

## **PagBank PagSeguro clarifies questions related to BCB public hearing about cap on debit and prepaid card transaction fees**

**São Paulo, October 15, 2021** — PagSeguro Digital Ltd., or PagBank PagSeguro (NYSE: PAGES), wishes to clarify that after considering the various moving parts and analyzing internal data, PAGES has run several hypothetical scenarios taking into account all of the available information about the Brazilian Central Bank (BCB) public hearing 89/2021 on capping debit and prepaid card transaction interchange fees, and the conclusion at this time is: Regardless of the outcome of the public hearing, the impacts on PAGES Net Revenues<sup>1</sup> and Net Income in 2022 are expected to be negligible. From 2023 onwards, the anticipated impact tends to be slightly positive for PAGES because of expected costs savings in interchange in the acquiring business.

The fact that PAGES has complementary payments businesses (acquiring and cards issuance) creates a natural hedge for the company. In case there is a negative impact in the card issuance in each period (i.e., decrease of interchange revenues from PagBank prepaid cards and/or shorter settlement period), PAGES immediately benefits from a positive impact on the acquiring business (i.e., decrease in interchange cost from all prepaid cards in the market that make transactions in PAGES acquiring business and/or shorter settlement of prepaid card receivables).

PagBank PagSeguro remains committed to improving financial inclusion and disrupting the banking industry, and we will continue to support our clients through the introduction of new and innovative products in the future.

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<sup>1</sup> Net Revenues excludes Interchange and Card Scheme Fees (ITC).

## About PagBank PagSeguro

PagBank PagSeguro is a disruptive provider of financial technology solutions focused primarily on consumers, individual entrepreneurs, micro-merchants, small companies, and medium-sized companies in Brazil. Among its peers, PagBank PagSeguro is the only financial technology provider in Brazil whose business model covers all the following five pillars:

- Multiple digital banking solutions
- In-person payments via point of sale (POS) devices that PagSeguro Digital provides to merchants
- Free digital accounts that PagSeguro Digital provides to its consumers and merchants with functionalities such as bill payments, top up prepaid mobile phone credit, wire transfers, peer to peer cash transfers, prepaid credit cards, cash cards, loans, investments, QR code payments, and payroll portability, among other digital banking services
- Issuer of prepaid, cash and credit cards
- Operate as a full acquirer

PagBank PagSeguro is an UOL Group Company that provides an easy, safe and hassle-free way of owning a free PagBank digital account, which is similar to a regular checking account linked to the Brazilian Central Bank's platform, with the feature of accepting payments, where its clients can transact and manage their cash, without the need to open a regular bank account. PagBank PagSeguro's end-to-end digital banking ecosystem enables its customers to accept a wide range of online and in-person payment methods, including credit cards, debit cards, meal voucher cards, *boletos*, bank transfers, bank debits and cash deposits.

PagBank PagSeguro's mission is to disrupt and democratize financial services in Brazil, a concentrated, underpenetrated and high interest rate market, by providing an end-to-end digital banking ecosystem that is safe, affordable, simple and mobile-first for both merchants and consumers.

SOURCE: PagBank PagSeguro

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**Forward-Looking Statements:**

This press release includes “forward-looking statements” within the meaning of the U.S. federal securities laws. Statements contained herein that are not clearly historical in nature are forward-looking, and the words “anticipate,” “believe,” “continues,” “expect,” “estimate,” “intend,” “project” and similar expressions and future or conditional verbs such as “will,” “would,” “should,” “could,” “might,” “can,” “may,” or similar expressions are generally intended to identify forward-looking statements. We cannot guarantee that such statements will prove correct. These forward-looking statements speak only as of the date hereof and are based on our current plans, potential mergers and acquisitions opportunities, estimates of future events, expectations and trends (including trends related to the global and Brazilian economies and capital markets, as well as the continuing economic, financial, political and public health effects of the coronavirus, or the COVID-19, pandemic.) that affect or may affect our business, financial condition, results of operations, cash flow, liquidity, prospects and the trading price of our Class A common shares, and are subject to several known and unknown uncertainties and risks, many of which are beyond our control. As a consequence, current plans, potential mergers and acquisitions opportunities, anticipated actions and future financial position and results of operations may differ significantly from those expressed in any forward-looking statements in this press release. You are cautioned not to unduly rely on such forward-looking statements when evaluating the information presented. In light of the risks and uncertainties described above, the future events and circumstances discussed in this press release might not occur and are not guarantees of future performance. Because of these uncertainties, you should not make any investment decision based upon these estimates and forward-looking statements. To obtain further information on factors that may lead to results different from those forecast by us, please consult the reports we file with the U.S. Securities and Exchange Commission (SEC) and in particular the factors discussed under “Forward-Looking Statements” and “Risk Factors” in our annual report on Form 20-F filed with the SEC on April 27, 2021.