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

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934**

For the month of August 2024

Commission File Number: 001-40451

DLocal Limited
(Exact name of registrant as specified in its charter)

**Dr. Luis Bonavita 1294
Montevideo
Uruguay 11300
+1 (424) 392-7437**
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes ☐ No ☒

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes ☐ No ☒

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DLocal Limited

By: /s/ Mark Ortiz
Name: Mark Ortiz
Title: Chief Financial Officer

Date: August, 14 2024

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dLocal Reports 2024 Second Quarter Financial Results

Second Quarter 2024

US\$6.0 billion Total Processed Volume, up 38% year-over-year and 14% quarter-over-quarter

Revenue of US\$171 million, up 6% year-over-year and down 7% quarter-over-quarter

100% Net Revenue Retention Rate

Gross Profit of US\$70 million, down 1% year-over-year and up 11% quarter-over-quarter

Adjusted EBITDA of US\$43 million, down 18% year-over-year and up 16% quarter-over-quarter

dLocal reports in US dollars and in accordance with IFRS as issued by the IASB

Montevideo, Uruguay August 14th, 2024 — DLocal Limited (“dLocal”, “we”, “us”, and “our”) (NASDAQ:DLO), a technology - first payments platform today announced its financial results for the second quarter ended June 30, 2024.

We continue to see strong growth in our business, achieving another quarterly record of \$6.0 billion of TPV during the second quarter of 2024, an increase of nearly 40% year-over-year. This occurred despite the tough comparison with last year's 80% growth during the same period. The evolution of this key metric demonstrates our continued ability to grow as we gain share of wallet from our global merchant base and add new merchants to the mix. It also underscores our unique value proposition as a trusted partner for some of the largest and most sophisticated global companies across emerging markets.

The TPV performance was good across multiple verticals, including continued strong growth in the commerce, on-demand delivery, and remittance verticals; accelerating growth from SaaS and ride-hailing. This kind of sustained and well diversified TPV growth, with a focused commitment to low-risk high-reputation verticals, sets us up well for long-term success. We believe that our year-over-year growth showcases a unique in class combination of growth while focusing on reputable verticals, which sets us apart from relevant comps base, who either grow less, over index high-risk verticals, or do both.

Net take rates have held up sequentially, despite unfavorable events, like repricing by our largest merchant at the beginning of the year, material currency devaluations in Nigeria and Egypt, and continued weakening across most emerging markets currencies. The stable sequential net take rate and growing TPV during the quarter translated to 11% quarter-over-quarter gross profit growth.

Our OPEX, excluding non-cash share-based compensation, grew by only \$1 million sequentially, after previous quarters of sequential growth above \$4 million, as we adjusted our cash spend to the weaker gross profit. As mentioned previously, there is a limit to how much we are willing to defend margins in the short-term, as we are committed to certain investments, which are crucial for our long-term success, particularly those in our engineering pool, back-office capabilities and behind our license portfolio. But, to balance this out, we are always revising other discretionary spending to make sure it matches our topline performance and is aligned with our general philosophy of frugality. Consequently, our Adjusted EBITDA reached \$43 million, reflecting our still lean structure and disciplined spending. Our cash generation also accelerated versus the prior quarter, posting a \$35 million of Free Cash Flow from own funds, a conversion rate of 77%, up \$23 million and 7 percentage points compared to the second quarter of 2023.

These highlights also come with certain challenges that we are focused on rapidly addressing. Year-over-year gross profit performance was flat, primarily due to a 13% decline in LatAm. This decline was driven by (i) the Argentine FX devaluation and (ii) the repricing by our largest merchant in Brazil and Mexico. Despite stellar Africa and Asia gross profit growth of 79% year-over-year, it did not suffice to offset those two events.

Taking a step back from a short-term quarterly prism, dLocal remains an incredibly strong company, with a fantastic total addressable market, attractive business model and extremely promising future, that at some point will be reflected in capital market performance. To keep things in perspective:

- We maintain strong product market validation as witnessed by almost 40% year-over-year and 14% quarter-over-quarter TPV growth;
- Still run a high margin financial model with Adjusted EBITDA to Gross Profit at 60%+ and ability to scale from there to previous levels;
- Cash conversion is strong and growing as EBITDA increased sequentially, with a cash conversion close to 100% for the last twelve months.

When we analyze the potential of all this compounded over time, it is hard to not be optimistic about our future, despite the inherent challenges and volatility existent in emerging markets. The long term future is bright, and our own ability to execute is the most important factor.

Our optimism in the future is also reflected in our capital allocation strategy. Our business has an attractive cash generation profile, and we see upside in our stock as we grow and scale; and as a consequence of this we have bought back stock during the quarter at a rapid pace.

As known, emerging markets are inherently volatile, which can, and often do, impact our short-term results. However, our long-term view remains optimistic as stated earlier. The quarterly bottom-up review of our pipeline and existing contracts, where we project out probable market growth, and new commercial opportunities on a merchant-by-merchant basis, gets us to the following revised outlook for 2024:

- TPV of \$24.5-26.5 billion; due to slower volume ramp-ups, pipeline volume even more skewed towards Tier 0 merchants, and weakening currencies in emerging markets
- Gross profit of \$280-300 million; in addition to the reasons outlined above, driven by increased local-to-local flows, and
- Adjusted EBITDA of \$180-200 million, supporting crucial long-term investments that enhance our value proposition and internal controls

We continue to thrive across emerging markets, embracing their complexities and delivering simple, effective solutions to our merchants. Our focus remains on execution and long-term growth. Our commitment to our merchants and our expertise in these regions enable us to consistently win business from these global merchants. As we scale, this growth will help mitigate short-term volatility and dilute market fluctuations. Therefore, it is crucial to continue focusing on TPV growth, increasing our share of wallet, and adding new clients - all of which we have consistently delivered since the company's inception, while driving operational leverage in the business once we get through the current disciplined investment cycle we are in.

We are thankful for the continued support and confidence in our vision. We are committed to executing our strategy and driving long-term value for our shareholders. We look forward to updating you on our progress in the coming quarters.

Second quarter 2024 Financial Highlights

- Total Payment Volume ("TPV") reached a record US\$6.0 billion in the second quarter, up 38% year-over-year compared to US\$4.4 billion in the second quarter of 2023 and up 14% compared to US\$5.3 billion in the first quarter of 2024.
 - Revenues amounted to US\$171.3 million, up 6% year-over-year compared to US\$161.1 million in the second quarter of 2023 and down 7% compared to US\$184.4 million in the first quarter of 2024. This quarter-over-quarter decline was mostly driven by the currency devaluation in Nigeria and Egypt, despite the healthy TPV growth.
 - Gross profit was US\$69.8 million in the second quarter of 2024, down 1% compared to US\$70.8 million in the second quarter of 2023 and up 11% compared to US\$63.0 million in the first quarter of 2024. The improvement in gross profit quarter-over-quarter was primarily due to (i) temporary FX dynamics in Nigeria; (ii) positive performance of Argentina, Other LatAm and Other Africa and Asia countries; and (iii) Brazil, with lower processing costs following renegotiation with processors, and change in payment mix, which partially offset the impact of key merchant repricing (full impact in second quarter of 2024 versus two months in first quarter of 2024).
 - As a result, gross profit margin was 41% in this quarter, compared to 44% in the second quarter of 2023 and 34% in the first quarter of 2024.
 - Gross profit over TPV was at 1.2% decreasing from 1.6% in the second quarter of 2023 and flat compared to the first quarter of 2024, mainly due to FX dynamics in Nigeria and Egypt and renegotiation with processors in Brazil, which combined were sufficient to offset the incremental sequential impact of the above-mentioned top merchant repricing..
 - Operating income was US\$30.2 million, down 37% compared to US\$47.8 million in the second quarter of 2023 and up 12% compared to US\$26.9 million in the first quarter of 2024, impacted by higher gross profit and disciplined OPEX investment. In this context, operating expenses grew by 72% year-over-year and 10% quarter-over-quarter, with a clear allocation tilt towards investments focused on Product Development & IT capabilities; coupled with investment to strengthen our back-office capabilities for future growth. In addition, in the second quarter of 2024, we recorded an extraordinary US\$1.6 million operating loss as we wrote-off certain amounts related to merchants/processors off-boarded by dLocal.
 - As a result, Adjusted EBITDA was US\$42.7 million, down 18% compared to US\$52.0 million in the second quarter of 2023 and up 16% compared to US\$36.8 million in the first quarter of 2024.
 - Adjusted EBITDA margin was 25%, compared to the 32% recorded in the second quarter of 2023 and 20% in the first quarter of 2024. On the annual comparison, the decrease is explained by the gross profit dynamics and our decision to sustain many of the long-term investments, as previously mentioned. Following the same trend, Adjusted EBITDA over gross profit of 61% decreased compared to 74% in the second quarter of 2023 and increased compared to 58% in the first
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quarter of 2024.

- Net financial income was US\$28.0 million, compared to US\$7.5 million in the second quarter of 2023 and US\$0.3 million in the first quarter of 2024.
- Effective income tax rate was 18%, compared to 16% in the second quarter of 2023 and 29% in the first quarter of 2024, closer to levels of previous quarters.
- Net income for the second quarter of 2024 was US\$46.2 million, or US\$0.15 per diluted share, up 3% compared to a profit of US\$44.8 million, or US\$0.15 per diluted share, for the second quarter of 2023 and up 161% compared to a profit of US\$17.7 million, or US\$0.06 per diluted share for the first quarter of 2024. During the second quarter of 2024, net income was mostly impacted by higher finance income, given the \$23 million non-cash mark to market effect related to Argentine bonds investments used to hedge our local currency position in that market.
- As of June 30, 2024, dLocal had US\$531.6 million in cash and cash equivalents, including US\$186.2 million of own funds and US\$345.4 million of merchants' funds. The consolidated cash position decreased by US\$17.8 million from US\$549.4 million as of June 30, 2023. When compared to the US\$572.4 million cash position as of March 31, 2024, it decreased by US\$40.7 million, mainly explained by the US\$81.8 million of own funds used to buy back the company's own shares, in connection to the US\$200 million Share Buyback Program announced in May 2024.

The following table summarizes our key performance metrics:

Key Performance metrics	Three months ended 30 of June			Six months ended 30 of June		
	2024	2023	% change	2024	2023	% change
	(In millions of US\$ except for %)					
TPV	6,035	4,373	38%	11,346	7,948	43%
Revenue	171.3	161.1	6%	355.7	298.4	19%
Gross Profit	69.8	70.8	-1%	132.8	132.6	0%
Gross Profit margin	41%	44%	-3p.p	37%	44%	-7p.p
Adjusted EBITDA	42.7	52.0	-18%	79.5	97.5	-19%
Adjusted EBITDA margin	25%	32%	-7p.p	22%	33%	-10p.p
Adjusted EBITDA/Gross Profit	61%	74%	-12p.p	60%	74%	-14p.p
Profit	46.2	44.8	3%	64.0	80.2	-20%
Profit margin	27%	28%	-1p.p	18%	27%	-9p.p

First quarter 2024 Business Highlights

- During the second quarter of 2024, pay-ins TPV increased 34% year-over-year and 17% quarter-over-quarter to US\$4.3 billion, accounting for 71% of the TPV.
 - Pay-outs TPV increased by 49% year-over-year and 7% quarter-over-quarter to US\$1.8 billion, accounting for the remaining 29% of the TPV.
 - Cross-border TPV increased by 22% year-over-year and 11% quarter-over-quarter to US\$2.7 billion. Cross-border volume accounted for 45% of the TPV in the second quarter of 2024.
 - Local-to-local TPV increased by 55% year-over-year and 16% quarter-over-quarter to US\$3.3 billion. Local-to-local volume accounted for 55% of the TPV in the second quarter of 2024.
 - LatAm revenue increased 9% year-over-year to US\$138.7 million, accounting for 81% of total revenue. On the annual comparison, the growth was primarily driven by commerce and streaming in Mexico, and strong performance of Other LatAm, across different verticals. Sequentially, LatAm revenue grew by 11% mainly driven by recovery in Argentina revenues due to strong performance across commerce and on-demand delivery verticals.
 - In the Africa and Asia region, revenue decreased by 5% year-over-year, primarily driven by lower revenues in Nigeria due to Naira devaluation in February 2024, despite strong growth performance in Egypt across advertising and streaming verticals; and in Other Africa and Asia. The currency devaluation is also the main driver of the sequential decrease.
 - LatAm gross profit decreased by 13% year-over-year and increased by 10% quarter-over-quarter to US\$53.5 million, accounting for 77% of total gross profit. Most of the year-over-year decline is explained by Argentina, due to lower FX spreads following the currency devaluation in December 2023. In the region, gross profit was also impacted by Mexico, due to merchant repricing and local-to-local increase; and by Chile, given lower cross-border volumes. Other LatAm markets showed a 10% year-over-year increase in gross profit, driven by Tier 0 merchants' growth. Sequentially, the growth was mainly driven by the (i) growth in Argentina, and other LatAm markets, primarily Colombia and Costa Rica; and (ii) Brazil, with lower processing costs following renegotiation with processors, coupled with change in payment mix. Those two factors partially offset the impact of a key merchant repricing, with full impact in the second quarter of 2024 compared to 2 months in previous one.
 - Africa and Asia gross profit increased by 79% year-over-year to US\$16.3 million, accounting for the remaining 23% of total gross profit. This annual comparison is explained by our overall growth in Egypt; ramp-up of our merchants in South Africa, primarily in the commerce vertical; and temporary FX dynamics in Nigeria. Sequentially, gross profit increased by 13%, attributable to temporary FX dynamics in Nigeria and growth in Other Africa and Asia.
 - During the quarter, Revenue from Existing Merchants reached US\$161.7 million compared to US\$ 177.1 million in the first quarter of 2024. The quarter-over-quarter comparison was negatively affected by the currency devaluation, as previously discussed, despite healthy volume growth. On the annual comparison, Revenue from Existing Merchants increased by 8% and the net revenue retention rate, or NRR, reached 100%, which was impacted by Nigeria currency devaluation.
 - Revenue from New Merchants accounted for US\$9.6 million in the second quarter of 2024 compared to US\$ 11.2 million in the same quarter of the prior year.
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The tables below present a breakdown of dLocal’s TPV by product and type of flow:

In millions of US\$ except for %	Three months ended 30 of June				Six months ended 30 of June			
	2024	% share	2023	% share	2024	% share	2023	% share
Pay-ins	4,273	71%	3,190	73%	7,930	70%	5,693	72%
Pay-outs	1,763	29%	1,184	27%	3,416	30%	2,255	28%
Total TPV	6,035	100%	4,373	100%	11,346	100%	7,948	100%

In millions of US\$ except for %	Three months ended 30 of June				Six months ended 30 of June			
	2024	% share	2023	% share	2024	% share	2023	% share
Cross-border	2,701	45%	2,219	51%	5,127	45%	4,179	53%
Local-to-local	3,334	55%	2,154	49%	6,219	55%	3,769	47%
Total TPV	6,035	100%	4,373	100%	11,346	100%	7,948	100%

The tables below present a breakdown of dLocal’s revenue by geography:

In millions of US\$ except for %	Three months ended 30 of June				Six months ended 30 of June			
	2024	% share	2023	% share	2024	% share	2023	% share
Latin America	138.7	81%	126.9	79%	264.1	74%	225.1	75%
Brazil	42.3	25%	41.2	26%	85.3	24%	64.0	21%
Argentina	20.5	12%	20.7	13%	34.3	10%	40.7	14%
Mexico	35.8	21%	28.3	18%	69.9	20%	51.0	17%
Chile	12.3	7%	14.2	9%	24.7	7%	28.4	10%
Other LatAm	27.8	16%	22.5	14%	49.9	14%	41.0	14%
Africa & Asia	32.6	19%	34.3	21%	91.6	26%	73.3	25%
Nigeria	1.1	1%	20.4	13%	8.3	2%	47.3	16%
Egypt	15.0	9%	4.7	3%	54.0	15%	8.1	3%
Other Africa & Asia	16.5	10%	9.2	6%	29.2	8%	17.9	6%
Total Revenue	171.3	100%	161.1	100%	355.7	100%	298.4	100%

The tables below present a breakdown of dLocal’s gross profit by geography:

In millions of US\$ except for %	Three months ended 30 of June				Six months ended 30 of June			
	2024	% share	2023	% share	2024	% share	2023	% share
Latin America	53.5	77%	61.7	87%	102.1	77%	114.5	86%
Brazil	19.2	28%	19.6	28%	37.1	28%	30.6	23%
Argentina	7.6	11%	13.8	19%	12.8	10%	31.6	24%
Mexico	8.8	13%	10.6	15%	18.7	14%	17.5	13%
Chile	8.3	12%	8.9	13%	15.7	12%	18.0	14%
Other LatAm	9.6	14%	8.7	12%	17.7	13%	16.8	13%
Africa & Asia	16.3	23%	9.1	13%	30.7	23%	18.1	14%
Nigeria	2.0	3%	0.2	0%	2.5	2%	2.6	2%
Egypt	9.8	14%	4.2	6%	20.1	15%	6.9	5%
Other Africa & Asia	4.5	7%	4.7	7%	8.1	6%	8.5	6%
Total Gross Profit	69.8	100%	70.8	100%	132.8	100%	132.6	100%

Special note regarding Adjusted EBITDA and Adjusted EBITDA Margin

dLocal has only one operating segment. dLocal measures its operating segment's performance by Revenues, Adjusted EBITDA and Adjusted EBITDA Margin, and uses these metrics to make decisions about allocating resources.

Adjusted EBITDA as used by dLocal is defined 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, and inflation adjustment. dLocal defines Adjusted EBITDA Margin as the Adjusted EBITDA divided by consolidated 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 treated by dLocal as IFRS measures based on the manner in which dLocal utilizes these measures. Nevertheless, dLocal's Adjusted EBITDA and Adjusted EBITDA Margin metrics should not be viewed in isolation or as a substitute for net income for the periods presented under IFRS. dLocal also believes that its 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 dLocal calculates operating segment's performance measures may be different from the calculations used by other entities, including competitors, and therefore, dLocal's performance measures may not be comparable to those of other entities. Finally, dLocal is unable to present a quantitative reconciliation of forward-looking guidance for Adjusted EBITDA and Adjusted EBITDA over gross profit, which are forward-looking non-IFRS measures, because dLocal cannot reliably predict certain of their necessary components, such as impairment gains/(losses) on financial assets, transaction costs, and inflation adjustment.

The table below presents a reconciliation of dLocal's Adjusted EBITDA and Adjusted EBITDA Margin to net income:

\$ in thousands	Three months ended 30 of June		Six months ended 30 of June	
	2024	2023	2024	2023
Profit for the period	46,239	44,791	63,957	80,241
Income tax expense	10,060	8,774	17,174	13,055
Depreciation and amortization	4,089	2,869	7,851	5,384
Finance income and costs, net ¹	(28,045)	(7,459)	(28,344)	(8,850)
Share-based payment non-cash charges	6,776	1,421	11,237	3,750
Other operating loss ²	1,553	-	3,372	-
Impairment loss / (gain) on financial assets	76	(21)	(101)	30
Inflation adjustment	1,941	1,661	4,309	2,680
Other non-recurring costs	-	-	-	1,229
Adjusted EBITDA	42,689	52,036	79,455	97,519

Note: ¹In Q2 2024, the Finance income and costs, net line was impacted by the non-cash mark to market effect related to Argentine bonds investments in the amount of US\$22.8 million. ²In Q2 2024, the company wrote-off certain amounts related to merchants/processors off-boarded by dLocal.

Special note regarding Adjusted Net Income

Adjusted Net Income is a non-IFRS financial measure. As used by dLocal Adjusted net income is defined as the profit for the period (net income) excluding impairment gains/(losses) on financial assets, transaction costs, share-based payment non-cash charges, secondary offering expenses, and other operating (gain)/loss, in line with our Adjusted EBITDA calculation (see detailed methodology for Adjusted EBITDA in page 13). It further excludes the accounting non-cash charges related to the fair value gain from the Argentine dollar-linked bonds and the exchange difference loss from the intercompany loan denominated in USD that we granted to our Argentine subsidiary to purchase the bonds. In addition, it excludes the inflation adjustment based on IFRS rules for hyperinflationary economies. We believe Adjusted Net Income is a useful measure for understanding our results for operations while excluding for certain non-cash effects such as currency devaluation and inflation. Our calculation for Adjusted Net Income may differ from similarly-titled measures presented by other companies and should not be considered in isolation or as a replacement for our measure of profit for the period as presented in accordance with IFRS.

The table below presents a reconciliation of dLocal's Adjusted net income:

\$ in thousands	Three months ended 30 of June		Six months ended 30 of June	
	2024	2023	2024	2023
Net income as reported	46,239	44,791	63,957	80,241
Inflation adjustment	1,941	1,661	4,309	2,680
Loan - exchange difference	5,831	1,815	12,560	1,815
Fair value (loss) / gains of financial assets at FVTPL (bonds)	(22,774)	(3,565)	(33,589)	(3,654)
Impairment loss / (gain) on financial assets	76	(21)	(101)	30
Share-based payment non-cash charges	6,776	1,421	11,237	3,750
Other operating (gain)/loss	1,553	-	3,372	-
Other non-recurring costs	-	-	-	1,229
Tax on adjustments	5,998	(613)	4,638	(644)
Adjusted net income	45,640	45,490	66,383	85,447

Note: Adjusted Net Income is a non-IFRS financial measure. As used by dLocal Adjusted net income is defined as the profit for the period (net income) excluding impairment gains/(losses) on financial assets, transaction costs, share-based payment non-cash charges, secondary offering expenses, and other operating (gain)/loss, in line with our Adjusted EBITDA calculation (see detailed methodology for Adjusted EBITDA in page 13). It further excludes the accounting non-cash charges related to the fair value gain from the Argentine dollar-linked bonds and the exchange difference loss from the intercompany loan denominated in USD that we granted to our Argentine subsidiary to purchase the bonds. In addition, it excludes the inflation adjustment based on IFRS rules for hyperinflationary economies. We believe Adjusted Net Income is a useful measure for understanding our results for operations while excluding for certain non-cash effects such as currency devaluation and inflation. Our calculation for Adjusted Net Income may differ from similarly-titled measures presented by other companies and should not be considered in isolation or as a replacement for our measure of profit for the period as presented in accordance with IFRS.

Unaudited quarterly results.

Earnings per share

We calculate basic earnings per share by dividing the profit attributable to owners of the group by the weighted average number of common shares issued and outstanding during the three-month and six-month periods ended June 30, 2024 and 2023.

Our diluted earnings per share is calculated by dividing the profit attributable to owners of the group 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.

	Three months ended 30 of June		Six months ended 30 of June	
	2024	2023	2024	2023
Profit attributable to common shareholders (thousands USD)	46,244	44,697	63,952	80,141
Weighted average number of common shares	293,430,253	291,700,873	294,781,316	293,403,907
Adjustments for calculation of diluted earnings per share	14,996,249	16,160,368	15,348,015	16,358,508
Weighted average number of common shares for calculating diluted earnings per share	308,426,502	307,861,241	310,129,331	309,762,415
Basic earnings per share	0.16	0.15	0.22	0.27
Diluted earnings per share	0.15	0.15	0.21	0.26

This press release does not contain sufficient information to constitute an interim financial report as defined in International Accounting Standards 34, “Interim Financial Reporting” nor a financial statement as defined by International Accounting Standards 1 “Presentation of Financial Statements”. The quarterly financial information in this press release has not been audited, whereas the annual results for the year ended December 31, 2023 are audited.

Conference call and webcast

dLocal's management team will host a conference call and audio webcast on August 14th, 2024 at 5:00 p.m. Eastern Time. Please [click here](#) to pre-register for the conference call and obtain your dial in number and passcode.

The live conference call can be accessed via audio webcast at the investor relations section of dLocal's website, at <https://investor.dlocal.com/>. An archive of the webcast will be available for a year following the conclusion of the conference call. The investor presentation will also be filed on EDGAR at www.sec.gov.

About dLocal

dLocal powers local payments in emerging markets, connecting global enterprise merchants with billions of emerging market consumers in more than 40 countries across Africa, Asia, and Latin America. Through the "One dLocal" platform (one direct API, one platform, and one contract), global companies can accept payments, send pay-outs and settle funds globally without the need to manage separate pay-in and pay-out processors, set up numerous local entities, and integrate multiple acquirers and payment methods in each market.

Definition of selected operational metrics

“*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, and service providers) to facilitate the money transfer process.

“*Cross-border*” means a payment transaction whereby dLocal is collecting in one currency and settling into a different currency and/or in a different geography.

“*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.

“*Local-to-local*” means a payment transaction whereby dLocal is collecting and settling in the same currency.

“*Net Revenue Retention Rate*” or “*NRR*” is a U.S. dollar-based measure of retention and growth of dLocal’s merchants. NRR is calculated for a period or year by dividing the Current Period/Year Revenue by the Prior Period/Year Revenue. The Prior Period/Year Revenue is the revenue billed by us to all our customers in the prior period. The Current Period/Year Revenue is the revenue billed by us in the current period to the same customers included in the Prior Period/Year Revenue. Current Period/Year Revenue includes revenues from any upselling and cross-selling across products, geographies, and payment methods to such merchant customers, and is net of any contractions or attrition, in respect of such merchant customers, and excludes revenue from new customers on-boarded in the preceding twelve months. As most of dLocal revenues come from existing merchants, the NRR rate is a key metric used by management, and we believe it is useful for investors in order to assess our retention of existing customers and growth in revenues from our existing customer base.

“*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.

“*Revenue from New Merchants*” means the revenue billed by us to merchant customers that we did not bill revenues in the same quarter (or period) of the prior year.

“*Revenue from Existing Merchants*” means the revenue billed by us in the last twelve months to the merchant customers that we billed revenue in the same quarter (or period) of the prior year.

“*TPV*” dLocal presents total payment volume, or TPV, which is an operating metric of the aggregate value of all payments successfully processed through dLocal’s payments platform. Because revenue depends significantly on the total value of transactions processed through the dLocal platform, management believes that TPV is an indicator of the success of dLocal’s global merchants, the satisfaction of their end users, and the scale and growth of dLocal’s business.

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

Forward-looking statements

This press release contains certain forward-looking statements. These forward-looking statements convey dLocal's current expectations or forecasts of future events, including guidance in respect of total payment volume, gross profit, Adjusted EBITDA, and Adjusted EBITDA over gross profit margin. Forward-looking statements regarding dLocal and amounts stated as guidance are based on current management expectations and involve known and unknown risks, uncertainties and other factors that may cause dLocal's actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements. Certain of these risks and uncertainties are described in the "Risk Factors," "Forward-Looking Statements" and "Cautionary Statement Regarding Forward-Looking Statements" sections of dLocal's filings with the U.S. Securities and Exchange Commission. Unless required by law, dLocal undertakes no obligation to publicly update or revise any forward-looking statements to reflect circumstances or events after the date hereof. In addition, dLocal is unable to present a quantitative reconciliation of forward-looking guidance for Adjusted EBITDA and Adjusted EBITDA over gross profit, which are forward-looking non-IFRS measures, because dLocal cannot reliably predict certain of their necessary components, such as impairment gains/(losses) on financial assets, transaction costs, and inflation adjustment.

dLocal Limited

Certain financial information

Consolidated Condensed Interim Statements of Comprehensive Income for the three-month and six-month periods ended June 30, 2024 and 2023

(In thousands of U.S. dollars, except per share amounts)

	Three months ended 30 of June		Six months ended 30 of June	
	2024	2023	2024	2023
Continuing operations				
Revenues	171,279	161,138	355,709	298,425
Cost of services	(101,468)	(90,378)	(222,927)	(165,828)
Gross profit	69,811	70,760	132,782	132,597
Technology and development expenses	(6,408)	(2,640)	(11,873)	(4,930)
Sales and marketing expenses	(4,505)	(3,106)	(9,136)	(7,963)
General and administrative expenses	(27,074)	(17,268)	(51,406)	(32,548)
Impairment (loss)/gain on financial assets	(76)	21	101	(30)
Other operating (loss)/gain	(1,553)	-	(3,372)	-
Operating profit	30,195	47,767	57,096	87,126
Finance income	29,247	18,878	47,504	25,866
Finance costs	(1,202)	(11,419)	(19,160)	(17,016)
Inflation adjustment	(1,941)	(1,661)	(4,309)	(2,680)
Other results	26,104	5,798	24,035	6,170
Profit before income tax	56,299	53,565	81,131	93,296
Income tax expense	(10,060)	(8,774)	(17,174)	(13,055)
Profit for the period	46,239	44,791	63,957	80,241
Profit attributable to:				
Owners of the Group	46,244	44,697	63,952	80,141
Non-controlling interest	(5)	94	5	100
Profit for the period	46,239	44,791	63,957	80,241
Earnings per share (in USD)				
Basic Earnings per share	0.16	0.15	0.22	0.27
Diluted Earnings per share	0.15	0.15	0.21	0.26
Other comprehensive income				
<i>Items that may be reclassified to profit or loss:</i>				
Exchange difference on translation on foreign operations	(5,604)	1,675	(6,273)	3,163
Other comprehensive income for the period, net of tax	(5,604)	1,675	(6,273)	3,163
Total comprehensive income for the period, net of tax	40,635	46,466	57,684	83,404
Total comprehensive income for the period				
Owners of the Group	40,642	46,371	57,678	83,305
Non-controlling interest	(7)	95	6	99
Total comprehensive income for the period	40,635	46,466	57,684	83,404

dLocal Limited

Certain financial information

Consolidated Condensed Interim Statements of Financial Position as of June 30, 2024 and December 31, 2023

(In thousands of U.S. dollars)

	30 of June, 2024	31 of December, 2023
ASSETS		
Current Assets		
Cash and cash equivalents	531,620	536,160
Financial assets at fair value through profit or loss	120,297	102,677
Trade and other receivables	455,503	363,374
Derivative financial instruments	622	2,040
Other assets	10,878	11,782
Total Current Assets	1,118,920	1,016,033
Non-Current Assets		
Financial assets at fair value through profit or loss	-	1,710
Trade and other receivables	1,787	-
Deferred tax assets	1,913	2,217
Property, plant and equipment	3,576	2,917
Right-of-use assets	3,508	3,689
Intangible assets	60,637	57,887
Other Assets	5,343	-
Total Non-Current Assets	76,764	68,420
TOTAL ASSETS	1,195,684	1,084,453
LIABILITIES		
Current Liabilities		
Trade and other payables	719,097	602,493
Lease liabilities	782	626
Tax liabilities	26,907	20,800
Derivative financial instruments	815	948
Provisions	276	362
Total Current Liabilities	747,877	625,229
Non-Current Liabilities		
Deferred tax liabilities	2,299	753
Lease liabilities	3,106	3,331
Total Non-Current Liabilities	5,405	4,084
TOTAL LIABILITIES	753,282	629,313
EQUITY		
Share Capital	574	591
Share Premium	173,093	173,001
Treasury Shares	(181,670)	(99,936)
Capital Reserve	32,812	21,575
Other Reserves	(14,829)	(9,808)
Retained earnings	432,307	369,608
Total Equity Attributable to owners of the Group	442,287	455,031
Non-controlling interest	115	109
TOTAL EQUITY	442,402	455,140

dLocal Limited

Certain interim financial information

Consolidated Condensed Interim Statements of Cash flows for the three-month and six-month periods ended June 30, 2024 and 2023

(In thousands of U.S. dollars)

	Three months ended 30 of June		Six months ended 30 of June	
	2024	2023	2024	2023
Cash flows from operating activities				
Profit before income tax	56,299	53,565	81,131	93,296
Adjustments:				
Interest income from financial instruments	(6,473)	(15,313)	(13,915)	(22,212)
Interest charges for lease liabilities	44	52	87	95
Other finance expense	1,673	765	1,800	1,202
Finance expense related to derivative financial instruments	2,446	4,634	12,324	9,869
Net exchange differences	(1,469)	3,551	6,168	4,082
Fair value gain on financial assets at fair value through profit or loss	(22,774)	(3,565)	(33,589)	(3,654)
Amortization of Intangible assets	3,690	2,492	7,114	4,668
Depreciation of Property, plant and equipment and right-of-use	410	377	737	716
Disposals of property, plant and equipment, intangible assets and right-of-use asset	(62)	-	11	-
Share-based payment expense, net of forfeitures	6,776	1,421	11,237	3,750
Other operating loss/(gain)	1,553	-	3,372	-
Net Impairment loss/(gain) on financial assets	76	(21)	(101)	30
Inflation adjustment	(5,982)	-	(11,874)	-
	36,207	47,957	64,502	91,842
Changes in working capital				
Increase in Trade and other receivables	(69,322)	(50,312)	(102,158)	(59,386)
Decrease/(increase) in Other assets	(716)	(1,597)	2,503	12,157
Increase in Trade and other payables	67,268	148,761	113,232	190,139
Decrease in Tax Liabilities	8,870	(2,279)	7,750	(3,341)
Decrease/(increase) in Provisions	(90)	(252)	(86)	(557)
Cash from operating activities	42,218	142,278	85,743	230,854
Income tax paid	(13,409)	(2,774)	(16,967)	(6,816)
Net cash from operating activities	28,808	139,504	68,776	224,038
Cash flows from investing activities				
Acquisitions of Property, plant and equipment	(440)	(608)	(1,226)	(657)
Additions of Intangible assets	(4,842)	(4,339)	(9,864)	(8,145)
Acquisitions of financial assets at FVTPL	(96,841)	(48,139)	(96,841)	(48,139)
Net collections/acquisitions of financial assets at FVPL	98,544	478	98,301	1,523
Interest collected from financial instruments	6,473	15,155	13,915	21,975
Net cash used in investing activities	2,894	(37,453)	4,285	(33,443)
Cash flows from financing activities				
Repurchase of shares	(81,751)	(61,011)	(81,751)	(97,929)
Share-options exercise	92	84	92	153
Interest payments on lease liability	(44)	(52)	(87)	(95)
Principal payments on lease liability	26	(146)	(69)	(276)
Finance expense paid related to derivative financial instruments	(888)	(9,184)	(11,039)	(11,337)
Other finance expense paid	(272)	(768)	(399)	(1,205)
Net cash (used in) / provided by financing activities	(82,837)	(71,077)	(93,253)	(110,689)
Net increase in cash flow	(51,135)	30,975	(20,192)	79,906
Cash and cash equivalents at the beginning of the period	572,357	517,892	536,160	468,092
Net increase in cash flow	(51,135)	30,975	(20,192)	79,906
Effects of exchange rate changes on cash and cash equivalents	10,398	519	15,652	1,388
Cash and cash equivalents at the end of the period	531,620	549,386	531,620	549,386

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DLocal Limited
Unaudited Consolidated Condensed Interim Financial Statements as of June 30, 2024 and for the six-month and three-month periods ended June 30, 2024 and 2023

DLocal Limited

Unaudited Consolidated Condensed Interim Statements of Comprehensive Income

For the six-month and three-month periods ended June 30, 2024 and 2023

(All amounts in thousands of U.S. Dollars except share data or as otherwise indicated)

		Six months ended		Three months ended	
	Notes	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Continuing operations					
Revenues	6	355,709	298,425	171,279	161,138
Cost of services	6	(222,927)	(165,828)	(101,468)	(90,378)
Gross profit		132,782	132,597	69,811	70,760
Technology and development expenses	7	(11,873)	(4,930)	(6,408)	(2,640)
Sales and marketing expenses	8	(9,136)	(7,963)	(4,505)	(3,106)
General and administrative expenses	8	(51,406)	(32,548)	(27,074)	(17,268)
Impairment reversal on financial assets	16	101	(30)	(76)	21
Other operating loss		(3,372)	—	(1,553)	—
Operating profit		57,096	87,126	30,195	47,767
Finance income	11	47,504	25,866	29,247	18,878
Finance costs	11	(19,160)	(17,016)	(1,202)	(11,419)
Inflation adjustment	11	(4,309)	(2,680)	(1,941)	(1,661)
Other results		24,035	6,170	26,104	5,798
Profit before income tax		81,131	93,296	56,299	53,565
Income tax expense	12	(17,174)	(13,055)	(10,060)	(8,774)
Profit for the period		63,957	80,241	46,239	44,791
Profit attributable to:					
Owners of the Group		63,952	80,141	46,244	44,697
Non-controlling interest		5	100	(5)	94
Profit for the period		63,957	80,241	46,239	44,791
Earnings per share					
Basic Earnings per share	14	0.22	0.27	0.16	0.15
Diluted Earnings per share	14	0.21	0.26	0.15	0.15
Other comprehensive Income					
<i>Items that may be reclassified to profit or loss:</i>					
Exchange difference on translation on foreign operations		(6,273)	3,163	(5,604)	1,675
Other comprehensive income for the period, net of tax		(6,273)	3,163	(5,604)	1,675
Total comprehensive income for the period		57,684	83,404	40,635	46,466
Total comprehensive income for the period is attributable to:					
Owners of the Group		57,678	83,305	40,642	46,371
Non-controlling interest		6	99	(7)	95
Total comprehensive income for the period		57,684	83,404	40,635	46,466

The accompanying notes are an integral part of these Unaudited Consolidated Condensed Interim Financial Statements.

DLocal Limited

Unaudited Consolidated Condensed Interim Statements of Financial Position

As of June 30, 2024 and December 31, 2023

(All amounts in thousands of U.S. Dollars except share data or as otherwise indicated)

	Notes	June 30, 2024	December 31, 2023
ASSETS			
Current Assets			
Cash and cash equivalents	15	531,620	536,160
Financial assets at fair value through profit or loss	16	120,297	102,677
Trade and other receivables	17	455,503	363,374
Derivative financial instruments	22	622	2,040
Other assets	18	10,878	11,782
Total Current Assets		1,118,920	1,016,033
Non-Current Assets			
Financial assets at fair value through profit or loss		—	1,710
Trade and other receivables		1,787	—
Deferred tax assets		1,913	2,217
Property, plant and equipment		3,576	2,917
Right-of-use assets		3,508	3,689
Intangible assets	19	60,637	57,887
Other assets	18	5,343	—
Total Non-Current Assets		76,764	68,420
TOTAL ASSETS		1,195,684	1,084,453
LIABILITIES			
Current Liabilities			
Trade and other payables	20	719,097	602,493
Lease liabilities		782	626
Tax liabilities	21	26,907	20,800
Derivative financial instruments	22	815	948
Provisions	23	276	362
Total Current Liabilities		747,877	625,229
Non-Current Liabilities			
Deferred tax liabilities		2,299	753
Lease liabilities		3,106	3,331
Total Non-Current Liabilities		5,405	4,084
TOTAL LIABILITIES		753,282	629,313
EQUITY			
	14		
Share Capital		574	591
Share Premium		173,093	173,001
Treasury Shares		(181,670)	(99,936)
Capital Reserve		32,812	21,575
Other Reserves		(14,829)	(9,808)
Retained earnings		432,307	369,608
Total Equity Attributable to owners of the Group		442,287	455,031
Non-controlling interest		115	109
TOTAL EQUITY		442,402	455,140
TOTAL LIABILITIES AND EQUITY		1,195,684	1,084,453

The accompanying notes are an integral part of these Unaudited Consolidated Condensed Interim Financial Statement.

DLocal Limited

Unaudited Consolidated Condensed Interim Statements of Changes in Equity

For the six-month period ended June 30, 2024 and 2023

(All amounts in thousands of U.S. Dollars except share data or as otherwise indicated)

	Notes	Share Capital	Share Premium	Treasury shares	Capital Reserve	Other Reserves	Retained Earnings	Total	Non- controlling interest	Total equity
Balance as of January 1st, 2024		591	173,001	(99,936)	21,575	(9,808)	369,608	455,031	109	455,140
Comprehensive Income for the period										
Profit for the period		—	—	—	—	—	63,952	63,952	5	63,957
Exchange difference on translation on foreign operations		—	—	—	—	(5,021)	(1,253)	(6,274)	1	(6,273)
Total Comprehensive Income for the period		—	—	—	—	(5,021)	62,699	57,678	6	57,684
Transactions with Group owners in their capacity as owners										
Share-options exercise	14	—	92	—	—	—	—	92	—	92
Share-based payments net of forfeitures	9	—	—	—	11,237	—	—	11,237	—	11,237
Repurchase of shares	14	(17)	—	(81,734)	—	—	—	(81,751)	—	(81,751)
Transactions with Group owners in their capacity as owners		(17)	92	(81,734)	11,237	—	—	(70,422)	—	(70,422)
Balance as of June 30, 2024		574	173,093	(181,670)	32,812	(14,829)	432,307	442,287	115	442,402
Balance as of January 1st, 2023		592	166,328	(2,021)	16,185	(1,448)	219,993	399,629	(9)	399,620
Comprehensive Income for the period										
Profit for the period		—	—	—	—	—	80,141	80,141	100	80,241
Exchange difference on translation on foreign operations		—	—	—	—	1,442	1,722	3,164	(1)	3,163
Total Comprehensive Income for the period		—	—	—	—	1,442	81,863	83,305	99	83,404
Transactions with Group owners in their capacity as owners										
Share-options exercise	14	—	2,158	—	(2,005)	—	—	153	—	153
Forfeitures	14	—	—	—	—	—	—	—	—	—
Share-based payments	9	—	—	—	3,750	—	—	3,750	—	3,750
Repurchase of shares		(14)	—	(97,915)	—	—	—	(97,929)	—	(97,929)
Transactions with Group owners in their capacity as owners		(14)	2,158	(97,915)	1,745	—	—	(94,026)	—	(94,026)
Balance as of June 30, 2023		578	168,486	(99,936)	17,930	(6)	301,856	388,908	90	388,998

The accompanying notes are an integral part of these Unaudited Consolidated Condensed Interim Financial Statements.

DLocal Limited

Unaudited Consolidated Condensed Interim Statements of Cash Flows

For the six-month periods ended June 30, 2024 and 2023

(All amounts in thousands of U.S. Dollars except share data or as otherwise indicated)

		Six months ended	
	Notes	June 30, 2024	June 30, 2023
Cash flows from operating activities			
Profit before income tax		81,131	93,296
Adjustments:			
Interest (Income) from financial instruments	11	(13,915)	(22,212)
Interest charges for lease liabilities	11	87	95
Other finance expense		1,800	1,202
Finance expense related to derivative financial instruments		12,324	9,869
Net exchange differences		6,168	4,082
Fair value gain on financial assets at fair value through profit or loss	11	(33,589)	(3,654)
Amortization of Intangible assets	10	7,114	4,668
Depreciation of Property, plant and equipment and Right-of-use asset	10	737	716
Disposal of Right-of-use asset	10	11	—
Share-based payment expense, net of forfeitures	9	11,237	3,750
Other operating loss		3,372	—
Net Impairment loss/(gain) on financial assets	16	(101)	30
Inflation adjustment		(11,874)	—
		64,502	91,842
Changes in working capital			
Increase in Trade and other receivables	17	(102,158)	(59,386)
Decrease in Other assets	18	2,503	12,157
Increase in Trade and other payables	20	113,232	190,139
Increase/(Decrease) in Tax Liabilities	21	7,750	(3,341)
Decrease in Provisions	23	(86)	(557)
Cash from operating activities		85,743	230,854
Income tax paid		(16,967)	(6,816)
Net cash from operating activities		68,776	224,038
Cash flows from investing activities			
Acquisitions of Property, plant and equipment		(1,226)	(657)
Additions of Intangible assets	19	(9,864)	(8,145)
Acquisition of financial assets at FVPL		(96,841)	(48,139)
Net collections of financial assets at FVPL		98,301	1,523
Interest collected from financial instruments		13,915	21,975
Net cash used in investing activities		4,285	(33,443)
Cash flows from financing activities			
Repurchase of shares	14	(81,751)	(97,929)
Share-options exercise		92	153
Interest payments on lease liability		(87)	(95)
Principal payments on lease liability		(69)	(276)
Finance expense paid related to derivative financial instruments		(11,039)	(11,337)
Other finance expense paid		(399)	(1,205)
Net cash (used in)/provided by financing activities		(93,253)	(110,689)
Net increase in cash flow		(20,192)	79,906
Cash and cash equivalents at the beginning of the period		536,160	468,092
Effects of exchange rate changes and inflation on cash and cash equivalents		15,652	1,388
Cash and cash equivalents at the end of the period		531,620	549,386

The accompanying notes are an integral part of these Unaudited Consolidated Condensed Interim Financial Statements.

DLocal Limited

Notes to Unaudited Consolidated Condensed Interim Financial Statements

At June 30, 2024

(All amounts in thousands of U.S. Dollars except share data or as otherwise indicated)

1. General information and Significant Events during the period**1.1. General information**

DLocal Limited (“dLocal” or the “Company”) was established on October 5, 2016 as a limited liability holding company in Malta (together with its subsidiaries as the “Group”). On April 14, 2021 the Group was reorganized under dLocal and domiciled and incorporated in the Cayman Islands. The Company holds a controlling financial interest in the Group.

The Group processes payment transactions, enabling merchants located in developed economies (mainly United States, Europe and China) to receive payments (“pay-ins”) from customers in emerging markets and to facilitate payments (“pay-outs”) to customers in emerging markets. As of the date these Unaudited Consolidated Condensed Interim Financial Statements were issued, the Group continued to focus on its geographic expansion, increasing the total number of in-network countries.

The Group processes local payments in emerging markets through its network of acquirers and payments processors. Through its partnership with financial institutions, the Group expatriates/repatriates funds to/from developed economies where the merchant customers elect settlement in their preferred currency (mainly U.S. Dollar and Euro). These unaudited consolidated condensed interim financial statements include dLocal’s 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 operates and may be licensed, as applicable, in many countries in emerging markets, primarily in the Americas, Asia and Africa.

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 Fifth Anti-Money Laundering Directive (Directive (EU) 2018/843, “MLD5”) and the proposed amendments to the MLD4, often referred to as the fourth Anti-Money Laundering Directive.

1.2. Significant events during the period**a) Class action lawsuits**

On February 23 and February 28, 2023, respectively, we were named, along with several of our senior executives and/or directors, as defendants in certain putative class action lawsuits filed in the Supreme Court of the State of New York, New York County, asserting claims under Sections 11, 12, and 15 of the Securities Act of 1933, based in significant part on the short-seller report. These matters, Zappia et al. v. DLocal Limited et al., Index No. 151778/2023 (Sup. Ct. N.Y. Cty.), and Hunt et al. v. DLocal Limited et al., Index No. 651058/2023 (Sup. Ct. N.Y. Cty.), or the Zappia and Hunt Actions, allege, among other things, that the registration statement for our June 2021 initial public offering reflected certain material misstatements or omissions.

On March 3, 2023, plaintiffs in the two actions filed a stipulation and proposed order consolidating the cases and appointing putative lead counsel. The parties also agreed to a schedule for plaintiffs' filing of an amended complaint and a subsequent briefing schedule for a motion to dismiss the amended complaint.

On May 12, 2023, plaintiffs in the Zappia and Hunt Actions jointly filed a consolidated amended complaint. On July 11, 2023, we filed a motion to dismiss the complaint. Plaintiffs filed their opposition brief on August 15, 2023, and we filed a reply in further support of our motion to dismiss on September 22, 2023. Our motion to dismiss is now fully briefed, and, on February 29, 2024, the court presided over oral argument on the motion. The court has not yet issued a decision on the motion, and no other proceedings are currently ongoing or scheduled.

We have also been named, along with several of our senior executives and/or directors, in a putative class action lawsuit filed in the U.S. District Court for the Eastern District of New York, asserting claims under Sections 11 and 15 of the Securities Act and Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as well as Rule 10b-5 promulgated thereunder. This lawsuit, captioned *Laurenzi v. dLocal Ltd., et al.*, 1:23-cv-07501 (E.D.N.Y.) (Laurenzi Action), was initiated on October 6, 2023. On January 4, 2024, the Court appointed a Lead Plaintiff. On March 18, 2024, Lead Plaintiff filed an amended class action complaint. The amended complaint alleges misstatements and omissions in the registration statement for our June 2021 initial public offering and in various public filings and press releases during the period of June 2, 2021 through June 5, 2023. Pursuant to a schedule agreed upon with Lead Plaintiff's counsel, we filed on April 30, 2024, a letter, as required by court rules, requesting a pre-motion conference regarding an anticipated motion to dismiss the Laurenzi Action in full. Lead Plaintiff responded to that letter on May 14, 2024. On June 10, 2024, the court held the requested preliminary conference and set a schedule for briefing on our motion to dismiss. We served our opening brief on August 9, 2024, Lead Plaintiff's opposition is due on October 11, 2024, and our reply is due on November 8, 2024.

Due to the preliminary posture of the above-described lawsuits as of the date of issuance of these unaudited consolidated condensed interim financial statements, the Management and its legal advisors are unable to evaluate the likelihood of an adverse outcome or estimate a range of potential losses and no provision for contingencies have been recorded for the aforementioned matters. DLocal Limited intends to defend itself vigorously in these actions. As of the date of issuance of the Company's unaudited interim financial statements there were no further updates in this regard.

Developments in Argentina

Argentina is subject to extensive foreign exchange regulations which were revised as recently as December 2023. We and our legal advisors consider our activities to be carried out in compliance with applicable laws and regulations, including compliance with foreign exchange market and tax regulations. As of the date of this unaudited interim report, no provision for contingencies has been recorded for the aforementioned matters.

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 Unaudited Consolidated Condensed Interim Financial Statements for the six months ended June 30, 2024 have been prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting” as issued by the International Accounting Standard Board.

These Unaudited 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, 2023 (the “Annual Financial Statements”).

The accounting policies and critical accounting estimates and judgments adopted, except for those explicitly indicated on these Unaudited Consolidated Condensed Interim Financial Statements, are consistent with those of the previous financial year and corresponding interim reporting period.

All amounts are presented in thousands of U.S. Dollars except share data or as otherwise indicated.

These Unaudited Consolidated Condensed Interim Financial Statements for the six months ended June 30, 2024 were authorized for issuance by the dLocal’s Board of Directors on August 13, 2024.

2.2. Changes in accounting policies adopted by the Group

Treasury shares

As of June 30, 2024, the Group has adopted a voluntary change in the accounting policy regarding the classification of treasury shares to better reflect the Group’s equity structure. Previously, treasury shares were recognized under the share premium in the equity. As part of the new policy, and in connection with the repurchase of shares mentioned in note 14 c., the Group has decided to classify treasury shares separately in the equity position.

Treasury shares are recorded at cost, which includes the purchase price and any directly attributable costs of acquisition. The cost of treasury shares is presented as a deduction from equity, specifically within the “Treasury Shares” reserve. No gain or loss is recognized in the income statement on the purchase, sale, issue, or cancellation of the company’s own equity instruments.

2.3. New accounting pronouncements

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2023. The Company evaluated and, when necessary, applied for the first time the new standards and interpretations issued or modified by the IASB as demonstrated in the item 2.4, and did not identify any significant impacts thereof on the disclosure or reported amounts.

2.4. Impact of IFRS Accounting Standards issued but not yet applied by the Group

The following new standards, amendments to standards and interpretation of IFRS issued by the IASB were not adopted since they are not effective for the issuance of the interim condensed consolidated financial statements. The Company plans to adopt these new standards, amendments, and interpretation, if applicable, when they become effective.

IAS 21 - The effects of changes in Foreign Exchange Rates (effective on January 01, 2025)

In August 2023, the IASB amended IAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not. These new requirements will apply for annual reporting periods beginning on or after 1 January 2025. The Company is assessing the impact of the standard.

IFRS 18 - Presentation and disclosure in financial statements (effective on January 01, 2027)

On 9 April 2024, the IASB issued a new standard IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

IFRS 18 will apply for reporting periods beginning on or after 1 January 2027 and also applies to comparative information.

IFRS 9 – Financial Instruments and IFRS 07 Financial Instruments: Disclosure (effective on January 1, 2026)

On 30 May 2024, the IASB issued target amendments to IFRS 9 and IFRS 7. The amendments intend to:

- Clarify the period of recognition and derecognition of some financial assets and liabilities, with new exception for some financial liabilities settled through electronic cash transfer;
 - Provides further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
 - New disclosures for certain instruments with contractual terms that can change cash flows and equity instruments designated at FVTOCI.
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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 Unaudited Consolidated Condensed Interim Financial Statements are consistent with those of the previous financial year and corresponding interim reporting period.

4. Consolidation of subsidiaries

DLocal Limited, located in Cayman Islands, is the parent company of the Group and acts as a holding company for subsidiaries whose main activity is cross-border and local 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.

There were no changes since December 31, 2023 in the accounting practices adopted for consolidation of the Company’s direct and indirect interests in its subsidiaries for the purposes of these unaudited interim condensed consolidated financial statements. The following entities were incorporated or acquired by the Group during the six month period ended June 30, 2024.

Entity name	Country of incorporation	Principal activities	% of equity interest held by Dlocal
			June 30, 2024
Olmerix S.A.	Uruguay	Finance entity	100%
Dlocal Nicaragua S.A.	Nicaragua	Collection entity	100%
Dlocal Malaysia Sdn. Bhd.	Malaysia	Collection entity	100%
CRI Demerge Costa Rica SRL	Costa Rica	Collection entity	100%
Demerge Singapore PTE Ltd	Singapore	Collection entity	100%

The Group has determined that the acquisition or incorporation of these subsidiaries during 2024 do not constitute a business combination according to IFRS 3.

5. Segment reporting

The Group operates as a single operating segment, “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 (“CODM”) who is the Group’s Executive Team represented by executive officers and directors holders of ordinary shares of the immediate parent of the Company. The Group has determined that its Executive Team is the chief operating decision maker as they determine the allocation of resources and assess performance.

The Executive Team evaluates the Group’s financial information and resources, and assess the financial performance of these resources based on consolidated Revenue, Adjusted EBITDA and Adjusted EBITDA margin as further described below.

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. Adjusted EBITDA is defined as the consolidated profit from operations before financing and taxation for the applicable reporting period before depreciation of PP&E, amortization of right-of-use assets and intangible assets. It also excludes adjustments applied to subsidiaries operating hyperinflationary environments, other operating loss, impairment gain/loss on financial assets, other non-recurring costs and share-based payment non-cash charges. The Group defines Adjusted EBITDA Margin as the Adjusted EBITDA divided by Revenue.

The Group reconciles the segment’s performance measure to profit for the period as presented in the Consolidated Condensed Interim Statements of Comprehensive Income as follows:

	Note	Six months ended		Three months ended	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Profit for the period (i)		63,957	80,241	46,239	44,791
Income tax expense	12	17,174	13,055	10,060	8,774
Inflation adjustment	11	4,309	2,680	1,941	1,661
Finance income	11	(47,504)	(25,866)	(29,247)	(18,878)
Finance costs	11	19,160	17,016	1,202	11,419
Depreciation and amortization	10	7,851	5,384	4,089	2,869
Other operating (gain)/loss		3,372	—	1,553	—
Impairment loss / (gain) on financial assets	16	(101)	30	76	(21)
Other non-recurring costs (ii)	8	—	1,229	—	—
Share-based payment non-cash charges, net of forfeitures	9	11,237	3,750	6,776	1,421
Adjusted EBITDA		79,455	97,519	42,689	52,036
Revenues	6	355,709	298,425	171,279	161,138
Adjusted EBITDA		79,455	97,519	42,689	52,036
Adjusted EBITDA Margin		22.3%	32.7%	24.9%	32.3%

i) Includes a net gain related to the effective portion of the change in the spot rate of the hedged foreign currency risk. For further information refer to Note 22 Derivative financial instruments.

ii) For six-month period ended June, 2023 other non-recurring costs related to an internal review of the allegations made by a short-seller report and class action expense, which includes fees from independent counsel, independent global expert services and forensic accounting advisory firm.

The Group’s revenue, results and assets for this one reportable segment can be determined by reference to the Unaudited Consolidated Condensed Statement of Comprehensive Income and Unaudited 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 and country

The Group’s revenues arise from operations in many countries, where the merchants’ customers are based.

The following table presents the Group’s revenue by region and country where the payments from/to the merchant customers in certain regions represented at least 10% of Total Revenues amounted on the three-month and six-month periods June 30, 2024 and 2023.

	Six months ended		Three months ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
LatAm	264,108	225,115	138,718	126,877
Brazil	85,333	64,030	42,265	41,213
Mexico	69,871	51,009	35,838	28,303
Argentina	34,304	40,732	20,506	20,709
Chile	24,652	28,385	12,299	14,153
Other countries	49,948	40,959	27,810	22,499
Asia and Africa	91,601	73,310	32,561	34,261
Egypt	54,032	8,124	15,022	4,654
Nigeria	8,321	47,293	1,074	20,365
Other countries	29,248	17,893	16,465	9,242
Revenues	355,709	298,425	171,279	161,138

Revenue with large customers

For the six months ended June 30, 2024, the Group’s revenue from its top 10 merchants represented 63% of revenue (58% of revenue for the six months ended June 30, 2023). For the six months ended June 30, 2024 there is two customers (one customer for the six months ended June 30, 2023) that on an individual level accounted for more than 10% of the total revenue.

Non current assets by country

The Company does not have any non-current assets located in the entity’s country of domicile.
Material non-current assets are the Intangible Assets described in Note 19: Intangible Assets.

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:

	Six months ended		Three months ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Transaction revenues (i)	353,895	294,205	170,612	158,696
Other revenues (ii)	1,814	4,220	667	2,442
Revenues from payment processing	355,709	298,425	171,279	161,138
Cost of services	(222,927)	(165,828)	(101,468)	(90,378)
Gross profit	132,782	132,597	69,811	70,760

- (i) Transaction revenues are comprised of processing fees, foreign exchange fee, installment fee, chargebacks, refunds fee, and other transactional fees. These fees are recognized as revenue at a point in time when a payment transaction, or its reversal in the case of chargeback and refunds, has been processed.
- (ii) Other revenues are mainly comprised of minor fees, such as initial setup fees, smart defense fees, issuing fees, maintenance fees, minimum monthly fees, and small transfer fees.

(b) Revenue recognized at a point in time and over time

Transaction revenues are recognized at a point in time when the payment transaction, or its reversal in the case of chargeback and refunds, 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 six months ended June 30, 2024 and 2023.

(c) *Cost of services*

Cost of services are composed of the following:

	Six months ended		Three months ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Processing costs (i)	211,740	158,249	95,539	86,446
Hosting expenses (ii)	3,785	3,021	2,011	1,463
Salaries and wages (iii)	1,337	939	753	502
Amortization of intangible assets (iv)	6,065	3,619	3,165	1,967
Cost of services	222,927	165,828	101,468	90,378

- (i) Include fees financial institutions (e.g., banks, local acquirers or payment methods) charge the Group, typically as percentage of the transaction value, but in certain cases, as a fixed fee in the case of pay-outs in relation to payment processing, cash advances, and installment payments. Such fees vary by financial institution and typically depend on the settlement period contracted with such institution, the payment method used and the type of product (e.g., pay-in or a pay-out). These fees also include conversion and expatriation or repatriation costs charged by banks and brokers and the corresponding hedging results. The effect recorded for the three months and six months ended June 30, 2024 was a gain of USD 1,477 and a loss of USD 9,064, compared to USD 4,827, and 5,617 for the three months and six months ended June 30, 2023. For further details see Note 22. Derivative financial instruments.
- (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 19: Intangible Assets.

7. Technology and development expenses

Technology and development expenses are composed of the following:

	Six months ended		Three months ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Salaries and wages (i)	5,286	2,231	2,766	1,228
Software licenses (ii)	3,342	1,334	1,853	665
Infrastructure expenses (iii)	2,435	985	1,345	543
Information and technology security expenses (iv)	85	130	33	54
Other technology expenses	725	250	411	150
Total Technology and development expenses	11,873	4,930	6,408	2,640

- (i) Consist primarily of FTEs compensation related to technology related roles, excluding the capitalized salaries and wages related to internally generated software. 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.
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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>	Six months ended		Three months ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Salaries and wages (i)	7,244	5,969	3,391	2,447
Marketing expenses (ii)	1,892	1,994	1,114	659
Total Sales and marketing expenses	9,136	7,963	4,505	3,106
<i>General and administrative expenses</i>	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Salaries and wages (i)	29,350	15,527	15,766	8,379
Third-party services (iii)	11,342	9,022	5,928	4,448
Office expenses	1,312	1,940	611	1,033
Travel and other operating expenses	7,616	4,294	3,845	2,506
Amortization and depreciation	1,786	1,765	924	902
Total General and administrative expenses	51,406	32,548	27,074	17,268

- (i) Salaries and wages related to Full Time Equivalents (“FTE”) engaged in the Sales, Marketing and General and Administrative departments of the Group. For further detail on total salaries and wages refer to Note 9: Employee Benefits.
- (ii) Expenses related to trade marketing at events, the distribution and production of marketing and advertising campaigns mostly related to public relations expenses, commissions to third-party sales force and partners, and online performance marketing.
- (iii) Includes Advisors’ fees, Legal fees, Auditors’ fees and Human resources’ fees.

9. Employee Benefits

Employee benefits is composed of the following:

Salaries, wages and contractor fees (i)	Six months ended		Three months ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Salaries, wages and contractor fees (i)	40,775	29,061	20,550	15,474
Share-based payments (ii)	11,237	3,750	6,776	1,421
Total employee benefits	52,012	32,811	27,326	16,895

- (i) Salaries, wages and contractor fees include social security costs as well as annual bonuses compensations. This line also includes USD 4,650 for the three months ended June 30, 2024 and USD 8,795 for the six months ended June 30, 2024 (USD USD 4,339 for the three months ended June 30, 2023 and 8,145 for the six months ended June 30, 2023) related to capitalized salaries and wages.
- (ii) The share-based payments relate to equity-settled compensation expenses, net of forfeitures if any. For further information refer to Note 13: Share-based payments.

10. Amortization and Depreciation

Amortization and depreciation expenses are composed of the following:

	Six months ended		Three months ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Amortization of intangible assets	7,114	4,668	3,690	2,492
Amortization of Right-of-use asset	170	309	81	165
Depreciation of Property, plant & equipment	567	407	318	212
Total Amortization and Depreciation	7,851	5,384	4,089	2,869

For further information related to amortization of intangible assets refer to Note 19: Intangible Assets.

11. Other Results

Other results is composed of the following categories:

	Six months ended		Three months ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Interest Income from Financial Instruments (i)	13,915	22,212	6,473	15,313
Fair value gains of financial assets at FVPL (i)	33,589	3,654	22,774	3,565
Finance income	47,504	25,866	29,247	18,878

	Six months ended		Three months ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Finance expense related to derivative financial instruments (ii)	(11,039)	(11,637)	(888)	(7,051)
Other finance expenses (iii)	(8,034)	(5,284)	(270)	(4,316)
Interest charges for lease liabilities (iv)	(87)	(95)	(44)	(52)
Finance costs	(19,160)	(17,016)	(1,202)	(11,419)
Inflation adjustment (v)	(4,309)	(2,680)	(1,941)	(1,661)
Other results	24,035	6,170	26,104	5,798

- (i) Includes financial income and gains resulting from the remeasurement of short-term liquid financial instruments and financial assets measured at fair value through profit and loss.
- (ii) Represents the rate implicit in derivative financial instruments not designated as hedging instruments. The Group elected to separate the spot element from the forward element of the derivative foreign exchange instruments and designated as a hedging instrument the changes in the fair value of the spot element. Changes in the fair value of the hedging portion of the derivative contract are recognized within Costs of Services while changes in the fair value of the non-designated portion; i.e. the forward element, are presented within Finance Costs. For further information refer to Note 22 Derivative financial instruments.
- (iii) Represents net effects of foreign exchange results in subsidiaries and in an intra-group loan denominated in US Dollars between subsidiaries located in Argentina and Malta, as well as, a fair value adjustments of other financial assets measured at FVTPL.
- (iv) Finance costs associated with lease liabilities resulting from the application of IFRS 16 Leases.
- (v) As required by IAS 29, the financial statements of the Group's Argentina subsidiary was restated to reflect the purchasing power of the hyperinflationary currency. Therefore, a loss on net monetary position was recognized during the period ended June 30, 2024.

12. 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 income tax rate used for the six months ended June 30, 2024 is 21.2%, compared to 14.0% for the six months ended June 30, 2023. The effective income tax rate increase is explained by an increase in the results of subsidiaries located in countries where the income tax rate is higher.

The income tax charge recognized in profit and losses is the following:

	Six months ended		Three months ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Current Income Tax				
Current Income Tax on profits for the period	(15,324)	(11,318)	(9,943)	(7,687)
Total Current Income Tax expense	(15,324)	(11,318)	(9,943)	(7,687)
Deferred income tax				
(Decrease)/Increase in deferred income tax assets	(304)	447	(270)	261
(Increase)/Decrease in deferred income tax liabilities	(1,546)	(2,184)	153	(1,348)
Total Deferred income tax (expense)	(1,850)	(1,737)	(117)	(1,087)
Income Tax expense	(17,174)	(13,055)	(10,060)	(8,774)

13. Share-based payments

During the six months ended June 30, 2024 , the Group granted new share options and restricted share units under the Amended and Restated 2020 Global Share Incentive Plan 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.

Set out below are summaries of restricted share units and share options granted under the plan:

	June 30, 2024		December 31, 2023	
	Average exercise price (U.S. Dollars)	Number of options and RSUs	Average exercise price (U.S. Dollars)	Number of options and RSUs
At the beginning of the period	6.86	6,962,302	8.30	3,534,561
Granted during the period	4.34	672,133	5.53	4,340,239
Exercised during the period	0.31	(288,301)	2.25	(663,897)
Cancelled during the period	—	(4,158)	—	—
Forfeited during the period	9.33	(423,518)	14.06	(248,601)
At the end of the period	6.74	6,918,458	6.86	6,962,302
Vested and exercisable at the end of the period	8.32	1,090,536	7.03	704,006

No options expired during the periods covered by the above table.

As of June 30, 2024, the Group has 230,000 PSUs, 3,433,131 RSUs, and 3,255,327 Stock Options outstanding.

For the six months period ended June 30, 2024, total compensation expense of the plans was USD 11,237 (June 30, 2023 - USD 3,750) as presented in Note 9 Employee Benefits.

14. Capital management

(a) Share capital

At the date of this interim report, the total authorized share capital of the Group was USD 3,000,000, divided into 1,500,000,000 shares par value USD 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.

The rights of the holders of Class A Common Shares and Class B Common Shares are identical, except with respect to voting, conversion and transfer restrictions applicable to the Class B Common Shares. Each Class A Common Share is entitled to one vote while Class B Common Shares are entitled to five votes each. Each Class B Common Share is 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 vote together as a single class on all matters unless otherwise required by law.

Authorized shares, as well as issued and fully paid-up shares, are presented below:

	June 30, 2024		June 30, 2023	
	Amount	USD	Amount	USD
Issued and Fully Paid Up Shares of USD 0.002 each				
Class A Common Shares	153,057,786	306	155,193,014	310
Class B Common Shares	134,054,192	268	134,054,192	268
	287,111,978	574	289,247,206	578
Share Capital evolution				
Share Capital as at January 1	295,991,665	591	296,029,870	592
i) Issue of common shares at USD 0.002	288,301	— *	253,572	—
ii) Repurchase of shares	(9,167,988)	(17)	(7,036,236)	(14)
Share capital as of June 30, 2024	287,111,978	574	289,247,206	578

* Amounts are rounded to the nearest thousand and should not be interpreted as zero.

(b) Share Premium

For the six months ended June 30, 2024 and 2023, dLocal issued 288,301 and 253,572 new Class A Common Shares receiving total proceeds of USD 92 and 153, respectively, related to the exercise of share-options.

(c) Treasury Shares

On May 13, 2024, the Board of Directors of Dlocal approved a share buyback program. The Company is authorized to purchase up to \$200 million of its Class A common shares from May 15, 2024, to May 31, 2025.

As of June 30, 2024 the Company has repurchased 9,167,988 shares at an average price of USD 8.92 per share, amounting to a total consideration of USD 81,751. The repurchased shares are held as treasury shares and are accounted for at cost.

(d) Capital reserve

The Capital reserve corresponds to reserves related to the share-based plans, as described in Note 13: Share-based payments and warrants to the Annual Financial Statements for the year ended December 31, 2023. Accordingly, this reserve is related to share-based payment compensation plans of the Group. As of June 30, 2024, the shared-based payments represent a total of USD 11,237.

(c) Other Reserves

The reserves for the Group relate to cumulative translation adjustment representing differences on conversion of assets and liabilities at the reporting date.

(e) Earnings per share

Basic earnings per share is calculated by dividing net income for the period attributed to the owners of the parent by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated by dividing net income attributable to owners of DLO by the weighted average number of shares outstanding during the year plus the weighted average number of shares that would be issued on conversion of all dilutive potential shares into shares by applying the treasury stock method. The shares in the share-based plan are the only shares with potential dilutive effect.

The following table presents the calculation of net income applicable to the owners of the parent and basic and diluted EPS for the six and three months period ended of June 30:

	Six months ended		Three months ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Profit attributable to common shareholders (U.S. Dollars)	63,952,000	80,141,000	46,244,000	44,697,412
Weighted average number of common shares	294,781,316	293,403,907	293,430,253	291,700,873
Adjustments for calculation of diluted earnings per share(1)	15,348,015	16,358,508	14,996,249	16,160,368
Weighted average number of common shares for calculating diluted earnings per share	310,129,331	309,762,415	308,426,502	307,861,241
Basic earnings per share	0.22	0.27	0.16	0.15
Diluted earnings per share	0.21	0.26	0.15	0.15

1 For the six months ended June 30, 2024, the adjustment corresponds to the dilutive effect of i) 8,266,680 average shares related to share-based payment warrants described in Note 13: Share-based payments and warrants to the Annual Financial Statements for the year ended December 31, 2023; and ii) 7,081,335 average shares related to share-based payment plans with employees (14,612,059 and 1,746,449 respectively for the six months ended June 30, 2023). For the three months ended June 30, 2024, the adjustment corresponds to the dilutive effect of i) 8,138,593 average shares related to share-based payment warrants; and ii) 6,857,656 average shares related to share-based payment plans with employees (14,555,263 and 1,605,105 respectively for the three months ended June 30, 2023).

15. Cash and cash equivalents

Cash and cash equivalents breakdown is presented below:

	June 30, 2024	December 31, 2023
Own Balances	186,181	222,808
Merchant Clients Funds	345,439	313,352
	531,620	536,160

As of June 30, 2024, USD 531,620 (USD 536,160 on December 31, 2023) 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 or transferred to Own Funds accounts for the portion that corresponds to the Group fees. As of June 30, 2024 , Merchant Clients Funds includes USD 66,479 pending to be transferred to Own Funds accounts (USD 59,900 as of December 31, 2023).

16. Financial assets at fair value through profit or loss

(a) Classification of financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include the following:

Instrument	Reference	Maturity date	Interest rate (%)	Linked with	June 30, 2024	December 31, 2023
Argentina Treasury Bonds	TV24 (i)	Apr-24	0.40%	Dollar linked	—	94,667
Argentina Treasury Bonds	TDG24	Aug-24	0%/3.25%	U.S. Dollar/CER index*	9,572	8,059
Argentina Treasury Bonds	TDE25	Jan-25	0%/3.25%	U.S. Dollar/CER index*	2,173	1,661
Argentina Treasury Bonds	TV25	Mar-25	0.50%	Dollar linked	11,083	—
Argentina Treasury Bonds	TZV25	Jun-25	—	Dollar linked	71,489	—
Argentina Treasury Bonds	T2V4	Sep-24	0.50%	Dollar linked	576	—
Argentina Treasury Notes	S31E5 (ii)	Jan-25	5.50%	—	25,404	—
					120,297	104,387

*Stabilization Reference Coefficient adjusted by inflation

(i) According to the respective maturity date, the bond TV24 was fully settled during April, 2024. We used the funds to acquire new financial assets and bonds to reinforce our economic commitment.

(ii) The Company has applied the fair value option irrevocably designated as measured at FVPL as an alternative measurement for selected financial assets, which the Company had not irrevocably elected to classify at fair value through OCI.

(b) Amounts recognized in profit or loss

Information about the Group’s impact on profit or loss of bonds is discussed in Note 11: Other Results

(c) Risk exposure and fair value measurements

All of the Group’s listed bonds investments are listed on the Argentinian Stock Exchange (Bolsas y Mercados Argentinos - BYMA). For the investments classified as FVPL, the impact of a 10% increase in the Argentinian Index at the reporting date on profit or loss would have been an increase of USD 12,029 after tax. An equal change in the opposite direction would have decreased profit or loss by USD 12,029 after tax.

17. Trade and other receivables

Trade and Other Receivables of the Group are composed of the following:

	June 30, 2024	December 31, 2023
Current		
Trade receivables	398,803	319,921
Loss allowance	(165)	(459)
Trade receivables net	398,638	319,462
Advances and other receivables	56,865	43,912
Total Current Trade and Other Receivables	455,503	363,374
	June 30, 2024	December 31, 2023
Non current		
Advances and other receivables	1,787	—
Total Non Current Trade and Other Receivables	1,787	—

Trade Receivables represent 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. All Trade and other receivables have been assigned in “normal” credit risk rating which applies to financial assets for which a significant increase in credit risk has not occurred since initial recognition.

Loss allowance and impairment losses

The following table presents the evolution of the loss allowance:

	2024	2023
Opening book value as at January 1	(459)	(280)
Decrease in loss allowance for trade receivables	282	(30)
Reversal of write-off	12	140
Total as at June 30	(165)	(170)
Net impairment gain on financial assets	101	(30)

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 June 30, 2024 and December 31, 2023 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 48 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 average expected credit loss rate of the 0-30 past due bucket was determined at 0.1% for the six months ended June 30, 2024 (0.2% in the six months ended June 30, 2023).

18. Other Assets

Other assets are composed of the following:

	June 30, 2024	December 31, 2023
Current		
Money held in escrow and guarantees due to: (i)	9,065	11,635
-Banks requirements	5,069	3,000
-Processors and others requirements	3,873	5,072
-Credit card requirements	123	3,563
Rental guarantees	214	147
Other financial asset measure as FVTPL (ii)	1,599	—
Total current Other Assets	10,878	11,782
Non Current		
Other financial asset measure as FVTPL (ii)	5,343	—
Total Non Current Other Assets	5,343	—

- (i) Includes own funds and investments held in escrow and guarantees required by processors, credit cards and merchants. In 2023, some merchants entered into stand by credit letters with banks that required the Group to maintain certain collaterals in such banks. Amounts held in escrow also include funds held in a pledge account to collateralize overdrafts and pre-settlements agreements with a bank. Finally, it also includes guarantees issued to processors and credit cards institutions. These agreements have short-term maturities
- (ii) During the six-month period ended June 30, 2024, the Company reclassified USD 6,942 from trade receivables to other assets. These financial assets, which are held at fair value through profit or loss, do not qualify for measurement at amortized cost or fair value through other comprehensive income. The net present value of these selected financial instruments was determined in an unquoted market.

19. Intangible Assets

Intangible assets of the Group correspond to acquired software, capitalized expenses related to internally generated software and acquired merchant agreements, and are stated at cost less accumulated amortization.

	2024			2023		
	Internally generated software	Acquired and other intangible assets	Total	Internally generated software	Acquired and other intangible assets	Total
Cost	40,446	39,901	80,347	23,752	39,335	63,087
Accumulated amortization	(16,683)	(5,777)	(22,460)	(7,972)	(3,672)	(11,644)
Opening book value as at January 1	23,763	34,124	57,887	15,780	35,663	51,443
Additions (i)	8,795	1,069	9,864	8,145	—	8,145
Amortization of the period	(6,065)	(1,049)	(7,114)	(3,619)	(1,049)	(4,668)
Total as at June 30	26,493	34,144	60,637	20,306	34,614	54,920
Cost	49,241	40,970	90,211	31,897	39,335	71,232
Accumulated amortization	(22,748)	(6,826)	(29,574)	(11,591)	(4,721)	(16,312)

(i) The additions of the six months ended June 30, 2024 include USD 8,795 related to capitalized salaries and wages (USD 8,145 as of June 30, 2023).

	As of June 30, 2024	As of December 31, 2023
Cost	90,211	80,347
Accumulated amortization	(29,574)	(22,460)
Net book amount	60,637	57,887

As of June 30, 2024 , and December 31, 2023 no indicator of impairment related to intangible assets existed, so the Group did not perform an impairment test.

20. Trade and other payables

Trade and Other Payables are composed of the following:

	June 30, 2024	December 31, 2023
Trade Payables	675,986	572,394
Accrued Liabilities	13,967	10,192
Other Payables	29,144	19,907
Total Trade and other payables	719,097	602,493

Trade and other 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.

21. Tax Liabilities

The tax liabilities breakdown is as follows:

	June 30, 2024	December 31, 2023
Income tax payable	21,923	20,280
Other tax liabilities	4,984	520
Income tax perception	2,189	159
Digital services withholding VAT	2,795	341
Other Taxes	—	20
Total Tax Liabilities	26,907	20,800

22. Derivative financial instruments

Derivative financial instruments: forward agreements

The Group’s operations are in various foreign currencies and consequently are exposed to foreign currency risk. As a consequence, the Group uses derivative instruments, delivery and non-delivery currency forward contracts and future contracts, to reduce the volatility of earnings and cash flows, caused by the exchange rate variation in which dLocal is exposed on the conversion of local currency into the settlement currency (usually US dollars). All outstanding derivatives are recognized in the Group’s consolidated balance sheets at fair value and the impacts are recognized on profit or loss, as shown on the tables below.

The Group uses foreign exchange forward contracts to manage some of its transaction exposures. The spot element of foreign exchange forward contracts are designated as hedging instruments in fair value hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from one to 12 months.

In USD thousand	Type Contract	Outstanding notional amount as of June 30, 2024	Outstanding balance as of June 30, 2024 - Derivative financial assets / (liabilities)	Outstanding notional amount as of December 31, 2023	Outstanding balance as of December 31, 2023 - Derivative financial assets / (liabilities)
Assets					
Buy EUR					
<i>US Dollar</i>	Non-delivery forwards	—	—	29,114	480
Buy USD					
<i>Brazilian Reais</i>	Non-delivery forwards	493	11	—	—
<i>Argentine Peso</i>	Non-delivery forwards	5,000	381	3,400	7
<i>Argentine Peso</i>	Futures Contract	3,500	21	—	—
<i>Egyptian Pound</i>	Non-delivery forwards	9,888	155	20,865	1,479
<i>Uruguayan Peso</i>	Forward	1,258	8	—	—
<i>Japan</i>	Forward	73	1	—	—
Sell EUR					
<i>US Dollar</i>	Futures Contract	(11,426)	6	—	—
Sell USD					
<i>Argentine Peso</i>	Futures Contract	(1,000)	28	—	—
<i>Southafrian Rand</i>	Forward	(88)	1	(2,345)	12
<i>Southafrian Rand</i>	Futures Contract	(539)	11	—	—
<i>Peruvian Sol</i>	Non-delivery forwards	—	—	(1,252)	62
Total			622		2,040

Liabilities					
Non-delivery forwards					
Buy EUR					
<i>US Dollar</i>	Futures Contract	23,551	(169)	—	—
<i>Moroccan Dirham</i>	Forward	—	—	1,490	(51)
Buy USD					
<i>Brazilian Reais</i>	Non-delivery forwards	—	—	3,715	(30)
<i>Chilean Peso</i>	Non-delivery forwards	—	—	19,874	(174)
<i>Chilean Peso</i>	Forward	10,800	(64)	—	—
<i>Uruguayan Peso</i>	Non-delivery forwards	—	—	2,552	(48)
<i>Argentine Peso</i>	Futures Contract	1,000	(6)	—	—
<i>United Arab Emirates Dirham</i>	Forward	133	(0)	—	—
<i>Indian Rupee</i>	Non-delivery forwards	1,429	(4)	2,397	(7)
<i>Southafrian Rand</i>	Forward	11,473	(230)	8,128	(230)
<i>Southafrian Rand</i>	Futures Contract	14,773	(278)	—	—
<i>Peruvian Sol</i>	Non-delivery forwards	—	—	1,200	(67)
<i>Vietnamese Dong</i>	Non-delivery forwards	3,664	(21)	4,054	(32)
<i>Saudi Riyal</i>	Forward	6,760	(14)	—	—
<i>Moroccan Dirham</i>	Forward	5,286	(25)	6,263	(240)
Sell EUR					
<i>US Dollar</i>	Non-delivery forwards	—	—	(6,323)	(40)
Sell USD					
<i>Indian Rupee</i>	Non-delivery forwards	—	—	(950)	(1)
<i>Brazilian Reais</i>	Non-delivery forwards	(487)	(5)	—	—
<i>Moroccan Dirham</i>	Forward	—	—	(3,274)	(28)
Total			(815)		(948)

	Six months ended		Three months ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Net gain on foreign currency forwards recognized in ‘Costs of Services’	9,064	5,617	(1,477)	4,827
Net loss on foreign currency forwards recognized in ‘Finance Costs’	(11,039)	(11,637)	(888)	(7,051)

(i) Classification of derivatives

Derivatives are financial instruments entered into only for economic hedging purposes and not contracted as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as ‘held for trading’ for accounting purposes and are accounted for at fair value through profit or loss. The full fair value of hedging derivatives is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, otherwise they are classified as a current asset or liability. Derivatives held for trading are classified as a current asset or liability.

23. Provisions

(a) Current or potential proceedings

Provisions for the period are related to current or potential 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 current or potential proceedings

Movements in current or potential proceedings are set out below:

	2024	2023
Carrying amount as at January 1	362	1,473
Reversal to labor provision	(92)	(571)
Interest charges for labor provision	6	14
Total carrying amount at June 30	276	916

24. Related parties

(a) Related Party Transactions

Dlocal Argentina S.A. entered into a loan agreement with Dlocal Group in June 2023 for a total amount of USD 100,000 with maturity date extended by two months to August, 2024. The main purpose of the loan was the acquisition of the Argentinian bonds as detailed on note 1.2 (b) and note 16. As both subsidiaries are fully consolidated, outstanding balances have been eliminated. The main impact on these consolidated financial statements refers to foreign exchange losses on the Dlocal Argentina S.A.

(b) Key Management compensation

The compensation of the Executive Team during the period can be analyzed as follows:

	Six months ended		Three months ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Short-term employee benefits – Salaries and wages	1,498	979	758	520
Long-term employee benefits – Share-based payment	7,658	1,447	4,112	771
	<u>9,156</u>	<u>2,426</u>	<u>4,870</u>	<u>1,291</u>

(c) Transactions with other related parties

The following transactions occurred with related parties:

	Six months ended		Three months ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Transactions with merchants – Revenues	259	1,043	18	808
Transactions with preferred suppliers (Collection agents) – Costs	—	(10)	1	(2)

(d) Outstanding balances arising from transactions with other related parties

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	June 30, 2024	December 31, 2023
Transactions with merchants – trade receivables	345	406
Transactions with merchants – trade payables	41	—
Transactions with preferred suppliers (Collection agents) – trade payables	—	(19)

Outstanding balances are unsecured and are repayable in cash.

25. Fair value hierarchy

The following tables show financial instruments recognized at fair value for the period ended June 30, 2024 and December 31, 2023, 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.

The table also includes financial instruments measured at amortized cost. The Group understands that the book value of such instruments approximates their fair value.

June 30, 2024	FVPL	Amortized cost	Total	Level 1	Level 2
Assets					
Financial Assets at Fair Value through Profit or Loss	120,297	—	120,297	120,297	—
Other Assets	6,942	9,279	16,221	—	6,942
Trade and Other Receivables	—	457,290	457,290	—	—
Derivative financial instruments	622	—	622	—	622
Cash and Cash Equivalents	—	531,620	531,620	—	—
	127,861	998,189	1,126,050	120,297	7,564

December 31, 2023	FVPL	Amortized cost	Total	Level 1	Level 2
Assets					
Financial Assets at Fair Value through Profit or Loss	104,387	—	104,387	104,387	—
Other Assets	—	11,782	11,782	—	—
Trade and Other Receivables	—	363,374	363,374	—	—
Derivative financial instruments (1)	2,040	—	2,040	—	2,040
Cash and Cash Equivalents	—	536,160	536,160	—	—
	106,427	911,316	1,017,743	104,387	2,040

June 30, 2024	FVPL	Amortized cost	Total	Level 1	Level 2
Liabilities					
Trade and Other Payables	—	(719,097)	(719,097)	—	—
Lease liabilities	—	(3,888)	(3,888)	—	—
Derivative financial instruments	(815)	—	(815)	—	(815)
	(815)	(722,985)	(723,800)	—	(815)

December 31, 2023	FVPL	Amortized cost	Total	Level 1	Level 2
Liabilities					
Trade and Other Payables	—	(602,493)	(602,493)	—	—
Lease liabilities	—	(3,957)	(3,957)	—	—
Derivative financial instruments	(948)	—	(948)	—	(948)
	(948)	(606,450)	(607,398)	—	(948)

- (1) The most frequently applied valuation techniques include forward pricing models. The models incorporate various inputs including: foreign exchange spot, interest rates curves of the respective currencies and the terms of the contract.

There were no changes of items between level 2 and level 3, acquisitions, disposals nor gains or losses recognized in profit for the period related to level 3 instruments. Consequently, for the periods ended June 30, 2024 and December 31, 2023, the Group did not recognized any financial assets under level 3.

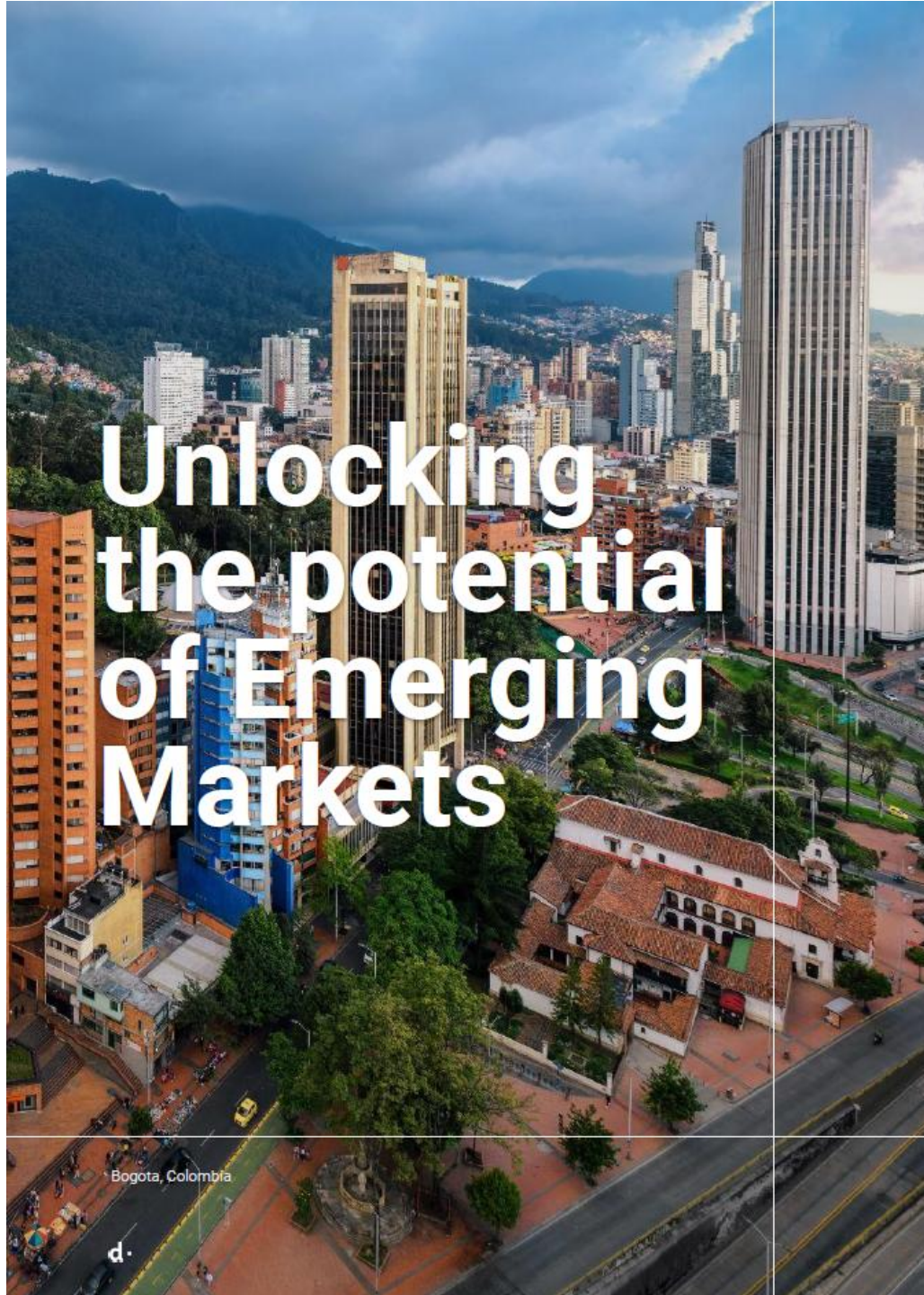
26. Subsequent events

As of date of issuance of these consolidated financial statements, the Company has repurchased 2,415,717 Class A common shares for a total amount of USD 19,316 pursuant to the share buyback program described in note 14.c).

d·local

Financial Results

2nd Quarter of 2024



Bogota, Colombia

d.

Second Quarter 2024 results



* Record Setting Total Processed Volume for Q2 2024 at \$6B, up nearly 40% YoY
* Gross Profit and EBITDA back to sequential growth, up 11% and 16% QoQ respectively
* Sustained Generation of Cash with FCF of Own Funds growing by \$35M QoQ

dLocal reports in US dollars and in accordance with IFRS as issued by the IASB

Montevideo, Uruguay August 14, 2024 – DLocal Limited (“dLocal”, “we”, “us”, and “our”) (NASDAQ:DLO), a technology - first payments platform today announced its financial results for the second quarter ended June 30, 2024.

“ We continue to thrive across emerging markets, embracing their complexities and delivering simple, effective solutions to our merchants. Our focus remains on execution and long-term growth. As we scale, this growth will help mitigate short-term volatility and dilute market fluctuations. Therefore, it is crucial to continue focusing on TPV growth, increasing our share of wallet, and adding new clients - all of which we have consistently delivered since the company's inception, while driving operational leverage in the business once we get through the current disciplined investment cycle we are in. ”



Pedro Arnt
CEO of dLocal

■ We continue to see strong growth in our business, achieving another quarterly record of \$6.0 billion of TPV during the second quarter of 2024, an increase of nearly 40% year-over-year. This occurred despite the tough comparison with last year's 80% growth during the same period. The evolution of this key metric demonstrates our continued ability to grow as we gain share of wallet from our global merchant base and add new merchants to the mix. It also underscores our unique value proposition as a trusted partner for some of the largest and most sophisticated global companies across emerging markets.

The TPV performance was good across multiple verticals, including continued strong growth in the commerce, on-demand delivery, and remittance verticals; accelerating growth from SaaS and ride-hailing. This kind of sustained and well diversified TPV growth, with a focused commitment to low-risk high-reputation verticals, sets us up well for long-term success. We believe that our year-over-year growth showcases a unique in class combination of growth while focusing on reputable verticals, which sets us apart from relevant comps base, who either grow less, over index high-risk verticals, or do both.

Net take rates have held up sequentially, despite unfavourable events, like repricing by our largest merchant at the beginning of the year, material currency devaluations in Nigeria and Egypt, and continued weakening across most emerging markets currencies. The stable sequential net take rate and growing TPV during the quarter translated to 11% quarter-over-quarter gross profit growth.

Our OPEX, excluding non-cash share-based compensation, grew by only \$1 million sequentially, after previous quarters of sequential growth above \$4 million, as we adjusted our cash spend to the weaker gross profit. As mentioned previously, there is a limit to how much we are willing to defend margins in the short-term, as we are committed to certain investments, which are crucial for our long-term success, particularly those in our engineering pool, back-office capabilities and behind our license portfolio. But, to balance this out, we are always revising other discretionary spending to make sure it matches our topline performance and is aligned with our general philosophy of frugality. Consequently, our Adjusted EBITDA reached \$43 million, reflecting our still lean structure and disciplined spending. Our cash generation also accelerated versus the prior quarter, posting a \$35 million of Free Cash



Flow from own funds, a conversion rate of 77%, up \$23 million and 7 percentage points compared to the second quarter of 2023.

These highlights also come with certain challenges that we are focused on rapidly addressing. Year-over-year gross profit performance was flat, primarily due to a 13% decline in LatAm. This decline was driven by (i) the Argentine FX devaluation and (ii) the repricing by our largest merchant in Brazil and Mexico. Despite stellar Africa and Asia gross profit growth of 79% year-over-year, it did not suffice to offset those two events.

Taking a step back from a short-term quarterly prism, dLocal remains an incredibly strong company, with a fantastic total addressable market, attractive business model and extremely promising future, that at some point will be reflected in capital market performance. To keep things in perspective:

- We maintain strong product market validation as witnessed by almost 40% year-over-year and 14% quarter-over-quarter TPV growth;
- Still run a high margin financial model with Adjusted EBITDA to Gross Profit at 60%+ and ability to scale from there to previous levels;
- Cash conversion is strong and growing as EBITDA increased sequentially, with a cash conversion close to 100% for the last twelve months.

When we analyse the potential of all this compounded over time, it is hard to not be optimistic about our future, despite the inherent challenges and volatility existent in emerging markets. The long term future is bright, and our own ability to execute is the most important factor.

Our optimism in the future is also reflected in our capital allocation strategy. Our business has an attractive cash generation profile, and we see upside in our stock as we grow and scale; and as a consequence of this we have bought back stock during the quarter at a rapid pace.

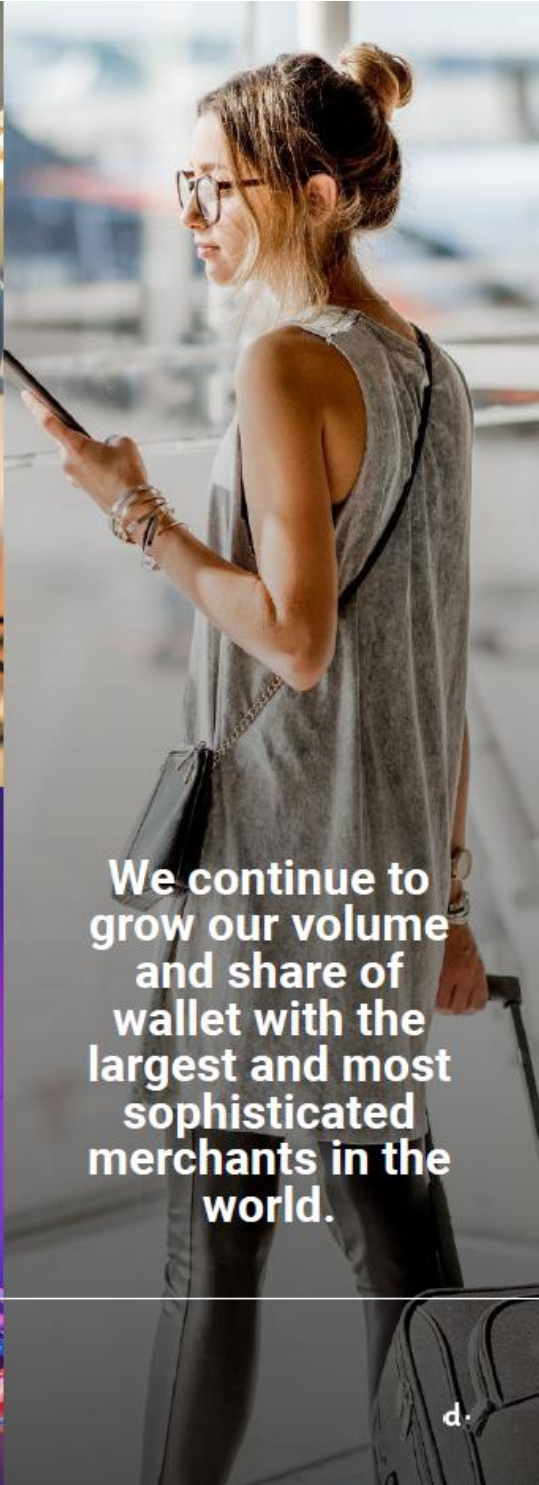
As known, emerging markets are inherently volatile, which can, and often do, impact our short-term results. However, our long-term view remains optimistic as stated earlier. The quarterly bottom-up review of our pipeline and existing contracts, where we project out probable market growth, and new commercial opportunities on a merchant-by-merchant basis, gets us to the following revised outlook for 2024:

- TPV of \$24.5-26.5 billion; due to slower volume ramp-ups, pipeline volume even more skewed towards Tier 0 merchants, and weakening currencies in emerging markets
- Gross profit of \$280-300 million; in addition to the reasons outlined above, driven by increased local-to-local flows, and
- Adjusted EBITDA of \$180-200 million, supporting crucial long-term investments that enhance our value proposition and internal controls

We continue to thrive across emerging markets, embracing their complexities and delivering simple, effective solutions to our merchants. Our focus remains on execution and long-term growth. Our commitment to our merchants and our expertise in these regions enable us to consistently win business from these global merchants. As we scale, this growth will help mitigate short-term volatility and dilute market fluctuations. Therefore, it is crucial to continue focusing on TPV growth, increasing our share of wallet, and adding new clients - all of which we have consistently delivered since the company's inception, while driving operational leverage in the business once we get through the current disciplined investment cycle we are in.

We are thankful for the continued support and confidence in our vision. We are committed to executing our strategy and driving long-term value for our shareholders. We look forward to updating you on our progress in the coming quarters.

d·local



**We continue to
grow our volume
and share of
wallet with the
largest and most
sophisticated
merchants in the
world.**

d.

Second quarter 2024 financial highlights

- Total Payment Volume ("TPV") reached a record US\$6.0 billion in the second quarter, up 38% year-over-year compared to US\$4.4 billion in the second quarter of 2023 and up 14% compared to US\$5.3 billion in the first quarter of 2024.
- Revenues amounted to US\$171.3 million, up 6% year-over-year compared to US\$161.1 million in the second quarter of 2023 and down 7% compared to US\$184.4 million in the first quarter of 2024. This quarter-over-quarter decline was mostly driven by the currency devaluation in Nigeria and Egypt, despite the healthy TPV growth.
- Gross profit was US\$69.8 million in the second quarter of 2024, down 1% compared to US\$70.8 million in the second quarter of 2023 and up 11% compared to US\$63.0 million in the first quarter of 2024. The improvement in gross profit quarter-over-quarter was primarily due to (i) temporary FX dynamics in Nigeria; (ii) positive performance of Argentina, Other LatAm and Other Africa and Asia countries; and (iii) Brazil, with lower processing costs following renegotiation with processors, and change in payment mix, which partially offset the impact of key merchant repricing (full impact in second quarter of 2024 versus two months in first quarter of 2024).
- As a result, gross profit margin was 41% in this quarter, compared to 44% in the second quarter of 2023 and 34% in the first quarter of 2024.
- Gross profit over TPV was at 1.2% decreasing from 1.6% in the second quarter of 2023 and flat compared to the first quarter of 2024, mainly due to FX dynamics in Nigeria and Egypt and renegotiation with processors in Brazil, which combined were sufficient to offset the incremental sequential impact of the above-mentioned top merchant repricing.
- Operating income was US\$30.2 million, down 37% compared to US\$47.8 million in the second quarter of 2023 and up 12% compared to US\$26.9 million in the first quarter of 2024, impacted by higher gross profit and disciplined OPEX investment. In this context, operating expenses grew by 72% year-over-year and 10% quarter-over-quarter, with a clear allocation tilt towards investments focused on Product Development & IT capabilities; coupled with investment to strengthen our back-office capabilities for future growth. In addition, in the second quarter of 2024, we recorded an extraordinary US\$1.6 million operating loss as we wrote-off certain amounts related to merchants/processors off-boarded by dLocal.
- As a result, Adjusted EBITDA was US\$42.7 million, down 18% compared to US\$52.0 million in the second quarter of 2023 and up 16% compared to US\$36.8 million in the first quarter of 2024.
- Adjusted EBITDA margin was 25%, compared to the 32% recorded in the second quarter of 2023 and 20% in the first quarter of 2024. On the annual comparison, the decrease is explained by the gross profit dynamics and our decision to sustain many of the long-term investments, as previously mentioned. Following the same trend, Adjusted EBITDA over gross profit of 61% decreased compared to 74% in the second quarter of 2023 and increased compared to 58% in the first quarter of 2024.
- Net financial income was US\$28.0 million, compared to US\$7.5 million in the second quarter of 2023 and US\$0.3 million in the first quarter of 2024.
- Effective income tax rate was 18%, compared to 16% in the second quarter of 2023 and 29% in the first quarter of 2024, closer to levels of previous quarters.

- Net income for the second quarter of 2024 was US\$46.2 million, or US\$0.15 per diluted share, up 3% compared to a profit of US\$44.8 million, or US\$0.15 per diluted share, for the second quarter of 2023 and up 161% compared to a profit of US\$17.7 million, or US\$0.06 per diluted share for the first quarter of 2024. During the second quarter of 2024, net income was mostly impacted by higher finance income, given the \$23 million non-cash mark to market effect related to Argentine bonds investments used to hedge our local currency position in that market.
- As of June 30, 2024, dLocal had US\$531.6 million in cash and cash equivalents, including US\$186.2 million of own funds and US\$345.4 million of merchants' funds. The consolidated cash position decreased by US\$17.8 million from US\$549.4 million as of June 30, 2023. When compared to the US\$572.4 million cash position as of March 31, 2024, it decreased by US\$40.7 million, mainly explained by the US\$81.8 million of own funds used to buy back the company's own shares, in connection to the US\$200 million Share Buyback Program announced in May 2024.

The following table summarizes our key performance metrics:

	Three months ended 30 of June			Six months ended 30 of June		
	2024	2023	% change	2024	2023	% change
Key Performance metrics	(In millions of US\$ except for %)					
TPV	6,035	4,373	38%	11,346	7,948	43%
Revenue	171.3	161.1	6%	355.7	298.4	19%
Gross Profit	69.8	70.8	-1%	132.8	132.6	0%
Gross Profit margin	41%	44%	-3p.p	37%	44%	-7p.p
Adjusted EBITDA	42.7	52.0	-18%	79.5	97.5	-19%
Adjusted EBITDA margin	25%	32%	-7p.p	22%	33%	-10p.p
Adjusted EBITDA/Gross Profit	61%	74%	-12p.p	60%	74%	-14p.p
Profit	46.2	44.8	3%	64.0	80.2	-20%
Profit margin	27%	28%	-1p.p	18%	27%	-9p.p

Second quarter 2024 business highlights

- During the second quarter of 2024, pay-ins TPV increased 34% year-over-year and 17% quarter-over-quarter to US\$4.3 billion, accounting for 71% of the TPV.
- Pay-outs TPV increased by 49% year-over-year and 7% quarter-over-quarter to US\$1.8 billion, accounting for the remaining 29% of the TPV.
- Cross-border TPV increased by 22% year-over-year and 11% quarter-over-quarter to US\$2.7 billion. Cross-border volume accounted for 45% of the TPV in the second quarter of 2024.
- Local-to-local TPV increased by 55% year-over-year and 16% quarter-over-quarter to US\$3.3 billion. Local-to-local volume accounted for 55% of the TPV in the second quarter of 2024.
- LatAm revenue increased 9% year-over-year to US\$138.7 million, accounting for 81% of total revenue. On the annual comparison, the growth was primarily driven by commerce and streaming in Mexico, and strong performance of Other LatAm, across different verticals. Sequentially, LatAm revenue grew by 11% mainly driven by recovery in Argentina revenues due to strong performance across commerce and on-demand delivery verticals.
- In the Africa and Asia region, revenue decreased by 5% year-over-year, primarily driven by lower revenues in Nigeria due to Naira devaluation in February 2024, despite strong growth performance in Egypt across advertising and streaming verticals; and in Other Africa and Asia. The currency devaluation is also the main driver of the sequential decrease.
- LatAm gross profit decreased by 13% year-over-year and increased by 10% quarter-over-quarter to US\$53.5 million, accounting for 77% of total gross profit. Most of the year-over-year decline is explained by Argentina, due to lower FX spreads following the currency devaluation in December 2023. In the region, gross profit was also impacted by Mexico, due to merchant repricing and local-to-local increase; and by Chile, given lower cross-border volumes. Other LatAm markets showed a 10% year-over-year increase in gross profit, driven by Tier 0 merchants' growth. Sequentially, the growth was mainly driven by the (i) growth in Argentina, and other LatAm markets, primarily Colombia and Costa Rica; and (ii) Brazil, with lower processing costs following renegotiation with processors, coupled with change in payment mix. Those two factors partially offset the impact of a key merchant repricing, with full impact in the second quarter of 2024 compared to 2 months in previous one.
- Africa and Asia gross profit increased by 79% year-over-year to US\$16.3 million, accounting for the remaining 23% of total gross profit. This annual comparison is explained by our overall growth in Egypt; ramp-up of our merchants in South Africa, primarily in the commerce vertical; and temporary FX dynamics in Nigeria. Sequentially, gross profit increased by 13%, attributable to temporary FX dynamics in Nigeria and growth in Other Africa and Asia.
- During the quarter, Revenue from Existing Merchants reached US\$161.7 million compared to US\$ 177.1 million in the first quarter of 2024. The quarter-over-quarter comparison was negatively affected by the currency devaluation, as previously discussed, despite healthy volume growth. On the annual comparison, Revenue from Existing Merchants increased by 8% and the net revenue retention rate, or NRR, reached 100%, which was impacted by Nigeria currency devaluation.
- Revenue from New Merchants accounted for US\$9.6 million in the second quarter of 2024 compared to US\$ 11.2 million in the same quarter of the prior year.

The tables below present the breakdown of dLocal's TPV by product and type of flow:

In millions of US\$ except for %	Three months ended 30 of June				Six months ended 30 of June			
	2024	% share	2023	% share	2024	% share	2023	% share
Pay-ins	4,273	71%	3,190	73%	7,930	70%	5,693	72%
Pay-outs	1,763	29%	1,184	27%	3,416	30%	2,255	28%
Total TPV	6,035	100%	4,373	100%	11,346	100%	7,948	100%

In millions of US\$ except for %	Three months ended 30 of June				Six months ended 30 of June			
	2024	% share	2023	% share	2024	% share	2023	% share
Cross-border	2,701	45%	2,219	51%	5,127	45%	4,179	53%
Local to Local	3,334	55%	2,154	49%	6,219	55%	3,769	47%
Total TPV	6,035	100%	4,373	100%	11,346	100%	7,948	100%

The tables below present the breakdown of dLocal's revenue by geography:

In millions of US\$ except for %	Three months ended 30 of June				Six months ended 30 of June			
	2024	% share	2023	% share	2024	% share	2023	% share
Latin America	138.7	81%	126.9	79%	264.1	74%	225.1	75%
Brazil	42.3	25%	41.2	26%	85.3	24%	64.0	21%
Argentina	20.5	12%	20.7	13%	34.3	10%	40.7	14%
Mexico	35.8	21%	28.3	18%	69.9	20%	51.0	17%
Chile	12.3	7%	14.2	9%	24.7	7%	28.4	10%
Other LatAm	27.8	16%	22.5	14%	49.9	14%	41.0	14%
Africa & Asia	32.6	19%	34.3	21%	91.6	26%	73.3	25%
Nigeria	1.1	1%	20.4	13%	8.3	2%	47.3	16%
Egypt	15.0	9%	4.7	3%	54.0	15%	8.1	3%
Other Africa & Asia	16.5	10%	9.2	6%	29.2	8%	17.9	6%
Total Revenue	171.3	100%	161.1	100%	355.7	100%	298.4	100%

The tables below present the breakdown of dLocal's gross profit by geography:

In millions of US\$ except for %	Three months ended 30 of June				Six months ended 30 of June			
	2024	% share	2023	% share	2024	% share	2023	% share
Latin America	53.5	77%	61.7	87%	102.1	77%	114.5	86%
Brazil	19.2	28%	19.6	28%	37.1	28%	30.6	23%
Argentina	7.6	11%	13.8	19%	12.8	10%	31.6	24%
Mexico	8.8	13%	10.6	15%	18.7	14%	17.5	13%
Chile	8.3	12%	8.9	13%	15.7	12%	18.0	14%
Other LatAm	9.6	14%	8.7	12%	17.7	13%	16.8	13%
Africa & Asia	16.3	23%	9.1	13%	30.7	23%	18.1	14%
Nigeria	2.0	3%	0.2	0%	2.5	2%	2.6	2%
Egypt	9.8	14%	4.2	6%	20.1	15%	6.9	5%
Other Africa & Asia	4.5	7%	4.7	7%	8.1	6%	8.5	6%
Total Gross Profit	69.8	100%	70.8	100%	132.8	100%	132.6	100%

Operating across 40+ countries in emerging markets



Santo Domingo, D. Republic

Cape Town, South Africa

Karachi, Pakistan

d-

Special note regarding Adjusted EBITDA and Adjusted EBITDA Margin

dLocal has only one operating segment. dLocal measures its operating segment's performance by Revenues, Adjusted EBITDA and Adjusted EBITDA Margin, and uses these metrics to make decisions about allocating resources.

Adjusted EBITDA as used by dLocal is defined 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, and inflation adjustment. dLocal defines Adjusted EBITDA Margin as the Adjusted EBITDA divided by consolidated 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 treated by dLocal as IFRS measures based on the manner in which dLocal utilizes these measures. Nevertheless, dLocal's Adjusted EBITDA and Adjusted EBITDA Margin metrics should not be viewed in isolation or as a substitute for net income for the periods presented under IFRS. dLocal also believes that its 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 dLocal calculates operating segment's performance measures may be different from the calculations used by other entities, including competitors, and therefore, dLocal's performance measures may not be comparable to those of other entities. Finally, dLocal is unable to present a quantitative reconciliation of forward-looking guidance for Adjusted EBITDA and Adjusted EBITDA over gross profit, which are forward-looking non-IFRS measures, because dLocal cannot reliably predict certain of their necessary components, such as impairment gains/(losses) on financial assets, transaction costs, and inflation adjustment.

The table below presents a reconciliation of dLocal's Adjusted EBITDA to net income:

\$ in thousands	Three months ended 30 of June		Six months ended 30 of June	
	2024	2023	2024	2023
Profit for the period	46,239	44,791	63,957	80,241
Income tax expense	10,060	8,774	17,174	13,055
Depreciation and amortization	4,089	2,869	7,851	5,384
Finance income and costs, net ¹	(28,045)	(7,459)	(28,344)	(8,850)
Share-based payment non-cash charges	6,776	1,421	11,237	3,750
Other operating loss ²	1,553	-	3,372	-
Impairment loss / (gain) on financial assets	76	(21)	(101)	30
Inflation adjustment	1,941	1,661	4,309	2,680
Other non-recurring costs	-	-	-	1,229
Adjusted EBITDA	42,689	52,036	79,455	97,519

Note: ¹In Q2 2024, the Finance income and costs, net line was impacted by the non-cash mark to market effect related to Argentine bonds investments in the amount of US\$22.8 million. ²In Q2 2024, the company wrote-off certain amounts related to merchants/processors off-boarded by dLocal.

Special note regarding Adjusted Net Income

Adjusted Net Income is a non-IFRS financial measure. As used by dLocal Adjusted net income is defined as the profit for the period (net income) excluding impairment gains/(losses) on financial assets, transaction costs, share-based payment non-cash charges, secondary offering expenses, and other operating (gain)/loss, in line with our Adjusted EBITDA calculation (see detailed methodology for Adjusted EBITDA in page 13). It further excludes the accounting non-cash charges related to the fair value gain from the Argentine dollar-linked bonds and the exchange difference loss from the intercompany loan denominated in USD that we granted to our Argentine subsidiary to purchase the bonds. In addition, it excludes the inflation adjustment based on IFRS rules for hyperinflationary economies. We believe Adjusted Net Income is a useful measure for understanding our results for operations while excluding for certain non-cash effects such as currency devaluation and inflation. Our calculation for Adjusted Net Income may differ from similarly-titled measures presented by other companies and should not be considered in isolation or as a replacement for our measure of profit for the period as presented in accordance with IFRS.

The table below presents a reconciliation of dLocal's Adjusted net income:

\$ in thousands	Three months ended 30 of June		Six months ended 30 of June	
	2024	2023	2024	2023
Net income as reported	46,239	44,791	63,957	80,241
Inflation adjustment	1,941	1,661	4,309	2,680
Loan - exchange difference	5,831	1,815	12,560	1,815
Fair value (loss) / gains of financial assets at FVTPL (bonds)	(22,774)	(3,565)	(33,589)	(3,654)
Impairment loss / (gain) on financial assets	76	(21)	(101)	30
Share-based payment non-cash charges	6,776	1,421	11,237	3,750
Other operating (gain)/loss	1,553	-	3,372	-
Other non-recurring costs	-	-	-	1,229
Tax on adjustments	5,998	(613)	4,638	(644)
Adjusted net income	45,640	45,490	66,383	85,447

Note: Adjusted Net Income is a non-IFRS financial measure. As used by dLocal Adjusted net income is defined as the profit for the period (net income) excluding impairment gains/(losses) on financial assets, transaction costs, share-based payment non-cash charges, secondary offering expenses, and other operating (gain)/loss, in line with our Adjusted EBITDA calculation (see detailed methodology for Adjusted EBITDA in page 13). It further excludes the accounting non-cash charges related to the fair value gain from the Argentine dollar-linked bonds and the exchange difference loss from the intercompany loan denominated in USD that we granted to our Argentine subsidiary to purchase the bonds. In addition, it excludes the inflation adjustment based on IFRS rules for hyperinflationary economies. We believe Adjusted Net Income is a useful measure for understanding our results for operations while excluding for certain non-cash effects such as currency devaluation and inflation. Our calculation for Adjusted Net Income may differ from similarly-titled measures presented by other companies and should not be considered in isolation or as a replacement for our measure of profit for the period as presented in accordance with IFRS.

Unaudited quarterly results.

Earnings per share

We calculate basic earnings per share by dividing the profit attributable to owners of the group by the weighted average number of common shares issued and outstanding during the three-month and six-month periods ended June 30, 2024 and 2023.

Our diluted earnings per share is calculated by dividing the profit attributable to owners of the group 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.

The following table presents the information used as a basis for the calculation of our earnings per share:

	Three months ended 30 of June		Six months ended 30 of June	
	2024	2023	2024	2023
Profit attributable to common shareholders (thousands USD)	46,244	44,697	63,952	80,141
Weighted average number of common shares	293,430,253	291,700,873	294,781,316	293,403,907
Adjustments for calculation of diluted earnings per share	14,996,249	16,160,368	15,348,015	16,358,508
Weighted average number of common shares for calculating diluted earnings per share	308,426,502	307,861,241	310,129,331	309,762,415
Basic earnings per share	0.16	0.15	0.22	0.27
Diluted earnings per share	0.15	0.15	0.21	0.26

This press release does not contain sufficient information to constitute an interim financial report as defined in International Accounting Standards 34, "Interim Financial Reporting" nor a financial statement as defined by International Accounting Standards 1 "Presentation of Financial Statements". The quarterly financial information in this press release has not been audited, whereas the annual results for the year ended December 31, 2023 are audited.

Conference call and webcast

dLocal's management team will host a conference call and audio webcast on August 14, 2024 at 5:00 p.m. Eastern Time. Please [click here](#) to pre-register for the conference call and obtain your dial in number and passcode.

The live conference call can be accessed via audio webcast at the investor relations section of dLocal's website, at <https://investor.dlocal.com/>. An archive of the webcast will be available for a year following the conclusion of the conference call. The investor presentation will also be filed on EDGAR at www.sec.gov.

About dLocal

dLocal powers local payments in emerging markets, connecting global enterprise merchants with billions of emerging market consumers in more than 40 countries across Africa, Asia, and Latin America. Through the "One dLocal" platform (one direct API, one platform, and one contract), global companies can accept payments, send pay-outs and settle funds globally without the need to manage separate pay-in and pay-out processors, set up numerous local entities, and integrate multiple acquirers and payment methods in each market.

Definition of selected operational metrics

"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, and service providers) to facilitate the money transfer process.

"Cross-border" means a payment transaction whereby dLocal is collecting in one currency and settling into a different currency and/or in a different geography.

"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.

"Local-to-local" means a payment transaction whereby dLocal is collecting and settling in the same currency.

"Net Revenue Retention Rate" or "NRR" is a U.S. dollar-based measure of retention and growth of dLocal's merchants. NRR is calculated for a period or year by dividing the Current Period/Year Revenue by the Prior Period/Year Revenue. The Prior Period/Year Revenue is the revenue billed by us to all our customers in the prior period. The Current Period/Year Revenue is the revenue billed by us in the current period to the same customers included in the Prior Period/Year Revenue. Current Period/Year Revenue includes revenues from any upselling and cross-selling across products, geographies, and payment methods to such merchant customers, and is net of any contractions or attrition, in respect of such merchant customers, and excludes revenue from new customers on-boarded in the preceding twelve months. As most of dLocal revenues come from existing merchants, the NRR rate is a key metric used by management, and we believe it is useful for investors in order to assess our retention of existing customers and growth in revenues from our existing customer base.

"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.

"Revenue from New Merchants" means the revenue billed by us to merchant customers that we did not bill revenues in the same quarter (or period) of the prior year.

"Revenue from Existing Merchants" means the revenue billed by us in the last twelve months to the merchant customers that we billed revenue in the same quarter (or period) of the prior year.

"TPV" dLocal presents total payment volume, or TPV, which is an operating metric of the aggregate value of all payments successfully processed through dLocal's payments platform. Because revenue depends significantly on the total value of transactions processed through the dLocal platform, management believes that TPV is an indicator of the success of dLocal's global merchants, the satisfaction of their end users, and the scale and growth of dLocal's business.

Rounding

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

Forward-looking statements

This press release contains certain forward-looking statements. These forward-looking statements convey dLocal's current expectations or forecasts of future events, including guidance in respect of total payment volume, gross profit, Adjusted EBITDA, and Adjusted EBITDA over gross profit margin. Forward-looking statements regarding dLocal and amounts stated as guidance are based on current management expectations and involve known and unknown risks, uncertainties and other factors that may cause dLocal's actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements. Certain of these risks and uncertainties are described in the "Risk Factors," "Forward-Looking Statements" and "Cautionary Statement Regarding Forward-Looking Statements" sections of dLocal's filings with the U.S. Securities and Exchange Commission. Unless required by law, dLocal undertakes no obligation to publicly update or revise any forward-looking statements to reflect circumstances or events after the date hereof. In addition, dLocal is unable to present a quantitative reconciliation of forward-looking guidance for Adjusted EBITDA and Adjusted EBITDA over gross profit, which are forward-looking non-IFRS measures, because dLocal cannot reliably predict certain of their necessary components, such as impairment gains/(losses) on financial assets, transaction costs, and inflation adjustment.

dLocal Limited

Certain financial information

Consolidated Condensed Interim Statements of Comprehensive Income for the three-month and six-month periods ended June 30, 2024 and 2023

(In thousands of U.S. dollars, except per share amounts)

	Three months ended 30 of June		Six months ended 30 of June	
	2024	2023	2024	2023
Continuing operations				
Revenues	171,279	161,138	355,709	298,425
Cost of services	(101,468)	(90,378)	(222,927)	(165,828)
Gross profit	69,811	70,760	132,782	132,597
Technology and development expenses	(6,408)	(2,640)	(11,873)	(4,930)
Sales and marketing expenses	(4,505)	(3,106)	(9,136)	(7,963)
General and administrative expenses	(27,074)	(17,268)	(51,406)	(32,548)
Net impairment losses on trade receivables	(76)	21	101	(30)
Other operating (loss)/gain	(1,553)	-	(3,372)	-
Operating profit	30,195	47,767	57,096	87,126
Finance income	29,247	18,878	47,504	25,866
Finance costs	(1,202)	(11,419)	(19,160)	(17,016)
Inflation adjustment	(1,941)	(1,661)	(4,309)	(2,680)
Other results	26,104	5,798	24,035	6,170
Profit before income tax	56,299	53,565	81,131	93,296
Income tax expense	(10,060)	(8,774)	(17,174)	(13,055)
Profit for the period	46,239	44,791	63,957	80,241
Profit attributable to:				
Owners of the Group	46,244	44,697	63,952	80,141
Non-controlling interest	(5)	94	5	100
Profit for the period	46,239	44,791	63,957	80,241
Earnings per share (in USD)				
Basic Earnings per share	0.16	0.15	0.22	0.27
Diluted Earnings per share	0.15	0.15	0.21	0.26
Other comprehensive income				
<i>Items that may be reclassified to profit or loss:</i>				
Exchange difference on translation on foreign operations	(5,604)	1,675	(6,273)	3,163
Other comprehensive income for the period, net of tax	(5,604)	1,675	(6,273)	3,163
Total comprehensive income for the period, net of tax	40,635	46,466	57,684	83,404
Total comprehensive income for the period is attributable to:				
Owners of the Group	40,642	46,371	57,678	83,305
Non-controlling interest	(7)	95	6	99
Total comprehensive income for the period	40,635	46,466	57,684	83,404

dLocal Limited

Certain financial information

Consolidated Condensed Interim Statements of Financial Position as of June 30, 2024 and December 31, 2023

(In thousands of U.S. dollars)

	30 of June, 2024	31 of December, 2023
ASSETS		
Current Assets		
Cash and cash equivalents	531,620	536,160
Financial assets at fair value through profit or loss	120,297	102,677
Trade and other receivables	455,503	363,374
Derivative financial instruments	622	2,040
Other assets	10,878	11,782
Total Current Assets	1,118,920	1,016,033
Non-Current Assets		
Financial assets at fair value through profit or loss	-	1,710
Trade and other receivables	1,787	-
Deferred tax assets	1,913	2,217
Property, plant and equipment	3,576	2,917
Right-of-use assets	3,508	3,689
Intangible assets	60,637	57,887
Other Assets	5,343	-
Total Non-Current Assets	76,764	68,420
TOTAL ASSETS	1,195,684	1,084,453
LIABILITIES		
Current Liabilities		
Trade and other payables	719,097	602,493
Lease liabilities	782	626
Tax liabilities	26,907	20,800
Derivative financial instruments	815	948
Provisions	276	362
Total Current Liabilities	747,877	625,229
Non-Current Liabilities		
Deferred tax liabilities	2,299	753
Lease liabilities	3,106	3,331
Total Non-Current Liabilities	5,405	4,084
TOTAL LIABILITIES	753,282	629,313
EQUITY		
Share Capital	574	591
Share Premium	173,093	173,001
Treasury Shares	(181,670)	(99,936)
Capital Reserve	32,812	21,575
Other Reserves	(14,829)	(9,808)
Retained earnings	432,307	369,608
Total Equity Attributable to owners of the Group	442,287	455,031
Non-controlling interest	115	109
TOTAL EQUITY	442,402	455,140

dLocal Limited

Certain interim financial information

Consolidated Condensed Interim Statements of Cash flows for the three-month and six-month periods ended June 30, 2024 and 2023

(In thousands of U.S. dollars)

	Three months ended 30 of June		Six months ended 30 of June	
	2024	2023	2024	2023
Cash flows from operating activities				
Profit before income tax	56,299	53,565	81,131	93,296
Adjustments:				
Interest income from financial instruments	(6,473)	(15,313)	(13,915)	(22,212)
Interest charges for lease liabilities	44	52	87	95
Other finance expense	1,673	765	1,800	1,202
Finance expense related to derivative financial instruments	2,446	4,634	12,324	9,869
Net exchange differences	(1,469)	3,551	6,168	4,082
Fair value gain on financial assets at fair value through profit or loss	(22,774)	(3,565)	(33,589)	(3,654)
Amortization of Intangible assets	3,690	2,492	7,114	4,668
Depreciation of Property, plant and equipment and right-of-use	410	377	737	716
Disposals of property, plant and equipment, intangible assets and right-of-use asset	(62)	-	11	-
Share-based payment expense, net of forfeitures	6,776	1,421	11,237	3,750
Other operating loss	1,553	-	3,372	-
Net Impairment loss/(gain) on financial assets	76	(21)	(101)	30
Inflation adjustment	(5,982)	-	(11,874)	-
	36,207	47,957	64,502	91,842
Changes in working capital				
Increase in Trade and other receivables	(69,322)	(50,312)	(102,158)	(59,386)
Decrease/(Increase) in Other assets	(716)	(1,597)	2,503	12,157
Increase in Trade and other payables	67,268	148,761	113,232	190,139
Increase/(Decrease) in Tax Liabilities	8,870	(2,279)	7,750	(3,341)
Decrease in Provisions	(90)	(252)	(86)	(557)
Cash from operating activities	42,218	142,278	85,743	230,854
Income tax paid	(13,409)	(2,774)	(16,967)	(6,816)
Net cash from operating activities	28,808	139,504	68,776	224,038
Cash flows from investing activities				
Acquisitions of Property, plant and equipment	(440)	(608)	(1,226)	(657)
Additions of Intangible assets	(4,842)	(4,339)	(9,864)	(8,145)
Acquisitions of financial assets at FVTPL	(96,841)	(48,139)	(96,841)	(48,139)
Net collections/acquisitions of financial assets at FVPL	98,544	478	98,301	1,523
Interest collected from financial instruments	6,473	15,155	13,915	21,975
Net cash used in investing activities	2,894	(37,453)	4,285	(33,443)
Cash flows from financing activities				
Repurchase of shares	(81,751)	(61,011)	(81,751)	(97,929)
Share-options exercise	92	84	92	153
Interest payments on lease liability	(44)	(52)	(87)	(95)
Principal payments on lease liability	26	(146)	(69)	(276)
Finance expense paid related to derivative financial instruments	(888)	(9,184)	(11,039)	(11,337)
Other finance expense paid	(272)	(768)	(399)	(1,205)
Net cash (used in) / provided by financing activities	(82,837)	(71,077)	(93,253)	(110,689)
Net increase in cash flow	(51,135)	30,975	(20,192)	79,906
Cash and cash equivalents at the beginning of the period	572,357	517,892	536,160	468,092
Net increase in cash flow	(51,135)	30,975	(20,192)	79,906
Effects of exchange rate changes on cash and cash equivalents	10,398	519	15,652	1,388
Cash and cash equivalents at the end of the period	531,620	549,386	531,620	549,386

Investor Relations Contact:
investor@dlocal.com

Media Contact:
media@dlocal.com

The logo for d·local, featuring the text "d·local" in a white, sans-serif font. The "d" is lowercase and followed by a dot, then "local" is lowercase. The logo is centered on a solid dark blue rectangular background.

d·local

Earnings Presentation

Q2 2024

d·local

d.



Pedro Arnt
Chief Executive Officer

Mark Ortiz
Chief Financial Officer

Maria Oldham
SVP - Corp. Development,
Strategy and Investor
Relations

Safe Harbor

This presentation may contain forward-looking statements.

These forward-looking statements convey dLocal's current expectations or forecasts of future events, including in respect of guidance provided previously regarding our total payment volume, gross profit and Adjusted EBITDA. Forward-looking statements regarding dLocal involve known and unknown risks, uncertainties and other factors that may cause dLocal's actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements. Certain of these risks and uncertainties are described in the "Risk Factors," and "Cautionary Statement Regarding Forward-Looking Statements" sections of dLocal's filings with the U.S. Securities and Exchange Commission.

Unless required by law, dLocal undertakes no obligation to publicly update or revise any forward-looking statements to reflect circumstances or events after the date hereof.



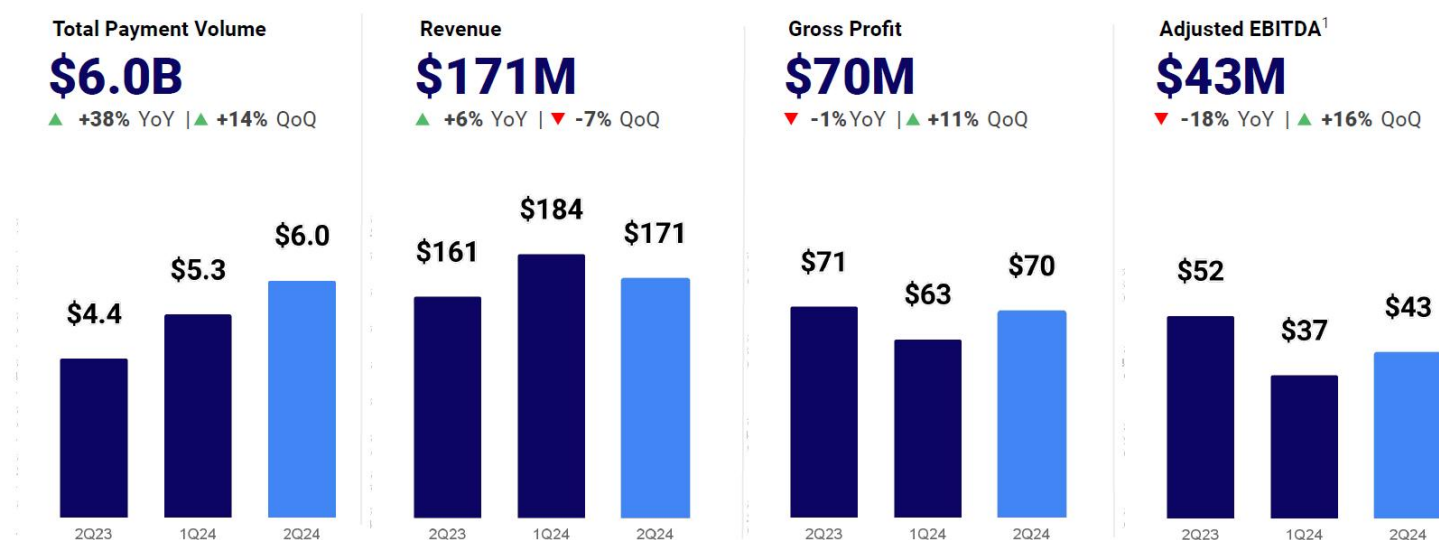
Unlocking the potential of Emerging Markets

Bogotá, Colombia

d

4

Record-high TPV in Q2; QoQ profitability resumed amid impact of d- currency devaluation, merchant repricing, and continuing OPEX investments for future growth

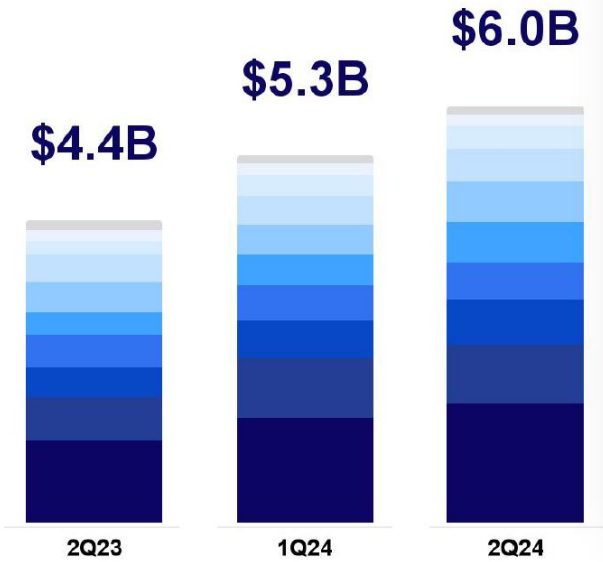


Note: ¹ dLocal has only one operating segment. Although Adjusted EBITDA may be commonly viewed as a non-IFRS measure in other contexts, pursuant to IFRS 8, Adjusted EBITDA is treated by dLocal as an IFRS measure based on the manner in which dLocal utilizes this measure. See detailed methodology for Adjusted EBITDA in appendix. Unaudited quarterly results.

d.

Strong TPV performance across diverse verticals

Continued strong growth in the commerce, on-demand delivery, and remittances verticals; accelerating growth from SaaS, and ride-hailing increasing by over 50% YoY

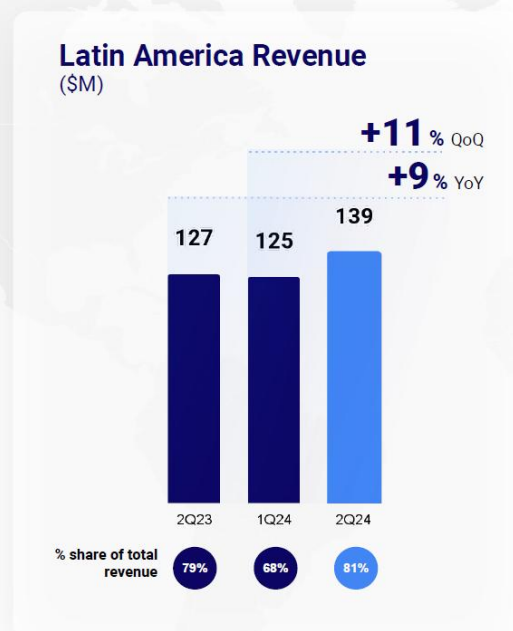


Other ²	-9%
Travel	-3%
Remittances	82%
Advertising	17%
On-demand delivery	43%
SaaS	72%
Streaming	15%
Ride-hailing	51%
Financial Services ¹	33%
Commerce	46%

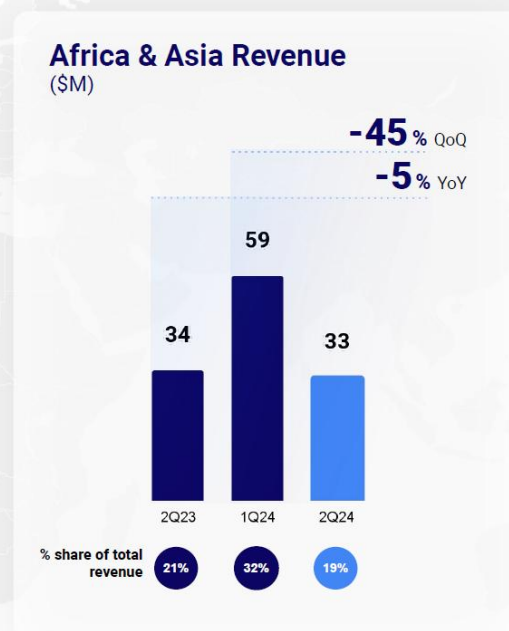
TPV growth by vertical YoY

Note: ¹ In 2Q 2024, financial services include wallets (0.4% of total TPV) and crypto (0.1% of total TPV). Since 1Q24 remittances have been excluded from financial services and reported as a separate vertical in all periods ² Other includes e-learning, gaming and other.

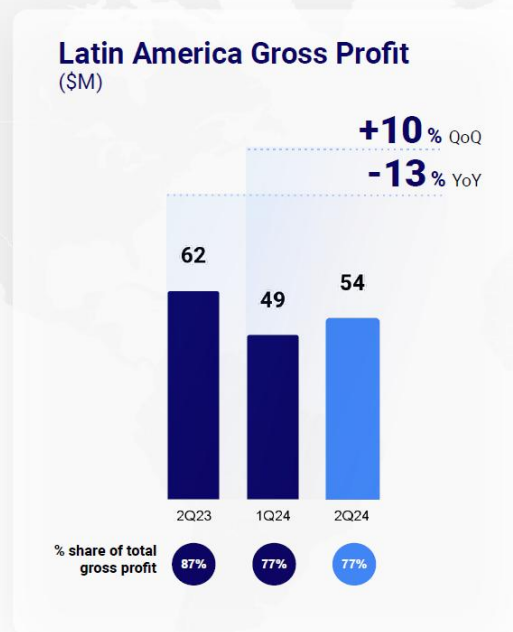
LatAm: QoQ growth mostly attributed to positive performance in Argentina and Other LatAm. YoY comparison supported by the growth in Mexico and Other LatAm



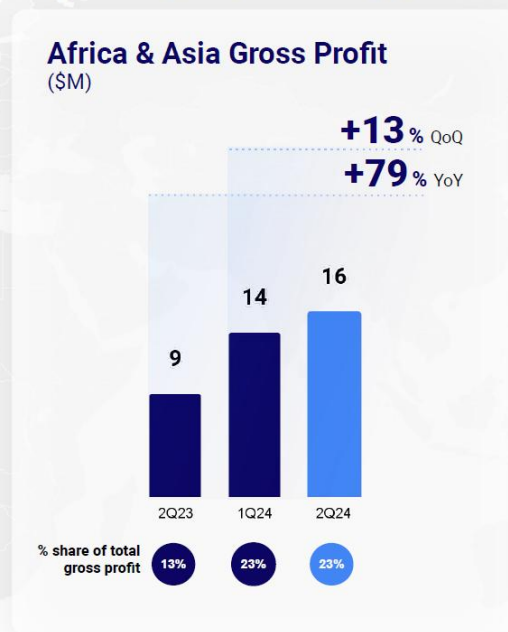
Africa & Asia: QoQ decrease affected by the devaluation in Egypt and Nigeria. YoY comparison also impacted by Nigerian Naira devaluation



LatAm: QoQ increase driven primarily by growth in Argentina and Other LatAm. YoY comparison still impacted mainly by FX in Argentina



Africa & Asia: QoQ increase mostly driven by temporary FX dynamics in Nigeria and growth of Other Africa & Asia. Strong YoY growth mainly supported by Nigeria and Egypt



Detailed country gross profit contribution QoQ

d.

	Gross profit QoQ	
 Brazil	 +7% 19m +1.3m vs. LQ	- Improved processing cost from renegotiation with processors and change in payment mix, both of which were partially offset by - Key merchant repricing (full impact in 2Q24 vs 2 months in 1Q24)
 México	 -11% 9m -1.1m vs. LQ	Mainly impacted by key merchant repricing
 Chile	 +11% 8m +0.8m vs. LQ	Mainly impacted by net benefit of fine recovery at the cost line
 Argentina	 +48% 8m +2.5m vs. LQ	Overall positive performance across different verticals, such as commerce and on-demand delivery
 Egypt	 -5% 10m -0.5m vs. LQ	Reduced FX gains due to devaluation leading to changes in dual FX rate dynamics, despite strong TPV growth
 Nigeria	 +273% 2m +1.4m vs. LQ	Temporary FX dynamics in the market, which led to gains in FX

Building the global team to meet our long-term growth ambitions.

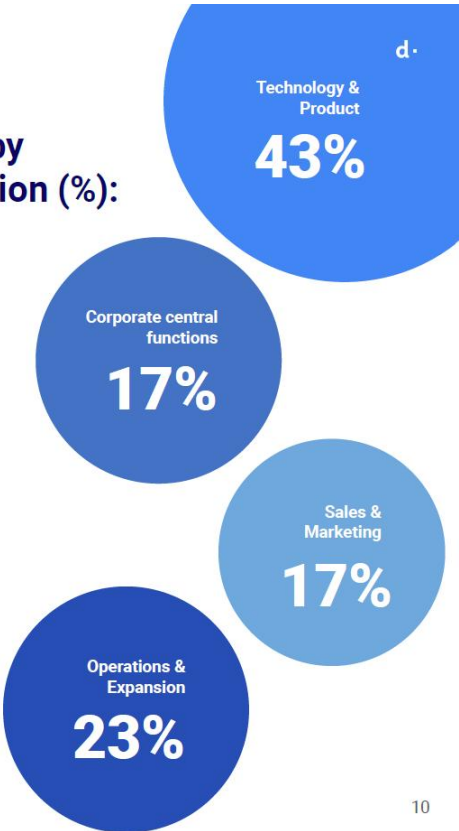
Focus on areas of differentiation: technology, product, and local operations.

993 ▲ **+187 FTEs or 23%**
Employee Growth YoY

FTE evolution (#):	AFRICA & ASIA	AMERICAS
	273 ▲ +35% YoY	720 ▲ +19% YoY

Note: FTE includes employees and contractors. Technology and Product includes developers operating in functions across the company.

FTE by function (%):



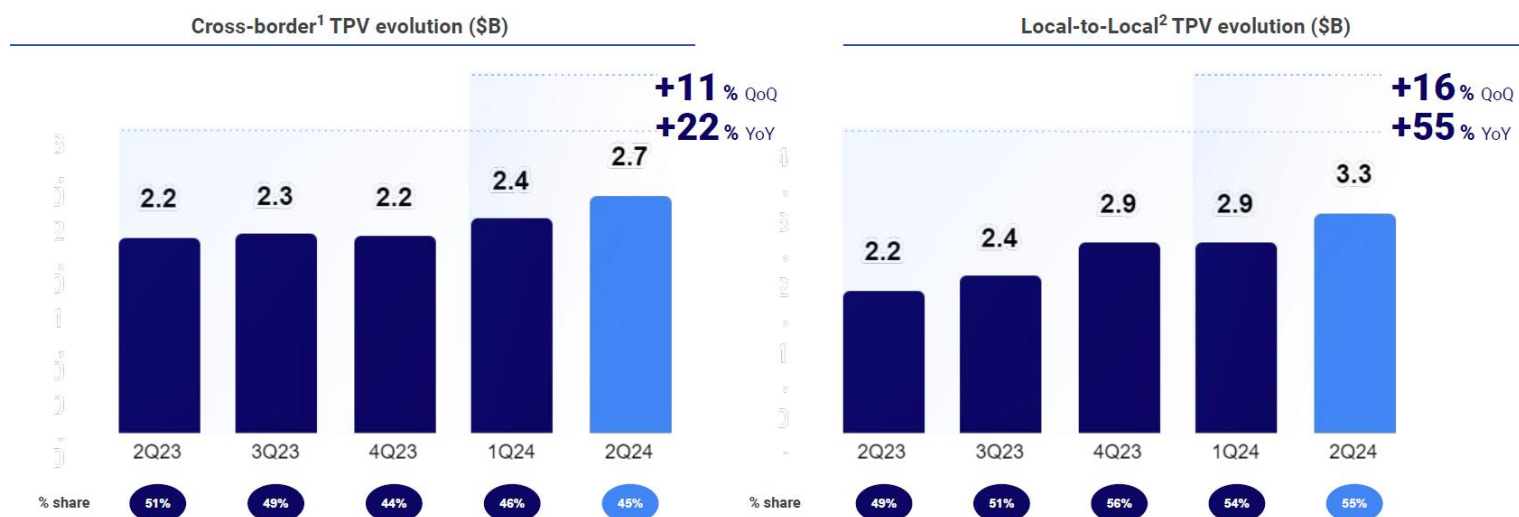
d.

Financial Highlights



d.

Cross-border and local-to-local growing YoY and QoQ; Cross-border performance QoQ driven mainly by the increase in ride-hailing vertical

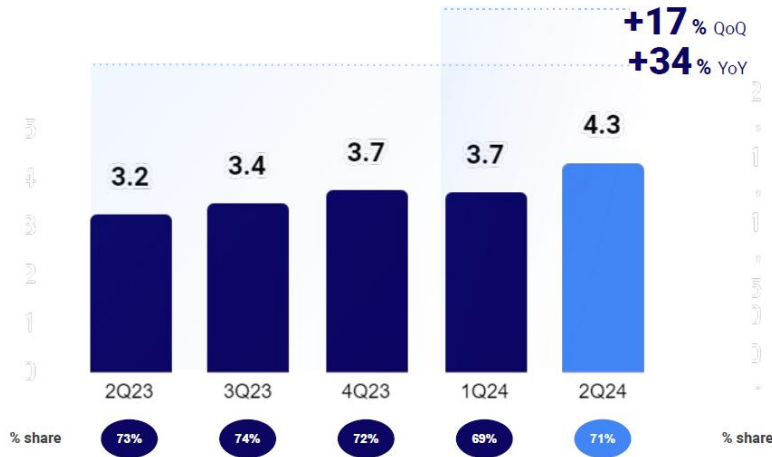


Note: ¹"Cross-border" means a payment transaction whereby dLocal is collecting in one currency and settling into a different currency and/or in a different geography. ²"Local-to-local" means a payment transaction whereby dLocal is collecting and settling in the same currency.

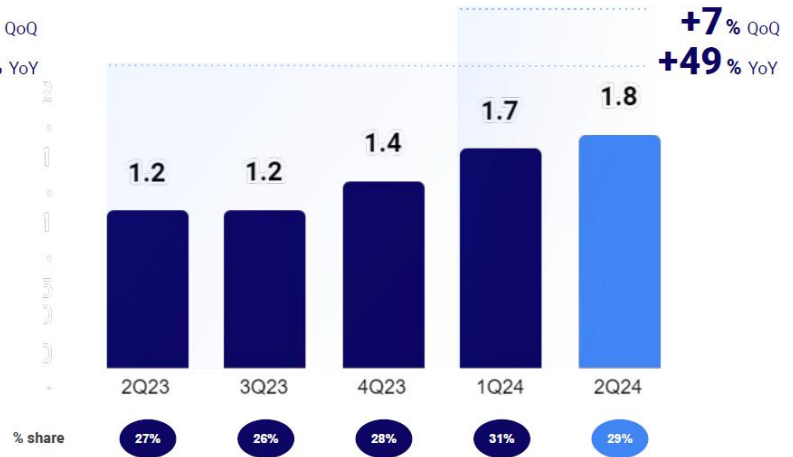
YoY robust growth rates; QoQ pay-ins increasing primarily by commerce, on-demand delivery, and ride-hailing verticals, pay-outs growing driven by financial services, ride-hailing, and SaaS verticals

d.

Pay-ins¹ TPV evolution (\$B)



Pay-outs² TPV evolution (\$B)

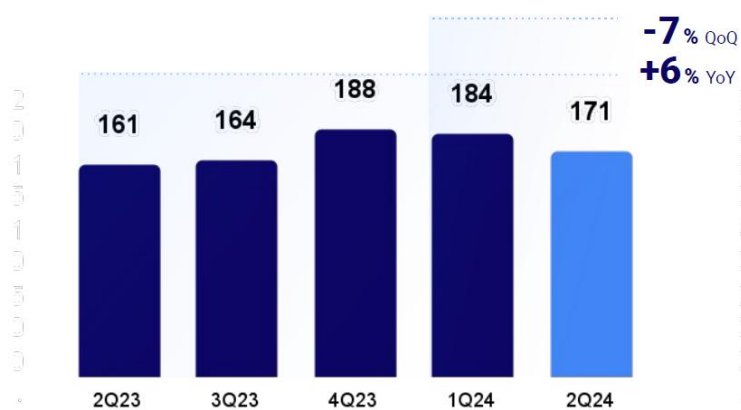


Note: ¹"Pay-in" means a payment transaction whereby dLocal's merchant customers receive payment from their customers. ²"Pay-out" means a payment transaction whereby dLocal disburses money in local currency to the business partners or customers of dLocal's merchant customers.

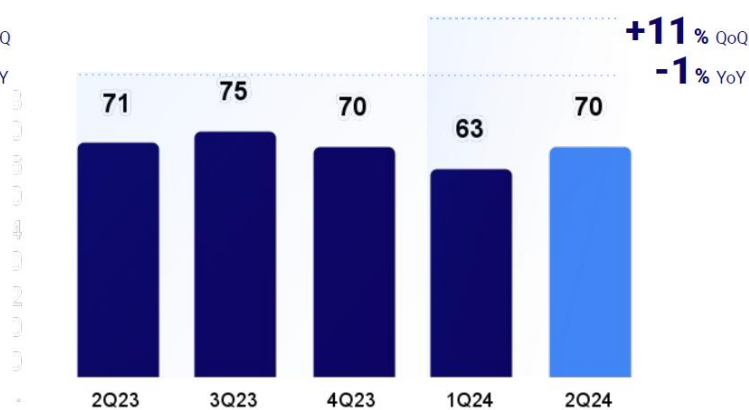
d.

YoY revenue increased by 6%, while QoQ decline mostly driven by devaluation in Egypt and Nigeria. Gross profit YoY impacted mainly by Argentina

Revenue evolution (\$M)



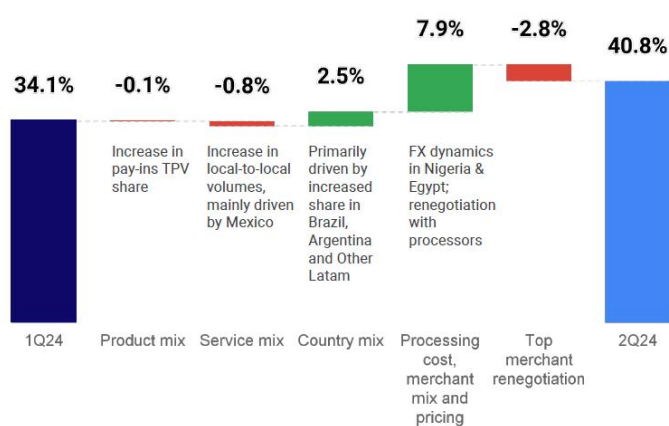
Gross Profit evolution (\$M)



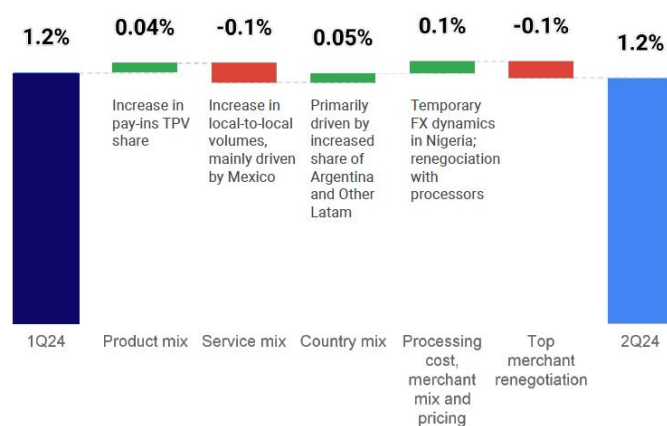
d.

Sequential improvement in gross profit margin and flat net take rate, despite the headwinds of merchant repricing, devaluations in Nigeria and Egypt, and weakening across most emerging markets currencies

Gross Profit margin (%) QoQ bridge

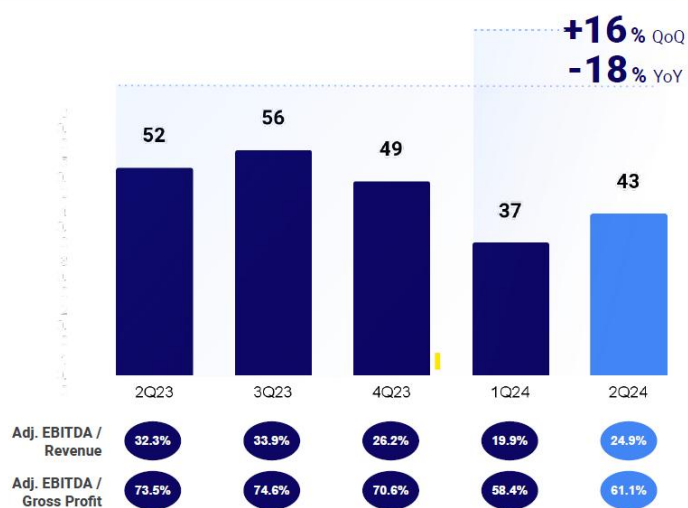


Gross Profit over TPV (%) QoQ bridge

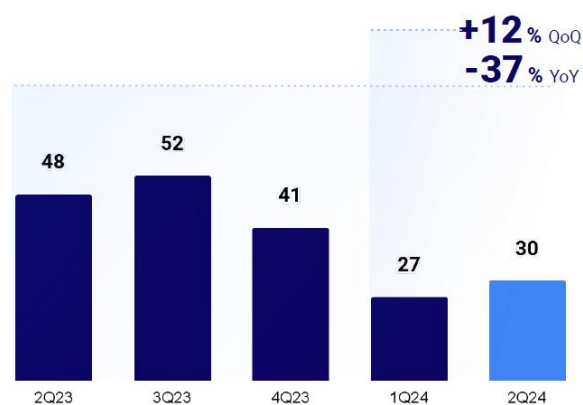


QoQ improvement on Adjusted EBITDA and Operating Profit mainly driven by higher gross profit and a disciplined OPEX investment

d.

Adjusted EBITDA¹ evolution (\$M)

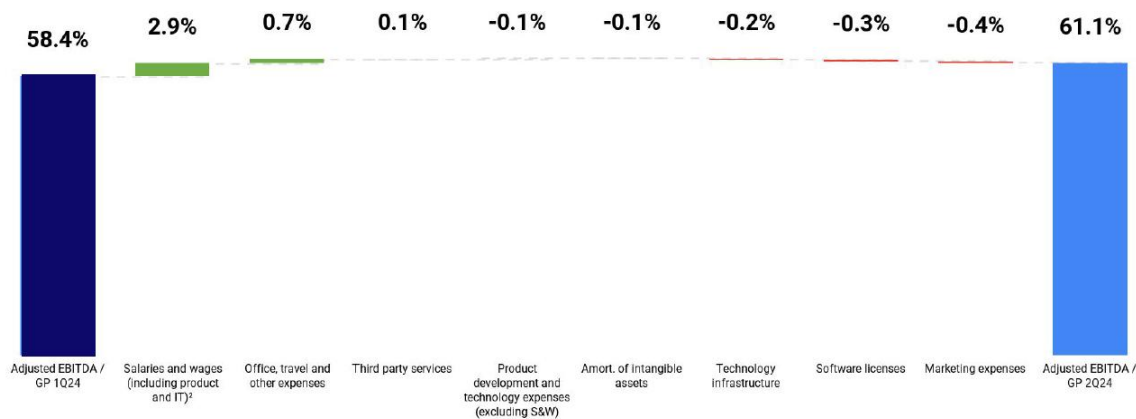
Operating Profit evolution (\$M)



Note: ¹dLocal has only one operating segment. Although Adjusted EBITDA and Adjusted EBITDA Margin may be commonly viewed as non-IFRS measures in other contexts, pursuant to IFRS 8, Adjusted EBITDA and Adjusted EBITDA Margin are treated by dLocal as IFRS measures based on the manner in which dLocal utilizes these measures. See detailed methodology for Adjusted EBITDA and Adjusted EBITDA Margin in appendix.

QoQ Adjusted EBITDA over gross profit margin improvement driven by higher gross profit and balanced approach to expense management balancing short-term and long-term opportunity

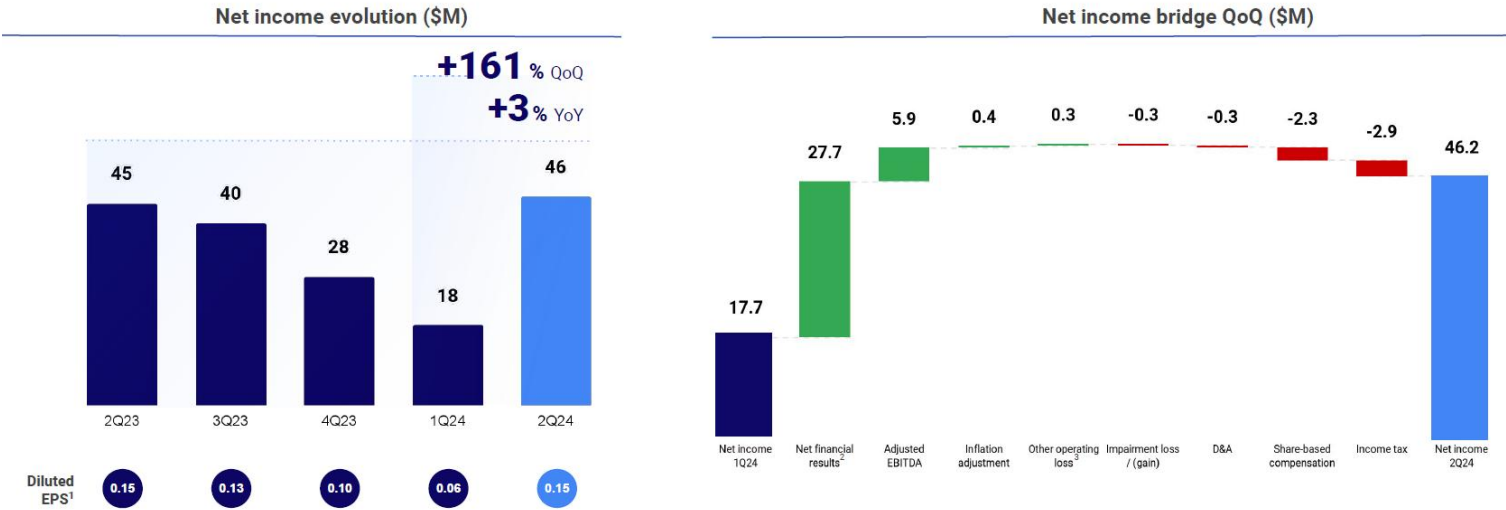
Adjusted EBITDA¹ over Gross Profit margin QoQ bridge (%)



Note: ¹dLocal has only one operating segment. Although Adjusted EBITDA and Adjusted EBITDA Margin may be commonly viewed as non-IFRS measures in other contexts, pursuant to IFRS 8, Adjusted EBITDA and Adjusted EBITDA Margin are treated by dLocal as IFRS measures based on the manner in which dLocal utilizes these measures. ²Salaries and wages exclude share-based payment non-cash charges as it is excluded from the Adjusted EBITDA calculation. See detailed methodology for Adjusted EBITDA and Adjusted EBITDA Margin in appendix.

d.

Increase in net income primarily driven by higher finance income, given the non-cash mark to market effect related to Argentine bonds investments used to hedge our local currency position in that market



Note: ¹Our diluted earnings per share is calculated by dividing the profit attributable to owners of the group 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. ²During Q2 2024, we recognized a fair value gain of \$22.8 million (\$10.8 million in Q1 2024) from the Argentine dollar-linked bonds and an exchange difference loss of \$5.8 million (\$6.7 million in Q1 2024) from the intercompany loan denominated in USD that we granted to our Argentine subsidiary to purchase part of these bonds. ³In Q2 2024, the company wrote-off certain amounts related to merchants/processors off-boarded by dLocal.

Balance sheet position remains solid; \$82M of own funds used for share buyback program

Consolidated cash reconciliation (\$M)



Note: ²Change in Trade Receivables includes change in Non Current Other Assets.

d.



- **Robust own liquidity of \$306M**, including \$186M own cash + \$120M short-term investments. In addition, we have **\$66M** within merchants funds pending to be transferred to own funds.
- **\$35M FCF¹ (own-funds) generation in 2Q24** with 77% cash conversion (\$129M in LTM2Q24 before bonds and share buyback with 97% cash conversion²)

Note: ¹FCF (own-funds) is calculated as profit before income tax less income tax paid, +/- non cash adjustments, +/- change in working capital (own) excluding movements in Other Assets +/- net collection of interest & financial expenses, less additions of property, plant and equipment and intangible assets. FCF excludes inflows & outflows due to movements in Other Assets, because these movements are expected to be non-recurring. ²Cash conversion is calculated as Free Cash Flow (own-funds) divided by net income.

Updated 2024 guidance

d.

	Prior 2024 Guidance	Updated 2024 Guidance	Key considerations
TPV	\$25-27B	\$24.5-26.5B	• Downward probability of volume ramp-ups; • Pipeline volume mix skewed towards Tier 0 merchants that have lower take rates; • General expectation of weakening emerging markets currencies.
Gross profit	\$320-360M	\$280-300M	• Growing local-to-local flows, in addition to the factors mentioned above in TPV
Adjusted EBITDA	\$220-260M	\$180-200M	• Maintenance of investments in certain key long-term projects, supporting crucial long-term investments that enhance our value proposition and internal controls

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Thanks

d·local

Highlights

d·local

We power a **massive and expanding emerging markets ecosystem** accepting more than **900 local payment methods** across **40+ countries**

We are **directly integrated** with some of the world's largest online merchants, driving very strong NRR and cohort performance

We have built a **scalable, single API technology infrastructure** that makes the complex simple for merchants across emerging markets

Our business model is **diversified across industries, clients and geographies**

We are **growing rapidly and profitably at scale with strong cash generation**

APPENDIX

TPV

d.

TPV breakdown by type of product¹

In millions of US\$	2Q23	3Q23	4Q23	1Q24	2Q24
Pay-ins	3,190	3,429	3,701	3,657	4,273
<i>As % of total</i>	73%	74%	72%	69%	71%
Pay-outs	1,184	1,189	1,410	1,653	1,763
<i>As % of total</i>	27%	26%	28%	31%	29%
Total TPV	4,373	4,618	5,111	5,310	6,035

TPV breakdown by type of flow²

In millions of US\$	2Q23	3Q23	4Q23	1Q24	2Q24
Cross-border	2,219	2,256	2,235	2,426	2,701
<i>As % of total</i>	51%	49%	44%	46%	45%
Local to Local	2,154	2,362	2,876	2,884	3,334
<i>As % of total</i>	49%	51%	56%	54%	55%
Total TPV	4,373	4,618	5,111	5,310	6,035

Note: ¹"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.

²"Cross-border" means a payment transaction whereby dLocal is collecting in one currency and settling into a different currency and/or in a different geography. "Local-to-local" means a payment transaction whereby dLocal is collecting and settling in the same currency.

Revenue

d.

Revenue breakdown by geography

In millions of US\$	2Q23	3Q23	4Q23	1Q24	2Q24
Brazil	41.2	44.7	50.2	43.1	42.3
Argentina	20.7	23.9	10.5	13.8	20.5
Mexico	28.3	30.2	35.6	34.0	35.8
Chile	14.2	12.4	14.9	12.4	12.3
Other LatAm	22.5	24.8	20.3	22.1	27.8
Latin America	126.9	136.0	131.5	125.4	138.7
Nigeria	20.4	8.3	28.4	7.2	1.1
Egypt	4.7	10.1	18.4	39.0	15.0
Other Africa & Asia	9.2	9.4	9.7	12.8	16.5
Africa & Asia	34.3	27.9	56.5	59.0	32.6
Total Revenue	161.1	163.9	188.0	184.4	171.3

Note: Unaudited quarterly results

Gross profit

d.

Gross profit breakdown by geography

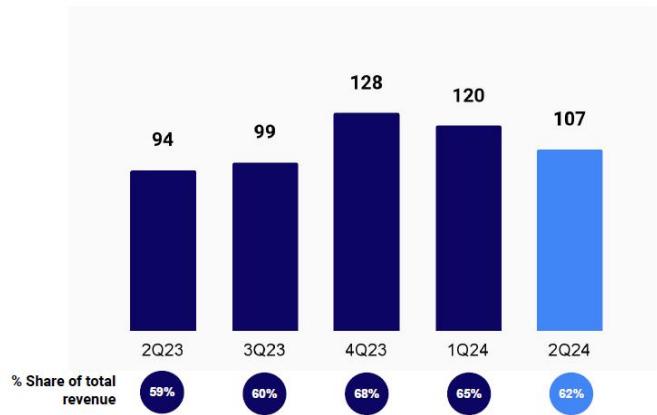
In millions of US\$	2Q23	3Q23	4Q23	1Q24	2Q24
Brazil	19.6	22.7	25.5	17.9	19.2
Argentina	13.8	13.1	4.0	5.2	7.6
Mexico	10.6	7.9	9.3	9.9	8.8
Chile	8.9	6.9	9.1	7.5	8.3
Other LatAm	8.7	8.9	7.0	8.1	9.6
Latin America	61.7	59.4	54.7	48.6	53.5
Nigeria	0.2	1.7	1.5	0.5	2.0
Egypt	4.2	9.6	9.6	10.3	9.8
Other Africa & Asia	4.7	3.7	3.9	3.6	4.5
Africa & Asia	9.1	15.1	15.0	14.4	16.3
Total Gross Profit	70.8	74.5	69.7	63.0	69.8

Note: Unaudited quarterly results

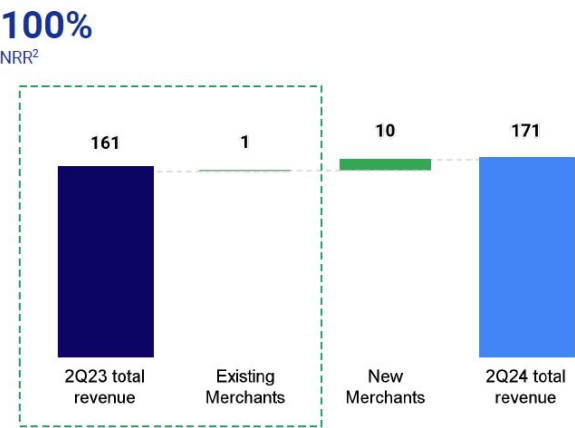
Revenue

d.

Top 10 merchant revenue¹(\$M) and concentration (%)



Revenue composition (\$M)

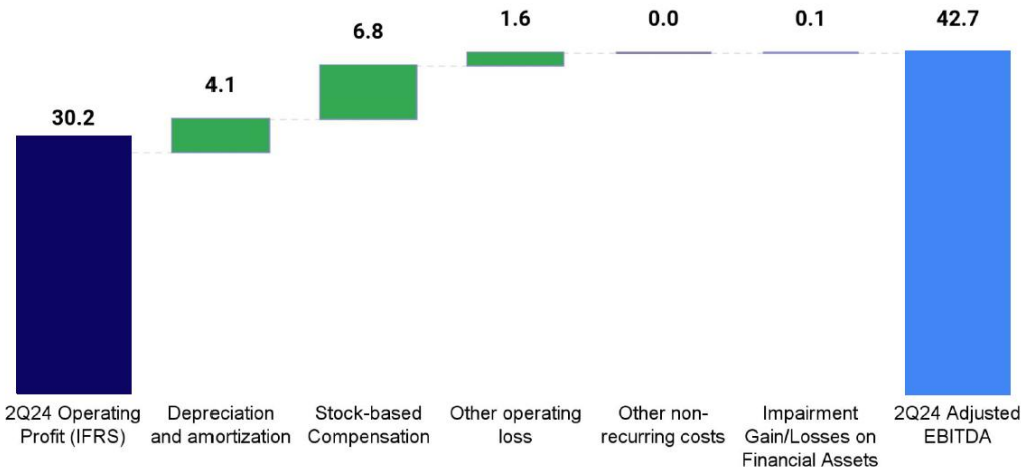


Note: ¹Top 10 merchants may vary from period to period. ²"NRR" means Net Revenue Retention rate, which is the U.S. dollar-based measure of retention and growth of our merchants. We calculate the NRR of a period by dividing the Current Period Revenue by the Prior Period Revenue. The Prior Period Revenue is the revenue billed by us to all our customers in the prior period. The Current Period Revenue is the revenue billed by us in the current period to the same customers included in 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 onboarded in the last 12 months. Unaudited quarterly results.

Adjusted EBITDA

d.

Adjusted EBITDA bridge (\$M)



Note: Adjusted EBITDA excludes one-off expenses and non-cash items. Unaudited quarterly results. See detailed methodology for Adjusted EBITDA in slide 29.

d.

Adjusted EBITDA

Reconciliation of Profit to Adjusted EBITDA

\$ in thousands	2Q23	1Q24	2Q24
Profit for the period	44,791	17,718	46,239
Income tax expense	8,774	7,114	10,060
Depreciation and amortization	2,869	3,762	4,089
Finance income and costs, net ¹	(7,459)	(299)	(28,045)
Share-based payment non-cash charges	1,421	4,461	6,776
Other operating loss ²	-	1,819	1,553
Impairment loss / (gain) on financial assets ²	(21)	(177)	76
Inflation adjustment	1,661	2,368	1,941
Adjusted EBITDA	52,036	36,766	42,689

Note: Although Adjusted EBITDA and Adjusted EBITDA Margin may be commonly viewed as non-IFRS measures in other contexts, pursuant to IFRS 8, Adjusted EBITDA and Adjusted EBITDA Margin are treated by dLocal as IFRS measures based on the manner in which dLocal utilizes these measures. Adjusted EBITDA as used by dLocal is defined 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.

¹In Q2 2024, the Finance income and costs, net line was impacted by the non-cash mark to market effect related to Argentine bonds investments in the amount of US\$22.8 million. ²In Q2 2024, the company wrote-off certain amounts related to merchants/processors off-boarded by dLocal. Unaudited quarterly results.

Adjusted Net Income

d.

Reconciliation of Profit to Adjusted Net Income

\$ in thousands	2Q23	1Q24	2Q24
Net income as reported	44,791	17,718	46,239
Inflation adjustment	1,661	2,368	1,941
Loan - exchange difference	1,815	6,729	5,831
Fair value (loss) / gains of financial assets at FVTPL (bonds)	(3,565)	(10,815)	(22,774)
Impairment loss / (gain) on financial assets	(21)	(177)	76
Share-based payment non-cash charges	1,421	4,461	6,776
Other operating (gain)/loss	-	1,819	1,553
Tax on adjustments	(613)	(1,361)	5,998
Adjusted net income	45,490	20,742	45,640

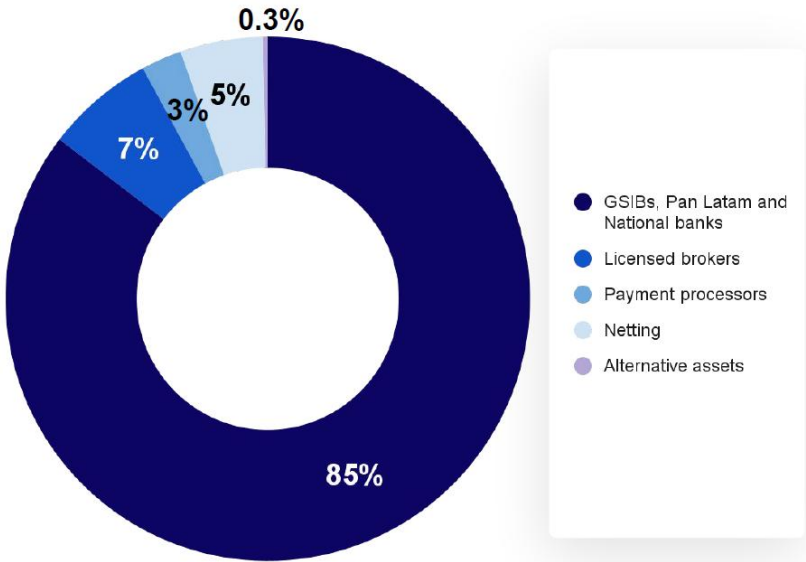
Note: Adjusted Net Income is a non-IFRS financial measure. As used by dLocal Adjusted net income is defined as the profit for the period (net income) excluding impairment gains/(losses) on financial assets, transaction costs, share-based payment non-cash charges, secondary offering expenses, and other operating (gain)/loss, in line with our Adjusted EBITDA calculation (see detailed methodology for Adjusted EBITDA in page 13). It further excludes the accounting non-cash charges related to the fair value gain from the Argentine dollar-linked bonds and the exchange difference loss from the intercompany loan denominated in USD that we granted to our Argentine subsidiary to purchase the bonds. In addition, it excludes the inflation adjustment based on IFRS rules for hyperinflationary economies. We believe Adjusted Net Income is a useful measure for understanding our results for operations while excluding for certain non-cash effects such as currency devaluation and inflation. Our calculation for Adjusted Net Income may differ from similarly-titled measures presented by other companies and should not be considered in isolation or as a replacement for our measure of profit for the period as presented in accordance with IFRS.

Unaudited quarterly results.

Robust global network of trusted financial partners

In Q2 2024, we expatriated **85%** of the pay-ins cross-border TPV through **banks (global, continental or national partner banks)**

2Q24 cross-border expatriation volumes by partner mix:



d.

