

**PAGS
DAY
2021**

**RICARDO
DUTRA**
CHIEF EXECUTIVE OFFICER





Ricardo Dutra

Chief Executive Officer

Education

- **Master's Degree:** Full-time MBA from Darden | University of Virginia
- **Executive Education:** FGV-SP
- **Bachelor's Degree:** Electrical/Industrial Engineering from FEI

Professional Background



BAIN & COMPANY 

Seasoned and highly motivated Management team

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Ricardo Dutra

Chief Executive Officer



Alexandre Magnani

Chief Operating Officer



Marden Neubert

Chief Technology Officer



Artur Schunck

Chief Financial Officer



Marlei Silva

Head of Digital Account



Fábio Herszkowicz

Head of Financial Services



Rogério Goulart

Chief Risk Officer

Brazilian Payments Timeline

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1950

1990

2006

2010

2013

2018

2019

2020

- **Diners Club** launched as a Shopping Card

- The “**Real Plan**” supports growth and new kinds of credit cards were launched (vouchers, among others)

- **VisaNet** and **Redecard** founded

- Beginning of **card issuance duality** in the Brazilian market

- **PAGS** founded

- End of the exclusivity agreement between **Visa + Cielo** and **Master + Rede**

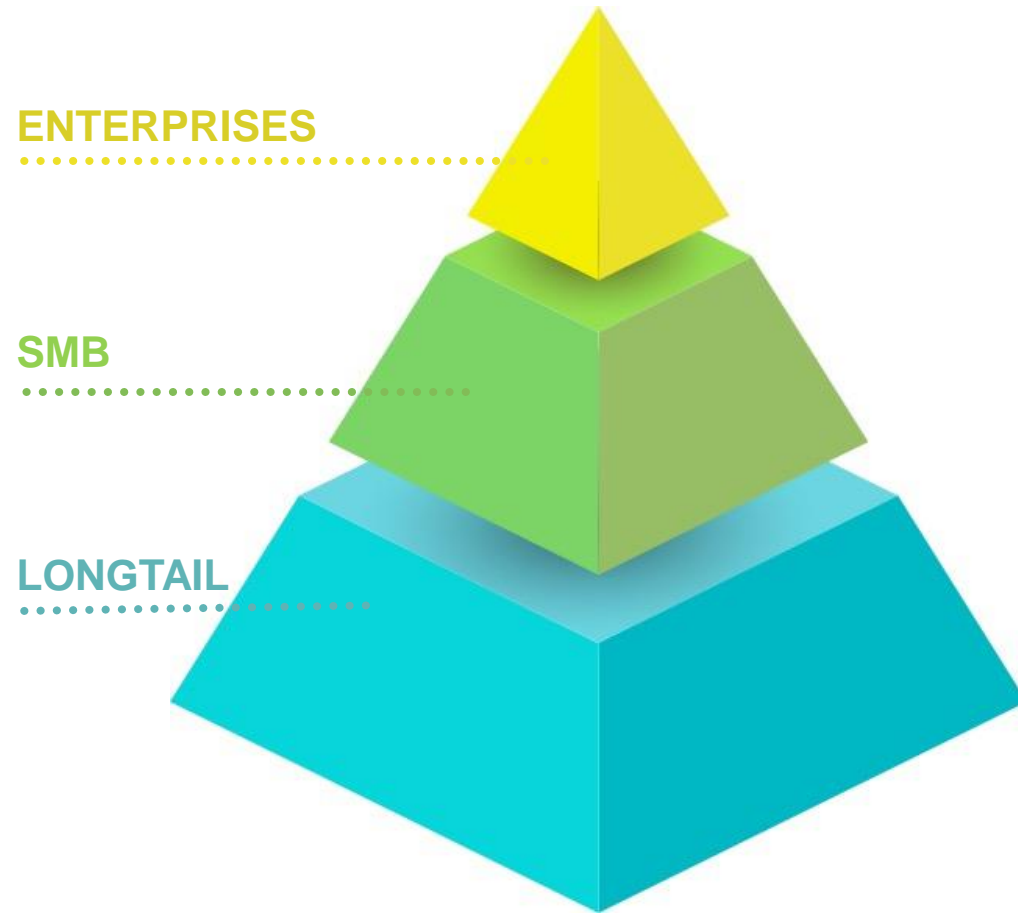
- **PAGS** starts selling POS
- **BACEN** launches the Payments Institutions regulation

- **PagSeguro's NYSE IPO:** the largest raising capital through an IPO for a Brazilian fintech (**\$2.6B**)

- Launch of the **BC # agenda**, by the Central Bank, to foster competition and creating opportunities for new players like **PAGS**

- Launch of **PIX** and initial phases of **Open Banking** by the Central Bank

Moving upmarket is easier than the opposite



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

...reaching +40% profit market share of the industry

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



10%

of TPV market share

.....

20%

of Revenue Pool

.....

+40%

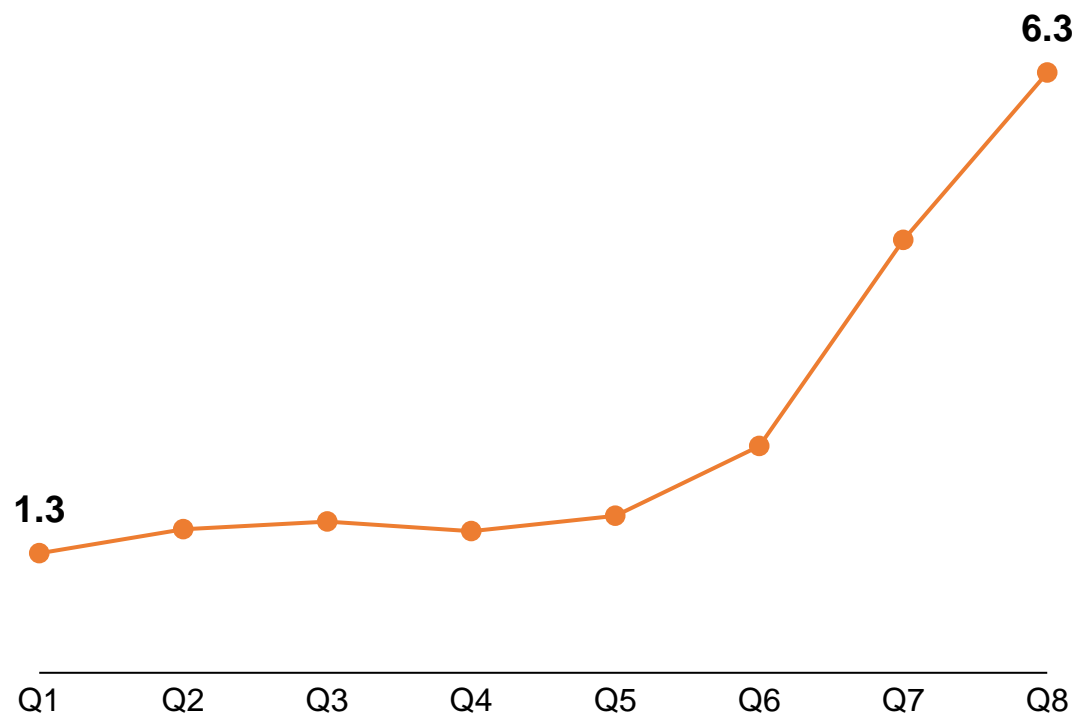
of Profit Pool

Healthy returns encourages to keep investing...

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ARPU¹

Merchants with PagBank / Merchants without PagBank



Payback²

04
quarters

ROI²

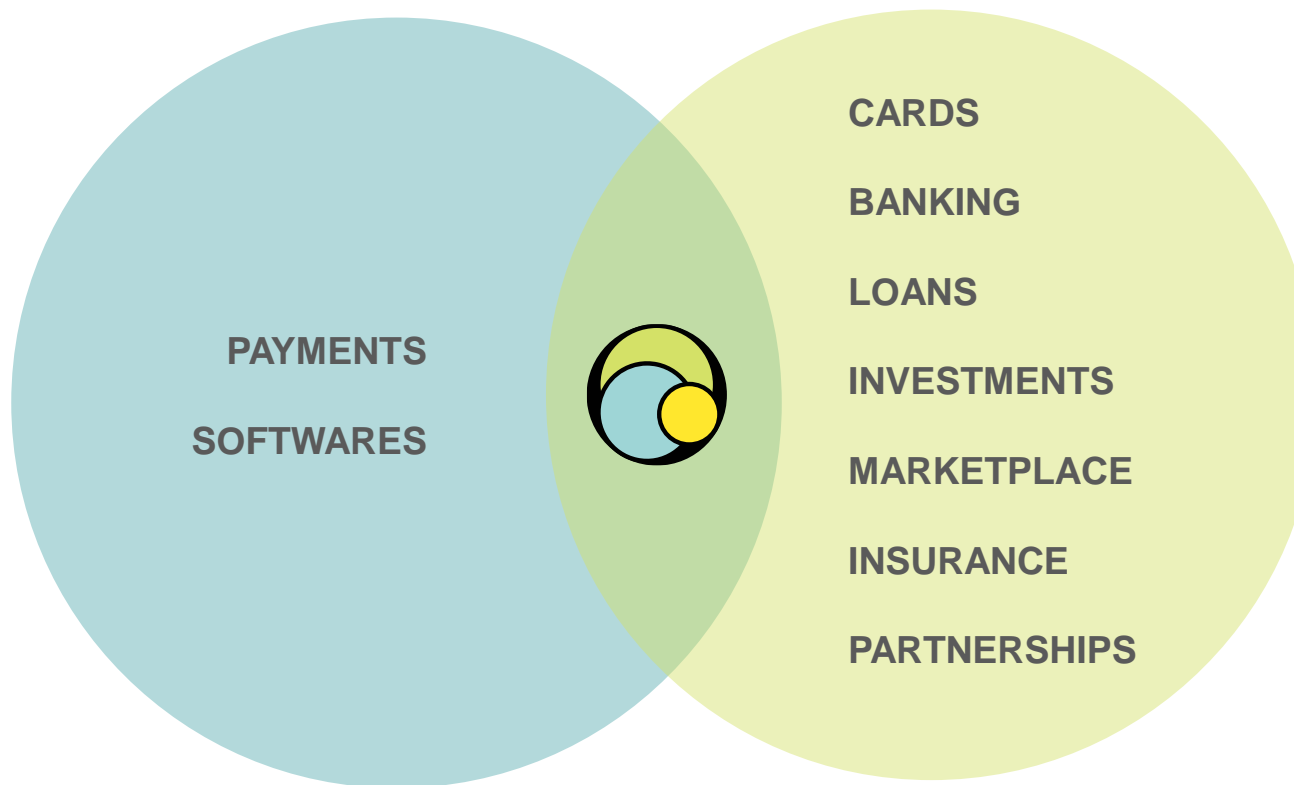
4x to 7x

Varying according to cohorts after
11 quarters

PagBank is a key driver to diversify revenues + profits...

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PAYMENTS + BANKING



...and there is a unique opportunity ahead of us...

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22x

bigger than Acquiring

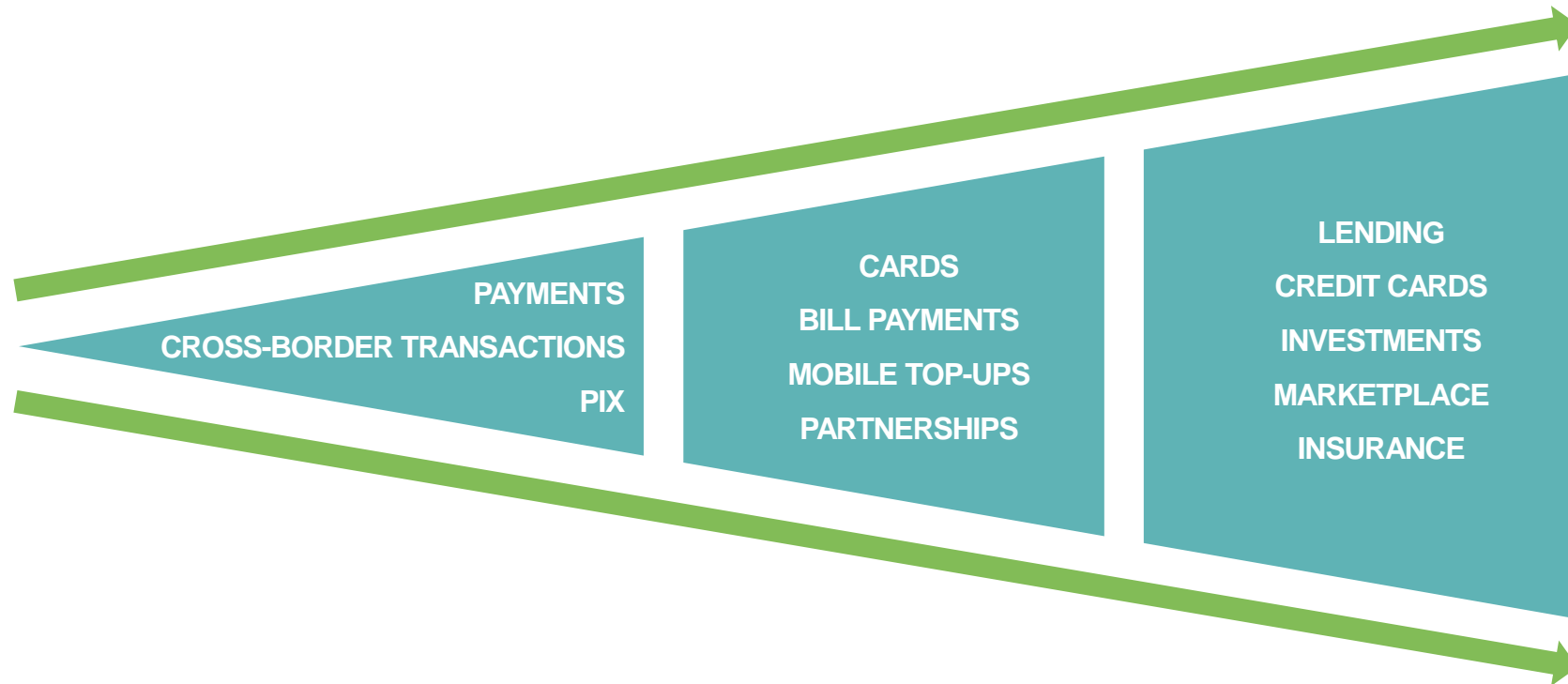


0.1%

of Revenue Pool

...while payments is a relevant entry-point

Payments are a “gateway” to a **broader and powerful financial services offerings** such as cards, lending, investments, insurance, marketplace, and partnerships

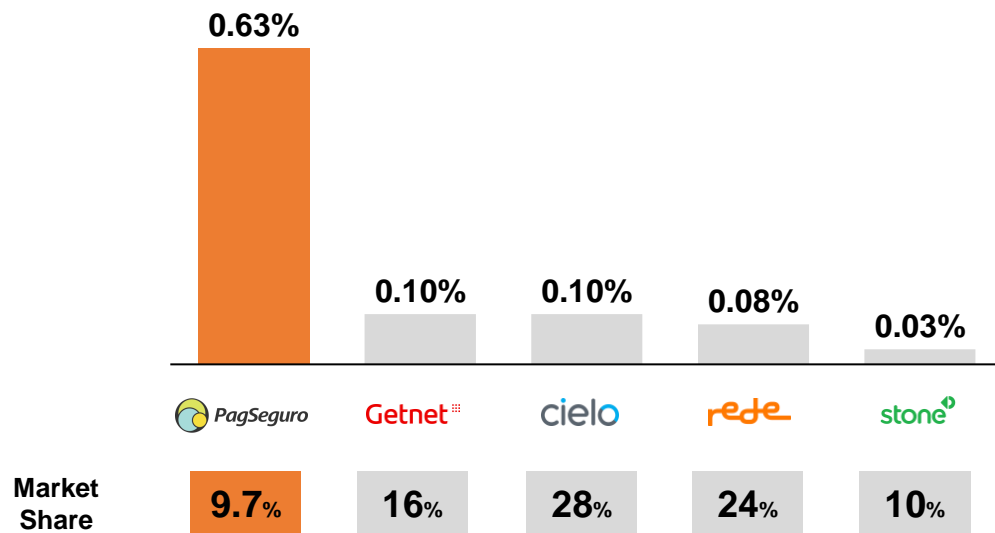


PAGS is the most profitable company

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Payments

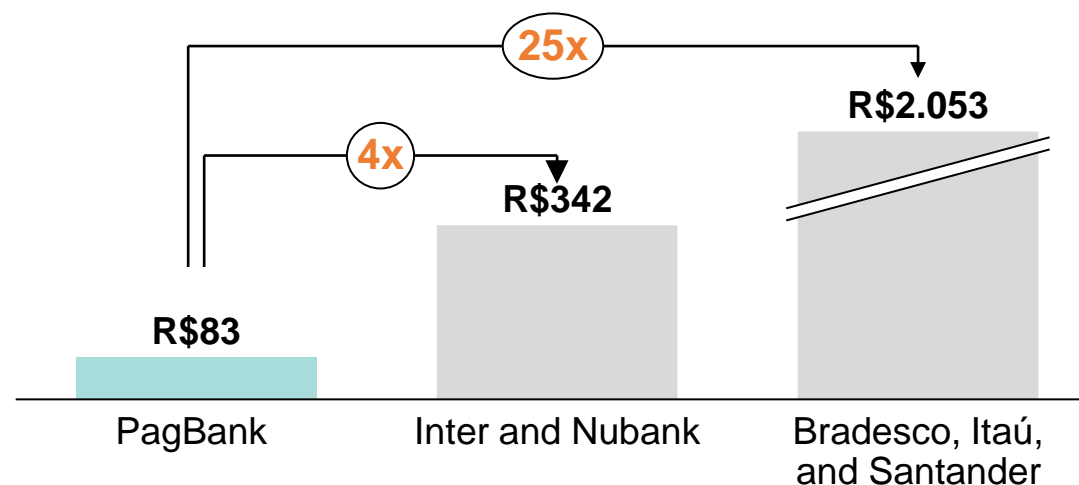
1H21 Net Income Yield¹



The highest profitability

Financial Services

Average Revenue per User (ARPU)²



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

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.