

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Amendment No. 1
to
FORM F-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

DLocal Limited
(Exact Name of Registrant as Specified in its Charter)

The Cayman Islands
(State or other jurisdiction of
incorporation or organization)

7374
(Primary Standard Industrial
Classification Code Number)
Dr. Luis Bonavita 1294
Montevideo
Uruguay 11300
+1 (424) 392-7437

N/A
(I.R.S. Employer
Identification Number)

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant’s Principal Executive Offices)

Cogency Global Inc.
122 E 42nd Street, 18th floor
New York, New York 10168
+1 (800) 221-0102

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Manuel Garciadiaz
Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, NY 10017
(212) 450-4000

S. Todd Crider
Juan F. Méndez
Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, NY 10017
(212) 455-2000

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933.

Emerging growth company ☒

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☐

† The term “new or revised financial accounting standard” refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee(3)
Class A common shares, par value US\$0.002 per share (4)	US\$100,000,000	US\$10,910.00

- (1) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.
(2) Includes Class A common shares to be sold by us and the selling shareholders.
(3) Calculated pursuant to Rule 457(o) based on an estimate of the proposed maximum aggregate offering price. Previously paid.
(4) Include Class A common shares to be sold upon the exercise of the underwriters’ option to purchase additional shares. See “Underwriting.”

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Commission, acting pursuant to such Section 8(a), may determine.

The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED MAY 20, 2021

PRELIMINARY PROSPECTUS

Class A Common Shares
d·local
DLocal Limited
(incorporated in the Cayman Islands)

This is an initial public offering of the Class A common shares, US\$0.002 par value per share of DLocal Limited, or dLocal. dLocal is offering Class A common shares to be sold in this offering. The selling shareholders identified in this prospectus are offering _____ of the Class A common shares to be sold in the offering. We will not receive any proceeds from the sale of Class A common shares by the selling shareholders.

Prior to this offering, there has been no public market for our Class A common shares. It is currently estimated that the initial public offering price per Class A common share will be between US\$ _____ and US\$ _____. We have applied to list our Class A common shares on the Nasdaq Global Select Market, or Nasdaq, under the symbol “DLO.”

Upon consummation of this offering, we will have two classes of common shares: our Class A common shares and our Class B common shares. The rights of the holders of Class A common shares and Class B common shares will be identical, except with respect to voting, conversion and transfer restrictions applicable to the Class B common shares. Each Class A common share will be entitled to one vote. Each Class B common share will be entitled to five votes and will be convertible into one Class A common share automatically upon transfer, subject to certain exceptions. Holders of Class A common shares and Class B common shares will vote together as a single class on all matters unless otherwise required by law. Following this offering, our issued and outstanding Class B common shares will represent approximately _____ % of the combined voting power of our outstanding common shares, assuming no exercise of the underwriters’ option to purchase additional shares, and approximately _____ % assuming exercise in full of the underwriters’ option to purchase additional shares.

We are an “emerging growth company” under the U.S. federal securities laws as that term is used in the Jumpstart Our Business Startups Act of 2012 and will be subject to reduced public company reporting requirements. Investing in our Class A common shares involves risks. See “[Risk Factors](#)” beginning on page 25 of this prospectus.

	Per Class A common share	Total
Initial public offering price	US\$ _____	US\$ _____
Underwriting discounts and commissions	US\$ _____	US\$ _____
Proceeds, before expenses, to us ⁽¹⁾	US\$ _____	US\$ _____
Proceeds, before expenses, to the selling shareholders ⁽¹⁾	US\$ _____	US\$ _____

(1) See “Underwriting” for a description of all compensation payable to the underwriters.

The selling shareholders have granted the underwriters an option for a period of 30 days from the date of this prospectus to purchase up to _____ additional Class A common shares to cover over-allotments, if any, at the initial public offering price, less underwriting discounts and commissions.

Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the Class A common shares against payment in New York, New York on or about _____, 2021.

Global Coordinators

J.P. Morgan

Goldman Sachs & Co. LLC

Citigroup

Morgan Stanley

Joint Bookrunners

BofA Securities

HSBC

UBS Investment Bank

The date of this prospectus is _____, 2021.

d-local



We enable global merchants to
connect seamlessly with billions of
emerging market users

As of the date of this Prospectus (except as noted)

330+

Merchants

2B

Combined internet users
reached

29

Countries

600+

Local payment methods

\$104M

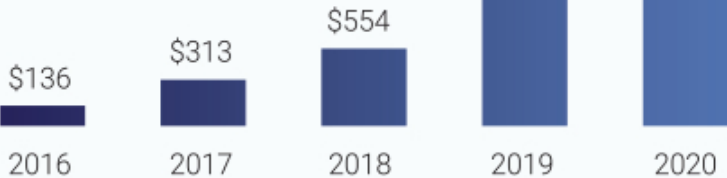
Revenue in 2020

129%

Revenue growth
+ Adj. EBITDA margin in 2020

\$ in millions

■ TPV



THE POWER OF
One dLocal



One API



One platform



One contract



Broad access



Improved
acceptance



Compliance



Agile



Scalable

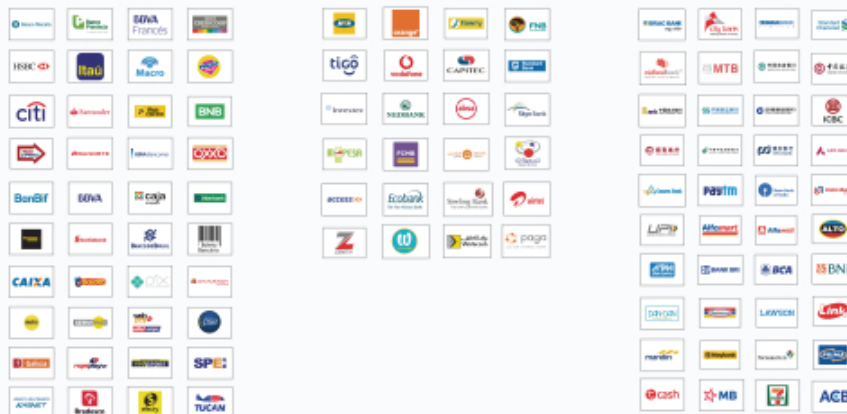


Enterprise focus

GLOBAL REACH
in emerging markets

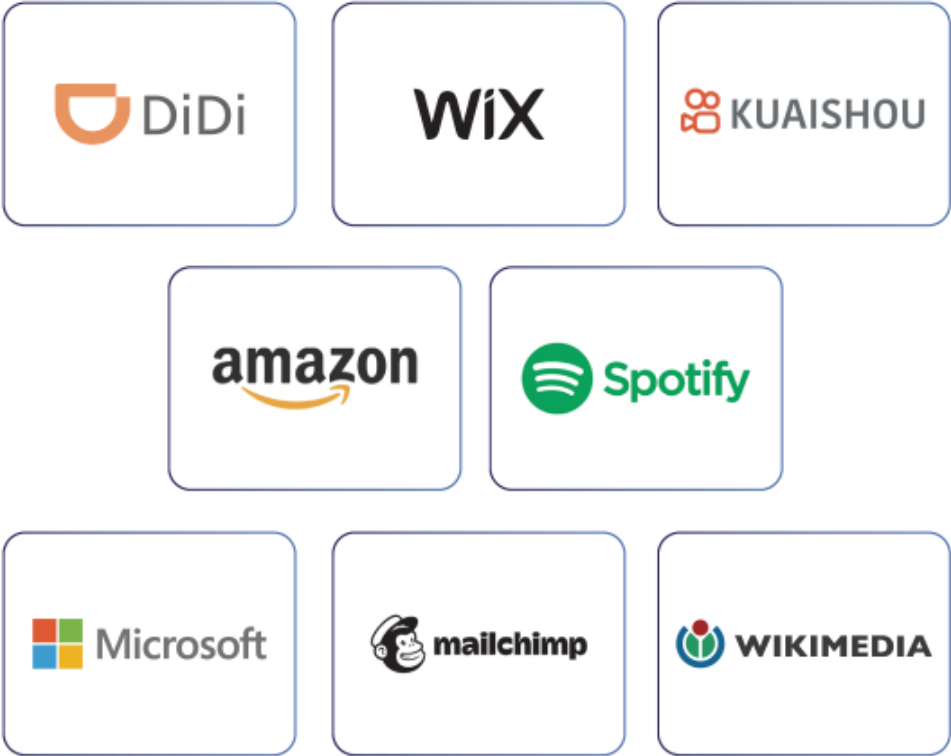


Select payment methods



Global enterprise

MERCHANTS



Note: Selected merchants only

TABLE OF CONTENTS

	<u>Page</u>
Glossary of Terms	iii
Summary	1
The Offering	19
Summary Financial and Other Information	23
Risk Factors	25
Presentation of Financial and Other Information	71
Cautionary Statement Regarding Forward-Looking Statements	74
Use of Proceeds	75
Dividends and Dividend Policy	76
Capitalization	77
Dilution	78
Market Information	80
Selected Financial and Other Information	81
Management's Discussion and Analysis of Financial Condition and Results of Operations	85
Regulatory Overview	106
Business	113
Management	152
Principal and Selling Shareholders	158
Related Party Transactions	161
Description of Share Capital	163
Common Shares Eligible for Future Sale	182
Taxation	184
Underwriting	189
Expenses of the Offering	206
Legal Matters	207
Experts	207
Enforceability of Civil Liabilities	209
Where You Can Find More Information	210
Explanatory Note To The Financial Statements	211
Index to Financial Statements	F-1

Neither we, the selling shareholders nor the underwriters have authorized anyone to provide any information other than that contained in this prospectus or in any free writing prospectus prepared by or on behalf of us or to which we may have referred you. We and the selling shareholders take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. Neither we, the selling shareholders, nor the underwriters are making an offer to sell the Class A common shares in any jurisdiction where the offer or sale is not permitted. This offering is being made in the United States and elsewhere solely based on the information contained in this prospectus. You should assume that the information appearing in this prospectus is accurate only as of the date on the front cover of this prospectus, regardless of the time of delivery of this prospectus or any sale of the Class A common shares. Our business, financial condition, results of operations and prospects may have changed since the date on the front cover of this prospectus.

For investors outside the United States: Neither we, the selling shareholders, nor any of the underwriters have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction, other than the United States, where action for that purpose is required. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of our Class A common shares and the distribution of this prospectus outside the United States.

[Table of Contents](#)

No offer or invitation to subscribe for any securities may be made to the public in the Cayman Islands.

We own or have rights to trademarks, service marks and trade names that we use in connection with the operation of our business, including our corporate name, logos and website names. Other trademarks, service marks and trade names appearing in this prospectus are the property of their respective owners. Solely for convenience, some of the trademarks, service marks and trade names referred to in this prospectus are listed without the ® and ™ symbols, but we will assert, to the fullest extent under applicable law, our rights to our trademarks, service marks and trade names.

Unless otherwise indicated or the context otherwise requires, all references in this prospectus to “dLocal” or the “Company,” the “Issuer,” “we,” “our,” “ours,” “us” or similar terms refer to DLocal Limited, together with its subsidiaries, following the contribution of dLocal Malta (as defined below) shares to us.

All references to “dLocal Malta” refer to dLocal Group Limited, the consolidated financial statements of which are included elsewhere in this prospectus. See “Presentation of Financial and Other Information.”

GLOSSARY OF TERMS

The following is a glossary of certain industry and other defined terms used in this prospectus:

“alternative payment methods” or “APM” means payment methods other than traditional payments like cash, credit cards or debit cards.

“API” means application programming interface, which is a general term for programming techniques that are available for software developers when they integrate with a particular service or application. In the payments industry, APIs are usually provided by any party participating in the money flow (such as payment gateways, processors, service providers) to facilitate the money transfer process.

“Articles of Association” means dLocal’s memorandum and articles of association that will be effective immediately following the completion of this offering.

“Class A common shares” means Class A common shares of dLocal par value US\$0.002 per Class A common share, which confer the right to one vote per share.

“Class B common shares” means Class B common shares of dLocal, par value US\$0.002 per Class B common share, which confer the right to five votes per share.

“Companies Act” means the Companies Act (as amended) of the Cayman Islands.

“local payment methods” refers to any payment method that is processed in the country where the end user of the merchant sending or receiving payments is located, which include credit and debit cards, cash payments, bank transfers, mobile money, and digital wallets.

“NRR” means Net Revenue Retention rate, which is the U.S. dollar-based measure of retention and growth of our merchants. We calculate the NRR of a period by dividing the Current Period Revenue by the Prior Period Revenue. The Prior Period Revenue is the revenue billed by us to all of our merchant customers in the prior fiscal year. The Current Period Revenue is the revenue billed by us in the current fiscal year to the same merchant customers included in the calculation of the Prior Period Revenue. Current Period Revenue includes any upsells and cross sells of products, geographies, and payment methods to such merchant customers, and is net of any contractions or attrition, but excludes revenue from new customers on-boarded during the current fiscal year.

“pay-in” means a payment transaction whereby dLocal’s merchant customers receive payment from their customers.

“pay-out” means a payment transaction whereby dLocal disburses money in local currency to the business partners or customers of dLocal’s merchant customers.

“PIX” means the instant payments system launched by the Brazilian Central Bank in 2020, enabling users in Brazil to make and receive instant payments and instant fund transfers.

“PSP partners” means payment service provider partners, which are third party service providers that provide payment settlement services.

“SaaS” means software as a service, which is a method of providing software used by certain of our merchant customers whereby they forego the traditional method of selling a perpetual software license to end users and requiring them to host, run and manage the program they just bought; instead, SaaS vendors host the application on their own servers, make it available through the web and charge for the service of accessing and using the software.

“SMB” means small and medium-sized businesses, which we use in this prospectus to refer to the SMB clients and partners of our marketplace merchant customers with which they carry out the marketplace business.

[Table of Contents](#)

“TPV” means total payment volume, which is an operating metric of the aggregate value of all payments successfully processed through our payments platform

“U.S. dollar,” “U.S. dollars” or “US\$” means U.S. dollars, the official currency of the United States.

SUMMARY

This summary highlights information contained elsewhere in this prospectus. This summary may not contain all the information that may be important to you in making your investment decision, and we urge you to read this entire prospectus carefully, including the “Risk Factors,” “Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections and our consolidated financial statements and notes to those statements, included elsewhere in this prospectus, before deciding to invest in our Class A common shares.

Our Mission

Our mission is to enable global merchants to connect seamlessly with billions of emerging market users.

Overview

dLocal is focused on making the complex simple, redefining the online payments experience in emerging markets. Through one direct API, one technology platform, and one contract, which we collectively refer to as the *One dLocal* model, we enable global enterprise merchants to get paid (pay-in) and to make payments (pay-out) online in a safe and efficient manner. Merchants on our platform consistently benefit from improving acceptance and conversion rates, reduced friction, and improved fraud prevention, leading to enhanced potential interaction with nearly 2 billion combined internet users in the countries we serve (excluding China). Our proprietary, fully cloud-based platform has the ability to power both cross-border and local-to-local transactions in 29 countries as of the date of this prospectus (which includes seven new countries where we have recently made our services available but have not yet processed volume). Our solutions are built to be both payment method-agnostic and user friendly. We enable global merchants to connect with over 600 local payment methods (some of which are financial institutions) across our different geographies, thus expanding their addressable markets. Furthermore, our proprietary technology architecture is highly scalable and flexible, allowing us to constantly and rapidly innovate in response to market demand, expand to new countries and enhance our value proposition for our merchant clients. Agility is in our DNA. We believe our product offering makes us the most comprehensive online payments infrastructure currently available for global enterprise merchants operating across emerging markets.

Our focus on merchants’ demands drives us to develop solutions that address the complex payments issues they face in emerging markets.

- For Microsoft, we offer a reliable, country-specific solution that facilitates payments, enabling merchants to sell their suite of products and services in Nigeria.
- For one of the largest video streaming companies in the world, we enable acceptance of local payment methods from viewers eager to access their content in Peru.
- For Didi, we facilitate a pay-out solution that enables bank transfers, split payments, and tax withholding functionalities for its drivers in Argentina to collect fares.
- For one of the leading global internet search engines, we developed dynamic transaction routing capabilities in Brazil to automatically direct traffic to payments providers with the highest probability of success, thus enabling more reliable processing.

As global enterprise merchants continue to face payments complexities, we believe they will seek to engage with partners that have demonstrated high acceptance rates of alternative payment methods, or APMs and have expertise in local payments; foreign exchange, or FX, management; local regulations; and compliance, tax, and fraud management capabilities across the relevant emerging markets, as opposed to engaging providers they may

already use in developed markets where the payment and infrastructure dynamics are different. Capitalizing on this opportunity, we have continued to expand our presence globally, with the goal of becoming the online payments partner of choice for global merchants in emerging markets.

We are an enterprise-focused company, targeting large global merchants that operate in different verticals and geographies. Our key verticals include retail, streaming, ride hailing, financial institutions, advertising, SaaS, travel, e-learning and gaming. We have built our global platform from the ground up to be accessible through a single direct API and to meet the rapidly evolving needs of these fast-growing global merchants. We believe simplicity, scalability, transparency, agility and innovation are keys to our continued success. We partner with over 330 merchants, including leading global enterprises such as Amazon, Didi, Microsoft, Spotify, Mailchimp, Wix, Wikimedia and Kuaishou. In addition, we cater to the needs of leading marketplaces to help their SMB clients and partners expand their geographic reach. Our global merchants benefit from maintaining direct relationships with their end users while facilitating a faster, safer, more reliable and compliant payments experience. On average, our global merchants used dLocal's platform in nearly six different countries and 44 payment methods in 2020 and in five countries and 35 payment methods in 2019, in each case for merchants with at least US\$6 million of annual TPV on our platform. Such merchants comprised 92% of our TPV in 2020 and 93% in 2019. As a result, we believe that dLocal has become a trusted partner forging resilient relationships with global enterprise merchants.

We benefit from an attractive business model with improving economies of scale. We are often subject to rigorous vetting processes with global enterprise merchants that invest significant time and resources in the selection, diligence, and on-boarding of technology and payments providers. This on-boarding process can often take several months as these merchants assess our technological capabilities, ability to comply with their data security protocols, and adherence to regulatory, tax and compliance requirements. However, once we establish a direct connection (meaning there are no third party intermediaries between us and the merchant in the payment flow and technical integration), global merchants have the ability to access the full breadth of our solutions and the countries where we have a presence instantly through one direct API and one contract. Merchants can also choose to route all or a portion of their applicable pay-in and pay-out volume through us. Our direct connections with merchants serve as a strong competitive advantage and barrier to entry for competing providers, and makes incremental volume that flows through our platform highly margin accretive for dLocal.

Our single integrated platform provides a merchant-friendly alternative to the numerous legacy providers that global merchants were previously forced to rely upon for their payments needs in emerging markets. The breadth of our online payments infrastructure and expertise, allowing merchants to transact in 29 markets as of the date of this prospectus, the direct connections with global merchants, our relationships with APMs, local financial institutions and acquirers, our understanding of the countries in which we operate, and our differentiated compliance, tax, and fraud management capabilities are attributes that in combination are difficult for competitors to replicate and create strong barriers to entry. Our technology DNA (we have been a "technology-first" business from inception), execution-driven culture and agile innovation mindset keep us at the forefront of the industry.

Our success is reflected in our rapid growth and strong profitability. dLocal earns revenue from fees charged to our merchants in connection with payment processing services for cross-border and local payment transactions in emerging markets. These fees are primarily generated on a per approved transaction basis as either a fixed fee per transaction or fixed percentage per transaction. The fees include a Merchant Discount Rate, or MDR, to compensate us for our services, as well as an FX service fee earned on payments involving conversion and expatriation of funds to and from various currencies, including the U.S. dollar and the Euro. Our TPV was US\$925.9 million and US\$388.2 million for the three months ended March 31, 2021 and 2020, respectively, and US\$2.1 billion and US\$1.3 billion for the full years of 2020 and 2019, respectively, representing a growth rate of 138.5% when comparing the three months ended March 31, 2021 to the three months ended March 31, 2020 and

a growth rate of 60.3% when comparing the full year of 2020 to 2019. Our total revenues were US\$40.3 million and US\$18.0 million for the three months ended March 31, 2021 and 2020, respectively, and US\$104.1 million and US\$55.3 million for 2020 and 2019, respectively, representing a growth rate of 123.7% when comparing the three months ended March 31, 2021 to the three months ended March 31, 2020 and a growth rate of 88.4% when comparing 2020 and 2019. Our net revenue retention rate, or NRR, was 171% for the year ended December 31, 2020 and the revenue growth attributable to new merchants, which represents merchants that did not process volume with dLocal prior to January 1, 2020, was 17%. Excluding the effect in 2019 of a warrant with a merchant, the NRR would have been 159%. For the three months ended March 31, 2021 and 2020, our NRR was 186% and 216% (or 139% excluding the effect of the warrant), respectively, and our growth attributable to new merchants was 38%. The NRR includes the merchants that generated revenues in the same period of the prior year. For the year 2020, 167 merchants were included, and for the three month period ended March 31, 2021 and 2020, 179 and 135 merchants were included, respectively. Our asset-light operating model with low capital expenditures facilitates continuous reinvestment to drive topline growth. Our strong profitability and cash flow generation is due in large part to our solving of the complex payments problems on behalf of our merchants in underserved geographies. Our Adjusted EBITDA Margin was 44.3% and 41.3% for the three months ended March 31, 2021 and 2020, respectively, and 40.3% and 36.3% during the full years of 2020 and 2019, respectively. As we continue to deepen the relationship with the global merchants we serve, and improve and expand our current solutions and increase our presence in emerging markets, we expect to continue growing as existing and new merchants further rely on our capabilities.

Our History and Evolution

We started our journey in 2016 as a technology-first company seeking to disrupt online payments and to unlock opportunities for global enterprise merchants in emerging markets. We believe that we were among the first providers to recognize that, while large global merchants want to grow their business by selling their products and services online in emerging markets, they did not have the right online payments infrastructure to do so efficiently.

Since our inception, we have harbored global ambitions. We started with a single product to support a single payment method in one market, specifically pay-in cross-border payments in Brazil. Our early success empowered us to expand to other emerging markets, leading to our presence today in 29 countries including Mexico, Argentina, Colombia, and Chile in Latin America; India and Indonesia in Asia; and Egypt, Nigeria, and South Africa in Africa.

From the outset, our founding management team leveraged its technical expertise and entrepreneurial acumen to construct our flexible, scalable platform from scratch. The addition of strong commercial and financial talent complemented their technical proficiency, which has allowed dLocal to scale the business. Over the years, we have been able to continuously and rapidly introduce new solutions and capabilities in response to our global merchant's dynamic needs and payments ecosystems, further develop and enhance our technology platform, and evolve our business model.

Today, dLocal is a key enabler of online commerce in emerging markets serving different high-growth, technology-related verticals across key sectors in the economy. In addition to pay-in cross-border solutions, we have successfully developed fast-growing pay-out solutions, as well as local-to-local capabilities for both pay-in and pay-out transactions. We have also developed marketplace capabilities, having on-boarded one of the world's largest e-commerce platforms in 2018 as our first marketplace merchant. Our roster of market-leading global enterprise merchants and their reliance on our platform are the strongest testament to the strength of our overall value proposition.

We benefit from the support of our investors, including our strategic shareholders, General Atlantic and Mastercard, and the opportunities our scalable platform offers us. Moreover, Sebastián Kanovich and Jacobo Singer, our CEO and President, respectively, and members of our founding management team hold a meaningful combined ownership in dLocal and are deeply committed to our continued success. See "Principal and Selling

Shareholders” and “Management”. With this support and commitment, we intend to continue expanding into new markets, developing new products, and retaining and expanding our merchant base while growing their overall volume processed through our platform, all of which are drivers that will continue to propel our growth in the years to come.

Our Market Opportunity

The global payments industry is experiencing a rapid, secular shift towards digital payment methods, particularly driven by the growing prevalence of online and mobile channels. In 2020, consumers and businesses worldwide made over 454 billion purchase transactions on global network cards, according to Nilson Report. The share of e-commerce as a percentage of total global retail payments volume expanded to 21% in 2020, compared to 16% in 2019, according to Digital Commerce 360, aided by the accelerated shift to online purchasing during the ongoing COVID-19 pandemic.

In order to capitalize on this trend, global merchants continue to seek international expansion, thus raising their need to facilitate payment transactions from a wide array of methods and channels across what we believe to be complex and fragmented payments ecosystems. We believe that global enterprise merchants recognize the growing importance of emerging market economies as a key driver of growth. According to the International Monetary Fund, or the IMF, in 2019 emerging markets represented 57% of aggregate global GDP (measured on a per person basis), a significant increase from 43% in 2000. Emerging markets are expected to continue growing faster than developed markets overall.

However, global merchants face many challenges when trying to gain access or further penetrate emerging markets. Banking penetration remains low in these countries, falling below 20% of the adult population in some cases, according to a report commissioned by us and prepared by Americas Market Intelligence, or AMI. As opposed to developed economies where card-based transactions relying on international card schemes are prevalent, local card, bank transfer-based payment methods, digital wallet, and cash-like payments, such as using Boleto in Brazil or UPI in India, and making payments at Oxxo in Mexico, are the predominant payment methods for end users in emerging markets. Furthermore, in order to gain access to emerging markets, merchants also need to:

- adhere to local compliance, regulatory, and tax frameworks,
- offer transparency and security for their end users,
- address inherent fraud risk while maximizing acceptance and conversion,
- gain insights from their transaction data, and
- identify and engage with partners that can scale as their emerging markets operations expand.

Through the *One dLocal* model, we address these needs.

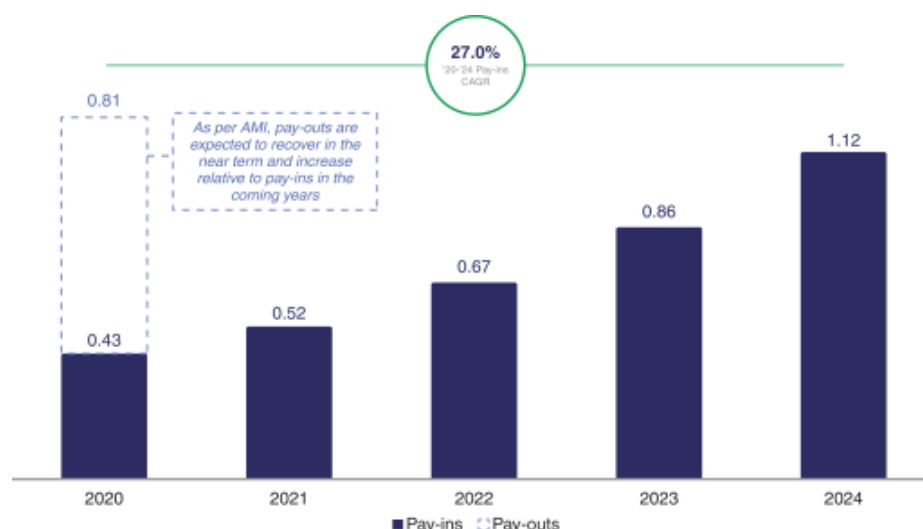
The payments industry is complex, cumbersome, and varies in structure in each country. In many instances the interaction between parties varies substantially from jurisdiction to jurisdiction. For example, a payments service provider, or PSP, may compete with other providers in one market and collaborate in another (under a sub-acquirer relationship or otherwise). This results in different unit economics for PSPs in each market largely depending on the services offered and the role that they play in the payments value chain. This complexity has created the demand for next-gen providers that integrate directly with global merchants and act as a single point of interaction that can engage with a large ecosystem of participants, offer them integrated solutions, and thus limit disintermediation.

We believe we have a large market opportunity in pay-out transactions, for both cross-border and local-to-local payments, which is currently underserved by what we believe to be a fragmented set of industry participants, most of them legacy payments companies.

According to AMI, there is an estimated US\$1.2 trillion in total e-commerce pay-in and pay-out volume in the countries in which we operate, excluding China. Of the estimated US\$428 billion pay-in volume for 2020, 86% corresponded to local-to-local transactions, and only 14% corresponded to cross-border transactions. Overall, pay-in volume is expected to grow up to US\$1.1 trillion by 2024, implying a CAGR of 27% from 2020 to 2024, according to AMI. AMI also expects the share of pay-outs vis-a-vis pay-ins to increase in the coming years on the back of strong tailwinds associated with an expected recovery in the next 24 months from the COVID 19 pandemic, which fueled a rise in remote work and initially dampened travel, ride hailing and remittances, but which are expected to recover following the pandemic.

The chart below shows 2020 pay-in and pay-out volumes and the projected growth of the total pay-in volume in the countries in which we currently operate, excluding China:

Payment volumes in the countries in which we currently operate, excluding China (in US\$ trillions)



Payments in emerging markets are still dominated by local payment methods. Whereas in the United States and Europe, credit and debit cards are widely held and used online, this is not the case in emerging markets where, according to AMI, banking penetration can fall below 20% of the adult population and cash-based payment methods, local digital wallets, and bank transfers are prevalent. According to AMI, local payment methods represented 83% of total e-commerce expenditure in 2020 in the 14 core markets analyzed by them. In Brazil, for instance, according to AMI, internationally-enabled credit cards only represented 10% of the aggregate e-commerce payment volumes, whereas domestic-only credit cards and cash-based methods represented 55% and 13% of the aggregate e-commerce payment volumes in 2020, respectively, and the remaining 35% were alternative payment methods. Similarly, in India, internationally-enabled credit cards only represented 30% of the aggregate e-commerce payment volumes in 2020, whereas debit cards and bank transfers represented 19% and 14%, respectively. In Nigeria, internationally-enabled credit cards only represented 13% of the aggregate e-commerce payment volumes in 2020, whereas debit cards and bank transfers represented 28% and 27%, respectively. We believe the prevalence of local payment methods creates a fragmented payment system in emerging market countries, which hampers global merchants' ability to expand in these new markets. We see an opportunity to continue growing and acquiring new clients by solving the existing complexities that result from using alternative local methods through our *One dLocal* model.

We believe our opportunity is driven in large part by the following favorable trends:

Increasing globalization of commerce

Fueled by fast-paced changes in technology and the increased mobility of goods, services, people, and capital, globalization continues to be a driving force in the world economy. In particular, over the past few decades globalization has greatly changed economies, societies, and the way business is conducted. According to Bloomberg, cross-border trade involving developing or emerging economies constituted 53% of global trade in 2017, an approximate 10 percentage points increase over the past 20 years. Such rapid expansion has created new opportunities for businesses to grow and extend their reach, resulting in a significant increase in multi-country flows of funds, which requires a robust financial technology infrastructure, systems, and processes to support cash flows for pay-ins and pay-outs.

A shift in consumer expectations has further accelerated the pace of globalization, as consumers increasingly expect to be able to make purchases or receive funds anytime, anywhere, and using their preferred method of payment.

In addition, as global merchants broaden their geographic footprint in search of more scale and growth, they are faced with the challenge of operating in a multi-jurisdictional environment where they must ensure appropriate compliance with local regulatory, FX, and tax frameworks, and deal with the diverse set of available or preferred local payment methods of end users. Maintaining compliance with these regulatory and market standards can be costly, burdensome, and often hard to address without the help of a partner such as dLocal with the adequate know-how, technology, and level of connectivity to the broad local payment infrastructure.

Continued rise of the digital economy

Technology has revolutionized the way we interact with one another and the way we consume information, entertainment, goods, and services. As a result, the digital economy has become a massive web of interconnected stakeholder and supply chains, spanning across a wide range of easily accessible products and services. The growing accessibility of the internet, as well as the rising adoption of smartphones, have been important trends in developed and emerging market countries. In 2020, smartphone penetration levels for Turkey, Brazil, and Mexico reached 61%, 80%, and 75% respectively. According to AMI, 80 million Nigerians are estimated to come online in the next five years. As a result of these growing trends, e-commerce penetration has experienced an accelerated expansion. Global e-commerce as part of overall payments volume grew at a 17% CAGR from 2014 to 2019, according to Insider Intelligence. Likewise, e-commerce among the core emerging countries we operate in grew 27% in 2020, while global GDP contracted 3.5% during the same year. We believe the penetration of the internet should continue to increase over time.

E-commerce has been a primary beneficiary of shifts in purchasing behavior during the COVID-19 pandemic. Consumer preferences for contact-free solutions are reshaping the way companies interact with their clients. Multiple industry observers and market participants (including Insider Intelligence and Euromonitor) believe this increase in digital commerce has the potential to become permanent, driving a two to three-year acceleration in adoption levels. Turkey, Brazil, and India are expected to grow at a CAGR of 39%, 30%, and 17% from 2020-2024, according to AMI, further emphasizing the rapid rise of digitalization in emerging markets during the next years.

Large, digitally-native enterprises are capitalizing on this opportunity, serving consumers globally who are eager to use the internet for consumption and connectivity, driving their ability to continue to take market share from legacy market participants which have experienced varying degrees of success in their attempt to go online. We believe that as the digital economy continues to expand globally, particularly in emerging markets, dLocal is

well-positioned to serve the needs of key participants due to our inherent emphasis on e-commerce and our shared appreciation for technology and product innovation.

Middle class in emerging markets continues to expand

On the back of continued economic growth, the middle class in emerging markets has been increasing its level of spending and online transaction frequency. This group is eager to consume global goods and services previously unavailable due to lack of access or spending constraints, leading to higher growth rates for goods and services in emerging markets, as well as the associated methods used to pay for them. This is driving an average expected annual GDP growth from 2021 through 2025 to 4.9% for emerging market economies (more than three times the expected growth for developed markets in the same period), according to *Oxford Economics via Refinitiv Datastream*. Global merchants wishing to capitalize on these changing economic demographics may seek to accelerate their entrance or further their penetration into emerging markets, which we believe may benefit technology and payments providers such as dLocal.

Research by Next Big Future suggests the global middle class would surpass 4 billion people by the end of 2020. According to this same research, the global middle class is growing by 120 to 160 million people every year, mostly in emerging markets, and is expected to reach 5.3 billion people by 2030. As a result, a growing emerging markets aspirational middle class should continue to gain disposable income over time, raising their expectations of convenience and customer experience, as well as their consumption of global merchants' products and services.

Cross-border payments in emerging markets are fragmented and poised for growth

While e-commerce is now mainstream, cross-border transactions still present unique challenges due to low approval rates, poor predictability of timing, low transparency, volatile exchange rates, dynamic regulatory requirements, and significant complexity that comes from having to settle transactions across multiple parties and currencies without a consistent regulatory and tax framework or an integrated payments infrastructure.

Furthermore, while developed countries have made significant progress, emerging markets still lack a coherent interoperability between regulatory and technical payments systems. According to Statista, the proportion of cross-border e-commerce transactions relative to total e-commerce transactions was significantly higher in developed versus emerging economies. For example, in 2019, as a share of all e-commerce transactions, cross-border e-commerce transactions accounted for 30% in Belgium, 27% in Ireland, and 18% in Austria. By contrast equivalent shares in India, Mexico, and Brazil were only 18%, 22%, and 6%, respectively. This presents a strong e-commerce growth opportunity as developing countries continue to make progress towards improving their infrastructure.

Facing differing local regulations, fragmented standards, inefficient infrastructure, and high fixed costs, we believe that service providers focusing on cross-border payment solutions will seek to balance the need for local expertise with the increasing merchant expectation of a single, digital, and global experience. In this context, we believe that strong cross-border business partnerships between global merchants and service providers are important and will continue to gain importance. Integrated payments solutions are the future, replacing disparate players operating in silo, requiring incremental connection between participants which further increases friction in the payments value chain.

Global enterprise merchants are establishing local presence in selected emerging markets

In order to complement operations that may have initially been run from abroad, some of the largest global merchants are seeking to establish local presence in certain large emerging markets (e.g., Didi in Brazil).

Accordingly, once established locally these merchants also need to facilitate pay-outs to local vendors, employees, and contractors, and pay-ins from local customers via their preferred method of payment. Even with the ability to send and receive funds in local currency (through the establishment of local bank accounts), merchants still face what we believe to be fragmented payments ecosystems and market-specific regulatory environments, presenting complexities similar to those in cross-border transactions, which we believe generate sub-par results on acceptance rate, fraud and other relevant payment features.

As global merchants selectively expand their local presence in emerging markets, the demand for integrated digital payment capabilities becomes even more relevant, benefitting participants with broad presence and solutions, such as dLocal, that we believe can provide a simplified offering, broader connectivity, and better performance compared to legacy payments providers. We have observed this trend first-hand, and evolved with many of our merchants as they expanded our relationship to include our local-to-local solutions in one or more countries in addition to the cross-border solutions they continue to process through our platform (in the same or other countries).

Highly complex and evolving local regulatory and tax environments

The challenges that merchants face are further exacerbated by the increasing impact of regulation in the payments market globally. Systemic stress to global markets, such as that experienced during the 2008 financial crisis, has emphasized the need for policymakers to enhance and strengthen financial systems to make them more resilient, more secure, and better prepared to handle future shocks. Furthermore, the increase in fraud and cyberattacks continues to push regulators to increase scrutiny across the payments value chain. Regulators have also been concerned with the higher cost of services charged by legacy payments providers driving the creation of new APMs such as the PIX in Brazil. However, while we believe that most countries and jurisdictions share and understand this need, the effort to make necessary changes has been largely localized in nature, particularly in emerging markets. As a result, local regulatory frameworks are complex, unique, and constantly changing.

Ensuring adherence to and compliance with these regulatory and tax requirements are costly and burdensome for global merchants, often deterring or limiting their entry to certain jurisdictions, particularly in emerging markets. This presents an attractive opportunity for service providers such as dLocal that have local expertise to offer robust, up-to-date, and integrated capabilities that comply with regulatory, FX, and tax frameworks across emerging markets.

Our Competitive Strengths

The following strengths and advantages are at the core of our strategy:

One single API, one single platform to connect to emerging markets

dLocal's value is derived from the simplicity of our fully cloud-based proprietary platform, accessible through a single direct API, that enables global merchants to potentially reach nearly two billion internet users in the emerging markets we serve (excluding China). Traditional payments providers serving these markets are often burdened with disparate legacy technology systems that have been stitched together over time. This limits pricing transparency and leads to reconciliation and refund management complexities, a sub-optimal user experience, lower conversion rates, and subpar system availability, as well as increased levels of fraud and compliance issues. Conversely, dLocal offers a modern and flexible technology stack that is purpose-built to meet our global merchants' high performance and scalability expectations, as demonstrated in our ability to increase our TPV by 15 times over the last four years.

dLocal's platform provides rapid, reliable, and convenient support for pay-in and pay-out transactions, including cross-border and local-to-local in each case. We deliver a seamless, transparent, and integrated

experience for global merchants while ensuring secure and compliant transactions. Our platform has been designed to make it simple for our merchants to add payment methods, products, and new markets in an expeditious manner, all through a single point of integration and one contract. Our single API addresses the requirements of our merchants, ranging from back-end integration to an easy-to-integrate checkout module where dLocal handles the payment process. We increase the payments conversion rates through automatic retries, fallback transaction capabilities, easy management of each transaction through our API or dashboard, and user and account automatic validation, combined with broad connectivity to local financial institutions and local payment methods.

Our founding management team built dLocal's state-of-the-art platform from the ground up. It is designed to serve multiple functions in the payments value chain. dLocal combines payment processing and FX management with compliance, tax, and fraud management capabilities into one intuitive, fully integrated platform. We provide global merchants increased transparency and valuable insight into their cross-border and local-to-local payments flows, enabling them to provide an enhanced user experience for their end users. The features that power dLocal's platform enhance the processing systems in each of the emerging markets we serve, while at the same time standardizing payments offerings across multiple countries. Our dynamic routing feature leverages the full breadth of dLocal's connections with our more than 350 acquiring company partners to maximize approval rates. Our fraud prevention module helps our merchants to detect risky patterns and prevent fraud. Our security features are very relevant to our merchants as we handle highly sensitive transaction and user information. Refund and dispute management, currency exchange management, reporting and reconciliation for automatic settlements of funds, among other capabilities, round out our comprehensive suite of solutions.

We have made significant investments in product development and software design through the engineering expertise of 165 full-time equivalents (including employees and contractors) focused solely on technology. These investments have enabled us to efficiently expand our platform solutions and capabilities, enhance our payments infrastructure, rapidly deploy technology updates, and embrace high-security standards for our business and technology. As an example, we enhance our platform constantly and deploy system updates typically on a daily basis that instantly become available to all our merchants, in contrast with legacy players, which normally deploy such updates a limited amount of times per year. We believe that our capabilities are highly differentiated and hard to replicate, strengthening our overall competitive advantage.

Direct integration with our global, blue-chip enterprise client base

Our goal is to establish direct integration with our merchants which allows us to better understand their needs, reduce our response time, collaborate efficiently, and provide a superior payments experience. In doing so, we build relationships that are difficult and costly for competitors to replace or replicate. We also partner selectively with PSPs to which we offer our services and "last-mile" connectivity to local payment methods in emerging markets, thus allowing us to reach certain long-tail merchants to which we may not otherwise directly connect. Since its inception, dLocal has focused on enabling our clients to access a cloud-based digital payments infrastructure in emerging markets that offers a similar level of standards, functionality, and payments experience as that available in developed markets. This includes the ability to execute recurring payments, facilitate payment in installments, allow customer refunds, or split payments even when local providers do not support this functionality. We recognize the need for our merchants to carry out commerce in emerging markets in a seamless and secure manner. Accordingly, we have set up a platform designed to provide a comprehensive, enterprise-grade solution to enhance their operations in these markets.

Our commitment to these standards has allowed us to build a portfolio of merchants that includes some of the largest companies in the world, including Didi, Amazon, Microsoft, Spotify, Mailchimp, Wix, Wikimedia and Kuaishou, among many others. Furthermore, we have a strong track record of successfully acquiring new merchants and growing these relationships over time, cross-selling solutions in additional geographies or

payment methods beyond the initial contracted services. On average, our global merchants used dLocal's platform in nearly six different countries and 44 payment methods in 2020 and in five countries and 35 payment methods in 2019, in each case for merchants with at least US\$6 million of annual TPV on our platform. Such merchants comprised 92% of our TPV in 2020 and 93% in 2019.

As we continue to strengthen the relationship with our global merchants, we are well positioned to capitalize on their own incremental penetration in emerging markets and the growth of their business, which we expect to be a driver of our future growth.

Our product portfolio and data-driven value added services

Our platform includes a rich catalogue of multiple products, capabilities, and value-added services focused on helping global enterprise merchants to get paid and make payments in emerging markets in a safe and efficient manner, minimizing friction, and increasing conversion rates and end user satisfaction. We believe dLocal is well positioned as a valuable "one stop shop" for global merchants looking to consolidate their emerging market transaction services with one trusted partner through one contract.

We provide merchants with proprietary fraud management tools built on machine learning algorithms and rules-based technology to help identify potentially problematic activity and execute transactions with increased levels of security. In addition, we offer tax and compliance capabilities that streamline regulatory compliance by helping merchants stay up-to-date with complex and frequently changing local laws and regulations, and FX management and multi-currency collection and settlement capabilities to address their needs in cross-border transactions.

Our innovative, technology-focused, and data-driven approach also allows us to be nimble in adjusting products and solutions to respond to specific client needs. We offer our clients a comprehensive merchant dashboard that gives them visibility into key information and provides valuable tools that can be accessed through a secure, individually-tailored interface. We believe that this results in an enhanced level of transparency and understanding of their operations, enabling global merchants to adapt user interfaces, enhance the payments experience, and ultimately conduct more effective and efficient decision-making. Our visibility into the payments value chain, along with our deep connectivity with, and understanding of, emerging markets, allows us to gather data on end user behavior, which can then be used to generate actionable insights for merchants to better serve and engage with their end users and optimize their systems and settings to achieve higher authorization levels and minimize friction. We believe this ultimately leads to a smoother payments experience without compromising risk management and fraud detection.

Deep connectivity with local partners in emerging markets

dLocal offers its global merchants comprehensive access to a broad payments ecosystem through our *One dLocal* model in the emerging markets where we have a presence. dLocal's strategic relationships with over 600 local payment methods (some of which are financial institutions) create a broad and effective acceptance network for our payments solutions. We have ongoing dialogue with many local regulators, exchanges, and tax authorities in different countries, as well as direct integration with certain tax payment systems, which enables us to optimize operations and adapt quickly and efficiently to regulatory changes.

Given the relevance of APMs and local financial institutions in emerging markets, we believe it is critical for merchants to have the ability to accept the widest variety of payment methods and have the broadest possible reach in order to maximize conversion rates and reduce transaction friction with end users. Through our *One dLocal* model, we offer access to a large number of locally issued cards (under banners such as Visa, Mastercard, Diners, Verve, Elo and Naranja) and other APMs in each market, such as UPI in India, MPESA in Kenya, Ovo in Indonesia, and Boleto and PIX in Brazil.

Establishing and facilitating our breadth of connectivity requires knowledge of the market-specific regulatory frameworks and requirements, local knowledge and connections with different market participants, as well as having the right licenses in place. We believe dLocal is well positioned to continue broadening our network of APM partners and local financial institutions, ensuring our merchants can always rely on our connectivity to reach the end users they target.

Client-centric mindset drives agile innovation and rapid deployments

Our focus on merchants' demands drives us to develop solutions that address the multiple and complex issues they face in emerging markets. dLocal operates in an agile manner, guided by our intrinsic focus on innovation to build solutions tailored to address the ever-evolving needs of our merchants. Whenever helpful, we provide merchants with a safe environment to rapidly test and iterate new solutions ahead of broad deployment. We believe that our agility and focus on solving the payment-related problems of our merchants in an effective and efficient manner minimizes wasted resources and differentiates us from our competitors. For example, in 2019, as a result of rapidly evolving changes to the regulatory framework, we filed with the regulator to become a licensed payment processor in Brazil. This provided us with the ability to partner with one of the largest ride-hailing companies in the world due to our ability to create in Brazil a local-to-local payment solution that allowed thousands of its drivers to receive payments from and its customers to make payments to the merchant, which we believe is difficult to replicate by other providers.

We have also created broad solutions with feature-rich capabilities that assist multiple merchants operating in the same market. We often create these products in response to a specific merchant need, which we can then replicate across our entire platform, thus benefiting other merchants operating in the same countries at minimal added costs. For example, we developed a differentiated tool to streamline tax withholdings in Argentina. At the time, the Argentinian government had made changes in tax policy, giving merchants little time to react. Our solution, which was built and launched rapidly across our entire platform, assisted all our merchants operating in the country to comply with evolving regulatory changes.

We recognize that our success is directly correlated with the success of our merchants. It is our responsibility to provide a secure, reliable service for them to drive payments volume through our platform. This makes us highly attuned to our merchants' needs. We offer what we believe to be superior customer service, with 24/7 support and direct accessibility to a team of software engineers. We typically deploy daily updates for our platform, constantly enhancing our offering, while legacy players do so only a few times per year. Similarly, our customer support team stands ready to address issues at any time, in any time zone. We strive to promptly resolve our merchants' problems, often before they arise, differentiating us from competing platforms, which we believe have longer response times.

We firmly believe in the importance of working alongside our merchants. In collaborating closely through our multiple touch points (including technology, operations, sales, account management, and product support), we aim to better serve them. This creates a cooperative environment, helping us work well together on product innovation and market expansion. Our merchants are our best partners in developing new solutions, in many instances helping us test them in secure and live environments, iterating, learning, and applying insights to new product releases that we then make generally available to our entire merchant base at the moment of launch.

Attractive business model that delivers strong financial performance

Our technology-driven business model creates significant opportunities for scale and operating efficiencies. We benefit from strong relationships with our existing merchants, many of whom benefit directly from strong secular trends such as the increasing adoption of e-commerce. In addition, many of our global merchants offer subscription-based models that provide greater visibility into the TPV processed through our platform. This all

translates into the expanding performance of our annual merchant cohorts over time. Furthermore, our asset-light structure drives our ability to deliver strong margins and generate cash flow. Our business model has proven to be resilient, even through the recent COVID-19 pandemic. In fact, the COVID-19 pandemic has accelerated the digitalization of commerce, which has benefited some of our global merchants. For the three months ended March 31, 2021, our revenues grew by 123.7% compared to the three months ended March 31, 2020, and we reported an Adjusted EBITDA Margin of 44.3%. For 2020, our revenues grew by 88.4% compared to 2019, and we reported an Adjusted EBITDA Margin of 40.3%.

We have built our platform and all of its capabilities to last. We believe we will continue to drive growth and profitability through our investment in expanding our existing business into new countries, developing new products and capabilities, and attracting new global merchants into our platform, allowing us to remain ahead of the competition.

Technology-oriented, execution-driven management team fostering an entrepreneurial culture

We are devoted to fostering an entrepreneurial culture, built upon a commitment to offer a superior value proposition for our merchants. We were proudly born out of Uruguay, which forced us to think big and be global since inception. This is largely reflected in our presence in 29 countries and the expanding geographic diversity of our team of over 300 professionals in 20 countries as of December 2020. We are mission driven and are focused on creating innovative solutions, launching new products, and adding new functionalities, always seeking to ensure the best possible execution and to continue supporting the growth of our merchants. Delivering a superior technology infrastructure is a key pillar of our management team's focus, as evidenced by the fact that three of our current key executives have served in senior technology roles within dLocal at some point during their tenures.

Talent development and the retention of dLocal's culture are key business imperatives. We also believe fostering diversity and inclusion are critical for business success, as they lead to stronger teams and better outcomes for our merchants, employees, and the communities we serve. Our management team has strong expertise and experience in emerging markets, which we believe is a competitive advantage to maintain the high levels of agility and adaptability that the market demands. We continue to expand globally and have assembled an experienced team that includes several members who have worked together for many years (even prior to dLocal's foundation), and which is supported by compliance, tax, finance, operations, regulatory, and other functional experts and payments and technology leaders.

Our Growth Strategy

dLocal has a clearly defined and readily executable growth strategy to become the online payments infrastructure of choice in emerging markets. We will continue to focus on serving our diversified base of global enterprise merchants, especially in attractive industry verticals such as retail, streaming, ride-hailing, financial institutions, advertising, SaaS, travel, e-learning and gaming. We are focused on the following strategic pillars for growth, all of which build on each other and further enhance the power of our value proposition:

Grow with our existing enterprise merchant base and deepen our relationships with them

Our clients include some of the world's leading global merchants. Increased adoption of e-commerce and online modes of payment in emerging markets have delivered significant growth for global merchants in recent years. Given the nature of our business model, the TPV that flows through our platform drives our overall revenue. As global merchants continue to benefit from these strong secular trends, we believe this will translate into larger transaction volumes and additional revenue for dLocal from the solutions we offer and the countries where we serve them today.

We have a strong track record of account management, cross-selling merchants, and expanding their use of our services, which will help us broaden their use of our platform across both additional solutions (e.g., offering pay-out solutions to a pay-in-only merchant) and countries (e.g., activating our platform in India for a merchant currently only engaging with us in Latin America). We believe that our continuous investments in enhancing the merchant experience (both for the merchants and for their end users) and our strong problem-solving culture will help us deliver superior service, leading our merchants to increase the percentage of their overall volume routed to dLocal.

We measure our success in growing and deepening our relationships with our existing merchants by means of our cohort performance in terms of TPV, countries and payment methods per merchant, as well as with our NRR. In 2020, the TPV derived from the cohort of enterprise merchants that began using our products in 2019 grew by 209% in 2020. Our NRR was 171% for the year ended December 31, 2020 and the revenue growth attributable to new merchants was 17%. Excluding the effect in 2019 of a warrant with a merchant, the NRR would have been 159%.

Increase number of global merchant clients

Our dedicated sales team continues to develop new global merchant relationships with the intent to be on-boarded and provide them our solutions and capabilities across one or multiple emerging markets. Furthermore, we will continue to benefit from the ability to reference our existing clients to recommend our platform, helping us gain traction with new global merchants. To further expand our merchant base, we have developed a robust sales process with a proven track-record of winning competitive requests for proposals, or RFPs. Global merchants typically conduct a rigorous bidding and due diligence process before choosing and on-boarding their preferred PSP, evaluating candidates across many factors primarily including approval rates, technical capabilities, security, fraud management capabilities, payments experience, and price (including price transparency). The process from the initial RFP to final integration can take several months and typically involves multiple functional areas of the merchant, including payments infrastructure, operations, legal, compliance, and tax departments. For example, the combined RFP and on-boarding processes took in general between two months to just over two years. Since 2016 through 2020, we have successfully added on average nearly six new pay-in merchants per month and one new pay-out merchant per month. We may also seek to expand our merchant base through selective acquisitions of cross-border payment processing companies.

Expand our global reach

We believe that the online global payments market is massive and remains underserved, particularly in emerging markets, where dLocal is focused. We have made significant investments to develop a flexible and extensible platform that can adapt to the specific needs of new local markets we enter. We seek to continue to leverage the scalability of our technology to broaden our geographic footprint.

We believe our playbook for expanding into new emerging markets is difficult to replicate. We have developed a systematic approach to understand the local regulatory and tax frameworks, obtain all necessary licenses and required approvals, and establish relationships and connectivity with key partners (including APMs and local financial institutions). We have typically been able to set up operations in new local markets we enter in less than six months. We tailor our strategy based on the consumption and behavioral trends specific to a market, and typically develop a local presence (for example, through a locally based country manager) to provide relevant solutions and deliver high level of customer service for our current and future merchants. Once we establish an initial presence in a new market, our merchants can begin to route their existing payments volume in that market to our platform without additional integration required, driving a meaningful and rapid return on our investment.

Our global expansion strategy follows the needs of our merchants by prioritizing markets with the most attractive opportunities and where our merchants face the most complex payments, compliance, and regulatory challenges. For example, we entered and began processing transactions in Egypt at the specific direction of one of the largest social media platforms in the world, which is also one of our largest clients. Capitalizing on our ability and commitment to expand geographically, in 2020 we established a presence in multiple new countries including Egypt, Bangladesh, Panama, and Bolivia. We aspire to eventually establish a presence in all relevant emerging markets where global merchants require a differentiated technology and payments partner as we see this as a key competitive advantage going forward.

Broaden the breadth of our products

We believe we are in the early stages of a financial technology revolution that is addressing increasingly complex payments challenges. Our technology-first DNA and problem-solving culture have fostered a strong track record of repeatedly delivering new and relevant solutions and capabilities for global merchants in emerging markets.

We have developed multiple new solutions for our merchants since our inception and are well-positioned to continue to innovate and be at the forefront of developments in payments technology. Pay-out is an example of a solution that we added at the request of one specific merchant during the Olympic Games in Rio de Janeiro. After developing the baseline solution, we quickly adapted it to work across our entire platform for our entire merchant base.

Another example is the recently developed issuing-as-a-service initiative, currently in beta testing, which will enable merchants to create their own payment ecosystem. In order to address a growing demand for a branded card experience, we intend to offer merchants the ability to issue pre-paid cards to their end users. End users will be able to conveniently add balance in local currency through cards, cash deposits, bank transfers, funding from merchants, and P2P payments and use the balance for products or services from the issuing merchants or other unaffiliated transactions.

Our privileged position as a trusted partner to over 330 merchants gives us ongoing visibility into their needs and requirements. We are well poised to capitalize on the opportunity to address new use cases as they emerge in an agile manner, broadening our overall total addressable market, and offering greater value for global merchants in whatever emerging markets they choose to enter.

Our One dLocal Model

Our *One dLocal* model combines our proprietary technology, intellectual property, capabilities, and business processes to create a differentiated go-to-market approach. It offers access to more than 2 billion consumers in 29 emerging markets through one direct API, one platform and one contract. We have a core aspiration to make the complex world of emerging market payments as simple as possible for our merchants through our model, unlike what we believe is the standard for other solutions. Merchants can then access all of the markets we serve using one integrated set of technologies governed by one overarching contract. The inherent simplicity of this model, combined with our platform's extensive capabilities and benefits, including what we believe are higher conversion rates and lower fraud, creates a highly compelling value proposition for our global enterprise merchants.

dLocal's founding management team built our cloud-based payment platform from the ground up. It was designed to provide an improved payments experience for our merchants with a strong focus on scalability, security, and performance. Our single platform enables merchants to experience the same standard of functionality and client interface that they have come to expect in developed markets as they enter into or further

expand in emerging markets. Once on-boarded, our merchants gain immediate access to the full breadth of our platform, allowing them to expand their presence in emerging markets through one trusted partner and one contract, while receiving a consistent level of performance and client service globally. We believe that our robust network of APMs, local acquirers, and financial institutions; our deep understanding of each local market; and our comprehensive value-added services (such as our advanced fraud management system) deliver superior benefits for our global merchants. Some of these benefits include increased acceptance and conversion rates, risk mitigation, improved level of compliance, transparent FX management, reduced settlement times, and valuable data insights, all of which are critical for managing merchants' interactions with their customers, employees, and vendors and improving their sales.

Furthermore, dLocal's payment platform provides merchants with holistic and granular views of their payments activity. For example, merchants are able to view in real-time summarized transaction information pertaining to specific locations or counterparties or drill down into why a specific transaction was rejected through our API or dashboards. These insights can help merchants improve reporting and reconciliation and avoid potential payments settlement issues, often allowing them to increase their sales or reduce their costs. This in turn benefits dLocal by further strengthening the relationship with (and the value of our platform for) our merchants.

Summary of Risk Factors

An investment in our Class A common shares is subject to a number of risks, including risks relating to our business and industry, risks related to the countries in which we operate and risks related to the offering and our Class A common shares. The following list summarizes some, but not all, of these risks. Please read the information in the section entitled "Risk Factors" for a more thorough description of these and other risks.

Certain Risks Relating to Our Business and Industry

- If we cannot keep pace with rapid developments and change in our industry, including making the necessary investments to keep pace with such developments and change, the use of our services could decline, reducing our revenues.
- Substantial and increasingly intense competition may harm our business.
- We may not be able to successfully implement strategies to attract or retain merchants, or increase adoption of our payments processing platform, which would limit our growth.
- We have a limited operating history with financial results that may not be indicative of future performance, and our revenue growth rate is likely to slow down as our business matures.
- If we fail to manage our growth effectively, our business could be harmed.
- Potential customers may be reluctant to switch to a new vendor or integrate with a new vendor, or integration may take longer than expected, which may adversely affect our growth.
- A decline in the quality of the services we offer could adversely affect our ability to attract and retain merchants and partners.
- Certain large merchants provide a significant share of our revenues and the reduction in business with these merchants could materially harm our business.
- Interruption or failure of our information technology and communications systems could impair our operations, which could also damage our reputation and harm our results of operations.
- We are subject to cyberattacks and may be subject to breaches of our information technology infrastructure and applications, and any failure to adequately protect our information technology

infrastructure and applications could result in data breaches and/or downtime and materially adversely affect our reputation, business, and financial condition.

- We may not be able to obtain or maintain the relevant regulatory licenses, permissions or registrations to carry out our business in the various jurisdictions in which we operate, which may subject us to fines, penalties or force us to discontinue operations in such jurisdictions, any of which could have a material adverse effect on our business, financial condition and results of operations.
- We are subject to complex and evolving tax regimes in the countries in which we operate and failure to accurately interpret applicable tax laws, or changes in tax laws or changes in existing interpretations of tax laws, could have a material adverse effect on our business and financial condition.

Certain Risks Relating to the Countries in which we Operate

- A substantial portion of our business is primarily concentrated in Latin America, exposing us to disproportionate risk to the political, regulatory, economic and social conditions in this region.
- The governments of the countries in which we operate have exercised, and continue to exercise, significant influence over the countries' economy. This involvement as well as the political and economic conditions in these countries could harm us and the price of our Class A common shares.
- Developments and the perceptions of risks in emerging markets, the United States and Europe, may harm the economies of the countries in which we operate and the price of our Class A common shares.
- Infrastructure and internet connectivity in the countries in which we operate may impact economic growth and have a material adverse effect on us.
- Our business and results of operations may be adversely affected by political, economic and social instability risks, currency restrictions and devaluation, and various local laws associated with doing business in countries in Africa and Asia.
- Credit rating downgrading of the countries in which we operate could reduce the trading price of our Class A common shares.

Certain Risks Relating to the Offering and our Class A Common Shares

- There is no existing market for our Class A common shares, and we do not know whether one will develop to provide you with adequate liquidity. If the trading price of our Class A common shares fluctuates after this offering, you could lose a significant part of your investment.
- Following this offering, our existing shareholders will together own % of our outstanding common shares and % of corresponding voting rights, which means that our existing shareholders, when acting in concert, will have significant influence over matters requiring shareholder approval. This concentration of ownership and voting power limits your ability to influence corporate matters.
- Our dual class capital structure means our shares will not be included in certain indices. We cannot predict the impact this may have on the trading price of our Class A common shares.
- We are a Cayman Islands exempted company with limited liability. The rights of our shareholders, including with respect to fiduciary duties and corporate opportunities, may be different from the rights of shareholders governed by the laws of U.S. jurisdictions.

Our Corporate Structure

Our Corporate Reorganization

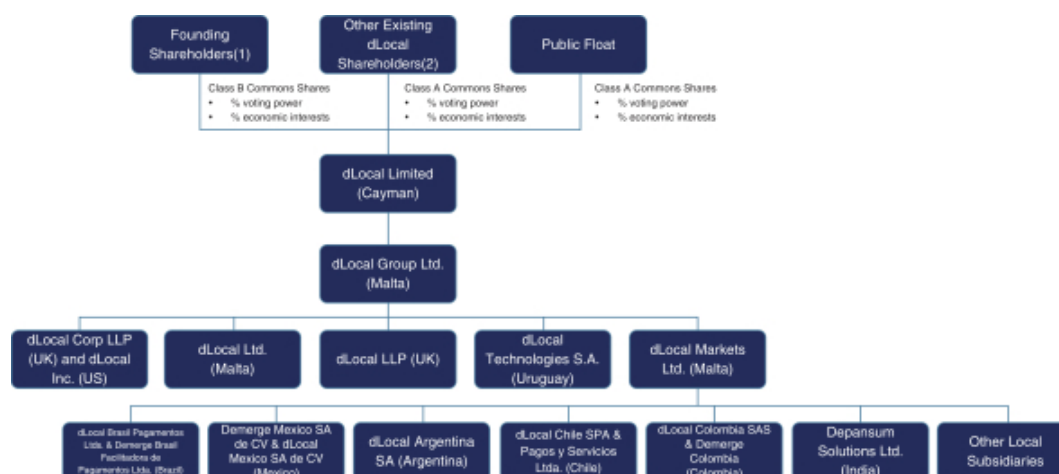
We are a Cayman Islands exempted company incorporated with limited liability on February 10, 2021 for purposes of facilitating our initial public offering.

On April 14, 2021, all of the then-existing shareholders of dLocal Malta contributed all of their shares in dLocal Malta to us. In return for this contribution, we issued new Class A common shares to the existing shareholders of dLocal Malta in a one-to-one exchange for the shares of dLocal Malta contributed to us, or the Share Contribution. In addition and following the Share Contribution, in connection with this offering, we are implementing a one-to-500 share split, effective upon the pricing of our initial public offering on _____, or the Share Split. Prior to this offering, we expect to redesignate the Class A common shares held by Andres Bzurovski Bay, IZBA SA, Aqua Crystal Investments, Sebastián Kanovich (our CEO (indirectly through Ledlife SA)) and Jacobo Singer (our President) as Class B common shares. Until the Share Contribution, we had not commenced operations and had only nominal assets and liabilities and no material contingent liabilities or commitments. See “Presentation of Financial and Other Information—Corporate Events—Our Corporate Reorganization.”

After accounting for the new Class A common shares that will be issued and sold by us in this offering, we will have a total of _____ common shares issued and outstanding immediately following this offering, _____ of these shares will be Class B common shares beneficially owned by certain of our existing shareholders, and _____ of these shares will be Class A common shares beneficially owned by our other existing shareholders and investors purchasing in this offering. See “Principal and Selling Shareholders” and “Presentation of Financial and Other Information.”

Our Structure Chart

Our group is currently composed of the following material operating subsidiaries: dLocal Brasil Pagamentos Ltda., Demerge Brasil Facilitadora de Pagamentos Ltda., dLocal Mexico S.A. de C.V., Demerge Mexico S.A. de C.V., DLocal Argentina S.A., DLocal Chile SpA, Pagos y Servicios Limitada (Chile), DLocal Colombia S.A.S., Demerge Colombia S.A.S., and Depansum Solutions Private Limited (India). The following chart shows our simplified corporate structure, after giving effect to the Share Contribution and this offering:



- (1) Includes Class B common shares beneficially owned by Andres Bzurovski Bay, IZBA SA, Aqua Crystal Investments, Sebastián Kanovich (our CEO (indirectly through Ledlife SA)) and Jacobo Singer (our President).
- (2) Includes Class A common shares beneficially owned by each of the other existing shareholders. See “Principal and Selling Shareholders.”

Corporate Information

Our principal executive offices are located at Dr. Luis Bonavita, 1294, 11300, Montevideo, Uruguay. Our telephone number is +1 (424) 392-7437.

Investors should contact us for any inquiries through the address and telephone number of our principal executive office, or at the following e-mail address: investor@dlocal.com. Our principal website is www.dlocal.com. The information contained in, or accessible through, our website is not incorporated into this prospectus or the registration statement of which it forms a part.

Implications of Being an Emerging Growth Company

As a company with less than US\$1.07 billion in revenue during our latest fiscal year of the financial statements, we qualify as an “emerging growth company” as defined in the Jumpstart our Business Startups Act of 2012, or the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other burdens that are otherwise applicable generally to public companies. These provisions include:

- the ability to present more limited financial data for our initial registration statement on Form F-1, including presenting only two years of audited financial statements and only two years of selected financial data, as well as two years of related Management’s Discussion and Analysis of Financial Condition and Results of Operations disclosure;
- an exemption from the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended, or the Sarbanes-Oxley Act, in the assessment of our internal control over financial reporting;
- reduced disclosure about our executive compensation arrangements in our periodic reports, proxy statements and registration statements; and
- exemptions from the requirements of holding non-binding advisory votes on executive compensation and golden parachute arrangements.

We may take advantage of these provisions for up to five years or such earlier time that we are no longer an emerging growth company. We would cease to be an emerging growth company if we have more than US\$1.07 billion in annual revenue, have more than US\$700 million in market value of our Class A common shares held by non-affiliates or issue more than US\$1.0 billion of non-convertible debt over a three-year period. We may choose to take advantage of some but not all of these reduced burdens and accordingly, the information that we provide shareholders may be different than you might get from other public companies in which you hold equity.

In addition, under the JOBS Act, emerging growth companies who prepare their financial statements in accordance with U.S. generally accepted accounting principles, or U.S. GAAP, can delay adopting new or revised accounting standards until such time as those standards apply to private companies. Given that we currently report and expect to continue to report under IFRS as issued by the IASB, we will not be able to avail ourselves of this extended transition period and, as a result, we will adopt new or revised accounting standards on the relevant dates on which adoption of such standards is required by the IASB.

THE OFFERING

This summary highlights information presented in greater detail elsewhere in this prospectus. This summary is not complete and does not contain all the information you should consider before investing in our Class A common shares. You should carefully read this entire prospectus before investing in our Class A common shares including “Risk Factors” and our consolidated financial statements.

Issuer	DLocal Limited
Selling Shareholders	
Class A common shares offered by us	Class A common shares.
Class A common shares offered by the selling shareholders	Class A common shares (or Class A common shares if the underwriters exercise in full their option to purchase additional shares).
Offering price range	Between US\$ and US\$ per Class A common share.
Voting rights	The Class A common shares will be entitled to one vote per share, whereas the Class B common shares (which are not being sold in this offering) will be entitled to five votes per share, respectively. Holders of Class A common shares and Class B common shares will vote together as a single class on all matters, unless otherwise required by law and subject to certain exceptions set forth in our amended and restated memorandum and articles of association dated May 19, 2021, or the Articles of Association, as described under “Description of Share Capital—Voting Rights” Upon consummation of this offering, assuming no exercise of the underwriters’ option to purchase additional shares, (1) holders of Class A common shares will hold approximately % of the combined voting power of our outstanding common shares and approximately % of our total equity ownership and (2) holders of Class B common shares will hold approximately % of the combined voting power of our outstanding common shares and approximately % of our total equity ownership. If the underwriters exercise their option to purchase additional shares in full (1) holders of Class A common shares will hold approximately % of the combined voting power of our outstanding common shares and approximately % of our total equity ownership and (2) holders of Class B common shares will hold approximately % of the combined voting power of our outstanding common shares and approximately of our total equity ownership.

	1,000,000,000 are designated as Class A common shares; (2) 250,000,000 are designated as Class B common shares; and (3) 250,000,000 are yet undesignated and may be issued as common shares or shares with preferred rights.
Dividend policy	Immediately after this offering, we will have Class A common shares outstanding, assuming no exercise of the underwriters' option to purchase additional shares. The amount of any distributions will depend on many factors, such as our results of operations, financial condition, cash requirements, prospects and other factors deemed relevant by our board of directors and controlling shareholders.
Lock-up agreements	We have agreed with the underwriters, subject to certain exceptions, not to offer, sell, or dispose of any shares of our share capital or securities convertible into or exchangeable or exercisable for any shares of our share capital during the 180-day period following the date of this prospectus. Members of our board of directors and our executive officers, and all of our principal existing shareholders have agreed to substantially similar lock-up provisions, subject to certain exceptions. See "Underwriting."
Risk factors	See "Risk Factors" and the other information included in this prospectus for a discussion of factors you should consider before deciding to invest in our Class A common shares.
Cayman Islands exempted company with limited liability	We are a Cayman Islands exempted company with limited liability. The rights of shareholders and the responsibilities of members of our board of directors may be different from the rights of shareholders and responsibilities of directors in companies governed by the laws of U.S. jurisdictions. In particular, as a matter of Cayman Islands law, directors of a Cayman Islands company owe fiduciary duties to the company and separately a duty of care, diligence and skill to the company. Under Cayman Islands law, directors and officers owe the following fiduciary duties: (1) duty to act in good faith in what the director or officer believes to be in the best interests of the company as a whole; (2) duty to exercise powers for the purposes for which those powers were conferred and not for a collateral purpose; (3) directors should not properly fetter the exercise of future discretion; (4) duty to exercise powers fairly as between different sections of shareholders; (5) duty to exercise independent judgment; and (6) duty not to put themselves in a position in which there is a

SUMMARY FINANCIAL AND OTHER INFORMATION

The following tables set forth, for the periods and as of the dates indicated, our summary financial and operating data. This information should be read in conjunction with “Presentation of Financial and Other Information,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements, including the notes thereto, included elsewhere in this prospectus.

The summary statements of financial position as of March 31, 2021 and December 31, 2020 and 2019, and the statements of income for the three months ended March 31, 2021 and 2020 and years ended December 31, 2020 and 2019, have been derived from the unaudited consolidated condensed financial statements and audited consolidated financial statements of dLocal Malta included elsewhere in this prospectus, prepared in accordance with IFRS, as issued by the IASB prior to the consummation of the Share Contribution and the Share Split. See “Presentation of Financial and Other Information—Corporate Events—Our Corporate Reorganization.”

Statement of Comprehensive Income

	For the Three Months Ended March 31,		For the Year Ended December 31,	
	2021	2020	2020	2019
	(in thousands of US\$, except amounts per common share)			
Revenues	40,256	17,995	104,143	55,289
Costs of services	(16,989)	(6,993)	(44,065)	(19,413)
Gross profit	23,267	11,002	60,078	35,876
Technology and development expenses	(520)	(346)	(2,005)	(1,347)
Sales and marketing expenses	(1,042)	(658)	(2,852)	(2,057)
General and administrative expenses	(5,762)	(9,535)	(22,188)	(14,101)
Net impairment gain/(losses) on financial assets	(54)	943	808	(807)
Other operating gain/(loss)	2,896	(83)	(2,896)	—
Operating profit	18,785	1,323	30,945	17,564
Finance income	18	35	502	279
Finance costs	(463)	(3)	(67)	(30)
Inflation adjustment	(34)	16	38	10
Other results	(479)	48	473	259
Profit before income tax	18,306	1,371	31,418	17,823
Income tax expense	(1,379)	(818)	(3,231)	(2,221)
Profit for the period	16,927	553	28,187	15,602
Profit attributable to:				
Owners of the group	16,920	555	28,184	15,602
Non-controlling interest	7	(2)	3	—
Profit for the period	16,927	553	28,187	15,602
Earnings per share (in US\$)				
Basic earnings per share	31.2	1.0	52.7	29.3
Diluted earnings per share	28.8	1.0	49.7	28.3
Earnings per share pro forma (in US\$)				
Basic earnings per share pro forma	0.06	0.00	0.10	0.06
Diluted earnings per share pro forma	0.06	0.00	0.10	0.06
Other comprehensive income				
Items that may be reclassified to profit or loss	—	—	—	—
Exchange difference on translation on foreign operations	212	(711)	37	27
Other comprehensive income for the year, net of tax	212	(711)	37	27
Total comprehensive income for the year	17,139	(158)	28,224	15,629

	For the Three Months Ended March 31,		For the Year Ended December 31,	
	2021	2020	2020	2019
	(in thousands of US\$, except amounts per common share)			
Total comprehensive income for the year attributable to:				
Owners of the group	17,123	(156)	28,231	15,629
Non-controlling interest	16	(2)	(7)	—

Statement of Financial Position

	As of March 31,	As of December 31,	
	2021	2020	2019
	(in thousands of US\$)		
Total current assets	412,368	194,854	77,216
Total non-current assets	6,526	5,613	2,380
Total assets	418,894	200,467	79,596
Total current liabilities	309,380	155,143	54,848
Total non-current liabilities	422	276	219
Total liabilities	309,802	155,419	55,067
Total equity	109,092	45,048	24,529
Total liabilities and equity	418,894	200,467	79,596

Other Performance Metrics

	For the Three Months Ended March 31,		For the Year Ended December 31,	
	2021	2020	2020	2019
	(in thousands of US\$, except percentages)			
TPV(1)	925,874	388,155	2,064,789	1,287,713
Revenues	40,256	17,995	104,143	55,289
Adjusted EBITDA(2)	17,841	7,433	41,931	20,070
Adjusted EBITDA Margin(3)	44.3%	41.3%	40.3%	36.3%

- (1) We define total payment volume, or TPV, as the aggregate value of all payments successfully processed through our payments platform. See “Presentation of Financial and Other Information—TPV.”
- (2) We define Adjusted EBITDA as the profit from operations before financing and taxation for the year or period, as applicable, before depreciation of property, plant and equipment, amortization of right-of-use assets and intangible assets, and further excluding the changes in fair value of financial assets and derivative instruments carried at fair value through profit or loss, impairment gains/(losses) on financial assets, transaction costs, share-based payment non-cash charges, secondary offering expenses, transaction expenses and inflation adjustment. See “Presentation of Financial and Other Information—Special Note Regarding Adjusted EBITDA and Adjusted EBITDA Margin.” For a reconciliation of Adjusted EBITDA to profit for the period, see “Selected Financial and Other Information.”
- (3) We define Adjusted EBITDA Margin as Adjusted EBITDA divided by revenues. See “Presentation of Financial and Other Information—Special Note Regarding Adjusted EBITDA and Adjusted EBITDA Margin.” For a reconciliation of Adjusted EBITDA Margin to consolidated revenues, see “Selected Financial and Other Information.”

RISK FACTORS

An investment in our Class A common shares involves a high degree of risk. In addition to the other information in this prospectus, you should carefully consider the following risk factors in evaluating us and our business before purchasing our Class A common shares. In particular, you should consider the risks related to an investment in companies operating in emerging market countries, for which we have included information in these risk factors to the extent that information is publicly available. In general, investing in the securities of issuers whose operations are located in emerging market countries involves a higher degree of risk than investing in the securities of issuers whose operations are located in the United States or other more developed countries. If any of the risks discussed in this prospectus actually occur, alone or together with additional risks and uncertainties not currently known to us, or that we currently deem immaterial, our business, financial condition, results of operations and prospects may be materially adversely affected. If this were to occur, the value of our Class A common shares may decline, and you may lose all or part of your investment. When determining whether to invest, you should also refer to the other information contained in this prospectus, including our consolidated financial statements and the related notes thereto. You should also carefully review the cautionary statements referred to under “Cautionary Statement Regarding Forward-Looking Statements.” Our actual results could differ materially and adversely from those anticipated in this prospectus.

Risks Relating to Our Business and Industry

If we cannot keep pace with rapid developments and change in our industry, including making the necessary investments to keep pace with such developments and change, the use of our services could decline, reducing our revenues.

The electronic payments market in which we compete is subject to rapid and significant changes. This market is characterized by rapid technological change, new product and service introductions, evolving industry standards, changing client needs and the entrance of non-traditional competitors. Rapid and significant technological changes continue to impact the industries in which we operate, including developments in cryptocurrencies. These new services and technologies may be superior to, impair, or render obsolete the products and services we currently offer or the technologies we currently use to provide them.

In order to remain competitive, continue to acquire new clients, and maintain and enhance our customer experience and the quality of our services, we are continually involved, and must continuously invest, in a number of projects to develop new products and services, including projects to expand to new markets, integrate new payment methods and improve tools for merchants to manage their collections and disbursements. These projects carry risks, such as cost overruns, delays in delivery, performance problems and lack of adoption by merchant customers. There can be no assurance that we will have the funds available to maintain the level of investment required to support our projects and any delay in the delivery of new services or the failure to differentiate our services or to accurately predict and address our customers’ needs could render our services less desirable, or even obsolete. Furthermore, even though the market for alternative payment processing services is evolving, it may not continue to expand rapidly enough for us to recover the costs we have incurred in developing new services targeted at our customers and potential customers.

In addition, the services we deliver are designed to process very complex transactions and provide reports and other information concerning those transactions, all at high volumes and processing speeds. Some of these processes, such as exchange rate conversion, pricing, accounting and merchant settlements are not automated. Any failure to deliver an effective and secure service or any performance issue that arises with a new or existing service could result in significant processing or reporting errors or other losses. As a result of these factors, our development efforts could result in increased costs and/or we could also experience a loss in business that could reduce our earnings or could cause a loss of revenue if promised new services are not timely delivered to our customers or do not perform as anticipated. We also rely in part, and may in the future rely in part, on third parties for the development of, and access to, new technologies. Our future success will depend in part on our

ability to develop or adapt to technological changes and evolving industry standards. We cannot predict the effects of technological changes on our business. If we are unable to develop, adapt to or access technological changes or evolving industry standards on a timely and cost-effective basis, our business, financial condition and results of operations could be materially adversely affected.

Substantial and increasingly intense competition may harm our business.

We compete in markets for payment services characterized by vigorous competition. We compete with existing providers of digital payment infrastructure solutions to facilitate pay-in and pay-out payment transactions, including both cross-border and local-to-local payment transactions. We compete with large companies, some of them with a substantially larger scale and higher investment capacity than us. We expect competition to intensify in the future as existing and new competitors introduce new services, enter our markets, compete directly with our products, or enhance existing services and as we expand our footprint into new emerging markets. A number of the companies that we compete against to attract customers may have greater financial and operational resources, a substantially larger sales force than we do, and may be more effective introducing innovative services than us, which may provide them with significant competitive advantages. Such companies may be already integrated with our current merchants and could start offering the same products and services in a less expensive and better or more attractive way than us, potentially obtaining some or all of the volumes routed to us. In the pay-out business we compete with established banks, global enterprise merchants, other financial institutions and other companies (including retailers) that may have greater liquidity and generate greater consumer confidence in the safety and efficiency of their pay-out services compared to ours. These banks take advantage of a larger scale and could offer lower prices and gain some or all of the volume processed by us. Mergers and acquisitions by or among these companies may lead to even larger competitors with more resources or more attractive pricing given their scale which we may not be able to match. We also expect new entrants to offer competitive services, existing local payment service providers to expand their business to provide cross-border payments, or other existing providers that currently offer only limited services (such as fraud management) to expand their service offerings to compete with us. Certain merchants may have longstanding exclusive, or nearly exclusive, relationships with our competitors to accept or send digital payments in certain countries that extend to our target markets when our competitors or we expand to new markets. These relationships may make it difficult or cost prohibitive for us to conduct material amounts of business with them. If we are unable to differentiate ourselves from and successfully compete with our competitors, our business will suffer serious harm.

We may also face pricing pressures from competitors. Certain competitors are able to offer lower prices to merchants for similar services by cross-subsidizing their digital payments services using other services they offer. This competition may mean we need to reduce our pricing, which could reduce or eliminate our profits. As they grow, merchants may demand more customized and favorable pricing from us, and competitive pressures may require us to agree to this, reducing our profits. If market conditions require us to increase the discounts or incentives we provide, our business could be materially adversely affected.

We may not be able to successfully implement strategies to attract or retain merchants, or increase adoption of our payments processing platform, which would limit our growth.

Our customers are mostly global enterprise merchants. Our future growth and profitability will depend, in part, on our ability to retain existing merchants, attract new merchants, and get merchants to increase the volumes processed through our platform. We expect to invest substantial amounts to:

- increase merchant awareness of our platform;
- encourage merchants to contract and use our digital payment services;
- grow and diversify our customer base;
- complement our product portfolio with additional payment solutions for our merchants;

[Table of Contents](#)

- enhance our infrastructure to handle seamless processing of transactions;
- continue to develop state of the art, easy-to-use technology; and
- expand our operations into new markets.

Despite these investments, we may fail to implement these programs successfully or to substantially increase the number of merchants who pay for our payments processing platform. This could hinder growth in our revenues and harm our business.

If we are unable to attract, maintain and expand our merchant relationships, our businesses may be adversely affected.

Our growth is derived in part from acquiring new merchant relationships, developing new and enhanced product and service offerings, and cross-selling or up-selling our products and services through existing merchant relationships, including cross-selling our services to an existing merchant into new jurisdictions. We rely on the continuing growth of our merchant relationships and our distribution channels in order to expand our TPV. There can be no guarantee that this growth will continue. Similarly, our growth also will depend on our ability to retain and maintain existing relationships with merchants that use our platform. Furthermore, merchants with which we have relationships may experience bankruptcy, financial distress, or otherwise be forced to contract their operations. In addition, in certain markets, we carry out our payment processing services for merchants by means of local third-party payment service providers, or PSPs. In certain circumstances, we may decide to provide such services in other areas or directly to these merchants, which may adversely affect or lead to the termination of our relationships with certain PSPs and adversely affect our TPV. The loss of existing merchant or PSP relationships, failure to continue such relationships on similarly attractive economic terms, the contraction of our existing merchants' operations or the inability to acquire new merchant relationships could adversely affect our TPV and our business and operating results.

We have a limited operating history with financial results that may not be indicative of future performance, and our revenue growth rate is likely to slow down as our business matures.

We began operations in 2016. As a result of our limited operating history, we have limited financial data that can be used to evaluate our current business, and such data may not be indicative of future performance. In particular, we have experienced periods of high revenue growth since we began selling our products and services, and we do not expect to be able to maintain the same rate of revenue growth as our business matures. In addition, estimates of future revenue growth are subject to many risks and uncertainties and our future revenue may be materially lower than projected.

We have encountered, and expect to continue to encounter, risks and difficulties frequently experienced by growing companies, including challenges in financial forecasting accuracy, hiring of experienced personnel, hiring of technology employees, determining appropriate investments, developing new products and features, among others. Any evaluation of our business and prospects should be considered in light of our limited operating history, and the risks and uncertainties inherent in investing in early-stage companies.

Our working capital needs may grow in excess of our cash generation capabilities, which may cause a decline in our cash and cash equivalents.

Our working capital needs may increase in the future. We have historically relied on our cash flow generation to satisfy our working capital needs. If our working capital needs grow in the future in excess of our cash generation, and we are not able to fund these needs with credit or other external sources, then our cash and cash equivalents may decline, and we may have to grow at a slower pace. In addition, our working capital needs may increase from time to time if and when funds are subject to restrictions on expatriation from emerging markets jurisdictions imposed by banks, central banks or other governmental authorities in such jurisdictions and

we are required to pay merchants or make other payments prior to the receipt of such funds. In particular, to the extent there is a mismatch in timing on our TPV between funds from consumers that are retained in a local jurisdiction and the date on which we must pay merchants for the related transactions, we would be required to use our working capital to fund such payments until we are able to expatriate such funds from such jurisdictions and will be subject to foreign exchange risk on such mismatch (see “—Exchange controls and other restrictions on the movement of capital out of certain jurisdictions or otherwise affecting our subsidiaries’ ability to pay dividends or make other payments to us may have a material adverse effect on our results of operations and financial condition.”). Additionally, our working capital costs may be affected by interest and discount rates, especially in countries where payments can be made in installments and/or where we do not immediately receive the proceeds from transactions made with credit cards. All these impacts on our working capital needs may substantially harm our financial capacity.

If we fail to manage our growth effectively, our business could be harmed.

We are currently experiencing a period of significant expansion and anticipate that we will continue to expand in order to address potential growth in our customer base and take advantage of market opportunities. In order to manage our growth effectively, we must continue to invest in our existing infrastructure, develop and improve our internal controls and compliance mechanisms, create and improve our reporting systems, and address issues in a timely manner as they arise.

We must also attract, recruit, retain and develop the necessary personnel who can provide the needed expertise across the entire spectrum of our intellectual and human capital needs. While we have a number of our key personnel who have substantial experience with our operations, we have also had to hire a significant number of new employees in order to support our rapidly growing operations, including employees in technology, sales, legal, finance, accounting and compliance areas, who are gradually becoming integrated into and familiarized with our operations. As a result, we have and will continue to adapt and upgrade our controls, policies, procedures and overall operations to accommodate our growing operations and supporting personnel. Accordingly, our controls, policies and procedures, including with respect to accounting, risk management, data privacy, client on-boarding, transaction monitoring and reliance on manual controls, among other compliance matters, remain under development and may not be consistently applied or fully effective to identify, monitor and manage all risks of our business. If we do not inform, train and manage our employees properly, we may fail to comply with applicable laws and regulations, which could lead to adverse regulatory action. Moreover, the process by or speed with which our internal controls and procedures are implemented or adapted to changing regulatory or commercial requirements may be inadequate to ensure full and immediate compliance, leaving us vulnerable to inconsistencies and failures that may have a material adverse effect on our business, results of operations and financial condition. If our controls, policies and procedures are not fully effective or we are not successful in identifying and mitigating all risks to which we are or may be exposed, we may suffer uninsured liability, harm to our reputation or be subject to litigation or regulatory actions that could adversely affect our business, financial condition or results of operations.

We must constantly add new hardware, update software, enhance and improve our billing and transaction systems, and add and train new engineers, service providers and other personnel to accommodate the increased use of our platforms and the new products and features we regularly introduce. This upgrade process is expensive, and the increasing complexity and enhancement of our platform results in higher costs. Failure to upgrade our technology, features, transaction processing systems, security infrastructure, or network infrastructure to accommodate increased traffic or transaction volume could harm our business. Adverse consequences could include unanticipated system disruptions, slower response times, degradation in levels of customer support, impaired quality of merchants’ experiences of our services and delays in reporting accurate financial information.

Our revenues depend on prompt and accurate transaction processes. Currently, all our transactions are manually exported from a transaction server and registered to our accounting system, which may subject our

accounting system to errors and possible mismatches between customer's payment and our confirmation of such payment to our merchant, which may give rise to claims or allegations that could harm our business. Our failure to grow our transaction-processing capabilities to accommodate the increasing number of transactions that are processed on our platform could harm our business. Furthermore, we may need to enter into relationships with various strategic partners and other third parties necessary to our business. The increased complexity of managing multiple commercial relationships could lead to execution problems that can affect current and future revenues, and operating margins. Further, we are also expanding into new geographies, which may further strain our resources and bring new challenges. See "We are expanding and may in the future continue to expand into new industry verticals and geographic regions and our failure to mitigate specific regulatory, credit, and other risks associated with a new industry vertical or geographic region could have an adverse effect on our business."

We cannot assure you that our current and planned systems, policies, procedures and controls, personnel and third-party relationships will be adequate to support our future operations. In addition, our current expansion has placed a significant strain on management and on our operational, accounting and financial resources, and this strain is expected to continue. As we grow, we may not be able to execute as quickly as smaller, more efficient organizations, which could impact the relationship with our customers, for instance. Our failure to manage growth effectively could seriously harm our business, results of operations and financial condition.

Potential merchant clients may be reluctant to switch to a new vendor or integrate with a new vendor, or integration may take longer than expected, which may adversely affect our growth.

Many potential merchant clients may have concerns about disadvantages associated with switching payment processing vendors or integrating with a new vendor, such as a loss of accustomed functionality, increased time and investments required to integrate services with a new vendor and potential business disruption. For potential clients, integrating with a new vendor or switching from another vendor or an internally-developed system may be a significant undertaking. As a result, potential clients often resist changing vendors or integrating with new vendors. We seek to overcome this resistance through strategies such as making investments in our sales personnel and in enhancing the functionality and improving the performance of our software and services. However, there can be no assurance that our strategies for overcoming potential clients' reluctance to change vendors or integrate with a new vendor will be successful, and this resistance may adversely affect our growth. In addition, customers may take significantly longer than expected to directly integrate with us. Delays in integration, which are common and typically depend on the level of resources and efforts used by merchants, may have a material adverse effect on our growth potential and future performance.

Merchant attrition or a decline in our clients' growth rate could cause our revenues to decline.

We may experience attrition of our merchant relationships due to several factors, including business closures, transfers of merchants' accounts to our competitors, cancellations and account closures that we initiate due to heightened credit risks relating to contract breaches by merchants or a reduction in sales. We cannot predict the level of attrition in the future and our revenues could decline as a result of higher than expected attrition, which could have a material adverse effect on our business, financial condition and results of operations.

In addition, our growth to date has been partially driven by the growth of our clients' businesses and the resulting growth in TPV. Should the rate of growth of our clients' business slow or decline, this could have an adverse effect on volumes processed and therefore an adverse effect on our results of operations. Furthermore, should we not be successful in selling additional solutions to our active client base and/or expand merchant sales to other geographies, we may fail to achieve our desired rate of growth, which may have material adverse effects on our business performance, financial condition and results of operations.

Interruption or failure of our information technology and communications systems could impair our operations, which could also damage our reputation and harm our results of operations.

Our success and ability to process payments and provide high quality client service depend on the efficient and uninterrupted operation of our computer and information technology systems, as our merchant customers expect a consistent level of quality in the provision of our services. Any failure of our computer systems and information technology to operate effectively or to integrate with other systems, performance inadequacy or breach in security may cause interruptions in the availability of our sites, delays in payment processing and reduced efficiency of our operations. Factors that could occur and significantly disrupt our operations include system failures and outages caused by fire, floods, earthquakes, power loss, telecommunications failures, sabotage, vandalism, terrorist attacks and similar events, software errors, computer viruses, worms, physical or electronic break-ins and similar disruptions from unauthorized tampering with our computer systems and payments platform. While we have certain backup systems and basic recovery plans for certain aspects of our operations and business processes, we do not have full redundancy in our infrastructure and our planning does not account for all possible scenarios, and requires further development, review and updates. Any disruptions or service interruptions that affect our systems could damage our reputation, require us to spend significant capital and other resources and expose us to a risk of loss or litigation and possible liability. Certain of our agreements with third-party service providers do not require those providers to indemnify us for losses resulting from any disruption in service. Furthermore, certain critical processes, such as hosting, cloud and other IT related services, rely on single vendors or components without built-in redundancy. Accordingly, we are exposed to potential single point of failure issues that could lead to service interruptions. Any such disruptions could materially adversely affect our results of operations.

In addition, our platform and internal systems rely on software developed by us or third parties that is highly technical and complex, and depend on the ability of such software to store, retrieve, process and manage large amounts of data. The software on which we rely has contained, and may now or in the future contain, undetected programming errors or flaws. Some errors may only be discovered after the code has been released for external or internal use. Errors or other design defects within the software on which we rely may result in a negative experience for companies or end-users using any elements of our platform, disruptions to the operations of our merchants, errors, or compromise our ability to support effective user service and user engagement or make us susceptible to cybersecurity breaches and attacks, or delay introductions of new features or enhancements. Any errors, bugs or defects discovered in the software on which we rely could result in harm to our reputation and loss of users, which could adversely affect our business, results of operations and financial conditions.

A decline in the quality of the services we offer could adversely affect our ability to attract and retain merchants and partners.

Our merchant customers expect a consistent level of quality in the provision of our services. We have service-level agreements with our merchants that define standards for the required level of service. A breach of such obligations could result in the loss of service credits and/or termination of the agreement, which would have a direct adverse financial impact on our business. Our account management and support services are a key element of the value proposition to our clients. If the reliability or functionality of our services is compromised or the quality of those services is otherwise degraded, or if we fail to continue to provide a high level of support or adapt our services to meet the evolving needs of our merchant customers, we could lose volumes coming from existing merchants and find it harder to attract new merchants and partners. In addition, if we are unable to scale our account management and support functions to address the growth of our merchant and partner network, the quality of our services may decrease, which could adversely affect our ability to attract and retain merchants and partners. See “—Interruption or failure of our information technology and communications systems could impair our operations, which could damage our reputation and harm our results of operations.”

Certain large merchants provide a significant share of our revenues and the reduction in business with these merchants could materially harm our business.

A relatively small number of customers account for a significant share of our revenues. Our top 10 customers in terms of revenues represented approximately 62% of our revenues in the three months ended March 31, 2021 and 69% of our revenues in the three months ended March 31, 2020, and 64% of our revenues in the year ended December 31, 2020 and 70% of our revenues in the year ended December 31, 2019. In each of the three months ended March 31, 2021 and 2020, there was one customer that individually accounted for more than 10% of our total revenues. In 2020, there were two customers that individually accounted for more than 10% of our total revenues, and in 2019, one single customer individually accounted for more than 10% of our total revenues. Failure to maintain our contracts with, or a decrease in the relevant transaction volumes from, these merchants could negatively impact our business and could lead to significant fluctuations in our operating and financial performance. While our merchant customer contracts, including those with our largest merchants, are generally of indefinite term, they are not only terminable upon relatively short written notice, but they also do not prevent merchants from transacting with and sending substantial transaction volumes to our competitors. Merchants may seek price reductions when expanding or changing their services with us and/or when the merchants' business experiences significant volume changes. Further, certain merchants may seek to lower prices previously agreed upon to pricing competition, volume increase or other economic needs or pressures faced by the merchant. In addition, our large merchants often have arrangements with multiple payment service providers, primarily in order to mitigate certain risks, such as downtime, delayed response time or default by a payment service provider, as well as to maximize conversion among payments service providers, and to have a complete array of payment methods available. Therefore, these merchants could shift business away at any given time without necessarily terminating their contracts with us. Moreover, from time to time, our merchants may require us to provide certain services or to process certain payment volumes that we are unwilling or unable to fulfill, which may cause them to reduce or cease business relations with us or to shift payment volumes to our competitors. If our contracts with our large merchant customers are terminated or if these merchant customers shift business away from us or offer cross-border payment solutions directly, or if we are unsuccessful in retaining high renewal rates and favorable contract terms, our business, financial condition and results of operations could be materially adversely affected.

The quarterly sales activity of certain of our merchant customers may fluctuate due to seasonality, which could result in seasonality in our results of operations if a significant share of our merchant clients are subject to similar seasonal fluctuations.

Our merchant customers operate across a range of industries, such as retail, streaming, ride hailing, financial institutions, advertising, SaaS, travel, e-learning and gaming, among others, which are subject to different seasonal trends. Accordingly, we expect quarterly fluctuations in our revenues and operating results to continue. As our business grows, these seasonal fluctuations may become more pronounced. As a result, we believe that sequential quarterly comparisons of our financial results may not provide an accurate assessment of our financial position. Developments in the mix of industries represented by our merchant customers could affect the seasonality of our business. If merchant customers that are subject to similar seasonal trends come to represent a large share of our clients, our results of operations and operating metrics could be subject to increased seasonal fluctuations, which could cause the price of our Class A common shares to become unpredictable or to decline.

We are subject to cyberattacks and may be subject to breaches of our information technology infrastructure and applications, and any failure to adequately protect our information technology infrastructure and applications could result in data breaches and/or downtime and materially adversely affect our reputation, business, and financial condition.

Our business involves the collection, storage, processing, and transmission of personal and financial data, including names, addresses, email addresses, tax identification numbers, credit card numbers and bank account numbers, as well as information about how consumers interact with our payments platform, all of which may be

accessed by some of our employees. Our reputation depends on the reliability of our payments platform as a secure way to make payments. The techniques used to obtain unauthorized, improper, or illegal access to our systems, our data, client data or end-user data, disable or degrade service, or sabotage systems are constantly evolving and have become increasingly complex and sophisticated, may be difficult to detect quickly, and may not be recognized or detected until after they have been launched against a target. We expect that unauthorized parties will continue to attempt to gain access to our systems or facilities through various means, including hacking into our systems or facilities or those of our clients, partners, or vendors, or attempting to fraudulently induce (for example, through spear phishing attacks or social engineering) our employees, clients, partners, vendors, or other users of our systems into disclosing usernames, tax identifications, passwords, payment card information, or other sensitive information, which may in turn be used to access our information technology systems. In addition, we may also face distributed denial-of-service, or DDoS, attacks, which is a cyber-attack in which the perpetrator seeks to make a machine or network resource unavailable to its intended users by temporarily or indefinitely disrupting services of a host connected to the Internet. DDoS attacks are typically accomplished by flooding the targeted machine or resource with extraordinarily high volumes of traffic in an attempt to overload systems with the goal of disrupting the ability of commercial enterprises to process transactions and possibly making their systems unavailable to users, including clients and consumers, for extended periods of time. Recent industry experience has demonstrated that DDoS attacks continue to grow in size and sophistication and have the ability to widely disrupt internet services. Although we have systems in place to protect us against such attacks, these systems may become overwhelmed depending on the extent or sophistication of such an attack or may otherwise provide insufficient protection.

Certain efforts may be state-sponsored and supported by significant financial and technological resources, making them even more sophisticated and difficult to detect. Numerous and evolving cybersecurity threats, including advanced and persisting cyberattacks, phishing and social engineering schemes, could compromise the confidentiality, availability, and integrity of our systems, as well as the data they contain. Threats may also derive from human error, fraud or malice of employees or third party service providers, accidental technological failure or insufficient internal controls, including the ongoing challenge of managing employee access controls to our encrypted database and other information technology systems. We do not maintain insurance coverage to protect against cybersecurity risks. Although we have developed systems and processes designed to protect our data and client and consumer data and to prevent data loss and other security breaches, and expect to continue to expend significant resources to bolster these protections, there can be no assurance that these security measures provide absolute security.

Our information technology and infrastructure may be vulnerable to cyberattacks or security breaches. Third parties may be able to access personal or proprietary information stored on or accessible through those systems. We may experience breaches of our security measures due to human error, malfeasance, system errors or vulnerabilities, or other irregularities, which may lead to suspension or interruption of our services as a result of any of the above issues. For example, in 2019, we experienced a cybersecurity breach in India that went undetected for just over a month, whereby a hacker changed the payment status of nearly 2,000 payment transactions that we processed during the period to “approved,” which enabled fraudulent cash withdrawals from a local payment processor, resulting in the loss of approximately US\$516,000. This loss was borne entirely by us. While we performed a thorough investigation of this security breach and have instituted additional measures to protect against future cybersecurity and fraud-related breaches, we cannot assure that we will not be subject to similar breaches in the future.

Actual or perceived breaches of our security or malfunction in our software could, among other things:

- interrupt our operations,
- result in our systems or services being unavailable,
- result in improper disclosure of data,
- materially harm our reputation and brands,

[Table of Contents](#)

- result in significant regulatory scrutiny and legal and financial exposure,
- cause us to incur significant remediation costs,
- lead to loss of confidence in, or decreased use of, our services,
- divert the attention of management from the operation of our business,
- result in significant compensation or contractual penalties from us to our clients and their business partners or customers as a result of losses to them or claims by them, and
- adversely affect our business and results of operations.

In addition, any cyberattacks or data security breaches affecting companies that we acquire or our clients, partners, payment processors or vendors (including data centers, cloud computing services, software as a service providers, and others) could have similar negative effects. Actual or perceived vulnerabilities or data breaches have led and may lead to claims against us.

We also expect to expend significant additional resources to protect us against security or privacy breaches, and may be required to redress eventual problems caused by breaches. We also expect to expend significant resources to maintain compliance with applicable data protection laws in a constantly evolving regulatory landscape, in particular insofar as data protection laws evolve for data that is shared between parties or systems located in different jurisdictions. New data protection legislation is frequently under discussion in the jurisdictions in which we operate, and any new requirements applicable to our business could impose significant costs, require us to change our business practices, make it more difficult for new and existing customers to use our payments platform, and reduce the ease of use of our services, which could harm our business. We may also incur significant legal expenses in connection with such attacks, which could adversely impact our financial condition and results of operation. See also “—We are subject to new and evolving regulations in respect of protection of personal data, and any failure to comply with these regulations could have a material adverse effect on our business and financial condition.”

Our insurance policies are not sufficient to cover all claims.

We have limited insurance coverage, which do not adequately cover all risks to which we are exposed, including cybersecurity risk and credit losses related to our exposure to third-party agents. A significant claim not covered by insurance, in full or in part, may result in significant expenditures by us, including with respect to legal fees and expenses. Moreover, we may not be able to maintain insurance policies in the future at reasonable costs or on acceptable terms, which may adversely affect our business and the trading price of our Class A common shares. In addition, we do not intend to contract civil liability insurance coverage for acts carried out by our directors and executive officers in the course of their duties.

Because we are a multinational company conducting a complex business in many markets worldwide, we are subject to legal, reputational and operational risks related to staffing and management, as well as a broad array of local legal and regulatory requirements that could adversely affect our operations.

Operating a multinational business creates difficulties associated with staffing and managing our international operations, as well as complying with local legal and regulatory requirements. We operate pay-in and pay-out financial transaction processing networks, both cross-border and local-to-local, that offer payment services to customers, and the laws and regulations in the markets in which we operate, as well as the respective interpretation of those laws and regulations, evolve and are subject to rapid change. As of the date of this prospectus, we are licensed and regulated in the EU as an Electronic Money Issuer, or EMI, and Payment Institution, or PI, and registered as a Money Service Business with the Financial Crimes Enforcement Network of the U.S. Department of the Treasury, or FinCEN, and we operate and are licensed, as applicable, in more than 20 countries in emerging markets, primarily in the Americas, Asia and Africa, with our principal operations in Latin

America and India. Moreover, in Mexico, we are in the process of obtaining an aggregator registration for payment processing purposes, and in Brazil, we are in the process of applying to obtain a formal payment institution authorization from the Brazilian Central Bank. We are also in the process of obtaining other approvals in other countries, including Morocco.

Furthermore, we expect to continue to expand our operations to other countries in these regions. Some of these countries have undergone significant political, economic and social change in recent years and the risk of new, unforeseen changes in these countries remains greater than in the U.S. or other more developed countries. Although we have knowledgeable staff in countries in which we deem it appropriate, we cannot assure you that we will continue to be found to be operating in compliance with all applicable financial services regulations, foreign exchange controls, anti-money laundering and compliance regulations, transactional, sales and withholding taxes, transfer pricing rules, data protection laws, employment laws, corporate, contract, property and competition laws, and other laws or regulations to which we may be subject. Moreover, it is not always clear how such laws and regulations apply to our business and some of our customer's industries (e.g. e-wallets and money remitters), especially as some of these laws were adopted prior to the advent of the internet, mobile and related technologies, and as a result, do not contemplate or address the unique issues of the internet and related technologies, which may be especially relevant in the context of the payments industry in which we operate. As a result, some of these laws are subject to interpretation by regulators and the courts on an ongoing basis and the resulting uncertainty in the scope and application of these laws and regulations increases the risk that we will be subject to private claims and governmental actions alleging violations of those laws and regulations, including with respect to our payments practices, compliance with informational requirements, or even claims that we may be conducting business without required licenses and/or authorizations thereunder in certain jurisdictions. We may be subject to increased scrutiny by regulatory authorities in certain instances where such regulatory authorities incorrectly attribute our jurisdiction of organization or corporate structure to that of a different country or entity than our actual jurisdiction of organization or corporate structure, which can enhance risks related to regulatory oversight in certain countries due to potential geopolitical tensions. We may also be subject to increased reputational risk, or scrutinized for compliance with labor, social security or tax requirements in connection with certain of our employment practices in different jurisdictions. In addition, we cannot assure you that laws and regulations applicable to us will not be modified or interpreted in ways that could adversely affect our business.

If we are unable to effectively manage our business to address the market demands and complexities of operating a multinational business, including due to any failure to operate our business in compliance with applicable laws and regulations across the various countries in which we operate, or adapt our business to changing legal and regulatory conditions in these countries, or fail to interpret existing or changing laws and regulations in line with the interpretations adopted by the relevant regulatory authorities, our business, financial condition and results of operations could be materially adversely affected.

See also “—We may not be able to obtain or maintain the relevant regulatory licenses, permissions or registrations to carry out our business in the various jurisdictions in which we operate, which may subject us to fines, penalties or force us to discontinue operations in such jurisdictions, any of which could have a material adverse effect on our business, financial condition and results of operations,” “—Complex and enhanced regulatory oversight in the banking and financial services industry could adversely affect our operations or our relationships with our banking partners,” “—We are subject to complex and evolving tax regimes in the countries in which we operate and failure to accurately interpret applicable tax laws, or changes in tax laws or changes in existing interpretations of tax laws, could have a material adverse effect on our business and financial condition,” “We are subject to new and evolving regulations in respect of protection of personal data, and any failure to comply with these regulations could have a material adverse effect on our business and financial condition,” “—If we fail to manage our growth effectively, our business could be harmed,” and “—Our controls and procedures may fail or be circumvented, our risk management policies and procedures may be inadequate, and operational risks could adversely affect our consolidated results of operations.”

We are expanding and may in the future continue to expand into new industry verticals and geographic regions and our failure to mitigate specific regulatory, credit, and other risks associated with a new industry vertical or geographic region could have an adverse effect on our business.

We are expanding into new geographic regions and although we have no current plans to do so, we may in the future further expand into other industry verticals. We may not be able to successfully develop products and services for these new industries, and our merchants and financial partners may not want to be associated with us if we expand into certain verticals (whether as a result of actual or perceived increases in risk or reputational concerns or otherwise), which may result in the loss of such relationships. Our investment of resources to develop products and services for the new industries we enter may either be insufficient or result in expenses that are excessive in relative to payment volumes we may be able to generate in such industries. Additionally, industry participants, including our merchants, their customers and others, may not be receptive to our solution in these new industries, which may cause them to eventually reduce their volume routed through us or even stop working with us. The merchant profile or regulatory cost of compliance in new verticals may not be as attractive as in our current verticals, which may lead to higher costs and/or lower TPV levels than we have historically experienced. If we expand into new verticals or geographic regions, we will need to understand and comply with various new requirements applicable in those verticals or regions. Industries change rapidly, and we may not be able to accurately forecast demand (or the lack thereof) for our solution or those industries may not grow. Failure to forecast demand or growth accurately in new industries, or eventual reputational damages from engaging in certain verticals, could have a material adverse impact on our business.

We are exposed to fluctuations in foreign currency exchange rates.

We are exposed to currency risk on monetary amounts denominated in currencies other than our functional currency (the U.S. dollar), primarily the Argentine peso, Brazilian real, the Mexican peso, the Indian rupee, the Colombian peso and the Chilean peso, which have historically experienced significant devaluations. Since our financial statements are denominated in U.S. dollars, the strengthening or weakening of the U.S. dollar against these currencies may expose us to translation risk when the local currency financial statements for our subsidiaries or when the results of local transactions in such jurisdictions are translated to U.S. dollars. Additionally, in connection with providing services in multiple currencies, we generally set applicable foreign exchange rates for every pay-in and pay-out transaction processed. We may face financial exposure or could be subject to disputes with our merchant customers if we incorrectly set applicable foreign exchange rates in our cross-border business or as a result of fluctuations in foreign exchange rates between the times that we process payment transactions in local currencies and convert them to U.S. dollars. Given that we also hold certain client and our own funds in non-U.S. dollar currencies, our financial results are affected by the translation of these currencies into U.S. dollars. While we may take certain measures intended to manage our foreign exchange risk, including by minimizing banking balances held in local currencies in developing countries (e.g. both by choosing in certain cases to accelerate the receipt of our receivables with processors and acquirers where possible and by transferring any excess funds to operating companies in the European Union and the United Kingdom) and engaging in hedging transactions, fluctuations in foreign exchange rates, particularly sharp devaluation of local currencies, could nevertheless have a significant impact on our business, financial condition and results of operations. See also, “—Exchange controls and other restrictions on the movement of capital out of certain jurisdictions or otherwise affecting our subsidiaries’ ability to pay dividends or make other payments to us may have a material adverse effect on our results of operations and financial condition.”

We may not be able to obtain or maintain the relevant regulatory licenses, permissions or registrations to carry out our business in the various jurisdictions in which we operate, which may subject us to fines, penalties or force us to discontinue operations in such jurisdictions, any of which could have a material adverse effect on our business, financial condition and results of operations.

We were issued an EU Financial Institution License that allows us to operate as a payments processor in the European Economic Area, or the EEA. As a licensed payments processor, we are subject to extensive laws and

regulations applicable to licensed entities in the Eurozone and the EU. In certain other jurisdictions, we have also obtained regulatory registrations to conduct our business, or are in the process of obtaining approval for such registrations, from the applicable financial regulatory authorities in accordance with applicable law in the principal jurisdictions in which we operate. In the United States at the federal level, for example, our subsidiary, dLocal Corp LLP, is registered with FinCEN as a Money Services Business. In certain other U.S. states, but not all, we have obtained specific waivers from the local state regulators to operate our business as presently conducted without obtaining a state license or registration. In the remainder of U.S. states we have otherwise determined under a risk-based approach that registration as a money transmitter is not currently a clear mandatory requirement. In some cases, including cases where there is no exemption for agent of the payee (either because: (i) is not recognized by the state, (ii) is expressly rejected by the state; (iii) is not applicable to our service, or (iv) is not applicable to a customer's business, such as customers in the financial service industry), we consider using structural arrangements (including by partnering with third-party service providers or using alternative entities incorporated in states that recognizes the agent of the payee exemption or where we have obtained waivers) designed to prevent us from receiving or controlling our customers' funds in the United States and therefore mitigate the risk of our activities being under the scope of U.S. state money transmitter regulation.

While we believe we have defensible arguments in support of our positions under various state money transmission statutes, we have not expressly obtained confirmation of such positions from every state banking departments who administer the state money transmission statutes. It is possible that certain state banking departments may determine that our activities are not exempt. Any determination that we are in fact required to become licensed under a state money transmission statute may require substantial expenditures of time and money and could lead to liability in the nature of penalties or fines, as well as cause us to be required to cease operations in some or all of the U.S. jurisdictions we service, which would have a materially adverse effect on our business and our financial results. For additional information on our licenses and regulations applicable to our operations, see "Regulatory Overview."

There can be no assurance that we will be able to obtain or maintain any of the required regulatory licenses, certifications and regulatory approvals in the jurisdictions or industry verticals in which we operate or may in the future operate, or that the exemptions from licensing or registration upon which we rely will remain available. To the extent that we use structural arrangements designed to remove our activities from the scope of money transmitter regulation or other licensing requirements in the jurisdictions in which we operate, there can be no assurance that these structural arrangements will remain effective as applicable laws continue to evolve or that the applicable regulatory bodies will view our payment processing activities as compliant. The adoption of new payment processing, money transmitter or money services business statutes or regulations, changes in regulators' interpretation of existing payment processing, money transmitter statutes or regulations, or disagreements by regulatory authorities with our interpretation of such statutes or regulations, could subject us to registration or licensing or limit business activities until we are appropriately licensed. These occurrences could also require changes to the manner in which we conduct certain aspects of our business. In addition, even where we maintain regulatory licenses, certifications and regulatory approvals or are able to operate in reasonable reliance upon exemptions or based on legal interpretation, there may be substantial costs and potential regulatory determinations, interpretations or changes associated with maintaining such licenses, certifications, registrations and approvals or in maintaining eligibility for such exemptions, and we could be subject to fines or other enforcement action if we violate applicable requirements. Regulatory compliance could result in substantial cost and delays in the provision of our payment services, or could require significant or costly operational changes to comply with applicable licenses. Regulatory laws and standards governing our licenses are subject to change or to varying interpretations, in many cases due to lack of specificity or due to the uncertain nature of their application to a new business such as ours.

In a number of emerging markets, new regulations applicable to financial institutions with business models similar to ours are being considered or in the process of being implemented. Moreover, it is not always clear how such laws and regulations apply to our business, especially as some of these laws were adopted prior to the advent of the internet, mobile and related technologies, and as a result, do not contemplate or address the unique

issues of the internet and related technologies, which may be especially relevant in the context of the payments industry in which we operate. As a result, the actions required to comply with licensing regulations may evolve over time as new guidance is provided by supervisory authorities and the interpretation of requirements by supervisory authorities and courts may be further clarified over time. In addition, in certain jurisdictions, companies engaged in our types of business could be required to maintain a higher minimum authorized capital than other companies. We may be unsuccessful in our efforts to comply with existing or evolving regulatory interpretations applicable to licenses, authorizations and applicable regulations in the jurisdictions in which we conduct business, including as a result of our rapid growth and lack of familiarity with the regulatory requirements applicable to new jurisdictions (see “—Because we are a multinational company conducting a complex business in many markets worldwide, we are subject to legal and operational risks related to staffing and management, as well as a broad array of local legal and regulatory requirements that could adversely affect our operations,” “—If we fail to manage our growth effectively, our business could be harmed” and “—Our controls and procedures may fail or be circumvented, our risk management policies and procedures may be inadequate, and operational risks could adversely affect our consolidated results of operations”). Failure to comply with relevant regulations, directly and indirectly (including in markets in which our services are carried out through local third-party processors or collection agents), could subject us to fines or penalties or force use to discontinue operations in certain jurisdictions which would have a material adverse effect on our business, financial condition and results of operations.

Although we have the authorizations and licenses referred to above, we currently process payments in more than 20 countries and territories and we are not licensed in certain of these jurisdictions. Our understanding, in general, is that we are not conducting regulated activities in these other jurisdictions or we can rely on certain exemptions, or we can work via collaboration with local licensed partners. However, local regulators in these jurisdictions may reach a different understanding and, as transaction volumes increase and/or any related matter may be brought to our attention by local regulators, we expect to seek advice from external counsel in respect of local requirements on a case-by-case basis, as applicable.

Due to ongoing developments in payments regulation, we obtain advice from external counsel as required in order to assess any applicable risk and, where necessary, may determine to limit the extent of our operations in a particular jurisdiction or will consider whether to obtain a license in such jurisdiction. However, the adoption of new payment processing, money transmitter or other licensing statutes in the jurisdictions in which we operate, changes in regulators’ interpretation of existing money transmitter or other licensing statutes or regulations, or disagreement by a regulatory authority with our interpretation of such statutes or regulations, could require additional registrations or licenses, substantial increase in legal fees, limit certain of our business activities until they are appropriately licensed, and expose us to financial penalties.

We are not aware of any circumstances that may result in us being in breach of the terms licenses that would be likely to lead to a revocation or termination of such licenses or a material restriction on such licenses, nor are we aware of any current or pending financial, civil or criminal proceedings asserted against us in connection with a failure to hold a license in any relevant jurisdiction. However, if we were found to be in violation of any current or future regulations, or to have previously been in breach of any regulation, in any countries from which we accept merchants or customers, including as a result of any failure by our employees to apply correctly our anti-money laundering procedures, this could result in a requirement for future compliance, fines, other forms of liability, increased legal fees and expenses and/or force us to change business practices or to cease operations altogether, and we, our directors, executive officers or employees may also be exposed to a financial liability, civil or criminal liability, any of which could have a material adverse effect on our results of operations, financial condition and future prospects.

Complex and enhanced regulatory oversight in the banking and financial services industry could adversely affect our operations or our relationships with our banking partners.

The financial services and banking industry is subject to extensive regulation and oversight. In light of increased regulatory oversight in recent years, a number of banks are continually examining their business

relationships, and certain major national and international banks have already withdrawn from providing service to payments processing providers, especially in foreign exchange transactions. In certain markets, we rely on and may in the future rely on local, regional or global banks to process payments and conduct foreign exchange transactions in local currency and we may not be able to obtain a license to directly operate in such markets in order to reduce our reliance on such banks. Changes in foreign exchange controls could make it difficult for us to engage in foreign exchange transactions or local regulators enforcing such regulations may use their power to slow or halt payments from global merchants to banks in emerging markets and vice-versa or otherwise prohibit us from providing payment services in a country. In addition, banks may be reluctant to transact or to accept certain transaction volumes due to different interpretations of the applicable foreign exchange, anti-money laundering and tax laws. If we are not able to complete foreign exchange and other transactions with certain banks due to enhanced regulation or different interpretations of the legal framework, our business could be materially adversely affected.

We are subject to complex and evolving tax regimes in the countries in which we operate and failure to accurately interpret applicable tax laws, or changes in tax laws or changes in existing interpretations of tax laws, could have a material adverse effect on our business and financial condition.

Most of the jurisdictions in which we operate have complex and subjective rules regarding the valuation of intercompany services, cross-border payments between affiliated companies and the related effects on income tax, value added tax, or VAT, sales tax, transfer tax, withholding tax, financial transaction taxes and share registration tax. In several of the jurisdictions in which we operate, we may be considered a tax agent or, in some cases, jointly liable to our clients or their respective customers for tax collection purposes and we may be required to withhold taxes from our customers and their customers (payers). While certain of our customers agree to indemnify us for claims by the relevant tax authorities if we should be required to pay additional amounts for taxes not withheld (including in the event we miscalculate or do not pay the relevant taxes and/or fees due), not all merchants have such agreements with us. And for those merchants for which we do enter into indemnity agreements, there can be no assurance that such tax indemnity agreements will cover all instances in which we may be subject to claims for additional withholdings by the relevant tax authorities. Moreover, tax regulations in the jurisdictions in which we operate change frequently, and are subject to varying interpretation by the regulatory authorities, in particular for how they relate to newly emerging businesses like ours, and governments may increase tax rates or implement new taxes, such as new taxes in respect of digital transactions, or governments and regulatory authorities may determine that we should withhold taxes from payment transactions in the instances where we currently do not withhold, or at higher rates than we currently withhold, or could prohibit or restrict the use of certain legal structures designed to minimize taxes. Any such changes or increases in taxes affecting our payment processing for our customers may lead them to decrease or cease the payment volumes processed with us or in the relevant country. Moreover, we may fail to timely implement or adapt to such changes to ensure full and immediate compliance, which may expose us to additional tax liability. Finally, the relevant tax authorities could interpret our engagement with independent contractors or employment of individuals in certain jurisdictions as constituting a “permanent establishment” in such jurisdictions, potentially subjecting our operations in such jurisdictions to corporate income tax, notwithstanding our limited operations in such jurisdictions. Our tax treatment for payments to independent contractors in certain jurisdictions could also be challenged, which could require us to pay or withhold certain taxes on payments to independent contractors in such jurisdictions or could subject us to fines or penalties. Any such tax determinations, changes or increases, whether borne by us or our merchant customers or consumers, could have a material adverse effect on our operating results and financial condition.

Changes in tax law, changes in our effective tax rate or exposure to additional tax liabilities could affect our profitability and financial condition.

We carry out our business operations through entities in multiple foreign jurisdictions. As such, we are required to file corporate income tax returns that are subject to foreign tax laws. The foreign tax liabilities are determined, in part, by the amount of operating profit generated in these different taxing jurisdictions. Our

effective tax rate, earnings and operating cash flows could be adversely affected by changes in the mix of operating profits generated in countries with higher statutory tax rates as well as by the positioning of our cash balances globally. If statutory tax rates or tax bases were to increase or if changes in tax laws, regulations or interpretations were made that impact us directly, our effective tax rate, earnings and operating cash flows could be adversely impacted.

Any such adverse changes in the applicability of tax to us could increase the levels of taxation payable by us which would have an adverse effect on our business, financial condition, results of operations and prospects. In addition to the possibility of a substantial tax burden being imposed on us, the risk that we may become subject to an increased level of taxation may result in us needing to change our corporate or operational structure, which could have a material adverse effect on our business, financial condition, results of operations and prospects. Additionally, the tax authorities of the jurisdictions in which we operate may challenge our methodologies for valuing developed technology or intercompany arrangements. For example, various levels of government and international organizations, such as the OECD and the EU, increasingly focus on future tax reform and any result from this development may create changes to long-standing tax principles, which could adversely affect our effective tax rate. The OECD has issued significant global tax policy changes that include both expanded reporting as well as technical global tax policy changes. Many countries in which we operate have implemented tax law and administrative changes that align with many aspects of the OECD policy guidelines. The breadth of this project may impact all multinational businesses by potentially redefining jurisdictional taxation rights, and could materially impact the law for transfer pricing and permanent establishment taxation. Additionally, tax authorities at the international, federal, state, and local levels are currently reviewing the appropriate tax treatment of companies engaged in internet commerce and financial technology. These developing changes could affect our financial position and results of operations. In particular, due to the global nature of the internet, it is possible that tax authorities at the international, federal, state, and local levels may attempt to regulate our transactions or levy new or revised sales & use taxes, VAT, digital services taxes, income taxes, or other taxes relating to our activities in the internet commerce and financial technology space. New or revised taxes, in particular, sales & use taxes, VAT, and similar taxes, including digital service taxes, would likely increase the cost of doing business. New taxes could also create significant increases in internal costs necessary to capture data and collect and remit taxes. Any of these events could have an adverse effect on our business and results of operations.

Furthermore, any changes in other jurisdictions to the political and social perception of running a business out of a tax-friendly jurisdiction (such as Malta) or any action by any tax authority to investigate our tax arrangements could result in adverse publicity and reputational damage for us, which could have an adverse effect on our business, financial condition, results of operations and prospects. The applicability of taxes to certain arrangements, transactions or structures may involve areas that are inherently subjective, requiring significant management judgments. If any applicable tax authority is successful in challenging our tax arrangements, we may be liable for additional tax and penalties and interest related thereto, which may have a significant impact on our business, financial condition, results of operations and prospects.

Transfer pricing rules may result in increased tax costs.

Some of the jurisdictions in which we operate have rules on transfer pricing that require intra-group transactions to be conducted on arm's-length terms. Transactions conducted between and among us and our subsidiaries are made on a commercial basis by application of international guidelines and national regulations. As a consequence of globalization and growing world trade, tax authorities worldwide have increased their focus on transfer pricing with respect to cross border intra-group transactions, as part of protecting their respective country's tax base. Transfer pricing is an inherently subjective area requiring significant management judgments. In the event the tax authorities in the jurisdictions where we operate consider our current transfer pricing not to be on arm's-length terms and were to succeed with such claims, this could result in an increased tax cost, including tax surcharges, penalties and interest, which could adversely affect our business.

We are subject to new and evolving regulations in respect of protection of personal data, and any failure to comply with these regulations could have a material adverse effect on our business and financial condition.

We are subject to laws relating to the collection, use, storage and transfer of the personal data of our service providers, employees and clients, including in respect of personal financial information. Several jurisdictions have implemented new data protection regulations and others are considering imposing additional restrictions or regulations. We expect data protection regulations to continue to increase both in number, complexity and in the level of stringency. The entry into force of the General Data Protection Regulation (EU) 2016/679, or the GDPR, in the European Union prompted various Latin American countries to begin processes to reform their data protection regimes. For example, Brazil has implemented a comprehensive data protection regulation intended to mirror the GDPR called the *Lei Geral de Proteção de Dados*, or LGPD and also has a Bank Secrecy Law (Complementary Law No. 105) that applies to certain regulated entities. In many cases, these regulations have strict measures regulating both the transfer of data externally, and also the storage and transfer of data internally among our employees in the course of their work and among our subsidiaries and affiliates. Moreover, these regulations may have conflicting and/or inconsistent requirements, and compliance with one data protection regime does not necessarily entail compliance with another data protection regime, and compliance with one data protection regime could potentially create conflicts in compliance with another data protection regime. In particular, we may transfer data across jurisdictions in the ordinary course of our operations, and we may not be able to ensure compliance with all applicable data protection regulations at all times. Any failure to comply with applicable data protection regimes could subject us to significant penalties and negative publicity, which could have a material adverse effect on our business, financial condition, reputation before our merchants and providers, and results of operations.

Our services must integrate with a variety of operating systems and networks of third-party payment processors, banks and acquirers. If we are unable to ensure that our services interoperate in real time with such networks, operating systems and devices, our business may be seriously harmed.

We are dependent on the ability of our services to integrate with a variety of operating systems and networks, as well as web browsers that we do not control. Any changes in these systems or networks that degrade the functionality of our services, impose additional costs or requirements on us, or give preferential treatment to competitive services, including their own services, could seriously harm the levels of usage of our services. We also rely on bank platforms, acquirers, payment processors, last-mile payment service providers and alternative payment methods to process some of our transactions. In addition, we are also directly exposed to liability in the event we incorrectly charge a customer or merchant when processing payment transactions. If there are any issues with or service interruptions in these platforms, our merchants and their users may be unable to have their transactions completed, which would seriously harm our business.

We rely on third parties for certain aspects of our business, which creates additional risk.

We rely on third-parties for certain aspects of our business, including payment networks (such as Visa and Mastercard), acquirers, processors, banks, market infrastructure (including clearing and settlement entities), alternative payment methods, last-mile payments service providers, collection agents, other payment service providers and digital wallets to process transactions. We may not manage to comply with our agreement with third-parties or these third-parties may refuse to process transactions adequately, may breach their agreements with us, may refuse to renew agreements on commercially reasonable terms, take actions that degrade the functionality of our services, impose additional costs, new licenses or other requirements on us, or give preferential treatment to competitive services or suffer outages in their systems, any of which could disrupt our operations and materially and adversely affect our business, financial condition and results of operations.

Some third-parties that provide services to us may have or gain market power and could increase their prices to us without competitive constraint. In addition, there can be no assurance that third-parties that provide services directly to us will continue to do so on acceptable terms, or at all, or will not suffer from outages to their systems.

If any third-parties were to stop providing services to us on acceptable terms, we may be unable to find alternative providers in a timely and efficient manner and on acceptable terms, or at all, which could materially adversely affect our business, financial condition and results of operations.

In addition, we rely heavily on Amazon Web Services, or AWS, to provide cloud computing, storage, processing and other related services. Any disruption of or interference with our use of these services could negatively affect our operations and seriously harm our business. AWS has experienced, and may experience in the future, interruptions, delays or outages in service availability due to a variety of factors, including infrastructure changes, human or software errors, hosting disruptions and capacity constraints. Capacity constraints could arise from a number of causes such as technical failures, natural disasters, fraud and/or security attacks. The level of service provided by AWS, or regular or prolonged interruptions in the services provided by AWS, could also impact the use of our services by our merchant customers and could harm our business and reputation.

We face credit and liquidity risks from our agents and third-party processors, acquirers, collection agents and merchants that could adversely affect our business, financial condition, results of operations, and cash flows.

Our payment processing services are carried out through local third-party processors, acquirers and collection agents. Approximately 5% of our TPV in 2020 was processed by collection agents that are owned either by employees or certain of our directors. We have arrangements with more than 100 third party processors, acquirers and collection agents, and the top ten processed 39% of our TPV in 2020. These processors collect funds from consumers and are required to pay the proceeds from these transactions to us. As a result, we have credit exposure to these processors and acquirers. We are not insured against credit losses in connection with our exposure to these third-party agents. If a processor or acquirer becomes insolvent, files for bankruptcy, commits fraud or otherwise fails to pay amounts owed to us when due, we must nonetheless process the payment transaction for the benefit of our merchant customers and the end consumers. Since January 1, 2019, we have only once been prevented from collecting from a collection agent, which resulted in a loss of US\$492 thousand, representing 0.01% of the aggregate TPV for such period.

Moreover, our ability to manage credit risk may be adversely affected by legal or regulatory changes, such as restrictions on collections or changes in bankruptcy laws. Increased credit risk, whether resulting from the deterioration of the credit profile of our merchant clients, deteriorating economic conditions, changes in our mix of business, liquidity issues faced by partner banks or acquirers or otherwise, could require us to increase our provisions for losses and could have a material adverse effect on our results of operations and financial condition.

We are subject to economic and political risk, the business cycles and the overall level of economic activity, which could negatively impact our business, financial condition and results of operations.

The electronic payment industry depends heavily on the overall level of consumer, business and government spending. We are exposed to general economic conditions that affect consumer confidence, consumer spending, consumer discretionary income or changes in consumer purchasing habits, particularly in the emerging markets in which we operate. A sustained deterioration in general economic conditions, including a rise in unemployment rates, or increases in interest rates or changes in foreign exchange rates may adversely affect our financial performance by reducing the number or average purchase amount of transactions made using electronic payments. A reduction in the amount of consumer spending, whether due to continued job losses, foreclosures, bankruptcies, higher consumer debt and interest rates, changes in foreign exchange rates, reduced access to credit, lower consumer confidence, or economic uncertainty, could result in a decrease in our revenue and profits. If consumers decrease their level of spending, our merchants make fewer sales of their products and services using electronic payments or people spend less money per transaction, we will have fewer transactions to process at lower amounts, resulting in lower revenue, which would significantly harm our business.

Recently introduced economic substance legislation of the Cayman Islands may adversely impact us or our operations.

The Cayman Islands, together with several other European and non-European Union jurisdictions, have recently introduced legislation aimed at addressing concerns raised by the Council of the European Union as to offshore structures engaged in certain activities which attract profits without real economic activity. With effect from January 1, 2019, the International Tax Co-operation (Economic Substance) Act (2020 Revision) (the “Substance Act”) came into force in the Cayman Islands introducing certain economic substance requirements for in-scope Cayman Islands entities which are engaged in certain “relevant activities,” which in the case of exempted companies incorporated before January 1, 2019, will apply in respect of financial years commencing July 1, 2019, onwards. As we are a Cayman Islands company, compliance obligations include filing annual notifications for the Company, which need to state whether we are carrying out any relevant activities and if so, whether we have satisfied economic substance tests to the extent required under the Substance Act. As it is a new regime, it is anticipated that the Substance Act will evolve and be subject to further clarification and amendments. We may need to allocate additional resources to keep updated with these developments, and may have to make changes to our operations in order to comply with all requirements under the Substance Act. Failure to satisfy these requirements may subject us to penalties under the Substance Act.

In the event that we need debt financing in the future, uncertainty in the credit markets could affect our ability to obtain debt financing on reasonable terms.

Expanding our business might require debt financing to allow us to invest in new products, services or markets or to pursue strategic acquisitions. In the event we were to seek debt financing in the future, uncertainty in the credit markets, particularly for borrowers operating in emerging markets, could materially impact our ability to obtain debt financing on reasonable terms. The inability to access debt financing on reasonable terms could materially impact our ability to offer new services, enter into new markets, make acquisitions or materially expand our business in the future.

We rely in part on payment networks, card issuers and card schemes when processing our transactions. Changes to payment network and credit card scheme fees, rules or practices may harm our business.

We rely in part on payment networks, card issuers and card schemes when processing our transactions, and rely on our relationship with acquirers and other processors, the card schemes and payment network providers, and must pay a fee for this service. We are subject to operating rules, including mandatory technology requirements, promulgated by payment networks and credit card schemes that have previously subjected us and could subject us in the future to a variety of fines and penalties that we may not be able to pass on to our merchant customers. In order to access the international card networks to provide payment processing services, in certain jurisdictions we must have the relevant geographically based operating licenses, registrations or memberships. In some markets where it is not feasible for us to have a direct license with a card network, we must maintain a relationship with a local financial institution or third-party agent to act as a local sponsor for the license. In addition, card schemes may impose special assessments for transactions that are executed to facilitate cross-border payments and additional fees related to this could affect us, significantly increasing our operating costs, and reducing our profit margins.

We are also required by acquirers and other processors, payment networks and credit card schemes to comply with their operating rules. The payment networks and credit card schemes and their respective member banks set and interpret these rules and we have, in the past, been required to pay penalties and have been subject to warnings regarding other adverse measures for violations of credit card scheme rules, including suspension of services, and could be subject to additional penalties and adverse measures in the future. Visa, MasterCard, American Express or other credit card companies could create new participant licenses, adopt new operating rules or reinterpret existing rules that we or our processors might find difficult or even impossible to follow. Moreover, payment networks may change these rules and standards from time to time in their sole discretion and

with or without advance notice to their participants. These changes may be made for multiple reasons, including as a result of changes in the regulatory environment, to maintain or attract new participants, or to serve the strategic initiatives of the payment networks, and may impose additional costs and expenses on or be disadvantageous to certain participants. Participants are subject to audit by the payment networks to ensure compliance with applicable rules and standards. The networks, acquirers and other processors and payment network providers may fine, penalize or suspend the registration of participants for certain acts or omissions or the failure of the participants to comply with applicable rules and standards.

Changes to these network rules or how they are interpreted could have a significant impact on our business and financial results. For example, changes in the payment card network rules regarding chargebacks may affect our ability to dispute chargebacks and impact the amount of losses we incur from chargebacks. Changes to and interpretations of the network rules that were inconsistent with the way we operated has, in the past, required us to make changes to our business, and any future changes to or interpretations of the network rules that are inconsistent with the way we currently operate may require us to make changes to our business that could be costly, difficult or even impossible to implement. If we fail to make such changes or otherwise resolve the issue with the payment card networks, the networks could pass on fines and assessments to us in respect of fraud or chargebacks related to our merchants or disqualify us from processing transactions if satisfactory controls are not maintained, which could have a material adverse effect on our business, financial condition and results of operations.

Furthermore, failure to comply with payment network and card scheme rules, or the deterioration in our relationships with the payment networks or card schemes for any other reason could also result in the restriction, suspension or termination of our licenses and/or merchant accounts with acquirers to process payment transactions in various jurisdictions, or to act with sponsoring banks to use their acquiring licenses. If this were to occur, we would be unable to process transactions using the relevant acquirers and other processors, payment network or card scheme, as applicable, in the relevant jurisdiction, which could have a material adverse effect on our business, financial condition and results of operations.

We are subject to chargeback and refund liability risk when our merchants refuse to or cannot reimburse chargebacks and refunds resolved in favor of their customers. Any increase in chargebacks and refunds not paid by our merchants may adversely affect our business, financial condition or results of operations.

We are currently, and will continue to be, exposed to certain risks associated with chargebacks and refunds in connection with payment card fraud or relating to the goods or services provided by our merchant customers. In the event that a billing dispute between a cardholder and a merchant is not resolved in favor of the merchant, including in situations in which the merchant customer is engaged in fraud, the transaction is typically “charged back” to the merchant and the purchase price is credited or otherwise refunded to the cardholder. In certain circumstances where we are unable to collect chargeback or refunds from the merchant’s account, or if the merchant refuses to or is unable to reimburse us for a chargeback or refunds due to closure, bankruptcy, or other reasons, we may bear the loss for the amounts paid to the cardholder. Our financial results would be adversely affected to the extent these merchants do not fully reimburse us for the related chargebacks. In addition, our exposure to these potential losses from chargebacks increases to the extent that we have provided working capital solutions to such merchants, as the full amount of the payment is provided up front rather than in installments. While most of our merchant agreements establish that the chargeback and refund liability risk is with the merchant, and would permit us to collect and retain reserves, we generally do not collect and maintain reserves from our merchants to cover these potential losses, and for customer relations purposes we sometimes decline to seek reimbursement for certain chargebacks. If we are unable to maintain our losses from chargebacks at acceptable levels, the payment network providers could fine us, increase our transaction fees, or terminate our ability to process payment cards. Any increase in our transaction fees or liability for incorrect charges could damage our business, and if we were unable to accept payment cards, our business would be negatively affected.

Failure to deal effectively with various types of fraud could materially adversely affect our reputation and our business, results of operations and financial condition, and could severely diminish merchant confidence in our services.

Various third-parties and internal parties may engage in a variety of fraudulent activity against us using our platform, the components of our platform, or our alternative payment methods, or APM. For example, a party may knowingly use a stolen or counterfeit credit, debit or prepaid card, card number, or other credentials to record a false sales transaction or process an invalid card. A merchant representative, agent or dLocal employee could submit changes in bank account details thereby resulting in a settlement of funds to inappropriate persons. Bank employees could engage in fraud in respect of our bank accounts and make illicit withdrawals of our funds or our clients' funds, or third parties could impersonate our employees or our clients to gain access to our bank accounts. Alternatively, our employees could knowingly process unauthorized changes to bank account details or provide or change such details after falling victim to scamming attempts (such as phishing e-mails or a fraudulent call posing as dLocal management, requesting an unauthorized payment of funds or access to information systems), which could also result in a settlement of funds to inappropriate persons. See "—We are subject to cyberattacks and breaches of our information technology infrastructure, and any failure to adequately protect our information technology infrastructure could result in data breaches and materially adversely affect our reputation, business, and financial condition." Moreover, our internal controls may not be sufficient to prevent such actions, especially given our rapid growth across a variety of jurisdictions (see "—If we fail to manage our growth effectively, our business could be harmed.")

We have experienced a third-party fraud incident affecting our operations in Colombia in 2020 that resulted in certain funds being withdrawn from our accounts, which were subsequently reimbursed by our bank upon concluding its review and therefore did not lead to an adverse financial impact on us. Criminals are using increasingly sophisticated methods to engage in illegal fraudulent activities. We also face risks and periodically receive complaints from buyers and sellers who may not have received the goods that they had contracted to purchase or payment for the goods that a buyer had contracted to purchase that was paid for using our platform, which may subject us to reputational damage and adversely affect our brand and business. In addition, in some of the jurisdictions where we operate, regulatory authorities or courts may freeze or block access to our accounts in response to consumer complaints (which has occurred in the past in India), which may have a material adverse effect on our business and financial condition.

It is possible that incidents of fraud could increase in the future, and our failure to catch such incidents may result in sanctions and/or fines from regulators, lawsuits and a decline in our reputation. We have taken measures to detect and reduce the risk of these types of fraud, but such measures must be continually improved and may not be effective against new and continually evolving forms of fraud or in connection with new services offerings. If our fraud-prevention measures do not succeed, our business, reputation, brands, financial condition and results of operations could be materially adversely affected.

We are susceptible to illegal or improper uses of our platform and solutions, which could expose us to additional liability and harm our business.

Our payments platform and related payment solutions are susceptible to potentially illegal or improper uses. These may include transactions relating to illegal online gambling, adult content, unregulated trading of cryptocurrencies, fraudulent sales of goods or services, illicit sales of controlled substances, software and other intellectual property piracy, money laundering, terrorist financing, bank fraud, child pornography, human trafficking, prohibited sales of alcoholic beverages or tobacco products, securities fraud, pyramid or ponzi schemes, or the facilitation of other illegal or improper activity. In certain cases, we have identified transactions by certain merchants that employed means to disguise the illegal or improper origin or nature of their transactions in order to access our platform and make use of our services. Further, certain of our PSPs clients may be engaged in transactions that may be difficult to monitor and could expose us to additional liabilities. Moreover, certain activity that may be legal in one jurisdiction may be illegal in another jurisdiction, and a

merchant may be found responsible for intentionally or inadvertently importing or exporting illegal goods, resulting in liability for us. Owners of intellectual property rights or government authorities may seek to bring legal action against providers of payments solutions, including us, that are peripherally involved in the sale of infringing or allegedly infringing items. Any threatened or resulting claims could result in reputational harm, and any resulting liabilities, loss of transaction volume, or increased costs could harm our business.

Our services and/or services used by our customers could also be subject to unauthorized credit card use, identity theft, employee fraud or other internal security breaches. We may incur significant costs to protect against the threat of illegal or improper use of our platform or information security breaches or to respond to or alleviate problems caused by any such issues. Laws may require us to notify regulators, customers or employees of security breaches and we may be required to reimburse customers or banks for any funds stolen as a result of any breaches or to provide credit monitoring or identity theft protection in the event of a privacy breach. These requirements, as well as any additional restrictions that may be imposed by credit card companies, could raise our costs significantly and reduce our attractiveness.

Any illegal or improper use of our platform could lead to fines or other penalties by governmental authorities or payment providers, as well as reputational harm, and any resulting liabilities, loss of transaction volume or increased costs could materially harm our business, financial condition and results of operations.

Use of our payments services for illegal purposes may materially and adversely affect our business, financial condition, results of operations and prospects and as we are subject to anti-money laundering, anti-terrorism, anti-corruption and sanctions regulations, failure to comply with these regulations may lead to administrative sanctions, criminal penalties and/or reputational damage.

We are subject to laws aimed at preventing money laundering, corruption and the financing of terrorism. This regulatory landscape is constantly changing, including as a consequence of the implementation of the Fourth Anti-Money Laundering Directive (Directive 2015/849/EU, “MLD4”) and the proposed amendments to the MLD4, often referred to as the fifth Anti-Money Laundering Directive. For example, the MLD4 introduces enhanced requirements on the verification of ultimate beneficial owners. In the United States, as a registered money services business, we are subject to anti-money laundering laws and regulations, including the Bank Secrecy Act, as amended by the USA PATRIOT Act of 2001, or the BSA. Among other things, the BSA requires money services businesses to develop and implement risk-based anti-money laundering programs, report large cash transactions and suspicious activity, and maintain transaction records. Monitoring compliance with anti-money laundering and anti-corruption and sanctions rules can impose a significant financial burden on banks and other financial institutions, and on us, and requires significant technical capabilities. In recent years, enforcement of these laws and regulations against financial institutions has become more stringent, resulting in several landmark fines against financial institutions and reputational damage.

We are focused on providing trusted services to our customers and ensuring that data and confidential information is transmitted and stored securely. Combating money laundering and fraud is a significant challenge in the online payment services industry because transactions are conducted between parties who are not physically present, which in turn creates opportunities for misrepresentation and abuse. Criminals are using increasingly sophisticated methods to engage in illegal activities such as identity theft, fraud and paper instrument counterfeiting. Online payments companies are especially vulnerable because of the convenience, immediacy and in some cases anonymity of transferring funds from one account to another and subsequently withdrawing them. Our payments services may be a target for illegal or improper uses, including fraudulent or illegal sales of goods or services, money laundering and terrorist financing. Allegations of fraud may result in fines, settlements, litigation expenses, financial and reputational damage.

We are subject to anti-corruption, anti-bribery and anti-money laundering laws and regulations.

We operate in jurisdictions that have a high risk for corruption and we are generally subject to anti-corruption, anti-bribery and anti-money laundering laws and regulations, including the Brazilian Anti-Corruption

Act, or the Clean Company Act and the United States Foreign Corrupt Practices Act of 1977, as amended, or the FCPA. Both the Clean Company Act and the FCPA impose liability against companies who engage in bribery of government officials, either directly or through intermediaries. Applicable money laundering regulations require firms to put preventative measures in place and to perform know-your-customer procedures, including conducting customer identification and verification and undertaking ongoing monitoring. In addition, regulations require companies to keep records of identity and to train their staff on the requirements of the relevant money laundering regulations. Although we have a compliance program focused on the anti-corruption, anti-bribery and anti-money laundering laws, rules, and regulations that we believe are applicable to our business, we may still be subject to a requirement to change various aspects of our business or the manner in which we carry out our business in certain countries, or to fines, injunctions or other penalties levied by regulators in one or more jurisdictions. In addition, we are currently in the process of revising certain of our employment policies and procedures, as well as consultancy agreements, that are applicable to certain employees, contractors, external advisors, consultants, expansion manager and country managers, to minimize our compliance risk, including reviewing certain compensation practices that may create unintended incentives relating to compliance with such laws, rules and regulations (though we are not aware of such unintended consequences). Violations of the anti-corruption, anti-bribery and anti-money laundering laws and regulations could result in criminal liability, administrative and civil lawsuits, significant fines and penalties, forfeiture of significant assets, as well as severe reputational harm.

We are also subject to regulatory oversight and enforcement by FinCEN and have registered with FinCEN as a money services business. Any determination that we have violated the anti-money-laundering laws could have a material adverse effect on our financial condition, results of operations and future prospects. For example, the BSA requires us to report currency transactions in excess of US\$10,000, including identification of the customer by name and social security number, to the IRS. This regulation also requires us to report certain suspicious activity, including any transaction that exceeds US\$2,000 that we know, suspect or have reason to believe involves funds derived from illegal activity or is designed to evade federal regulations or reporting requirements and to verify sources of such funds. Substantial penalties can be imposed against us if we fail to comply with this regulation. If we fail to comply with these laws and regulations, the imposition of a substantial penalty could have a material adverse effect on our business, financial condition and results of operations.

Such laws and regulations are subject to changes and evolving interpretations and application, including by means of legislative changes, administrative changes and/or executive orders, and it can be difficult to predict how they may be applied to our business and the way we conduct our operations, particularly as we introduce new products and services and expand into new jurisdictions. Any perceived or actual breach of laws, regulations, and standards could result in investigations, regulatory inquiries, loss of licensure, litigation, fines, injunctions, negative customer sentiment, impairment of our existing or planned products and services, or otherwise materially and adversely impact our business.

In addition, regulators may increase enforcement of these obligations, which may require us to make adjustments to our compliance program, including the procedures we use to verify the identity of our customers and to monitor our merchants' transactions. Regulators may conduct audits of our compliance framework, which can include a review of all applicable records to verify identities of customers, reporting of suspicious transactions and transactional activity including monitoring processes implemented and all components of the compliance framework, and compliance with these audit processes can result in increased costs or subject us to potential enforcement proceedings. We face risks related to our ability to comply with existing or new anti-corruption, anti-bribery and anti-money laundering laws and regulations, as we may not be able to comply fully with, or obtain appropriate exemptions from, such laws and regulations. Costs associated with fines or enforcement actions, changes in compliance requirements, or limitations on our ability to grow could harm our business, and any new requirements or changes to existing requirements could impose significant costs, result in delays to planned product improvements, make it more difficult for new customers to join our network and reduce the attractiveness of our products and services. Any perceived or actual breach of compliance by us with respect to applicable laws, rules and regulations could have a significant impact on our reputation as a trusted

brand and could cause us to lose existing customers, prevent us from obtaining new customers, require us to expend significant funds to remedy problems caused by breaches and to avert further breaches and expose us to legal risk and potential liability.

Our controls and procedures may fail or be circumvented, our risk management policies and procedures may be inadequate, and operational risks could adversely affect our consolidated results of operations.

We have in the past failed and may in the future fail to identify and manage risks and controls related to a variety of aspects of our business, including, but not limited to cyber-security, information technology and data privacy risk, operational risk and resiliency, interest rate risk, foreign exchange risk, treasury functions, access to information, tax, regulatory, legal and compliance risk, liquidity risk and credit risk. We have adopted various controls, procedures, policies and systems to monitor and manage risk. We cannot provide assurance that those controls, procedures, policies and systems are or will be adequate to identify and manage internal and external risks, including risks related to service providers, in our various businesses. We believe that any internal controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual rogue acts of some persons, including our employees by collusion of two or more people or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, violations of our controls, procedures, policies and systems and misstatements due to error or fraud may occur and not be detected.

For example, failure to comply with the various foreign exchange registration requirements could result in liability under applicable law for circumventing applicable foreign exchange restrictions, procedures or governmental requirements. As a result, our business operations, our ability to distribute profits and/or TPV could be materially and adversely affected. Furthermore, as foreign exchange regulations, especially in emerging markets, are still relatively new and their interpretation and implementation has been constantly evolving, it is unclear how these regulations, and any future regulation concerning offshore or cross-border transactions, will be interpreted, amended and implemented by the relevant government authorities.

The risk of individuals, either employees or contractors, engaging in harmful or misleading conduct, whether unintentional or intentional, such as consciously circumventing established control mechanisms to perform unauthorized or illegal transactions or otherwise exceed transaction limitations and restrictions, committing fraud or improperly selling products or services to clients, is particularly challenging to manage through a control framework. In addition, we are subject to increased resiliency risk, requiring continuous reinvestment, enhancement and improvement in and of our information technology and operational infrastructure, controls and personnel which may not be effectively or timely deployed or integrated. Moreover, the financial and reputational impact of control or conduct failures can be significant. Persistent or repeated issues with respect to controls, information technology and operational resiliency or individual conduct have raised and may in the future raise concerns among regulators regarding our culture, governance and control environment. There can be no assurance that our efforts to address such risks will be effective. While we seek to contractually limit our financial exposure to operational risk, the degree of protection that we are able to achieve varies, and our potential exposure may be greater than the revenue we anticipate that we will earn from servicing our merchants.

Internal control policies and procedures and employee training and compliance programs that we have implemented to deter prohibited practices may not be effective in prohibiting our and our affiliates' directors, employees, contractors or agents from violating or circumventing our policies and the law. If we or our affiliates, or either of our respective directors, employees or agents fail to comply with applicable laws or policies governing our operations, we may face investigations, prosecutions and other legal proceedings and actions, which could result in civil penalties, administrative remedies and criminal sanctions. Any such government investigations, prosecutions or other legal proceedings or actions could adversely affect our business, performance, prospects, value, financial condition, and results of operations.

We rely on manual processes in our operations to conduct our business.

Presently, several of our functions are performed using a number of different information systems that are not integrated. In part because of this, we rely on operations that are performed by individuals rather than automated systems and processes in the operation of all our IT, operations, and treasury-related activities. Accordingly, our treasury functions, for instance, require us to perform many manual reconciliations and other manual steps, which result in a high risk of errors, including errors in the pay-out amount to the beneficiaries, duplicate payments to our merchants in settlement transactions or to our merchant beneficiaries in our payout transactions and errors in our fees, foreign exchange rates, withholding and other tax calculations, which could involve material amounts. Manual steps also increase the probability of control deficiencies and material weaknesses.

Until these systems are fully migrated and implemented with automated replacement systems, we must depend on existing technology platforms that require more manual or duplicate processing. If we do not adequately manage and evolve our financial reporting and managerial systems and processes, our ability to manage or grow our business may be harmed. Our ability to successfully implement our goals and comply with regulations, including those adopted under the Sarbanes-Oxley Act of 2002, requires an effective planning and management system and process. We will need to continue to improve existing, and implement new, operational and financial systems, procedures and controls to manage our treasury operations and business effectively in the future. See also “—If we fail to manage our growth effectively, our business could be harmed.”

If we fail to establish and maintain proper and effective internal controls over financial reporting, our results of operations and our ability to operate our business may be harmed.

After this offering, we will be subject to the Sarbanes-Oxley Act, which requires, among other things, that we establish and maintain effective internal controls over financial reporting and disclosure controls and procedures. As an “emerging growth company”, we choose to rely on an exemption from the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended, or the Sarbanes-Oxley Act, in the assessment of our internal control over financial reporting. Under the SEC’s current rules, starting in 2022 we will be required to perform system and process evaluation and testing of our internal controls over financial reporting to allow management to assess the effectiveness of our internal controls. Our testing may reveal deficiencies in our internal controls that are deemed to be material weaknesses or significant deficiencies and render our internal controls over financial reporting ineffective. For example, we identified a material weakness in connection with the preparation of our consolidated financial statements for the year ended December 31, 2019. See “—We have identified material weaknesses in our internal control over financial reporting and, if we fail to remediate such deficiencies (and any other ones) and to maintain effective internal controls over financial reporting, we may be unable to accurately report our results of operations, meet our reporting obligations and/or prevent fraud.” We expect to incur additional accounting and auditing expenses and to spend significant management time in complying with these requirements. If we are not able to comply with these requirements in a timely manner, or if we or our management identifies material weaknesses or significant deficiencies in our internal controls over financial reporting that are deemed to be material weaknesses, the market price of our Class A common shares may decline, and we may be subject to investigations or sanctions by the SEC, or other regulatory authorities. In addition, we may be required to expend significant management time and financial resources to correct any material weaknesses that may be identified or to respond to any regulatory investigations or proceedings.

We have identified material weaknesses in our internal control over financial reporting and, if we fail to remediate such deficiencies (and any other ones) and to maintain effective internal controls over financial reporting, we may be unable to accurately report our results of operations, meet our reporting obligations and/or prevent fraud.

Prior to this offering, we were a private company with limited accounting personnel and other resources to address our internal control over financial reporting and procedures. Our management has not completed an

assessment of the effectiveness of our internal control over financial reporting and our independent registered public accounting firm has not conducted an audit of our internal control over financial reporting. In connection with the preparation of our consolidated financial statements for the year ended December 31, 2019, we identified a number of control deficiencies that in the aggregate, comprise a material weakness in our internal control over financial reporting as of December 31, 2019. A material weakness is a deficiency, or combination of control deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

We did not effectively design controls addressing the risk of material misstatement. Specifically, in certain cases we did not design controls at a sufficient level of precision to identify potential material misstatements. These material misstatements contributed to a number of control deficiencies that in the aggregate, comprise a material weakness in the design and maintenance of effective controls with respect to the accounting for leases, financial instruments, share-based payments, credit expected losses, provisions for contingencies, revenues from contracts with customers, intangible assets and financial reporting in hyperinflationary economies, as well as classification errors in several areas of our consolidated statement of financial position and consolidated statement of comprehensive income. These control deficiencies resulted in the restatement of our consolidated financial statements as of December 31, 2019. Accordingly, our management has determined that these control deficiencies constitute a material weakness.

As of December 31, 2020, we are in the process of implementing a remediation plan designed to improve our internal controls over financial reporting and to remediate the control deficiencies that resulted in the material weakness, including performing a risk-assessment process on a regular basis to identify, design, implement and re-evaluate our control activities related to internal control over financial reporting. We cannot assure you that the measures we have taken to date, and the actions we may take in the future, will be sufficient to remediate the control deficiencies that led to our material weakness in our internal controls over financial reporting or that they will prevent potential future material weaknesses. In addition, neither our management nor an independent registered public accounting firm has performed an evaluation of our internal controls over financial reporting in accordance with the provisions of the Sarbanes-Oxley Act because no such evaluation has been previously required. Had we or our independent registered public accounting firm performed an evaluation of our internal controls over financial reporting in accordance with the provisions of the Sarbanes-Oxley Act, additional material weaknesses may have been identified. If we are unable to successfully remediate our existing material weakness, or identify and remediate any future, material weaknesses in our internal control over financial reporting, the accuracy and timing of our financial reporting may be adversely affected, and consequently we may be unable to timely file periodic reports in compliance with securities laws and applicable stock exchange listing requirements, investors may lose confidence in our financial reporting and our share price may decline as a result.

Any factors that reduce cross-border trade in goods or services or make such trade more difficult could harm our business.

Cross-border trade of goods and/or services (i.e., transactions where the merchant and consumer are in different countries) is an important source of our revenues and profits. Cross-border transactions generally provide higher revenues and operating income than similar transactions that take place within a single country or market. In certain markets, cross-border trade represents our primary (and in some instances our only) source of revenue.

Cross-border trade may be negatively impacted by various factors including regional or international tensions, trade wars or international conflict of any kind, foreign currency exchange rate fluctuations and the interpretation and application of laws of multiple jurisdictions in the context of cross-border trade and foreign exchange. Moreover, governmental authorities in certain countries may determine to block some or all of our merchants, which could significantly disrupt our operations in such countries. Any factors that increase the costs

of cross-border trade for us, our customers or their end users or that restrict, delay, or make cross-border trade more difficult or impractical, such as trade policy or higher tariffs, could reduce our cross-border transactions and volume, negatively impact our revenues and profits, and harm our business.

Exchange controls and other restrictions on the movement of capital out of certain jurisdictions or otherwise affecting our settlement transactions or our subsidiaries' ability to pay dividends or make other payments to us may have a material adverse effect on our results of operations and financial condition.

We are subject in certain jurisdictions where we have operations, such as Argentina, India, South Africa, Egypt and Morocco, to the risk that regulatory authorities in or outside such jurisdictions may impose exchange controls or restrictions on the movement of capital, including on transactions involving transfers of funds from such jurisdictions, as well as restrictions on repatriation of funds or repatriation of profits on subsidiaries from such jurisdictions, which may restrict the amount of funds that can be transferred or dividends that can be paid upstream to us from such jurisdictions. For example, in certain jurisdictions, such as South Africa, Egypt and Morocco, we must obtain regulatory approval prior to the repatriation of funds from these jurisdictions. We are in the process of obtaining applicable approvals in these jurisdictions, though there can be no assurance that such approvals will be obtained in a timely manner, or at all, or that we will timely obtain approvals in jurisdictions where we may seek to operate in the future. In addition, the Argentine economy has experienced balance of payment deficits and shortages in foreign exchange reserves, and the government has responded by restricting the ability of companies to convert local currencies into foreign currencies and imposing other exchange controls. From time to time, we net funds, which could be challenged by regulators due to foreign exchange controls. These restrictive exchange control measures prevent or severely restrict the access to exchange for foreign currencies, such as U.S. dollars and the ability to remit them out of the country (which measures include prior approval by the local central bank, which may be denied at its discretion) and also restrict the ability to hold foreign currency in cash within the relevant jurisdiction. If we are unable to transfer such amounts from such jurisdictions when and as needed, we will remain subject to foreign exchange risk relating to such retained funds denominated in local currencies (including merchant funds held by us), to the extent we cannot convert such funds into other currencies (whether as a result of foreign exchange restrictions in such jurisdictions, or any restrictions on transferring funds out of such jurisdictions), which may adversely impact our ability to settle such transactions and subject us to significant foreign exchange risk, which could have a material adverse effect on our results of operations, liquidity and financial condition. See “—We are exposed to fluctuations in foreign currency exchange rates,” and “—Our working capital needs may grow in excess of our cash generation capabilities, which may cause a decline in our cash and cash equivalents.” Moreover, as a holding company, we require dividends and other payments from our subsidiaries to meet cash requirements.

In addition, repatriations of cash from our subsidiaries may be subject to withholding, income and other taxes in various applicable jurisdictions. If our subsidiaries are unable to pay dividends and make other payments or transfers of funds to us when needed, we may be unable to satisfy our obligations, which would have a material adverse effect on our business, financial condition and operating results. See also “—Complex and enhanced regulatory oversight in the banking and financial services industry could adversely affect our operations or our relationships with our banking partners.”

We may pursue strategic acquisitions or investments. The failure of an acquisition or investment to produce the anticipated results, the inability to integrate an acquired company fully, or potential contingencies related to any acquisition, could harm our business.

Although our core strategy focuses on organic growth, we may pursue strategic acquisitions, including with part of the proceeds of this offering, but there can be no assurance that we will be able to find suitable targets or that we will be able to complete acquisitions upon terms, including purchase price, that we find acceptable.

We may from time to time acquire or invest in complementary companies or businesses, which may subject us to additional risks. The success of an acquisition or investment will depend on our ability to make accurate

assumptions regarding the valuation, operations, growth potential, integration and other factors related to that business and the transaction structure. We cannot assure you that acquisitions or investments will produce the results that we expect at the time we enter into or complete a given transaction or that we may not be subject to additional contingencies, including additional tax liability, in respect of certain transactions. Furthermore, we may not effectively integrate these acquisitions with our current business, including their personnel, financial systems and operating procedures, or be able to retain their key customers, in each case especially if they operate in different platforms. The costs of integrating any acquired business may harm our operating results. Moreover, unforeseen operating difficulties may arise and may result in the diversion of our capital and our management's attention from other business issues and opportunities. In addition, we may acquire businesses or assets that may not be fully compliant with applicable regulatory regimes. If we fail to integrate acquisitions successfully or inadequately diligence and obtain appropriate indemnity coverage for such acquisitions, we could be subject to unforeseen costs, reputational damage and our business could suffer. In March 2021, we signed an agreement with an effective date as of April 1, 2021 to acquire certain assets (primarily merchant agreements) from a payment service provider that provides local payment services in certain emerging markets in Latin America. See note 31 to our audited consolidated financial statements. We have applied for an exemption from associated taxes arising from the transaction in Malta. In addition, we are in the process of novating the merchant contracts between such merchants and our affiliates, though there can be no assurance that all of the merchant customers will agree to novate their contracts with our affiliates. Until these contracts are novated, they may be subject to increased regulatory oversight risk, which could lead to fines or penalties for the current payment provider in respect of such contracts, which could adversely affect the assets we are acquiring, thus indirectly affecting us. We may also in the future be involved in potential conflicts with the selling shareholders of acquired companies, which could adversely affect our business.

Our failure to manage our client funds properly could materially harm our business.

Our ability to manage and account accurately for our client funds requires a high level of internal processes and controls, including maintaining customer funds in separate bank accounts held at leading banks, and segregated from our proprietary funds, including as required pursuant to applicable regulations in the jurisdictions in which we operate. As our business continues to grow and we expand our service offerings, we must continue to strengthen our internal controls accordingly. Our success requires significant confidence from our customers in our ability to handle large and growing transaction volumes and amounts of client funds. Any failure to maintain the necessary controls or to manage the assets underlying our client funds accurately could severely diminish client use of our services and/or result in penalties and fines, which could materially harm our business.

Our ability to protect our intellectual property rights, which are important to our success, is limited.

We believe the protection of our intellectual property, including our trademarks, domain names and trade secrets, is critical to our success. We seek to protect our intellectual property rights by relying on applicable laws and regulations, as well as a variety of administrative procedures. We also rely on contractual restrictions to protect our proprietary rights, both with our employees in the development of new services and technologies and when offering or procuring products and services, including through confidentiality agreements with our employees and parties with whom we conduct business.

However, contractual arrangements and other steps we have taken to protect our intellectual property may not prevent third parties from infringing or misappropriating our intellectual property or deter independent development of equivalent or superior intellectual property rights by others. Trademarks, domain name and trade secret protection may be expensive or difficult to assert and may require litigation. Protecting our intellectual property rights and other proprietary rights may be expensive and time-consuming and we may not be successful in every jurisdiction. Also, we may not be able to discover or determine the extent of any unauthorized use of our proprietary rights.

As the number of products in the software industry increases and the functionalities of these products further overlap, and as we acquire technology through acquisitions or licenses, we may become increasingly subject to infringement claims, including patent, copyright, and trademark infringement claims. We may be required to enter into litigation to determine the validity and scope of the patents or other intellectual property rights of others. The ultimate outcome of any allegation is uncertain and, regardless of the outcome, any such claim, with or without merit, may be time-consuming, result in costly litigation, divert management's time and attention from our business, require us to stop offering our services, or require us to pay substantial amounts to satisfy judgments or settle claims or lawsuits or to pay substantial royalty or licensing fees, or to satisfy indemnification obligations that we have with some of our clients. Our failure to obtain necessary license or other rights, or litigation or claims arising out of intellectual property matters, may harm our business.

The costs and effects of pending and future litigation, investigations or similar matters, or adverse facts and developments related thereto, could materially affect our business, financial position and results of operations.

We are, and may be in the future, party to legal, arbitration and administrative investigations, inspections and proceedings arising in the ordinary course of our business or from extraordinary corporate, intellectual property, tax or regulatory events, involving our clients, suppliers, consumers, as well as competition, government agencies (including central banks) and tax authorities, particularly with respect to civil, tax, financial, foreign exchange, and labor claims (including employee lawsuits). Our indemnities may not cover all claims that may be asserted against us, and any claims asserted against us, regardless of merit or eventual outcome, may harm our reputation. Furthermore, there is no guarantee that we will be successful in defending ourselves in pending or future litigation or similar matters under various laws. Should the ultimate judgments or settlements in any pending litigation or future litigation or investigation significantly exceed our capacity to pay or applicable indemnity rights, they could have a material adverse effect on our business, financial condition and results of operations and the price of our Class A common shares. Further, even if we adequately address issues raised by an inspection conducted by an agency or successfully defend our case in an administrative proceeding or court action, we may have to set aside significant financial and management resources to settle issues raised by such proceedings or to those lawsuits or claims, which could adversely affect our business, as well as cause us reputational harm in case such issues become public. See "Business—Legal proceedings."

We could incur certain labor liabilities in connection with the outsourcing of certain of our operations to independent contractors, which could have an adverse effect on our business and results of operations

We outsource a number of activities related to our business to independent contractors in order to adapt to different market customs and practices and to maintain a flexible cost base. As of March 31, 2021, dLocal had approximately 60 independent contractors. Although we have implemented policies regarding compliance with labor and social security obligations by our contractors, we cannot assure that our contractors will abide by their obligations or that local authorities in each market where we have operations will not impose additional labor related taxes or charges in connection with the contracts we have in force with such contractors, nor that contractors will not initiate legal actions to seek indemnification from us based on applicable labor laws and court ruling in the jurisdictions in which we engage independent contractors for a portion of our operations. If we were to incur material labor liabilities in connection with outsourcing certain operations to independent contractors, such liabilities could have an adverse effect on our financial condition and our results of operations.

We may be subject to unexpected claims and liabilities and reputational risk arising from our former operations as a division of AstroPay.

dLocal began as a division of AstroPay. Prior to August 1, 2018, we operated as a division of AstroPay, a global payment solutions provider with operations in emerging markets. On August 1, 2018, our business was separated from the business of AstroPay and its affiliated entity, Directa24, pursuant to a separation agreement. While we operated our business as a distinct division of AstroPay prior to the separation (and the separation

agreement includes a mutual discharge provision related to claims against each other), we may still be subject to unexpected claims and liabilities relating to, arising out of or resulting from the separation, including, but not limited to, liabilities arising from the carve-out of our operations from AstroPay, and/or claims from third parties as a result of our status as a legacy operation of AstroPay. Moreover, while the separation agreement sets forth certain non-compete and non-solicitation agreements for both parties, these provisions shall lapse the earlier of (1) two years from the consummation of a change of control transaction which constitutes a sale of 100% of the issued share capital of either party or (2) three years from the consummation of any other change of control transaction of either party. Therefore, we are subject to competition from AstroPay and its affiliated entity Directa24 in certain industry verticals and may become subject to competition across all industry verticals in the future upon the expiration of such non-compete and non-solicitation clauses. In addition, we are subject to reputational risk related to our prior operations as a division of AstroPay and potential misattribution of our operations to those of AstroPay.

AstroPay and Directa24 process payments mainly for merchants operating in online gambling, forex, binary options or adult entertainment verticals. Their main markets are Brazil, India and Latin America generally. These activities do not have a clear legal framework in these jurisdictions and could be considered illegal in some of the jurisdictions, thereby exposing those companies to potential civil and criminal sanctions in one or more of the territories where they operate in the foreseeable future. Our controlling shareholders are the same controlling shareholders of AstroPay and Directa24. In addition, prior to January 1, 2016, our chief executive officer was the chief executive officer of AstroPay and currently holds a 1% equity interest in AstroPay.

Merchant customers or the market generally may continue to associate our operations with the operations of AstroPay. We may also be perceived to be associated with AstroPay and/or Directa24 due to partial overlap of our existing shareholder group with the shareholders of AstroPay. Finally, certain of our directors and officers were formerly associated with AstroPay and/or Directa24 and/or continue to hold an ownership interest in AstroPay and/or Directa24, and their prior association with and current interest in AstroPay and/or Directa24 may be imputed to us. Any perceived reputational shortcomings of AstroPay and/or Directa24 may reflect poorly on us, whether or not justified, which could have an adverse effect on our reputation and adversely affect our business, financial condition and results of operations.

Our use of open-source software could negatively affect our ability to sell our services and subject us to possible litigation.

Our platform incorporates and relies upon the use and development of open-source software and we intend to continue our use and development of open-source software in the future. Such open-source software is generally licensed by its authors or other third parties under open-source licenses and is typically freely accessible, usable and modifiable. Pursuant to such open-source licenses, which generally consist of GNU General Public Licenses (GPU) and GNU Lesser General Public Licenses (LGPL), we may be subject to certain conditions, including requirements that we offer our proprietary software that incorporates the open-source software for no cost, among other requirements. If an author or other third party that uses or distributes such open-source software were to allege that we had not complied with the conditions of one or more of these licenses, we could be required to incur significant legal expenses defending against such allegations and could be subject to significant damages, enjoined from the sale of our solutions that contained or are dependent upon the open-source software and required to comply with the foregoing conditions, which could disrupt the distribution and sale of some of our solutions. Litigation could be costly for us to defend, have a negative effect on our operating results and financial condition or require us to devote additional research and development resources to change our platform. The terms of many open-source licenses to which we are subject have not been interpreted by courts. As there is little or no legal precedent governing the interpretation of many of the terms of certain of these licenses, the potential impact of these terms on our business is uncertain and may result in unanticipated obligations regarding our solutions and technologies. Any requirement to disclose our proprietary source code, lack of availability of or updates to open-source software or payments of damages for breach of contract could be

harmful to our business, results of operations or financial condition, and could help our competitors develop services that are similar to or better than ours.

In addition to risks related to license requirements, use of open-source software can lead to greater risks than use of third-party commercial software, as open-source licensors generally do not provide warranties, controls on the origin or development of the software, or remedies against the licensors. Many of the risks associated with usage of open-source software cannot be eliminated and could adversely affect our business.

Although we believe that we have complied with our obligations under the various applicable licenses for open-source software, it is possible that we may not be aware of all instances where open-source software has been incorporated into our proprietary software or used in connection with our solutions or our corresponding obligations under open-source licenses. We do not have open-source software usage policies or monitoring procedures in place. We rely on multiple software programmers to design our proprietary software and we cannot be certain that our programmers have not incorporated open-source software into our proprietary software that we intend to maintain as confidential or that they will not do so in the future. To the extent that we are required to disclose the source code of certain of our proprietary software developments to third parties, including our competitors, in order to comply with applicable open-source license terms, such disclosure could harm our intellectual property position, competitive advantage, results of operations and financial condition. In addition, to the extent that we have failed to comply with our obligations under particular licenses for open-source software, we may lose the right to continue to use and exploit such open-source software in connection with our operations and solutions, which could disrupt and adversely affect our business.

If we lose key personnel our business, financial condition and results of operations may be adversely affected.

We are dependent upon the ability and experience of our president, our chief executive officer, our chief financial officer, our chief operations officer and our chief technology officer, who have substantial experience with our operations, the rapidly changing payment processing industry, and emerging markets. It is possible that the loss of the services of one or a combination of our senior executives or key managers, including key executive officers, could have a material adverse effect on our business, financial condition, and results of operations.

In a dynamic industry like ours, the ability to attract, recruit, develop and retain qualified employees is critical to our success and growth. If we are not able to do so, our business and prospects may be materially and adversely affected.

Our business functions at the intersection of rapidly changing technological, social, economic and regulatory developments that require a wide-ranging set of expertise and intellectual capital. In order for us to successfully compete and grow, we must attract, recruit, develop and retain the necessary personnel who can provide the needed expertise across the entire spectrum of our intellectual capital needs. While we have a number of our key personnel who have substantial experience with our operations, our management team has no previous experience in working in a publicly-held company. In addition, we must also develop our personnel to provide succession plans capable of maintaining continuity in the midst of the inevitable unpredictability of human capital. However, the market for qualified personnel is competitive, and we may not succeed in recruiting additional personnel or may fail to effectively replace current personnel who depart with qualified or effective successors, particularly in the technology business. We must continue to hire additional personnel to execute our strategic plans. Our effort to retain and develop personnel may also result in significant additional expenses, including option grants, which could adversely affect our profitability. We cannot assure that qualified employees will continue to be employed or that we will be able to attract and retain qualified personnel in the future. Failure to retain or attract key personnel could have a material adverse effect on our business, financial condition, and results of operations.

Our holding company structure makes us dependent on the operations of our subsidiaries.

We are a Cayman Islands exempted company with limited liability. We are organized as a holding company, and accordingly our material assets are our direct and indirect equity interests in our subsidiaries. We are therefore dependent upon the results of operations and, in turn, the payments, dividends and distributions from our subsidiaries for funds to pay our holding company's operating and other expenses and to pay future cash dividends or distributions, if any, to holders of our Class A common shares, and we may have tax costs in connection with any dividend or distribution. In addition, the payments, dividends and distributions from our subsidiaries to us for funds to pay future cash dividends or distributions, if any, to holders of our Class A common shares, could be restricted under financing arrangements that we or our subsidiaries may enter into in the future and we and such subsidiaries may be required to obtain the approval of lenders to make such payments to us in the event they are in default of their repayment obligations.

The United Kingdom's departure from the European Union could adversely affect us.

The UK withdrew from the European Union on January 31, 2020, commonly referred to as Brexit. The UK and the EU agreed a Trade and Cooperation Agreement on December 24, 2020, or the TCA, which is intended to be operative at the end of the transition period. The TCA was ratified by the UK parliament on December 30, 2020 and is expected to come into full force in April 2021 once relevant EU institutions have also ratified the TCA. Until then, the TCA governs the UK's relationship with the EU on an interim basis.

While the TCA regulates a number of important areas, significant parts of the UK economy are not addressed in detail by the TCA, including in particular the services sector, which represents the largest component of the UK's economy. A number of issues, particularly in relation to the financial services sector, remain to be resolved through further bilateral negotiations, which are currently expected to begin in the early part of 2021. As a result, the new relationship between the UK and the EU could in the short-term, and possibly for longer, cause disruptions to and create uncertainty in the economy, which could in turn result in reduced corporate transactional activity. Under the TCA, certain passporting rights with respect to the provision of financial services will remain in effect until December 31, 2021, though applicable EU payment and/or e-money institutions (including our subsidiaries) must apply for a temporary license to continue providing services in the UK after December 31, 2020. While we have applied for such temporary licensing, the implementation of the TCA agreement could potentially disrupt the markets we serve and we cannot assure that we will be able to obtain the relevant licenses to operate in the UK once our temporary passporting license expires (if granted). Despite providing services to customers in the UK, due to the remote nature of such services, our services are not considered provided in the UK. However, if we are unable to obtain any license eventually deemed necessary by the governmental authorities in the UK by December 31, 2021, then our ability to provide services in the UK may be disrupted. Any disruption of our business following Brexit could have an adverse effect on our business and financial condition.

The COVID-19 pandemic and other actual or threatened epidemics, pandemics, outbreaks, or other public health crises could have an adverse impact on our business.

Our business could be materially and adversely affected by the risks (or the public perception of the risks) related to an epidemic, pandemic, outbreak, or other public health crisis, such as the recent outbreak of novel coronavirus (COVID-19). The global spread of the COVID-19 pandemic, which originated in late 2019 and was later declared a pandemic by the World Health Organization in March 2020, has negatively impacted the global economy, disrupted supply chains and created significant volatility in global financial markets. The COVID-19 pandemic has resulted in the temporary or permanent closure of many businesses, and has required adjustments in how many businesses operate, including our merchants. These factors have adversely impacted certain companies and industries, including certain of our merchants, particularly those in the ride hailing and travel industries, and have severely disrupted economic conditions generally.

While we believe that our business has thus far seen a net benefit from the shift from in-store shopping and traditional payment methods towards e-commerce and digital payments, the ultimate extent of the impact of COVID-19 or any other epidemic, pandemic or other health crisis on our business, financial condition and results of operations will depend on future developments, including the condition and the dynamics of the global economy after the pandemic, shifts in purchasing behavior, new virus variants (which are highly uncertain and cannot be predicted), new information that may emerge concerning the severity of the pandemic or other health crisis and actions taken to contain or prevent their further spread, among others. These and other potential impacts of an epidemic, pandemic or other health crisis, such as the COVID-19 pandemic, could have a material adverse effect on our business, financial condition and results of operations, and it may also have the effect of heightening many of the other risks described in this “Risk Factors” section. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key factors affecting our performance—Impacts of the COVID-19 pandemic.”

Risks Relating to the Countries in which we Operate

A substantial portion of our business is primarily concentrated in Latin America, exposing us to disproportionate risk to the political, regulatory, economic and social conditions in this region.

We carry out substantially all of our business for merchants operating in emerging market countries, primarily Brazil, Mexico, Argentina, Chile, Colombia and India. Our operations provided to merchants in Latin America account for a substantial portion of our business. Such operations accounted for 89% and 94% of our revenues, and 93% and 88% of our TPV, respectively, for the three months ended March 31, 2021 and 2020, and 89% and 92% of our revenues, and 90% and 94% of our TPV, respectively, for the years ended December 31, 2020 and 2019. The concentration of the services we provide to merchants in these countries exposes us to risks related to the political, regulatory, economic and social conditions in these countries. For example, in Argentina (which represented 9% and 13% of our TPV in the three months ended March 31, 2021 and 2020, respectively, and 12% and 15% of our TPV in 2020 and 2019, respectively) the economy has historically experienced very high rates of inflation that have undermined the Argentine economy and the Argentine government’s ability to foster conditions for stable growth. High rates of inflation in Argentina have adversely affected economic activity and employment levels, real salaries, consumption and interest rates. In addition, as the Argentine fiscal deficit has increased and Argentine Central Bank reserves have decreased, the Argentine government has responded by increasing tax rates, and by reinstating on foreign exchange controls, to which we may be subject in the emerging markets in which we operate. Moreover, in the past Argentina has experienced social and political turmoil, including civil unrest, riots, strikes and street demonstrations. Although we have generally been able to offset the heightened foreign exchange and exchange control risks in Argentina with higher overall fees on transactions conducted through our Argentine operations, the persistently poor economic conditions in Argentina, in particular the significant foreign exchange rate volatility of the Argentine peso and uncertainty regarding exchange control measures could have an adverse effect on our business, financial condition and results of operations. In addition, in Brazil (which represented 28% and 24% of our TPV in the three months ended March 31, 2021 and 2020, respectively, and 28% and 26% of our TPV in 2020 and 2019, respectively), recent economic and political instability has led to a negative perception of the Brazilian economy, which could adversely affect us given the significant concentration of our TPV transacted by our merchants in Brazil. Political crises have affected and continue to affect the confidence of investors and the general public, which have historically resulted in economic deceleration in Brazil. The recent economic instability in Brazil has contributed to a decline in market confidence in the Brazilian economy as well as to a deteriorating political environment. In addition, various ongoing investigations into allegations of money laundering and corruption being conducted by the Office of the Brazilian Federal Prosecutor, including the largest such investigation, known as “Operação Lava Jato,” have negatively impacted the Brazilian economy and political environment. Because a significant share of our business is carried out in Argentina and Brazil, ongoing political and social unrest and poor economic conditions and government measures taken in response thereto in Argentina and in Brazil could have an adverse effect on our business, financial condition and results of operations.

The governments of the countries in which we operate have exercised, and continue to exercise, significant influence over the countries' economy. This involvement as well as the political and economic conditions in these countries could harm us and the price of our Class A common shares.

The governments of the countries in which we operate frequently exercise significant influence over such countries' economies and occasionally make significant changes in policy and regulations. Government actions, policies and regulations have often involved, among other measures, increases or decreases in interest rates, changes in fiscal policies and rates, wage and price controls, foreign exchange controls, blocking access to bank accounts, currency devaluations and capital controls. We have no control over and cannot predict what measures or policies such governments may take in the future. We and the market price of our Class A common shares may be harmed by changes in such governments' policies, as well as general economic factors, including, without limitation:

- growth or downturn of the economy of the countries in which we operate;
- interest rates and monetary policies;
- exchange rates and currency fluctuations;
- restrictions on capital and funds expatriation;
- inflation;
- liquidity of the domestic capital and lending markets;
- exchange control policies and restrictions on remittances abroad and payments of dividends;
- modifications to laws and regulations, sometimes radical changes, according to political, social and economic interests;
- fiscal policy, monetary policy and changes in tax laws or rates;
- economic, political and social instability, including general strikes, mass demonstrations and civil strikes;
- high levels of unemployment and underemployment;
- labor and social security regulations;
- public health crises, such as the ongoing COVID-19 pandemic;
- limited infrastructure, including access to telecommunications and internet services;
- energy and water shortages and rationing;
- expropriations;
- commodity prices;
- high levels of organized crime activity;
- natural disasters;
- government intervention in the private sector, including through potential nationalization of private enterprises, and
- other political, diplomatic, social and economic developments in or affecting the countries in which we operate.

Uncertainty over whether the governments of the countries in which we operate will implement reforms or changes in policy or regulation affecting these or other factors in the future may affect economic performance and contribute to economic uncertainty in those countries, which may have an adverse effect on our activities and consequently our results of operations. In addition, the political environment of the countries in which we operate

have historically influenced, and continues to influence, economic performance in such countries. Political crises have affected and continue to affect the confidence of investors and the general public, which have historically resulted in economic deceleration and heightened volatility in the securities offered by companies with significant operations in those countries. Recent economic instability in a number of the countries in which we operate has contributed to a decline in market confidence in the respective economies as well as to a deteriorating political environment. The occurrence of adverse events that create additional political uncertainty in any of these countries could harm the economy of the countries in which we operate and, consequently, our business, and could adversely affect our financial condition, results of operations and the price of our Class A common shares.

Developments and the perceptions of risks in emerging markets, the United States and Europe, may harm the economies of the countries in which we operate and the price of our Class A common shares.

The market for securities offered by companies like us with significant operations in emerging market countries is influenced by economic and market conditions in other similar emerging market countries, as well as market conditions in the United States and Europe. To the extent the conditions of the global markets or economy deteriorate, the business of companies like us with significant operations in emerging markets may be harmed. The weakness in the global economy has been marked by, among other adverse factors, lower levels of consumer and corporate confidence, decreased business investment and consumer spending, increased unemployment, reduced income and asset values in many areas, reduction of China's growth rate, currency volatility and limited availability of credit and access to capital. Developments or economic conditions in emerging market countries have at times significantly affected the availability of credit to companies with significant operations in these countries and resulted in considerable outflows of funds from these countries, decreasing the amount of foreign investments.

Crises and political instability in emerging market countries, the United States, European countries, or other countries, including increased international trade tensions and protectionist policies, could decrease investor demand for our Class A common shares. These developments, as well as potential crises and forms of political instability arising therefrom or any other as of yet unforeseen development, may harm our business and the price of our Class A common shares.

Infrastructure and internet connectivity in the countries in which we operate may impact economic growth and have a material adverse effect on us.

Our performance depends on the overall health and growth of the countries in which we operate, which is limited by inadequate infrastructure, including potential energy shortages and deficient telecommunication sectors, lack of Internet connectivity and bandwidth, general strikes, the lack of a qualified labor force, and the lack of private and public investments in these areas, which limit productivity and efficiency. Additionally, despite the business continuity and crisis management policies currently in place, travel restrictions or potential impacts on personnel due to the COVID-19 pandemic may disrupt our business and the expansion of our client base. Any of these factors could lead to labor market volatility and generally impact income, purchasing power and consumption levels, which could limit growth and ultimately have a material adverse effect on us.

Our business and results of operations may be adversely affected by political, economic and social instability risks, currency restrictions and devaluation, and various local laws associated with doing business in countries in Africa and Asia.

We derive a portion of our revenue from our transactions in countries in Africa and Asia, and we expect to continue to grow our operations in these regions. As such, our business is subject to the various political, social, economic, fiscal and monetary policies and factors that affect companies operating in Africa and Asia, which could have a significant effect on our business, financial condition, results of operations and prospects. While certain African and Asian countries feature developed and sophisticated business sectors and financial and legal infrastructure at the core of their economy, they are also affected by socio-economic challenges such as high

levels of unemployment, poverty and crime and large parts of the population in African and Asian countries, particularly in rural areas, do not have access to adequate education, health care, housing and other services, including water and electricity. Government policies aimed at alleviating and redressing the disadvantages suffered under previous governments of countries in the region may increase the costs and reduce the profitability of our business. These problems or proposed solutions may impede fixed inward investment into Africa and Asia and increase emigration of skilled workers and as a result, we may have difficulties retaining qualified employees.

Our business model relies on an increase in internet penetration and digital literacy in Africa and Asia. Even though the main urban centers of Africa and Asia typically offer reliable wired internet service, a substantial portion of the population are inhabitants of rural areas, which largely depend on mobile networks. Internet penetration in the markets in which we operate or may operate in the future may not reach the levels seen in more developed countries or other emerging markets for reasons that are beyond our control, including the lack of necessary network infrastructure or delayed implementation of performance improvements or security measures. The internet infrastructure in the markets in which we operate or may operate in the future may not be able to support continued growth in the number of users, their frequency of use or their bandwidth requirements. Delays in telecommunication and infrastructure development or other technology shortfalls may also impede improvements in internet reliability. If telecommunications services are not sufficiently available to support the growth of the internet, response times could be slower, which would reduce internet usage and harm our platform. Internet penetration in our target markets in Africa and Asia may even stagnate or decline. In addition, digital illiteracy among many consumers and vendors in Africa and Asia presents obstacles to e-commerce growth. If internet penetration and digital literacy do not increase in our current and future markets of operation in Africa and Asia, it could have a material adverse effect on our business, financial condition, results of operations and prospects in the region.

It is difficult to predict the future political, social and economic direction of African and Asian countries or the manner in which any future governments will attempt to address regional inequalities. It is also difficult to predict the impact that addressing these inequalities will have on our business. Furthermore, there has been regional, political and economic instability in Africa and Asia generally, which could materially and adversely affect our business, results of operations and financial condition. While we believe that economic conditions in Africa and Asia will improve, poverty in Africa and Asia will decline and the purchasing power of African and Asian consumers will increase in the long term, there can be no assurance that these expected developments will actually materialize. The development of African and Asian economies, markets and levels of consumer spending are influenced by many factors beyond our control, including consumer perception of current and future economic conditions, acts of warfare and civil clashes, political uncertainty, employment levels, social and labor unrest due to economic and political factors, arbitrary interference with private ownership of rights in respect of land, inflation or deflation, real disposable income, poverty rates, wealth distribution, interest rates, taxation, currency exchange rates and weather conditions. An economic downturn, whether actual or perceived, currency volatility, a decrease in economic growth rates or an otherwise uncertain economic outlook in any region of Africa or Asia could have a material adverse effect on our business, financial condition, results of operations and prospects in the region.

Additionally, the African and Asian countries in which we operate may impose or tighten foreign currency exchange control restrictions, taxes or limitations with regard to repatriation of earnings and investments from these countries. If exchange control restrictions, taxes or limitations are imposed or tightened, our ability to receive dividends or other payments from affected jurisdictions could be reduced, which could have an adverse effect on our business, financial condition and results of operations. In addition, corporate, contract, property, insolvency, competition, securities and other laws and regulations in many of the African and Asian countries in which we operate have been, and continue to be, substantially revised. Therefore, the interpretation and procedural safeguards of the new legal and regulatory systems are in the process of being developed and defined, and existing laws and regulations may be applied inconsistently. Also, in some circumstances, it may not be possible to obtain the legal remedies provided for under these laws and regulations in a reasonably timely

manner, if at all. Any of the foregoing factors could have a material adverse effect on our business, financial condition, results of operations and prospects in the region.

Credit rating downgrading of the countries in which we operate could reduce the trading price of our Class A common shares.

We may be harmed by investors' perceptions of risks related to sovereign debt credit rating of the countries in which we operate. Rating agencies regularly evaluate those countries and their sovereign credit ratings, which are based on a number of factors including macroeconomic trends, fiscal and budgetary conditions, indebtedness metrics and the perspective of changes in any of these factors.

Risks Relating to Our Class A common shares and the Offering

There is no existing market for our Class A common shares, and we do not know whether one will develop to provide you with adequate liquidity. If the trading price of our Class A common shares fluctuates after this offering, you could lose a significant part of your investment.

Prior to this offering, there has not been a public market for our Class A common shares. If an active trading market does not develop, you may have difficulty selling any of our Class A common shares that you buy. We cannot predict the extent to which investor interest in our company will lead to the development of an active trading market on the Nasdaq, or otherwise or how liquid that market might become. The initial public offering price for the common shares will be determined by negotiations between us, the selling shareholders and the underwriters and may not be indicative of prices that will prevail in the open market following this offering. Consequently, you may not be able to sell our Class A common shares at prices equal to or greater than the price paid by you in this offering. In addition to the risks described above, the market price of our Class A common shares may be influenced by many factors, some of which are beyond our control, including:

- announcements by us or our competitors of significant contracts or acquisitions;
- increase in competition in our markets;
- significant impacts in cross-border flows between countries;
- political crises in the countries in which we operate;
- technological innovations by us or competitors;
- the failure of financial analysts to cover our Class A common shares after this offering or changes in financial estimates by analysts;
- actual or anticipated variations in our results of operations;
- changes in financial estimates by financial analysts, or any failure by us to meet or exceed any of these estimates, or changes in the recommendations of any financial analysts that elect to follow our Class A common shares or the shares of our competitors;
- future sales of our shares; and
- investor perceptions of us and the industries in which we operate.

In addition, the stock market in general has experienced substantial price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of particular companies affected. These broad market and industry factors may materially harm the market price of our Class A common shares, regardless of our operating performance. In the past, following periods of volatility in the market price of certain companies' securities, securities class action litigation has been instituted against these companies. This litigation, if instituted against us, could adversely affect our financial condition or results of operations. If a market does not develop or is not maintained, the liquidity and price of our Class A common shares could be seriously harmed.

Following this offering, our existing shareholders will together own % of our outstanding common shares and % of corresponding voting rights, and will have the power, as a group, to elect a majority of the members of our board of directors, which means that our existing shareholders, when acting in concert, will have significant influence over matters requiring shareholder approval. This concentration of ownership and voting power limits your ability to influence corporate matters.

Immediately following this offering, our existing shareholders will beneficially own % of our outstanding common shares and % of corresponding voting rights (or % of our outstanding common shares and % of corresponding voting rights if the underwriters' option to purchase additional common shares is exercised in full) and all of our outstanding Class B common shares. As a result, our existing shareholders will, when acting in concert, exercise significant influence over all decisions at our shareholders' meetings. In addition, for so long as they hold our Class B common shares, such holders shall be entitled to appoint at least a majority of the members of our board of directors. They will also, when acting in concert, have significant influence to direct our actions in areas such as business strategy, financing, distributions, acquisitions and dispositions of assets or businesses. For example, our existing shareholders may exercise their voting power in a manner to cause us to make acquisitions that increase the amount of our indebtedness or outstanding common shares, sell revenue-generating assets or inhibit change of control transactions that may benefit other shareholders. The decisions of our existing shareholders on these matters may be contrary to your expectations or preferences, and they may take actions that could be contrary to your interests. They may, when acting in concert, be able to prevent any other shareholders, including you, from blocking these actions. For further information regarding shareholdings in our company, see "Principal and Selling Shareholders."

We have granted holders of our Class B common shares preemptive rights to acquire shares that we may sell in the future, which may impair our ability to raise funds.

Under our Articles of Association, each holder of our Class B common shares is entitled to preemptive rights to purchase additional Class B common shares in the event that additional Class A common shares are issued, upon the same economic terms and at the same price, in order to maintain their proportional ownership interests, which will be approximately % of our outstanding shares immediately after this offering. The exercise by holders of our Class B common shares of preemptive rights may impair our ability to raise funds, or adversely affect the terms on which we are able to raise funds, as we may not be able to offer to new investors the quantity of our shares that they may desire to purchase.

Common shares eligible for future sale (including Class A common shares issuable upon conversion of Class B common shares) may cause the market price of our Class A common shares to drop significantly.

The market price of our Class A common shares may decline as a result of sales of a large number of our Class A common shares in the market after this offering (including Class A common shares issuable upon conversion of Class B common shares) or the perception that these sales may occur. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate.

Following the completion of this offering, we will have outstanding Class A common shares and Class B common shares (or Class A common shares and Class B common shares if the underwriters exercise in full their option to purchase additional shares). Subject to the lock-up agreements described below, the common shares sold in this offering will be freely tradable without restriction or further registration under the Securities Act by persons other than our affiliates within the meaning of Rule 144 of the Securities Act.

Our shareholders or entities controlled by them or their permitted transferees will, subject to the lock-up agreements described below, be able to sell their common shares in the public market from time to time without registering them, subject to certain limitations on the timing, amount and method of those sales imposed by regulations promulgated by the SEC. If any of our shareholders, the affiliated entities controlled by them or their

respective permitted transferees were to sell a large number of their common shares, the market price of our Class A common shares may decline significantly. In addition, the perception in the public markets that sales by them might occur may also cause the trading price of our Class A common shares to decline.

We have agreed with the underwriters, subject to certain exceptions, not to offer, sell or dispose of any shares in our share capital or securities convertible into or exchangeable or exercisable for any shares in our share capital during the 180-day period following the date of this prospectus. Our directors, executive officers and all of our principal existing shareholders and selling shareholders have agreed to substantially similar lock-up provisions. However, a portion of the shares held by our current shareholders are subject to automatic release from the lock-up agreements upon the occurrence of certain conditions at certain dates substantially earlier than such date. See “Underwriting.” Moreover, J.P. Morgan Securities LLC, Goldman Sachs & Co. LLC, Citi Global Markets, Inc. and Morgan Stanley & Co. LLC, the “Representatives,” may, in their sole discretion and without notice, release all or any portion of the shares from the restrictions in any of the lock-up agreements described above. In addition, these lock-up agreements are subject to the exceptions described in “Underwriting,” including the right for our company to issue new shares if we carry out an acquisition or enter into a merger, joint venture or strategic participation.

Sales of a substantial number of our Class A common shares upon expiration of the lock-up agreements (including Class A common shares issuable upon conversion of Class B common shares), the perception that such sales may occur, or early release of these lock-up periods, could cause our market price to fall or make it more difficult for you to sell your Class A common shares at a time and price that you deem appropriate.

Our Articles of Association contain anti-takeover provisions that may discourage a third-party from acquiring us and adversely affect the rights of holders of our Class A common shares.

Our Articles of Association contain certain provisions that could limit the ability of others to acquire our control, including a provision that grants authority to our board of directors to establish and issue from time to time one or more series of preferred shares without action by our shareholders and to determine, with respect to any series of preferred shares, the terms and rights of that series. These provisions could have the effect of depriving our shareholders of the opportunity to sell their shares at a premium over the prevailing market price by discouraging third parties from seeking to obtain our control in a tender offer or similar transactions.

If securities or industry analysts do not publish research, or publish inaccurate or unfavorable research, about our business, the price of our Class A common shares and our trading volume could decline.

The trading market for our Class A common shares will depend in part on the research and reports that securities or industry analysts publish about us or our business. Securities and industry analysts do not currently, and may never, publish research on our company. If no or too few securities or industry analysts commence coverage of our company, the trading price for our Class A common shares would likely be negatively affected. In the event securities or industry analysts initiate coverage, if one or more of the analysts who cover us downgrade our Class A common shares or publish inaccurate or unfavorable research about our business, the price of our Class A common shares would likely decline. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, demand for our Class A common shares could decrease, which might cause the price of our Class A common shares and trading volume to decline.

We may not pay any cash dividends in the foreseeable future.

The declaration, payment and amount of any future dividends will be made at the discretion of our board of directors and will depend upon, among other things, the results of operations, cash flows and financial condition, operating and capital requirements, and other factors as our board of directors considers relevant. In addition, our holding company structure makes us dependent on the operations of our subsidiaries. See “—Risks Relating to Our Business and Industry—Our holding company structure makes us dependent on the operations of our

subsidiaries.” There is no assurance that future dividends will be paid, and if dividends are paid, there is no assurance with respect to the amount of any such dividend. See “Dividends and Dividend Policy.”

Our dual class capital structure means our shares will not be included in certain indices. We cannot predict the impact this may have on the trading price of our Class A common shares.

In 2017, FTSE Russell, S&P Dow Jones and MSCI announced changes to their eligibility criteria for inclusion of shares of public companies on certain indices to exclude companies with multiple classes of shares of common stock from being added to such indices. FTSE Russell announced plans to require new constituents of its indices to have at least five percent of their voting rights in the hands of public stockholders, whereas S&P Dow Jones announced that companies with multiple share classes, such as ours, will not be eligible for inclusion in the S&P 500, S&P MidCap 400 and S&P SmallCap 600, which together make up the S&P Composite 1500. MSCI also opened public consultations on their treatment of no-vote and multi-class structures and temporarily barred new multi-class listings from its ACWI Investable Market Index and U.S. Investable Market 2500 Index; however, in October 2018, MSCI announced its decision to include equity securities “with unequal voting structures” in its indices and to launch a new index that specifically includes voting rights in its eligibility criteria. We cannot assure you that other stock indices will not take a similar approach to FTSE Russell, S&P Dow Jones and MSCI in the future. Under the announced policies, our dual class capital structure would make us ineligible for inclusion in any of these indices and, as a result, mutual funds, exchange-traded funds and other investment vehicles that attempt to passively track these indices will not invest in our stock. It continues to be somewhat unclear what effect, if any, these policies will have on the valuations of publicly traded companies excluded from the indices, but in certain situations they may depress these valuations compared to those of other similar companies that are included. Exclusion from indices could make our Class A common shares less attractive to investors and, as a result, the market price of our Class A common shares could be adversely affected.

The dual class structure of our common stock has the effect of concentrating voting control with Andres Bzurovski Bay, IZBA SA, Aqua Crystal Investments, Sebastián Kanovich (indirectly through Ledlife SA) and Jacobo Singer as the beneficial owners of the entirety of our Class B common shares; this will limit or preclude your ability to influence corporate matters.

Each Class A common share, which are the shares being sold in this offering, will entitle its holder to one vote per share and each Class B common share will entitle its holder to five votes per share, so long as the total outstanding Class B common shares represent at least 10% of the total number of common shares (Class A and Class B) then outstanding. The beneficial owners of all of our Class B common shares are Andres Bzurovski Bay, IZBA SA, Aqua Crystal Investments, Sebastián Kanovich (our CEO (indirectly through Ledlife SA)) and Jacobo Singer (our President). See “Principal Shareholders.” Due to the five-to-one voting ratio between our Class B and Class A common shares, Andres Bzurovski Bay, IZBA SA, Aqua Crystal Investments, Sebastián Kanovich and Jacobo Singer will continue to exercise disproportionate voting power of our common shares and therefore be able to maintain significant influence over matters submitted to our shareholders so long as the total outstanding Class B common shares represent at least 10% of the total number of common shares (Class A and Class B) then outstanding.

In addition, our Articles of Association provide that at any time when there are Class A common shares in issue, additional Class B common shares may only be issued pursuant to (1) a share split, subdivision of shares or similar transaction or where a dividend or other distribution is paid by the issue of shares or rights to acquire shares or following capitalization of profits; (2) a merger, consolidation, or other business combination involving the issuance of Class B common shares as full or partial consideration; or (3) an issuance of Class A common shares, whereby a holder of the Class B common shares is entitled to purchase a number of Class B common shares that would allow such holder to maintain its proportional ownership interests in us (following an offer by us to each holder of Class B common shares to issue to such holder, upon the same economic terms and at the same price, such number of Class B common shares as would ensure such holder may maintain a proportional ownership interest in us pursuant to our Articles of Association).

In light of the above provisions relating to the issuance of additional Class B common shares, as well as the five-to-one voting ratio of our Class B common shares and Class A common shares, holders of our Class B common shares will in many situations continue to maintain disproportionate influence over matters requiring shareholder approval. This concentrated voting interest will limit or preclude your ability to influence corporate matters for the foreseeable future. For a description of our dual class structure, see “Description of Share Capital—Voting Rights.”

We are a Cayman Islands exempted company with limited liability. The rights of our shareholders, including with respect to fiduciary duties and corporate opportunities, may be different from the rights of shareholders governed by the laws of U.S. jurisdictions.

We are a Cayman Islands exempted company with limited liability. Our corporate affairs are governed by our Articles of Association and by the laws of the Cayman Islands. The rights of shareholders and the responsibilities of members of our board of directors may be different from the rights of shareholders and responsibilities of directors in companies governed by the laws of U.S. jurisdictions. In particular, as a matter of Cayman Islands law, directors of a Cayman Islands company owe fiduciary duties to the company and separately a duty of care, diligence and skill to the company. Under Cayman Islands law, directors and officers owe the following fiduciary duties: (1) duty to act in good faith in what the director or officer believes to be in the best interests of the company as a whole; (2) duty to exercise powers for the purposes for which those powers were conferred and not for a collateral purpose; (3) directors should not properly fetter the exercise of future discretion; (4) duty to exercise powers fairly as between different sections of shareholders; (5) duty to exercise independent judgment; and (6) duty not to put themselves in a position in which there is a conflict between their duty to the company and their personal interests. Our Articles of Association have varied this last obligation by providing that a director must disclose the nature and extent of his or her interest in any contract or arrangement, and following such disclosure and subject to any separate requirement under applicable law or the listing rules of the Nasdaq, and unless disqualified by the chairman of the relevant meeting, such director may vote in respect of any transaction or arrangement in which he or she is interested and may be counted in the quorum at the meeting. Conversely, under Delaware corporate law, a director has a fiduciary duty to the corporation and its stockholders (made up of two components) and the director’s duties prohibits self-dealing by a director and mandates that the best interest of the corporation and its shareholders take precedence over any interest possessed by a director, officer or controlling shareholder and not shared by the shareholders generally. See “Description of Share Capital—Principal Differences between Cayman Islands and U.S. Corporate Law.”

New investors in our Class A common shares will experience immediate and substantial book value dilution after this offering.

The initial public offering price of our Class A common shares will be substantially higher than the pro forma net tangible book value per share of the outstanding common shares immediately after this offering. Based on an assumed initial public offering price of US\$ per share (the midpoint of the price range set forth on the cover of this prospectus) and our net tangible book value as of December 31, 2020, if you purchase our Class A common shares in this offering you will pay more for your shares than the amounts paid by our existing shareholders for their shares and you will suffer immediate dilution in net tangible book value of US\$ per share to new investors purchasing Class A common shares in this offering. As a result of this dilution, investors purchasing shares in this offering may receive significantly less than the full purchase price that they paid for the shares purchased in this offering in the event of a liquidation. See “Dilution.”

We may need to raise additional capital in the future by issuing securities or may enter into corporate transactions with an effect similar to a merger, which may dilute your interest in our share capital and affect the trading price of our Class A common shares.

We may need to raise additional funds to grow our business and implement our growth strategy through a public or private issuance of common shares or securities convertible into, or exchangeable for, our Class A

common shares, which may dilute your interest in our share capital or result in a decrease in the market price of our Class A common shares. In addition, we may also enter into mergers or other similar transactions in the future, which may dilute your interest in our share capital or result in a decrease in the market price of our Class A common shares. Any fundraising through the issuance of shares or securities convertible into or exchangeable for shares, or the participation in corporate transactions with an effect similar to a merger, may dilute your interest in our capital stock or result in a decrease in the market price of our Class A common shares.

The conversion of Class B common shares into Class A common shares and the exercise of warrants may have a dilutive effect on your percentage ownership and may result in a dilution of your voting power and an increase in the number of shares of Class A common shares eligible for future resale in the public market, which may negatively impact the trading price of our shares of Class A common shares.

Our Class B common shares are convertible at any time as follows: (1) at the option of the holder, a Class B common share may be converted at any time into one Class A common share or (2) upon the election of the holders of a majority of the then outstanding Class B common shares, all outstanding Class B common shares may be converted into a like number of Class A common shares. In addition, each Class B common share will convert automatically into one Class A common share upon any transfer, whether or not for value, except for certain transfers described in our Articles of Association, including transfers to affiliates, transfers to and between the existing holders of Class B common shares. Furthermore, each Class B common share will convert automatically into one Class A common share and no Class B common shares will be issued thereafter if, at any time, the outstanding Class B common shares represent less than 10% of the total number of all Class A common shares and Class B common shares then outstanding. If any such conversions occur, the total number of Class A common shares issued and outstanding will be increased and be dilutive to our other shareholders.

In addition, as of the date of this prospectus, after giving effect to the Share Contribution and the Share Split, we had warrants outstanding issued to an affiliate of one of our merchant customers to acquire up to 17,345,000 of our outstanding Class A common shares exercisable through January 24, 2026 at a purchase price per share of either (1) US\$0.5726 or (2) upon any reorganization (including any change of control) of the Company, the lesser of (i) US\$0.5726 and (ii) sixty percent (60%) of the price per share paid in or implied by such transaction. The warrants limit such customer's beneficial ownership to 4.999% of our outstanding Class A common shares unless such customer waives this limit upon 61 days' notice. If any such existing or future warrants are exercised, the Class A common shares issued will increase the total number of Class A common shares issued and outstanding and thus be dilutive to our other shareholders.

If any of these newly issued Class A common shares are offered for sale in the public market, the sales could adversely affect the prevailing market price by lowering the bid price of our Class A common shares. In addition, issuance of Class A common shares pursuant to the conversion of Class B common shares or pursuant to existing or future warrant or option agreements may also materially impair our ability to raise capital through the future sale of equity securities because the issuance of the Class A common shares would cause further dilution of our securities. In addition, in the event of any change in the outstanding number of our Class A common shares by reason of any recapitalization, share sub-division, reverse share consolidation, stock dividend, reorganization consolidation, combination or exchange of shares, merger or any other changes in our corporate or capital structure or our Class A common shares, the number and class of shares covered by the warrants or options and/or the exercise price of the warrants and options may be adjusted as set forth in the relevant agreements.

The interests of our management team may be focused on the short-term market price of our Class A common shares, which may not coincide with your interests.

Our directors and officers, among others, own restricted share units, or RSUs, and shares in the Company, and are also beneficiaries under our share-based compensation plan. We implemented our share-based compensation plan. Due to the issuance of share options to members of our management team, a portion of their compensation is closely tied to our results of operations and, more specifically to the trading price of our Class A

common shares, which may lead such individuals to direct our business and conduct our activities with an emphasis on short-term profit generation. As a result of these factors, the interests of our management team may not coincide with the interests of our other shareholders that have longer-term investment objectives.

We have approved share-based incentive plans for our managers and employees. Some of these plans provide for the granting of share options to participants. Once the options have been exercised by the participants, our board of directors will determine whether our share capital should be increased through the issuance of new shares to be subscribed by participants, or if they will be settled through shares held in treasury. In the event settlement occurs through the issuance of new shares, our shareholders will suffer dilution of their interests in our share capital and in the value of their investments.

In case of new option grants under our existing plan, our shareholders will be subject to additional dilution. For additional information on our stock option plan, see “Management—Compensation of Directors and Officers” for additional information.

We have broad discretion in the use of the net proceeds from this offering and may not use them effectively.

Our management will have broad discretion in the application of the net proceeds from this offering and could spend the proceeds in ways that do not improve our results of operations or enhance the value of our Class A common shares. The failure by our management to apply these funds effectively could result in financial losses that could have a material adverse effect on our business, financial condition and results of operations. Pending their use, we may invest the net proceeds from this offering in a manner that does not produce income or that loses value. See “Use of Proceeds.”

Our transformation into a public company may increase our costs and disrupt the regular operations of our business.

This offering will have a significant transformative effect on us. We historically have operated as a privately-owned company, and we expect to incur significant additional legal, accounting, reporting and other expenses as a result of having publicly traded Class A common shares. We will also incur costs which we have not incurred previously, including, but not limited to, increased directors’ and officers’ insurance, investor relations, and various other costs of a public company.

We also anticipate that we will incur costs associated with corporate governance requirements, including requirements under the Sarbanes-Oxley Act, as well as rules implemented by the SEC and Nasdaq. We expect these rules and regulations to increase our legal and financial compliance costs and make some management and corporate governance activities more time-consuming and costly, particularly after we are no longer an “emerging growth company.” These rules and regulations may make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. This could have an adverse impact on our ability to recruit and bring on a qualified independent board.

The additional demands associated with being a public company may disrupt regular operations of our business by diverting the attention of some of our senior management team away from revenue producing activities to management and administrative oversight, adversely affecting our ability to attract and complete business opportunities and increasing the difficulty in both retaining professionals and managing and growing our businesses. Any of these effects could harm our business, financial condition and results of operations.

As a foreign private issuer and an “emerging growth company” (as defined in the JOBS Act), we will have different disclosure and other requirements than U.S. domestic registrants and non-emerging growth companies.

As a foreign private issuer and emerging growth company, we will be subject to different disclosure and other requirements than domestic U.S. registrants and non-emerging growth companies. For example, as a

foreign private issuer, in the United States, we are not subject to the same disclosure requirements as a domestic U.S. registrant under the Exchange Act, including the requirements to prepare and issue quarterly reports on Form 10-Q or to file current reports on Form 8-K upon the occurrence of specified significant events, the proxy rules applicable to domestic U.S. registrants under Section 14 of the Exchange Act or the insider reporting and short-swing profit rules applicable to domestic U.S. registrants under Section 16 of the Exchange Act. In addition, we intend to rely on exemptions from certain U.S. rules which will permit us to follow Cayman Islands legal requirements rather than certain of the requirements that are applicable to U.S. domestic registrants. See “Description of Share Capital—Principal Differences between Cayman Islands and U.S. Corporate Law.”

We will follow Cayman Islands laws and regulations that are applicable to Cayman Islands companies. However, Cayman Islands laws and regulations applicable to Cayman Islands companies do not contain any provisions comparable to the U.S. proxy rules, the U.S. rules relating to the filing of reports on Form 10-Q or 8-K or the U.S. rules relating to liability for insiders who profit from trades made in a short period of time, as referred to above.

Furthermore, foreign private issuers are required to file their annual report on Form 20-F within 120 days after the end of each fiscal year, while U.S. domestic issuers that are accelerated filers are required to file their annual report on Form 10-K within 75 days after the end of each fiscal year. Foreign private issuers are also exempt from Regulation Fair Disclosure, aimed at preventing issuers from making selective disclosures of material information, although we will be subject to Cayman Islands laws and regulations having, in some respects, a similar effect as Regulation Fair Disclosure. As a result of the above, even though we are required to file reports on Form 6-K disclosing the limited information which we have made or are required to make public pursuant to Cayman Islands law, or are required to distribute to shareholders generally, and that is material to us, you may not receive information of the same type or amount that is required to be disclosed to shareholders of a U.S. company.

The JOBS Act contains provisions that, among other things, relax certain reporting requirements for emerging growth companies. Under this act, as an emerging growth company, we will not be subject to the same disclosure and financial reporting requirements as non-emerging growth companies. For example, as an emerging growth company we are permitted to, and intend to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies. Also, we will not have to comply with future audit rules promulgated by the U.S. Public Company Accounting Oversight Board, or PCAOB, (unless the SEC determines otherwise) and our auditors will not need to attest to our internal controls under Section 404(b) of the Sarbanes-Oxley Act. We may follow these reporting exemptions until we are no longer an emerging growth company. As a result, our shareholders may not have access to certain information that they deem important. We will remain an emerging growth company until the earlier of (1) the last day of the fiscal year (a) following the fifth anniversary of the completion of this offering, (b) in which we have total annual revenues of at least US\$1.07 billion, or (c) in which we are deemed to be a large accelerated filer, which means the market value of our Class A common shares that is held by non-affiliates exceeds US\$700.0 million as of the prior June 30, or (2) the date on which we have issued more than US\$1.0 billion in non-convertible debt during the prior three-year period. Accordingly, the information about us available to you will not be the same as, and may be more limited than, the information available to shareholders of a non-emerging growth company. We could be an “emerging growth company” for up to five years, although circumstances could cause us to lose that status earlier, including if the market value of our Class A common shares held by non-affiliates exceeds US\$700 million as of any June 30 (the end of our second fiscal quarter) before that time, in which case we would no longer be an “emerging growth company” as of the following December 31 (our fiscal year end). We cannot predict if investors will find our Class A common shares less attractive because we may rely on these exemptions. If some investors find our Class A common shares less attractive as a result, there may be a less active trading market for our Class A common shares and the price of our Class A common shares may be more volatile.

As a foreign private issuer, we are permitted to, and we will, rely on exemptions from certain Nasdaq corporate governance standards applicable to U.S. issuers, including the requirement that a majority of an issuer's directors consist of independent directors. This may afford less protection to holders of our Class A common shares.

The Section 5605 of the Nasdaq equity rules require listed companies to have, among other things, a majority of their board members be independent, and to have independent director oversight of executive compensation, nomination of directors and corporate governance matters. As a foreign private issuer, however, we are permitted to, and we will, follow home country practice in lieu of the above requirements. See "Description of Share Capital—Principal Differences between Cayman Islands and U.S. Corporate Law."

We may lose our foreign private issuer status, which would then require us to comply with the Exchange Act's domestic reporting regime and cause us to incur significant legal, accounting and other expenses.

In order to maintain our current status as a foreign private issuer, either (a) more than 50% of our Class A common shares must be either directly or indirectly owned of record by non-residents of the United States or (b)(i) a majority of our executive officers or directors may not be U.S. citizens or residents; (ii) more than 50% of our assets cannot be located in the United States; and (iii) our business must be administered principally outside the United States. If we lose this status, we would be required to comply with the Exchange Act reporting and other requirements applicable to U.S. domestic issuers, which are more detailed and extensive than the requirements for foreign private issuers. We may also be required to make changes in our corporate governance practices in accordance with various SEC and Nasdaq rules. The regulatory and compliance costs to us under U.S. securities laws if we are required to comply with the reporting requirements applicable to a U.S. domestic issuer may be significantly higher than the costs we will incur as a foreign private issuer.

Our shareholders may face difficulties in protecting their interests because we are a Cayman Islands exempted company.

Our corporate affairs are governed by our Articles of Association, by the Companies Act and the common law of the Cayman Islands. The rights of shareholders to take action against our directors, actions by minority shareholders and the fiduciary responsibilities of our directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as that from English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands. The rights of our shareholders and the fiduciary responsibilities of our directors under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedent in some jurisdictions in the United States. In particular, the Cayman Islands has a less exhaustive body of securities laws than the United States. In addition, some U.S. states, such as Delaware, have more fulsome and judicially interpreted bodies of corporate law than the Cayman Islands.

While Cayman Islands law allows a dissenting shareholder to express the shareholder's view that a court sanctioned reorganization of a Cayman Islands company would not provide fair value for the shareholder's shares, Cayman Islands statutory law does not specifically provide for shareholder appraisal rights in connection with a court sanctioned reorganization (by way of a scheme of arrangement). This may make it more difficult for you to assess the value of any consideration you may receive in a merger or consolidation (by way of a scheme of arrangement) or to require that the acquirer gives you additional consideration if you believe the consideration offered is insufficient. However, Cayman Islands statutory law provides a mechanism for a dissenting shareholder in a merger or consolidation to apply to the Grand Court of the Cayman Islands for a determination of the fair value of the dissenter's shares if it is not possible for the company and the dissenter to agree on a fair price within the time limits prescribed.

Shareholders of Cayman Islands exempted companies (such as us) have no general rights under Cayman Islands law to inspect corporate records and accounts or to obtain copies of lists of shareholders. Our directors

have discretion under our Articles of Association to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but are not obliged to make them available to our shareholders. This may make it more difficult for you to obtain information needed to establish any facts necessary for a shareholder motion or to solicit proxies from other shareholders in connection with a proxy contest.

Subject to limited exceptions, under Cayman Islands' law, a minority shareholder may not bring a derivative action against the board of directors. Class actions are not recognized in the Cayman Islands, but groups of shareholders with identical interests may bring representative proceedings, which are similar.

United States civil liabilities and certain judgments obtained against us by our shareholders may not be enforceable.

We are a Cayman Islands exempted company and substantially all of our assets are located outside of the United States. In addition, the majority of our directors and officers are nationals and residents of countries other than the United States. A substantial portion of the assets of these persons is located outside of the United States. As a result, it may be difficult to effect service of process within the United States upon these persons. It may also be difficult to enforce in U.S. courts judgments obtained in U.S. courts based on the civil liability provisions of the U.S. federal securities laws against us and our officers and directors who are not resident in the United States and the substantial majority of whose assets are located outside of the United States.

Further, it is unclear if original actions predicated on civil liabilities based solely upon U.S. federal securities laws are enforceable in courts outside the United States, including in the Cayman Islands. The Grand Court of the Cayman Islands may not, in an original action in the Cayman Islands, recognize or enforce judgments of U.S. courts predicated upon the civil liability provisions of the securities laws of the United States or any state of the United States on the grounds that such provisions are penal in nature. Although there is no statutory enforcement in the Cayman Islands of judgments obtained in the United States, the Grand Court of the Cayman Islands will recognize and enforce a foreign judgment of a court of competent jurisdiction if such judgment is final, for a liquidated sum, provided it is not in respect of taxes or a fine or penalty, is not inconsistent with a Cayman Islands' judgment in respect of the same matters, and was not obtained in a manner which is contrary to the public policy of the Cayman Islands. In addition, the Grand Court of the Cayman Islands may stay proceedings if concurrent proceedings are being brought elsewhere.

Our Class A common shares may not be a suitable investment for all investors, as investment in our Class A common shares presents risks and the possibility of financial losses.

The investment in our Class A common shares is subject to risks. Investors who wish to invest in our Class A common shares are thus subject to asset losses, including loss of the entire value of their investment, as well as other risks, including those related to our Class A common shares, us, the sector in which we operate, our shareholders and the general macroeconomic environment in the countries in which we operate, among other risks.

Each potential investor in our Class A common shares must therefore determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of our Class A common shares, the merits and risks of investing in our Class A common shares and the information contained in this prospectus;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in our Class A common shares and the impact our Class A common shares will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in our Class A common shares;
- understand thoroughly the terms of our Class A common shares and be familiar with the behavior of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

There can be no assurance that we will not be a passive foreign investment company for any taxable year, which could subject United States investors in our Class A common shares to significant adverse U.S. federal income tax consequences.

Under the Internal Revenue Code of 1986, as amended, or the Code, we will be a passive foreign investment company, or PFIC, for any taxable year in which, after the application of certain look-through rules with respect to subsidiaries, either (1) 75% or more of our gross income consists of “passive income;” or (2) 50% or more of the average quarterly value of our assets consists of assets that produce, or are held for the production of, “passive income.” Passive income generally includes dividends, interest, certain non-active rents and royalties, and capital gains. Based on our current operations, income, assets and certain estimates and projections, including as to the relative values of our assets, including goodwill, which is based on the expected price of our Class A common shares, we do not expect to be a PFIC for our 2021 taxable year or to become one in the foreseeable future. However, there can be no assurance that the Internal Revenue Service, or the IRS, will agree with our conclusion. In addition, whether we will be a PFIC in 2021 or any future year is uncertain because, among other things, (1) we will hold a substantial amount of cash following this offering, which is generally categorized as a passive asset; and (2) our PFIC status for any taxable year will depend on the composition of our income and assets and the value of our assets from time to time (which may be determined, in part, by reference to the market price of our Class A common shares, which could be volatile). Accordingly, there can be no assurance that we will not be a PFIC for any taxable year.

If we are a PFIC for any taxable year during which a U.S. investor holds Class A common shares, we generally would continue to be treated as a PFIC with respect to that U.S. investor for all succeeding years during which the U.S. investor holds Class A common shares, even if we ceased to meet the threshold requirements for PFIC status. Such a U.S. investor may be subject to adverse U.S. federal income tax consequences, including (1) the treatment of any gain on disposition of the Class A common shares as ordinary income; (2) the application of a deferred interest charge on any such gain and the receipt of certain dividends; and (3) compliance with certain reporting requirements. A “mark-to-market” election may be available that will alter the consequences of PFIC status if our Class A common shares are regularly traded on a qualified exchange. For further discussion, see “Taxation—U.S. Federal Income Tax Considerations.”

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All references to “U.S. dollars,” “dollars,” “US\$” or “\$” are to the U.S. dollar. All references to “IFRS” are to International Financial Reporting Standards, as issued by the International Accounting Standards Board, or the IASB.

Corporate Events

Our Incorporation

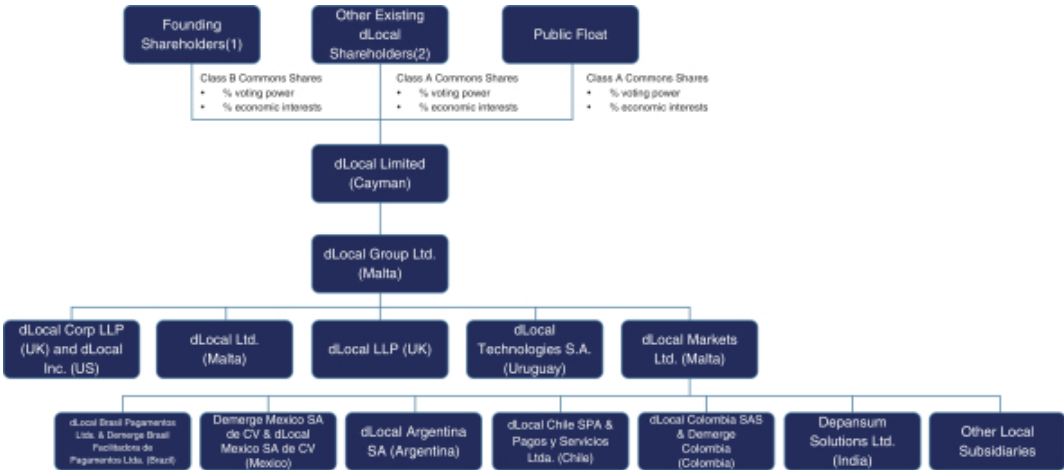
We are a Cayman Islands exempted company incorporated with limited liability on February 10, 2021 for purposes of facilitating our initial public offering.

Our Corporate Reorganization

On April 14, 2021, all of the then-existing shareholders of dLocal Malta contributed all of their shares in dLocal Malta to us. In return for this contribution, we issued new Class A common shares to the existing shareholders of dLocal Malta in a one-to-one exchange for the shares of dLocal Malta contributed to us, or the Share Contribution. In addition and following the Share Contribution, in connection with this offering, we are implementing a one-to-500 share split, effective upon the pricing of our initial public offering, or the Share Split. Prior to this offering, we expect to redesignate the Class A common shares held by Andres Bzurovski Bay, IZBA SA, Aqua Crystal Investments, Sebastián Kanovich (our CEO) and Jacobo Singer (our President) as Class B common shares. Until the Share Contribution, we had not commenced operations and had only nominal assets and liabilities and no material contingent liabilities or commitments.

After accounting for the new Class A common shares that will be issued and sold by us in this offering, we will have a total of common shares issued and outstanding immediately following this offering, of these shares will be Class B common shares, and of these shares will be Class A common shares beneficially owned by the other prior shareholders of dLocal Malta and investors purchasing in this offering. See “Principal and Selling Shareholders.”

The following chart shows our simplified corporate structure, after giving effect to the Share Contribution and this offering:



(1) Includes Class B common shares beneficially owned by Andres Bzurovski Bay, IZBA SA, Aqua Crystal Investments, Sebastián Kanovich (our CEO (indirectly through Ledlife SA)) and Jacobo Singer (our President).

- (2) Includes Class A common shares beneficially owned by each of the other existing shareholders. See “Principal and Selling Shareholders.”

Financial Statements

dLocal, the company whose Class A common shares are being offered in this prospectus, was incorporated on February 10, 2021, as a Cayman Islands exempted company with limited liability, duly registered with the Cayman Islands Registrar of Companies. Until the contribution of dLocal Malta shares to it on April 14, 2021, dLocal had not commenced operations and had only nominal assets and liabilities and no material contingent liabilities or commitments. Accordingly, our consolidated financial statements have been omitted from this prospectus. Our consolidated financial statements as of and for the year ended December 31, 2021 will be presented using the values from the consolidated financial statements of dLocal Malta, of which the share capital will be equivalent to dLocal’s. dLocal’s share capital will include amounts in equity from the consolidated financial statements of dLocal Malta, such as retained earnings and cumulative translation reserves, and the resulting difference will be recognized as a component of equity. In accordance with IFRS, the corporate reorganization and the share contribution did not qualify as a business combination, and will be treated as dLocal Malta’s capital reorganization. Following this offering, dLocal Malta will no longer present consolidated financial statements.

Unless otherwise noted, the consolidated financial information presented in this prospectus relates to dLocal Malta and is derived from dLocal Malta’s unaudited consolidated condensed financial statements as of March 31, 2021 and for the three months ended March 31, 2021 and 2020, and audited consolidated financial statements as of and for the years ended December 31, 2020 and 2019, together with the notes thereto. All references herein to “our financial statements,” “our unaudited interim consolidated financial information,” and “our audited consolidated financial statements” are to dLocal Malta’s consolidated financial statements included elsewhere in this prospectus. The consolidated financial statements of dLocal Malta were prepared in accordance with IFRS as issued by the IASB and are presented in U.S. dollars, dLocal Malta’s presentation currency.

This financial information should be read in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements, including the notes thereto, included elsewhere in this prospectus.

dLocal Malta’s and our fiscal year ends on December 31. References in this prospectus to a fiscal year, such as “fiscal year 2019,” or “fiscal year 2020,” relate to our fiscal year ended on December 31 of that calendar year.

Segment Information

We manage our business under a single operating segment, which is payment processing. We have adopted IFRS 8 (*Operating Segments*), which requires operating segments to be identified on the basis of internal reports regarding components of our business that are regularly reviewed by our management, including our chief operating decision maker, in order to allocate resources and to assess their performance. See note 5, (Segment Reporting), to our audited consolidated financial statements, included elsewhere in this prospectus.

Special Note Regarding Adjusted EBITDA and Adjusted EBITDA Margin

We only have one operating segment. We measure our operating segment’s performance by our Adjusted EBITDA and Adjusted EBITDA Margin, and we use these metrics to make decisions about allocating resources.

We define Adjusted EBITDA as the profit from operations before financing and taxation for the year or period, as applicable, before depreciation of property, plant and equipment, amortization of right-of-use assets

and intangible assets, and further excluding the changes in fair value of financial assets and derivative instruments carried at fair value through profit or loss, impairment gains/(losses) on financial assets, transaction costs, share-based payment non-cash charges, secondary offering expenses, transaction expenses and inflation adjustment. We calculate Adjusted EBITDA Margin by dividing Adjusted EBITDA by our revenues.

Although Adjusted EBITDA and Adjusted EBITDA Margin may be commonly viewed as non-IFRS measures in other contexts, pursuant to IFRS 8, (“Operating Segments”), Adjusted EBITDA and Adjusted EBITDA Margin are herein treated as IFRS measures in the manner in which we utilize these measures. Nevertheless, our Adjusted EBITDA and Adjusted EBITDA Margin metrics should not be viewed in isolation or as a substitute for our net income for the periods presented under IFRS. We also believe that our Adjusted EBITDA and Adjusted EBITDA Margin metrics are useful metrics used by analysts and investors, although these measures are not explicitly defined under IFRS. Additionally, the way we calculate our operating segment’s performance measures may be different from the calculations used by other entities, including competitors, and therefore, our performance measures may not be comparable to those of other entities. See “Selected Financial and Other Information” for a reconciliation of our Adjusted EBITDA and Adjusted EBITDA Margin to net income.

TPV

This prospectus presents TPV, which is an operating metric of the aggregate value of all payments successfully processed through our payments platform. Because our revenue depends significantly on the total value of transactions processed through our platform, we believe that TPV is an indicator of the success of our global merchants, the satisfaction of their end users, and the scale and growth of our business.

Market Share and Other Information

This prospectus contains data related to economic conditions in the market in which we operate. The information contained in this prospectus concerning economic conditions is based on publicly available information from third-party sources that we believe to be reasonable. Market data and certain industry forecast data used in this prospectus were obtained from internal reports and studies, where appropriate, as well as estimates, market research, publicly available information (including information available from the United States Securities and Exchange Commission website) and industry publications. We obtained the information included in this prospectus relating to the industry in which we operate, as well as the estimates concerning market shares, through internal research, and public information and publications on the industry prepared by official public sources.

Industry publications generally state that the information they include has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. Although we have no reason to believe any of this information or these reports are inaccurate in any material respect and believe and act as if they are reliable, neither we, the underwriters, nor their respective agents have independently verified it. Governmental publications and other market sources, including those referred to above, generally state that their information was obtained from recognized and reliable sources, but the accuracy and completeness of that information is not guaranteed. In addition, the data that we compile internally and our estimates have not been verified by an independent source. Except as disclosed in this prospectus in respect of the AMI report that was commissioned by us, none of the publications, reports or other published industry sources referred to in this prospectus were commissioned by us or prepared at our request. Except as disclosed in this prospectus, we have not sought or obtained the consent of any of these sources to include such market data in this prospectus.

Rounding

We have made rounding adjustments to some of the figures included in this prospectus. Accordingly, numerical figures shown as totals in some tables may not be an arithmetic aggregation of the figures that preceded them.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains statements that constitute forward-looking statements. Many of the forward-looking statements contained in this prospectus can be identified by the use of forward-looking words such as “anticipate,” “believe,” “could,” “expect,” “should,” “plan,” “intend,” “estimate” and “potential,” among others.

Forward-looking statements appear in a number of places in this prospectus and include, but are not limited to, statements regarding our intent, belief or current expectations. Forward-looking statements are based on our management’s beliefs and assumptions and on information currently available to our management. Such statements are subject to risks and uncertainties, and actual results may differ materially from those expressed or implied in the forward-looking statements due to various factors, including, but not limited to, those identified under the section entitled “Risk Factors” in this prospectus. These risks and uncertainties include factors relating to:

- our ability to adapt to the rapid pace of technological changes in the payments processing industry;
- competition in the payments processing industry;
- our ability to implement our business strategy;
- the reliability, performance, functionality and quality of our payments processing platform;
- fluctuations in interest, inflation and exchange rates in any of the countries we may serve in the future;
- the availability of government authorizations or exemptions on terms and conditions and within periods acceptable to us;
- our compliance with, and changes to, government laws, regulations and tax matters that currently apply to us;
- general economic, financial, political, demographic and business conditions in the countries we serve and their impact on our business;
- our ability to manage operations at our current size or manage growth effectively;
- our ability to successfully expand into new products and new markets;
- our ability to pursue and successfully carry out strategic acquisitions or investments;
- our ability to continue attracting and retaining new appropriately-skilled employees;
- the potential effects of the COVID-19 pandemic and its potential to have an ongoing adverse impact on global, regional and national economies;
- the interests of our principal shareholders;
- changes in merchant or consumer demands regarding payment processing services and our ability to innovate to respond to such changes;
- the availability and effective operation of management information systems and other technology;
- our ability to comply with applicable cybersecurity, privacy and data protection laws and regulations;
- other factors that may affect our financial condition, liquidity and results of operations; and
- other risk factors discussed under “Risk Factors.”

Forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update them in light of new information or future developments or to release publicly any revisions to these statements in order to reflect later events or circumstances or to reflect the occurrence of unanticipated events.

USE OF PROCEEDS

We estimate that the net proceeds from our issuance and sale of our Class A common shares in this offering will be approximately US\$ million, assuming an initial public offering price of US\$ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

Each US\$1.00 increase (decrease) in the assumed initial public offering price of US\$ per share would increase (decrease) the net proceeds to us from this offering by approximately US\$ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. Each increase (decrease) of 1.0 million in the number of shares we are offering would increase (decrease) the net proceeds to us from this offering, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, by approximately US\$ million, assuming the assumed initial public offering price stays the same.

We expect to use the net proceeds from this offering as follows:

- to accelerate investments in technology to complement our product portfolio and address current and future merchant needs;
- to manage potential working capital needs that may result from offering advanced payments to our merchants before we collect payments from acquirers, processors, or collection agents;
- to pursue opportunities that allow us to expand our footprint more rapidly and roll out our services to new emerging markets faster, including through the acquisition of cross-border payment processing companies, software development companies or other payment related companies; and
- for general corporate purposes.

We will have broad discretion in allocating the net proceeds from this offering. Although we currently anticipate that we will use the net proceeds from this offering as described above, there may be circumstances where a reallocation of funds is necessary. Any acquisitions, if pursued, would be based on strategic opportunities to grow our business, including by expanding our merchant base, geographic footprint or product offerings. Currently, we are not actively targeting any acquisition opportunities as part of our business strategy. The amounts and timing of our actual expenditures will depend upon numerous factors, including the factors described under “Risk Factors” in this prospectus. Accordingly, our management will have flexibility in applying the net proceeds from this offering. An investor will not have the opportunity to evaluate the economic, financial or other information on which we base our decisions on how to use the proceeds.

Pending our use of the net proceeds from this offering, we intend to invest the net proceeds in a variety of capital preservation investments, including short-term, investment-grade, interest-bearing instruments and U.S. government securities. No assurance can be given that we will invest the net proceeds from this offering in a manner that produces income or that does not result in a loss in value.

We will not receive any proceeds from the sale of shares by the selling shareholders.

DIVIDENDS AND DIVIDEND POLICY

We have not adopted a dividend policy with respect to future distributions of dividends. The payment of dividends in the future will be within the discretion of our board of directors at such times. The amount of any distributions will depend on many factors such as our results of operations, financial condition, cash requirements, prospects and other factors deemed relevant by our board of directors and, where applicable, our shareholders.

In 2020 and 2019, dLocal Malta paid dividends totaling US\$15.0 million and US\$10.0 million, respectively. See note 13, “Capital Management, (c) Retained Earnings”, to our audited consolidated financial statements included elsewhere in this prospectus.

Certain Cayman Islands Legal Requirements Related to Dividends

Under the Companies Act and our Articles of Association, a Cayman Islands company may pay a dividend out of either its profit or share premium account, but a dividend may not be paid if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business. According to our Articles of Association, dividends can be declared and paid out of funds lawfully available to us, which include the share premium account. Dividends, if any, would be paid in proportion to the number of common shares a shareholder holds. For further information, see “Taxation—Cayman Islands Tax Considerations.”

Additionally, please refer to “Risk Factors—Risks Relating to Our Business and Industry—Our holding company structure makes us dependent on the operations of our subsidiaries.” Our ability to pay dividends is directly related to positive and distributable net results from our subsidiaries. We depend on dividend distributions by our subsidiaries, and we may be adversely affected if the performance of our subsidiaries is not positive. If, for any legal reasons due to new laws or bilateral agreements between countries, our subsidiaries are unable to pay dividends to Cayman Islands companies, or if a Cayman Islands company becomes incapable of receiving them, we may not be able to make any dividend payments in the future.

CAPITALIZATION

The table below sets forth our total capitalization (defined as long-term debt and total equity) as of March 31, 2021:

- historical financial information of dLocal Malta on an actual basis;
- historical financial information of dLocal, as adjusted to give effect to the Share Contribution, the Share Split and the delivery of shares in connection with share based payments (see “Presentation of Financial and Other Information—Corporate Events—Our Corporate Reorganization”);
- historical financial information of dLocal, as further adjusted to give effect to (1) the Share Contribution, the Share Split and the delivery of shares in connection with share based payments (see “Presentation of Financial and Other Information—Corporate Events—Our Corporate Reorganization”); and (2) the issuance and sale by us of the common shares in this offering, and the receipt of approximately US\$ million in estimated net proceeds, considering an offering price of US\$ per common share (the midpoint of the range set forth on the cover of this prospectus), after deduction of the estimated underwriting discounts and commissions and estimated offering expenses payable by us in connection with this offering, and the use of proceeds therefrom.

Investors should read this table in conjunction with our consolidated financial statements and the related notes included elsewhere in this prospectus, with the sections of this prospectus entitled “Selected Financial and Other Information,” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and with other financial information contained in this prospectus.

		As of March 31, 2021	
	dLocal Malta, actual	dLocal (after giving effect to the Share Contribution, the Share Split and share-based payments)	dLocal, as further adjusted for this offering(1)
	(US\$)	(US\$) (in thousands)	(US\$)
Long-term debt, excluding current portion	—	—	
Equity:			
Old Share capital	628	—	
Newly issued shares	—	577	
Share premium	49,535	70,079	
Capital reserve	9,926	6,271	
Reserves	279	279	
Retained earnings	48,712	48,712	
Total Equity Attributable to owners of the Group	109,080	125,918	
Non-controlling interest	12	12	
Total equity	109,092	125,930	
Total capitalization (2)	109,092	125,930	

(1) Each US\$1.00 increase (decrease) in the offering price per Class A common share would increase (decrease) our total capitalization by US\$ million.

(2) Total capitalization consists of long-term debt (excluding current portion) plus total equity.

DILUTION

Immediately prior to this initial public offering and after the Share Contribution and the Share Split, the prior shareholders of dLocal Malta will hold all of our issued and outstanding shares, and we will hold all of the issued and outstanding shares in dLocal Malta.

We have presented the dilution calculation below on the basis of dLocal Malta's net tangible book value as of March 31, 2021 because (1) until the contribution of dLocal Malta shares to it, dLocal had not commenced operations and had only nominal assets and liabilities and no material contingent liabilities or commitments; and (2) the number of common shares of dLocal in issuance prior to this offering was the same as the number of shares of dLocal in issuance as of March 31, 2021, after giving effect to the Share Contribution and the Share Split.

As of March 31, 2021, dLocal Malta had a net tangible book value of US\$104.0 million, corresponding to a net tangible book value of US\$0.3606 per share, after giving effect to the Share Contribution and the Share Split. Net tangible book value per share represents the amount of our total assets less our total liabilities, excluding intangible assets, divided by 288,459,000, the total number of dLocal Malta shares outstanding as of March 31, 2021, after giving effect to the Share Contribution and the Share Split.

After giving effect to the Share Contribution, the Share Split and the sale of the Class A common shares offered by us in this offering, and considering an offering price of US\$ per Class A common share (the midpoint of the range set forth on the cover of this prospectus), after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, our net tangible book value estimated as of March 31, 2021 would have been approximately US\$ million, representing US\$ per share. This represents an immediate increase in net tangible book value of US\$ per share to existing shareholders and an immediate dilution in net tangible book value of US\$ per share to new investors purchasing Class A common shares in this offering. Dilution for this purpose represents the difference between the price per Class A common shares paid by these purchasers and net tangible book value per Class A common share immediately after the completion of this offering.

If you invest in our Class A common shares, your interest will be diluted to the extent of the difference between the initial public offering price per Class A common share and the pro forma net tangible book value per Class A common share after accounting for the issuance and sale of new common shares in this offering.

Because the Class A common shares and Class B common shares of dLocal have the same dividend and other rights, except for voting and preemption rights, we have counted the Class A common shares and Class B common shares equally for purposes of the dilution calculations below.

The following table illustrates this dilution to new investors purchasing common shares in this offering, assuming none of the currently existing warrants or stock options are exercised.

Net tangible book value per share as of March 31, 2021 (after giving effect to the Share Contribution and the Share Split)	US\$ 0.3606
Increase in net tangible book value per share attributable to the existing shareholders	US\$
Pro forma net tangible book value per share immediately after this offering (after giving effect to the Share Contribution and the Share Split)	US\$
Dilution per Class A common share to new investors	US\$
Percentage of dilution in net tangible book value per Class A common share for new investors	%

Each US\$1.00 increase (decrease) in the offering price per Class A common share would increase (decrease) the net tangible book value immediately after this offering by US\$ per Class A common share and the dilution to investors in this offering by US\$ per Class A common share.

[Table of Contents](#)

The following table sets forth, on a pro forma basis, as of March 31, 2021, the number of common shares purchased from us, the total consideration paid, or to be paid, and the average price per share paid, or to be paid, by the existing shareholders and by the new investors, at an assumed initial public offering price of US\$ per share, the midpoint of the range set forth on the cover page of this prospectus, before deducting estimated underwriting discounts and commissions and offering expenses payable by us.

	<u>Shares Purchased</u>		<u>Total Consideration</u>		<u>Average Price Per Share</u>
	<u>Number</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	
Existing shareholders		%		%	
New investors		%		%	
Total		%		%	

The foregoing tables assume no exercise of the underwriters' option to purchase additional shares.

To the extent that we grant options in the future and those options are exercised or other issuances of common shares are made, there will be further dilution to new investors. See "Management—Employee Share Incentive Plan."

MARKET INFORMATION

Prior to this offering, there has been no public market for our Class A common shares. We cannot assure that an active trading market will develop for our Class A common shares, or that our Class A common shares will trade in the public market subsequent to this offering at or above the initial public offering price.

SELECTED FINANCIAL AND OTHER INFORMATION

The following tables set forth, for the periods and as of the dates indicated, our selected financial and operating data. This information should be read in conjunction with “Presentation of Financial and Other Information,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements, including the notes thereto, included elsewhere in this prospectus.

The selected statements of financial position as of March 31, 2021 and December 31, 2020 and 2019, and the statements of income for the three months ended March 31, 2021 and 2020 and years ended December 31, 2020 and 2019, have been derived from the unaudited consolidated condensed financial statements and audited consolidated financial statements of dLocal Malta included elsewhere in this prospectus, prepared in accordance with IFRS, as issued by the IASB prior to the consummation of the Share Contribution and the Share Split. See “Presentation of Financial and Other Information—Corporate Events—Our Corporate Reorganization.”

Statement of Comprehensive Income

	For the Three Months Ended March 31,		For the Year Ended December 31,	
	2021	2020	2020	2019
	(in thousands of US\$, except amounts per common share)			
Revenues	40,256	17,995	104,143	55,289
Costs of services	(16,989)	(6,993)	(44,065)	(19,413)
Gross profit	23,267	11,002	60,078	35,876
Technology and development expenses	(520)	(346)	(2,005)	(1,347)
Sales and marketing expenses	(1,042)	(658)	(2,852)	(2,057)
General and administrative expenses	(5,762)	(9,535)	(22,188)	(14,101)
Net impairment gain/(losses) on financial assets	(54)	943	808	(807)
Other operating gain/(loss)	2,896	(83)	(2,896)	—
Operating profit	18,785	1,323	30,945	17,564
Finance income	18	35	502	279
Finance costs	(463)	(3)	(67)	(30)
Inflation adjustment	(34)	16	38	10
Other results	(479)	48	473	259
Profit before income tax	18,306	1,371	31,418	17,823
Income tax expense	(1,379)	(818)	(3,231)	(2,221)
Profit for the period	16,927	553	28,187	15,602
Profit attributable to:				
Owners of the group	16,920	555	28,184	15,602
Non-controlling interest	7	(2)	3	—
Profit for the period	16,927	553	28,187	15,602
Earnings per share (in US\$)				
Basic earnings per share	31.2	1.0	52.7	29.3
Diluted earnings per share	28.8	1.0	49.7	28.3
Earnings per share pro forma (in US\$)				
Basic earnings per share pro forma	0.06	0.00	0.10	0.06
Diluted earnings per share pro forma	0.06	0.00	0.10	0.06
Other comprehensive income				
Items that may be reclassified to profit or loss	—	—	—	—
Exchange difference on translation on foreign operations	212	(711)	37	27
Other comprehensive income for the year, net of tax	212	(711)	37	27
Total comprehensive income for the year	17,139	(158)	28,224	15,629

	For the Three Months Ended March 31,		For the Year Ended December 31,	
	2021	2020	2020	2019
(in thousands of US\$, except amounts per common share)				
Total comprehensive income for the year attributable to:				
Owners of the group	17,123	(156)	28,231	15,629
Non-controlling interest	16	(2)	(7)	—

Statement of Financial Position

	As of March 31, 2021	As of December 31, 20202019	
	(in thousands of US\$)		
Assets			
Current assets			
Cash and cash equivalents	127,501	111,733	34,765
Restricted cash	149,411	—	—
Financial assets at fair value through profit or loss	1,261	8,319	15,399
Trade and other receivables	92,946	72,785	25,939
Other assets	41,249	2,017	1,113
Total current assets	412,368	194,854	77,216
Non-current assets			
Deferred tax assets	137	216	16
Property, plant and equipment	1,297	913	191
Right-of-use assets	151	188	370
Intangible assets	4,941	4,153	1,803
Other assets	—	143	—
Total non-current assets	6,526	5,613	2,380
Total Assets	418,894	200,467	79,596
Liabilities			
Current liabilities			
Trade and other payables	299,837	142,865	52,977
Lease liabilities	170	201	180
Tax liabilities	8,013	7,788	893
Derivative financial instruments	—	2,896	—
Provisions	1,360	1,393	798
Total current liabilities	309,380	155,143	54,848
Non-current liabilities			
Deferred tax liabilities	422	259	—
Lease liabilities	—	17	219
Total non-current liabilities	422	276	219
Total Liabilities	309,802	155,419	55,067
Equity			
Share Capital	628	602	602
Share Premium	49,535	—	—
Capital Reserve	9,926	12,582	5,287
Reserves	279	119	14

[Table of Contents](#)

	As of March 31, 2021	As of December 31, 2020	2019
	(in thousands of US\$)		
Retained Earnings	48,712	31,749	18,460
Total equity attributable to owners of the group	109,080	45,052	24,363
Non-controlling interests	12	(4)	166
Total Equity	109,092	45,048	24,529

Other Performance Metrics

	For the Three Months Ended March 31,		For the Year Ended December 31,	
	2021	2020	2020	2019
	(in thousands of US\$, except percentages)			
TPV(1)	925,874	388,155	2,064,789	1,287,713
Revenues	40,256	17,995	104,143	55,289
Adjusted EBITDA(2)	17,841	7,433	41,931	20,070
Adjusted EBITDA Margin(3)	44.3%	41.3%	40.3%	36.3%

- (1) We define total payment value, or TPV, as the aggregate value of all payments successfully processed through our payments platform. See “Presentation of Financial and Other Information—TPV.”
- (2) We define Adjusted EBITDA as the profit from operations before financing and taxation for the year or period, as applicable, before depreciation of property, plant and equipment, amortization of right-of-use assets and intangible assets, and further excluding the changes in fair value of financial assets and derivative instruments carried at fair value through profit or loss, impairment gains/(losses) on financial assets, transaction costs, share-based payment non-cash charges, secondary offering expenses, transaction expenses and inflation adjustment. See “Presentation of Financial and Other Information—Special Note Regarding Adjusted EBITDA and Adjusted EBITDA Margin.”
- (3) We define Adjusted EBITDA Margin as Adjusted EBITDA divided by revenues. See “Presentation of Financial and Other Information—Special Note Regarding Adjusted EBITDA and Adjusted EBITDA Margin.”

We have included below a reconciliation of Adjusted EBITDA and Adjusted EBITDA Margin to profit for the periods presented.

	For the Three Months Ended March 31,		For the Year Ended December 31,	
	2021	2020	2020	2019
	(in thousands of US\$, except percentages)			
Profit for the period	16,927	553	28,187	15,602
Income tax expense	1,379	818	3,231	2,221
Inflation adjustment	34	(16)	(38)	(10)
Interest charges on leases	3	5	20	30
Other financial income	—	—	(50)	(6)
Interest income on financial assets at FVPL	(26)	(66)	(443)	(217)
Fair value losses/(gains) on financial assets at FVPL	8	(32)	(9)	(56)
Other operating (gain)/loss	(2,896)	83	2,896	—
Other finance expense	460	2	47	—
Impairment loss/(gain) on financial assets	54	(943)	(808)	807
Depreciation and amortization	515	126	992	409

	For the Three Months Ended March 31,		For the Year Ended December 31,	
	2021	2020	2020	2019
	(in thousands of US\$, except percentages)			
Secondary offering expenses(1)	705	—	453	574
Transaction costs(2)	113	—	158	—
Share-based payment charges	565	6,903	7,295	716
Adjusted EBITDA	17,841	7,433	41,931	20,070
Revenues	40,256	17,995	104,143	55,289
Adjusted EBITDA Margin	44.3%	41.3%	40.3%	36.3%

- (1) Corresponds to expenses assumed by dLocal in relation to secondary offerings of its shares.
- (2) Corresponds to costs related to the acquisition of assets of Primeiropay as more fully explained in note 1.1, “Significant events during the period,” to our unaudited consolidated condensed financial statements included elsewhere in this prospectus.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our consolidated financial statements as of and for the years ended December 31, 2020 and 2019 and the notes thereto, included elsewhere in this prospectus, as well as the information presented under "Presentation of Financial and Other Information," "Summary Financial and Other Information" and "Selected Financial and Other Information."

The following discussion contains forward-looking statements that involve risks and uncertainties. Our actual results and the timing of events may differ materially from those expressed or implied in such forward-looking statements as a result of various factors, including those set forth in "Cautionary Statement Regarding Forward-Looking Statements" and "Risk Factors."

Overview

dLocal is focused on making the complex simple, redefining the online payments experience in emerging markets. Through one direct API, one technology platform, and one contract, which we collectively refer to as the *One dLocal* model, we enable global enterprise merchants to get paid (pay-in) and to make payments (pay-out) online in a safe and efficient manner. Merchants on our platform consistently benefit from improving acceptance and conversion rates, reduced friction, and improved fraud prevention, leading to enhanced potential interaction with nearly 2 billion combined internet users in the countries we serve (excluding China). Our proprietary, fully cloud-based platform has the ability to power both cross-border and local-to-local transactions in 29 countries as of the date of this prospectus (which includes seven new countries where we have recently made our services available but have not yet processed volume). Our solutions are built to be both payment method-agnostic and user friendly. We enable global merchants to connect with over 600 local payment methods (some of which are financial institutions) across our different geographies, thus expanding their addressable markets. Furthermore, our proprietary technology architecture is highly scalable and flexible, allowing us to constantly and rapidly innovate in response to market demand, expand to new countries and enhance our value proposition for our merchant clients. Agility is in our DNA. We believe our product offering makes us the most comprehensive online payments infrastructure currently available for global enterprise merchants operating across emerging markets.

We are an enterprise-focused company, targeting large global merchants that operate in different verticals and geographies. Our key verticals include retail, streaming, ride hailing, financial institutions, advertising, SaaS, travel, e-learning and gaming. We have built our global platform from the ground up to be accessible through a single direct API and to meet the rapidly evolving needs of these fast-growing global merchants. We believe simplicity, scalability, transparency, agility and innovation are keys to our continued success. We partner with over 330 merchants, including leading global enterprises such as Amazon, Didi, Microsoft, Spotify, Mailchimp, Wix, Wikimedia and Kuaishou. In addition, we cater to the needs of leading marketplaces to help their SMB clients and partners expand their geographic reach. Our global merchants benefit from maintaining direct relationships with their end users while facilitating a faster, safer, more reliable and compliant payments experience. On average, our global merchants used dLocal's platform in nearly six different countries and 44 payment methods in 2020 and in five countries and 35 payment methods in 2019, in each case for merchants with at least US\$6 million of annual TPV on our platform. Such merchants comprised 92% of our TPV in 2020 and 93% in 2019. As a result, we believe that dLocal has become a trusted partner forging resilient relationships with global enterprise merchants.

We benefit from an attractive business model with improving economies of scale. We are often subject to rigorous vetting processes with global enterprise merchants that invest significant time and resources in the selection, diligence, and on-boarding of technology and payments providers. This on-boarding process can often take several months as these merchants assess our technological capabilities, ability to comply with their data

security protocols, and adherence to regulatory, tax and compliance requirements. However, once we establish a direct connection (meaning there are no third party intermediaries between us and the merchant in the payment flow and technical integration), global merchants have the ability to access the full breadth of our solutions and the countries where we have a presence instantly through one direct API and one contract. Merchants can also choose to route all or a portion of their applicable pay-in and pay-out volume through us. Our direct connections with merchants serve as a strong competitive advantage and barrier to entry for competing providers, and makes incremental volume that flows through our platform highly margin accretive for dLocal.

Our single integrated platform provides a merchant-friendly alternative to the numerous legacy providers that global merchants were previously forced to rely upon for their payments needs in emerging markets. The breadth of our online payments infrastructure and expertise, allowing merchants to transact in 29 markets as of the date of this prospectus, the direct connections with global merchants, our relationships with APMs, local financial institutions and acquirers, our understanding of the countries in which we operate, and our differentiated compliance, tax, and fraud management capabilities are attributes that in combination are difficult for competitors to replicate and create strong barriers to entry. Our technology DNA (we have been a “technology-first” business from inception), execution-driven culture and agile innovation mindset keep us at the forefront of the industry.

We generate revenue through fees charged to our merchants in connection with payment processing services for cross-border and local payment transactions in emerging markets. These fees are primarily generated on a per approved transaction basis as either a fixed percentage per transaction or a fixed fee per transaction. The fees include an MDR to compensate us for our services, which may include processing; settlement; fraud prevention; split payments; tax, anti-money laundering, and regulatory compliance; among others. We also charge an FX service fee on cross-border payments involving conversion and expatriation of funds to and from various currencies, including the U.S. dollar and the Euro.

Our success-based business model is predicated upon the premise that we only earn revenue when our global merchants are enabled to transact (either get paid or make payments). We are fully focused on our merchant customers and on our desire to provide them the best payment solutions so their users can have a frictionless payment process. Upon initiating the relationship with a global merchant, we establish a flat fee contract as a percentage of transaction value or, in certain instances, as a fixed amount per transaction. In addition, we may require certain merchants to make minimum volume commitments to incentivize the use of our platform at the time of on-boarding and pay for the fixed expenses assumed to maintain the connection.

Our TPV was US\$925.9 million and US\$388.2 million for the three months ended March 31, 2021 and 2020, respectively, and US\$2.1 billion and US\$1.3 billion for 2020 and 2019, respectively, representing a growth rate of 138.5% when comparing the three months ended March 31, 2021 to the three months ended March 31, 2020 and a growth rate of 60.3% when comparing 2020 to 2019. Our total revenues were US\$40.3 million and US\$18.0 million for the three months ended March 31, 2021 and 2020, respectively, and US\$104.1 million and US\$55.3 million for 2020 and 2019, respectively, representing a growth rate of 123.7% when comparing the three months ended March 31, 2021 to the three months ended March 31, 2020 and a growth rate of 88.4% when comparing 2020 to 2019. Our strong profitability and cash flow generation is due in large part to our solving of the complex payments problems on behalf of our merchants in underserved geographies. Our Adjusted EBITDA Margin was 44.3% and 41.3% for the three months ended March 31, 2021 and 2020, respectively, and 40.3% and 36.3% for 2020 and 2019, respectively. The revenue growth attributable to new merchants was 38% for the three months ended March 31, 2021 when compared to the three months ended March 31, 2020, and 17% for 2020 when compared to 2019. Our NRR was 186% and 216% for the three months ended March 31, 2021 and 2020, respectively, and 171% for the year ended December 31, 2020. Excluding the effect in 2019 of a warrant with a merchant, the NRR for 2020 would have been 159%. The NRR includes the merchants that generated revenues in the same period of the prior year. For the year 2020, 167 merchants were included, and for the three month period ended March 31, 2021 and 2020, 179 and 135 merchants were included, respectively.

Key business metrics

We review the following key metrics to evaluate our business, measure our performance, identify trends affecting our business, formulate business plans and make strategic decisions:

	For the Three Months Ended March 31,		For the Year Ended December 31,	
	2021	2020	2020	2019
	(in thousands of US\$)			
TPV(1)	925,874	388,155	2,064,789	1,287,713
Revenues	40,256	17,995	104,143	55,289
Adjusted EBITDA(2)	17,841	7,433	41,931	20,070
Adjusted EBITDA Margin(3)	44.3%	41.3%	40.3%	36.3%

- (1) For information on how we define TPV, see “Presentation of Financial and Other Information— TPV.”
- (2) For information on how we define Adjusted EBITDA, see “Presentation of Financial and Other Information— Certain Financial Measures.” For a reconciliation of Adjusted EBITDA to our profit for the period, see “Selected Financial and Other Information—Other performance metrics.”
- (3) For information on how we define Adjusted EBITDA Margin, see “Presentation of Financial and Other Information— Certain Financial Measures.” For a reconciliation of Adjusted EBITDA Margin to our profit for the period, see “Selected Financial and Other Information—Other performance metrics.”

TPV

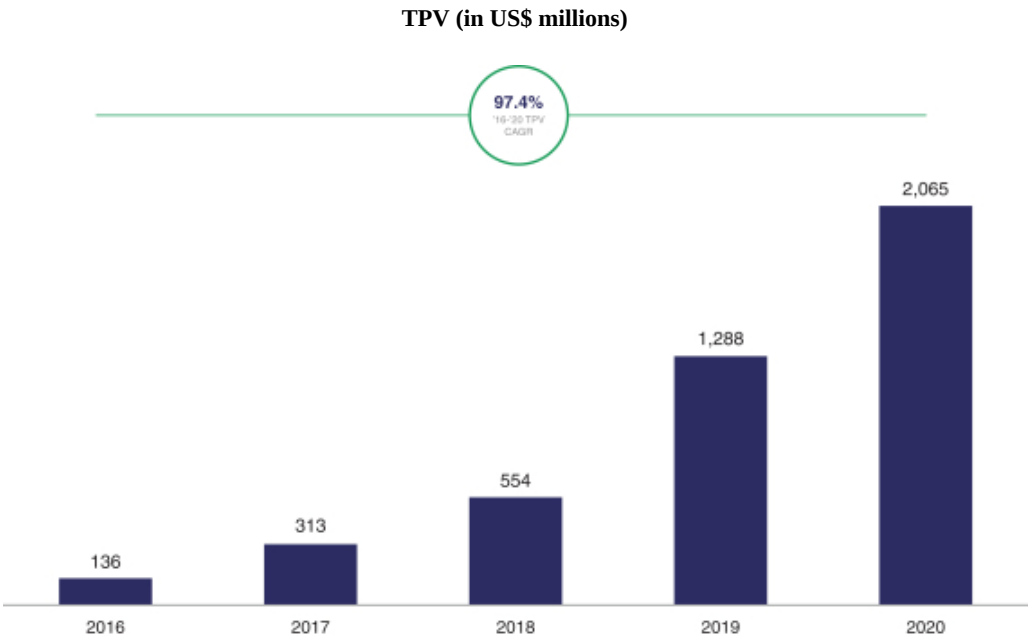
We believe that TPV is an indicator of the success of our global merchants, the satisfaction of their end users, and the scale and growth of our business. As our global merchants increase their transaction volume on our platform, our TPV will also grow. Our revenue depends significantly on the total value of transactions processed through our platform.

dLocal’s TPV growth is directly impacted by secular trends, including the ongoing shift to digital payments, the growth of our merchants’ business in emerging markets, as well as the continued traction gained by e-commerce. Furthermore, a large, growing, and increasingly complex payments ecosystem continues to drive demand for an integrated and comprehensive online payments infrastructure such as dLocal’s.

Our ability to maintain and expand strong relationships with existing global merchants, as well as to attract new ones into our platform, also drives our TPV. For the year ended December 31, 2020, global merchants who were on-boarded and have transacted on our platform for at least three years generated 78% of our TPV. From 2016 through 2020, we have successfully added on average nearly six new pay-in merchants per month and one new pay-out merchant per month.

In the three months ended March 31, 2021, we recorded a TPV of US\$925.9 million, representing a growth of 138.5% when compared to the three months ended March 31, 2020. In the year ended December 31, 2020, we recorded a TPV of US\$2.1 billion, representing a year-over-year growth of 60.3%, despite the global challenges posed by the COVID-19 pandemic. Furthermore, we grew TPV at a 93% CAGR from 2018 to 2020.

The following chart sets forth the evolution of our TPV for the periods indicated.



Pay-in TPV is generated in transactions where we enable global merchants to receive payments from their customers located in emerging markets for the sale of goods or services. We process the payments locally in the emerging markets where the merchants’ consumers are located and after expatriating the funds we settle the payments in the jurisdiction and currency of preference of our global merchants, which is typically in North America, Europe or China, and generally in U.S. dollars or Euros. We refer to these transactions as cross-border. However, when the merchants have a local presence in the countries where their consumers are located, we offer our merchants the possibility to settle transactions in the local currencies of such countries, which we call local-to-local transactions.

Pay-out TPV is generated in transactions where we enable global merchants to make payments, both cross-border and local-to-local, to their vendors, contractors, partners, drivers, apartment renters, marketplace sellers, and refund recipients, some of which can be paid in their partners’ (i.e., the ultimate recipients’) preferred method for receipt of payment by type of account or type of method, such as transfer to bank accounts or payment to digital wallets, while the merchant retains control over the overall interface. While the volume generated from our marketplace solution is primarily from pay-out transactions, we may also process pay-in volume based on the applicable agreement with the merchant or its sellers.

Pay-in and pay-out transactions (cross-border and local-to-local in both cases) each involve different transaction counterparties, payment flows, and services, as well as distinct overall pricing dynamics.

Revenues

Our revenues are derived on a per approved transaction basis as either a fixed percentage per transaction or a fixed fee per transaction. Revenue is a key metric of focus for our management team as it directly reflects the scale, growth, and trajectory of our business, as well as the strength and structure of our merchant relationships and the stability of our pricing.

Revenues deriving from pay-ins and pay-outs depend on the agreed-upon rates we negotiate with each global merchant, and may ultimately vary, depending on the amount of volume such merchants process, the markets where they use our services, the type of payment methods we facilitate, and whether such payment relates to cross-border or local transactions. We manage our merchant accounts on an overall dollar profitability

basis, in order to ensure maximizing revenues from each merchant customer, and not particularly on each of the products, payment methods or geographies in which we process payments for them. Revenues may be generated by existing merchants, which we measure by means of our NRR, or from new merchants.

Adjusted EBITDA

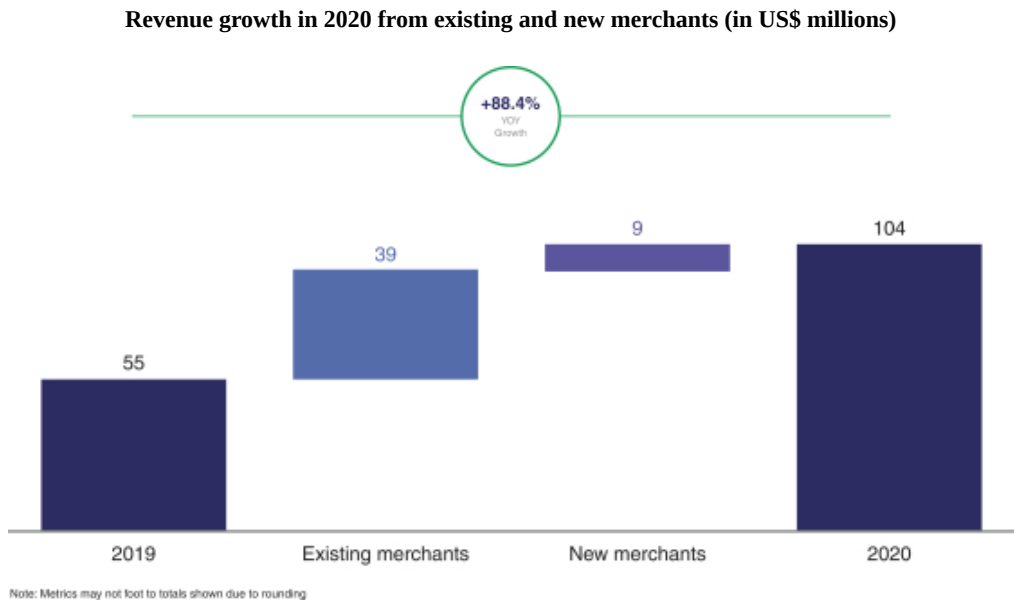
We define Adjusted EBITDA as the profit from operations before financing and taxation for the year or period, as applicable, before depreciation of property, plant and equipment, amortization of right-of-use assets and intangible assets, and further excluding the changes in fair value of financial assets and derivative instruments carried at fair value through profit or loss, impairment gains/(losses) on financial assets, transaction costs, share-based payment non-cash charges, secondary offering expenses, transaction expenses and inflation adjustment. We calculate Adjusted EBITDA Margin as Adjusted EBITDA divided by consolidated revenue.

For the three months ended March 31, 2021, we recorded Adjusted EBITDA of US\$17.8 million, equivalent to an Adjusted EBITDA Margin of 44.3%, compared to Adjusted EBITDA of US\$7.4 million and Adjusted EBITDA Margin of 41.3% for the three months ended March 31, 2020. For the year ended December 31, 2020, we recorded Adjusted EBITDA of US\$42.0 million, equivalent to an Adjusted EBITDA Margin of 40.3%. For the year ended December 31, 2019, the Adjusted EBITDA was US\$20.1 million equivalent to an Adjusted EBITDA Margin of 36.3%. See “Presentation of Financial and Other Information—Special Note Regarding Adjusted EBITDA and Adjusted EBITDA Margin.” See “Selected Financial and Other Information” for a reconciliation of our Adjusted EBITDA and Adjusted EBITDA Margin to net income.

Growth from existing and new merchants

Given the success-based nature of our business model, our growth is driven by our ability to land, retain, and expand our relationships with our merchants. The success of their business in emerging markets directly impacts our performance. Our merchants’ own growth, our experience and expertise in upselling and cross-selling new products, and our ability to expand the number of markets in which we serve them, determines our revenue from existing clients. Furthermore, our team’s demonstrated ability to add new merchants on an ongoing basis to our platform complements our overall growth.

The below chart presents a summary of our revenue growth by existing and new merchants.



Existing Merchants represent the increase in revenues in 2020 attributable to merchants that were customers the prior year. New Merchants represents the increase in revenues in 2020 attributable to selling services to new merchants added during 2020. Our NRR was 171% for the year ended December 31, 2020 and the revenue growth attributable to new merchants was 17%. Excluding the effect in 2019 of a warrant with a merchant, the NRR would have been 159%.

Key factors affecting our performance

We believe our operating and business performance is driven by various factors that affect the global economy and the economies of the countries in which we operate, trends affecting digital payments markets, the broader financial technology solutions industry, and the specific markets and customer base that we target. The following key factors may affect our future performance.

Retention and growth of our existing global merchant base

We believe our long-term revenue growth is correlated with the growth of our existing global enterprise merchants and PSP partners. We strive to maintain industry-leading customer service levels and platform capabilities to maximize client success and retention. Our revenue grows partially in line with the volume of transactions processed through our platform. As global merchants engage with more end users and increase the level of volume processed through our platform, we are able to increase our revenues. We continually evaluate the ongoing relationship we have with our existing global merchants, as well as opportunities to engage with them in new markets where we have a presence, both of which allow us to sustain and drive further growth.

Increasing our merchant base

To continue growing our revenues, we intend to increase the number of global merchants using our platform. We believe we are positioned to grow significantly through our own sales and marketing initiatives, including through our demonstrated ability to win competitive RFPs. We believe our current clients will continue to be our best advocates, helping us to continue growing our global merchant base across multiple attractive verticals. We may also seek to expand our merchant base through selective acquisitions of cross-border payment processing companies.

Evolution and adoption of our products and ecosystem

A key part of our strategy is to keep improving our payment solutions through innovation and relentless focus on our clients, helping us continuously provide more efficient and effective means for settling cross-border and local-to-local payment transactions. We intend to grow revenue by developing new and complementary solutions and capabilities to our existing product portfolio, expanding the value and scope of existing partnerships, selling and marketing payment solutions to our seller base, and acquiring and cultivating high-value relationships with new clients. We believe our cloud-based platform, our e-commerce-focused solutions, and our dedication to continuously offer the best possible customer service and most innovative capabilities are the foundation of our relationship with our global merchants.

Successful international expansion

Our operations in emerging markets in Latin America, Asia, and Africa have grown rapidly since the commencement of our business. We intend to further expand our operations in the countries in which we operate in the coming years, as well as to commence operations in new countries in these regions. Our expansion has also been driven in by the needs and at the request of our merchant customers. For each new country where we seek to establish a presence, we focus on understanding the needs of the local market and investment to develop partnerships with local APMs and financial institutions, while gaining an appreciation for the appropriate local regulatory and compliance frameworks. Over time, we believe we will be able to develop a presence and offer a comprehensive and integrated offering across all emerging markets which are relevant for our global enterprise merchants and our partners.

Fluctuations in direct processing costs

Our cost of services includes fees that financial institutions charge us, typically as a percentage of the transaction value. Such costs vary from one institution to another, and usually depend on the settlement period contracted with each such institution and the payment method used. We are unable to predict if or when financial institutions will increase or decrease their fees or what the amount of any such variations may be. Our ability to adjust our pricing remains subject to a variety of factors, including competition from other payment providers, market conditions and, in certain cases, direct price negotiations with the merchant. As a result, at times, we might not be able or willing to pass through all increases or decreases in direct processing costs to our global merchants.

Realizing operating leverage from our investments

We have made significant investments in our cloud-based platform and our global infrastructure, which we believe will yield future operating leverage and profit margin expansion. Given the nature of our non-variable cost of services, we believe we will achieve operating leverage by expanding the use of our platform and increasing the volume of transactions that we process. We believe we will be able to run our business more efficiently as we continue to grow operating scale.

Macroeconomic environment of the markets where we have a presence

We operate across a number of emerging economies in Latin America, Asia, and Africa. As a result, our revenues and profitability are affected by political and economic developments in these countries and the effect that these factors have on the availability of credit, disposable income, employment rates, and average wages in these countries. Our operations are sensitive to changes in economic conditions in each of the countries in which we operate.

The volume of digital payments transactions is also influenced by general economic conditions. As examples, during recessionary periods, economic downturns, or periods of high inflation or high currency volatility, consumers may experience a reduced ability to spend and card issuers may reduce credit limits and new issuance authorizations, both of which can have a negative impact on the overall transaction payment volume.

While the above-mentioned shifts in general economic conditions may have a negative impact on payment volume, the ongoing secular shift from cash to card and digital payments, along with the ongoing shift to online commerce, as well as the growth of tech related global merchants, may partially offset this impact.

Changes in and increasing complexity of regulatory environments

An ever evolving global, local, and industry-specific regulatory environment has a direct impact on how global merchants conduct business in emerging markets. Furthermore, such changes continue to directly impact overall tax compliance, which varies materially from jurisdiction to jurisdiction.

While we remain committed to continue to invest in ensuring we retain the utmost up-to-date understanding of all applicable regulatory frameworks that may be relevant for the markets in which we have a presence, such future changes may impact the way in which we engage with global merchants, how we establish our overall contracts, and the way in which we earn revenue.

Impacts of the COVID-19 pandemic

There are no comparable recent events that provide guidance as to the effect that the spread of COVID-19 as a global pandemic may have. We have taken several measures to monitor and mitigate the effects of the

COVID-19 virus on our operations, including implementing safety and health measures for our employees such as having all employees work from home, promoting online live events and holding periodical online meetings with employee groups.

As of the date of this prospectus, the impact of the COVID-19 pandemic on our operations has had a different impact across our different product offerings and the different verticals we serve, with certain industries benefiting from increased adoption (e.g., online retail, online gaming, online streaming) while others suffering from decreased usage (e.g., travel, ride hailing).

We believe that our business has thus far exhibited a net benefit from the shift from in-store shopping and traditional payment methods towards e-commerce and digital payments (and overall higher exposure to industries benefiting from increased adoption) as a result of the COVID-19 pandemic. We expect these effects to persist for the duration of the pandemic, though there can be no assurance such effects will continue as vaccine campaigns expand and lock-down measures are potentially lifted. Notwithstanding, as pandemic restrictions are eased, we would expect the increased ability to travel and/or use of ride hailing that favors our merchants that provide such services would offset any decrease in e-commerce. Moreover, the pandemic has not had an adverse impact on our capital and financial resources or our overall liquidity position, as we have not historically relied on third-party financing or revolving credit to fund our operations, and our cash from operations has been consistent and has even increased during the COVID-19 pandemic with the increased adoption of e-commerce and digital payment methods. Our assets have not been adversely impacted, as our current assets consist primarily of cash and cash equivalents and trade and other receivables, and our non-current assets consist primarily of intangible assets, all of which have increased during the pandemic. We also have not experienced supply chain issues due to the nature of our business.

However, the ultimate extent to which the COVID-19 pandemic impacts our business, financial condition, and results of operations will depend on future developments, which are highly uncertain, difficult to predict, and subject to change, including, but not limited to, the duration, scope, severity, and geographic spread of the outbreak, its impact on the global economy, actions taken to contain or limit the impact of COVID-19, such as the availability of effective vaccines or treatments, geographic variation in how countries and states are handling the pandemic, the appearance of new variants of the virus, and how quickly and to what extent normal economic and operating conditions may potentially resume. As of the date of this prospectus, we cannot predict the full extent of the impact of COVID-19 going forward. See “Risk Factors—Certain Risks Relating to Our Business and Industry—The COVID-19 pandemic and other actual or threatened epidemics, pandemics, outbreaks, or other public health crises, could have an adverse impact on our business.”

Factors Affecting the Comparability of our Results of Operations

On March 11, 2021, we signed an agreement to acquire certain assets from a payment service provider that provides local payment services in certain emerging markets in Latin America with an effective date of April 1, 2021. See note 1.1 to our unaudited consolidated condensed financial statements.

Description of Principal Line Items

The following is a summary of the principal line items comprising our consolidated statements of comprehensive income.

Revenues

We generate revenues from fees charged to our merchant customers in connection with our payment processing services for cross-border and local payment transactions. These fees are primarily generated on a per approved transaction basis. Our sources of revenues are:

- (i) Transaction revenues consist of transaction fees, defined either as percentage of the transaction value or a fixed amount per transaction, as well as foreign exchange service fee, usually established as a

percentage of the transaction value. These fees are recognized as revenue at a point in time when a payment transaction has been processed.

- (ii) Other revenues, mainly comprised of minor fees, such as initial setup fees, installment fees, minimum monthly fees, chargebacks fees, refund fees and small transfer fees. Other revenues are recognized as revenue at a point in time when the respective performance obligation is satisfied.

Cost of services

Our cost of services consists of amounts related to the fees that financial institutions (e.g. banks, local acquirers, or payment methods) charge us, which are typically a percentage of the transaction value, but in some instances may also include a fixed fee, and are related to payment processing, cash advances and installment payments. Such costs vary from one institution to another, and usually depend on the settlement period contracted with each such institution and the payment method used. In addition, cost of services includes hosting expenses of our payment platform, salaries and wages of employees and contractors, directly involved in the day-to-day operations and amortization of intangible assets related to internally-developed software.

Technology and development expenses

Technology and development expenses consist primarily of salaries and wages, technology development infrastructure, information security, software licenses and services and other technology expenses.

- (i) *Salaries and wages*: consist primarily of the compensation to full time equivalents, or FTEs, in technology-related roles.
- (ii) *Software licenses*: consist of software licenses used by the technology development department for the development of the platform.
- (iii) *Infrastructure expenses*: corresponds to information technology costs to support our infrastructure and back-office operations.
- (iv) *Information and technology security expenses*: comprises expenses of overall monitoring and security of our network and platform.

Sales and marketing expenses

Our sales and marketing expenses consist of the amounts spent on sales, marketing and related expenses. Such amounts are broken down into salaries and wages, and marketing expenses.

- (i) *Salaries and wages*: related to full-time equivalents engaged in the Sales and Marketing department of the group.
- (ii) *Marketing expenses*: related to the distribution and production of our marketing and advertising, public relations expenses, commissions to third-party sales force and partners and expenses incurred in relation to trade marketing at events.

General and administrative expenses

General and administrative expenses consist primarily of salaries and wages, third-party services, office expenses, travel and accommodation expenses, amortization and depreciation and other operating expenses as described below.

- (i) *Salaries and wages*: consist primarily of the compensation of our administrative employees and contractors.
- (ii) *Third-party services*: include Advisors' fees, Legal fees, Auditors' fees and Human resources fees. Third-party services also include Secondary offering expenses and Transaction costs.

- (iii) *Office expenses*: consist of office rent and related expenses.
- (iv) *Travel and accommodation expenses*: include costs associated with traveling for the purpose of conducting business-related activities.
- (v) *Amortization and depreciation*: related to right-of-use assets, and property, plant and equipment.
- (vi) *Other operating expenses*: mainly includes expenses related to bank charges, taxes and other operating expenses.

Other operating gain/(loss)

Other operating gain and loss is composed primarily of fair value gains and losses of derivative financial instruments, which consists of fair value movements related to an option agreement that dLocal Malta had in place with one shareholder and was extinguished during the quarter ended on March 31, 2021.

Net impairment loss on financial assets

Net impairment loss on financial assets refers to impairment recorded based on the difference between the cash flows contractually due and all the cash flows that the Company expects to receive from Trade and other receivables. For further information related to expected credit losses under IFRS 9, see notes 2.5. “Financial instruments—initial recognition and subsequent measurement, ii) Impairment of financial assets” and 16 “Trade and Other Receivables” to our audited consolidated financial statements, included elsewhere in this prospectus.

Other results

Other results can be broken down according to the following categories:

- (i) *Finance income* mainly corresponds to interests and fair value gains from financial assets measured at fair value through profit and loss and from our investments in debt instruments.
- (ii) *Finance costs* are composed mainly of interest expenses and interest charges for lease liabilities according to the application of IFRS 16 Leases. The interest charges for lease liabilities are recognized over the lease period so as to produce a constant periodic rate of interests on the remaining balance of the liability for each period. The interest rate consists of a discount using the interest rate implicit in the lease.
- (iii) *Inflation adjustment* is made in accordance with IAS 29 requirements in connection with operations in Argentina, which is considered to be a hyperinflationary economy. We restate the financial statements of our subsidiary DLocal Argentina to reflect the purchasing power of the currency and therefore a gain on net monetary position arose.

Income tax expense

We are subject to income taxes in various jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. Our consolidated tax expense is affected by the mix of our taxable income between those various jurisdictions and permanent items, among others.

Results of Operations

Three months ended March 31, 2021 compared to Three months ended March 31, 2020

The following table sets forth our income statement data for the periods indicated.

	For the Three Months Ended March 31, 2021 2020 (in thousands of US\$)	
Revenues	40,256	17,995
Cost of services	(16,989)	(6,993)
Gross profit	23,267	11,002
Technology and development expenses	(520)	(346)
Sales and marketing expenses	(1,042)	(658)
General and administrative expenses	(5,762)	(9,535)
Net impairment (losses)/gain on financial assets	(54)	943
Other operating gain/(loss)	2,896	(83)
Operating profit	18,785	1,323
Finance income	18	35
Finance costs	(463)	(3)
Inflation adjustment	(34)	16
Other results	(479)	48
Profit before income tax	18,306	1,371
Income tax expense	(1,379)	(818)
Profit for the period	16,927	553

Revenues

Revenues for the three months ended March 31, 2021 were US\$40.3 million, an increase of US\$22.3 million, or 123.7%, from US\$18.0 million for the three months ended March 31, 2020, which is primarily attributable to the growth in revenues from existing merchants, demonstrated by our NRR of 186% for the three months ended March 31, 2021 and, to a lesser extent, to the growth in revenues from new merchants, which accounted for 38% of our revenues for the same period of 2020.

Cost of services

Cost of services for the three months ended March 31, 2021 were US\$17.0 million, an increase of US\$10.0 million, or 142.9%, from US\$7.0 million for the three months ended March 31, 2020, primarily driven by the increase in processing costs associated with our 138.5% TPV growth comparing the three months ended March 31, 2021 to the three months ended March 31, 2020.

Gross profit

For the reasons described above, our gross profit for the three months ended March 31, 2021 was US\$23.3 million, an increase of US\$12.3 million or 112.6% from US\$11.0 million for the three months ended March 31, 2020.

Technology and development expenses

Technology and development expenses for the three months ended March 31, 2021 were US\$0.5 million, an increase of US\$0.2 million, or 50.3%, from US\$0.3 million for the three months ended March 31, 2020, which

[Table of Contents](#)

was primarily attributable to an increase in salaries and wages of our full-time equivalents, or FTEs, primarily as a result of higher information technology headcount to support our growth strategy.

Sales and marketing expenses

Sales and marketing expenses for the three months ended March 31, 2021 were US\$1.0 million, an increase of US\$0.4 million, or 58.4%, from US\$0.7 million for the three months ended March 31, 2020, which was primarily attributable to an increase of US\$0.4 million in salaries and wages related to sales and marketing FTEs.

General and administrative expenses

General and administrative expenses for the three months ended March 31, 2021 were US\$5.8 million, a decrease of US\$3.8 million, or 39.6%, from US\$9.5 million for the three months ended March 31, 2020, which was primarily attributable to a decrease of US\$4.6 million in salaries and wages mainly related to a share-based compensation expense in the first quarter of 2020 and US\$0.5 million in travel and accommodation expenses primarily due to the restrictions imposed on travel during 2021 due to the COVID-19 pandemic, which was partially offset by an increase of US\$0.8 million related to third-party services, which includes, for the three-month period ended March 31, 2021, US\$705 thousand of secondary offering expenses and US\$113 thousand of transaction costs.

Net impairment (losses)/gain on financial assets

Impairment losses on financial assets for the three months ended March 31, 2021 were US\$54 thousand, primarily attributable to an increase in allowance for trade receivables for said amount. Impairment gains on financial assets for the three months ended March 31, 2020 amounted to US\$0.9 million due to a reversal of a provision of US\$1.0 million, partially offset by an increase in allowance for trade receivables.

Other operating gain/(loss)

Other operating gain for the three months ended March 31, 2021 was US\$2.9 million, an increase of US\$3.0 million from a loss of US\$0.1 million for the three months ended March 31, 2020, primarily attributable to the extinguishment of an option agreement that dLocal Malta had in place with one shareholder that took place in March 2021.

Operating profit

For the reasons described above, our operating profit for the three months ended March 31, 2021 was US\$18.8 million, an increase of US\$17.5 million from US\$1.3 million for the three months ended March 31, 2020.

Finance income

Our finance income for the three months ended March 31, 2021 was US\$18 thousand, a decrease of US\$17 thousand, or 48.6%, from US\$35 thousand for the three months ended March 31, 2020, primarily attributable to a decrease in the average balance of our investment portfolio.

Finance costs

Our finance costs for the three months ended March 31, 2021 was US\$463 thousand, an increase of US\$460 thousand, from US\$3 thousand for the three months ended March 31, 2020, primarily attributable to an increase in interest expenses.

[Table of Contents](#)

Inflation adjustment

Inflation adjustment was a US\$34 thousand loss for the three months ended March 31, 2021, a decrease of US\$50 thousand, from a gain of US\$16 thousand for the three months ended March 31, 2020, primarily attributable to the application of IAS 29 in our subsidiaries in hyperinflationary economies (specifically Argentina).

Profit before income tax

For the reasons described above, our profit before income tax for the three months ended March 31, 2021 was US\$18.3 million, an increase of US\$16.9 million from US\$1.4 million for the three months ended March 31, 2020.

Income tax expense

Our income tax expense for the three months ended March 31, 2021 was US\$1.4 million, an increase of US\$0.6 million, or 68.6%, from US\$0.8 million for the three months ended March 31, 2020. This increase was primarily attributable to higher profit before taxes in 2021 compared to 2020, partially offset by a lower overall effective income tax rate. For the three months ended March 31, 2021 and March 31, 2020 our effective income tax rate was 7.5% and 59.7%, respectively. In the first quarter of 2020, the tax rate was affected by a non-deductible stock-based compensation expense, as detailed in General and administrative expenses above.

Profit for the period

For the reasons described above, our profit for the three months ended March 31, 2021 was US\$16.9 million, an increase of US\$16.4 million from US\$0.6 million for the three months ended March 31, 2020.

Year Ended December 31, 2020 compared to Year Ended December 31, 2019

The following table sets forth our income statement data for the periods indicated.

	For the Year Ended December 31,	
	2020	2019
	(in thousands of US\$)	
Revenues	104,143	55,289
Cost of services	(44,065)	(19,413)
Gross profit	60,078	35,876
Technology and development expenses	(2,005)	(1,347)
Sales and marketing expenses	(2,852)	(2,057)
General and administrative expenses	(22,188)	(14,101)
Net impairment gain/(losses) on financial assets	808	(807)
Other operating loss	(2,896)	—
Operating profit	30,945	17,564
Finance income	502	279
Finance costs	(67)	(30)
Inflation adjustment	38	10
Other results	473	259
Profit before income tax	31,418	17,823
Income tax expense	(3,231)	(2,221)
Profit for the year	28,187	15,602

Revenues

Revenues for the year ended December 31, 2020 were US\$104.1 million, an increase of US\$48.9 million, or 88.4%, from US\$55.3 million for the year ended December 31, 2019, which is primarily attributable to the growth in revenues from existing merchants, demonstrated by our NRR of 171%, and to a lesser extent, to the growth in revenues from new merchants, which accounted for 17% of the prior year's revenues. Excluding the effect in 2019 of a non-cash contra revenue of \$4.3 million related to a warrant with a merchant, the NRR would have been 159%. See “—Revenue growth in 2020 from existing and new merchants (in US\$ millions)” for a summary of our revenue growth in 2020 by new and existing merchants.

Cost of services

Cost of services for the year ended December 31, 2020 were US\$44.1 million, an increase of US\$24.7 million, or 127.0%, from US\$19.4 million for the year ended December 31, 2019, primarily driven by the increase in processing costs associated with our 60.3% TPV growth. Average processing costs taken as a percentage of TPV increased by 41.7%, which is mainly due to a change of mix in payment methods, and, to a lesser extent, to the increase in hosting expenses, salaries, and wages directly related to the day-to-day operations of our company, as well as the amortization of intangible assets.

Gross profit

For the reasons described above, our gross profit for the year ended December 31, 2020 was US\$60.0 million, an increase of US\$24.2 million or 67.5% from US\$35.9 million for the year ended December 31, 2019.

Technology and development expenses

Technology and development expenses for the year ended December 31, 2020 were US\$2.0 million, an increase of US\$0.7 million, or 48.8%, from US\$1.3 million for the year ended December 31, 2019, which was primarily attributable to an increase in salaries and wages of our full-time equivalents, or FTEs, primarily as a result of higher information technology headcount to support our growth strategy.

Sales and marketing expenses

Sales and marketing expenses for the year ended December 31, 2020 were US\$2.9 million, an increase of US\$0.8 million, or 38.6%, from US\$2.1 million for the year ended December 31, 2019, which was primarily attributable to an increase of US\$0.9 million in salaries and wages related to sales and marketing FTEs, partially offset by a US\$0.1 million decrease in marketing expenses as a consequence of reduced participation in public corporate events during the COVID-19 pandemic.

General and administrative expenses

General and administrative expenses for the year ended December 31, 2020 were US\$22.2 million, an increase of US\$8.0 million, or 57.4%, from US\$14.1 million for the year ended December 31, 2019, which was primarily attributable to an increase of US\$7.3 million in salaries and wages related to administrative FTE, which was partially offset by a decrease of US\$1.1 million related to office rent expenses and US\$1.9 million of travel and accommodation expenses primarily due to the restrictions imposed on travel during 2020 due to the COVID-19 pandemic.

Net impairment gain/(losses) on financial assets

Impairment gains on financial assets for the year ended December 31, 2020 were US\$0.8 million, primarily attributable to a write-off reversal of trade receivables of US\$1.0 million, which was partially offset by an

[Table of Contents](#)

increase of US\$0.2 million thousand in allowance for trade receivables. Impairment losses on financial assets for the year ended December 31, 2019 amounted to US\$0.8 million due to a write-off of uncollectible trade receivables of US\$0.6 million and an allowance in trade receivables of US\$0.2 million.

Other operating loss

Other operating loss for the year ended December 31, 2020 was US\$2.9 million, an increase of US\$2.9 million from none for the year ended December 31, 2019, primarily attributable to fair value movements related to an option agreement that dLocal Malta has in place with one shareholder.

Operating profit

For the reasons described above, our operating profit for the year ended December 31, 2020 was US\$31.0 million, an increase of US\$13.4 million or 76.2% from US\$17.6 million for the year ended December 31, 2019.

Finance income

Our finance income for the year ended December 31, 2020 was US\$0.5 million, an increase of US\$0.2 million, or 79.9%, from US\$0.3 million for the year ended December 31, 2019, primarily attributable to an increase in the average balance of our investment portfolio.

Finance costs

Our finance costs for the year ended December 31, 2020 was US\$67 thousand, an increase of US\$37 thousand, from US\$30 thousand for the year ended December 31, 2019, primarily attributable to an increase in interest expenses.

Inflation adjustment

Inflation adjustment was a gain of US\$38 thousand for the year ended December 31, 2020, an increase of US\$28 thousand or 280%, from a gain of US\$10 thousand for the year ended December 31, 2019, primarily attributable to the application of IAS 29 in our subsidiaries in hyperinflationary economies (specifically Argentina).

Profit before income tax

For the reasons described above, our profit before income tax for the year ended December 31, 2020 was US\$31.4 million, an increase of US\$13.6 million or 76.9% from US\$17.3 million for the year ended December 31, 2019.

Income tax expense

Our income tax expense for the year ended December 31, 2020 was US\$3.2 million, an increase of US\$1.0 million, or 45.5%, from US\$2.2 million for the year ended December 31, 2019. This increase was primarily attributable to higher profit before taxes in 2020 compared to 2019, partially offset by a lower overall effective income tax rate. For the year ended December 31, 2020 and December 31, 2019 our effective income tax rate was 10.3% and 12.5%, respectively.

Profit for the year

For the reasons described above, our profit for the year ended December 31, 2020 was US\$28.2 million, an increase of US\$12.6 million, or 80.7%, from US\$15.6 million for the year ended December 31, 2019.

Quarterly Financial Data (Unaudited)

The following table sets forth certain of our financial information for the periods indicated:

	For the Three Months Ended								
	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
	(in thousands of US\$)								
Revenues	40,256	34,653	30,850	20,645	17,995	17,823	15,751	13,958	7,757
Cost of services	(16,989)	(13,981)	(13,969)	(9,122)	(6,993)	(5,791)	(4,893)	(4,492)	(4,237)
Gross profit	23,267	20,672	16,881	11,523	11,002	12,032	10,858	9,466	3,520
Technology and development expenses	(520)	(750)	(528)	(381)	(346)	(389)	(329)	(284)	(345)
Sales and marketing expenses	(1,042)	(830)	(739)	(625)	(658)	(574)	(544)	(491)	(448)
General and administrative expenses	(5,762)	(6,526)	(3,469)	(2,658)	(9,535)	(6,098)	(3,119)	(2,777)	(2,107)
Net impairment gain/(losses) on financial assets	(54)	(45)	(45)	(45)	943	(687)	(40)	(40)	(40)
Other operating gain/(loss)	2,896	(65)	(2,760)	12	(83)	—	—	—	—
Operating profit	18,785	12,456	9,340	7,826	1,323	4,284	6,826	5,874	580
Finance income	18	148	219	100	35	(6)	144	27	114
Finance costs	(463)	(7)	(14)	(43)	(3)	(13)	(7)	(24)	14
Inflation adjustment	(34)	4	9	9	16	4	1	3	2
Other results	(479)	145	214	66	48	(15)	138	6	130
Profit before income tax	18,306	12,601	9,554	7,892	1,371	4,269	6,964	5,880	710
Income tax expense	(1,379)	(1,000)	(932)	(481)	(818)	(671)	(732)	(346)	(472)
Profit for the period	16,927	11,601	8,622	7,411	553	3,598	6,232	5,534	238

Liquidity and Capital Resources

As of March 31, 2021, we had US\$127.5 million in cash and cash equivalents, and as of December 31, 2020, we had US\$111.7 million in cash and cash equivalents. We believe that our current available cash and cash equivalents and the cash flows from our operating activities will be sufficient to meet our working capital requirements and capital expenditures in the ordinary course of business for the next 12 months.

The following table shows the generation and use of cash for the periods indicated:

	For the Three Months Ended March 31,		For the Year Ended December 31,	
	2021	2020	2020	2019
	(in thousands of US\$)			
Cash Flow Data				
Net cash from/(used in) operating activities	3,395	(102)	88,486	30,723
Net cash (used in)/from investing activities	(33,244)	(2,778)	3,650	118
Net cash from/(used in) financing activities	45,828	(46)	(15,198)	(19,342)

Our cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid financial instruments with original maturities of three months or less. We classify as cash equivalents a financial instrument that can be immediately converted into a known amount of cash and the fair value approximates the carrying value. Cash and cash equivalents are measured at amortized cost and are included in current assets due to their short-term nature. For more information, see note 14, “Cash and cash equivalents” to our unaudited consolidated condensed financial statements included elsewhere in this prospectus.

Operating Activities

The vast majority of our operating cash flow represents merchant’s funds (corresponding to the line items “Trade and other receivables” and “Trade and other payables” in our Statements of Financial Position) that are held by us for a short period before being paid out to the merchant. Our net cash from operating activities increased by US\$3.5 million, from net cash used in operating activities of US\$0.1 million in the three months ended March 31, 2020 to net cash from operating activities of US\$3.4 million in the corresponding period of 2021, primarily as a result of net cash provided from working capital, which totaled an outflow of US\$13.2 million compared to an outflow of US\$6.5 million for the three months ended March 31, 2021 and 2020, respectively. The decrease in inflow from changes in working capital was mainly driven by an increase in the balance of “Trade and other payables,” which increased US\$7.6 million in the three months ended March 31, 2021, as compared with a decrease of US\$12.6 million in the three months ended March 31, 2020 and was partially offset by an increase in the balance of “Trade and other receivables” of US\$22.1 million in the three months ended March 31, 2021, as compared with a decrease of US\$6.0 million in the three months ended March 31, 2020.

Our net cash from operating activities increased by US\$57.8 million, from US\$30.7 million in 2019 to US\$88.5 million in 2020, primarily as a result of net cash provided from working capital, which totaled an inflow of US\$90.7 million compared to an inflow of US\$32.4 million for the years December 31, 2020 and 2019, respectively. The increase in inflow from changes in working capital was mainly driven by an increase in the balance of “Trade and other payables,” which increased US\$90.4 million in 2020, as compared with an increase of US\$20.3 million in 2019 and was partially offset by an increase in the balance of “Trade and other receivables,” which increased US\$47.4 million in 2020, as compared with an increase of US\$11.0 million in 2019.

Investing Activities

Our net cash used in investing activities increased by US\$30.5 million from US\$2.8 million in the three months ended March 31, 2020 to cash used in investing activities of US\$33.2 million in the three months ended March 31, 2021, mainly due to a US\$38.7 million increase in advanced payments for asset acquisition and an increase of US\$0.6 million of additions to intangible assets, partially offset by a US\$9.2 million increase in net collections of debt and other instruments classified as financial assets at fair value through profit or loss.

Our net cash from investing activities increased by US\$3.5 million from US\$0.1 million in 2019 to cash from investing activities of US\$3.7 million in 2020, mainly due to a US\$5.5 million increase in net collections of

[Table of Contents](#)

debt and other instruments classified as financial assets at fair value through profit or loss and US\$0.2 million of interests collected from financial instruments, partially offset by an increase of US\$1.5 million of additions to intangible assets and a US\$0.7 million increase in acquisitions of property, plant and equipment.

Financing Activities

Our net cash from financing activities increased by US\$45.9 million, from US\$46 thousand in the three months ended March 31, 2020 to US\$45.8 million in the three months ended March 31, 2021, mainly due to a US\$46.3 million increase from proceeds related to the issuance of shares. Also, in the three months ended March 31, 2021, we recorded an increase in restricted cash for US\$149.4 million, offset by the proceeds received from transactions between shareholders in the same amount.

Our net cash used in financing activities decreased by US\$4.1 million, or 21.4%, from US\$19.3 million in 2019 to US\$15.2 million in 2020, mainly due to a US\$9.2 million decrease in repayment of loans advanced by shareholders which was partially offset by a US\$5.0 million increase in higher dividends paid to shareholders. See “Dividends and Dividend Policy.”

Indebtedness

As of March 31, 2021, we had no long-term indebtedness. As of December 31, 2020 and 2019, we had US\$17 thousand and US\$219 thousand, respectively, in lease liabilities. As of such dates, we did not have any other long-term indebtedness.

Capital Expenditures

For the three months ended March 31, 2021 and 2020 we made capital expenditures of US\$1.3 million and US\$0.7 million, respectively. For the years ended December 31, 2020 and 2019, we made capital expenditures of US\$3.9 million and US\$1.7 million, respectively. Total capital expenditures as a percentage of revenue were 3.2% and 4.0% in the three months ended March 31, 2021 and 2020, respectively, and 3.7% and 3.1% in 2020 and 2019, respectively. These capital expenditures mainly include expenditures related to capitalized software development and investments in computer hardware.

Tabular Disclosure of Contractual Obligations

The following table shows a summary of our contractual obligations as of December 31, 2020:

	Payments Due By Period as of December 31, 2020				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
			(US\$ millions)		
Lease liabilities	0.2	0.2	—	—	—
Total	0.2	0.2	—	—	—

Off-Balance Sheet Arrangements

Other than as set forth above, we did not have any off-balance sheet arrangements as of March 31, 2021 nor as of December 31, 2020.

Critical Accounting Estimates and Judgments

Our consolidated financial statements are prepared in conformity with IFRS as issued by IASB. In preparing our consolidated financial statements, we make assumptions, judgments and estimates that can have a significant

impact on amounts reported in our consolidated financial statements. We base our assumptions, judgments and estimates on historical experience and various other factors that we believe to be reasonable under the circumstances. Actual results could differ materially from these estimates under different assumptions or conditions. We regularly reevaluate our assumptions, judgments and estimates. Our significant accounting estimates and judgments are described in note 3, “Accounting estimates and judgments” to our consolidated financial statements included elsewhere in this prospectus.

Recent Accounting Pronouncements

For information about recent accounting pronouncements that will apply to us in the near future, see note 2.16, “New accounting pronouncements,” to our audited consolidated financial statements included elsewhere in this prospectus.

JOBS Act

We are an emerging growth company under the JOBS Act. Subject to certain conditions set forth in the JOBS Act, if, as an “emerging growth company”, we choose to rely on such exemptions we may not be required to, among other things; (1) provide an auditor’s attestation report on our system of internal controls over financial reporting pursuant to Section 404; (2) provide all of the compensation disclosure that may be required of non-emerging growth public companies under the Dodd-Frank Wall Street Reform and Consumer Protection Act; (3) comply with any requirement that may be adopted by the PCAOB regarding mandatory audit firm rotation or a supplement to the auditor’s report providing additional information about the audit and the financial statements (auditor discussion and analysis); and (4) disclose certain executive compensation related items such as the correlation between executive compensation and performance and comparisons of the CEO’s compensation to median employee compensation. These exemptions will apply for a period of five years following the completion of our initial public offering or until we are no longer an “emerging growth company,” whichever is earlier.

Quantitative and Qualitative Disclosure About Market Risk

We are exposed to market risks in the ordinary course of our business, including the effects of interest rate changes and foreign currency fluctuations. Information relating to quantitative and qualitative disclosures about these market risks is described below and in note 27, “Financial risk management”, to our audited consolidated financial statements included elsewhere in this prospectus.

Interest Rate Risk

This risk arises from the possibility of incurring losses due to fluctuations in interest rates in respect of fair value of future cash flows of a financial instrument. Our cash flows are not exposed to interest rate risk since there are no financial instruments with variable interest rate and debt instruments are measured at fair value through profit and loss.

Credit Risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. We are exposed to credit risk primarily in respect of our trade and other receivables, including from agents and third-party processors, acquirers and collection agents for payment settlements. We are obligated to settle pay-in and pay-out transactions regardless of whether we receive payment from the payment processors (including in the event of bankruptcy or other insolvency of payment processors). See “Risk Factors—We are subject to chargeback and refund liability risk when our merchants refuse to or cannot reimburse chargebacks and refunds resolved in favor of their customers. Any increase in chargebacks and refunds not paid by our merchants may adversely affect our business, financial condition or results of

operations.” We carry out credit reviews of new and existing customers before entering into contracts. Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. Our policy is to deposit our cash with financial institutions having a high credit rating.

Exposure to credit risk

The carrying amount of our financial assets represents our maximum credit exposure. Our maximum credit exposure as of December 31, 2020 and 2019 is shown in the following table.

	As of December 31,	
	2020	2019
	(US\$)	
	(in thousands)	
Cash and cash equivalents	111,733	34,765
Financial assets at fair value through profit or loss	8,319	15,399
Trade and other receivables	72,785	25,939
Other assets	2,017	1,113
Total	194,854	77,216

Impairment of financial assets

Our trade and other receivables are our only type of financial asset subject to the expected credit loss model. While cash and cash equivalents are also subject to measurement for impairment under IFRS 9, the impairment identified was immaterial.

We apply the IFRS 9 simplified approach to measure expected credit losses, which uses a lifetime expected loss allowance for all trade and other receivables. To measure the expected credit losses, trade and other receivables have been grouped based on shared credit risk characteristics and the number of days past due. Finally, historical loss experience is adjusted to reflect information about current conditions and reasonable forecasts of future economic conditions.

On that basis, the loss allowance for trade and other receivables as of March 31, 2021 was determined to be US\$395 thousand, compared to US\$206 thousand as of March 31, 2020. The loss allowance for trade and other receivables as of December 31, 2019 was determined to be US\$807 thousand, compared to US\$341 thousand as of December 31, 2020.

Liquidity Risk

Liquidity risk relates to maintaining sufficient cash and securities through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Our approach to managing liquidity risk is to ensure, to the extent possible, that we maintain sufficient liquidity to meet our liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to our reputation. We invest surplus cash in interest-bearing financial investments, choosing instruments with appropriate maturity or enough liquidity to provide adequate margin as determined by the forecasts. For a presentation of the contractual maturities of our financial obligations, see “—Tabular Disclosure of Contractual Obligations.”

Market Risk

Market risk is the risk that changes in market prices, such as foreign currency and the fair value or future cash flows of a financial instrument fluctuations will affect our income or the value of our holdings of financial instruments. Our objective in market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing returns.

Foreign Currency Risk

We are exposed to currency risk on our balances of monetary amounts denominated in a currency other than the functional currency (U.S. dollar), mainly the Argentinian Peso, Chilean Peso, Euro and the Brazilian Real.

The following table presents our exposure to foreign currency risk in respect of balances of our monetary amounts as well as a sensitivity to a reasonably possible change in U.S. dollar, with all other variables held constant. The impact on our profit before tax is due to changes in the fair value of monetary assets and liabilities.

	As of December 31,	
	2020*	2019*
Cash and cash equivalents	8,543	6,441
Trade and other receivables	37,023	25,331
Net monetary position	45,566	31,772
Exchange rate change	10.0%	10.0%
Impact on profit before tax	4,557	3,177

* Exposure is presented in thousands of U.S. dollars and relates to monetary items in foreign currency of each entity of dLocal, considering each individual functional currency.

Fraud Risk

Our transactions are susceptible to fraud or improper sales. In order to manage fraud risk we monitor transactions through dLocal Defense, which is a local data-driven prevention program to maximize fraud detection and minimize false positives. This process reviews transactions at the time of authorization, legitimates them and uses external tools that are revised on a periodic basis. In addition, we also use a supplemental process to detect chargebacks and disputes.

Capital management

Our board of directors has established a policy aimed at maintaining a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of our business. The objective of our board of directors is to safeguard the ability of the business to continue as a going concern, so that we can continue to provide returns for shareholders and benefit other stakeholders and to maintain an optimal capital structure to reduce our cost of capital. In order to maintain or adjust the capital structure, we may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Our board of directors monitors our return on capital as well as the level of dividends to ordinary shareholders.

REGULATORY OVERVIEW

We are subject to regulatory authorizations or registration in the jurisdictions in which we operate and conduct our activities, including (i) the jurisdictions of our merchants, the majority of which are located in the European Economic Area, or EEA, or in the United States and/or (ii) the jurisdictions of our merchant's customers, the majority of which are located in the principal jurisdictions in which we operate, including Brazil, Mexico, Argentina, Chile, Colombia and India. We hold a number of regulatory licenses or registration in several jurisdictions in which we operate. In certain jurisdictions, we have obtained legal and regulatory guidance from regulators or local law firms confirming that no specific regulatory license is required in respect of our operations. In other jurisdictions, we continue to work with regulators to determine whether registration is required or whether an exemption is available. Because the regulation of payment service providers is complex and subject to continuous change, we are subject to a number of risks associated with ongoing regulatory compliance. See "Risk Factors—Risks Relating to Our Business and Industry—Because we are a multinational company conducting a complex business in many markets worldwide, we are subject to legal and operational risks related to staffing and management, as well as a broad array of local legal and regulatory requirements that could adversely affect our operations.," "Risk Factors—Risks Relating to Our Business and Industry—We may not be able to obtain or maintain the relevant regulatory licenses, permissions or registrations to carry out our business in the various jurisdictions in which we operate, which may subject us to fines, penalties or force us to discontinue operations in such jurisdictions, any of which could have a material adverse effect on our business, financial condition and results of operations," "Risk Factors—Risks Relating to Our Business and Industry —Complex and enhanced regulatory oversight in the banking and financial services industry could adversely affect our operations or our relationships with our banking partners.," "Risk Factors—Risks Relating to Our Business and Industry —We are subject to complex and evolving tax regimes in the countries in which we operate and failure to accurately interpret applicable tax laws, or changes in tax laws or changes in existing interpretations of tax laws, could have a material adverse effect on our business and financial condition."

EEA Regulatory Matters

In the EEA, we are licensed and regulated by the Malta Financial Services Authority (MFSA) as an Electronic Money Issuer, or EMI, and Payment Institution, or PI, which permits us to engage in payments services and the issuance of electronic money under Directive (EU) 2015/2366, commonly referred to as the Payment System Directive 2 (PSD2).

We can currently service EU / EEA merchants (including merchants in the UK) given its so-called "passporting" rights obtained as an EU/ EEA-regulated EMI and PI. In connection with Brexit, there is a risk that we may lose our ability to rely on our license from Malta to serve our UK-based merchants. We have already sought and obtained permission from, the FCA, the UK regulator, to maintain its business in the UK under a temporary permissions regime in place in the UK which enables EEA-based firms currently passporting into the UK to continue new and existing regulated business within the scope of their current permissions in the UK for a period of time. See also "Risk Factors—Risks Relating to Our Business and Industry—The United Kingdom's departure from the European Union could adversely affect us."

United States Regulatory Matters

In the United States, our subsidiary dLocal Corp LLP is registered as a Money Services Business, or MSB, with the Financial Crimes Enforcement Network, or FinCEN, at the federal level, and we are therefore subject to a range of regulations in the United States, including anti-money laundering laws and regulations, such as the Bank Secrecy Act, as amended by the USA PATRIOT Act, referred to collectively as the BSA. The BSA, among other things, requires money services businesses to develop and implement risk-based anti-money laundering programs, report large cash transactions and suspicious activity, and maintain transaction records. We are also subject to regulatory oversight and enforcement by FinCEN. We have developed and continue to enhance compliance programs and policies to monitor and address related legal and regulatory requirements and developments relating to the BSA and other anti-money laundering laws.

We do not currently hold any U.S. state-level licenses. At the state level, we generally rely on the “agent of the payee,” or AOTP, or similar “payment processor” exception from the licensing and/or registration requirements applicable at the state level under state laws corresponding to the jurisdictions of our merchants in the United States. In some states, however, the AOTP exception is not expressly established by statute, regulation or regulatory guidance, or such statute, regulations, and guidance are subject to changes and evolving interpretations and applications. In certain U.S. states, but not all, we have obtained specific waivers from the local state regulators to operate our business as presently conducted without obtaining a state license or registration, and in the remainder of U.S. states we have otherwise determined under a risk-based approach that registration as a money transmitter is not currently a mandatory requirement. In some cases, we may use structural arrangements (including by partnering with third-party service providers) designed to prevent us from receiving or controlling our customers’ funds in the United States and therefore mitigate the risk of our activities being subject to U.S. state money transmitter regulation. Prior to commencing operations in such states, we have sought regulatory guidance from local counsel or local regulators regarding our ability to operate in such states without obtaining a license.

Regulatory Matters in the Principal Jurisdictions in which We Operate

We believe we follow the relevant regulatory frameworks in the local jurisdictions in which we operate and have conducted reviews of the regulatory frameworks in the principal jurisdictions in which we operate, including Brazil, Mexico, Argentina, Chile, Colombia and India. In certain of these markets, we are required to maintain a sub-agent that satisfies certain organizational and set up requirements (such as in Brazil), in others, we are required to obtain a regulatory license or registration (such as in Chile, Argentina and Mexico) and, in others, we are required to comply with certain rules.

Argentina

Regulatory licensing

The Argentine Financial Entities Law, or the FEL, regulates “financial intermediation” and empowers the Argentine Central Bank, or BCRA, to regulate financial institutions. However, the FEL only regulates credit intermediation, where depositors or investors raise funds for lending. Because we do not raise money from depositors but instead, only process payments, our Argentine counsel have advised that we do not engage in “financial intermediation” and consequently our operations in Argentina are not required to obtain a license from the BCRA. Also, regulated payment service providers, or PSPs, that offer their customers freely available accounts to make and/or receive payments through specific proprietary payment systems which may transact with banks or other PSPs’ accounts, must be licensed by the BCRA. Because Dlocal Argentina’s operations do not include offering freely available payment accounts, our Argentine counsel have advised that we are not required to obtain a license from the BCRA.

Foreign exchange regulations

Under Argentine law, only banks and “exchange companies” licensed by BCRA are permitted to engage in foreign exchange transactions. Dlocal Argentina conducts any and all conversions of Argentine *pesos* to a settlement currency through such banks and exchange companies.

Anti-money laundering regulations in Argentina

Our Argentine subsidiary is duly registered with the Financial Information Unit (*Unidad de Información Financiera*) as a Reporting Entity, under the scope of its Resolution No. 76/2019, since it collects funds on behalf of the Merchants by means of credit and debit card companies.

Brazil

Regulatory licensing

The payments industry in Brazil is regulated by Law No. 12,865, enacted in 2013, and overseen by the Brazilian Central Bank, or BACEN.

Under the applicable BACEN regime, our local entities in Brazil have been organized to provide services in five separate capacities: (1) payment arrangement; (2) payment institution; (3) Brazilian Instant Payments System, or PIX, (4) sub-acquirer and (5) international payment facilitator. The first four listed capacities involve transactions between Brazilian customers and Brazilian merchants. When acting as an international payment facilitator, however, this involves Brazilian customers acquiring goods and services from non-Brazilian merchants.

Currently, we operate with two legal entities in Brazil: (1) Dlocal Brasil Pagamento Ltda., or “Dlocal Brazil”, which acts as a payment arranger, Brazilian PIX payment provider, sub-acquirer, and payment institution, and (2) Demerge Brasil Facilitadora de Pagamento Ltda., or “Demerge Brazil”, which acts as an international payment facilitator.

Payment Arrangement Authorization

Dlocal Brazil is currently set up as a payment arrangement.

Under BACEN regulations, a payment arrangement provides money transfer services by debiting an internal account of a payor and crediting another internal account of a payee.

Dlocal Brazil has been set up as a closed payment arrangement in accordance with the applicable BACEN regulation and related guidelines. Specifically, Dlocal Brazil has adapted its organizational documents to the applicable regulation and has adopted respective policies intended to comply with such BACEN regulation applicable to payment arrangements.

Dlocal Brazil’s activity has not exceeded the payment arrangement thresholds, consequently Dlocal Brazil has not yet obtained or sought BACEN authorization. When any of those requirements are met, BACEN regulation allows Dlocal Brazil to continue processing transactions while its request for authorization is pending.

Payment Institution Authorization

As of the date of this prospectus, Dlocal Brazil is a payment institution in accordance with the requirements of applicable BACEN regulations and related guidelines, but its licensing process remains pending. Specifically, Dlocal Brazil has adapted its organizational documents to the applicable requirements, and has adopted policies intended to facilitate compliance with BACEN rules applicable to payment institutions. Under BACEN regulations, Dlocal Brazil, as a payment institution, (1) creates a payment account for its users, issuing electronic currency and enabling them to carry out prepaid transactions, based on the funds contributed to the user’s account; (2) credits merchants or sellers (receivers) for acceptance of the payment instrument issued by it, and (3) issues and processes payment transactions executed by means of bank slips, as applicable. BACEN regulations permit Dlocal Brazil to continue processing transactions while it is in the licensing process.

A payment institution must be authorized by BACEN to conduct its business when in a consecutive 12-month period, (1) it processes more than R\$500 million in payments or (ii) it maintains R\$50 million or more in funds in its customer payment accounts. Dlocal Brazil reached the payment institution thresholds on July, 30, 2019, and it timely submitted to BACEN requesting for a formal authorization on October, 30, 2019. Dlocal Brazil is currently waiting for such authorization and such process is taking its normal course.

International Payment Facilitator (Foreign Exchange Transactions)

Demerge Brazil is currently set up as international payment facilitator. This activity, consisting of a foreign exchange model for merchants, does not require a license to operate in Brazil.

Under BACEN regulation, an international payment facilitator enables a customer to purchase goods and services from merchants outside of Brazil by transferring funds to such merchants from the customer's bank account or credit or debit card, by means of the international payment facilitator, to the non-Brazilian merchant.

BACEN does not require that international payment facilitators obtain any authorization to conduct their business. In its capacity as an international payment facilitator, Demerge Brazil serves only non-Brazilian merchants or marketplaces. On that basis, our Brazilian counsel have advised us that Demerge Brazil is not required to obtain any license from BACEN.

Brazilian Instant Payment Scheme, or PIX

Instant payments are electronic money transfers in which the payment messaging and funds availability for the payee are carried out in real time. The PIX's centralized and sole settlement infrastructure is the instant payment system, or SPI, which is operated and managed by BACEN. There are two types of participants in SPI: "direct participants", which settle transactions directly on the settlement platform; and "indirect participants", whose transactions must be settled by means of a direct participant.

As a payment institution, Dlocal Brazil requested authorization to participate in PIX. On November 16, 2020, Dlocal Brazil received approval to operate within PIX and operates in the SPI as an indirect participant. Such authorization is subject to the development, by Dlocal Brazil, of an app that is authorized by the Brazilian Central Bank by June 1, 2021 and, if Dlocal Brazil is unsuccessful in such development, the company will not be able to operate within PIX. Dlocal Brazil may be a direct participant upon obtaining an authorization as Payment Institution from BACEN.

Sub-acquirer

A sub-acquirer is a participant of the payment arrangement of the card network that enables the receiving end-user to accept a payment instrument issued by a payment institution or by a financial institution participating in the same payment arrangement, but does not participate in the process of settlement of payment transactions as creditor to the issuer.

Dlocal Brazil also acts as a sub-acquirer, processing payments and transmitting the generated data to the other participants in the payment flow, as an intermediary between acquirer and the merchant.

Chile

Regulatory licensing

Under Chilean law, the collection of funds on behalf of merchants that sell digital goods and/or services online to end-users and the delivery of funds on their behalf are permitted activities without the need of getting a special license as we have been advised by our Chilean counsel.

Anti-money laundering regulations in Chile

In order to prevent money laundering and terrorist financing crimes in Chile, the legislation imposes on certain individuals and legal entities the obligation to inform the Financial Analysis Unit, or the UAF, about suspicious operations identified by regulated entities during the exercise of their activities.

In 2019, our entities operating in Chile, or Dlocal Chile, requested the UAF's opinion on the obligation of Dlocal Chile to register and to report to the UAF, to which the UAF replied that there was only obligation from Dlocal Chile to register and report operations related to local payments service. Accordingly, Dlocal Chile is currently registered with the UAF and reporting transactions (when required).

Foreign exchange

Chilean law requires that any remission of funds abroad or the receipt of foreign funds must be conducted through commercial banks or other regulated financial institutions to the extent that the remission or receipt involves amounts of greater than US\$10,000. Dlocal Chile complies with these requirements.

Colombia

Regulatory licensing

Our operations in Colombia, or Dlocal Colombia, do not require any special license as a participant in the financial sector, securities market or insurance sector. Our operations in Colombia do not constitute financial activities because they are not related to the management, use and/or investment or funds procured from the public in a professional manner.

Regulation and supervision of payment gateway administrators in Colombia

Dlocal Colombia acts as payment gateway administrator (*entidad administradora de pasarela de pagos*) or payment service provider (*proveedor de servicios de pago*)—both terms are used under Colombian regulations—, under the cumulative model (*modelo agregador*), in order to be able to store, process and/or transmit payments or transfers made within the low value payment system (*sistema de pago de bajo valor*) by Colombian residents, either from their deposit products (prepaid or debit cards, e-wallets or ACH Colombia's Secure Online Payments Button Service) or credit quotas (credit cards), for online sales transactions made to them by merchants, as well as to be able to collect on such merchants behalf the funds resulting from payment orders or transfer of funds in their favor, and to provide such merchants with access technologies that enable the use by Colombian residents of payment instruments in digital environments.

Although payment gateway administrators do not perform financial activities, and are not considered financial institutions nor subject to direct supervision by the Colombian Financial Superintendence, or the SFC, they are subject to the so-called indirect supervision set forth in the basic legal resolution issued by the SFC, which applies to low value payment system administrators (*entidades administradoras del sistema de pago de bajo valor*) and/or credit institutions (*establecimientos de crédito*) that enter into an agreement with them in relation to the low value payment system. To exercise such indirect supervision, low value payment system administrators and/or credit institutions must include in the applicable agreement a series of covenants to be complied with by Dlocal Colombia. Low value payment system administrators and credit institutions are financial institutions subject to the regulation and supervision of the SFC. Pursuant to the foregoing, Dlocal Colombia is subject to such indirect supervision, as a payment gateway administrator. Our Colombian counsel have advised us that Dlocal Colombia is not directly bound in its capacity as a payment gateway administrator by any of the provisions of the basic legal resolution, as it is not considered a financial institution subject to direct supervision by the SFC. From a Colombian financial regulatory perspective, the low value payment system administrators and/or the credit institutions that have entered into contracts or agreements with Dlocal Colombia in relation to the low value payment system, are the only parties responsible for compliance with the provisions of the basic legal resolution in relation to payment gateway administrators, and could be subject to fines or other administrative sanctions by the SFC for their noncompliance.

Foreign exchange

Colombian law requires any remittance of funds abroad or the receipt of foreign funds to be (1) reported to the Colombian Central Bank and (2) conducted through commercial banks or other regulated financial institutions. Dlocal Colombia only performs the remittance or receipt of free market funds.

Mexico

Regulatory licensing

As of the date of this prospectus, our Mexican entity, Demerge Mexico, S.A de C.V. or Demerge Mexico, is in the process of being registered as an aggregator with the National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*) and the Mexican Central Bank (*Banco de México*), under which Demerge Mexico will continue providing services to enable payment receivers (Mexican merchants) to accept payments with credit and debit cards, in compliance with the Means of Disposal Networks (*Disposiciones de carácter general aplicables a las Redes de Medios de Disposición*) and the Transparency and Regulation of Financial Services Law (*Ley para la Transparencia y Ordenamiento de los Servicios Financieros*).

Our Mexican counsels have advised us that Demerge Mexico does not need a license to be able to operate in Mexico for merchants that market products and services online.

Foreign exchange

Demerge Mexico does not conduct foreign exchange transactions in Mexico. All foreign exchange transactions are carried out through commercial banks and other regulated financial institutions.

India

Regulatory Licensing (System Providers)

Payment and settlement systems in India are regulated by the Payment and Settlement System Act of 2007, or the PSS Act, and the regulator for this purpose is the Reserve Bank of India, or the RBI. The PSS Act generally requires the “system provider” of a “payment system” to obtain authorization from the RBI to function, except for cases where an agent is acting on behalf of a person to whom payment is due. Because our local entity, Depansum, is acting as an agent of Dlocal when collecting funds, it is exempt from obtaining such authorization or a license.

Depansum, acts as our collection and paying agent, and/or for our merchant customers, and it is exempt from obtaining any authorization or license under the PSS Act.

Regulatory Licensing (Payment Aggregators and Intermediaries)

The RBI, as the regulator of payment and settlement systems, has further issued directions and guidelines to regulate online payments. Directions for opening and operation of accounts and settlement of payments for electronic payment transactions involving intermediaries, known as the intermediary’s directions, were issued by the RBI on November 24, 2009, followed by guidelines on regulation of payment aggregators and payment gateways issued by the RBI on March 17, 2020. The latter provides for obtaining authorization to operate as a payment aggregator.

Depansum does not collect money from India residents directly, nor does it transfer money to merchants. It is not involved in any end-user facing verticals of a payment system. It performs the limited function of a payment and collection agent, which is not included in the definition of an “intermediary” as under the intermediary’s directions.

Also, Depansum's business model relies on payment aggregators, which collect and disburse payments and transact with the end-users on its behalf. Depansum has no dealings directly with the end-users, and it is not considered as a "payment aggregator" or "payment gateway" in terms of payment aggregators and payment gateways guidelines.

Foreign Exchange

Foreign Exchange regulations apply to cross-border pay-in and pay-out transactions. The transactions between the end-users and the merchants (being sales and purchase of goods and services on e-commerce platforms) are not expected to be classified as capital account transactions or current account transactions that are prohibited under the current account transaction rules, or which require approvals of the central government or RBI, or exceed applicable limits on such transactions.

The underlying transactions, that is current account transactions that are not specifically prohibited and that do not require prior approval, are permitted. Depansum is using services of payment gateways and payment aggregators to effect fund transfers. These entities only hold the funds in India as an agent of dLocal, who, in turn, acts as an agent of merchant. Depansum can therefore adjust the amounts received from an end-user for a merchant against the amount payable to an end-user provider of the same or a different merchant, and can instruct the payment aggregator accordingly.

For pay-out transactions, dLocal transfers funds in U.S. dollars to its Vostro accounts, and from these accounts the funds are transferred directly to the end user (not via Depansum). Such type of transaction will be permissible if the pay-out transaction is for permissible debits for a Vostro account, such as a trade transaction up to Rs 1,500,000 (approximately US\$21,500). Pay-Out Transactions for reimbursement or withdrawal by an end user from a foreign payment wallet or a merchant is also considered to be permissible debit from a Vostro account.

Anti-money laundering legislation

The Prevention of Money Laundering Act, 2002, or PMLA, prescribes anti-money laundering rules and regulations for India. The PMLA requires certain entities, referred to as the "reporting entities" to comply with certain provisions of the PMLA (including maintaining records, and reporting suspicious transactions).

Depansum and dLocal are not likely to be considered as a "payment system operator", hence are not "reporting entities" under the PMLA.

The foregoing list of laws and regulations to which we are subject is not exhaustive and the regulatory framework governing our operations changes continuously. Although we do not believe that compliance with future laws and regulations related to the payment processing industry and our business will have a material adverse effect on our business, financial condition or results of operations, the enactment of new laws and regulations may increasingly affect the operation of our business, directly and indirectly, which could result in substantial regulatory compliance costs, litigation expense, adverse publicity, the loss of revenue and decreased profitability. See "Risk Factors—We may not be able to obtain or maintain the relevant regulatory licenses, permissions or registrations to carry out our business in the various jurisdictions in which we operate, which may subject us to fines, penalties or force us to discontinue operations in such jurisdictions, any of which could have a material adverse effect on our business, financial condition and results of operations,"

BUSINESS

Our Mission

Our mission is to enable global merchants to connect seamlessly with billions of emerging market users.

Overview

dLocal is focused on making the complex simple, redefining the online payments experience in emerging markets. Through one direct API, one technology platform, and one contract, which we collectively refer to as the *One dLocal* model, we enable global enterprise merchants to get paid (pay-in) and to make payments (pay-out) online in a safe and efficient manner. Merchants on our platform consistently benefit from improving acceptance and conversion rates, reduced friction, and improved fraud prevention, leading to enhanced potential interaction with nearly 2 billion combined internet users in the countries we serve (excluding China). Our proprietary, fully cloud-based platform has the ability to power both cross-border and local-to-local transactions in 29 countries as of the date of this prospectus (which includes seven new countries where we have recently made our services available but have not yet processed volume). Our solutions are built to be both payment method-agnostic and user friendly. We enable global merchants to connect with over 600 local payment methods (some of which are financial institutions) across our different geographies expanding their addressable markets. Furthermore, our proprietary technology architecture is highly scalable and flexible, allowing us to constantly and rapidly innovate in response to market demand, expand to new countries and enhance our value proposition for our merchant clients. Agility is in our DNA. We believe our product offering makes us the most comprehensive online payments infrastructure currently available for global enterprise merchants operating across emerging markets.

Our focus on merchants' demands drives us to develop solutions that address the complex payments issues they face in emerging markets.

- For Microsoft, we offer a reliable, country-specific solution that facilitates payments, enabling merchants to sell their suite of products and services in Nigeria.
- For one of the largest video streaming companies in the world, we enable acceptance of local payment methods from viewers eager to access their content in Peru.
- For Didi, we facilitate a pay-out solution that enables bank transfers, split payments, and tax withholding functionalities for its drivers in Argentina to collect fares.
- For one of the leading global internet search engines, we developed dynamic transaction routing capabilities in Brazil to automatically direct traffic to payments providers with the highest probability of success, thus enabling more reliable processing.

As global enterprise merchants continue to face payments complexities, we believe they will seek to engage with partners that have demonstrated high acceptance rates of APMs and have expertise in local payments; foreign exchange, or FX, management; local regulations; and compliance, tax, and fraud management capabilities across the relevant emerging markets, as opposed to engaging providers they may already use in developed markets where the payment and infrastructure dynamics are different. Capitalizing on this opportunity, we have continued to expand our presence globally with the goal of becoming the online payments partner of choice for global merchants in emerging markets.

We are an enterprise-focused company, targeting large global merchants that operate in different verticals and geographies. Our key verticals include retail, streaming, ride hailing, financial institutions, advertising, SaaS, travel, e-learning and gaming. We have built our global platform from the ground up to be accessible through a single direct API and to meet the rapidly evolving needs of these fast-growing global merchants. We believe simplicity, scalability, transparency, agility and innovation are keys to our continued success. We partner with over 330 merchants, including leading global enterprises such as Amazon, Didi, Microsoft, Spotify, Mailchimp, Wix, Wikimedia and Kuaishou. In addition, we cater to the needs of leading marketplaces to help their SMB clients and partners expand their geographic reach. Our global merchants benefit from maintaining direct

relationships with their end users while facilitating a faster, safer, more reliable and compliant payments experience. On average, our global merchants used dLocal's platform in nearly six different countries and 44 payment methods in 2020 and in five countries and 35 payment methods in 2019, in each case for merchants with at least US\$6 million of annual TPV on our platform. Such merchants comprised 92% of our TPV in 2020 and 93% in 2019. As a result, we believe that dLocal has become a trusted partner forging resilient relationships with global enterprise merchants.

We benefit from an attractive business model with improving economies of scale. We are often subject to rigorous vetting processes with global enterprise merchants that invest significant time and resources in the selection, diligence, and on-boarding of technology and payments providers. This on-boarding process can often take several months as these merchants assess our technological capabilities, ability to comply with their data security protocols, and adherence to regulatory, tax and compliance requirements. However, once we establish a direct connection (meaning there are no third party intermediaries between us and the merchant in the payment flow and technical integration), global merchants have the ability to access the full breadth of our solutions and the countries where we have a presence instantly through one direct API and one contract. Merchants can also choose to route all or a portion of their applicable pay-in and pay-out volume through us. Our direct connections with merchants serve as a strong competitive advantage and barrier to entry for competing providers, and makes incremental volume that flows through our platform highly margin accretive for dLocal.

Our single integrated platform provides a merchant-friendly alternative to the numerous legacy providers that global merchants were previously forced to rely upon for their payments needs in emerging markets. The breadth of our online payments infrastructure and expertise, allowing merchants to transact in 29 markets as of the date of this prospectus, the direct connections with global merchants, our relationships with APMs, local financial institutions and acquirers, our understanding of the countries in which we operate, and our differentiated compliance, tax, and fraud management capabilities are attributes that in combination are difficult for competitors to replicate and create strong barriers to entry. Our technology DNA (we have been a "technology-first" business from inception), execution-driven culture and agile innovation mindset keep us at the forefront of the industry.

Our success is reflected in our rapid growth and strong profitability. dLocal earns revenue from fees charged to our merchants in connection with payment processing services for cross-border and local payment transactions in emerging markets. These fees are primarily generated on a per approved transaction basis as either a fixed fee per transaction or fixed percentage per transaction. The fees include a Merchant Discount Rate, or MDR, to compensate us for our services, as well as an FX service fee earned on payments involving conversion and expatriation of funds to and from various currencies, including the U.S. dollar and the Euro. Our TPV was US\$925.9 million and US\$388.2 million for the three months ended March 31, 2021 and 2020, respectively, and US\$2.1 billion and US\$1.3 billion for the full years of 2020 and 2019, respectively, representing a growth rate of 138.5% when comparing the three months ended March 31, 2021 to the three months ended March 31, 2020 and a growth rate of 60.3% when comparing the full year of 2020 to 2019. Our total revenues were US\$40.3 million and US\$18.0 million for the three months ended March 31, 2021 and 2020, respectively, and US\$104.1 million and US\$55.3 million for 2020 and 2019, respectively, representing a growth rate of 123.7% when comparing the three months ended March 31, 2021 to the three months ended March 31, 2020 and a growth rate of 88.4% when comparing 2020 and 2019. Our NRR was 171% for the year ended December 31, 2020 and the revenue growth attributable to new merchants, which represents merchants that did not process volume with dLocal prior to January 1, 2020, was 17%. Excluding the effect in 2019 of a warrant with a merchant, the NRR would have been 159%. For the three months ended March 31, 2021 and 2020 our NRR was 186% and 216% (or 139% excluding the effect of the warrant), respectively, and our growth attributable to new merchants was 38%. The NRR includes the merchants that generated revenues in the same period of the prior year. For the year 2020, 167 merchants were included, and for the three month period ended March 31, 2021 and 2020, 179 and 135 merchants were included, respectively. Our asset-light operating model with low capital expenditures facilitates continuous reinvestment to drive topline growth. Our strong profitability and cash flow generation is due in large part to our solving of the complex payments problems on behalf of our merchants in underserved geographies. Our Adjusted EBITDA Margin was 44.3% and 41.3% for the three months ended March 31, 2021 and 2020,

respectively, and 40.3% and 36.3% during the full years of 2020 and 2019, respectively. As we continue to deepen the relationship with the global merchants we serve, and improve and expand our current solutions and increase our presence in emerging markets, we expect to continue growing as existing and new merchants further rely on our capabilities.

Our History and Evolution



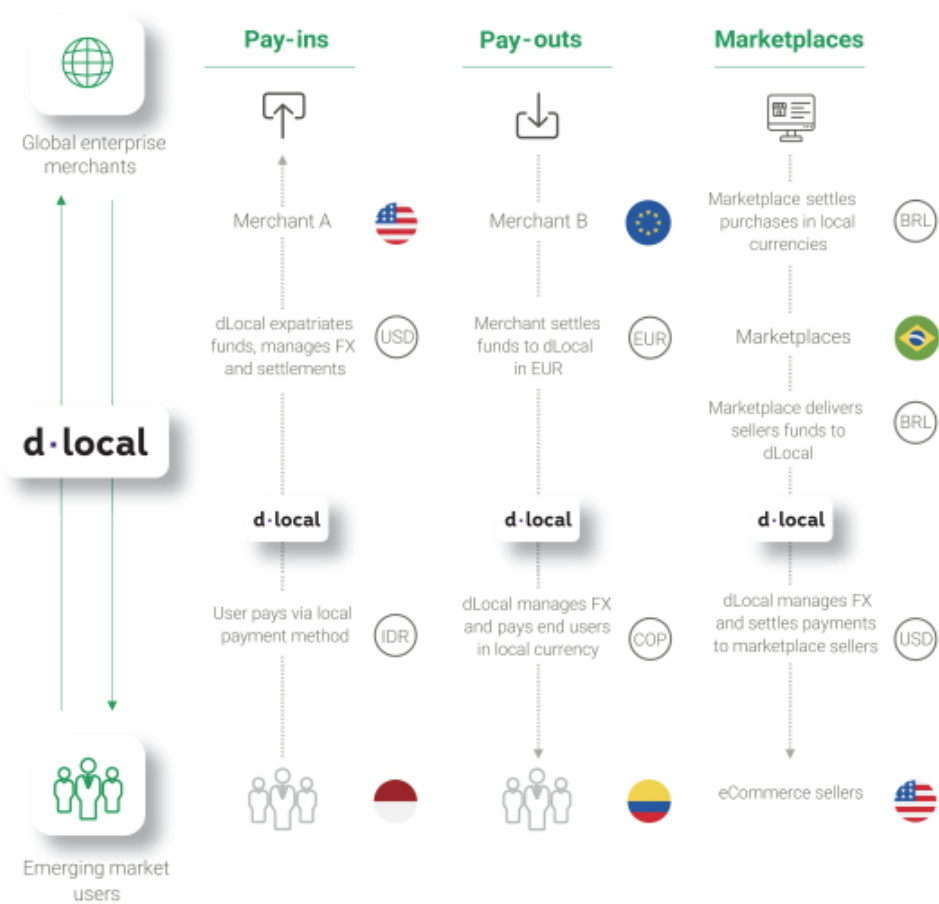
We started our journey in 2016 as a technology-first company seeking to disrupt online payments and to unlock opportunities for global enterprise merchants in emerging markets. We believe that we were among the first providers to recognize that, while large global merchants want to grow their business by selling their products and services online in emerging markets, they did not have the right online payments infrastructure to do so efficiently.

Since our inception, we have harbored global ambitions. We started with a single product to support a single payment method in one market, specifically, pay-in cross-border payments in Brazil. Our early success empowered us to expand to other emerging markets, leading to our presence today in 29 countries including Mexico, Argentina, Colombia, and Chile in Latin America; India and Indonesia in Asia; and Egypt, Nigeria, and South Africa in Africa.

From the outset, our founding management team leveraged its technical expertise and entrepreneurial acumen to construct our flexible, scalable platform from scratch. The addition of strong commercial and financial talent complemented their technical proficiency, which has allowed dLocal to scale the business. Over the years, we have been able to continuously and rapidly introduce new solutions and capabilities in response to our global merchant's dynamic needs and payments ecosystems, further develop and enhance our technology platform, and evolve our business model.

Today, dLocal is a key enabler of online commerce in emerging markets serving different high-growth, technology-related verticals across key sectors in the economy. In addition to pay-in cross-border solutions, we have successfully developed fast-growing pay-out solutions, as well as local-to-local capabilities for both pay-in and pay-out transactions. We have also developed marketplace capabilities, having on-boarded one of the world's largest e-commerce platforms in 2018 as our first marketplace merchant. Our roster of market-leading global enterprise merchants and their reliance on our platform are the strongest testament to the strength of our overall value proposition.

Payment processing value chain



Note: Illustrative cross-border examples

We benefit from the support of our investors, including our strategic shareholders, General Atlantic and Mastercard, and the opportunities our scalable platform offers us. Moreover, Sebastián Kanovich and Jacobo Singer, our CEO and President, respectively, and members of our founding management team hold a meaningful combined ownership in dLocal and are deeply committed to our continued success. See “Principal and Selling

Shareholders” and “Management”. With this support and commitment, we intend to continue expanding into new markets, developing new products, and retaining and expanding our merchant base while growing their overall volume processed through our platform, all of which are drivers that will continue to propel our growth in the years to come.

Our Market Opportunity

The global payments industry is experiencing a rapid, secular shift towards digital payment methods, particularly driven by the growing prevalence of online and mobile channels. In 2020, consumers and businesses worldwide made over 454 billion purchase transactions on global network cards, according to Nilson Report. The share of e-commerce as a percentage of total global retail payments volume expanded to 21% in 2020, compared to 16% in 2019, according to Digital Commerce 360, aided by the accelerated shift to online purchasing during the ongoing COVID-19 pandemic.

In order to capitalize on this trend, global merchants continue to seek international expansion, thus raising their need to facilitate payment transactions from a wide array of methods and channels across what we believe to be complex and fragmented payments ecosystems. We believe that global enterprise merchants recognize the growing importance of emerging market economies as a key driver of growth. According to the International Monetary Fund, or the IMF, in 2019 emerging markets represented 57% of aggregate global GDP (measured on a per person basis), a significant increase from 43% in 2000. Emerging markets are expected to continue growing faster than developed markets overall.

However, global merchants face many challenges when trying to gain access or further penetrate emerging markets. Banking penetration remains low in these countries, falling below 20% of the adult population in some cases, according to AMI. As opposed to developed economies where card-based transactions relying on international card schemes are prevalent, local card, bank transfer-based payment methods, digital wallet, and cash-like payments, such as using Boleto in Brazil or UPI in India, and making payments at Oxxo in Mexico, are the predominant payment methods for end users in emerging markets. Furthermore, in order to gain access to emerging markets, merchants also need to:

- adhere to local compliance, regulatory, and tax frameworks,
- offer transparency and security for their end users,
- address inherent fraud risk while maximizing acceptance and conversion,
- gain insights from their transaction data, and
- identify and engage with partners that can scale as their emerging markets operations expand.

Through the *One dLocal* model, we address these needs.

The payments industry is complex, cumbersome, and varies in structure in each country. In many instances the interaction between parties varies substantially from jurisdiction to jurisdiction. For example, a payments service provider, or PSP, may compete with other providers in one market and collaborate in another (under a sub-acquirer relationship or otherwise). This results in different unit economics for PSPs in each market largely depending on the services offered and the role that they play in the payments value chain. This complexity has created the demand for next-gen providers that integrate directly with global merchants and act as a single point of interaction that can engage with a large ecosystem of participants, offer them integrated solutions, and thus limit disintermediation.

We believe we have a large market opportunity in pay-out transactions, for both cross-border and local-to-local payments, which is currently underserved by what we believe to be a fragmented set of industry participants, most of them legacy payments companies.

According to AMI, there is an estimated US\$1.2 trillion in total e-commerce pay-in and pay-out volume in the countries in which we operate, excluding China. Of the estimated US\$428 billion pay-in volume for 2020, 86% corresponded to local-to-local transactions, and only 14% corresponded to cross-border transactions. Overall, pay-in volume is expected to grow up to US\$1.1 trillion by 2024, implying a CAGR of 27% from 2020 to 2024, according to AMI. AMI also expects the share of pay-outs vis-a-vis pay-ins to increase in the coming years on the back of strong tailwinds associated with an expected recovery in the next 24 months from the COVID 19 pandemic, which fueled a rise in remote work and initially dampened travel, ride hailing and remittances, but which are expected to recover following the pandemic.

The chart below shows 2020 pay-in and pay-out volumes and the projected growth of the total pay-in volume in the countries in which we currently operate, excluding China:

Payment volumes in the countries in which we currently operate, excluding China (in US\$ trillions)



Payments in emerging markets are still dominated by local payment methods. Whereas in the United States and Europe, credit and debit cards are widely held and used online, this is not the case in emerging markets where, according to AMI, banking penetration can fall below 20% of the adult population and cash-based payment methods, local digital wallets, and bank transfers are prevalent. According to AMI, local payment methods represented 83% of total e-commerce expenditure in 2020 in the 14 core markets analyzed by them. In Brazil, for instance, according to AMI, internationally-enabled credit cards only represented 10% of the aggregate e-commerce payment volumes, whereas domestic-only credit cards and cash-based methods represented 55% and 13% of the aggregate e-commerce payment volumes in 2020, respectively, and the remaining 35% were alternative payment methods. Similarly, in India, internationally-enabled credit cards only represented 30% of the aggregate e-commerce payment volumes in 2020, whereas debit cards and bank transfers represented 19% and 14%, respectively. In Nigeria, internationally-enabled credit cards only represented 13% of the aggregate e-commerce payment volumes in 2020, whereas debit cards and bank transfers represented 28% and 27%, respectively. We believe the prevalence of local payment methods creates a fragmented payment system in emerging market countries, which hampers global merchants' ability to expand in these new markets. We see an opportunity to continue growing and acquiring new clients by solving the existing complexities that result from using alternative local methods through our *One dLocal* model.

We believe our opportunity is driven in large part by the following favorable trends:

Increasing globalization of commerce

Fueled by fast-paced changes in technology and the increased mobility of goods, services, people, and capital, globalization continues to be a driving force in the world economy. In particular, over the past few decades globalization has greatly changed economies, societies, and the way business is conducted. According to Bloomberg, cross-border trade involving developing or emerging economies constituted 53% of global trade in 2017, an approximate 10 percentage points increase over the past 20 years. Such rapid expansion has created new opportunities for businesses to grow and extend their reach, resulting in a significant increase in multi-country flows of funds, which requires a robust financial technology infrastructure, systems, and processes to support cash flows for pay-ins and pay-outs.

A shift in consumer expectations has further accelerated the pace of globalization, as consumers increasingly expect to be able to make purchases or receive funds anytime, anywhere, and using their preferred method of payment.

In addition, as global merchants broaden their geographic footprint in search of more scale and growth, they are faced with the challenge of operating in a multi-jurisdictional environment where they must ensure appropriate compliance with local regulatory, FX, and tax frameworks, and deal with the diverse set of available or preferred local payment methods of end users. Maintaining compliance with these regulatory and market standards can be costly, burdensome, and often hard to address without the help of a partner such as dLocal with the adequate know-how, technology, and level of connectivity to the broad local payment infrastructure.

Continued rise of the digital economy

Technology has revolutionized the way we interact with one another and the way we consume information, entertainment, goods, and services. As a result, the digital economy has become a massive web of interconnected stakeholder and supply chains, spanning across a wide range of easily accessible products and services. The growing accessibility of the internet, as well as the rising adoption of smartphones, have been important trends in developed and emerging market countries. In 2020, smartphone penetration levels for Turkey, Brazil, and Mexico reached 61%, 80%, and 75% respectively. According to AMI, 80 million Nigerians are estimated to come online in the next five years. As a result of these growing trends, e-commerce penetration has experienced an accelerated expansion. Global e-commerce as part of overall payments volume grew at a 17% CAGR from 2014 to 2019, according to Insider Intelligence. Likewise, e-commerce among the core emerging countries we operate in analyzed by AMI grew 27% in 2020, while global GDP contracted 3.5% during the same year. We believe the penetration of the internet should continue to increase over time.

E-commerce has been a primary beneficiary of shifts in purchasing behavior during the COVID-19 pandemic. Consumer preferences for contact-free solutions are reshaping the way companies interact with their clients. Multiple industry observers and market participants (including Insider Intelligence and Euromonitor) believe this increase in digital commerce has the potential to become permanent, driving a two to three-year acceleration in adoption levels. Turkey, Brazil, and India are expected to grow at a CAGR of 39%, 30%, and 17% from 2020-2024, according to AMI, further emphasizing the rapid rise of digitalization in emerging markets during the next years.

Large, digitally-native enterprises are capitalizing on this opportunity, serving consumers globally who are eager to use the internet for consumption and connectivity, driving their ability to continue to take market share from legacy market participants which have experienced varying degrees of success in their attempt to go online. We believe that as the digital economy continues to expand globally, particularly in emerging markets, dLocal is well-positioned to serve the needs of key participants due to our inherent emphasis on e-commerce and our shared appreciation for technology and product innovation.

Middle class in emerging markets continues to expand

On the back of continued economic growth, the middle class in emerging markets has been increasing its level of spending and online transaction frequency. This group is eager to consume global goods and services previously unavailable due to lack of access or spending constraints, leading to higher growth rates for goods and services in emerging markets, as well as the associated methods used to pay for them. This is driving an average expected annual GDP growth from 2021 through 2025 to 4.9% for emerging market economies (more than three times the expected growth for developed markets in the same period), according to *Oxford Economics via Refinitiv Datastream*. Global merchants wishing to capitalize on these changing economic demographics may seek to accelerate their entrance or further their penetration into emerging markets, which we believe may benefit technology and payments providers such as dLocal.

Research by Next Big Future suggests the global middle class would surpass 4 billion people by the end of 2020. According to this same research, the global middle class is growing by 120 to 160 million people every year, mostly in emerging markets, and is expected to reach 5.3 billion people by 2030. As a result, a growing emerging markets aspirational middle class should continue to gain disposable income over time, raising their expectations of convenience and customer experience, as well as their consumption of global merchants' products and services.

Cross-border payments in emerging markets are fragmented and poised for growth

While e-commerce is now mainstream, cross-border transactions still present unique challenges due to low approval rates, poor predictability of timing, low transparency, volatile exchange rates, dynamic regulatory requirements, and significant complexity that comes from having to settle transactions across multiple parties and currencies without a consistent regulatory and tax framework or an integrated payments infrastructure.

Furthermore, while developed countries have made significant progress, emerging markets still lack a coherent interoperability between regulatory and technical payments systems. According to Statista, the proportion of cross-border e-commerce transactions relative to total e-commerce transactions was significantly higher in developed versus emerging economies. For example, in 2019, as a share of all e-commerce transactions, cross-border e-commerce transactions accounted for 30% in Belgium, 27% in Ireland, and 18% in Austria. By contrast equivalent shares in India, Mexico, and Brazil were only 18%, 22%, and 6%, respectively. This presents a strong e-commerce growth opportunity as developing countries continue to make progress towards improving their infrastructure.

Facing differing local regulations, fragmented standards, inefficient infrastructure, and high fixed costs, we believe that service providers focusing on cross-border payment solutions will seek to balance the need for local expertise with the increasing merchant expectation of a single, digital, and global experience. In this context, we believe that strong cross-border business partnerships between global merchants and service providers are important and will continue to gain importance. Integrated payments solutions are the future, replacing disparate players operating in silo, requiring incremental connection between participants which further increases friction in the payments value chain.

Global enterprise merchants are establishing local presence in selected emerging markets

In order to complement operations that may have initially been run from abroad, some of the largest global merchants are seeking to establish local presence in certain large emerging markets (e.g., Didi in Brazil). Accordingly, once established locally these merchants also need to facilitate pay-outs to local vendors, employees, and contractors, and pay-ins from local customers via their preferred method of payment. Even with the ability to send and receive funds in local currency (through the establishment of local bank accounts), merchants still face what we believe to be fragmented payments ecosystems and market-specific regulatory environments, presenting complexities similar to those in cross-border transactions, which we believe generate sub-par results on acceptance rate, fraud and other relevant payment features.

As global merchants selectively expand their local presence in emerging markets, the demand for integrated digital payment capabilities becomes even more relevant, benefitting participants with broad presence and solutions, such as dLocal, that we believe can provide a simplified offering, broader connectivity, and better performance compared to legacy payments providers. We have observed this trend first-hand, and evolved with many of our merchants as they expanded our relationship to include our local-to-local solutions in one or more countries in addition to the cross-border solutions they continue to process through our platform (in the same or other countries).

Highly complex and evolving local regulatory and tax environments

The challenges that merchants face are further exacerbated by the increasing impact of regulation in the payments market globally. Systemic stress to global markets, such as that experienced during the 2008 financial crisis, has emphasized the need for policymakers to enhance and strengthen financial systems to make them more resilient, more secure, and better prepared to handle future shocks. Furthermore, the increase in fraud and cyberattacks continues to push regulators to increase scrutiny across the payments value chain. Regulators have also been concerned with the higher cost of services charged by legacy payments providers driving the creation of new APMs such as the PIX in Brazil. However, while we believe that most countries and jurisdictions share and understand this need, the effort to make necessary changes has been largely localized in nature, particularly in emerging markets. As a result, local regulatory frameworks are complex, unique, and constantly changing.

Ensuring adherence to and compliance with these regulatory and tax requirements are costly and burdensome for global merchants, often deterring or limiting their entry to certain jurisdictions, particularly in emerging markets. This presents an attractive opportunity for service providers such as dLocal that have local expertise to offer robust, up-to-date, and integrated capabilities that comply with regulatory, FX, and tax frameworks across emerging markets.

Our Competitive Strengths

The following strengths and advantages are at the core of our strategy:

One single API, one single platform to connect to emerging markets

dLocal's value is derived from the simplicity of our fully cloud-based proprietary platform, accessible through a single direct API, that enables global merchants to potentially reach nearly two billion internet users in the emerging markets we serve (excluding China). Traditional payments providers serving these markets are often burdened with disparate legacy technology systems that have been stitched together over time. This limits pricing transparency and leads to reconciliation and refund management complexities, a sub-optimal user experience, lower conversion rates, and subpar system availability, as well as increased levels of fraud and compliance issues. Conversely, dLocal offers a modern and flexible technology stack that is purpose-built to meet our global merchants' high performance and scalability expectations, as demonstrated in our ability to increase our TPV by 15 times over the last four years.

dLocal's platform provides rapid, reliable, and convenient support for pay-in and pay-out transactions, including cross-border and local-to-local in each case. We deliver a seamless, transparent, and integrated experience for global merchants while ensuring secure and compliant transactions. Our platform has been designed to make it simple for our merchants to add payment methods, products, and new markets in an expeditious manner, all through a single point of integration and one contract. Our single API addresses the requirements of our merchants, ranging from back-end integration to an easy-to-integrate checkout module where dLocal handles the payment process. We increase the payments conversion rates through automatic retries, fallback transaction capabilities, easy management of each transaction through our API or dashboard, and user and account automatic validation, combined with broad connectivity to local financial institutions and local payment methods.

Our founding management team built dLocal's state-of-the-art platform from the ground up. It is designed to serve multiple functions in the payments value chain. dLocal combines payment processing and FX management with compliance, tax, and fraud management capabilities into one intuitive, fully integrated platform. We provide global merchants increased transparency and valuable insight into their cross-border and local-to-local payments flows, enabling them to provide an enhanced user experience for their end users. The features that power dLocal's platform enhance the processing systems in each of the emerging markets we serve, while at the same time standardizing payments offerings across multiple countries. Our dynamic routing feature leverages the full breadth of dLocal's connections with our more than 350 acquiring company partners to maximize approval rates. Our fraud prevention module helps our merchants to detect risky patterns and prevent fraud. Our security features are very relevant to our merchants as we handle highly sensitive transaction and user information. Refund and dispute management, currency exchange management, reporting and reconciliation for automatic settlements of funds, among other capabilities, round out our comprehensive suite of solutions.

We have made significant investments in product development and software design through the engineering expertise of 165 full-time equivalents (including employees and contractors) focused solely on technology. These investments have enabled us to efficiently expand our platform solutions and capabilities, enhance our payments infrastructure, rapidly deploy technology updates, and embrace high-security standards for our business and technology. As an example, we enhance our platform constantly and deploy system updates typically on a daily basis that instantly become available to all our merchants, in contrast with legacy players, which normally deploy such updates a limited amount of times per year. We believe that our capabilities are highly differentiated and hard to replicate, strengthening our overall competitive advantage.

Direct integration with our global, blue-chip enterprise client base

Our goal is to establish direct integration with our merchants which allows us to better understand their needs, reduce our response time, collaborate efficiently, and provide a superior payments experience. In doing so, we build relationships that are difficult and costly for competitors to replace or replicate. We also partner selectively with PSPs to which we offer our services and "last-mile" connectivity to local payment methods in emerging markets, thus allowing us to reach certain long-tail merchants to which we may not otherwise directly connect. Since its inception, dLocal has focused on enabling our clients to access a cloud-based digital payments infrastructure in emerging markets that offers a similar level of standards, functionality, and payments experience as that available in developed markets. This includes the ability to execute recurring payments, facilitate payment in installments, allow customer refunds, or split payments even when local providers do not support this functionality. We recognize the need for our merchants to carry out commerce in emerging markets in a seamless and secure manner. Accordingly, we have set up a platform designed to provide a comprehensive, enterprise-grade solution to enhance their operations in these markets.

Our commitment to these standards has allowed us to build a portfolio of merchants that includes some of the largest companies in the world, including Didi, Amazon, Microsoft, Spotify, Mailchimp, Wix, Wikimedia and Kuaishou, among many others. Furthermore, we have a strong track record of successfully acquiring new merchants and growing these relationships over time, cross-selling solutions in additional geographies or payment methods beyond the initial contracted services. On average, our global merchants used dLocal's platform in nearly six different countries and 44 payment methods in 2020 and in five countries and 35 payment methods in 2019, in each case for merchants with at least US\$6 million of annual TPV on our platform. Such merchants comprised 92% of our TPV in 2020 and 93% in 2019.

As we continue to strengthen the relationship with our global merchants, we are well positioned to capitalize on their own incremental penetration in emerging markets and the growth of their business, which we expect to be a driver of our future growth.

Our product portfolio and data-driven value added services

Our platform includes a rich catalogue of multiple products, capabilities, and value-added services focused on helping global enterprise merchants to get paid and make payments in emerging markets in a safe and efficient manner, minimizing friction, and increasing conversion rates and end user satisfaction. We believe dLocal is well positioned as a valuable “one stop shop” for global merchants looking to consolidate their emerging market transaction services with one trusted partner through one contract.

We provide merchants with proprietary fraud management tools built on machine learning algorithms and rules-based technology to help identify potentially problematic activity and execute transactions with increased levels of security. In addition, we offer tax and compliance capabilities that streamline regulatory compliance by helping merchants stay up-to-date with complex and frequently changing local laws and regulations, and FX management and multi-currency collection and settlement capabilities to address their needs in cross-border transactions.

Our innovative, technology-focused, and data-driven approach also allows us to be nimble in adjusting products and solutions to respond to specific client needs. We offer our clients a comprehensive merchant dashboard that gives them visibility into key information and provides valuable tools that can be accessed through a secure, individually-tailored interface. We believe that this results in an enhanced level of transparency and understanding of their operations, enabling global merchants to adapt user interfaces, enhance the payments experience, and ultimately conduct more effective and efficient decision-making. Our visibility into the payments value chain, along with our deep connectivity with, and understanding of, emerging markets, allows us to gather data on end user behavior, which can then be used to generate actionable insights for merchants to better serve and engage with their end users and optimize their systems and settings to achieve higher authorization levels and minimize friction. We believe this ultimately leads to a smoother payments experience without compromising risk management and fraud detection.

Deep connectivity with local partners in emerging markets

dLocal offers its global merchants comprehensive access to a broad payments ecosystem through our *One dLocal* model in the emerging markets where we have a presence. dLocal’s strategic relationships with over 600 local payment methods (some of which are financial institutions) create a broad and effective acceptance network for our payments solutions. We have ongoing dialogue with many local regulators, exchanges, and tax authorities in different countries, as well as direct integration with certain tax payment systems, which enables us to optimize operations and adapt quickly and efficiently to regulatory changes.

Given the relevance of APMs and local financial institutions in emerging markets, we believe it is critical for merchants to have the ability to accept the widest variety of payment methods and have the broadest possible reach in order to maximize conversion rates and reduce transaction friction with end users. Through our *One dLocal* model, we offer access to a large number of locally issued cards (under banners such as Visa, Mastercard, Diners, Verve, Elo and Naranja) and other APMs in each market, such as UPI in India, MPESA in Kenya, Ovo in Indonesia, and Boleto and PIX in Brazil.

Establishing and facilitating our breadth of connectivity requires knowledge of the market-specific regulatory frameworks and requirements, local knowledge and connections with different market participants, as well as having the right licenses in place. We believe dLocal is well positioned to continue broadening our network of APM partners and local financial institutions, ensuring our merchants can always rely on our connectivity to reach the end users they target.

Client-centric mindset drives agile innovation and rapid deployments

Our focus on merchants’ demands drives us to develop solutions that address the multiple and complex issues they face in emerging markets. dLocal operates in an agile manner, guided by our intrinsic focus on

innovation to build solutions tailored to address the ever-evolving needs of our merchants. Whenever helpful, we provide merchants with a safe environment to rapidly test and iterate new solutions ahead of broad deployment. We believe that our agility and focus on solving the payment-related problems of our merchants in an effective and efficient manner minimizes wasted resources and differentiates us from our competitors. For example, in 2019, as a result of rapidly evolving changes to the regulatory framework, we filed with the regulator to become a licensed payment processor in Brazil. This provided us with the ability to partner with one of the largest ride-hailing companies in the world due to our ability to create in Brazil a local-to-local payment solution that allowed thousands of its drivers to receive payments from and its customers to make payments to the merchant, which we believe is difficult to replicate by other providers.

We have also created broad solutions with feature-rich capabilities that assist multiple merchants operating in the same market. We often create these products in response to a specific merchant need, which we can then replicate across our entire platform, thus benefiting other merchants operating in the same countries at minimal added costs. For example, we developed a differentiated tool to streamline tax withholdings in Argentina. At the time, the Argentinian government had made changes in tax policy, giving merchants little time to react. Our solution, which was built and launched rapidly across our entire platform, assisted all our merchants operating in the country to comply with evolving regulatory changes.

We recognize that our success is directly correlated with the success of our merchants. It is our responsibility to provide a secure, reliable service for them to drive payments volume through our platform. This makes us highly attuned to our merchants' needs. We offer what we believe to be superior customer service, with 24/7 support and direct accessibility to a team of software engineers. We typically deploy daily updates for our platform, constantly enhancing our offering, while legacy players do so only a few times per year. Similarly, our customer support team stands ready to address issues at any time, in any time zone. We strive to promptly resolve our merchants' problems, often before they arise, differentiating us from competing platforms, which we believe have longer response times.

We firmly believe in the importance of working alongside our merchants. In collaborating closely through our multiple touch points (including technology, operations, sales, account management, and product support), we aim to better serve them. This creates a cooperative environment, helping us work well together on product innovation and market expansion. Our merchants are our best partners in developing new solutions, in many instances helping us test them in secure and live environments, iterating, learning, and applying insights to new product releases that we then make generally available to our entire merchant base at the moment of launch.

Attractive business model that delivers strong financial performance

Our technology-driven business model creates significant opportunities for scale and operating efficiencies. We benefit from strong relationships with our existing merchants, many of whom benefit directly from strong secular trends such as the increasing adoption of e-commerce. In addition, many of our global merchants offer subscription-based models that provide greater visibility into the TPV processed through our platform. This all translates into the expanding performance of our annual merchant cohorts over time. Furthermore, our asset-light structure drives our ability to deliver strong margins and generate cash flow. Our business model has proven to be resilient, even through the recent COVID-19 pandemic. In fact, the COVID-19 pandemic has accelerated the digitalization of commerce, which has benefited some of our global merchants. For the three months ended March 31, 2021, our revenues grew by 123.7% compared to the three months ended March 31, 2020, and we reported an Adjusted EBITDA Margin of 44.3%. For 2020, our revenues grew by 88.4% compared to 2019, and we reported an Adjusted EBITDA Margin of 40.3%.

We have built our platform and all of its capabilities to last. We believe we will continue to drive growth and profitability through our investment in expanding our existing business into new countries, developing new products and capabilities, and attracting new global merchants into our platform, allowing us to remain ahead of the competition.

Technology-oriented, execution-driven management team fostering an entrepreneurial culture

We are devoted to fostering an entrepreneurial culture, built upon a commitment to offer a superior value proposition for our merchants. We were proudly born out of Uruguay, which forced us to think big and be global since inception. This is largely reflected in our presence in 29 countries and the expanding geographic diversity of our team of over 300 professionals in 20 countries as of December 2020. We are mission driven and are focused on creating innovative solutions, launching new products, and adding new functionalities, always seeking to ensure the best possible execution and to continue supporting the growth of our merchants. Delivering superior technology infrastructure is a key pillar of our management team's focus, as evidenced by the fact that three of our current key executives have served in senior technology roles within dLocal at some point during their tenures.

Talent development and the retention of dLocal's culture are key business imperatives. We also believe fostering diversity and inclusion are critical for business success, as they lead to stronger teams and better outcomes for our merchants, employees, and the communities we serve. Our management team has strong expertise and experience in emerging markets, which we believe is a competitive advantage to maintain the high levels of agility and adaptability that the market demands. We continue to expand globally and have assembled an experienced team that includes several members who have worked together for many years (even prior to dLocal's foundation), and which is supported by compliance, tax, finance, operations, regulatory, and other functional experts and payments and technology leaders.

Our Growth Strategy

dLocal has a clearly defined and readily executable growth strategy to become the online payments infrastructure of choice in emerging markets. We will continue to focus on serving our diversified base of global enterprise merchants, especially in attractive industry verticals such as retail, streaming, ride-hailing, financial institutions, advertising, SaaS, travel, e-learning and gaming. We are focused on the following strategic pillars for growth, all of which build on each other and further enhance the power of our value proposition:

Grow with our existing enterprise merchant base and deepen our relationships with them

Our clients include some of the world's leading global merchants. Increased adoption of e-commerce and online modes of payment in emerging markets have delivered significant growth for global merchants in recent years. Given the nature of our business model, the TPV that flows through our platform drives our overall revenue. As global merchants continue to benefit from these strong secular trends, we believe this will translate into larger transaction volumes and additional revenue for dLocal from the solutions we offer and the countries where we serve them today.

We have a strong track record of account management, cross-selling merchants, and expanding their use of our services, which will help us broaden their use of our platform across both additional solutions (e.g., offering pay-out solutions to a pay-in-only merchant) and countries (e.g., activating our platform in India for a merchant currently only engaging with us in Latin America). We believe that our continuous investments in enhancing the merchant experience (both for the merchants and for their end users) and our strong problem-solving culture will help us deliver superior service, leading our merchants to increase the percentage of their overall volume routed to dLocal.

We measure our success in growing and deepening our relationships with our existing merchants by means of our cohort performance in terms of TPV, countries and payment methods per merchant, and also with our NRR. In 2020, the TPV derived from the cohort of enterprise merchants that began using our products in 2019 grew by 209% in 2020. Our NRR was 171% for the year ended December 31, 2020 and the revenue growth attributable to new merchants when compared to 2019 was 17%. Excluding the effect in 2019 of a warrant with a merchant, the NRR would have been 159%.

Increase number of global merchant clients

Our dedicated sales team continues to develop new global merchant relationships with the intent to be on-boarded and provide them our solutions and capabilities across one or multiple emerging markets. Furthermore, we will continue to benefit from the ability to reference our existing clients to recommend our platform, helping us gain traction with new global merchants. To further expand our merchant base, we have developed a robust sales process with a proven track-record of winning competitive requests for proposals, or RFPs. Global merchants typically conduct a rigorous bidding and due diligence process before choosing and on-boarding their preferred PSP, evaluating candidates across many factors primarily including approval rates, technical capabilities, security, fraud management capabilities, payments experience, and price (including price transparency). The process from the initial RFP to final integration can take several months and typically involves multiple functional areas of the merchant, including payments infrastructure, operations, legal, compliance, and tax departments. For example, the combined RFP and on-boarding processes took in general between two months to just over two years. Since 2016 through 2020, we have successfully added on average nearly six new pay-in merchants per month and one new pay-out merchant per month. We may also seek to expand our merchant base through selective acquisitions of cross-border payment processing companies.

Expand our global reach

We believe that the online global payments market is massive and remains underserved, particularly in emerging markets, where dLocal is focused. We have made significant investments to develop a flexible and extensible platform that can adapt to the specific needs of new local markets we enter. We seek to continue to leverage the scalability of our technology to broaden our geographic footprint.

We believe our playbook for expanding into new emerging markets is difficult to replicate. We have developed a systematic approach to understand the local regulatory and tax frameworks, obtain all necessary licenses and required approvals, and establish relationships and connectivity with key partners (including APMs and local financial institutions). We have typically been able to set up operations in new local markets we enter in less than six months. We tailor our strategy based on the consumption and behavioral trends specific to a market, and typically develop a local presence (for example, through a locally based country manager) to provide relevant solutions and deliver high level of customer service for our current and future merchants. Once we establish an initial presence in a new market, our merchants can begin to route their existing payments volume in that market to our platform without additional integration required, driving a meaningful and rapid return on our investment.

Our global expansion strategy follows the needs of our merchants by prioritizing markets with the most attractive opportunities and where our merchants face the most complex payments, compliance, and regulatory challenges. For example, we entered and began processing transactions in Egypt at the specific direction of one of the largest social media platforms in the world, which is also one of our largest clients. Capitalizing on our ability and commitment to expand geographically, in 2020 we established a presence in multiple new countries including Egypt, Bangladesh, Panama, and Bolivia. We aspire to eventually establish a presence in all relevant emerging markets where global merchants require a differentiated technology and payments partner as we see this as a key competitive advantage going forward.

Broaden the breadth of our products

We believe we are in the early stages of a financial technology revolution that is addressing increasingly complex payments challenges. Our technology-first DNA and problem-solving culture have fostered a strong track record of repeatedly delivering new and relevant solutions and capabilities for global merchants in emerging markets.

We have developed multiple new solutions for our merchants since our inception and are well-positioned to continue to innovate and be at the forefront of developments in payments technology. Pay-out is an example of a

solution that we added at the request of one specific merchant during the Olympic Games in Rio de Janeiro. After developing the baseline solution, we quickly adapted it to work across our entire platform for our entire merchant base.

Another example is the recently developed issuing-as-a-service initiative, currently in beta testing, which will enable merchants to create their own payment ecosystem. In order to address a growing demand for a branded card experience, we intend to offer merchants the ability to issue pre-paid cards to their end users. End users will be able to conveniently add balance in local currency through cards, cash deposits, bank transfers, funding from merchants, and P2P payments and use the balance for products or services from the issuing merchants or other unaffiliated transactions.

Our privileged position as a trusted partner to over 330 merchants gives us ongoing visibility into their needs and requirements. We are well poised to capitalize on the opportunity to address new use cases as they emerge in an agile manner, broadening our overall total addressable market, and offering greater value for global merchants in whatever emerging markets they choose to enter.

Our One dLocal Model

Our *One dLocal* model combines our proprietary technology, intellectual property, capabilities, and business processes to create a differentiated go-to-market approach. It offers access to more than 2 billion consumers in 29 emerging markets through one direct API, one platform and one contract. We have a core aspiration to make the complex world of emerging market payments as simple as possible for our merchants through our model, unlike what we believe is the standard for other solutions. Merchants can then access all of the markets we serve using one integrated set of technologies governed by one overarching contract. The inherent simplicity of this model, combined with our platform's extensive capabilities and benefits, including what we believe are higher conversion rates and lower fraud, creates a highly compelling value proposition for our global enterprise merchants.

dLocal's founding management team built our cloud-based payment platform from the ground up. It was designed to provide an improved payments experience for our merchants with a strong focus on scalability, security, and performance. Our single platform enables merchants to experience the same standard of functionality and client interface that they have come to expect in developed markets as they enter into or further expand in emerging markets. Once on-boarded, our merchants gain immediate access to the full breadth of our platform, allowing them to expand their presence in emerging markets through one trusted partner and one contract, while receiving a consistent level of performance and client service globally. We believe that our robust network of APMs, local acquirers, and financial institutions; our deep understanding of each local market; and our comprehensive value-added services (such as our advanced fraud management system) deliver superior benefits for our global merchants. Some of these benefits include increased acceptance and conversion rates, risk mitigation, improved level of compliance, transparent FX management, reduced settlement times, and valuable data insights, all of which are critical for managing merchants' interactions with their customers, employees, and vendors and improving their sales.

Furthermore, dLocal's payment platform provides merchants with holistic and granular views of their payments activity. For example, merchants are able to view in real-time summarized transaction information pertaining to specific locations or counterparties or drill down into why a specific transaction was rejected through our API or dashboards. These insights can help merchants improve reporting and reconciliation and avoid potential payments settlement issues, often allowing them to increase their sales or reduce their costs. This in turn benefits dLocal by further strengthening the relationship with (and the value of our platform for) our merchants.

Our business model

We offer our merchants and PSP partners payment processing, FX management, fund collection, fund settlement, fund disbursement, and additional value-enhancing features including fraud prevention, reports and

analytics, regulatory, compliance and tax withholding management. We charge a negotiated fee for each merchant on a per approved transaction basis as either a fixed fee per transaction or fixed percentage per transaction, which varies by solution, applicable geographic market, overall volume processed, and required functionality (e.g., whether the transaction requires expatriation or repatriation of funds, which would require FX conversion).

Payments ecosystem



As we have continued to expand our footprint and gain scale, the average number of discreet countries in which our merchants use our products has also expanded over time. On average, our global merchants used dLocal's platform in nearly six different countries and 44 payment methods in 2020 and in five countries and 35

payment methods in 2019, in each case for merchants with at least US\$6 million of annual TPV on our platform. Such merchants comprised 92% of our TPV in 2020 and 93% in 2019.

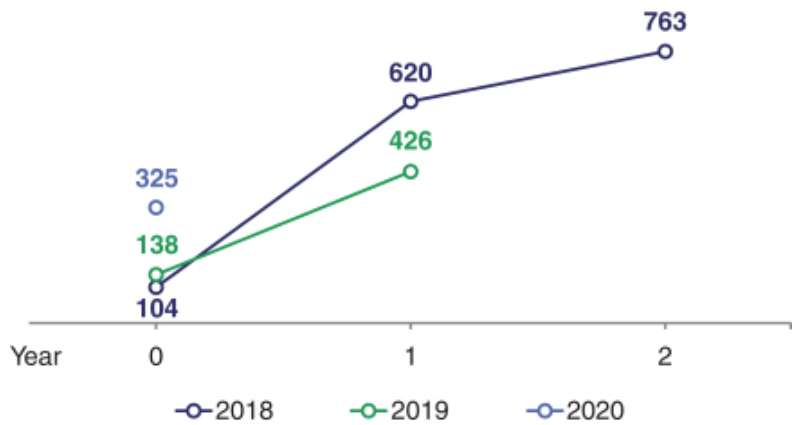
Furthermore, as our merchants continue to recognize the value of our platform, they have expanded the number of payment methods which they elect to process through dLocal.

Our cohort performance

We believe that our commitment to fulfilling the needs of global merchants and our strong value proposition will continue to gain the loyalty of our customers and deepen our relationship with them. To track our growth and the underlying dynamics of our business, we monitor the evolution of TPV corresponding to certain cohorts of our global merchants and PSP partners in order to analyze changes in TPV from existing clients. We believe cohort performance is a valuable metric to measure client satisfaction.

We believe our strong merchant cohort performance is due to the quality of our service, effectiveness of our business model, our ability to retain our global merchants, and our success in continually growing the percentage of their overall TPV that flows through our platform.

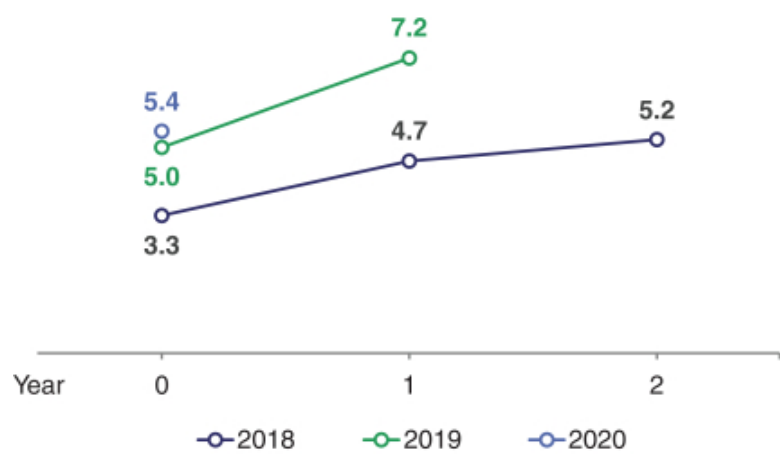
TPV composition by annual enterprise cohort (in US\$ millions)



Our annual enterprise cohort for the year 2020 (which represents global merchants that during that year surpassed for the first time the US\$6 million TPV threshold) had an initial TPV that was over three times the size of our annual cohort for 2018. We believe this demonstrates our ability to scale our new merchant’s growth capability year after year. Also, each of the 2018 and 2019 cohorts have significantly grown year after year, which demonstrates our ability to increase our share of wallet of our merchants.

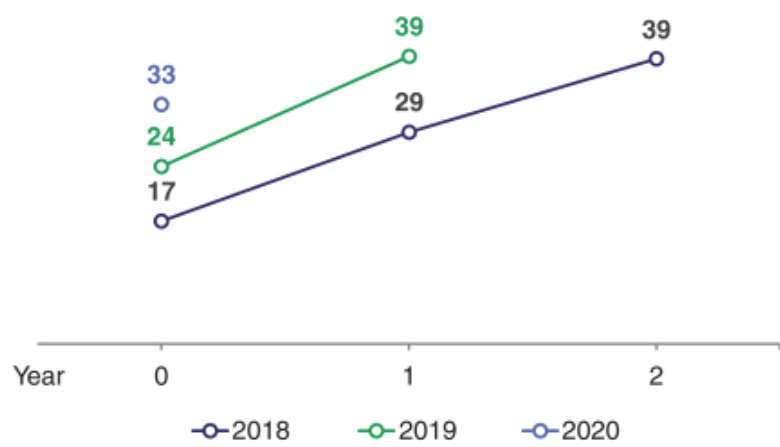
As we have continued to expand our footprint and gain scale, the average number of discreet countries in which our merchants use our products has also expanded over time. On average, our global merchants used dLocal’s platform in nearly six different countries and 44 payment methods in 2020 and in five countries and 35 payment methods in 2019, in each case for merchants with at least US\$6 million of annual TPV on our platform. Such merchants comprised 92% of our TPV in 2020 and 93% in 2019.

Average number of countries by enterprise cohort over time



Furthermore, as our merchants continue to recognize the value of our platform, they have expanded the number of payment methods which they elect to process through dLocal. On average, our global merchants used dLocal’s platform in nearly six different countries and 44 payment methods in 2020 and in five countries and 35 payment methods in 2019, in each case for merchants with at least US\$6 million of annual TPV on our platform. Such merchants comprised 92% of our TPV in 2020 and 93% in 2019.

Average number of payment methods for pay-in transactions by enterprise cohort over time



Our solutions

We offer a robust set of pay-in, pay-out, and marketplace solutions, designed with feature-rich functionality.

Pay-in



We have offered our pay-in solution since our inception. We started with the mission of helping global merchants conduct their business and get paid for their products and services as they entered and expanded their

online presence in emerging markets. We enable numerous payment methods including international and local cards, online bank transfers and direct debit, cash, and hundreds of APMs. This allows end users to pay for their online purchases through their preferred method of payment and allows global merchants to target a large user base, expanding their total addressable market and sales. We offer our pay-in solution for cross-border and local-to-local transactions. We recognize revenue for pay-in transactions when the authorized transaction is processed.

For our pay-in solution, we primarily compete with global, regional, and local PSPs, depending on the market. We believe that we out-compete these providers through a combination of our fully cloud-based, flexible technology solution and value-added features, the breadth of our connectivity to local financial institutions and local payment methods, our robust compliance and regulatory capabilities, and our emerging markets focus with a superior level of customer service, all of which we trust deliver higher conversion rates and lower friction for our merchants.

The screenshot shows the 'Ganancias' (Profits) screen. At the top, there's a status bar with '9:41', signal strength, and battery level. Below that is a navigation bar with a car icon and the title 'Ganancias'. The main content area displays a bar chart with 12 bars representing daily profits. The total profit is shown as '\$8190.7'. Below the chart, there are two buttons: '10:00 viaje' and 'Pago en línea'. The 'Pago en línea' button is highlighted in blue and shows a balance of '\$92.40'. The '10:00 viaje' button shows a balance of '\$102.40'.



Note: Illustrative example

135

fastest growing cities globally for the ride-hailing industry. This created a need for two of the largest ride-hailing companies in the region to engage with an online payments infrastructure provider that could help pay their drivers in Argentina in a fast and secure manner. While we facilitate both cross-border and local-to-local pay-out functionality, we only enable payments into registered bank accounts of users, in accordance with our KYC and AML standards. Typical pay-out recipients include vendors, contractors, partners, drivers, apartment renters, marketplace sellers, and refund recipients, all of which can be paid in their elected preferred method while the merchant retains control over the overall interface, thus enhancing the payments experience. We provide merchants the ability to scale pay-out operations effortlessly while reducing risks and operations burdens in emerging markets. We recognize revenue for pay-out transactions upon completing the pay-out of an authorized transaction in local currency.

For our pay-out solution, we primarily compete with global and regional banks. We believe that our service is superior to the offerings of these banks due to a combination of our technology offering, our ability to offer split payments, our shorter processing times (one or same day settlement for cross-border transactions), our focus on customer service, and our enhanced flexibility and transparency. In addition, merchants and end users benefit from no extra fees and taxes associated with FX conversion. We also compete with pay-out specialists that focus on direct relationships with merchants. However, these specialists often depend on dLocal for their 'last mile' connectivity to bank accounts in the countries in which we have a presence, as well as our expertise, often leading them to become clients of dLocal and allowing us to take advantage of their distribution networks.



Marketplaces power an ecosystem of small business owners and entrepreneurs conducting business online. Marketplaces face unique challenges, given their responsibility for integrating payments into their own platform and facilitating pay-out of funds to sellers on their platform. dLocal enables global online marketplaces to offer their sellers the ability to accept payments in a seamless fashion as they seek to expand sales to emerging markets. In many instances, international sellers do not have a local account, and therefore cannot sell their products or services in the marketplace's local site, as they are unable to collect funds. In such cases, the sellers are on-boarded directly by the marketplace (making them responsible for complying with local regulations, particularly in relation to KYC and other requirements), whereas dLocal's platform is able to collect the funds

locally under the preferred method of payment from the end user, and then disburse funds to the international seller's preferred location. Our marketplace solution allows us to reach SMB merchants which we would otherwise not target, all through a single direct integration and one contract with a global enterprise merchant.

Our capabilities

Conversion optimization

One of the primary focuses of our platform is to increase the conversion rates and resulting revenues our merchants receive in emerging markets. To that end, in addition to a robust network of local payment methods offered through our platform, we offer specific functionality including smart routing, automated payment reminders, installments availability, recurring payment features, and branded checkout, all of which are geared towards optimizing the conversion rate. We believe we offer a conversion rate superior to that of traditional payments providers. Our smart routing capabilities enable us to achieve high conversion rates by automatically routing each transaction to the best-converting route, based on multiple variables, including card brand, payment method, issuing bank, Bank Identification Number ("BIN"), among others. In the event any transaction route goes down, dLocal can automatically switch to alternative processors.

Our platform also allows merchants to easily, rapidly, and more accurately make cross-border or local-to-local pay-out transactions. Our optimization capability also focuses on reducing the timeframes of each pay-out while delivering the best conversion rates. Automatic retries, easy management of each pay-out through our API or dashboard, and user and account automatic validation, combined with a broad connection to local financial institutions, all serve to enhance the conversion rates.

Security

Security is at the heart of our platform and a key factor of why merchants select us. Our platform is Payment Card Industry Data Security Standards, or PCI DSS, Level 1 certified, which provides a level of assurance to our merchants that their transactions will be processed securely and funds and data will remain safe. We offer a robust set of security features in our solutions and have policies and procedures in place to manage security matters that are outside of the PCI scope. dLocal has a robust processing infrastructure with multi-layered network segregation that improves control over access to the network and facilitates monitoring. All inbound traffic passes through a web application firewall (WAF), mitigating the risk of cyberattacks. dLocal also establishes access to the platform exclusively through VPN connections and grants access to users and applications on an as-needed basis, while enforcing comprehensive authentication methods. Finally, dLocal encrypts all the data on the platform and employs antivirus, intrusion detection, and monitoring software to regularly scan for possible threats. See "Risk Factors—Risks Relating to Our Business and Industry—We are subject to cyberattacks and may be subject to breaches of our information technology infrastructure and applications, and any failure to adequately protect our information technology infrastructure and applications could result in data breaches and/or downtime and materially adversely affect our reputation, business, and financial condition."

Fraud solution

As the global economy continues to digitalize, system exposure to fraud has intensified. In particular, emerging markets, many of which have only recently adopted card and digital payments, are exposed to higher vulnerability to chargebacks, cyber-attacks and fraudulent schemes, which could impact merchant revenues. dLocal has developed a robust data-driven fraud prevention engine and a suite of checks and localized strategies for emerging markets that are powered by machine learning, leveraging our proprietary databases and designed to timely and accurately identify fraudulent transactions in the different countries we operate. Our proprietary behavioral algorithms detect subtle patterns and habits, increasing the level of security and ensuring compliance with applicable anti-fraud regulation. dLocal focuses on minimizing false positives and false negatives by

combining merchant and industry data to create what we believe is a best-in-class fraud detection model. Each merchant is categorized to enhance the model's performance by adapting it to the merchant's data and characteristics. Additional checks and rules are applied to higher risk or higher value transactions. We believe that dLocal's focus on emerging markets, strong partnership with our merchant base, and local knowledge in each of our markets help us deliver superior fraud management capabilities that improve merchant results.

Tax-handling solution

dLocal collects, withholds when needed, and settles multiple forms of local taxes on behalf of merchants. We conduct a two-step process in which dLocal and merchants' external tax advisors if available first identify the types of tax and withholding treatments that apply in each jurisdiction, and then implement the selected approach on dLocal's platform to calculate, withhold when needed, and settle taxes with local authorities in a fully automated and transparent way. With our Tax Manager tool, dLocal can check and manage all the different tax regulations in the countries where dLocal processes payments for merchants, as well as the necessary configurations to ensure compliance regardless of the local tax system complexities. Our tax tools have a flexible and scalable configuration that requires no additional work for the merchant when expanding to new markets. In no instance do we offer or provide tax consulting services to our merchants.

Settlement and FX management

dLocal's multicurrency platform allows merchants to receive and settle cross-border transactions in the currencies of their choice with reduced friction. Our currency exchange API provides merchants FX transparency and a real-time view into all exchange rates needed to work on a global setup with local capabilities across emerging markets. When required, we can automate fund repatriation at previously-agreed settlement times and enable merchants to efficiently manage funds and transaction activity.

Merchant Dashboard

As part of the available functionality that we offer through our platform, our merchants can access transaction information in real time through our proprietary Merchant Dashboard, which provides reports to reconcile their global transactions across multiple emerging markets in one place. Merchants can easily track and analyze payments, review and reconcile balances in selected currencies, issue refunds and dispute chargebacks, configure funds settlement preferences and obtain integration credentials, among many other services. Our solutions can be tailored based on individual merchant needs and focus on delivering transparency and convenience for our clients.

Reporting

dLocal provides additional reporting capabilities through Secure File Transfer Protocol, ("SFTP") for merchants to monitor their transactions and overall relationship with dLocal. We prepare customized reports for merchants that provide unique insights and analytics to manage transaction experience and payments processed on our platform. These reports can be integrated into the merchants' existing finance and operational systems, providing an easier reconciliation and a seamless experience. Reports can be automatically generated and sent to the merchant at the desired frequency (daily, weekly, at the transfer of funds, etc.).

Dispute management

dLocal offers dispute management capabilities for all transactions that are processed through our platform. In the event of a dispute, we immediately notify our merchants through our API, the Merchant Dashboard, or via email. Once notified, merchants can provide all required information and documentation to address the dispute. dLocal then proceeds to process all required information and work with payment processors, acquirers, and other financial institutions, as applicable, for the resolution of the dispute, while ensuring the merchant is informed of updates at each step.

Refunds

dLocal has created a solution for merchants to send refunds to their customers for any transaction with any payment method, including many APMs that do not have a refund feature. In cases where there is no refund available for the original payment method, we create a bank transfer to the end user. Merchants can send their customers' banking information directly to dLocal, through our API or the Merchant Dashboard. Alternatively, dLocal can contact the end user directly to complete the refund process.

Subscriptions and recurring payments

dLocal provides merchants with the ability to set up recurring payments with cards and digital wallets, among others, which is ideal for merchants offering subscription-based models. We have built several merchant-friendly features on our platform to support this use case. Tokenization of cards and digital wallets, verification capabilities and retry features give our merchants a full suite of options to improve their recurring services and boost approval rates. As an example, when verifying a card, dLocal creates a transaction with the smallest amount allowed in the applicable country and immediately cancels the transaction. This verification feature reduces complexity for merchants given there are different rules for card verification in each country and minimize impact for end users as the transaction is immediately cancelled to avoid any chargeback from unrecognized payments.

Installments

dLocal also allows users in emerging markets to complete their payment with installments. Credit is extended for a given transaction and end users can pay in several installments in an agreed-to period of time. This capability is risk-free for the merchant and enables a customizable checkout.

Direct alternative payment methods (APMs)

We understand that APMs have a wide range of different payment flows across all countries. Our merchants often want to fully-brand the experience for their customers, eliminating the need to redirect end users to the APM of their choice and transition them to a third party user interface. Accordingly, we offer the "Direct APMs" solution that can integrate APMs through our API into the merchants' check-out so merchants can avoid losing users while redirecting and delivering a better overall branding experience.

Checkout

dLocal is able to build localized and branded check-out experiences for merchants that are fully connected to our platform through the same API and support a full range of payment methods across a wide range of devices and software environments. Merchants can integrate our checkout capabilities on a modular basis in a rapid, efficient, and effective manner, tailored to their specific needs while maintaining full control over their relationship with their customers.

Smart Fields

All merchants that handle credit card information are required to be PCI Compliant. Smart Fields simplify the compliance requirements for merchants, isolating sensitive information in a secure one-element iframe. With Smart Fields, merchants become SAQ A compatible, which ensures PCI Compliance. Merchant can also minimize friction and control the user experience by securely collecting all card payment information on their website, without the need for any redirection to a dLocal branded checkout. We provide a comparatively simple solution that gives merchants full card acceptance capabilities.

Our merchant base

Since our founding, dLocal has been focused on the goal of building an online payments infrastructure that connects global enterprise merchants with end users in emerging markets and allows them to seamlessly conduct

business. To that end, over 330 global merchants, including brand names such as Didi, Amazon, Microsoft, Spotify, Mailchimp, Wix, Wikimedia and Kuaishou, across multiple verticals including retail, streaming, ride-hailing, financial institutions, advertising, SaaS, travel, e-learning and gaming have turned to dLocal as a trusted partner for online payment acceptance or disbursement in emerging markets. We are replacing a complex patchwork of legacy offerings that in many instances cannot deliver the comprehensive level of functionality required to process large volumes and maximize end-user satisfaction, or fail to comply with local regulatory and tax frameworks.

As our global merchants expand in the countries where we establish a presence, we believe that we are well positioned to gain a higher percentage of their transaction volumes as we continue to demonstrate the value of our platform, innovate new and relevant capabilities, cross-sell our existing solutions, and extend our global footprint. Furthermore, we have a robust pipeline of target global enterprise merchants, which we will continue to actively pursue, that we believe will benefit from our solutions, driving future expansion of our overall merchant base.

While the vast majority of our volume is concentrated in global enterprise merchants, dLocal continues to selectively work with leading PSPs, especially where they are complementary and deliver relationships that are not targeted by dLocal directly. In those instances, PSPs leverage our connections to access “last-mile” connectivity to local payment methods, while dLocal gains increased distribution of our services.

dLocal’s client concentration continues to decrease as we add new merchants and increase the volume processed for existing merchants outside of our top 10 in processed volume. For the three months ended March 31, 2021 and 2020, dLocal’s top 10 merchants represented 62% and 69% of total revenue, respectively, and 64% and 70% for the years ended December 31, 2020 and 2019, respectively. We monitor our merchant base on a regular basis, consistently looking for ways to improve the sustainability of our relationships and to enhance the level of connectivity we have with each of our merchant clients.

Merchant case studies

Global social media platform

Our partnership with one of the largest social media platforms started in 2016 as an indirect relationship through a PSP. The merchant gained appreciation for our platform and the value of our offerings through continued engagement. In 2018, we were asked to facilitate a cross-border local cash payment method (*Pago Express*) in Paraguay. This allowed us an opportunity to establish a direct connection with the merchant. We underwent a rigorous and lengthy on-boarding process, proving along the way that the reliability and security of our platform could meet this merchant’s exceptionally high standards. When completed, our single direct API instantly gave the merchant access to all of the solutions and payment methods that dLocal offers across all the markets where we have a presence. It did not take long for the merchant to recognize that dLocal could be the right partner to help it address many more of the rapidly evolving payments needs in emerging markets.

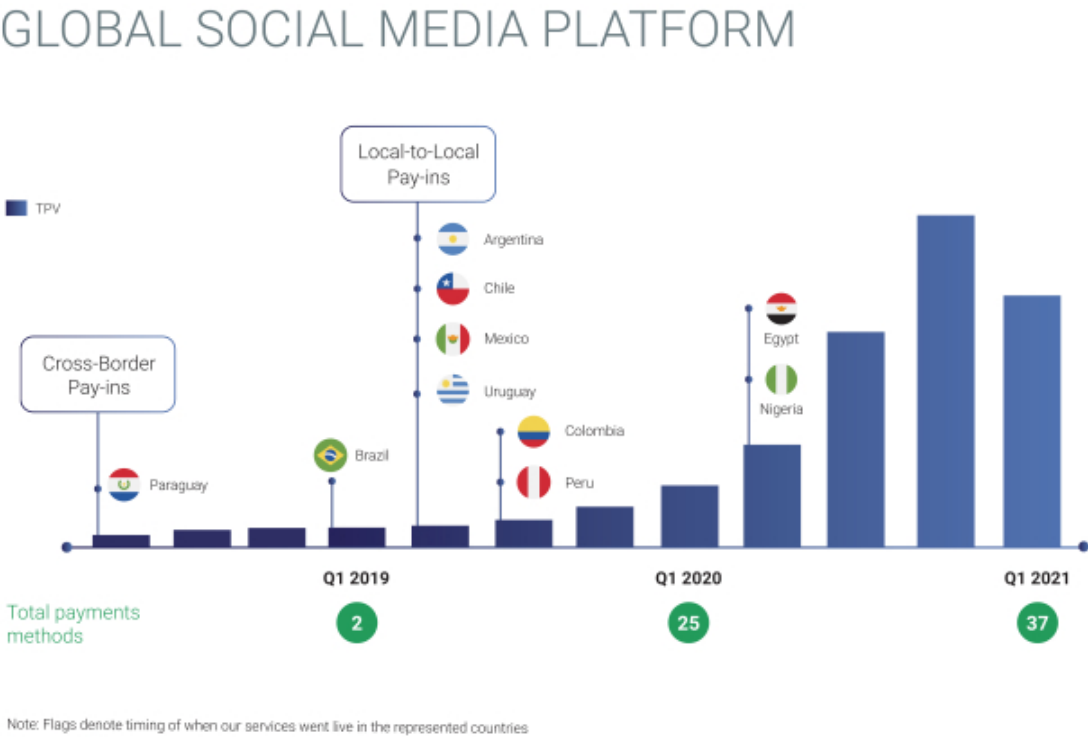
One such need was processing *real*-denominated transactions in Brazil using Boleto. While the merchant had initially engaged one of our competitors (a global payments processor) to assist with this particular payment method, it had become challenging given that vendor’s inability to fully resolve the complexities and requirements to process such transactions, especially mobile-based ones. Given our existing direct connection with the merchant and our ability to provide a differentiated Boleto pay-in solution, we were asked to begin to process this particular payment method for pay-ins. The result was an increased overall conversion of Boleto transactions for the merchant, as well as improved speed, reliability, accuracy, and transparency. Driven by the success of this engagement, this merchant’s usage of our solutions expanded rapidly in Brazil and several other countries in the region, including Mexico, Colombia, and Peru, and across multiple payment methods and solutions.

Our relationship with this social media platform has recently expanded to countries outside of Latin America. For example, we were recently selected as their primary payments partner in Nigeria and Egypt given

the strength of our differentiated offerings and reputation. This merchant is seeking to grow their volume and connectivity to local payment methods in these and other countries in Africa. We consider they have chosen dLocal based on our existing relationship and requested we establish an initial presence in these key markets.

Today, this merchant is one of our largest and deepest client relationships, with total TPV growing over 10 times between 2019 and 2020. We serve multiple business lines, including their core platform and adjacent social media and messaging applications. We support cross-border and local-to-local pay-in transactions for this merchant in 10 countries using 36 local payment methods, including cash and card-based methods, bank transfers, and most recently e-wallet solutions. Our monthly processing volume has grown over the course of our relationship due to the continued expansion of service offerings and geographic coverage, as well as this merchant’s underlying strong business growth.

The following chart shows the TPV, total payment methods and countries served for this merchant during the periods indicated:



Global online video streaming platform

We provide our solutions to one of the largest online video streaming platforms in the world. Our relationship began in December 2018 as the merchant was quickly expanding in Argentina and was in search of additional solutions to process cross-border pay-in transactions for its local subscribers. Given our established presence and experience operating in the country with other well-known merchants, we were initially asked to help process local card-based payment methods, adding redundancy to two existing international payments partners, while expanding the number of supported local payment methods.

From the start, we were fully aware of the high expectations, level of sophistication, and overall reputation of this merchant, which in the industry was considered the “gold standard” in credit card acquiring. During the

diligence, on-boarding and integration process, we were able to demonstrate the robustness of our technology and functionality, the reliability of our customer service, and our overall connectivity and ease of use. Upon finalizing the technological integration, we believe we were able to exceed the merchant’s initial expectations, proving we were a payments partner that could execute on the most complex assignments while delivering high quality performance.

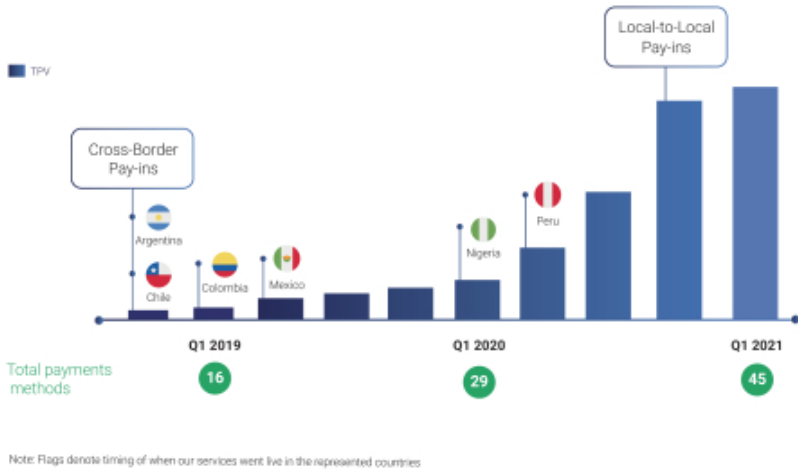
Soon after commencing processing pay-in transactions in Argentina, we helped to provide local credit card acceptances that this merchant’s existing payment processing partners had not been able to provide. This fact, along with improved conversion rates and fraud management, led to a rapid increase in flow of overall volume to dLocal and the termination of this merchant’s relationship with one of our competitors, which was unable to meet its standards.

As this merchant continued to grow in Latin America, and given the access to all of our solutions and markets afforded through our single direct API, it has increasingly turned to dLocal as its preferred payments partner of choice in the region. Soon we were providing similar cross-border pay-in transaction support for multiple other countries in the region, including Chile and Peru. We have since also expanded our services to Africa, all while scaling our offering to accommodate the merchant’s rapidly growing subscriber base and transaction volumes in each country. This merchant has also increasingly relied on dLocal to provide innovative payment solutions in specific markets. For example, we recently transitioned a challenging physical gift card purchase program in Mexico to a highly successful digital model supported by Oxxo, one of the country’s largest convenience store chains. The success of that particular digital gift card solution has translated into a differentiated capability for all of our enterprise merchants operating in Mexico. We are now working to adapt and expand that same capability to other countries.

We now serve this merchant in six different countries, including Argentina, Peru, Chile, Colombia, Nigeria, and Mexico. We provide a mix of solutions, including cross-border and local-to-local pay-in’s. In addition, we have grown monthly transaction processing volume nearly three-fold since our relationship began, with significant further upside supported by the growing expansion of the merchant in emerging markets, as well as its increasing adoption of additional local payment methods and markets that we support.

The following chart shows the TPV, total payment methods and countries served for this merchant during the periods indicated:

GLOBAL ONLINE VIDEO STREAMING PLATFORM



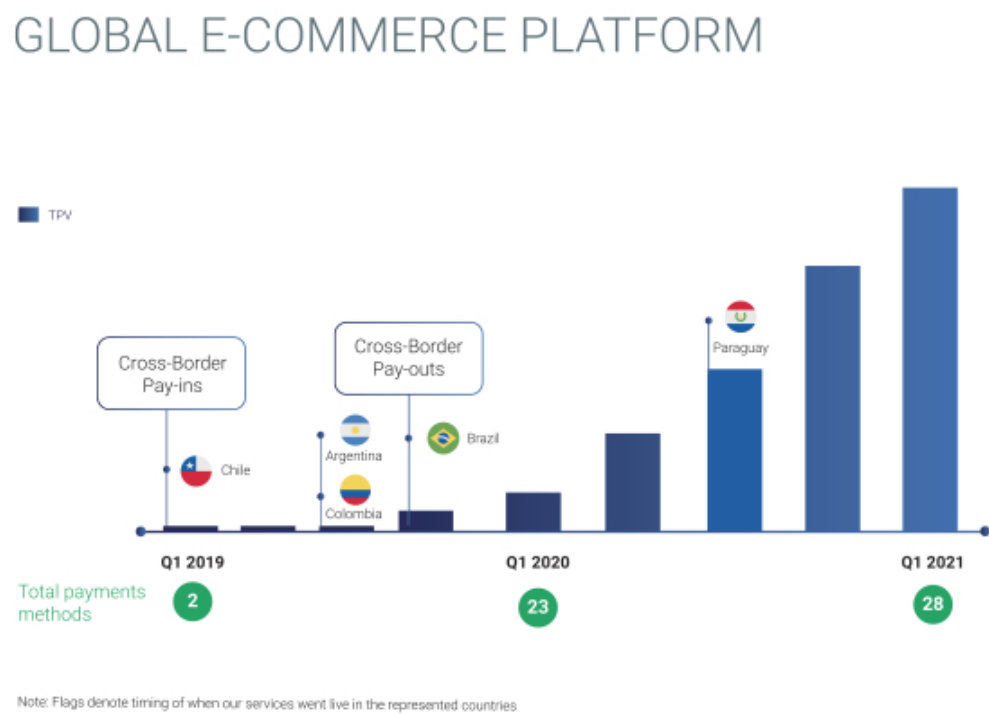
Global e-commerce platform

We began conversations with one of the largest global e-commerce platforms in 2018. At that time, the merchant was looking to enhance its ability to process cross-border local currency payments in certain countries in Latin America. However, like many global enterprise merchants, the merchant wanted to limit the high costs and complexity of setting up the direct connections on its own. After conducting an extensive request for proposal, or RFP, and due diligence process spanning over one year, which even required participants to demonstrate product design capabilities, dLocal was selected as the merchant's preferred payments partner based in part on the inherent effectiveness of and simple access to our platform. Through dLocal, the merchant gained instant access to more end users in many of the emerging countries it was actively targeting, all through a single direct API.

Following an intensive on-boarding process, we launched cross-border local card processing in Chile in early 2019. Later that year, we rolled out our installments capabilities in Chile and then went live in Argentina and Colombia. The versatility of our platform, our proven results on acceptance and conversion, as well as our ability to support cross-border and local pay-in and pay-out transactions, allowed us to strengthen the relationship and rapidly increase the volume we process for this merchant. Today we support pay-in transactions for a wide range of local payment methods for the merchant's online video streaming service offering. We also facilitate pay-in transactions for the exports division of this merchant's core U.S. e-commerce platform, inclusive of installment functionality, which is in high demand from local customers and generally leads to higher average ticket sizes. Beyond pay-in transactions, we also support pay-out transactions for the merchant's Brazil-based e-commerce marketplace, helping it to collect, consolidate, and settle funds for their U.S. and China-based sellers, a solution that we believe strongly differentiates us from most of our competitors.

We are a payments partner to this large global e-commerce platform in five markets, including Chile, Argentina, Colombia, Brazil, and Paraguay, our most recent launch. We have experienced robust TPV growth from this merchant, due in part to the strength of our multi-faceted relationship. We will also seek to continue scaling with this merchant's growing needs and are planning to support near term expansions into additional emerging countries within and outside of Latin America, particularly in Africa.

The following chart shows the TPV, total payment methods and countries served for this merchant during the periods indicated:



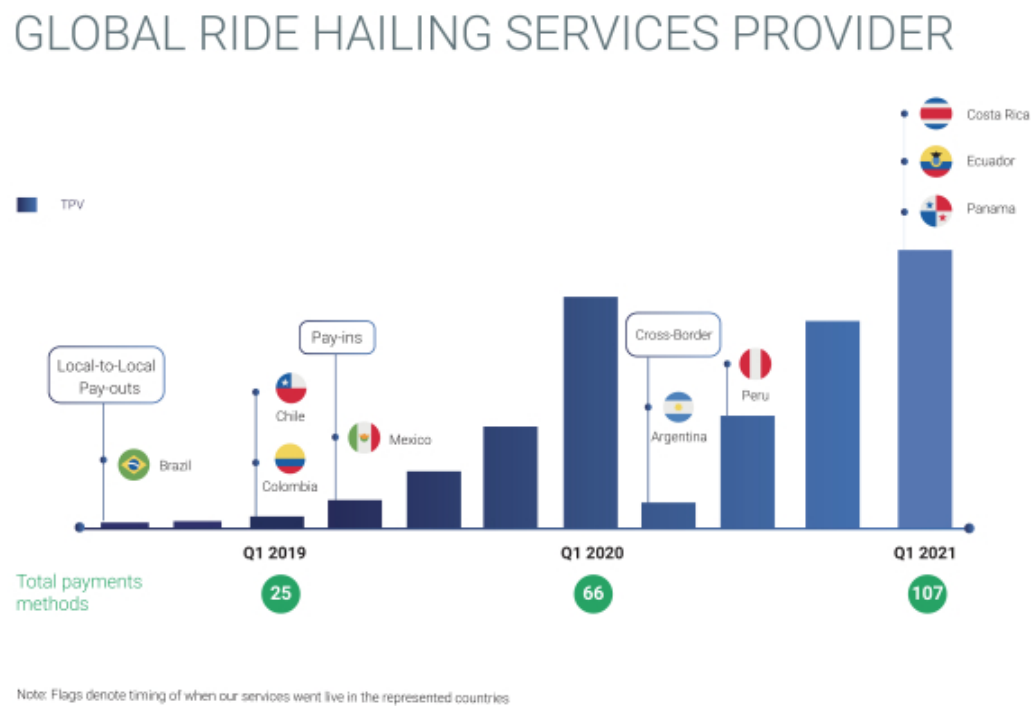
Global ride hailing services provider

Our relationship with one of the world’s largest ride hailing providers began in 2018. The merchant had recently entered Brazil and was seeking a provider to process payments and navigate the local consumer and regulatory landscapes throughout Latin America. It was particularly focused on pay-out transactions as a means to extend payments to drivers in Brazil, a functionality that was not supported by certain key international competitors at that time, given the need to obtain an “*arranjo de pagamentos*” license to facilitate payments into drivers’ bank accounts. We were able to obtain such a license, allowing us to serve this ride hailing services merchant, as well as other merchants seeking similar pay-out solutions in the region. Soon thereafter we conducted our on-boarding and integration process and commenced processing local pay-out transactions for the merchant’s Brazil-based drivers in November 2018.

We quickly expanded similar pay-out offerings to Chile and Colombia by mid-2019, connecting over 70 local payment methods by the end of the year. We also expanded our relationship to support pay-out transactions for couriers and restaurants using the merchant’s growing food delivery platform. Given our proven ability to enhance acceptance and conversion, we also displaced one of its incumbent payments providers when we began processing local-to-local pay-in transactions in Mexico. Most recently, we have started to provide split payments functionality, a complex process in which the proceeds from riders’ fares are split between the merchant, the drivers, and any required tax retention, and then settled with each party independently and through their preferred or required bank account. This feature alone has allowed us to deepen our relationship with this merchant, as we believe it demonstrates our ability to innovate and address some of the most cumbersome elements of the payments transaction process.

Today, we serve this merchant in nine countries, including Brazil, Chile, Colombia, Ecuador, Mexico, Argentina, Peru, Panama, and Costa Rica. We support local-to-local and cross-border pay-in and pay-out transactions across numerous card and cash-based payment methods. We partner with both ride hailing and food delivery counterparts and recently launched a collections solution to support cash-based alternative payment methods in several emerging countries. We look forward to continuing to expand our relationship with this global ride hailing services provider across emerging markets all over the world.

The following chart shows the TPV, total payment methods and countries served for this merchant during the periods indicated:



Our Technology

We have designed and built from scratch a highly differentiated, modern technology stack (hosted in multiple AWS servers) with enhanced capabilities that can be accessed through a single API, which provides merchants what we believe to be a comprehensive, superior experience for all of their online payment needs in the countries where we have a presence. Our front-end functionality enables merchants to deliver a full suite of features that are relevant across a wide variety of verticals, while our back-end infrastructure provides merchants with the ability to conduct more secure and compliant business with less friction.

Key benefits of our infrastructure

We offer a platform with feature-rich, fully-integrated solutions. It has been built with the goal of addressing the specific needs our merchants face in each market. Although our infrastructure addresses complex problems, we simplify them by offering a seamless experience and providing one single, consistent view, aimed at giving merchants the peace of mind to allow them to focus on running their business.

- **Scalable.** Our platform is scalable and extensible, with the ability to support incremental payment volumes and merchants as we continue to grow. We have been able to efficiently enter and scale in

new countries, build a global payments infrastructure, and expand our portfolio of pay-in and pay-out solutions, both cross-border and local-to-local. We have also been able to support a fast-growing base of merchants and transaction volumes without compromising the payments experience.

- **Reliable.** Our platform is fully cloud-based and integrated across our global infrastructure, with multiple third-party data centers collectively serving the countries in which we operate. Our platform was developed with the aim of enabling rapid and reliable flow of funds, supporting multiple pay-in and pay-out methods of payment, either cross-border or local-to-local. Our platform is available 24/7 and has experienced consistent availability since our inception.
- **Flexible.** Our platform has been designed to be flexible and to handle shifts in merchant and end user preferences and to support the rapid development, testing, and deployment of new capabilities and functionalities.
- **Secure.** Security is core to our business. Our platform is designed to be safe and to provide uniform security as a result of significant investments in our fully integrated fraud and risk monitoring capabilities. Furthermore, the functionality of our fraud management and overall security capabilities has allowed us to remain largely independent of third-party software providers, allowing us to heighten the level of security we provide. We believe that the security and protections that our platform offers caters to the trust and reliability which merchants increasingly seek as they select a partner of choice.
- **Compliant.** We operate in a highly regulated industry that requires us to have a robust footprint of licenses and appropriate registrations and designations. Our technology and processes are fully compliant with PCI DSS and other relevant PCI standards. We believe we hold all material required licenses or applicable exemptions in the various countries in which we operate, providing further assurance to our merchants of our ability to deliver a fully compliant offering.

Technology strategy

Our technology strategy is driven by our focus on addressing our merchants' needs. Our technology and commercial teams are in constant communication to ensure we have a deep and timely understanding of the opportunities and the challenges that global merchants face in any given market that we serve. Once we understand their needs, we prioritize their resolution and seek to collaborate directly with our merchants to develop, test, and optimize relevant solutions in an agile manner. In many instances, we achieve this through an iterative process in a sandbox environment geared towards continuous improvement, helping our merchants innovate safely and enabling them to have control over the design process without risk of unnecessary friction or loss of data. In other situations, we facilitate beta testing for merchants that desire and value real-time customer feedback as they seek to enhance their overall payments experience. Once our newly developed capabilities or functionalities are fully completed and live, we make them instantly available for use to all of our merchants. This allows us to constantly enhance the value proposition of our platform.

The strength of our strategy also rests in our ability to attract and retain talent with deep technological, product, and payments-industry acumen. We believe our "technology-first" mentality, our continued investment in developing innovative industry solutions, and the increasing recognition of our brand will allow us to maintain and enhance our talent base of technologists. As of March 31, 2021, 45% of our employees held engineering or technology-related roles.

Research and development

Innovation is at the core of our culture. We have a deeply talented employee base of highly-qualified engineers dedicated to the development, improvement and evolution of our online payment platform capabilities as well as product development. We consistently invest in developing new feature functionality to enhance and maintain the relevance and value of our solutions. Furthermore, we are an agile organization, capable of rapidly reacting to a fast-paced payments and regulatory environment which is constantly evolving. dLocal seeks to

continuously improve its products and has a regular software release schedule with improvements typically deployed on a daily basis (whereas the industry norm is to release software updates only a few times a year). This frequent update release schedule aims to ensure that merchants will benefit from immediate access to the latest developments and is an integral part of our technology strategy. We also continue to focus on developing new products as we scale. Our previous experience adding pay-outs, local-to-local, and marketplaces is the testament of our ability to keep innovating and responding to global merchants' needs. We will attempt to capitalize on new market opportunities by launching new products.

Sales and Marketing

We firmly believe the global enterprise merchants and partners that have chosen to work with us over the years are our best advocates. Providing what we believe is a superior level of customer service and a differentiated experience has in turn helped us to attract new merchants eager to experience the same level of functionality. In many instances merchants have approached us directly as they learn about the value our online payments infrastructure can deliver for pay-in and pay-out solutions in emerging markets. Accordingly, we have not needed a high level of marketing spend to become relevant or to promote our brand. Nevertheless, we continue to adjust and adapt our marketing strategy as our company grows and responds to changes in the economic environment, particularly as we broaden our reach into new countries and offer new solutions.

While we benefit from a strong pipeline of merchants seeking to engage our services, we also have a dedicated experienced sales force present in most of the countries in which we operate. In certain instances, some of our key executives have led our expansion team directly when helping us attract specific merchants. This includes our CEO's two-month relocation to China where he directly oversaw and led the establishment of commercial relationships with key merchants in the region. Furthermore, our account management professionals are committed to maintain a high level of customer retention and identify future opportunities as new merchants continue to be on-boarded. Finally, our customer success representatives are focused on addressing our merchants' needs and queries timely, effectively, and under the lens of our differentiated local expertise. Our collective sales, account management, and customer success representatives work in tandem with our technologists and engineers as we seek to continue to innovate new relevant (and enhance existing) offerings for our global merchants.

In addition to a direct support and sales function team, dLocal also sponsors leading industry events. Our management makes increasingly regular appearances at events across industries, including retail and technology. We also actively participate in industry forums to discuss emerging market payments, which allow us the opportunity to further educate the market on our unique value proposition.

Our Customer On-boarding Process

Prior to establishing a relationship with a merchant customer, we carry out appropriate due diligence on such customer, including a risk assessment, and screening for sanctions compliance and for politically exposed persons, as well as adverse media screening through dedicated lists and databases. We may take additional diligence measures when a particular business relationship with a customer is determined to pose increased risk, requiring the collection and assessment of additional information pursuant to our compliance policies and procedures, and regulatory licenses. We also carry out ongoing due diligence with our customers to ensure the customer risk profiles remain within our risk appetite.

People and Culture

People are one of dLocal's most valuable assets. Our culture attracts individuals who take initiative and who are dedicated to the organization's rapid growth. Attracting and retaining the right talent is critical to the success of our business and is a key factor in our ability to meet our global merchants' needs and the growth of our merchant and revenue base. We seek to source, hire, and develop talent across all emerging markets where we have established or are working to establish a presence.

In addition, we believe we have a highly unique culture, which is grounded on the following four key pillars:

We are client-centric

- Customer impact is always our first thought.
- We aim for excellence in everything we do, no matter if big or small.
- If we commit, we deliver.

We are humble learners

- We are still learning, and it is OK not to know all the answers.
- Since we are learning, we want to stay as flexible as possible.
- We believe it is better to under promise and over deliver, so we speak less and do more.
- We see learning opportunities in everyone around us. We learn from our clients, our colleagues, our industry, our friends, and our families.

We are bold in our actions

- We move fast. We do not let our fears define our projects.
- We are independent, making and taking ownership of our decisions. We do not lead by committee.

We are team players

- We create together, we are ambitious together, we push forward together.
- We benefit from each other and strengthen each other's impact.
- We aim to give opportunities to people from all backgrounds. Not only because it is fair, but because it is the smart thing to do. Diversity makes us stronger.
- Our team's personal lives are important. We support each other and get involved through the ups and downs.

We believe in people creating their own path while also supporting our talent by investing in them through encouraging cross-border assignments and/or exchanges, training opportunities, and development events. Our teams are energetic and technology-oriented, with a strong focus on execution and delivering the highest quality results for our global merchants and their users. We believe we have successfully built a transparent work environment that fosters innovation, teamwork, agile decision making, and collaborative thinking. We believe this has driven higher employee engagement and lower attrition rates compared with many of our peers.

As of March 31, 2021 and December 31, 2020 and 2019, we had, respectively, 365, 310 and 189 full-time equivalents, including both employees and contractors.

[Table of Contents](#)

The following tables show our total number of full-time equivalents as of March 31, 2021, and December 31, 2020 and 2019, broken down by functional area and geographical region:

	As of March 31, 2021	As of December 31, 2020 2019	
Operations	15	13	8
Technology & Development	140	117	67
Sales & Marketing	42	38	23
General & Administrative(1)	168	142	91
Total	365	310	189

- (1) In the period ended March 31, 2021, General and Administrative included 25 technology related FTEs. As of December 31, 2020 and 2019, it included 20 and 14 respectively.

	As of March 31, 2021	As of December 31, 2020 2019	
Americas	316	268	167
EMEA	27	23	12
Asia Pacific	22	19	10
Total	365	310	189

During 2020 and 2019, and as of the date of this prospectus, none of our employees were represented by labor unions. During 2020, we did not employ any temporary employees. We believe our relationship with our employees is generally positive.

Legal Proceedings

From time to time, we are involved in disputes that arise in the ordinary course of our business. Any claims against us, whether meritorious or not, can be time consuming, result in costly litigation, require significant management time and result in the diversion of significant operational resources.

We are subject to a number of judicial and administrative proceedings which we believe are common and incidental to our business operations. We recognize provisions for legal proceedings in our financial statements, in accordance with accounting rules when management understands, based on legal advisors' assessment that, (1) it is probable that an outflow of resources will be required to settle the obligation; and (2) a reliable estimate can be made of the amount of the obligation. The assessment of the likelihood of loss includes analysis by outside counsel of available evidence, the hierarchy of laws, available case law, recent court rulings and their relevance in the legal system. Our provisions for probable losses arising from these matters are estimated and periodically adjusted by management. In making these adjustments our management relies on the opinions of our external legal advisors.

However, legal proceedings are inherently unpredictable and subject to significant uncertainties. If one or more cases were to result in a judgment against us in any reporting period for amounts that exceeded our management's expectations, the impact on our results of operations or financial condition for that reporting period could be material. See "Risk Factors—Risks Relating to Our Business and Industry—The costs and effects of pending and future litigation, investigations or similar matters, or adverse facts and developments related thereto, could materially affect our business, financial position and results of operations."

As of March 31, 2021, we were party to 124 legal proceedings. Of these proceedings, we were party to legal proceedings for claims in the total amount of approximately US\$58.0 thousand, where the likelihood of loss has been assessed by our management as possible based on the opinion of our external legal advisors and for which we have not recorded a provision.

For further information, see note 23, “Provisions”, to our audited consolidated financial statements, included elsewhere in this prospectus.

Intellectual Property

We rely on a combination of trademark, domain names and trade secret laws, as well as employee and third-party non-disclosure, confidentiality and other types of contractual arrangements to establish, maintain and enforce our intellectual property rights, including with respect to our proprietary rights related to our products and services. In addition, we license technology from third parties.

As of March 31, 2021, we own the trademark “dlocal” in the European Union, United States and Brazil, and the trademark “dlocal Payments” in Mexico, as well as other valuable designs covering various products and services, including “electronic payments,” “payment processing,” “administrations and electronic payments as a fintech institution” and “software as service.” We also own a number of domain names registered, including “Dlocal.com;” “Dlocal.co.il;” “Dlocal-int.com;” “Depansumcorp.com;” “Demergecorp.com;” “Dlocal.co;” “Dlocal.biz;” “Dlocal.org;” “Dlocal.com.pe;” “Dlocal.net;” “Dlocal.com.co;” “Dlocal.dev.es;” “Webpaybrasil.com;” “Fcabrazil.com,” “Jumar.in.” and “dlocal-sbox.com.”

Properties

Our corporate headquarters, which include the majority of our product development, sales, marketing, and business operations, is located in Uruguay. Our principal executive offices consist of approximately 17,337 square feet of space under a lease that expires in August, 2030. We also have offices in several other locations, including offshore in Malta, Israel and Brazil, and believe our facilities are sufficient for our current needs.

MANAGEMENT

We are managed by our board of directors and by our senior management, pursuant to our Articles of Association and the Companies Act.

Board of Directors

As of the date of this prospectus, our board of directors is composed of nine members. Each director holds office for the term, if any, fixed by the shareholders' resolution that appointed him, or, if no term is fixed on the appointment of the director, until the earlier of his or her removal or resignation of office as a director in accordance with the Articles of Association. Directors appointed by the board of directors hold office until the next annual general meeting. Our directors do not have a retirement age requirement under our Articles of Association.

The following table presents the names of the current members of our board of directors.

Name	Age	Position
Alberto Eduardo Azar	65	Chairman
Sebastián Kanovich	30	Director
Andres Bzurovski Bay	43	Director
Sergio Enrique Fogel Kaplan	57	Director
Luiz Ribeiro	37	Director
Martín Escobari	50	Director
Tereza Grossi	72	Director
Jacobo Singer	30	Director
Jitendra Gupta	39	Director

Unless otherwise indicated, the current business addresses for our directors is Dr. Luis Bonavita, 1294, Montevideo, Uruguay, 11300. The following is a brief summary of the business experience of our directors.

Mr. Alberto Eduardo Azar is the chairman of our board of directors. Prior to serving on our board of directors, Mr. Azar was also an investor and board member of Data Electronics in Dublin, Ireland, the top data center operator in Ireland. Data Electronics was sold in August 2011 to Telecity City. After the sale of Data Electronics, Mr. Azar started Azar Capital Partners, a family office. Since 2016, his main focus has been on managing investment opportunities in the technology sector.

Mr. Sebastián Kanovich is our chief executive officer and a member of our board of directors. As a member of the founding management team, he has been leading the company since its inception, in January 2016. Prior to dLocal, he was the CEO of AstroPay. Mr. Kanovich holds a Bachelor degree in Economics from Universidad ORT Uruguay. He also studied Entrepreneurship, Innovation and Management of Technology at Tel Aviv University, and completed the Endeavor Innovation and Growth Program at Stanford Graduate School of Business.

Mr. Andres Bzurovski Bay is a member of our board of directors and a serial entrepreneur and angel investor focusing on online businesses in Latin America. After co-founding Astropay, a card payment solution for online consumers and companies in Asia, Africa and Latin America, Andres teamed up with Sergio Fogel again in 2016 to co-found dLocal. Andres serves as a board member in multiple companies such as Paganza and HomeDine and is a distinguished Endeavour entrepreneur. Mr. Andres holds a Technology degree from the University of Northampton, United Kingdom and a Marketing Degree from the ORT University Uruguay.

Mr. Sergio Enrique Fogel Kaplan is a member of our board of directors and an active angel investor, and has invested in over 15 technology startups. He participates on the board of directors of several companies, including

TiendaMIA, The Chemist Look and Apptim. Mr. Fogel serves as Vice-President of Endeavor Uruguay, and sits on the board of Helpers, an NGO that aims to save lives through technology-enabled, rapid response by first aid volunteers. He co-founded dLocal together with Andres Bzurovski in 2016, after having founded several other companies, such as ElAgora.com (a B2B marketplace), Uniotel (VoIP), and Astropay (a payments processor). Mr. Fogel holds an MBA from INSEAD, France, a Bachelor of Arts in Computer Science with a Summa Cum Laude, and a Master of Science in Computer Science from Technion, Israel Institute of Technology, Israel.

Mr. Luiz Ribeiro is a member of our board of directors and principal at General Atlantic, focusing on their investments in South America. Before joining General Atlantic in 2016, Mr. Ribeiro worked as a Director at Advent International, where he concentrated on the financial services and healthcare sectors while based in the São Paulo and Bogota offices. During his time at Advent International, he served on the boards of a number of investments, and served as CFO of Atmosfera Gestão e Higienização de Textéis Ltda. Mr. Ribeiro currently sits on the boards of Neon and QuintoAndar, is an alternate director of Pague Menos, and is a board observer of Gympass. Mr. Ribeiro received a Bachelor of Arts in Business Administration from Fundação Getulio Vargas (EAESP-FGV) and completed the Program for Leadership Development at Harvard Business School.

Mr. Martín Escobari is a member of our board directors and Co-President, Managing Director and Head of General Atlantic's business in Latin America. Mr. Escobari is also chairman of General Atlantic's Investment Committee and serves on the firm's Management and Portfolio Committees. Mr. Escobari serves or has served on the boards of numerous public and private companies, and currently serves on the boards of Arco, Grupo Axo, Pague Menos, Sanfer and XP Investimentos. Before joining General Atlantic in 2012, Mr. Escobari was a Managing Director at Advent International, where he focused on the financial services sector. Prior to that, he was Co-Founder and CFO of Submarino.com, a leading Brazilian online retailer that went public on the Bovespa and was sold to Lojas Americanas in 2006. Mr. Escobari started his career as a management consultant at The Boston Consulting Group. Mr. Escobari received a BA in Economics from Harvard College and an MBA from Harvard Business School.

Ms. Tereza Grossi is an independent member of our board of directors and the chair and a member of our audit committee. She served as the Deputy Governor for Supervision at the Central Bank of Brazil before becoming a board member and the financial expert of the audit committee of Itaú Unibanco Holding S.A. Ms. Grossi currently serves as chair of the fiscal council of Itaúsa S.A and financial expert for the audit committee of Duratex S.A. Ms. Grossi has a 20-year experience in financial sector supervision, corporate structuring of audit committees, internal audits and controls, as well as compliance and risk management. Ms. Grossi also has a 15-year experience as a member of the audit committee in various publicly-held companies in the industrial, retail and financial sectors, including B3 S.A., C&A Modas, CVC Corp. and Porto Seguro S.A. Ms. Grossi has received a Bachelor in Arts in Accounting and Business Administration from the Universidade Católica de Minas Gerais, in addition to having attended specialization courses in Bank Supervision from the Bank for International Settlements and the U.S. Federal Reserve.

Mr. Jacobo Singer is our president and a member of our board of directors, and leads a broad range of initiatives, oversees our IT and business systems and is responsible for dLocal's expansion efforts and compliance. He ensures that key business and banking relationships are in place as we grow our presence across Latin America, APAC, Middle East and Africa, and that we are operating in compliance with local rules and regulations. A key member of the founding management team, he was previously dLocal's chief technology officer, and has designed and built our payments platform from the ground up. Prior to dLocal, he led product and engineering teams at AstroPay where he gained deep technology and project management expertise. Mr. Singer holds a Bachelor's of Science Degree in Information Technology from Universidad ORT Uruguay and he completed the Endeavor Innovation and Growth Program at Stanford Graduate School of Business.

Mr. Jitendra Gupta is an independent member of our board of directors and a member of our audit committee. Mr. Gupta is the founder of Jupiter.money, a pioneering digital banking experience in India dedicated to millennials which is backed by leading venture capital firms, such as Matrix Partners and Sequoia Capital.

[Table of Contents](#)

Mr. Gupta was also the founder and chief executive officer of Citrus Pay, a leading digital payments company in India. After the acquisition of Citrus Pay by Naspers, he became PayU's Managing Director in India. At PayU, he created a consumer credit franchise and a "pay-later" category in the Indian market with the Lazypay brand. Prior to Citrus Pay, Mr. Gupta worked for ICICI bank for seven years in various roles in retail banking, investment banking, and payments strategy and was responsible for a joint venture initiative between ICICI and First Data in India in the merchant acquiring segment. He graduated from Sydenham College, Mumbai and is a qualified Chartered Accountant.

Executive Officers

Our executive officers are responsible for the management and representation of our company.

The following table lists our current executive officers:

Name	Age	Position
Sebastián Kanovich	30	Chief Executive Officer
Jacobo Singer	30	President
Sumita Pandit	43	Chief Operating Officer
Diego Cabrera Canay	47	Chief Financial Officer
Hernan Di Chello	47	Chief Technology Officer

Unless otherwise indicated, the current business addresses for our executive officers is Dr. Luis Bonavita 1294, Montevideo, Uruguay, 11300. The following is a brief summary of the business experience of our executive officers who are not also members of our board of directors.

Mr. Sebastián Kanovich. See "—Board of Directors."

Mr. Jacobo Singer. See "—Board of Directors."

Ms. Sumita Pandit is our chief operating officer and oversees account management, marketing, investor relations, and corporate development. Prior to joining dLocal, she was a Managing Director and Global Head of Fintech Investment Banking for J.P. Morgan. She has more than 18 years of experience in investment banking, advising companies across verticals in fintech including payments, financial software, neo-banks, and insurtech. Before J.P. Morgan, she worked at Goldman Sachs. She received her MBA from The Wharton School at the University of Pennsylvania where she was a Palmer Scholar and earned her undergraduate degree in Electrical Engineering from India.

Mr. Diego Cabrera Canay is our chief financial officer and is responsible for developing the Company's financial corporate strategy. In addition, he oversees and manages the Company's financial planning and analysis, treasury, accounting, financial reporting, taxes, administration and auditing. Prior to joining dLocal, Mr. Cabrera served as Finance Vice President at Mercado Libre, where he was responsible for the company's overall financial and corporate strategy. Previously, he worked at PwC leading financial audits of both private and public companies out of their Buenos Aires and New York offices. Mr. Cabrera holds a bachelor's degree in business administration from Pontifical Catholic University of Argentina in Buenos Aires and an M.B.A. from the IAE Business School. He also attended the Executive Program on Strategy and Organization at Stanford Graduate School of Business.

Mr. Hernan Di Chello is our chief technology officer, bringing extensive technical experience to help dLocal expand its platform globally. He plays a key role in building and leading a world-class engineering team through our pursuit of better performance and scalability. Previously, Mr. Di Chello served for two decades as Vice-President of Product Development at Mercado Libre, where he led development efforts for Mercado Pago. Mr. Di Chello attended the master's degree program in Information Systems at the Universidad de Buenos Aires and Master in Management of Technological Services from the Universidad de San Andres, Argentina.

Foreign Private Issuer Status

Nasdaq listing rules include certain accommodations in the corporate governance requirements that allow foreign private issuers, such as us, to follow “home country” corporate governance practices in lieu of the otherwise applicable corporate governance standards of Nasdaq. The application of such exceptions requires that we disclose each Nasdaq corporate governance standard that we do not follow and describe the Cayman Islands corporate governance practices we do follow in lieu of the relevant Nasdaq corporate governance standard. We currently follow Cayman Islands corporate governance practices in lieu of the corporate governance requirements of Nasdaq in respect of the following:

- the majority independent director requirement under Rule 303A.01 of the Section 5605(b)(1) of Nasdaq listing rules;
- the requirement under Section 5605(c)(2)(A) of Nasdaq listing that the audit committee must be comprised of at least three members;
- the requirement under Section 5605(d) of Nasdaq listing rules that a compensation committee comprised solely of independent directors governed by a compensation committee charter oversee executive compensation;
- the requirement under Section 5605(e) of Nasdaq listing rules that director nominees be selected or recommended for selection by either a majority of the independent directors or a nominations committee comprised solely of independent directors;
- the requirement under Section 5635(d) of Nasdaq listing rules that a listed issuer obtain stockholder approval prior to issuing or selling securities (or securities convertible into or exercisable for common stock) that equal 20% or more of the issuer’s outstanding common stock or voting power prior to such issuance or sale; and
- the requirement under Section 5605(b)(2) of Nasdaq listing rules that the independent directors have regularly scheduled meetings with only the independent directors present.

Cayman Islands law does not impose a requirement that the board consist of a majority of independent directors or that such independent directors meet regularly without other members presents nor does Cayman Islands law impose specific requirements on the establishment of a compensation committee or nominating committee or nominating process.

Committees

Audit Committee

The audit committee, which is expected to consist of Tereza Grossi and Jitendra Gupta, will assist our board of directors in overseeing our accounting and financial reporting processes, the audits of our financial statements, and our compliance policies. In addition, the audit committee will be directly responsible for the appointment, compensation, retention and oversight of the work of our independent registered public accounting firm. Tereza Grossi will serve as chair of the committee. Tereza Grossi is considered an “audit committee financial expert” as defined by the SEC, and the audit committee will consist exclusively of members of our board of directors who are financially literate. Our board of directors has determined that Tereza Grossi and Jitendra Gupta satisfy the “independence” requirements set forth in Rule 10A-3 under the Exchange Act. We intend to appoint at least one additional independent director within one year following this offering.

The audit committee will be governed by a charter that complies with Nasdaq rules. Upon the completion of this offering, the audit committee will be responsible for, among other things:

- discuss, analyze and make recommendations to the Board (that will be placed under shareholders consideration for their approval at Annual General Meetings) in relation to the appointment, re-appointment and removal of the company’s independent auditors;

[Table of Contents](#)

- pre-approving the audit services and non-audit services to be provided by our independent auditor before the auditor is engaged to render such services;
- reviewing and discussing with the independent auditor its responsibilities under generally accepted auditing standards, the planned scope and timing of the independent auditor's annual audit plan(s) and significant findings from the audit;
- obtaining and reviewing a report from the independent auditor describing all relationships between the independent auditor and the Company consistent with the applicable PCAOB requirements regarding the independent auditor's communications with the audit committee concerning independence;
- confirming and evaluating the rotation of the audit partners on the audit engagement team as required by law;
- reviewing with management, in separate meetings whenever the audit committee deems appropriate, any analyses or other written communications prepared by the management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative IFRS methods on the financial statements; and other critical accounting policies and practices of the Company;
- reviewing, in conjunction with the chief executive officer and chief financial officer of the Company, the Company's disclosure controls and procedures and internal control over financial reporting;
- establishing procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and
- review and discuss the internal controls over related parties' transactions and the related policies and procedures to identify, monitor, and disclose on the financial statements of such transactions, including transactions with senior officers.

The audit committee will meet as often as it determines is appropriate to carry out its responsibilities, but in any event will meet at least four times per year.

Code of Ethics

We have adopted a code of ethics applicable to the board of directors and all employees, which covers a broad range of matters including the handling of conflicts of interest, compliance issues and other corporate policies such as insider trading and equal opportunity and non-discrimination standards.

Compensation of Directors and Officers

Under Cayman Islands law, we are not required to disclose compensation paid to our senior management on an individual basis and we have not otherwise publicly disclosed this information elsewhere. Historically, our directors have not been paid separate compensation and have received only dividends in respect of their ownership of our common shares. For the years ended December 31, 2020 and 2019, our directors did not receive any ownership in our common shares as compensation for their services. During 2021, we issued an aggregate of 11 of our Class A common shares to certain of our directors as compensation for their services. In addition, in 2021, we approved aggregate annual compensation for our directors in the amount of US\$48,500. For the years ended December 31, 2020 and 2019, the aggregate compensation expense for our executive officers for services in all capacities was US\$8.1 and US\$2.8 million, respectively, which includes both benefits paid in kind and monetary compensation.

Employee Share Incentive Plan

In 2020, our board of directors adopted an employee share incentive plan, or the 2020 Global Share Incentive Plan. The objective of the plan is to provide incentives to attract, retain and motivate eligible employees by providing them with an opportunity to participate in our future performance through the grant of share awards under the plan. Eligible participants in the plan include our employees, officers, directors, consultants and service providers. Under the plan, we may issue stock options that are exercisable upon a vesting date and at an exercise price to be determined by our board of directors in each specific award grant. No stock options may be exercised 10 years after the respective grant date.

We issued stock options and restricted share units to certain of our employees during the three month period ended March 31, 2021 and during the year ended December 31, 2020, for which we expect to incur compensation charges of US\$1.3 million, US\$1.3 million, and US\$1.2 million, during each of the three month periods ended June 30, 2021, September 30, 2021 and December 31, 2021, respectively, and thereafter we expect to incur an annual compensation charge of US\$3.1 million, US\$1.9 million, US\$1.1 million and US\$0.5 million, during each of the fiscal years ended December 31, 2022, 2023, 2024 and 2025, respectively.

We expect to implement an equity incentive plan for eligible employees in connection with this offering. The plan will govern the issuance of equity incentive awards with respect to our Class A common shares. We expect that the plan will not exceed 2% of our common shares at any given time. Our board of directors may adjust the number of Class A common shares available for issuance under the equity incentive plan from time to time in its discretion. Equity incentive awards may be granted to our employees, non-employee directors, officers, as well as holders of equity compensation awards granted by a company that may be acquired by us in the future. We consider our employees our main asset and we believe that enhancing our ability to motivate and reward eligible employees will have a positive impact on our operations and returns for our shareholders.

Directors' and Officers' Insurance

We may contract civil liability insurance coverage for acts carried out by our directors and executive officers in the course of their duties.

Share Ownership

Immediately following this offering, our directors and officers as a group will beneficially own % of our outstanding common shares (including only Class B common shares), representing % of the voting rights in our common shares (or % and %, of our outstanding common shares and voting rights, respectively if the underwriters' option to purchase additional common shares is exercised in full). The outstanding shares beneficially owned by our directors and officers and/or entities affiliated with these individuals are specified in the section entitled "Principal and Selling Shareholders."

PRINCIPAL AND SELLING SHAREHOLDERS

The following table and accompanying footnotes present information relating to the beneficial ownership of our Class A common shares and Class B common shares (1) immediately prior to the completion of this offering (after giving effect to the Share Contribution and the Share Split); (2) following the sale of Class A common shares in this offering, assuming no exercise of the underwriters’ option to purchase additional common shares; and (3) following the sale of Class A common shares in this offering, assuming the underwriters’ option to purchase additional common shares is exercised in full, by:

- each person, or group of affiliated persons, known by us to own beneficially 5% or more of our outstanding shares;
- each of our executive officers and directors that will be in place as of the consummation of this offering, individually;
- all executive officers and directors as a group; and
- the selling shareholders, which consists of entity(ies)/individual(s) shown as having shares listed in the column “Shares to be Sold in Offering.”

The number of common shares beneficially owned by each entity, person, executive officer or director is determined in accordance with the rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares over which the individual has sole or shared voting power or investment power as well as any shares that the individual has the right to acquire within 60 days through the exercise of any option, warrant or other right. Except as otherwise indicated, and subject to applicable community property laws, the persons named in the table have sole voting and investment power with respect to all common shares held by that person.

The percentages of beneficial ownership in the table below are calculated on the basis of the following numbers of shares outstanding, which assume none of the currently existing warrants or stock options are exercised:

- immediately prior to the completion of this offering: 124,336,500 Class A common shares and 164,167,500 Class B common shares;
- following the sale of Class A common shares in this offering, assuming no exercise of the underwriters’ option to purchase additional Class A common shares: Class A common shares and Class B common shares; and
- following the sale of Class A common shares in this offering, assuming exercise in full of the underwriters’ option to purchase additional Class A common shares: Class A common shares and Class B common shares.

Unless otherwise indicated below, the address for each beneficial owner is c/o dLocal, Dr. Luis Bonavita, 1294, Montevideo, Uruguay, 11300.

Table of Contents

Shareholders	Shares Beneficially Owned Prior to Offering				% of Total Beneficial Ownership Before Offering (1)	Shares to be Sold in Offering	Shares Beneficially Owned After Offering Without Exercise of Underwriters' Option				% of Total Beneficial Ownership After Offering Without Exercise of Underwriters' Option(1)	Shares Beneficially Owned After Offering With Full Exercise of Underwriters' Option				% of Total Beneficial Ownership After Offering With Full Exercise of Underwriters' Option(1)
	Class A		Class B				Class A		Class B			Class A		Class B		
	Shares	%	Shares	%			Shares	%	Shares	%		Shares	%	Shares	%	
5% Shareholders																
Andres Bzurovski Bay(2)	—	—	59,662,500	20.7	20.7											
Izba S.A.	—	—	59,662,000	20.7	20.7											
General Atlantic DO B.V(3).	70,185,000	24.3	—	—	24.3											
Aqua Crystal Investments Ltd.	—	—	21,824,000	7.6	7.6											
Unsal Holdings	16,973,500	5.9	—	—	5.9											
Ledlife S.A.	—	—	15,466,500	5.4	5.4											
Executive Officers and Directors																
Alberto Eduardo Azar(4)	—	—	21,824,000	7.6	7.6											
Sebastián Kanovich(5)	—	—	15,466,500	5.4	5.4											
Andres Bzurovski Bay(2)	—	—	59,662,500	20.7	20.7											
Sergio Enrique Fogel Kaplan(6)	—	—	59,662,000	20.7	20.7											
Luiz Ribeiro(7)	—	—	—	—	—											
Martin Escobari(8)	—	—	—	—	—											
Tereza Grossi	—	—	—	—	—											
Jacobo Singer	—	—	7,552,500	2.6	2.6											
Sumita Pandit	—	—	—	—	—											
Jitendra Gupta	—	—	—	—	—											
Diego Cabrera Canay	—	—	—	—	—											
Herman Di Chello	—	—	—	—	—											
All directors and executive officers as a group (12 persons)	—	—	164,167,500	56.9	56.9											
Others	37,178,000	12.9	—	—	12.9											
Public float	—	—	—	—	—											
Total	124,336,500	43.1	164,167,500	56.9	100.0											

* Represents beneficial ownership of less than 1% of our issued and outstanding common shares.

- (1) Percentage of total beneficial ownership does not correspond to percentage of total voting power. Holders of our Class B common shares are entitled to five votes per share, whereas holders of our Class A common shares are entitled to one vote per share. For more information about the voting rights of our Class A common shares and Class B common shares, see “Description of Share Capital.”
- (2) Held directly and indirectly through Emerald Bay 24 LLC.
- (3) General Atlantic DO B.V. (“GA DO”) is a wholly owned subsidiary of General Atlantic Coöperatief U.A. (“GA Coop UA”). The members of GA Coop UA that share beneficial ownership of the shares of the Company held by GA DO through GA Coop UA are the following General Atlantic investment entities (the “GA Funds”): General Atlantic Partners (Bermuda) IV, L.P. (“GAP Bermuda IV”), General Atlantic Partners (Bermuda) EU, L.P. (“GAP Bermuda EU”), General Atlantic Partners (Lux) SCSp (“GAP Lux”) and General Atlantic Coöperatief, L.P. (“GA Coop LP”).

The general partner of GAP Lux is General Atlantic GenPar (Lux) SCSp (“GA GenPar Lux”) and the general partner of GA GenPar Lux is General Atlantic (Lux) S.à r.l. (“GA Sarl”). The general partner of GAP Bermuda IV and GAP Bermuda EU and the sole shareholder of GA Sarl is General Atlantic GenPar (Bermuda), L.P. (“GenPar Bermuda”). GAP (Bermuda) Limited (“GAP (Bermuda) Limited”) is the general partner of GenPar Bermuda and GA Coop LP. There are nine members of the Management Committee of GAP (Bermuda) Limited (the “GA Management Committee”). GA DO, GA Coop UA, the GA Funds, GA GenPar Lux, GA Sarl, GenPar Bermuda and GAP (Bermuda) Limited are a “group” within the meaning of Rule 13d-5 of the US Securities Exchange Act of 1934, as amended.

[Table of Contents](#)

The mailing address of the GA Funds (except GAP Lux), GenPar Bermuda, and GAP (Bermuda) Limited is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The mailing address of GA DO and GA Coop UA is Raamplein 1, 1016 XK, Amsterdam, The Netherlands. The mailing address of GAP Lux, GA GenPar Lux and GA Sarl is Luxembourg is 412F, Route d'Esch, L-2086 Luxembourg.

Each of the members of the GA Management Committee disclaims beneficial ownership of the shares except to the extent of his pecuniary interest therein.

- (4) Held through Aqua Crystal Investments Ltd.
- (5) Held indirectly through Ledlife SA.
- (6) Held through IZBA S.A.
- (7) Mr. Ribeiro, a member of our board of directors, is a principal at General Atlantic. Mr. Ribeiro disclaims beneficial ownership of the shares held by GA DO except to the extent, if any, of his pecuniary interest therein.
- (8) Mr. Escobari, a member of our board of directors, is a managing director of General Atlantic. Mr. Escobari disclaims beneficial ownership of the shares held by GA DO except to the extent, if any, of his pecuniary interest therein.

The holders of our Class A common shares and Class B common shares have identical rights, except that (1) holders of Class B common shares are entitled to five votes per share, whereas holders of our Class A common shares are entitled to one vote per share; (2) Class B common shares have certain conversion rights; and (3) holders of Class B common shares are entitled to maintain a proportional ownership interest by purchasing additional Class B common shares in the event that additional Class A common shares are issued. For more information see “Description of Share Capital—Preemptive or Similar Rights.”

RELATED PARTY TRANSACTIONS

The agreements described in this section, or forms of such agreements as they will be in effect at the time of this offering, are filed as exhibits to the registration statement of which this prospectus forms a part, and the following descriptions are qualified by reference thereto.

Loan Arrangements with Shareholders

Prior to this offering, dLocal Malta had granted loans to two of our officers in the aggregate amount of US\$20.5 million and US\$11.0 million, respectively, to finance their purchase of dLocal Malta shares in the amount of 20,097 and 10,821, respectively. As of March 31, 2021 and December 31, 2020, there was US\$16.8 million and US\$31.5 million, respectively, outstanding under these loans. These loans were fully repaid in April 2021. For further information, see notes 2.11.3 and 31.2 to our audited consolidated financial statements, included elsewhere in this prospectus.

Commercial Transactions

We had revenues from transactions with merchants who were related parties in the amount of US\$0.4 million and US\$0.1 million for the three months ended March 31, 2021 and 2020, respectively, and of US\$1.6 and US\$1.6 million for the year ended December 31, 2020 and 2019, respectively; and costs with preferred suppliers (collection agents) who were related parties in the amount of US\$0.1 million and US\$0.2 million for the three months ended March 31, 2021 and 2020, respectively, and of US\$0.4 million and US\$0.3 million for the year ended December 31, 2020 and 2019, respectively. We also had outstanding accounts payables for US\$0.8 million for the three months ended March 31, 2021, and US\$0.6 million and US\$0.4 million for the year ended December 31, 2020 and 2019, respectively; and outstanding accounts receivables for US\$1.2 million for the three months ended March 31, 2021, and US\$0.5 million and US\$0.9 million for the year ended December 31, 2020 and 2019, respectively. See note 26 to our consolidated financial statements and note 22 to our unaudited consolidated condensed financial statements for further information on related party transactions.

Related Person Transaction Policy

Our related person transaction policy states that any related person transaction must be approved or ratified by our audit committee, board of directors or a designated committee thereof. In determining whether to approve or ratify a transaction with a related person, our audit committee, board of directors or the designated committee will consider all relevant facts and circumstances, including, without limitation, the commercial reasonableness of the terms, of the transaction the benefit and perceived benefit, or lack thereof, to us, opportunity costs of alternate transaction, the materiality and character of the related person's direct or indirect interest and the actual or apparent conflict of interest of the related person. Our audit committee, board of directors or the designated committee will not approve or ratify a related person transaction unless it has determined that, upon consideration of all relevant information, such transaction is in, or not inconsistent with, our best interests and the best interests of our shareholders.

Registration Rights Agreement

Prior to the completion of this offering, we plan to enter into a registration rights agreement, or the Registration Rights Agreement, with General Atlantic DO B.V. and our other existing shareholders, together the Participating Shareholders.

At any time that the Participating Shareholders are no longer subject to restrictions on transfer of their shares pursuant to the lock-up agreements entered into with the underwriters of our initial public offering, and subject to several exceptions, including underwriter cutbacks and our right to defer a demand registration under

certain circumstances, Participating Shareholders holding at least 15% of our common shares (and, after December 16, 2024, General Atlantic DO B.V. on its own) may require that we register for public resale under the Securities Act all common shares constituting registrable shares, or the Registrable Shares, that they request be registered so long as the securities requested to be registered in each registration statement have an aggregate estimated market value of at least US\$25 million. If we become eligible to register the sale of Registrable Shares on Form F-3 under the Securities Act, which will not be until at least twelve months after the date of the initial public offering, our Participating Shareholders have the right to require us to register the sale of the Registrable Shares held by them on Form F-3, subject to offering size and other restrictions.

If we propose to register the sale of any of our securities under the Securities Act for our own account or the account of any other holder (excluding any securities to be registered on Form S-8 relating to shares issued in connection with an employee benefit plan, on Form F-4 relating to shares issued in connection with any transaction or of debt securities convertible into our common shares), the Participating Shareholders are entitled to notice of such registration and to request that we include Registrable Shares for resale on such registration statement, and we are required, subject to certain exceptions, to include such Registrable Shares in such registration statement.

In connection with the transfer of their Registrable Shares, the parties to the Registration Rights Agreement may assign certain of their respective rights under the Registration Rights Agreement under certain circumstances. In connection with the registrations described above, we will indemnify any selling shareholders in certain situations, subject to certain restrictions, and the selling shareholders will indemnify us in certain situations, subject to certain restrictions.

Indemnification Agreements

We intend to enter into indemnification agreements with our directors and executive officers. The indemnification agreements will, and our Articles of Association do, permit us to indemnify our directors and executive officers to the fullest extent permitted by law.

DESCRIPTION OF SHARE CAPITAL

General

dLocal Limited, the company whose Class A common shares are being offered in this prospectus, was incorporated on February 10, 2021, as a Cayman Islands exempted company with limited liability duly registered with the Cayman Islands Registrar of Companies. Our corporate purposes are unrestricted and we have the authority to carry out any object not prohibited by any law as provided by Section 7(4) of Companies Act.

Our affairs are governed principally by: (1) Articles of Association; (2) the Companies Act; and (3) the common law of the Cayman Islands. As provided in our Articles of Association, subject to Cayman Islands law, we have full capacity to carry on or undertake any business or activity, do any act or enter into any transaction, and, for such purposes, full rights, powers and privileges. Our registered office is c/o Maples Corporate Services Limited, P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

Our Articles of Association authorize the issuance of up to 1,000,000,000 Class A common shares and 250,000,000 Class B common shares and 250,000,000 shares as yet undesignated which may be issued as common shares or shares with preferred rights of our authorized share capital. As of the date of this prospectus, 124,336,500 Class A common shares and 164,167,500 Class B common shares of our authorized share capital were issued, fully paid and outstanding. Upon the completion of this offering, we will have _____ Class A common shares and _____ Class B common shares of our authorized share capital issued and outstanding, assuming the underwriters do not elect to exercise their option to purchase additional Class A common shares.

We intend to apply to list our Class A common shares on the Nasdaq under the symbol “DLO.”

Initial settlement of our Class A common shares will take place on the closing date of this offering through The Depository Trust Company, or DTC, in accordance with its customary settlement procedures for equity securities. Each person owning Class A common shares held through DTC must rely on the procedures thereof and on institutions that have accounts therewith to exercise any rights of a holder of the Class A common shares. Persons wishing to obtain certificates for their Class A common shares must make arrangements with DTC.

The following is a summary of the material provisions of our authorized share capital and our Articles of Association.

Share Capital

The Articles of Association authorize two classes of common shares: Class A common shares, which are entitled to one vote per share and Class B common shares, which are entitled to five votes per share and to maintain a proportional ownership interest in the event that additional Class A common shares are issued. Any holder of Class B common shares may convert his or her shares at any time into Class A common shares on a share-for-share basis. The rights of the two classes of common shares are otherwise identical, except as described below. See “—Anti-Takeover Provisions in our Articles of Association—Two Classes of Common Shares.”

At the date of this prospectus, after giving effect to the Share Contribution and the Share Split, our total authorized share capital was US\$3,000,000, divided into 1,500,000,000 shares par value US\$0.002 each, of which:

- 1,000,000,000 shares are designated as Class A common shares; and
- 250,000,000 shares are designated as Class B common shares.

The remaining 250,000,000 authorized but unissued shares are presently undesignated and may be issued by our board of directors as common shares of any class or as shares with preferred, deferred or other special rights or restrictions.

[Table of Contents](#)

Following this offering, we will have a total issued share capital of US\$, divided into common shares. Those common shares will be divided into Class A common shares and Class B common shares (assuming no exercise of the underwriters' option to purchase additional common shares) or common shares (assuming full exercise of the underwriters' option to purchase additional shares); or Class A common shares and Class B common shares. See "Capitalization" and "Dilution."

Treasury Stock

At the date of this prospectus, dLocal has no shares in treasury.

Issuance of Shares

Except as expressly provided in dLocal's Articles of Association, dLocal's board of directors has general and unconditional authority to allot, grant options over, offer or otherwise deal with or dispose of any unissued shares in the company's capital without the approval of our shareholders (whether forming part of the original or any increased share capital), either at a premium or at par, with or without preferred, deferred or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise and to such persons, on such terms and conditions, and at such times as the directors may decide, but so that no share shall be issued at a discount, except in accordance with the provisions of the Companies Act. In accordance with its Articles of Association, dLocal shall not issue bearer shares.

dLocal's Articles of Association provide that at any time that there are Class A common shares in issue, additional Class B common shares may only be issued pursuant to (1) a share split, subdivision of shares or similar transaction or where a dividend or other distribution is paid by the issue of shares or rights to acquire shares or following capitalization of profits; (2) a merger, consolidation, or other business combination involving the issuance of Class B common shares as full or partial consideration; or (3) an issuance of Class A common shares, whereby holders of the Class B common shares are entitled to purchase a number of Class B common shares that would allow them to maintain their proportional ownership interests in dLocal (following an offer by dLocal to each holder of Class B common shares to issue to such holder, upon the same economic terms and at the same price, such number of Class B common shares as would ensure such holder may maintain a proportional ownership interest in dLocal pursuant to dLocal's Articles of Association). In light of: (a) the above provisions; (b) the fact that future transfers by holders of Class B common shares will generally result in those shares converting to Class A common shares, subject to limited exceptions as provided in the Articles of Association; and (c) the five-to-one voting ratio between our Class B common shares and Class A common shares, holders of our Class B common shares will in many situations continue to maintain control of all matters requiring shareholder approval. This concentration of ownership and voting power will limit or preclude your ability to influence corporate matters for the foreseeable future. For more information see "—Preemptive or Similar Rights."

dLocal's Articles of Association also provide that the issuance of non-voting common shares requires the affirmative vote of a majority of the of then-outstanding Class A common shares.

Fiscal Year

dLocal's fiscal year begins on January 1 of each year and ends on December 31 of the same year.

Voting Rights

The holders of the Class A common shares and Class B common shares have identical rights, except that (1) each holder of Class B common shares is entitled to five votes per share, whereas each holder of Class A common shares is entitled to one vote per share; and (2) Class B common shares have certain conversion rights and (3) the holders of Class B common shares are entitled to maintain a proportional ownership interest in the

event that additional Class A common shares are issued. For more information see “—Preemptive or Similar Rights.” The holders of Class A common shares and Class B common shares vote together as a single class on all matters (including the election of directors) submitted to a vote of shareholders, except as provided below and as otherwise required by law.

dLocal’s Articles of Association provide as follows regarding the respective rights of holders of Class A common shares and Class B common shares:

(1) Class consents from the holders of Class A common shares and Class B common shares, as applicable, shall be required for any variation to the rights attached to their respective class of shares, however, the Directors may treat any two or more classes of shares as forming one class if they consider that all such classes would be affected in the same way by the proposal;

(2) the rights conferred on holders of Class A common shares shall not be deemed to be varied by the creation or issue of further Class B common shares and vice versa; and

(3) the rights attaching to the Class A common shares and the Class B common shares shall not be deemed to be varied by the creation or issue of shares with preferred or other rights, including, without limitation, shares with enhanced or weighted voting rights.

As set forth in the Articles of Association, the holders of Class A common shares and Class B common shares, respectively, do not have the right to vote separately if the number of authorized shares of such class is increased or decreased. Rather, the number of authorized Class A common shares and Class B common shares may be increased or decreased (but not below the number of shares of such class then outstanding) by the affirmative vote of the holders of a majority of the voting power of the issued and outstanding Class A common shares and Class B common shares, voting together in a general meeting.

Preemptive or Similar Rights

The Class A common shares and Class B common shares are not entitled to preemptive rights upon transfer and are not subject to conversion (except as described below under “—Conversion”), redemption or sinking fund provisions.

The Class B common shares are entitled to maintain a proportional ownership interest in the event that additional Class A common shares are issued. As such, except for certain exceptions, including the issuance of Class A common shares in furtherance of this offering, if dLocal issues Class A common shares, it must first make an offer to each holder of Class B common shares to issue to such holder on the same economic terms such number of Class B common shares as would ensure such holder may maintain a proportional ownership interest in dLocal. This right to maintain a proportional ownership interest may be waived by a majority of the holders of Class B common shares, as applicable.

Conversion

The outstanding Class B common shares are convertible at any time as follows: (1) at the option of the holder, a Class B common share may be converted at any time into one Class A common share or (2) upon the election of the holders of a majority of the then outstanding Class B common shares, all outstanding Class B common shares may be converted into a like number of Class A common shares. In addition, each Class B common share will convert automatically into one Class A common share upon any transfer, whether or not for value, except for certain transfers described in our Articles of Association, including transfers to affiliates, transfers to and between the existing holders of Class B common shares. Furthermore, each Class B common share will convert automatically into one Class A common share and no Class B common shares will be issued thereafter if, at any time, the outstanding Class B common shares represent less than 10% of the total number of all Class A common shares and Class B common shares then outstanding.

Our Class A common shares are not convertible into Class B common shares under any circumstances.

Equal Status

Except as expressly provided in dLocal' Articles of Association, Class A common shares and Class B common shares have the same rights and privileges and rank equally, share ratably and are identical in all respects as to all matters. In the event of any merger, consolidation, scheme, arrangement or other business combination requiring the approval of our shareholders entitled to vote thereon (whether or not dLocal is the surviving entity), the holders of Class A common shares shall have the right to receive, or the right to elect to receive, at least the same form of consideration as the holders of Class B common shares, and the holders of Class A common shares shall have the right to receive, or the right to elect to receive, the same amount of consideration on a per share basis as the holders of Class B common shares. In the event of any (1) tender or exchange offer to acquire any Class A common shares or Class B common shares by any third party pursuant to an agreement to which dLocal is a party, or (2) tender or exchange offer by dLocal to acquire any Class A common shares or Class B common shares, the holders of Class A common shares shall have the right to receive, or the right to elect to receive, the same form of consideration as the holders of Class B common shares, and the holders of Class A common shares shall have the right to receive, or the right to elect to receive, the same amount of consideration on a per share basis as the holders of Class B common shares.

Record Dates

For the purpose of determining shareholders entitled to notice of, or to vote at any general meeting of shareholders or any adjournment thereof, or shareholders entitled to receive dividend or other distribution payments, or in order to make a determination of shareholders for any other purpose, dLocal's board of directors may set a record date which shall not exceed forty (40) clear days prior to the date where the determination will be made.

General Meetings of Shareholders

As a condition of admission to a shareholders' meeting, a shareholder must be duly registered as a shareholder of dLocal at the applicable record date for that meeting and, in order to vote, all calls or installments then payable by such shareholder to dLocal in respect of the shares that such shareholder holds must have been paid.

Subject to any special rights or restrictions as to voting then attached to any shares, at any general meeting every shareholder who is present in person or by proxy (or, in the case of a shareholder being a corporation, by its duly authorized representative not being himself or herself a shareholder entitled to vote) shall have one vote per Class A common share and five votes per Class B common share.

As a Cayman Islands exempted company, dLocal is not obliged by the Companies Act to call annual general meetings of shareholders; however, the Articles of Association provide that in each year the company will hold an annual general meeting of shareholders, at a time determined by the board of directors, provided that the board of directors of dLocal has the discretion whether or not to hold an annual general meeting. For the annual general meeting of shareholders the agenda will include, among other things, the presentation of the annual accounts and the report of the directors. In addition, the agenda for an annual general meeting of shareholders will only include such items as have been included therein by the board of directors.

Also, dLocal may, but is not required to (unless required by the laws of the Cayman Islands), hold other extraordinary general meetings during the year. General meetings of shareholders are generally expected to take place in Montevideo, Uruguay, but may be held elsewhere if the directors so decide.

The Companies Act provides shareholders a limited right to request a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting in default of a company's Articles of Association. However, these rights may be provided in a company's Articles of Association. dLocal's Articles of Association provide that upon the requisition of one or more shareholders representing not less than one-third of the voting rights entitled to vote at general meetings, the board will convene an extraordinary general meeting and put the resolutions so requisitioned to a vote at such meeting. The Articles of Association provide no other right to put any proposals before annual general meetings or extraordinary general meetings.

Subject to regulatory requirements, the annual general meeting and any extraordinary general meetings must be called by not less than ten (10) clear days' notice prior to the relevant shareholders meeting and convened by a notice discussed below. Alternatively, upon the prior consent of all holders entitled to receive notice, with regards to the annual general meeting, and the holders of 95% in par value of the shares entitled to attend and vote at an extraordinary general meeting, that meeting may be convened by a shorter notice and in a manner deemed appropriate by those holders.

dLocal will give notice of each general meeting of shareholders by publication on its website and in any other manner that it may be required to follow in order to comply with Cayman Islands law, Nasdaq and SEC requirements. The holders of registered shares may be given notice of a shareholders' meeting by means of letters sent to the addresses of those shareholders as registered in our shareholders' register, or, subject to certain statutory requirements, by electronic means.

Holders whose shares are registered in the name of DTC or its nominee, which we expect will be the case for all holders of Class A common shares, will not be a shareholder or member of the company and must rely on the procedures of DTC regarding notice of shareholders' meetings and the exercise of rights of a holder of the Class A common shares.

A quorum for a general meeting consists of any one or more persons holding or representing by proxy not less than one-third of the aggregate voting power of all shares in issue and entitled to vote upon the business to be transacted.

A resolution put to a vote at a general meeting shall be decided on a poll. An ordinary resolution to be passed by the shareholders at a general meeting requires the affirmative vote of a simple majority of the votes cast by, or on behalf of, the shareholders entitled to vote, present in person or by proxy and voting at the meeting. A special resolution requires the affirmative vote on a poll of no less than two-thirds of the votes cast by the shareholders entitled to vote who are present in person or by proxy at a general meeting. Both ordinary resolutions and special resolutions may also be passed by a unanimous written resolution signed by all the shareholders of our Company, as permitted by the Companies Act and our Articles of Association.

Pursuant to dLocal's Articles of Association, general meetings of shareholders are to be chaired by the chairman of our board of directors or in his absence the vice-chairman of the board of directors. If the chairman or vice-chairman of our board of directors is absent, the directors present at the meeting shall appoint one of them to be chairman of the general meeting. If neither the chairman nor another director is present at the general meeting within 15 minutes after the time appointed for holding the meeting, the shareholders present in person or by proxy and entitled to vote may elect any one of the shareholders to be chairman. The order of business at each meeting shall be determined by the chairman of the meeting, and he or she shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts and things as are necessary or desirable for the proper conduct of the meeting, including, without limitation, the establishment of procedures for the maintenance of order and safety, limitations on the time allotted to questions or comments on the affairs of the Company, restrictions on entry to such meeting after the time prescribed for the commencement thereof, and the opening and closing of the polls.

Liquidation Rights

If dLocal is voluntarily wound up, the liquidator, after taking into account and giving effect to the rights of preferred and secured creditors and to any agreement between dLocal and any creditors that the claims of such creditors shall be subordinated or otherwise deferred to the claims of any other creditors and to any contractual rights of set-off or netting of claims between dLocal and any person or persons (including without limitation any bilateral or any multi-lateral set-off or netting arrangements between the company and any person or persons) and subject to any agreement between dLocal and any person or persons to waive or limit the same, shall apply dLocal's property in satisfaction of its liabilities *pari passu* and subject thereto shall distribute the property amongst the shareholders according to their rights and interests in dLocal.

Changes to Capital

Pursuant to the Articles of Association, dLocal may from time to time by ordinary resolution:

- increase its share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe;
- consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;
- convert all or any of its paid-up shares into stock and reconvert that stock into paid up shares of any denomination;
- subdivide its existing shares or any of them into shares of a smaller amount, provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; or
- cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

dLocal's shareholders may by special resolution, subject to confirmation by the Grand Court of the Cayman Islands on an application by the Company for an order confirming such reduction, reduce its share capital or any capital redemption reserve in any manner permitted by law.

In addition, subject to the provisions of the Companies Act and our Articles of Association, dLocal may:

- issue shares on terms that they are to be redeemed or are liable to be redeemed;
- purchase its own shares (including any redeemable shares); and
- make a payment in respect of the redemption or purchase of its own shares in any manner authorized by the Companies Act, including out of its own capital.

Transfer of Shares

Subject to any applicable restrictions set forth in the Articles of Association, any shareholder of dLocal may transfer all or any of his or her common shares by an instrument of transfer in the usual or common form or in the form prescribed by the Nasdaq or any other form approved by the Company's board of directors.

The Class A common shares sold in this offering will be traded on the Nasdaq in book-entry form and may be transferred in accordance with dLocal's Articles of Association and Nasdaq's rules and regulations.

However, dLocal's board of directors may, in its absolute discretion, decline to register any transfer of any common share which is either not fully paid up to a person of whom it does not approve or is issued under any

share incentive scheme for employees which contains a transfer restriction that is still applicable to such common share. The board of directors may also decline to register any transfer of any common share unless:

- a fee of such maximum sum as the Nasdaq may determine to be payable or such lesser sum as the board of directors may from time to time require is paid to dLocal in respect thereof;
- the instrument of transfer is lodged with dLocal, accompanied by the certificate (if any) for the common shares to which it relates and such other evidence as our board of directors may reasonably require to show the right of the transferor to make the transfer;
- the instrument of transfer is in respect of only one class of shares;
- the instrument of transfer is properly stamped, if required;
- the common shares transferred are free of any lien in favor of dLocal; and
- in the case of a transfer to joint holders, the transfer is not to more than four joint holders.

If the directors refuse to register a transfer they are required, within two months after the date on which the instrument of transfer was lodged, to send to the transferee notice of such refusal.

Share Repurchase

The Companies Act and the Articles of Association permit dLocal to purchase its own shares, subject to certain restrictions. The board of directors may only exercise this power on behalf of dLocal, subject to the Companies Act, the Articles of Association and to any applicable requirements imposed from time to time by the SEC, the Nasdaq, or by any recognized stock exchange on which our securities are listed.

Dividends and Capitalization of Profits

We have not adopted a dividend policy with respect to payments of any future dividends by dLocal. Subject to the Companies Act, dLocal's shareholders may, by resolution passed by a simple majority of the voting rights entitled to vote at a general meeting, declare dividends (including interim dividends) to be paid to shareholders but no dividend shall be declared in excess of the amount recommended by the board of directors. The board of directors may also declare dividends. Dividends may be declared and paid out of funds lawfully available to dLocal. Except as otherwise provided by the rights attached to shares and the Articles of Association of dLocal, all dividends shall be paid in proportion to the number of Class A common shares or Class B common shares a shareholder holds at the date the dividend is declared (or such other date as may be set as a record date); but, (1) if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly; and (2) where we have shares in issue which are not fully paid up (as to par value), we may pay dividends in proportion to the amounts paid up on each share.

The holders of Class A common shares and Class B common shares shall be entitled to share equally in any dividends that may be declared in respect of dLocal's common shares from time to time. In the event that a dividend is paid in the form of Class A common shares or Class B common shares, or rights to acquire Class A common shares or Class B common shares, (1) the holders of Class A common shares shall receive Class A common shares, or rights to acquire Class A common shares, as the case may be and (2) the holders of Class B common shares shall receive Class B common shares, or rights to acquire Class B common shares, as the case may be.

Appointment, Disqualification and Removal of Directors

dLocal is managed by its board of directors. The Articles of Association provide that, unless otherwise determined by a special resolution of shareholders, the board of directors will be composed of three to 13 directors, with the number being determined by a majority of the directors then in office. There are no provisions

relating to retirement of directors upon reaching any age limit. The Articles of Association also provide that, while dLocal's shares are admitted to trading on Nasdaq, the board of directors must always comply with the residency and citizenship requirements of the U.S. securities laws applicable to foreign private issuers.

The Articles of Association provide that directors shall be elected by an ordinary resolution of our shareholders, which requires the affirmative vote of a simple majority of the votes cast on the resolution by the shareholders entitled to vote who are present, in person or by proxy, at the meeting. Each director shall be appointed and elected for such term as the resolution appointing him or her may determine or until his or her death, resignation or removal.

Notwithstanding the foregoing, holders of Class B common shares, for so long as they hold Class B common shares, shall be entitled to appoint, as a group and at their sole discretion, at least a majority of the members of the board of directors, and shall be entitled at any time to remove, substitute or replace their appointed directors for any reason in their sole discretion.

By the listing date of this offering, the directors Tereza Grossi and Jitendra Gupta will be "independent" as that term is defined under the applicable rules and regulations of the SEC and the listing standards of the Nasdaq. We intend to appoint at least one additional independent director within one year following this offering.

Any vacancies on the board of directors that arise other than upon the removal of a director by resolution passed at a general meeting can be filled by the remaining directors (notwithstanding that they may constitute less than a quorum). Any such appointment shall be as an interim director to fill such vacancy until the next annual general meeting of shareholders.

Additions to the existing board (within the limits set pursuant to the Articles of Association) may be made by ordinary resolution of the shareholders.

Upon the completion of this offering, the board of directors will have in place an audit committee. See "Management—Audit Committee."

Grounds for Removing a Director

A director may be removed with or without cause by ordinary resolution. The notice of general meeting must contain a statement of the intention to remove the director and must be served on the director not less than ten calendar days before the meeting. The director is entitled to attend the meeting and be heard on the motion for his removal.

The office of a director will be vacated automatically if he or she (1) becomes prohibited by law from being a director; (2) becomes bankrupt or makes an arrangement or composition with his creditors; (3) dies or is in the opinion of all his co-directors, incapable by reason of mental disorder of discharging his duties as director; (4) resigns his office by notice to us; or (5) has for more than six months been absent without permission of the directors from meetings of the board of directors held during that period, and the remaining directors resolve that his or her office be vacated.

Proceedings of the Board of Directors

The Articles of Association provide that dLocal's business is to be managed and conducted by the board of directors. The quorum necessary for the board meeting shall be a simple majority of the directors then in office (subject to there being a minimum of two directors present) and business at any meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a casting vote.

Subject to the provisions of the Articles of Association, the board of directors may regulate its proceedings as they determine is appropriate. Board meetings shall be held at least once every calendar quarter and shall take place either in Montevideo, Uruguay, or at such other place as the directors may determine.

Subject to the provisions of the Articles of Association, to any directions given by ordinary resolution of the shareholders and the listing rules of the Nasdaq, the board of directors may from time to time at its discretion exercise all powers of dLocal, including, subject to the Companies Act, the power to issue debentures, bonds and other securities of the company, whether outright or as collateral security for any debt, liability or obligation of our company or of any third party.

Inspection of Books and Records

Holders of dLocal shares will have no general right under Cayman Islands law to inspect or obtain copies of the list of shareholders or corporate records of the Company. However, the board of directors may determine from time to time whether and to what extent dLocal's accounting records and books shall be open to inspection by shareholders who are not members of the board of directors. Notwithstanding the above, the Articles of Association provide shareholders with the right to receive annual financial statements. Such right to receive annual financial statements may be satisfied by publishing the same on the company's website or filing such annual reports as we are required to file with the SEC.

Register of Shareholders

The Class A common shares offered in this offering will be held through DTC, and DTC or Cede & Co., as nominee for DTC, will be recorded in the shareholders' register as the holder of our Class A common shares.

Under Cayman Islands law, dLocal must keep a register of shareholders that includes:

- the names and addresses of the shareholders, a statement of the shares held by each member, and of the amount paid or agreed to be considered as paid, on the shares of each member;
- whether voting rights attach to the shares in issue;
- the date on which the name of any person was entered on the register as a member; and
- the date on which any person ceased to be a member.

Under Cayman Islands law, the register of shareholders of dLocal is prima facie evidence of the matters set out therein (i.e. the register of shareholders will raise a presumption of fact on the matters referred to above unless rebutted) and a shareholder registered in the register of shareholders is deemed as a matter of Cayman Islands law to have *prima facie* legal title to the shares as set against his or her name in the register of shareholders. Upon the completion of this offering, the register of shareholders will be immediately updated to record and give effect to the issuance of new Class A common shares in this offering. Once the register of shareholders has been updated, the shareholders recorded in the register of shareholders should be deemed to have legal title to the shares set against their name.

However, there are certain limited circumstances where an application may be made to the Grand Court of the Cayman Islands for a determination on whether the register of members reflects the correct legal position. Further, the Grand Court of the Cayman Islands has the power to order that the register of members maintained by a company should be rectified where it considers that the register of members does not reflect the correct legal position. If an application for an order for rectification of the register of members were made in respect of our ordinary shares, then the validity of such shares may be subject to re-examination by the Grand Court of the Cayman Islands.

Exempted Company

dLocal is an exempted company with limited liability under the Companies Act. The Companies Act distinguishes between ordinary resident companies and exempted companies. Any company that is registered in the Cayman Islands but conducts business mainly outside of the Cayman Islands may apply to be registered as an exempted company. The requirements for an exempted company are essentially the same as for an ordinary company except for the exemptions and privileges listed below:

- an exempted company does not have to file an annual return of its shareholders with the Registrar of Companies;
- an exempted company's register of shareholders is not open to inspection;
- an exempted company does not have to hold an annual general meeting;
- an exempted company may issue shares with no par value;
- an exempted company may obtain an undertaking against the imposition of any future taxation (such undertakings are usually given for 20 years in the first instance);
- an exempted company may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;
- an exempted company may register as a limited duration company; and
- an exempted company may register as a segregated portfolio company.

“Limited liability” means that the liability of each shareholder is limited to the amount unpaid by the shareholder on the shares of the company (except in exceptional circumstances, such as involving fraud, the establishment of an agency relationship or an illegal or improper purpose or other circumstances in which a court may be prepared to pierce or lift the corporate veil).

Upon the closing of this offering, dLocal will be subject to reporting and other informational requirements of the Exchange Act, as applicable to foreign private issuers. Except as otherwise disclosed in this prospectus, dLocal currently intends to comply with the Nasdaq rules in lieu of following home country practice after the closing of this offering.

Anti-Takeover Provisions in our Articles of Association

Some provisions of the Articles of Association may discourage, delay or prevent a change in control of dLocal or management that shareholders may consider favorable. These provisions, which are summarized below, are expected to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of dLocal to first negotiate with the board of directors. However, these provisions could also have the effect of discouraging others from attempting hostile takeovers and, as a consequence, they may also inhibit temporary fluctuations in the market price of the Class A common shares that often result from actual or rumored hostile takeover attempts. These provisions may also have the effect of preventing changes in the management of dLocal. It is possible that these provisions could make it more difficult to accomplish transactions that shareholders may otherwise deem to be in their best interests.

Two Classes of Common Shares

The Class B common shares of dLocal are entitled to five votes per share, while the Class A common shares are entitled to one vote per share. Since certain of our existing shareholders, Andres Bzurovski Bay, IZBA SA, Aqua Crystal Investments, Sebastián Kanovich (indirectly through Ledlife SA) and Jacobo Singer, own 100.0% of the Class B common shares, Andres Bzurovski Bay, Sergio Enrique Fogel Kaplan, Alberto Eduardo Azar, Sebastián Kanovich and Jacobo Singer, acting together, currently have the ability to elect a majority of the directors and to determine the outcome of most matters submitted for a vote of shareholders.

So long as Andres Bzurovski Bay, IZBA SA, Aqua Crystal Investments, Sebastián Kanovich and Jacobo Singer have the ability to determine the outcome of most matters submitted to a vote of shareholders as well as the overall management and direction of dLocal, third parties may be deterred in their willingness to make an unsolicited merger, takeover, or other change of control proposal, or to engage in a proxy contest for the election of directors. As a result, the fact that dLocal has two classes of common shares may have the effect of depriving holders of Class A common shares of an opportunity to sell their Class A common shares at a premium over prevailing market prices and make it more difficult to replace the directors and management of dLocal.

Preferred Shares

dLocal's board of directors is given wide powers to issue one or more classes or series of shares with preferred rights. Such preferences may include, for example, dividend rights, conversion rights, redemption privileges, enhanced voting powers and liquidation preferences.

Despite the anti-takeover provisions described above, under Cayman Islands law, dLocal's board of directors may only exercise the rights and powers granted to them under the Articles of Association, for what they believe in good faith to be in the best interests of dLocal.

Protection of Non-Controlling Shareholders

The Grand Court of the Cayman Islands may, on the application of shareholders holding not less than one fifth of the shares of dLocal in issue, appoint an inspector to examine the Company's affairs and report thereon in a manner as the Grand Court shall direct.

Subject to the provisions of the Companies Act, any shareholder may petition the Grand Court of the Cayman Islands, which may make a winding up order, if the court is of the opinion that this winding up is just and equitable.

Notwithstanding the U.S. securities laws and regulations that are applicable to dLocal, general corporate claims against dLocal by its shareholders must, as a general rule, be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by dLocal's Articles of Association.

The Grand Court of the Cayman Islands ordinarily would be expected to follow English case law precedents, which permit a minority shareholder to commence a representative action against dLocal, or derivative actions in dLocal's name, to challenge (1) an act which is ultra vires or illegal; (2) an act which constitutes a fraud against the minority and the wrongdoers themselves control dLocal; and (3) an irregularity in the passing of a resolution that requires a qualified (or special) majority.

Registration Rights and Restricted Shares

The shareholders of dLocal or entities controlled by them or their permitted transferees will, subject to the lock-up agreements described below, be able to sell their shares in the public market from time to time without registering them, subject to certain limitations on the timing, amount and method of those sales imposed by regulations promulgated by the SEC. Prior to the completion of this offering, we intend to enter into the Registration Rights Agreement with General Atlantic DO B.V. and our other existing shareholders.

dLocal, our executive officers and directors who will hold shares upon completion of this offering all of our principal existing shareholders and selling shareholders and have agreed to lock-up agreements that restrict us and them, subject to specified exceptions, from selling or otherwise disposing of any shares for a period of 180 days after the date of this prospectus without the prior consent of the representatives for the underwriters. However, the Representatives may, in their sole discretion and without notice, release all or any portion of the

shares from the restrictions in any of the lock-up agreements described above. In addition, these lock-up agreements are subject to the exceptions described in “Common Shares Eligible for Future Sale,” including the right for dLocal to issue new shares if we carry out an acquisition or enter into a merger, joint venture or strategic participation.

Principal Differences between Cayman Islands and U.S. Corporate Law

The Companies Act was modelled originally after similar laws in England and Wales but does not follow subsequent statutory enactments in England and Wales. In addition, the Companies Act differs from laws applicable to U.S. corporations and their shareholders. Set forth below is a summary of the significant differences between the provisions of the Companies Act applicable to dLocal and the laws applicable to companies incorporated in the United States and their shareholders.

Mergers and Similar Arrangements

The Companies Act allows for mergers or consolidations between two Cayman Islands companies, or between a Cayman Islands company and a company incorporated in another jurisdiction (provided that is facilitated by the laws of that other jurisdiction).

Where the merger or consolidation is between two Cayman Islands companies, the directors of each company must approve a written plan of merger or consolidation, which must then be authorized by (a) a special resolution (usually a majority of 66 2/3 % in value) of the shareholders of each company; or (b) such other authorization, if any, as may be specified in such constituent company’s articles of association. No shareholder resolution is required for a merger between a parent company (i.e., a company that owns at least 90% of the issued shares of each class in a subsidiary company) and its subsidiary company. The consent of each holder of a fixed or floating security interest of a constituent company must be obtained, unless the court waives such requirement. If the Cayman Islands Registrar of Companies is satisfied that the requirements of the Companies Act (which includes certain other formalities) have been complied with, the Registrar of Companies will register the plan of merger or consolidation. Where the merger or consolidation involves a foreign company, the procedure is similar, save that with respect to the foreign company, the director of the Cayman Islands company is required to make a declaration to the effect that, having made due enquiry, he is of the opinion that the requirements set out below have been met: (i) that the merger or consolidation is permitted or not prohibited by the constitutional documents of the foreign company and by the laws of the jurisdiction in which the foreign company is incorporated, and that those laws and any requirements of those constitutional documents have been or will be complied with; (ii) that no petition or other similar proceeding has been filed and remains outstanding or order made or resolution adopted to wind up or liquidate the foreign company in any jurisdictions; (iii) that no receiver, trustee, administrator or other similar person has been appointed in any jurisdiction and is acting in respect of the foreign company, its affairs or property or any part thereof; (iv) that no scheme, order, compromise or other similar arrangement has been entered into or made in any jurisdiction whereby the rights of creditors of the foreign company are and continue to be suspended or restricted.

Where the surviving company is the Cayman Islands company, the director of the Cayman Islands company is further required to make a declaration to the effect that, having made due enquiry, he is of the opinion that the requirements set out below have been met: (i) that the foreign company is able to pay its debts as they fall due and that the merger or consolidated is bona fide and not intended to defraud unsecured creditors of the foreign company; (ii) that in respect of the transfer of any security interest granted by the foreign company to the surviving or consolidated company (a) consent or approval to the transfer has been obtained, released or waived; (b) the transfer is permitted by and has been approved in accordance with the constitutional documents of the foreign company; and (c) the laws of the jurisdiction of the foreign company with respect to the transfer have been or will be complied with; (iii) that the foreign company will, upon the merger or consolidation becoming effective, cease to be incorporated, registered or exist under the laws of the relevant foreign jurisdiction; and (iv) that there is no other reason why it would be against the public interest to permit the merger or consolidation.

Where the above procedures are adopted, the Companies Act provides for a right of dissenting shareholders to be paid a payment of the fair value of his shares upon their dissenting to the merger or consolidation if they follow a prescribed procedure. In essence, that procedure is as follows (a) the shareholder must give his written objection to the merger or consolidation to the constituent company before the vote on the merger or consolidation, including a statement that the shareholder proposes to demand payment for his shares if the merger or consolidation is authorized by the vote; (b) within 20 days following the date on which the merger or consolidation is approved by the shareholders, the constituent company must give written notice to each shareholder who made a written objection; (c) a shareholder must within 20 days following receipt of such notice from the constituent company, give the constituent company a written notice of his intention to dissent including, among other details, a demand for payment of the fair value of his shares; (d) within seven days following the date of the expiration of the period set out in paragraph (b) above or seven days following the date on which the plan of merger or consolidation is filed, whichever is later, the constituent company, the surviving company or the consolidated company must make a written offer to each dissenting shareholder to purchase his shares at a price that the company determines is the fair value and if the company and the shareholder agree the price within 30 days following the date on which the offer was made, the company must pay the shareholder such amount; (e) if the company and the shareholder fail to agree a price within such 30 day period, within 20 days following the date on which such 30 day period expires, the company (and any dissenting shareholder) must file a petition with the Grand Court of the Cayman Islands to determine the fair value and such petition must be accompanied by a list of the names and addresses of the dissenting shareholders with whom agreements as to the fair value of their shares have not been reached by the company. At the hearing of that petition, the court has the power to determine the fair value of the shares together with a fair rate of interest, if any, to be paid by the company upon the amount determined to be the fair value. Any dissenting shareholder whose name appears on the list filed by the company may participate fully in all proceedings until the determination of fair value is reached. These rights of a dissenting shareholder are not available in certain circumstances, for example, to dissenters holding shares of any class in respect of which an open market exists on a recognized stock exchange or recognized interdealer quotation system at the relevant date or where the consideration for such shares to be contributed are shares of any company listed on a national securities exchange or shares of the surviving or consolidated company.

Moreover, Cayman Islands law also has separate statutory provisions that facilitate the reconstruction or amalgamation of companies, in certain circumstances, schemes of arrangement will generally be more suited for complex mergers or other transactions involving widely held companies, commonly referred to in the Cayman Islands as a “scheme of arrangement” which may be tantamount to a merger. In the event that a merger was sought pursuant to a scheme of arrangement (the procedure of which are more rigorous and take longer to complete than the procedures typically required to consummate a merger in the United States), the arrangement in question must be approved by a majority in number of each class of shareholders and creditors with whom the arrangement is to be made, and who must in addition represent three-fourths in value of each such class of shareholders or creditors, as the case may be, that are present and voting either in person or by proxy at a meeting, or meetings summoned for that purpose. The convening of the meetings and subsequently the terms of the arrangement must be sanctioned by the Grand Court of the Cayman Islands. While a dissenting shareholder would have the right to express to the court the view that the transaction should not be approved, the court can be expected to approve the arrangement if it satisfies itself that:

- dLocal is not proposing to act illegally or beyond the scope of our corporate authority and the statutory provisions as to the double majority vote have been complied with;
- the shareholders or creditors have been fairly represented at the meeting in question and the statutory majority are acting bona fide, without coercion, to promote the interests of the class of which they represent;
- the arrangement is such as an intelligent and honest man, who is a member of the relevant class and acting properly, would reasonably approve; and
- the arrangement is not one that would more properly be sanctioned under some other provision of the Companies Act or that would amount to a “fraud on the minority.”

If a scheme of arrangement or takeover offer (as described below) is approved, any dissenting shareholder would have no rights comparable to appraisal rights, which would otherwise ordinarily be available to dissenting shareholders of United States corporations, providing rights to receive payment in cash for the judicially determined value of the shares.

Squeeze-out Provisions

When a takeover offer is made and accepted by holders of 90.0% of the shares to whom the offer is made within four months, the offeror may, within a two-month period, require the holders of the remaining shares to compulsory transfer such shares on the terms of the offer. An objection by a dissenting shareholder may be made to the Grand Court of the Cayman Islands but is unlikely to succeed unless there is evidence of fraud, bad faith, collusion or inequitable treatment of the shareholders.

Further, transactions similar to a merger, reconstruction and/or an amalgamation may in some circumstances be achieved through other means to these statutory provisions, such as a share capital exchange, asset acquisition or control, through contractual arrangements, of an operating business.

Shareholders' Suits

Maples and Calder (Cayman) LLP, our Cayman Islands counsel is not aware of any reported class action having been brought in the Grand Court of the Cayman Islands. Derivative actions have been brought in the Grand Court of the Cayman Islands, and the Grand Court of the Cayman Islands has confirmed the availability for such actions. In most cases, we will be the proper plaintiff in any claim based on a breach of duty owed to us, and a claim against (for example) our officers or directors usually may not be brought by a shareholder. However, based on English authorities, which would in all likelihood be of persuasive authority and be applied by the Grand Court of the Cayman Islands, exceptions to the foregoing principle apply in circumstances in which:

- a company is acting or proposing to act illegally or beyond the scope of its authority;
- the act complained of, although not beyond the scope of the authority, could be effected if duly authorized by more than the number of votes which have actually been obtained;
- those who control the company are perpetrating a “fraud on the minority”; or
- A shareholder may have a direct right of action against us where the individual rights of that shareholder have been infringed or are about to be infringed.

Corporate Governance

Cayman Islands law restricts transactions between a company and its directors unless there are provisions in the Articles of Association which provide a mechanism to alleviate possible conflicts of interest. Additionally, Cayman Islands law imposes on directors’ duties of care and skill and fiduciary duties to the companies which they serve. Under dLocal’s Articles of Association, a director must disclose the nature and extent of his interest in any contract or arrangement, and following such disclosure and subject to any separate requirement under applicable law or the listing rules of the Nasdaq, and unless disqualified by the chairman of the relevant meeting, the interested director may vote in respect of any transaction or arrangement in which he or she is interested. The interested director shall be counted in the quorum at such meeting and the resolution may be passed by a majority of the directors present at the meeting.

Subject to the foregoing and our Articles of Association, our directors may exercise all the powers of dLocal to vote compensation to themselves or any member of their body in the absence of an independent quorum. Our Articles of Association provide that, in the event a compensation committee is established, it shall be made up of such number of independent directors as is required from time to time by the Nasdaq rules (or as otherwise may be required by law).

As a foreign private issuer, we are permitted to follow home country practice in lieu of certain Nasdaq corporate governance rules, subject to certain requirements. We currently rely, and will continue to rely, on the foreign private issuer exemption with respect to the following rules:

- Nasdaq Rule 5605(b), which requires that independent directors comprise a majority of a company's board of directors. As allowed by the laws of the Cayman Islands, independent directors are not required to comprise a majority of our board of directors.
- Nasdaq Rule 5605(e)(1), which requires that a company have a nominations committee comprised solely of "independent directors" as defined by Nasdaq. As allowed by the laws of the Cayman Islands, we do not have a nominations committee nor do we have any current intention to establish one.
- Nasdaq Rule 5605(d) & (e), which require that compensation for our executive officers and selection of our director nominees be determined by a majority of independent directors. As allowed by the laws of the Cayman Islands, we do not have a nomination and corporate governance committee nor do we have any current intention to establish one.

Borrowing Powers

dLocal's directors may exercise all the powers of dLocal to borrow money and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital or any part thereof and to issue debentures, debenture stock, mortgages, bonds and other such securities whether outright or as security for any debt, liability or obligation of dLocal or of any third party. Such powers may be varied by a special resolution of shareholders (requiring a two-thirds majority vote of those shareholders attending and voting at a quorate meeting).

Indemnification of Directors and Executive Officers and Limitation of Liability

The Companies Act does not limit the extent to which a company's articles of association may provide for indemnification of directors and officers, except to the extent that it may be held by the Grand Court of the Cayman Islands to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime. dLocal's Articles of Association provide that we shall indemnify and hold harmless our directors and officers against all actions, proceedings, costs, charges, expenses, losses, damages, liabilities, judgments, fines, settlements and other amounts incurred or sustained by such directors or officers, other than by reason of such person's dishonesty, willful default or fraud, in or about the conduct of our company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such director or officer in defending (whether successfully or otherwise) any civil, criminal or other proceedings concerning dLocal or our affairs in any court whether in the Cayman Islands or elsewhere. This standard of conduct is generally the same as permitted under the Delaware General Corporation Law for a Delaware corporation.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to dLocal's directors, officers or persons controlling the Company under the foregoing provisions, we have been informed that, in the opinion of the SEC, this indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Directors' Fiduciary Duties

As a matter of Cayman Islands law, a director of a Cayman Islands company is in the position of a fiduciary with respect to the company. Accordingly, directors and officers owe the following fiduciary duties: (1) duty to act in good faith in what the director or officer believes to be in the best interests of the company as a whole; (2) duty to exercise powers for the purposes for which those powers were conferred and not for a collateral

purpose; (3) directors should not properly fetter the exercise of future discretion; (4) duty to exercise powers fairly as between different sections of shareholders; (5) duty to exercise independent judgment; and (6) duty not to put themselves in a position in which there is a conflict between their duty to the company and their personal interests. However, this obligation may be varied by the company's articles of association, which may permit a director to vote on a matter in which he has a personal interest provided that he has disclosed that nature of his interest to the board of directors. With respect to the duty of directors to avoid conflicts of interest, dLocal's Articles of Association vary from the applicable provisions of Cayman Islands law mentioned above by providing that a director must disclose the nature and extent of his or her interest in any contract or arrangement, and following such disclosure and subject to any separate requirement under applicable law or the listing rules of the Nasdaq, and unless disqualified by the chairman of the relevant meeting, such director may vote in respect of any transaction or arrangement in which he or she is interested and may be counted in the quorum at the meeting. In addition to the above, under Cayman Islands law, directors also owe a duty of care which is not fiduciary in nature. This duty has been defined as a requirement to act as a reasonably diligent person having both the general knowledge, skill and experience that may reasonably be expected of a person carrying out the same functions as are carried out by that director in relation to the company and the general knowledge skill and experience which that director has. As set out above, directors have a duty not to put themselves in a position of conflict and this includes a duty not to engage in self-dealing, or to otherwise benefit as a result of their position. However, in some instances what would otherwise be a breach of this duty can be forgiven and/or authorized in advance by the shareholders provided that there is full disclosure by the directors. This can be done by way of permission granted in the memorandum and articles of association or alternatively by shareholder approval at general meetings. Accordingly, as a result of multiple business affiliations, our officers and directors may have similar legal obligations relating to presenting business opportunities meeting the above-listed criteria to multiple entities. In addition, conflicts of interest may arise when our board evaluates a particular business opportunity with respect to the abovementioned criteria. We cannot assure you that any of the above-mentioned conflicts will be resolved in our favor. Furthermore, each of our officers and directors may have pre-existing fiduciary obligations to other businesses of which they are officers or directors.

A director of a Cayman Islands company also owes to the company duties to exercise independent judgment in carrying out his functions and to exercise reasonable skill, care and diligence, which has both objective and subjective elements. Recent Cayman Islands case law confirmed that directors must exercise the care, skill and diligence that would be exercised by a reasonably diligent person having the general knowledge, skill and experience reasonably to be expected of a person acting as a director. Additionally, a director must exercise the knowledge, skill and experience which he or she actually possesses.

A general notice may be given to the board of directors to the effect that (1) the director is a member or officer of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with that company or firm; or (2) he or she is to be regarded as interested in any contract or arrangement which may after the date of the notice to the board of directors be made with a specified person who is connected with him or her, will be deemed sufficient declaration of interest. This notice shall specify the nature of the interest in question. Following the disclosure being made pursuant to dLocal's Articles of Association and subject to any separate requirement under applicable law or the listing rules of the Nasdaq, and unless disqualified by the chairman of the relevant meeting, a director may vote in respect of any transaction or arrangement in which he or she is interested and may be counted in the quorum at the meeting.

In comparison, under Delaware corporate law, a director of a Delaware corporation has a fiduciary duty to the corporation and its shareholders. This duty has two components: the duty of care and the duty of loyalty. The duty of care requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself or herself of, and disclose to shareholders, all material information reasonably available regarding a significant transaction. The duty of loyalty requires that a director act in a manner he or she reasonably believes to be in the best interests of the corporation. He or she must not use his or her corporate position for personal gain or advantage. This duty prohibits self-dealing by a director and mandates that the best interest of the corporation and its shareholders take

precedence over any interest possessed by a director, officer or controlling shareholder and not shared by the shareholders generally. In general, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Should such evidence be presented concerning a transaction by a director, a director must prove the procedural fairness of the transaction, and that the transaction was of fair value to the corporation.

Shareholder Proposals

Under the Delaware General Corporation Law, a shareholder has the right to put any proposal before the annual meeting of shareholders, provided it complies with the notice provisions in the governing documents. The Delaware General Corporation Law does not provide shareholders an express right to put any proposal before the annual meeting of shareholders, but Delaware corporations generally afford shareholders an opportunity to make proposals and nominations provided that they comply with the notice provisions in the certificate of incorporation or bylaws. A special meeting may be called by the board of directors or any other person authorized to do so in the governing documents, but shareholders may be precluded from calling special meetings.

The Companies Act provides shareholders with only limited rights to requisition a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. dLocal's Articles of Association provide that upon the requisition of one or more shareholders representing not less than one-third of the voting rights entitled to vote at general meetings, the board will convene an extraordinary general meeting and put the resolutions so requisitioned to a vote at such meeting. The Articles of Association provide no other right to put any proposals before annual general meetings or extraordinary general meetings.

Cumulative Voting

Under the Delaware General Corporation Law, cumulative voting for elections of directors is not permitted unless the corporation's certificate of incorporation specifically provides for it. Cumulative voting potentially facilitates the representation of minority shareholders on a board of directors since it permits the minority shareholder to cast all the votes to which the shareholder is entitled on a single director, which increases the shareholder's voting power with respect to electing such director. As permitted under Cayman Islands law, dLocal's Articles of Association do not provide for cumulative voting. As a result, the shareholders of dLocal are not afforded any less protections or rights on this issue than shareholders of a Delaware corporation.

Removal of Directors

The office of a director shall be vacated automatically if, among other things, he or she (1) becomes prohibited by law from being a director; (2) becomes bankrupt or makes an arrangement or composition with his creditors; (3) dies or is in the opinion of all his co-directors, incapable by reason of mental disorder of discharging his duties as director; (4) resigns his office by notice to us; or (5) has for more than six months been absent without permission of the directors from meetings of the board of directors held during that period, and the remaining directors resolve that his/her office be vacated.

Transaction with Interested Shareholders

The Delaware General Corporation Law provides that; unless the corporation has specifically elected not to be governed by this statute, it is prohibited from engaging in certain business combinations with an "interested shareholder" for three years following the date that this person becomes an interested shareholder. An interested shareholder generally is a person or a group who or which owns or owned 15% or more of the target's outstanding voting shares or who or which is an affiliate or associate of the corporation and owned 15% or more

of the corporation's outstanding voting shares within the past three years. This has the effect of limiting the ability of a potential acquirer to make a two-tiered bid for the target in which all shareholders would not be treated equally. The statute does not apply if, among other things, prior to the date on which the shareholder becomes an interested shareholder, the board of directors approves either the business combination or the transaction which resulted in the person becoming an interested shareholder. This encourages any potential acquirer of a Delaware corporation to negotiate the terms of any acquisition transaction with the target's board of directors.

Cayman Islands law has no comparable statute. As a result, dLocal cannot avail itself of the types of protections afforded by the Delaware business combination statute. However, although Cayman Islands law does not regulate transactions between a company and its significant shareholders, it does provide that the board of directors owe duties to ensure that these transactions are entered into bona fide in the best interests of the company and for a proper corporate purpose and, as noted above, a transaction may be subject to challenge if it has the effect of constituting a fraud on the minority shareholders.

Dissolution; Winding Up

Under the Delaware General Corporation Law, unless the board of directors approves the proposal to dissolve, dissolution must be approved by shareholders holding 100% of the total voting power of the corporation. If the dissolution is initiated by the board of directors it may be approved by a simple majority of the corporation's outstanding shares. Delaware law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by the board. Under Cayman Islands law, a company may be wound up by either an order of the Grand Court of the Cayman Islands or by a special resolution of its members or, if the company resolves by ordinary resolution that it be wound up because it is unable to pay its debts as they fall due. The court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the court, just and equitable to do so.

Under the Companies Act, dLocal may be dissolved, liquidated or wound up by a special resolution of shareholders (requiring a two-thirds majority vote of those shareholders attending and voting at a quorate meeting). dLocal's Articles of Association also give its board of directors authority to petition the Grand Court of the Cayman Islands to wind up dLocal.

Variation of Rights of Shares

Under the Delaware General Corporation Law, a corporation may vary the rights of a class of shares with the approval of a majority of the outstanding shares of that class, unless the certificate of incorporation provides otherwise. Under dLocal's Articles of Association, if the share capital is divided into more than one class of shares, the rights attached to any class may only be varied with the written consent of the holders of two-thirds of the shares of that class or the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

Also, except with respect to share capital (as described above), alterations to dLocal's Articles of Association may only be made by special resolution of shareholders (requiring a two-thirds majority vote of those shareholders attending and voting at a quorate meeting).

Amendment of Governing Documents

Under the Delaware General Corporation Law, a corporation's certificate of incorporation may be amended only if adopted and declared advisable by the board of directors and approved by a majority of the outstanding shares entitled to vote, and the bylaws may be amended with the approval of a majority of the outstanding shares entitled to vote and may, if so provided in the certificate of incorporation, also be amended by the board of directors. Under Cayman Islands law, dLocal's Articles of Association generally (and save for certain

amendments to share capital described in this section) may only be amended by special resolution of shareholders (requiring a two-thirds majority vote of those shareholders attending and voting at a quorate meeting).

Rights of Non-Resident or Foreign Shareholders

There are no limitations imposed by dLocal's Articles of Association on the rights of non-resident or foreign shareholders to hold or exercise voting rights on dLocal's shares. In addition, there are no provisions in the Articles of Association governing the ownership threshold above which shareholder ownership must be disclosed.

Handling of Mail

Mail addressed to us and received at our registered office will be forwarded unopened to the forwarding address, which will be supplied by us. None of us, our directors, officers, advisors or service providers (including the organization which provides registered office services in the Cayman Islands) will bear any responsibility for any delay howsoever caused in mail reaching the forwarding address.

COMMON SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our Class A common shares or Class B common shares. Future sales of substantial amounts of Class A common shares or Class B common shares in the public market after this offering, or the possibility of these sales occurring, could adversely affect the prevailing market price for our Class A common shares or impair our ability to raise equity capital.

Upon the completion of this offering, we will have an aggregate of _____ common shares outstanding. Of these shares, the Class A common shares sold in this offering by us will be freely tradable without restriction or further registration under the Securities Act, unless purchased by “affiliates” as that term is defined under Rule 144 of the Securities Act, who may sell only the volume of shares described below and whose sales would be subject to additional restrictions described below. The remaining _____ common shares, representing _____ % of our outstanding common shares will be held by our existing shareholders. These shares will be “restricted securities” as that phrase is defined in Rule 144 under the Securities Act. Subject to certain contractual restrictions, including the lock-up agreements described below, holders of restricted shares will be entitled to sell those shares in the public market pursuant to an effective registration statement under the Securities Act or if they qualify for an exemption from registration under Rule 144. Sales of these shares in the public market after the restrictions under the lock-up agreements lapse, or the perception that those sales may occur, could cause the prevailing market price of our Class A common shares to decrease or to be lower than it might be in the absence of those sales or perceptions. As a result of lock-up agreements and market standoff agreements described below, and the provisions of Rules 144 and 701 under the Securities Act, the restricted securities will be available for sale in the public market.

Equity Incentive Plans

We intend to file with the SEC a registration statement under the Securities Act covering the Class A common shares that we may issue upon exercise of warrants or options or in connection with other equity compensation granted under our employee share incentive plan. Accordingly, shares registered under such registration statement may be available for sale in the open market following the effective date of such registration statement, subject to the lock-up agreements described below, if applicable. For more information see “Management—Employee Share Incentive Plan.”

Sales of these shares in the public market after the restrictions under the lock-up agreements lapse, or the perception that those sales may occur, could cause the prevailing market price to decrease or to be lower than it might be in the absence of those sales or perceptions.

Warrants

As of the date of this prospectus, after giving effect to the Share Contribution and the Share Split, we had warrants outstanding issued to an affiliate of Amazon.com, Inc. (one of our merchant customers) to acquire up to 17,345,000 of our outstanding Class A common shares exercisable through January 24, 2026 at a purchase price per share of either (1) US\$0.5726 or (2) upon any reorganization (including any change of control) of the Company, the lesser of (i) US\$0.5726 and (ii) sixty percent (60%) of the price per share paid in or implied by such transaction. The warrants limit such customer’s beneficial ownership to 4.999% of our outstanding common shares unless such customer waives this limit upon 61 days’ notice.

Lock-up Agreements

We, our directors, executive officers and all of our principal existing shareholders have agreed, subject to certain exceptions, not to offer, sell or transfer any Class A common shares or securities convertible into, or exchangeable or exercisable for, Class A common shares, for 180 days after the date of this prospectus, without first obtaining the written consent of the Representatives. Specifically, we and these other persons have agreed, with certain limited exceptions, not to directly or indirectly:

- offer, pledge, sell or contract to sell any common shares;

- sell any option or contract to purchase any common shares;
- purchase any option or contract to sell any common shares;
- grant any option, right or warrant for the sale of any common shares;
- lend or otherwise dispose of or transfer any common shares;
- request or demand that we file a registration statement related to the common shares; or
- enter into any swap or other agreement that transfers, in whole or in part, the economic consequence of ownership of any common shares whether any such swap or transaction is to be settled by delivery of shares or other securities, in cash or otherwise.

These lock-up provisions apply to Class A common shares and to securities convertible into or exchangeable or exercisable for Class A common shares, including our Class B common shares.

However, the 180-day restricted period will end with respect to shares held by our existing shareholders as follows:

- 30% of such shareholder's aggregate number of outstanding common shares will be automatically released on the full trading day following the date of occurrence of (1) our release of at least one earnings release or one annual report and (2) for five out of any ten consecutive trading days ending on such date, the last reported closing price of our Class A common shares as reported on the Nasdaq is at least 25% greater than the offering price set forth on the cover of this prospectus; and
- The remaining common shares of such shareholder will no longer be subject to such restrictions upon the earlier of (1) immediately prior to the opening of trading on the first full trading day following the Company's second earnings release after this offering, and (2) 180 days after the date of this prospectus.

Eligibility of Restricted Shares for Sale in the Public Market

The Class A common shares that are not being sold in this offering, but which will be outstanding at the time this offering is complete, will be eligible for sale into the public market, under the provisions of Rule 144 commencing after the expiration of the restrictions under the lock-up agreements, subject to volume restrictions discussed below under "—Rule 144."

Rule 144

In general, under Rule 144 under the Securities Act, a person (or persons whose shares are aggregated) who is not deemed to have been an affiliate of ours at any time during the three months preceding a sale, and who has beneficially owned restricted securities within the meaning of Rule 144 for at least six months (including any period of consecutive ownership of preceding non-affiliated holders) would be entitled to sell those shares, subject only to the availability of current public information about us. A non-affiliated person who has beneficially owned restricted securities within the meaning of Rule 144 for at least one year would be entitled to sell those shares without regard to the provisions of Rule 144.

A person (or persons whose shares are aggregated) who is deemed to be an affiliate of ours and who has beneficially owned restricted securities within the meaning of Rule 144 for at least six months would be entitled to sell within any three-month period a number of shares that does not exceed the greater of one percent of the then outstanding shares of our Class A common shares or the average weekly trading volume of our Class A common shares during the four calendar weeks preceding such sale. Such sales are also subject to certain manner of sale provisions, notice requirements and the availability of current public information about us.

TAXATION

The following summary contains a description of certain Cayman Islands and U.S. federal income tax consequences of the acquisition, ownership and disposition of our Class A common shares. It does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase the Class A common shares, is not applicable to all categories of investors, some of which may be subject to special rules, and does not address all of the Cayman Islands and U.S. federal income tax considerations applicable to any particular holder. The summary is based upon the tax laws of the Cayman Islands and regulations thereunder and upon the tax laws of the United States and regulations thereunder as of the date hereof, which are subject to change.

Prospective purchasers of our Class A common shares should consult their own tax advisors about the particular Cayman Islands and U.S. federal, state, local and other tax consequences to them of the acquisition, ownership and disposition of our Class A common shares.

Cayman Islands Tax Considerations

The Cayman Islands laws currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty or withholding tax applicable to us or to any holder of Class A common shares. There are no other taxes likely to be material to us levied by the government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or after execution brought within the jurisdiction of the Cayman Islands. No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands. The Cayman Islands is not party to any double tax treaties which are applicable to any payments made by or to our company. There are no exchange control regulations or currency restrictions in the Cayman Islands.

As a Cayman Islands exempted company with limited liability, we are entitled, upon application, to receive an undertaking as to tax concessions pursuant to Section 6 of the Tax Concessions Act (as revised). This undertaking would provide that, for a period of 20 years from the date of issue of the undertaking, no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to us or our operations and, in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable (i) on or in respect of the shares, debentures or other obligations of our Company or (ii) by way of the withholding in whole or in part of a payment of dividend or other distribution of income or capital by our Company to its members or a payment of principal or interest or other sums due under a debenture or other obligation of our Company. If we otherwise were to become subject to taxation in the Cayman Islands, our financial condition and results of operations could be materially and adversely affected.

Payments of dividends and capital in respect of our Class A common shares will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of a dividend or capital to any holder of our Class A common shares, nor will gains derived from the disposal of our Class A common shares be subject to Cayman Islands income or corporation tax.

There is no income tax treaty or convention currently in effect between the United States and the Cayman Islands.

U.S. Federal Income Tax Considerations

In the opinion of Davis Polk & Wardwell LLP, our U.S. tax counsel, the following is a description of the material U.S. federal income tax considerations to U.S. Holders (as defined below) of owning and disposing of our Class A common shares, but it does not purport to be a comprehensive description of all tax considerations

that may be relevant to a particular person's decision to acquire our Class A common shares. This discussion applies only to a U.S. Holder that acquires Class A common shares in this offering and holds those Class A common shares as capital assets for U.S. federal income tax purposes. This discussion does not address the U.S. federal estate or gift tax or the effects of any state, local or non-U.S. tax laws. In addition, it does not describe all of the tax considerations that may be relevant in light of a U.S. Holder's particular circumstances, including alternative minimum tax considerations, the potential application of the provisions of the Code known as the Medicare contribution tax and tax considerations applicable to U.S. Holders subject to special rules, such as:

- one of certain financial institutions;
- a dealer or trader in securities who uses a mark-to-market method of tax accounting;
- a person holding a Class A common share as part of a straddle, wash sale, conversion transaction or integrated transaction or entering into a constructive sale with respect to a Class A common share;
- a person whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- a person that is subject to the "applicable financial statement" rules under Section 451(b) of the Code;
- an entity classified as a partnership for U.S. federal income tax purposes;
- a tax-exempt entity, including an "individual retirement account" or "Roth IRA;" or
- a person that owns or is deemed to own ten percent or more of our stock (by vote or value).

If a partnership (or other entity or arrangement classified as a partnership for U.S. federal income tax purposes) holds our Class A common shares, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Partnerships holding Class A common shares and partners in such partnerships should consult their tax advisers as to the particular U.S. federal income tax considerations of owning and disposing of the Class A common shares.

This discussion is based on the Code, administrative pronouncements, judicial decisions, and final, temporary and proposed Treasury regulations, all as of the date hereof, any of which is subject to change, possibly with retroactive effect.

For purposes of this discussion, a "U.S. Holder" is a beneficial owner of Class A common shares that is for U.S. federal income tax purposes:

- a citizen or individual resident of the United States;
- a corporation created or organized in or under the laws of the United States, any state therein or the District of Columbia or otherwise treated as a domestic corporation; or
- an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

Except where otherwise indicated, this discussion assumes that we are not, and will not become, PFIC, as described below.

Taxation of Distributions

In the event that we pay dividends, distributions paid on our Class A common shares will be treated as dividends for U.S. federal income tax purposes to the extent paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Because we do not maintain calculations of our earnings and profits under U.S. federal income tax principles, it is expected that distributions generally will be reported to U.S. Holders as dividends. Subject to applicable limitations, dividends paid to a non-corporate U.S. Holder will be "qualified dividend income" and therefore may be taxable at rates applicable to long-term capital gains, provided the Class A common shares on which the dividends are paid are readily tradable on an established securities market in the United States. The Nasdaq, on which the Class A common shares are

expected to be listed, is an established securities market in the United States, and we anticipate that our Class A common shares should qualify as readily tradable, although there can be no assurances in this regard. The amount of any dividend will be treated as foreign-source dividend income and will not be eligible for the dividends-received deduction generally available to U.S. corporations under the Code. Dividends will be included in a U.S. Holder's income on the date of receipt.

As discussed in “—Cayman Islands Tax Considerations,” there are currently no applicable withholding taxes under Cayman Island law. However, if there were a change in law resulting in the imposition of a withholding tax, then, the amount of Cayman Island income taxes withheld from distributions on a U.S. Holder's Class A common shares that are treated as dividends for U.S. federal income tax purposes would be includible in such holder's income as dividends and such taxes would, subject to applicable limitations, some of which vary depending upon a U.S. Holder's particular circumstances, be potentially creditable against such holder's U.S. federal income tax liability. The rules governing foreign tax credits are complex, and U.S. Holders should consult their tax advisers regarding the creditability of non-U.S. taxes in their particular circumstances.

Sale or Other Disposition of Class A Common Shares

For U.S. federal income tax purposes, gain or loss realized on the sale or other disposition of a Class A common share will be capital gain or loss, and will be long-term capital gain or loss if a U.S. Holder has held the Class A common share for more than one year. The amount of the gain or loss will equal the difference between a U.S. Holder's tax basis in the Class A common share disposed of and the amount realized on the disposition, in each case as determined in U.S. dollars. This gain or loss will generally be U.S.-source gain or loss for foreign tax credit purposes. The deductibility of capital losses is subject to various limitations.

Passive Foreign Investment Company Rules

Under the Code, we will be a PFIC for any taxable year in which, after the application of certain “look-through” rules with respect to subsidiaries, either (i) 75% or more of our gross income consists of “passive income,” or (ii) 50% or more of the average quarterly value of our assets consists of assets that produce, or are held for the production of, “passive income.” For purposes of the above calculations, we will be treated as if we hold our proportionate share of the assets of, and receive directly our proportionate share of the income of, any other corporation in which we directly or indirectly own at least 25%, by value, of the shares of such corporation. Passive income generally includes dividends, interest, certain non-active rents and royalties, and capital gains. Based on our current operations, income, assets and certain estimates and projections, including as to the relative values of our assets, including goodwill, which is based on the expected price of our Class A common shares, we do not expect to be a PFIC for our 2021 taxable year or to become one in the foreseeable future. However, there can be no assurance that the IRS will agree with our conclusion. In addition, whether we will be a PFIC in 2021 or any future year is uncertain because, among other things, (i) we will hold a substantial amount of cash following this offering, which is generally categorized as a passive asset; and (ii) our PFIC status for any taxable year will depend on the composition of our income and assets and the value of our assets from time to time (which may be determined, in part, by reference to the market price of our Class A common shares, which could be volatile). Accordingly, there can be no assurance that we will not be a PFIC for any taxable year. If we are a PFIC for any year during which a U.S. Holder holds Class A common shares, we would generally continue to be treated as a PFIC with respect to such holder for all succeeding years during which such holder holds Class A common shares, even if we ceased to meet the threshold requirements for PFIC status.

If we were a PFIC for any taxable year and any of our subsidiaries or other companies in which we owned or were treated as owning equity interests were also a PFIC (any such entity, a “Lower-tier PFIC”), a U.S. Holder would be deemed to own a proportionate amount (by value) of the shares of each Lower-tier PFIC and would be subject to U.S. federal income tax according to the rules described in the subsequent paragraph on (i) certain distributions by a Lower-tier PFIC; and (ii) dispositions of shares of Lower-tier PFICs, in each case as if such holder held such shares directly, even though such holder will not have received the proceeds of those distributions or dispositions.

If we were a PFIC for any taxable year during which a U.S. Holder held any of our Class A common shares, such holder would generally be subject to adverse tax consequences. Generally, gain recognized upon a disposition (including, under certain circumstances, a pledge) of Class A common shares would be allocated ratably over a U.S. Holder's holding period for the Class A common shares. The amounts allocated to the taxable year of disposition and to years before we became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for that taxable year for individuals or corporations, as appropriate, and an interest charge would be imposed on the tax on such amount. Further, to the extent that any distribution received on a U.S. Holder's Class A common shares exceeded 125% of the average of the annual distributions on those shares during the preceding three years or such holder's holding period, whichever was shorter, that distribution would be subject to taxation in the same manner as gain, described immediately above.

Alternatively, if we were a PFIC and if the Class A common shares were "regularly traded" on a "qualified exchange," a U.S. Holder would be eligible to make a mark-to-market election that would result in tax treatment different from the general tax treatment for PFICs described above. The Class A common shares would be treated as "regularly traded" for the year of this offering if more than a *de minimis* quantity of the Class A common shares were traded on a qualified exchange on at least 1/6 of the days remaining in the quarter in which this offering occurs, and on at least 15 days during each remaining calendar quarter (the "15-Day Test"), and for years other than this year based on the 15-Day Test. The Nasdaq, on which the Class A common shares are expected to be listed, is a qualified exchange for this purpose. Once made, the election cannot be revoked without the consent of the IRS unless the shares cease to be regularly traded on a qualified exchange.

If a U.S. Holder makes the mark-to-market election, such holder will generally recognize as ordinary income any excess of the fair market value of such holder's Class A common shares at the end of each taxable year over their adjusted tax basis, and will recognize an ordinary loss in respect of any excess of the adjusted tax basis of the Class A common shares over their fair market value at the end of the taxable year (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). If a U.S. Holder makes the election, such holder's tax basis in its Class A common shares will be adjusted to reflect these income or loss amounts. Any gain recognized on the sale or other disposition of Class A common shares in a year when we are a PFIC will be treated as ordinary income and any loss will be treated as an ordinary loss (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). This election will not apply to any of our non-U.S. subsidiaries. Accordingly, a U.S. Holder may continue to be subject to tax under the PFIC excess distribution regime with respect to any Lower-tier PFICs notwithstanding a mark-to-market election for the Class A common shares.

In addition, if we were a PFIC for any taxable year in which we paid a dividend or for the prior taxable year, the preferential dividend rates discussed above with respect to dividends paid to certain non-corporate U.S. Holders would not apply.

If a company that is a PFIC provides certain information to U.S. Holders, a U.S. Holder can then avoid certain adverse tax consequences described above by making a "qualified electing fund" election to be taxed currently on its proportionate share of the PFIC's ordinary income and net capital gains. However, because we do not intend to prepare or provide the information necessary for a U.S. Holder to make a qualified electing fund election, such election will not be available to U.S. Holders.

If a U.S. Holder owns Class A common shares during any year in which we are a PFIC, such holder must generally file an annual report containing such information as the U.S. Treasury may require on IRS Form 8621 (or any successor form) with respect to us, generally with such holder's federal income tax return for that year.

U.S. Holders should consult their tax advisers regarding whether we are a PFIC and the potential application of the PFIC rules.

Information Reporting and Backup Withholding

Payments of dividends and sales proceeds that are made within the United States or through certain U.S.-related financial intermediaries generally are subject to information reporting, and may be subject to backup withholding, unless a U.S. Holder (i) is a corporation or other exempt recipient; or (ii) in the case of backup withholding, provides a correct taxpayer identification number and certifies that such holder is not subject to backup withholding.

Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against such holder's U.S. federal income tax liability and may entitle such holder to a refund, provided that the required information is timely furnished to the IRS.

Information with Respect to Foreign Financial Assets

Certain U.S. Holders who are individuals (and certain entities) may be required to report information on their U.S. federal income tax returns relating to an interest in our Class A common shares, subject to certain exceptions (including an exception for Class A common shares held in accounts maintained by certain U.S. financial institutions). A failure to report this information as required may toll the running of the statute of limitations in respect of each taxable year for which such information is required to be reported. As a result, the taxable years with respect to which a U.S. Holder fails to report this information may remain open to assessment by the IRS. U.S. Holders should consult their tax advisers regarding the effect, if any, of this requirement on their ownership and disposition of the Class A common shares.

UNDERWRITING

We and the selling shareholders are offering the common shares described in this prospectus through a number of underwriters. J.P. Morgan Securities LLC, Goldman Sachs & Co. LLC, Citi Global Markets, Inc. and Morgan Stanley & Co. LLC are acting as global coordinators of the offering and as representatives of the underwriters. We and the selling shareholder have entered into an underwriting agreement with the underwriters. Subject to the terms and conditions of the underwriting agreement, we and the selling shareholder have agreed to sell to the underwriters, and each underwriter has severally agreed to purchase, at the public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus, the number of common shares listed next to its name in the following table:

<u>Underwriter</u>	<u>Number of Common Shares</u>
J.P. Morgan Securities LLC	
Goldman Sachs & Co. LLC	
Citi Global Markets, Inc.	
Morgan Stanley & Co. LLC	
BofA Securities, Inc.	
HSBC Securities (USA) Inc.	
UBS Securities LLC	
Total	

The underwriters are committed to purchase all the common shares offered by us and the selling shareholders if they purchase any shares. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may also be increased or the offering may be terminated.

The underwriters propose to offer the common shares directly to the public at the initial public offering price set forth on the cover page of this prospectus and to certain dealers at that price less a concession not in excess of US\$ per share. Any such dealers may resell common shares to certain other brokers or dealers at a discount of up to US\$ per share from the initial public offering price. After the initial offering of the common shares to the public, if all of the common shares are not sold at the initial public offering price, the underwriters may change the offering price and the other selling terms. The offering of the common shares by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part. Sales of any common shares made outside of the United States may be made by affiliates of the underwriters.

The underwriters have an option to buy up to additional Class A common shares from the selling shareholders to cover sales of common shares by the underwriters which exceed the number of shares specified in the table above. The underwriters have 30 days from the date of this prospectus to exercise this option to purchase additional common shares. If any common shares are purchased with this option to purchase additional shares, the underwriters will purchase common shares in approximately the same proportion as shown in the table above. If any additional common shares are purchased, the underwriters will offer the additional common shares on the same terms as those on which the common shares are being offered.

Table of Contents

The underwriting fee is equal to the public offering price per common share less the amount paid by the underwriters to us and the selling shareholders per common share. The underwriting fee is US\$ per common share. The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters assuming both no exercise and full exercise of the underwriters' option to purchase additional common shares.

	Per Common Share (in US\$)	Without exercise of the option to purchase additional shares (in US\$ millions)	With full exercise of the option to purchase additional shares
Public offering price			
Underwriting discounts and commissions payable by us			
Underwriting discounts and commissions payable by the selling shareholders			
Proceeds, before expenses, to us			
Proceeds, before expenses, to the selling shareholder			
Total			

We estimate that the total expenses of this offering, including registration, filing and listing fees, printing fees and legal and accounting expenses, but excluding the underwriting discounts and commissions, will be approximately US\$.

A prospectus in electronic format may be made available on the web sites maintained by one or more underwriters, or selling group members, if any, participating in the offering. The underwriters may agree to allocate a number of shares to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters and selling group members that may make Internet distributions on the same basis as other allocations.

We and the selling shareholders have agreed that we will not (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, or publicly file with, the Securities and Exchange Commission a registration statement under the Securities Act relating to, any of our common shares or securities convertible into or exercisable or exchangeable for any of our common shares, or publicly disclose the intention to make any offer, sale, pledge, loan, disposition or filing, or (ii) enter into any swap or other arrangement that transfers all or a portion of the economic consequences associated with the ownership of any of our common shares or any such other securities (regardless of whether any of these transactions are to be settled by the delivery of common shares or such other securities, in cash or otherwise), in each case without the prior written consent of the Representatives for a period of 180 days after the date of this prospectus, other than the common shares to be sold in this offering.

The restrictions on our actions, as described above, do not apply to certain transactions, including (i) the issuance of common shares or securities convertible into or exercisable for common shares pursuant to the conversion or exchange of convertible or exchangeable securities or the exercise of warrants or options (including net exercise) or the settlement of restricted stock units (including net settlement), in each case outstanding on the date of this prospectus and described herein; (ii) grants of stock options, share awards, restricted shares, restricted stock units or other equity awards and the issuance of common shares or securities convertible into or exercisable or exchangeable for common shares (whether upon the exercise of stock options or otherwise) to our employees, officers, directors, advisors, or consultants pursuant to the terms of an equity

compensation plan in effect as of the closing date of this offering and described in this prospectus, provided that such recipients enter into a lock-up agreement with the underwriters; (iii) the filing of any registration statement (A) on Form S-8 relating to securities granted or to be granted pursuant to any plan in effect on the date of this prospectus and described herein or any assumed benefit plan pursuant to an acquisition or similar strategic transaction or (B) in connection with the registration of shares pursuant to a demand registration from shareholders for which the 180-day restricted period shall have expired early as described below, (iv) the issuance of common shares in connection with the Share Contribution and the Share Split; (v) the issuance of common shares or other securities (including securities convertible into common shares) in connection with the acquisition by us or any of our subsidiaries of the securities, businesses, properties or other assets of another person or entity or pursuant to any employee benefit plan assumed by us in connection with any such acquisition; or (vi) the issuance of common shares or other securities (including securities convertible into common shares) in connection with joint ventures, commercial relationships or other strategic transactions; provided that, in the case of clauses (v) and (vi), the aggregate number of common shares issued in all such acquisitions and transactions does not exceed 10% of our outstanding common shares following this offering and any recipients of such common shares shall deliver a lock-up agreement to the underwriters.

Our directors and executive officers, and all of our principal existing shareholders (such persons, the “lock-up parties”) have entered into lock-up agreements with the underwriters prior to the commencement of this offering pursuant to which each lock-up party, with limited exceptions, for a period of 180 days after the date of this prospectus (such period, the “restricted period”), may not (and may not cause any of their direct or indirect affiliates to), without the prior written consent of the Representatives, (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any of our common shares or any securities convertible into or exercisable or exchangeable for our common shares (including, without limitation, common shares or such other securities which may be deemed to be beneficially owned by such lock-up parties in accordance with the rules and regulations of the SEC and securities which may be issued upon exercise of a stock option or warrant (collectively with our common shares, the “lock-up securities”)), (2) enter into any hedging, swap or other agreement or transaction that transfers, in whole or in part, any of the economic consequences of ownership of the lock-up securities, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of lock-up securities, in cash or otherwise, (3) make any demand for, or exercise any right with respect to, the registration of any lock-up securities, or (4) publicly disclose the intention to do any of the foregoing. Such persons or entities have further acknowledged that these undertakings preclude them from engaging in any hedging or other transactions or arrangements (including, without limitation, any short sale or the purchase or sale of, or entry into, any put or call option, or combination thereof, forward, swap or any other derivative transaction or instrument, however described or defined) designed or intended, or which could reasonably be expected to lead to or result in, a sale or disposition or transfer (by any person or entity, whether or not a signatory to such agreement) of any economic consequences of ownership, in whole or in part, directly or indirectly, of any lock-up securities, whether any such transaction or arrangement (or instrument provided for thereunder) would be settled by delivery of lock-up securities, in cash or otherwise.

The restrictions described in the immediately preceding paragraph and contained in the lock-up agreements between the underwriters and the lock-up parties do not apply, subject in certain cases to various conditions, to certain transactions, including (a) transfers of lock-up securities: (i) as bona fide gifts, or for bona fide estate planning purposes, (ii) by will or intestacy, (iii) to any immediate family of the lock-up party or any trust for the direct or indirect benefit of the lock-up party or the immediate family of the lock-up party, or if the lock-up party is a trust, to a trustor or beneficiary of the trust or to the estate of a beneficiary of such trust; (iv) to a partnership, limited liability company or other entity of which the lock-up party and any immediate family of the lock-up party are the legal and beneficial owner of all of the outstanding equity securities or similar interests; (v) if the lock-up party is a corporation, partnership, limited liability company, trust or other business entity, (A) to another corporation, partnership, limited liability company, trust or other business entity that is an affiliate of the lock-up party, or to any investment fund or other entity controlling, controlled by, managing or managed by or under common control with the lock-up party or its affiliates or (B) as part of a distribution to partners, members or

shareholders of the lock-up party or its direct or indirect members or shareholders; (vi) to a nominee or custodian of a person or entity to whom a disposition or transfer would be permissible under clauses (i) through (v); (vii) by operation of law, such as pursuant to a qualified domestic order, divorce settlement, divorce decree or separation agreement; (viii) to us from an employee of upon death, disability or termination of employment of such employee; (ix) that the lock-up party has acquired (A) in open market transactions after the closing of the offering or (B) from the underwriters in connection with this offering; (x) pursuant to an order of a court or regulatory agency; (xi) pursuant to a bona fide third party tender offer, merger, consolidation or other similar transaction that is approved by our board of directors of involving a change of control of the Company in which the acquiring party becomes the beneficial owner of more than 50% of the total voting power of our shares of; (xii) to us in connection with the vesting, settlement, or exercise of restricted share units, options, warrants or other rights to purchase common shares, or (xiii) the pledge, hypothecation or other granting of a security interest in lock-up securities to one or more lending institutions as collateral or security for any loan, advance or extension of credit; (b) exercise of the options, settle restricted share units or other equity awards pursuant to plans described in this prospectus or exercise warrants, (c) convert outstanding preferred shares, warrants to acquire preferred shares or convertible securities into common shares or warrants to acquire common shares, provided that any lock-up securities received upon such exercise, vesting or settlement would be subject to restrictions similar to those in the immediately preceding paragraph, (d) establish trading plans pursuant to Rule 10b5-1 under the Exchange Act, and (e) sell common shares pursuant to the underwriting agreement.

However, the 180-day restricted period will end with respect to shares held by our existing shareholders as follows:

- 30% of such shareholder's aggregate number of outstanding common shares will be automatically released on the full trading day following the date of occurrence of (1) our release of at least one earnings release or one annual report and (2) for five out of any ten consecutive trading days ending on such date, the last reported closing price of our Class A common shares as reported on the Nasdaq is at least 25% greater than the offering price set forth on the cover of this prospectus; and
- The remaining common shares of such shareholder will no longer be subject to such restrictions upon the earlier of (1) immediately prior to the opening of trading on the first full trading day following the Company's second earnings release after this offering, and (2) 180 days after the date of this prospectus.

The Representatives, in their sole discretion, may release the securities subject to any of the lock-up agreements with the underwriters described above, in whole or in part at any time.

We and the selling shareholders have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

We have applied to have our common stock approved for quotation on Nasdaq under the symbol "DLO."

In connection with this offering, the underwriters may engage in stabilizing transactions, which involves making bids for, purchasing and selling common shares in the open market for the purpose of preventing or retarding a decline in the market price of the common shares while this offering is in progress. These stabilizing transactions may include making short sales of common shares, which involves the sale by the underwriters of a greater number of common shares than they are required to purchase in this offering, and purchasing common shares on the open market to cover positions created by short sales. Short sales may be "covered" shorts, which are short positions in an amount not greater than the underwriters' option to purchase additional shares referred to above, or may be "naked" shorts, which are short positions in excess of that amount. The underwriters may close out any covered short position either by exercising their option to purchase additional shares, in whole or in part, or by purchasing shares in the open market. In making this determination, the underwriters will consider, among other things, the price of common shares available for purchase in the open market compared to the price at which the underwriters may purchase common shares through the option to purchase additional shares. A

naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common shares in the open market that could adversely affect investors who purchase in this offering. To the extent that the underwriters create a naked short position, they will purchase shares in the open market to cover the position.

The underwriters have advised us and the selling shareholders that, pursuant to Regulation M of the Securities Act of 1933, they may also engage in other activities that stabilize, maintain or otherwise affect the price of the common shares, including the imposition of penalty bids. This means that if the representatives of the underwriters purchase common shares in the open market in stabilizing transactions or to cover short sales, the representatives can require the underwriters that sold those common shares as part of this offering to repay the underwriting discount received by them.

These activities may have the effect of raising or maintaining the market price of the common stock or preventing or retarding a decline in the market price of the common stock, and, as a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. If the underwriters commence these activities, they may discontinue them at any time. The underwriters may carry out these transactions on Nasdaq, in the over-the-counter market or otherwise.

Prior to this offering, there has been no public market for our Class A common shares. The initial public offering price will be determined by negotiations between us, the selling shareholders and the representatives of the underwriters. In determining the initial public offering price, we and the representatives of the underwriters expect to consider a number of factors including:

- the information set forth in this prospectus and otherwise available to the representatives;
- our prospects and the history and prospects for the industry in which we compete;
- an assessment of our management;
- our prospects for future earnings;
- the general condition of the securities markets at the time of this offering;
- the recent market prices of, and demand for, publicly traded common stock of generally comparable companies; and
- other factors deemed relevant by the underwriters and us.

Neither we, the selling shareholders nor the underwriters can assure investors that an active trading market will develop for our Class A common shares, or that the shares will trade in the public market at or above the initial public offering price.

At our request, the underwriters have reserved 5.0% of the Class A common shares to be issued and offered by this prospectus for sale, at the initial public offering price, to directors, officers, employees, business associates and related persons of dLocal. If purchased by these persons, these shares will be subject to the lock-up restrictions described above. The number of Class A common shares available for sale to the general public will be reduced to the extent these individuals purchase such reserved shares. Any reserved shares that are not so purchased will be offered by the underwriters to the general public on the same basis as the other shares offered by this prospectus.

Other than in the United States, no action has been taken by us, the selling shareholders or the underwriters that would permit a public offering of the securities offered by this prospectus in any jurisdiction where action for that purpose is required. The securities offered by this prospectus may not be offered or sold, directly or indirectly, nor may this prospectus or any other offering material or advertisements in connection with the offer and sale of any such securities be distributed or published in any jurisdiction, except under circumstances that

will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus comes are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities offered by this prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

Certain of the underwriters and their affiliates have provided in the past to us and our affiliates and may provide from time to time in the future certain commercial banking, financial advisory, investment banking and other services for us and such affiliates in the ordinary course of their business, for which they have received and may continue to receive customary fees and commissions. In addition, from time to time, certain of the underwriters and their affiliates may effect transactions for their own account or the account of customers, and hold on behalf of themselves or their customers, long or short positions in our debt or equity securities or loans, and may do so in the future.

Other Relationships

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to the issuer and to persons and entities with relationships with the issuer, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the issuer. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Notice to Prospective Investors in the European Economic Area

In relation to each Member State of the European Economic Area (each, a “Relevant Member State”), an offer to the public of any Class A common shares may not be made in that Relevant State, except that an offer to the public in that Relevant State of any Class A common shares may be made at any time under the following exemptions under the Prospectus Regulation:

(a) to any legal entity which is a “qualified investor” as defined under the Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than “qualified investors” as defined under the Prospectus Regulation), per Relevant Member State, subject to obtaining the prior consent of the representatives for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Class A common shares shall result in a requirement for the Company or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or a supplemental prospectus pursuant to Article 23 of the Prospectus Regulation and each person who initially acquires any

common shares or to whom any offer is made will be deemed to have represented, warranted and agreed to and with each of the Underwriters and the Issuer that it is a qualified investor within the meaning of Article 2(e) of the Prospectus Regulation.

The Company, the underwriters and their affiliates will rely upon the truth and accuracy of the foregoing representation, warranty and agreement.

For the purposes of this provision, the expression an “offer to the public” in relation to any Class A common shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Class A common shares to be offered so as to enable an investor to decide to purchase or subscribe for any Class A common shares, and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129.

Notice to Prospective Investors in the United Kingdom

An offer to the public of any common shares may not be made in the United Kingdom, except that an offer to the public in the United Kingdom of any common shares may be made at any time under the following exemptions under the UK Prospectus Regulation:

(a) to any legal entity which is a “qualified investor” as defined under the UK Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than “qualified investors” as defined under the UK Prospectus Regulation), subject to obtaining the prior consent of the representatives for any such offer; or

(c) in any other circumstances falling within section 86 of the Financial Services and Markets Act 2000 as amended, “FSMA”), provided that no such offer of Shares shall result in a requirement for the Company or any underwriter to publish a prospectus pursuant to section 85 of the FSMA or a supplemental prospectus pursuant to Article 23 of the UK Prospectus Regulation and each person who initially acquires any common shares or to whom any offer is made will be deemed to have represented, warranted and agreed to and with each of the Underwriters and the Issuer that it is a qualified investor within the meaning of Article 2 of the UK Prospectus Regulation.

The Company, the underwriters and their affiliates will rely upon the truth and accuracy of the foregoing representation, warranty and agreement.

For the purposes of this provision, the expression an “offer to the public” in relation to any Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares, and the expression “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

Notice to Prospective Investors in Canada

The Class A common shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Class A common shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation,

provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Notice to Prospective Investors in Argentina

The Class A common shares are not authorized for public offering in Argentina by the *Comisión Nacional de Valores* pursuant to Argentine Public Offering Law No. 17,811, as amended, and they shall not be sold publicly. Therefore, any transaction carried out in Argentina must be made privately.

Notice to Prospective Investors in Australia

This prospectus:

- does not constitute a disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth) (the "Corporations Act");
- has not been, and will not be, lodged with the Australian Securities and Investments Commission ("ASIC"), as a disclosure document for the purposes of the Corporations Act and does not purport to include the information required of a disclosure document for the purposes of the Corporations Act; and
- may only be provided in Australia to select investors who are able to demonstrate that they fall within one or more of the categories of investors, available under section 708 of the Corporations Act ("Exempt Investors").
- The common shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or buy the common shares may be issued, and no draft or definitive offering memorandum, advertisement or other offering material relating to any common shares may be distributed in Australia, except where disclosure to investors is not required under Chapter 6D of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the common shares, you represent and warrant to us that you are an Exempt Investor.

As any offer of common shares under this document will be made without disclosure in Australia under Chapter 6D.2 of the Corporations Act, the offer of those securities for resale in Australia within 12 months may, under section 707 of the Corporations Act, require disclosure to investors under Chapter 6D.2 if none of the exemptions in section 708 applies to that resale. By applying for the common shares you undertake to us that you will not, for a period of 12 months from the date of issue and sale of the common shares, offer, transfer, assign or otherwise alienate those common shares to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

Notice to Prospective Investors in Brazil

The offer and sale of the Class A common shares has not been, and will not be, registered (or exempted from registration) with the Brazilian Securities Commission (*Comissão de Valores Mobiliários—CVM*) and, therefore, will not be carried out by any means that would constitute a public offering in Brazil under Law No. 6,385, of December 7, 1976, as amended, under CVM Rule No. 400, of December 29, 2003, as amended, or under CVM Rule No. 476, of January 16, 2009, as amended. Any representation to the contrary is untruthful and unlawful. As a consequence, the Class A common shares cannot be offered and sold in Brazil.

Notice to Prospective Investors in the Cayman Islands

We are not licensed to conduct investment business in the Cayman Islands by the Cayman Islands Monetary Authority and this prospectus does not constitute an offer to members of the public of our Class A common shares, whether by way of sale or subscription, in the Cayman Islands. Our Class A common shares have not been offered or sold, will not be offered or sold and no invitation to subscribe for our Class A common shares will be made, directly or indirectly, to members of the public in the Cayman Islands.

Notice to Prospective Investors in Chile

THESE COMMON SHARES ARE PRIVATELY OFFERED IN CHILE PURSUANT TO THE PROVISIONS OF LAW 18,045, THE SECURITIES MARKET LAW OF CHILE, AND NORMA DE CARÁCTER GENERAL NO. 336 (“RULE 336”), DATED JUNE 27, 2012, ISSUED BY THE SUPERINTENDENCIA DE VALORES Y SEGUROS DE CHILE (“SVS”), THE SECURITIES REGULATOR OF CHILE, TO RESIDENT QUALIFIED INVESTORS THAT ARE LISTED IN RULE 336 AND FURTHER DEFINED IN RULE 216 OF JUNE 12, 2008 ISSUED BY THE SVS.

PURSUANT TO RULE 336 THE FOLLOWING INFORMATION IS PROVIDED IN CHILE TO PROSPECTIVE RESIDENT INVESTORS IN THE OFFERED SECURITIES:

1. THE INITIATION OF THE OFFER IN CHILE IS _____, 2021.
2. THE OFFER IS SUBJECT TO NCG 336 OF JUNE 27, 2012 ISSUED BY THE SUPERINTENDENCIA DE VALORES Y SEGUROS DE CHILE (SUPERINTENDENCY OF SECURITIES AND INSURANCE OF CHILE).
3. THE OFFER REFERS TO SECURITIES THAT ARE NOT REGISTERED IN THE REGISTRO DE VALORES (SECURITIES REGISTRY) OR THE REGISTRO DE VALORES EXTRANJEROS (FOREIGN SECURITIES REGISTRY) OF THE SVS AND THEREFORE:
 - a. THE SECURITIES ARE NOT SUBJECT TO THE OVERSIGHT OF THE SVS; AND
 - b. THERE ISSUER THEREOF IS NOT SUBJECT TO REPORTING OBLIGATION WITH RESPECT TO ITSELF OR THE OFFERED SECURITIES.
4. THE SECURITIES MAY NOT BE PUBLICLY OFFERED IN CHILE UNLESS AND UNTIL THEY ARE REGISTERED IN THE SECURITIES REGISTRY OF THE SVS.

INFORMACIÓN A LOS INVERSIONISTAS RESIDENTES EN CHILE

LOS VALORES OBJETO DE ESTA OFERTA SE OFRECEN PRIVADAMENTE EN CHILE DE CONFORMIDAD CON LAS DISPOSICIONES DE LA LEY N° 18.045 DE MERCADO DE VALORES, Y LA NORMA DE CARÁCTER GENERAL N° 336 DE 27 DE JUNIO DE 2012 (“NCG 336”) EMITIDA POR LA SUPERINTENDENCIA DE VALORES Y SEGUROS DE CHILE, A LOS “INVERSIONISTAS CALIFICADOS” QUE ENUMERA LA NCG 336 Y QUE SE DEFINEN EN LA NORMA DE CARÁCTER GENERAL N° 216 DE 12 DE JUNIO DE 2008 EMITIDA POR LA MISMA SUPERINTENDENCIA.

EN CUMPLIMIENTO DE LA NCG 336, LA SIGUIENTE INFORMACIÓN SE PROPORCIONA A LOS POTENCIALES INVERSIONISTAS RESIDENTES EN CHILE:

1. LA OFERTA DE ESTOS VALORES EN CHILE COMIENZA EL DÍA DE _____ DE 2021.
2. LA OFERTA SE ENCUENTRA ACOGIDA A LA NCG 336 DE FECHA ECHA 27 DE JUNIO DE 2012 EMITIDA POR LA SUPERINTENDENCIA DE VALORES Y SEGUROS.

3. LA OFERTA VERSA SOBRE VALORES QUE NO SE ENCUENTRAN INSCRITOS EN EL REGISTRO DE VALORES NI EN EL REGISTRO DE VALORES EXTRANJEROS QUE LLEVA LA SUPERINTENDENCIA DE VALORES Y SEGUROS, POR LO QUE:

- a) LOS VALORES NO ESTÁN SUJETOS A LA FISCALIZACIÓN DE ESA SUPERINTENDENCIA; Y
- b) EL EMISOR DE LOS VALORES NO ESTÁ SUJETO A LA OBLIGACIÓN DE ENTREGAR INFORMACIÓN PÚBLICA SOBRE LOS VALORES OFRECIDOS NI SU EMISOR.

4. LOS VALORES PRIVADAMENTE OFRECIDOS NO PODRÁN SER OBJETO DE OFERTA PÚBLICA EN CHILE MIENTRAS NO SEAN INSCRITOS EN EL REGISTRO DE VALORES CORRESPONDIENTE.

Notice to Prospective Investors in China

This prospectus will not be circulated or distributed in the PRC and the common shares will not be offered or sold, and will not be offered or sold to any person for re-offering or resale directly or indirectly to any residents of the PRC except pursuant to any applicable laws and regulations of the PRC. Neither this prospectus nor any advertisement or other offering material may be distributed or published in the PRC, except under circumstances that will result in compliance with applicable laws and regulations.

Notice to Prospective Investors in Colombia

The Class A common shares have not been and will not be registered on the Colombian National Registry of Securities and Issuers or in the Colombian Stock Exchange. Therefore, the Class A common shares may not be publicly offered in Colombia. This material is for your sole and exclusive use as a determined entity, including any of your shareholders, administrators or employees, as applicable. You acknowledge the Colombian laws and regulations (specifically foreign exchange and tax regulations) applicable to any transaction or investment consummated pursuant hereto and represent that you are the sole liable party for full compliance with any such laws and regulations.

Notice to Prospective Investors in the Dubai International Financial Centre (“DIFC”)

This document relates to an Exempt Offer in accordance with the Markets Rules 2012 of the Dubai Financial Services Authority (“DFSA”). This document is intended for distribution only to persons of a type specified in the Markets Rules 2012 of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus supplement nor taken steps to verify the information set forth herein and has no responsibility for this document. The securities to which this document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this document you should consult an authorized financial advisor.

In relation to its use in the DIFC, this document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

Notice to Prospective Investors in France

Neither this prospectus nor any other offering material relating to the common shares described in this prospectus has been submitted to the clearance procedures of the *Autorité des Marchés Financiers* or of the

competent authority of another member state of the European Economic Area and notified to the *Autorité des Marchés Financiers*. The common shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France. Neither this prospectus nor any other offering material relating to the common shares has been or will be: (1) released, issued, distributed or caused to be released, issued or distributed to the public in France; or (2) used in connection with any offer for subscription or sale of the common shares to the public in France. Such offers, sales and distributions will be made in France only to:

(a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or

(b) qualified investors (*investisseurs qualifiés*) acting for their own account, and/or (c) a limited circle of investors (*cercle restreint*) acting for their own account, as defined in, and in accordance with, Articles L. 411-1, L. 411-2, D. 411-1 and D. 411-4 of the French Code *monétaire et financier*.

The common shares may be resold directly or indirectly, only in compliance with articles L.411-1, L.411-2, L.412-1 and L.621-8 through L.621-8-3 of the French Code *monétaire et financier*.

Notice to Prospective Investors in Germany

The common shares will not be offered, sold or publicly promoted or advertised in the Federal Republic of Germany other than in compliance with the German Securities Prospectus Act (*Gesetz über die Erstellung, Billigung und Veröffentlichung des Prospekts, der beim öffentlichen Angebot von Wertpapieren oder bei der Zulassung von Wertpapieren zum Handel an einem organisierten Markt zu veröffentlichen ist—Wertpapierprospektgesetz*) as of June 22, 2005, effective as of July 1, 2005, as amended, or any other laws and regulations applicable in the Federal Republic of Germany governing the issue, offering and sale of securities. No selling prospectus (*Verkaufsprospekt*) within the meaning of the German Securities Selling Prospectus Act has been or will be registered within the Financial Supervisory Authority of the Federal Republic of Germany or otherwise published in Germany.

Notice to Prospective Investors in Hong Kong

The Class A common shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “SFO”) of Hong Kong and any rules made thereunder; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong) (the “CO”) or which do not constitute an offer to the public within the meaning of the CO. No advertisement, invitation or document relating to the Class A common shares has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Class A common shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made thereunder.

Notice to Prospective Investors in Ireland

The common shares will not be placed in or involving Ireland otherwise than in conformity with the provisions of the Intermediaries Act 1995 of Ireland (as amended) including, without limitation, Sections 9 and 23 (including advertising restrictions made thereunder) thereof and the codes of conduct made under Section 37 thereof.

Notice to Prospective Investors in Israel

This document does not constitute a prospectus under the Israeli Securities Law, 5728-1968, or the Securities Law, and has not been filed with or approved by the Israel Securities Authority. In Israel, this prospectus is being distributed only to, and is directed only at, and any offer of the Class A common shares is directed only at, (1) a limited number of persons in accordance with the Israeli Securities Law and (2) investors listed in the first addendum, or the Addendum, to the Israeli Securities Law, consisting primarily of joint investment in trust funds, provident funds, insurance companies, banks, portfolio managers, investment advisors, members of the Tel Aviv Stock Exchange, underwriters, venture capital funds, entities with equity in excess of NIS 50 million and “qualified individuals,” each as defined in the Addendum (as it may be amended from time to time), collectively referred to as qualified investors (in each case, purchasing for their own account or, where permitted under the Addendum, for the accounts of their clients who are investors listed in the Addendum). Qualified investors are required to submit written confirmation that they fall within the scope of the Addendum, are aware of its meaning and agree to it.

Notice to Prospective Investors in Italy

The offering of the common shares has not been registered pursuant to Italian securities legislation and, accordingly, no common shares may be offered or sold in the Republic of Italy in a solicitation to the public, and sales of the common shares in the Republic of Italy shall be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulation.

No offer, sale or delivery of the common shares or distribution of copies of any document relating to the common shares will be made in the Republic of Italy except: (a) to “Professional Investors,” as defined in Article 31.2 of Regulation No. 11522 of 1 July 1998 of the *Commissione Nazionale per la Società e la Borsa*, or the CONSOB, as amended, or CONSOB Regulation No. 11522, pursuant to Article 30.2 and 100 of Legislative Decree No. 58 of 24 February 1998, as amended, or the Italian Financial Act; or (b) in any other circumstances where an express exemption from compliance with the solicitation restrictions applies, as provided under the Italian Financial Act or Regulation No. 11971 of 14 May 1999, as amended.

Any such offer, sale or delivery of the common shares or any document relating to the common shares in the Republic of Italy must be: (1) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of 1 September 1993 as amended, the Italian Financial Act, CONSOB Regulation No. 11522 and any other applicable laws and regulations; and (2) in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

Investors should also note that, in any subsequent distribution of the common shares in the Republic of Italy, Article 100-bis of the Italian Financial Act may require compliance with the law relating to public offers of securities. Furthermore, where the common shares are placed solely with professional investors and are then systematically resold on the secondary market at any time in the 12 months following such placing, purchasers of common shares who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and to claim damages from any authorized person at whose premises the common shares were purchased, unless an exemption provided for under the Italian Financial Act applies.

Notice to Prospective Investors in Japan

The common shares have not been and will not be registered pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act. Accordingly, none of the common shares nor any interest therein may be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any “resident” of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to or for the benefit of a

resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan in effect at the relevant time.

Notice to Prospective Investors in Korea

The common shares have not been and will not be registered under the Financial Investments Services and Capital Markets Act of Korea and the decrees and regulations thereunder (the “FSCMA”), and the common shares have been and will be offered in Korea as a private placement under the FSCMA. None of the common shares may be offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder (the “FETL”). Furthermore, the purchaser of the common shares shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the common shares. By the purchase of the common shares, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased the common shares pursuant to the applicable laws and regulations of Korea.

Notice to Prospective Investors in Mexico

The Class A common shares have not been registered in Mexico with the Securities Section (*Sección de Valores*) of the National Securities Registry (*Registro Nacional de Valores*) maintained by the *Comisión Nacional Bancaria y de Valores*, and that no action has been or will be taken that would permit the offer or sale of the Class A common shares in Mexico absent an available exemption under Article 8 of the Mexican Securities Market Law (*Ley del Mercado de Valores*).

Notice to Prospective Investors in Netherlands

The common shares may not be offered, sold, transferred or delivered, in or from the Netherlands, as part of the initial distribution or as part of any reoffering, and neither this prospectus nor any other document in respect of the international offering may be distributed in or from the Netherlands, other than to individuals or legal entities who or which trade or invest in securities in the conduct of their profession or trade (which includes banks, investment banks, securities firms, insurance companies, pension funds, other institutional investors and treasury departments and finance companies of large enterprises), in which case, it must be made clear upon making the offer and from any documents or advertisements in which a forthcoming offering of common shares is publicly announced that the offer is exclusively made to said individuals or legal entities.

Notice to Prospective Investors in Peru

The Class A common shares and this prospectus have not been registered in Peru under the *Decreto Supremo N° 093-2002-EF: Texto Único Ordenado de la Ley del Mercado de Valores*, (the “Peruvian Securities Law”) or before the *Superintendencia del Mercado de Valores* and cannot be offered or sold in Peru except in a private offering under the meaning of the Peruvian Securities Laws. The Peruvian Securities Law provides that an offering directed exclusively to “institutional investors” (as defined in the Institutional Investors Market Regulations) qualifies as a private offering. The Class A common shares acquired by institutional investors in Peru cannot be transferred to a third party, unless such transfer is made to another institutional investor or the Class A common shares have been previously registered with the *Registro Público del Mercado de Valores*.

Notice to Prospective Investors in Portugal

No document, circular, advertisement or any offering material in relation to the share has been or will be subject to approval by the Portuguese Securities Market Commission (*Comissão do Mercado de Valores Mobiliários*), or the CMVM. No common shares may be offered, re-offered, advertised, sold, re-sold or delivered

in circumstances which could qualify as a public offer (*oferta pública*) pursuant to the Portuguese Securities Code (*Código dos Valores Mobiliários*), and/or in circumstances which could qualify the issue of the common shares as an issue or public placement of securities in the Portuguese market. This prospectus and any document, circular, advertisements or any offering material may not be directly or indirectly distributed to the public. All offers, sales and distributions of the common shares have been and may only be made in Portugal in circumstances that, pursuant to the Portuguese Securities Code, qualify as a private placement (*oferta particular*), all in accordance with the Portuguese Securities Code. Pursuant to the Portuguese Securities Code, the private placement in Portugal or to Portuguese residents of the common shares by public companies (*sociedades abertas*) or by companies that are issuers of securities listed on a market must be notified to the CMVM for statistical purposes. Any offer or sale of the common shares in Portugal must comply with all applicable provisions of the Portuguese Securities Code and any applicable CMVM Regulations and all relevant Portuguese laws and regulations. The placement of the common shares in the Portuguese jurisdiction or to any entities which are resident in Portugal, including the publication of a prospectus, when applicable, must comply with all applicable laws and regulations in force in Portugal and with the Prospectus Directive, and such placement shall only be performed to the extent that there is full compliance with such laws and regulations.

Notice to Prospective Investors in Qatar

The Class A common shares described in this prospectus have not been, and will not be, offered, sold or delivered, at any time, directly or indirectly in the State of Qatar in a manner that would constitute a public offering. This prospectus has not been, and will not be, registered with or approved by the Qatar Financial Markets Authority or Qatar Central Bank and may not be publicly distributed. This prospectus is intended for the original recipient only and must not be provided to any other person. It is not for general circulation in the State of Qatar and may not be reproduced or used for any other purpose.

Notice to Prospective Investors in Saudi Arabia

Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a Saudi Investor) who acquires the Class A common shares pursuant to the offering should note that the offer of the Class A common shares is an exempt offer under sub-paragraph (3) of paragraph (a) of Article 16 of the “Offer of Securities Regulations” as issued by the Board of the Capital Market Authority resolution number 2-11-2004 dated October 4, 2004 and amended by the resolution of the Board of Capital Market Authority resolution number 1-33-2004 dated December 21, 2004 (the KSA Regulations). The Class A common shares may be offered to no more than 60 Saudi Investors and the minimum amount payable per Saudi Investor must not be less than Saudi Riyal (SR) 1 million or an equivalent amount. The offer of Class A common shares is therefore exempt from the public offer provisions of the KSA Regulations, but is subject to the following restrictions on secondary market activity: (a) A Saudi Investor (the transferor) who has acquired Class A common shares pursuant to this exempt offer may not offer or sell Class A common shares to any person (referred to as a transferee) unless the price to be paid by the transferee for such Class A common shares equals or exceeds SR1 million. (b) If the provisions of paragraph (a) cannot be fulfilled because the price of the Class A common shares being offered or sold to the transferee has declined since the date of the original exempt offer, the transferor may offer or sell the Class A common shares to the transferee if their purchase price during the period of the original exempt offer was equal to or exceeded SR1 million. (c) If the provisions of paragraphs (a) and (b) cannot be fulfilled, the transferor may offer or sell the Class A common shares if he/she sells his entire holding of the Class A common shares to one transferee.

Notice to Prospective Investors in Singapore

This prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”). Accordingly, each underwriter has not offered or sold any Class A common shares or caused such Class A common shares to be made the subject of an invitation for subscription or purchase and will not offer or sell such Class A common

shares or cause such Class A common shares to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Class A common shares, whether directly or indirectly, to persons in Singapore other than (1) to an institutional investor under Section 274 of the SFA, (2) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (3) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Class A common shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Class A common shares pursuant to an offer made under Section 275 of the SFA, except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), or to any person arising from an offer referred to in Section 275(1A), or Section 276(4)(i)(B) of the SFA; (2) where no consideration is or will be given for the transfer; (3) where the transfer is by operation of law; (4) as specified in Section 276(7) of the SFA; or (5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Singapore Securities and Futures Act Product Classification—Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the “SFA”), we have determined, and hereby notify all relevant persons (as defined in Section 309A of the SFA) that the Class A common shares are “prescribed capital markets products” (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Notice to Prospective Investors in Switzerland

The common shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (“SIX”) or on any other stock exchange or regulated trading facility in Switzerland. This document does not constitute a prospectus within the meaning of, and has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the common shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company or the common shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of the common shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (FINMA), and the offer of common shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (“CISA”). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of common shares.

Notice to Prospective Investors in Spain

The common shares have not been registered with the Spanish National Commission for the Securities Market and, therefore, no common shares may be publicly offered, sold or delivered, nor any public offer in

respect of the common shares made, nor may any prospectus or any other offering or publicity material relating to the common shares be distributed in Spain by the international agents or any person acting on their behalf, except in compliance with Spanish laws and regulations.

Cayman Islands Data Protection

We have certain duties under the Data Protection Act (as revised) of the Cayman Islands, or the DPA, based on internationally accepted principles of data privacy.

Privacy Notice

This privacy notice puts our shareholders on notice that through your investment into us you will provide us with certain personal information which constitutes personal data within the meaning of the DPA, or personal data.

Investor Data

We will collect, use, disclose, retain and secure personal data to the extent reasonably required only and within the parameters that could be reasonably expected during the normal course of business. We will only process, disclose, transfer or retain personal data to the extent legitimately required to conduct our activities of on an ongoing basis or to comply with legal and regulatory obligations to which we are subject. We will only transfer personal data in accordance with the requirements of the DPA, and will apply appropriate technical and organizational information security measures designed to protect against unauthorized or unlawful processing of the personal data and against the accidental loss, destruction or damage to the personal data.

In our use of this personal data, we will be characterized as a “data controller” for the purposes of the DPA, while our affiliates and service providers who may receive this personal data from us in the conduct of our activities may either act as our “data processors” for the purposes of the DPA or may process personal information for their own lawful purposes in connection with services provided to us.

We may also obtain personal data from other public sources. Personal data includes, without limitation, the following information relating to a shareholder and/or any individuals connected with a shareholder as an investor: name, residential address, email address, contact details, corporate contact information, signature, nationality, place of birth, date of birth, tax identification, credit history, correspondence records, passport number, bank account details, source of funds details and details relating to the shareholder’s investment activity.

Who this Affects

If you are a natural person, this will affect you directly. If you are a corporate investor (including, for these purposes, legal arrangements such as trusts or exempted limited partnerships) that provides us with personal data on individuals connected to you for any reason in relation your investment in us, this will be relevant for those individuals and you should transit the content of this Privacy Notice to such individuals or otherwise advise them of its content.

How We May Use a Shareholder’s Personal Data

We may, as the data controller, collect, store and use personal data for lawful purposes, including, in particular: (i) where this is necessary for the performance of our rights and obligations under any agreements; (ii) where this is necessary for compliance with a legal and regulatory obligation to which we are or may be subject (such as compliance with anti-money laundering and FATCA/CRS requirements); and/or (iii) where this is necessary for the purposes of our legitimate interests and such interests are not overridden by your interests, fundamental rights or freedoms.

Should we wish to use personal data for other specific purposes (including, if applicable, any purpose that requires your consent), we will contact you.

Why We May Transfer Your Personal Data

In certain circumstances we may be legally obliged to share personal data and other information with respect to your shareholding with the relevant regulatory authorities such as the Cayman Islands Monetary Authority or the Tax Information Authority. They, in turn, may exchange this information with foreign authorities, including tax authorities.

We anticipate disclosing personal data to persons who provide services to us and their respective affiliates (which may include certain entities located outside the US, the Cayman Islands or the European Economic Area), who will process your personal data on our behalf.

The Data Protection Measures We Take

Any transfer of personal data by us or our duly authorized affiliates and/or delegates outside of the Cayman Islands shall be in accordance with the requirements of the DPA.

We and our duly authorized affiliates and/or delegates shall apply appropriate technical and organizational information security measures designed to protect against unauthorized or unlawful processing of personal data, and against accidental loss or destruction of, or damage to, personal data.

We shall notify you of any personal data breach that is reasonably likely to result in a risk to your interests, fundamental rights or freedoms or those data subjects to whom the relevant personal data relates.

Contacting the Company

For further information on the collection, use, disclosure, transfer or processing of your personal data or the exercise of any of the rights listed above, please contact us through our website at www.dlocal.com or through phone number +(142) 4392-7437.

EXPENSES OF THE OFFERING

We estimate that our expenses in connection with this offering, other than underwriting discounts and commissions, will be as follows:

<u>Expenses</u>	<u>Amount</u>
U.S. Securities and Exchange Commission registration fee	US\$
Nasdaq listing fee	
FINRA filing fee	
Printing and engraving expenses	
Transfer Agent fees and expenses	
Legal fees and expenses	
Accounting fees and expenses	
Miscellaneous costs	
Total	US\$

All amounts in the table are estimates except the U.S. Securities and Exchange Commission registration fee, the Nasdaq listing fee and the FINRA filing fee. The Company will pay certain of the expenses of this offering.

LEGAL MATTERS

Certain matters of U.S. federal and New York State law will be passed upon for us by Davis Polk & Wardwell LLP, and for the underwriters by Simpson Thacher & Bartlett LLP. The validity of the common shares offered in this offering and other legal matters as to Cayman Islands law will be passed upon for us by Maples and Calder (Cayman) LLP and for the underwriters by Conyers, Dill & Pearman.

EXPERTS

The financial statements as of and for the years ended December 31, 2020 and 2019, included in this prospectus, have been so included in reliance on the report of Price Waterhouse & Co S.R.L., an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

Change in Certifying Accountant

On October 28, 2020, the board of directors of dLocal Malta, at the recommendation of its audit and control committee and following a transparent selection process, resolved to propose to the ordinary general shareholders' meeting of the company, the appointment of Price Waterhouse & Co S.R.L., as the independent registered public accounting firm of dLocal Malta and its consolidated group of companies for the years ending December 31, 2019, and 2020. This selection was approved by the shareholders at the annual shareholders' meeting held on February 25, 2021. The appointment was registered in Malta.

On October 28, 2020, dLocal Malta dismissed Baker Tilly Malta as its independent accountants. The board of directors of dLocal Malta participated in and approved the decision to change dLocal's independent accountants. The change in auditors was required as Baker Tilly Malta is not an independent public accounting firm registered with the Public Company Accounting Oversight Board, or PCAOB.

The reports of Baker Tilly Malta on the audits related to the audited consolidated financial statements of dLocal Malta as of December 31, 2019 and 2018 and for each of the two years in the period ended on December 31, 2019 did not contain any adverse opinion or disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principles. There was no disagreement relating to the years ended December 31, 2019 and 2018, and the period from January 1, 2020 through October 28, 2020 with Baker Tilly Malta on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreement, if not resolved to the satisfaction of Baker Tilly Malta would have caused them to make reference to the subject matter of the disagreement in connection with their reports.

After the issuance of our consolidated financial statements for the year ended December 31, 2019, and subsequent to Baker Tilly Malta's dismissal due to the fact that Baker Tilly Malta is not an independent public accounting firm registered with the PCAOB, we and Price Waterhouse & Co S.R.L. identified a material weakness in our internal control over financial reporting. These control deficiencies resulted in errors leading to the restatement of our previously issued consolidated financial statements as of and for the year ended December 31, 2019. Baker Tilly Malta has been notified of such restatement.

We have requested that Baker Tilly Malta furnish us with a letter addressed to the SEC stating whether or not Baker Tilly Malta agrees with the above statements. A copy of such letter, dated May 5, 2021, is filed as Exhibit 16.1 to this Form F-1.

Newly Appointed Independent Registered Public Accounting Firm

We engaged Price Waterhouse & Co. S.R.L., as our independent registered public accounting firm on October 28, 2020, to audit our consolidated financial statements for the years ended December 31, 2020 and 2019. The decision to change our principal independent registered public accounting firm was approved by our board of directors at a meeting held on October 28, 2020.

During the two years ended December 31, 2019 and the period from January 1, 2020 to October 28, 2020, neither we nor anyone acting on our behalf consulted with Price Waterhouse & Co. S.R.L. regarding:

- either the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on our financial statements and either a written report was provided to us or oral advice was provided that Price Waterhouse & Co. S.R.L. concluded was an important factor, considered by us in reaching a decision as to the accounting, auditing or financial reporting issue; or
- any matter that was either the subject of a disagreement (as defined in Item 16F(a)(1)(iv) of Form 20-F) or a reportable event (as described in Item 16F(a)(1)(v) of Form 20-F).

ENFORCEABILITY OF CIVIL LIABILITIES

We are registered under the laws of the Cayman Islands as an exempted company with limited liability. We are registered in the Cayman Islands because of certain benefits associated with being a Cayman Islands company, such as political and economic stability, an effective judicial system, a favorable tax system, the absence of foreign exchange control or currency restrictions and the availability of professional and support services. However, the Cayman Islands have a less prescriptive body of securities laws as compared to the United States and some U.S. states, such as Delaware, have more fulsome and judicially interpreted bodies of corporate law than the Cayman Islands.

We have been advised by our Cayman Islands legal counsel, Maples and Calder (Cayman) LLP, that the Grand Court of the Cayman Islands is unlikely (i) to recognise or enforce against us judgments of courts of the United States predicated upon the civil liability provisions of the securities laws of the United States or any State; and (ii) in original actions brought in the Cayman Islands, to impose liabilities against us predicated upon the civil liability provisions of the securities laws of the United States or any State, so far as the liabilities imposed by those provisions are penal in nature. In those circumstances, although there is no statutory enforcement in the Cayman Islands of judgments obtained in the United States, the Grand Court of the Cayman Islands will recognize and enforce a foreign money judgment of a foreign court of competent jurisdiction without retrial on the merits based on the principle that a judgment of a competent foreign court imposes upon the judgment debtor an obligation to pay the sum for which judgment has been given provided certain conditions are met. For a foreign judgment to be enforced in the Cayman Islands, such judgment must be final and conclusive and for a liquidated sum, and must not be in respect of taxes or a fine or penalty, inconsistent with a Cayman Islands judgment in respect of the same matter, impeachable on the grounds of fraud or obtained in a manner, and or be of a kind the enforcement of which is, contrary to natural justice or the public policy of the Cayman Islands (awards of punitive or multiple damages may well be held to be contrary to public policy). The Grand Court of the Cayman Islands may stay enforcement proceedings if concurrent proceedings are being brought elsewhere.

If any person in the Cayman Islands knows or suspects, or has reasonable grounds for knowing or suspecting that another person is engaged in criminal conduct or money laundering, or is involved with terrorism or terrorist financing and property, and the information for that knowledge or suspicion came to their attention in the course of business in the regulated sector, or other trade, profession, business or employment, the person will be required to report such knowledge or suspicion to (i) the Financial Reporting Authority of the Cayman Islands (“FRA”), pursuant to the Proceeds of Crime Act (As Revised) of the Cayman Islands, if the disclosure relates to criminal conduct or money laundering, or (ii) a police officer of the rank of constable or higher, or the FRA, pursuant to the Terrorism Act (As Revised) of the Cayman Islands, if the disclosure relates to involvement with terrorism or terrorist financing and property.

Substantially all of our assets are located outside the United States. In addition all or a substantial portion of the assets of the members of our board of directors and of our officers are located outside the United States. As a result, it may be difficult for investors to effect service of process within the United States upon us or these persons, or to enforce against us or them judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States.

We have appointed Cogency Global Inc., with offices at 122 E 42th Street, 18th floor, New York, New York 10168, as our agent to receive service of process with respect to any action brought against us in the United States under the federal securities laws of the United States or of any state in the United States arising out of this offering.

Notwithstanding the foregoing, we cannot assure you that confirmation of any judgment will be obtained, or that the process described above can be conducted in a timely manner.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the U.S. Securities and Exchange Commission a registration statement (including amendments and exhibits to the registration statement) on Form F-1 under the Securities Act. This prospectus, which is part of the registration statement, does not contain all of the information set forth in the registration statement and the exhibits and schedules to the registration statement. For further information, we refer you to the registration statement and the exhibits and schedules filed as part of the registration statement. If a document has been filed as an exhibit to the registration statement, we refer you to the copy of the document that has been filed. Each statement in this prospectus relating to a document filed as an exhibit is qualified in all respects by the filed exhibit.

Upon completion of this offering, we will be subject to the informational requirements of the Exchange Act that are applicable to foreign private issuers. Accordingly, we will be required to file reports and other information with the SEC, including annual reports on Form 20-F and reports on Form 6-K. You may inspect and copy the reports and other information to be filed with the SEC at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington D.C. 20549. Copies of the materials may be obtained from the Public Reference Room of the SEC at 100 F Street, N.E., Washington, D.C. 20549 at prescribed rates. The public may obtain information on the operation of the SEC's Public Reference Room by calling the SEC in the United States at 1-800-SEC-0330. In addition, the SEC maintains an Internet website at <http://www.sec.gov>, from which you can electronically access the registration statement and its materials.

As a foreign private issuer, we are exempt under the Exchange Act from, among other things, the rules prescribing the furnishing and content of proxy statements, and our executive officers, directors and principal and selling shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we will not be required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act.

We will send the transfer agent a copy of all notices of shareholders' meetings and other reports, communications and information that are made generally available to shareholders. The transfer agent has agreed to mail to all shareholders a notice containing the information (or a summary of the information) contained in any notice of a meeting of our shareholders received by the transfer agent and will make available to all shareholders such notices and all such other reports and communications received by the transfer agent.

EXPLANATORY NOTE TO THE FINANCIAL STATEMENTS

DLocal Limited, the registrant in this offering, was incorporated on February 10, 2021, to become the holding entity of dLocal Malta in connection with this offering. Until the contribution of dLocal Malta shares to it on April 14, 2021, DLocal Limited had not commenced operations and had only nominal assets and liabilities and no material contingent liabilities or commitments. Accordingly, the financial statements of the Company have been omitted from this prospectus. The financial statements presented in this prospectus are those of dLocal Malta, which, upon the contribution of dLocal Malta shares to DLocal Limited on April 14, 2021, became DLocal Limited's principal non-operating holding company and wholly-owned subsidiary.

INDEX TO FINANCIAL STATEMENTS

	<u>Page</u>
Unaudited Consolidated Condensed Financial Statements—dLocal Group Limited	
Consolidated Condensed Statements of Comprehensive Income for the three months ended March 31, 2021 and 2020	F-2
Consolidated Condensed Statements of Financial Position at March 31, 2021 and December 31, 2020	F-3
Consolidated Condensed Statements of Changes in Equity for the three months ended March 31, 2021 and 2020	F-4
Consolidated Condensed Statements of Cash Flows for the three months ended March 31, 2021 and 2020	F-5
Notes to Consolidated Condensed Financial Statements as of March 31, 2021 and for the three months ended March 31, 2021 and 2020	F-6
Audited Consolidated Financial Statements—dLocal Group Limited	
Report of Independent Registered Public Accounting Firm	F-27
Consolidated Statements of Comprehensive Income for the years ended December 31, 2020 and 2019	F-28
Consolidated Statements of Financial Position at December 31, 2020 and 2019	F-29
Consolidated Statements of Changes in Equity for the years ended December 31, 2020 and 2019	F-30
Consolidated Statements of Cash Flows for the years ended December 31, 2020 and 2019	F-31
Notes to Consolidated Financial Statements as of and for the years ended December 31, 2020 and 2019	F-32

[Table of Contents](#)
dLocal Group Limited

Consolidated Condensed Statements of Comprehensive Income

For the three-month periods ended March 31, 2021 and 2020

(All amounts in thousands of U.S. Dollars except share data or as otherwise indicated)

	Notes	March 31, 2021	March 31, 2020
Continuing operations			
Revenues	6	40,256	17,995
Cost of services	6	(16,989)	(6,993)
Gross profit		23,267	11,002
Technology and development expenses	7	(520)	(346)
Sales and marketing expenses	8	(1,042)	(658)
General and administrative expenses	8	(5,762)	(9,535)
Net Impairment (loss)/gain on financial assets	15	(54)	943
Other operating gain/(loss)	20	2,896	(83)
Operating profit		18,785	1,323
Finance income		18	35
Finance costs		(463)	(3)
Inflation adjustment		(34)	16
Other results		(479)	48
Profit before income tax		18,306	1,371
Income tax expense	11	(1,379)	(818)
Profit for the period		16,927	553
Profit attributable to:			
Owners of the Group		16,920	555
Non-controlling interest		7	(2)
Profit for the period		16,927	553
Earnings per share (in USD)			
Basic Earnings per share	12	31.2	1.0
Diluted Earnings per share	12	28.8	1.0
Other comprehensive Income			
Items that may be reclassified to profit or loss:			
Exchange difference on translation on foreign operations		212	(711)
Other comprehensive income / (expense) for the period, net of tax		212	(711)
Total comprehensive income / (expense) for the period		17,139	(158)
Total comprehensive income for the period is attributable to:			
Owners of the Group		17,123	(156)
Non-controlling interest		16	(2)
		17,139	(158)

The accompanying notes are an integral part of these Consolidated Condensed Interim Financial Statements.

[Table of Contents](#)
dLocal Group Limited

Consolidated Condensed Statements of Financial Position

At March 31, 2021 and December 31, 2020

(All amounts in thousands of U.S. Dollars except share data or as otherwise indicated)

	<u>Notes</u>	<u>March 31, 2021</u>	<u>December 31, 2020</u>
ASSETS			
Current Assets			
Cash and cash equivalents	14	127,501	111,733
Restricted cash	1.1.d	149,411	—
Financial assets at fair value through profit or loss		1,261	8,319
Trade and other receivables	15	92,946	72,785
Other assets	13,16	41,249	2,017
Total Current Assets		412,368	194,854
Non-Current Assets			
Deferred tax assets		137	216
Property, plant and equipment		1,297	913
Right-of-use assets		151	188
Intangible assets	17	4,941	4,153
Other assets	16	—	143
Total Non-Current Assets		6,526	5,613
TOTAL ASSETS		418,894	200,467
LIABILITIES			
Current Liabilities			
Trade and other payables	18	299,837	142,865
Lease liabilities		170	201
Tax liabilities	19	8,013	7,788
Derivative financial instruments	20	—	2,896
Provisions	21	1,360	1,393
Total Current Liabilities		309,380	155,143
Non-Current Liabilities			
Deferred tax liabilities		422	259
Lease liabilities		—	17
Total Non-Current Liabilities		422	276
TOTAL LIABILITIES		309,802	155,419
EQUITY			
Share Capital	12	628	602
Share Premium	12	49,535	—
Capital Reserve	12	9,926	12,582
Reserves	12	279	11 9
Retained earnings	12	48,712	31,749
Total Equity Attributable to owners of the Group		109,080	45,052
Non-controlling interest		12	(4)
TOTAL EQUITY		109,092	45,048

The accompanying notes are an integral part of these Consolidated Condensed Interim Financial Statements.

[Table of Contents](#)
dLocal Group Limited
Consolidated Condensed Statements of Changes in Equity

For the three-month periods ended March 31, 2021 and 2020

(All amounts in thousands of U.S. Dollars except share data or as otherwise indicated)

	Notes	Share Capital	Share Premium	Capital Reserve	Reserves	Retained Earnings	Total	Non- controlling interest	Total equity
Balance as of January 1st, 2021		602	—	12,582	119	31,749	45,052	(4)	45,048
Comprehensive Income for the period									
Profit of the period		—	—	—	—	16,920	16,920	7	16,927
Exchange difference on translation on foreign operations		—	—	—	160	43	203	9	212
Total Comprehensive Income for the period		—	—	—	160	16,963	17,123	16	17,139
Transactions with Group owners in their capacity as owners									
Issue of ordinary shares	12	26	46,314	—	—	—	46,340	—	46,340
Share-options exercise	12	—	3,221	(3,221)	—	—	—	—	—
Share-based payments	9	—	—	565	—	—	565	—	565
Transactions with Group owners in their capacity as owners		26	49,535	(2,656)	—	—	46,905	—	46,905
Balance as of March 31st, 2021		628	49,535	9,926	279	48,712	109,080	12	109,092
Balance as of January 1st, 2020		602	—	5,287	14	18,460	24,363	166	24,529
Comprehensive Income for the period									
Profit of the period		—	—	—	—	555	555	(2)	553
Exchange difference on translation on foreign operations		—	—	—	(694)	(17)	(711)	—	(711)
Total Comprehensive Income for the period		—	—	—	(694)	538	(156)	(2)	(158)
Transactions with Group owners in their capacity as owners									
Share-based payments	9	—	—	6,903	—	—	6,903	—	6,903
Transaction between shareholders	12	—	—	—	—	163	163	(163)	—
Transactions with Group owners in their capacity as owners		—	—	6,903	—	163	7,066	(163)	6,903
Balance as of March 31st, 2020		602	—	12,190	(680)	19,161	31,273	1	31,274

The accompanying notes are an integral part of these Consolidated Condensed Interim Financial Statements.

[Table of Contents](#)
dLocal Group Limited
Consolidated Condensed Statements of Cash Flows

For the three-month periods ended March 31, 2021 and 2020

(All amounts in thousands of U.S. Dollars except share data or as otherwise indicated)

	Notes	March 31, 2021	March 31, 2020
Cash flows from operating activities			
Profit before income tax		18,306	1,371
Adjustments:			
Interest income from financial instruments		(26)	(66)
Interest charges for lease liabilities		3	5
Other finance expense / (income)		460	(2)
Amortization of Intangible assets	10	427	73
Depreciation of Property, plant and equipment	10	51	16
Amortization of Right-of-use asset	10	37	37
Revenue reduction related to prepaid assets	16	50	—
Share-based payment expense	9	565	6,903
Net exchange differences		174	(573)
Fair value (gain)/loss on financial assets at fair value through profit or loss		8	32
Other operating (gain)/loss	20	(2,896)	83
Net Impairment loss/(gain) on financial assets	15	54	(943)
		17,213	6,936
Changes in working capital			
(Increase) / Decrease in Trade and other receivables	15	(20,062)	6,041
Increase in Other assets	16	(469)	(23)
Increase / (Decrease) in Trade and other payables	18	7,558	(12,631)
Decrease in Tax Liabilities	19	(171)	—
(Decrease) / Increase in Provisions	21	(33)	148
Cash from operating activities		4,036	471
Income tax paid	11	(641)	(573)
Net cash from / (used in) operating activities		3,395	(102)
Cash flows from investing activities			
Acquisitions of Property, plant and equipment		(435)	(62)
Additions of Intangible assets	17	(1,215)	(658)
Advance Payment for Assets acquisition	13	(38,670)	—
Net collections of / (investments in) financial assets at FVPL		7,050	(2,124)
Interest collected from financial instruments		26	66
Net cash used in investing activities		(33,244)	(2,778)
Cash flows from financing activities			
Proceeds from issuance of shares	12	46,340	—
Proceeds from transaction between shareholders	1.1.d	149,411	—
Increase in Restricted cash	1.1.d	(149,411)	—
Interest payments on leases		(3)	(5)
Lease payments on principal		(49)	(43)
Other finance expense paid		(460)	2
Net cash from / (used in) financing activities		45,828	(46)
Net increase / (decrease) in cash flow		15,979	(2,932)
Cash and cash equivalents at the beginning of the period		111,733	34,765
Effects of exchange rate changes on cash and cash equivalents		(211)	(6)
Cash and cash equivalents at the end of the period		127,501	31,833

The accompanying notes are an integral part of these Consolidated Condensed Interim Financial Statements.

dLocal Group Limited

Notes to the Consolidated Condensed Interim Financial Statements

At March 31, 2021

(All amounts in thousands of U.S. Dollars except share data or as otherwise indicated)

1. General information

dLocal Group Limited (“dLocal” or “Company”) is a holding company, referred to together with its subsidiaries as the “Group”. dLocal is a limited liability company established on October 5, 2016, domiciled and incorporated in Mosta, Malta. The Company is the ultimate controlling party of the Group.

The Group processes online payment transactions through more than 660 payment methods on March 31, 2021 (600 in the year 2020), enabling enterprise merchants located in developed economies (mainly United States, Europe and China) to get paid (“payins”) from customers in emerging markets and to make payments (“payouts”) to customers in emerging markets. As of the date of issuance of this Consolidated Condensed Interim Financial Statements, the Group allowed merchants to transact in 29 emerging markets.

In order to conduct its business, the Group has direct connections with banks, acquirers and payments processors to process payments locally in emerging markets. It also operates with financial institutions to expatriate/repatriate the funds to/from the developed economies where the merchant customers elect to settle their funds in the currency of their preference (mainly U.S. Dollar, Euro). These consolidated financial statements include dLocal’s subsidiaries and details of the structure are included under Note 4: Consolidation of subsidiaries.

The Group is licensed and regulated in the EU as an Electronic Money Issuer, or EMI, and Payment Institution, or PI, and registered as a Money Service Business with the Financial Crimes Enforcement Network of the U.S. Department of the Treasury, or FinCEN, and we operate and are licensed, as applicable, in more than 20 countries in emerging markets, primarily in the Americas, Asia and Africa, with our principal operations in Latin America and India.

In addition, the Group is subject to laws aimed at preventing money laundering, corruption and the financing of terrorism. This regulatory landscape is constantly changing, including as a consequence of the implementation of the Fourth Anti-Money Laundering Directive (Directive 2015/849/EU, “MLD4”) and the proposed amendments to the MLD4, often referred to as the fourth Anti-Money Laundering Directive.

1.1. Significant events during the period

a) Acquisition of certain assets from Primeiro Pay

On March 11, 2021, dLocal signed a contract to acquire certain assets from Primeiropay S.A.R.L and PrimeiroPay Technology GmbH (“Primeiropay”) in accordance to the Transfer of a Going Concern Agreement signed between the parties. The purchase of this acquisition of assets amounted to USD 40 million, of which USD 1.33 million is contingent consideration (subject to the achievement of the “earn-out”) and USD 38.67 million was an immediate cash consideration, with an effective date of April 1, 2021.

Primeiropay is an international payment service provider that delivers payment services for international merchants that want to accept payments from their international customers without setting up a local entity through processing all cards and payment methods domestically in local currencies. The concentration test outlined on IFRS 3 was met and therefore the transaction was classified as an asset acquisition. For further details refer to Note 13: Assets acquisition.

b) Loan related to Employee share purchase plan (ESPP)

In November 2020 dLocal Group Limited signed a non-recourse “Loan Agreement” with two officers to fund the acquisition of shares under the ESPP. The loan amounted to USD 31.5 million, accrued interest at a nominal annual rate of 1.5%.

During March and April 2021, dLocal received payments for USD 14,806 (equivalent to 14,476 Ordinary A shares) and USD 16,838 (equivalent to 16,442 Ordinary A shares), respectively, from the two officers in relation to the loans above mentioned. Those payments were considered as the collection of the exercise price of the options under the ESPP for the issuance of shares. Therefore, dLocal recognized for such collections the cash inflow against equity. As of the date of issuance of this Consolidated Condensed Interim Financial Statements, the loan and the corresponding accrued interest had been fully repaid.

c) Related party transaction

As explained in Note 20: Derivative financial instruments, as of the beginning of these Consolidated Condensed Interim Financial Statements, dLocal Group Limited had an option agreement in place with an Investor, pursuant to which the Investor had outstanding options to purchase up to 36,136 Ordinary A shares at an exercise price of 2,075.52 U.S. Dollars per share from certain existing shareholders, or by direct issuance of Company shares, which could be exercised by the Investor on or before December 16, 2021.

On March 3, 2021 the investor exercised the right explained in Note 20: Derivative financial instruments to purchase 36,136 Class A Ordinary shares by acquiring them from other existing shareholders, without being required the issuance of new shares by dLocal. In this sense, as of March 3, 2021 the obligations of dLocal under this agreement have ceased and therefore, the liability was extinguished, originating a gain of USD 2,896.

d) Transactions between shareholders

During the three-month period ended March 31, 2021 several transactions between existing (“sellers”) and new shareholders (“buyers”) took place where part of the share capital of the Group changed owners. Although such transactions did not affect in any way the results of the Group, it was a party in the agreements in order to receive the payments from the buyers and then transfer the funds to the sellers.

As a result, the Group received on its bank accounts USD 149,411 from the buyers that was to be paid to the sellers. As of March 31, 2021, such amount is included on Restricted cash as well as within Trade and other payables. During April 2021, the Group fulfilled its obligation and cancelled the corresponding liability.

e) Issuance of shares

On March 3, 2021 the Company entered into a Share Subscription Agreement with one existing investor to further invest in the Company. As a consequence of such agreement, the Company issued 8,066 Ordinary A shares for a purchase price of 3,719.50 U.S. Dollars per share.

In addition, on March 11, 2021, in accordance with the Memorandum and Articles and Association, on which the Company is authorized to allot Ordinary A Shares to employees or consultants to the Group, and taking into consideration that the Company was willing to raise additional capital, the Company issued 376 Ordinary A shares for a purchase price of 3,719.50 U.S. Dollars per share, that were allotted to one of its employees.

f) Coronavirus pandemic

As of the date of this Consolidated Condensed Interim Financial Statements, the impact of the COVID-19 pandemic on our operations has had a different impact across our different product offerings and the different verticals the Group serves, with certain industries benefiting from increased adoption (e.g., online retail, online streaming, online gaming, social media) while others suffering initially suffered from decreased usage (e.g., travel, ride sharing), subsequently recovered its pre pandemic volumes.

The Group business has thus far exhibited a net benefit from the shift from in-store shopping and traditional payment methods towards e-commerce and digital payments (and overall higher exposure to industries benefiting from increased adoption), the ultimate extent to which the COVID-19 pandemic impacts dLocal's business, financial condition, and results of operations will depend on future developments, which are highly uncertain, difficult to predict, and subject to change, including, but not limited to, the duration, scope, severity, and geographic spread of the outbreak, its impact on the global economy, actions taken to contain or limit the impact of COVID-19, such as the availability of an effective vaccine or treatment, geographic variation in how countries and states are handling the pandemic, the appearance of new variants of the virus, and how quickly and to what extent normal economic and operating conditions may potentially resume.

The Directors continue to believe that even if the pandemic can adversely affect the Group in the short-term, in the long-term the Group's assets will be preserved and consequently the going concern basis applied to these financial statements is still applicable.

2. Presentation and preparation of the Consolidated Condensed Interim Financial Statements and significant accounting policies

2.1. Basis of preparation of consolidated condensed interim financial information

These Consolidated Condensed Interim Financial Statements for the three-month period ended March 31, 2021 have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" as issued by the International Accounting Standard Board.

These Consolidated Condensed Interim Financial Statements do not include all the notes of the type normally included in an annual consolidated financial statement. Accordingly, this report should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2020 (the "Annual Financial Statements").

The accounting policies and critical accounting estimates and judgments adopted, except for those explicitly indicated on these Consolidated Condensed Interim Financial Statements, are consistent with those of the previous financial year and corresponding interim reporting period.

These Consolidated Condensed Interim Financial Statements for the three-month period ended March 31, 2021 were authorized for issuance by the dLocal's Board of Directors on May 5, 2021.

2.2. Share-based payments

During the three-month period ended March 31, 2021, the Group granted new restricted share units of share options to executives and employees in return for their services, which represented changes in the composition of share options outstanding at the end of the period.

2.2.1. Employee Share Purchase Plan ("ESPP")

Set out below are summaries of restricted share units and share options granted under the plan:

	March 31, 2021		December 31, 2020	
	Average exercise price per share option (U.S. Dollars)	Number of options and RSUs	Average exercise price per share option (U.S. Dollars)	Number of options
At the beginning of period	1,075.82	34,722	607.66	813
Granted during the period	1,468.60	2,664	1,087.05	33,909
Exercised during the period	1,006.79	(14,838)	—	—
At the end of period	1,170.07	22,548	1,075.82	34,722
Vested and exercisable at the end of period	1,019.38	16,532	1,011.69	31,370

Table of Contents

No options expired during the periods covered by the above table.

Share options outstanding at the end of the period have the following expiry dates and exercise prices:

Grant date	Vesting period	Expiry date	Exercise price (per A Share)	Share options and RSUs March 31, 2021	Share options and RSUs December 31, 2020
August 1 st , 20 18	3 years	August 1 st , 2021	USD 368.00	181	543
October 1 st , 2019	3 years	October 1 st , 2022	USD 1,089.65	270	270
January 31 st , 2020	Less than 1 year	December 31 st , 2024	USD 1,019.00	16,442	30,918
August 24 th , 2020	5 years	August 24 th , 2025	USD 1,649.50	1,670	1,670
November 15 th , 2020	4 years	November 15 th , 2024	USD 2,076.00	270	270
November 23 rd , 2020	5 years	November 23 rd , 2025	USD 1,941.00	1,051	1,051
January 1 st , 2021	5 years	January 1 st , 2026	USD 1,941.00	420	—
January 18 th , 2021	5 years	January 18 th , 2026	USD 2,076.00	30	—
March 1 st , 2021	1 year	March 1 st , 2022	USD 1,211	11	—
March 2 nd , 2021	5 years	March 2 nd , 2026	USD 3,719.00	20	—
March 11 th , 2021	5 years	March 11 th , 2026	USD 1,211	2,062	—
March 11 th , 2021	5 years	March 11 th , 2026	USD 3,719.00	72	—
March 12 nd , 2021	5 years	March 12 nd , 2026	USD 3,719.00	14	—
March 15 th , 2021	5 years	March 15 th , 2026	USD 3,719.00	15	—
March 29 th , 2021	5 years	March 29 th , 2026	USD 3,719.00	20	—
Total				22,548	34,722
Weighted average remaining contractual life of restricted share units and share options outstanding at end of the period				3.97 years	4.02 years

2.3. New accounting pronouncements

The new and amended standards and interpretations that are issued, up to the date of issuance of our Consolidated Condensed Interim Financial Statements are disclosed below.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. The Group did not change its accounting policies or make retrospective adjustments as a result of new accounting standards made applicable on January 1, 2021.

Effective for periods beginning on or after January 1, 2021

The following new standards have been issued by IASB and the nature and effect of these changes are disclosed below. This change, however, did not have material impacts on the consolidated condensed interim financial information.

IBOR reform and its effects on financial report – phase 2

‘Phase 2’ of the amendments requires that, for financial instruments measured using amortized cost measurement (that is, financial instruments classified as amortized cost and debt financial assets classified as FVOCI), changes to the basis for determining the contractual cash flows required by interest rate benchmark reform is reflected by adjusting their effective interest rate. No immediate gain or loss is recognized. A similar practical expedient exists for lease liabilities. These expedients are only applicable to changes that are required by interest rate

benchmark reform, which is the case if, and only if, the change is necessary as a direct consequence of interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis (that is, the basis immediately preceding the change).

Where some or all of a change in the basis for determining the contractual cash flows of a financial asset and liability do not meet the above criteria, the above practical expedient is first applied to the changes required by interest rate benchmark reform, including updating the instrument's effective interest rate. Any additional changes are accounted for in the normal way (that is, assessed for modification or derecognition, with the resulting modification gain/loss, recognized immediately in profit or loss where the instrument is not derecognized).

For lease liabilities where there is a change to the basis for determining the contractual cash flows, as a practical expedient the lease liability is remeasured by discounting the revised lease payments using a discount rate that reflects the change in the interest rate where the change is required by IBOR reform. If lease modifications are made in addition to those required by IBOR reform, the normal requirements of IFRS 16 are applied to the entire lease modification, including those changes required by IBOR reform.

The Group adopted amendments to IFRS 9, IAS 39, IFRS 7, and IFRS 16 Interest Rate Benchmark Reform – Phase 2 as issued in August 2020. All the amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

3. Accounting estimates and judgments

Accounting estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The critical accounting estimates and judgments adopted on these Consolidated Condensed Interim Financial Statements are consistent with those of the previous financial year and corresponding interim reporting period.

The main changes in estimates and assumptions during the three-month period ended March 31, 2021 are addressed below:

3.1. Share-based payment transactions to employees

dLocal estimates share-based payment transactions using the most appropriate valuation model and underlying assumptions, which depend on the terms and conditions of the grant and the information available at the grant date.

The Group uses certain methodologies to estimate fair value of the options granted which include the following:

- estimation of fair value based on equity transactions with third parties close to the grant date.
- other valuation techniques including option pricing models such as Black-Scholes.

These estimates also require determination of the most appropriate inputs to the valuation models including assumptions regarding the expected life of a share option or appreciation right and expected volatility of the price of the Group's shares.

The model inputs for options granted during the three-month period ended March 31, 2021 included:

- (a) options are granted for no consideration and vest based on historical prices of comparable shares listed on Nasdaq. Vested options are exercisable for a period of five years after vesting.
- (b) average exercise price: 1,468.60 U.S. Dollars

[Table of Contents](#)

- (c) grant date: January 1st, January 18th, February 25th, March 2nd, March 11th, March 12nd, March 15th and March 29th.
- (d) expiry date: January 1st, 2026, January 18th, 2026, February 25th, 2026, March 2nd, 2026, March 11th, 2026, March 12nd, 2026, March 15th, 2026 and March 29th, 2026.
- (e) average share price at grant date: 3,343.76 U.S. Dollars
- (f) average expected price volatility of the company's shares: 39.8%
- (g) average risk-free interest rate: 0.7%

The model inputs for options granted during the three-month period ended March 31, 2020 included:

- (h) options are granted for no consideration and vest based on historical prices of comparable shares listed on Nasdaq. Vested options are exercisable for a period of five years after vesting.
- (i) average exercise price: 1,019 U.S. Dollars
- (j) grant date: January 31st
- (k) expiry date: December 31st, 2024.
- (l) average share price at grant date: 222.30 U.S. Dollars
- (m) average expected price volatility of the company's shares: 35.59%
- (n) average risk-free interest rate: 1.46%

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility based on publicly available information.

4. Consolidation of subsidiaries

dLocal Group Limited, located in Malta, is the parent company of the Group and acts as a holding company for subsidiaries whose main activity is cross-border payments, enabling international merchants to access end customers in emerging markets. Its revenue comes from dividends receivable from subsidiaries and share of profit from subsidiary partnership.

The immediate subsidiaries of dLocal Group Limited are: dLocal Markets Limited, dLocal PTE Limited, dLocal Limited, dLocal LLP, dLocal Corp LLP, dLocal Inc. and dLocal Technologies S.A.

dLocal Markets Limited (Malta) is the majority shareholder of the Collection Agents located in the emerging markets. Its principal activity is to act as a holding company for such Collection Agents.

The immediate Collection Agents subsidiaries of dLocal Markets Limited are: dLocal Israel Ltd, Dlocal Brasil Pagamentos Ltda., Demerge Brasil Facilitadora de Pagamentos Ltda., Dlocal Argentina S.A., Demerge Mexico S.A. de C.V., Dlocal Mexico S.A. DE C.V., Dlocal Chile SPA, Pagos y Servicios Limitada, Dlocal Colombia S.A.S., Demerge Colombia S.A.S., Demerge Peru S.A.C., Dlocal Peru S.A.C., Depansum Solutions Private Limited, Dlocal Uruguay S.A., Demerge Ecuador S.A., PT. Dlocal Solutions Indonesia, DLocal Bangladesh Ltd., Dlocal Egypt LLC, DLocal Morocco SARL AU, Demerge Nigeria Ltd. and Dlocal Panama SA.

As of March 31, 2021, December 31, 2020 and 2019 dLocal PTE Limited (Singapore) was the minority-interest shareholder of the following Collection Agents: dLocal Argentina S.A., dLocal Bangladesh Ltd., dLocal Brasil Pagamentos Ltda., Demerge Brasil Facilitadora de Pagamentos Ltda., PT. dLocal Solutions Indonesia, Demerge Nigeria Ltd. and dLocal Egypt LLC. Its principal activity is to act as a holding company for Collection Agents of countries where the law requires the existence of more than one shareholder.

[Table of Contents](#)

dLocal Limited (Malta), dLocal LLP (UK) and dLocal Corp LLP (UK) act as Payment Providers within the structure of the Group. These companies provide payment processing services to international merchants and work with Collection Agents based on the emerging markets. Payment Providers sign “Payment Processing Services Agreements” with merchants to enable them to accept and disburse payments in emerging markets.

Twenty-one subsidiaries of the Group act as Collection Agents based on each country targeted by dLocal and provide the Payment Providers with payment and collection services in the local currency of each country.

dLocal Technologies S.A. (Uruguay) and dLocal Israel Ltd. act as Service Providers within the structure of the Group. These companies provide technological and support services to the Payment Providers.

The Group evaluated whether to reveal additional information for the amount of non-controlling interest presented in the Consolidated Statement of Financial Position. The Group’s management based its judgement on information for each subsidiary that had a non-controlling interest and considered both quantitative considerations (i.e. the size of the subsidiary) and qualitative considerations (i.e. the nature of the subsidiary), concluding that revealing that information is not material.

5. Segment reporting

The Group operates in a single operating segment, which is “payment processing”. Operating segments are defined as components of an enterprise for which separate financial information is regularly evaluated by the chief operating decision maker, who in the Group’s case is the Executive Team, in deciding how to allocate resources and assess performance. The Executive Team is composed of the Chief Executive Officer (“CEO”), the Chief Operating Officer (“COO”), the Chief Financial Officer (“CFO”), the Chief Technology Officer (“CTO”) and the President of Dlocal Group Limited.

The Executive Team evaluates the Group’s financial information and resources and assesses the financial performance of these resources on a consolidated basis on the basis of Revenues, Adjusted EBITDA and Adjusted EBITDA margin as further described below.

The Group’s revenue, results and assets for this one reportable segment can be determined by reference to the Consolidated Condensed Statement of Comprehensive Income and Consolidated Condensed Statement of Financial Position.

As required by IFRS 8 Operating Segments, below are presented applicable entity-wide disclosures related to dLocal’s revenues.

Revenue breakdown by region

The Group’s revenues arise from operations in more than twenty countries, where the Company processes payments for its merchants’ customers.

Based on the region where payments from /to such customers are processed this is the revenue breakdown:

	March 31, 2021	YoY%	March 31, 2020
LatAm	35,923	112.1%	16,937
Other emerging markets	4,333	309.5%	1,058
Revenues ¹	40,256	123.7%	17,995

¹ The Group’s revenues from customers attributed to the entity’s country of domicile, are USD 19,893 while USD 20,363 are attributed to the domicile of the rest of the countries (USD 11,671 and USD 6,324 in March 31, 2020, respectively).

[Table of Contents](#)

Revenue with large customers

During the three-month period ended March 31, 2021 the Group operated with more than 300 merchants (270 merchants in the period ended March 31, 2020).

For the three-month period ended March 31st, 2021, the Group's revenue from its top 10 merchants represented 62% of revenue (69% of revenue for the quarter ended March 31, 2020). For the quarter ended March 31, 2021 there is one customer (one for the quarter ended March 31, 2020) that on an individual level accounted for more than 10% of the total revenue.

Adjusted EBITDA and Adjusted EBITDA Margin

The Executive Team assesses the financial performance of the Group's sole segment by Revenues, Adjusted EBITDA and Adjusted EBITDA Margin. The Adjusted EBITDA is defined as the consolidated profit from operations before financing and taxation for the year or period, as applicable, before depreciation of property, plant and equipment, amortization of right-of-use assets and intangible assets, and further excluding the changes in fair value of financial assets and derivative financial instruments carried at fair value through profit or loss, impairment gain/loss on financial assets, transaction costs, share-based payment non-cash charges, secondary offering expenses and inflation adjustment. The Group defines Adjusted EBITDA Margin as the Adjusted EBITDA divided by consolidated revenues.

The Group reconciles the segment's performance measure to profit for the period as presented in the Consolidated Condensed Statements of Comprehensive Income as follows:

	<u>Notes</u>	<u>March 31, 2021</u>	<u>March 31, 2020</u>
Profit for the period		16,927	553
Income tax expense	11	1,379	818
Inflation adjustment		34	(16)
Interest charges on leases		3	5
Interest income from financial assets at FVPL		(26)	(66)
Fair value losses/(gains) on financial assets at FVPL		8	(32)
Other operating (gain)/loss	20	(2,896)	83
Other finance expense		460	2
Impairment loss/(gain) on financial assets	15	54	(943)
Depreciation and amortization	10	515	126
Secondary offering expenses (i)	8	705	—
Transaction costs (ii)	8	113	—
Share-based payment non-cash charges	9	565	6,903
Adjusted EBITDA		17,841	7,433
Revenues	6	40,256	17,995
Adjusted EBITDA		17,841	7,433
Adjusted EBITDA Margin		44.3%	41.3%

(i) Corresponds to expenses assumed by dLocal in relation to a secondary offering of its shares.

(ii) Corresponds to costs related to the acquisition of assets of Primeiropay as more fully explained in Note 1.1.: Significant events during the period.

6. Revenues and Cost of Services

(a) Revenue and Gross profit description

dLocal derives revenue from processing payments for international merchants to enable them to operate in selected emerging markets.

The breakdown of revenue from contracts with customers per type of service is as follows:

	March 31, 2021	March 31, 2020
Transaction revenues (i)	38,519	16,941
Other revenues (ii)	1,737	1,054
Revenues from payment processing (iii)	40,256	17,995
Cost of services	(16,989)	(6,993)
Gross profit	23,267	11,002

- (i) Transaction revenues are comprised of transaction fees, defined either as percentage of the transaction value or a fixed amount per transaction, as well as foreign exchange service fee, usually established as a percentage of the transaction value. These fees are recognized as revenue at a point in time when a payment transaction has been processed.
- (ii) Other revenues are mainly comprised of minor fees, such as initial setup fees, installment fee, minimum monthly fees, charge backs fees, refunds fees and small transfer fees.
- (iii) In 2021 revenues include an amortization charge of USD 50 (USD nil for the three-month period ended March 31, 2020) related to prepaid assets, as detailed in Note 16: Other assets.

(b) Revenue recognized at a point in time and over time

Transaction revenues are recognized at a point in time when the payment transaction is processed. Other revenues are recognized as revenue at a point in time when the respective performance obligation is satisfied. The Group did not recognize revenues over time for the quarters ended March 31, 2021 and 2020.

(c) Cost of services

Cost of services are composed of the following:

	March 31, 2021	March 31, 2020
Processing costs (i) (1)	15,966	6,568
Hosting expenses (ii)	474	266
Salaries and wages (iii)	122	86
Amortization of intangible assets (iv)	427	73
Cost of services	16,989	6,993

- (i) Mainly corresponds to fees that financial institutions (banks, local acquirers or payment methods) charge the Group, which are typically a percentage of the transaction value but in some instances, it also could be a fixed fee and are related to payment processing, cash advances, and installment payments. It varies from one institution to another and usually depends on the settlement period contracted with each such institution and the payment method used.
- (ii) Expenses related to hosting services for the Group's payment platform.
- (iii) Consist of salaries and wages of the operations department directly involved in the day-to-day operations. For further detail refer to Note 9: Employee Benefits.

- (iv) Amortization of intangible assets corresponds to the amortization of the internally generated software (i.e., dLocal's payment platform) by the Group. For further detail refer to Note 17: Intangible Assets.
- (1) For the three-month period ended March 31, 2021, it includes foreign exchange losses and broker's costs of USD 755 on the processed volume between the processing date and the expatriation or repatriation of funds date (USD 435 for the three-month period ended March 31, 2020).

7. Technology and development expenses

Technology and development expenses are composed of the following:

	March 31, 2021	March 31, 2020
Salaries and wages (i)	191	136
Software licenses (ii)	87	77
Infrastructure expenses (iii)	141	53
Information and technology security expenses (iv)	32	40
Other technology expenses	69	40
Total Technology and development expenses	520	346

- (i) Consist primarily of FIE's compensation related to technology related roles. For further detail on total salaries and wages refer to Note 9: Employee Benefits.
- (ii) Consist of software licenses used by the technology development department for the development and maintenance of the platform.
- (iii) Corresponds to information technology costs to support our infrastructure and back-office operations.
- (iv) Comprises expenses of overall monitoring and security of our network and platform.

8. Sales and marketing expenses and General and administrative expenses

Sales and marketing expenses and General and administrative expenses are composed of the following:

	March 31, 2021	March 31, 2020
<i>Sales and marketing expenses</i>		
Salaries and wages (i)	932	568
Marketing expenses (ii)	110	90
Total Sales and marketing expenses	1,042	658
	March 31, 2021	March 31, 2020
<i>General and administrative expenses</i>		
Salaries and wages (iii)	3,556	8,188
Third-party services (iv)	1,391	547
Office expenses (v)	288	211
Travel and accommodation expenses	11	466
Amortization and depreciation (vi)	88	53
Other operating expenses (vii)	428	70
Total General and administrative expenses	5,762	9,535

- (i) Salaries and wages related to FTE's engaged in the Sales and marketing department of the Group. For further detail on total salaries and wages refer to Note 9: Employee Benefits.
- (ii) Expenses related to the distribution and production of marketing and advertising, public relations expenses, commissions to third-party sales force and partners and expenses incurred in relation to trade marketing at events.

[Table of Contents](#)

- (iii) Salaries and wages related to administrative FTE's. For further detail on total salaries and wages refer to Note 9: Employee Benefits.
- (iv) This includes Advisors' fees, Legal fees, Auditors' fees and Human resources fees. Third-party services, for the three-month period ended March 31, 2021, also include USD 705 of Secondary offering expenses and USD 113 of Transaction costs.
- (v) Consist of office rent and related expenses.
- (vi) Corresponds to amortization of right-of-use assets as well as depreciation of property, plant and equipment. For further detail on total amortization and depreciation charges refer to Note 10: Amortization and Depreciation.
- (vii) This mainly includes expenses related to bank charges, taxes and other operating expenses.

9. Employee Benefits

For the quarter ended March 31, 2021 the Group's full-time equivalents (FTE's) were 365 (217 for the quarter ended March 31, 2020) where 45% corresponded to information technology and product engineers and related roles (43% for the quarter ended March 31, 2020).

Employee benefits is composed of the following:

	March 31, 2021	March 31, 2020
Salaries, wages and contractor fees (i)	5,384	2,131
Share-based payments (ii)	565	6,903
Total employee benefits	5,949	9,034

- (i) Salaries, wages and contractor fees include social security costs as well as annual bonuses compensations. This line also includes USD 1,148 in the three-month period ended March 31, 2021 (USD 608 in the three-month period ended March 31, 2020) related to capitalized salaries and wages.
- (ii) The share-based payments relate to equity-settled compensation expenses. For further information refer to Note 2.2: Share-based payments.

10. Amortization and Depreciation

Amortization and depreciation expenses are composed of the following:

	March 31, 2021	March 31, 2020
Amortization of intangible assets	427	73
Right-of-use asset amortization	37	37
Depreciation of Property, plant & equipment	51	16
Total Amortization and Depreciation	515	126

For further information related amortization of intangible assets refers to Note 17: Intangible Assets.

11. Income Tax

Income tax expense is recognized based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the year to March 31, 2021 is 7.5%, compared to 59.7% for the three-month period ended March 31, 2020.

[Table of Contents](#)

The income tax charge recognized in profit and losses is the following:

	March 31, 2021	March 31, 2020
<i>Current Income Tax</i>		
Current Income Tax on profits for the year	(1,137)	(821)
Total Current Income Tax expense	(1,137)	(821)
<i>Deferred Income tax</i>		
(Decrease)/Increase in deferred income tax assets	(79)	3
Increase in deferred income tax liabilities	(163)	—
Total Deferred income tax (expense) / benefit	(242)	3
Income Tax expense	(1,379)	(818)

12. Capital Management

(a) Share capital and capital reserve

Authorized shares, as well as issued and fully paid-up shares, are presented below:

	March 31, 2021		March 31, 2020	
	Amount	USD	Amount	USD
Authorized Shares of USD 1.1211 each				
Class A Ordinary Shares	618,363	693	618,363	693
	618,363	693	618,363	693
Issued and Fully Paid Up Shares of USD 1.1211 each				
Class A Ordinary Shares	560,476	628	537,196	602
	560,476	628	537,196	602
Share Capital evolution				
Share Capital as of January 1	537,196	602	537,196	602
Issue of ordinary shares	23,280	26	—	—
Share Capital as of March 31	560,476	628	537,196	602

Class A Ordinary Shares have a right to dividends from the distributable profits of the Group from the date the shares are issued, have voting rights as well as the right to appoint the Directors.

For the quarter ended March 31, 2021 the Group issued 23,280 new Class A Ordinary shares, receiving total proceeds of USD 46,340, according to the following details: i) 14,476 shares related to the exercise of share-options more fully explained in Note 1.1. b), where dLocal received payments for USD 14,806 from two officers (4,131 shares were issued on March 2nd, 2021 , 687 on March 23rd, 2021, and 9,658 on March 24th, 2021); ii) 362 shares related to the exercise of share-options of an executive, where dLocal received a payment of USD 133 based on the contractual exercise price of 368 U.S. Dollars per share; and iii) 8,442 shares issued on March 3rd, 2021, where dLocal received payments for USD 31,401 based on a market price of each share of 3,719.5 U.S. Dollars.

(b) Capital Reserve

This reserve is related to share-based payment compensation plans of the Group.

[Table of Contents](#)

The following table shows a breakdown of the consolidated statement of financial position line item 'Capital Reserves' and the movements in these reserves during the periods.

	2021	2020
Balance as of January 1	12,582	5,287
Share-options exercise (i)	(3,221)	—
Share-based payments charges	565	6,903
Balance as of March 31	9,926	12,190

- i) During the three-month period ended March 31, 2021, a total of 14,838 share-options under the share-based payments plan were exercised. Consequently, the correspondent charge to Capital reserve was recycled into the Share premium line item within equity.

(c) Reserves

The reserves for the Group relate to cumulative translation adjustment representing differences on conversion of assets and liabilities at the reporting date.

The following table shows a breakdown of the consolidated statement of financial position line item 'Reserves' and the movements in these reserves during the periods.

	2021 Cumulative translation adjustment	2020 Cumulative translation adjustment
Balance as of January 1	119	14
Movement of reserves	160	(694)
Balance as of March 31	279	(680)

(d) Retained Earnings

Movements in retained earnings were as follows:

	2021	2020
Balance as of January 1	31,749	18,460
Comprehensive income for the period	16,963	538
Transaction between shareholders	—	163
Balance as of March 31	48,712	19,161

(e) Earnings per share

dLocal calculates basic earnings per share by dividing the profit attributable to equity holders by the weighted average number of common shares issued and outstanding during the three-month periods ended March 31, 2021 and 2020.

For diluted earnings per share is calculated by dividing the profit attributable to equity holders of dLocal by the weighted average number of common shares outstanding during the period plus the weighted average number of common shares that would be issued on conversion of all dilutive potential common shares into common shares.

[Table of Contents](#)

The next table presents the information used as base for such calculation:

	March 31, 2021	March 31, 2020
Profit attributable to equity shareholders (U.S. Dollars)	16,919,575	554,607
Weighted average number of common shares	542,281	537,196
Adjustments for calculation of diluted earnings per share ²	45,908	25,928
Weighted average number of ordinary shares for calculating diluted earnings per share	588,189	563,124
Basic earnings per share	31.2	1.0
Diluted earnings per share	28.8	1.0

² As of March 31, 2021, corresponds to the dilutive effect of i) 31,352 average shares related to share-based payment warrants; and ii) 14,556 average shares related to share-based payment plans with employees (25,575 and 353 respectively for the three-month period ended March 31, 2020).

13. Assets acquisition

On March 11, 2021, with effective date April 1, 2021, dLocal signed a contract to acquire certain assets from Primeiropay S.A.R.L and PrimeiroPay Technology GmbH ("Primeiropay") in accordance with the Transfer of a Going Concern Agreement ("the Agreement") signed between the parties, for a consideration of USD 40.0 million.

The acquisition is expected to increase the Group's market share through the incorporation of new global merchants processing payments in emerging markets. Details of the purchase consideration are as follows:

Purchase consideration	
Cash Paid	38,670
Contingent Consideration	1,330
Total Purchase Consideration	40,000

The Group applied the concentration test detailed on Paragraph B7B of IFRS 3 -Business Combinations, to assess whether the acquired set of activities and assets were or not a business. Considering that the test was met since substantially all the fair value of the gross assets acquired was concentrated in a group of similar identifiable assets (i.e. intangible assets related to merchant agreements) and the intellectual property that is attached to them.

Consequently, the transaction was classified as an asset acquisition, outside of the scope of IFRS 3 (Paragraph 2b).

As of the date of these Consolidated Condensed Interim Financial Statements, the Group made an advanced payment in cash of USD 38,670 but, according to the agreement, rights and obligations for dLocal begin on April 1st, 2021, or the date of the transfer of merchant agreements, the earlier. Based on facts and circumstances the earlier of those two dates is April 1st, 2021.

In this context, as of March 31st, 2021 dLocal recognized the following items on these Consolidated Condensed Interim Financial Statements:

Advance Payment for Assets acquisition	38,670
--	--------

Recognition of assets acquired

On April 1st, 2021 the Group will recognize the assets acquired, against the payment in advance mentioned above, allocating the purchase price to the individual identifiable assets on the basis of their relative fair values at the date of purchase.

14. Cash and cash equivalents

Cash and cash equivalents breakdown is presented below:

	March 31, 2021	December 31, 2020
Own Balances	56,497	43,684
Merchant Clients Funds	71,004	68,049
	127,501	111,733

As of March 31, 2021, USD 127,501 (USD 111,733 on December 31, 2020) represents cash on hand, demand deposits with financial institutions and other short-term liquid financial instruments.

Own Balances correspond to cash and cash equivalents of the Group while Merchant Clients Funds correspond to freely available funds collected from the merchants' customers, that can be invested in secure, liquid low-risk assets until they are transferred to the merchants in accordance with the agreed conditions with them.

15. Trade and Other Receivables

Trade and Other Receivables of the Group are composed of the following:

	March 31, 2021	December 31, 2020
Trade receivables	85,740	67,553
Loss allowance	(395)	(341)
Trade receivables net	85,345	67,212
Advances and other receivables	7,601	5,573
	92,946	72,785

Trade Receivables correspond to uncollateralized gross amounts due from acquirers, processors, merchants and preferred suppliers for services performed that will be collected in less than one year, so they are classified as current. No financial assets are past due and all Trade and other receivables are categorized as within "normal" credit risk rating.

Loss allowance and impairment losses

The following table presents the evolution of the loss allowance:

	2021	2020
Total as of January 1	(341)	(807)
Increase in loss allowance for trade receivables	(54)	(59)
Reversals for decrease in loss rate	—	660
Total as of March 31	(395)	(206)
Net impairment (loss)/gain on financial assets (i)	(54)	943

(i) 2020 includes a write-off reversal of USD 342 charged directly to the Statement of Comprehensive Income related to Trade receivables.

Initial recognition and subsequent measurement the Group applies the simplified approach to determine expected credit losses on trade receivables.

To measure the expected credit losses, trade and other receivables have been grouped based on shared credit risk characteristics and the days past due (only 0-30 past due bucket as of March 31st, 2021 and December 31, 2020).

The expected loss rates are based on the payment profiles of debtors over a period of 36 months before year end and the corresponding historical credit losses experienced within this period. The historical loss rate is adjusted to reflect current and forward-looking information on credit risk ratings of the countries in which the Group sells its services which affects the ability of the debtors to settle the receivables. On that basis, the expected credit loss rate of the 0-30 past due bucket was determined at 0.5% for the three-month period ended March 31, 2021 (0.5% in the three-month period ended March 31, 2020).

16. Other Assets

Other assets are composed of the following:

	March 31, 2021	December 31, 2020
Current		
Money held in escrow for: (i)	1,070	1,070
- Payment Processing Service Agreements	859	859
- Requirements for other processors	80	80
- Credit card requirements	131	131
Rental guarantees	95	95
Capitalized transaction costs (ii)	772	302
Prepaid assets (iii)	642	550
Advance payment for assets acquisition (iv)	38,670	—
Total current Other Assets	41,249	2,017
Non-current		
Prepaid assets (iii)	—	143
Total non-current Other Assets	—	143

- (i) Comprises money held in escrow in order to constitute a fund required by processors.
- (ii) Corresponds to costs related to a potential offering process, only associated to primary offering costs.
- (iii) In 2020 the Group signed with a Merchant a letter of agreement (the “Agreement”) where the Group agreed to pay USD 400 to the Merchant in exchange of a minimum amount of revenue in the period between August 24th, 2020 and September 30th, 2022. During the three-month period ended March 31, 2021 this asset was reduced in USD 50 and accounted for as a reduction of revenues (USD 67 in year 2020). Additionally, the Group signed an agreement with another Merchant where the Group agreed to pay USD 360 to the Merchant in exchange of a minimum amount of revenue during 2021 and for being retained as the provider of at least the 90% of the transacted volume in all markets where dLocal offers a complete payment solution in the same.
- (iv) See Note 1.1 Significant events during the period, a) Acquisition of certain assets from Primeiro Pay as well as Note 13: Assets acquisition.

17. Intangible Assets

Intangible assets of the Group correspond to capitalized expenses related to internally generated software and are stated at cost less accumulated amortization.

	2021 Internally generated software	2020 Internally generated software
<i>At January 1</i>		
Cost	4,989	1,983
Accumulated amortization	(836)	(180)
Net book amount	4,153	1,803
<i>Period ended March 31</i>		
Opening net book amount	4,153	1,803
Additions (i)	1,215	658
Amortization of the period	(427)	(73)
Closing net book amount	4,941	2,388
	As of March 31, 2021	As of December 31, 2020
Cost	6,204	4,989
Accumulated amortization	(1,263)	(836)
Net book amount	4,941	4,153

(i) The additions of the three-month period ended March 31, 2021 include USD 1,148 related to capitalized salaries and wages (USD 608 as of March 31, 2020).

As of March 31st, 2021 and December 31st, 2020 no indicator of impairment related to intangible assets existed, so the Group did not perform an impairment test.

18. Trade and Other Payables

Trade and Other Payables are composed of the following:

	March 31, 2021	December 31, 2020
Trade Payables	145,028	136,727
Accrued Liabilities	2,793	2,928
Shareholders' payables (l.l.d)	149,411	—
Other Payables	2,605	3,210
Total Trade and other payables	299,837	142,865

These payables are classified as current liabilities as the payment is due within one year or less. Moreover, the carrying amounts are considered to be the same as fair values, due to their short-term nature.

Trade Payables correspond to liabilities with Merchants, either related to payin transactions processed or payout transactions to be processed at their request. Accrued Liabilities mainly correspond to obligations with legal and tax advisors, and auditors. Other Payables mainly correspond to obligations related to processors' costs and the acquisitions of office goods and services necessary for the ordinary course of the business.

19. Tax Liabilities

The tax liabilities breakdown is as follows:

	March 31, 2021	December 31, 2020
Income tax payable	2,307	1,911
Other tax liabilities	5,706	5,877
Income tax perception	3,035	3,343
Digital services withholding VAT	1,709	1,579
Other Taxes	962	955
Total Tax Liabilities	8,013	7,788

20. Derivative financial instruments

As of the beginning of the three-month period of these Consolidated Condensed Interim Financial Statements, dLocal Group Limited had an option agreement in place with one shareholder (“Investor”), pursuant to which the Investor had outstanding options to purchase up to 36,136 Ordinary A shares at an exercise price of 2,075.52 U.S. Dollars per share from certain existing shareholders, or by direct issuance of Company shares, which could be exercised by the Investor on or before December 16, 2021.

In March 3, 2021, the investor exercised the right to purchase 36,136 Class A Ordinary shares by acquiring them from other existing shareholders, without being required the issuance of new shares by dLocal. In this sense, as of March 3, 2021 the obligations of dLocal under this agreement have ceased.

Considering that as of December 31st, 2020 derivative financial instrument represented a liability for dLocal of USD 2, 896, a gain for the same amount was recognized within Operating profit in the line item “Other operating gain/(loss)” in the Consolidated Condensed Statements of Comprehensive Income for three-month period ended March 31, 2021.

21. Provisions

(a) Labor provisions

Provisions for the period are related to labor proceedings where the management understands, based on the Group’s legal advisors’ assessment, that it is more likely than not that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(b) Movements in labor provisions

Movements in Labor provisions are set out below:

	2021	2020
Carrying amount as of January 1	1,393	798
(Reversal) / Additional charge to labor provision	(33)	148
Carrying amount as of March 31	1,360	946

22. Related parties

(a) Related Party Transactions

Related party transactions are linked to the options agreement that is duly presented in Note 20 of this financial statement.

(b) Key Management compensation

The compensation of the Executive Team during the period can be breakdown as follows:

	March 31, 2021	March 31, 2020
Short-term employee benefits – salaries and wages	522	185
Long-term employee benefits – share-based payment	565	6,903
	<u>1,087</u>	<u>7,088</u>

(c) Transactions with other related parties

The following transactions occurred with related parties:

	March 31, 2021	March 31, 2020
Transactions with merchants – revenues	382	134
Transactions with preferred suppliers (Collection agents) - costs	(116)	(175)

(d) Outstanding balances arising from transactions with related parties

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	March 31, 2021	December 31, 2020
Transactions with merchants – accounts payable	(771)	(598)
Transactions with preferred suppliers (Collection agents) – accounts payable	(35)	(39)
Transactions with preferred suppliers (Collection agents) – accounts receivable	1,180	506

All transactions with related parties were made on normal commercial terms and conditions and at market rates. Outstanding balances are unsecured and are repayable in cash.

23. Fair value hierarchy

The following tables show financial instruments recognized at fair value for the period ended March 31, 2021 and December 31, 2020, analyzed between those whose fair value is based on:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based upon observable market data.

[Table of Contents](#)

The table also includes financial instruments measured at amortized cost. The Group understands that the book value of such instruments approximates their fair value.

<u>March 31, 2021</u>	<u>FVPL</u>	<u>Amortized cost</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Assets						
Financial Assets at Fair Value through Profit or Loss	1,261	—	1,261	1,261	—	—
Other Assets	—	41,249	41,249	—	—	—
Trade and Other Receivables	—	92,946	92,946	—	—	—
Restricted cash		149,411	149,411			
Cash and Cash Equivalents	—	127,501	127,501	—	—	—
	<u>1,261</u>	<u>411,107</u>	<u>412,368</u>	—	—	—
 <u>December 31, 2020</u>	 <u>FVPL</u>	 <u>Amortized cost</u>	 <u>Total</u>	 <u>Level 1</u>	 <u>Level 2</u>	 <u>Level 3</u>
Assets						
Financial Assets at Fair Value through Profit or Loss	8,319	—	8,319	8,319	—	—
Other Assets	—	2,017	2,017	—	—	—
Trade and Other Receivables	—	72,785	72,785	—	—	—
Cash and Cash Equivalents	—	111,733	111,733	—	—	—
	<u>8,319</u>	<u>186,536</u>	<u>194,854</u>	—	—	—
 <u>March 31, 2021</u>	 <u>FVPL</u>	 <u>Amortized cost</u>	 <u>Total</u>	 <u>Level 1</u>	 <u>Level 2</u>	 <u>Level 3</u>
Liabilities						
Trade and Other Payables	—	(299,837)	(299,837)	—	—	—
	<u>—</u>	<u>(299,837)</u>	<u>(299,837)</u>	—	—	—
 <u>December 31, 2020</u>	 <u>FVPL</u>	 <u>Amortized cost</u>	 <u>Total</u>	 <u>Level 1</u>	 <u>Level 2</u>	 <u>Level 3</u>
Liabilities						
Trade and Other Payables	—	(142,865)	(142,865)	—	—	—
Derivative financial instruments	(2,896)	—	(2,896)	—	(2,896)	—
	<u>(2,896)</u>	<u>(142,865)</u>	<u>(145,761)</u>	—	—	—

24. Subsequent events

1. New Holding Company

On April 14, 2021 the existing shareholders of dLocal Group Limited contributed their shares to dLocal Limited, an exempted company with limited liability incorporated in the Cayman Islands on February 10, 2021. As consideration for the contributed shares, the shareholders of dLocal Group Limited received the same number of shares in dLocal Limited.

Until the share contribution, dLocal Limited had not commenced operations and had only nominal assets and liabilities and no material contingent liabilities or commitments. This operation resulted in accounting for the new shares that will be beneficially owned by the existing shareholders of dLocal Group Limited.

As a result of this transaction, dLocal Group Limited became dLocal Limited's wholly owned subsidiary and dLocal Limited became the corporate group's holding company.

2. Loan cancellation related to Employee share purchase plan (ESPP)

During April 2021, dLocal received remaining payments from the two officers in relation to the loans and corresponding issuance of shares mentioned in note 1.1.b. and as of the date of these Consolidated Condensed Interim Financial Statements, the loan and the corresponding accrued interest had been fully repaid.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of dLocal Group Limited

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of dLocal Group Limited and its subsidiaries (the “Company”) as of December 31, 2020 and 2019, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, including the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Price Waterhouse & Co. S.R.L.

/s/ Gustavo Ariel Vidan

Partner

Buenos Aires, Argentina

April 13, 2021

We have served as the Company’s auditor since 2020.

[Table of Contents](#)
dLocal Group Limited

Consolidated Statements of Comprehensive Income

Years ended December 31, 2020 and 2019

(All amounts in thousands of U.S. Dollars except share data or as otherwise indicated)

	Notes	2020	2019
Continuing operations			
Revenues	6	104,143	55,289
Cost of services	6	(44,065)	(19,413)
Gross profit		60,078	35,876
Technology and development expenses	7	(2,005)	(1,347)
Sales and marketing expenses	8	(2,852)	(2,057)
General and administrative expenses	8	(22,188)	(14,101)
Net Impairment gain/(loss) on financial assets	16	808	(807)
Other operating loss	23	(2,896)	—
Operating profit		30,945	17,564
Finance income	11	502	279
Finance costs	11	(67)	(30)
Inflation adjustment	11	38	10
Other results		473	259
Profit before income tax		31,418	17,823
Income tax expense	12	(3,231)	(2,221)
Profit for the year		28,187	15,602
Profit attributable to:			
Owners of the Group		28,184	15,602
Non-controlling interest		3	—
Profit for the year		28,187	15,602
Earnings per share (in USD)			
Basic Earnings per share	13	52.7	29.3
Diluted Earnings per share	13	49.7	28.3
Other comprehensive Income			
Items that may be reclassified to profit or loss:			
Exchange difference on translation on foreign operations		37	27
Other comprehensive income for the year, net of tax		37	27
Total comprehensive income for the year		28,224	15,629
Total comprehensive income for the year is attributable to:			
Owners of the Group		28,231	15,629
Non-controlling interest		(7)	—
		28,224	15,629

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

[Table of Contents](#)
dLocal Group Limited

Consolidated Statements of Financial Position

At December 31, 2020 and 2019

(All amounts in thousands of U.S. Dollars except share data or as otherwise indicated)

	Notes	2020	2019
ASSETS			
Current Assets			
Cash and cash equivalents	14	111,733	34,765
Financial assets at fair value through profit or loss	15	8,319	15,399
Trade and other receivables	16	72,785	25,939
Other assets	17	2,017	1,113
Total Current Assets		194,854	77,216
Non-Current Assets			
Deferred tax assets	12	216	16
Property, plant and equipment	18	913	191
Right-of-use assets	19	188	370
Intangible assets	20	4,153	1,803
Other assets	17	143	—
Total Non-Current Assets		5,613	2,380
TOTAL ASSETS		200,467	79,596
LIABILITIES			
Current Liabilities			
Trade and other payables	21	142,865	52,977
Lease liabilities	19	201	180
Tax liabilities	22	7,788	893
Derivative financial instruments	23	2,896	—
Provisions	24	1,393	798
Total Current Liabilities		155,143	54,848
Non-Current Liabilities			
Deferred tax liabilities	12	259	—
Lease liabilities	19	17	219
Total Non-Current Liabilities		276	219
TOTAL LIABILITIES		155,419	55,067
EQUITY			
Share Capital	13	602	602
Capital Reserve	13	12,582	5,287
Reserves	13	119	14
Retained earnings	13	31,749	18,460
Total Equity Attributable to owners of the Group		45,052	24,363
Non-controlling interest		(4)	166
TOTAL EQUITY		45,048	24,529

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

[Table of Contents](#)
dLocal Group Limited

Consolidated Statements of Changes in Equity

Years ended December 31, 2020 and 2019

(All amounts in thousands of U.S. Dollars except share data or as otherwise indicated)

	Note	Share Capital	Capital Reserve	Reserves	Retained Earnings	Total	Non- controlling interest	Total equity
Balance as at January 1st, 2020		602	5,287	14	18,460	24,363	166	24,529
Comprehensive Income for the year								
Profit of the year		—	—	—	28,184	28,184	3	28,187
Exchange difference on translation on foreign operations		—	—	105	(58)	47	(10)	37
Total Comprehensive Income for the year		—	—	105	28,126	28,231	(7)	28,224
Transactions with Group owners in their capacity as owners								
Share-based payments	9	—	7,295	—	—	7,295	—	7,295
Transaction between shareholders		—	—	—	163	163	(163)	—
Distribution of retained earnings	13	—	—	—	(15,000)	(15,000)	—	(15,000)
Transactions with Group owners in their capacity as owners		—	7,295	—	(14,837)	(7,542)	(163)	(7,705)
Balance as at December 31st, 2020		602	12,582	119	31,749	45,052	(4)	45,048
Balance as at January 1st, 2019		588	238	(13)	12,858	13,671	166	13,837
Comprehensive Income for the year								
Profit of the year		—	—	—	15,602	15,602	—	15,602
Exchange difference on translation on foreign operations		—	—	27	—	27	—	27
Total Comprehensive Income for the year		—	—	27	15,602	15,629	—	15,629
Transactions with Group owners in their capacity as owners								
Issue of ordinary shares	13	14	—	—	—	14	—	14
Share-based payments	9	—	5,049	—	—	5,049	—	5,049
Distribution of retained earnings	13	—	—	—	(10,000)	(10,000)	—	(10,000)
Transactions with Group owners in their capacity as owners		14	5,049	—	(10,000)	(4,937)	—	(4,937)
Balance as at December 31st, 2019		602	5,287	14	18,460	24,363	166	24,529

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

[Table of Contents](#)
dLocal Group Limited

Consolidated Statements of Cash Flows

Years ended December 31, 2020 and 2019

(All amounts in thousands of U.S. Dollars except share data or as otherwise indicated)

	Note	2020	2019
Cash flows from operating activities			
Profit before income tax		31,418	17,823
Adjustments:			
Interest income from financial instruments	11	(443)	(217)
Interest charges for lease liabilities	11	20	30
Other finance income	11	(50)	(6)
Other finance expense	11	47	—
Amortization of Intangible assets	10	656	175
Depreciation of Property, plant and equipment	10	155	53
Amortization of Right-of-use asset	10	181	181
Revenue reduction related to prepaid assets	17	67	—
Share-based payment expense	6,9	7,295	5,049
Net exchange differences		(99)	(106)
Fair value gain on financial assets at fair value through profit or loss	15	(9)	(56)
Other operating loss	23, 28	2,896	—
Net Impairment (gain)/loss on financial assets	16	(808)	807
		41,326	23,733
Changes in working capital			
Increase in Trade and other receivables		(45,932)	(10,968)
Increase in Other assets		(1,114)	(1,113)
Increase in Trade and other payables		89,888	20,284
Increase in Tax Liabilities	22	5,877	—
Increase in Provisions	24	595	497
Cash from operating activities		90,640	32,433
Income tax paid		(2,154)	(1,710)
Net cash from operating activities		88,486	30,723
Cash flows from investing activities			
Acquisitions of Property, plant and equipment	18	(876)	(152)
Additions of Intangible assets	20	(3,006)	(1,554)
Net collections of financial assets at fair value through profit or loss	28	7,089	1,601
Interest collected from financial instruments	11	443	217
Other finance income collected	11, 28	—	6
Net cash from investing activities		3,650	118
Cash flows from financing activities			
Proceeds from issuance of shares	13	—	14
Dividends paid	13	(15,000)	(10,000)
Interest payments on leases	19, 28	(20)	(30)
Lease payments on principal	28	(131)	(152)
Payment of loans advanced by Shareholders	27, 28	—	(9,174)
Other finance expense paid	11, 28	(47)	—
Net cash used in financing activities		(15,198)	(19,342)
Net increase in cash flow		76,938	11,499
Cash and cash equivalents at the beginning of the year	28	34,765	23,305
Effects of exchange rate changes on cash and cash equivalents		30	(39)
Cash and cash equivalents at the end of the year		111,733	34,765

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

dLocal Group Limited

Notes to the Consolidated Financial Statements

At December 31, 2020

(All amounts in thousands of U.S. Dollars except share data or as otherwise indicated)

1. General information

dLocal Group Limited (“dLocal” or “Company”) is a holding company, referred to together with its subsidiaries as the “Group”. dLocal is a limited liability company established on January 1, 2016, domiciled and incorporated in Swatar, Malta. The Company is the ultimate controlling party of the Group.

The Group processes online payment transactions through more than 600 payment methods (150 in 2019), enabling enterprise merchants located in developed economies (mainly United States, Europe and China) to get paid (“payins”) from customers in emerging markets and to make payments (“payouts”) to customers in emerging markets. During 2020 the group processed payments in 29 emerging markets (more than 11 in 2019).

In order to conduct its business, the Group has direct connections with banks, acquirers and payments processors to process payments locally in emerging markets. It also operates with financial institutions to expatriate/repatriate the funds to/from the developed economies where the merchant customers elect to settle their funds in the currency of their preference (mainly U.S. Dollar, Euro). These consolidated financial statements include dLocal’s subsidiaries and details of the structure are included under Note 4: Consolidation of subsidiaries.

The Group is licensed and regulated in the EU as an Electronic Money Issuer, or EMI, and Payment Institution, or PI, and registered as a Money Service Business with the Financial Crimes Enforcement Network of the U.S. Department of the Treasury, or FinCEN, and we operate and are licensed, as applicable, in more than 20 countries in emerging markets, primarily in the Americas, Asia and Africa, with our principal operations in Latin America and India.

In addition, the Group is subject to laws aimed at preventing money laundering, corruption and the financing of terrorism. This regulatory landscape is constantly changing, including as a consequence of the implementation of the Fourth Anti-Money Laundering Directive (Directive 2015/849/EU, “MLD4”) and the proposed amendments to the MLD4, often referred to as the fifth Anti-Money Laundering Directive.

2. Presentation and preparation of the consolidated financial statements and significant accounting policies

2.1. Basis of preparation of the consolidated financial statements

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and interpretations issued by the IFRS Interpretations Committee (IFRS I C) applicable to companies reporting under IFRS. These consolidated financial statements comply with IFRS as issued by the International Accounting Standards Board (“IASB”). The consolidated financial statements are presented in thousands of U.S. Dollars, except for share data or as otherwise indicated, which is the functional currency of dLocal Group Limited.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets measured at fair value as explained in Note 2.5: Financial instruments-initial recognition and subsequent measurement, and for the financial statements of Argentine operations that were adjusted upon IAS 29 requirements as detailed in Note 2.3 Foreign currencies.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying dLocal’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3: Accounting estimates and judgments.

These consolidated financial statements as of December 31, 2020, were approved by dLocal's Board of Directors on April 12, 2021.

2.2. Basis of consolidation

Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if they are related to the issue of debt or equity instruments.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured, and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

There were no business combinations during 2020 or 2019.

Subsidiaries

The Group consolidates all entities over which it has control. Control is achieved when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Inter-company transactions, balances, income and expenses on transactions between Group companies are eliminated.

Subsidiaries are all entities over which dLocal has control. Subsidiaries are fully consolidated from the date dLocal obtains control of the subsidiary and ceases when dLocal loses control of the subsidiary. The subsidiaries included in the consolidation are described in Note 4: Consolidation of subsidiaries.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

2.3. Foreign currencies

i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in U.S. Dollar, which is dLocal's functional and presentation currency.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognized in profit or loss.

The Group adopts an allocation policy for foreign exchange differences in order to allocate them to the various line items of its financial statements, based on the nature of the item that generated the exchange difference. For

example, exchange differences on trade payables arising from the purchase of services and exchange differences from payins and payouts transactions are included as part of Cost of services while exchange differences arising from loans are allocated to Finance costs. This policy is applied consistently from period to period.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognized in other comprehensive income. Foreign exchange gains and losses resulting from the measurement at period end exchange rates of monetary assets denominated in foreign currencies and measured at fair value through other comprehensive income are recognized in the statement of income.

iii) Argentine operations

Argentina is one of the principal markets of the Group's business, as measured by revenue. Recently, the economic environment in Argentina has been volatile with weak economic conditions, devaluation of local currency, high interest rates, high level of inflation and a large public deficit which led Argentina to request financial assistance from the International Monetary Fund.

The Group applied IAS 29 "Financial Reporting in Hyperinflationary Economies" ("IAS 29") to its operations in Argentina. IAS 29 establishes that financial statements of entities whose functional currency is that of a hyperinflationary economy must be adjusted for the effects of changes in the general price index and expressed in terms of the current unit of measurement at the closing date of the reporting period. In order to determine whether an economy is categorized as hyperinflationary under the terms of IAS 29, the standard details a series of factors to be considered, including the existence of a cumulative inflation rate in three years that approximates or exceeds 100%. Argentina experienced a significant increase in inflation during 2018, which exceeded the 100% three-year cumulative inflation rate. The three-year cumulative inflation is expected to significantly exceed 100% at December 31, 2020 and is expected to remain significantly above that threshold in future years.

IAS 29 requires adjustments to non-monetary items in the statement of financial position by applying a general price index from the day they were booked until the end of the reporting period. Additionally, it also requires that all items in the statement of comprehensive income are expressed in terms of the measuring unit current at the end of the reporting period.

The inflation adjustment on the initial balances as of December 31st, 2018 and 2019 was calculated by means of conversion factor derived from the Argentine price indexes published by the Argentine Federation of Professional Councils of Economic Sciences National Institute of Statistics ("FACPCE"). The price index for the year period ended December 31, 2020, was 1.36 (1.54 as of December 31, 2019).

Results of operations in Argentine Pesos, after adjustment for inflation pursuant to IAS 29, were then converted into U.S. Dollars at the closing exchange rate for such reported period. This process is called "translation".

iv) Group companies

The results and financial position of foreign operations of non-hyperinflationary economies that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statements of financial position
- income and expenses for each statement of income and statement of comprehensive income are translated at average exchange rates, and
- all resulting exchange differences are recognized in other comprehensive income.

[Table of Contents](#)

The results and financial position of foreign operations whose functional currency is the currency of a hyperinflationary economy are translated into the presentation currency as follows:

- all amounts (i.e. assets, liabilities, equity items, income and expenses) are translated at the closing rate at the date of the most recent statement of financial position.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities and of borrowings are recognized in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

The following is the detail of the exchange rates of the main currencies used by the Group compared to the USD in the year ended December 31, 2020 and 2019:

	Average rate		Year-end spot rate	
	2020	2019	Dec 31, 2020	Dec 31, 2019
Argentina (ARS/USD)	71.9	48.7	84.1	59.8
Bangladesh (BDT/USD)	84.9	84.4	84.8	85.0
Brazil (BRL/USD)	4.6	3.9	5.2	4.0
Chile (CLP/USD)	730.0	721.3	711.2	748.7
Colombia (COP/USD)	3,354.8	3,265.6	3,432.5	3,277.0
Ecuador (USD/USD)	1.0	1.0	1.0	1.0
Egypt (EGP/USD)	15.8	16.9	15.7	16.0
India (IRN/USD)	72.2	70.5	73.1	71.3
Indonesia (IDR/USD)	13,966.0	14,138.2	14,044.9	13,887.0
Israel (NIS/USD)	3.3	3.6	3.2	3.4
Malta (EUR/USD)	0.8	0.8	0.8	0.8
Mexico (MXN/USD)	19.4	19.2	19.9	18.8
Morocco (MAD/USD)	9.2	9.5	8.9	9.5
Panama (USD/USD)	1.0	1.0	1.0	1.0
Peru (PEN/USD)	3.5	3.3	3.6	3.3
Uruguay (UYU/USD)	39.8	34.8	42.3	37.3

2.4. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid financial instruments with original maturities of three months or less. dLocal classifies as cash equivalents a financial instrument that can be immediately converted into a known amount of cash and the fair value approximates the carrying value. dLocal cash and cash equivalents are measured at amortized cost and are included in current assets due to their short-term nature.

2.5. Financial instruments - initial recognition and subsequent measurement

i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition and subsequently measured at amortized cost, fair value through other comprehensive income ("OCI"), and fair value through profit or loss ("FVPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Table of Contents

Except for trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus transaction costs, in the case of a financial asset not at FVPL. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15-Revenue from Contracts with Customers.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Financial assets as of December 31st, 2020 include cash and cash equivalents, trade and other receivables and quoted debt instruments. Financial assets as of December 31st, 2019 included such assets as well as an investment in a quoted mutual fund that invested in debt securities.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification, which may be (i) financial assets at amortized cost; (ii) financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments); (iii) financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and (iv) financial assets at fair value through profit or loss.

Financial assets at amortized cost

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment.

The Group’s financial assets at amortized cost for 2020 and 2019 include cash and cash equivalents, restricted cash (included in Other Assets) and trade and other receivables which corresponds to receivables fee from merchants originated from transactions through dLocal’s payment and collection platform as well as receivables from payment processors and preferred suppliers.

Financial assets at fair value through profit or loss

Financial assets through profit or loss consist of equity investments that are held for trading, debt securities that do not qualify for measurement at either amortized cost or fair value through other comprehensive income, and equity investments for which the company has not elected to recognize fair value gains and losses through other comprehensive income.

The Group’s financial assets at fair value through profit or loss as of December 31st, 2020 include quoted debt instruments. As of December 31, 2019 this category also included an investment in a quoted mutual fund that invested in debt securities. On disposal of any of the above investments, any gains or losses are recognized in the profit and loss.

Financial assets at fair value through OCI

For debt instruments at fair value through OCI, interest income, foreign exchange gains and losses and impairment losses or reversals are recognized in the statement of comprehensive income and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss. The Group did not hold any financial assets within this category as of December 31st, 2020 or 2019.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to irrevocably present in other comprehensive income subsequent changes in the fair value of its equity investments when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. This election is made on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. The Group did not hold any financial asset within this category as of December 31st, 2020 or 2019.

Derecognition

A financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets, is derecognized when:

- The rights to receive cash flows from the asset expire; or
- dLocal transfers its rights to receive cash flows from the asset or assumes an obligation to pay the received cash flows in full to a third party under a “pass-through” arrangement; and (a) transfers virtually all the risks and benefits of the asset, or (b) neither transfers nor retains virtually all the risks and benefits of the asset, but transfers control of the asset.

When dLocal has transferred its rights to receive cash flows from an asset and has not transferred or retained substantially all the risks and benefits of the asset, this asset is recognized to the extent of dLocal’s continuing involvement in the asset. In such case, dLocal also recognizes an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that dLocal Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of the consideration that dLocal may be required to repay.

ii) *Impairment of financial assets*

dLocal assesses, at the reporting date, if there is objective evidence that a financial asset or a group of financial assets is impaired. The Group recognizes an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss.

ECLs are based on the difference between the cash flows contractually due and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group applies a simplified approach on trade and other receivables in calculating ECLs, therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs and on segmentation of trade receivables. The Group uses historical loss experience in trade receivable and adjusts historical loss rates to reflect information about current conditions and reasonable and bearable forecasts of future economic conditions.

iii) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortized cost or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of amortized cost, net of directly attributable transaction costs.

The Group's financial liabilities as of December 31st, 2020 and 2019 include trade and other payables.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include held-for-trading financial liabilities and financial liabilities designated at fair value through profit or loss at initial recognition.

Financial liabilities are classified as held-for-trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9-Financial Instruments.

Gains and losses on held-for-trading liabilities are recognized in the statement of comprehensive income.

The Group did not have these types of liabilities during 2020 or 2019.

Financial liabilities at amortized cost

After initial recognition, interest-bearing borrowings are subsequently measured at amortized cost, using the effective interest rate ("EIR") method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. This category is the most relevant to the Group.

Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in "Financial expenses" in the statement of comprehensive income.

This category for 2020 and 2019 includes all trade and other payables which represent liabilities for goods and services that have been acquired in the ordinary course of business from suppliers. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

The book value of trade payables approximates their fair value due to their short-term nature.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of comprehensive income.

iv) *Derivative financial instruments*

Derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Group operates in several foreign currencies and consequently is exposed to foreign currency risk. From time to time, the Group uses derivative financial instruments, such as non-deliverable forward currency contracts to reduce exposure to foreign currency risks.

In addition, the Group has an option agreement in place with one shareholder (“Investor”), more fully explained in Note 23: Derivative financial instruments, pursuant to which the Investor has outstanding options to purchase shares that is classified as derivative financial liability instrument at the end of the year. dLocal acts as a guarantor for the obligations assumed by certain shareholders and the liability arises due to the potential issue of shares on a cashless basis

Accordingly, these outstanding derivatives are recognized in the Group’s consolidated balance sheet at fair value through profit or loss, where results and changes in fair value from these contracts are recorded in financial income or loss.

The Group did not apply hedge accounting for its derivative financial instruments in 2020 or 2019.

v) *Fair value of financial instruments*

The Group measures its financial assets at fair value through profit or loss at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 - techniques using inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The Group uses observable market data to the extent possible. For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

vi) *Current versus non-current classification*

The Group presents financial assets and liabilities in the statement of financial position based on current and non-current classification. An asset is current when it is: (i) expected to be realized or intended to be sold or consumed in the normal operating cycle; (ii) expected to be realized within twelve months after the reporting period; (iii) held primarily for the purpose of trading; or (iv) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: (i) it is expected to be settled in the normal operating cycle; (ii) it is due to be settled within twelve months after the reporting period; (iii) it is held primarily for the purpose of trading; or (iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

i) *Financial instruments-offsetting*

Financial assets and liabilities are presented net in the consolidated statement of financial position if, and only if, there is an existing and enforceable legal right to offset the amounts recognized and an intention to offset or to realize the asset and settle the liability simultaneously.

The Group presents trade receivables from fees offset from liabilities with Merchants considering that there is an enforceable legal right to offset and the Group expects to cancel such obligations on a net basis. For further detail refer to Note 26: Offsetting financial assets and financial liabilities.

2.6. Current and deferred income tax

Current and deferred income tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current income tax

Tax assets and liabilities for the current year are calculated based on the expected recoverable amount or the amount payable to the tax authorities on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date in the countries where dLocal operates and generates taxable income.

Current income tax related to items recognized directly in equity are recognized in equity. dLocal periodically evaluates the tax positions involving interpretation of tax regulations and establishes provisions when appropriate.

The Group offsets current tax assets and current tax liabilities against the same tax authority when it has a legally enforceable right to set off current tax assets against current tax liabilities.

Deferred income tax

Deferred income tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred income tax assets and liabilities are recognized for all temporary taxable differences, except in the following situations:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences relating to investments in subsidiaries, associates and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred income tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date and tax loss carryforwards, to the extent that it is probable that taxable profit will be available against which they can be offset.

The carrying amount of deferred income tax assets is reviewed at each reporting date to assess whether it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed, at each reporting date, and are recognized to the extent that it has become probable that future taxable profits will be available to allow their utilization.

2.7. Property, plant and equipment

Property, plant and equipment are stated at historical cost, net of accumulated depreciation and accumulated impairment losses, if any, except for items in this category of the Argentine operations that were adjusted upon IAS 29 requirements as detailed in Note 2.3 Foreign currencies. Historical cost includes expenditures that are directly attributable to the acquisition of the items and the cost of the item is material and can be measured reliably. Repairs and maintenance and all other expenditures are charged to profit or loss during the period in which they are incurred.

Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with these costs will flow to dLocal and that such benefits can be reliably measured. The carrying amount of replaced items or parts is derecognized. All other repairs and maintenance expenses are charged to the statement of comprehensive income during the year in which they are incurred.

The assets’ residual values and useful lives are reviewed at the end of each reporting period, and adjusted on a prospective basis, if appropriate. Depreciation is calculated on a straight-line basis over the estimated useful lives of the asset, as follows:

Computer Equipment	3 years
--------------------	---------

As described in Note 19: Leases, during 2020 the Group signed a contract modification on a lease and incurred in costs for the design and construction of the new offices, such as professional fees of architects and construction suppliers as well as costs of building materials. Such costs were not contingent on obtaining the lease, did not influence the lease contract negotiation and therefore did not qualify as initial direct cost to be included in the right-of -use asset initial measurement. Accordingly, these costs are being recognized as “Work in progress” and will be transferred to a new Property, plant and equipment line item called “Leasehold improvements” when the asset is ready for use. These assets will be amortized using the straight-line method, over the shorter of the estimated useful life of the asset or the remaining term of the lease.

An item of property, plant and equipment is derecognized upon disposal or when future economic benefits are expected from its use or disposal.

Any gain or loss on disposal (calculated as the difference between the net disposal proceeds with the carrying amount of the asset) is recognized within “Other gains- net” in the statement of comprehensive income when an asset is derecognized.

An asset's carrying amount is immediately written down to its recoverable amount when the asset's carrying amount is greater than its estimated recoverable amount. For further information see Note 2.9: Impairment of non-financial assets.

2.8. Intangible assets

Externally acquired intangible assets are initially recognized at cost and subsequently amortized on a straight-line basis over their useful economic lives, up to three years.

dLocal's business is based on digital products and services used to facilitate commercial relationships between international merchants and their customers in emerging markets. dLocal is continuously developing future product releases, enhancements and upgrades to existing software and maintenance oriented to bug fixes for existing products. Internal costs associated with the development of software and projects for which there is a likelihood that future economic benefits will arise are capitalized and amortized over their useful life.

Costs associated with maintaining computer software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by dLocal are recognized as intangible assets. Directly attributable costs relating to internal development of software are capitalized as part of the software product, which mainly includes costs incurred with employees and third-party contracted services.

The expenses capitalized are only related to the development phase and are capitalized only if the Group can demonstrate the following:

- the technological feasibility of completing the intangible asset so that it will be available for use or sale.
- its intention to complete the intangible asset and use or sell it.
- its ability to use or sell the intangible asset.
- how the intangible asset will generate probable future economic benefits.
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Other development expenditures that do not meet the capitalization criteria are expensed as incurred.

Development costs previously recorded as an expense are not recognized as an asset in a subsequent period and are included in the statements of comprehensive income mainly within salaries and wages item. Capitalized computer software development costs are amortized over their estimated useful lives which are reviewed at the end of each reporting period, and adjusted on a prospective basis, if appropriate. dLocal amortizes capitalized software development costs on a straight-line basis over a period of up to three years. Management believes this is a reasonable estimated useful life based on an assessment evaluating expected usage of the asset.

2.9. Impairment of non-financial assets

dLocal considers the ability of the asset to generate future economic benefits related to the internal use of it in the development of dLocal business. The future economic benefits arise from making the service attractive for new or existing merchants, reducing costs by the elimination of unnecessary activities, among others.

An assessment is made at each reporting date to determine whether there is an indication that an asset may be impaired or to determine whether previously recognized impairment losses no longer exist or have decreased. If

any indication exists, the Group estimates the asset's recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The Group did not record an impairment for non-financial assets during 2020 or 2019.

2.10. Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are established for all contingencies related to lawsuits or claims for which it is probable that an outflow of funds will be necessary to settle the contingency/obligation and a reasonable estimate can be made.

The assessment of the likelihood of loss includes the evaluation of available evidence, the hierarchy of laws, available case law, recent court decisions and their importance in the legal system, as well as the opinion of outside legal counsel. The provisions are reviewed and adjusted to reflect changes in circumstances.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

2.11. Share-based payments and warrants

2.11.1. General description - Share-based payments

Share-based compensation benefits are provided to some key employees via dLocal's Employee Share Purchase Plan ("ESPP") composed of the "Ordinary A Share Purchase Agreement and the Share Restriction Agreement" as well as several "Share Option Award Agreements" (together referred to as the "Agreements").

Under these Agreements, some members of the executive management team as defined by the Board of Directors, were granted share options or shares in return for their services to the Group.

dLocal receives services in exchange for its own equity instruments and does not have any obligation to settle the obligation with cash, so the Plan shall be classified as equity settled. The only condition to be met is the delivery of service by the employee during a certain period as defined in the Agreements.

The fair value of options granted under ESPP is measured at grant date and recognized in accordance with the requirements of IFRS 2, as an employee benefits expense, with a corresponding increase in equity.

The total expense is recognized over the vesting period using a graded attribution model, which is the period over which all of the specified vesting conditions are to be satisfied.

When the options are exercised, dLocal issues the shares to the employee. The proceeds received, net of any directly attributable transaction costs, are credited directly to equity.

2.11.2. General description - Warrants

During 2019 the Group issued a warrant (the “Warrant”) to one of its merchants (the “Merchant”) to acquire up to 34,690 ordinary shares exercisable through January 24, 2026 at a purchase price per share of either (1) U.S. Dollars 286.30 or (2) upon any reorganization (including any change of control) of the Company, the lesser of (i) U.S. Dollars 286.30 and (ii) sixty percent (60%) of the price per share paid in or implied by such transaction.

The Warrant is exercisable for ordinary shares, either for cash or on a net issuance basis with no net cash proceeds to the Company. The number of ordinary shares to be issued on a net issuance basis is the quotient obtained by dividing (i) the product of the number of ordinary shares as to which the Merchant exercises the Warrant multiplied by the difference between the fair market value per ordinary share at the time of exercise and the exercise price by (ii) the fair market value per ordinary share at the time of exercise.

The Warrant limits the Merchant’s beneficial ownership to 4.999% of the outstanding ordinary shares unless the Merchant waives this limit upon 61 days’ notice.

Concurrent with the Warrant issuance, the Company and the Merchant entered into a service agreement. The Company has determined the Warrant is (i) a payment to a customer related to a revenue contract under IFRS 15, and (ii) an equity-settled share-based payment under IFRS 2. Accordingly, the fair market value of the Warrant was deducted from revenue at the inception of the service agreement.

2.11.3. Employee Share Purchase Plan (“ESPP”)

Under the Group’s ESPP certain employees can purchase shares subject to a payment defined in their Share Award Agreement.

In November 2020 dLocal Group Limited signed a non-recourse “Loan Agreement” with two officers in order to fund the shares acquisition under the ESPP. The loan amounted to USD 31.5 million, accrues interest at a nominal annual rate of 1.5%.

Considering the substance of this transaction it is accounted as an option plan. In this sense, neither the shares nor the loan, are outstanding until either the options are exercised by paying the exercise price for the shares - i.e. by repaying the loan - or the options expire. Accordingly, until exercise of the options, the shares ‘issued’ to employees are treated as treasury shares and no financial asset for the loan receivable from the employees is recognized until this time.

As of December 31st, 2020, the loan repayment had not started and therefore neither the shares nor the loan, were outstanding.

[Table of Contents](#)

Set out below are summaries of options granted under the plan:

	2020		2019	
	Average exercise price per share option (U.S. Dollars)	Number of options	Average exercise price per share option (U.S. Dollars)	Number of options
As at January 1	607.66	813	210.26	3,804
Granted during the year	1,087.05	33,909	1,089.65	270
Exercised during the year	—	—	(184.00)	(3,261)
As at December 31	1,075.82	34,722	607.66	813
Vested and exercisable at December 31	1,011.69	31,370	368.00	181

No options expired during the periods covered by the above table.

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Grant date	Expiry date	Exercise price	Share options December 31, 2020	Share options December 31, 2019
August 1 st , 2018	August 1 st , 2021	USD 368.00 per A share	543	543
October 1 st , 2019	October 1 st , 2022	USD 1,089.65 per A Share	270	270
January 31 st , 2020	December 31 st , 2024	USD 1,019.00 per A Share	30,918	—
August 24 th , 2020	August 24 th , 2025	USD 1,649.50 per A Share	1,670	—
November 15 th , 2020	November 15 th , 2024	USD 2,076.00 per A Share	270	—
November 23 rd , 2020	November 23 rd , 2026	USD 1,941.00 per A Share	1,051	—
Total			34,722	813
Weighted average remaining contractual life of options outstanding at end of the year			4.02 years	1.98 years

2.11.4. Warrant agreement

Set out below is a summary of the warrants granted:

	2020		2019	
	Average exercise price per share warrant (U.S. Dollars)	Number of warrants	Average exercise price per share warrant (U.S. Dollars)	Number of warrants
As at January 1	286.3	34,690	—	—
Granted during the year	—	—	286.3	34,690
Exercised during the year	—	—	—	—
As at December 31	286.3	34,690	286.3	34,690
Vested and exercisable at December 31	286.3	34,690	286.3	34,690

No warrants expired during the periods covered by the above table.

All warrants expire on January 1, 2026.

2.12. Leases and right of use assets

dLocal recognizes the liability of the future payments and the right of use of the leased asset for virtually all lease contracts, including operating leases. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. Short-term and low-value contracts are recognized as an expense in the Consolidated Statement of Comprehensive Income as they accrue. dLocal's leasing policy is described in detail in Note 19: Leases.

2.13. Equity

Ordinary shares are classified as equity and incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

dLocal calculates and presents basic and diluted earnings per share ("EPS") information for its ordinary shares. The calculation of earnings per share is the following:

- Basic EPS: results from the division of
 - a. Profit for the year attributable to shareholders, by
 - b. the weighted average number of outstanding ordinary shares outstanding during the period.
- Diluted EPS: results from adjusting the Basic EPS for the effects of all dilutive potential ordinary shares which passed on contractual conditions (e.g. vesting). Diluted EPS is calculated as the division of
 - a. Profit for the year attributable to shareholders, by
 - b. the weighted average number of outstanding ordinary shares outstanding during the period, adjusted by dilutive effects.

2.14. Revenue

dLocal provides payment processing services to merchants who conduct business in emerging markets as follows:

- dLocal specializes in local payments so that merchants can reach consumers located in those markets. On a recurring basis merchants and their customers are exchanging goods and services while dLocal provides the payment solution to that relationship. dLocal does not have any obligation to provide such goods or services between the merchant and its customer but is responsible for processing payments through its platform.
- dLocal only processes the payment through its platform when a complete authorization request was made by the merchants. The authorization request shall be made by transmitting the authorization data of the transaction to dLocal.
- dLocal contracts with service providers for the authorization, processing and settlement services performed by payment schemes networks and card issuers.
- dLocal is not responsible for the credit risk or the chargebacks risk of the cardholder (i.e., the merchant customer). The merchant is responsible for the credit checks.

dLocal earns revenues from fees charged to merchants in connection with payment processing services for cross-border and local payment transactions in emerging markets. These fees are primarily generated on a per approved

transaction basis as either a fixed fee per transaction or fixed percentage per transaction. dLocal also earns additional fees on cross-border transactions (i.e., transactions in which the merchant and its customer are in different countries) for which we perform foreign currency conversion and transfer of funds between the merchant home country and the emerging market country where the end user is.

Foreign currency conversion fees are usually determined based on a fixed percentage of the transaction value. dLocal's service offering comprises a single performance obligation to complete payments via its platform for merchants and their customers.

Revenues from contracts with customers are recognized as control of services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services in the ordinary course of Group's activities.

The Group applies the following five steps:

1. Identification of the contract with a client
2. Identification of the performance obligations in the contract
3. Determination of the transaction price
4. Allocation of the transaction price to the performance obligations in the contract
5. Recognition of revenue when or as the entity satisfies a performance obligation

dLocal performs two types of transactions:

- Payins: are transactions where dLocal collects money in local currency in emerging markets countries from the merchant's customers and makes it available for merchants in their requested currency and country, which is often U.S. Dollars or European Euro, after a settlement period. Revenue for this type of transaction is recognized when the authorized transaction is processed (local currency collected from the merchant's customer). This type of revenue is recognized at a point in time.
- Payouts: are transactions where dLocal collects money from its merchants in the countries and currencies of preference and then disburses money in local currency in emerging markets countries to the merchant's customers. Revenue for this type of transaction is recognized upon completing the payout of an authorized transaction in local currency. This type of revenue is recognized at a point in time.

Our contracts with merchants are usually open-ended and can be terminated by either party without a termination penalty after the notice period has lapsed. Our contracts are, therefore, defined at the transaction level and do not extend beyond the service already provided.

Revenue from contracts with merchants comprises:

2.14.1. Transaction revenues

We recognize fees charged to merchants as transaction revenue and fees we incur in processing payments as cost of services. Fees earned from merchants are presented as revenue due to the following considerations which indicate we control the payment processing services:

- We bear primary responsibility to merchants for the fulfillment of the payment service.
- We contract directly with merchants and there is no contractual relationship between merchants and payment processors (i.e., our service providers).
- We have independently negotiated arrangements with payment processors.

- Our established fees are independent of the costs we incur from payment processors and we, therefore, have full margin risk for each transaction.
- In cross border transactions, we or the merchants may bear foreign exchange risk depending on each agreement. The foreign currency conversion fees charged to merchants are based on a fixed fee per transaction or fixed percentage of the transaction value. The risk of foreign currency fluctuation, when applicable, occurs from the time the transaction is authorized until we collect the money from the processor (for payins) and from the time we receive the money from the merchant until we convert the money to local currency (for payouts).
- We bear credit risk from the agents and third-party processors, acquirers and collection agents for the payment settlement. These processors collect funds from consumers' financial institutions and are required to pay the proceeds from these transactions. dLocal is not insured against credit losses. If a processor or acquirer becomes insolvent, files for bankruptcy, commits fraud or otherwise fails to pay amounts owed to dLocal when due, dLocal must nonetheless process the payment transaction for the benefit of merchants and end consumers. Merchants are liable for any charges properly reversed by the card issuer on behalf of the cardholder.

Transaction revenues are recognized as revenue at a point in time when an authorized payment transaction is processed.

2.14.2. Other revenues

Other revenues are mainly composed of minor fees, such as an initial setup fee, installment fee, minimum monthly fee, charge backs fee, refunds fee and small transfer fees. Other revenues are recognized at a point in time when the respective performance obligation is satisfied.

2.15. New accounting pronouncements

The accounting policies and methods of computation adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group annual consolidated financial statements for the year ended December 31, 2019.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. A number of new or amended standards became applicable for the current reporting period. The Group did not change its accounting policies or make retrospective adjustments as a result of new accounting standards made applicable on January 1, 2020.

The qualitative impact assessment of the first-time application on January 1, 2020 of new amendments is disclosed below:

Effective for Periods beginning on or after January 1, 2020

The following new standards have been issued by IASB and are effective for the twelve-month ended December 31, 2020. As required by IAS 8, the nature and effect of these changes are disclosed below. Those changes, however, did not have material impacts on the consolidated financial statements.

Definition of Material - Amendments to IAS 1 and IAS 8

The IASB has made amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors which use a consistent definition of materiality throughout International Financial Reporting Standards and the Conceptual Framework for Financial Reporting, clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information.

In particular, the amendments clarify:

- that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and
- the meaning of ‘primary users of general-purpose financial statements’ to whom those financial statements are directed, by defining them as ‘existing and potential investors, lenders and other creditors’ that must rely on general purpose financial statements for much of the financial information they need.

Management has performed an assessment and did not identify any material impacts to date. Therefore, changes to standards or new pronouncements applicable to the years presented in the consolidated financial statements were not relevant to the Group, for retrospective disclosure and disclosure of amounts.

Definition of a Business – Amendments to IFRS 3

The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term ‘outputs’ is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020. These amendments had no impact on the consolidated financial statements.

Interest Rate Benchmark Reform – Amendments to IFRS 7, IFRS 9 and IAS 39

The amendments made to IFRS 7 *Financial Instruments: Disclosures*, IFRS 9 *Financial Instruments* and IAS 39 *Financial Instruments: Recognition and Measurement* provide certain reliefs in relation to interest rate benchmark reforms.

The reliefs relate to hedge accounting and have the effect that the reforms should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement.

An entity applies the amendments for annual reporting periods beginning on or after 1 January 2020. When the entity first applies those amendments, it applies them to the hedges involving IBOR-based contracts consequences recognized on or after the beginning of the earliest comparative period. As the Group does not have this kind of contract, the amendment did not have an impact on the consolidated financial statements.

Revised Conceptual Framework for Financial Reporting

The IASB has issued a revised Conceptual Framework which will be used in standard-setting decisions with immediate effect. Key changes include:

- increasing the prominence of stewardship in the objective of financial reporting
- reinstating prudence as a component of neutrality
- defining a reporting entity, which may be a legal entity, or a portion of an entity
- revising the definitions of an asset and a liability
- removing the probability threshold for recognition and adding guidance on derecognition
- adding guidance on different measurement basis, and

- stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.

No changes will be made to any of the current accounting standards.

All the amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

COVID-19-Related Rent Concessions – Amendment to IFRS 16

As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. The Group has early adopted COVID-19-Related Rent Concessions – Amendment to IFRS 16 issued on 28 May 2020 by the International Accounting Standards Board (“IASB”). This amendment provides a practical expedient for leases in which the Group is as lessee.

Under the practical expedient, lessees are not required to assess whether eligible rent concessions are lease modifications, and instead are permitted to account for them not as lease modifications. Rent concessions are eligible for the practical expedient if they occur as a direct consequence of the COVID-19 pandemic and if all the following criteria are met:

- The change in lease payment results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- Any reduction in lease payment affects only payment originally due or before 30 June 2021; and
- There is no substantive change to the other terms and conditions of the lease.

The amendment is effective for annual periods beginning on or after June 1, 2020. Early application is permitted. The Group has applied the amendment retrospectively consistently to eligible rent concessions. The amendment has no impact on retained earnings on January 1, 2020.

The Group applied this practical expedient in relation to a negotiation held in one lease agreement that resulted in a discount of USD 50.

3. Accounting estimates and judgments

Accounting estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Based on assumptions, dLocal makes estimates concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The main estimates and assumptions are addressed below:

3.1. Deferred income tax

dLocal recognizes deferred income tax based on future taxable profit estimates for the next five years using significant judgment from management to determine the amount of deferred tax assets that can be recognized, based on the likely timing and level of future taxable profits, together with future tax planning strategies. These projections are periodically reviewed and approved by management.

3.2. Provisions

dLocal recognizes provisions for labor lawsuits and claims. The assessment of the probability of a past event that gives rise to a present obligation of labor lawsuits and claims includes assessing the available evidence and jurisprudence, the hierarchy of laws and most recent court decisions. In order to conclude that assessment, management applies its professional judgment also based on its legal advisors' opinion.

Provisions are reviewed and adjusted to consider changes in circumstances such as the applicable limitation period, findings of inspections and additional exposures identified based on new issues or court decisions.

3.3. Share-based payment transactions to employees and warrant agreement

dLocal estimates share-based payment transactions and warrant agreements using the most appropriate valuation model and underlying assumptions, which depend on the terms and conditions of the grant and the information available at the grant date.

The Group uses certain methodologies to estimate fair value of the options and warrants granted which include the following:

- estimation of fair value based on equity transactions with third parties close to the grant date;
- other valuation techniques including option pricing models such as Black-Scholes.

These estimates also require determination of the most appropriate inputs to the valuation models including assumptions regarding the expected life of a share option and warrants or appreciation right and expected volatility of the price of the Group's shares.

The model inputs for options granted during the year ended December 31, 2020 included:

- options are granted for no consideration and vest based on historical prices of comparable shares listed on Nasdaq. Vested options are exercisable for a period of five years after vesting.
- average exercise price: 1,087.05 U.S. Dollars
- grant date: January 31st, August 24th, November 15th and November 23rd.
- expiry date: December 31st, 2024, August 24th, 2025, November 15th, 2024 and November 23rd, 2026.
- average share price at grant date: 1,176,97 U.S. Dollars
- average expected price volatility of the company's shares: 36.9%
- average risk-free interest rate: 1.4%

The model inputs for options granted during the year ended December 31, 2019 included:

- options are granted for no consideration and vest based on Exponentially Weighted Moving Average (EWMA) of comparable shares listed on Nasdaq. Vested options are exercisable for a period of three years after vesting
- average exercise price: 1,089.65 U.S. Dollars
- grant date: October 1st, 2019
- expiry date: October 1st, 2022
- share price at grant date: 1, 019.00 U.S. Dollars
- expected price volatility of the company's shares: 45.65%
- risk-free interest rate: 1.49%

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility based on publicly available information.

The model inputs for the warrants granted during the year ended December 31, 2019 included:

- warrants are granted for no consideration and vest based on Exponentially Weighted Moving Average (EWMA) of comparable shares listed on Nasdaq.

- (b) average exercise price: 286.30 U.S. Dollars
- (c) grant date: January 24, 2019
- (d) expiry date: January 24, 2024
- (e) share price at grant date: 286.30 U.S. Dollars
- (f) expected price volatility of the company's shares: 40.02%
- (g) risk-free interest rate: 2.66%

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility based on publicly available information.

During 2020 the Group did not grant warrants.

3.4. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash models.

The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

3.5. Derivative financial instruments

dLocal estimates the fair value of derivative financial instruments using the most appropriate valuation model and underlying assumptions, which depends on the terms and conditions and the information available.

These estimates require determination of the most appropriate inputs to the valuation techniques including assumptions regarding the expected life of a derivative financial instrument or appreciation right and expected volatility of the price of the Group's shares.

The model inputs for measuring the fair value of the derivative financial liability instrument during the year ended December 31, 2020 included:

- (a) options are granted for no consideration and vest based on historical prices of comparable shares listed on Nasdaq. Vested options are exercisable for a period of two years after the date of the agreement.
- (b) average exercise price: 2,075.52 U.S. Dollars
- (c) measurement date: December 31, 2020
- (d) expiry date: December 16, 2021
- (e) average share price at grant date: 2,075.00 U.S. Dollars
- (f) average expected price volatility of the company's shares: 46.14%
- (g) average risk-free interest rate: 0.19%

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility based on publicly available information.

4. Consolidation of subsidiaries

dLocal Group Limited, located in Malta, is the parent company of the Group and acts as a holding company for subsidiaries whose main activity is cross-border payments, enabling international merchants to access end customers in emerging markets. Its revenue comes from dividends receivable from subsidiaries and share of profit from subsidiary partnership.

The immediate subsidiaries of dLocal Group Limited are: dLocal Markets Limited, dLocal PTE Limited, dLocal Limited, dLocal LLP, dLocal Corp LLP, dLocal Inc. and dLocal Technologies S.A.

dLocal Markets Limited (Malta) is the majority shareholder of the Collection Agents located in the emerging markets. Its principal activity is to act as a holding company for such Collection Agents.

The immediate Collection Agents subsidiaries of dLocal Markets Limited are: dLocal Israel Ltd, Dlocal Brasil Pagamentos Ltda., Demerge Brasil Facilitadora de Pagamentos Ltda., Dlocal Argentina S.A., Demerge Mexico S.A. de C.V., Dlocal Mexico S.A. DE C.V., Dlocal Chile SPA, Pagos y Servicios Limitada, Dlocal Colombia S.A.S., Demerge Colombia S.A.S., Demerge Peru S.A.C., Dlocal Peru S.A.C., Depansum Solutions Private Limited, Dlocal Uruguay SA., Demerge Ecuador S.A., PT. Dlocal Solutions Indonesia, DLocal Bangladesh Ltd., Dlocal Egypt LLC, DLocal Morocco SARL AU, Demerge Nigeria Ltd. and Dlocal Panama SA.

As of December 31, 2020 and 2019 dLocal PTE Limited (Singapore) was the minority-interest shareholder of the following Collection Agents: dLocal Argentina S.A., dLocal Bangladesh Ltd., dLocal Brasil Pagamentos Ltda., Demerge Brasil Facilitadora de Pagamentos Ltda., PT. dLocal Solutions Indonesia, Demerge Nigeria Ltd. and dLocal Egypt LLC. Its principal activity is to act as a holding company for Collection Agents of countries where the law requires the existence of more than one shareholder.

dLocal Limited (Malta), dLocal LLP (UK) and dLocal Corp LLP (UK) act as Payment Providers within the structure of the Group. These companies provide payment processing services to international merchants and work with Collection Agents based on the emerging markets. Payment Providers sign “Payment Processing Services Agreements” with merchants to enable them to accept and disburse payments in emerging markets.

Twenty-one subsidiaries of the Group act as Collection Agents based on each country targeted by dLocal and provide the Payment Providers with payment and collection services in the local currency of each country.

dLocal Technologies S.A. (Uruguay) and dLocal Israel Ltd. act as Service Providers within the structure of the Group. These companies provide technological and support services to the Payment Providers.

The Group evaluated whether to reveal additional information for the amount of non-controlling interest presented in the Consolidated Statement of Financial Position. The Group’s management based its judgement on information for each subsidiary that had a non-controlling interest and considered both quantitative considerations (i.e. the size of the subsidiary) and qualitative considerations (i.e. the nature of the subsidiary), concluding that revealing that information is not material.

5. Segment reporting

The Group operates in a single operating segment, which is “payment processing”. Operating segments are defined as components of an enterprise for which separate financial information is regularly evaluated by the chief operating decision maker, who in the Group’s case is the Executive Team, in deciding how to allocate resources and assess performance. The Executive Team is composed of the Chief Executive Officer (“CEO”), the Chief Operating Officer (“COO”), the Chief Financial Officer (“CFO”) and the Chief Technology Officer (“CTO”).

Table of Contents

The Executive Team evaluates the Group's financial information and resources and assess the financial performance of these resources on a consolidated basis on the basis of Revenues, Adjusted EBITDA and Adjusted EBITDA margin as further described below.

The Group's revenue, results and assets for this one reportable segment can be determined by reference to the Consolidated Statement of Comprehensive Income and Consolidated Statement of Financial Position.

As required by IFRS 8 Operating Segments, below are presented applicable entity-wide disclosures related to dLocal's revenues.

Revenue breakdown by region

The Group's revenues arise from operation in more than twenty countries, where the merchant customers are based.

Based on the region where payments from /to such customers are processed this is the revenue breakdown:

	2020	YoY%	2019
LatAm ¹	93,124	82.2%	51,103
Other emerging markets	11,019	163.2%	4,186
Revenues ²	104,143	88.4%	55,289

¹ In 2019 LatAm revenues contains the warrant negative effect of USD 4,333 as more fully explained in Note 2.11.4. Warrant agreement.

² The Group's revenues from customers attributed to the entity's country of domicile, are USD 57,897 while USD 46,246 are attributed to the domicile of the rest of the countries (USD 36,413 and USD 18,876 in 2019, respectively).

Revenue with large customers

During fiscal year 2020 the Group operated with more than 330 merchants (more than 190 merchants in the year ended December 31, 2019).

For the year ended December 31st, 2020, the Group's revenue from its top 10 merchants represented 64% of revenue (70% of revenue in the year ended December 31, 2019). In 2020 there are two customers (one in 2019) that on an individual level accounted for more than 100% of the total revenue.

Adjusted EBITDA and Adjusted EBITDA Margin

The Executive Team assesses the financial performance of the Group's sole segment by Revenues, Adjusted EBITDA and Adjusted EBITDA Margin. The Adjusted EBITDA is defined as the consolidated profit from operations before financing and taxation for the year or period, as applicable, before depreciation of property, plant and equipment, amortization of right-of-use assets and intangible assets, and further excluding the changes in fair value of financial assets and derivative financial instruments carried at fair value through profit or loss, impairment gain/loss on financial assets, transaction costs, share-based payment non-cash charges, secondary offering expenses and inflation adjustment. The Group defines Adjusted EBITDA Margin as the Adjusted EBITDA divided by consolidated revenues.

Table of Contents

The Group reconciles the segment's performance measure to profit for the year as presented in the Consolidated Statement of Comprehensive Income as follows:

	Note	December 31, 2020	December 31, 2019
Profit for the year		28,187	15,602
Income tax expense	12	3,231	2,221
Inflation adjustment	11	(38)	(10)
Interest charges on leases	11	20	30
Other financial income	11	(50)	(6)
Interest income from financial assets at FVPL	11	(443)	(217)
Fair value gains on financial assets at FVPL	11	(9)	(56)
Other operating loss	23	2,896	—
Other finance expense	11	47	—
Impairment (gain) / loss on financial assets	16	(808)	807
Depreciation and amortization	10	992	409
Secondary offering expenses (i)	8	453	574
Transaction costs (ii)	8	158	—
Share-based payment non-cash charges	13	7,295	716
Adjusted EBITDA		41,931	20,070
Revenues	6	104,143	55,289
Adjusted EBITDA		41,931	20,070
Adjusted EBITDA Margin		40.3%	36.3%

- (i) Corresponds to expenses assumed by dLocal in relation to a secondary offering of its shares.
(ii) Corresponds to costs related to the acquisition of PrimeiroPay as more fully explained in Note 32: Subsequent events.

6. Revenues and Cost of Services

(a) Revenue and Gross profit description

dLocal derives revenue from processing payments for international merchants to enable them to operate in selected emerging markets.

The breakdown of revenue from contracts with customers per type of service is as follows:

	2020	2019
Transaction revenues (i)	98,490	52,048
Other revenues (ii)	5,653	3,241
Revenues from payment processing (iii)	104,143	55,289
Cost of services	(44,065)	(19,413)
Gross profit	60,078	35,876

- (i) Transaction revenues are comprised of transaction fees, defined either as percentage of the transaction value or a fixed amount per transaction, as well as foreign exchange service fee, usually established as a percentage of the transaction value. These fees are recognized as revenue at a point in time when a payment transaction has been processed.
(ii) Other revenues are mainly comprised of minor fees, such as initial setup fees, installment fee, minimum monthly fees, chargebacks fees, refunds fees and small transfer fees.

[Table of Contents](#)

- (iii) In 2019, total revenues include a non-cash reduction of USD 4,333 related to warrants issued during 2019 with its counterparty recognized in Capital Reserve, in 2020 there were no impact for this item. For further detail refer to Note 2.11.4 Warrant agreement. In 2020 revenues include an amortization charge of USD 67 related to prepaid assets, as detailed in Note 17: Other assets.

(b) Revenue recognized at a point in time and over time

Transaction revenues are recognized at a point in time when the payment transaction is processed. Other revenues are recognized as revenue at a point in time when the respective performance obligation is satisfied. The Group did not recognize revenues over time during 2020 and 2019.

(c) Cost of services

Cost of services are composed of the following:

	2020	2019
Processing costs (i) (1)	41,655	18,346
Hosting expenses (ii)	1,257	696
Salaries and wages (iii)	497	196
Amortization of intangible assets (iv)	656	175
Cost of services	44,065	19,413

- (i) Mainly corresponds to fees that financial institutions (banks, local acquirers or payment methods) charge the Group, which are typically a percentage of the transaction value but in some instances, it also could be a fixed fee and are related to payment processing, cash advances, and installment payments. It varies from one institution to another and usually depends on the settlement period contracted with each such institution and the payment method used.
- (ii) Expenses related to hosting services for the Group's payment platform.
- (iii) Consist of salaries and wages of the operations department directly involved in the day-to-day operations. For further detail refer to Note 9: Employee Benefits.
- (iv) Amortization of intangible assets corresponds to the amortization of the internally generated software (i.e., d.Local's payment platform) by the Group. For further detail refer to Note 20: Intangible Assets.

(1) For 2020, it includes foreign exchange losses of USD 2,977 on the processed volume between the processing date and the expatriation or repatriation of funds date (2019 represented a gain of USD 608).

7. Technology and development expenses

Technology and development expenses are composed of the following:

	2020	2019
Salaries and wages (i)	1,072	596
Software licenses (ii)	292	286
Infrastructure expenses (iii)	298	207
Information and technology security expenses (iv)	161	145
Other technology expenses	182	113
Total Technology and development expenses	2,005	1,347

- (i) Consist primarily of FIE's compensation related to product and technology development. For further detail on total salaries and wages refer to Note 9: Employee Benefits.
- (ii) Consist of software licenses exclusively used by the technology development department for the development of the platform.

[Table of Contents](#)

- (iii) Corresponds to information technology costs to support our infrastructure and back-office operations.
- (iv) Comprises expenses of overall monitoring and security of our network and platform.

8. Sales and marketing expenses and General and administrative expenses

Sales and marketing expenses and General and administrative expenses are composed of the following:

<i>Sales and marketing expenses</i>	2020	2019
Salaries and wages (i)	2,518	1,554
Marketing expenses (ii)	334	503
Total Sales and marketing expenses	2,852	2,057
<i>General and administrative expenses</i>	2020	2019
Salaries and wages (iii)	14,009	6,759
Third-party services (iv)	3,615	1,823
Office expenses (v)	1,325	2,409
Travel and accommodation expenses	928	2,268
Amortization and depreciation (vi)	336	235
Other operating expenses (vii)	1,975	607
Total General and administrative expenses	22,188	14,101

- (i) Salaries and wages related to FIE's engaged in Sales and marketing department of the Group. For further detail on total salaries and wages refer to Note 9: Employee Benefits.
- (ii) Expenses related to the distribution and production of marketing and advertising campaigns mostly related to public relations expenses, commissions to third-party sales force and partners and expenses incurred in relation to trade marketing at events.
- (iii) Salaries and wages related to administrative FIE's. For further detail on total salaries and wages refer to Note 9: Employee Benefits.
- (iv) This includes Advisors' fees, Legal fees, Auditors' fees, Marketing fees and Human resources fees. Third-party services also include USD 453 of Secondary offering expenses (USD 574 in 2019) and USD 158 of Transaction costs.
- (v) Consist of office rent and related expenses.
- (vi) Corresponds to amortization of right-of-use assets as well as depreciation of property, plant and equipment. For further detail on total amortization and depreciation charges refer to Note 10: Amortization and Depreciation.
- (vii) This mainly includes expenses related to bank charges, taxes and other operating expenses.

9. Employee Benefits

As at December 31, 2020 the Group 's fulltime equivalents (FIE's) were 310 (189 in the year ended December 31, 2019) where 38% corresponded to information technology engineers (39% in the year ended December 31, 2019).

Employee benefits is composed of the following:

	2020	2019
Salaries, wages and contractor fees (i)	13,785	9,884
Share-based payments (ii)	7,295	716
Total employee benefits	21,080	10,600

[Table of Contents](#)

- (i) Salaries, wages and contractor fees includes social security costs as well as annual bonuses compensations. This line also includes USD 2,984 (USD 1,494 in the year ended December 31, 2019) related to capitalized salaries and wages.
- (ii) The share-based payments relate to equity-settled compensation expenses. For further information refer to Note 2.11: Share-based payments and warrants.

10. Amortization and Depreciation

Amortization and depreciation expenses are composed of the following:

	2020	2019
Amortization of intangible assets	656	175
Right-of-use asset amortization	181	181
Depreciation of Property, plant & equipment	155	53
Total Amortization and Depreciation	992	409

For further information related to depreciation of Property, plant and equipment refer to Note 18: Property, Plant and Equipment related to amortization of right-of-use assets refer to Note 19: Leases, and related to amortization of intangible assets refer to Note 20: Intangible Assets.

11. Other results

Other results is composed of the following categories:

	2020	2019
Interest Income from Financial Instruments (i)	443	217
Fair value gains of financial assets at FVPL (i)	9	56
Other finance income (ii)	50	6
Finance income	502	279
	2020	2019
Interest charges for lease liabilities (iii)	(20)	(30)
Other finance expense	(47)	—
Finance costs	(67)	(30)
Inflation adjustment (iv)	38	10
Other results	473	259

- (i) Corresponds to interests and fair value gains from financial assets measured at fair value through profit and loss. dLocal invested in debt instruments during 2020 that generated interest income of USD 427 (USD 217 in 2019). For further information refer to Note 15: Financial assets at fair value through profit or loss.
- (ii) Due to the effects of the COVID-19 pandemic the Group agreed with the lessor of the office at WTC Free Zone to have an exoneration of three-monthly installments that amounted to USD 50.
- (iii) Interest charges for lease liabilities correspond to the application of IFRS 16 Leases. For further information refer to Note 19: Leases.
- (iv) Following IAS 29 requirements, Argentina's economy is considered hyperinflationary. In this sense, the financial statements of subsidiary dLocal Argentina was restated to reflect the purchasing power of the currency and therefore a gain on net monetary position arose.

12. Income Tax

The charge for current taxation is calculated at the following income tax rates on the taxable profit for the year for the various countries in which the Group operates:

Malta	35%(*)	-Uruguay	25%
United Kingdom	19%(**)	-Israel	23%
Brazil	34%(***)	-Mexico	30%
Colombia	33%	-India	25%
Argentina	30%	-Chile	27%
Ecuador	25%	-Peru	29.5%
		Morocco	31%

- (*) dLocal Limited is subject to corporate tax at the rate of 35% on the worldwide income and capital gains. However, upon a distribution of dividends the 1-fultese holding company, is enabled to receive a refund of 617 of the tax paid by its subsidiaries resulting in an effective income tax of 5%.
- (**) The profits registered by the UK partnership are tax transparent. No charge for current taxation has been made in the other subsidiaries because of the losses incurred in such subsidiaries.
- (***) Composed of IRPJ (Imposto de Renda de Pessoa Juridica) at the rate of 25% and CSLL (Contribuiyao Social sobre o Lucro Liquido) at the rate of 9%.

The income tax charge recognized in profit and losses is the following:

Current Income Tax	2020	2019
Current Income Tax on profits for the year	(3,172)	(2,237)
Total Current Income Tax expense	(3,172)	(2,237)
Deferred income tax	2020	2019
Increase in deferred income tax assets	200	16
Increase in deferred income tax liabilities	(259)	—
Total Deferred income tax (expense) / benefit	(59)	16
Income Tax expense	(3,231)	(2,221)

Deferred Tax Assets

The balance comprises temporary differences attributable to:

	2020	2019
Tax Losses	98	—
Accrued Liabilities	81	7
Exchange differences	14	9
Other	23	—
Total	216	16

Movements:

	Tax Losses	Accrued Liabilities	Exchange Differences	Other	Total
At January 1, 2020	—	12	4	—	16
(charged) / credited to profit & loss	98	67	10	25	200
At December 31, 2020	98	79	14	25	216

[Table of Contents](#)

Deferred Tax Liabilities

The balance comprises temporary differences attributable to:

	2020	2019
Accrued receivables	259	—
Total	259	—

Movements:

	Accrued Liabilities	Total
At January 1, 2020	—	—
(charged) / credited to profit & loss	259	259
At December 31, 2020	259	259

Reconciliation of effective tax rate

The effective Income Tax rate of dLocal for fiscal year 2020 was 10.3% (12.5% in the year ended December 31, 2019) and differs from the statutory rate in Malta of 35% as follows:

	2020	2019
Profit before Income Tax	31,418	17,823
Tax at the domestic rates applicable to profit before income tax in the respective jurisdiction	(4,718)	(1,246)
Permanent differences:		
Tax effect of non-taxable income	8,489	2,929
Tax effect on income tax refund on dividends	(2,197)	(1,747)
Tax effect of non-allowable expenses	(4,254)	(2,321)
Other permanent differences	(551)	164
Total Income Tax Expense	(3,231)	(2,221)

13. Capital Management

(a) Share capital and capital reserve

Authorized shares, as well as issued and fully paid up shares, are presented below:

	2020		2019	
	Amount	USD	Amount	USD
Authorized Shares of USD 1.1211 each				
Class A Ordinary Shares	618,363	693	570,381	639
Class C Ordinary Shares (i)	—	—	7,338	8
	618,363	693	577,719	647
Issued and Fully Paid Up Shares of USD 1.1211 each (ii)				
Class A Ordinary Shares	537,196	602	536,141	601
Class C Ordinary Shares	—	—	1,055	1
	537,196	602	537,196	602

	2020		2019	
	Amount	USD	Amount	USD
Share Capital evolution				
Share Capital as at January 1	537,196	602	524,999	588
Issue of ordinary shares (ii)			12,197	14
Share Capital as at December 31	537,196	602	537,196	602

- (i) On December 2020, 7,338 Class C Ordinary Shares were converted into Class A Ordinary Shares (31,794 Class B Ordinary Shares and 4,347 Class C Ordinary Shares were converted into Class A Ordinary Shares on December 2019).
- (ii) Shares issued during the year of 2019 corresponded to 7,881 Class B Ordinary Shares and 4,316 Class C Ordinary Shares, for a nominal value of U.S. Dollars 1.1211.

Class A Ordinary Shares have a right to dividends from the distributable profits of the Group from the date the shares are issued, have voting rights as well as the right to appoint the Directors. Class C Ordinary Shares had the right to dividends from the distributable profits of the Group from the date the shares are issued.

The Capital reserve corresponds to reserves related to the share-based plans, as described in Note 2.11: Share-based payments and warrants.

(b) Capital Reserve

This reserve is related to share-based payment compensation plans of the Group.

The following table shows a breakdown of the consolidated statement of financial position line item 'Capital Reserves' and the movements in these reserves during the year.

Balance as at January 1, 2019	238
Share-based payments charges	5,049
Balance as at December 31, 2019	5,287
Share-based payments charges	7,295
Balance as at December 31, 2020	12,582

(c) Reserves

The reserves for the Group relate to cumulative translation adjustment representing differences on conversion of assets and liabilities at the reporting date.

The following table shows a breakdown of the consolidated statement of financial position line item 'Reserves' and the movements in these reserves during the year.

	Cumulative translation adjustment
Balance as at January 1, 2019	(13)
Movement of reserves	27
Balance as at December 31, 2019	14
Movement of reserves	105
Balance as at December 31, 2020	119

(d) Retained Earnings

Movements in retained earnings were as follows:

Balance as at January 1, 2019	12,858
Comprehensive income for the year	15,602
Distribution of retained earnings	(10,000)
Balance as at December 31, 2019	18,460
Comprehensive income for the year	28,126
Transaction between shareholders	163
Distribution of retained earnings	(15,000)
Balance as at December 31, 2020	31,749

(e) Earnings per share

dLocal calculates basic and diluted earnings per share as stated in Note 2.13: Equity.

The next table presents the information used as base for such calculation:

	2020	2019
Profit attributable to ordinary shareholders (U.S. Dollars)	28,186,840	15,602,193
Weighted average number of common shares	537,196	532,773
Adjustments for calculation of diluted earnings per share ³	32,484	18,119
Weighted average number of ordinary shares for calculating diluted earnings per share	569,680	550,892
Basic earnings per share	52.5	29.3
Diluted earnings per share	49.5	28.3

³ As of December 31, 2020, corresponds to the dilutive effect of i) 27,956 average shares related to share-based payment warrants; and ii) 4,528 average shares related to share-based payment plans with employees (16,983 and 1,136, respectively for the year ended December 31, 2019).

14. Cash and cash equivalents

Cash and cash equivalents breakdown is presented below:

	2020	2019
Own Balances	43,684	6,880
Merchant Clients Funds	68,049	27,885
	111,733	34,765

As at December 31, 2020, USD 111,733 (USD 34,765 on December 31, 2019) represents cash on hand, demand deposits with financial institutions and other short-term liquid financial instruments.

Own Balances corresponds to cash and cash equivalents of the Group while Merchant Clients Funds corresponds to freely available funds collected from the merchant customers, that can be invested in secure, liquid low-risk assets until they are transferred to the merchants in accordance with the agreed conditions with them.

15. Financial assets at fair value through profit or loss*(a) Classification of financial assets at fair value through profit or loss*

Financial assets include the following:

	2020	2019
Debt instruments	8,319	13,393
Other financial instruments	—	2,006
	<u>8,319</u>	<u>15,399</u>

Debt instruments are quoted in traded markets while Other financial instruments for 2019 corresponded to an investment in a quoted mutual fund that invested in debt securities.

For further information referred to accounting policies see Note 2.5 Financial instruments-initial recognition and subsequent measurement and related to fair value hierarchies see Note 30: Fair value hierarchy.

(b) Amounts recognized in profit or loss

During the year, the following gains/(losses) were recognized in profit or loss:

	2020	2019
Fair Value Movement transferred to profit and loss	9	56
At End of Year	<u>9</u>	<u>56</u>

(c) Risk exposure and fair value measurements

Information about the Group's exposure to price risk is provided in Note 29: Financial risk management.

16. Trade and Other Receivables

Trade and Other Receivables of the Group are composed of the following:

	2020	2019
Trade receivables	67,553	25,250
Loss allowance	(341)	(807)
Trade receivables net	67,212	24,443
Advances and other receivables	5,573	1,496
	<u>72,785</u>	<u>25,939</u>

Trade Receivables correspond to uncollateralized gross amounts due from acquirers, processors, merchants and preferred suppliers for services performed that will be collected in less than one year, so they are classified as current. No financial assets are past due except for some trade receivables. All Trade and other receivables are categorized as within "normal" credit risk rating.

[Table of Contents](#)

Loss allowance and impairment losses

The following table presents the evolution of the loss allowance:

	2020	2019
Opening book value as at January 1	(807)	—
Increase in loss allowance for trade receivables	(232)	(160)
Receivables written off as uncollectible	—	(647)
Reversals for decrease in loss rate	698	—
Total as at December 31	(341)	(807)
Net impairment gain/(loss) on financial assets(i)	808	(807)

(i) 2020 includes a write-off reversal of USD 342 charged directly to the Statement of Comprehensive Income related to Trade receivables.

As disclosed in Note 2.5 Financial instruments-initial recognition and subsequent measurement, the Group applies the simplified approach to determine expected credit losses on trade receivables.

To measure the expected credit losses, trade and other receivables have been grouped based on shared credit risk characteristics and the days past due (only 0-30 past due bucket as of December 31st, 2020 and 2019 because there are no other material buckets of the outstanding receivables).

The expected loss rates are based on the payment profiles of debtors over a period of 36 months before year end and the corresponding historical credit losses experienced within this period. The historical loss rate is adjusted to reflect current and forward-looking information on credit risk ratings of the countries in which the Group sells its services which affects the ability of the debtors to settle the receivables. On that basis, the expected credit loss rate of the 0-30 past due bucket was determined at 0.5% (0.6% in the year ended December 31, 2019).

For further information refer to Note 29: Financial risk management- Impairment of financial assets.

Advances and other receivables include payments made in advance as well as tax credits.

17. Other Assets

Other assets are composed of the following:

Current	2020	2019
Money held in escrow for: (i)	1,070	1,017
-Payment Processing Service Agreements	859	786
-Requirements for other processors	80	130
- Credit card requirements	131	101
Rental guarantees	95	96
Capitalized transaction costs (ii)	302	—
Prepaid assets (iii)	550	—
Total current Other Assets	2,017	1,113
Non-current		
Prepaid assets (iii)	143	—
Total non-current Other Assets	143	—

(i) Comprises money held in escrow in order to constitute a fund required by processors.

- (ii) Corresponds to costs related to a potential offering process, only associated to primary offering costs.
- (iii) In 2020 the Group signed with a Merchant a letter of agreement (the “Agreement”) where the Group agreed to pay USD 400 to the Merchant in exchange of a minimum amount of revenue in the period between August 24th, 2020 and September 30th, 2022. During 2020 this asset was reduced in USD 67 and accounted for as a reduction of revenues. Additionally, the Group signed an agreement with another Merchant where the Group agreed to pay USD 360 to the Merchant in exchange of a minimum amount of revenue during 2021 and for being retained as the provider of at least the 900/o of the transacted volume in all markets where d.Local offers a complete payment solution in the same. This asset will be reduced against revenues during 2021.

18. Property, Plant and Equipment

Property, Plant and Equipment of the Group correspond to computer equipment that is stated at cost less accumulated depreciation.

	2020			2019
	Computer Equipment	Work in Progress	Total	Computer Equipment
Cost	255	—	255	102
Accumulated depreciation	(63)	—	(63)	(10)
Opening book value, January 1	192	—	192	92
Additions	390	486	876	152
Disposals	—	—	—	—
Depreciation of the year	(155)	—	(155)	(53)
Total as at December 31	427	486	913	191
Cost	645	486	1,131	254
Accumulated depreciation	(218)	—	(218)	(63)

Work in progress corresponds costs related to design and offices construction costs, such as professional fees of architects and construction suppliers as well as costs of building materials, related to a new lease with a commencement date expected for 2021. Such costs were not contingent on obtaining the lease, did not influence the lease contract negotiation and therefore did not qualify as initial direct cost to be included in the right-of-use asset initial measurement. Accordingly, these costs are being recognized as “Work in progress” and will be transferred to a new Property, plant and equipment line item called “Leasehold improvements” when the asset is ready for use. These assets will be amortized using the straight-line method, over the shorter of the estimated useful life of the asset or the remaining term of the lease.

The Group did not recognize losses from impairment of computer equipment during 2020 and 2019, nor reversed any impairment losses. Moreover, dLocal did not have any commitments to purchase any property, plant and equipment at year end.

For further details on accounting policies refer to Note 2.7: Property, plant and equipment.

19. Leases

This Note provides information for leases where the Group is a lessee.

The Group’s leases contracts refer to the use of explicitly defined office facilities in different countries, where it obtains substantially all of the economic benefits and has the right to direct the use of such offices.

[Table of Contents](#)

(a) Amounts recognized in the Consolidated Statements of Financial Position

	2020	2019
Right-of-use assets		
Offices	188	370
	<u>188</u>	<u>370</u>
	2020	2019
Lease liabilities		
Current	201	180
Non-current	17	219
	<u>218</u>	<u>399</u>

The Group has no additions to the right-of-use assets during 2020, and during 2019 the additions totalized USD 551.

(b) Amounts recognized in the Consolidated Statements of Comprehensive Income

The Consolidated Statements of Comprehensive Income shows the following amounts relating to leases:

	2020	2019
Amortization of right-of-use assets		
Offices	181	181
	<u>181</u>	<u>181</u>
Interest charges for lease liabilities (included within Finance Cost line item)	20	30
Leases expense for short-term leases (included within General and administrative expense line item)	174	140

The total cash outflow for leases during 2020 was USD 355 (USD 345 in 2019).

(c) The Groups leasing activities and how these are accounted for

Short-term Leases

The Group has signed leases contracts of one year or less in the following countries: Malta, Israel, Uruguay, Brazil, China, Chile and Argentina.

In those locations, except for Uruguay, the Group uses co-works facilities and seeks to sign short-term contracts as a general practice, in order to have flexibility to increase, reduce or terminate leases based on the Group's operations and plans. The type of facilities used represent low levels of costs to change locations and no relevant modifications or constructions are made to these leased facilities.

In all these markets there are available suitable alternatives since the offices do not require special infrastructure and there are low costs of returning the assets.

Management reviews at the end of each term the need to extend the leasing or not, based on activities undertaken by the Dlocal entity, market trends (economic and health) as well as strategic plans for each country.

[Table of Contents](#)

For the application of IFRS 16 Leases the Group applies a practical expedient to account for leases for which the lease term ends within 12 months of the date of initial application as short-term leases. For these leases, in subsequent reporting periods, the Group applies the short-term exception established in IFRS 16 Leases. Consequently, it recognizes the related lease payments as an expense on a straight-line basis over the lease term.

The group's leasing activities and how these are accounted for

dLocal Technologies SA (Uruguay) signed on 15/02/2018 a 4-year contract to lease Unit 507 (347,99 m²) of WTC Free Zone in Uruguay.

This contract establishes the following payments structure:

- USD 0,140 monthly during the first year
- USD 0,153 monthly during the second year
- USD 0,171 monthly during the third year
- USD 0,175 monthly during the fourth year

The term of 4 years can be extended for periods of 5 years, unless any of the parties informs the other of its decision to terminate with at least 120 days anticipation of the expiry date.

The incremental borrowing rate, used to discount payments to be made after January 1st, 2019, was estimated in 6.52% (in USD). Since dLocal did not have loans to consider its costs as a reference such rate was estimated as the rate that dLocal would have had to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Related to this contract between dLocal Technologies S.A. and WTC Free Zone S.A. for the use of Unit 507, as at 11/08/2020 a contract modification was signed in order to return such Unit and start using Units 1531 and 1631 of the building WTC Free Zone II, when the latter become available to dLocal.

The commencement date of this new lease is expected to occur during the second quarter of 2021. The Group incurred in costs for the design and construction of the new offices during 2020.

Such costs were not contingent on obtaining the lease, did not influence the lease contract negotiation and therefore they do not qualify as initial direct cost to be included in the right-of-use asset initial measurement to be accounted in 2021.

For subsequent periods the treatment of leases that do not apply for the short-term exception is as follows:

- Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:
 - fixed payments (including in-substance fixed payments), less any lease incentives receivable
 - variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
 - amounts expected to be payable by the Group under residual value guarantees
 - the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
 - payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.
- Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

- The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the incremental borrowing rate is used, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.
- To determine the incremental borrowing rate, the Group:
 - where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received; or
 - uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing, and makes adjustments specific to the lease.
- The Group can be exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.
- Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.
- Right-of-use assets are measured at cost comprising the following:
 - the amount of the initial measurement of lease liability
 - any lease payments made at or before the commencement date less any lease incentives received
 - any initial direct costs, and
 - restoration costs.
- Right-of-use assets are generally amortized over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is amortized over the underlying asset's useful life.

(d) COVID-19-Related Rent Concession

Due to the effects of the COVID-19 pandemic the Group agreed with the lessor of the WTC Free Zone to have an exoneration of three-monthly installments that amounted to USD 50.

The Group has early adopted COVID-19-Related Rent Concessions – Amendment to IFRS 16 issued on 28 May 2020 by the IASB related to such benefit.

Based on such amendment the Group recognized a gain related to the exoneration of USD 50 and reduced the lease liability, maintaining the original accounting treatment for the lease.

20. Intangible Assets

Intangible assets of the Group correspond to capitalized expenses related to internally generated software and are stated at cost less accumulated amortization.

	2020	2019
<i>Internally generated software</i>		
Cost	1,983	429
Accumulated amortization	(180)	(5)
Opening book value as at January 1	1,803	424
Additions (i)	3,006	1,554
Amortization of the year	(656)	(175)
Total as at December 31	4,153	1,803
Cost	4,989	1,983
Accumulated amortization	(836)	(180)

(i) The additions of the year include USD 2,984 (USD 1,494 in 2019) related to capitalized salaries and wages.

At December 31st, 2020 no indicator of impairment related to intangible assets existed, so the Group did not perform an impairment test. See Note 2. 8: Intangible assets for accounting policies relevant to intangible assets and Note 2. 9: Impairment of non-financial assets for policy regarding impairments.

21. Trade and Other Payables

Trade and Other Payables are composed of the following:

	2020	2019
Trade Payables	136,727	50,832
Accrued Liabilities	2,928	1,123
Other Payables	3,210	1,022
Total Trade and other payables	142,865	52,977

These payables are classified as current liabilities as the payment is due within one year or less. Moreover, the carrying amounts are considered to be the same as fair values, due to their short – term nature.

Trade Payables correspond to liabilities with Merchants, either related to payin transactions processed or payout transactions to be processed at their request. Accrued Liabilities mainly correspond to obligations with legal and tax advisors, and auditors. Other Payables mainly correspond to obligations related to processors' costs and the acquisitions of office goods and services necessary for the ordinary course of the business.

22. Tax Liabilities

The tax liabilities breakdown is as follows:

	2020	2019
Income tax payable	1,910	893
Other tax liabilities	5,877	—
Income tax perception (RG 4815)	3,343	—
Digital services withholding VAT	1,579	—
Other Taxes	955	—
Total Tax Liabilities	7,787	893

23. Derivative financial instruments

As of the date of these Consolidated Financial Statements, dLocal Group Limited has an option agreement in place with one shareholder (“Investor”), pursuant to which the Investor has outstanding options to purchase up to 36,136 Ordinary A shares at an exercise price of 2,075.52 U.S. Dollars per share from certain existing shareholders, which can be exercised by the Investor on or before December 16, 2021. If such existing shareholders fail to comply with their obligations to sell the relevant option shares under the option agreement, whether in whole or in part, dLocal Group Limited has agreed to issue, on a cashless basis, new Ordinary A shares to ensure that the Investor is able to exercise its options in full. For more detailed information see Note 32: Subsequent events, Item 3).

This derivative financial instrument represented a liability for dLocal of USD 2,896 as of December 31st, 2020 and a loss for the Group in 2020 for the same amount which was recognized within Operating profit in the line item “Other operating loss”.

24. Provisions

(a) Labor provisions

Provisions for the year are related to labor proceedings where the management understands, based on the Group’s legal advisors’ assessment, that it is more likely than not that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(b) Movements in labor provisions

Movements in Labor provisions are set out below:

Carrying amount as at January 1, 2019	301
Additional charge to labor provision	497
Carrying amount as at December 31, 2019	798
Additional charge to labor provision	595
Carrying amount as at December 31, 2020	1,393

25. Other contingent assets, liabilities and commitments

The Group had no outstanding contingent assets or liabilities as at December 31, 2020 and 2019.

As at December 31, 2020 the Group’s bankers had issued guarantees for USD 859 (USD 786 in the year ended December 31, 2019), required by certain Merchants under the corresponding Payment Processing Service Agreements.

Additionally, as at December 31st, 2020 the Group’s bankers had issued three additional guarantees for USD 6,330 (standby letter of credit) required by Merchants under the corresponding Payment Processing Service Agreements.

26. Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the Consolidated Statement of Financial Position where the Group currently has a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Table of Contents

The following table presents the recognized financial instruments that are offset as at December 31, 2020 and December 31, 2019:

2020	Effects of offsetting on the Consolidated Statements of Financial Position		
	Gross amounts USD	Gross amounts set off USD	Net amounts presented USD
Financial assets			
Cash and cash equivalents	111,733	—	111,733
Financial assets at FVPL	8,319	—	8,319
Trade and other receivables	75,834	(3,049)	72,785
Other assets	2,017	—	2,017
Total	197,903	(3,049)	194,854
Financial liabilities			
Trade and other payables	145,914	(3,049)	142,865
Derivative financial instruments	2,896	—	2,896
Total	148,810	(3,049)	145,761
2019	Gross amounts USD	Gross amounts set off USD	Net amounts presented USD
Financial assets			
Cash and cash equivalents	34,765	—	34,765
Financial assets at FVPL	15,399	—	15,399
Trade and other receivables	26,663	(724)	25,939
Other assets	1,113	—	1,113
Total	77,940	(724)	77,216
Financial liabilities			
Trade and other payables	53,701	(724)	52,977
Total	53,701	(724)	52,977

The gross amount set off presented above corresponds to trade receivables from fees that are offset from liabilities with Merchants considering that there is an enforceable legal right to offset and the Group expects to cancel such obligations on a net basis. Additionally, it should be noted that the Group does not have arrangements that do not meet the criteria for offsetting but still allow for the related amounts to be set off in the future.

27. Related parties

(a) Related Party Transactions

During 2019 the Group repaid a financial loan with shareholders for a total amount of USD 9,174.

Related party transactions are linked to the options agreement that is duly presented in Note 23 of this financial statement.

(b) Key Management compensation

The compensation of the Executive Team during the year can be breakdown as follows:

	2020	2019
Short-term employee benefits – Salaries and wages	871	2,083
Long-term employee benefits – Share-based payment	7,180	679
	8,051	2,762

[Table of Contents](#)

(c) Transactions with other related parties

The following transactions occurred with related parties:

	2020	2019
Transactions with merchants – Revenues	1,594	1,628
Transactions with preferred suppliers (Collection agents) – Costs	(354)	(252)
Transactions with other related parties – Costs	(2)	—

(d) Outstanding balances arising from transactions with related parties

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	2020	2019
Transactions with merchants – accounts payable	(598)	(428)
Transactions with preferred suppliers (Collection agents) – accounts payable	(39)	—
Transactions with preferred suppliers (Collection agents) – accounts receivable	506	880

All transactions with related parties were made on normal commercial terms and conditions and at market rates. Outstanding balances are unsecured and are repayable in cash.

28. Cash flow disclosures

The most significant non-cash transaction is detailed below:

	2020	2019
Right-of-use asset recognition with an increase in Lease liabilities	(188)	(370)

Net debt reconciliation:

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

Net debt	2020	2019
Cash and cash equivalents	111,733	34,765
Financial assets at fair value through profit or loss	8,319	15,399
Lease liabilities	(218)	(399)
Derivative financial instrument	(2,896)	—
Net debt	116,938	49,765
Cash and liquid investments	120,052	50,164
Gross debt – fixed interest rates	(3,114)	(399)
Net debt	116,938	49,765

Table of Contents

According to the IAS 7, the movements in the debt of the year that impact on the cash flow as part of the financing activities are detailed below:

	Interest Bearing Borrowings	Lease liabilities	Derivative financial instrument	Sub-total	Cash & Cash Equivalents		Financial assets at FVPL
Net debt as at December 31,2018	(9,174)		—	(9,174)	23,305	16,690	30,821
Leases	—	(551)	—	(551)	—	—	(551)
Cash Flows	—	182	—	182	11,460	(1,818)	9,824
Debt repaid (i)	9,174	—	—	9,174	—	—	9,174
Other Changes (ii)	—	(30)	—	(30)	—	527	497
Net debt as at December 31,2019	—	(399)	—	(399)	34,765	15,399	49,765
Leases	—	—	—	—	—	—	—
Cash Flows	—	151	—	151	76,968	(7,532)	69,587
Fair value changes	—	—	(2,896)	(2,896)	—	9	(2,887)
Lease benefit for	—	—	—	—	—	—	—
COVID-19	—	50	—	50	—	—	50
Other Changes (ii)	—	(20)	—	(20)	—	443	423
Net debt as at December 31,2020	—	(218)	(2,896)	(3,114)	111,733	8,319	116,938

- (i) The Group repaid a financial loan with shareholders for a total amount of USD 9,174.
- (ii) Other changes include non-cash movements, mainly related to accrued interest expense which are presented as operating cash flows in the Consolidated Statement of Cash Flows when paid.

29. Financial risk management

(a) Risk Management Framework

The Group's activities may expose it to a variety of financial risks: credit risk, market risk (including foreign exchange risk, cash flow or fair value interest rate risk, and equity price risk), liquidity risk and fraud risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

The Board of Directors (the "Board") has overall responsibility for the establishment and oversight of the Group's risk management objectives and policies.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The overall objective of the Board is to set policies that seek to reduce risk as much as possible without unduly affecting the Group's competitiveness and flexibility. Further details of these policies are set out below:

(b) Credit Risk

Credit risk is the risk that customer or a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk arises from the group's exposures to third parties, including cash and cash equivalents, financial instruments and from its operating activities, primarily related to trade and other receivables.

Table of Contents

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting period was as follows:

	2020	2019
Cash and Cash Equivalents	111,733	34,765
Financial Assets at Fair Value through Profit or Loss	8,319	15,399
Trade and Other Receivables	72,785	25,939
Other Assets	2,017	1,113
	<u>194,854</u>	<u>77,216</u>

Financial Assets at Fair Value through profit or loss and cash and cash equivalents

Credit risk from balances with banks, financial institutions and other is managed by the Group in accordance with the Group's policy. These financial instruments are debt securities and other financial instruments only conducted with carefully selected financial institutions in order to have an exposure to credit risk within acceptance levels of the Group.

Trade and Other Receivables

The Company operates with international high-quality processors which mitigates credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables. To measure the expected credit losses, trade and other receivables have been grouped based on shared credit risk characteristics and the days past due. Finally, historical loss experience is adjusted to reflect information about current conditions and reasonable and bearable forecasts of future economic conditions.

The expected loss rates are based on the payment profiles of sales, country of origin and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the credit rating of the countries in which it sells its services to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in credit ratings.

(c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. For the Group, market risk may comprise interest rate risk and foreign currency risk and other price risk, such as equity price risk.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Interest Rate Risk

This risk arises from the possibility of the Group incurring losses due to fluctuations in interest rates in respect of fair value of future cash flows of a financial instrument. The Group's cash flows are not exposed to interest rate risk since there are no financial instruments with variable interest rate and debt instruments are measured at fair value through profit and loss.

[Table of Contents](#)

Foreign Currency Risk

The Group is exposed to currency risk on monetary amounts denominated in a currency other than the functional currency, mainly the Argentinian Peso, Chilean Peso, Euro and the Brazilian Real.

The following table presents the Group's exposure to foreign currency risk as well as a sensitivity to a reasonably possible change in U.S. Dollar, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities.

	2020	2019
Cash and cash equivalents	8,543	6,441
Trade and other receivables	41,234	25,331
Net monetary position	49,777	31,772
Exchange rate change	10.0%	10.0%
Impact on profit before tax	4,978	3,177

Exposure is presented in thousands of U.S. Dollars and relates to monetary items in foreign currency of each entity of the Group, considering each individual functional currency.

Equity price risk

The Group is not exposed to equity price risk since it does not hold investments in equity instruments.

As at December 31st, 2019 the Group had an investment in a quoted mutual fund that invests in debt securities. This was a "cumulative" mutual funds that does not pay interest and the holder obtain capital gains. As at December 31st, 2019, the exposure to equity price from such investment was considered not material.

(d) Liquidity Risk

Liquidity risk is the risk that the Group encounters difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group invests surplus cash in interest-bearing financial investments, choosing instruments with appropriate maturity or enough liquidity to provide adequate margin as determined by the forecasts.

Exposure to Liquidity Risk

The tables below analyze the Group's financial liabilities into relevant maturity groupings based on their contractual maturities.

Table of Contents

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities 31 December 2020	Less than 6 months	6-12 months	Between 1 and 2 years	Total contractual cash flows	Carrying amount
Non-derivatives					
Trade and other payables	142,865	—	—	142,865	142,865
Leases liabilities	104	105	17	226	218
Total non-derivatives	142,969	105	17	143,091	143,083
Derivatives					
Derivative financial instruments	2,896	—	—	2,896	2,896
Total derivatives	2,896	—	—	2,896	2,896

As described previously, the Group did not contract financial loans during 2020.

(e) Fraud Risk

The Group's transactions are susceptible to a fraudulent or improper sale and it uses processes to control the fraud risk. The process consists of monitoring transactions through 'dLocal Defense' which is a local data-driven prevention program to maximize fraud detection and minimize false positives. This process review transactions at the time of the authorization, legitimate them and use of external tools that are revised on a periodic basis.

The second process detects chargebacks and disputes. This is a supplemental process and increases the Group's ability to avoid new frauds.

(f) Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board's objectives are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders.

As part of the requirements for maintaining its financial institution license, dLocal Limited, the Group's licensee subsidiary is subject to a minimum capital requirement of EUR 400 imposed by the regulator of Malta.

30. Fair value hierarchy

The following tables show financial instruments recognized at fair value for the period ended December 31, 2020 and 2019, analyzed between those whose fair value is based on:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based upon observable market data.

Table of Contents

The table also includes financial instruments measured at amortized cost. The Group understands that the book value of such instruments approximates their fair value.

31 December 2020	FVPL	Amortized cost	Total	Level 1	Level 2	Level 3
Assets						
Financial Assets at Fair Value through Profit or Loss	8,319	—	8,319	8,319	—	—
Other Assets	—	2,017	2,017	—	—	—
Trade and Other Receivables	—	72,785	72,785	—	—	—
Cash and Cash Equivalents	—	111,733	111,733	—	—	—
	8,319	186,535	194,854	—	—	—
31 December 2019	FVPL	Amortized cost	Total	Level 1	Level 2	Level 3
Assets						
Financial Assets at Fair Value through Profit or Loss	15,399	—	15,399	15,399	—	—
Other Assets	—	1,113	1,113	—	—	—
Trade and Other Receivables	—	25,939	25,939	—	—	—
Cash and Cash Equivalents	—	34,765	34,765	—	—	—
	15,399	61,817	77,216	—	—	—
31 December 2020	FVPL	Amortized cost	Total	Level 1	Level 2	Level 3
Liabilities						
Trade and Other Payables	—	(142,865)	(142,865)	—	—	—
Derivative financial instruments	(2,896)	—	(2,896)	—	(2,896)	—
	(2,896)	(142,865)	(145,761)	—	—	—
31 December 2019	FVPL	Amortized cost	Total	Level 1	Level 2	Level 3
Liabilities						
Trade and Other Payables	—	(52,977)	(52,977)	—	—	—
	—	(52,977)	(52,977)	—	—	—

31. Coronavirus pandemic

The Coronavirus (COVID-19) pandemic is continuing affecting economic and financial markets worldwide, and virtually all industries are facing challenges associated with the economic conditions resulting from efforts to address it.

As the pandemic increased in both magnitude and duration, entities experienced and continue experiencing conditions often associated with a general economic downturn. This includes, but is not limited to, financial market volatility and erosion, deteriorating credit, liquidity concerns, further increases in government intervention, increasing unemployment, broad declines in consumer discretionary spending, increasing inventory levels, reductions in production because of decreased demand, layoffs and leave of absence, and other restructuring activities.

As of the date of this consolidated financial statements, the impact of the COVID-19 pandemic on our operations has had a different impact across our different product offerings and the different verticals the Group serves, with certain industries benefiting from increased adoption (e.g., online retail, online gaming, online streaming) while others suffering from decreased usage (e.g., travel, ride sharing).

The Group business has far exhibited a net benefit from the shift from in-store shopping and traditional payment methods towards e-commerce and digital payments (and overall higher exposure to industries benefiting from increased adoption), the ultimate extent to which the COVID-19 pandemic impacts dLocal's business, financial condition, and results of operations will depend on future developments, which are highly uncertain, difficult to predict, and subject to change, including, but not limited to, the duration, scope, severity, and geographic spread of the outbreak, its impact on the global economy, actions taken to contain or limit the impact of COVID-19, such as the availability of an effective vaccine or treatment, geographic variation in how countries and states are handling the pandemic, the appearance of new variants of the virus, and how quickly and to what extent normal economic and operating conditions may potentially resume.

The Directors continue to believe that even if the pandemic can adversely affect the Group in the short-term, in the long-term the Group's assets will be preserved and consequently the going concern basis applied to these financial statements is still applicable.

32. Subsequent events

1. Acquisition of certain assets from Primeiro Pay

On March 11, 2021, dLocal acquired certain assets from Primeiropay S.A.R.L and PrimeiroPay Technology GmbH ("Primeiropay") in accordance to the Transfer of a Going Concern Agreement signed between the parties. The purchase of this acquisition of assets amounted to USD 40.0 million, of which USD 1.33 million is contingent consideration (subject to the achievement of the "earn-out") and USD 38.67 million was an immediate cash consideration.

Primeiropay is an international payment service provider that delivers payment services for international merchants that want to accept payments from their international customers without setting up a local entity through processing all cards and payment methods domestically in local currencies.

Under IFRS 3, this acquisition qualifies as a business combination and will be accounted for using the acquisition method of accounting.

The initial accounting for the business combination will be prepared at the time of the acquisition date. The Company will continue working on the disclosures required by IFRS 3 paragraphs 59 and B64 during the twelve months period following the acquisition date, that due to the fact of being a recent acquisition it is impracticable to make them at the moment of issuance of these consolidated financial statements.

2. Loan related to Employee share purchase plan (ESPP)

As specified on note 2.11.3.—"Employee Share Purchase Plan", in November 2020 dLocal Group Limited signed a non-recourse "Loan Agreement" with the two officers to fund the acquisition of shares under the ESPP. The loan amounted to USD 31.5 million, accrues interest at a nominal annual rate of 1.5%.

During March, 2021, dLocal received several payments from the two officers in relation to the loans above mentioned. Those payments were considered as the collection of the exercise price of the options under the ESPP. Therefore, dLocal recognized for such collections the cash inflow against equity. Accordingly, the shares issued to employees due to the exercise of the options ceased to be treated as treasury shares.

3. Related party transaction

As explained in note 23: Derivative financial instruments, as of the date of these Consolidated Financial Statements, dLocal Group Limited has an option agreement in place with an Investor, pursuant to which the Investor has outstanding options to purchase up to 36,136 Ordinary A shares at an exercise price of 2,075.52 U.S. Dollars per share from certain existing shareholders, which can be exercised by the Investor on or before December 16, 2021.

In March 3, 2021 the investor exercised the right explained in note 23: Derivative financial instruments to purchase 36,136 Class A Ordinary shares by acquiring them from other existing shareholders, without being required the issuance of new shares by dLocal. In this sense, as of March 3, 2021 the obligations of dLocal under this agreement have ceased.

d-local



Common shares

DLocal Limited

PROSPECTUS

Global Coordinators

J.P. Morgan

Goldman Sachs & Co. LLC

Citigroup

Morgan Stanley

Joint Bookrunners

BofA Securities

HSBC

UBS Investment Bank

, 2021

Through and including , 2021 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers’ obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

PART II
INFORMATION NOT REQUIRED IN THE PROSPECTUS

Item 6. Indemnification of Directors and Officers

Cayman Islands law does not limit the extent to which a company's articles of association may provide indemnification of officers and directors, except to the extent that it may be held by the Grand Court of the Cayman Islands to be contrary to public policy, such as providing indemnification against civil fraud or the consequences of committing a crime.

The registrant's Articles of Association provide that each director or officer of the registrant shall be indemnified out of the assets of the registrant against all actions, proceedings, costs, charges, expenses, losses, damages, or liabilities, judgments, fines, settlements and other amounts (including reasonable attorneys' fees and expenses and amounts paid in settlement and costs of investigation (collectively "Losses") incurred or sustained by such directors or officers, other than by reason of such person's dishonesty, willful default or fraud, in or about the conduct of our Company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of such person's duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any Losses incurred by such director or officer in defending or investigating (whether successfully or otherwise) any civil, criminal, investigative and administrative proceedings concerning or in any way related to our Company or its affairs in any court whether in the Cayman Islands or elsewhere.

Also, the registrant may choose to maintain director's and officer's liability insurance covering its directors and officers with respect to general civil liability, including liabilities under the Securities Act, which he or she may incur in his or her capacity as such.

The form of underwriting agreement to be filed as Exhibit 1.1 to this registration statement will also provide for indemnification by the underwriters of the registrant and its directors and officers for certain liabilities, including liabilities arising under the Securities Act, but only to the extent that these liabilities are caused by information relating to the underwriters that was furnished to us by the underwriters in writing expressly for use in this registration statement and certain other disclosure documents.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us under the foregoing provisions, we have been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Item 7. Recent Sales of Unregistered Securities

During the past three years, we have not issued any securities exempt from registration under the Securities Act.

Item 8. Exhibits

(a) The following documents are filed as part of this registration statement:

<u>Exhibit No.</u>	<u>Exhibit</u>
1.1	Form of Underwriting Agreement
3.1	Form of Amended and Restated Memorandum and Articles of Association of DLocal Limited
5.1	Opinion of Maples and Calder (Cayman) LLP, Cayman Islands counsel of DLocal Limited, as to the validity of the Class A common shares
10.1	Form of indemnification agreement

Table of Contents

<u>Exhibit No.</u>	<u>Exhibit</u>
10.2	<u>Warrant to Purchase Ordinary Shares of dLocal Group Limited issued to Amazon.com NV Investment Holdings LLC</u>
10.3	<u>Form of Registration Rights Agreement</u>
14.1	<u>Code of Ethics of DLocal Limited</u>
16.1	<u>Letter from Baker Tilly Malta regarding change in certifying account*</u>
21.1	<u>List of subsidiaries</u>
23.1	<u>Consent of Maples and Calder (Cayman) LLP, Cayman Islands counsel of DLocal Limited (included in Exhibit 5.1)</u>
23.2	<u>Consent of Price Waterhouse & Co S.R.L.</u>
23.3	<u>Consent of Americas Market Intelligence*</u>
24.1	<u>Powers of attorney (included on signature page to the registration statement)*</u>

* Previously filed.

(b) Financial Statement Schedules

No financial statement schedules are provided because the information called for is not applicable or is shown in the financial statements or notes thereto.

Item 9. Undertakings

The undersigned hereby undertakes:

- (a) The undersigned registrant hereby undertakes to provide to the underwriter at the closing specified in the underwriting agreements, certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.
- (b) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the U.S. Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.
- (c) The undersigned registrant hereby undertakes that:
 - (1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.
 - (2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-1 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Montevideo, Uruguay, on this 20th day of May, 2021.

DLocal Limited

By: /s/ Sebastián Kanovich

Name: Sebastián Kanovich

Title: Chief Executive Officer

By: /s/ Diego Cabrera Canay

Name: Diego Cabrera Canay

Title: Chief Financial Officer

[Table of Contents](#)

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons in the capacities and on the dates indicated:

Name	Title	Date
<u>/s/ Sebastián Kanovich</u> Sebastián Kanovich	Chief Executive Officer (principal executive officer) and Director	May 20, 2021
<u>/s/ Diego Cabrera Canay</u> Diego Cabrera Canay	Chief Financial Officer (principal financial officer and principal accounting officer)	May 20, 2021
<u>*</u> Alberto Eduardo Azar	Chairman	May 20, 2021
<u>*</u> Andres Bzurovski Bay	Director	May 20, 2021
<u>*</u> Sergio Enrique Fogel Kaplan	Director	May 20, 2021
Luiz O. Ribeiro	Director	
Martín Escobari	Director	
Tereza Grossi	Director	
<u>*</u> Jacobo Singer	Director	May 20, 2021
Jitendra Gupta	Director	

*By: /s/ Diego Cabrera Canay
Diego Cabrera Canay
Attorney-in-Fact

AUTHORIZED REPRESENTATIVE

Pursuant to the requirements of the Securities Act of 1933, as amended, the undersigned, the duly authorized representative of DLocal Limited in the United States, has signed this registration statement on May 20, 2021.

Authorized U.S. Representative – Cogency Global Inc.

By: /s/ Colleen A. De Vries

Name: Colleen A. De Vries

Title: Senior Vice-President on behalf of Cogency Global Inc.

DLocal Limited
[●] Class A Common Shares

Underwriting Agreement

[●], 2021

J.P. Morgan Securities LLC
Goldman Sachs & Co. LLC
Citigroup Global Markets, Inc.
Morgan Stanley & Co. LLC

As Representatives of the
several Underwriters listed
in Schedule 1 hereto

c/o J.P. Morgan Securities LLC
383 Madison Avenue
New York, New York 10179

c/o Goldman Sachs & Co. LLC
200 West Street
New York, New York 10282

c/o Citigroup Global Markets, Inc.
388 Greenwich Street
New York, New York 10013

c/o Morgan Stanley & Co. LLC
1585 Broadway
New York, New York 10036

Ladies and Gentlemen:

DLocal Limited, a Cayman Islands exempted company incorporated with limited liability (the “Company”), proposes to issue and sell to the several underwriters listed in Schedule 1 hereto (the “Underwriters”), for whom you are acting as representatives (the “Representatives”), an aggregate of [●] Class A common shares, par value \$0.002 per share (the “Class A Common Shares”), of the Company, and certain shareholders of the Company named in Section 1 of Schedule 2 hereto (the “Group 1 Selling Shareholders”) and certain shareholders of the Company named in Section 2 of Schedule 2 hereto (the “Group 2 Selling Shareholders”) and, together with the Group 1 Selling Shareholders, the “Selling Shareholders”) propose to sell to the several Underwriters an aggregate of [●] Class A Common Shares (collectively, the “Underwritten Shares”). In addition, the Selling Shareholders propose to sell, at the option of the Underwriters, up to an additional [●] Class A Common Shares (collectively, the “Option Shares”). The Underwritten Shares and the Option Shares are herein referred to as the “Shares”.

Morgan Stanley & Co. LLC (the “Directed Share Underwriter”) has agreed to reserve a portion of the Shares to be purchased by it under this Agreement, up to [●] Class A Common Shares, for sale to the Company’s [directors, officers, and certain employees and other parties related to the Company] (collectively, “Participants”), as set forth in the Prospectus (as hereinafter defined) under the heading “Underwriting” (the “Directed Share Program”). The Shares to be sold by the Directed Share Underwriter and its affiliates pursuant to the Directed Share Program are referred to hereinafter as the “Directed Shares”. Any Directed Shares not orally confirmed for purchase by any Participant by [] [A/P].M., New York City time on the business day on which this Agreement is executed will be offered to the public by the Underwriters as set forth in the Prospectus.

The Company and the Selling Shareholders hereby confirm their agreement with the several Underwriters concerning the purchase and sale of the Shares, as follows:

1. Registration Statement. The Company has prepared and filed with the Securities and Exchange Commission (the “Commission”) under the Securities Act of 1933, as amended, and the rules and regulations of the Commission thereunder (collectively, the “Securities Act”), a registration statement on Form F-1 (File No. 333-255793), including a prospectus, relating to the Shares. Such registration statement, as amended at the time it became effective, including the information, if any, deemed pursuant to Rule 430A, 430B or 430C under the Securities Act to be part of the registration statement at the time of its effectiveness (“Rule 430 Information”), is referred to herein as the “Registration Statement”; and as used herein, the term “Preliminary Prospectus” means each prospectus included in such registration statement (and any amendments thereto) before effectiveness, any prospectus filed with the Commission pursuant to Rule 424(a) under the Securities Act and the prospectus included in the Registration Statement at the time of its effectiveness that omits Rule 430 Information, and the term “Prospectus” means the prospectus in the form first used (or made available upon request of purchasers pursuant to Rule 173 under the Securities Act) in connection with confirmation of sales of the Shares. If the Company has filed an abbreviated registration statement pursuant to Rule 462(b) under the Securities Act (the “Rule 462 Registration Statement”), then any reference herein to the term “Registration Statement” shall be deemed to include such Rule 462 Registration Statement. Capitalized terms used but not defined herein shall have the meanings given to such terms in the Registration Statement and the Prospectus.

At or prior to the Applicable Time (as defined below), the Company had prepared the following information (collectively, the “Pricing Disclosure Package”): a Preliminary Prospectus dated [●], 2021 and each “free-writing prospectus” (as defined pursuant to Rule 405 under the Securities Act) listed on Annex A hereto.

“Applicable Time” means [●][A/P].M. New York City time, on [●], 2021.

2. Purchase of the Shares. (a) The Company agrees to issue and sell, and each of the Selling Shareholders agrees, severally and not jointly, to sell, the Underwritten Shares to the several Underwriters as provided in this underwriting agreement (this “Agreement”), and each Underwriter, on the basis of the representations, warranties and agreements set forth herein and subject to the conditions set forth herein, agrees, severally and not jointly, to purchase at a price per share of \$[●] (the “Purchase Price”) from the Company the respective number of

Underwritten Shares set forth opposite such Underwriter's name in Schedule 1 hereto and from each of the Selling Shareholders the number of Underwritten Shares (to be adjusted by you so as to eliminate fractional shares) determined by multiplying the aggregate number of Underwritten Shares to be sold by each of the Selling Shareholders as set forth opposite their respective names in Schedule 2 hereto by a fraction, the numerator of which is the aggregate number of Underwritten Shares to be purchased by such Underwriter as set forth opposite the name of such Underwriter in Schedule 1 hereto and the denominator of which is the aggregate number of Underwritten Shares to be purchased by all the Underwriters from all of the Selling Shareholders hereunder. In addition, the Company agrees to issue and sell, and each of the Selling Shareholders agrees, severally and not jointly, as and to the extent indicated in Schedule 2 hereto, to sell, the Option Shares to the several Underwriters as provided in this Agreement, and the Underwriters, on the basis of the representations, warranties and agreements set forth herein and subject to the conditions set forth herein, shall have the option to purchase, severally and not jointly, from each of the Company and each Selling Shareholder the Option Shares at the Purchase Price less an amount per share equal to any dividends or distributions declared by the Company and payable on the Underwritten Shares but not payable on the Option Shares. If any Option Shares are to be purchased, the number of Option Shares to be purchased by each Underwriter shall be the number of Option Shares which bears the same ratio to the aggregate number of Option Shares being purchased as the number of Underwritten Shares set forth opposite the name of such Underwriter in Schedule 1 hereto (or such number increased as set forth in Section 12 hereof) bears to the aggregate number of Underwritten Shares being purchased from the Company and the Selling Shareholders by the several Underwriters, subject, however, to such adjustments to eliminate any fractional Shares as the Representatives in their sole discretion shall make. Any such election to purchase Option Shares shall be made in proportion to the maximum number of Option Shares to be sold by the Company and by each Selling Shareholder as set forth in Schedule 2 hereto.

The Underwriters may exercise the option to purchase Option Shares at any time in whole, or from time to time in part, on or before the thirtieth day following the date of the Prospectus, by written notice from the Representatives to the Company and the [Attorneys-in-Fact]. Such notice shall set forth the aggregate number of Option Shares as to which the option is being exercised and the date and time when the Option Shares are to be delivered and paid for, which may be the same date and time as the Closing Date (as hereinafter defined) but shall not be earlier than the Closing Date nor later than the tenth full business day (as hereinafter defined) after the date of such notice (unless such time and date are postponed in accordance with the provisions of Section 12 hereof). Any such notice shall be given at least two business days prior to the date and time of delivery specified therein.

(b) The Company and the Selling Shareholders understand that the Underwriters intend to make a public offering of the Shares, and initially to offer the Shares on the terms set forth in the Pricing Disclosure Package. The Company and the Selling Shareholders acknowledge and agree that the Underwriters may offer and sell Shares to or through any affiliate of an Underwriter.

(c) Payment for the Shares shall be made by wire transfer in immediately available funds to the accounts specified by the Company and [the Attorneys-in-Fact or any of them (with regard to payment to the Selling Shareholders)], to the Representatives in the case of the

Underwritten Shares, at the offices of Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, NY 10017 at 10:00 A.M. New York City time on [●], 2021, or at such other time or place on the same or such other date, not later than the fifth business day thereafter, as the Representatives, the Company and the [Attorneys-in-Fact] may agree upon in writing or, in the case of the Option Shares, on the date and at the time and place specified by the Representatives in the written notice of the Underwriters' election to purchase such Option Shares. The time and date of such payment for the Underwritten Shares is referred to herein as the "Closing Date", and the time and date for such payment for the Option Shares, if other than the Closing Date, is herein referred to as the "Additional Closing Date".

Payment for the Shares to be purchased on the Closing Date or the Additional Closing Date, as the case may be, shall be made against delivery to the Representatives for the respective accounts of the several Underwriters of the Shares to be purchased on the Closing Date or the Additional Closing Date, as the case may be, with any transfer taxes payable in connection with the sale of such Shares duly paid by the Company and the Selling Shareholders, as applicable. Delivery of the Shares shall be made through the facilities of The Depository Trust Company ("DTC") unless the Representatives shall otherwise instruct.

(d) Each of the Company and each Selling Shareholder acknowledges and agrees that the Representatives and the other Underwriters are acting solely in the capacity of an arm's length contractual counterparty to the Company and the Selling Shareholders with respect to the offering of Shares contemplated hereby (including in connection with determining the terms of the offering) and not as a financial advisor or a fiduciary to, or an agent of, the Company, the Selling Shareholders or any other person. Additionally, neither the Representatives nor any other Underwriter is advising the Company, the Selling Shareholders or any other person as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction. The Company and the Selling Shareholder shall consult with their own advisors concerning such matters and each shall be responsible for making its own independent investigation and appraisal of the transactions contemplated hereby, and neither the Representatives nor any other Underwriter shall have any responsibility or liability to the Company or the Selling Shareholder with respect thereto. Any review by the Representatives and the other Underwriters of the Company, the transactions contemplated hereby or other matters relating to such transactions will be performed solely for the benefit of the Representatives and the other Underwriters and shall not be on behalf of the Company or the Selling Shareholders. Moreover, each Selling Shareholder acknowledges and agrees that, although the Representatives may be required or choose to provide certain Selling Shareholders with certain Regulation Best Interest and Form CRS disclosures in connection with the offering, the Representatives and the other Underwriters are not making a recommendation to any Selling Shareholder to participate in the offering, enter into a "lock-up" agreement, or sell any Shares at the price determined in the offering, and nothing set forth in such disclosures is intended to suggest that the Representatives or any Underwriter is making such a recommendation.

3. Representations and Warranties of the Company. The Company represents and warrants to each Underwriter and the Selling Shareholders that:

(a) *Preliminary Prospectus.* No order preventing or suspending the use of any Preliminary Prospectus has been issued by the Commission, and each Preliminary Prospectus

included in the Pricing Disclosure Package, at the time of filing thereof, complied in all material respects with the Securities Act, and no Preliminary Prospectus, at the time of filing thereof, contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company makes no representation or warranty with respect to any statements or omissions made in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in any Preliminary Prospectus, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in Section 9(c) hereof.

(b) *Pricing Disclosure Package.* The Pricing Disclosure Package as of the Applicable Time did not, and as of the Closing Date and as of the Additional Closing Date, as the case may be, will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company makes no representation or warranty with respect to any statements or omissions made in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in such Pricing Disclosure Package, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in Section 9(c) hereof. No statement of material fact included in the Prospectus has been omitted from the Pricing Disclosure Package and no statement of material fact included in the Pricing Disclosure Package that is required to be included in the Prospectus has been omitted therefrom.

(c) *Issuer Free Writing Prospectus.* Other than the Registration Statement, the Preliminary Prospectus and the Prospectus, the Company (including its agents and representatives, other than the Underwriters in their capacity as such) has not prepared, made, used, authorized, approved or referred to and will not prepare, make, use, authorize, approve or refer to any “written communication” (as defined in Rule 405 under the Securities Act) that constitutes an offer to sell or solicitation of an offer to buy the Shares (each such communication by the Company or its agents and representatives (other than a communication referred to in clause (i) below) an “Issuer Free Writing Prospectus”) other than (i) any document not constituting a prospectus pursuant to Section 2(a)(10)(a) of the Securities Act or Rule 134 under the Securities Act or (ii) the documents listed on Annex A hereto, each electronic road show and any other written communications approved in writing in advance by the Representatives. Each such Issuer Free Writing Prospectus complies in all material respects with the Securities Act, has been or will be (within the time period specified in Rule 433) filed in accordance with the Securities Act (to the extent required thereby) and does not conflict with the information contained in the Registration Statement or the Pricing Disclosure Package, and, when taken together with the Preliminary Prospectus accompanying, or delivered prior to delivery of, such Issuer Free Writing Prospectus, did not, and as of the Closing Date and as of the Additional Closing Date, as the case may be, will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company makes no representation or warranty with respect to any statements or omissions made in each such Issuer Free Writing Prospectus or Preliminary Prospectus in reliance upon and in conformity

with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in such Issuer Free Writing Prospectus or Preliminary Prospectus, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in Section 9(c) hereof.

(d) *Emerging Growth Company.* From the time of initial confidential submission of the Registration Statement to the Commission (or, if earlier, the first date on which the Company engaged directly or through any person authorized to act on its behalf in any Testing-the-Waters Communication undertaken in reliance on Section 5(d) of the Securities Act) through the date hereof, the Company has been and is an “emerging growth company,” as defined in Section 2(a) of the Securities Act (an “Emerging Growth Company”). “Testing-the-Waters Communication” means any oral or written communication with potential investors undertaken in reliance on either Section 5(d) of, or Rule 163B under, the Securities Act.

(e) *Testing-the-Waters Materials.* The Company (i) has not alone engaged in any Testing-the-Waters Communications other than Testing-the-Waters Communications with the consent of the Representatives (x) with entities that are qualified institutional buyers (“QIBs”) within the meaning of Rule 144A under the Securities Act or institutions that are accredited investors within the meaning of Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) under the Securities Act (“IAIs”) and otherwise in compliance with the requirements of Section 5(d) of the Securities Act or (y) with entities that the Company reasonably believed to be QIBs or IAIs and otherwise in compliance with the requirements of Rule 163B under the Securities Act and (ii) has not authorized anyone other than the Representatives to engage in Testing-the-Waters Communications. The Company reconfirms that the Representatives have been authorized to act on its behalf in undertaking Testing-the-Waters Communications by virtue of a writing substantially in the form of Exhibit A hereto. The Company has not distributed or approved for distribution any Written Testing-the-Waters Communications other than those listed on Annex B hereto. “Written Testing-the-Waters Communication” means any Testing-the-Waters Communication that is a written communication within the meaning of Rule 405 under the Securities Act. Any individual Written Testing-the-Waters Communication does not conflict with the information contained in the Registration Statement or the Pricing Disclosure Package, complied in all material respects with the Securities Act, and when taken together with the Pricing Disclosure Package as of the Applicable Time, did not, and as of the Closing Date and as of the Additional Closing Date, as the case may be, will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company makes no representation or warranty with respect to any statements or omissions made in each such Written Testing-the-Waters Communications in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in such Written Testing-the-Waters Communications, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in Section 9(c) hereof.

(f) *Registration Statement and Prospectus.* The Registration Statement has been declared effective by the Commission. No order suspending the effectiveness of the Registration Statement has been issued by the Commission, and no proceeding for that purpose or pursuant to

Section 8A of the Securities Act against the Company or related to the offering of the Shares has been initiated or, to the knowledge of the Company, threatened by the Commission; as of the applicable effective date of the Registration Statement and any post-effective amendment thereto, the Registration Statement and any such post-effective amendment complied and will comply in all material respects with the Securities Act, and did not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading; and as of the date of the Prospectus and any amendment or supplement thereto and as of the Closing Date and as of the Additional Closing Date, as the case may be, the Prospectus will comply in all material respects with the Securities Act and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company makes no representation or warranty with respect to any statements or omissions made in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in the Registration Statement and the Prospectus and any amendment or supplement thereto, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in Section 9(c) hereof.

(g) *Accurate Disclosure.* The statements in the Registration Statement, the Pricing Disclosure Package and the Prospectus under the heading “Taxation,” insofar as they purport to describe the provisions of the laws and documents referred to therein, and under the heading “Description of Share Capital,” insofar as they purport to constitute a summary of the terms of the Company’s share capital, are accurate and fair summaries and present the information required to be shown in all material respects.

(h) *Financial Statements.* The financial statements (including the related notes thereto) of the Company and its consolidated subsidiaries included in the Registration Statement, the Pricing Disclosure Package and the Prospectus comply in all material respects with the applicable requirements of the Securities Act and present fairly in all material respects the financial position of the Company and its consolidated subsidiaries as of the dates indicated and the results of their operations and the changes in their cash flows for the periods specified; such financial statements have been prepared in conformity with International Financial Reporting Standards, as issued by the IASB (“IFRS”) applied on a consistent basis throughout the periods covered thereby, and any supporting schedules included in the Registration Statement present fairly the information required to be stated therein; the other financial information included in the Registration Statement, the Pricing Disclosure Package and the Prospectus has been derived from the accounting records of the Company and its consolidated subsidiaries and presents fairly in all material respects the information shown thereby; and all disclosures included in the Registration Statement, the Pricing Disclosure Package and the Prospectus regarding “non-GAAP financial measures” (as such term is defined by the rules and regulations of Commission) comply with Regulation G of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and Item 10 of Regulation S-K of the Securities Act, to the extent applicable; and the Company and its subsidiaries do not have any off-balance sheet liabilities and obligations, except as otherwise disclosed in the Registration Statement, the Pricing Disclosure Package and the Prospectus.

(i) *No Material Adverse Change.* Since the date of the most recent financial statements of the Company included in the Registration Statement, the Pricing Disclosure Package and the Prospectus, (i) there has not been any material change in the Company's share capital (other than in connection with the corporate reorganization transactions described under the caption "Presentation of Financial Information and Other Information—Corporate Events" in the Registration Statement, the Pricing Disclosure Package and the Prospectus (the "Reorganization Transactions")), or any dividend or distribution of any kind declared, set aside for payment, paid or made by the Company on any class of the Company's share capital, or any material adverse change, in or affecting the business, properties, management, financial position, shareholders' equity, results of operations or prospects of the Company and its subsidiaries taken as a whole; (ii) neither the Company nor any of its subsidiaries has entered into any transaction or agreement (whether or not in the ordinary course of business) that is material to the Company and its subsidiaries taken as a whole or incurred any liability or obligation, direct or contingent, that is material to the Company and its subsidiaries taken as a whole; and (iii) neither the Company nor any of its subsidiaries has sustained any loss or interference with its business that is material to the Company and its subsidiaries taken as a whole and that is either from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor disturbance or dispute or any action, order or decree of any court or arbitrator or governmental or regulatory authority, except in each case as otherwise disclosed in the Registration Statement, the Pricing Disclosure Package and the Prospectus.

(j) *Organization and Good Standing.* The Company and each of its subsidiaries have been duly incorporated or organized, as the case may be, and are validly existing and in good standing (to the extent such concept is applicable) under the laws of their respective jurisdictions of incorporation or organization, are duly qualified to do business and are in good standing (to the extent such concept is applicable) in each jurisdiction in which their respective ownership or lease of property or the conduct of their respective businesses requires such qualification, and have all power and authority necessary to own or hold their respective properties and to conduct the businesses in which they are engaged, except where the failure to be so qualified or in good standing or have such power or authority would not, individually or in the aggregate, have a material adverse effect on (i) the business, properties, management, financial position, shareholders' equity, results of operations or prospects of the Company and its subsidiaries taken as a whole, or (ii) the performance by the Company of its obligations under this Agreement or to consummate the transactions contemplated in the Registration Statement, the Pricing Disclosure Package and the Prospectus (a "Material Adverse Effect"). The Company does not own or control, directly or indirectly, any corporation, association or other entity other than the subsidiaries listed in Exhibit 21 to the Registration Statement. The subsidiaries listed in Schedule 3 to this Agreement are the only significant subsidiaries of the Company.

(k) *Capitalization.* The Company has an authorized capitalization as set forth in the Registration Statement, the Pricing Disclosure Package and the Prospectus under the heading "Capitalization"; all the outstanding share capital of the Company (including the Shares to be sold by the Selling Shareholders) have been duly and validly authorized and issued and are fully paid and non-assessable and are not subject to any pre-emptive or similar rights; except as described in or expressly contemplated by the Registration Statement, the Pricing Disclosure Package and the Prospectus, there are no outstanding rights (including, without limitation, pre-emptive rights), warrants or options to acquire, or instruments convertible into or exchangeable

for, any share capital or other equity interest in the Company or any of its subsidiaries, or any contract, commitment, agreement, understanding or arrangement of any kind relating to the issuance of any share capital of the Company or any such subsidiary, any such convertible or exchangeable securities or any such rights, warrants or options; the share capital of the Company conforms in all material respects to the description thereof contained in the Registration Statement, the Pricing Disclosure Package and the Prospectus; and all the outstanding share capital or other equity interests of each subsidiary owned, directly or indirectly, by the Company have been duly and validly authorized and issued, are fully paid and non-assessable (except, in the case of any foreign subsidiary, for directors' qualifying shares and except as would not reasonably be expected to have a Material Adverse Effect) and are owned directly or indirectly by the Company, free and clear of any lien, charge, encumbrance, security interest, restriction on voting or transfer or any other claim of any third party.

(l) *Due Authorization.* The Company has full right, power and authority to execute and deliver this Agreement and to perform its obligations hereunder; and all action required to be taken for the due and proper authorization, execution and delivery by it of this Agreement and the consummation by it of the transactions contemplated hereby has been duly and validly taken.

(m) *Underwriting Agreement.* This Agreement has been duly authorized, executed and delivered by the Company.

(n) *The Shares.* The Shares to be issued and sold by the Company hereunder have been duly authorized by the Company and, when issued and delivered and paid for as provided herein, will be duly and validly issued, will be fully paid and nonassessable and will conform to the descriptions thereof in the Registration Statement, the Pricing Disclosure Package and the Prospectus; and the issuance of the Shares is not subject to any preemptive or similar rights.

(o) *Descriptions of the Underwriting Agreement.* This Agreement conforms in all material respects to the description thereof contained in the Registration Statement, the Pricing Disclosure Package and the Prospectus.

(p) *No Violation or Default.* Neither the Company nor any of its subsidiaries is (i) in violation of its memorandum and articles of association, charter or by-laws, partnership agreement, operating agreement or similar organizational documents; (ii) in default, and no event has occurred that, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any property or asset of the Company or any of its subsidiaries is subject; or (iii) in violation of any law or statute applicable to the Company or any of its subsidiaries or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory authority having jurisdiction over the Company or any of its subsidiaries, except, in the case of clauses (ii) and (iii) above, for any such default or violation that would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(q) *No Conflicts.* The execution, delivery and performance by the Company of this Agreement, the issuance and sale of the Shares by the Company and the consummation by the

Company of the transactions contemplated by this Agreement or the Pricing Disclosure Package and the Prospectus will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, result in the termination, modification or acceleration of, or result in the creation or imposition of any lien, charge or encumbrance upon any property, right or asset of the Company or any of its subsidiaries pursuant to, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any property, right or asset of the Company or any of its subsidiaries is subject, (ii) result in any violation of the provisions of the memorandum and articles of association, charter or by-laws, partnership agreement, operating agreement or similar organizational documents of the Company or any of its subsidiaries or (iii) result in the violation of any law or statute applicable to the Company or any of its subsidiaries or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory authority having jurisdiction over the Company or any of its subsidiaries, except, in the case of clauses (i) and (iii) above, for any such conflict, breach, violation, default, lien, charge or encumbrance that would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(r) *No Consents Required.* No consent, approval, authorization, order, registration or qualification of or with any court or arbitrator or governmental or regulatory authority is required for the execution, delivery and performance by the Company of this Agreement and the consummation of the transactions contemplated by this Agreement, except for (i) the registration of the Shares under the Securities Act, (ii) such consents, approvals, authorizations, orders and registrations or qualifications as have already been obtained, made or waived, (iii) as may be required by the Financial Industry Regulatory Authority, Inc. (“FINRA”), the Nasdaq Global Select Market (the “Nasdaq Market”) and under applicable state securities laws in connection with the purchase and distribution of the Shares by the Underwriters, (iv) any filing or submission required in connection with the Reorganization Transactions or (v) where the failure to obtain any such consent, approval, authorization, order, registration or qualification would not reasonably be expected, individually or in the aggregate, to materially adversely affect the ability of the Company to consummate the transactions contemplated by this Agreement.

(s) *Legal Proceedings.* Except as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, there are no legal, governmental or regulatory investigations, actions, demands, claims, suits, arbitrations, inquiries or proceedings (“Actions”) pending to which the Company or any of its subsidiaries is or, to the knowledge of the Company, may reasonably be expected to become a party or to which any property of the Company or any of its subsidiaries is or, to the knowledge of the Company, may reasonably be expected to become, the subject of, which, individually or in the aggregate, if determined adversely to the Company or any of its subsidiaries, would reasonably be expected to have a Material Adverse Effect; to the knowledge of the Company, no such Actions are threatened or contemplated by any governmental or regulatory authority or threatened by others, except as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect; and (i) there are no current or pending Actions that are required under the Securities Act to be described in the Registration Statement, the Pricing Disclosure Package or the Prospectus that are not so described in the Registration Statement, the Pricing Disclosure Package and the Prospectus and (ii) there are no statutes, regulations or contracts or other documents that are required under the Securities Act to be filed as exhibits to the Registration Statement or described in the

Registration Statement, the Pricing Disclosure Package or the Prospectus that are not so filed as exhibits to the Registration Statement or described in the Registration Statement, the Pricing Disclosure Package and the Prospectus.

(t) *Independent Accountants.* Price Waterhouse & Co. S.R.L., who have certified certain financial statements of the Company and its subsidiaries, is an independent registered public accounting firm with respect to the Company and its subsidiaries within the applicable rules and regulations adopted by the Commission and the Public Company Accounting Oversight Board (United States) and as required by the Securities Act.

(u) *Title to Real and Personal Property.* The Company and its subsidiaries have good and marketable title to, or have valid rights to lease or otherwise use, all items of real and personal property that are material to the business of the Company and its subsidiaries, taken as a whole, in each case free and clear of all liens, encumbrances, claims and defects and imperfections of title except those that (i) do not materially interfere with the use made and proposed to be made of such property by the Company and its subsidiaries, taken as a whole or (ii) would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(v) *Intellectual Property.* (i) The Company and its subsidiaries own all right, title, and interest in or have the right to use all material patents, patent applications, trademarks, service marks, trade names, trademark registrations, service mark registrations, domain names and other source indicators, copyrights and copyrightable works, know-how, trade secrets, systems, procedures, proprietary or confidential information and all other worldwide intellectual property, industrial property and proprietary rights (collectively, "Intellectual Property") used in or necessary for the conduct of their respective businesses; (ii) all employees or contractors engaged in the development of Intellectual Property on behalf of the Company or any of its subsidiaries have executed an invention assignment agreement whereby such employees or contractors presently assign all of their right, title and interest in and to such Intellectual Property to the Company or the applicable subsidiary, and to the Company's knowledge no such agreement has been breached or violated in any manner that could reasonably be expected to result in a Material Adverse Effect; (iii) the Company's and its subsidiaries' conduct of their respective businesses does not infringe, misappropriate or otherwise violate any Intellectual Property of any person, except as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect; (iv) the Intellectual Property owned by the Company and its subsidiaries and, to the Company's knowledge, the Intellectual Property licensed to the Company and its subsidiaries, is valid, subsisting and enforceable, and there is no pending or, to the Company's knowledge, threatened action, suit, proceeding or claim by others challenging the validity, scope or enforceability of any such Intellectual Property; and (v) to the knowledge of the Company, the Intellectual Property of the Company and its subsidiaries is not being infringed, misappropriated or otherwise violated by any person.

(w) *No Undisclosed Relationships.* No relationship, direct or indirect, exists between or among the Company or any of its subsidiaries, on the one hand, and the directors, officers, shareholders, customers, suppliers or other affiliates of the Company or any of its subsidiaries, on the other, that is required by the Securities Act to be described in each of the Registration Statement and the Prospectus and that is not so described in such documents and in the Pricing Disclosure Package.

(x) *Investment Company Act.* The Company is not and, after giving effect to the offering and sale of the Shares and the application of the proceeds thereof received by the Company as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, will not be required to register as an “investment company” or an entity “controlled” by an “investment company” within the meaning of the Investment Company Act of 1940, as amended, and the rules and regulations of the Commission thereunder (collectively, the “Investment Company Act”).

(y) *Taxes.* The Company and its subsidiaries have paid all applicable federal, state, local and foreign taxes (other than such taxes as are not yet due or are currently being contested in good faith and for which reserves have been provided in accordance with IFRS) and filed all applicable tax returns required to be paid or filed through the date hereof, except where the failure to pay such taxes or file such returns would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect; and to the Company’s knowledge, except as otherwise disclosed in each of the Registration Statement, the Pricing Disclosure Package and the Prospectus, there is no tax deficiency that has been, or would reasonably be expected to be, asserted against the Company or any of its subsidiaries or any of their respective properties or assets which would reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(z) *Licenses and Permits.* The Company and its subsidiaries possess all licenses, sub-licenses, certificates, permits and other authorizations issued by, and have made all declarations and filings with, the appropriate federal, state, local or foreign governmental or regulatory authorities having jurisdiction over the Company and its subsidiaries that are necessary for the ownership or lease of their respective properties or the conduct of their respective businesses as described in each of the Registration Statement, the Pricing Disclosure Package and the Prospectus, except where the failure to possess or make the same would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect; and except as described in each of the Registration Statement, the Pricing Disclosure Package and the Prospectus, neither the Company nor any of its subsidiaries has received notice of any revocation or modification of any such license, sub-license, certificate, permit or authorization or has any reason to believe that any such license, sub-license, certificate, permit or authorization will not be renewed in the ordinary course, except where such revocation or modification would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(aa) *No Labor Disputes.* No labor disturbance by or dispute with employees of the Company or any of its subsidiaries exists or, to the knowledge of the Company, is contemplated or threatened, and the Company is not aware of any existing or imminent labor disturbance by, or dispute with, the employees of any of its or its subsidiaries’ principal suppliers, contractors or customers, except as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect. Neither the Company nor any of its subsidiaries has received any notice of cancellation or termination with respect to any material collective bargaining agreement to which it is a party.

(bb) *Certain Environmental Matters.* (i) The Company and its subsidiaries (x) are in compliance with all, and have not violated any, applicable federal, state, local and foreign laws (including common law), rules, regulations, requirements, decisions, judgments, decrees, orders and other legally enforceable requirements relating to pollution or the protection of human health or safety, the environment, natural resources, hazardous or toxic substances or wastes, pollutants or contaminants (collectively, “Environmental Laws”); (y) have received and are in compliance with all, and have not violated any, permits, licenses, certificates or other authorizations or approvals required of them under any Environmental Laws to conduct their respective businesses; and (z) have not received notice of any actual or potential liability or obligation of the Company or any of its subsidiaries under or relating to, or any actual or potential violation of, any Environmental Laws, including for the investigation or remediation of any disposal or release of hazardous or toxic substances or wastes, pollutants or contaminants, and have no knowledge of any event or condition that would reasonably be expected to result in any such notice; (ii) there are no costs or liabilities associated with Environmental Laws of or relating to the Company or its subsidiaries, except in the case of each of (i) and (ii) above, for any such matter as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and (iii) except as described in each of the Pricing Disclosure Package and the Prospectus, (x) there is no proceeding that is pending, or that is known to be contemplated, against the Company or any of its subsidiaries under any Environmental Laws in which a governmental entity is also a party, other than such proceeding regarding which it is reasonably believed no monetary sanctions of \$100,000 or more will be imposed, (y) the Company and its subsidiaries are not aware of any facts or issues regarding compliance with Environmental Laws, or liabilities or other obligations under Environmental Laws or concerning hazardous or toxic substances or wastes, pollutants or contaminants, that could reasonably be expected to have a material effect on the capital expenditures, earnings or competitive position of the Company and its subsidiaries, and (z) none of the Company or its subsidiaries anticipates material capital expenditures relating to any Environmental Laws.

(cc) *Compliance with ERISA.* Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, (i) Each employee benefit plan, within the meaning of Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended (“ERISA”), for which the Company or any member of its “Controlled Group” (defined as any entity, whether or not incorporated, that is under common control with the Company within the meaning of Section 4001(a)(14) of ERISA or any entity that would be regarded as a single employer with the Company under Section 414(b),(c),(m) or (o) of the Internal Revenue Code of 1986, as amended (the “Code”)) would have any liability (each, a “Plan”) has been maintained in compliance with its terms and the requirements of any applicable statutes, orders, rules and regulations, including but not limited to ERISA and the Code; (ii) no non-exempt prohibited transaction, within the meaning of Section 406 of ERISA or Section 4975 of the Code, has occurred with respect to any Plan; (iii) no Plan is, or is reasonably expected to be, in “at risk status” (within the meaning of Section 303(i) of ERISA) and no Plan that is a “multiemployer plan” within the meaning of Section 4001(a)(3) of ERISA is in “endangered status” or “critical status” (within the meaning of Sections 304 and 305 of ERISA) (iv) the fair market value of the assets of each Plan subject to Title IV of ERISA exceeds the present value of all benefits accrued under such Plan (determined based on those assumptions used to fund such Plan); (v) no “reportable event” (within the meaning of Section 4043(c) of ERISA and the regulations promulgated thereunder) has occurred or is reasonably expected to occur with respect

to any Plan subject to Title IV of ERISA; (vi) each Plan that is intended to be qualified under Section 401(a) of the Code is so qualified, and nothing has occurred, whether by action or by failure to act, which would cause the loss of such qualification; (vii) neither the Company nor any member of the Controlled Group has incurred, nor reasonably expects to incur, any liability under Title IV of ERISA (other than contributions to the Plan or premiums to the Pension Benefit Guarantee Corporation, in the ordinary course and without default) in respect of a Plan (including a “multiemployer plan” within the meaning of Section 4001(a)(3) of ERISA); (viii) for each Plan that is subject to the funding rules of Section 412 of the Code or Section 302 of ERISA, the minimum funding standard of Section 412 of the Code and Section 302 of ERISA, as applicable, has been satisfied (without taking into account any waiver thereof or extension of any amortization period) and reasonably expected to be satisfied in the future (without taking into account any waiver thereof or extension of any amortization period); and (ix) there is no pending audit, or to the knowledge of the Company investigation, by the Internal Revenue Service, the U.S. Department of Labor, the Pension Benefit Guaranty Corporation or any other governmental agency or any foreign regulatory agency with respect to any Plan that could reasonably be expected to result in liability to the Company or its subsidiaries. Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, with respect to each pension plan within the meaning of Section 3(2) of ERISA that is maintained or contributed to (or required to be contributed to) by the Company or any Subsidiary with respect to any of its employees (or former employees) or other service providers, employed or providing services outside the United States (each a “Foreign Plan”), (i) each such Foreign Plan is in material compliance with the applicable provisions of the laws and regulations regarding employee benefits, compensation, mandatory contributions and retirement plans of each jurisdiction applicable to such Foreign Plan; and (ii) each Foreign Plan required to be registered has been registered and has been maintained in good standing with applicable regulatory authorities.

(dd) *Accounting Controls.* The Company and its subsidiaries maintain a system of “internal control over financial reporting” (as defined in Rule 13a-15(f) of the Exchange Act) that complies with the requirements of the Exchange Act applicable to the Company and has been designed by, or under the supervision of, the Company’s principal executive and principal financial officers, or persons performing similar functions, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company and its subsidiaries maintain internal accounting controls designed to provide reasonable assurance that (i) transactions are executed in accordance with management’s general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management’s general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Except as disclosed in the Registration Statement, the Pricing Disclosure Package and the Prospectus, there are no material weaknesses in the Company’s internal controls.

(ee) *Insurance.* Neither the Company nor its subsidiaries maintain any material insurance covering their respective properties, operations, personnel or businesses.

(ff) **Cybersecurity; Data Protection.** Except as disclosed in the Registration Statement, the Pricing Disclosure Package and the Prospectus, (i) the Company and its subsidiaries' information technology assets and equipment, computers, systems, networks, hardware, software, websites, applications, and databases (collectively, "IT Systems") are adequate for, and operate and perform, in all material respects as required in connection with the operation of the business of the Company and its subsidiaries as currently conducted, and are, to the knowledge of the Company, free and clear of all material bugs, errors, defects, Trojan horses, time bombs, malware and other corruptants designed to damage or corrupt the IT Systems; (ii) the Company and its subsidiaries have implemented and maintained commercially reasonable controls, policies, procedures, and safeguards to maintain and protect, in all material respects, the integrity, continuous operation, redundancy and security of all IT Systems and data (including all personal, personally identifiable, sensitive, confidential or regulated data ("Personal Data")) used in connection with their businesses, and there have been no material breaches, violations, outages or unauthorized uses of or accesses to same, except for those that have been remedied without material cost or liability or the duty to notify any other person, nor any material incidents under internal review or investigations relating to the same; (iii) the Company and its subsidiaries are presently in material compliance with all applicable laws or statutes and all judgments, orders, rules and regulations of any court or arbitrator or governmental or regulatory authority, and internal policies and contractual obligations relating to the privacy and security of IT Systems and Personal Data and to the protection of such IT Systems and Personal Data from unauthorized use, access, misappropriation or modification; and (iv) the Company and its subsidiaries have taken all necessary actions to comply, in all material respects, with the European Union General Data Protection Regulation (and to prepare to comply with all other applicable laws and regulations with respect to Personal Data that have been announced as of the date hereof as becoming effective within 12 months after the date hereof, and for which any non-compliance with same would be reasonably likely to create a material liability) as soon they take effect.

(gg) **No Unlawful Payments.** Neither the Company nor any of its subsidiaries, nor any director or officer of the Company or any of its subsidiaries nor, to the knowledge of the Company, any employee, agent, affiliate or other person associated with or acting on behalf of the Company or any of its subsidiaries has (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made or taken an act in furtherance of an offer, promise or authorization of any direct or indirect unlawful payment, benefit, giving or receipt of money, property, gifts or anything else of value to any foreign or domestic government official or employee, including of any government-owned or controlled entity or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for political office; (iii) violated or is in violation of any provision of the Foreign Corrupt Practices Act of 1977, as amended, or any applicable law or regulation implementing the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, or committed an offence under the Bribery Act 2010 of the United Kingdom or any other applicable anti-bribery or anti-corruption law; or (iv) made, offered, agreed, requested or taken an act in furtherance of any unlawful bribe or other unlawful benefit, including, without limitation, any rebate, payoff, influence payment, kickback or other unlawful or improper payment or benefit. The Company and its subsidiaries have instituted, maintain and enforce, and will continue to maintain and enforce policies and procedures designed to promote and ensure compliance with all applicable anti-bribery and anti-corruption laws.

(hh) *Compliance with Anti-Money Laundering Laws.* The operations of the Company and its subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements, including those of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the applicable money laundering statutes of all jurisdictions where the Company or any of its subsidiaries conducts business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines issued, administered or enforced by any governmental agency (collectively, the “Anti-Money Laundering Laws”), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Anti-Money Laundering Laws is pending or, to the knowledge of the Company, threatened. None of the Company or its subsidiaries will, directly or indirectly, use any of the proceeds from the sale of the Shares, or lend, contribute or otherwise make available such proceeds to any subsidiary, affiliate, joint venture partner or other person or entity, for the purpose of financing or facilitating any activity that would violate any Anti-Money Laundering Laws.

(ii) *No Conflicts with Sanctions Laws.* Neither the Company nor any of its subsidiaries, directors or officers, nor, to the knowledge of the Company, any employee, agent, affiliate or other person associated with or acting on behalf of the Company or any of its subsidiaries is currently the subject or the target of any sanctions administered or enforced by the U.S. government (including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury (“OFAC”) or the U.S. Department of State and including, without limitation, the designation as a “specially designated national” or “blocked person”), the United Nations Security Council (“UNSC”), the European Union, Her Majesty’s Treasury (“HMT”) or other relevant sanctions authority (collectively, “Sanctions”), nor is the Company or any of its subsidiaries located, organized or resident in a country or territory that is the subject or target of Sanctions, including, without limitation, Crimea, Cuba, Iran, North Korea and Syria (each, a “Sanctioned Country”); and the Company will not directly or indirectly use the proceeds of the offering of the Shares hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity (i) to fund or facilitate any activities of or business with any person that, at the time of such funding or facilitation, is the subject or target of Sanctions, (ii) to fund or facilitate any activities of or business in any Sanctioned Country or (iii) in any other manner that will result in a violation by any person (including any person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions. For the past five years, the Company and its subsidiaries have not knowingly engaged in and are not now knowingly engaged in any dealings or transactions with any person that at the time of the dealing or transaction is or was the subject or the target of Sanctions or with any Sanctioned Country.

(jj) *No Restrictions on Subsidiaries.* No subsidiary of the Company is currently prohibited, directly or indirectly, under any agreement or other instrument to which it is a party or is subject, from paying any dividends to the Company, from making any other distribution on such subsidiary’s share capital or similar ownership interest, from repaying to the Company any loans or advances to such subsidiary from the Company or from transferring any of such subsidiary’s properties or assets to the Company or any other subsidiary of the Company.

(kk) *No Broker's Fees.* Neither the Company nor any of its subsidiaries is a party to any contract, agreement or understanding with any person (other than this Agreement) that would give rise to a valid claim against any of them or any Underwriter for a brokerage commission, finder's fee or like payment in connection with the offering and sale of the Shares.

(ll) *No Registration Rights.* Except as otherwise disclosed in the Registration Statement, the Pricing Disclosure Package and the Prospectus under the caption "Related Party Transactions—Registration Rights Agreement," no person has the right to require the Company or any of its subsidiaries to register any securities for sale under the Securities Act by reason of the filing of the Registration Statement with the Commission, the issuance and sale of the Shares by the Company or, to the knowledge of the Company, the sale of the Shares to be sold by the Selling Shareholders hereunder.

(mm) *No Stabilization.* Except for the appointment of the Underwriters, who may engage in stabilization activities and as to whose actions the Company makes no representation or warranty, neither the Company nor, to the knowledge of the Company, any affiliate of the Company has taken, directly or indirectly, any action designed to or that could reasonably be expected to cause or result in any stabilization or manipulation of the price of the Shares.

(nn) *Forward-Looking Statements.* No forward-looking statement (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) included in any of the Registration Statement, the Pricing Disclosure Package or the Prospectus has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith.

(oo) *Statistical and Market Data.* Nothing has come to the attention of the Company that has caused the Company to believe that the statistical and market-related data included in each of the Registration Statement, the Pricing Disclosure Package and the Prospectus is not based on or derived from sources that are reliable and accurate in all material respects, and, to the extent required, the Company has obtained written consent for the use of such data from such sources.

(pp) *Sarbanes-Oxley Act.* To the extent applicable to the Company on the date hereof, there is and has been no failure on the part of the Company or any of the Company's directors or officers, in their capacities as such, to comply with any provision of the Sarbanes-Oxley Act, including Section 402 related to loans and Sections 302 and 906 related to certifications.

(qq) *Status under the Securities Act.* At the time of filing the Registration Statement and any post-effective amendment thereto, at the earliest time thereafter that the Company or any offering participant made a *bona fide* offer (within the meaning of Rule 164(h)(2) under the Securities Act) of the Shares and at the date hereof, the Company was not and is not an "ineligible issuer," as defined in Rule 405 under the Securities Act.

(rr) *Directed Share Program.* The Company represents and warrants that (i) the Registration Statement, the Pricing Disclosure Package and the Prospectus, any Preliminary Prospectus and any Issuer Free Writing Prospectuses comply in all material respects, and any further amendments or supplements thereto will comply in all material respects, with any applicable laws or regulations of foreign jurisdictions in which the Pricing Disclosure Package,

the Prospectus, any Preliminary Prospectus and any Issuer Free Writing Prospectus, as amended or supplemented, if applicable, are distributed in connection with the Directed Share Program, and that (ii) no authorization, approval, consent, license, order, registration or qualification of or with any government, governmental instrumentality or court, other than such as have been obtained, is necessary under the securities laws and regulations of foreign jurisdictions in which the Directed Shares are offered outside the United States. The Company has not offered, or caused the underwriters to offer, Class A Common Shares to any person pursuant to the Directed Share Program with the specific intent to unlawfully influence (i) a customer or supplier of the Company to alter the customer or supplier's level or type of business with the Company, or (ii) a trade journalist or publication to write or publish favorable information about the Company or its products.

(ss) *Stamp Taxes.* No stamp duties or other documentary, issuance or transfer taxes are payable by or on behalf of the Underwriters in the Cayman Islands or any political subdivision or taxing authority thereof in connection with (A) the execution, delivery and performance of this Agreement, (B) the issuance and delivery of the Shares in the manner contemplated by this Agreement and the Prospectus or (C) the sale and delivery by the Underwriters of the Shares as contemplated by this Agreement and the Prospectus. Nominal stamp duty is payable on the Agreement if the original Agreement is brought to the Cayman Islands.

(tt) *Qualification and Residency.* It is not necessary under the laws of the Cayman Islands that any Underwriter be licensed, qualified or entitled to carry on business in the Cayman Islands to enable such Underwriter to enforce its respective rights under this Agreement or the performance of the terms and conditions of this Agreement outside of the Cayman Islands. The Underwriters will not be deemed resident, domiciled, to be carrying on business or subject to taxation in the Cayman Islands solely by reason of the execution, acceptance, delivery, performance or enforcement of this Agreement.

(uu) *No Immunity.* Neither the Company nor any of its subsidiaries or their properties or assets has immunity under Cayman Islands or U.S. federal or New York state law from any legal action, suit or proceeding, from the giving of any relief in any such legal action, suit or proceeding, from set-off or counterclaim, from the jurisdiction of any Cayman Islands, U.S. federal or New York state court, from service of process, attachment upon or prior to judgment, or attachment in aid of execution of judgment, or from execution of a judgment, or other legal process or proceeding for the giving of any relief or for the enforcement of a judgment, in any such court with respect to their respective obligations, liabilities or any other matter under or arising out of or in connection herewith; and, to the extent that the Company or any of its subsidiaries or any of its properties, assets or revenues may have or may hereafter become entitled to any such right of immunity in any such court in which proceedings arising out of, or relating to the transactions contemplated by this Agreement, may at any time be commenced, the Company has, pursuant to Section 18 of this Agreement, waived, and it will waive, or will cause its subsidiaries to waive, such right to the extent permitted by law.

(vv) *Enforcement of Foreign Judgments.* Any final judgment for a fixed or determined sum of money rendered by any U.S. federal or New York state court located in the State of New York having jurisdiction under its own laws in respect of any suit, action or proceeding against

the Company based upon this Agreement would be declared enforceable against the Company by the courts of the Cayman Islands, without reconsideration or reexamination of the merits, *provided that*, in the case of the Cayman Islands, such judgment: (i) is given by a foreign court of competent jurisdiction; (ii) imposes on the judgment debtor a liability to pay a liquidated sum for which the judgment has been given; (iii) is final; (iv) is not in respect of taxes, a fine or a penalty; and (v) was not obtained in a manner and is not of a kind the enforcement of which is contrary to natural justice or the public policy of the Cayman Islands.

(ww) *Valid Choice of Law.* The choice of laws of the State of New York as the governing law of this Agreement (the “Governing Law”) is a valid choice of law under the laws of the Cayman Islands and will be recognized and given effect by the courts of the Cayman Islands, subject to the restrictions described under the caption “Enforcement of Civil Liabilities” in the Registration Statement, the Pricing Disclosure Package and the Prospectus and provided that, in the case of the Cayman Islands, such choice of law has been made in good faith and will be upheld by the courts of New York as a matter of the Governing Law. The Company has the power to submit, and pursuant to Section 18 of this Agreement and to the extent permitted by law, has legally, validly, effectively and irrevocably submitted, to the personal jurisdiction of the U.S. federal and New York state courts in the Borough of Manhattan in The City of New York and has validly and irrevocably waived any objection to the laying of venue of any suit, action or proceeding brought in such court.

(xx) *Passive Foreign Investment Company.* The Company does not believe it should be treated as a “passive foreign investment company” (“PFIC”), as defined in Section 1297 of the Code, for its most recently completed taxable year, and based on its current operations, income, assets and certain estimates and projections, including as to the relative value of its assets, the Company does not expect to be a PFIC for its current taxable year or to become one in the foreseeable future.

(yy) *Dividends.* Except as disclosed in the Registration Statement, the Pricing Disclosure Package and the Prospectus, no approvals are currently required in the Cayman Islands in order for the Company to pay dividends or other distributions declared by the Company to the holders of Shares. Under current laws and regulations of the Cayman Islands and any political subdivision thereof, any amount payable with respect to the Shares upon liquidation of the Company or upon redemption thereof and dividends and other distributions declared and payable on the share capital of the Company may be paid by the Company in United States dollars or euros and freely transferred out of the Cayman Islands, and no such payments made to the holders thereof who are non-residents of the Cayman Islands will be subject to income, withholding or other taxes under laws and regulations of the Cayman Islands or any political subdivision or taxing authority thereof or therein and without the necessity of obtaining any governmental authorization in the Cayman Islands or any political subdivision or taxing authority thereof or therein.

(zz) *Legality.* The legality, validity, enforceability or admissibility into evidence of any of the Registration Statement, the Pricing Disclosure Package, the Prospectus, this Agreement or the Shares in any jurisdiction in which the Company is incorporated or organized or does business is not dependent upon such document being submitted into, filed or recorded with any court or other authority in any such jurisdiction on or before the date hereof or that any

tax, imposition or charge be paid in any such jurisdiction on or in respect of any such document, other than court costs (including, without limitation, filing fees), except that, Cayman Islands stamp duty would be required to be paid before this Agreement could be admitted into evidence before the courts of the Cayman Islands.

(aaa) *Legal Action.* A holder of the Shares and each Underwriter are each entitled to sue as plaintiff in the court of the jurisdiction of formation and domicile of the Company for the enforcement of their respective rights under this Agreement and the Shares and such access to such courts will not be subject to any conditions which are not applicable to residents of such jurisdiction or a company incorporated in such jurisdiction.

(bbb) *Foreign Issuer.* The Company is a “foreign private issuer” as defined in Rule 405 under the Securities Act.

(ccc) *Related Party Transactions.* No relationship, direct or indirect, exists between or among the Company or any of its subsidiaries, on the one hand, and the directors, officers, shareholders, customers, suppliers or other affiliates of the Company or any of its subsidiaries, on the other, that is required by the Act to be described in the Registration Statement or the Prospectus and that is not so described in the Registration Statement, the Pricing Disclosure Package and the Prospectus.

4. Representations and Warranties of the Selling Shareholders.

(a) Each of the Selling Shareholders severally and not jointly represents and warrants, solely with respect to itself, to each Underwriter that:

(i) *Required Consents; Authority.* Except (i) for the registration of the Shares under the Securities Act, (ii) as may be required under foreign or state securities (or Blue Sky) laws or by FINRA or by the Nasdaq Market in connection with the purchase and distribution of Shares by the Underwriters, and (iii) any filing or submission required in connection with the Reorganization Transactions and (iv) as would not, individually or in the aggregate, reasonably be expected to materially impact such Selling Shareholder’s ability to perform its obligations under this Agreement, all consents, approvals, authorizations and orders necessary for the execution and delivery by such Selling Shareholder of this Agreement [and the Power of Attorney (the “Power of Attorney”) and the Custody Agreement (the “Custody Agreement”) hereinafter referred to], and for the sale and delivery of the Shares to be sold by such Selling Shareholder hereunder, have been obtained; and such Selling Shareholder has full right, power and authority to enter into this Agreement[, the Power of Attorney and the Custody Agreement] and to sell, assign, transfer and deliver the Shares to be sold by such Selling Shareholder hereunder; this Agreement[, the Power of Attorney and the Custody Agreement] [has] [have each] been duly authorized, executed and delivered by the Selling Shareholders.

(ii) *No Conflicts.* The execution, delivery and performance by such Selling Shareholder of this Agreement[, the Power of Attorney and the Custody Agreement], the sale of the Shares to be sold by such Selling Shareholder and the consummation by such Selling Shareholder of the transactions contemplated herein or therein will not (i) conflict

with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, result in the termination, modification or acceleration of, or result in the creation or imposition of any lien, charge or encumbrance upon any property, right or asset of such Selling Shareholder pursuant to, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which such Selling Shareholder is a party or by which such Selling Shareholder is bound or to which any of the property, right or asset of such Selling Shareholder is subject, (ii) result in any violation of the provisions of the memorandum and articles of association, charter or by-laws, partnership agreement or similar organizational documents of such Selling Shareholder or (iii) result in the violation of any law or statute or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory agency except, in the case of the foregoing clauses (i) and (iii) above, as would not, individually or in the aggregate, reasonably be expected to materially impact such Selling Shareholder's ability to perform its obligations under this Agreement.

(iii) *Title to Shares.* Such Selling Shareholder is the record and beneficial owners of the Shares to be sold at the Closing Date or the Additional Closing Date, as the case may be, by such Selling Shareholder hereunder, free and clear of all liens, encumbrances, equities or adverse claims; and upon payment for the Shares to be sold by such Selling Shareholder pursuant to this Agreement, delivery of such Shares, as directed by the Representatives, to Cede & Co. ("Cede") or such other nominee as may be designated by DTC, registration of such Shares in the name of Cede or such other nominee and the crediting of such Shares on the books of DTC to securities accounts (within the meaning of Section 8-501 of the UCC) of the Representatives (assuming that neither DTC nor any such Underwriter has notice of any adverse claim (within the meaning of Section 8-105 of the UCC) to such Shares), (A) under Section 8-501 of the UCC, the Representatives will acquire a valid security entitlement (within the meaning of Section 8-102 of the UCC) in respect of such Shares and (B) no action based on any "adverse claim" (within the meaning of Section 8-102 of the UCC) to such Shares may be asserted against the Representatives with respect to such security entitlement; for purposes of this representation, such Selling Shareholder may assume that when such payment, delivery (within the meaning of Section 8-301 of the UCC) and crediting occur, (x) such Shares will have been registered in the name of Cede or another nominee designated by DTC, in each case on the Company's register of members, in accordance with its memorandum and articles of association and applicable law, (y) DTC will be registered as a "clearing corporation" (within the meaning of Section 8-102 of the UCC) and (z) appropriate entries to the securities accounts (within the meaning of Section 8-501 of the UCC) of the Representatives on behalf of the several Underwriters on the records of DTC will have been made pursuant to the UCC.

(iv) *No Stabilization.* Such Selling Shareholder has not taken and will not take, directly or indirectly, any action designed to or that could reasonably be expected to cause or result in any stabilization or manipulation of the price of the Shares.

(v) *Issuer Free Writing Prospectus and Written Testing-the-Waters Communication.* Other than the Registration Statement, the Preliminary Prospectus and the Prospectus, such Selling Shareholder (including its agents and representatives, other

than the Underwriters in their capacity as such) has not prepared, made, used, authorized, approved or referred to and will not prepare, make, use, authorize, approve or refer to any Issuer Free Writing Prospectus or Written Testing-the-Waters Communication, other than (i) any document not constituting a prospectus pursuant to Section 2(a)(10)(a) of the Securities Act or Rule 134 under the Securities Act or (ii) the documents listed on Annex A or Annex B hereto, each electronic road show and any other written communications approved in writing in advance by the Company and the Representative.

(vi) *Material Information.* As of the date hereof and as of the Closing Date and as of the Additional Closing Date, as the case may be, the sale of the Shares by such Selling Shareholder is not and will not be prompted by any information concerning the Company or its subsidiaries, taken as a whole, which is not set forth in the Registration Statement, the Pricing Disclosure Package or the Prospectus.

(vii) *No Unlawful Payments.* Neither such Selling Shareholder nor any director, officer or employee of such Selling Shareholder nor, to the knowledge of such Selling Shareholder, any agent, affiliate or other person associated with or acting on behalf of such Selling Shareholder will (i) use any of the proceeds of the offering of the Shares hereunder for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) make or take an act in furtherance of an offer, promise or authorization of any direct or indirect unlawful payment or benefit using the proceeds of the offering of the Shares hereunder to any foreign or domestic government official or employee, including of any government-owned or controlled entity or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for political office; (iii) violate any provision of the Foreign Corrupt Practices Act of 1977, as amended, or any applicable law or regulation implementing the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, or commit an offence under the Bribery Act 2010 of the United Kingdom or any other applicable anti-bribery or anti-corruption law, in relation to the proceeds of the offering of the Shares hereunder; or (iv) make, offer, agree, request or take an act in furtherance of any unlawful bribe or other unlawful benefit, including, without limitation, any rebate, payoff, influence payment, kickback or other unlawful or improper payment or benefit in relation to the proceeds of the offering of the Shares hereunder.

(viii) *Compliance with Anti-Money Laundering Laws.* The operations of such Selling Shareholder are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements, including those of the Anti-Money Laundering Laws, and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving such Selling Shareholder with respect to the Anti-Money Laundering Laws is pending or, to the knowledge of such Selling Shareholder, threatened. Neither the Selling Shareholders nor any of its affiliates will use, directly or indirectly, the proceeds of the offering of the Shares hereunder in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any person in violation of any applicable anti-corruption laws or in a manner that will result in a violation by any person (including any person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Anti-Money Laundering Laws.

(ix) *[No Conflicts with Sanctions Laws]*. Neither such Selling Shareholder nor any of its directors, officers or employees, nor, to the knowledge of such Selling Shareholder, any agent, affiliate or other person associated with or acting on behalf of such Selling Shareholder is currently the subject or the target of any Sanctions, nor is such Selling Shareholder located, organized or resident in a Sanctioned Country; and such Selling Shareholder will not directly or indirectly use the proceeds of the offering of the Shares hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity (i) to fund or facilitate any activities of or business with any person that, at the time of such funding or facilitation, is the subject or target of Sanctions, (ii) to fund or facilitate any activities of or business in any Sanctioned Country or (iii) in any other manner that will result in a violation by any person (including any person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions. For the past five years, such Selling Shareholder has not knowingly engaged in and is not now knowingly engaged in any dealings or transactions with any person that at the time of the dealing or transaction is or was the subject or the target of Sanctions or with any Sanctioned Country.

(x) *Organization and Good Standing*. To the extent such Selling Shareholder is not a natural person, such Selling Shareholder has been duly organized and is validly existing and in good standing under the laws of its jurisdiction of organization.

(xi) *Enforcement of Foreign Judgments*. Any final judgment for a fixed or determined sum of money rendered by any U.S. federal or New York state court located in the State of New York having jurisdiction under its own domestic laws in respect of any suit, action or proceeding against such Selling Shareholder based upon this Agreement would be declared enforceable against such Selling Shareholder by the courts of the Cayman Islands or the United States, without reconsideration or reexamination of the merits.

(xii) *ERISA*. Such Selling Shareholder is not (i) an employee benefit plan subject to Title I of ERISA, (ii) a plan or account subject to Section 4975 of the Code or (iii) an entity deemed to hold “plan assets” of any such plan or account under Section 3(42) of ERISA, 29 C.F.R. 2510.3-101, or otherwise.

(xiii) *Stamp Taxes*. No stamp duties or other documentary, issuance or transfer taxes are payable by or on behalf of the Underwriters in the Cayman Islands or the United States or any political subdivision or taxing authority thereof in connection with (A) the execution, delivery and performance by such Shareholder of this Agreement, (B) the delivery of the Shares by such Selling Shareholder in the manner contemplated by this Agreement and the Prospectus or (C) the sale and delivery by the Underwriters of such Selling Shareholders Shares as contemplated herein and in the Prospectus.

(b) In addition to the representations and warranties made in Section 4(a) hereof, each of the Group 1 Selling Shareholders severally and not jointly represents and warrants, solely with respect to itself, to each Underwriter that:

(i) *Pricing Disclosure Package.* The Pricing Disclosure Package, at the Applicable Time did not, and as of the Closing Date and as of the Additional Closing Date, as the case may be, will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided* that such Group 1 Selling Shareholder makes no representation or warranty with respect to any statements or omissions made in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representative expressly for use in such Pricing Disclosure Package, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in Section 9(c) hereof.

(ii) *Registration Statement and Prospectus.* As of the applicable effective date of the Registration Statement and any post-effective amendment thereto, the Registration Statement and any such post-effective amendment complied and will comply in all material respects with the Securities Act, and did not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading; and as of the date of the Prospectus and any amendment or supplement thereto and as of the Closing Date and as of the Additional Closing Date, as the case may be, the Prospectus will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided* that such Group 1 Selling Shareholder makes no representation or warranty with respect to any statements or omissions made in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representative expressly for use in the Registration Statement, the Pricing Disclosure Package and the Prospectus and any amendment or supplement thereto, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in Section 9(c) hereof.

(c) In addition to the representations and warranties made in Section 4(a) hereof, each of the Group 2 Selling Shareholders severally and not jointly represents and warrants, solely with respect to itself, to each Underwriter that:

(i) *Pricing Disclosure Package.* The information specifically relating to such Group 2 Selling Shareholder contained in the Pricing Disclosure Package, at the Applicable Time did not, and as of the Closing Date and as of the Additional Closing Date, as the case may be, will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided* that such Group 2 Selling Shareholder's representation under this clause (i) shall only apply to any such statement or omission made in reliance upon and in conformity with information

specifically relating to such Group 2 Selling Shareholder furnished to the Company in writing by such Group 2 Selling Shareholder expressly for use in the Pricing Disclosure Package, and any amendment or supplement thereto; it being understood and agreed that the only such information furnished by such Group 2 Selling Shareholder consists of (A) the legal name and address of such Group 2 Selling Shareholder and the other information about such Group 2 Selling Shareholder set forth in the footnote relating to the Group 2 Selling Shareholder under the caption “Principal and Selling Shareholders” and (B) the number of Common Shares beneficially owned by such Group 2 Selling Shareholder before and after the offering (excluding percentages) that appears in the table under the caption “Principal and Selling Shareholders” (collectively, the “Group 2 Selling Shareholder Information”).

(ii) *Registration Statement and Prospectus.* As of the applicable effective date of the Registration Statement and any post-effective amendment thereto, the information specifically relating to such Group 2 Selling Shareholder contained in the Registration Statement and any such post-effective amendment did not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading; and as of the date of the Prospectus and any amendment or supplement thereto and as of the Closing Date and as of the Additional Closing Date, as the case may be, the information specifically relating to such Group 2 Selling Shareholder contained in the Prospectus will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided* that such Group 2 Selling Shareholder’s representation under this clause (ii) shall only apply to any such statement or omission made in reliance upon and in conformity with the Group 2 Selling Shareholder Information.

5. Further Agreements of the Company. The Company covenants and agrees with each Underwriter that:

(a) *Required Filings.* The Company will file the final Prospectus with the Commission within the time periods specified by Rule 424(b) and Rule 430A, 430B or 430C under the Securities Act, will file any Issuer Free Writing Prospectus to the extent required by Rule 433 under the Securities Act; and the Company will furnish copies of the Prospectus and each Issuer Free Writing Prospectus (to the extent not previously delivered) to the Underwriters in New York City prior to 10:00 A.M., New York City time, on the business day next succeeding the date of this Agreement in such quantities as the Representatives may reasonably request.

(b) *Delivery of Copies.* The Company will deliver, without charge, (i) to the Representatives, four signed copies of the Registration Statement as originally filed and each amendment thereto, in each case including all exhibits and consents filed therewith; and (ii) to each Underwriter (A) a conformed copy of the Registration Statement as originally filed and each amendment thereto (without exhibits) and (B) during the

Prospectus Delivery Period (as defined below), as many copies of the Prospectus (including all amendments and supplements thereto and each Issuer Free Writing Prospectus) as the Representatives may reasonably request. As used herein, the term “Prospectus Delivery Period” means such period of time after the first date of the public offering of the Shares as in the opinion of counsel for the Underwriters a prospectus relating to the Shares is required by law to be delivered (or required to be delivered but for Rule 172 under the Securities Act) in connection with sales of the Shares by any Underwriter or dealer.

(c) *Amendments or Supplements, Issuer Free Writing Prospectuses.* Before making, preparing, using, authorizing, approving, referring to or filing any Issuer Free Writing Prospectus, and before filing any amendment or supplement to the Registration Statement, the Pricing Disclosure Package or the Prospectus, the Company will furnish to the Representatives and counsel for the Underwriters a copy of the proposed Issuer Free Writing Prospectus, amendment or supplement for review and will not make, prepare, use, authorize, approve, refer to or file any such Issuer Free Writing Prospectus or file any such proposed amendment or supplement to which the Representatives reasonably object.

(d) *Notice to the Representatives.* The Company will advise the Representatives promptly, and confirm such advice in writing, (i) when the Registration Statement has become effective; (ii) when any amendment to the Registration Statement has been filed or becomes effective; (iii) when any supplement to the Pricing Disclosure Package, the Prospectus, any Issuer Free Writing Prospectus or any Written Testing-the-Waters Communication or any amendment to the Prospectus has been filed or distributed; (iv) of any request by the Commission for any amendment to the Registration Statement or any amendment or supplement to the Prospectus or the receipt of any comments from the Commission relating to the Registration Statement or any other request by the Commission for any additional information including, but not limited to, any request for information concerning any Testing-the-Waters Communication; (v) of the issuance by the Commission or any other governmental or regulatory authority of any order suspending the effectiveness of the Registration Statement or preventing or suspending the use of any Preliminary Prospectus, any of the Pricing Disclosure Package, the Prospectus or any Written Testing-the-Waters Communication or the initiation or threatening of any proceeding for that purpose or pursuant to Section 8A of the Securities Act; (vi) of the occurrence of any event or development within the Prospectus Delivery Period as a result of which the Prospectus, any of the Pricing Disclosure Package, any Issuer Free Writing Prospectus or any Written Testing-the-Waters Communication as then amended or supplemented would include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing when the Prospectus, the Pricing Disclosure Package, any such Issuer Free Writing Prospectus or any Written Testing-the-Waters Communication is delivered to a purchaser, not misleading; and (vii) of the receipt by the Company of any notice with respect to any suspension of the qualification of the Shares for offer and sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and the Company will use its reasonable best efforts to prevent the issuance of any such order suspending the effectiveness of the Registration Statement, preventing or

suspending the use of any Preliminary Prospectus, any of the Pricing Disclosure Package or the Prospectus or any Written Testing-the-Waters Communication or suspending any such qualification of the Shares and, if any such order is issued, will obtain as soon as possible the withdrawal thereof.

(e) *Ongoing Compliance.* (1) If during the Prospectus Delivery Period (i) any event or development shall occur or condition shall exist as a result of which the Prospectus as then amended or supplemented would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances existing when the Prospectus is delivered to a purchaser, not misleading or (ii) it is necessary to amend or supplement the Prospectus to comply with law, the Company will promptly (and in any event, within two business days) notify the Underwriters thereof and forthwith prepare and, subject to paragraph (c) above, file with the Commission and furnish to the Underwriters and to such dealers as the Representatives may designate such amendments or supplements to the Prospectus as may be necessary so that the statements in the Prospectus as so amended or supplemented will not, in the light of the circumstances existing when the Prospectus is delivered to a purchaser, be misleading or so that the Prospectus will comply with law and (2) if at any time prior to the Closing Date (i) any event or development shall occur or condition shall exist as a result of which the Pricing Disclosure Package as then amended or supplemented would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances existing when the Pricing Disclosure Package is delivered to a purchaser, not misleading or (ii) it is necessary to amend or supplement the Pricing Disclosure Package to comply with law, the Company will immediately notify the Underwriters thereof and forthwith prepare and, subject to paragraph (c) above, file with the Commission (to the extent required) and furnish to the Underwriters and to such dealers as the Representatives may designate, such amendments or supplements to the Pricing Disclosure Package as may be necessary so that the statements in the Pricing Disclosure Package as so amended or supplemented will not, in the light of the circumstances existing when the Pricing Disclosure Package is delivered to a purchaser, be misleading or so that the Pricing Disclosure Package will comply with law.

(f) *Blue Sky Compliance.* The Company will qualify the Shares for offer and sale under the securities or Blue Sky laws of such jurisdictions as the Representatives shall reasonably request and will continue such qualifications in effect so long as required for distribution of the Shares; provided that the Company shall not be required to (i) qualify as a foreign corporation or other entity or as a dealer in securities in any such jurisdiction where it would not otherwise be required to so qualify, (ii) file any general consent to service of process in any such jurisdiction or (iii) subject itself to taxation in any such jurisdiction if it is not otherwise so subject.

(g) *Earning Statement.* The Company will make generally available to its security holders and the Representatives as soon as practicable an earning statement that satisfies the provisions of Section 11(a) of the Securities Act and Rule 158 of the Commission promulgated thereunder covering a period of at least twelve months beginning with the first fiscal quarter of the Company occurring after the “effective date”

(as defined in Rule 158) of the Registration Statement, provided that the Company will be deemed to have complied with such requirement by furnishing such earning statement on the Commission's Electronic Data Gathering, Analysis, and Retrieval system (or any successor system) ("EDGAR").

(h) *Clear Market*. For a period of 180 days after the date of the Prospectus, the Company will not, and will not publicly disclose the intention to, (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, or publicly file with, the Commission a registration statement under the Securities Act relating to, any Class A Common Shares, Class B common shares par value \$0.002 per share (together with the Class A Common Shares, the "Common Shares"), or any securities convertible into or exercisable or exchangeable for Common Shares, or (ii) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the Company's Common Shares or any such other securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Shares or such other securities, in cash or otherwise, without the prior written consent of the Representatives, other than the Shares to be sold hereunder.

The restrictions described above do not apply to (i) the issuance of Common Shares or securities convertible into or exercisable for Common Shares pursuant to the conversion or exchange of convertible or exchangeable securities or the exercise of warrants or options (including net exercise) or the settlement of restricted stock units (including net settlement), in each case outstanding on the date of this Agreement and described in the Prospectus; (ii) grants of stock options, share awards, restricted shares, restricted stock units or other equity awards and the issuance of Common Shares or securities convertible into or exercisable or exchangeable for Common Shares (whether upon the exercise of stock options or otherwise) to the Company's employees, officers, directors, advisors, or consultants pursuant to the terms of an equity compensation plan in effect as of the Closing Date and described in the Prospectus, provided that such recipients enter into a lock-up agreement with the Underwriters; (iii) the filing of any registration statement (A) on Form S-8 relating to securities granted or to be granted pursuant to any plan in effect on the date of this Agreement and described in the Prospectus or any assumed benefit plan pursuant to an acquisition or similar strategic transaction or (B) in connection with the registration of shares pursuant to a demand registration from shareholders for which the 180-day restricted period shall have expired early pursuant to the terms of the "lock-up" agreement substantially in the form of Exhibit D hereto; (iv) the issuance of Common Shares in connection with the Reorganization Transactions; (v) the issuance of Common Shares or other securities (including securities convertible into Common Shares) in connection with the acquisition by the Company or any of its subsidiaries of the securities, businesses, properties or other assets of another person or entity or pursuant to any employee benefit plan assumed by the Company in connection with any such acquisition; or (vi) the issuance of Common Shares or other securities (including securities convertible into Common Shares) in connection with joint ventures, commercial relationships or other strategic transactions; provided that, in the case of clauses (v) and (vi), the aggregate number of Common Shares issued in all such

acquisitions and transactions does not exceed 10% of the outstanding Common Shares of the Company following the offering of the Shares and any recipients of such Common Shares shall deliver a “lock-up” agreement substantially in the form of Exhibit D hereto.

If the Representatives in their sole discretion, agree to release or waive the restrictions set forth in a lock-up letter described in Section 8(m) hereof for an officer or director of the Company and provide the Company with notice of the impending release or waiver substantially in the form of Exhibit B hereto at least three business days before the effective date of the release or waiver, the Company agrees to announce the impending release or waiver substantially in the form of Exhibit C hereto through a major news service at least two business days before the effective date of the release or waiver.

(i) *Use of Proceeds.* The Company will apply the net proceeds from the sale of the Shares as described in each of the Registration Statement, the Pricing Disclosure Package and the Prospectus under the heading “Use of Proceeds”.

(j) *No Stabilization.* Neither the Company nor its subsidiaries or affiliates will take, directly or indirectly, any action designed to or that could reasonably be expected to cause or result in any stabilization or manipulation of the price of the Class A Common Shares.

(k) *Exchange Listing.* The Company will use its reasonable best efforts to list the Shares on the Nasdaq Market, subject to official notice of issuance.

(l) *Reports.* So long as the Shares are outstanding, the Company will furnish to the Representatives, as soon as they are available, copies of all reports or other communications (financial or other) furnished to holders of the Shares, and copies of any reports and financial statements furnished to or filed with the Commission or any national securities exchange or automatic quotation system; *provided* the Company will be deemed to have furnished such reports and financial statements to the Representatives to the extent they are filed on EDGAR.

(m) *Record Retention.* The Company will, pursuant to reasonable procedures developed in good faith, retain copies of each Issuer Free Writing Prospectus that is not filed with the Commission in accordance with Rule 433 under the Securities Act.

(n) *Filings.* The Company will file with the Commission such reports as may be required by Rule 463 under the Securities Act.

(o) *Directed Share Program.* The Company will comply with all applicable securities and other laws, rules and regulations in each jurisdiction in which the Directed Shares are offered in connection with the Directed Share Program.

(p) *Emerging Growth Company; Foreign Private Issuer.* The Company will promptly notify the Representatives if the Company ceases to be an Emerging Growth Company or a “foreign private issuer” (as defined in Rule 405 under the Securities Act) at any time prior to the later of (i) completion of the distribution of Shares within the meaning of the Securities Act and (ii) completion of the 180-day restricted period referred to in Section 5(h) hereof.

(q) *Tax Indemnity.* The Company will indemnify and hold harmless the Underwriters against any documentary, stamp, registration or similar issuance tax or transfer tax, including any interest and penalties, on the issuance and sale of the Shares by the Company to the Underwriters and on the execution, delivery and performance of this Agreement. All payments to be made by the Company in respect of this Agreement shall be made without withholding or deduction for or on account of any present or future taxes, duties or governmental shares whatsoever unless the Company is compelled by law to deduct or withhold such taxes, duties or charges. In that event, the Company shall pay such additional amounts as may be necessary in order to ensure that the net amounts received after such withholding or deduction shall equal the amounts that would have been received if no withholding or deduction had been made; provided, however, that no such additional amounts shall be paid (i) in respect of any taxes imposed on an Underwriter as a result of any present or former connection (other than any connection resulting solely from the transactions contemplated by this Agreement) between such Underwriter and the jurisdiction imposing such withholding or deduction or (ii) in respect of any taxes to the extent that such taxes would not have been imposed but for the failure of an Underwriter to comply with any reasonable certification, identification or other reporting requirements concerning the nationality, residence, identity or connection with the applicable taxing jurisdiction of such Underwriter if such compliance is timely requested by the Company and required or imposed by law as a precondition to an exemption from, or reduction in, such taxes.

6. Further Agreements of the Selling Shareholders. Each of the Selling Shareholders severally and not jointly, solely with respect to itself, covenants and agrees with each Underwriter that:

(a) *No Stabilization.* The Selling Shareholder will not take, directly or indirectly, any action designed to or that could reasonably be expected to cause or result in any stabilization or manipulation of the price of the Class A Common Shares.

(b) *Tax Form.* It will deliver to the Representatives prior to or at the Closing Date a properly completed and executed United States Treasury Department Form W-9 or Form W-8, as applicable (or other applicable form or statement specified by the Treasury Department regulations in lieu thereof).

(c) *Use of Proceeds.* It will not directly or indirectly use the proceeds of the offering of the Shares hereunder, or lend, contribute or otherwise make available such proceeds to a subsidiary, joint venture partner or other person or entity (i) to fund or facilitate any activities of or business with any person that, at the time of such funding or facilitation, is the subject of target of Sanctions, (ii) to fund or facilitate any activities of or business in any Sanctioned Country or (iii) in any other manner that will result in a violation by any person (including any person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions.

7. Certain Agreements of the Underwriters. Each Underwriter hereby severally represents and agrees that:

(a) It has not and will not use, authorize use of, refer to or participate in the planning for use of, any “free writing prospectus”, as defined in Rule 405 under the Securities Act (which term includes use of any written information furnished to the Commission by the Company and not incorporated by reference into the Registration Statement and any press release issued by the Company) other than (i) a free writing prospectus that contains no “issuer information” (as defined in Rule 433(h)(2) under the Securities Act) that was not included (including through incorporation by reference) in the Preliminary Prospectus or a previously filed Issuer Free Writing Prospectus, (ii) any Issuer Free Writing Prospectus listed on Annex A or prepared pursuant to Section 3(c) or Section 4(a)(iii) above (including any electronic road show), or (iii) any free writing prospectus prepared by such underwriter and approved by the Company in advance in writing (each such free writing prospectus referred to in clauses (i) or (iii), an “Underwriter Free Writing Prospectus”).

(b) It has not and will not, without the prior written consent of the Company, use any free writing prospectus that contains the final terms of the Shares unless such terms have previously been included in a free writing prospectus filed with the Commission; provided that Underwriters may use a term sheet substantially in the form of Annex C hereto without the consent of the Company; provided further that any Underwriter using such term sheet shall notify the Company, and provide a copy of such term sheet to the Company, prior to, or substantially concurrently with, the first use of such term sheet.

(c) It is not subject to any pending proceeding under Section 8A of the Securities Act with respect to the offering (and will promptly notify the Company and the Selling Shareholders if any such proceeding against it is initiated during the Prospectus Delivery Period).

8. Conditions of Underwriters’ Obligations. The obligation of each Underwriter to purchase the Underwritten Shares on the Closing Date or the Option Shares on the Additional Closing Date, as the case may be, as provided herein is subject to the performance by the Company and the Selling Shareholder of their respective covenants and other obligations hereunder and to the following additional conditions:

(a) *Registration Compliance; No Stop Order.* No order suspending the effectiveness of the Registration Statement shall be in effect, and no proceeding for such purpose or pursuant to Section 8A under the Securities Act shall be pending before or threatened by the Commission; the Prospectus and each Issuer Free Writing Prospectus shall have been timely filed with the Commission under the Securities Act (in the case of an Issuer Free Writing Prospectus, to the extent required by Rule 433 under the Securities Act) and in accordance with Section 5(a) hereof; and all requests by the Commission for additional information shall have been complied with to the reasonable satisfaction of the Representatives.

(b) *Representations and Warranties.* The respective representations and warranties of the Company and the Selling Shareholders contained herein shall be true and correct on the date hereof and on and as of the Closing Date or the Additional Closing Date, as the case may be; and the statements of the Company and its officers and of each of the Selling Shareholders and their respective officers (to the extent applicable) made in any certificates delivered pursuant to this Agreement shall be true and correct on and as of the Closing Date or the Additional Closing Date, as the case may be.

(c) *No Downgrade.* Subsequent to the earlier of (A) the Applicable Time and (B) the execution and delivery of this Agreement, (i) no downgrading shall have occurred in the rating accorded any debt securities, convertible securities or preferred stock issued or guaranteed by the Company or any of its subsidiaries by any “nationally recognized statistical rating organization”, as such term is defined under Section 3(a)(62) under the Exchange Act and (ii) no such organization shall have publicly announced that it has under surveillance or review, or has changed its outlook with respect to, its rating of any such debt securities or preferred stock issued or guaranteed by the Company or any of its subsidiaries (other than an announcement with positive implications of a possible upgrading).

(d) *No Material Adverse Change.* No event or condition of a type described in Section 3(i) hereof shall have occurred or shall exist, which event or condition is not described in the Pricing Disclosure Package (excluding any amendment or supplement thereto) and the Prospectus (excluding any amendment or supplement thereto) and the effect of which in the judgment of the Representatives makes it impracticable or inadvisable to proceed with the offering, sale or delivery of the Shares on the Closing Date or the Additional Closing Date, as the case may be, on the terms and in the manner contemplated by this Agreement, the Pricing Disclosure Package and the Prospectus.

(e) *Officer's Certificate.* The Representatives shall have received on and as of the Closing Date or the Additional Closing Date, as the case may be, a certificate of the chief financial officer or chief accounting officer of the Company and one additional senior executive officer of the Company who is satisfactory to the Representatives (i) confirming that such officers have carefully reviewed the Registration Statement, the Pricing Disclosure Package and the Prospectus and, to the knowledge of such officers, the representations of the Company set forth in Sections 3(b) and 3(d) hereof are true and correct, (ii) confirming that the other representations and warranties of the Company in this Agreement are true and correct and that the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied hereunder at or prior to the Closing Date or the Additional Closing Date, as the case may be, and (iii) to the effect set forth in paragraphs (a), (c) and (d) above and (y) a certificate of the managing member, a director or executive officer (to the extent applicable) of such Selling Shareholder (or otherwise directly from each Selling Shareholder that is a natural person), in form and substance reasonably satisfactory to the Representatives, (A) confirming that the representations of such Selling Shareholder set forth in Section 4(a)(v) hereof is true and correct and (B) confirming that the other representations and warranties of such Selling Shareholder in this agreement are true and correct and that such Selling Shareholder has complied with all agreements and satisfied all conditions on their part to be performed or satisfied hereunder at or prior to such Closing Date.

(f) *Comfort Letters.* (i) On the date of this Agreement and on the Closing Date or the Additional Closing Date, as the case may be, Price Waterhouse & Co. S.R.L. shall have furnished to the Representatives, at the request of the Company, letters, dated the respective dates of delivery thereof and addressed to the Underwriters, in form and substance reasonably satisfactory to the Representatives, containing statements and information of the type customarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in each of the Registration Statement, the Pricing Disclosure Package and the Prospectus; *provided, that* the letter delivered on the Closing Date or the Additional Closing Date, as the case may be, shall use a "cut-off" date no more than two business days prior to such Closing Date or such Additional Closing Date, as the case may be.

(ii) On the date of this Agreement and on the Closing Date or the Additional Closing Date, as the case may be, the Company shall have furnished to the Representatives a certificate, dated the respective dates of delivery thereof and addressed to the Underwriters, of its chief financial officer with respect to certain financial data contained in the Pricing Disclosure Package and the Prospectus, providing "management comfort" with respect to such information, in form and substance reasonably satisfactory to the Representatives.

(g) *Opinion and 10b-5 Statement of Counsel for the Company.* Each of (i) Davis Polk & Wardwell LLP, U.S. counsel for the Company and (ii) Maples and Calder, Cayman Islands counsel for the Company, shall have furnished to the Representatives, at the request of the Company, their written opinion and 10b-5 statement, dated the Closing Date or the Additional Closing Date, as the case may be, and addressed to the Underwriters, in form and substance reasonably satisfactory to the Representatives, to the effect set forth in Annex D-1 and Annex D-2 hereto, respectively.

(h) *Opinion of Counsel for the Selling Shareholders.* [●], U.S. counsel for the Selling Shareholders, shall have furnished to the Representatives, at the request of the Selling Shareholders, their written opinion, dated the Closing Date or the Additional Closing Date, as the case may be, and addressed to the Underwriters, in form and substance reasonably satisfactory to the Representatives, to the effect set forth in Annex D-3 hereto.

(i) *Opinion and 10b-5 Statement of Counsel for the Underwriters.* The Representatives shall have received on and as of the Closing Date or the Additional Closing Date, as the case may be, an opinion and 10b-5 statement, addressed to the Underwriters, of each of (i) Simpson Thacher & Bartlett LLP, U.S. U.S. counsel for the Underwriters, and (ii) Conyers Dill & Pearman, Cayman Islands counsel for the Underwriters, with respect to such matters as the Representatives may reasonably request, and such counsel shall have received such documents and information as they may reasonably request to enable them to pass upon such matters.

(j) *No Legal Impediment to Issuance and/or Sale.* No action shall have been taken and no statute, rule, regulation or order shall have been enacted, adopted or issued by any federal, state or foreign governmental or regulatory authority that would, as of the Closing Date or the Additional Closing Date, as the case may be, prevent the issuance or sale of the Shares by the Company or the sale of the Shares by the Selling Shareholders; and no injunction or order of any federal, state or foreign court shall have been issued that would, as of the Closing Date or the Additional Closing Date, as the case may be, prevent the issuance or sale of the Shares by the Company or the sale of the Shares by the Selling Shareholders.

(k) *Good Standing.* The Representatives shall have received on and as of the Closing Date or the Additional Closing Date, as the case may be, satisfactory evidence of the good standing of the Company and its subsidiaries in their respective jurisdictions of organization and their good standing in such other jurisdictions as the Representatives may reasonably request, in each case in writing or any standard form of telecommunication from the appropriate governmental authorities of such jurisdictions.

(l) *Exchange Listing.* The Shares to be delivered on the Closing Date or the Additional Closing Date, as the case may be, shall have been approved for listing on the Nasdaq Market, subject to official notice of issuance.

(m) *Lock-up Agreements.* The “lock-up” agreements, each substantially in the form of Exhibit D hereto, between you and certain shareholders, officers and directors of the Company, including the Selling Shareholders, relating to sales and certain other dispositions of Common Shares or certain other securities, delivered to you on or before the date hereof, shall be full force and effect on the Closing Date or the Additional Closing Date, as the case may be.

(n) *Additional Documents.* On or prior to the Closing Date or the Additional Closing Date, as the case may be, the Company and the Selling Shareholders shall have furnished to the Representatives such further certificates and documents as the Representatives may reasonably request.

All opinions, letters, certificates and evidence mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to counsel for the Underwriters.

9. Indemnification and Contribution.

(a) *Indemnification of the Underwriters by the Company.* The Company agrees to indemnify and hold harmless each Underwriter, its affiliates, directors and officers and each person, if any, who controls such Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any and all losses, claims, damages and liabilities (including legal fees and other expenses reasonably incurred in connection with any suit, action or proceeding or any claim asserted, as such fees and expenses are incurred), joint or several, that arise out of, or are based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or caused by any omission or alleged

omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, not misleading, or (ii) any untrue statement or alleged untrue statement of a material fact contained in the Prospectus (or any amendment or supplement thereto), any Preliminary Prospectus, any Issuer Free Writing Prospectus, any “issuer information” filed or required to be filed pursuant to Rule 433(d) under the Securities Act, any Written Testing-the-Waters Communication, any road show as defined in Rule 433(h) under the Securities Act (a “road show”) or any Pricing Disclosure Package (including any Pricing Disclosure Package that has subsequently been amended), or caused by any omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, in each case except insofar as such losses, claims, damages or liabilities arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use therein, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in paragraph (c) below.

(b) *Indemnification of the Underwriters by the Selling Shareholders.* (i) In addition to the provisions of Section 9(a), if the Company fails, for whatever reason, to comply with its indemnity obligations set forth in Section 9(a) within a period of 30 days from the date the Company receives notice from any Underwriter of the occurrence of an event or circumstance that gives rise to indemnity pursuant to the provisions of Section 9(a) (or thereafter fails to so comply), then each of the Group 1 Selling Shareholders severally and not jointly, solely with respect to itself, in proportion to the number of Shares to be sold by such Group 1 Selling Shareholder hereunder agrees to indemnify and hold harmless each Underwriter, its affiliates, directors and officers and each person, if any, who controls such Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the indemnity set forth in paragraph (a) above, in each case except insofar as such losses, claims, damages or liabilities (including reasonable and documented legal fees and other expenses incurred in connection with any suit, action or proceeding or any claim asserted, as such fees and expenses are incurred) arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information other than the information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use therein, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in paragraph (c) below; *provided, that*, that the liability of such Group 1 Selling Shareholder pursuant to this subsection (b) shall not exceed the product of the number of Shares sold by such Selling Shareholder including any Option Shares and the price per Share referenced in Section 2 hereof as set forth in the Prospectus, before deducting any expenses; and (ii) each of the Group 2 Selling Shareholders severally and not jointly, solely with respect to itself, in proportion to the number of Shares to be sold by such Group 2 Selling Shareholder hereunder agrees to indemnify and hold harmless each Underwriter, its affiliates, directors and officers and each person, if any, who controls such Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the indemnity set forth in paragraph (a) above but only with respect to any losses, claims, damages or liabilities (including, without limitation, legal fees and other expenses incurred in connection with any suit, action or proceeding or any claim asserted, as such fees and expenses are incurred)

that arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with the Group 2 Selling Shareholder Information; *provided, that*, each Group 2 Selling Shareholder will be liable in any such case to the extent, and only to the extent, that any such losses, claims, damages or liabilities arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission in reliance upon and in conformity with Group 2 Selling Shareholder Information provided by such Group 2 Selling Shareholder; it being understood and agreed that the Group 2 Selling Shareholder Information with respect to such Group 2 Selling Shareholder only includes the information relating to such Group 2 Selling Shareholder under the caption “Principal and Selling Shareholders” in the Registration Statement, the Pricing Disclosure Package, Preliminary Prospectus, the Prospectus or any amendment or supplement thereto and *provided, further*, that the liability of such Group 2 Selling Shareholder pursuant to this subsection (b) shall not exceed the product of the number of Shares sold by such Selling Shareholder including any Option Shares and the price per Share referenced in Section 2 hereof as set forth in the Prospectus, for the avoidance of doubt, before deducting any expenses.

(c) *Indemnification of the Company and the Selling Shareholders.* Each Underwriter agrees, severally and not jointly, to indemnify and hold harmless the Company, its directors, its officers who signed the Registration Statement and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act and the Selling Shareholders, and each person who controls (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) the Selling Shareholders, to the same extent as the indemnity set forth in paragraph (a) above, but only with respect to any losses, claims, damages or liabilities (including without limitation, legal fees and other expenses incurred in connection with any suit, action or proceeding or any claim asserted, as such fees and expenses are incurred) that arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to such Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in the Registration Statement, the Prospectus (or any amendment or supplement thereto), any Preliminary Prospectus, any Issuer Free Writing Prospectus, any Written Testing-the-Waters Communication, any road show or any Pricing Disclosure Package (including any Pricing Disclosure Package that has subsequently been amended), it being understood and agreed upon that the only such information furnished by any Underwriter consists of the following information in the Prospectus furnished on behalf of each Underwriter: the concession and reallowance figures appearing in the third paragraph under the caption “Underwriting”, the information contained in the fifteenth paragraph under the caption “Underwriting.”

(d) *Notice and Procedures.* If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against any person in respect of which indemnification may be sought pursuant to the preceding paragraphs of this Section 9, such person (the “Indemnified Person”) shall promptly notify the person against whom such indemnification may be sought (the “Indemnifying Person”) in writing; provided that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have under the preceding paragraphs of this Section 9 except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and provided, further, that the failure to notify the Indemnifying Person shall not relieve it

from any liability that it may have to an Indemnified Person otherwise than under the preceding paragraphs of this Section 9. If any such proceeding shall be brought or asserted against an Indemnified Person and it shall have notified the Indemnifying Person thereof, the Indemnifying Person shall retain counsel reasonably satisfactory to the Indemnified Person (who shall not, without the consent of the Indemnified Person, be counsel to the Indemnifying Person) to represent the Indemnified Person and any others entitled to indemnification pursuant to this Section that the Indemnifying Person may designate in such proceeding and shall pay the fees and expenses in such proceeding and shall pay the reasonably incurred fees and expenses of such counsel related to such proceeding, as incurred and documented. In any such proceeding, any Indemnified Person shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Person unless (i) the Indemnifying Person and the Indemnified Person shall have mutually agreed to the contrary; (ii) the Indemnifying Person has failed within a reasonable time to retain counsel reasonably satisfactory to the Indemnified Person; (iii) the Indemnified Person shall have reasonably concluded that there may be legal defenses available to it that are different from or in addition to those available to the Indemnifying Person; or (iv) the named parties in any such proceeding (including any impleaded parties) include both the Indemnifying Person and the Indemnified Person and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood and agreed that the Indemnifying Person shall not, in connection with any proceeding or related proceeding in the same jurisdiction, be liable for the reasonably incurred fees and expenses of more than one separate firm (in addition to any local counsel) for all Indemnified Persons; provided, however, that if the Company is the Indemnifying Person, the Company shall be liable for (i) the reasonably incurred fees and expenses of one separate firm (in addition to any local counsel) for all Underwriters, their affiliates, directors and officers and each person, if any, who controls such Underwriters within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act and (ii) the reasonably incurred fees and expenses of one separate firm (in addition to any local counsel) for the Selling Shareholder, the officers, directors, partners, members, managers, equityholders, agents and employees of the Selling Shareholder, any person who controls (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) the Selling Shareholder and the officers, directors, partners, members, managers, agents and employees of any such controlling person, and that in each case, all such fees and expenses shall be paid or reimbursed as they are incurred and documented. Any such separate firm for any Underwriter, its affiliates, directors and officers and any control persons of such Underwriter shall be designated in writing by [the Representatives] and any such separate firm for the Company, its directors, its officers who signed the Registration Statement and any control persons of the Company shall be designated in writing by the Company and any such separate firm for the Selling Shareholder, the officers, directors, partners, members, managers, equityholders, agents and employees of the Selling Shareholder, any person who controls (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) the Selling Shareholder and the officers, directors, partners, members, managers, agents and employees of any such controlling person shall be designated in writing by the [Attorneys in Fact]. The Indemnifying Person shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent, the Indemnifying Person agrees to indemnify each Indemnified Person from and against any loss or liability by reason of such settlement. Notwithstanding the foregoing sentence, if at any time an Indemnified Person shall have requested that an Indemnifying Person reimburse the

Indemnified Person for fees and expenses of counsel as contemplated by this paragraph, the Indemnifying Person shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by the Indemnifying Person of such request and (ii) the Indemnifying Person shall not have reimbursed the Indemnified Person in accordance with such request prior to the date of such settlement. No Indemnifying Person shall, without the written consent of the Indemnified Person, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Person is or could have been a party and indemnification could have been sought hereunder by such Indemnified Person, unless such settlement (x) includes an unconditional release of such Indemnified Person, in form and substance reasonably satisfactory to such Indemnified Person, from all liability on claims that are the subject matter of such proceeding and (y) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Person.

(e) *Contribution.* If the indemnification provided for in paragraphs (a), (b) or (c) above is unavailable to an Indemnified Person or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each Indemnifying Person under such paragraph, in lieu of indemnifying such Indemnified Person thereunder, shall contribute to the amount paid or payable by such Indemnified Person as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Company and the Selling Shareholders, on the one hand, and the Underwriters on the other, from the offering of the Shares or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) but also the relative fault of the Company and the Selling Shareholders, on the one hand, and the Underwriters on the other, in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company and the Selling Shareholders, on the one hand, and the Underwriters on the other, shall be deemed to be in the same respective proportions as the net proceeds (before deducting expenses) received by the Company and the Selling Shareholders from the sale of the Shares and the total underwriting discounts and commissions received by the Underwriters in connection therewith, in each case as set forth in the table on the cover of the Prospectus, bear to the aggregate offering price of the Shares. The relative fault of the Company and the Selling Shareholders, on the one hand, and the Underwriters, on the other, shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company and the Selling Shareholders or by the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

If the indemnification provided for in paragraph (b) above is unavailable to an Indemnified Person or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each Indemnifying Person under such paragraph, in lieu of indemnifying such Indemnified Person thereunder, shall contribute to the amount paid or payable by such Indemnified Person as a result of such losses, claims, damages or liabilities in such proportion as is appropriate to reflect the relative fault of the Indemnifying Person, on the one hand, and such Indemnified Person, on the other hand, in connection with the actions, statements or omissions that resulted in such Losses as well as any other relevant equitable considerations. The relative

fault of such Indemnifying Person, on the one hand, and Indemnified Person, on the other hand, shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, has been made (or omitted) by, or relates to information supplied by, such Indemnifying Person or Indemnified Person, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent any such action, statement or omission.

(f) *Limitation on Liability.* The Company, the Selling Shareholders and the Underwriters agree that it would not be just and equitable if contribution pursuant to paragraph (f) above were determined by pro rata allocation (even if the Selling Shareholders or the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in paragraph (e) above. The amount paid or payable by an Indemnified Person as a result of the losses, claims, damages and liabilities referred to in paragraph (e) above shall be deemed to include, subject to the limitations set forth above, any reasonable and documented legal or other expenses incurred by such Indemnified Person in connection with any such action or claim. Notwithstanding the provisions of paragraphs (e) and (f), in no event shall an Underwriter be required to contribute any amount in excess of the amount by which the total underwriting discounts and commissions received by such Underwriter with respect to the offering of the Shares exceeds the amount of any damages that such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission and (ii) in no event shall any Selling Shareholder be required to contribute any amount in excess of the amount by which the product of the number of Shares sold by such Selling Shareholder including any Option Shares and the price per Share referenced in Section 2 hereof as set forth in the Prospectus, before deducting any expenses, exceeds the amount of any damages that the Selling Shareholder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations to contribute pursuant to paragraphs (e) and (f) are several in proportion to their respective purchase obligations hereunder and not joint.

(g) *Non-Exclusive Remedies.* The remedies provided for in this Section 9 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any Indemnified Person at law or in equity.

(h) *Directed Share Program Indemnification.* The Company agrees to indemnify and hold harmless the Directed Share Underwriter, its affiliates, directors and officers and each person, if any, who controls the Directed Share Underwriter within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act (each a "Directed Share Underwriter Entity") from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal fees and other expenses incurred in connection with defending or investigating any suit, action or proceeding or any claim asserted, as such fees and expenses are incurred) (i) caused by any untrue statement or alleged untrue statement of a material fact contained in any material prepared by or with the consent of the Company for distribution to Participants in connection with the Directed Share Program or caused by any omission or alleged

omission to state therein a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (ii) caused by the failure of any Participant to pay for and accept delivery of Directed Shares that the Participant agreed to purchase; or (iii) related to, arising out of, or in connection with the Directed Share Program, other than losses, claims, damages or liabilities (or expenses relating thereto) that are finally judicially determined to have resulted from the bad faith or gross negligence of the Directed Share Underwriter Entities.

(i) In case any proceeding (including any governmental investigation) shall be instituted involving any Directed Share Underwriter Entity in respect of which indemnity may be sought pursuant to paragraph (g) above, the Directed Share Underwriter Entity seeking indemnity shall promptly notify the Company in writing and the Company, upon request of the Directed Share Underwriter Entity, shall retain counsel reasonably satisfactory to the Directed Share Underwriter Entity to represent the Directed Share Underwriter Entity and any others the Company may designate in such proceeding and shall pay the reasonable fees and disbursements of such counsel related to such proceeding. In any such proceeding, any Directed Share Underwriter Entity shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Directed Share Underwriter Entity unless (i) the Company and such Directed Share Underwriter Entity shall have mutually agreed to the retention of such counsel, (ii) the Company has failed within a reasonable time to retain counsel reasonably satisfactory to such Directed Share Underwriter Entity, (iii) the Directed Share Underwriter Entity shall have reasonably concluded that there may be legal defenses available to it that are different from or in addition to those available to the Company or (iv) the named parties to any such proceeding (including any impleaded parties) include both the Company and the Directed Share Underwriter Entity and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. The Company shall not, in respect of the legal expenses of the Directed Share Underwriter Entities in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all Directed Share Underwriter Entities. The Company shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent, the Company agrees to indemnify the Directed Share Underwriter Entities from and against any loss or liability by reason of such settlement. Notwithstanding the foregoing sentence, if at any time any Directed Share Underwriter Entity shall have requested the Company to reimburse such Directed Share Underwriter Entity for fees and expenses of counsel as contemplated by the second and third sentences of this paragraph, the Company agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by the Company of the aforesaid request and (ii) the Company shall not have reimbursed such Directed Share Underwriter Entity in accordance with such request prior to the date of such settlement. The Company shall not, without the prior written consent of the Directed Share Underwriter, effect any settlement of any pending or threatened proceeding in respect of which any Directed Share Underwriter Entity is or could have been a party and indemnity could have been sought hereunder by such Directed Share Underwriter Entity, unless (x) such settlement includes an unconditional release of the Directed Share Underwriter Entities from all liability on claims that are the subject matter of such proceeding and (y) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of the Directed Share Underwriter Entity.

(j) To the extent the indemnification provided for in paragraph (h) above is unavailable to a Directed Share Underwriter Entity or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then the Company in lieu of indemnifying the Directed Share Underwriter Entity thereunder, shall contribute to the amount paid or payable by the Directed Share Underwriter Entity as a result of such losses, claims, damages or liabilities (1) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Directed Share Underwriter Entities on the other hand from the offering of the Directed Shares or (2) if the allocation provided by clause 9(j)(1) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause 9(j)(1) above but also the relative fault of the Company on the one hand and of the Directed Share Underwriter Entities on the other hand in connection with any statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Directed Share Underwriter Entities on the other hand in connection with the offering of the Directed Shares shall be deemed to be in the same respective proportions as the net proceeds from the offering of the Directed Shares (before deducting expenses) and the total underwriting discounts and commissions received by the Directed Share Underwriter Entities for the Directed Shares, bear to the aggregate public offering price of the Directed Shares. If the loss, claim, damage or liability is caused by an untrue or alleged untrue statement of material fact or the omission or alleged omission to state a material fact, the relative fault of the Company on the one hand and the Directed Share Underwriter Entities on the other hand shall be determined by reference to, among other things, whether the untrue or alleged untrue statement or the omission or alleged omission relates to information supplied by the Company or by the Directed Share Underwriter Entities and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(k) The Company and the Directed Share Underwriter Entities agree that it would be not just or equitable if contribution pursuant to paragraph (j) above were determined by pro rata allocation (even if the Directed Share Underwriter Entities were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in paragraph (j) above. The amount paid or payable by the Directed Share Underwriter Entities as a result of the losses, claims, damages and liabilities referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by the Directed Share Underwriter Entities in connection with investigating or defending such any action or claim. Notwithstanding the provisions of paragraph (i) above, no Directed Share Underwriter Entity shall be required to contribute any amount in excess of the amount by which the total price at which the Directed Shares distributed to the public were offered to the public exceeds the amount of any damages that such Directed Share Underwriter Entity has otherwise been required to pay. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The remedies provided for in paragraphs (h) through (k) are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

(l) The indemnity and contribution provisions contained in paragraphs (h) through (k) shall remain operative and in full force and effect regardless of (i) any termination of this

Agreement, (ii) any investigation made by or on behalf of any Directed Share Underwriter Entity or the Company, its officers or directors or any person controlling the Company and (iii) acceptance of and payment for any of the Directed Shares.

10. Effectiveness of Agreement. This Agreement shall become effective as of the date first written above.

11. Termination. This Agreement may be terminated in the absolute discretion of the Representatives, by notice to the Company and the Selling Shareholders, if after the execution and delivery of this Agreement and on or prior to the Closing Date or, in the case of the Option Shares, prior to the Additional Closing Date (i) trading generally shall have been suspended or materially limited on or by any of the New York Stock Exchange or the Nasdaq Stock Market; (ii) trading of any securities issued or guaranteed by the Company shall have been suspended on any exchange or in any over-the-counter market; (iii) a general moratorium on commercial banking activities shall have been declared by federal or New York State authorities; or (iv) there shall have occurred any outbreak or escalation of hostilities or any change in financial markets or any calamity or crisis, either within or outside the United States, that, in the judgment of the Representatives, is material and adverse and makes it impracticable or inadvisable to proceed with the offering, sale or delivery of the Shares on the Closing Date or the Additional Closing Date, as the case may be, on the terms and in the manner contemplated by this Agreement, the Pricing Disclosure Package and the Prospectus.

12. Defaulting Underwriter.

(a) If, on the Closing Date or the Additional Closing Date, as the case may be, any Underwriter defaults on its obligation to purchase the Shares that it has agreed to purchase hereunder on such date, the non-defaulting Underwriters may in their discretion arrange for the purchase of such Shares by other persons satisfactory to the Company and the Selling Shareholders on the terms contained in this Agreement. If, within 36 hours after any such default by any Underwriter, the non-defaulting Underwriters do not arrange for the purchase of such Shares, then the Company and the Selling Shareholders shall be entitled to a further period of 36 hours within which to procure other persons satisfactory to the non-defaulting Underwriters to purchase such Shares on such terms. If other persons become obligated or agree to purchase the Shares of a defaulting Underwriter, either the non-defaulting Underwriters or the Company and the Selling Shareholders may postpone the Closing Date or the Additional Closing Date, as the case may be, for up to five full business days in order to effect any changes that in the opinion of counsel for the Company, counsel for the Selling Shareholder or counsel for the Underwriters may be necessary in the Registration Statement and the Prospectus or in any other document or arrangement, and the Company agrees to promptly prepare any amendment or supplement to the Registration Statement and the Prospectus that effects any such changes. As used in this Agreement, the term "Underwriter" includes, for all purposes of this Agreement unless the context otherwise requires, any person not listed in Schedule 1 hereto that, pursuant to this Section 12, purchases Shares that a defaulting Underwriter agreed but failed to purchase.

(b) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by the non-defaulting Underwriters, the Company and the Selling Shareholders as provided in paragraph (a) above, the aggregate number of Shares that

remain unpurchased on the Closing Date or the Additional Closing Date, as the case may be, does not exceed one-eleventh of the aggregate number of Shares to be purchased on such date, then the Company and the Selling Shareholders shall have the right to require each non-defaulting Underwriter to purchase the number of Shares that such Underwriter agreed to purchase hereunder on such date plus such Underwriter's pro rata share (based on the number of Shares that such Underwriter agreed to purchase on such date) of the Shares of such defaulting Underwriter or Underwriters for which such arrangements have not been made.

(c) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by the non-defaulting Underwriters, the Company and the Selling Shareholders as provided in paragraph (a) above, the aggregate number of Shares that remain unpurchased on the Closing Date or the Additional Closing Date, as the case may be, exceeds one-eleventh of the aggregate amount of Shares to be purchased on such date, or if the Company and the Selling Shareholders shall not exercise the right described in paragraph (b) above, then this Agreement or, with respect to any Additional Closing Date, the obligation of the Underwriters to purchase Shares on the Additional Closing Date, as the case may be, shall terminate without liability on the part of the non-defaulting Underwriters. Any termination of this Agreement pursuant to this Section 12 shall be without liability on the part of the Company, except that the Company and the Selling Shareholders will continue to be liable for the payment of expenses as set forth in Section 13 hereof and except that the provisions of Section 9 hereof shall not terminate and shall remain in effect.

(d) Nothing contained herein shall relieve a defaulting Underwriter of any liability it may have to the Company, the Selling Shareholders or any non-defaulting Underwriter for damages caused by its default.

13. Payment of Expenses.

(a) Whether or not the transactions contemplated by this Agreement are consummated or this Agreement is terminated, the Company will pay or cause to be paid all costs and expenses incident to the performance of its obligations hereunder, including without limitation, (i) the costs incident to the authorization, issuance, sale, preparation and delivery of the Shares and any applicable documentary, stamp, or similar taxes payable in that connection; (ii) the costs incident to the preparation, printing and filing under the Securities Act of the Registration Statement, the Preliminary Prospectus, any Issuer Free Writing Prospectus, any Pricing Disclosure Package and the Prospectus (including all exhibits, amendments and supplements thereto) and the distribution thereof; (iii) the fees and expenses of the Company's counsel and independent accountants; (iv) the fees and expenses incurred in connection with the registration or qualification and determination of eligibility for investment of the Shares under the laws of such jurisdictions as the Representatives may designate and the preparation, printing and distribution of a Blue Sky Memorandum (including the related fees and expenses of counsel for the Underwriters); (v) the costs and charges of any transfer agent and any registrar; (vi) all expenses and application fees incurred in connection with any filing with, and clearance of the offering by, FINRA (including the related fees and expenses of counsel for the Underwriters not to exceed US\$35,000); (vii) all expenses incurred by the Company in connection with any "road show" presentation to potential investors; (viii) all expenses and application fees related to the listing of the Shares on the Nasdaq Market; and [(ix) all of the fees and disbursements of counsel

incurred by the Underwriters in connection with the Directed Share Program and stamp duties, similar taxes or duties or other taxes, if any, incurred by the Underwriters in connection with the Directed Share Program]. Except as provided in this Section, the Underwriters will pay all of their own costs and expenses, including the fees and expenses of their counsels (legal or otherwise) and stock transfer taxes on the resale of any of the Shares by them.

(b) If (i) this Agreement is terminated pursuant to Section 11, (ii) the Company or the Selling Shareholders for any reason fail to tender the Shares for delivery to the Underwriters (other than as a result of a termination pursuant to Section 11, or the default by one or more of the Underwriters in its or their respective obligations hereunder in which case, only such defaulting Underwriters shall not be entitled to reimbursement) or (iii) the Underwriters decline to purchase the Shares for any reason permitted under this Agreement (other than the default by one or more of the Underwriters in its or their respective obligations hereunder, in which case only such defaulting Underwriters shall not be entitled to reimbursement), the Company agrees to reimburse the Underwriters for all out-of-pocket costs and expenses (including the reasonable fees and expenses of their counsel) reasonably incurred and documented by the Underwriters in connection with this Agreement and the offering contemplated hereby.

14. Persons Entitled to Benefit of Agreement. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and the officers and directors and any controlling persons referred to herein and the affiliates of each Underwriter referred to in Section 11 hereof. Nothing in this Agreement is intended or shall be construed to give any other person any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein. No purchaser of Shares from any Underwriter shall be deemed to be a successor merely by reason of such purchase.

15. Survival. The respective indemnities, rights of contribution, representations, warranties and agreements of the Company, the Selling Shareholders and the Underwriters contained in this Agreement or made by or on behalf of the Company, the Selling Shareholders or the Underwriters pursuant to this Agreement or any certificate delivered pursuant hereto shall survive the delivery of and payment for the Shares and shall remain in full force and effect, regardless of any termination of this Agreement or any investigation made by or on behalf of the Company, the Selling Shareholders or the Underwriters or the directors, officers, controlling persons or affiliates referred to in Section 9 hereof.

16. Certain Defined Terms. For purposes of this Agreement, (a) except where otherwise expressly provided, the term “affiliate” has the meaning set forth in Rule 405 under the Securities Act; (b) the term “business day” means any day other than a day on which banks are permitted or required to be closed in New York City; and (c) the term “subsidiary” has the meaning set forth in Rule 405 under the Securities Act.

17. Compliance with USA Patriot Act. In accordance with the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), the Underwriters are required to obtain, verify and record information that identifies their respective clients, including the Company and the Selling Shareholders, which information may include the name and address of their respective clients, as well as other information that will allow the Underwriters to properly identify their respective clients.

18. Miscellaneous.

(a) *Notices.* All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted and confirmed by any standard form of telecommunication. Notices to the Underwriters shall be given to the Representatives at (i) c/o J.P. Morgan Securities LLC, 383 Madison Avenue, New York, New York 10179 (fax: (212) 622-8358); Attention: Equity Syndicate Desk; (ii) Goldman Sachs & Co. LLC, [●], (fax: [●]), Attention: [●]; (iii) c/o Citigroup Global Markets, Inc., 388 Greenwich Street, New York, New York, 10013, Attention: General Counsel, (fax: (212) 816-7912); (iv) Morgan Stanley & Co. LLC, [●], (fax: [●]), Attention: [●]. Notices to the Company shall be given to it at [●], (fax: [●]), Attention: [●]. Notices to the Selling Shareholders shall be given to the Attorneys-in-Fact at [●], (fax: [●]), Attention: [●].

(b) *Governing Law.* This Agreement and any claim, controversy or dispute arising under or related to this Agreement shall be governed by and construed in accordance with the laws of the State of New York.

(c) *Submission to Jurisdiction.* Each of the Company and the Selling Shareholder hereby submit to the exclusive jurisdiction of the U.S. federal and New York state courts in the Borough of Manhattan in The City of New York in any suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby. Each of the Company and the Selling Shareholders waive any objection which it may now or hereafter have to the laying of venue of any such suit or proceeding in such courts. Each of the Company and the Selling Shareholders agree that final judgment in any such suit, action or proceeding brought in such court shall be conclusive and binding upon the Company and each Selling Shareholder, as applicable, and may be enforced in any court to the jurisdiction of which Company and each Selling Shareholder, as applicable, is subject by a suit upon such judgment. The Company and each Selling Shareholder irrevocably appoint Cogency Global Inc., located at 10 E 40th Street, 10th floor, New York, New York 10016, as its authorized agent in the Borough of Manhattan in The City of New York upon which process may be served in any such suit or proceeding, and agrees that service of process upon such authorized agent, and written notice of such service to the Company or any such Selling Shareholder, as the case may be, by the person serving the same to the address provided in this Section 18, shall be deemed in every respect effective service of process upon the Company and such Selling Shareholder in any such suit or proceeding. Each of the Company and the Selling Shareholders hereby represents and warrants that such authorized agent has accepted such appointment and has agreed to act as such authorized agent for service of process. Each of the Company and the Selling Shareholders further agree to take any and all action as may be necessary to maintain such designation and appointment of such authorized agent in full force and effect for a period of seven years from the date of this Agreement.

(d) *Judgment Currency.* The Company [and each Selling Shareholder] agree to indemnify each Underwriter, its directors, officers, affiliates and each person, if any, who controls such Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, against any loss incurred by such Underwriter as a result of any judgment or order being given or made for any amount due hereunder and such judgment or order being expressed and paid in a currency (the “judgment currency.”) other than U.S. dollars and as a

result of any variation as between (i) the rate of exchange at which the U.S. dollar amount is converted into the judgment currency for the purpose of such judgment or order, and (ii) the rate of exchange at which such indemnified person is able to purchase U.S. dollars with the amount of the judgment currency actually received by the indemnified person. The foregoing indemnity shall constitute a separate and independent obligation of the Company [and each Selling Shareholder] shall continue in full force and effect notwithstanding any such judgment or order as aforesaid. The term “rate of exchange” shall include any premiums and costs of exchange payable in connection with the purchase of, or conversion into, the relevant currency.

(e) *Waiver of Immunity.* To the extent that the Company or any Selling Shareholder has or hereafter may acquire any immunity (sovereign or otherwise) from jurisdiction of any court of (i) the Cayman Islands, the United States, or any political subdivision thereof, (ii) the United States or the State of New York, (iii) any jurisdiction in which it owns or leases property or assets or from any legal process (whether through service of notice, attachment prior to judgment, attachment in aid of execution, execution, set-off or otherwise) with respect to themselves or their respective property and assets or this Agreement, the Company and each Selling Shareholder hereby irrevocably waive such immunity in respect of its obligations under this Agreement to the fullest extent permitted by applicable law.

(f) *Waiver of Jury Trial.* Each of the parties hereto hereby waives any right to trial by jury in any suit or proceeding arising out of or relating to this Agreement.

(g) *Relationship.* For the purposes of this Agreement, (a) none of the Selling Shareholders or their affiliates shall be deemed to be affiliates of the Company or a subsidiary of the Company, (b) the Company and its subsidiaries shall not be deemed to be affiliates or subsidiaries of any Selling Shareholder and (c) to the extent that a Selling Shareholder is a private equity or venture capital firm, no portfolio company of such Selling Shareholder or its affiliates shall be deemed an affiliate of such Selling Shareholder or its affiliates.

(h) *Recognition of the U.S. Special Resolution Regimes.*

(i) In the event that any Underwriter that is a Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer from such Underwriter of this Agreement, and any interest and obligation in or under this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.

(ii) In the event that any Underwriter that is a Covered Entity or a BHC Act Affiliate of such Underwriter becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under this Agreement that may be exercised against such Underwriter are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

As used in this Section 18(g):

“BHC Act Affiliate” has the meaning assigned to the term “affiliate” in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k).

“Covered Entity” means any of the following:

- (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);
- (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or
- (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“U.S. Special Resolution Regime” means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

(i) *Counterparts.* This Agreement may be signed in counterparts (which may include counterparts delivered by any standard form of telecommunication), each of which shall be an original and all of which together shall constitute one and the same instrument. The words “execution,” “signed,” “signature,” and words of like import in this Agreement or in any other certificate, agreement or document related to this Agreement shall include images of manually executed signatures transmitted by facsimile or other electronic format (including, without limitation, “pdf”, “tif” or “jpg”) and other electronic signatures (including, without limitation, DocuSign and AdobeSign). The use of electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based recordkeeping system to the fullest extent permitted by applicable law, including, without limitation, the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act and any other applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act or the Uniform Commercial Code.

(j) *Amendments or Waivers.* No amendment or waiver of any provision of this Agreement, nor any consent or approval to any departure therefrom, shall in any event be effective unless the same shall be in writing and signed by the parties hereto.

(k) *Headings.* The headings herein are included for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.

If the foregoing is in accordance with your understanding, please indicate your acceptance of this Agreement by signing in the space provided below.

Very truly yours,

DLOCAL LIMITED

By: _____
Name:
Title:

[SELLING SHAREHOLDERS]

By: _____
Name:
Title:

By: _____
Name:
Title:

As Attorneys-in-Fact acting on behalf of each of the Selling Shareholders named in Schedule 2 to this Agreement.

Accepted: As of the date first written above

For themselves and on behalf of the
several Underwriters listed
in Schedule 1 hereto.

J.P. MORGAN SECURITIES LLC

By: _____
Authorized Signatory

GOLDMAN SACHS & CO. LLC

By: _____
Authorized Signatory

CITI GLOBAL MARKETS, INC.

By: _____
Authorized Signatory

MORGAN STANLEY & CO. LLC

By: _____
Authorized Signatory

<u>Underwriter</u>	<u>Number of Shares</u>
J.P. MORGAN SECURITIES LLC	
GOLDMAN SACHS & CO. LLC	
CITI GLOBAL MARKETS, INC.	
MORGAN STANLEY & CO. LLC	
BOFA SECURITIES, INC.	
HSBC SECURITIES (USA) INC.	
UBS SECURITIES LLC	
	<u> </u>
	Total

Section 1

<u>Selling Shareholders:</u>	<u>Number of Underwritten Shares:</u>	<u>Number of Option Shares:</u>
[●]	[●]	[●]

Section 2

<u>Selling Shareholders:</u>	<u>Number of Underwritten Shares:</u>	<u>Number of Option Shares:</u>
[●]	[●]	[●]

Sch. 2

Significant Subsidiaries

[•]

Sch. 3

a. Pricing Disclosure Package

[None.]

b. Pricing Information Provided Orally by Underwriters

Initial public offering price per share: \$[●]

Aggregate number of Shares purchased by the Underwriters: [●]

Annex A

Written Testing-the-Waters Communications

[•]

Annex B

DLocal Limited

Pricing Term Sheet

Annex C

[Form of Opinion of U.S. Counsel for the Company]

Annex D-1

[Form of Opinion of Cayman Islands Counsel for the Company]

Annex D-2

[Form of Opinion of U.S. Counsel for the Selling Shareholders]

Annex D-3

Testing the waters authorization (to be delivered by the issuer to the Representatives in email or letter form)

In reliance on Section 5(d) of the Securities Act of 1933, as amended (the “Act”), DLocal Limited (the “Issuer”) hereby authorizes J.P. Morgan Securities LLC (“J.P. Morgan”), Citi Global Markets, Inc. (“Citigroup”), Goldman Sachs & Co. LLC (“Goldman Sachs”) and Morgan Stanley & Co. LLC (“Morgan Stanley”) and, together with J.P. Morgan, Citigroup and Goldman Sachs, the “Representatives”) and their respective affiliates and employees, to engage on behalf of the Issuer in oral and written communications with potential investors that are, or are reasonably believed to be, “qualified institutional buyers”, as defined in Rule 144A under the Act, or institutions that are “accredited investors”, within the meaning of Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) under the Act, to determine whether such investors might have an interest in the Issuer’s contemplated initial public offering (“Testing-the-Waters Communications”). A “Written Testing-the Waters Communication” means any Testing-the-Waters Communication that is a written communication within the meaning of Rule 405 under the Act. Each of the Representatives, individually and not jointly, agrees that it shall not distribute any Written Testing-the-Waters Communication that has not been approved by the Issuer, provided, however, that no such approval shall be required for any written communication that is administrative in nature (i.e., scheduling meetings) or that solely contains information already contained in a communication previously approved by the Issuer.

The Issuer represents that it is an “emerging growth company” as defined in Section 2(a)(19) of the Act (“Emerging Growth Company”) and agrees to promptly notify the Representatives in writing if the Issuer hereafter ceases to be an Emerging Growth Company while this authorization is in effect. If at any time following the distribution of any Written Testing-the-Waters Communication there occurs an event or development as a result of which such Written Testing-the-Waters Communication included or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at that subsequent time, not misleading, the Issuer will promptly notify the Representatives and will promptly amend or supplement, at its own expense, such Written Testing-the-Waters Communication to eliminate or correct such untrue statement or omission.

Nothing in this authorization is intended to limit or otherwise affect the ability of the Representatives and their respective affiliates and employees, to engage in communications in which they could otherwise lawfully engage in the absence of this authorization, including, without limitation, any written communication containing only one or more of the statements specified under Rule 134(a) under the Act. This authorization shall remain in effect until the Issuer has provided to the Representatives a written notice revoking this authorization.

Exhibit A

[Form of Waiver of Lock-up]

**J.P. MORGAN SECURITIES LLC
GOLDMAN SACHS & CO. LLC
CITIGROUP GLOBAL MARKETS, INC.
MORGAN STANLEY & CO. LLC**

DLocal Limited
Public Offering of Class A Common Shares

, 20__

[Name and Address of
Officer or Director
Requesting Waiver]

Dear Mr./Ms. [Name]:

This letter is being delivered to you in connection with the offering by DLocal Limited (the “Company”) of [●] Class A common shares, \$0.002 par value (the “Class A common shares”), of the Company and the lock-up letter dated [●], 2021 (the “Lock-up Letter”), executed by you in connection with such offering, and your request for a [waiver] [release] dated _____, 2021, with respect to _____ Class A common shares (the “Shares”).

J.P. Morgan Securities LLC, Goldman Sachs & Co. LLC, Citigroup Global Markets, Inc., and Morgan Stanley & Co. LLC hereby agree to [waive] [release] the transfer restrictions set forth in the Lock-up Letter, but only with respect to the Shares, effective _____, 2021; provided, however, that such [waiver] [release] is conditioned on the Company announcing the impending [waiver] [release] by press release through a major news service, or on a Form 6-K, at least two business days before effectiveness of such [waiver] [release]. This letter will serve as notice to the Company of the impending [waiver] [release].

Except as expressly [waived] [released] hereby, the Lock-up Letter shall remain in full force and effect.

[signature page follows]

Exhibit B

Yours very truly,

J.P. MORGAN SECURITIES LLC

By: _____
Authorized Signatory

GOLDMAN SACHS & CO. LLC

By: _____
Authorized Signatory

CITIGROUP GLOBAL MARKETS, INC.

By: _____
Authorized Signatory

MORGAN STANLEY & CO. LLC

By: _____
Authorized Signatory

cc: Company

Exhibit B

[Form of Press Release]**[DLocal Limited]****[Date]**

DLocal Limited (the “Company”) announced today that J.P. Morgan Securities LLC, Goldman Sachs & Co. LLC, Citigroup Global Markets, Inc., and Morgan Stanley & Co. LLC, the lead book-running managers in the Company’s recent public sale of _____ Class A common shares, are [waiving] [releasing] a lock-up restriction with respect to _____ of the Company’s Class A common shares held by [certain officers or directors] [an officer or director] of the Company. The [waiver] [release] will take effect on _____, 2021, and the shares may be sold on or after such date.

This press release is not an offer for sale of the securities in the United States or in any other jurisdiction where such offer is prohibited, and such securities may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933, as amended.

Exhibit C

FORM OF LOCK-UP AGREEMENT

_____, 2021

J.P. Morgan Securities LLC
Goldman Sachs & Co. LLC
Citigroup Global Markets, Inc.
Morgan Stanley & Co. LLC

As Representatives of the
several Underwriters listed
in Schedule 1 to the Underwriting Agreement referred to below

c/o J.P. Morgan Securities LLC
383 Madison Avenue
New York, New York 10179

c/o Goldman Sachs & Co. LLC
200 West Street
New York, New York 10282

c/o Citigroup Global Markets, Inc.
388 Greenwich Street
New York, New York, 10013

c/o Morgan Stanley & Co. LLC
1585 Broadway
New York, New York 10036

Re: DLocal Limited — Public Offering

Ladies and Gentlemen:

The undersigned understands that you, as Representatives of the several Underwriters, propose to enter into an underwriting agreement (the “Underwriting Agreement”) with DLocal Limited, a Cayman Islands exempted Company with limited liability (the “Company”), and the Selling Shareholder listed on Schedule 2 to the Underwriting Agreement, providing for the public offering (the “Public Offering”) by the several Underwriters named in Schedule 1 to the Underwriting Agreement (the “Underwriters”) of Class A common shares of the Company (the “Securities”). Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Underwriting Agreement.

In consideration of the Underwriters' agreement to purchase and make the Public Offering of the Securities, and for other good and valuable consideration receipt of which is hereby acknowledged, the undersigned hereby agrees that, without the prior written consent of the Representatives on behalf of the Underwriters, the undersigned will not, and will not cause any direct or indirect affiliate to, during the period (such period, the "Restricted Period") beginning on the date of this letter agreement (this "Letter Agreement") and ending at the close of business 180 days after the date of the final prospectus relating to the Public Offering (the "Prospectus"), (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any Securities, or Class B common shares, \$0.002 per share par value, of the Company (collectively, the "Common Shares") or any securities convertible into or exercisable or exchangeable for Common Shares (including, without limitation, Common Shares or such other securities which may be deemed to be beneficially owned by the undersigned in accordance with the rules and regulations of the Securities and Exchange Commission and securities which may be issued upon exercise of a stock option or warrant) (collectively with the Common Shares, the "Lock-Up Securities"), (2) enter into any hedging, swap or other agreement or transaction that transfers, in whole or in part, any of the economic consequences of ownership of the Lock-Up Securities, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Lock-Up Securities, in cash or otherwise, (3) make any demand for, or exercise any right with respect to, the registration of any Lock-Up Securities (provided that, for the avoidance of doubt, to the extent the undersigned has demand and/or piggyback registration rights, the foregoing shall not prohibit the undersigned from notifying the Company privately that it is or will be exercising its demand and/or piggyback registration rights following the expiration of the Restricted Period or in connection with an Early Lock-Up Expiration Date and undertaking preparations related thereto, including the confidential submission of a registration statement with the SEC), or (4) publicly disclose the intention to do any of the foregoing. The undersigned acknowledges and agrees that the foregoing precludes the undersigned from engaging in any hedging or other transactions or arrangements (including, without limitation, any short sale or the purchase or sale of, or entry into, any put or call option, or combination thereof, forward, swap or any other derivative transaction or instrument, however described or defined) designed or intended to, or which could reasonably be expected to lead to or result in, a sale or disposition or transfer (whether by the undersigned or any other person) of any economic consequences of ownership, in whole or in part, directly or indirectly, of any Lock-Up Securities, whether any such transaction or arrangement (or instrument provided for thereunder) would be settled by delivery of Lock-Up Securities, in cash or otherwise. The undersigned further confirms that it has furnished the Representatives with the details of any transaction the undersigned, or any of its affiliates, is a party to as of the date hereof, which transaction would have been restricted by this Letter Agreement if it had been entered into by the undersigned during the Restricted Period.

Notwithstanding the foregoing, the undersigned may:

- (a) transfer the Lock-Up Securities:
 - (i) as a bona fide gift or gifts, or for bona fide estate planning purposes;
 - (ii) by will or intestacy;

- (iii) to any immediate family of the undersigned or to any trust for the direct or indirect benefit of the undersigned or the immediate family of the undersigned, or if the undersigned is a trust, to a trustor or beneficiary of the trust or to the estate of a beneficiary of such trust (for purposes of this Letter Agreement, “immediate family” shall mean any relationship by blood, current or former marriage, domestic partnership or adoption, not more remote than first cousin);
- (iv) to a partnership, limited liability company or other entity of which the undersigned and any immediate family of the undersigned are the legal and beneficial owner of all of the outstanding equity securities or similar interests;
- (v) if the undersigned is a corporation, partnership, limited liability company, trust or other business entity, (A) to another corporation, partnership, limited liability company, trust or other business entity that is an affiliate (as defined in Rule 405 promulgated under the Securities Act of 1933, as amended) of the undersigned, or to any investment fund or other entity controlling, controlled by, managing or managed by or under common control with the undersigned or affiliates of the undersigned (including, for the avoidance of doubt, where the undersigned is a partnership, to its general partner or a successor partnership or fund, or any other funds managed by such partnership), or (B) as part of a distribution to the direct or indirect partners, members or shareholders of the undersigned;
- (vi) to a nominee or custodian of a person or entity to whom a disposition or transfer would be permissible under clauses (i) through (v) above;
- (vii) by operation of law, such as pursuant to a qualified domestic order, divorce settlement, divorce decree or separation agreement;
- (viii) to the Company from an employee of the Company upon death, disability or termination of employment, in each case, of such employee or to the Company from an employee pursuant to any contractual arrangement existing on the date hereof that provides the Company with a right to purchase Lock-Up Securities;
- (ix) as part of a sale of Securities acquired in open market transactions after the closing of the Public Offering or from the Underwriters in connection with the Public Offering other than pursuant to any directed share program;
- (x) pursuant to an order of a court or regulatory agency;
- (xi) pursuant to a bona fide third-party tender offer, merger, consolidation or other similar transaction that is approved by the Board of Directors of the Company and made to all holders of the Company’s capital stock involving a Change of Control (as defined below) of the Company (for purposes hereof, “Change of Control” shall mean the transfer (whether by tender offer, merger, consolidation or other

similar transaction), in one transaction or a series of related transactions, to a person or group of affiliated persons, of shares of capital stock if, after such transfer, such person or group of affiliated persons would hold more than 50% of the outstanding voting securities of the Company (or the surviving entity)); provided that in the event that such tender offer, merger, consolidation or other similar transaction is not completed, the undersigned's Lock-Up Securities shall remain subject to the provisions of this Letter Agreement;

- (xii) to the Company in connection with the vesting, settlement, or exercise of restricted share units, options, warrants or other rights to purchase Common Shares (including, in each case, by way of "net" or "cashless" exercise), including for the payment of exercise price and tax and remittance payments due as a result of the vesting, settlement, or exercise of such restricted share units, options, warrants or rights, provided that any such Common Shares received upon such exercise, vesting or settlement shall be subject to the terms of this Letter Agreement, and provided further that any such restricted share units, options, warrants or rights are held by the undersigned pursuant to an agreement or equity awards granted under a share-based incentive plan or other equity award plan, each such agreement or plan which is described in the Registration Statement, the Pricing Disclosure Package and the Prospectus;
- (xiii) in connection with the pledge, hypothecation or other granting of a security interest in Lock-Up Securities to one or more lending institutions as collateral or security for any loan, advance or extension of credit and any such lending institution may transfer (or cause the transfer of) such Lock-Up Securities in connection with any foreclosure or enforcement thereunder;

provided that (A) in the case of any transfer or distribution pursuant to clause (a)(i), (ii), (iii), (iv), (v), and (vi), such transfer shall not involve a disposition for value other than with respect to any such transfer or distribution for which the transferor or distributor receives (x) equity interests of such transferee or (y) such transferee's interests in the transferor, and each donee, devisee, transferee or distributee shall execute and deliver to the Representatives a lock-up letter in the form of this Letter Agreement, (B) in the case of any transfer or distribution pursuant to clause (a)(i), (ii), (iii), (iv), (v), (vi), (ix) and (xi), no filing by any party (donor, donee, devisee, transferor, transferee, distributor or distributee) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or other public announcement shall be made voluntarily in connection with such transfer or distribution and (C) in the case of any transfer or distribution pursuant to clause (a)(vii) and (ix) it shall be a condition to such transfer that no public filing, report or announcement shall be voluntarily made and if any filing under Section 16(a) of the Exchange Act, or other public filing, report or

announcement reporting a reduction in beneficial ownership of Common Shares in connection with such transfer or distribution shall be legally required during the Restricted Period, such filing, report or announcement shall clearly indicate in the footnotes thereto the nature and conditions of such transfer;

- (b) exercise outstanding options, settle restricted stock units or other equity awards pursuant to plans described in the Registration Statement, the Pricing Disclosure Package and the Prospectus or exercise warrants; provided that any Lock-Up Securities received upon such exercise, vesting or settlement shall be subject to the terms of this Letter Agreement;
- (c) convert outstanding preferred stock, warrants to acquire preferred stock or convertible securities into Common Shares or warrants to acquire Common Shares; provided that any Common Shares or warrants received upon such conversion shall be subject to the terms of this Letter Agreement;
- (d) establish trading plans pursuant to Rule 10b5-1 under the Exchange Act for the transfer of shares of Lock-Up Securities; provided that (1) such plans do not provide for the transfer of Lock-Up Securities during the Restricted Period and (2) no filing by any party under the Exchange Act or other public announcement shall be required or made voluntarily in connection with such trading plan; and
- (e) sell the Securities to be sold by the undersigned pursuant to the terms of the Underwriting Agreement, including any reclassification, conversion or exchange required in connection with such sell as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus.

In addition, and notwithstanding the provisions of the second paragraph of this Lock-Up Agreement, on such date that (i) the Company has publicly furnished at least one earnings release under Form 6-K or has filed at least one annual report on Form 20-F (a "Periodic Report") and (ii) for five out of any 10 consecutive Trading Days ending on such date, the last reported closing price of the Securities on the exchange on which the Securities are listed is at least 25% greater than the initial public offering price per share set forth on the cover of the Prospectus (any such 10 Trading Day period, the "Measurement Period"), then 30% of the Lock-Up Securities (including all outstanding shares and equity awards, rounded down to the nearest whole share) that are subject to the restrictions hereunder, which percentage shall be calculated based on the number of the Lock-Up Securities subject to such restrictions as of the last day of the Measurement Period, will be automatically released from such restrictions (the "Early Lock-Up Expiration") immediately prior to the opening of trading on the exchange on which the Securities are listed on the Trading Day following the date on which all of the above conditions are satisfied (the "Early Lock-Up Expiration Date"). All Lock-Up Securities subject to the restrictions hereunder and not released on the Early Lock-Up Expiration Date will be automatically released from such restrictions upon the earlier of (i) immediately prior to the opening of trading on the exchange on which the Securities are listed on the Trading Day after the Company has publicly furnished its second earnings release under Form 6-K and (ii) 180

days after the date of the Prospectus (such date, the “Final Lock-Up Expiration Date”). The Company shall announce by a press release issued through a major news service, or on a Form 6-K, any Early Lock-Up Expiration Date and the Final Lock-Up Expiration Date at least two full Trading Days prior to the opening of trading on the Early Lock-Up Expiration Date or the Final Lock-Up Expiration Date, as applicable. For the avoidance of doubt, in the event that this paragraph conflicts with the second paragraph of this agreement, the undersigned will be entitled to the earliest release date for the maximum number of Lock-Up Securities available under this paragraph. The undersigned acknowledges and agrees that the Company may impose reasonable procedures relating to the removal of legends and stop transfer instructions relating to this Lock-Up Agreement. For purposes of this Lock-Up Agreement, a “Trading Day” is a day on which the New York Stock Exchange and the Nasdaq Stock Market are open for the buying and selling of securities.

If the undersigned is an officer or director of the Company, (i) the Representatives on behalf of the Underwriters agree that, at least three business days before the effective date of any release or waiver of the foregoing restrictions in connection with a transfer of Lock-Up Securities, the Representatives on behalf of the Underwriters will notify the Company of the impending release or waiver, and (ii) the Company has agreed in the Underwriting Agreement to announce the impending release or waiver a major news service, or on a Form 6-K, at least two business days before the effective date of the release or waiver. Any release or waiver granted by the Representatives on behalf of the Underwriters hereunder to any such officer or director shall only be effective two business days after the publication date of such announcement. The provisions of this paragraph will not apply if (a) the release or waiver is effected solely to permit a transfer not for consideration or that is to an immediate family member as defined in FINRA Rule 5130(i)(5) and (b) the transferee has agreed in writing to be bound by the same terms described in this letter to the extent and for the duration that such terms remain in effect at the time of the transfer.

In furtherance of the foregoing, the Company, and any duly appointed transfer agent for the registration or transfer of the securities described herein, are hereby authorized to decline to make any transfer of securities if such transfer would constitute a violation or breach of this Letter Agreement.

The undersigned hereby represents and warrants that the undersigned has full power and authority to enter into this Letter Agreement. All authority herein conferred or agreed to be conferred and any obligations of the undersigned shall be binding upon the successors, assigns, heirs or personal representatives of the undersigned.

The undersigned acknowledges and agrees that the Underwriters have not provided any recommendation or investment advice nor have the Underwriters solicited any action from the undersigned with respect to the Public Offering of the Securities and the undersigned has consulted their own legal, accounting, financial, regulatory and tax advisors to the extent deemed appropriate. The undersigned further acknowledges and agrees that, although the Representatives may be required or choose to provide certain Regulation Best Interest and Form CRS disclosures to you in connection with the Public Offering, the Representatives and the other Underwriters are not making a recommendation to you to participate in the Public Offering, enter into this Letter Agreement, or sell any Securities at the price determined in the Public Offering, and nothing set forth in such disclosures is intended to suggest that the Representatives or any Underwriter is making such a recommendation.

The undersigned understands that, if the Underwriting Agreement does not become effective by [●], 2021, or if the Underwriting Agreement (other than the provisions thereof which survive termination) shall terminate or be terminated prior to payment for and delivery of the Securities to be sold thereunder, the Registration Statement is withdrawn by the Company or the Company notifies the Representatives that it does not intend to proceed with the Public Offering, the undersigned shall be released from all obligations under this Letter Agreement. The undersigned understands that the Underwriters are entering into the Underwriting Agreement and proceeding with the Public Offering in reliance upon this Letter Agreement.

This Letter Agreement and any claim, controversy or dispute arising under or related to this Letter Agreement shall be governed by and construed in accordance with the laws of the State of New York.

[Signature page follows]

Very truly yours,
[NAME OF SHAREHOLDER/DIRECTOR/OFFICER]

By: _____
Name:
Title:

Exhibit D

THE COMPANIES ACT (AS REVISED)
EXEMPTED COMPANY LIMITED BY SHARES
SECOND AMENDED AND RESTATED
MEMORANDUM AND ARTICLES OF ASSOCIATION
OF
DLOCAL LIMITED

(adopted by Special Resolution passed on 2021, effective on 2021)

EXEMPTED COMPANY LIMITED BY SHARES

SECOND AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION

OF

DLOCAL LIMITED

(adopted by Special Resolution passed on [] 2021, effective on [] 2021)

- 1 The name of the Company is DLocal Limited.
- 2 The registered office of the Company shall be at the offices of of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, or at such other place within the Cayman Islands as the Directors may decide.
- 3 Subject to the following provisions of this Memorandum, the objects for which the Company is established are unrestricted.
- 4 Subject to the following provisions of this Memorandum, the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided by Section 27(2) of the Companies Act.
- 5 Nothing in this Memorandum shall permit the Company to carry on a business for which a licence is required under the laws of the Cayman Islands unless duly licensed.
- 6 The Company shall not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this clause shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.
- 7 The liability of each Member is limited to the amount from time to time unpaid on such Member's shares.
- 8 The share capital of the Company is US\$3,000,000 divided into 1,500,000,000 shares of a nominal or par value of US\$0.002 each which, at the date on which this Memorandum becomes effective, comprise (i) 1,000,000,000 Class A Common Shares; (ii) 250,000,000 Class B Common Shares (which Class B Common Shares may be converted into Class A Common Shares in the manner contemplated in the Articles of Association of the Company); and (iii) 250,000,000 shares of such class or classes (howsoever designated) and having the rights as the Board may determine from time to time in accordance with Article 4 of the Articles of Association of the Company, PROVIDED THAT, subject to the Act and the Articles of Association, the Company shall have the power to issue all or any part of its capital, whether original, redeemed, increased or reduced, with or without any preference, priority, special privilege or other rights or subject to any postponement of rights or to any condition or restriction whatsoever and so that, unless the conditions of issue shall otherwise expressly provide, every issue of shares, whether stated to be common, preference or otherwise shall be subject to the powers on the part of the Company hereinbefore provided.

-
- 9 The Company may exercise the power contained in the Act to deregister in the Cayman Islands and be registered by way of continuation in another jurisdiction.
- 10 Capitalised terms that are not defined in this Memorandum of Association bear the meaning given in the Articles of Association of the Company.

THE COMPANIES ACT (AS REVISED)

EXEMPTED COMPANY LIMITED BY SHARES

SECOND AMENDED AND RESTATED ARTICLES OF ASSOCIATION

OF

DLOCAL LIMITED

(adopted by Special Resolution passed on [] 2021, effective on [] 2021)

1 Preliminary

1.1 The regulations contained in Table A in the First Schedule of the Act shall not apply to the Company and the following regulations shall be the Articles of Association of the Company.

1.2 In these Articles:

(a) the following terms shall have the meanings set opposite if not inconsistent with the subject or context:

“Act” the Companies Act (As Revised);

“Allotment” shares are taken to be allotted when a person acquires the unconditional right to be included in the Register of Members in respect of those shares;

“Affiliate” in respect of a Person, means any other Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person, and (i) in the case of a natural person, shall include, without limitation, such person’s spouse, parents, children, siblings, mother-in-law and father-in-law and brothers and sisters-in-law, whether by blood, marriage or adoption or anyone residing in such person’s home, a trust for the benefit of any of the foregoing, a company, partnership or any natural person or entity wholly or jointly owned by any of the foregoing, and (ii) in the case of an entity, shall include a partnership, a corporation or any natural person or entity which directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such entity;

“Articles” these articles of association of the Company as from time to time amended by Special Resolution;

“Audit Committee” the audit committee of the Company formed by the Board pursuant to Article 24 hereof, or any successor of the audit committee;

“Board” or “Board of Directors”	the board of directors of the Company;
“Business Combination”	a statutory amalgamation, merger, consolidation, arrangement or other reorganization requiring the approval of the members of one or more of the participating companies as well as a short-form merger or consolidation that does not require a resolution of members;
“Chairman”	the chairman of the Board of Directors appointed in accordance with Article 20.2;
“Class A Common Shares”	class A common shares of a nominal or par value of US\$0.002 each in the capital of the Company having the rights provided for in these Articles;
“Class B Common Shares”	class B common shares of a nominal or par value of US\$0.002 each in the capital of the Company having the rights provided for in these Articles;
“Class B Director”	a Director appointed by holders of Class B Common Shares in accordance with Article 21.2;
“Clear days”	in relation to a period of notice means that period excluding both the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;
“Clearing House”	a clearing house recognized by the laws of the jurisdiction in which shares in the capital of the Company (or depository receipts thereof) are listed or quoted on a stock exchange or interdealer quotation system in such jurisdiction;
“Common Shares”	Class A Common Shares, Class B Common Shares and shares of such other classes as may from time to time be designated by the Board pursuant to these Articles as being common shares for the purposes of Article 5.2;
“Company”	the above named company;
“Company’s Website”	the website of the Company and/or its web-address or domain name;
“Compensation Committee”	the compensation committee of the Company formed by the Board pursuant to Article 24 hereof, or any successor of the compensation committee;
“Control”	the ownership, directly or indirectly, of shares possessing more than fifty per cent (50%) of the voting power of the corporation, partnership or other entity (other than, in the case of a corporation, shares having such power only by reason of the happening of a contingency), or having the power to control the management or elect a majority of members to the board of directors or equivalent decision-making body of such corporation, partnership or other entity;
“Designated Stock Exchange”	the Nasdaq Global Market and any other stock exchange or interdealer quotation system listed in Schedule 4 of the Act on which shares in the capital of the Company are listed or quoted;

“Directors”	the Directors for the time being of the Company or, as the case may be, those Directors assembled as a Board or as a committee of the Board;
“Dividend”	includes a distribution or interim dividend or interim distribution;
“Electronic”	has the same meaning as in the Electronic Transactions Act (As Revised);
“Electronic Communication”	a communication sent by electronic means, including electronic posting to the Company’s Website, transmission to any number, address or internet website (including the SEC’s website) or other electronic delivery methods as otherwise decided and approved by the Board;
“Electronic Record”	has the same meaning as in the Electronic Transactions Act (As Revised);
“Electronic Signature”	has the same meaning as in the Electronic Transactions Act (As Revised);
“Exchange Act”	the Securities Exchange Act of 1934, as amended of the United States of America;
“Executed”	includes any mode of execution;
“Holder”	in relation to any share, the Member whose name is entered in the Register of Members as the holder of the share;
“Incentive Plan”	any incentive plan or scheme established or implemented by the Company pursuant to which any Person who provides services of any kind to the Company or any of its direct or indirect subsidiaries (including, without limitation, any employee, executive, officer, director, consultant, secondee or other provider of services) may receive and/or acquire newly-issued shares of the Company or any interest therein;
“Indemnified Person”	every Director, alternate Director, Secretary or other officer for the time being or from time to time of the Company;
“Independent Director”	a Director who is an independent director as defined in the rules of any Designated Stock Exchange or in Rule 10A-3 under the Exchange Act, as the case may be;
“Islands”	the British Overseas Territory of the Cayman Islands;
“Member”	has the same meaning as in the Act;
“Memorandum”	the memorandum of association of the Company as from time to time amended;
“Month”	a calendar month;
“Nominating and Corporate Governance Committee”	the nominating and corporate governance committee of the Company formed by the Board pursuant to Article 24 hereof, or any successor of the nominating and corporate governance committee;
“Officer”	includes a Director and any Secretary;

“Ordinary Resolution”	a resolution (i) of a duly constituted general meeting of the Company passed by a simple majority of the votes cast by, or on behalf of, the Members entitled to vote present in person or by proxy and voting at the meeting, or (ii) approved in writing by all of the Members entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Members and the effective date of the resolution so adopted shall be the date on which the instrument, or the last of such instruments, if more than one, is executed;
“Other Indemnitors”	persons or entities other than the Company that may provide indemnification, advancement of expenses and/or insurance to the Indemnified Persons in connection with such Indemnified Persons’ involvement in the management of the Company;
“Paid up”	paid up as to the par value of the shares and includes credited as paid up;
“Person”	any individual, corporation, general or limited partnership, limited liability company, joint stock company, joint venture, estate, trust, association, organization or any other entity or governmental entity;
“Register of Members”	the register of Members required to be kept pursuant to the Act;
“Seal”	the common seal of the Company including every duplicate seal;
“SEC”	the Securities and Exchange Commission of the United States of America or any other federal agency for the time being administering the Securities Act;
“Secretary”	any person appointed by the Directors to perform any of the duties of the secretary of the Company, including a joint, assistant or deputy secretary;
“Securities Act”	the Securities Act of 1933 of the United States of America, as amended, or any similar federal statute and the rules and regulations of the SEC thereunder, all as the same shall be in effect at the time;
“Share”	a share in the share capital of the Company, and includes stock (except where a distinction between shares and stock is expressed or implied) and includes a fraction of a share;
“Signed”	includes an electronic signature or a representation of a signature affixed by mechanical means;
“Special Resolution”	has the same meaning as in the Act (thus requiring a two-thirds majority) and includes a unanimous written resolution of all Members entitled to vote and expressed to be a special resolution;

“Subsidiary”	a company is a subsidiary of another company if that other company: (i) holds a majority of the voting rights in it; (ii) is a member of it and has the right to appoint or remove a majority of its board of directors; or (iii) is a member of it and controls alone, pursuant to an agreement with other members, a majority of the voting rights in it; or if it is a subsidiary of a company which is itself a subsidiary of that other company. For the purpose of this definition the expression “company” includes any body corporate established in or outside of the Islands;
“Treasury Share”	a share held in the name of the Company as a treasury share in accordance with the Act;
“U.S. Person”	a Person who is a citizen or resident of the United States of America;
“Written and in Writing”	includes all modes of representing or reproducing words in visible form including in the form of an electronic record.

- (b) unless the context otherwise requires, words or expressions defined in the Act shall have the same meanings herein but excluding any statutory modification thereof not in force when these Articles become binding on the Company;
- (c) unless the context otherwise requires: (i) words importing the singular number shall include the plural number and vice-versa; (ii) words importing the masculine gender only shall include the feminine gender; and (iii) words importing persons only shall include companies or associations or bodies of person whether incorporated or not;
- (d) the word “may” shall be construed as permissive and the word “shall” shall be construed as imperative;
- (e) the headings herein are for convenience only and shall not affect the construction of these Articles;
- (f) references to statutes are, unless otherwise specified, references to statutes of the Islands and, subject to paragraph (b) above, include any statutory modification or re-enactment thereof for the time being in force; and
- (g) where an Ordinary Resolution is expressed to be required for any purpose, a Special Resolution is also effective for that purpose.

2 Formation Expenses

The Directors may pay, out of the capital or any other monies of the Company, all expenses incurred in or about the formation and establishment of the Company including the expenses of registration.

3 Situation of offices of the Company

- 3.1 The registered office of the Company shall be at such address in the Islands as the Board shall from time to time determine.
- 3.2 The Company, in addition to its registered office, may establish and maintain such other offices, places of business and agencies in the Islands and elsewhere as the Board may from time to time determine.

4 Shares

- 4.1 (a) Subject to the rules of any Designated Stock Exchange and to the provisions, if any, in the Memorandum and these Articles, the Board has general and unconditional authority to allot, grant options over, offer or otherwise deal with or dispose of any unissued shares in the capital of the Company without the approval of Members (whether forming part of the original or any increased share capital), either at a premium or at par, with or without preferred, deferred or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise and to such persons, on such terms and conditions, and at such times as the Board may decide, but so that no share shall be issued at a discount, except in accordance with the provisions of the Act.
- (b) In particular and without prejudice to the generality of paragraph (a) above, the Board is hereby empowered to authorise by resolution or resolutions from time to time and without the approval of Members;
- (i) the creation of one or more classes or series of preferred shares, to cause to be issued such preferred shares and to fix the designations, powers, preferences and relative participating, optional and other rights, if any, and the qualifications, limitations and restrictions thereof, if any, including, without limitation, the number of shares constituting each such class or series, dividend rights, conversion rights, redemption privileges, voting rights and powers (including full or limited or no voting rights or powers) and liquidation preferences, and to increase or decrease the number of shares comprising any such class or series (but not below the number of shares of any class or series of preferred shares then outstanding) to the extent permitted by law. Without limiting the generality of the foregoing, the resolution or resolutions providing for the establishment of any class or series of preferred shares may, to the extent permitted by law, provide that such class or series shall be superior to, rank equally with or be junior to the preferred shares of any other class or series;
 - (ii) to designate for issuance as Class A Common Shares or Class B Common Shares from time to time any or all of the authorised but unissued shares of the Company which have not at that time been designated by the Memorandum or by the Directors as being shares of a particular class;
 - (iii) to create one or more further classes of shares which represent common shares for the purposes of Article 5.2; and
 - (iv) to re-designate authorised but unissued Class B Common Shares from time to time as shares of another class.
- (c) The Company shall not issue shares or warrants to bearer.
- (d) Subject to the rules of any Designated Stock Exchange, the Board shall have general and unconditional authority to issue options, warrants or convertible securities of similar nature conferring the right upon the holders thereof to subscribe for, purchase or receive any class of shares or securities in the capital of the Company to such persons, on such terms and conditions and at such times as the Board may decide.

- 4.2 Notwithstanding Article 4.1, at any time when there are Class A Common Shares in issue, Class B Common Shares may only be issued pursuant to:
- (a) a share-split, subdivision or similar transaction or as contemplated in Articles 5.6 or 34.1(b) below;
 - (b) a Business Combination involving the issuance of Class B Common Shares as full or partial consideration; or
 - (c) an issuance of Class A Common Shares, whereby holders of Class B Common Shares are entitled to purchase a number of Class B Common Shares that would allow them to maintain their proportional ownership interest in the Company pursuant to Article 4.3.
- 4.3 With effect from the date on which any shares of the Company are first admitted to trading on a Designated Stock Exchange, subject to Articles 4.4, 4.5 and 4.6, the Company shall not issue Class A Common Shares to a person on any terms unless:
- (a) it has made an offer to each person who holds Class B Common Shares in the Company to issue to him on the same economic terms such number of Class B Common Shares as would ensure that the proportion in nominal value of the issued Common Shares held by him as Class B Common Shares after the issuance of such Class A Common Shares will be as nearly as practicable equal to the proportion in nominal value of the issued Common Shares held by him as Class B Common Shares before the said issuance; and
 - (b) the period during which any such offer may be accepted has expired or the Company has received notice of the acceptance or refusal of every offer so made.
- An offer made pursuant to this Article 4.3 may be made in either hard copy or by electronic communication, must state a period during which it may be accepted and the offer shall not be withdrawn before the end of that period. The period referred to must be at least 14 days beginning with the date on which the offer is deemed to be delivered in accordance with Article 36.
- 4.4 An offer shall not be regarded as being made contrary to the requirements of Article 4.3 by reason only that:
- (a) fractional entitlements are rounded or otherwise settled or sold at the discretion of the Board; or
 - (b) no offer of Class B Common Shares is made to a shareholder where the making of such an offer would in the view of the Board pose legal or practical problems in or under the laws or securities rules of any territory or the requirements of any regulatory body or stock exchange such that the Board considers it is necessary or expedient in the interests of the Company to exclude such shareholder from the offer; or
 - (c) the offer is conditional upon the said issue of Class A Common Shares proceeding.
- 4.5 The provisions of Article 4.3 do not apply in relation to the issue of:
- (a) Class A Common Shares if these are, or are to be, wholly or partly paid up otherwise than in cash;
 - (b) Class A Common Shares which would, apart from any renunciation or assignment of the right to their allotment, be held under or issued pursuant to an Incentive Plan; and

- (c) Class A Common Shares issued in furtherance of an initial public offering of shares of the Company (IPO) or issued to underwriters in connection with an IPO pursuant to any over-allotment options granted by the Company.
- 4.6 Holders of Class B Common Shares may from time to time by consent in writing (in one or more counterparts) approved by the holder or holders of a majority of the Class B Common Shares in issue, referring to this Article 4.6, authorise the Board to issue Class A Common Shares for cash and, on the granting of such an authority, the Board shall have the power to issue (pursuant to that authority) Class A Common Shares for cash as if Article 4.3 above did not apply to:
- (a) one or more issuances of Class A Common Shares to be made pursuant to that authority; and/or
- (b) such issuances with such modifications as may be specified in that authority,
- and unless previously revoked, that authority shall expire on the date (if any) specified in the authority or, if no date is specified, 12 months after the date on which the authority is granted, but the Company may before the power expires make an offer or agreement which would or might require Class A Common Shares to be issued after it expires.
- 4.7 Notwithstanding Article 4.1, no non-voting Common Shares shall be issued without such issuance first being approved by an Ordinary Resolution of Members which resolution is also passed with the affirmative vote of a majority of the then outstanding Class A Common Shares.
- 4.8 The Company may issue fractions of a share of any class and a fraction of a share shall be subject to and carry the corresponding fraction of liabilities (whether with respect to nominal or par value, premium, contribution, calls or otherwise howsoever), limitations, preferences, privileges, qualifications, restrictions, rights and other attributes of a whole share of that class of shares.
- 4.9 The Company may, in so far as the Act permits, pay a commission to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in the capital of the Company. Such commissions may be satisfied by the payment of cash or the allotment of fully or partly paid up shares or partly in one way and partly in the other. The Company may also, on any issue of shares, pay such brokerage fees as may be lawful.
- 4.10 Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share (except only as by these Articles or by law otherwise provided) or any other rights in respect of any share except an absolute right to the entirety thereof in the holder.
- 4.11 (a) If at any time the share capital is divided into different classes of shares, the rights attached to any class of shares (unless otherwise provided by these Articles or the terms of issue of the shares of that class) may be varied with the consent in writing of the holders of two-thirds of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting, the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be any one or more persons holding or representing by proxy not less than one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll;

- (b) For the purposes of Article 4.11, the Directors may treat all classes of shares or any two or more classes of shares as forming one class if they consider that all such classes would be affected in the same way by the proposals under consideration.
 - (c) The rights conferred upon the holders of the shares of any class shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by:
 - (i) the creation or issue of further shares ranking *pari passu* therewith;
 - (ii) by the redemption or purchase of any shares of any class by the Company;
 - (iii) the cancellation of authorised but unissued shares of that class; or
 - (iv) the creation or issue of shares with preferred or other rights including, without limitation, the creation of any class or issue of shares with enhanced or weighted voting rights.
 - (d) The rights conferred upon holders of Class A Common Shares shall not be deemed to be varied by the creation or issue from time to time of further Class B Common Shares and the rights conferred upon holders of Class B Common Shares shall not be deemed to be varied by the creation or issue from time to time of further Class A Common Shares.
- 4.12 The Directors may accept contributions to the capital of the Company otherwise than in consideration of the issue of shares and the amount of any such contribution may, unless otherwise agreed at the time such contribution is made, be treated by the Company as a distributable reserve, subject to the provisions of the Act and these Articles.
- 5 Class A Common Shares and Class B Common Shares**
- 5.1 Holders of Class A Common Shares and Class B Common Shares have the right to receive notice of, attend, speak and vote at general meetings of the Company. Holders of Class A Common Shares and Class B Common Shares shall at all times vote together as one class on all resolutions submitted to a vote by the Members in general meetings. Each Class A Common Share shall entitle the holder to one (1) vote on all matters subject to a vote at general meetings of the Company, and each Class B Common Share shall entitle the holder to five (5) votes on all matters subject to a vote at general meetings of the Company.
- 5.2 Without prejudice to any special rights conferred thereby on the holders of any other shares or class of shares established pursuant to the Memorandum and/or these Articles from time to time, holders of Common Shares shall:
- (a) Be entitled to such dividends as the Board may from time to time declare;
 - (b) In the event of a winding-up or dissolution of the Company, whether voluntary or involuntary or for the purposes of a reorganization or otherwise or upon any distribution of capital, be entitled to the surplus assets of the Company; and
 - (c) Generally be entitled to enjoy all of the rights attaching to shares.
- 5.3 In no event shall Class A Common Shares be convertible into Class B Common Shares.
- 5.4 Class B Common Shares shall be convertible into Class A Common Shares as follows:

(a) ***Right of Conversion. Class B Common Shares shall be convertible into the same number of Class A Common Shares, on a share-to-share basis, in the following manner:***

- (1) a holder of Class B Common Shares has the right to call upon the Company to effect a conversion of all or any of his Class B Common Shares which right shall be exercised, at any time after issue and without payment of any additional sum, by notice in writing given to the Company at its registered office (and which conversion shall be effected by the Company promptly upon delivery of the said notice);
- (2) the holder(s) of a majority of the then outstanding Class B Common Shares have the right to require that all outstanding Class B Common Shares be converted, which right shall be exercised, at any time after issue and without payment of any additional sum, by notice in writing (which may be in one or more counterparts) signed by each of such holders given to the Company at its registered office (and which conversion shall be effected by the Company promptly upon delivery of the said notice);
- (3) a Class B Common Share shall automatically convert into a Class A Common Share immediately and without further action by the holder upon the registration of any transfer of a Class B Common Share (whether or not for value and whether or not the certificate(s) (if any) representing such Class B Common Share are surrendered to the Company) in the Register of Members, other than:
 - (i) a transfer to the holder of Class B Common Shares and/or to heirs and successors of the holder of Class B Common Shares and/or to an Affiliate of a holder of the Class B Common Share;
 - (ii) a transfer to one or more trustees of a trust established for the benefit of the holder or an Affiliate of the holder of the Class B Common Share;
 - (iii) a transfer to a partnership, corporation or other entity exclusively owned or controlled by the holder or an Affiliate of the holder of the Class B Common Share;
 - (iv) transfers to organisations that are exempt from taxation under Section 501(3)(c) of the United States Internal Revenue Code of 1986, as amended (or any successor thereto).

For the avoidance of doubt, the creation of any pledge, charge, encumbrance or other security interest or third party right of whatever description on any Class B Common Shares to secure a holder's contractual or legal obligations shall not be deemed to be a transfer unless and until any such pledge, charge, encumbrance or other third party right is enforced and results in such third party (or its nominee) holding legal title to the related Class B Common Shares, in which case all the related Class B Common Shares shall be automatically and immediately converted into the same number of Class A Common Shares;

- (4) if at any time, the total number of the issued and outstanding Class B Common Shares is less than 10% of the total number of shares in the capital of the Company outstanding, the Class B Common Shares then in issue shall automatically and immediately convert into Class A Common Shares and no Class B Common Shares shall be issued by the Company thereafter.

- (b) ***Mechanics of Conversion.*** Before any holder of Class B Common Shares shall be entitled to convert such Class B Common Shares into Class A Common Shares pursuant to sub-paragraph (a) (1) above, the holder shall, if available, surrender the certificate or certificates therefor, duly endorsed (where applicable), at the registered office of the Company.

Upon the occurrence of one of the bases of conversion provided for in paragraph (a) above, the Company shall enter or procure the entry of the name of the relevant holder of Class B Common Shares as the holder of the relevant number of Class A Common Shares resulting from the conversion of the Class B Common Shares in, and make any other necessary and consequential changes to, the Register of Members and shall procure that certificate(s) in respect of the relevant Class A Common Shares, together with a new certificate for any unconverted Class B Common Shares comprised in the certificate(s) surrendered by the holder of the Class B Common Shares, are issued to the holders of the Class A Common Shares and Class B Common Shares, as the case may be, if so requested.

Any conversion of Class B Common Shares into Class A Common Shares pursuant to this Article 5 shall be effected by any manner permitted by applicable law (including by means of: (i) the re-designation and re-classification of the relevant Class B Common Share as a Class A Common Share together with such rights and restrictions for the time being attached thereto and shall rank *pari passu* in all respects with the Class A Common Shares then in issue; and/or (ii) the compulsory redemption without notice of Class B Common Shares and the automatic application of the redemption proceeds in paying for such new Class A Common Shares into which the Class B Shares have been converted). Such conversion shall become effective forthwith upon entries being made in the Register of Members to record the conversion.

If the conversion is in connection with an underwritten public offering of securities, the conversion may, at the option of any holder tendering such Class B Common Shares for conversion, be conditional upon the closing with the underwriters of the sale of securities pursuant to such offering, in which event any persons entitled to receive Class A Common Shares upon conversion of such Class B Common Shares shall not be deemed to have converted such Class B Common Shares until immediately prior to the closing of such sale of securities.

Upon conversion of any Class B Common Shares, the composition of the authorised capital of the Company shall automatically be varied and amended by a reduction in the relevant number of authorised Class B Common Shares and a corresponding increase in the relevant number of authorised Class A Common Shares.

- (c) Effective upon and with effect from the conversion of a Class B Common Share into a Class A Common Share in accordance with this Article 5.4, the converted share shall be treated for all purposes as a Class A Common Share and shall carry the rights and be subject to the restrictions attaching to Class A Common Shares.

- 5.5 No subdivision of Class A Common Shares into shares of an amount smaller than the nominal or par value of such shares at the relevant time shall be effected unless Class B Common Shares are concurrently and similarly subdivided in the same proportion and the same manner, and no subdivision of Class B Common Shares into shares of an amount smaller than the nominal or par value of such shares at the relevant time shall be effected unless Class A Common Shares are concurrently and similarly subdivided in the same proportion and the same manner.
- 5.6 No consolidation of Class A Common Shares into shares of an amount larger than the nominal or par value of such shares at the relevant time shall be effected unless Class B Common Shares are concurrently and similarly consolidated in the same proportion and the same manner, and no consolidation of Class B Common Shares into shares of an amount larger than the nominal or par value of such shares at the relevant time may be effected unless Class A Common Shares are concurrently and similarly consolidated in the same proportion and the same manner.
- 5.7 In the event that a dividend or other distribution is paid by the issue of Class A Common Shares or Class B Common Shares or rights to acquire Class A Common Shares or Class B Common Shares (i) holders of Class A Common Shares shall receive Class A Common Shares or rights to acquire Class A Common Shares, as the case may be; and (ii) holders of Class B Common Shares shall receive Class B Common Shares or rights to acquire Class B Common Shares, as the case may be.
- 5.8 No Business Combination (whether or not the Company is the surviving entity) shall proceed unless by the terms of such transaction: (i) the holders of Class A Common Shares have the right to receive, or the right to elect to receive, the same form of consideration as the holders of Class B Common Shares, and (ii) the holders of Class A Common Shares have the right to receive, or the right to elect to receive, at least the same amount of consideration on a per share basis as the holders of Class B Common Shares. The Directors shall not approve such a transaction unless the requirements of this Article are satisfied.
- 5.9 No tender or exchange offer to acquire any Class A Common Shares or Class B Common Shares by any third party pursuant to an agreement to which the Company is to be a party, nor any tender or exchange offer by the Company to acquire any Class A Common Shares or Class B Common Shares shall be approved by the Company unless by the terms of such transaction: (i) the holders of Class A Common Shares shall have the right to receive, or the right to elect to receive, the same form of consideration as the holders of Class B Common Shares, and (ii) the holders of Class A Common Shares shall have the right to receive, or the right to elect to receive, at least the same amount of consideration on a per share basis as the holders of Class B Common Shares. The Directors shall not approve such a transaction unless the requirements of this Article are satisfied.
- 5.10 Save and except for voting rights and conversion rights and as otherwise set out in Article 4.3 and in this Article 5, Class A Common Shares and the Class B Common Shares shall rank *pari passu* and shall have the same rights, preferences, privileges and restrictions and share ratably and otherwise be identical in all respects as to all matters.

6 Share Certificates

- 6.1 A Member shall only be entitled to a share certificate if the Directors resolve that share certificates shall be issued. Share certificates representing Shares, if any, shall be in such form as the Directors may determine. Share certificates shall be signed by one or more Directors or other person authorised by the Directors. The Directors may authorise certificates to be issued with the authorised signature(s) affixed by mechanical process. All certificates for Shares shall be consecutively numbered or otherwise identified and shall specify the Shares to which they relate. All certificates surrendered to the Company for transfer or conversion shall be cancelled and subject to the Articles and, save as provided in Articles 6.3, 7 and 8 below and in the case of a conversion of shares pursuant to Article 5.4, no new certificate shall be issued until the former certificate representing a like number of relevant Shares shall have been surrendered and cancelled.

- 6.2 Every share certificate of the Company shall bear legends required under the applicable laws, including the Securities Act.
- 6.3 If a share certificate is defaced, worn-out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of the expenses reasonably incurred by the Company in investigating evidence as the Directors may determine but otherwise free of charge, and (in the case of defacement or wearing-out) on delivery to the Company of the old certificate.
- 7 Lien**
- 7.1 The Company shall have a first and paramount lien on every share (not being a share which is fully paid as to its par value and share premium) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that share (including any premium payable). The Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a share shall extend to any amount in respect of it.
- 7.2 The Company may sell in such manner as the Directors determine any shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen (14) clear days after notice has been given to the holder of the share or to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the shares may be sold.
- 7.3 To give effect to a sale, the Directors may authorise some person to execute an instrument of transfer of the shares sold to, or in accordance with the directions of, the purchaser. The title of the transferee to the shares shall not be affected by any irregularity or invalidity in the proceedings in reference to the sale.
- 7.4 The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the Company for cancellation of the certificate for the shares sold, if any, and subject to a like lien for any moneys not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.
- 8 Calls on Shares and Forfeiture**
- 8.1 Subject to the terms of allotment, the Directors may make calls upon the Members in respect of any moneys unpaid on their shares (whether in respect of nominal value or premium) and each Member shall (subject to receiving at least fourteen (14) clear days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his shares. A call may be required to be paid by instalments. A call may, before receipt by the Company of any sum due thereunder, be revoked in whole or in part and payment of a call may be postponed in whole or in part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made.
- 8.2 A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed.

- 8.3 The joint holders of a share shall be jointly and severally liable to pay all calls in respect of the share.
- 8.4 If a call remains unpaid after it has become due and payable, the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the share or in the notice of the call or, if no rate is fixed, at an annual rate of ten percent (10%), but the Directors may waive payment of the interest wholly or in part.
- 8.5 An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call, and if it is not paid when due, all the provisions of the Articles shall apply as if that amount had become due and payable by virtue of a call.
- 8.6 Subject to the terms of allotment, the Directors may make arrangements on the issue of shares for a difference between the holders in the amounts and times of payment of calls on their shares.
- 8.7 If a call remains unpaid after it has become due and payable, the Directors may give to the person from whom it is due not less than fourteen (14) clear days' notice requiring payment of the amount unpaid, together with any interest which may have accrued. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.
- 8.8 If the notice is not complied with, any share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the Directors and the forfeiture shall include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.
- 8.9 Subject to the provisions of the Act, a forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Directors determine either to the person who was before the forfeiture the holder or to any other person, and at any time before a sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the Directors think fit. Where, for the purposes of its disposal a forfeited share is to be transferred to any person, the Directors may authorise any person to execute an instrument of transfer of the share to that person.
- 8.10 A person any of whose shares have been forfeited shall cease to be a Member in respect of them and shall surrender to the Company for cancellation the certificate for the shares forfeited, if any, but shall remain liable to the Company for all moneys which at the date of forfeiture were presently payable by him to the Company in respect of those shares with interest at the rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at an annual rate of ten percent (10%), from the date of forfeiture until payment but the Directors may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.
- 8.11 A statutory declaration by a Director or the Secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share and the person to whom the share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture or disposal of the share.

9 Transfer of Shares

- 9.1 Subject to these Articles, any Member may transfer all or any of his shares by an instrument of transfer in the usual or common form or in a form prescribed by any Designated Stock Exchange or in any other form approved by the Board and may be under hand or, if the transferor or transferee is a Clearing House, by hand or by electronic signature or by such other manner of execution as the Board may approve from time to time. Without prejudice to the generality of the foregoing, title to listed shares of the Company may be evidenced and transferred in accordance with the laws applicable to and the rules and regulations of the Designated Stock Exchange on which such shares are listed.
- 9.2 The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the Board may dispense with the execution of the instrument of transfer by the transferee in any case which it thinks fit in its discretion to do so. Without prejudice to Article 9.1, the Board may also resolve, either generally or in any particular case, upon request by either the transferor or transferee, to accept mechanically executed transfers including, where applicable, in accordance with the laws and rules applicable to the Designated Stock Exchange. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of Members in respect thereof. Nothing in these Articles shall preclude the Board from recognizing a renunciation of the allotment or provisional allotment of any share by the allottee in favour of some other person.
- 9.3 The Board may in its absolute discretion and without giving any reason therefor, refuse to register a transfer of any share:
- (a) that is not fully paid up (as to both par value and any premium) to a person of whom it does not approve;
 - (b) issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists;
 - (c) to more than four joint holders; or
 - (d) on which the Company has a lien.
- 9.4 Without limiting the generality of Article 9.3, the Board may also decline to recognise any instrument of transfer unless:
- (a) a fee of such maximum sum as any Designated Stock Exchange may determine to be payable or such lesser sum as the Board may from time to time require is paid to the Company in respect thereof;
 - (b) the instrument of transfer is in respect of only one class of shares;
 - (c) the Shares are fully paid (as to both par value and any premium) and free of any lien;
 - (d) the instrument of transfer is lodged at the registered office or such other place at which the Register of Members is kept in accordance with the Act accompanied by any relevant share certificate(s), if any, and/or such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do); and

- (e) if applicable, the instrument of transfer is duly and properly stamped.
- 9.5 If the Directors refuse to register a transfer of a share, they shall within two (2) months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.
- 9.6 The registration of transfers of shares or of any class of shares may, after compliance with any notice requirement of any Designated Stock Exchange, be suspended and the Register of Members be closed at such times and for such periods (not exceeding in the whole thirty (30) days in any year) as the Board may determine.
- 9.7 The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the Directors refuse to register shall be returned to the person lodging it when notice of the refusal is given.

10 Transmission of Shares

- 10.1 If a Member dies, the survivor, or survivors where he was a joint holder, and his personal representatives where he was a sole holder or the only survivor of joint holders shall be the only persons recognised by the Company as having any title to his interest; but nothing in these Articles shall release the estate of a deceased Member from any liability in respect of any share which had been jointly held by him.
- 10.2 A person becoming entitled to a share in consequence of the death or bankruptcy of a Member may, upon such evidence being produced as the Directors may properly require, elect either to become the holder of the share or to have some person nominated by him registered as the transferee. If he elects to become the holder he shall give notice to the Company to that effect. If he elects to have another person registered he shall execute an instrument of transfer of the share to that person. All the Articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if it were an instrument of transfer executed by the Member and the death or bankruptcy of the Member had not occurred.
- 10.3 A person becoming entitled to a share by reason of the death or bankruptcy of a Member shall have the rights to which he would be entitled if he were the holder of the share, except that he shall not, before being registered as the holder of the share, be entitled in respect of such share to attend or vote at any meeting of the Company or at any separate meeting of the holders of any class of shares in the Company.

11 Changes of Capital

- 11.1 (a) Subject to and in so far as permitted by the provisions of the Act and these Articles, the Company may from time to time by Ordinary Resolution alter or amend the Memorandum to:
- (i) increase its share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe;
 - (ii) consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares;
 - (iii) convert all or any of its paid up shares into stock and reconvert that stock into paid up shares of any denomination;

- (iv) sub-divide its existing shares, or any of them, into shares of smaller amounts than is fixed by the Memorandum provided that in the subdivision, the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and
 - (v) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.
 - (b) Except so far as otherwise provided by the conditions of issue, the new shares shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the shares in the original share capital.
- 11.2 Whenever as a result of a consolidation of shares any Members would become entitled to fractions of a share, the Directors may, on behalf of those Members, sell the shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the Company) and distribute the net proceeds of sale in due proportion among those Members, and the Directors may authorise some person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
- 11.3 The Company may by Special Resolution reduce its share capital and any capital redemption reserve in any manner and with and subject to any incident, consent, order or other matter required by law.

12 Redemption and Purchase of Own Shares

- 12.1 Subject to the provisions of the Act and these Articles, the Company may:
- (a) issue shares on terms that they are to be redeemed or are liable to be redeemed at the option of the Company or the Member on such terms and in such manner as the Directors may, before the issue of shares, determine;
 - (b) purchase its own shares (including any redeemable shares) in such manner and on such terms as the Directors may determine and agree with the relevant Member; and
 - (c) make a payment in respect of the redemption or purchase of its own shares in any manner authorised by the Act, including out of capital.
- 12.2 The Directors may, when making a payment in respect of the redemption or purchase of shares, if so authorised by the terms of issue of the shares (or otherwise by agreement with the holder of such shares) make such payment in cash or in specie (or partly in one and partly in the other).
- 12.3 Upon the date of redemption or purchase of a share, the holder shall cease to be entitled to any rights in respect thereof (excepting always the right to receive (i) the price therefor and (ii) any dividend which had been declared in respect thereof prior to such redemption or purchase being effected) and accordingly his name shall be removed from the Register of Members with respect thereto and the share shall be cancelled.

13 Treasury Shares

- 13.1 The Directors may, prior to the purchase, redemption or surrender of any Share, determine that such Share shall be held as a Treasury Share.
- 13.2 The Directors may determine to cancel a Treasury Share or transfer a Treasury Share on such terms as they think proper (including, without limitation, for nil consideration).

14 Register of Members

- 14.1 The Company shall maintain or cause to be maintained an overseas or local Register of Members in accordance with the Act.
- 14.2 The Directors may determine that the Company shall maintain one or more branch registers of Members in accordance with the Act. The Directors may also determine which Register of Members shall constitute the principal register and which shall constitute the branch register or registers, and to vary such determination from time to time.

15 Closing Register of Members or Fixing Record Date

- 15.1 For the purpose of determining Members entitled to notice of, or to vote at any meeting of Members or any adjournment thereof, or Members entitled to receive payment of any dividend or other distribution, or in order to make a determination of Members for any other purpose, the Directors may provide that the Register of Members shall be closed for transfers for a stated period which shall not in any case exceed thirty (30) days. If the Register shall be so closed for the purpose of determining those Members that are entitled to receive notice of, attend or vote at a meeting of Members, the Register shall be so closed for at least ten (10) clear days immediately preceding such meeting and the record date for such determination shall be the date of the closure of the Register.
- 15.2 In lieu of, or apart from, closing the Register of Members, the Directors may fix, in advance or in arrears, a date as the record date for any such determination of Members entitled to notice of, or to vote at any meeting of the Members or any adjournment thereof, or for the purpose of determining the Members entitled to receive payment of any dividend or other distribution, or in order to make a determination of Members for any other purpose, provided that such a record date shall not exceed forty (40) clear days prior to the date where the determination will be made.
- 15.3 If the Register of Members is not so closed and no record date is fixed for the determination of Members entitled to notice of, or to vote at, a meeting of Members or Members entitled to receive payment of a dividend or other distribution, the date on which notice of the meeting is sent or posted or the date on which the resolution of the Directors resolving to pay such dividend or other distribution is passed, as the case may be, shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Article, such determination shall apply to any adjournment thereof.

16 General Meetings

- 16.1 An annual general meeting of the Company may at the discretion of the Board be held in the year in which these Articles were adopted and shall be held in each year thereafter at such time as determined by the Board and the Company may, but shall not (unless required by the Act) be obliged to, in each year hold any other general meeting.

- 16.2 The agenda of the annual general meeting shall be set by the Board and shall include the presentation of the Company's annual accounts and the report of the Directors (if any).
- 16.3 Annual general meetings may be held in any place as the Directors may determine.
- 16.4 All general meetings other than annual general meetings shall be called extraordinary general meetings and the Company shall specify the meeting as such in the notices calling it.
- 16.5 The Directors may, whenever they think fit, convene an extraordinary general meeting of the Company, and they shall on a Members' requisition in accordance with these Articles forthwith proceed to convene an extraordinary general meeting of the Company.
- 16.6 A Members' requisition is a requisition of one or more Members holding at the date of deposit of the requisition shares representing in the aggregate not less than one-third of the votes entitled to be cast at general meetings of the Company.
- 16.7 The Members' requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the registered office, and may consist of several documents in like form each signed by one or more requisitionists.
- 16.8 If there are no Directors as at the date of the deposit of the Members' requisition or if the Directors do not within fourteen (14) days from the date of the deposit of the Members' requisition duly proceed to convene a general meeting to be held within a further fourteen (14) days, the requisitionists, or any of them representing more than one-half of the total voting rights of all of the requisitionists, may themselves convene a general meeting, but any meeting so convened shall be held no later than the day which falls three (3) months after the expiration of the first said fourteen (14) day period.
- 16.9 A general meeting convened as aforesaid by requisitionists shall be convened in as close to the same manner as possible as that in which general meetings are to be convened by Directors.
- 16.10 Save as set out in Articles 16.1 to 16.9, the Members have no right to propose resolutions to be considered or voted upon at annual general meetings or extraordinary general meetings of the Company.

17 Notice of General Meetings

- 17.1 At least five (5) clear days' notice specifying the place, the day and the hour of each general meeting and the general nature of such business to be transacted thereat shall be given in the manner hereinafter provided, including, but not limited to, as described in Article 36, or in such other manner (if any) as may be prescribed by Ordinary Resolution, to such persons as are entitled to vote or may otherwise be entitled under these Articles to receive such notices from the Company; provided that a general meeting of the Company shall, whether or not the notice specified in this Article has been given and whether or not the provisions of the Articles regarding general meetings have been complied with, be deemed to have been duly convened if it is so agreed:
- (a) in the case of an annual general meeting, by all of the Members entitled to attend and vote thereat; and
 - (b) in the case of an extraordinary general meeting, by a majority in number of the Members having a right to attend and vote at the meeting, together holding not less than 95%, in par value of the Shares giving that right.

- 17.2 The accidental omission to give notice of a general meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that general meeting.

18 Proceedings at General Meetings

- 18.1 No business shall be transacted at any meeting unless a quorum is present at the time when the meeting proceeds to business. One or more Members holding not less than one-third in aggregate of the voting power of all Shares in issue and entitled to vote, present in person or by proxy or, if a corporation or other non-natural person, by its duly authorised representative, shall represent a quorum.
- 18.2 If a quorum is not present within half an hour from the time appointed for the meeting to commence or if during such a meeting a quorum ceases to be present, the meeting, if convened upon a Members' requisition, shall be dissolved and in any other case it shall stand adjourned and shall reconvene on the same day in the next week at the same time and/or place or to such other day, time and/or place as the Directors may determine, and if at the reconvened meeting a quorum is not present within half an hour from the time appointed for the meeting to commence, the Members present shall be a quorum.
- 18.3 A person may participate in a general meeting by conference telephone or other communications equipment by means of which all the persons participating in the meeting can communicate with each other at the same time. Participation by a Member in a meeting in this manner is treated as presence in person at that meeting and is counted in a quorum and entitled to vote.
- 18.4 The Chairman or in his absence the vice-chairman of the Board (if any) shall preside as chairman of the meeting, but if neither the Chairman nor such vice-chairman (if any) is present within fifteen (15) minutes after the time appointed for holding the meeting and willing to act, the Directors present shall elect one of their number to be chairman and, if there is only one Director present and willing to act, he shall be chairman. If no Director is willing to act as chairman, or if no Director is present within fifteen (15) minutes after the time appointed for holding the meeting, the Members present in person or by proxy and entitled to vote shall choose one of their number to be chairman.
- 18.5 The order of business at each such meeting shall be as determined by the chairman of the meeting. The chairman of the meeting shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts and things as are necessary or desirable for the proper conduct of the meeting, including, without limitation, the establishment of procedures for the maintenance of order and safety, limitations on the time allotted to questions or comments on the affairs of the Company, restrictions on entry to such meeting after the time prescribed for the commencement thereof, and the opening and closing of the polls. The chairman of the meeting shall announce at each such meeting the date and time of the opening and the closing of the polls for each matter upon which the Members will vote at such meeting.
- 18.6 A Director shall, notwithstanding that he is not a Member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the Company.
- 18.7 The chairman of the meeting may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen (14) days or more, at least seven (7) clear days' notice shall be given in the manner herein provided, including, but not limited to, as described in Article 36, specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.

- 18.8 At each meeting of the Members, all corporate actions, including the election of Directors, to be taken by vote of the Members (except as otherwise required by applicable law and except as otherwise provided in these Articles) shall be authorised by Ordinary Resolution. Where a separate vote by a class or classes or series is required, save as provided in Article 4.11, the affirmative vote of the majority of Shares of such class or classes or series present in person or represented by proxy at the meeting and voting shall be the act of such class or series (unless provided otherwise in the resolutions providing for the issuance of such class or series).
- 18.9 At any general meeting a resolution put to the vote of the meeting shall be decided on a poll.
- 18.10 A poll shall be taken in such manner as the chairman directs and he may appoint scrutineers (who need not be Members) and fix a place and time for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was taken.
- 18.11 In the case of equality of votes, the chairman of the meeting shall be entitled to a casting vote in addition to any other vote he may have.
- 18.12 If for so long as the Company has only one Member:
- (a) in relation to a general meeting, the sole Member or a proxy for that Member or (if the Member is a corporation) a duly authorised representative of that Member is a quorum and Article 18.1 is modified accordingly;
 - (b) the sole Member may agree that any general meeting be called by shorter notice than that provided for by the Articles; and
 - (c) all other provisions of the Articles apply with any necessary modification (unless the provision expressly provides otherwise).

19 Votes of Members

- 19.1 Subject to any rights or restrictions attached to any shares (including without limitation the enhanced voting rights attaching to Class B Common Shares provided for in Article 5), every Member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative (not being himself a Member entitled to vote) or by proxy, shall on a poll have one vote for every share of which he is the holder (or, in the case of a Class B Common Share, five (5) votes for every Class B Common Share of which he is the holder).
- 19.2 In the case of joint holders, the vote of the senior joint holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and seniority shall be determined by the order in which the names of the holders stand in the Register of Members.
- 19.3 A Member in respect of whom an order has been made by any court having jurisdiction (whether in the Islands or elsewhere) in matters concerning mental disorder may vote, by his receiver, curator bonis or other person authorised in that behalf appointed by that court, and any such receiver, curator bonis or other person may vote by proxy. Evidence to the satisfaction of the Directors of the authority of the person claiming to exercise the right to vote shall be received at

the registered office of the Company, or at such other place as is specified in accordance with these Articles for the deposit or delivery of forms of appointment of a proxy, or in any other manner specified in these Articles for the appointment of a proxy, not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.

- 19.4 No Member shall, unless the Directors otherwise determine, be entitled to vote at any general meeting or at any separate meeting of the holders of any class of shares in the Company, either in person or by proxy or by a corporate representative, in respect of any share held by him unless all moneys presently payable by him in respect of that share have been paid.
- 19.5 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman of the meeting whose decision shall be final and conclusive.
- 19.6 Votes may be given either personally or by proxy. Deposit or delivery of a form of appointment of a proxy does not preclude a Member from attending and voting at the meeting or at any adjournment of it, save that only the Member or his proxy may cast a vote.
- 19.7 A Member entitled to more than one vote need not, if he votes, use all his votes or cast all votes he uses the same way.
- 19.8 Subject as set out herein, an instrument appointing a proxy shall be in writing in any usual form or in any other form which the Directors may approve and shall be executed by or on behalf of the appointor save that, subject to the Act, the Directors may accept the appointment of a proxy received in an electronic communication at an address specified for such purpose, on such terms and subject to such conditions as they consider fit. The Directors may require the production of any evidence which they consider necessary to determine the validity of any appointment pursuant to this Article.
- 19.9 Subject to Article 19.10 below, the form of appointment of a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Directors may:
- (a) in the case of an instrument in writing, be left at or sent by post to the registered office of the Company or such other place within the Islands or elsewhere as is specified in the notice convening the meeting or in any form of appointment of proxy sent out by the Company in relation to the meeting at any time before the time for holding the meeting or adjourned meeting at which the person named in the form of appointment of proxy proposes to vote;
 - (b) in the case of an appointment of a proxy contained in an electronic communication, where an address has been specified by or on behalf of the Company for the purpose of receiving electronic communications:
 - (i) in the notice convening the meeting; or
 - (ii) in any form of appointment of a proxy sent out by the Company in relation to the meeting; or
 - (iii) in any invitation contained in an electronic communication to appoint a proxy issued by the Company in relation to the meeting;

be received at such address at any time before the time for holding the meeting or adjourned meeting at which the person named in the form of appointment of proxy proposes to vote;

- (c) in the case of a poll taken more than forty-eight (48) hours after it is demanded, be deposited or delivered as required by paragraphs (a) or (b) of this Article after the poll has been demanded and at any time before the time appointed for the taking of the poll; or
- (d) where the poll is taken immediately but is taken not more than forty-eight (48) hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman of the meeting or to the secretary or to any Director;

and a form of appointment of proxy which is not deposited or delivered in accordance with this Article or Article 19.10 is invalid.

- 19.10 Notwithstanding Article 19.9 above, the Directors may by way of note to or in any document accompanying the notice of a general meeting (or adjourned meeting) fix the latest time by which the appointment of a proxy must be communicated to or received by the Company (being not more than 48 hours before the relevant meeting).
- 19.11 A vote or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the registered office of the Company or, in the case of a proxy, any other place specified for delivery or receipt of the form of appointment of proxy or, where the appointment of a proxy was contained in an electronic communication, at the address at which the form of appointment was received, before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.
- 19.12 Any corporation or other non-natural person which is a Member of the Company may in accordance with its constitutional documents, or, in the absence of such provision, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as the corporation could exercise if it were an individual Member.
- 19.13 If a Clearing House (or its nominee(s)) or depositary (or its nominee(s)) is a Member of the Company, it may, by resolution of its directors or other governing body or by power or attorney, authorise such Person(s) as it thinks fit to act as its representative(s) at any general meeting of the Company or of any class of shareholders of the Company, provided that, if more than one Person is so authorised, the authorisation shall specify the number and class of shares in respect of which such Person is so authorised. A Person so authorised pursuant to this Article shall be entitled to exercise the same powers on behalf of the recognized clearing house (or its nominee(s)) or depositary (or its nominee(s)) which he represents as that recognized clearing house (or its nominee(s)) or depositary (or its nominee(s)) could exercise if it were an individual Member holding the number and class of shares specified in such authorisation.

20 Number of Directors and Chairman

- 20.1 Subject to Article 21.2, the Board shall consist of such number of Directors as a majority of the Directors then in office may determine from time to time, provided that, unless otherwise determined by the Members acting by Special Resolution, the Board shall consist of not less than three (3) Directors and not more than thirteen (13) Directors.

- 20.2 The Board of Directors shall have a chairman of the Board of Directors elected and appointed by the Directors. The Directors may also elect a vice-chairman of the Board of Directors. The period for which the Chairman and the vice-chairman shall hold office shall also be determined by the Directors. The Chairman shall preside as chairman at every meeting of the Board of Directors at which he is present. Where the Chairman is not present at a meeting of the Board of Directors, the vice-chairman of the Board of Directors (if any) shall act as chairman, or in his absence, the attending Directors may choose one Director to be the chairman of the meeting.

21 Appointment, Disqualification and Removal of Directors

- 21.1 Save as provided in Article 21.4 and 21.2 below, the Directors shall be elected by an Ordinary Resolution of Members. Persons proposed by the Board for election at a general meeting of the Company shall be nominated only and after consultation with the Nominating and Corporate Governance Committee (if such committee is established).
- 21.2 Holders of Class B Common Shares, for so long as they hold Class B Common Shares, shall be entitled to appoint, as a group and at their sole discretion, at least a majority of the members of the Board of Directors, and shall be entitled at any time to remove, substitute or replace their appointed Directors for any reason in their sole discretion. Any such appointment, removal, substitution or replacement shall be effected by way of notice in writing to the Company signed by (or on behalf of) the holders of Class B Common Shares.
- 21.3 Each Director shall hold office for such term as the resolution appointing him may determine or until his vacation of office as a Director or the Director's removal in accordance with these Articles notwithstanding any agreement between the Company and such Director. Directors are eligible for re-election.
- 21.4 Any vacancies on the Board arising other than upon the removal of a Director by resolution passed at a general meeting can be filled by the remaining Director(s) (notwithstanding that the remaining Director(s) may constitute fewer than the number of Directors required by Article 20.1 or fewer than is required for a quorum pursuant to Article 28.1), except for vacancies resulted from the removal, dismissal and/or withdraw of a Class B Directors, which shall be filled as set out in Article 21.2. Any such appointment shall be as an interim Director to fill such vacancy until the next annual general meeting of Members (and such appointment shall terminate at the commencement of the annual general meeting).
- 21.5 Additions to the existing Board (subject to the maximum provided for in Article 20.1 above) may be made by Ordinary Resolution.
- 21.6 There is no age limit for Directors of the Company.
- 21.7 No shareholding qualification shall be required for a Director. A Director who is not a Member shall nevertheless be entitled to receive notice of and to attend and speak at general meetings of the Company.
- 21.8 While any shares of the Company are admitted to trading on a Designated Stock Exchange, the Board must at all times comply with the residency and citizenship requirements of securities laws of the United States applicable to foreign private issuers and shall at no time have a majority of Directors who are U.S. Persons. Notwithstanding any other provision in these Articles, no appointment or election of a U.S. Person as a Director shall be permitted if such appointment or election would have the effect of creating a majority of Directors who are U.S. Persons, and any such appointment or election shall be disregarded for all purposes.

- 21.9 Directors that are not Class B Directors may be removed (with or without cause) by Ordinary Resolution of Members. The notice of general meeting must contain a statement of the intention to remove the Director and must be served on the Director not less than ten (10) calendar days before the meeting. The director is entitled to attend the meeting and be heard on the motion for his removal.
- 21.10 The office of a Director shall be vacated automatically if:
- (a) he or she becomes prohibited by law from being a Director;
 - (b) he or she becomes bankrupt or makes any arrangement or composition with his creditors generally;
 - (c) he or she dies or is, in the opinion of all his co-Directors, incapable by reason of mental disorder of discharging his duties as Director;
 - (d) he or she resigns his or her office by notice to the Company; or
 - (e) he or she has for more than six (6) months been absent without permission of the Directors from meetings of Directors held during that period and the remaining Directors resolve that his or her office be vacated.

22 Alternate Directors

- 22.1 Any Director (but not an alternate Director) may by writing appoint any other Director, or any other person willing to act, to be an alternate Director and by writing may remove from office an alternate Director so appointed by him.
- 22.2 An alternate Director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member, to attend and vote at every such meeting at which the Director appointing him is not personally present, to sign any written resolution of the Directors (in place of his appointor) and generally to perform all the functions of his appointor as a Director in his absence.
- 22.3 An alternate Director shall cease to be an alternate Director if his appointor ceases to be a Director.
- 22.4 Any appointment or removal of an alternate Director shall be by written notice to the Company at its registered office, signed by the Director making or revoking the appointment, or in any other manner approved by the Directors.
- 22.5 Subject to the provisions of these Articles, an alternate Director shall be deemed for all purposes to be a Director and shall alone be responsible for his own acts and defaults and shall not be deemed to be the agent of the Director appointing him.

23 Powers of Directors

- 23.1 Subject to the provisions of the Act, to the Memorandum and the Articles, to any directions given by Ordinary Resolution and to the listing rules of any Designated Stock Exchange, the business of the Company shall be managed by the Directors who may exercise all the powers of the

Company. No alteration of the Memorandum or Articles and no such direction shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Article shall not be limited by any special power given to the Directors by the Articles and a meeting of Directors at which a quorum is present may exercise all powers exercisable by the Directors.

- 23.2 The Board may exercise all the powers of the Company to raise capital or borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the Act, to issue debentures, bonds and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

24 Delegation of Directors' Powers

- 24.1 Subject to these Articles, the Directors may from time to time appoint any Person, whether or not a director of the Company, to hold such office in the Company as the Directors may think necessary for the administration of the Company, including without prejudice to the foregoing generality, the offices of chief executive officer, chief operating officer and chief financial officer, one or more vice presidents, managers or controllers, and for such term and at such remuneration (whether by way of salary or commission or participation in profits or partly in one way and partly in another) and with such powers and duties as the Directors may think fit.
- 24.2 Without limiting the generality of Article 24.1, the Directors may appoint one or more of their body to the office of managing Director or to any other executive office under the Company, and the Company may enter into an agreement or arrangement with any Director for his/her employment, subject to applicable law and any listing rules of the SEC or any Designated Stock Exchange, or for the provision by him of any services outside the scope of the ordinary duties of a Director. Any such appointment, agreement or arrangement may be made upon such terms as the Directors determine and they may remunerate any such Director for his services as they think fit. Any appointment of a Director to an executive office shall terminate automatically if he ceases to be a Director but without prejudice to any claim to damages for breach of the contract of service between the Director and the Company.
- 24.3 The Directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.
- 24.4 Subject to applicable law and the listing rules of any Designated Stock Exchange, the Directors may delegate any of their powers to any committee (including, without limitation, an Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee), consisting of one or more Directors. They may also delegate to any executive officer or committee of executive officers such of their powers as they consider desirable to be exercised by him or them. Any such delegation may be made subject to any conditions the Directors may impose, and either collaterally with or to the exclusion of its own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the provisions of the Articles regulating the proceedings of Directors so far as they are capable of applying. Where a provision of the Articles refers to the exercise of a power, authority or discretion by the Directors and that power, authority or discretion has been delegated by the Directors to a committee, the provision shall be construed as permitting the exercise of the power, authority or discretion by the committee.

24.5 Without limiting the generality of Article 24.4, the Board shall establish a permanent Audit Committee and may establish a Compensation Committee and a Nominating and Corporate Governance Committee and, where such committees are established, the Board may adopt formal written charters for such committees and, if so, shall review and assess the adequacy of such formal written charters on an annual basis. Each of these committees shall be empowered to do all things necessary to exercise the rights of such committee set forth in these Articles and shall have such powers as the Board may delegate pursuant to Article 24.4 and as required by the rules of the Designated Stock Exchange or applicable law. Each of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee, if established, shall consist of such number of directors as the Board shall from time to time determine (or such minimum number as may be required from time to time by any Designated Stock Exchange). For so long as any class of Shares is listed on a Designated Stock Exchange, the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee shall be made up of such number of Independent Directors as is required from time to time by the rules of the Designated Stock Exchange or otherwise required by applicable law.

24.6 At least one (1) member of the Audit Committee will be an audit committee financial expert as determined by the rules adopted by the Designated Stock Exchange. Such financial expert shall have a special past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication

25 Remuneration and Expenses of Directors

25.1 The Directors shall be entitled to such remuneration as the Board may determine and, unless otherwise determined, the remuneration shall be deemed to accrue from day to day. If established, the Compensation Committee will assist the Board in reviewing and approving compensation decisions.

25.2 Members of the Audit Committee may be paid annual compensation in the form of a fixed salary in such amount as the Board may determine.

25.3 A Director who at the request of the Directors goes or resides outside of the Islands, makes a special journey or performs a special service on behalf of the Company may be paid such reasonable additional remuneration (whether by way of salary, percentage of profits or otherwise) and expenses as the Directors may decide.

25.4 The Directors may be paid all traveling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of Directors or committees of Directors or general meetings or separate meetings of the holders of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties.

26 Directors' Gratuities and Pensions

The Directors may cause the Company to provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any existing Director or any Director who has held but no longer holds any executive office or employment with the Company or with any body corporate which is or has been a subsidiary of the Company or a predecessor in business of the Company or of any such subsidiary, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

27 Directors' Interests

- 27.1 Subject to the Act and listing rules of any Designated Stock Exchange, if a Director has disclosed to the other Directors the nature and extent of any direct or indirect interest which the Director has in any transaction or arrangement with the Company, a Director notwithstanding his office:
- (a) may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is otherwise interested;
 - (b) may be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested; and
 - (c) shall not by reason of his office be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.
- 27.2 For the purposes of Article 27.1:
- (a) a general notice given to the Directors to the effect that (1) a Director is a member or officer of a specified company or firm and is to be regarded as having an interest in any transaction or arrangement which may after the date of the notice be made with that company or firm; or (2) a Director is to be regarded as interested in any transaction or arrangement which may after the date of the notice be made with a specified person who is connected with him or her shall be deemed to be a sufficient disclosure that the Director has an interest of the nature and extent so specified; and
 - (b) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.
- 27.3 A Director must disclose any direct or indirect interest in any transaction or arrangement with the Company, and following a declaration being made pursuant to the Articles, subject to any separate requirement for Audit Committee approval under applicable law or the listing rules of any Designated Stock Exchange, and unless disqualified by the chairman of the relevant meeting, a Director may vote in respect of any such transaction or arrangement in which such Director is interested and may be counted in the quorum at such meeting.
- 27.4 Notwithstanding the foregoing, no "Independent Director" (as defined herein) and with respect of whom the Board has determined constitutes an "Independent Director" for purposes of compliance with applicable law or the Company's listing requirements, shall without the consent of the Audit Committee take any of the foregoing actions or any other action that would reasonably be likely to affect such Director's status as an "Independent Director" of the Company.

28 Proceedings of Directors

- 28.1 The quorum for the transaction of the business of the Directors shall be a simple majority of the Directors then in office (subject to there being a minimum of two (2) Directors present). A person who holds office as an alternate Director shall, if his appointor is not present, be counted in the quorum. A Director who also acts as an alternate Director shall, if his appointor is not present, count twice towards the quorum, but one such Director shall not constitute a quorum on his own.

- 28.2 Subject to the provisions of the Articles, the Directors may regulate their proceedings as they determine is appropriate. Questions arising at any meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote. A Director who is also an alternate Director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote.
- 28.3 A person may participate in a meeting of the Directors or any committee of Directors by conference telephone or other communications equipment by means of which all the persons participating in the meeting can communicate with each other at the same time. Participation by a person in a meeting in this manner is treated as presence in person at that meeting and is counted in a quorum and entitled to vote.
- 28.4 A resolution in writing (in one or more counterparts) signed by all the Directors or all the members of a committee of the Directors (an alternate Director being entitled to sign such a resolution on behalf of his appointor and if such alternate Director is also a Director, being entitled to sign such resolution both on behalf of his appointor and in his capacity as a Director) shall be as valid and effective as if it had been passed at a meeting of the Directors, or committee of Directors as the case may be, duly convened and held. Unless otherwise provided by its terms, such a resolution shall be effective from the date and time of the last signature.
- 28.5 A Director or alternate Director may, and another officer of the Company on the direction of a Director or alternate Director shall, call a meeting of the Directors by at least five (5) clear days' notice in writing to every Director and alternate Director which notice shall set forth the general nature of the business to be considered unless notice is waived by all the Directors (or their alternates) either at, before or after the meeting is held. To any such notice of a meeting of the Directors all the provisions of the Articles relating to the giving of notices by the Company to the Members shall apply mutatis mutandis.
- 28.6 Notwithstanding Article 28.5, if all Directors so agree to the meeting, a Director or alternate Director may, or other officer of the Company on the direction of a Director or alternate Director may, call a meeting of the Directors on shorter notice than is provided for in Article 28.5 by notice in writing to every Director and alternate Director, which notice shall set forth the general nature of the business to be considered.
- 28.7 The continuing Directors (or a sole continuing Director, as the case may be) may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the number fixed by or pursuant to the Articles as the necessary quorum of Directors, the continuing Directors or Director may act for the purpose of increasing the number of Directors to be equal to such fixed number, or of summoning a general meeting of the Company, but for no other purpose.
- 28.8 All acts done by any meeting of the Directors or of a committee of the Directors (including any person acting as an alternate Director) shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any Director or alternate Director, and/or that they or any of them were disqualified, and/or had vacated their office and/or were not entitled to vote, be as valid as if every such person had been duly appointed and/or not disqualified to be a Director or alternate Director and/or had not vacated their office and/or had been entitled to vote, as the case may be.
- 28.9 A Director who is present at a meeting of the Directors at which action on any Company matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent from such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Company immediately after the conclusion of the meeting. Such right to dissent shall not apply to a Director who voted in favour of such action.

29 Secretary and Other Officers

The Directors may by resolution appoint a Secretary and may by resolution also appoint such other officers as may from time to time be required upon such terms as to the duration of office, remuneration and otherwise as they may think fit PROVIDED THAT, the Directors may only appoint persons as directors of the Company in accordance with Article 21.4. Such Secretary or other officers need not be Directors and in the case of the other officers may be ascribed such titles as the Directors may decide. The Directors may by resolution remove from that position any Secretary or other officer appointed pursuant to this Article.

30 Minutes

The Directors shall cause minutes to be made in books kept for the purposes of recording:

- (a) all appointments of officers made by the Directors; and
- (b) all resolutions and proceedings of meetings of the Company, of the holders of any class of shares in the Company and of the Directors and of committees of Directors, including the names of the Directors present at each such meeting.

31 Seal

- 31.1 The Company may, if the Directors so determine, have a Seal. The Seal shall only be used by the authority of the Directors or of a committee of Directors authorised by the Directors. The Directors may determine who shall sign any instrument to which the Seal is affixed, and unless otherwise so determined every such instrument shall be signed by a Director or by such other person as the Directors may authorise.
- 31.2 The Company may have for use in any place or places outside the Islands a duplicate Seal or Seals, each of which shall be a reproduction of the Seal of the Company and, if the Directors so determine, shall have added on its face the name of every place where it is to be used.
- 31.3 The Directors may by resolution determine (i) that any signature required by this Article need not be manual but may be affixed by some other method or system of reproduction or mechanical or electronic signature and/or (ii) that any document may bear a printed reproduction of the Seal in lieu of affixing the Seal thereto.
- 31.4 No document or deed otherwise duly executed and delivered by or on behalf of the Company shall be regarded as invalid merely because at the date of the delivery of the deed or document, the Director, Secretary or other officer or person who shall have executed the same or affixed the Seal thereto, as the case may be, for and on behalf of the Company shall have ceased to hold such office and authority on behalf of the Company.

32 Dividends

- 32.1 Subject to the provisions of the Act, the Company may by Ordinary Resolution declare dividends (including interim dividends) in accordance with the respective rights of the Members, but no dividend shall exceed the amount recommended by the Directors.

- 32.2 Subject to the provisions of the Act, the Directors may declare dividends in accordance with the respective rights of the Members and authorise payment of the same out of the funds of the Company lawfully available therefor. If at any time the share capital is divided into different classes of shares, the Directors may pay dividends on shares which confer deferred or non-preferred rights with regard to dividends as well as on shares which confer preferential rights with regard to dividends, but no dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears. The Directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears that there are sufficient funds of the Company lawfully available for distribution to justify the payment. Provided the Directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of a dividend on any shares having deferred or non-preferred rights.
- 32.3 The Directors may, before recommending or declaring any dividend, set aside out of the funds legally available for distribution such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors, be applicable for meeting contingencies, or for equalising dividends or for any other purpose to which those funds may be properly applied and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares in the capital of the Company) as the Directors may from time to time think fit.
- 32.4 Except as otherwise provided by the rights attached to shares and subject to Article 15, all dividends shall be paid in proportion to the number of shares a Member holds as of the date the dividend is declared; save that (a) if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly; and (b) where the Company has shares in issue which are not fully paid up (as to par value) the Company may pay dividends in proportion to the amount paid up on each share.
- 32.5 The Directors may deduct from a dividend or other amounts payable to a person in respect of a share any amounts due from him to the Company on account of a call or otherwise in relation to a share.
- 32.6 Any Ordinary Resolution or Directors' resolution declaring a dividend may direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to such distribution, the Directors may settle the same and in particular may issue fractional certificates and fix the value for distribution of any assets and may determine that cash shall be paid to any Member upon the footing of the value so fixed in order to adjust the rights of Members and may vest any assets in trustees.
- 32.7 Any dividend or other moneys payable on or in respect of a share may be paid by cheque sent by post to the registered address of the person entitled or, if two or more persons are the holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the holder, to the registered address of that one of those persons who is first named in the Register of Members or to such person and to such address as the person or persons entitled may in writing direct. Subject to any applicable law or regulations, every cheque shall be made payable to the order of the person or persons entitled or to such other person as the person or persons entitled may in writing direct and payment of the cheque shall be a good discharge to the Company. Any joint holder or other person jointly entitled to a share as aforesaid may give receipts for any dividend or other moneys payable in respect of the share.
- 32.8 No dividend or other moneys payable in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to the share.

- 32.9 Any dividend which has remained unclaimed for six years from the date when it became due for payment shall, if the Directors so resolve, be forfeited and cease to remain owing by the Company.

33 Financial Year, Accounting Records and Audit

- 33.1 Unless the Directors otherwise prescribe, the financial year of the Company shall end on 31 December in each year and, following the year of incorporation, shall begin on 1 January each year.
- 33.2 The books of account relating to the Company's affairs shall be kept in such manner as may be determined from time to time by the Directors. The books of account shall be kept at the registered office or at such other place or places as the Directors think fit, and shall always be open to the inspection of the Directors.
- 33.3 No Member shall be entitled to require discovery of or any information with respect to any detail of the Company's trading or any matter which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interests of the Members of the Company to communicate to the public.
- 33.4 The Directors may from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books and corporate records of the Company or any of them shall be open to the inspection of Members not being Directors, and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by applicable law, the listing rules of any Designated Stock Exchange or authorised by the Directors.
- 33.5 Subject to applicable law and to the rules of any Designated Stock Exchange, the accounts relating to the Company's affairs shall be audited in such manner as may be determined from time to time by the Directors.
- 33.6 The Directors, having considered the recommendations of the Audit Committee, shall appoint an auditor of the Company who shall hold office until removed from office by a resolution of the Board, and shall fix his or their remuneration.
- 33.7 Every auditor of the Company shall have a right of access at all times to the books and accounts of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanation as may be necessary for the performance of the duties of the auditors.

34 Capitalisation of Profits

- 34.1 The Directors may:
- (a) subject as provided in this Article, resolve to capitalize any undivided profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of the Company's share premium account or capital redemption reserve;
 - (b) appropriate the sum resolved to be capitalised to the Members who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time

being unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to such sum, and allot the shares or debentures credited as fully paid to those Members, or as they may direct, in those proportions, or partly in one way and partly in the other, provided that on any such capitalization holders of Class A Common Shares shall receive Class A Common Shares (or rights to acquire Class A Common Shares, as the case may be) and holders of Class B Common Shares shall receive Class B Common Shares (or rights to acquire Class B Common Shares, as the case may be);

- (c) resolve that any shares so allotted to any Member in respect of a holding by him of any partly-paid shares rank for dividend, so long as such shares remain partly paid, only to the extent that such partly paid shares rank for dividend;
- (d) make such provision by the issue of fractional certificates or by payment in cash or otherwise as they determine in the case of shares or debentures becoming distributable under this Article in fractions; and
- (e) authorise any person to enter on behalf of all the Members concerned into an agreement with the Company providing for the allotment to them respectively, credited as fully paid, of any shares or debentures to which they may be entitled upon such capitalization, any agreement made under such authority being binding on all such Members.

35 Share Premium Account

35.1 The Directors shall in accordance with Section 34 of the Act establish a share premium account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any share or capital contributed as described in Article 4.12.

35.2 There shall be debited to any share premium account:

- (a) on the redemption or purchase of a share the difference between the nominal value of such share and the redemption or purchase price provided always that at the discretion of the Directors such sum may be paid out of the profits of the Company or, if permitted by Section 37 of the Act, out of capital; and
- (b) any other amounts paid out of any share premium account as permitted by Section 34 of the Act.

36 Notices

36.1 Except as otherwise provided in these Articles and subject to the rules of any Designated Stock Exchange, any notice or document may be served by the Company or by the Person entitled to give notice to any Member either personally or by posting it airmail or by air courier service in a prepaid letter addressed to such Member at his address as appearing in the Register of Members, or by electronic mail to any electronic mail address such Member may have specified in writing for the purpose of such service of notices, or by advertisement in appropriate newspapers in accordance with the requirements of any Designated Stock Exchange, or by facsimile or by placing it on the Company's Website. In the case of joint holders of a Share, all notices shall be given to that one of the joint holders whose name stands first in the Register of Members in respect of the joint holding, and notice so given shall be sufficient notice to all the joint holders.

36.2 Notices posted to addresses outside the Cayman Islands shall be forwarded by prepaid airmail.

- 36.3 Any notice or other document, if served by:
- (a) post, shall be deemed to have been served five days after the time when the letter containing the same is posted;
 - (b) facsimile, shall be deemed to have been served upon production by the transmitting facsimile machine of a report confirming transmission of the facsimile in full to the facsimile number of the recipient;
 - (c) recognized courier service, shall be deemed to have been served 48 hours after the time when the letter containing the same is delivered to the courier service;
 - (d) electronic mail, shall be deemed to have been served immediately upon the time of the transmission by electronic mail; or
 - (e) placing it on the Company's Website, shall be deemed to have been served one (1) hour after the notice or document is placed on the Company's Website.

In proving service by post or courier service it shall be sufficient to prove that the letter containing the notice or documents was properly addressed and duly posted or delivered to the courier service.

- 36.4 A Member present, either in person or by proxy, at any meeting of the Company or of the holders of any class of shares in the Company shall be deemed to have received notice of the meeting, and, where requisite, of the purpose for which it was called.
- 36.5 Any notice or document delivered or sent by post to or left at the registered address of any Member in accordance with the terms of these Articles shall notwithstanding that such Member be then dead or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any Share registered in the name of such Member as sole or joint holder, unless his name shall at the time of the service of the notice or document, have been removed from the Register of Members as the holder of the Share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all Persons interested (whether jointly with or as claiming through or under him) in the Share.
- 36.6 Notice of every general meeting of the Company shall be given to:
- (a) all Members holding Shares with the right to receive notice and who have supplied to the Company an address, facsimile number or email address for the giving of notices to them; and
 - (b) every Person entitled to a Share in consequence of the death or bankruptcy of a Member, who but for his death or bankruptcy would be entitled to receive notice of the meeting.

No other Person shall be entitled to receive notices of general meetings

37 Winding Up

- 37.1 The Board shall have the power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up.

- 37.2 If the Company is wound up, the liquidator may, with the sanction of a Special Resolution and any other sanction required by the Act, divide among the Members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the Members as he with the like sanction determines, but no Member shall be compelled to accept any assets upon which there is a liability.
- 37.3 If the Company shall be wound up and the assets available for distribution amongst the Members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up, on the shares held by them respectively. If in a winding up the assets available for distribution amongst the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed *pari passu* amongst the Members in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively. This Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

38 Indemnity

- 38.1 Every Indemnified Person for the time being and from time to time of the Company and the personal representatives of the same shall be indemnified and secured harmless out of the assets and funds of the Company against all actions, proceedings, costs, charges, expenses, losses, damages, liabilities, judgments, fines, settlements and other amounts (including reasonable attorneys' fees and expenses and amounts paid in settlement and costs of investigation (collectively "Losses")) incurred or sustained by him otherwise than by reason of his own dishonesty, willful default or fraud in or about the conduct of the Company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any Losses incurred by him in defending or investigating (whether successfully or otherwise) any civil, criminal, investigative and administrative proceedings concerning or in any way related to the Company or its affairs in any court whether in the Islands or elsewhere. Such Losses incurred in defending or investigating any such proceeding shall be paid by the Company as they are incurred upon receipt, in each case, of an undertaking by or on behalf of the Indemnified Person to repay such amounts if it is ultimately determined by a non-appealable order of a court of competent jurisdiction that such Indemnified Person is not entitled to indemnification hereunder with respect thereto.
- 38.2 No such Indemnified Person of the Company and the personal representatives of the same shall be liable (i) for the acts, receipts, neglects, defaults or omissions of any other Director or officer or agent of the Company or (ii) by reason of his having joined in any receipt for money not received by him personally or in any other act to which he was not a direct party for conformity or (iii) for any loss on account of defect of title to any property of the Company or (iv) on account of the insufficiency of any security in or upon which any money of the Company shall be invested or (v) for any loss incurred through any bank, broker or other agent or any other party with whom any of the Company's property may be deposited or (vi) for any loss, damage or misfortune whatsoever which may happen in or arise from the execution or discharge of the duties, powers, authorities or discretions of his office or in relation thereto or (vii) for any loss occasioned by any negligence, default, breach of duty, breach of trust, error of judgement or oversight on such Person's part, unless he has acted dishonestly, with willful default or through fraud.
- 38.3 The Company hereby acknowledges that certain Indemnified Persons may have certain rights to indemnification, advancement of expenses and/or insurance from or against (other than directors' and officers' or similar insurance obtained or maintained by or on behalf of the Company or any of

its subsidiaries, including any such insurance obtained or maintained pursuant to Article 38.4 hereof) Other Indemnitors. The Company hereby agrees that: (i) it is the indemnitor of first resort (i.e., its obligations to an Indemnified Person are primary and any obligation of any Other Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by such Indemnified Person are secondary); (ii) it shall be required to advance the full amount of expenses incurred by an Indemnified Person and shall be liable for the full amount of all Losses to the extent legally permitted and as required by the terms of these Articles (or any other agreement between the Company and an Indemnified Person) without regard to any rights an Indemnified Person may have against any Other Indemnitors; and (iii) it irrevocably waives, relinquishes and releases any Other Indemnitors from any and all claims against the Other Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by any Other Indemnitors on behalf of an Indemnified Person with respect to any claim for which such Indemnified Person has sought indemnification from the Company shall affect the foregoing, and without prejudice to Article 39 below, Other Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of such Indemnified Person against the Company. For the avoidance of doubt, no Person or entity providing Directors' or officers' or similar insurance obtained or maintained by or on behalf of the Company or any of its subsidiaries, including any Person providing such insurance obtained or maintained pursuant to Article 38.4 hereof, shall be an Other Indemnitor.

- 38.4 The Directors may exercise all the powers of the Company to purchase and maintain insurance for the benefit of a Person who is or was (whether or not the Company would have the power to indemnify such Person against such liability under the provisions of this Article 38 or under applicable law): (a) a Director, alternate Director, Secretary or auditor of the Company or of a company which is or was a subsidiary of the Company or in which the Company has or had an interest (whether direct or indirect); or (b) the trustee of a retirement benefits scheme or other trust in which a person referred to in Article 38.1 is or has been interested, indemnifying him against any liability which may lawfully be insured against by the Company.

39 Claims Against the Company

Notwithstanding Article 38.3, unless otherwise determined by a majority of the Board, in the event that (i) any Member (the "Claiming Party") initiates or asserts any claim or counterclaim ("Claim") or joins, offers substantial assistance to or has a direct financial interest in any Claim against the Company and (ii) the Claiming Party (or the third party that received substantial assistance from the Claiming Party or in whose Claim the Claiming Party had a direct financial interest) does not obtain a judgment on the merits in which the Claiming Party prevails, then each Claiming Party shall, to the fullest extent permissible by law, be obligated jointly and severally to reimburse the Company for all fees, costs and expenses (including, but not limited to, all reasonable attorneys' fees and other litigation expenses) that the Company may incur in connection with such Claim.

40 Untraceable Members

- 40.1 Without prejudice to the rights of the Company under Article 40.2, the Company may cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two (2) consecutive occasions. However, the Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered.
- 40.2 The Company shall have the power to sell, in such manner as the Board thinks fit, any shares of a Member who is untraceable, but no such sale shall be made unless:

- (a) all cheques or warrants in respect of dividends of the shares in question, being not less than three (3) in total number, for any sum payable in cash to the holder of such shares in respect of them sent during the relevant period in the manner authorised by the Articles of the Company have remained uncashed;
- (b) so far as it is aware at the end of the relevant period, the Company has not at any time during the relevant period received any indication of the existence of the Member who is the holder of such shares or of a person entitled to such shares by death, bankruptcy or operation of law; and
- (c) the Company, if so required by the rules governing the listing of shares on the Designated Stock Exchange, has given notice to, and caused advertisement in newspapers to be made in accordance with the requirements of, the Designated Stock Exchange of its intention to sell such shares in the manner required by the Designated Stock Exchange, and a period of three (3) months or such shorter period as may be allowed by the Designated Stock Exchange has elapsed since the date of such advertisement.

For the purposes of the foregoing, the “relevant period” means the period commencing twelve (12) years before the date of publication of the advertisement referred to in this Article 40.2 and ending at the expiry of the period referred to in that paragraph.

- 40.3 To give effect to any such sale the Board may authorise some person to transfer the said shares and an instrument of transfer signed or otherwise executed by or on behalf of such persons shall be as effective as if it had been executed by the registered holder or the person entitled by transmission to such shares, and the purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale. The net proceeds of the sale will belong to the Company and upon receipt by the Company of such net proceeds it shall become indebted to the former Member for an amount equal to such net proceeds. No trust shall be created in respect of such debt and no interest shall be payable in respect of it and the Company shall not be required to account for any money earned from the net proceeds which may be employed in the business of the Company or as it thinks fit. Any sale under this Article shall be valid and effective notwithstanding that the Member holding the shares sold is dead, bankruptcy or otherwise under any legal disability or incapacity.

41 Amendment of Memorandum of Articles

- 41.1 Subject to the Act, the Company may by Special Resolution change its name or change the provisions of the Memorandum with respect to its objects, powers or any other matter specified therein.
- 41.2 Subject to the Act and as provided in these Articles, the Company may at any time and from time to time by Special Resolution, alter or amend these Articles in whole or in part.

42 Transfer by Way of Continuation

The Company may by Special Resolution resolve to be registered by way of continuation in a jurisdiction outside the Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing. In furtherance of a resolution adopted pursuant to this Article, the Directors may cause an application to be made to the Registrar of Companies to deregister the Company in the Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing and may cause all such further steps as they consider appropriate to be taken to effect the transfer by way of continuation of the Company.



Our ref SUS/780850-000001/66600494v3

To: DLocal Limited
PO Box 309, Ugland House
Grand Cayman KY1—1104
Cayman Islands

20 May 2021

Dear Sirs

DLocal Limited

We have acted as counsel as to Cayman Islands law to DLocal Limited (the “**Company**”) in connection with the Company’s registration statement on Form F-1, including all amendments or supplements thereto, filed with the United States Securities and Exchange Commission (the “**SEC**”) under the United States Securities Act of 1933, as amended (the “**Securities Act**”) (including its exhibits, the “**Registration Statement**”) in connection with the initial public offering of Class A common shares of US\$0.002 par value each in the capital of the Company (the “**Shares**”) pursuant to an Underwriting Agreement (the “**Underwriting Agreement**”) to be entered into among the Company, the Selling Shareholders (as defined in the Underwriting Agreement), J.P. Morgan Securities LLC, Citigroup Global Markets, Inc., Goldman Sachs & Co. LLC and Morgan Stanley & Co. LLC, as representatives of the several underwriters named in schedule I to the Underwriting Agreement.

1 Documents Reviewed

We have reviewed originals, copies, drafts or conformed copies of the following documents:

- 1.1 The certificate of incorporation dated 10 February 2021 and the second amended and restated memorandum and articles of association of the Company adopted by special resolution passed on 19 May 2021 and effective on the date the Registration Statement is declared effective by the SEC (the “**Memorandum and Articles**”).
- 1.2 The written resolutions of the board of directors of the Company dated 19 May 2021 (the “**Resolutions**”) and the corporate records of the Company maintained at its registered office in the Cayman Islands.

Maples and Calder (Cayman) LLP

PO Box 309 Ugland House Grand Cayman KY1-1104 Cayman Islands
Tel +1 345 949 8066 Fax +1 345 949 8080 maples.com

Maples and Calder (Cayman) LLP has been registered, and operating, as a Cayman Islands limited liability partnership since 1 March 2021 following the conversion of the Cayman Islands firm of Maples and Calder to a limited liability partnership on that date.

- 1.3 A certificate of good standing with respect to the Company issued by the Registrar of Companies dated 18 May 2021 (the “**Certificate of Good Standing**”).
- 1.4 A certificate from a director of the Company a copy of which is attached to this opinion letter (the “**Director’s Certificate**”).
- 1.5 A draft of the Underwriting Agreement.
- 1.6 The Registration Statement.

2 Assumptions

The following opinions are given only as to, and based on, circumstances and matters of fact existing and known to us on the date of this opinion letter. These opinions only relate to the laws of the Cayman Islands which are in force on the date of this opinion letter. In giving the following opinions, we have relied (without further verification) upon the completeness and accuracy, as at the date of this opinion letter, of the Director’s Certificate and the Certificate of Good Standing. We have also relied upon the following assumptions, which we have not independently verified:

- 2.1 Copies of documents, conformed copies or drafts of documents provided to us are true and complete copies of, or in the final forms of, the originals, and translations of documents provided to us are complete and accurate.
- 2.2 All signatures, initials and seals are genuine.
- 2.3 There is no contractual or other prohibition or restriction (other than as arising under Cayman Islands law) binding on the Company prohibiting or restricting it from entering into and performing its obligations under the Registration Statement or the Underwriting Agreement.
- 2.4 There is nothing under any law (other than the laws of the Cayman Islands) which would or might affect the opinions set out below. Specifically, we have made no independent investigation of the laws of the State of New York or the laws of Uruguay.
- 2.5 The Company has, and will have at the time of the issue of the Shares, sufficient authorised but unissued share capital to be able to issue such Shares.
- 2.6 The Company will receive money or money’s worth in consideration for the issue of the Shares, and none of the Shares were or will be issued for less than par value.
- 2.7 The Shares that will be issued and sold pursuant to the Underwriting Agreement will be duly registered, and will continue to be registered, in the Company’s register of members (shareholders).
- 2.8 No invitation has been or will be made by or on behalf of the Company to the public in the Cayman Islands to subscribe for any of the Shares.

Save as aforesaid we have not been instructed to undertake and have not undertaken any further enquiry or due diligence in relation to the transaction the subject of this opinion letter.

3 Opinions

Based upon, and subject to, the foregoing assumptions and the qualifications set out below, and having regard to such legal considerations as we deem relevant, we are of the opinion that:

- 3.1 The Company has been duly incorporated as an exempted company with limited liability and is validly existing and in good standing with the Registrar of Companies under the laws of the Cayman Islands.
- 3.2 The Shares to be issued by the Company as contemplated by the Registration Statement and the Underwriting Agreement have been duly authorised for issue and when such Shares are issued by the Company in accordance with the Memorandum and Articles and upon payment in full being made therefor as contemplated in the Registration Statement and the Underwriting Agreement and such Shares being entered as fully-paid on the register of members of the Company, such Shares will be validly issued, fully-paid and non-assessable. As a matter of Cayman Islands law, a share is only issued when it has been entered in the register of members (shareholders).

4 Qualifications

The opinions expressed above are subject to the following qualifications:

- 4.1 To maintain the Company in good standing with the Registrar of Companies under the laws of the Cayman Islands, annual filing fees must be paid and returns made to the Registrar of Companies within the time frame prescribed by law.
- 4.2 Under Cayman Islands law, the register of members (shareholders) is *prima facie* evidence of title to shares and this register would not record a third party interest in such shares. However, there are certain limited circumstances where an application may be made to a Cayman Islands court for a determination on whether the register of members reflects the correct legal position. Further, the Cayman Islands court has the power to order that the register of members maintained by a company should be rectified where it considers that the register of members does not reflect the correct legal position. As far as we are aware, such applications are rarely made in the Cayman Islands and there are no circumstances or matters of fact known to us on the date of this opinion letter which would properly form the basis for an application for an order for rectification of the register of members of the Company, but if such an application were made in respect of the Ordinary Shares, then the validity of such shares may be subject to re-examination by a Cayman Islands court.
- 4.3 In this opinion letter, the phrase “non-assessable” means, with respect to shares in the Company, that a shareholder shall not, solely by virtue of its status as a shareholder, be liable for additional assessments or calls on the shares by the Company or its creditors (except in exceptional circumstances, such as involving fraud, the establishment of an agency relationship or an illegal or improper purpose or other circumstances in which a court may be prepared to pierce or lift the corporate veil).
- 4.4 We express no opinion as to the meaning, validity or effect of any references to foreign (i.e. non - Cayman Islands) statutes, rules, regulations, codes, judicial authority or any other promulgations and any references to them in the Registration Statement.

We express no view as to the commercial terms of the Registration Statement or whether such terms represent the intentions of the parties and make no comment with regard to warranties or representations that may be made by the Company.

We hereby consent to the filing of this opinion letter as an exhibit to the Registration Statement and to the reference to our firm under the heading “Legal Matters” in the prospectus included in the Registration Statement. In providing our consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act or the Rules and Regulations of the SEC thereunder.

The opinions in this opinion letter are strictly limited to the matters contained in the opinions section above and do not extend to any other matters. We have not been asked to review and we therefore have not reviewed any of the ancillary documents relating to the Shares and express no opinion or observation upon the terms of any such document.

Yours faithfully
/s/ Maples and Calder (Cayman) LLP
Maples and Calder (Cayman) LLP

20 May 2021

To: Maples and Calder (Cayman) LLP
PO Box 309, Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Dear Sirs

DLocal Limited (the “**Company**”)

I, the undersigned, being a director of the Company, am aware that you are being asked to provide an opinion letter (the “**Opinion**”) in relation to certain aspects of Cayman Islands law. Unless otherwise defined herein, capitalised terms used in this certificate have the respective meanings given to them in the Opinion. I hereby certify that:

- 1 The Memorandum and Articles remain in full force and effect and are unamended.
- 2 The Company has not entered into any mortgages or charges over its property or assets other than those entered in the register of mortgages and charges of the Company.
- 3 The Resolutions were duly passed in the manner prescribed in the Company’s memorandum and articles of association in effect at the time (including, without limitation, with respect to the disclosure of interests (if any) by directors of the Company) and have not been amended, varied or revoked in any respect.
- 4 The shareholders of the Company (the “**Shareholders**”) have not restricted the powers of the directors of the Company in any way.
- 5 There is no contractual or other prohibition or restriction (other than as arising under Cayman Islands law) binding on the Company prohibiting or restricting it from entering into and performing its obligations under the Registration Statement.
- 6 The directors of the Company at the date of the Resolutions and at the date of this certificate were and are as follows: Luiz Otavio Ribeiro, Alberto Eduardo Azar and Simon Vella.
- 7 The authorised share capital of the Company will be US\$3,000,000 divided into 1,500,000,000 shares of a nominal or par value of US\$0.002 each which, at the date the Memorandum and Articles become effective, will comprise (i) 1,000,000,000 Class A Common Shares; and (ii) 250,000,000 Class B Common Shares (which Class B Common Shares may be converted into Class A Common Shares in the manner contemplated in the Articles of Association of the Company); and (iii) 250,000,000 shares of such class or classes (howsoever designated) and having the rights as the Board may determine from time to time in accordance with Article 4 of the Articles of Association of the Company.

- 8 The issued share capital of the Company prior to the issue of the Shares (as defined in the Underwriting Agreement) will be 124,336,500 Class A Common Shares of a par value of US\$0.002 each and 164,167,500 Class B Common Shares of a par value of US\$0.002 each, which have been issued as fully paid and non assessable.
- 9 The minute book and corporate records of the Company as maintained at its registered office in the Cayman Islands and made available to you are complete and accurate in all material respects, and all minutes and resolutions filed therein represent a complete and accurate record of all meetings of the Shareholders and directors (or any committee thereof) of the Company (duly convened in accordance with the Memorandum and Articles) and all resolutions passed at the meetings or passed by written resolution or consent, as the case may be.
- 10 Prior to, at the time of, and immediately following the approval of the transactions the subject of the Registration Statement the Company was, or will be, able to pay its debts as they fell, or fall, due and has entered, or will enter, into the transactions the subject of the Registration Statement for proper value and not with an intention to defraud or wilfully defeat an obligation owed to any creditor or with a view to giving a creditor a preference.
- 11 Each director of the Company considers the transactions contemplated by the Registration Statement to be of commercial benefit to the Company and has acted in good faith in the best interests of the Company, and for a proper purpose of the Company, in relation to the transactions which are the subject of the Opinion.
- 12 The Company has received or will receive money or money's worth in consideration for the issue of the Shares and none of the Shares will be issued for less than par value.
- 13 To the best of my knowledge and belief, having made due inquiry, the Company is not the subject of legal, arbitral, administrative or other proceedings in any jurisdiction. Nor have the directors or Shareholders taken any steps to have the Company struck off or placed in liquidation, nor have any steps been taken to wind up the Company. Nor has any receiver been appointed over any of the Company's property or assets.

I confirm that you may continue to rely on this certificate as being true and correct on the day that you issue the Opinion unless I shall have previously notified you in writing personally to the contrary.

Signature: /s/ Simon Vella
Name: Simon Vella
Title: Director

This Indemnity Agreement is made on [●], 2021 (the “**Agreement**”).

Between:

- (1) **DLocal Limited**, an exempted company incorporated in the Cayman Islands (the “**Company**”); and
- (2) [●], a director and/or officer of the Company (the “**Indemnatee**”).

Whereas:

- (A) The Indemnatee serves as a director and/or officer of the Company.
- (B) The Indemnatee will perform valuable services to the Company.
- (C) The substantial increase in corporate litigation may subject directors and officers to expensive litigation risks at the same time that the availability of directors’ and officers’ liability insurance has been severely limited.
- (D) It is a condition to the appointment of the Indemnatee as a director and/or officer of the Company that the Company indemnify the Indemnatee so as to provide him/her with the maximum possible protection permitted by law.
- (E) The Company wishes to indemnify the Indemnatee on the terms of this Agreement.

Now it is agreed as follows:

1 Definitions

In this Agreement the following capitalised words and expressions shall have the following meanings:

1.1 In this Agreement:

- (a) the term “**Proceeding**” shall include any actual or threatened pending or completed action, claim, counterclaim, cross claim, suit, arbitration, mediation, alternative dispute resolution mechanism, investigation, inquiry, administrative hearing or proceeding in any jurisdiction (including, without limitation, the United States, Uruguay and/or the Cayman Islands) whether brought by or in the right of the Company or otherwise and whether of a civil, criminal, administrative or investigative nature, including any appeal therefrom or settlement thereof, in which the Indemnatee was, is or will be involved as a party or otherwise, by reason of the fact that the Indemnatee is or was a Director of the Company, by reason of any action taken by him or her or of any inaction on his or her part while acting as a Director of the Company, or by reason of the fact that he or she is or was serving at the request of the Company as a director, officer, employee, agent or fiduciary of another corporation, partnership, joint venture, trust or other enterprise affiliated to the Company and the term “**decided in a Proceeding**” shall mean a decision by a court, arbitrator(s), hearing officer or other judicial agent having the requisite legal authority to make such a decision in the applicable jurisdiction(s), which decision has become final and from which no appeal or other review proceeding is permissible;

- (b) the term “**Expenses**” shall include all documented damages, judgments, fines, awards, amounts paid in settlement by or on behalf of the Indemnitee, expenses of investigations, judicial or administrative proceedings or appeals, attorney’s fees incurred in connection with any Proceeding or otherwise in the discharge of the Indemnitee’s duties in respect of the Company, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, any federal, state, local or foreign taxes imposed on the Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, participating, or being or preparing to be a witness in a Proceeding or responding to, or objecting to, a request to provide discovery in any Proceeding and any expenses of establishing a right to indemnification under this Agreement. Expenses also shall include (i) Expenses incurred in connection with any appeal resulting from any Proceeding, including, without limitation, the premium, security for, and other costs relating to any cost bond, supersedeas bond, or other appeal bond or its equivalent (ii) Expenses incurred in connection with recovery under any directors’ and officers’ liability insurance policies maintained by the Company, regardless of whether Indemnitee is ultimately determined to be entitled to such indemnification, advancement or Expenses or insurance recovery, as the case may be, and (iii) Expenses incurred by the Indemnitee in connection with the interpretation, enforcement or defense of the Indemnitee’s rights under this Agreement, the Articles or under any directors’ and officers’ liability insurance policies maintained by the Company, by litigation or otherwise;
- (c) the terms “**Director**” and “**Director of the Company**” shall include the Indemnitee’s service as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise affiliated to the Company (each, an “**Additional Appointment**”) as well as a director or officer of the Company provided such additional appointment is undertaken solely while the Indemnitee is also a Director of the Company;
- (d) the term “**Articles**” means the memorandum and articles of association of the Company in force from time to time; and
- (e) the term “**Gross Negligence**” in relation to a Director of the Company means a standard of conduct beyond ordinary negligence based upon culpable behavior whereby that Director of the Company acts with reckless disregard for the consequences of a breach of duty of care or the fiduciary duties owed to the Company.

2 Indemnity of Director

- (a) Subject to the limitations set forth in Clause 3.3, Clause 3.4, Clause 4 and in the Articles, and in consideration of the Indemnitee agreeing to act as a Director of the Company, the Company (a) hereby agrees to indemnify and hold harmless the Indemnitee in respect of and to pay on behalf of the Indemnitee all Expenses actually incurred by the Indemnitee because of any losses, liabilities, charges, fines, penalties, costs or claims made against him/her in a Proceeding by reason of the fact that he/she is or was a Director of the Company; and (b) shall and hereby does indemnify and hold harmless Indemnitee against all Expenses, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him or her if, by reason of his or her position as a Director, he or she is, or is threatened to be made, a party to or participant in any Proceeding (including a Proceeding by or in the right of the Company), including, without limitation, all liability arising out of the negligence or active or passive wrongdoing of the Indemnitee.

- (b) If the Indemnatee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of Expenses, but not, however, for the total amount thereof, the Company shall nevertheless indemnify the Indemnatee for the portion thereof to which the Indemnatee is entitled.
- (c) Whether or not the indemnification provided in Clause 2(a) or Clause 2(a) is available, in respect of any Proceeding in which the Company is jointly liable with the Indemnatee (or would be if joined in such Proceeding), the Company shall pay, in the first instance, the entire amount of any judgement or settlement of such Proceeding without requiring the Indemnatee to contribute to such payment and the Company hereby waives and relinquishes any right of contribution it may have against the Indemnatee. The Company shall not enter into any settlement of any Proceeding in which the Company is jointly liable with the Indemnatee (or would be if joined in such Proceeding) unless such settlement provides for a full and final release of all claims asserted against the Indemnatee.
- (d) Without diminishing or impairing the obligations of the Company set forth in the preceding subparagraph, if, for any reason, the Indemnatee shall elect or be required to pay all or any portion of any judgement or settlement in any Proceeding in which the Company is jointly liable (or would be if joined in such Proceeding), the Company shall contribute to the amount of Expenses paid in settlement actually and reasonably incurred and paid or payable by the Indemnatee in proportion to the relative benefits received by the Company and all officers, directors or employees of the Company, other than the Indemnatee, who are jointly liable with the Indemnatee (or would be if joined in such Proceeding), on the one hand, and the Indemnatee, on the other hand, from the transaction(s) or event(s) from which such Proceeding arose; *provided however*, that the proportion determined on the basis of relative benefit may, to the extent necessary to conform to law, be further adjusted by reference to the relative fault of the Company and all officers, directors or employees of the Company, other than the Indemnatee, who are jointly liable with the Indemnatee (or would be if joined in such Proceeding), on the one hand, and the Indemnatee, on the other hand, in connection with the transaction(s) or event(s) that resulted in such Expenses as well as any other equitable consideration which applicable law may require to be considered. The relative fault of the Company and all officers, directors or employees of the Company, other than the Director, who are jointly liable with the Indemnatee (or would be if joined in such Proceeding) on the one hand, and the Indemnatee on the other hand, shall be determined by reference to, amongst other things, the degree to which their actions were motivated by intent to gain personal profit or advantage, the degree to which the liability is primary or secondary and the degree to which their conduct is active or passive. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to the Indemnatee for any reason whatsoever, the Company in lieu of indemnifying the Indemnatee shall contribute to the amount incurred by the Director, in connection with any claim relating to an indemnifiable event under this Agreement in such proportion as is deemed fair and reasonable in light of all the circumstances of such Proceeding in order reflect (i) the relative benefits received by the Company and the Indemnatee as a result of the events(s) and/or transaction(s) giving cause to such Proceeding and/or (ii) the relative fault of the Company (and its directors officers, employees and agents) and the Indemnatee in connection with such event(s) and/or transaction(s).

3 Notification and Conduct

- 3.1 If you receive any demand relating to a Proceeding or become aware of any circumstances which might or may be reasonably expected to give rise to the Company being required to indemnify you pursuant to this Agreement and before incurring any costs, charges or expenses in respect of any Proceeding (including securing legal representation), you shall to the extent not prohibited under applicable law:
- (a) as soon as reasonably practicable, in accordance with Clause 8, give written notice of the circumstances to the Company, as well as any other information which the Company may reasonably request from time to time;
 - (b) take all reasonable actions to mitigate any liability you suffer in respect of the circumstances giving rise to the Proceeding (including any action that the Company may reasonably request to avoid, dispute, resist, appeal or defend any Proceeding and shall not make any admission of liability, agreement or compromise with any person in relation to any Proceeding without the prior written consent of the Company);
 - (c) forward all documents you receive in respect of such Proceeding to the Company as soon as reasonably practical following receipt;
 - (d) assist the Company as it may reasonably require in resisting, defending or settling the Proceeding; and
 - (e) provide to the Company all such information in relation to any Proceeding as the Company may reasonably request, and take all such action as the Company may reasonably request.
- 3.2 Notwithstanding the provisions of Clause 3.1, you shall not be required to provide any document or information to the Company where doing so would result in a loss of privilege in that document or information.
- 3.3 The Company will be entitled to take over, negotiate and conduct in your name the defence to or settlement of any Proceeding.
- 3.4 If the Company exercises its right pursuant to Clause 3.3, the Company shall:
- (a) consult with you in relation to the conduct of the Proceeding on aspects of the Proceeding materially relevant to you and keep you reasonably informed of material developments in the Proceeding, provided that the Company shall be under no obligation to provide any information the provision of which is reasonably likely to adversely affect the ability of the Company to claim in respect of the relevant loss under any applicable policy of insurance;

- (b) take into account your reasonable requests relating to the Proceeding (including any settlement) on issues which may be reasonably likely to result in material damage to your reputation; and
- (c) have full discretion in the conduct or settlement of the Proceeding provided you are not required to make any contribution to the settlement and the settlement contains no admission of liability or wrongdoing by you.

4 Limitations on Indemnity

The Company shall not be obligated under this Agreement to make any payment of Expenses to the Indemnatee if:

- (a) such payment is prohibited by applicable law;
- (b) subject to Clause 2(e), such payment is actually made to the Indemnatee under an insurance policy of the Company, except in respect of any excess beyond the amount of payment under such insurance;
- (c) the Indemnatee has received the full benefit of an indemnity from the Company in relation to the indemnity contained in Clause 2 of this Agreement otherwise than pursuant to this Agreement; and
- (d) the obligations for indemnification under this Agreement arise as a result of the Gross Negligence, wilful default, fraud or dishonesty of the Indemnatee seeking payment hereunder; however, notwithstanding the foregoing, the Indemnatee shall be indemnified under this Agreement as to any claims upon which suit may be brought against him/her by reason of any alleged dishonesty on his/her part, unless it shall be decided in a Proceeding that he/she committed acts of Gross Negligence, wilful default, dishonesty or fraud.

5 Advance Payment of Costs

- 5.1 Expenses incurred by the Indemnatee in defending a claim against him/her in a Proceeding shall be paid by the Company as incurred and in advance of the final disposition of such Proceeding or settlement thereof.
- 5.2 The Indemnatee hereby agrees and undertakes to repay such amounts advanced by the Company if it shall be decided in a Proceeding that he/she is not entitled to be indemnified by the Company pursuant to this Agreement, the Articles or applicable law.
- 5.3 If a claim under this Agreement is not paid by the Company, or on its behalf, within thirty (30) days after a written claim has been received by the Company, the Indemnatee may at any time thereafter bring suit against the Company to recover the unpaid amount of the claim and if successful in whole or in part, the Indemnatee shall also be entitled to be paid the Expenses of prosecuting such claim.

6 Enforcement

The Company expressly confirms and agrees that it has entered into this Agreement and assumes the obligations imposed on it hereby in order to induce the Indemnitee to serve as a Director of the Company, and the Company acknowledges that the Indemnitee is relying upon this Agreement in serving as a Director of the Company.

7 Subrogation

In the event of payment under this Agreement, to the extent permitted or required by applicable law the Company shall be subrogated to the extent of such payment to all of the rights of recovery of the Indemnitee, who shall execute all papers reasonably required and shall do everything that may be reasonably necessary to secure such rights, including the execution of such documents necessary to enable the Company effectively to bring suit to enforce such rights.

8 Notice

- 8.1 Notice to the Company shall be given in accordance with this Agreement at its registered office (or such other address as the Company shall designate in writing to the Indemnitee from time to time).
- 8.2 Notice shall be deemed received if (i) delivered by hand, on the date so delivered, or (ii) sent by courier, on the five business days after being so sent, or (iii) if sent by e-mail, upon receipt of a confirmation of receipt e-mail.

9 Severability

If this Agreement or any portion thereof shall be invalidated on any ground by any court of competent jurisdiction, the Company shall nevertheless indemnify the Indemnitee to the full extent permitted by any applicable portion of this Agreement that shall not have been invalidated or by any other applicable law.

10 Indemnification Hereunder Non-Exclusive

Subject to applicable law, the rights of indemnification as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law or the Articles. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee as a Director prior to such amendment, alteration or repeal. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

11 Coverage and Continuation of Indemnification

- 11.1 The indemnification under this Agreement is intended to and shall extend to the Indemnitee's service as a Director prior to and after the date of the Agreement. Further, for the purposes of the coverage afforded by this Agreement, any Additional Appointment which a Director holds on ceasing to be a Director of the Company (or successor thereto) shall be deemed to terminate automatically on such Director ceasing to be Director of the Company (or successor thereto).

- 11.2 The indemnification under this Agreement shall continue as to the Indemnitee even though he/she may have ceased to be a Director.
- 11.3 To the extent that the Company maintains an insurance policy or policies of the type or class providing liability insurance for directors and officers of the Company or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise that such person serves at the request of the Company, the Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any director or officer under such policy or policies.

12 Successors and Assigns

This Agreement shall be binding upon the parties and their respective successors and assignees. No party shall assign its rights or obligations under this Agreement without the consent of the other party.

13 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall constitute the original.

14 Applicable Law

The terms and conditions of this Agreement and the rights of the parties hereunder shall be governed by and construed in all respects in accordance with the laws of the Cayman Islands. The parties to this Agreement hereby irrevocably agree that the courts of the Cayman Islands shall have exclusive jurisdiction in respect of any dispute, suit, action, arbitration or proceedings which may arise out of or in connection with this Agreement and waive any objection to such proceedings in the courts of the Cayman Islands on the grounds of venue or on the basis that they have been brought in an inconvenient forum.

15 Entire Agreement

This agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof.

[Remainder of page left intentionally blank]

In witness whereof the parties hereto have executed this Agreement as a deed on the day and year first above written.

Executed as a deed for and on behalf of)
DLocal Limited)
by:)
)

Authorised Signatory

In the presence of:
Witness Name:
Witness Address:
Witness Occupation:

Executed as a deed by the Indemnatee:)
)
)
)

Print Name:

In the presence of:

Witness

Witness Name:

Witness Address:

Witness Occupation:

THIS WARRANT AND THE SECURITIES ISSUABLE UPON THE EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “**ACT**”), AND NO INTEREST MAY BE SOLD, DISTRIBUTED, ASSIGNED, OFFERED, PLEDGED, OR OTHERWISE TRANSFERRED UNLESS (A) THERE IS AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT COVERING ANY SUCH TRANSACTION, (B) SUCH TRANSACTION IS EXEMPT FROM REGISTRATION, INCLUDING PURSUANT TO RULE 144 UNDER THE ACT, OR (C) THE COMPANY OTHERWISE SATISFIES ITSELF (AT NO COST OR EXPENSE TO THE HOLDER) THAT SUCH TRANSACTION IS EXEMPT FROM REGISTRATION.

No. W-1
ISSUED: January 24, 2019
Void After: January 24, 2026

WARRANT TO PURCHASE
ORDINARY A SHARES

DLOCAL GROUP LIMITED

Warrant

THIS IS TO CERTIFY that Amazon.com NV Investment Holdings LLC, or such person to whom this Warrant is transferred pursuant to Section 9.5 (the “**Holder**”), is entitled to exercise this Warrant to purchase up to 34,690 fully paid up Ordinary A shares (the “**Warrant Shares**”) of Dlocal Group Limited, a private limited liability company registered under the laws of Malta with company registration number C77491 (the “**Company**”), at a price per share as set forth immediately below (the “**Exercise Price**”), subject to adjustment as provided in Section 4.

The Exercise Price shall be as follows:

(a) in the event that the Company exercises the Company’s Option with respect to a Triggering Event (as defined below) in accordance with Section 4.1(b), the Exercise Price for purposes of the definition of “Triggering Event Consideration” (as defined below) shall be the lesser of (i) the Exercise Price set forth in clause (b) immediately below and (ii) 60% of the price per Ordinary A share of the Company paid in or implied by (as applicable) such Triggering Event (i.e., a price reflecting a 40% discount), in each case in accordance with the definitive agreement for such Triggering Event; and

(b) in all other cases, the Exercise Price shall be US\$286.30, of which US\$1.121100 shall comprise the nominal value of each share and US\$285.1789 shall comprise share premium on each share.

The Exercise Price is the product of an arms’-length negotiation. This Warrant is issued in connection with the Merchant Services Agreement dated on or about the date hereof (as the same may be amended, modified, supplemented, or replaced from time to time, the “**Commercial Agreement**”), between Amazon Services LLC and Dlocal Corp LLP. This Warrant is non-forfeitable with respect to vested Warrant Shares and will vest and become exercisable in accordance with Section 1.3, subject to the Company’s Option set forth in Section 4.1.

1. Method of Exercise

1.1. Cash Exercise Right. This Warrant may be exercised by the Holder at any time from and after the issue date

and on or prior to January 24, 2026 (the “**Exercise Period**”), in whole or in part, by delivering to the Company (a) this Warrant, (b) payment by check, wire transfer, or canceled indebtedness of the Company to the Holder (or by any combination thereof), in the amount of the Exercise Price multiplied by the number of Warrant Shares for which this Warrant is being exercised, (c) the Notice of Exercise attached as **Exhibit A** duly executed by the Holder, and (d) the Deed of Adherence (as defined in the Shareholders’ Agreement between the Company and its shareholders dated November 15, 2017, as amended on January 7, 2019 (as the same may be further amended, modified, supplemented, or replaced from time to time, the “**Company Agreement**”)) duly executed by the Holder. The Exercise Period shall be stayed during any waiting period imposed by the Hart-Scott-Rodino Antitrust Improvements Act of 1976 or any other applicable law. For the avoidance of doubt, other than the amount to be paid to the Company pursuant to subsection (b) of this Section 1.1, the Holder shall not be required to make any capital contribution to the Company as a condition of its admission as a shareholder of the Company.

1.2. Net Issuance Right. In lieu of exercising this Warrant for cash pursuant to Section 1.1, the Holder may elect to receive Warrant Shares equal to the value of this Warrant (or the portion thereof being exercised) by surrender of this Warrant to the Company for cancellation together with the Notice of Exercise attached as **Exhibit A** and the Deed of Adherence, each duly executed by the Holder, in which event the Company shall become the debtor of the Holder for an amount (the “**Capitalized Debt**”) equal to the amount determined using the following formula:

$Y = X \times B$ where:

Y = the Capitalized Debt;

X = the number of Warrant Shares to be issued to the Holder in accordance with this Section 1.2, as determined using the following formula:

$$\frac{(A - B) \times C}{A}$$
 where:

- A = the Fair Market Value of one Warrant Share on the date of net issuance exercise;
- B = the Exercise Price (as adjusted to the date of such calculation pursuant to Section 4, if applicable); and
- C = the number of Warrant Shares issuable under this Warrant or, if only a portion of this Warrant is being exercised, the number of Warrant Shares as to which the Holder elects to exercise this Warrant.

For purposes of this Warrant, “**Fair Market Value**” shall mean:

(a) with respect to a Warrant Share:

(i) if shares of the Company’s equity of the same class as the Warrant Shares are traded on an exchange, the average of the closing price reported for the five business days immediately preceding the date of net issuance exercise, as published in *The Wall Street Journal* or other reputable publication reasonably acceptable to the Holder;

(ii) if shares of the Company’s equity of the same class as the Warrant Shares are not traded on an exchange, but are traded in the over-the-counter market, the average of the closing price reported for the five business days immediately preceding the date of net issuance exercise, as published on www.otcmarkets.com or other reputable publication reasonably acceptable to the Holder;

(iii) if the net issuance exercise is in connection with a Reorganization (as defined below), the value of the consideration to be received pursuant to such Reorganization by the holder of one Ordinary A share of the Company as set forth in the definitive agreements governing such Reorganization; and

(iv) if none of clauses (i) through (iii) shall apply, the Fair Market Value shall be the price per share of Ordinary A shares that the Company could obtain from an unaffiliated arms’-length buyer (such price to be exclusive of any control or other similar premium), as such price shall be determined in good faith by the Company’s board of directors in its sole discretion (the “**Board**”). The Company shall promptly deliver to the Holder a written summary of such determination (which written summary shall include certified resolutions of the Board in respect of such determination); and

(b) with respect to any other security or property, the fair market value of such security or other property as determined in good faith by the Board and evidenced by a written summary of such determination delivered promptly to the Holder (which written summary shall include certified resolutions of the Board in respect of such determination). For the avoidance of doubt, the Fair Market Value of cash shall be the amount of such cash.

For purposes of this Warrant, (i) the term “**affiliate**” means, as to any person, any person that directly or indirectly controls, is controlled by, or is under common control with that person, and (ii) the term “**person**” means any individual, corporation, partnership, trust, joint venture, limited liability

company, association, organization, other entity, or governmental or regulatory authority.

Upon exercise of this Warrant by the Holder pursuant to this Section 1.2, the Warrant Shares to be issued to the Holder in accordance with this Section 1.2 (the number of which shall, for the avoidance of doubt, be determined using the formula set forth in this Section 1.2) shall be issued by the Company in settlement of the Capitalized Debt. In connection with such capitalization, the Company shall procure an independent expert’s report in accordance with article 73 of the Companies Act (Cap. 386 of the laws of Malta). Notwithstanding anything to the contrary herein, other than the Company’s obligation to issue the Warrant Shares in accordance with this Section 1.2, this Warrant does not evidence or constitute any liability or debt owed by the Company to the Holder and shall under no circumstances require the Company to pay the Holder any amount in connection with or in settlement of the Capitalized Debt.

1.3. Vesting. The Warrant Shares shall become fully vested, non-forfeitable (subject to the Company’s Option set forth in Section 4.1), and immediately exercisable upon the later of (i) the execution of this Warrant and (ii) the first date on which the total transaction volume processed by the Company and its affiliates pursuant to the Commercial Agreement equals or exceeds USD \$1.00.

Notwithstanding anything to the contrary set forth herein, all of the then unvested Warrant Shares subject to this Warrant shall fully vest and become non-forfeitable and immediately exercisable, subject to the Company’s Option set forth in Section 4.1, (i) upon termination of the Commercial Agreement by the Holder, Amazon.com, Inc. or any of their respective affiliates pursuant to Section 8.4 of the Commercial Agreement, and (ii) immediately prior to the consummation of any Reorganization.

2. Delivery of Share Certificates; Updating of Register of Members; Notification of Allotment; No Fractional Shares

Within five days after exercise of this Warrant pursuant to either Section 1.1 or 1.2, the Company shall at its expense issue and deliver to the Holder (a) a certificate or certificates for the number of Warrant Shares to which the Holder is entitled upon such exercise, and (b) if applicable, a new warrant with terms identical to this Warrant to purchase that number of Warrant Shares as to which this Warrant has not been exercised. The Company shall, on the date of issue of any Warrant Shares to the Holder pursuant to an exercise of this Warrant pursuant to either Section 1.1 or 1.2, update its register of members to record the acquisition of shares by the Holder, and to record the Holder as a shareholder of the Company in respect of that number of Warrant Shares to which the Holder is entitled upon such exercise. The Company shall, by no later than 14 calendar days from the date of issue of any Warrant Shares to the Holder pursuant to an exercise of this Warrant, file the statutory Form H with the Registry of Companies in Malta in accordance with

the applicable provisions of the Companies Act (Cap. 386 of the laws of Malta), notifying such authority of the allotment of shares in the Company in favor of the Holder; *provided, however*, that such period may be extended as reasonably required by the Company in order to meet regulatory requirements applicable at such time. The Holder shall reasonably cooperate with the Company and shall provide such documents and information as are required to complete such filing. The Holder shall for all purposes be deemed to have become the holder of record of such Warrant Shares on the date this Warrant is exercised pursuant to Section 1.1 or 1.2, irrespective of the date of delivery of certificate(s) representing the Warrant Shares. No fractional shares shall be issued upon the exercise of this Warrant, but in lieu of a fractional share, the Company shall round up or down to the nearest whole share the number of shares to be issued.

3. Representations, Warranties, and Covenants

3.1. The Company represents and warrants that it is a limited liability company duly organized, validly existing, and in good standing under the laws of Malta. Each party represents and warrants that all corporate actions, approvals, and consents on the part of such party, its directors, shareholders, and any third party, necessary for the execution of this Warrant and compliance with the terms hereof, including the sale and issuance of this Warrant and the Warrant Shares, have been taken, including, with respect to the Company, the reservation of sufficient Warrant Shares.

3.2. The Company represents and warrants that the authorized share capital of the Company consists solely of 534,690 Ordinary A shares of the Company, of which 500,000 are issued as of the date hereof, 31,794 Ordinary B shares of the Company, of which 31,794 are issued on or about the date hereof, and 11,685 Ordinary C shares of the Company, of which 1,086 are issued as of the date hereof. All of the issued Ordinary A, Ordinary B, and Ordinary C shares of the Company have been duly authorized, are fully paid up, and were issued in compliance with the Act, the Companies Act (Cap. 386 of the laws of Malta, and other applicable law. Other than this Warrant and in relation to the 10,599 authorized and unissued Ordinary C shares of the Company, as set forth in the Company Agreement, and as set forth in the capitalization table of the Company delivered to Holder, there are no outstanding options, warrants, rights (including conversion or preemptive rights¹ and rights of first refusal or similar rights), or agreements, orally or in writing, for the purchase or acquisition from the Company of any shares of its share capital (including Ordinary A shares of the Company).

3.3. The Company represents and warrants that all of the outstanding equity interests of (a) Dlocal Inc., a corporation organized under the laws of Delaware, (b) Dlocal Corp LLP, a limited liability partnership organized under the laws of England and Wales, (c) Dlocal Limited, a company organized under the laws of Malta, and (d) Dlocal LLP, a limited liability partnership organized under the laws of England and Wales (the entities referred to in clauses (a) through (d) of this Section 3.3, collectively, the “**Operating Entities**”) are, in each case as of the date hereof, directly or indirectly owned by the Company.

3.4. The Company represents and warrants that (i) to the Company’s knowledge, none of its current 10% or greater

equityholders are U.S. citizens or residents and (ii) it has not made a U.S. tax election to be treated as anything other than an association taxable as a corporation for U.S. tax purposes.

3.5. The Company covenants that it will not make a U.S. tax election to be treated as anything other than an association taxable as a corporation for U.S. tax purposes without receiving the prior written consent of the Holder, such consent not to be unreasonably withheld.

3.6. The Company covenants that at all times during the Exercise Period there shall be reserved for issuance such number of Ordinary A shares of the Company as is necessary for exercise in full of this Warrant. All Warrant Shares issued pursuant to the exercise of this Warrant shall, upon their issuance, be validly issued for all intents and purposes, fully paid up, free and clear of all liens and other encumbrances or restrictions on sale, and free and clear of all preemptive rights, and such Warrant Shares shall be issued free from all taxes, liens, and charges with respect to the issuance thereof.

3.7. The Company shall not, directly or indirectly, whether by amendment of its memorandum and articles of association or by reorganization, sale or transfer of assets, consolidation, merger, dissolution, issuance or sale of shares or other securities, or any other voluntary action, (a) avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but shall at all times and in good faith assist in the carrying out of all such terms and in the taking of all such action as may be necessary or appropriate in order to protect the rights and interests of the Holder against impairment, or (b) take any action which is inconsistent with the rights and interests granted to the Holder in this Warrant or otherwise conflicts with the provisions hereof.

3.8. Upon exercise in whole or in part of this Warrant and as a condition to such exercise, the Holder shall comply with the exercise provisions set forth in Section 1.1 or 1.2, as the case may be, whereupon it shall become a party to the Company Agreement and shall have the same rights and be bound by and subject to the same restrictions and obligations as the other holders of Ordinary A shares pursuant to the Company Agreement, except that (a) the Holder shall not be bound by or subject to the provisions of Sections 5.1.2 through 5.1.5 of the Company Agreement as in effect as of the date of this Warrant (or any similar provision enacted after the date of this Warrant that would in any way restrict, limit, impair, or restrain, or impose any requirement in respect of, the commercial conduct and operation of the businesses of Amazon.com, Inc. or its affiliates) or any provision of the Company Agreement that would restrict the Holder from transferring any Warrant Shares to Amazon.com, Inc. or any of its wholly owned subsidiaries, and (b) in the event that the Company Agreement contains a drag-along right with respect to a transfer of shares of the Company binding on the Holder with respect to its Warrant Shares, (i) such drag-along right shall be subject to requirements

not less favorable to the Holder than those set forth in Sections 9.11.6 and 9.11.7 of the Company Agreement as in effect as of the date of this Warrant, (ii) such drag-along right shall not be binding on the Holder unless such transfer is a bona fide sale of shares of the Company by the Company's shareholders to one or more than one unaffiliated third party purchaser, and (iii) notwithstanding anything to the contrary in the Company Agreement, the Holder shall not be required in connection with any such transfer to (A) agree to any noncompetition, nonsolicitation, or similar restriction on the commercial operations of Amazon.com, Inc. or any of its wholly owned subsidiaries, (B) extend, amend, waive, terminate, or enter into any commercial agreement, (C) agree to any confidentiality obligations that are less favorable to the Holder or its applicable affiliates than the confidentiality obligations of Amazon.com, Inc. under the Confidentiality Agreement (as defined below) (provided that the Holder will consider in good faith any such confidentiality agreements that are customary and reasonable with respect to applicable transaction), or (D) provide a release of claims or other rights (other than a release of claims relating to the Holder's equity interest in the Company).

3.9. The stamp duty exemption determination issued by the Commissioner for Revenue in favor of the Company dated November 3, 2016 is valid as of the date of this Warrant and the Company shall use commercially reasonable efforts to procure that all necessary steps and actions are taken to ensure that such stamp duty exemption determination shall remain valid, including, but not limited to, applying for and procuring the required extensions thereto. Moreover, the Company shall not, directly or indirectly, pursue or approve any action to take place which would result in the conditions on the basis of which such stamp duty exemption determination is issued or extended to no longer subsist.

3.10. Until the first anniversary of the date hereof, the Company shall not declare, set aside, make, or pay any dividend or other distribution with respect to any of its shares unless, at the time of such dividend or other distribution, the Company on a consolidated basis together with the Operating Entities retains an aggregate amount of net cash or cash equivalents of at least Five Million Six Hundred Thousand U.S. Dollars (US\$5,600,000) as reflected on its balance sheet.

4. Certain Events

4.1. Effect of Reorganization.

(a) Upon (i) any consolidation or merger involving the Company or any Operating Entity in which the Company or such Operating Entity, as applicable, is not the surviving entity (other than a consolidation or merger effected exclusively to change the Company's or any Operating Entity's domicile) or pursuant to which the shareholders of the Company or such Operating Entity, as applicable, immediately prior to such consolidation or merger own, directly or indirectly, immediately after such consolidation or merger, less than 50% of the voting shares and/or securities of the surviving entity, (ii) any transaction or series of related transactions in which 50% or more of the Company's voting power is transferred to persons other than the Company's shareholders immediately prior to such transaction or series of transactions, (iii) any transaction or series of related transactions in which the Company ceases to own (directly or indirectly) 100% of the voting power of any Operating Entity, (iv) the sale or other transfer of all or substantially all of the assets of the Company or any Operating

Entity, or (v) any liquidation or other reorganization of the Company or any Operating Entity (each of the events referred to in clauses (i) through (v), a "**Reorganization**"), in each case during the Exercise Period (as may be extended pursuant to Section 1.1), as a result of which the shareholders of the Company receive cash, shares, or other property in respect of their shares of the Company, lawful provision shall be made, and duly executed documents evidencing the same from the Company or its successor shall be delivered to the Holder, so that the Holder shall thereafter be entitled to receive, upon exercise of this Warrant, the number and type of shares of the Company or another entity, cash, or other property to which a holder of Ordinary A shares of the Company would have been entitled to receive in such Reorganization if such holder held the same number of Ordinary A shares of the Company as were purchasable under this Warrant if this Warrant had been exercised immediately prior to such Reorganization (any such shares or other non-cash property, "**Substitute Securities**"). In any such case, appropriate adjustment shall be made in the application of the provisions of this Warrant with respect to the rights and interests of the Holder after the Reorganization such that the provisions of this Warrant shall be applicable after that event, as near as reasonably may be, in relation to any shares deliverable after that event upon the exercise of this Warrant. Any reference herein to "Warrant Shares" shall include any other securities of the Company or a successor entity into which Warrant Shares may be converted pursuant to a Reorganization, if applicable. The Company shall provide the Holder at least 20 calendar days' prior written notice of the consummation of any Reorganization.

(b) Notwithstanding anything to the contrary herein, upon entry into a term sheet or letter of intent outlining the major terms and conditions of a Triggering Event and containing binding provisions regarding confidentiality and exclusivity (e.g., a "no-shop" for a limited time period) or into a definitive agreement for a Triggering Event, the Company will have the right (the "**Company's Option**") to elect by indicating the same in a written notice to be delivered to the Holder by the Company (the "**Company's Option Notice**") that, upon the consummation of such Triggering Event, this Warrant will be cancelled and the Holder will receive consideration (the "**Triggering Event Consideration**") in exchange for such cancellation equal to the aggregate product of (i) the total number of Warrant Shares exercisable under this Warrant at such time *multiplied* by (ii) the difference between (A) the consideration to be received pursuant to such Triggering Event by each holder of one Ordinary A share of the Company as set forth in the definitive agreement for such Triggering Event *minus* (B) the Exercise Price. If the Company elects to exercise the Company's Option, (1) the Holder will not be entitled to exercise this Warrant and the Company will not be required to issue the Warrant Shares or any other equity securities to the Holder, (2) no provisions or adjustments shall be made and no documents shall be executed entitling the Holder to receive Substitute Securities in connection with the Triggering Event, (3) the Holder will neither become a shareholder of the Company nor have any rights to receive anything from the Company,

including, without limitation, any Substitute Securities, and the Company will have no further obligations towards the Holder (including any notification or information delivery obligations and except as otherwise provided in this Section 4.1(b)) other than payment of the Triggering Event Consideration, in each case in connection with such Triggering Event, and (4) the rights of the Holder pursuant to Section 3.8(b) shall apply, *mutatis mutandis*, in relation to such Triggering Event; *provided* that, upon (a) the failure of the Triggering Event to be consummated in accordance with the terms of such term sheet or letter of intent or definitive agreement therefor or (b) the cessation of good faith negotiations and process in respect of the Triggering Event (each, a “**Failure**”), the Company shall as promptly as practicable notify the Holder in writing. Upon the earlier to occur of (x) a Failure and (y) the lapse of 120 days from the delivery of the Company’s Option Notice to the Holder, the parties’ rights and obligations pursuant to this Section 4.1(b) in relation to the applicable Triggering Event, including clauses (1) through (4) of the immediately preceding sentence, shall immediately cease to apply. Upon payment of the Triggering Event Consideration, this Warrant will, with no further action, become null and void.

For purposes of this Warrant, “**Triggering Event**” shall mean any Reorganization constituting (x) a consolidation or merger of the Company with or into an unaffiliated third party (other than a consolidation or merger effected exclusively to change the Company’s domicile) in which the shareholders of the Company immediately prior to such consolidation or merger own, directly or indirectly, immediately after such consolidation or merger, less than 50% of the voting shares and/or securities of the surviving entity (which may be the Company), (y) a transaction or series of related transactions in which 50% or more of the Company’s voting power is transferred to persons other than the Company’s shareholders (or their affiliates) immediately prior to such transaction or series of related transactions, excluding, for the avoidance of doubt, a transaction or series of related transactions of issuance of securities by the Company solely for bona fide equity financing purposes which does not involve or include the transfer or disposition of any shares by shareholders of the Company, or (z) the sale or other transfer of all or substantially all of the assets of the Company to an unaffiliated third party, in each case as a result of which the shareholders of the Company receive cash, shares, or other property in respect of their shares of the Company.

4.2. Adjustments for Share Splits, Dividends. If the Company shall, directly or indirectly, issue any Ordinary A shares of the Company as a bonus share issue or subdivide in a forward share split or combine in a reverse share split the number of issued shares of such class into a greater or lesser number of shares, then, in either such case, the Exercise Price in effect before such bonus share issue, subdivision, or combination shall be proportionately decreased or increased, as applicable, and the number of Warrant Shares at that time issuable pursuant to the exercise of this Warrant shall be proportionately increased or decreased, as applicable. Each adjustment in the number of Warrant Shares issuable shall be to the nearest whole share and each adjustment of the Exercise

Price shall be calculated to the nearest cent. Any adjustment under this Section 4.2 shall become effective at the close of business on the date the subdivision or combination becomes effective, or as of the record date of such bonus share issue.

4.3. Certificate as to Adjustments. In the case of any adjustment in the Exercise Price or number and type of securities issuable upon exercise of this Warrant pursuant to this Section 4, the Company shall promptly give written notice to the Holder in the form of a certificate signed by an officer of the Company, setting forth the adjustment in reasonable detail.

5. Registration Rights; Information Rights; Beneficial Ownership Limitation; Confidentiality

5.1. Registration Rights. The Warrant Shares issuable upon exercise of this Warrant shall be deemed “Registrable Securities” (or such other definition of securities entitled to registration rights pursuant to the Company Agreement), and shall be entitled, subject to the terms and conditions of the Company Agreement, to all registration rights, if any, granted to holders of Ordinary A shares. To the extent the holders of Ordinary A shares are not entitled to any registration rights pursuant to the Company Agreement, the Company shall use commercially reasonable efforts to ensure that upon the grant of registration rights to any of its other shareholders, similar registration rights will be provided to the Holder with respect to the Warrant Shares; *provided, however*, that such registration rights provided to the Holder will not be less favorable to the Holder than any registration rights that the Company has provided at such time to any other equityholder of the Company whose percentage ownership of the fully diluted equity interests of the Company is less than or equal to that of the Holder. The Company shall not consummate a Listing Event before it complies with the provisions of this Section 5.1. This Section 5.1 shall be without prejudice to the provisions of Section 2.

5.2. Information Rights.

(a) The Company shall deliver to the Holder:

(i) as soon as practicable, and in any event within 270 days, after the end of each fiscal year of the Company, an audited consolidated balance sheet of the Company and its subsidiaries and statement of shareholders’ equity of the Company, in each case as of the last day of such year, and an audited consolidated income statement and statement of cash flows of the Company and its subsidiaries, in each case for the period then ended, along with the notes to the financial statements, prepared in accordance with the requirements of International Financial Reporting Standards as adopted by the European Union;

(ii) as soon as practicable, and in any event within 45 days, after the end of each of the first three fiscal quarters of each fiscal year of the Company, a management-prepared consolidated balance sheet as of the end of such fiscal quarter and a management-prepared consolidated income statement and management-prepared consolidated statement of cash flows for such fiscal quarter; and

(iii) a capitalization table for the Company that provides updated capitalization information for the Company in reasonable detail, within 15 days following any change in the capitalization of the Company.

(b) As soon as practicable, and in any event within 15 days after the Holder's request, the Company shall:

(i) provide such other information relating to the Company or any of its affiliates as reasonably requested by the Holder as may be reasonably required for the Holder or any of its affiliates to prepare or file any tax return or to prepare such filings with respect to the Company or any of its affiliates as may be required by any tax authority;

(ii) grant the Holder and its affiliates reasonable access to the books, records, and senior management of the Company during normal business hours of the Company in order to obtain information legally required to file all tax returns required to be filed by the Holder or any of its affiliates; and

(iii) reasonably cooperate (at no out of pocket cost or other cost to the Company) in preparing for any audit of, or dispute with a tax authority regarding any tax return of, the Holder or any of its affiliates relating to the Company or any of its affiliates.

5.3. Beneficial Ownership Limitation. From and after the occurrence of a Listing Event (as defined below), the provisions of *Annex I* hereto shall apply and be effective as if set forth herein. In addition, the provisions of paragraph 5 of *Annex I* hereto shall apply in connection with and following the filing of any registration statement (whether or not on a confidential basis) prior to the occurrence of any Listing Event. Upon the completion of any Listing Event, the Company's obligations under Section 5.2 shall not be applicable and shall terminate. The term "**Listing Event**" means any of the following: (a) the closing of the Company's initial public offering of Ordinary A shares or any other class of equity of the Company pursuant to an effective registration statement filed under the Act, (b) the registration of the Company's securities under Section 12 of the Exchange Act (as defined in *Annex I* hereto) in connection with its initial public offering, or (c) the occurrence of any other event that results in the Warrant Shares becoming a class of "equity security," as such term is defined in Rule 13d-1(i) under the Exchange Act (a "**Registered Equity Security**").

5.4. Confidentiality. The existence and content of this Warrant shall be considered Confidential Information (as such term is defined in the Mutual Nondisclosure Agreement between Amazon.com, Inc. and Astropay LLP effective as of January 24, 2017 (as amended, modified, or supplemented from time to time, the "**Confidentiality Agreement**"), and such information and any Confidential Information with respect to the Company or any affiliate thereof obtained by the Holder pursuant to this Warrant shall be deemed "Confidential Information" for purposes of, and shall be subject to, the Confidentiality Agreement. The Company agrees to be bound by the Confidentiality Agreement as if an original party thereto and the parties agree that it shall be deemed for all intents and purposes a party thereto. The provisions of this Section 5.4 shall survive any termination or expiration of this Warrant.

6. Lost or Damaged Warrant Certificate

Upon receipt by the Company of a letter from the Holder stating loss, theft, destruction, or damage of this Warrant, including evidence reasonably satisfactory to the Company of the occurrence of such event, and, in the case of loss, theft, or destruction, on delivery of an indemnity agreement reasonably satisfactory in form, substance, and amount to the Company, or, in the case of damage, on surrender of this Warrant to the Company for cancellation, the Company shall execute and deliver to the Holder, without charge, in lieu of this Warrant, a new warrant with identical terms as this Warrant.

7. Notices of Record Date, etc.

In the event the Company proposes to (i) effect any Reorganization, (ii) make any dividend or other distribution to the shareholders of the Company, or (iii) effect any other event in connection with which notice from the Company to the Holder is required by this Warrant, the Company shall deliver to the Holder a written notice specifying (a) the date on which any such event is expected to occur or, in the case of clause (ii), the date on which a record will be taken for such dividend or other distribution, as applicable, and (b) in reasonable detail, the facts concerning such event. Such notice shall be delivered to the Holder at least 20 calendar days prior to the date specified in the notice in compliance with subsection (a) above.

8. Investment Intent

By accepting this Warrant, the Holder represents that it (a) is acquiring this Warrant for investment and not with a view to, or for sale in connection with, any distribution or public offering thereof within the meaning of the Act or any offer of securities to the public within the meaning of the Companies Act (Cap. 386 of the laws of Malta), (b) understands that this Warrant and the Warrant Shares subject to this Warrant have not been registered under the Act by reason of their issuance in a transaction exempt from the registration and prospectus delivery requirements of the Act pursuant to Section 4(2) thereof, and (c) is an "accredited investor" as such term is defined in Rule 501 of Regulation D promulgated under the Act.

9. Miscellaneous

9.1. No Shareholder Rights or Liabilities. Prior to exercise of this Warrant pursuant to its terms and subject to the conditions set forth herein, this Warrant shall not entitle the Holder to any voting rights, right to receive dividends, or other rights as a shareholder of the Company other than as set forth in this Warrant. Nothing contained in this Warrant shall be construed as imposing any obligation on the Holder to purchase any securities or any liabilities as a shareholder of the Company, in each case without prejudice to any obligations or liabilities arising as a result of the receipt or holding of Warrant Shares following exercise of this Warrant and without prejudice to the obligations of the Holder with respect to the consideration payable for exercise of this Warrant pursuant to Section 1.1 hereof.

9.2. Notices. Any notice under this Warrant shall be given in writing and shall be deemed sufficient if given by nationally recognized overnight courier service, certified mail (return receipt requested), or personal delivery to the other party at the address below. Notice is effective: (a) when delivered personally; (b) three business days after sent by certified mail; or (c) on the business day after sent by a nationally recognized courier service. A party may change its notice address by giving notice in accordance with this Section.

If to the Holder:

Amazon.com NV Investment Holdings LLC
410 Terry Avenue North
Seattle, WA 98109-5210
Attn: General Counsel

with a copy to:

Amazon.com, Inc.
410 Terry Avenue North
Seattle, WA 98109-5210
Attn: General Counsel

If to the Company:

Dlocal Group Limited
Regus Tower Business Centre
Tower Street, 2nd Floor
Swatar, BKR4013, Malta
Attn: Sergio Fogel

9.3. Amendments and Waivers. Any term of this Warrant may be amended, and the observance of any term may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Company and the Holder; provided that the terms of **Annex I** hereto may be waived or amended by the Holder in accordance with the terms thereof.

9.4. Governing Law; Severability; Jurisdiction; Venue; Income Tax Treatment. This Warrant shall be governed by and construed in accordance with the laws of Malta. If any Section or provision of this Warrant shall be found or be held to be illegal, invalid, or unenforceable, the remainder of this Warrant shall be valid and enforceable and the parties in good faith shall negotiate a substitute, valid, and enforceable provision that most nearly effects the parties' intent in entering into this Warrant. The parties irrevocably consent to the jurisdiction and venue of the courts located in London, England, in connection with any action relating to this Warrant. The parties acknowledge that this Warrant is not being issued in connection with the performance of services within the meaning of Section 83 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), the Holder shall control the valuation of this Warrant for all relevant tax purposes, and the issuance of this Warrant represents a closed transaction for income tax purposes. The parties shall not take a position on any income tax return inconsistent with the foregoing sentence.

9.5. Successors and Assigns; Transfer. The terms and conditions of this Warrant shall inure to the benefit of, and be binding on the respective successors and assigns of, the

parties, provided that (i) the Company may not assign its obligations under this Warrant without the prior written consent of the Holder, other than by operation of law and in connection with a Reorganization, in each case subject to the Company's compliance with the provisions of Section 4.1, and (ii) the Holder may assign this Warrant and any rights and obligations hereunder, in whole or in part, (a) to a wholly owned affiliate of Amazon.com, Inc. and (b) to a non-affiliate of Amazon.com, Inc. with the prior written consent of the Company (or its successor, as the case may be), in each of which cases the transfer shall be made without charge to the Holder upon surrender of this Warrant properly endorsed or accompanied by written instructions of transfer attached as **Exhibit B**, and the Company shall issue a new warrant reflecting such transfer but otherwise identical to this Warrant. If the Board reasonably determines in good faith that any such assignee pursuant to clause (ii)(a) of this Section 9.5 is a competitor of the Company, the Board may redact from the deliveries under Section 5.2(a)(i) and 5.2(a)(ii) such information as it reasonably determines in good faith to be a trade secret or competitively sensitive; provided that the Company shall not redact any information in such deliveries necessary for purposes of permitting the Holder to comply with its tax, accounting, and public reporting obligations.

9.6. Automatic Exercise. To the extent this Warrant is not previously exercised as to all of the Warrant Shares issuable hereunder, and if the Fair Market Value of one Warrant Share (at such measurement date) is greater than the Exercise Price, this Warrant shall be deemed automatically exercised pursuant to a net issuance exercise under Section 1.2 (even if not surrendered) immediately before its expiration. For purposes of this Section 9.6, the Fair Market Value of one Warrant Share shall be determined pursuant to Section 1.2. To the extent this Warrant or any portion thereof shall be automatically exercised pursuant to this Section 9.6, the Company shall notify the Holder in writing, at least 5 business days prior to the expiration of this Warrant, of the number of Warrant Shares, if any, the Holder is to receive by reason of such automatic exercise, and notwithstanding anything to the contrary herein, the Company shall have no obligation to issue any Warrant Shares to the Holder pursuant to such automatic exercise unless and until the Holder executes and delivers to the Company such documents as would have been required to be executed by the Holder in connection with the exercise of this Warrant pursuant to Section 1.1 or 1.2. Upon the issuance by the Company to the Holder of such Warrant Shares as the Holder is entitled to receive by reason of an automatic exercise pursuant to this Section 9.6 (or otherwise upon full exercise of this Warrant pursuant to Section 1.1 or Section 1.2 and the issuance by the Company to the Holder of all such Warrant Shares as the Holder is entitled to receive by reason of such full exercise), this Warrant (other than the provisions of Sections 3.8 and 5.4) shall be deemed cancelled and terminated with no further action on the part of the Company or the Holder.

9.7. Headings; Construction. The headings in this Warrant are for purposes of reference only and shall not limit or otherwise affect the meaning of any provision of this Warrant. The words "include" and "including" shall be deemed in each case to be followed by the words "without limitation."

[Signature page follows]

IN WITNESS WHEREOF, the Company has executed this Warrant as of the date first written above.

COMPANY: Dlocal Group Limited

/s/ SERGIO FOGEL

Name: Sergio Fogel
Title: Board Manager

AGREED AND ACCEPTED:

HOLDER: Amazon.com NV Investment Holdings LLC

Name:
Title:

IN WITNESS WHEREOF, the Company has executed this Warrant as of the date first written above.

COMPANY: Dlocal Group Limited

Name: _____

Title: _____

AGREED AND ACCEPTED:

HOLDER: Amazon.com NV Investment Holdings LLC

/S/ ALEX CEBALLOS

Name: Alex Ceballos

Title: Vice President, Worldwide Corporate Development

NOTICE OF EXERCISE

To: Dlocal Group Limited (the "**Company**")
Regus Tower Business Centre
Tower Street, 2nd Floor
Swatar, BKR4013, Malta
Attn: Sergio Fogel

The undersigned hereby irrevocably elects to exercise the attached Warrant as follows:

- ☐ Purchase _____ Ordinary A shares of the Company pursuant to the terms of the attached Warrant, and encloses payment in the amount of \$_____ and/or cancels Company debt in the amount of \$_____.
- ☐ net issuance exercise with respect to _____ Ordinary A shares of the Company pursuant to the terms of the attached Warrant, for such number of Ordinary A shares of the Company as is determined pursuant to Section 1.2 of the attached Warrant.

The undersigned delivers herewith the Deed of Adherence (as defined in the attached Warrant).

The undersigned requests that certificates for such shares be issued in the name of and delivered to the address of the undersigned, at the address stated below and, if such number of shares shall not be all the shares that may be issued pursuant to the attached Warrant, that a new Warrant evidencing the right to purchase the balance of such shares be registered in the name of, and delivered to, the undersigned at the address stated below.

Balance shares for new Warrant to be issued: _____

Dated: _____

Name of Holder of Warrant: _____
(please print)

Address: _____

Signature: _____

ASSIGNMENT

For value received the undersigned sells, assigns and transfers to the transferee named below the attached Warrant, together with all right, title, and interest, to be held by the undersigned transferee on the same terms and subject to the conditions as at the execution hereof, and the undersigned transferee hereby agrees to receive said Warrant on such terms and subject to such conditions and does irrevocably constitute and appoint the transfer agent of Dlocal Group Limited (the “**Company**”) as the undersigned transferor’s attorney, to transfer said Warrant on the books of the Company, with full power of substitution in the premises.

Dated: _____

Name of Holder of Warrant: _____
(please print)

Address: _____

Signature: _____

Name of transferee: _____
(please print)

Address of transferee: _____

Signature of transferee: _____

BENEFICIAL OWNERSHIP LIMITATION

1. Definitions. For purposes of this Annex I, the following capitalized terms shall have the meanings set forth below:

“Commission” means the U.S. Securities and Exchange Commission.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

“Group” has the meaning set forth in Section 13(d) of the Exchange Act and the applicable regulations of the Commission.

“Person” has the meaning given to it in Section 3(a)(9) of the Exchange Act and as used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act.

2. No Exercise of Warrant in Excess of Beneficial Ownership Limitation. Notwithstanding anything in this Warrant to the contrary, the Company shall not honor any exercise of this Warrant, and the Holder shall not have the right to exercise any portion of this Warrant, to the extent that, after giving effect to an attempted exercise set forth on the Notice of Exercise, the Holder (together with the Holder’s affiliates, and any other Person whose beneficial ownership of a Registered Equity Security would be aggregated with the Holder’s for purposes of Section 13(d) or Section 16 of the Exchange Act, and the applicable regulations of the Commission, including any Group of which the Holder is a member (the foregoing, **“Attribution Parties”**)) would beneficially own a number of shares of a Registered Equity Security in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of shares of a Registered Equity Security beneficially owned by the Holder and its Attribution Parties shall include the number of Warrant Shares issuable under the Notice of Exercise with respect to which such determination is being made but shall exclude the number of shares of such Registered Equity Security which are issuable upon (a) exercise of the remaining, unexercised portion of this Warrant beneficially owned by the Holder or any of its Attribution Parties, and (b) exercise or conversion of the unexercised or unconverted portion of any other securities of the Company (including any warrants) beneficially owned by the Holder or any of its Attribution Parties that are subject to a limitation on conversion or exercise similar to the limitation contained in this Annex I. For purposes of this Annex I, (a) beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the applicable regulations of the Commission and (b) in determining the number of outstanding shares of a Registered Equity Security, the Holder may rely on the number of outstanding shares of such Registered Equity Security as stated in the most recent of the following: (i) the Company’s most recent periodic or annual filing with the Commission, as the case may be, (ii) a more recent public announcement by the Company that is filed with

the Commission, or (iii) a more recent notice by the Company or the Company’s transfer agent to the Holder setting forth the number of shares of such Registered Equity Security then outstanding. Upon the written request of the Holder (which may be by email), the Company shall, within three business days thereof, confirm in writing to the Holder (which may be via email) the number of shares of any Registered Equity Security then outstanding. In any case, the number of outstanding shares of a Registered Equity Security shall be determined after giving effect to any actual conversion or exercise of securities of the Company, including exercise of this Warrant, by the Holder or its Attribution Parties since the date as of which such number of outstanding shares of such Registered Equity Security was last publicly reported or confirmed to the Holder. The Company shall be entitled to rely on representations made to it by the Holder in any Notice of Exercise regarding its Beneficial Ownership Limitation. The Holder acknowledges that the Holder is solely responsible for any schedules or statements required to be filed by it in accordance with Section 13(d) or Section 16(a) of the Exchange Act.

3. Determination of Beneficial Ownership Limitation. The **“Beneficial Ownership Limitation”** shall initially be 4.999% of the number of shares of any Registered Equity Security outstanding immediately after giving effect to the issuance of Warrant Shares pursuant to such Notice of Exercise (to the extent permitted pursuant to this Annex I); provided, however, that by written notice to the Company, which will not be effective until the 61st day after such notice is delivered by the Holder to the Company, the Holder may waive or amend the provisions of this Annex I to change the Beneficial Ownership Limitation to any other number, and the provisions of this Annex I shall continue to apply. Upon any such waiver or amendment to the Beneficial Ownership Limitation, the Beneficial Ownership Limitation may not be further waived or amended by the Holder without first providing the minimum written notice required by the immediately preceding sentence. Notwithstanding the foregoing, at any time after receiving notice of a Reorganization that is pursuant to any tender offer or exchange offer by the Company or another Person (other than the Holder or any affiliate of the Holder), the Holder may waive or amend the Beneficial Ownership Limitation effective immediately upon written notice to the Company and may reinstitute a Beneficial Ownership Limitation at any time thereafter effective immediately upon written notice to the Company.

4. No Limitation of Rights upon a Reorganization. Notwithstanding anything to the contrary, none of the provisions of this Annex I shall restrict in any way the number of Warrant Shares which the Holder may receive or beneficially own in order to determine the amount of securities or other consideration that the Holder may receive in the event of a Reorganization as contemplated by Section 4 of this Warrant.

5. Confidential Treatment. Notwithstanding the provisions of the Confidentiality Agreement, if the Company believes it is compelled to make disclosure of this Warrant or any provision hereof pursuant to judicial or administrative order, applicable laws or regulations (including rules and regulations of the Commission) or applicable rules governing the stock exchange on which the Company's shares may become traded (collectively, "**Applicable Law**"), including in connection with the filing of any registration statement (whether or not on a confidential basis), the Company must, to the extent permitted by Applicable Law, provide the Holder with prompt written notice of that fact before such disclosure and will use its commercially reasonable efforts (in cooperation with the Holder) to seek a protective order, confidential treatment, or other appropriate remedy with respect to the disclosure, if requested by the Holder. In such event, the Company must furnish for disclosure only that portion of the information which is legally required and shall exercise its commercially reasonable efforts to obtain reliable assurance that confidential treatment will be accorded such information to the maximum extent possible under law. To the extent permitted by Applicable Law, the Company agrees to provide the Holder with drafts of any documents, press releases, or other filings in which the Company is required to disclose this Warrant or any provision hereof as soon as possible, but in no event less than 10 business days prior to the filing or disclosure thereof. The Company further agrees to make any changes to such materials as reasonably requested by the Holder to the extent permitted by Applicable Law. If confidential treatment is requested by the Holder, the Company agrees to file such request for confidential treatment and use its commercially reasonable efforts in responding to any Commission comments and pursuing the grant of confidential treatment, in both cases, fully cooperating with the Holder (including providing the Holder with an opportunity to review and comment on the confidential treatment request and the responses to any Commission comments), all at the Holder's cost. The Company will not file this Warrant with any governmental authority or any regulatory body, or disclose the identity of the Holder or any terms in this Warrant in any filing except as permitted above. The provisions of this paragraph 5 are in addition to, and not in lieu of, the provisions of the Confidentiality Agreement.

DLOCAL LIMITED
REGISTRATION RIGHTS AGREEMENT
[•], 2021

TABLE OF CONTENTS

	Page
1. Definitions	1
2. Registration Rights	3
2.1 Request for Registration	3
2.2 Company Registration	5
2.3 Form F-3 Registration	6
2.4 Obligations of the Company	8
2.5 Information from Holder	9
2.6 Expenses of Registration	10
2.7 Delay of Registration	10
2.8 Indemnification	10
2.9 Reports Under the 1934 Act	12
2.10 Assignment of Registration Rights	13
2.11 Limitations on Subsequent Registration Rights	13
2.12 Termination of Registration Rights	13
2.13 Market Stand-Off Agreement	13
3. Miscellaneous	14
3.1 Successors and Assigns	14
3.2 Governing Law	14
3.3 Counterparts; Facsimile	14
3.4 Titles and Subtitles	14
3.5 Notices	15
3.6 Expenses	15
3.7 Entire Agreement; Amendments and Waivers	15
3.8 Severability	15
3.9 Aggregation of Shares	15
3.10 Original IRA	15
3.11 Dispute Resolution	15
3.12 WAIVER OF JURY TRIAL	16

SCHEDULE A Schedule of Shareholders

DLOCAL GROUP LIMITED

REGISTRATION RIGHTS AGREEMENT

This REGISTRATION RIGHTS AGREEMENT (the “**Agreement**”) is made as of [•], 2021 by and among:

- (1) **DLOCAL LIMITED** an exempted company with limited liability registered in the Cayman Islands, whose registered office is c/o Maples Corporate Services Limited, P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands (the “**Company**” or “**DLocal**”);
- (2) DLOCAL GROUP LIMITED a company registered in Malta, bearing company registration number C, whose registered office is at Cornerstone Business Centre—Level 4, 16th September Square, Mosta MST 1180, Malta (“**Dlocal Malta**”);
- (3) General Atlantic DO B.V. of Raamplein 1, 1016 XK Amsterdam, Netherlands, a Shareholder of the Company;
- (4) the Shareholders whose names and addresses are set out in Schedule A (the “**Original IRA Shareholders**”); and
- (5) the Shareholders whose names and addresses are set out in Schedule B (the “**Other Shareholders**”, each an “**Other Shareholder**”).

RECITALS

WHEREAS, Dlocal Malta, the Investor and the Original IRA Shareholders are parties to that Investor’s Rights Agreement dated December 16, 2019 (as amended from time to time, the “**Original IRA**”); and

WHEREAS, Dlocal Malta, the Company, the Investor, the Original IRA Shareholders and the Other Shareholders hereby agree that the Original IRA shall terminate on the date hereof and this Agreement shall govern the rights of the Holders to cause the Company to register its Ordinary A Shares, issued or issuable to them, and certain other matters as set forth herein, as at the date hereof;

NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

1. Definitions. For the purposes of this Agreement:

(a) The term “**Act**” means the United States Securities Act of 1933, as amended.

(b) The term “**Affiliate**” means, with respect to any Person, any other Person who or which, directly or indirectly, controls, is controlled by, or is under common control with such specified Person, including, without limitation, any general partner, officer, director or manager of such Person and any venture capital, private equity or other investment fund now or hereafter existing that is controlled by one or more general partners or managing members of, or is under common investment management with, such Person.

(c) The term “**Articles**” means the Company’s Articles of Association, as amended and/or restated from time to time.

(d) The term “**Board**” means the Company’s Board of Directors, as constituted from time to time.

(e) The term “**Business Entity**” means any sole proprietorship, partnership, limited partnership, limited liability company, firm, joint venture, estate, trust, unincorporated organization, association, corporation, institution, public benefit corporation, entity or governmental or regulatory authority or other enterprise or entity of any kind or nature or any business division of any of the foregoing.

(f) The term “**Excluded Registration**” means any of the following: (i) a registration relating solely to the sale of securities of participants in a Company share plan, purchase or similar plan, (ii) a registration relating to a corporate reorganization or transaction under Rule 145 of the Act or Form F-4 registration statement, (iii) a registration in which the only shares being registered are Ordinary A Shares issuable upon conversion of debt securities that are also being registered, and (iv) a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities.

(g) The term “**Form F-3**” means such form under the Act as in effect on the date hereof or any registration form under the Act subsequently adopted by the SEC that permits inclusion or incorporation of substantial information by reference to other documents filed by the Company with the SEC.

(h) The term “**Free Writing Prospectus**” means a free-writing prospectus, as defined in Rule 405.

(i) The term “**Holder**” means any Shareholder holding Registrable Securities.

(j) The term “**Initial Offering**” means the Company’s first firm commitment underwritten public offering of its Ordinary A Shares under the Act.

(k) The term “**Investor**” means General Atlantic DO B.V. together with its Affiliates.

(l) The term “**Lock-Up Termination**” means the first date on which any Holder is entitled to transfer any of its Registrable Securities in accordance with the terms of the underwriting agreement and related lock-up agreement entered into at the time of the Initial Offering;

(m) The term “**1934 Act**” means the United States Securities Exchange Act of 1934, as amended.

(n) The term “**Ordinary A Shares**” means Class A common shares of par value of one US Dollar (US\$0.002) each in the capital of the Company whose rights are set out in the Articles.

(o) The term “**Ordinary B Shares**” means Class B common shares of par value of one US Dollar (US\$0.002) each in the capital of the Company whose rights are set out in the Articles.

(p) The term “**Person**” means any individual, corporation, partnership, trust, limited liability company, association or other entity.

(q) The terms “**register**,” “**registered**,” and “**registration**” refer to a registration effected by preparing and filing a registration statement or similar document in compliance with the Act, and the declaration or ordering of effectiveness of such registration statement or document.

(r) The term “**Registrable Securities**” means (i) Ordinary A Shares, (iii) Ordinary A Shares issuable upon the conversion of the Ordinary B Shares, (iv) any Ordinary A Shares issued as a dividend or other distribution with respect to, or in exchange for, or in replacement of, the shares referenced in (i) and (ii) above; excluding, in each case, any Ordinary A Shares (A) for which registration rights have terminated pursuant to Section 2.12, (B) which have previously been registered, or (C) transferred in a transaction, in which the registration rights under this Agreement are not assigned in accordance herewith. For the avoidance of doubt, “Registrable Securities” refers solely to any issued and outstanding securities.

(s) The term “**Required Holder**” means a Holder holding at least 6.5% of the Registrable Securities on the relevant determination date, **provided that** the term “Required Holder” shall not be applicable and cease to have any effect when the Investor first ceases to hold at least 6.5% of the Registrable Securities.

(t) The term “**Rule 144**” means Rule 144 under the Act.

(u) The term “**Rule 405**” means Rule 405 under the Act.

(v) The term “**SEC**” means the United States Securities and Exchange Commission.

(w) The term “**Shareholder**” means the Investor, the Original IRA Shareholders and the Other Shareholders.

(x) The term “**Subsidiary**” means any Business Entity (other than the Company) in an unbroken chain of Business Entities beginning with the Company, if each of the Business Entities (other than the last Business Entity in the unbroken chain) owns shares possessing fifty percent (50%) or more of the total combined voting power of all classes of shares in one of the other Business Entities in such chain.

2. Registration Rights. The Company covenants and agrees as follows:

2.1 Request for Registration.

(a) Subject to the conditions of this Section 2.1, if the Company shall receive at any time after the earlier of (x) December 16, 2024 and (y) the Lock-Up Termination, a written request from the Holders of at least fifteen percent (15%) of the Registrable Securities (the ☐ **RS Minimum Threshold Requirement** ☐) (for purposes of this Section 2.1, the “**Initiating Holders**”) that the Company file a registration statement under the Act covering the registration

of Registrable Securities having an anticipated gross aggregate offering price of at least US\$25,000,000, then the Company shall, within twenty (20) days of the receipt thereof, give written notice of such request to all Holders, and subject to the limitations of this Section 2.1, use reasonable commercial efforts to file a registration statement under the Act covering the registration of all Registrable Securities that the Initiating Holders and other Holders request to be registered in a written request received by the Company within forty-five (45) days of the mailing of the Company's notice pursuant to this Section 2.1(a), *provided* that all necessary documents for such registration can be obtained and prepared within such 45-day period. The Company shall include in such registration all Registrable Shares that the Holders request to be included within ten (10) days of the delivery of such notice by the Company. Without prejudice to the foregoing, on or following December 16, 2024, the Investor is also entitled (without being required to satisfy the RS Minimum Threshold Requirement) to deliver the written request set out in this Section 2.1, in which case references to the "Initiating Holder" for the purpose of such request shall be deemed to mean the Investor.

(b) If the Initiating Holders intend to distribute the Registrable Securities covered by such request by means of an underwriting, the Initiating Holders shall so advise the Company as a part of the request made pursuant to this Section 2.1, and the Company shall include such information in the written notice referred to in Section 2.1(a). The Initiating Holders shall be entitled to select as lead underwriter one or more nationally recognized investment banks which shall be reasonably acceptable to the Company as determined by the Company's Chief Executive Officer or Chairman of the Board. In such event the right of any Holder to include its Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting. Notwithstanding any other provision of this Section 2.1, if the underwriter advises the Company that marketing factors require a limitation on the number of securities underwritten (including Registrable Securities), then the Company shall so advise all Holders of Registrable Securities that would otherwise be underwritten pursuant hereto, and the number of shares that may be included in the underwriting shall be allocated as follows: (i) first, to Holders who are deemed to be affiliates of the Company (including, but not limited to, directors and management and as a result of such Holder having a member elected to the Board) for the purposes of Rule 144 (and if there is more than one such Holder, among the relevant Holders, pro rata based on the number of Registrable Securities held by all such Holders), (ii) second, to the Initiating Holder or, if there is more than one Initiating Holder, among the Initiating Holders, pro rata based on the number of Registrable Securities held by all such Initiating Holders, and (iii) third, to the Holders of such Registrable Securities pro rata based on the number of Registrable Securities held by all such Holders.

(c) Notwithstanding the foregoing, the Company shall not be required to effect a registration pursuant to this Section 2.1:

(i) in any particular jurisdiction in which the Company would be required to execute a general consent to service of process in effecting such registration, unless the Company is already subject to service in such jurisdiction and except as may be required under the Act; or

(ii) in any 12 month period, after the Company has effected two (2) registrations pursuant to this Section 2.1; or

(iii) during the period starting with the date sixty (60) days prior to the Company's good faith estimate of the date of the filing of and ending on a date one hundred eighty (180) days following the effective date of a Company-initiated registration; *provided* that the Company is actively employing in good faith its commercially reasonable efforts to cause such registration statement to become effective; or

(iv) if the Holders propose to dispose of Registrable Securities that may be immediately registered on Form F-3 pursuant to a request made pursuant to Subsection 2.3; or

(v) if the Company shall furnish to Holders requesting a registration statement pursuant to this Section 2.1 a certificate signed by the Company's Chief Executive Officer or Chairman of the Board stating that in the good faith judgment of the Board, it would be seriously detrimental to the Company and its shareholders for such registration statement to be effected at such time or remain effective for as long as such registration statement otherwise would be required to remain effective, in which event the Company shall have the right to defer such filing for a period of not more than one hundred and twenty (120) days after receipt of the request of the F-3 Initiating Holders; *provided* that such right shall be exercised by the Company not more than once in any twelve (12) month period; and *provided further* that the Company shall not register any securities for the account of itself or any other shareholder during such one hundred and twenty (120) day period (other than an Excluded Registration).

(d) The Company shall be deemed to have effected a registration for purposes of Section 2.1(a) if the registration statement is declared effective by the SEC or becomes effective upon filing with the SEC, and remains effective until the earlier of (i) the date when all Registrable Securities thereunder have been sold and (ii) 60 days from the effective date of the registration statement.

2.2 Company Registration.

(a) If (but without any obligation to do so) the Company proposes to register (including for this purpose a registration effected by the Company for shareholders other than the Holders) any of its shares or other securities under the Act in connection with the public offering of such securities (other than an Excluded Registration), the Company shall, at such time, promptly give each Holder written notice of such registration. Upon the written request of each Holder given within twenty (20) days after mailing of such notice by the Company in accordance with this Agreement, the Company shall, subject to the provisions of Section 2.2(c) of this Agreement, use its commercially reasonable efforts to cause to be registered under the Act all of the Registrable Securities that each such Holder requests to be registered.

(b) Right to Terminate Registration. The Company shall have the right, for any reason, to terminate or withdraw any registration initiated by it under this Section 2.2 prior to the effectiveness of such registration whether or not any Holder has elected to include securities in such registration. The expenses of such withdrawn registration shall be borne by the Company in accordance with Section 2.5 hereof.

(c) Underwriting Requirements. In connection with any offering involving an underwriting of shares of the Company's share capital pursuant to this Section 2.2, the Company shall not be required under this Section 2.2 to include any of the Holders' securities in such underwriting unless they accept the terms of the underwriting as agreed upon between the Company and the underwriters selected by the Company (which shall be one or more

nationally recognized firms of investment bankers) and enter into an underwriting agreement in customary form with such underwriters, and then only in such quantity as the underwriters determine in their sole discretion will not jeopardize the success of the offering by the Company. If the total amount of securities, including Registrable Securities, requested by shareholders to be included in such offering exceeds the amount of securities sold other than by the Company that the underwriters determine in their sole discretion is compatible with the success of the offering, then the Company shall be required to include in the offering only that number of such securities, including Registrable Securities, that the underwriters determine in their sole discretion will not jeopardize the success of the offering. In the event that the underwriters determine that less than all of the Registrable Securities requested to be registered can be included in such offering, then the Registrable Securities that are included in such offering shall be apportioned pro rata among the selling Holders based on the number of Registrable Securities held by all selling Holders or in such other proportions as shall mutually be agreed to by all such selling Holders. Notwithstanding the foregoing, in no event shall (i) any Registrable Securities be excluded from such offering unless all other shareholders' securities have been first excluded from the offering, or (ii) the amount of securities of the selling Holders included in the offering be reduced below twenty-five percent 25% of the total amount of securities included in such offering, unless such offering is the Initial Offering in which case the selling Holders may be excluded further if the underwriters make the determination described above and no other shareholder's securities are included in such offering.

2.3 **Form F-3 Registration.** If at any time when it is eligible to use a Form F-3 registration statement the Company shall receive from the Holders of at least fifteen percent (15%) of the Registrable Securities (for purposes of this Section 2.3, the "**F-3 Initiating Holders**") a written request or requests that the Company effect a registration on Form F-3 and any related qualification or compliance with respect to all or a part of the Registrable Securities owned by such Holder or Holders, the Company shall:

(a) promptly give written notice of the proposed registration, and any related qualification or compliance, to all other Holders; and

(b) use its commercially reasonable efforts to file, as soon as practicable following expiration of the fifteen (15) day period mentioned below, a Form F-3 registration statement under the Act covering the sale and distribution of all or such portion of such Holders' Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any other Holders joining in such request as are specified in a written request given within fifteen (15) days after receipt of such written notice from the Company; *provided, however*, that the Company shall not be obligated to effect any such registration, qualification or compliance, pursuant to this Section 2.3:

(i) if Form F-3 is not available for such offering by the Holders;

(ii) if the Holders propose to sell Registrable Securities and such other securities (if any) at an aggregate price to the public (net of any underwriters' discounts or commissions) of less than US\$25,000,000;

(iii) if the Company shall furnish to all Holders requesting a registration statement pursuant to this Section 2.3 a certificate signed by the Company's Chief Executive Officer or Chairman of the Board stating that in the good faith judgment of the Board, it would be seriously detrimental to the Company and its shareholders for such registration statement to be effected or remain effective for as long as such registration statement otherwise

would be required to remain effective at such time, in which event the Company shall have the right to defer such filing for a period of not more than one hundred and twenty (120) days after receipt of the request of the F-3 Initiating Holders; *provided* that such right shall be exercised by the Company not more than once in any twelve (12) month period; and *provided further* that the Company shall not register any securities for the account of itself or any other shareholder during such one hundred and twenty (120) day period (other than an Excluded Registration);

(iv) if the Company has, within the twelve (12) month period preceding the date of such request, already effected two (2) registrations on Form F-3 pursuant to this Section 2.3 (if the F-3 Initiating Holders withdraw their request for such registration or elect not to pay the registration expenses therefor, such withdrawn registration statement shall be counted as “effected” for purposes of this Section 2.3(b)(iv));

(v) in any particular jurisdiction in which the Company would be required to qualify to do business or to execute a general consent to service of process in effecting such registration, qualification or compliance;

(vi) if the Company, within thirty (30) days of receipt of the request of such F-3 Initiating Holders, gives notice of its bona fide intention to effect the filing of a registration statement with the SEC within one hundred twenty (120) days of receipt of such request (other than a registration effected solely to qualify an employee benefit plan or to effect a business combination pursuant to Rule 145), *provided* that the Company is actively employing in good faith its commercially reasonable efforts to cause such registration statement to become effective; or

(vii) during the period starting with the date thirty (30) days prior to the Company’s good faith estimate of the date of the filing of and ending on a date ninety (90) days following the effective date of a Company-initiated registration, *provided* that the Company is actively employing in good faith its commercially reasonable efforts to cause such registration statement to become effective.

(c) If the F-3 Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to this Section 2.3 and the Company shall include such information in the written notice referred to in Section 2.3(a). The provisions of Section 2.1(b) of this Agreement shall be applicable to such request (with the substitution of Section 2.3 for references to Section 2.1 and of F-3 for references to F-1).

(d) Registrations effected pursuant to this Section 2.3 shall not be counted as requests for registration effected pursuant to Section 2.1 of this Agreement.

2.4 Obligations of the Company. Whenever required under this Section 2 to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

(a) prepare and file with the SEC a registration statement with respect to such Registrable Securities and (i) furnish in reasonable advance of any public filing, drafts of such registration statement and any amendments thereto to one counsel selected by Holders of a majority of the Registrable Securities (“**Holders’ Counsel**”) and consider in good faith comments of Holders’ Counsel on such registration statement and any related documents and (ii) use its commercially reasonable efforts to cause such registration statement to become effective,

and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for a period of up to one hundred twenty (120) days or, if earlier, until the distribution contemplated in the registration statement has been completed; provided, however, that in the case of any registration of Registrable Securities on Form F-3 which are intended to be offered on a continuous or delayed basis, such one hundred twenty (120) day period shall be extended, if necessary, to keep the registration statement continuously effective, supplemented and amended to the extent necessary to ensure that it is available for sales of such Registrable Securities, and to ensure that it conforms with the requirements of this Agreement, the Act and the policies, rules and regulations of the SEC as announced from time to time, until the earlier of when (x) the Holders have sold all such Registrable Securities and (y) such time as the registration statement expires; provided further that if the Holders selling pursuant to such registration statement still own Registrable Securities at the time of such expiration, the Company shall file and cause to become effective as quickly as possible a new F-3 registration statement to cover such remaining Registrable Securities, and such replacement registration statement shall not be counted as a registration for purposes of Section 2.3(b)(iv) or Section 2.1 hereof;

(b) prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Act with respect to the disposition of all securities covered by such registration statement;

(c) furnish to the selling Holders such number of copies of a prospectus, including a preliminary prospectus and any Free Writing Prospectus, in conformity with the requirements of the Act, and such other documents as they may reasonably request in order to facilitate the disposition of Registrable Securities owned by them;

(d) use its commercially reasonable efforts to register and qualify the securities covered by such registration statement under such other securities or Blue Sky laws of such jurisdictions as shall be reasonably requested by the selling Holders, *provided* that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions;

(e) in the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing underwriter of such offering;

(f) notify Holders' Counsel for the Holders of Registrable Securities covered by such registration statement at any time when a prospectus or Free Writing Prospectus (to the extent prepared by or on behalf of the Company) relating thereto is required to be delivered under the Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing, and, at the request of any such Holder, the Company will, as soon as reasonably practicable, file and furnish to Holders' Counsel a supplement or amendment to such prospectus or Free Writing Prospectus (to the extent prepared by or on behalf of the Company) and consider in good faith comments of Holders' Counsel on such documents so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus will not contain an untrue statement of a material fact or omit to state any fact necessary to make the statements therein not misleading in light of the circumstances under which they were made;

(g) use its commercially reasonable efforts to cause all such Registrable Securities registered pursuant to this Section 2 to be listed on a U.S. national exchange or trading system and on each securities exchange and trading system on which similar securities issued by the Company are then listed; and

(h) provide a transfer agent and registrar for all Registrable Securities registered pursuant to this Agreement and a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration.

Subject to the provisions of Section 2.4(a), the Company shall be entitled to postpone or suspend, for a reasonable period of time, the filing, effectiveness or use of, or trading under, any registration statement if the Company shall determine that any such filing or the sale of any securities pursuant to such registration statement would in the good faith judgment of the Board:

(i) materially impede, delay or interfere with any material pending or proposed financing, acquisition, corporate reorganization or other similar transaction involving the Company for which the Board has authorized negotiations;

(ii) materially and adversely impair the consummation of any pending or proposed material offering or sale of any class of securities by the Company; or

(iii) require disclosure of material nonpublic information that, if disclosed at such time, would be materially harmful to the interests of the Company and its shareholders; *provided, however*, that during any such period all executive officers and directors of the Company are also prohibited from selling securities of the Company (or any security of any of the Company's Subsidiaries or Affiliates).

In the event of the suspension of effectiveness of any registration statement pursuant to this Section 2.4, the applicable time period during which such registration statement is to remain effective shall be extended by that number of days equal to the number of days the effectiveness of such registration statement was suspended.

2.5 Holder Information. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 2 with respect to the Registrable Securities of any selling Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as shall be reasonably required to effect the registration of such Holder's Registrable Securities.

2.6 Expenses of Registration. All expenses (other than underwriting discounts, selling commissions and share transfer taxes applicable to the sale of Registrable Securities (together, the "**Selling Expenses**")) incurred in connection with registrations, filings or qualifications pursuant to Sections 2.1, 2.2 and 2.3 of this Agreement, including, without limitation, all registration, filing and qualification fees, printers' and accounting fees, fees and disbursements of counsel for the Company and the reasonable fees and disbursements of counsel for the selling Holders (which shall be limited to one counsel), shall be borne by the Company; *provided, however*, that the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Section 2 if the registration request is subsequently withdrawn at the request of the Initiating Holders (in which case Initiating Holders shall bear such expenses pro rata based upon the number of Registrable Securities that were to be included in the withdrawn

registration), unless the holders of a majority of the Registrable Securities agree to forfeit their right to one registration pursuant to Section 2.1 or 2.3, as the case may be; provided further that if, at the time of such withdrawal, the Holders have learned of a material adverse change in the condition, business, or prospects of the Company from that known to the Holders at the time of their request and have withdrawn the request with reasonable promptness after learning of such information, then the Holders shall not be required to pay any of such expenses and shall not forfeit their right to one registration pursuant to Section 2.1 or 2.3. All Selling Expenses (including underwriting discounts, selling commissions and share transfer taxes applicable to the sale of Registrable Securities) relating to Registrable Securities registered pursuant to this Section 2.6 shall be borne and paid by the Holders, pro rata on the basis of the number of Registrable Securities registered on their behalf. For the avoidance of doubt, the Company shall have no obligation to pay for underwriters' fees and expenses, including fees and expenses of counsel to the underwriters in connection with any registration or sale of Registrable Securities.

2.7 Delay of Registration. No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any such registration as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 2.

2.8 Indemnification. In the event any Registrable Securities are included in a registration statement under this Section 2:

(a) To the extent permitted by law, the Company will indemnify and hold harmless each selling Holder, the partners, members, officers, directors and shareholders of each such Holder, legal counsel and accountants for each such Holder, any underwriter (as defined in the Act) for such Holder and each Person, if any, who controls such Holder or underwriter within the meaning of the Act or the 1934 Act, against any losses, claims, damages or liabilities (joint or several) to which they may become subject under the Act, the 1934 Act, any applicable state securities laws or any rule or regulation promulgated under the Act, the 1934 Act or any applicable state securities laws, insofar as such losses, claims, damages, or liabilities (or actions or proceedings in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (collectively, a "**Violation**"): (i) any untrue or alleged untrue statement of a material fact contained in a registration statement of the Company, including any preliminary prospectus, final prospectus, or Free Writing Prospectus contained therein or any amendments or supplements thereto, (ii) the omission or alleged omission of a material fact required to be stated in such registration statement, or necessary to make the statements therein not misleading or (iii) any violation or alleged violation by the Company of the Act, the 1934 Act, any applicable state securities laws or any rule or regulation promulgated under the Act, the 1934 Act or any applicable state securities laws ("**Damages**"), and the Company will reimburse each such Holder, underwriter, controlling Person or other aforementioned Person for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability, action or proceeding as such expenses are incurred; *provided, however*, that the indemnity agreement contained in this Section 2.8(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability, action or proceeding if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld), nor shall the Company be liable in any such case for any Damages to the extent that it arises out of or is based upon a Violation that occurs in reliance upon, and in conformity with, written information furnished expressly for use in connection with such registration by any such Holder, underwriter, controlling Person or other aforementioned Person.

(b) To the extent permitted by law, each selling Holder, severally and not jointly, will indemnify and hold harmless the Company, each of its directors, each of its officers

who has signed the registration statement, each Person, if any, who controls the Company within the meaning of the Act, legal counsel and accountants for the Company, any underwriter, any other Holder selling securities in such registration statement and any controlling Person of any such underwriter or other Holder, against any Damages, insofar as such Damages arise out of or are based upon any Violation, in each case solely to the extent (and only to the extent) that such Violation occurs in reliance upon and in conformity with written information furnished by such Holder expressly for use in connection with such registration; and each such Holder will reimburse any Person intended to be indemnified pursuant to this Section 2.8(b) for any legal or other expenses reasonably incurred by such Person in connection with investigating or defending any such loss, claim, damage, liability, action or proceeding as such expenses are incurred; *provided, however*, that the indemnity agreement contained in this Section 2.8(b) shall not apply to amounts paid in settlement of any such Damages if such settlement is effected without the consent of the Holder (which consent shall not be unreasonably withheld), and *provided* that in no event shall any indemnity under this Section 2.8(b) exceed the net proceeds from the offering received by such Holder except in the case of fraud or willful misconduct by such Holder.

(c) Promptly after receipt by an indemnified party under this Section 2.8 of notice of the commencement of any action or proceeding (including any governmental action or proceeding) for which a party may be entitled to indemnification, such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 2.8, deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to the parties; *provided, however*, that an indemnified party (together with all other indemnified parties that may be represented without conflict by one counsel) shall have the right to retain one (1) separate counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action or proceeding, if prejudicial to its ability to defend such action or proceeding, shall relieve such indemnifying party of liability to the indemnified party under this Section 2.8 to the extent of such prejudice, but the omission to so deliver written notice to the indemnifying party will not relieve such indemnifying party of any liability that it may have to any indemnified party otherwise than under this Section 2.8.

(d) If the indemnification provided for in this Section 2.8 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any Damages, then the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such Damages in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and the indemnified party on the other hand in connection with the statements or omissions that resulted in such Damages, as well as any other relevant equitable considerations; *provided, however*, that (i) no contribution by any Holder, when combined with any amounts paid by such Holder pursuant to Section 2.8(b), shall exceed the net proceeds from the offering received by such Holder (except in the case of fraud or willful misconduct by such Holder) and (ii) no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) will be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation; and *provided further* that in no event shall a Holder's liability pursuant to this Section 2.8(d), when combined with the amounts paid or payable by such Holder pursuant to Section 2.8(b), exceed the proceeds from the offering received by such Holder (net

of any expenses paid by such Holder), except in the case of fraud or willful misconduct by such Holder. The relative fault of the indemnifying party and the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

(f) Unless superseded by an underwriting agreement entered into in connection with the underwritten public offering, the obligations of the Company and Holders under this Section 2.8 shall survive the completion of any offering of Registrable Securities in a registration statement under this Section 2 and otherwise.

2.9 Reports Under the 1934 Act. With a view to making available to the Holders the benefits of Rule 144 and any other rule or regulation of the SEC that may at any time permit a Holder to sell securities of the Company to the public without registration or pursuant to a registration on Form F-3, the Company agrees to:

(a) make and keep public information available, as those terms are understood and defined in Rule 144, at all times after the effective date of the Initial Offering;

(b) use reasonable commercial efforts to file with the SEC in a timely manner all reports and other documents required of the Company under the Act and the 1934 Act (at any time after the Company has become subject to such reporting requirements); and

(c) furnish to any Holder, so long as the Holder owns any Registrable Securities, forthwith upon request (i) to the extent accurate, a written statement by the Company that it has complied with the reporting requirements of Rule 144 (at any time after ninety (90) days after the effective date of the first registration statement filed by the Company), the Act and the 1934 Act (at any time after it has become subject to such reporting requirements), or that it qualifies as a registrant whose securities may be resold pursuant to Form F-3 (at any time after it so qualifies), (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company and (iii) such other information as may be reasonably requested to avail any Holder of any rule or regulation of the SEC that permits the selling of any such securities without registration (at any time after the Company has become subject to the reporting requirements under the Act or pursuant to Form F-3 (at any time after the Company so qualifies to use such form)).

2.10 Assignment of Registration Rights. The rights to cause the Company to register Registrable Securities pursuant to this Section 2 may be assigned (but only with all related obligations) by a Holder to a transferee or assignee of such securities that (a) is an Affiliate, subsidiary, parent, partner, limited partner, retired partner, member or shareholder of a Holder, (b) is a Holder's family member or trust for the benefit of an individual Holder or any of such Holder's family members, or (c) after such assignment or transfer, holds at least 5% of the Registrable Securities then outstanding (appropriately adjusted for any share split, share dividend, bonus issue, combination or other recapitalization), *provided*: (i) the Company is, within a reasonable time after such transfer, furnished with written notice of the name and address of

such transferee or assignee and the securities with respect to which such registration rights are being assigned; (ii) such transferee or assignee agrees in writing to be bound by and subject to the terms, conditions, and provisions of this Agreement; and (iii) such assignment shall be effective only if immediately following such transfer the further disposition of such securities by the transferee or assignee is restricted under the Act.

2.11 Limitations on Subsequent Registration Rights. From and after the date of this Agreement, the Company shall not, without the prior written consent of the holders of the majority of the issued and outstanding Registrable Securities (including each Required Holder), enter into any agreement with any holder or prospective holder of any securities of the Company that would allow such holder or prospective holder (a) to include any of such securities in any registration filed under Section 2.1, Section 2.2 or Section 2.3 of this Agreement, unless under the terms of such agreement, such holder or prospective holder may include such securities in any such registration only to the extent that the inclusion of such securities will not reduce the amount of the Registrable Securities of the Holders that are included or (b) to demand registration of their securities.

2.12 Termination of Registration Rights. No Holder shall be entitled to exercise any right provided for in Sections 2.1, 2.2 or 2.3, as to any Holder, (a) at any time after the five year anniversary date of the Initial Offering and (b) at such time after the Initial Offering upon which such Holder holds (i) less than 3.0% of the Company's Registrable Securities or (ii) can sell all Registrable Securities held by it in compliance with Rule 144 or any successor rule within a three month period.

2.13 Market Stand-Off Agreement. Each Shareholder hereby agrees that it will not, without the prior written consent of the managing underwriter, during the period commencing on the date of the final prospectus relating to the Initial Offering and ending on the date specified by the Company and the managing underwriter (such period not to exceed one hundred eighty (180) days), (i) lend; offer; pledge; sell; contract to sell; sell any option or contract to purchase; purchase any option or contract to sell; grant any option, right, or warrant to purchase; or otherwise transfer or dispose of, directly or indirectly, any Ordinary A Shares or any securities convertible into or exercisable or exchangeable (directly or indirectly) for Ordinary A Shares held immediately before the effective date of the registration statement for such offering (other than Ordinary A Shares that were previously sold under a registration statement or purchased from the public), or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Ordinary A Shares or other securities, in cash, or otherwise, provided that such restrictions shall be no longer than and on substantially the same terms as the lock-up period applicable to the Company and the officers and directors of the Company. The foregoing provisions of this Section 2.13 shall apply only to the Initial Offering, shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement, and shall be applicable to the Shareholders only if all officers and directors of the Company, and shareholders individually owning more than one percent (1%) of the Company's outstanding Ordinary A Shares, are subject to the same restrictions. The underwriters in connection with such registration are intended third party beneficiaries of this Section 2.13 and shall have the right, power, and authority to enforce the provisions hereof as though they were a party hereto. Each Shareholder further agrees to execute such agreements as may be reasonably requested by the underwriters in connection with such registration that are consistent with this Section 2.13 or that are necessary to give further effect thereto. Any discretionary waiver or termination of the restrictions of any or all of such agreements by the Company or the underwriters shall apply pro rata to all Holders subject to such agreements, based

on the number of shares subject to such agreements. Moreover, each Holder of Registrable Securities that sells Registrable Securities pursuant to a registration under this Agreement agrees that during such time as such seller may be engaged in a distribution of the Registrable Securities, such seller shall comply with Regulation M promulgated under the Exchange Act and pursuant thereto it shall, among other things: (i) distribute the Registrable Securities under the registration statement solely in the manner described in the registration statement covering such Registrable Securities; and (ii) cease distribution of the Registrable Securities pursuant to such registration statement upon receipt of written notice from the Company that the prospectus covering the Registrable Securities contains any untrue statement of a material fact or omits a material fact required to be stated therein or necessary to make the statements therein not misleading. Notwithstanding the foregoing, the restrictions set forth in this Section 2.13 shall be subject to customary exceptions and limitations as set forth in such agreements as reasonably requested by the underwriters in connection with the Initial Offering and as entered into by the Company, directors and officers of the Company and Shareholders individually owning more than one percent (1%) of the Company's outstanding Ordinary A Shares.

3. Miscellaneous.

3.1 Successors and Assigns. Except as otherwise provided herein, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors, assigns and transferees of the parties (including transferees of any Registrable Securities). Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors, assigns and transferees any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

3.2 Governing Law. This Agreement shall be governed by and construed under the laws of the State of New York as applied to agreements among New York residents entered into and to be performed entirely within New York.

3.3 Counterparts; Facsimile. This Agreement may be executed by electronic signature and in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one (1) and the same instrument. Counterparts may be delivered by facsimile, electronic mail (including pdf) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

3.4 Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

3.5 Notices. All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed effectively given upon the earlier to occur of actual receipt or: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient; if not, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with an internationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All notices and other communications shall be sent to the respective parties at the addresses set forth on the signature pages attached hereto (or at such other addresses as shall be specified by notice given in accordance with this Section 3.5).

3.6 Expenses. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

3.7 Entire Agreement; Amendments and Waivers. This Agreement (including the Exhibits hereto, if any) constitutes the full and entire understanding and agreement among the parties with regard to the subjects hereof and thereof. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and the holders of the majority of the issued and outstanding Registrable Securities (including each Required Holder); *provided, further*, that any provision hereof may be waived by any waiving party on such party's own behalf, without the written consent of any other party, and, *provided, further*, that this Agreement may be amended with the written consent of the Company and the holders of the majority of the issued and outstanding Registrable Securities to grant registration rights and other related rights to investors of the Company who become parties to this Agreement, as so amended, by executing and delivering an additional counterpart signature page to this Agreement.

3.8 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

3.9 Aggregation of Shares. All Registrable Securities held or acquired by Affiliated entities or Persons shall be aggregated together for the purpose of determining the availability of any rights under this Agreement.

3.10 Original IRA. Dlocal Malta, the Investor and the Original IRA Shareholders agree that the Original IRA shall terminate on the date hereof with no further force or effect and with no liability with any party thereto.

3.11 Dispute Resolution. The parties (a) hereby irrevocably and unconditionally submit to the jurisdiction of the state courts of New York and to the jurisdiction of the United States District Court for the Southern District of New York for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement, (b) agree not to commence any suit, action or other proceeding arising out of or based upon this Agreement except in the state courts of New York or the United States District Court for the Southern District of New York, and (c) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court.

3.12 WAIVER OF JURY TRIAL. EACH PARTY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE SECURITIES OR THE SUBJECT MATTER HEREOF. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT

MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS (INCLUDING NEGLIGENCE), BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES HERETO AND THESE PROVISIONS WILL NOT BE SUBJECT TO ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER WARRANTS AND REPRESENTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

DLOCAL GROUP LIMITED

By:
Name:
Title:

DLOCAL LIMITED

By:
Name:
Title:

[Signature Page to the Registration Rights Agreement]

IN WITNESS WHERE OF, the parties have executed this Agreement as of the date first above written.

Name: General Atlantic DO B.V.
Title:

EMERALD BAY 24 LLC

JACOBO SINGER

ANDRES BZUROVSKI BAY
Name:
Title:

BRANISLAV TRAJKOVSKI

MICHEL GOLFFED
Name:
Title:

RITUAL PAYMENTS CORP
Name:
Title:

IZBA SA
Name:
Title:

OREN ZEEV

UNSAI HOLDINGS
Name:
Title:

CHEN AMIT

AQUA CRYSTAL INVESTMENTS
Name:
Title:

HMAJG LTD
Name:
Title:

LEDLIFE SA
Name:
Title:

ADDITION ONE PARTNERS, L.P.
Name:
Title:

ADDITION ONE, L.P.
Name:
Title:

ALKEON INNOVATION MASTER FUND, LP
Name:
Title:

ALKEON INNOVATION OPPORTUNITY MASTER FUND, LP
Name:
Title:

ALKEON INNOVATION MASTER FUND II, LP
Name:
Title:

BOND II, LP
Name:
Title:

BOND FOUNDERS FUND, LP
Name:
Title:

RODRIGO JORGE SANCHEZ
PRANDI

MASTERCARD INVESTMENT HOLDINGS, INC.
Name:
Title:

D1 MASTER HOLDCO I LLC
Name:
Title:

TIGER GLOBAL PIP 14-11 LLC
Name:
Title:

ENDEAVOR CATALYST III LP
Name:
Title:

RITUAL PAYMENT CORP
Name:
Title:

MARCELO FABIAN PEREZ

GREENBRICK S.A.
Name:
Title:

PAIRED MINDS LTD.
Name:
Title:

[Signature Page to the Registration Rights Agreement]

SCHEDULE A**SCHEDULE OF SHAREHOLDERS****The Original IRA Shareholders**

Name	Address
Emerald Bay 24 LLC	Rambla Gandhi 75, Apto 906, Montevideo 11300, Uruguay
Andres Bzurovski Bay	Rambla Gandhi 75, Apto 906, Montevideo 11300, Uruguay
Izba SA	Doscientos Metros Sur de la Entrada de Jugueton en Multiplaz Escazú, San Jose, Costa Rica
Unsal Holdings Ltd, Co.	5th Floor, Ritter House Wickhams Cay II, Road Town, Tortola, British Virgin Islands
Aqua Crystal Investments Ltd, Co.	Level 1, Palm Grove House, Wickam Cay 1, PO Box 985, Road Town, Tortola, British Virgin Islands
HMAJG LLC Co	2257 Wesville Road, Marydel, Kent, 19964, United States of America
Ledlife SA	Av. 18 de Julio 878, apto. 902, Montevideo, Uruguay
Jacobo Singer	Benito Blanco 626 ap 804, Montevideo, Uruguay
Branislav Trajkovski	The Nightingales, London Road, Southborough, Tunbridge Wells, Kent, TN4 0UJ, United Kingdom
Ritual Payment Corp	350 Ocean Dr Unit 304N, Key Biscayne, Florida, 33149 , USA Company Registration No. 81-3660537
Oren Zeev	Weston Dr Los Altos, HLS CA 94022-1929, United States
Chen Amit	3, Hermon Street, Ramat Hasharon, Israel
Michel Golffed	

SCHEDULE B**SCHEDULE OF SHAREHOLDERS****The Other Shareholders**

Name	Address
Addition One Partners, L.P.	Campbells Corporate Services Limited, Floor 4, Willow House, Cricket Square, Grand Cayman KY1-9010, Cayman Islands
Addition One, L.P.	Campbells Corporate Services Limited, Floor 4, Willow House, Cricket Square, Grand Cayman KY1-9010, Cayman Islands
Alkeon Innovation Master Fund, LP	Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman, KY1-9008 Cayman Islands
Alkeon Innovation Opportunity Master Fund, LP	Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman, KY1-9008 Cayman Islands, Cayman Islands
Alkeon Innovation Master Fund II, LP	Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman, KY1-9008 Cayman Islands
BOND II, LP	1209 Orange Street, Wilmington, Delaware 19801, United States of America
BOND Founders Fund, LP	1209 Orange Street, Wilmington, Delaware 19801, United States of America
Mastercard Investment Holdings, Inc.	1209 N. Orange Street, Wilmington, Delaware 19801, United States of America
D1 Master Holdco I LLC	850 New Burton Road, Suite 201, County of Kent, City of Dover, Delaware 19904, United States of America
Tiger Global PIP 14-11 LLC	Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808, United States of America
Endeavor Catalyst III LP	160 Greentree Drive, Suite No 101, Dover, Delaware 19904, United States of America
Ritual Payment Corp	230 Ocean Drive Unit 304N, Key Biscayne, FL 33149, Florida, United States of America
Marcelo Perez	480 Mission Bay Blvd Apt 1405, San Francisco, CA 94158, United States of America

Name	Address
Greenbrick S.A.	Samuel Lewis Avenue and 58 th Street, Obarrio, ADR Technologies Building, 7 th Floor, Office 7A, Panama City, Republic of Panama
Rodrigo Jorge Sanchez Prandi	Rivera 2682, apt 501, Montevideo, Uruguay
Paired Minds Ltd.	Building 12, Bay Square, Po Box413633, Dubai



CODE OF ETHICS

1. BACKGROUND & OBJECTIVES

1.1 Policies Covered in this Document

This document covers DLocal Limited's ("DL" or the "Company") policy on Anti-bribery and corruption; Internal reporting mechanism to report malpractices (whistleblowing) and receiving gifts and hospitality by employees of DL.

1.2 Purpose and Scope of this Code of Ethics

This Code lays down the ethical commitments that apply within DL. The scope is to establish guiding principles and rules to ensure a common vision of ethical standards by all employees.

This Code of Ethics shall apply to all employees, regardless of their position, within the scope of their functions. Each employee shall be asked to read this Code of Ethics and affirm (through signature) that he/she has understood the contents and agrees to comply with them.

1.3 Compliance with applicable Regulations

Employees shall perform their duties in compliance with this Code as well as:

- All legislative and regulatory provisions and professional standards applicable
- All applicable policies and internal procedures
- Any rules of ethics that are imposed on the licensed activity by the competent authority/ies

1.4 Adherence to this Code of Ethics

Failure to comply with this Policy and any related procedures may result in disciplinary action being taken and may also give rise to criminal charges and other sanctions as may be applicable under relevant law.

2. ANTI-BRIBERY AND CORRUPTION (herein referred to as ABC)

For the purposes of this Code of Ethics, 'Bribery/corruption' includes the giving of bribes; receiving of bribes; bribing of public officials; and / or failure to act on becoming aware of bribery / corrupt practices.

Responsibility

While each employee is responsible for ensuring that the ABC requirements are satisfied, the Board shall be ultimately responsible to ensure that appropriate and effective policies, procedures and controls are in place.

Principle

DL does not participate in bribery / corrupt practices and will not tolerate employees or third parties connected to it who give or receive bribes (whether or not he/she is a public official) as well as failing to act on becoming aware of bribery / corrupt practices.

Obligations of the Employee Employees must at all times:

- comply with their ABC requirements under this Code;
- not engage in practices that involve, or may be perceived as involving, bribery and / or corruption;
- immediately report any bribery or corrupt practices as noted hereunder

Employees must immediately report, in writing, to their immediate superior (or the Managing Director if the person involved is their superior) any knowledge or suspicion of bribery / corrupt practices of which they become aware (whether the breach was committed by them or by a third party) in connection with DL's business. All details are to be adequately recorded

The Manager receiving the report shall be responsible for ensuring that the report is appropriately dealt with and investigated accordingly. The Compliance Officer shall also be informed as soon as possible and may consider, where appropriate, and after consulting with any DL Director, whether to report the breach to any appropriate regulatory authority.

Business partners

As part of its due diligence procedure, DL generally requires confirmations from its business partners that they do not engage in illegal activity such as bribery and corrupt practices.

3. INTERNAL REPORTING MECHANISM TO REPORT MALPRACTICES (WHISTLEBLOW)

Employees are strongly encouraged to speak up about behaviours and practices in relation to wrongdoing or unethical behaviour. When colleagues feel empowered to challenge actions that they believe put the business or customers at risk, they reinforce the commitment to the correct culture. DL is committed at ensuring the right environment to:

- Raise legitimate concerns;
- Investigate these concerns fairly and thoroughly; and
- Rectify these concerns when required.

NOTE:

Whistleblowing is generally focused on raising concerns in the public interest. Concerns such as unfair treatment, unprofessional behaviour and poor management should be dealt with under local human resources processes.

4. RECEIVING GIFTS AND HOSPITALITY

For the purposes of this Code of Ethics, the term ‘gifts’ shall include any benefit, payment, cash, service, present, donation, offering, contribution, handout, access to confidential information, employment offer; whether tangible or intangible.

4.1 Soliciting/ Inducements

It is strictly prohibited for any employee to directly or indirectly solicit a gift from any client, counterparty, supplier or business related third party, either for the benefit of themselves or for the benefit of other employees.

An employee may not offer or accept any inducement (in whatever form) where the intention, or perceived intention, of the offer is to incite the employee into performing or omit to perform certain actions.

4.2 Receiving or offering gifts

Principle

Employees shall refuse to accept (or offer) any gifts, services or any other benefit in whatever form which could be interpreted as being anything other than a demonstration of appreciation expected from the existing relation or that could likely lead (or be interpreted as such) to effect their independence in taking any decision.

Notification

In all cases, an employee must inform his/her superior, as soon as practicable, that a gift has been offered or received together with reason thereof. Particularly, where the gift offered to, or by, employees carries a value of €50 or more, such must be declared and approved by the immediate superior **prior** to the giving or receipt thereof, where practicable.

Exclusion

Any gifts of a modest value (*e.g. company pens, maximum of two tickets to an event, company clothing or other merchandise*) may be offered or accepted and shall be considered excluded from the scope of this Code.

4.3 Hospitality and Entertainment

Hospitality and entertainment can sometimes benefit and/or facilitate business relationships and usually takes the form of a social event or dinner event.

In all cases hospitality and entertainment should be:

- declared to the immediate superior together with reason thereof
- appropriate to the image of the company
- should not create any obligation to accept or return a favour
- should not make employee feel compromised after such event

Apart from the exclusion hereunder, where the entertainment carries a value of €100 or more, such must be declared and approved by the immediate superior **prior** to the giving or receipt thereof, where practicable.

Exclusion

For the purposes of this policy reasonable business related meals are excluded from the requirements set out below, as they are deemed necessary and useful to promote or expedite business related.

4.4 Financial relations

Employees shall not, under any circumstance, enter into any financial relation whatsoever with a customer of DL on a personal basis.

4.5 Consultation

When in doubt as to whether the offering or receiving of any gift, hospitality, entertainment, benefit or inducement is appropriate, employees are required to consult their immediate superior accordingly.

4.6 Others

In exceptional circumstances where the gift is deemed inappropriate the Management reserves the right to instruct that the gift be returned to the sender or donated to an officially registered charity accordingly as may be deemed appropriate.

In so far as it is practicable, employees are encouraged to share with their respective teams and other DL employees any gift they may have legitimately received.

If any disclosed gift is given regularly, employees shall as far as practicable ensure that the gift is enjoyed on a rotation system between the employees.

5. THE DUTIES/ROLE OF EMPLOYEES

Employees are instructed to inform their superiors, immediately, upon becoming aware of any possible malfunction or breach of any provision of this Code of Ethics.

Employees are encouraged to utilise, where necessary, the whistleblowing facility mentioned in this Code of Ethics.

In case of any doubt on the application of any provision relating to this Code of Ethics, the employees must inform their immediate superior thereof.

6. COMPLIANCE WITH THIS CODE

Supervision of the proper application of this Code of Ethics must be ensured by Management, through the daily control it exercises on the work of employees. Upon becoming aware, Management is expected to report to the Managing Director any behaviour that would appear to not comply with these rules.

7. REVIEW

A review of this Code of Ethics will be conducted by the Managing Director and, where necessary, any changes are reported to the Board of Directors on alternate years or before if so required.

Subsidiaries of Dlocal Limited

Entity Name	Place of Incorporation	Shareholders
Dlocal Group Limited	Malta	Dlocal Limited (Cayman) 100%
Dlocal Limited	Malta	99.999% - Dlocal Group Limited, 0.001% Sergio Fogel
Dlocal LLP	UK	99.999% - Dlocal Group Limited, 0.001% Sebastian Kanovich
Dlocal Corp LLP	UK	99.99% Dlocal Group Limited, 0.001% Sergio Fogel
Dlocal Inc.	Delaware, US	100% Dlocal Group Limited
Dlocal Pte Ltd	Singapore	100% Dlocal Group Limited
Dlocal Technologies SA	Uruguay	100% Dlocal Group Limited
Dlocal Markets Ltd	Malta	100% Dlocal Group Limited
Dlocal Israel Ltd	Israel	100% Dlocal Markets Limited
Dlocal Brasil Pagamentos Ltda	Brazil	99.999% - Dlocal Markets Limited, 0.0001% Dlocal Pte. Ltd.
Demerge Brasil Facilitadora de Pagamentos Ltda	Brazil	99.999% - Dlocal Markets Limited, 0.0001% Dlocal Pte. Ltd.
Dlocal Argentina (former FCA S.A)	Argentina	95% Dlocal Markets Limited 5% Dlocal PTE
Demerge Mexico S.A. de C.V	Mexico	99.999% - Dlocal Markets Limited, 0.001% - Sergio Fogel
Dlocal Mexico S.A. DE C.V.	Mexico	99.999% - Dlocal Markets Limited, 0.001% - Sergio Fogel
Dlocal Chile SPA	Chile	100% Dlocal Markets Limited
Pagos y Servicios Limitada	Chile	Dlocal Markets Ltd. - 50% Sergio Fogel - 50%
Dlocal Colombia S.A.S. (former Tikrel Colombia)	Colombia	100% Dlocal Markets Limited
Demerge Colombia S.A.S	Colombia	100% Dlocal Markets Limited
W-Collect S.A.S	Colombia	100% Dlocal Colombia
BH Collect S.A.S.	Colombia	100% Dlocal Colombia
Demerge Peru S.A.C.	Peru	99% Dlocal Markets Limited, 1% Sergio Fogel
Depansum Solutions Private Limited	India	99% Dlocal Markets Limited, 1% Sergio Fogel
Dlocal Uruguay S.A. (former EL Agora.com)	Uruguay	100% Dlocal Markets Limited
PT. Dlocal Solutions Indonesia	Indonesia	99% Dlocal Markets Limited 1% Dlocal Pte. Ltd

Entity Name	Place of Incorporation	Shareholders
DLocal Bangladesh Ltd.	Bangladesh	99% Dlocal Markets Limited 1% Dlocal Pte. Ltd
Dlocal Egypt LLC	Egypt	99.999% Dlocal Markets Limited 0.001% Dlocal Pte. Ltd
DLocal Morocco SARL AU	Morocco	100% Dlocal Markets Ltd
Demerge Nigeria Ltd.	Nigeria	99.99% Dlocal Markets Ltd 0.01 Dlocal Pte. Ltd
Dlocal Panama SA	Panama	100% Dlocal Markets Ltd

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Amendment No. 1 to Form F-1 of dLocal Group Limited of our report dated April 13, 2021 relating to the financial statements, which appears in this Registration Statement. We also consent to the reference to us under the heading “Experts” in such Registration Statement.

/s/ Price Waterhouse & Co. S.R.L.

/s/ Gustavo Ariel Vidan

Partner

Buenos Aires, Argentina

May 20, 2021