

(A free translation of the original in Portuguese)

PPLA Participations LP.
Condensed interim
financial statements at
September 30, 2021
and report on review



(A free translation of the original in Portuguese)

Report on review of condensed interim financial statements

To the Board of Directors and Shareholders
PPLA Participations LP.

Introduction

We have reviewed the accompanying condensed interim balance sheet of PPLA Participations LP. ("Company") as at September 30, 2021 and the related condensed statements of income, comprehensive income for the quarter and the nine-month periods then ended, and the statements of changes in equity and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory notes.

Management is responsible for the preparation and presentation of this condensed interim financial statements in accordance with the International Accounting Standard (IAS) 34 - "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on this condensed interim financial statement based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", and ISRE 2410 - "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently did not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the condensed interim financial statements

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements referred to above are not prepared, in all material respects, in accordance with IAS 34 - "Interim Financial Reporting", issued by International Accounting Standards Board (IASB).



PPLA Participations LP.

Emphasis of matter

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 on concern. Our conclusion is not qualified in respect of this matter.

Other matters

Audit and review of corresponding figures of the previous years

The condensed interim financial statements mentioned in the first paragraph includes accounting information corresponding to the statement of income and comprehensive income for the quarter and nine month periods ended September 30, 2021 and the statements of changes in shareholders' equity and cash flows for the nine-month ended September 30, 2020, obtained from the condensed interim financial statements for that quarter, and the balance sheet on December 31, 2020, obtained from the financial statements on December 31, 2020, presented for comparison purposes. The review of the condensed interim financial statements for the quarter and nine-month period ended September 30, 2020 and examination of the financial statements for the year ended December 31, 2020 were conducted under the responsibility of other independent auditors, who issued review and audit reports with dates of November 23, 2020 and March 19, 2021, respectively, without modifications.

São Paulo, November 12, 2021

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

DocuSigned by:
Edison Arisa Pereira
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Papel: Partner
Data/hora da Assinatura: 12 November 2021 | 17:36 BRT

Edison Arisa Pereira
Contador CRC 1SP127241/O-0

PPLA Participations Ltd.

Interim condensed balance sheets

As at September 30, 2021 and December 31, 2020

(In thousands of reais)

Assets	Note	9/30/2021	12/31/2020
Cash and cash equivalents		-	-
Investment entity portfolio	5	9	5
Amounts receivable	6	2,172	540
Total assets		2,181	545
Liabilities			
Other liabilities	7	2,172	540
Total liabilities		2,172	540
Shareholders' equity			
Capital stock and share premium	8a	1,504,802	1,504,802
Other comprehensive income		424,142	424,142
Accumulated losses		(1,928,935)	(1,928,939)
Total shareholders' equity		9	5
Total liabilities and shareholders' equity		2,181	545

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

PPLA Participations Ltd.

Interim condensed statements of income

As at September 30, 2021 and December 31, 2020

(In thousands of reais)

	<u>Note</u>	<u>30/09/2021</u>	<u>9/31/2020 (Restated)</u>
Gain / (Loss) on investment entity portfolio measured at fair value	10	4	(25)
Administrative expenses	11	(659)	(4,403)
Other operating income	12	659	4,403
Operating loss		4	(25)
Profit / (Loss) for the quarter		4	(25)
Profit / (Loss) per share - basic and diluted (in reais)	9	0.001	(0.0003)

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

PPLA Participations Ltd.

Interim condensed statements of comprehensive income

Semesters ended September 30, 2021 and 2020

(In thousands of reais)

	<u>9/30/2021</u>	<u>9/30/2020</u>
Profit / (Loss) for the quarter	4	(25)
Other comprehensive income / (loss) not to be reclassified to profit or loss:	<u>1</u>	<u>4</u>
Currency translation adjustments	1	4
Total comprehensive income / (loss)	<u>5</u>	<u>(21)</u>

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

PPLA Participations Ltd.

Interim condensed statement of changes in shareholders' equity

Semesters ended September 30, 2021 and 2020

(In thousands of reais)

	<u>Capital stock and share premium</u>	<u>Other comprehensive income</u>	<u>Treasury shares</u>	<u>Accumulated losses</u>	<u>Total shareholders' equity</u>
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 quarter	-	-	-	(25)	(25)
Currency translation adjustments	-	3	-	-	3
Balance as of September 30, 2020	1,504,802	424,141	-	(1,928,939)	4
Balance as of December 31, 2020	1,504,802	424,142	-	(1,928,939)	5
Profit for the quarter	-	-	-	4	4
Currency translation adjustments	-	-	-	-	-
Balance as of September 30, 2021	1,504,802	424,142	-	(1,928,935)	9

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

PPLA Participations Ltd.

Interim condensed statements of cash flows Semesters ended September 30, 2021 and 2020 (In thousands of reais)

	<u>Note</u>	<u>9/30/2021</u>	<u>9/31/2020</u> <u>(Restated)</u>
Operating activities			
Profit / (Loss) for the quarter		4	(25)
Adjustments to the loss for the year			
Loss from investment entity portfolio measured at fair value	10	(4)	25
Adjusted loss for the quarter		-	-
Increase / (decrease) in cash and cash equivalents		-	-
Balance of cash and cash equivalents			
At the beginning of the quarter		-	-
At the end of the quarter		-	-
Increase / (decrease) in cash and cash equivalents		-	-
Non-cash transactions			
Amounts receivable		(1,632)	(2,101)
Other liabilities		1,632	2,101

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

PPLA Participations Ltd.

Notes to the interim condensed financial statements

September 30, 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 interim condensed financial statements

September 30, 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.

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.

PPLA Participations Ltd.

Notes to the interim condensed financial statements

September 30, 2021

(In thousands of reais)

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, 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. 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.

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

PPLA Participations Ltd.

Notes to the interim condensed financial statements

September 30, 2021

(In thousands of reais)

On February 6, 2021, CCRR'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 CCRR.

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 condensed financial statements were approved by the Management on November 12, 2021, and they contain a true and fair view of the financial position and results of the Company.

I. Restatement

During the semester ended in September 30, 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 these 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 Income statement and Cash flows, as shown below:

	<u>9/30/2020</u> <u>(Original)</u>	<u>Adjustments</u>	<u>9/30/2020</u> <u>(Restated)</u>
Loss on investment entity portfolio measured at fair value	(25)		(25)
Administrative expenses	(3,898)	(505)	(4,403)
Other operating income	3,898	505	4,403
Operating loss	<u>(25)</u>	<u>-</u>	<u>(25)</u>
Loss for the quarter	<u>(25)</u>	<u>-</u>	<u>(25)</u>
Loss per share (basic and diluted - R\$)	(0.0003)	-	(0.0003)

PPLA Participations Ltd.

Notes to the interim condensed financial statements

September 30, 2021

(In thousands of reais)

3. Main accounting practices

The Company's interim condensed financial statements do not include all the information required for the annual financial statements, and should be read alongside the financial statements for the year ended December 31, 2020, issued on March 19, 2021.

The practices, policies and the main accounting judgments on estimates adopted in the preparation of the condensed interim financial statements are consistent with those adopted and disclosed in the financial statements for the year ended December 31, 2020.

a. Invested companies

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

	Country	Equity interest - %	
		9/30/2021	12/31/2020
Direct subsidiaries			
BTG Bermuda LP Holdco Ltd.	Bermuda	100	100
Indirect subsidiaries			
PPLA Investments LP.	Bermuda	0.003	0.003

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 - %	
		9/30/2021	12/31/2020
Direct subsidiaries			
BTG Loanco LLC	USA	100.00	100.00
Indirect subsidiaries			
Timber XI SPE S.A. (i)	Brazil	8.47	8.73
Timber IX Participações S.A. (i)	Brazil	8.47	8.73
Timber XII SPE S.A.	Brazil	8.47	8.73
São Lourenço Empreendimentos Florestais Ltda. (i)	Brazil	8.73	8.73
Fazenda Corisco Participações S.A. (i)	Brazil	8.73	8.73
BTG Pactual Santa Terezinha Holding S.A. (i)	Brazil	8.73	8.73
SCFlor Empreendimentos Agrícolas Ltda.	Brazil	8.73	8.73
Fazenda Santa Terezinha Participações S.A. (i)	Brazil	8.47	8.73
Timber VII SPE S.A. (i)	Brazil	8.47	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	31.79	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

PPLA Participations Ltd.

Notes to the financial statements September 30, 2021

(In thousands of reais)

(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:

	9/30/2021			
	Brazil	United States	Others	Total
Assets				
Assets				
Cash and cash equivalents	-	-	1	1
Investment entity portfolio	5	-	-	5
Derivative financial instruments	-	-	-	-
Investments at fair value through other comprehensive income	17	-	-	17
Financial assets at amortized cost (i)	-	3	-	3
Other assets	-	-	2	2
Total	<u>22</u>	<u>3</u>	<u>3</u>	<u>28</u>
	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	<u>21</u>	<u>3</u>	<u>5</u>	<u>29</u>

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

PPLA Participations Ltd.

Notes to the interim condensed financial statements

September 30, 2021

(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:

	9/30/2021				
	Private institutions	Companies	Individuals	Others	Total
Assets					
Investment entity portfolio					
Assets					
Cash and cash equivalents	1	-	-	-	1
Investment entity portfolio	14	9	-	(18)	5
Investments at fair value through other comprehensive income	-	17	-	-	17
Financial assets at amortized cost	-	-	3	-	3
Other assets	-	-	-	2	2
Total	15	26	3	(16)	28
	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 September 30, 2020 and December 2019, the Company does not have any cash or cash equivalents.

As at September 30, 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 September 30, 2021 and December 2020:

PPLA Participations Ltd.

Notes to the financial statements September 30, 2021

(In thousands of reais)

	9/30/2021				Total
	Up to 90 days / No maturity	90 to 365 days	1 to 3 years	Over 3 years	
Assets					
Investment entity portfolio					
Assets					
Cash and cash equivalents	1	-	-	-	1
Investment entity portfolio	5	-	-	-	5
Investments at fair value through other comprehensive					
income	17	-	-	-	17
Financial assets at amortized cost	-	-	-	3	3
Derivative financial instruments	-	-	-	-	-
Other assets	2	-	-	-	2
Liabilities (i)	(6)	(7)	(7)	-	(20)
Total	19	(7)	(7)	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).

PPLA Participations Ltd.

Notes to the interim condensed financial statements

September 30, 2021

(In thousands of reais)

5. Investment entity portfolio

The interim condensed financial statements of PPLA Investments ("PPLAI") for semester ended September 30, 2021 were reviewed by independent auditors who issued a review report on November 12, 2021, without modification, presenting a section of relevant uncertainty related to operational continuity.

As at September 30, 2021, PPLA Investments' equity is R\$330,657 due to results with the investment entity portfolio. PPLA Participations marked its investment in PPLA Investments at R\$9 in semester ended September 30, 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 September 30, 2021, and December 31, 2020, are presented below:

	<u>Note</u>	<u>9/30/2021 (1)</u>	<u>12/31/2020 (1)</u>
Assets			
Cash and cash equivalents	(a)	42,166	104,152
Investment entity portfolio	(b)	190,716	201,150
Derivative financial instruments		163	2,271
Investments at fair value through other comprehensive income	(c)	633,621	584,162
Financial assets at amortized cost	(d)	111,487	116,369
Other assets		60,818	72,035
Total		1,038,971	1,080,139
Liabilities			
Derivatives		29,871	71,016
Financial liabilities at amortized cost	(e)	498,300	588,579
Other liabilities		180,143	252,133
Total		708,314	911,728
Shareholders' equity		330,657	168,411
Total liabilities and shareholders' equity		1,038,971	1,080,139
Investment entity portfolio reconciliation			
PPLAI shareholder's equity		330,657	168,411
PPLAP ownership (via BTG Holdco)		0.003%	0.003%
Total		9	5

(1) Balances as reported by PPLA Investments as at September 30, 2021, and December 31, 2020.

PPLA Participations Ltd.

Notes to the financial statements September 30, 2021

(In thousands of reais)

(a) Cash and cash equivalents

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

Investment entity portfolio

	As of September 30, 2021		As of December 31, 2020	
	Cost	Fair value	Cost	Fair value
Merchant Banking investments (i)	3,329,711	312,494	3,233,111	250,607
Private equity funds ("FIP")	438,313	150,635	407,523	116,760
Subsidiaries, associates and jointly controlled entities	2,891,398	161,859	2,825,588	133,847
Global markets investments (ii)	5,678	6,174	5,927	5,927
Loans (1)	498,609	498,300	588,576	588,576
Others (2)	(626,252)	(626,252)	(643,960)	(643,960)
Total	3,207,746	190,716	3,183,654	201,150

(1) 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.

(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.

PPLA Participations Ltd.

Notes to the interim condensed financial statements

September 30, 2021

(In thousands of reais)

As at September 30, 2021, and December 31, 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	9/30/2021		12/31/2020	
		(%) (1)	Fair value	(%) (1)	Fair value
Through FIPs:					
BrPec Agropecuária S.A.	Ranching	100%	14,880	100%	55,310
Auto Adesivos Paraná S.A. (2)	Adhesives, labels and special paper company	19.9%	135,755	30.1%	61,450
Through subsidiaries, associates and jointly controlled entities:					
Timber XI SPE S.A.	Biological assets	8.48%	5,377	8.73%	5,651
Timber IX Participações S.A.	Biological assets	8.48%	39,225	8.73%	41,441
Timber XII SPE S.A.	Biological assets	8.48%	35,484	8.73%	25,126
BTG Pactual Santa Terezinha Holding S.A.	Biological assets	8.48%	12,467	8.73%	8,557
Fazenda Corisco Participações S.A.	Biological assets	8.48%	11,531	8.73%	10,636
Timber VII SPE S.A.	Biological assets	8.48%	49,975	8.73%	42,436
Loans - Merchant Banking investments (3)	Others	-	7,800	-	-
Total			312,494		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 quarter ended September 30, 2021, new debentures were issued to B&A.

(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).

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(In thousands of reais)

As at September 30, 2021, the Company's investment in BTG Pactual Absolute Return II Master Fund LP ("ARF II") corresponds to the amount of R\$6,174 (December 31, 2020: R\$5,927).

As at September 30, 2021, and 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.

(b) 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 September 30, 2021		As of December 31, 2020	
	Cost	Fair value	Cost	Fair value
Merchant Banking investments - FIP	1,761,355	619,769	1,934,555	574,058
Others	13,852	13,852	10,104	10,104
Total	1,775,207	633,621	1,944,659	584,162

(i) Merchant banking investments - FIP

As at September 30, 2021 and December 31, 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	9/30/2021		12/31/2020	
		(%) (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	32.0%	10,997
Estre Participações S.A.	Waste collection, treatment and disposal	-	-	-	1,606
Sete Brasil Participações S.A.	Oil and gas	-	201	-	199
UOL Universo on Line S.A.	Internet and server provider	3.1%	609,583	3.1%	555,319
Total			619,769		574,058

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

(c) Financial assets at amortized cost

	9/30/2021	12/31/2020
Partners (i)	111,487	116,369
Total	111,487	116,369

PPLA Participations Ltd.

Notes to the financial statements September 30, 2021

(In thousands of reais)

- (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 September 30, 2021 and December 31, 2020, the fair value attributed to the Loans and receivables is similar to its amortized cost.

(d) Financial liabilities at amortized cost

Part of the loans and medium term notes are guaranteed by BTG Pactual Holding S.A., indirect parent company of Banco BTG Pactual.

(e) Fair value Hierarchy

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

(i) Investment entity portfolio

	9/30/2021			Total
	Level 1	Level 2	Level 3	
Investment entity portfolio				
Merchant Banking investments				
Private equity funds	-	-	150,635	150,635
Subsidiaries, associates and jointly controlled entities	-	7,800	154,059	161,859
Global markets investments	-	6,174	-	6,174
Loans	-	498,300	-	498,300
Others	-	(626,252)	-	(626,252)
Total	-	(113,978)	304,694	190,716

	12/31/2020			Total
	Level 1	Level 2	Level 3	
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

PPLA Participations Ltd.

Notes to the interim condensed financial statements

September 30, 2021

(In thousands of reais)

(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:

	9/30/2021	
	Level 3	Total
Investments at fair value through other comprehensive income		
Merchant Banking investments - FIP	619,769	619,769
Others	13,852	13,852
Total	633,621	633,621

	12/31/2021	
	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 period ended September 30, 2021.

(vi) Reclassification between levels

During the year ended September 30, 2021, there were no reclassification between levels and fair value hierarchy.

6. Amounts receivable

As at September 30, 2021 and December 31, 2020, the item refers entirely to amounts receivable from investees/subsidiaries, to pay for the Company's administrative expenses.

PPLA Participations Ltd.

Notes to the financial statements September 30, 2021

(In thousands of reais)

7. Other liabilities

As at September 30, 2021 and December 31, 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 September 30, 2021 and December 31, 2020, the Company's capital was comprised by the following class of shares:

	9/30/2021				
	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			

	31/12/2020				
	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 semester ended September 30, 2021 December 31, 2020, the Company did not repurchased units.

c. Dividends

The Company did not distribute dividends during the semester ended on September 30, 2021 and year ended on December 31, 2020.

PPLA Participations Ltd.

Notes to the interim condensed financial statements

September 30, 2021

(In thousands of reais)

9. Profit / (Loss) per share

	<u>9/30/2021</u>	<u>9/30/2020</u>
Profit / (Loss) for the semester	4	(25)
Weighted average per thousand shares outstanding during the semester	2,815	18,872
Profit / (Loss) per share - basic and diluted (in reais)	<u>0.001</u>	<u>(0.001)</u>

10. Loss from investment entity portfolio measured at fair value

	<u>9/30/2021</u>	<u>9/30/2020</u>
Loss on investment entity portfolio	4	(25)
Total	<u>4</u>	<u>(25)</u>

11. Administrative expenses

In the semesters ended September 30, 2021 and 2020, the item is composed exclusively of custodial expenses, due to the Company's BDR program.

12. Other income

In the semesters ended September 30, 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>9/30/2021</u>	<u>12/31/2020</u>	<u>9/30/2021</u>	<u>9/30/2020</u>
Assets					
Amounts receivable					
- PPLA Investments LP	Related	2,172	540	659	4,403

No management compensation was recorded during the semesters ended September 30, 2021 and 2020.