

d-local

Q4 & FY 2021
Earnings Presentation
NASDAQ: DLO



Safe Harbor

This presentation may contain forward-looking statements.

These forward-looking statements convey DLocal's current expectations or forecasts of future events. Forward-looking statements regarding DLocal involve known and unknown risks, uncertainties and other factors that may cause DLocal's actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements. Certain of these risks and uncertainties are described in the "Risk Factors," and "Cautionary Note Regarding Forward-Looking Statements" sections of DLocal's filings with the U.S. Securities and Exchange Commission.

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

2021: A Record Year

FY21

SCALE

\$6.0B
TPV
193% YoY Growth

GROWTH

\$244.1M
REVENUES
134% YoY Growth

RETENTION

219%
NET RETENTION
RATE

PROFITABILITY

41%
ADJUSTED
EBITDA MARGIN¹

4Q21

\$1.9B
TPV
145% YoY Growth

\$76.3M
REVENUES
120% YoY Growth

198%
NET RETENTION
RATE

38%
ADJUSTED
EBITDA MARGIN¹

d.



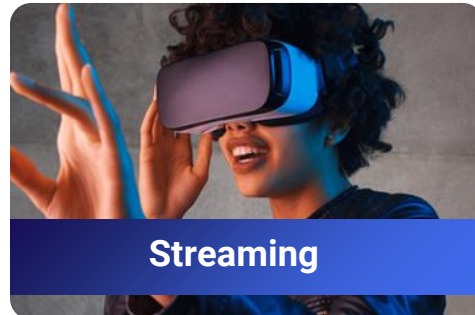
d.



Powering Diverse High-Growth Verticals...



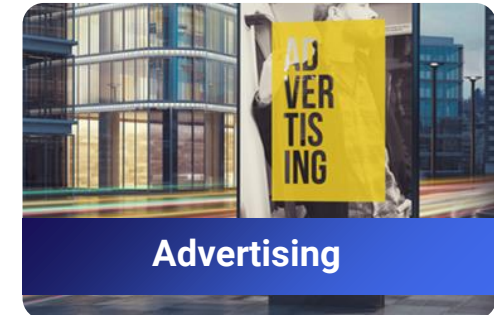
Commerce



Streaming



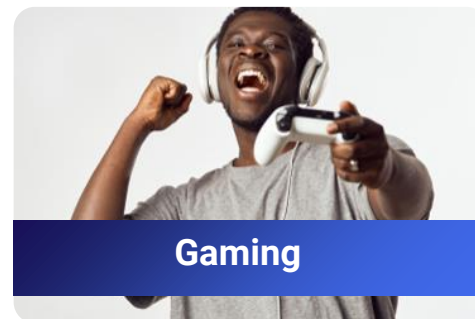
Ride Hailing



Advertising



Financial Services



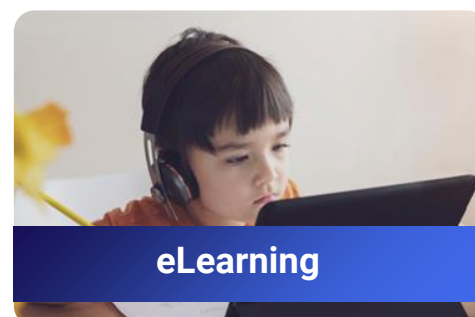
Gaming



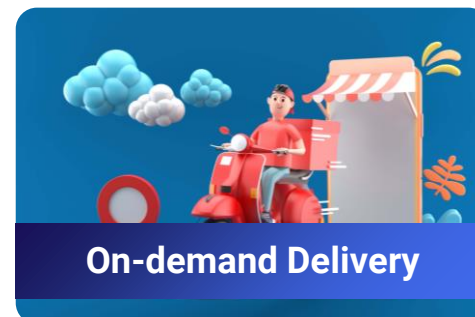
SaaS



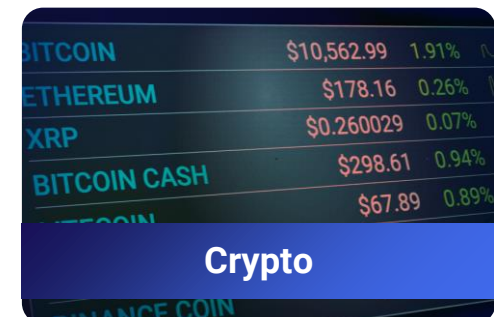
Travel



eLearning



On-demand Delivery



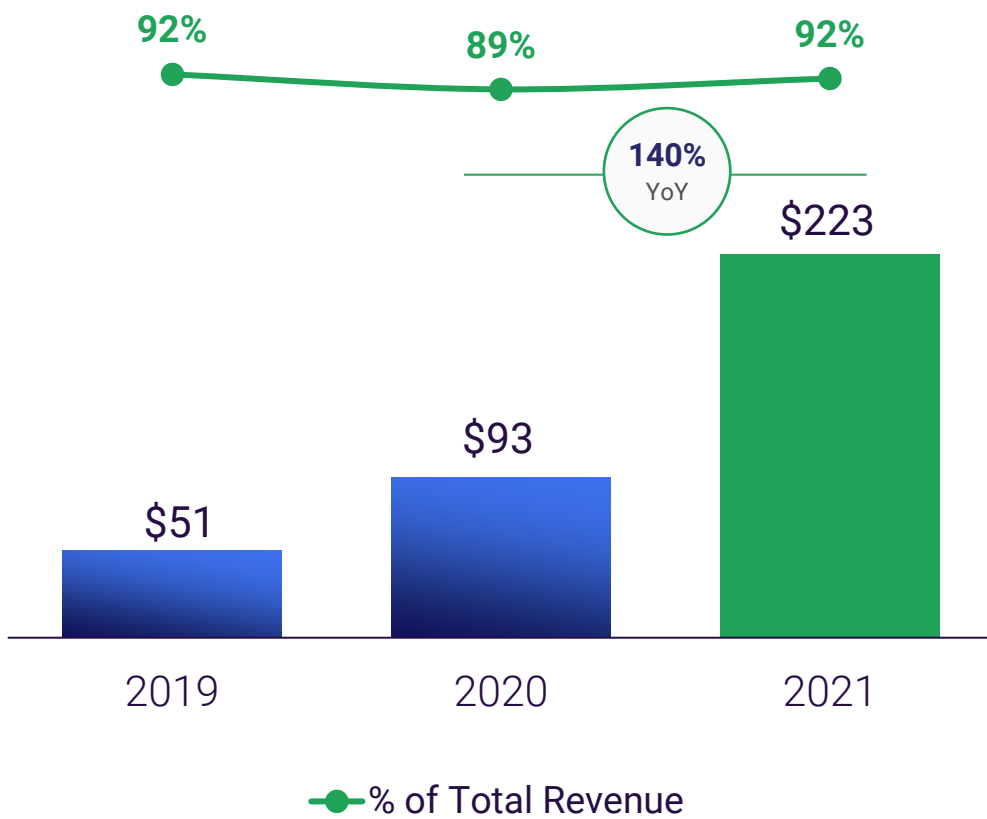
Crypto

...Across 35 Emerging Markets

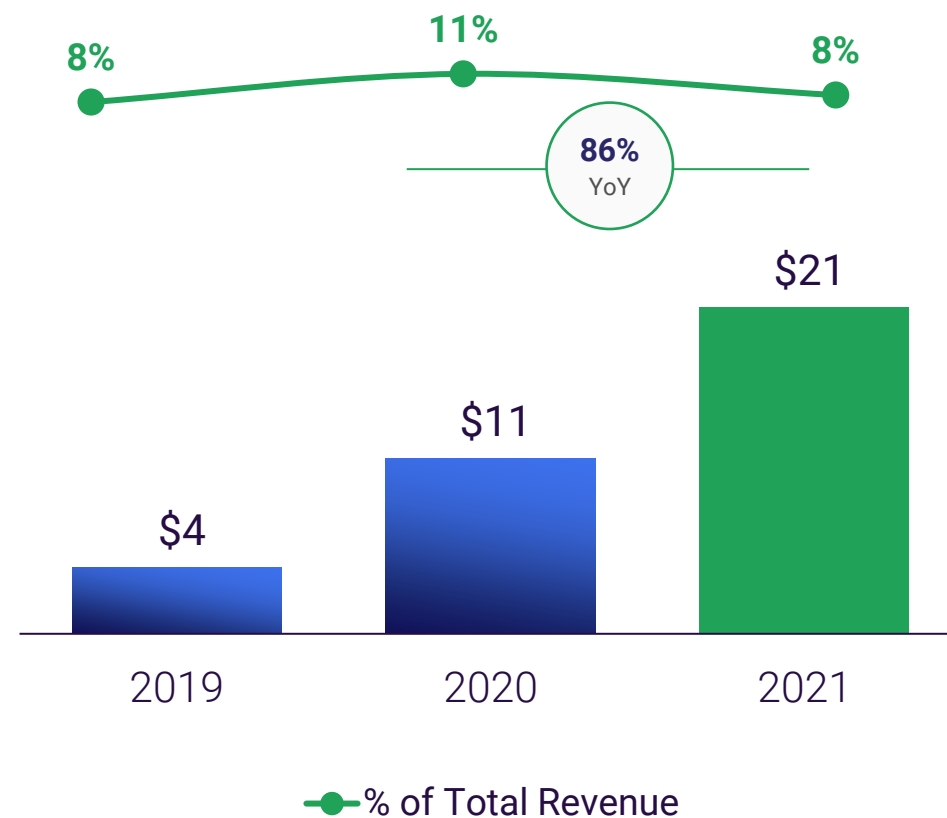


High Growth Across All Regions

Revenue by Region – LatAm (\$M)



Revenue by Region – Asia & Africa (\$M)

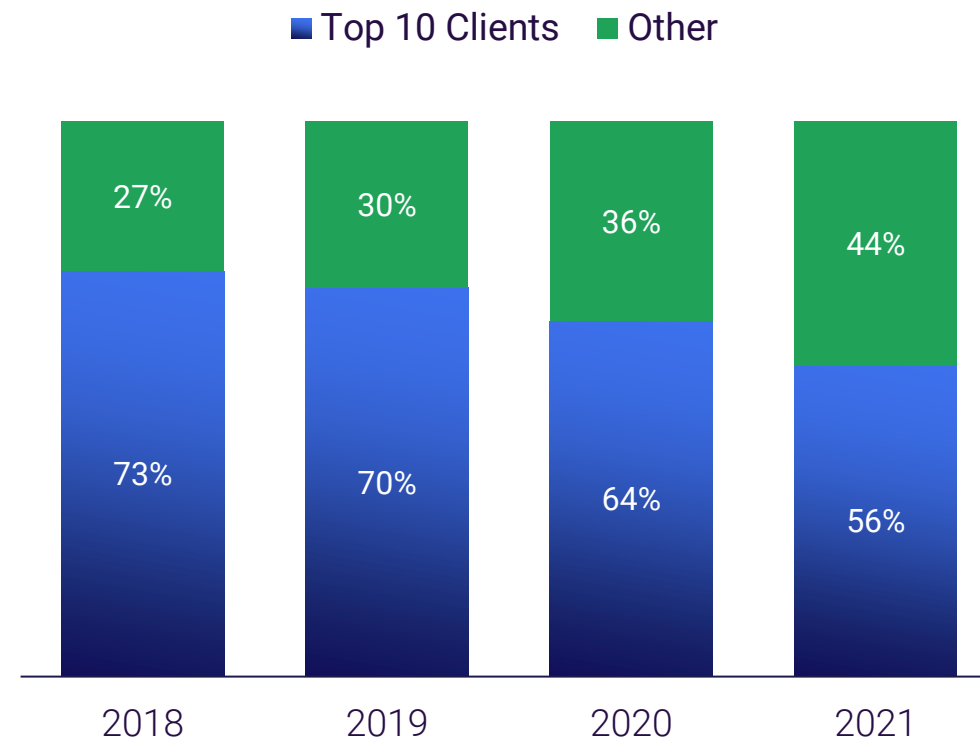


New Merchants Increasing Diversification

of Merchants



Revenue Concentration (% Revenue)



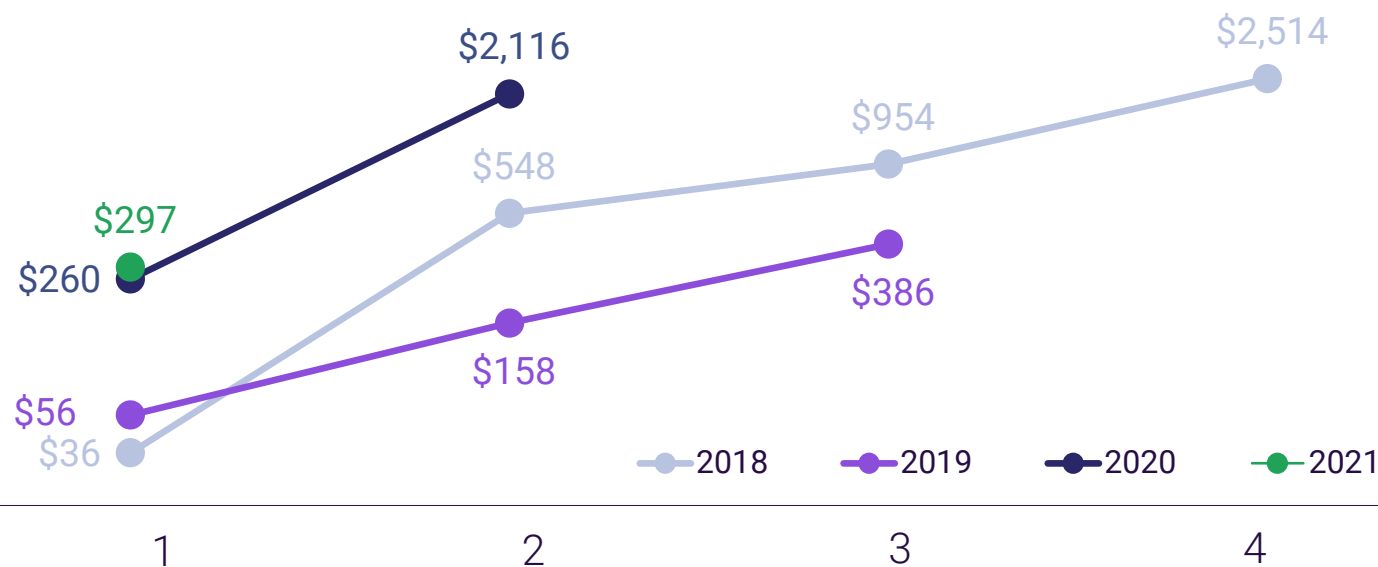
All Cohorts Driving Profitable Growth

TPV by Cohort¹ (\$M)

Each cohort is driving **solid TPV growth**

'18 and '20 vintages experienced the **highest YoY growth** rates

Cohorts with **consistently higher starting points**



2021 Take Rate Performance by Cohort

2021 average take rate of 4% (versus 5% in 2020)

Minimal variation in each cohort's take-rate during the year

Different cohorts have **different pricing points**

2021 cohort has a **higher take rate** than the 2021 average

Cohort	YoY Variation (p.p.)
2018	-0.2 p.p.
2019	-0.2 p.p.
2020	+0.1 p.p.

Vectors of Future Growth

Commercial Efforts



Organic
growth



Account
management



New
clients

Products



Enhance
portfolio



Develop new
solutions

Geographies



Enhance
presence



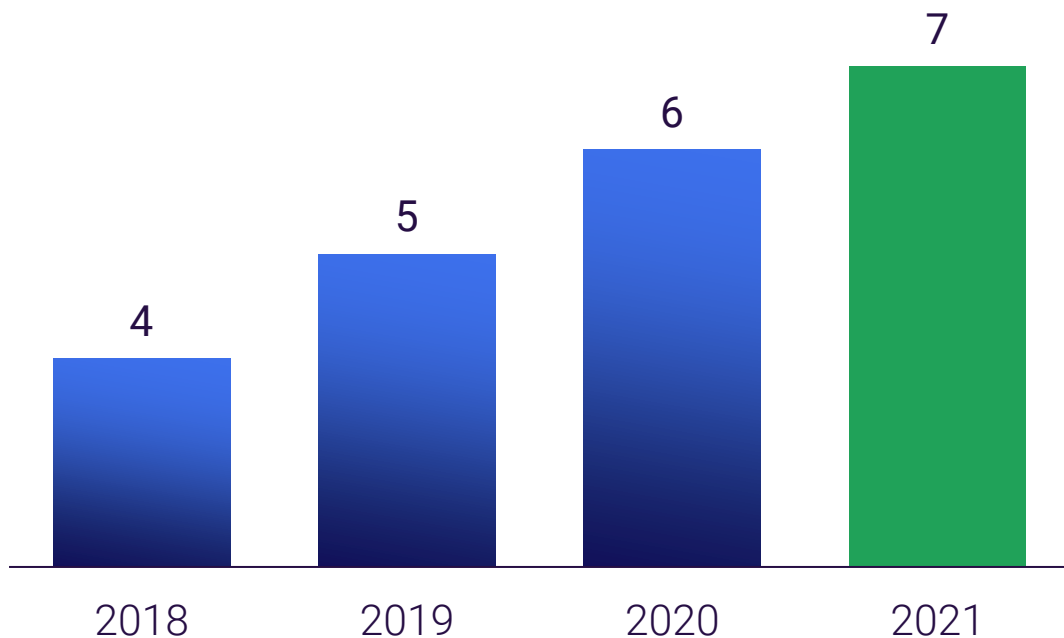
Enter new
countries

Inorganic Initiatives

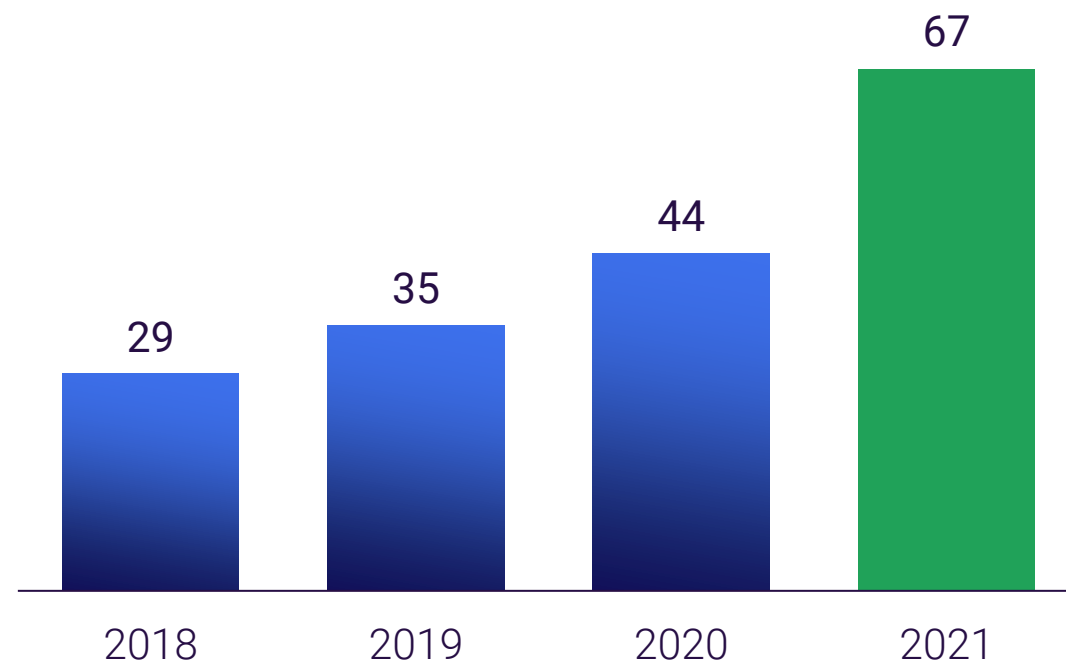


Consistently Improving Merchant Engagement

Avg. # of Countries per Merchant



Avg. # of Payment Methods per Merchant



Ramping-up Our Existing and New Clients Pipeline



Illustrative industries



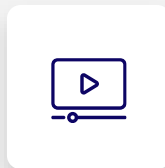
Ride Hailing



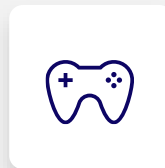
Advertising



Travel



Streaming



Gaming



SaaS



E-Learning



Financial institutions



Crypto

Enhanced Product Portfolio



Enhanced our pay-in solution

New cards and APMs integrations for processing redundancy, capability enhancements and global expansion

Deepen our integration within Pix system in Brazil

Network Tokenization

E-mandate/Subscriptions management in India

TaxManager: enhanced tax handling by country and payment method

Increased card and APMs acceptance rates, with better Smart Routing, Chaining, and UX improvements through rigorous A/B testing



Enhanced our pay-out solution

Expanded Instant Payout offering in more countries

Enhanced logics and automations to overcome local rail's processing limitations

Added direct connections with new partners/ banks for processing redundancy, capability enhancements and global expansion

Broaden Product Portfolio



Improved our fraud and data capabilities

Defense Suite launched

Improved fraud prevention capabilities through:

- New Machine Learning models
- New API enhancements
- Device ID and fingerprinting
- Authentication through 3DS 2.0 and beyond



Launched Issuing-as-a-Service

Enable merchants to issue prepaid virtual or physical cards, with spend and payment controls and account management

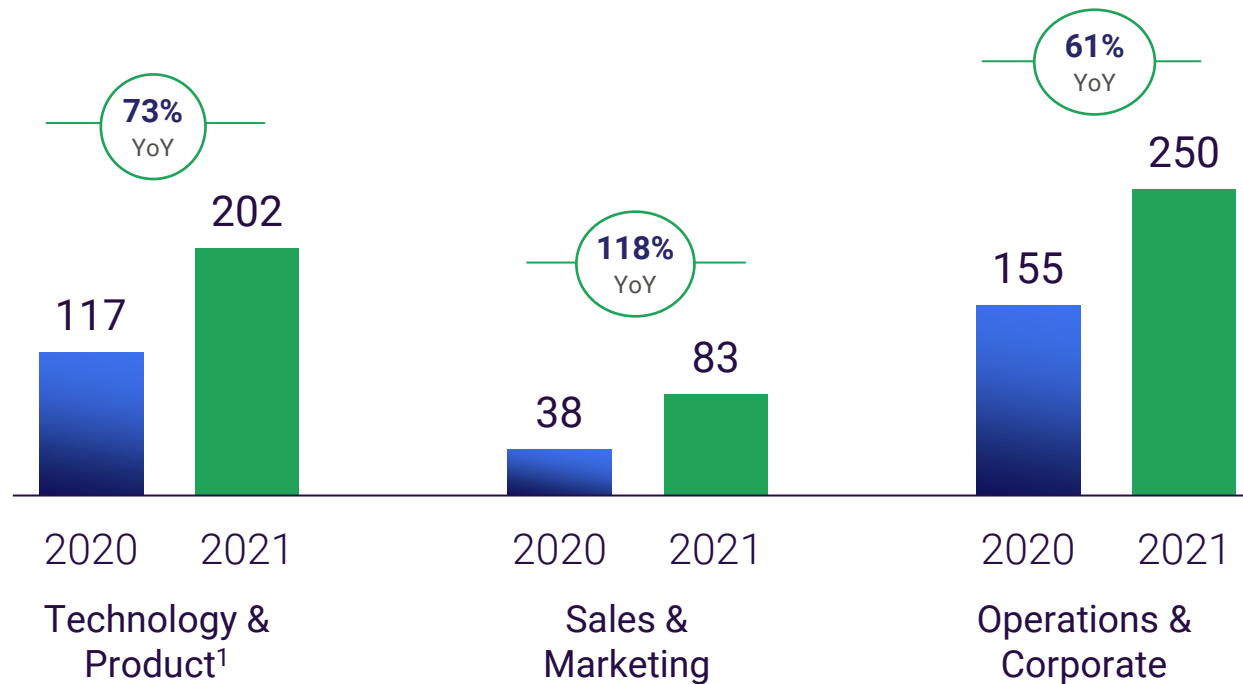
B2B initiative focused on our merchants (no credit exposure), no direct issuing to end consumers

Partner with **local banks as issuers**

Our Ability to Hire Professionals with Diverse Backgrounds Worldwide is a Key Competitive Advantage

FTE Evolution (#)

We continue to invest in hiring top talent for **Tech & Product** and **S&M** to our team



535 FTE in 2021 (+73% YoY)

We have a **wide talent pool**

We hire **anywhere in the world**

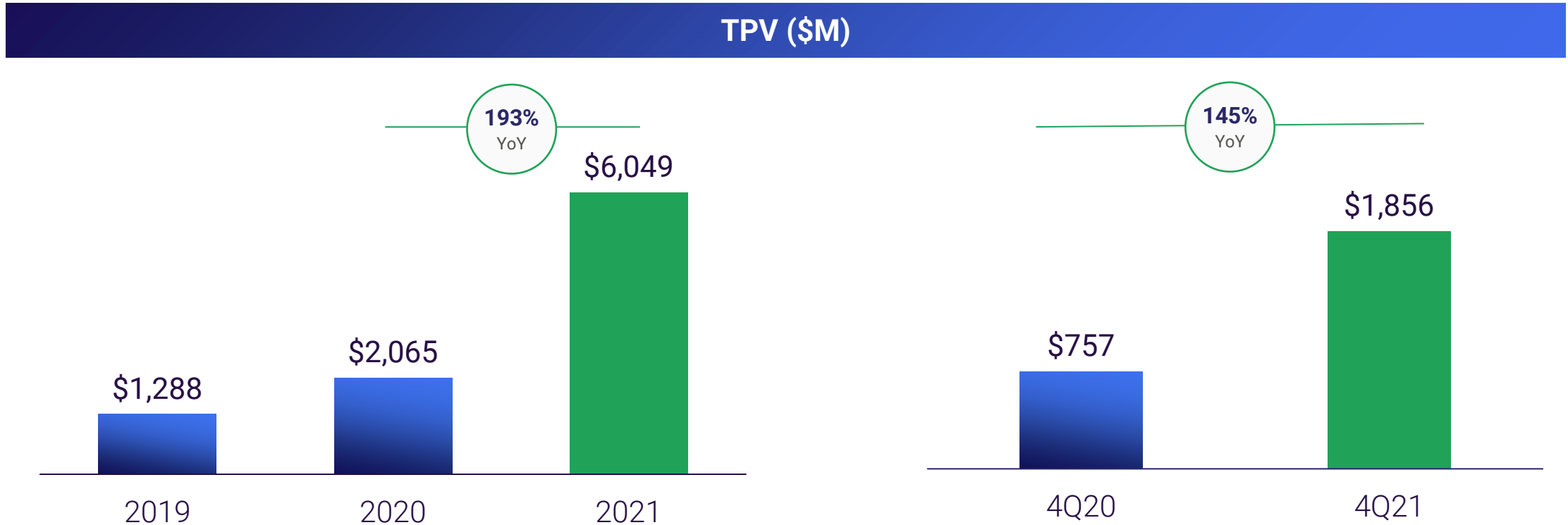
As of 2021YE, we had employees with **diverse nationalities**

30+ nationalities



FINANCIAL HIGHLIGHTS

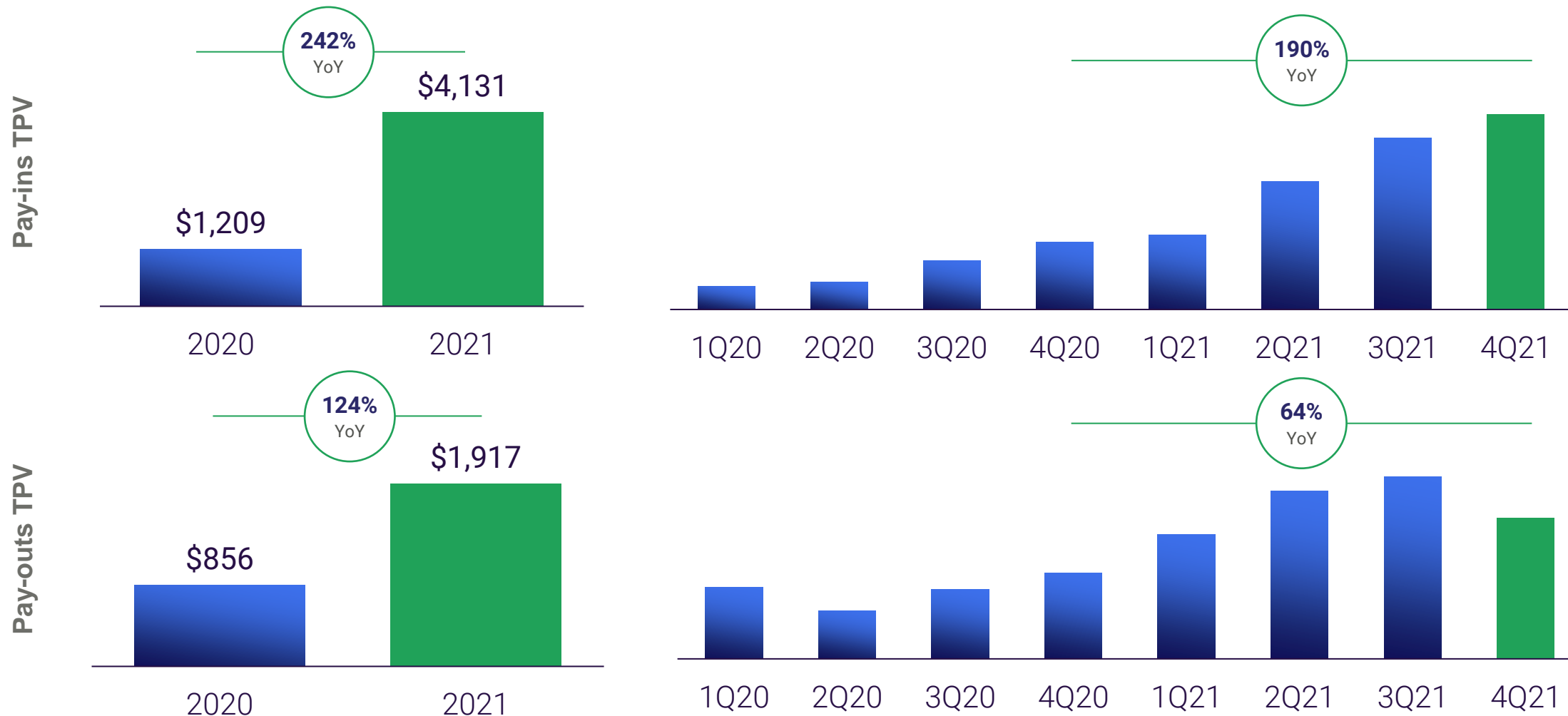
TPV Almost Tripled in 2021



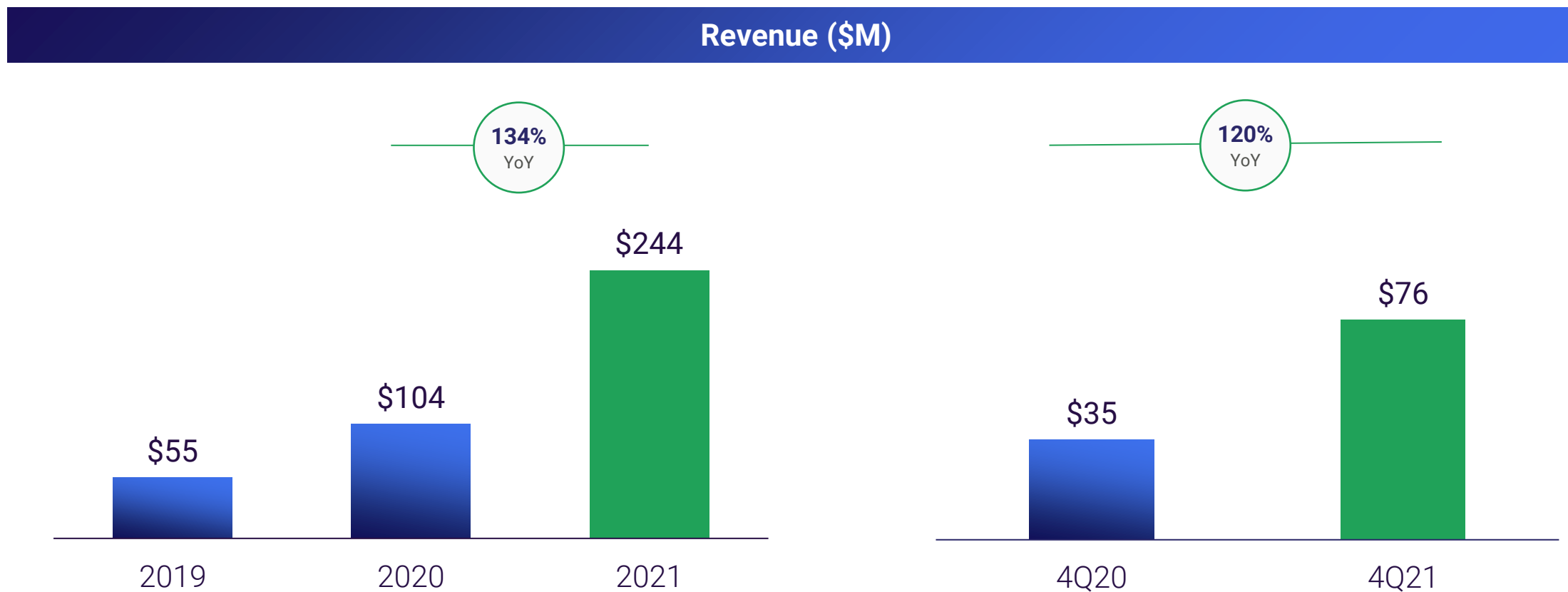
Continued growth of our TPV across most verticals, particularly in ride hailing, streaming, advertising, SaaS, on-demand delivery and commerce

Strong and Steady Growth in Pay-Ins; Short-term Fluctuations in Pay-Outs

Pay-Ins and Pay-Outs TPV (\$M)

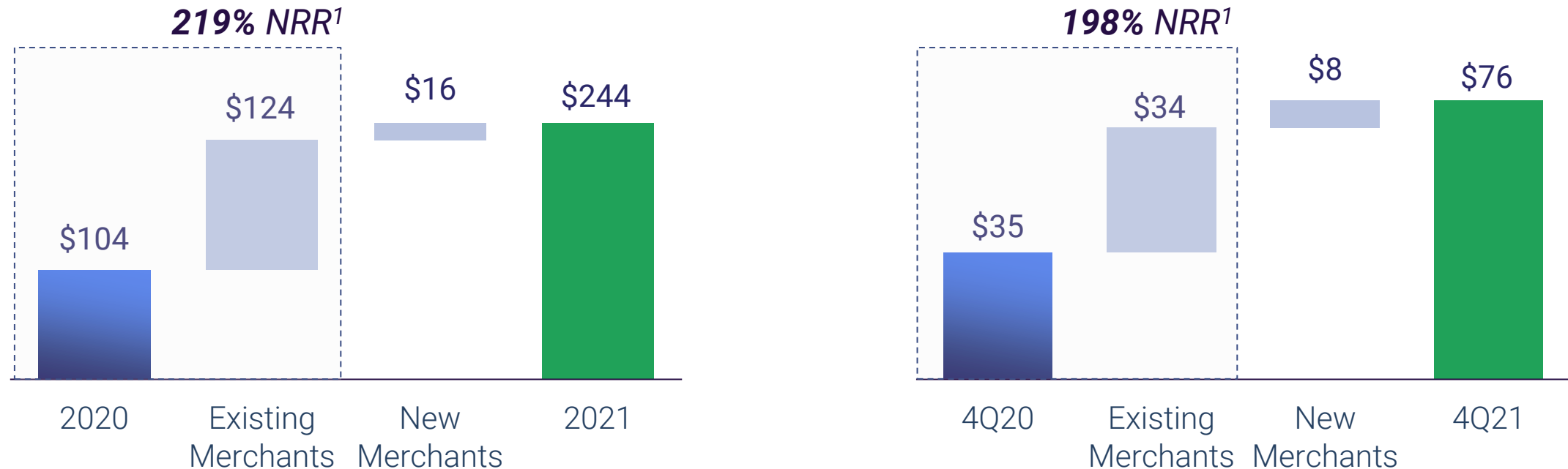


Triple-Digit-Growth in Revenue



Existing and New Merchants Driving Growth

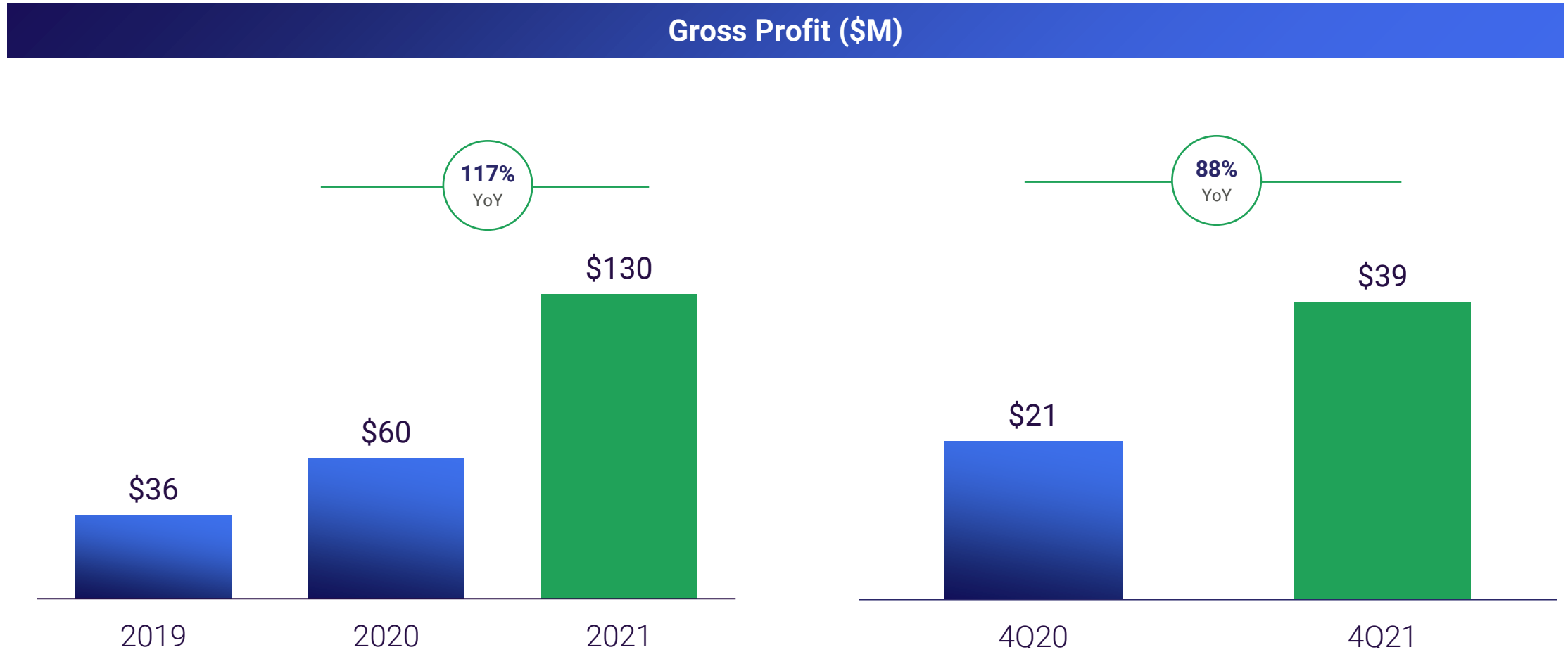
Revenue Composition (\$M)



Existing Merchants: Revenues from merchants that we already processed in the same period of the previous year.

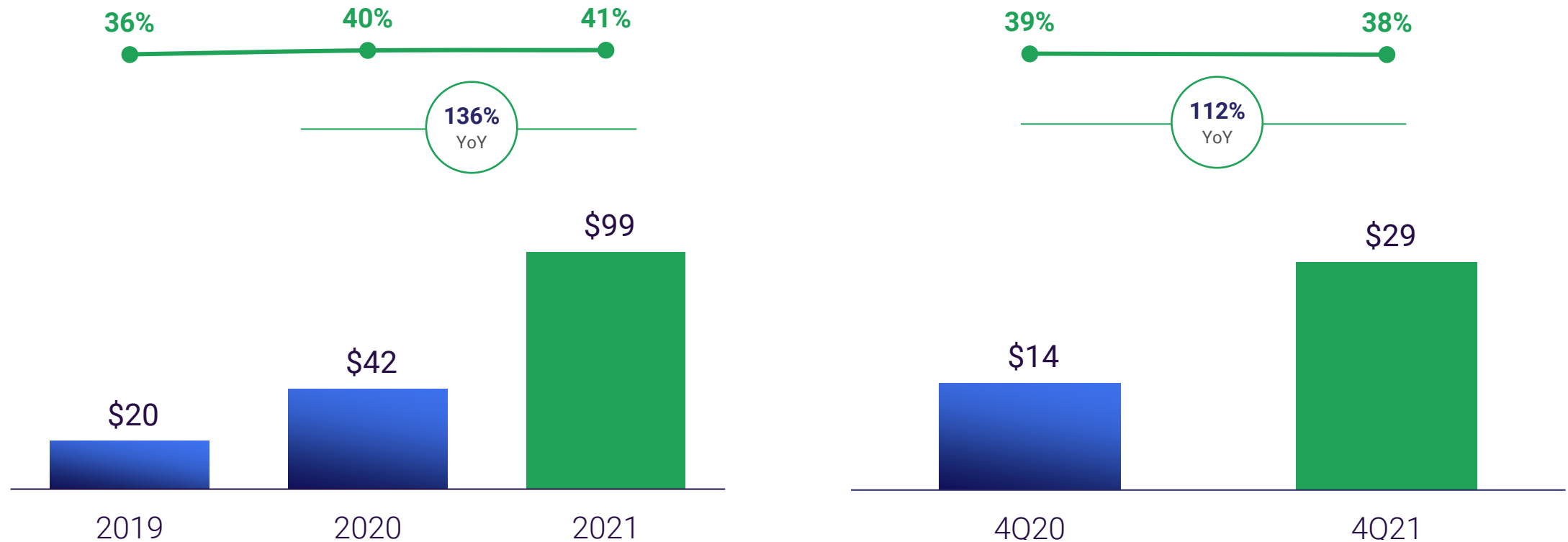
New Merchants: Revenues from merchants onboarded during the last twelve months. This is a rolling measure for each new quarter, based on merchants' classification (new vs. existing)

Gross Profit Continues to Grow at Sound Rates



Maintained Strong Margins Amid Continue Investing in Growth

Adjusted EBITDA¹ (\$M) and Adjusted EBITDA Margin (%)



d Note: Audited results for the years ended December 31, 2021, December 31, 2020, and December 31, 2019.

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

CLOSING REMARKS

Investment Highlights



We power a **massive and expanding Emerging Markets ecosystem**



We are **directly integrated** with some of the biggest online merchants in the world, driving very strong net revenue retention and strong cohort performance



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



Our business model is **well-diversified across industries and clients**



We are **growing rapidly and profitably at scale**

d-local

Thank you!

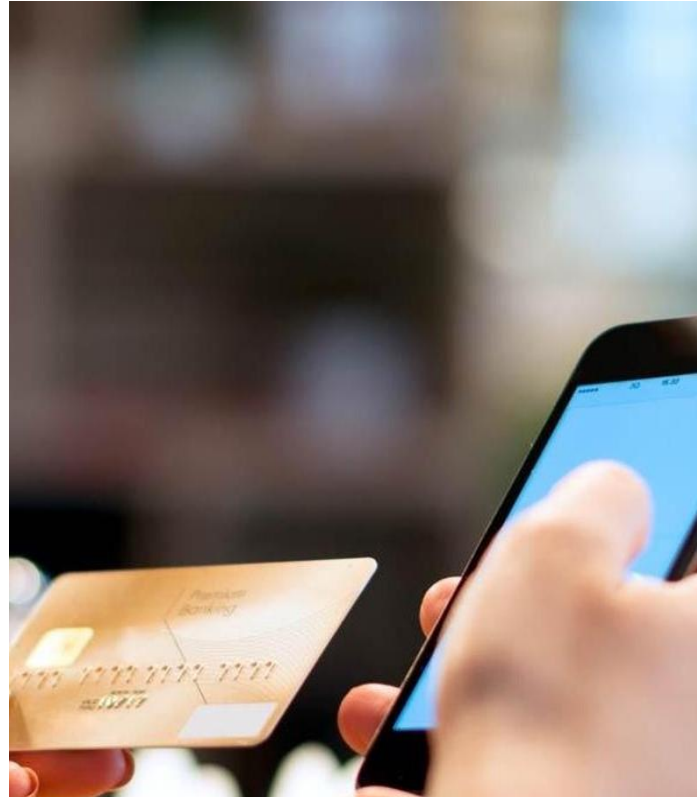


APPENDIX

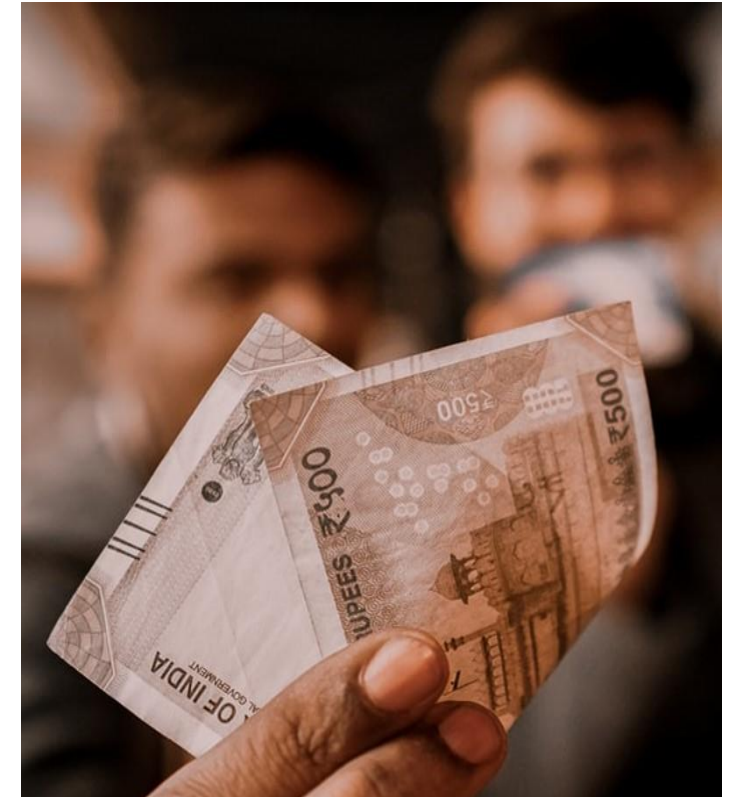
What Problems are we Addressing?



Complex and changing regulatory and tax frameworks



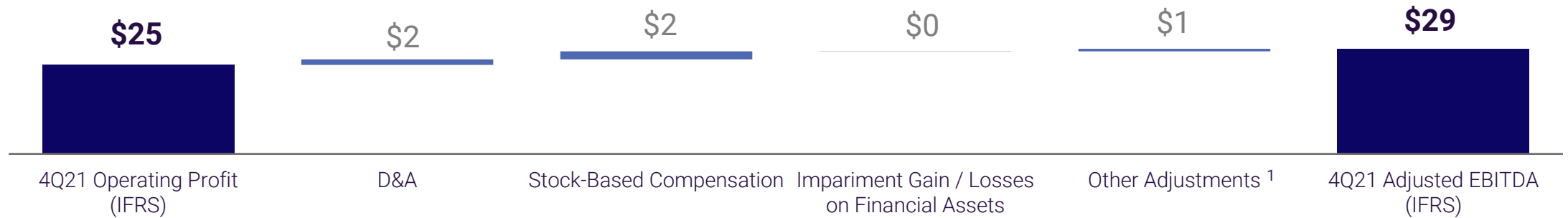
Poor conversion and high fraud



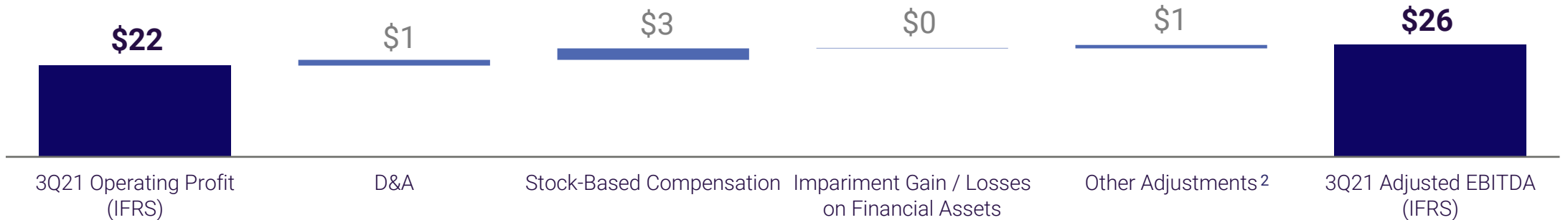
Multiple local payment methods with rising fragmentation

Financial Highlights

4Q21 Adjusted EBITDA Bridge (\$M)



3Q21 Adjusted EBITDA Bridge (\$M)



d. Note: Adjusted EBITDA excludes one-off expenses and non-cash items. Unaudited results for the quarter ended September 30, 2021.

¹ Other Adjustments for 4Q21 includes secondary offerings expenses (\$0.7M) and M&A transaction costs (\$0.02M).

² Other Adjustments for 3Q21 includes secondary offerings expenses (\$0.7M) and M&A transaction costs (\$0.2M).

Reconciliation of Adjusted EBITDA to Profit

<i>\$ in thousands</i>	Three-month period ended December 31,		Twelve-month period ended December 31,	
	2021	2020	2021	2020
Profit for the period	23,549	11,601	77,853	28,187
Income tax expense	2,114	1,000	7,647	3,231
Other operating (gain)/loss	-	65	(2,896)	2,896
Depreciation and amortization	1,507	248	4,747	992
Secondary offering expenses ¹	716	453	5,158	453
Transaction costs ²	22	158	687	158
Share-based payment charges	2,236	256	7,590	7,295
Other charges, Net ³	(1,072)	(100)	(1,629)	(1,281)
Adjusted EBITDA	29,072	13,681	99,157	41,931

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

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

¹ Corresponds to expenses assumed by dLocal in relation to secondary offerings of its shares. ² Corresponds to costs related to the acquisition of assets of PrimeiroPay. ³ Corresponds to other minor adjustments (full reconciliation in financial statements)