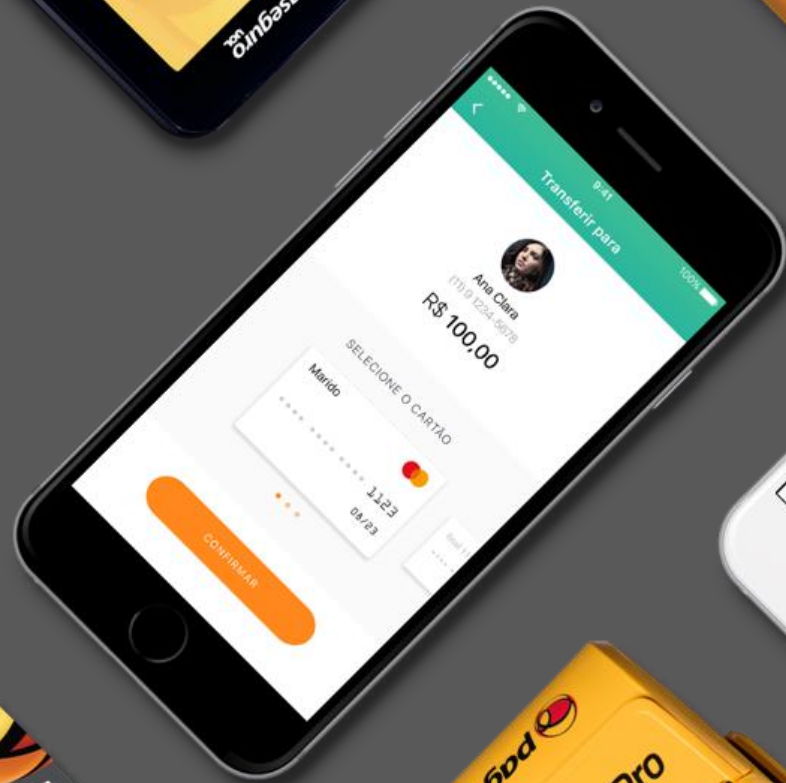




1Q19 Presentation

May 14, 2019



Important disclosure

This presentation, prepared by PagSeguro Digital Ltd (the “company”), is solely for informational purposes. The information in this presentation does not constitute or form part of, and should not be construed as, an offer or invitation to subscribe for, underwrite or otherwise acquire, any securities of the company or any subsidiary or affiliate of the company, nor should it or any part of it form the basis of, or be relied on in connection with any contract to purchase or subscribe for any securities of the company or any of its subsidiaries or affiliates nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever.

This presentation may contain forward-looking statements relating to matters such as continued growth prospects for the company, industry trends and product and technology initiatives.

These statements are based on currently available information and our current assumptions, expectations and projections about future events. While we believe that our assumptions, expectations and projections are reasonable in view of currently available information, you are cautioned not to place undue reliance on these forward-looking statements. Our actual results may differ materially from those included in this presentation, for a variety of reasons, including those described in the forward-looking statements and risk factor sections of our Registration Statement on Form F-1 (File No. 333-225697) and other filings with the Securities and Exchange Commission (the “SEC”), which are available on our investor relations website (<http://investors.pagseguro.com>) and on the SEC’s website (<https://www.sec.gov>).

All of the information included in this presentation is updated as of March 31, 2019. Except as may be required by applicable law, we assume no obligation to publicly update or revise our statements.

Non-GAAP financial measures

This presentation includes the following financial measures defined as “non-GAAP financial measures” by the SEC: non-GAAP net income, non-GAAP total net revenue, non-GAAP net take rate, non-GAAP total costs and expenses, non-GAAP administrative expenses and non-GAAP net margin. We present non-GAAP measures when we believe that the additional information is useful and meaningful to investors. These non-GAAP measures are provided to enhance investors’ overall understanding of our current financial performance and its prospects for the future. Specifically, we believe the non-GAAP measures provide useful information to both management and investors by excluding certain expenses, gains and losses, as the case may be, that may not be indicative of our core operating results and business outlook.

For an explanation of the foregoing non-GAAP measures, please see “Supplemental Information” included in this presentation. These measures may be different from non-GAAP financial measures used by other companies. The presentation of this non-GAAP financial information, which is not prepared under any comprehensive set of accounting rules or principles, is not intended to be considered in isolation of, or as a substitute for, the financial information prepared and presented in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). Non-GAAP measures have limitations in that they do not reflect all of the amounts associated with our results of operations as determined in accordance with IFRS. These measures should only be used to evaluate our results of operations in conjunction with the corresponding GAAP measures.

For a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measures, see “Supplemental Information.”

1Q19 Highlights

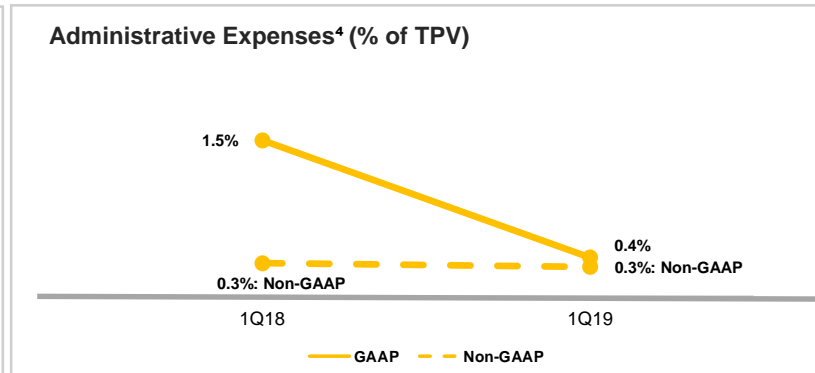
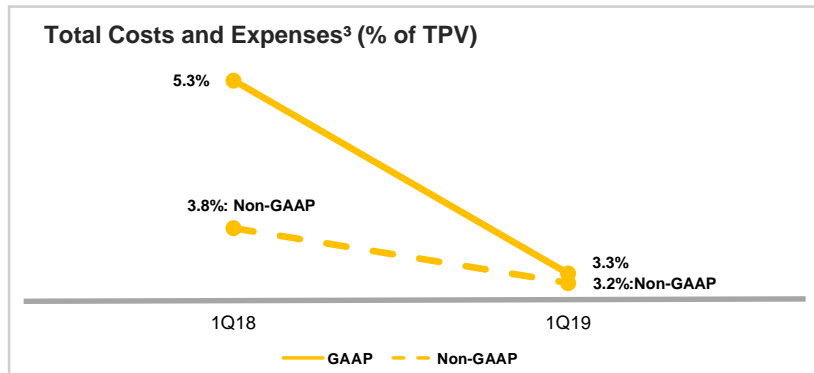
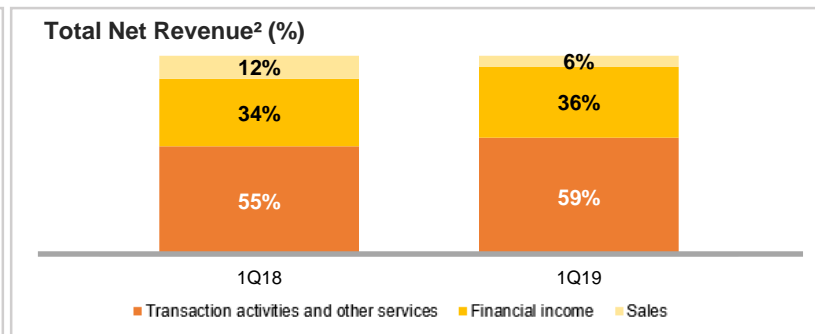
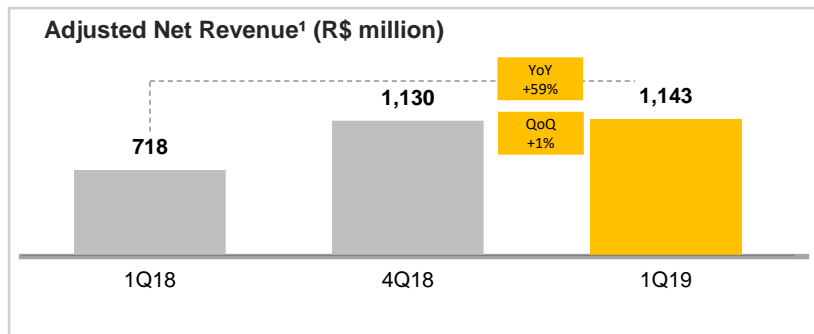
- **Adjusted Net Revenue¹ of R\$1.14B**, up **59%** yoy (year-over-year)
- **Net Income of R\$325.4M**, up **53% non-GAAP** and 109% GAAP yoy
- **Additional revenues** grew **125%** yoy (**Digital Account, Lending, Prepaid Card, Reconciliation, etc.**)
- **More than 25%** of our clients using additional services (**Bill payment, peer-to-peer (P2P) transfers, cards, mobile top-up etc.**)
- **4 new products** launched: **instant payment, payroll portability, cash cards and credit cards**
- **Average spending per merchant** grew by **17%** yoy (**R\$ 5.7K in Q1 2019**)
- **TPV of R\$24.4B**, up **70%** yoy
- **4.4M** active merchants
- **TPV retention rate cohort²** exceeded **115%** yoy
- **Google Best rated App (4.8 stars)**
- **Strongest brand** in industry (**7.7x more** searches than 2nd player according to **Google Trends**)
- **NetPOS** (minority acquisition with path to control): **ERP (Enterprise Resource Planning) software provider with +30k new clients**

¹ Adjusted Net revenue is the total net revenue less sales and other income

² Our TPV retention rate cohort is calculated as the year-over-year total purchase volume growth of a quarterly cohort, averaged over the last four quarters. TPV retention rate is provided one year after the cohort has achieved a normalized run-rate and it is an average of 2015 and 2016 vintages

Revenue Growth

Leveraging Operating Costs and Expenses



¹ Adjusted Net Revenue is the total net revenue less sales and other income

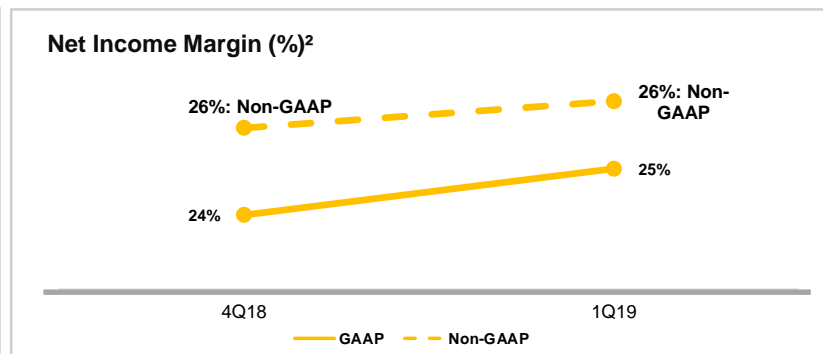
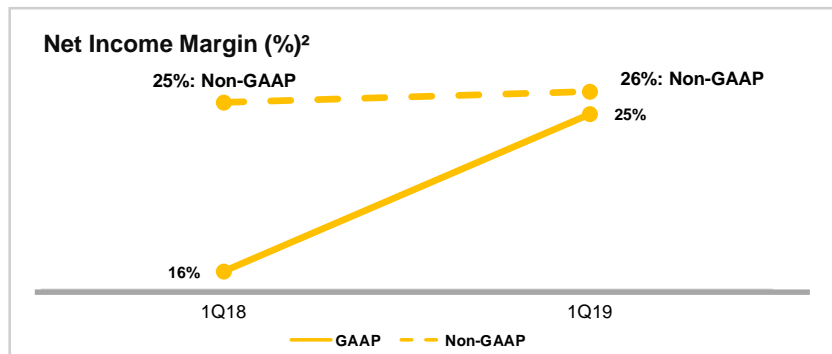
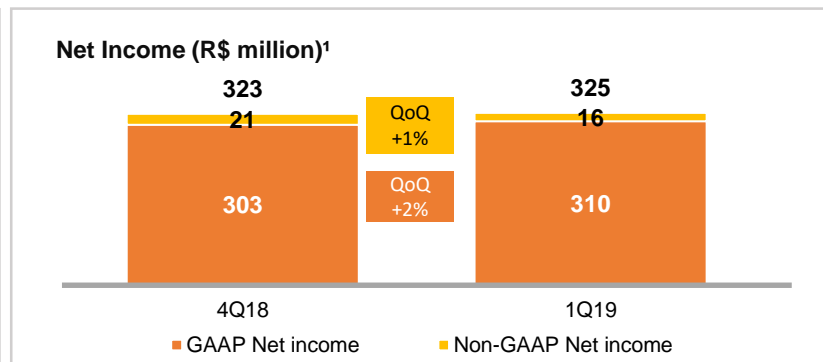
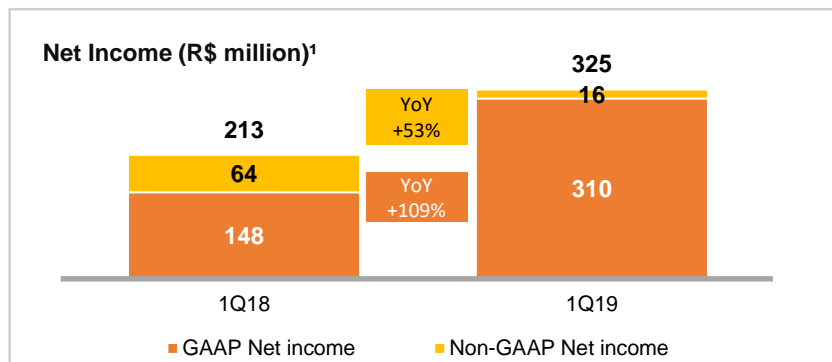
² Non-GAAP Total Net Revenue is a non-GAAP financial measure. No Non-GAAP Adjustments were recorded in 1Q19. Please see the Supplemental Information for a reconciliation of this non-GAAP financial measure to the most directly comparable GAAP financial measure.

³ Excludes other financial income (R\$26.6 million in 1Q18 and \$40.2 million in 1Q19) to make results comparable.

³ Non-GAAP Total Costs and Expenses is a non-GAAP financial measure. Excludes stock-based compensation expenses (R\$211million in 1Q18 and R\$24million in 1Q19) and IOF tax related (R\$13million in 1Q18 and no value recorded in 1Q19) to make results comparable. Please see the Supplemental Information for a reconciliation of this non-GAAP financial measure to the most directly comparable GAAP financial measure.

⁴ Non-GAAP Administrative Expenses is a non-GAAP financial measure. Excludes administrative stock-based compensation expenses (R\$172million in 1Q18 and R\$22million in 1Q19) to make results comparable. Please see the Supplemental Information for a reconciliation of this non-GAAP financial measure to the most directly comparable GAAP financial measure.

Net Income and Margin Growth

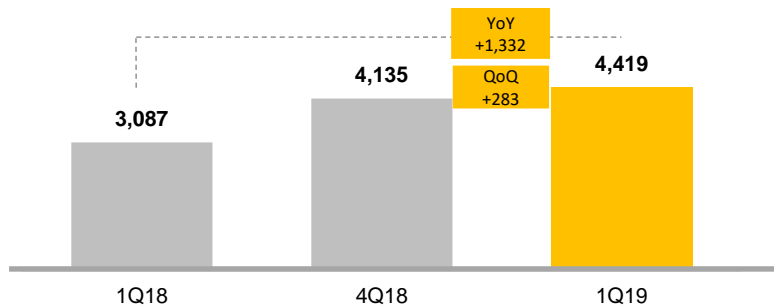


¹ **Non-GAAP Net Income** is a non-GAAP financial measure. Please see the Supplemental Information for a reconciliation of this non-GAAP financial measure to the most directly comparable GAAP financial measure;

² **Net Margin** is calculated by dividing Net Income by Total Revenue and Income. Non-GAAP Net Income Margin is calculated by dividing Non-GAAP Net Income by Non-GAAP Total Revenue and Income. Non-GAAP Net Income Margin is a non-GAAP financial measure. Please see the Supplemental Information for a reconciliation of this non-GAAP financial measure to the most directly comparable GAAP financial measure.

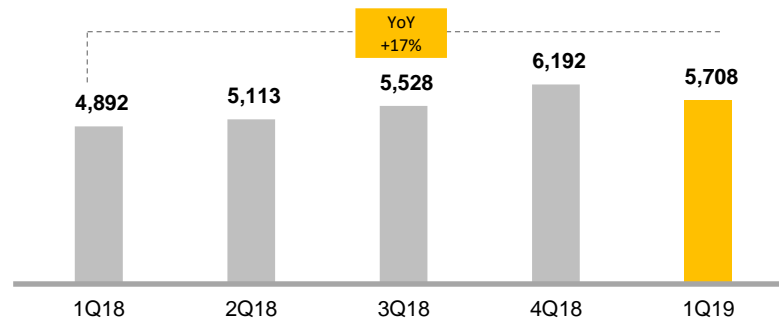
Operating Metrics

Active Merchants¹ (# thousand)



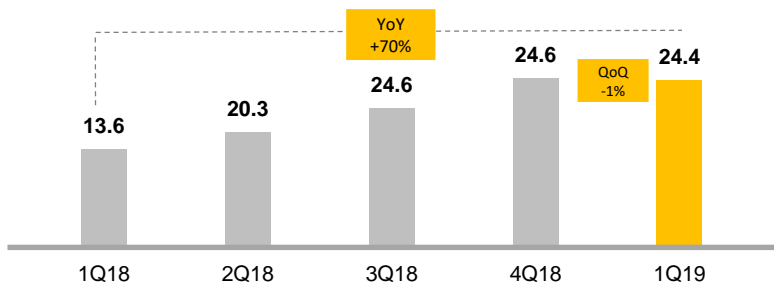
¹ At least one transaction in the last twelve months.

Average Spending per Merchant² (%)

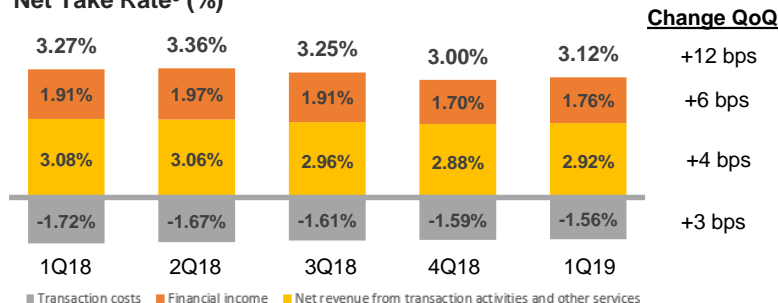


² TPV / Average Quarterly Active Merchants

Total Payment Volume (R\$ billion)

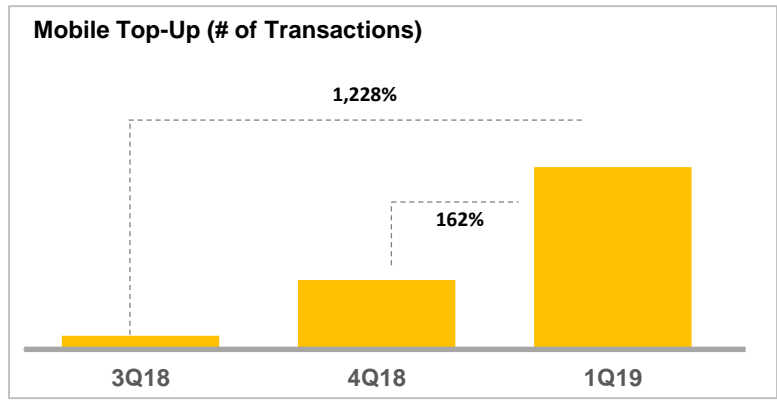
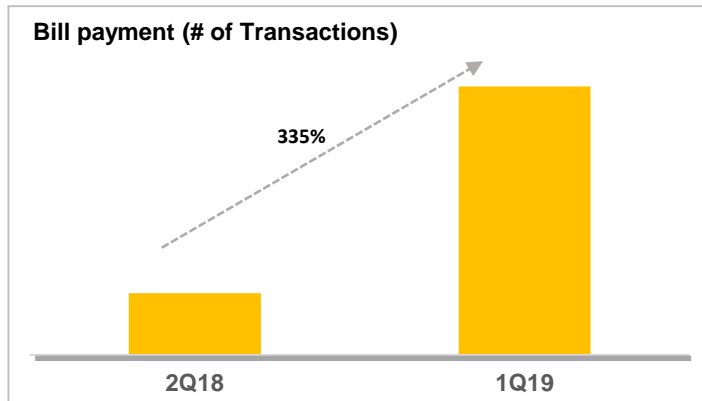
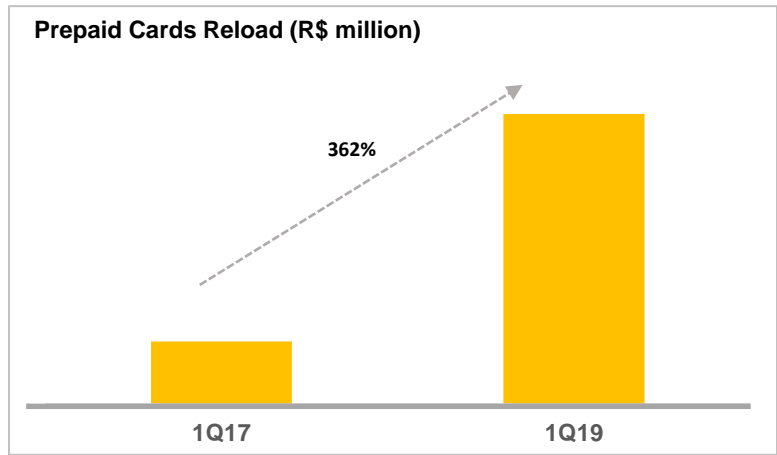
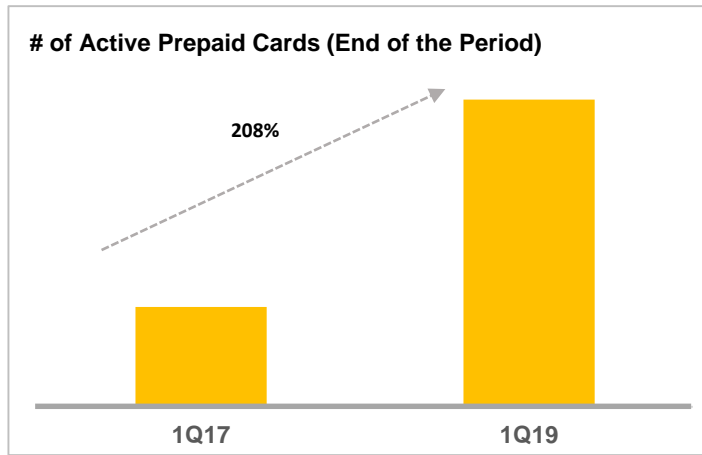


Net Take Rate³ (%)

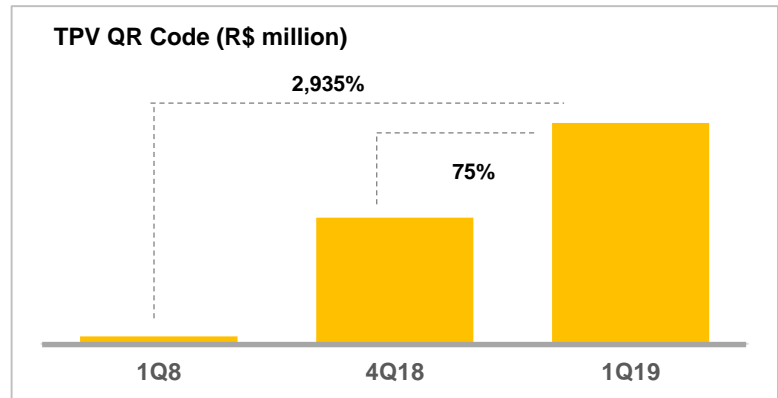
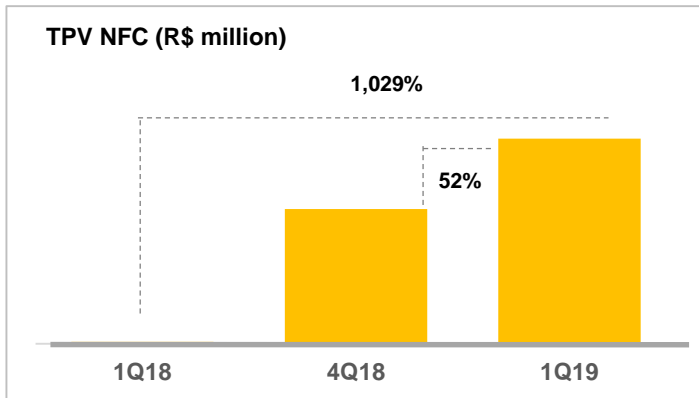
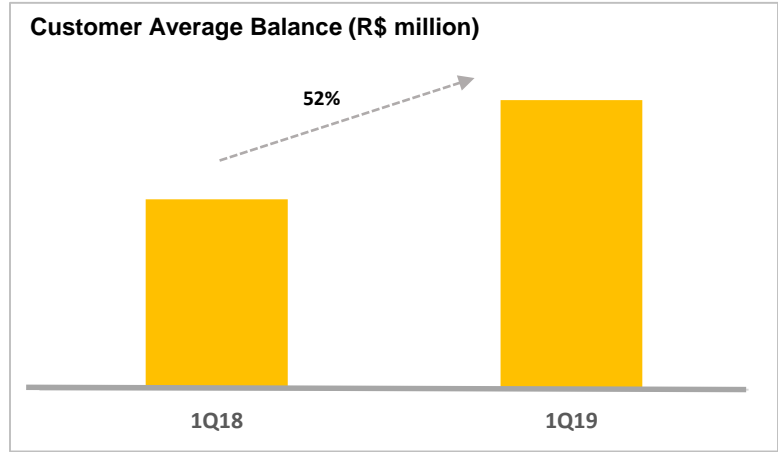
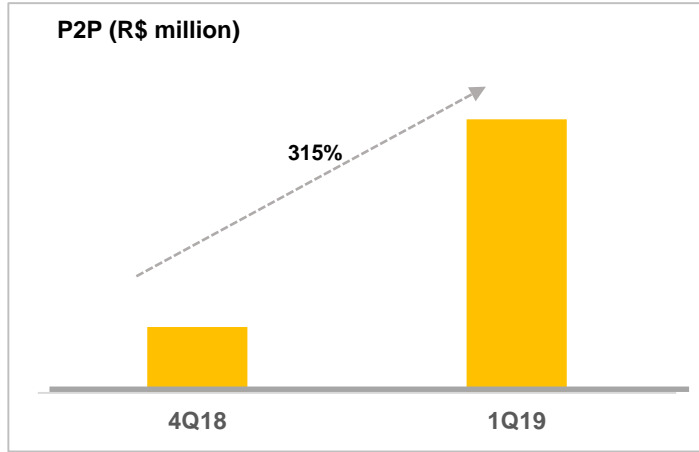


³ Net revenue from transactional activities and other services + financial income – Transactions Cost / Total TPV

Digital Account (Engagement Metrics)



Digital Account (Engagement Metrics)



TPV Retention Cohorts Rate¹

Consistent cohort growth leads to strong revenue visibility

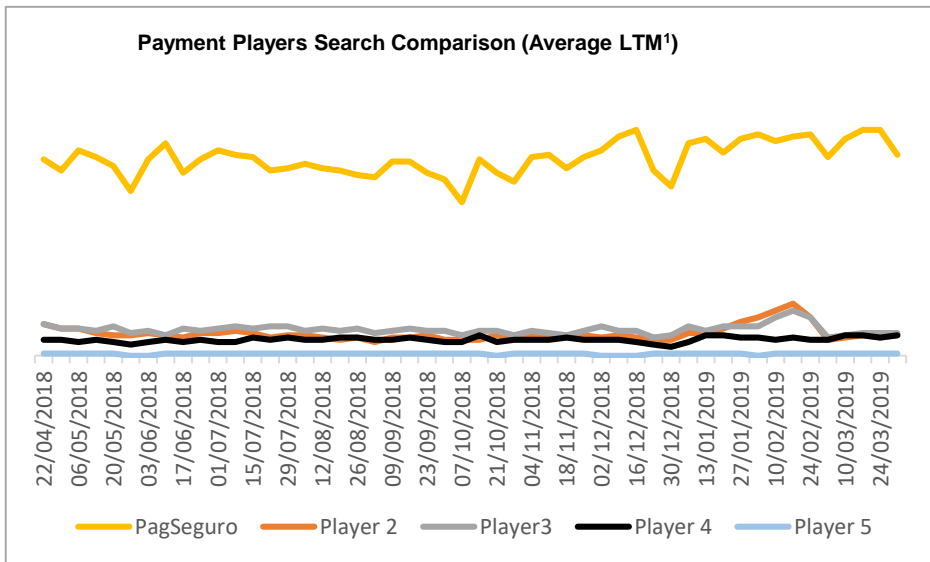
>115%

TPV retention rate ¹

¹ Our TPV retention cohorts rate is calculated as the year-over-year total purchase volume growth of a quarterly cohort, averaged over the last four quarters. TPV retention rate is provided one year after the cohort has achieved a normalized run-rate and it is an average of 2015 and 2016 vintages

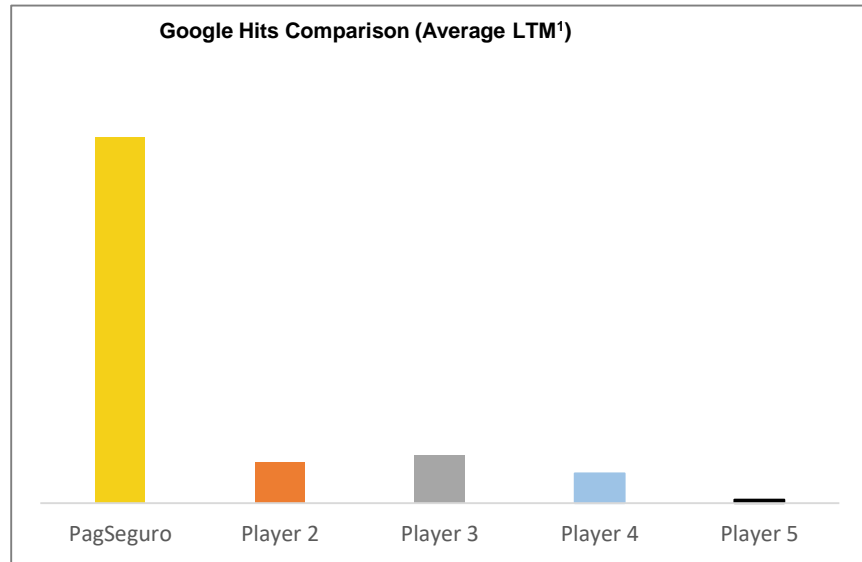
Brand Recognition

PAGS has an average of **7.7x more searches** than the 2nd largest player in the last 12 months



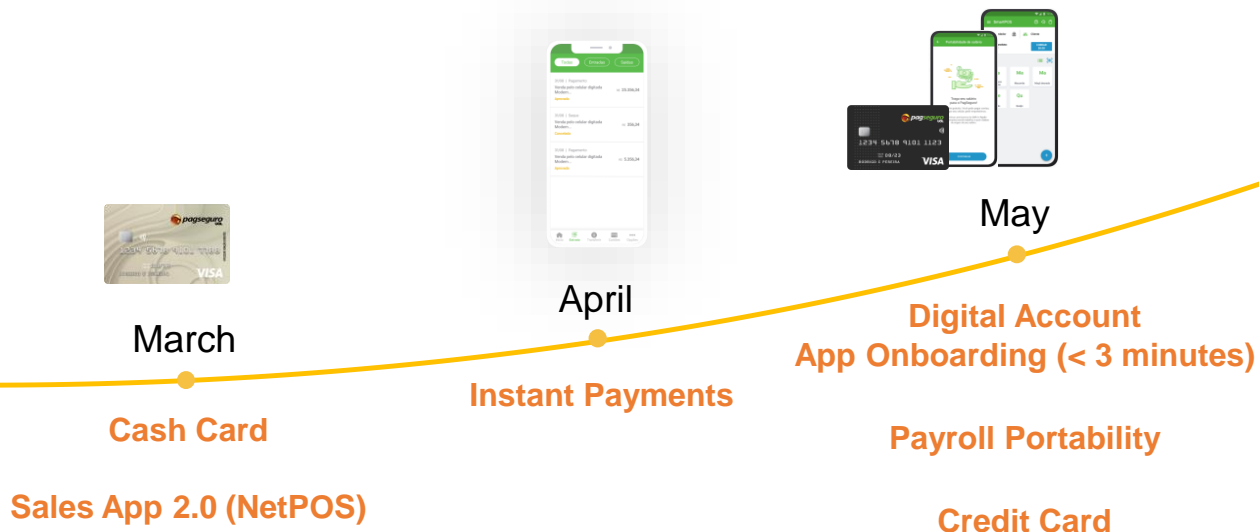
Source: Google Trends (Filtered by Financials Category)

¹ Last Twelve Months



Source: Google Trends (Financials Category)

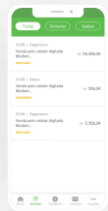
Main Products and Features Launched in 2019



March

Cash Card

Sales App 2.0 (NetPOS)



April

Instant Payments



May

Digital Account App Onboarding (< 3 minutes)

Payroll Portability

Credit Card

PAGS: +4.4 million Active Digital Accounts

Robust ecosystem: payments, software and banking

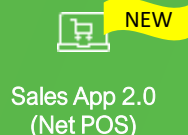
Payments



Software



Value Proposition for Merchants

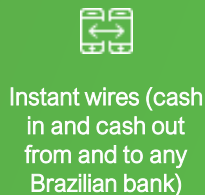


Banking

Value Proposition for Merchants and Consumers

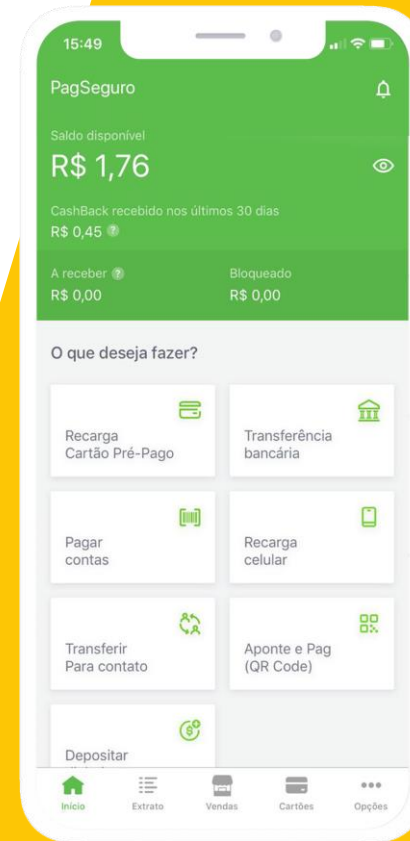


Software



Instant Payments

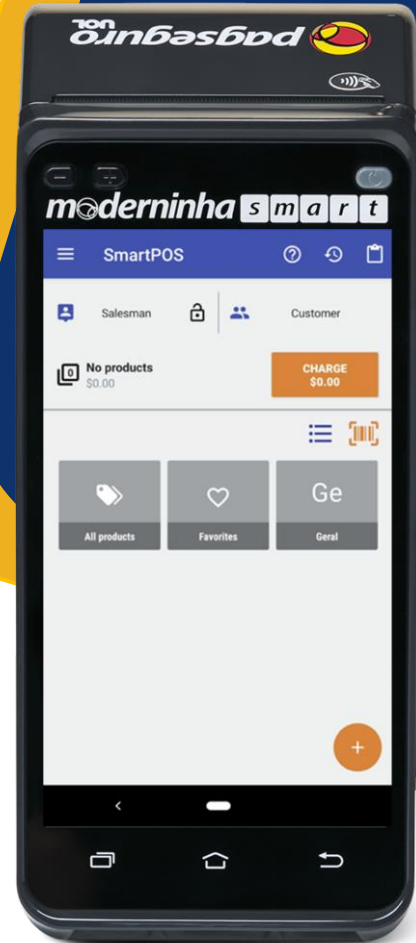
- Merchants can receive their payments **right after the transaction** (debit, regular and installments credit card), even during weekends and holidays at the **same cost** as the one-day settlement
- This feature is **very important** for all merchants, mainly **small entrepreneurs and longtail merchants** who do not have **access to working capital**



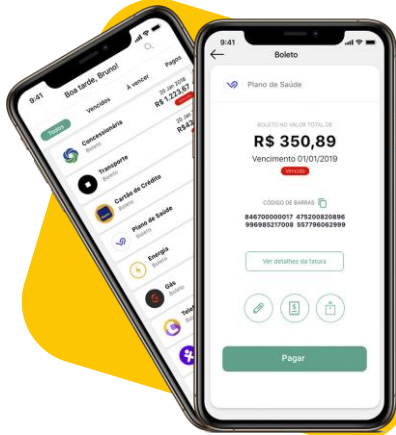
M&A

Minority Acquisition of NetPOS

- **ERP Software** for Retail and Food Service segments
- Built for **front and back office**, with sales and management tools like **inventory control, detailed reports, cash management and invoicing**
- **Integrated payments** with PAGS's mPOS, POS and SmartPOS devices
- Expected to be integrated into PAGS's sales app in Q219
- **+30k clients**



Software Solutions



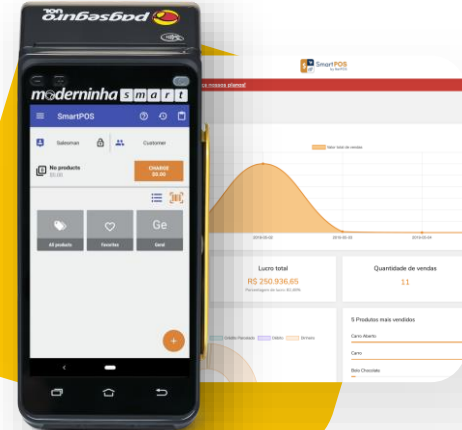
Tilix

Automated application that innovates the experience of paying bills



R2Tech

Streamlined process of reconciling payment transactions



NetPOS

POS software and full suite of integrated tools to empower SMB in the retail and food service segments

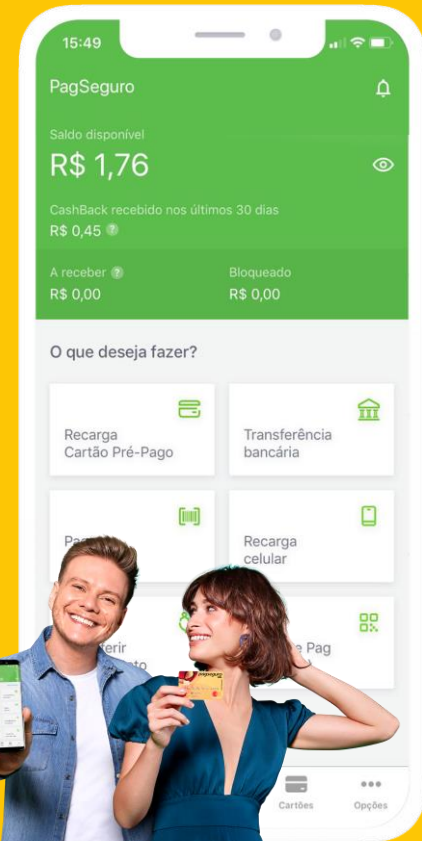
Potential Revenue Addressable

Market: **R\$9bn+**¹

¹ Total addressable market in Brazil for retail management software in 2017, according to Goldman Sachs research.

Digital Account App Onboarding

- Clients (merchants and consumers) can sign up for a digital account and manage all their **services through the app, for free in less than 3 minutes**
- **National advertising campaign starting tonight** to promote **PagBank** and all the Digital Account services



Payroll Portability

- Anyone can now receive their salary in PagSeguro's digital account, without any cost
- **New and efficient cash-in method**
- Can use their salary to pay bills, mobile top up, reload prepaid card, withdraw cash, make purchases, P2P transactions and receive and make wire transfers from and to any bank



Cash Card

- No need to reload the card
- **PAGS and Visa promoting financial inclusion:** Near-Field-Communication (NFC) enabled in purchases up to R\$50
- The card also allows online shopping (websites and apps) for movies, tv series, streaming, transportation, food delivery, etc.



Credit Card

- No annual, monthly or membership fees
- Accepted by merchants in Brazil and abroad
- **Credit card can be stored in PAGES's digital account** allowing contactless and QR code transactions



Addressable Market: Total Revenue Pool Opportunity

Merchant Acquiring

R\$24bn¹

Credit

R\$282bn+²

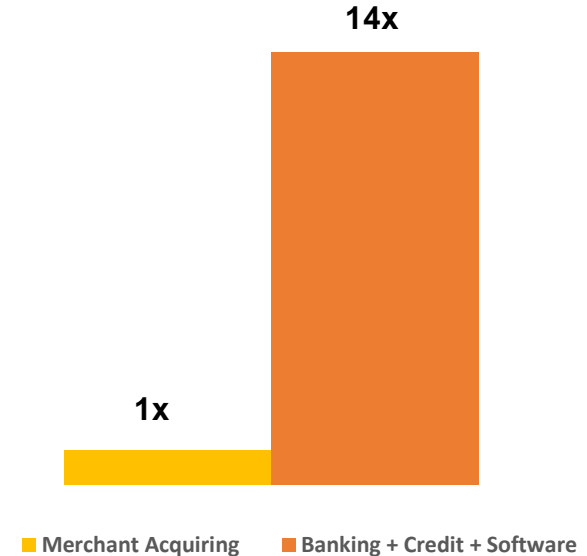
Banking + Cards

R\$45bn+³

Software

R\$9bn+⁴

Revenue Pool Opportunity



¹ PAGES internal estimate for all merchant acquirers' total revenue for 2019. Data from Abecs and Card schemes.

² PAGES internal estimate using total non-targeted loans for SMB and individuals in Brazil, multiplied by the average spread of the entire industry. Data from the Brazilian Central Bank in 2018.

³ PAGES internal estimate for the SMB and individuals using total revenue generated by the Brazilian top 04 banks on checking accounts and card services. Data from the Brazilian Central Bank in 2018.

⁴ Total addressable market in Brazil for retail management software in 2017, according to Goldman Sachs research.

Supplemental information

1Q19 Results

Reconciliation of GAAP Measures to Non-GAAP Measures

(Amounts expressed in R\$ millions, except amounts per share)	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
Total revenue and income	1,251.3	928,0
Less: Foreign exchange gain on follow-on proceeds	-	(89.8)
Non-GAAP total revenue and income (1)	1,251.3	838.2
Total expenses	(802.0)	(765.0)
Less: Share-based long-term incentive plan (LTIP)	23.8	210.6
Less: Tax related to remittance of initial public offering (IPO) proceeds (IOF tax)	-	13.1
Non-GAAP total expenses (2)	(778.2)	(541.3)
Profit before taxes	449.3	163.0
Plus: Total Non-GAAP adjustments	23.8	133.9
Non-GAAP profit before taxes (3)	473.1	296.9
Income tax and social contribution	(139.6)	(14.5)
Less: Income tax and social contribution on non-GAAP adjustments	(8.1)	(69.5)
Non-GAAP deferred income tax (4)	(147.7)	(84.0)
Net Income	309.7	148.5
Plus: Total Non-GAAP adjustments	15.7	64.4
Non-GAAP net Income (5)	325.4	212.9

(1) **Non-GAAP total revenue and income** excludes a foreign exchange gain on our IPO primary proceeds in the amount of R\$89.8 million in the three months ended March 31, 2018, which relates to the impact of exchange rate variation on the conversion from U.S. dollars into Brazilian reais of the proceeds from our sale of new shares in our IPO. We exclude this foreign exchange variation from our non-GAAP measures primarily because it is unusual income. The foreign exchange gain on our IPO primary proceeds is included within Other financial income. Other financial income in the amount of R\$116.4 million is therefore adjusted by excluding the foreign exchange gain on our IPO primary proceeds, resulting in non-GAAP Other financial income in the amount of R\$26.6 million.

(2) **Non-GAAP total expenses** excludes:

(a) **Stock-based compensation expenses** in the total amount of R\$23.8 million (R\$210.6 million in 2018), consisting of expenses for equity awards under our LTIP. This consists of expenses for equity awards under our long-term incentive plan (LTIP). We exclude stock-based compensation expenses from our non-GAAP measures primarily because they are non-cash expenses and they depend on our stock price and the exchange rate from U.S. dollars into Brazilian reais at the time of the vesting of the equity awards. The related employer payroll taxes depend on our stock price and the exchange rate from U.S. dollars into Brazilian reais at the time of the exercises and the vesting date of the equity awards, over which management has limited to no control, and as such management does not believe these expenses correlate to the operation of our business. The total of stock-based compensation expenses is allocated between Cost of sales and services and Administrative expenses. Excluding the stock-based compensation expenses, Cost of sales and services in the amount of R\$617.8 million (R\$444.8 million in 2018) is adjusted by R\$1.9 million (R\$38.2 million in 2018) resulting in non-GAAP Cost of sales and services of R\$615.9 million (R\$406.6 million in 2018); and Administrative Expenses in the amount of R\$92.4 million (R\$219.0 million in 2018) is adjusted by R\$21.9 million (R\$172.4 million in 2018) resulting in non-GAAP Administrative expenses of R\$70.5 million (R\$46.6 million in 2018).

(b) **Tax related to remittance of IPO primary share proceeds (IOF tax)** in the amount of R\$13.1 million in the three months ended March 31, 2018, which represents the impact of Brazilian IOF tax (currency remittance tax) payable when we remitted the proceeds from our sale of new shares in our IPO from the Cayman Islands to Brazil. We exclude this IOF tax on the remittance of IPO primary share proceeds from our non-GAAP measures primarily because it is an unusual expense. The IOF tax is fully allocated to Financial expenses. Financial expenses in the amount of R\$16.5 million is therefore adjusted by excluding the IOF tax, resulting in non-GAAP Financial expenses in the amount of R\$3.4 million.

(3) **Non-GAAP profit before taxes** is equal to the sum of the adjustments described in footnotes (1) and (2) above.

(4) **Non-GAAP income tax and social contribution** consists of income tax at the rate of 34% calculated on the non-GAAP adjustments described in footnotes (1) and (2) above, other than the foreign exchange gain on IPO primary share proceeds of R\$89.8 million in the three months ended March 31, 2018, which is not taxable, and the tax benefits related to other non-GAAP adjustments.

(5) **Non-GAAP net income** is equal to the sum of the adjustments described in footnotes (1), (2) and (4) above.

1Q19 Results

Reconciliation of GAAP Measures to Non-GAAP Measures

Reconciliation of Net Income to Non-GAAP Net income (R\$ millions):	Q1 19	Q1 18
Net income	309.7	148.5
Foreign exchange gain on IPO or Follow on proceeds (1)	-	(89.8)
Share-based-term incentive plan (LTIP) (2)	23.8	210.6
Grant Shares @ IPO	-	181.7
Recurrent quarterly provision	23.8	28.9
Tax related to remittance of IPO primary share proceeds (IOF tax) (3)	-	13.1
Tax related to remittance of Follow on (IOF Tax) (3)	-	-
Income tax on non-GAAP adjustments (4)	(8.1)	(69.5)
Total non-gap net income adjustments	15.7	64.4
Net income non-GAAP	325.4	212.9

(1) **Foreign exchange gain on IPO offering proceeds:** financial income in the amount of R\$89.8 million related to the impact of exchange rate variation on the conversion from U.S. dollars into Brazilian reais of the proceeds from our sale of new shares in our IPO. We exclude this foreign exchange variation from our non-GAAP measures primarily because it is an unusual gain.

(2) **Share-based long-term incentive plan (LTIP):** Stock-based compensation expenses and related employer payroll taxes. This consists of expenses for equity awards under our long-term incentive plan (LTIP). We exclude stock-based compensation expenses from our non-GAAP measures primarily because they are non-cash expenses and they depend on our stock price and the exchange rate from U.S. dollars into Brazilian reais at the time of the vesting of the equity awards. The related employer payroll taxes depend on our stock price and the exchange rate from U.S. dollars into Brazilian reais at the time of the exercises and the vesting date of the equity awards, over which management has limited to no control, and as such management does not believe these expenses correlate to the operation of our business. In the three months ended March 31, 2019, the amount of R\$23.8 million is mainly composed of the recurrent quarterly provision. In the three months ended March 31, 2018 the amount of R\$210.6 million, is mainly composed of the expense amount that was recognized on the date of our IPO with the issuance of 1.8 million shares under LTIP awards that vested on or before the IPO date.

(3) **Tax related to remittance of IPO offering proceeds (IOF tax):** R\$13.1 million related to Brazilian IOF tax (currency remittance tax) payable when we remitted the proceeds from our sale of new shares in our IPO from the Cayman Islands to Brazil. We exclude this IOF tax on the remittance of IPO primary share proceeds from our non-GAAP measures primarily because it is an unusual expense.

(4) **Income tax and social contribution on Non-GAAP adjustments:** the amount of R\$8.1 million consists of income tax at the rate of 34% calculated on the non-GAAP adjustments. The amount of R\$69.5 million consists of income tax at the rate of 34% calculated on the non-GAAP adjustments, other than the foreign exchange gain on IPO primary share proceeds of R\$89.8 million, which is not taxable, and the tax benefits related to other non-GAAP adjustments.



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