

PPLA Participations – PPLA11

Earnings Release

Third Quarter 2022

Nov 11th, 2022

Performance PPLA Participations

Rio de Janeiro, Brazil, Nov 11th, 2022 - PPLA Participations Ltd. (PPLA Participations), reported comprehensive income close to zero for the quarter ended September 30th, 2022 (3Q 2022).

Financial statements and results from PPLA Participations consist mostly of its proportional share in PPLA Investments' equity, equivalent to 0.003% as of September 30th, 2022, which reported net income and comprehensive income of R\$ -30 million and -130.1 million, respectively

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 several 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.

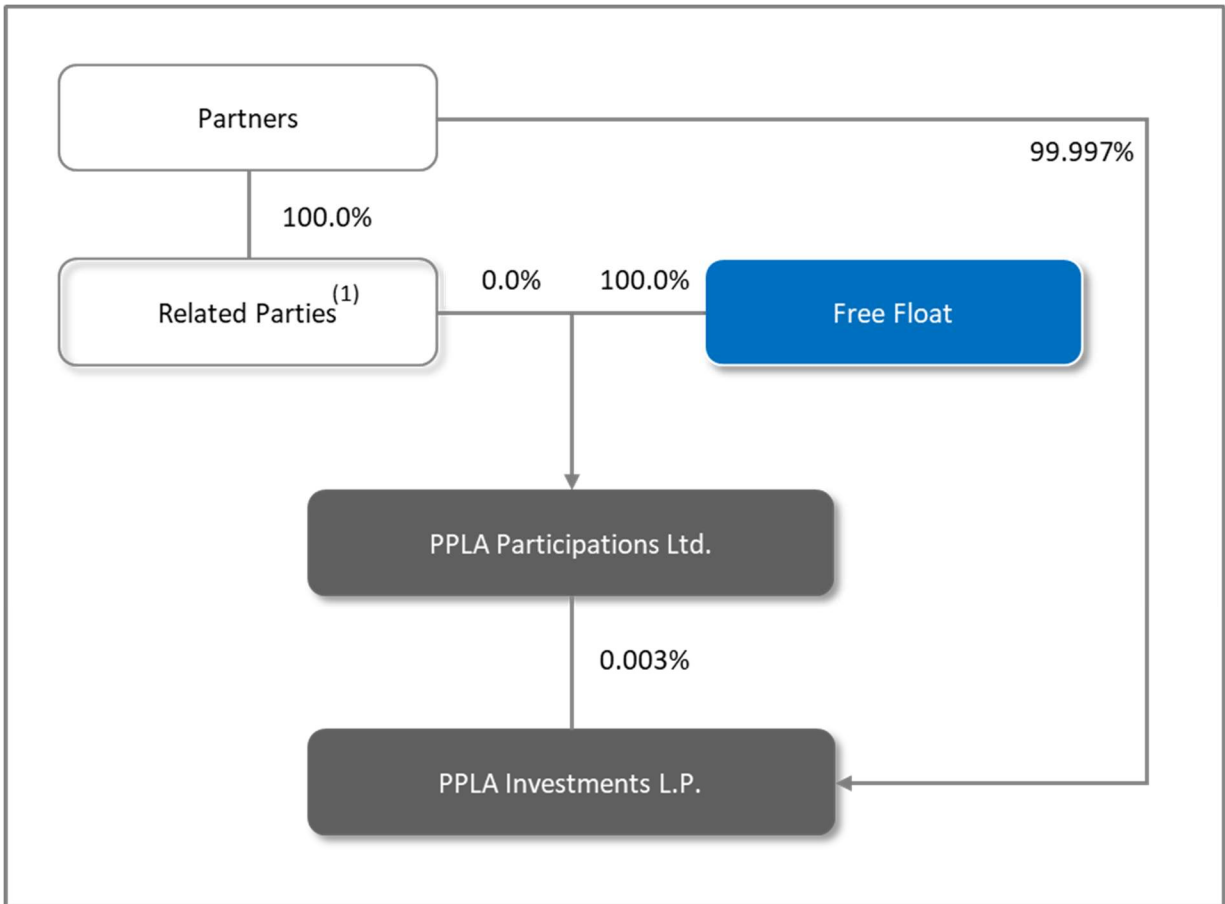
Loan Agreement

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. On December 16th, 2021, PPLAI requested the third draw of approximately R\$ 116 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	
	2T 2022	3T 2022
Financial income	17	7
Financial expenses	(13)	(40)
Gross financial income	4	(33)
Other operating income (expenses)	(2)	3
Operating income	2	(30)
Non-operating income/(expenses)	-	-
Income before taxes and profit sharing	2	(30)
Income and social contribution taxes	-	-
Statutory profit sharing	-	-
Non-controlling interest	-	-
Net income	2	(30)

From 1Q 2022 onwards, the managerial adjustments excluding foreign exchange translation effects of the assets were eliminated to equalize earnings release numbers with financial statements.

In 3Q 2022 PPLAI had operating Income of R\$ -30 million, mostly related to invested companies PnL.

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 R\$ -30 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.

Summarized Balance Sheet | PPLA

Unaudited pro-forma balance sheet (in R\$ million)					
	2Q22	3Q22		2Q22	3Q22
Assets	1,055.0	1,112.9	Liabilities + Equity	1,055.0	1,112.9
Cash & Equivalents	54.6	166.5	Financial Liabilities ⁽¹⁾	604.3	627.9
Investment Entity Porfolio	561.3	555.4			
Merchant Banking	561	555			
- Fazendas Timber	159.7	154.8	Other Liabilities	147.3	132.9
- Beontag	382.2	382.2			
- Other Assets	19.4	18.4			
Invest at Fair Value - OCI	256.6	214.5			
Loans and Receivables	113.3	116.8			
- Partners	113.3	116.8			
Other Assets ⁽¹⁾	69.1	59.7	Shareholders Equity	303.5	352.1

(1) Excludes Intercompany Transactions

- (i) **Cash & Equivalents** were R\$166.5 million in the end of the 3Q 2022, compared to R\$54.6 million in the 2Q 2022.
- (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 decreased from R\$159.7 million in 2Q 2022 to R\$ 154.8 million in 3Q 2022 due to quarter's operating income and dividend distributions.
 - b. **Beontag** consists of a participation in Auto Adesivos Paraná S.A. Asset remained in R\$ 382.2 million in 3Q 2022 explained by absence of market value revaluation.
 - c. **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. The total balance decreased from R\$256.6 millions in the 2Q 2022, to R\$214.5 in the 3Q 2022 mostly due to cash distribution in the transaction involving UOL and PagSeguro.

(iv) **Loans and Receivables** consists of R\$116.8 million of partnership loans.

(v) **Financial Liabilities**

Liabilities to **Financial Institutions** consist of some long-term loans with Brazilian financial institutions and BTG MB. 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.