

Deal Wiz and Paraná Banco

Creation of a joint venture between Wiz and Paraná Banco for the operation of insurance products

April, 2022

Disclaimer

This presentation contains information about Wiz and Paraná Banco's businesses, their projects, strategies and business partners. Statements quoted in the presentation reflect the management's understanding of the companies, which may involve inherent market risks and uncertainties. Wiz and Paraná Banco are not responsible for updating any estimates herein presented. Additionally, Wiz is not responsible for the information regarding and provided by Paraná Banco and Paraná Banco is not responsible for the information regarding and provided by Wiz.

Agenda

- Overview of involved parties
 - Wiz
 - Paraná Banco
 - The Newco
- Transaction Structure and Valuation
- Strategic View of the Project

We are Wiz

We operate in the distribution of insurance and financial products

48 years of history

OUR NUMBERS

WIZS
B3 LISTED NM

R\$ 1.5 bi
Market Value¹

R\$ 902 mm
Gross Revenue³

CAGR 15% [15-21]

10
Business Units⁴

INSURANCE

+R\$25 bi
Premium Issued
in 2021^{2,3}

CREDIT

+R\$6.4 bi
Commercialized Credit
in 2021³



+23 states
Physical Presence⁴

R\$ 263 mm
Adjusted Net Profit³

CAGR 12% [15-21]

1.6k
Employees⁴

SOLUTIONS

Solutions that encompass the entire value chain of the insurance market

WIZ

Wiz has a successful financial and operational history, supported by strategic partnerships



Start of Operations

Business Expansion

New Directions

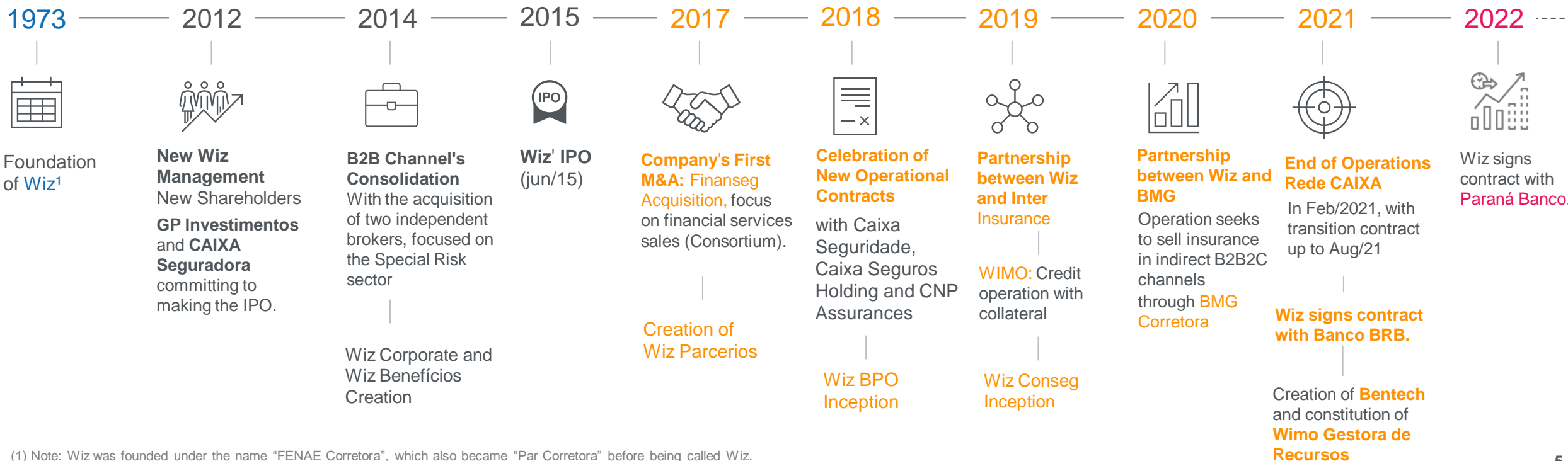
Future of Wiz Group

Commercialization on Counter CAIXA

Consolidation of the business model and technological transformation

Diversification and inorganic growth

Wiz Vision



(1) Note: Wiz was founded under the name "FENAE Corretora", which also became "Par Corretora" before being called Wiz.

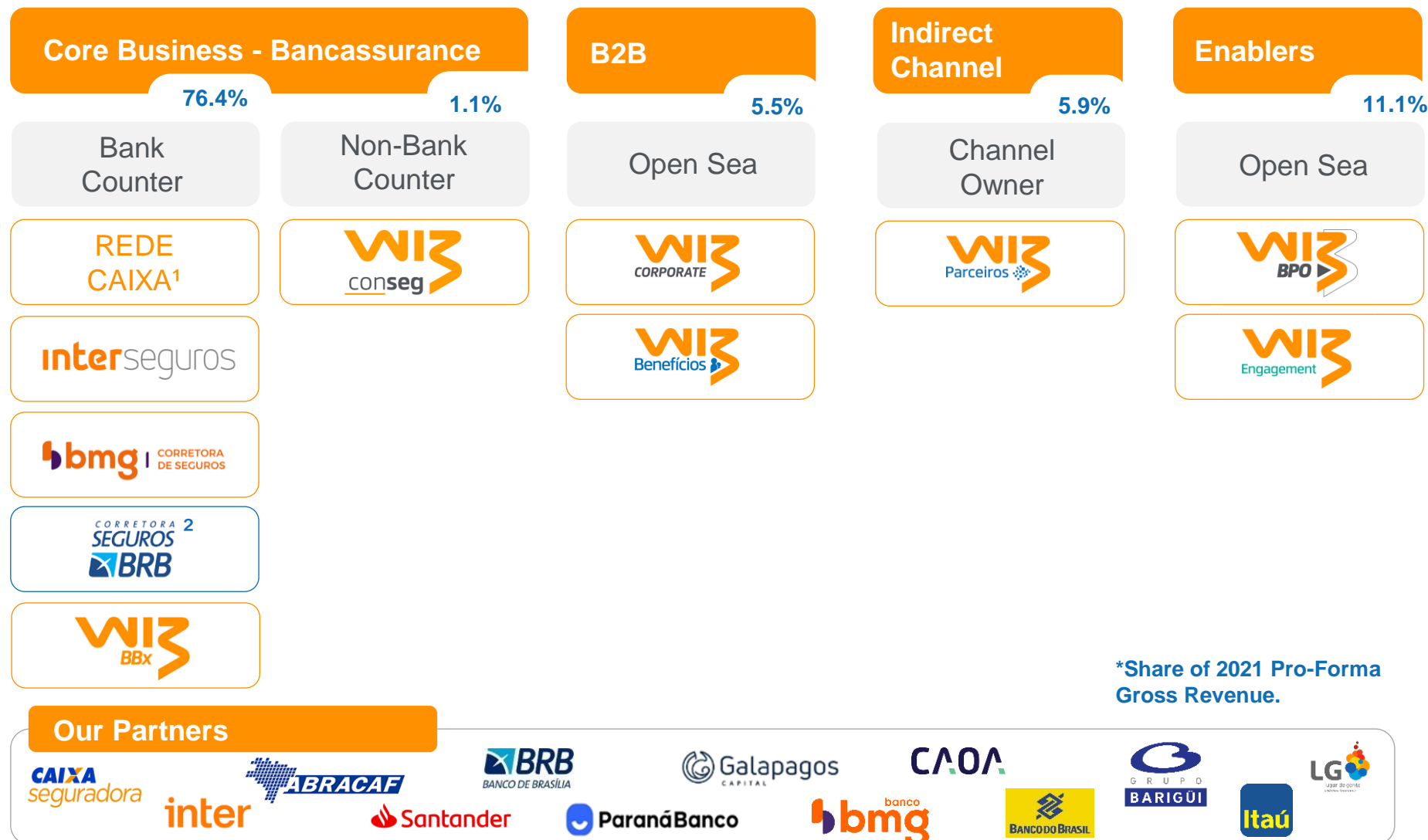
Who we are

Wiz is one of the largest insurance and credit distributors in the country and operates in multiple channels through its Business Units



DIVERSIFIED BUSINESS MODEL

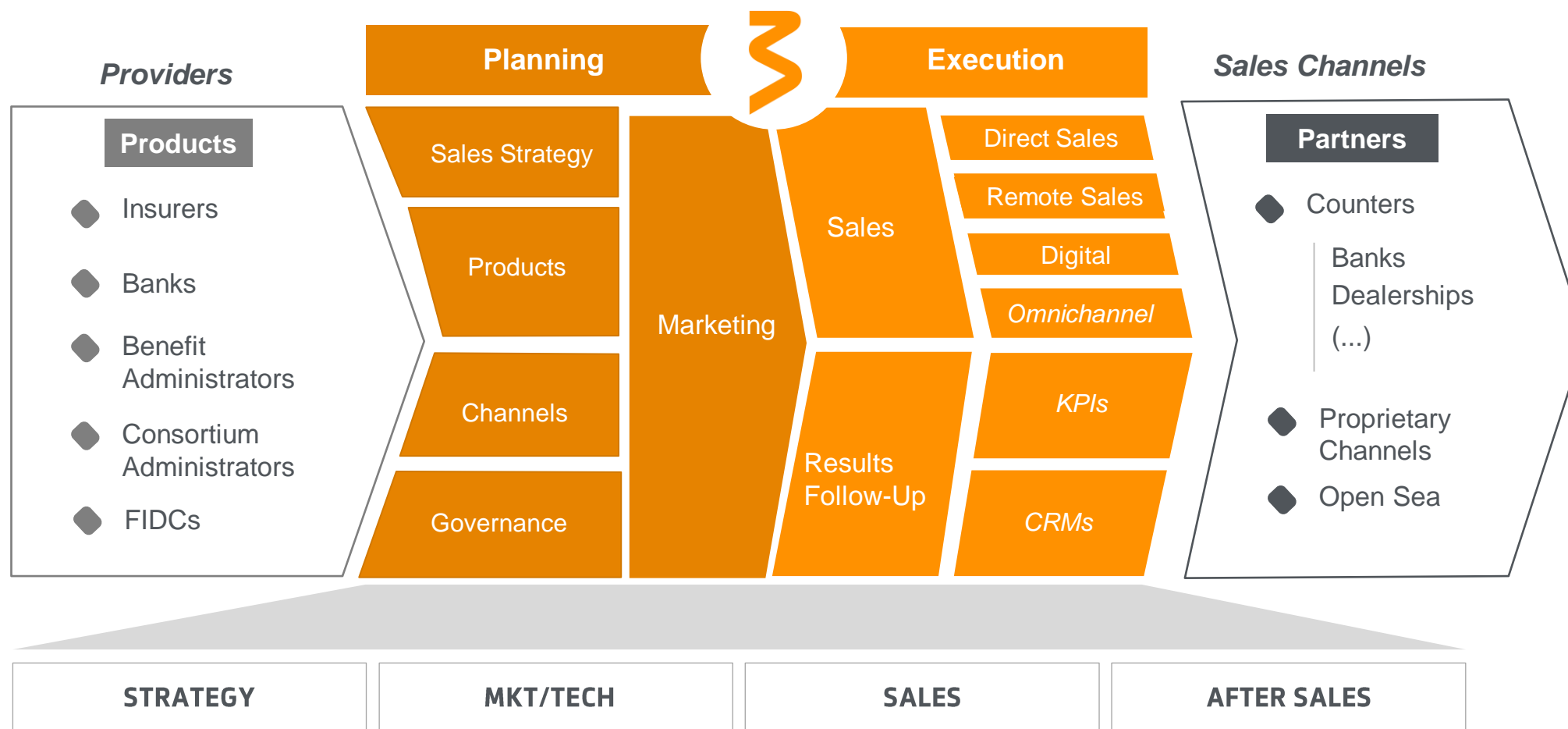
We operate through our Business Units, in models B2B2C and B2B2B, offering on-site, remote and digital solutions for sale and after-sales of insurance and financial products.



*Share of 2021 Pro-Forma Gross Revenue.

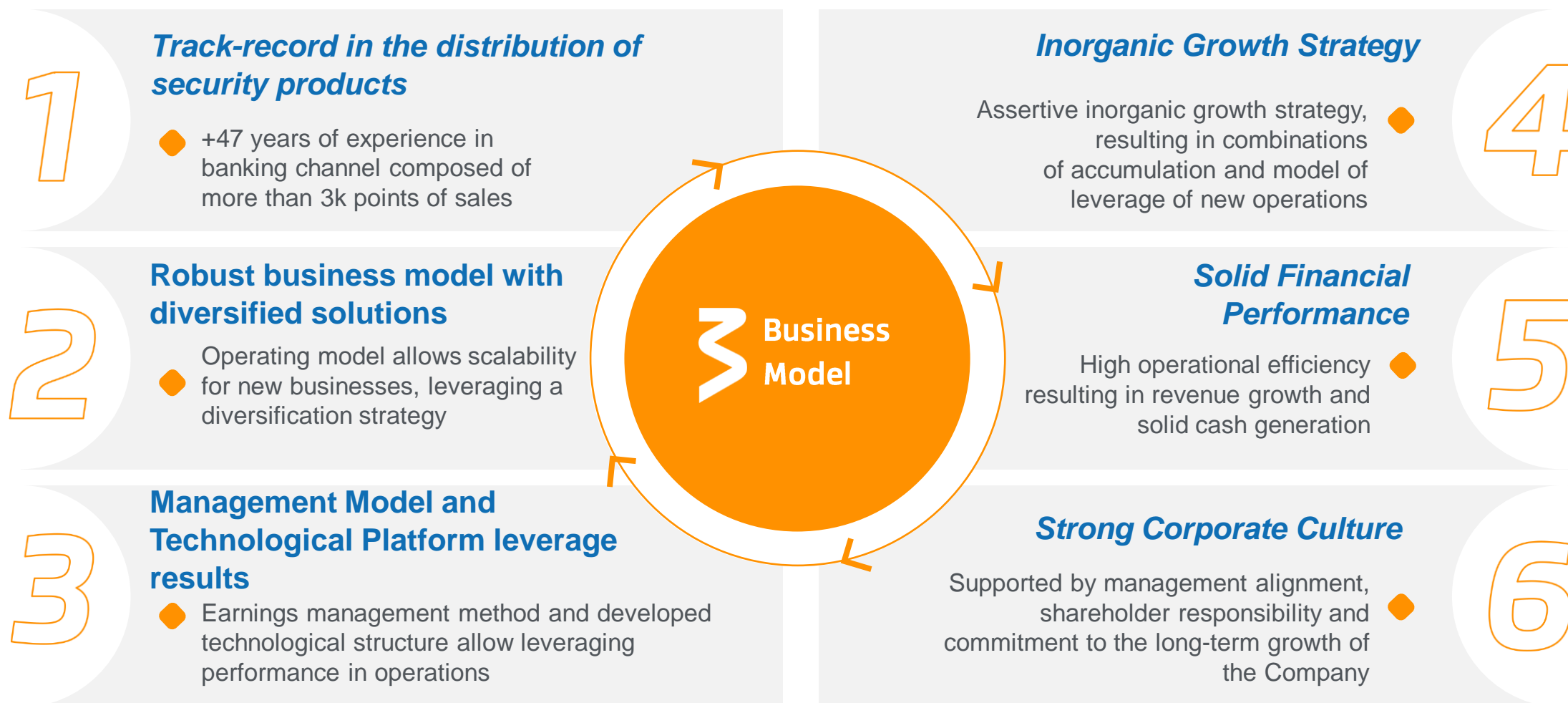
(1) Run-off operation; (2) Closing pendant

We enhance the results of our partners in the distribution of insurance and credit by adding know-how in marketing & sales



Wiz has unique expertise that, together, make the company a strategic partner for insurance companies and financial players

Wiz has a unique business model in the insurance and credit sector, with high expertise in bancassurance operations, aligning growth, diversification and high cash generation



Strong culture oriented to people development and delivery of results



Our Purpose: Encourage people's development for an increasingly better society

Our Attitudes



- 1 Focus on results.
- 2 Do in team.
- 3 Use the methods, value the simple.
- 4 Accomplish, learn, improve, but TRY.
- 5 Be persistent and resilient.
- 6 Wizzer is passionate about Wiz.



Our Awards



NEGÓCIOS



O Popular

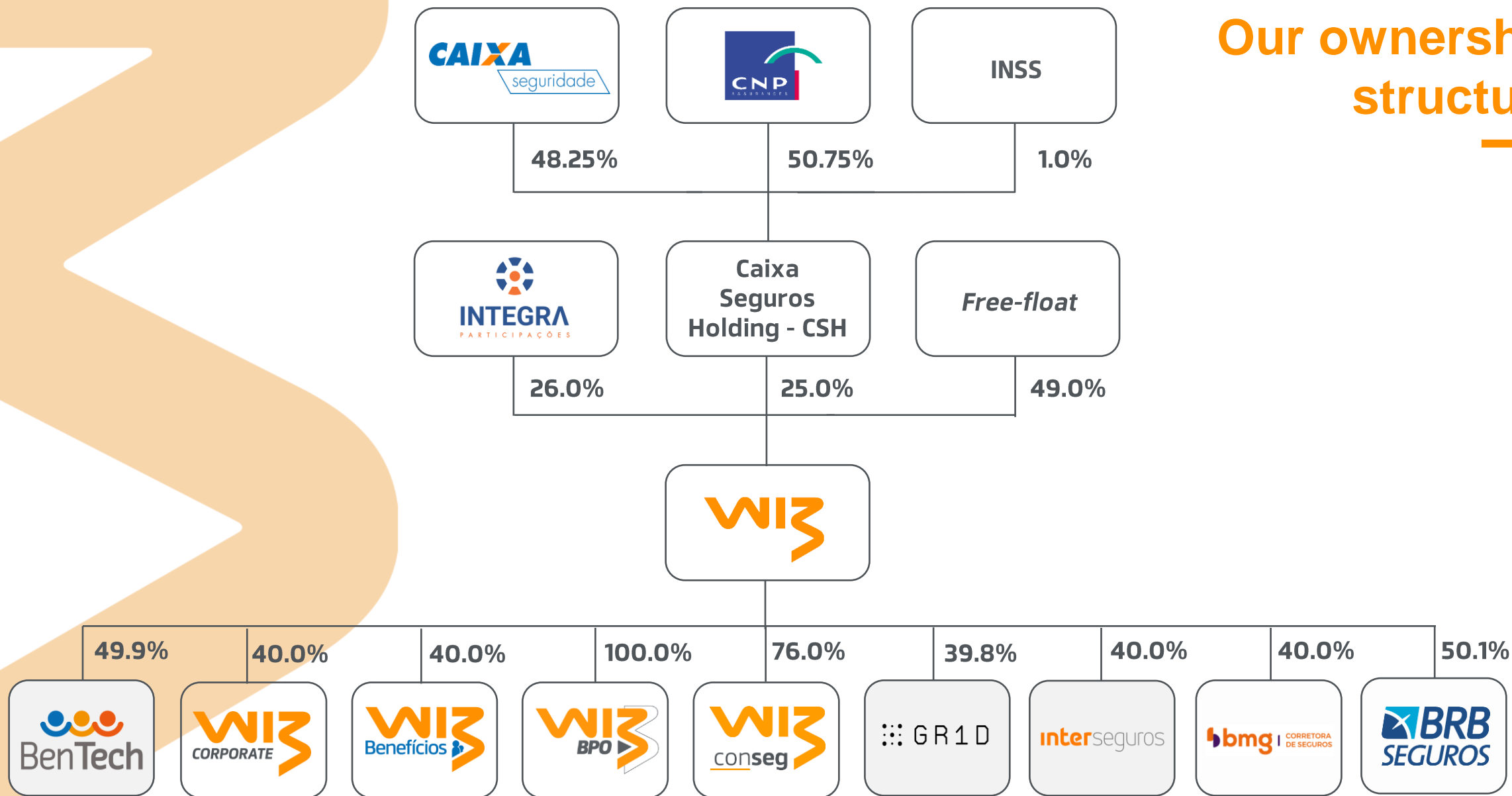


NEGÓCIOS



Institutional Investor

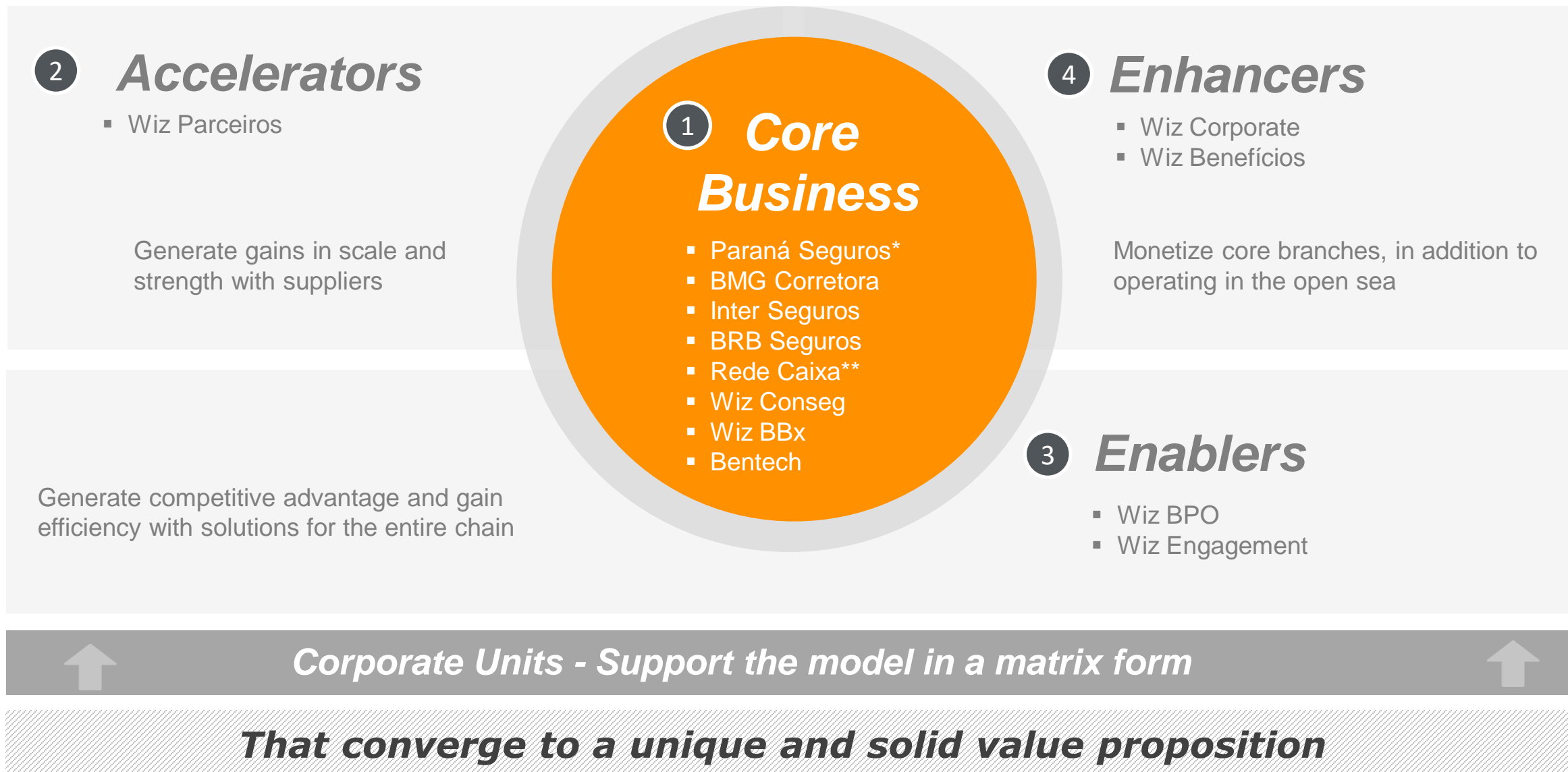
Our ownership structure



(1) Note: Wiz's capital stock consists of 159,907,282 common, registered, book-entry shares with no par value. (2) Position on 12/31/2021. (3) Free Float includes treasury shares.

☐ Invested companies, not controlled companies.

Wiz drives unique growth strategy through 4 complementary and synergistic strategic segments:



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With more than 40 years of history, Paraná Banco is a pioneer and specialist in payroll loans, operating all over the country

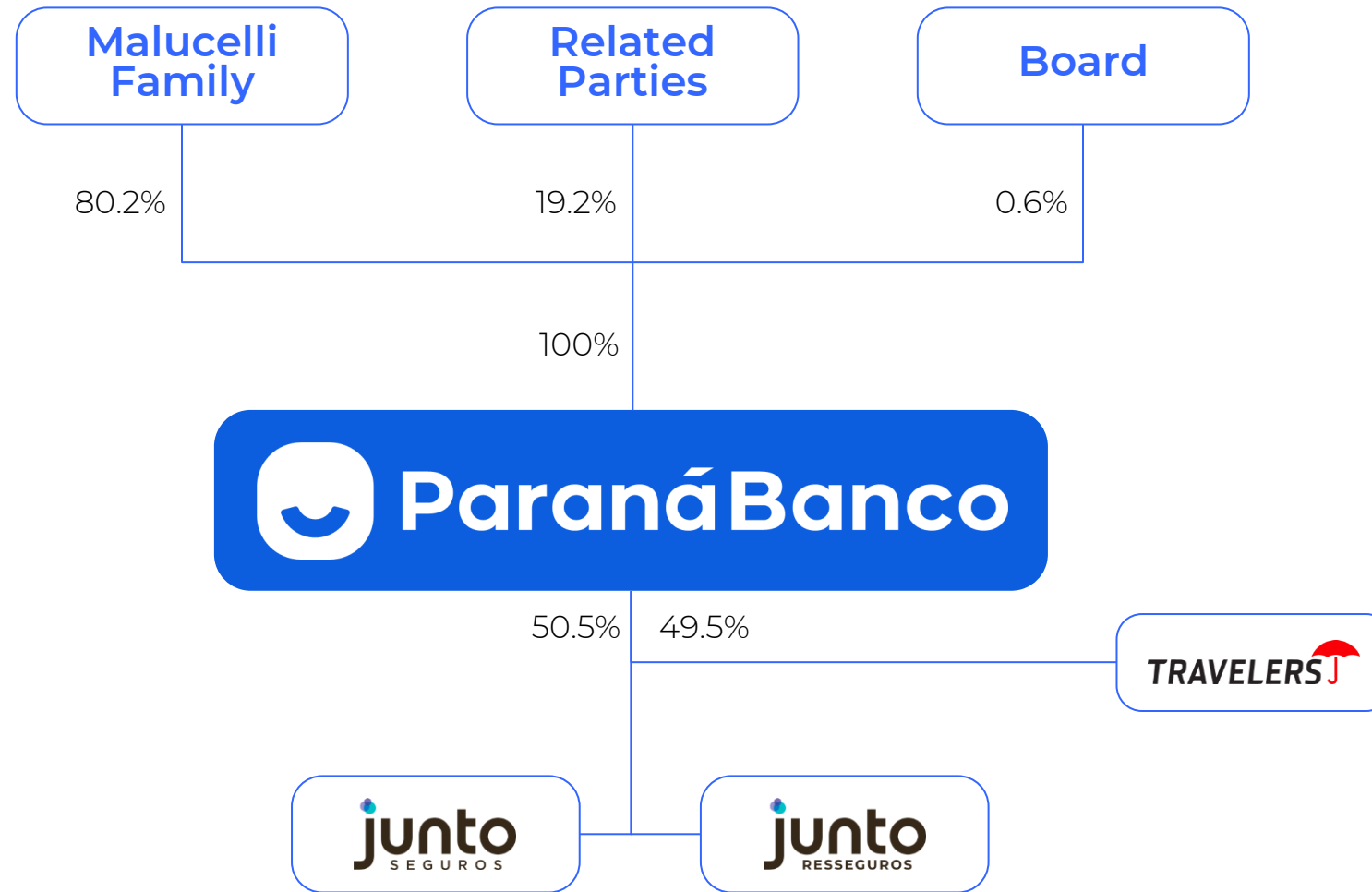


1977-2006 Foundation and Consolidation	2007-2017 Governance and Value Creation	2018-2021 Digital Transformation
<p> 1977 Foundation of Paraná Financeira.</p> <p> 1989 Start of operation as a multiple bank.</p> <p> 1995 One of the first banks to offer payroll loan</p> <p> 2004 Signing of the agreement with INSS.</p> <p> 2006 Pioneer in the creation of the exclusive bank correspondent.</p>	<p> 2007 Initial Public Offer (IPO) and acquires control of JMalucelli Seguradora (currently Juntto Seguros), leader and pioneer in guarantee insurance.</p> <p> 2008 JMalucelli Resseguradora is created. (currently Juntto Resseguros).</p> <p> 2010 to 2013 The JMalucelli Seguradora (currently Juntto Seguros) received a capital contribution from Travelers. Beginning of the credit operation for small and medium-sized companies, as well as a foreign exchange operation, onlending from the BNDES and launch of Home Equity, a credit with real estate collateral.</p> <p> 2017 Conclusion of Public Offering of Shares and beginning of digital transformation.</p>	<p> 2018 Definition of the payroll loan as the main product, closing the other operations.</p> <p> 2019 Launch of the PB Consignado and Paraná Banco Investimentos brands; consolidation of the digital transformation and for the first time executes contracts in all Brazilian states</p> <p> 2020 The digital transformation resulted in an 8x increase in production via the digital channel in one year.</p> <p> 2021 Exponential growth of 67% in the loan portfolio in just two years, totalizing R\$5.9 billion and 373 thousand active *CPFs.</p>

Company

*CPF: Social Security Number

Ownership Structure





Payroll Loan
Balance
(Public + *INSS)
(december/2021)

R\$ 484.4 bi

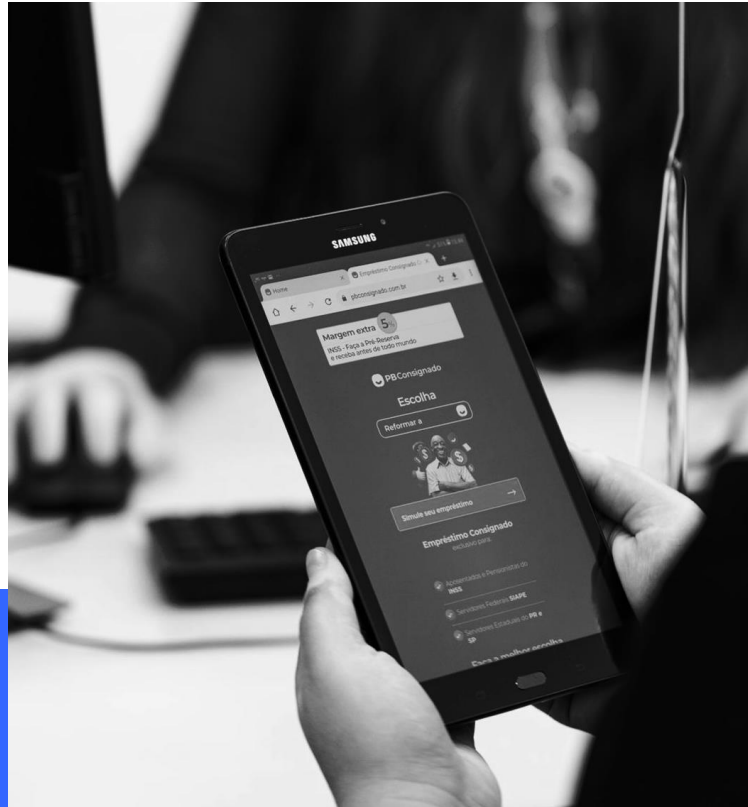


R\$ 6.0 bi
(market share 1.2%)

Highlights regarding the payroll loan market:

- The balance of payroll loan market, public + INSS, grew at a compound annual rate of 12.9% in the last 10 years, reaching R\$ 484.4 billion in December 2021.
- The payroll loan has a lower rate and lower default among the financial products in the market
- Its great advantage is the payroll deduction, allowing the unbanked population to access the credit market

Business Model - The PB Consignado



After building a consolidated physical presence in the southern and southeastern regions of Brazil, our pioneering digital solution allowed us to break through regional barriers, creating the conditions for originating payroll loans nationwide.

The combination between the best in technology and the humanized and exclusive service of the physical channel, allows us to elevate our customer's experience to higher levels.



Digital Channel

Physical Channel

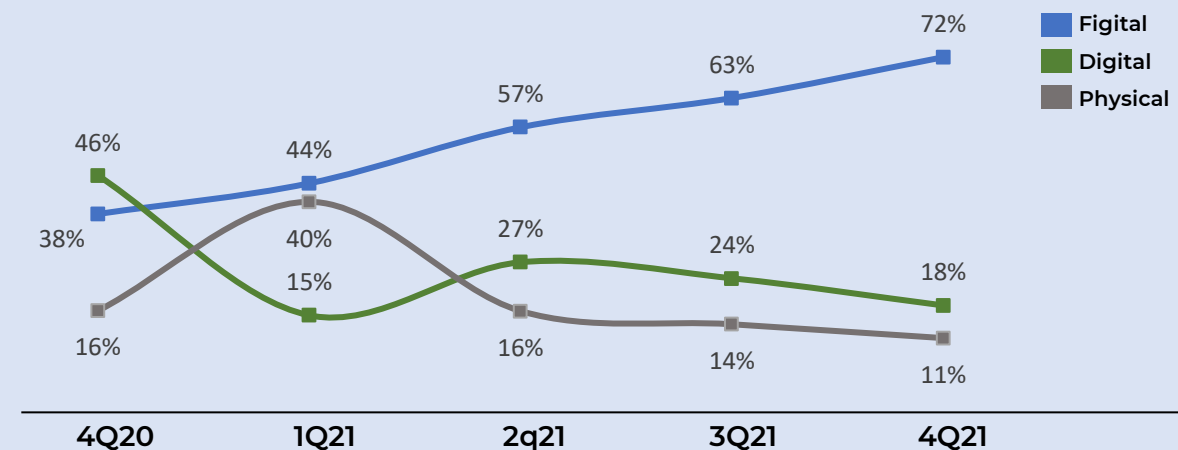
23 Own Stores

135 Exclusive Corban

105 Multi-brands Corbans

The strong investment in technology allowed the diversification and integration of Paraná Banco's origination channels, facilitating the client's entire consigned credit concession process.

% OF ORIGATION PER CHANNEL

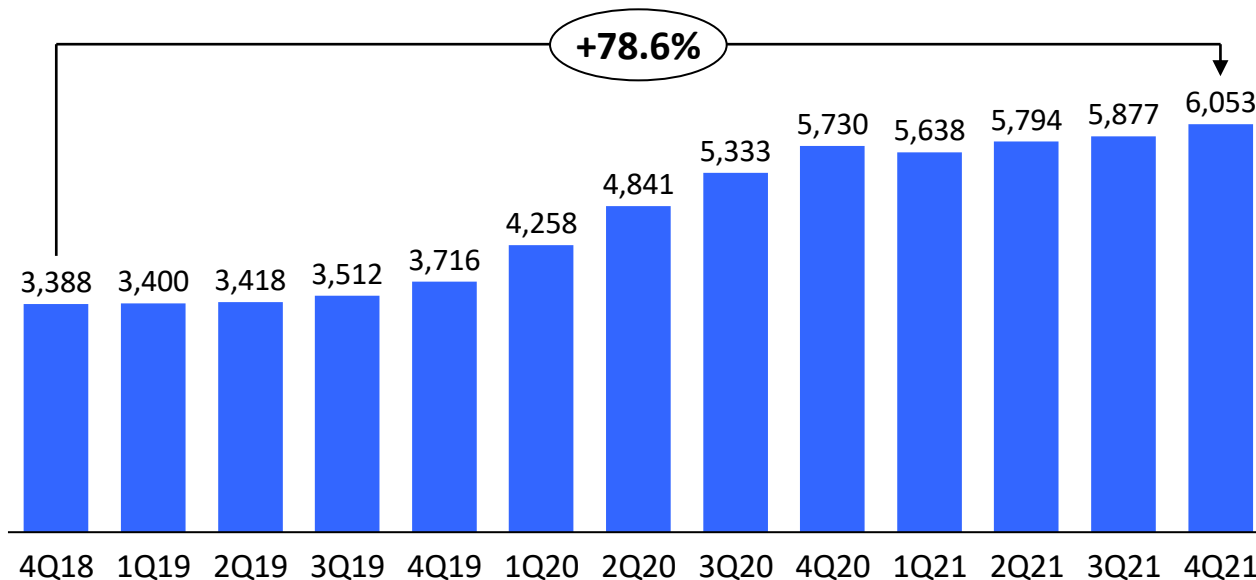


The consequence of the 2 years of our Digital Transformation



Credit Portfolio

(R\$ millions)



Highlights from this period in which the digital solution was fundamental for this growth:

- Increase of 78.6% in the loan portfolio in 3 years.
- We ended 2021 with R\$2.2 billion of origination released, an increase of 151% in 3 years.
- **NPS reached 81 points in December 2021.**
- We surpassed 370 thousand clients with credit operations, a 46% growth in three years.

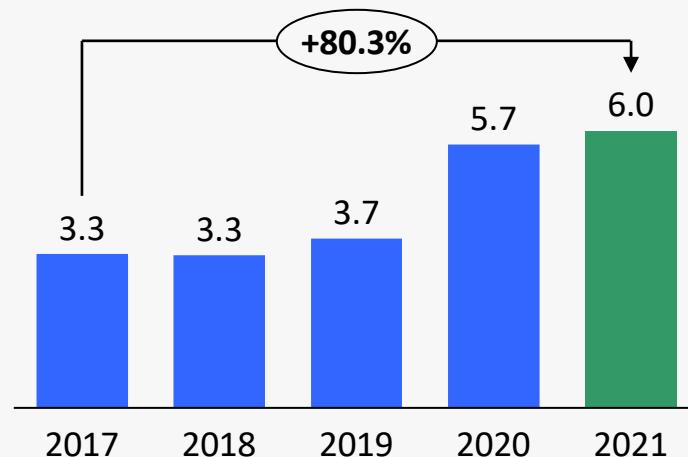
Expertise in Payroll Loan

- We are **pioneers** in the payroll loan market with **more than 40** years of success in the financial sector.
- We have presence in all Brazilian states through our **omnichannel distribution** channel.
- We have developed a **digital business model** focused on the customer and on providing an excellent user experience.

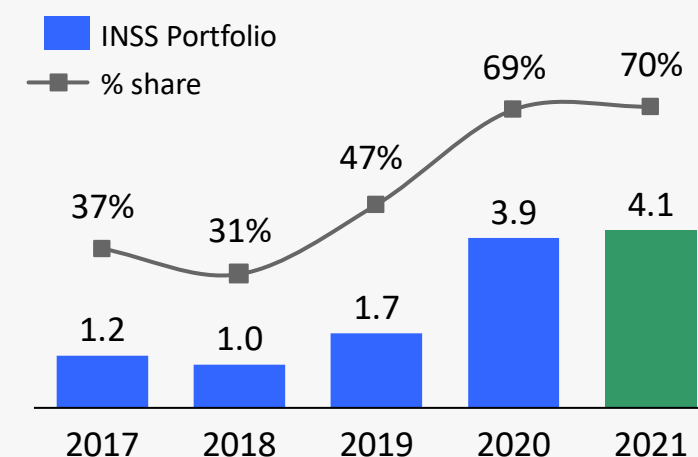
Business Model

*INSS: National Institute of Social Security

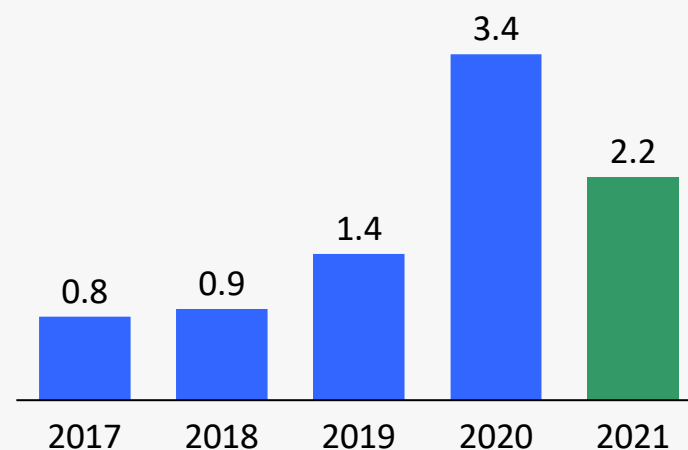
Payroll Loan | In R\$ billions



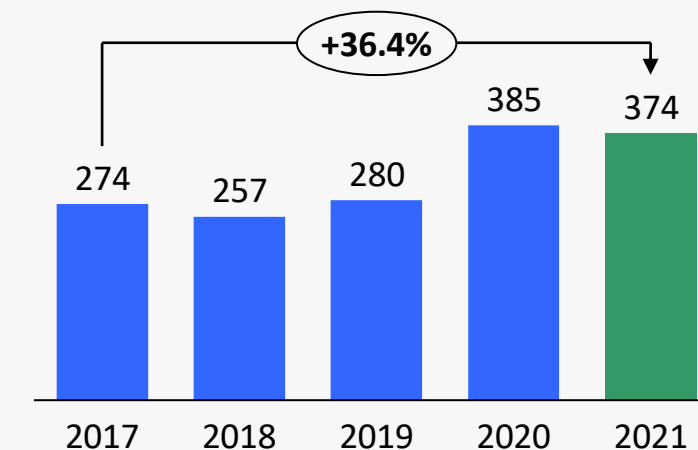
INSS* | In R\$ billions



Origination | In R\$ billions



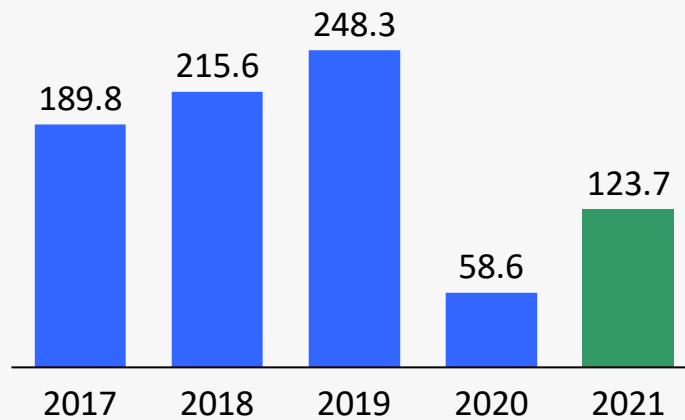
Clients | In thousands



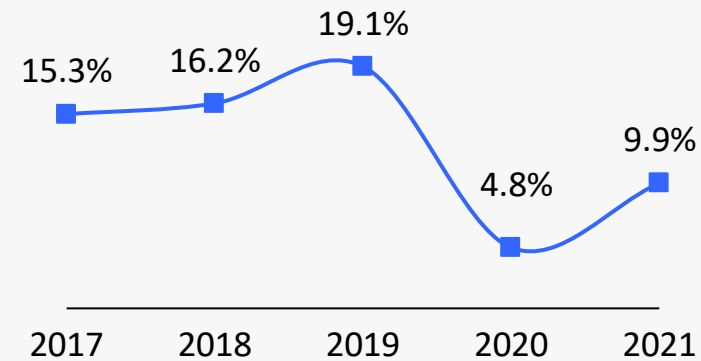
Profitability History

- Track record of high **profitability** and solid **capital** structure.
- Exposure to the warranty insurance market through its subsidiaries Junto Seguros and Junto Resseguros.
- The combination of this history of financial strength with the operational performance and the quality of management is reflected in the **ratings assigned by the major international agencies, AA+ (S&P) and AA- (Fitch).**

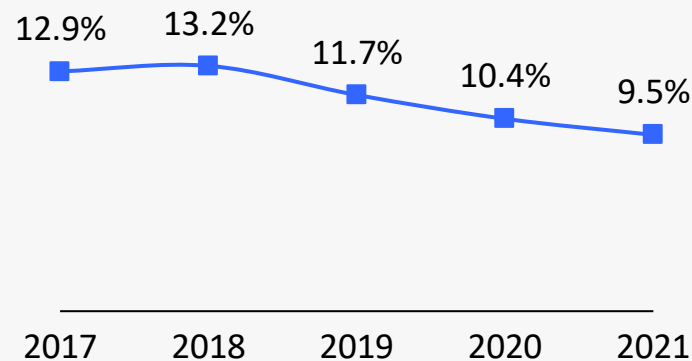
Net Income | In R\$ millions



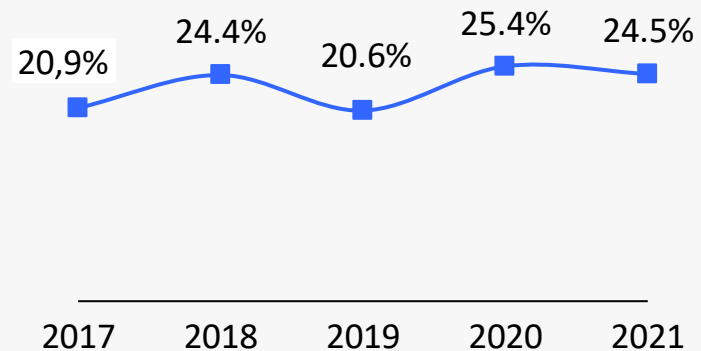
ROAE



NIM



Basileia Index



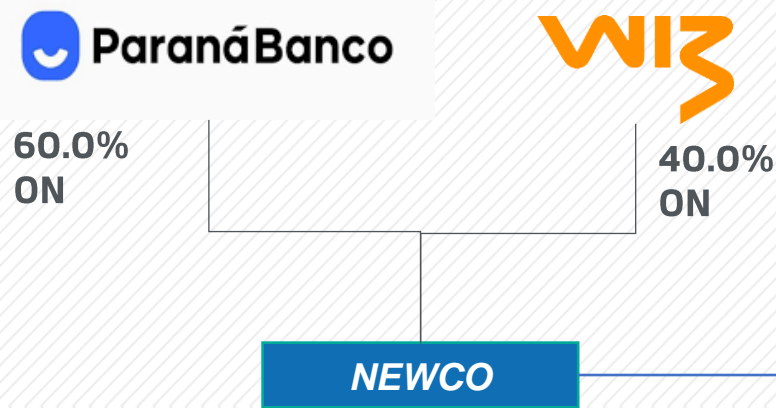
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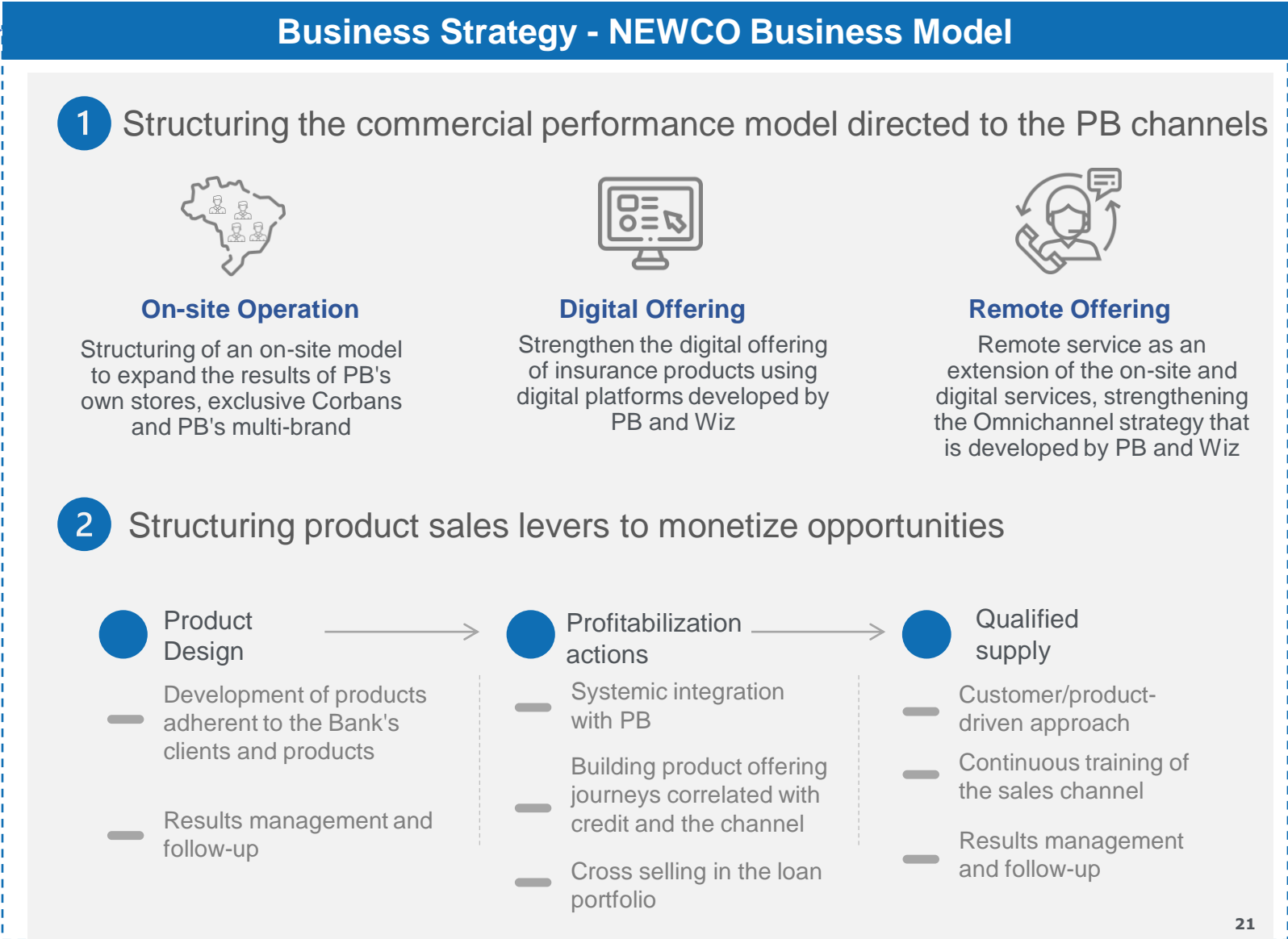
NEWCO WILL BE PARANÁ BANCO'S FIRST INITIATIVE TO COMMERCIALIZE INSURANCE PRODUCTS THROUGH ITS CHANNELS AND WILL ALLOW FOR PORTFOLIO DIVERSIFICATION AND INCREASED INTERACTION WITH THE BANK'S CUSTOMERS



Newco is a **green field** broker that will work in the commercialization of insurance in the distribution channels of Paraná Banco and will be the **first initiative** to monetize the channel with insurance products



Newco's incorporation must be approved by regulators - Bacen and CADE.



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DEAL ASSESSMENT – SHAREHOLDER’S STAKE DEFINITION



THE OPERATION

The Transaction will comprise the sale, by Paraná Banco to Wiz, of 100% of the capital stock of a company to be incorporated by Paraná Banco ("Holding"), which, in turn, will hold 40% (forty percent) of the shares issued by a new insurance broker to be previously incorporated by Paraná Banco ("NewCo"). Paraná Banco may sell an additional stake of up to 9% to the Holding in Newco, through a put option exercisable in 2025, if Newco reaches in 2024 the net income levels agreed between the parties. If the put option is exercised, the exclusivity grant is automatically extended for another 10 years after the original termination.

VALUATION METHOD

Company valuation by the discounted cash flow method.

ASUMPTIONS

Valuation carried out considering 10 years of exclusive contract for the operation of Paraná Banco's digital, remote and correspondent channels for the sale of insurance products. In the economic-financial evaluation of the transaction the revenues of these products were considered, with an optimal structure for the evolution of the established business plan.

CONCLUSION

Wiz and Paraná Banco see the partnership as a great opportunity and synergy, given the solidity of the brands, market valuation, and the Bank's strategy for expanding its product portfolio, contributing to the generation of relevant results and greater profitability of its customer portfolio.

DEAL CONSISTS IN THE ACQUISITION OF 40% OF NEWCO, WITH AN UPFRONT PRICE OF R\$17.42MM AND AN OPTION TO ACQUIRE UP TO ADDITIONAL 9% IN 2025



DEAL STRUCTURE

Corporate Structure

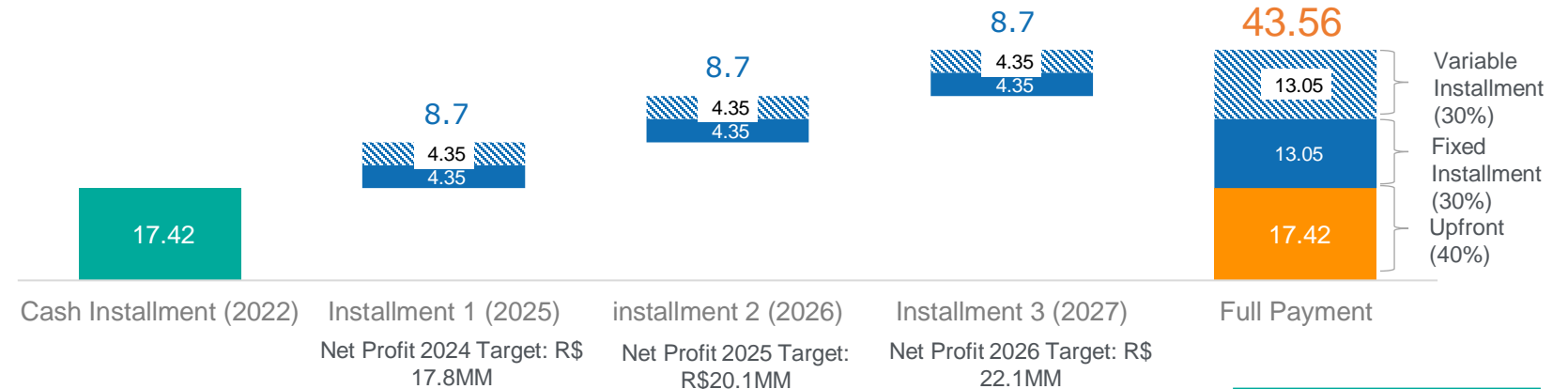


MAIN TERMS:

- The total estimated price for the acquisition of 40.0% of the equity capital is R\$43.6 million.
- Granting of exclusivity for insurance products for 10 years at the Paraná Banco branch
- Wiz's stake may reach 49% of Newco.

ESTIMATED BUSINESS PAYMENTS

R\$ million, assuming performance in the middle of the target



Upfront

Estimated Variable Installments¹
70%/200% of Target Net Income

**Minimum payment
of R\$30.5 MM**
regardless of Newco's
performance

100% valuation of the equity value: R\$ 109 MM.

- 1) The calculation of the variable installments will be based on NewCo's Net Income for fiscal years of 2024, 2025 and 2026.
- 2) The variable installments will be calculated according to the following formula:
$$\text{Variable Installment Year (X)} = [(\text{Net Income Earned in year X-1} / \text{Projected Net Income for year X-1}) * \text{R\$8.71 MM}] - \text{R\$4.35 MM (Fixed Installment)}$$
- 3) In case in the years when the variable installment is calculated the Net Profit is lower than 70% of the Target Net Profit for the year, the variable installment will be equal to 0. In case the calculation is equal or superior to 200% of the Target Net Profit, the variable portion will be equal to R\$13.1 MM.
- 4) The R\$4.35MM value of the variable installment corresponds to the achievement of 100% of the Target Net Profit (goal center).

Additional Conditions - Exclusivity and Governance



I Exclusivity

Exclusivity grant between Paraná Banco and Newco, with a duration of 10 years, for the sale of insurance products, originated in the channels of Paraná Banco (Digital channel, remote channel and on-site channel with own stores, exclusive correspondents and multi-brand correspondents).

I Governance

- **Board:** Newco will have two directors, with the Chief Executive Officer (who will also have financial, product, technology and project responsibilities) being nominated by Wiz, and the Commercial Director and Trade Marketing (who will also have trade marketing responsibilities) being nominated by Paraná Banco. Paraná Banco will have the right to a justified veto related to the choice of the Chief Executive Officer by Wiz.
- **Conselho:** O Conselho de administração da Newco será composto por 3 membros, sendo 2 indicados pelo Paraná Banco e 1 indicado pela Wiz. Existem matérias que demandam aprovação unânime e matérias de aprovação com maioria simples.

I Shareholders Agreement

- **Lock-Up:** Wiz and Paraná Banco will not be able to sell their stakes in Newco for a period of 5 years after the closing of the transaction. If they wish to do so after this period, there will be a minimum holding limit for each party of 25.1%.
- **Tag-Along:** Usual clauses for this type of operation.
- **Preference Right:** After the lock-up period, should either Party decide to sell an interest to any third party, the non-bidding party will be granted the right to acquire the interest of the offered party for the value of the bid received from the third party.



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Macro activities to be carried out until NewCo becomes operational



Partnership between Wiz and Paraná Banco aims to take advantage of opportunities for the sale of insurance products, combining Wiz's proven expertise and know-how with the strategy of diversifying the portfolio of products offered to the Bank's customers.

Next Steps

75-day plan focused on structuring Newco's business model

- Operational strategy development
- Construction of business plan and roadmaps
- Design of the commercial performance strategy
- Structuring the approach to clients
- Definition and construction of potential new products to be explored in the digital, remote and physical channels operated by the Bank

1. Signing

2. Closing

3. Newco's structuring



3.1. READ



Research, Evaluate, Approach & Define

- Post deal
- Application of the current operation diagnosis with interviews, questionnaires and modeling

3.2. READ



Roadmaps

- Building the business levers, roadmaps, business plan and budget for the new operation



3.3. READ



Project Management

- Follow-up and management of the Integration Plan between the two companies

The Methodology **contemplates the entire integration cycle** and was used in other deals carried out by Wiz

Investor Relations

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Thank you!

