

PPLA Participations – PPLA11

Earnings Release

Thrid Quarter 2021

Nov 12th, 2021

Performance PPLA Participations

Rio de Janeiro, Brazil, Nov 12th, 2021 - PPLA Participations Ltd. (PPLA Participations), reported total comprehensive Income close to zero for the quarter ended September 30th, 2021 (3Q 2021).

Financial position and results from PPLA Participations consist mostly of its proportional share in PPLA Investments' equity, equivalent to 0.003% as of September 30th, 2021.

In the 3Q the result of PPLAI was positive mainly due to positive PnL in global market strategies.

Relevant Events

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 sentiment, causing significant volatility in global markets and affecting the outlook of the Brazilian economy and that of other countries in which we maintain investments, may in the future make investments and conduct business through our subsidiaries.

Acquisitions and Sales

On February 6th, 2021 a capital increase in Beontag (ex CCRR) was approved, through the issuance of 39,671,906 ordinary nominative shares with no par value. FIP Turquesa, PPLAI's subsidiary, acquired 12,215,916 shares for the amount of R\$22,786 and the participation has not significantly changed.

On August 12th and September 23rd, 2021, new capital increases in Beontag (ex CCRR) were approved. FIP Turquesa didn't subscribe and was diluted in approximately 15% in its participation

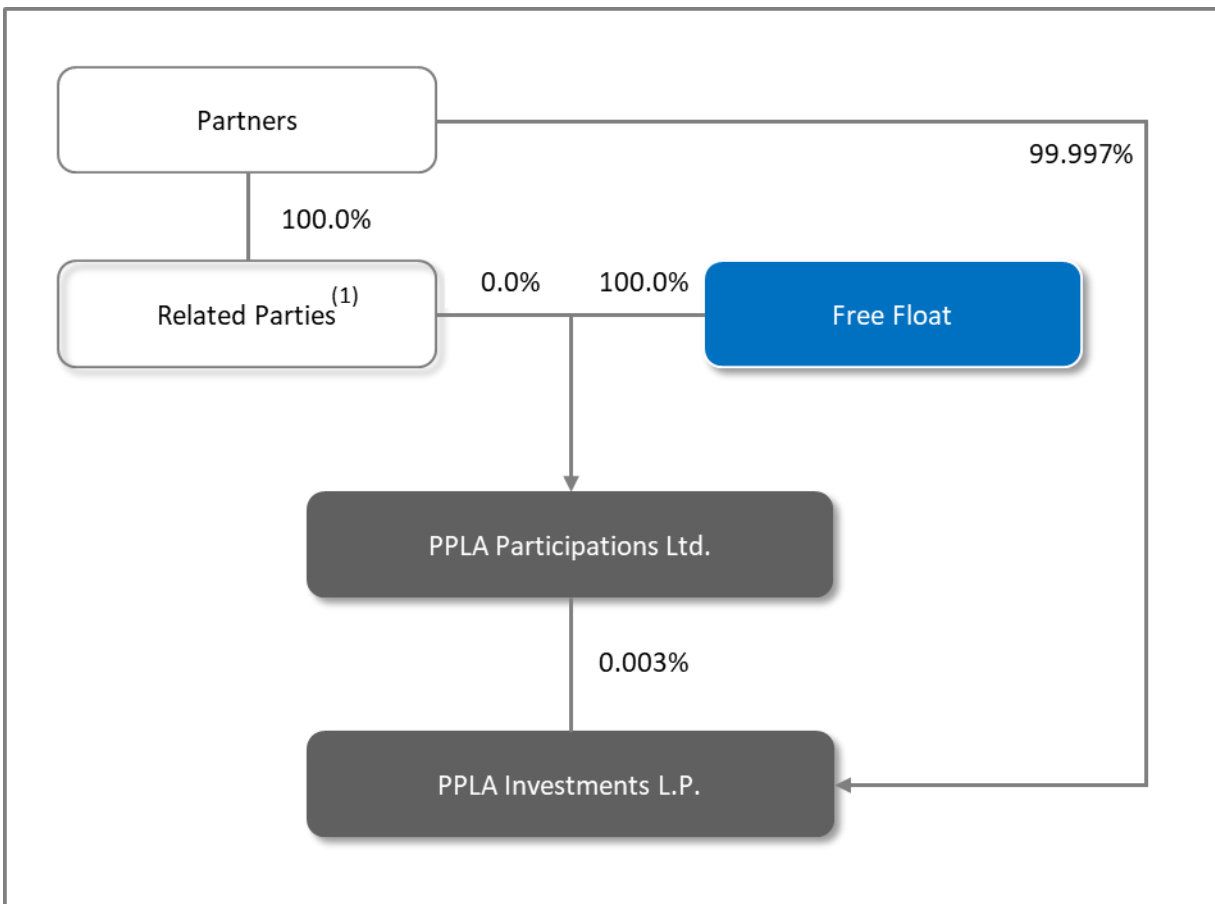
Loan Agreement

On June 21st, 2021 PPLAI entered into a loan agreement with BTG MB Investments LP ("BTG MB") of up to R\$750 million, to be disbursed according to PPLAI request, on dates and amounts of the company's loan installments. Loans installments are as follows (i) June 21st, 2021, (ii) July 9th, 2021, (iii) December 16th, 2021, (iv) June 14th, 2022, (v) December 12th, 2022 and (vi) June 9th, 2023. Loans will mature in 30 months after loan agreement signing and will incur interest of 117,3% of CDI rate.

On June 21st, 2021 PPLAI requested to draw approximately R\$ 90 million on BTG MB and on July 9th, 2021 PPLAI requested the second draw of approximately R\$ 160 million.

Shareholding Structure

PPLA Participations owns through its wholly-owned subsidiary BTG Bermuda LP Holdco Ltd. a stake corresponding to 0.003% of PPLA Investments’ capital. PPLA Participations indirectly holds equity interest in PPLAI and accounts for its as investment entity in accordance with IFRS 10 - Consolidated Financial Statements where assets and liabilities are measured at fair value.



(1) if applicable, it may include units acquired by investment vehicles owned by certain partners individually or collectively and vehicles under common control of the *Partnership*. The shareholding of the Partners in PPLAI takes place mainly through BTG MB Investments L.P.

Financial Information

The financial information presented in the tables below consists of the financial position and results of operations from PPLA Investments as we believe they are more meaningful than those from PPLA Participations in order to understand the results of PPLA Participations.

Income Statement (unaudited) <i>(in R\$ million, unless otherwise stated)</i>	PPLA Investments	
	2Q 2021	3Q 2021
Financial income	32	37
Financial expenses	(3)	(5)
Gross financial income	29	32
Other operating income (expenses)	(1)	(1)
Operating income	28	31
Non-operating income/(expenses)	-	-
Income before taxes and profit sharing	28	31
Income and social contribution taxes	-	-
Statutory profit sharing	-	-
Non-controlling interest	-	-
Net income	28	31

Note: As PPLA Investments is accounted in USD, the adjusted financial statements do not consider the effect of exchange variation of the assets, reporting the net income in BRL. The income statement disclosed above is pro forma, excluding foreign exchange translation effects impacts between lines. Includes adjustments to normalize hedge effects.

In 3Q 2021 PPLAI had operating Income of R\$31 million, mostly related to positive PnL in global market strategies.

As PPLAI is an investment entity, it does not have significant operating expenses and administrative costs. As a result of the foregoing, net income was positive in R\$31 million in line with operating income.

Main Assets

The table presents a summary of PPLAI' assets and liabilities. The balance sheet below is pro-forma because it considers certain adjustments, such as intercompany eliminations.

Unaudited pro-forma balance sheet (in R\$ million)					
	2Q21	3Q21		2Q21	3Q21
Assets	1,189.6	1,209.1	Liabilities + Equity	1,189.6	1,209.1
Cash & Equivalents	34.7	42.2	Financial Liabilities	657.5	668.0
Investment Entity Portfolio	327.8	336.6	- Financial Institutions ⁽¹⁾	657.5	668.0
Merchant Banking	327.8	337			
- Fazendas Timber	151.4	161.8	Other Liabilities	231.5	210.4
- BR Pec	41.7	14.8			
- Beontag (ex CCRR)	108.4	135.8			
- Other Assets	26.4	24.2			
Invest at Fair Value - OCI	634.7	633.6			
Loans and Receivables	112.0	111.5			
- Partners	112.0	111.5			
Other Assets ⁽¹⁾	80.5	85.2	Shareholders Equity	300.5	330.7

(1) Excludes Intercompany Transactions

- (i) **Cash & Equivalents** were R\$42.2 million in the end of the 3Q 2021, compared to R\$34.7 million in the 2Q 2021.
- (ii) **Investment Entity Portfolio.**
 - a. **Fazendas Timber** consists of land properties, dedicated to management and commercial activities inherent to eucalyptus and pine plantation. The total assets increased from R\$151.4 million in 2Q to R\$ 161.8 million in 3Q due to positive fair value adjustment
 - b. Equity investment of R\$ 14.8 million in **BR Pec**, an agricultural / ranching company that is focused on production of soy, corn and cattle. The operations are focused on improving productivity levels. PPLA Investments owns 100% of the asset. The decrease in asset value was mostly due to interest accrual in the company's debt and negative fair value adjustment.
 - c. **Beontag (ex CCRR)** consist of a participation in Auto Adesivos Paraná S.A. Total assets increased from R\$ 108.4 million in the end of 2Q 2021 to R\$ 135.8 million in the end of 3Q 2021 explained by assets' positive market value revaluation
 - d. **Other Assets** under Merchant Banking portfolio consist of over ten smaller investments across different sectors.
- (iii) PPLA Investments also carries other private equity assets, under **Invest at Fair Value – OCI**, which are mainly held via investment funds, such as UOL, among other investments. The total balance slightly decreased from R\$634.7 in the 2Q 2021, to R\$633.6 in the 3Q 2021 mostly due to Estre's total balance write-off.
- (iv) **Loans and Receivables** consists of R\$111.5 million of partnership loans.

- (v) **Financial Liabilities**
 - a. Liabilities to Financial Institutions consist of some long-term loans with Brazilian financial institutions. The total amount increased during the quarter mainly due to interest accrual.

Basis for Presentation

Except where otherwise noted, the information concerning our financial condition presented in this document is based on our Balance Sheet and Income Statement, which is prepared in accordance with IFRS.

Forward-looking statements

This document may contain estimates and forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the U.S. Securities Exchange Act of 1934, as amended, or the Exchange Act. These statements may appear throughout this document. These estimates and forward-looking statements are mainly based on the current expectations and estimates of future events and trends that affect or may affect the business, financial condition, and results of operations, cash flow, liquidity, prospects and the trading price of the units. Although we believe that these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to many significant risks, uncertainties and assumptions and are made in light of information currently available to us. Forward-looking statements speak only as of the date they were made, and we do not undertake the obligation to update publicly or to revise any forward-looking statements after we distribute this document as a result of new information, future events or other factors. In light of the risks and uncertainties described above, the forward-looking events and circumstances discussed in this document might not occur and future results may differ materially from those expressed in or suggested by these forward-looking statements. Forward-looking statements involve risks and uncertainties and are not a guaranty of future results. As a result, you should not make any investment decision on the basis of the forward-looking statements contained herein.

Rounding

Certain percentages and other amounts included in this document have been rounded to facilitate their presentation. Accordingly, figures shown as totals in certain tables may not be an arithmetical aggregation of the figures that precede them and may differ from the financial statements.