

1H24 Earnings Release

August 2024



PicPay Surpasses Last Year's Net Income In Only 6 Months

Message From the Management

We are pleased to present PicPay's financial and operational results for the first half of the year. We are delighted to highlight that the net income recorded in the first half, R\$61.8 million, is already nearly twice as high as the total net income for 2023. Furthermore, we achieved high levels of profitability with our second quarter annualized return on equity, posting 17.6%.

This remarkable performance was possible due to our successful strategy of accelerating revenue growth, reaching 50% year-over-year, and diversification, particularly with the growth of our credit operations with proprietary funding that started in October last year. Additionally, the average revenue per active consumer (ARPAC) reached R\$34.6 in 2Q24, an expansion of 39% year-over-year.

Revenues from Wallet & Banking, which represented 80% of our total net revenue last year, now account for 56%. This shift is due to the revenue growth from Financial Services, which now represents 37% of our total net revenues.

A. Transacting power of our digital wallet

Our digital wallet continues to be the main contributor to our results and consumer engagement, with total cash-in reaching R\$175 billion (77% growth) and total TPV reaching R\$189 billion (66% growth) in the first six months of 2024.

Total deposits reached R\$14.3 billion in June 2024, growing 41% over June 2023. That is a clear sign that our consumers are choosing PicPay to concentrate more of their financial activities on our platform. As Pix (instant payments) became the most used payment method for Brazilians, PicPay continues to play a key role with its best-in-class Pix user experience. About 11% of all Pix transactions were originated by or ended at a PicPay account.

Besides contributing very positively to our results, the wallet is a vital component in our credit underwriting strategy as it enables us to collect extensive data derived from (a) our robust transactional market share of instant payments (Pix); (b) more than 8.5 million bills paid by month; (c) more than 39 million credit cards registered on file; (d) Open Finance, through which we allow our consumers to connect and manage their other bank accounts in our app. We currently have more than 7 million active consents (17% market share) from consumers that allow us to pull all their financial, transactional, and investment data held at other banks.

In the first half of 2024, we launched our underage account for individuals under eighteen. Our mission is to minimize complexity and enable millions of people to have financial control and independence from their early years. With the consent of their legal guardians, who must have an account registered on PicPay, children and teenagers may have access to a wide range of products and features within our ecosystem. Young individuals can carry out day-to-day payment transactions through instant payments (Pix), a debit card registered on file, transit and cell phone top-ups, and digital goods. We are already adding an average of 80,000 new under-age accounts each month.

1H24 Highlights

Revenue

R\$ **2.4B**

+50% year-over-year

Net income

R\$ **61.8M**

vs. R\$37M for 2023 FY

Profitability

17.6%

Quarterly Annualized ROE

Total TPV

R\$ **188.6B**

+66% year-over-year

Credit Portfolio

R\$ **6.0B**

As of Jun/24 (+62% qoq)

Message From the Management

Chasing our mission to offer the best basic banking experience, we launched our payment assistant, a feature that helps consumers organize, centralize, and pay all their bills in one place more efficiently and securely. Consumers can pay and schedule a bill payment, check the status of their bills (i.e., if it is paid, scheduled, due, expired, etc.), monitor invoices issued in their name, and manually add invoices (in their name or someone else's name) to receive payment reminders when they are close to the due date.

We launched another feature called "safe mode". This feature brings another layer of protection to our consumers' accounts. For instance, if a consumer's cell phone gets stolen, safe mode can prevent other people from accessing the money. Consumers can add up to 5 addresses considered safe, where they will be able to see all their balances with no restrictions (piggy banks, investments, and connected accounts). When away from a secure address, these balances will be protected. Additionally, it is possible to set a limit for making payments when out of the safe places.

Finally, at the end of July, PicPay and Google Wallet began offering Pix payments. PicPay consumers were among the first to utilize this new feature. To use Pix payments through Google Wallet, consumers must link their PicPay account to Google. Once the account is connected, the Pix payment option will automatically appear in Google Wallet on the home screen.

B. New avenues of growth and business diversification

As we evolve our business model from a digital wallet to a broader financial platform for both consumers and merchants, we are executing a healthy strategy to diversify our revenues. Revenues from Wallet & Banking, which represented 80% of our total net revenues from last year, now accounts for 56% of the total, with new products like credit cards and loans becoming relevant drivers of top-line growth and consumer engagement. On top of financial services, our merchant acquiring business is gaining momentum, with a stronger value proposition to merchants, including our e-wallet, QR Code, Pix Payments, and merchant acquiring services for online and offline transactions.

In addition to the strong growth of the digital wallet going forward, we expect financial services and merchant-acquiring products to accelerate in the second half of 2024 and become more relevant to our revenue composition.

Financial Services

The growth of our credit activities is driven by some fundamentals that determine how we conduct this business, balancing growth, profitability, and risk management:

- i. **On-balance credit for core products:** Since October last year, we started our credit origination through proprietary funding for products we consider core to our business, such as credit cards, personal loans, FGTS loans, and payroll loans.
- ii. **Balance between secured and unsecured products:** Our strategy combines a healthy balance between secured and unsecured credit origination. Loan origination for secured products represented 68% of new loan volumes during the first six months of 2024, mainly driven by FGTS and payroll loans. For unsecured products, we are accelerating the origination of our credit cards, BNPL (buy-now-pay-later), and personal loans.
- iii. **Risk management based on behavior:** Our risk management is based on a behavior approach; the more we know our customers, the more comfortable we get to increase our risk appetite and extend credit. Our risk management policy starts with a collateral-first approach for customers, for we have no information, only extending credit if the customer has account balances or investments in our Piggy Bank. For customers with transactional data in our digital wallet or with credit data from third-party bureaus, we start with a micro or small and progressive limit approach that gradually increases as customers engage and perform well in the ecosystem. For instance, it starts with a R\$50 credit limit for a monthly mobile top-up, and after three months, with the credit card invoice paid regularly and on time, it can go up to R\$100 and progressively increase till reaching a higher non-secured credit limit.
- iv. **High capability to scale digital product offerings:** PicPay proved to be one of the largest online distributors of financial services and products. We are one of Brazil's largest digital distributors of FGTS loans, with an average monthly origination exceeding R\$200 million. Credit card issuance reached an average of around 900,000 per month, and we achieved 3 million active insurance policies in June 2024, including life insurance, moneylender insurance, and coverage options for cell phones, credit card bills, and digital wallet, with the last one being the first product in the market to cover accounts connected via Open Finance.

Message From the Management

Small & Medium-Sized Businesses Go-To-Market

For our businesses' accounts, we announced the launch of our PoS terminals, consolidating a complete value proposition in the merchant acquiring segment. After 18 months of extensive development, we have introduced our PoS terminals, enhancing our merchant solutions, which include our e-wallet, QR Code and Pix payments, e-commerce, payment links, and banking.

With PicPay, merchants for both online and offline markets can have a wide range of payments and banking solutions, becoming a one-stop shop platform with the benefit of accessing more than 36 million active consumers in our digital wallet. On top of our merchant acquiring and banking solutions, we made relevant progress in our corporate benefits and payroll advance platform, achieving almost 200,000 employees accessing the benefits of our flexible benefits cards (food, culture, restaurant, mobility, among others) and payroll advance.

Audiences & Ecosystem Integration

In our Audiences & Ecosystem Integration segment, we stay focused on our advantages as a unique dual-sided ecosystem anchored on two pillars: (i) monetization of our audiences by leveraging both consumers and merchant's customer base with products and solutions such as our PicPay Ads, allowing brands and companies to benefit from our huge audience in app and promote its products and services as well as a miscellaneous of non-financial products such as mobile top-ups, digital goods, in-app game and gift cards, and (ii) ecosystem engagement with a platform that allows online merchants to sell its products and services to more than 36 million active consumers through the PicPay Shop. With this integration, we enable multiple benefits for affiliated merchants, such as customer acquisition, engagement of customers through merchant-funded discounts and cashback, and the opportunity for PicPay to cross-sell its own credit and payment acceptance products like credit cards, BNPL, insurance, and our online checkout.

C. Artificial Intelligence opportunities

We are very excited about the AI opportunities on several new fronts in financial services. First, we are proud to announce that PicPay has become one of the first companies in the financial sector to use generative AI in its customer service channels and has been recognized globally by Microsoft as the benchmark in the use cases of Azure OpenAI Service for customer support. With this technology, we achieved a 45-point increase in customer satisfaction NPS (Net Promoter Score), a 20-point growth in the resolution rate of customer requests, and nearly 60% of cases resolved without human interaction. Our AI assistant has increased customer satisfaction by providing more efficient and accurate support for routine inquiries without human intervention. This includes handling product-related questions, managing credit card limits, processing bill payments, and more.

We are encouraged by the opportunities to embed AI in our financial services. With a strong tech and digital native customer user base, we can help millions of customers improve their in-app basic banking experience, including instant payments, bill payments, and investments, among other financial services. We expect to roll out new features and experiences embedding AI in different customers' journeys.

D. Growth with Profitability

Finally, we will continue to focus on growing with profitability through the expansion of our portfolio of products and services and diversification of our revenue streams by scaling our credit operations and merchant acquirer business. We are also committed to delivering higher efficiencies as we accelerate our ARPAC (average revenue per active customer) and benefit from our scale.

The company is also committed to providing the best in-app experience on the market, aiming for a closer relationship with our customer base and increased choice of PicPay as the main financial account.

Finally, I thank all employees, partners, and shareholders who have trusted our strategy and engaged with the company's plans and results.

Eduardo Chedid

Chief Executive Officer



Consolidated Results

Performance in the Period

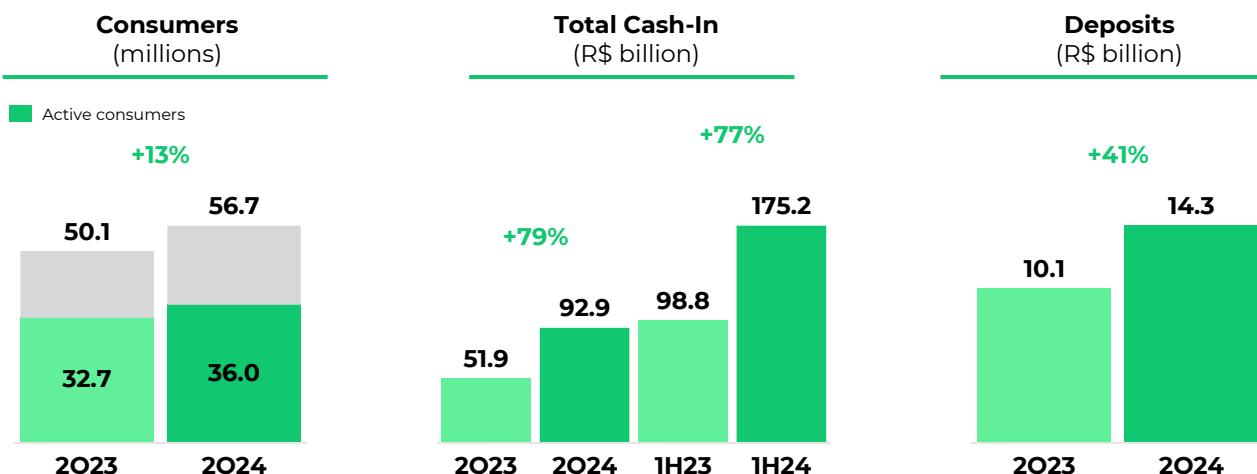
Operating Performance

1. Wallet & Banking

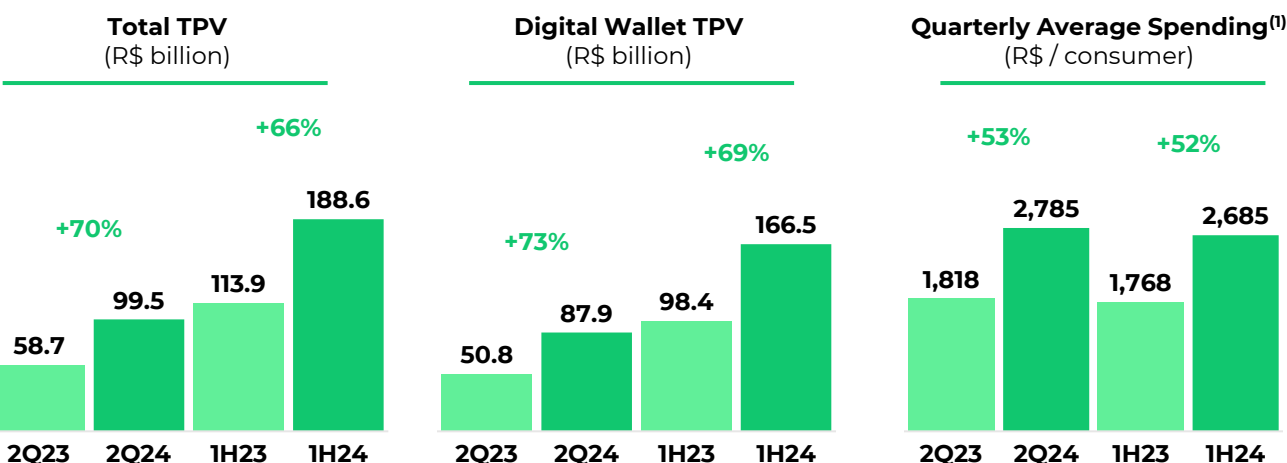
In 2Q24, we totaled 56.7 million registered consumers on our platform at the end of the period. Regarding quarterly active consumers, we reached 36.0 million in 2Q24, an increase of 10% compared to 2Q23. We define a quarterly active consumer as a consumer who has accessed our app and/or made at least one financial transaction and/or held deposits during the quarter. The increase reflects the higher engagement of our consumers on our platform and the expansion of 12% of consumers with deposits, which totaled 25.3 million as of June 30, 2024.

Our total cash-in reached R\$92.9 billion in 2Q24, an increase of 79% compared to 2Q23. For the first half of 2024, the total cash-in was R\$175.2 billion, an expansion of 77% compared to the first six months of 2023. Additionally, we achieved a monthly cash-in of R\$31.3 billion as of June 2024, representing an increase of 72% compared to June 2023.

Regarding deposits, we ended the second quarter of 2024 with R\$14.3 billion, reflecting a 41% increase compared to 2Q23. This growth is driven by the cash-in evolution and the expansion of our Piggy Banks. The piggy banks totaled R\$4.5 billion in 2Q24, with over 10 million piggy banks created by our consumers. Additionally, we are strategically increasing our deposits to support our credit operations, exploring new products such as fixed-term CDBs in-app and via third-party platform distribution.



Total TPV reached R\$99.5 billion in 2Q24, an increase of 70% year-over-year. For the six months of 2024, TPV totaled R\$188.6 billion, an expansion of 66% compared to the same period of the previous year. The positive performance can be mainly explained by the transactional volume growth of our digital wallet, which achieved R\$ 87.9 billion in 2Q24, an increase of 73% year-over-year, and R\$166.5 billion in the first six months of 2024, growing 69% year-over-year.



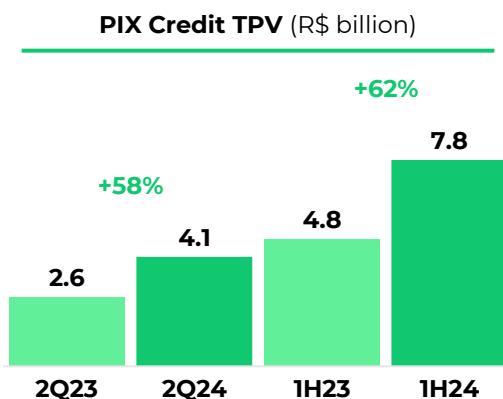
Note (1): Quarterly average spending is calculated by the total TPV divided by the average quarterly active consumers at the beginning and the end of the period.

Performance in the Period

Operating Performance

We also observed a significant increase in the PIX Credit TPV, which reached R\$4.1 billion in 2Q24 and R\$7.8 billion in 1H24, a year-over-year growth of 58% and 62%, respectively. We intend to increase the penetration of transactions sourced by our own credit cards and expand new use cases like PIX Credit for P2M (person-to-merchant) transactions (online and in-store) that reached 41% of the total PIX credit volume for the six months ended June 2024.

Our PIX coverage, that considers transactions where PicPay originated or received the transaction (excluding transactions between PicPay accounts) reached 11.0% as of June 2024.



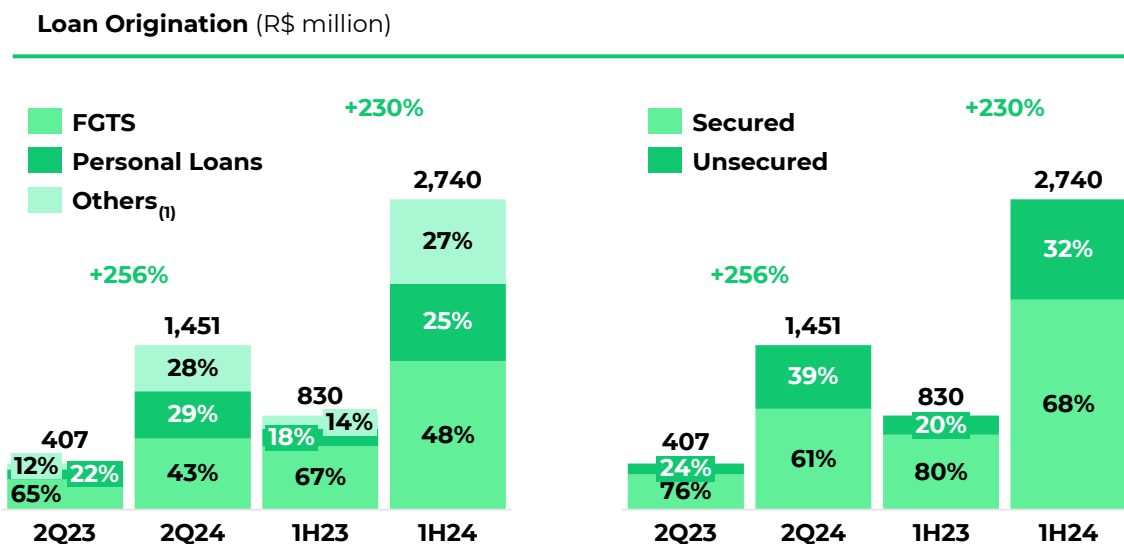
2. Financial Services

2.1. Loans

We reached R\$1.5 billion in 2Q24 and R\$2.7 billion in 1H24, a year-over-year increase of 256% and 230%, respectively. FGTS loans corresponded to 43% and 48% of our total loan origination for the 2Q24 and 1H24, respectively. We are positioned as one of the largest digital players in terms of FGTS distribution, originating a monthly average of more than R\$200 million.

Additionally, in the first six months of 2024, 68% of our loan origination was secured products, compared to 80% in 1H23. The increase in unsecured credit loans is aligned with our strategy of accelerating loan origination for personal loans based on our micro and small limit policies and the effectiveness of our credit models to anticipate and prevent credit risks powered by a wide range of data provided by our transactional ecosystem.

Below, we present the evolution of our own and third-party loan origination during the second quarter of 2024 as well as in the first half of the year:

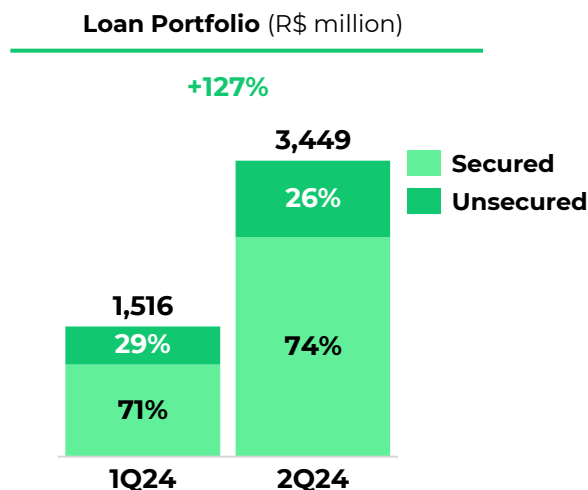


Note (1): Others considers payroll loans, auto-secured loans, and BNPL.

Performance in the Period

Operating Performance

Our loan portfolio, including loan products originating through our balance sheet, reached R\$3.4 billion in 2Q24, an increase of 127% compared to the previous quarter. Secured products represented 74% of the total, mainly due to FGTS Loans comprising 52% of our total loan portfolio.

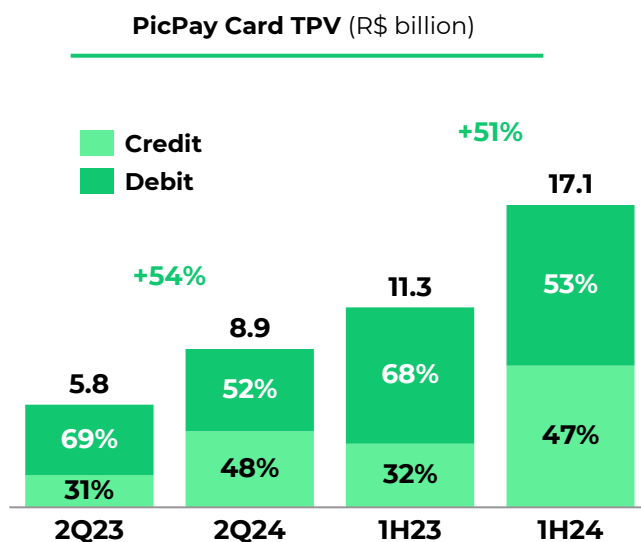


2.2. Credit Cards

The TPV from PicPay Cards totaled R\$8.9 billion in 2Q24, an increase of 54% year-over-year. For the six months, we totaled R\$17.1 billion, an expansion of 51% compared to the same period of the previous year. We see credit cards as one of our core products and understand that they are fundamental to driving increased engagement, growth, and profitability in our ecosystem. PicPay Card penetration was 15% of the total TPV from credit cards within the entire ecosystem compared to 9% for the same period one year ago.

Considering the first six months of 2024, we issued, on average, close to 900,000 credit cards per month. Additionally, we are increasingly offering credit cards based on a small and progressive limits approach. During the first six months of 2024, we issued, on average, more than 230,000 credit cards with small limits.

We have adopted a strategy focusing on issuing cards with low initial limits and secured cards, aiming for a more conservative approach to credit card offerings. This approach aligns with our strategy of profitability and control over delinquency rates. Through these products, we seek to better understand our consumers' behavioral profiles and, based on them, offer gradual increases in their credit card limits.

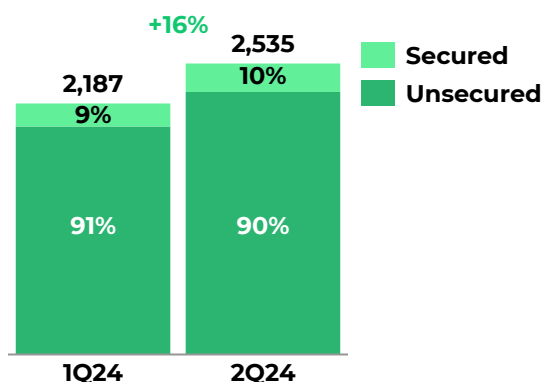


Performance in the Period

Operating Performance

Our Credit Card Portfolio reached R\$2.5 billion in 2Q24, an expansion of 16% compared to the previous quarter. The total portfolio consisted of 90% unsecured cards and 10% secured cards. It's important to note that we completed the internalization of our credit card operations at the beginning of 2024 with the migration of Banco Original's credit card portfolio.

Credit Card Portfolio (R\$ billion)

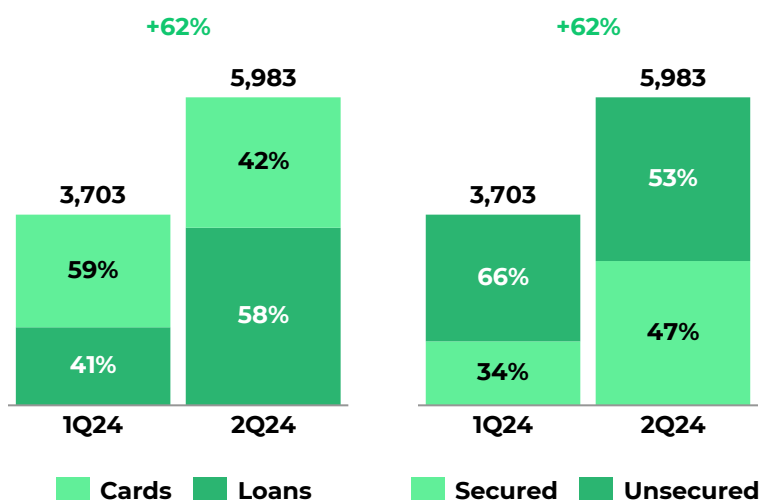


2.3. Total Credit Portfolio

Our credit portfolio reached R\$6.0 billion in 2Q24, a 62% increase from the previous quarter.

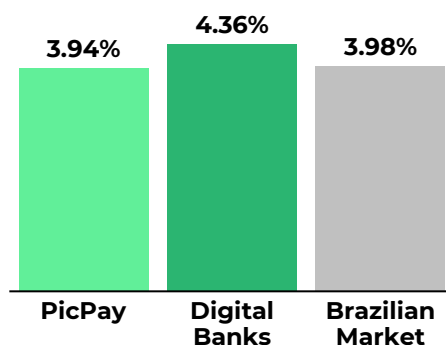
The early delinquency of our total credit portfolio, taking into consideration our NPL (non-performing loans) between 15 and 90 days past due, reached 3.94%, lower than the weighted average NPL coming from digital banks and lower than the total individuals' non-earmarked credit portfolio according to information provided by the Brazilian Central Bank.

Total Credit Portfolio (R\$ billion)



Early Delinquency Comparison⁽¹⁾

NPL 15 – 90 days past due



Note (1): The average weighted early delinquency from digital banks was calculated based on public information disclosed by Nubank and Inter & Co on their IR materials. For the comparison with the Brazilian Market, we considered the non-earmarked credit portfolio for individuals, as disclosed by the Brazilian Central Bank.

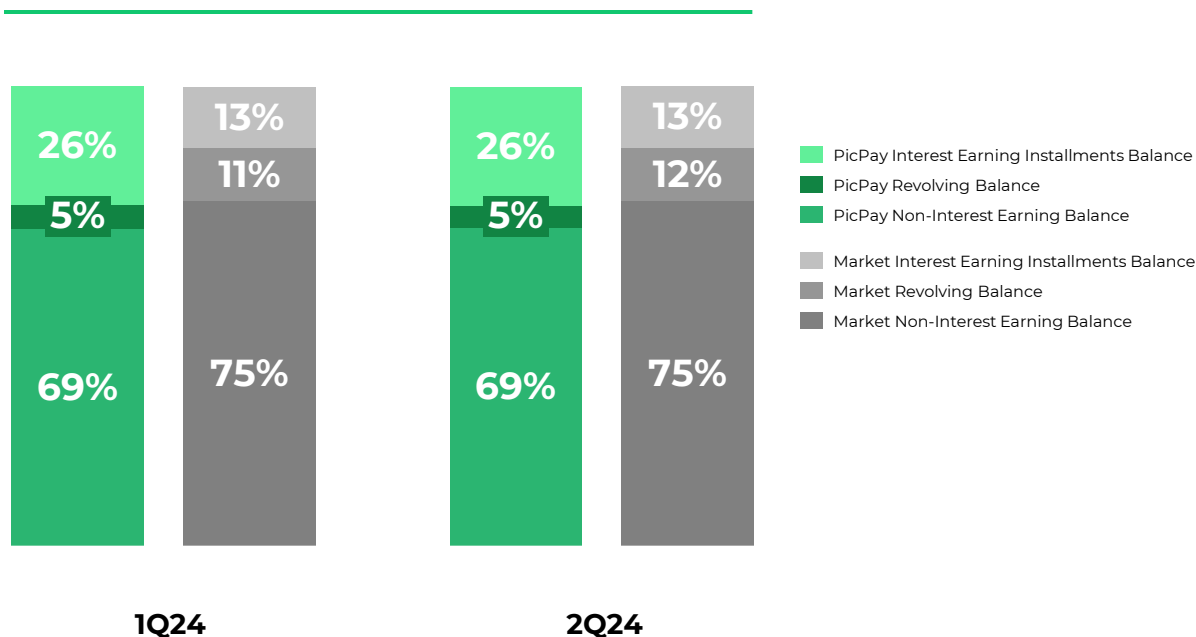
2.4. Interest Earning Portfolio

PicPay's interest-earning installment balances represented 26% of its total credit card portfolio, reflecting the increased penetration of our PicPay Card as a source of funding for Pix Credit and bill payments within our ecosystem. The revolving balance remains stable, representing 5% of the total interest-earning portfolio.

Performance in the Period

Operating Performance

IEP (Interest Earning Portfolio)

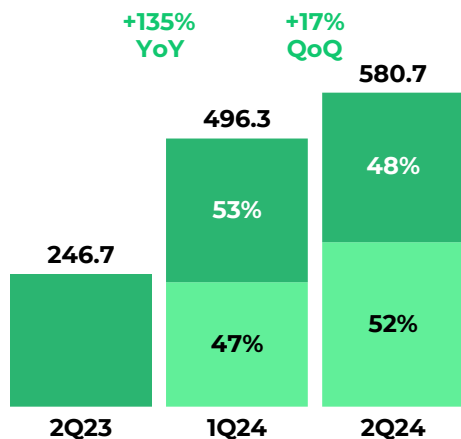


2.5 Margins

The net interest income from our Wallet & Banking and Financial Services segments reached R\$580.7 million in 2Q24, an increase of 135% year-over-year and of 17% sequentially. Additionally, the net interest margin after losses reached R\$466.4 million in 2Q24, growing 89% year-over-year and 17% quarter-over-quarter.

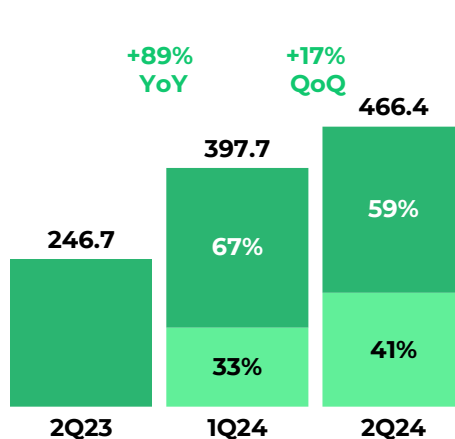
NII (Net Interest Income)⁽¹⁾

R\$ million



NIMAL (Net Interest Margin After Losses)⁽²⁾

R\$ million



■ Financial Services ■ Wallet & Banking

Note (1): The net interest income (NII) is equal to financial income from Wallet & Banking and Financial Services business segments minus financial expenses. Note (2): The net interest margin after losses is equal to de NII minus credit loss allowance expenses.

Performance in the Period

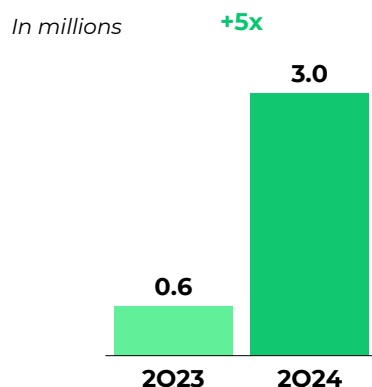
Operating Performance

2.6 Insurance

We continue to perform strongly in our insurance product distribution business, consistently growing across all categories: digital wallet, cell phone, life, and moneylender insurance.

As of June 2024, we had over 3 million active insurance policies in our base, increasing more than five times compared to June 2023.

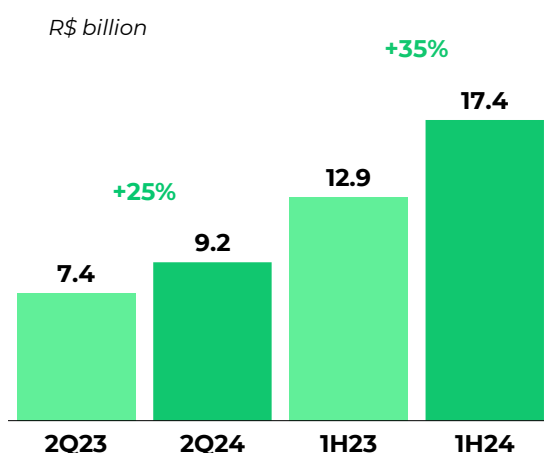
Active Insurance Policies



3. Small and Medium-Sized Businesses

Looking at the small and medium-sized businesses segment within our ecosystem, we've observed significant growth in the transaction volume captured by our merchant acquiring platform. In 2Q24, we recorded a transactional volume of R\$9.2 billion, reflecting a 25% year-over-year growth. For the first six months of 2024, the cumulative volume reached R\$17.4 billion, marking a 35% year-over-year growth. Additionally, even in its early stages, our merchant acquiring platform volume already represents close to 1% in the Brazilian market.

Merchant Acquiring TPV



This strong performance highlights the rise in credit card transactions processed by our merchant acquiring platform in our digital wallet, with more than 39 million credit cards registered on file from third-party issuers and PicPay Cards. We expect our growth to speed up as we expand our acquiring business for online and offline merchants. This expansion includes the recent launch of new solutions like PoS Terminals, ECRs, and the continued adoption of our e-wallet on e-commerce checkouts.

Performance in the Period

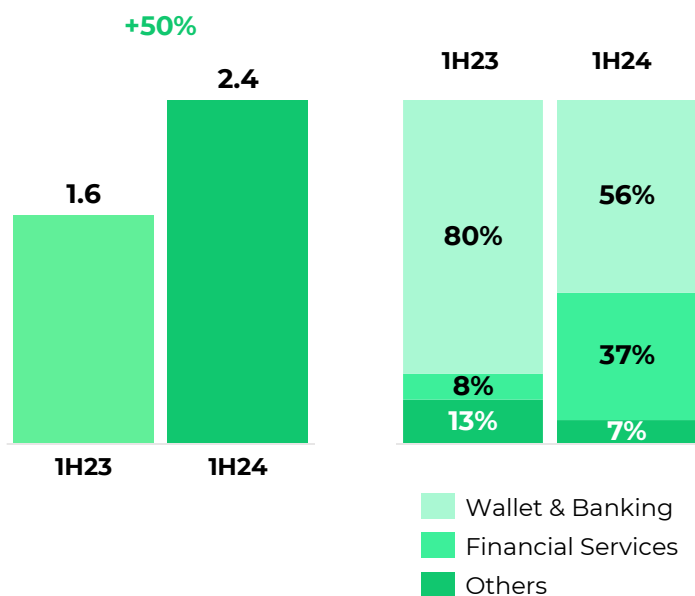
Financial Performance

1. Net Revenues

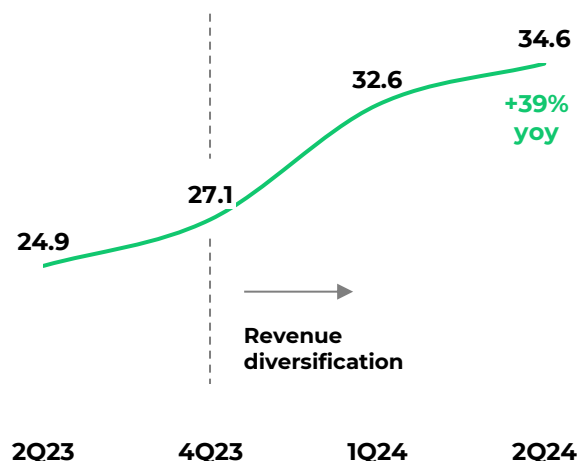
Our total net revenues reached R\$2.4 billion in the first half of 2024, an increase of 50% compared to the same period of the previous year. In addition, the average revenue per active consumer (ARPAC) reached R\$34.6 in the second quarter of 2024, representing an expansion of 39% compared to 2Q23. The following factors can mainly explain this performance:

- (i) **Revenue Diversification:** we were able to diversify our revenue streams during the first six months of 2024, especially with the acceleration of our financial services segment supported by our credit operations. As a result, net revenues from our Wallet & Banking business unit now represent 56% of our total revenues (compared to 80% in the first half of 2023). Additionally, net revenues from financial services represent 37% of our total revenues (compared to only 8% in the first half of 2023). This increase was mainly due to the expansion of net interest income from our credit operations.
- (ii) **Increase of transactional activities:** the digital wallet continues to be the core business of PicPay. We kept delivering revenue growth supported by a solid transactional performance, mainly due to the increase in transactions conducted by our consumers with a credit card as a funding source. As of June 2024, we had more than 39 million credit cards, considering credit cards issued by third-party institutions and PicPay Cards embedded in our platform.
- (iii) **Increased PicPay Card penetration on the ecosystem:** for the first half of 2024, PicPay Card penetration was 15% of the total TPV from credit cards within the entire ecosystem compared to 9% for the same period one year ago. Additionally, considering monthly figures as of June 2024, we reached 18% penetration. Our PicPay Card is a fundamental element to drive engagement, growth, and profitability, which can be used as the primary source of funding for many use cases such as instant payments, bill payments, and insurance products, as well through purchases made in our PicPay Shop platform and “off-us” use cases such as in-store purchases, third-party e-commerce, among others.
- (iv) **Consumers’ engagement:** our quarterly active consumers in 2Q24 increased by 10% compared to 2Q23. Our consumers increasingly adopt more products and choose PicPay as their primary financial services platform.

Net Revenues (R\$ billion) and Revenue Mix⁽¹⁾ (%)



ARPAC (R\$ / Active Consumer)



Note (1): The revenue mix considers total net revenues before reallocations of intercompany revenues and expenses. (2) Others consists in Small & Medium-Sized Businesses, Audiences & Ecosystem Integration and Institutional revenue streams.

Performance in the Period

Financial Performance

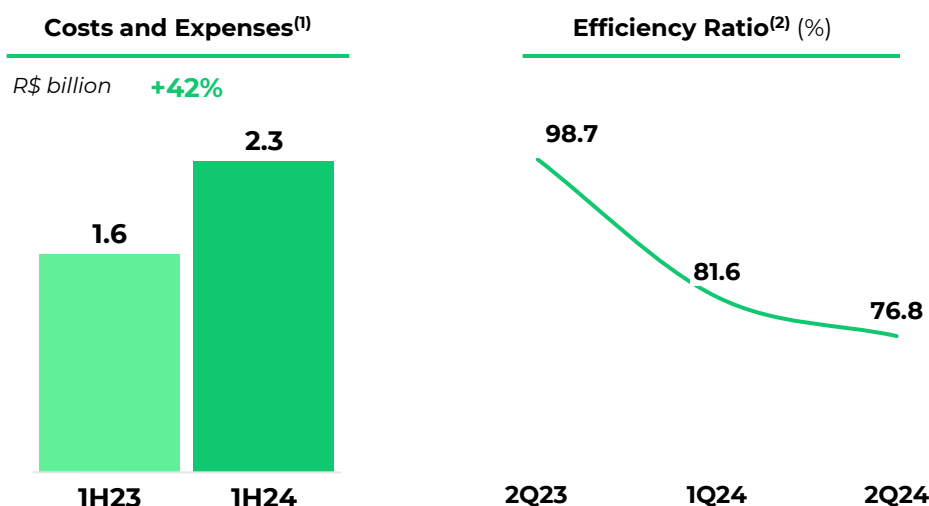
2. Cost and Expenses

Total costs and expenses, excluding credit loss allowance expenses and other income, totaled R\$2.3 billion in the first half of 2024, increasing 42% compared to one year ago. The increase can be attributed mainly to:

- (i) higher transacting costs following the growth of TPV in the digital wallet;
- (ii) Increase in expenses related to server infrastructure and software licenses because of the expansion of our operations, especially in the merchant acquiring and credit businesses, which are two businesses that we accelerated during the first six months of 2024;
- (iii) higher marketing expenses attributed to performance media and marketing campaigns held in the first half of the year to further solidify our brand in our main markets.
- (iv) Increase in financial expenses reflecting the launch of new time deposits CDB products with longer maturity and higher yields.
- (v) The total expected credit loss allowance for consumer loans reached R\$212 million, representing 3.0% of the consumers' total receivable balance as of June 30, 2024. Our credit loss allowance expenses already incorporate the IFRS9 methodology (expected credit loss model).

We presented better operating efficiency ratio, mainly driven by the growth of our net revenues and other income. In the second quarter of 2023, our costs and expenses represented 98.7% of total revenues. This level was reduced to 81.6% in the first quarter of 2024 and 76.8% in the second quarter.

Our cost of funding was 85% of CDI during 2Q24, stable when compared to 2Q23 and presenting a substantial improvement compared to 122% observed in 2Q22.



Notes: (1) Composed by cost of sales and services, selling expenses, administrative expenses, credit loss allowance expenses, financial expenses, and other expenses. (2) Total Costs and expenses, excluding credit loss allowance and financial expenses, divided by total net revenues net of financial expenses plus other income.

3. Profitability

We presented impressive profitability results, consolidating our sustainable growth plan. In the first half of 2024, our consolidated gross profit reached R\$1.3 billion, an increase of 57% year over year. Additionally, earnings before taxes reached R\$160.3 million, an increase of more than 14 times compared to the same period of the previous year. EBT margin reached 6.8% in the first half of 2024, compared to 0.7% for last year. This performance demonstrates our ability to generate both profitability and high-quality results.

Net income for the period reached R\$61.8 million, exceeding the result for the first half of 2023 by more than 24 times and almost doubling the R\$37 million achieved for the entire year of 2023. Additionally, net margin reached 2.6% for the first half of the year, compared to 0.2% observed for the first six months of 2023.

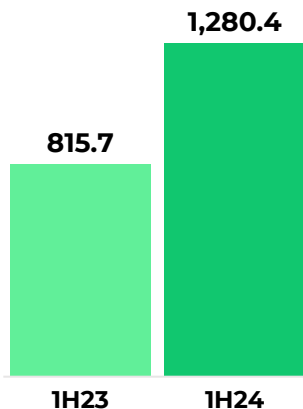
Performance in the Period

Financial Performance

Gross Profit⁽¹⁾

R\$ million

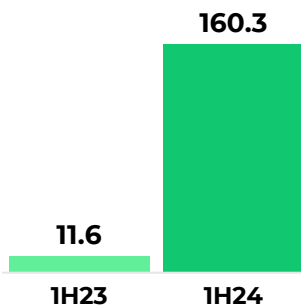
+57%



Earnings Before Taxes

R\$ million

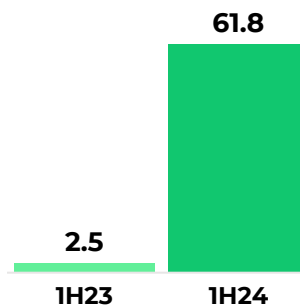
+14x



Net Income

R\$ million

+24x



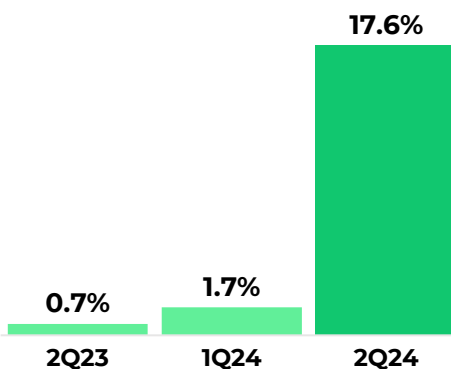
Note (1): Gross Profit is measured by total revenue and financial income less interest and other financial expenses, costs related to transaction activities (processing fees, fraud prevention, costs related to PicPay Card embossing, chargeback, and cashback), and credit loss allowance expenses.

The second quarter annualized return on equity was 17.6%, a significant increase of almost 17 percentage points compared to the second quarter of 2023 and nearly 16 percentage points compared to the first quarter of this year.

Return on Equity (ROE)

Quarterly Annualized, %

+17 p.p.





Financials

Unaudited condensed consolidated statements of profit or loss

For the three and six-month period ended June 30, 2024 and 2023.

(Thousands of Brazilian Reais, except loss per share)

	Three-month period ended June 30		Six-month period ended June 30	
	2024	2023	2024	2023
Net revenue from transaction activities and other services	328,855	216,478	629,564	433,156
Financial income	908,290	585,856	1,744,106	1,147,228
Total revenue and financial income	1,237,145	802,334	2,373,670	1,580,384
Cost of sales and services	(336,687)	(141,544)	(642,516)	(284,096)
Selling expenses	(94,824)	(122,373)	(202,046)	(206,615)
Administrative expenses	(287,077)	(255,537)	(528,815)	(509,731)
Credit loss allowance expenses	(114,241)	–	(212,835)	–
Financial expenses	(325,536)	(300,093)	(648,041)	(577,739)
Other expenses	(21,241)	5,262	(31,703)	(12,827)
Other income	51,744	18,687	52,543	22,221
Profit before income tax and social contribution	109,283	6,736	160,257	11,597
Current income tax and social contribution	(113,129)	(4,048)	(214,867)	(7,041)
Deferred income tax and social contribution	60,470	(514)	116,436	(2,013)
Profit for the period	56,624	2,174	61,826	2,543
Profit attributable to the Company's shareholders	51,669	2,009	56,477	2,350
Profit attributable to non-controlling interests	4,955	165	5,349	193
Earnings per share - basic and diluted (R\$)	516,689	20,090	564,769	23,500

Unaudited condensed consolidated statements of financial position

As of June 30, 2024 and December 31, 2023.

(Thousands of Brazilian Reais)

ASSETS	June 30, 2024	December 31, 2023
Cash and cash equivalents	5,005,758	7,379,049
Financial assets	12,516,753	6,867,599
Financial assets measured at fair value through other comprehensive income	2,238,619	2,574,863
Financial Investments	2,238,619	2,574,863
Financial assets at fair value through profit or loss	1,015,093	176,717
Financial Investments	1,015,093	176,717
Financial assets measured at amortized cost	9,263,041	4,116,019
Trade receivables	3,272,572	3,429,602
Consumer Loans	5,762,653	560,459
Other receivables	227,816	125,958
Prepaid expenses	113,311	72,189
Other assets	35,293	7,573
Tax assets	1,017,684	608,498
Current income tax and social contribution assets	807,591	515,169
Deferred tax assets	210,093	93,329
Legal deposits	768	457
Property, plant and equipment	45,056	30,117
Right of use assets - leases	45,059	48,653
Intangible assets	817,208	768,747
TOTAL ASSETS	<u>19,596,890</u>	<u>15,782,882</u>
LIABILITIES	June 30, 2024	December 31, 2023
Financial liabilities measured at amortized cost	17,439,290	13,960,888
Third-party funds	15,194,312	13,312,290
Loans	1,826	–
Trade payables	2,243,152	648,598
Labor obligations	424,110	437,665
Taxes payable	281,500	111,141
Lease liability	55,317	58,652
Provision for legal and administrative claims	12,034	11,063
Other liabilities	19,606	–
Total Liabilities	<u>18,231,857</u>	<u>14,579,409</u>
Equity	1,365,033	1,203,473
Share capital	–	1,687
Share premium reserve	1,301,007	–
Additional paid-in capital	–	1,749,566
Capital reserve	–	529,027
Fair value reserve	(323)	(113)
Other reserve	–	194,910
(-) Accumulated losses	63,536	(1,167,125)
Non-Controlling interests	813	(104,479)
TOTAL EQUITY AND LIABILITIES	<u>19,596,890</u>	<u>15,782,882</u>

Unaudited condensed consolidated statements of financial position

For the six-month June 30, 2024 and 2023.

(Thousands of Brazilian Reais)

	2024	2023
Profit for the period	61,826	2,543
Adjustments for		
Income tax and social contribution expenses	98,431	–
Labor provisions	40,109	34,487
Depreciation/amortization	122,110	52,327
Provision for legal and administrative claims	5,661	4,948
Chargeback (release) / provision	(10,377)	5,742
Credit loss allowance	212,835	–
Write-off/loss on disposal of intangible assets	88,573	4,175
Interest accrued on consumer loans	(169,530)	–
Interest accrued on financial assets	(124,280)	(103,782)
Variations in operating assets and liabilities		
- financial assets	(378,062)	(53,832)
- trade receivables and other receivables	65,549	34,905
- consumer loans	(3,439,499)	–
- prepaid expenses	(41,122)	(21,607)
- other assets	(434,768)	(194,343)
- third-party funds	2,476,872	726,701
- labor obligations and taxes payable	280,422	90,218
- trade payables and other obligations	1,614,830	(62,100)
- legal and administrative claims	(4,690)	(2,447)
Interest paid	(595,520)	(551,092)
Income tax and social contribution paid	(262,158)	(126,004)
Net cash from (used in) operating activities	<u>(383,788)</u>	<u>(159,161)</u>
Cash flows from investing activities		
Acquisition of subsidiaries net of cash acquired	–	(7,946)
Acquisition of common control subsidiaries net of cash acquired	–	(27,031)
Acquisition of property, plant and equipment	(21,082)	(1,722)
Acquisition of intangible assets	(248,709)	(209,993)
Acquisition of credit card operations	(1,815,000)	–
Net cash (used in) investing activities	<u>(2,084,791)</u>	<u>(246,692)</u>
Cash flows from financing activities		
Issuance of non-controlling interests	100,000	–
Proceeds from loans	1,826	–
Payment of leases	(6,538)	(5,994)
Net cash from (used in) financing activities	<u>95,288</u>	<u>(5,994)</u>
Net decrease in cash and cash equivalents	<u>(2,373,291)</u>	<u>(411,847)</u>
Cash and cash equivalents at the beginning of the period	7,379,049	6,361,401
Cash and cash equivalents at the end of the period	5,005,758	5,949,554
Net decrease in cash and cash equivalents	<u>(2,373,291)</u>	<u>(411,847)</u>



About PicPay

Investor Relations

Founded in Vitoria (ES) in 2012, PicPay was the forerunner in offering QR Code and instant payments for consumers and merchants. Picpay became one of the largest fintechs in Brazil, offering a wide range of financial services, including day-to-day payments, credit cards, loans, insurance, and investments for millions of consumers and merchants in a digital-first, simple, and secure way.

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