PPLA Participations Ltd.

Financial Statements in IFRS
December 31, 2020
with independent auditor's report

PPLA Participations Ltd.

Financial statements in IFRS

December 31, 2020

Content

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A free translation from Portuguese into English of the Independent Auditors' Report on financial statements prepared in accordance with the International Financial Reporting Standards – IFRS, issued by International Accounting Standards Board – IASB and in Reais (R$).

Independent auditor's report on financial statements

To the
Shareholders and Management of
PPLA Participations Ltd.

Opinion

We have audited the financial statements of PPLA Participations Ltd. (the "Company") which comprise, the balance sheet as of December 31, 2020, and the related statements of income, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PPLA Participations Ltd. as of December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards, issued by 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 relevant ethical principles of the Code of Professional Ethics of Accountant and professional standards issued by the 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 opinion.

Emphasis of matter

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred recurring decrease on the Company's P&L over the last few years, mainly due to losses arising from negative mark-to-market in its investment entity portfolio and to revert this scenario Company depends on success of the efforts that have been taken by the management and new shareholders subscription. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Restatement of corresponding figures

We draw attention to Note 2 to the financial statements, which describes that, due to an adjust related to accounting of administrative expenses and other operating income recorded in disregard of the accrual basis method of accounting, the amounts corresponding for the year ended December 31, 2019, presented for comparison purposes, have been adjusted and are restated as provided in IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors). 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on accompanying financial statements.

<u>Fair value measurement of complex and illiquid financial instruments</u>

The Company has on its investment portfolio complex and illiquid financial instruments measured at fair value. The fair value measurement of these financial instruments requires management to use pricing models and assumptions, such as expected cash flow, risk free rate, credit risk spreads, among other inputs. Due to the nature of these financial instruments and the complexity and subjectivity involved in the valuation methodologies, we considered the measurement of these investments as one of the key audit matters.

How our audit addressed the matter

Our audit procedures included, among others, the involvement of specialists in complex and illiquid financial instruments pricing to assist us in the evaluation of the pricing methodologies and the assumptions considered by management in measuring the fair value of these instruments. In addition, we evaluated the adequacy of the disclosures on footnotes 7 and 8 to the Company's financial statements.

Based on the evidence obtained from the procedures performed on these complex and illiquid financial instruments, which were consistent with management evaluation, we considered that the criteria and assumptions adopted by management on the fair value measurement of these complex and illiquid financial instruments were adequate in the context of the financial statements taken as a whole.

Related party transactions

The Company is part of an organizational structure with several legal entities, in Brazil and abroad. It carries out transactions with these related parties within its operations. Due to the number of related parties, the volume, and the inherent risk associated to these transactions, we considered them to be one of the key audit matters.

How our audit addressed the matter

Our audit procedures included, among others, the understanding of the Company’s policies and procedures for identifying and mapping transactions with related parties, as well as obtaining formal representation by management with respect to the identification of all related parties with the Company. Additionally, we audited, on a sample basis, the transactions among related parties. In addition, we evaluated the adequacy of the disclosures on footnote 18 to the Company’s financial statements.

Based on the evidence obtained from the procedures performed on related party transactions, which were consistent with management evaluation, we considered that management policies and criteria in identifying and recognizing these transactions were adequate in the context of the financial statements taken as a whole.

Other matters

Audit of corresponding figures for the period ended in December 31, 2019

The audit of the financial statements for the year ended December 31, 2019, originally prepared before the adjustment’s restatements described in Note 2, was performed under the responsibility of another independent auditor who issued an unmodified audit report dated March 27, 2020. As part of our review of the interim condensed financial statements of September 30, 2020, we also revised the adjustments described in Note 2 that were made to change the corresponding figures relating to the financial statements as of December 31, 2019. In our conclusion, such adjustments are appropriate and have been correctly made. We were not engaged to audit, review or apply any other procedures on the Company's financial statements for year 2019 and, therefore, we do not express an opinion or any form of assurance on the 2019 financial statements taken as a whole.

Other information accompanying the financial statements and the auditor’s report

Management is responsible for such other information, which comprise the Management Report.

Our opinion on the financial statements does not cover the Management Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Management Report, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, issued by 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.

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, and includes Management, Audit Committee and Board of Directors.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit conducted 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 obtained 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.

- Obtained 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.

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

We also provided those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and that we communicated to them all relationships and other matters that may 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 significant in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless the 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 19, 2021.

ERNST & YOUNG
Auditores Independentes S.S.
CRC 2SP034519/O-6

Renata Zanotta Calçada
Renata Zanotta Calçada
Accountant

PPLA Participations Ltd.

Balance sheets

As at December 31, 2020 and 2019
(In thousands of reais)

Assets	Note	12/31/2020	12/31/2019 (Restated)
Investment entity portfolio	5	5	26
Amounts receivable	6	540	748
Total assets		**545**	**774**
Liabilities			
Other liabilities	7	540	748
Total liabilities		**540**	**748**
Shareholders' equity			
Capital stock and share premium	8a	1,504,802	1,504,802
Treasury shares	8b	-	(2,954)
Other comprehensive income		424,142	424,138
Accumulated losses		(1,928,939)	(1,925,960)
Total shareholders' equity		**5**	**26**
Total liabilities and shareholders' equity		**545**	**774**

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

PPLA Participations Ltd.

Statements of income
Years ended December 31, 2020 and 2019
(In thousands of reais, except for loss per share)

	Note	12/31/2020	12/31/2019 (Restated)
Loss on investment entity portfolio measured at fair value	10	(25)	(3,466)
Administrative expenses	11	(4,703)	(4,324)
Other operating income	12	4,703	4,324
Operating loss		**(25)**	**(3,466)**
Loss for the year		**(25)**	**(3,466)**
Loss per share - basic and diluted (in reais)	9	(0.001)	(0.00004)

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

PPLA Participations Ltd.

Statements of comprehensive income

Years ended December 31, 2020 and 2019
(In thousands of reais)

	12/31/2020	12/31/2019
Loss for the year	(25)	(3,466)
Other comprehensive income / (loss) not to be reclassified to profit or loss:	4	(307)
Currency translation adjustments	4	(307)
Total comprehensive income / (loss) for the year	**(21)**	**(3,773)**
Total comprehensive loss attributed to:		
Controlling shareholders	(21)	(3,773)
Non-controlling shareholders	-	-

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

PPLA Participations Ltd.

Statement of changes in shareholders' equity
Years ended December 31, 2020 and 2019
(In thousands of reais)

	Capital stock and share premium	Other comprehensive income	Treasury shares	Accumulated losses	Total shareholders' equity
Balance as of December 31, 2018	**1,504,802**	**424,445**	**(2,954)**	**(1,922,494)**	**3,799**
Loss of the year	-	-	-	(3,466)	(3,466)
Currency translation adjustments	-	(307)	-	-	(307)
Balance as of December 31, 2019	**1,504,802**	**424,138**	**(2,954)**	**(1,925,960)**	**26**
Cancelation of treasury shares	-	-	2,954	(2,954)	-
Loss of the year	-	-	-	(25)	(25)
Currency translation adjustments	-	4	-	-	4
Balance as of December 31, 2020	**1,504,802**	**424,142**	**-**	**(1,928,939)**	**5**

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

PPLA Participations Ltd.

Statements of cash flows
Years ended December 31, 2020 and 2019
(In thousands of reais)

	Note	12/31/2020	12/31/2019 (Restated)
Operating activities			
Loss for the year		(25)	(3,466)
Adjustments to the loss for the year			
Equity pickup in associates and joint ventures		-	-
Loss on financial assets available for sale		-	-
Financial assets measured at fair value through profit or loss		-	-
Loss from investment entity portfolio measured at fair value	10	25	3,466
Currency translation adjustments		-	-
Adjusted loss for the year		-	-
Increase / (decrease) in cash and cash equivalents		**-**	**-**
Balance of cash and cash equivalents			
At the beginning of the year		-	-
At the end of the year		-	-
Increase / (decrease) in cash and cash equivalents		**-**	**-**
Non-cash transactions			
Amounts receivable		208	(737)
Other liabilities		(208)	737

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

1. Operations

PPLA Participations Ltd. ("PPLA Participations" or "Company") was constituted as a tax exempted Limited Liability Company under the laws of Bermuda on March 26, 2010. On December 29, 2010, the Bermuda monetary authority approved the constitution of the Company. PPLA Participations headquarters is located 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 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 portraits the existence of a relevant uncertainty that can raise questions about the Company's operational continuity, management evaluation came to conclude, based on the aforementioned initiatives, that PPLA Investments has the capacity to continue operating in the next 12 months.

COVID-19

The Company's management is tracking the effects COVID-19 may have on its business. Any outcome prediction is hampered due to the situation's rapid and fluid development, which can lead to a fallout in economic and market conditions, triggering a decline in global economic activity. The Company is monitoring all developments related to COVID-19 and coordinating its operating response, taking into account the continuity plans from preexisting business ventures and on the guidelines exposed by global health organizations, governments and general best practices in response to this pandemic. The COVID-19 pandemic has had, and continues to have, a material impact on businesses around the world, including ours, and the economic and political environments in which businesses operate. There are a number of factors associated with the ongoing COVID-19 pandemic and its impact on global economies that could have a material adverse effect on our business, financial condition, results of operations, cash flows, prospects and the market price of our securities. In particular, the COVID-19 pandemic has affected business and economic expectations, 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.

Discontinuation of the BDR Program

During the year ended December 31, 2018, PPLA Participations Ltd. submitted to B3 S.A. - Brasil, Bolsa, Balcão ("B3") a procedure for the voluntary discontinuation of the BDRs Program of the Company, along with the resulting termination of its listing and negotiation of the Units with B3, as well as the termination of its registration as a category "A" foreign issuer, held with the Brazilian Securities and Exchange Commission – Comissão de Valores Mobiliários ("CVM"), pursuant to the Issuer Manual, issued by B3 and the CVM Instruction 332, of April 4, 2009.

Additionally, on May 2, 2019, as part of the tender offer for the purchase of Units and BDRs ("OPA" or "Offer"), the Securities Commission ("CVM") made the following requests: (i) amendment of the tender offer to include information on related party transactions, loan and capitalization as disclosed in Material Fact of April 9, 2019, (ii) updating by the appraiser of the Company's value in valuation, based on the latest financial statements made available by the Company, as of June 3, 2019. In addition, the CVM announced that the holding of the Extraordinary Shareholders' Meeting requested by the minority shareholders should be made fifteen days after the valuation report was previously released mentioned.

On September 30, 2019, the Company received the Company's appraisal report, dated December 31, 2018, to determine the value of Units and BDRs under the voluntary discontinuation of the share deposit certificate program.

On October 4, 2019, BTG Pactual Holding SA, as the offerer for the Acquisition of Units and BDRs for Voluntary Discontinuation of the PPLA Participations Ltd. Issuance Certificate Program (“Offer”), expressed its withdrawal from the execution of the Offer and, therefore, from the discontinuation procedure of the BDR program, the cancellation of its listing and the trading of units with B3 SA - Brasil, Bolsa, Balcão and the registration as a foreign “A” issuing company, held with the Brazilian Securities Commission. The withdrawal results from the realization of a new valuation requested by an investor in the scope of the Offering has found a value higher than the initial value of the Offering, due to material errors that distorts the result of the valuation.

Loan Agreement

On February 28, 2020, March 17, 2020 and May 5, 200, PPLA Investments (“PPLAI”) received loans from BTG MB, through a Loan Agreement, in the amounts of US$72 million, U$29 million and U$43 million, respectively, with maturities of 1 (one) year, of the respective loans dates, paying interest indexed to the 3 (three) month LIBOR added of 2.85% spread per year. This loan agreement includes the possibility of being totally or partially converted into capital, once certain conditions are met.

Merchant Banking loans

On March 4, 2020, the Lojas Leader S.A (“Leader”) released its Management's decision by requesting judicial reorganization. As of March 31, 2020, the Company´s Management assessed the possible impacts and does not have expectations for receivables related to this operation. Due to Leader´s financial situation and the entity´s request for judicial reorganization, an additional impairment was recorded corresponding to the amount of credits, resulting in zero exposure.

On June 6, 2019, Brasil Pharma S.A. announced that its management decided to file for bankruptcy, claiming that it was not able to see prospects for its operational continuity or to obtain new resources to continue compliance with its obligations under the Judicial Reorganization Plan. During the year ended December 31, 2019 the investment held by PPLAI was valued at nil, once there is no expectations of proceeds related to the such investment.

Acquisitions and sales

On October 5, 2020, FIP Principal, PPLAI’s subsidiary, sold its participation in Auto Adesivos Paraná S.A. (“CCRR”) in the amount of R$170,283. However, the indirect participation held by PPLA in CCRR has not changed, since FIP Turquesa - held 100% by the Company - acquired the 30,1% previously owned through FIP Principal. No gains or losses were recognized in the transaction.

On May 31, 2019, the sale of 100% of the equity interest directly or indirectly held in Estre Ambiental (“Estre”) was concluded to Energy Sustainable, in a transaction that also involved the interest held by Banco BTG Pactual. Upon conclusion of the transaction, sellers will receive a token amount and will be entitled to a future receipt of up to R$60 million if (i) the same equity is sold to a third party or (ii) Estre receives capital contributions. It is expected to receive up to R$6.4 million for the sale.

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).

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 Company's functional currency is the U.S. Dollar, since the majority of the Company's business transactions are in the mentioned currency. The subsidiaries functional currency generally corresponds to the currency from its country.

a. Revised IFRS pronouncements

I. Accounting standards recently issued and applicable in future periods

The following pronouncements will become applicable for periods after the date of these financial statements and were not early adopted:

- IFRS 17 - Insurance Contracts: The pronouncement replaces IFRS 4 - Insurance Contracts. It presents three approaches for evaluating insurance contracts:

  - Standard Model: applicable to all contracts, especially long-term contracts;
  - Premium Allocation Approach (PAA): applicable to contracts with maturity of up to 12 months and with little complex cash flows. It is simpler than the standard model, but can be used only when it produces results similar to what would be obtained if the standard model were used;
  - Variable Fee Approach: specific approach to contracts with participation in the result of investments.

  Insurance contracts must be recognized through the analysis of four components:

  - Expected Future Cash Flows: estimate of all components of the contract's cash flow, considering inflows and outflows of funds;
  - Adjustment to Risk: estimate of the compensation required for deviations that may occur between cash flows;
  - Contractual Margin: difference between any amounts received before the start of contract coverage and the present value of estimated cash flows at the beginning of the contract;
  - Discount: projected cash flows must be discounted to present value, in order to reflect the value of money over time, at rates that reflect the characteristics of the respective flows.

  This standard is effective for years beginning on or after January 1, 2021. The possible impacts resulting from the adoption of this standard are being evaluated and will be concluded by the date of its entry into force.

(In thousands of reais)

- Amendment to IFRS 4 - Insurance Contracts - Joint application of IFRS 9: The amendment allows entities issuing insurance contracts to mitigate possible impacts of the adoption of IFRS 9 - Financial Instruments before the term of IFRS 17 - Insurance Contracts, through two options:

    - Temporary exemption: adoption of IFRS 9 in conjunction with IFRS 17, that is, starting in January 2021. This option applies only to entities with relevant insurance activities (above 80% of total liabilities) and that have not applied IFRS 9 in advance; and

    - Overlapping Approach: adoption of IFRS 9, however, for assets reclassified to the Fair Value through Profit category, transfer the effects of the adoption of IFRS 9 from Income for the period to Other Comprehensive Income until the validity of IFRS 17.

  The Company does not have insurance contracts on the base date for the preparation of these interim condensed financial statements.

- Amendment to IFRS 10 – Consolidated Financial Statements and IAS 28 – Investments in Associates and Joint Ventures – The amendments refer to an inconsistency between IFRS 10 and IAS 28 requirements, when addressing the sale or contribution of assets between an investor and its associate or joint venture. The effective date has not been defined by IASB yet. No material impacts arising from this change on the financial statements of Company were identified.

The condensed financial statements were approved by the Management on March 19, 2021, and they contain a true and fair view of the financial position and results of the Company.

II. Restatement

During the year ended in December 31, 2020, the Company made adjustments on its comparative financial, due to the adjustments related to the reckoning of administrative expenses and non-operating income accounted for in disagreement with the accrual accounting principle. It is worth mentioning that theses administrative expenses are fully reimbursed by PPLA Investments, so the aforementioned effects had no impact whatsoever on the Company's result or its shareholder's equity lines. Such adjustments were retrospectively applied, with effects on the Balance sheet, Income statement and Cash flows, as shown below:

	12/31/2019 (Original)	Adjustments	12/31/2019 (Restated)
Investment entity portfolio	26	-	26
Other assets	-	748	748
Total assets	**26**	**748**	**774**
Liabilities			
Other liabilities	-	748	748
Total liabilities	**-**	**748**	**748**
Shareholders' equity			
Capital stock and share premium	1,504,802	-	1,504,802
Treasury shares	(2,954)	-	(2,954)
Other comprehensive income	424,138	-	424,138
Accumulated losses	(1,925,960)	-	(1,925,960)
Total shareholders' equity	**26**	**-**	**26**
Total liabilities and shareholders' equity	**26**	**748**	**774**

(In thousands of reais)

	12/31/2019 (Original)	Adjustments	12/31/2019 (Restated)
Loss on investment entity portfolio measured at fair value	(3,466)		(3,466)
	-	(4,324)	(4,324)
Other operating income	-	4,324	4,324
Operating loss	**(3,466)**	**-**	**(3,466)**
Loss for the year	**(3,466)**	**-**	**(3,466)**
Loss per share (basic and diluted - R$)	(0.048)		(0.048)

	12/31/2019 (Original)	Adjustments	12/31/2019 (Restated)
Operating activities			
Loss for the year	(3,466)		(3,466)
Adjustments to the loss for the períod			
Loss from investment entity portfolio measured at fair value	3,466	-	3,466
Adjusted gain / (loss) for the year	-		-
Increase / (decrease) in cash and cash equivalents	**-**		**-**
Balance of cash and cash equivalents			
At the beginning of the year	-	-	-
At the end of the year	-	-	-
Increase / (decrease) in cash and cash equivalents	**-**		**-**
Non-cash transactions			
Amounts receivable	-	(737)	(737)
Other liabilities	-	737	737

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 items included in the financial statements of each of the subsidiaries of the Company are measured using the currency of the primary economic environment in which the company operates ("functional currency").

The Company's functional currency is the U.S. Dollar, since the majority of the Company's business transactions are in the mentioned currency. The subsidiaries functional currency generally corresponds to the currency from its country.

Foreign currency translation

The financial statements of subsidiaries whose functional currency is different from that adopted by the parent Company, are translated into the functional currency of the parent using the criteria in IAS 21.

Monetary assets and liabilities denominated in currencies other than U.S. Dollars are converted into U.S. Dollar using exchange rates closing at the end of each year. The non-monetary assets and liabilities are translated using the historical rate date. Transactions during the end of the financial year, including purchases and sales of securities, income and expenses are translated at the exchange rate in effect at the transaction date. Gains and losses on foreign currency transactions are included in "translation adjustments" in the statement of comprehensive income.

Presentation currency

These financial statements are presented using the Brazilian Real ("Real" or "reais" or "R$") , the presentation currency, as its reporting currency exclusively to meet the specific requirements of the Brazilian Federal Securities Commission ("CVM"), the Brazilian regulatory body.

The conversion of U.S. Dollar functional currency into reais (presentation currency) was recorded pursuant to the methodology described in IAS 21 – ("The effects of changes in exchange rates"), and is summarized below:

- The assets and liabilities for each balance sheet date were translated at the closing exchange rate at the balance sheet date; income and expenses were translated using monthly average exchange rate.

- For assets and liabilities for each balance which IAS 21 does not establish a methodology for translation, the Company elected to translate balances using the closing rate of each balance sheet, and other movements in shareholders' equity were converted using monthly average rate, except those that correspond to a specific transaction with shareholders that were converted at the exchange rate at the transaction date.

- For the preparation of the statement of cash flows, the Company used the average annual rate for the conversion of balances of changes in assets and liabilities items of operational cash flows. For the remaining transactions, the Company used the historical rate. All resulting translation differences are recognized directly in "translation adjustments" in the statement of other comprehensive income. All resulting translation differences are recognized directly in "translation adjustments" in the statement of other comprehensive income.

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 interesting rate method. The interest on financial instruments held for trading are recorded in “Gain (losses) on financial instruments held for trading”.

e. Financial instruments

This section described the accounting practices adopted as a result of the early adoption of IFRS 9.

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 at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income includes equities and debt instruments:

- Equity Instruments

  At initial recognition, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that is not held for trading, nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies. If it makes such election, only dividend income that does not clearly represent a recovery of part of the cost of the investment is recognized in profit or loss, with all other gains and losses (including those related to foreign exchange) recognized in other comprehensive income. These gains and losses remain permanently in equity and are not subsequently reclassified to profit or loss, even on derecognition. After derecognition of the investment, the Company may transfer the cumulative gain or loss retained in other comprehensive income to retained earnings.

- Debt Instruments

  Debt instruments can be recognized under this category if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets 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. The unrealized gains or losses are recognized directly in equity as other comprehensive income. Upon the realization of the debt instrument, the unrealized gains or losses, previously recognized in the statement of comprehensive income, are reclassified to the income statement, as "Gain (losses) on fair value through other comprehensive income".

Financial assets measured at amortized cost

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

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

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

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

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.

f. Valuation of Investment entity portfolio

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.

Level 3 valuation assumptions

Asset	Valuation technique	Main assumptions
Private Equity Funds (unquoted investments)	Price of recent investments; Models based on discounted cash flows or earnings; Market 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.

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.

(In thousands of reais)

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 believes the Company has only one segment, which is related to the overall activity of an investment entity and so no segment information is disclosed.

k. Invested companies

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

		Equity interest - %	
	Country	**12/31/2020**	**12/31/2019**
Direct subsidiaries			
BTG Bermuda LP Holdco Ltd.	Bermuda	100	100
Indirect subsidiaries			
PPLA Investments LP.	Bermuda	0.003	0.026

(In thousands of reais)

On June 30, 2020, the capitalization of PPLA Investments by BTG MB Investments LP (“BTG MB”) was concluded, a company that has an indirect controlling shareholder common to the Company, by issuing 91,805,085,836 Class D shares by PPLA Investments, in the amount of R$801.1 million, corresponding to R$0.0087 per share. As a result of the capitalization, PPLA Investments' investors were diluted in their participation, in such a way that: (i) the Company started to indirectly hold, through PPLA Bermuda LP Holdco Ltd, 0.003% of PPLA Investments; (ii) BTG MB now directly holds approximately 99.99% of PPLA Investments.

On December 31, 2019, the capitalization of PPLA Investments by BTG MB Investments LP (“BTG MB”) was concluded, a company that has an indirect controlling shareholder common to the Company, by issuing 261,460,784,625 Class D shares by PPLA Investments, in the amount of R$126.6 million, corresponding to R $ 0.00048 per share. As a result of the capitalization, PPLA Investments' investors were diluted in their participation, in such a way that: (i) the Company started to indirectly hold, through PPLA Bermuda LP Holdco Ltd, 0.03% of PPLA Investments; (ii) BTG MB now directly holds approximately 99% of PPLA Investments.

On Setember 30, 2019, BTG MB Investments LP ("BTG MB"), a company that has an indirect participation in the Company, converted R$63.7 million of a loan granted to PPLA Investments into equity – PPLA Investments issued of 41,069,392,537 Class D shares, equivalent to R$0.00 per share. As a consequence of the capitalization, PPLA Investments shareholders were diluted in their participation, in such a way that: (i) the Company indirectly holds, through PPLA Bermuda LP Holdco Ltd, 0.14% of PPLA Investments and (ii) BTG MB directly holds aprox. 99% of PPLA Investments shares.

During the quarter ended on June 28, 2019, BTG MB Investments LP ("BTG MB"), a company that has an indirect participation in the Company, converted R$175.9 million of a loan granted to PPLA Investments into equity – PPLA Investments issued of 13,918,235,294 Class D shares, equivalent to R$0.01 per share. As a consequence of the capitalization, PPLA Investments shareholders were diluted in their participation, in such a way that: (i) the Company indirectly holds, through PPLA Bermuda LP Holdco Ltd, 0.47% of PPLA Investments and (ii) BTG MB directly holds aprox. 98% of PPLA Investments shares.

On March 29, BTG MB Investments LP, a company that has an indirect participation in the Company, converted R$85 million of a loan granted to PPLA Investments into equity – PPLA Investments issued of 3,766,919,006 Class D shares - equivalent to R$0.02 per share. As a consequence of the capitalization, PPLA Investments shareholders were diluted in their participation, in such way that: (i) the Company indirectly holds, through PPLA Bermuda LP Holdco Ltd, 2.08% of PPLA Investments and; (ii) BTG MB directly holds aprox. 93% of PPLA Investments shares.

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

		Equity interest - %	
	Country	**12/31/2020**	**12/31/2019**
Direct subsidiaries			
BTG Loanco LLC	USA	100.00	100.00
Indirect subsidiaries			
Timber XI SPE S.A. (i)	Brazil	8.73	9.03
Timber IX Participações S.A. (i)	Brazil	8.73	9.03
Timber XII SPE S.A.	Brazil	8.73	9.03
São Lourenço Empreendimentos Florestais Ltda. (i)	Brazil	8.73	9.03
Fazenda Corisco Participações S.A. (i)	Brazil	8.73	9.03

(In thousands of reais)

	Country	Equity interest - % 12/31/2020	12/31/2019
BTG Pactual Santa Terezinha Holding S.A. (i)	Brazil	8.73	9.03
SCFlor Empreendimentos Agrícolas Ltda.	Brazil	8.73	9.03
Fazenda Santa Terezinha Participações S.A. (i)	Brazil	8.73	9.03
Timber VII SPE S.A. (i)	Brazil	8.73	9.03
BTGI Quartzo Participações S.A	Brazil	100.00	100.00
BTGI Safira Participações S.A	Brazil	100.00	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	32.75	33.85
BRPEC Agro Pecuária S.A.	Brazil	100.00	100.00
BTG Pactual Proprietary Feeder (1) Limited	Cayman	100.00	100.00
Invested funds			
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

(i) The investee equity is divided into ordinary and preferred shares. The Company has the majority of the ordinary shares and voting rights.

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 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 as at December 31, 2020 and 2019:

	12/31/2020 Brazil	United States	Others	Total
Assets				
Investment entity portfolio				
Assets				
Cash and cash equivalents	-	-	3	3
Investment entity portfolio	5	-	-	5
Derivative financial instruments	-	-	-	-
Investments at fair value through other comprehensive income	16	-	-	16
Financial assets at amortized cost (i)	-	3	-	3
Other assets	2	-	-	2
Liabilities (ii)	-	-	-	-
Total	23	3	3	29

(In thousands of reais)

	12/31/2019			
	Brazil	United States	Others	Total
Assets				
Investment entity portfolio				
Assets				
Cash and cash equivalents	8	-	-	8
Investment entity portfolio	154	-	1	155
Investments at fair value through other comprehensive income	152	-	(8)	144
Financial assets at amortized cost (i)	-	30	2	32
Other assets	30	-	-	30
Liabilities (ii)	-	-	(343)	(343)
Total	344	30	(348)	26

(i) The amount basically corresponds to loans to partners.
(ii) Includes financial liabilities contracted into by PPLA Investments (PPLA Participations is not a counterparty of such contracts).

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

	12/31/2020				
	Private institutions	Companies	Individuals	Others	Total
Assets					
Cash and cash equivalents	3	-	-	-	3
Investment entity portfolio	16	7	-	(18)	5
Investments at fair value through other comprehensive income	-	16	-	-	16
Financial assets at amortized cost	-	-	3	-	3
Other assets	-	-	-	2	2
Liabilities (i)	-	-	-	-	-
Total	19	23	3	(16)	29

	12/31/2019				
	Private institutions	Companies	Individuals	Others	Total
Assets					
Cash and cash equivalents	8	-	-	-	8
Investment entity portfolio	193	219	-	(257)	155
Investments at fair value through other comprehensive income	-	152	-	(8)	144
Financial assets at amortized cost	-	-	29	3	32
Other assets	-	-	-	30	30
Liabilities (i)	-	-	-	(343)	(343)
Total	201	371	29	(575)	26

(i) Includes financial liabilities entered into by PPLA Investments (PPLA Participations is not a counterparty of such contracts).

b. Liquidity analysis and risk

As at December 31, 2020 and 2019, the Company does not have any cash or cash equivalents.

As at December 31, 2019, 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, 2020 and 2019:

	12/31/2020				
	Up to 90 days / No maturity	90 to 365 days	1 to 3 years	Over 3 years	Total
Assets					
Investment entity portfolio					
Assets					
Cash and cash equivalents	3	-	-	-	3
Investment entity portfolio	3	-	-	2	5
Derivative financial instruments	-	-	-	-	-
Investments at fair value through other comprehensive income	-	-	-	16	16
Financial assets at amortized cost	-	-	-	3	3
Other assets	-	2	-	-	2
Liabilities (i)	(25)	-	-	-	(25)
Total	(19)	2	-	21	4

(In thousands of reais)

	12/31/2019				
	Up to 90 days / No maturity	90 to 365 days	1 to 3 years	Over 3 years	Total
Assets					
Investment entity portfolio					
Cash and cash equivalents	8	-	-	-	8
Investment entity portfolio	154	-	-	1	155
Investments at fair value through other comprehensive income	-	-	-	144	144
Financial assets at amortized cost	1	-	6	25	32
Other assets	-	30	-	-	30
Liabilities (i)	-	(343)	-	-	(343)
Total	163	(313)	6	170	26

(i) Includes financial liabilities entered into by PPLA Investments (PPLA Participations is not a counterparty of such contracts).

5. Investment entity portfolio

The interim condensed financial statements of PPLA Investments ("PPLAI") for year ended December 31, 2020 were reviewed by independent auditors who issued a report on March 19, 2021, without modification, presenting a section of relevant uncertainty related to operational continuity.

As at December 31, 2020, PPLA Investments' equity is R$168,411 due to results with the investment entity portfolio. PPLA Participations marked its investment in PPLA Investments at R$5 in year ended December 31, 2020. PPLA P does not have contractual commitments with the liabilities of its investees.

As at December 31, 2019, the investment entity portfolio measured at fair value through profit and loss is represented by the interest in BTG Holdco, a holding entity, in the amount of R$26. Below are presented relevant information of the investment portfolio as at December 31, 2019, through the investment in PPLA Investments (via BTG Holdco).

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, 2020 and 2019, are presented below:

	Note	12/31/2020 (1)	12/31/2019 (1)
Assets			
Cash and cash equivalents	(a)	104,152	29,739
Investment entity portfolio	(b)	201,150	589,228
Derivative financial instruments		2,271	-
Investments at fair value through other comprehensive income	(c)	584,162	547,216
Financial assets at amortized cost	(d)	116,369	119,681
Other assets		72,035	113,377
Total		**1,080,139**	**1,399,241**
Liabilities			
Derivatives		71,016	24,152
Financial liabilities at amortized cost	(e)	588,579	1,250,408
Other liabilities		252,133	31,439
Total		**911,728**	**1,305,999**
Shareholders' equity		**168,411**	**93,242**
Total liabilities and shareholders' equity		**1,080,139**	**1,399,241**

(In thousands of reais)

	Note	12/31/2020 (1)	12/31/2019 (1)
Investment entity portfolio reconciliation			
BTGI shareholder's equity		168,411	93,242
BTGP ownership (via BTG Holdco)		0.003%	0.026%
Subtotal		**5**	**25**
Fair value adjustment (2)		-	1
Total		**5**	**26**

(1) Balances as reported by PPLA Investments as at December 31, 2020 and 2019.
(2) PPLA Investments measures certain assets and liabilities at amortized cost in its financial statements, therefore a fair value adjustment is necessary upon adoption of investment entity by PPLA Participations.

(a) Cash and cash equivalents

Cash and cash equivalents are comprised exclusively of highly liquid bank deposits.

(b) Investment entity portfolio

	As of December 31, 2020		As of December 31, 2019	
	Cost	Fair value	Cost	Fair value
Merchant Banking investments (i)	3,233,111	250,607	3,269,156	829,916
Private equity funds ("FIP")	407,523	116,760	412,507	87,483
Subsidiaries, associates and jointly controlled entities	2,825,588	133,847	2,856,649	742,433
Global markets investments (ii)	5,927	5,927	4,460	4,460
Loans (1)	588,576	588,576	729,932	729,932
Others (2)	(643,960)	(643,960)	(975,080)	(975,080)
Total	**3,183,654**	**201,150**	**3,028,468**	**589,228**

(1) On December 31, 2020, refers to loans granted by BTG Pactual Proprietary Feeder (1) Limited to PPLA Investments. The amount is reflected as financial liabilities at amortized cost in Note 5e.
(2) Includes financial assets and liabilities held by PPLA Investments' subsidiaries (PPLA Participations is not a counterparty of such contracts).

(i) Merchant Banking investments

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

(In thousands of reais)

As at December 31, 2020 and 2019, PPLA Investments Merchant Banking investments corresponds to private equity and real estate investments, through FIP or other investment vehicles, as disclosed below:

		12/31/2020		12/31/2019	
Merchant Banking investments	**Description/Segment activity**	**(%) (1)**	**Fair value**	**(%) (1)**	**Fair value**
Through FIPs:					
BrPec Agropecuária S.A.	Ranching	100.00%	55,310	100.00%	87,483
Auto Adesivos Paraná S.A. (2)	Adhesives, labels and special paper company	30.1%	61,450	-	-
Through subsidiaries, associates and jointly controlled entities:					
Timber XI SPE S.A.	Biological assets	8.73%	5,651	9.03%	5,856
Timber IX Participações S.A.	Biological assets	8.73%	41,441	9.03%	42,281
Timber XII SPE S.A. (3)	Biological assets	8.73%	25,126	9.03%	18,110
BTG Pactual Santa Terezinha Holding S.A	Biological assets	8.73%	8,557	9.03%	9,478
Fazenda Corisco Participações S.A.	Biological assets	8.73%	10,636	9.03%	11,086
Timber VII SPE S.A. (4)	Biological assets	8.73%	42,436	9.03%	40,728
Loans - Merchant Banking investments (5)	Others	-	-	-	614,894
Total			**250,607**		**829,916**

(1) The equity interest disclosed in the table above refers to the Company indirect interest.
(2) As described in Note 1.
(3) On June 26, 2019, BTGI Investimentos Florestais S.A, a subsidiary of the Company, acquired a stake in Timber XII, a company whose purpose is to participate in other companies, as partner or shareholder, in Brazil or abroad.
(4) On January 8, 2019, BTGI Investimentos Florestais S.A, a subsidiary of the Company, acquired a stake in Timber VII, a company whose purpose is to participate in other companies, as partner or shareholder, in Brazil or abroad.
(5) On 2020 included loans granted to B&A, totaling R$29.4 million, and Leader, in the amount of R$603 million, both valued at zero during the year ended December 31, 2020. On 2019, loans were R$12 million and R$603 million, respectively. In addition, during the year ended December 31, 2019, the Company evaluated its exposure to BR Pharma to zero, recording a loss of approximately R$57 million.

(ii) Global market investments

A hedge fund is an investment fund that typically undertakes a wider range of investment and asset trading than other funds, but which is only open for investment from particular types of investors specified by regulators. These funds have hybrid portfolios composed of a mixture of fixed income, stocks, currencies, foreign exchange, derivatives, commodities, mortgages and interest rates. These funds generally employ a wide variety of investment strategies, and make use of techniques such as short selling and leverage.

As at December 31, 2020, the Company's investment in BTG Pactual Absolute Return II Master Fund LP ("ARF II") corresponds to the amount of R$5,927 (December 31, 2019: R$4,460).

As at December 31, 2020 and 2019, the Net Asset Value ("NAV") of global markets investments approximates to its fair value, which is equivalent to its cost value on the referred date.

(c) Investments at fair value through other comprehensive income

Subsequently to the IFRS 9 early adoption, PPLA Investments now presents part of its investment entity portfolio as investments at fair value through other comprehensive income, as shown below:

	As of December 31, 2020		As of December 31, 2019	
	Cost	**Fair value**	**Cost**	**Fair value**
Merchant Banking investments - FIP	1,934,555	574,058	2,249,555	577,022
Others (1)	10,104	10,104	(29,749)	(29,806)
Total	**1,944,659**	**584,162**	**2,219,806**	**547,216**

(1) Includes payables for management fees or loans purposes.

(In thousands of reais)

(i) Merchant banking investments - FIP

As at December 31, 2020 and 2019, PPLA Investments Merchant Banking investments corresponds to private equity and real estate investments, through FIP, as disclosed below:

		12/31/2020		12/31/2019	
Merchant Banking investments	**Description/Segment activity**	**(%) (1)**	**Fair value**	**(%) (1)**	**Fair value**
A!Bodytech Participações S.A.	Fitness segment	10.4%	5,937	10.4%	20,406
Latte S.A.	Waste collection, treatment and disposal	32.0%	10,997	32.0%	10,568
Auto Adesivos Paraná S.A. (2)	Adhesives, labels and special paper company	-	-	30.1%	64,076
Estre Participações S.A. (2)	Waste collection, treatment and disposal	-	1,606	-	6,425
Sete Brasil Participações S.A. (3)	Oil and gas	-	199	-	56
UOL Universo on Line S.A.	Internet and server provider	3.1%	555,319	2.3%	475,491
Total			**574,058**		**577,022**

(1) The equity interest disclosed in the table above refers to the Company indirect interest.
(2) As described in Note 1.
(3) As at December 31, 2020, the *FIP*s incurred an adjustment to fair value due to the agreement in the arbitration process with Petrobrás and Sete Brasil Participações S.A.

(d) Financial assets at amortized cost

	12/31/2020	12/31/2019
Partners (i)	116,369	109,476
Others	-	10,205
Total	**116,369**	**119,681**

(i) Loans granted by PPLA Investments are indexed to CDI or libor, 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.

As at December 31, 2020 and 2019, the fair value attributed to the Loans and receivables is similar to its amortized cost.

(e) Financial liabilities at amortized cost

			12/31/2020	
	Maturity	**Index**	**Cost**	**Amortized Cost**
Loans with financial institutions	March-21	Libor 3m + 1,5% p.a.	634,597	588,579
Total			**634,597**	**588,579**

			12/31/2019	
	Maturity	**Index**	**Cost**	**Amortized Cost**
Loans with financial institutions	October-20	Libor and 1.5% to 5.3% p.a.	1,167,349	1,013,195
Medium term notes	June-20	112.5% CDI	249,864	237,213
Total			**1,417,213**	**1,250,408**

Certain issuance of the loans and medium term notes are guaranteed by BTG Pactual Holding S.A., parent company of BTG Pactual S.A.

(In thousands of reais)

(f) 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

	12/31/2020		
	Level 2	Level 3	Total
Investment entity portfolio			
Merchant Banking investments			
Private equity funds	-	116,760	116,760
Subsidiaries, associates and jointly controlled entities	-	133,847	133,847
Global markets investments	5,927	-	5,927
Loans	588,576	-	588,576
Others	(643,960)	-	(643,960)
Total	(49,457)	250,607	201,150

	12/31/2019		
	Level 2	Level 3	Total
Investment entity portfolio			
Merchant Banking investments			
Private equity funds	-	87,483	87,483
Subsidiaries, associates and jointly controlled entities	614,894	127,539	742,433
Global markets investments	4,460	-	4,460
Loans	729,932	-	729,932
Others	(975,080)	-	(975,080)
Total	374,206	215,022	589,228

(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:

	12/31/2020		
	Level 2	Level 3	Total
Investments at fair value through other comprehensive income			
Merchant Banking investments - FIP	-	574,058	574,058
Others	10,104	-	10,104
Total	10,104	574,058	584,162

	12/31/2019		
	Level 2	Level 3	Total
Investments at fair value through other comprehensive income			
Merchant Banking investments - FIP	-	576,965	576,965
Others	(29,749)	-	(29,749)
Total	(29,749)	576,965	547,216

(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. Therefore, they fall in the Fair Value Level 2 category.

(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.

(In thousands of reais)

(v) Summary of valuation techniques

There were no changes from the valuation techniques disclosed in the financial statements for the year ended December 31, 2020.

(vi) Reclassification between levels

During the year ended December 31, 2020, there were no reclassification between levels and fair value hierarchy.

6. Amounts receivable

As at December 31, 2020, and 2019, the item refers entirely to amounts receivable from investees/subsidiaries, to pay for the Company's administrative expenses.

7. Other liabilities

As at December 31, 2020, and 2019, the item refers entirely to amounts payable regarding administrative expenses from the Company's BDRs program.

8. Shareholders' equity

a. Capital

At the general meeting held on March 18, 2020, the reverse stock split between shares class A and B issued by the Company was approved in the proportion of 30 shares for 1 share.

As at December 31, 2020 and 2019, the Company's capital was comprised by the following class of shares:

	12/31/2020				
	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	10	Yes	(*)
Class D	1,000,000,000	-	0,0000000001	Yes	1
Total	16,000,000,001	2,814,667			

	31/12/2019 (Restated)				
	Authorized	**Issued**	**Par value (R$)**	**Voting rights**	**Vote per share**
Class A (i)	5,000,000,000	28,146,673	-	Yes	1
Class B (i)	10,000,000,000	56,293,346	-	No	-
Class C	1	1	10	Yes	(*)
Class D	1,000,000,000	-	0,0000000001	Yes	1
Total	16,000,000,001	84,440,019			

(*) 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.

(In thousands of reais)

b. Treasury shares

In the year ended December 31, 2020, the shares that were held in treasury were canceled.

During the year ended December 31, 2020 and 2019, the Company did not repurchased units.

c. Dividends

The Company did not distribute dividends during the years ended on December 31, 2020 and 2019.

9. Earnings per share

	12/31/2020	12/31/2019
Loss for the year	(25)	(3,466)
Weighted average per thousand shares outstanding during the year	19,987	84,440
Loss per share - basic and diluted (in reais)	(0.001)	(0.041)

10. Loss from investiment entity portifolio measured at fair value

	12/31/2020	12/31/2019
Loss on investment entity portfolio	(25)	(3,466)
Total	(25)	(3,466)

11. Administrative expenses

In the years ended on December 31, 2020 and 2019, the item is composed exclusively of custodial expenses, due to the Company's BDR program.

12. Other income

In the years ended on December 31, 2020 and 2019, the item is composed exclusively by amounts regarding reimbursed from subsidiaries.

13. Related Parties

		Assets (Liabilities)		Revenues (Expenses)	
	Relationship	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Assets					
Amounts receivable					
- PPLA Investments LP	Related	540	748	4,703	4,324

No management compensation was recorded during the years ended on December 31, 2020 and 2019.

14. Subsequent events

On february 6, 2021, CCRR's capital increase was approved, with the issuance of 39,671,903 common shares, nominative and without par value. FIP Turquesa, indirect investee of PPLAI, subscribed 12,215,916 of this total, for the amount of R$22,786, without any relevant changes to the PPLAI's participation percentage on CCRR.