share? Do you think it benefits volumes to offset any pressure on pricing? How do you think it could impact you and your strategy to deal with it? Thank you.

**A - Gustavo Henrique Santos de Sousa** {BIO 17683157 <GO>}

Hi, Tito. Thank you for your question. In terms of the receivables, right, there's a big discussion on the Brazilian market about the regulatory deadline and whether it will go forward or not. I'm going to refrain from giving my projection here. We are awaiting on the development of these interactions of the many associations and specific entities with the regulator to see if there will be a change on the timetable. We are awaiting news on that front. But answering your question about what the impact will be. I believe that a platform that will give access to other participants and will facilitate how different acquirers and banks and other financial companies can offer prepayment solutions based on receivables to merchants will increase competition and will put pressure on the profitability of this specific product. So for us here at Cielo, we believe that that's a pressure on profitability after we have this regulatory change implemented.

And to your question in terms of TPV, I'm sorry that I'm not going to give you guidance of specific numbers, but I can tell you about the trend and I can tell you about the dynamics inside of our portfolio. So we went through some numbers and even the breakdown of the portfolio. So you know that currently large accounts represent 63% of our total portfolio. We are still seeing a lot of aggressive pricing from the competition there and because every lost client drives in, in large accounts, drives sizable volume, if competition remains as fierce as it is right now. We can see decreases on TPV on the large accounts portfolio.

However, on the SMB portfolio, which is our absolute focus, our hope is to grow in line with the market and pretty soon we'll be talking to you guys about other initiatives that we intend to implement inside of Cielo so that we can grow above market. So in the short term, we're likely to follow the market in terms of TPV growth in SMB, but soon we'll talk to you guys about other initiatives that tend to accelerate our growth on the SMB portfolio.

**Q - Tito Labarta** {BIO 20837559 <GO>}



FINAL

Great. Thanks, Gustavo. That's helpful. Maybe a follow-up on the receivables market, just to understand, and I know you don't want to comment on the regulatory deadline, but as it stands today when is that supposed to happen? All else equal, right, now, barring no other changes? And then on the pressure on profitability, do you think that you can offset that with more volumes? And how do you see yourself positioned relative to peers? Do you think you're in a better position to potentially deal with this? Are you concerned that this could lead to more market share losses for you? If you can, how do you see yourself kind of strategically positioned to deal with the receivables market? Thanks.

### **A - Gustavo Henrique Santos de Sousa {BIO 17683157 <GO>}**

Tito, thank you for that. The regulatory timetable issue implemented on November 3rd. So we're very close to that. And in terms of how we are prepared, yes, I think it's a pressure on the profitability there. But when we compare Cielo to other players, bear in mind that in comparison to the competition, we are under penetrated. So other players may have a reduction on their current profitability, because they are so heavily already penetrated on the client base. Given that every new percentage points that we gain in penetration is new revenues for us and that we are focusing our attention to SMB, this will be an increase in profitability. I see that as an opportunity for Cielo. Cielo has an appropriate cash position, appropriate liquidity and an appropriate strategy to focus on receivables on SMBs.

### **Q - Tito Labarta {BIO 20837559 <GO>}**

Okay. Thank you, Gustavo. That's helpful.

### **Operator**

Our next question comes from Neha Agarwala with HSBC. Please me Neha, you may proceed.

### **Q - Neha Agarwala {BIO 17722501 <GO>}**

Hi. Thank you for taking my question. My question is on the long-term market. At the end of last year, I think the communication from Cielo was that we are reducing the subsidies for this segment, as the CAC for this segment is very high. Now that you want to grow again in this segment, what are the changes that you've made in your business strategy, which you think will help you to gain market share in the long tail segment?

### **A - Thiago Henrique Rouver Stanger**

Hi, Neha. Thiago here. Thanks for the question. Maybe we were not clear when we mentioned last quarters that about our strategy for the long tail. But clearly our focus is in the SMB. We have been putting all our sales force working for that developing product, services, et cetera to be more prepared for the competition we have in the SMB segment. The long tail is still a focus here for us, but what we have been doing here, Neha, is basically we have decreased the level of subsidy for this segment, because it is much more expensive on our base compared to last year, for example. So for example, the POS we are paying is in dollars, so the FX is against us. We have more and more players working in this segment, which has also increased the level of the CAC is

increased based on the market expenses and et cetera. So our focus clear here at Cielo is growing in the SMB segment. It's part of our focus also in the long tail, but what we have been doing here is basically lowering the level of subsidies for this segment because if you recap to the same level in this segment, probably most part of the new clients wanted to be profitable because the CAC is much more expensive than a year ago.

**Q - Neha Agarwala {BIO 17722501 <GO>}**

Great. If I can ask another question on the credit business? I know that you are trying to apply for an SCD license, but are you piloting the credit program right now? You did some pilot program last year, how has the response been for the credit program? And how is the asset quality behaving? If you can give us any color on any initiatives you're taking in disbursing credit through Cielo, that would be really helpful. Thank you so much.

**A - Thiago Henrique Rouver Stanger**

Hi, Neha. Thiago here again. We are offering credit to a partner. So basically our partner is given the credit and we are making some money based some fees when the client is applying for the credit. So here at Cielo we are not really offering credit. We are basically offering our client base to a partner to offer credit to our customer base. We have not applied the app for a credit license. We are still working internally given the approvals for that. So probably, we'll be applying for this in the next month. So -- and when we apply for that and also when we get the license from the regulator, probably we need to find, also, a funding for this. So as of today, we are offering credit to a partner, the same partner that we partnered last year, but we are not giving credit here using our balance sheet because, again, we don't have the license for that.

**Q - Neha Agarwala {BIO 17722501 <GO>}**

Very sure. Thank you so much.

**Operator**

Excuse me, this concludes today's question-and-answer session. I would like to invite Mr.Paulo Caffarelli to proceed with his closing remarks. Please go ahead, Paulo.

**A - Paulo Rogerio Caffarelli {BIO 7429811 <GO>}**

Before finishing I would like to highlight the issues that we are involved with nowadays in terms of our strategy, the main points of our strategy. The first one is the balance between corporate segment and retail, as you could mentioned before, the intention is to establish this balance a kind of half and a half. The second one is to increase the prepayment in retail segment. If you remember, one year ago, we were in 17%, nowadays, we're in 32%, but we intend to reach 50% in a short period.

The third thing and perhaps the most important situation is to improve our customers' experience. There is a link directly with the NPS and we are completely involved with the customer experience. Pricing to work with the methodology for pricing considering the models, considering the IT, for we can have more accurate in terms of pricing. To boost the sales mainly in the retail segment that we can increase also merchant but also volume

FINAL

as well. It means that we will be involved with our own channels and the banking channels as well. To deal with -- to deal, very important to deal with the business as usual and the digital transformation. This is very important for us to maintain our focus on the business as usual, but concomitant we need to work hard in the digital transformation.

And for at least the ZBB that it's a kind of a dogma for us, because we need to be able to adapt in terms of results and for next year we will maintain our focus on ZBB for improving our efficiency. Thank you for your time. Thanks for taking part of this. If you have any doubt, please do not hesitate to contact us by Investor Relations or even directly with us, okay? I'll pass to Gustavo, just to follow up. Thank you.

## **A - Gustavo Henrique Santos de Sousa {BIO 17683157 <GO>}**

Thank you Cafarelli. I am jumping back here because I promised that we would answer Karina's question once we got it by email and we just did. The question that we could not understand was Karina's question was she asked about revenue yield and what was the impact of debit versus credit in the mix. I explained that in the second quarter and the third quarter, we saw an increase of debit that used to represent close to 40% of TPV and both in the second and third quarters we were close to 45%. Her question was, okay, but in the intra quarter, on the monthly basis, is there a change? Can we see a trend when we look at the monthly number? And no, we have a relative stability of the same for 5% distributed on the months that form the quarter, okay? So that does not indicate that this mix is changing as of yet, okay? So with that, thank you very much for your attention, and I'll talk to you on the next call. Thank you.

## **Operator**

That concludes Cielo Conference Call for today. Thank you very much for your participation and have a nice day. You may disconnect now.

*This transcript may not be 100 percent accurate and may contain misspellings and other inaccuracies. This transcript is provided "as is", without express or implied warranties of any kind. Bloomberg retains all rights to this transcript and provides it solely for your personal, non-commercial use. Bloomberg, its suppliers and third-party agents shall have no liability for errors in this transcript or for lost profits, losses, or direct, indirect, incidental, consequential, special or punitive damages in connection with the furnishing, performance or use of such transcript. Neither the information nor any opinion expressed in this transcript constitutes a solicitation of the purchase or sale of securities or commodities. Any opinion expressed in the transcript does not necessarily reflect the views of Bloomberg LP. © COPYRIGHT 2022, BLOOMBERG LP. All rights reserved. Any reproduction, redistribution or retransmission is expressly prohibited.*