

# PPLA Participations – PPLA11

## Earnings Release

### Second Quarter 2023

*August 15<sup>th</sup>, 2023*

#### **Performance PPLA Participations**

Rio de Janeiro, Brazil, August 15<sup>th</sup>, 2023 - PPLA Participations Ltd. (PPLA Participations), reported comprehensive income close to zero for the quarter ended June 30<sup>th</sup>, 2023 (2Q 2023).

Financial statements and results from PPLA Participations consist mostly of its proportional share in PPLA Investments' equity, equivalent to 0.003% as of June 30<sup>th</sup>, 2023, which reported net income and comprehensive income of negative R\$ 2 million and 55 million, respectively

## Relevant Events

### Loan Agreement

On June 21<sup>st</sup>, 2021 PPLAI entered into a loan agreement with BTG MB Investments LP ("BTG MB") of up to R\$750 million, to be disbursed according to PPLAI request, on dates and amounts of the company's loan installments. Loans installments are as follows (i) June 21<sup>st</sup>, 2021, (ii) July 9<sup>th</sup>, 2021, (iii) December 16<sup>th</sup>, 2021, (iv) June 14<sup>th</sup>, 2022, (v) December 12<sup>th</sup>, 2022 and (vi) June 9<sup>th</sup>, 2023. Loans will mature in 30 months after loan agreement signing and will incur interest of 117,3% of CDI rate.

On June 21<sup>st</sup>, 2021 PPLAI requested to draw approximately R\$ 90 million on BTG MB and on July 9<sup>th</sup>, 2021 PPLAI requested the second draw of approximately R\$ 160 million. On December 16<sup>th</sup>, 2021, PPLAI requested the third draw of approximately R\$ 116 million.

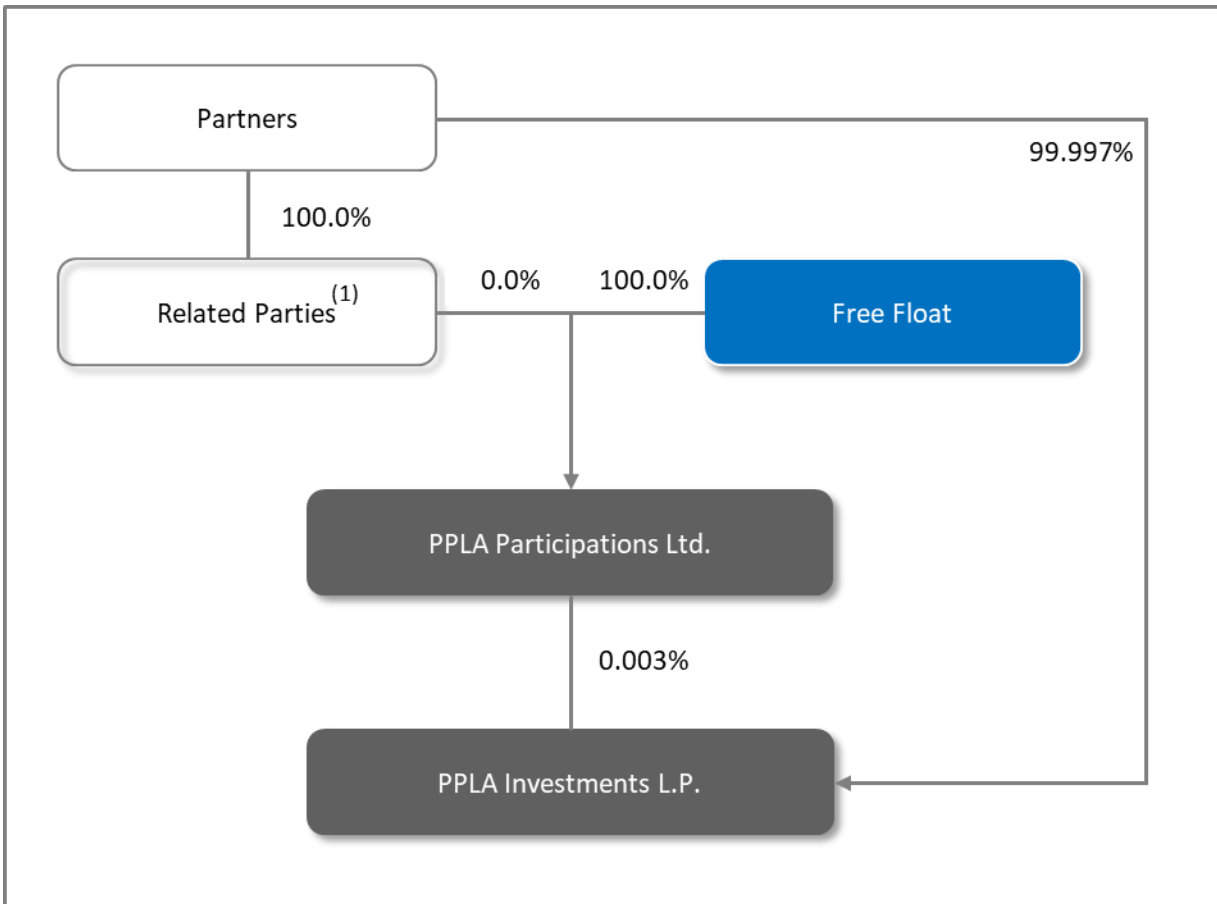
### Divestment of PagSeguro

Throughout the first quarter of 2023, there was a sale of part of PagSeguro's shares in the amount of R\$ 86,209. This event is part of the divestment process that the Company has been carrying out. The amount received by the sale remained in the Fund, applied to investments with high liquidity.

From May 3<sup>rd</sup> to May 8<sup>th</sup>, 2023, the remaining shares of PAGSeguro, which were registered in FIP Principal (an entity registered at fair value through other comprehensive income), were settled under market conditions, through the stock exchange.

### Shareholding Structure

PPLA Participations owns through its wholly-owned subsidiary BTG Bermuda LP Holdco Ltd. a stake corresponding to 0.003% of PPLA Investments’ capital. PPLA Participations indirectly holds equity interest in PPLA I and accounts for its as investment entity in accordance with IFRS 10 - Consolidated Financial Statements where assets and liabilities are measured at fair value.



(1) if applicable, it may include units acquired by investment vehicles owned by certain partners individually or collectively and vehicles under common control of the *Partnership*. The shareholding of the Partners in PPLAI takes place mainly through BTG MB Investments L.P.

## Financial Information

The financial information presented in the tables below consists of the financial position and results of operations from PPLA Investments as we believe they are more meaningful than those from PPLA Participations in order to understand the results of PPLA Participations.

Income Statement (unaudited) <i>(in R\$ million, unless otherwise stated)</i>	PPLA Investments	
	1Q 2023	2T 2023
Financial income	62	24
Financial expenses	(16)	(17)
<b>Gross financial income</b>	<b>46</b>	<b>7</b>
Other operating income (expenses)	(1)	(9)
<b>Operating income</b>	<b>45</b>	<b>(2)</b>
Non-operating income/(expenses)	-	-
<b>Income before taxes and profit sharing</b>	<b>45</b>	<b>(2)</b>
<b>Net income</b>	<b>45</b>	<b>(2)</b>

In 2Q 2023 PPLAI had operating Income of negative R\$ 2 million.

As PPLAI is an investment entity, it does not have significant operating expenses and administrative costs. As a result of the foregoing, net income was negative R\$ 2 million in line with operating income.

## Main Assets

The table presents a summary of PPLAI' assets and liabilities. The balance sheet below is pro-forma because it considers certain adjustments, such as intercompany eliminations.

Unaudited pro-forma balance sheet (in R\$ million)					
	1Q23	2Q23		1Q23	2Q23
<b>Assets</b>	<b>977.8</b>	<b>790.5</b>	<b>Liabilities + Equity</b>	<b>977.8</b>	<b>790.5</b>
Cash & Equivalents	86.5	54.5	Financial Liabilities <sup>(1)</sup>	553.3	463.1
Investment Entity Portfolio	572.2	568.0			
Merchant Banking	530	568			
- Fazendas Timber	134.8	134.2	Other Liabilities	105.1	0.6
- Beontag	422.0	422.0			
- Other Assets	15.4	11.8			
Invest at Fair Value - OCI	143.9	15.4			
Loans and Receivables	117.0	118.0			
- Partners	117.0	118.0			
Other Assets <sup>(1)</sup>	58.2	34.7	<b>Shareholders Equity</b>	<b>319.4</b>	<b>326.8</b>

(1) Excludes Intercompany Transactions

- (i) **Cash & Equivalents** were R\$54.5 million in the end of the 2Q 2023, compared to R\$86.5 million in the 1Q 2023.
- (ii) **Investment Entity Portfolio.**
  - a. **Fazendas Timber** consists of land properties, dedicated to management and commercial activities inherent to eucalyptus and pine plantation. The total assets decreased from R\$134.8 million in 1Q 2023 to R\$ 134.2 million in 2Q 2023 due to the quarter's negative operating result.
  - b. **Beontag** consists of a participation in Auto Adesivos Paraná S.A. Asset remained stable during the period.
  - c. **Other Assets** under Merchant Banking portfolio consist of smaller investments across different sectors.
- (iii) PPLA Investments also carries other private equity assets, under **Invest at Fair Value – OCI**, which are mainly held via investment funds. The total balance decreased from R\$143.9 millions in the 1Q 2023, to R\$15.4 in the 2Q 2023, mainly due to the sale of PagSeguro shares and distribution of dividends.
- (iv) **Loans and Receivables** consists of R\$118.0 million of partnership loans.

(v) **Financial Liabilities**

Liabilities to **Financial Institutions** consist of some long-term loans with Brazilian financial institutions and BTG MB. The total amount decreased during the quarter due to the repayment of part of the debt.

## **Basis for Presentation**

Except where otherwise noted, the information concerning our financial condition presented in this document is based on our Balance Sheet and Income Statement, which is prepared in accordance with IFRS.

## **Forward-looking statements**

This document may contain estimates and forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the U.S. Securities Exchange Act of 1934, as amended, or the Exchange Act. These statements may appear throughout this document. These estimates and forward-looking statements are mainly based on the current expectations and estimates of future events and trends that affect or may affect the business, financial condition, and results of operations, cash flow, liquidity, prospects and the trading price of the units. Although we believe that these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to many significant risks, uncertainties and assumptions and are made in light of information currently available to us. Forward-looking statements speak only as of the date they were made, and we do not undertake the obligation to update publicly or to revise any forward-looking statements after we distribute this document as a result of new information, future events or other factors. In light of the risks and uncertainties described above, the forward-looking events and circumstances discussed in this document might not occur and future results may differ materially from those expressed in or suggested by these forward-looking statements. Forward-looking statements involve risks and uncertainties and are not a guaranty of future results. As a result, you should not make any investment decision on the basis of the forward-looking statements contained herein.

## **Rounding**

Certain percentages and other amounts included in this document have been rounded to facilitate their presentation. Accordingly, figures shown as totals in certain tables may not be an arithmetical aggregation of the figures that precede them and may differ from the financial statements.