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

FORM 20-F

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2024

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report _____

For the transition period from _____ to _____

Commission file number: 001-40451

DLocal Limited

(Exact name of Registrant as specified in its charter)

Not Applicable

(Translation of Registrant's name into English)

Cayman Islands

(Jurisdiction of incorporation or organization)

Dr. Luis Bonavita 1294

Montevideo

Uruguay 11300

(Address of principal executive offices)

Pedro Arnt

Dr. Luis Bonavita 1294

Montevideo

Uruguay 11300

+1 (424) 392-7437

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered, pursuant to Section 12(b) of the Act

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Class A common shares, par value US\$0.002 per share	DLO	Nasdaq Global Select Market

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: 285,475,136 Class A and Class B common shares, as of December 31, 2024

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes
No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b).

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP

International Financial Reporting Standards as issued
by the International Accounting Standards Board

Other

If "Other" has been checked in response to the previous question indicate by check mark which financial statement item the registrant has elected to follow. Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

TABLE OF CONTENTS

	<u>Page</u>
<u>Presentation of Financial and Other Information</u>	4
<u>Cautionary Statement Regarding Forward-Looking Statements</u>	7
<u>PART I</u>	
ITEM 1. <u>IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS</u>	9
ITEM 2. <u>OFFER STATISTICS AND EXPECTED TIMETABLE</u>	9
ITEM 3. <u>KEY INFORMATION</u>	9
<u>A. [Reserved]</u>	9
<u>B. Capitalization and indebtedness</u>	9
<u>C. Reasons for the offer and use of proceeds</u>	9
<u>D. Risk factors</u>	9
ITEM 4. <u>INFORMATION ON THE COMPANY</u>	74
<u>A. History and development of the company</u>	74
<u>B. Business overview</u>	76
<u>C. Organizational structure</u>	104
<u>D. Property, plant and equipment</u>	106
ITEM 4A. <u>UNRESOLVED STAFF COMMENTS</u>	106
ITEM 5. <u>OPERATING AND FINANCIAL REVIEW AND PROSPECTS</u>	106
<u>A. Operating results</u>	118
<u>B. Liquidity and capital resources</u>	121
<u>C. Research and development, patents and licenses, etc.</u>	123
<u>D. Trend information</u>	123
<u>E. Critical Accounting Estimates</u>	123
ITEM 6. <u>DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES</u>	123
<u>A. Directors and senior management</u>	123
<u>B. Compensation</u>	128
<u>C. Board practices</u>	129
<u>D. Employees</u>	132
<u>E. Share ownership</u>	133
<u>F. Disclosure of a registrant's action to recover erroneously awarded compensation</u>	133
ITEM 7. <u>MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS</u>	133
<u>A. Major shareholders</u>	133
<u>B. Related party transactions</u>	136
<u>C. Interests of experts and counsel</u>	137
ITEM 8. <u>FINANCIAL INFORMATION</u>	137
<u>A. Consolidated statements and other financial information</u>	137

	<u>B. Significant Changes</u>	140
ITEM 9.	<u>THE OFFER AND LISTING</u>	140
	<u>A. Offer and listing details</u>	140
	<u>B. Plan of distribution</u>	140
	<u>C. Markets</u>	140
	<u>D. Selling shareholders</u>	140
	<u>E. Dilution</u>	140
	<u>F. Expenses of the issue</u>	140
ITEM 10.	<u>ADDITIONAL INFORMATION</u>	140
	<u>A. Share capital</u>	140
	<u>B. Memorandum and articles of association</u>	140
	<u>C. Material contracts</u>	152
	<u>D. Exchange controls</u>	153
	<u>E. Taxation</u>	153
	<u>F. Dividends and paying agents</u>	158
	<u>G. Statement by experts</u>	158
	<u>H. Documents on display</u>	158
	<u>I. Subsidiary information</u>	158
	<u>J. Annual report to security holders</u>	158
ITEM 11.	<u>QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	158
ITEM 12.	<u>DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES</u>	159
	<u>A. Debt Securities</u>	159
	<u>B. Warrants and Rights</u>	159
	<u>C. Other Securities</u>	159
	<u>D. American Depositary Shares</u>	159
 <u>PART II</u>		
ITEM 13.	<u>DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES</u>	160
ITEM 14.	<u>MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS</u>	160
ITEM 15.	<u>CONTROLS AND PROCEDURES</u>	161
ITEM 16	<u>[Reserved]</u>	162
	<u>A. Audit committee financial expert</u>	162
	<u>B. Code of Ethics</u>	162
	<u>C. Principal Accountant Fees and Services</u>	162
	<u>D. Exemptions from the Listing Standards for Audit Committees</u>	163
	<u>E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers</u>	163
	<u>F. Changes in Registrant's Certifying Accountant</u>	164
	<u>G. Corporate Governance</u>	164
	<u>H. Mine Safety Disclosure</u>	174

I. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections	174
J. Insider Trading Policies	174
K. Cybersecurity	175

PART III

ITEM 17.	FINANCIAL STATEMENTS	176
ITEM 18.	FINANCIAL STATEMENTS	176
ITEM 19.	EXHIBITS	176

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this annual report, references to “dLocal”, “we”, “our”, “us” or the “Company” means DLocal Limited and its consolidated subsidiaries, unless the context otherwise requires, or where we make clear that such term refers only to DLocal Limited and not to its subsidiaries.

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

Financial Statements

Unless otherwise noted, the consolidated financial information presented in this annual report as of December 31, 2024, and 2023 and for the years ended December 31, 2024, 2023, and 2022, relates to us and is derived from our audited consolidated financial statements as of December 31, 2024, and 2023, and for the years ended December 31, 2024, 2023, and 2022, which we refer to as our “Audited Consolidated Financial Statements”.

We prepare our Audited Consolidated Financial Statements in accordance with IFRS Accounting Standards, as issued by the IASB. We have applied all IFRS Accounting Standards issued by the IASB effective at the time of preparing our Audited Consolidated Financial Statements. Our Audited Consolidated Financial Statements have been audited by Price Waterhouse & Co. S.R.L., a member firm of the PricewaterhouseCoopers global network, an independent registered public accounting firm, whose report dated April 24, 2025, is also included in this annual report.

This financial information should be read in conjunction with “[Item 5. Operating and Financial Review and Prospects](#)” and our consolidated financial statements, including the notes thereto, included elsewhere in this annual report.

Our Audited Consolidated Financial Statements are presented in U.S. dollars which is the functional currency of DLocal Limited. Our fiscal year ends on December 31 of each year. Accordingly, all references to a particular year are to the year ended December 31 of that year.

Segment Information

We manage our business under a single operating segment, which is payment processing. We have adopted IFRS 8 (*Operating Segments*), which requires operating segments to be identified on the basis of internal reports regarding components of our business that are regularly reviewed by our management, including our chief operating decision maker, which is the group’s executive team represented by executive officers and directors, in order to allocate resources and to assess their performance. See Note 5, (Segment Reporting), to our Audited Consolidated Financial Statements, included elsewhere in this annual report.

Special Note Regarding Adjusted EBITDA and Adjusted EBITDA Margin

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

We define Adjusted EBITDA as the consolidated profit from operations before financing and taxation for the applicable reporting period before depreciation of property, plant and equipment, amortization of right-of-use assets and intangible assets. It also excludes adjustments applied to subsidiaries operating in hyperinflationary environments, other operating losses, impairment gain/loss on financial assets, secondary offering expenses, other non-recurring costs and share-based payment non-cash charges. We calculate Adjusted EBITDA Margin by dividing Adjusted EBITDA by our revenues.

Although Adjusted EBITDA and Adjusted EBITDA Margin may be commonly viewed as non-IFRS measures in other contexts, pursuant to IFRS 8, ("Operating Segments"), Adjusted EBITDA and Adjusted EBITDA Margin are herein treated as IFRS measures in the manner in which we utilize these measures. Nevertheless, our Adjusted EBITDA and Adjusted EBITDA Margin metrics should not be viewed in isolation or as a substitute for our profit for the periods presented under IFRS Accounting Standards. We also believe that our Adjusted EBITDA and Adjusted EBITDA Margin metrics are useful metrics used by analysts and investors, although these measures are not explicitly defined under IFRS Accounting Standards. Additionally, the way we calculate our operating segment's performance measures may be different from the calculations used by other entities, including competitors, and therefore, our performance measures may not be comparable to those of other entities. See "[Item 5. Operating and Financial Review and Prospects](#)" for a reconciliation of our Adjusted EBITDA and Adjusted EBITDA Margin to our profit for the period.

TPV

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

NRR

Net Revenue Retention Rate or "NRR" is a U.S. dollar-based measure of retention and growth of our merchants. We calculate the NRR 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.

Market Share and Other Information

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

Industry publications generally state that the information they include has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. Although we have no reason to believe any of this information or these reports are inaccurate in any material respect and believe and act as if they are reliable, we have not independently verified it. Governmental publications and other market sources, including those referred to above, generally state that their information was obtained from recognized and reliable sources, but the accuracy and completeness of that information is not guaranteed. In addition, the data that we compile internally and our estimates have not been verified by an independent source. Except as disclosed in this annual report, we have not sought or obtained the consent of any of these sources to include such market data in this annual report. The information contained in, or accessible through, our website is not incorporated into this annual report.

Rounding

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

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This annual report contains statements that constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Many of the forward-looking statements contained in this annual report can be identified by the use of forward-looking words such as “anticipate,” “believe,” “could,” “expect,” “should,” “plan,” “intend,” “estimate” and “potential,” among others.

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

- our ability to adapt to the rapid pace of technological changes in the payments processing industry;
- competition in the payments processing industry;
- our ability to implement our business strategy;
- the reliability, performance, functionality and quality of our payments processing platform;
- fluctuations in interest, inflation and exchange rates in any of the countries we serve or may serve in the future;
- the availability of government authorizations or exemptions on terms and conditions and within periods acceptable to us;
- our compliance with, and changes to, government laws, regulations and tax matters that currently apply to us;
- general economic, financial, political, demographic and business conditions in the countries we serve and their impact on our business;
- our ability to manage operations at our current size or manage growth effectively;
- our ability to successfully expand into new products and new markets;
- our ability to pursue and successfully carry out strategic acquisitions or investments;
- our ability to continue attracting and retaining new appropriately skilled employees;
- public health threats or outbreaks of communicable diseases, such as the COVID-19 virus and others;
- the interests of our principal shareholders;
- changes in merchant or consumer demands regarding payment processing services and our ability to innovate to respond to such changes;

- the availability and effective operation of management information systems and other technology;
- our ability to comply with applicable cybersecurity, privacy and data protection laws and regulations;
- our ability to protect ourselves against cybersecurity risks;
- events or conditions that adversely affect our reputation or our image;
- other factors that may affect our financial condition, liquidity and results of operations; and
- other risk factors discussed under “Risk Factors.”

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

PART I

Item 1. Identity of Directors, Senior Management and Advisers

Not applicable.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information

A. [Reserved]

B. Capitalization and indebtedness.

Not applicable.

C. Reasons for the offer and use of proceeds.

Not applicable.

D. Risk factors.

This section is intended to be a summary of more detailed discussions contained elsewhere in this annual report. The risks described below are not the only ones we face. Our business, results of operations or financial condition could be harmed if any of these risks materialize and, as a result, the trading price of our Class A common shares could decline.

Summary of Risk Factors

An investment in our Class A common shares is subject to a number of risks, including risks relating to our business and industry, risks related to the countries in which we operate and risks related to our Class A common shares. The following list summarizes some, but not all, of these risks.

Certain Risks Relating to Our Business and Industry

- If we cannot keep pace with rapid developments and change in our industry, including making the necessary investments to keep pace with such developments and change, the use of our services could decline, reducing our revenues.
- Substantial and increasingly intense competition may harm our business.
- We may not be able to successfully implement strategies to attract or retain merchants, expand our product portfolio or increase adoption of our payments processing platform, which would limit our growth.
- We have a limited operating history with financial results that may not be indicative of future performance, and our revenue growth rate is likely to slow down as our business matures.
- If we fail to manage our growth effectively, our business could be harmed.
- Potential merchant clients may be reluctant to switch to a new vendor or integrate with a new vendor, or integration may take longer than expected, which may adversely affect our growth.
- A decline in the quality of the services we offer could adversely affect our ability to attract and retain merchants and partners.
- Certain large merchants provide a significant share of our revenues and the reduction in business with these merchants could materially harm our business.
- Interruption or failure of our information technology and communications systems could impair our operations, which could also damage our reputation and harm our results of operations.
- We are subject to cyberattacks and may be subject to breaches of our information technology infrastructure and applications, and any failure to adequately protect our information technology infrastructure and applications could result in data breaches and/or downtime and materially adversely affect our reputation, business, and financial condition.
- We may not currently hold, or be able to obtain or maintain the relevant regulatory licenses, permissions or registrations to carry out our business in the various jurisdictions in which we operate, which may subject us to fines, penalties or force us to discontinue operations in such jurisdictions, any of which could have a material adverse effect on our business, financial condition and results of operations.
- We are subject to complex and evolving tax regimes and foreign exchange regulations in the countries in which we operate and failure to accurately interpret applicable tax laws or foreign exchange regulations, or changes in tax laws or foreign exchange regulations or changes in existing interpretations of tax laws or foreign exchange regulations, could have a material adverse effect on our business and financial condition.
- Our business depends on our reputation and our ability to attract and retain merchant clients which could be adversely affected due to events or conditions that damage our reputation or the confidence in our services.

- The ongoing wars between Russia and Ukraine and Israel and Hamas may have a material adverse effect on the global economy as well as on us. As a company that operates globally, the adverse effects of military conflicts and their adverse effects on the global economy and market conditions could have a material adverse effect on our business.

Certain Risks Relating to the Countries in which we Operate

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

Certain Risks Relating to our Class A Common Shares

- An active trading market for our common shares may not be sustainable. If an active trading market is not maintained, investors may not be able to resell their shares at or above the price they paid and our ability to raise capital in the future may be impaired.
- As of December 31, 2024, holders of our Class B common shares together own 46.96% of our outstanding common shares and 81.57% of corresponding voting rights, and have the power, as a group, to elect a majority of the members of our board of directors, which means that these shareholders, when acting in concert, have significant influence over matters requiring shareholder approval. This concentration of ownership and voting power limits your ability to influence corporate matters.
- Our dual class capital structure means our shares cannot be included in certain indices. We cannot predict the impact this may have on the trading price of our Class A common shares.
- We are a Cayman Islands exempted company with limited liability. The rights of our shareholders, including with respect to fiduciary duties and corporate opportunities, may be different from the rights of shareholders governed by the laws of U.S. jurisdictions.

Risks Relating to Our Business and Industry

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

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

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

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

Substantial and increasingly intense competition may harm our business.

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

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

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

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

- increase merchant awareness of our platform;
- encourage merchants to contract with us and use our digital payment services;
- grow and diversify our customer base;
- complement our product portfolio with additional payment solutions for our merchants, which may include the processing of cryptocurrencies;

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

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

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

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

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

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

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

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

Our working capital needs may increase in the future. We have historically relied on our cash flow generation to satisfy our working capital needs. If our working capital needs grow in the future in excess of our cash generation, and we are not able to fund these needs with credit or other external sources, then our cash and cash equivalents may decline, and we may have to grow at a slower pace. Our working capital needs may increase due to requests from clients for the provision of financial guarantees or due to accelerated settlement cycles with clients. In addition, our working capital needs may increase from time to time if and when funds are subject to restrictions on expatriation from certain jurisdictions imposed by banks, central banks or other governmental authorities in such jurisdictions, and we are required to pay merchants or make other payments prior to the receipt of such funds. In particular, to the extent there is a mismatch in timing on our TPV between funds from consumers that are retained in a local jurisdiction and the date on which we must pay merchants for the related transactions, we would be required to use our working capital to fund such payments until we are able to expatriate such funds from such jurisdictions and will be subject to foreign exchange risk on such mismatch (see “—[Exchange controls and other restrictions on the movement of capital out of certain jurisdictions or otherwise affecting our settlement transactions or our subsidiaries’ ability to pay dividends or make other payments to us may have a material adverse effect on our results of operations and financial condition](#)”). Additionally, our working capital costs may be affected by interest and discount rates, especially in countries where payments can be made in installments and/or where we do not immediately receive the proceeds from transactions made with credit cards. All these impacts on our working capital needs may substantially harm our financial capacity.

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

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

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

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

Our revenues depend on prompt and accurate transaction processes. Currently, all our transactions are exported from a transaction server and manually registered into our accounting system, which may subject our accounting system to errors and possible mismatches between customers' payments and our confirmation of such payments to our merchant, which may give rise to claims or allegations that could harm our business. Our failure to grow our transaction-processing capabilities to accommodate the increasing number of transactions that are processed on our platform could harm our business. Furthermore, we may need to enter into relationships with various strategic partners and other third parties necessary to our business. The increased complexity of managing multiple commercial relationships could lead to execution problems that can affect current and future revenues and operating margins. Further, we may also expand into new geographies, which may further strain our resources and bring new challenges. See ["We are expanding and may in the future continue to expand into new industry verticals and geographic regions and offer new products, including through potential acquisition opportunities, and our failure to mitigate specific regulatory, credit, and other risks associated with a new industry vertical, geographic region or product could have an adverse effect on our business."](#)

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

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

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

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

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

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

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

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

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

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

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

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

A relatively small number of customers account for a significant share of our revenues. Our top 10 customers in terms of revenues represented 62% of our revenues in the year ended December 31, 2024, 60% of our revenues in the year ended December 31, 2023, and 50% of our revenues in the year ended December 31, 2022. In the year ended December 31, 2024, there were two customers that individually accounted for more than 10% of our total revenues, compared to one customer and no customers in the years ended December 31, 2023 and 2022, respectively. Failure to maintain our contracts with, or a decrease in the relevant transaction volumes from, these merchants could negatively impact our business and could lead to significant fluctuations in our operating and financial performance. While our merchant customer contracts, including those with our largest merchants, are generally of indefinite term, they are terminable upon relatively short written notice. Moreover, these contracts are not exclusive and do not prevent merchants from transacting with and sending all or substantial transaction volumes to our competitors. Merchants may seek price reductions when expanding or changing their services with us and/or when the merchants' business experiences significant volume changes. Further, certain merchants may seek to lower prices previously agreed upon due to pricing competition, volume increases, perceived reputational concerns based on market disinformation, or other economic needs or pressures faced by the merchant. In addition, our large merchants often have arrangements with multiple payment service providers, primarily in order to mitigate certain risks, such as downtime, delayed response time or default by a payment service provider, as well as to maximize conversion among payment service providers, and to have a complete array of payment methods available. Therefore, these merchants could shift business away at any given time without necessarily terminating their contracts with us. Moreover, from time to time, our merchants may require us to provide certain services or to process certain payment volumes that we are unwilling or unable to fulfill, which may cause them to reduce or cease business relations with us or to shift payment volumes to our competitors. If our contracts with our large merchant customers are terminated or if these merchant customers shift business away from us or offer cross-border payment solutions directly, or if we are unsuccessful in retaining high renewal rates and favorable contract terms, our business, financial condition and results of operations could be materially adversely affected.

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

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

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

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

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

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

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

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

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

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

Furthermore, cyberattacks continue to evolve in sophistication and volume, and threat actors are becoming increasingly sophisticated in using techniques and tools, including AI.

We use artificial intelligence in our business, and challenges with properly managing its use could result in reputational harm, competitive harm, and legal liability, and adversely affect our results of operations.

Although we do not use AI in our financial reporting processes, we incorporate and may further incorporate artificial intelligence solutions into our platform, offerings, services, and features, or in support of internal business operations, and these applications may become important in our operations over time. There are significant risks and challenges in maintaining and deploying these technologies and there can be no assurance that the usage of such technologies will always enhance our products or services. Our competitors or other third parties may incorporate AI into their products more quickly or more successfully than us, which could impair our ability to compete effectively and adversely affect our results of operations. Additionally, if the content, analyses, or recommendations that AI applications assist in producing are or are alleged to be deficient, inaccurate, inappropriate, or biased, or if the use of AI results in, or is alleged to have resulted in, the infringement of the intellectual property of third parties or violations of other rights of third parties, we may be subject to legal claims or liability and our business, financial condition, and results of operations may be adversely affected.

The use of AI applications may result in data leakage or unauthorized exposure of data, including confidential business information, the personal data of end users, or other sensitive information. Such leakage or unauthorized exposure of data related to the use of AI applications could result in legal claims or liability or otherwise adversely affect our reputation and results of operations. AI also presents emerging ethical and regulatory issues and if our use of AI becomes controversial, we may experience brand or reputational harm, competitive harm, or legal liability. The rapid evolution of AI, including the development of government regulation of AI and automated decision-making technology more generally, may require significant resources to develop, test, and maintain our platform, offerings, services, and features to help us implement AI and automated decision-making technology more generally in a manner that complies with applicable laws and regulations and ethically in order to minimize unintended, harmful impact. The regulatory framework for machine learning, AI and automated decision-making technologies is rapidly evolving, and we may not always be able to anticipate how to respond to these laws or regulations.

Furthermore, AI can create accuracy issues, unintended biases, intellectual property infringing content, and discriminatory outcomes. AI could produce inaccurate or misleading content or other discriminatory or unexpected results, such as hallucinations. Although we take measures to ensure the accuracy of AI generated data, our measures may not always be successful, and in some cases, we may need to rely on manual reporting of such inaccuracies. We rely on external providers of AI applications and we do not have access to detailed information regarding the implementation or training data/techniques of such AI applications, including the quality of the data used for training or the ownership or intellectual property rights of such data. The law is uncertain across jurisdictions regarding the copyright ownership of content that is produced in whole or in part by Generative AI (“GenAI”). Our ability to continue to use AI technologies may be dependent on third-party software and infrastructure and we cannot control their availability or pricing.

We may not be able to source and integrate the latest AI and machine learning technologies into our products and services. If our AI or machine learning models are:

- incorrectly designed or implemented;
- trained on incomplete, inadequate, inaccurate, biased, or poor-quality data, or data which is subject to the rights of third parties; or
- adversely impacted by defects, technical challenges, cyber security threats, or material performance issues; the performance of our products, services, and business, as well as our reputation could suffer or we could violate laws or our contracts.

Our insurance policies are not sufficient to cover all claims.

We have limited insurance coverage, which does not adequately cover all risks to which we are exposed, including cybersecurity risk and credit losses related to our exposure to third-party service providers. A significant claim not covered by insurance, in full or in part, may result in significant expenditures by us, including with respect to legal fees and expenses. Moreover, we may not be able to maintain insurance policies in the future at reasonable costs or on acceptable terms, which may adversely affect our business and the trading price of our Class A common shares.

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

Operating a multinational business creates difficulties associated with staffing and managing our international operations, as well as complying with local legal and regulatory requirements. We operate pay-in and pay-out financial transaction processing networks, both cross-border and local-to-local, that offer payment services to customers. The laws and regulations in the markets in which we operate in respect of the products and services we offer and may offer in the future, and in respect of their application to our merchant customers, as well as the respective interpretation of those laws and regulations, evolve and are subject to rapid change, and it is not always clear how certain regulations may apply to us and our operations. As of the date of this annual report, we are licensed and regulated in the EU as an Electronic Money Issuer, or EMI, and Payment Institution, or PI, registered as a Money Services Business with the Financial Crimes Enforcement Network of the U.S. Department of the Treasury, or FinCEN, we are licensed and regulated in the UK as a Payment Institution, and we operate and may be licensed, as applicable, in many countries in emerging markets, primarily in the Americas, APAC (Asia Pacific), and EMEA (Europe, the Middle East and Africa), with our principal operations in Latin America, especially in Brazil, Mexico, Argentina and Chile. For additional information on our licenses and regulations applicable to our operations, see “[Item 4. Information on the Company — B. Business Overview — Regulatory Overview](#)”. Moreover, we have: (i) obtained licenses to operate in Brazil, Nigeria, Rwanda, Nicaragua, Kenya, Tanzania, Honduras and Uganda and approval in principle in the United Arab Emirates, Egypt, Philippines and Uruguay (ii) registered as an aggregator in Mexico, administrator of third-party funds and acquirers in Costa Rica, a payment facilitator in Peru, a system operator and third-party payments provider in South Africa, a sub-acquirer in Brazil, operator of payment system in the Philippines, as a payment and collection service provider in Uruguay, as Payment Aggregator and Financial System Auxiliary Services in Ecuador, as Payment Service Provider that provides Payment Aggregator services in Argentina, Payment Aggregator (acceptance of electronic payment instruments) in the Dominican Republic, and as a sub-acquirer cross-border - system operator in Chile, and (iii) registered as an AML/CFT reporting entity in: Argentina, Brazil, Chile, Colombia, Costa Rica, El Salvador, Uruguay, Nigeria, Kenya, Panama and Uganda. We are also in the process of obtaining other approvals, registrations and/or licenses in other countries, including, among others, the United Arab Emirates, Ghana, Singapore, Philippines, Nicaragua and Indonesia. Our application for the Financial Conduct Authority (“FCA”) license in the UK was approved on December 17, 2024. See “—[We may not currently hold, or be able to obtain or maintain the relevant regulatory licenses, permissions or registrations to carry out our business in the various jurisdictions in which we operate, which may subject us to fines, penalties or force us to discontinue operations in such jurisdictions, any of which could have a material adverse effect on our business, financial condition and results of operations.](#)”

Furthermore, we may continue to expand our operations and product offerings to other countries in these regions. Some of these countries have undergone significant political, economic and social change in recent years and the risk of new, unforeseen changes in these countries remains high.

We may not be operating in compliance with all financial services regulations, foreign exchange controls, anti-money laundering and compliance regulations, transactional, sales and withholding taxes, transfer pricing rules, money remittance regulations, data protection laws, financial statement reporting requirements, minimum capital requirements, employment laws, corporate, contract, property and competition laws, and other laws or regulations to which we may be subject. We may not be compliant with licensing or registration requirements in respect of money remittance regulations or others, in certain jurisdictions where we operate. Moreover, it is not always clear how such laws and regulations apply to our business and some of our customers' industries (e.g., e-wallets and money remitters), including, but not limited to, the fact that some of these laws were adopted prior to the advent of the internet, mobile and related technologies, and as a result, do not contemplate or address the unique issues of the internet and related technologies, which may be especially relevant in the context of the payments industry in which we operate. As a result, some of these laws are subject to interpretation by regulators and the courts on an ongoing basis and the resulting uncertainty in the scope and application of these laws and regulations increases the risk that we will be subject to private claims and governmental actions alleging violations of those laws and regulations, including with respect to our payments practices, compliance with informational requirements, or even claims that we may be conducting business without required licenses and/or authorizations thereunder in certain jurisdictions. We may be subject to increased scrutiny by regulatory authorities in certain instances where such regulatory authorities incorrectly attribute our jurisdiction of organization or corporate structure to that of a different country or entity than our actual jurisdiction of organization or corporate structure, which can enhance risks related to regulatory oversight in certain countries due to potential geopolitical tensions. We may also be subject to increased reputational risk, or scrutinized for compliance with labor, social security or tax requirements in connection with certain of our employment practices in different jurisdictions. In addition, we cannot assure you that laws and regulations applicable to us, the products that we offer, and our customers, will not be modified or interpreted in ways that could adversely affect our business.

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

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

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

We may expand into new geographic regions, including through potential acquisition opportunities, and we may in the future further expand into other industry verticals. We may not be able to successfully develop products and services for these new industries, and our merchants and financial partners may not want to be associated with us if we expand into certain verticals (whether as a result of actual or perceived increases in risk or reputational concerns or otherwise), which may result in the loss of such relationships. Our investment of resources to develop products and services for the new industries we enter may either be insufficient or result in expenses that are excessive relative to payment volumes we may be able to generate in such industries. Additionally, industry participants, including our merchants, their customers and others, may not be receptive to our solution in these new industries, which may cause them to eventually reduce their volume routed through us or even stop working with us. The merchant profile or regulatory cost of compliance in new verticals may not be as attractive as in our current verticals, which may lead to higher costs and/or lower TPV levels than we have historically experienced. If we expand into new verticals or geographic regions, we will need to understand and comply with various new requirements applicable in those verticals or regions. Industries change rapidly, and we may not be able to accurately forecast demand (or the lack thereof) for our solution, or those industries may not grow. Failure to forecast demand or growth accurately in new industries, or eventual reputational damages from engaging in certain verticals, could have a material adverse impact on our business.

Developing new payment solutions involving cryptocurrencies and settling payments that may be used to purchase or sell cryptocurrencies could subject us to additional risks.

We may seek to develop products to provide for payment solutions in connection with cryptocurrencies, including settling payments with cryptocurrencies. We may have also processed (not knowingly or intentionally) and may continue to process payments in standard currencies for merchants, which payments may be used to purchase or sell cryptocurrencies. Finally, we may directly use cryptocurrencies/stablecoins as an alternative means for settling certain foreign exchange transactions, including the inbound or outbound transfer of funds from, or to, emerging markets. Cryptocurrencies represent a new and rapidly evolving industry that is subject to a high degree of uncertainty, due to, among other things, a changing landscape in the adoption and use of cryptocurrencies, limited operating histories of many cryptocurrency networks, government and quasi-government regulation of cryptocurrencies and their use, restrictions on or regulation of access to and operation of applicable blockchain and distributed ledger technology or systems that facilitate cryptocurrency issuance and trading, the taxation, and tax-related reporting, of transactions involving cryptocurrencies, the maintenance and development of the open-source software protocols of certain blockchain networks used to support cryptocurrencies, changes in consumer demographics and public tastes and preferences, the availability and popularity of other forms or methods of buying and selling goods and services, including new means of using fiat currencies, and general economic conditions and the regulatory environment relating to digital assets. If we are to develop payment solutions in connection with cryptocurrencies, including settling payments that may be used to purchase or sell cryptocurrencies and settling payments with cryptocurrencies, or if we may have processed (not knowingly or intentionally) payments that may be used to purchase or sell cryptocurrencies and may continue to process such payments, including the purchase of cryptocurrency as an alternative way for inbound or outbound transfers of funds from, or to, the emerging markets, we may be subject to additional regulatory risks, money laundering and terrorism financing compliance risks, as well as risks in product development related to the factors described above. There can be no assurance that we will be able to effectively assess the evolving regulatory landscape relating to cryptocurrencies, or that we will be able to successfully develop effective services in connection with cryptocurrencies, and any efforts to develop such services could be unsuccessful, or effectively address risks related to potential improper use of our payments

platform for processing payments involving cryptocurrencies, including through the potential use of our payments platform by merchants to provide for purchases or sales of cryptocurrencies, and processing payments with cryptocurrencies, as an alternative method for the inbound or outbound transfer of funds from or to emerging markets, with an adverse effect on our business and results of operations.

In connection with such payment solutions, or the alternative to foreign exchange operation as a new product for the inbound or outbound transfer of funds, we may engage with, and enter into agreements with, crypto brokers. Notwithstanding that we do not receive from or pay to end users and merchants in crypto currencies, the crypto brokers may use crypto currencies in order to provide their services to us, including in connection with foreign exchange operations. These crypto brokers may lose their ability to operate, including due to regulatory changes, or by loss of their licenses, they may become insolvent or subject to bankruptcy proceedings, or they may commit fraud or otherwise cease to provide services or fail to pay amounts owed to us when due. Any such consequences could have an adverse effect on our business and results of operations. For example, in early November 2022, we used the services of a third-party crypto broker to manage the expatriation of certain funds. As a result of bankruptcy proceedings affecting this crypto provider in November 2022, we have been unable to withdraw US\$5.6 million that we had temporarily deposited in the crypto exchange in connection with an expatriation of funds. On December 28, 2023, we entered into an agreement with a third party to sell 100% of these deposits for an amount of US\$3.4 million. As of December 31, 2023, we collected the agreed amount.

We are exposed to fluctuations in foreign currency exchange rates.

We are exposed to currency risk on monetary amounts denominated in currencies other than our functional currency (the U.S. dollar), primarily the Argentine peso, Brazilian real, Colombian peso, Mexican peso, and Nigerian naira, which have historically experienced significant devaluations. Since our financial statements are denominated in U.S. dollars, the strengthening or weakening of the U.S. dollar against these currencies may expose us to translation risk when the local currency financial statements for our subsidiaries or when the results of local transactions in such jurisdictions are translated to U.S. dollars. Additionally, as the functional currencies of our entities in emerging markets are the respective local currencies of those countries, our monetary positions in U.S. dollars in those countries may also expose us to currency risk. Additionally, inadequate or improperly executed hedging strategies may fail to mitigate these risks effectively and lead to unexpected financial losses, increased cost of transactions, and potential non-compliance with financial covenants, affecting overall profitability and financial stability. Furthermore, in connection with providing services in multiple currencies, we generally set applicable foreign exchange rates for every pay-in and pay-out transaction processed. Our operating companies in the European Union and the United Kingdom may face financial exposure or could be subject to disputes with our merchant customers if our customers do not agree with the applicable foreign exchange rate we set or if we incorrectly set applicable foreign exchange rates in our cross-border business or as a result of fluctuations in foreign exchange rates between the times that we process payment transactions in local currencies and convert them to U.S. dollars. Given that we also hold certain clients and our own funds in non-U.S. dollar currencies, our financial results are affected by the translation of these currencies into U.S. dollars. While we may take certain measures intended to manage our foreign exchange risk, including by minimizing monetary balances held in local currencies in developing countries (e.g., both by choosing in certain cases to accelerate the receipt of our receivables with processors and acquirers where possible and by transferring any excess funds to operating companies in the European Union and the United Kingdom) and engaging in hedging transactions, fluctuations in foreign exchange rates and a particularly sharp devaluation of local currencies, could nevertheless have a significant impact on our business, financial condition and results of operations. See also “[Exchange controls and other restrictions on the movement of capital out of certain jurisdictions or otherwise affecting our settlement transactions or our subsidiaries’ ability to pay dividends or make other payments to us may have a material adverse effect on our results of operations and financial condition.](#)”

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

We were issued an EU Financial Institution License that allows us to operate as a payments processor in the European Economic Area, or the EEA. As a licensed payments processor, we are subject to extensive laws and regulations applicable to licensed entities in the Eurozone and the EU. In certain other jurisdictions, we have also obtained regulatory registrations to conduct our business, or are in the process of obtaining approval for such registrations or assessing whether we are required to obtain certain registrations, from the applicable financial regulatory authorities in accordance with applicable law in the principal jurisdictions in which we operate. In the United States at the federal level, our subsidiary, dLocal Corp LLP, is registered with FinCEN as a Money Services Business. For additional information on our licenses and regulations applicable to our operations, see [“Item 4. Information on the Company — B. Business Overview — Regulatory Overview”](#) and Note 1.1, to our Audited Consolidated Financial Statements.

There can be no assurance that we currently hold or will be able to obtain or maintain any of the required regulatory licenses, registrations, authorizations, certifications and regulatory approvals in the jurisdictions or industry verticals in which we operate, or may in the future operate, or that the exemptions from licensing or registration upon which we rely will remain available. We may not be compliant with licensing or registration requirements in certain jurisdictions where we operate including, but not limited to, in respect of money remittances. To the extent that we use structural arrangements designed to remove our activities from the scope of applicable regulation or other licensing requirements in the jurisdictions in which we operate, there can be no assurance that these structural arrangements will remain effective as applicable laws continue to evolve or that the applicable regulatory bodies will view our activities as compliant. The adoption of new statutes or regulations, changes in regulators’ interpretation of existing statutes or regulations, or disagreements by regulatory authorities with our interpretation of such statutes or regulations, could subject us to registration or licensing or limit business activities until we are appropriately licensed. These occurrences could also require changes to the manner in which we conduct certain aspects of our business. In addition, even where we maintain regulatory licenses, certifications and/or regulatory approvals or are able to operate in reasonable reliance upon exemptions or based on legal interpretation, there may be substantial costs and potential regulatory determinations, interpretations or changes associated with maintaining such licenses, certifications, registrations and approvals or in maintaining eligibility for such exemptions, and we could be subject to fines or other enforcement action if we violate applicable requirements. Regulatory compliance could result in substantial costs and delays in the provision of our payment services, or could require significant or costly operational changes to comply with applicable licenses or to implement remedial measures. Regulatory laws and standards governing our licenses are subject to change or to varying interpretations, in many cases due to lack of specificity or due to the uncertain nature of their application to a new business such as ours.

In a number of emerging markets, regulations applicable to financial institutions with business models similar to ours are being considered or in the process of being implemented. Moreover, it is not always clear how such laws and regulations apply to our business, including, without limitation, due to the fact that some of these laws were adopted prior to the advent of the internet, mobile and related technologies, and as a result, do not contemplate or address the unique issues of the internet and related technologies, which may be especially relevant in the context of the payments industry in which we operate. As a result, the actions required to comply with licensing regulations may evolve over time as new guidance is provided by supervisory authorities and the interpretation of requirements by supervisory authorities and courts may be further clarified over time. In addition, in certain jurisdictions, companies engaged in our types of business could be required to maintain a higher minimum authorized capital than other companies. We may be unsuccessful in our efforts to comply with, or assess, existing or evolving regulatory interpretations applicable to licenses, authorizations and applicable regulations in the jurisdictions in which we conduct business, including as a result of our rapid growth and lack of familiarity with the regulatory requirements applicable to new jurisdictions (see “[—Because we are a multinational company conducting a complex business in many markets worldwide, we are subject to legal, reputational and operational risks, as well as a broad array of local legal and regulatory requirements that could adversely affect our operations,](#)” “[—If we fail to manage our growth effectively, our business could be harmed](#)” and “[—Our controls and procedures may fail or be circumvented, our risk management policies and procedures may be inadequate, and operational risks could adversely affect our consolidated results of operations](#)”). Failure to comply with relevant regulations, directly and indirectly (including in markets in which our services are carried out through local third-party processors or collection entities or where we may be deemed to be subject to regulatory requirements applicable to our customers), could subject us to fines or penalties or force us to discontinue operations in certain jurisdictions which would have a material adverse effect on our business, financial condition and results of operations.

Although we have the authorizations and licenses referred to above, we currently process payments in 40 countries and territories, and we are not licensed in certain of these jurisdictions. Our understanding, in general, is that we are not conducting regulated activities in certain of these other jurisdictions, or we can rely on certain exemptions, or we can work via collaboration with local licensed partners, or we are working toward remediation. However, local regulators in these jurisdictions may reach a different understanding and, as transaction volumes increase and/or any related matter may be brought to our attention by local regulators, we expect to seek advice from external counsel in respect of local requirements on a case-by-case basis, as applicable.

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

If we were found to be in violation of any current or future regulations, or to have previously been in breach of any regulation, in any countries from which we accept merchants or customers, including as a result of any failure by our employees to adhere to our established internal controls, including in respect of appropriate communications channels, or failure by our employees to apply correctly our anti-money laundering procedures, this could result in a requirement for future compliance, fines, other forms of liability, increased legal fees and expenses and/or force us to change business practices or to cease operations altogether, and we, our directors, executive officers or employees may also be exposed to financial penalties and civil or criminal liability, any of which could have a material adverse effect on our results of operations, financial condition and future prospects.

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

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

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

Most of the jurisdictions in which we operate have complex and subjective rules regarding the valuation of intercompany services, cross-border payments between affiliated companies and the related effects on income tax, value added tax, or VAT, sales tax, transfer tax, withholding tax, financial transaction taxes and share registration tax as well as complex or evolving foreign exchange regulations. In several of the jurisdictions in which we operate, we may be considered a tax agent or, in some cases, jointly liable to our clients or their respective customers for tax collection purposes, and we may be required to withhold taxes from our customers and their customers (payers). While certain of our customers agree to indemnify us for claims by the relevant tax authorities if we should be required to pay additional amounts for taxes not withheld (including in the event we miscalculate or do not pay the relevant taxes and/or fees due), not all merchants have such agreements with us. And for those merchants for which we do enter into indemnity agreements, there can be no assurance that such tax indemnity agreements will cover all instances in which we may be subject to claims for additional withholdings by the relevant tax authorities. In addition, we are subject to complex and evolving foreign exchange regulations in many of the jurisdictions in which we operate, which could result in restrictions on the expatriation or repatriation of funds or penalties for failure to comply with such regulations. Moreover, tax regulations and foreign exchange regulations in the jurisdictions in which we operate change frequently, and are subject to varying interpretation by the regulatory authorities, in particular for how they relate to newly

emerging businesses like ours. In addition, governments may increase tax rates or implement new taxes, such as new taxes in respect of digital transactions, or governments and regulatory authorities may determine that we should withhold taxes from payment transactions in the instances where we currently do not withhold, or at higher rates than we currently withhold, or could prohibit or restrict the use of certain legal structures designed to minimize taxes. Any such changes or increases in taxes affecting our payment processing for our customers may lead them to decrease or cease the payment volumes processed with us or in the relevant country. Moreover, we may fail to timely implement or adapt to such changes to ensure full and immediate compliance, which may expose us to additional tax liability.

Finally, the relevant tax authorities could interpret our engagement with independent contractors or employment of individuals in certain jurisdictions as constituting a “permanent establishment” in such jurisdictions, potentially subjecting our operations in such jurisdictions to corporate income tax, notwithstanding our limited operations in such jurisdictions. Our tax treatment for payments to independent contractors or staffing companies in certain jurisdictions could also be challenged, which could require us to pay or withhold certain taxes on payments to independent contractors or staffing companies in such jurisdictions or could subject us to fines or penalties. Furthermore, certain tax authorities may assert that our operations and corporate structure establish a sufficient nexus to warrant “permanent establishment” taxation, or such authorities may misinterpret our operations in certain jurisdictions, which could have an adverse effect on our current tax treatment. Any such tax determinations, changes or increases, whether borne by us or our merchant customers or consumers, could have a material adverse effect on our operating results and financial condition.

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

We carry out our business operations through entities in multiple foreign jurisdictions. As such, we are required to file corporate income tax returns that are subject to foreign tax laws. The foreign tax liabilities are determined, in part, by the amount of operating profit generated in these different taxing jurisdictions, as well as by other factors such as the internal services we provide within certain jurisdictions. Our effective tax rate, earnings and operating cash flows could be adversely affected by changes in the mix of operating profits generated in countries with higher statutory tax rates, the jurisdictions through which we organize our operations and serve our clients, as well as by the positioning of our cash balances globally, or the internal services we provide in certain jurisdictions. If statutory tax rates or tax bases were to increase, if we organize our client-servicing operations in jurisdictions with higher statutory tax rates, or if changes in tax laws, regulations or interpretations or in our business operations were made that impact us directly, our effective tax rate, earnings and operating cash flows could be adversely impacted.

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

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

Transfer pricing rules may result in increased tax costs.

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

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

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

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

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

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

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

Some third parties that provide services to us may have or gain market power and could increase their prices to us without competitive constraint. In addition, there can be no assurance that third parties that provide services directly to us will continue to do so on acceptable terms, or at all, or will not suffer from outages to their systems. If any third parties were to stop providing services to us on acceptable terms, we may be unable to find alternative providers in a timely and efficient manner and on acceptable terms, or at all, which could materially adversely affect our business, financial condition and results of operations.

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

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

Our payment processing services are carried out through local third-party processors, acquirers and collection entities. For both of the years ended December 31, 2024 and 2023, approximately 1% of our TPV was processed by collection entities that are owned either by our employees or certain of our directors. We have arrangements with more than 100 third-party processors, acquirers and collection entities, and the top ten processed 48% of our TPV during the year ended December 31, 2024, and 53% of our TPV in 2023. These processors collect funds from consumers and are required to transfer the proceeds from these transactions to us. As a result, we have credit exposure to these processors and acquirers. We are not insured against credit losses in connection with our exposure to these third-party service providers. If a processor or acquirer becomes insolvent, files for bankruptcy, commits fraud or otherwise fails to pay amounts owed to us when due, we must nonetheless process the payment transaction for the benefit of our merchant customers and the end consumers. For example, in 2019 we were prevented from collecting from a collection entity, which resulted in a loss of US\$492 thousand, representing 0.01% of the aggregate TPV for that period. In November 2022, we were unable to withdraw US\$5.6 million that we had temporarily deposited with a crypto exchange in connection with an expatriation of funds, due to bankruptcy proceedings affecting the crypto exchange. On December 28, 2023, we entered into an agreement with a third party to sell 100% of these deposits for an amount of US\$ 3.4 million.

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

Our business depends on our reputation and our ability to attract and retain merchant clients could be adversely affected due to events or conditions that damage our reputation or the confidence in our services.

We believe that market awareness of our reputation and confidence in our services has contributed significantly to the success of our business. Maintaining and enhancing our reputation is crucial to our efforts to maintain and grow our business with our merchant clients. Failure to maintain and enhance our reputation and confidence in our payment processing services could have a material adverse effect on our business, operating results and financial condition. If our merchant clients fail to distinguish our services from our competitors or lose confidence in our services, this may lead to a decrease in our processing volumes and therefore a decrease in our TPV and revenues. Our reputation may be negatively affected by a number of factors, including factors outside of our control, such as being the subject of adverse market reports, claims or litigation, regardless of merit or eventual outcome, improper or illegal use of our platform by third parties, cybersecurity attacks, failures of information technology, changes in the political and social perception of running a business out of a tax-friendly jurisdiction (such as Malta) or failure to adequately deal with fraudulent transactions, among other matters. If we are unable to enhance our reputation or if our merchant clients' confidence in our services is negatively impacted, our business and results of operations could be materially and adversely affected.

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

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

On February 24, 2022, Russia launched a large-scale military action against Ukraine, triggering an ongoing humanitarian crisis in Europe as well as volatility in financial markets globally, heightened inflation, shortages and increases in the prices of energy, oil, gas and other commodities. In response, several countries, including the United States, the European Union member states, the United Kingdom and other members of the United Nations, have imposed severe sanctions on Russia and Belarus. The continuance or escalation of the conflict, including the extension of the conflict to other countries in the region, could lead to further increases in energy prices and heightened inflationary pressures, which in turn could lead to further increases in interest rates. In addition, the conflict has exacerbated supply chain problems, particularly to those businesses most sensitive to rising energy prices. While we do not have a presence in Russia and Ukraine, the impact of the ongoing war between Russia and Ukraine and the sanctions imposed on global markets and institutions, the impact on macroeconomic conditions generally, and other potential future geopolitical tensions and consequences arising from the conflict remain uncertain and may lead to a deterioration of macroeconomic conditions globally and in the markets in which we operate, as well as increased volatility in financial markets.

On October 7, 2023, the state of Israel was the target of an attack by the terrorist group Hamas which led to the death of a number of civilians. As a result, Israel declared war on Hamas and conflicts commenced in Israel and the Gaza strip. In 2024, in response to attacks from Lebanon and Iran, Israel attacked Hezbollah in Lebanon, targeting infrastructure and leaders and carried out airstrikes against Iranian military sites. The war, a further escalation of the conflict and any resulting conflicts in the region would exacerbate the ongoing humanitarian crisis and could lead to higher oil and gas prices, the imposition of sanctions, travel and import/export restrictions, further disruptions in supply chains, inflationary pressures and market volatility, among other potential consequences. It is unclear whether the conflict and its underlying uncertainties will be contained or resolved, and what effects they may have on the global political and economic conditions in the long term.

Our businesses, results of operations and financial position could be adversely affected by any of these factors, directly or indirectly, arising from the ongoing wars between Russia and Ukraine and Israel and Hamas.

There have also been concerns over other conflicts, unrest and terrorist threats in the Middle East, Europe and Africa, which have resulted in volatility in oil and other markets. The United States and China have recently been involved in controversy over trade barriers in China that threatened a trade war between the countries, and have implemented or proposed to implement tariffs on certain imported products. Tensions have also arisen between the United States and China over the future of Taiwan. In addition, the United States has begun threatening increased oversight and restrictions on certain popular mobile apps and platforms based in China due to data privacy and national security concerns. Sustained tension between the United States and China over trade policies or in respect of data privacy or national security could significantly undermine the stability of the global economy or could adversely affect our ability to operate with certain merchant clients.

In particular, the United States government has recently indicated its intent to adopt a new approach to trade policy. For instance, it has initiated or is considering the imposition of tariffs on certain foreign goods, which may impact our business and the business of certain of our merchants who sell goods in those countries. On February 1, 2025, the United States government imposed additional tariffs on Canada, Mexico and China. Further, on April 2, 2025, the United States government announced that a 10% base tariff will be applied to all imports to the United States, subject to limited exceptions for Mexico and Canada, and that almost 60 countries will, in lieu of the 10% base tariff, be assigned higher reciprocal tariffs on imports that extend as high as 50%. Following reciprocal tariffs imposed by China, the United States government continued to raise tariffs on China, reaching 145% or higher on certain goods. These decisions led to immediate significant market volatility and economic uncertainty. Although many of the tariffs were later suspended and replaced by a base tariff of 10% for a period of 90 days, it is uncertain if and to what extent the tariffs may be reimposed. We cannot predict future trade policy or the terms of any renegotiated trade agreements and their impact on our business. These policies create uncertainty with respect to, among other things, existing and proposed trade agreements, free trade generally, and potentially significant increases on tariffs on goods imported into the U.S. These and other trade policies and the extent to which the current U.S. administration is successful in passing trade legislation is uncertain, and it is possible that further measures restricting trade may be announced. The current unpredictability of trade policies and their effect on trading once implemented may lead to increased costs for companies, the relocation of production lines, lost jobs, an increase in inflation and, potentially, a recession, in the United States and in the countries in which we operate. It is unclear whether these challenges and uncertainties will be contained or resolved, and what effects they may have on the global political and economic conditions in the long term or on our business.

We may be subject to the Economic Substance Regime in the Cayman Islands, which may adversely impact us or our operations.

On December 27, 2018, the Cayman Islands published The International Tax Co-operation (Economic Substance) Act (As Revised) and The International Tax Co-operation (Economic Substance) (Prescribed Dates) Regulations (As Revised) (together, the “Initial Act”). The Initial Act was amended by several amendment regulations, which were subsequently consolidated into the International Tax Co-operation (Economic Substance) Act (As Revised) (the “Economic Substance Act”). The Economic Substance Act is supplemented by the issuance of related Guidance on Economic Substance for Geographically Mobile Activities, Version 3.2, which was issued in July 2022. We may be subject to the Economic Substance Act. Given the Economic Substance Act was only recently enacted, and our business activities and operations may change from time to time, it is difficult to predict what impact the adoption of the Economic Substance Act could have on us and our subsidiaries. For example, compliance with any applicable obligations may create significant additional costs that may be borne by us or otherwise affect our management and operation. We will continue to consider the implications of the Economic Substance Act on our business activities and operations and reserve the right to adopt such arrangements as we deem necessary or desirable to comply with any applicable requirements. We may need to allocate additional resources to keep updated with these developments, and may have to make changes to our operations in order to comply with all requirements under the Economic Substance Act. Failure to satisfy these requirements may subject us to penalties under the Economic Substance Act.

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

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

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

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

In addition, payment networks and card issuers may dispute the coding we have used in the past or may use in the future (or we may have made errors in the coding of such transactions), which may result in an increase in costs in the future for the same type of transactions we have completed in the past and could have a material adverse effect on our business, financial condition and results of operations.

We are also required by acquirers and other processors, payment networks and credit card schemes to comply with their operating rules. The payment networks and credit card schemes and their respective member banks set and interpret these rules, and we have, in the past, been required to pay penalties and have been subject to warnings regarding other adverse measures for violations of credit card scheme rules, including suspension of services, and could be subject to additional penalties and adverse measures in the future. Visa, MasterCard, American Express or other credit card companies could create new participant licenses, adopt new operating rules or reinterpret existing rules that we or our processors might find difficult or even impossible to follow. Moreover, payment networks may change these rules and standards from time to time in their sole discretion and with or without advance notice to their participants. These changes may be made for multiple reasons, including as a result of changes in the regulatory environment, to maintain or attract new participants, or to serve the strategic initiatives of the payment networks, and may impose additional costs and expenses on or be disadvantageous to certain participants. Participants are subject to audit by the payment networks to ensure compliance with applicable rules and standards. The networks, acquirers and other processors and payment network providers may fine, penalize or suspend the registration of participants for certain acts or omissions or the failure of the participants to comply with applicable rules and standards.

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

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

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

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

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

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

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

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

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

Our payments platform and related payment solutions are susceptible to potentially illegal or improper uses. These may include transactions relating to illegal online gambling, adult content, unregulated trading of cryptocurrencies, fraudulent sales of goods or services, illicit sales of controlled substances, software and other intellectual property piracy, money laundering, terrorist financing, bank fraud, child pornography, human trafficking, prohibited sales of alcoholic beverages or tobacco products, securities fraud, pyramid or Ponzi schemes, or the facilitation of other illegal or improper activity. In certain cases, we have identified transactions by certain merchants that employed means to disguise the illegal or improper origin or nature of their transactions in order to access our platform and make use of our services. Further, certain of our PSP clients or wallet clients may be engaged in transactions that may be difficult to monitor and could expose us to additional liabilities. Moreover, certain activity that may be legal in one jurisdiction may be illegal in another jurisdiction, and a merchant may be found responsible for intentionally or inadvertently importing or exporting illegal goods, or rendering illegal services, resulting in liability for us. Owners of intellectual property rights or government authorities may seek to bring legal action against providers of payments solutions, including us, that are peripherally involved in the sale of infringing or allegedly infringing items. Any threatened or resulting claims could result in reputational harm, and any resulting liabilities, loss of transaction volume, or increased costs could harm our business.

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

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

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

We are subject to laws aimed at preventing money laundering, corruption and the financing of terrorism. This regulatory landscape is constantly changing, including as a consequence of the implementation of the Fifth Anti-Money Laundering Directive (Directive (EU) 2018/843, “MLD5”). For example, the MLD5 introduces enhanced requirements on the verification of ultimate beneficial owners. In the United States, as a registered money services business, we are subject to anti-money laundering laws and regulations, including the Bank Secrecy Act, as amended by the USA PATRIOT Act of 2001, or the BSA. Among other things, the BSA requires money services businesses to develop and implement risk-based anti-money laundering programs, report large cash transactions and suspicious activity, and maintain transaction records. Monitoring compliance with anti-money laundering and anti-corruption and sanctions rules can impose a significant financial burden on banks and other financial institutions, and on us, and requires significant technical capabilities. A failure to adhere to such compliance requirements may lead to administrative sanctions, criminal penalties, settlements, litigation expenses, loss of key banking and other relationships, financial and/or reputational damage. In recent years, enforcement of these laws and regulations against financial institutions has become more stringent, resulting in several landmark fines against financial institutions and reputational damage.

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

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

We operate in jurisdictions that have a high risk for corruption, and we are generally subject to anti-corruption, anti-bribery and anti-money laundering laws and regulations, including the Brazilian Anti-Corruption Act, or the Clean Company Act, the United States Foreign Corrupt Practices Act of 1977, as amended, or the FCPA, the UK Proceeds of Crime Act, and the Cayman Islands Anti-Corruption Act, which prohibit corporations and individuals from engaging in improper activities to obtain or retain business or to improperly influence a person working in an official capacity. Both the Clean Company Act, the FCPA, the UK Proceeds of Crime Act and the Cayman Islands Anti-Corruption Act impose liability against companies who engage in, or attempt to engage in, bribery of government officials, either directly or through intermediaries. Applicable anti-money laundering laws and regulations, including the US Bank Secrecy Act, as amended by the USA Patriot Act, the Anti-Money Laundering Act of 2020, or the AMLA 2020, the EU 4th, 5th and 6th AML Directives (EU 2015/849 or AMLD4, EU 2018/843 or AMLD5, and EU 2018/1673 or AMLD6), the UK Proceeds of Crime Act 2002, or the POCA, the UK Money Laundering Regulations 2017 and Criminal Finances Act 2017, the Cayman Islands Proceeds of Crime Act 2017, or POCA, the Anti-Money Laundering Regulations 2020 and the Brazil Laws No. 13,810/2019, No. 13,260/2016 and No. 9,613/1998, or AML Law, require firms to put preventative measures in place and to perform know-your-customer procedures, including conducting customer identification and verification and undertaking ongoing monitoring. In addition, regulations require companies to keep records of identity of their customers and to train their staff on the requirements of the relevant money laundering regulations. Although we have a compliance program focused on the anti-corruption, anti-bribery and anti-money laundering laws, rules, and regulations that we believe are applicable to our business, we may still be subject to a requirement to change various aspects of our business or the manner in which we carry out our business in certain countries, or subject to fines, injunctions or other penalties levied by regulators in one or more jurisdictions. For example, a regulator in Malta has recently reviewed our anti-money laundering compliance practices, and has requested that we implement certain remedial measures to enhance our risk assessment methodology, our customer onboarding process, our corporate review and oversight of our anti-money laundering policies, our transaction monitoring policies and procedures, and our oversight and documentation of outsourcing arrangements. Failure to implement these remedial measures could result in fines and other penalties. Also, failures in our Know-your-Customer (KYC) procedures, including incomplete, inaccurate, or inconsistently maintained customer information, software errors and human error, could affect the integrity and reliability of data required to process transactions. This could result in the submission of incomplete or incorrect information to regulatory authorities, operational delays, compliance breaches, and increased exposure to illicit activities such as money laundering or fraudulent transactions. Violations of the anti-corruption, anti-bribery and anti-money laundering laws and regulations could result in criminal liability, administrative and civil lawsuits, significant fines and penalties, forfeiture of significant assets, as well as severe reputational harm and the loss of our banking or other relationships.

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

If any person in the Cayman Islands knows or suspects, or has reasonable grounds for knowing or suspecting that another person is engaged in criminal conduct or money laundering, or is involved with terrorism or terrorist financing and property, and the information for that knowledge or suspicion came to their attention in the course of business in the regulated sector, or other trade, profession, business or employment, the person will be required to report such knowledge or suspicion. If the disclosure relates to criminal conduct or money laundering, the knowledge or suspicion must be reported to the Financial Reporting Authority of the Cayman Islands (the “FRA”), pursuant to the Proceeds of Crime Act (as revised) of the Cayman Islands. If the disclosure relates to involvement with terrorism or terrorist financing and property the knowledge or suspicion must be reported to a police officer of the rank of constable or higher, or the FRA, pursuant to the Terrorism Act (As Revised) of the Cayman Islands.

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

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

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

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

For example, failure to comply with the various foreign exchange regulations could result in liability under applicable law for circumventing applicable foreign exchange restrictions, procedures or governmental requirements. In addition, assessing the regulatory landscape for offering new products and services or expanding into new jurisdictions is complex, and we may not accurately assess the regulatory requirements or develop the necessary controls and procedures applicable to new products or services that we offer or that may be applicable to new jurisdictions where we seek to operate. As a result, our business operations, our ability to distribute profits and/or TPV could be materially and adversely affected. Furthermore, as foreign exchange regulations, especially in emerging markets, are still relatively new and their interpretation and implementation has been constantly evolving, it is unclear how these regulations, and any future regulation concerning offshore or cross-border transactions, will be interpreted, amended and implemented by the relevant government authorities.

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

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

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

Currently, several of our functions are performed using a number of different information systems that are not fully integrated. In part because of this, we rely on certain manual processes and controls that are performed by individuals rather than automated systems. Accordingly, some of our treasury, accounting and business assurance operations, for instance, require us to perform many manual reconciliations, manual journal entries and other manual steps, which result in a higher risk of errors, including errors in the pay-out amount to the beneficiaries, duplicate payments to our merchants in settlement transactions and errors in our fees, foreign exchange rates, withholding and other tax calculations, which could involve material amounts. Manual processes also increase the probability of control deficiencies and material weaknesses.

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

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

We are subject to the Sarbanes-Oxley Act, which requires, among other things, that we maintain effective internal controls over financial reporting and disclosure controls and procedures. We are required to perform system and process evaluation and testing of our internal controls over financial reporting, allowing management to assess the design, implementation and operating effectiveness of our internal controls. Our assessment may reveal deficiencies in our internal controls that are deemed to be material weaknesses or significant deficiencies and render our internal controls over financial reporting ineffective. We expect to incur additional accounting and auditing expenses and to spend significant management time in complying with these requirements. If we are not able to comply with these requirements in a timely manner, or if we or our management identify material weaknesses or significant deficiencies in our internal controls over financial reporting that are deemed to be material weaknesses, the market price of our Class A common shares may decline, and we may be subject to investigations or sanctions by the SEC, or other regulatory authorities. In addition, we may be required to expend significant management time and financial resources to correct any material weaknesses that may be identified or to respond to any regulatory investigations or proceedings.

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

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

Cross-border trade may be negatively impacted by various factors including regional or international tensions, trade wars or international conflict of any kind, foreign currency exchange rate fluctuations and the interpretation and application of laws of multiple jurisdictions in the context of cross-border trade and foreign exchange. Moreover, governmental authorities in certain countries may decide to block some or all of our merchants, which could significantly disrupt our operations in such countries. Any factors that increase the costs of cross-border trade for us, our customers or their end users or that restrict, delay, or make cross-border trade more difficult or impractical, such as trade policy or higher tariffs, could reduce our cross-border transactions and volume, negatively impact our revenues and profits, and harm our business.

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

We are subject in certain jurisdictions where we have operations, for example Argentina, Brazil, India, South Africa, Nigeria, and Morocco, to the risk that regulatory authorities in or outside such jurisdictions may impose exchange controls or restrictions on the movement of capital, including on transactions involving transfers of funds from such jurisdictions, as well as restrictions on repatriation of funds or repatriation of profits on subsidiaries from such jurisdictions, which may restrict the amount of funds that can be transferred or dividends that can be paid upstream to us from such jurisdictions. For example, in certain jurisdictions, such as Morocco, we must obtain regulatory approval prior to the repatriation of funds from these jurisdictions.

We may need to obtain specific approvals in some of the jurisdictions in which we have operations. However, there is no assurance that such approvals will be obtained in a timely manner, or at all, nor that we will secure approvals on time in jurisdictions where we may seek to operate in the future. In addition, the Argentine economy has experienced a balance of payment deficits and shortages in foreign exchange reserves, and the government has responded by restricting the ability of companies to convert local currencies into foreign currencies and imposing other exchange controls. During 2022 and 2023, the Argentine central bank unexpectedly limited the amount of funds that could be expatriated from Argentina, based on previous years' expatriation volumes. This caused certain operational challenges until we were able to reach a resolution with the central bank. Similar actions could occur in the future, including by central banks in other countries, and we may not be able to adequately address such restrictions. In 2024, no such restrictions were imposed in Argentina. While in April 2025, the Argentine Central Bank issued regulations that clarified and simplified access to the official foreign exchange market in a way that should allow for service payments to non-related foreign counterparties to be permitted without requiring prior Argentina Central Bank approval, there can be no assurance that these regulations will not change and we could be subject to additional foreign exchange controls in the future. From time to time, we net funds, which could be challenged by regulators due to foreign exchange controls and in some cases we may use alternative expatriation channels, including brokers and foreign funds remittance agencies, as well as through the use of crypto currencies, each of which may create additional risks, including counterparty and additional credit risks (see also —“[Developing new payment solutions involving cryptocurrencies and settling payments that may be used to purchase or sell cryptocurrencies could subject us to additional risks](#)”). These restrictive exchange control measures prevent or severely restrict the access to exchange for foreign currencies, such as U.S. dollars and the ability to remit them out of the country (which measures include prior approval by the local central bank, which may be denied at its discretion) and also restrict the ability to hold foreign currency in cash within the relevant jurisdiction. If we are unable to transfer such amounts from such jurisdictions when and as needed, we will remain subject to foreign exchange risk relating to such retained funds denominated in local currencies (including merchant funds held by us), to the extent we cannot convert such funds into other currencies (whether as a result of foreign exchange restrictions in such jurisdictions, or any restrictions on transferring funds out of such jurisdictions), which may adversely impact our ability to settle such transactions and subject us to significant foreign exchange risk, which could have a material adverse effect on our results of operations, liquidity and financial condition. See “—[We are exposed to fluctuations in foreign currency exchange rates](#),” and “—[Our working capital needs may grow in excess of our cash generation capabilities, which may cause a decline in our cash and cash equivalents](#).”

Moreover, as a holding company, we require dividends and other payments from our subsidiaries to meet cash requirements.

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

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

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

We may from time to time acquire or invest in complementary companies or businesses, which may subject us to additional risks. The success of an acquisition or investment will depend on our ability to make accurate assumptions regarding the valuation, operations, growth potential, integration and other factors related to that business and the transaction structure. We cannot assure you that acquisitions or investments will produce the results that we expect at the time we enter into or complete a given transaction or that we may not be subject to additional contingencies, including additional tax liability, in respect of certain transactions. Furthermore, we may not effectively integrate these acquisitions with our current business, including their personnel, financial systems and operating procedures, or be able to retain their key customers, in each case, especially if they operate in different platforms. The costs of integrating any acquired business may harm our operating results. Moreover, unforeseen operating difficulties may arise and may result in the diversion of our capital and our management's attention from other business issues and opportunities. In addition, we may acquire businesses or assets that may not be fully compliant with applicable regulatory regimes. If we fail to integrate acquisitions successfully or inadequately conduct due diligence and obtain appropriate indemnity coverage for such acquisitions, we could be subject to unforeseen costs, reputational damage and our business could suffer. In March 2021, we signed an agreement with an effective date as of April 1, 2021, to acquire certain assets (primarily merchant agreements) from a payment service provider that provides local payment services in certain emerging markets in Latin America. We have applied for an exemption from associated taxes arising from the transaction in Malta. In addition, we are in the process of completing the novations of all the merchant contracts between such merchants and our affiliates. However, a small portion of the customers did not agree to novate their merchant contracts to our affiliates. Unless and until these contracts are novated, they may be subject to increased regulatory oversight risk, which could lead to fines or penalties for the current payment provider in respect of such contracts, which could adversely affect the assets we acquired, thus indirectly affecting us. We may also in the future be involved in potential conflicts with the selling shareholders of acquired companies, which could adversely affect our business.

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

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

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

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

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

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

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

We are, and may be in the future, party to litigation, arbitration and administrative investigations, inspections and proceedings arising in the ordinary course of our business or from extraordinary corporate, intellectual property, tax or regulatory events, involving our clients, suppliers, consumers, as well as competition, government agencies (including central banks) and tax authorities, particularly with respect to civil, tax, financial, foreign exchange, and labor claims (including employee lawsuits). Our indemnities may not cover all claims that may be asserted against us, and any claims asserted against us, regardless of merit or eventual outcome, may harm our reputation. Also, we currently are, and may in the future be, party to one or more securities class actions regarding our registration statement on Form F-1 in connection with our initial public offering and other related reports. We believe that a number of the class action securities claims, the first of which was filed against us on February 23, 2023, are in significant part a result of negative publicity by a short seller. With respect to that claim, on March 20, 2025, the court issued a decision and order granting the motion and dismissing the complaint as to all moving defendants, including dLocal. On April 18, 2025, the plaintiffs filed a notice of appeal of the decision and order granting the motion to dismiss. The plaintiffs have until October 18, 2025, to "perfect" their appeal by filing their opening appellate brief and the record on appeal. In addition, we are also the subject of a separate class action filed against us on October 6, 2023, that alleges misstatements and omissions in various public filings during the period of May 2, 2022, to May 25, 2023, relating to regulatory foreign exchange control risks in Argentina. We have filed a motion to dismiss this separate action, which motion remains pending.

There is no guarantee that we will be successful in defending ourselves in pending or future litigation or similar matters under various laws. Should the ultimate judgments or settlements in any pending litigation or future litigation or investigation significantly exceed our capacity to pay or applicable indemnity rights, they could have a material adverse effect on our business, financial condition and results of operations and the price of our Class A common shares. Further, even if we adequately address issues raised by an inspection conducted by an agency or successfully defend our case in an administrative proceeding or court action, we may have to set aside significant financial and management resources to settle issues raised by such proceedings or to those lawsuits or claims, which could adversely affect our business, as well as cause us reputational harm in case such issues become public. See “[Item 8. Financial Information—Consolidated Statements and Other Financial Information—Legal proceedings.](#)”

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

We outsource a number of activities related to our business to independent contractors and staffing companies in order to adapt to different market customs and practices and to maintain a flexible cost base. During 2024, we hired certain employees that we had previously engaged as independent contractors. And while we have implemented policies regarding compliance with labor and social security obligations by our contractors, we cannot assure that our contractors will abide by their obligations or that local authorities in each market where we have operations will not impose additional labor related taxes or charges in connection with the contracts we have in force with such contractors, nor that contractors will not initiate legal actions to seek indemnification from us based on applicable labor laws and court ruling in the jurisdictions in which we engage independent contractors for a portion of our operations. In certain jurisdictions, we may be held jointly and severally liable with the staffing and payroll companies that we use. If we were to incur material labor liabilities in connection with outsourcing certain operations to independent contractors, such liabilities could have an adverse effect on our financial condition and our results of operations.

We may be subject to unexpected claims and liabilities and reputational risk arising from our former operations as a division of, or as a result of the services we provided to, AstroPay.

Prior to August 1, 2018, we operated as a division of AstroPay, a global payment solutions provider with operations in emerging markets. On August 1, 2018, our business was separated from the business of AstroPay and its then-affiliated entity, Directa24, pursuant to a separation agreement. While we operated our business as a distinct division of AstroPay prior to the separation (and the separation agreement includes a mutual discharge provision related to claims against each other), we may still be subject to unexpected claims and liabilities relating to, arising out of or resulting from the separation, including, but not limited to, liabilities arising from the carve-out of our operations from AstroPay, and/or claims from third parties as a result of our status as a legacy operation of AstroPay. Moreover, while the separation agreement sets forth certain non-compete and non-solicitation agreements for both parties, these provisions shall lapse the earlier of (i) two years from the consummation of a change of control transaction which constitutes a sale of 100% of the issued share capital of either party; or (ii) three years from the consummation of any other change of control transaction of either party. We are subject to competition from AstroPay in certain industry verticals and may become subject to competition across all industry verticals in the future upon the expiration of such non-compete and non-solicitation clauses. We are also subject to reputational risk related to our prior operations as a division of AstroPay and potential misattribution of our operations to those of AstroPay, and beginning in 2022 we began processing payments for certain AstroPay customers, which could subject us to additional reputational and other risks. For the years ended December 31, 2024 and 2023, revenues from AstroPay represented 0.03% and 0.2%, respectively, of our total revenue.

AstroPay processes payments for merchants operating in online gambling, forex, binary options or adult entertainment verticals. These activities do not have a clear legal framework in many jurisdictions, thereby exposing the company to potential civil and criminal sanctions in one or more of the territories where it operates in the foreseeable future. AstroPay's main markets are Brazil, India and Latin America generally. Our controlling shareholders are the same controlling shareholders of AstroPay. In addition, prior to January 1, 2016, our former chief executive officer was the chief executive officer of AstroPay. As of the date of this annual report, our former chief executive officer had divested all of the equity interest he previously held in AstroPay.

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

As of the date of this annual report, we are no longer providing services to AstroPay.

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

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

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

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

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

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

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

Our business functions at the intersection of rapidly changing technological, social, economic and regulatory developments that require a wide-ranging set of expertise and intellectual capital. In order for us to successfully compete and grow, we must attract, recruit, develop and retain the necessary personnel who can provide the needed expertise across the entire spectrum of our intellectual capital needs. In addition, we must also develop our personnel to provide succession plans capable of maintaining continuity in the midst of the inevitable unpredictability of human capital. However, the market for qualified personnel is competitive, and we may not succeed in recruiting additional personnel or may fail to effectively replace current personnel who depart with qualified or effective successors, particularly in the technology business. We must continue to hire additional personnel to execute our strategic plans. Our effort to retain and develop personnel may also result in significant additional expenses, including option grants, which could adversely affect our profitability. We cannot assure that qualified employees will continue to be employed or that we will be able to attract and retain qualified personnel in the future. In addition, we may experience employee turnover for various reasons, including due to lack of cultural fit or inability to meet expectations. Failure to retain or attract key personnel could have a material adverse effect on our business, financial condition, and results of operations.

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

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

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

The UK withdrew from the European Union on January 31, 2020, commonly referred to as Brexit. The UK and the EU agreed a Trade and Cooperation Agreement on December 24, 2020, or the TCA, which is intended to be operative at the end of the transition period. The TCA was ratified by the UK parliament on December 30, 2020, and came into full force on May 1, 2021.

While the TCA regulates a number of important areas, significant parts of the UK economy are not addressed in detail by the TCA, including in particular the services sector, which represents the largest component of the UK's economy. A number of issues, particularly in relation to the financial services sector, remain to be resolved through further bilateral negotiations, which have not been formally agreed yet. As a result, the new relationship between the UK and the EU could in the short term, and possibly for longer, cause disruptions to and create uncertainty in the economy, which could in turn result in reduced corporate transactional activity.

Under the TCA, certain passporting rights with respect to the provision of financial services remained in effect until December 31, 2021, though applicable EU payment and/or e-money institutions (including our subsidiaries) were required to apply to operate under a temporary regime to continue providing regulated services in the UK after December 31, 2020. We were granted the right to operate under the temporary regime, until such regime lapsed on December 31, 2023.

Although we have been granted the license in the UK by the FCA in December 2024, while we migrate the merchants, we are permitted to continue offering payment services to our pre-existing UK based customers under the Contractual Run-Off Regime and to new UK based customers through a third-party licensed provider. Our ability to provide services in the UK may be disrupted until we are able to complete the migration or provide services through a third-party licensed provider. Any disruption of our business following Brexit could have an adverse effect on our business and financial condition.

Public health threats or outbreaks of communicable diseases, such as the COVID-19 virus and others, could have an adverse effect on our operations and financial results.

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

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

Risks Relating to the Countries in which we Operate

In order to provide payment processing services to merchants, we operate in multiple emerging markets where end users of our merchants execute their payments. A substantial portion of those end users are primarily concentrated in Latin America, exposing the provision of our services to disproportionate risks relating to the political, regulatory, economic and social conditions in this region.

We carry out substantially all of our business for merchants operating in emerging market countries, primarily Brazil, Mexico, Argentina and Chile. Our operations provided to merchants whose end users are concentrated in Latin America account for a substantial portion of our business. The services we provide to such merchants accounted for 75%, 76% and 82% of our revenues for the years ended December 31, 2024, 2023 and 2022, respectively. The concentration of the services we provide to merchants who operate in these countries exposes us to risks related to the political, regulatory, economic and social conditions in these countries.

For example, in Argentina (where revenue based on the country where the end users of our merchant customers executed their payments represented 11%, 12% and 19% of our revenue in 2024, 2023 and 2022, respectively) the economy has historically experienced very high rates of inflation that have undermined the Argentine economy and the Argentine government's ability to foster conditions for stable growth. High rates of inflation in Argentina have adversely affected economic activity and employment levels, real salaries, consumption and interest rates. In addition, as the Argentine fiscal deficit has increased and Argentine central bank reserves have decreased, the Argentine government has responded by increasing tax rates, and by reinstating foreign exchange controls, to which we may be subject in the emerging markets in which we operate. Moreover, in the past Argentina has experienced social and political turmoil, including civil unrest, riots, strikes and street demonstrations. Although we have generally been able to offset the heightened foreign exchange and exchange control risks in Argentina with higher overall fees on transactions conducted through our Argentine operations, the persistently poor economic conditions in Argentina, in particular the significant foreign exchange rate volatility of the Argentine peso and uncertainty regarding exchange control measures could have an adverse effect on our business, financial condition and results of operations. For example, during 2022 and 2023, the Argentine central bank unexpectedly limited the amount of funds that could be expatriated from Argentina, based on the volumes expatriated in previous years which created certain operational problems until we were able to reach a resolution with the central bank. Moreover, foreign exchange regulations in Argentina are subject to change from time to time. Changes in Argentine foreign exchange regulations may make it difficult to expatriate funds on a timely basis, or at all, which could have an adverse effect on our business, financial condition and results of operations. While in April 2025, the Argentine Central Bank issued regulations that clarified and simplified access to the official foreign exchange market in a way that should allow for service payments to non-related foreign counterparties to be permitted without requiring prior Argentina Central Bank approval, there can be no assurance that these regulations will not change and we could be subject to additional foreign exchange controls in the future.

In addition, during 2023 certain administrative and judicial inquiries were initiated against our Argentinean subsidiary, dLocal Argentina S.A. These inquiries do not seek financial penalties at this stage. As of the date of this filing, no provision for contingencies has been recorded for the aforementioned matters.

Similar actions may occur in the future, including by central banks of other countries, and we may be unable to adequately address such restrictions.

In addition, in Brazil (where revenue based on the country where the end users of our merchant customers executed their payments represented 20%, 24% and 20% of our Revenue in 2024, 2023 and 2022, respectively), recent economic and political instability has led to a negative perception of the Brazilian economy, which could adversely affect us given the significant concentration of our TPV transacted by our merchants in Brazil. Following the 2022 Brazilian election results, there were mass protests and demonstrations across Brazil by supporters of the former President of Brazil contesting the election results. On January 8, 2022, demonstrators invaded government buildings in Brasilia, including the Brazilian Congress and the Brazilian Federal Supreme Court, which led the Brazilian Federal Supreme Court to order the arrest of participants and some politicians and resulted in new investigations. As a result of past corruption allegations against the current President of Brazil and his political party's involvement in the events that gave rise to the historic "Lava Jato" operation, his current presidency is subject to further political uncertainty. Because a significant share of our business is carried out in Argentina and Brazil, ongoing political and social unrest and poor economic conditions and government measures taken in response thereto in Argentina and in Brazil could have an adverse effect on our business, financial condition and results of operations.

In Mexico (where revenue based on the country where the end users of our merchant customers executed their payments represented 20%, 18% and 16% of our Revenue in 2024, 2023 and 2022, respectively) the Mexican government exercises considerable influence over many aspects of the economy. Our revenues are subject to risk of loss from unfavorable political and diplomatic developments, social instability, changes in the financial, governance and operating structure of state-owned enterprises and changes in governmental policies, including expropriation, nationalization, international ownership legislation, interest-rate and fee caps, as well as tax policies. The economy of Mexico has experienced significant volatility in past decades, characterized, in some cases, by slow or regressive growth and contraction, declining investment and high inflation. According to the Mexican National Institute of Statistics and Geography (Instituto Nacional de Estadística y Geografía), and the Mexican Central Bank, in 2022, GDP increased 3.0% and inflation reached 7.8% with the economy recovering partially from the pandemic. In 2023, GDP increased 2.4% and inflation reached 4.9%, as the economy continued to recover and inflation increased globally. In 2024, GDP increased 1.3% and inflation reached 4.2%, as the economy continued to recover and inflation began to stabilize in certain parts of the world. As a result, the actions of the Mexican government concerning the economy and regulation of certain industries could have a significant effect on businesses with operations in Mexico, including us.

Further, in Chile (where revenue based on the country where the end users of our merchant customers executed their payments represented 7%, 9% and 13% of our Revenue in 2024, 2023 and 2022, respectively) political, legal, regulatory and economic uncertainty arising from social unrest and the resulting social reforms, as well as the enactment of Chile's new constitution could adversely impact our business. Growing public concern over perceived social inequality led to a rise in social unrest beginning in October 2019. The social unrest caused commercial disruptions throughout the country. After three weeks of nationwide protests, the Chilean government announced in November 2019 that it would initiate a process to draft a new constitution for Chile. When the government announced the process of enacting a new constitution, there was increased volatility in the Chilean stock market and exchange rate fluctuations that resulted in a weakening of the Chilean peso against the U.S. dollar. Referendums on the new constitution were held. The final text was finished by July 2022 and submitted to popular vote in September of that year, where 62% of voters rejected the proposed constitution amidst general criticism. In December 2022, different political parties reached an agreement for a new constitutional process with a defined set of principles for the new constitution. The new constitutional process started in January 2023 with the enactment of the new law and continued with the appointment of commissions in March, the election of the constitutional council on May 7, 2023 and a popular vote on a new draft constitution on December 17, 2023, which was rejected by 55% of the votes. No assurance can be given that any changes to the constitution or that disruptions in the political and economic climate in Chile will not adversely affect our business, financial condition or results of operations.

Inflation has increased recently throughout countries in Latin America, as a result of supply shocks that affected the price of foodstuff, climate events that hit electricity generation, disruption in supply chains and the depreciation of local currencies, among others. These inflationary pressures have persisted in early 2025.

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

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

- growth or downturn of the economy of the countries in which we operate;
- interest rates and monetary policies;
- exchange rates and currency fluctuations;
- restrictions on capital and funds expatriation;
- inflation;
- liquidity of the domestic capital and lending markets;
- exchange control policies and restrictions on remittances abroad and payments of dividends;
- modifications to laws and regulations, sometimes radical changes, according to political, social and economic interests;
- fiscal policy, monetary policy and changes in tax laws or rates;
- economic, political and social instability, including general strikes, mass demonstrations and civil strikes;
- high levels of unemployment and underemployment;
- labor and social security regulations;
- actual or threatened epidemics, pandemics, outbreaks, or other public health crises;
- limited infrastructure, including access to telecommunications and internet services;
- energy and water shortages and rationing;
- expropriations;
- commodity prices;
- high levels of organized crime activity;

- natural disasters;
- government intervention in the private sector, including through potential nationalization of private enterprises; and
- other political, diplomatic, social and economic developments in or affecting the countries in which we operate.

Uncertainty over whether the governments of the countries in which we operate will implement reforms or changes in policy or regulation affecting these or other factors in the future may affect economic performance and contribute to economic uncertainty in those countries, which may have an adverse effect on our activities and consequently our results of operations. In addition, the political environment of the countries in which we operate has historically influenced, and continues to influence, economic performance in such countries. Political crises have affected and continue to affect the confidence of investors and the general public, which have historically resulted in economic deceleration and heightened volatility in the securities offered by companies with significant operations in those countries. Recent economic instability in a number of the countries in which we operate has contributed to a decline in market confidence in the respective economies as well as to a deteriorating political environment. The occurrence of adverse events that create additional political uncertainty in any of these countries could harm the economy of the countries in which we operate and, consequently, our business, and could adversely affect our financial condition, results of operations and the price of our Class A common shares.

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

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

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

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

Our performance depends on the overall health and growth of the countries in which we operate, which is limited by inadequate infrastructure, including potential energy shortages and deficient telecommunication sectors, lack of internet connectivity and bandwidth, general strikes, the lack of a qualified labor force, and the lack of private and public investments in these areas, which limit productivity and efficiency. Any of these factors could lead to labor market volatility and generally impact income, purchasing power and consumption levels, which could limit growth and ultimately have a material adverse effect on us.

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

We derive a portion of our revenue from our merchants' end-user transactions in countries in Latin America, Africa and Asia, and we expect to continue to grow our operations in these regions. As such, our business is subject to the various political, social, economic, fiscal and monetary policies and factors that affect companies operating in Latin America, Africa and Asia, which could have a significant effect on our business, financial condition, results of operations and prospects. While certain Latin American, African and Asian countries feature developed and sophisticated business sectors and financial and legal infrastructure at the core of their economy, they are also affected by socio-economic challenges such as high levels of unemployment, poverty and crime and large parts of the population in Latin American, African and Asian countries, particularly in rural areas, do not have access to adequate education, health care, housing and other services, including water and electricity. Government policies aimed at alleviating and redressing the disadvantages suffered under previous governments of countries in the regions may increase the costs and reduce the profitability of our business. These problems or proposed solutions may impede fixed inward investment into Latin America, Africa and Asia and increase emigration of skilled workers and as a result, we may have difficulties retaining qualified employees.

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

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

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

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

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

Risks Relating to Our Class A Common Shares

An active trading market for our common shares may not be sustainable. If an active trading market is not maintained, investors may not be able to resell their shares at or above the price they paid and our ability to raise capital in the future may be impaired.

Although our Class A common shares are listed and traded on Nasdaq, an active trading market for our shares may not be maintained. If an active market for our Class A common shares is not maintained, it may be difficult for you to sell shares you have purchased without depressing the market price for the shares or at all. A lack of an active trading market may also impair our ability to raise capital to acquire other companies or technologies by using our shares as consideration.

If the trading price of our Class A common shares fluctuates, you could lose a significant part of your investment.

The market price of our Class A common shares may be influenced by many factors, some of which are beyond our control, including:

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

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

Techniques employed by short sellers may drive down the market price of our common shares, negatively impact our business operations and/or generate non-meritorious litigation.

Short selling is the practice of selling securities that a seller does not own but rather has borrowed from a third party with the intention of buying identical securities back at a later date to return to the lender. Short sellers seek to profit from a decline in the value of the securities between the sale of the borrowed securities and the purchase of the replacement securities, as short sellers hope to pay less in that purchase than they received in the sale. As it is in short sellers' interest for the price of the securities to decline, certain short sellers publish, or arrange for the publication of, negative research reports and allegations regarding the relevant issuer and its business prospects in order to create negative market momentum and generate profits for themselves after selling a security short. These short attacks have, in the past, created downward pressure on the price of the relevant securities.

We have been the subject of negative publicity by short sellers. It is not clear what long-term effect such negative publicity could have on us and/or whether we will continue to be subject to short seller attacks from time to time in the future. If we were to become the subject of any additional unfavorable allegations, even when such allegations are untrue, we may have to expend a significant amount of resources to investigate such allegations and/or defend ourselves. While we would prefer to strongly defend against any such short seller attacks, we may be constrained in the manner in which we can respond to any allegations due to applicable state or federal law, or issues of commercial confidentiality. Any future response to negative publicity from short sellers could be costly and time-consuming, and could divert management's attention from our day-to-day operations.

Even if short seller allegations are ultimately proven to be groundless, allegations against us could severely impact the market price of our Class A common shares and our business operations. Because of the nature of our business in processing payments, we depend significantly on our brand and on customer confidence in our services. As a result, such allegations may impact our revenues by damaging our reputation, confidence in our services and relationships with our existing customers and potential new customers. For example, we may need to offer more favorable terms to new or existing customers, such as shorter settlement cycles, or we may be required to deliver letters of credit as a condition to doing business with certain customers, or we could lose certain lines of credit (in each case either temporarily or permanently), which would have an adverse effect on our business. As a result, even allegations that lack merit may materially negatively impact the results of our operations.

We believe that the class action securities claims filed against us are in significant part a result of negative publicity by a short seller. For more information, see "[Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Legal Proceedings](#)". With respect to certain of these class action claims, we cannot predict the timing, outcome or consequences of such actions, and we cannot assure you that our defenses will be successful or whether we will be subject to any damages, or how much. Whether or not we prevail in such proceedings, we may incur significant expenses defending them, which may materially and adversely affect our financial condition and results of operations.

As of December 31, 2024, holders of our Class B common shares together own 46.96% of our outstanding common shares and 81.57% of corresponding voting rights, and have the power, as a group, to elect a majority of the members of our board of directors, which means that these shareholders, when acting in concert, have significant influence over matters requiring shareholder approval. This concentration of ownership and voting power limits your ability to influence corporate matters.

As of December 31, 2024, holders of our Class B common shares beneficially own 46.96% of our outstanding common shares and 81.57% of corresponding voting rights and all of our outstanding Class B common shares. As a result, these shareholders, when acting in concert, exercise significant influence over all decisions at our shareholders' meetings. In addition, as long as they hold our Class B common shares, such holders shall be entitled to appoint at least a majority of the members of our board of directors. They also, when acting in concert, have significant influence to direct our actions in areas such as business strategy, financing, distributions, acquisitions and dispositions of assets or businesses. For example, our existing Class B common shareholders may exercise their voting power in a manner to cause us to make acquisitions that increase the amount of our indebtedness or outstanding common shares, sell revenue-generating assets or inhibit change of control transactions that may benefit other shareholders. The decisions of our Class B common shareholders on these matters may be contrary to your expectations or preferences, and they may take actions that could be contrary to your interests. They may, when acting in concert, be able to prevent any other shareholders, including you, from blocking these actions. For further information regarding shareholdings in our company, see "[Item 7. Major Shareholders and Related Party Transactions—A. Major Shareholders.](#)"

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

Under our Articles of Association, each holder of our Class B common shares is entitled to preemptive rights to purchase additional Class B common shares in the event that additional Class A common shares are issued, upon the same economic terms and at the same price, in order to maintain their proportional ownership interests, which as of December 31, 2024, were 46.96% of our outstanding shares. The exercise by holders of our Class B common shares of preemptive rights may impair our ability to raise funds, or adversely affect the terms on which we are able to raise funds, as we may not be able to offer to new investors the quantity of our shares that they may desire to purchase.

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

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

Our shareholders, or entities controlled by them or their permitted transferees, are able to sell their common shares in the public market from time to time without registering them, subject to certain limitations on the timing, amount and method of those sales imposed by regulations promulgated by the SEC. If any of our shareholders, the affiliated entities controlled by them or their respective permitted transferees, were to sell a large number of their common shares, the market price of our Class A common shares may decline significantly. In addition, the perception in the public markets that sales by them might occur may also cause the trading price of our Class A common shares to decline.

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

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

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

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

The trading market for our Class A common shares will depend in part on the research and reports that securities or industry analysts publish about us or our business. If no or too few securities or industry analysts provide coverage of our company, the trading price for our Class A common shares would likely be negatively affected. In the event securities or industry analysts initiate coverage, if one or more of the analysts who cover us downgrade our Class A common shares or publish inaccurate or unfavorable research about our business, the price of our Class A common shares would likely decline. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, demand for our Class A common shares could decrease, which might cause the price of our Class A common shares and trading volume to decline.

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

The declaration, payment and amount of any future dividends will be made at the discretion of our board of directors and will depend upon, among other things, the results of operations, cash flows and financial condition, operating and capital requirements, and other factors as our board of directors considers relevant. In addition, our holding company structure makes us dependent on the operations of our subsidiaries. See “[Risks Relating to Our Business and Industry—Our holding company structure makes us dependent on the operations of our subsidiaries.](#)” There is no assurance that future dividends will be paid, and if dividends are paid, there is no assurance with respect to the amount of any such dividend. See “[Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Dividend Distribution Policy.](#)”

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

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

The dual class structure of our common stock has the effect of concentrating voting control with Andres Bzurovski Bay (directly and indirectly through Emerald Bay 24 LLC), IZBA SA, Aqua Crystal Investments Ltd., Sebastián Kanovich (indirectly through Nordau Inc) and Jacobo Singer as the beneficial owners of the entirety of our Class B common shares; this limits or precludes your ability to influence corporate matters.

Each Class A common share entitles its holder to one vote per share and each Class B common share entitles its holder to five votes per share, so long as the total outstanding Class B common shares represent at least 10% of the total number of common shares (Class A and Class B) then outstanding. The beneficial owners of all of our Class B common shares are Andres Bzurovski Bay (directly and indirectly through Emerald Bay 24 LLC), IZBA SA, Aqua Crystal Investments Ltd., Sebastián Kanovich (our former co-CEO, one of our directors and founders, then indirectly through Nordau Inc) and Jacobo Singer (our former co-President, former COO and one of our directors). See “[Item 7. Major Shareholders and Related Party Transactions—A. Major Shareholders.](#)” Due to the five-to-one voting ratio between our Class B and Class A common shares, Andres Bzurovski Bay, IZBA SA, Aqua Crystal Investments, Sebastián Kanovich and Jacobo Singer will continue to exercise disproportionate voting power of our common shares and therefore be able to maintain significant influence over matters submitted to our shareholders so long as the total outstanding Class B common shares represent at least 10% of the total number of common shares (Class A and Class B) then outstanding.

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

In light of the above provisions relating to the issuance of additional Class B common shares, as well as the five-to-one voting ratio of our Class B common shares and Class A common shares, holders of our Class B common shares will in many situations continue to maintain disproportionate influence over matters requiring shareholder approval. This concentrated voting interest will limit or preclude your ability to influence corporate matters for the foreseeable future. For a description of our dual class structure, see “[Item 10. Additional Information—B. Memorandum and articles of association—Voting Rights.](#)”

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

We are a Cayman Islands exempted company with limited liability. Our corporate affairs are governed by our Articles of Association and by the laws of the Cayman Islands. The rights of shareholders and the responsibilities of members of our board of directors may be different from the rights of shareholders and responsibilities of directors in companies governed by the laws of U.S. jurisdictions. In particular, as a matter of Cayman Islands law, directors of a Cayman Islands company owe fiduciary duties to the company and separately a duty of care, diligence and skill to the company. Under Cayman Islands law, directors and officers owe the following fiduciary duties: (1) duty to act in good faith in what the director or officer believes to be in the best interests of the company as a whole; (2) duty to exercise powers for the purposes for which those powers were conferred and not for a collateral purpose; (3) directors should not properly fetter the exercise of future discretion; (4) duty to exercise powers fairly as between different sections of shareholders; (5) duty to exercise independent judgment; and (6) duty not to put themselves in a position in which there is a conflict between their duty to the company and their personal interests. Our Articles of Association have varied this last obligation by providing that a director must disclose the nature and extent of his or her interest in any contract or arrangement, and following such disclosure and subject to any separate requirement under applicable law or the listing rules of the Nasdaq, and unless disqualified by the chairman of the relevant meeting, such director may vote in respect of any transaction or arrangement in which he or she is interested and may be counted in the quorum at the meeting. Conversely, under Delaware corporate law, a director has a fiduciary duty to the corporation and its stockholders (made up of two components) and the director’s duties prohibit self-dealing by a director and mandate that the best interest of the corporation and its shareholders take precedence over any interest possessed by a director, officer or controlling shareholder and not shared by the shareholders generally. See “[Item 16G. Corporate Governance—Principal Differences between Cayman Islands and U.S. Corporate Law.](#)”

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

We may need to raise additional funds to grow our business and implement our growth strategy through a public or private issuance of common shares or securities convertible into, or exchangeable for, our Class A common shares, which may dilute your interest in our share capital or result in a decrease in the market price of our Class A common shares. In addition, we may also enter into mergers or other similar transactions in the future, which may dilute your interest in our share capital or result in a decrease in the market price of our Class A common shares. Any fundraising through the issuance of shares or securities convertible into or exchangeable for shares, or the participation in corporate transactions with an effect similar to a merger, may dilute your interest in our capital stock or result in a decrease in the market price of our Class A common shares.

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

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

In addition, on November 15, 2023, a holder of warrants exercised its net issuance right resulting in a net issuance amount of 6,334,134 shares at a Fair Market Value of U.S. Dollars 18.098 per share, calculated using the average price of five business days before the exercise date. Considering that, as of the date of this annual report, we had warrants outstanding issued to an affiliate of one of our merchant customers to acquire up to 8,672,500 of our outstanding Class A common shares exercisable through January 24, 2026 at a purchase price per share of either (1) US\$0.5726 or (2) upon any reorganization (including any change of control) of the Company, the lesser of (i) US\$0.5726 and (ii) sixty percent (60%) of the price per share paid in or implied by such transaction. The warrants limit such customer's beneficial ownership to 4.999% of our outstanding Class A common shares unless such customer waives this limit upon 61 days' notice. If any such existing or future warrants are exercised, the Class A common shares issued will increase the total number of Class A common shares issued and outstanding and thus be dilutive to our other shareholders.

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

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

Certain of our directors and officers, among others, own shares in the Company, and are also beneficiaries under our share-based compensation plan. Due to the grant of share options and restricted stock units to members of our management team, a portion of their compensation is closely tied to our results of operations and, more specifically, to the trading price of our Class A common shares, which may lead such individuals to direct our business and conduct our activities with an emphasis on short-term profit generation. As a result of these factors, the interests of our management team may not coincide with the interests of our other shareholders that have longer-term investment objectives.

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

In case of new option grants under our existing plan, our shareholders will be subject to additional dilution. For additional information on our stock option plan, see “[Item 6. Directors, Senior Management and Employees—B. Compensation—Compensation of Directors](#)” for additional information.

As a foreign private issuer, we have different disclosure and other requirements than U.S. domestic registrants.

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

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

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

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

Section 5605 of the Nasdaq equity rules require listed companies to have, among other things, a majority of their board members be independent, and to have independent director oversight of executive compensation, nomination of directors and corporate governance matters. As a foreign private issuer, however, we are permitted to follow, and we do follow home country practice in lieu of the above requirements. See "[Item 16G. Corporate Governance—Principal Differences between Cayman Islands and U.S. Corporate Law.](#)"

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

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

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

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

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

Shareholders of Cayman Islands exempted companies (such as us) have no general rights under Cayman Islands law to inspect corporate records and accounts or to obtain copies of lists of shareholders. Our directors have discretion under our Articles of Association to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but are not obliged to make them available to our shareholders. This may make it more difficult for you to obtain information needed to establish any facts necessary for a shareholder motion or to solicit proxies from other shareholders in connection with a proxy contest.

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

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

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

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

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

An investment in our Class A common shares is subject to risks. Investors who wish to invest in our Class A common shares could lose the entire value of their investment, including as a result of risks relating to our Class A common shares, us, the sector in which we operate, our shareholders and the general macroeconomic environment in the countries in which we operate, among other risks.

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

- have sufficient knowledge and experience to make a meaningful evaluation of our Class A common shares, the merits and risks of investing in our Class A common shares and the information contained in this annual report;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in our Class A common shares and the impact our Class A common shares will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in our Class A common shares;
- understand thoroughly the terms of our Class A common shares and be familiar with the behavior of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

Under the Internal Revenue Code of 1986, as amended, or the Code, we will be a passive foreign investment company, or PFIC, for any taxable year in which, after the application of certain look-through rules with respect to subsidiaries, either (1) 75% or more of our gross income consists of “passive income;” or (2) 50% or more of the average quarterly value of our assets consists of assets that produce, or are held for the production of, “passive income.” Passive income generally includes dividends, interest, certain non-active rents and royalties, and capital gains. Based on the market price of our Class A common shares during 2024 and the composition of our income and assets, including goodwill, we believe that we were not a PFIC for our 2024 taxable year and we do not expect to become one in the foreseeable future. However, there can be no assurance that the Internal Revenue Service, or the IRS, will agree with our conclusion. In addition, whether we will be a PFIC in any future year is uncertain because, among other things, (1) we hold and expect to continue to hold a substantial amount of cash, which is generally categorized as a passive asset; and (2) our PFIC status for any taxable year will depend on the composition of our income and assets and the value of our assets from time to time (which may be determined, in part, by reference to the market price of our Class A common shares, which could be volatile). Accordingly, there can be no assurance that we will not be a PFIC for any taxable year.

If we are a PFIC for any taxable year during which a U.S. investor holds Class A common shares, we generally would continue to be treated as a PFIC with respect to that U.S. investor for all succeeding years during which the U.S. investor holds Class A common shares, even if we ceased to meet the threshold requirements for PFIC status. Such a U.S. investor may be subject to adverse U.S. federal income tax consequences, including (1) the treatment of any gain on disposition of the Class A common shares as ordinary income; (2) the application of a deferred interest charge on any such gain and the receipt of certain dividends; and (3) compliance with certain reporting requirements. A “mark-to-market” election may be available that will alter the consequences of PFIC status if our Class A common shares are regularly traded on a qualified exchange. For further discussion, see [“Item 10. Additional Information—E. Taxation—U.S. Federal Income Tax Considerations.”](#)

Item 4. Information on the Company

A. History and development of the company.

We undertake our filings in electronic form using the EDGAR filing system of the SEC. Our filings are available through the EDGAR system at www.sec.gov. Our filings are also available to the public through the Internet at dLocal’s website at investor.dlocal.com. The information contained in, or accessible through, our website is not part of, and is not incorporated into, this annual report.

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

Since our inception, we have harbored global ambitions. We started with a single product to support a single payment method in one market, specifically pay-in cross-border payments in Brazil. Our early success empowered us to expand to other emerging markets, offering our services today in more than 40 countries including Brazil, Mexico, Argentina, Colombia and Chile in Latin America; Nigeria, Egypt, South Africa, and Morocco in Africa; and India, Philippines, and Indonesia in Asia, among others.

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

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

We benefit from the support of our investors, including our strategic shareholders, General Atlantic and Mastercard, and the opportunities our scalable platform offers us. Moreover, Sebastián Kanovich, our former co-CEO and one of our directors and founders, and Jacobo Singer, our former co-President and COO, and members of our founding management team and board of directors hold a meaningful combined ownership in dLocal and are deeply committed to our continued success. See “[Item 6. Directors, Senior Management and Employees](#)”. With this support and commitment, we may continue expanding into new markets, developing new products, and retaining and expanding our merchant base while growing their overall volume processed through our platform (including, in each case, through potential acquisition opportunities), all of which are drivers that we believe will continue to propel our growth in the years to come.

Capital Expenditures

For a description of our principal capital expenditures in the years ending December 31, 2024, 2023 and 2022, see “[Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Capital Expenditures](#).”

Our Incorporation

We are a Cayman Islands exempted company incorporated with limited liability on February 10, 2021, for the purposes of facilitating our initial public offering that took place on June 3, 2021. Our principal executive offices are located at Dr. Luis Bonavita, 1294, Montevideo, Uruguay 11300. Our legal name is DLocal Limited and our commercial name is “dLocal.” Our telephone number at our principal executive offices is +1 (424) 392-7437. Our agent for service of process in the United States is Cogency Global Inc., located at 122 E. 42nd Street, 18th floor, New York, New York 10168. Investors should contact us for any inquiries through the address and telephone number of our principal executive office. Our principal website is investor.dlocal.com. The information contained in, or accessible through, our website is not part of, and is not incorporated into this annual report.

Recent Developments

As announced on September 6, 2024, Jacobo Singer, our then-current chief operating officer (COO) and Co-President, decided to step down from both roles, remaining in the positions during a transition period until December 15, 2024, to ensure a smooth handover of responsibilities. Following the transition period, Mr. Singer continues to serve as a member of our Board of Directors. On the same day, Carlos Menendez was appointed as our new COO.

Mr. Menendez brings over 30 years of experience in world-class companies across payments, banking and consumer industries, including Mastercard, Citibank and Procter & Gamble. He has a proven track record in scaling businesses, managing global P&Ls and developing strategic partnerships, which are invaluable as the Company continues to grow and expand its operations. Mr. Menendez holds a bachelor's degree from Harvard University and an MBA from Wharton.

On March 25, 2025, we announced that Mark Ortiz will step down from his role as Chief Financial Officer due to an unforeseen health issue that requires attention, effective upon the filing of this annual report. Our board of directors has appointed Jeffrey Brown, who currently serves as VP Finance, to act as interim Chief Financial Officer following the filing of the 20-F while we conduct a comprehensive search for a permanent successor. Mr. Brown brings extensive financial expertise, having previously held leadership roles at Bank of America, RPX Corporation and more recently as the CFO at Geopagos. Mr. Ortiz will, to the extent possible and permitted by his health, make himself available during the search and transition period as an advisor to the company.

B. Business overview.

Our Mission

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

Overview

dLocal is focused on simplifying and redefining the online payments experience in emerging markets. Through one API, one technology platform, and one contract, which we collectively refer to as the One dLocal model, we enable global enterprise merchants to get paid (pay-in) and to make payments (pay-out) online in a safe and efficient manner. Merchants on our platform consistently benefit from improved acceptance and conversion rates, reduced friction, and enhanced fraud prevention, which enables merchants to better serve nearly 2 billion potential combined internet users in the countries we serve. Our proprietary, fully cloud-based platform has the ability to power both cross-border and local-to-local transactions in more than 40 countries as of December 31, 2024. Our solutions are designed to be user-friendly and seamlessly adapted to our different countries and payment methods. We empower global merchants to expand their market reach by connecting them to consumers through more than 900 different local payment methods, including financial institutions, across different geographies. In addition, our proprietary technology architecture is designed to be highly scalable and flexible, enabling us to rapidly innovate in response to market demand, expand our services to new countries, and enhance our value proposition for our merchant clients. We believe that our product offering is the most comprehensive online payments infrastructure currently available for global enterprise merchants operating across emerging markets.

Since our inception, we have developed multiple new solutions for our merchants and are well-positioned to continue to innovate and be at the forefront of developments in payments technology. Our most recent solution, "dLocal for Platforms", is an end-to-end payment solution that offers a range of services to help platforms manage their global payments more efficiently. By streamlining onboarding and verification, simplifying payment processing, and providing robust funds and platform management tools, our solution can help platforms reduce costs, improve cash flow, and enhance the overall customer experience.

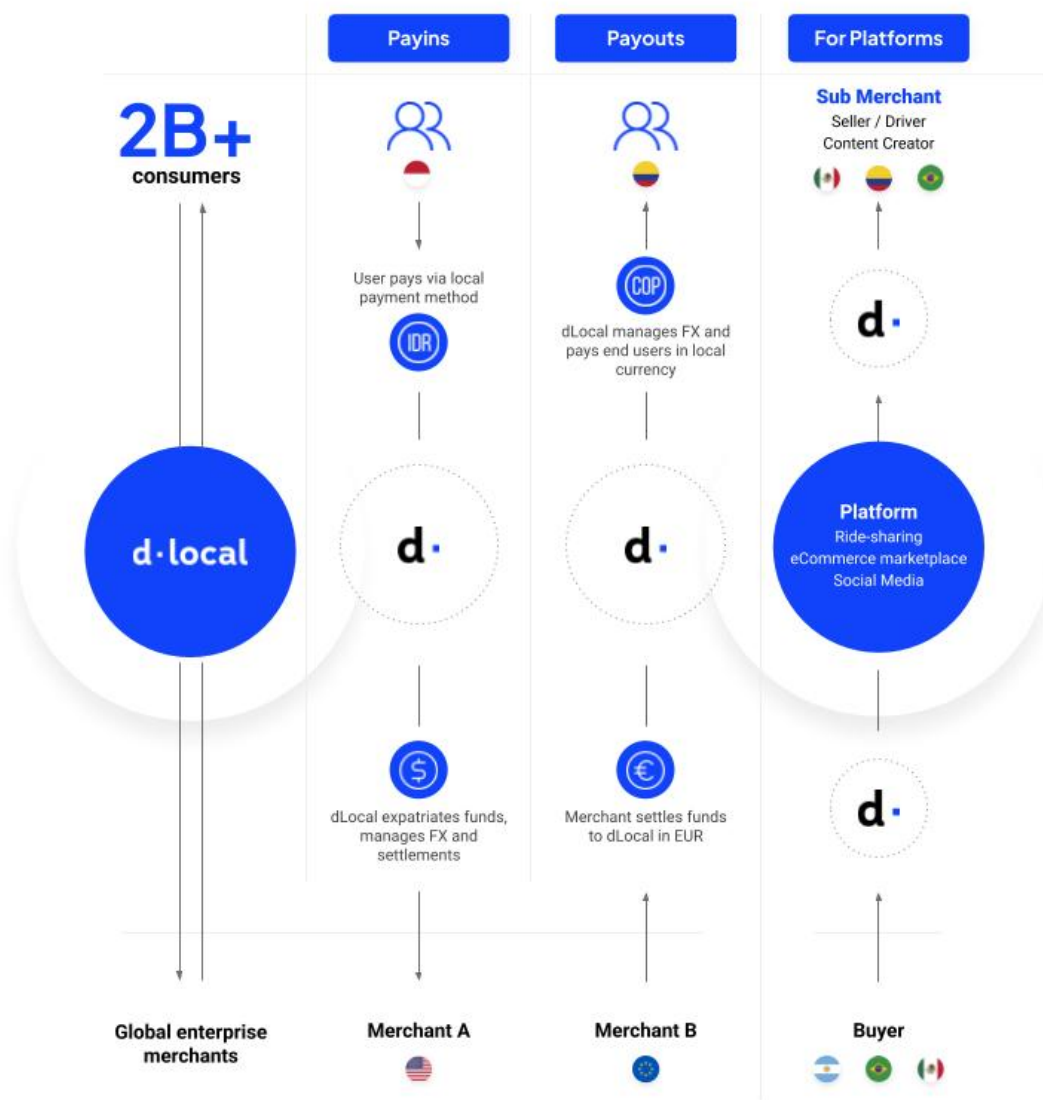
Our focus on meeting merchants' demands drives us to develop solutions that address the complex payments issues they face in emerging markets. For example:

- To a leading global enterprise software company, we offer a reliable, country-specific solution that facilitates accepting payments in local currency, enabling the merchant to sell its suite of products and services in Nigeria.
- For one of the largest video streaming companies in the world, we enable acceptance of local payment methods from viewers eager to access their content in Peru.
- For a leading e-commerce marketplace in Latin America, we streamlined the onboarding and KYC/KYB of thousands of sellers, split payments, dynamic tax withholding, and settlement at scale in Argentina.
- For one of the leading global internet search engines, we developed dynamic transaction routing capabilities in Brazil to automatically direct traffic to payments providers with the highest probability of success, thus enabling more reliable processing.

As global enterprise merchants continue to face payment complexities in both directions, they seek partners with demonstrated high acceptance rates and local capabilities for card processing, as well as high conversion rates for alternative payment methods (APMs), local expertise in foreign exchange (FX) management, compliance with local regulations, and tax and fraud management capabilities across relevant emerging markets. This contrasts with engaging providers they may already use in developed markets, where payment, infrastructure, and regulatory dynamics are different. Capitalizing on this opportunity, we have continued to expand our global presence with the goal of becoming the online payments partner of choice for global merchants in emerging markets.

We are an enterprise-focused company targeting large global merchants operating in various verticals and geographies, including financial services, remittances, commerce, advertising, streaming, on-demand delivery, ride hailing, SaaS, travel, e-learning, gaming, and crypto. Our global platform is built from the ground up to be accessible through a single direct API and to meet the rapidly evolving needs of fast-growing global merchants. We prioritize simplicity, scalability, transparency, agility, and innovation, which are key factors contributing to our continued success. Our portfolio includes over 700 global merchants, including leading global enterprises such as Shein, Didi, Payoneer, Temu, Google, Facebook, Rappi, Deel, Uber, SpaceX, Worldpay and Spotify. We also partner with leading marketplaces such as Shopify to help their SMB clients and partners extend their geographic reach. Our global merchants benefit from maintaining direct relationships with their end-users while facilitating a faster, safer, more reliable, and compliant payments experience. On average, our global enterprise merchants utilized dLocal's platform in approximately nine different countries and 106 payment methods during the year ended December 31, 2024. We define enterprise merchants as those merchants processing more than US\$6 million TPV during the period. Our global enterprise merchants, comprising 99% of our TPV in the year ended December 31, 2024, 98% in 2023 and 97% in 2022, demonstrate the trust and strong relationships we have built with our global enterprise merchants.

Payment processing value chain



Note: Illustrative cross-border examples

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

Our single integrated platform offers a merchant-friendly alternative to the fragmented legacy providers that global merchants were previously forced to rely on for payments in emerging markets. With a robust online payments infrastructure spanning over 40 countries as of December 31, 2024, we empower merchants with seamless transactions across diverse markets. Our direct relationships with global merchants, strategic partnerships with APMs, local financial institutions, and acquirers, along with our deep understanding of the regions we serve, set us apart. Additionally, our compliance, tax, and fraud management capabilities create a competitive edge that is difficult to replicate. Driven by a technology-first approach, an execution-focused culture, and an agile innovation mindset, we remain at the forefront of the industry.

Our success is reflected in our rapid growth and strong profitability. dLocal earns revenue from fees charged to our merchants in connection with payment processing services for cross-border and local-to-local payment transactions in emerging markets. These fees are primarily generated on a per approved transaction basis as either a fixed fee per transaction or fixed percentage per transaction. The fees include a processing fee, as well as an FX service fee earned on payments involving conversion of currencies and expatriation of funds to and from various currencies, including the U.S. dollar and the Euro. The fees charged also include installment fees, chargebacks and refunds fees, as well as other minor fees, such as initial set up fees, minimum monthly fees, maintenance fees, and small transfer fees. Our TPV was US\$25.6 billion, US\$17.7 billion and US\$10.6 billion for the full years of 2024, 2023, and 2022, respectively, representing a growth rate of 44.7% when comparing the full year of 2024 to 2023 and a growth rate of 67.3% when comparing the full year of 2023 to 2022. Our total revenues were US\$746.0 million, US\$650.4 million and US\$418.9 million for 2024, 2023, and 2022, respectively, representing a growth rate of 14.7% when comparing the full year of 2024 to 2023 and a growth rate of 55.2% when comparing 2023 and 2022. Our net revenue retention rate, or NRR, was 113% and 150% for the year ended December 31, 2024, and 2023, respectively. We believe our asset-light operating model with low capital requirements allows for continuous reinvestment to drive top line growth. Our strong profitability and cash flow generation is due in large part to our solving of the complex payments problems on behalf of our merchants in underserved geographies. Our Adjusted EBITDA Margin was 25.3%, 31.1% and 36.5% during the full years of 2024, 2023, and 2022, respectively. We expect to continue to invest in profitable growth, pursuing opportunities that grow both our revenues and our profit for the year, always in a disciplined manner in an effort to maximize the return on these investments.

Our Competitive Strengths

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

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

dLocal's value is derived from the simplicity of our fully cloud-based proprietary platform, accessible through a single API, that enables global merchants to potentially reach nearly two billion internet users in the emerging markets we serve (excluding China). Traditional payments providers serving these markets are often burdened with disparate legacy technology systems that have been stitched together over time. This limits pricing transparency and leads to reconciliation and refund management complexities, a sub-optimal user experience, lower conversion rates, and subpar system availability, as well as increased levels of fraud and compliance issues. Conversely, dLocal offers a modern and flexible technology stack that is purpose-built to meet our global merchants' high performance and scalability expectations, as demonstrated in our ability to increase our TPV by 188 times between 2016 and 2024.

dLocal's platform provides rapid, reliable, and convenient support for pay-in and pay-out transactions, including cross-border and local-to-local in each case. We deliver a seamless, transparent, and integrated experience for global merchants while ensuring secure and compliant transactions. Our platform has been designed to make it simple for our merchants to add payment methods, products, and new markets quickly and simply in an expeditious manner, all through a single point of integration and one contract. Our single API addresses the requirements of our merchants, ranging from back-end integration to an easy-to-integrate checkout module with which dLocal can handle the payment process. In addition, a merchant can create a payment using a payment link (no-code solution) or any of the plugins we have available. We increase the payments conversion rates through automatic retries, fallback transaction capabilities, easy management of each transaction through our API or dashboard, and automatic user and account validation, combined with broad connectivity to local financial institutions and local payment methods.

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

We have made significant investments in product development and software design through the engineering expertise of 371 full-time equivalents (including employees and contractors) focused solely on technology. These investments have enabled us to efficiently expand our platform solutions and capabilities, enhance our payments infrastructure, rapidly deploy technology updates, and work to develop high standards of security for our business and technology. As an example, we enhance our platform constantly and deploy system updates typically on a daily basis that instantly become available to all our merchants, in contrast with legacy players, which normally deploy such updates a limited number of times per year. We believe that our capabilities are highly differentiated and hard to replicate, strengthening our overall competitive advantage.

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

Our goal is to establish direct integration with our merchants which allows us to better understand their needs, reduce our response time, collaborate closely, and provide a superior payment experience. In doing so, we build relationships that are difficult and costly for competitors to replace or replicate. We also partner selectively with PSPs to which we offer our services and “last-mile” connectivity to local payment methods in emerging markets, thus allowing us to reach certain long-tail merchants to which we may not otherwise directly connect. Since its inception, dLocal has focused on enabling our clients to access a cloud-based digital payments infrastructure in emerging markets that offers a similar level of standards, functionality, and payments experience as that available in developed markets. This includes the ability to execute recurring payments, facilitate payment in installments, allow customer refunds for both cards (through local acquirers) and APMs (using our pay-outs infrastructure when no native refund method is available), or split payments even when local providers do not support these functionalities. We recognize the need for our merchants to carry out commerce in emerging markets in a seamless and secure manner. Accordingly, we have set up a platform designed to provide a comprehensive, enterprise-grade solution to enhance their operations in these markets.

Our commitment to these standards has allowed us to build a portfolio of merchants that includes some of the largest companies in the world, such as Shein, Didi, Payoneer, Temu, Google, Facebook, Rappi, Deel, Uber, SpaceX, Worldpay and Spotify. Furthermore, we have a strong track record of successfully acquiring new merchants and growing these relationships over time, cross-selling solutions in additional geographies or payment methods beyond the initial services contracted. On average, our global enterprise merchants used dLocal’s platform in approximately nine different countries and 106 payment methods during the year ended December 31, 2024, in approximately eight different countries and 74 payment methods in 2023 and in approximately eight different countries and 79 payment methods in 2022. We define enterprise merchants as those merchants that processed more than US\$6 million TPV during the period. We believe this US\$6 million threshold is representative of our merchant base as such merchants comprised 99% of our TPV in the year ended December 31, 2024, 98% in 2023 and 97% in 2022.

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

Our product portfolio and data-driven value added services

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

We provide merchants with proprietary fraud management tools built on machine learning algorithms and rules-based technology to help identify potentially problematic activity and execute transactions with increased levels of security. In addition, we offer tax and compliance capabilities that streamline regulatory compliance by helping merchants stay up to date with complex and frequently changing local laws and regulations, and FX management and multi-currency collection and settlement capabilities to address their needs in cross-border transactions. In addition, we have built our machine learning engine to dynamically route a transaction to the best acquirer (and fallback) for the configured strategy, so as to maximize approval rates, minimize costs, and/or minimize latency.

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

Deep connectivity with local partners in emerging markets

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

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

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

Client-centric mindset drives agile innovation and rapid deployments

Our focus on merchants' demands drives us to develop solutions that address the multiple and complex issues they face in emerging markets. dLocal operates in an agile manner, guided by our intrinsic focus on innovation to build solutions tailored to address the ever-evolving needs of our merchants. Whenever helpful, we provide merchants with a safe environment to rapidly test and iterate new solutions ahead of broad deployment. We believe that our agility and focus on solving the payment-related problems of our merchants in an effective and efficient manner minimizes wasted resources and differentiates us from our competitors.

We have also created broad solutions with feature-rich capabilities that assist multiple merchants operating in the same market. We often create these products in response to a specific merchant need, then replicate them across our entire platform, thus benefiting other merchants operating in the same countries at minimal incremental costs.

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

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

Attractive business model that delivers strong financial performance

Our technology-driven business model creates significant opportunities for scale and operating efficiencies. We benefit from strong relationships with our existing merchants, many of whom benefit directly from strong secular trends such as the increasing adoption of e-commerce. In addition, many of our global merchants offer subscription-based models that provide greater visibility into the TPV processed through our platform. Furthermore, our asset-light structure drives our ability to deliver strong margins and generate cash flow. Our business model has proven to be resilient. For the year ended December 31, 2024, our revenues and gross profit grew by 14.7% and 6.4%, respectively, compared to 2023, and we reported an Adjusted EBITDA Margin of 25.3%. For the year ended December 31, 2023, our revenues and gross profit grew by 55.2% and 36.9% compared to 2022, and we reported an Adjusted EBITDA Margin of 31.1%.

We have built our platform and all of its capabilities to last. We believe we will continue to drive growth and profitability through our investment in expanding our existing business into new countries, developing new products and capabilities, continuing adapting our products to the ever-changing regulatory requirements of every country in which we operate, and attracting new global merchants into our platform, allowing us to remain ahead of the competition.

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

We are devoted to fostering an entrepreneurial culture, built upon a commitment to offer a superior value proposition for our merchants. We were proudly born out of Uruguay, which forced us to think big and be global since inception. This is largely reflected in our presence in more than 40 countries and the expanding geographic diversity of our team of 1,095 professionals located in 49 countries as of December 31, 2024. We are mission driven and are focused on creating innovative solutions, launching new products, and adding new functionalities, always seeking to ensure the best possible execution and to continue supporting the growth of our merchants. Delivering a superior technology infrastructure is a key pillar of our management team's focus, as evidenced by the fact that some of our current key executives have served in senior technology roles within dLocal at some point during their tenures.

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

Our Growth Strategy

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

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

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

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

Increase number of global merchant clients

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

Expand our global reach

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

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

Our global expansion strategy is driven by merchant needs, prioritizing markets with the greatest opportunities and the most complex payments, compliance, and regulatory challenges. For example, we entered Egypt at the request of one of the world's largest social media platforms, a key client. We have consistently expanded our footprint, launching operations in:

- 2021: Dominican Republic, Vietnam, Malaysia, Guatemala, El Salvador, Thailand, Tanzania, Uganda and Pakistan.
- 2022: Honduras, Ivory Coast, Nicaragua, Rwanda and Saudi Arabia.

In 2023, we focused on strengthening operations in recently added markets. In 2024, building on the efforts of 2023, we continued to strengthen our presence and operations in the countries where we already operated while seeking to expand the number of partnerships and licenses in each market.

Our objective is to establish a presence in all relevant emerging markets where global merchants need a specialized technology and payments partner, an advantage we see as critical to our continued growth.

Broaden the breadth of our products

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

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

Another example is dLocal for platforms, an end-to-end payment solution that offers a range of services to help platforms manage their global payments more efficiently. By streamlining onboarding and verification, simplifying payment processing, and providing robust funds management and platform management tools, our solution can help platforms reduce costs, improve cash flow, and enhance the overall customer experience.

Most recently, we developed and launched a stand-alone Payment Orchestration option, which allows merchants to retain our Smart Routing, fraud detection and unified reporting, while obtaining their own licenses and contracting directly with processors in each market.

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

Grow inorganically

We may also seek to expand our merchant base, enhance our product or technical capabilities, or extend our geographic reach through selective acquisitions of companies that further enable us to serve enterprise merchants in emerging markets, such as our acquisition of PrimeiroPay in the first half of 2021.

Our One dLocal Model

Our *One dLocal* model combines our proprietary technology, intellectual property, capabilities, and business processes to create a differentiated go-to-market approach. It offers access to nearly two billion potential consumers in more than 40 emerging markets through one API, one platform and one contract. We have a core aspiration to make the complex world of emerging market payments as simple as possible for our merchants through our model, unlike what we believe is the standard for other solutions. Merchants can then access all of the markets we serve using one integrated set of technologies governed by one overarching contract. The inherent simplicity of this model, combined with our platform's extensive capabilities and benefits, including what we believe are higher conversion rates and lower fraud, creates a highly compelling value proposition for our global enterprise merchants.

dLocal teams built our cloud-based payment platform from the ground up. It was designed to provide an improved payments experience for our merchants with a strong focus on scalability, security, and performance. Our single platform enables merchants to experience the same standard of functionality and client interface that they have come to expect in developed markets as they enter into or further expand in emerging markets. Once on-boarded, our merchants gain immediate access to the full breadth of our platform, allowing them to expand their presence in emerging markets through one trusted partner and one contract, while receiving a consistent level of performance and client service globally. We believe that our robust network of APMs, local acquirers, and financial institutions; our deep understanding of each local market; and our comprehensive value-added services (such as our advanced fraud management system) deliver superior benefits for our global merchants. Some of these benefits include increased acceptance and conversion rates, risk mitigation, improved level of compliance, transparent FX management, reduced settlement times, and valuable data insights, all of which are critical for managing merchants' interactions with their customers, employees, and vendors and improving their sales.

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

Our business model

We offer our merchants and PSP partners payment processing, FX management, fund collection, fund settlement, fund disbursement, and additional value-enhancing features including fraud prevention, reports and analytics, regulatory, compliance and tax withholding management. We charge a negotiated fee for each merchant on a per approved transaction basis as either a fixed fee per transaction or fixed percentage per transaction, which varies by solution, applicable geographic market, overall volume processed, and required functionality (e.g., whether the transaction requires expatriation or repatriation of funds, which would require FX conversion).

Payments ecosystem



As we have continued to expand our footprint and gain scale, the average number of discreet countries in which our merchants use our products has also expanded over time. On average, our global enterprise merchants utilized dLocal's platform in approximately nine different countries and 106 payment methods during the year ended December 31, 2024. We define enterprise merchants as those merchants that processed more than US\$6 million TPV during the period. We believe this US\$6 million threshold is representative of our merchant base as such merchants comprised 99% of our TPV in the year ended December 31, 2024, 98% in 2023 and 97% in 2022. As a result, we believe that dLocal has become a trusted partner, forging resilient relationships with global enterprise merchants.

Furthermore, as our merchants continue to recognize the value of our platform, they have expanded the number of payment methods which they elect to process through dLocal.

Our solutions

We offer a robust set of pay-in, pay-out, and platform solutions, designed with feature-rich functionality.

Pay-in



Since our inception, we have provided a robust pay-in solution designed to help global merchants expand their online presence and receive payments seamlessly in emerging markets. Our platform supports a wide range of payment methods, including international and local cards, online bank transfers, direct debit, cash, and hundreds of APMs. This flexibility enables end users to pay using their preferred method while allowing merchants to reach a broader audience, increasing their total addressable market and sales. We offer our pay-in solution for both cross-border and local-to-local transactions, recognizing revenue when an authorized transaction is processed.

For our pay-in solution, we compete with global, regional, and local PSPs, varying by market. We believe that we differentiate ourselves through a fully cloud-based, flexible technology platform, extensive connectivity to local financial institutions and payment methods, and robust compliance and regulatory expertise. Our deep focus on emerging markets, combined with superior customer service, helps drive higher conversion rates and reduced friction for our merchants.

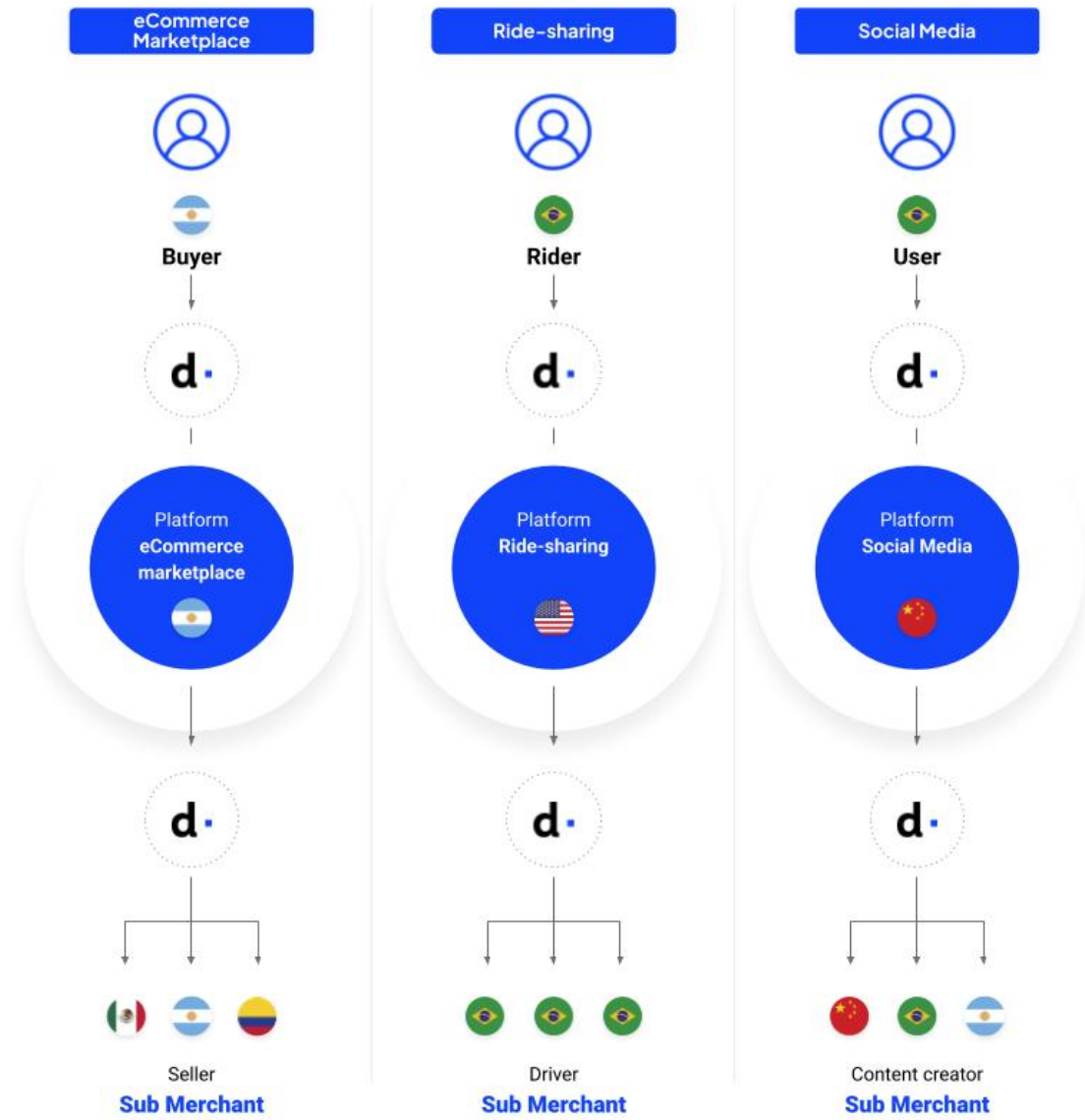
Payouts



We launched our pay-out solution in 2016 to meet the growing needs of new and evolving business models that require paying out partners and/or users in emerging markets. For example, Buenos Aires is one of the fastest growing cities globally for the ride-hailing industry. This created a need for two of the largest ride-hailing companies in the region to engage with an online payments infrastructure provider that could help pay their drivers in Argentina in a fast and secure manner. While we facilitate both cross-border and local-to-local pay-out functionality, we only enable payments into registered bank accounts of users, in accordance with our KYC and AML standards. Typical pay-out recipients include vendors, contractors, partners, drivers, apartment renters, marketplace sellers, and refund recipients, all of which can be paid in their elected preferred method while the merchant retains control over the overall interface, thus enhancing the payments experience. We provide merchants the ability to scale pay-out operations effortlessly while reducing risks and operations burdens in emerging markets. We recognize revenue for pay-out transactions upon completing the pay-out of an authorized transaction in local currency.

For our pay-out solution, we primarily compete with global and regional banks. We believe that our service is superior to the offerings of these banks due to a combination of our technology offering, our ability to dynamically decide which funding source will fund the pay-out, our shorter processing times (one or same day settlement for cross-border transactions), our focus on customer service, and our enhanced flexibility and transparency. In addition, merchants and end users benefit from no extra fees and taxes associated with FX conversion. We also compete with pay-out specialists that focus on direct relationships with merchants. However, these specialists often depend on dLocal for their 'last mile' connectivity to bank accounts in the countries in which we have a presence, as well as our expertise, often leading them to become clients of dLocal and allowing us to take advantage of their distribution networks.

For Platforms



In 2022, we developed an innovative white-label payment solution known as "dLocal for Platforms." Our solution is designed to provide a comprehensive and streamlined approach to manage global platform payments in one place. It is suitable for e-commerce marketplaces, ridesharing companies, social networks, and any other platform.

The dLocal for Platforms solution offers a wide range of services that can help platforms simplify and optimize their payment processes. One of the key benefits of our solution is the onboarding and verification process. With our white-label solution via API, platforms can easily onboard users such as sellers, customers, and service providers. dLocal can handle KYC and AML verifications with minimal disruption, in accordance with each country's local requirements. This makes it easier for platforms to manage user verification, reduce the risk of fraud, and ensure compliance with local regulations.

Platforms can process payments on behalf of their sellers and charge customers for mixed baskets (with multiple local and/or cross-border sellers) with only one transaction on their local payment method of choice. This feature simplifies the payment process for customers, allowing them to make payments quickly and conveniently, regardless of their location or the number of sellers involved. Moreover, our solution offers dynamic tax and fee calculations based on the sellers behind a purchase, ensuring that platforms can handle complex payments easily and accurately. In addition to these benefits, dLocal for Platforms also offers funds management services. Platforms can split transactions between multiple accounts, deduct platform fees, and pay out to users either locally or internationally. This feature provides greater flexibility for platforms, enabling them to manage funds more efficiently. Finally, our solution provides comprehensive platform management tools, including consolidated reporting, refund and chargeback management, and account configuration management through API or our merchant dashboard. This enables platforms to easily manage their payment processes and track their performance, ensuring that they can make informed decisions to optimize their business operations.

Our capabilities

Conversion optimization

One of the primary focuses of our platform is to increase the conversion rates and resulting revenues our merchants receive in emerging markets. To that end, in addition to a robust network of local payment methods offered through our platform, we offer specific functionality including Smart Routing, automated payment reminders, installments availability, recurring payment features, and branded checkout, all of which are geared towards optimizing the conversion rate. We believe we offer a conversion rate superior to that of traditional payments providers. Our Smart Routing capabilities enable us to achieve high conversion rates by automatically routing each transaction to the best-converting route, based on multiple variables, including card brand, payment method, issuing bank, Bank Identification Number, or "BIN", among others. In the event any transaction route goes down, dLocal can automatically switch to alternative processors. In addition, if a transaction is soft declined, dLocal has the capacity to route the transaction to the second-best alternative in order to recover the payment.

Our platform also allows merchants to easily, rapidly, and more accurately make cross-border or local-to-local pay-out transactions. Our optimization capability also focuses on reducing the timeframe of each pay-out while delivering the best conversion rates. Automatic retries, easy management of each pay-out through our API or dashboard, and user and account automatic validation, combined with a broad connection to local financial institutions, all serve to enhance the conversion rates.

Security

Security is at the heart of our platform and a key factor of why merchants select us. Our platform is Payment Card Industry Data Security Standards, or PCI DSS, Level 1 certified, which provides a level of assurance to our merchants that their transactions will be processed securely and funds and data will remain safe. We offer a robust set of security features in our solutions and have policies and procedures in place to manage security matters that are outside of the PCI scope. dLocal has a robust processing infrastructure with multi-layered network segregation that improves control over access to the network and facilitates monitoring. All inbound traffic passes through a web application firewall (WAF), mitigating the risk of cyberattacks. dLocal also establishes access to the platform exclusively through VPN connections and grants access to users and applications on an as-needed basis, while enforcing comprehensive authentication methods. Finally, dLocal encrypts all the data on the platform and employs antivirus, intrusion detection, and monitoring software to regularly scan for possible threats. See [“Item 3. Key Information—Risk Factors—Risks Relating to Our Business and Industry—We are subject to cyberattacks and may be subject to breaches of our information technology infrastructure and applications, and any failure to adequately protect our information technology infrastructure and applications could result in data breaches and/or downtime and materially adversely affect our reputation, business, and financial condition.”](#)

Fraud solution

As the global economy continues to digitalize, system exposure to fraud has intensified. In particular, emerging markets, many of which have only recently adopted card and digital payments, are exposed to higher vulnerability to chargebacks, cyberattacks and fraudulent schemes, which could impact merchant revenues. dLocal has developed a robust data-driven fraud prevention engine and a suite of checks and localized strategies for emerging markets that are powered by machine learning, leveraging our proprietary databases and designed to timely and accurately identify fraudulent transactions in the different countries in which we operate. Our proprietary behavioral algorithms detect subtle patterns and habits, increasing the level of security and ensuring compliance with applicable anti-fraud regulation. dLocal focuses on minimizing false positives and false negatives by combining merchant and industry data to create what we believe is a best-in-class fraud detection model. Each merchant is categorized to enhance the model’s performance by adapting it to the merchant’s data and characteristics. Additional checks and rules are applied to higher risk or higher value transactions. We believe that dLocal’s focus on emerging markets, strong partnership with our merchant base, and local knowledge in each of our markets help us deliver superior fraud management capabilities that improve merchant results.

Tax-handling solution

dLocal collects, withholds when needed, and settles multiple forms of taxes on behalf of merchants and of its end users. We conduct a two-step process in which dLocal and merchants' external tax advisors, if available, first identify the types of tax and withholding treatments that apply in each jurisdiction, and then implement the selected approach on dLocal's platform to calculate, withhold when needed, and settle taxes with local authorities in a fully automated and transparent way. With our Tax Manager system, dLocal can check and manage the taxes collected and withheld in the countries where dLocal processes payments for merchants and where dLocal has been appointed by law to act as tax agent, as well as the necessary configurations to assure compliance regardless of the local tax system complexities. Our tax system has a flexible and scalable configuration that requires no additional work for the merchant when expanding to new markets. In no instance do we offer or provide tax consulting services to our merchants.

Settlement and FX management

dLocal's multicurrency platform allows merchants to receive and settle cross-border transactions in the currencies of their choice with reduced friction. Our currency exchange API provides merchants FX transparency and a real-time view into all exchange rates needed to work on a global setup with local capabilities across emerging markets. When required, we can automate fund repatriation at previously-agreed settlement times and enable merchants to efficiently manage funds and transaction activity.

Merchant Dashboard

As part of the available functionality that we offer through our platform, our merchants can access transaction information in real time through our proprietary Merchant Dashboard, which provides reports to reconcile global transactions across multiple emerging markets in one place. Merchants can easily track and analyze payments, review and reconcile balances in selected currencies, issue refunds and dispute chargebacks, configure funds settlement preferences and obtain integration credentials, among many other services. Our solutions can be tailored based on individual merchant needs and focus on delivering transparency and convenience for our clients.

Reporting

dLocal provides additional reporting capabilities through Secure File Transfer Protocol, or "SFTP", for merchants to monitor their transactions and overall relationship with dLocal. We prepare customized reports for merchants that provide unique insights and analytics to manage transaction experience and payments processed on our platform. These reports can be integrated into the merchants' existing finance and operational systems, providing an easier reconciliation and a seamless experience. Reports can be automatically generated and sent to the merchant at the desired frequency (daily, weekly, at the transfer of funds, etc.).

Dispute management

dLocal offers dispute management capabilities for all transactions that are processed through our platform. In the event of a dispute, we immediately notify our merchants through our API, the Merchant Dashboard, or via email. Once notified, merchants can provide all the required information and documentation to address the dispute. dLocal then proceeds to process the information and work with payment processors, acquirers and other financial institutions, as applicable, for the resolution of the dispute, while ensuring the merchant is informed of updates at each step.

Refunds

dLocal has created a solution for merchants to send refunds to their customers for any transaction with any payment method, including many APMs that do not have a refund feature. In cases where there is no refund feature available for the original payment method, we do a bank transfer to the end user. Merchants can send their customers' banking information directly to dLocal, through our API or the Merchant Dashboard. Alternatively, dLocal can contact the end user directly to complete the refund process.

Subscriptions and recurring payments

dLocal provides merchants with the ability to set up recurring payments with cards and digital wallets, among others, which is ideal for merchants offering subscription-based models. We have built several merchant-friendly features on our platform to support this use case. Tokenization of cards and digital wallets, verification capabilities and retry features give our merchants a full suite of options to improve their recurring services and boost approval rates. As an example, when verifying a card, dLocal creates a transaction with the smallest amount allowed in the applicable country and immediately cancels the transaction. This verification feature reduces complexity for merchants given there are different rules for card verification in each country and minimizes impact for end users as the transaction is immediately canceled to avoid any chargeback from unrecognized payments. For certain markets that already have verification features, we make use of those features instead of putting a charge on the user's card.

Installments

dLocal also allows users in emerging markets to complete their payment with installments. Credit is extended by the issuer for a given transaction and end users can pay in several installments in an agreed-to period of time. This capability is risk-free for the merchant and enables a customizable checkout.

Direct alternative payment methods (APMs)

We understand that APMs have a wide range of different payment flows across all countries. Our merchants often want to fully-brand the experience for their customers, eliminating the need to redirect end users to the APM of their choice and transition them to a third-party user interface. Accordingly, we offer the "Direct APMs" solution that can integrate APMs through our API into the merchants' check-out so merchants can avoid losing users while redirecting and delivering a better overall branding experience, in addition to keeping the experience native in mobile apps.

Checkout

dLocal is able to build localized and branded check-out experiences for our merchants. These experiences are fully connected to our platform through the same API and support a full range of payment methods across a wide range of devices and software environments. Merchants can integrate our checkout capabilities on a modular basis in a rapid, efficient, and effective manner, tailored to their specific needs while maintaining full control over their relationship with their customers. We continuously test our checkout process to improve conversion rates and adjust our processes to each market.

Smart Fields

All merchants that handle credit card information are required to be PCI Compliant. Smart Fields simplify the compliance requirements for merchants, isolating sensitive information in a secure one-element iframe which can be completely customizable to match the look and feel of the merchants' websites. We also offer a mobile software development key, or SDK, to integrate Smart Fields seamlessly on mobile apps. With Smart Fields, merchants become self-assessment questionnaire or SAQ A compatible, which assures PCI Compliance while minimizing the amount of work needed. Merchants can also minimize friction and control the user experience by securely collecting all card payment information on their website, without the need for any redirection to a dLocal branded checkout. We believe that we provide a comparatively simple solution that gives merchants full card acceptance capabilities.

Our merchant base

Since dLocal was founded, we have been focused on the goal of building an online payments infrastructure that connects global enterprise merchants with end users in emerging markets and allows them to seamlessly conduct business. To that end, as of December 31, 2024, over 700 global merchants, including brand names such as Shein, Didi, Payoneer, Temu, Google, Facebook, Rappi, Deel, Uber, SpaceX, Worldpay and Spotify, across multiple verticals including commerce, streaming, ride-hailing, financial services, remittances, advertising, SaaS, travel, e-learning, on-demand delivery, gaming and crypto, have turned to dLocal as a trusted partner for online payment acceptance or disbursement in emerging markets. We are replacing a complex patchwork of legacy offerings that in many instances cannot deliver the comprehensive level of functionality required to process large volumes and maximize end-user satisfaction, or fail to comply with local regulatory and tax frameworks.

As our global merchants expand in the countries where we establish a presence, we believe that we are well positioned to gain a higher percentage of their transaction volumes as we continue to demonstrate the value of our platform, innovate new and relevant capabilities, cross-sell our existing solutions, and extend our global footprint. Furthermore, we have a robust pipeline of target global enterprise merchants, which we will continue to actively pursue, that we believe will benefit from our solutions, driving future expansion of our overall merchant base.

While the vast majority of our volume is concentrated in global enterprise merchants, dLocal continues to selectively work with leading PSPs, especially where they are complementary and deliver relationships that are not targeted by dLocal directly. In those instances, PSPs leverage our connections to access "last-mile" connectivity to local payment methods, while dLocal gains increased distribution of our services.

For the year ended December 31, 2024, dLocal's top 10 merchants represented 62% of total revenue, and 60% and 50% for the years ended December 31, 2023 and 2022, respectively. We monitor our merchant base on a regular basis, consistently looking for ways to improve the sustainability of our relationships and to enhance the level of connectivity we have with each of our merchant clients.

Our Technology

We have designed and built from scratch a highly differentiated, modern technology stack hosted in Amazon Web Services (AWS) in multiple servers with enhanced capabilities that can be accessed through a single API, which provides merchants what we believe to be a comprehensive, superior experience for all of their online payment needs in the countries where we have a presence. Our front-end functionality enables merchants to deliver a full suite of features that are relevant across a wide variety of verticals, while our back-end infrastructure provides merchants with the ability to conduct more secure and compliant business with less friction.

Key benefits of our infrastructure

We offer a platform with feature-rich, fully-integrated solutions. It has been built with the goal of addressing the specific needs our merchants face in each market. Although our infrastructure addresses complex problems, we simplify them by offering a seamless experience and providing one single, consistent view, aimed at giving merchants the peace of mind to allow them to focus on running their business.

- **Scalable.** Our platform is scalable and extensible, with the ability to support incremental payment volumes and merchants as we continue to grow. We have been able to efficiently enter and scale in new countries, build a global payments infrastructure, and expand our portfolio of pay-in and pay-out solutions, both cross-border and local-to-local. We have also been able to support a fast-growing base of merchants and transaction volumes without compromising the payments experience.
- **Reliable.** Our platform is fully cloud-based and integrated across our global infrastructure, with multiple third-party data centers collectively serving the countries in which we operate. Our platform was developed with the aim of enabling rapid and reliable flow of funds, supporting multiple pay-in and pay-out methods of payment, either cross-border or local-to-local. Our platform is available 24/7 and has experienced consistent availability since our inception.
- **Flexible.** Our platform has been designed to be flexible and to handle shifts in merchant and end user preferences and to support the rapid development, testing, and deployment of new capabilities and functionalities.
- **Secure.** Security is core to our business. Our platform is designed to be safe and to provide uniform security as a result of significant investments in our fully integrated fraud and risk monitoring capabilities. Furthermore, the functionality of our fraud management and overall security capabilities has allowed us to remain largely independent of third-party software providers, allowing us to heighten the level of security we provide. We believe that the security and protections that our platform offers caters to the trust and reliability which merchants increasingly seek as they select a partner of choice.
- **Compliant.** We operate in a highly regulated industry that requires us to have a robust footprint of licenses and appropriate registrations and designations. Our technology and processes are fully compliant with PCI DSS and other relevant PCI standards. We believe we hold all material, required licenses or applicable exemptions in the various countries in which we operate, providing further assurance to our merchants of our ability to deliver a fully compliant offering.

Technology strategy

Our technology strategy is driven by our focus on addressing our merchants' needs. Our technology and commercial teams are in constant communication to ensure we have a deep and timely understanding of the opportunities and the challenges that global merchants face in any given market that we serve. Once we understand their needs, we prioritize their resolution and seek to collaborate directly with our merchants to develop, test, and optimize relevant solutions in an agile manner. In many instances, we achieve this through an iterative process in a sandbox environment geared towards continuous improvement, helping our merchants innovate safely and enabling them to have control over the design process without risk of unnecessary friction or loss of data. In other situations, we facilitate beta testing for merchants that desire and value real-time customer feedback as they seek to enhance their overall payments experience. Once our newly developed capabilities or functionalities are fully completed and live, we make them instantly available for use to all of our merchants. This allows us to constantly enhance the value proposition of our platform.

The strength of our strategy also rests in our ability to attract and retain talent with deep technological, product, and payments-industry acumen. We believe our “technology-first” mentality, our continued investment in developing innovative industry solutions, and the increasing recognition of our brand will allow us to maintain and enhance our talent base of technologists. As of December 31, 2024, approximately 34% of our employees held engineering or technology-related roles.

Research and development

Innovation is at the core of our culture. We have a deeply talented employee base of highly-qualified engineers dedicated to the development, improvement and evolution of our online payment platform capabilities as well as product development. We consistently invest in developing new feature functionality to enhance and maintain the relevance and value of our solutions. Furthermore, we are an agile organization, capable of rapidly reacting to a fast-paced payments and regulatory environment which is constantly evolving. dLocal seeks to continuously improve its products and has a regular software release schedule with improvements typically deployed on a daily basis (whereas the industry norm is to release software updates only a few times a year). This frequent update release schedule aims to ensure that merchants will benefit from immediate access to the latest developments and is an integral part of our technology strategy. We also continue to focus on developing new products as we scale. Our previous experience adding pay-outs, local-to-local, and marketplaces is the testament of our ability to keep innovating and responding to global merchants’ needs. We will attempt to capitalize on new market opportunities by launching new products.

Artificial Intelligence (AI)

We use internally developed AI as well as third party AI to support both customer-facing and internal operations. Over the past year, our AI strategy has evolved to meet both internal operational demands and external market pressures. Specifically in 2024, our strategy has matured to embed AI into core workflows, emphasizing not only process automation but also risk management and enhanced merchant experience.

In particular, our key recent AI integrations include:

- **Compliance Verifications.** We use AI to cross-reference transactions flagged for alerts with governmental and banking databases to help us mitigate regulatory compliance risks. Automated checks against sanctions lists and regulatory registries should lower the risk of fraud and non-compliance.
- **Acceleration of Internal Documentation and Unstructured Document Processing.** We use AI-driven systems to automate the organization and generation of internal documentation, ensuring up-to-date manuals, procedures, and reports. This improves internal communication and operational efficiency. Furthermore, we use AI to process onboarding documents using Natural Language Processing (NLP) in order to extract, classify and integrate critical information seamlessly into our systems. This accelerates our customer onboarding process and seeks to improve data accuracy.
- **Generative AI (GenAI) for Merchant Experience and Automated Customer Responses.** We are leveraging Generative AI capabilities to further enhance service quality, operational efficiency, and responsiveness for merchants. GenAI improves merchant support interactions and service personalization, providing more tailored and proactive assistance. Furthermore, we use AI to provide real-time, AI-driven responses to keep customers informed about their payment processing statuses. Intelligent chatbots handle frequent inquiries and route complex issues to human agents, reducing wait times and seeking to enhance overall customer satisfaction.

- **Software Development Automation.** During 2024, we began to integrate AI tools to assist us in code generation, error detection, and debugging. With this project we are aiming to accelerate development cycles and reduce time-to-market for new features.
- **Contract and Fee Reconciliation.** During 2024, we began to integrate AI algorithms in our business to automatically validate contracts and fee structures for both our customers and service providers. This integration, once complete, is expected to reduce manual errors and operational costs by detecting discrepancies through pattern recognition techniques and alerting the business assurance teams for prompt resolution.

See [“Item 3. Key Information—Risk Factors—Risks Relating to Our Business and Industry—We use artificial intelligence in our business, and challenges with properly managing its use could result in reputational harm, competitive harm, and legal liability, and adversely affect our results of operations.”](#)

Sales and Marketing

We firmly believe the global enterprise merchants and partners that have chosen to work with us over the years are our best advocates. Providing what we believe is a superior level of customer service and a differentiated experience has in turn helped us to attract new merchants eager to experience the same level of functionality. In many instances, merchants have approached us directly as they learn about the value our online payments infrastructure can deliver for pay-in and pay-out solutions in emerging markets. Accordingly, we have not needed a high level of marketing spend to become relevant or to promote our brand. Nevertheless, we continue to adjust and adapt our marketing strategy as our company grows and responds to changes in the economic environment, particularly as we broaden our reach into new countries and offer new solutions.

While we benefit from a strong pipeline of merchants seeking to engage our services, we also have a dedicated and experienced sales force. In certain instances, some of our key executives have led our expansion team directly by helping us attract specific merchants. This includes our former co-CEO’s two-month temporary stay in China, where he directly oversaw and led the establishment of commercial relationships with key merchants in the region. Furthermore, our account management professionals are committed to maintaining a high level of customer retention and identifying future opportunities as new merchants continue to be on-boarded. Finally, our customer success representatives are focused on addressing our merchants’ needs and queries timely, effectively, and under the lens of our differentiated local expertise. Our collective sales, account management, and customer success representatives work in tandem with our technologists and engineers as we seek to continue to innovate new relevant (and enhance existing) offerings for our global merchants.

In addition to a direct support and sales team, dLocal also sponsors leading industry events. Our management makes increasingly regular appearances at events across industries, including retail and technology. We also actively participate in industry forums to discuss emerging market payments, which allow us the opportunity to further educate the market on our unique value proposition.

Our Customer On-boarding Process

Prior to establishing a relationship with a merchant customer, we carry out appropriate due diligence on such customer, including a risk assessment, and screening for sanctions compliance and for politically exposed persons, as well as adverse media screening through dedicated lists and databases. We may take additional diligence measures when a particular business relationship with a customer is determined to pose increased risk, requiring the collection and assessment of additional information pursuant to our compliance policies and procedures, and regulatory licenses. We also carry out ongoing due diligence with our customers to ensure the customer risk profiles remain within our risk appetite.

People and Culture

At dLocal, we believe that people are one of our most valuable assets. Our culture attracts individuals who take initiative and who are dedicated to our organization's rapid growth. Attracting and retaining the right talent is critical to the success of our business and is a key factor in our ability to meet our global merchants' needs and the growth of our merchant and revenue base. We seek to source, hire, and develop talent across all emerging markets where we have established a presence or where we are working to establish a presence.

In addition, we believe we have a highly unique culture, which is grounded on the following four key pillars:

We are client-centric

- Customer impact is always our first thought.
- We aim for excellence in everything we do, no matter if big or small.
- If we commit, we deliver.

We are humble learners

- We are still learning, and it is OK not to know all the answers.
- Since we are learning, we want to stay as flexible as possible.
- We believe it is better to under promise and over deliver, so we speak less and do more.
- We see learning opportunities in everyone around us. We learn from our clients, our colleagues, our industry, our friends, and our families.

We are bold in our actions

- We move fast. We do not let our fears define our projects.
- We are independent, making and taking ownership of our decisions. We do not lead by committee.

We are team players

- We create together, we are ambitious together, we push forward together.
- We benefit from each other and strengthen each other's impact.
- We aim to give opportunities to people from all backgrounds. Not only because it is fair, but because it is the smart thing to do. Diversity makes us stronger.
- Our team's personal lives are important. We support each other and get involved through the ups and downs.

We believe in people creating their own path while also supporting our talent by investing in them through encouraging cross-border assignments and/or exchanges, training opportunities, and development events. Our teams are energetic and technology-oriented, with a strong focus on execution and delivering the highest quality results for our global merchants and their users. We believe we have successfully built a transparent work environment that fosters innovation, teamwork, agile decision making, and collaborative thinking. We believe this has driven higher employee engagement and lower attrition rates compared with many of our peers.

As of December 31, 2024, 2023 and 2022, we had, respectively, 1,095, 901 and 726 full-time equivalents, or FTEs, including both employees and contractors.

For more information on our employees, see “[Item 6. Directors, Senior Management and Employees—D. Employees](#)”.

Sources and Availability of Raw Materials

Our business and results of operations are not significantly affected by the availability and prices of raw materials.

Seasonality

Our merchant customers operate across a range of industries, such as retail, streaming, ride hailing, financial institutions, advertising, SaaS, travel, and gaming, among others, which are subject to different seasonal trends. Due to the diversity of our merchants’ industries, we are not significantly affected by seasonal trends.

REGULATORY OVERVIEW

We are subject to regulatory authorizations or registration in the jurisdictions in which we operate and conduct our activities, including (i) the jurisdictions of our merchants, the majority of which are located in the European Economic Area, or EEA, or in the United States and/or (ii) the jurisdictions of our merchant’s customers, the majority of which are located in the principal jurisdictions in which we operate, including, among others, Brazil, Mexico, Argentina, and Chile. We hold a number of regulatory licenses or a registration in several jurisdictions in which we operate.

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

In the United States, our subsidiary dLocal Corp LLP is registered as a Money Services Business, or MSB, with the Financial Crimes Enforcement Network, or FinCEN, at the federal level, and we are therefore subject to a range of regulations in the United States, including anti-money laundering laws and regulations, such as the Bank Secrecy Act, as amended by the USA PATRIOT Act.

In the UK, we were granted a license and are regulated by the FCA as an authorized payment institution, which permits us to engage in payment services.

We are generally subject to regulation or oversight by the central banks in the various jurisdictions in which we operate. We hold a number of regulatory licenses or registration in several jurisdictions in which we operate. In certain jurisdictions, we have obtained legal and regulatory guidance from regulators or local law firms, confirming that no specific regulatory license is required in respect of our operations. In other jurisdictions, we continue to work with regulators to determine whether registration is required or whether an exemption is available. In addition, the presence or footprint of our business may vary from jurisdiction to jurisdiction, depending on the level of maturity and significance of our business in the jurisdictions in which we operate. Because the regulation of payment service providers is complex and subject to continuous change, we are subject to a number of risks associated with ongoing regulatory compliance.

See [“Item 3. Key Information—Risk Factors—Risks Relating to Our Business and Industry—Because we are a multinational company conducting a complex business in many markets worldwide, we are subject to legal, reputational and operational risks, as well as a broad array of local legal and regulatory requirements that could adversely affect our operations,”](#) “Item 3. Key Information—Risk Factors—Risks Relating to Our Business and Industry—We may not be able to obtain or maintain the relevant regulatory licenses, permissions or registrations to carry out our business in the various jurisdictions in which we operate, which may subject us to fines, penalties or force us to discontinue operations in such jurisdictions, any of which could have a material adverse effect on our business, financial condition and results of operations,” [“Item 3. Key Information—Risk Factors—Risks Relating to Our Business and Industry—Complex and enhanced regulatory oversight in the banking and financial services industry could adversely affect our operations or our relationships with our banking partners,”](#) [“Item 3. Key Information—Risk Factors—Risks Relating to Our Business and Industry—We are subject to complex and evolving tax regimes and foreign exchange regulations in the countries in which we operate and failure to accurately interpret applicable tax laws or foreign exchange regulations, or changes in tax laws or foreign exchange regulations or changes in existing interpretations of tax laws or foreign exchange regulations, could have a material adverse effect on our business and financial condition.”](#)

C. Organizational structure.

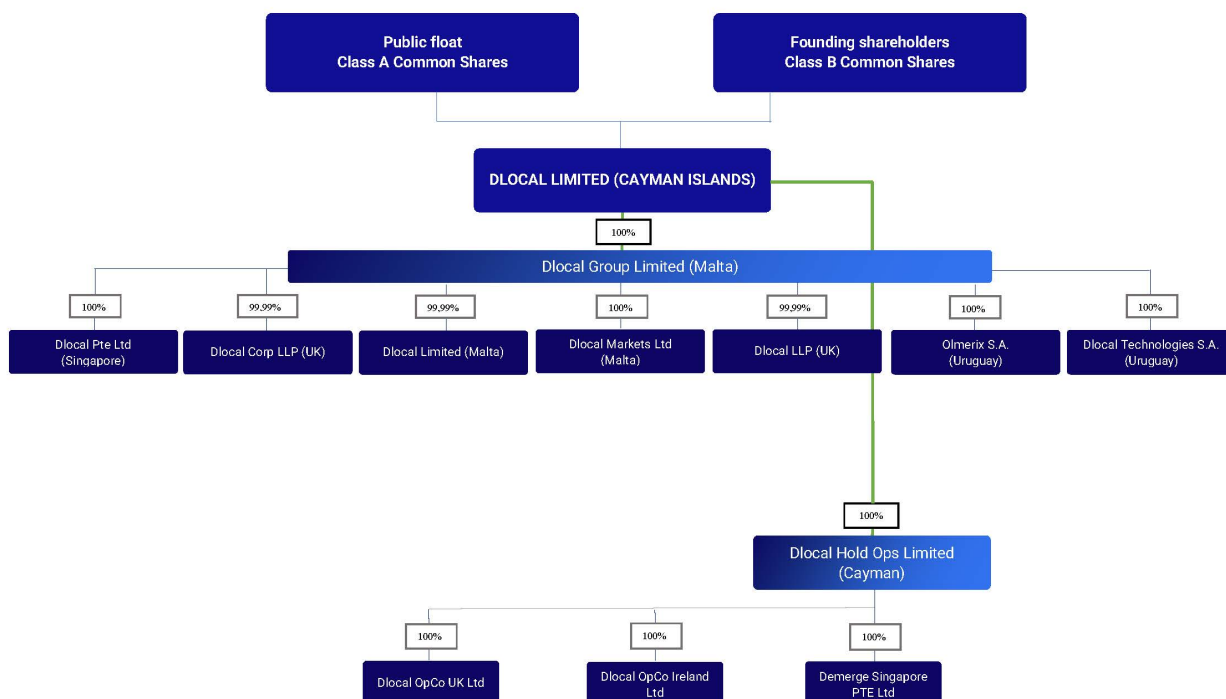
Our Incorporation

We are a Cayman Islands exempted company incorporated with limited liability on February 10, 2021, for the purposes of facilitating our initial public offering that took place on June 3, 2021.

Our Corporate Structure

As of December 31, 2024, we had a total of 285,475,136 common shares issued and outstanding. Of these shares, 134,054,192 are Class B common shares beneficially owned by certain of our shareholders that have held shares since prior to our initial public offering and 151,420,944 of these shares are Class A common shares beneficially owned by our remaining shareholders. As of December 31, 2024, we held 18,754,887 Class A common shares as treasury stock.

The following chart shows our simplified corporate structure. You may find additional information about our subsidiaries and their respective holdings in Note 4 to our Audited Consolidated Financial Statements included elsewhere in this annual report.



-
- (1) Includes Class B common shares beneficially owned by Andres Bzurovski Bay (directly and indirectly through Emerald Bay 24 LLC), IZBA SA, Aqua Crystal Investments, Sebastián Kanovich (our former co-CEO and one of our directors and founders, indirectly through Nordau Inc.) and Jacobo Singer (our former co-President and COO).
 - (2) Includes Class A common shares beneficially owned by each of the other shareholders that have held shares since prior to our initial public offering.

For further information related to the ownership interests in our subsidiaries, see Note 4 to our Audited Consolidated Financial Statements.

D. Property, plants and equipment.

Properties

Our corporate headquarters are located in Montevideo, Uruguay. Our principal executive offices consist of approximately 17,337 square feet of space under a lease that expires in August 2030. We also have offices in several other locations, including in Argentina, Brazil, China, Chile, Colombia, Costa Rica, Dominican Republic, Ghana, India, Kenya, Malta, Mexico, Morocco, Nigeria, Pakistan, Paraguay, Philippines, Saudi Arabia, Singapore, South Africa, Spain, the United Arab Emirates, the United Kingdom and the United States, and believe our facilities are sufficient for our current needs.

In addition to our corporate headquarters and to our corporate center, and as of December 31, 2024, we leased all operational and administrative facilities. We believe that our facilities are suitable and adequate for our business as presently conducted, however, we periodically review our facility requirements and may acquire or lease new space to meet the needs of our business or consolidate them and dispose of facilities that are no longer needed.

Item 4A. Unresolved Staff Comments

We have no unresolved comments from the staff of the SEC with respect to our periodic reports under the Exchange Act.

Item 5. Operating and Financial Review and Prospects

The following discussion of our financial condition and results of operations should be read in conjunction with our Audited Consolidated Financial Statements as of December 31, 2024, and 2023 and for the years ended December 31, 2024, 2023, and 2022, and the notes thereto, included elsewhere in this annual report.

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

Key business metrics

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

	For the Year Ended December 31,		
	In thousands of US\$		
	2024	2023	2022
TPV(1)	25,574,926	17,677,388	10,566,500
Revenues	745,974	650,351	418,925
Gross profit for the year	294,673	276,859	202,167
Adjusted EBITDA (2)	188,725	202,331	153,075
Adjusted EBITDA margin (3)	25.3%	31.1%	36.5%
Profit for the year	120,469	149,086	108,697
Profit Margin (4)	16.1%	22.9%	25.9%

- (1) For information on how we define TPV, see “[Presentation of Financial and Other Information—TPV](#).”
- (2) For information on how we define Adjusted EBITDA, see “[Presentation of Financial and Other Information—Special Note Regarding Non-GAAP Financial Measures](#).”
- (3) For information on how we define Adjusted EBITDA Margin, see “[Presentation of Financial and Other Information—Special Note Regarding Non-GAAP Financial Measures](#).”
- (4) Profit Margin results from dividing Profit for the year by Revenues reported in our Consolidated Statements of Comprehensive Income for the years ended December 31, 2024, 2023 and 2022.

We have included below a reconciliation of Adjusted EBITDA and Adjusted EBITDA Margin to profit for the periods presented. Adjusted EBITDA and Adjusted EBITDA margin are treated by the Company as IFRS measures. See “[Presentation of Financial and Other Information—Special Note Regarding Adjusted EBITDA and Adjusted EBITDA Margin](#).”

	For the Year Ended December 31,		
	In thousands of US\$		
	2024	2023	2022
Profit for the year (1)	120,469	149,086	108,697
Income tax expense	30,550	29,428	11,586
Inflation adjustment	6,655	12,537	1,037
Finance income	(66,875)	(128,228)	(18,078)
Finance costs	49,701	116,834	24,668
Other operating loss	5,257	—	697
Impairment loss / (gain) on financial assets (2)	440	(3,136)	5,534
Depreciation and amortization	17,177	12,225	8,147
Secondary offering expenses (3)	—	—	89
Other non-recurring costs (4)	1,571	1,663	2,014
Share-based payment non-cash charges, net of forfeitures	23,780	11,922	8,684
Adjusted EBITDA	188,725	202,331	153,075
Revenues	745,974	650,351	418,925
Gross profit	294,673	276,859	202,167
Adjusted EBITDA	188,725	202,331	153,075
Profit for the year	120,469	149,086	108,697
Adjusted EBITDA Margin	25.3 %	31.1 %	36.5 %
Profit Margin	16.1 %	22.9 %	25.9 %

- (1) 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 24 Derivative Financial Instruments.
- (2) USD 3.4 million in 2023 corresponds to a recovery on deposits in FTX Trading Ltd. as compared to a provision of USD5.6 million in 2022 for expected loss of amounts on deposit in FTX Trading Ltd.
- (3) Corresponds to expenses incurred by dLocal in relation to a secondary offering of its shares in 2021.
- (4) Refers to costs not directly associated with our core business activities, including costs associated with addressing the allegations made by a short-seller report and certain class action proceedings and other legal and regulatory expenses (which include fees from counsel, global expert services and a forensic accounting advisory firm) in 2023 and 2024.

TPV

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

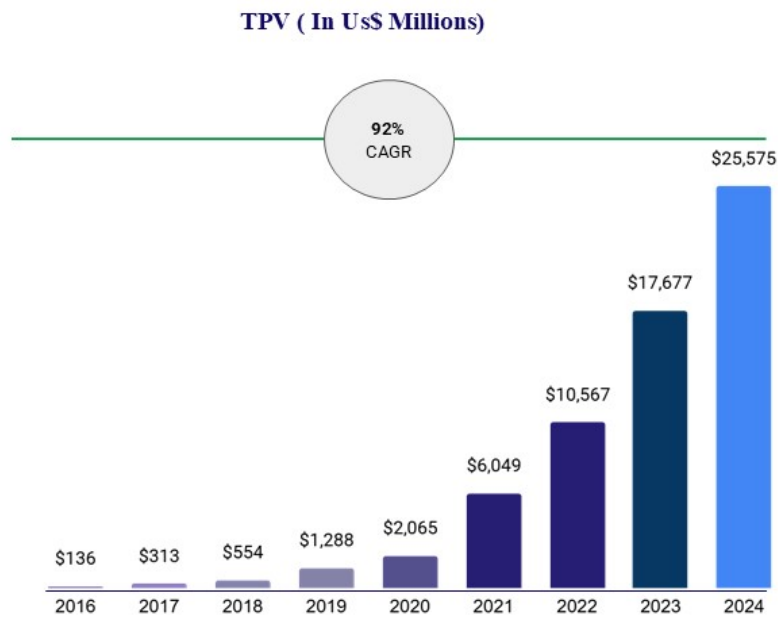
dLocal's TPV growth is directly impacted by secular trends, including the ongoing shift to digital payments, the growth of our merchants' business in emerging markets, as well as the continued traction gained by e-commerce. Furthermore, a large, growing, and increasingly complex payments ecosystem continues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

Our ability to maintain and expand strong relationships with existing global merchants, as well as to attract new ones into our platform, also drives our TPV. For the year ended December 31, 2024, global merchants who were on-boarded and have transacted on our platform for more than two years generated 98.3% of our TPV. From 2016 through 2024, we have successfully added on average five new pay-in merchants per month and two new pay-out merchants per month.

In the year ended December 31, 2024, our TPV amounted to US\$25.6 billion, representing a year-over-year growth of 44.7%. In the year ended December 31, 2023, our TPV amounted to US\$17.7 billion, representing a year-over-year growth of 67.3%. Furthermore, we grew TPV at a 92.4% CAGR from 2016 to 2024.

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

TPV (in US\$ millions)



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

Pay-out TPV is generated in transactions where we enable global merchants to make payments, both cross-border and local-to-local, to their vendors, contractors, partners, drivers, apartment renters, marketplace sellers, and refund recipients, some of which can be paid in their partners' (i.e., the ultimate recipients') preferred method for receipt of payment by type of account or type of method, such as transfer to bank accounts or payment to digital wallets, while the merchant retains control over the overall interface.

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

Revenues

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

Revenues deriving from pay-ins and pay-outs depend on the agreed-upon rates we negotiate with each global merchant, and may ultimately vary, depending on the amount of volume such merchants process, the markets where they use our services, the type of payment methods we facilitate, and whether such payment relates to cross-border or local transactions. We manage our merchant accounts on an overall dollar profitability basis, in order to assure maximizing revenues from each merchant customer, and not particularly on each of the products, payment methods or geographies in which we process payments for them. Revenues may be generated by existing merchants, which we measure by means of our NRR, or from new merchants.

Gross Profit

Gross Profit is an IFRS measure. We consider this measure to be relevant as it shows how efficiently we are servicing our clients and to monitor the growth in our direct costs in comparison to growth in revenue. We believe Gross Profit is useful in evaluating our operating performance compared to other companies in the same industry. We calculate Gross Profit by deducting the cost of services from revenue, each of which is measured in accordance with IFRS Accounting Standards.

Adjusted EBITDA

We define Adjusted EBITDA as the consolidated profit from operations before financing and taxation for the year or period, as applicable, before depreciation of property, plant and equipment, amortization of right-of-use assets and intangible assets. It also excludes adjustments applied to subsidiaries operating in hyperinflationary environments, other operating losses, impairment gain/loss on financial assets, secondary offering expenses, other non-recurring costs and share-based payment non-cash charges. We calculate Adjusted EBITDA Margin as Adjusted EBITDA divided by consolidated revenue.

For the year ended December 31, 2024, we recorded Adjusted EBITDA of US\$188.7 million, equivalent to an Adjusted EBITDA Margin of 25.3%. For the year ended December 31, 2023, we recorded Adjusted EBITDA of US\$202.3 million, equivalent to an Adjusted EBITDA Margin of 31.1%. For the year ended December 31, 2022, Adjusted EBITDA was US\$153.1 million equivalent to an Adjusted EBITDA Margin of 36.5%. See “[Presentation of Financial and Other Information—Special Note Regarding Adjusted EBITDA and Adjusted EBITDA Margin](#).” See “[Item 5. Operating and Financial Review and Prospects—Key business metrics](#)” for a reconciliation of our Adjusted EBITDA and Adjusted EBITDA Margin to our profit for the period.

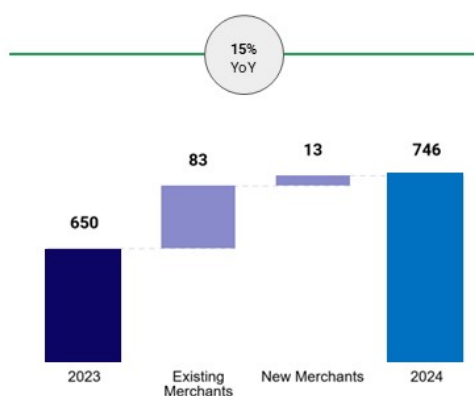
Growth from existing and new merchants

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

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

Revenue growth in 2024 from existing and new merchants (in US\$ millions)

Existing and New Merchants Revenue composition, 2024 vs. 2023 [million of USD]



In the chart above, “Existing Merchants” represents the increase in revenues in 2024 attributable to merchants that were customers in the prior year, and “New Merchants” represents the increase in revenues in 2024 attributable to selling services to new merchants added after December 31, 2023. Our NRR was 113% for the year ended December 31, 2024, and 150% for the year ended December 31, 2023.

Revenue broken down by existing merchants and new merchants:

	For the year ended		
	December 31, 2024	December 31, 2023	December 31, 2022
	In thousands of US\$		
Existing Merchants	732,894	628,479	401,834
New Merchants	13,080	21,872	17,091
Total Revenue	745,974	650,351	418,925

Key factors affecting our performance

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

Retention and growth of our existing global merchant base

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

Increasing our merchant base

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

Evolution and adoption of our products and ecosystem

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

Successful international expansion

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

Fluctuations in direct processing costs

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

Realizing operating leverage from our investments

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

Macroeconomic environment of the markets where we have a presence

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

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

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

Changes in and increasing complexity of regulatory environments

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

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

Managing our exposure to foreign exchange risk

Our monetary balances in foreign currencies are subject to exchange rate fluctuations, which can impact our results of operations. It is difficult to predict the fluctuations of foreign currency exchange rates and how those fluctuations will impact our consolidated statements of comprehensive income in the future. We continually monitor our balances in foreign currencies in order to minimize our exposure using currency derivatives to hedge such positions, or discounting receivables to accelerate the process of converting such balances to U.S. dollars, or implementing natural hedges to reduce our net exposure to foreign currencies.

Description of Principal Line Items

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

Revenues

We provide payment processing services to merchants as follows:

- We specialize in local payments so that merchants can reach consumers located in emerging markets. On a recurring basis, merchants and their customers are exchanging goods and services while we provide the payment solution to that relationship. We do not have any obligation to provide such goods or services between the merchant and its customer but are responsible for processing payments through our platform;
- We only process the payment through our platform when a complete authorization request was made by the merchant. The authorization request is made by transmitting the authorization data of the transaction to us;
- We contract with service providers for the authorization, processing and settlement services performed by payment schemes networks and card issuers;
- We are not responsible for the credit risk or the chargebacks risk of the cardholder (i.e., the merchant customer). The merchant is responsible for the credit checks.

We earn revenues from fees charged to merchants in connection with payment processing services for cross-border and local payment transactions in emerging markets. These fees are primarily generated on a per approved transaction basis as either a fixed fee per transaction or fixed percentage per transaction.

We also earn foreign exchange fees on cross-border transactions defined as transactions in which the merchant and its customer are in different countries and we convert currencies and transfer funds between countries, as required by the merchant. Foreign exchange fees are usually determined based on a percentage or a fixed fee.

Our service offering comprises a single performance obligation to complete payments via our platform for merchants and their customers. We do not engage with or provide services to our merchants' end-users.

Revenues from contracts with customers are recognized as control of services is transferred to the customer at an amount that reflects the consideration to which we expect to be entitled in exchange for those services in the ordinary course of our activities.

We apply the following five steps:

1. Identification of the contract with a client (i.e., merchant).
2. Identification of the performance obligations in the contract.
3. Determination of the transaction price.
4. Allocation of the transaction price to the performance obligations in the contract.
5. Recognition of revenue when or as the entity satisfies a performance obligation.

We perform two types of transactions:

- Pay-ins: are transactions where we collect money in local currency in emerging markets countries and make it available for merchants in their requested currency and country, after a settlement period. Revenue for this type of transaction is recognized when the authorized transaction is processed. This type of revenue is recognized at a point in time.
- Pay-outs: are transactions where we collect money from merchants in the countries and currencies of preference and then we disburse money in local currency in emerging markets countries according to the merchants' instructions. Revenue for this type of transaction is recognized upon completing the pay-out of an authorized transaction in local currency. This type of revenue is recognized at a point in time.

Our contracts with merchants are usually open-ended and can be terminated by either party without a termination penalty after the notice period has lapsed. Our contracts are, therefore, defined at the transaction level and do not extend beyond the service already provided.

Revenue from contracts with merchants comprises:

Transaction revenues

We recognize fees charged to merchants as transaction revenue and fees incurred in processing payments as cost of services. Fees earned from merchants are presented as gross revenue due to the following considerations which indicate that we control the payment processing services and act as the Principal:

- We bear primary responsibility to merchants for the fulfillment of the payment service;
- We contract directly with merchants and there is no contractual relationship between merchants and payment processors (i.e., the service providers);
- We have independently negotiated arrangements with payment processors;
- The established fees are independent of the costs incurred from payment processors and we, therefore, have full margin risk for each transaction;

- In cross-border transactions, we or the merchants may bear foreign exchange risk depending on each agreement. The foreign exchange fees charged to merchants are based on a fixed fee per transaction or fixed percentage of the transaction value. When we bear the foreign exchange risk, it runs from the time the transaction in local currency is authorized until we convert the money to foreign currency (USD or EUR for pay-ins) and from the time we receive the money from the merchant until we convert the money to local currency (for pay-outs);
- We bear credit risk from the agents and third-party processors, acquirers and collection entities for the payment settlement. These processors collect funds from the end consumers' financial institutions and are required to pay the proceeds from these transactions. We are not insured against credit losses. If a processor or acquirer becomes insolvent, files for bankruptcy, commits fraud or otherwise fails to pay amounts owed to us when due, we must nonetheless process the payment transaction for the benefit of merchants and end consumers. Merchants are liable for any charges properly reversed by the card issuer on behalf of the cardholder.

Transaction revenues are recognized as revenue at a point in time when an authorized payment transaction is processed.

Transaction revenues are those that are directly related to the volume of payments processed in dollars or in quantity of transactions.

Transaction revenues are comprised of:

- Processing fees: based on a percentage or fixed fee per approved transaction;
- Installment and advances fees: corresponds to fees applied to those transactions created with installments, which can be applied to the merchant or to the end users and fees associated with advances granted to the merchant;
- Foreign Exchange Fees: in cross-border transactions, a spread is applied to the exchange rate used for the currency conversion and can be based on a percentage or fixed fee;
- Other transactional fees: mainly correspond to fees charged for each chargeback and refund we have to manage and dispute and other transactional fees.

Other revenues

Other revenues are comprised of initial setup fees, minimum monthly fees, maintenance fees and transfer fees we are entitled to from our merchant customers. Other revenues are recognized at a point in time when the performance obligation is satisfied.

Cost of services

Our cost of services consists of:

- (i) processing costs: fees that financial institutions (e.g., banks, local acquirers, or payment method providers) charge us typically as a 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, installment payments and merchant advances finance cost). 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.
- (ii) Hosting expenses: costs related to hosting services for our payment platform.

- (iii) Amortization of intangible assets: amortization of capitalized internally-developed software.
- (iv) Salaries and wages: salaries and wages of employees and contractors directly involved in our day-to-day operations.

Technology and development expenses

Technology and development expenses consist of the following:

- (i) *Salaries and wages*: primarily compensation of FTEs engaged in or related to product and technology development, excluding capitalized salaries and wages related to internally generated software.
- (ii) *Software licenses*: software licenses used exclusively by the technology development department for the development of the platform.
- (iii) *Infrastructure expenses*: information technology costs incurred to support our infrastructure and back-office operations.
- (iv) *Information and technology security expenses*: costs incurred to monitor the security of our network and platform.
- (v) *Other technology expenses*

Sales and marketing expenses

Our sales and marketing expenses consist of the following:

- (i) *Salaries and wages*: compensation of FTEs engaged in the sales and marketing department.
- (ii) *Marketing expenses*: expenses related to trade marketing events, the distribution and production of marketing and advertising campaigns, public relations expenses, third-party sales commissions, and online performance marketing.

General and administrative expenses

General and administrative expenses consist primarily of the following:

- (i) *Salaries and wages*: salaries and wages related to administrative FTEs.
- (ii) *Third-party services*: advisors' fees, legal fees, auditors' fees and human resources fees.
- (iii) *Other operating expenses*: office rent and related expenses, amortization of right-of-use assets, intangible assets and depreciation of property, plant and equipment, taxes, travel and other expenses.

Impairment (loss)/gain on financial assets

Impairment (loss)/gain on financial assets refers to the impairment recognized from the allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are measured based on the difference between the cash flows that we are contractually entitled to less cash flows that we expect to receive, discounted at the instrument’s original effective interest rate. The expected cash flows include cash flows resulting from the sale of collateral held or other credit enhancements integral to the instrument’s contractual terms. We apply a simplified approach for trade and other receivables when calculating ECLs. Specifically, we recognize a loss allowance equal to the lifetime ECLs based on the segmentation of trade receivables. We use our historical loss experience, adjusted to reflect current, reasonable and bearable forecasts of future economic conditions, when measuring ECLs.

Other operating loss

Operating Loss includes losses from operational activities not part of our regular revenue-generating or core business.

Other results

Other results can be broken down into the following categories:

- (i) *Finance income* includes interest income from short-term liquid financial instruments and fair value gains and losses from financial assets measured at fair value through profit and loss.
- (ii) *Finance costs* are comprised mainly of finance expenses related to derivative financial instruments, foreign exchange losses on intra-group loans, fair value adjustments of other financial arrangements and interest expense associated with lease liabilities accounted for following IFRS 16 Leases.
- (iii) *Inflation adjustment* represents adjustments necessary to restate the financial statements of our subsidiaries operating in hyperinflationary economies to reflect the erosion of the purchasing power of the local currency as required by IAS 29.

Income tax expense

Income tax expense consists of current and deferred income tax recognized in profit or loss. Current income tax is based on the amount payable to the tax authorities on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date in the countries where we operate and generate taxable income. Deferred income tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date and tax loss carry forwards, to the extent that it is probable that taxable profit will be available against which they can be offset.

A. Operating results.

Year Ended December 31, 2024, compared to Year Ended December 31, 2023

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

	For the Year Ended December 31,	
	2024	2023
	(in thousands of US\$)	
Revenues	745,974	650,351
Cost of services	(451,301)	(373,492)
Gross profit	294,673	276,859
Technology and development expenses	(25,625)	(12,650)
Sales and marketing expenses	(21,626)	(17,120)
General and administrative expenses	(101,225)	(70,568)
Impairment (loss)/gain on financial assets	(440)	3,136
Other operating loss	(5,257)	—
Operating profit	140,500	179,657
Finance income	66,875	128,228
Finance costs	(49,701)	(116,834)
Inflation adjustment	(6,655)	(12,537)
Other results	10,519	(1,143)
Profit before income tax	151,019	178,514
Income tax expense	(30,550)	(29,428)
Profit for the year	120,469	149,086

Revenues

Revenues for the year ended December 31, 2024, were US\$746.0 million, an increase of US\$95.6 million, or 14.7%, from revenues of US\$650.4 million generated during the year ended December 31, 2023. The increase in revenue was driven by growth in revenues from existing merchants, demonstrated by our NRR of 113% in 2024 and, to a lesser extent, by the growth in revenues from new merchants, which accounted for 1.8% of our revenues, or US\$13.1 million. Growth in our revenues was primarily attributable to the performance and continued growth of our enterprise merchants across most verticals, with accelerated growth in remittances, SaaS, commerce, ride hailing, financial services, and on-demand delivery.

Cost of services

Cost of services for the year ended December 31, 2024, was US\$451.3 million, an increase of US\$77.8 million, or 20.8%, from US\$373.5 million for the year ended December 31, 2023, primarily driven by (i) a US\$70.8 million increase in processing costs associated with our TPV growth of 44.7% during the year ended December 31, 2024 as compared to 2023, and (ii) US\$7.0 million related to an increase in hosting expenses, amortization of intangible assets, and salaries and wage directly related to our services.

Gross profit

For the reasons described above, our gross profit for the year ended December 31, 2024, was US\$294.7 million, an increase of US\$17.8 million, or 6.4%, from US\$276.9 million for the year ended December 31, 2023.

Technology and development expenses

Technology and development expenses for the year ended December 31, 2024, were US\$25.6 million, an increase of US\$13.0 million, or 102.8%, from US\$12.7 million for the year ended December 31, 2023. The increase in technology and development expenses was primarily attributable to (i) an increase of US\$6.8 million, or 117.5%, year over year, in salaries and wages mainly due to the strengthening of our Technology and Development department to support our growth and expansion and to an increase in FTEs (from 280 employees as of December 31, 2023 to 371 employees as of December 31, 2024), (ii) an increase of US\$2.5 million or 78.1% year over year increase in third-party software licensed in connection with the operation and maintenance of our platform, and (iii) an increase of US\$2.6 million, or 113.7% year over year, in infrastructure expenses to support our infrastructure and back-office operations.

Sales and marketing expenses

Sales and marketing expenses for the year ended December 31, 2024, were US\$21.6 million, an increase of US\$4.5 million, or 26.3%, from US\$17.1 million for the year ended December 31, 2023. The increase in sales and marketing expense was primarily attributable to (i) an increase of US\$4.8 million in salaries and wages related to an increase in our sales and marketing headcount from 166 FTEs for the year ended December 31, 2023 to 187 for the year ended December 31, 2024, and (ii) to a decrease of US\$0.3 million in marketing expenses.

General and administrative expenses

General and administrative expenses for the year ended December 31, 2024, were US\$101.2 million, an increase of US\$30.7 million, or 43.5%, from US\$70.6 million for the year ended December 31, 2023. The increase in general and administrative expenses was primarily attributable to (i) an increase of US\$18.2 million, or 49.6% year over year, in salaries and wages as result of strengthening of our operating capabilities to support our growth and expansion and an increase in our headcount from 392 employees as of December 31, 2023 to 470 as of December 31, 2024, (ii) an increase of US\$4.1 million in third-party services and (iii) an increase of US\$8.4 million related to other operating expenses.

Impairment (loss)/gain on financial assets

Net impairment losses on financial assets for the year ended December 31, 2024, were US\$0.4 million, as described in Note 16 to our Audited Consolidated Financial Statements. Net impairment gains on financial assets for the year ended December 31, 2023, amounted to US\$3.1 million primarily attributable to the reversal of the allowances of the FTX deposits.

Other operating loss

Other operating losses for the year ended December 31, 2024, amounted to US\$5.3 million, mainly driven by the write-off of certain balances related to certain merchants and processors. Other operating gains and losses for the year ended December 31, 2023, were nil.

Operating profit

For the reasons described above, our operating profit for the year ended December 31, 2024, was US\$140.5 million, a decrease of US\$39.2 million, or 21.8%, from US\$179.7 million for the year ended December 31, 2023.

Finance income

For the year ended December 31, 2024, finance income was US\$66.9 million, a decrease of US\$61.4 million, or 47.8%, from US\$128.2 million for the year ended December 31, 2023. The decrease in finance income was primarily due to a decrease of US\$40.0 million in fair value gains of financial assets at Fair Value through Profit or Loss (“FVPL”), which are mainly comprised of Argentine treasury bonds and notes and to a decrease of US\$21.3 million in interest income from financial instruments.

Finance costs

For the year ended December 31, 2024, we recognized finance costs of US\$49.7 million, a decrease of US\$67.1 million, or 57.5%, from US\$116.8 million of finance costs recognized during the year ended December 31, 2023. The decrease in finance costs was primarily attributable to the decrease in foreign exchange loss of US\$58.5 million which was primarily generated by an intra-group loan between Dlocal Argentina S.A. and Dlocal Group, and a decrease of US\$8.6 million in finance expenses related to fair value changes of the forward element of derivative financial instruments not designated as hedging instruments.

Inflation adjustment

A US\$6.7 million loss was recognized during the year ended December 31, 2024, as compared to a US\$12.5 million loss for the year ended December 31, 2023, as a result of inflation in Argentina coming down from 211% in 2023 as compared to 118% in 2024.

Profit before income tax

For the reasons described above, our profit before income tax for the year ended December 31, 2024, was US\$151.0 million, a decrease of US\$27.5 million, or 15.4%, from US\$178.5 million for the year ended December 31, 2023.

Income tax expense

Our income tax expense for the year ended December 31, 2024, was US\$30.6 million, an increase of US\$1.1 million, or 3.8%, from US\$29.4 million for the year ended December 31, 2023. For the years ended December 31, 2024, and December 31, 2023, our effective income tax rate was 20.2% and 16.5%, respectively. The increase in our effective income tax rate is mainly attributable to the impact from an income tax settlement related to previous periods, as explained in note 12 to our Audited Consolidated Financial Statements.

Profit for the year

For the reasons described above, our profit for the year ended December 31, 2024, was US\$120.5 million, a decrease of US\$28.6 million, or 19.2%, from US\$149.1 million for the year ended December 31, 2023.

Year Ended December 31, 2023, compared to Year Ended December 31, 2022

For discussion related to our financial condition, changes in financial condition, and the results of operations for the year ended December 31, 2023, compared to 2022, refer to Part I, Item 5. Operating and Financial Review and Prospects, in our Annual Report on Form 20-F for the fiscal year ended December 31, 2023, which was filed with the SEC on March 19, 2024.

B. Liquidity and capital resources.

For the year ended December 31, 2024, we had US\$425.2 million in cash and cash equivalents. We believe our current available cash and cash equivalents and the cash flows from our operating activities will be sufficient to meet the business's ordinary course working capital requirements and capital expenditures for the next 12 months.

The following table reflects the sources and uses of cash during the periods indicated:

	For the Year Ended December 31,		
	2024	2023	2022
	(in thousands of US\$)		
Cash Flow Data			
Net cash (used in) / generated from operating activities	(32,784)	293,453	154,451
Net cash (used in) / generated from investing activities	(17,752)	(84,667)	4,305
Net cash used in financing activities	(68,587)	(133,871)	(27,327)
Net (decrease) / increase in cash flow	(119,123)	74,915	131,429

Our cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term, highly liquid financial instruments with original maturities of three months or less. We classify financial instruments that can be immediately converted into a known amount of cash as cash and cash equivalents. Given the short-term nature of these instruments, we determined fair value approximates carrying value. Cash and cash equivalents are measured at amortized cost and/or fair value through profit or loss depending on its nature, and are included in current assets due to their short-term nature.

Cash and cash equivalents are held in the currencies of each country in which we operate, primarily the U.S. dollar, Euro, Brazilian real, Mexican peso, Argentine peso, South African rand, and Colombian peso. For more information, see Note 14, "Cash and cash equivalents" and Note 30 (c) to our Audited Consolidated Financial Statements included elsewhere in this annual report.

Operating Activities

The majority of our operating cash flow consists of movements in merchant funds (corresponding to the line items "trade and other receivables" and "trade and other payables" in our Statements of Financial Position) held by us for a short period before being paid out to the merchant.

For the year ended December 31, 2024, our net cash flow from operating activities decreased by US\$326.2 million, from US\$293.5 million cash generated in 2023 to US\$32.8 million cash used in 2024. This decrease was primarily due to a decrease of US\$271.5 million in working capital (mostly merchant funds), to a decrease of US\$37.5 million in profit before income tax adjusted for non-cash items, and to an increase of US\$17.2 million in income tax paid.

Net changes in working capital amounted to an outflow of US\$167.2 million for the year ended December 31, 2024, as compared to an inflow of US\$104.3 million for the year ended December 31, 2023. The decrease in working capital of US\$271.5 million was driven by a decrease of US\$201.6 million of trade and other payables, a decrease of US\$39.6 million of other assets, an increase of US\$39.4 million of trade and other receivables, partially offset by an increase of US\$7.8 million of tax liabilities and an increase of US\$1.2 million of provisions.

Investing Activities

For the year ended December 31, 2024, our net cash used in investing activities decreased by US\$66.9 million, from US\$84.7 million used during the year ended December 31, 2023, to US\$17.8 million used in 2024. The decrease in cash used in investing activities during 2024 was driven by (i) US\$106.6 million increase in cash collections related to financial assets at fair value through profit or loss, (ii) US\$21.3 million decrease in interest collected from financial instruments, (iii) US\$10.0 million increase in payments for investments in other assets at FVPL, (iv) US\$4.0 million increase in acquisitions of financial assets at FVPL, (v) US\$3.7 million increase in additions to intangible assets, and (vi) US\$0.7 million increase in the acquisition of property, plant and equipment.

Financing Activities

For the year ended December 31, 2024, net cash used in financing activities decreased by US\$65.3 million, from US\$133.9 million used during the year ended December 31, 2023, to US\$68.6 million used during the year ended December 31, 2024. The decrease in cash used in financing activities during 2024 was driven by (i) US\$50.4 million increase in proceeds from financial liabilities, mostly to grant advances to merchants (ii) US\$13.4 million decrease in finance expense paid related to derivative financial instruments, (iii) US\$4.5 million decrease in other finance expense paid, (iv) US\$1.7 million increase in collections from share-options exercises, (v) US\$0.7 million decrease in principal and interest payments on lease liabilities, partially offset by (vi) US\$3.1 million increase in repurchase of shares and (vii) US\$2.3 million increase in interest payments on financial liabilities. See [“Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Dividends Distribution Policy.”](#)

Capital Expenditures

For the years ended December 31, 2024 and 2023, we made capital expenditures of US\$22.6 million and US\$18.2 million, respectively. Total capital expenditures as a percentage of revenues were 3% and 3% in 2024 and 2023, respectively. These capital expenditures mainly include expenditures related to the capitalization of internally generated software and investments in computer hardware.

Off-Balance Sheet Arrangements

For the years ended December 31, 2024 and 2023, we did not have any off-balance sheet arrangements.

C. Research and development, patents and licenses, etc.

Innovation is at the core of our culture. We have a deeply talented employee base of highly qualified engineers dedicated to the development, improvement and evolution of our online payment platform capabilities and product development. We consistently invest in developing new feature functionality to enhance and maintain the relevance and value of our solutions. Furthermore, we are an agile organization, capable of rapidly reacting to a fast-paced payments and regulatory environment that is constantly evolving. dLocal seeks to continuously improve its products and has a regular software release schedule with improvements typically deployed on a daily basis (whereas the industry norm is to release software updates only a few times a year). This frequent update release schedule aims to ensure that merchants will benefit from immediate access to the latest developments and is an integral part of our technology strategy. We also continue to focus on developing new products as we scale. Our previous experience adding local-to-local and marketplaces is a testament to our ability to keep innovating and responding to global merchants' needs. We will attempt to capitalize on new market opportunities by launching new products.

D. Trend information.

Other than as disclosed in this report, we are not aware of any trends, uncertainties, demands, commitments, or events since December 31, 2024, that are reasonably likely to have a material adverse effect on our revenues, income, profitability, liquidity, or capital resources, or that would cause the disclosed financial information to be not necessarily indicative of future operating results or financial conditions.

E. Critical Accounting Estimates.

Our management bases its estimates on historical experience and other assumptions that it believes are reasonable based upon information available to us at the time that these judgments, assumptions and estimates are made. In order to provide an understanding regarding the manner in which our management forms its judgments about future events, including the variables underlying our judgments, estimates and assumptions, we summarize our critical accounting estimates and judgments in Note 3 to our Audited Consolidated Financial Statements.

Item 6. Directors, Senior Management and Employees

A. Directors and senior management.

We are managed by our board of directors and by our senior management, pursuant to our Articles of Association and the Companies Act.

Board of Directors

As of the date of this annual report, our board of directors is composed of eleven members. Each director holds office for the term, if any, fixed by the shareholders' resolution that appointed such director, or, if no term is fixed on the appointment of the director, until the earlier of his or her removal or resignation of office as a director in accordance with the Articles of Association. Directors appointed by the board of directors hold office until the next annual general meeting. Our directors do not have a retirement age requirement under our Articles of Association.

The following table presents the names of the current members of our board of directors.

Name	Age	Position
Alberto Eduardo Azar	69	Chairman
Pedro Arnt	51	Director
Sebastián Kanovich	34	Director
Andres Bzurovski Bay	47	Director
Sergio Enrique Fogel Kaplan	61	Director
Martín Escobari	53	Director
Luiz Ribeiro	40	Director
Jacobo Singer	34	Director
Mariam Toulan	59	Director
Hyman Bielsky	70	Director
Veronica Raffo	53	Director

Unless otherwise indicated, the current business address for our directors is Dr. Luis Bonavita, 1294, Montevideo, Uruguay, 11300. The following is a brief summary of the business experience of our directors.

Mr. Alberto Eduardo Azar is the chairman of our board of directors. Prior to serving on our board of directors, Mr. Azar was also an investor and board member of Data Electronics in Dublin, Ireland, the top data center operator in Ireland. Data Electronics was sold in August 2011 to Telecity City. After the sale of Data Electronics, Mr. Azar founded Azar Capital Partners, a family office. Since 2016, his main focus has been on managing investment opportunities in the technology sector.

Mr. Pedro Arnt is our Chief Executive Officer and a member of our board of directors. Mr. Arnt has over 25 years of experience working in strategy, operations and finance. Before joining dLocal, Mr. Arnt served as Chief Financial Officer and Executive Vice President of Mercado Libre for more than twelve years in addition to serving in various other capacities since joining Mercado Libre in December 1999. Prior to joining Mercado Libre, Mr. Arnt worked for The Boston Consulting Group. Mr. Arnt also serves on the board of directors of Allegro.eu, a leading publicly traded European marketplace and payments company, and as an Executive Advisor to Riverwood Capital. He has received numerous accolades as a top TMT public company CFO in Latin America. Mr. Arnt is a British and Brazilian citizen and holds a bachelor's degree, magna cum laude, from Haverford College and a master's degree from the University of Oxford.

Mr. Sebastián Kanovich is a member of our board of directors and was formerly our co-Chief Executive Officer. As a member of the founding management team, he helped lead the company since its inception in January 2016. Prior to dLocal, he was the CEO of AstroPay. Mr. Kanovich holds a Bachelor's degree in Economics from Universidad ORT Uruguay. He also studied Entrepreneurship, Innovation and Management of Technology at Tel Aviv University, and completed the Endeavor Innovation and Growth Program at Stanford Graduate School of Business.

Mr. Andres Bzurovski Bay is a member of our board of directors and a serial entrepreneur and angel investor focusing on online businesses in Latin America. After co-founding AstroPay, a card payment solution for online consumers and companies in Asia, Africa and Latin America, Andres teamed up with Sergio Fogel again in 2016 to co-found dLocal. Andres serves as a board member in multiple companies such as Paganza and HomeDine and is a distinguished Endeavour entrepreneur. Mr. Bzurovski holds a Technology degree from the University of Northampton, United Kingdom and a Marketing Degree from the ORT University, Uruguay.

Mr. Sergio Enrique Fogel Kaplan is our President and Chief Strategy Officer and a member of our board of directors and an active angel investor, and has invested in over 15 technology startups. He participates on the board of directors of several companies, including TiendaMIA, The Chemist Look and Apptim. Mr. Fogel serves as Vice-President of Endeavor Uruguay, and sits on the board of Helpers, an NGO that aims to save lives through technology-enabled rapid response by first aid volunteers. He co-founded dLocal together with Andres Bzurovski in 2016, after having founded several other companies, such as ElAgora.com (a B2B marketplace), Uniotel (VoIP), and AstroPay (a payments processor). Mr. Fogel holds an MBA from INSEAD, France, a Bachelor of Arts in Computer Science with a Summa Cum Laude, and a Master of Science in Computer Science from Technion, Israel Institute of Technology, Israel.

Mr. Martín Escobari is a member of our board of directors, and co-President, Managing Director and Head of General Atlantic's business in Latin America. Mr. Escobari is also chairman of General Atlantic's Investment Committee and serves on the firm's Management and Portfolio Committees. Mr. Escobari serves or has served on the boards of numerous public and private companies, and currently serves on the boards of Arco, Grupo Axo, Sanfer and XP Investimentos. Before joining General Atlantic in 2012, Mr. Escobari was a Managing Director at Advent International, where he focused on the financial services sector. Prior to that, he was the Co-Founder and CFO of Submarino.com, a leading Brazilian online retailer that went public on Bovespa (the São Paulo Stock Exchange) and was sold to Lojas Americanas in 2006. Mr. Escobari started his career as a management consultant at The Boston Consulting Group. Mr. Escobari received a BA in Economics from Harvard College and an MBA from Harvard Business School.

Mr. Luiz Ribeiro is a member of our board of directors and a Managing Director of General Atlantic, focusing on their investments in South America. Before joining General Atlantic in 2016, Mr. Ribeiro worked as a Director at Advent International, where he concentrated on the financial services and healthcare sectors while based in the São Paulo and Bogota offices. During his time at Advent International, he served on the boards of a number of investments, and served as CFO of Atmosfera Gestão e Higienização de Textéis Ltda. Mr. Ribeiro currently sits on the boards of Neon, Pague Menos, Locaweb, Bold, Fluency Academy and QuintoAndar, and is a board observer of Gympass. Mr. Ribeiro received a Bachelor of Arts in Business Administration from Fundação Getulio Vargas (EAESP-FGV) and completed the Program for Leadership Development at Harvard Business School.

Mr. Jacobo Singer is a member of our board of directors and was formerly our co-President and Chief Operating Officer, as well as being a key member of the founding management team. He also served as dLocal's chief technology officer, and has been a key player in the design and build of our payments platform from the ground up. Prior to dLocal, he led product and engineering teams at AstroPay where he gained deep technology and project management expertise. Mr. Singer holds a Bachelor's of Science Degree in Information Technology from Universidad ORT Uruguay, and he completed the Endeavor Innovation and Growth Program at Stanford Graduate School of Business.

Ms. Toulan is an independent member of our board of directors and a member of our Audit Committee. In addition, she is an Independent Adviser and former Senior Investment Banker with over 30 years of financial leadership experience across Europe, the Middle East, Africa, North America and South America. She has expertise in identifying, evaluating and mitigating risk, as well as developing new business opportunities. After her retirement from investment banking, she has acted as a Senior Adviser to a range of mid-size and large-cap companies. Prior to that, she served as MD and Head of EMEA Loan Syndicate at Bank of America Merrill Lynch, where she was a senior risk taker and sat on the EMEA Finance Committees. Before joining Bank of America in 2008, she spent 10 years as a leader in JPMorgan's EMEA leveraged finance business in London. She has experience in a broad range of emerging markets, having contributed to Baring Private Equity Partners capital raising efforts for EM Funds and having spent several years with the International Finance Corporation where she was responsible for global distribution of EM primary bond and equity issues. She began her career at Chemical Bank in NY. Ms. Toulan has an MBA from INSEAD in France and a BSc from Georgetown University's School of Foreign Service in Washington, DC.

Mr. Hyman K. Bielsky is an independent member of our board of directors and a member of our Audit Committee. Having held a number of legal and operating leadership roles in both private and publicly-listed companies, Mr. Bielsky brings extensive experience to our board of directors. Mr. Bielsky holds a law degree from the University of North Carolina, where he graduated with honors, before commencing his career with a major U.S. law firm. After seven years of private practice, Mr. Bielsky joined Safety-Kleen Corp, a Fortune 500, NYSE-listed company, where he rose to become its General Counsel, responsible for worldwide legal affairs. He ultimately became CEO and then Chairman of Safety-Kleen Europe, Ltd, after it was spun off from Safety-Kleen Corp.

Ms. Verónica Raffo is an independent member of our board of directors and a member of our Audit Committee. In addition, she is a partner in the Ferrere law firm and participates actively in its management and strategic leadership. She has more than 25 years of experience advising a stellar list of global clients, managing highly complex cases with sensitive content with focus on corporate issues, dispute negotiation, compliance audits and corporate governance. Ms. Raffo is also a reference in entrepreneurship and gender issues, both in Uruguay and internationally. She is the incoming gold Regional Chair Latin America of YPO (Young Presidents Organization) and she was one of the founders and the President of the Uruguayan Women Entrepreneurs Organization, OMEU. Each year since 2019 she has been recognized as Uruguay's most highly reputed woman business leader, according to the Corporate Reputation Business Monitor (MERCOR). She is an instructor in Board Management at the Graduate School of Business - EPN of Universidad ORT Uruguay. She holds a degree as attorney (Universidad de la República, Uruguay) and a diploma in American and International Law from The Center for American and International Law (United States).

Executive Officers

Our executive officers are responsible for the management and representation of our company.

The following table lists our current executive officers:

Name	Age	Position
Pedro Arnt	51	Chief Executive Officer
Carlos Menendez	55	Chief Operating Officer
Sergio Enrique Fogel Kaplan	61	President and Chief Strategy Officer
Mark Ortiz (1)	55	Chief Financial Officer
Alberto Almeida	37	Chief Technology Officer
John O'Brien	40	Chief Revenue Officer
Gabriela Vieira	36	General Counsel

- (1) Mark Ortiz will step down from his role as Chief Financial Officer effective upon the filing of this annual report. Our board of directors has appointed Jeffrey Brown, who currently serves as VP Finance, to act as interim Chief Financial Officer following the filing of the 20-F. See “[Item 4. Information on the Company—A. History and development of the company—Recent Developments.](#)”

Unless otherwise indicated, the current business address for our executive officers is Dr. Luis Bonavita 1294, Montevideo, Uruguay, 11300. The following is a brief summary of the business experience of our executive officers, who are not also members of our board of directors.

Mr. Pedro Arnt. See “[—Board of Directors.](#)”

Mr. Sergio Enrique Fogel Kaplan. See “[—Board of Directors.](#)”

Mr. Carlos Menendez is our chief operating officer. Carlos Menendez brings a wealth of experience and a proven track record in global strategic leadership and operational management, with over 30 years of experience in world class companies across payments, banking and consumer industries, including Mastercard, Citibank and Procter & Gamble. Throughout his career, Carlos has been instrumental in scaling businesses, managing global P&Ls and leading strategic initiatives. Mr. Menendez holds a bachelor’s degree from Harvard University and an MBA from Wharton.

Mr. Mark Ortiz is our chief financial officer and is responsible for developing the Company’s financial corporate strategy. In addition, he oversees and manages the Company’s financial planning and analysis, treasury, accounting, financial reporting, taxes, administration and auditing. He brings over 30 years of extensive international financial and operational management experience primarily within GE’s umbrella companies. While at GE, Mark held senior positions in various financial areas, culminating in roles as Global FP&A Leader for GE Capital, CFO for the Industrial Finance & Energy Financial Services businesses, and Global Controller for GE Capital’s Real Estate and Equipment Leasing and Lending platforms.

Mr. Alberto Almeida is our Chief Technology Officer, and is responsible for bringing extensive technical experience to help dLocal expand its platform globally. Alberto previously worked with dLocal from December 2016 to September 2019, starting as a software engineer before rising to head of software development and then serving as the Company’s Chief Technology Officer. He served as Engineering Manager of Zalando SE in Germany from December 2019 to May 2022 before rejoining dLocal in June 2022.

Mr. John O'Brien is our Chief Revenue Officer and is responsible for the management and growth of dLocal's revenue. John's remit includes sales, account management, customer success, technical account management, revenue operations & marketing. Before dLocal, John worked in Worldpay's enterprise e-commerce division for 14 years, where he had a variety of leadership roles across commercial and operational functions before joining the executive team in 2018. John completed an MA in International Management and Payment Ecosystems from Middlesex University in 2019.

Ms. Gabriela Vieira is our General Counsel, responsible for the Legal, Regulatory Affair and Compliance departments. Previously, Gabriela was the Global Director of Legal and Compliance at PrimeiroPay and joined dLocal after the PrimeiroPay acquisition. Gabriela holds a bachelor's degree in law from the Federal University of Pernambuco, as well as a master's degree and PhD in International Law from the University of São Paulo.

Our Relationship with our Directors, Executive Officer and Members of Senior Management

There are no family relationships between any of our directors, executive officers and members of our senior management.

B. Compensation.

Compensation of Directors and Officers

Under Cayman Islands law, we are not required to disclose compensation paid to our senior management on an individual basis, and we have not otherwise publicly disclosed this information elsewhere. Historically, our directors have not been paid separate compensation and have received only dividends in respect of their ownership of our common shares, except for our independent directors who receive compensation in cash or shares. For the years ended December 31, 2024, 2023, and 2022, the aggregate compensation expense for our executive officers and directors for services in all capacities was US\$19.8 million, US\$9.0 million, and US\$5.1 million, respectively, which includes both benefits paid in kind and monetary compensation. Benefits in kind granted as of December 31, 2024, consists of 1,479,432 Restricted Stock Units with a par value of US\$0.002 per share.

Employee Share Incentive Plan

In 2020, our board of directors adopted an employee share incentive plan, or the 2020 Global Share Incentive Plan, which was amended and restated in 2021. The objective of the plan is to provide incentives to attract, retain and motivate eligible employees by providing them with an opportunity to participate in our future performance through the grant of share awards under the plan. Eligible participants in the plan include our employees, officers, directors, consultants and service providers. Under the plan, we may issue restricted stock units or stock options that are exercisable upon a vesting date and at an exercise price to be determined by our board of directors in each specific award grant. No stock options may be exercised 10 years after the respective grant date.

Employment Agreements

We have entered into employment agreements with certain of our executive officers. Each of these employment agreements provides that our executive officers are employed for an indefinite period of time and do not provide for benefits upon termination of employment.

C. Board practices.

Committees

Audit Committee

The Audit Committee, which consists of Mariam Toulan, Veronica Raffo and Hyman Bielsky, assists our board of directors in overseeing our accounting and financial reporting processes, the audits of our financial statements, and our risk management and compliance policies. In addition, the Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the work of our independent registered public accounting firm. We do not currently have on our Audit Committee a “financial expert” as defined by the SEC due to the unfortunate passing of the former chair of our Audit Committee in September 2023. We believe that the combined knowledge, skills and experience of the members of our current Audit Committee enables them, as a group, to act effectively in the fulfillment of their tasks and responsibilities. In addition, the Audit Committee consists exclusively of members of our board of directors who are financially literate. Our board of directors has determined that Mariam Toulan, Veronica Raffo and Hyman Bielsky satisfy the “independence” requirements set forth in Rule 10A-3 under the Exchange Act.

The Audit Committee is governed by a charter that complies with Nasdaq rules. The Audit Committee is responsible for, among other things:

- discussing, analyzing and making recommendations to the board (that will be placed under shareholders consideration for their approval at Annual General Meetings) in relation to the appointment, re-appointment and removal of the Company’s independent auditors;
- pre-approving the audit services and non-audit services to be provided by our independent auditor before the auditor is engaged to render such services;
- reviewing and discussing with the independent auditor its responsibilities under generally accepted auditing standards, the planned scope and timing of the independent auditor’s annual audit plan(s) and significant findings from the audit;
- obtaining and reviewing a report from the independent auditor describing all relationships between the independent auditor and the Company, consistent with the applicable PCAOB requirements regarding the independent auditor’s communications with the Audit Committee concerning independence;
- confirming and evaluating the rotation of the audit partners on the audit engagement team as required by law;
- reviewing with management, in separate meetings whenever the Audit Committee deems appropriate, any analyses or other written communications prepared by the management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative IFRS Accounting Standards methods on the financial statements; and other critical accounting policies and practices of the Company;
- reviewing, in conjunction with the Chief Executive Officer and Chief Financial Officer of the Company, the Company’s disclosure controls and procedures and internal control over financial reporting;

- establishing procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
- discussing and reviewing the internal controls over related parties' transactions and the related policies and procedures to identify, monitor, and disclose such transactions on the financial statements, including transactions with senior officers; and
- discussing and reviewing the annual internal audit plan, recommend its approval to the board of directors, as well as monitoring and assessing the effectiveness of the company's internal audit function.

The Audit Committee will meet as often as it determines is appropriate to carry out its responsibilities, but in any event will meet at least on a quarterly basis.

Commercial, Business Development and M&A Committee

The Commercial, Business Development and M&A Committee, which consists of Sebastian Kanovich, Eduardo Azar, Andres Bzurovski and Luiz Ribeiro, assists our board of directors in identifying, assessing, and prioritizing commercial opportunities and business development initiatives, including strategic partnerships, mergers, acquisitions, and expansions.

The Commercial, Business Development and M&A Committee is responsible for, among other things:

Opportunity Identification and Evaluation:

- Identifying and evaluating potential commercial opportunities, M&A targets, and business development strategies.
- Assessing the feasibility, risks, and benefits of proposed commercial projects, acquisitions and partnerships.

Management Team Liaison:

- Reviewing and advising on commercial issues and business acquisitions presented by our senior management team.
- Providing recommendations to the board of directors on whether to pursue or decline these opportunities.

Pipeline Issues:

- Assisting in addressing issues within the commercial pipeline such as development of new businesses and identification of new clients.
- Providing guidance and strategic recommendations to enhance pipeline efficacy and growth.

Risk Review and Industry Analysis:

- Conducting a thorough review of the risks associated with various industries, when necessary, and making informed recommendations to the board of directors on whether to engage or avoid specific industries.

Strategic Planning:

- Assisting in the development and review of our long-term commercial, M&A and business development strategies.
- Monitoring market trends and competitive landscape to inform strategic decisions.

Mergers and Acquisitions:

- Evaluating potential mergers, acquisitions, and divestitures for strategic fit and alignment with our objectives and providing recommendations to the board of directors.

New Products and Services:

- Proposing potential new products or services to be offered by the Company;
- Evaluating the potential of new products and services to be offered by the Company, as presented by its board of directors.

Partnership and Alliance Oversight:

- Assessing and recommending strategic partnerships and alliances.

Reporting and Recommendations:

- Regularly reporting to the board of directors on significant commercial activities, business development strategies, and progress on key initiatives.
- Providing recommendations to the board of directors on commercial decisions and strategic initiatives.

Other Responsibilities:

- Performing other activities related to its charter as requested by the board of directors.

The Commercial, Business Development and M&A Committee will meet only as necessary to carry out its responsibilities.

Code of Ethics

We have adopted a Code of Ethics & Business Conduct applicable to our directors, executive officers and employees and to all board members, employees and officers of our controlled companies, which covers a broad range of matters including the handling of conflicts of interest, compliance issues and other corporate policies such as insider trading and equal opportunity and non-discrimination standards.

D. Employees.

Human capital

The following tables show our total number of full-time equivalent employees (FTEs) as of December 31, 2024, 2023 and 2022, broken down by functional area and geographical region:

	As of December 31,		
	2024	2023	2022
Operations	67	63	47
Technology & Development	371	280	245
Sales & Marketing	187	166	143
General & Administrative (1)	470	392	291
Total	1,095	901	726

(1) As of December 31, 2024, General and Administrative included 44 technology-related FTEs. As of December 31, 2023, and 2022, it included 41 and 26 respectively.

	As of December 31,		
	2024	2023	2022
Americas	779	660	567
EMEA	214	146	125
Asia Pacific	102	95	34
Total	1,095	901	726

During 2024, 2023 and 2022, and as of the date of this annual report, none of our employees were represented by labor unions. During 2024, we did not employ any temporary employees.

For further information about our view on diversity and inclusion, see [“Item 4. Information on the Company—B. Business Overview—Technology-oriented, execution-driven management team fostering an entrepreneurial culture.”](#)

For further discussion related to workforce costs, see [“Item 5. Operating and Financial Review and Prospects—A. Operating Results.”](#)

E. Share ownership.

The outstanding shares beneficially owned by our directors and officers and/or entities affiliated with these individuals are disclosed in “[Item 7. Major Shareholders and Related Party Transactions—A. Major Shareholders.](#)”

See “[Item 6. Directors, Senior Management and Employees—B. Compensation—Employee Share Incentive Plan](#)” for information on our incentive program.

F. Disclosure of a registrant’s action to recover erroneously awarded compensation.

Not applicable.

Item 7. Major Shareholders and Related Party Transactions

A. Major shareholders.

The following table and accompanying footnotes present information relating to the beneficial ownership of our Class A common shares and Class B common shares by:

- each person, or group of affiliated persons, known by us to own beneficially 5% or more of our outstanding shares;
- each of our current executive officers and directors; and
- all executive officers and directors as a group.

The number of common shares beneficially owned by each entity, person, executive officer or director is determined in accordance with the rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares over which the individual has sole or shared voting power or investment power as well as any shares that the individual has the right to acquire within 60 days through the exercise of any option, warrant or other right. Except as otherwise indicated, and subject to applicable community property laws, the persons named in the table have sole voting and investment power with respect to all common shares held by that person.

The percentages of beneficial ownership in the table below are calculated on the basis of 285,475,136 shares outstanding as of December 31, 2024, which assumes none of the currently existing warrants or stock options are exercised, and excludes 18,754,887 treasury shares held by us.

Unless otherwise indicated below, the address for each beneficial owner is c/o dLocal, Dr. Luis Bonavita, 1294, Montevideo, Uruguay, 11300. The table below presents shareholder information based on publicly available information filed on Schedules 13G and 13D and information provided to us by certain shareholders as of the date of this annual report.

Shareholders	Class A		Class B		Common shares
	Shares	%	Shares	%	%
5% Shareholders					
General Atlantic DO B.V(2)	63,906,695	40.9	—	—	22.4
Sergio Enrique Fogel Kaplan(3)	2,175,422	1.4	48,718,177	37.8	17.8
Andres Bzurovski Bay(4)	1,088,363	0.7	48,718,583	37.8	17.4
Alberto Eduardo Azar(5)	5,653,024	3.6	12,820,816	9.9	6.5
Emiliano Fernandez Balague(6)	16,346,624	10.5	—	0.0	5.7
Executive Officers and Directors					
Sergio Enrique Fogel Kaplan(3)	2,175,422	1.4	48,718,177	37.8	17.8
Andres Bzurovski Bay(4)	1,088,363	0.7	48,718,583	37.8	17.4
Alberto Eduardo Azar(5)	5,653,024	3.6	12,820,816	9.9	6.5
Sebastián Kanovich(7)	—	—	12,629,474	9.8	4.4
Luiz Ribeiro(8)	—	—	—	—	—
Martín Escobari(9)	—	—	—	—	—
Mariam Toulan*	—	—	—	—	—
Jacobo Singer	—	—	6,167,142	4.8	2.2
Pedro Arnt*	—	—	—	—	—
Veronica Raffo	—	—	—	—	—
Hyman Bielsky*	—	—	—	—	—
Mark Ortiz*	—	—	—	—	—
Alberto Almeida*	—	—	—	—	—
Gabriela Vieira*	—	—	—	—	—
John O'Brien*	—	—	—	—	—
Carlos Menendez*	—	—	—	—	—

*Beneficially owns less than 1.0% of our Class A common shares.

- (1) Percentage of total beneficial ownership does not correspond to percentage of total voting power. Holders of our Class B common shares are entitled to five votes per share, whereas holders of our Class A common shares are entitled to one vote per share. For more information about the voting rights of our Class A common shares and Class B common shares, see Exhibit 2.1 “Description of Securities registered under Section 12 of the Exchange Act.”
- (2) Includes 27,310,939 Class A common shares held by General Atlantic DO B.V., or “GA DO”, which is a wholly owned subsidiary of General Atlantic Coöperatief U.A., or “GA Coop UA”, 30,000,000 Class A common shares held by General Atlantic (DO) SPV, L.P. or “GA DO SPV”, which is an indirect wholly owned subsidiary of GA Coop UA, and 6,595,756 Class A common shares held by General Atlantic (DLO), L.P., or “GA DLO”. The general partner of GA DO SPV is General Atlantic (DO) SPV GP, LLC, or “GA DO SPV GP”, and the sole member of GA DO SPV GP is GA DO. The members of GA Coop UA that share beneficial ownership of the shares of the Company held by GA DO through GA Coop UA are the following General Atlantic investment entities: General Atlantic Partners (Bermuda) IV, L.P., or “GAP Bermuda IV”, General Atlantic Partners (Bermuda) EU, L.P., or “GAP Bermuda EU”, General Atlantic Partners (Lux) SCSp, or “GAP Lux”, General Atlantic Cooperatief, L.P., or “GA Coop LP”, GAP Coinvestments III, LLC, or “GAPCO III”, GAP Coinvestments IV, LLC or “GAPCO IV”, GAP Coinvestments V, LLC, or “GAPCO V”, and GAP Coinvestments CDA, L.P., or “GAPCO CDA”. The limited partners of “GA DLO, that share beneficial ownership of the shares of the Company held by GA DLO are GAP Bermuda EU, GAP Lux, GAPCO III, GAPCO IV, GAPCO V, GAPCO CDA and General Atlantic Partners 100, L.P., or “GAP 100.” General Atlantic (SPV) GP, LLC, or “GA SPV”, is the general partner of GA DLO. General Atlantic GenPar, L.P., or “GA GenPar” is the general partner of GAP 100. General Atlantic, L.P., or “GA LP”, which is controlled by the Partnership Committee* of GASC MGP, LLC, (the “GA Partnership Committee”) is the sole member of GA SPV, the managing member of GAPCO III, GAPCO IV and GAPCO V and the general partner of GAPCO CDA and GA GenPar. The general partner of GAP Lux is General Atlantic GenPar (Lux) SCSp, or “GA GenPar Lux” and the general partner of GA GenPar

Lux is General Atlantic (Lux) S.à r.l., or “GA Lux”. The general partner of GAP Bermuda IV and GAP Bermuda EU and the sole shareholder of GA Lux is General Atlantic GenPar (Bermuda), L.P., or “GenPar Bermuda”. GAP (Bermuda) L.P., or “GAP Bermuda”, which is also controlled by the GA Partnership Committee, is the general partner of GenPar Bermuda and GA Coop LP. The Partnership Committee is comprised of Senior Managing Directors of General Atlantic, including Chairman and CEO, William E. Ford. By virtue of the foregoing, GA DO, GA Coop UA, GAPCO III, GAPCO IV, GAPCO V, GAPCO CDA, GA DO SPV, GA DO SPV GP, GAP Bermuda IV, GAP Bermuda EU, GAP Lux, GA Coop LP, GA DLO, GAP 100, GA SPV, GA GenPar, GA LP, GA GenPar Lux, GA Lux, GenPar Bermuda and GAP Bermuda are a “group” within the meaning of Rule 13d-5 of the US Securities Exchange Act of 1934, as amended. Each of the members of the GA Partnership Committee disclaims ownership of the Class A common shares reported herein except to the extent that he has a pecuniary interest therein. The mailing address of GA DLO, GA SPV, GAPCO III, GAPCO IV, GAPCO V, GAPCO CDA, GAP 100, GA GenPar, and GA LP is 55 East 52nd Street, Floor 33, New York, NY 10055. The mailing address of GAP Bermuda EU, GAP Bermuda IV, GA Coop LP, GenPar Bermuda, and GAP Bermuda is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The mailing address of GA DO and GA Coop UA is Prinsengracht 769, 1017 JZ, Amsterdam, Netherlands. The mailing address of GAP Lux, GA Lux, and GA GenPar Lux is 412F, Route d’Esch, L-1471 Luxembourg. The mailing address of GA DO SPV and GA DO SPV GP is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

- (3) Held indirectly through IZBA S.A. Sergio Enrique Fogel Kaplan and Aline Eva Herrstadt disclaim any beneficial ownership of the shares other than to the extent of any pecuniary interest he or she may have therein, directly or indirectly. Information is based on the Schedule 13G/A filed by the shareholder on February 14, 2025, and information provided by the shareholder to the Company.
- (4) Held directly and indirectly through Emerald Bay 24 LLC. Information is based on the Schedule 13G/A filed by the shareholder on February 8, 2024, and information provided by the shareholder to the Company.
- (5) Held directly and indirectly through Aqua Crystal Investments Ltd. Information is based on the Schedule 13G/A filed by the shareholder on February 8, 2024, and information provided by the shareholder to the Company.
- (6) Information is based on the Schedule 13G filed by the shareholder on February 14, 2025. Consists of 14,592,826 Class A common shares held indirectly through Unsal Holdings Limited and 1,753,798 Class A common shares held indirectly through St. Bull Financial Services Inc, classified as public float.
- (7) Held indirectly through Nordau Inc. Information is based on the Schedule 13G/A filed by the shareholder on February 21, 2023.
- (8) Mr. Ribeiro, a member of our board of directors, is a managing director at General Atlantic. Mr. Ribeiro disclaims beneficial ownership of the shares held by GA DO, GA DO SPV and GA DLO except to the extent, if any, of his pecuniary interest therein.
- (9) Mr. Escobari, a member of our board of directors, is a managing director of General Atlantic. Mr. Escobari disclaims beneficial ownership of the shares held by GA DO, GA DO SPV and GA DLO except to the extent, if any, of his pecuniary interest therein.

The holders of our Class A common shares and Class B common shares have identical rights, except that (1) holders of Class B common shares are entitled to five votes per share, whereas holders of our Class A common shares are entitled to one vote per share; (2) Class B common shares have certain conversion rights; and (3) holders of Class B common shares are entitled to maintain a proportional ownership interest by purchasing additional Class B common shares in the event that additional Class A common shares are issued. For more information, see [“Item 10. Additional Information—B. Memorandum and articles of association—Preemptive or Similar Rights.”](#)

B. Related party transactions.

We have engaged in, and we expect that we will continue to engage in, transactions with related parties, including, without limitation, the transactions described below. We believe the terms and conditions of these arrangements are generally equivalent to those which we could obtain from an unaffiliated third party, to the extent there are third parties which could provide comparable goods or services.

Key Management Compensation

The compensation for our executive team and directors was US\$19.8 million, US\$9.0 million and US\$5.1 million for the year ended December 31, 2024, 2023 and 2022, respectively.

Other Transactions

We had revenues from transactions with merchants who were related parties in the amount of US\$0.3 million, US\$1.5 million and US\$1.2 million for the year ended December 31, 2024, 2023 and 2022, respectively; costs with collection entities who were related parties in the amount of US\$0.9 million, US\$0.1 million and US\$0.6 million for the year ended December 31, 2024, 2023 and 2022, respectively; and financial expenses regarding foreign exchange losses originated on an intra-group loan denominated in US Dollar between subsidiaries located in Argentina and Malta for US\$22.6 million and US\$81.0 million for the year ended December 31, 2024 and 2023. We also had outstanding accounts payables with related parties for US\$0.04 million and US\$0.02 million for the year ended December 31, 2024, and 2023, respectively; outstanding accounts receivables with related parties for the year ended December 31, 2024, is US\$6.9 million, compared to US\$0.4 million for the year ended December 31, 2023. In addition to the above, Clara Singer, the sister to one of our directors, Jacobo Singer, is employed as our vice president of Latin American operations, for which she receives customary compensation.

Transactions between shareholders

In the years ended December 31, 2024 and 2023, there were no transactions between shareholders.

Related Person Transaction Policy

Our related person transaction policy states that any related person transaction must be approved or ratified by our Audit Committee, board of directors or a designated committee thereof. In determining whether to approve or ratify a transaction with a related person, our Audit Committee, board of directors or the designated committee will consider all relevant facts and circumstances, including, without limitation, the commercial reasonableness of the terms of the transaction, the benefit and perceived benefit, or lack thereof, to us, opportunity costs of alternate transaction, the materiality and character of the related person's direct or indirect interest and the actual or apparent conflict of interest of the related person. Our Audit Committee, board of directors or the designated committee will not approve or ratify a related person transaction unless it has determined that, upon consideration of all relevant information, such transaction is in, or not inconsistent with, our best interests and the best interests of our shareholders.

Registration Rights Agreement

On June 2, 2021, we entered into a registration rights agreement, or the Registration Rights Agreement, with General Atlantic DO B.V. and our other then-current shareholders (together, the "Participating Shareholders").

At any time that the Participating Shareholders are no longer subject to restrictions on transfer of their shares pursuant to the lock-up agreements entered into with the underwriters of our initial public offering, and subject to several exceptions, including underwriter cutbacks and our right to defer a demand registration under certain circumstances, Participating Shareholders holding at least 15% of our common shares (and, after December 16, 2024, General Atlantic DO B.V. on its own) may require that we register for public resale under the Securities Act all common shares constituting registrable shares (the “Registrable Shares”) that they request be registered so long as the securities requested to be registered in each registration statement have an aggregate estimated market value of at least US\$25 million. If we become eligible to register the sale of Registrable Shares on Form F-3 under the Securities Act, which will not be until at least twelve months after the date of the initial public offering, our Participating Shareholders have the right to require us to register the sale of the Registrable Shares held by them on Form F-3, subject to offering size and other restrictions.

If we propose to register the sale of any of our securities under the Securities Act for our own account or the account of any other holder (excluding any securities to be registered on Form S-8 relating to shares issued in connection with an employee benefit plan, on Form F-4 relating to shares issued in connection with any transaction or of debt securities convertible into our common shares), certain of the Participating Shareholders are entitled to notice of such registration and to request that we include Registrable Shares for resale on such registration statement, and we are required, subject to certain exceptions, to include such Registrable Shares in such registration statement.

In connection with the transfer of their Registrable Shares, the parties to the Registration Rights Agreement may assign certain of their respective rights under the Registration Rights Agreement under certain circumstances. In connection with the registrations described above, we will indemnify any selling shareholders in certain situations, subject to certain restrictions, and the selling shareholders will indemnify us in certain situations, subject to certain restrictions.

Indemnification Agreements

We have entered into indemnification agreements with our directors and executive officers. The indemnification agreements and our Articles of Association permit us to indemnify our directors and executive officers to the fullest extent permitted by law.

C. Interests of experts and counsel.

Not Applicable.

Item 8. Financial Information

The purpose of this standard is to specify which financial statements must be included in the document, as well as the periods to be covered, the age of the financial statements and other information of a financial nature.

A. Consolidated Statements and Other Financial Information.

The Company’s Audited Consolidated Financial Statements are included in Item 18.

Legal Proceedings

From time to time, we are involved in disputes that arise in the ordinary course of our business. Any claims against us, whether meritorious or not, can be time consuming, result in costly litigation, require significant management time and result in the diversion of significant operational resources.

We are subject to a number of judicial and administrative proceedings which we believe are common and incidental to our business operations. We recognize provisions for legal proceedings in our financial statements, in accordance with accounting rules when management understands, based on legal advisors' assessment that, (1) it is probable that an outflow of resources will be required to settle the obligation; and (2) a reliable estimate can be made of the amount of the obligation. The assessment of the likelihood of loss includes analysis by outside counsel of available evidence, the hierarchy of laws, available case law, recent court rulings and their relevance in the legal system. Our provisions for probable losses arising from these matters are estimated and periodically adjusted by management. In making these adjustments, our management relies on the opinions of our external legal advisors.

However, legal proceedings are inherently unpredictable and subject to significant uncertainties. If one or more cases were to result in a judgment against us in any reporting period for amounts that exceeded our management's expectations, the impact on our results of operations or financial condition for that reporting period could be material. See "[Item 3. Key Information—Risk Factors—Risks Relating to Our Business and Industry—The costs and effects of pending and future litigation, investigations or similar matters, or adverse facts and developments related thereto, could materially affect our business, financial position and results of operations.](#)"

As of December 31, 2024, we were party to 157 legal proceedings. Of these proceedings, we were party to legal proceedings for civil claims in the total amount of approximately US\$0.2 million, where the likelihood of loss has been assessed by our management as probable based on the opinion of our external legal advisors and for which we have recorded a provision.

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 a 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 also filed the reply in further support of our motion to dismiss on September 22, 2023. On February 29, 2024, the court presided over oral argument on the motion. On March 20, 2025, the court issued a decision and order granting the motion and dismissing the complaint as to all moving defendants, including dLocal. On April 18, 2025, the plaintiffs filed a notice of appeal of the decision and order granting the motion to dismiss. The plaintiffs have until October 18, 2025, to "perfect" their appeal by filing their opening appellate brief and the record on appeal.

On October 6, 2023, we were named as a defendant, along with our former co-CEO, Sebastián Kanovich, and former CFO, Diego Cabrera Canay, in a putative class action lawsuit filed in the U.S. District Court for the Eastern District of New York, asserting claims under Section 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) and SEC Rule 10b-5, as well as control person claims against the individual defendants under Section 20(a) of the Exchange Act. This lawsuit, currently captioned *Laurenzi v. dLocal Ltd., et al.*, 1:23-cv-07501 (E.D.N.Y.), alleges misstatements and omissions in various public filings during the period of May 2, 2022, to May 25, 2023, relating to regulatory foreign exchange control risks in Argentina, and our compliance controls and procedures.

On January 4, 2024, the court appointed a putative lead plaintiff (“Lead Plaintiff”) and putative lead counsel for the proposed class in the Laurenzi action pursuant to the Private Securities Litigation Reform Act of 1995. On January 17, 2024, the parties submitted a joint stipulation and proposed order on scheduling, by which the deadline for any amended complaint would be March 4, 2024, and we would have until thirty days after the filing of any such amended complaint to answer the same or request a pre-motion conference, as required by court rules, regarding an anticipated motion to dismiss. The court approved the parties’ proposed order the following day. The Lead Plaintiff subsequently requested, and was granted, an extension of the schedule.

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 served an opposition on October 11, 2024, and we served our reply on November 8, 2024. The court has not yet indicated whether it will hear oral argument on our motion, and no other proceedings are currently ongoing or scheduled.

Due to the preliminary nature of the above described lawsuits as of the date of this annual report, we and our 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. We intend to vigorously defend ourselves in these actions. As of the date of this annual report there were no further updates in this regard.

For further information about legal proceedings, see note 25, “Provisions”, to our Audited Consolidated Financial Statements, included elsewhere in this annual report.

Dividend Distribution Policy

We currently intend to retain all available funds and any future earnings for use in the operation and growth of our business, and do not expect to pay any dividends on our capital stock in the foreseeable future. The payment of dividends in the future will be within the discretion of our board of directors at such times. The amount of any distributions will depend on many factors such as our results of operations, financial condition, cash requirements, prospects and other factors deemed relevant by our board of directors and, where applicable, our shareholders.

B. Significant Changes.

None.

Item 9. The Offer and Listing.

A. Offer and listing details.

Our common shares trade solely on the Nasdaq under the symbol “DLO.” Our common shares do not trade in any other market.

B. Plan of distribution.

Not applicable.

C. Markets.

Our common shares began trading on the Nasdaq under the symbol “DLO,” in connection with our initial public offering, on June 3, 2021.

D. Selling shareholders

Not applicable.

E. Dilution.

Not applicable.

F. Expenses of the issue.

Not applicable.

Item 10. Additional Information.

A. Share capital.

Not applicable.

B. Memorandum and articles of association.

General

DLocal Limited was incorporated on February 10, 2021, as a Cayman Islands exempted company with limited liability duly registered with the Cayman Islands Registrar of Companies. Our corporate purposes are unrestricted and we have the authority to carry out any object not prohibited by any law as provided by Section 7(4) of Companies Act.

Our affairs are governed principally by: (1) Articles of Association; (2) the Companies Act; and (3) the common law of the Cayman Islands. As provided in our Articles of Association, subject to Cayman Islands law, we have full capacity to carry on or undertake any business or activity, do any act or enter into any transaction, and, for such purposes, full rights, powers and privileges. Our registered office is c/o Maples Corporate Services Limited, P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

Our Articles of Association authorize the issuance of up to 1,000,000,000 Class A common shares and 250,000,000 Class B common shares and 250,000,000 shares as yet undesignated, which may be issued as common shares or shares with preferred rights of our authorized share capital. As of December 31, 2024, 151,420,944 Class A common shares and 134,054,192 Class B common shares of our authorized share capital were issued, fully paid and outstanding, and 18,754,887 Class A common shares were held by us as treasury stock.

Our Class A common shares are listed and trade on the Nasdaq under the symbol “DLO.”

The following is a summary of the material provisions of our authorized share capital and our Articles of Association.

Share Capital

The Articles of Association authorize two classes of common shares: Class A common shares, which are entitled to one vote per share and Class B common shares, which are entitled to five votes per share and to maintain a proportional ownership interest in the event that additional Class A common shares are issued. Any holder of Class B common shares may convert his or her shares at any time into Class A common shares on a share-for-share basis. The rights of the two classes of common shares are otherwise identical, except as described below. See “[—Anti-Takeover Provisions in our Articles of Association—Two Classes of Common Shares.](#)”

At the date of this annual report, our total authorized share capital was US\$3,000,000, divided into 1,500,000,000 shares par value US\$0.002 each, of which:

- 1,000,000,000 shares are designated as Class A common shares; and
- 250,000,000 shares are designated as Class B common shares.

The remaining 250,000,000 authorized but unissued shares are presently undesignated and may be issued by our board of directors as common shares of any class or as shares with preferred, deferred or other special rights or restrictions.

As of December 31, 2024, we had a total issued share capital of US\$608,460, divided into 304,230,023 common shares, comprising 151,420,944 Class A common shares, 18,754,887 Class A common treasury shares held by us and 134,054,192 Class B common shares.

Treasury Stock

As of December 31, 2024, dLocal had 18,754,887 Class A common shares in treasury.

Issuance of Shares

Except as expressly provided in dLocal's Articles of Association, dLocal's board of directors has general and unconditional authority to allot, grant options over, offer or otherwise deal with or dispose of any unissued shares in the company's capital without the approval of our shareholders (whether forming part of the original or any increased share capital), either at a premium or at par, with or without preferred, deferred or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise and to such persons, on such terms and conditions, and at such times as the directors may decide, but so that no share shall be issued at a discount, except in accordance with the provisions of the Companies Act. In accordance with its Articles of Association, dLocal shall not issue bearer shares.

dLocal's Articles of Association provide that at any time that there are Class A common shares in issue, additional Class B common shares may only be issued pursuant to (1) a share split, subdivision of shares or similar transaction or where a dividend or other distribution is paid by the issue of shares or rights to acquire shares or following capitalization of profits; (2) a merger, consolidation, or other business combination involving the issuance of Class B common shares as full or partial consideration; or (3) an issuance of Class A common shares, whereby holders of the Class B common shares are entitled to purchase a number of Class B common shares that would allow them to maintain their proportional ownership interests in dLocal (following an offer by dLocal to each holder of Class B common shares to issue to such holder, upon the same economic terms and at the same price, such number of Class B common shares as would ensure such holder may maintain a proportional ownership interest in dLocal pursuant to dLocal's Articles of Association). In light of: (a) the above provisions; (b) the fact that future transfers by holders of Class B common shares will generally result in those shares converting to Class A common shares, subject to limited exceptions as provided in the Articles of Association; and (c) the five-to-one voting ratio between our Class B common shares and Class A common shares, holders of our Class B common shares will in many situations continue to maintain control of all matters requiring shareholder approval. This concentration of ownership and voting power will limit or preclude your ability to influence corporate matters for the foreseeable future. For more information, see "[—Preemptive or Similar Rights.](#)"

dLocal's Articles of Association also provide that the issuance of non-voting common shares requires the affirmative vote of a majority of the of then-outstanding Class A common shares.

Fiscal Year

dLocal's fiscal year begins on January 1 of each year and ends on December 31 of the same year.

Voting Rights

The holders of the Class A common shares and Class B common shares have identical rights, except that (1) each holder of Class B common shares is entitled to five votes per share, whereas each holder of Class A common shares is entitled to one vote per share; and (2) Class B common shares have certain conversion rights and (3) the holders of Class B common shares are entitled to maintain a proportional ownership interest in the event that additional Class A common shares are issued. For more information, see "[—Preemptive or Similar Rights.](#)" The holders of Class A common shares and Class B common shares vote together as a single class on all matters (including the election of directors) submitted to a vote of shareholders, except as provided below and as otherwise required by law.

dLocal's Articles of Association provide as follows regarding the respective rights of holders of Class A common shares and Class B common shares:

(1) Class consents from the holders of Class A common shares and Class B common shares, as applicable, shall be required for any variation to the rights attached to their respective class of shares, however, the directors may treat any two or more classes of shares as forming one class if they consider that all such classes would be affected in the same way by the proposal;

(2) the rights conferred on holders of Class A common shares shall not be deemed to be varied by the creation or issue of further Class B common shares and vice versa; and

(3) the rights attaching to the Class A common shares and the Class B common shares shall not be deemed to be varied by the creation or issue of shares with preferred or other rights, including, without limitation, shares with enhanced or weighted voting rights.

As set forth in the Articles of Association, the holders of Class A common shares and Class B common shares, respectively, do not have the right to vote separately if the number of authorized shares of such class is increased or decreased. Rather, the number of authorized Class A common shares and Class B common shares may be increased or decreased (but not below the number of shares of such class then outstanding) by the affirmative vote of the holders of a majority of the voting power of the issued and outstanding Class A common shares and Class B common shares, voting together in a general meeting.

Preemptive or Similar Rights

The Class A common shares and Class B common shares are not entitled to preemptive rights upon transfer and are not subject to conversion (except as described below under “—Conversion”), redemption or sinking fund provisions.

The Class B common shares are entitled to maintain a proportional ownership interest in the event that additional Class A common shares are issued. As such, except for certain exceptions, if dLocal issues Class A common shares, it must first make an offer to each holder of Class B common shares to issue to such holder on the same economic terms such number of Class B common shares as would ensure such holder may maintain a proportional ownership interest in dLocal. This right to maintain a proportional ownership interest may be waived by a majority of the holders of Class B common shares, as applicable.

Conversion

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

Our Class A common shares are not convertible into Class B common shares under any circumstances.

Equal Status

Except as expressly provided in dLocal's Articles of Association, Class A common shares and Class B common shares have the same rights and privileges and rank equally, share ratably and are identical in all respects as to all matters. In the event of any merger, consolidation, scheme, arrangement or other business combination requiring the approval of our shareholders entitled to vote thereon (whether or not dLocal is the surviving entity), the holders of Class A common shares shall have the right to receive, or the right to elect to receive, at least the same form of consideration as the holders of Class B common shares, and the holders of Class A common shares shall have the right to receive, or the right to elect to receive, the same amount of consideration on a per-share basis as the holders of Class B common shares. In the event of any (1) tender or exchange offer to acquire any Class A common shares or Class B common shares by any third party pursuant to an agreement to which dLocal is a party, or (2) tender or exchange offer by dLocal to acquire any Class A common shares or Class B common shares, the holders of Class A common shares shall have the right to receive, or the right to elect to receive, the same form of consideration as the holders of Class B common shares, and the holders of Class A common shares shall have the right to receive, or the right to elect to receive, the same amount of consideration on a per-share basis as the holders of Class B common shares.

Record Dates

For the purpose of determining shareholders entitled to notice of, or to vote at any general meeting of shareholders or any adjournment thereof, or shareholders entitled to receive dividend or other distribution payments, or in order to make a determination of shareholders for any other purpose, dLocal's board of directors may set a record date which shall not exceed forty (40) clear days prior to the date where the determination will be made.

General Meetings of Shareholders

As a condition of admission to a shareholders' meeting, a shareholder must be duly registered as a shareholder of dLocal at the applicable record date for that meeting and, in order to vote, all calls or installments then payable by such shareholder to dLocal in respect of the shares that such shareholder holds must have been paid.

Subject to any special rights or restrictions as to voting then attached to any shares, at any general meeting every shareholder who is present in person or by proxy (or, in the case of a shareholder being a corporation, by its duly authorized representative not being himself or herself a shareholder entitled to vote) shall have one vote per Class A common share and five votes per Class B common share.

As a Cayman Islands exempted company, dLocal is not obliged by the Companies Act to call annual general meetings of shareholders; however, the Articles of Association provide that in each year the Company will hold an annual general meeting of shareholders, at a time determined by the board of directors, provided that the board of directors of dLocal has the discretion whether or not to hold an annual general meeting. For the annual general meeting of shareholders, the agenda will include, among other things, the presentation of the annual accounts and the report of the directors. In addition, the agenda for an annual general meeting of shareholders will only include such items as have been included therein by the board of directors.

Also, dLocal may, but is not required to (unless required by the laws of the Cayman Islands), hold other extraordinary general meetings during the year. General meetings of shareholders are generally expected to take place in Montevideo, Uruguay, but may be held elsewhere if the directors so decide.

The Companies Act provides shareholders a limited right to request a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting in default of a company's Articles of Association. However, these rights may be provided in a company's Articles of Association. dLocal's Articles of Association provide that upon the requisition of one or more shareholders representing not less than one-third of the voting rights entitled to vote at general meetings, the board will convene an extraordinary general meeting and put the resolutions so requisitioned to a vote at such meeting. The Articles of Association provide no other right to put any proposals before annual general meetings or extraordinary general meetings.

Subject to regulatory requirements, the annual general meeting and any extraordinary general meetings must be called by not less than five (5) clear days' notice prior to the relevant shareholders' meeting and convened by a notice discussed below. Alternatively, upon the prior consent of all holders entitled to receive notice, with regard to the annual general meeting and the holders of 95% in par value of the shares entitled to attend and vote at an extraordinary general meeting, that meeting may be convened by a shorter notice and in a manner deemed appropriate by those holders.

dLocal will give notice of each general meeting of shareholders by publication on its website and in any other manner that it may be required to follow in order to comply with Cayman Islands law, Nasdaq and SEC requirements. The holders of registered shares may be given notice of a shareholders' meeting by means of letters sent to the addresses of those shareholders as registered in our shareholders' register, or, subject to certain statutory requirements, by electronic means.

Holders whose shares are registered in the name of DTC or its nominee, which we expect is the case for all holders of Class A common shares, will not be a shareholder or member of the Company and must rely on the procedures of DTC regarding notice of shareholders' meetings and the exercise of rights of a holder of the Class A common shares.

A quorum for a general meeting consists of any one or more persons holding or representing by proxy not less than one-third of the aggregate voting power of all shares in issue and entitled to vote upon the business to be transacted.

A resolution put to a vote at a general meeting shall be decided on a poll. An ordinary resolution to be passed by the shareholders at a general meeting requires the affirmative vote of a simple majority of the votes cast by, or on behalf of, the shareholders entitled to vote, present in person or by proxy and voting at the meeting. A special resolution requires the affirmative vote on a poll of no less than two-thirds of the votes cast by the shareholders entitled to vote who are present in person or by proxy at a general meeting. Both ordinary resolutions and special resolutions may also be passed by a unanimous written resolution signed by all the shareholders of our Company, as permitted by the Companies Act and our Articles of Association.

Pursuant to dLocal's Articles of Association, general meetings of shareholders are to be chaired by the chairman of our board of directors or in his absence the vice-chairman of the board of directors. If the chairman or vice-chairman of our board of directors is absent, the directors present at the meeting shall appoint one of them to be chairman of the general meeting. If neither the chairman nor another director is present at the general meeting within 15 minutes after the time appointed for holding the meeting, the shareholders present in person or by proxy and entitled to vote may elect any one of the shareholders to be chairman. The order of business at each meeting shall be determined by the chairman of the meeting, and he or she shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts and things as are necessary or desirable for the proper conduct of the meeting, including, without limitation, the establishment of procedures for the maintenance of order and safety, limitations on the time allotted to questions or comments on the affairs of the Company, restrictions on entry to such meeting after the time prescribed for the commencement thereof, and the opening and closing of the polls.

Liquidation Rights

If dLocal is voluntarily wound up, the liquidator, after taking into account and giving effect to the rights of preferred and secured creditors and to any agreement between dLocal and any creditors that the claims of such creditors shall be subordinated or otherwise deferred to the claims of any other creditors and to any contractual rights of set-off or netting of claims between dLocal and any person or persons (including without limitation any bilateral or any multi-lateral set-off or netting arrangements between the company and any person or persons) and subject to any agreement between dLocal and any person or persons to waive or limit the same, shall apply dLocal's property in satisfaction of its liabilities *pari passu* and subject thereto shall distribute the property amongst the shareholders according to their rights and interests in dLocal.

Changes to Capital

Pursuant to the Articles of Association, dLocal may from time to time, by ordinary resolution:

- increase its share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe;
- consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;
- convert all or any of its paid-up shares into stock and reconvert that stock into paid up shares of any denomination;
- subdivide its existing shares or any of them into shares of a smaller amount, provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; or
- cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

dLocal's shareholders may by special resolution, subject to confirmation by the Grand Court of the Cayman Islands on an application by the Company for an order confirming such reduction, reduce its share capital or any capital redemption reserve in any manner permitted by law.

In addition, subject to the provisions of the Companies Act and our Articles of Association, dLocal may:

- issue shares on terms that they are to be redeemed or are liable to be redeemed;
- purchase its own shares (including any redeemable shares); and
- make a payment in respect of the redemption or purchase of its own shares in any manner authorized by the Companies Act, including out of its own capital.

Transfer of Shares

Subject to any applicable restrictions set forth in the Articles of Association, any shareholder of dLocal may transfer all or any of his or her common shares by an instrument of transfer in the usual or common form or in the form prescribed by the Nasdaq or any other form approved by the Company's board of directors.

Our Class A common shares are traded on the Nasdaq in book-entry form and may be transferred in accordance with dLocal's Articles of Association and Nasdaq's rules and regulations.

However, dLocal's board of directors may, in its absolute discretion, decline to register any transfer of any common share which is either not fully paid up to a person of whom it does not approve or is issued under any share incentive scheme for employees which contains a transfer restriction that is still applicable to such common share. The board of directors may also decline to register any transfer of any common share unless:

- a fee of such maximum sum as the Nasdaq may determine to be payable or such lesser sum as the board of directors may from time to time require is paid to dLocal in respect thereof;
- the instrument of transfer is lodged with dLocal, accompanied by the certificate (if any) for the common shares to which it relates and such other evidence as our board of directors may reasonably require to show the right of the transferor to make the transfer;
- the instrument of transfer is in respect of only one class of shares;
- the instrument of transfer is properly stamped, if required;
- the common shares transferred are free of any lien in favor of dLocal; and
- in the case of a transfer to joint holders, the transfer is not to more than four joint holders.

If the directors refuse to register a transfer, they are required, within two months after the date on which the instrument of transfer was lodged, to send to the transferee notice of such refusal.

Share Repurchase

The Companies Act and the Articles of Association permit dLocal to purchase its own shares, subject to certain restrictions. The board of directors may only exercise this power on behalf of dLocal, subject to the Companies Act, the Articles of Association and to any applicable requirements imposed from time to time by the SEC, the Nasdaq, or by any recognized stock exchange on which our securities are listed.

Dividends and Capitalization of Profits

We have not adopted a dividend policy with respect to payments of any future dividends by dLocal. Subject to the Companies Act, dLocal's shareholders may, by resolution passed by a simple majority of the voting rights entitled to vote at a general meeting, declare dividends (including interim dividends) to be paid to shareholders but no dividend shall be declared in excess of the amount recommended by the board of directors. The board of directors may also declare dividends. Dividends may be declared and paid out of funds lawfully available to dLocal. Except as otherwise provided by the rights attached to shares and the Articles of Association of dLocal, all dividends shall be paid in proportion to the number of Class A common shares or Class B common shares a shareholder holds at the date the dividend is declared (or such other date as may be set as a record date); but, (1) if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly; and (2) where we have shares in issue which are not fully paid up (as to par value), we may pay dividends in proportion to the amounts paid up on each share.

The holders of Class A common shares and Class B common shares shall be entitled to share equally in any dividends that may be declared in respect of dLocal's common shares from time to time. In the event that a dividend is paid in the form of Class A common shares or Class B common shares, or rights to acquire Class A common shares or Class B common shares, (1) the holders of Class A common shares shall receive Class A common shares, or rights to acquire Class A common shares, as the case may be and (2) the holders of Class B common shares shall receive Class B common shares, or rights to acquire Class B common shares, as the case may be.

Appointment, Disqualification and Removal of Directors

dLocal is managed by its board of directors. The Articles of Association provide that, unless otherwise determined by a special resolution of shareholders, the board of directors will be composed of three to 13 directors, with the number being determined by a majority of the directors then in office. There are no provisions relating to retirement of directors upon reaching any age limit. The Articles of Association also provide that, while dLocal's shares are admitted to trading on Nasdaq, the board of directors must always comply with the residency and citizenship requirements of the U.S. securities laws applicable to foreign private issuers.

The Articles of Association provide that directors shall be elected by an ordinary resolution of our shareholders, which requires the affirmative vote of a simple majority of the votes cast on the resolution by the shareholders entitled to vote who are present, in person or by proxy, at the meeting. Each director shall be appointed and elected for such term as the resolution appointing him or her may determine or until his or her death, resignation or removal.

Notwithstanding the foregoing, holders of Class B common shares, for so long as they hold Class B common shares, shall be entitled to appoint, as a group and at their sole discretion, at least a majority of the members of the board of directors, and shall be entitled at any time to remove, substitute or replace their appointed directors for any reason in their sole discretion.

The board considers that the directors Mariam Toulan, Veronica Raffo and Hyman Bielsky are "independent" as that term is defined under the applicable rules and regulations of the SEC and the listing standards of the Nasdaq.

Any vacancies on the board of directors that arise other than upon the removal of a director by resolution passed at a general meeting can be filled by the remaining directors (notwithstanding that they may constitute less than a quorum). Any such appointment shall be as an interim director to fill such vacancy until the next annual general meeting of shareholders.

Additions to the existing board (within the limits set pursuant to the Articles of Association) may be made by ordinary resolution of the shareholders.

In connection with our initial public offering, our board of directors constituted an audit committee. See “[Item 6. Directors, Senior Management and Employees—C. Board Practices—Committees—Audit Committee.](#)”

Grounds for Removing a Director

A director may be removed with or without cause by ordinary resolution. The notice of the general meeting must contain a statement of the intention to remove the director and must be served on the director not less than ten calendar days before the meeting. The director is entitled to attend the meeting and be heard on the motion for his removal.

The office of a director will be vacated automatically if he or she (1) becomes prohibited by law from being a director; (2) becomes bankrupt or makes an arrangement or composition with his creditors; (3) dies or is in the opinion of all co-directors, incapable by reason of mental disorder of discharging his or her duties as director; (4) resigns his or her office by notice to us; or (5) has for more than six months been absent without permission of the directors from meetings of the board of directors held during that period, and the remaining directors resolve that his or her office be vacated.

Proceedings of the Board of Directors

The Articles of Association provide that dLocal’s business is to be managed and conducted by the board of directors. The quorum necessary for the board meeting shall be a simple majority of the directors then in office (subject to there being a minimum of two directors present) and business at any meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a casting vote.

Subject to the provisions of the Articles of Association, the board of directors may regulate its proceedings as they determine is appropriate. Board meetings shall be held at least once every calendar quarter and shall take place either in Montevideo, Uruguay, or at such other place as the directors may determine.

Subject to the provisions of the Articles of Association, to any directions given by ordinary resolution of the shareholders and the listing rules of the Nasdaq, the board of directors may from time to time at its discretion exercise all powers of dLocal, including, subject to the Companies Act, the power to issue debentures, bonds and other securities of the company, whether outright or as collateral security for any debt, liability or obligation of our company or of any third party.

Inspection of Books and Records

Holders of dLocal shares will have no general right under Cayman Islands law to inspect or obtain copies of the list of shareholders or corporate records of the Company. However, the board of directors may determine from time to time whether and to what extent dLocal’s accounting records and books shall be open to inspection by shareholders who are not members of the board of directors. Notwithstanding the above, the Articles of Association provide shareholders with the right to receive annual financial statements. Such right to receive annual financial statements may be satisfied by publishing the same on the company’s website or filing such annual reports as we are required to file with the SEC.

Register of Shareholders

The Class A common shares offered in our initial public offering were initially held through DTC, and DTC or Cede & Co., as nominee for DTC, is recorded in the shareholders' register as the holder of our Class A common shares.

Under Cayman Islands law, dLocal must keep a register of shareholders that includes:

- the names and addresses of the shareholders, a statement of the shares held by each member, and of the amount paid or agreed to be considered as paid, on the shares of each member;
- whether voting rights attach to the shares in issue;
- the date on which the name of any person was entered on the register as a member; and
- the date on which any person ceased to be a member.

Under Cayman Islands law, the register of shareholders of dLocal is prima facie evidence of the matters set out therein (i.e. the register of shareholders will raise a presumption of fact on the matters referred to above unless rebutted) and a shareholder registered in the register of shareholders is deemed as a matter of Cayman Islands law to have *prima facie* legal title to the shares as set against his or her name in the register of shareholders.

However, there are certain limited circumstances where an application may be made to the Grand Court of the Cayman Islands for a determination on whether the register of members reflects the correct legal position. Further, the Grand Court of the Cayman Islands has the power to order that the register of members maintained by a company should be rectified where it considers that the register of members does not reflect the correct legal position. If an application for an order for rectification of the register of members were made in respect of our common shares, then the validity of such shares may be subject to re-examination by the Grand Court of the Cayman Islands.

Exempted Company

dLocal is an exempted company with limited liability under the Companies Act. The Companies Act distinguishes between ordinary resident companies and exempted companies. Any company that is registered in the Cayman Islands but conducts business mainly outside of the Cayman Islands may apply to be registered as an exempted company. The requirements for an exempted company are essentially the same as for an ordinary company except for the exemptions and privileges listed below:

- an exempted company does not have to file an annual return of its shareholders with the Registrar of Companies;
- an exempted company's register of shareholders is not open to inspection;
- an exempted company does not have to hold an annual general meeting;
- an exempted company may issue shares with no par value;
- an exempted company may obtain an undertaking against the imposition of any future taxation (such undertakings are usually given for 20 years in the first instance);

- an exempted company may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;
- an exempted company may register as a limited duration company; and
- an exempted company may register as a segregated portfolio company.

“Limited liability” means that the liability of each shareholder is limited to the amount unpaid by the shareholder on the shares of the company (except in exceptional circumstances, such as involving fraud, the establishment of an agency relationship or an illegal or improper purpose or other circumstances in which a court may be prepared to pierce or lift the corporate veil).

As a result of our initial public offering and listing on the Nasdaq, dLocal is subject to reporting and other informational requirements of the Exchange Act, as applicable to foreign private issuers. Except as otherwise disclosed in this annual report, dLocal currently intends to comply with the Nasdaq rules in lieu of following home country practice.

Anti-Takeover Provisions in our Articles of Association

Some provisions of the Articles of Association may discourage, delay or prevent a change in control of dLocal or management that shareholders may consider favorable. These provisions, which are summarized below, are expected to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of dLocal to first negotiate with the board of directors. However, these provisions could also have the effect of discouraging others from attempting hostile takeovers and, as a consequence, they may also inhibit temporary fluctuations in the market price of the Class A common shares that often result from actual or rumored hostile takeover attempts. These provisions may also have the effect of preventing changes in the management of dLocal. It is possible that these provisions could make it more difficult to accomplish transactions that shareholders may otherwise deem to be in their best interests.

Two Classes of Common Shares

The Class B common shares of dLocal are entitled to five votes per share, while the Class A common shares are entitled to one vote per share. Since certain of our shareholders, Andres Bzurovski Bay (directly and indirectly through Emerald Bay 24 LLC), IZBA SA, Aqua Crystal Investments, Sebastián Kanovich (indirectly through Nordau Inc.) and Jacobo Singer, own 100.0% of the Class B common shares, Andres Bzurovski Bay, Sergio Enrique Fogel Kaplan, Alberto Eduardo Azar, Sebastián Kanovich and Jacobo Singer, acting together, currently have the ability to elect a majority of the directors and to determine the outcome of most matters submitted for a vote of shareholders.

So long as Andres Bzurovski Bay, IZBA SA, Aqua Crystal Investments, Sebastián Kanovich and Jacobo Singer have the ability to determine the outcome of most matters submitted to a vote of shareholders as well as the overall management and direction of dLocal, third parties may be deterred in their willingness to make an unsolicited merger, takeover, or other change of control proposal, or to engage in a proxy contest for the election of directors. As a result, the fact that dLocal has two classes of common shares may have the effect of depriving holders of Class A common shares of an opportunity to sell their Class A common shares at a premium over prevailing market prices and make it more difficult to replace the directors and management of dLocal.

Preferred Shares

dLocal's board of directors is given wide powers to issue one or more classes or series of shares with preferred rights. Such preferences may include, for example, dividend rights, conversion rights, redemption privileges, enhanced voting powers and liquidation preferences.

Despite the anti-takeover provisions described above, under Cayman Islands law, dLocal's board of directors may only exercise the rights and powers granted to them under the Articles of Association, for what they believe in good faith to be in the best interests of dLocal.

Protection of Non-Controlling Shareholders

The Grand Court of the Cayman Islands may, on the application of shareholders holding not less than one fifth of the shares of dLocal in issue, appoint an inspector to examine the Company's affairs and report thereon in a manner as the Grand Court shall direct.

Subject to the provisions of the Companies Act, any shareholder may petition the Grand Court of the Cayman Islands, which may make a winding up order, if the court is of the opinion that this winding up is just and equitable.

Notwithstanding the U.S. securities laws and regulations that are applicable to dLocal, general corporate claims against dLocal by its shareholders must, as a general rule, be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by dLocal's Articles of Association.

The Grand Court of the Cayman Islands ordinarily would be expected to follow English case law precedents, which permit a minority shareholder to commence a representative action against dLocal, or derivative actions in dLocal's name, to challenge (1) an act which is ultra vires or illegal; (2) an act which constitutes a fraud against the minority and the wrongdoers themselves control dLocal; and (3) an irregularity in the passing of a resolution that requires a qualified (or special) majority.

Registration Rights and Restricted Shares

The shareholders of dLocal, or entities controlled by them or their permitted transferees, are able to sell their shares in the public market from time to time without registering them, subject to certain limitations on the timing, amount and method of those sales imposed by regulations promulgated by the SEC. In connection with our initial public offering, we entered into the Registration Rights Agreement with the Participating Shareholders. See "[Item 7. Major Shareholders and Related Party Transactions—B. Related party transactions—Registration Rights Agreement.](#)"

Handling of Mail

Mail addressed to us and received at our registered office will be forwarded unopened to the forwarding address, which will be supplied by us. None of us, our directors, officers, advisors or service providers (including the organization which provides registered office services in the Cayman Islands) will bear any responsibility for any delay howsoever caused in mail reaching the forwarding address.

C. Material contracts.

We have not entered into any material contracts during the preceding two years which were outside the ordinary course of business.

D. Exchange controls.

None

E. Taxation.

The following summary contains a description of certain Cayman Islands and U.S. federal income tax consequences of the acquisition, ownership and disposition of our Class A common shares. It does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase the Class A common shares, is not applicable to all categories of investors, some of which may be subject to special rules, and does not address all of the Cayman Islands and U.S. federal income tax considerations applicable to any particular holder. The summary is based upon the tax laws of the Cayman Islands and regulations thereunder and upon the tax laws of the United States and regulations thereunder as of the date hereof, which are subject to change.

Prospective purchasers of our Class A common shares should consult their own tax advisors about the particular Cayman Islands and U.S. federal, state, local and other tax consequences to them of the acquisition, ownership and disposition of our Class A common shares.

Cayman Islands Tax Considerations

The Cayman Islands laws currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty or withholding tax applicable to us or to any holder of Class A common shares. There are no other taxes likely to be material to us levied by the government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or after execution brought within, the jurisdiction of the Cayman Islands. No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies, except those which hold interests in land in the Cayman Islands. The Cayman Islands is not party to any double tax treaties which are applicable to any payments made by or to our company. There are no exchange control regulations or currency restrictions in the Cayman Islands.

As a Cayman Islands exempted company with limited liability, we are entitled, upon application, to receive an undertaking as to tax concessions pursuant to Section 6 of the Tax Concessions Act (as revised). This undertaking would provide that, for a period of 20 years from the date of issue of the undertaking, no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to us or our operations and, in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable (i) on or in respect of the shares, debentures or other obligations of our Company or (ii) by way of the withholding in whole or in part of a payment of dividend or other distribution of income or capital by our Company to its members or a payment of principal or interest or other sums due under a debenture or other obligation of our Company. If we otherwise were to become subject to taxation in the Cayman Islands, our financial condition and results of operations could be materially and adversely affected.

Payments of dividends and capital in respect of our Class A common shares will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of a dividend or capital to any holder of our Class A common shares, nor will gains derived from the disposal of our Class A common shares be subject to Cayman Islands income or corporation tax.

There is no income tax treaty or convention currently in effect between the United States and the Cayman Islands.

U.S. Federal Income Tax Considerations

The following is a description of the material U.S. federal income tax considerations to U.S. Holders (as defined below) of owning and disposing of our Class A common shares, but it does not purport to be a comprehensive description of all tax considerations that may be relevant to a particular person's decision to acquire our Class A common shares. This discussion applies only to a U.S. Holder that holds our Class A common shares as capital assets for U.S. federal income tax purposes. This discussion does not address the U.S. federal estate or gift tax or the effects of any state, local or non-U.S. tax laws. In addition, it does not describe all of the tax considerations that may be relevant in light of a U.S. Holder's particular circumstances, including alternative minimum tax considerations, the potential application of the provisions of the Code known as the Medicare contribution tax and tax considerations applicable to U.S. Holders subject to special rules, such as:

- one of certain financial institutions;
- a dealer or trader in securities who uses a mark-to-market method of tax accounting;
- a person holding a Class A common share as part of a straddle, wash sale, conversion transaction or integrated transaction or entering into a constructive sale with respect to a Class A common share;
- a person whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- a person that is subject to the "applicable financial statement" rules under Section 451(b) of the Code;
- an entity classified as a partnership or an S Corporation for U.S. federal income tax purposes;
- a tax-exempt entity, including an "individual retirement account" or "Roth IRA;"
- a real estate investment trust or a regulated investment company;
- a person that owns or is deemed to own ten percent or more of our stock (by vote or value);
- a person who acquired our Class A common shares pursuant to the exercise of an employee stock option or otherwise as compensation; or
- a person that holds Class A common shares in connection with a trade or business conducted outside of the United States or in connection with a permanent establishment or other fixed place of business outside of the United States.

If a partnership (or other entity or arrangement classified as a partnership for U.S. federal income tax purposes) holds our Class A common shares, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Partnerships holding Class A common shares and partners in such partnerships should consult their tax advisers as to the particular U.S. federal income tax considerations of owning and disposing of the Class A common shares.

This discussion is based on the Code, administrative pronouncements, judicial decisions, and final, temporary and proposed Treasury regulations, all as of the date hereof, any of which is subject to change, possibly with retroactive effect.

For purposes of this discussion, a “U.S. Holder” is a beneficial owner of Class A common shares that is for U.S. federal income tax purposes:

- a citizen or individual resident of the United States;
- a corporation created or organized in or under the laws of the United States, any state therein or the District of Columbia or otherwise treated as a domestic corporation; or
- an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

Except where otherwise indicated, this discussion assumes that we are not, and will not become, a PFIC, as described below.

Taxation of Distributions

In the event that we pay distributions on our Class A common shares, those distributions will be treated as dividends for U.S. federal income tax purposes to the extent paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Because we do not maintain calculations of our earnings and profits under U.S. federal income tax principles, it is expected that distributions generally will be reported to U.S. Holders as dividends. Subject to applicable limitations, dividends paid to a non-corporate U.S. Holder will be “qualified dividend income” and therefore may be taxable at rates applicable to long-term capital gains, provided the Class A common shares on which the dividends are paid are readily tradable on an established securities market in the United States. The Nasdaq, on which the Class A common shares are listed, is an established securities market in the United States, and we anticipate that our Class A common shares should qualify as readily tradable. U.S. Holders should consult their tax advisers regarding the availability of the reduced tax rate on dividends in their particular circumstances.

The amount of any dividend will be treated as foreign-source dividend income and will not be eligible for the dividends-received deduction generally available to U.S. corporations under the Code. Dividends will be included in a U.S. Holder’s income on the date of receipt.

Sale or Other Disposition of Class A Common Shares

For U.S. federal income tax purposes, gain or loss realized on the sale or other disposition of a Class A common share will be capital gain or loss, and will be long-term capital gain or loss if a U.S. Holder has held the Class A common share for more than one year. The amount of the gain or loss will equal the difference between a U.S. Holder’s tax basis in the Class A common share disposed of and the amount realized on the disposition, in each case as determined in U.S. dollars. This gain or loss will generally be U.S.-source gain or loss for foreign tax credit purposes. The deductibility of capital losses is subject to various limitations.

Passive Foreign Investment Company Rules

Under the Code, we will be a PFIC for any taxable year in which, after the application of certain “look-through” rules with respect to subsidiaries, either (i) 75% or more of our gross income consists of “passive income,” or (ii) 50% or more of the average quarterly value of our assets consists of assets that produce, or are held for the production of, “passive income.” For purposes of the above calculations, we will be treated as if we hold our proportionate share of the assets of, and receive directly our proportionate share of the income of, any other corporation in which we directly or indirectly own at least 25%, by value, of the shares of such corporation. Passive income generally includes dividends, interest, certain non-active rents and royalties, and capital gains.

Based on the market price of our Class A common shares during 2024 and the composition of our income and assets, including goodwill, we believe that we were not a PFIC for our 2024 taxable year and we do not expect to become one in the foreseeable future. However, there can be no assurance that the IRS will agree with our conclusion. In addition, whether we will be a PFIC in any future year is uncertain because, among other things, (i) we hold and expect to continue to hold a substantial amount of cash, which is generally categorized as a passive asset; and (ii) our PFIC status for any taxable year will depend on the composition of our income and assets and the value of our assets from time to time (which may be determined, in part, by reference to the market price of our Class A common shares, which could be volatile). Accordingly, there can be no assurance that we will not be a PFIC for any taxable year. If we are a PFIC for any year during which a U.S. Holder holds Class A common shares, we would generally continue to be treated as a PFIC with respect to it for all succeeding years during which it holds Class A common shares, even if we ceased to meet the threshold requirements for PFIC status.

If we were a PFIC for any taxable year and any of our subsidiaries or other companies in which we owned or were treated as owning equity interests were also a PFIC (any such entity, a “Lower-tier PFIC”), a U.S. Holder would be deemed to own a proportionate amount (by value) of the shares of each Lower-tier PFIC and would be subject to U.S. federal income tax according to the rules described in the subsequent paragraph on (i) certain distributions by a Lower-tier PFIC; and (ii) dispositions of shares of Lower-tier PFICs, in each case as if it held such shares directly, even though it will not have received the proceeds of those distributions or dispositions.

If we were a PFIC for any taxable year during which a U.S. Holder held any of our Class A common shares, it would generally be subject to adverse tax consequences. Generally, gain recognized upon a disposition (including, under certain circumstances, a pledge) of Class A common shares would be allocated ratably over a U.S. Holder’s holding period for the Class A common shares. The amounts allocated to the taxable year of disposition and to years before we became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for that taxable year for individuals or corporations, as appropriate, and an interest charge would be imposed on the tax on such amount. Further, to the extent that any distribution received on a U.S. Holder’s Class A common shares exceeded 125% of the average of the annual distributions on those shares during the preceding three years or its holding period, whichever was shorter, that distribution would be subject to taxation in the same manner as gain, described immediately above.

Alternatively, if we were a PFIC and if the Class A common shares were “regularly traded” (as set forth in the applicable Treasury regulations) on a “qualified exchange” a U.S. Holder would be eligible to make a mark-to-market election that would result in tax treatment different from the general tax treatment for PFICs described above. The Nasdaq, on which the Class A common shares are listed, is a qualified exchange for this purpose. Once made, the election cannot be revoked without the consent of the IRS unless the shares cease to be regularly traded on a qualified exchange.

If a U.S. Holder makes the mark-to-market election, for each year when we are a PFIC it will generally recognize as ordinary income any excess of the fair market value of its Class A common shares at the end of each taxable year over their adjusted tax basis, and will recognize an ordinary loss in respect of any excess of the adjusted tax basis of the Class A common shares over their fair market value at the end of the taxable year (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). If a U.S. Holder makes the election, its tax basis in its Class A common shares will be adjusted to reflect these income or loss amounts. Any gain recognized on the sale or other disposition of Class A common shares in a year when we are a PFIC will be treated as ordinary income and any loss will be treated as an ordinary loss (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). This election will not apply to any of our non-U.S. subsidiaries. Accordingly, a U.S. Holder may continue to be subject to tax under the PFIC excess distribution regime with respect to any Lower-tier PFICs notwithstanding a mark-to-market election for the Class A common shares.

In addition, if we were a PFIC for any taxable year in which we paid a dividend or for the prior taxable year, the preferential dividend rates discussed above with respect to dividends paid to certain non-corporate U.S. Holders would not apply.

If a company that is a PFIC provides certain information to U.S. Holders, a U.S. Holder can then avoid certain adverse tax consequences described above by making a “qualified electing fund” election to be taxed currently on its proportionate share of the PFIC’s ordinary income and net capital gains. However, because we do not intend to prepare or provide the information necessary for a U.S. Holder to make a qualified electing fund election, such election will not be available to U.S. Holders.

If a U.S. Holder owns Class A common shares during any year in which we are a PFIC, it must generally file an annual report containing such information as the U.S. Treasury may require on IRS Form 8621 (or any successor form) with respect to us, generally with its federal income tax return for that year.

U.S. Holders should consult their tax advisers regarding whether we are a PFIC and the potential application of the PFIC rules.

Information Reporting and Backup Withholding

Payments of dividends, and of sales proceeds that are made within the United States or through certain U.S.-related financial intermediaries, generally are subject to information reporting, and may be subject to backup withholding, unless a U.S. Holder (i) is a corporation or other exempt recipient; or (ii) in the case of backup withholding, provides a correct taxpayer identification number and certifies that it is not subject to backup withholding.

Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against its U.S. federal income tax liability and may entitle it to a refund, provided that the required information is timely furnished to the IRS.

Information with Respect to Foreign Financial Assets

Certain U.S. Holders who are individuals (and certain entities) may be required to report information on their U.S. federal income tax returns relating to an interest in our Class A common shares, subject to certain exceptions (including an exception for Class A common shares held in accounts maintained by certain U.S. financial institutions). A failure to report this information as required may toll the running of the statute of limitations in respect of each taxable year for which such information is required to be reported. As a result, the taxable years with respect to which a U.S. Holder fails to report this information may remain open to assessment by the IRS. U.S. Holders should consult their tax advisers regarding the effect, if any, of this requirement on their ownership and disposition of the Class A common shares.

F. Dividends and paying agents.

Not applicable

G. Statement by experts.

Not applicable

H. Documents on display.

The Company makes its filings in electronic form under the EDGAR filing system of the SEC. Its filings are available through the EDGAR system at www.sec.gov. The Company's filings are also available to the public through the Internet at dLocal's website at <http://www.dlocal.com>. Such filings and other information on its website are not incorporated by reference in this Annual Report. Interested parties may request a copy of this filing, and any other report, at no cost, by writing to the Company at the following address: Dr. Luis Bonavita, 1294, 11300, Montevideo, Uruguay.

I. Subsidiary Information.

Not applicable.

J. Annual report to security holders.

Not applicable.

Item 11. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to a variety of risks in the ordinary course of our business, including, but not limited to, credit risk, market risk and liquidity risk. We regularly assess each of these risks to minimize any adverse effects on our business as a result of those factors. For discussion and sensitivity analyses of our exposure to these risks, see note 30 to the consolidated financial statements included in this Annual Report.

Item 12. Description of Securities Other than Equity Securities.

A. Debt Securities.

Not applicable.

B. Warrants and Rights.

Not applicable.

C. Other Securities.

Not applicable.

D. American Depositary Shares.

Not applicable.

PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies.

A. Defaults

No matters to report.

B. Arrearages and Delinquencies

No matters to report.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds.

A. Material Modifications to Instruments

Not applicable.

B. Material Modifications to Rights

Not applicable.

C. Withdrawal or Substitution of Assets

Not applicable.

D. Change in Trustees or Paying Agents

Not applicable.

E. Use of Proceeds

On June 2, 2021, we commenced our initial public offering. On June 7, 2021, we closed our initial public offering, pursuant to which we issued and sold 4,411,765 Class A common shares. The selling shareholders sold 29,411,765 Class A common shares in our initial public offering. The net proceeds to us after deducting expenses and underwriting discounts and commissions was approximately US\$82.6 million. We have used all the net proceeds from our initial public offering, in particular:

- for investments in technology to complement our product portfolio;
- to pursue opportunities that allowed us to expand our footprint more rapidly and roll out our services to new emerging markets faster, including through the acquisition of cross-border payment processing companies, software development companies and other payment related companies; and
- for general corporate purposes.

Item 15. Controls and Procedures.

(a) Disclosure Controls and Procedures.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of December 31, 2024.

Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2024, the end of the period covered by this report, at a reasonable assurance level and, accordingly, provide reasonable assurance that the information required to be disclosed by us in reports filed under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that information required to be disclosed by us in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives.

Please see Exhibits 12.1 and 12.2 for the certifications required by this Item.

(b) Management's annual report on internal control over financial reporting.

Our management is responsible for establishing and maintaining adequate "internal control over financial reporting," as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act. Internal control over financial reporting is a process designed by, or under the supervision of, our Chief Executive Officer and Chief Financial Officer and effected by our board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatement. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management, with the participation of our Chief Executive Officer and Chief Financial Officer has assessed the effectiveness of our internal control over financial reporting as of December 31, 2024. In making its assessment of internal control over financial reporting, management used the criteria described in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Based on our assessment and those criteria, management concluded that the Company maintained effective internal control over financial reporting as of December 31, 2024.

(c) Attestation report of the registered public accounting firm.

The effectiveness of internal control over financial reporting as of December 31, 2024, has been audited by Price Waterhouse & Co. S.R.L., an independent registered public accounting firm, as stated in its report which is included herein.

(d) Changes in internal control over financial reporting.

There were no changes in our internal controls over financial reporting as defined in Rule 13a-15(d), under the Securities Exchange Act of 1934, as amended, that occurred during the period covered by this annual report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 16. [Reserved]

Item 16A. Audit committee financial expert.

We do not currently have an Audit Committee “financial expert” serving on our Audit Committee as defined under applicable SEC rules due to the unfortunate passing of the former chair of our Audit Committee in September 2023. We believe that the combined knowledge, skills and experience of the members of our current Audit Committee enables them, as a group, to act effectively in the fulfillment of their tasks and responsibilities. See “[Item 6. Directors, Senior Management and Employees—C. Board Practices—Committees—Audit Committee.](#)”

Item 16B. Code of Ethics.

DLocal Limited has adopted a Code of Ethics & Business Conduct applicable to DLocal Limited’s directors, executive officers and employees and to all board members, employees and officers of its controlled companies. The Code of Ethics & Business Conduct codifies the business and ethical principles that govern all aspects of DLocal Limited’s business. A copy of that code is available on our website at investor.dlocal.com/governance/. Any amendments to such code will be disclosed on our website.

Item 16C. Principal Accountant Fees and Services.

Fees Paid to the Company’s Principal Accountant

In 2024, Price Waterhouse & Co. S.R.L. served as the principal external auditor for the Company. Fees paid to Price Waterhouse & Co. S.R.L. and other PwC member firms in 2024 and 2023 are detailed below:

	For the Year Ended December 31	
	(in thousands of US\$)	
	2024	2023
Audit fees	1,800	1,800
Audit related fees	—	—
Tax fees	15	—
All other fees	30	—
Total	1,845	1,800

Audit Fees

Audit fees were paid for professional services rendered by the auditors for the audit of the consolidated financial statements of the Company and the statutory financial statements of the Company and its subsidiaries.

Audit-Related Fees

Audit-related fees are typically services that are reasonably related to the performance of the audit or review of the consolidated financial statements and are not reported under the audit fee item above.

Tax Fees

Tax fees were paid for tax compliance and tax advice professional services.

All other fees

All other fees were paid for specific minor professional services not related to the above categories.

Audit Committee's Pre-approval Policies and Procedures

The Company's Audit Committee is responsible for, among other things, the oversight of the Company's independent auditors. The Audit Committee has adopted a policy of pre-approval of audit and permissible non-audit services provided by the independent auditors in its charter.

Under the policy, the Audit Committee makes its recommendations through the board of directors to the shareholders' meeting concerning the continuing appointment or termination of the Company's independent auditors. On a yearly basis, the Audit Committee reviews together with management and the independent auditor, the audit plan, audit related services and other non-audit services and approves the related fees. Any changes to the approved fees must be reviewed and approved by the Audit Committee. No services outside the scope of the Audit Committee's approval can be undertaken by the independent auditor.

Our Audit Committee has authorized all auditing and non-auditing services provided by our independent accountants during the year ended December 31, 2024, and the fees paid for such services.

Item 16D. Exemptions from the Listing Standards for Audit Committees.

Not applicable.

Item 16E Purchases of Equity Securities by the Issuer and Affiliated Purchasers.

On December 19, 2022, our board approved the creation of a share repurchase program, or the "2022 Repurchase Program". The 2022 Repurchase Program was executed in compliance with Rule 10b-18 and Rule 10b5-1(c)(1) under the Exchange Act and expired in July 2023. Buybacks were made from time to time in the open market and negotiated purchases. An aggregate amount of up to US\$100 million in our Class A common shares could be repurchased under the 2022 Repurchase Program. We concluded the 2022 Repurchase Program on June 30, 2023, after having repurchased US\$100 million of our Class A common shares.

On May 14, 2024, the Board authorized a new share repurchase program to purchase Class A common shares of up to US\$200 million (the “2024 Repurchase Program”). The 2024 Repurchase Program will expire at the earliest of May 2025 or upon reaching the US\$200 million dollar repurchase limit. The share repurchases may be made from time to time through open-market transactions, block trades, privately negotiated transactions or otherwise, and are subject to market and business conditions, levels of available liquidity, cash requirements for other purposes, regulatory considerations, and other relevant factors.

Set forth below, in tabular format, is disclosure on the repurchase of Class A common shares pursuant to the 2024 Repurchase Program since the approval date until December 2024:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased under the Plans or Programs
May 1 to May 31, 2024	5,431,760	9.58	5,431,760	US\$148,225,102
June 1 to June 30, 2024	3,736,228	7.98	3,736,228	US\$118,249,273
July 1 to July 31, 2024	2,415,717	7.98	2,415,717	US\$98,933,457
Total	11,583,705		11,583,705	

Item 16F. Change in Registrant’s Certifying Accountant.

Not applicable.

Item 16G. Corporate Governance.

Foreign Private Issuer Status

Nasdaq listing rules include certain accommodations in the corporate governance requirements that allow foreign private issuers, such as us, to follow “home country” corporate governance practices in lieu of the otherwise applicable corporate governance standards of Nasdaq. The application of such exceptions requires that we disclose each Nasdaq corporate governance standard that we do not follow and describe the Cayman Islands corporate governance practices we do follow in lieu of the relevant Nasdaq corporate governance standard. We currently follow Cayman Islands corporate governance practices in lieu of the corporate governance requirements of Nasdaq in respect of the following:

- Nasdaq Rule 5605(b), which requires that independent directors comprise a majority of a company’s board of directors. As allowed by the laws of the Cayman Islands, independent directors do not comprise a majority of our board of directors.
- Nasdaq Rule 5605(e)(1), which requires that a company have a nominations committee comprised solely of “independent directors” as defined by Nasdaq. As allowed by the laws of the Cayman Islands, we do not have a nominations committee nor do we have any current intention to establish one.
- Nasdaq Rule 5605(d) & (e), which require that compensation for our executive officers and selection of our director nominees be determined by a majority of independent directors. As allowed by the laws of the Cayman Islands, we do not have a nomination and corporate governance committee or remuneration committee nor do we have any current intention to establish either.

- Nasdaq Rule 5635, which requires that a listed issuer obtain shareholder approval prior to an issuance of securities in connection with: (i) the acquisition of the stock or assets of another company; (ii) equity-based compensation of officers, directors, employees or consultants; (iii) a change of control; and (iv) transactions other than public offerings. Pursuant to the laws of the Cayman Islands and our Articles of Association, we are not required to obtain any such approval.
- Nasdaq Rule 5605(c)(2)(A) requires a listed issuer to certify that at least one member of its audit committee has past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. As allowed by the laws of the Cayman Islands, we do not currently have such an Audit Committee financial expert due to the unfortunate passing of the former chair of our audit committee in September 2023. We believe that the combined knowledge, skills and experience of the members of our current Audit Committee enables them, as a group, to act effectively in the fulfillment of their tasks and responsibilities.
- Nasdaq Rule 5250(b)(3) and Rule 5250(d), which require certain disclosures of third party director and nominee compensation and distribution of annual and interim reports, respectively. As allowed by the laws of the Cayman Islands, we are not required to disclose such compensation or distribute reports in the manner specified by such rule.

Cayman Islands law does not impose a requirement that the board consist of a majority of independent directors or that such independent directors meet regularly without other members present nor does Cayman Islands law impose specific requirements on the establishment of a compensation committee or nominating committee or nominating process.

Principal Differences between Cayman Islands and U.S. Corporate Law

The Companies Act was modeled originally after similar laws in England and Wales but does not follow subsequent statutory enactments in England and Wales. In addition, the Companies Act differs from laws applicable to U.S. corporations and their shareholders. Set forth below is a summary of the significant differences between the provisions of the Companies Act applicable to dLocal and the laws applicable to companies incorporated in the United States and their shareholders.

Mergers and Similar Arrangements

The Companies Act allows for mergers or consolidations between two Cayman Islands companies, or between a Cayman Islands company and a company incorporated in another jurisdiction (provided that is facilitated by the laws of that other jurisdiction).

Where the merger or consolidation is between two Cayman Islands companies, the directors of each company must approve a written plan of merger or consolidation, which must then be authorized by (a) a special resolution (usually a majority of 66 2/3 % in value) of the shareholders of each company; or (b) such other authorization, if any, as may be specified in such constituent company's articles of association. No shareholder resolution is required for a merger between a parent company (i.e., a company that owns at least 90% of the issued shares of each class in a subsidiary company) and its subsidiary company. The consent of each holder of a fixed or floating security interest of a constituent company must be obtained, unless the court waives such requirement. If the Cayman Islands Registrar of Companies is satisfied that the requirements of the Companies Act (which includes certain other formalities) have been complied with the Registrar of Companies will register the plan of merger or consolidation. Where the merger or consolidation involves a foreign company, the procedure is similar, save that with respect to the foreign company, the director of the Cayman Islands company is required to make a declaration to the effect that, having made due enquiry, he or she is of the opinion that the requirements set out below have been met: (i) that the merger or consolidation is permitted or not prohibited by the constitutional documents of the foreign company and by the laws of the jurisdiction in which the foreign company is incorporated, and that those laws and any requirements of those constitutional documents have been or will be complied with; (ii) that no petition or other similar proceeding has been filed and remains outstanding or order made or resolution adopted to wind up or liquidate the foreign company in any jurisdictions; (iii) that no receiver, trustee, administrator or other similar person has been appointed in any jurisdiction and is acting in respect of the foreign company, its affairs or property or any part thereof; (iv) that no scheme, order, compromise or other similar arrangement has been entered into or made in any jurisdiction whereby the rights of creditors of the foreign company are and continue to be suspended or restricted.

Where the surviving company is the Cayman Islands company, the director of the Cayman Islands company is further required to make a declaration to the effect that, having made due enquiry, he or she is of the opinion that the requirements set out below have been met: (i) that the foreign company is able to pay its debts as they fall due and that the merger or consolidated is bona fide and not intended to defraud unsecured creditors of the foreign company; (ii) that in respect of the transfer of any security interest granted by the foreign company to the surviving or consolidated company (a) consent or approval to the transfer has been obtained, released or waived; (b) the transfer is permitted by and has been approved in accordance with the constitutional documents of the foreign company; and (c) the laws of the jurisdiction of the foreign company with respect to the transfer have been or will be complied with; (iii) that the foreign company will, upon the merger or consolidation becoming effective, cease to be incorporated, registered or exist under the laws of the relevant foreign jurisdiction; and (iv) that there is no other reason why it would be against the public interest to permit the merger or consolidation.

Where the above procedures are adopted, the Companies Act provides for a right of dissenting shareholders to be paid a payment of the fair value of their shares upon their dissenting to the merger or consolidation if they follow a prescribed procedure. In essence, that procedure is as follows (a) the shareholder must give his written objection to the merger or consolidation to the constituent company before the vote on the merger or consolidation, including a statement that the shareholder proposes to demand payment for his or her shares if the merger or consolidation is authorized by the vote; (b) within 20 days following the date on which the merger or consolidation is approved by the shareholders, the constituent company must give written notice to each shareholder who made a written objection; (c) a shareholder must within 20 days following receipt of such notice from the constituent company, give the constituent company a written notice of his or her intention to dissent including, among other details, a demand for payment of the fair value of his or her shares; (d) within seven days following the date of the expiration of the period set out in paragraph (b) above or seven days following the date on which the plan of merger or consolidation is filed, whichever is later, the constituent company, the surviving company or the consolidated company must make a written offer to each dissenting shareholder to purchase his or her shares at a price that the company determines is the fair value and if the company and the shareholder agree the price within 30 days following the date on which the offer was made, the company must pay the shareholder such amount; (e) if the company and the shareholder fail to agree a price within such 30-day period, within 20 days following the date on which such 30-day period expires, the company (and any dissenting shareholder) must file a petition with the Grand Court of the Cayman Islands to determine the fair value and such petition must be accompanied by a list of the names and addresses of the dissenting shareholders with whom agreements as to the fair value of their shares have not been reached by the company. At the hearing of that petition, the court has the power to determine the fair value of the shares together with a fair rate of interest, if any, to be paid by the company upon the amount determined to be the fair value. Any dissenting shareholder whose name appears on the list filed by the company may participate fully in all proceedings until the determination of fair value is reached. These rights of a dissenting shareholder are not available in certain circumstances, for example, to dissenters holding shares of any class in respect of which an open market exists on a recognized stock exchange or recognized interdealer quotation system at the relevant date or where the consideration for such shares to be contributed are shares of any company listed on a national securities exchange or shares of the surviving or consolidated company.

Moreover, Cayman Islands law also has separate statutory provisions that facilitate the reconstruction or amalgamation of companies, in certain circumstances, schemes of arrangement will generally be more suited for complex mergers or other transactions involving widely held companies, commonly referred to in the Cayman Islands as a “scheme of arrangement” which may be tantamount to a merger. In the event that a merger was sought pursuant to a scheme of arrangement (the procedure of which are more rigorous and take longer to complete than the procedures typically required to consummate a merger in the United States), the arrangement in question must be approved by a majority in number of each class of shareholders and creditors with whom the arrangement is to be made, and who must in addition represent three-fourths in value of each such class of shareholders or creditors, as the case may be, that are present and voting either in person or by proxy at a meeting, or meetings summoned for that purpose. The convening of the meetings and subsequently the terms of the arrangement must be sanctioned by the Grand Court of the Cayman Islands. While a dissenting shareholder would have the right to express to the court the view that the transaction should not be approved, the court can be expected to approve the arrangement if it satisfies itself that:

- dLocal is not proposing to act illegally or beyond the scope of our corporate authority and the statutory provisions as to the double majority vote have been complied with;
- the shareholders or creditors have been fairly represented at the meeting in question and the statutory majority are acting bona fide, without coercion, to promote the interests of the class of which they represent;

- the arrangement is such as an intelligent and honest person, who is a member of the relevant class and acting properly, would reasonably approve; and
- the arrangement is not one that would more properly be sanctioned under some other provision of the Companies Act or that would amount to a “fraud on the minority.”

If a scheme of arrangement or takeover offer (as described below) is approved, any dissenting shareholder would have no rights comparable to appraisal rights, which would otherwise ordinarily be available to dissenting shareholders of United States corporations, providing rights to receive payment in cash for the judicially determined value of the shares.

Squeeze-out Provisions

When a takeover offer is made and accepted by holders of 90.0% of the shares to whom the offer is made within four months, the offeror may, within a two-month period, require the holders of the remaining shares to compulsorily transfer such shares on the terms of the offer. An objection by a dissenting shareholder may be made to the Grand Court of the Cayman Islands but is unlikely to succeed unless there is evidence of fraud, bad faith, collusion or inequitable treatment of the shareholders.

Further, transactions similar to a merger, reconstruction and/or an amalgamation may in some circumstances be achieved through other means to these statutory provisions, such as a share capital exchange, asset acquisition or control, through contractual arrangements, of an operating business.

Shareholders’ Suits

Maples and Calder (Cayman) LLP, our Cayman Islands counsel is not aware of any reported class action having been brought in the Grand Court of the Cayman Islands. Derivative actions have been brought in the Grand Court of the Cayman Islands, and the Grand Court of the Cayman Islands has confirmed the availability for such actions. In most cases, we will be the proper plaintiff in any claim based on a breach of duty owed to us, and a claim against (for example) our officers or directors usually may not be brought by a shareholder. However, based on English authorities, which would in all likelihood be of persuasive authority and be applied by the Grand Court of the Cayman Islands, exceptions to the foregoing principle apply in circumstances in which:

- a company is acting or proposing to act illegally or beyond the scope of its authority;
- the act complained of, although not beyond the scope of the authority, could be effected if duly authorized by more than the number of votes which have actually been obtained;
- those who control the company are perpetrating a “fraud on the minority”; or
- A shareholder may have a direct right of action against us where the individual rights of that shareholder have been infringed or are about to be infringed.

Corporate Governance

Cayman Islands law restricts transactions between a company and its directors unless there are provisions in the Articles of Association which provide a mechanism to alleviate possible conflicts of interest. Additionally, Cayman Islands law imposes on directors duties of care and skill and fiduciary duties to the companies which they serve. Under dLocal's Articles of Association, a director must disclose the nature and extent of his or her interest in any contract or arrangement, and following such disclosure and subject to any separate requirement under applicable law or the listing rules of the Nasdaq, and unless disqualified by the chairman of the relevant meeting, the interested director may vote in respect of any transaction or arrangement in which he or she is interested. The interested director shall be counted in the quorum at such meeting, and the resolution may be passed by a majority of the directors present at the meeting.

Subject to the foregoing and our Articles of Association, our directors may exercise all the powers of dLocal to vote compensation to themselves or any member of their body in the absence of an independent quorum. Our Articles of Association provide that, in the event a compensation committee is established, it shall be made up of such a number of independent directors as is required from time to time by the Nasdaq rules (or as otherwise may be required by law).

As a foreign private issuer, we are permitted to follow home country practice in lieu of certain Nasdaq corporate governance rules, subject to certain requirements. We currently rely, and will continue to rely, on the foreign private issuer exemption with respect to the following rules:

- Nasdaq Rule 5605(b), which requires that independent directors comprise a majority of a company's board of directors. As allowed by the laws of the Cayman Islands, independent directors do not comprise a majority of our board of directors.
- Nasdaq Rule 5605(e)(1), which requires that a company have a nominations committee comprised solely of "independent directors" as defined by Nasdaq. As allowed by the laws of the Cayman Islands, we do not have a nominations committee nor do we have any current intention to establish one.
- Nasdaq Rule 5605(d) & (e), which require that compensation for our executive officers and selection of our director nominees be determined by a majority of independent directors. As allowed by the laws of the Cayman Islands, we do not have a nomination and corporate governance committee or remuneration committee nor do we have any current intention to establish either.
- Nasdaq Rule 5635, which requires that a listed issuer obtain shareholder approval prior to an issuance of securities in connection with: (i) the acquisition of the stock or assets of another company; (ii) equity-based compensation of officers, directors, employees or consultants; (iii) a change of control; and (iv) transactions other than public offerings. Pursuant to the laws of the Cayman Islands and our Articles of Association, we are not required to obtain any such approval.
- Nasdaq Rule 5605(c)(2)(A) requires a listed issuer to certify that at least one member of its audit committee has past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. As allowed by the laws of the Cayman Islands, we do not currently have such an Audit Committee financial expert due to the unfortunate passing of the former chair of our Audit Committee in September 2023. We believe that the combined knowledge, skills and experience of the members of our current Audit Committee enables them, as a group, to act effectively in the fulfillment of their tasks and responsibilities.

- Nasdaq Rule 5250(b)(3) and Rule 5250(d), which require certain disclosures of third party director and nominee compensation and distribution of annual and interim reports, respectively. As allowed by the laws of the Cayman Islands, we are not required to disclose such compensation or distribute reports in the manner specified by such rule.

Borrowing Powers

dLocal's directors may exercise all the powers of dLocal to borrow money and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital or any part thereof and to issue debentures, debenture stock, mortgages, bonds and other such securities whether outright or as security for any debt, liability or obligation of dLocal or of any third party. Such powers may be varied by a special resolution of shareholders (requiring a two-thirds majority vote of those shareholders attending and voting at a quorate meeting).

Indemnification of Directors and Executive Officers and Limitation of Liability

The Companies Act does not limit the extent to which a company's articles of association may provide for indemnification of directors and officers, except to the extent that it may be held by the Grand Court of the Cayman Islands to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime. dLocal's Articles of Association provide that we shall indemnify and hold harmless our directors and officers against all actions, proceedings, costs, charges, expenses, losses, damages, liabilities, judgments, fines, settlements and other amounts incurred or sustained by such directors or officers, other than by reason of such person's dishonesty, willful default or fraud, in or about the conduct of our Company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his or her duties, powers, authorities or discretion, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such director or officer in defending (whether successfully or otherwise) any civil, criminal or other proceedings concerning dLocal or our affairs in any court whether in the Cayman Islands or elsewhere. This standard of conduct is generally the same as permitted under the Delaware General Corporation Law for a Delaware corporation.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to dLocal's directors, officers or persons controlling the Company under the foregoing provisions, we have been informed that, in the opinion of the SEC, this indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Directors' Fiduciary Duties

As a matter of Cayman Islands law, a director of a Cayman Islands company is in the position of a fiduciary with respect to the company. Accordingly, directors and officers owe the following fiduciary duties: (1) duty to act in good faith in what the director or officer believes to be in the best interests of the company as a whole; (2) duty to exercise powers for the purposes for which those powers were conferred and not for a collateral purpose; (3) directors should not properly fetter the exercise of future discretion; (4) duty to exercise powers fairly as between different sections of shareholders; (5) duty to exercise independent judgment; and (6) duty not to put themselves in a position in which there is a conflict between their duty to the company and their personal interests. However, this obligation may be varied by the company's articles of association, which may permit a director to vote on a matter in which he or she has a personal interest provided that he or she has disclosed that nature of his interest to the board of directors. With respect to the duty of directors to avoid conflicts of interest, dLocal's Articles of Association vary from the applicable provisions of Cayman Islands law mentioned above by providing that a director must disclose the nature and extent of his or her interest in any contract or arrangement, and following such disclosure and subject to any separate requirement under applicable law or the listing rules of the Nasdaq, and unless disqualified by the chairman of the relevant meeting, such director may vote in respect of any transaction or arrangement in which he or she is interested and may be counted in the quorum at the meeting. In addition to the above, under Cayman Islands law, directors also owe a duty of care which is not fiduciary in nature. This duty has been defined as a requirement to act as a reasonably diligent person having both the general knowledge, skill and experience that may reasonably be expected of a person carrying out the same functions as are carried out by that director in relation to the company and the general knowledge, skill and experience which that director has. As set out above, directors have a duty not to put themselves in a position of conflict and this includes a duty not to engage in self-dealing, or to otherwise benefit as a result of their position. However, in some instances what would otherwise be a breach of this duty can be forgiven and/or authorized in advance by the shareholders provided that there is full disclosure by the directors. This can be done by way of permission granted in the memorandum and articles of association, or alternatively by shareholder approval at general meetings. Accordingly, as a result of multiple business affiliations, our officers and directors may have similar legal obligations relating to presenting business opportunities meeting the above-listed criteria to multiple entities. In addition, conflicts of interest may arise when our board evaluates a particular business opportunity with respect to the abovementioned criteria. We cannot assure you that any of the above-mentioned conflicts will be resolved in our favor. Furthermore, each of our officers and directors may have pre-existing fiduciary obligations to other businesses of which they are officers or directors.

A director of a Cayman Islands company also owes to the company duties to exercise independent judgment in carrying out his or her functions and to exercise reasonable skill, care and diligence, which has both objective and subjective elements. Recent Cayman Islands case law confirmed that directors must exercise the care, skill and diligence that would be exercised by a reasonably diligent person having the general knowledge, skill and experience reasonably to be expected of a person acting as a director. Additionally, a director must exercise the knowledge, skill and experience which he or she actually possesses.

A general notice may be given to the board of directors to the effect that (1) the director is a member or officer of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with that company or firm; or (2) he or she is to be regarded as interested in any contract or arrangement which may after the date of the notice to the board of directors be made with a specified person who is connected with him or her, will be deemed sufficient declaration of interest. This notice shall specify the nature of the interest in question. Following the disclosure being made pursuant to dLocal's Articles of Association and subject to any separate requirement under applicable law or the listing rules of the Nasdaq, and unless disqualified by the chairman of the relevant meeting, a director may vote in respect of any transaction or arrangement in which he or she is interested and may be counted in the quorum at the meeting.

In comparison, under Delaware corporate law, a director of a Delaware corporation has a fiduciary duty to the corporation and its shareholders. This duty has two components: the duty of care and the duty of loyalty. The duty of care requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself or herself of, and disclose to shareholders, all material information reasonably available regarding a significant transaction. The duty of loyalty requires that a director act in a manner he or she reasonably believes to be in the best interests of the corporation. He or she must not use his or her corporate position for personal gain or advantage. This duty prohibits self-dealing by a director and mandates that the best interest of the corporation and its shareholders take precedence over any interest possessed by a director, officer or controlling shareholder and not shared by the shareholders generally. In general, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Should such evidence be presented concerning a transaction by a director, a director must prove the procedural fairness of the transaction, and that the transaction was of fair value to the corporation.

Shareholder Proposals

Under the Delaware General Corporation Law, a shareholder has the right to put any proposal before the annual meeting of shareholders, provided it complies with the notice provisions in the governing documents. The Delaware General Corporation Law does not provide shareholders an express right to put any proposal before the annual meeting of shareholders, but Delaware corporations generally afford shareholders an opportunity to make proposals and nominations provided that they comply with the notice provisions in the certificate of incorporation or bylaws. A special meeting may be called by the board of directors or any other person authorized to do so in the governing documents, but shareholders may be precluded from calling special meetings.

The Companies Act provides shareholders with only limited rights to requisition a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. dLocal's Articles of Association provide that upon the requisition of one or more shareholders representing not less than one-third of the voting rights entitled to vote at general meetings, the board will convene an extraordinary general meeting and put the resolutions so requisitioned to a vote at such meeting. The Articles of Association provide no other right to put any proposals before annual general meetings or extraordinary general meetings.

Cumulative Voting

Under the Delaware General Corporation Law, cumulative voting for elections of directors is not permitted unless the corporation's certificate of incorporation specifically provides for it. Cumulative voting potentially facilitates the representation of minority shareholders on a board of directors since it permits the minority shareholder to cast all the votes to which the shareholder is entitled on a single director, which increases the shareholder's voting power with respect to electing such director. As permitted under Cayman Islands law, dLocal's Articles of Association do not provide for cumulative voting. As a result, the shareholders of dLocal are not afforded any less protections or rights on this issue than shareholders of a Delaware corporation.

Removal of Directors

The office of a director shall be vacated automatically if, among other things, he or she (1) becomes prohibited by law from being a director; (2) becomes bankrupt or makes an arrangement or composition with his creditors; (3) dies or is in the opinion of all his or her co-directors, incapable by reason of mental disorder of discharging his or her duties as director; (4) resigns his or her office by notice to us; or (5) has for more than six months been absent without permission of the directors from meetings of the board of directors held during that period, and the remaining directors resolve that his or her office be vacated.

Transaction with Interested Shareholders

The Delaware General Corporation Law provides that; unless the corporation has specifically elected not to be governed by this statute, it is prohibited from engaging in certain business combinations with an “interested shareholder” for three years following the date that this person becomes an interested shareholder. An interested shareholder generally is a person or a group who or which owns or owned 15% or more of the target’s outstanding voting shares, or who or which is an affiliate or associate of the corporation and owned 15% or more of the corporation’s outstanding voting shares within the past three years. This has the effect of limiting the ability of a potential acquirer to make a two-tiered bid for the target, in which all shareholders would not be treated equally. The statute does not apply if, among other things, prior to the date on which the shareholder becomes an interested shareholder, the board of directors approves either the business combination or the transaction which resulted in the person becoming an interested shareholder. This encourages any potential acquirer of a Delaware corporation to negotiate the terms of any acquisition transaction with the target’s board of directors.

Cayman Islands law has no comparable statute. As a result, dLocal cannot avail itself of the types of protections afforded by the Delaware business combination statute. However, although Cayman Islands law does not regulate transactions between a company and its significant shareholders, it does provide that the board of directors owe duties to ensure that these transactions are entered into bona fide in the best interests of the company and for a proper corporate purpose and, as noted above, a transaction may be subject to challenge if it has the effect of constituting a fraud on the minority shareholders.

Dissolution; Winding Up

Under the Delaware General Corporation Law, unless the board of directors approves the proposal to dissolve, dissolution must be approved by shareholders holding 100% of the total voting power of the corporation. If the dissolution is initiated by the board of directors, it may be approved by a simple majority of the corporation’s outstanding shares. Delaware law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by the board. Under Cayman Islands law, a company may be wound up by either an order of the Grand Court of the Cayman Islands or by a special resolution of its members or, if the company resolves by ordinary resolution, that it be wound up because it is unable to pay its debts as they fall due. The court has authority to order winding up in a number of specified circumstances, including where it is, in the opinion of the court, just and equitable to do so.

Under the Companies Act, dLocal may be dissolved, liquidated or wound up by a special resolution of shareholders (requiring a two-thirds majority vote of those shareholders attending and voting at a quorate meeting). dLocal’s Articles of Association also give its board of directors authority to petition the Grand Court of the Cayman Islands to wind up dLocal.

Variation of Rights of Shares

Under the Delaware General Corporation Law, a corporation may vary the rights of a class of shares with the approval of a majority of the outstanding shares of that class, unless the certificate of incorporation provides otherwise. Under dLocal’s Articles of Association, if the share capital is divided into more than one class of shares, the rights attached to any class may only be varied with the written consent of the holders of two-thirds of the shares of that class or the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

Also, except with respect to share capital (as described above), alterations to dLocal’s Articles of Association may only be made by special resolution of shareholders (requiring a two-thirds majority vote of those shareholders attending and voting at a quorate meeting).

Amendment of Governing Documents

Under the Delaware General Corporation Law, a corporation's certificate of incorporation may be amended only if adopted and declared advisable by the board of directors and approved by a majority of the outstanding shares entitled to vote, and the bylaws may be amended with the approval of a majority of the outstanding shares entitled to vote and may, if so provided in the certificate of incorporation, also be amended by the board of directors. Under Cayman Islands law, dLocal's Articles of Association generally (and save for certain amendments to share capital described in this section) may only be amended by special resolution of shareholders (requiring a two-thirds majority vote of those shareholders attending and voting at a quorate meeting).

Rights of Non-Resident or Foreign Shareholders

There are no limitations imposed by dLocal's Articles of Association on the rights of non-resident or foreign shareholders to hold or exercise voting rights on dLocal's shares. In addition, there are no provisions in the Articles of Association governing the ownership threshold above which shareholder ownership must be disclosed.

Item 16H. Mine Safety Disclosure

Not applicable.

Item 16I. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

Item 16J. Insider Trading Policies

We have adopted a Trading Policy that applies to the Company, all directors, executive officers, employees, and certain designated consultants of the Company and its subsidiaries. This policy is designed to ensure compliance with applicable securities laws and regulations regarding the trading of our securities and the handling of material non-public information (MNPI).

Under this policy, covered individuals are prohibited from:

- Trading in the Company's securities while in possession of MNPI;
- Engaging in short sales of the Company's stock, which refers to sales of shares not owned by the covered person at the time of the sale;
- Engaging in any derivative transactions that are designed to hedge or speculate on any change in the market value of the Company's equity securities;
- Disclosing MNPI to unauthorized persons (tipping); and
- Engaging in transactions during specified blackout periods applicable to directors, executive officers, and certain designated employees.

The policy includes provisions for pre-clearance of trades by designated individuals, which must be obtained from the Company's General Counsel, and periodic training on insider trading compliance. The Company actively monitors compliance with this policy and takes appropriate measures to enforce it.

A copy of the Insider Trading Policy is filed as an exhibit to this Annual Report.

Item 16K. Cybersecurity

We have security measures in place to mitigate the risk of cybersecurity threats affecting our technology platforms and our business. We have taken into consideration relevant aspects of different frameworks and standards such as National Institute of Standards and Technology (“NIST”) and Payments Card Industry Data Security Standard (“PCI-DSS”) to assist us in formulating such security measures. Our security measures include, but are not limited to access and privilege management, segregation of test and production environments, vulnerability management, network security analysis, cyber incident management, baseline configuration of hardware and software, activity log correlation, malware prevention and remediation, and others. We employ a range of security processes, solutions and dissemination of these measures, including regular compliance checks and security observability. We also perform periodic reviews of cybersecurity threats and related controls, including periodic penetration tests performed by independent third parties.

Our board of directors has overall oversight responsibility for our risk management and is charged with oversight of our cybersecurity risk management program. The Audit Committee is responsible for ensuring that management has processes in place designed to identify and evaluate cybersecurity risks to which we are exposed and implement processes and programs to manage cybersecurity risks and mitigate cybersecurity incidents. The Audit Committee also reports material cybersecurity risks to our full board of directors. Management is responsible for identifying, considering and assessing material cybersecurity risks on an ongoing basis, establishing processes to ensure that such potential cybersecurity risk exposures are monitored, putting in place appropriate mitigation measures and maintaining cybersecurity programs. Our cybersecurity programs are under the direction of our Chief Information Security Officer, or CISO, who receives reports from our cybersecurity team and monitors the prevention, detection, mitigation, and remediation of cybersecurity incidents. Our CISO and dedicated personnel are trained and experienced information systems security professionals and information security managers with many years of experience. Management, including the CISO and our cybersecurity team, update the Audit Committee as needed on cybersecurity programs, material cybersecurity risks and mitigation strategies. Our Security and Compliance team is responsible for implementing our cybersecurity risk management program, in coordination with our Corporate Risk Management team, under our VP of Risk.

We also invest in security and technology solutions to improve training and awareness initiatives for our employees and customers. Moreover, we provide mandatory security training to all employees, in addition to our leadership, to promote cyber awareness throughout our organization. Higher risk business areas, such as Engineering (including software development) or Treasury, receive enhanced training.

Our business continuity management model takes into consideration both local and international guidelines for cybersecurity risks and includes plans to deal with severe events. We review the impact these events may have on day-to-day operations and endeavor to mitigate such threats. We also have mechanisms to trigger disaster recovery plans in case of crises which involve departments necessary to act and support our operations should a crisis materialize.

Cybersecurity topics are deliberated in executive committees that have the role of informing and providing supporting materials to our executives and advisors in the best decision-making for the business. Currently, the subjects covered by the committees pervades themes like operational risks, IT and cybersecurity incidents, electronic crimes, fraud, audit and regulatory, third party, affiliates, risks and compliance among others.

In 2024, we did not identify any cybersecurity threats that have materially affected or are reasonably likely to materially affect our business strategy, results of operations, or financial condition. However, despite our efforts, we cannot eliminate all risks from cybersecurity threats, or provide assurances that we have not experienced an undetected cybersecurity incident.

PART III

Item 17. Financial Statements.

We have responded to Item 18 in lieu of this item.

Item 18. Financial Statements.

Financial Statements are filed as part of this report, see page F-1.

Item 19. Exhibits.

List all exhibits filed as part of the registration statement or annual report, including exhibits incorporated by reference.

<u>Exhibit Number</u>	<u>Description</u>
1.1	<u>Second Amended and Restated memorandum and Articles of Association of DLocal Limited (incorporated herein by reference to Exhibit 3.1 to the Amendment No. 1 to our registration statement on Form F-1 (File No. 333-255793) filed with the SEC on May 20, 2021).</u>
2.1*	<u>Description of Share Capital</u>
4.1	<u>Form of indemnification agreement (incorporated herein by reference to Exhibit 10.1 to the Amendment No. 1 to our registration statement on Form F-1 (File No. 333-255793) filed with the SEC on May 20, 2021).</u>
4.2	<u>Form of Registration Rights Agreement among DLocal Limited and certain shareholders (incorporated herein by reference to Exhibit 10.3 to the Amendment No. 1 to our registration statement on Form F-1 (File No. 333-255793) filed with the SEC on May 20, 2021).</u>
4.3	<u>DLocal Limited Amended and Restated 2020 Global Share Incentive Plan (incorporated herein by reference to Exhibit 99.1 to our registration statement on Form S-8 (File No. 333-261372) filed with the SEC on November 26, 2021).</u>
8.1	<u>List of subsidiaries of DLocal Limited (incorporated by reference to Note 4 to our Audited Consolidated Financial Statements filed with this annual report on Form 20-F).</u>
11.1*	<u>Insider Trading Policy</u>
12.1*	<u>Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
12.2*	<u>Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
13.1*	<u>Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
13.2*	<u>Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
15.1*	<u>Consent of Price Waterhouse & Co. S.R.L.</u>
97.1	<u>Compensation Recoupment Policy (incorporated by reference to Exhibit 97.1 to our annual report on Form 20-F filed with the SEC on March 19, 2024).</u>
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document

101.CAL Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE Inline XBRL Taxonomy Extension Presentation Linkbase Document
104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith.



INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	<u>Page</u>
Audited Consolidated Financial Statements—DLocal Limited	
<u>Report of Independent Registered Public Accounting Firm (PCAOB ID1349)</u>	F-2
<u>Consolidated Statements of Comprehensive Income for the years ended December 31, 2024, 2023 and 2022</u>	F-5
<u>Consolidated Statements of Financial Position at December 31, 2024 and 2023</u>	F-6
<u>Consolidated Statements of Changes in Equity for the years ended December 31, 2024, 2023 and 2022</u>	F-7
<u>Consolidated Statements of Cash Flows for the years ended December 31, 2024, 2023 and 2022</u>	F-8
<u>Notes to Consolidated Financial Statements as of and for the years ended December 31, 2024, 2023 and 2022</u>	F-9



Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of DLocal Limited

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated statements of financial position of DLocal Limited and its subsidiaries (the "Company") as of December 31, 2024 and 2023, and the related consolidated statements of income and comprehensive income, changes in equity and cash flows for each of the three years in the period ended December 31, 2024, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024 in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual Report on Internal Control over Financial Reporting appearing under Item 15. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing

Price Waterhouse & Co. S.R.L., Bouchard 557, piso 8°, C1106ABG - Ciudad de Buenos Aires
T: +(54.11) 4850.0000, www.pwc.com/ar



such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Audit of Transaction revenues

As described in Notes 2.15 and 6 to the consolidated financial statements, the Company's transaction revenues were \$739.9 million for the year ended December 31, 2024 representing 99.19% of the Company's total consolidated revenues. These revenues are generated mainly by processing fees and foreign exchange service fees, defined either as percentage of the transaction value or a fixed amount per transaction depending on each agreement.

The principal considerations for our determination that performing procedures relating to the audit of transaction revenues is a critical audit matter are (i) the complexity of the Company's processes for setting the transaction revenues with their merchants mostly defined individually, which in turn led to (ii) a significant effort in performing procedures and evaluating audit evidence related to such processes; and (iii) the involvement of professionals with specialized skills and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the

Price Waterhouse & Co. S.R.L., Bouchard 557, piso 8°, C1106ABG - Ciudad de Buenos Aires
T: +(54.11) 4850.0000, www.pwc.com/ar



effectiveness of controls relating to the transaction revenue recognition process, including controls over management's processes for calculating and recording transaction revenues. These procedures also included among others: (i) performing detailed testing of transactions recognized as transaction revenues by agreeing the amounts recognized to source documents; and (ii) testing the mathematical accuracy of transactions recognized as transaction revenues. Professionals with specialized skills and knowledge were involved in the testing of the effectiveness of controls relating to management's processes for calculating and recording transaction revenues.

/s/ Price Waterhouse & Co. S.R.L.

/s/ Mario Angel Julio (Partner)

**Autonomous City of Buenos Aires, Argentina
April 24, 2025**

We have served as the Company's auditor since 2020.

Price Waterhouse & Co. S.R.L., Bouchard 557, piso 8°, C1106ABG - Ciudad de Buenos Aires
T: +(54.11) 4850.0000, www.pwc.com/ar

DLocal Limited

Consolidated Statements of Income and Comprehensive Income

Years ended December 31, 2024, 2023 and 2022

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

	Notes	For the Year Ended December 31,		
		2024	2023	2022
Continuing operations				
Revenues	6	745,974	650,351	418,925
Cost of services	6	(451,301)	(373,492)	(216,758)
Gross profit		294,673	276,859	202,167
Technology and development expenses	7	(25,625)	(12,650)	(6,348)
Sales and marketing expenses	8	(21,626)	(17,120)	(13,335)
General and administrative expenses	8	(101,225)	(70,568)	(48,343)
Impairment (loss)/gain on financial assets	16	(440)	3,136	(5,534)
Other operating loss		(5,257)	—	(697)
Operating profit		140,500	179,657	127,910
Finance income	11	66,875	128,228	18,078
Finance costs	11	(49,701)	(116,834)	(24,668)
Inflation adjustment	11	(6,655)	(12,537)	(1,037)
Other results		10,519	(1,143)	(7,627)
Profit before income tax		151,019	178,514	120,283
Income tax expense	12	(30,550)	(29,428)	(11,586)
Profit for the year		120,469	149,086	108,697
Profit attributable to:				
Owners of the Group		120,416	148,964	108,683
Non-controlling interest		53	122	14
Profit for the year		120,469	149,086	108,697
Earnings per share				
Basic Earnings per share	13	0.42	0.51	0.37
Diluted Earnings per share	13	0.39	0.49	0.35
Other comprehensive Income				
<i>Items that are or may be reclassified subsequently to profit or loss:</i>				
Exchange difference on translation on foreign operations		(11,188)	(7,713)	20
Other comprehensive income for the year, net of tax		(11,188)	(7,713)	20
Total comprehensive income for the year		109,281	141,373	108,717
Total comprehensive income for the year is attributable to:				
Owners of the Group		109,290	141,255	108,708
Non-controlling interest		(9)	118	9
Total comprehensive income for the year		109,281	141,373	108,717

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

DLocal Limited

Consolidated Statements of Financial Position

At December 31, 2024 and 2023

(All amounts in thousands of U.S. Dollars)

	Notes	December 31, 2024	December 31, 2023
ASSETS			
Current Assets			
Cash and cash equivalents	14	425,172	536,160
Financial assets at fair value through profit or loss	15	129,319	102,677
Trade and other receivables	16	496,713	363,374
Derivative financial instruments	24	2,874	2,040
Other assets	17	18,805	11,782
Total Current Assets		1,072,883	1,016,033
Non-Current Assets			
Financial assets at fair value through profit or loss	15	—	1,710
Trade and other receivables	16	18,044	—
Deferred tax assets	12	5,367	2,217
Property, plant and equipment	18	3,377	2,917
Right-of-use assets	19	3,645	3,689
Intangible assets	20	63,318	57,887
Other assets	17	4,695	—
Total Non-Current Assets		98,446	68,420
TOTAL ASSETS		1,171,329	1,084,453
LIABILITIES			
Current Liabilities			
Trade and other payables	21	597,787	602,493
Lease liabilities	19	1,137	626
Tax liabilities	23	21,515	20,800
Derivative financial instruments	24	6,227	948
Financial liabilities	22	50,455	—
Provisions	25	500	362
Total Current Liabilities		677,621	625,229
Non-Current Liabilities			
Deferred tax liabilities	12	1,858	753
Lease liabilities	19	2,863	3,331
Total Non-Current Liabilities		4,721	4,084
TOTAL LIABILITIES		682,342	629,313
EQUITY			
Share Capital	13	570	591
Share Premium	13	186,769	173,001
Treasury Shares	13	(200,980)	(99,936)
Capital Reserve	13	33,438	21,575
Other Reserves	13	(20,934)	(9,808)
Retained earnings	13	490,024	369,608
Total Equity Attributable to owners of the Group		488,887	455,031
Non-controlling interest		100	109
TOTAL EQUITY		488,987	455,140
TOTAL EQUITY AND LIABILITIES		1,171,329	1,084,453

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

DLocal Limited

Consolidated Statements of Changes in Equity
Years ended December 31, 2024, 2023 and 2022
(All amounts in thousands of U.S. Dollars)

	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 year										
Profit for the year		—	—	—	—	—	120,416	120,416	53	120,469
Exchange difference on translation on foreign operations		—	—	—	—	(11,126)	—	(11,126)	(62)	(11,188)
Total Comprehensive Income for the year		—	—	—	—	(11,126)	120,416	109,290	(9)	109,281
Transactions with Group owners in their capacity as owners										
Share-options exercise	13	2	13,768	—	(11,917)	—	—	1,853	—	1,853
Share-based payments net of forfeitures	9	—	—	—	23,780	—	—	23,780	—	23,780
Repurchase of shares	13	(23)	—	(101,044)	—	—	—	(101,067)	—	(101,067)
Transactions with Group owners in their capacity as owners		(21)	13,768	(101,044)	11,863	—	—	(75,434)	—	(75,434)
Balance as of December 31st, 2024		570	186,769	(200,980)	33,438	(20,934)	490,024	488,887	100	488,987
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 year										
Profit for the year		—	—	—	—	—	148,964	148,964	122	149,086
Exchange difference on translation on foreign operations		—	—	—	—	(8,360)	651	(7,709)	(4)	(7,713)
Total Comprehensive Income for the year		—	—	—	—	(8,360)	149,615	141,255	118	141,373
Transactions with Group owners in their capacity as owners										
Share-options exercise	13	—	5,051	—	(4,898)	—	—	153	—	153
Warrant Exercise	9	13	1,622	—	(1,634)	—	—	1	—	1
Share-based payments net of forfeitures	9	—	—	—	11,922	—	—	11,922	—	11,922
Repurchase of shares	13	(14)	—	(97,915)	—	—	—	(97,929)	—	(97,929)
Transactions with Group owners in their capacity as owners		(1)	6,673	(97,915)	5,390	—	—	(85,853)	—	(85,853)
Balance as of December 31st, 2023		591	173,001	(99,936)	21,575	(9,808)	369,608	455,031	109	455,140
Balance as of January 1st, 2022		590	157,151	—	12,741	(30)	109,867	280,319	(18)	280,301
Comprehensive Income for the year										
Profit for the year		—	—	—	—	—	108,683	108,683	14	108,697
Exchange difference on translation on foreign operations		—	—	—	—	(1,418)	1,443	25	(5)	20
Total Comprehensive Income for the year		—	—	—	—	(1,418)	110,126	108,708	9	108,717
Transactions with Group owners in their capacity as owners										
Share-options exercise	13	2	9,177	—	(5,240)	—	—	3,939	—	3,939
Forfeitures of share-based payment	9	—	—	—	(896)	—	—	(896)	—	(896)
Share-based payments	9	—	—	—	9,580	—	—	9,580	—	9,580
Repurchase of shares	13	—	—	(2,021)	—	—	—	(2,021)	—	(2,021)
Transactions with Group owners in their capacity as owners		2	9,177	(2,021)	3,444	—	—	10,602	—	10,602
Balance as of December 31st, 2022		592	166,328	(2,021)	16,185	(1,448)	219,993	399,629	(9)	399,620

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

DLocal Limited
Consolidated Statements of Cash Flows

Years ended December 31, 2024, 2023 and 2022

(All amounts in thousands of U.S. Dollars)

	Notes	2024	2023	2022
Cash flows from operating activities				
Profit before income tax		151,019	178,514	120,283
Adjustments:				
Interest income from financial instruments	11	(28,266)	(49,588)	(18,114)
Interest charges for lease liabilities	11	501	578	177
Other interests charges		3,758	5,623	3,851
Finance expense related to derivative financial instruments		19,462	28,013	17,074
Amortization of Intangible assets		15,511	10,816	6,891
Depreciation and disposals of Property, plant and equipment and right-of-use	10	1,884	1,409	1,256
Revenue reduction related to prepaid assets		—	—	567
Share-based payment expense, net of forfeitures	9	23,780	11,922	8,684
Net exchange differences		24,787	82,620	1,877
Fair value loss/(gain) on financial assets at FVPL	11	(37,416)	(78,640)	36
Other operating gain		4,736	—	—
Net Impairment loss/(gain) on financial assets	16	440	318	(42)
Inflation adjustment and other financial results		(17,063)	9,041	—
		163,133	200,626	142,540
Changes in working capital				
Increase in Trade and other receivables	16	(162,645)	(123,246)	(49,438)
Decrease / (Increase) in Other assets	17	5,427	45,007	(56,015)
Increase / (Decrease) in Trade and Other payables	21	(6,957)	194,619	130,714
Increase / (Decrease) in Tax Liabilities	23	(3,184)	(10,967)	(4,245)
Increase / (Decrease) in Provisions	25	138	(1,111)	(237)
Cash (used) / generated from operating activities		(4,088)	304,928	163,319
Income tax paid		(28,696)	(11,475)	(8,868)
Net cash (used) / generated from operating activities		(32,784)	293,453	154,451
Cash flows from investing activities				
Acquisitions of Property, plant and equipment	18	(1,705)	(965)	(987)
Additions of Intangible assets	20	(20,942)	(17,260)	(11,365)
Acquisitions of financial asset at FVPL		(121,468)	(117,517)	—
Collections of financial assets at FVPL		108,097	1,487	(327)
Interest collected from financial instruments		28,266	49,588	17,649
Contingent Consideration Liability Paid		—	—	(665)
Payments for investments in other assets at FVPL	17	(10,000)	—	—
Net cash (used in) / generated investing activities		(17,752)	(84,667)	4,305
Cash flows from financing activities				
Repurchase of shares	13	(101,067)	(97,929)	(2,021)
Share-options exercise paid	13	1,853	153	3,939
Net proceeds from financial liabilities	22	50,428	—	14,782
Repayment of borrowings		—	—	(19,967)
Interest payments on financial liabilities		(2,281)	—	(1,600)
Interest payments on lease liability		(501)	(578)	(177)
Principal payments on lease liability		(552)	(1,103)	(386)
Finance expense paid related to derivative financial instruments		(15,017)	(28,443)	(19,646)
Other finance expense paid		(1,450)	(5,971)	(2,251)
Net cash used in financing activities		(68,587)	(133,871)	(27,327)
Net increase in cash flow		(119,123)	74,915	131,429
Cash and cash equivalents at the beginning of the year		536,160	468,092	336,197
Effects of exchange rate changes on inflation and cash and cash equivalents		8,135	(6,847)	466
Cash and cash equivalents at the end of the year		425,172	536,160	468,092

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

DLocal Limited

Notes to the Consolidated Financial Statements

At December 31, 2024

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

1. General information and Significant Events of the year

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 generally 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 Consolidated 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 consolidated financial statements include dLocal’s subsidiaries and details of the structure are included under Note 4.

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 December 2024, the Group achieved a significant advancement by obtaining a license in the United Kingdom as an Authorized Payment Institution (API), further enhancing its global regulatory framework.

In addition, the Group is subject to laws aimed at preventing money laundering, corruption, and the financing of terrorism. This regulatory landscape is constantly evolving, as evidenced by the implementation of the Fifth Anti-Money Laundering Directive (Directive (EU) 2018/843, “MLD5”) and the proposed amendments to the Fourth Anti-Money Laundering Directive (MLD4).

These Consolidated Financial Statements as of December 31, 2024, were approved by dLocal’s Board of Directors on April 24, 2025.

2. Presentation and preparation of the Consolidated Financial Statements and material accounting policies

2.1. Basis of preparation

These Consolidated Financial Statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”) and interpretations issued by the IFRS Interpretations Committee (“IFRIC”) applicable to companies reporting under IFRS, and comply with IFRS as issued by the International Accounting Standards Board (“IASB”). The Consolidated Financial Statements are presented in thousands of U.S. Dollars, except for share data or as otherwise indicated, which is the functional currency of DLocal Limited.

The Consolidated Financial Statements have been prepared on a historical cost basis, except for certain financial assets measured at fair value as explained in Note 2.5: Financial instruments-initial recognition and measurement, and for Financial Statements of the Group’s operations in Argentina, which were adjusted to reflect the hyperinflationary nature of Argentina’s economic as detailed in Note 2.3: Foreign currencies.

The preparation of these Consolidated Financial Statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying dLocal’s accounting policies. Areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the Consolidated Financial Statements, are disclosed in Note 3: Accounting estimates and judgments.

2.2. Basis of consolidation

The consolidated financial statements comprise the consolidated financial position of the Group as of December 31, 2024 and 2023 and the consolidated statements of income and comprehensive income, consolidated statements of cash flows and consolidated statements of changes in equity for each of the years ended December 31, 2024, 2023 and 2022.

Subsidiaries

The Group consolidates all entities in which it holds a controlling financial interest. Control is achieved when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Inter-company transactions, balances, income and expenses on transactions between Group companies are eliminated.

Entities over which dLocal holds a controlling financial interest are referred to as subsidiaries. Subsidiaries are fully consolidated from the date dLocal obtains its controlling financial interest and are deconsolidated when dLocal loses control over the subsidiary. Subsidiaries included in the consolidated Group accounts are described in Note 4: Consolidation of subsidiaries.

Changes in the ownership interest of a subsidiary where the Group maintains control are accounted for within shareholders' equity.

2.3. Foreign currencies

i) Functional and presentation currency

Items included in the Financial Statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The Consolidated Financial Statements are presented in U.S. Dollar, which is dLocal's functional and presentation currency.

ii) Transactions and balances

Foreign currency transactions are translated into dLocal's functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognized in profit or loss.

The Group has adopted a policy to present gains and losses stemming from foreign exchange transactions within various financial statement line items based on the nature of the item that generated the exchange difference. For example, gains or losses stemming from trade payables and pay-in and pay-out transactions are recognized within Cost of Services, whereas exchange differences arising from loans, including intra-group loans, are presented within Finance costs. This policy is applied consistently each reporting period.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognized in other comprehensive income.

Foreign exchange gains and losses resulting from the measurement at period end exchange rates of monetary assets denominated in foreign currencies and measured at fair value through other comprehensive income are recognized in the Consolidated Statement of Comprehensive Income.

iii) Argentina operations

The Group operates in Argentina, which has been classified as a hyperinflationary economy in accordance with IAS 29, *Financial Reporting in Hyperinflationary Economies*. This determination is based on cumulative inflation exceeding 100% over the last three years and other qualitative factors.

As required by IAS 29, the financial statements of the Group's operations in Argentina have been adjusted to reflect the effects of inflation. Non-monetary items in the Statement of Financial Position were restated using a general price index from their date of initial recognition to December 31, 2024. The price index for 2024 was 1.4 (3.1 and 1.9 for 2023 and 2022, respectively), as published by the Argentine Federation of Professional Councils of Economic Sciences (FACPCE) and the National Institute of Statistics.

Inflation adjustments were also applied to items in the Statement of Comprehensive Income, which were restated to reflect the current unit of measurement as of the reporting date. After these adjustments, the results of operations were translated into U.S. Dollars at the closing exchange rate for the reporting period.

This approach ensures compliance with IAS 29 and provides a more accurate reflection of the Group's financial position and performance in Argentina under hyperinflationary conditions.

iv) Group companies

The results and financial position of foreign operations of non-hyperinflationary economies with a functional currency that differs from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each item presented on the statement of financial position are translated at the closing rate as of the end of the reporting period;
- Income and expenses are translated at average exchange rates; and
- All resulting exchange differences are recognized in other comprehensive income.

The results and financial position of foreign operations whose functional currency is the currency of a hyperinflationary economy are translated into the presentation currency as follows:

- All amounts (i.e., assets, liabilities, equity items, income and expenses) are translated at the closing rate at the date of the most recent statement of financial position.

On consolidation, exchange differences arising from the translation of foreign entities are recognized in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss as part of the gain or loss on sale.

2.4. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term, highly liquid financial instruments with original maturities of three months or less. Local classifies a financial instrument as a cash equivalent when the following conditions are met:

- The financial instrument can be immediately converted into a known amount of cash;
- The fair value of the financial instrument approximates its carrying value; and
- The financial instrument is subject to an insignificant risk of a valuation change.

Cash equivalents are measured at amortized cost and/or fair value through profit or loss depending on its nature (refer to note 31), and are presented within current assets due to their short-term maturity.

2.5. Financial instruments - initial recognition and subsequent measurement

i) Financial assets

Initial recognition and measurement

Financial assets are initially recognized at fair value and subsequently held at amortized cost, fair value through other comprehensive income ("OCI"), or fair value through profit or loss ("FVPL").

Upon initial recognition, financial assets are classified depending on the asset's contractual cash flow characteristics and the Group's business model for managing such cash flows. The Group initially measures a financial asset at its fair value, or if a financial asset will not be held at fair value through profit or loss, fair value plus directly attributable transaction costs. Except for trade receivables that do not contain a significant financing component, or financial assets where the Group has applied IFRS 15's practical expedient, financial assets are generally recognized at fair value plus directly attributable transaction costs and are held at amortized cost. Trade receivables that do not contain a significant financing component or for which the Group has applied IFRS 15's practical expedient are measured at the transaction price stemming from the customer contract as required by IFRS 15, Revenue from Contracts with Customers.

To be classified and measured at amortized cost or fair value through OCI, a financial asset must give rise to cash flows that are solely payments of principal and interest (“SPPI”) on the outstanding principal balance. This assessment is referred to as the SPPI test and is performed on an instrument-by-instrument basis. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the Group’s business model for managing such cash flows.

The Group’s business model determines whether financial assets are managed to collect the asset’s contractual cash flows, to be sold, or both. In cases where the Group intends to collect a financial asset’s contractual cash flows, the asset will be recognized and measured, initially and subsequently, at amortized cost. If a financial asset’s cash flows are held with the objective of collecting the contractual cash flows and/or selling the asset, then the financial asset is initially and subsequently recognized at fair value through OCI.

Financial assets as of December 31, 2024 and 2023 include cash and cash equivalents, other assets, trade and other receivables, derivative financial instruments and investments in quoted and unquoted debt securities.

Subsequent measurement

Financial assets are subsequently measured based on their classification, which include (i) amortized cost; (ii) fair value through OCI; and (iii) fair value through profit or loss. Cumulative gains and losses may be recycled for debt investments held at fair value through OCI, but not equity investments.

Financial assets at amortized cost

Financial assets held at amortized cost are subject to impairment testing and subsequently measured using the effective interest method.

The Group’s financial assets at amortized cost for 2024 and 2023 include cash and cash equivalents, other assets, and trade and other receivables which correspond to uncollateralized gross amounts due from acquirers, processors, merchants and preferred suppliers for services performed.

Financial assets at fair value through profit or loss

Financial assets held at fair value through profit or loss are initially and subsequently measured at fair value, with gains or losses recognized in profit or loss. This category of financial assets includes debt investments, such as treasury bonds held for trading, debt securities that do not qualify for measurement at amortized cost or fair value through other comprehensive income, and debt investments for which the Company has not elected to recognize remeasurement gains and losses through OCI.

The Group’s financial assets at fair value through profit or loss as of December 31, 2024 and 2023 include derivative financial instruments, investment in quoted debt securities and treasury bonds.

Financial assets at fair value through OCI

The Group did not hold any financial assets within this category as of December 31, 2024 or 2023.

Financial assets designated at fair value through OCI (debt instruments)

The Group did not hold any financial assets within this category as of December 31, 2024 or 2023.

Derecognition

A financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets, is derecognized when:

- The rights to receive the asset’s cash flows expire; or
- The Group transfers its rights to receive cash flows from the asset or assumes an obligation to pay all cash flows received to a third party under a “pass-through” arrangement; and
- The Group (a) transfers virtually all risks and benefits of the asset, or (b) neither transfers nor retains virtually all the risks and benefits of the asset, but transfers control over the asset.

When the Group transfers its rights to receive a financial asset's cash flows but does not transfer or retain substantially all the risks and benefits, the financial asset is recognized to the extent of the Group's continuing involvement. In such cases, the Group also recognizes an associated liability. In such cases, the transferred financial asset and associated liability is measured in a manner that reflects the Group's retained rights and obligations. No financial assets and liabilities meeting these conditions were recognized as of December 31, 2024 or 2023.

Guarantees over transferred assets represent a form of continuing involvement. Such assets are measured at an amount equal to the lower of the original carrying amount of the financial asset and the maximum amount the Group could be required to pay under the terms of the guarantee.

ii) Impairment of financial assets

The Group recognizes an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss.

ECLs are measured based on the difference between the cash flows the Group is contractually entitled to less cash flows that the Group expects to receive, discounted at the instrument's original effective interest rate. The expected cash flows include cash flows resulting from the sale of collateral held or other credit enhancements integral to the instrument's contractual terms.

The Group applies a simplified approach for trade and other receivables when calculating ECLs. Specifically, the Group recognizes a loss allowance equal to the lifetime ECLs based on the segmentation of trade receivables. The Group uses its historical loss experience, adjusted to reflect current, reasonable and bearable forecasts of future economic conditions, when measuring ECLs.

iii) Financial liabilities

Initial recognition and measurement

Financial liabilities are initially classified at fair value through profit or loss, amortized cost or as derivatives designated as hedging instruments in an effective hedging relationship.

Financial liabilities held at amortized cost are initially recognized net of transaction costs that are directly attributable to the issuance of the liability.

The Group's financial liabilities as of December 31, 2024 and 2023 include trade and other payables, lease liabilities, derivative financial instruments, contingent consideration liability, borrowings and bank overdraft.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities held at fair value through profit or loss include financial liabilities that are held-for-trading or designated to be held at fair value through profit or loss when initially recognized. Financial liabilities are classified as held-for-trading if incurred solely in connection with a near term repurchase of a financial asset that has been sold, including derivative financial instruments that are not designated as hedging instruments in hedge relationships.

Gains and losses on held-for-trading liabilities are recognized in the statement of comprehensive income.

The Group's financial liabilities at fair value through profit or loss as of December 31, 2024 and 2023 include derivative financial instruments.

Financial liabilities at amortized cost

Financial liabilities held at amortized cost include interest-bearing borrowings, trade and other payables incurred in exchange for purchased goods or services, and lease liabilities. Financial liabilities related to interest-bearing borrowings are recognized at an amount equal to the net issuance proceeds received less directly attributable issuance costs. Trade and other payables are generally unsecured and due within 30 days. As a result, their book value approximates fair value and such amounts are presented within current liabilities unless due 12 months after the applicable reporting date.

Any original issuance discount or premium is amortized through Finance Costs using the Effective Interest Rate (“EIR”) method. If, at settlement, the carrying amount of a financial liability exceeds its carrying amount, a settlement gain or loss equal to this difference is recognized through profit or loss.

Derecognition

A financial liability is derecognized when the obligation is discharged, cancelled or expires. When an existing financial liability is replaced by another financial liability from the same lender on substantially different terms, or if the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of comprehensive income.

iv) Derivative financial instruments

Derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Group operates in several foreign currencies and is exposed to foreign currency risk. From time to time, the Group uses derivative financial instruments, such as delivery and non-deliverable forward currency contracts to hedge or reduce exposure to foreign currency risks. The Group has elected to separate the spot element from the forward element of certain derivative financial instruments and designated as the hedging instrument only the change in the fair value of the spot element. The change in the fair value of the spot element of such derivatives is presented in the Costs of services line item. The change in the fair value of the forward element of such derivatives is presented in the Finance costs line item. For information about derivative financial instruments see Note 24: Derivative financial instruments.

v) Fair value of financial instruments

The Group measures financial assets held at fair value through profit or loss at fair value as of each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 - techniques using inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The Group uses observable market data to the extent possible. For assets and liabilities that are recognized at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the fair value hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

vi) Financial instruments-offsetting

Financial assets and liabilities are presented net in the consolidated statement of financial position if, and only if, there is an existing and enforceable legal right to offset the amounts recognized and an intention to offset or to realize the asset and settle the liability simultaneously.

The Group presents trade payables to merchants net of trade receivables from fees and trade receivables from processing entities net of fees considering that there is an enforceable legal right to offset and the Group expects to cancel such obligations on a net basis. For further detail refer to Note 27: Offsetting financial assets and financial liabilities.

2.6. Current and deferred income tax

Current and deferred income tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current income tax

Tax assets and liabilities for the current year are calculated based on the expected recoverable amount or the amount payable to the tax authorities on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date in the countries where dLocal operates and generates taxable income.

Current income tax related to items recognized directly in equity are recognized in equity. dLocal periodically evaluates the tax positions involving interpretation of tax regulations and establishes provisions when appropriate.

The Group offsets current tax assets and current tax liabilities against the same tax authority when it has a legally enforceable right to set off current tax assets against current tax liabilities.

Deferred income tax

Deferred income tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred income tax assets and liabilities are recognized for all temporary taxable differences, except in the following situations:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- Temporary differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred income tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date and tax loss carryforwards, to the extent that it is probable that taxable profit will be available against which they can be offset.

The carrying amount of deferred income tax assets is reviewed at each reporting date to assess whether it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed, at each reporting date, and are recognized to the extent that it has become probable that future taxable profits will be available to allow their utilization.

2.7. Property, plant and equipment

Property, plant and equipment ("PP&E") are stated at historical cost, net of accumulated depreciation and impairment losses, if any, unless pertaining to the Group's Argentine operations which have been adjusted pursuant to IAS 29 as detailed in Note 2.3: Foreign currencies. Historical cost includes material expenditures that can be measured reliably and are directly attributable to the acquisition of the property, plant or equipment. Repairs, maintenance and all other expenditures are charged to profit or loss during the period in which they are incurred.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, when it is probable that future economic benefits associated with these costs will be realized by dLocal and such benefits can be reliably measured. All other repair and maintenance expense are charged to the statement of comprehensive income during the year in which they are incurred.

Residual values and useful lives are reviewed at the end of each reporting period and adjusted on a prospective basis, if appropriate. Depreciation is calculated on a straight-line basis over the estimated useful lives of the asset as follows:

Computer Equipment	3 years
--------------------	---------

Building Improvements	10 years
-----------------------	----------

An item of property, plant and equipment is derecognized upon disposition or when future economic benefits are expected from its use or disposal.

Any gain or loss on disposal (calculated as the difference between the net disposal proceeds with the carrying amount of the asset) is recognized within “Other results” in the statement of comprehensive income when an asset is derecognized.

An asset’s carrying amount is immediately written down to its recoverable amount when the asset’s carrying amount is greater than its estimated recoverable amount. For further information see Note 2.9: Impairment of non-financial assets.

2.8. Intangible assets

Acquired intangible assets are initially recognized at cost and subsequently amortized on a straight-line basis over their useful economic lives, generally up to three years.

The Group’s business relies heavily on digital products and services used to facilitate commercial relationships between international merchants and their emerging market customers. dLocal is constantly developing future product releases, enhancements and upgrades to existing software, as well as maintenance-oriented updates. Internal costs incurred to develop software for which a future economic benefit is likely to arise are capitalized and amortized over their useful life.

Software maintenance costs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of the Group’s identifiable and unique software products are recognized as an intangible asset. Costs that are directly attributable to internally developed software are capitalized and recognized as part of the intangible asset, which principally includes salaries and wages of Group software engineers and third-party professional service costs. The Group limits its capitalization of costs to the software or product’s development phase if it can demonstrate the following:

- The technological feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development costs that do not meet these capitalization criteria are expensed as incurred.

Capitalized developed software intangible assets are amortized on a straight-line basis over the asset’s remaining useful life. Amortization cost is presented within “Cost of services” or “General and administrative” cost in the Statement of Comprehensive Income, depending on the nature of the capitalized cost. The remaining useful life of each asset is evaluated at the end of each reporting period or when facts and circumstances warrant an interim re-assessment. The Group believes the remaining useful lives are reasonable in light of the future usage of the assets.

2.9. Impairment of non-financial assets

A non-financial asset’s ability to generate future economic benefits is considered when assessing whether the asset is impaired. Specifically, the Group considers the future economic benefits from making its service attractive for new or existing merchants in addition to benefits arising from the reduction of costs through the elimination of unnecessary activities.

An assessment is made at each reporting date to determine whether there is an indication that an asset may be impaired, or to determine whether previously recognized impairment losses are recoverable. If any indication of an impairment exists, the Group estimates the asset’s recoverable amount. The recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of cash flows generated from other assets or groups of assets.

In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

2.10. Provisions

Provisions are recognized when the Group has a present legal or constructive obligation resulting from past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions for contingencies related to lawsuits or other legal claims are recognized when it is probable an outflow of funds will be necessary to settle the contingency/obligation, and the outflow is reasonably estimable.

The likelihood of loss includes an evaluation of available evidence, the hierarchy of laws, available case law, recent court decisions and their importance in the legal system, as well as the opinion of outside legal counsel. Provisions are reviewed and adjusted to reflect changes in circumstances as necessary.

Provisions are measured at the present value of management's best estimate of the outflow necessary to settle the present obligation at the end of each reporting period. The present value of the obligation is derived using a pre-tax rate discount rate that reflects current market information and risks specific to the applicable obligation. Increases in provisions resulting from the passage of time are recognized through "Finance cost". Provisions are disclosed in the statement of financial position based on their nature.

2.11. Share-based payments and warrants contracts

2.11.1. Share-based payments

Certain key employees have been awarded share-based compensation ("Participants") pursuant to the "DLocal Limited amended and restated 2020 Global Share Incentive Plan" discussed in Note 1.2, which consists of the "Share Option Award Agreements", "Restricted Stock Unit Agreements" and "Performance Share Unit Agreements" (together referred to as the "Agreements"). For all plans, management commits to grant shares of dLocal to the defined participants.

Under these Agreements, certain employees and members of dLocal's executive management team were granted share options, restricted stock units ("RSU") or ordinary shares that are subject to service-based vesting conditions. PSUs vest in a manner similar to the service conditions of the RSUs, however, vesting is also contingent upon achievement of performance targets (non-market performance conditions) as determined by the Board. The holders of the Options, RSUs or PSUs shall have no right to vote or right to receive dividends or any other rights as a shareholder of the Company in respect of any Shares purchasable upon the exercise of any part of an Option, RSU or PSU nor shall they be deemed to be a class of shareholders or creditors of the Company, until the Participant exercises the Option.

The Group is under no obligation to cash-settle any of the equity awards issued. The awards have been classified within shareholders' equity.

The cost of share-based compensation is measured using the fair value at the grant date. The cost is expensed together with a corresponding increase in equity over the service period or on the grant date when the grant relates to past services.

The total amount to be expensed is determined by reference to the fair value of the tranche shares granted at the grant date, which is also based on:

- Including any market performance conditions;
- Including the impact of any non-market performance vesting conditions (i.e. remaining an employee of the entity over a specified time), and;
- Including the impact of any non-vesting conditions (i.e. the requirement for participants to save or hold shares for a specific period of time).

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of shares that are expected to vest based on the non-market vesting conditions. The Company recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the shares are vested, the Group transfers the corresponding number of shares to the participant. The shares received by the participants, net of any directly attributable transaction costs (including withholding taxes) are credited directly to equity.

The significant judgments, estimates and assumptions regarding share-based payments and activity relating to share-based payments are discussed further in Note 3.2.

2.11.2. Warrants contracts

In 2019, the Group issued a warrant (the “Warrant”) that provided a merchant (the “Merchant”) with the right to acquire up to 17,345,000 ordinary shares while simultaneously executing an agreement to provide services to the Group. The Warrant is exercisable through January 24, 2026 at a purchase price per share equal to (1) U.S. Dollars 0.57 or (2) upon any reorganization (including any change of control) of the Group, the lesser of (i) U.S. Dollars 0.57 and (ii) sixty percent (60 %) of the price per share paid in or implied by such transaction.

At the Group’s option, the Warrant may be settled in cash or net settled with Ordinary Class A Shares. If the Group elects to share settle the contract, it must deliver Ordinary Class A shares determined by dividing (i) the product of the number of Ordinary Class A shares underlying the Warrant multiplied by the intrinsic value of the Warrant at the time of exercise, by (ii) the fair value per Ordinary Class A share at the time of exercise.

If exercised, the Merchant’s beneficial ownership will be limited to 4.999 % of the Group’s outstanding ordinary shares unless the Merchant waives this limit upon providing 61 days’ notice.

The Group determined the Warrant is (i) a payment to a customer related to a revenue contract that is within the scope of IFRS 15, and (ii) an equity-settled share-based payment that falls within the scope of IFRS 2. Accordingly, the fair value of the Warrant was accounted for as a reduction in revenue upon commencement of the service agreement.

On November 15, 2023, the warrant holder exercised its net issuance right, resulting in the net issuance of 6,334,134 shares at a Fair Market Value of \$18.098 per share. The Fair Market Value was calculated based on the average price over the five business days preceding the exercise date.

As of December 31, 2024, a total of 8,672,500 warrants remained outstanding, all with an average exercise price of \$0.57 per share. These warrants are fully vested and exercisable. No warrants expired during the reporting period.

All outstanding warrants will expire on January 1, 2026.

2.12. Leases and right of use assets

IFRS 16, Leases, applies to all leases with the exception of licenses of intellectual property rights held by licensing agreements within the scope of IAS 38, Intangible Assets and service concession arrangements.

When the Group is the lessee, it is required to recognize both:

- A lease liability, measured at the present value of remaining cash flows on the lease; and
- A right-of-use (“ROU”) asset, measured at the amount of the initial measurement of the lease liability, plus any lease payments made prior to commencement date, initial direct costs, and estimated costs of restoring the underlying asset to the condition required by the lease, less any lease incentives received.

The lease agreement can be extended for 1-month terms following the expiration of the base lease term unless the Company elects to terminate the agreement.

The net present value of lease liabilities generally includes the following:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment based on an index or a rate, initially measured using the index or rate as of the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- amounts required to be paid upon exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- penalties resulting from the termination of a lease if the lease term assumes the Group will exercise its termination option.

If renewals are reasonably certain of being exercised, payments required under such renewal terms are included in the measurement of the lease liability.

The lease liability will subsequently increase for the accrual of interest, resulting in a constant rate of return throughout the life of the lease, and reduce when payments are made. The ROU asset will amortize to the income statement over the life of the lease.

The lease liability is remeasured when there is a change in one of the following:

- Future lease payments arising from a change in an index or rate;
- The Group's estimate of the amount expected to be payable under a residual value guarantee; or
- The Group's assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the ROU asset or is recorded in the Statement of Comprehensive Income if the carrying amount of the ROU asset has been reduced to nil. On the balance sheet, the ROU assets are included within property, plant and equipment and the lease liabilities are in separate lines.

Short-term Leases

The Group applies the recognition exemption in IFRS 16 for leases with a term not exceeding 12 months. For these leases, the lease payments are recognized as an expense on a straight line basis over the lease term unless another systematic basis is more appropriate.

The Group has executed lease contracts of one year or less in the following countries: Malta, Israel, Brazil, China, Chile, Colombia, India, Singapore, and Argentina. In those locations, the Group utilizes co-working facilities that are subject to short-term contractual arrangements. Several suitable alternatives exist in each location. This provides maximum flexibility to increase, reduce or terminate these arrangements based on changes in the Group's operating plans while minimizing relocation and buildout costs. These locations do not require company-specific infrastructure, and the cost of returning the leased asset is insignificant. Upon expiration of each contract, the Group reassesses whether to extend or terminate the agreement based on the level of local activity, market trends and strategic plans for each location.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Group leases, the incremental borrowing rate is used. The incremental borrowing rate represents the cost to borrow the funds necessary to acquire an asset of similar value in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- uses recent third-party financing received by the individual lessee where possible, adjusted to reflect changes in financing conditions since the applicable third party financing was received; or
- derives the incremental borrowing rate using the risk-free interest rate, adjusted for credit risk for leases held by the Group, which does not have recent third-party financing, and makes adjustments specific to the lease.

The Group does not have any restrictions or covenants imposed by the lessor on its property leases which restrict its businesses.

2.13. Equity

Common shares are presented within shareholders' equity. Incremental costs directly attributable to the issuance of new ordinary shares or options to acquire common shares are recognized as a reduction of shareholders' equity, net of tax, from issuance proceeds.

The calculation of basic and diluted earnings per share is based on the profit attributable to equity holders of the Group parent and the basic and weighted average number of shares excluding treasury shares held. When calculating the diluted earnings per share, the weighted average number of shares in issue is adjusted for the effects of all expected dilutive potential ordinary shares held in respect of the Group.

The Group presents common shares it has repurchased as its own shares, which are initially recognized as the cost to repurchase such shares and presented as a reduction from shareholders' equity.

2.14. Treasury shares

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 13.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 instrument.

2.15. Revenue

dLocal provides payment processing services to merchants as follows:

- dLocal specializes in local payments so that merchants can reach consumers located in emerging markets. On a recurring basis, merchants and their customers are exchanging goods and services while dLocal provides the payment solution to that relationship. dLocal does not have any obligation to provide such goods or services between the merchant and its customer but is responsible for processing payments through its platform;
- dLocal only processes the payment through its platform when a complete authorization request was made by the merchant. The authorization request is made by transmitting the authorization data of the transaction to dLocal;
- dLocal contracts with service providers for the authorization, processing and settlement services performed by payment schemes networks and card issuers;
- dLocal is not responsible for the credit risk or the chargebacks risk of the cardholder (i.e., the merchant customer). The merchant is responsible for the credit checks.

dLocal earns revenues from fees charged to merchants in connection with payment processing services for cross-border and local payment transactions in emerging markets. These fees are primarily generated on a per approved transaction basis as either a fixed fee per transaction or fixed percentage per transaction.

dLocal also earns foreign exchange fees on cross-border transactions defined as transactions in which the merchant and its customer are in different countries and dLocal converts currencies and transfers funds between countries, as required by the merchant. Foreign exchange fees are usually determined based on a percentage or a fixed fee.

dLocal's service offering comprises a single performance obligation to complete payments via its platform for merchants and their customers. dLocal does not engage with or provide services to its merchants end-users.

Revenues from contracts with customers are recognized as control of services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services in the ordinary course of the Group's activities.

The Group applies the following five steps:

1. Identification of the contract with a client (i.e., merchant).
2. Identification of the performance obligations in the contract.
3. Determination of the transaction price.
4. Allocation of the transaction price to the performance obligations in the contract.

5. Recognition of revenue when or as the entity satisfies a performance obligation.

dLocal performs two types of transactions:

- **Pay-ins:** are transactions where dLocal collects money in local currency in emerging markets countries and makes it available for merchants in their requested currency and country, after a settlement period. Revenue for this type of transaction is recognized when the authorized transaction is processed. This type of revenue is recognized at a point in time.
- **Pay-outs:** are transactions where dLocal collects money from merchants in the countries and currencies of preference and then disburses money in local currency in emerging markets countries according to the merchants' instructions. Revenue for this type of transaction is recognized upon completing the pay-out of an authorized transaction in local currency. This type of revenue is recognized at a point in time.

dLocal's contracts with merchants are usually open-ended and can be terminated by either party without a termination penalty after the notice period has lapsed. dLocal's contracts are, therefore, defined at the transaction level and do not extend beyond the service already provided.

Revenue from contracts with merchants comprises:

Transaction revenues

The Group recognizes fees charged to merchants as transaction revenue and fees incurred in processing payments as cost of services. Fees earned from merchants are presented as gross revenue due to the following considerations which indicate that the Group controls the payment processing services and acts as the principal:

- The Group bears primary responsibility to merchants for the fulfillment of the payment service;
- The Group contracts directly with merchants and there is no contractual relationship between merchants and payment processors (i.e., the service providers);
- The Group has independently negotiated arrangements with payment processors;
- The established fees are independent of the costs incurred from payment processors and the Group, therefore, has full margin risk for each transaction;
- In cross-border transactions, the Group or the merchants may bear foreign exchange risk depending on each agreement. The foreign exchange fees charged to merchants are based on a fixed fee per transaction or fixed percentage of the transaction value. When the Group bears the foreign exchange risk, it runs from the time the transaction in local currency is authorized until the Group converts the money to foreign currency (USD or EUR for pay-ins) and from the time the Group receives the money from the merchant until the Group converts the money to local currency (for pay-outs);
- The Group bears credit risk from the agents and third-party processors, acquirers and collection entities for the payment settlement. These processors collect funds from the end consumers' financial institutions and are required to pay the proceeds from these transactions. dLocal is not insured against credit losses. If a processor or acquirer becomes insolvent, files for bankruptcy, commits fraud or otherwise fails to pay amounts owed to dLocal when due, dLocal must nonetheless process the payment transaction for the benefit of merchants and end consumers. Merchants are liable for any charges properly reversed by the card issuer on behalf of the cardholder.

Transaction revenues are recognized as revenue at a point in time when an authorized payment transaction is processed.

Transaction revenues are those that are directly related to the volume of payments processes in dollars or in quantity of transactions.

Transaction revenues are comprised of:

- Processing fees: based on a percentage or fixed fee per approved transaction;
- Installment and advances fees: corresponds to fees applied to those transactions created with installments, which can be applied to the merchant or to the end users and fees associated with advances granted to the merchant;
- Foreign Exchange Fees: in cross-border transactions, a spread is applied to the exchange rate used for the currency conversion and can be based on a percentage or fixed fee;
- Other transactional fees: mainly correspond to fees charged for each chargeback and refund dLocal has to manage and dispute and other transactional fees.

Other revenues

Other revenues are comprised of initial setup fees, minimum monthly fees, maintenance fees and transfer fees the Group is entitled to from its merchant customers. Other revenues are recognized at a point in time when the performance obligation is satisfied.

2.16. New standards and interpretations

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. A number of new or amended standards became applicable for the current reporting period. The Group did not change its accounting policies or make retrospective adjustments as a result of new accounting standards made applicable on January 1, 2024.

New accounting pronouncements

Certain new accounting standards and amendments to accounting standards have been published that are not yet effective for December 31, 2024, reporting periods and have not been early adopted by the Group. The group assessment of the impact of these new standards and amendments is evidenced below:

- Amendment to IAS 21 - Lack of Exchangeability (effective for annual periods beginning on or after 1 January 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. Although the Group operates in certain countries for which lack of exchangeability would be observed, it does not expect this amendment to have a material impact on its operations or financial statements.

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026)

On 30 May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The Group does not expect these amendments to have a material impact on its operations or financial statements.

- IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, particularly those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of IFRS 18 will have no impact on the group's net profit, the group expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated

and reported. From the high-level impact assessment that the group has performed, the following items might potentially impact operating profit:

- o Foreign exchange differences currently aggregated in the line item ‘other income and other gains/(losses) net’ in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.
- o IFRS 18 has specific requirements on the category in which derivative gains or losses are recognized – which is the same category as the income and expenses affected by the risk that the derivative is used to manage. Although the group currently recognizes some gains or losses in operating profit and others in finance costs, there might be a change to where these gains or losses are recognized, and the group is currently evaluating the need for change.
- The line items presented on the primary financial statements might change as a result of the application of the concept of ‘useful structured summary’ and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the statement of financial position, the group will disaggregate goodwill and other intangible assets and present them separately in the statement of financial position.
- The group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:
 - o management-defined performance measures; and
 - o for the first annual period of application of IFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying IFRS 18 and the amounts previously presented applying IAS 1.
- From a cash flow statement perspective, there will be changes to how interest received, and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, as well as the starting point of the indirect method.

The group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18.

- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027)

Issued in May 2024, IFRS 19 allows for certain eligible subsidiaries of parent entities that report under IFRS Accounting Standards to apply reduced disclosure requirements. The Group does not expect this standard to have an impact on its operations or financial statements.

3. Accounting estimates and judgments

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the group’s accounting policies.

This note provides an overview of the areas that involve a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgments is included in other notes together with information about the basis of calculation for each affected line item in the financial statements.

3.1. Provisions

Where applicable, the Group recognizes a provision for contingent claims related to civil matters and potential labor matters. Such provisions include an assessment of the probability that a past event has given rise to a present obligation, as well as an analysis of labor lawsuits and claims, including available evidence and jurisprudence, the hierarchy of laws and recent court decisions. The Group applies its professional judgment while considering the opinion of its legal advisors.

Provisions are reviewed and adjusted to consider changes in circumstances such as the applicable limitation period, inspection findings and additional exposures identified based on new issues or court decisions.

3.2. Share-based payment transactions

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. The estimate also requires determination of the most appropriate inputs to the valuation model, including the expected life of share option or appreciation right.

Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of certain conditions could change in the near term due to one or more future confirming events. Situations or sets of circumstances existing at the date of these consolidated financial statements, which management considered in formulating its estimates, may be subject to revisions based on new information or evolving conditions. For more information, see Note 29.

4. Consolidation of subsidiaries

dLocal Limited is the Group parent and acts as a holding company for all subsidiaries. dLocal main activity is the processing of cross-border and local payments, enabling international merchants to access end customers in emerging markets. Its principal sources of revenue include dividends from subsidiaries and profit-sharing payments from subsidiary partnerships.

The Consolidated Financial Statements of the Group include the following subsidiaries, each of which serves different vertical and/or provides a specific service according to the needs of the Group:

Entity name	Country of incorporation	Principal activities	Ownership interest held by the group		Ownership interest held by non-controlling interests	
			2024	2023	2024	2023
Dlocal Group Limited	Malta	Holding Company	100%	100%	—	—
Dlocal Limited	Malta	Payments provider	99.999%	99.999%	0.001%	0.001%
Dlocal Markets Limited	Malta	Holding Company	100%	100%	—	—
Dlocal Hold Ops Limited	Cayman Islands	Holding Company	100%	100%	—	—
Dlocal LLP (1)	United Kingdom	Payments provider	100%	99.999%	—	0.001%
Dlocal Corp LLP (1)	United Kingdom	Payments provider	100%	99.999%	—	0.001%
Dlocal OpCo UK LTD	United Kingdom	Payments & Service provider	100%	100%	—	—
Dlocal Technologies S.A.	Uruguay	Service provider	100%	100%	—	—
Dlocal Uruguay S.A.	Uruguay	Collection entity	100%	100%	—	—
Dlocal PTE Limited	Singapore	Holding Company & Service provider	100%	100%	—	—
Dlocal Argentina S.A.	Argentina	Collection entity & Service provider	100%	100%	—	—
Demerge Arg. S.A.	Argentina	Service provider	100%	100%	—	—
Dlocal Services Arg S.A.	Argentina	Collection entity	100%	100%	—	—
Demerge Services Arg S.A.	Argentina	Collection entity	100%	100%	—	—
DLocal Bangladesh Limited	Bangladesh	Collection entity	100%	100%	—	—
Demerge Bolivia S.R.L.	Bolivia	Collection entity	100%	100%	—	—
Dlocal Brasil Holding Financeira	Brazil	Holding Company	100%	100%	—	—
Dlocal Brasil Instituição de Pagamento S.A.	Brazil	Collection entity	100%	100%	—	—
Demerge Brasil Facilitadora de Pagamentos Ltda.	Brazil	Collection entity	100%	100%	—	—
Webpay Brasil Pagamentos Ltda.	Brazil	Collection entity	100%	100%	—	—
Demerge Cameroun SARL	Cameroun	Collection entity	100%	100%	—	—
Dlocal Chile SPA	Chile	Collection entity	100%	100%	—	—
Demerge Chile SPA	Chile	Collection entity	100%	100%	—	—
Pagos y Servicios Limitada (1)	Chile	Collection entity	100%	99%	—	1%
FCA Chile 2 Spa	Chile	Collection entity	100%	100%	—	—
Dlocal Colombia S.A.S.	Colombia	Collection entity & Service provider	100%	100%	—	—
Demerge Colombia S.A.S.	Colombia	Collection entity	100%	100%	—	—
Kupa Colombia S.A.S.	Colombia	Collection entity	100%	100%	—	—
Dlocal Costa Rica SRL	Costa Rica	Collection entity	100%	100%	—	—
Demerege Ecuador S.A.	Ecuador	Collection entity	100%	100%	—	—
Dlocal Egypt LLC	Egypt	Collection entity	100%	100%	—	—
Dlocal El Salvador S.A de C.V.	El Salvador	Collection entity	100%	100%	—	—
dLocal Ghana Limited Company	Ghana	Collection entity	70%	70%	30%	30%
Demerge Guatemala S.A.	Guatemala	Collection entity	100%	100%	—	—
Dlocal Honduras S.A.	Honduras	Collection entity	100%	100%	—	—
Depansum Solutions Private Limited	India	Collection entity	100%	100%	—	—
Dlocal India Pvt Limited	India	Collection entity	100%	100%	—	—
Guisol Solutions Private Limited	India	Collection entity	100%	100%	—	—
PT Dlocal Solutions Indonesia	Indonesia	Collection entity	100%	100%	—	—
Dlocal Israel Limited	Israel	Service provider	100%	100%	—	—
Dlocal SARL	Ivory Coast	Collection entity	100%	100%	—	—
Demerge Japan Ltd	Japan	Collection entity	100%	100%	—	—
Dlocal Payments Kenya Limited	Kenya	Collection entity	100%	100%	—	—
Depansum Malaysia SDN. BHD.	Malaysia	Collection entity	100%	100%	—	—
Demerge Mexico S.A. de C.V. (1)	Mexico	Collection entity	100%	99.9%	—	0.1%
Dlocal Mexico S.A. de C.V. (1)	Mexico	Collection entity	100%	99.9%	—	0.1%
Dlocal Technologies Mexico S.A. de C.V.	Mexico	Collection entity	100%	100%	—	—
DLocal Morocco SARL AU	Morocco	Collection entity	98.5%	98.5%	1.5%	1.5%
Demerge Nigeria Limited	Nigeria	Collection entity & Service provider	100%	100%	—	—
Dlocal Panama S.A.	Panama	Collection entity	100%	100%	—	—
Dlocal Paraguay S.A.	Paraguay	Collection entity	100%	100%	—	—
Demerge Peru S.A.C.	Peru	Collection entity	100%	100%	—	—
Depansum Perú S.A.C.	Peru	Collection entity	100%	100%	—	—
Dlocal Payments Philippines Incorporated	Philippines	Collection entity	100%	100%	—	—
Demerge República Dominicana SAS (1)	Dominican Republic	Collection entity	100%	99.99%	—	0.01%
Dlocal Rwanda Ltd.	Rwanda	Collection entity	100%	100%	—	—
Depansum PTY Limited	South Africa	Collection entity	100%	100%	—	—
DLP South Africa PTY Ltd.	South Africa	Collection entity	100%	100%	—	—
Dlocal Tanzania LTD	Tanzania	Collection entity	100%	100%	—	—

Demerge (Thailand) Co. LTD (3)	Thailand	Collection entity	49%	49%	51%	51%
Dlocal Uganda LTD	Uganda	Collection entity	100%	100%	—	—
Dlocal Payment Services L.L.C.	United Arab Emirates	Collection entity	100%	100%	—	—
Dlocal US LLC	United States of America	Service provider	100%	100%	—	—
Dlocal Holding Uruguay S.A.	Uruguay	Holding Company	100%	100%	—	—
Demerge Uruguay S.A.	Uruguay	Service provider	100%	100%	—	—
Dlocal Services Uruguay S.A.	Uruguay	Collection entity	100%	100%	—	—
Dlocal Vietnam Company Limited	Vietnam	Collection entity	100%	100%	—	—
Depansum Arg S.A.	Argentina	Collection entity	100%	100%	—	—
Demerge España SL	Spain	Service provider	100%	100%	—	—
Demerge Senegal SAURL	Senegal	Collection entity	100%	100%	—	—
PT Dlocal Services Gateway	Indonesia	Collection entity	100%	100%	—	—
PT Dlocal Payment Solutions	Indonesia	Collection entity	85%	85%	15%	15%
Depansum Limited	Kenya	Collection entity	99%	99%	1%	1%
Dlocal Developments Arg S.A.	Argentina	Finance entity	100%	100%	—	—
Dlocal Payments Private Limited	India	Collection entity	100%	100%	—	—
Zubisokan Nigeria Limited	Nigeria	Collection entity	100%	100%	—	—
Kupa IMTO Nigeria Limited	Nigeria	Collection entity	100%	100%	—	—
Dlocal Arabia Financial Technology Company	Saudi Arabia	Collection entity	100%	100%	—	—
Dlocal Opco Ireland Ltd	Ireland	Payments provider	100%	100%	—	—
Dlocal Solutions Private Limited	India	Collection entity	100%	100%	—	—
Dlocal Nicaragua S.A. (2)	Nicaragua	Collection entity	100%	—	—	—
Dlocal Malaysia Sdn. Bhd. (2)	Malaysia	Collection entity	100%	—	—	—
CRI Demerge Costa Rica SRL (2)	Costa Rica	Collection entity	100%	—	—	—
Demerge Singapore PTE Ltd (2)	Singapore	Collection entity	100%	—	—	—
Olmerix S.A. (2)	Uruguay	Finance entity	100%	—	—	—
Shanghai Demerge Consulting Co. Ltd (2)	China	Service provider	100%	—	—	—
Dlocal Pakistan (Private) Limited (2)	Pakistan	Collection entity	100%	—	—	—
Dlocal Solutions Inc (2)	Philippines	Collection entity	99.99999%	—	0.00001%	—
dLocal (DIFC) Limited (2)	United Arab Emirates	Collection entity	100%	—	—	—

- (1) The Group has assessed and concluded that the changes in non-controlling interest for certain subsidiaries during 2024 do not constitute a business combination according to IFRS 3.
- (2) New subsidiaries incorporated or acquired during 2024, under which the Group controls, according to IFRS 10. The Group has determined that the acquisition or incorporation of these subsidiaries during 2024 do not constitute a business combination according to IFRS 3.
- (3) Although dLocal is the owner of 49% of Demerge (Thailand) Co. LTD, the Group controls its operations and has de facto control according to the guidelines in IFRS 10.

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”) which is the group’s executive team represented by executive officers and directors. 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 assesses 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 losses, 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 its Adjusted EBITDA and Adjusted EBITDA Margin to profit for the year as presented in the Consolidated Statement of Comprehensive Income as follows:

	Note	December 31, 2024	December 31, 2023	December 31, 2022
Profit for the year (i)		120,469	149,086	108,697
Income tax expense	12	30,550	29,428	11,586
Inflation adjustment	11	6,655	12,537	1,037
Finance income	11	(66,875)	(128,228)	(18,078)
Finance costs	11	49,701	116,834	24,668
Other operating loss		5,257	—	697
Impairment (gain) / loss on financial assets (ii)	16, 17	440	(3,136)	5,534
Depreciation and amortization	10	17,177	12,225	8,147
Secondary offering expenses (iii)		—	—	89
Other non-recurring costs (iv)		1,571	1,663	2,014
Share-based payment non-cash charges, net of forfeitures	13	23,780	11,922	8,684
Adjusted EBITDA		188,725	202,331	153,075
Revenues	6	745,974	650,351	418,925
Adjusted EBITDA		188,725	202,331	153,075
Adjusted EBITDA Margin		25.3 %	31.1 %	36.5 %
Profit Margin		16.1 %	22.9 %	25.9 %

- (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) Related to USD 3.4 million in 2023 corresponds to a recovery on deposits in FTX Trading Ltd. as compared to a provision of USD5.6 million in 2022 for expected loss of amounts on deposit in FTX Trading Ltd.
- (iii) Corresponds to expenses incurred by dLocal in relation to a secondary offering of its shares occurred in 2021.
- (iv) Other non-recurring costs consist of costs not directly associated with our core business activities, including costs associated with addressing the allegations made by a short-seller report and certain class action and other legal and regulatory expenses (which include fees from counsel, global expert services and a forensic accounting advisory firm) in 2023 and 2024.

The Group's revenue, results and assets for this one reportable segment can be determined by reference to the consolidated statement of income and of comprehensive income and consolidated balance sheet. Disaggregated information is only reviewed at the revenue level with no corresponding detail at any margin or profitability levels.

As required by IFRS 8: Operating Segments, below are presented applicable entity-wide disclosures related to dLocal's revenues.

Disaggregated Revenue by region

The Group derives its revenues from delivering services to international merchants (mainly in the United States, Europe, and China), enabling them to receive payments and facilitate payments in emerging markets. The Group has operations in more than 40 countries, where its merchant customers operate.

The following table presents the Group's revenue by region based on the country in which the end users of our merchant customers executed their payments. This presentation does not imply that revenue is generated, sourced, or subject to taxation in the respective country. Revenue recognition is based on IFRS principles and reflects the contractual relationships between the Group, its merchants, and its operating companies. For financial reporting purposes, regions are disclosed separately only if payments from/to merchant customers in a given region represented at least 10% of Total Revenues during the preceding four quarters.

	2024	2023	2022
LatAm	562,183	492,681	345,360
Brazil	151,959	158,997	84,025
Argentina	85,454	75,128	77,577
Mexico	149,249	116,835	68,000
Chile	51,166	55,666	52,464
Other countries	124,355	86,055	63,294
Non-LatAm	183,791	157,670	73,565
Nigeria	13,310	83,969	33,805
Egypt	93,951	36,662	6,979
Other countries	76,530	37,039	32,781
Total	745,974	650,351	418,925

During the years ended December 31, 2024, 2023 and 2022, the Group had no revenues from customers domiciled in the Cayman Islands. The Group's revenues are derived from payment processing services provided to merchants, regardless of the geographic location of their customers. As previously stated, dLocal does not engage with or provide services directly to the end-users of its merchants.

Revenue with large customers

During the year ended December 31, 2024, the Group's revenue from its top 10 merchants represented 62% of its total revenue (60% and 50% of revenue in the years ended December 31, 2023 and 2022, respectively). In 2024 two merchants (one in 2023 and none in 2022) individually accounted for more than 10% of the Group's total revenue.

Non-current assets by country

The Company does not have any non-current assets located in the Cayman Islands.

Material non-current assets are the Intangible Assets described in Note 20 to these Consolidated Financial Statements and are located in Malta.

6. Revenues and Cost of Services

(a) Revenue and Gross profit description

dLocal derives revenue by processing payments for international merchants who operate in selected emerging markets.

The breakdown of revenue from contracts with customers per type of service is as follows:

	2024	2023	2022
Transaction revenues (i)	739,919	637,053	415,444
Other revenues (ii)	6,055	13,298	3,481
Revenues from payment processing	745,974	650,351	418,925
Cost of services	(451,301)	(373,492)	(216,758)
Gross profit	294,673	276,859	202,167

- (i) Transaction revenues consist of processing, foreign exchange, installment, advances granted to merchants, chargebacks, refunds, advances granted to merchants and other transactional fees as described in note 2.15. These fees are recognized as revenue at a point in time when a payment transaction, or its reversal in the case of chargebacks and refunds, has been processed.
- (ii) Other revenues are mainly comprised of minor fees, such as smart defense, issuing, minimum monthly 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 in the case of chargeback and refunds, its reversal, has been processed. Other revenues are recognized as revenue at a point in time when the respective performance obligation is satisfied. The Group did not recognize revenues over time during the year ended December 31, 2024, 2023 and 2022.

(c) Cost of services

Cost of services are comprised of the following:

	2024	2023	2022
Processing costs (i)	427,127	356,295	206,223
Hosting expenses (ii)	7,723	6,235	4,331
Amortization of intangible assets (iii)	13,413	8,710	4,793
Salary and wages (iv)	3,038	2,252	1,411
Total	451,301	373,492	216,758

- (i) Include fees from financial institutions (e.g., banks, local acquirers or payment methods) charged 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, installment payments and merchant advances finance cost). 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. For further details related to the effect of hedging results see Note 22. Derivative financial instruments
- (ii) Expenses related to hosting services for the Group's payment platform.
- (iii) Represents the amortization of capitalized internally generated software (i.e., dLocal's payment platform). For further detail refer to Note 20: Intangible Assets.
- (iv) 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.

7. Technology and development expenses

Technology and development expenses consist of the following:

	2024	2023	2022
Salaries and wages (i)	12,626	5,805	2,969
Software licenses (ii)	5,723	3,213	1,294
Infrastructure expenses (iii)	4,871	2,279	1,496
Information and technology security expenses (iv)	336	442	298
Other technology expenses	2,069	911	291
Total	25,625	12,650	6,348

- (i) Consists primarily of full-time equivalents (“FTE”) compensation related to product and technology development, excluding capitalized salaries and wages related to internally generated software. For further detail on total salaries and wages refer to Note 9: Employee Benefits.
- (ii) Consists of software licenses used exclusively by the technology development department for the development of the platform.
- (iii) Represents information technology costs to support the Group’s infrastructure and back-office operations.
- (iv) Represents expenses incurred to monitor the security of our network and platform.

8. Sales and marketing expenses and General and administrative expenses

Sales and marketing expenses and General and administrative expense are comprised of the following:

<i>Sales and marketing expenses</i>	2024	2023	2022
Salaries and wages (i)	18,130	13,344	10,800
Marketing expenses (ii)	3,496	3,776	2,535
Total	21,626	17,120	13,335

<i>General and administrative expenses</i>	2024	2023	2022
Salaries and wages (iii)	54,931	36,727	24,697
Third-party services (iv)	22,600	18,500	12,431
Other operating expenses (v)	23,694	15,341	11,215
Total	101,225	70,568	48,343

- (i) Represents salaries and wages related to FTEs the Group’s Sales and marketing department. For further detail on total salaries and wages refer to Note 9: Employee Benefits.
- (ii) Represents expenses related to trade marketing events, the distribution and production of marketing and advertising campaigns mostly related to public relations expenses, third-party sales commissions, and online performance marketing.
- (iii) Represents salaries and wages related to administrative FTEs. For further detail on total salaries and wages refer to Note 9: Employee Benefits.
- (iv) Includes Advisors’ fees, Legal fees, Auditors’ fees and Human resources’ fees.
- (v) Includes office rent and related expenses, amortization of right-of-use assets, intangible assets and depreciation of property, plant and equipment, taxes, travel and other expenses.

9. Employee Benefits

Employee benefits costs were comprised of the following:

	2024	2023	2022
Salaries, wages and contractor fees (i)	84,754	62,900	42,550
Share-based payments (ii)	23,780	11,922	8,684
Total	108,534	74,822	51,234

- (i) Salaries, wages and contractor fees include social security costs and annual bonuses. During the year end December 31, 2024, USD 19,809 of salaries, wages and contract fees were capitalized (USD 16,694 in 2023 and USD 11,357 in 2022).
- (ii) Represents compensation expenses stemming from share-based arrangements settled in the Group’s common shares. For further information refer to Note 2.11: Share-based payments and warrants contracts.

10. Amortization and Depreciation

Amortization and depreciation expenses are composed of the following:

	2024	2023	2022
Amortization of intangible assets (Note 20)	15,511	10,816	6,891
Right-of-use asset amortization (Note 19)	421	627	518
Depreciation of Property, plant & equipment (Note 18)	1,245	782	738
Total	17,177	12,225	8,147

For further information related to amortization of intangible assets refer to Note 20: Intangible Assets.

11. Other results

Other results consist of the following categories:

	2024	2023	2022
Interest Income from Financial Instruments (i)	28,266	49,588	18,114
Fair value gains / (losses) of financial assets at FVPL (i)	38,609	78,640	(36)
Finance income	66,875	128,228	18,078
	2024	2023	2022
Finance expense related to derivative financial instruments (ii)	(19,462)	(28,013)	(18,763)
Other finance expenses (iii)	(29,738)	(88,243)	(5,728)
Interest charges for lease liabilities (iv)	(501)	(578)	(177)
Finance costs	(49,701)	(116,834)	(24,668)
Inflation adjustment (v)	(6,655)	(12,537)	(1,037)
Total	10,519	(1,143)	(7,627)

- (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. For further detail refer to Note 15: Financial assets at fair value through profit or 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 24 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, the fair value adjustments of other financial arrangements.
- (iv) Finance costs associated with lease liabilities resulting from the application of IFRS 16 Leases. For further information refer to Note 19: 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 year ended December 31, 2024 and 2023.

12. Income Tax

In October 2021, members of the Organization for Economic Cooperation and Development (OECD) inclusive framework released the statement on a Two-Pillar solution to address the tax challenges arising from the digitalization of the economy. On 23 May 2023, the International Accounting Standards Board (IAS) issued "International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12" which clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements Qualified Domestic Minimum Top-up Taxes. The Group has adopted these amendments. However, these amendments are not yet applicable for the current reporting year, as the Group's consolidated revenue has remained below the €750 million threshold, which is assessed based on the average revenue over the last four reporting periods.

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

	2024	2023	2022
Current Income Tax			
Current Income Tax on profits for the year	(32,595)	(31,924)	(11,682)
Total Current Income Tax expense	(32,595)	(31,924)	(11,682)
	2024	2023	2022
Deferred income tax			
Increase/(Decrease) in deferred income tax assets	3,150	1,757	229
(Decrease)/Increase in deferred income tax liabilities	(1,105)	739	(133)
Total Deferred income tax benefit / (expense)	2,045	2,496	96
Income Tax expense	(30,550)	(29,428)	(11,586)

Deferred Tax Assets

The balance comprises temporary differences attributable to:

	2024	2023	2022
Tax Losses	793	233	348
Accrued Liabilities	3,196	773	99
Exchange differences	333	89	—
Other	1,045	1,193	51
Total	5,367	2,288	498

The recognized tax loss carry-forwards have a maximum expiration of 5 years.

Movements:

	Tax losses	Accrued liabilities	Exchange differences	Other	Total
At January 1, 2024	233	773	89	1,193	2,288
(Charged) / Credited to profit & loss	560	2,423	—	(148)	3,079
At December 31, 2024	793	3,196	333	1,045	5,367
At January 1, 2023	348	99	—	51	498
Credited / (Charged) to profit & loss	(115)	674	89	1,142	1,790
At December 31, 2023	233	773	89	1,193	2,288

Deferred Tax Liabilities

The balance of Deferred Tax Liabilities is comprised of temporary differences attributable to:

	2024	2023	2022
Accrued receivables	795	353	946
Other	1,063	471	206
Total	1,858	824	1,152

Movements:

	Accrued Liabilities	Other	Total
At January 1, 2024	353	471	824
Credited / (charged) to profit & loss	442	592	1,034
At December 31, 2024	795	1,063	1,858
At January 1, 2023	946	206	1,152
Credited / (charged) to profit & loss	(593)	265	(328)
At December 31, 2023	353	471	824

As of December 31, 2024 and 2023, no deferred tax liability has been recognized on investments in the Group subsidiaries. The Group has concluded it has the ability and intention to control the timing of any distribution from its subsidiaries and that it is probable there will be no reversal in the foreseeable future in a way that would result in a charge to taxable profit.

Reconciliation of effective tax rate

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to the profits of the consolidated entities. The income tax provision is determined based on the income tax rates in effect in each country where the Group operates. The following is a reconciliation of the income tax expense to the profit (loss) for the year, considering the applicable statutory tax rates in the jurisdictions where the Group has taxable operations. These rates range from 0% in

jurisdictions such as the Cayman Islands to 35% in Argentina and Colombia. Other key tax rates include 5% in Malta, 21% in the United States, 25% in Ecuador, Panama, the United Kingdom and Uruguay, 30% in Kenya, Mexico, and Nigeria. In the remaining countries, tax rates range from 10% to 35%.

The Group's effective Income Tax rate in 2024 was 20.2% (16.5% and 9.6% in the years ended December 31, 2023 and 2022, respectively). For 2024 and 2023, the Group applied for fiscal consolidation in Malta resulting in a domestic rate of 5%. The reconciliation between the effective Income Tax rate and the statutory rate in Malta of 5% in 2024, 2023 and 2022 was as follows:

	2024	2023	2022
Profit before Income Tax	<u>151,019</u>	<u>178,514</u>	<u>120,283</u>
Tax at the domestic rates applicable to profit before income tax in the respective jurisdiction	(7,551)	(8,926)	(6,014)
Permanent differences:			
Tax effect of non-taxable income	897	822	555
Effects from entities taxes with different rates	(14,565)	(15,930)	(5,440)
Other permanent differences (1)	(9,331)	(5,394)	(687)
Total	<u><u>(30,550)</u></u>	<u><u>(29,428)</u></u>	<u><u>(11,586)</u></u>

(1) During the year ended December 31, 2024, other permanent differences included non-deductible expenses, the effect of income taxes accrued in subsidiaries (due to higher income tax rates) and the effect of hyperinflation adjustment in Argentinean subsidiaries.

The Company recorded income tax expenses of USD 4,543 related to a claim from the Uruguayan Tax Authority concerning income taxes on foreign activities and transactions under the Free Zone regime held in 2022. Despite having strong arguments for its position, during the last quarter of 2024, the Company chose to settle with local tax authorities to resolve the matter. The Company and its external tax advisors are confident that there is no significant risk related to prior or subsequent periods.

13. Capital Management

(a) Share capital and share premium

At the date of these consolidated financial statements, 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:

	2024		2023	
	Amount	USD	Amount	USD
Issued and Fully Paid Up Shares of USD 0.002 each				
Class A Common Shares	151,420,944	302	161,937,473	323
Class B Common Shares	<u>134,054,192</u>	<u>268</u>	<u>134,054,192</u>	<u>268</u>
	<u>285,475,136</u>	<u>570</u>	<u>295,991,665</u>	<u>591</u>
Share Capital evolution				
Share Capital as of January 1	295,991,665	591	296,029,870	592
i) Issue of common shares at USD 0.002	1,067,176	2	663,897	—
ii) Warrant exercise (See note 2.11.2)	—	—	6,334,134	13
iii) Repurchase of shares	(11,583,705)	(23)	(7,036,236)	(14)
Share capital as of December 31	<u>285,475,136</u>	<u>570</u>	<u>295,991,665</u>	<u>591</u>

(b) Share Premium

As of December 31, 2024 and 2023, dLocal issued 1,067,176 and 663,897 new Class A Common Shares receiving total proceeds of USD 1,853 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, but not obligated to purchase up to \$200 million of its Class A common shares from May 15, 2024, to May 31, 2025.

As of December 31, 2024, the Company has repurchased 11,583,705 shares at an average price of USD 8.72 per share, amounting to a total consideration of USD 101,067. 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 share-based payment plans, as described in Note 13: Share-Based Payments and Warrants of the Annual Financial Statements for the year ended December 31, 2024. As of December 31, 2024, the net effect of share-based payments amounts to USD 11,863 comprising USD 23,780 in share-based expenses and USD 11,917 related to the exercise and vesting of share-based plans.

(e) Other Reserves

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

(f) Earnings per share

The Group calculates basic and diluted earnings per share as discussed in Note 2.13: Equity. The calculations performed to derive basic and diluted EPS during the years ended December 31, 2024, 2023 and 2022 are as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Profit attributable to common shareholders (U.S. Dollars)	120,416,000	148,964,000	108,682,969
Weighted average number of common shares	290,014,019	291,982,305	295,623,702
Adjustments for calculation of diluted earnings per share(1)	15,122,271	10,976,123	17,514,944
Weighted average number of common shares for calculating diluted earnings per share	305,136,290	302,958,428	313,138,646
Basic earnings per share	<u>0.42</u>	<u>0.51</u>	<u>0.37</u>
Diluted earnings per share	<u>0.39</u>	<u>0.49</u>	<u>0.35</u>

(1) As of December 31, 2024, reflects to the dilutive effect of i) 8,129,577 average shares related to share-based payment warrants (8,560,918 and 14,865,332, respectively for the years ended December 31, 2023 and December 31, 2022); and ii) 6,992,694 average shares related to share-based payment plans with employees (2,415,205 and 2,649,612, respectively for the years ended December 31, 2023 and December 31, 2022).

14. Cash and cash equivalents

As of December 31, cash and cash equivalents were as follows:

	<u>2024</u>	<u>2023</u>
Own Balances	189,029	222,808
Merchant Clients Funds	236,143	313,352
Total	<u>425,172</u>	<u>536,160</u>

The Group reported cash on hand, demand deposits and other short-term liquid financial instruments of USD 425,172 as of December 31, 2024, (USD 536,160 on December 31, 2023).

Own Balances represent the Group's cash and cash equivalents, while Merchant Clients Funds includes freely available funds collected from merchant customers, that can be invested in secure, liquid low-risk assets until transferred to the merchant. As of December 31, 2024, Merchant Clients Funds includes USD 128,725 pending to transfer to Own Balances (USD 59,900 as of December 31, 2023).

F-35

15. Financial assets at fair value

(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	2024	2023
Argentina Treasury Bonds	TV24	Apr-24	0.40%	Dollar linked	—	94,667
Argentina Treasury Bonds	TDG24	Aug-24	0%/3.25%	U.S. Dollar/CER index*	—	8,059
Argentina Treasury Bonds	TDE25	Jan-25	0%/3.25%	U.S. Dollar/CER index*	2,149	1,661
Argentina Treasury Bonds	TV25	Mar-25	0.50%	Dollar linked	9,130	—
Argentina Treasury Bonds	TZV25	Jun-25	—	Dollar linked	61,136	—
Argentina Treasury Notes	S31E5 (i)	Jan-25	5.50%	—	29,918	—
Argentina Treasury Notes	S29G5 (i)	Aug-25	3.88%	—	5,875	—
Argentina Treasury Notes	S30J5 (i)	Jun-25	3.90%	—	5,676	—
Argentina Treasury Notes	S31L5 (i)	Jul-25	3.98%	—	583	—
Other Money Market Funds	LFT	Jan-25	Selic + 0.08%	—	14,852	—
					129,319	104,387

*Stabilization Reference Coefficient adjusted by inflation

(i) As of December 31, 2024, the Group held a total of nominal value USD 42,052 as security for the borrowings detailed in Note 22.

(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

Information about the Group's exposure to price risk is discussed in Note 30: Financial risk management.

16. Trade and Other Receivables

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

	2024	2023
Current		
Trade receivables	457,312	319,921
Loss allowance	(148)	(459)
Trade receivables net	457,164	319,462
Advances and other receivables	39,549	43,912
Total Current Trade and Other Receivables	496,713	363,374
Non current		
Advances and other receivables	18,044	—
Total Non Current Trade and Other Receivables	18,044	—

Trade Receivables represent uncollateralized amounts due from acquirers, processors, merchants and preferred suppliers for services performed that will be collected in less than one year. As a result, 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.

Advances and other receivables include payments made in advance as well as tax credits.

For further information refer to Note 30: Financial risk management - Impairment of financial assets.

Loss allowance and impairment losses

The following table presents the evolution of the Group's loss allowance:

	<u>2024</u>	<u>2023</u>
As of January 1	(459)	(280)
Decrease/(increase) in loss allowance for trade receivables	(440)	(318)
Write-off	751	139
As of December 31	(148)	(459)
Net impairment (loss) for trade receivables	(440)	(318)

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.

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 was determined at 0.1% for December 31, 2024 (0.2% on December 31, 2023).

17. Other Assets

Other assets are composed of the following:

	<u>2024</u>	<u>2023</u>
Current		
Money held in escrow and guarantees due to: (i)	6,966	11,635
-Banks requirements	3,869	3,000
-Processors and others requirements	2,974	5,072
-Credit card requirements	123	3,563
Rental guarantees	220	147
Other financial asset measure as FVPL (ii)(iii)	11,619	—
Total current Other Assets	18,805	11,782
Non Current		
Other financial asset measure as FVPL (ii)	4,695	—
Total Non Current Other Assets	4,695	—

- (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 year ended December 31, 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 fair value of these selected financial instruments was determined in an unquoted market.
- (iii) In December 2024, dLocal entered into a three-month credit facility agreement with a third party payment services provider as a working capital facility of USD 10,000 at 7% annual interest rate. The total credit facility may increase up to USD 20,000, upon the fulfillment of specific predefined conditions. This agreement encompasses a call option that grants dLocal the right to acquire designated entities or groups of assets from the borrower. The exercisable period for the call option extends from January 1, 2025, to a date that is 10 business days following the repayment of the credit facility. To mitigate credit risk, the borrower has pledged guarantees. As of December 31, 2024, dLocal maintained no potential voting rights or significant influence over the borrower. The loan is classified and measured at fair value through profit or loss (FVPL) in accordance with IFRS 9.

18. Property, Plant and Equipment

Property, Plant and Equipment of the Group correspond to computer equipment and building improvements that are stated at cost less accumulated depreciation.

	2024			2023		
	Computer Equipment	Building improvements	Total	Computer Equipment	Building improvements	Total
Cost	3,775	1,257	5,032	2,810	1,257	4,067
Accumulated depreciation	(1,771)	(344)	(2,115)	(1,115)	(218)	(1,333)
Opening book value, January 1	2,004	913	2,917	1,695	1,039	2,734
Additions	2,779	—	2,779	1,088	—	1,088
Disposals	(1,074)	—	(1,074)	(123)	—	(123)
Depreciation of the year	(1,119)	(126)	(1,245)	(656)	(126)	(782)
Total as of December 31	2,590	787	3,377	2,004	913	2,917
Cost	5,480	1,257	6,737	3,775	1,257	5,032
Accumulated depreciation	(2,890)	(470)	(3,360)	(1,771)	(344)	(2,115)

The Group did not impair Property, Plant and Equipment during 2024 and 2023, nor did it reverse any previously recognized impairment losses. Additionally, the Group did not have commitments to purchase any property, plant and equipment at year end.

For further details on accounting policies refer to Note 2.7: Property, plant and equipment.

19. Leases

The Group's lease contracts refer to the use of explicitly defined office facilities in different countries, where it obtains substantially all of the economic benefits and has the right to direct the use of such offices.

(a) Amounts recognized in the Consolidated Statements of Financial Position

	2024	2023
Right-of-use assets		
Offices	3,645	3,689
	3,645	3,689
Lease liabilities		
Current	1,137	626
Non-current	2,863	3,331
	4,000	3,957

During 2024 no new leases were recognized (USD 339 in 2023).

(b) Amounts recognized in the Consolidated Statements of Comprehensive Income

The Consolidated Statements of Comprehensive Income shows the following amounts relating to leases:

	2024	2023
Amortization of right-of-use assets		
Offices	421	627
	421	627
Interest charges for lease liabilities (included within Finance Costs line item)	501	578
Leases expense for short-term leases (included within General and administrative expense line item)	823	457

The principal cash outflow for leases during 2024 was USD 552 (USD 1,103 in 2023).

20. 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.

At January 1,	2024			2023		
	Internally generated software	Acquired intangible assets	Total	Internally generated software	Acquired intangible assets	Total
Cost	40,446	39,901	80,347	23,752	39,335	63,087
Accumulated amortization	(16,683)	(5,777)	(22,460)	(7,973)	(3,671)	(11,644)
Opening book value as of January 1	23,763	34,124	57,887	15,779	35,664	51,443
Additions (i)	19,809	1,133	20,942	16,694	566	17,260
Amortization of the year	(13,413)	(2,098)	(15,511)	(8,710)	(2,106)	(10,816)
Total as of December 31	30,159	33,159	63,318	23,763	34,124	57,887
Cost	60,255	41,034	101,289	40,446	39,901	80,347
Accumulated amortization	(30,096)	(7,875)	(37,971)	(16,683)	(5,777)	(22,460)

(i) The additions of the year include USD 19,809 related to capitalized salaries and wages (USD 16,694 as of December 31, 2023).

At December 31, 2024 and 2023 no indicator of impairment related to intangible assets existed, so the Group did not perform an impairment test. Refer to Note 2.8: Intangible assets and Note 2.9: Impairment of non-financial assets for further detail related to the Group's accounting policies related to the accounting for intangible assets.

21. Trade and Other Payables

Trade and Other Payables are composed of the following:

	2024	2023
Trade Payables	562,749	572,394
Accrued Liabilities	9,895	10,192
Other Payables	25,143	19,907
Total	597,787	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 owed to Merchants, either related to pay-in transactions processed or payout transactions pending at their request. Accrued Liabilities primarily consist of obligations to legal and tax advisors, as well as auditors. Other Payables include general administrative expenses and other obligations.

22. Financial Liabilities

Financial liabilities breakdown is as follows:

	2024	2023
Borrowings (i) (ii)	39,768	—
Bank overdraft (iii)	10,687	—
Total Finance Liability (iv)	50,455	—

(i) As of December 31, 2024, dLocal entered into borrowing agreements in Argentinean Pesos (ARS) with a financial institution in Argentina to grant advances to merchants. The amount and interest rate of the borrowing is agreed on a daily basis. The interest expense for the twelve-month year ended December 31, 2024, amounts USD 2,308 thousands. In addition, Argentina Treasury Notes for a nominal value of USD 42,052 were held as security for this borrowing. See note 15 for additional information.

(ii) In December 2024, dLocal Colombia S.A.S, entered into a loan agreement with Citibank Colombia S.A. in a total of COP 14,000,000 (USD 3,177), which matured on March 01, 2025. With total payment, principal and interest due at the maturity date.

(iii) As of December 31, 2024, it is mainly related to an overdraft balance with a financial institution in Uruguayan Pesos (UYU) in Uruguay to fund advances to merchants. This overdraft facility is a short-term liability with an annual interest rate of 11%.

(iv) Financial liabilities are presented net of cash payments, have a high turnover, the amounts are large, and the maturity period is three months or less.

23. Tax Liabilities

Tax liabilities include the following:

	<u>2024</u>	<u>2023</u>
Income tax payable	19,682	20,280
Other tax liabilities	1,833	520
Income tax perception	843	159
Digital services withholding VAT	990	341
Other Taxes	—	20
Total	<u>21,515</u>	<u>20,800</u>

24. Derivative financial instruments

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 is 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.

Transaction	Type Contract	Notional amount in USD as of December 31, 2024	Outstanding balance as of December 31, 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					
US Dollar	Futures Contract	—	—	29,114	480
Buy USD					
Mexican Peso	Futures Contract	9,780	287	—	—
South African Rand	Futures Contract	13,870	727	—	—
Mexican Peso	Forward	9,899	256	—	—
Moroccan Dirham	Forward	4,482	35	—	—
South African Rand	Forward	26,961	749	—	—
Brazilian Real	Non-delivery forwards	17,682	378	—	—
Indian Rupee	Non-delivery forwards	176	1	—	—
Argentine Peso	Non-delivery forwards	—	—	3,400	7
Egyptian Pound	Non-delivery forwards	—	—	20,865	1,479
Sell EUR					
US Dollar	Futures Contract	(18,065)	152	—	—
Sell USD					
South African Rand	Forward	—	—	(2,345)	12
Argentine Peso	Futures Contract	(1,000)	252	—	—
Brazilian Real	Non-delivery forwards	(7,707)	37	—	—
Peruvian Sol	Non-delivery forwards	—	—	(1,252)	62
Total			2,874		2,040
Liabilities					
Buy EUR					
Moroccan Dirham	Forward	—	—	1,490	(51)
US Dollar	Forward	3,383	(13)	—	—
US Dollar	Futures Contract	39,223	(547)	—	—
Buy USD					
Chilean Peso	Forward	15,979	(29)	—	—
United Arab Emirates Dirham	Forward	133	(0)	—	—
South African Rand	Forward	—	—	8,128	(230)
Saudi Riyal	Forward	6,755	(11)	—	—
Moroccan Dirham	Forward	—	—	6,263	(240)
Uruguayan peso	Forward	5,392	(71)	—	—
Argentine Peso	Futures Contract	1,900	(232)	—	—
Brazilian Reais	Non-delivery forwards	—	—	3,715	(30)
Chilean Peso	Non-delivery forwards	—	—	19,874	(174)
Uruguayan Peso	Non-delivery forwards	—	—	2,552	(48)
Indian Rupee	Non-delivery forwards	—	—	2,397	(7)
Peruvian Sol	Non-delivery forwards	—	—	1,200	(67)
Vietnamese Dong	Non-delivery forwards	6,334	(7)	4,054	(32)
Argentine Peso	Non-delivery forwards	37,200	(4,968)	—	—
Nigerian Naira	Non-delivery forwards	2,000	(33)	—	—
Egyptian Pound	Non-delivery forwards	8,965	(96)	—	—
Sell EUR					
Moroccan Dirham	Forward	—	—	(3,274)	(28)
US Dollar	Non-delivery forwards	—	—	(6,323)	(40)
Sell USD					
Indian Rupee	Non-delivery forwards	—	—	(950)	(1)
South African Rand	Forward	(6,654)	(104)	—	—
South African Rand	Futures Contract	(6,662)	(116)	—	—
Total			(6,227)		(948)
			2024	2023	2022
Net gain on foreign currency forwards recognized in 'Costs of Services' (Note 6)			13,461	17,433	14,559
Net loss on foreign currency forwards recognized in 'Finance Costs' (Note 11)			(19,462)	(28,013)	(18,763)

(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.

25. Provisions

(a) Current or potential proceedings for labor provisions and civil claims

The Group has been associated with civil and labor lawsuits that present potential loss risk. Provisions for losses arising from these lawsuits and potential labor contingencies are recognized when management, based on assessments by the Group's legal advisors, determines that an outflow of resources is more likely than not required to settle the obligation and that a reliable estimate of the amount can be made.

As of December 31, 2024, the total amount recognized for existing contingencies classified as probable by the Group, as evaluated by its legal advisors, is USD 500 thousands. This amount includes provisions for labor contractor claims and civil claims.

(b) Movements in provisions

Movements in Labor provisions are set out below:

	2024	2023
Carrying amount as of January 1	362	1,473
Reversal	(92)	(1,150)
Interest charges	11	39
Additions	219	—
Carrying amount as of December 31	<u>500</u>	<u>362</u>

(c) Other legal matters

a) Class action lawsuits

On February 23 and February 28, 2023, respectively, the Company was named, along with several of its 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 the Company's 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, the Company filed a motion to dismiss the complaint. Plaintiffs filed their opposition brief on August 15, 2023, and the Company filed a reply in further support of its motion to dismiss on September 22, 2023. On February 29, 2024, the court presided over oral argument on the motion. On March 20, 2025, the court issued a decision and order granting the motion and dismissing the complaint as to all moving defendants, including dLocal. On April 18, 2025, the plaintiffs filed a notice of appeal of the decision and order granting the motion to dismiss. The plaintiffs have until October 18, 2025 to "perfect" their appeal by filing their opening appellate brief and the record on appeal.

The Company has also been named, along with several of its 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 the Company's 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, the Company 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

the Company's motion to dismiss. The Company served its opening brief on August 9, 2024, Lead Plaintiff served an opposition on October 11, 2024, and the Company served its reply on November 8, 2024. The court has not yet indicated whether it will hear oral argument on the Company's motion, and no other proceedings are currently ongoing or scheduled.

Due to the preliminary posture of the above-described lawsuits as of the date of issuance of these consolidated financial statements, the Company's 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 consolidated financial statements there were no further updates in this regard.

b) Developments in Argentina

Argentina is subject to extensive foreign exchange regulations. We regularly consult with our legal advisors in Argentina regarding the applicability of these regulations to our operations. Additionally, in 2023, certain administrative and judicial inquiries were initiated concerning our Argentinean subsidiary, dLocal Argentina S.A. These inquiries do not seek penalties at this stage. Based on consultations with our legal advisors, we believe our activities comply with applicable laws and regulations, including foreign exchange and tax regulations. As of the date of this filing, no new developments have emerged in 2024 regarding these matters.

26. Other contingent assets, liabilities and commitments

As of December 31, 2024 and 2023, the Group had no outstanding contingent assets or liabilities, except for the labor contingencies detailed in Note 25: Provisions.

As of December 31, 2024, the Group had USD 6,966 (USD 11,635 as of December 31, 2023) of its own funds and investments held in escrow and guarantees required by processors, credit cards and merchants, included within the line item "Other assets".

27. Offsetting financial assets and financial liabilities

When certain criteria are met, financial assets and liabilities are offset and presented on a net basis in the Consolidated Statement of Financial Position. Amounts presented in the Consolidated Statement of Financial Position are offset when the Group currently has a legally enforceable right to offset the recognized amounts, and the Group intends to settle the asset and liability on a net basis or has the ability to realize the asset and settle the liability simultaneously.

The following table presents the recognized financial instruments that are offset as at December 31, 2024 and 2023:

	Effects of offsetting on the Consolidated Statements of Financial Position		
	Gross amounts USD	Gross amounts set off USD	Net amounts presented USD
2024			
Financial assets			
Cash and cash equivalents	425,172	—	425,172
Financial assets at FVPL	129,319	—	129,319
Trade and other receivables	504,529	(7,816)	496,713
Derivative financial instruments	2,874	—	2,874
Other assets	18,805	—	18,805
Total	1,080,699	(7,816)	1,072,883
Financial liabilities			
Trade and other payables	614,762	(16,975)	597,787
Lease Liabilities	4,000	—	4,000
Derivative financial instruments	6,227	—	6,227
Financial liabilities	50,455	—	50,455
Total	675,444	(16,975)	658,469
2023			
Financial assets			
Cash and cash equivalents	536,160	—	536,160
Financial assets at FVPL	104,387	—	104,387
Trade and other receivables	385,237	(21,863)	363,374
Derivative financial instruments	2,040	—	2,040
Other assets	11,782	—	11,782
Total	1,039,606	(21,863)	1,017,743
Financial liabilities			
Trade and other payables	624,356	(21,863)	602,493
Lease Liabilities	3,957	—	3,957
Derivative financial instruments	948	—	948
Total	629,261	(21,863)	607,398

The gross amount of assets and liabilities that have been offset and presented above primarily relate to trade receivables resulting from fees earned from merchants that are offset against liabilities to merchants. The Group determined these balances meet the IFRS 7 offsetting requirements since an enforceable legal right to offset the balances exists, and the Group intends to settle such transactions on a net basis. No arrangements with merchants that provide the Group with the right to offset exist where the offsetting criteria have not been met.

28. Related parties

(a) Related Party Transactions

In June 2023, Dlocal Argentina S.A. entered into a loan agreement with Dlocal Group for a total amount of USD 100,000, which currently matures in August 2025. In August 2024, Dlocal Argentina S.A. partially repaid the intra-group loan by transferring approximately USD 69,100 worth of Argentine government bonds, as detailed in note 1.2 (b) and note 16, to the subsidiary in Malta. In October 2024, Dlocal Argentina S.A. made an additional repayment of USD 5,000, reducing the outstanding loan balance. Since both subsidiaries are fully consolidated, the outstanding balances have been eliminated. The primary impact on the consolidated financial statements relates to foreign exchange losses incurred by Dlocal Argentina S.A. For further detail refer to Note 11: Other Results.

Key Management compensation

The Group's Executive Team and Director compensation was as follows:

	2024	2023	2022
Short-term employee benefits – Salaries and wages	3,529	2,177	1,767
Long-term employee benefits – Share-based payment	16,222	6,822	3,351
	<u>19,751</u>	<u>8,999</u>	<u>5,118</u>

(b) Transactions with other related parties

The following transactions occurred with related parties:

	2024	2023	2022
Transactions with merchants – Revenues	271	1,494	1,158
Transactions with preferred suppliers (Collection entities) – Costs	(911)	(53)	(621)
Transactions with other related parties – Financial expenses (item (a)) (1)	(22,602)	(81,024)	—

(1) Foreign exchange losses not eliminated on the consolidated financial statements, refer to note 11.

(c) Outstanding balances arising from transactions with related parties

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

	2024	2023
Balances with merchants – trade receivables	—	406
Balances with preferred suppliers (Collection entities) – trade payables	(429)	(19)
Balances with preferred suppliers (Collection entities) – trade receivables	6,853	—

All transactions with related parties were made on normal commercial terms and conditions and at market rates. Outstanding balances are unsecured and are repayable in cash.

29. Share-based payment

Set out below are summaries of RSUs, PSUs and stock option for 2024 and 2023:

	2024		2023	
	Average exercise price (U.S. Dollars)	Number of options and RSUs and PSUs	Average exercise price (U.S. Dollars)	Number of options and RSUs
At the beginning of the year	6.86	6,962,302	8.30	3,534,561
Granted during the year	1.76	2,446,559	5.53	4,340,239
Exercised during the year	0.50	(1,067,176)	2.25	(663,897)
Cancelled during the year	0.00	(4,158)	—	—
Forfeited during the year	13.96	(829,686)	14.06	(248,601)
At the end of the year	5.32	7,507,841	6.86	6,962,302
Vested and exercisable at the end of the year	8.73	1,167,552	7.03	704,006

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

As of December 31, 2024, the Group has 180,000 PSUs (2023 - 200,000), 4,546,071 RSUs (2023 - 3,397,042) and 2,781,770 Stock Options (2023 - 3,365,260) outstanding.

As of December 31, 2024, total compensation expense of the plans was USD 23,780 (2023 - USD 11,922).

Fair value of shares granted

dLocal estimates share-based payment transactions and warrant agreements using the most appropriate valuation model and underlying assumptions, which depend on the terms and conditions of the grant and the information available at the grant date.

The Group uses certain methodologies to estimate fair value of the options and warrants granted which include the following:

- Estimation of fair value based on equity transactions with third parties close to the grant date.
- Other valuation techniques including option pricing models such as Black-Scholes.
- Expected exercise: Represents the period in which the compensation related to the Option Plan should remain outstanding and was based on the average of the earliest date at which an option could be exercised which is the end of the vesting period and the date of the contractual life.
- Expected volatility: Expected volatility between 60% and 55% using historical and implied stock price volatility from guideline companies, adjusted for size and leverage.

These estimates also require determination of the most appropriate inputs to the valuation models including assumptions regarding the expected life of a share option and warrants and expected volatility of the price of the Group's shares. The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility based on publicly available information.

30. Financial risk management

(a) Risk Management Framework

The Group's activities may expose it to a variety of financial risks, including credit risk, market risk (including foreign exchange risk, cash flow or fair value interest rate risk, and equity price risk), liquidity risk and fraud risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

The Board of Directors (the "Board") has overall responsibility for the establishment and oversight of the Group's risk management objectives and policies.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The overall objective of the Board is to set policies that seek to reduce risk as much as possible without unduly affecting the Group's competitiveness and flexibility. Further details of these policies are set out below.

(b) Credit Risk

Credit risk is the risk that a merchant or a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk arises from the group's exposures to third parties, including cash and cash equivalents and financial instruments and from its operating activities, primarily related to trade and other receivables.

The carrying amount of financial assets represents the Group's maximum credit exposure:

	2024	2023
Cash and Cash Equivalents	425,172	536,160
Financial Assets at Fair Value through Profit or Loss	129,319	104,387
Trade and Other Receivables	496,713	363,374
Derivative Financial Instrument	2,874	2,040
Other Assets	18,805	11,782
	1,072,883	1,017,743

The table below discloses the external credit risk ratings for the Group's current Trade and Other Receivables, based on the geographical regions in which the Trade and Other Receivables are held:

Risk rating	2024		2023	
	Expected loss rate	Amounts	Expected loss rate	Amounts
A	0.02 %	24,896	0.05 %	42,618
AA	0.01 %	935	0.03 %	392
AAA	0.00 %	14,846	0.00 %	7,319
B	0.05 %	32,167	0.13 %	24,345
BB	0.04 %	182,475	0.10 %	172,833
BBB	0.03 %	161,433	0.08 %	89,047
C	0.08 %	2,072	0.21 %	279
CC	0.07 %	64,920	0.18 %	11,251
CCC	0.06 %	12,969	0.16 %	15,290
		496,713		363,374

Financial Assets at Fair Value through profit or loss and cash and cash equivalents

Credit risk from balances with financial institutions and other third parties are managed in accordance with the Group's policy. Financial assets consist of debt securities and other financial instruments with financial institutions that expose the Group to an acceptable level of credit risk.

Trade and Other Receivables

The Company serves high-quality merchant processors, thereby mitigating credit risk. The Group is not exposed to significant concentrations of credit risk based on customers, industries, sectors and/or geographic regions.

The Group applies the IFRS 9's simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance model for all trade and other receivables. To measure expected credit losses, trade and other receivables were grouped based on shared credit risk characteristics and tenor. Historical loss experience was also considered and has been adjusted to reflect information about current conditions and reasonable and bearable forecasts of future economic conditions.

The Group's expected loss rates are based on the payment profiles of its merchant customers, the country where the receivable balance was originated, and historical credit losses experienced. Historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the Group's merchant customers to settle the receivables. The Group has identified the credit rating of the countries in which it sells its services to be the most relevant factor, and adjusts the historical loss rates based on expected changes in credit ratings.

(c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. For the Group, market risk may comprise interest rate risk and foreign currency risk and other price risk.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Interest Rate Risk

Interest rate risk arises from the possibility of the Group incurring losses due to fluctuations in interest rates, and by extension, future cash flows, of a financial instrument. The Group's cash flows are not exposed to interest rate risk since there are no financial instruments held that are subject to variable interest rates.

Other price risk

The primary goal of the Group's investment in debt securities is to hold such investments for short and long-term strategic purposes. Certain investments are designated as at FVPL because their performance is actively monitored and they are managed on a fair value basis.

Sensitivity analysis - Other price risk

The Group's investments in debt securities are mainly listed on the Argentinean Stock Exchange (Bolsas y Mercados Argentinos - BYMA). For the investments classified as FVPL, the impact of a 10% increase in the market price at the reporting date on profit or loss would have been an increase of USD 12,931 after tax. An equal change in the opposite direction would have decreased profit or loss by USD 12,931 after tax.

Foreign Currency Risk

The Group has significant operations internationally that are denominated in foreign currencies, primarily on emerging markets, subjecting the Group to foreign currency risk, which may impact the financial results. The Group transact business in various foreign companies and have significant international revenues and costs. The Group cash flows, results of operations and certain of our intercompany balances that are exposed to foreign exchange rate fluctuations may differ from expectations and it may record gain or losses due to foreign currency fluctuations.

As of December 31, 2024 and 2023 the Group is exposed to foreign currency risk on monetary amounts denominated in a currency other than the functional currency of the respective subsidiaries, which is mainly comprised by cash and cash equivalents, trade receivables and trade payables in the service providers in Latin America, Asia and Africa. The following table presents the top five currencies net balances:

2024		(Gain)/loss				
Account	Currency	Amount	% increase	Amount	% decrease	Amount
Total net (assets)/liabilities	Argentine peso	19,213	10%	(1,921)	-10%	1,921
	Brazilian real	34,509	10%	(3,451)	-10%	3,451
	Colombian peso	19,761	10%	(1,976)	-10%	1,976
	Mexican peso	47,423	10%	(4,742)	-10%	4,742
	Nigerian naira	(23,939)	10%	2,394	-10%	(2,394)
	Total	96,967		(9,696)		9,696

2023		(Gain)/loss				
Account	Currency	Amount	% increase	Amount	% decrease	Amount
Total net (assets)/liabilities	Mexican peso	39,825	10%	(3,983)	-10%	3,983
	Brazilian real	29,145	10%	(2,915)	-10%	2,915
	Argentine peso	12,769	10%	(1,276)	-10%	1,276
	Saudi riyal	10,966	10%	(1,097)	-10%	1,097
	South African rand	9,107	10%	(911)	-10%	911
	Total	101,813		(10,182)		10,182

Exposure is presented in thousands of U.S. Dollars. As discussed in Note 24: Derivative financial instruments, the Company entered into foreign currency exchange forward contracts to mitigate this risk and reduce the economic and financial statement impact.

(d) *Liquidity Risk*

Liquidity risk is the risk that the Group encounters difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group invests surplus cash in interest-bearing financial investments, choosing instruments with appropriate maturity or enough liquidity to provide adequate margin as determined by the forecasts.

Exposure to Liquidity Risk

The tables below classify the Group's financial liabilities based on their contractual maturities.

Amounts disclosed reflect contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities 31 December, 2024	Less than 6 months	6-12 months	Between 1 and 2 years	More than 2 years	Total contractual cash flows	Carrying amount
	Non-derivatives					
Trade and other payables	597,787	—	—	—	597,787	597,787
Financial Liabilities	50,455	—	—	—	50,455	50,455
Leases liabilities	408	410	825	3,033	4,676	4,000
Total non-derivatives	648,650	410	825	3,033	652,918	652,242
Derivatives						
Derivative financial instruments	6,227	—	—	—	6,227	6,227
Total derivatives	6,227	—	—	—	6,227	6,227

Contractual maturities of financial liabilities 31 December, 2023	Less than 6 months	6-12 months	Between 1 and 2 years	More than 2 years	Total contractual cash flows	Carrying amount
	Non-derivatives					
Trade and other payables	602,493	—	—	—	602,493	602,493
Leases liabilities	217	409	584	3,017	4,227	3,957
Total non-derivatives	602,710	409	584	3,017	606,720	606,450
Derivatives						
Derivative financial instruments	948	—	—	—	948	948
Total derivatives	948	—	—	—	948	948

(e) *Fraud Risk*

The Group's transactions are susceptible to a fraudulent or improper sale and processes are used to mitigate fraud risk. Such processes rely on 'dLocal Defense', a local data-driven prevention program designed to maximize fraud detection and minimize false positives. This process reviews and validates transactions at the time of authorization using external tools that are reviewed on a periodic basis.

In addition, the Group has implemented an additional process to prevent fraud through chargebacks and disputes.

(f) *Capital Management*

The Board's policy is to maintain a strong capital base to maintain investor, creditor and market confidence, and to sustain future development of the business. The Board's objectives are to safeguard the Group's ability to continue as a going concern, to continue to provide returns to the Group's shareholders, and benefit other stakeholder groups, and to maintain an optimal capital structure to reduce the Group's cost of capital. To maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce the Group's borrowings. The Board monitors returns on capital as well as the level of dividends distributed to ordinary shareholders.

The Group monitors capital using Net Cash/Debt. Net Cash is composed as follow:

	2024	2023
Cash and cash equivalents	425,172	536,160
Financial assets at fair value through profit or loss	129,319	102,677
Financial liabilities	(50,455)	—
Lease liabilities	(4,000)	(3,957)
Net Derivative financial instrument	(3,353)	(948)
Net cash	496,683	633,932
Cash and liquid investments	554,491	638,837
Gross debt	(57,808)	(4,905)
Net cash	496,683	633,932

Additionally, as part of the requirements for maintaining its financial institution license, DLocal Limited, the Group's licensee subsidiary, is subject to a minimum capital requirement. As of December 31, 2024 and 2023, such capital requirements were fulfilled.

31. Fair value hierarchy

The following tables show financial instruments recognized at fair value for the years ended December 31, 2024 and 2023. Fair values have been determined based on:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: Other techniques for which all inputs that significantly impact the recorded fair value are observable, directly or indirectly.
- Level 3: Techniques which use inputs that significantly impact the recorded fair value that are not based upon observable market data.

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

December 31, 2024	FVPL	Amortized cost	Total	Level 1	Level 2
Assets					
Cash and Cash Equivalents	53,490	371,682	425,172	53,490	—
Cash and Demand deposit	—	371,682	371,682	—	—
Money Market Fund and Others	53,490	—	53,490	53,490	—
Financial Assets at Fair Value through Profit or Loss	129,319	—	129,319	129,319	—
Other Assets	16,314	7,186	23,500	—	16,314
Trade and Other Receivables	—	514,757	514,757	—	—
Derivative financial instruments (1)	2,874	—	2,874	—	2,874
	201,997	893,625	1,095,622	182,809	19,188

December 31, 2024	FVPL	Amortized cost	Total	Level 1	Level 2
Liabilities					
Trade and Other Payables	—	(597,787)	(597,787)	—	—
Derivative financial instruments (1)	(6,227)	—	(6,227)	—	(6,227)
Finance liability	—	(50,455)	(50,455)	—	—
Lease Liabilities	—	(4,000)	(4,000)	—	—
	<u>(6,227)</u>	<u>(652,242)</u>	<u>(658,469)</u>	<u>—</u>	<u>(6,227)</u>
December 31, 2023					
Assets					
Cash and Cash Equivalents	—	536,160	536,160	—	—
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
	<u>106,427</u>	<u>911,316</u>	<u>1,017,743</u>	<u>104,387</u>	<u>2,040</u>
December 31, 2023					
Liabilities					
Trade and Other Payables	—	(602,493)	(602,493)	—	—
Derivative financial instruments (1)	(948)	—	(948)	—	(948)
Lease Liabilities	—	(3,957)	(3,957)	—	—
	<u>(948)</u>	<u>(606,450)</u>	<u>(607,398)</u>	<u>—</u>	<u>(948)</u>

(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 was no transfer of items between Level 2 and Level 3, acquisitions, disposals or gains or losses recognized in profit for the period related to Level 3 instruments occurred. Consequently, as of December 31, 2024 and 2023, the Group did not recognize any financial assets under Level 3.

32. Subsequent events

In March 2025, the Group amended the original terms of the credit facility granted to a third party (refer to note 17), extending the termination date to June 30, 2025. The outstanding balance of the total credit facility was USD 20,000.

**DESCRIPTION OF SECURITIES
REGISTERED UNDER SECTION 12 OF THE EXCHANGE ACT**

The following is a description of our outstanding securities registered under Section 12 of the Exchange Act as required pursuant to the relevant Items under Form 20-F. As of December 31, 2024 DLocal Limited (“dLocal”, “we,” “us,” and “our”) had the following series of securities registered pursuant to Section 12(b) of the Exchange Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common shares, par value US\$0.002 per share	DLO	Nasdaq Global Select Market

dLocal was incorporated on February 10, 2021, as a Cayman Islands exempted company with limited liability duly registered with the Cayman Islands Registrar of Companies. Our corporate purposes are unrestricted and we have the authority to carry out any object not prohibited by any law as provided by Section 7(4) of the Companies Act (as Revised) of the Cayman Islands, or the Companies Act.

Our affairs are governed principally by: (1) Articles of Association; (2) the Companies Act; and (3) the common law of the Cayman Islands. As provided in our Articles of Association, subject to Cayman Islands law, we have full capacity to carry on or undertake any business or activity, do any act or enter into any transaction, and, for such purposes, full rights, powers and privileges. Our registered office is c/o Maples Corporate Services Limited, P.O. Box 309, Uglund House, Grand Cayman, KY1-1104, Cayman Islands.

CLASS A COMMON SHARES

Item 9. General

9.A.3 Preemptive rights

See “—Item 10.B Memorandum and articles of association—Preemptive or Similar Rights” below.

9.A.5 Type and class of securities

As of December 31, 2024, we had a total issued share capital of US\$608,460, divided into 304,230,023 common shares, comprising 151,420,944 Class A common shares and 134,054,192 Class B common shares, and 18,754,887 Class A common shares that were held by us as treasury stock. Our Class A common shares are in book-entry form, registered in the name of each shareholder or its nominee.

Our Articles of Association authorize the issuance of up to 1,000,000,000 Class A common shares and 250,000,000 Class B common shares and 250,000,000 shares as yet undesignated which may be issued as common shares or shares with preferred rights of our authorized share capital. The Articles of Association authorize two classes of common shares: Class A common shares, which are entitled to one vote per share and Class B common shares, which are entitled to five votes per share and to maintain a proportional ownership interest in the event that additional Class A common shares are issued. Any holder of Class B common shares may convert his or her shares at any time into Class A common shares on a share-for-share basis. The rights of the two classes of common shares are otherwise identical, except as described below. See “—Anti-Takeover Provisions in our Articles of Association—Two Classes of Common Shares.”

Item 9.A.6. Limitations or qualifications

Not applicable.

Item 9.A.7. Other rights

Not applicable.

Item 10.B Memorandum and articles of association

Our shareholders adopted the Memorandum and Articles of Association included as Exhibit 1.1 to the annual report to which this exhibit is part of. The following is a summary of the material provisions of our authorized share capital and our Articles of Association. This is not a summary of all the significant provisions of our Articles of Association, of the Companies Act or of the common law of the Cayman Islands and does not purport to be complete. Capitalized terms used but not defined herein have the meanings given to them in the annual report to which this exhibit is part of.

General

dLocal Limited was incorporated on February 10, 2021, as a Cayman Islands exempted company with limited liability duly registered with the Cayman Islands Registrar of Companies. Our corporate purposes are unrestricted and we have the authority to carry out any object not prohibited by any law as provided by Section 7(4) of Companies Act.

As of December 31, 2024, we had a total issued share capital of US\$608,460, divided into 304,230,023 common shares, comprising 151,420,944 Class A common shares and 134,054,192 Class B common shares, and 18,754,887 Class A common shares that were held by us as treasury stock.

Our Class A common shares are listed and trade on the Nasdaq under the symbol “DLO.”

The following is a summary of the material provisions of our authorized share capital and our Articles of Association.

Share Capital

The Articles of Association authorize two classes of common shares: Class A common shares, which are entitled to one vote per share and Class B common shares, which are entitled to five votes per share and to maintain a proportional ownership interest in the event that additional Class A common shares are issued. Any holder of Class B common shares may convert his or her shares at any time into Class A common shares on a share-for-share basis. The rights of the two classes of common shares are otherwise identical, except as described below. See “—Anti-Takeover Provisions in our Articles of Association—Two Classes of Common Shares.”

Treasury Stock

As of December 31, 2024, dLocal had 18,754,887 Class A common shares in treasury.

Issuance of Shares

Except as expressly provided in dLocal’s Articles of Association, dLocal’s board of directors has general and unconditional authority to allot, grant options over, offer or otherwise deal with or dispose of any unissued shares in the company’s capital without the approval of our shareholders (whether forming part of the original or any increased share capital), either at a premium or at par, with or without preferred, deferred or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise and to such persons, on such terms and conditions, and at such times as the directors may decide, but so that no share shall be issued at a discount, except in accordance with the provisions of the Companies Act. In accordance with its Articles of Association, dLocal shall not issue bearer shares.

dLocal’ Articles of Association provide that at any time that there are Class A common shares in issue, additional Class B common shares may only be issued pursuant to (1) a share split, subdivision of shares or similar transaction or where a dividend or other distribution is paid by the issue of shares or rights to acquire shares or following capitalization of profits; (2) a merger, consolidation, or other business combination involving the issuance of Class B common shares as full or partial consideration; or (3) an issuance of Class A common shares, whereby holders of the Class B common shares are entitled to purchase a number of Class B common shares that would allow them to maintain their proportional ownership interests in dLocal (following an offer by dLocal to each holder of Class B

common shares to issue to such holder, upon the same economic terms and at the same price, such number of Class B common shares as would ensure such holder may maintain a proportional ownership interest in dLocal pursuant to dLocal's Articles of Association). In light of: (a) the above provisions; (b) the fact that future transfers by holders of Class B common shares will generally result in those shares converting to Class A common shares, subject to limited exceptions as provided in the Articles of Association; and (c) the five-to-one voting ratio between our Class B common shares and Class A common shares, holders of our Class B common shares will in many situations continue to maintain control of all matters requiring shareholder approval. This concentration of ownership and voting power will limit or preclude your ability to influence corporate matters for the foreseeable future. For more information see "—Preemptive or Similar Rights."

dLocal's Articles of Association also provide that the issuance of non-voting common shares requires the affirmative vote of a majority of the of then-outstanding Class A common shares.

Fiscal Year

dLocal's fiscal year begins on January 1 of each year and ends on December 31 of the same year.

Voting Rights

The holders of the Class A common shares and Class B common shares have identical rights, except that (1) each holder of Class B common shares is entitled to five votes per share, whereas each holder of Class A common shares is entitled to one vote per share; and (2) Class B common shares have certain conversion rights and (3) the holders of Class B common shares are entitled to maintain a proportional ownership interest in the event that additional Class A common shares are issued. For more information see "—Preemptive or Similar Rights." The holders of Class A common shares and Class B common shares vote together as a single class on all matters (including the election of directors) submitted to a vote of shareholders, except as provided below and as otherwise required by law.

dLocal's Articles of Association provide as follows regarding the respective rights of holders of Class A common shares and Class B common shares:

- (1) Class consents from the holders of Class A common shares and Class B common shares, as applicable, shall be required for any variation to the rights attached to their respective class of shares, however, the Directors may treat any two or more classes of shares as forming one class if they consider that all such classes would be affected in the same way by the proposal;
- (2) the rights conferred on holders of Class A common shares shall not be deemed to be varied by the creation or issue of further Class B common shares and vice versa; and
- (3) the rights attaching to the Class A common shares and the Class B common shares shall not be deemed to be varied by the creation or issue of shares with preferred or other rights, including, without limitation, shares with enhanced or weighted voting rights.

As set forth in the Articles of Association, the holders of Class A common shares and Class B common shares, respectively, do not have the right to vote separately if the number of authorized shares of such class is increased or decreased. Rather, the number of authorized Class A common shares and Class B common shares may be increased or decreased (but not below the number of shares of such class then outstanding) by the affirmative vote of the holders of a majority of the voting power of the issued and outstanding Class A common shares and Class B common shares, voting together in a general meeting.

Preemptive or Similar Rights

The Class A common shares and Class B common shares are not entitled to preemptive rights upon transfer and are not subject to conversion (except as described below under "—Conversion"), redemption or sinking fund provisions.

The Class B common shares are entitled to maintain a proportional ownership interest in the event that additional Class A common shares are issued. As such, except for certain exceptions, if dLocal issues Class A common shares, it must first make an offer to each holder of Class B common shares to issue to such holder on the same economic terms such number of Class B common shares as would ensure such holder may maintain a proportional ownership

interest in dLocal. This right to maintain a proportional ownership interest may be waived by a majority of the holders of Class B common shares, as applicable.

Conversion

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

Our Class A common shares are not convertible into Class B common shares under any circumstances.

Equal Status

Except as expressly provided in dLocal's Articles of Association, Class A common shares and Class B common shares have the same rights and privileges and rank equally, share ratably and are identical in all respects as to all matters. In the event of any merger, consolidation, scheme, arrangement or other business combination requiring the approval of our shareholders entitled to vote thereon (whether or not dLocal is the surviving entity), the holders of Class A common shares shall have the right to receive, or the right to elect to receive, at least the same form of consideration as the holders of Class B common shares, and the holders of Class A common shares shall have the right to receive, or the right to elect to receive, the same amount of consideration on a per share basis as the holders of Class B common shares. In the event of any (1) tender or exchange offer to acquire any Class A common shares or Class B common shares by any third party pursuant to an agreement to which dLocal is a party, or (2) tender or exchange offer by dLocal to acquire any Class A common shares or Class B common shares, the holders of Class A common shares shall have the right to receive, or the right to elect to receive, the same form of consideration as the holders of Class B common shares, and the holders of Class A common shares shall have the right to receive, or the right to elect to receive, the same amount of consideration on a per share basis as the holders of Class B common shares.

Record Dates

For the purpose of determining shareholders entitled to notice of, or to vote at any general meeting of shareholders or any adjournment thereof, or shareholders entitled to receive dividend or other distribution payments, or in order to make a determination of shareholders for any other purpose, dLocal's board of directors may set a record date which shall not exceed forty (40) clear days prior to the date where the determination will be made.

General Meetings of Shareholders

As a condition of admission to a shareholders' meeting, a shareholder must be duly registered as a shareholder of dLocal at the applicable record date for that meeting and, in order to vote, all calls or installments then payable by such shareholder to dLocal in respect of the shares that such shareholder holds must have been paid.

Subject to any special rights or restrictions as to voting then attached to any shares, at any general meeting every shareholder who is present in person or by proxy (or, in the case of a shareholder being a corporation, by its duly authorized representative not being himself or herself a shareholder entitled to vote) shall have one vote per Class A common share and five votes per Class B common share.

As a Cayman Islands exempted company, dLocal is not obliged by the Companies Act to call annual general meetings of shareholders; however, the Articles of Association provide that in each year the company will hold an annual general meeting of shareholders, at a time determined by the board of directors, provided that the board of directors of dLocal has the discretion whether or not to hold an annual general meeting. For the annual general

meeting of shareholders the agenda will include, among other things, the presentation of the annual accounts and the report of the directors. In addition, the agenda for an annual general meeting of shareholders will only include such items as have been included therein by the board of directors.

Also, dLocal may, but is not required to (unless required by the laws of the Cayman Islands), hold other extraordinary general meetings during the year. General meetings of shareholders are generally expected to take place in Montevideo, Uruguay, but may be held elsewhere if the directors so decide.

The Companies Act provides shareholders a limited right to request a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting in default of a company's Articles of Association. However, these rights may be provided in a company's Articles of Association. dLocal's Articles of Association provide that upon the requisition of one or more shareholders representing not less than one-third of the voting rights entitled to vote at general meetings, the board will convene an extraordinary general meeting and put the resolutions so requisitioned to a vote at such meeting. The Articles of Association provide no other right to put any proposals before annual general meetings or extraordinary general meetings.

Subject to regulatory requirements, the annual general meeting and any extraordinary general meetings must be called by not less than five (5) clear days' notice prior to the relevant shareholders meeting and convened by a notice discussed below. Alternatively, upon the prior consent of all holders entitled to receive notice, with regards to the annual general meeting, and the holders of 95% in par value of the shares entitled to attend and vote at an extraordinary general meeting, that meeting may be convened by a shorter notice and in a manner deemed appropriate by those holders.

dLocal will give notice of each general meeting of shareholders by publication on its website and in any other manner that it may be required to follow in order to comply with Cayman Islands law, Nasdaq and SEC requirements. The holders of registered shares may be given notice of a shareholders' meeting by means of letters sent to the addresses of those shareholders as registered in our shareholders' register, or, subject to certain statutory requirements, by electronic means.

Holders whose shares are registered in the name of The Depository Trust Company, or DTC, or its nominee, which we expect will be the case for all holders of Class A common shares, will not be a shareholder or member of the company and must rely on the procedures of DTC regarding notice of shareholders' meetings and the exercise of rights of a holder of the Class A common shares.

A quorum for a general meeting consists of any one or more persons holding or representing by proxy not less than one-third of the aggregate voting power of all shares in issue and entitled to vote upon the business to be transacted.

A resolution put to a vote at a general meeting shall be decided on a poll. An ordinary resolution to be passed by the shareholders at a general meeting requires the affirmative vote of a simple majority of the votes cast by, or on behalf of, the shareholders entitled to vote, present in person or by proxy and voting at the meeting. A special resolution requires the affirmative vote on a poll of no less than two-thirds of the votes cast by the shareholders entitled to vote who are present in person or by proxy at a general meeting. Both ordinary resolutions and special resolutions may also be passed by a unanimous written resolution signed by all the shareholders of our Company, as permitted by the Companies Act and our Articles of Association.

Pursuant to dLocal's Articles of Association, general meetings of shareholders are to be chaired by the chairman of our board of directors or in his absence the vice-chairman of the board of directors. If the chairman or vice-chairman of our board of directors is absent, the directors present at the meeting shall appoint one of them to be chairman of the general meeting. If neither the chairman nor another director is present at the general meeting within 15 minutes after the time appointed for holding the meeting, the shareholders present in person or by proxy and entitled to vote may elect any one of the shareholders to be chairman. The order of business at each meeting shall be determined by the chairman of the meeting, and he or she shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts and things as are necessary or desirable for the proper conduct of the meeting, including, without limitation, the establishment of procedures for the maintenance of order and safety, limitations on the time allotted to questions or comments on the affairs of the Company, restrictions on entry to such meeting after the time prescribed for the commencement thereof, and the opening and closing of the polls.

Liquidation Rights

If dLocal is voluntarily wound up, the liquidator, after taking into account and giving effect to the rights of preferred and secured creditors and to any agreement between dLocal and any creditors that the claims of such creditors shall be subordinated or otherwise deferred to the claims of any other creditors and to any contractual rights of set-off or netting of claims between dLocal and any person or persons (including without limitation any bilateral or any multi-lateral set-off or netting arrangements between the company and any person or persons) and subject to any agreement between dLocal and any person or persons to waive or limit the same, shall apply dLocal's property in satisfaction of its liabilities *pari passu* and subject thereto shall distribute the property amongst the shareholders according to their rights and interests in dLocal.

Changes to Capital

Pursuant to the Articles of Association, dLocal may from time to time by ordinary resolution:

- increase its share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe;
- consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;
- convert all or any of its paid-up shares into stock and reconvert that stock into paid up shares of any denomination;
- subdivide its existing shares or any of them into shares of a smaller amount, provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; or
- cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

dLocal's shareholders may by special resolution, subject to confirmation by the Grand Court of the Cayman Islands on an application by the Company for an order confirming such reduction, reduce its share capital or any capital redemption reserve in any manner permitted by law.

In addition, subject to the provisions of the Companies Act and our Articles of Association, dLocal may:

- issue shares on terms that they are to be redeemed or are liable to be redeemed;
- purchase its own shares (including any redeemable shares); and
- make a payment in respect of the redemption or purchase of its own shares in any manner authorized by the Companies Act, including out of its own capital.

Transfer of Shares

Subject to any applicable restrictions set forth in the Articles of Association, any shareholder of dLocal may transfer all or any of his or her common shares by an instrument of transfer in the usual or common form or in the form prescribed by the Nasdaq or any other form approved by the Company's board of directors.

The Class A common shares are traded on the Nasdaq in book-entry form and may be transferred in accordance with dLocal's Articles of Association and Nasdaq's rules and regulations.

However, dLocal's board of directors may, in its absolute discretion, decline to register any transfer of any common share which is either not fully paid up to a person of whom it does not approve or is issued under any share incentive scheme for employees which contains a transfer restriction that is still applicable to such common share. The board of directors may also decline to register any transfer of any common share unless:

- a fee of such maximum sum as the Nasdaq may determine to be payable or such lesser sum as the board of directors may from time to time require is paid to dLocal in respect thereof;
- the instrument of transfer is lodged with dLocal, accompanied by the certificate (if any) for the common shares to which it relates and such other evidence as our board of directors may reasonably require to show the right of the transferor to make the transfer;
- the instrument of transfer is in respect of only one class of shares;
- the instrument of transfer is properly stamped, if required;

- the common shares transferred are free of any lien in favor of dLocal; and
- in the case of a transfer to joint holders, the transfer is not to more than four joint holders.

If the directors refuse to register a transfer they are required, within two months after the date on which the instrument of transfer was lodged, to send to the transferee notice of such refusal.

Share Repurchase

The Companies Act and the Articles of Association permit dLocal to purchase its own shares, subject to certain restrictions. The board of directors may only exercise this power on behalf of dLocal, subject to the Companies Act, the Articles of Association and to any applicable requirements imposed from time to time by the SEC, the Nasdaq, or by any recognized stock exchange on which our securities are listed.

Dividends and Capitalization of Profits

We have not adopted a dividend policy with respect to payments of any future dividends by dLocal. Subject to the Companies Act, dLocal's shareholders may, by resolution passed by a simple majority of the voting rights entitled to vote at a general meeting, declare dividends (including interim dividends) to be paid to shareholders but no dividend shall be declared in excess of the amount recommended by the board of directors. The board of directors may also declare dividends. Dividends may be declared and paid out of funds lawfully available to dLocal. Except as otherwise provided by the rights attached to shares and the Articles of Association of dLocal, all dividends shall be paid in proportion to the number of Class A common shares or Class B common shares a shareholder holds at the date the dividend is declared (or such other date as may be set as a record date); but, (1) if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly; and (2) where we have shares in issue which are not fully paid up (as to par value), we may pay dividends in proportion to the amounts paid up on each share.

The holders of Class A common shares and Class B common shares shall be entitled to share equally in any dividends that may be declared in respect of dLocal's common shares from time to time. In the event that a dividend is paid in the form of Class A common shares or Class B common shares, or rights to acquire Class A common shares or Class B common shares, (1) the holders of Class A common shares shall receive Class A common shares, or rights to acquire Class A common shares, as the case may be and (2) the holders of Class B common shares shall receive Class B common shares, or rights to acquire Class B common shares, as the case may be.

Appointment, Disqualification and Removal of Directors

dLocal is managed by its board of directors. The Articles of Association provide that, unless otherwise determined by a special resolution of shareholders, the board of directors will be composed of three to 13 directors, with the number being determined by a majority of the directors then in office. There are no provisions relating to retirement of directors upon reaching any age limit. The Articles of Association also provide that, while dLocal's shares are admitted to trading on Nasdaq, the board of directors must always comply with the residency and citizenship requirements of the U.S. securities laws applicable to foreign private issuers.

The Articles of Association provide that directors shall be elected by an ordinary resolution of our shareholders, which requires the affirmative vote of a simple majority of the votes cast on the resolution by the shareholders entitled to vote who are present, in person or by proxy, at the meeting. Each director shall be appointed and elected for such term as the resolution appointing him or her may determine or until his or her death, resignation or removal.

Notwithstanding the foregoing, holders of Class B common shares, for so long as they hold Class B common shares, shall be entitled to appoint, as a group and at their sole discretion, at least a majority of the members of the board of directors, and shall be entitled at any time to remove, substitute or replace their appointed directors for any reason in their sole discretion.

Any vacancies on the board of directors that arise other than upon the removal of a director by resolution passed at a general meeting can be filled by the remaining directors (notwithstanding that they may constitute less than a

quorum). Any such appointment shall be as an interim director to fill such vacancy until the next annual general meeting of shareholders.

Additions to the existing board (within the limits set pursuant to the Articles of Association) may be made by ordinary resolution of the shareholders.

In connection with our initial public offering, our board of directors constituted an audit committee. See “Management—Audit Committee.”

Grounds for Removing a Director

A director may be removed with or without cause by ordinary resolution. The notice of general meeting must contain a statement of the intention to remove the director and must be served on the director not less than ten calendar days before the meeting. The director is entitled to attend the meeting and be heard on the motion for his removal.

The office of a director will be vacated automatically if he or she (1) becomes prohibited by law from being a director; (2) becomes bankrupt or makes an arrangement or composition with his creditors; (3) dies or is in the opinion of all his co-directors, incapable by reason of mental disorder of discharging his duties as director; (4) resigns his office by notice to us; or (5) has for more than six months been absent without permission of the directors from meetings of the board of directors held during that period, and the remaining directors resolve that his or her office be vacated.

Proceedings of the Board of Directors

The Articles of Association provide that dLocal’s business is to be managed and conducted by the board of directors. The quorum necessary for the board meeting shall be a simple majority of the directors then in office (subject to there being a minimum of two directors present) and business at any meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a casting vote.

Subject to the provisions of the Articles of Association, the board of directors may regulate its proceedings as they determine is appropriate. Board meetings shall be held at least once every calendar quarter and shall take place either in Montevideo, Uruguay, or at such other place as the directors may determine.

Subject to the provisions of the Articles of Association, to any directions given by ordinary resolution of the shareholders and the listing rules of the Nasdaq, the board of directors may from time to time at its discretion exercise all powers of dLocal, including, subject to the Companies Act, the power to issue debentures, bonds and other securities of the company, whether outright or as collateral security for any debt, liability or obligation of our company or of any third party.

Inspection of Books and Records

Holders of dLocal shares have no general right under Cayman Islands law to inspect or obtain copies of the list of shareholders or corporate records of the Company. However, the board of directors may determine from time to time whether and to what extent dLocal’s accounting records and books shall be open to inspection by shareholders who are not members of the board of directors. Notwithstanding the above, the Articles of Association provide shareholders with the right to receive annual financial statements. Such right to receive annual financial statements may be satisfied by publishing the same on the company’s website or filing such annual reports as we are required to file with the SEC.

Register of Shareholders

Our Class A common shares are held through DTC, and DTC or Cede & Co., as nominee for DTC, are recorded in the shareholders’ register as the holder of our Class A common shares.

Under Cayman Islands law, dLocal must keep a register of shareholders that includes:

- the names and addresses of the shareholders, a statement of the shares held by each member, and of the amount paid or agreed to be considered as paid, on the shares of each member;

- whether voting rights attach to the shares in issue;
- the date on which the name of any person was entered on the register as a member; and
- the date on which any person ceased to be a member.

Under Cayman Islands law, the register of shareholders of dLocal is prima facie evidence of the matters set out therein (i.e. the register of shareholders will raise a presumption of fact on the matters referred to above unless rebutted) and a shareholder registered in the register of shareholders is deemed as a matter of Cayman Islands law to have *prima facie* legal title to the shares as set against his or her name in the register of shareholders.

However, there are certain limited circumstances where an application may be made to the Grand Court of the Cayman Islands for a determination on whether the register of members reflects the correct legal position. Further, the Grand Court of the Cayman Islands has the power to order that the register of members maintained by a company should be rectified where it considers that the register of members does not reflect the correct legal position. If an application for an order for rectification of the register of members were made in respect of our ordinary shares, then the validity of such shares may be subject to re-examination by the Grand Court of the Cayman Islands.

Exempted Company

dLocal is an exempted company with limited liability under the Companies Act. The Companies Act distinguishes between ordinary resident companies and exempted companies. Any company that is registered in the Cayman Islands but conducts business mainly outside of the Cayman Islands may apply to be registered as an exempted company. The requirements for an exempted company are essentially the same as for an ordinary company except for the exemptions and privileges listed below:

- an exempted company does not have to file an annual return of its shareholders with the Registrar of Companies;
- an exempted company's register of shareholders is not open to inspection;
- an exempted company does not have to hold an annual general meeting;
- an exempted company may issue shares with no par value;
- an exempted company may obtain an undertaking against the imposition of any future taxation (such undertakings are usually given for 20 years in the first instance);
- an exempted company may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;
- an exempted company may register as a limited duration company; and
- an exempted company may register as a segregated portfolio company.

“Limited liability” means that the liability of each shareholder is limited to the amount unpaid by the shareholder on the shares of the company (except in exceptional circumstances, such as involving fraud, the establishment of an agency relationship or an illegal or improper purpose or other circumstances in which a court may be prepared to pierce or lift the corporate veil).

dLocal is subject to reporting and other informational requirements of the Exchange Act, as applicable to foreign private issuers. Except as otherwise disclosed in the annual report to which this exhibit is part of, dLocal currently complies and intends to continue to comply with the Nasdaq rules in lieu of following home country practice.

Anti-Takeover Provisions in our Articles of Association

Some provisions of the Articles of Association may discourage, delay or prevent a change in control of dLocal or management that shareholders may consider favorable. These provisions, which are summarized below, are expected to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of dLocal to first negotiate with the board of directors. However, these provisions could also have the effect of discouraging others from attempting hostile takeovers and, as a consequence, they may also inhibit temporary fluctuations in the market price of the Class A common shares that often result from actual or rumored hostile takeover attempts. These provisions may also have the effect of preventing changes in the management of dLocal. It is possible that these provisions could make it more difficult to accomplish transactions that shareholders may otherwise deem to be in their best interests.

Two Classes of Common Shares

The Class B common shares of dLocal are entitled to five votes per share, while the Class A common shares are entitled to one vote per share. Since certain of our shareholders, Andres Bzurovski Bay (directly and indirectly through Emerald Bay 24 LLC), IZBA SA, Aqua Crystal Investments, Sebastián Kanovich (indirectly through Nordau Inc) and Jacobo Singer, own 100.0% of the Class B common shares, Andres Bzurovski Bay, Sergio Enrique Fogel Kaplan, Alberto Eduardo Azar, Sebastián Kanovich and Jacobo Singer, acting together, currently have the ability to elect a majority of the directors and to determine the outcome of most matters submitted for a vote of shareholders.

So long as Andres Bzurovski Bay, IZBA SA, Aqua Crystal Investments, Sebastián Kanovich and Jacobo Singer have the ability to determine the outcome of most matters submitted to a vote of shareholders as well as the overall management and direction of dLocal, third parties may be deterred in their willingness to make an unsolicited merger, takeover, or other change of control proposal, or to engage in a proxy contest for the election of directors. As a result, the fact that dLocal has two classes of common shares may have the effect of depriving holders of Class A common shares of an opportunity to sell their Class A common shares at a premium over prevailing market prices and make it more difficult to replace the directors and management of dLocal.

Preferred Shares

dLocal's board of directors is given wide powers to issue one or more classes or series of shares with preferred rights. Such preferences may include, for example, dividend rights, conversion rights, redemption privileges, enhanced voting powers and liquidation preferences.

Despite the anti-takeover provisions described above, under Cayman Islands law, dLocal's board of directors may only exercise the rights and powers granted to them under the Articles of Association, for what they believe in good faith to be in the best interests of dLocal.

Protection of Non-Controlling Shareholders

The Grand Court of the Cayman Islands may, on the application of shareholders holding not less than one fifth of the shares of dLocal in issue, appoint an inspector to examine the Company's affairs and report thereon in a manner as the Grand Court shall direct.

Subject to the provisions of the Companies Act, any shareholder may petition the Grand Court of the Cayman Islands, which may make a winding up order, if the court is of the opinion that this winding up is just and equitable.

Notwithstanding the U.S. securities laws and regulations that are applicable to dLocal, general corporate claims against dLocal by its shareholders must, as a general rule, be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by dLocal's Articles of Association.

The Grand Court of the Cayman Islands ordinarily would be expected to follow English case law precedents, which permit a minority shareholder to commence a representative action against dLocal, or derivative actions in dLocal's name, to challenge (1) an act which is ultra vires or illegal; (2) an act which constitutes a fraud against the minority

and the wrongdoers themselves control dLocal; and (3) an irregularity in the passing of a resolution that requires a qualified (or special) majority.

Registration Rights and Restricted Shares

The shareholders of dLocal or entities controlled by them or their permitted transferees will be able to sell their shares in the public market from time to time without registering them, subject to certain limitations on the timing, amount and method of those sales imposed by regulations promulgated by the SEC. In connection with our initial public offering, we entered into the Registration Rights Agreement with the Participating Shareholders. See “Related Party Transactions—Registration Rights Agreement.” In the annual report to which this exhibit is a part of.



Securities Trading Policy

Approvals

Document owner	General Counsel
Approval requirement	Board of Directors
Version N°	2.0
Date of approval	May 1, 2022. Comes into force on June 1, 2022
Version N°	3.0
Date of approval	January 27, 2023. Comes into force on February 1, 2023
Version N°	4.0
Date of approval	November 12, 2024

Version tracker

Version	Date	Description
1.0	May 19, 2021	Original version approved by the Board of Directors
2.0	June 1, 2022	Standardization and clarification of certain terms
3.0	February 1, 2023	Modification of 10b5-1 plans provisions to reflect updated SEC rule
4.0	August, 2024	Covered Persons definition update, new prohibitions and restriction changes. Provisions regarding the Company's possession of MNPI and procedures for Company repurchases.

TABLE OF CONTENTS

I.	SUMMARY OF THE COMPANY POLICY CONCERNING SECURITIES TRADING	4
II.	THE USE OF INSIDE INFORMATION IN CONNECTION WITH TRADING IN SECURITIES	5
A.	General Rule.	5
B.	Who Does the Policy Apply To?	5
C.	Other Companies' Stock.	6
D.	Hedging and Derivatives.	6
E.	Pledging of Securities, Margin Accounts.	6
F.	Short Sales.	6
G.	General Guidelines.	6
H.	Applicability of U.S. Securities Laws to International Transactions.	8
I.	Post-termination Transactions.	8

Exhibit A - Company Trading Policies and Procedures

I. SUMMARY OF THE COMPANY POLICY CONCERNING SECURITIES TRADING

It is dLocal Limited and its subsidiaries' (collectively, the "Company") policy that it will, without exception, comply with all applicable laws and regulations in conducting its business. Each employee, officer and director is required to abide by this policy, as well as contractors, including consultants, who gain access to the Company's confidential information ("Covered Persons"). Covered Persons are responsible for ensuring family and household members who reside in one's home, including one's spouse or domestic partner, children, parents and others, comply with this policy.

When carrying out Company business, employees, officers and directors must avoid any activity that violates applicable laws or regulations., the Company's directors, officers and certain other employees are subject to pre-approval requirements described below and other limitations on their ability to enter into transactions involving the Company's securities. Although these limitations do not apply to transactions pursuant to written plans for trading securities that comply with Rule 10b5-1 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the adoption, amendment, suspension or termination of any such written trading plan is subject to pre-approval requirements and other limitations

II. THE USE OF INSIDE INFORMATION IN CONNECTION WITH TRADING IN SECURITIES

A. *General Rule.*

U.S. securities laws give the Company, its directors, officers and other employees the responsibility to ensure that information about the Company is not used unlawfully in the purchase and sale of securities (such as stocks, bonds, notes, debentures, limited partnership units or other equity or debt securities).

All Covered Persons should pay particularly close attention to the laws against trading on “inside” information. These laws are based upon the belief that all persons trading in a company’s securities should have equal access to all “material” information about that company. For example, if a Covered Person knows material inside financial information, that person is prohibited from buying or selling shares in the company until the information has been adequately disclosed to the public. This is because the Covered Person knows information that could cause the share price to change, and it would be unfair for such person to have an advantage (knowledge that the share price could change) that the rest of the investing public does not have. In fact, it is more than unfair; it is considered to be fraudulent and illegal. Civil and criminal penalties for this kind of activity are severe. In addition, any employee, officer or director who violates this policy is subject to disciplinary actions by the Company, up to and including dismissal.

The general rule can be stated as follows: It is illegal for any person to buy or sell securities while in possession of material nonpublic information (“MNPI”). Information is material if there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision. Material information can be favorable or unfavorable. When Covered Persons are unsure whether inside information is material, it should be treated as if it was material. It is non-public if it has not been publicly disclosed in a manner making it available to investors generally on a broad-based non-exclusionary basis. Furthermore, it is illegal for any person in possession of MNPI to provide other people with such information or to recommend that they buy or sell the securities (this is called “tipping”). In that case, both individuals may be held liable.

The U.S. Securities and Exchange Commission (the “SEC”), other securities regulators around the world, stock exchanges and plaintiffs’ lawyers focus on uncovering insider trading. A breach of the insider trading laws could expose the insider to criminal fines up to three times the profits earned and imprisonment up to ten years, in addition to civil penalties (up to three times of the profits earned), and injunctive actions. In addition, punitive damages may be imposed under applicable state laws. Securities laws may also subject controlling persons to civil penalties for illegal insider trading by employees, including employees located outside the United States. Controlling persons include directors, officers, and supervisors. These persons may be subject to fines up to the greater of \$1,000,000 or three times profit (or loss avoided) by the insider trader.

The Company’s MNPI is an asset of the Company. It does not belong to the individual directors, officers or other employees who may handle it or otherwise become knowledgeable about it. For any person to use such information for personal benefit or to disclose it improperly to others outside the Company violates the Company’s interests. More particularly, in connection with trading in the Company’s securities, it is a fraud against members of the investing public and against the Company.

B. *Who Does the Policy Apply To?*

This policy applies to all Covered Persons regardless of location, as well as contractors, including consultants, who gain access to the Company’s confidential information.

Because of their access to MNPI on a regular basis, Company policy subjects its directors, officers, and certain employees (the "Window Group") to additional restrictions on trading in the Company securities. The restrictions for the Window Group are discussed in Section G below. In addition, directors, officers, and employees who possess MNPI may be subject to ad hoc restrictions on trading from time to time, other than through an approved 10b5-1 plan.

In addition, the Company itself must comply with U.S. securities laws applicable to its own securities trading activities, and will not effect transactions in respect of its securities, or adopt any securities repurchase plans, when it is in possession of material non-public information concerning the Company, other than in compliance with applicable law, subject to the policies and procedures adopted by the Company and attached as Exhibit A hereto, if applicable, and the prior approval of the General Counsel.

C. Other Companies' Stock.

Covered Persons who come into possession of MNPI about service providers, clients, or competitors through their work at the Company, must keep it confidential and not buy or sell stock in such companies until after the information becomes public. No Covered Person should give tips about such stock.

D. Hedging and Derivatives.

Covered Persons are prohibited from engaging in any derivative transactions (including transactions involving options, puts, calls, prepaid variable forward contracts, equity swaps, collars and exchange funds or other derivatives) that are designed to hedge or speculate on any change in the market value of the Company's equity securities.

E. Pledging of Securities, Margin Accounts.

The Company prohibits Covered Persons pledging Company securities in any circumstance, including by purchasing Company securities on margin or holding Company securities in a margin account.

F. Short Sales.

Covered Persons are prohibited to engage in short sales of the Company stock, referring to sales of shares not owned by the Covered Person at the time of the sale.

G. General Guidelines.

The following guidelines should be followed in order to ensure compliance with applicable anti fraud laws and with the Company's policies:

1. Non-disclosure. MNPI must not be disclosed to anyone, except to persons within the Company whose positions require them to know it (which may include, for example, individuals working on behalf of the Company who are subject to confidentiality obligations). No director, officer or employee should discuss material inside information in public places.
2. Trading in the Company Securities. No Covered Person may place a purchase or sale order or recommend to another person to place a purchase or sale order in the Company's securities when in possession of MNPI. This includes orders for purchases and

sales of stock, convertible securities and other securities (e.g., bonds) and includes increasing or decreasing investment in Company securities through a retirement account. The exercise of employee stock options is subject to this provision if it involves any sale of stock as part of a broker-assisted “cashless” exercise of an option. Any Covered Person who possesses MNPI must wait until the third business day after the information has been publicly released before trading.

3. Avoid Speculation. The Company encourages Covered Persons to avoid frequent trading in Company stock. Speculating in Company stock is not part of the Company culture.

4. Trading in Other Securities. No Covered Person may purchase or sell or recommend to another person to purchase or sell the securities of another company, if the Covered Person learns in the course of his or her employment confidential information about the other company that is likely to affect the value of those securities. For example, it would be a violation of this policy if a Covered Person learned through Company sources that the Company intended to purchase assets from a company and then placed an order to buy or sell that company’s securities, because of the likely increase or decrease in the value of its securities.

5. Additional Restrictions on the Window Group. The Window Group consists of (i) directors and officers of the Company and their assistants (ii) any persons who are entrusted with any task or responsibility concerning the collection or preparation of information for financial reporting purposes, or that have regular access to such information, (iii) any person whose position in the Company is Vice President or above, and (iv) other persons who periodically or from time to time have access to MNPI, as identified by the Company’s General Counsel. The Company’s General Counsel will give notice to those persons who are considered part of the Window Group. In addition to being subject to all other provisions of this Policy, the Window Group is subject to the following restrictions on trading in Company securities:

- trading is generally permitted from the start of the third business day following an earnings release of the preceding fiscal period until the calendar day that is fifteen (15) days prior to the end of the then-current fiscal period (the “Window”), subject to the restrictions below;
 - all trades are subject to prior review;
 - clearance for all trades must be obtained from the Company’s General Counsel;

Note that at times the General Counsel may determine that no trades may occur even during the Window when clearance is requested. No reasons may be provided and the closing of the Window itself may constitute MNPI that should not be communicated outside of the Window Group.

The foregoing Window Group restrictions do not apply to transactions pursuant to a written plan for trading securities that complies with Rule 10b5-1 under the Exchange Act (“10b5-1 Plan”). Window Group members may not enter into, amend or terminate a 10b5-1 Plan relating to Company securities without the prior approval of the General Counsel.

All 10b5-1 Plans are subject to a “cooling off” period. If the Covered Person is a Director or senior officer of the Company (such as the CEO, President, CFO, CTO or other person in charge of a principal

business unit, division or function, "Senior Officers"), the first possible trade under the individual's 10b5-1 Plan must be the later of: (1) ninety (90) days after adopting the 10b5-1 Plan or (2) two (2) business days following the public disclosure in a 6-K or 20-F of the Company's financial results for the fiscal period in which the 10b5-1 Plan was adopted (but not to exceed 120 days). For persons other than Directors or Senior Officers of the Company, the first possible trade under a 10b5-1 Plan must be no less than thirty (30) days after adoption of a 10b5-1 Plan.

Any modification to the amount, price or timing of the purchase or sale of securities under a 10b5-1 Plan will be deemed the termination of such plan and the adoption of a new 10b5-1 Plan will trigger a new cooling-off period consistent with this policy.

Further, when submitting a request to enter into a 10b5-1 Plan, the relevant individual must certify that:

- (1) They are not aware of material nonpublic information about the Company or its securities; and
- (2) They are adopting the plan in good faith and not as part of a plan or scheme to evade U.S. laws and regulations prohibiting insider trading.

In addition, in appropriate circumstances approved in advance by the Company's General Counsel, the foregoing Window Group restrictions do not apply to transactions under a non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K) or sell-to-cover transactions under a policy adopted by the Board of Directors to facilitate the payment of withholding taxes associated with vesting of equity awards (other than stock options).

H. Applicability of U.S. Securities Laws to International Transactions.

All Covered Persons are subject to the restrictions on trading in the Company securities and the securities of other companies. The U.S. securities laws may be applicable to trading in the securities of the Company's subsidiaries or affiliates, even if the traders are located outside the United States. Transactions involving securities of subsidiaries or affiliates should be carefully reviewed by counsel for compliance not only with local law but also for possible application of U.S. securities laws.

I. Post-termination Transactions.

Individuals classified as Covered Persons in possession of MNPI at the time their service concludes and thereby no longer meet the definition of Covered Person under this policy, may not trade until such time as it is either disclosed to the public or is deemed to be no longer material.

J. Gifts of Securities.

Gifts of Company securities should only be made (i) when a Covered Person is not in possession of MNPI and (ii) inside a Window. Gifts of Company securities are otherwise subject to this Trading Policy, including the guidelines and restrictions set forth under sections II.F. and II.G..

Exhibit A

Company Trading Policies and Procedures

These policies and procedures govern repurchases of the Company's equity securities ("Repurchases") approved from time to time by the Board of Directors (the "Board") of the Company to help ensure that such Repurchases are not made, or a share repurchase plan is not adopted, when the Company is in possession of MNPI concerning the Company. Capitalized terms used but not defined herein have the respective meanings given to them in the Company's trading policy.

1. *Policy.* It is the Company's policy that no Repurchases may take place outside a Window or when the Company is otherwise in possession of MNPI, other than Repurchases made pursuant to a 10b5-1 Plan or otherwise in compliance with applicable law.

2. *Trading Activity.* Any Repurchases, or the adoption of a 10b5-1 Plan to effect Repurchases shall be subject to the following procedures:

(a) The adoption of a 10b5-1 Plan shall be subject to prior written approval by the General Counsel. The General Counsel shall take such steps as he or she deems reasonably necessary to ascertain that the Company is not in possession of MNPI at the time of plan adoption, including but not limited to consulting with other members of senior management (each, an "Authorized Officer") and/or legal counsel.

(b) With respect to Repurchases that have been approved by the Board, if at any time during the period such Repurchases are scheduled to take place, the General Counsel or any Authorized Officer become aware of any MNPI, they shall notify the relevant employee(s) at the Company responsible for effecting Repurchases as soon as practicable to suspend such Repurchases.

(c) Once the General Counsel and such Authorized Officer are satisfied that, to their knowledge, the Company is no longer in possession of MNPI, they shall notify the relevant employee(s) that the Company may resume its Repurchases.

3. *Recordkeeping.* The General Counsel shall maintain a record of the communications referred to in these policies and.

4. *Training.* Company directors, officers and employees who are involved in the Company's securities trading activities shall be provided training on the trading policy and these policies and procedures consistent with the Company's employee training policies.

5. *Modification or Waiver.* These policies and procedures may be modified, and specific requirements therein may be waived, subject to approval by the General Counsel if he or she deems such modifications or waivers are appropriate based on particular facts and circumstances, and in compliance with applicable law.

6. *Amendments.* These policies and procedures must be reviewed periodically as determined by the General Counsel. Any material amendments to these policies and procedures shall require the approval of the General Counsel.

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Pedro Arnt, certify that:

1. I have reviewed this annual report on Form 20-F of DLocal Limited;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 24, 2025

By: _____ /s/ Pedro Arnt

Pedro Arnt
Chief Executive Officer

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (333-261372 and 333-284499) of DLocal Limited of our report dated April 24, 2025 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 20-F.

/s/ Price Waterhouse & Co. S.R.L.

/s/ Mario Angel Julio
Partner
Buenos Aires, Argentina
April 24, 2025

Price Waterhouse & Co. S.R.L., Bouchard 557, piso 8°, C1106ABG - Ciudad de Buenos Aires
T: +(54.11) 4850.0000, www.pwc.com/ar
