

(A free translation of the original in Portuguese)

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***PPLA***  
***Participations Ltd.***  
***Financial statements at***  
***December 31, 2022***  
***and independent auditor's report***



(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, 2022 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 significant 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, 2022, 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).

### **Basis for opinion**

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further 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.

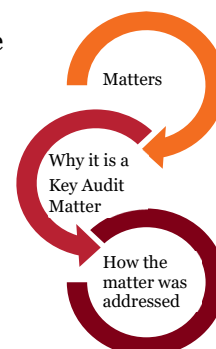
### **Material uncertainty related to going concern**

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 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.

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.





PPLA Participations Ltd.

We planned and performed our audit for the year then ended December 31, 2022 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.

| <b>Why it is a Key Audit Matter</b>   | <b>How the matter was addressed in the audit</b>   |
|---|--|
| <p><b>Fair value measurement of financial instruments Level III</b></p> <p>As disclosed in Notes 1, 3(f) and 5, the Company has a investment in the subsidiary PPLA Investments LP., which, as of December 31, 2022, 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.</p> <p>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.</p> | <p>Our main audit procedures considered, among others, our understanding of the main processes involving the fair value measurement of financial instruments Level III.</p> <p>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.</p> <p>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) performing independent valuation on a test basis; (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.</p> <p>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.</p> |

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

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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), 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.



PPLA Participations Ltd.

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**

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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 financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
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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, related safeguards.

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 14, 2023

A handwritten signature in black ink, appearing to read 'R. Arisa Pereira'.

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

Edison Arisa Pereira  
Contador CRC 1SP127241/O-0

## PPLA Participations Ltd.

### Balance sheet

As of December

(In thousands of reais)

| <b>Assets</b>                                     | <b>Note</b> | <b>2022</b> | <b>2021</b> |
|---|-------------|-------------|-------------|
| Investment entity portfolio                       | 5           | 7           | 10          |
| Amounts receivable                                | 6           | 506         | 555         |
| <b>Total assets</b>                               |             | <b>513</b>  | <b>565</b>  |
| <b>Liabilities</b>                                |             |             |             |
| Other liabilities                                 | 7           | 506         | 554         |
| <b>Total liabilities</b>                          |             | <b>506</b>  | <b>554</b>  |
| <b>Shareholders' equity</b>                       |             |             |             |
| Capital stock and share premium                   | 8a          | 1,504,802   | 1,504,802   |
| Other comprehensive income                        |             | 424,135     | 424,143     |
| Accumulated losses                                |             | (1,928,930) | (1,928,934) |
| <b>Total shareholders' equity</b>                 |             | <b>7</b>    | <b>11</b>   |
| <b>Total liabilities and shareholders' equity</b> |             | <b>513</b>  | <b>565</b>  |

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

## PPLA Participations Ltd.

### Statement of income

Years ended December 31

(In thousands of reais, except profit per share)

|  | <u>Note</u> | <u>2022</u> | <u>2021</u> |
|--|-------------|-------------|-------------|
| Gain on investment entity portfolio measured at fair value | 10          | 5           | 5           |
| Administrative expenses                                    | 11          | (3,221)     | (555)       |
| Other operating income                                     | 12          | 3,218       | 555         |
| <b>Operating loss</b>                                      |             | <u>2</u>    | <u>5</u>    |
| <b>Profit for the year</b>                                 |             | <u>2</u>    | <u>5</u>    |
| Profit / (Loss) per share - basic and diluted (in reais)   | 9           | 0.0007      | 0.0018      |

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

## PPLA Participations Ltd.

### Statement of comprehensive income

Years ended December 31

(In thousands of reais unless otherwise stated)

|   | <u>2022</u>       | <u>2021</u>     |
|---|-------------------|-----------------|
| Profit for the year   | 2                 | 5               |
| Other comprehensive income / (loss) not to be reclassified to profit or loss: | <u>(8)</u>        | <u>1</u>        |
|   | (7)               |                 |
| Currency translation adjustments  | (1)               | 1               |
| <b>Total comprehensive income</b>   | <b><u>(6)</u></b> | <b><u>6</u></b> |

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



## PPLA Participations Ltd.

### Statement of changes in shareholders' equity

Years ended December 31

(In thousands of reais unless otherwise stated)

|  | Capital          | Other comprehensive income | Accumulated losses | Total shareholders' equity |
|--|------------------|----------------------------|--------------------|----------------------------|
| <b>Balance as of December 31, 2020</b>                                 | <b>1,504,802</b> | <b>424,142</b>             | <b>(1,928,939)</b> | <b>5</b>                   |
| Profit for the Year  | -                | -                          | 5                  | 5                          |
| Currency translation adjustments                                       | -                | 1                          | -                  | 1                          |
| <b>Balance as of December 31, 2021</b>                                 | <b>1,504,802</b> | <b>424,143</b>             | <b>(1,928,934)</b> | <b>11</b>                  |
| Profit for the Year  | -                | -                          | 2                  | 2                          |
| Change in investments at fair value through other comprehensive income | -                | (7)                        | 2                  | (5)                        |
| Currency translation adjustments                                       | -                | (1)                        | -                  | (1)                        |
| <b>Balance as of December 31, 2022</b>                                 | <b>1,504,802</b> | <b>424,135</b>             | <b>(1,928,930)</b> | <b>7</b>                   |

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

## PPLA Participations Ltd.

### Statement of cash flows

Years ended December 31

(In thousands of reais unless otherwise stated)

|  | <u>Note</u> | <u>2022</u> | <u>2021</u> |
|--|-------------|-------------|-------------|
| Operating activities   |             |             |             |
| Profit for the year  |             | 2           | 5           |
| Adjustments to the loss for the year                         |             |             |             |
| Loss from investment entity portfolio measured at fair value | 10          | (5)         | (5)         |
| Adjusted loss for the semester                               |             | (3)         | -           |
| Increase in operating liabilities                            |             |             |             |
| Due to brokers   |             | 51          | (15)        |
| Other liabilities  |             | (48)        | 15          |
| Cash provided by / (used in) operating activities            |             | -           | -           |
| <b>Increase / (decrease) in cash and cash equivalents</b>    |             | -           | -           |
| Balance of cash and cash equivalents                         |             |             |             |
| At the beginning of the year                                 |             | -           | -           |
| At the end of the year                                       |             | -           | -           |
| <b>Increase / (decrease) in cash and cash equivalents</b>    |             | -           | -           |

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

## **PPLA Participations Ltd.**

### **Notes to the financial statements**

December 31,

(In thousands of reais)

## **1. Operations**

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 headsemesters is located on 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 March 31, 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 deficitary 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 portrays 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.

## **PPLA Participations Ltd.**

### **Notes to the financial statements**

December 31,  
(In thousands of reais)

#### **COVID-19**

The Company's management is tracking the effects COVID-19 on its business. The pandemic has affected business and economic sentiment, causing significant volatility in global markets and affecting the outlook of the Brazilian economy and that of other countries in which we maintain investments, may in the future make investments and conduct business through our subsidiaries.

#### **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 R\$750 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 fully or partially capitalize such credits in the corresponding amount 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 R\$90 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 R\$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 R\$116 million, which was made on the same date.

The loans corresponding to this Loan Agreement are carried out 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 statements**

The Company's financial statements were prepared and are being presented in accordance with International Financial Reporting Standards, issued by International Accounting Standards Board (IASB), in compliance with the international standard IAS 34 – Interim Financial Statements. The items included in the financial statements 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 statements were approved by the Management on March 14, 2023, and they contain a true and fair view of the financial position and results of the Company.

## **PPLA Participations Ltd.**

### **Notes to the financial statements**

December 31

(In thousands of reais)

### **3. Main accounting practices**

#### **a. Use of estimatives**

The preparation of financial statements 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 statements, 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**

##### **Functional currency**

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 statements, in any period, given that the Company already presented its financial statements in real.

#### **c. Cash and cash equivalents**

For the purposes of statements of cash flow, cash and cash equivalents includes cash, bank deposits and highly-liquid short-term investments redeemable in up to 90 days, 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.

## **PPLA Participations Ltd.**

### **Notes to the financial statements**

December 31

(In thousands of reais)

#### **Recognition date**

All financial assets and liabilities are initially recognized on the trading date, that is, the date in 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 "Net gain on financial assets or liabilities designated at fair value through profit and loss".

#### **Financial assets measured at amortized cost**

## **PPLA Participations Ltd.**

### **Notes to the financial statements**

December 31

(In thousands of reais)

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. Although the Company is not expected to sell a financial asset measured under this category, as it is expected to hold it to maturity to collect contractual cash flows, the Company need not hold all of those instruments until maturity and sales may occur.

#### **Financial liabilities at amortized cost**

Financial liabilities are measured at amortized cost using the effective interest rate method and taking into account 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. This is a change of concept to an expected loss model, rather than an incurred loss model that was effective under IAS 39.

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.

## **PPLA Participations Ltd.**

### **Notes to the financial statements**

December 31

(In thousands of reais)

#### **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 reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive);
- Financial assets that are credit-impaired at the reporting 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 Company if the commitment is drawn down and the cash flows that the Company expects to receive; and
- Financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Company 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;
- Non compliance with contract terms for delay of principal or interest;
- Deterioration in ability to pay and operational performance;
- Breach of covenants;
- Significant 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 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.



## PPLA Participations Ltd.

### Notes to the financial statements

December 31

(In thousands of reais)

#### 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 carry out 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 are 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.

| Asset                                       | Level 3 valuation assumptions   |  |
|---|---|--|
|   | Valuation technique   | Main assumptions   |
| Private Equity Funds (unquoted investments) | Price of recent investments; Models based on discounted cash flows or earnings; Market and transaction (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   | Probability of default and recovery rates.   |

## **PPLA Participations Ltd.**

### **Notes to the financial statements**

December 31

(In thousands of reais)

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 statements, except when there is evidence that realization is virtually certain.

Contingent liabilities - are recognized in the financial statements 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 investment activities and so no segment information is disclosed.

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#### k. Invested companies

The table below presents the direct and indirect interest of the Company in its investees:

Below is the ownership interest held by PPLA Investments in its investees and investment funds:

|   | Country | Equity interest - % |            |
|---|---------|---------------------|------------|
|   |         | 12/31/2022          | 12/31/2021 |
| <b>Direct subsidiaries</b>                    |         |                     |            |
| BTG Loanco LLC                                | USA     | 100.00              | 100.00     |
| <b>Indirect subsidiaries</b>                  |         |                     |            |
| Timber XI SPE S.A.                            | Brazil  | 8.02                | 8.73       |
| Timber IX Participações S.A.                  | Brazil  | 8.02                | 8.73       |
| Timber XII SPE S.A.                           | Brazil  | 8.02                | 8.73       |
| São Lourenço Empreendimentos Florestais Ltda. | Brazil  | 8.02                | 8.73       |
| Fazenda Corisco Participações S.A.            | Brazil  | 8.02                | 8.73       |
| BTG Pactual Santa Terezinha Holding S.A.      | Brazil  | 8.02                | 8.73       |
| SCFlor Empreendimentos Agrícolas Ltda.        | Brazil  | 8.02                | 8.73       |
| Fazenda Santa Terezinha Participações S.A.    | Brazil  | 8.02                | 8.73       |
| Timber VII SPE S.A.                           | Brazil  | 8.02                | 8.73       |
| BTGI Quartzo Participações S.A                | Brazil  | 0.00                | 100.00     |
| BTGI Safira Participações S.A                 | Brazil  | 0.00                | 100.00     |
| BTGI VII Participações S.A.                   | Brazil  | 100.00              | 100.00     |
| BTGI VIII Participações S.A.                  | Brazil  | 100.00              | 100.00     |
| BTG Pactual Stigma LLC                        | USA     | 100.00              | 100.00     |
| BTG Equity Investments LLC                    | USA     | 100.00              | 100.00     |
| Hárpia Omega Participações S.A.               | Brazil  | 100.00              | 100.00     |
| BTG Pactual Servicios S.A. de C.V.            | México  | 100.00              | 100.00     |
| BTG Pactual Investimentos Florestais S.A.     | Brazil  | 30.45               | 32.75      |
| BRPEC Agro Pecuária S.A.                      | Brazil  | 0.00                | 100.00     |
| BTG Pactual Proprietary Feeder (1) Limited    | Cayman  | 100.00              | 100.00     |
| <b>Invested funds</b>                         |         |                     |            |
| BTG Pactual Brazil Investment Fund I LP       | Cayman  | 100.00              | 100.00     |
| BTG Pactual Brazil Investment Fund IA LP      | Cayman  | 1.02                | 1.02       |
| BTG Pactual Brazil Investment Fund IB LP      | Cayman  | 23.62               | 23.62      |
|   | Country | Equity interest - % |            |
|   |         | 12/31/2022          | 12/31/2021 |
| <b>Direct subsidiaries</b>                    |         |                     |            |
| BTG Bermuda LP Holdco Ltd.                    | Bermuda | 100                 | 100        |
| <b>Indirect subsidiaries</b>                  |         |                     |            |
| PPLA Investments LP.                          | Bermuda | 0.003               | 0.003      |

(\*) investment sold in february 2022 (Note 6).

## 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 reporting potential problems related to money laundering; and (iii) Audit Committee, which is

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responsible for independent verification of compliance with internal controls and assessment of maintenance of the accounting records.

#### a. Credit risk

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

|  | 2022      |               |          |           |
|--|-----------|---------------|----------|-----------|
|  | Brazil    | United States | Others   | Total     |
| <b>Assets</b>  |           |               |          |           |
| Cash and cash equivalents                                    | -         | -             | 2        | 2         |
| Investment entity portfolio                                  | 12        | -             | -        | 12        |
| Derivative financial instruments                             | -         | -             | -        | -         |
| Investments at fair value through other comprehensive income | -         | 4             | -        | 4         |
| Financial assets at amortized cost (i)                       | -         | 3             | -        | 3         |
| Other assets   | -         | -             | 1        | 1         |
| <b>Total</b>   | <b>12</b> | <b>7</b>      | <b>3</b> | <b>22</b> |
|  | 2021      |               |          |           |
|  | Brazil    | United States | Others   | Total     |
| <b>Assets</b>  |           |               |          |           |
| Cash and cash equivalents                                    | -         | -             | 1        | 1         |
| Investment entity portfolio                                  | 4         | -             | -        | 4         |
| Investments at fair value through other comprehensive income | 14        | -             | -        | 14        |
| Financial assets at amortized cost (i)                       | -         | 3             | -        | 3         |
| Other assets   | -         | -             | 2        | 2         |
| <b>Total</b>   | <b>18</b> | <b>3</b>      | <b>3</b> | <b>24</b> |

(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:

|  | 2022                 |           |             |             |           |
|--|----------------------|-----------|-------------|-------------|-----------|
|  | Private institutions | Companies | Individuals | Others      | Total     |
| <b>Assets</b>  |                      |           |             |             |           |
| Cash and cash equivalents                                    | 2                    | -         | -           | -           | 2         |
| Investment entity portfolio                                  | -                    | 14        | -           | (2)         | 12        |
| Investments at fair value through other comprehensive income | -                    | 4         | -           | -           | 4         |
| Financial assets at amortized cost                           | -                    | -         | 3           | -           | 3         |
| Other assets   | -                    | -         | -           | 1           | 1         |
| <b>Total</b>   | <b>2</b>             | <b>18</b> | <b>3</b>    | <b>(1)</b>  | <b>22</b> |
|  | 2021                 |           |             |             |           |
|  | Private institutions | Companies | Individuals | Others      | Total     |
| <b>Assets</b>  |                      |           |             |             |           |
| Cash and cash equivalents                                    | 1                    | -         | -           | -           | 1         |
| Investment entity portfolio                                  | 10                   | 11        | -           | (17)        | 4         |
| Investments at fair value through other comprehensive income | -                    | 13        | -           | 1           | 14        |
| Financial assets at amortized cost                           | -                    | -         | 3           | -           | 3         |
| Other assets   | -                    | -         | -           | 2           | 2         |
| <b>Total</b>   | <b>11</b>            | <b>24</b> | <b>3</b>    | <b>(14)</b> | <b>24</b> |

#### b. Liquidity analysis and risk

As at December 31, 2022 and 2021, 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 at December 31, 2022 and 2021:

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|  | 2022                        |                |              |              | Total    |
|--|-----------------------------|----------------|--------------|--------------|----------|
|  | Up to 90 days / No maturity | 90 to 365 days | 1 to 3 years | Over 3 years |          |
| <b>Assets</b>  |                             |                |              |              |          |
| 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)     |
| <b>Total</b>   | <b>16</b>                   | <b>-</b>       | <b>(12)</b>  | <b>3</b>     | <b>7</b> |
|  | 2021                        |                |              |              | Total    |
|  | Up to 90 days / No maturity | 90 to 365 days | 1 to 3 years | Over 3 years |          |
| <b>Assets</b>  |                             |                |              |              |          |
| Investment entity portfolio                                  |                             |                |              |              |          |
| Cash and cash equivalents                                    | 1                           | -              | -            | -            | 1        |
| Investment entity portfolio                                  | 4                           | -              | -            | -            | 4        |
| Investments at fair value through other comprehensive income | 14                          | -              | -            | -            | 14       |
| Financial assets at amortized cost                           | -                           | -              | -            | 3            | 3        |
| Other assets   | 2                           | -              | -            | -            | 2        |
| Liabilities (i)  | (8)                         | (8)            | -            | -            | (16)     |
| <b>Total</b>   | <b>13</b>                   | <b>(8)</b>     | <b>-</b>     | <b>3</b>     | <b>8</b> |

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

## 5. Investment entity portfolio

The financial statements of PPLA Investments ("PPLAI") for the year ended December 31, 2022 were reviewed by independent auditors who issued a opinion report on March 14, 2023, without modification, presenting a section of relevant uncertainty related to operational continuity.

As at December 31, 2022 and 2021, PPLA Investments' equity is R\$ 269.230 due to results with the investment entity portfolio. PPLA Participations marked its investment in PPLA Investments at R\$7 December 31, 2022 (R\$ 10 – 2021), considering the percentage of interest held by the Company of 0.003% (2021 – 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 accountings standards of PPLA Investments.

The relevant figures of the PPLA Investments investment portfolio, as at December 31, 2022 and 2021, are presented below:

|  | Note | 12/31/2022 (1) | 12/31/2021 (1) |
|--|------|----------------|----------------|
| <b>Assets</b>  |      |                |                |
| Cash and cash equivalents                                    | (a)  | 78,562         | 45,732         |
| Investment entity portfolio                                  | (b)  | 449,666        | 148,415        |
| Investments at fair value through other comprehensive income | (c)  | 144,247        | 515,789        |
| Financial assets at amortized cost                           | (d)  | 118,510        | 113,151        |
| Other assets   |      | 19,997         | 62,477         |
| <b>Total</b>   |      | <b>810,982</b> | <b>885,564</b> |
| <b>Liabilities</b>   |      |                |                |
| Derivatives  |      | 20,404         | 414            |
| Financial liabilities at amortized cost                      | (e)  | 430,102        | 375,100        |
| Other liabilities  |      | 91,246         | 186,091        |
| <b>Total</b>   |      | <b>541,752</b> | <b>561,605</b> |
| <b>Shareholders' equity</b>                                  |      | <b>269,230</b> | <b>323,959</b> |
| <b>Total liabilities and shareholders' equity</b>            |      | <b>810,982</b> | <b>885,564</b> |
| <b>Investment entity portfolio reconciliation</b>            |      |                |                |
| PPLAI shareholder's equity                                   |      | 269,230        | 323,959        |
| PPLAP ownership (via BTG Holdco)                             |      | 0.003%         | 0.003%         |
| <b>Total</b>   |      | <b>7</b>       | <b>10</b>      |

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(1) Balances as reported by PPLA Investments as at December 31, 2022 and 2021.

#### (a) Cash and cash equivalents

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

##### (i) Investment entity portfolio

|  | 2022             |                | 2021             |                |
|--|------------------|----------------|------------------|----------------|
|  | Cost             | Fair value     | Cost             | Fair value     |
| Merchant Banking investments                             | 3,325,833        | 515,146        | 3,329,711        | 394,453        |
| Private equity funds ("FIP")                             | 438,317          | 382,243        | 438,313          | 250,655        |
| Subsidiaries, associates and jointly controlled entities | 2,887,516        | 132,903        | 2,891,398        | 143,798        |
| Others (1)   | (65,480)         | (65,480)       | (246,038)        | (246,038)      |
| <b>Total</b>   | <b>3,260,353</b> | <b>449,666</b> | <b>3,083,673</b> | <b>148,415</b> |

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

##### (ii) 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 at December 31, 2022 and 2021, PPLA Investments Merchant Banking investments corresponds to private equity and real estate investments, through FIP or other investment vehicles, as disclosed below:

| Merchant Banking investments                                      | Description/Segment activity                | 2022    |                | 2021    |                |
|---|---|---------|----------------|---------|----------------|
|   |   | (%) (1) | Fair value     | (%) (1) | Fair value     |
| Through FIPs:   |   |         |                |         |                |
| BrPec Agropecuária S.A. (2)                                       | Ranching                                    | -       | -              | 100%    | 114,900        |
| Beontag   | Adhesives, labels and special paper company | 11.17%  | 382,244        | 11.94%  | 135,755        |
| Through subsidiaries, associates and jointly controlled entities: |   |         |                |         |                |
| Timber XI SPE S.A. (3)  | Biological assets                           | 8.02%   | 4,311          | 8.40%   | 4,424          |
| Timber IX Participações S.A. (3)                                  | Biological assets                           | 8.02%   | 13,865         | 8.40%   | 28,244         |
| Timber XII SPE S.A. (3)   | Biological assets                           | 8.02%   | 48,125         | 8.40%   | 41,157         |
| BTG Pactual Santa Terezinha Holding S.A. (3)                      | Biological assets                           | 8.02%   | 11,772         | 8.40%   | 10,381         |
| Fazenda Corisco Participações S.A. (3)                            | Biological assets                           | 8.02%   | 12,777         | 8.40%   | 11,545         |
| Timber VII SPE S.A. (3)   | Biological assets                           | 8.02%   | 37,364         | 8.40%   | 40,247         |
| Loans - Merchant Banking investments                              | Others                                      | -       | 4,687          | -       | 7,800          |
| <b>Total</b>  |   |         | <b>515,147</b> |         | <b>394,453</b> |

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

(2) On December 7, 2021, the term of assignment of the entirety of the shares of Fundo de Investimento em Participações Bravo – Multiestratégia Investimento no Exterior ("FIP Bravo") held by BTGI Stigma LLC ("Stigma") was signed. FIP Bravo's main asset is the equity interest in the entire capital stock of BRPEC Agro-pecuária S.A. ("BrPec"). Stigma received approximately R\$115 million for the sale. The operation was settled on February 7, 2022, after approval by the competent authorities

(3) The percentage variation basically refers to the dilution occurred in the period and / or operating result.

#### (b) Investments at fair value through other comprehensive income

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

|                                    | 2022             |                | 2021             |                |
|------------------------------------|------------------|----------------|------------------|----------------|
|                                    | Cost             | Fair value     | Cost             | Fair value     |
| Merchant Banking investments - FIP | 1,789,401        | 144,247        | 1,786,999        | 515,789        |
| <b>Total</b>                       | <b>1,789,401</b> | <b>144,247</b> | <b>1,786,999</b> | <b>515,789</b> |

#### (i) Merchant banking investments - FIP

Investments in Merchant Banking consist of investments, made directly or through investment vehicles (including funds that also have third-party investments), in a diversified group of portfolios of companies located primarily in Brazil. Merchant Banking investments are generally structured through privately negotiated transactions with the objective of divestment over a period of four to ten years.

As at December 31, 2022 and 2021, PPLA Investments Merchant Banking investments corresponds to private equity and real estate investments, through FIP, as disclosed below:

| Merchant Banking investments  | Description/Segment activity             | 2022    |                | 2021    |                |
|-------------------------------|--|---------|----------------|---------|----------------|
|                               |  | (%) (1) | Fair value     | (%) (1) | Fair value     |
| A!Bodytech Participações S.A. | Fitness segment                          | 10.5%   | 5,739          | 10.5%   | 6,311          |
| Latte S.A.                    | Waste collection, treatment and disposal | 15.7%   | 2,397          | 15.7%   | 3,674          |
| UOL Universo on Line S.A. (2) | Internet and server provider             | 0.0%    | -              | 3.1%    | 479,956        |
| PagSeguro LTDA. (2)           | Payments institution                     | 0.9%    | 128,774        | 0.0%    | -              |
| Others                        |  |         | 7,337          | -       | 204            |
| <b>Total</b>                  |  |         | <b>144,247</b> |         | <b>490,145</b> |

(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").

#### (c) Financial assets at amortized cost

|              | 2022           | 2021           |
|--------------|----------------|----------------|
| Partners (i) | 118,510        | 113,151        |
| <b>Total</b> | <b>118,510</b> | <b>113,151</b> |

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

As at December 31, 2022 and 2021, the fair value attributed to the loans and receivables is similar to its amortized cost.

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#### (d) 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.

#### (e) Fair value Hierarchy

PPLA Investments classifies its investment entity portfolio as level 3. However, the underlying assets and liabilities of this portfolio have different classification which is presented as follows:

##### (i) Investment entity portfolio

|   | 2022    |                  |                | Total          |
|---|---------|------------------|----------------|----------------|
|   | Nível 1 | Nível 2          | Nível 3        |                |
| <b>Portfólio de entidades de investimento</b>     |         |                  |                |                |
| Investimentos em Merchant Banking                 | -       | -                | 382,244        | 382,244        |
| Fundos de Investimentos em Participações          | -       | -                | 382,244        | 382,244        |
| Subsidiárias, coligadas e controladas em conjunto | -       | 4,687            | 128,216        | 132,903        |
| Outros  | -       | (65,480)         | -              | (65,480)       |
| <b>Total</b>                                      | -       | <b>(60,793)</b>  | <b>510,460</b> | <b>449,667</b> |
|   | 2021    |                  |                |                |
|   | Nível 1 | Nível 2          | Nível 3        | Total          |
| <b>Portfólio de entidades de investimento</b>     |         |                  |                |                |
| Investimentos em Merchant Banking                 | -       | -                | 250,655        | 250,655        |
| Fundos de Investimentos em Participações          | -       | -                | 250,655        | 250,655        |
| Subsidiárias, coligadas e controladas em conjunto | -       | 7,800            | 135,998        | 143,798        |
| Outros  | -       | (246,038)        | -              | (246,038)      |
| <b>Total</b>                                      | -       | <b>(238,238)</b> | <b>386,653</b> | <b>148,415</b> |

##### (ii) Investments at fair value through other comprehensive income

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

|  | 2022    |         |                | Total          |
|--|---------|---------|----------------|----------------|
|  | Nível 1 | Nível 2 | Nível 3        |                |
| <b>Investimentos designados ao valor justo por meio de outros resultados abrangentes</b> |         |         |                |                |
| Investimentos em Merchant Banking - FIP  | -       | -       | 144,247        | 144,247        |
| <b>Total</b>   | -       | -       | <b>144,247</b> | <b>144,247</b> |
|  | 2021    |         |                |                |
|  | Nível 1 | Nível 2 | Nível 3        | Total          |
| <b>Investimentos designados ao valor justo por meio de outros resultados abrangentes</b> |         |         |                |                |
| Investimentos em Merchant Banking - FIP  | -       | -       | 515,789        | 515,789        |
| <b>Total</b>   | -       | -       | <b>515,789</b> | <b>515,789</b> |

##### (iii) Financial assets at amortized cost

Loans and receivables are presented at fair value at PPLA Investments level using a pricing model in which the relevant parameters are based on observable active market data.



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#### (iv) Financial liabilities at amortized cost

Financial liabilities at amortized cost are presented at fair value at PPLA Investments level using a pricing model in which the relevant parameters are based on observable active market data. Therefore, they fall in the Fair Value Level 2 category.

#### (v) Summary of valuation techniques

There were no changes from the valuation techniques disclosed in the financial statements for the year ended December, 2022.

#### (vi) Reclassification between levels

During the year ended December 31, 2022, there were no reclassification between levels and fair value hierarchy.

## 6. Amounts receivable

As at December 31, 2022 and 2021, the item refers entirely to amounts receivable from investees/subsidiaries, to pay for the Company's administrative expenses as of December 31, 2022 in the amount of R\$ 506 (R\$555 as of December 31, 2021).

## 7. Other liabilities

As at December 31, 2022 and 2021, the item refers entirely to amounts payable regarding administrative expenses from the Company's BDRs program as of December 31, 2022 in the amount of R\$ 506 (R\$ 55 as of December 31, 2021).

## 8. Shareholders' equity

### a. Capital

As at December 31, 2022 and 2021, the Company's capital was comprised by the following class of shares:

|              | 2022                  |                  |                 |               |                |
|--------------|-----------------------|------------------|-----------------|---------------|----------------|
|              | Authorized            | Issued           | Par value (R\$) | 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              |
| <b>Total</b> | <b>16.000.000.001</b> | <b>2.814.667</b> |                 |               |                |
|              | 2021                  |                  |                 |               |                |
|              | Authorized            | Issued           | Par value (R\$) | 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              |
| <b>Total</b> | <b>16.000.000.001</b> | <b>2.814.667</b> |                 |               |                |

(\*) Class C shareholders have 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.

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#### b. Treasury shares

In the year ended December 31, 2022, there was no cancellation of shares held in treasury (31 December 2021, there was a cancellation equivalent to 690,200 units).

During the years ended December 31, 2022 and 2021, the Company did not repurchased units.

#### c. Dividends

The Company did not distribute dividends during the years ended December 31, 2022 and 2021.

### 9. Profit / (Loss) per share

|  | <u>2022</u>  | <u>2021</u>   |
|--|--------------|---------------|
| Profit for the year  | 2            | 5             |
| Weighted average per thousand shares outstanding during the period | 2,815        | 2,815         |
| <b>Profit / (Loss) per share - basic and diluted (in reais)</b>    | <u>0.001</u> | <u>0.0018</u> |

### 10. Loss from investment entity portfolio measured at fair value

|                                     | <u>2022</u> | <u>2021</u> |
|-------------------------------------|-------------|-------------|
| Loss on investment entity portfolio | 5           | 5           |
| <b>Total</b>                        | <u>5</u>    | <u>5</u>    |

### 11. Administrative expenses

In the years ended December 31, 2022 and 2021, 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, 2022 and 2021, the item is composed exclusively by amounts regarding reimbursed from subsidiaries.

### 13. Related Parties

|                           | <u>Relationship</u> | <u>Assets (Liabilities)</u> |             | <u>Revenues (Expenses)</u> |             |
|---------------------------|---------------------|-----------------------------|-------------|----------------------------|-------------|
|                           |                     | <u>2022</u>                 | <u>2021</u> | <u>2022</u>                | <u>2021</u> |
| <b>Assets</b>             |                     |                             |             |                            |             |
| <b>Amounts receivable</b> |                     |                             |             |                            |             |
| - PPLA Investments LP     | Related             | 506                         | 555         | 3,218                      | 555         |
| <b>Liabilities</b>        |                     |                             |             |                            |             |
| <b>Other liabilities</b>  |                     |                             |             |                            |             |
| - PPLA Investments LP     | Related             | (506)                       | (554)       | (3,218)                    | (555)       |

No management compensation was recorded during the years ended December 31, 2022 and 2021.