

(A free translation of the original in Portuguese)

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PPLA
Participations Ltd.
Financial statements at
December 31, 2021
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, 2021 and the statements of income, comprehensive income, changes in 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, 2021, 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.

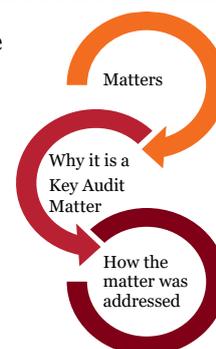
Material uncertainty related to going concern

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 conclusion 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.

Why it is a Key Audit Matter**How the matter was addressed in the audit**

Fair value measurement of financial instruments Level III

As disclosed in Notes 1, 3(f) and 5, the Company has an investment in the subsidiary PPLA Investments LP., which, as of December 31, 2021, invested in financial instruments as shares and quotas of privately-held companies, classified as Level III, with operations in different industries and locations. These shares and quotas of privately held companies, with no stock exchange quoted prices, which are, as a result, valued at fair value estimated by Management, in accordance with the Company's assumptions and internal pricing models, that are based mainly on cash flow, and/or recent price negotiations transactions.

We consider this a focus area in our audit as the use of different valuation techniques and assumptions may produce significantly different fair value estimates and also due to the materiality of the derivative financial instruments in the context of the financial statements.

Our main audit procedures considered, among others, our understanding of the main processes involving the fair value measurement of financial instruments Level III.

With the support of our specialists, we had meetings with those in the Management responsible for the preparation and approval of calculation of valuation of shares and quotas, in order to establish, based on our experience and judgment, whether the Company's measurement work is consistent with the valuation techniques usually applied in the market.

We also tested the valuation methodology as well as the assumptions used by Management through the following: (i) understanding of the methodology used in the assessment; (ii) comparison of assumptions observable in the market, when applicable; (iii) 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.

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.

Other matters**Audit of corresponding figures of the year**

The audit of the financial statements for the year ended December 31, 2020 was conducted under the responsibility of other independent auditors, who issued audit report, without modifications, dated March 19, 2021.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), 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

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.

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.



PPLA Participations Ltd.

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 communication⁶.

São Paulo, March 21, 2022


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

Edison Arisa Pereira
Contador CRC 1SP127241/O-0

PPLA Participations Ltd.

Balance sheet

As at December 31

(In thousands of reais)

	<u>Note</u>	<u>12/31/2021</u>	<u>12/31/2020</u>
Assets			
Cash and cash equivalents		-	-
Investment entity portfolio	5	10	5
Amounts receivable	6	555	540
Total assets		<u>565</u>	<u>545</u>
Liabilities			
Other liabilities	7	554	540
Total liabilities		<u>554</u>	<u>540</u>
Shareholders' equity			
Capital stock and share premium	8a	1,504,802	1,504,802
Other comprehensive income		424,143	424,142
Accumulated losses		(1,928,934)	(1,928,939)
Total shareholders' equity		<u>11</u>	<u>5</u>
Total liabilities and shareholders' equity		<u>565</u>	<u>545</u>

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

PPLA Participations Ltd.

Statement of income

As at December 31

(In thousands of reais, except profit/(loss) per share)

	<u>Note</u>	<u>12/31/2021</u>	<u>12/31/2020</u>
Gain / (Loss) on investment entity portfolio measured at fair value	10	5	(25)
Administrative expenses	11	(555)	(4,703)
Other operating income	12	555	4,703
Operating profit / (loss)		<u>5</u>	<u>(25)</u>
Profit / (Loss) for the Year		<u>5</u>	<u>(25)</u>
Profit / (Loss) per share - basic and diluted (in reais)	9	0.0018	(0.0013)

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

PPLA Participations Ltd.

Statement of comprehensive income

Years ended December 31

(In thousands of reais unless otherwise stated)

	<u>12/31/2021</u>	<u>12/31/2020</u>
Profit / (Loss) for the Year	5	(25)
Other comprehensive income not to be reclassified to profit or loss:	<u>1</u>	<u>4</u>
Currency translation adjustments	1	4
Total comprehensive income / (loss)	<u>6</u>	<u>(21)</u>

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

PPLA Participations Ltd.

Statement of changes in shareholders' equity

Years ended December 31

(In thousands of reais unless otherwise stated)

	Capital stock and share premium	Other comprehensive income	Treasury shares	Accumulated losses	Total shareholders' equity
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
Profit for the year	-	-	-	5	5
Currency translation adjustments	-	1	-	-	1
Balance as of December 31, 2021	1,504,802	424,143	-	(1,928,934)	11

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>12/31/2021</u>	<u>12/31/2020</u>
Operating activities			
Profit / (Loss) for the Year		5	(25)
Adjustments to the loss for the year			
Gain / (Loss) from investment entity portfolio measured at fair value	10	(5)	25
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		(15)	(1,198)
Other liabilities		14	1,198

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

PPLA Participations Ltd.

Notes to the financial statements

December 31, 2021

(In thousands of reais)

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 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 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 Investments has the capacity to continue operating in the next 12 months.

PPLA Participations Ltd.

Notes to the financial statements

As of December 31, 2021

(In thousands of reais)

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.

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, US\$29 million and US\$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.

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 that could 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, June 14th, 2022, December 12th, 2022 and June 9th, 2023, with 30 months maturity starting at the issuance date, paying interests indexed to 117.3% of CDI rate. At the agreement date, these loan agreements do not include the possibility of being totally or partially converted into capital. On June 21st, 2021 PPLAI requested the first disbursement of approximately R\$ 90 million, which was made on the same date by BTG MB. The Loan was 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 liabilities in the short term.

On July 9, 2021, PPLA Investments requested the second disbursement from 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 from BTG MB in the amount of approximately R\$116 million, which was made on the same date.

The Loan was 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.

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Notes to the financial statements

As of December 31, 2021

(In thousands of reais)

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, corresponding to R\$603 million, resulting in zero exposure.

Acquisitions and sales

On February 6, 2021, Beontag's capital increase was approved, with the issue of 39,671,903 common, nominative shares with no par value. FIP Turquesa, PPLAI's indirect investee, subscribed 12,215,916 of this total, for the amount of R\$22,786, with no relevant change in the percentage of PPLAI's investment in Beontag. On August 12, 2021, September 23, 2021 and December 17, 2021, new contributions to Beontag's share capital were approved. The FIP Turquesa did not like the contributions and was therefore diluted

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.

The financial statements were approved by the Management on March 21, 2022, and they contain a true and fair view of the financial position and results of the Company.

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.

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As of December 31, 2021

(In thousands of reais)

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

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As of December 31, 2021

(In thousands of reais)

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 interest 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

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Notes to the financial statements

As of December 31, 2021

(In thousands of reais)

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

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As of December 31, 2021

(In thousands of reais)

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:

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As of December 31, 2021

(In thousands of reais)

- 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

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.

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Notes to the financial statements

As of December 31, 2021

(In thousands of reais)

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.

PPLA Participations Ltd.

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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 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:

	Country	Equity interest - %	
		3/31/2021	12/31/2020
Direct subsidiaries			
BTG Bermuda LP Holdco Ltd.	Bermuda	100	100
Indirect subsidiaries			
PPLA Investments LP.	Bermuda	0.003	0.003

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(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.

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

	Country	Equity interest - %	
		3/31/2021	12/31/2020
Direct subsidiaries			
BTG Loanco LLC	USA	100.00	100.00
Indirect subsidiaries			
Timber XI SPE S.A. (i)	Brazil	8.40	8.73
Timber IX Participações S.A. (i)	Brazil	8.40	8.73
Timber XII SPE S.A.	Brazil	8.40	8.73
São Lourenço Empreendimentos Florestais Ltda. (i)	Brazil	8.40	8.73
Fazenda Corisco Participações S.A. (i)	Brazil	8.40	8.73
BTG Pactual Santa Terezinha Holding S.A. (i)	Brazil	8.40	8.73
SCFlor Empreendimentos Agrícolas Ltda.	Brazil	8.40	8.73
Fazenda Santa Terezinha Participações S.A. (i)	Brazil	8.40	8.73
Timber VII SPE S.A. (i)	Brazil	8.40	8.73
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	30.59	32.75
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.

PPLA Participations Ltd.

Notes to the financial statements December 31, 2021

(In thousands of reais)

a. Credit risk

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

	12/31/2021			
	Brazil	United States	Others	Total
Assets				
Assets				
Cash and cash equivalents	-	-	1	1
Investment entity portfolio	4	-	-	4
Derivative financial instruments	-	-	-	-
Investments at fair value through other comprehensive income	14	-	-	14
Financial assets at amortized cost (i)	-	3	-	3
Other assets	-	-	2	2
Total	18	3	3	24
	12/31/2020			
	Brazil	United States	Others	Total
Assets				
Investment entity portfolio				
Assets				
Cash and cash equivalents	-	-	3	3
Investment entity portfolio	5	-	-	5
Investments at fair value through other comprehensive income	16	-	-	16
Financial assets at amortized cost (i)	-	3	-	3
Other assets	-	-	2	2
Total	21	3	5	29

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

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(In thousands of reais)

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

	12/31/2021				
	Private institutions	Companies	Individuals	Others	Total
Assets					
Investment entity portfolio					
Assets					
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
Total	11	24	3	(14)	24
	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
Total	19	23	3	(16)	29

(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, 2021 and 2020, the Company does not have any cash or cash equivalents.

As at December 31, 2021, 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, 2021 and 2020:

	12/31/2021				
	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	1	-	-	-	1
Investment entity portfolio	4	-	-	-	4
Investments at fair value through other comprehensive income	14	-	-	-	14
Financial assets at amortized cost	-	-	-	3	3
Derivative financial instruments	-	-	-	-	-
Other assets	2	-	-	-	2
Liabilities (i)	(8)	(8)	-	-	(16)
Total	13	(8)	-	3	8
	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					
Cash and cash equivalents	3	-	-	-	3
Investment entity portfolio	3	-	-	2	5
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	(17)	-	-	21	4

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

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December 31, 2021

(In thousands of reais)

5. Investment entity portfolio

The financial statements of PPLA Investments ("PPLAI") for year ended December 31, 2021 were reviewed by independent auditors who issued a review report on March 21, 2022, without modification, presenting a section of relevant uncertainty related to operational continuity.

As at December 31, 2021, PPLA Investments' equity is R\$323,959 due to results with the investment entity portfolio. PPLA Participations marked its investment in PPLA Investments at R\$10 in year ended December 31, 2021. 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, 2021 and 2020, are presented below:

	Note	12/31/2021 (1)	12/31/2020 (1)
Assets			
Cash and cash equivalents	(a)	45,732	104,152
Investment entity portfolio	(b)	148,415	201,150
Derivative financial instruments		-	2,271
Investments at fair value through other comprehensive income	(c)	515,789	584,162
Financial assets at amortized cost	(d)	113,151	116,369
Other assets		62,477	72,035
Total		885,564	1,080,139
Liabilities			
Derivatives		414	71,016
Financial liabilities at amortized cost	(e)	375,100	588,579
Other liabilities		186,091	252,133
Total		561,605	911,728
Shareholders' equity		323,959	168,411
Total liabilities and shareholders' equity		885,564	1,080,139
Investment entity portfolio reconciliation			
PPLAI shareholder's equity		323,959	168,411
PPLAP ownership (via BTG Holdco)		0.003%	0.003%
Total		10	5

(1) Balances as reported by PPLA Investments as at December 31, 2021 and 2020.

(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, 2021		As of December 31, 2020	
	Cost	Fair value	Cost	Fair value
Merchant Banking investments (i)	3,329,711	394,453	3,233,111	250,607
Private equity funds ("FIP")	438,313	250,655	407,523	116,760
Subsidiaries, associates and jointly controlled entities	2,891,398	143,798	2,825,588	133,847
Global markets investments (ii)	-	-	5,927	5,927
Loans (1)	-	-	588,576	588,576
Others (2)	(246,038)	(246,038)	(643,960)	(643,960)
Total	3,083,673	148,415	3,183,654	201,150

(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 entered into by Company subsidiaries.

PPLA Participations Ltd.

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(In thousands of reais)

(i) Merchant Banking investments

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

As at December 31, 2021 and 2020, 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	12/31/2021		12/31/2020	
		(%) (1)	Fair value	(%) (1)	Fair value
Through FIPs:					
BrPec Agropecuária S.A.(4)	Ranching	100%	114,900	100%	55,310
Auto Adesivos Paraná S.A. (2)	Adhesives, labels and special paper company	11.9%	135,755	30.1%	61,450
Through subsidiaries, associates and jointly controlled entities:					
Timber XI SPE S.A.	Biological assets	8.40%	4,424	8.73%	5,651
Timber IX Participações S.A.	Biological assets	8.40%	40,247	8.73%	41,441
Timber XII SPE S.A.	Biological assets	8.40%	28,244	8.73%	25,126
BTG Pactual Santa Terezinha Holding S.A.	Biological assets	8.40%	41,157	8.73%	8,557
Fazenda Corisco Participações S.A.	Biological assets	8.40%	10,381	8.73%	10,636
Timber VII SPE S.A.	Biological assets	8.40%	11,545	8.73%	42,436
Loans - Merchant Banking investments (3)	Others	-	7,800	-	-
Total			394,453		250,607

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

(2)As described in Note 1.

(3)During the year ended December 31, 2021, new debentures were issued to Phosfaz Mineração S.A.

(4) 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 Agropecuária S.A. (“BrPec”), the company is awaiting approval from competent authorities.

(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, they also generally employ a wide variety of investment strategies, and make use of techniques such as short selling and leverage).

As of December 31, 2021, PPLA Investments no longer has an investment in BTG Pactual Absolute Return II Master Fund LP (December 31, 2020: R\$5,927).

As at December 31, 2020, 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:

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(In thousands of reais)

	As of December 31, 2021		As of December 31, 2020	
	Cost	Fair value	Cost	Fair value
Merchant Banking investments - FIP	1,761,355	490,145	1,934,555	574,058
Others	25,644	25,644	10,104	10,104
Total	1,786,999	515,789	1,944,659	584,162

(i) Merchant banking investments - FIP

As at December 31, 2021 and 2020, PPLA Investments Merchant Banking investments corresponds to private equity and real estate investments, through FIP, as disclosed below:

Merchant Banking investments	Description/Segment activity	(%) (1)	Fair value	(%) (1)	Fair value
AlBodytech Participações S.A.	Fitness segment	10.5%	6,311	10.4%	5,937
Latte S.A.	Waste collection, treatment and disposal	15.7%	3,674	15.7%	10,997
Estre Participações S.A.	Waste collection, treatment and disposal	-	-	-	1,606
Sete Brasil Participações S.A.	Oil and gas	-	204	-	199
UOL Universo on Line S.A.	Internet and server provider	3.1%	479,956	3.1%	555,319
Total			490,145		574,058

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

(d) Financial assets at amortized cost

	12/31/2021	12/31/2020
Partners (i)	113,151	116,369
Total	113,151	116,369

(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, 2021 and 2020, the fair value attributed to the Loans and receivables is similar to its amortized cost.

(e) 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.

(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:

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December 31, 2021

(In thousands of reais)

(i) Investment entity portfolio

	12/31/2021			
	Level 1	Level 2	Level 3	Total
Investment entity portfolio				
Merchant Banking investments				
Private equity funds	-	-	250,655	250,655
Subsidiaries, associates and jointly controlled entities	-	7,800	135,998	143,798
Global markets investments	-	-	-	-
Loans	-	-	-	-
Others	-	(246,038)	-	(246,038)
Total	-	(238,238)	386,653	148,415
	12/31/2020			
	Level 1	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

(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:

	12/31/2021			
	Level 1	Level 2	Level 3	Total
Investments at fair value through other comprehensive income				
Merchant Banking investments - FIP	-	-	490,145	490,145
Others	-	-	25,644	25,644
Total	-	-	515,789	515,789
	12/31/2020			
	Level 1	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	-	-	584,162	584,162

(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.

(v) Summary of valuation techniques

There were no changes from the valuation techniques disclosed in the financial statements for the year ended December 31, 2021.

(vi) Reclassification between levels

PPLA Participations Ltd.

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(In thousands of reais)

During the year ended December 31, 2021, there were no reclassification between levels and fair value hierarchy.

6. Amounts receivable

As at December 31, 2021 and 2020, 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, 2021 and 2020, 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, 2021 and 2020, the Company's capital was comprised by the following class of shares:

	12/31/2021				
	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
Total	16,000,000,001	2,814,667			

	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	1	Yes	(*)
Class D	1,000,000,000	-	0,0000000001	Yes	1
Total	16,000,000,001	2,814,667			

(*) 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.

b. Treasury shares

In the year ended December 31, 2020, the 690.200 unit shares that were held in treasury were canceled.

During the years ended 31, 2021 December 31, 2020, the Company did not repurchased units.

c. Dividends

The Company did not distribute dividends during the years ended on December 31, 2021 and 2020.

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(In thousands of reais)

9. Profit / (Loss) per share

	<u>12/31/2021</u>	<u>12/31/2020</u>
Profit / (Loss) for the Year	5	(25)
Weighted average per thousand shares outstanding during the year	2,815	19,987
Profit / (Loss) per share - basic and diluted (in reais)	<u>0.0018</u>	<u>(0.0013)</u>
	<u>0.0018</u>	<u>(0.001)</u>

10. Loss from investment entity portfolio measured at fair value

	<u>12/31/2021</u>	<u>12/31/2020</u>
Loss on investment entity portfolio	5	(25)
Total	<u>5</u>	<u>(25)</u>

11. Administrative expenses

In the years ended December 31, 2021 and 2020, the item is composed exclusively of custodial expenses, due to the Company's BDR program.

12. Other income

In the years ended December 31, 2021 and 2020, 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>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2020</u>
Assets					
Amounts receivable					
- PPLA Investments LP	Related	555	540	555	4,703

No management compensation was recorded during the years ended December 31, 2021 and 2020.