



# PAGS

## Corporate Presentation

Nov-21



# The road so far

**R\$ 660 billion**

**Acquiring TPV**  
2015 to 2021e

**R\$ 6.2 billion**

**AuC + Deposits**  
Sep-21

**R\$ 1.6 billion**

**Total Credit Portfolio**  
Sep-21



**PAGS  
DAY  
2021**

**12.2 million**

**PagBank Active Clients**  
Sep-21

**7.7 million**

**Active Merchants**  
Sep-21

**12x more profits**

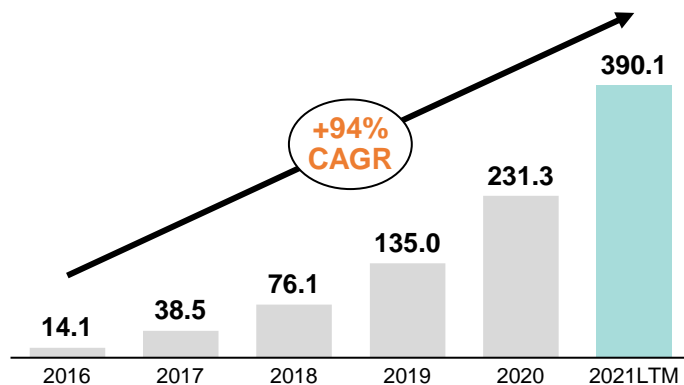
**Net Income**  
Non-GAAP | LTM vs. 2016

# Outstanding performance in the last 5 years

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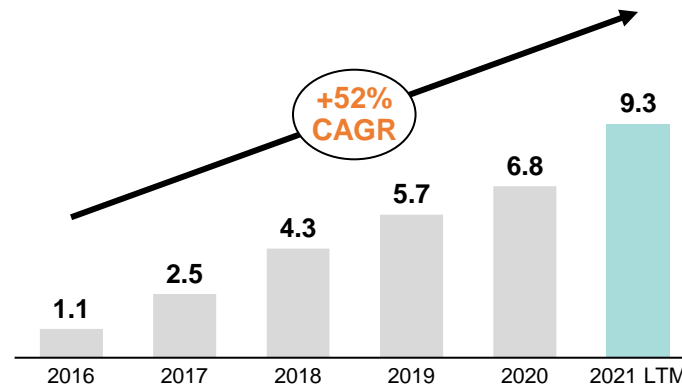
## TPV

R\$ billion



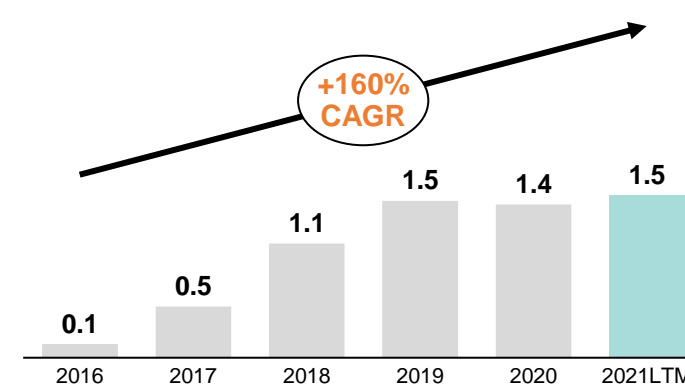
## NET REVENUE

R\$ billion



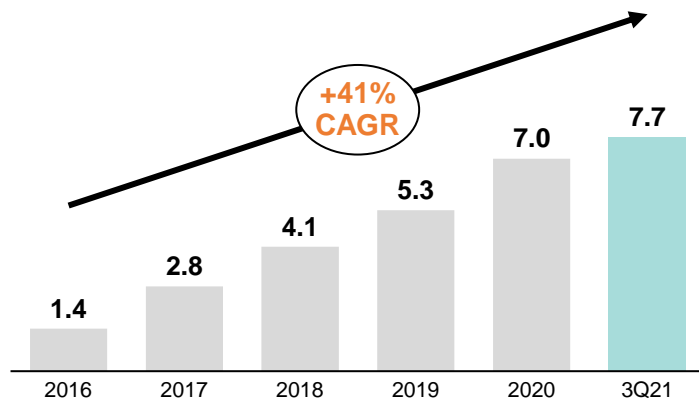
## NET INCOME<sup>1</sup>

R\$ billion



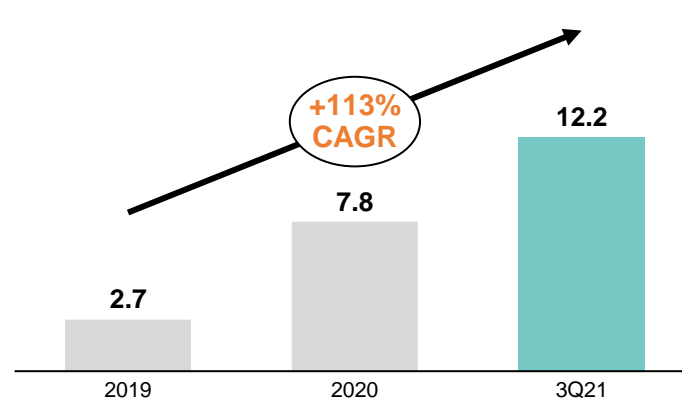
## ACTIVE MERCHANTS

# million



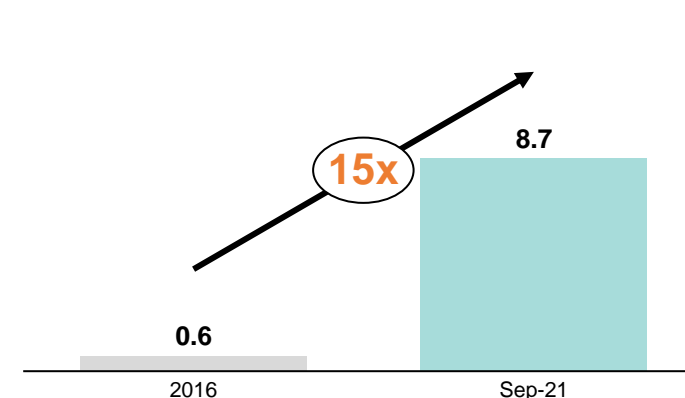
## PAGBANK ACTIVE CLIENTS

# million



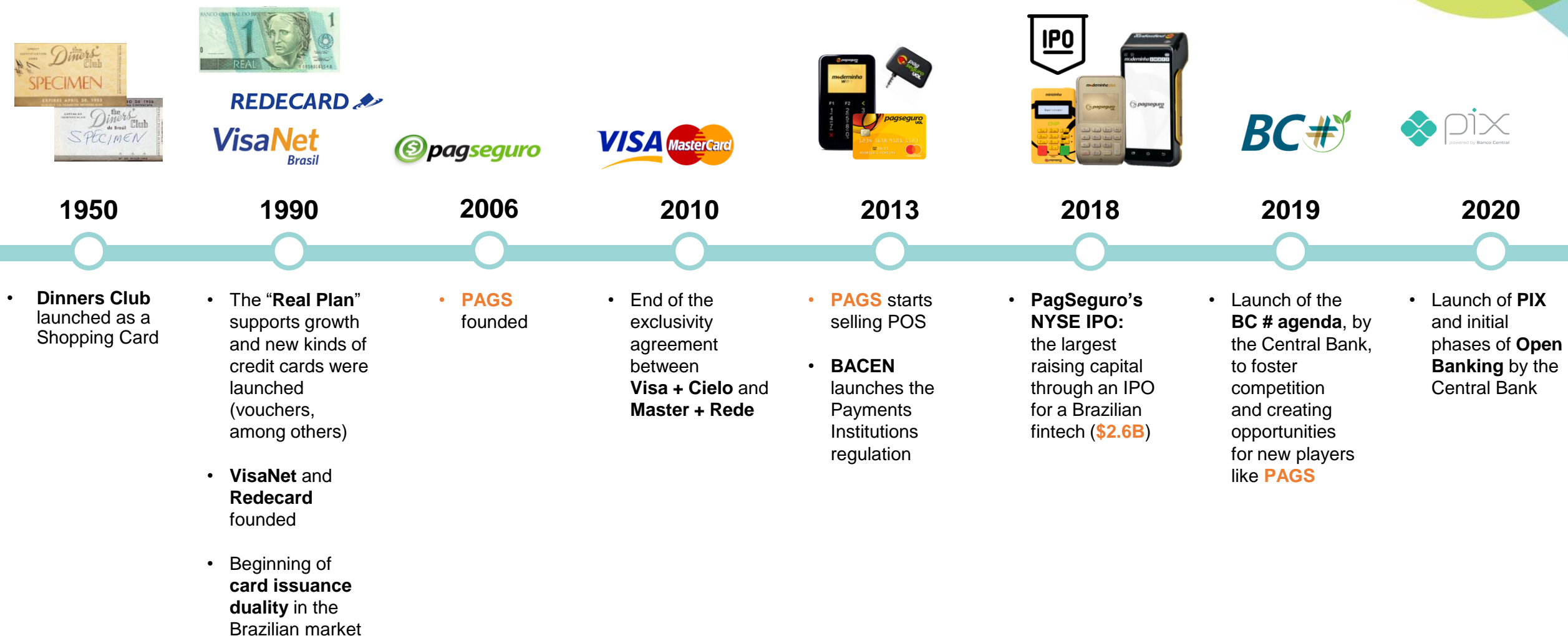
## CASH POSITION

R\$ billion



# Brazilian Payments Timeline

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# PAGS' Strategy and Competitive Advantages

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## OUR STRATEGY

**Technology** to make life simpler, guaranteeing  
a **safe ecosystem**

**Profitable growth** with **efficiency** in Payments  
in Brazil and abroad

Increasing **revenue** and **profit diversification**  
with PagBank

Improving **customer convenience** and leading  
traffic to merchant

## OUR COMPETITIVE ADVANTAGES



**Tech-DNA + Digital born**



**Mobile First**



**Complete banking platform + Payments**



**Most profitable** payment company



**Incumbent legacy**



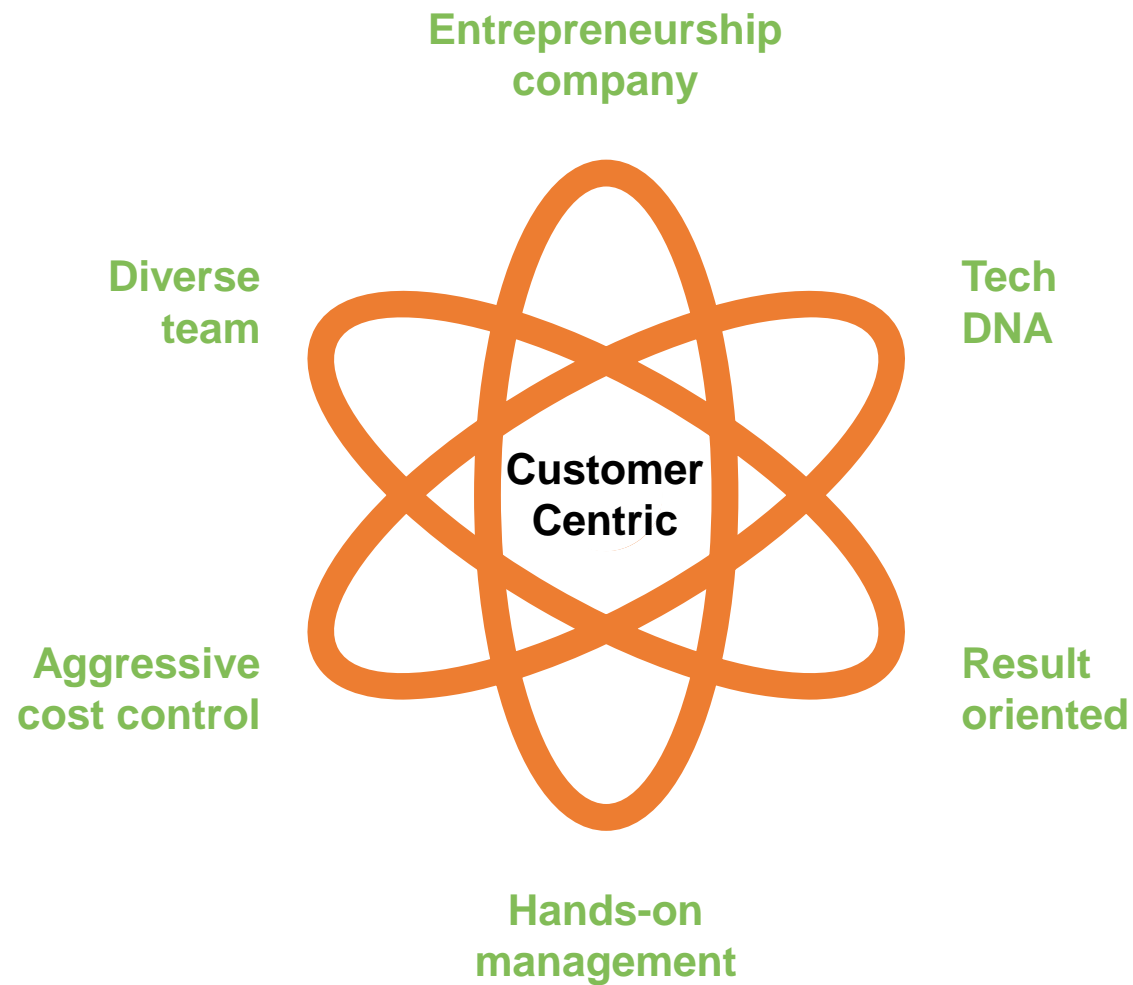
**UOL's 90% reach** among Brz internet audience



**7,000 computer engineers** at UOL Group

# PAGS' Culture

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# Complete set of solutions and payments methods

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Largest product portfolio with 4 POS device suppliers

 PagSeguro TEF



Minizinha NFC



moderninha  
Wifi



moderninhaPro



moderninha  
smart



 PagPhone



# Most Profitable Brazilian Acquirer

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Non-GAAP Net Income 9M21 <sup>1</sup>	R\$ million	(%)
<b>PagSeguro</b>	<b>1,091.0</b>	<b>41%</b>
Cielo	753.5	28%
Rede	374.6	14%
Getnet	282.0	11%
Stone	169.6	6%
<b>Brz Acquiring</b>	<b>2,670.6</b>	<b>100%</b>



**10%**

of TPV market share

.....

**20%**

of Revenue Pool

.....

**+40%**

of Profit Pool

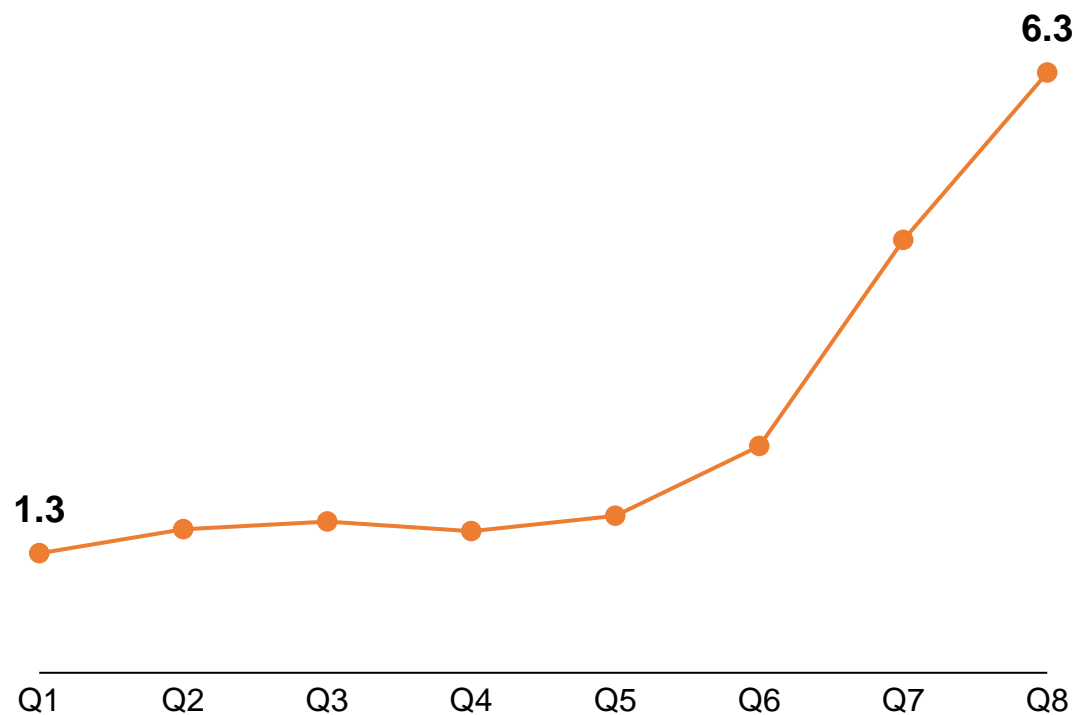


# Healthy returns encourages to keep investing

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## ARPU<sup>1</sup>

Merchants with PagBank / Merchants without PagBank



## Payback<sup>2</sup>

4

quarters

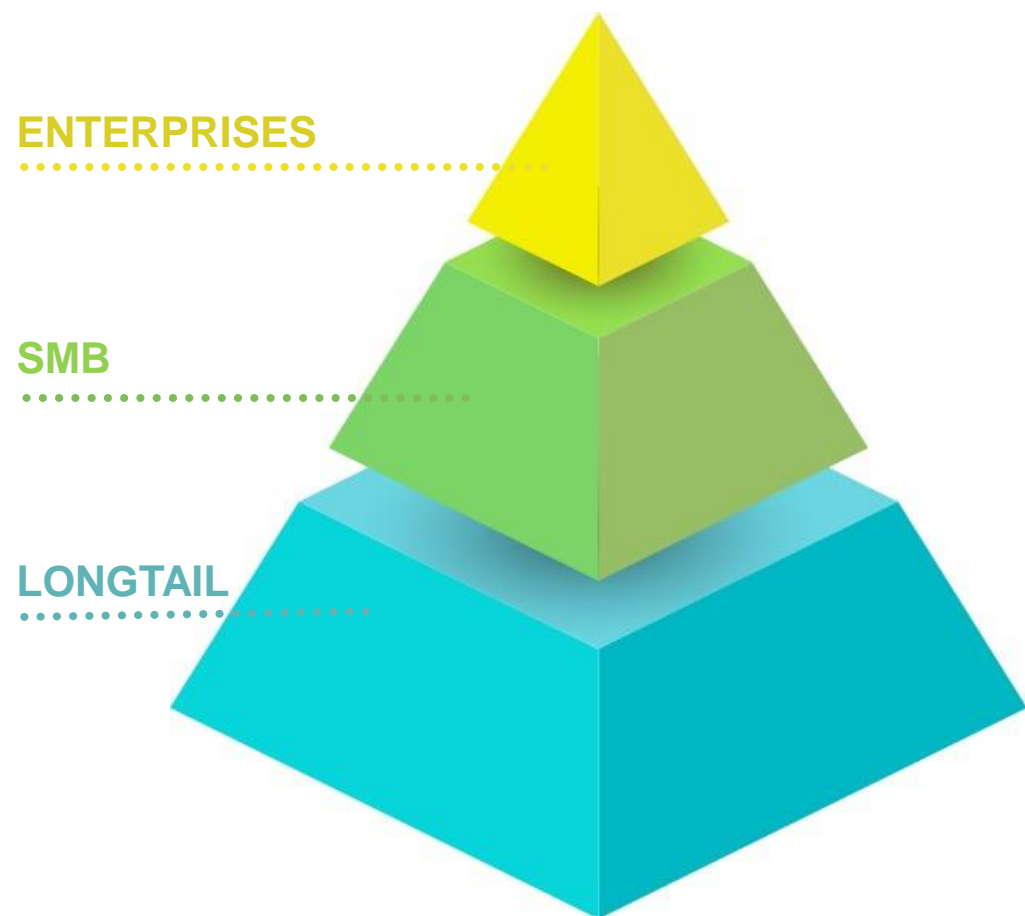
## ROI<sup>2</sup>

4x to 7x

Varying according to cohorts after  
11 quarters

# Moving upmarket is easier than the opposite

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## PAGS' winning strategy



**Local player** aware of the opps/risks



**First mover** and >90% online audience coverage (UOL) drives scalability lowering CAC



**Mobile first experience:** no bureaucracy



**Robust infrastructure** to serve longtail extended to larger merchants



**Tech-DNA** supports competitive pricing policies and healthy LTV

# There is a unique opportunity ahead of us...

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22x

bigger than Acquiring



0.1%

of Revenue Pool

# ...upselling and cross-selling PagBank products...

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## BRAZILIAN BANKING PRODUCTS REVENUE POOL<sup>1</sup>

2021

R\$614<sub>B</sub>  
Opportunity

R\$39<sub>B</sub> + R\$514<sub>B</sub> + R\$21<sub>B</sub> + R\$25<sub>B</sub> + R\$15<sub>B</sub>  
Payments Credit Investments Insurance Banking Services

1x  
Acquiring

22x  
Acquiring  
+ Banking

# ...in a highly concentrated Brz financial industry

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## Brazilian Total Credit Portfolio<sup>1</sup>

2021



**71%** concentrated in  
5 largest banks

## Incumbent Legacies



**1<sup>st</sup>**

preserving the **status quo**  
and their **existing profits**



**2<sup>nd</sup>**

IT platforms (built 20 to 30 years ago)  
**not integrated**



# PagBank enrich our ecosystem, offering financial services to increase revenues and merchants' loyalty

**>75%** of Longtail merchants use PagBank

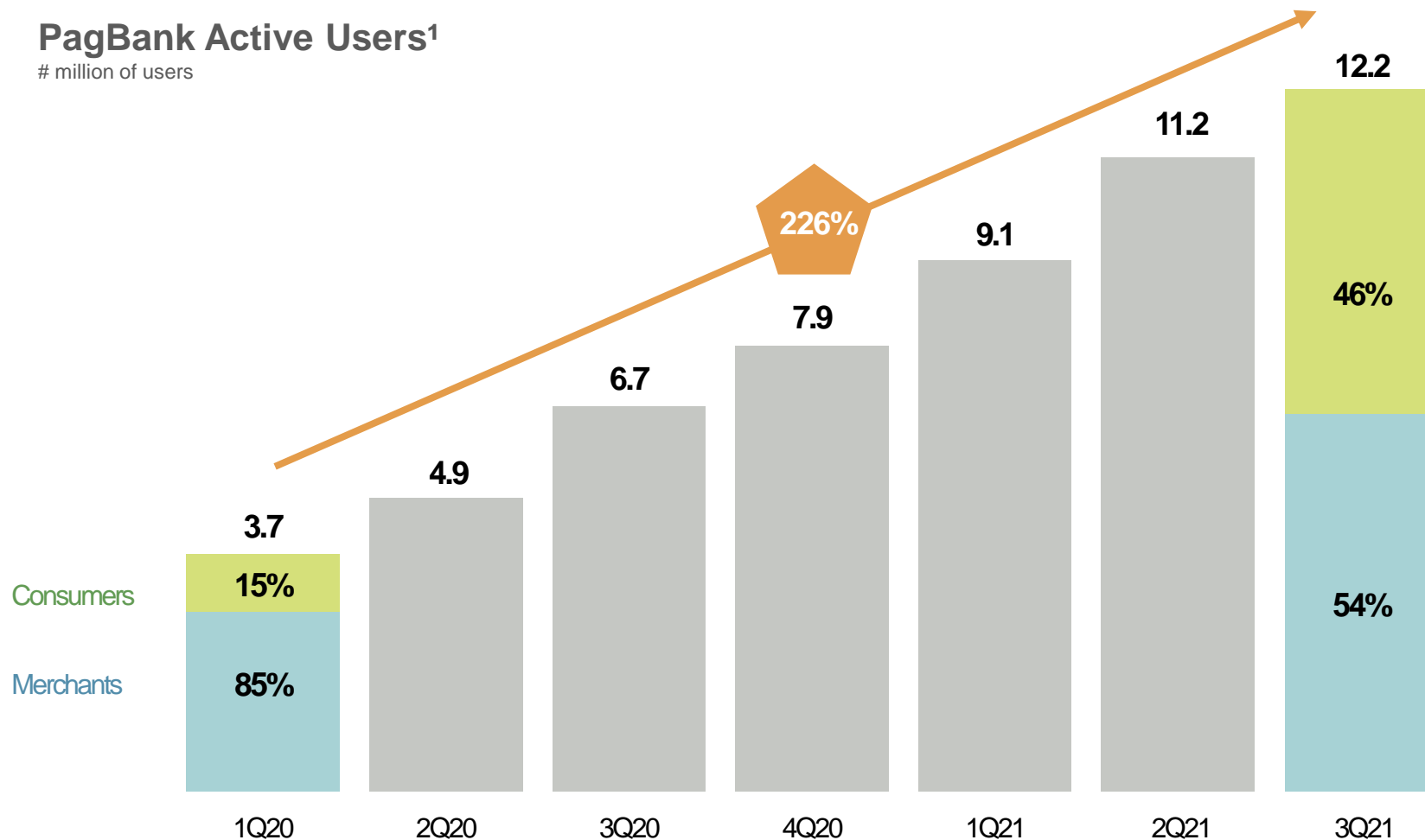
	Merchants without PagBank	Merchants with PagBank
ARPU <sup>1</sup>	100	475
CHURN	100	78
NPS	100	136

# Banking clients using PagBank more than ever

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## PagBank Active Users<sup>1</sup>

# million of users



~50% of customers consider PagBank as their main bank account<sup>2</sup>

PagBank Share of Pix Transactions of 9.3%

Active customers use on average 2.8 different products per month<sup>4</sup>

1. Active merchants using one additional digital account feature/service beyond acquiring and consumers with a balance in their digital account on the last day of the month;






2. Based on monthly research with PagBank customers;

3. Based on September 2021;

4. As of 3Q21.

# PAGS: 35% of Nu's clients and 57% Nu's OpEx per client

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	Clients per employee <sup>1</sup>	Revenue per client <sup>1</sup>	OPEX per client <sup>1</sup>	Active Clients <sup>1</sup>
 PagBank	10,186	R\$ 83	R\$ 74	12M
 nu	7,654	R\$ 236	R\$ 130	35M
  bradesco  Santander	678	R\$ 2,053	R\$ 994	54M

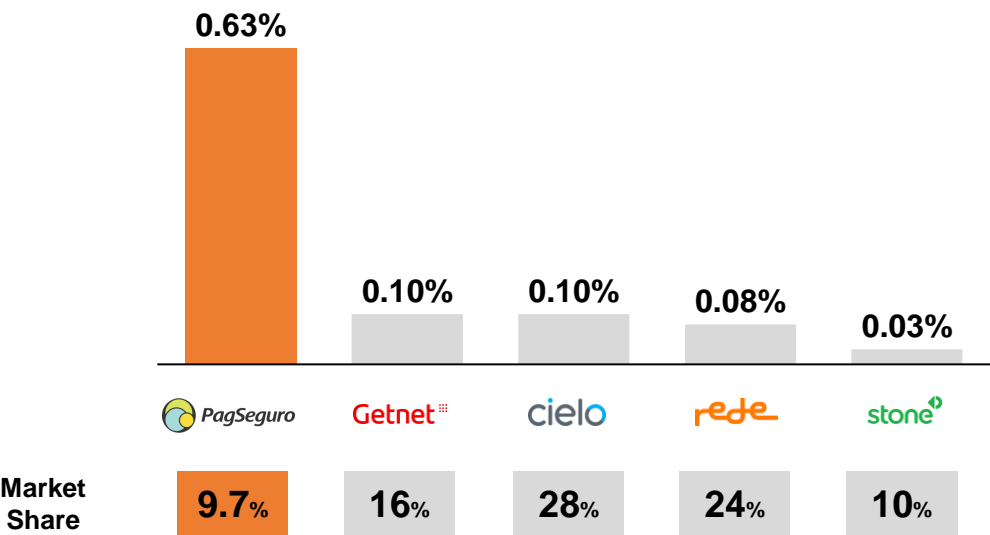


# PAGS: A powerful two-sided businesses



## Payments

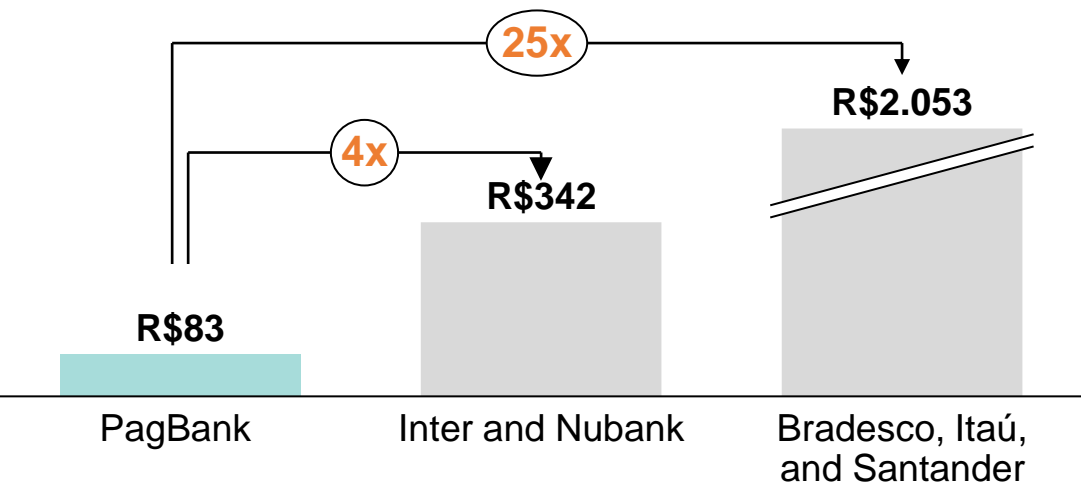
1H21 Net Income Yield<sup>1</sup>



The highest profitability

## Financial Services

Average Revenue per User (ARPU)<sup>2</sup>



PagBank ARPU is 4x smaller than Digital Banks' and 25x smaller than Incumbents Banks' ARPU

1. Non-GAAP Net Income / Acquiring TPV. Based on companies' public information;  
2. ARPU: LTM Revenue (Financial and Services) / (Active client last 5 quarters average). Source: companies' public information.



# Supplemental Information



# Born to create shared value to all

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**15 years**

PAGS was founded in 2006

**4 years**

listed as a public company at NYSE



**12.2 million**

PagBank Clients<sup>1</sup>

**7.7 million**

Merchants<sup>2</sup>

simplifying to  
**INCLUDE**



including to  
**DEMOCRATIZE**

**~80%**

is the # of new merchants that started to accept **cards payments** for the first time through PAGS

**>38%**

is the # of micro-merchants that **became formalized** after subscribing to our services

**~30%**

is the # of merchants **under 30 years old**

# But we can do more...

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## #1 ESG internal diagnosis

in 2020

## Demographics and internal diversity survey

43% of women on the Board of Directors  
(certified by Women on Board)



## #1 ESG report

2020 report (GRI-referenced)

## #1 materiality analysis

with internal stakeholders and data

## #1 GHG inventory

conducted by an external partner  
based on 2019 and 2020 data

## Signing of the United Nations Global Compact



...to be comply with the highest standards

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**#1 ESG report  
complied with  
GRI standards**

2021 Report  
to be released in 2022



**#1 GHG emissions  
reported on  
a global standard**

2019, 2020 and 2021 data  
on global standard platform



**Reducing GHG emissions,  
becoming carbon neutral  
company**

Conducted by an external partner  
based on 2019 and 2020 data



# Non-GAAP Financial Measures; Forward-Looking Statements

This presentation includes certain non-GAAP measures. 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. 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 separately from, or as a substitute for, our financial information prepared and presented in accordance with IFRS as issued by the IASB. Non-GAAP measures have limitations in that they do not reflect all 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. You can find the reconciliation of these non-GAAP measures to the most directly comparable GAAP measures for historical periods in our earnings release of November 11, 2021 available on our website: <https://investors.pageseguro.com>.

This presentation also 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. Forward-looking statements may include, but are not limited to, statements regarding our projected financial and operational results, medium-term outlook and future growth of our business, the impact and timing of products launches and acquisitions, and capital allocation. Our actual results could differ materially from those predicted or implied by 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, 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 consequence, current plans, anticipated actions and future financial position and results of operations may differ significantly from those expressed in any forward-looking statements in this presentation. 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 presentation 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. We assume no obligation to update such 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.