

Earnings Presentation

Q2 2024

d·local



Pedro Arnt
Chief Executive Officer

Mark Ortiz
Chief Financial Officer

Maria Oldham
SVP - Corp. Development,
and Investor Relations and
Strategic Finance

Safe Harbor

This presentation may contain forward-looking statements.

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

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



Unlocking the potential of Emerging Markets

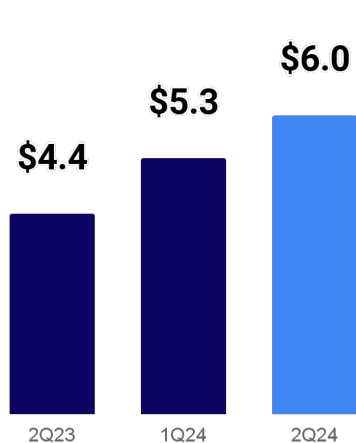
Bogotá, Colombia.

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

Total Payment Volume

\$6.0B

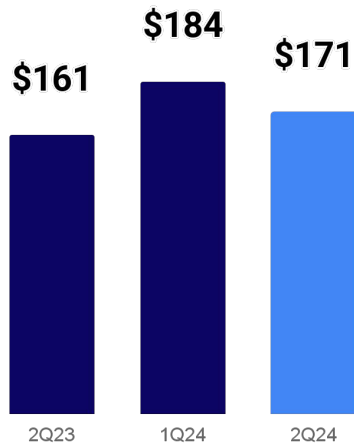
▲ +38% YoY | ▲ +14% QoQ



Revenue

\$171M

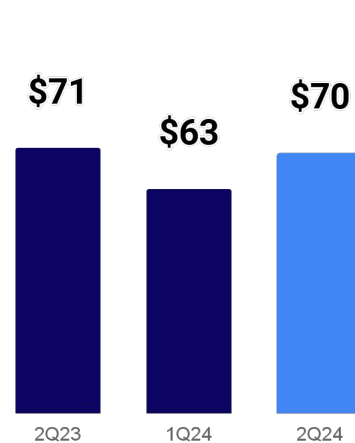
▲ +6% YoY | ▼ -7% QoQ



Gross Profit

\$70M

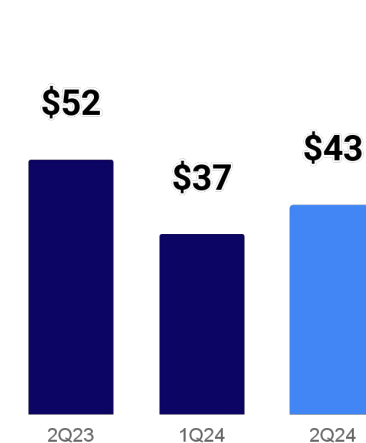
▼ -1% YoY | ▲ +11% QoQ



Adjusted EBITDA¹

\$43M

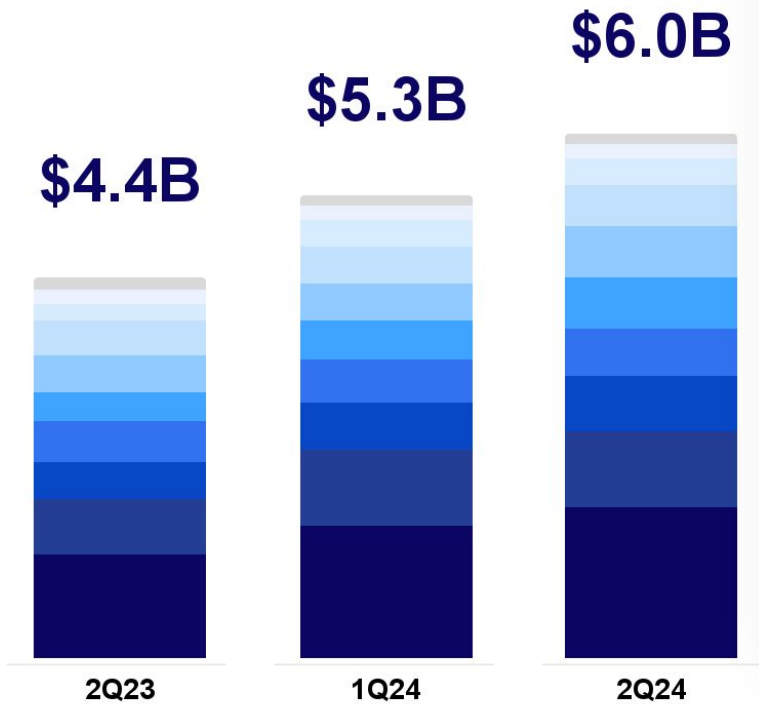
▼ -18% YoY | ▲ +16% QoQ



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

Strong TPV performance across diverse verticals

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



Other ²	-9%
Travel	-3%
Remittances	68%
Advertising	17%
On-demand delivery	43%
SaaS	72%
Streaming	15%
Ride-hailing	51%
Financial Services ¹	37%
Commerce	46%

TPV growth by vertical YoY

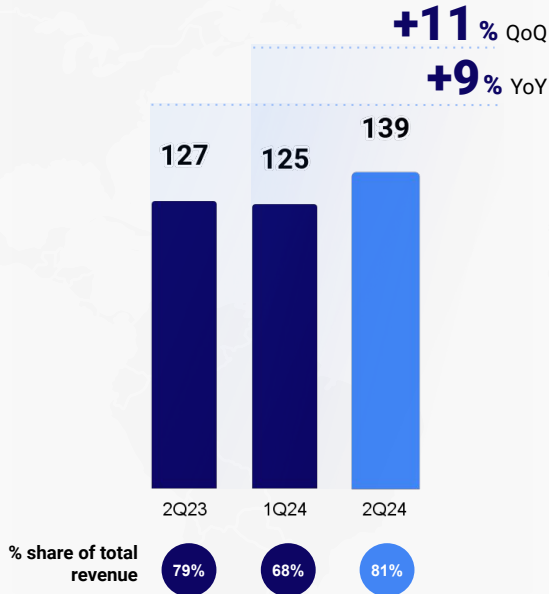
Note: ¹ In 2Q 2024, financial services include wallets (3.5% of total TPV) and crypto (0.1% of total TPV). Since 1Q24 remittances have been excluded from financial services and reported as a separate vertical in all periods ² Other includes e-learning, gaming and other.

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

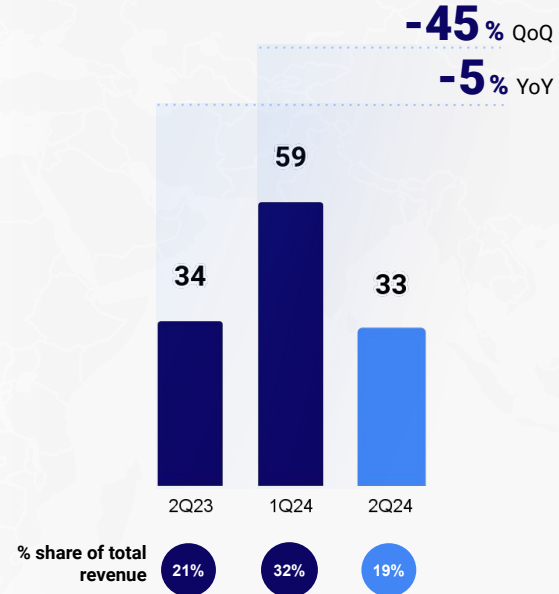
Africa & Asia: QoQ decrease affected by the devaluation in Egypt and Nigeria. YoY comparison explained by Nigerian Naira devaluation.

d.

Latin America Revenue (\$M)



Africa & Asia Revenue (\$M)

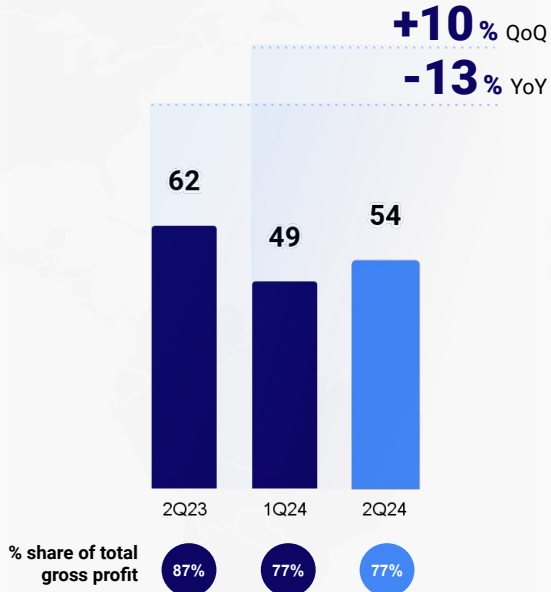


LatAm: QoQ increase driven by growth in Argentina and Other LatAm, and renegotiation with processors in Brazil. YoY comparison still impacted mainly by FX in Argentina.

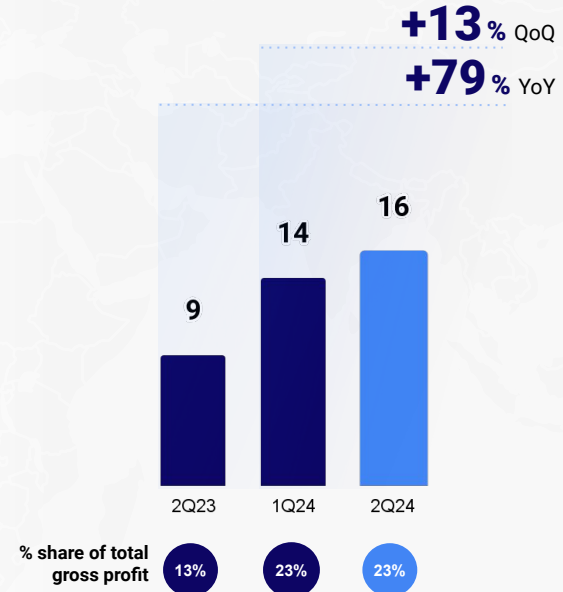
Africa & Asia: QoQ increase mostly driven by temporary FX dynamics in Nigeria and growth of Other Africa & Asia. Strong YoY growth mainly supported by Nigeria and Egypt.

d.

Latin America Gross Profit (\$M)



Africa & Asia Gross Profit (\$M)



Detailed country gross profit contribution QoQ

d.

Gross profit QoQ



Brazil

▲ **+7%**
19m | +1.3m vs. LQ

- Improved processing cost from renegotiation with processors
- Key merchant repricing (full impact in 2Q24 vs 2 months only in 1Q24) partially offset by change in payment methods mix



México

▼ **-11%**
9m | -1.1m vs. LQ

- Key merchant repricing



Chile

▲ **+11%**
8m | +0.8m vs. LQ

- Net benefit of fine recovery at the cost line



Argentina

▲ **+48%**
8m | +2.5m vs. LQ

- Overall positive performance across different verticals, such as commerce, on demand delivery, and ride-hailing



Egypt

▼ **-5%**
10m | -0.5m vs. LQ

- Reduced FX gains due to devaluation leading to changes in dual FX rate dynamics, despite strong TPV growth



Nigeria

▲ **+273%**
2m | +1.4m vs. LQ

- Temporary FX dynamics in the market, which led to gains in FX

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

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

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

FTE evolution (#):

AFRICA & ASIA

273

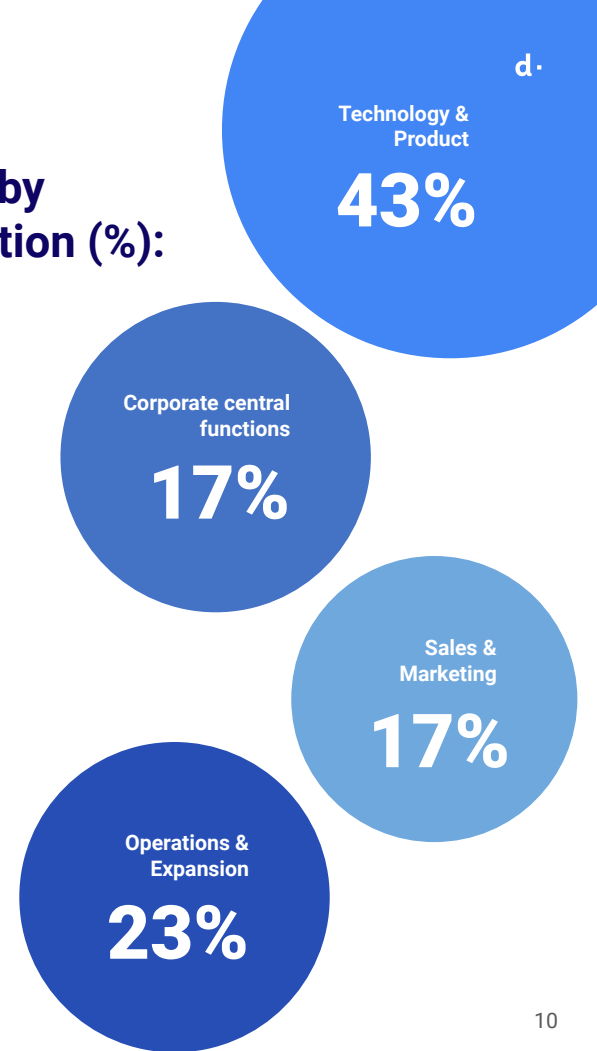
▲ +35% YoY

AMERICAS

720

▲ +19% YoY

FTE by function (%):

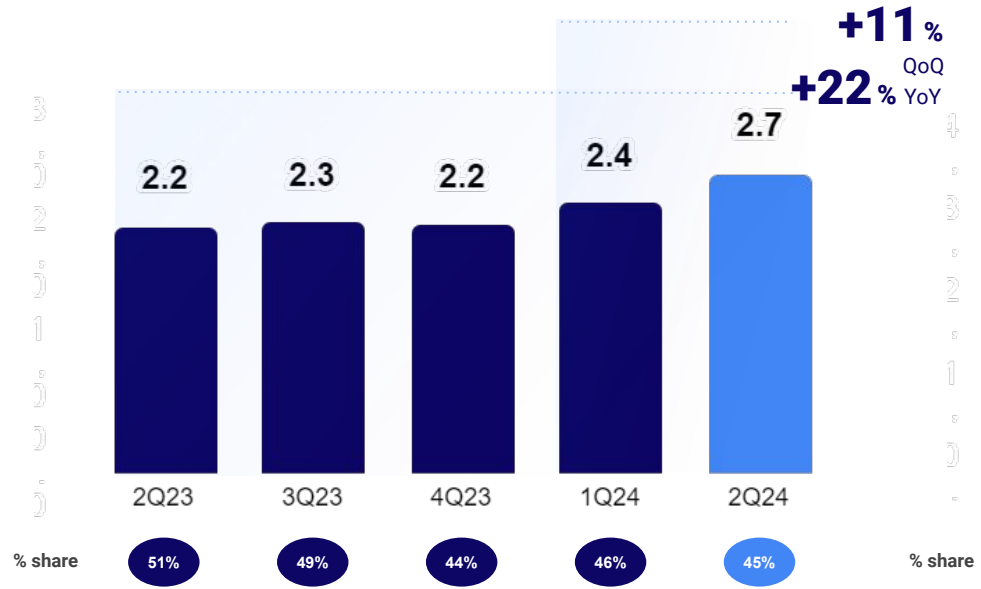


Financial Highlights

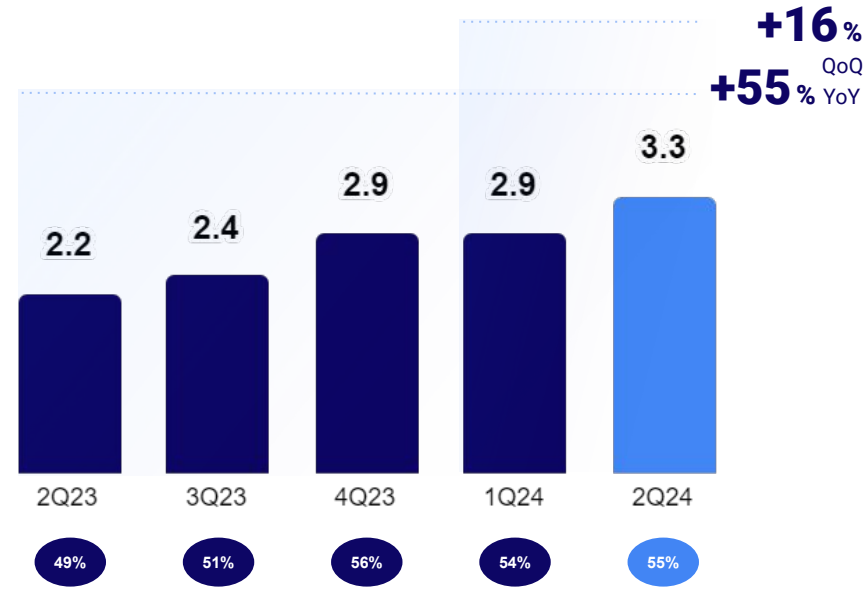


Cross-border and local-to-local growing YoY and QoQ; Cross-border performance QoQ driven mainly by the increase in ride-hailing vertical

Cross-border¹ TPV evolution (\$B)



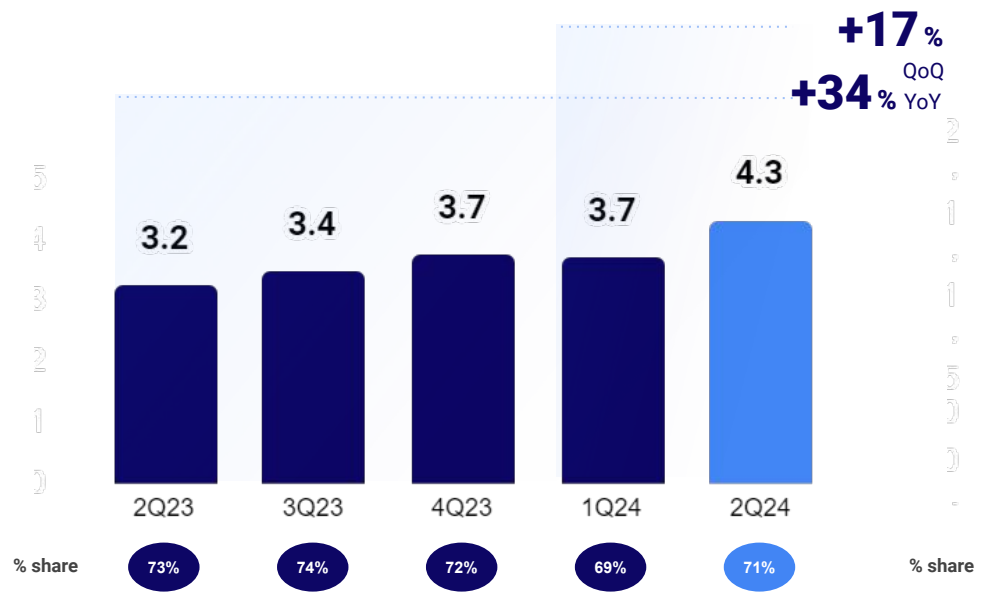
Local-to-Local² TPV evolution (\$B)



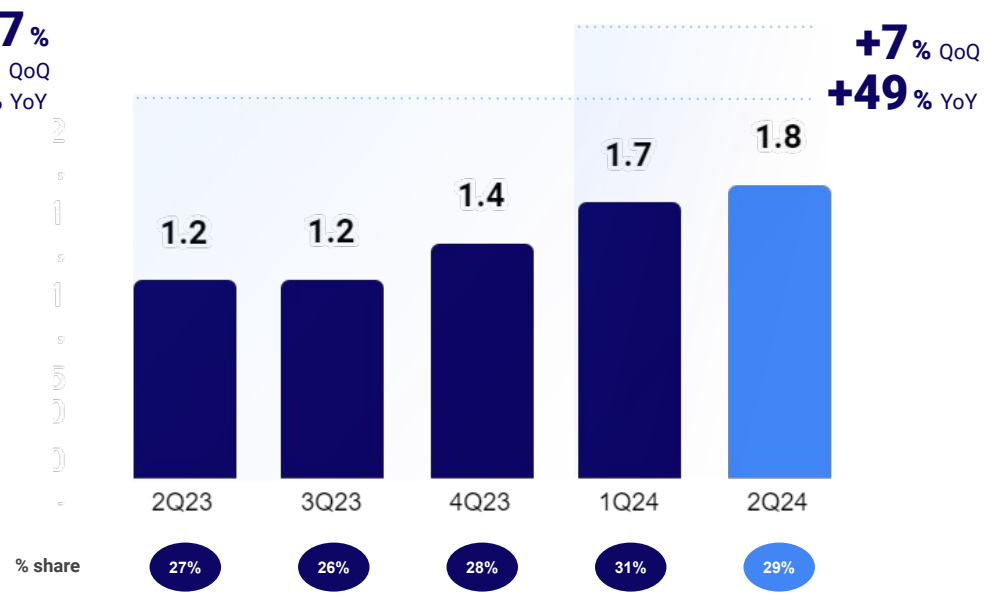
Note: ¹"Cross-border" means a payment transaction whereby dLocal is collecting in one currency and settling into a different currency and/or in a different geography. ²"Local-to-local" means a payment transaction whereby dLocal is collecting and settling in the same currency.

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

Pay-ins¹ TPV evolution (\$B)



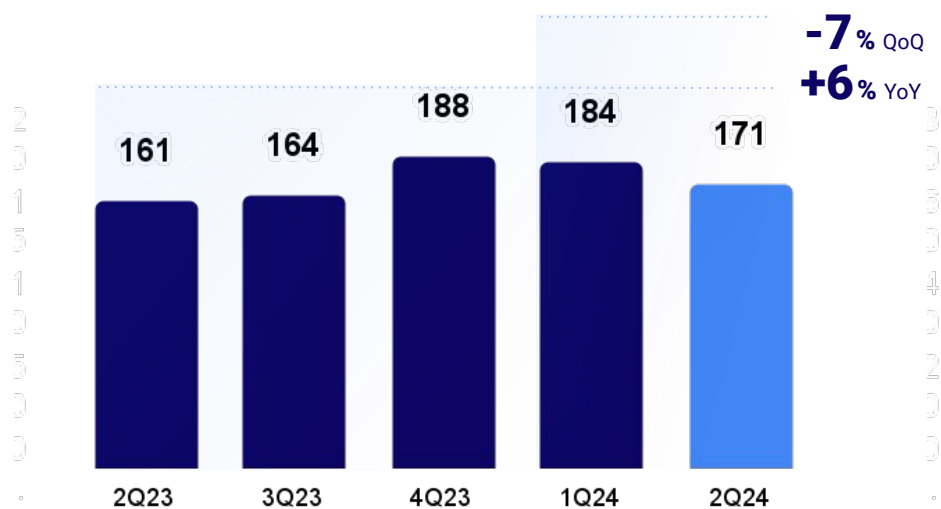
Pay-outs² TPV evolution (\$B)



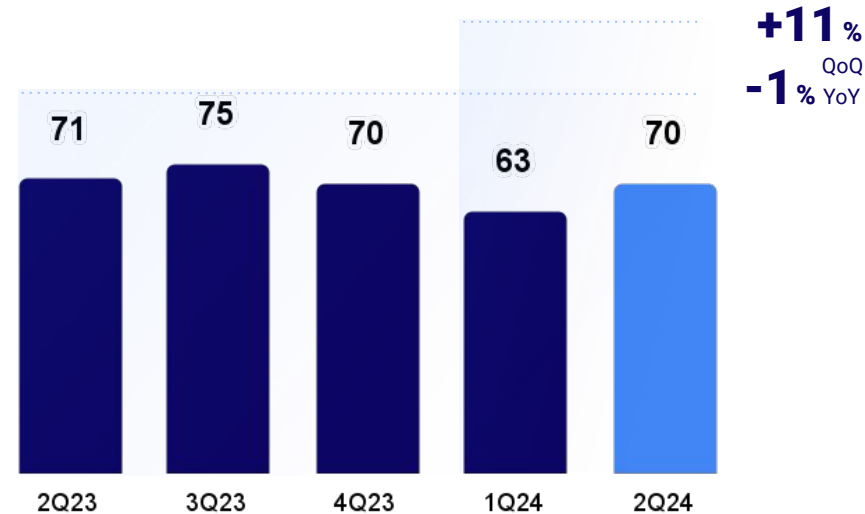
Note: ¹"Pay-in" means a payment transaction whereby dLocal's merchant customers receive payment from their customers. ²"Pay-out" means a payment transaction whereby dLocal disburses money in local currency to the business partners or customers of dLocal's merchant customers.

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

Revenue evolution (\$M)

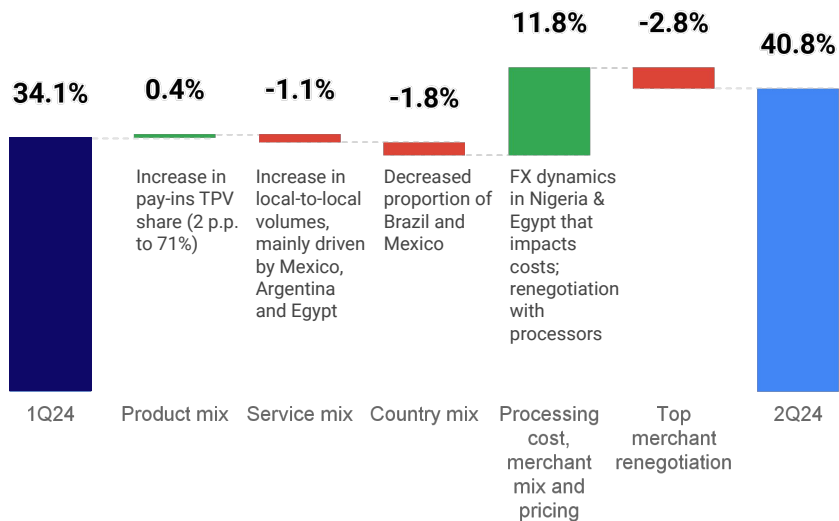


Gross Profit evolution (\$M)

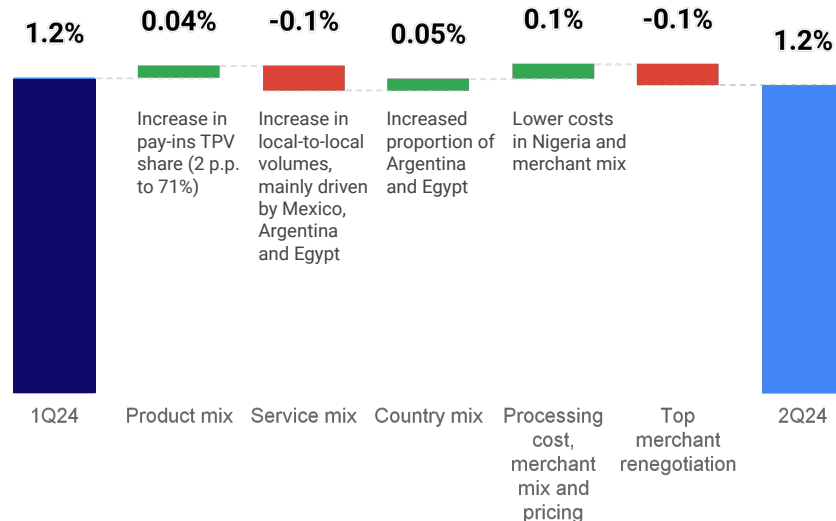


Sequential improvement in gross profit margin and flat net take rate, despite the headwinds of merchant repricing, devaluations in Nigeria and Egypt, and weakening across most emerging markets currencies

Gross Profit margin (%) QoQ bridge

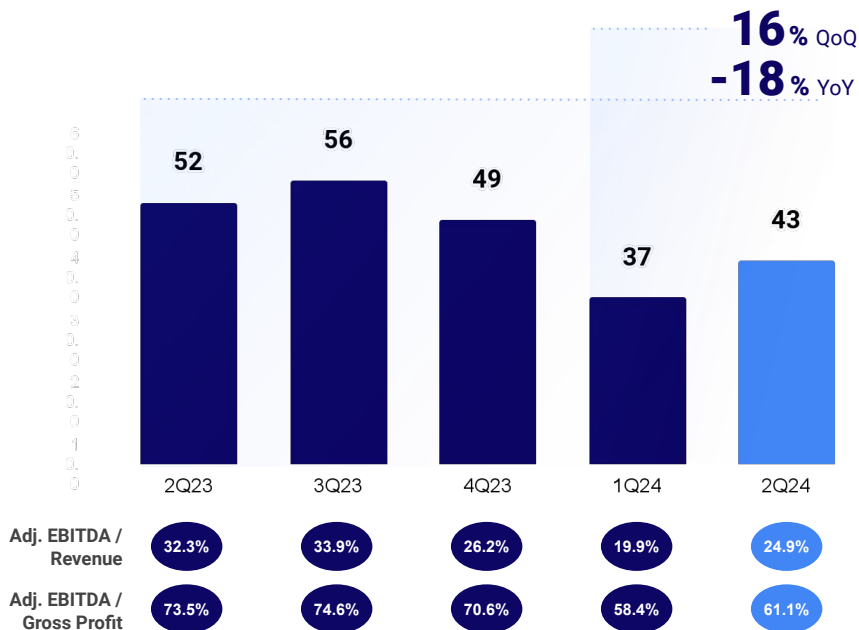


Gross Profit over TPV (%) QoQ bridge

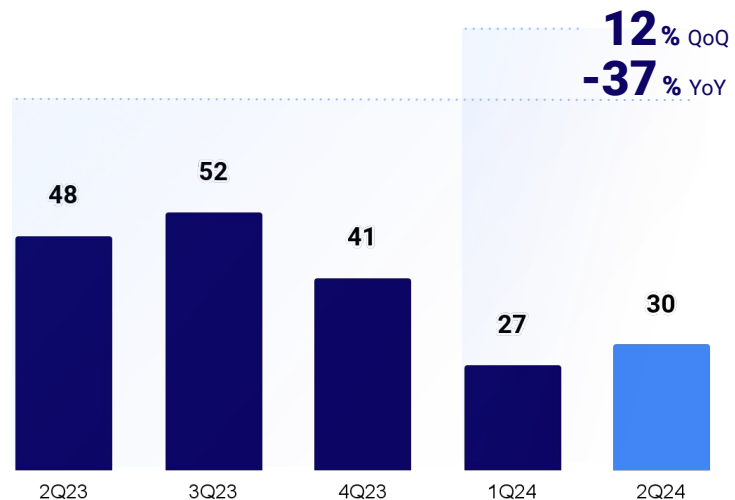


QoQ improvement on Adjusted EBITDA and Operating Profit mainly driven by higher gross profit and a disciplined OPEX investment

Adjusted EBITDA¹ evolution (\$M)

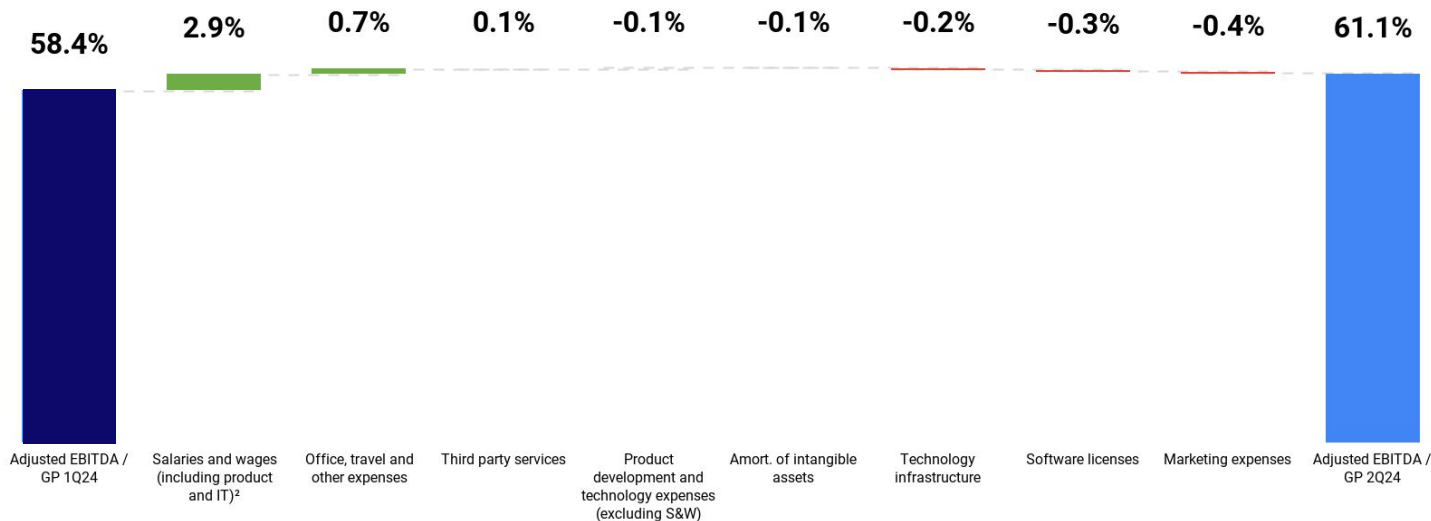


Operating Profit evolution (\$M)



QoQ Adjusted EBITDA over gross profit margin improvement driven by disciplined approach to expense management while continuing to focus on strategic investments for future growth opportunities

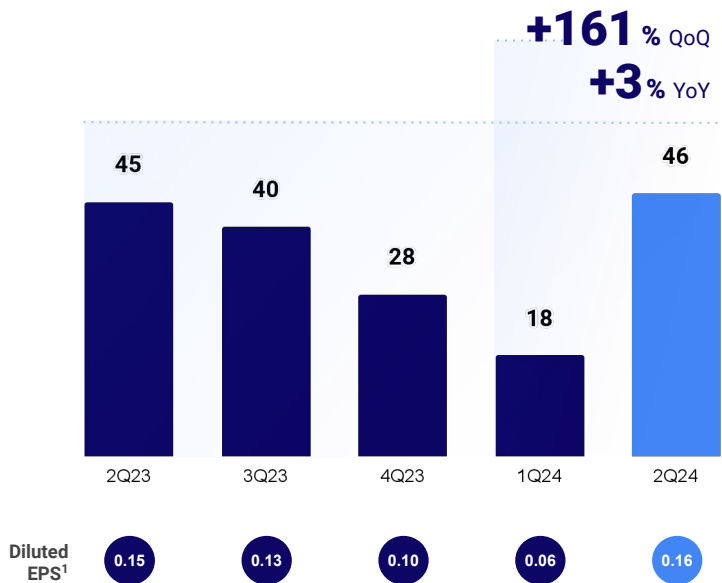
Adjusted EBITDA¹ over Gross Profit margin QoQ bridge (%)



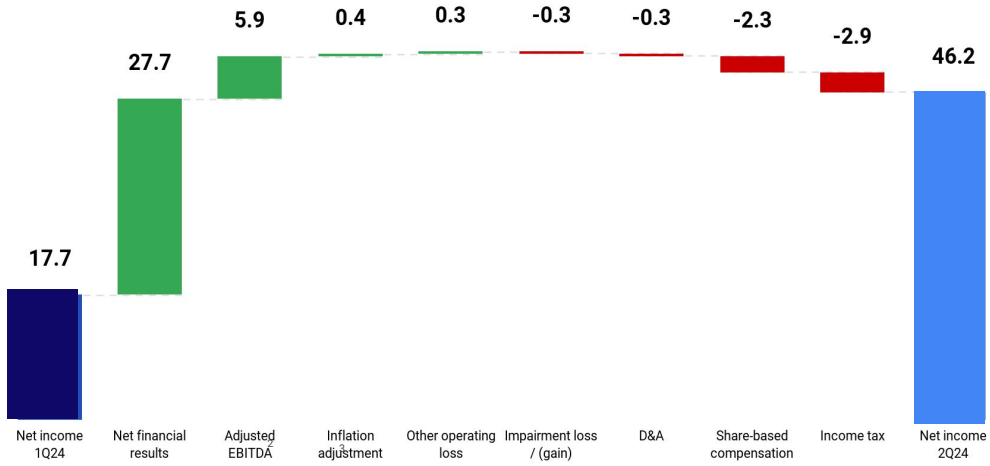
Note: ¹dLocal has only one operating segment. Although Adjusted EBITDA and Adjusted EBITDA Margin may be commonly viewed as non-IFRS measures in other contexts, pursuant to IFRS 8, Adjusted EBITDA and Adjusted EBITDA Margin are treated by dLocal as IFRS measures based on the manner in which dLocal utilizes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

Increase in net income primarily driven by higher finance income, given a \$23 million non-cash mark to market effect related to our Argentine bond investments

Net income evolution (\$M)



Net income bridge QoQ (\$M)



Note: ¹Our diluted earnings per share is calculated by dividing the profit attributable to owners of the group of dLocal by the weighted average number of common shares outstanding during the period plus the weighted average number of common shares that would be issued on conversion of all dilutive potential common shares into common shares. ²In Q2 2024, the company wrote-off certain amounts related to merchants off-boarded by dLocal. ³During Q2 2024 we recognized a fair value gain of \$22.7 million (\$10.8 million in Q1 2024) from the Argentine dollar-linked bonds and an exchange difference loss of \$5.8 million (\$6.7 million in Q1 2024) from the intercompany loan denominated in USD that we granted to our Argentine subsidiary to purchase part of these bonds.

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



Consolidated cash reconciliation (\$M)

-\$41M



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

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

2024 and mid-term guidance update

d.

	Prior 2024 Guidance	Updated 2024 Guidance	Key considerations
TPV	\$25-27B	\$23.5-25.5B	Lower probability of volumes ramp-up, pipeline development skewed even more towards Tier 0 merchants, and weaker emerging markets currencies
Gross profit	\$320-360M	\$270-290M	Higher concentration of tier 0 merchants; weaker emerging market currencies; slower than expected ramp up of already contracted clients; and growing local-to-local flows
Adjusted EBITDA	\$220-260M	\$170-190M	Maintenance of investments in certain key long term projects, as we continue hiring more IT and product talents & strengthening our internal controls

Thanks

Highlights

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

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

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

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

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

APPENDIX

TPV breakdown by type of product¹

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

TPV breakdown by type of flow²

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

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

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

Revenue

Revenue breakdown by geography

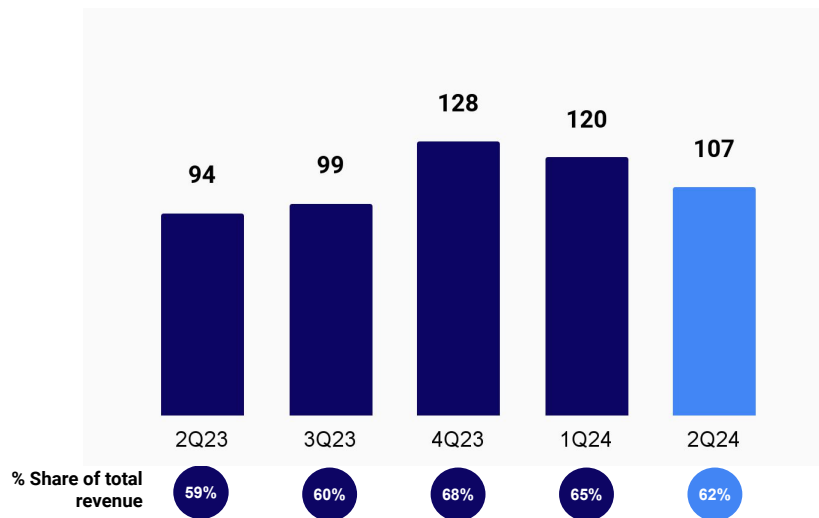
In millions of US\$	2Q23	3Q23	4Q23	1Q24	2Q24
Brazil	41.2	44.7	50.2	43.1	42.3
Argentina	20.7	23.9	10.5	13.8	20.5
Mexico	28.3	30.2	35.6	34.0	35.8
Chile	14.2	12.4	14.9	12.4	12.3
Other LatAm	22.5	24.8	20.3	22.1	27.8
Latin America	126.9	136.0	131.5	125.4	138.7
Nigeria	20.4	8.3	28.4	7.2	1.1
Egypt	4.7	10.1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

Gross profit

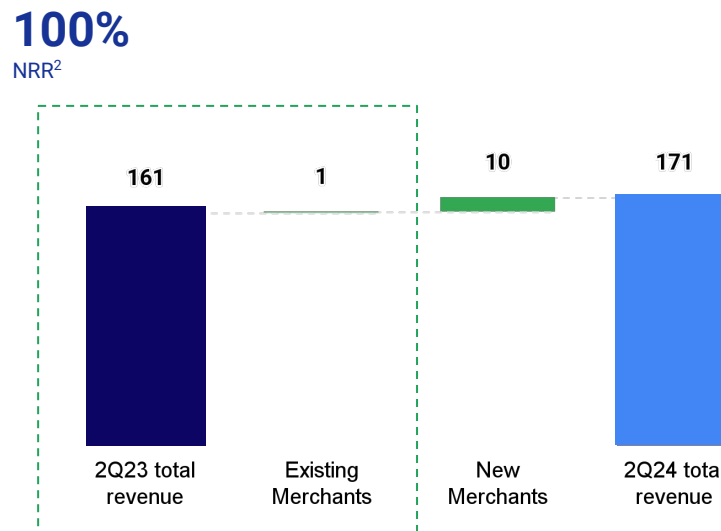
Gross profit breakdown by geography

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

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



Revenue composition (\$M)

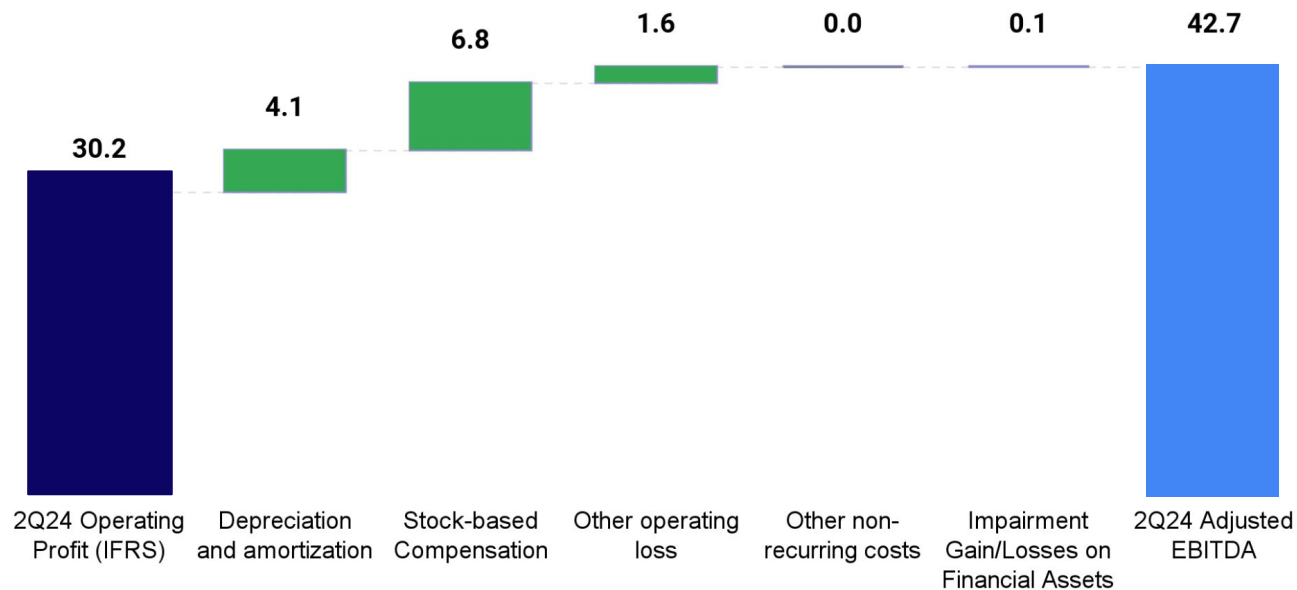


Note: ¹Top 10 merchants may vary from period to period. ²"NRR" means Net Revenue Retention rate, which is the U.S. dollar-based measure of retention and growth of our merchants. We calculate the NRR of a period by dividing the Current Period Revenue by the Prior Period Revenue. The Prior Period Revenue is the revenue billed by us to all our customers in the prior period. The Current Period Revenue is the revenue billed by us in the current period to the same customers included in the Prior Period Revenue. Current Period Revenue includes any upsells and cross sells of products, geographies, and payment methods to such merchant customers, and is net of any contractions or attrition, but excludes revenue from new customers onboarded in the last 12 months. Unaudited quarterly results.

Adjusted EBITDA

d.

Adjusted EBITDA bridge (\$M)



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

Adjusted EBITDA

d.

Reconciliation of Profit to Adjusted EBITDA

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

Note: Although Adjusted EBITDA and Adjusted EBITDA Margin may be commonly viewed as non-IFRS measures in other contexts, pursuant to IFRS 8, Adjusted EBITDA and Adjusted EBITDA Margin are treated by dLocal as IFRS measures based on the manner in which dLocal utilizes these measures. Adjusted EBITDA as used by dLocal is defined as the profit from operations before financing and taxation for the year or period, as applicable, before depreciation of property, plant and equipment, amortization of right-of-use assets and intangible assets, and further excluding the changes in fair value of financial assets and derivative instruments carried at fair value through profit or loss, impairment gains/(losses) on financial assets, transaction costs, share-based payment non-cash charges, secondary offering expenses, transaction expenses and inflation adjustment.

¹In Q2 2024, the company wrote-off certain amounts related to merchants off-boarded by dLocal. ²Other non-recurring costs related to an internal review of the allegations made by a short-seller report and class action expense, which include fees from independent counsel, independent global expert services and a forensic accounting advisory firm were included. Unaudited quarterly results.

Adjusted Net Income

d.

Reconciliation of Profit to Adjusted Net Income

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

Note: Adjusted Net Income is a non-IFRS financial measure. As used by dLocal Adjusted net income is defined as the profit for the period (net income) excluding impairment gains/(losses) on financial assets, transaction costs, share-based payment non-cash charges, secondary offering expenses, and other operating (gain)/loss, in line with our Adjusted EBITDA calculation (see detailed methodology for Adjusted EBITDA in page 9). It further excludes the accounting non-cash charges related to the fair value gain from the Argentine dollar-linked bonds and the exchange difference loss from the intercompany loan denominated in USD that we granted to our Argentine subsidiary to purchase the bonds. In addition, it excludes the inflation adjustment based on IFRS rules for hyperinflationary economies. We believe Adjusted Net Income is a useful measure for understanding our results for operations while excluding for certain non-cash effects such as currency devaluation and inflation. Our calculation for Adjusted Net Income may differ from similarly-titled measures presented by other companies and should not be considered in isolation or as a replacement for our measure of profit for the period as presented in accordance with IFRS.
Unaudited quarterly results.

Robust global network of trusted financial partners

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

2Q24 cross-border expatriation volumes by partner mix:

