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PPLA Participations Ltd.

Financial statements at December 31, 2023 and independent auditor's report

pwc

(A free translation of the original in Portuguese)

Independent auditor's report

To the Board of Directors and Shareholders
PPLA Participations Ltd.

Opinion

We have audited the accompanying financial statements of PPLA Participations Ltd. (the "Company"), which comprise the balance sheet as at December 31, 2023 and the statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of PPLA Participations Ltd. as at December 31, 2023, and its financial performance and its cash flows for the year then ended, in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) (currently described as "IFRS Accounting Standards" by the IFRS Foundation).

Basis for opinion

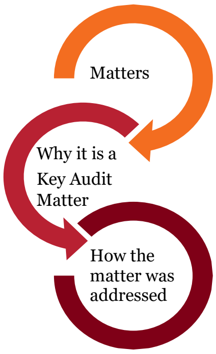
We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the ethical requirements established in the Code of Professional Ethics and Professional Standards issued by the Brazilian Federal Accounting Council, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Material uncertainty related to going concern

We draw attention to Note 1 to these financial statements, which states that the Company has incurred recurring decreases in shareholders' equity over the past few years for the reasons set out in that Note. Management's plans for reversing this situation, are also described in Note 1, and depends on the success of the initiatives taken by Management, through obtaining loans and capitalization, if necessary. This situation, among others described in that Note, indicates the existence of significant uncertainty that may cast significant doubts about the ability of the Company to continue as a going on concern. Our opinion is not qualified in respect of this matter.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



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In addition to the matter described in the "Material uncertainty related to going concern" section, we have determined the matters described below to be the key audit matters to be communicated in our report.

We planned and performed our audit for the year then ended December 31, 2023 taking into consideration that the operations of the Company had not changed significantly in relation to the previous year. In this respect, the Key Audit Matters, as well as our audit approach, have remained substantially in line with those in the prior year.

Why it is a Key Audit Matter	How the matter was addressed in the audit
Fair value measurement of financial instruments Level III	
As disclosed in Notes 3(e) and (f), 6 and 7, the Company has a investment in the subsidiary PPLA Investments LP., which, as of December 31, 2023, invested in financial instruments as shares and quotas of privately-held companies, classified as Level III, with operations in different industries and locations. These shares and quotas of privately held companies, with no stock exchange quoted prices, which are, as a result, valued at fair value estimated by Management, in accordance with the Company's assumptions and internal pricing models, that are based mainly on cash flow, and/or recent price negotiations transactions. We consider this a focus area in our audit as the use of different valuation techniques and assumptions may produce significantly different fair value estimates and also due to the materiality of the financial instruments, classified as Level III, in the context of the financial statements.	Our main audit procedures considered, among others, our understanding of the main processes involving the fair value measurement of financial instruments Level III. With the support of our specialists, we had meetings with those in the Management responsible for the preparation and approval of calculation of valuation of shares and quotas, in order to establish, based on our experience and judgment, whether the Company's measurement work is consistent with the valuation techniques usually applied in the market. We also tested the valuation methodology as well as the assumptions used by Management through the following: (i) understanding of the methodology used in the assessment; (ii) comparison of assumptions observable in the market, when applicable; (iii) review of the movements occurred during the year; (iv) comparison with the information and fair value obtained by the Company and (v) comparison of the spreadsheets used for the share and quotas valuation with the accounting records and with the disclosures made in the notes to the financial statements. We believe that the criteria adopted by management in the fair value measurement of the derivative financial instruments are consistent with the information analyzed in our audit.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) (currently described as "IFRS Accounting Standards" by the IFRS Foundation), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the Company's financial statements. We are responsible for the direction, supervision and performance of the audit, considering these investees. We remain solely responsible for our audit opinion.

PPLA Participations Ltd.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats to our independence or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the Key Audit Matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

São Paulo, March 21, 2024

PricewaterhouseCoopers
Auditores Independentes Ltda.
CRC 2SP000160/O-5

Edison Arisa Pereira
Contador CRC 1SP127241/O-0

PPLA Participations Ltd.

Balance sheet

As of December 31, 2023, and December 31, 2022
(In thousands of reais)

Assets	Note	12/31/2023	12/31/2022
Investment entity portfolio	5	9	7
Amounts receivable	6	968	506
Total assets		**977**	**513**
Liabilities			
Other liabilities	7	968	506
Total liabilities		**968**	**506**
Shareholders' equity			
Capital stock and share premium	8a	1,504,802	1,504,802
Other comprehensive income		424,134	424,135
Accumulated losses		(1,928,927)	(1,928,930)
Total shareholders' equity		**9**	**7**
Total liabilities and shareholders' equity		**977**	**513**

The accompanying notes are an integral part of these financial statements.

PPLA Participations Ltd.

Statement of income

Years ending December 31, 2023, and 2022
(In thousands of reais, except profit per share)

	Note	12/31/2023	12/31/2022
Gain on investment entity portfolio measured at fair value	10	2	5
Administrative expenses	11	(2,997)	(3,221)
Other operating income	12	2,997	3,218
Operating profit		**2**	**2**
Profit for the year		**2**	**2**
Profit / (Loss) per share - basic and diluted (in reais)	9	0.0007	0.0007

The accompanying notes are an integral part of these financial statements.

PPLA Participations Ltd.

Statement of comprehensive income

Years ending December 31, 2023, and 2022
(In thousands of reais unless otherwise stated)

	12/31/2023	12/31/2022
Profit for the year	2	2
Other comprehensive income / (loss) not to be reclassified to profit or loss:	(1)	(8)
Movement in investments designated at fair value through other comprehensive income	(1)	(7)
Currency translation adjustments	-	(1)
Total comprehensive income	**1**	**(6)**

The accompanying notes are an integral part of these financial statements.

PPLA Participations Ltd.

Statement of changes in shareholders' equity

Years ending December 31, 2023, and 2022
(In thousands of reais unless otherwise stated)

	Capital	Other comprehensive income	Accumulated losses	Total shareholders' equity
Balance as of December 31, 2021	**1,504,802**	**424,143**	**(1,928,934)**	**11**
Profit for the Year	-	-	2	2
Change in investments at fair value through other comprehensive income	-	(7)	2	(5)
Currency translation adjustments	-	(1)	-	(1)
Balance as of December 31, 2022	**1,504,802**	**424,135**	**(1,928,930)**	**7**
Balance as of December 31, 2022	**1,504,802**	**424,135**	**(1,928,930)**	**7**
Profit for the Year	-	-	2	2
Fair value realization of equity instrument	-	(1)	1	-
Balance as of December 31, 2023	**1,504,802**	**424,134**	**(1,928,927)**	**9**

The accompanying notes are an integral part of these financial statements.

PPLA Participations Ltd.

Statement of cash flows

Years ending December 31, 2023, and 2022
(In thousands of reais unless otherwise stated)

	Note	12/31/2023	12/31/2022
Operating activities			
Profit for the year		2	2
Adjustments to the loss for the year			
Loss from investment entity portfolio measured at fair value	10	(2)	(5)
Adjusted loss for the semester		-	(3)
Increase in operating liabilities			
Due to brokers		(462)	51
Other liabilities		462	(48)
Cash provided by / (used in) operating activities		-	-
Increase / (decrease) in cash and cash equivalents		-	-
Balance of cash and cash equivalents			
At the beginning of the year		-	-
At the end of the year		-	-
Increase / (decrease) in cash and cash equivalents		-	-

The accompanying notes are an integral part of these Interim Financial Statement.

1. Operating context

PPLA Participations Ltd. ("PPLA Participations", "Company" or “PPLAP”) was constituted as a tax exempted Limited Liability Company under the laws of Bermuda on March 26, 2010. On December 29, 2010, the Bermuda monetary authority approved the constitution of the Company. PPLA Participations headquarters is located at Clarendon House, 2 Church Street, HM 11, Hamilton, Bermuda.

The Company has applied for and has been granted exemption from all forms of taxation in Bermuda until September 30, 2035, including income, capital gains and withholding taxes. In jurisdictions other than Bermuda, some foreign taxes will be withheld at source on dividends and certain interest received by the Company.

PPLA Participations (together with BTG Pactual, the “Group”) have units listed on NYSE Euronext in Amsterdam and B3 in São Paulo. Each unit issued corresponds to 1 class A shares and 2 class B shares of PPLA Participations Ltd. All units listed and traded in Amsterdam remained wholly interchangeable with the units in Brazil.

The Company is the sole owner of BTG Bermuda LP Holdco Ltd ("BTG Holdco") which, on December 29, 2010, received a Class C common share from BTG Pactual Management Ltd. and thus became general partner of PPLA Investments LP. (“PPLA Investments“), previously denominated BTG Investments LP. As a consequence of this transaction, the Company obtained the right to control the financial and operating policies of PPLA Investments.

PPLA Investments was formed in 2008 and makes proprietary capital investments in a wide range of financial instruments, including Merchant Banking investments in Brazil and overseas, and a variety of financial investments in global markets.

BTG Pactual’s asset management area manages PPLA Investments’ assets and receives fees at arm’s length.

The Management of PPLA Investments is monitoring the recurring reduction in the Company's Shareholders' Equity over the last few years, mainly due to losses arising from negative mark-to-market in its investment entity portfolio. Reverting the accumulated deficit situation requires a successful implementation of Management's initiatives through loans - made between the Company and BTG MB Investments LP (“BTG MB”) - which can be capitalized, if necessary.

Although the deficit picture portraits the existence of a relevant uncertainty that can raise questions about the Company's operational continuity, management evaluation came to conclude, based on the aforementioned initiatives, that PPLA Participations has the capacity to continue operating in the next 12 months.

Loan Agreement

On June 21st, 2021 PPLAI entered into a Loan Agreement with BTG MB Investments LP ("BTG MB") in which PPLAI approved a credit line with BTG MB with total amount to BRL750 million, to be disbursed according to PPLAI request, on dates and amounts of the company loan installments, on the following dates: June 21st,2021, July 9th, 2021, December 16th, 2021, 2022, December 12th, 2022 and December 23th, 2023, with 30 months maturity, starting of June 21st, 2021 and interest rate of 117.3% of CDI to be applied on each amount disbursed. The agreement does not have on the date of its execution, a provision that would enable BTG MB to capitalize such credits fully or partially in the corresponding number of shares (partnership interests) of PPLA Investments, without prejudice to any commercial agreement to be negotiated on an arm's length basis. Simultaneously with the execution of the Agreement, PPLA Investments requested the first disbursement to BTG MB in the amount of approximately BRL90 million, which was made on the same date by BTG MB.

On July 9, 2021, PPLA Investments requested the second disbursement to BTG MB in the amount of approximately BRL 160 million, which was made on the same date.

On December 16, 2021, PPLA Investments requested the third disbursement to BTG MB in the amount of approximately BRL 116 million, which was made on the same date.

On November 13, 2023, PPLA Investments settled BRL 142 million of these loans, with cash and resources arising from operations with financial assets at amortized cost.

The loans corresponding to this Loan Agreement are conducted within the scope of the Company's initiatives to address its economic and financial situation and PPLA Investments' recurring capital needs, especially considering the maturity of certain loans and other short-term liabilities.

2. Presentation of Financial Statement

The Company's Financial Statement were prepared and are being presented in accordance with International Financial Report Standards (IFRS), issued by International Accounting Standards Board (IASB), currently referred to by the IFRS Foundation as "IFRS accounting standards".

The items included in the Financial Statement of each of the businesses of the Company are measured using the currency of the primary economic environment in which the company operates ("functional currency").

The Financial Statement were approved by the Management on March 12, 2024, and it contains a true and fair view of the financial position and results of the Company.

Amendments to IAS 7 – Statement of Cash Flow and IFRS 7 – Financial Instruments: Disclosures issued in May 2023 increasing the disclosure requirements for supplier financing agreements and their effect on a company's liabilities, cash flows and exposure to liquidity risk. These amendments will become effective as of January 1, 2024. The possible impacts are being evaluated and will be completed by the date on which the standard enters into force.

3. Main accounting practices

a. Use of estimative

The preparation of Financial Statement in conformity with IFRS requires management to make estimates and assumptions that affect the reported balances of assets, liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statement, as well as the reported amounts of revenues and expenses during the year. These estimates are based on historical experience and various other factors that Management believes are reasonable under the circumstances, the results form the basis for judgments about carrying values of assets and liabilities, which are not determined through other sources. The actual results could differ from those estimates.

b. Functional currency and presentation

The Company's functional currency became the real as of April 1, 2022, since most business transactions, especially its investments, are in this currency.

The change does not have significant effects on the Financial Statement, in any period, given that the Company already presented its Financial Statement in real.

c. Cash

Cash and cash equivalents include cash, bank deposits and highly liquid short-term investments redeemable in up to 3 months, subject to an insignificant risk of change in value.

d. Revenue and expense recognition

Net gains with financial instruments

Amounts that arise from trading activity including all gains and losses from changes in the fair value and the interest and dividend income or expense of financial assets and liabilities held for trading.

Interest income (expense)

Interest income (expense) is recognized as incurred, using the effective interest rate method. The interest on financial instruments held for trading are recorded in the statement of income when applicable.

e. Financial instruments

This section described the accounting practices related to IFRS 9.

Recognition date

All financial assets and liabilities are initially recognized on the trading date, that is, the date on which the entity becomes an interested party to the contractual relationship of the instrument. This includes purchases or sales of financial assets or liabilities that require delivery of the asset at a specified time established by regulation or market standard.

Initial recognition of financial instruments

The classification of the financial instruments at their initial recognition depends on the purpose for which they were acquired and their characteristics. IFRS 9 classification is generally based on the business model in which a financial asset is managed and its contractual cash flows. Subsequently to the IFRS 9 early adoption without electing fair value option, the Company classified its financial assets as measured at fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVOCI) with or without recycling or at amortized cost.

Derivatives financial instruments

Derivative financial instruments are recorded at fair value and held as assets when fair value is positive and as liabilities when fair value is negative. The changes in fair value of derivatives are recognized in the income statement “Net gains (losses) with financial instruments held for trading”.

Financial assets and liabilities designated at fair value through profit and loss

Financial assets and liabilities classified in this category are those designed as such on initial recognition. The designation of a financial instrument at fair value through profit or loss on initial recognition is only possible when the following criteria is observed, and the designation of each instrument is individually determined:

- Designation eliminates or significantly reduces the inconsistent treatment which would occur in the measurement of assets and liabilities or in the recognition of gains and losses corresponding to different ways; or

- Assets and liabilities are part of a group of financial assets, financial liabilities, or both, which are managed and with their performance assessed based on the fair value, as a documented strategy of risk or investment management; or

- The financial instrument contains one (or more) embedded derivative(s), which significantly modifies the cash flows that would otherwise be required by the agreement.

Financial assets and liabilities at fair value through profit and loss are recorded in the balance sheet at fair value. Changes in the fair value and earned or incurred interest are recorded in "profit and loss".

Financial assets measured at amortized cost

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and.

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, financial assets are measured at amortized cost using the effective interest rate method.

Financial liabilities at amortized cost

Financial liabilities are measured at amortized cost using the effective interest rate method and considering any discount or premium on issue and relevant costs that become part of the effective interest rate.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

Impairment of financial assets

Under IFRS 9, at initial recognition of a debt instrument, the Company needs to project its expected credit losses for the next 12 months and recognize it as an allowance for credit losses, even though no losses have yet occurred.

If the Company is expecting a significant deterioration in the credit quality of its counterparty, it should recognize an allowance equivalent to the lifetime expected credit losses of the instrument, rather than only the 12 month expected credit losses.

Measurement

Expected credit losses are a probability-weighted estimate of credit losses. They are measured as follows:

- Financial assets that are not credit-impaired at the Report date: as the present value of all cash shortfalls (the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).
- Financial assets that are credit-impaired at the Report date: as the difference between the gross carrying amount and the present value of estimated future cash flows.
- Undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive; and
- Financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Group expects to recover.

If the assets are no longer performing (a credit event), despite considering the expected credit losses for the lifetime of the instrument, the Company should also recognize interest revenue based on the net carrying amount, which means that the allowance should be accounted for on interest recognition.

The main evidence of deterioration of the credit quality of the counterparty are:

- the significant decline in the fair value of any security for a prolonged period.
- noncompliance with contract terms for delay of principal or interest.
- deterioration in ability to pay and operational performance.
- breach of covenants.
- notable change in the performance of the counterparty market.
- reduced liquidity of the asset due to financial difficulties the lender.

For impairment losses related to debt instruments through other comprehensive income, such losses will be recognized on the consolidated statements of income against other comprehensive income in an account called “accumulated impairment amount.” However, if in a subsequent period occur an increase in the fair value of the financial asset that can be related to any event, the loss previously considered will be reversed in profit and losses.

The Company is required to reduce the gross carrying amount of its financial instruments when there is no reasonable expectation of recovering the contractual cash flows on the financial assets on its entirety or a portion thereof.

f. Valuation of Investment entity portfolio

Within the context of IFRS 10, this entity is treated as an investment entity and therefore it is not necessary to conduct all the procedures related to the consolidation of investees, as the exception indicated in this rule. The objective is to earn gains through the management of portfolios and eventual purchase and sale transactions.

Investment entity portfolio is held at fair value with movements in fair value going through the profit and loss account. The investments held by BTG Holdco (through BTGI) are defined as underlying investments. These underlying investments correspond substantially to an investment in global markets and merchant banking investments which are generally made directly or through ownership in limited partnership funds. The merchant banking investments are comprised of equity ownerships, loans and convertible instruments which most of the risk and return are dependent on the fair value and characteristics of underlying equity. The Company may adjust these values if, in its view, the values do not reflect the price which would be paid in an open and unrestricted market between informed and prudent parties, acting at arm's length and under no compulsion to act.

Investment entity portfolio is measured according to the fair value measurement hierarchy described below:

Level 1: Price quotations observed in active markets for the same instrument.

Level 2: Price quotations observed in active markets for instruments with similar characteristics or based on pricing model in which the relevant parameters are based on observable active market data.

Level 3: Pricing models in which current market transactions or observable data are not available and require a high degree of judgment and estimation. Instruments in this category have been valued using a valuation technique where at least one input which could have a significant effect on the instrument's valuation is not based on observable market data. Where inputs can be observed from market data without undue cost and effort, the observed input is used. Otherwise, the Company determines a reasonable level for the input. The valuation models are developed internally and are reviewed by the pricing team, which is independent from the revenue generating areas, they are updated whenever there is evidence of events that could have affected the assets' pricing. Investment entity portfolio primarily includes certain limited partnership interests in private equity funds mainly derived from our merchant banking activities and OTC derivatives which valuation depends upon unobservable inputs. No gain or loss is recognized on the initial recognition of an investment entity portfolio valued using a technique incorporating significant unobservable data.

Level 3 valuation assumptions

Asset	**Valuation technique**	**Main assumptions**
Private Equity Funds (unquoted investments)	Price of recent investments; Models based on discounted cash flows or earnings; market transactions (M&A) multiples.	Market and revenue growth, profitability and leverage expectations, discount rates, macro-economic assumptions such as inflation and exchange rates, risk premiums including market, size and country risk premiums.
Derivatives	Standard models and non-bidding quoted prices	Counterpart - Probability of default and recovery rates.

In certain cases, data used to determine fair value may be from the different levels of the fair value measurement hierarchy. In these cases, the financial instrument is classified in the most conservative hierarchy in which the relevant data for the fair value assessment were used. This evaluation requires judgment and considers specific factors of the relevant financial instruments. Changes in the availability of the information may result in reclassification of certain financial instruments among the different levels of fair value measurement hierarchy.

g. Financial instruments – Offsetting

Financial assets and liabilities are presented net in the balance sheet if, and only if, there is a current and enforceable legal right to offset the amounts recognized and if there is the intention to offset, or to realize the asset and clear the liability simultaneously.

h. Contingent assets and liabilities

Provisions are recognized when the Company has a current obligation (legal or constructive), as the result of a past event and it is probable that an outflow of resources which incorporates economic benefits shall be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. The expense related to any allowance is presented in the income statement net of any reimbursement.

The recognition, measurement and the disclosure of the assets and contingent liabilities and of the legal are made pursuant to the criteria described below.

Contingent assets - not recognized in the Financial Statement, except when there is evidence that realization is virtually certain.

Contingent liabilities - are recognized in the Financial Statement when, based on the opinion of legal advisors and Management, the risk of loss of an action, judicial or administrative is deemed likely, with a probable outflow of resources to settlement of the obligations and when the amounts involved can be reasonably measured. Contingent liabilities classified as possible losses by the legal advisors are only disclosed in explanatory notes, while those classified as remote losses are neither provided for nor disclosed.

i. Profit allocation

The dividends are classified as liabilities when declared by the board and approved by the Extraordinary / Ordinary General Meeting.

j. Segment information

IFRS 8 requires that operating segments are disclosed consistently with information provided to the Company's chief operating decision maker, who is the person or group of persons that allocates resources to the segments and assesses their performance. Management understands the Company has only one segment, which is related to the company's an investment activity and so no segment information is disclosed.

(In thousands of reais)

k. Invested companies

Below is the ownership interest held by PPLA Investments in its Indirect subsidiaries:

		Equity interest - %	
	Country	12/31/2023	12/31/2022
Indirect subsidiaries			
Timber XI SPE S.A.	Brazil	7.77	8.02
Timber IX Participações S.A.	Brazil	7.77	8.02
Timber XII SPE S.A.	Brazil	7.77	8.02
Fazenda Corisco Participações S.A.	Brazil	7.77	8.02
BTG Pactual Santa Terezinha Holding S.A.	Brazil	7.77	8.02
Timber VII SPE S.A.	Brazil	7.84	8.02
BTGI VII Participações S.A.	Brazil	100.00	100.00
BTGI VIII Participações S.A.	Brazil	100.00	100.00
Harpia Omega Participações S.A.	Brazil	100.00	100.00
Latte Saneamento e Participações S.A.	Brazil	4.40	4.40
Auto Adesivos Paraná S.A.	Brazil	11.17	11.17

4. Risk management

The Company’s risk management involves several levels of our management team and various policies and strategies. The structure of the Company’s committees allows engaging the whole organization and ensuring decisions are readily implemented.

The main committees/meetings involved in risk management activities are: (i) Management meeting, which approves policies, defines overall limits and, alongside with the other committees, monitors the management of our risks; (ii) Compliance Committee, which is responsible for establishing policy rules and report potential problems related to money laundering.

a. Market risk

The Company evaluated and will continue to evaluate and measure the performance of substantially all of its fair value investment portfolio and, therefore, there was no significant change in the risk management structure.

b. Credit risk

The following table shows the maximum exposure of the investment entity portfolio by geographic region:

	12/31/2023			
	Brazil	United States	Others	Total
Assets				
Investment entity portfolio	17	-	-	17
Financial assets at amortized cost (i)	-	-	1	1
Total	**17**	**-**	**1**	**18**

(In thousands of reais)

	12/31/2022			
	Brazil	United States	Others	Total
Assets				
Cash and cash equivalents	-	-	2	2
Investment entity portfolio	12	-	-	12
Investments at fair value through other comprehensive income	-	4	-	4
Financial assets at amortized cost (i)	-	3	-	3
Other assets	-	-	1	1
Total	**12**	**7**	**3**	**22**

(i) The amount basically corresponds to loans to partners.

The table below states the maximum exposures to credit risk of the investment entity portfolio, classified by the counterparties' economic activities:

	12/31/2023				
	Private institutions	Companies	Individuals	Others	Total
Assets					
Investment entity portfolio	-	16	-	1	**17**
Financial assets at amortized cost	-	-	1	-	**1**
Total	**-**	**16**	**1**	**1**	**18**

	12/31/2022				
	Private institutions	Companies	Individuals	Others	Total
Assets					
Cash and cash equivalents	2	-	-	-	**2**
Investment entity portfolio	-	12	-	-	**12**
Investments at fair value through other comprehensive income	-	4	-	-	**4**
Financial assets at amortized cost	-	-	3	-	**3**
Other assets	-	-	-	1	**1**
Total	**2**	**16**	**3**	**1**	**22**

c. Liquidity analysis and risk

As of December 31, 2023, and December 31, 2022, the Company does not have any cash or cash equivalents. And there is no fixed maturity for the discounted cash flows for the investment entity portfolio of the Company. The following table shows the Investment entity portfolio's liquidity position as of December 31, 2023, and 2022:

	12/31/2023				
	Up to 90 days / No maturity	90 to 365 days	1 to 3 years	Over 3 years	Total
Assets					
Cash and cash equivalents	-	-	-	-	**-**
Investment entity portfolio	17	-	-	-	**17**
Financial assets at amortized cost	-	-	-	1	**1**
Liabilities (i)	-	(9)	-	-	**(9)**
Total	**17**	**(9)**	**-**	**1**	**9**

	12/31/2022				
	Up to 90 days / No maturity	90 to 365 days	1 to 3 years	Over 3 years	Total
Assets					
Investment entity portfolio					
Cash and cash equivalents	2	-	-	-	**2**
Investment entity portfolio	12	-	-	-	**12**
Investments at fair value through other comprehensive income	4	-	-	-	**4**
Financial assets at amortized cost	-	-	-	3	**3**
Other assets	1	-	-	-	**1**
Liabilities (i)	(3)	-	(12)	-	**(15)**
Total	**16**	**-**	**(12)**	**3**	**7**

(i) The amounts refer basically to loans to partners.

(In thousands of reais)

5. Investment entity portfolio

The Financial Statement of PPLA Investments ("PPLAI") for the year ended December 31, 2023, were reviewed by independent auditors who issued an opinion report on March 12, 2024, without modification, presenting a section of relevant uncertainty related to operational continuity.

As of December 31, 2023, PPLA Investments' equity is BRL 325,109 (2022 – 269,230) due to results with the investment entity portfolio. PPLA Participations marked its investment in PPLA Investments at BRL 9 on December 31, 2023 (BRL 7 – December 31, 2022), considering the percentage of interest held by the Company of 0.003% (December 31, 2022 – 0.003%). PPLA P does not have contractual commitments with the liabilities of its investees.

PPLA Participations values its investments at fair value, in accordance with the accounting's standards of PPLA Investments.

The relevant figures of the PPLA Investments investment portfolio, as of December 31, 2023, and December 31, 2022, are presented below:

	Note	12/31/2023 (1)	12/31/2022 (1)
Assets			
Cash and cash equivalents	(a)	6,501	78,562
Investment entity portfolio	(b)	610,757	448,832
Investments at fair value through other comprehensive income	(c)	13,945	145,081
Financial assets at amortized cost	(d)	25,170	118,510
Other assets		947	20,414
Total		**657,320**	**811,399**
Liabilities			
Derivatives		-	20,404
Financial liabilities at amortized cost	(e)	330,847	430,102
Other liabilities		1,364	91,665
Total		**332,211**	**542,171**
Shareholders' equity		**325,109**	**269,228**
Total liabilities and shareholders' equity		**657,320**	**811,399**

(a) Cash

This item is composed exclusively of bank deposits with immediate liquidity.

(b) Investment entity portfolio

	As of December 31, 2023	As of December 31, 2022
	Fair value	Fair value
Merchant Banking investments	562,674	513,447
Private equity funds ("FIP")	421,879	382,244
Subsidiaries, associates, and jointly controlled entities	140,795	131,203
Others (1)	48,083	(64,615)
Total	**610,757**	**448,832**

(1) Includes financial assets and liabilities entered into by Company subsidiaries.

(In thousands of reais)

(i) Merchant Banking investments

Merchant Banking investments consist of investments, held directly or through investment vehicles (including funds that also include third party investors), in a diversified group of portfolio companies primarily located in Brazil. Merchant Banking investments are structured generally through privately negotiated transactions with a view to divest in four to ten years.

As of December 31, 2023, and 2022, PPLA Investments Merchant Banking investments corresponds to private equity and real estate investments, through FIP or other investment vehicles, as disclosed below:

		12/31/2023		12/31/2022	
Merchant Banking investments	**Description/Segment activity**	**(%) (1)**	**Fair value**	**(%) (1)**	**Fair value**
Through FIPs:					
Beontag	Adhesives, labels and special paper company	11.17%	421,878	11.17%	382,244
Through subsidiaries, associates and jointly controlled entities:					
Timber XI SPE S.A.	Biological assets	7.77%	2,535	8.02%	4,311
Timber IX Participações S.A.	Biological assets	7.77%	14,854	8.02%	13,866
Timber XII SPE S.A.	Biological assets	7.77%	55,063	8.02%	48,125
BTG Pactual Santa Terezinha Holding S.A.	Biological assets	7.77%	10,295	8.02%	11,772
Fazenda Corisco Participações S.A.	Biological assets	7.77%	12,504	8.02%	12,777
Timber VII SPE S.A.	Biological assets	7.84%	43,345	8.02%	37,365
Loans - Merchant Banking investments	Others	-	2,200	-	2,987
Total			**562,674**		**513,447**

(1) The equity interest disclosed in the table above refers to the Company indirect interest.

Fair value Hierarchy

The summary of assets and liabilities classified in accordance with the fair value hierarchy is as follows:

	12/31/2023			
	Level 1	**Level 2**	**Level 3**	**Total**
Investment entity portfolio				
Merchant Banking investments				
Private equity funds	-	-	421,878	**421,878**
Subsidiaries, associates, and jointly controlled entities	-	2,200	138,596	**140,796**
Others	-	48,083	-	**48,083**
Total	**-**	**50,283**	**560,474**	**610,757**

	12/31/2022			
	Level 1	**Level 2**	**Level 3**	**Total**
Investment entity portfolio				
Merchant Banking investments				
Private equity funds	-	-	382,244	**382,244**
Subsidiaries, associates, and jointly controlled entities	-	2,987	128,216	**131,203**
Others	-	(64,615)	-	**(64,615)**
Total	**-**	**(61,628)**	**510,460**	**448,832**

(c) Investments at fair value through other comprehensive income

PPLA Investments presents part of its investment entity portfolio as investments designated at fair value through other comprehensive income, as described below:

	As of December 31, 2023	As of December 31, 2022
	Fair value	**Fair value**
Merchant Banking investments - FIP	13,945	145,081
Total	**13,945**	**145,081**

(In thousands of reais)

(i) Merchant banking investments - FIP

As of December 31, 2023, and December 31, 2022, PPLA Investments Merchant Banking investments corresponds to private equity and real estate investments, through FIP, as disclosed below:

		12/31/2023		12/31/2022	
Merchant Banking investments	**Description/Segment activity**	**(%) (1)**	**Fair value**	**(%) (1)**	**Fair value**
A!Bodytech Participações S.A.	Fitness segment	10.5%	5,831	10.5%	5,739
Latte S.A.	Waste collection, treatment, and disposal	15.7%	3,949	15.7%	2,397
PagSeguro LTDA. (2) (3)	Payment's institution	-	-	0.9%	128,774
Others	Others	-	4,165	-	8,171
Total			**13,945**		**145,081**

(1) The equity interest disclosed in the table above refers to the Company indirect interest.
(2) On September 05, 2022, on Extraordinary / Ordinary General Meeting the new class A of redeemable preferred shares was approved for conversion by Company's preferred shareholders choice, and, the full redeem from the preferred shares redeemable, assuming the full conversion of preferred shares held by the shareholder BTG Pactual Principal Investments Fundo de Investimento em Participações Multiestratégia, and, the deliverance of 7.960.215 (seven million, nine hundred sixty thousand, two hundred fifteen) Class A ordinary shares issued by PagSeguro Digital Ltd. ("Pagseguro").
(3) Throughout the first semester of 2023, there was a sale of all of PagSeguro's shares. This event is part of the divestment process that the Company has been conducting.

Fair value hierarchy

The summary of assets and liabilities classified in accordance with the fair value hierarchy is as follows:

	12/31/2023			
	Level 1	**Level 2**	**Level 3**	**Total**
Investments at fair value through other comprehensive income				
Merchant Banking investments - FIP	4,165	-	9,780	**13,945**
Total	**4,165**	**-**	**9,780**	**13,945**

	12/31/2022			
	Level 1	**Level 2**	**Level 3**	**Total**
Investments at fair value through other comprehensive income				
Merchant Banking investments - FIP	-	-	145,081	**145,081**
Total	**-**	**-**	**145,081**	**145,081**

(d) Financial assets at amortized cost

	12/31/2023	12/31/2022
Partners (i)	25,170	118,510
Total	**25,170**	**118,510**

(i) Loans granted by PPLA Investments are indexed to DI or SOFR, and the maturity is in general higher than one year. Loans to partners are provided in connection with the acquisition of shares in BTG Pactual Group and are considered as related parties at PPLA Investments – note 13.

As of December 31, 2023, and December 31, 2022, the fair value attributed to the loans and receivables is similar to its amortized cost.

(e) Fair value Hierarchy

(i) Summary of Fair Value Techniques

There was no change in fair value techniques in relation to the financial projections for the year ended December 31, 2022.

(In thousands of reais)

(ii) Reclassification between levels

During the year held on December 31, 2023, there was no reclassification between levels and fair value position.

(f) Financial liabilities at amortized cost

Part of the loans and medium-term notes are guaranteed by BTG Pactual Holding S.A., indirect parent company of Banco BTG Pactual.

6. Amounts receivable

As of December 31, 2023, the item refers entirely to amounts receivable from investees/subsidiaries, to pay for the Company's administrative expenses as of December 31, 2023, in the amount of BRL 968 (BRL 506 as of December 31, 2022).

7. Other liabilities

As of December 31, 2023, the item refers entirely to amounts payable regarding administrative expenses from the Company's BDRs program in the amount of BRL 968 (BRL 506 as of December 31, 2022).

8. Shareholders' equity

a. Capital

As of December 31, 2023, and December 31, 2022, the Company's capital was comprised by the following class of shares:

	Authorized	Issued	Par value (BRL)	Voting rights	Vote per share
Class A (i)	5.000.000.000	938.222		Yes	1
Class B (i)	10.000.000.000	1.876.444		No	-
Class C	1	1	1	Yes	(*)
Class D	1.000.000.000	-	0,0000000001	Yes	1
Total	**16.000.000.001**	**2.814.667**			

(*) Class C shareholders hold voting rights equivalent to ten times the total number of issued and subscribed A and D Class shares at any moment.
(i) Only class A and class B shareholders are entitled to economic benefits.

b. Dividends

The Company did not distribute dividends during the year ended December 31, 2023, and the year ended December 31, 2022.

9. Profit / (Loss) per share

	12/31/2023	12/31/2022
Profit for the year	2	2
Weighted average per thousand shares outstanding during the year	2,815	2,815
Profit / (Loss) per share - basic and diluted (in reais)	**0.0007**	**0.001**

(In thousands of reais)

10. Gain / (Loss) from investment entity portfolio measured at fair value through profit or loss

	12/31/2023	12/31/2022
Gain on investment entity portfolio	2	5
Total	2	5

11. Administrative expenses

In the years ended December 31, 2023, and 2022, the item is composed exclusively of custodial expenses, due to the Company's BDR program.

12. Other operational income

In the years ended December 31, 2023, and 2022, the item is composed exclusively of amounts regarding reimbursed from subsidiaries.

13. Related Parties

		Assets (Liabilities)		Revenues (Expenses)	
	Relationship	**12/31/2023**	**12/31/2022**	**12/31/2023**	**12/31/2022**
Assets					
Amounts receivable					
- PPLA Investments LP	Controlled entities	968	506	2,997	3,218

No management compensation was recorded during the years ended December 31, 2023, and 2022.