
**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, 2021

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: 001-39911

Patria Investments 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)

**18 Forum Lane, 3rd floor,
Camana Bay, PO Box 757, KY1-9006
Grand Cayman, Cayman Islands
+1 345 640 4900**

(Address of principal executive offices)

Marco Nicola D'Ippolito, Chief Financial Officer

Tel: +1 345 640 4900

**18 Forum Lane, 3rd floor,
Camana Bay, PO Box 757, KY1-9006
Grand Cayman, Cayman Islands**

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

Copies to:

**Manuel Garciadiaz
Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, NY 10017
Phone: (212) 450-4000
Fax: (212) 450-6858**

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

| Title of each class | Trading Symbol | Name of each exchange on which registered |
|---|----------------|---|
| Class A common shares, par value US\$0.0001 per share | PAX | The 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.

The number of outstanding shares as of December 31, 2021 was 54,247,500 Class A common shares and 92,945,430 Class B common shares.

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

Note – Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

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.

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

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:

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

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All references to “U.S. dollars,” “dollars” or “\$” are to the U.S. dollar. All references to “*real*,” “*reais*,” “Brazilian *real*,” “Brazilian *reais*,” or “R\$” are to the Brazilian *real*, the official currency of Brazil. All references to “IFRS” are to International Financial Reporting Standards, as issued by the International Accounting Standards Board, or the IASB.

Financial Statements

Patria was incorporated in Bermuda on July 6, 2007 as a limited liability exempted company and changed the jurisdiction of its incorporation to the Cayman Islands on October 12, 2020, registering by way of continuation as a Cayman Islands exempted company with limited liability duly registered with the Cayman Islands Registrar of Companies.

We maintain our books and records in U.S. dollars, the presentation currency for our financial statements and also our functional currency. See note 5 to our audited consolidated financial statements (as defined below), included elsewhere in this annual report, for more information about our and our subsidiaries functional currency. We prepare our annual consolidated financial statements December 31, 2021 and 2020 in accordance with IFRS, as issued by the IASB. Unless otherwise noted, our financial information presented herein for the years ended December 31, 2021, 2020 and 2019 is stated in U.S. dollars, our reporting currency. The consolidated financial information of Patria contained in this annual report is derived from its audited consolidated financial statements as of and for the three years ended December 31, 2021, together with the notes thereto. All references herein to “our financial statements,” “our audited consolidated financial information,” and/or “our audited consolidated financial statements” are to Patria consolidated financial statements included elsewhere 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 fiscal year ends on December 31. References in this annual report to a fiscal year, such as “fiscal year 2021,” relate to our fiscal year ended on December 31 of that calendar year.

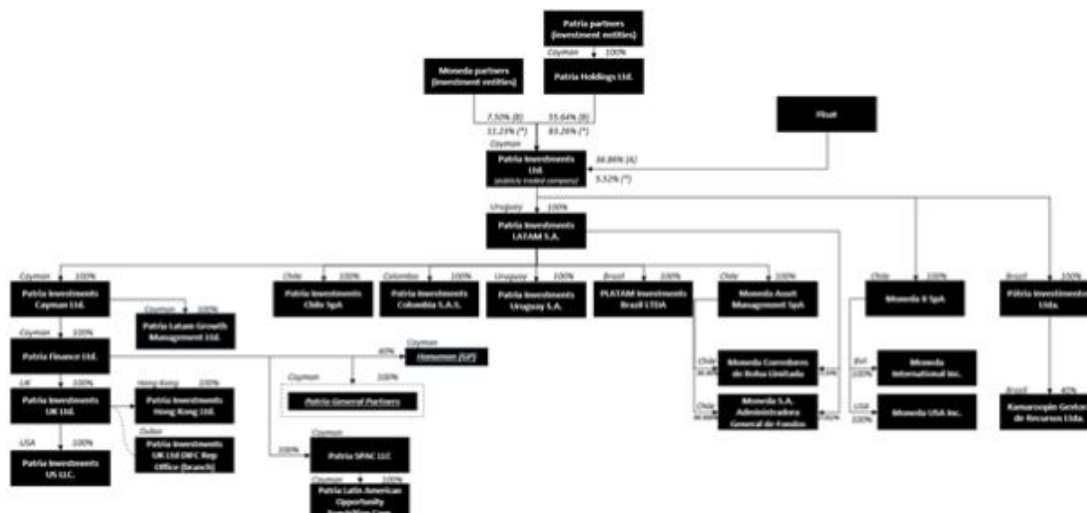
Corporate Events

On December 1, 2021, we completed our previously announced combination with Moneda Asset Management SpA, or Moneda, a leading asset manager headquartered in Chile. The transaction created a combined asset manager with US\$23.8 billion in assets under management as of December 31, 2021, allowing us to solidify ourselves as one of the leading private equity, infrastructure and credit platforms in Latin America. As a result, we issued 11,045,430 Class B common shares to entities controlled by certain Moneda partners. See “Item 4. Information on the Company—A. History and Development of the Company—Our History—Combination with Moneda Asset Management” for additional information. Accordingly, our results of operations and financial condition for the historical periods discussed in this annual report prior to the acquisition of Moneda do not reflect or include the results of operations or any assets or liabilities of Moneda as well as certain critical accounting policies and estimates related to goodwill, intangible assets and purchase accounting related to the transaction. We began consolidating Moneda and its subsidiaries as from December 1, 2021, and, accordingly, our results of operations and financial condition in future periods may not necessarily be comparable to our results of operations and financial condition for historical periods, including those discussed in this annual report.

As of December 31, 2021, we had a total of 147,192,930 common shares issued and outstanding, and 81,900,000 of these shares are Class B common shares beneficially owned by Patria Holdings, 11,045,430 Class B common shares beneficially owned by entities controlled by certain Moneda partners and an aggregate of 54,247,500 of these shares are Class A common shares beneficially owned by our investors. See “Item 7. Major Shareholders and Related Party Transactions—A. Major Shareholders.”

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The following chart shows our corporate structure and equity ownership as of December 31, 2021, after giving effect to our corporate reorganization and combination with Moneda. This chart is provided for illustrative purposes only and does not show all of the legal entities:



- (1) 11,437,198 Class B common shares of the 81,900,000 Class B common shares beneficially owned by Patria Holdings Limited are held of record by SPV PHL, which is a wholly owned subsidiary of Patria Holdings Limited.
- (2) References to (A) stand for Class A common shares, (B) stand for Class B common shares, and (*) stand for voting power.

Special Note Regarding Non-GAAP Financial Measures

This annual report presents our Fee Related Earnings and Distributable Earnings information, which are Non-GAAP measures. A Non-GAAP financial measure is generally defined as one that purports to measure financial performance but excludes or includes amounts that would not be so adjusted in the most comparable IFRS measure.

Fee Related Earnings

Fee Related Earnings, or FRE, is a performance measure used to assess our ability to generate profits from revenues that are measured and received on a recurring basis. FRE is calculated as management, incentive, advisory and other ancillary fees, net of related taxes, less personnel and administrative expenses, adjusted for brand amortization, amortization of placement agents and rebate fees, excluding the impacts of equity-based compensation and nonrecurring expenses. FRE includes base compensation (salaries and wages) in fixed amounts and variable compensation in the form of discretionary cash bonuses, which are awarded based on each individual’s performance upon consideration of a number of qualitative and quantitative factors (comparing actual individual performance in influencing such factors with prior and anticipated performance), but which are not directly based upon revenues. Accordingly, there are no specific revenue amounts that relate to compensation components included in FRE. Incentive fees are realized performance-based fees earned by certain funds when the returns for such funds surpass the relevant benchmark over a specified time horizon. Such incentive fees are included in FRE because they represent a source of revenues that is measured and received on a recurring basis and is not dependent on realization events from the underlying investments, although the amount of incentive fees may fluctuate based on the performance of the funds relative to the relevant benchmark.

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The table below presents more information on our FRE:

| | For the Years Ended December 31, | | | | |
|--|----------------------------------|-------------|-------------|---------------------|---------------------|
| | 2021 | 2020 | 2019 | Change 2021/2020 | Change 2020/2019 |
| | (in US\$ millions) | | | | |
| Revenue from management fees(1) | 144.7 | 112.9 | 104.9 | 31.8 | 8.0 |
| Revenue from incentive fees | 4.9 | 3.5 | 18.1 | 1.4 | (14.6) |
| Revenue from advisory and other ancillary fees | 0.7 | 2.5 | 1.0 | (1.8) | 1.5 |
| Taxes on revenue—management fees | (3.6) | (3.1) | (2.9) | (0.5) | (0.2) |
| Taxes on revenue—incentive fees | (0.2) | (0.4) | (2.1) | 0.2 | 1.7 |
| Taxes on revenue—advisory and other ancillary fees | (0.1) | (0.4) | (0.1) | 0.3 | (0.3) |
| Personnel expenses(2) | (79.8) | (27.2) | (36.9) | (52.6) | 9.7 |
| Officers' Fund—long-term benefit plan(3) | 2.2 | 0.4 | (1.0) | 1.8 | 1.4 |
| Performance Share Plan(4) | 0.8 | — | — | 0.8 | — |
| Performance fee compensation(5) | 30.2 | — | — | 30.2 | — |
| Carry bonus provision | 0.9 | — | — | 0.9 | — |
| Deferred consideration on acquisition(6) | 2.0 | — | — | 2.0 | — |
| Administrative expenses | (14.4) | (14.6) | (15.7) | 0.2 | 1.1 |
| Brand amortization(7) | 0.3 | — | — | 0.3 | — |
| Amortization of placement agents and rebate fees | (2.5) | (2.3) | (2.3) | (0.2) | — |
| Fee Related Earnings (FRE) | 86.0 | 71.3 | 63.0 | 14.7 | 8.3 |

- (1) Increase in management fee revenues from prior year mainly due to an increase in capital deployed by Private Equity Fund VI and management fees for December 2021 from Moneda acquisition.
- (2) Personnel expenses consist of (1) fixed compensation costs comprised of salaries and wages, (2) variable compensation costs comprised of partners' compensation, rewards and bonuses and employee profit sharing, (3) social security contribution and payroll taxes and (4) other short- and long-term benefits. The increase is due mainly to the change in our compensation structure post-IPO.
- (3) Personnel expenses have been adjusted to remove the Officer's Fund tracking shares. This amount reflects the valuation change of such tracking shares in the period.
- (4) Personnel expenses have been adjusted to remove the impact from granting rights to the share-based incentive plan introduced. The amount reflects the equity recognized based on expected vesting criteria being met.
- (5) This expense refers to a carried interest share held by a related party (representing our senior managing directors and employees in Patria Brazilian Private Equity III, Ltd.) that gives it the right to up to 35% of the performance fees recognized from PBPE Fund III (Ontario), L.P. As of December 31, 2021, we had a payable balance of US\$11.6 million.
- (6) Our acquisition of Moneda included US\$58.7 million expected to be paid to former shareholders of Moneda in exchange for future services, which are payable in two installments due December 2, 2023 and December 2, 2024. This expense will be recognized as a compensation expense as the employees render services. For the year ended December 31, 2021, US\$2.0 million was recognized as an expense in our income statement.
- (7) This amount refers to the amortization of intangibles (brands) associated with Patria's acquisition of Moneda.

We believe FRE is useful to investors because it provides additional insight into the operating profitability of our business and our ability to cover direct base compensation and operating expenses from total fee revenues. FRE is derived from and reconciled to, but not equivalent to, its most directly comparable IFRS measure of income before income tax. See "Item 5. Operating and Financial Review and Prospects—A. Operating Results—Non-GAAP Financial Measures and Reconciliations—Fee Related Earnings (FRE)" for our reconciliation of FRE.

Distributable Earnings

Distributable Earnings, or "DE," is used to assess our performance and capabilities to distribute dividends to shareholders. DE is calculated as FRE deducted by current income tax expense, plus net realized performance fees, net financial income/(expenses), and other income/(expenses) adjusted for IPO related expenses and non-recurring transaction costs. DE is derived from and reconciled to, but not equivalent to, its most directly comparable IFRS measure of net income. See "Item 5. Operating and Financial Review and Prospects—A. Operating Results—Non-GAAP Financial Measures and Reconciliations—Distributable Earnings (DE)" for our reconciliation of DE.

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The following table presents more information on our DE:

| | For the Years Ended December 31, | | | | |
|--|----------------------------------|-------------|-------------|-------------|------------|
| | 2021 | 2020 | 2019 | Change | Change |
| | (in US\$ millions) | | | | |
| | 2021 | 2020 | 2019 | 2021/2020 | 2020/2019 |
| Fee Related Earnings (FRE) | 86.0 | 71.3 | 63.0 | 14.7 | 8.3 |
| Revenue from performance fees | 89.3 | — | 4.8 | 89.3 | (4.8) |
| Taxes on revenue—performance fees | (0.2) | — | (0.5) | (0.2) | 0.5 |
| Performance fee compensation | (30.2) | — | — | (30.2) | — |
| Carry bonus provision | (0.9) | — | — | (0.9) | — |
| Other income/(expenses) | (12.5) | (2.0) | 0.1 | (10.5) | (2.1) |
| IPO expenses and non-recurring transaction costs | 11.8 | 2.1 | — | 9.7 | 2.1 |
| Net financial income/(expense) | (0.3) | (0.2) | (0.2) | (0.1) | 0.0 |
| Current income tax expense | (1.7) | (0.9) | (3.8) | (0.8) | 2.9 |
| Distributable Earnings (DE) | 141.3 | 70.3 | 63.4 | 71.0 | 6.9 |

FRE and DE are measures of profitability and have certain limitations in that they do not take into consideration certain items included under IFRS. Such measures may not be comparable to similarly titled measures used by other companies and is not a measure of performance calculated in accordance with IFRS. FRE and DE should not be considered in isolation or as a substitute for net income or other income data prepared in accordance with IFRS. The use of such measures without consideration of related IFRS measures is not adequate due to the adjustments described above. Our management compensates for these limitations by using FRE and DE as supplemental measures to IFRS results, to provide a more complete understanding of our performance as management measures it. A reconciliation of FRE and DE to their respective most directly comparable IFRS measure of income before income taxes provision can be found in “Item 5. Operating and Financial Review and Prospects—A. Operating Results—Non-GAAP Financial Measures and Reconciliations.”

Certain Terms Used in this Annual Report as KPIs to Measure Operating Performance

Assets Under Management, or AUM, refers to the total capital funds managed by us *plus* the investments directly made by others in the invested companies when offered by us as co-investments. In general lines, our AUM equals the sum of (i) the fair value of the investments of each one of the funds and co-investments; and (ii) unfunded capital, which is the difference between committed and called capital. The Net Asset Value, or “NAV,” equals total assets minus total liabilities. Committed capital corresponds to the amount which investors have agreed to contribute to an investment fund. Called capital corresponds to the portion of the committed capital called by the fund to make investments or cover expenses, such as management fees.

Our AUM measure includes Assets Under Management for which we charge either nominal or zero fees and indicates the size of our business and products. Our definition of AUM is not based on any definition of Assets Under Management contained in our operating agreement or in any of our fund management agreements. Given the differences in the investment strategies and structures among other alternative investment managers, our calculation of AUM may differ from the calculations employed by other investment managers and, as a result, this measure may not be directly comparable to similar measures presented by other investment managers. We believe this measure is useful to stockholders as it provides additional insight into our capital raising activities and the growth of the Company itself, as it illustrates the evolution of our business in terms of size, or assets under management, products, by allowing us to see the AUM by product, and ability to generate revenues.

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FEAUM means our Fee Earning AUM and is measured as the total capital managed by us on which we derive management fees at a given time. Management fees are based on “net asset value,” “adjusted cost of all unrealized portfolio investments,” “capital commitments,” or “invested capital” plus “reserved capital” (if applicable), each as defined in the applicable management agreement.

Performance Revenue Eligible AUM means the portion of our AUM on which performance fees or incentive fees could be earned if certain targets are met. All funds for which we are entitled to receive a performance fee allocation or incentive fee allocation are included in Performance Revenue Eligible AUM.

Our Net Accrued Performance Fees balance, as of the reporting date, reflects the amount Patria would receive as realized performance fees net of related compensation if all eligible funds were fully divested at their marks/valuations at the same reporting date.

Market Share and Other Information

This annual report contains data related to economic conditions in the market 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 financial services 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 financial services 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, public information and publications on the financial services industry prepared by official public sources, such as the Brazilian Central Bank, the Brazilian Securities and Exchange Commission (*Comissão de Valores Mobiliários*), or “CVM,” the Brazilian Institute for Geography and Statistics (*Instituto Brasileiro de Geografia e Estatística*) the “IBGE,” the Brazilian Power Research Company (*Empresa de Pesquisa Energetica*), the Brazilian Association of Food Industries (*Associação Brasileira da Indústria de Alimentos*), the Bank for International Settlements, DERA/SEC, the Center for Advanced Studies on Applied Economics (*Centro de Estudos Avançados em Economia Aplicada*), or “CEPEA,” the Luiz de Queiroz Agriculture College (*Escola Superior de Agricultura Luiz de Queiroz*), or “ESALQ,” the Federal Reserve, the International Monetary Fund, the Brazilian Superintendence of Private Insurance (*Superintendência de Seguros Privados*), or “SUSEP,” the Organization for Economic Co-operation and Development, or “OECD,” the World Bank, as well as private sources, such as the Alternative Credit Council, the Brazilian stock exchange (*B3 S.A.—Brasil, Bolsa, Balcão*), or “B3,” Bain & Company, Boston Consulting Group, or “BCG,” Brian & Company, CAIA Association, Cambridge Associates, Campden Wealth, the Economist Intelligence Unit, or “EIU,” Ernst & Young, or “EY,” the Financial Times newspaper, Greenhill, Hamilton Lane, ILOS—Logistics and Supply Chain Specialists, KPMG, McKinsey, Morningstar, Morgan Stanley, Oliver Wyman, Platform research, Preqin, PricewaterhouseCoopers, or “PwC,” Reuters, The Bertelsmann Stiftung’s Transformation Index, or “BTI,” the Brazilian Private Equity and Venture Capital Association (*Associação Brasileira de Private Equity e Venture Capital*), or “ABVCAP,” the Brazilian Financial and Capital Markets Association (*Associação Brasileira das Entidades dos Mercados Financeiro e de Capitais*), or “ANBIMA,” the Brazilian Association of Pension Funds (*Associação Brasileira das Entidades Fechadas de Previdência Complementar*), or “ABRAPP,” the Brazilian Economic Institute of Fundação Getulio Vargas (*Instituto Brasileiro de Economia da Fundação Getulio Vargas*), or “FGV/IBRE,” among others.

Market data used throughout this annual report is based on management’s knowledge of the industry and the good faith estimates of management. All of management’s estimates presented are based on industry sources, including analyst reports and management’s knowledge. We also relied, to the extent available, upon management’s review of independent industry surveys and publications prepared by a number of sources and other publicly available information. We are responsible for all of the disclosure in this annual report, and we believe that each of the publications, studies and surveys used throughout this annual report are prepared by reputable sources and are generally reliable, though we have not independently verified market and industry data from third-party sources. None of the publications, reports or other published industry sources referred to in this annual report were commissioned by us or prepared at our request. We have not sought or obtained the consent of any of these sources to include such market data in this annual report. All of the market data used in this annual report involves a number of assumptions and limitations and therefore is inherently uncertain and imprecise, and you are cautioned not to give undue weight to such estimates. Projections, assumptions and estimates of our future performance and the future performance of the industry in which we operate are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in “Item 3. Key Information—D. Risk Factors” in this annual report. These and other factors could cause results to differ materially from those expressed in our estimates and beliefs and in the estimates prepared by independent parties.

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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. 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 “Item 3. Key Information—D. Risk Factors” in this annual report. These risks and uncertainties include factors relating to:

- the impact of the COVID-19 outbreak on general economic and business conditions in Brazil, Chile, Latin America and globally, and any restrictive measures imposed by governmental authorities in response to the outbreak;
- our ability to implement, in a timely and efficient manner, any measure necessary to respond to, or reduce the impacts of the COVID-19 outbreak on our business, operations, cash flow, prospects, liquidity and financial condition;
- general economic, financial, political, demographic and business conditions in Latin America, as well as any other macroeconomic factors in the countries we may serve in the future and their impact on our business;
- fluctuations in exchange rates, interest and inflation in Latin America and any other countries we may serve in the future;
- our ability to find suitable assets for investment;
- our ability to manage operations at our current size or manage growth effectively;
- our ability to successfully expand in Latin America and other new markets;
- the fact that we will rely on our operating subsidiaries to provide us with distributions to fund our operating activities, which could be limited by law, regulation or otherwise;
- our ability to arrange financing and maintain sufficient levels of cash flow to implement our expansion plan;
- our ability to adapt to technological changes in the financial services sector;
- the availability of qualified personnel and the ability to retain such personnel;
- our capitalization and our funds’ and portfolio companies’ level of indebtedness;
- the interests of our controlling shareholders;
- changes in the laws and regulations applicable to the private investment market in Brazil, Chile and in the other countries we operate;
- risk associated with our international operations;
- our ability to compete and conduct our business in the future;

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- changes in our businesses;
- government interventions, resulting in changes in the economy, taxes, rates or regulatory environment;
- our ability to effectively market and maintain a positive brand image;
- 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;
- changes in client demands and preferences and technological advances, and our ability to innovate to respond to such changes;
- our ability to attract and maintain the services of our senior management and key employees;
- changes in labor, distribution and other operating costs;
- our compliance with, and changes to, government laws, regulations and tax matters that currently apply to us;
- other factors that may affect our financial condition, liquidity and results of operations; and
- other risk factors discussed under “Item 3. Key Information—D. Risk Factors.”

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

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

A. Directors and Senior Management

Not applicable.

B. Advisers

Not applicable.

C. Auditors

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

A. Offer Statistics

Not applicable.

B. Method 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

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 relating to Latin America and risks relating to our Class A common shares. The following list summarizes some, but not all, of these risks. Please read the information in the section entitled “Risk Factors” for a more thorough description of these and other risks.

Certain Factors Relating to Our Business and Industry

- The global outbreak of the novel coronavirus, or “COVID-19,” has caused severe disruptions in Latin America and global economies and is adversely impacting, and may continue to adversely impact, our performance and results of operations. The global impact of the outbreak continues to rapidly evolve, and many countries have instituted quarantines, restrictions on travel, closed financial markets and/or restricted trading, and closed or limited hours of operations of non-essential businesses. Such actions are creating severe economic contraction and adversely impacting many industries.

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- Difficult market and geopolitical conditions can adversely affect our business in many ways, each of which could materially reduce our revenue, earnings and cash flow and adversely affect our financial prospects and condition. We may need to reduce our fixed costs and other expenses in order to maintain profitability, including by cutting back or eliminating the use of certain services or service providers, or terminating the employment of a significant number of our personnel that, in each case, could be important to our business and without which our operating results could be adversely affected.
- A period of economic slowdown, which may be across one or more industries, sectors or geographies, could contribute to adverse operating performance for certain of our funds' investments, which would adversely affect our operating results and cash flows. To the extent global markets enter a period of slower growth relative to recent years, such period of economic slowdown (which may be across one or more industries, sectors or geographies), may contribute to poor financial results at our funds' portfolio companies, which may result in lower investment returns for our funds.
- An increase in interest rates and other changes in the debt financing markets could negatively impact the ability of our funds and their portfolio companies to obtain attractive financing or refinancing and could increase the cost of such financing if it is obtained, which could lead to lower-yielding investments and potentially decrease our net income. If our funds are unable to obtain committed debt financing for potential acquisitions, can only obtain debt financing at an increased interest rate or on unfavorable terms or the ability to deduct corporate interest expense is substantially limited, our funds may face increased competition from strategic buyers of assets who may have an overall lower cost of capital or the ability to benefit from a higher amount of cost savings following an acquisition, or may have difficulty completing otherwise profitable acquisitions or may generate profits that are lower than would otherwise be the case, each of which could lead to a decrease in our revenues.
- If we cannot make the necessary investments to keep pace with rapid developments and change in our industry, the use of our services could decline, reducing our revenues. The revenues that we earn are driven in part by the pace at which our funds make investments and the size of those investments, and a decline in the pace or the size of such investments may reduce our revenues. The market environment for private equity transactions, for example, recently has been and continues to be characterized by relatively high prices, which can make the deployment of capital more difficult.
- Our revenue, earnings, net income and cash flow can all vary materially and be volatile from time to time, which may make it difficult for us to achieve steady earnings growth on a quarterly basis and may cause the price of our Class A common shares to decline. Achieving steady growth in net income and cash flow on a quarterly basis may be difficult, which could in turn lead to large adverse movements or general increased volatility in the price of our Class A common shares.

Certain Factors Relating to Latin America

- Governments have a high degree of influence in Brazil, Chile and the other economies in which we operate. The effects of this influence and political and economic conditions in Brazil, Chile and other Latin American countries could harm us and the trading price of our Class A common shares. Recent economic and political instability in Brazil in general has led to a negative perception of the Brazilian economy and higher volatility in the Brazilian securities markets, which also may adversely affect us and our Class A common shares.
- Developments and the perceptions of risks in other countries, including other emerging markets, the United States and Europe, may harm the economy of Brazil and the other countries in which we operate and the trading price of our Class A common shares. Crises and political instability in other emerging market countries, the United States, Europe or other countries, including increased international trade tensions and protectionist policies, could decrease investor demand for securities offered by companies with significant operations in Brazil, Chile and other Latin American countries, such as our Class A common shares.
- The ongoing economic uncertainty and political instability in Brazil, including as a result of ongoing corruption investigations, may harm us and the price of our Class A common shares. Brazil's political environment has historically influenced, and continues to influence, the performance of the country's economy. 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 Brazil.

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- Inflation and government measures to curb inflation may adversely affect the economies and capital markets in some of the countries in which we operate, and as a result, harm our business and the trading price of our Class A common shares. In the past, high levels of inflation have adversely affected the economies and financial markets of some of the countries in which we operate, particularly Argentina and Brazil, and the abilities of their governments to create conditions that stimulate or maintain economic growth.
- Exchange rate instability may have adverse effects on the Brazilian economy, our business and the trading price of our Class A common shares. The Brazilian government has implemented various economic plans and used various exchange rate policies, including sudden devaluations, periodic mini-devaluations (during which the frequency of adjustments has ranged from daily to monthly), exchange controls, dual exchange rate markets and a floating exchange rate system.

Certain Factors Relating to Our Class A Common Shares

- Patria Holdings owns the majority of our issued and outstanding Class B common shares, which represents approximately 83.3% of the voting power of our issued share capital, and controls all matters requiring shareholder approval. Patria Holdings' ownership and voting power limits your ability to influence corporate matters.
- The dual class structure of our share capital has the effect of concentrating voting control with Patria Holdings; this will limit or preclude your ability to influence corporate matters. Due to the ten-to-one voting ratio between our Class B and Class A common shares, Patria Holdings, the beneficial owner of the majority of our Class B common shares, controls the voting power of our common shares and therefore will be able to control all matters submitted to our shareholders so long as the total number of the issued and outstanding Class B common shares is at least 10% of the total number of shares outstanding.
- 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. 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.

Certain Factors Relating to Our Business and Industry

The global outbreak of the novel coronavirus, or "COVID-19," has caused severe disruptions in Latin America and global economies and is adversely impacting, and may continue to adversely impact, our performance and results of operations.

The global outbreak of COVID-19 has spread across Latin America. The World Health Organization has designated COVID-19 as a pandemic, and numerous countries, including the United States, have declared national emergencies. The global impact of the outbreak continues to rapidly evolve, and many countries have instituted quarantines, restrictions on travel, closed financial markets and/or restricted trading, and closed or limited hours of operations of nonessential businesses. Such actions are creating severe economic contraction and adversely impacting many industries. The International Monetary Fund stated that it is very likely that this year the global economy will experience its worst recession since the Great Depression. While a number of countries, as well as certain states in the United States, have begun to lift the public health restrictions with a view to reopening their economies, recurring COVID-19 outbreaks could lead to the re-introduction of such restrictions. Moreover, even where restrictions have been lifted, self-imposed social distancing and isolation measures may continue for a more prolonged period due to public fears in the absence of effective treatments or a vaccine. Accordingly, it remains to be seen how quickly economic activity will resume even in economies where public health restrictions are lifted. Brazil and Chile have also begun opening its borders, enabling foreigners that have already been vaccinated to enter the country. The vaccination programs have contributed to the slowing down of the spread of COVID-19 and have enabled the Brazilian and Chilean economy to begin recovery. However, as new variants of the COVID-19 virus spread throughout the world, the long-term ramifications of the COVID-19 pandemic are highly uncertain, and it is hard to predict the duration of the pandemic and its effects on the global, Brazilian and Chilean economies and on our business.

The COVID-19 pandemic has already impacted, and will continue to impact, our business, financial condition, results of operations, liquidity and prospects materially. The pandemic is also exacerbating many of the risks described in this annual report. We expect, at least in the near term, to continue to experience a slowdown in capital raising, capital deployment and realization activity. Adverse impacts on our business as a result of the COVID-19 pandemic include, but are not limited to:

- *Performance Revenues and Incentive Fees.* Our ability to realize value from our investments may be adversely impacted by decreased portfolio company revenues and earnings, lack of potential buyers with financial resources to pursue an acquisition, or limited access to the equity capital markets. Limited opportunities for realizing gains could also delay or eliminate receipt of performance revenues as preferred return thresholds become harder to achieve over time. Primarily as a result of the negative impact of the COVID-19 pandemic on our portfolio companies due to the depreciation of the *real* against the U.S. dollar, our net accrued performance fee balance, which measures our current total expectation of cash inflow from performance fee related to our operational funds by the end of each period, decreased from US\$292 million as of December 31, 2019 to US\$276 million as of December 31, 2020. As of December 31, 2021 our net accrued performance fee balance was US\$348 million.
- *Management Fees.* The COVID-19 pandemic is slowing our anticipated capital raising pace for new or successor funds, which may result in delayed or decreased management fees. In addition, in light of the recent decline in public equity markets and other components of their investment portfolios, fund investors may become restricted by their asset allocation policies to invest in new or successor funds that we provide. As described above, we may also experience a decline in the pace of our investments and, if our funds are unable to deploy capital at a pace that is sufficient to offset the pace of our realizations, our fee revenues could decrease.
- *Investment Performance.* Some of our investments are in industries that are materially impacted by COVID-19 and related public health restrictions. If the disruptions caused by COVID-19 continue, the businesses of impacted portfolio companies could suffer materially, which would decrease the value of our funds' investments, most of which are in local currency, which were severely depreciated with the pandemic. Furthermore, such negative market conditions could potentially result in a portfolio company entering bankruptcy proceedings, thereby potentially resulting in a complete loss of the fund's investment in such portfolio company and a significant negative impact to the investment fund's performance and consequently to our operating results and cash flow, as well as to our reputation.
- *Liquidity.* Our portfolio companies are also facing or may face in the future increased credit and liquidity risk due to volatility in financial markets, reduced revenue streams, and limited access or higher cost of financing, which may result in potential impairment of our or our funds' equity investments. Changes in the debt financing markets are impacting, or, if the volatility in financial market continues, may in the future impact, the ability of our portfolio companies to meet their respective financial obligations. In addition, borrowers of loans, notes and other credit instruments in our credit funds' portfolios may be unable to meet their principal or interest payment obligations or satisfy financial covenants, and tenants leasing real estate properties owned by our funds may not be able to pay rents in a timely manner or at all, or request a discount in rent payments or renegotiation of terms of lease agreements, resulting in a decrease in value of our funds' credit and real estate investments and lower than expected return. In addition, for variable rate instruments, lower reference rates resulting from lower interest rates in response to COVID-19 could lead to lower interest income for our credit funds. Further, dislocation and contraction of short-term liquidity in the credit markets has impacted, and if sustained will likely continue to impact, the value of credit assets held by our real estate debt and credit funds, such funds' ability to sell assets at attractive prices or in a timely manner in order to avoid losses and the likelihood of margin calls. In addition, a sudden contraction of liquidity in the credit markets, including as a result of overwhelming desire for liquidity on the part of market participants, is likely to exacerbate the likelihood of forced sales of assets and margins calls, which would result in further declines in the value of assets.

- *Operational Risks.* An extended period of remote working by our employees could introduce operational risks, including heightened cybersecurity risk. Remote working environments may be less secure and more susceptible to hacking attacks, including phishing and social engineering attempts that seek to exploit the COVID-19 pandemic. In addition, third-party service providers on whom we have become increasingly reliant for certain aspects of our business, including for the administration of certain funds, as well as for certain information systems and technology could be impacted by an inability to perform due to COVID-19 restrictions or by failures of, or attacks on, their information systems and technology.
- *Employee-Related Risks.* COVID-19 presents a significant threat to our employees' well-being. Our key employees or executive officers may become sick or otherwise unable to perform their duties for an extended period of time. In addition, extended public health restrictions and remote working arrangements may impact employee morale and productivity. In addition to any potential impact of such extended illness on our operations, we may be exposed to the risk of litigation by our employees against us for, among other things, failure to take adequate steps to protect their well-being, particularly in the event they become sick after a return to the office. The negative impact on net accrued performance that occurred as a result of COVID-19 pandemic on portfolio companies and the depreciation of the *real* against the U.S. dollar could have a negative impact on employee motivation and retention.

The COVID-19 pandemic is expected to have a significant effect on demand across industries in 2022 (as was the case in 2021 and 2020), given the emergence of novel strains and variants across the world as well as continuing difficulties in the rollout of vaccination programs worldwide. Business operations across Asia, Europe and the United States have been and continue to be affected by factory disruptions and closures, quarantined workers and shortages of components, with a direct impact on the availability of goods and services. Moreover, new variants of the virus have emerged against which existing vaccines and acquired immunity may not be effective. Restrictions will likely remain in place, suppressing activity, if the contagion does not subside. These disruptions to global supply chains could impact businesses generally and weaken demand from consumers of our portfolio companies. The effects cannot be foreseen and weak macroeconomic conditions are expected to continue in 2022.

Difficult market and geopolitical conditions can adversely affect our business in many ways, each of which could materially reduce our revenue, earnings and cash flow and adversely affect our financial prospects and condition.

Our business is materially affected by financial market and economic conditions and events throughout the world—particularly in Brazil, Chile and other Latin American countries—that are outside our control. We may not be able to or may choose not to manage our exposure to these conditions and/or events. Such conditions and/or events can adversely affect our business in many ways, including by reducing the ability of our funds to raise or deploy capital, reducing the value or performance of the investments made by our funds and making it more difficult to fund opportunities for our funds to exist and realize value from existing investment. This could in turn materially reduce our revenue, earnings and cash flow and adversely affect our financial prospects and condition. In addition, in the face of a difficult market or economic environment, we may need to reduce our fixed costs and other expenses in order to maintain profitability, including by cutting back or eliminating the use of certain services or service providers, or terminating the employment of a significant number of our personnel that, in each case, could be important to our business and without which our operating results could be adversely affected. A failure to manage or reduce our costs and other expenses within a time frame sufficient to match any decrease in profitability would adversely affect our operating performance.

Turmoil in the global financial markets can provoke significant volatility of equity and debt securities prices, such as a result of the recent COVID-19 pandemic. This can have a material and rapid impact on our mark-to-market valuations, particularly with respect to our public holdings and credit investments. As publicly traded equity securities may represent a proportion of the assets of many of our carry funds, stock market volatility, including a sharp decline in the stock market, such as the one experienced in the fourth quarter of 2018 and the one experienced in early 2020, may adversely affect our results, including our revenues and net income. In addition, our public equity holdings have at times been concentrated in a few positions, thereby making our unrealized mark-to-market valuations particularly sensitive to sharp changes in the price of any of these positions. Further, although the equity markets are not the only means by which we exit investments, should we experience another period of challenging equity markets, our funds may experience increased difficulty in realizing value from investments.

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Geopolitical concerns and other global events, including, without limitation, trade conflict, national and international political circumstances (including wars, terrorist acts or security operations) and pandemics, such as the recent COVID-19 pandemic, or other severe public health events, have contributed and may continue to contribute to volatility in global equity and debt markets. 2021 was a year of significant geopolitical concerns, including, among other things, continued trade tensions, most notably between China and the U.S., resulting from the implementation of tariffs by the U.S. and retaliatory tariffs by other countries on the U.S., continued tensions with North Korea over its ballistic missile testing and nuclear programs, ongoing hostilities in the Middle East and the possibility of their escalation, political tension and uncertainty in Latin America, continued uncertainty regarding the U.K.'s withdrawal from the European Union and impeachment proceedings of President Trump in the United States. Such concerns have contributed and may continue to contribute to volatility in global equity and debt markets.

Chile has considerable economic ties with China, the United States and Europe. In 2021, approximately 38.2% of Chile's exports went to China, mainly copper. China's economy has grown at a strong pace in recent times, but a slowdown in economic activity in China may affect Chile's GDP and export growth as well as the price of copper, which is Chile's main export. Chile exported approximately 15.9% of total exports to the United States and 11.7% to Europe in 2021. Chile was also recently involved in international litigation with Bolivia regarding maritime borders. We cannot assure you that crises and political uncertainty in other Latin American countries will not have an adverse effect on Chile, the price of our securities or our business.

The outbreak of the novel coronavirus in many countries continues to adversely impact global commercial activity and has contributed to significant volatility in financial markets. The global impact of the outbreak has been rapidly evolving, and, as cases of the virus have continued to be identified in additional countries, many countries have reacted by instituting quarantines and restrictions on travel. Such actions continue to create disruption in global supply chains, and adversely impact a number of industries, such as transportation, hospitality and entertainment. The outbreak could have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation preclude any prediction as to the ultimate adverse impact of the novel coronavirus. Nevertheless, the novel coronavirus presents material uncertainty and risk with respect to our and our funds' performance and financial results.

In addition to the factors described above, other factors described herein may affect market, economic and geopolitical conditions, and thereby adversely affect our business include, without limitation:

- economic slowdown in Brazil, Chile and internationally;
- changes in interest rates and/or a lack of availability of credit in Brazil, Chile and internationally;
- commodity price volatility;
- foreign exchange volatility;
- public health crises, such as the ongoing COVID-19 pandemic; and
- changes in law and/or regulation, and uncertainty regarding government and regulatory policy.

A period of economic slowdown, which may be across one or more industries, sectors or geographies, could contribute to adverse operating performance for certain of our funds' investments, which would adversely affect our operating results and cash flows.

We have experienced buoyant markets and positive economic conditions in certain markets. Although such conditions have increasingly made it more difficult and competitive to find suitable capital deployment opportunities for our funds, they may also contribute to positive operating performance at our funds' portfolio companies. To the extent global markets enter a period of slower growth relative to recent years, such period of economic slowdown (which may be across one or more industries, sectors or geographies), may contribute to poor financial results at our funds' portfolio companies, which may result in lower investment returns for our funds. For example, periods of economic weakness have in the past and may in the future contribute to a decline in commodity prices and/or volatility in the oil and natural gas markets, each of which would have an adverse effect on our energy investments. The performance of our funds' portfolio companies would also likely be negatively impacted if pressure on wages and other inputs increasingly pressure profit margins. To the extent the performance of those portfolio companies (as well as valuation multiples) does not improve, our funds may sell those assets at values that are less than we projected or even a loss, thereby significantly affecting those investment funds' performance. In addition, as the governing agreements of our funds contain only limited requirements regarding diversification of fund investments (by, for example, sector or geographic region), during periods of economic slowdown in certain sectors or regions, the impact on our funds may be exacerbated by concentration of investments in such sector or region. As a result, our ability to raise new funds, as well as our operating results and cash flows could be adversely affected.

In addition, during periods of weakness, our funds' portfolio companies may also have difficulty expanding their businesses and operations or meeting their debt service obligations or other expenses as they become due, including expenses payable to us. Furthermore, such negative market conditions could potentially result in a portfolio company entering bankruptcy proceedings, thereby potentially resulting in a complete loss of the fund's investment in such portfolio company and a significant negative impact to the investment fund's performance and consequently to our operating results and cash flow, as well as to our reputation. In addition, negative market conditions would also increase the risk of default with respect to investments held by our funds that have significant debt investments, such as our credit-focused funds.

The ongoing military conflict between Russia and Ukraine may have repercussions on the world's geopolitical and economic scenarios.

The ongoing military conflict between Russia and Ukraine has provoked strong reactions from the United States, the U.K., the EU and various other countries around the world, including from the members of the North Atlantic Treaty Organization, or "NATO." Following Russia's invasion of Ukraine beginning on February 24, 2022, the United States, the U.K., the EU and other countries announced broad economic sanctions against Russia, including financial measures such as freezing Russia's central bank assets, limiting its ability to access its dollar reserves, the U.S., the EU and the U.K. have also banned people and businesses from dealings with the Russian central bank, its finance ministry and its wealth funds, selected Russian banks will also be removed from Swift messaging system, which enables the smooth transfer of money across borders. Other sanctions by the U.K. include major Russian banks from the U.K. financial system, stopping them from accessing sterling and clearing payments, preventing major Russian companies and the country from raising finances or borrowing money on the U.K. markets, and establishing limits on deposits Russians can make at U.K. banks. The U.S., the EU and the U.K. adopted personal measures, such as sanctions on individuals with close ties to Mr. Putin, and placed visa restrictions on several oligarchs, as well as their family members and close associates, and froze their assets.

While the precise effect of the ongoing armed conflict and these sanctions on the Russian and global economies remains uncertain, should tensions continue to increase, markets may face continued volatility as well as economic and security consequences including, but not limited to, supply shortages of different kinds, increases in prices of commodities, including piped gas, oil and agricultural goods, among others. Given that Russia and Ukraine are among the largest grain exporters in the world, impacts on financial markets, inflation, interest rates, unemployment and other matters could affect the global economy that is currently recovering from the effects of the COVID-19 pandemic. Particularly, these effects could result in increased inflation in Brazil and in measures by the Brazilian government to contain inflation, such as raising the basic interest rate, which could materially impact the cost of debt and third-party capital for financing and investing activities across industries.

Other potential consequences include, but are not limited to, growth in the number of popular uprisings in the region, increased political discontent, especially in the regions most affected by the conflict or economic sanctions, an increase in cyberterrorism activities and attacks, exodus to regions close to the areas of conflict and an increase in the number of refugees fleeing across Europe, among other unforeseen social and humanitarian effects.

As a company that operates globally, the adverse effects—global or localized—of the ongoing conflict between Russia and Ukraine, and/or economic sanctions and import and/or export controls to be imposed on the Russian government by the United States, the U.K., the EU or others, could materially affect our operations, expansion plans, and ultimately our results.

We may, in our sole discretion, decrease the percentage or amount of fees paid by the funds directly or indirectly to us, or even fully waive the payment of such fees for a determined period of time or until the maturity of our funds. If we determine to decrease or waive such fees or otherwise alter our current fee structure, our profit margins and results of operations could be adversely affected.

Our profit margins and net income are dependent in significant part on our ability to maintain current fee levels for the products and services that our asset managers offer, and in particular, on our funds' receipt of asset and performance-based fees, which may vary substantially from year to year. There has been a trend toward lower fees in many segments of the asset management industry, there is fee pressure in many portions of the active equity and fixed income industry, driven in part by inflows into low-fee passive asset management products, and we face continued market pressure with respect to fee levels for many products. In addition, in the ordinary course of our business, we may, in our sole discretion, decrease the percentage or amount of fees paid by our funds directly or indirectly to us, and may also fully waive the payment of such fees, or limit total expenses, on certain products or services for a determined period of time or until the maturity of our funds, to manage fund expenses, or for other reasons, and to help retain or increase managed assets. Although we have no obligation to modify any of our fees with respect to our existing funds, we have experienced and may continue to experience pressure to do so. More recently, institutional investors have been increasing pressure to reduce management and investment fees charged by external managers, whether through direct reductions, deferrals, rebates or other means. In addition, we may be asked by investors to waive or defer fees for various reasons, including during economic downturns or as a result of poor performance of our funds. No assurances can be given that we will be able to maintain our current fee structure. Competition could lead to our asset managers reducing the fees that they charge their clients for products and services. See “—The asset management business is subject to substantial and increasingly intense competition.” In addition, our asset managers may be required to reduce their fee levels, or restructure the fees they charge, because of, among other things, regulatory initiatives or proceedings that are either industry-wide or specifically targeted, or court decisions. A reduction in the fees that our asset managers charge for their products and services will reduce our revenues and could reduce our net income. These factors also could inhibit our ability to increase fees for certain products.

Our AUM can generate very different revenues per dollar of managed assets based on factors such as the type of asset managed (alternative assets and equity assets generally produce greater revenues than fixed income assets), the type of client (institutional clients generally pay lower fees than other clients), the type of asset management product or service provided and the fee schedule of the asset manager providing the service. A shift in the mix of our AUM from higher revenue-generating assets to lower revenue-generating assets may result in a decrease in our revenues even if our aggregate level of AUM remains unchanged or increases. Products that use fee structures based on investment performance may also vary significantly from period to period, depending on the investment performance of the particular product. No assurances can be given that our funds will be able to maintain current fee structures or levels. A decrease in our revenues, without a commensurate reduction in expenses, will reduce our net income.

An increase in interest rates and other changes in the debt financing markets could negatively impact the ability of our funds and their portfolio companies to obtain attractive financing or refinancing and could increase the cost of such financing if it is obtained, which could lead to lower-yielding investments and potentially decrease our net income.

Our business and the businesses of the companies in which we invest are materially affected by changes in interest rates and other changes affecting the debt financing markets throughout the world. A period of sharply rising interest rates could create downward pressure on the price of real estate, increase the cost and availability of debt financing for the transactions our funds pursue and decrease the value of fixed-rate debt investments made by our funds, each of which may have an adverse impact on our business. In addition, a significant contraction or weakening in the market for debt financing or other adverse change relating to the terms of debt financing (such as, for example, higher equity requirements and/or more restrictive covenants), particularly in the area of acquisition financings for private equity and real estate transactions, could have a material adverse impact on our business. For example, a portion of the indebtedness used to finance certain fund investments often includes high-yield debt securities issued in the capital markets. Availability of capital from the high-yield debt markets is subject to significant volatility as well as to sharp changes in interest rates, and there may be times when our funds or their portfolio companies might not be able to access those markets at attractive rates, or at all, when completing an investment. For example, in late 2018 the global credit markets experienced a contraction in the availability of credit, which temporarily impacted the ability to obtain attractive debt financing transactions.

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If our funds are unable to obtain committed debt financing for potential acquisitions, can only obtain debt financing at an increased interest rate or on unfavorable terms or if the ability to deduct corporate interest expense is substantially limited, our funds may face increased competition from strategic buyers of assets who may have an overall lower cost of capital or the ability to benefit from a higher amount of cost savings following an acquisition, or may have difficulty completing otherwise profitable acquisitions or may generate profits that are lower than would otherwise be the case, each of which could lead to a decrease in our revenues. In addition, rising interest rates, coupled with periods of significant equity and credit market volatility may potentially make it more difficult for us to find attractive opportunities for our funds to exit and realize value from their existing investments.

Our funds' portfolio companies also regularly utilize the corporate debt markets in order to obtain financing for their operations. To the extent monetary policy, tax or other regulatory changes or difficult credit markets render such financing difficult to obtain, more expensive or otherwise less attractive, this may also negatively impact the financial results of those portfolio companies and, therefore, the investment returns on our funds. In addition, to the extent that market conditions and/or tax or other regulatory changes make it difficult or impossible to refinance debt that is maturing in the near term, some of our funds' portfolio companies may be unable to repay such debt at maturity and may be forced to sell assets, undergo a recapitalization or seek bankruptcy protection.

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

The revenues that we earn are driven in part by the pace at which our funds make investments and the size of those investments, and a decline in the pace or the size of such investments may reduce our revenues. The market environment for private equity transactions, for example, recently has been and continues to be characterized by relatively high prices, which can make the deployment of capital more difficult. In addition, many other factors could cause a decline in the pace of investment, including the inability of our investment professionals to identify attractive investment opportunities, increasing competition for such opportunities from international and local competitors, among other potential acquirers, decreased availability of capital on attractive terms and our failure to consummate identified investment opportunities because of business, regulatory or legal complexities or uncertainty and adverse developments in the Latin American or global economy or financial markets. If we cannot make the necessary investments to keep pace with rapid developments and change in our industry, the use of our services could decline, reducing our revenues. In addition, if our funds are unable to deploy capital at a pace that is sufficient to offset the pace of realizations, our fee revenues could decrease.

Our revenue, earnings, net income and cash flow can all vary materially and be volatile from time to time, which may make it difficult for us to achieve steady earnings growth on a quarterly basis and may cause the price of our Class A common shares to decline.

Our revenue, net income and cash flow can all vary materially due to our reliance on performance revenues. We may experience fluctuations in our results, including our revenue and net income, from quarter to quarter due to a number of other factors, including timing of realizations, changes in the valuations of our funds' investments, changes in the amount of distributions, dividends or interest paid in respect of investments, changes in our operating expenses, the degree to which we encounter competition and general economic and market conditions. Achieving steady growth in net income and cash flow on a quarterly basis may be difficult, which could in turn lead to large adverse movements or general increased volatility in the price of our Class A common shares. We also do not provide any guidance regarding our expected quarterly and annual operating results. The lack of guidance may affect the expectations of public market analysts and could cause increased volatility in our Class A common shares price.

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It takes a substantial period of time to identify attractive investment opportunities, to raise all the funds needed to make an investment and then to realize the cash value (or other proceeds) of an investment through a sale, public offering, recapitalization or other exit. Even if an investment proves to be profitable, it may be a number of years before any profits can be realized in cash (or other proceeds). We cannot predict when, or if, any realization of investments will occur, and therefore our cash flows from performance allocations may be difficult to predict.

The mark-to-market valuations of investments made by our funds are subject to volatility driven by economic and market conditions. Economic and market conditions may also negatively impact our realization opportunities. The valuations of and realization opportunities for investments made by our funds could also be subject to high volatility as a result of uncertainty regarding governmental policy with respect to, among other things, tax, financial services regulation, international trade, immigration, healthcare, labor, infrastructure and energy.

Adverse economic and market conditions may adversely affect the amount of cash generated by our businesses, and in turn, our ability to pay dividends to our shareholders.

If the global economy and conditions in the financing markets worsen, our fund investment performance could suffer, resulting in, for example, the payment of less or no performance allocations to us. Poor investment performance could lead to a loss of assets under management and a decline in revenues. This could materially and adversely affect the amount of cash we have on hand, including for, among other purposes, the payment of dividends to our shareholders. Having less cash on hand could in turn require us to rely on other sources of cash (such as the capital markets, which may not be available to us on acceptable terms) for the above purposes. Furthermore, during adverse economic and market conditions, our funds or their portfolio companies might not be able to renew all or part of their indebtedness under existing financing arrangements, or find alternate financing on commercially reasonable terms. As a result, their uses of cash may exceed their sources of cash, thereby potentially affecting their liquidity position and ability to pay dividends, which could adversely affect our results of operations and in turn, our ability to pay dividends to our shareholders.

We depend on our key senior managing directors, and the loss of their services would have a material adverse effect on our business, results of operations and financial condition.

We depend on the efforts, skill, reputations and business contacts of our key senior managing directors, the information and deal flow they generate during the normal course of their activities and the synergies among the diverse fields of expertise and knowledge held by our professionals. Accordingly, our success will depend on the continued service of these individuals, who are not obligated to remain employed with us. Some key senior managing directors have left the firm in the past and others may do so in the future, and we cannot predict the impact that the departure of any key senior managing director will have on our ability to achieve our investment objectives. For example, the governing agreements of many of our funds, such as limited partnership agreements and private placement memoranda, generally provide investors with the ability to terminate the investment period in the event that certain “key persons” in the fund do not provide the specified time commitment to the fund or our firm ceases to control the general partner. The loss of the services of any key senior managing directors could have a material adverse effect on our revenues, net income and cash flows and could harm our ability to maintain or grow assets under management in existing funds or raise additional funds in the future. We have historically relied in part on the interests of these professionals in the investment funds’ performance fees and incentive fees to discourage them from leaving the firm. The negative impact on net accrued performance that occurred as a result of the COVID-19 pandemic on portfolio companies and the depreciation of the *real* against the U.S. dollar could have a negative impact on employee motivation and retention. Therefore, to the extent our investment funds perform poorly, thereby reducing the potential for performance fees and incentive fees, their interests in performance fees and incentive fees become less valuable to them and become less effective as incentives for them to continue to be employed at Patria.

Our senior managing directors and other key personnel possess substantial experience and expertise and have strong business relationships with investors in our funds, clients and other members of the business community. As a result, the loss of these personnel could jeopardize our relationships with investors in our funds, our clients and members of the business community and result in the reduction of assets under management or fewer investment opportunities.

The asset management business is subject to substantial and increasingly intense competition.

The asset management business is increasingly subject to intense competition from a variety of local and international players, based on a variety of factors, including investment performance, the quality of service provided to clients, investor liquidity and willingness to invest, fund terms (including fees), brand recognition and business reputation. Furthermore, client attrition could cause our revenues to decline and the degradation of the quality of the products and services we offer, including support services, could adversely impact our ability to attract and retain clients and partners. Our asset management business competes with a number of private equity funds, specialized investment funds, hedge funds, funds of hedge funds and other sponsors' managing pools of capital, as well as corporate buyers, traditional asset managers, commercial banks, investment banks and other financial institutions (including sovereign wealth funds), and we expect that competition will continue to increase. For example, certain traditional asset managers have developed their own private equity platforms and are marketing other asset allocation strategies as alternatives to fund investments. Additionally, developments in financial technology, or fintech, such as distributed ledger technology, or blockchain, have the potential to disrupt the financial industry and change the way financial institutions, as well as asset managers, do business. A number of factors serve to increase our competitive risks:

- a number of our competitors in some of our businesses may have greater financial, technical, marketing and other resources and more personnel than we do;
- some of our funds may not perform as well as competitors' funds or other available investment products;
- several of our competitors have significant amounts of capital, and many of them have similar investment objectives to ours, which may create additional competition for investment opportunities and may reduce the size and duration of pricing inefficiencies that many alternative investment strategies seek to exploit;
- some of our competitors, particularly strategic competitors, may have a lower cost of capital, which may be exacerbated to the extent by any changes to applicable tax laws that may come into effect (including with respect to the deductibility of interest expense);
- some of our competitors may have access to funding sources that are not available to us, which may create competitive disadvantages for us with respect to investment opportunities;
- some of our competitors may be subject to less regulation and accordingly may have more flexibility to undertake and execute certain businesses or investments than we can and/or bear less compliance expense than we do;
- some of our competitors may have more flexibility than us in raising certain types of investment funds under the investment management contracts they have negotiated with their investors;
- some of our competitors may have higher risk tolerances, different risk assessments or lower return thresholds, which could allow them to consider a wider variety of investments and to bid more aggressively than us for investments that we want to make;
- some of our competitors may be more successful than us in the development and implementation of new technology to address investor demand for product and strategy innovation;
- there are relatively few barriers to entry impeding new alternative asset fund management firms, and the successful efforts of new entrants into our various businesses, including former "star" portfolio managers at large diversified financial institutions as well as such institutions themselves, is expected to continue to result in increased competition;
- some of our competitors may have better expertise or be regarded by investors as having better expertise in a specific asset class or geographic region than we do;

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- our competitors that are corporate buyers may be able to achieve synergistic cost savings in respect of an investment, which may provide them with a competitive advantage in bidding for an investment;
- some investors may prefer to invest with an investment manager that is not publicly traded or is smaller with only one or two investment products that it manages; and
- other industry participants will from time to time seek to recruit our investment professionals and other employees away from us.

We may lose investment opportunities in the future if we do not match investment prices, structures and terms offered by competitors. Alternatively, we may experience decreased rates of return and increased risks of loss if we match investment prices, structures and terms offered by competitors. Moreover, if we are forced to compete with other alternative asset managers on the basis of price, we may not be able to maintain our current fund fee and performance fee terms. There is a risk that fees and performance fees in the alternative investment management industry will decline, without regard to the historical performance of a manager. Fee or performance fees income reductions on existing or future funds, without corresponding decreases in our cost structure, would adversely affect our revenues and profitability. In addition, the attractiveness of our investment funds relative to investments in other investment products could decrease depending on economic conditions. This competitive pressure could adversely affect our ability to make successful investments and limit our ability to raise future investment funds, either of which would adversely impact our business, revenue, results of operations and cash flow.

Our organizational documents do not limit our ability to enter into new lines of businesses, and we may expand into new investment strategies, geographic markets and businesses, each of which may result in additional risks and uncertainties in our businesses.

Our plan, to the extent that market conditions permit, is to continue to grow our investment businesses and expand into new investment strategies, geographic markets and businesses. Our organizational documents do not limit us to investment management businesses. Accordingly, we have pursued and may continue to pursue growth through acquisitions of asset managers and other investment management companies, acquisitions of critical business partners, or other strategic initiatives. To the extent we make strategic investments or acquisitions, undertake other strategic initiatives or enter into a new line of business, we will face numerous risks and uncertainties, including risks associated with (1) the required investment of capital and other resources, (2) the possibility that we have insufficient expertise to engage in such activities profitably or without incurring inappropriate amounts of risk, (3) the diversion of management's attention from our core businesses, (4) assumption of liabilities in any acquired business, (5) the disruption of our ongoing businesses, (6) the increasing demands on or issues related to the combining or integrating operational and management systems and controls, (7) compliance with additional regulatory requirements and (8) the broadening of our geographic footprint, including the risks associated with conducting operations in several jurisdictions.

Entry into certain lines of business may subject us to new laws and regulations with which we are not familiar, or from which we are currently exempt, and may lead to increased litigation, including tax and regulatory risk. For example, we have increasingly undertaken business initiatives to offer credit funds, constructivist funds (investment in public equity applying the private equity *modus operandi*) funds and publicly-traded real estate funds (known in Brazil as a *Fundo de Investimento Imobiliário*, or "FII") and to increase the number and type of investment products we offer to family offices and high net worth individuals. These activities have and will continue to impose additional compliance burdens on us and could also subject us to enhanced regulatory scrutiny and expose us to greater reputation and litigation risks. In addition, if a new business generates insufficient revenues or if we are unable to efficiently manage our expanded operations or to successfully overcome the challenges we may face in expanding into new geographic regions in Latin America, our results of operations will be adversely affected. Our strategic initiatives may include, among other things, initiatives seeking to expand our and our portfolio companies' management capabilities, which require a robust legal and compliance framework, and entry into joint ventures, which may require us to be dependent on, and subject us to liability, losses or reputational damage relating to, systems, controls and personnel that are not under our control.

We may not be successful in expanding our operations in Latin America, which could adversely affect our business, results of operations and financial condition.

We currently operate and may operate in the future in regions and countries in Latin America where we have little or no experience, and we may not be able to expand our investment activities in these markets successfully. As we expand our operations into Latin American markets, including new geographies, we may have difficulty adapting to unknown circumstances and conditions. We may seek to expand our operations in Latin America, including new geographies, through acquisitions of asset managers and other investment management companies in the region, which may be financed using a portion of the proceeds of our initial public offering or through other sources of financing. In order to remain competitive, we must be proactive and prepared to implement necessary resources when growth opportunities present themselves, whether as a result of a business acquisition or rapidly increasing business activities in particular markets or regions. Local regulatory environments may vary widely in terms of scope, adequacy and sophistication. We may also encounter other risks of doing business in Latin America, including: (1) difficulties and costs associated with complying with a variety of complex domestic and foreign laws, regulations and treaties; (2) changes in legislative or regulatory requirements; (3) price and currency exchange controls; (4) political instability, including nationalization and expropriation; (5) trade restrictions, including timing delays associated with customs procedures, tariffs and import or export licensing requirements; (6) taxes; and (7) difficulties in enforcing our intellectual property rights. We cannot assure you that the political, fiscal or legal regimes in the countries in which we operate or expect to operate, will not increase our compliance costs or otherwise adversely affect our geographic expansion efforts, which may harm our results of operations or financial conditions. See “—We expect to continue to make investments in companies that are based in Latin America, which may expose us to additional risks not typically associated with investing in companies that are based in the United States.” No assurance can be provided that we will be able to obtain capital resources to fund our expansion strategy on acceptable terms or at all. If we are not successful in implementing or funding our expansion strategy, our business, financial results and the market price for our Class A common shares may be adversely affected.

If we are unable to consummate or successfully integrate additional development opportunities, acquisitions or joint ventures, we may not be able to implement our growth strategy successfully.

Our growth strategy is based, in part, on the selective development or acquisition of asset management portfolios, businesses or other businesses complementary to our business where we think we can add substantial value or generate substantial returns in Brazil, Chile and in certain countries of Latin America. The success of this strategy will depend on, among other things: (1) the availability of suitable opportunities, (2) the level of competition from other companies that may have greater financial resources, (3) our ability to value potential development or acquisition opportunities accurately and negotiate acceptable terms for those opportunities, (4) our ability to obtain requisite approvals and licenses from the relevant governmental authorities and to comply with applicable laws and regulations without incurring undue costs and delays and (5) our ability to identify and enter into mutually beneficial relationships with venture partners. Moreover, even if we are able to identify and successfully complete an acquisition, we may encounter unexpected difficulties or incur unexpected costs associated with integrating and overseeing the operations of the new businesses. If we are not successful in implementing our growth strategy, our business, financial results and the market price for our Class A common shares may be adversely affected.

Changes in relevant tax laws, regulations or treaties or an adverse interpretation of these items by tax authorities could adversely impact our effective tax rate and tax liability.

Our effective tax rate and tax liability is based on the application of current income and revenues tax laws, regulations and treaties. These laws, regulations and treaties are complex, and the manner which they apply to us and to the funds and other investment vehicles we manage is sometimes open to interpretation. Furthermore, applicable tax authorities may have differing interpretations and guidance with respect to certain tax matters specific to the industry in which we operate (including multi-jurisdictional aspects). Significant management judgment is required in determining our provision for income taxes, our deferred tax assets and liabilities and any valuation allowance recorded against our net deferred tax assets. Although management believes its application of current laws, regulations and treaties to be correct and sustainable upon examination by the tax authorities, the tax authorities could challenge our interpretation resulting in additional tax liability or adjustment to our income and revenues tax provision that could increase our effective tax burden.

Nonresident investors may enjoy certain tax benefits for investing in private equity funds in Brazil (under Brazilian Law No. 11,312/06) that may not be maintained if changes in tax rules occur or an adverse interpretation of such laws by tax authorities and/or courts prevails. In recent years, the Brazilian Federal Revenue Service has been reviewing its interpretation and questioning the commonly used investment structures utilized for private equity investments in Brazil by nonresident investors and, in certain cases, has initiated tax claims related to the alleged failure to withhold income taxes due to the non-compliance with requirements of the tax benefits. If the law establishing such tax benefits is not maintained or an adverse interpretation by tax authorities and/or courts regarding such benefits prevails, our after-tax returns could be adversely affected, which might affect our ability to raise capital, capital return and consequently affect our prospects and results of operations.

There can be no assurance that we will not be a passive foreign investment company, or “PFIC,” 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 PFIC for any taxable year in which 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.” For this purpose, subject to certain exceptions, passive income includes interest, dividends, rents, gains from the sale or exchange of property that gives rise to such income, gains from the sale of partnership interests and gains from transactions in commodities. We do not believe we were a PFIC for our 2021 taxable year. However, there can be no assurance that the Internal Revenue Service, or the “IRS” will agree with our conclusion. Moreover, our PFIC status is a factual determination that is made on an annual basis. Whether we will be a PFIC in 2022 or in any future year is uncertain because, among other things, our PFIC status depends on the composition of our income and assets and the market 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). In addition, it is uncertain whether certain types of income we derive are characterized as passive income for purposes of determining our PFIC status. Accordingly, there can be no assurance that we will not be a PFIC for any taxable year.

If we were a PFIC for any taxable year during which a U.S. Holder (as defined in “Item 10. Additional Information—E. Taxation—Material U.S. Federal Income Tax Considerations for U.S. Holders”) held our Class A common shares (assuming such U.S. Holder has not made and maintained a timely election described under “Item 10. Additional Information—E. Taxation—Material U.S. Federal Income Tax Considerations for U.S. Holders”), gain recognized by the U.S. Holder on a sale or other disposition (including certain pledges) of the Class A common shares would be allocated ratably over the U.S. Holder’s holding period for the Class A common shares. The amounts allocated to the taxable year of the sale or other disposition and to any year 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 individuals or corporations, as appropriate, for that taxable year, and an interest charge would be imposed on the tax on such amounts. Further, to the extent that any distributions received by a U.S. Holder on its Class A common shares during a taxable year exceed 125% of the average of the annual distributions on such Class A common shares received during the preceding three years or the U.S. Holder’s holding period, whichever is shorter, those distributions would be subject to taxation in the same manner as gain. U.S. Holders should consult their tax advisors concerning our potential PFIC status and the potential application of the PFIC rules.

Cybersecurity risks could result in the loss of data, interruptions in our business, damage to our reputation, and subject us to regulatory actions and/or lawsuits, increased costs and financial losses, each of which could have a material adverse effect on our business and results of operations.

Our operations are highly dependent on our information systems and technology and we rely heavily on our financial, accounting, communications and other data processing systems. Our systems may fail to operate properly or become disabled as a result of tampering or a breach of our network security systems or otherwise. In addition, our systems face ongoing cybersecurity threats and attacks. Attacks on our systems could involve, and in some instances have in the past involved, attempts intended to obtain unauthorized access to our proprietary information, destroy data or disable, degrade or sabotage our systems, or divert or otherwise steal funds, including through the introduction of computer viruses, “phishing” attempts and other forms of social engineering. Cyberattacks and other security threats could originate from a wide variety of external sources, including cyber criminals, nation state hackers, hacktivists and other outside parties. Cyberattacks and other security threats could also originate from the malicious or accidental acts of insiders, such as employees.

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There has been an increase in the frequency and sophistication of the cyber and security threats we face, with attacks ranging from those common to businesses generally to those that are more advanced and persistent, which may target us because, as an alternative asset management firm, we hold a significant amount of confidential and sensitive information about our investors, our portfolio companies and potential investments. As a result, we may face a heightened risk of a security breach or disruption with respect to this information. There can be no assurance that measures we take to ensure the integrity of our systems will provide protection, especially because cyberattack techniques change frequently or are not recognized until successful. If our systems are compromised, do not operate properly or are disabled, or if we fail to provide the appropriate regulatory or other notifications in a timely manner, we could suffer financial loss, a disruption of our businesses, liability to our investment funds and fund investors, regulatory intervention or reputational damage. The costs related to cyber or other security threats or disruptions may not be fully insured or indemnified by other means.

In addition, we could also suffer losses in connection with updates to, or the failure to timely update, our information systems and technology. In addition, we have become increasingly reliant on third-party service providers for certain aspects of our business, including for the administration of certain funds, as well as for certain key market information and data, information systems, technology, processing and supporting functions, including cloud-based services. These third-party service providers could also face ongoing cyber security threats and compromises of their systems and as a result, unauthorized individuals could gain, and in some past instances have gained, access to certain confidential data.

Cybersecurity has become a top priority for regulators around the world. Many jurisdictions in which we operate have laws and regulations relating to data privacy, cybersecurity and protection of personal information, including, as examples the General Data Protection Regulation, or “GDPR,” in the European Union that went into effect in May 2018 and the Brazilian Data Protection Act (*Lei Geral de Proteção de Dados*), or “LGPD,” that went into effect in September 2020. See “—Rapidly developing and changing global privacy laws and regulations could increase compliance costs and subject us to enforcement risks and reputational damage.” Some jurisdictions have also enacted laws requiring companies to notify individuals and government agencies of data security breaches involving certain types of personal data.

Breaches in security, whether malicious in nature or through inadvertent transmittal or other loss of data, could potentially jeopardize our employees’ or our fund investors’ or counterparties’ confidential, proprietary and other information processed and stored in, and transmitted through, our computer systems and networks, or otherwise cause interruptions or malfunctions in our employees’, our fund investors’, our counterparties’ or third-parties’ business and operations, which could result in significant financial losses, increased costs, liability to our fund investors and other counterparties, regulatory intervention and reputational damage. Furthermore, if we fail to comply with the relevant laws and regulations or fail to provide the appropriate regulatory or other notifications of breach in a timely matter, it could result in regulatory investigations and penalties, which could lead to negative publicity and reputational harm and may cause our fund investors and clients to lose confidence in the effectiveness of our security measures.

Our portfolio companies also rely on data processing systems and the secure processing, storage and transmission of information, including payment and health information. A disruption or compromise of these systems could have a material adverse effect on the value of these businesses. Our funds may invest in strategic assets having a national or regional profile or in infrastructure, the nature of which could expose them to a greater risk of being subject to a terrorist attack or security breach than other assets or businesses, or to restrictions to the circulation of products or services arising from epidemics, such as the recent COVID-19 pandemic. Such an event may have material adverse consequences on our investment or assets of the same type or may require portfolio companies to increase preventative security measures or expand insurance coverage.

Finally, our technology, data and intellectual property and the technology, data and intellectual property of our portfolio companies are also subject to a heightened risk of theft or compromise given that we and our portfolio companies engage in operations in Latin America, in particular in jurisdictions that do not have comparable levels of protection of proprietary information and assets such as intellectual property, trademarks, trade secrets, know-how and customer information and records, as compared to the United States. In addition, we and our portfolio companies may be required to compromise protections or forego rights to technology, data and intellectual property in order to operate in or access markets in certain jurisdictions. Any such direct or indirect compromise of these assets could have a material adverse impact on us and our portfolio companies.

We may not be able to successfully manage our intellectual property and may be subject to infringement claims.

We rely on a combination of contractual rights, trademarks, trade secrets, copyrights, domain names and software to establish and protect our business. Third parties may challenge, invalidate, circumvent, infringe or misappropriate our intellectual property, including at the administrative or judicial level, or such intellectual property may not be sufficient to permit us to take advantage of current market trends or otherwise to provide competitive advantages, which could result in costly redesign efforts, the discontinuance of certain service offerings or other competitive and operational harm. Others, including our competitors, may independently develop similar technology, duplicate our services or design around our intellectual property, and in such cases, we could not assert our intellectual property rights against such parties.

Further, our contractual arrangements may not effectively prevent disclosure of our confidential information or provide an adequate remedy in the event of unauthorized disclosure of our confidential information. We may have to litigate to enforce or determine the scope and enforceability of our intellectual property rights, trade secrets and know-how, which is expensive, could cause a diversion of resources and may not prove successful. It is not possible to guarantee that non-disclosure and confidentiality agreements, or invention assignment agreements, have been concluded with all parties who may have or have had access to our trade secrets or proprietary information, or who have otherwise participated in the development of our intellectual property assets. Also, because of the rapid pace of technological change in our industry, aspects of our business and our services rely on technologies developed or licensed by third parties, and we may not be able to obtain or continue to obtain licenses and technologies from these third parties on reasonable terms or at all. The loss of intellectual property protection, the inability to obtain third-party intellectual property or delay or refusal by relevant regulatory authorities to approve pending intellectual property registration applications could harm our business and ability to compete. With respect to trademarks, loss of rights may result from term expirations, owner abandonment and forfeiture or cancellation proceedings before the Brazilian Patent and Trademark Office (*Instituto Nacional da Propriedade Industrial*), or the “INPI” or authorities in other relevant jurisdictions. In addition, if we lose rights over registered trademarks, we would not be entitled to use such trademarks on an exclusive basis and, therefore, third parties would be able to use similar or identical trademarks to identify their products or services, as well as claim that our use of such marks infringes their intellectual property rights, which could adversely affect our business.

Rapidly developing and changing global privacy laws and regulations could increase compliance costs and subject us to enforcement risks and reputational damage.

We and our portfolio companies are subject to various risks and costs associated with the collection, processing, storage and transmission of personally identifiable information, or “PII,” and other sensitive and confidential information. This data is wide ranging and relates to our investors, employees, contractors and other counterparties and third parties. Our compliance obligations include those relating to the Cayman Islands Data Protection Act and Brazilian laws such as the LGPD, a comprehensive personal data protection law establishing general principles and obligations that applies across multiple economic sectors and contractual relationships and Brazilian bank secrecy laws, as well as obligations relating to data collection and privacy laws in jurisdictions in which we operate, including, for example, the GDPR in Europe, Dubai, and the Hong Kong Personal Data (Privacy) Ordinance.

The LGPD applies to individuals or legal entities, private or government entities, who process or collect personal data in Brazil or, further, when the processing activities have the purpose of offering or supplying goods or services to data subjects located in Brazil. The LGPD established detailed rules for processing personal data, which include the collection, use, transfer and storage of personal data and affects all economic sectors, including the relationship between clients and suppliers of goods and services, employees and employers and other relationships in which personal data is collected, whether in a digital or physical environment. Based on the LGPD, all processing agents/legal entities are required to adapt their data processing activities to comply with this new environment.

As of the LGPD effective date (i.e. September 2020), all processing agents/legal entities are required to adapt their data processing activities to comply with this new environment. We have implemented changes with respect to our policies and procedures designed to ensure our compliance with the relevant requirements under the LGPD.

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The penalties and fines for violations of the LGPD include: (1) warnings, with the imposition of a deadline for the adoption of corrective measures; (2) a daily fine, up to a maximum amount of R\$50.0 million per violation; (3) the restriction of access to the personal data to which the violation relates up to a six-month period, that can be extended for the same period, until the processing activities are compliant with the regulation, and in case of repetition of the violation, temporary block and/or deletion of the related personal data, and/or partial or complete prohibition of processing activities; (4) a fine of up to 2% of gross sales of the company or a group of companies in the maximum amount of R\$50.0 million per violation; and (5) the mandatory public disclosure of the infraction after it is duly evaluated and its occurrence confirmed. Any additional privacy laws or regulations enacted or approved in Brazil or in other jurisdictions in which we operate could seriously harm our business, financial condition or results of operations. Pursuant to the LGPD, security breaches that may result in significant risk or damage to personal data must be reported to the National Data Protection Authority (*Autoridade Nacional de Proteção de Dados*), or “ANPD,” the data protection regulatory body, within a reasonable time period. The notice to the ANPD must include: (a) a description of the nature of the personal data affected by the breach; (b) the affected data subjects; (c) the technical and security measures adopted; (d) the risks related to the breach; (e) the reasons for any delays in reporting the breach, if applicable; and (f) the measures adopted to revert or mitigate the effects of the damage caused by the breach. Moreover, the ANPD could establish other obligations related to data protection that are not described above.

Global laws relating to foreign data collection and privacy are rapidly increasing in the scale and depth of their requirements, and are also often extra-territorial in nature. In addition, a wide range of regulators are seeking to enforce these laws across regions and borders. Furthermore, we frequently have privacy compliance requirements as a result of our contractual obligations with counterparties. These legal and contractual obligations heighten our privacy obligations in the ordinary course of conducting our business in Brazil, Chile and internationally.

While we have taken various measures and made significant efforts and investment to ensure that our policies, processes and systems are both robust and in compliance with these obligations, our potential liability remains, particularly given the continued and rapid development of privacy laws and regulations around the world, and increased enforcement action. Any inability, or perceived inability, by us or our portfolio companies to adequately address privacy concerns, or comply with applicable laws, regulations, policies, industry standards and guidance, contractual obligations, or other legal obligations, even if unfounded, could result in significant regulatory and third-party liability, increased costs, disruption of our and our portfolio companies’ business and operations, and a loss of client (including investor) confidence and other reputational damage. Furthermore, as new privacy-related laws and regulations are implemented, the time and resources needed for us and our portfolio companies to comply with such laws and regulations continue to increase and become a significant compliance work stream.

Our operations are highly dependent on the information system and technology infrastructure that supports our business and on a number of external service providers for certain key market information and data, technology, processing and supporting functions.

We depend on our offices in George Town, Cayman Islands, São Paulo, Brazil and Santiago, Chile, where most of our personnel are located, for the continued operation of our business. A disaster or a disruption in the infrastructure that supports our businesses, as a result of a cybersecurity incident or otherwise, including a disruption involving electronic communications or other services used by us or third parties with whom we conduct business, or directly affecting our headquarters, could have a material adverse impact on our ability to continue to operate our business without interruption. Our disaster recovery and business continuity programs may not be sufficient to mitigate the harm that may result from such a disaster or disruption. In addition, insurance and other safeguards may not be sufficient to cover all claims and might only partially reimburse us for our losses, if at all.

Our operations are highly dependent on our information systems and technology and, we rely heavily on our financial, accounting, communications and other data processing systems, each of which may require update and enhancement as we grow our business. Our information systems and technology may not continue to be able to accommodate our growth, and the cost of maintaining such systems may increase from its current level. Such a failure to adapt to or accommodate growth, or an increase in costs related to such information systems, could have a material adverse effect on us.

In addition, we have become increasingly reliant on third-party service providers for certain aspects of our business, including for the administration of certain funds, as well as for key market information and data, technology, processing and supporting functions, including cloud-based services. In addition to the fact that these third-party service providers could also face ongoing cyber security threats and compromises of their systems, we generally have less control over the delivery of such third-party services, and as a result, we may face disruptions to our ability to operate a business as a result of interruptions of such services. Any interruption or deterioration in the performance of these third parties or failures or compromises of their information systems and technology could impair the operations of us and our funds and adversely affect our reputation and businesses. See “— Cybersecurity risks could result in the loss of data, interruptions in our business, damage to our reputation, and subject us to regulatory actions and/or lawsuits, increased costs and financial losses, each of which could have a material adverse effect on our business and results of operations” and “— Rapidly developing and changing global privacy laws and regulations could increase compliance costs and subject us to enforcement risks and reputational damage.”

Extensive regulation of our businesses affects our activities and creates the potential for significant liabilities and penalties. The possibility of increased regulatory focus could result in additional burdens on our business.

Our business is subject to extensive regulation, including periodic examinations, by governmental agencies and self-regulatory organizations in the jurisdictions in which we operate around the world. These authorities have regulatory powers dealing with many aspects of financial services, including the authority to grant, and in specific circumstances to cancel, permissions to carry on particular activities. Many of these regulators, including Brazilian and foreign government agencies and self-regulatory organizations are also empowered to conduct investigations and administrative proceedings that can result in fines, suspensions of personnel, changes in policies, procedures or disclosure or other sanctions, including the issuance of cease-and-desist orders, the suspension or expulsion of an investment adviser from registration or memberships or the commencement of a civil or criminal lawsuit against us or our personnel.

Moreover, the financial services industry in recent years has been the subject of heightened scrutiny, and U.S. and Brazilian regulators have specifically focused on private equity. In that connection, in recent years the SEC’s stated examination priorities have included, among other things, private equity firms’ disclosure and collection of fees and allocation of expenses, their marketing and valuation practices, allocation of investment opportunities, prevention of insider trading, and policies and procedures with respect to conflicts of interest and compliance measures customized to the actual circumstances. We regularly are subject to requests for information and informal or formal investigations by the Brazilian Securities and Exchange Commission (*Comissão de Valores Mobiliários*), or “CVM,” and other regulatory authorities related to the other jurisdictions in which we operate, as well as the Brazilian internal revenue service (*Receita Federal do Brasil*) and other tax revenue agencies, as well as self-regulating authorities, such as the Brazilian Financial and Capital Markets Association (*Associação Brasileira das Entidades dos Mercados Financeiro e de Capitais*), or “ANBIMA” and the Brazilian Private Equity and Venture Capital Association (*Associação Brasileira de Private Equity e Venture Capital*), or ABVCAP, with which we routinely cooperate, and which have included review of historical practices that were previously examined. Such investigations have previously and may in the future result in deficiency letters, penalties and other sanctions.

We are currently subject to a comprehensive regulatory regime and the ongoing requirements related to our registration as asset managers and administrators in Brazil with the CVM as well as in Chile with (1) the Financial Markets Commission (*Comisión Para el Mercado Financiero*), or “CMF,” both for Moneda S.A. Administradora General de Fondos and Moneda Corredores de Bolsa Ltda.; (2) the U.S. Securities and Exchange Commission, for Moneda USA, Inc. and (3) the Financial Services Commission of the British Virgin Islands, for Moneda International Inc. We have also obtained our registration as a distributor of certain securities with the CVM, which may result in additional liability and operational requirements. There is significant uncertainty regarding the allocation of responsibilities and functions performed by asset managers, administrators and distributors under Brazilian law and related rules and regulations.

Actions and initiatives by the CVM, the CMF or other regulators can have an adverse effect on our financial results, including as a result of the imposition of a sanction, a limitation on our or our personnel’s activities, or changing our historic practices. Even if an investigation or proceeding did not result in a sanction or the sanction imposed against us or our personnel by a regulator were small in monetary amount, the adverse publicity relating to the investigation, proceeding or imposition of these sanctions could harm our reputation and cause us to lose existing clients or fail to gain new clients.

We are exposed to certain risks that are particular to investing in emerging and other markets.

In maintaining significant investment exposure, in Brazil and Chile, as well as other emerging markets in Latin America, we are subject to political, economic, legal, operational and other risks that are inherent to operating and investing in these countries. These risks range from difficulties in settling transactions in emerging markets due to possible nationalization, expropriation, price controls and other restrictive governmental actions. We also face the risk that exchange controls or similar restrictions imposed by foreign governmental authorities may restrict our ability to convert local currency received or held by us in their countries into U.S. dollars or other currencies, or to take those dollars or other currencies out of those countries.

Furthermore, in 2019, Chile was shaken by widespread protests against economic and social inequality, which resulted in months of marches and episodes of street violence. In December 2021, Gabriel Boric was elected Chile's new president, defeating José Antonio Kast, in an election marked by political polarization. Boric's government plan includes aspects such as increasing taxes on the richest population and large companies, ending the current pension system, and creating a universal fund to finance public and private health. It is difficult to assess the impact that the changes to the Chilean political scenario, as well as other Latin American countries, will have on their respective economies and, as a result, on our future operations and financial results. Such political decisions will result in a binding referendum scheduled to take place later in 2022. If social security is significantly reshaped, this may have an impact in the Pension funds, which represent a significant portion of some of the funds managed by Moneda.

Political developments in Latin America, including government deadlock, political instability and civil strife could impact our operations and have a material adverse effect on our business, financial condition, and results of operations.

We rely on complex exemptions from statutes in conducting our asset management activities.

We regularly rely on exemptions from various requirements of the U.S. Securities Act of 1933, as amended, or the "Securities Act," the U.S. Securities Exchange Act of 1934, as amended, or the "Exchange Act," the U.S. Investment Company Act of 1940, as amended, or the "Investment Company Act," the Commodity Exchange Act and the U.S. Employee Retirement Income Security Act of 1974, as amended, in conducting our asset management activities. These exemptions are sometimes highly complex and may in certain circumstances depend on compliance by third parties whom we do not control. If for any reason these exemptions were to become unavailable to us, we could become subject to regulatory action or third-party claims and our business could be materially and adversely affected. For example, the "bad actor" disqualification provisions of Rule 506 of Regulation D under the Securities Act ban an issuer from offering or selling securities pursuant to the safe harbor rule in Rule 506 if the issuer or any other "covered person" is the subject of a criminal, regulatory or court order or other "disqualifying event" under the rule which has not been waived. The definition of "covered person" includes an issuer's directors, general partners, managing members and executive officers; affiliates who are also issuing securities in the offering; beneficial owners of 20% or more of the issuer's outstanding equity securities; and promoters and persons compensated for soliciting investors in the offering. Accordingly, our ability to rely on Rule 506 to offer or sell securities would be impaired if we or any "covered person" is the subject of a disqualifying event under the rule and we are unable to obtain a waiver. The requirements imposed by our regulators are designed primarily to ensure the integrity of the financial markets and to protect investors in our investment funds and are not designed to protect the holders of our Class A common shares. Consequently, these regulations often serve to limit our activities and impose burdensome compliance requirements.

We are subject to increasing scrutiny from certain investors with respect to the societal and environmental impact of investments made by our funds, which may constrain capital deployment opportunities for our funds and adversely impact our ability to raise capital from such investors.

In recent years, certain investors, including public pension funds, have placed increasing importance on the negative impacts of investments made by the private equity and other funds to which they commit capital, including with respect to ESG matters. Certain investors have also demonstrated increased activism with respect to existing investments, including by urging asset managers to take certain actions that could adversely impact the value of an investment, or refrain from taking certain actions that could improve the value of an investment. At times, investors have conditioned future capital commitments on the taking or refraining from taking of such actions. Increased focus and activism related to ESG and similar matters may constrain our capital deployment opportunities, and the demands of certain investors, including public pension funds, may further limit the types of investments that are available to our funds. In addition, investors, including public pension funds, which represent an important portion of our funds' investor bases, may decide to withdraw previously committed capital from our funds (where such withdrawal is permitted) or to not commit capital to future fundraises as a result of their assessment of our approach to and consideration of the social cost of investments made by our funds. To the extent our access to capital from investors, including public pension funds, is impaired, we may not be able to maintain or increase the size of our funds or raise sufficient capital for new funds, which may adversely impact our revenues.

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In addition, ESG matters have been the subject of increased focus by certain regulators in the EU. For example, the European Commission has proposed legislative reforms, which include, without limitation: (1) Regulation 2019/2088 regarding the introduction of transparency and disclosure obligations for investors, funds and asset managers in relation to ESG factors, for which most rules are proposed to take effect beginning on March 10, 2021 and (2) a proposed regulation regarding the introduction of EU-wide taxonomy of environmentally sustainable activities, which is proposed to take effect in a staggered approach beginning on December 31, 2021. As a result of these legislative initiatives, we may be required to provide additional disclosure to investors in our funds with respect to ESG matters.

We are subject to substantial litigation risks and may face significant liabilities and damage to our professional reputation as a result of litigation allegations and negative publicity.

In recent years, the volume of claims and amount of damages claimed in litigation and regulatory proceedings against the financial services industry in general have been increasing and are generally expected to continue to increase in the future. The investment decisions we make in our asset management business and the activities of our investment professionals on behalf of portfolio companies may subject the companies, funds and us to the risk of third-party litigation arising from investor dissatisfaction with the performance of those investment funds, alleged conflicts of interest, the suitability or manner of distribution of our products, the activities of our funds' portfolio companies, including labor, tax, criminal and environmental claims related thereto, as well as a variety of other litigation claims.

In addition, Brazilian authorities and/or courts may, in some cases, apply legal doctrines such as piercing the corporate veil or enact legal statutes that impose joint and several liability or secondary liability, holding controlling shareholders and other companies of an economic group jointly liable for labor, social security, consumer related and environmental obligations, even in the absence of fraudulent conduct. Accordingly, our portfolio companies and our funds may be subject to judicial and administrative proceedings related to debts, contingencies or liabilities related to our portfolio companies as a whole, and we may ultimately be liable for those debts, contingencies and liabilities if we do not successfully defend ourselves in such proceedings.

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. From time to time we, our funds and our funds' public portfolio companies may be subject to securities class action lawsuits by shareholders, as well as class action lawsuits that challenge our acquisition transactions and/or attempt to enjoin them.

In addition, to the extent investors in our investment funds suffer losses resulting from fraud, gross negligence, willful misconduct or other similar misconduct, investors may have remedies against us, our investment funds, our senior managing directors or our affiliates under the relevant securities laws. While the general partners and investment advisers to our investment funds, including their directors, officers, other employees and affiliates, are generally indemnified to the fullest extent permitted by law with respect to their conduct in connection with the management of the business and affairs of our investment funds, such indemnity does not extend to actions determined to have involved fraud, gross negligence, willful misconduct or other similar misconduct.

The activities of our capital markets services business may also subject us to the risk of liabilities to our clients and third parties, including our clients' shareholders, under securities or other laws in connection with transactions in which we participate.

If any private lawsuits or regulatory actions were brought against us and resulted in a finding of substantial legal liability, it could materially adversely affect our business, financial condition or results of operations or cause significant reputational harm to us, which could seriously harm our business. We depend to a large extent on our business relationships and our reputation for integrity and high-caliber professional services to attract and retain investors and to pursue investment opportunities for our funds. As a result, allegations of improper conduct by private litigants, regulators, or employees, whether the ultimate outcome is favorable or unfavorable to us, as well as negative publicity and press speculation about us, our investment activities, our lines of business or distribution channels, our workplace environment, or the private equity industry in general, whether or not valid, may harm our reputation, which may be more damaging to our business than to other types of businesses.

Further, disputes might arise in relation to the business activities of certain of our portfolio companies or the performance of the service providers thereunder. To the extent that any client of our portfolio companies or their service providers disagrees with us on the quality of the products or services, terms and conditions of the payment or other provisions of such services, we may face claims, disputes, litigation or other proceedings initiated by such clients against us. We may incur substantial expenses and require significant attention of management in defending against these claims, regardless of their merit. We could also face damage to our reputation as a result of such claims, and our business, financial condition, results of operations and prospects could be materially and adversely affected.

We are subject to anti-corruption, anti-bribery, anti-money laundering and sanctions laws and regulations in Brazil, Chile, the United States and in the various countries in which we operate. Violations of any such laws or regulations could have a material adverse impact on our reputation and results of operations and financial condition.

We operate in jurisdictions that have a high risk of corruption and we are subject to anti-corruption, anti-bribery anti-money laundering and sanctions laws and regulations, including, but not limited to, the Brazilian Federal Law No. 12,846/2013, or the “Clean Company Act,” the Brazilian Federal Law No. 9,613/1998, the United States Foreign Corrupt Practices Act of 1977, or the “FCPA,” and the Bribery Act 2010 of the United Kingdom, or the “Bribery Act,” as well as the Chilean Laws No. 19,913 and No. 20,393, and the Chilean Criminal Code. Each of the Clean Company Act, the FCPA and the Bribery Act imposes liability against companies who engage in bribery of government officials, either directly or through intermediaries. We have a compliance program that is designed to manage the risks of doing business in light of these new and existing legal and regulatory requirements. If we, our direct or indirect shareholders, directors, officers, employees and other third-parties are not in compliance with anti-corruption, anti-bribery, anti-money laundering and sanctions laws and regulations we may be subject to criminal liability, administrative and civil lawsuits, significant fines and penalties, forfeiture of significant assets, as well as reputational harm to us or to our portfolio companies.

The military actions undertaken by Russian military forces against Ukraine in February 2022 resulted in the imposition of financial and economic sanctions by the European Union, the U.S., the United Kingdom and other countries and organizations against officials, individuals, regions, and industries due to the Russian-Ukrainian War. Such sanctions, together with any additional measure that may be adopted in connection with this situation, may, in various ways, constrain Russian- and Ukrainian-related transactions. Our ability to engage in activity with certain consumer and institutional businesses in Russia and Ukraine or involving certain Russian or Ukrainian businesses and customers would be dependent in part upon whether such engagement is restricted under any current or expected U.S., EU, U.K. or other countries sanctions and laws. Our ability to engage would be further impaired in the event other countries’ were to become involved in the conflict and, as result, be subjected to sanctions or similar restrictions.

Violations of anti-corruption, export control and sanctions laws and regulations are punishable by civil penalties, including fines, denial of export privileges, injunctions, asset seizures, debarment from government contracts and revocations or restrictions of licenses, as well as criminal fines and imprisonment. There can be no assurance that all of our employees, consultants, agents or other associated persons will not take actions in violation of these laws and regulations, and that our procedures will effectively prevent us from violating these regulations in every transaction in which we may engage or provide a defense to any alleged violation. In particular, we may be held liable for the actions that our local strategic partners take inside or outside of the United States, even though our partners may not be subject to these laws. Such a violation, even if our policies prohibit it, could have a material adverse effect on our reputation, business, results of operations and financial condition.

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Regulators may increase enforcement of these obligations, which may require us to adjust our compliance and anti-money laundering programs, including the procedures we use to verify the identity of our clients and to monitor our transactions. Regulators may reexamine the transaction volume thresholds at which we must obtain and keep applicable records, verify identities of customers, and report any change in such thresholds to the applicable regulatory authorities, which could result in increased costs in order to comply with these legal and regulatory requirements. 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 products or services improvements, make it more difficult to obtain new clients and reduce the attractiveness of our products and services. As a result, allegations of improper conduct as well as negative publicity and press speculation about us or our investment advisor or investment management companies, as well as portfolio companies, or the private equity industry in general, whether or not valid, may harm our reputation, which may be more damaging to our business than to other types of businesses.

In Uruguay, as a portfolio manager, Patria Investments Uruguay S.A. is subject to the Anti-Money Laundering Regulations of Uruguay, or the “Uruguay AML Regime.” The Uruguay AML Regime requires entities to maintain and enforce policies and procedures for the prevention and reporting of suspicious transactions, as well as know-your-client procedures.

Misconduct of our employees, consultants or subcontractors could harm us by impairing our ability to attract and retain clients and subjecting us to significant legal liability and reputational harm. Fraud and other deceptive practices or other misconduct at our funds’ portfolio companies could similarly subject us to liability and reputational damage and also harm performance.

Our employees, consultants and subcontractors could engage in misconduct that adversely affects our business. We are subject to a number of obligations and standards arising from our asset management business and our authority over the assets managed by our asset management business. The violation of these obligations and standards by any of our employees, consultants and subcontractors would adversely affect our clients and us. Our business often requires that we deal with confidential matters of great significance to companies in which we may invest. If our employees, consultants and subcontractors were to improperly use or disclose confidential information, we could suffer serious harm to our reputation, financial position and current and future business relationships. Detecting or deterring employee misconduct is not always possible, and the extensive precautions we take to detect and prevent this activity may not be effective in all cases. If one of our employees, consultants and subcontractors were to engage in misconduct or were to be accused of such misconduct, our business and our reputation could be adversely affected.

In recent years, regulatory authorities across various jurisdictions, such as Brazil the United States and the United Kingdom, among others, have increasingly focused on enhancing and enforcing anti-bribery laws, such as the Clean Company Act, FCPA and the Bribery Act. While we have developed and implemented policies and procedures designed to ensure strict compliance by us and our personnel with such laws, such policies and procedures may not be effective in all instances to prevent violations. Any determination that we have violated the Clean Company Act, the FCPA, the anti-bribery laws or other applicable anti-corruption laws could subject us to, among other things, civil and criminal penalties or material fines, profit disgorgement, injunctions on future conduct, securities litigation and a general loss of investor confidence, any one of which could adversely affect our business prospects, financial position or the market value of our Class A common shares.

In addition, we may also be adversely affected if there is misconduct by personnel of portfolio companies in which our funds invest. For example, financial fraud or other deceptive practices at our funds’ portfolio companies, or failures by personnel at our funds’ portfolio companies to comply with anti-bribery, trade sanctions, anti-harassment or other legal and regulatory requirements, could subject us to, among other things, civil and criminal penalties or material fines, profit disgorgement, injunctions on future conduct and securities litigation, and could also cause significant reputational and business harm to us. Such misconduct may undermine our due diligence efforts with respect to such portfolio companies and could negatively affect the valuations of the investments by our funds in such portfolio companies. In addition, we may face an increased risk of such misconduct resulting from our emphasis in making investments in Latin America.

Poor performance of our investment funds would cause a decline in our revenue, income and cash flow, may obligate us to repay performance allocations previously paid to us, and could adversely affect our ability to raise capital for future investment funds.

In the event that any of our investment funds were to perform poorly, our revenue, income and cash flow would decline because the value of our assets under management would decrease, which would result in a reduction in management fees, and our investment returns would decrease, resulting in a reduction in the performance allocations and incentive fees we earn. Moreover, we could experience losses on our investments of our own principal as a result of poor investment performance by our investment funds. Furthermore, if, as a result of poor performance of later investments in a carry fund's life, the fund does not achieve certain investment returns for the fund over its life, we will be obligated to repay the amount by which performance allocations that were previously distributed to us exceed the amount to which the relevant general partner is ultimately entitled.

Poor performance of our investment funds could make it more difficult for us to raise new capital. Investors in funds might decline to invest in future investment funds we raise and investors in hedge funds or other investment funds might withdraw their investments as a result of poor performance of the investment funds in which they are invested. Investors and potential investors in our funds continually assess our investment funds' performance, and our ability to raise capital for existing and future investment funds and avoid excessive redemption levels will depend on our investment funds' continued satisfactory performance. Accordingly, poor fund performance may deter future investment in our funds and thereby decrease the capital invested in our funds and ultimately, our management fee revenue. Alternatively, in the face of poor fund performance, investors could demand lower fees or fee concessions for existing or future funds which would likewise decrease our revenue.

Our asset management business depends in large part on our ability to raise capital from third-party investors. A failure to raise capital from third-party investors on attractive fee terms or at all, would impact our ability to collect management fees or deploy such capital into investments and potentially collect performance allocations, which would materially reduce our revenue and cash flow and adversely affect our financial condition.

Our ability to raise capital from third-party investors depends on a number of factors, including certain factors that are outside our control. Certain factors, such as the performance of the stock market and the asset allocation rules or investment policies to which such third-party investors are subject, could inhibit or restrict the ability of third-party investors to make investments in our investment funds or the asset classes in which our investment funds invest. In addition, volatility in the valuations of investments, has in the past and may in the future affect our ability to raise capital from third-party investors. To the extent periods of volatility are coupled with a lack of realizations from investors' existing private equity, infrastructure, credit and real estate portfolios, such investors may be left with disproportionately outsized remaining commitments to a number of investment funds, which significantly limits such investors' ability to make new commitments to third-party managed investment funds such as those managed by us.

Our ability to raise new funds could similarly be hampered if the general appeal of private equity and other alternative investments were to decline. An investment in a limited partner interest in a private equity fund is more illiquid and the returns on such investment may be more volatile than an investment in securities for which there is a more active and transparent market. In periods of positive markets and low volatility, for example, investors may favor passive investment strategies such as index funds over our actively managed investment vehicles. Alternative investments could also fall into disfavor as a result of concerns about liquidity and short-term performance. Such concerns could be exhibited, in particular, by public pension funds, which have historically been among the largest investors in alternative assets. Many public pension funds are significantly underfunded and their funding problems have been, and may in the future be, exacerbated by an economic downturn and/or governmental policies or measures. Concerns with liquidity could cause such public pension funds to reevaluate the appropriateness of alternative investments. Although a number of investors, including certain public pension funds, have increased their allocations to the alternative investments asset class in recent years, there is no assurance that this will continue or that our ability to raise capital from investors will not be hampered.

Moreover, certain institutional investors are demonstrating a preference to in-source their own investment professionals and to make direct investments in alternative assets without the assistance of private equity advisers like us. Such institutional investors may become our competitors and could cease to be our clients. As some existing investors cease or significantly curtail making commitments to alternative investment funds, we may need to identify and attract new investors in order to maintain or increase the size of our investment funds. There are no assurances that we can find or secure commitments from those new investors or that the fee terms of the commitments from such new investors will be consistent with the fees historically paid to us by our investors. If economic conditions were to deteriorate or if we are unable to find new investors, we might raise less than our desired amount for a given fund. Further, as we seek to expand into other asset classes, we may be unable to raise a sufficient amount of capital to adequately support such businesses. A failure to successfully raise capital could materially reduce our revenue and cash flow and adversely affect our financial condition.

In connection with raising new funds or making further investments in existing funds, we negotiate terms for such funds and investments with existing and potential investors. The outcome of such negotiations could result in our agreement to terms that are materially less favorable to us than for prior funds we have managed or funds managed by our competitors, including with respect to management fees, incentive fees and/or performance fees, which could have an adverse impact on our revenues. Such terms could also restrict our ability to raise investment funds with investment objectives or strategies that compete with existing funds, add additional expenses and obligations for us in managing the fund or increase our potential liabilities, all of which could ultimately reduce our revenues. In addition, certain institutional investors, including sovereign wealth funds and public pension funds, have demonstrated an increased preference for alternatives to the traditional investment fund structure, such as managed accounts, smaller funds and co-investment vehicles. There can be no assurance that such alternatives will be as profitable for us as the traditional investment fund structure, or as to the impact such a trend could have on the cost of our operations or profitability if we were to implement these alternative investment structures. In addition, certain institutional investors have publicly criticized certain fund fee and expense structures, including management fees and transaction and advisory fees. Although we have no obligation to modify any of our fees with respect to our existing funds, we may experience pressure to do so in our funds. For example, we have confronted and expect to continue to confront requests from a variety of investors and groups representing investors to decrease fees, which could result in a reduction in the fees and performance allocations and incentive fees we earn.

Interest rates on our and our portfolio companies' outstanding financial instruments might be subject to change based on regulatory developments, which could adversely affect our revenue, expenses and the value of those financial instruments.

LIBOR and certain other floating rate benchmark indices, including, without limitation, the Euro Interbank Offered Rate, Tokyo Interbank Offered Rate, Hong Kong Interbank Offered Rate and Singapore Interbank Offered Rate, or collectively, "IBORs" are the subject of recent national, international and regulatory guidance and proposals for reform. On March 5, 2021, these reforms and other pressures caused the ICE Benchmark Administration, or the "IBA," the administrator of LIBOR, to announce the cessation of publication of certain types of LIBOR after December 31, 2021 with the cessation of the publication of remaining types of LIBOR after June 30, 2023. The United Kingdom Financial Conduct Authority, or the "FCA," which regulates LIBOR, separately announced that the IBA had notified the FCA of its intent to cease providing all LIBOR settings. While the FCA stated that, subject to the establishment of the new proposed powers, it would consult on the issue of requiring the IBA to produce certain LIBOR tenors on a synthetic basis, it confirmed that all 35 LIBOR settings will either cease to be provided by any administrator or will no longer be representative as of the dates published by the IBA. Regulators, industry groups and certain committees, such as the Alternative Reference Rates Committee, or "ARRC," have, among other things, published recommended fallback language for LIBOR-linked financial instruments, identified recommended alternatives for certain LIBOR rates, such as the Secured Overnight Financing Rate, or "SOFR," as the recommended alternative to U.S. Dollar LIBOR, and proposed implementations of the recommended alternatives in floating rate financial instruments.

It is currently unknown the extent to which these recommendations and proposals will be broadly accepted, whether they will continue to evolve, and what the effect of their implementation may be on the markets for floating-rate financial instruments. At this time, it is not possible to predict the effect that these developments or any discontinuance, modification or other reforms may have on LIBOR, other benchmarks or floating-rate debt instruments, including our floating-rate debt. Any such discontinuance, modification, alternative reference rates or other reforms may materially adversely affect market rates of interest and the value of securities and other financial arrangements. These uncertainties, proposals and actions to resolve them, and their ultimate resolution also could negatively impact our funding costs, loan and other asset values, asset-liability management strategies, and other aspects of our business and financial results. As a result, interest rates on financial instruments tied to IBOR rates, including those where we or our funds are exposed as lender or borrower, as well as the revenue and expenses associated with those financial instruments, may be adversely affected. No assurance can be provided that the uncertainties around the transition from LIBOR or their resolution will not adversely affect such financial instruments.

In addition, meaningful time and effort is required to transition to the use of new benchmark rates, including with respect to the negotiation and implementation of any necessary changes to existing contractual arrangements and the implementation of changes to our systems and processes. We are actively evaluating the operational and other impacts of such changes and managing transition efforts accordingly.

Certain policies and procedures implemented to mitigate potential conflicts of interest and address certain regulatory requirements may reduce the synergies across our various businesses.

Because of our various lines of asset management businesses, we may be subject to certain conflicts of interest and subject to greater regulatory oversight and more legal and contractual restrictions than that to which we would otherwise be subject if we had just one line of business. For example, we may cause funds that we manage in different lines of business to purchase different classes of securities in the same portfolio company, such as if one of our credit funds acquired a debt security issued by the same company in which one of our private equity funds owns common equity securities, or we may cause funds that we manage in different lines of business to purchase securities in the same portfolio company, such as if one of our constructivist equity funds acquired an equity security issued by the same company in which one of our private equity funds owns equity securities. A direct conflict of interest could arise between the debt holders and the equity holders or among funds that we manage in different lines of business, if such a company were to develop insolvency concerns, and we would have to carefully manage that conflict. To mitigate these conflicts and address regulatory, legal and contractual requirements across our various businesses, we have implemented certain policies and procedures (for example, information walls) that may reduce the positive synergies that we cultivate across these businesses for purposes of identifying and managing attractive investments. For example, we may come into possession of material nonpublic information with respect to issuers in which we may be considering making an investment or issuers in which our affiliates may hold an interest. As a consequence of such policies and procedures, we may be precluded from providing such information or other ideas to our other lines of business that might be of benefit to them.

Our failure to deal appropriately with conflicts of interest in our investment business could damage our reputation and adversely affect our businesses.

As we have expanded and as we continue to expand the number and scope of our businesses, we increasingly confront potential conflicts of interest relating to our funds' investment activities. Investment manager conflicts of interest continue to be a significant area of focus for regulators and the media. Because of our size and the variety of businesses and investment strategies that we pursue, we may face a higher degree of scrutiny compared with investment managers that are smaller or focus on fewer asset classes. Certain of our funds may have overlapping investment objectives, including funds that have different fee structures and/or investment strategies that are more narrowly focused, and potential conflicts may arise with respect to allocation of investment opportunities among those funds to the extent the fund documents do not mandate a specific investment allocation. For example, we may allocate an investment opportunity that is appropriate for two or more investment funds in a manner that excludes one or more funds or results in a disproportionate allocation based on factors or criteria that we determine, such as the sourcing of the transaction, the specific nature of the investment or the size and type of the investment, among other factors.

We may also decide to provide a co-investment opportunity to certain investors in lieu of allocating a piece of the investment to our funds. In addition, the challenge of allocating investment opportunities to certain funds may be exacerbated as we expand our business to include more lines of business, including more public vehicles. Allocating investment opportunities appropriately frequently involves significant and subjective judgments. The risk that fund investors could challenge allocation decisions as inconsistent with our obligations under applicable law, governing fund agreements or our own policies cannot be eliminated. In addition, the perception of noncompliance with such requirements or policies could harm our reputation with fund investors.

We may also cause different funds to invest in a single portfolio company, for example, where the fund that made an initial investment no longer has capital available to invest. We may also cause different funds that we manage to purchase different classes of securities in the same portfolio company. A decision to acquire material nonpublic information about a company while pursuing an investment opportunity for a particular fund gives rise to a potential conflict of interest when it results in our having to restrict the ability of other funds to take any action. Our affiliates may be service providers or counterparties to our funds or portfolio companies and receive fees or other compensation for services that are not shared with our fund investors. In such instances, we may be incentivized to cause our funds or portfolio companies to purchase such services from our affiliates rather than an unaffiliated service provider despite the fact that a third-party service provider could potentially provide higher-quality services or offer them at a lower cost. In addition, conflicts of interest may exist in the valuation of our investments and regarding decisions about the allocation of specific investment and co-investment opportunities among us, our funds and our affiliates, as well as the allocation of fees and expenses among us, our funds and their portfolio companies, and our affiliates. Lastly, in certain, infrequent instances we may purchase an investment alongside one of our investment funds or sell an investment to one of our investment funds and conflicts may arise in respect of the allocation, pricing and timing of such investments and the ultimate disposition of such investments. A failure to appropriately deal with these, among other, conflicts, could negatively impact our reputation and ability to raise additional funds or result in potential litigation or regulatory action against us.

Conflicts of interest may arise in our allocation of co-investment opportunities.

Potential conflicts will arise with respect to our decisions regarding how to allocate co-investment opportunities among investors and the terms of any such co-investments. As a general matter, our allocation of co-investment opportunities is within our discretion and there can be no assurance that co-investment opportunities of any particular type or amount will become available to any of our investors. We may take into account a variety of factors and considerations we deem relevant in allocating co-investment opportunities, including, without limitation, whether a potential co-investor has expressed an interest in evaluating co-investment opportunities, our assessment of a potential co-investor's ability to invest an amount of capital that fits the needs of the investment and our assessment of a potential co-investor's ability to commit to a co-investment opportunity within the required time frame of the particular transaction.

The investment advisers of our funds may have an incentive to provide potential co-investment opportunities to certain investors in lieu of others and/or in lieu of an allocation to our funds (including, for example, as part of an investor's overall strategic relationship with us) if such allocations are expected to generate relatively greater fees or performance allocations to us than would arise if such co-investment opportunities were allocated otherwise.

Co-investment arrangements may be structured through one or more of our investment vehicles, and in such circumstances co-investors will generally bear the costs and expenses thereof (which may lead to conflicts of interest regarding the allocation of costs and expenses between such co-investors and investors in our funds). The terms of any such existing and future co-investment vehicles may differ materially, and in some instances may be more favorable to us, than the terms of certain of our funds or prior co-investment vehicles, and such different terms may create an incentive for us to allocate a greater or lesser percentage of an investment opportunity to such co-investment vehicles. There can be no assurance that any conflicts of interest will be resolved in favor of any particular investment funds or investors (including any applicable co-investors).

Valuation methodologies for certain assets in our funds can be subject to significant subjectivity and the fair value of assets established pursuant to such methodologies may never be realized, which could result in significant losses for our funds and the reduction of performance revenues.

Our investment funds make investments in illiquid investments or financial instruments for which there is little, if any, market activity. We determine the value of such investments and financial instruments based on the fair value of such investments. The fair value of such investments and financial instruments is generally determined using a primary methodology and corroborated by a secondary methodology. Methodologies are used on a consistent basis and described in the investment funds' valuation policies.

The determination of fair value using these methodologies takes into consideration a range of factors including, but not limited to, the price at which the investment was acquired, the nature of the investment, local market conditions, trading values on public exchanges for comparable securities, current and projected operating performance and financing transactions subsequent to the acquisition of the investment. These valuation methodologies involve a significant degree of management judgment. For example, as to investments that we share with another sponsor, we may apply a different valuation methodology than the other sponsor does or derive a different value than the other sponsor has derived on the same investment. These differences might cause some investors to question our valuations.

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Because there is significant uncertainty in the valuation of, or in the stability of the value of, illiquid investments, the fair values of such investments as reflected in an investment fund's net asset value do not necessarily reflect the prices that would actually be obtained by us on behalf of the investment fund when such investments are realized. Realizations at values significantly lower than the values at which investments have been reflected in prior fund net asset values would result in reduced gains or losses for the applicable fund, a decline in certain asset management fees and the reduction in potential performance allocations and incentive fees. Changes in values of investments from quarter to quarter may result in volatility in our investment funds' net asset value, our investment in, or fees from, those funds and the results of operations and cash flow that we report from period to period. Further, a situation where asset values turn out to be materially different than values reflected in prior fund net asset values could cause investors to lose confidence in us, which would in turn result in difficulty in raising additional funds or redemptions from our hedge funds.

We may use borrowings to finance our business, exposing us to risks.

We may use borrowings to finance our business operations in the future. Although we do not have any outstanding indebtedness as of the date of this annual report, we may enter in the future into facility agreements, issue notes, or enter into other financing arrangements, each of which could result in higher costs. We may also issue equity, which would dilute existing shareholders. Further, we may choose to repay any future borrowings using cash on hand, cash provided by our continuing operations or cash from the sale of our assets, each of which could reduce the amount of cash available to facilitate the growth and expansion of our businesses and pay dividends to our shareholders and operating expenses and other obligations as they arise. In order to obtain any future borrowings, we depend on the willingness and ability of financial institutions such as global banks to extend credit to us on favorable terms, and on our ability to access the debt and equity capital markets, which can be volatile. There is no guarantee that such financial institutions will extend credit to us or that we will be able to access the capital markets to obtain borrowings.

The historical returns attributable to our funds should not be considered as indicative of the future results of our funds or of our future results or of any returns expected on an investment in Class A common shares.

The historical and potential future returns of the investment funds that we manage are not directly linked to returns on our Class A common shares. Therefore, any continued positive performance of the investment funds that we manage will not necessarily result in positive returns on an investment in our Class A common shares. However, poor performance of the investment funds that we manage would cause a decline in our revenue from such investment funds, and would therefore have a negative effect on our performance and in all likelihood the returns on an investment in our Class A common shares.

Moreover, with respect to the historical returns of our investment funds:

- we may create new funds in the future that reflect a different asset mix and different investment strategies, as well as a varied geographic and industry exposure as compared to our present funds, and any such new funds could have different returns from our existing or previous funds;
- despite periods of volatility, market conditions have been largely favorable in recent years, which has helped to generate positive performance, particularly in our private equity, infrastructure, credit and real estate businesses, but there can be no assurance that such conditions will repeat or that our current or future investment funds will avail themselves of comparable market conditions;

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- the rates of returns of our carry funds reflect unrealized gains as of the applicable measurement date that may never be realized, which may adversely affect the ultimate value realized from those funds' investments;
- competition for investment opportunities resulting from, among other things, the increased amount of capital invested in alternative investment funds continues to increase;
- our investment funds' returns in some years benefited from investment opportunities and general market conditions that may not repeat themselves, our current or future investment funds might not be able to avail themselves of comparable investment opportunities or market conditions, and the circumstances under which our current or future funds may make future investments may differ significantly from those conditions prevailing in the past;
- newly established funds may generate lower returns during the period in which they initially deploy their capital; and
- the rates of return reflect our historical cost structure, which may vary in the future due to various factors elsewhere in this annual report and other factors beyond our control, including changes in laws.

The future internal rate of return for any current or future fund may vary considerably from the historical internal rate of return generated by any particular fund, or for our funds as a whole. In addition, future returns will be affected by the applicable risks described elsewhere in annual report, including risks of the industries and businesses in which a particular fund invests.

The due diligence process that we undertake in connection with investments by our investment funds may not reveal all facts and issues that may be relevant in connection with an investment.

When evaluating a potential business or asset for investment, we conduct due diligence that we deem reasonable and appropriate based on the facts and circumstances applicable to such investment. When conducting due diligence, we may be required to evaluate important and complex issues, including but not limited to those related to business, financial, credit risk, tax, accounting, ESG, legal and regulatory and macroeconomic trends. With respect to ESG, the nature and scope of our diligence will vary based on the investment, but may include a review of, among other things: air and water pollution, diversity, employee health and safety, accounting standards and bribery and corruption. Outside consultants, legal advisers, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. The due diligence investigation that we will carry out with respect to any investment opportunity may not reveal or highlight all relevant facts (including fraud) or risks that may be necessary or helpful in evaluating such investment opportunity and we may not identify or foresee future developments that could have a material adverse effect on an investment, including, for example, potential factors, such as technological disruption of a specific company or asset, or an entire industry. Further, some matters covered by our diligence, such as ESG, are continuously evolving and we may not accurately or fully anticipate such evolution. In addition, when conducting due diligence on investments, including with respect to investments made by our funds, we rely on the resources available to us and information supplied by third parties, including information provided by the target of the investment. The information we receive from third parties may not be accurate or complete and therefore we may not have all the relevant facts and information necessary to properly assess and monitor our funds' investment.

We expect to continue to make investments in companies that are based in Latin America, which may expose us to additional risks not typically associated with investing in companies that are based in the United States.

Our investment funds generally invest their assets in the equity, debt, loans or other securities of issuers located in Latin America, including in Brazil, Chile, Colombia and Argentina. Investments in non-U.S. securities involve certain factors not typically associated with investing in U.S. securities, including risks relating to:

- currency exchange matters, including fluctuations in currency exchange rates and costs associated with conversion of investment principal and income from one currency into another;
- less developed or efficient financial markets than in the United States, which may lead to potential price volatility and relative illiquidity;
- the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation;
- changes in laws or clarifications to existing laws that could impact our tax treaty positions, which could adversely impact the returns on our investments;
- a less developed legal or regulatory environment, differences in the legal and regulatory environment or enhanced legal and regulatory compliance;
- heightened exposure to corruption risk in non-U.S. markets;
- political hostility to investments by foreign or private equity investors;
- reliance on a more limited number of commodity inputs, service providers and/or distribution mechanisms;
- higher rates of inflation;
- higher transaction costs;
- difficulty in enforcing contractual obligations;
- fewer investor protections and less publicly available information in respect of companies in non-U.S. markets;
- certain economic and political risks, including potential exchange control regulations and restrictions on non-U.S. investments and repatriation of profits on investments or of capital invested, the risks of political, economic or social instability, the possibility of expropriation or confiscatory taxation and adverse economic and political developments; and
- the possible imposition of non-U.S. taxes or withholding on income and gains recognized with respect to such securities.

There can be no assurance that adverse developments with respect to such risks will not adversely affect our assets that are held in certain countries or the returns from these assets. See “—Inflation and government measures to curb inflation may adversely affect the economies and capital markets in some of the countries in which we operate, and as a result, harm our business and the trading price of our Class A common shares.”

Our asset management activities primarily involve investments in relatively high-risk, illiquid assets, and we may fail to realize any profits from these activities for a considerable period of time or lose some or all of our principal investments.

Our investment funds primarily invest in securities that are not publicly traded. In many cases, our investment funds may be prohibited by contract or by applicable securities laws from selling such securities or a period of time. Our investment funds will generally not be able to sell these securities publicly unless their sale is registered under applicable securities laws, or unless an exemption from such registration is available. The ability of many of our investment funds, particularly our private equity funds, to dispose of investments is heavily dependent on the public equity markets. For example, the ability to realize any value from an investment may depend upon the ability to complete an initial public offering of the portfolio company in which such investment is held. Even if the securities are publicly traded, large holdings of securities can often be disposed of only over a substantial length of time, exposing the investment returns to risks of downward movement in market prices during the intended disposition period. Moreover, because the investment strategy of many of our funds, particularly our private equity, infrastructure, credit and real estate funds, often entails our having representation on our funds' public portfolio company boards, our funds may be restricted in their ability to effect such sales during certain time periods. Accordingly, under certain conditions, our investment funds may be forced to either sell securities at lower prices than they had expected to realize or defer—potentially for a considerable period of time—sales that they had planned to make. We have made and expect to continue to make significant principal investments in our current and future investment funds. Contributing capital to these investment funds is risky, and we may lose some or the entire principal amount of our investments.

We may pursue large or otherwise complex investments, which involve enhanced business, regulatory, legal, environmental and other risks.

A number of our funds, including our real estate, infrastructure, credit and private equity funds, have invested and intend to continue to invest in large transactions or transactions that otherwise have substantial business, regulatory or legal complexity. In addition, as we raise new funds, such funds' mandates may include investing in such transactions. Such investments involve enhanced risks. For example, larger or otherwise complex transactions may be more difficult, expensive and time-consuming to finance and execute. In addition, managing or realizing value from such investments may be more difficult as a result of, among other things, a limited universe of potential acquirers. In addition, larger or otherwise complex transactions may entail a higher level of scrutiny by regulators, labor unions and other third parties, as well as a greater risk of unknown and/or contingent liabilities. Any of these factors could increase the risk that our larger or more complex investments could be less successful and in turn harm the performance of our funds.

Larger transactions may be structured as “consortium transactions” due to the size of the investment and the amount of capital required to be invested. A consortium transaction involves an equity investment in which two or more investors serve together or collectively as equity sponsors. Consortium transactions generally entail a reduced level of control by us over the investment because governance rights must be shared with the other investors. Accordingly, we may not be able to control decisions relating to the investment, including decisions relating to the management and operation of the Company and the timing and nature of any exit, which could result in the risks described in “—Our investment funds may make investments in companies that we do not control.” In addition, the consequences to our investment funds of an unsuccessful larger investment could be more severe given the size of the investment.

Our investment funds may make investments in companies that we do not control.

Investments by certain of our investment funds may include debt instruments and equity securities of companies that we do not control. Such investments will be subject to the risk that the Company in which the investment is made may make business, financial or management decisions with which we do not agree or that the majority stakeholders or the management of the Company may take risks or otherwise act in a manner that does not serve our interests. In addition, to the extent we hold only a minority equity interest in a company, we may lack affirmative control rights, which may diminish our ability to influence the Company's affairs in a manner intended to enhance the value of our investment in the Company, including with respect to the form and timing of an exit. If any of the foregoing were to occur, the values of investments by our investment funds could decrease and our financial condition, results of operations and cash flow could suffer as a result.

Our investments in prospective portfolio companies may be risky, and you could lose all or part of your investment.

We are guided in our strategic efforts by our investment focus, which is to acquire control or joint control equity investments in medium to large Latin American companies that require change. Overleveraged, distressed, underperforming or small regional or family-owned situations will also be considered. Such businesses will be subject to increased exposure to adverse economic factors such as a significant rise in local interest rates, a severe downturn in the relevant country's economy or deterioration in the condition of such portfolio company or its industry. In the event that such portfolio company is unable to generate sufficient cash flow to meet principal and interest payments on its indebtedness, the value of our equity investment in such portfolio company could be significantly reduced or even eliminated. Unfavorable economic conditions also could increase our funding costs, limit our access to the capital markets or result in a decision by lenders not to extend credit to us. These events could prevent us from increasing investments and harm our operating results.

An investment strategy focused primarily on privately held companies presents certain challenges, including the lack of available information about these companies, a dependence on the talents and efforts of only a few key portfolio company personnel and a greater vulnerability to economic downturns.

Generally, little public information exists about privately held companies, and we will be required to rely on the ability of our investment professionals to obtain adequate information to evaluate the potential returns from investing in these companies. If we are unable to uncover all material information about these companies, we may not make a fully informed investment decision, and we may lose money on our investments. Also, privately held companies frequently have less diverse product lines and smaller market presence than larger competitors. These factors could affect our investment returns.

In addition, while it is not our intended investment focus, we may in the future purchase interests in companies that we do not control, including joint ventures and minority interests in such companies. Such purchases would be subject to risk we could not control.

Investments by our investment funds will in many cases rank junior to investments made by others.

In most cases, the companies in which our investment funds invest will have indebtedness or equity securities, or may be permitted to incur indebtedness or to issue equity securities, that rank senior to our investment. By their terms, such instruments may provide that their holders are entitled to receive payments of dividends, interest or principal on or before the dates on which payments are to be made in respect of our investment. Also, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a company in which an investment is made, holders of securities ranking senior to our investment would typically be entitled to receive payment in full before distributions could be made in respect of our investment. After repaying senior security holders, the Company may not have any remaining assets to use for repaying amounts owed in respect of our investment. To the extent that any assets remain, holders of claims that rank equally with our investment would be entitled to share on an equal and ratable basis in distributions that are made out of those assets. Also, during periods of financial distress or following an insolvency, the ability of our investment funds to influence a company's affairs and to take actions to protect their investments may be substantially less than that of the senior creditors.

Investors in our open-ended funds may redeem their investments in these funds. In addition, the investment management agreements that may be offered by us related to separately managed accounts may permit the investor to terminate our management of such account on short notice. Lastly, investors in our other investment funds have the right to cause these investment funds to be dissolved. Any of these events would lead to a decrease in our revenues, which could be substantial.

Investors in certain of our credit and public equities funds may generally redeem their investments on a periodic basis subject to the applicable fund's specific redemption provisions. In a declining market some of these funds may experience declines in value, and the pace of redemptions and consequent reduction in our assets under management could accelerate. Such declines in value may be both provoked and exacerbated by margin calls and forced selling of assets. To the extent appropriate and permissible under a fund's constituent documents, we may limit or suspend redemptions during a redemption period, which may have a reputational impact on us. The decrease in revenues that would result from significant redemptions in such funds could have a material adverse effect on our business, revenues, net income and cash flows.

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We currently manage a portion of investor assets through separately managed accounts whereby we may earn management and/or incentive fees, and we intend to continue to seek additional separately managed account mandates. The investment management agreements we enter into in connection with managing separately managed accounts on behalf of certain clients may be terminated by such clients.

The governing agreements of many of our investment funds provide that, subject to certain conditions, third party investors in those funds have the right to remove the general partner of the fund or to accelerate the termination date of the investment fund without cause by a specified percentage vote, resulting in a reduction in management fees we would earn from such investment funds and a significant reduction in the amounts of performance allocations and incentive fees from those funds. Performance allocations and incentive fees could be significantly reduced as a result of our inability to maximize the value of investments by an investment fund during the liquidation process or in the event of the triggering of a “clawback” obligation. In addition, the governing agreements of most of our investment funds, such as limited partnership agreements and private placement memoranda, provide that in the event certain “key persons” in our investment funds do not meet specified time commitments with regard to managing the fund, then investors in certain funds have the right to vote to terminate the investment period by a specified percentage vote in accordance with specified procedures or accelerate the withdrawal of their capital on an investor-by-investor basis, or the fund’s investment period will automatically terminate and a specified percentage vote of investors is required to restart it. In addition to having a significant negative impact on our revenue, net income and cash flow, the occurrence of such an event with respect to any of our investment funds would likely result in significant reputational damage to us.

Third-party investors in our investment funds with commitment-based structures may not satisfy their contractual obligation to fund capital calls when requested by us, which could adversely affect a fund’s operations and performance.

Investors in all of our funds make capital commitments to those funds that we are entitled to call from those investors at any time during prescribed periods. We depend on investors fulfilling their commitments when we call capital from them in order for those funds to consummate investments and otherwise pay their obligations (for example, management fees) when due. A default by an investor may also limit a fund’s availability to incur borrowings and avail itself of what would otherwise have been available credit. We have not had investors fail to honor capital calls to any meaningful extent. Any investor that did not fund a capital call would generally be subject to several possible penalties, including having a significant amount of its existing investment forfeited in that fund. However, the impact of the forfeiture penalty is directly correlated to the amount of capital previously invested by the investor in the fund and if an investor has invested little or no capital, for instance, early in the life of the fund, then the forfeiture penalty may not be as meaningful. Third-party investors in private equity, infrastructure, credit and real estate funds typically use distributions from prior investments to meet future capital calls. In cases where valuations of investors’ existing investments fall and the pace of distributions slows, investors may be unable to make new commitments to third-party managed investment funds such as those advised by us. If investors were to fail to satisfy a significant amount of capital calls for any particular fund or funds, the operation and performance of those funds could be materially and adversely affected.

Risk management activities may adversely affect the return on our funds’ investments.

When managing our exposure to market risks, we may (on our own behalf or on behalf of our funds) from time to time determine to use forward contracts, options, swaps, caps, collars and floors or pursue other strategies or use other forms of derivative instruments to limit our exposure to changes in the relative values of investments that may result from market developments, including changes in prevailing interest rates, currency exchange rates and commodity prices. We are exposed to fluctuations in foreign currency exchange rates and we may enter into derivatives transactions to manage our exposure to exchange rate risk from time to time. The success of any hedging or other derivative transactions generally will depend on our ability to correctly predict market changes, the degree of correlation between price movements of a derivative instrument, the position being hedged, the creditworthiness of the counterparty and other factors. As a result, while we may enter into a transaction in order to reduce our exposure to market risks, the transaction may result in poorer overall investment performance than if it had not been executed. Such transactions may also limit the opportunity for gain if the value of a hedged position increases.

While such hedging arrangements may reduce certain risks, such arrangements themselves may entail certain other risks. These arrangements may require the posting of cash collateral at a time when a fund has insufficient cash or illiquid assets such that the posting of the cash is either impossible or requires the sale of assets at prices that do not reflect their underlying value. Moreover, these hedging arrangements may generate significant transaction costs, including potential tax costs, that reduce the returns generated by a fund. Finally, regulatory agencies may in the future require certain foreign exchange products to be subject to mandatory clearing, which could increase the cost of entering into currency hedges.

Our infrastructure, private equity and real estate funds are subject to the risks inherent in the ownership and operation of infrastructure, private equity and real estate and the construction and development of infrastructure, private equity and real estate.

Investments in our infrastructure, private equity and real estate funds will be subject to the risks inherent in the ownership and operation of infrastructure, private equity and real estate and real estate-related businesses and assets, including the deterioration of infrastructure, private equity and real estate fundamentals. These risks include but are not limited to, those associated with the burdens of ownership of real property, general and local economic conditions, changes in the supply of and demand for competing properties in an area (as a result, for instance, of overbuilding), fluctuations in the average occupancy and room rates for hotel properties, operating income, the financial resources of tenants, changes in building, environmental, zoning and other laws, casualty or condemnation losses, energy and supply shortages, various uninsured or uninsurable risks, natural disasters, changes in government regulations (such as rent control or operational licenses), changes in real property tax rates, changes in income tax rates, changes in interest rates, the reduced availability of mortgage funds which may render the sale or refinancing of properties difficult or impracticable, increased mortgage defaults, increases in borrowing rates, changes to the taxation of business entities and the deductibility of corporate interest expense or other applicable tax exemptions or benefits, negative developments in the economy that depress travel activity, environmental liabilities, contingent liabilities on disposition of assets, acts of god, terrorist attacks, war, climate change and other factors that are beyond our control. Risks from climate change include both (1) physical risks, such as rise in temperature, sea-level rise, changes in precipitation patterns, fluctuations in water levels or more frequent occurrence of extreme temperatures, droughts or other extreme meteorological phenomena, such as cyclones or hurricanes and (2) transitional risks, such as changes in laws, regulations, policies, obligations, social attitudes and customer preferences relating to the transition to a lower-carbon economy, which could adversely impact our business and prospects. In addition, if our infrastructure, private equity and real estate funds acquire direct or indirect interests in undeveloped land or underdeveloped real property, which may often be non-income producing, they will be subject to the risks normally associated with such assets and development activities, including risks relating to the availability and timely receipt of zoning and other regulatory or environmental approvals and licenses, the cost and timely completion of construction (including risks beyond the control of our fund, such as weather or labor conditions or material shortages) and the availability of both construction and permanent financing on favorable terms. In addition, our real estate funds may also make investments in real estate projects and/or otherwise participate in financing opportunities relating to residential real estate assets or portfolios thereof from time to time, which may be more highly susceptible to adverse changes in prevailing economic and/or market conditions and present additional risks relative to the ownership and operation of commercial infrastructure, private equity or real estate assets.

Certain of our investment funds may invest in securities of companies that are experiencing significant financial or business difficulties, including companies involved in bankruptcy or other reorganization and liquidation proceedings. Such investments are subject to a greater risk of poor performance or loss.

Certain of our investment funds may invest in business enterprises involved in workouts, liquidations, spinoffs, reorganizations, bankruptcies and similar transactions and may purchase high-risk receivables. An investment in such business enterprises entails the risk that the transaction in which such business enterprise is involved either will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the fund of the security or other financial instrument in respect of which such distribution is received. In addition, if an anticipated transaction does not in fact occur, the fund may be required to sell its investment at a loss. Investments in troubled companies may also be adversely affected by Brazilian laws relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and a bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims. Investments in securities and private claims of troubled companies made in connection with an attempt to influence a restructuring proposal or plan of reorganization in a bankruptcy case may also involve substantial litigation. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies, there is a potential risk of loss by a fund of its entire investment in such company. Moreover, a major economic recession could have a materially adverse impact on the value of such securities. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may also decrease the value and liquidity of securities rated below investment grade or otherwise adversely affect our reputation.

Investments in infrastructure, private equity, real estate and certain other assets may expose us to increased environmental liabilities that are inherent in the ownership of real assets.

Ownership of real assets in our funds or vehicles may increase our risk of civil liability under environmental laws that impose, regardless of fault, joint and several liability for the cost of remediating contamination and compensation for damages. In addition, changes in environmental laws or regulations or the environmental condition of an investment may create liabilities that did not exist at the time of acquisition. Even in cases where we are indemnified by a seller against liabilities arising out of violations of environmental laws and regulations, there can be no assurance as to the financial viability of the seller to satisfy such indemnities or our ability to achieve enforcement of such indemnities.

This civil strict liability regime — that seeks recovery of environmental damage — is distinguished from administrative and criminal liabilities, which require identification of willful misconduct or fault and can result in sanctions by issuance of notices of violation by environmental agencies or conviction for environmental crime, briefly explained as follow. This means certain of our portfolio companies are subject to various federal, state and municipal laws and regulations relating to the protection of environment, including pollution, disposal of materials and chemical substances, protected areas, contamination of soil and groundwater, among other impacts to the environment. These laws and regulations are enforced by various governmental authorities.

Noncompliance with those laws and regulations may subject the violator to administrative and criminal sanctions, in addition to the obligation to repair or to pay damages caused to the environment and third parties. In this regard, we may be liable for violations by third parties hired to dispose of the waste of certain of our portfolio companies. Moreover, pursuant to Brazilian environmental laws and regulations, the piercing of the corporate veil of a company may occur in order to ensure enough financial resources for the recovery of damages caused against the environment under the civil liability regime.

Our investments in infrastructure assets may expose us to increased risks that are inherent in the ownership of real assets.

Investments in infrastructure assets may expose us to increased risks that are inherent in the ownership of real estate assets, such as:

- Ownership of infrastructure assets may present risk of liability for personal and property injury or impose significant operating challenges and costs with respect to, for example, compliance with zoning, environmental or other applicable laws;
- Infrastructure asset investments may face development and construction risks including, without limitation: (1) labor disputes, shortages of material and skilled labor, or work stoppages; (2) slower than projected construction progress and the unavailability or late delivery of necessary equipment; (3) less than optimal coordination with public utilities in the relocation of their facilities; (4) adverse weather conditions and unexpected construction conditions; (5) accidents or the breakdown or failure of construction equipment or processes; (6) catastrophic events such as explosions, fires, terrorist activities and other similar events; and (7) delays in the issuance of the licenses and approvals needed for the development of the infrastructure. These risks could result in substantial unanticipated delays or expenses (which may exceed expected or forecasted budgets) and, under certain circumstances, could prevent completion of construction activities once undertaken. Certain infrastructure asset investments may remain in development or construction phases for a prolonged period and, accordingly, may not be cash-generative for a prolonged period. Recourse against the contractor may be subject to liability caps or may be subject to default or insolvency on the part of the contractor. Investments under development or investments acquired to be developed may receive little or no cash flow from the date of acquisition through the date of completion of development and may experience operating deficits after the date of completion. Market conditions may change during the course of construction that make such development less attractive than at the time it was commenced. In addition, there are risks inherent in the construction work that may give rise to claims or demands against a fund's portfolio company. When completing an acquisition or making an investment in a project to be developed, value may be ascribed to infrastructure projects that do not achieve successful implementation, potentially resulting in a lower than expected internal rate of return over the life of the investment or in a total loss of the capital invested in such infrastructure project;

- The operation of infrastructure assets is exposed to potential unplanned interruptions caused by significant catastrophic or force majeure events. These risks could, among other effects, adversely impact the cash flows available from investments in infrastructure assets, cause personal injury or loss of life, damage property, or instigate disruptions of service. In addition, the cost of repairing or replacing damaged assets could be considerable. Repeated or prolonged service interruptions may result in permanent loss of customers, litigation, or penalties for regulatory or contractual noncompliance. Chile lies on the Nazca tectonic plate, making it one of the world's most seismically active regions. Our financial and operating performance in Chile may be adversely affected by force majeure events, such as natural disasters. Natural disasters such as earthquakes and floods may cause widespread damage which could impair the asset quality of our loan portfolio and could have an adverse impact on the economy of the affected region. Force majeure events that are incapable of, or too costly to, cure may also have a permanent adverse effect on an investment;
- The management of the business or operations of an infrastructure asset may be contracted to a third-party management company unaffiliated with us. Although it would be possible to replace any such operator, the failure of such operator to adequately perform its duties or to act in ways that are in our best interest, or the breach by an operator of applicable agreements or laws, rules and regulations, could have an adverse effect on the investment's financial condition or results of operations. Infrastructure investments may involve the subcontracting of design and construction activities in respect of projects, and as a result our investments, are subject to the risks that contractual provisions passing liabilities to a subcontractor could be ineffective, the subcontractor fails to perform services which it has agreed to perform and the subcontractor becomes insolvent; and
- Infrastructure projects may have a substantial environmental impact. Land acquisition is often a significant issue when building a new project. Community and environmental groups may raise protests, which may be successful in attracting publicity and persuading governments to take action. Infrastructure projects may attract strong opposition from environmental groups for allegedly generating greater levels of air or water pollution, poor visual impact, effects on local population, flora and fauna, etc. Further, there can be no guarantee that all costs and risks regarding compliance with environmental laws and regulations can be identified. Standards are set by these laws and regulations regarding certain aspects of health and environmental quality, and they provide for penalties and other liabilities for the violation of such standards, and establish, in certain circumstances, joint and several obligations to remediate and rehabilitate current and former facilities and locations where operations are, or were, conducted or where materials were disposed of. New and more stringent environmental and health and safety laws, regulations and permit requirements or stricter interpretations of current laws or regulations could (1) impose substantial additional costs on potential infrastructure investments, (2) create liabilities which did not exist at the time of an acquisition and that could not have been foreseen and (3) otherwise place a fund investment at a competitive disadvantage compared to alternative forms of infrastructure. Required expenditures for environmental compliance have adversely impacted investment returns in a number of segments of the infrastructure industry. Certain industries will continue to face considerable oversight from environmental regulatory authorities and significant influence from non-governmental organizations and special interest groups. Compliance with such current or future environmental requirements does not ensure that the operations of certain invested companies will not cause injury to the environment or to people under all circumstances. Moreover, failure to comply with any such requirements could have a material adverse effect on a fund investment, and there can be no assurance that certain fund investments will at all times comply with all applicable environmental laws, regulations and permit requirements. Past practices or future operations of certain fund investments could also result in material personal injury or property damage claims. Any noncompliance with these laws and regulations could subject the infrastructure funds and their properties to material penalties or other liabilities. In addition, infrastructure funds may be exposed to substantial risk of loss from environmental claims arising from certain of their investments involving undisclosed or unknown environmental, health or other related matters.

Infrastructure investments often involve an ongoing commitment to a municipal, state, federal or foreign government or regulatory agencies. The nature of these obligations expose us to a higher level of regulatory control than typically imposed on other businesses and may require us to rely on complex government licenses, concessions, leases or contracts, which may be difficult to obtain or maintain. Delay in obtaining or failure to obtain and maintain in full force and effect any regulatory approvals, or amendments thereto, or delay or failure to satisfy any regulatory conditions or other applicable requirements could prevent operation of a facility or sales to third parties or could result in additional costs to our infrastructure portfolio companies. Infrastructure investments may require operators to manage such investments and such operators' failure to comply with laws, including prohibitions against bribing of government officials, may adversely affect the value of such investments and cause us serious reputational and legal harm. Revenues for such investments may rely on contractual agreements for the provision of services with a limited number of counterparties, and are consequently subject to counterparty default risk. The operations and cash flow of infrastructure investments are also more sensitive to inflation and, in certain cases, commodity price risk. Furthermore, services provided by infrastructure investments may be subject to rate regulations by government entities that determine or limit prices that may be charged. Similarly, users of applicable services or government entities in response to such users may react negatively to any adjustments in rates and thus reduce the profitability of such infrastructure investments.

Investments by our funds in the power and energy industries may involve various operational, construction, regulatory and market risks.

The development, operation and maintenance of power and energy generation facilities involves many risks, including, as applicable, labor issues, start-up risks, breakdown or failure of facilities, lack of sufficient capital to maintain the facilities and the dependence on a specific fuel source. Power and energy generation facilities in which our funds invest are also subject to risks associated with volatility in the price of fuel sources and the impact of unusual or adverse weather conditions or other natural events, as well as the risk of performance below expected levels of output, efficiency or reliability. The occurrence of any such items could result in lost revenues and/or increased expenses. In turn, such developments could impair a portfolio company's ability to repay its debt or conduct its operations. We may also choose or be required to decommission a power generation facility or other asset. The decommissioning process could be protracted and result in the incurrence of significant financial and/or regulatory obligations or other uncertainties.

Our power and energy sector portfolio companies may also face construction risks typical for power generation and related infrastructure businesses. Such developments could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of construction activities once undertaken. Delays in the completion of any power project may result in lost revenues or increased expenses, including higher operation and maintenance costs related to such portfolio company.

The power and energy sectors are the subject of substantial and complex laws, rules and regulation by various federal and state regulatory agencies. Failure to comply with applicable laws, rules and regulations could result in the prevention of operation of certain facilities or the prevention of the sale of such a facility to a third party, as well as the loss of certain rate authority, refund liability, penalties and other remedies, all of which could result in additional costs to a portfolio company and adversely affect the investment results. Any governmental policy changes encouraging or discouraging resource extraction could have the effect of changing energy prices, which could have a negative impact on certain of our investments. In addition, in recent years, there has been an increased focus by investors and other market participants on energy sustainability and increased activism, including through divestment of existing investments, with respect to sustainability-focused investing by asset managers, which could have a negative impact on our ability to exit certain of our energy investments or adversely affect the expected returns of new investment opportunities.

Our businesses that invest in the energy industry also may focus on investments in businesses involved in oil and gas exploration and development, which can be a speculative business involving a high degree of risk, including: (1) the use of new technologies; (2) reliance on estimates of oil and gas reserves in the evaluation of available geological, geophysical, engineering and economic data for each reservoir; and (3) encountering unexpected formations or pressures, premature declines of reservoirs, blowouts, equipment failures and other accidents in completing wells and otherwise, cratering, sour gas releases, uncontrollable flows of oil, natural gas or well fluids, adverse weather conditions, pollution, fires, spills and other environmental risks.

In addition, the performance of the investments made by our credit and equity funds in the energy and natural resources markets are also subject to a high degree of market risk, as such investments are likely to be directly or indirectly substantially dependent upon prevailing prices of oil, natural gas and other commodities. Oil and natural gas prices are subject to wide fluctuation in response to factors beyond the control of us or our funds' portfolio companies, including relatively minor changes in the supply and demand for oil and natural gas, market uncertainty, the level of consumer product demand, weather conditions, climate initiatives, governmental regulation, the price and availability of alternative fuels, political and economic conditions in oil-producing countries, the supply of such commodities and overall domestic and foreign economic conditions. These factors make it difficult to predict future commodity price movements with any certainty.

Certain of our portfolio companies in the power and energy industries may enter into power purchase agreements, or "PPAs." Payments by power purchasers to our portfolio companies pursuant to their respective PPAs may provide the majority of such companies' cash flows. There can be no assurance that any or all of the power purchasers will fulfill their obligations under their PPAs or that a power purchaser will not become bankrupt or that upon any such bankruptcy its obligations under its respective PPA will not be rejected by a bankruptcy trustee. The failure of a power purchaser to fulfill its obligations under any PPA or the termination of any PPA may have a material adverse effect on the investment of any of our funds in a project that has such PPAs as the major provider of cash flows for that investment.

Finally, certain investments by our funds in the power and energy industries may be particularly sensitive to weather and climate conditions. For example, solar power generators rely on the frequency and intensity of sunlight, wind turbines rely on the frequency and intensity of the wind, and companies focused on biomass rely on the production of crops, which can be adversely affected by droughts and other weather conditions.

The financial projections of our funds' portfolio companies as well as our own projections could prove inaccurate.

The capital structure of a fund's portfolio company is generally set up at the time of the fund's investment in the portfolio company based on, among other factors, financial projects prepared by the portfolio company's management. These projected operating results will normally be based primarily on judgments of the management of the portfolio companies, which are also used as a basis for our own financial projections. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. General economic conditions, which are not predictable, along with other factors, may cause actual performance to fall short of such the financial projections. Because of the leverage we typically employ in our investments, this could cause a substantial decrease in the value of our equity holdings in the portfolio company. The inaccuracy of financial projections could thus cause our funds' performance as well as our own overall performance to fall short of our expectations.

Contingent liabilities could harm fund performance.

We may cause our funds to acquire an investment that is subject to contingent liabilities. Such contingent liabilities could be unknown to us at the time of acquisition or, if they are known to us, we may not accurately assess or protect against the risks that they present. Acquired contingent liabilities could thus result in unforeseen losses for our funds. In addition, in connection with the disposition of an investment in a portfolio company, a fund may be required to make representations about the business and financial affairs of such portfolio company typical of those made in connection with the sale of a business. A fund may also be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities by a fund, even after the disposition of an investment. Accordingly, the inaccuracy of representations and warranties made by a fund could harm such fund's performance.

Our funds may be forced to dispose of investments at a disadvantageous time.

Our funds may make investments of which they do not advantageously dispose of prior to the date the applicable fund is dissolved, either by expiration of such fund's term or otherwise. Although we generally expect that our funds will dispose of investments prior to dissolution or that investments will be suitable for in-kind distribution at dissolution, we may not be able to do so. The general partners of our funds have only a limited ability to extend the term of the fund with the consent of fund investors or the advisory board of the fund, as applicable, and therefore, we may be required to sell, distribute or otherwise dispose of investments at a disadvantageous time prior to dissolution. This would result in a lower than expected return on the investments and, perhaps, on the fund itself.

We are subject to risks in using prime brokers, custodians, counterparties, administrators and other agents.

Many of our funds depend on the services of prime brokers, custodians, counterparties, administrators, financial institutions and other agents to carry out certain financial, securities and derivatives transactions. The terms of these contracts are often customized and complex, and many of these arrangements occur in markets or relate to products that are not subject to regulatory oversight.

Our funds are subject to the risk that the counterparty to one or more of these contracts defaults, either voluntarily or involuntarily, on its performance under the contract. Any such default may occur suddenly and without notice to us. Moreover, if a counterparty defaults, we may be unable to take action to cover our exposure, either because we lack contractual recourse or because market conditions make it difficult to take effective action. This inability could occur in times of market stress, which is when defaults are most likely to occur.

In addition, our risk management process may not accurately anticipate the impact of market stress or counterparty financial condition, and as a result, we may not have taken sufficient action to reduce our risks effectively. Default risk may arise from events or circumstances that are difficult to detect, foresee or evaluate. In addition, concerns about, or a default by, one large participant could lead to significant liquidity problems for other participants, which may in turn expose us to significant losses.

Although we have risk management processes to ensure that we are not exposed to a single counterparty for significant periods of time, given the large number and size of our funds, we often have large positions with a single counterparty. For example, certain of our funds have credit lines. If the lender under one or more of those credit lines were to become insolvent, we may have difficulty replacing the credit line and one or more of our funds may face liquidity problems.

In the event of a counterparty default, particularly a default by a major investment bank or a default by a counterparty to a significant number of our contracts, one or more of our funds may have outstanding trades that they cannot settle or are delayed in settling. As a result, these funds could incur material losses and the resulting market impact of a major counterparty default could harm our businesses, results of operation and financial condition.

In the event of the insolvency of a prime broker, custodian, counterparty or any other party that is holding assets of our funds as collateral, our funds might not be able to recover equivalent assets in full as they will rank among the prime broker's, custodian's or counterparty's unsecured creditors in relation to the assets held as collateral. In addition, our funds' cash held with a prime broker, custodian or counterparty generally will not be segregated from the prime broker's, custodian's or counterparty's own cash, and our funds may therefore rank as unsecured creditors in relation thereto.

The counterparty risks that we face have increased in complexity and magnitude as a result of disruption in the financial markets in recent years. For example, in certain areas the number of counterparties we face has increased and may continue to increase, which may result in increased complexity and monitoring costs. Conversely, in certain other areas, the consolidation and elimination of counterparties have increased our concentration of counterparty risk and decreased the universe of potential counterparties, and our funds are generally not restricted from dealing with any particular counterparty or from concentrating any or all of their transactions with one counterparty. In addition, counterparties have in the past and may in the future react to market volatility by tightening underwriting standards and increasing margin requirements for all categories of financing, which may decrease the overall amount of leverage available and increase the costs of borrowing. See “—Extensive regulation of our businesses affects our activities and creates the potential for significant liabilities and penalties. The possibility of increased regulatory focus could result in additional burdens on our business.”

If we were deemed to be an “investment company” under the Investment Company Act, applicable restrictions could make it impractical for us to continue our business as contemplated and could have a material adverse effect on our business, results of operations and financial condition.

We intend to continue to conduct our operations so that the Company will not be deemed to be an investment company under the Investment Company Act. Rule 3a-1 under the Investment Company Act generally provides that an entity will not be deemed to be an “investment company” for purposes of the Investment Company Act if: (1) it does not hold itself out as being engaged primarily, and does not propose to engage primarily, in the business of investing, reinvesting or trading securities and (2) consolidating the entity’s wholly owned subsidiaries (within the meaning of the Investment Company Act), no more than 45% of the value of its assets (exclusive of U.S. government securities and cash items) consists of, and no more than 45% of its net income after taxes (for the past four fiscal quarters combined) is derived from, securities other than U.S. government securities, securities issued by employees’ securities companies, securities issued by qualifying majority owned subsidiaries of such entity and securities issued by qualifying companies that are controlled primarily by such entity.

We believe that we are engaged primarily in the business of providing asset management services and not in the business of investing, reinvesting or trading in securities. We also believe that the primary source of income from each of our businesses is properly characterized as income earned in exchange for the provision of services. We hold ourselves out as an asset management firm and do not propose to engage primarily in the business of investing, reinvesting or trading in securities. Accordingly, we do not believe that the Company is an “orthodox” investment company as defined in the Investment Company Act and described in clause (1) in the first sentence of the preceding paragraph. Furthermore, the Company’s assets, consolidated with its wholly owned subsidiaries (within the meaning of the Investment Company Act), consist primarily of (1) property, plant and equipment, (2) fee receivables for services rendered, (3) intangible assets that are not securities (4) goodwill, and (5) other assets that we believe would not be considered securities for purposes of the Investment Company Act. Therefore, we believe that, consolidating the Company’s wholly owned subsidiaries (within the meaning of the Investment Company Act), no more than 45% of the value of its assets (exclusive of U.S. government securities and cash items) consists of, and no more than 45% of its net income after taxes (for the past four fiscal quarters combined) is derived from, securities other than U.S. government securities, securities issued by employees’ securities companies, securities issued by qualifying majority owned subsidiaries of the Company and securities issued by qualifying companies that are controlled primarily by the Company. Accordingly, we do not believe the Company is an inadvertent investment company by virtue of the 45% test in Rule 3a-1 under the Investment Company Act as described in clause (2) in the first sentence of the preceding paragraph. In addition, we believe the Company is not an investment company under section 3(b)(1) of the Investment Company Act because it is primarily engaged in a non-investment company business.

However, our subsidiaries have a significant number of investment securities, and we expect to make investments in other investment securities from time to time. We monitor these holdings regularly to confirm our continued compliance with the assets and income test described above. The need to comply with this test may cause us to restrict our business and subsidiaries with respect to the assets in which we can invest and/or the types of securities we may issue, to sell investment securities, including on unfavorable terms, to acquire assets or businesses that could change the nature of our business or to potentially take other actions that may be viewed as adverse to the holders of our Class A common stock, in order to conduct our business in a manner that does not subject us to the registration and other requirements of the Investment Company Act.

If anything were to happen which would cause the Company to be deemed to be an investment company under the Investment Company Act, we might lose our ability to raise money in the U.S. capital markets and from U.S. lenders, and additional restrictions under the Investment Company Act could apply to us, all of which could make it impractical for us to continue our business as currently conducted. This would materially and adversely affect the value of your Class A common shares and our ability to pay dividends in respect of our common shares.

If we are required to register under the Investment Advisers Act, our ability to conduct business could be materially adversely affected.

The U.S. Investment Advisers Act of 1940, as amended, or the “Investment Advisers Act,” contains substantive legal requirements that regulate the manner in which “investment advisers” required to register under the Investment Advisers Act are permitted to conduct their business activities. We believe that we, together with our subsidiaries, to the extent any such entities act as investment advisers within the meaning of the Investment Advisers Act, qualify for exemptions from registration thereunder, including exemptions for non-U.S. investment advisers whose only U.S. clients are private funds that are generally managed outside the United States and for non-U.S. investment advisers with only a small number of U.S. clients with limited assets under management.

Although exempt from registration under the Investment Advisers Act, we or certain of our subsidiaries may still be required to file reports with the SEC as “exempt reporting advisers” pursuant to the terms of the registration exemption on which they rely. Provisions of the Investment Advisers Act that apply only to registered investment advisers do not apply to exempt reporting advisers. However, exempt reporting advisers are subject to some of the requirements and regulations of the Investment Advisers Act, including, among other things, fiduciary duties to advisory clients, recordkeeping and regulatory reporting requirements, disclosure obligations, limitations on agency cross and principal transactions between an adviser and its advisory clients, anti-corruption rules relating to investors associated with U.S. state or local governments, and general anti-fraud prohibitions. In addition, the SEC is authorized under the Investment Advisers Act to require exempt reporting advisers, including those affiliated with us or our subsidiaries, to maintain records and provide reports, and to examine these advisers’ records.

While we believe our current practices do not require us or any of our subsidiaries to register as an investment adviser under the Investment Advisers Act, if a regulator were to disagree with our analysis with respect to any portion of our business, we or a subsidiary may be required to register as an investment adviser and to comply with the Investment Advisers Act. Registering as an investment adviser could adversely affect our method of operation and revenues. For example, registered investment advisers under the Investment Advisers Act are subject to burdensome compliance requirements with respect to, among other things, reporting and recordkeeping, custody of client assets, advertising and performance information, conflicts of interests, restrictions on affiliate transactions, advisory contracts, and aggregation and allocation of client trades. It could be difficult for us to comply with these obligations without meaningful changes to our business operations, and there is no guarantee that we could do so successfully. If we were ever deemed to be subject to, and in noncompliance with, Investment Advisers Act requirements, we could also be subject to various penalties, including administrative or judicial proceedings that might result in censure, fines, civil penalties, cease-and-desist orders or other adverse consequences, as well as private rights of action, any of which could materially adversely affect our business.

In the past, we identified material weaknesses in our internal control over financial reporting and, if we fail to maintain effective internal controls over financial reporting, we may be unable to accurately report our results of operations, meet our reporting obligations and/or prevent fraud.

In the past, we have identified material weaknesses in our internal control over financial reporting as of December 31, 2020, and we cannot assure that significant deficiencies or material weaknesses in our internal control over financial reporting will not be identified in the future. In addition, if we fail to maintain the adequacy of our internal control over financial reporting, as accounting standards are modified, supplemented or amended from time to time, we may not be able to conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002. For further information, see “Item 15. Controls and Procedures—D. Changes in Internal Control Over Financial Reporting.” If we fail to maintain an effective internal control environment, we could suffer material misstatements in our financial statements, fail to meet our reporting obligations or fail to prevent fraud, which would likely cause investors to lose confidence in our reported financial information. This could, in turn, limit our access to capital markets, harm our results of operations, and lead to a decline in the trading price of our Class A common shares. Additionally, ineffective internal control over financial reporting could expose us to increased risk of fraud or misuse of corporate assets and subject us to potential delisting from Nasdaq, regulatory investigations and civil or criminal sanctions.

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We are subject to the Sarbanes-Oxley Act, which requires, among other things, that we establish and maintain effective internal control over financial reporting and disclosure controls and procedures. Under the current rules of the SEC, we are required to perform system and process evaluation and testing of our internal controls over financial reporting to allow management to assess their effectiveness. Our testing may in the future 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. If we or our management identifies material weaknesses or significant deficiencies in our internal controls over financial reporting that are deemed to be additional 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, the Financial Industry Regulatory Authority, Inc., or “FINRA,” or other regulatory authorities as well as result in litigation.

Certain Factors Relating to Latin America

Governments have a high degree of influence in Brazil, Chile and the other economies in which we operate. The effects of this influence and political and economic conditions in Brazil, Chile and other Latin American countries could harm us and the trading price of our Class A common shares.

Governments in many of the markets in which we currently, or may in the future, operate frequently exercise significant influence over their respective economies and occasionally make significant changes in policy and regulations. Government actions to control inflation and other policies and regulations have often involved, among other measures, increases or decreases in interest rates, changes in fiscal policies, wage and price controls, foreign exchange rate controls, blocking access to bank accounts, currency devaluations, capital controls and import and export restrictions. We have no control over and cannot predict what measures or policies governments may take in the future. We and the market price of our securities may be harmed by changes in government policies, as well as general economic factors, including, without limitation:

- growth or downturn of the relevant economy;
- interest rates and monetary policies;
- exchange rates and currency fluctuations;
- inflation;
- liquidity of the capital and lending markets;
- import and export controls;
- exchange controls and restrictions on remittances abroad and payments of dividends;
- modifications to laws and regulations according to political, social and economic interests;
- fiscal policy and changes in tax laws and related interpretations by tax authorities;
- economic, political and social instability, including general strikes and mass demonstrations;
- the regulatory framework governing the financial services industry;
- labor and social security regulations;
- energy and water shortages and rationing;
- commodity prices;
- public health, including as a result of epidemics and pandemics, such as the COVID-19 pandemic;
- changes in demographics; and
- other political, diplomatic, social and economic developments in or affecting Latin America.

Uncertainty over whether Brazil and other Latin American governments 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 Latin America, such as increased tax uncertainty regarding the tax authorities' interpretations of applicable tax laws and exemptions, which may have an adverse effect on our activities and consequently our operating results, and may also adversely affect the trading price of our Class A common shares.

In addition, recent economic and political instability in Brazil in general has led to a negative perception of the Brazilian economy and higher volatility in the Brazilian securities markets, which also may adversely affect us and our Class A common shares. See “—The ongoing economic uncertainty and political instability in Brazil, including as a result of ongoing corruption investigations, may harm us and the price of our Class A common shares” and “Item 5. Operating and Financial Review and Prospects—A. Operating results—Significant Factors Affecting our Results of Operations—Latin American Macroeconomic Environment.”

Developments and the perceptions of risks in other countries, including other emerging markets, the United States and Europe, may harm the economy of Brazil, Chile and the other countries in which we operate and the trading price of our Class A common shares.

The market for securities offered by companies with significant operations in Brazil, Chile and other Latin American countries is influenced by political, economic and market conditions in the region and, to varying degrees, market conditions in other emerging markets, as well as the United States, Europe and other countries. To the extent the conditions of the global markets or economy deteriorate, the business of companies with significant operations in Brazil, Chile and other Latin American countries 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, in addition to significant uncertainty results from the current COVID-19 pandemic. Developments or economic conditions in other emerging market countries have at times significantly affected the availability of credit to companies with significant operations in Latin America and resulted in considerable outflows of funds from Latin American countries, decreasing the amount of foreign investments in the region.

Crises and political instability in other emerging market countries, the United States, Europe or other countries, including increased international trade tensions and protectionist policies, could decrease investor demand for securities offered by companies with significant operations in Brazil, Chile and other Latin American countries, such as our Class A common shares. For example, in 2019, political and social unrest in Latin American countries, including Ecuador, Chile, Bolivia and Colombia sparked political demonstrations and, in some instances, violence. In October 2019, presidential elections were held in Bolivia, Uruguay and Argentina. Controversial outcomes in Bolivia led to violent protests and claims of fraudulent elections. Similarly, Chile experienced political unrest and social strife, including a wave of protests and riots, beginning on October 18, 2019, sparked by an increase in the subway fare of the Santiago Metro, that widened to reflect anger over living costs and inequality.

In June 2016, the United Kingdom held a referendum in which the majority voted for the United Kingdom to leave the European Union (so called “Brexit”), and the British government continued to negotiate the terms of its withdrawal. The exit officially occurred on January 31, 2020. A transition period, lasting until December 31, 2020, was put in place after the U.K. left the EU on January 31, 2020, during which the U.K. (1) continued to be subject to EU rules and (2) remained a member of the single market. The U.K.-EU Trade and Cooperation Agreement, or “TCA,” was signed on December 30, 2020, between the EU, the European Atomic Energy Community and the U.K. It has been applied provisionally since January 1, 2021, when the transition period ended. This trade agreement, which provides that there will be no tariffs or quotas on the movement of goods between U.K. and EU, represents the U.K.'s departure from the EU customs union and single market. While the TCA between the U.K. and EU provided much needed certainty on trade, there continues to be uncertainty surrounding political and economic concerns, as the true effects of the TCA and future trade agreements outside of the EU begin to unfold, which developments we continue to monitor. Continued uncertainty around the terms of the U.K.'s relationship with the EU and the lack of a comprehensive trade agreement may negatively impact the economic growth of both regions. Similarly, an adverse effect on the U.K. and the EU may have an adverse effect on the wider global economy or market conditions and investor confidence. This could, in turn, have a material adverse effect on our operations, financial condition and prospects.

Significant political and economic uncertainty remains about whether the terms of the relationship between the United Kingdom and the European Union will differ materially in practice from the terms before withdrawal. Brexit has created significant economic uncertainty in the U.K. and in Europe, the Middle East, and Asia. As a result, Brexit could potentially disrupt the markets we serve and the tax jurisdictions in which we operate and adversely change tax benefits or liabilities in these or other jurisdictions, and may cause us to lose investors, investment opportunities and employees. In addition, Brexit could lead to legal uncertainty and potentially divergent national laws and regulations as the U.K. determines which EU laws to replace or replicate. We have no control over and cannot predict the effect of United Kingdom's exit from the European Union nor over whether and to which effect any other member state will decide to exit the European Union in the future. These developments, as well as potential crises and other forms of political instability or any other as of yet unforeseen development, may harm our business and the trading price of our Class A common shares.

There have also been concerns over 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 Russia have been at odds over Ukraine and Eastern Europe. An escalation of the tensions between the United States and Russia could adversely affect the global economy. The United States and China have recently been involved in disputes regarding Taiwan, rights to navigation in the South China Sea, alleged human rights abuses in China, as well as in a controversy over trade barriers in China that threatened a trade war between the countries. Sustained tension between the United States and China over these and other matters could significantly undermine the stability of the global economy. 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. See also “—The ongoing military conflict between Russia and Ukraine may have repercussions on the world's geopolitical and economic scenarios.”

The ongoing economic uncertainty and political instability in Brazil, including as a result of ongoing corruption investigations, may harm us and the price of our Class A common shares.

Brazil's political environment has historically influenced, and continues to influence, the performance of the country's economy. 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 Brazil.

The recent economic instability in Brazil have contributed to a decline in market confidence in the Brazilian economy. Various ongoing investigations into allegations of money laundering and corruption being conducted by the Office of the Brazilian Federal Prosecutor, including the largest of such investigations, known as “*Operação Lava Jato*,” have negatively impacted the Brazilian economy and political environment. The potential outcome of these investigations is uncertain, but they have already had an adverse impact on the image and reputation of the implicated companies, and on the general market perception of the Brazilian economy. We cannot predict whether the ongoing investigations will result in further political and economic instability, or if new allegations against government officials and/or executives of private companies will arise in the future. A number of senior politicians, including current and former members of Congress and the Executive Branch, and high-ranking executive officers of major corporations and state-owned companies in Brazil were arrested, convicted of various charges relating to corruption, entered into plea agreements with federal prosecutors and/or have resigned or been removed from their positions as a result of these Lava Jato investigations. These individuals are alleged to have accepted bribes by means of kickbacks on contracts granted by the government to several infrastructure, oil and gas and construction companies. The profits of these kickbacks allegedly financed the political campaigns of political parties, for which funds were unaccounted or not publicly disclosed. These funds were also allegedly directed toward the personal enrichment of certain individuals. The effects of Lava Jato as well as other ongoing corruption-related investigations resulted in an adverse impact on the image and reputation of the companies that have been implicated as well as on the general market perception of the Brazilian economy, political environment and capital markets. We have no control over, and cannot predict, whether such investigations or allegations will lead to further political and economic instability or whether new allegations against government officials will arise in the future.

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It is expected that the current Brazilian federal government may propose the general terms of fiscal reform to stimulate the economy and reduce the forecasted budget deficit for 2020 and following years, but it is uncertain whether the Brazilian government will be able to gather the required support in the Brazilian Congress to pass additional specific reforms. We cannot predict which policies the Brazilian federal government may adopt or change or the effect that any such policies might have on our business and on the Brazilian economy. In addition, the Brazilian government is incurring significant levels of debt to finance measures to combat the COVID-19 pandemic which is expected to continue to increase the Brazilian budget deficit. Any such new policies or changes to current policies, including measures to combat the COVID-19 pandemic, may have a material adverse impact on our business, results of operations, financial condition and prospects.

Any of the above factors may create additional political uncertainty, which could harm the Brazilian economy and, consequently, our business, and could adversely affect our financial condition, results of operations and the trading price of our Class A common shares.

Inflation and government measures to curb inflation may adversely affect the economies and capital markets in some of the countries in which we operate, and as a result, harm our business and the trading price of our Class A common shares.

In the past, high levels of inflation have adversely affected the economies and financial markets of some of the countries in which we operate, particularly Argentina and Brazil, and the ability of their governments to create conditions that stimulate or maintain economic growth. Moreover, governmental measures to curb inflation and speculation about possible future governmental measures have contributed to the negative economic impact of inflation and have created general economic uncertainty and heightened volatility in the capital markets. As part of these measures, governments have at times maintained a restrictive monetary policy and high interest rates that has limited the availability of credit and economic growth.

According to the National Consumer Price Index (*Índice Nacional de Preços ao Consumidor Amplo*), or “IPCA,” which is published by the Brazilian Institute for Geography and Statistics (*Instituto Brasileiro de Geografia e Estatística*), or the “IBGE,” Brazilian inflation rates were 10.1%, 4.5% and 3.7% for the years ended as of December 31, 2021, 2020 and 2019, respectively. Brazil may experience high levels of inflation in the future and inflationary pressures may lead to the Brazilian government’s intervening in the economy and introducing policies that could harm our business and the trading price of our Class A common shares. One of the tools used by the Brazilian government to control inflation levels is its monetary policy, specifically relating to interest rates. An increase in the interest rate restricts the availability of credit and reduces economic growth, and vice versa. During recent years there has been significant volatility in the official Brazilian interest rate, which ranged from 14.25% on December 31, 2015 to 2.00% on August 5, 2020 and to 9.25% on December 31, 2021. This rate is set by the Monetary Policy Committee of the Central Bank (*Comitê de Política Monetária*), or “COPOM.” On February 7, 2018, the Monetary Policy Committee reduced the base interest rate (*Sistema Especial de Liquidação e Custódia*), or “SELIC rate” to 6.75% and further reduced the SELIC rate to 6.50% on March 21, 2018. The Monetary Policy Committee reconfirmed the SELIC rate of 6.50% on May 16, 2018 and subsequently on June 20, 2018. As of December 31, 2018, the SELIC rate was 6.50%. The Monetary Policy Committee reconfirmed the SELIC rate of 6.50% on February 6, 2019, but reduced the SELIC rate to 6.00% on August 1, 2019, further reduced the rate to 5.50% on October 30, 2019, and further reduced the rate to 4.50% on December 12, 2019. On February 5, 2020, the Monetary Policy Committee reduced the SELIC rate to 4.50%, on March 18, 2020, further reduced the rate to 4.25%, on May 6, 2020, further reduced the rate to 3.75%, on June 17, 2020, further reduced the rate to 3.00% and on August 5, 2020, further reduced the rate to 2.00%. On March 17, 2021, the Monetary Policy Committee reversed this trend, raising the SELIC rate to 2.75%, then further to 3.50% on May 5, 2021, 4.25% on June 6, 2021, 5.25% on August 5, 2021, 6.25% on September 22, 2021, 7.75% on October 27, 2021, 9.25% on December 9, 2021, 10.75% on February 2, 2022, and 11.75% on March 16, 2022. As of April 26, 2022, the SELIC rate was 11.75%. Conversely, more lenient government and Central Bank policies and interest rate decreases have triggered and may continue to trigger increases in inflation and, consequently, growth volatility and the need for sudden and significant interest rate increases, which could negatively affect us and increase our funds and their portfolio companies indebtedness. Any change in interest rates, in particular any volatile swings, can adversely affect our growth, results of operations and financial condition, as well as our funds and their portfolio companies.

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In addition, Argentina has been considered highly inflationary under U.S. GAAP and also under IFRS. Although inflation rates in certain of the other countries in which we operate have been relatively low in the recent past, we cannot assure you that this trend will continue. The measures taken by the governments of these countries to control inflation have often included maintaining a tight monetary policy with high interest rates, thereby restricting the availability of credit and retarding economic growth. Inflation, measures to combat inflation and public speculation about possible additional actions have also contributed materially to economic uncertainty in many of these countries and to heightened volatility in their securities markets. Periods of higher inflation may also slow the growth rate of local economies that could lead to reduced demand for our products and services as well as those of our portfolio companies’ businesses. Inflation is also likely to increase some costs and expenses of our portfolio companies’ businesses, which they may not be able to fully pass on to customers and could adversely affect our operating margins and operating income.

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.

During October 2019, growing public concern over perceived social inequality led to a rise in social unrest. The social unrest caused commercial disruptions throughout the country, especially in Santiago and other major cities, including Valparaíso and Concepción. 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. The share prices on local banks and bond spreads suffered significant declines in the market. In November 2020, a referendum was held to vote on two matters: (1) whether a new constitution should be enacted and (2) if so, whether a constituent convention should be composed of an elected mixed assembly of current Congress members and newly elected persons or entirely composed of newly elected citizens. This referendum resulted in ample support for convening a fully elected constitutional convention to draft Chile’s new constitution. The election of the members of this convention was held in April 2021. In May 2021, the convention began the process of drafting Chile’s new constitution. Each new article of the constitution will have to be approved by two-thirds of the convention, a rule that was ratified in September 2021 by the convention itself. The constitutional convention has approximately one year, from May 2021, to complete the draft of the constitution. An exit referendum with compulsory participation will then be held to ratify the new constitution. The long-term effects of the

new constitution are hard to predict, but could include slower economic growth and higher taxes, which could adversely affect our profitability and prospects.

Our growth, portfolio asset quality and profitability may be adversely affected by macroeconomic and political conditions in Chile.

A substantial number of our investment portfolio assets and companies are located in Chile. Chile's economy has experienced significant volatility in recent decades, characterized, in some cases, by slow or regressive growth and declining investment. This volatility resulted in fluctuations in the investment levels and in the relative economic strength of various segments of the economies in which we operate. The Chilean economy may not continue to grow at similar rates as in the past, or future developments may negatively affect Chile's overall levels of economic activity.

Negative and fluctuating economic conditions, such as slowing or negative growth and a changing interest rate and inflationary environment, may impact our profitability by reducing our portfolio companies operational margins and leading to decreased demand for their products and services. Negative and fluctuating economic conditions in Chile could also result in government defaults on public debt. This could lead to increased instabilities to the banking system and the Chilean economy as a whole, particularly since commercial banks' exposure to government debt is high in Chile.

Our revenues are also subject to risk of loss from unfavorable political and diplomatic developments, social instability, international conflicts, and changes in governmental policies, including expropriation, nationalization, international ownership legislation, and tax policies. Any future fluctuation in oil prices may give rise to volatility in the global financial markets and further economic instability in oil-dependent regions, such as Chile. Our growth, portfolio quality and profitability may be adversely affected by volatile macroeconomic and political conditions in Chile. Any material change to United States trade policy with respect to Chile could also have a material adverse effect on the economy, which could in turn materially harm our financial condition and results of operations.

Exchange rate instability may have adverse effects on the Brazilian economy, our business and the trading price of our Class A common shares.

Our functional currency is the U.S. dollar. The Brazilian currency has been historically volatile and has been devalued frequently over the past three decades. Throughout this period, the Brazilian government has implemented various economic plans and used various exchange rate policies, including sudden devaluations, periodic mini-devaluations (during which the frequency of adjustments has ranged from daily to monthly), exchange controls, dual exchange rate markets and a floating exchange rate system. Although long-term depreciation of the *real* is generally linked to the rate of inflation in Brazil, depreciation of the *real* occurring over shorter periods of time has resulted in significant variations in the exchange rate between the *real*, the U.S. dollar and other currencies. In 2014, the *real* depreciated by 10% against the U.S. dollar, while in 2015 it further depreciated by 31%. The *real*/U.S. dollar exchange rate reported by the Central Bank was R\$3.259 per US\$1.00 on December 31, 2016, an appreciation of 20% against the rate of R\$3.905 per US\$1.00 reported on December 31, 2015. In 2017, the *real* depreciated by 1%, with the exchange rate reaching R\$3.308 per US\$1.00 on December 31, 2017. In 2018, the *real* depreciated an additional 16%, to R\$3.875 per US\$1.00 on December 31, 2018. In 2019, the *real* depreciated an additional 4% to R\$4.031 per US\$1.00 on December 31, 2019. The *real*/U.S. dollar exchange rate reported by the Central Bank was R\$5.197 per US\$1.00 on December 31, 2020, which reflected a 29% depreciation of the *real* against the U.S. dollar during 2020 due primarily to the impact of the COVID-19 pandemic on the Brazilian economy. The *real*/U.S. dollar exchange rate reported by the Central Bank was R\$5.581 per US\$1.00 on December 31, 2021, which reflected a 7% depreciation of the *real* against the U.S. dollar during 2021 due primarily to the continued impact of the COVID-19 pandemic on the Brazilian economy. As of April 26, 2022, the *real*/U.S. dollar exchange rate reported by the Central Bank was R\$4.967 per US\$1.00, an appreciation of 11% of the *real* since December 31, 2021. There can be no assurance that the *real* will not appreciate or further depreciate against the U.S. dollar or other currencies in the future.

A devaluation of the *real* relative to the U.S. dollar could create inflationary pressures in Brazil and cause the Brazilian government to, among other measures, increase interest rates. Any depreciation of the *real* may generally restrict access to the international capital markets. It would also reduce the U.S. dollar value of our results of operations. Restrictive macroeconomic policies could reduce the stability of the Brazilian economy and harm our results of operations and profitability. In addition, domestic and international reactions to restrictive economic policies could have a negative impact on the Brazilian economy. These policies and any reactions to them may harm us by curtailing access to foreign financial markets and prompting further government intervention. A devaluation of the *real* relative to the U.S. dollar may also, as in the context of the current economic slowdown, decrease consumer spending, increase deflationary pressures and reduce economic growth.

On the other hand, an appreciation of the *real* relative to the U.S. dollar and other foreign currencies may deteriorate the Brazilian foreign exchange current accounts. Depending on the circumstances, either devaluation or appreciation of the *real* relative to the U.S. dollar and other foreign currencies could restrict the growth of the Brazilian economy, and affect our business, results of operations and profitability.

We are subject to significant foreign currency exchange controls and currency devaluation in certain countries in which we operate.

Certain Latin American economies have experienced shortages in foreign currency reserves and their respective governments have adopted restrictions on the ability to transfer funds out of the country and convert local currencies into U.S. dollars. This may increase our costs and limit our ability to convert local currency into U.S. dollars and transfer funds out of certain countries, including for the purchase of dollar-denominated inputs, the payment of dividends or the payment of interest or principal on our outstanding debt. In the event that any of our subsidiaries are unable to transfer funds to us due to currency restrictions, we are responsible for any resulting shortfall.

Since September 2019, the current Argentine government has tightened restrictions on capital flows and imposed exchange controls and transfer restrictions, substantially limiting the ability of companies to retain foreign currency or make payments outside of Argentina. Furthermore, the Central Bank of Argentina implemented regulations requiring its prior approval for certain foreign exchange transactions otherwise authorized to be carried out under the applicable regulations, such as dividend payments or repayment of principal of inter-company loans as well as the import of goods. As a consequence of the reimposition of exchange controls, the spread between the official exchange rate and other exchange rates resulting implicitly from certain capital market operations usually effected to obtain U.S. dollars has broadened significantly. The implementation of the abovementioned measures could impact our ability to transfer funds outside of Argentina and may prevent or delay payments that our Argentine portfolio companies are required to make outside Argentina. As a result, if we are prohibited from transferring funds out of Argentina, or if we become subject to similar restrictions in other countries in which we operate, our results of operations and financial condition could be materially adversely affected. In addition, the continuing devaluation of the Argentine peso since the end of 2015 has led to higher inflation levels, has significantly reduced competitiveness, real wages and consumption and has had a negative impact on businesses whose success is dependent on domestic market demand and supplies payable in foreign currency. Further currency devaluations in any of the countries in which we operate could have a material adverse effect on our results of operations and financial condition.

Certain of our portfolio companies may face restrictions and penalties, and may be subject to proceedings, under the Brazilian Consumer Protection Code in the future.

Brazil has a series of strict consumer protection laws, referred to collectively as the Brazilian Consumer Protection Code (*Código de Defesa do Consumidor*), or the “Consumer Protection Code.” These laws apply only to instances where there is a supplier, on the one part, the supply of a product or provision of a service under the contract and an end user, on the other part. If the person or entity acquires supplies that will be used in its manufacturing process, it should not be considered “end user” of the respective inputs. Brazilian courts may find that the rules of the Consumer Protection Code apply to instances of exception where a company acquiring the products for its supply chain are considered vulnerable in the areas of technology, finance and law. They include protection against misleading and deceptive advertising, protection against coercive or unfair business practices and protection in the formation and interpretation of contracts, usually in the form of civil liabilities and administrative penalties for violations. In addition, the Consumer Protection Code provides a series of contractual clauses that may be found to be legally insufficient to reduce or limit a supplier’s liability towards consumers; involve a waiver or disposal of rights; transfer liability to third parties; establish obligations on consumers that are non-equitable or abusive, or that lack good faith, among others.

These penalties are often levied by the Brazilian Consumer Protection Authorities (*Órgãos de Proteção e Defesa do Consumidor*), or “PROCONs” – local consumer bodies, which oversee consumer issues on a district-by-district basis. Companies that operate across Brazil may face penalties from multiple PROCONs, as well as from the National Secretariat for Consumers (*Secretaria Nacional do Consumidor*). Should the consumer protection agencies identify a violation of the Consumer Protection Code, said authorities could impose the penalties set forth in section 56 of the Consumer Protection Code (the most common is a fine that varies from R\$800.00 up to R\$9.5 million, depending on the size of the company, the advantage obtained as result of the practice and the seriousness of the infraction). Consumers may also file civil lawsuits seeking compensation for damages. Companies may settle claims made by consumers via PROCONs by paying compensation for violations directly to consumers and through a mechanism that allows them to adjust their conduct, called a conduct adjustment agreement (*Termo de Ajustamento de Conduta*), or “TAC.”

Brazilian public prosecutors may also commence investigations of alleged violations of consumer rights and require companies to enter into TACs. Companies that violate TACs face potential enforcement proceedings and other potential penalties such as fines, as set forth in the relevant TAC. Brazilian public prosecutors may also file public civil actions against companies who violate consumer rights or competition rules, seeking strict adherence to the consumer protection laws and compensation for any damages to consumers. In certain cases, certain of our funds or portfolio companies may also face investigations and/or sanctions by the Brazilian Federal Antitrust Agency (*Conselho Administrativo de Defesa Econômica*), in the event our business practices are found to affect the competitiveness of the markets in which we operate.

In addition, certain of our funds and portfolio companies may also be subject to legal proceedings by current and/or former consumers alleging breaches of rights granted by the Consumer Protection Code. Even if unsuccessful, these claims may cause negative publicity, entail substantial expenses and divert the time and attention of our management or the management of certain of our portfolio companies, materially adversely affecting our results of operations and financial condition.

We are subject to review by taxing authorities, and an incorrect interpretation by us of tax rules and regulations may have a material adverse effect on us.

Our activities require the use of estimates and interpretations of complex tax rules and regulations and are subject to review by taxing authorities and/or courts. We and funds managed by us are subject to the income and investment tax laws of Brazil, Chile and the other jurisdictions in which we operate. These tax rules are complex and subject to different interpretations by the taxpayer, relevant governmental taxing authorities and courts, leading to disputes which are sometimes subject to prolonged evaluation periods until a final resolution is reached. In making investment decisions or in establishing a provision for income tax expense and filing returns, we must make judgments and interpretations about the application of these inherently complex tax rules. If the judgment, estimates and assumptions we use in making our investment decisions or in preparing our tax returns are subsequently found to be incorrect, there could be a material adverse effect on us. The interpretations of Brazilian and Chilean taxing authorities and courts and the other jurisdictions in which we operate are unpredictable and frequently involve disputes, which introduces further uncertainty and risk leading to increased tax burden.

Changes in taxes, including the corporate tax rate, in Chile and Uruguay may have an adverse effect on us and our portfolio companies.

The Chilean Government enacted various tax reforms in 2014, 2016 and 2020 in order to finance greater social expenditures. The most relevant change was the rise of the corporate tax rate to 27% in 2018. There is currently discussion of another tax reform to finance the growing deficit. In January 2022, Congress began discussing a proposal to raise funds for the guaranteed universal pension by means of a high equity tax for individuals. We cannot predict at this time if these reforms or discussions will have a material impact on our business or portfolio companies or if further tax reforms will be implemented in the future. In addition, the effective corporate tax rate of our portfolio companies located in Chile could rise in the future, which may have an adverse impact on our results of operations.

Infrastructure and workforce deficiency in Latin America may impact economic growth and have a material adverse effect on us.

Our performance depends on the overall health and growth of the Latin American economy, especially in Brazil and Chile. Brazilian GDP growth has fluctuated over the past years, with contractions of 3.5% and 3.3% in 2015 and 2016, respectively, followed by growth of 1.1% in 2017, 1.3% in 2018, and 1.1% in 2019 and a contraction of 4.1% in 2020. In 2021, Brazilian GDP grew by 4.6%. In 2020, Chilean GDP fell 5.8% with an unemployment rate of 10.2% as of December 2020 as a result of the pandemic and subsequent lockdowns. However, improvements in terms of trade and better economic activity have led to the economy quickly recovering and the GDP is expected to have grown 12% in 2021. For 2022, Chilean GDP is expected to grow between 1.5% and 2.5%. In Chile, the industries and sectors that have been most impacted have been hotels, casinos, tourism, restaurants, and airlines.

Growth is limited by inadequate infrastructure, including potential energy shortages and deficient transportation, logistics and telecommunication sectors, general strikes, the lack of a qualified labor force, and the lack of private and public investments in these areas, which limit productivity and efficiency. Additionally, despite the business continuity and crisis management policies currently in place, travel restrictions or potential impacts on personnel due to the COVID-19 pandemic may disrupt our business and the markets in which we operate. 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.

The COVID-19 pandemic is expected to continue to have a negative impact on global, regional and national economies, and we would be materially adversely affected by a protracted economic downturn.

The current COVID-19 pandemic is expected to continue to have a negative impact on global, regional and national economies and to disrupt supply chains and otherwise reduce international trade and business activity. Reflecting this, the COVID-19 pandemic has already caused, since February 2020, the levels of equity and other financial markets to decline sharply and to become volatile, and such effects may continue or worsen in the future. This may in turn further impact the stock market and private equity markets in Brazil, Chile and elsewhere in Latin America, which are directly related to a substantial proportion of our operations, given that changes in fair value of the related assets and liabilities are recognized in our income statement. The market declines and volatility could negatively impact the value of such financial instruments, causing us to incur losses as well as result in the postponement or cancellation of several mergers and acquisitions thereby reducing our fees, among others. The economic slowdown and market downturn could also negatively impact our portfolio companies and investment vehicles performance through lower demand for their products or services and higher than expected losses, potentially leading our investors to redirect investments away from us and to more traditional financial institutions, as well as reduced management fees from our asset management businesses, which are required to meet certain criteria to earn performance fees. The current COVID-19 pandemic and its potential impact on the global economy may affect our ability to meet our financial targets. While it is too early for us to predict the impacts on our business or our financial targets that the expanding pandemic, and the governmental responses to it, may have, we would be materially adversely affected by a protracted downturn in local, regional or global economic conditions.

Certain Factors Relating to Our Class A Common Shares

Patria Holdings owns the majority of our issued and outstanding Class B common shares, which represent approximately 83.3% of the voting power of our issued share capital, and controls all matters requiring shareholder approval. Patria Holdings' ownership and voting power limits your ability to influence corporate matters.

Patria Holdings controls our company and does not hold any of our Class A common shares, but beneficially owns 55.6% of our issued share capital through its beneficial ownership of the majority of our issued and outstanding Class B common shares, and consequently, 83.3% of the combined voting power of our issued share capital. Our Class B common shares are entitled to 10 votes per share and our Class A common shares are entitled to one vote per share. Our Class B common shares are convertible into an equivalent number of Class A common shares and generally convert into Class A common shares upon transfer, subject to limited exceptions. As a result, Patria Holdings will control the outcome of all decisions at our shareholders' meetings, and will be able to elect a majority of the members of our board of directors. Patria Holdings will also be able to direct our actions in areas such as business strategy, financing, distributions, acquisitions and dispositions of assets or businesses. For example, Patria Holdings may cause us to make acquisitions that increase the amount of our indebtedness or outstanding Class A common shares, sell revenue-generating assets or inhibit change of control transactions that benefit other shareholders. Patria Holdings' decisions on these matters may be contrary to your expectations or preferences, and Patria Holdings may take actions that could be contrary to your interests. Patria Holdings will 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."

So long as Patria Holdings continues to beneficially own a sufficient number of Class B common shares, even if Patria Holdings beneficially owns significantly less than 50% of our issued and outstanding share capital, Patria Holdings will be able to effectively control our decisions. For example, if our Class B common shares amounted to 10% of our issued and outstanding common shares, Patria Holdings would collectively control 46.4% of the voting power of our issued and outstanding common shares. If Patria Holdings sells or transfers any of its Class B common shares, such shares will generally convert automatically into Class A common shares, subject to limited exceptions, such as transfers to affiliates, to trustees for the holder or its affiliates and certain transfers to U.S. tax exempt organizations. The fact that any Class B common shares convert into Class A common shares if Patria Holdings sells or transfers them means that Patria Holdings will in many situations continue to control a majority of the combined voting power of our issued and outstanding share capital, due to the voting rights of any Class B common shares that it retains. However, if our Class B common shares at any time represent less than 10% of the total number of shares in the capital of the Company outstanding, the Class B common shares then outstanding will automatically convert into Class A common shares. For a description of the dual class structure, see "Item 10. Additional Information—B. Memorandum and Articles of Association."

We are a “controlled company” within the meaning of the rules of the Nasdaq corporate governance rules and, as a result, qualify for and rely on exemptions from certain corporate governance requirements. You will not have the same protections afforded to shareholders of companies that are subject to such requirements.

Patria Holdings beneficially owns the majority of our Class B common shares, representing 83.3% of the voting power of our outstanding share capital. As a result, we are a “controlled company” within the meaning of the corporate governance standards of the Nasdaq corporate governance rules. Under these rules, a company of which more than 50% of the voting power in the election of directors is held by an individual, group or another company is a “controlled company” and may elect not to comply with certain corporate governance requirements. For example, controlled companies, within one year of the date of the listing of their common shares:

- are not required to have a board that is composed of a majority of “independent directors,” as defined under the rules of such exchange;
- are not required to have a compensation committee that is composed entirely of independent directors; and
- are not required to have a nominating and corporate governance committee that is composed entirely of independent directors.

We currently rely on these exemptions. As a result, the majority of the directors on our board are not independent. In addition, other than our audit committee, none of the committees of our board consist entirely of independent directors. Accordingly, you will not have the same protections afforded to shareholders of companies that are subject to all of the corporate governance requirements of the Nasdaq.

We have granted the holder 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 Memorandum and Articles of Association, the holder of our Class B common shares, Patria Holdings, is entitled to preemptive rights to purchase additional common shares in the event that there is an increase in our share capital and additional common shares are issued, upon the same economic terms and at the same price, in order to maintain its proportional ownership interests, which is approximately 55.6% of our outstanding shares, respectively. The exercise by the holder of our Class B common shares of its 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. For more information see “Item 10. Additional Information—B. Memorandum and Articles of Association—Preemptive or Similar Rights.”

Class A common shares eligible for future sale 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 created 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.

As of December 31, 2021, we had outstanding 54,247,500 Class A common shares and 92,945,430 Class B common shares. Subject to the lock-up agreements described below, the Class A common shares sold in our initial public offering will be freely tradable without restriction or further registration under the Securities Act by persons other than our affiliates within the meaning of Rule 144 of the Securities Act.

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

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

If securities or industry analysts do not continue to 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 depends in part on the research and reports that securities or industry analysts publish about us or our business. 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 intend to pay dividends to holders of our common shares, but our ability to do so is subject to our results of operations, distributable reserves and solvency requirements; we are not required to pay dividends on our Class A common shares and holders of our Class A common shares have no recourse if dividends are not paid.

Our intention to pay to holders of common shares dividends representing approximately 85% of our Distributable Earnings is subject to adjustment as our board of directors determines to be necessary or appropriate to provide for the conduct of our business, to make appropriate investments in our business and our funds, to comply with applicable law, any of our debt instruments or other agreements, or to provide for future cash requirements such as tax-related payments, clawback obligations and dividends to shareholders for any ensuing quarter. The declaration and payment of any dividends are at the sole discretion of our board of directors, and may change at any time, including, without limitation, to eliminate such dividends entirely.

Any determination to pay dividends in the future will be made at the discretion of our board of directors (or by resolution passed by a simple majority of the voting rights entitled to vote at a general meeting) and will depend upon our results of operations, financial condition, distributable reserves, contractual restrictions, restrictions imposed by applicable law and other factors our board of directors deems relevant. We are not required to pay dividends on our common shares, and holders of our common shares have no recourse if dividends are not declared. Our ability to pay dividends may be further restricted by the terms of any of our future debt or preferred securities. Additionally, because we are a holding company, our ability to pay dividends on our common shares may be limited by restrictions on the ability of our subsidiaries to pay dividends or make distributions to us, including restrictions that may be imposed under the terms of the agreements governing our funds' and their portfolio companies' indebtedness. 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 10. Additional Information—B. Memorandum and Articles of Association—Dividends and Capitalization of Profits."

Requirements associated with being a public company in the United States require significant company resources and management attention.

We are subject to certain reporting requirements of the Securities Exchange Act of 1934, or the "Exchange Act," and the other rules and regulations of the SEC and Nasdaq. We are also subject to various other regulatory requirements, including the Sarbanes-Oxley Act. We expect these rules and regulations to increase our legal, accounting and financial compliance costs and to make some activities more time-consuming and costly. For example, we expect these rules and regulations to make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantial costs to maintain the same or similar coverage. New rules and regulations relating to information disclosure, financial reporting and controls and corporate governance, which could be adopted by the SEC, Nasdaq or other regulatory bodies or exchange entities from time to time, could result in a significant increase in legal, accounting and other compliance costs and make certain corporate activities more time-consuming and costly, which could materially affect our business, financial condition and results of operations. These rules and regulations may also make it more difficult for us to attract and retain qualified persons to serve on our board of directors or as executive officers.

These obligations also require substantial attention from our senior management and could divert their attention away from the day-to-day management of our business. Given that most of the individuals who now constitute our management team have limited experience managing a publicly traded company and complying with the increasingly complex laws pertaining to public companies, initially, these new obligations could demand even greater attention. These cost increases and the diversion of management's attention could materially and adversely affect our business, financial condition and results of operations.

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

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 common shares from being added to such indices. FTSE Russell announced plans to require new constituents of its indices to have at least 5% 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 has temporarily barred new multi-class listings from its ACWI Investable Market Index and U.S. Investable Market 2500 Index. 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 shares. These policies are new and it is unclear what effect, if any, they will have on the valuations of publicly traded companies excluded from the indices, but it is possible that 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 share capital has the effect of concentrating voting control with Patria Holdings; this will limit or preclude 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 10 votes per share, so long as the total number of the issued and outstanding Class B common shares is at least 10% of the total number of shares outstanding. Due to the ten-to-one voting ratio between our Class B and Class A common shares, Patria Holdings, the beneficial owner of the majority of our Class B common shares controls the voting power of our common shares and therefore will be able to control all matters submitted to our shareholders so long as the total number of the issued and outstanding Class B common shares is at least 10% of the total number of shares 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 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 Patria (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 Patria pursuant to our Articles of Association).

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, such as certain transfers effected to permitted transferees or for estate planning or charitable purposes. The conversion of Class B common shares to Class A common shares will have the effect, over time, of increasing the relative voting power of those holders of Class B common shares who retain their shares in the long term.

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In light of the above provisions relating to the issuance of additional Class B common shares, 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, as well as the ten-to-one voting ratio of our Class B common shares and Class A common shares, holders of our Class B common shares in many situations maintain control of all matters requiring shareholder approval. This concentrated control limits or precludes 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:

- 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;
- duty to exercise powers for the purposes for which those powers were conferred and not for a collateral purpose;
- directors should not properly fetter the exercise of future discretion;
- duty to exercise powers fairly as between different sections of shareholders;
- duty to exercise independent judgment; and
- duty not to put themselves in a position in which there is a conflict between their duty to the company and their personal interests.

With respect to the duty of directors to avoid conflicts of interest, our Articles of Association have modified the obligation 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. 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 10. Additional Information—B. Memorandum and Articles of Association—Principal Differences between Cayman Islands and U.S. Corporate Law.”

Our Articles of Association restrict shareholders from bringing legal action against our officers and directors.

Our Articles of Association contain a broad waiver by our shareholders of any claim or right of action, both individually and on our behalf, against any of our officers or directors. Subject to Section 14 of the Securities Act, which renders void any purported waiver of the provisions of the Securities Act, the waiver applies to any action taken by an officer or director, or the failure of an officer or director to take any action, in the performance of his or her duties, except with respect to any matter involving any dishonesty, willful default or fraud on the part of the officer or director. This waiver limits the right of shareholders to assert claims against our officers and directors unless the act or failure to act involves fraud or dishonesty.

We may need to raise additional capital in the future by issuing securities, use our Class A common shares as acquisition consideration, 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 public or private issuances of common shares or securities convertible into, or exchangeable for, our common shares, which may dilute your interest in our share capital or result in a decrease in the market price of our common shares. In addition, we may also use our Class A common shares as acquisition consideration or 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 capital raising through the issuance of shares or securities convertible into or exchangeable for shares, the use of our Class A common shares as acquisition consideration, or the participation in corporate transactions with an effect similar to a merger may dilute your interest in our shares or result in a decrease in the market price of our Class A common shares.

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

As a foreign private issuer and emerging growth company, we are subject to different disclosure and other requirements than domestic U.S. registrants and non-emerging growth companies. For example, as a foreign private issuer, in the United States, we are not subject to the same disclosure requirements as a domestic U.S. registrant under the Exchange Act, including the requirements to prepare and issue quarterly reports on Form 10-Q or to file current reports on Form 8-K upon the occurrence of specified significant events, the proxy rules applicable to domestic U.S. registrants under Section 14 of the Exchange Act or the insider reporting and short-swing profit rules applicable to domestic U.S. registrants under Section 16 of the Exchange Act. In addition, we rely on exemptions from certain U.S. rules which permit us to follow Cayman Islands legal requirements rather than certain of the requirements that are applicable to U.S. domestic registrants.

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 are subject to Cayman Islands laws and regulations having substantially the same effect as Regulation Fair Disclosure. As a result of the above, even though we are required to furnish reports on Form 6-K disclosing the limited information which we have made or are required to make public pursuant to Cayman Islands law, or are required to distribute to shareholders generally, and that is material to us, you may not receive information of the same type or amount that is required to be disclosed to shareholders of a U.S. company.

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

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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 requires 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 10. Additional Information—B. Memorandum and Articles of Association—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 (1) more than 50% of our Class A common shares must be either directly or indirectly owned of record by nonresidents of the United States or (2)(a) a majority of our executive officers or directors may not be U.S. citizens or residents, (b) more than 50% of our assets cannot be located in the United States and (c) 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 amended) of the Cayman Islands and the common law of the Cayman Islands. The rights of our shareholders and the fiduciary responsibilities of our directors under the laws of the Cayman Islands are not as clearly defined as under statutes or judicial precedent in existence in jurisdictions in the United States. Therefore, you may have more difficulty protecting your interests than would shareholders of a corporation incorporated in a jurisdiction in the United States, due to the comparatively less formal nature of Cayman Islands law in this area.

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 merger or consolidation of a company that takes place 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 such a merger or consolidation or to require that the acquirer give 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 that does not take place by way of a scheme of arrangement to apply to the Grand Court 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.

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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.

We have anti-takeover provisions in our Articles of Association that may discourage a change of control.

Our Articles of Association contain provisions that could make it more difficult for a third party to acquire us without the consent of our board of directors. These provisions provide for:

- the ability of our board of directors to determine the powers, preferences and rights of preference shares and to cause us to issue the preference shares without shareholder approval; and
- a two-class common share structure, as a result of which Patria Holdings generally will be able to control the outcome of all matters requiring shareholder approval, including the election of directors and significant corporate transactions, such as a merger or other sale of our company or its assets.

These provisions could make it more difficult for a third party to acquire us, even if the third party's offer may be considered beneficial by many shareholders. As a result, shareholders may be limited in their ability to obtain a premium for their Class A common shares. See "Item 10. Additional Information—B. Memorandum and Articles of Association" for a discussion of these provisions.

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.

We have been advised by our Cayman Islands legal counsel, Maples and Calder, that the courts of the Cayman Islands are unlikely (1) to recognize or enforce against us judgments of courts of the United States predicated upon the civil liability provisions of the securities laws of the United States or any state; and (2) in original actions brought in the Cayman Islands, to impose liabilities against us predicated upon the civil liability provisions of the securities laws of the United States or any state, to the extent that the liabilities imposed by those provisions are penal in nature. In those circumstances, although there is no statutory enforcement in the Cayman Islands of judgments obtained in the United States, the courts of the Cayman Islands will recognize and enforce a foreign money judgment of a foreign court of competent jurisdiction without retrial on the merits based on the principle that a judgment of a competent foreign court imposes upon the judgment debtor an obligation to pay the sum for which judgment has been given, provided certain conditions are met. For a foreign judgment to be enforced in the Cayman Islands, such judgment must be final and conclusive and for a liquidated sum, and must not be in respect of taxes or a fine or penalty, inconsistent with a Cayman Islands judgment in respect of the same matter, impeachable on the grounds of fraud or obtained in a manner, and or be of a kind the enforcement of which is, contrary to natural justice or the public policy of the Cayman Islands (awards of punitive or multiple damages may well be held to be contrary to public policy). A Cayman Islands Court may stay enforcement proceedings if concurrent proceedings are being brought elsewhere.

Judgments of Brazilian courts to enforce our obligations with respect to our Class A common shares may be payable only in reais. The exchange rate in force at the time may not offer non-Brazilian investors full compensation for any claim arising from our obligations.

Most of our assets are located in Brazil. If proceedings are brought in the courts of Brazil seeking to enforce our obligations in respect of our Class A common shares, we may not be required to discharge our obligations in a currency other than the *real*. Under Brazilian exchange control laws, an obligation in Brazil to pay amounts denominated in a currency other than the *real* may only be satisfied in Brazilian currency at the exchange rate, as determined by the Central Bank, in effect on the date (1) of actual payment, (2) on which such judgment is rendered, or (3) on which collection or enforcement proceedings are started against us, and such amounts are then adjusted to reflect exchange rate variations through the effective payment date. The then-prevailing exchange rate may not afford non-Brazilian investors with full compensation for any claim arising out of or related to our obligations under the Class A common shares.

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

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

The Cayman Islands Economic Substance Act may affect our operations.

The Cayman Islands has recently enacted the International Tax Co-operation (Economic Substance) Act (As Revised), or the “Cayman Economic Substance Act.” We are required to comply with the Cayman Economic Substance Act. As we are a Cayman Islands company, compliance obligations include filing annual notifications for us, which need to state whether we are carrying out any relevant activities and, if so, whether we have satisfied economic substance tests to the extent required under the Cayman Economic Substance Act. As it is a relatively new regime, it is anticipated that the Cayman Economic Substance Act will evolve and be subject to further clarification and amendments. We may need to allocate additional resources to keep updated with these developments, and may have to make changes to our operations in order to comply with all requirements under the Cayman Economic Substance Act. Failure to satisfy these requirements may subject us to penalties under the Cayman Economic Substance Act.

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The Cayman Islands Tax Information Authority shall impose a penalty of C\$10,000 (or US\$12,500) on a relevant entity for failing to satisfy the economic substance test or C\$100,000 (or US\$125,000) if it is not satisfied in the subsequent financial year after the initial notice of failure. Following failure after two consecutive years, the Grand Court of the Cayman Islands may make an order requiring the relevant entity to take specified action to satisfy the economic substance test or ordering that it is defunct or shall be struck off.

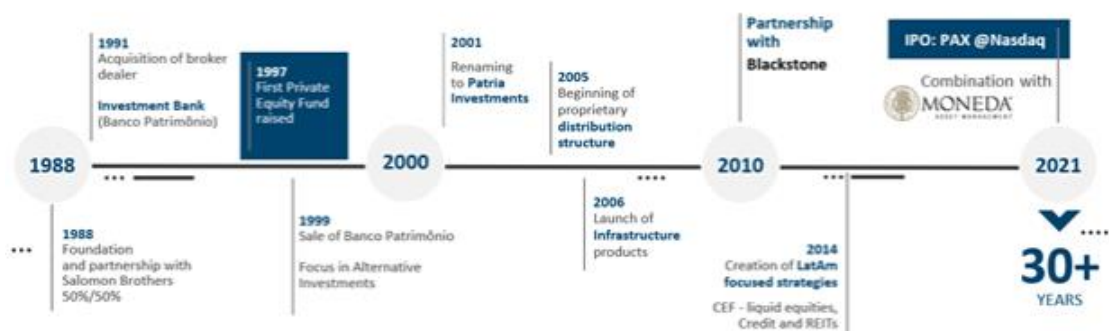
ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of the Company

Our History

Initially named *Patrimônio Participações*, we were founded in 1988 as a Brazilian M&A and financial advisory firm in partnership with Salomon Brothers Inc., a well-known U.S. investment bank at the time. In 1991, we acquired a Brazilian broker-dealer, which later evolved into a fully-fledged investment bank (*Banco Patrimônio de Investimentos*). In 1994, we started our private equity operations as a proprietary investment of the Brazilian shareholders of Banco Patrimônio and raised its first fund independently with LPs in 1997. With the sale of Salomon Brothers to Travelers Group in the same year and the following merger of Travelers with Citibank in 1998, we decided to repurchase Salomon Brothers' 50% interest in our firm and then sold the entire investment bank operation to Chase Manhattan in 1999. The alternative assets business was operated separately from the investment bank and thus the sale of Banco Patrimônio in 1999 did not affect our activities. With the sale of Banco Patrimônio, we focused over time on our private equity operations and developing private assets, still a nascent industry at the time. In 2001, we rebranded our operations as Patria Investments, in our present form, and intensified our pioneer position in the industry.

Our relationship with Blackstone dates back to 1998, when they advised Banco Patrimônio's shareholders on the repurchase of Salomon Brothers' 50% interest in the investment bank and the following sale to Chase Manhattan. In October 2010, Blackstone acquired a non-controlling interest in Patria. The partnership with Blackstone, including their presence in our board of directors for a decade, helped us to improve our corporate governance and evolve as a company, benchmarking a global market leader. Nevertheless, we maintained control and complete operational independence throughout those years, including on our fundraising efforts. Prior to our initial public offering, or "IPO," Blackstone sold 10% out of their 40% non-controlling interest in Patria to our managing partners, helping us to expand the partnership. On our IPO, through a secondary sale, Blackstone further reduced its equity stake in Patria to 14.4% with three liquidity thresholds, allowing Blackstone to sell one-third of its shares every consecutive six months after our IPO. As of March 31, 2022, Blackstone owned 6,544,619 Class A common shares, which represented 4.4% of our total shares, or 12.1% of our total Class A common shares.



Corporate Reorganization

On December 1, 2020, we entered into a purchase agreement among Blackstone and certain of its affiliates, Messrs. Alexandre T. de A. Saigh, Olimpio Matarazzo Neto and Otavio Lopes Castello Branco Neto, or the Founders, and certain entities affiliated with the Founders, or the “Founder Entities,” and Patria Brazil, as part of a corporate reorganization pursuant to which (1) Patria Holdings acquired 100,000 of our common shares (prior to giving effect to the Share Split) (or 10% of our existing common shares) that were beneficially owned by Blackstone, or the “Purchase” and (2) the 19.6% non-controlling interest in Patria Brazil held by Blackstone and the 29.4% non-controlling interest in Patria Brazil held by one of the Founder Entities was reorganized as follows, or the “Roll-Up”: (a) the direct interest held by Blackstone in Patria Brazil was contributed to us in exchange for three of our Class A common shares to be issued to Blackstone; and (b) the direct interest held by such Founder Entity was redeemed in its entirety at par value for a promissory note and one of the Founder Entities contributed the promissory note to us, in consideration for which we issued seven of our Class B common shares to Patria Holdings in the first half of 2021. We refer to these transactions collectively in this annual report as our “corporate reorganization.” The Purchase closed on January 6, 2021 and the Roll-Up closed on July 24, 2021. Upon the consummation of our corporate reorganization, Patria Brazil became a wholly owned subsidiary of the Company. Additionally, on January 13, 2021, we carried out a share split of 117.0:1, and as a result, our share capital represented by 1,000,000 shares was increased to 117,000,000 shares.

Our Initial Public Offering

On January 21, 2021, the registration statement on Form F-1 (File No 333-251823) relating to our initial public offering of our Class A common shares was declared effective by the SEC. On January 26, 2021, we closed our initial public offering, pursuant to which we issued and sold 19,147,500 Class A common shares and certain selling shareholders sold an additional 15,466,147 Class A common shares for an aggregate amount of 34,613,647 Class A common shares for an aggregate price of US\$588,431,999. We did not receive any proceeds from the sale of Class A common shares by the selling shareholders. Our Class A common shares began trading on the Nasdaq Global Select Market on January 22, 2021, under the symbol “PAX.”

Combination with Moneda Asset Management

On December 1, 2021, we completed our previously announced combination with Moneda Asset Management SpA, or “Moneda,” a leading asset manager headquartered in Chile. The transaction created a combined asset manager with US\$23.8 billion in assets under management as of December 31, 2021, allowing us to solidify ourselves as one of the leading private equity, infrastructure and credit platforms in Latin America.

On September 3, 2021, we and our subsidiary Patria Investments LATAM S.A., or “PILatam,” entered into a transaction agreement with Moneda pursuant to which, subject to certain terms and conditions: (1) MAM II HoldCo, an exempted company incorporated in the Cayman Islands with limited liability, that held substantially all assets, liabilities and businesses of Moneda outside of Chile was merged with and into us, with Patria continuing after the merger as the surviving company and (2) the acquisition by PILatam of all of the outstanding shares of Moneda, which held, immediately prior to the closing, substantially all of Moneda’s assets, liabilities and businesses in Chile.

The combination enhanced our product offering by adding one of the largest credit investment platforms in Latin America, where Moneda manages over US\$4.7 billion and has generated a market-leading performance. Moneda also manages approximately US\$400 million in private credit investments, adding to more than US\$200 million managed by Patria, creating the foundation to pursue private credit product development in the region. Moneda also adds a high-performing public equities portfolio, and including Patria’s Constructivist Equity Fund, or “PIPE,” totaled US\$2.2 billion in public equities AUM as of December 31, 2021. Within this portfolio, the combination created one of the largest Constructivist Equity/PIPE managers in the region with approximately US\$750 million in AUM as of December 31, 2021, combining localized expertise in both Brazil and Chile. Complementary investor bases totaling more than 500 clients present a significant cross-selling opportunity for Moneda’s products, which will continue to carry the respected Moneda brand, offering our global institutional investors access to attractive yield-oriented products in the region.

Recent Developments

Launch of Growth Equity Strategy and Agreement to Partner with Kamaroopin

On December 8, 2021, we announced the launch of a new Growth Equity strategy, anchored by a proposed partnership with Kamaroopin Gestora de Recursos Ltda. (purchased by PILTDA) and Hanuman GP Cayman, LLC (purchased by Patria Finance Ltd.), collectively “Kamaroopin.” Our partnership is structured in two stages, with financial terms not disclosed. The first stage includes the acquisition of a 40% minority equity stake, at which point we would pursue a joint fundraising campaign for a new growth equity fund. The second stage would trigger the acquisition of the remaining 60% for an undisclosed equity consideration contingent on fundraising success. In case the requirements for the second stage are not satisfied, Patria and Kamaroopin would have the optionality to unwind the transaction. On February 1, 2022, we acquired a 40% minority interest, once applicable terms and conditions under the purchase agreement were satisfied.

Kamaroopin was created in 2018, and currently has three invested portfolio companies where they partner with differentiated entrepreneurs as investor operators to drive growth through single-minded consumer-focused and tech-enabled business models. Its portfolio has generated a 2.7x gross multiple based on June 2021 valuations, led by its signature first investment in Petlove, the #1 digital Petcare platform in Brazil. Kamaroopin’s portfolio amounted to nearly R\$1 billion (or more than US\$175 million) in assets under management, and it was profitable on a Fee Related Earnings basis.

We expect Kamaroopin to have a minimal impact on our near-term results of operations and Distributable Earnings, with the exception of an attractive performance fee opportunity in Petlove, one of Kamaroopin’s portfolio companies. As part of the partnership agreement, Patria will be entitled to participate in Petlove’s eventual performance fee, in a structure that was designed to provide the best alignment of incentives among all parties. Upon the closing of stage two of the transaction, we would fully consolidate Kamaroopin’s earnings, including revenue from the new equity growth fund, which we expect to be profitable on results of operations and both a Fee Related Earnings and Distributable Earnings basis as well as have room to scale up moving forward.

Patria Latin American Opportunity Acquisition Corp.

On March 14, 2022, Patria Latin American Opportunity Acquisition Corp., or the “SPAC,” announced the closing of its initial public offering of 23,000,000 units, including the exercise in full by the underwriters to purchase an additional 3,000,000 units to cover over-allotments, at a price of US\$10.00 per unit. Each unit consists of one Class A ordinary share of the SPAC, par value US\$0.0001 per Class A ordinary share, and one-half of one redeemable warrant of the SPAC, with each whole warrant being a public warrant entitling the holder thereof to purchase one Class A ordinary share of the SPAC for \$11.50 per share, subject to adjustment. The units were sold at a price of \$10.00 per unit, generating gross proceeds from the issuance of US\$230,000,000.

The SPAC is a special purpose acquisition company incorporated in the Cayman Islands and sponsored by one of our affiliates, Patria SPAC LLC, for the purpose of effecting a business combination with one or more businesses with a focus in Latin America. The registration statement on Form S-1 (File No. 333-254498) relating to the securities referred to therein and subsequently amended has been filed with the SEC and declared effective on March 9, 2022. For further details, see note 31 to our audited consolidated financial statements.

Corporate Information

We are an exempted company limited by shares registered by way of continuation (from Bermuda) in the Cayman Islands on October 12, 2020. We were incorporated in Bermuda in July 2007 as Patria Investments Limited. Our principal executive offices are located at 18 Forum Lane, 3rd floor, Camana Bay, PO Box 757, KY1-9006, Grand Cayman, Cayman Islands. Our telephone number at our principal executive office is +1 345 640 4900. Our principal website is www.patria.com. The information that appears on our website is not part of, and is not incorporated into, this annual report.

Implications of Being an Emerging Growth Company

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

- an exemption from the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended, or the “Sarbanes-Oxley Act,” in the assessment of our internal control over financial reporting, which would otherwise apply in connection with the filing of our second annual report on Form 20-F following consummation of our initial public offering;
- reduced disclosure about our executive compensation arrangements in our periodic reports, proxy statements and registration statements; and
- exemptions from the requirements of holding non-binding advisory votes on executive compensation and golden parachute arrangements.

We may take advantage of these provisions for up to five years or such earlier time that we are no longer an emerging growth company. We would cease to be an emerging growth company if we have more than US\$1.07 billion in annual revenue, have more than US\$700.0 million in market value of our Class A common shares held by non-affiliates or issue more than US\$1.0 billion of non-convertible debt over a three-year period. We may choose to take advantage of some but not all of these reduced burdens. We have taken advantage of reduced reporting requirements in this annual report. Accordingly, the information contained herein may be different than you might get from other public companies in which you hold equity.

In addition, under the JOBS Act, emerging growth companies who prepare their financial statements in accordance with U.S. Generally Accepted Accounting Principles, or “U.S. GAAP,” can delay adopting new or revised accounting standards until such time as those standards apply to private companies. Given that we currently report and expect to continue to report under International Financial Reporting Standards, or “IFRS,” as issued by the IASB, we will not be able to avail ourselves of this extended transition period and, as a result, we will adopt new or revised accounting standards on the relevant dates on which adoption of such standards is required by the IASB. In addition, we are a “controlled company” within the meaning of the Nasdaq corporate governance standards and as such, plan to rely on available exemptions from certain Nasdaq corporate governance requirements.

B. Business Overview

Overview

We are a leading global alternative investment firm focused on Latin America, with combined assets under management, or “AUM,” of US\$23.8 billion and US\$14.4 billion as of December 31, 2021 and 2020, respectively. With offices in nine cities across four continents, we serve over 500 limited partners, or “LPs.” Our current product offering encompasses six product lines – private equity, infrastructure, credit, public equities, real estate, and advisory and distribution. As of December 31, 2021 and 2020, we had 60 and 16 active funds, respectively.

We seek to provide global and Latin American investors with attractive investment products that allow for portfolio diversification and consistent returns, aiming to be their partner of choice when investing in alternatives in Latin America. We have two flagship strategies: (1) private equity, launched in 1994 (US\$9.0 billion and US\$8.6 billion in AUM as of December 31, 2021 and 2020, respectively, and currently in the market for its seventh vintage fund); and (2) infrastructure, launched in 2006 (US\$5.1 and US\$4.7 billion in AUM as of December 31, 2021 and 2020, respectively, and in its fourth vintage). These flagship strategies utilize drawdown fund structures, which we define as illiquid, closed-end funds in which upfront capital commitments are allocated to investments, and funded through capital calls from limited partners over the contractual life of the fund, which typically ranges from 10 to 14 years. Over multiple fund vintages, these strategies have generated solid returns allowing their sustained growth. The consolidated equal-weighted net internal rate of return, or “IRR,” in U.S. dollars for all our flagship private equity and infrastructure products since inception was 28.7% and 28.8% as of December 31, 2021 and 2020, respectively (30.5% and 31.0% in Brazilian *reais*, respectively). We have overseen the deployment of more than US\$20 billion through capital raised by our drawdown products, capital raised in IPOs and follow-ons, debt raised by underlying companies and capital expenditures sourced from operational cash flow of underlying companies, with approximately 100 investments and over 265 underlying acquisitions as of December 31, 2021.

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Our credit and public equities strategies gained traction with our combination with Moneda Asset Management concluded in December 2021. As of December 31, 2021 and 2020, the total AUM for our credit platform was US\$5.0 billion and US\$0.2 billion, respectively. As of the same dates, the total AUM for our public equities products was US\$2.2 billion and US\$0.3 billion, respectively.

In addition to these products, we believe we have a compelling opportunity to develop our additional two asset classes. Our real estate strategy is currently focused on real estate investment trusts, or “REITs,” to leverage on the ongoing financial deepening in Latin America. Our advisory and distribution platform, launched as a result of our combination with Moneda, had an aggregate AUM of US\$2.1 billion as of December 31, 2021. We expect it to play an important role on our aspiration of becoming the conduit of capital for alternative investments coming both to and from Latin America.

Our successful track record derived from our strategy and our strong capabilities has attracted a committed and diversified base of investors, with over 500 Limited Partners, or “LPs,” across four continents, including some of the world’s largest and most important sovereign wealth funds, public and private pension funds, insurance companies, funds of funds, financial institutions, endowments, foundations, and family offices. We have built long-term and growing relationships with our LPs: as of December 31, 2021, approximately 80% of our capital raised by our flagship funds came from LPs who invested in more than one of our products. We believe our historical returns in U.S. dollars are particularly notable in view of the levels of currency volatility and our historically limited use of leverage, which, we also believe, made us better investors focused on value creation, strategy execution and operational excellence, with more limited reliance upon financial engineering.

Consistent with our entrepreneurial culture and our aim to provide attractive investment opportunities to our growing and progressively more sophisticated client base, we have applied our core competencies to develop other products around our strategy. From our initial flagship private equity funds, we developed other investment options, such as our infrastructure funds, co-investments funds (focused on successful companies from our flagship funds) and Constructivist Equity Funds (applying our private equity approach to listed companies). Our IPO allows us to go further and expand our product offerings inorganically – exemplified by our sizable credit, public equities and advisory and distribution platforms originated or expanded by our combination with Moneda Asset Management.

As of December 31, 2021, we had 390 professionals, of which 78 were partners and directors, 34 of these working together for more than 10 years, operating in offices across nine cities around the globe, including investment offices in, Montevideo (Uruguay), São Paulo (Brazil), Bogotá (Colombia), and Santiago (Chile), as well as client-coverage offices in New York (United States), London (United Kingdom), Dubai (UAE), and Hong Kong (China) to cover our LP base, in addition to our corporate business and management office in George Town (Cayman Islands).

Our Vision

We seek to expand our successful business and investment strategy, which has been in place since the inception of our company, in a prospectively promising economic condition, as we see the continuing growth of our industry and the increasing demand for our products. We seek to continue to be the partner of choice for global alternative investors allocating capital to Latin America and to local investors seeking to allocate capital into alternative investments. We want to grow as the partner of choice for alternative investments in the region. As a result, we believe we can grow in terms of AUM at a faster pace than the fast-growing alternative investments industry as a whole, while leveraging our operating platform to enhance profitability.

We seek to become the key driver of alternative investment allocations to Latin America, gaining larger shares of global commitments of existing international clients and attracting new international investors, while also driving higher alternative investments penetration in the portfolios of Latin American investors. We strongly believe we can expand our leadership position in Latin America in terms of capital raised and among emerging markets-based alternative investments managers.

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We understand that to become a preferred partner to our investors, we must focus on continuing to deliver consistent returns across our current products, but also on developing new products to cater to the investment objectives of our clients and on increasingly serving them as a long-term thought partner. Historically, our ability to provide returns, products and knowledge to our clients has been predicated on our ability to transform the sectors in which we invest by applying our investment approach which combines profound knowledge of our region, strong sector specialization, expertise in operational value creation, and a competence in working together with talented entrepreneurs, investors, and managers. We believe that by continuing to promote our investment approach, while also gradually deepening and enlarging our sector and geographical expertise, we can better serve our clients.

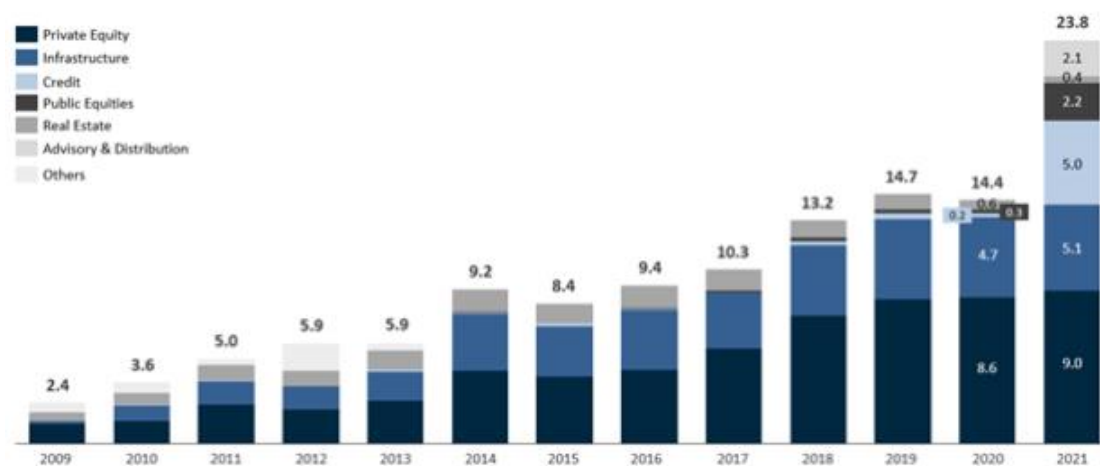
We believe that our ambition can be made viable by our ability to attract the best talent from different areas, leveraging the power of our investment approach, particularly the opportunities to create positive legacies in several sectors, as well as the attractiveness of our unique culture, entrepreneurial spirit, work environment, and the economic upside that our products and scale represent. We seek to scale our operating platform to support the expansion of existing products as well as to launch new ones, seeking to cater to our clients' needs, as well as to translate our growth into profitability. In addition to attracting top talent and ever-improving our professional standards, we continue to invest in our processes and in the improvement of our technological backbone.

Our Business

As an asset manager, our AUM is one of our most important KPIs, illustrating the evolution of our business in size, products, and capacity to generate revenues. We believe that the growth of our AUM is directly supported by our performance, and our ability to invest these assets to produce attractive risk-adjusted returns. Our calculation of AUM may differ from the calculations of other investment managers and, as a result, may not be comparable to similar metrics presented by other investment managers. AUM is defined in the section "Presentation of Financial and Other Information—Certain Terms Used in this Annual Report as KPIs to Measure Operating Performance."

From December 31, 2009 to December 31, 2021, our AUM increased from US\$2.4 billion to US\$23.8 billion at a compounded annual growth rate, or "CAGR," of 21% per year. Our Fee Earning AUM, or "FEAUM," defines the effective capital managed by us on which we derive management fees at a given time, and as of December 31, 2021 and 2020, was US\$17.9 billion and US\$7.7 billion, respectively. As of December 31, 2021, further to the US\$17.9 billion, we had a balance of approximately US\$1.3 billion of committed capital to be deployed by our funds which were paying fees over the deployed capital, indicating a US\$1.3 billion potential additional or pending FEAUM. Our AUM, in addition to our FEAUM, considers the appreciation of the assets and the capital under management which is not generating management fees at a given time, such as the committed and not yet deployed capital of funds that charge management fees over the deployed capital. Another important indicator is our Performance Revenue Eligible AUM, as it represents the total capital at fair value, on which performance fees and/or incentive fees could be earned if certain targets are met. As of December 31, 2021 and 2020, approximately 67% and 85% of our total AUM was Performance Revenue Eligible AUM, respectively. The following chart illustrates our AUM growth curve:

AUM Patria (in US\$ billions)



(1) There can be no guarantee that we will achieve comparable growth metrics in the future. Others includes discontinued strategies such as hedge funds.

Private Equity—Operational value creation in resilient sectors

We have developed our private equity products since 1994, applying our investment approach to create leading companies in resilient sectors, such as healthcare, food and beverage, and logistics. As of December 31, 2021 and 2020, our private equity product was in its sixth vintage with over US\$9.0 billion and US\$8.6 billion of AUM, respectively, with approximately 45 investments and over 245 underlying acquisitions as of December 31, 2021. As of December 31, 2021 and 2020, the consolidated cash-weighted net IRR since inception for all our private equity products was 14.1% and 16.0% in U.S. dollars and 20.9% and 22.4% in Brazilian *reais*, respectively, with limited use of leverage.

Our performance is a result of our diligent investment process, which includes:

- Our tailored thesis formulation process, which balances macroeconomic analyses to address regional comparative advantages and shortcomings with thoughtful market targeting and sector focus. This approach seeks to identify sectors that are large, growing and resilient where supply-side fragmentation would allow for market consolidation. In general, our investment theses focus on the acquisition of several small to medium cap companies, on average approximately six companies per thesis, to consolidate a fragmented market;
- Sourcing of specific investment targets based on our team’s extensive professional networks followed by a disciplined investment selection process, which involves a due diligence process focused on mitigating legal, financial and operational risks as well as producing a detailed business plan for the relevant company to deliver the targeted returns. The combination of proprietary sourcing with an operationally intensive due diligence process seeks to ensure that potential investment targets are companies with successful owner-operators interested in partnering with us to seek market consolidation and growth;
- Acquisition of a control position, at an attractive entry price, in companies where execution risk is mitigated by the collaboration between such owner-operator and our team. A key differentiating aspect of our strategy is the focus on partnerships with established owner-operators striving to support the growth of profitable businesses rather than making outright acquisitions;

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- Intense hands-on operational involvement in portfolio companies, working alongside management to drive revenue growth, consolidate markets through add-on acquisitions and also drive synergies, gains of scale and other efficiency-enhancing initiatives. We develop detailed business plans, have strong alignment with owner-operators' long-term plans and onboard strong, experienced management teams, including certain of our key executives as part of the thesis development, usually in C-level or director positions;
- Capital allocation to portfolio companies at a gradual pace, consistent with our investment approach based on the consolidation of fragmented markets. This staged deployment allows us to mitigate execution and foreign exchange risks, while seeking optimized returns by redirecting capital allocation to our best-performing investment theses; and
- Understanding and mapping potential exit strategies since the initial stages of the development of the investment thesis and throughout the entire investment cycle, which involves establishing domestic and international relationships with potential "target buyers" from the start of our investment analysis.

Private Equity | Key Highlights as of December 31, 2021



- (1) Considers Funds I-VI and Smart Fit co-invest.
- (2) Companies that have less than 24 months since our initial investment were not considered because the MOIC does not reflect the thesis performance, given that they did not have time to mature. We believe that without those adjustments the analysis would not properly present our MOIC. Private Equity Funds IV and V are still not fully invested, which distorts the analysis against funds I-III, therefore they consider the commitment instead of invested capital to capture the full size of the investment thesis. Loss Ratio considers Loss Cash over Invested Capital (Cash) for companies with less than 1.0x MOIC. Success, or Home-Run Ratio considers committed capital over committed capital for companies with more than 2.0x MOIC.
- (3) Considers in-house dedicated team and professionals seconded to portfolio companies.
- (4) Countries where our portfolio companies are located.

Infrastructure—Creating value through growth and development strategies

We believe we have built one of the leading infrastructure investment products in Latin America in terms of AUM, considering our US\$5.1 billion and US\$4.7 billion of AUM as of December 31, 2021 and 2020, respectively and offered over US\$1.0 billion of co-investment opportunities to date since its inception in 2006. As of December 31, 2021 and 2020, our infrastructure products had a consolidated cash-weighted net IRR since inception of 5.4% and 5.9% in U.S. dollars and 18.0% and 19.0% in Brazilian *reais*, respectively.

The focus of our infrastructure investments is to capture additional "alpha" in Latin America's infrastructure sectors through a disciplined but flexible investment process that we believe has shown to be value accretive regardless of macroeconomic cycles and external environments and based on the following elements:

- **Growth:** Investments with significant value to be captured by brownfield expansions, consolidation of fragmented markets and other growth vectors;

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- **Development premium:** Opportunities in upgrading, expanding or de-risking projects or assets, and addressing bottlenecks, gaps and inefficiencies in several segments. Approximately two-thirds of our investments in infrastructure were made through new platforms we created, where, in general, we hold a controlling stake;
- **Sound capital structure:** Deployment of solid capital structures based primarily on long-term project finance and a strong equity capital base, generally prioritizing the gradual deployment of primary capital to fund growth over large buyouts requiring an early infusion of sizeable amounts of capital;
- **Operation and efficiency gains:** Identification of opportunities for efficiency gains and of specific value drivers related to the project and the investment thesis; and
- **Platforms:** Assembly of experienced management and operating teams at the individual portfolio companies that are complemented and supported by seasoned members of our corporate structure, all under a set of incentive mechanisms to align the interests of management and operating teams with our fund's objectives and guidelines.

After building a successful franchise of infrastructure funds that invest in value-add opportunities in Latin America, we are now expanding our product offering with this new family of infrastructure funds focusing on core infrastructure. On March 8, 2021, we announced the closing of our first evergreen, publicly traded, Core Infrastructure fund, Patria Infraestrutura Energia Core FIP Infra, or "PICE." PICE has closed on total commitments of approximately R\$800 million, and is a yield-focused investment vehicle that will seek to invest in high-quality, operational power generation and transmission assets in Brazil. This platform is designed to hold investments for longer periods than traditional private equity. PICE is the first infrastructure vehicle in a group of evergreen listed funds managed by Patria. PICE is listed on the B3 under the symbol "PICE11," which allows for its investors to have liquidity through the secondary market.

Infrastructure | Key Highlights as of December 31, 2021



- (1) Cash-weighted pooled net IRR as of December 31, 2021.
- (2) Includes committed capex that will be deployed in the future. As of June 30, 2021.
- (3) Includes divested platforms.
- (4) As of March 2020.
- (5) Includes professionals seconded to portfolio companies.
- (6) Countries where our portfolio companies are located.

The key terms of our private equity and infrastructure flagship funds are in general: (1) tenure of 10 to 12 years, extendable for two additional years; (2) 1.5%–2.0% p.a. management fee, charged on either committed or invested capital; (3) five to six years of investment period; (4) for the funds which charge fees over committed capital, reduction of the basis for calculation of the management fee from committed capital to invested capital at the end of the investment period (Private Equity Fund VI—only over invested capital; Infrastructure Fund IV—mix of invested and committed capital during investment period); (5) 0.25% discount on the management fee after raising a successor fund (step-down); (6) 15%–20% carried interest range, European waterfall structure with full catch-up, where performance is measured versus the preferred rate at the fund level (all distributions go to investors and the manager will not participate in profits until the investor's capital, costs and preferred return have been fully satisfied); and (7) preferred returns from 6% p.a. to 8% p.a.

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The combination with Moneda Asset Management was an important step towards our diversification, and two product lines gained immediate traction – credit and public equities. As of December 31, 2021 and 2020, the total AUM for our credit platform was US\$5.0 billion and US\$0.2 billion, respectively. As of the same dates, the total AUM for our public equities products was US\$2.2 billion and US\$0.3 billion, respectively. We believe Moneda added not only the AUM, but an experienced team, a proven investment strategy and a solid track record. The Moneda-branded credit and public equities products are primarily facilitated through long-term closed-end fund structures with limited gates of liquidity. Prior to the combination, Patria’s platform included: (1) our Constructivist Equity Fund which is an evergreen fund structure pursuing PIPE (Private Investment in Public Equities) investments in Brazil and (2) our private credit fund which is a closed-end CLO structure pursuing credit investments in Brazil.

In addition to these products, we see a compelling opportunity to develop our additional two asset classes. Our real estate strategy is currently focused on real estate investment trusts, or “REITs,” to leverage on the ongoing financial deepening in Latin America. Our advisory and distribution platform, launched as a result of our combination with Moneda, had an aggregate AUM of US\$2.1 billion as of December 31, 2021 and plays an important role on our aspiration of becoming the conduit of capital for alternative investments coming to and from Latin America.

Platform overview by asset class as of December 31, 2021

| Asset Class | AUM | FEAUM by Structure | | Fee Basis | Duration | Currency Exposure Hard / Soft (%) | Effective Mgmt. Fee Rate |
|-------------------------|-----------------|--------------------|-------------------------------------|---|---|-----------------------------------|--------------------------|
| Private Equity | \$9.0bn | \$4.9bn | 100% Drawdown Funds | Deployed Capital at Cost | Long-dated & illiquid | 99% / 1% | 1.9% |
| Infrastructure | \$5.1bn | \$3.5bn | 97% Drawdown Funds | Hybrid: Committed/ Deployed Capital at Cost | Long-dated & illiquid | 86% / 14% | 1.4% |
| | | | 3% Infrastructure Core | Net Asset Value | Listed Permanent Capital | 0% / 100% | |
| Credit | \$5.0bn | \$4.9bn | 96% Moneda Credit Funds | Net Asset Value | Listed closed-end funds with periodic limited liquidity | 72% / 28% | 0.8% |
| | | | 4% Patria Private Credit Fund | Net Asset Value | Long-dated & illiquid | 0% / 100% | |
| Public Equities | \$2.2bn | \$2.2bn | 93% Moneda Equities Funds | Net Asset Value | Listed closed-end funds with periodic limited liquidity | 3% / 97% | 0.8% |
| | | | 7% Patria CEF (PIPE) | Net Asset Value | Evergreen fund with periodic limited liquidity | 0% / 100% | |
| Real Estate | \$0.4bn | \$0.4bn | 74% Drawdown Funds | Deployed Capital at Cost | Long-dated & illiquid | 0% / 100% | 1.4% |
| | | | 26% REITs | Net Asset Value | Permanent Capital | 0% / 100% | |
| Advisory & Distribution | \$2.1bn | \$1.9bn | 28% Moneda Advisory Assets | Net Asset Value | Liquid | 34% / 66% | 0.7% |
| | | | 72% Moneda Distribution Partnership | Based on Underlying Fund | Long-dated & illiquid | 100% / 0% | |
| Total | \$23.8bn | \$17.9bn | | | | 71% / 29% | 1.2% |

Note: Currency Exposure Hard / Soft (%) reflects the percentage of FEAUM exposed to each classification of currency. Soft currency exposures include vehicles which are either denominated in a soft (i.e., local) currency or have management fee exposure through the underlying investments where fees are charged on net asset value.

Investment Performance

Since our inception in 1994 and as of December 31, 2021, in our flagship private equity and infrastructure strategies alone, we managed the deployment of more than US\$20 billion through capital raised by our products, capital raised in primary offerings in IPOs and follow-ons, debt raised by underlying companies and capital expenditures sourced from operational cash flow of underlying companies. Since inception, we’ve completed approximately 100 investments and over 265 underlying transactions. As of December 31, 2021, approximately 51% and 61% of the total invested capital since inception for our flagship private equity products were marked above 2.0x multiple of invested capital, or “MOIC,” in U.S. dollars and Brazilian *reais*, respectively (52% and 68% as of December 31, 2020, respectively). In addition, only 14% and 8% were marked below 1.0x MOIC in U.S. dollars and Brazilian *reais*, respectively (12% and 7% as of December 31, 2020, respectively). Our Private Equity Funds IV and V are still not fully invested, which distorts the analysis against funds I-III, therefore they consider the commitment instead of invested capital to capture the full size of the investment thesis. Loss Ratio considers Loss Cash over Invested Capital (Cash) for companies with less than 1.0x MOIC. Success, or Home-Run Ratio considers committed capital over committed capital for companies with more than 2.0x MOIC.

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As of December 31, 2021, when compared to PME, based on the MSCI Latin America and MSCI Emerging Markets indexes, our flagship drawdown funds delivered attractive excess returns. Infrastructure generated 13.3 percentage points, or p.p., above the PME MSCI LatAm and 3.6 p.p. over PME MSCI EM, while our flagship private equity funds generated 16.2 p.p. over PME MSCI LatAm and 6.8 p.p. over PME MSCI EM since inception. As of December 31, 2021 and 2020, the cash-weighted net IRR consolidated for all our flagship private equity and infrastructure products since inception was 11.2% and 13.2% in U.S. dollars and 20.2% and 21.8% in Brazilian *reais*, respectively. As of December 31, 2021 and 2020, our equal-weighted net IRR, which is another usual metric to measure performance, was 28.7% and 28.8% in U.S. dollars and 30.5% and 31.0% in Brazilian *reais*, respectively.

Drawdown Funds Investment Record as of December 31, 2021

| Fund (Vintage) | Committed Capital | Deployed + Reserved | Total Invested | Unrealized Investments | Realized Investments | Total Value | | Net Returns | |
|---------------------------------|-------------------|---------------------|------------------|------------------------|----------------------|------------------|------------------|---------------|---------------|
| | Total (USD) | % | Value (USD) | Value (USD) | Value (USD) | Value (USD) | Gross MOIC (USD) | Net IRR (USD) | Net IRR (BRL) |
| Private Equity | | | | | | | | | |
| PE I (1997) | 234,000 | Divested | 163,812 | - | 278,480 | 278,480 | 1.7x | 4% | 7% |
| PE II (2003) | 50,000 | Divested | 51,648 | - | 1,053,625 | 1,053,625 | 20.4x | 92% | 75% |
| PE III (2007) | 571,596 | 124% | 624,464 | 37,583 | 1,159,256 | 1,196,839 | 1.9x | 8% | 19% |
| PE IV (2011) | 1,270,853 | 117% | 1,169,291 | 1,595,944 | 198,919 | 1,754,863 | 1.5x | 4% | 16% |
| PE V (2015) | 1,807,389 | 101% | 1,451,742 | 3,507,860 | - | 3,606,474 | 2.5x | 27% | 41% |
| PE VI (2019) | 2,689,666 | 110% | 1,157,123 | 1,482,452 | 22,418 | 1,504,870 | 1.3x | 21% | 30% |
| Co Investments | 745,010 | 100% | 745,010 | 453,816 | 1,398 | 455,214 | 0.6x | n/m | n/m |
| Total Private Equity | 7,368,514 | | 6,363,090 | 7,037,655 | 2,812,709 | 9,850,364 | 1.8x | 14% | 21% |
| Infrastructure | | | | | | | | | |
| Infra II (2010) | 1,154,385 | 102% | 997,679 | 384,695 | 823,141 | 1,207,836 | 1.2x | 0% | 12% |
| Infra III (2014) | 1,676,237 | 113% | 1,149,224 | 1,471,902 | 574,815 | 2,046,717 | 1.8x | 30% | 23% |
| Infra IV (2019) | 1,941,000 | 96% | 275,795 | 396,569 | - | 396,569 | 1.4x | 34% | 51% |
| Co Investments | 793,264 | 74% | 588,124 | 394,788 | 439,629 | 834,417 | 1.4x | n/m | n/m |
| Total Infrastructure | 5,679,475 | | 3,119,411 | 2,647,965 | 1,991,409 | 4,639,364 | 1.5x | 9% | 18% |
| Real Estate/Agribusiness | | | | | | | | | |
| RE I (2004) | 177,362 | Divested | 168,335 | - | 495,072 | 495,072 | 2.7x | - | 24% |
| RE II (2009) | 996,340 | 87% | 1,017,944 | 173,139 | 1,053,634 | 1,226,773 | 1.2x | - | 2% |
| RE III (2013) | 1,335,465 | 86% | 1,170,619 | 649,023 | 141,521 | 790,544 | 0.7x | - | -12% |
| Farmland (2018) | 149,043 | Divested | 61,019 | - | 96,684 | 96,684 | 1.6x | - | 14% |
| Co Investments | 1,327,668 | 100% | 1,093,900 | 40,738 | - | 40,738 | 0.x | - | -41% |
| Total Real Estate/Agri | 3,985,879 | | 3,511,817 | 862,900 | 1,750,911 | 2,613,811 | 0.7x | | -14% |

Note: Patria will report investment performance for funds/strategies with Total AUM equal or above US\$500 million. This table includes funds below that threshold given their disclosure in our reporting since our IPO. Going forward, new funds will be reported as they reach the US\$500 million threshold. Pooled returns are cash-weighted. Cash-Weighted Returns is a method for calculating the consolidated IRR from the aggregated actual cash flows of multiple funds. We apply this method to compare our returns to benchmarks. Equal-Weighted Returns is another method for calculating the consolidated IRR from the aggregated actual cash flows of multiple funds. The equal weighting is based on capital called, i.e., all cash flows, and NAVs of each fund in the portfolio are scaled in such a way that each fund has the same amount of total called capital.

Credit and Public Equities Investment Performance as of December 31, 2021

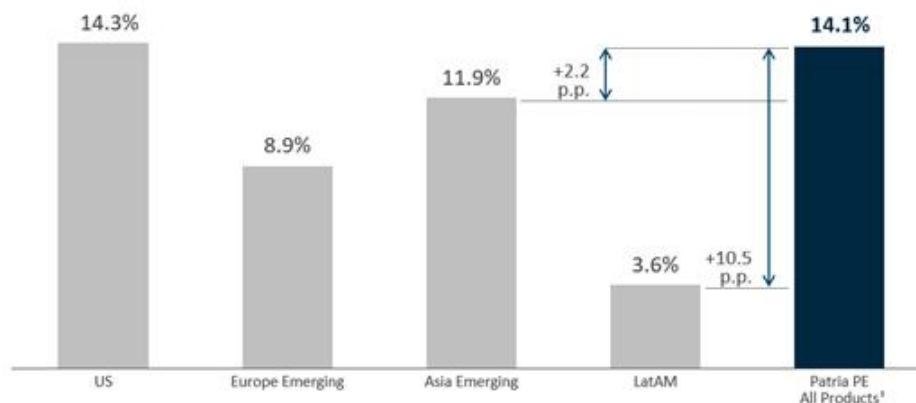
| Asset Class | Strategy | Functional Currency | Strategy AUM (USD Mn) | Primary Fund AUM (USD Mn) | Compounded Annualized Net Returns | | | | Excess Return Since Incep. |
|-----------------|-------------------------------------|---------------------|-----------------------|---------------------------|-----------------------------------|---------|--------|--------------|----------------------------|
| | | | | | 1yr | 3yr | 5yr | Since Incep. | |
| Credit | Latam High Yield (2000) | USD | 3,325 | 2,294 | 10.5% | 5.8% | 6.6% | 11.5% | 388 bps |
| | Benchmark: CEMBI Broad Div Latam HY | | | | 2.3% | 6.5% | 5.8% | 7.7% | |
| Credit | Latam Local Currency Debt (2009) | USD | 798 | 798 | (5.9%) | 0.2% | 0.8% | 2.9% | 114 bps |
| | Benchmark: GBI Broad Div Latam | | | | (13.1%) | (0.5%) | 1.7% | 1.7% | |
| Public Equities | Latam Large Caps (2011) | USD | 758 | 218 | (15.8%) | 1.5% | 5.1% | (2.1%) | 180 bps |
| | Benchmark: MSCI TR Latam Gross | | | | (7.7%) | (2.0%) | 1.8% | (3.9%) | |
| Public Equities | Chilean Small Caps (1994) | CLP | 615 | 595 | (4.1%) | (9.7%) | 0.3% | 12.5% | 585 bps |
| | Benchmark: MSCI Chile SC Net | | | | (4.3%) | (11.5%) | (3.2%) | 6.7% | |

Note: Includes investment performance for primary funds of strategies with Total AUM of US\$500 million or more.

Our performance vs. industry. As of December 31, 2021 and 2020, the consolidated cash-weighted net IRR in U.S. dollars for our private equity products was 14.1% and 16.0%, respectively.

We believe these results place us among the top private markets managers in the region in terms of performance. As of December 31, 2021, our flagship private equity products have returned a pooled cash-weighted net IRR of 14.1%, which exceeds the average of Latin American private equity managers by 10.5 p.p. Even compared to emerging Asia, which is recognized as a high growth region, our private equity funds delivered a 2.2 p.p. premium in 2021. If excluded co-investments, our flagship private equity funds have returned a pooled cash-weighted net IRR of 15.0% as of December 31, 2021. Additionally, our returns have consistently placed our flagship private equity products in the top quartile of performance of funds in emerging markets in most vintages according to Hamilton Lane and Cambridge Associates.

Cash-weighted Net IRR Patria Private Equity vs. Cambridge Associates 25-Year Pooled PE Returns

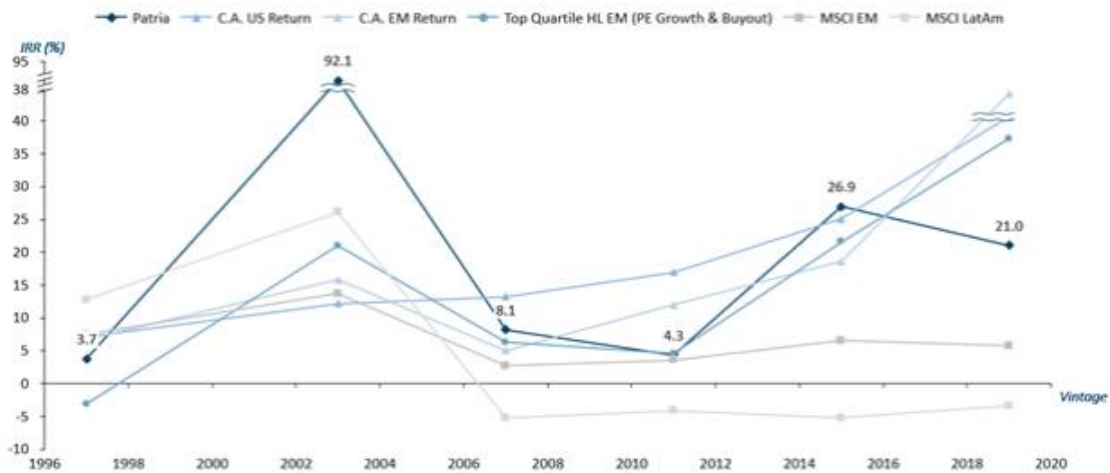


Source: Cambridge Associates as of September 2021 (latest information available). As of December 2021. Notes: Comparisons against the Cambridge Associates 20-Year Pooled Private Equity Returns are used solely for purposes of comparison of certain markets and may include funds with material differences than the PE Funds (i.e., amount of fees and concentration of particular vintage years within the survey). (1) The *real*/U.S. dollar exchange rate reported by the Central Bank was R\$5.581 per US\$1.00 on December 31, 2021. Performance includes Fund I, Fund II, Fund III, Fund IV, Fund V and Fund VI and co-investments. Patria PE Fund performance is a composite that includes both the realized and unrealized valuations of the Patria PE Funds which held investments during the designated period.

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Another relevant measure to interpret performance is persistence, in the sense of predictability and sustainability of results across vintages. Our returns have consistently positioned our flagship private equity products in the top quartile of performance of funds in their respective asset classes in most vintages, as shown below, according to Hamilton Lane and Cambridge Associates.

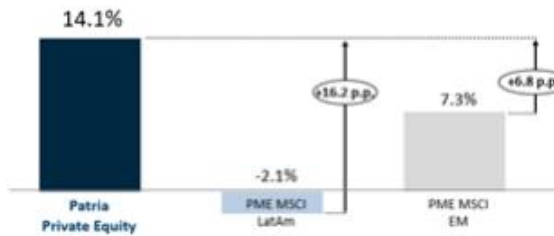
Net IRR Patria Private Equity vs. Benchmark



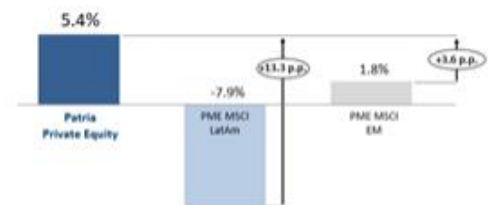
Source: Cambridge Associates, Hamilton Lane and internal analysis. As of December 31, 2021.

Our performance vs. public markets. A key benchmark to private markets is the PME, public markets equivalent, which replicates the same investment cash flows (based on contributions and distributions) seen in a private equity investment to a chosen public market index and estimates its return. When compared to PMEs based on the MSCI Latin America and MSCI Emerging Markets indexes, our flagship funds delivered a strong premium. Infrastructure, for example, captured 13.3 p.p. on top of PME MSCI LatAm and 3.6 p.p. over PME MSCI EM as of December 31, 2021. We also believe we have consistently outperformed our benchmarks on both our credit and public equities strategies. See “—Credit and Public Equities Investment Performance as of December 31, 2021.”

Cash-weighted Net IRR Patria vs. PME MSCI | Private Equity



Cash-weighted Net IRR Patria vs. PME MSCI | Infrastructure

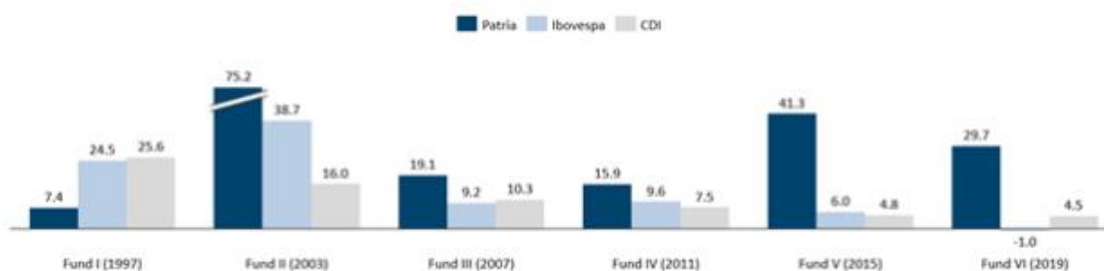


Source: Internal analysis. As of December 31, 2021.

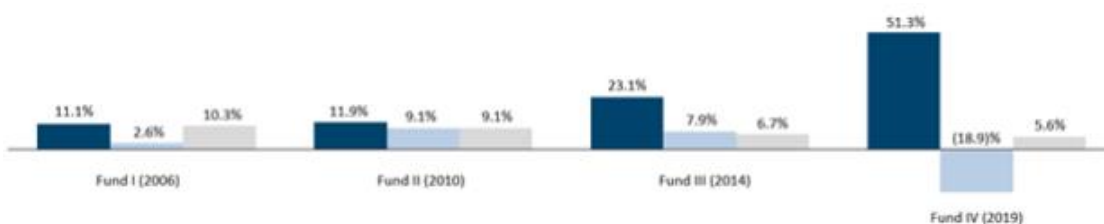
Our performance vs. Brazilian benchmarks. We believe our fund’s performance in local currencies has been consistent and represents a strong premium over local liquid benchmarks as illustrated below.

Cash-Weighted Net IRR Patria vs. Benchmark (in R\$) as of December 31, 2021

Private Equity



Infrastructure








Source: Internal analysis.

Our Investment Approach

Our investment approach for our flagship drawdown funds, based on sector specialization, operational value creation, associative approach and gradual and disciplined portfolio construction, has been developed, tested and recognized during our more than 30 years of investments in Latin America. We strongly believe our investment approach has been primarily responsible for our returns. In addition, we believe it places us in an unparalleled position as a thought partner to our clients, who can trust us not only with their capital but also as supporter of their decision-making processes in private markets investments in Latin America.

Our Investment Approach

| <i>Sector Strategy</i> Specialized in <i>resilient industries</i>  | <i>Rigorous & efficient</i> framework for investing  | Focus on <i>operational leverage & value creation</i>  | <i>Gradual and disciplined</i> portfolio construction  | <i>Associative partnership</i> approach  |
|---|---|--|--|--|
| <ul style="list-style-type: none"> ▪ Healthcare ▪ Logistics & Transportation ▪ Education ▪ Power & Energy ▪ Food & Beverage ▪ Data Infrastructure ▪ Agribusiness ▪ Environmental Services | <ul style="list-style-type: none"> ▪ Top-down approach, driven by secular trends ▪ Private Equity focused on Consolidation: 46 platforms with 245+ transactions⁽¹⁾ ▪ Infrastructure focused on Development: 23 platforms with ~65% created by Patria⁽²⁾ | <ul style="list-style-type: none"> ▪ Control-oriented investment approach ▪ Private Equity: ~60% of estimated value generated directly through operational levers ▪ 60+% Partners & MDs with PortCo executive experience⁽²⁾ | <ul style="list-style-type: none"> ▪ Staged capital deployment to allocate more capital to our best performing investments over time ▪ Increased probability of "home-runs" for undisputed market leaders with mitigated risk profile throughout vintages | <ul style="list-style-type: none"> ▪ Ability to develop long-term relationships and partnerships with strategic players, founders and key industry executives ▪ Majority of deals sourced independently and outside open bidding |

- (1) Since inception to December 31, 2021.
 (2) Includes professionals seconded to portfolio companies.

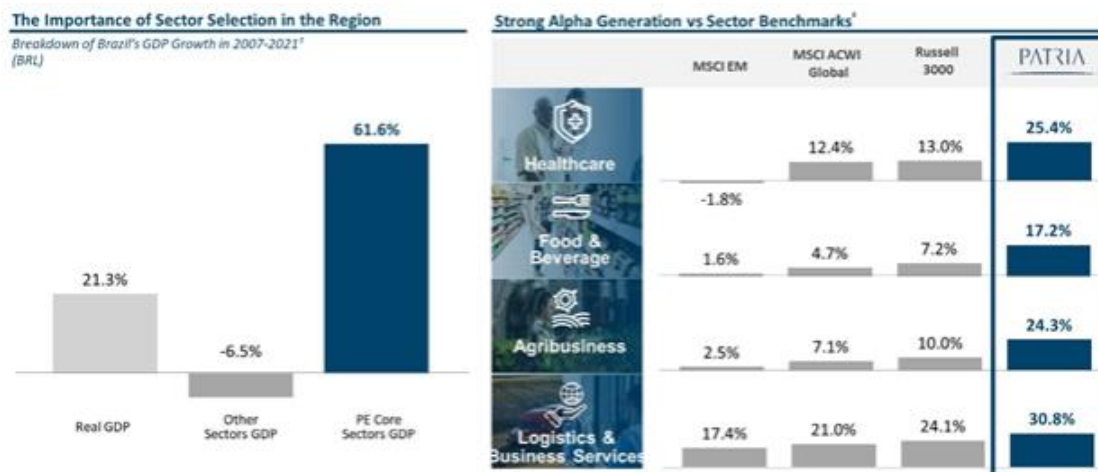
Our investment approach has been developed in the unique macroeconomic environment of Brazil, Chile and other Latin American countries. Our founding partners originally sought to devise an investment model that would not depend on economic cycles to perform positively. They sought to identify resilient sectors, significantly uncorrelated to the wider economy, to pursue investment targets. In addition, in the historical context of high cost of capital in the region, they focused on developing a value creation approach based on operational and governance improvements to invested companies. Finally, our partners sought to mitigate execution risks by seeking to partner with entrepreneurs and managers and to deploy capital prudently and gradually. Over time, we have continued to develop and refine our investment approach, while maintaining the core principles of our founding partners’ approach.

As the investment performance of our drawdown flagship products shows, we believe that our investment approach has proved to be successful, based on the regularity of our returns, and the continued outperformance of our funds versus liquid and illiquid benchmarks throughout several different economic cycles. See “—Investment Performance.” In addition, the large size of the industries in which we focus, combined with abundant operational value creation opportunities typical of developing economies, implies a significant capacity for capital absorption. Therefore, we believe our investment approach is a key enabler of our objective to generate “alpha” at scale for our clients.

The foundations of our investment approach are:

Sector specialization. We have developed an expertise and focus on several resilient sectors, such as healthcare, education, food and beverages, diversified agribusiness, logistics, transportation, energy, data infrastructure, and environmental services. As these sectors represent basic consumer needs in large consumer-based economies and/or structural bottlenecks, where supply is inexistent or inefficient to address public demands and needs, those sectors have low correlation to GDP. Moreover, several segments of such sectors are undergoing changes driven by secular and demographic trends or shifts, such as aging population and increased healthcare costs, adoption of healthier eating habits and the increased demand for dining services, growth of global demand for protein, pursuit of clean energy, and the digital revolution, among others.

Within those sectors, our investments have systematically outperformed sector benchmarks as measured by the MSCI Emerging Markets and MSCI All Country World indexes illustrated below for our Private Equity strategy as of December 31, 2021.



Notes:

- Source: IBGE, CEPEA/ESALQ USP and Patria Research. Patria invested sectors are equally-weighted average of healthcare and education, agribusiness, logistics and storage, food beverage, and pharma & cosmetics. Patria core sectors: (i) Healthcare – e.g., Healthcare Services, Healthcare Products, Pharmaceutical Distributor, Fitness Clubs and Ophthalmic Services since 1994. (ii) Food and Beverage – e.g., Food Retail, Food Distributor and Food Producer since 1999. (iii) Agribusiness – e.g., Agriculture Inputs and Agriculture Inputs Distributor since 2011. (iv) Business Services – e.g., IT and Logistics since 1994. Other sectors are equally-weighted average of outsourcing services, fuels and lubricants, clothing & footwear, appliances & furniture, office material & IT, and manufacturing such as tobacco, printing and media, metals, electronic products, machinery, and automobile.
- Since inception, as of December 31, 2021. Source: Capital IQ. Benchmarks: (1) Healthcare: MSCI ACWI/Health Care (Sector) Index (MXWD0HC); MSCI EM/Health Care (Sector) Index (MXEF0HC); RUSSELL 3000 Health Care Sector; (2) MSCI ACWI Agriculture & Food Chain Index; MSCI EM Agriculture & Food Chain Index; RUSSELL 3000 Agriculture Fishing & Ranching Industry; (3) F&B MSCI ACWI/Food Bev & Tobacco (Industry Group) Index, MSCI EM/Food Bev & Tobacco (Industry Group) Index and RUSSELL 3000 Foods Industry, (EM/Information Tech (Sect 4) MSCI ACWI IMI/Air Freight & Logistics(Sub-Industry) Index combined with MSCI ACWI/Information Tech (Sector) Index (MXWD0IT) to represent business services sector; MSCI EM IMI/Air Freight & Logistics(Industry) combined with MSCI or) Index (MXEF0IT) to represent business services sector; RUSSELL 3000 Transportation Miscellaneous Industry combined with RUSSELL 3000 Technology Sector to represent business services sector.

We also pursue investments in other sectors whenever opportunities are aligned with our investment criteria. Some of these include companies in residential condominiums and urban infrastructure solutions (e.g., self-storage warehouses), among others.

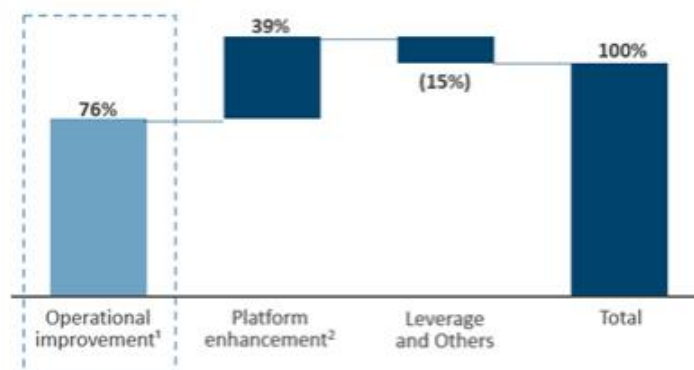
Our sector specialists are transaction professionals with several years dedicated to sourcing investments and executing deals, operating partners, and former CEOs of sector-leading companies, all of whom are immersed in the industries in which we focus. This allows us to better understand and anticipate trends, to develop original insights that might generate new investment theses, to map out each market and to create valuable relationships with owner-operators, to develop relationships with top executives who will come to work with us, and to pave the way for future exits by approaching potential strategic buyers. Such close relationships with market players, combined with the successful track record in each core sector, have supported our reputation as a valuable partner and hands-on investor. This reputation, in turn, has been instrumental to our proprietary investment sourcing as well as to secure attractive entry prices for acquisitions.

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Efficient framework for investing. We believe we have developed a scalable and recognized investment process leveraging multiple modular investment teams supported by analytical tools and leading to a strong capital deployment capacity. In 2021 we deployed more than US\$2.5 billion. We believe that our modular approach allows us to quickly grow our deal flow. Our analytical tools encompass due diligence and management playbooks and also include robust ESG requirements in line with global best practices.

Operational value creation. We typically pursue investment strategies that can enable value to be created through operational improvements, without depending on economic cycles or financial engineering. We estimate that over 75% of value added to our private equity investments generally comes from direct operational improvements, such as revenue growth and margin expansion, and, with respect to our infrastructure investments, from capturing a development premium on green-field projects. We also estimate the remainder of the value added to our private equity investments comes largely from the multiple premium we capture by consolidating small to medium sized companies into sector leaders.

Private Equity performance disaggregation based on contribution to MOIC



Source: Internal analysis.

- (1) Revenue growth and margin expansion.
- (2) Multiple expansion, capital call and change in ownership.

To coordinate our value creation agenda, we put together a management & transformation team which comprises: (1) a technical group composed of senior functional specialists, hired from the top ranks of global leading companies who are specialized in engineering and construction, finance and governance, strategy, sales, human resources, digital, operations, among others; and (2) a strategic planning and project management team composed of chief transformation officers, hired from strategic consulting firms but also with practical experience who are seconded to portfolio companies to manage our value creation plans.

Gradual and disciplined portfolio construction. In order to mitigate execution risks by way of portfolio construction, we have developed a disciplined, staged capital deployment approach, in order to allow our drawdown funds to allocate more capital to our best-performing investments over time. As a by-product of such approach, our funds manage to mitigate currency impacts, as the gradual capital deployment helps to average out foreign exchange fluctuations over the long term. This can be achieved, for example, with acquisitions paid in multi-year installments and with each fund undertaking acquisitions over several years.

Associative approach. We seek to partner with strategic players, founders and key industry executives. We truly believe that together we are stronger than alone, and that every person has something to add. This belief also applies to our investment approach, as we believe that different perspectives from distinctive backgrounds and experiences are crucial to make better investment decisions. We foster long-term relationships within the industries we invest in, leading to the great majority of our deals being sourced independently, outside open bidding.

Our Competitive Strengths

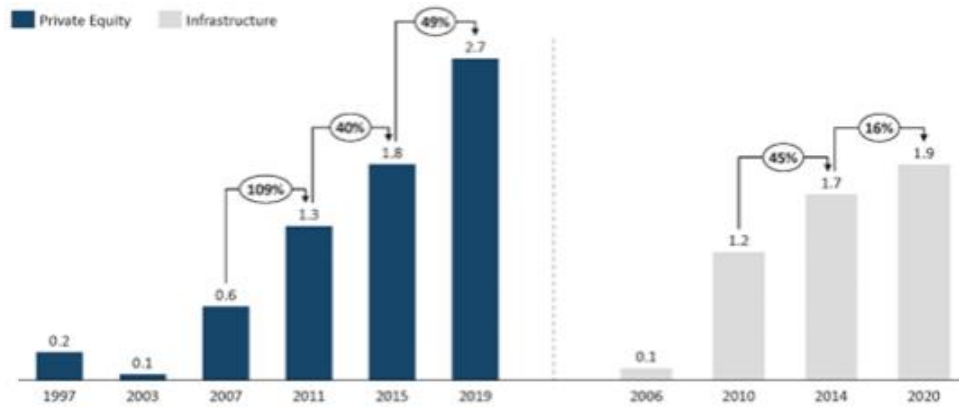
Since our inception, we have grown to become one of the leading alternative investment firms focused on investing in Brazil, Chile and elsewhere in Latin America in terms of capital raised. We believe the following competitive strengths allow us to capitalize on industry trends and position us well for future growth:

Sustained strong investment performance track record across market cycles. We have produced strong long-term investment performance across our product offerings, generating consistent outperformance relative to benchmarks. The returns place our flagship private equity program in the top quartile of emerging markets private equity funds in most vintages as shown in data from Hamilton Lane and Cambridge Associates. Both flagship private equity and infrastructure products have returned a relevant alpha over PME MSCI Latin America and MSCI Emerging Markets, varying from 3.6 p.p. to 16.2 p.p. in excess to the indexes since inception and as of December 31, 2021. See “—Investment Performance.” We also believe we have consistently outperformed our benchmarks on both our credit and public equities strategies. See “—Credit and Public Equities Investment Performance as of December 31, 2021.” As important as the performance itself, our returns are consistent across vintages, demonstrating the robustness of our investment approach. See “—Our Investment Approach.” Our analytical tools, research capabilities, databases and processes have been developed and refined over more than 30 years of experience in successful investing, creating an investment methodology that is repeatable and sustainable, but difficult for competitors to replicate.

Strong client relationship model and capital raising capabilities. We are one of the leading alternative investment firms in Latin America in terms of capital raised and therefore are among the world’s largest institutional investors focused on investments in Latin America. We have raised a total of US\$16.8 billion since inception as of December 31, 2021, with a total of US\$9 billion raised since 2015 including co-investments. As of March 7, 2021, Preqin’s database on fund managers ranks us as number one asset manager in the region for both private equity and infrastructure in terms of funds raised in the last 10 years. Our capital raising capabilities currently rely on a team of 58 individuals ranging from client coverage and product specialists to investor relations officers. Our product specialist officers on the investment team have deep knowledge of investment and portfolio strategy and performance, not only to keep LPs and prospective LPs well-informed but also to promote a clearer understanding and deeper appreciation of our strategy, thus facilitating a richer dialogue and exchange and fostering a stronger bond with our LPs. We have accumulated years of data regarding the investment criteria and transaction behavior of many LPs, and we are well positioned to match our clients with the most appropriate investment opportunities.

Our team operates within a well-defined relationship model that leverages our Salesforce platform to control and monitor several investor relations performance metrics, as well as to institutionalize the broad knowledge of the decision-making governance of client organizations, and to ensure that specific interlocutors within each client are addressed by our officers most specialized for a conversation of mutual relevance. Such a relationship model is part of a broader, go-to-market approach that includes successive phases of prospection, premarketing, and marketing through which we seek to identify, develop and monitor potential demand for each of our products so as to mitigate product-launch risk and to optimize the volume and timing of our capital raising processes.

Total amount raised for flagship drawdown funds (in US\$ billions)(1)



(1) As of December 31, 2021.

Our ability to access key decision-makers, to understand our clients well, to respond to their needs and priorities, and to make our message well understood is translated into strong capital raising and distribution capabilities that, although positively supported by investment performance, we believe are recognized by our clients as among our distinctive strengths. We believe our capital raising capabilities are scalable to support our growth plans, based on our team, disciplined relationship-model and systematic go-to-market approach.

Distribution Structure | Global Presence



Source: Internal analysis. As of December 31, 2021. Geographic allocation does not include Patria GP commitments.

(1) The real/U.S. dollar exchange rate reported by the Central Bank was R\$5.581 per US\$1.00 on December 31, 2021.

Highly attractive and scalable business model with robust growth trajectory. We participate in an industry that is growing rapidly. We believe we are among the market leaders in our industry in Latin America and have a strong reputation in investing and client service and our goal is to exceed the industry's growth rate, driving continued expansion of our recurring management fees and incremental performance fees. From 2009 to 2021, our AUM increased at a compound annual growth rate, or "CAGR," of 21%. For details on our AUM growth, see "—Our Business." We have a strong business with two main revenue streams: management fees and performance or incentive fees. The first provides us with highly predictable cash flows, given our funds' terms. Performance fees give us the possibility of upside remuneration associated with performance. As of December 31, 2021 and 2020, the sum of our net accrued performance fees was US\$348 million and US\$276 million, respectively. This metric is defined in the section "Presentation of Financial and Other Information—Certain Terms Used in this Annual Report as KPIs to Measure Operating Performance." As of December 31, 2021 and 2020, approximately 67% and 85% of our AUM was eligible for performance revenue. As of December 31, 2021, over 85% of our drawdown private equity and infrastructure combined assets under management was subjected to catch up, of which approximately 90% was subjected to full catch-up. The full catch-up clause is intended to make the manager whole so that the performance fee is a function of the total return and not solely the return in excess of the preferred return. Given the highly recurring nature of our earnings, we have paid substantial dividends. In the years ended December 31, 2021, 2020 and 2019, dividends paid to our shareholders were US\$119.8 million, US\$64.5 million and US\$46.9 million, respectively. In addition, on March 16, 2022, we paid dividends to our shareholders in an aggregate amount of US\$23.6 million.

The long-lived, stable nature of our positive working capital enhances the resiliency of our business model. The nature of our operations enables us to collect part of our management fees at the beginning of each semester (as deferred revenues typically recorded in interim periods) before incurring day-to-day business expenses. Adding to the strength of our balance sheet, we do not have relevant debt obligations and do not depend on leverage to grow. Our exponential growth in AUM was accompanied by relevant investments in our systems and back office. Automatized and efficient, our back office is scalable for larger volumes of investments and can accommodate growth without material investments in infrastructure.

Seasoned management team with entrepreneurial spirit and professional culture. As of December 31, 2021 we had a senior management team, composed of 78 members. Our partners have been working together for more than 17 years, while partners and directors for more than 6 years on average. The senior team is highly aligned with our clients' objectives, with sizable capital commitments to our active funds. Our team includes more than 115 investment professionals and 58 client coverage professionals based in São Paulo, Santiago, New York, London, Dubai, and Hong Kong. Our team blends professionals with complementary competences and experiences, who bring different perspectives to our investment and management decisions, all of whom are committed to sustainable solutions and fully adherent to environmental, social and governance, or "ESG," standards. Our operating partners, usually former C-level executives from the sectors in which we invest, our value creation team staffed by senior functional specialists, and our transactions group of M&A specialists complement the business development competences of our investment team. We also have what we believe to be one of the best entry-level programs in our sector: Patria Academy, our internship program with approximately 100 applicants per position. We also offer our employees the opportunity to rotate between multiple roles. For more information on our management, see "Item 6. Directors, Senior Management and Employees."

Our entrepreneurial spirit, professional culture, and partnership proposition disseminated at scale are powerful variables that contribute to our execution capabilities and, most importantly, to the attraction and retention of talent across all our different areas. We believe that our recognized brand, aligned with our award-winning internship program, allows us to attract the best-in-class students from top universities, thus we are constantly sourcing young talent. Our name, together with our cutting-edge deals, and our multiple and challenging career path, attracts the best people in the market. Our culture, aligned with a meritocratic environment and a partnership open to all and fast career development, helps us to retain our talents.

Unparalleled brand equity as one of the thought leaders in the region. The performance of our funds attracts and retains many of the largest and most relevant institutional global investors. We evolved to become one of the trusted partners to many of our clients in Latin American investment decisions. The recognition from such renowned investors reinforces our brand equity and strongly leverages our capital raising capabilities to attract new investors and increase our share of wallet of current clients.

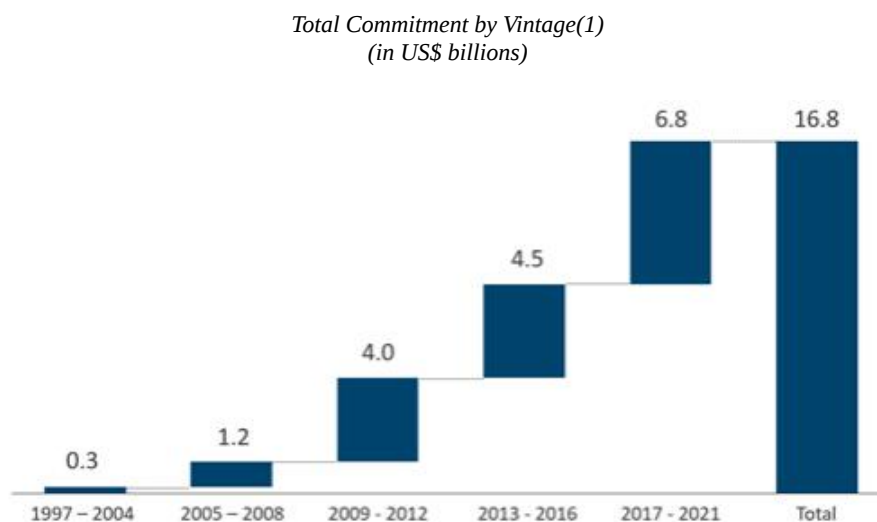
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Our more than three decades of successful investments in Latin America have made Patria one of the most recognized private markets investors in the region, especially in the industries in which we focus. Our strong reputation in the Latin American business community attracts talented entrepreneurs, who naturally approach us when seeking a partner to grow, allowing Patria to invest at attractive entry valuations.

Divestment activities are also positively impacted by our brand equity recognition. Public markets and large corporations, which are the usual buyers of our portfolio companies, recognize our track record of building and structuring great companies, with good governance, teams and processes.

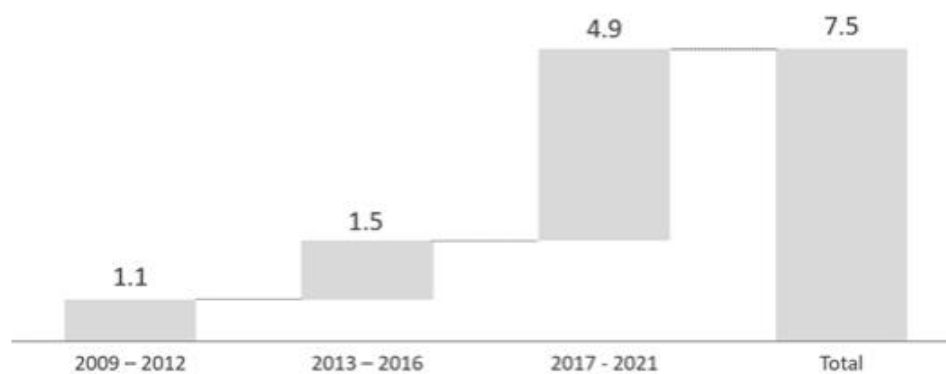
Business Growth Strategy

The alternative investment industry has experienced significant and consistent growth, which we expect to continue and contribute to our future growth. Given our market position as one of the leaders in terms of capital raised and strong reputation in investing and client service, our objective is to continue to leverage the following strategic advantages to exceed the industry growth rate.



(1) Includes indirect investors and direct co-investors in portfolio companies. Excludes Moneda Asset Management as combination was completed in December 2021.

Fundraising in Brazil | Commitment by Vintage(1)
(in R\$ billions)



(1) Includes indirect investors and direct co-investors in portfolio companies.

We believe we are among the market leaders in fundraising for private markets in Latin America among Latin America-based private markets managers. As of March 7, 2021, Preqin's database on fund managers ranks us as number one asset manager in the region for both private equity and infrastructure in terms of funds raised in the last 10 years. We believe that the following will continue to serve as the primary drivers of our growth:

Grow addressable market. Alternative investments are expected to continue to grow vigorously and sustainably in the long term. According to Preqin's special report, *The Future of Alternatives 2025*, published in 2020, assets under management, or "AUM," in alternatives is expected to continue to grow, rising at a CAGR of 9.8% from 2020 to 2025 to reach US\$17.2 trillion by 2025. We believe that many global investors are currently underinvested in private markets asset classes and that capturing capital inflows into private capital investing from international global markets represents a significant growth opportunity for us. We believe that global investors will increasingly: (1) search for higher returns, especially by institutional investors, as they face challenges to reach target returns or to close actuarial gaps, (2) seek more exposure to the consistent historical outperformance of private versus public markets, and (3) make use of significant liquidity available in financial markets.

We believe the penetration of Latin American investments as a share of total global private markets investments can increase from the historically low levels. According to Preqin database, as of September 2021, AUM managed by Latin American managers accounted for less than 1% of global AUM, while Latin America GDP in 2020 represented 5.6% of global GDP. We believe that the volume of capital flowing to private markets in Latin America will increase substantially, driven by positive economic and currency cycles and the low correlation between the Brazilian economy and global economy, which makes Brazil an attractive diversification alternative for global investors.

Continue to diversify and grow our client base of large global investors. We have a strong, diversified and sophisticated client base of over 500 LPs, of which the top 20 investors accounted for approximately US\$6.5 trillion in AUM. As of December 31, 2021, our investors included: (1) 8 of the world's 10 largest sovereign wealth funds (including LPs with indirect investments); (2) 9 out of the world's 20 largest pension funds; and (3) 5 out of the U.S.'s 10 largest pension funds. On the latest funds raised for our flagship drawdown products, the commitments among recurring clients increased by over 33%. We intend to continue to expand our relationships with existing clients and also intend to capitalize on significant opportunities in new client segments globally and in Brazil and Chile, such as high-net-worth individuals, regional and local institutional investors and also mass affluent investors. We believe these investors offer an attractive opportunity to further diversify and grow our client base because many of them only recently have begun to invest in, or increase their allocations to, private markets investments.

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In this context, today's largest private market investors are expected to continue their growth trajectory and diversification, establishing presences in an increasing number of high-growth geographies. We intend to continue building relationships with investors around the world and to position ourselves to participate in the growth of the global private markets. We believe we are uniquely capable of pursuing the opportunities arising from increased allocations among institutional investors and the rapid wealth creation globally among high-net-worth individuals because of our strong brand and reputation, particularly in Latin America, multi-office resources, top talent teams of investment professionals and comprehensive suite of products and services. We also plan to continue sharing interesting co-investment opportunities with our clients and act as their thought partner by leveraging our transparent and robust reporting process and our experience in macroeconomic and sector-specific trends in Latin America, particularly in key sectors such as healthcare, food & beverage, infrastructure and agribusiness, among others.

We believe our existing long-term relationships have been built not only through the consistency of our track record and the trust we have engendered over the years, but also through other aspects, such as:

- *Sharing interesting co-investment opportunities:* In the last five years, we offered more than US\$2.5 billion in co-investment opportunities to our LPs;
- *Acting as a thought partner to our clients:* We are often sought by our client base as a knowledge reference on macroeconomic and sector-specific trends in Latin America, given our successful track record as an investor in key sectors such as healthcare, food & beverage, infrastructure and agribusiness, among others; and
- *Our robust and structured reporting process:* We offer transparent and regular disclosure of our funds' performance, as well as detailed information on our portfolio of companies and investments.

As a result of our consistent track record and the trust we have been able to gain and nurture, many of our clients have been supporting us for many years. On the latest funds raised for our flagship drawdown products, the commitments among recurring clients increased by over 33%. We intend to capitalize on these competitive strengths to expand the relationships with our existing clients and to pursue opportunities in new client segments such as high-net-worth individuals, regional and local institutional investors, and affluent mass investors, both in Latin America as well as globally.

Continue to increase our product portfolio. Starting from our traditional private equity platform, we developed a wide range of products to better meet the needs of our ever-growing client base. In addition, aligned with our IPO strategy, we added complementary products to our portfolio as a result of our combination with Moneda Asset Management. Today, our portfolio comprises sophisticated private equity and infrastructure funds as well as more accessible products such as our Constructivist Equity Fund and listed infrastructure core and real estate funds.

We believe there is growing demand for an expanded product offering leveraging our investment approach and current capabilities, which could address the specific needs of both our current global institutional client base and potential Latin American investors, including institutional funds, private wealth managers and affluent retail investors. We expect to continue developing new offerings, including, for example, more co-investment alternatives and sector- or thematic-focused funds (e.g., Core Infrastructure and Impact Private Equity). We also plan to continue to seek strategic partnerships, including mergers and acquisitions, to expand our portfolio of products, our geographical reach and to strengthen our distribution channels.

Expand access to channels. While we have established a solid direct communication program with global institutional investors, we aim to continue leveraging our existing investor relations and marketing capabilities to access new relationships and investor segments. In addition to continuing to cultivate our rich direct relationships with our current global client base, we expect that deepening our relationships with distributors, private banks, and digital platforms may significantly enhance the marketing potential of our products in Brazil and Chile, in Latin America and globally.

Tap a growing demand for private market investment products in Latin America. We believe that we are uniquely positioned to reap the benefits of the financial deepening in Latin America, which is expected to continue growing demand for alternative investment products. We believe our platform has the investment track record and distribution expertise required to expand our capital raising in Latin America by leveraging and expanding our existing local investment products.

Environmental, Social and Corporate Governance—ESG

We have integrated relevant environmental, social and governance, or “ESG,” dimensions into our risk-return investment analysis and decisions. Our ESG approach is governed by our responsible investment policy, issued in 2019, aiming to create guidelines for the implementation of ESG initiatives. Our policy identifies how ESG-related elements are considered in investment decisions and asset management activities of our portfolio companies from inception/investment until divestment.

We believe our investments have positive impacts in the Latin American markets considering the volume of investments and the sensitivity of the industries in which they operate. With this, our investment philosophy is based on long-term value creation through strict investment guidelines and governance principles.

Our ESG risk management practices are a relevant part of our way of doing business and also an important support to our value creation proposal. To underpin this approach, in January 2020, we became a signatory to the Principles for Responsible Investment (PRI), an independent institution supported by the United Nations (UN).

Our ESG practice is based on three pillars:

- *Impact core business.* Investment, whenever possible, in companies whose core business has the potential to positively impact society: “*Real benefits for people, communities, the market and the countries where they operate.*”
- *Risk management.* ESG material risk management, which may negatively impact our stakeholders. We seek to define key performance indicators, or “KPIs,” and action plans for our portfolio companies that are aligned with our own governance and compliance standards: “*Do the right thing;*” and
- *ESG Initiatives.* Fostering ESG opportunities at portfolio level that are aligned with our values/constitution, focusing on value creation and positive financial returns: “*Turning ideas into real business opportunities.*”

Our approach to ESG integration along the investment cycle is summarized below:

| | |
|--------------------|--|
| Investments | <ul style="list-style-type: none">• IFC exclusion list is applicable to all investment screening processes;• Due Diligence with ESG factors to foster adherence to our policies;• Analysis of key ESG issues are a part of our investment committee decisions;• Have records of our investment committee review on the ESG topics; and• Evaluation of ESG opportunities that can generate results. |
| Monitoring | <ul style="list-style-type: none">• ESG topics follow-up by the ESG Forum (institutional KPIs) and by our management committee;• Business units are responsible for ESG risk management and monitoring; and• Annual reports. |
| Divestments | <ul style="list-style-type: none">• At the end of the investment cycle, we provide our potential buyers or future investors with information and reports about each company’s ESG risks and opportunities, managing practices and monitoring results. |

Our practice includes a team assigned to monitor the overall development of ESG issues at the institutional level and support the management of practices within the portfolio level. Our ESG governance structure is formed by our management committee, the ESG forum, our compliance committee as well as within the operation of each of our portfolio companies.

- *Management committee.* Our management committee defines ESG initiatives to be fostered in investments, aiming to generate value, either for the purpose of avoiding contingencies or for the purpose of generating direct financial return with cost reduction, asset appreciation, productivity gain, talent retention and decreased turnover, among others.

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- *ESG forum.* Our ESG forum is a working group with professionals from different areas across our company. It is responsible for reviewing ESG risk indicators to ensure consistency, setting a common taxonomy among them and fostering the implementation of ESG initiatives approved by the management committee, among others.
- *Compliance committee.* Our compliance committee is responsible for monitoring our ESG risks, including in our portfolio companies. It may investigate complaints or indications of potential noncompliance with our internal policies, applicable law and regulation and assessing whether to submit notices to regulatory bodies and other authorities when applicable. It is also responsible for recommending and applying internal sanctions to our employees.
- *Portfolio companies.* Our managers oversee our portfolio companies' ESG progress and are responsible for ensuring the consistency with the responsible investment policy, as well as incorporating ESG practices throughout the investment cycle. Methodology and procedures to address ESG issues may differ within our portfolio companies to allow each of them to focus on material aspects and on identifying risks and opportunities related to possible investments in advance. Overall, the ESG material risks are identified based on the Sustainability Accounting Standards Board, or "SASB," industry standards, and the opportunities are sought based on the United Nations sustainable development goals, or "SDGs."

We believe we have crafted a solid investment strategy, which has evolved since our inception, in line with our business philosophy of creating value with purpose. We target investments in key projects, which can contribute to the socioeconomic development of the regions in which they operate, and continually seek to improve ESG practices across all investments aiming to get better returns for our investors while creating value to society.

People & Career

We work tirelessly to attract, develop and maintain our talent. We believe in the collective, but we recognize the importance of each one of our team members. We look for the best in class, the problem-solvers, who approach challenging issues with an innovative and creative mindset, striving for excellence in everything they do. We value the proactive and hands-on individuals carrying an entrepreneurial spirit to transform ideas into real opportunities.

We and our portfolio companies offer multiple career and development opportunities, a combination of financial markets, strategic consulting and management within our investees. At Patria, each individual is ultimately responsible for their own career path, and our partnership is open to all based on meritocracy: performance and values.

Today, we have five titles of investment professionals. Our interns, analysts and associates go through rotations across different practice areas to enhance their development and to identify their talents. Our vice presidents and directors are encouraged towards specialization, in order to achieve elevated levels of performance. Finally, our managing directors and partners extend their range of operation and responsibility as partners with management responsibilities.

We have a simple yet structured employee life cycle. On recruiting, we run well-reasoned processes looking for people with our values and a good fit within our culture and the required technical background and compatible experience with their activity and seniority. On career development, we aim to have multiple learning possibilities, giving equal development opportunities to all employees. The speed of growth is individual and always related to performance. We also have processes to incentivize everyone to take an active approach towards planning and developing their careers. Regarding performance management, all of us are assessed at least annually through a 360-degree review where we are evaluated by our subordinates, superiors, peers and across practice areas. We have three ways of recognizing an investment professional's performance: (1) promotion; (2) allocation of additional responsibilities; and (3) compensation increase. Our compensation structure is consistently aligned with the performance of our funds and the investment cycle of our businesses. To match this business model, we deploy a competitive compensation package with an emphasis on variable and long-term compensation. Our short-term compensation consists of base salaries aligned with market standards and cash bonuses which are variable and designed to reward performance. Our long-term incentive plans were designed to foster adherence to our culture and values.

Corporate Management & Services Platform

Scalable and Robust Platform



- (1) 4-tier governance layers refer to the type of capacities present in our governance—strategy, protection, investment & divestment, managerial execution.

Our product lines act independently to preserve each of our funds’ mandates with their respective investors and strategies. Nevertheless, all products are managed as one company and profit from the synergies and scalabilities of a solid corporate services platform based out of our main corporate and management office in George Town, Cayman Islands.

Our corporate office is responsible for the management of the firm, including financial planning & analysis, accounting, tax, treasury, procurement, funds administration, legal, compliance and client onboarding functions. Our success is highly dependent on our people pushing for a solid human resources structure, which is composed of business partners distributed across areas and a corporate team. Our corporate team is responsible for all of our support positions and also for any activity which is better and more efficient when centralized, such as payroll and benefits. Our legal and compliance team is structured similarly, through business partners with specialized knowledge and working closely with our investment areas, as well as a strong corporate team. The corporate team not only leverages synergies and the efficiencies resulting from shared, centralized processes, such as a joint hotline channel, but also ensures that we act as a unit, follow our policies and code of ethics, supporting our values, principles and our way of conducting business across all our operations. Additionally, we make sure to partner with the best-in-class service providers available, with the appropriate technical and jurisdiction-specific expertise, building long-term solid relationships.

Our compliance, code of ethics & policies. We have developed a code of ethics and rules of conduct that reflects our mindset on how business should be done and how people should behave to preserve and protect our values and reputation. We have developed a robust set of policies to govern our daily activities, especially with regards to protecting the interests of our investors, including but not limited to: anti-money laundering, confidentiality, documentation retention, conflicts of interest, employee trading, gifts and entertainment.

Our Information Technology. We have state-of-the-art infrastructure technology aligned with best practices. We work for high performance and availability having all critical assets configured to be fault-tolerant to sustain operations in the event of a major failure. We keep appropriate backups through a disk-based approach with data deduplication and an “air-gapped” (or fully offline) backup. We have a comprehensive and highly available disaster recovery, or “DR,” strategy and solution with multiple layers of redundancy: our file and mail servers are replicated in real time to the DR site, our maximum data loss in the event of a disaster is 15 minutes, and we perform disaster recovery tests regularly. Finally, we are evolving towards browser-based applications, delivered through software as a service as they are easier to maintain, improve and roll out and are the right fit for most of our business activities, giving us the agility we need with known and recognized security structures.

We classify our security working effort in four categories: (1) *monitoring*—maintaining a diligent monitoring process aiming to identify potential threats in both internal and external environments; (2) *protecting*—implementing leading protection technologies ensuring confidentiality, integrity and availability; (3) *responding*—providing quick response, blocking and isolating the source of malicious behavior or content; and (4) *educating*—creating a security-aware culture through unique and innovative training exercises, constructing employee’s engagement.

On December 1, 2021, we completed our previously announced combination with Moneda Asset Management SpA, or “Moneda,” a leading asset manager headquartered in Chile. See “—A. History and Development of the Company—Our History—Combination with Moneda Asset Management” for additional information. Accordingly, we began consolidating Moneda and its subsidiaries as from December 1, 2021, and, accordingly, we are currently working on corporate management and services synergies between both firms.

Competition

We compete with a number of strategic buyers, wealthy individuals, private equity funds and other financial services companies such as hedge funds that seek acquisition opportunities in Brazil, Chile and other Latin American countries. The strategic buyers we expect to compete with will vary based on the industry in which the potential acquisition target operates. The asset management industry is intensely competitive, and we expect it to remain so. We compete both globally and on a regional, industry and sector basis. In particular, within our asset management business, we primarily compete in the market for investment products in private equity, infrastructure, credit, real estate sectors, fixed income instruments (private and public credit) and public equities and in fund distribution, including certain funds managed by third parties. Our asset management business competes with a number of private equity funds, specialized investment funds, hedge funds, funds of hedge funds and other sponsors managing pools of capital, as well as corporate buyers, traditional asset managers, commercial banks, investment banks and other financial institutions (including sovereign wealth funds). We compete on the basis of a number of factors, including investment performance, transaction execution skills, access to capital, access to and retention of qualified personnel, reputation, range of products and services, innovation and price.

In our asset management business, we compete with a larger number of financial institutions and asset managers which, in some cases, have much larger amounts of assets under management or offer a more diverse variety of financial products. We face competition both in the pursuit of outside investors for our investment funds and in acquiring investments in attractive portfolio companies and making other investments. Although many institutional and individual investors have increased the amount of capital they commit to alternative investment funds, such increases may create increased competition with respect to fees charged by our funds. Certain institutional and other sophisticated investors have demonstrated a preference to in-source their own investment professionals and to make direct investments in alternative assets without the assistance of private equity or public equity advisers like us. We compete for investments with such institutional investors and such institutional investors could cease to be our clients.

Depending on the investment, we face competition primarily from sponsors managing other funds, investment vehicles and other pools of capital, other financial institutions and institutional investors (including sovereign wealth and pension funds), corporate buyers and other parties. Several of these competitors have significant amounts of capital and many of them have investment objectives similar to ours, which may create additional competition for investment opportunities. Some of these competitors may also have a lower cost of capital and access to funding sources or other resources that are not available to us, which may create competitive disadvantages for us with respect to investment opportunities. In addition, some of these competitors may have higher risk tolerances, different risk assessments or lower return thresholds, which could allow them to consider a wider variety of investments and to bid more aggressively than us for investments. Corporate buyers may be able to achieve synergistic cost savings with regard to an investment or be perceived by sellers as otherwise being more desirable bidders, which may provide them with a competitive advantage in bidding for an investment.

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In addition, in recent years in Brazil, the equity capital markets have been a significant competition to our business by providing equity funds to companies in need of financing. The same applies to our business in public equities and fixed income funds managed by Moneda, which faces increasing competition to source institutional clients and in the distribution segment of offshore funds. In all of our businesses, competition is also intense for the attraction and retention of qualified employees. Our ability to continue to compete effectively in our businesses will depend upon our ability to attract new employees and retain and motivate our existing employees. For additional information concerning the competitive risks that we face, see “Item 3. Key Information—D. Risk Factors—Certain Factors Relating to Our Business and Industry—The asset management business is subject to substantial and increasingly intense competition.”

Regulatory Overview

We are subject to government authorizations in the jurisdictions in which we operate and conduct our activities.

Our subsidiary Pátria Investimentos Ltda. performs activities that are subject to regulation in Brazil by the CVM and is a member of the Brazilian Financial and Capital Markets Association (*Associação Brasileira das Entidades dos Mercados Financeiro e de Capitais*), or “ANBIMA,” and the Brazilian Private Equity and Venture Capital Association (*Associação Brasileira de Private Equity e Venture Capital*), or “ABVCAP.” As required by the applicable Brazilian regulation, both Pátria Investimentos Ltda., or the “Brazilian Regulated Entity,” is authorized to operate by the CVM, as follows:

- the Brazilian Regulated Entity is authorized to perform portfolio management services for all types of investment funds in Brazil, or “Investment Funds;” and
- the Brazilian Regulated Entity is authorized to provide fiduciary administration services for Brazilian investment funds.

The Brazilian Regulated Entity duly authorized to act in the distribution of quotas of the Investment Funds that are managed by it, pursuant to CVM Resolution No. 21/2021, which allows asset management companies to perform distribution activities, however, with certain restrictions in relation to an entity fully authorized as a member of the distribution system, such as not being able to distribute securities issued by third parties. To perform such distribution activities, the Brazilian Regulated Entity must comply with all CVM rules applicable to the members of the distribution system regarding (1) suitability requirements to the clients’ investor profile, (2) registration of clients, payment of redemptions, amortizations and/or investment orders to and from the clients’ accounts, (3) anti-money laundering, concealment of assets, rights and values prevention and (4) exchange of information between the distributor and the fiduciary administrator of the relevant Investment Fund, and appoint an officer to ensure that these rules are properly observed.

Furthermore, the Brazilian Regulated Entity is an exempt reporting adviser under the U.S. Investment Advisers Act of 1940, as amended, as it acts solely as an adviser to private funds and has assets under management, as defined in Rule 203(m)-1, in the United States of less than US\$150.0 million. See “Item 3. Key Information— D. Risk Factors—Certain Factors Relating to Our Business and Industry—If we are required to register under the Investment Advisers Act, our ability to conduct business could be materially adversely affected.”

Our subsidiaries in Bogota (Colombia) – Patria Investments Colombia S.A.S. – and Santiago (Chile) – Patria Investments Chile SpA – are non-regulated subsidiaries that provide investment advisory, marketing and investor relations activities. Our subsidiary in New York (United States) – Patria Investments US LLC – provides marketing and investor relations activities and is also a non-regulated subsidiary.

Our Cayman Islands subsidiary, Patria Finance Limited, is an exempt reporting adviser under the U.S. Investment Advisers Act of 1940, as amended, as it acts solely as an adviser to private funds and has assets under management, as defined in Rule 203(m)-1, in the United States of less than US\$150.0 million. See “Item 3. Key Information—D. Risk Factors—Certain Factors Relating to Our Business and Industry—If we are required to register under the Investment Advisers Act, our ability to conduct business could be materially adversely affected.”

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Patria Finance Limited is also registered with the Cayman Islands Monetary Authority, or “CIMA,” as a registered person under the Securities Investment Business Act (As Revised) of the Cayman Islands, or “SIBA.” SIBA and related regulations are the framework which governs the regulation of persons carrying on securities investment business in or from the Cayman Islands.

Patria Finance Limited holds a trade and business license in the Cayman Islands issued on March 13, 2018 by the Trade and Business Licensing Board under the Trade and Business Licensing Act (As Revised), which allows it to carry on trade or business in or from within the Cayman Islands. Patria Finance Limited has physical presence in the Cayman Islands and is registered with CIMA, as a registered person under the SIBA.

Moneda S.A. Administradora General de Fondos is a licensed Chilean investment manager subject to the Chilean funds law (Law No. 20,712), the Chilean securities law (Law No. 18,045) and the Chilean corporations law (Law No. 18,046). It is subject to the oversight and control of the Financial Markets Commission (*Comisión Para el Mercado Financiero*), or “CMF,” as well as the Financial Analysis Unit (*Unidad de Análisis Financiero*).

Moneda Corredores de Bolsa Limitada is a licensed Chilean stockbroker and custodian subject to the Chilean securities law. It is also subject to the oversight and control of the CMF.

Moneda USA, Inc. is a registered U.S. investment adviser, subject to the U.S. Investment Advisers’ Act of 1940, as amended. It is subject to the oversight and regulation by the U.S. Securities and Exchange Commission.

Moneda International Inc. is a licensed British Virgin Islands business company with license to deal in investments, arrange deals in investments, and act as investment manager and as an investment advisor. It is subject to the oversight and control of the British Virgin Islands Financial Services Commission.

Our subsidiaries in Montevideo (Uruguay), London (United Kingdom), Dubai (UAE), and Hong Kong (China) perform activities that require registration with and regulation by appropriate regulatory authorities in their jurisdictions, as follows:

- Hong Kong: license Type 1 Dealing in Securities, issued by the SFC (Securities and Futures Commission);
- Dubai: category 4 DIFC Investment Advisory License, issued by the Dubai International Financial Centre;
- U.K.: authorized as a MiFID Exempt CAD Firm by the FCA, an Exempt CAD firm with limited core Markets in Financial Instruments Directive (MiFID) activities and services: 1. A1 (Reception and transmission of orders in relation to one or more financial instruments); and 2. A5 (Investment advice); and
- Uruguay: authorized as a portfolio manager by the Central Bank of Uruguay. The license was granted on March 11, 2022.

Our SPAC subsidiaries in Cayman Islands (Patria SPAC LLC and Patria Latin American Opportunity Acquisition Corp.) are non-regulated entities and are not subject to the CIMA regulations.

Kamaroopin Gestora de Recursos Ltda., the asset manager in which we have acquired 40% of minority equity stake, is subject to regulation in Brazil by the CVM and is a member of the Brazilian Financial and Capital Markets Association (*Associação Brasileira das Entidades dos Mercados Financeiro e de Capitais*), or “ANBIMA,” and the Brazilian Private Equity and Venture Capital Association (*Associação Brasileira de Private Equity e Venture Capital*), or “ABVCAP.”

Main Regulatory Entities

The main regulatory authorities to which our subsidiaries are subject to are, in Brazil, the CVM, the Central Bank and the CMN; in the Cayman Islands, CIMA; and in Uruguay, the Central Bank of Uruguay. In addition, the Brazilian Regulated Entities are subject to the self-regulatory rules issued by B3, ANBIMA and ABVCAP. We present below a summary of the main duties and powers of the CVM, ANBIMA and ABVCAP.

CVM

The CVM is a federal regulatory authority responsible for implementing the CMN's policies related to the Brazilian capital market and for regulating, developing, controlling and inspecting the securities market.

The main responsibilities of the CVM are the following:

- regulating the Brazilian capital markets, in accordance with Brazilian Law No. 6,404, of December 15, 1976 (Brazilian Corporation Law) and Law No. 6,385, of December 7, 1976 (Brazilian Securities Law);
- setting rules governing the operation of the securities market;
- defining the types of financial institutions that may carry out activities in the securities market, as well as the kinds of transactions that they may perform and services that they may provide in such market;
- controlling and supervising the Brazilian securities market through, among others:
 - the approval, suspension and delisting of publicly held companies;
 - the authorization of brokerage firms to operate in the securities market and public offering of securities;
 - the supervision of the activities of publicly held companies, stock exchange markets, commodities and future markets, financial investment funds and variable income funds;
 - the requirement of full disclosure of relevant events that affect the market, as well as the publication of annual and quarterly reports by publicly held companies;
 - the imposition of penalties; and
 - permanently supervising the activities and services of the securities market, as well as the dissemination of information related to the market and the amounts traded therein, to market participants.

ANBIMA and ABVCAP

ANBIMA and ABVCAP are private self-regulatory associations of asset managers and other entities, which, among other things, establish rules as well as codes of best practices for entities operating in the Brazilian capital market. ANBIMA and ABVCAP also establish punitive measures in case of noncompliance with its rules. ABVCAP's self-regulatory authority is restricted to FIPs.

Pursuant to ANBIMA's bylaws, any change of control or change in the organization structure of a member—such as the merger of Patria Infraestrutura Gestão de Recursos Ltda. into Pátria Investimentos Ltda. or our initial public offering itself – has to be notified by such member to ANBIMA. ANBIMA may request that a member which had its control or organizational structure changed reapplies for association and the decision on the readmissions is subject to a discretionary decision of ANBIMA's ethical committee and the fulfillment of specific procedures.

Punitive Sanctions

Legal violations may lead to administrative, civil and criminal liability. Offenders may be prosecuted under all three legal theories separately, before different courts and regulatory authorities, and face different sanctions with respect to the same legal offense.

Law No. 13,506 and CVM Resolution No. 45 of August 31, 2021, as amended, regulate administrative sanctioning proceedings as well as the various penalties, consent orders, injunctive measures, fines and administrative settlements that may be imposed by the CVM. Among other matters, Law No. 13,506:

- limits fines imposed by the CVM to the greater of the following amounts: R\$50.0 million, twice the value of the irregular transaction or offering, three times the amount of the economic gain improperly obtained or loss improperly avoided, or twice the damage caused by the irregular conduct. Repeat offenders may be subject to triple the amounts above;

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- provides for the suspension, disqualification and prohibition from engaging in certain activities or transactions in the banking or securities market for a period of up to 20 years;
- imposes coercive or precautionary fines of up to the greater of between (1) 0.1% of the prior fiscal year's consolidated revenues of the economic group of the fined entity and (2) R\$100,000.00;
- prohibits offending institutions from participating in securities markets; and
- provides the CVM with the authority to ban the accused from contracting with official Brazilian financial institutions and participating in public bidding processes for a period of up to five years;

Penalties may be aggregated, and are calculated based on the following factors:

- gains obtained or attempted to be gained by the offender;
- economic capability to comply;
- severity of the offense;
- actual losses;
- any recurrence of the offense; and
- the offender's cooperativeness with the investigation.

Additionally, CVM Resolution No. 47, of August 31, 2021, provides for the application of fines for the delay in disclosing information the disclosure of which is required either periodically or eventually (ordinary fines) or as a consequence of a specific order from the CVM (extraordinary fines). Ordinary fines may amount to R\$1,000.00 per day, while extraordinary fines may amount to up to R\$10,000.00 per day, whereas, in case of an abnormality that needs correcting, the Board of Commissioners of the CVM may set extraordinary fines at the highest between (1) 0.1% of the last fiscal year's consolidated revenues of the economic group of the fined entity and (2) R\$100,000.00.

Relevant Applicable Law to Asset Management Activities in Brazil

Pursuant to Law No. 6,385 of December 7, 1976, as amended, or "Law No. 6,385/76," the distribution and issuance of securities in the market, trading of securities, management and settlement and/or clearance of securities transactions all require prior authorization by the CVM. The applicable regulatory framework in Brazil is further supplemented by regulation issued by the CVM, CMN and the Central Bank, and self-regulation policies, such as those issued by various associations, over-the-counter organized markets and securities exchanges, that govern their members and participants, (for example, B3, the ANBIMA and the ABVCAP).

Licensing Requirements

As to the asset management activities in Brazil, the CVM Resolution No. 21/2021 defines asset management activities as professional activities directly or indirectly related to the operation, maintenance and management of securities portfolios, including the investment of funds in the securities market on behalf of clients. CVM Resolution No. 21/2021 provides for two categories of asset managers: (1) fiduciary administrator and/or (2) portfolio manager.

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To be authorized by the CVM to engage in such activity, legal entities that operate as asset managers must (1) have its headquarters in Brazil; (2) have fiduciary administrator or securities portfolio management, as applicable, as a corporate purpose and be duly incorporated and registered with the Legal Entities Taxpayer Registration—CNPJ; (3) have one or more officers duly certified and approved by the CVM to take on liability for fiduciary administration or securities portfolio management, as applicable, pursuant to CVM Resolution No. 21/2021; (4) appoint a compliance officer and, in the case of portfolio managers, also a risk management officer; (5) appoint a distribution officer, if the entity distributes shares of Investment Funds administered or managed thereby, as applicable; (6) be controlled by reputable shareholders (direct and indirect), who have not been convicted of certain crimes detailed in article 3, VI of CVM Resolution No. 21/2021, and who are not unable or suspended from occupying a position in financial institution or other entities authorized to operate by the CVM, the Central Bank, SUSEP or PREVIC, and have not been banned from asset management activities by judicial or administrative decisions; (7) put in place and maintain personnel and IT resources appropriate for the size and types services to be rendered; and (8) execute and provide the applicable forms to the CVM so as to prove its capacity to carry out such activities, pursuant to CVM Resolution No. 21/2021.

Under CVM Resolution No. 21/2021, asset management services providers must, among other requirements, conduct their activities in good faith, with transparency, diligence and loyalty with respect to their clients and perform their duties with the aim of achieving their investment objectives.

This same regulation requires asset management services providers to maintain a website, with extensive current information, including, but not limited to (1) an updated annual filing form (*formulário de referência*); (2) a code of ethics; (3) rules, procedures and a description of internal controls in order to comply with CVM Resolution No. 21/2021; (4) a risk management policy; (5) a policy of purchase and sale of securities by managers, employees and the Company; (6) a pricing manual for assets from the securities portfolios managed by such asset manager, even if the manual has been developed by a third party; and (7) a policy of apportionment and division of orders among the securities portfolios.

Moreover, under CVM Resolution No. 21/2021, asset management firms are forbidden from (1) making public assurances of profitability levels based on the historical performance of portfolio and market indexes; (2) modifying the basic features of the services they provide without following the prior appropriate procedures under the asset management agreement and regulations; (3) making promises as to future results of the portfolio; (4) contracting or granting loans on behalf of their clients, subject to certain exceptions set out in regulation; (5) providing a surety, corporate guarantee, acceptance or becoming a joint obligor in any other form, with respect to the managed assets, except for the cases provided for in the public—private partnership guarantee fund by-laws and under certain circumstances set forth in the regulation; (6) neglecting, under any circumstances, the rights and intentions of the client; (7) trading the securities from the portfolios they manage with the purpose of obtaining brokerage revenues or rebates for themselves or third parties; or (8) subject to certain exceptions set out in the regulation, acting as a counterparty, directly or indirectly, to clients.

Internal Compliance Procedures

CVM Resolution No. 21/2021 requires that asset management firms maintain internal compliance procedures.

Regulation Against Money Laundering in Brazil

Law No. 9,613 of March 3, 1998, as amended, plays a major regulatory role in Brazil. The Anti-Money Laundering Law sets forth the rules and the penalties to be imposed upon persons engaging in activities that constitute “laundering” or the concealing of property, cash or assets acquired or resulting from any kind of criminal activity. Such regulation further prohibits individuals from using the financial system for the aforementioned illicit acts. The Anti-Money Laundering Law also created the Council of Control of Financial Activities (*Conselho de Controle de Atividades Financeiras*), or “COAF,” which operates under the Ministry of Economy. The purpose of the COAF is to investigate, examine, identify and impose administrative penalties in respect of any suspicious or unlawful activities related to money laundering in Brazil, without prejudice to the authority of other bodies and entities, as well as report suspicious criminal activities to the prosecutors and the police. Pursuant to the Anti-Money Laundering Law, banks, securities brokers, securities distributors, asset managers, leasing companies, credit card companies, insurance companies and insurance brokers, among others, must:

- identify and maintain up-to-date records of their clients, for a period of at least five years;
- keep up-to-date records of all transactions, for a period of at least five years, in Brazilian and foreign currencies, involving securities, bonds, credit, financial instruments, metals or any asset that if converted into cash exceeds the amount set forth by the competent authorities, and which shall be in accordance with the instruction issued by these authorities;

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- keep up-to-date records of all transactions, for a period of at least five years, in Brazilian and foreign currency, involving securities, bonds, credit, instruments, metals, or any asset that if converted into cash exceed the applicable minimum amount set forth by the relevant authorities, such transactions must be in accordance with guidance on amount, timing and counterparties from the relevant authorities;
- adopt anti-money laundering, or “AML,” internal control policies and procedures that are compatible with the size of the company;
- register and maintain up-to-date records with the appropriate regulatory agencies;
- comply with COAF’s requests and obligations;
- pay special attention to any transaction that, considering the provisions set forth by competent authorities, may indicate the existence of a money laundering crime; and
- confirm to the applicable regulatory agency that no offending transactions have occurred.

Currently, CVM Rule No. 50, of August 31, 2021, provides for rights, obligations and guidelines related to anti-money laundering and combating the financing of terrorism, or “AML/CFT,” procedures applicable to asset management firms, such as the Brazilian Regulated Entities.

The provisions of CVM Rule No. 50 are listed below:

- **Risk-Based Approach.** Through their internal rules, procedures and controls, the entities subject to CVM Rule No. 50 should define the scope of analysis in their registration procedures and AML/CFT in accordance with a group of considerations, such as: (1) the scope of activities performed by the regulated entity; (2) the scale; (3) the complexity and diversity of transactions; (4) the client base; among other aspects that can assist in measuring the level of risk inherent to the different existing business models. It is important to note that the risk-based approach comprises two aspects: the level of risk assigned to clients and that assigned to the entity’s products and services.
- **Exchange of information between entities of the same conglomerate.** Entities of the same conglomerate which are regulated by CVM should establish information exchange mechanisms in their AML/CFT policy to ensure greater synergy between different areas of internal controls. Such exchange of information raises a broad, unrestricted and timely perspective on information obtained by internal mechanisms to the officer responsible for AML/CFT.
- **Detailing duties of the officer responsible for AML/CFT and the possibility of appointing a single officer for the conglomerate.** CVM Rule No. 50 provides a description of the duties of the statutory officer responsible for AML/CFT in relation to the establishment of policies, procedures and internal controls of regulated entities, as well as the verification of their effectiveness.
- **Regulation of the obligations arising from Law No. 13,810/2019.** CVM Rule No. 50 is in alignment with Law No. 13,810/2019, which provides for the local enforcement of sanctions imposed by the United Nations Security Council resolutions, as well as the recommendations of the FATF.
- **Definition of steps for KYC procedures.** Entities subject to CVM Rule No. 50 shall adopt KYC procedures which at least include the following four (4) steps: (1) client identification; (2) onboarding; (3) due diligence; and (4) identification of beneficial owners.

- **Identification of Ultimate Beneficial Owner(s).** CVM Rule No. 50 provides a definition of ultimate beneficial owners as a “natural person or persons who jointly own, control or have direct or indirect significant influence on a client on behalf of whom a transaction is being conducted or benefits therefrom” and determines that regulated entities adopt procedures to identify ultimate beneficial owners. The same requirement applies to persons who exercise significant influence on the client, thus understood as the situation in which a natural person, whether the controller or not, actually influences decisions or holds more than twenty-five percent (25%) of the share capital of legal entities or the net equity of investment funds and other entities. It is important to note that the rule provides certain exceptions to the obligation on ultimate beneficial owners, such as in the case of publicly listed companies, registered investment funds (provided that they are not exclusive and managed by a CVM-authorized manager) or certain foreign investors.
- **Alternative onboarding systems and simplified onboarding process for nonresident investors.** CVM Rule No. 50 allows the using of alternative onboarding systems, if they meet the applicable rules and regulations, ensuring the protection of client information, as well as the maintenance and traceability of this information. Furthermore, said rule maintains the simplified onboarding tool for nonresident investors, or “NRIs.” It is worth mentioning that the simplified onboarding process does not exempt the regulated entity from conducting KYC procedures. Nevertheless, in line with the risk-based approach, the rule indicates a greater flexibility of deadlines for updating the onboarding information on clients of regulated entities.
- **Regulated entities that have no direct relationship with investors.** The rule expressly states that entities lacking direct contact with investors must adopt AML/CFT procedures that are compatible with the activities performed; for the purposes of the risk-based approach, the AML/CFT policy and its respective rules, procedures and internal controls of the entities that have a direct relationship with clients can be applied. Also, said entities lacking direct contact with investors should maintain a process for exchanging information with the entities that have direct contact with their clients, apart from other obligations indicated therein.

Relationships with Other Regulated Entities

The Brazilian Regulated Entities perform a range of fiduciary administration and portfolio management services to the Investment Funds under our management, as described above. In order to provide such services, the Brazilian Regulated Entity engages with local representatives and custodians to register and effect foreign investments in Brazil under CMN Rule 4,373, or the “4,373 Representatives and Custodians.” The 4,373 Representatives and Custodians are entities regulated by the CVM and the Central Bank, and are subject to the same AML/CFT rules described above, in addition to other rules on custody and representation applicable to nonresident investments in Brazil.

In addition, given that we currently only to perform fiduciary administration of Investment Funds that are FIPs, we engage third-party fiduciary administration to perform fiduciary administration services to our Investment Funds that are not FIPs, such as Real Estate Investment Trusts (*fundos de investimento imobiliário*—FIIs) or Credit Funds (*fundo de investimento em direitos creditorios* FIDC). In addition, in certain circumstances, we also delegate fiduciary administration services of the FIPs under our management.

Relevant Applicable Law to Securities Management Activities in the Cayman Islands

The Securities Investment Business Act (As Revised) of the Cayman Islands, or “SIBA,” sets out the legal framework governing the carrying-on of securities investment business and requires persons or entities conducting licensable or registerable securities investment business activities to be accordingly licensed by, or registered with, CIMA.

The objective of SIBA is to define licensable and registrable securities investment business activities, and through the supervision, regulation and enforcement of the Cayman Islands Monetary Authority, or “CIMA,” ensure the same are being conducted at all times by fit and proper persons in compliance with the provisions of SIBA (and any related regulations and guidance notes), other applicable Cayman Islands law and accepted supervisory standards for the conduct of such securities investment business.

Licensing Requirements

Any Cayman Islands company, limited liability company, or partnership (whether general, limited liability or exempted) incorporated or registered in the Cayman Islands which intends to conduct, in the course of business, any securities investment business is required either: (1) to obtain a license, granted by CIMA, under SIBA, or a “Licensee;” or (2) to become a registered person with CIMA under SIBA, or a “Registered Person” unless they fall under one of the SIBA exemption categories. The securities investment business activities of entities incorporated or established in the Cayman Islands will be considered to be carried on in or from within the Cayman Islands. SIBA also applies to those who purport to carry on relevant securities investment business activities (even if the relevant securities investment business activities are not in fact carried on by that person).

The exhaustive list of activities deemed to constitute the conduct of securities investment business is set out in Schedule 2 of SIBA and relevantly includes (but is not limited to):

- dealing in securities as agent or as principal, but only where the person dealing holds himself or herself out as dealing in securities at prices determined generally and continuously, or holds himself or herself out as engaging in the business of underwriting securities or regularly solicits members of the public to induce them to buy or subscribe for securities and the dealing results from such solicitation;
- arranging deals in securities (i.e., making arrangements in relation to securities with a view to another person (whether as a principal or an agent), buying, selling, subscribing for, or underwriting in securities, or a person who participates in the arrangements of buying, selling, subscribing for or underwriting securities);
- managing securities belonging to another person in circumstances involving the exercise of discretion; and
- investment advice (i.e., advising in relation to securities but only if the advice is given to someone in their capacity as investor or potential investor or in their capacity as agent for an investor or a potential investor and the advice is on the merits of that person (whether acting as principal or agent) buying, selling, subscribing for or underwriting a particular security or exercising any right conferred by a security to buy, sell, subscribe for or underwrite a security).

SIBA provides that Registered Persons must not conduct any securities investment business until they are in receipt of formal approval from CIMA to do so. Registered Persons are prohibited under SIBA from acting or functioning as a depositary in, or from within, the Cayman Islands. All Registered Persons are required to ensure that each and every shareholder, director and senior officer are “fit and proper persons” to the satisfaction of the CIMA. Registered Persons shall not be registered by CIMA “unless the applicant has satisfied CIMA that the applicant’s shareholders, directors and senior officers are fit and proper persons.” CIMA requires the submission and review of personal information in this regard and applies procedures in determining whether a person is fit and proper. Registered Persons of companies incorporated under the Companies Act must have a minimum of two directors, who are individuals or one corporate director each of whom is complying with the Directors Registration and Licensing Act, 2014, or the “DRLA.” Registered persons must account separately for their own funds and/or property, and the funds and/or property of each client.

Registered Persons must notify CIMA within 21 days of the occurrence of any of the following changes: (1) any changes to the information originally filed by the Registered Person in its application or annual declaration (save in respect of changes to client lists, which need be reflected only in each year’s annual declaration); (2) any change of directors or senior officers; (3) the issue, voluntary transfer or disposal of any legal or beneficial interest in any shares or interests; or (4) ceasing to carry on any securities investment business regulated activity in the Cayman Islands.

Cayman Islands Anti-Money Laundering Legislation

As a SIBA Registered Person, Patria Finance Limited is subject to the Anti-Money Laundering Regulations (As Revised) of the Cayman Islands (together with the Guidance Notes on the Prevention and Detection of Money Laundering, Terrorist Financing and Proliferation Financing in the Cayman Islands (or equivalent legislation and guidance, as applicable), and each as amended and revised from time to time, or “Cayman AML Regime”). The Cayman AML Regulations apply to anyone conducting “relevant financial business” in or from the Cayman Islands intending to form a business relationship or carry out a one-off transaction.

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Pursuant to the Cayman AML Regime, SIBA Registered Persons are required, in summary:

- to have anti-money laundering officers appointed; i.e., an anti-money laundering compliance officer, a money laundering reporting officer and a deputy money laundering reporting officer, or the “AML Officers;”
- to adopt and implement anti-money laundering, the countering of terrorist and counter proliferation financing, or “AML/CTF/CPF,” policies and procedures providing for the application of know-your-client, or “KYC,” client identification and verification procedures, a clearly documented “risk-based approach” to AML/CTF/CPF (including country risk analysis to identify acceptable countries determined by the Registered Person to have a “low risk” of money laundering, terrorist financing and proliferation financing), targeted financial sanctions screening processes, staff training and awareness, AML/CTF/CPF record keeping and internal reporting procedures in place to identify and report any suspicious activity; and
- to monitor, assess and test the AML/CTF/CPF procedures to ensure continuing internal compliance with all laws and regulations in relation to AML/CTF/CPF and any related sanctions under Cayman Islands law.

SIBA Registered Persons must act at all times in compliance with targeted financial sanction requirements under the Misuse of Drugs Act (As Revised), the Proceeds of Crime Act (As Revised), the Terrorism Act (As Revised) and the Proliferation Financing (Prohibition) Act (As Revised) to make a separate filing with the Financial Reporting Authority in the event that any assets relate to persons or entities subject to sanctions under those laws. Failure to comply would be a criminal offense and the directors, Officers and/or the AML Officers may also be held personally liable and subject to fines and/or imprisonment, if found to be negligent.

If any person in the Cayman Islands knows or suspects, or has reasonable grounds for knowing or suspecting that another person is engaged in criminal conduct or money laundering, or is involved with terrorism or terrorist financing and property, and the information for that knowledge or suspicion came to their attention in the course of business in the regulated sector, or other trade, profession, business or employment, the person will be required to report such knowledge or suspicion to (1) the Financial Reporting Authority of the Cayman Islands, or “FRA,” pursuant to the Proceeds of Crime Act (As Revised) of the Cayman Islands, or “PCL,” if the disclosure relates to criminal conduct or money laundering, or (2) a police officer of the rank of constable or higher, or the “FRA,” pursuant to the Terrorism Act, if the disclosure relates to involvement with terrorism or terrorist financing and property. If the issuer were determined by the Cayman Islands authorities to be in violation of the PCL, the Terrorism Act or the Cayman AML Regulations, the issuer could be subject to substantial criminal penalties and/or administrative fines.

Relevant Applicable Law to Asset Management Activities in Chile

Pursuant to Chilean Law No. 20,712 which replaced Law No. 18,815, the management of public funds in Chile may only be performed by regulated entities, namely general fund managers (*administradoras generales de fondos*). The applicable regulatory framework in Chile further comprises general regulations issued by the CMF and the Chilean securities law (Law No. 18,045).

Moneda S.A. Administradora General de Fondos is a special purpose corporation, whose existence requires the prior approval of the CMF and which may only manage third-party funds. There is a minimum capital requirement of CLF10,000.

Additionally, in order to manage public funds, there is a minimum guarantee requirement of the higher amount as between CLF10,000 and 1% of the average net worth of the fund.

Asset managers in Chile are established as corporations, therefore they must have a board to oversee compliance with the by-laws of the fund and with the legal and regulatory provisions applicable to the managers.

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Chilean law No. 20,712 provides for the following types of funds: (1) mutual funds; (2) non-redeemable investment funds; and (3) redeemable investment funds. The main distinction between these three types of funds is the payment date for redemptions where such are permissible. As of December 31, 2021, Moneda did not manage any mutual fund. A significant difference between redeemable investment funds and non-redeemable investment funds is that the latter does not allow for on-demand redemptions, whereas the former must pay redemptions within 11 days.

Financial Markets Commission

The Financial Markets Commission (*Comisión Para el Mercado Financiero*), or “CMF,” is the main financial regulator in Chile. Its objective is to oversee the proper operation, development and stability of the financial market. It has oversight over all open-ended corporations, issuers of securities, stockbrokers, insurance and reinsurance companies, mutualities, special purpose corporations and banks. The CMF is empowered to issue regulations on all those industries and to impose fines and sanctions (including the withdrawal of a license and the approval, suspension and delisting of issuers or securities).

The CMF has issued several regulations to implement the guidelines applicable to the funds, including general ruling No. 365, which describes the main features and requirements of a Chilean investment and mutual fund and the main marketing and contractual obligations levied on the manager of such funds.

Chilean Anti-Money Laundering Provisions

In 2003, Law No. 19,913 created the Financial Analysis Unit, the watchdog for money laundering and terrorist and other crimes financing. Under this law, a set of individuals in industries heavy on cash payments are required to report certain unusual transactions and keep records for at least five years, as well as appointing a compliance officer responsible for anti-money laundering.

In 2009, Law No. 20,393 established provisions to impose sanctions on legal entities in connection with money laundering, financing of terrorism, improper inducements and bribes among others.

Relevant Applicable Law to Securities Management Activities in Uruguay

Uruguayan Law No. 16,696 and No. 18,627 and the Compilation of Rules of the Securities Market (*Recopilación de Normas sobre el Mercado de Valores*), or “RNMV,” set out a legal framework governing the carrying on of securities management business activities and requires persons or entities conducting such activities to be licensed as “portfolio managers” by the Superintendence of Financial Services, or the “STS,” of the Central Bank of Uruguay, or “CBU,” and together, the “SFS/CBU.”

The RNMV provisions define the requirements for such licensed securities management business activities, and through the supervision, regulation and enforcement of SFS/CBU, provide that conduct is enforced through proper persons in compliance (and any related regulations and guidance notes), other applicable Uruguayan law and accepted supervisory standards for the conduct of such activities.

Licensing Requirements

Any Uruguayan company incorporated or registered in Uruguay which intends to conduct, in the course of business, any securities management activities is required to obtain a portfolio manager license, granted by the SFS/BCU, under the RNMV to become a “licensee.” The securities management business activities of entities incorporated or established in Uruguay will be considered to be carried on within Uruguay.

Pursuant to the RNMV, the main activity that defines the portfolio manager license and requires the prior authorization of the SFS/CBU to operate, includes managing clients’ portfolios: consists of managing, on a discretionary and individualized basis, clients’ securities, making decisions on behalf of clients based on their objectives and needs, and within the framework of managerial powers of attorney provided by the holders of such investments.

In addition, portfolio managers can carry out only the following activities in the securities market:

- provide investment advice on securities: delivering personalized recommendations that best suit the objectives and needs of clients in such matters of purchase, sale, lease, exchange or loan of securities, both publicly and privately offered, as well as maintaining or exercising any right conferred by such securities;
- channel orders received from clients: channel to brokers such previously received orders from clients, for their execution both in formal trading markets (regulated and supervised by the financial authorities of the country where they are located) and outside the sphere of such markets (over-the-counter markets-OTC);
- refer clients to other financial institutions: connect the client with such institutions and provide the necessary assistance to open an account in the respective institution; and
- prepare investment reports and financial analysis relating to local or foreign securities markets, and to deliver general or non-personalized recommendations relating to securities.

The RNMV provides that portfolio managers must not conduct any securities management business activities until they are in receipt of formal approval from the SFS/CBU to do so. Portfolio managers are not allowed under the RNMV from acting or functioning as a depositary within Uruguay. All portfolio managers are required to ensure that each and every shareholder, ultimate beneficial owner, director and senior officer are “fit and proper persons” to the satisfaction of the SFS/CBU. The SFS/CBU requires the submission and review of personal information in this regard and applies procedures in determining whether a person is fit and proper. The SFS/CBU also requires the submission of a code of good practices and code of ethics to be adopted by portfolio managers, in accordance with the compilation of the stock exchange rules, and the constitution of a guarantee in favor of the CBU, for any obligations portfolio managers may assume with said entity or third parties in the course of the manager’s activity, as well as establishing a deposit with the CBU in the terms of the compilation of the stock exchange rules.

During the course of their activities, portfolio managers must notify the SFS/BCU of any changes made in the information submitted within a maximum term of 10 working days of their occurrence. They must also request prior authorization from the SFS/BCU to issue or transfer shares and to hire services from third parties that are inherent to their business, to inform the persons who are responsible for the execution of the procedures for safeguarding data, software and documentation; to communicate any changes in relation to indirect shareholders or ultimate beneficial owners, as well as to inform any relevant fact or special situation that may affect the development of its activity or the situation of its clients, immediately when it occurs or comes to its knowledge, not being able to exceed the following working day; to annually submit consolidated annual financial statements of the group to which the portfolio manager belongs, accompanied by the compilation report and individual annual financial statements, accompanied by the compilation report.

Uruguay Anti-Money Laundering Legislation

As a portfolio manager, Patria Investments Uruguay S.A. is subject to the Anti-Money Laundering Regulations of Uruguay, or the “Uruguay AML Regime.”

Pursuant to the Uruguay AML Regime, portfolio managers are required to:

- have anti-money laundering officers appointed;
- adopt and implement anti-money laundering, the countering of terrorist and counter proliferation financing, or “AML/CTF/CPF,” policies and procedures providing for the application of know-your-client” “KYC,” client identification and verification procedures, a clearly documented “risk-based approach” to AML/CTF/CPF (including country risk analysis to identify acceptable countries determined by the portfolio manager to have a “low risk” of money laundering, terrorist financing and proliferation financing), targeted financial sanctions screening processes, staff training and awareness, AML/CTF/CPF record keeping and internal reporting procedures in place to identify and report any suspicious activity; and
- monitor, assess and test the AML/CTF/CPF procedures to ensure continuing internal compliance with all laws and regulations in relation to AML/CTF/CPF and any related sanctions under Uruguayan law; and

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- produce reports of suspicious operations before the corresponding authority of the CBU, according to the Uruguay AML Regime.

If any employee of Patria Investments Uruguay S.A. knows or suspects, or has reasonable grounds for knowing or suspecting that another person is engaged in criminal conduct or money laundering, or is involved with terrorism or terrorist financing and property, and the information for that knowledge or suspicion came to their attention in the course of business in the regulated sector, or other trade, profession, business or employment, the person will be required to report such knowledge or suspicion to the Financial Analysis Unit of the CBU.

C. Organizational Structure

On December 1, 2020, we entered into a purchase agreement among Blackstone and certain of its affiliates, Messrs. Alexandre T. de A. Saigh, Olimpio Matarazzo Neto and Otavio Lopes Castello Branco Neto, or the “Founders,” and certain entities affiliated with the Founders, or the “Founder Entities,” and Patria Brazil, in connection with the Purchase and Roll-Up. See “—A. History and Development of the Company—Our History—Corporate Reorganization” for additional information regarding our corporate reorganization.

For a chart showing our corporate structure and equity ownership after giving effect to our corporate reorganization and combination with Moneda, see “Presentation of Financial and Other Information—Corporate Events.” Such chart is provided for illustrative purposes only and does not show all of the legal entities.

D. Property, Plants and Equipment

Intellectual Property

Most of our services are based on the jurisdictions in which we have offices. We rely on a combination of copyright, industrial property, and software laws, as well as employee and third-party nondisclosure, confidentiality and other types of contractual arrangements to establish, maintain and enforce our intellectual property rights, including with respect to our proprietary rights related to our products and services. In addition, we license technology from third parties.

As of December 31, 2021, we owned a number of trademarks, including, but not limited to, Patria Investimentos, Patria Investments, Moneda and Moneda Asset Management, to identify several business and financial services, in Brazil, Chile, UK and other jurisdictions, mostly in Latin America and the European Union. We also own other valuable trademarks and designs covering various brands, products, programs and services, including Pátria Finance, Pátria Real Estate, Banco Pátria, Moneda Corredores de Bolsa and Moneda Asset. We have a number of registered copyrights, software and domain names.

Properties

We lease our corporate business and management office, which is located in 18 Forum Lane, 3rd floor, Camana Bay, PO Box 757, KY1-9006, Grand Cayman, Cayman Islands. We also lease additional office space in São Paulo (Brazil), Montevideo (Uruguay), Bogota (Colombia), and Santiago (Chile), New York (United States), London (United Kingdom), Dubai (UAE), and Hong Kong (China). We do not own any property. We understand our current facilities are suitable for our business needs and that adequate additional space will be available as and when needed.

ITEM 4A. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

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 “Item 3. Key Information—D. Risk Factors.”

A. Operating Results

The following discussion of our financial condition and results of operations should be read in conjunction with our audited consolidated financial statements as of the years ended December 31, 2021, 2020 and 2019 and the notes thereto, included elsewhere in this annual report, as well as the information presented under “Presentation of Financial and Other Information.”

Overview

We are a leading global alternative investment firm focused on Latin America, with combined assets under management, or “AUM,” of US\$23.8 billion and US\$14.4 billion as of December 31, 2021 and 2020, respectively. With offices in nine cities across four continents, we serve over 500 limited partners, or “LPs.” Our current product offering encompasses six product lines – private equity, infrastructure, credit, public equities, real estate, and advisory and distribution. As of December 31, 2021 and 2020, we had 60 and 16 active funds, respectively.

We seek to provide global and Latin American investors with attractive investment products that allow for portfolio diversification and consistent returns, aiming to be their partner of choice when investing in alternatives in Latin America. We have two flagship strategies: (1) private equity, launched in 1994 (US\$9.0 billion and US\$8.6 billion in AUM as of December 31, 2021 and 2020, respectively, and currently in the market for its seventh vintage fund); and (2) infrastructure, launched in 2006 (US\$5.1 and US\$4.7 billion in AUM as of December 31, 2021 and 2020, respectively, and in its fourth vintage). These flagship strategies utilize drawdown fund structures, which we define as illiquid, closed-end funds in which upfront capital commitments are allocated to investments, and funded through capital calls from limited partners over the contractual life of the fund, which typically ranges from 10 to 14 years. Over multiple fund vintages, these strategies have generated solid returns allowing their sustained growth. The consolidated equal-weighted net internal rate of return, or “IRR,” in U.S. dollars for all our flagship private equity and infrastructure products since inception was 28.7% and 28.8% as of December 31, 2021 and 2020, respectively (30.5% and 31.0% in Brazilian *reais*, respectively). We have overseen the deployment of more than US\$20 billion through capital raised by our drawdown products, capital raised in IPOs and follow-ons, debt raised by underlying companies and capital expenditures sourced from operational cash flow of underlying companies, with approximately 100 investments and over 265 underlying acquisitions as of December 31, 2021.

Our credit and public equities strategies gained traction with our combination with Moneda Asset Management concluded in December 2021. As of December 31, 2021 and 2020, the total AUM for our credit platform was US\$5.0 billion and US\$0.2 billion, respectively. As of the same dates, the total AUM for our public equities products was US\$2.2 billion and US\$0.3 billion, respectively.

In addition to these products, we believe we have a compelling opportunity to develop our additional two asset classes. Our real estate strategy is currently focused on real estate investment trusts, or “REITs,” to leverage on the ongoing financial deepening in Latin America. Our advisory and distribution platform, launched as a result of our combination with Moneda, had an aggregate AUM of US\$2.1 billion as of December 31, 2021. We expect it to play an important role on our aspiration of becoming the conduit of capital for alternative investments coming both to and from Latin America.

Our successful track record derived from our strategy and our strong capabilities has attracted a committed and diversified base of investors, with over 500 Limited Partners, or “LPs,” across four continents, including some of the world’s largest and most important sovereign wealth funds, public and private pension funds, insurance companies, funds of funds, financial institutions, endowments, foundations, and family offices. We have built long-term and growing relationships with our LPs: as of December 31, 2021, approximately 80% of our capital raised by our flagship funds came from LPs who invested in more than one of our products. We believe our historical returns in U.S. dollars are particularly notable in view of the levels of currency volatility and our historically limited use of leverage, which, we also believe, made us better investors focused on value creation, strategy execution and operational excellence, with more limited reliance upon financial engineering.

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Consistent with our entrepreneurial culture and our aim to provide attractive investment opportunities to our growing and progressively more sophisticated client base, we have applied our core competencies to develop other products around our strategy. From our initial flagship private equity funds, we developed other investment options, such as our infrastructure funds, co-investments funds (focused on successful companies from our flagship funds) and Constructivist Equity Funds (applying our private equity approach to listed companies). Our IPO allows us to go further and expand our product offerings inorganically – exemplified by our sizable credit, public equities and advisory and distribution platforms originated or expanded by our combination with Moneda Asset Management.

As of December 31, 2021, we had 390 professionals, of which 78 were partners and directors, 34 of these working together for more than 10 years, operating in nine offices around the globe, including investment offices in, Montevideo (Uruguay), São Paulo (Brazil), Bogotá (Colombia), and Santiago (Chile), as well as client-coverage offices in New York (United States), London (United Kingdom), Dubai (UAE), and Hong Kong (China) to cover our LP base, in addition to our corporate business and management office in George Town (Cayman Islands).

Key Business Metrics

The following table sets forth our key business metrics as of and for the periods indicated. These supplemental business metrics are presented to assist investors to better understand our business and how it operates. This annual report uses the terms AUM, FEAUM, Performance Revenue Eligible AUM, and net accrued performance fee, for which the definitions are presented below. We strongly advise that these measures may differ from the calculations of other companies, and as a result, may not be comparable to similar ones.

The following table presents certain key operating performance metrics for the years ended December 31, 2021, 2020 and 2019:

| | For the Years Ended December 31, | | | | |
|---|----------------------------------|-----------------|-----------------|---------------------|---------------------|
| | 2021 | 2020 | 2019 | 2021/2020 Change | 2020/2019 Change |
| | (in US\$ millions) | | | | |
| Assets Under Management (AUM) | 23,815.1 | 14,407.9 | 14,748.4 | 9,407.3 | (340.5) |
| Private Equity AUM | 9,017.2 | 8,627.2 | 8,510.6 | 390.0 | 116.6 |
| Infrastructure AUM | 5,059.9 | 4,710.0 | 4,764.8 | 349.9 | (54.8) |
| Credit AUM | 4,981.4 | 242.0 | 298.5 | 4,739.4 | (56.5) |
| Public Equities AUM | 2,245.0 | 259.5 | 228.0 | 1,985.5 | 31.5 |
| Real Estate AUM | 365.7 | 569.2 | 946.5 | (203.5) | (377.3) |
| Advisory & Distribution AUM | 2,146.0 | — | — | 2,146.0 | — |
| Fee Earning AUM | 17,929.9 | 7,712.9 | 6,869.5 | 10,217.0 | 843.4 |
| Private Equity AUM | 4,941.9 | 3,346.9 | 2,958.3 | 1,595.0 | 388.6 |
| Infrastructure AUM | 3,520.6 | 3,318.2 | 3,186.8 | 202.4 | 131.4 |
| Credit AUM | 4,926.8 | 115.5 | 15.9 | 4,811.3 | 99.6 |
| Public Equities AUM | 2,239.2 | 256.4 | 126.8 | 1,982.7 | 129.6 |
| Real Estate AUM | 413.5 | 675.8 | 581.7 | (262.3) | 94.2 |
| Advisory & Distribution AUM | 1,887.9 | — | — | 1,887.9 | — |
| Performance Revenue Eligible AUM | 15,893.1 | 12,292.0 | 12,480.9 | 3,601.1 | (188.9) |
| Private Equity AUM | 8,294.0 | 7,757.1 | 7,460.9 | 536.9 | 296.2 |
| Infrastructure AUM | 3,974.7 | 3,849.1 | 4,071.2 | 125.6 | (222.1) |
| Credit AUM | 2,345.1 | 235.7 | 298.5 | 2,109.4 | (62.8) |
| Public Equities AUM | 1,122.3 | 169.6 | 130.4 | 952.7 | 39.2 |
| Real Estate AUM | 157.0 | 280.5 | 519.9 | (123.5) | (239.4) |
| Advisory & Distribution AUM | — | — | — | — | — |
| Net Accrued Performance Fee | 348.1 | 276.4 | 291.9 | 71.7 | (15.5) |

Assets Under Management

Our AUM provides our operational size and market share perspective. AUM is the total capital funds managed by us plus the investments directly made by others in the invested companies (co-investments).

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The following table reflects the changes in our AUM for the years ended December 31, 2021 and 2020:

| | Private Equity | Infra- structure | Credit | Public Equities | Real Estate | Advisory & Distribution | Total |
|------------------------------------|--------------------|---------------------|----------------|--------------------|----------------|----------------------------|-----------------|
| | (in US\$ millions) | | | | | | |
| AUM as of December 31, 2020 | 8,627.2 | 4,710.0 | 242.0 | 259.5 | 569.2 | — | 14,407.9 |
| Acquisitions | — | — | 4,733.0 | 2,088.0 | — | 2,146.0 | 8,967.0 |
| Inflows | 14.9 | 138.6 | — | 21.8 | — | — | 175.3 |
| Outflows | (180.1) | (45.0) | (32.4) | — | (5.9) | — | (263.4) |
| Valuation Impact | 1,058.3 | 416.8 | (9.8) | (84.2) | (49.5) | — | 1,331.6 |
| Foreign Exchange (FX) | (533.1) | (219.0) | (18.3) | (11.6) | (22.1) | — | (804.2) |
| Funds capital variation | 30.0 | 58.5 | 66.9 | (28.5) | (126.0) | — | 0.9 |
| AUM as of December 31, 2021 | 9,017.2 | 5,059.9 | 4,981.4 | 2,245.0 | 365.7 | 2,146.0 | 23,815.1 |

Our AUM was US\$23,815.1 million as of December 31, 2021, an increase of US\$9,407.3 million, compared to US\$14,407.9 million as of December 31, 2020. The increase in AUM was mainly due to acquisitions, valuation increase (mainly from invested companies of PE V, PE VI and PE IV Funds) and new capital raised (mainly Infra Core). These increases were partially offset by exchange rate variation and divestments, primarily from PE III and PE V.

The following table reflects the changes in our AUM for the years ended December 31, 2020 and 2019:

| | Private Equity | Infra- structure | Credit | Public Equities | Real Estate | Advisory & Distribution | Total |
|------------------------------------|--------------------|---------------------|--------------|--------------------|----------------|----------------------------|-----------------|
| | (in US\$ millions) | | | | | | |
| AUM as of December 31, 2019 | 8,510.6 | 4,764.8 | 298.5 | 228.0 | 946.5 | — | 14,748.4 |
| Acquisitions | — | — | — | — | — | — | — |
| Inflows | — | 1,215.5 | — | 62.0 | 144.5 | — | 1,422.0 |
| Outflows | (136.3) | (856.3) | — | — | (45.6) | — | (1,038.2) |
| Valuation Impact | 1,852.3 | 34.9 | 10.2 | 64.5 | (402.8) | — | 1,559.0 |
| Foreign Exchange (FX) | (1,741.2) | (694.1) | (51.3) | (80.2) | (82.8) | — | (2,649.6) |
| Funds capital variation | 141.8 | 245.2 | (15.4) | (14.7) | 9.4 | — | 366.3 |
| AUM as of December 31, 2020 | 8,627.2 | 4,710.0 | 242.0 | 259.5 | 569.2 | — | 14,407.9 |

Our AUM was US\$14,407.9 million as of December 31, 2020, a decrease of US\$340.5 million, compared to US\$14,748.4 million as of December 31, 2019. The decrease in AUM was mainly due to divestments, primarily from our PE fund III, PE fund IV, Infra fund II and Infra fund III, and also due to exchange rate variations on our assets denominated in Brazilian *reais*. These decreases were partially offset by new capital raisings (mainly Infra IV), a valuation increase mainly from invested companies of PE V Fund, and an increase in funds capital variation (mainly related to usage of fund level credit facility, capital recycling and cash balances)

Fee Earning AUM

Our FEAUM assesses our capability of generating recurring operating revenues. FEAUM is the total capital managed by us on which derive management fees.

The following table reflects the changes in our FEAUM for the years ended December 31, 2021 and 2020:

| | Private Equity | Infra- structure | Credit | Public Equities | Real Estate | Advisory & Distribution | Total |
|--------------------------------------|--------------------|---------------------|----------------|--------------------|----------------|----------------------------|-----------------|
| | (in US\$ millions) | | | | | | |
| FEAUM as of December 31, 2020 | 3,346.9 | 3,318.2 | 115.5 | 256.4 | 675.8 | — | 7,712.9 |
| Acquisitions | — | — | 4,733.2 | 2,080.8 | — | 1,887.9 | 8,701.9 |
| Inflows | 1,670.6 | 393.9 | 123.1 | 23.5 | 11.1 | — | 2,222.2 |
| Outflows | (74.1) | (197.3) | (3.6) | (25.1) | (238.1) | — | (538.2) |
| Valuation Impact | 0.0 | 2.5 | (30.3) | (77.5) | (23.7) | — | (129.0) |
| Foreign Exchange (FX) and Other | (1.6) | 3.3 | (11.2) | (18.9) | (11.6) | — | (40.0) |
| FEAUM as of December 31, 2021 | 4,941.9 | 3,520.6 | 4,926.8 | 2,239.2 | 413.5 | 1,887.9 | 17,929.9 |

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Our FEAUM was US\$17,929.9 million as of December 31, 2021, an increase of US\$10,217.0 million, compared to US\$7,712.9 million as of December 31, 2020. This increase was driven by: (1) US\$8,701.9 million added by our combination with Moneda; (2) US\$134.4 million from new capital raised mainly for our Infra Core Fund; (3) US\$2,087.8 million of additional capital deployment; and (4) US\$49.7 million due to inflation adjustment over our Brazilian funds' Fee Earning AUM. This increase was partially offset by a decrease of: (a) US\$344.2 million from divestments; (b) US\$194.0 million mainly due to the fact that we stopped charging management fees from RE II and Farmland Funds; (c) US\$129.0 million of valuation impact mainly over PIPE Funds' Fee Earning AUM and (d) US\$89.7 million resulting from foreign exchange variation over our FEAUM denominated in Brazilian *reais*.

The following table reflects the changes in our FEAUM for the years ended December 31, 2020 and 2019:

| | Private Equity | Infra- structure | Credit | Public Equities | Real Estate | Advisory & Distribution | Total |
|--------------------------------------|--------------------|---------------------|--------------|--------------------|----------------|----------------------------|----------------|
| | (in US\$ millions) | | | | | | |
| FEAUM as of December 31, 2019 | 2,958.3 | 3,186.8 | 15.9 | 126.8 | 581.7 | — | 6,869.5 |
| Acquisitions | — | — | — | — | — | — | — |
| Inflows | 401.7 | 687.6 | 133.0 | 144.5 | 171.7 | — | 1,538.6 |
| Outflows | (1.1) | (493.8) | — | — | (18.2) | — | (513.0) |
| Valuation Impact | — | — | — | 61.3 | — | — | 61.3 |
| Foreign Exchange (FX) and Other | (12.0) | (62.5) | (33.4) | (76.2) | (59.4) | — | (243.5) |
| FEAUM as of December 31, 2020 | 3,346.9 | 3,318.2 | 115.5 | 256.4 | 675.8 | — | 7,712.9 |

Our FEAUM was US\$7,712.9 million as of December 31, 2020, an increase of US\$843.4 million, compared to US\$6,869.5 million as of December 31, 2019. This increase was driven by: (1) US\$1,245.7 million in new capital raised mainly for PE VI and Infra IV funds; (2) US\$292.9 million of additional capital deployment; (3) US\$61.3 million of valuation impact over PIPE Funds' Fee Earning AUM and (iv) US\$9.7 million due to inflation adjustment over our Brazilian funds' fee earning AUM. This increase was partially offset by a decrease of: (a) US\$158.8 million from divestments; (b) US\$354.2 million due to the change from investment period to divestment period for our Infra III fund, by which the fee earning AUM changed from committed to deployed capital; and (c) US\$253.2 million resulting from foreign exchange variation over our FEAUM denominated in Brazilian *reais*.

Performance Revenue Eligible AUM

Performance Revenue Eligible AUM, or "PREAUM," measures our capability of generating performance-based revenues and/or incentive fees. It represents the total capital at fair value, on which performance revenues and/or incentive fees could be earned if certain hurdles are met.

The following table reflects the changes in our PREAUM for the years ended December 31, 2021 and 2020:

| | Private Equity | Infra- structure | Credit | Public Equities | Real Estate | Advisory & Distribution | Total |
|---------------------------------------|--------------------|---------------------|----------------|--------------------|----------------|----------------------------|-----------------|
| | (in US\$ millions) | | | | | | |
| PREAUM as of December 31, 2020 | 7,757.1 | 3,849.1 | 235.7 | 169.6 | 280.5 | — | 12,292.0 |
| Acquisitions | — | — | 2,102.4 | 1,019.7 | — | — | 3,122.1 |
| Inflows | — | — | — | 14.2 | — | — | 14.2 |
| Outflows | (171.6) | (38.6) | (32.4) | — | (3.6) | — | (246.3) |
| Valuation Impact | 1,168.2 | 315.9 | (9.6) | (55.0) | (10.2) | — | 1,409.2 |
| Foreign Exchange (FX) | (482.6) | (146.5) | (85.3) | (7.6) | (7.8) | — | (729.8) |
| Funds capital variation | 22.9 | (5.1) | 134.3 | (18.6) | (101.9) | — | 31.6 |
| PREAUM as of December 31, 2021 | 8,294.0 | 3,974.7 | 2,345.1 | 1,122.3 | 157.0 | — | 15,893.1 |

Our PREAUM was US\$15,893.1 million as of December 31, 2021, an increase of US\$3,601.1 million, compared to US\$12,292.0 million as of December 31, 2020. In comparison to the AUM, the overall adjustments are related to the elimination of the assets that do not generate performance fees.

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The following table reflects the changes in our PREAUM for the years ended December 31, 2020 and 2019:

| | Private Equity | Infra- structure | Credit | Public Equities (in US\$ millions) | Real Estate | Advisory & Distribution | Total |
|---------------------------------------|-------------------|---------------------|--------------|--|----------------|----------------------------|-----------------|
| PREAUM as of December 31, 2019 | 7,460.9 | 4,071.2 | 298.5 | 130.4 | 519.9 | — | 12,480.9 |
| Acquisitions | — | — | — | — | — | — | — |
| Inflows | — | 908.2 | — | 38.5 | — | — | 946.7 |
| Outflows | (129.6) | (639.0) | — | — | (21.9) | — | (790.5) |
| Valuation Impact | 1,853.3 | (42.9) | 3.8 | 40.0 | (173.5) | — | 1,680.7 |
| Foreign Exchange (FX) | (1,509.1) | (477.9) | (51.2) | (30.2) | (45.5) | — | (2,113.9) |
| Funds capital variation | 81.6 | 29.5 | (15.4) | (9.1) | 1.5 | — | 88.1 |
| PREAUM as of December 31, 2020 | 7,757.1 | 3,849.1 | 235.7 | 169.6 | 280.5 | — | 12,292.0 |

Our PREAUM was US\$12,292.0 million as of December 31, 2020, a decrease of US\$188.8 million, compared to US\$12,480.9 million as of December 31, 2019. In comparison to the AUM, the overall adjustments are related to the elimination of the assets that do not generate performance fees.

Net Accrued Performance Fee

Our net accrued performance fee measures the current total expectation of cash inflow from performance fee related to our operational funds by the end of each period.

The following table reflects the changes in our net accrued performance fee for the years ended December 31, 2021 and 2020:

| | (in US\$ millions) |
|--|-----------------------|
| Net accrued performance fee as of December 31, 2020 | 276.4 |
| Private Equity Fund III | (55.4) |
| Private Equity Fund IV | (0.0) |
| Private Equity Fund V | 40.8 |
| Private Equity Fund VI | 28.9 |
| Infrastructure II | 0.1 |
| Infrastructure III | 51.8 |
| Infrastructure IV | 5.1 |
| Agribusiness I | (0.0) |
| Alturas II | 0.4 |
| Net accrued performance fee as of December 31, 2021 | 348.1 |

Our net accrued performance fee was US\$348.1 million on December 31, 2021, an increase of US\$71.7 million, compared to US\$276.4 million on December 31, 2020. The increase was primarily due to the valuation increase from invested companies of Infra III, PE V and PE VI funds. This increase was partially offset by: (1) realization of performance fee from PE III and (2) depreciation of the Brazilian *real* against the U.S. dollar in the period.

The following table reflects the changes in our net accrued performance fee for the years ended December 31, 2020 and 2019:

| | (in US\$ millions) |
|--|-----------------------|
| Net accrued performance fee as of December 31, 2019 | 291.8 |
| Private Equity Fund III | (18.6) |
| Private Equity Fund IV | (86.8) |
| Private Equity Fund V | 119.4 |
| Private Equity Fund VI | 13.9 |
| Infrastructure II | (0.2) |
| Infrastructure III | (44.1) |
| Infrastructure IV | 1.0 |
| Agribusiness I | (0.0) |
| Net accrued performance fee as of December 31, 2020 | 276.4 |

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Our net accrued performance fee was US\$276.4 million on December 31, 2020, a decrease of US\$15.4 million, compared to US\$291.8 million on December 31, 2019. The decrease was primarily due to the depreciation of the Brazilian *real* against the U.S. dollar in the period.

Non-GAAP Financial Measures and Reconciliations

This annual report presents our fee-related earnings, distributable earnings and their respective reconciliations for the convenience of investors, which are Non-GAAP financial measures. A Non-GAAP financial measure is generally defined as a numerical measure of historical or future financial performance, financial position, or cash flow that purports to measure financial performance but excludes or includes amounts that would not be so adjusted in the most comparable IFRS measure. For further information on why our management chooses to use these Non-GAAP financial measures, and on the limits of using these Non-GAAP financial measures, please see “Presentation of Financial and Other Information—Special Note Regarding Non-GAAP Financial Measures.”

| | For the Years Ended December 31, | | | | |
|--------------------------------|----------------------------------|------|------|---------------------|---------------------|
| | 2021 | 2020 | 2019 | Change 2021/2020 | Change 2020/2019 |
| | (in US\$ millions) | | | | |
| Net income for the year | 121.3 | 61.9 | 60.9 | 59.4 | 1.0 |
| Fee Related Earnings (FRE)(1) | 86.0 | 71.3 | 63.0 | 14.7 | 8.3 |
| Distributable Earnings (DE)(2) | 141.3 | 70.3 | 63.4 | 71.0 | 6.9 |

- (1) Reconciled as income before income tax less revenue from performance fees net of taxes, other income/(expenses) and net financial income/(expense), plus personnel expenses related to Officers’ fund long-term benefit plan, performance share plan, performance fee compensation, deferred consideration and carry bonus provision, plus amortization of contractual rights and brand amortization. For a reconciliation of our FRE to income before income tax for the year, see “—Fee Related Earnings (FRE)” below.
- (2) Reconciled as net income adjusted for deferred taxes, amortization of contractual rights, personnel expenses related to Officers’ fund long-term benefit plan, Deferred Consideration and Performance share Plan, and non-recurring expenses mainly consisting of transaction costs and initial public offering expenses. For a reconciliation of our DE to net income for the year, see “—Distributable Earnings (DE)” below.

Fee Related Earnings (FRE)

| | For the Years Ended December 31, | | | | |
|---------------------------------------|----------------------------------|-------------|-------------|---------------------|---------------------|
| | 2021 | 2020 | 2019 | Change 2021/2020 | Change 2020/2019 |
| | (in US\$ millions) | | | | |
| Income before income tax | 121.6 | 65.0 | 64.5 | 56.6 | 0.5 |
| Revenue from performance fees | (89.3) | — | (4.9) | (89.3) | 4.9 |
| Taxes on revenue—performance fees | 0.2 | — | 0.5 | 0.2 | (0.5) |
| Officers’ fund—long-term benefit plan | 2.2 | 0.4 | (1.0) | 1.8 | 1.4 |
| Performance Share Plan | 0.8 | — | — | 0.8 | — |
| Performance fee compensation | 30.2 | — | — | 30.2 | — |
| Deferred Consideration on acquisition | 2.0 | — | — | 2.0 | — |
| Carry bonus provision | 0.9 | — | — | 0.9 | — |
| Amortization of contractual rights | 4.3 | 3.7 | 3.8 | 0.6 | (0.1) |
| Brand amortization | 0.3 | — | — | 0.3 | — |
| Other income/(expenses) | 12.5 | 2.0 | (0.1) | 10.5 | 2.1 |
| Net financial income/(expense) | 0.3 | 0.2 | 0.2 | 0.1 | — |
| Fee Related Earnings | 86.0 | 71.3 | 63.0 | 14.7 | 8.2 |

Distributable Earnings (DE)

| | For the Years Ended December 31, | | | | |
|--|----------------------------------|-------------|-------------|---------------------|---------------------|
| | 2021 | 2020 | 2019 | Change 2021/2019 | Change 2019/2018 |
| | (in US\$ millions) | | | | |
| Net income for the year | 121.3 | 61.9 | 60.9 | 59.4 | 1.0 |
| Deferred income tax expenses | (1.3) | 2.2 | (0.3) | (3.5) | 2.5 |
| Amortization of contractual rights | 4.3 | 3.6 | 3.8 | 0.7 | (0.2) |
| Officers' fund—long-term benefit plan | 2.2 | 0.4 | (1.0) | 1.8 | 1.4 |
| Deferred consideration | 2.0 | — | — | 2.0 | — |
| Performance Share Plan | 0.8 | — | — | 0.8 | — |
| Brand amortization | 0.3 | — | — | 0.3 | — |
| IPO expenses and non-recurring transaction costs | 11.8 | 2.2 | — | 9.6 | 2.2 |
| Distributable Earnings | 141.3 | 70.3 | 63.4 | 71.0 | 6.9 |

FRE and DE are measures of profitability and have certain limitations in that they do not take into consideration certain items included under IFRS. Such measures may not be comparable to similarly titled measures used by other companies and is not a measure of performance calculated in accordance with IFRS. FRE and DE should not be considered in isolation or as a substitute for net income or other income data prepared in accordance with IFRS. The use of such measures without consideration of related IFRS measures is not adequate due to the adjustments described above. Our management compensates for these limitations by using FRE and DE as supplemental measures to IFRS results, to provide a more complete understanding of our performance as management measures it. A reconciliation of FRE and DE to their respective most directly comparable IFRS measure of income (loss) before income tax provision can be found in “—Non-GAAP Financial Measures and Reconciliations.”

Significant Factors Affecting Our Results of Operations

We believe that our results of operations and financial performance will be driven by the following trends and factors:

Business Conditions

Our operating revenues consist mainly of management, performance and incentive fees. Our ability to grow our revenues depends in part on our ability to attract new capital and investors, our successful deployment of capital and our ability to realize investments at a profit.

The attractiveness of private markets. With private markets being an important piece of our product offering, our results of operations are affected by the growth of this industry. According to Preqin, AUM across private markets (excluding hedge funds and funds of funds) reached an all-time high of US\$7.3 trillion in 2019, almost doubling since 2014. The solid growth of investments in private markets, both in Brazil, Chile and other Latin American countries as well as globally, has been driven by some secular trends that we believe will continue to boost investor's allocation to the industry, which include (1) significant liquidity available in financial markets, (2) the search for higher returns from institutional investors, (3) family offices, private banks and HNWIs seeking higher yields, (4) consistent outperformance of private markets compared to public markets, and (5) development of liquidity alternatives. Additionally, LPs currently allocate below their targets to private markets as supported by Bain & Co.'s Private Equity Report 2020, which notes that approximately 50% of LPs were below target allocation to private equity in 2019, and Preqin's Future of Alternatives 2020 study, which states that institutional investors in general plan to increase allocations across most major asset classes, including private equity, private debt, infrastructure, and real estate. According to the same Preqin study, private markets AUM is expected to reach US\$12.9 trillion by 2025 with a 12.4% CAGR from 2020 to 2025. For additional information regarding our industry, see “Item 4. Information on the Company—B. Business Overview.”

Our ability to attract new capital and investors. Our ability to attract new capital and investors in our funds is driven, in part, by the extent to which they continue to see the alternative asset management industry generally, and our investment products specifically, as an attractive vehicle for capital appreciation or income. Since 1994, we have expanded from our initial flagship private equity funds, to other investment options, such as our infrastructure funds, co-investments funds (focused on successful companies from our flagship funds), and constructivist equity funds (applying our private equity approach to listed). Our IPO allows us to go further and expand our product offerings inorganically – exemplified by our sizable credit, public equities and advisory and distribution platforms originated or expanded by our combination with Moneda). Regarding the performance of our products, the consolidated equal-weighted net IRR in U.S. dollars since inception for all our flagship private equity and infrastructure products, was 28.7% as of December 31, 2021. Additionally, we have developed an efficient proprietary global institutional distribution structure, attracting top global investors, and we are working to expand our reach to new investors, globally and locally, including retail and high net worth individuals. Once capital is raised, our funds represent a contracted long-term revenue stream leading to the predictability of our management fee based results, given that most of our funds are closed-ended funds. However, capital raising continues to be competitive. Therefore, while our flagship funds have exceeded the size of their respective predecessor funds, there is no assurance that our future flagship products or our other newer products will experience similar success. If we are unable to successfully raise comparably sized or larger funds, our AUM, our FEAUM and associated fees attributable to new capital raised in future periods may be lower than in prior years. See “Item 3. Key Information—D. Risk Factors—Certain Factors Relating to Our Business and Industry—Our asset management business depends in large part on our ability to raise capital from third-party investors. A failure to raise capital from third-party investors on attractive fee terms or at all, would impact our ability to collect management fees or deploy such capital into investments and potentially collect performance allocations, which would materially reduce our revenue and cash flow and adversely affect our financial condition.”

Our ability to successfully deploy capital. Our ability to maintain and grow our revenue base is dependent upon our ability to successfully deploy the capital available to us and participate in capital markets transactions. As of December 31, 2021, we have overseen the deployment of more than US\$20 billion through capital raised in approximately 100 investments and over 265 underlying acquisitions, composed of: (1) capital raised through our products, (2) capital raised by underlying companies in primary offerings in IPOs and follow-ons, (3) debt raised by underlying companies and (4) capital expenditures sourced from operational cash flow of underlying companies. In this respect, capital raised through our products directly increases our AUM, whereas capital raised or expended by underlying companies does not affect our AUM. We believe that alternative markets are still a developing industry where we operate, and that there are significant market opportunities for us to deploy our investment strategies. Nevertheless, greater competition, high valuations, increased overall cost of credit and other general market conditions may impact our ability to identify and execute attractive investments. Additionally, because we seek to make investments that have an ability to achieve our targeted returns while taking on a reasonable level of risk, we may experience periods of reduced investment activity. We have a long-term investment horizon and the capital deployed in any one quarter may vary significantly from the capital deployed in any other quarter or the quarterly average of capital deployed in any given year. Reduced levels of transaction activity also tend to result in reduced potential future investment gains, lower transaction fees and lower fees for our product lines, which may earn fees based on deployed capital.

Our ability to realize investments. Challenging market, political and economic conditions, particularly in emerging markets, may adversely affect our ability to exit and realize value from our investments and result in lower-than-expected returns and performance fees. Although the equity markets are not the only means by which we exit investments, the strength and liquidity of the relevant Latin American or global equity markets generally, and the initial public offering market specifically, affect the valuation of, and our ability to successfully exit, our equity positions in our private equity portfolio companies in a timely manner. Regarding initial public offerings, in July 2021, for example, we have concluded the IPO of SmartFit, representing one of the largest IPOs in Latin America’s largest stock exchange market in 2021. We may also realize investments through strategic sales. In the first quarter of 2020, for example, we divested Argo to a strategic buyer generating a gross multiple of invested capital, or “MOIC,” of 4.4x and a gross IRR of 74.2% both in U.S. dollars. However, when financing is not available or becomes too costly, it may be more difficult to find a buyer that can successfully raise sufficient capital to purchase our investments. In addition, our ability to realize investments also affects our ability to attract new capital and investors, who may focus on our divestment track record in evaluating the attractiveness of our investment products.

Other business conditions that can impact our operating results include (1) the increase of regulatory requirements which could restrict our operations and/or subject us to increased compliance or administrative costs, (2) unpredictable macroeconomic conditions, including political scenarios and interest rates, and (3) our ability to sustain our competitive advantages.

Foreign Exchange Rates

Foreign exchange rates may impact our results, considering that part of our revenues and expenses are in currencies other than U.S. dollars. In 2021, 87% of our revenues and 65% of our expenses were denominated in U.S. dollars. In 2020 and 2019, 75% and 71% of our revenues and 42% and 38% of our expenses were denominated in U.S. dollars, respectively. See notes 5 and 21 to our audited consolidated financial statements included elsewhere in this annual report.

In addition, foreign exchange rates may have a substantial impact on the valuations of our investments which are denominated in currencies other than the U.S. dollar. Our gradual and disciplined portfolio construction, one of the foundations of our investment approach, aims to mitigate currency impacts to investment performance, as the gradual capital deployment helps to average out foreign exchange fluctuations over the long-term. Currency volatility can also affect our businesses and investments that deal in cross-border trade. The appreciation or depreciation of the U.S. dollar is expected to contribute to a decrease or increase, respectively, in the U.S. dollar value of our non-U.S. investments to the extent unhedged. Having investments in multiple currencies across Latin America can be a mitigation factor itself. Moreover, when selecting investments for our funds that are denominated in U.S. dollars, an appreciating U.S. dollar may create opportunities to invest at more attractive U.S. dollar prices in certain countries outside the United States, while a depreciating U.S. dollar would be expected to have the opposite effect. For our investments denominated in currencies other than the U.S. dollar, the depreciation in such currencies will generally contribute to the decrease in the valuation of such investments, to the extent unhedged, and adversely affect the U.S. dollar equivalent revenues of portfolio companies with substantial revenues denominated in such currencies, while the appreciation in such currencies would be expected to have the opposite effect. Any negative impact on the valuation of our investments on a U.S. dollar basis would negatively affect our ability to receive performance and incentive fees. For additional information regarding our foreign exchange rate risk, see “—Quantitative and Qualitative Disclosure About Market Risk—Foreign Exchange Risk.”

Inflation Rates

We do not believe that inflation had a significant impact on our results of operations for any periods presented herein.

Latin American Macroeconomic Environment

Our investment approach has developed since 1994 with a view towards producing consistent risk-adjusted returns across vintages and cycles, notwithstanding volatility from time to time in Latin American political and macroeconomic contexts.

As of 2020, Latin America and the Caribbean had a combined estimated total GDP of US\$4.7 trillion, approximately 652 million inhabitants, with an average GDP per capita of US\$7,245 and average real growth of nearly 1.8% per annum over the past 15 years. Important industries have consolidated their presence in the region and acquired scale, the most notable being community and financial services, retail, manufacturing, transportation and communication, construction, agribusiness and mining. We believe that the region has a large and vibrant consumer market. In most countries an increasingly large proportion of the population is experiencing material gains in purchasing power and is being provided with augmented credit facilities, a trend that can be observed even with short-term episodes of economic downturn. Consumer patterns are therefore shifting towards more sophisticated products and services, a phenomenon that calls for enhanced business infrastructure, upgraded human capital and improved real estate facilities, among other requirements, to meet these demands.

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Brazil is the largest economy in Latin America, as measured by GDP, and we therefore have historically carried out the majority of our investments in Brazil. As a result, our revenues and profitability are affected by political and economic developments in Brazil and the effect that these factors have on the availability of credit, disposable income, employment rates and average wages in the country. Our operations in Brazil, and the financial services industry in general, are particularly sensitive to changes in Brazilian economic conditions. The *real*/U.S. dollar exchange rate reported by the Central Bank was R\$5.197 per US\$1.00 on December 31, 2020, which reflected a 29% depreciation of the *real* against the U.S. dollar during 2020 due primarily to the impact of the COVID-19 pandemic on the Brazilian economy. The *real*/U.S. dollar exchange rate reported by the Central Bank was R\$5.581 per US\$1.00 on December 31, 2021, which reflected a 7% depreciation of the *real* against the U.S. dollar during 2021 due primarily to the continued impact of the COVID-19 pandemic on the Brazilian economy. As of April 26, 2022, the *real*/U.S. dollar exchange rate reported by the Central Bank was R\$4.967 per US\$1.00, an appreciation of 11% of the *real* since December 31, 2021. There can be no assurance that the *real* will not appreciate or depreciate against the U.S. dollar or other currencies in the future.

Chile has an estimated GDP of US\$328 billion and 19 million inhabitants as of 2021, and exports of goods and services account for approximately one-third of Chile's economy. Commodities comprise approximately three-quarters of total merchandise exports; copper alone provides nearly a fifth of government revenues. Structural reforms, pursued consistently since the 1980s, have contributed to steady growth, cutting poverty rates by more than half, and helped cement the country's commitment to democratic and representative government. The country is an OECD member with a consolidated market-oriented economy characterized by a high level of foreign trade together with a long-standing reputation for strong financial institutions and sound government policies. Not surprisingly, Chile has the highest sovereign credit rating in Latin America. Its main industries are mining (copper, coal, and nitrate), food processing, chemicals, wood, and agribusiness (fishing, viticulture, and fruit). Since early 2020, the COVID-19 pandemic has also consumed much of the nation's attention, with authorities seeking to strike a balance between economic activity and public health. Chile suffered a severe first and a less-distressing second wave of the virus, but the government acted quickly to secure vaccine trials and contracts to immunize more than 100% of its population through the end of 2021. The most successive vaccine rollout in Latin America, along with rapidly improving terms of trade, is reviving GDP growth and a solid recovery is taking hold.

As for the business cycle, the Latin American region experienced a substantial slowdown after the end of the commodity super-cycle and poorer economic policies in large economies, notably Brazil. The real rate of GDP growth across Latin America trended down from growth of 6.1% in 2010 to a 0.6% contraction in 2016. From then on, however, a combination of new governments pursuing better policies, further stabilizing reforms and improving terms of trade, has produced a gradual turnaround. Gradual economic expansion has been taking place since 2017, and we believe that it will gather momentum over the next years, even with the recent market declines and increased volatility caused by COVID-19. As a consequence of steady progress in the economic and political agenda in key Latin American countries, such as Brazil, we believe that there is room for additional economic growth over the next decades in the region, together with improvements in socioeconomic inclusion and the stability of institutions in the region. We would also note that our funds' invested companies' activities in Argentina, which include certain assets owned by ATIS, a wireless telecom infrastructure provider. These investments are not material to the operations or results of our funds' invested companies or us, and we have not experienced any material losses, defaults or collection issues associated with these investments.

Recent Accounting Pronouncements

For information about recent accounting pronouncements that were adopted in 2021, see note 4(q) to our consolidated financial statements included elsewhere in this annual report.

Certain new accounting standards and interpretations have been published that are not mandatory for December 31, 2021 reporting periods and have not been early adopted by us. These standards are not expected to have a material impact in the current or future reporting periods and on foreseeable future transactions. For information about recent accounting pronouncements that will apply to us in the near future, see note 4(r) to our audited consolidated financial statements included elsewhere in this annual report.

JOBS Act

We are an emerging growth company under the JOBS Act. The JOBS Act provides that an emerging growth company can delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have irrevocably elected not to avail ourselves of this exemption and, therefore, we will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

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

Cybersecurity, Fraud and Regulatory Compliance Costs

Fundamentally, our society is more technologically reliant than ever before and sensitive information more likely to be accessed and stored in cloud storage services. Governments around the world have brought more attention to cybercrimes and have increased the reputational damage of data breaches by forcing all organizations to communicate data breaches, to appoint a data protection officer, to require user consent to process information and anonymizing data for privacy. Regulations and laws in Europe (GDPR) and Brazil (LGPD) are examples of a global trend towards increasing emphasis on data security and public disclosure of data breaches.

Driven by global connectivity and usage of cloud services to store sensitive information, which includes the company and its clients’ confidential information, our cybersecurity protection measures have increased, impacting our operating costs and IT investments strategy. Our information technology related costs represented 13.4% and 8.0% of our administrative expenses in December 2021 and December 2020, respectively.

Description of Principal Consolidated Financial Statements Line Items

Net Revenue From Services

Our net revenue from services relating to our private equity, infrastructure, credit, public equities, real estate and advisory and distribution product lines consists of (1) management fees, (2) performance fees, (3) incentive fees, (4) advisory and (5) other ancillary fees, net of applicable taxes.

We follow a five-step guidance to recognize revenue in accordance with IFRS 15 – Revenue from Contracts with Customers: (1) identify the contract(s) with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when (or as) the entity satisfies a performance obligation.

Management fees primarily relate to management of an investment fund in our portfolio, and are calculated as a fixed percentage over the committed capital and/or the deployed capital for each one of the investment funds following the relevant limited partnership agreement, or “LPA,” or private placement memorandum, or “PPM.” We recognize management fees when the services are provided, throughout the period that we provide services to the investment fund. As the manager of the investment funds, we may, in our sole discretion, decrease the percentage or amount of fees being paid by the investment funds directly or indirectly to us or fully waive the payment of fees paid by the investment funds for a determined period or until the maturity of the investment funds. As a result, revenue is not recognized in such cases. Any rebates related to repayments of management fees are presented net within gross management fees in our income statement.

Incentive fees are realized performance-based fees which are measured and received on a recurring basis, and not dependent on realization events from the underlying investments.

Performance fees are primarily generated when the return of the investment funds surpass the performance hurdle set out in the related charters. Since the investment funds' performance are susceptible to market volatility and to factor out our control, the related fees fall under the variable consideration defined in the IFRS 15. According to the referred standard, we recognize these fees at a point in time when the associated performance obligations are satisfied, the related uncertainties are resolved, the likelihood of a claw-back or reversal is improbable and the likely amount of the transaction prices can be estimated without significant chance of reversal, indicating high probability of economic benefits and cash inflow to us, whereby the performance fee has then crystallized and can be reliably estimated. Once crystallized, performance fees typically cannot be clawed back. There are no other performance obligations or services provided which suggest these have been earned either before or after the crystallization date.

Advisory and other ancillary fees primarily relate to services provided to the investment funds' invested companies; the first relates to support on acquisitions and the latter refers to value-creation ongoing consulting services. Advisory and other ancillary service fees are recognized as the services are provided and/or when certain transactions are completed, as applicable.

Cost of Services Rendered

Our cost of services rendered is composed of personnel expenses, placement agent fees, amortization of contractual rights, carried interest allocation and deferred consideration on our acquisition of Moneda.

Personnel expenses consist of (1) fixed compensation costs composed of salaries and wages, (2) variable compensation costs composed of partners' compensation, rewards and bonuses and employee profit sharing, (3) social security contribution and payroll taxes and (4) other short and long-term benefits. See "Item 4. Information on the Company—B. Business Overview—People & Career" and "Item 6. Directors, Senior Management and Employees—B. Compensation—Compensation of Directors and Officers."

Placement agent fees are composed of costs related to the capital raising processes, and can be classified as: (1) placement fees – comprising a percentage of the amount raised, or a fixed amount paid upfront and amortized over the duration of the fund's existence; and (2) rebate fees – comprising a percentage of the management fee paid to the placement agent during the life of the fund.

Contractual rights refer to the management of the Infrastructure GP II, Ltd. and Infrastructure III SLP, Ltd. Investment funds. These rights were recorded as a result of the acquisition of control of the P2 Group on December 25, 2015 from Promon International Inc. The purchase agreement includes contingent consideration that will be paid to Promon International Inc. based on the performance of P2 Brasil Private Infrastructure General Partner II Ltd., expected to be settled in 2022 and only if the performance is achieved.

Carried interest allocation refers to the share held by a related party (representing our senior managing directors and employees in Patria Brazilian Private Equity III, Ltd.) that gives it the right to up to 35% of the performance fees recognized from PBPE Fund III (Ontario), L.P.

Deferred consideration refers to the amount accrued during retention period on our acquisition of Moneda, recognized as a compensation expense as the employees render services. Our acquisition of Moneda included US\$58.7 million expected to be paid to former shareholders of Moneda in exchange for future services, which are payable in two installments due December 2, 2023 and December 2, 2024. This expense will be recognized as a compensation expense as the employees render services.

Operating Income and Expenses

Our operating income and expenses are composed of administrative expenses and other income/(expenses).

Administrative expenses mainly consist of professional services, occupancy expenses, travel expenses, expenses on utilities, IT and telecom services, materials and supplies, taxes and contributions, marketing expenses, depreciation of property and equipment, amortization of goodwill, and certain other administrative expenses.

Other income/(expenses) mainly consist of non-operating or recurring provisions, net losses on sale or disposal of property, equipment and intangible assets, recoverable taxes from previous years, and certain other income or expenses.

Net Financial Income/(Expense)

Financial income is mainly composed of interest on highly liquid investments and foreign exchange gains in monetary items. Financial expenses include interest, foreign exchange losses in monetary items, banking costs and taxes on financial transactions, recognized on an accrual basis.

Income Tax

As an entity originally headquartered in Bermuda, then moving our headquarters to the Cayman Islands as of October 12, 2020, we are subject to a special tax regime that exempts Patria from any income taxes. However, our subsidiaries outside the Cayman Islands may be subject to income tax and/or social contribution in the countries in which they are organized. See note 4(o) to our audited consolidated financial statements included elsewhere in this annual report.

Net Income for the Year

Net income for the year consists of the sum of Revenue from services and Net financial income minus the Costs of services rendered, Operating expenses and Income tax.

Results of Operations

Year Ended December 31, 2021, Compared to the Year Ended December 31, 2020

The following table sets forth our income statement data for the year ended December 31, 2021 and 2020:

| | For the Years Ended December 31, | | |
|---|--|---------------|------------------|
| | 2021 | 2020 | Variation (%) |
| | (in US\$ millions, except for percentages) | | |
| Income Statement Data: | | | |
| Net Revenue from services | 235.5 | 115.0 | 104.8% |
| Cost of services rendered | (86.7) | (33.2) | 161.1% |
| Personnel expenses | (47.6) | (27.2) | 75.0% |
| Deferred consideration on acquisition | (2.0) | — | n.m. |
| Amortization of intangible assets | (6.9) | (6.0) | 15.0% |
| Carried interest allocation | (30.2) | — | n.m. |
| Gross profit | 148.8 | 81.8 | 81.9% |
| Operating income and expenses | (26.9) | (16.7) | 61.1% |
| Administrative expenses | (14.4) | (14.6) | (1.4)% |
| Other income/(expenses) | (12.5) | (2.0) | n.m. |
| Operating income before net financial income/(expense) | 121.9 | 65.2 | 87.0% |
| Net financial income/(expense) | (0.3) | (0.2) | 50.0% |
| Income before income tax | 121.7 | 65.0 | 87.2% |
| Income tax | (0.4) | (3.1) | (87.1)% |
| Net income for the year | 121.3 | 61.9 | 96.0% |
| Owners of the Parent | 122.5 | 62.2 | 96.9% |
| Non-controlling interests | (1.3) | (0.3) | n.m. |

n.m. = not meaningful

Net Revenue From Services

| | For the Years Ended December 31, | | |
|--|--|--------------|------------------|
| | 2021 | 2020 | Variation (%) |
| | (in US\$ millions, except for percentages) | | |
| Revenue from management fees | 144.7 | 112.9 | 28.2% |
| Private Equity | 82.2 | 56.9 | 44.5% |
| Infrastructure | 46.8 | 44.7 | 4.7% |
| Credit | 4.8 | 0.5 | n.m. |
| Real Estate | 7.7 | 10.8 | (28.7)% |
| Public Equities | 3.0 | — | n.m. |
| Advisory and Distribution | 0.2 | — | n.m. |
| Revenue from incentive fees | 4.9 | 3.5 | 40.0% |
| Private Equity | 0.1 | 3.5 | (97.1)% |
| Infrastructure | — | — | n.m. |
| Credit | 2.9 | — | n.m. |
| Real Estate | — | — | n.m. |
| Public Equities | 1.9 | — | n.m. |
| Advisory and Distribution | — | — | n.m. |
| Revenue from performance fees(1) | 89.3 | — | n.m. |
| Private Equity | 89.1 | — | n.m. |
| Infrastructure | — | — | n.m. |
| Credit | — | — | n.m. |
| Real Estate | 0.2 | — | n.m. |
| Public Equities | — | — | n.m. |
| Advisory and Distribution | — | — | n.m. |
| Fund fees | 238.9 | 116.4 | 105.2% |
| Revenue from advisory and other ancillary fees | 0.7 | 2.5 | (72.0)% |
| Taxes on revenue—performance fees | (0.2) | — | n.m. |
| Taxes on revenue—incentive fees | (0.2) | (0.4) | (50.0)% |
| Taxes on revenue—management fees | (3.6) | (3.1) | 16.1% |
| Taxes on advisory and other ancillary fees | (0.1) | (0.4) | (75.0)% |
| Net Revenues from services | 235.5 | 115.0 | 104.8% |
| Brazil Revenue(2) | 25.7 | 28.5 | (9.8)% |
| British Virgin Islands | 2.3 | — | n.m. |
| Cayman Islands(3) | 200.7 | 86.5 | 132.0% |
| Chile(4) | 5.2 | — | n.m. |
| United States of America(5) | 1.6 | — | n.m. |

n.m. = not meaningful

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- (1) Performance fees and incentive fees are primarily generated when the return of the investment funds exceeds the performance hurdle set out in the related charters. Since the investment funds' performance are susceptible to market volatility and to factors out of our control, the related fees fall under the variable consideration defined in IFRS 15. According to the referred standard, we recognize these fees at a point in time when the related uncertainties are resolved, the likelihood of a claw-back or reversal is improbable and the likely amount of the transaction prices can be estimated without significant chance of reversal, indicating high probability of economic benefits and cash inflow to us.
- (2) Our Brazil revenue consists primarily of management and performance fees received by our Brazilian entities relating to the services provided to our funds.
- (3) Our Cayman Islands revenue consists of management and performance fees received by our Cayman Islands entities relating to the services provided to our funds.
- (4) Our Chile revenue consists of management, incentive, financial advisory and other fees for December from Moneda acquisition.
- (5) Our United States revenue consists of management and incentive fees for December from Moneda acquisition.

Net revenue from services in 2021 amounted to US\$235.5 million, an increase of US\$120.5 million, or 104.8%, from US\$115.0 million in 2020, primarily attributable to an increase of US\$89.3 million in revenues from performance fees (US\$87.8 million from PBPE Fund III (Ontario), L.P.), which are based on the expected value for which it is highly probable that a significant reversal will not subsequently occur. Also, revenues from management fees increased from US\$112.9 million in 2020 to US\$144.7 million in 2021, an increase of US\$31.8 million or 28.2%, primarily attributable to management fees from Moneda acquisition in December 2021 and an increase in capital deployed by our Private Equity Fund VI.

Cost of Services Rendered

Cost of services rendered in 2021 was US\$86.7 million, an increase of US\$53.5 million, or 161.1%, from US\$33.2 million in 2020, primarily attributable to the recognition of US\$30.2 million in 2021 of carried interest allocation. Personnel expenses went from US\$27.2 million in 2020 to US\$47.6 million in 2021, an increase of US\$20.4 million mainly due to the change in our compensation structure post-IPO.

Gross Profit

As a result of the foregoing, gross profit in 2021 was US\$148.8 million, an increase of US\$67.0 million, from US\$81.8 million in 2020.

Operating Income and Expenses

Operating expenses in 2021 were US\$26.9 million, an increase of US\$10.2 million, or 61.1%, from US\$16.7 million in 2020, primarily attributable to a US\$10.5 million increase in other expenses, from US\$2.0 million of expenses in 2020 to US\$12.5 million of expenses in 2021, reflecting the transaction costs and non-recurring expenses incurred with the acquisition of Moneda, and IPO-related expenses. These were partially offset by a decrease of US\$0.2 million in administrative expenses from US\$14.6 million in 2020 to US\$14.4 million in 2021.

Net Financial Income/(Expense)

Net financial expenses in 2021 were US\$0.3 million, an increase of US\$0.1 million, or 50%, from US\$0.2 million in 2020.

Income Before Income Tax

As a result of the foregoing, income before income tax in 2021 was US\$121.7 million, an increase of US\$56.7 million, or 87.2%, from US\$65.0 million in 2020.

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Income Tax

Income tax in 2021 was US\$0.4 million, a decrease of US\$2.7 million, or 87.1%, from US\$3.1 million in 2020. This decrease was primarily attributable to the recognition of deferred taxes. Our effective income tax rate was 0.3% in 2021 and 4.8% in 2020.

Net Income for the Year

As a result of the foregoing, net income in 2021 was US\$121.3 million, an increase of US\$59.4 million, or 96%, from US\$61.9 million in 2020.

Year Ended December 31, 2020, Compared to the Year Ended December 31, 2019

The following table sets forth our income statement data for the year ended December 31, 2020 and 2019:

| | For the Years Ended December 31, | | |
|---|-------------------------------------|---------------|------------------|
| | 2020 | 2019 | Variation (%) |
| Income Statement Data: | | | |
| Net Revenue from services | 115.0 | 123.2 | (7)% |
| Cost of services rendered | (33.2) | (43.0) | (23)% |
| Personnel expenses | (27.2) | (36.9) | (26)% |
| Amortization of intangible assets | (6.0) | (6.1) | (2)% |
| Gross profit | 81.8 | 80.2 | 2% |
| Operating income and expenses | (16.7) | (15.6) | 6% |
| Administrative expenses | (14.6) | (15.7) | (7)% |
| Other income/(expenses) | (2.0) | 0.1 | n.m. |
| Operating income before net financial income/(expense) | 65.2 | 64.6 | 1% |
| Net financial income/(expense) | (0.2) | (0.2) | n.m. |
| Income before income tax | 65.0 | 64.4 | 1% |
| Income tax | (3.1) | (3.5) | (11)% |
| Net income for the year | 61.9 | 60.9 | 2% |
| Owners of the Parent | 62.2 | 58.5 | 6% |
| Non-controlling interests | (0.3) | 2.4 | n.m. |

n.m. = not meaningful

Net Revenue From Services

| | For the Years Ended December 31, | | |
|--|--|--------------|------------------|
| | 2020 | 2019 | Variation (%) |
| | (in US\$ millions, except for percentages) | | |
| Revenue from management fees | 112.9 | 104.9 | 8% |
| Private Equity | 56.9 | 50.6 | 12% |
| Infrastructure | 44.7 | 37.6 | 19% |
| Country-specific Products | 11.3 | 16.7 | (32)% |
| Revenue from incentive fees | 3.5 | 18.1 | (81)% |
| Private Equity | 3.5 | — | n.m. |
| Infrastructure | — | — | — |
| Country-specific Products | — | 18.1 | n.m. |
| Revenue from performance fees | — | 4.9 | n.m. |
| Private Equity | — | 4.9 | n.m. |
| Infrastructure | — | — | — |
| Country-specific Products | — | — | — |
| Fund fees | 116.4 | 127.8 | (9)% |
| Revenue from advisory and other ancillary fees | 2.5 | 1.0 | 150% |
| Taxes on revenue—performance fees | — | (0.5) | n.m. |
| Taxes on revenue—incentive fees | (0.4) | (2.0) | (80)% |
| Taxes on revenue—management fees | (3.1) | (2.9) | (7)% |
| Taxes on advisory and other ancillary fees | (0.4) | (0.1) | 300% |
| Net Revenues from services | 115.0 | 123.2 | (7)% |
| Brazil Revenue(1) | 28.5 | 35.9 | (21)% |
| Cayman Islands Revenue(2) | 86.5 | 87.3 | (1)% |

n.m. = not meaningful

- (1) Our Brazil revenue consists of management, performance, incentive, advisory and other ancillary fees received by our Brazilian entities relating to the services provided to our funds.
- (2) Our Cayman Islands revenue consists of management, performance and incentive fees received by our Cayman Islands entities relating to the services provided to our funds.

Net revenue from services in 2020 were US\$115 million, a decrease of US\$8.2 million, or 7%, from US\$123.2 million in 2019, primarily attributable to a decrease of US\$14.6 million in revenues from incentive fees from US\$18.1 million in 2019 to US\$3.5 million in 2020, mainly as a result of a higher incentive fee revenue received in 2019 from our CEF, which performed significantly higher than its hurdle, measured by Ibovespa, the benchmark Brazilian Index. In addition, our CEF outperformed the Ibovespa in previous years, and the past accumulated incentive fee revenue was recognized in 2019, when the fund structure was changed to perpetual. This decrease was partially offset by: (1) an increase of US\$8.0 million in revenues from management fees from US\$104.9 million in 2019 to US\$112.9 million in 2020, mainly as a result of a higher fee basis from capital raised in 2020; (2) an increase of US\$1.5 million in revenues from M&A and monitoring fees services (advisory and other ancillary fees) from US\$1.0 million in 2019 to US\$2.5 million in 2020 primarily attributable to an increase in M&A transactions closed in 2020; and (3) a decrease of US\$1.6 million in taxes on revenues due to lower fees in countries with higher revenues taxation (Brazil).

Cost of Services Rendered

Cost of services rendered in 2020 was US\$33.2 million, a decrease of US\$9.8 million, or 23%, from US\$43 million in 2019, primarily attributable to a decrease of US\$9.7 million, or 26%, in personnel expenses from US\$36.9 million in 2019 to US\$27.2 million in 2020. The decrease in personnel expenses is due to a US\$6.0 million decrease in rewards and bonuses, primarily attributable to bonuses paid in 2019 related to incentive fees received in 2019, compared to no bonuses paid related to incentive fees in 2020.

Gross Profit

As a result of the foregoing, gross profit in 2020 was US\$81.8 million, an increase of US\$1.6 million, from US\$80.2 million in 2019.

Operating Income and Expenses

Operating expenses in 2020 were US\$16.7 million, an increase of US\$1.0 million, or 6%, from US\$15.6 million in 2019, primarily attributable to a US\$2.1 million decrease in other income and expenses, from US\$0.1 million of income in 2019 to US\$2.0 million of expenses in 2020, mainly due to US\$2.2 million in costs related to our initial public offering. These were partially offset by a decrease of US\$1.1 million, or 7%, in administrative expenses from US\$15.7 million in 2019 to US\$14.6 million in 2020, primarily due to a US\$1.2 million decrease in travel expenses.

Net Financial Income/(Expense)

In 2020, our total net financial expense remained stable at US\$0.2 million, compared to 2019.

Income Before Income Tax

As a result of the foregoing, income before income tax in 2020 was US\$65.0 million, an increase of US\$0.6 million, or 1%, from US\$64.4 million in 2019.

Income Tax

Income tax in 2020 was US\$3.1 million, a decrease of US\$0.4 million, or 11%, from US\$3.5 million in 2019. This decrease was primarily attributable to (1) lower revenues from performance and incentive fees, and (2) a lower deductible employee profit sharing, which was effectively paid in 2020. Our effective income tax rate was 4.8% in 2020 and 5.5% in 2019.

Net Income for the Year

As a result of the foregoing, net income in 2020 was US\$61.9 million, an increase of US\$1 million, or 2%, from US\$60.9 million in 2019.

B. Liquidity and Capital Resources

General

Our business model derives revenue primarily from third-party assets under management. Patria is not a capital or balance sheet intensive business and targets operating expense levels such that total management and advisory fees exceed total operating expenses each period. As a result, we generally require limited capital resources to support the working capital or operating needs of our business. We draw primarily on the committed capital of our LPs to fund the investment requirements of our funds and use our own realizations and cash flows to invest in growth initiatives, make commitments to our own funds and pay dividends to shareholders, and we also plan to draw on the net proceeds of our initial public offering closed in January 2021 to fund our expansion. See “—Capital Expenditures.” For additional information on our initial public offering, see “Item 4. Information on the Company—Recent Developments—Our Initial Public Offering.”

Sources and Uses of Liquidity

As of December 31, 2021 and 2020, we had US\$167.1 million and US\$24.0 million in cash, cash equivalents and short-term investments, respectively. We believe that our current available cash, cash equivalents, financial investments and cash flows from our operating activities will be sufficient to meet our working capital requirements and capital expenditures in the ordinary course of business for the next 12 months. Our principal cash requirements consist of the following:

- consideration payable on the acquisition of Moneda;
- paying operating costs, including compensation and bonuses;
- engaging in mergers and acquisitions pursuant to our inorganic growth strategy; and
- paying dividends to our shareholders.

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Our principal sources of liquidity consist of management, incentive and performance fees from the funds that we manage. Historically, our cash flows have been influenced primarily by the timing of receipt of management and performance fees, the timing of sale of investments, and the timing of distribution of compensation and payment of bonuses to partners and employees.

The following table shows the generation and use of cash for the year ended December 31, 2021, 2020 and 2019:

| | For the Years Ended December 31 | | |
|---|------------------------------------|--------|--------|
| | 2021 | 2020 | 2019 |
| | (in US\$ millions) | | |
| Cash flows provided by operating activities | 107.4 | 52.7 | 44.5 |
| Cash flows provided by/used in investing activities | (284.1) | 23.5 | 11.3 |
| Cash flows provided by/used in financing activities | 177.9 | (66.2) | (53.8) |

Operating Activities

Our net cash flows from operating activities increased by US\$54.7 million, from US\$52.7 million for the year ended December 31, 2020 to US\$107.4 million for the year ended December 31, 2021. Changes in working capital for increases in personnel and carried interest allocation payable were mainly offset by an increase in accounts receivable from Moneda accounts receivable and performance fees receivable from PE III.

Our net cash flows from operating activities increased by US\$8.2 million, from US\$44.5 million for the year ended December 31, 2019 to US\$52.7 million for the year ended December 31, 2020. Our net cash flows from operating activities were mainly affected by reimbursement of project advances mainly related to capital raising for our funds Infra III/IV and increased current liabilities mainly due to costs related to our initial public offering. Such increase was partially offset by a higher long-term accounts receivable mainly due to PE IV.

Investing Activities

Our net cash flows from investing activities reflect a variation of US\$307.6 million, from an inflow of US\$23.5 million for the year ended December 31, 2020 to an outflow of US\$284.1 million for the year ended December 31, 2021, primarily due to the acquisition of Moneda and other long-term investments with the IPO proceeds. The remaining proceeds were invested in short-term investments.

Our net cash flows from investing activities increased by US\$12.2 million, from US\$11.3 million for the year ended December 31, 2019 to US\$23.5 million for the year ended December 31, 2020, primarily due to distributions received from our funds to our general partners (GPs), mainly PE III and RE II.

Financing Activities

Our net cash flows from financing activities increased by US\$244.1 million, from net cash used in financing activities of US\$66.2 million for the year ended December 31, 2020 to net cash from financing activities of US\$177.9 million for the year ended December 31, 2021. Our financing activities primarily consisted of IPO proceeds of US\$302.7 million in 2021 and dividends paid to our shareholders, which were US\$64.5 million and US\$119.8 million in 2020 and 2021, respectively.

Our net cash flows used in financing activities decreased by US\$12.4 million, from US\$53.8 million for the year ended December 31, 2019 to US\$66.2 million for the year ended December 31, 2020. Our financing activities primarily consisted of dividends paid to our shareholders, which were US\$46.9 million and US\$64.5 million in 2019 and 2020, respectively.

Indebtedness

As of December 31, 2021 and 2020, we had no outstanding financial indebtedness.

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Off-balance Sheet Arrangements

As of December 31, 2021 and 2020, we did not have any off-balance sheet arrangements.

Capital Expenditures

In the years ended December 31, 2021, 2020 and 2019, we made capital expenditures of US\$124.7 million, US\$1.4 million and US\$1.3 million, respectively. These capital expenditures mainly include expenditures related to (1) acquisitions of property, equipment, and software and computer programs, (2) M&A investments net of cash in the entity acquired, which includes engaging in mergers and acquisitions pursuant to our inorganic growth strategy, and (3) payments to placement agents related to future expenses regarding our portfolio distribution services to clients.

We expect to increase our capital expenditures to support the growth in our business and operations. We expect to meet our capital expenditure needs for the foreseeable future from our operating cash flow, our existing cash and cash equivalents, and with the net proceeds of our initial public offering. Our future capital requirements will depend on several factors, including mergers and acquisitions, payments to placement agents, and office renovations to support the execution of our strategy and business plan.

C. Research and Development, Patents and Licenses, etc.

See “Item 4. Information on the Company—D. Property, Plants and Equipment—Intellectual Property.”

D. Trend Information

For a discussion of trend information, see “Item 4. Information on the Company—B. Business Overview—Key Market Trends.”

E. Critical Accounting Estimates

Our consolidated financial statements have been prepared in accordance with IFRS, as issued by the IASB. In preparing our audited consolidated financial statements, we make assumptions, judgments and estimates that can have a significant impact on amounts reported in our consolidated financial statements. We base our assumptions, judgments and estimates on historical experience and various other factors that we believe to be reasonable under the circumstances. Actual results could differ materially from these estimates under different assumptions or conditions. We regularly reevaluate our assumptions, judgments and estimates, presenting the significant accounting policies in notes 2 and 4 of our audited consolidated financial statements included elsewhere in this annual report.

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 Memorandum and Articles of Association and the Cayman Islands Companies Act (as amended).

Board of Directors

We have recently reviewed the composition of our board of directors and our corporate governance practices in light of applicable requirements of the SEC and Nasdaq.

Our board of directors is composed of seven members. Each director holds office for the term, if any, fixed by the shareholder resolution that appointed him, or, if no term is fixed on the appointment of the director, until the earlier of his or her removal from or vacating 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 current members of the board of directors were appointed in accordance with the Articles of Association. None of our board members have contracts that provide for benefits upon termination of employment.

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

| <u>Name</u> | <u>Age</u> | <u>Position</u> |
|---------------------------------------|------------|-------------------------|
| Olimpio Matarazzo Neto | 62 | Chairman |
| Otavio Lopes Castello Branco Neto | 64 | Director |
| Alexandre Teixeira de Assumpção Saigh | 54 | Director |
| Pablo Echeverría Benítez | 58 | Director |
| Sabrina Bridgett Foster | 48 | Independent Director(1) |
| Jennifer Anne Collins | 47 | Independent Director(1) |
| Glen George Wigney | 66 | Independent Director(1) |

(1) Member of the Audit Committee.

The following is a brief summary of the business experience of our directors. Unless otherwise indicated, the current business addresses for our directors is currently at 18 Forum Lane, 3rd floor, Camana Bay, PO Box 757, KY1-9006, George Town, Grand Cayman, Cayman Islands.

Olimpio Matarazzo Neto is one of our founding partners, Chairman of our board of directors, member of our board of directors since 2010 and Chairman of our executive-level Real Estate and Credit Investment and Divestment Committee. Mr. Matarazzo is also a Senior Managing Partner of Patria Investments Limited and an Executive Director of Patria Holdings Limited. He is responsible for setting the strategy and overseeing its execution, ensuring the organization meets compliance, risk and regulation standards. Throughout his career, Mr. Matarazzo acted in different functions within Patria, being primarily responsible for the development of our Real Estate, Credit and Constructivist Equity strategies. Mr. Matarazzo was a founding partner of Patria in 2001 (successor of Banco Patrimônio), developing and leading the efforts to make Patria one of the leading private markets firms in Latin America. Mr. Matarazzo was also one of the founders of Banco Patrimônio in 1988 and led its capital markets and proprietary desks, as well as the relationship with Salomon Brothers' fixed income desk. After the sale of Patrimônio to Chase Manhattan in 1999, Mr. Matarazzo spent two years at Chase Manhattan where he was co-responsible for its proprietary and capital markets desks in Brazil. Prior to founding Patrimônio, Mr. Matarazzo worked at J.P. Morgan. Mr. Matarazzo holds a bachelor's degree in Business Administration from Universidade de São Paulo (USP).

Otavio Lopes Castello Branco Neto is a member of our board of directors since 2010, and Chairman of our executive-level Infrastructure Investment and Divestment Committee. Mr. Branco is also a Senior Managing Partner of Patria Investments Limited and an Executive Director of Patria Holdings Limited. He is responsible for managing institutional relationships with major investors in infrastructure. Mr. Branco was responsible for the development of our Infrastructure Division. Mr. Branco joined Patria in 2003, initially as a Managing Partner responsible for the Advisory Group. Since 2006, Mr. Branco led Patria into the infrastructure sector, creating one of the leading Latin American managers in this asset class. Prior to his role at Patria, from 2001 to 2002, Mr. Branco was an Executive Managing Director at the BNDES—Banco Nacional do Desenvolvimento Econômico e Social—responsible for the Infrastructure and Energy Department. While at BNDES, Mr. Branco was also an executive member of the federal government Energy Crisis Committee (the federal committee created to manage the 2001 power shortage); a member of the board of directors of Vale do Rio Doce and a member of the board of directors of Eletrobrás. From 1995 to 2000, Mr. Branco led J.P. Morgan's investment banking unit in Brazil, assuming the co-presidency of the Brazilian operations in 2000. From 1990 to 1995, Mr. Branco was the Chief Financial Officer and a member of the executive committee at Grupo Caemi (one of Brazil's leading mining conglomerates). From 1983 to 1990, Mr. Branco worked at J.P. Morgan in Brazil as an investment banker. Mr. Branco holds a bachelor's degree in Production Engineering from Escola Politécnica de São Paulo (USP).

Alexandre Teixeira de Assumpção Saigh is our Chief Executive Officer and is a member of our board of directors since 2010. He is also one of our founding partners, Chairman of our executive-level Private Equity Investment and Divestment Committee. Mr. Saigh is also a Senior Managing Partner of Patria Investments Limited and an Executive Director of Patria Holdings Limited. Before taking the role as our Global CEO, Mr. Saigh was primarily responsible for our Private Equity division being responsible for the start-up and development of this business within Patria. He held and currently holds board member positions in several of our funds' invested companies. Mr. Saigh was one of the founders of Patria in 2001 (successor of Banco Patrimônio), developing and leading the efforts for Patria to become one of the leading private markets firms in Latin America. Mr. Saigh joined Banco Patrimônio in 1994, as a Managing Partner responsible for the development and execution of the Firm's private equity business. Between 1994 and 1997, while developing Patrimônio's private equity strategy, Mr. Saigh was Chief Executive Officer and Chief Financial Officer of Drogasil, one of the leading drugstore chains in Brazil and Patria's first private equity investment. Prior to joining Patrimônio, Mr. Saigh worked at J.P. Morgan Investment Bank from 1989 to 1994, as a Vice President for its private equity, corporate finance and M&A divisions. Mr. Saigh holds a bachelor's degree in Financial Management and Hotel Administration from Boston University and a Post-Graduate Certificate of Special Studies in Administration and Management from Harvard University.

Pablo Echeverría Benítez is a member of our board of directors since December 2021. Mr. Echeverría is the founding partner of Moneda Asset Management SpA (1994) and Chairman of its board of directors since 2007. He has also been the Head of Latin American Equities and Portfolio Manager of the Chilean equity strategies since the beginning of Moneda. With more than 30 years of experience on investments, Mr. Echeverría has been involved in numerous landmark transactions in the Chilean capital market. Moneda is one of the leading Latin America focused asset managers, with over 25 years investing in Latin American companies across their capital structure, implementing a long-term and fundamental research investment approach. Moneda has offices in Santiago, New York and Buenos Aires and was founded in 1994 by its main executives, including Mr. Echeverría and with the support of the International Finance Corporation (IFC). Prior to founding Moneda, Mr. Echeverría worked at AFP Santa Maria, a Chilean pension fund manager as an Investment Trader (1989). He then continued his career as an Investment Analyst for Investment Management Company Chile S.A., IMCO (1989-1994), where he later became Chief Investment Officer (CIO), managing one of the first debt to equity convertible funds in Chile. Mr. Echeverría is Chairman of Moneda S.A. AGF and Moneda Asset Management SpA. He also sits on the board of Pucobre S.A., and Watt's S.A., both listed companies in the Santiago Stock Exchange. Mr. Echeverría holds a bachelor of science's degree in Industrial Engineering from Universidad de Chile.

Sabrina Bridgett Foster is a member of our board of directors since 2021. She also serves as principal of her legal consulting firm, Fifty Eleven Consulting Limited. Ms. Foster has over 20 years' experience in the financial services industry, having practiced law for over 16 years and served as an independent fund director since 2013. Between 2004 and 2012, and in her role as Partner in the Funds and Investment Services team of the global law firm, Appleby, Ms. Foster's key practice areas included hedge fund and private equity structuring and formation, commercial and private trust structuring, as well as advising on corporate governance, financing and regulatory matters relevant to both regulated and non-regulated investment funds operating in multiple jurisdictions. In 2013, Ms. Foster transitioned from her career in law to directorship services. She joined the governance teams of Intertrust (2013 through 2015) and later Maples Fiduciary (2015 through 2020) where she served as a board member of a wide range of alternative investment funds, including hedge funds, fund of funds, segregated portfolio companies, private equity vehicles, fund management companies and related structures. Ms. Foster holds a Bachelor of Law (Hons) from the University of Liverpool and completed her Professional Practitioner's Course (Cayman Islands) with the Queen's University of Belfast. She also holds a Postgraduate Award in Business Administration (with Distinction) from the University of Warwick. She was admitted as an attorney in the Cayman Islands in 1997. Ms. Foster also holds the Accredited Director designation from the Chartered Governance Institute of Canada. She is a member of the Cayman Islands Legal Practitioners Association, the International Bar Association, the American Bar Association and the Cayman Islands Directors Association.

Jennifer Anne Collins is a member of our board of directors since 2021. She is a non-executive fund director at the Carne Group in the Cayman Islands, which provides independent governance to the alternative fund industry. Ms. Collins has over 20 years' experience in the financial services industry as a qualified accountant and has been serving as an independent fund director since 2011. Between 2000 and 2011, Ms. Collins worked in the fund administration industry in the Cayman Islands with significant experience in investment fund set up, administration and documentary review requirements for both regulated and non-regulated investment funds operating in the Cayman Islands. In 2011, Ms. Collins transitioned from her career in fund administration to directorship services. She joined the governance teams of Ogier (2011 through 2014) and the Carne (2014 to present) where she serves as a board member of a wide range of alternative investment funds, including hedge funds, fund of funds, segregated portfolio companies, private equity vehicles and related structures. Ms. Collins is a Canadian Chartered Professional Accountant and a Certified Public Accountant in the state of Illinois. Ms. Collins also holds the Accredited Director designation from the Chartered Governance Institute of Canada. She is a member of the Chartered Professional Accountants of Canada, the Cayman Islands Institute of Professional Accountants, the Chartered Governance Institute of Canada and the Cayman Islands Directors Association.

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Glen George Wigney is currently the managing director, governance services of Five Continents Partners Limited, which provides independent governance to the alternative investment industry, a position he has held since 2014. He was formerly a senior member of Deloitte’s global financial services team and has 30 years of experience with the Canadian, Cayman Islands and U.S. member firms of Deloitte. He led Deloitte’s Emerging Manager Program in the U.S. Midwest, serving as an audit leader in the investment management practice from 2008 to 2014. Prior to relocating to Chicago in 2008, he was the partner-in-charge of the audit practice of Deloitte Cayman Islands, serving as partner from 1989 to 2007. During his 20 years in the Cayman Islands, he served on industry committees and Deloitte’s Global Financial Services Industry group. He is the co-founder the Cayman Islands Chapter of Hedge Funds Care and served on the global board of directors for this charity. Mr. Wigney is an Illinois Certified Public Accountant, a member of the Chartered Professional Accountants of Ontario and holds Bachelor of Commerce degree from Carleton University in Ottawa, Canada. He is an SEC Financial Expert and a registered director under the Directors Registration and Licensing Law, 2014 of the Cayman Islands.

Executive Officers

Our executive officers are responsible for the management and representation of our company. The following table lists our current executive officers:

| <u>Name</u> | <u>Age</u> | <u>Position</u> |
|---|------------|---|
| Alexandre Teixeira de Assumpção Saigh | 54 | Chief Executive Officer |
| Marco Nicola D’Ippolito | 45 | Chief Financial Officer |
| André Mauricio de Camargo Penalva | 49 | Head of Sales and Distribution |
| Ricardo Leonel Scavazza | 44 | Chief Executive Officer and Chief Investments Officer of Private Equity |
| Andre Franco Sales | 48 | Chief Executive Officer and Chief Investment Officer of Infrastructure |
| Daniel Rizardi Sorrentino | 41 | Brazil’s Country Manager |
| Jose Augusto Gonçalves de Araujo Teixeira | 43 | Head of Marketing and Products |
| Ana Paula Alves dos Santos | 54 | Head of Human Resources |
| Marcelo Augusto Spinardi | 38 | Head of Finance |
| Paulo Eduardo de Freitas Cirulli | 40 | Chief Compliance Officer |
| Pedro Rufino Carvalho da Silva | 40 | Global General Counsel |
| Peter Paul Lorenço Estermann | 64 | Chief of Private Equity Portfolio Management |

The following is a brief summary of the business experience of our executive officers. Unless otherwise indicated, the current business addresses for our executive officers is 18 Forum Lane, 3rd floor, Camana Bay, PO Box 757, KY1-9006, Grand Cayman, Cayman Islands.

Alexandre Teixeira de Assumpção Saigh. See “—Board of Directors.”

Marco Nicola D’Ippolito is our Managing Partner & Chief Financial Officer. Mr. D’Ippolito is a member of the Management Committee and is primarily responsible for finance, operations, shareholders relations, fund administration technology and corporate development. Before taking over as CFO, Mr. D’Ippolito served Patria as COO for four years. Before that, Mr. D’Ippolito worked at Patria’s Private Equity division, being responsible for different investments in the technology, logistics, healthcare, agribusiness and food industries. Mr. D’Ippolito was also responsible for fundraising initiatives within the Patria Private Equity business. In addition, Mr. D’Ippolito was the Chairman of the Board and Board Member of different portfolio companies. Before joining Patria in 2005, Mr. D’Ippolito worked for a Latin American family office as private equity portfolio manager between 2002 and 2005. Prior to that, Mr. D’Ippolito participated on the start-up, development and sale of an IT private company in Brazil. Mr. D’Ippolito holds a bachelor’s degree in Economics from Fundação Armando Álvares Penteado (FAAP) and an MBA from Instituto Brasileiro de Mercado de Capitais (IBMEC).

André Mauricio de Camargo Penalva is a Managing Partner and Head of Sales & Distribution for Latin America. Mr. Penalva's primary responsibility is to lead our Sales and Investor Relations, focusing on institutional investors globally. Member of our Management Committee, Mr. Penalva joined Patria in 1994 and became a Partner in 2005. Before joining Patria, Mr. Penalva worked in the private banking division of J.P. Morgan and coordinated the corporate sales and derivatives desk at Chase Manhattan Bank. Mr. Penalva also worked at Banco Patrimônio as a fixed-income trader, heading the bank's offshore activities and the relationship with Salomon Brothers in emerging markets fixed-income investments. Mr. Penalva has a bachelor's degree in Mechanical Engineering from Escola Politécnica da Universidade de São Paulo (USP).

Ricardo Leonel Scavazza is a Managing Partner and Chief Executive Officer & Chief Investments Officer of Private Equity for Latin American strategies. Mr. Scavazza is primarily responsible for all Latin American Private Equity strategy at Patria. Before taking over as CEO & CIO for Private Equity Latin America, Mr. Scavazza served as the Head of Private Equity Strategy in Brazil. Mr. Scavazza joined Patrimônio in 1999, became a partner in 2005, and has worked on several new investments and acquisitions for the portfolio companies of Private Equity Funds I, II, III, IV and V. Mr. Scavazza worked as Chief Executive Officer at Anhanguera between 2009 and 2013. Mr. Scavazza was also Chief Financial Officer at DASA in 2001 and at Anhanguera from 2003 to 2006. Mr. Scavazza holds a bachelor's degree in Business Administration from Fundação Getulio Vargas (FGV) and an MBA from Kellogg Scholl of Management, Northwestern University.

Andre Franco Sales is a Managing Partner & Chief Executive Officer and Chief Investment Officer of Patria's Infrastructure division. Mr. Sales is primarily responsible for leading our Infrastructure strategies, conducting infrastructure investment in Latin America. Before taking over as CEO and CIO of our Infrastructure strategies, Mr. Sales worked on numerous investments of Patria Infrastructure Funds I, II and III. Mr. Sales also served as a Director at Patria's M&A Advisory division, and co-CEO of ERSa (Patria's Infrastructure Fund I), a company that later became CPFL Renewables. Prior to joining Patria, Mr. Sales was a Senior Manager in the energy business of Vale, and a Senior Associate in the Infrastructure department of the BNDES – Brazilian National Development Bank. Mr. Sales was a co-founder of an internet community and market place sold to Bradesco in 2000. Mr. Sales also worked for four years at J.P. Morgan in São Paulo and New York in the M&A and Corporate Finance division. Mr. Sales holds a bachelor's degree in Production Engineering from Escola Politécnica da Universidade de São Paulo (USP).

Daniel Rizardi Sorrentino is Managing Partner & Brazil's Country Manager. Mr. Sorrentino is primarily responsible for managing the Brazilian office, including Brazilian *reais* denominated products and strategies. Mr. Sorrentino was the Chief of Portfolio Management of the PE Group since 2017. Within that position, he was responsible for the Management and Transformation Team, which included the Operating Partners Group and the value creation team. In that position, he was responsible for overseeing 22 companies of our PE portfolio with total revenues above US\$3 billion and over 30,000 employees. Mr. Sorrentino has also worked on several investments and acquisitions in our PE Group since 2009. He had a leadership role on PE portfolio companies, including Chairman of Alliar since 2011 and Bioritmo/SmartFit since 2010. Mr. Sorrentino joined Patria in 2001 and became a partner in 2009. From 2003 to 2007, Mr. Sorrentino worked at Anhanguera Educacional leading the M&A team. Prior to that, Mr. Sorrentino worked at DASA in the M&A initiative and for Fotoptica as a business analyst. Mr. Sorrentino holds a bachelor's degree in Business Administration from Fundação Getulio Vargas (FGV).

Jose Augusto Gonçalves de Araujo Teixeira is a Partner and current Head of Marketing and Products for Patria. Mr. Teixeira is primarily responsible for product development and marketing globally and also for distribution in Brazil. Before taking over as Head of Marketing and Products, Mr. Teixeira served as the Head of Marketing and Investor Relations for Private Equity products between 2013 and 2020. From 2005 to 2013, Mr. Teixeira held various senior positions at Anhanguera Educacional, Patria's flagship investment in the Post-secondary Education sector, where he served as Chief Financial Officer between 2011 and 2013; Investor Relations Officer between 2007 and 2013; Strategic, Commercial and Financial Planning Director between 2007 and 2011; and Financial Planning Manager between 2005 and 2007. Prior to joining Patria in 2004, Mr. Teixeira worked with the Latin American Research Sales team at Goldman Sachs in New York. Mr. Teixeira holds a bachelor's degree in Political Science and Economics from Amherst College.

Ana Paula Alves dos Santos is a Partner and Head of Human Resources. Ms. Santos's main responsibilities include supervising all HR teams and activities and to support the diversification, expansion and globalization of our activities. Before taking over as Managing Director and Head of HR, Ms. Santos served as the Head of HR for the Private Equity business unit. Prior to joining Patria in 2020, Ms. Santos acquired extensive experience in Human Resources strategic management in multinational companies from different market sectors such as Coca-Cola (1991-1994), Schering-Plough (1997-2001), Abbott (2002-2011), Marfrig (2011-2012), Carrefour (2012-2014), Telefônica (2017-2018) and, most recently, Walmart Brazil (2018-2019). In addition to her wide practice in the Brazilian market, Ms. Santos has also worked in the United States of America and in France. Ms. Santos is a board member of Elfa Medicamentos and member of the People Committee of Hospital Oswaldo Cruz. Ms. Santos was a counselor member for VisaoPrev and Enactus Brazil. Ms. Santos holds a bachelor's degree in psychology from UFRJ and a post-graduate degree in Human Resources from PUC. She also holds a specialization course from Stanford and an executive MBA from Coppead (UFRJ).

Marcelo Augusto Spinardi is a Partner and current Head of Finance. Since 2016, Mr. Spinardi has been responsible for leading our treasury, accounting, financial planning & analysis, and funds administration teams. Additionally, he is a co-leader of our Financial Committee and takes part in our Management Committee meetings when discussing financial matters. He reports to our CFO. From 2012 to 2016, Mr. Spinardi worked at Capitale Energia, one of the largest power trading companies in Brazil, as a director nominated by Patria. He was responsible for the management of the risk, products, finance and back office divisions. He reported directly to the Infrastructure and Capital Management CIO. Mr. Spinardi started his career at Patria in 2005, as a portfolio manager responsible for arbitrage strategies focused on equities and future derivatives. Mr. Spinardi holds a Bachelor's Degree in Mechanical Engineering from Escola Politécnica da Universidade de São Paulo (USP) and a Master's Degree in Finance and Economics from Insper.

Paulo Eduardo de Freitas Cirulli is our Chief Compliance Officer. Mr. Cirulli is primarily responsible for the implementation and development of our group's compliance program, fraud prevention practices, KYC analysis on investor onboarding, and the evaluation and support regarding private equity funds regulatory overview. Mr. Cirulli is also responsible for our internal investigation process and monitoring of the risk mitigation program in investees, as part of the investment portfolio of funds managed by the our group. Prior to joining Patria, Mr. Cirulli worked for eight years at the Brazilian stock exchange (*B3 S.A.—Brasil, Bolsa, Balcão*, formerly known as BM&FBOVESPA) as Superintendent of Derivative Products Engineering and Structured Transactions; OTC Product Manager; Real Estate Products and Special Auctions Manager; and Bidding Processes Coordinator. Mr. Cirulli holds a Bachelor's Degree in Business Administration from Fundação Getulio Vargas (EAESP-FGV), an MBA of Project Strategic and Economic Management from Fundação Getulio Vargas (FGV), and a Bachelor in Laws from Universidade Presbiteriana Mackenzie (2016-2020).

Pedro Rufino Carvalho da Silva is our Global General Counsel since September 2021. Mr. Rufino was a partner and co-head of the Latin American group at Herbert Smith Freehills LLP in London between May 2019 and August 2021, where he also acted as counsel between April 2017 and April 2019, senior associate between August 2013 and March 2017 and associate between May 2013 and August 2013. He was also the legal manager for finance and oil trade at OGX Petróleo e Gas S.A. between May 2011 and May 2013, a legal counsel at Itau BBA International Plc. between October 2010 and May 2011 and an associate at BM&A – Barbosa, Müssnich & Aragão between February 2003 and October 2009. He holds a bachelor's degree in law from the Universidade Federal do Rio de Janeiro and an LL.M. in Corporate and International Commodity Sales from the London School of Economics and Political Science.

Peter Paul Lorenço Estermann is a Partner and our Chief of Private Equity Portfolio Management since January 2021. Mr. Estermann is a Partner at Patria Investments Limited and Chief of Portfolio Management of Value Creation Business for Latam strategies. He has over 40 years of professional experience, including 12 years in agribusiness, 10 years in the industry for the transformation of polymers, paper and cellulose and refractory materials, 12 years in telecommunications and health services, and six years in retail. Previously, Mr. Estermann was the CEO of GPA (from April 2018 to November 2020), where he was responsible for the operations in the region, with over 100,000 employees and a revenue of R\$60 billion. Mr. Estermann was also Infrastructure and Strategic Development Officer of GPA from June 2014 to October 2015. Mr. Estermann has developed his career in different industries and the service sector, and in large and leading companies with different areas of expertise, differentiated in terms of technology, management models and cultures. Mr. Estermann was CEO of Via Varejo S. A. (2015-2018, 2018-2019) and Vice-CEO and Chief Operating Officer of Medial Saúde (2006—2007). Mr. Estermann has held important positions in various European and Brazilian companies since 1981. Mr. Estermann holds a degree in Agronomy Engineering from the Federal University of Lavras – Minas Gerais and post graduate studies from Harvard Business School (“Making Corporate Boards more Effective”—2008, “Audit Committees in a New Era of Governance”—2008 and “Program for Management Development/PMD”—1999).

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.

Our executive officers, directors and management receive fixed and variable compensation. They also receive benefits in line with market practice. The fixed component of their compensation is set on market terms and adjusted annually. For more information on their variable compensation, see “Item 6. Directors, Senior Management and Employees—B. Compensation.”

For the years ended December 31, 2021 and 2020, aggregate compensation for Patria’s directors and executive officers for services in all capacities was US\$17.6 million and US\$2.6 million, respectively, which includes both benefits paid in kind and variable compensation. In connection with our initial public offering, we paid an extraordinary bonus to certain members of our management in an aggregate amount of US\$3.0 million in 2021. Additionally, we paid to certain of our directors and executive officers an aggregate amount of US\$9.5 million as bonus compensation in February 2022, and we expect to pay US\$9.8 million as carry bonus throughout the year of 2022.

Officer’s Fund

For the year ended December 31, 2021, there were no grants under our Officer’s fund and we don’t expect to make further contributions to this fund in the future. Under the terms of the Officer’s fund, certain of our employees were entitled to a cash benefit based on certain of our financial metrics. For further information, see note 30(b) to our audited consolidated financial statements included elsewhere in this annual report.

Long-Term Equity Incentive Plan

On June 16, 2021, we implemented a new equity incentive program, or the long-term incentive plan, or the “LTIP,” for the purpose of advancing the interests of our shareholders by enhancing our ability to motivate and reward eligible service providers to perform at the highest level.

The LTIP governs the issuances of equity incentive awards with respect to our Class A common shares. The maximum number of Class A common shares initially available for issuance pursuant to equity incentive awards granted under the LTIP will not exceed 5% of our common shares outstanding at any given time. Our board of directors may at its discretion adjust the number of Class A common shares available for issuance under the LTIP.

Under the LTIP, equity incentive awards may be granted annually to our employees, non-employee directors, officers, consultants or other individual service providers, as well as holders of equity compensation awards granted by a company that may be acquired by us in the future.

Awards under the LTIP may be granted in the form of stock options, stock appreciation rights, restricted stock, restricted stock units, performance awards or other stock-based awards. Stock options and stock appreciation rights will have an exercise price determined by the administrator but that is no less than the fair market value of the underlying Class A common shares on the date of grant.

The vesting conditions for grants under the LTIP are determined by the administrator and, in the case of restricted stock or restricted stock units, are set forth in the applicable award documentation. For stock options, the administrator determines the exercise price of the option, the term of the option and the time or times at which the option may be exercised. Performance awards are subject to performance conditions as specified by the administrator and are settled in cash, Class A common shares, other awards, other property, net settlement or any combination thereof, as determined by the administrator in its discretion, following the end of the relevant performance period. The LTIP is administered by a compensation committee appointed by our board of directors consisting of not less than three members, which may consist of directors and/or officers or other management members of our company. For more information see “—C. Board Practices—Committees—Compensation Committee.”

IPO Share-Based Incentive Grant

Under the LTIP and in connection with the completion of our IPO, we made our first equity incentive grant, known as the “IPO grant.” Under the IPO grant, Performance Restricted Units, or “PSUs,” convertible into Class A common shares were granted to eligible participants.

We set a maximum aggregate of 410,115 Class A common shares to be granted under the LTIP in connection with the IPO grant, which includes a potential boost award to be measured only on the last year of the LTIP and subject to certain pre-determined performance metrics. As of December 31, 2021, we granted an aggregate of 289,183 Class A common shares under the LTIP. As certain participants resigned from Patria in 2021, they forfeited their rights to receive 78,869 shares received under the IPO grant, according to the vesting schedule of the LTIP. For further information, see note 27(d) to our audited consolidated financial statements included elsewhere in this annual report.

2022 Awards

In 2022, we intend to make and approve a new long-term incentive plan or amend the existing LTIP to provide for a grant of approximately 100,000 Class A common shares, relating to a new performance share grant to be substantially similar to the current grant. The total number of shares, including those under our existing LTIP, will be within the 5% of our common shares outstanding.

C. Board Practices

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; and
- 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.

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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.

See also “Item 10. Additional Information—B. Memorandum and Articles of Association—Principal Differences between Cayman Islands and U.S. Corporate Law.”

Controlled Company Exception

Patria Holdings beneficially owns the majority of our Class B common shares, representing 83.3% of the voting power of our outstanding share capital. As a result, we are a “controlled company” within the meaning of the corporate governance standards of the Nasdaq corporate governance rules. Under these rules, a company of which more than 50% of the voting power in the election of directors is held by an individual, group or another company is a “controlled company” and may elect not to comply with certain corporate governance requirements.

As a “controlled company,” we may elect not to comply with certain corporate governance standards, including the requirements (1) that a majority of our board of directors consist of independent directors; (2) that our board of directors have a compensation committee that is comprised entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities; and (3) that our board of directors have a nominating and corporate governance committee that is comprised entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities. For so long as we qualify as a controlled company, we may take advantage of these exemptions. Accordingly, our shareholders may not have the same protections afforded to shareholders of companies that are subject to all of these corporate governance requirements. In the event that we cease to be a “controlled company” and our common shares continue to be listed on the Nasdaq, we will be required to comply with the corporate governance standards within the applicable transition periods.

Board Diversity Matrix

Board Diversity Matrix (as of December 31, 2021)

| | | | | |
|--|--------------------------|-------------|-------------------|--------------------------------|
| Country of Principal Executive Offices | Cayman Islands | | | |
| Foreign Private Issuer | Yes (the Cayman Islands) | | | |
| Disclosure Prohibited under Home Country Law | No | | | |
| Total Number of Directors | 7 | | | |
| | Female | Male | Non-Binary | Did Not Disclose Gender |
| Part I: Gender Identity | | | | |
| Directors | 2 | 5 | 0 | 0 |
| Part II: Demographic Background | | | | |
| Underrepresented Individual in Home Country Jurisdiction | 0 | | | |
| LGBTQ+ | 0 | | | |
| Did not Disclose Demographic Background | 0 | | | |

Audit Committee

The audit committee, which consists of Sabrina Bridgett Foster, Jennifer Anne Collins and Glen George Wigney, assists our board of directors in overseeing our accounting and financial reporting processes and the audits of our financial statements. 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. Sabrina Bridgett Foster serves as Chairman of the committee. The audit committee consists of members of our board of directors who are financially literate, and includes two members who are considered an “audit committee financial expert” as defined by the SEC. Our board of directors has determined that Sabrina Bridgett Foster, Jennifer Anne Collins and Glen George Wigney satisfy the “independence” requirements set forth in Rule 10A-3 under the Exchange Act. SEC and Nasdaq rules with respect to the independence of our audit committee require that all members of our audit committee must meet the independence standard for audit committee membership within one year of the effectiveness of the registration statement for our initial public offering.

Our audit committee is governed by a charter that complies with Nasdaq rules and is responsible for, among other things:

- the appointment, compensation, retention and oversight of any auditor or accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services;
- 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 and the independent auditor, in separate meetings whenever the audit committee deems appropriate, any analyses or other written communications prepared by the management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative IFRS methods on the financial statements; and other critical accounting policies and practices of the Company;
- reviewing, in conjunction with the Chief Executive Officer and Chief Financial Officer of the Company, the Company's disclosure controls and procedures and internal control over financial reporting;
- establishing procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and
- approving or ratifying any related party transaction (as defined in our related party transaction policy) in accordance with our related party transaction policy.

Our audit committee regularly reports to the board of directors and meets as often as it determines is appropriate to carry out its responsibilities, but in any event should meet at least four times per year.

D. Employees

As of December 31, 2021, 2020 and 2019, we had 390, 158 and 167 employees, respectively. As of December 31, 2021, 115 of these employees were investment professionals. The table below breaks down our full-time personnel by function as of December 31, 2021:

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| Function | As of December 31, 2021 | |
|----------------------------|----------------------------|---------------|
| | Number of Employees | % of Total |
| Management | 37 | 9% |
| Investment | 115 | 30% |
| Sales & IR | 58 | 15% |
| General and Administrative | 180 | 46% |
| Total | 390 | 100% |

We believe we have a constructive relationship with our employees and certain labor unions, as we have never experienced strikes, work stoppages or disputes leading to any form of downtime.

E. Share Ownership

As of the date of this annual report, the members of our board of directors and our executive officers do not have any family relationships among themselves, with the members of the boards of directors of our subsidiaries, with our controlling shareholder or with the boards of directors of our subsidiaries, other than the fact that Mr. Olimpio Matarazzo Neto, chairman and a member of our board of directors, is a first degree cousin of Mr. Alexandre Teixeira de Assumpção Saigh, our Chief Executive Officer and member of our board of directors.

The shares and any outstanding 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—Long-Term Equity Incentive Plan” for information on our share option long-term incentive programs.

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 as of December 31, 2021, by:

- each person, or group of affiliated persons, known by us to own beneficially 5% or more of our issued and outstanding shares;
- each of our executive officers and directors individually; 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 as of December 31, 2021 on the basis of the following numbers of shares outstanding: 54,247,500 Class A common shares and 92,945,430 Class B common shares.

Unless otherwise indicated below, the address for each beneficial owner is c/o Patria Investments Limited, at 18 Forum Lane, 3rd floor, Camana Bay, PO Box 757, KY1-9006, Grand Cayman, Cayman Islands.

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| Shareholders | Shares Beneficially Owned | | | | % of Total Voting Power(1) |
|---|---------------------------|-------|------------|-------|----------------------------|
| | Class A | | Class B | | |
| | Shares | % | Shares | % | |
| 5% Shareholders | | | | | |
| Patria Holdings Limited(2) | — | — % | 81,900,000 | 88.1% | 83.3% |
| Blackstone PAT Holdings IV, L.L.C.(3) | 6,544,619 | 12.1% | — | — % | 0.7% |
| Entities affiliated with Adage Capital Partners, L.P.(4) | 2,677,765 | 4.9% | — | — % | 0.3% |
| Entities affiliated with Capital Research Global Investors(5) | 5,021,580 | 9.3% | — | — % | 0.5% |
| Entities affiliated with Capital International Investors(6) | 3,280,360 | 6.0% | — | — % | 0.3% |
| Entities affiliated with Wellington Management Group LLP(7) | 3,508,750 | 6.5% | — | — % | 0.4% |
| Entities affiliated with FMR LLC(8) | 5,424,750 | 10.0% | — | — % | 0.6% |
| Executive Officers and Directors | | | | | |
| Alexandre Teixeira de Assumpção Saigh(2)(9) | — | — % | 81,900,000 | 88.1% | 83.3% |
| Olimpio Matarazzo Neto(2)(9) | — | — % | 81,900,000 | 88.1% | 83.3% |
| Otavio Lopes Castello Branco Neto(9) | — | — % | — | — % | — % |
| Pablo Echeverría Benítez(10) | — | — % | 3,617,260 | 3.9% | 3.7% |
| Sabrina Bridgett Foster | — | — % | — | — % | — % |
| Jennifer Anne Collins | — | — % | — | — % | — % |
| Glen George Wigney | — | — % | — | — % | — % |
| Marco Nicola D'Ippolito(9) | — | — % | — | — % | — % |
| André Mauricio de Camargo Penalva(9) | — | — % | — | — % | — % |
| Ricardo Leonel Scavazza(9) | — | — % | — | — % | — % |
| Andre Franco Sales(9) | — | — % | — | — % | — % |
| Daniel Rizardi Sorrentino(9) | — | — % | — | — % | — % |
| Jose Augusto Gonçalves de Araujo Teixeira(9) | — | — % | — | — % | — % |
| Ana Paula Alves dos Santos | — | — % | — | — % | — % |
| Marcelo Augusto Spinardi | — | — % | — | — % | — % |
| Paulo Eduardo de Freitas Cirulli | — | — % | — | — % | — % |
| Pedro Rufino Carvalho da Silva | — | — % | — | — % | — % |
| Peter Paul Lorenço Estermann | — | — % | — | — % | — % |
| All directors and executive officers as a group (18 persons) | — | — % | 85,517,260 | 92.0% | 87.0% |

* Represents beneficial ownership of less than 1% of our issued and outstanding common shares.

- (1) Percentage of total voting power represents voting power with respect to all of our Class A common shares and Class B common shares, as a single class. Holders of our Class B common shares are entitled to 10 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 “Item 10. Additional Information—B. Memorandum and Articles of Association—Voting Rights.”
- (2) Consists of 70,462,802 Class B common shares held of record by Patria Holdings Limited and 11,437,198 Class B common shares held of record by SPV PHL, which is a wholly owned subsidiary of Patria Holdings Limited. Alexandre Teixeira de Assumpção Saigh and Olimpio Matarazzo Neto are controlling shareholders of Patria Holdings Limited (the “Patria Holdings Controlling Shareholders”). Patria Holdings Limited is the sole shareholder of SPV PHL. The Patria Holdings Controlling Shareholders have beneficial ownership of the Class B common shares held of record by Patria Holdings Limited. Each of the Patria Holding Controlling Shareholders disclaims ownership of the Class B common shares except to the extent he has a pecuniary interest therein. The address of each of Patria Holdings Limited, SPV PHL and each Patria Holdings Controlling Shareholders is c/o Patria Holdings Limited, 18 Forum Lane, 3rd floor, Camana Bay, PO Box 757, KY1-9006, Grand Cayman, Cayman Islands.

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- (3) This information is based solely on the Schedule 13G filed with the SEC on February 11, 2022 on behalf of Blackstone PAT Holdings IV, L.L.C., Blackstone Holdings IV L.P., Blackstone Holdings IV GP L.P., Blackstone Holdings IV GP Management (Delaware) L.P., Blackstone Holdings IV GP Management L.L.C., Blackstone Inc., Blackstone Group Management L.L.C. and Stephen A. Schwarzman. Blackstone Holdings IV L.P. is the sole member of Blackstone PAT Holdings IV, L.L.C. Blackstone Holdings IV GP L.P. is the general partner of Blackstone Holdings IV L.P. Blackstone Holdings IV GP Management (Delaware) L.P. is the general partner of Blackstone Holdings IV GP L.P. Blackstone Holdings IV GP Management L.L.C. is the general partner of Blackstone Holdings IV GP Management (Delaware) L.P. The sole member of Blackstone Holdings IV GP Management L.L.C. is Blackstone Inc. The sole holder of the Series II preferred stock of Blackstone Inc. is Blackstone Group Management L.L.C. Blackstone Group Management L.L.C. is wholly owned by Blackstone's senior managing directors and controlled by its founder, Stephen A. Schwarzman. Each of the Blackstone entities described in this footnote and Mr. Schwarzman (other than to the extent it or he directly holds securities as described herein) may be deemed to beneficially own the shares directly or indirectly controlled by such Blackstone entities or him, but each disclaims beneficial ownership of such shares. The address of each of such Blackstone entities and Mr. Schwarzman is c/o The Blackstone Group Inc., 345 Park Avenue, New York, NY 10154.
- (4) This information is based solely on the Schedule 13G filed with the SEC on February 10, 2022 on behalf of Adage Capital Partners, L.P., Adage Capital Partners GP, L.L.C., Adage Capital Advisors, L.L.C., Robert Atchinson and Phillip Gross. Adage Capital Partners, L.P., a Delaware limited partnership, or "ACP," Adage Capital Partners GP, L.L.C., a limited liability company organized under the laws of the State of Delaware, or "ACPGP," as general partner of ACP with respect to the Class A common shares directly owned by ACP, Adage Capital Advisors, L.L.C., a limited liability company organized under the laws of the State of Delaware "ACA," as managing member of ACPGP, general partner of ACP, with respect to the Class A common shares directly owned by ACP, Robert Atchinson, as managing member of ACA, managing member of ACPGP, general partner of ACP with respect to the Class A common shares directly owned by ACP, and Phillip Gross, as managing member of ACA, managing member of ACPGP, general partner of ACP with respect to the Class A common shares directly owned by ACP. The address of the business office of each of these entities and individuals is 200 Clarendon Street, 52nd Floor, Boston, Massachusetts 02116.
- (5) This information is based solely on the Schedule 13G filed with the SEC on February 11, 2022 on behalf of Capital Research Global Investors. Capital Research Global Investors, or "CRGI," is a division of Capital Research and Management Company, or "CRMC," as well as its investment management subsidiaries and affiliates Capital Bank and Trust Company, Capital International, Inc., Capital International Limited, Capital International Sarl, Capital International K.K., and Capital Group Private Client Services, Inc., or together with CRMC, the "investment management entities." CRGI's divisions of each of the investment management entities collectively provide investment management services under the name "Capital Research Global Investors." The address of each of such entities is 333 South Hope Street, 55th Fl, Los Angeles, CA 90071.
- (6) This information is based solely on the Schedule 13G filed with the SEC on February 11, 2022 on behalf of Capital International Investors. Capital International Investors, or "CII," is a division of Capital Research and Management Company, or "CRMC," as well as its investment management subsidiaries and affiliates Capital Bank and Trust Company, Capital International, Inc., Capital International Limited, Capital International Sarl, Capital International K.K., and Capital Group Private Client Services, Inc., or together with CRMC, the "investment management entities." CII's divisions of each of the investment management entities collectively provide investment management services under the name "Capital International Investors." The address of each of such entities is 333 South Hope Street, 55th Fl, Los Angeles, CA 90071.
- (7) This information is based solely on the Schedule 13G filed with the SEC on February 14, 2022 on behalf of Wellington Management Group LLP, Wellington Group Holdings LLP, Wellington Investment Advisors Holdings LLP and Wellington Management Company LLP. These securities as to which a Schedule 13G was filed by Wellington Management Group LLP, as parent holding company of certain holding companies and the Wellington Investment Advisers, are owned of record by clients of the Wellington Investment Advisers. Wellington Investment Advisors Holdings LLP controls directly, or indirectly through Wellington Management Global Holdings, Ltd., the Wellington Investment Advisers. Wellington Investment Advisors Holdings LLP is owned by Wellington Group Holdings LLP. Wellington Group Holdings LLP is owned by Wellington Management Group LLP. The address of each of such entities is c/o Wellington Management Company LLP, 280 Congress Street, Boston, MA 02210.

- (8) This information is based solely on the Schedule 13G filed with the SEC on January 10, 2022 on behalf of FMR LLC and Abigail P. Johnson. Consists of 5,424,750 Class A common shares held of record by FMR LLC. Abigail P. Johnson is a Director, the Chairman and the Chief Executive Officer of FMR LLC. Members of the Johnson family, including Abigail P. Johnson, are the predominant owners, directly or through trusts, of Series B voting common shares of FMR LLC, representing 49% of the voting power of FMR LLC. The Johnson family group and all other Series B shareholders have entered into a shareholders' voting agreement under which all Series B voting common shares will be voted in accordance with the majority vote of Series B voting common shares. Accordingly, through their ownership of voting common shares and the execution of the shareholders' voting agreement, members of the Johnson family may be deemed, under the Investment Company Act of 1940, to form a controlling group with respect to FMR LLC. Neither FMR LLC nor Abigail P. Johnson has the sole power to vote or direct the voting of the shares owned directly by the various investment companies registered under the Investment Company Act, or "Fidelity Funds," advised by Fidelity Management & Research Company LLC, or "FMR Co. LLC," a wholly owned subsidiary of FMR LLC, which power resides with the Fidelity Funds' Boards of Trustees. FMR Co. LLC carries out the voting of the shares under written guidelines established by the Fidelity Funds' Boards of Trustees. The address of each of such entities is c/o 245 Summer Street, Boston, MA 02210.
- (9) While these executive officers and directors do not own common shares in Patria Investments Limited directly, part of them own equity interests in Patria Holdings Limited. These executive officers and directors disclaim beneficial ownership of the shares held by Patria Holdings Limited except to the extent, if any, of their respective pecuniary interest therein.
- (10) While Mr. Benítez does not own common shares in Patria Investments Limited directly, he owns equity interests in Inversiones Sao Paulo SpA, which is a shareholder of Patria Investments Limited. Mr. Benítez disclaims beneficial ownership of the shares held by Inversiones Sao Paulo SpA except to the extent, if any, of his respective pecuniary interest therein. The address of such entity is Camino El Golf 1863 House 11, Zapallar, Valparaiso, Chile.

B. Related Party Transactions

Partners' Compensation

We made cash payments as compensation (excluding dividends) to our direct partners amounting to US\$2.8 million, US\$2.6 million and US\$2.7 million in the years ended December 31, 2021, 2020 and 2019, respectively. Additionally, we paid to certain of our partners an aggregate amount of US\$19.8 million as bonus compensation in the month of February 2022 and we expect to pay US\$12.2 million as Carry bonus throughout the year of 2022. See note 30(a) to our audited consolidated financial statements, included elsewhere in this annual report.

Long-Term Investments

Patria Brazilian Private Equity III, Ltd. and Patria Brazil Real Estate Fund General Partner II, Ltd. have certain of our founding shareholders as related parties holding a participating share that gives them the right to all returns on Patria Brazil Real Estate Fund II, L.P., and PBPE Fund III (Ontario), L.P. These investments are recorded under long-term investments with equivalent liabilities to the holder of the participating share. All contributions to these investment funds are made by the respective related party and distributions received are returned to the respective related party. For further details, see notes 12(b) and 17 to our audited consolidated financial statements.

Carried Interest Allocation

Our senior managing directors and certain employees are entitled to receive 35% of the performance fee receivable from PBPE Fund III (Ontario), L.P. through a carried interest vehicle, as they are its ultimate beneficial owner. See note 22(a) to our audited consolidated financial statements.

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Long-Term Incentive Plan

In 2021, we introduced a share based incentive plan to provide long-term incentives to certain employees, directors, and other eligible participants in exchange for their services. See “Item 6. Directors, Senior Management and Employees—B. Compensation—Long-Term Equity Incentive Plan” for additional information.

Defined Benefits Plan

Our employees in Chile are a party to a certain defined benefits plan as part of the compensation for their services. See note 15(c) to our audited consolidated financial statements.

Lease Commitments

Certain lease payments were made for various office premises, a portion of which were paid to MAM I and MAM II, both of which are related parties. See note 20(a) to our audited consolidated financial statements. Additionally, since December 1, 2021 Moneda S.A. Administradora General de Fondos and Moneda Corredores de Bolsa lease offices to Moneda III SpA, an entity owned by the Moneda Shareholders (as defined herein).

Building Improvements

Amounts for building improvements included under property and equipment include US\$0.1 million incurred by Moneda S.A. Administradora General De Fondos, or “MAGF,” to a related party (Constructor EG SpA due to a related partner) for the month and year ended December 31, 2021. See note 13 to our audited consolidated financial statements.

Professional Services

Amounts for other liabilities and administrative expenses includes approximately US\$2,000.00 incurred by MAGF to a related party (Barros and Errázuriz Abogados Limitada due to related legal advisory director) for legal advisory services for the month and year ended December 31, 2021. See notes 17 and 23 to our audited consolidated financial statements.

Related Party Transaction Policy

In January 2021, we entered into a new related party transaction policy. Under our new related party transaction policy, certain related party transactions need to be approved by our board of directors or a designated committee thereof, which may include our audit committee.

Registration Rights Agreement

Patria Holdings Limited and Blackstone PAT Holdings IV, L.L.C. Registration Rights Agreement

We entered into a registration rights agreement, or the “BX Registration Rights Agreement,” with Patria Holdings Limited and Blackstone PAT Holdings IV, L.L.C., or the “Principal Shareholders” that provides the Principal Shareholders with a specified number of “demand” registration rights and customary “piggyback” registration rights.

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, the Principal Shareholders may require that we register for public resale under the Securities Act all common shares constituting Registrable Securities (as defined in the BX Registration Rights Agreement) that they request to 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 (unless the initiating holder is seeking to register the sale of its entire interest in our share capital). If we become eligible to register the sale of Registrable Securities 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 Principal Shareholders will have the right to require us to register the sale of the Registrable Securities held by them on Form F-3, subject to certain restrictions.

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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 or Form F-4 relating to shares issued in connection with any transaction), our Principal Shareholders are entitled to notice of such registration and to request that we include Registrable Securities for resale on such registration statement, and we are required, subject to certain exceptions, to include such Registrable Securities in such registration statement.

In connection with the transfer of their Registrable Securities, the parties to the BX Registration Rights Agreement may assign certain of their respective rights under the BX Registration Rights Agreement under certain circumstances. In connection with the registrations described above, we will pay certain expenses relating to such registrations and will indemnify any selling shareholders against (or make contributions in respect of) certain liabilities, subject to certain restrictions, and the selling shareholders will indemnify us against (or make contributions in respect of) certain liabilities, subject to certain restrictions.

Moreover, under the BX Registration Rights Agreement, each of Mr. Alexandre T. de A. Saigh, Mr. Olimpio Matarazzo Neto, Mr. Otavio Lopes Castello Branco Neto and Patria Holdings, on the one hand, and Blackstone, on the other hand, has agreed to certain lock-up provisions that restrict them from selling or otherwise disposing any shares held by such persons until the six-month anniversary of the listing date, subject to certain exceptions. The restrictions lapse as to one-third of such shares on the six-month anniversary of the listing date, as to another one-third of such shares on the 12-month anniversary of the listing date, and as to the remainder of such shares on the 18-month anniversary of the listing date.

Moneda Shareholders Registration Rights Agreement

We entered into a registration rights agreement, or the “Moneda Registration Rights Agreement,” with Inversiones Puerto Aventura Limitada, Inversiones Orobanca SpA, Inversiones Financieras S.A., Inversiones y Asesorías Santa Loreto Limitada, Asesorias e Inversiones Trialma Limitada, Inversiones Leprechaun SpA, Inversiones Lircay SpA, Asesorias e Inversiones Moraleja SpA, Jadresic Asesorias e Inversiones SpA, Asesorias e Inversiones IOU Limitada, Inversiones Ronin 2 Limitada, Inversiones Oropax and Inversiones VA SpA, or the “Moneda Shareholders” that provides the Moneda Shareholders with a specified number of “demand” registration rights and customary “piggyback” registration rights.

Subject to restrictions on transfer of their shares pursuant to the pledge, security, control and lock-up agreement entered by and between us and each of the Moneda Shareholders, and subject to several exceptions, including our right to defer a request of registration under certain circumstances, the Moneda Shareholders may require that we file short-form registration forms, on Form F-3 or any comparable or successor form, providing for the registration of, and the sale on a continuous or delayed basis of, the Registrable Securities (as defined in the Moneda Registration Rights Agreement) held by such requesting Moneda Shareholder so long as the securities requested to be registered in each short-form registration have an aggregate estimated market value of at least US\$25 million.

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 a short-term registration statement filed solely to effect a block sale, on Form S-8 relating to shares issued in connection with an employee benefit plan or Form F-4 relating to shares issued in connection with any transaction), our Moneda Shareholders are entitled to a notice of such registration and to request that we include their Registrable Securities for resale on such registration statement, and we are required, subject to certain exceptions, to include such Registrable Securities in such registration statement.

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In connection with the transfer of their Registrable Securities, the parties to the Moneda Registration Rights Agreement may assign certain of their respective rights under the Moneda Registration Rights Agreement under certain circumstances. We will pay certain expenses in connection with a registration proposed by us of the sale of any of our securities under the Securities Act for our own account or the account of any other holder. In case of a short-form registration requested by Moneda Shareholders, the expenses will be borne severally and not jointly, pro rata, by the selling Moneda Shareholders and other selling holders. Furthermore, in connection with the registrations described above, we will indemnify any selling shareholders against certain liabilities, subject to certain restrictions, and the selling shareholders will indemnify us against certain liabilities, subject to certain restrictions.

Indemnification Agreements

We entered into indemnification agreements with our directors and executive officers in connection with our initial public offering. The indemnification agreements and our Articles of Association require us to indemnify our directors and executive officers to the fullest extent permitted by law.

Shareholders' Agreement

On October 1, 2010, we entered into a shareholders' agreement, or the "Shareholders' Agreement," with Patria Holdings Limited and Blackstone PAT Holdings IV, L.L.C. The Shareholders' Agreement contains certain customary provisions, including the rights of Patria Holdings Limited and Blackstone PAT Holdings IV, L.L.C. to designate a certain number of the members of our board of directors. The Shareholders' Agreement (including the board designation rights and Patria's rights with respect to use of the Blackstone name) was terminated in connection with the completion of our initial public offering, except for certain provisions that survive in accordance with the terms of the Shareholders' Agreement, including drag-along and tag-along rights.

Corporate Reorganization

On December 1, 2020, we entered into a purchase agreement among Blackstone and certain of its affiliates, Messrs. Alexandre T. de A. Saigh, Olimpio Matarazzo Neto and Otavio Lopes Castelo Branco Neto, or the "Founders," and certain entities affiliated with the Founders, or the "Founder Entities," and Patria Brazil, in connection with the Purchase and Roll-Up. See "Item 4. Information on the Company—A. History and Development of the Company—Our History—Corporate Reorganization" for additional information regarding our corporate reorganization.

C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

Dividends and Dividend Policy

The payment of dividends in the future will be within the discretion of our board of directors at such times. Accordingly, if we decide to pay dividends, the form, frequency and 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. See "Item 3. Key Information—D. Risk Factors—Certain Factors Relating to Our Class A Common Shares—We intend to pay dividends to holders of our common shares but our ability to do so is subject to our results of operations, distributable reserves and solvency requirements; we are not required to pay dividends on our common shares and holders of our common shares have no recourse if dividends are not paid." For further information on dividends, see "Item 10. Additional Information—B. Memorandum and Articles of Association—Dividends and Capitalization of Profits."

In the years ended December 31, 2021, 2020 and 2019, dividends paid to our shareholders were US\$119.8 million, US\$64.5 million and US\$46.9 million, respectively. Prior to our IPO, dividends were paid on a disproportional basis using a predetermined formula that considers adjusted net income and other adjustments agreed to by the shareholders in the Shareholders' Agreement valid at that time. For the period ended December 31, 2021, dividends were declared and paid to shareholders on a pro rata basis. See "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Shareholders' Agreement."

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Total dividends approved and declared for the year ended December 31, 2021 amounted to US\$96.5 million, of which US\$23.5 million were approved in February 2022 and paid in March 2022. Total dividends approved and declared for the year ended December 31, 2020 amounted to US\$84.2 million, of which US\$23.3 million was paid to shareholders in January 2021.

Our intention is to pay to holders of common shares dividends representing approximately 85% of our Distributable Earnings, subject to adjustment as determined by our board of directors to be necessary or appropriate to provide for the conduct of our business, to make appropriate investments in our business and funds, to comply with applicable law, any of our debt instruments or other agreements, or to provide for future cash requirements such as tax-related payments, clawback obligations and dividends to shareholders for any ensuing quarter. The dividend amount could also be adjusted upwards or downwards. All of the foregoing is subject to the further qualification that the declaration and payment of any dividends are at the sole discretion of our board of directors and our board of directors may change our dividend policy at any time, including, without limitation, to reduce such dividends or even to eliminate such dividends entirely. For more information on Distributable Earnings, see “Item 5. Operating and Financial Review and Prospects—A. Operating Results—Non-GAAP Financial Measures and Reconciliations—Distributable Earnings (DE).”

Our ability to make dividends to our shareholders will depend on a number of factors, including among others general economic and business conditions, our strategic plans and prospects, our business and investment opportunities, our financial condition and operating results, including the timing and extent of our realizations, working capital requirements and anticipated cash needs, contractual restrictions and obligations including fulfilling our current and future capital commitments, legal, tax and regulatory restrictions, restrictions and other implications on the payment of dividends by us to holders of our common shares or payment of distributions by our subsidiaries to us and such other factors as our board of directors may deem relevant. Our ability to pay dividends is also subject to the availability of lawful funds therefor as determined in accordance with applicable law.

Certain Cayman Islands Legal Requirements Related to Dividends

Under the Companies Act and our Articles of Association, a Cayman Islands company may pay a dividend out of either its profit or share premium account, but a dividend may not be paid if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business. According to our Articles of Association, dividends can be declared and paid out of funds lawfully available to us, which include the share premium account. Dividends, if any, would be paid in proportion to the number of common shares a shareholder holds. For further information, see “Item 10. Additional Information—E. Taxation—Cayman Islands Tax Considerations.”

Any dividends we declare on our common shares will be in respect of our Class A and Class B common shares, and will be distributed such that a holder of one of our Class B common shares will receive the same amount of the dividends that are received by a holder of one of our Class A common shares. We will not declare any dividend with respect to the Class A common shares without declaring a dividend on the Class B common shares, and vice versa.

We are a holding company and have no material assets other than our direct and indirect ownership of our operating subsidiaries. If we were to distribute a dividend at some point in the future, we would cause the operating subsidiaries to make distributions to us in an amount sufficient to cover any such dividends to the extent permitted by our subsidiaries’ financing agreements, if any.

Legal Proceedings

From time to time, we are involved in disputes that arise in the ordinary course of our business. Our business is also subject to extensive regulation, which may result in regulatory proceedings against us. See “Item 3. Key Information—D. Risk Factors—Extensive regulation of our business affects our activities and created the potential for significant liabilities and penalties. The possibility of increased regulatory focus could result in additional burdens on 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 recognize provisions for legal proceedings in our financial statements, in accordance with our management's assessment and applicable accounting rules, when we are advised by independent outside counsel 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, if any, 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.

As of December 31, 2021, we have not been directly involved in lawsuits for which the possibility of loss was probable. Therefore, no provision was recorded pursuant to IAS 37 (provisions, contingent liabilities, and contingent assets). 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 operating results or financial condition for that reporting period could be material.

Civil Matters

As of December 31, 2021, we were party to three legal proceedings of a civil nature. Two civil proceedings were related to collection lawsuits filed by third parties seeking our joint liability for the acts of certain of our service providers and portfolio companies and one commercial dispute involving a group of investors seeking indemnification for alleged damages, in an aggregate amount estimated by us to be approximately US\$7.2 million (R\$40.1 million), for which no reserves have been recorded.

Labor Matters

As of December 31, 2021, we were party to seven labor-related proceedings in an aggregate amount of US\$2.0 million (R\$11.4 million), of which US\$37,000 (R\$206,000) is related to an employment lawsuit filed in 2019 by a former employee, with the risk of loss considered possible by external legal counsel, for which no reserves have been recorded. The other cases refer to labor claims of third parties' employees seeking our joint and several liability for the acts of our service providers and portfolio companies.

The principal claims involved in these labor suits relate to overtime, salary equalization termination fees, and indemnities based on Brazilian labor laws. We believe these proceedings are unlikely to have a material adverse impact, individually or in the aggregate, on our results of operations or financial condition.

Tax and Social Security Matters

As of December 31, 2021, we were involved in 10 administrative or judicial proceedings with a risk of loss evaluated by our external counsels as either remote or possible, for which we recorded no provision, since based on the advice of our external counsels, none of these cases was evaluated as a probable loss. As of December 31, 2021, we had no judicial deposits, as these were not required under applicable Brazilian accounting standards. We believe these proceedings are unlikely to have a material adverse impact, individually or in the aggregate, on our results of operations or financial condition. See note 19 to our consolidated financial statements included elsewhere in this annual report.

The following is a summary of our most significant tax proceedings with a risk of loss evaluated by our external counsels as possible:

- On December 16, 2019, the Brazilian Federal Revenue Service issued a tax assessment notice against one of our subsidiaries (Patria Investimentos Ltda.), to demand the collection of Social Integration Program, or "PIS," and Social Security Financing Contribution, or "COFINS," allegedly due on exported financial advice and consultancy services to Patria Finance Limited in 2015 and 2016. An aggravated penalty of 150% was applied in connection with a supposed fraud and sham allegation and certain executive directors were also deemed jointly liable in connection with such allegations. The administrative court has not yet issued a final decision in regard to this administrative proceeding. As of December 31, 2021, the estimated value involved in this proceeding was US\$4.7 million (R\$26.6 million). Based on the advice of our external counsel, we believe that the risk of loss in this proceeding is possible, and no provision had to be recorded.

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- On December 16, 2019, the Brazilian Federal Revenue Service also issued a tax claim against one of our subsidiaries (Patria Investimentos Ltda.), to demand the collection of social security contributions on profit sharing program payments and signing bonus in 2015 and 2016. We filed our defense and a decision by the administrative court is currently pending. As of December 31, 2021, the estimated amount involved in this proceeding was US\$1.8 million (R\$10.2 million). Based on the advice of our external counsel, we believe that the risk of loss in this proceeding is possible, and no provision had to be recorded.
- In 2017 and 2018, the Municipality of São Paulo filed six administrative proceedings against one of our subsidiaries (Patria Investimentos Ltda.), questioning the exemption of municipal tax over services, or “ISS.” In 2019, the Municipality of São Paulo obtained favorable administrative decisions. In light of the outcome of the administrative proceedings, our subsidiaries filed legal proceedings to revert the administrative decisions and such legal proceedings are currently ongoing. As of December 31, 2021, our external legal counsel assessed the risk of loss relating to these lawsuits as possible and evaluated the potential loss in an aggregated amount of US\$4.5 million (R\$24.9 million). We do not believe that these judicial proceedings are material considering that none of them, individually, involve amounts above R\$10 million.

The Brazilian Federal Revenue Service has been reviewing and questioning the prevailing nonresident investment company structures used by the private equity industry for investments in Brazil. In connection with this review a tax claim was issued against the financial institution that acted as a legal representative for nonresident entities who invested in the Brazilian markets, including nonresident investment vehicles managed by certain of our affiliates that invested part of their holdings in Brazilian incorporated funds managed by certain of our affiliates. According to the Brazilian Federal Revenue Service, although previously understood to be exempt from income taxes, the financial institution should have withheld and collected withholding income tax on distributions made to such nonresident vehicles for which it acted as legal representative. Because such nonresident entities invested part of their holdings in Brazilian incorporated funds managed by certain of our affiliates, certain of our affiliates were viewed as jointly liable for the payment of the underlying withholding income tax, together with fines and interest. Certain of our affiliates filed their defense and a final decision by the administrative court is currently pending, although we already had a favorable decision in the case on the first administrative instance. In Brazil, first administrative instance decisions are always reviewed by the Administrative Chamber of Tax Appeals, a second instance in administrative proceedings.

Although amounts, including penalties and interest, could be significant, based on the advice of our external counsel in view of the regulations, applicable facts related to the beneficial owners as well as the rulings issued so far, we believe that the risk of loss in this proceeding is remote and no provision has been recorded.

The Brazilian Federal Revenue Service issued a tax claim against one of the Brazilian portfolio companies held by one of our funds, demanding the withholding income tax on the capital return to its shareholders, due to the fact that such remittances were considered simulated. In this sense, Patria Investimentos Ltda. was deemed jointly liable as the legal representative of the investment funds that received such payments, as shareholders of the portfolio company. Both companies presented their defense, however, there has been no administrative decision yet. Based on the advice of our external counsel, we believe that the risk of loss in this proceeding is remote, and no provision had to be recorded.

B. Significant Changes

None.

ITEM 9. THE OFFER AND LISTING

A. Offering and Listing Details

Not applicable.

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B. Plan of Distribution

Not applicable.

C. Markets

On January 26, 2021, we completed our initial public offering. Our common shares have been listed on the Nasdaq Global Select Market since January 22, 2021 under the symbol "PAX."

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

Patria was incorporated in Bermuda on July 6, 2007 as a limited liability exempted company and changed the jurisdiction of its incorporation to the Cayman Islands on October 12, 2020, registering by way of continuation 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.

Our affairs are governed principally by: (1) our Memorandum and 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 at c/o Maples Corporate Services Limited, P.O. Box 309, Uglund House, Grand Cayman, KY1-1104, Cayman Islands.

Our shareholders adopted the Memorandum and Articles of Association included as Exhibit 3.1 to the Amendment No. 2 to our registration statement on Form F-1 (File No. 333-251823), filed with the SEC on January 14, 2021.

Our Memorandum and Articles of Association authorize the issuance of up to US\$100,000, consisting of 1,000,000,000 shares of par value US\$0.0001. Of those authorized shares, (1) 500,000,000 are designated as Class A common shares, (2) 250,000,000 are designated as Class B common shares, and (3) 250,000,000 are as yet undesignated and may be issued as common shares or shares with preferred rights. As of the date of this annual report, 54,247,500 Class A common shares and 92,945,430 Class B common shares of our authorized share capital were issued, fully paid and outstanding.

Our Class A common shares are listed on the Nasdaq under the symbol "PAX."

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Initial settlement of our Class A common shares took place on the closing date of our initial public offering through The Depository Trust Company, or “DTC,” in accordance with its customary settlement procedures for equity securities. Each person owning Class A common shares held through DTC must rely on the procedures thereof and on institutions that have accounts therewith to exercise any rights of a holder of the Class A common shares. Persons wishing to obtain certificates for their Class A common shares must make arrangements with DTC.

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

The Memorandum and 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 10 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. The implementation of this dual class structure was required by Patria Holdings, one of our existing shareholders, as a condition of undertaking an initial public offering of our common shares. See “—Anti-Takeover Provisions in Our Articles of Association—Two Classes of Common Shares.”

At the date of this annual report, Patria’s total authorized share capital was US\$100,000, divided into 1,000,000,000 shares par value US\$0.0001 each, of which:

- 500,000,000 shares are designated as Class A common shares; and
- 250,000,000 shares are designated as Class B common shares.

The remaining 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.

We currently have a total issued share capital of US\$14,720, divided into 147,192,930 common shares. Those common shares are divided into 54,247,500 Class A common shares and 92,945,430 Class B common shares.

Treasury Stock

At the date of this annual report, Patria has no shares in treasury.

Issuance of Shares

Except as expressly provided in Patria’s Articles of Association, the 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 increase in issued share capital), either at a premium or at par, with or without preferred, deferred or other special rights or restrictions, whether relating 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, Patria shall not issue bearer shares.

Patria’s Articles of Association provide that at any time 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 Patria (following an offer by Patria 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 Patria pursuant to Patria’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 ten-to-one voting ratio between our Class B common shares and Class A common shares means that 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.”

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

Fiscal Year

Patria'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) the holder of Class B common shares is entitled to 10 votes per share, whereas holders of Class A common shares are entitled to one vote per share, (2) Class B common shares have certain conversion rights and (3) the holder of Class B common shares is 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" and "—Conversion." 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.

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

- class consents from the holders of Class A common shares or 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;
- 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
- the rights attaching to the Class A common shares and the Class B common shares shall not be deemed to be varied by the creation or issue of shares with preferred or other rights, including, without limitation, shares with enhanced or weighted voting rights.

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

Preemptive or Similar Rights

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

The Class B common shares are entitled to maintain a proportional ownership interest in the event that additional Class A common shares are issued. As such, except for certain exceptions, including the issuance of Class A common shares in furtherance of our initial public offering, if Patria 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 Patria. This right to maintain a proportional ownership interest may be waived by a majority of the holders of Class B common shares.

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 the Articles of Association, including transfers to affiliates, transfers to and between trusts solely for the benefit of the shareholder or its affiliates, and partnerships, corporations and other entities exclusively owned by the shareholder or its affiliates. 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 total number of the issued and outstanding Class B common shares is less than 10% of the total number of shares outstanding.

No class of Patria's common shares may be subdivided or combined unless the other class of common shares is concurrently subdivided or combined in the same proportion and in the same manner.

Equal Status

Except as expressly provided in Patria'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 Patria is the surviving entity), 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, at least 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 Patria is a party, or (2) any tender or exchange offer by Patria 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, at least 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, Patria'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 Patria at the applicable record date for that meeting and, in order to vote, all calls or installments then payable by such shareholder to Patria 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 10 votes per Class B common share.

As a Cayman Islands exempted company, Patria is not obliged by the Companies Act to call annual general meetings; 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 Patria has the discretion whether or not to hold an annual general meeting in 2021. 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, Patria 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 São Paulo, Brazil, 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. Patria's Articles of Association provide that upon the requisition of one or more shareholders representing not less than one-third of the voting rights entitled to vote at general meetings, the board will convene an extraordinary general meeting and put the resolutions so requisitioned to a vote at such meeting. The Articles of Association provide no other right to put any proposals before annual general meetings or extraordinary general meetings.

Subject to regulatory requirements, the annual general meeting and any extraordinary general meetings must be called by not less than ten (10) clear days' notice prior to the relevant shareholders meeting and convened by a notice discussed below. Alternatively, upon the prior consent of all holders entitled to receive notice, with 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.

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

Holders whose shares are registered in the name of DTC or its nominee, which we expect will be the case for all holders of Class A common shares, will not be shareholders or members 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 Patria'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 Patria 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 Patria 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 Patria and any person or persons (including without limitation any bilateral or any multilateral set-off or netting arrangements between the Company and any person or persons), and subject to any agreement between Patria and any person or persons to waive or limit the same, shall apply Patria'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 Patria.

Changes to Capital

Pursuant to the Articles of Association, Patria 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 issued or agreed to be issued to any person and diminish the amount of its share capital by the amount of the shares so canceled.

Patria'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, Patria 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 Patria 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 Patria's board of directors.

The Class A common shares sold in our initial public offering are traded on the Nasdaq in book-entry form and may be transferred in accordance with Patria's Articles of Association and Nasdaq's rules and regulations.

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However, Patria'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 Patria in respect thereof;
- the instrument of transfer is lodged with Patria, 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 Patria; 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 Patria to purchase its own shares, subject to certain restrictions. The board of directors may only exercise this power on behalf of Patria, subject to the Companies Act, the Articles of Association and to any applicable requirements imposed from time to time by the SEC, Nasdaq, or by any recognized stock exchange on which our securities are listed.

Dividends and Capitalization of Profits

Our intention is to pay to holders of Class A common shares dividends representing approximately 85% of our Distributable Earnings, subject to adjustment by amounts determined by our board of directors to be necessary or appropriate. The dividend amount could also be adjusted upwards or downwards. For more information on Distributable Earnings, see "Item 5. Operating and Financial Review and Prospects—A. Operating Results—Non-GAAP Financial Measures and Reconciliations—Distributable Earnings (DE)." For more information on our dividend policy, see "Item 8. Financial Information—A. Consolidated Statements and Other Financial Information."

Subject to the Companies Act, Patria'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 Patria. Except as otherwise provided by the rights attached to shares and the Articles of Association of Patria, 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 Patria'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 holder 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

Patria 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 five to 11 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 Patria'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.

On October 1, 2010, we entered into a shareholders' agreement, or the "Shareholders' Agreement," with Patria Holdings Limited and Blackstone PAT Holdings IV, L.L.C. The Shareholders' Agreement contains certain customary provisions, including the rights of Patria Holdings Limited and Blackstone PAT Holdings IV, L.L.C. to designate a certain number of the members of our board of directors. The Shareholders' Agreement (including the board designation rights and Patria's rights with respect to use of the Blackstone name) was terminated in connection with the completion of our initial public offering, except for certain provisions that survive in accordance with the terms of the Shareholders' Agreement, including drag-along and tag-along rights.

Our directors are Olimpio Matarazzo Neto, Otavio Lopes Castello Branco Neto, Alexandre Teixeira de Assumpção Saigh, Sabrina Bridgett Foster, Jennifer Anne Collins and Glen George Wigney. Sabrina Bridgett Foster, Jennifer Anne Collins and Glen George Wigney are "independent" as that term is defined under the applicable rules and regulations of the SEC and the listing standards of 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.

Since the completion of our initial public offering, our board of directors has in place an audit committee. See "Management—Committee—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 10 calendar days before the meeting. The director is entitled to attend the meeting and be heard on the motion for his or her 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 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.

Proceedings of the Board of Directors

The Articles of Association provide that Patria'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.

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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 São Paulo, Brazil 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 Patria, 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 Patria 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 Patria'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 are 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, Patria 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 Patria is prima facie evidence of the matters set out therein (i.e., the register of shareholders will raise a presumption of fact on the matters referred to above unless rebutted) and a shareholder registered in the register of shareholders is deemed as a matter of Cayman Islands law to have *prima facie* legal title to the shares as set against his or her name in the register of shareholders. Upon the completion of our initial public offering, our register of shareholders was updated to record and give effect to the issuance of new Class A common shares in our initial public offering. The shareholders recorded in the register of shareholders should be deemed to have legal title to the shares set against their name.

If the name of any person is incorrectly entered in or omitted from the register of shareholders, or if there is any default or unnecessary delay in entering on the register the fact of any person having ceased to be a shareholder of Patria, the person or member aggrieved (or any shareholder of Patria, or Patria itself) may apply to the Cayman Islands Grand Court for an order that the register be rectified, and the court may either refuse such application or it may, if satisfied of the justice of the case, make an order for the rectification of the register.

Exempted Company

Patria 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 information related to 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 obtain an undertaking against the imposition of any future taxation (such undertakings are usually given for 20 years in the first instance);
- an exempted company may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;
- an exempted company may register as a limited duration company; and
- an exempted company may register as a segregated portfolio company.

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

Upon the closing of our initial public offering, Patria will be subject to reporting and other informational requirements of the Exchange Act, as applicable to foreign private issuers. Except as otherwise disclosed in this annual report, Patria 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 Patria or management that shareholders may consider favorable. In particular, the capital structure of Patria concentrates ownership of voting rights in the hands of Patria Holdings. 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 Patria 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 Patria. 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 Patria are entitled to 10 votes per share, while the Class A common shares are entitled to one vote per share. Since Patria Holdings beneficially owns all the Class B common shares, Patria Holdings has the ability to elect a majority of the members of our board of directors and to determine the outcome of most matters submitted for a vote of shareholders. This concentrated voting control could discourage others from initiating any potential merger, takeover, or other change of control transaction that other shareholders may view as beneficial.

So long as Patria Holdings has the ability to determine the outcome of most matters submitted to a vote of shareholders as well as the overall management and direction of Patria, 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 Patria has two classes of common shares may have the effect of depriving you as a holder of Class A common shares of an opportunity to sell your Class A common shares at a premium over prevailing market prices and make it more difficult to replace the directors and management of Patria.

Preferred Shares

Patria'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, Patria'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 Patria.

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 Patria 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 Patria, general corporate claims against Patria 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 Patria's Articles of Association.

The Cayman Islands courts ordinarily would be expected to follow English case law precedents, which permit a minority shareholder to commence a representative action against Patria, or derivative actions in Patria'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 Patria, and (3) an irregularity in the passing of a resolution that requires a qualified (or special) majority.

Registration Rights and Restrictions on Transfer

Although no shareholders of Patria have formal registration rights, they or entities controlled by them or their permitted transferees will, subject to the lock-up agreements described below, be able to sell their shares in the public market from time to time without registering them, subject to certain limitations on the timing, amount and method of those sales imposed by regulations promulgated by the SEC. We entered into a registration rights agreement, or the "BX Registration Rights Agreement," with Patria Holdings Limited and Blackstone PAT Holdings IV, L.L.C., or the "Principal Shareholders" that provides the Principal Shareholders with a specified number of "demand" registration rights and customary "piggyback" registration rights. We have also entered into a registration rights agreement, or the "Moneda Registration Rights Agreement," with certain former shareholders of Moneda, or the "Moneda Shareholders" that provides the Moneda Shareholders with a specified number of "demand" registration rights and customary "piggyback" registration rights. See "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Registration Rights Agreement."

Moreover, under the BX Registration Rights Agreement, each of Mr. Alexandre T. de A. Saigh, Mr. Olimpio Matarazzo Neto, Mr. Otavio Lopes Castello Branco Neto and Patria Holdings, on the one hand, and Blackstone, on the other hand, has agreed to certain lock-up provisions that restrict them from selling or otherwise disposing any shares held by such persons until the six-month anniversary of the listing date, subject to certain exceptions. The restrictions lapse as to one third of such shares on the six-month anniversary of the listing date, as to another one-third of such shares on the 12-month anniversary of the listing date, and as to the remainder of such shares on the 18-month anniversary of the listing date.

Furthermore, each Moneda Shareholder entered with us into a pledge, security, control and lock-up agreement, or the “Moneda Lock-Up Agreement” that restrict them from (1)(A) offering, pledging, assigning, selling or otherwise disposing any shares, (B) publicly disclosing the intention to make any offer, pledge, assignment, sale, loan, conversion or disposition or (C) converting any such Class B common shares into Class A common shares, (2) enter into any derivative transaction, swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership, in whole or in part, directly or indirectly, of such shares, or (3) make any demand for the registration of any shares; held by such persons during the period beginning on fifth anniversary of the closing date of the Moneda acquisition and ending on the earlier of (a) the date on which the Moneda Shareholder ceases to be employed by Patria or any of its affiliates, including any Moneda entity, and (b) the 60th day after the expiration of the relevant tax statute of limitations, with respect to 50% of the relevant collateral shares.

In addition, each of Patria Holdings’ shareholders (which include entities beneficially owned by our Founders and certain of our directors and executive officers) has agreed to lock-up restrictions that restrict them from selling their shares in Patria Holdings for a period of five years from the consummation of our initial public offering, except for lock-up restrictions applicable to shares beneficially owned by Mr. Otavio Lopes Castello Branco Neto, which terminate in 2024. Any exception to these restrictions would require an amendment or waiver of such limitations among the shareholders of Patria Holdings. Although the governance and economic strategy of the Founders and senior executives of Patria is to retain control and economic interest through Patria Holdings and to reward key executives with participation in Patria Holdings, other than the individual lock-ups for the Founders agreed in the BX Registration Rights Agreement as described above, there are no restrictions on the ability of Patria Holdings to transfer shares of Patria following the expiration of the lock-up agreements entered into with the representatives of the underwriters.

Patria, our executive officers and directors who held shares upon completion of our initial public offering and our existing shareholders have agreed to lock-up agreements that restrict us and them, subject to specified exceptions, from selling or otherwise disposing of any shares for a period of 180 days after the date of our initial public offering without the prior consent of the representatives for the underwriters. However, the underwriters may, in their sole discretion and without notice, release all or any portion of the shares from the restrictions in any of the lock-up agreements described above. In addition, these lock-up agreements are subject to the exceptions described in “Class A Common Shares Eligible for Future Sale,” including the right for Patria to issue new shares if we carry out an acquisition or enter into a merger, joint venture or strategic participation.

Principal Differences between Cayman Islands and U.S. Corporate Law

The Companies Act was 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 Patria and the laws applicable to companies incorporated in the United States and their shareholders.

Mergers and Similar Arrangements

The Companies Act permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies.

For these purposes, (1) “merger” means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company and (2) a “consolidation” means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies in the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorized by (a) a special resolution of the shareholders of each constituent company; and (b) such other authorization, if any, as may be specified in such constituent company’s articles of association. The plan must be approved by the directors of each constituent company and filed with the Registrar of Companies together with a declaration as to: (i) the solvency of the consolidated or surviving company; (ii) the merger or consolidation is *bona fide* and not intended to defraud unsecured creditors of the constituent companies; (iii) no petition or other similar proceeding has been filed and remains outstanding and no order or resolution to wind up the company in any jurisdiction; (iv) no receiver, trustee, administrator or similar person has been appointed in any jurisdiction and is acting in respect of the constituent company, its affairs or property; (v) no scheme, order, compromise or similar arrangement has been entered into or made in any jurisdiction with creditors; (vi) a list of the assets and liabilities of each constituent company; (vii) the non-surviving constituent company has retired from any fiduciary office held or will do so; (viii) that the constituent company has complied with any requirements under the regulatory laws, where relevant; and (ix) an undertaking that a copy of the certificate of merger or consolidation will be published in the Cayman Islands Gazette, and where the surviving company is a Cayman Islands company, given to the members and creditors of each constituent company.

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Dissenting shareholders have the right to be paid the fair value of their shares (which, if not agreed between the parties, may be determined by the Cayman Islands' court) if they follow the required procedures, subject to certain exceptions. Court approval is not required for a merger or consolidation that is effected in compliance with these statutory procedures.

In addition, there are statutory provisions that facilitate the reconstruction and amalgamation of companies, provided that the arrangement in question is 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, convened for that purpose. The convening of the meetings and subsequently 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:

- Patria is not proposing to act illegally or *ultra vires* and the statutory provisions as to majority vote have been complied with;
- the shareholders have been fairly represented at the meeting in question;
- the arrangement is such that may be reasonably approved by an intelligent and honest man of that class acting in respect of his interest; 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 the arrangement and reconstruction are thus approved, any dissenting shareholders would have no rights comparable to appraisal rights, which might otherwise ordinarily be available to dissenting shareholders of U.S. corporations and allow such dissenting shareholders to receive payment in cash for the judicially determined value of their shares.

When a takeover offer is made and accepted by holders of 90.0% in value of the shares affected within four months, the offeror may, within a two-month period thereafter, require the holders of the remaining shares to transfer such shares on the terms of the offer. An objection may be made to the Grand Court of the Cayman Islands but is unlikely to succeed unless there is evidence of fraud, bad faith or collusion.

In application may be made by a dissenting shareholder to the Grand Court for an order that the transfer of the shares be made otherwise than on the terms of the offer.

Shareholders' Suits

Class actions are not recognized in the Cayman Islands, but groups of shareholders with identical interests may bring representative proceedings, which are similar. However, a class action suit could nonetheless be brought in a U.S. court pursuant to an alleged violation of U.S. securities laws and regulations.

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In principle, Patria itself would normally be the proper plaintiff and as a general rule, while a derivative action may be initiated by a minority shareholder on behalf of Patria in a Cayman Islands court, such shareholder will not be able to continue those proceedings without the permission of a Grand Court judge, who will only allow the action to continue if the shareholder can demonstrate that Patria has a good case against the defendant, and that it is proper for the shareholder to continue the action rather than the Company's board of directors. Examples of circumstances in which derivative actions would be permitted to continue are where:

- 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 its authority, could be effected duly if authorized by more than a simple majority vote that has not been obtained; and
- those who control the company are perpetrating a "fraud on the minority."

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 Patria's Articles of Association, a director must disclose the nature and extent of his interest in any contract or arrangement, and following such disclosure and subject to any separate requirement under applicable law or the listing rules of the Nasdaq, and unless disqualified by the chairman of the relevant meeting, the interested director may vote in respect of any transaction or arrangement in which he or she is interested. The interested director shall be counted in the quorum at such meeting and the resolution may be passed by a majority of the directors present at the meeting.

Subject to the foregoing and our Articles of Association, our directors may exercise all the powers of Patria to vote compensation to themselves or any member of their body in the absence of an independent quorum. Our Articles of Association provide that, in the event a Compensation Committee is established, it shall be made up of such number of independent directors as is required from time to time by the Nasdaq rules (or as otherwise may be required by law). We currently have no intention to establish a Compensation Committee.

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; and
- 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.

Borrowing Powers

Patria's directors may exercise all the powers of Patria 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 Patria or of any third party. Such powers may be varied by a special resolution of shareholders (requiring a two-thirds majority vote).

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 Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime. Patria's Articles of Association provide that we shall indemnify and hold harmless our directors and officers against all actions, proceedings, costs, charges, expenses, losses, damages, liabilities, judgments, fines, settlements and other amounts incurred or sustained by such directors or officers, other than by reason of such person's dishonesty, willful default or fraud, in or about the conduct of our company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such director or officer in defending (whether successfully or otherwise) any civil, criminal or other proceedings concerning Patria 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 Patria'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 owe fiduciary duties to their companies to act *bona fide* in what they consider to be the best interests of the company, to exercise their powers for the purposes for which they are conferred and not to place themselves in a position where there is a conflict between their personal interests and their duty to the company. Accordingly, a director owes a company a duty not to make a profit based on his or her position as director (unless the company permits him or her to do so) and a duty not to put himself or herself in a position where the interests of the company conflict with his or her personal interest or his or her duty to a third party. However, this obligation may be varied by the company's articles of association, which may permit a director to vote on a matter in which he has a personal interest provided that he has disclosed that nature of his interest to the board of directors. Patria's Articles of Association provides 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.

A director of a Cayman Islands company also owes to the company duties to exercise independent judgment in carrying out his functions and to exercise reasonable skill, care and diligence, which has both objective and subjective elements. Recent Cayman Islands case law confirmed that directors must exercise the care, skill and diligence that would be exercised by a reasonably diligent person having the general knowledge, skill and experience reasonably to be expected of a person acting as a director. Additionally, a director must exercise the knowledge, skill and experience which he or she actually possesses.

A general notice may be given to the board of directors to the effect that (1) the director is a member or officer of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with that company or firm, or (2) he or she is to be regarded as interested in any contract or arrangement which may after the date of the notice to the board of directors be made with a specified person who is connected with him or her, which 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 Patria'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.

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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. Patria'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, Patria's Articles of Association do not provide for cumulative voting. As a result, the shareholders of Patria are not afforded any less protections or rights on this issue than shareholders of a Delaware corporation.

Removal of Directors

The office of a director shall be vacated automatically if, among other things, he or she (1) becomes prohibited by law from being a director, (2) becomes bankrupt or makes an arrangement or composition with his creditors, (3) dies or is in the opinion of all his co-directors, incapable by reason of mental disorder of discharging his duties as director (4) resigns his 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/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, Patria 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 courts 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, Patria may be dissolved, liquidated or wound up by a special resolution of shareholders (requiring a two-thirds majority vote). Patria’s Articles of Association also give its board of directors authority to petition the Cayman Islands Court to wind up Patria.

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 Patria’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 Patria’s Articles of Association may only be made by special resolution of shareholders (requiring a two-thirds majority vote).

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, Patria’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).

Rights of Nonresident or Foreign Shareholders

There are no limitations imposed by Patria's Articles of Association on the rights of nonresident or foreign shareholders to hold or exercise voting rights on Patria's shares. In addition, there are no provisions in the Articles of Association governing the ownership threshold above which shareholder ownership must be disclosed.

Handling of Mail

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

C. Material Contracts

See "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions." Except as otherwise disclosed in this annual report on Form 20-F (including the Exhibits), we are not currently, and have not been in the last two years, party to any material contract, other than contracts entered into in the ordinary course of business.

D. Exchange controls

The Cayman Islands currently has no exchange control restrictions.

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 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). We have applied for and received this undertaking which provides that, for a period of 20 years from the date of issue of the undertaking, no law thereafter enacted in the Cayman Islands imposing any taxes to be levied on profits, income, gains or appreciation will apply to us or our operations.

Payments of dividends and capital in respect of our 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 common shares, nor will gains derived from the disposal of our 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.

Material U.S. Federal Income Tax Considerations for U.S. Holders

The following summary describes the material U.S. federal income tax consequences of the acquisition, ownership and disposition of our Class A common shares, but it does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a particular person's decision to acquire such securities. This summary applies only to U.S. Holders (as defined below) that hold our Class A common shares as capital assets for tax purposes. In addition, it does not describe all of the tax consequences that may be relevant in light of a U.S. Holder's particular circumstances, including alternative minimum tax consequences, the potential application of the provisions of the Internal Revenue Code of 1986, as amended, or the "Code," known as the Medicare contribution tax, and tax consequences applicable to U.S. Holders subject to special rules, such as:

- certain financial institutions;
- insurance companies;
- real estate investment trusts or regulated investment companies;
- dealers or traders in securities that use a mark-to-market method of tax accounting;
- persons holding Class A common shares as part of a hedging transaction, straddle, wash sale, conversion transaction or other integrated transaction, or persons entering into a constructive sale with respect to the Class A common shares;
- persons whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- tax-exempt entities, including an "individual retirement account" or "Roth IRA;"
- entities classified as partnerships for U.S. federal income tax purposes;
- persons that own or are deemed to own ten percent or more of our stock, by vote or value; or
- persons holding our Class A common shares in connection with a trade or business conducted outside of the United States.

If an entity or arrangement that is 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 our Class A common shares and partners in such partnerships should consult their tax advisors as to the particular U.S. federal income tax consequences of holding 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 or differing interpretations, possibly with retroactive effect.

A “U.S. Holder” is a holder who, for U.S. federal income tax purposes, is a beneficial owner of our Class A common shares and is:

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

U.S. Holders should consult their tax advisors concerning the U.S. federal, state, local and non-U.S. tax consequences of owning and disposing of our Class A common shares in their particular circumstances.

Except where noted, this discussion assumes that we are not, and will not become, a passive foreign investment company, or a “PFIC,” as described below.

Taxation of Distributions

In the event that we do pay dividends, and subject to the discussion below under “—Passive Foreign Investment Company Rules,” distributions paid on our Class A common shares, other than certain pro rata distributions of common shares, will be treated as dividends for U.S. federal income tax purposes to the extent paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Because we do not maintain calculations of our earnings and profits under U.S. federal income tax principles, we expect that distributions generally will be reported to U.S. Holders as dividends. Subject to applicable limitations, dividends paid to certain non-corporate U.S. Holders may be eligible for taxation as “qualified dividend income” and therefore may be taxable at rates applicable to long-term capital gains, so long as our Class A common shares are listed and traded on the Nasdaq or are readily tradable on another established securities market in the United States. U.S. Holders should consult their tax advisors regarding the availability of the reduced tax rate on dividends in their particular circumstances.

The amount of any dividend will generally be treated as foreign-source dividend income to U.S. Holders 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 the U.S. Holder’s actual or constructive receipt of the dividend.

Sale or Other Disposition of Class A Common Shares

Subject to the discussion below under “—Passive Foreign Investment Company Rules,” for U.S. federal income tax purposes, gain or loss realized on the sale or other disposition of our Class A common shares will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder held the Class A common shares for more than one year. The amount of the gain or loss will equal the difference between the U.S. Holder’s tax basis in the Class A common shares 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

A non-U.S. corporation will be a PFIC for any taxable year in which either (1) 75% or more of its gross income consists of “passive income,” or (2) 50% or more of the average quarterly value of its assets consist of assets that produce, or are held for the production of, “passive income.” For this purpose, subject to certain exceptions, passive income includes interest, dividends, rents, gains from the sale or exchange of property that gives rise to such income, gains from the sale of partnership interests and gains from transactions in commodities. A non-U.S. corporation will be treated as owning its proportionate share of the assets and earning its proportionate share of the income of any other corporation in which it owns, directly or indirectly, more than 25% (by value) of the stock.

We do not believe we were a PFIC for our 2021 taxable year. However, there can be no assurance that the IRS will agree with our conclusion. Moreover, our PFIC status is a factual determination that is made on an annual basis. Whether we will be a PFIC in 2022 or in any future year is uncertain because, among other things, our PFIC status depends on the composition of our income and assets and the market 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). In addition, it is uncertain whether certain types of income we derive are characterized as passive income for purposes of determining our PFIC status. Accordingly, there can be no assurance that we will not be a PFIC for any taxable year. If we were a PFIC for any year during which a U.S. Holder holds our Class A common shares, we generally would continue to be treated as a PFIC with respect to that U.S. Holder for all succeeding years during which the U.S. Holder holds the Class A common shares, even if we ceased to meet the threshold requirements for PFIC status.

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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 (1) certain distributions by a Lower-tier PFIC and (2) dispositions of shares of Lower-tier PFICs, in each case as if that U.S. Holder held such shares directly, even though the U.S. Holder will not have received the proceeds of those distributions or dispositions.

If we were a PFIC for any taxable year during which a U.S. Holder held our Class A common shares (assuming such U.S. Holder has not made and maintained a timely election described below), gain recognized by a U.S. Holder on a sale or other disposition (including certain pledges) of the Class A common shares would be allocated ratably over the U.S. Holder’s holding period for the Class A common shares. The amounts allocated to the taxable year of the sale or other disposition and to any year 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 individuals or corporations, as appropriate, for that taxable year, and an interest charge would be imposed on the tax on such amount. Further, to the extent that any distributions received by the U.S. Holder on its Class A common shares exceed 125% of the average of the annual distributions on the Class A common shares received during the preceding three years or the U.S. Holder’s holding period, whichever is shorter, those distributions would be subject to taxation in the same manner as gain, described immediately above.

Alternatively, if we were a PFIC and if the Class A common shares were “regularly traded” on a “qualified exchange,” a U.S. Holder could 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. 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, such U.S. Holder generally will 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 the U.S. Holder makes the election, the holder’s tax basis in its Class A common shares will be adjusted to reflect these income or loss amounts recognized. 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, the U.S. Holder may continue to be subject to tax under the PFIC excess distribution regime with respect to any Lower-tier PFICs, notwithstanding its mark-to-market election for the Class A common shares.

We do not intend to provide information necessary for U.S. Holders to make “qualified electing fund” elections which, if available, would result in tax treatment different from the general tax treatment for PFICs described above.

In addition, if we were a PFIC or, with respect to a particular U.S. Holder, were treated as a PFIC for the 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 U.S. Holder owns Class A common shares during any year in which we are a PFIC, the holder generally must 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 the holder’s federal income tax return for that year.

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U.S. Holders should consult their tax advisors concerning our potential PFIC status and the potential application of the PFIC rules.

Information Reporting and Backup Withholding

Payments of dividends and sales proceeds that are made within the United States or through certain U.S.-related financial intermediaries generally are subject to information reporting, and may be subject to backup withholding, unless (1) the U.S. Holder is a corporation or other exempt recipient or (2) in the case of backup withholding, the U.S. Holder 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 such holder's U.S. federal income tax liability and may entitle it to a refund, provided that the required information is timely furnished to the IRS. U.S. Holders should consult their tax advisors regarding the application of the U.S. information reporting and backup withholding rules.

Information with Respect to Foreign Financial Assets

Certain U.S. Holders 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). U.S. Holders should consult their tax advisors 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

We are subject to the informational requirements of the Exchange Act. Accordingly, required to file reports and other information with the SEC, including annual reports on Form 20-F and reports on Form 6-K. You may inspect and copy the reports and other information to be filed with the SEC at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington D.C. 20549. Copies of the materials may be obtained from the Public Reference Room of the SEC at 100 F Street, N.E., Washington, D.C. 20549 at prescribed rates. The public may obtain information on the operation of the SEC's Public Reference Room by calling the SEC in the United States at 1-800-SEC-0330. In addition, the SEC maintains an Internet website at <http://www.sec.gov>, from which you can electronically access this annual report.

I. Subsidiary Information

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risks in the ordinary course of our business, including the effects of interest rate changes, foreign currency fluctuations and share prices. Information relating to quantitative and qualitative disclosures about these market risks is described below. For more information, see note 29(d) to our audited consolidated financial statements included elsewhere in this annual report.

Credit Risk

Credit risk is the possibility of incurring a financial loss if a client or a counterpart in a financial instrument fails to perform its contractual obligations. We have low exposure to credit risk, since the current amounts receivable recorded as of December 31, 2021, 2020 and 2019 are composed mainly of management fees and performance fees of investment funds managed by us, and also of advisory fees and reimbursement of expenses to be received from investees of such investment funds.

Liquidity Risk

Liquidity risk is the possibility of unbalances between tradable assets and liabilities, payables and receivables mismatches, which might affect our payment ability, taking into consideration the different currencies and settlement terms of our assets and liabilities. In addition, we perform the financial management of our cash and cash equivalents, keeping them available for paying our obligations and reducing our exposure to liquidity risk.

Market Risk

Market risk is defined as the possible negative impact on income caused by changes in market prices, such as interest rate, foreign exchange rate and share prices. Our policy aims to mitigate our exposure to market risks; therefore, as of the years ended December 31, 2021, 2020 and 2019, we mainly invested in fixed income assets and did not hold derivative financial instruments.

Foreign Exchange Risk

Foreign exchange risk results from a possible change in foreign exchange rates that would affect the finance results (income and/or costs and expenses) and the balance of contracts (receivable and/or payable) indexed to a foreign currency. We measure our foreign exchange exposure by subtracting our non-U.S. dollar-denominated liabilities from our non-U.S. dollar-denominated assets, thus obtaining our net foreign exchange exposure and the amount actually affected by exchange fluctuations.

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Sensitivity Analysis

The sensitivity analysis was based on the material assets and liabilities exposed to currencies fluctuation against U.S. dollars, as demonstrated in the tables below:

| | As of December 31, 2021 | | | | | | Total Balance | Exchange Variation impact considering 10% change in the year end rates |
|---|--------------------------------------|--------|------------|---------|-----|---------|---------------|--|
| | Balance in each exposure currency(1) | | | | | | | |
| | BRL | HKD | CLP | COP | GBP | USD | USD | |
| Cash and cash equivalents | 112 | 10,367 | 5,380,931 | 380,196 | 460 | 6,893 | 15,264 | 838 |
| Client funds on deposit | — | — | 66,672,455 | — | — | — | 78,163 | 7,817 |
| Short term investments | 44,202 | — | 2,279,681 | — | — | 141,272 | 151,866 | 1,059 |
| Accounts receivable | 22,741 | 6 | 6,908,891 | 113,854 | — | 95,911 | 108,115 | 1,220 |
| Projects Advance | 4,120 | 237 | (1,168) | 469 | 32 | 3,124 | 3,935 | 81 |
| Deposit/guarantee on lease agreement | 85 | 264 | 1,847,751 | 81,908 | 180 | 566 | 3,043 | 248 |
| Client funds payable | — | — | 66,672,455 | — | — | — | 78,163 | (7,817) |
| Long-term investments | 3,508 | — | 63,614 | — | — | 17,574 | 18,278 | 70 |
| Carried interest allocation | — | — | — | — | — | 11,582 | 11,582 | — |
| Consideration payable on acquisition | — | — | — | — | — | 16,437 | 16,437 | — |
| Contingent consideration payable on acquisition | — | — | — | — | — | 25,775 | 25,775 | — |
| Suppliers and occupancy costs | 2,811 | 196 | 921,549 | 86,553 | 200 | 5,472 | 7,372 | (190) |
| Net Impact | | | | | | | | 3,326 |

(1) References to (1) BRL are to the Brazilian *Real*, (2) HKD are to the Hong Kong dollar, (3) CLP are to the Chilean Peso, (4) COP are to the Colombian Peso, and (5) GBP are to the Pound Sterling.

| | As of December 31, 2020 | | | | | | Total Balance | Exchange Variation impact considering 10% change in the year end rates | |
|-----------------------------|--------------------------------------|-------|---------|-----------|-----|--------|---------------|--|--|
| | Balance in each exposure currency(1) | | | | | | | | |
| | BRL | HKD | CLP | COP | GBP | USD | USD | | |
| | (in US\$ thousands) | | | | | | | | |
| Cash and cash equivalents | 626 | 6,755 | 49,702 | 27,512 | 44 | 12,922 | 14,052 | 113 | |
| Short term investments | 4,782 | — | — | — | — | 9,009 | 9,929 | 92 | |
| Accounts receivable | 45,327 | 6 | 38,527 | 132,631 | 14 | 37,180 | 46,015 | 884 | |
| Projects Advance | 1,995 | 44 | — | 3,972 | 7 | 1,371 | 1,772 | 39 | |
| Other assets | 5,979 | 9 | 10,525 | 177,044 | 64 | 2,938 | 4,243 | 131 | |
| Personnel and related taxes | 41,308 | 2,308 | 121,634 | 1,409,774 | 509 | 4,806 | 14,329 | (952) | |
| Taxes payable | 4,906 | 122 | 10,791 | 159,553 | 36 | — | 1,070 | (107) | |
| Other liabilities | 12,436 | 480 | 12,644 | 10,042 | 174 | 6,573 | 9,287 | (271) | |
| Net impact | | | | | | | | (71) | |

(1) References to (1) BRL are to the Brazilian *Real*, (2) HKD are to the Hong Kong dollar, (3) CLP are to the Chilean Peso, (4) COP are to the Colombian Peso, and (5) GBP are to the Pound Sterling.

The exposure shows the balance sheet impact considering a U.S. dollar valuation increase of 10%. This scenario best reflects our expectations based on projections available in the financial market and take into account the ending rates for each year.

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. Arrears 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

Not applicable.

ITEM 15. CONTROLS AND PROCEDURES

A. Disclosure Controls and Procedures

We have evaluated, with the participation of our chief executive officer and chief financial officer, the effectiveness of our disclosure controls and procedures as of December 31, 2021. 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. Based upon our evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures are effective as of December 31, 2021 to provide reasonable assurance that material information is (1) recorded, processed, summarized and reported within the time periods specified in the applicable rules and forms and (2) accumulated and communicated to our management to allow timely decisions regarding required disclosures.

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 Rule 13a-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 the International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB).

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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.

Our management has assessed the effectiveness of our internal control over financial reporting as of December 31, 2021. 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 this assessment, our management has concluded that our internal controls over financial reporting were effective as of December 31, 2021, and the material weaknesses previously reported in our 2020 Annual Report on Form 20-F filed on April 28, 2021 were remediated.

C. Attestation Report of the Registered Public Accounting Firm

This annual report does not include an attestation report of our registered public accounting firm due to a transition period established by rules of the Securities and Exchange Commission for newly public companies.

D. Changes in Internal Control Over Financial Reporting

In connection with our 2020 audit, we had previously disclosed certain material weaknesses in our control over financial reporting related to the lack of (1) a risk and control matrix in order to address the risks of material misstatements in the financial statements, (2) a process to monitor control activities and identify control deficiencies, and (3) a formal process for review financial statements and approval of manual journal entries.

We took actions to remediate the material weaknesses relating to our internal controls over financial reporting, as described below. The controls and processes we implemented to remediate the identified material weakness included:

- (i) the development of a matrix of risks and controls for material account balances, classes of transactions, disclosures and relevant assertions;
- (ii) the implementation of new processes and procedures in our financial reporting closing process to provide additional levels of review by IFRS experienced personnel, including specific review and approval procedures for manual journal entries; and
- (iii) the implementation of monitoring controls such as self-assessments and action plans to remediate deficiencies.

As a result of the remediation activities and controls in place as of December 31, 2021 described above, we have remediated our previously disclosed material weaknesses as of such date.

On December 1, 2021, we concluded a material business combination by acquiring 100% of the issued share capital of Moneda Asset Management SpA, or “Moneda,” a Chilean simplified corporation. It has not been possible to conclude an assessment of the acquired business’s internal control over financial reporting between the acquisition date and the date of management’s assessment; therefore, our management has excluded the acquired business from our management’s report on internal control over financial reporting.

The acquired businesses contributed revenues of US\$9.1 million and net profit of US\$5.3 million to us for the period from December 1, 2021, to December 31 31, 2021, as well as total assets of US\$144.8 million as of November 30, 2021. For more information on our business combination with Moneda, see “Item 4. Information On The Company—A. History and Development of the Company—Our History—Combination with Moneda Asset Management.”

ITEM 16. [RESERVED]**ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT**

Our board of directors has determined that Jennifer Anne Collins and Glen George Wigney are audit committee financial experts, as that term is defined by the SEC, and are independent for the purposes of SEC and Nasdaq rules.

ITEM 16B. CODE OF ETHICS

In January 2021, we have adopted a code of ethics that applies to all of our employees, officers and directors and posted the full text of our code of ethics on the investor relations section of our website, www.patria.com. We intend to disclose future amendments to our code of ethics, or any waivers of such code, on our website or in public filings. The information on our website is not incorporated by reference into this Annual Report on Form 20-F, and you should not consider information contained on our website to be a part of this Annual Report on Form 20-F.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table sets forth the fees billed to us by our independent registered public accounting firm during the years ended December 31, 2021 and 2020. Our independent registered public accounting firm was Deloitte Touche Tohmatsu Auditores Independentes Ltda. for the years ended December 31, 2021 and 2020.

| | <u>2021</u> | <u>2020</u> |
|--------------------|----------------------------|-------------------|
| | <u>(in US\$ thousands)</u> | |
| Audit fees | 514 | 913 |
| Audit-related fees | 780 | — |
| Tax fees | 80 | 12 |
| All other fees | — | — |
| Total | <u>1,374</u> | <u>925</u> |

Audit Fees

Audit fees are fees billed for professional services rendered by the principal accountant for the audit of the registrant's annual combined financial statements or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years. It includes the audit of our financial statements, interim reviews and other services that generally only the independent accountant reasonably can provide, such as comfort letters, statutory audits, consents and assistance with and review of documents filed with the SEC.

Audit-Related Fees

Audit-related fees are fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and not reported under the previous category. These services would include, among others: accounting consultations, U.S. Sarbanes-Oxley Act of 2002 assessments, and audits in connection with acquisitions, internal control reviews, attest services that are not required by statute or regulation and consultation concerning financial accounting and reporting standards.

Tax Fees

Tax fees are fees billed for professional services for tax due diligence and tax consultations.

All Other Fees

In 2020 and 2021, there were no other fees.

Audit Committee Pre-Approval Policies and Procedures

In accordance with the requirements of the U.S. Sarbanes-Oxley Act of 2002 and rules issued by the Securities and Exchange Commission, in connection with the establishment of our audit committee (which was undertaken in connection with our initial public offering), we introduced a procedure for the review and preapproval of any services performed by Deloitte (including but not limited to Deloitte Touche Tohmatsu Auditores Independentes Ltda.) including audit services, audit-related services, tax services and other services. The procedure requires that all proposed engagements of Deloitte for audit and permitted non-audit services are submitted to the audit committee for approval before the beginning of any such services.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

See “Item 6. Directors, Senior Management and Employees—C. Board Practices—Foreign Private Issuer Status.”

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

None.

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; and
- 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.

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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.

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III**ITEM 17. FINANCIAL STATEMENTS**

We have responded to Item 18 in lieu of this item.

ITEM 18. FINANCIAL STATEMENTS

See our audited consolidated financial statements beginning at page F-1.

ITEM 19. EXHIBITS

The following documents are filed as part of this annual report:

| <u>Exhibit No.</u> | <u>Exhibit</u> |
|--------------------|---|
| 2.1* | Description of Securities registered under Section 12 of the Exchange Act. |
| 3.1 | Articles of Association of Patria (incorporated herein by reference to Exhibit 3.1 to Amendment No. 2 to the Company's Registration Statement on Form F-1 (File No. 333-251823) filed with the SEC on January 14, 2021). |
| 4.1*† | Transaction agreement, dated as of September 3, 2021, among Patria Investments Limited, Patria Investments Latam S.A., Moneda Asset Management SpA, the shareholders of Moneda Asset Management SpA and the guarantors named therein. |
| 4.2*† | First Amendment to transaction agreement, dated as of December 1, 2021, among Patria Investments Limited, Patria Investments Latam S.A., Moneda Asset Management SpA, the shareholders of Moneda Asset Management SpA and the guarantors named therein. |
| 10.1 | Form of indemnification agreement (incorporated herein by reference to Exhibit 10.1 to Amendment No. 2 to the Company's Registration Statement on Form F-1 (File No. 333-251823) filed with the SEC on January 14, 2021). |
| 12.1* | Certification pursuant to section 302 of the Sarbanes-Oxley Act of 2002 of the Chief Executive Officer. |
| 12.2* | Certification pursuant to section 302 of the Sarbanes-Oxley Act of 2002 of the Chief Financial Officer. |
| 13.1* | Certification pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, of the Chief Executive Officer. |
| 13.2* | Certification pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, of the Chief Financial Officer. |
| 14.1 | English translation of the Code of Ethics of Patria (incorporated herein by reference to Exhibit 14.1 to Amendment No. 2 to the Company's Registration Statement on Form F-1 (File No. 333-251823) filed with the SEC on January 14, 2021). |
| 21.1* | List of subsidiaries. |
| 23.1* | Consent of Deloitte Touche Tohmatsu Auditores Independientes Ltda. |
| 101.INS* | Inline XBRL Instance 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 (the cover page XBRL tags are embedded within the inline XBRL document). |

* Filed with this Annual Report on Form 20-F.

† Certain provisions, exhibits and schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

PATRIA INVESTMENTS LIMITED

April 27, 2022

By: /s/ Alexandre Teixeira de Assumpção Saigh
Name: Alexandre Teixeira de Assumpção Saigh
Title: Chief Executive Officer

By: /s/ Marco Nicola D'Ippolito
Name: Marco Nicola D'Ippolito
Title: Chief Financial Officer

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of
Patria Investments Limited

Opinion on the consolidated financial statements

We have audited the accompanying consolidated statements of financial position of Patria Investments Limited and subsidiaries (the “Company”) as of December 31, 2021 and 2020, the related consolidated income statements, and consolidated statements of comprehensive income, changes in equity, and cash flows for each of the three years in the period ended December 31, 2021, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021, in conformity with International Financial Reporting Standards - IFRSs as issued by the International Accounting Standards Board - IASB.

Basis for opinion

These consolidated financial statements are the responsibility of the Company’s Management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board - PCAOB (United States) 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 - SEC and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have nor were we engaged to perform an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

DELOITTE TOUCHE TOHMATSU
Auditores Independentes Ltda.

São Paulo, Brazil

April 26, 2022

We have served as Company’s auditors since 2012.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. Please see www.deloitte.com/about for a more detailed description of DTTL and its member firms.

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Patria Investments Limited
Consolidated Statement of Financial Position
As of December 31, 2021 and December 31, 2020
(In thousands of United States dollars – US\$)

| Assets | Note | 12/31/2021 | 12/31/2020 | Liabilities and equity | Note | 12/31/2021 | 12/31/2020 |
|---------------------------|-------------|-------------------|-------------------|---|-------------|-------------------|-------------------|
| Cash and cash equivalents | 6 | 15,264 | 14,052 | Client funds payable | 7 | 78,163 | — |
| Short term investments | 12(a) | 151,866 | 9,929 | Consideration payable on acquisition | 28 | 16,437 | — |
| Client funds on deposit | 7 | 78,163 | — | Personnel and related taxes payable | 15 | 37,764 | 12,802 |
| Accounts receivable | 8 | 97,119 | 24,022 | Taxes payable | 16 | 3,889 | 1,070 |
| Project advances | 9 | 3,199 | 1,277 | Dividends payable | 27(c) | — | 23,259 |
| Other current assets | 10 | 3,559 | 3,703 | Other current liabilities | 17 | 8,391 | 6,913 |
| Recoverable taxes | 11 | 3,152 | 692 | Carried interest allocation | 22(a) | 11,582 | — |
| Current assets | | 352,322 | 53,675 | Current liabilities | | 156,226 | 44,044 |
| Accounts receivable | 8 | 10,996 | 21,993 | Contingent consideration payable on acquisition | 28 | 25,775 | — |
| Deferred tax assets | 18 | 3,446 | 2,338 | Personnel liabilities | 15 | 5,252 | 1,527 |
| Project advances | 9 | 736 | 495 | Deferred consideration payable | 28 | 2,037 | — |
| Other non-current assets | 10 | 3,227 | 540 | Deferred tax liabilities | 18 | — | 185 |
| Long-term investments | 12(b) | 18,278 | 1,986 | Other non-current liabilities | 17 | 7,746 | 2,374 |
| Property and equipment | 13 | 13,408 | 3,819 | Non-current liabilities | | 40,810 | 4,086 |
| Intangible assets | 14 | 358,908 | 22,357 | Total liabilities | | 197,036 | 48,130 |
| Non-current assets | | 408,999 | 53,528 | Capital | 27(a) | 15 | 1 |
| Total assets | | 761,321 | 107,203 | Additional paid-in capital | 27(b) | 485,180 | 1,557 |
| | | | | Other reserves | 27(d) | 764 | — |
| | | | | Retained earnings | | 87,948 | 62,001 |
| | | | | Cumulative translation adjustment | 27(g) | (9,622) | (6,244) |
| | | | | Equity attributable to the owners of the Company | | 564,285 | 57,315 |
| | | | | Non-controlling interests | 27(h) | — | 1,758 |
| | | | | Equity | | 564,285 | 59,073 |
| | | | | Total liabilities and equity | | 761,321 | 107,203 |

The accompanying notes are integral parts of these consolidated financial statements.

Patria Investments Limited**Consolidated Income Statement****For the years ended December 31, 2021, 2020 and 2019***(In thousands of United States dollars - US\$, except earnings per share)*

| | Note | 2021 | 2020 | 2019 |
|---|--------------|-----------------|-----------------|-----------------|
| Net revenue from services | 21 | 235,515 | 115,017 | 123,215 |
| Cost of services rendered | | (86,765) | (33,182) | (42,958) |
| Personnel expenses | 22 | (47,604) | (27,229) | (36,898) |
| Deferred consideration | 28 | (2,037) | — | — |
| Amortization of intangible assets | 22 | (6,920) | (5,953) | (6,060) |
| Carried interest allocation | 22(a) | (30,204) | — | — |
| Gross profit | | 148,750 | 81,835 | 80,257 |
| Operating income and expenses | | (26,891) | (16,667) | (15,636) |
| Administrative expenses | 23 | (14,385) | (14,627) | (15,702) |
| Other income/(expenses) | 24 | (12,506) | (2,040) | 66 |
| Operating income before net financial income/(expense) | | 121,859 | 65,168 | 64,621 |
| Net financial income/(expense) | 25 | (287) | (192) | (170) |
| Income before income tax | | 121,572 | 64,976 | 64,451 |
| Income tax | 26 | (381) | (3,136) | (3,513) |
| Net income for the year | | 121,191 | 61,840 | 60,938 |
| Attributable to: | | | | |
| Owners of the Company | | 122,476 | 62,209 | 58,539 |
| Non-controlling interests | | (1,285) | (369) | 2,399 |
| Basic and diluted earnings per thousand shares | 27(e) | 0.90066 | 0.53170 | 0.50033 |

The accompanying notes are integral parts of these consolidated financial statements.

Patria Investments Limited**Consolidated Statement of Comprehensive Income**
For the years ended December 31, 2021, 2020 and 2019
(In thousands of United States dollars - US\$)

| | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|---|----------------|---------------|---------------|
| Net income for the year | 121,191 | 61,840 | 60,938 |
| <i>Items that will be reclassified to the income statement:</i> | | | |
| Currency translation adjustment | (3,378) | (1,863) | (3,031) |
| Currency translation adjustment – non-controlling interests | (88) | (1,911) | (610) |
| Total comprehensive income | 117,725 | 58,066 | 57,297 |
| Attributable to: | | | |
| Owners of the Company | 119,098 | 60,346 | 55,508 |
| Non-controlling interests | (1,373) | (2,280) | 1,789 |

Patria Investments Limited
Consolidated Statement of Changes in Equity
For the years ended December 31, 2021, 2020 and 2019
(In thousands of United States dollars - US\$)

| | Notes | Attributable to owners | | | | | | Non-controlling interests | Total Equity |
|-------------------------------------|-------------|------------------------|----------------------------|----------------|-------------------|-----------------------------------|---|---------------------------|----------------|
| | | Capital | Additional paid-in capital | Other reserves | Retained earnings | Cumulative translation adjustment | Equity attributable to owners of the Parent | | |
| Balance at December 31, 2018 | | <u>1</u> | <u>1,557</u> | <u>—</u> | <u>73,341</u> | <u>(2,853)</u> | <u>72,046</u> | <u>6,290</u> | <u>78,336</u> |
| Cumulative translation adjustment | 27(g) | — | — | — | — | (3,031) | (3,031) | (610) | (3,641) |
| Net income for the year | | — | — | — | 58,539 | — | 58,539 | 2,399 | 60,938 |
| Dividends distributed | 27(c) | — | — | — | (46,397) | — | (46,397) | (489) | (46,886) |
| Balance at December 31, 2019 | | <u>1</u> | <u>1,557</u> | <u>—</u> | <u>85,483</u> | <u>(5,884)</u> | <u>81,157</u> | <u>7,590</u> | <u>88,747</u> |
| Cumulative translation adjustment | 27(g) | — | — | — | (1,503) | (360) | (1,863) | (1,911) | (3,774) |
| Net income for the year | | — | — | — | 62,209 | — | 62,209 | (369) | 61,840 |
| Dividends declared | 27(c) | — | — | — | (23,259) | — | (23,259) | — | (23,259) |
| Dividends paid | | — | — | — | (60,929) | — | (60,929) | (3,552) | (64,481) |
| Balance at December 31, 2020 | | <u>1</u> | <u>1,557</u> | <u>—</u> | <u>62,001</u> | <u>(6,244)</u> | <u>57,315</u> | <u>1,758</u> | <u>59,073</u> |
| Cumulative translation adjustment | 27(g) | — | — | — | — | (3,378) | (3,378) | (88) | (3,466) |
| Share Split | | 11 | (11) | — | — | — | — | — | — |
| Capital issuance | 27(a) | 3 | 510,296 | — | — | — | 510,299 | — | 510,299 |
| Transaction costs | 27(a)/27(b) | — | (27,047) | — | — | — | (27,047) | — | (27,047) |
| Net income for the year | | — | — | — | 122,476 | — | 122,476 | (1,285) | 121,191 |
| Dividends declared and paid | 27(c) | — | — | — | (96,529) | — | (96,529) | — | (96,529) |
| Grant of share based incentive plan | 27(d) | — | — | 764 | — | — | 764 | — | 764 |
| Changes in interest of subsidiaries | 5(o) | — | 385 | — | — | — | 385 | (385) | — |
| Balance at December 31, 2021 | | <u>15</u> | <u>485,180</u> | <u>764</u> | <u>87,948</u> | <u>(9,622)</u> | <u>564,285</u> | <u>—</u> | <u>564,285</u> |

The accompanying notes are integral parts of these consolidated financial statements.

Patria Investments Limited
Consolidated Statement of Cash Flows
For the years ended December 31, 2021, 2020 and 2019
(In thousands of United States dollars - US\$)

| | Note | 2021 | 2020 | 2019 |
|---|-------------|------------------|-----------------|-----------------|
| Cash flows from operating activities | | | | |
| Net income for the period | | 121,191 | 61,840 | 60,938 |
| Adjustments to net income for the year | | | | |
| Depreciation expense | 13/23 | 1,783 | 1,680 | 2,120 |
| Amortization expense | 14/22/23 | 6,973 | 6,007 | 6,156 |
| IPO expenses accrual | 24 | 270 | — | — |
| Loss on transfer of investment | 24 | 734 | — | — |
| Net financial investment income | 25 | (355) | (366) | (890) |
| Valuation adjustment of long-term investments | 25 | (226) | 91 | 46 |
| Interest expense on lease liabilities | 25 | 1,022 | 869 | 918 |
| Deferred income taxes expense | 26 | (1,311) | 2,245 | (270) |
| Current income taxes expense | 26 | 1,692 | 891 | 3,783 |
| Share based incentive plan | 27(d) | 764 | — | — |
| Other non-cash effects | | (369) | (243) | (3,469) |
| Changes in operating assets and liabilities | | | | |
| Accounts receivable | | (62,745) | (22,560) | (17,460) |
| Projects advances | | (2,173) | 4,537 | 37 |
| Recoverable taxes | | (2,570) | (326) | 106 |
| Personnel and related taxes payable | | 27,596 | 1,144 | 1,748 |
| Carried interest allocation | 22(a) | 11,582 | — | — |
| Deferred consideration payable on acquisition | 28 | 2,037 | — | — |
| Taxes payable and deferred taxes | | 1,182 | 185 | 772 |
| Payment of income taxes | | (221) | (1,833) | (2,317) |
| Other assets and liabilities | | 1,905 | (716) | (6,630) |
| Payment of placement agent fees | 17 | (1,200) | (750) | (1,121) |
| Net cash provided by operating activities | | 107,561 | 52,695 | 44,467 |
| Cash flows from investing activities | | | | |
| Decrease (increase) in short term investments | | (141,745) | 9,511 | 20,658 |
| Decrease (increase) in short-term investment – loan | | — | 13,031 | (13,031) |
| Decrease (increase) in long-term investments | | (17,873) | 1,629 | 3,769 |
| Acquisition of subsidiaries, net of cash acquired | 28 | (122,767) | — | — |
| Acquisition of property and equipment | 13 | (1,551) | (163) | (147) |
| Acquisition of software and computer programs | 14 | (292) | (497) | 5 |
| Net cash provided by investing activities | | (284,228) | 23,511 | 11,254 |
| Cash flows from financing activities | | | | |
| IPO proceeds | | 302,722 | — | — |
| IPO transaction costs | | (3,204) | — | — |
| Dividends paid | 27(c) | (119,788) | (64,481) | (46,886) |
| Payments related to P2 Group purchase | | — | — | (5,000) |
| Lease payments | | (832) | (893) | (987) |
| Interest paid on lease liabilities | 17 | (1,007) | (865) | (899) |
| Net cash used in financing activities | | 177,891 | (66,239) | (53,772) |
| Foreign exchange variation on cash and cash equivalents in foreign currencies | | (12) | (35) | (175) |
| Increase in cash and cash equivalents | | 1,212 | 9,932 | 1,774 |
| Cash and cash equivalents at the beginning of the year | 6 | 14,052 | 4,120 | 2,346 |
| Cash and cash equivalents at the end of the year | 6 | 15,264 | 14,052 | 4,120 |
| Increase in cash and cash equivalents | | 1,212 | 9,932 | 1,774 |
| Non-cash operating and investing activity | | | | |
| Transfer of long-term investment with a corresponding decrease in liability | 12 | 300 | — | 14,761 |
| Addition of right of use assets | 13 | 8,783 | 137 | 5,132 |
| Accrued placement agent liabilities with a corresponding increase in intangible | 13 | — | 1,250 | — |
| Dividends declared | 27(c) | — | 23,259 | — |
| IPO transaction costs decrease in assets with corresponding decrease in equity | 27(a)/27(b) | 624 | — | — |
| IPO transaction costs accrual increase in liability with corresponding decrease in equity | 27(a)/27(b) | 427 | — | — |
| Changes in interest of subsidiaries | | 385 | — | — |
| Acquisition of subsidiaries through share issuance | 28 | 184,789 | — | — |
| Contingent consideration payable on acquisition | 28 | 25,775 | — | — |
| Consideration payable on acquisition | 28 | 16,437 | — | — |

The accompanying notes are integral parts of these consolidated financial statements.

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Patria Investments Limited

Notes to the consolidated financial statements

As of December 31, 2021 and 2020 and for the years ended December 31, 2021, 2020 and 2019

(Amounts in thousands of United States dollars - US\$, except where otherwise stated)

1 General information

Patria Investments Limited (the “Company”) was established on July 6, 2007 in Bermuda and transferred its registration and domicile by way of registration by continuation to the Cayman Islands on October 12, 2020. The Company also transferred its headquarters from Bermuda to the Cayman Islands on October 12, 2020. Since then, the Company’s obligations, whether legal, regulatory, or financial, are in accordance with the applicable laws and regulations of the Cayman Islands.

On January 21, 2021, the Company completed its initial public offering (“IPO”) registration, offering 34,613,647 Class A common shares, being 19,147,500 new shares by the Company (primary offering), and the remaining 15,466,147 shares by a selling shareholder (secondary offering). The shares offered and sold in the IPO were registered under the Securities Act of 1933, as amended, according to the Company’s Registration Statement on Form F-1 (Registration N° 333-251823). The common shares began trading on the Nasdaq Global Select Market (“NASDAQ-GS”) on January 22, 2021, under the symbol “PAX”.

The Company is a public holding company controlled by Patria Holdings Ltd. (the “Parent”), which held 55.6% of the Company’s common shares as of December 31, 2021, controlled by a group of individuals.

The Company and its subsidiaries (collectively, the “Group”) are a private markets investment firm focused on investing in Latin America. Since 1994 the Group has expanded from its initial flagship private equity funds to other investment products, such as its flagship infrastructure development funds (its private equity approach applied to infrastructure assets), its co-investments funds (focused on successful companies from its flagship funds), its constructivist equity funds (applying its private equity approach to listed companies), its Private Investments in Public Entities (“PIPE”) funds and credit funds (through business combination with Moneda Asset Management SpA (“MAM I”) and Moneda II SpA (“MAM II”) (collectively “Moneda”)) (note 28), as well as its real estate funds. The Group’s operations include investment offices in Montevideo (Uruguay), São Paulo (Brazil), Bogota (Colombia), and Santiago (Chile), as well as client-coverage offices in New York and Los Angeles (United States), London (United Kingdom), Dubai (UAE), and Hong Kong (China) to cover the investor base of its underlying investment products, in addition to its corporate business and management office in Grand Cayman (Cayman Islands).

The Group’s main executive office is located at 18 Forum Lane, Grand Cayman, Cayman Islands.

The COVID-19 pandemic developed rapidly in 2020 and 2021, with a significant number of cases and variances of COVID-19. Measures taken by various governments to contain the virus have affected economic activity. The Company has taken several measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for its people (such as social distancing and working from home) and securing the supply of essential materials to maintain its offices.

The impact on business and results has not been significant and based on the experience to date, the Company expects this to remain the case. The Company will continue to follow the various government policies and advices. In parallel, the Company will do the utmost to continue to operate in the best and safest way possible without jeopardizing the health of its people.

As a company that operates globally, the adverse effects—global or localized—of the ongoing conflict between Russia and Ukraine, and/or economic sanctions and import and/or export controls to be imposed on the Russian government by multiple countries and organizations, could indirectly affect the Company’s operations, expansion plans, and ultimately the results of the Company. Particularly, these effects could result in increased inflation in Brazil and in measures by the Brazilian government to contain inflation, such as raising the basic interest rate, which could materially impact the cost of debt and third-party capital for financing and investing activities across industries.

Management has considered the consequences of COVID-19, the ongoing conflict between Russia and Ukraine and other events and conditions. It has determined that they do not create a material uncertainty that casts significant doubt upon the entity’s ability to continue as a going concern. As such the use of going concern basis of accounting is considered appropriate.

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These consolidated financial statements for the years ended December 31, 2021, 2020 and 2019 include the financial information regarding the Company and its subsidiaries, as described in note 5.

2 Presentation of financial statements

a. Statement of compliance and basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (“IASB”), which include the standards issued by IASB and interpretations issued by the International Financial Reporting Interpretation Committee (“IFRIC”).

The board of directors approved the consolidated financial statements on April 26, 2022.

b. Functional and presentation currency

The consolidated financial statements are presented in United States dollars (USD). The effects of the translation from the functional currency into the presentation currency are recognized in equity under the caption “Cumulative Translation Adjustment”.

For details regarding the remeasurement of the balances and transactions in foreign currencies to the functional currency of the Company and its subsidiaries, refer to note 4(p) and note 5 for the functional currency determined for each entity.

c. Use of estimates and judgments

The preparation of the consolidated financial statements in accordance with IFRS requires Management to make estimates that affect the amounts reported in the consolidated financial statements and accompanying notes. Management believes that estimates utilized to prepare the consolidated financial statements are prudent and reasonable. Actual results could differ from those estimates and such differences could be material.

The most significant accounting estimates and corresponding assumptions are the following:

- (i) employee profit-sharing, long-term benefits, and bonus accruals, where management considered the expected results and targets to estimate the accruals;
- (ii) the useful lives of tangible and intangible assets and impairment analysis of such assets;
- (iii) the assessment of the recoverability of deferred tax assets, where management considered cash flow projections, income and expenses growth rates and timing for utilization of the net operating losses and temporary differences, as well as any cap for compensation;
- (iv) the assessment and measurement of risk regarding provisions and contingencies, where management, supported by the opinion of its legal counsel, determined the likelihood of losses and the probable cash outcome expected for each claim;
- (v) revenue recognition, where management determined the multiple elements in the contracts and the criteria and timing for revenue recognition;

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- (vi) the fair value of financial instruments, and the share based incentive plan, where management determined the methodology and the inputs to the model, including observable and unobservable inputs;
- (vii) estimates and assumptions to determine the recoverable amount of cash-generating units used in the assessment for impairment of goodwill.

3 Segment information

The Group operates through a single reportable operating segment, in accordance with IFRS 8, reflecting how the Group's executive directors collectively act as the chief operating decision maker to allocate resources and assess performance under the Group's global strategy, which includes integrated product lines.

Within its one operating segment, the Company has multiple product lines including private equity, credit, infrastructure, public equities and real estate. For the Group's entity wide disclosures, refer to notes 13, 14 and 21.

4 Significant accounting policies

The significant accounting policies described below have been consistently applied to the consolidated financial statements:

a. Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. See note 5 for the list of the subsidiaries included in the consolidated financial statements.

Control is achieved when the Company not only has power to direct the financial and operating policies of the investee or rights to variable returns from its involvement with the investee, but also has the ability to use its power to affect the investor's returns from its involvement with the investee. Thus, an investor or an entity with decision-making rights shall determine whether it is a principal or an agent. An investor or an entity that is an agent in accordance does not control an investee when it exercises decision-making rights delegated to it. The investment funds and their investees are not consolidated by the Company, given that they operate as agents.

For the purpose of these consolidated financial statements, the intercompany balances are eliminated, as well as any unrealized income and expenses arising from transactions between the subsidiaries and the Company, if any.

Additionally, the Company may invest in certain investment funds that it manages. In these situations, the Company holds investment fund units with the same rights as the other investment fund investors. Details of these investment funds are included in note 12. For the years presented in these consolidated financial statements, these investments did not give the Company control nor significant influence over the respective investment funds. Therefore, these investments are classified and accounted for as Fair Value Through Profit or Loss ("FVTPL") in accordance with IFRS 9 – Financial Instruments.

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b. Business Combinations

Business combinations are accounted for using the acquisition method of accounting. The acquisition date is the date on which the Group effectively obtains control of the acquiree. The purchase consideration of the acquisition of a subsidiary as of its relevant acquisition date, comprises of:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group, and
- fair value of any assets or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. Contingent consideration obligations that are elements of purchase consideration are recognized as of the acquisition date either as equity or a financial liability. Expected cash outflows relating to the business combination are estimated and discounted to fair value based on the terms of the purchase agreement and the Group's knowledge of the acquired business and how the current economic environment is likely to impact it. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (shall not exceed one year from the acquisition date) about facts and circumstances which existed at the acquisition date. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments is dependent on how the contingent consideration was classified. Contingent consideration that was classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates, with changes in fair value recognized in profit or loss. Acquisition-related costs incurred in connection with a business combination, other than those associated with the issue of debt or equity securities are expensed as incurred.

c. Goodwill

Goodwill in a business combination is recognized at the acquisition date when the purchase consideration, and the recognized amount of non-controlling interests exceeds the fair value of the identifiable net assets of the entity acquired. If the purchase consideration is lower than the fair value of the identifiable net assets of the acquiree (a bargain purchase), the difference is recognized in the income statement. The gain or loss on the disposal of an entity is calculated after consideration of attributable goodwill. Goodwill is carried at cost less accumulated impairment losses.

Goodwill is not amortized but is reviewed annually for impairment. Goodwill is allocated to cash-generating units or groups of cash-generating units, expected to benefit from the business combination in which the goodwill arose.

Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, an impairment loss is recognized. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). An impairment loss recognized for goodwill is not reversed in a subsequent period.

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d. Cash and cash equivalents

Cash and cash equivalents represent cash on hand, cash held in banks and short-term, highly liquid investments (maturity equal to or less than 90 days from the date of acquisition) that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash is measured at amortized cost that approximates fair value. Cash equivalents are recorded at fair value based on the share price as of the reporting date.

e. Client funds on deposit and client funds payable

Client funds on deposit include amounts representing cash held with Chilean financial institutions for clients of Moneda Corredores de Bolsa Limitada (“MCB”). It consists of accounts in which clients maintain a cash balance or transactions where the settlement date for the purchase of securities has not yet occurred. Amounts are due from clients on the settlement date of the transaction for cash accounts. Settlement of transactions take place within a period not exceeding 3 days. These activities are in accordance with the *Comision para el Mercado Financiero* (“CMF”) and other regulatory authorities and are subject to MCB’s monitoring procedures. The corresponding liabilities related to the above accounts and transactions are included in client funds payable.

Client funds on deposit and client funds payable are financial instruments in accordance with IFRS 9 and are initially recognized at fair value and subsequently measured at amortized cost that approximates fair value.

f. Financial instruments

The Group did not hold any derivative instruments for the years presented in these consolidated financial statements. Non-derivative financial instruments comprise of cash, short and long-term investment, client funds, accounts receivable, other liabilities, lease obligations, and certain other assets and liabilities.

A financial instrument is recognized when the Group becomes a party of a contract that gives rise to a financial asset or a financial liability or equity instrument. Financial assets are no longer recognized when the Group’s contractual rights to receive cash flows from the assets have expired or if the Group has transferred the control over substantially all risks and rewards of ownership. Financial liabilities are no longer recognized when these obligations are discharged or cancelled.

(i) Financial assets

At initial recognition, a financial asset is measured at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed within the consolidated income statement.

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Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortized cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

In the years presented, the Group does not have any financial assets designated as FVOCI or financial assets designated as hedging instruments.

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognized in profit or loss are presented within financial income and expenses, except for impairment of trade receivables which would be presented within administrative expenses. The Group has assessed all financial instruments to have low credit risk in accordance with IFRS 9 – Financial Instruments.

Amortized cost

A financial asset is measured at amortized cost, if both of the following conditions are met: (a) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These assets are initially recognized at fair value plus transaction costs and subsequently measured at amortized cost using the effective interest rate method, less any impairment losses. Receivables with a short duration are measured at their transaction price.

Fair value through profit or loss

Any financial assets that are not held within a business model whose objective is to hold assets in order to collect contractual cash flows are measured at fair value through profit or loss.

(ii) Financial liabilities

All financial liabilities are measured at amortized cost, except for financial liabilities at fair value through profit or loss. After initial recognition, an entity cannot reclassify any financial liability.

g. Impairment losses

Financial assets

The Group considers the allowance for losses on financial assets at amortized cost for forward looking Expected Credit Losses (“ECL”) in line of IFRS 9 requirements, if applicable. The Group holds receivables with no financing component that have maturities of less than 1 year at amortized cost and as such has chosen to apply an approach similar to the simplified approach for ECL under IFRS 9 to all its receivables. Therefore, the Group does not track changes in credit risk for the purpose of the loss allowance, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date using both quantitative and qualitative analysis and based on the historical experience of the Group and updated understanding of the credit assessment of receivables from customers.

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An impairment loss in a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, and it is recognized immediately in the consolidated income statement. This impairment loss is reversed if justified by any event that occurs after its recognition.

Non-financial assets

The carrying amounts of the Group's non-financial assets are tested for impairment if there is any indication of loss in its recoverable amount. An impairment loss is recognized if an asset's carrying amount exceeds its recoverable amount recorded in the consolidated financial statements.

The recoverable amount of an asset is the higher amount between its value in use and its fair value less costs to sell. To measure the value in use, the present value of future cash flows is discounted using a discount rate that reflects current market valuations and the asset's risks.

Goodwill is tested annually or more frequently if a change in circumstance indicates that it might be impaired. The Group assessed its goodwill impairment calculations as well as the appropriateness of the recoverable amounts taking into account the impact of the COVID-19 pandemic.

h. Property and equipment

Property and equipment items are stated at purchase cost, less accumulated depreciation and impairment losses. Cost includes, where applicable, expenses directly attributable to the purchase of the assets. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Any costs related to maintenance and repairs are recorded as part of operating expenses when incurred.

Depreciation, recognized in the consolidated income statement, is calculated on a straight-line basis over the estimated useful lives of the assets. The useful life is periodically reviewed and updated prospectively if any amendment is required.

The estimated useful lives per category are as follows:

| | |
|---|----------|
| Facilities | 10 years |
| Machinery and equipment | 10 years |
| Furniture and fixtures | 10 years |
| Building improvements (*) | 10 years |
| Office equipment - Electronic equipment | 5 years |
| Office equipment - IT equipment | 5 years |
| Office equipment - Telephone equipment | 5 years |

(*) Building improvements are depreciated over 10 years or based on the duration of the lease, whichever is shorter.

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The carrying value of an item of property and equipment shall be de-recognized on disposal or when no future economic benefits are expected from its use. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and is recognized in profit or loss.

Although subject to depreciation, these assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

i. Intangible assets

Intangible assets are non-monetary assets without physical substance. These items are initially measured at cost and subsequently carried at cost less any accumulated amortization and impairment losses. Intangible assets with finite useful lives are amortized on a straight-line basis over their estimated useful lives. Although subject to amortization, these assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The Group has the following intangible assets with finite useful lives:

- (i) placement agent fees, which are amortized over the terms of the respective investment funds, with average estimated term of 10 years;
- (ii) software, with estimated useful life of 5 years;
- (iii) contractual rights to earn future fee income relating to the acquisition of P2 Brasil Private Infrastructure General Partner II Ltd. and P2 Brasil Holding Ltd. (collectively the "P2 Group"), which are amortized over the respective contractual periods of the underlying investment funds of 8 years and 12 years respectively; and
- (iv) Intangible assets acquired through business combination are recognized at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortization and impairment losses. Amortization details are as follows:
 - Non-contractual customer relationships acquired are expected to be amortized on a straight line basis (MAM I: 8 years and 8 months and MAM II: 9 years and 6 months).
 - Brands acquired are expected to be amortized on a straight line over 5 years and 1 month.

Intangible assets are derecognized on disposal or when no future economic benefits are expected from their use. The gain or loss from derecognition is recognized in profit or loss.

j. Employees' benefits

(i) Short-term employee benefits

Current benefits are paid within twelve months and include salaries, social security contributions, bonuses and profit sharing. These benefits are recognized on an accrual basis.

The Group annually recognizes a provision for profit sharing, according to conditions approved by Management. These amounts are recorded as 'Personnel expenses' in the income statement.

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(ii) Long-term employee benefits - equity incentive program

The equity incentive program or the long-term incentive plan (“LTIP”) is designed to retain key employees as well as provide alignment between them and the Company’s shareholders.

The LTIP governs the issuances of equity incentive awards with respect to Class A common shares. The maximum number of Class A common shares initially available for issuance pursuant to equity incentive awards granted under the LTIP launched will not exceed 5% of the Class A common shares outstanding at any given time. The board of directors may at its discretion adjust the number of Class A common shares available for issuance under the LTIP.

Equity incentive awards may be granted to the Group’s employees, non-employee directors, officers, consultants, or other individual service providers as well as holders of equity compensation awards granted by an entity that may be acquired in the future.

Equity incentive awards may be granted in the form of stock options, stock appreciation rights, restricted stock, restricted stock units, performance awards or other stock-based awards. Stock options and stock appreciation rights will have an exercise price determined by the administrator but that is no less than the fair market value of the underlying Class A common shares on the date of grant.

The vesting conditions for grants under the LTIP are determined by the administrator and, in the case of restricted stock or restricted stock units, are set forth in the applicable award documentation. For stock options, the administrator determines the exercise price of the option, the term of the option and the time or times at which the option may be exercised. Performance awards are subject to performance conditions as specified by the administrator and are settled in cash, Class A common shares, other awards, other property, net settlement or any combination thereof, as determined by the administrator in its discretion, following the end of the relevant performance period. The LTIP is administered by a compensation committee (the “Committee”) created and appointed the board of directors for the administration and implementation of the LTIP. The Committee consists of no less than three members, which may consist of directors and/or officers or other management members of the Company.

IPO share based incentive plan (note 27(d))

The Company launched its first equity incentive program (“IPO grant” or “share based incentive plan”) under the LTIP pursuant to the completion of its IPO registration. Under the IPO grant, PSUs, convertible into Class A common shares are granted to eligible participants.

The vesting conditions can be divided into two groups, time vesting conditions and market performance conditions.

The vesting period (time vesting conditions) is divided in three tranches as follows:

- third anniversary of the grant date, upon which one third (1/3) of the PSUs will become time vested.
- fourth anniversary of the grant date, upon which one third (1/3) of the PSUs will become time vested.
- fifth anniversary of the grant date, upon which one third (1/3) of the PSUs will become time vested.

As a market performance condition, the final number of Class A common shares delivered to the participants is also dependent on the Total Shareholder Return (“TSR”), including share price growth and dividends in comparison to a peer group. If TSR in comparison to the share price at the beginning of the grant is equal to or exceeds at least 8% per year at the end of the 3rd, 4th and 5th year grant anniversary, the PSUs are delivered to the participant. In addition to that, if the TSR is equal or above the TSR of a determined peer group at the end of the last vesting period, each participant shall be entitled to receive an additional number of PSUs (“boost grant”) equal to twenty per cent (20%) of the total number of PSUs originally granted to the participant.

If an eligible participant ceases to be employed by the Company, within the vesting period, the rights will be forfeited, except in limited circumstances that are approved on a case-by case basis by the Committee.

The cost of the share based incentive plan 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.

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The total amount to be expensed is determined by reference to the fair value of the shares granted at the grant date, which is also based on:

- TSR; and
- The impact of any time vesting conditions (i.e. remaining an employee of the entity over a specified 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 time 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 PSUs are vested, the Committee will, at its discretion, direct the Company to deliver Class A common shares from either treasury shares or newly issued shares to satisfy the delivery of incentives pursuant to this share based incentive plan. The Committee may also decide to settle the delivery of incentives pursuant to this share based incentive plan in cash.

Equity reserves for the share based incentive plan do not include any tax benefits on total share based incentive plan expense. The tax benefits will be considered when the PSUs shares are converted into common shares.

The Monte Carlo model best reflects the market condition regarding the TSR of the Company in comparison to a minimum TSR of 8% per year, and also in comparison with a peer group. To estimate future share prices of the Company and its peer group, the model considers the share price on the grant date, the expected volatility, an estimated correlation between share prices and United States Treasury Bonds as the risk free interest rate.

(iii) Other long-term employee benefits – Officers’ Fund

The Officers’ Fund Plan which has been established to provide employees with an opportunity to receive a cash benefit based on the performance of the Group. The Officers’ Fund Plan is administered by the Company through a limited liability entity (the “Officers’ Fund”) registered as an administered investment fund under the laws of the Cayman Islands. The Officers’ Fund Plan is, in substance, a long-term benefit within the scope of IAS 19 – Employee Benefits, as it is not based on the changes in fair value of the Group’s equity (note 30(b)).

k. Provisions, contingent assets and contingent liabilities

The recognition, measurement and disclosure of contingent assets and contingent liabilities and legal obligations are performed based on the criteria set forth in IAS 37 - Provisions, Contingent Liabilities and Contingent Assets.

- Contingent Assets: are not recognized, except if the realization of the asset is virtually certain.
- Provisions: are recognized in the financial statements when, based on Management’s assessment supported by the opinion of the legal counsel, the risk of an unfavorable outcome in a judicial or administrative proceeding is considered probable, and whenever the amounts involved can be reliably measured.

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- **Contingent Liabilities:** are disclosed in the notes to the financial statements when, based on Management's assessment supported by the opinion of the legal counsel, the risk of an unfavorable outcome in a judicial or administrative proceeding is considered possible. The contingent liabilities for which the risk of an unfavorable outcome in a judicial or administrative proceeding is considered remote are neither accounted for nor disclosed.

l. Leases

The Group has applied the requirements stated in IFRS 16 - Leases for the first time for their annual reporting period commencing January 1, 2019.

According to IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group determines the lease term as the non-cancellable period of a lease, together with both: (a) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and (b) periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

The Group does not hold lease contracts as a lessor. For the contracts in which the Group is the lessee, the Group recognizes a right-of-use asset and a lease liability at the commencement date. A right-of-use asset is measured at cost at the commencement date, which comprises: (a) the amount of the initial measurement of the lease liability; (b) any lease payments made at or before the commencement date, less any lease incentives received; (c) any initial direct costs incurred by the Group; and (d) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. After the commencement date, the Group measures the right-of-use asset at cost, less any accumulated depreciation and any accumulated impairment losses, and adjust it for any remeasurement of the lease liability.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate. After the commencement date, the Group measures the lease liability by: (a) increasing the carrying amount to reflect interest on the lease liability; (b) reducing the carrying amount to reflect the lease payments made; and (c) remeasuring the carrying amount to reflect any reassessment or lease modifications.

The Group did not have contracts eligible to the short-term leases and leases for which the underlying asset is of low value exemptions. The Group has rental agreements for its offices in the Cayman Islands, United Kingdom, Uruguay, Brazil and Chile within the scope of IFRS 16.

m. Revenues

The Group's revenues from services consist of (i) management fees, (ii) performance fees, (iii) incentive fees, (iv) advisory fees and (v) other ancillary services fees, reported net of applicable taxes.

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The Group follows the five step guidance to recognize revenue in accordance with IFRS 15 – Revenue from Contracts with Customers: (1) Identify the contract(s) with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when (or as) the entity satisfies a performance obligation.

Management fees primarily relate to management of investment funds and are calculated as a fixed percentage over the committed capital and/or the deployed capital for each one of the investment funds following the relevant Limited Partnership Agreement or Private Placement Memorandum. Management fees are recognized when the services are provided, throughout the year that the Group provides the services to the investment fund. As manager of the investment funds, the Group may, at its sole discretion, decrease the percentage or amount of fees being paid by the investment funds directly or indirectly to the Group or fully waive the payment of fees paid by the investment funds, for a determined period of time or until the maturity of the investment funds, revenue is not recognized in such cases. Any rebates related to repayments of management fees are presented net within gross management fees in the Group's income statement.

Incentive fees are realized performance-based fees which are measured and received on a recurring basis, and not dependent on realization events from the underlying investments.

Performance fees and other performance-based fees which are primarily generated when the return of the investment funds surpass the performance hurdle set out in the related charters. Since the investment funds' performance are susceptible to market volatility and to factors out of the Group's control, the related fees fall under the variable consideration defined in the IFRS 15. According to the referred standard, the Group recognizes these fees at a point in time when the associated performance obligations are satisfied, the related uncertainties are resolved, the likelihood of a claw-back or reversal is improbable and the likely amount of the transaction prices can be estimated without significant chance of reversal, indicating high probability of economic benefits and cash inflow to the Group, whereby the performance fee has then crystallized and can be reliably estimated. Once crystallized, performance fees typically cannot be clawed back. There are no other performance obligations or services provided which suggest these have been earned either before or after the crystallization date.

Advisory and other ancillary fees primarily relate to services provided to the investment funds' invested companies; the first relates to support on acquisitions and the latter refers to value-creation ongoing consulting services. Advisory and other ancillary service fees are recognized as the services are provided and/or when certain transactions are completed, as applicable.

n. Financial income and expenses

Financial income is mainly composed of interest on short and long-term investments and foreign exchange gains in monetary items.

Financial expenses include interest, foreign exchange losses in monetary items, banking costs and taxes on financial transactions, recognized on an accrual basis.

o. Income tax expenses – current and deferred

Current tax is the expected tax payable on the taxable income for the year and any adjustment to tax payable in respect of previous years.

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The income tax basis and the current tax rates are determined according to criteria established by the prevailing tax law applicable to the Company and its subsidiaries, which are described in note 26. Income taxes are calculated based on enacted tax rates of 25% of income tax and 9% of social contribution for Brazilian subsidiaries and 27% of income tax for Chilean subsidiaries. Net operating losses of Brazilian subsidiaries have no statute of limitations but are limited to 30% of the annual taxable profits. An indefinite carryforward of losses is allowed for Chilean subsidiaries. Temporary differences for all subsidiaries have no statute of limitation and no limitation for offsetting.

Deferred tax is provided using the statement of financial position method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities shall be recognized for unused tax losses, deductible and taxable temporary differences, respectively. A deferred tax asset and liability is recognized only when it is probable that future taxable income will be generated and available.

Income tax comprises current and deferred income taxes.

The Group applies the IFRIC 23 Uncertainty over Income Tax Treatment and did not identify a significant impact on its taxable profit or loss from uncertainties over income tax treatments.

p. Foreign-currency transactions

Transactions denominated in foreign currencies (i.e., in any currency other than the respective functional currencies of the Group entities) are translated at the time of occurrence.

Monetary items are retranslated at each reporting date using the rates prevailing at that date. Nonmonetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined. Nonmonetary items that are measured in terms of historical cost are not retranslated at each reporting date.

Foreign exchange gains and losses are recognized in profit and loss.

To present consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, according to IAS 21 – The Effects of Changes in Foreign Exchange. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in a foreign exchange translation reserve (attributed to non-controlling interests as appropriate).

q. Dividends

Dividend distribution to the Company's shareholders is recognized directly in equity in the Group's consolidated financial statements in the period in which the dividend is declared. For purposes of the consolidated statement of cash flows, dividends paid are included as cash flows from financing activities.

r. Amendments to IFRSs that are mandatorily effective for annual periods beginning on January 1, 2021

The Group has evaluated and adopted, when applicable, the following standards and amendments for the first time for their annual reporting period commencing January 1, 2021:

- Amendments to IFRS 16 – COVID-19-related Rent Concessions.

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- Interest Rate Benchmark Reform – Amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16 and IAS 39.

The amendments listed above did not have a material impact on these consolidated financial statements and are not expected to significantly affect the current or future periods.

s. **New standards and interpretations not yet adopted– applicable and mandatory for fiscal years beginning on or after January 1, 2022**

Certain new accounting standards and interpretations have been published that are not yet effective and have not been early adopted by the Group. These standards are not expected to have a material impact if applicable to the Company in the current or future reporting periods and on foreseeable future transactions. The following standards and interpretations apply for the first time to financial reporting periods commencing on or after January 1, 2022:

- IFRS 17 – Insurance Contracts.
- Amendments to IFRS 3 – Reference to the Conceptual Framework.
- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current.
- Amendments to IAS 1 - Disclosure of accounting policies
- Annual Improvements to IFRS Standards 2018–2020 (IFRS9, IFRS 16, IFRS 1 and IAS 41).
- Amendments to IAS 8 – Definition of Accounting Estimates
- Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before intended use.
- Amendments to IAS 37 – Cost of Fulfilling a Contract - Onerous Contracts.

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5 Consolidation and subsidiaries

The consolidated financial statements include the entities listed below, which are the Company's direct or indirect subsidiaries:

| Subsidiaries | | Functional Currency | Equity interest (direct or indirect) (%) | |
|--|------|------------------------|---|----------------------|
| | | | December 31, 2021 | December 31, 2020 |
| Patria Finance Ltd. | (a) | USD | 100.00% | 100.00% |
| Patria Brazilian Private Equity III, Ltd. | (b) | USD | 100.00% | 100.00% |
| PBPE General Partner IV, Ltd. | (c) | USD | 100.00% | 100.00% |
| PBPE General Partner V, Ltd. | (d) | USD | 100.00% | 100.00% |
| Patria Brazilian Private Equity General Partner VI, Ltd. | (e) | USD | 100.00% | 100.00% |
| Patria Brazil Real Estate Fund General Partner II, Ltd. | (f) | USD | 100.00% | 100.00% |
| Patria Brazil Real Estate Fund General Partner III Ltd. | (g) | USD | 100.00% | 100.00% |
| Patria Brazil Retail Property Fund General Partner, Ltd. | (h) | USD | 100.00% | 100.00% |
| Patria Investments UK Ltd. | (i) | GBP | 100.00% | 100.00% |
| Patria Investments US LLC | (j) | USD | 100.00% | 100.00% |
| Patria Investments Colombia S.A.S. | (k) | COP | 100.00% | 100.00% |
| Infrastructure II GP, Ltd. | (l) | USD | 100.00% | 100.00% |
| Infrastructure III SLP Ltd. | (m) | USD | 100.00% | 100.00% |
| Patria Infrastructure General Partner IV Ltd. | (n) | USD | 100.00% | 100.00% |
| Pátria Investimentos Ltda. | (o) | BRL | 100.00% | 51.00% |
| Pátria Companhia Securitizadora de Créditos Imobiliários | (p) | BRL | — | 51.00% |
| Patria Investments Latam S.A. * | (q) | USD | 100.00% | 100.00% |
| Patria Investments Uruguay S.A. * | (r) | USD | 100.00% | 100.00% |
| Patria Investments Cayman Ltd. | (s) | USD | 100.00% | 100.00% |
| Patria Investments Chile SpA | (t) | CLP | 100.00% | 100.00% |
| Patria Investments Hong Kong, Ltd. | (u) | HKD | 100.00% | 100.00% |
| Patria Farmland General Partner, Ltd. | (v) | USD | 100.00% | 100.00% |
| Platam Investments Brazil Ltda. | (w) | BRL | 100.00% | 100.00% |
| Patria Constructivist Equity Fund General Partner, Ltd. | (x) | USD | 100.00% | 100.00% |
| Patria Constructivist Equity Fund General Partner II, Ltd. | (y) | USD | 100.00% | 100.00% |
| PI General Partner V Ltd. | (z) | USD | 100.00% | 100.00% |
| PPE General Partner VII, Ltd. * | (aa) | USD | 100.00% | — |
| PI Renewables General Partner, Ltd. * | (bb) | USD | 100.00% | — |
| Patria Latam Growth Management Ltd. * | (cc) | USD | 100.00% | — |
| Patria SPAC LLC * | (dd) | USD | 100.00% | — |
| Patria Latin American Opportunity Acquisition Corp. * | (ee) | USD | 100.00% | — |
| Moneda Asset Management SpA | (ff) | CLP | 100.00% | — |
| Moneda Corredores de Bolsa Limitada | (gg) | CLP | 100.00% | — |
| Moneda S.A. Administradora General De Fondos | (hh) | CLP | 100.00% | — |
| Moneda II SpA | (ii) | USD | 100.00% | — |
| Moneda International Inc. | (jj) | USD | 100.00% | — |
| Moneda USA Inc. | (kk) | USD | 100.00% | — |

“USD” United States dollars, “BRL” Brazilian Real, “GBP” Pound Sterling, “CLP” Chilean peso, “COP” Colombian peso, “HKD” Hong Kong dollar

- (a) **Patria Finance Ltd.:** headquartered in the Cayman Islands, Patria Finance Ltd. is responsible for managing investment funds and providing financial advisory services to clients around the world. It also provides accounting and finance support to the Group.
- (b) **Patria Brazilian Private Equity III, Ltd.:** headquartered in the Cayman Islands, and serves as manager of investment funds.

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- (c) **PBPE General Partner IV, Ltd. (formerly Patria Brazilian Private Equity General Partner IV, Ltd.):** a subsidiary of Patria Finance Ltd, headquartered in the Cayman Islands, and serves as manager of investment funds.
- (d) **PBPE General Partner V, Ltd. (formerly Patria Brazilian Private Equity General Partner V, Ltd.):** a subsidiary of Patria Finance Ltd, headquartered in the Cayman Islands and serves as manager of investment funds.
- (e) **Patria Brazilian Private Equity General Partner VI, Ltd.:** headquartered in the Cayman Islands, and serves as manager of investment funds.
- (f) **Patria Brazil Real Estate Fund General Partner II Ltd.:** headquartered in the Cayman Islands, serves as manager of investment funds.
- (g) **Patria Brazil Real Estate Fund General Partner III Ltd.:** headquartered in the Cayman Islands, serves as manager of investment funds.
- (h) **Patria Brazil Retail Property Fund General Partner, Ltd.:** headquartered in the Cayman Islands, and serves as manager of investment funds.
- (i) **Patria Investments UK Ltd.:** headquartered in London (UK), and is engaged in the development of investor relations.
- (j) **Patria Investments US LLC:** a subsidiary of Patria Investments UK Ltd. headquartered in Delaware (USA) and is engaged in the development of investor relations and marketing services and certain back-office services.
- (k) **Patria Investments Colombia S.A.S.:** headquartered in Bogotá (Colombia) and is engaged in advisory services related to asset management of investment funds and investments in private equity and infrastructure areas and investor relations and marketing services.
- (l) **Infrastructure GP II, Ltd. (formerly Patria Infrastructure General Partner II Ltd.):** headquartered in the Cayman Islands and serves as manager of investment funds. Infrastructure GP II, Ltd. was the major owner of Pátria Infraestrutura Gestão de Recursos Ltda. (“PINFRA”) until September 28, 2020 when it transferred its shares in PINFRA to Pátria Investimentos Ltda.
- (m) **Infrastructure III SLP Ltd. (formerly Patria Infrastructure General Partner III Ltd.):** headquartered in the Cayman Islands, serves as manager of investment funds and provides financial advisory services. After a corporate restructuring completed in 2016, this entity became the successor entity to the P2 Group, a fund manager acquired in 2015.
- (n) **Patria Infrastructure General Partner IV Ltd.:** headquartered in the Cayman Islands, serves as manager of investment funds.

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- (o) **Pátria Investimentos Ltda. (“PILTDA”)**: headquartered in Brazil and engaged in asset management, fund administration, consulting, and planning services related to asset management and the organization and performance of transactions in the commercial and corporate sectors. On September 28, 2020, PILTDA became the owner of Pátria Infraestrutura Gestão de Recursos Ltda (“PINFRA”) after receiving shares from Infrastructure GP II, Ltd. On September 30, 2020, PINFRA was merged into PILTDA to simplify the structure and consolidate the Group’s investments while optimizing costs and providing operational synergies. The Company had entered into a purchase agreement among Blackstone Pat Holdings IV, LLC (“Blackstone”), Patria Holdings Ltd, and PILTDA, as part of a corporate reorganization pursuant to which the 19.6% non-controlling interest in PILTDA held by Blackstone and the 29.4% non-controlling interest in PILTDA held by a related party of Patria Holdings Ltd (the “Related Party”) were reorganized as follows: (i) the direct interest held by Blackstone in PILTDA was contributed to the Company in exchange for three Class A common shares issued to Blackstone; and (ii) the direct interest held by the Related Party was redeemed in its entirety at par value for a promissory note, and Patria Holdings Ltd contributed the promissory note to the Company, in consideration for which the Company issued seven Class B common shares. This transaction was completed on June 1, 2021.
- (p) **Pátria Companhia Securitizadora de Créditos Imobiliários**: a subsidiary of Pátria Investimentos Ltda, headquartered in Brazil sold during July 2021, was engaged in the issuance and placement of Real Estate Receivables Certificates backed by real estate receivables and the trading and services related to the securitization of these receivables.
- (q) **Patria Investments Latam S.A. (formerly Zedra S.A.)**: acquired in September 2020* and changed its name from Zedra S.A. to Patria Investments Latam S.A. in July 2021. It is a holding company headquartered in Uruguay.
- (r) **Patria Investments Uruguay S.A. (formerly Improdem S.A.)**: acquired by Patria Investments Latam S.A. (formerly Zedra S.A.) in September 2020* and changed its name from Improdem S.A. to Patria Investments Uruguay S.A. in November 2020. It is a company headquartered in Uruguay providing advisory services related to asset management of investment funds and investor relations and marketing services.
- (s) **Patria Investments Cayman Ltd.**: headquartered in the Cayman Islands, serves as a holding company for the Group investing activities.
- (t) **Patria Investments Chile SpA**: headquartered in Chile, engaged in advisory services related to asset management of investment funds, investments in infrastructure, and investor relations and marketing services.
- (u) **Patria Investments Hong Kong, Ltd.**: a subsidiary of Patria Investments UK Ltd. headquartered in Hong Kong, engaged in developing investor relations and marketing services.
- (v) **Patria Farmland General Partner, Ltd.**: a subsidiary of Patria Finance Ltd, headquartered in the Cayman Islands, serves as manager of investment funds.
- (w) **Platam Investments Brazil Ltda.**: a subsidiary of Patria Investments Latam S.A. (formerly Zedra S.A.) headquartered in Brazil that provides advisory services.
- (x) **Patria Constructivist Equity Fund General Partner, Ltd.**: a subsidiary of Patria Finance Ltd, headquartered in the Cayman Islands, serves as manager of investment funds.

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- (y) **Patria Constructivist Equity Fund General Partner II, Ltd.:** a subsidiary of Patria Finance Ltd, headquartered in the Cayman Islands, serves as manager of investment funds.
- (z) **PI General Partner V Ltd. (formerly Patria Infrastructure Special Limited Partner V Ltd.):** a subsidiary of Patria Finance Ltd, headquartered in the Cayman Islands, serves as manager of investment funds.
- (aa) **PPE General Partner VII, Ltd.:** a subsidiary of Patria Finance Ltd, headquartered in the Cayman Islands, serves as manager of investment funds.
- (bb) **PI Renewables General Partner, Ltd.:** A subsidiary of Patria Finance Ltd, headquartered in the Cayman Islands.
- (cc) **Patria Latam Growth Management Ltd.:** a subsidiary of Patria Investments Cayman Ltd, headquartered in the Cayman Islands and serves as manager of investment funds.
- (dd) **Patria SPAC LLC:** a subsidiary of Patria Finance Ltd, headquartered in the Cayman Islands and serves as a holding company.
- (ee) **Patria Latin American Opportunity Acquisition Corp.:** a subsidiary of Patria SPAC LLC, headquartered in the Cayman Islands and serves as a holding company.
- (ff) **Moneda Asset Management SpA (“MAM I”):** a subsidiary of Patria Investments Latam S.A. acquired through business combination (note 28). It is an entity headquartered in Chile that serves as holding company of Moneda S.A. Administradora General de Fondos and Moneda Corredores de Bolsa Limitada.
- (gg) **Moneda Corredores de Bolsa Limitada (“MCB”):** a Chilean stockbroker and subsidiary of MAM I, headquartered in Chile and manages private client mandates.
- (hh) **Moneda S.A. Administradora General de Fondos (“MAGF”):** a subsidiary of MAM I, headquartered in Chile and serves as manager of investment funds.
- (ii) **Moneda II SpA (“MAM II”):** a subsidiary of the Company acquired through business combination (note 28). It is an entity headquartered in Chile that serves as a holding company of Moneda International Inc. and Moneda USA Inc.
- (jj) **Moneda International Inc.:** a subsidiary of MAM II, headquartered in the British Virgin Islands and serves as manager of investment funds.
- (kk) **Moneda USA Inc.:** an investment adviser subsidiary of MAM II, headquartered in the United States of America.
- (*) These companies (note 5 (q) and note 5 (r)) acquired during 2020 and notes 5 (aa) to 5 (ee) established during 2021) did not have any operations and/or material assets and liabilities, and the acquisition amounts were not material. Therefore, the disclosure requirements were not applicable (IFRS 3 – Business Combinations).

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6 Cash and cash equivalents

| | 2021 | 2020 |
|----------------------------------|----------------------|----------------------|
| Bank accounts | 13,382 | 14,052 |
| Mutual fund shares | 1,881 | — |
| Cash | 1 | — |
| Cash and cash equivalents | <u>15,264</u> | <u>14,052</u> |

7 Client funds on deposit and client funds payable

| | 2021 | 2020 |
|--|----------------------|-----------------|
| Client funds on deposit | 67,687 | — |
| Other receivables from clients (a) | 10,476 | — |
| Client funds on deposit and other receivables | <u>78,163</u> | <u>—</u> |

| | 2021 | 2020 |
|-----------------------------|----------------------|-----------------|
| Client funds payable (a) | 78,163 | — |
| Client funds payable | <u>78,163</u> | <u>—</u> |

- (a) Other receivables from clients are unsettled trade receivables from brokerage activities for client transactions on an exchange that are entered into and recorded on the date of the transaction. The value of the client trades is payable or receivable until settlement of the transactions occur.

8 Accounts receivable

Amounts receivable from customers relate to management, performance fees, reimbursement of expenses from investment funds, and financial advisory services. The Group has not recorded write-offs or allowances for uncollectible accounts receivable for the years presented in these consolidated financial statements.

| | 2021 | 2020 |
|----------------------------|-----------------------|----------------------|
| Current (a) | 97,119 | 24,022 |
| Non-current (b) | 10,996 | 21,993 |
| Accounts receivable | <u>108,115</u> | <u>46,015</u> |

- (a) An amount of US\$ 33.5 million reflected under current balances is related to performance fees receivable determined in accordance with the investment funds offering documents, based on the expected value for which it is highly probable that a significant reversal will not subsequently occur. In addition, management fees of US\$ 13 million from current year and US\$ 22 million from prior years are related to management fees from PBPE Fund IV (Ontario), L.P. ("PBPE Fund IV"), which are due by December 31, 2022 noting that the receipt date was renegotiated based on the estimated date of realization of PBPE Fund IV's investments
- (b) The non-current balance is equal to management fees receivable of US\$ 11 million from PBPE Fund IV in a single installment on December 31, 2023. No interest is charged and the impact of the adjustment to amortized cost using the effective interest rate method at the date of initial recognition is not material.

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9 Project advances

| | 2021 | 2020 |
|-------------------------|--------------|--------------|
| Current | 3,199 | 1,277 |
| Non-current | 736 | 495 |
| Project advances | 3,935 | 1,772 |

Project advances represent recoverable advances relating to the development process of new investment funds or to the capture of non-capitalized investment funds. In both cases, the amounts are subject to reimbursement as provided for in the respective agreements between the Group and investors.

The balance recorded as non-current assets corresponds to projects related to investment funds still in the structuring stage.

10 Other assets

| | 2021 | 2020 |
|---|--------------|--------------|
| Advances to suppliers (a) | 160 | 1,583 |
| Advances to employees | 427 | 283 |
| Prepaid expenses (b) | 2,794 | 966 |
| Officer's Fund (c) | — | 47 |
| IPO costs (d) | — | 624 |
| Other current assets | 178 | 200 |
| Other current assets | 3,559 | 3,703 |
| Prepaid expenses (b) | 184 | 398 |
| Deposit/guarantee on lease agreements (e) | 3,043 | 142 |
| Other non-current assets | 3,227 | 540 |

- (a) Advances to suppliers are advances paid for services not yet received. The Company reviews such amounts and records the portion related to the year in the income statement on an accrual basis.
- (b) Prepaid expenses are composed mainly of IT services paid in advance, such as renewal of licenses and technical support services. These items will be recorded as administrative expenses in the year they are related to.
- (c) The balance of US\$ nil as of December 31, 2021 and US\$ 47 as of December 31, 2020 represents the amount receivable from the Officer's Fund related to reimbursable costs incurred by the Group. For more details, see note 30(b).
- (d) IPO costs related to the Company's Initial Public Offering (IPO), which was concluded on January 21, 2021. The December 31, 2020 amounts are costs allocated to the primary offering and have been transferred to equity as transaction costs upon IPO's conclusion.
- (e) Deposits and guarantees on lease agreements are subject to reimbursement at the end of the lease contract period. Interest is not charged on these deposits.

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11 Recoverable Taxes

As of December 31, 2021 recoverable taxes consisted of:

| | <u>2021</u> | <u>2020</u> |
|--|---------------------|-------------------|
| Income tax and social contribution recoverable | 2,643 | 208 |
| Other recoverable taxes | 509 | 484 |
| Recoverable Taxes | <u>3,152</u> | <u>692</u> |

Recoverable taxes consist mainly of income taxes charged on taxable income in Brazil and Chile and paid in advance. The corresponding tax liabilities are included under taxes payable (note 16).

12 Investments

a. Short-term investments

| | <u>2021</u> | <u>2020</u> |
|-------------------------------|-----------------------|---------------------|
| Securities (a) | 151,866 | 9,929 |
| Short-term investments | <u>151,866</u> | <u>9,929</u> |

(a) Short-term investments are liquid investment funds, with portfolios made of term deposits, equities, government bonds, and other short-term liquid securities.

b. Long-term investments

| | <u>2021</u> | <u>2020</u> |
|---|----------------------|---------------------|
| Patria Growth Capital Fund I Fundo de Investimento em Participações Multiestratégia (a) | 9,076 | — |
| Patria Infra Energia Core FIP EM Infraestrutura | 5,085 | — |
| Patria Crédito Estruturado Fundo de Investimento em Direitos Creditorios | 1,765 | — |
| Patria Brazil Real Estate Fund II, L.P. (b) | 768 | 1,146 |
| Patria Infra Energia Core Feeder FIP | 515 | — |
| Patria Private Equity Fund VI, L.P. | 363 | 130 |
| PBPE Fund V (Ontario), L.P. (formerly Patria Brazilian Private Equity Fund V, L.P.) | 194 | 89 |
| PBPE Fund IV (Ontario), L.P. (formerly Patria Brazilian Private Equity Fund IV, L.P.) | 123 | 102 |
| Patria Infra Energia Core Feeder II FIP | 109 | — |
| PI Fund II (Ontario), L.P. (formerly Patria Infrastructure Fund II, L.P.) | 87 | 44 |
| PI Fund III (Ontario), L.P. (formerly Patria Infrastructure Fund III, L.P.) | 37 | 61 |
| Patria Brazil Real Estate Fund III, L.P. | 28 | 32 |
| PBPE Fund III (Ontario), L.P. (b) (formerly Patria Brazilian Private Equity Fund III, L.P.) | 28 | 369 |
| Patria Infrastructure Fund IV, L.P. | 15 | 1 |
| Patria Infrastructure II LAP Co-Invest UK, L.P. | 3 | 3 |
| Patria Alphaville Co-Invest, L.P. | 2 | 4 |
| Patria Farmland Fund I, L.P. | 1 | 1 |
| Other investments | 79 | 4 |
| Long-term investments | <u>18,278</u> | <u>1,986</u> |

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These investments in securities will be maintained until the investment funds' respective termination dates and are measured at fair value. The Group's ownership interest in each of these investments range from 0.00006% to 4.44972%.

- (a) Patria Growth Capital Fund I Fundo de Investimento em Participações Multiestratégia was incorporated to include investments relating to the launch of a new growth equity strategy for venture capital transactions. During November 2021, a minority investment interest was acquired through fully owned holding entity Inicio Participações S.A. in Startse Informações e Sistemas S/A ("Startse"), a late-stage venture capital entity in Brazil encompassing an education platform and a crowdfunding platform for startups.
- (b) This company is subject to a participating share held by a related party in Patria Brazilian Private Equity III, Ltd., and Patria Brazil Real Estate Fund General Partner II, Ltd. that gives it the right to all returns and the related asset. Consequently, the Group has recorded a liability in the same amount (see notes 17b and 30c).

13 Property and equipment

Changes in cost

| | 2021 | | | | | | |
|-------------------------------------|-----------------|--------------|--------------|-----------|------------------------------|--------------------|-----------------|
| | Opening balance | Additions | Disposals | Transfer | Acquisitions of subsidiaries | CTA ^(*) | Closing balance |
| Furniture and fixtures | 726 | 96 | (6) | — | 677 | (59) | 1,434 |
| Building improvements | 2,997 | 1,055 | (21) | 88 | 3,625 | (284) | 7,460 |
| Office equipment | 2,249 | 400 | (4) | 10 | 1,105 | (199) | 3,561 |
| Right-of-use assets (a) | 4,183 | 3,309 | (97) | — | 5,571 | (342) | 12,624 |
| Total - Cost of fixed assets | 10,155 | 4,860 | (128) | 98 | 10,978 | (884) | 25,079 |

Changes in accumulated depreciation

| | 2021 | | | | | | |
|---|-----------------|----------------|-------------|-----------|------------------------------|--------------------|-----------------|
| | Opening balance | Additions | Disposals | Transfer | Acquisitions of subsidiaries | CTA ^(*) | Closing balance |
| (-) Furniture and fixtures | (422) | (77) | 1 | — | (460) | 39 | (919) |
| (-) Building improvements | (2,070) | (302) | 14 | — | (1,386) | 185 | (3,559) |
| (-) Office equipment | (1,856) | (203) | 2 | — | (844) | 177 | (2,724) |
| (-) Right-of-use assets (a) | (1,988) | (1,201) | 58 | — | (1,519) | 181 | (4,469) |
| Total - Accumulated depreciation | (6,336) | (1,783) | 75 | — | (4,209) | 582 | (11,671) |
| Property and equipment, net | 3,819 | 3,077 | (53) | 98 | 6,769 | (302) | 13,408 |

(*) CTA – Cumulative translation adjustment

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| Changes in cost | 2020 | | | | | Closing balance |
|-------------------------------------|-----------------|------------|-----------|----------|--------------------|-----------------|
| | Opening balance | Additions | Disposals | Transfer | CTA ⁽¹⁾ | |
| Furniture and fixtures | 883 | 15 | — | — | (172) | 726 |
| Building improvements | 3,617 | 34 | — | — | (654) | 2,997 |
| Office equipment | 2,617 | 114 | — | — | (482) | 2,249 |
| Right-of-use assets (a) | 5,168 | 137 | — | — | (1,122) | 4,183 |
| Total - Cost of fixed assets | 12,285 | 300 | — | — | (2,430) | 10,155 |

| Changes in accumulated depreciation | 2020 | | | | | Closing balance |
|---|-----------------|----------------|-----------|----------|--------------------|-----------------|
| | Opening balance | Additions | Disposals | Transfer | CTA ⁽¹⁾ | |
| (-) Furniture and fixtures | (451) | (71) | — | — | 100 | (422) |
| (-) Building improvements | (2,045) | (391) | — | — | 366 | (2,070) |
| (-) Office equipment | (2,069) | (192) | — | — | 405 | (1,856) |
| (-) Right-of-use assets (a) | (1,256) | (1,026) | — | — | 294 | (1,988) |
| Total - Accumulated depreciation | (5,821) | (1,680) | — | — | 1,165 | (6,336) |
| Property and equipment, net | 6,464 | (1,380) | — | — | (1,265) | 3,819 |

| Changes in cost | 2019 | | | | | | | Closing balance |
|-------------------------------------|-----------------|---------------------|--------------------------|------------|------------|----------|--------------------|-----------------|
| | Opening balance | Adoption of IFRS 16 | Adjusted opening balance | Additions | Disposals | Transfer | CTA ⁽¹⁾ | |
| Furniture and fixtures | 900 | — | 900 | 15 | (2) | 2 | (32) | 883 |
| Building improvements | 3,771 | — | 3,771 | 34 | — | — | (188) | 3,617 |
| Office equipment | 2,558 | — | 2,558 | 99 | — | (2) | (38) | 2,617 |
| Right-of-use assets (a) | — | 5,132 | 5,132 | — | — | — | 36 | 5,168 |
| Total - Cost of fixed assets | 7,229 | 5,132 | 12,361 | 148 | (2) | — | (222) | 12,285 |

| Changes in accumulated depreciation | 2019 | | | | | | | Closing balance |
|---|-----------------|---------------------|--------------------------|----------------|------------|----------|--------------------|-----------------|
| | Opening balance | Adoption of IFRS 16 | Adjusted opening balance | Additions | Disposals | Transfer | CTA ⁽¹⁾ | |
| (-) Furniture and fixtures | (376) | — | (376) | (93) | — | — | 18 | (451) |
| (-) Building improvements | (1,630) | — | (1,630) | (477) | — | — | 62 | (2,045) |
| (-) Office equipment | (1,857) | — | (1,857) | (277) | — | — | 65 | (2,069) |
| (-) Right-of-use assets (a) | — | — | — | (1,273) | — | — | 17 | (1,256) |
| Total - Accumulated depreciation | (3,863) | — | (3,863) | (2,120) | — | — | 162 | (5,821) |
| Property and equipment, net | 3,366 | 5,132 | 8,498 | (1,972) | (2) | — | (60) | 6,464 |

As of December 31, 2021, 2020 and 2019 there was no indication that any of these assets were impaired.

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- (a) The Group is the lessee in lease agreements for which the underlying assets are the office spaces located in São Paulo, Grand Cayman, Montevideo, London and Santiago. Depreciation expense relating to these assets was recognized in 2021 for the amount of US\$ 1,201 (US\$ 1,026 and US\$ 1,273 for 2020 and 2019), see note 20 and note 23.
- (b) Following is the breakdown of the total Property and equipment assets by region:

| | 2021 | 2020 |
|----------------|---------------|--------------|
| Brazil | 1,961 | 3,233 |
| Cayman Islands | 2,044 | 323 |
| Chile | 7,334 | 47 |
| Other | 2,069 | 216 |
| Balance | 13,408 | 3,819 |

Property and equipment assets are allocated based on where the assets are located, and include leasehold improvements, and right-of-use lease assets.

14 Intangible assets

| <i>Changes in costs</i> | 2021 | | | | | | Closing balance |
|--|-----------------|------------|--------------|------------|------------------------------|--------------------|-----------------|
| | Opening balance | Additions | Disposals | Transfer | Acquisitions of subsidiaries | CTA ^(*) | |
| Placement agents (a) | 36,896 | — | — | — | — | (92) | 36,804 |
| Contractual rights (b) | 44,156 | — | — | — | — | — | 44,156 |
| Non-contractual customer relationships (c) | — | — | — | — | 85,619 | (914) | 84,705 |
| Software | 1,313 | 292 | (407) | 324 | 397 | (71) | 1,848 |
| Brands | — | — | — | — | 15,598 | (170) | 15,428 |
| Goodwill (d) | — | — | — | — | 244,367 | (1,476) | 242,891 |
| Total - Cost of intangible assets | 82,365 | 292 | (407) | 324 | 345,981 | (2,723) | 425,832 |

| <i>Changes in accumulated amortization</i> | 2021 | | | | | | Closing Balance |
|--|-----------------|----------------|------------|--------------|------------------------------|--------------------|-----------------|
| | Opening balance | Additions | Disposals | Transfer | Acquisitions of subsidiaries | CTA ^(*) | |
| (-) Placement agents (a) | (28,915) | (2,148) | — | — | — | 67 | (30,996) |
| (-) Contractual rights (b) | (30,428) | (3,623) | — | — | — | — | (34,051) |
| (-) Non-contractual customer relationships (c) | — | (785) | — | — | — | — | (785) |
| (-) Software | (665) | (164) | 407 | (422) | (39) | 44 | (839) |
| (-) Brands | — | (253) | — | — | — | — | (253) |
| Total - Accumulated amortization | (60,008) | (6,973) | 407 | (422) | (39) | 111 | (66,924) |
| Intangible assets, net | 22,357 | (6,681) | — | (98) | 345,942 | (2,612) | 358,908 |

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| | 2020 | | | | | Closing Balance |
|--|-----------------|----------------|-------------|----------|--------------------|-----------------|
| | Opening balance | Additions | Disposals | Transfer | CTA ⁽¹⁾ | |
| Changes in costs | | | | | | |
| Placement agents (a) | 35,284 | 2,000 | — | — | (388) | 36,896 |
| Contractual rights (b) | 44,156 | — | — | — | — | 44,156 |
| Software | 887 | 497 | — | — | (71) | 1,313 |
| Total - Cost of intangible assets | 80,327 | 2,497 | — | — | (459) | 82,365 |
| | | | | | | |
| | 2020 | | | | | Closing Balance |
| | Opening Balance | Additions | Disposals | Transfer | CTA ⁽¹⁾ | |
| Changes in accumulated amortization | | | | | | |
| (-) Placement agents (a) | (27,387) | (2,300) | — | — | 772 | (28,915) |
| (-) Contractual rights (b) | (26,805) | (3,623) | — | — | — | (30,428) |
| (-) Software | (678) | (84) | — | — | 97 | (665) |
| Total - Accumulated amortization | (54,870) | (6,007) | — | — | 869 | (60,008) |
| Intangible assets, net | 25,457 | (3,510) | — | — | 410 | 22,357 |
| | | | | | | |
| | 2019 | | | | | Closing Balance |
| | Opening balance | Additions | Disposals | Transfer | CTA ⁽¹⁾ | |
| Changes in costs | | | | | | |
| Placement agents (a) | 35,350 | 3 | — | — | (69) | 35,284 |
| Contractual rights (b) | 44,156 | — | — | — | — | 44,156 |
| Software | 931 | 66 | (74) | — | (36) | 887 |
| Total - Cost of intangible assets | 80,437 | 69 | (74) | — | (105) | 80,327 |
| | | | | | | |
| | 2019 | | | | | Closing Balance |
| | Opening Balance | Additions | Disposals | Transfer | CTA ⁽¹⁾ | |
| Changes in accumulated amortization | | | | | | |
| (-) Placement agents (a) | (25,153) | (2,297) | — | — | 63 | (27,387) |
| (-) Contractual rights (b) | (23,042) | (3,763) | — | — | — | (26,805) |
| (-) Software | (688) | (96) | — | — | 106 | (678) |
| Total - Accumulated amortization | (48,883) | (6,156) | — | — | 169 | (54,870) |
| Intangible assets, net | 31,554 | (6,087) | (74) | — | 64 | 25,457 |

As of December 31, 2021, 2020 and 2019, there was no impairment indication for any of these assets.

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- (a) Placement agents refer to amounts capitalized relating to agreements with investment placement agents relating to fundraising. These assets are amortized based on the estimated duration of the respective investment funds. In case of an early liquidation of an investment fund, the amortization period is also adjusted. The remaining balance, as of December 31, 2021, is expected to be amortized as shown below:

| | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> | <u>2026</u> | <u>2027</u> | <u>2028</u> | <u>2029</u> | <u>2030</u> | <u>2031</u> | <u>Total</u> |
|----------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Placement agent fees | 1,403 | 1,208 | 1,108 | 990 | 197 | 197 | 180 | 175 | 175 | 175 | 5,808 |

- (b) Contractual rights refer to the management of the Infrastructure GP II, Ltd. and Infrastructure III SLP, Ltd. investment funds. These rights were recorded as a result of the acquisition of control of the P2 Group on December 25, 2015 from Promon International Inc. The purchase agreement includes contingent consideration that will be paid to Promon International Inc. based on the performance of P2 Brasil Private Infrastructure General Partner II Ltd., expected to be settled in 2022 and only if the performance is achieved. As of the date of these financial statements, no amounts were due relating to these agreements. These intangible assets were recorded based on their respective fair values using estimates of expected future earnings on the acquisition date.
- (c) Non-contractual customer relationships refer to client relationships of Moneda, acquired for the benefit of the Group through the business combination through rendering of ordinary business activities by Moneda entities.
- (d) The Group recognized goodwill in the current year as disclosed above on the acquisition of Moneda (note 28). None of the goodwill recognized is deductible for tax purposes. No impairment losses on goodwill were recognized in the current year. All goodwill recognized relates to the Moneda business combination of which management has determined the recoverable amount of MAM I and MAM II based on value in use. Key assumptions to determine the value in use includes discounted cash flow calculations based on current and past performance forecasts and considering current market indicators listed below for the respective countries in which the entities operate. There were no changes to assumptions between acquisition date (December 1, 2021) and reporting date (December 31, 2021).

Inputs to determine value in use

| Forecast period | January 1, 2022 - December 31, 2026 |
|--|-------------------------------------|
| GDP Growth rate - Chile | 2% - 3% |
| GDP Growth rate - United States of America | 2% - 3% |
| Annual inflation rate - Chile | 3% - 4.4% |
| Annual inflation rate - United States of America | 2.3% to 3.5% |
| USD/CLP average exchange rate | 736 - 751 |
| Discount rate | 13.9% - 16.77% |

- (e) Following is the breakdown of intangible assets by region:

| | <u>2021</u> | <u>2020</u> |
|----------------|----------------|---------------|
| Brazil | 696 | 815 |
| Cayman Islands | 219,019 | 21,542 |
| Chile * | 139,184 | — |
| Other | 9 | — |
| Balance | 358,908 | 22,357 |

Intangible assets are allocated based on where the assets are located and include acquired intangible assets. For acquired intangible assets, we consider that the location of the intangibles is best reflected by the location of the manager of those assets.

- * Goodwill and any fair value adjustments to assets and liabilities allocated to Chile relates to the business combination transaction with Moneda for acquisition of MAM I by Patria Investments Latam S.A. as disclosed under note 28.

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15 Personnel and related taxes payable

| | <u>2021</u> | <u>2020</u> |
|--|----------------------|----------------------|
| Personnel and related taxes | 1,866 | 372 |
| Accrued vacation and related charges | 2,003 | 920 |
| Employee profit sharing (a) | 32,043 | 10,239 |
| Officers' Fund (b) | 1,852 | 1,271 |
| Personnel and related taxes payable - current liabilities | <u>37,764</u> | <u>12,802</u> |
| Officers' Fund (b) | 3,029 | 1,527 |
| Strategic Bonus (c) | 2,223 | — |
| Personnel - non-current liabilities | <u>5,252</u> | <u>1,527</u> |

- (a) The Group recognizes a provision for payment of profit sharing to employees, according to conditions approved by management, which is recorded as personnel expenses in the consolidated income statement. The amount of US\$ 10,239 was paid in February 2021. The balance on December 31, 2021 includes US\$ 890 of carry bonus interest. An amount of US\$ 31,153 was fully settled by February 28, 2022.
- (b) Represents the amount of accrued employee benefits related to the Officers' Fund, as described in note 30(b).
- (c) The Group delivers certain long-term employee benefits ("Strategic Bonus") for a portion of its employees. MAM I is responsible for the operation and settlement of the Strategic Bonus with the objective to retain key or strategic employees and provide alignment between employees and clients. The Strategic Bonus was incorporated on December 15, 2017 and requires employees to remain in employment until the payment date of the Strategic Bonus, being February 28, 2023.

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The Strategic Bonus was closed to new members since inception with no change in the number of participants. No cash contributions were made to the Strategic Bonus since inception. The balance on December 31, 2021 includes US\$ 282 for a key management participant of which US\$ 2 was accrued during December 2021 and included under personnel expenses.

The current value of the Strategic Bonus due to employees reflects the present value of the obligations and any remeasurement gains and losses on the Strategic Bonus in the Income Statement in accordance with IAS 19 — Employee Benefits using the simplified method of accounting.

16 Taxes payable

| | <u>2021</u> | <u>2020</u> |
|----------------------|---------------------|---------------------|
| Taxes on revenues | 1,425 | 902 |
| Income taxes | 2,112 | 119 |
| Other taxes payable | 352 | 49 |
| Taxes payable | <u>3,889</u> | <u>1,070</u> |

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17 Other liabilities

| | <u>2021</u> | <u>2020</u> |
|---|---------------------|---------------------|
| Placement agent fees | 50 | 1,250 |
| Suppliers | 7,223 | 3,039 |
| Advances from customers | — | 1,688 |
| Occupancy costs | 149 | 146 |
| Lease liabilities (a) | 951 | 780 |
| Other current liabilities | 18 | 10 |
| Other current liabilities | <u>8,391</u> | <u>6,913</u> |
| Investment fund participating share in Patria Brazilian Private Equity III, Ltd., and Patria Brazil Real Estate Fund General Partner II, Ltd. (b) | 796 | 1,515 |
| Lease liabilities (a) | 6,913 | 802 |
| Other non-current liabilities | 37 | 57 |
| Other non-current liabilities | <u>7,746</u> | <u>2,374</u> |

- (a) The Group is the lessee in lease agreements for which the underlying assets are the office spaces located in São Paulo, Grand Cayman, Montevideo, London and Santiago. See note 20.
- (b) This liability refers to a participating share held by a related party in Patria Brazilian Private Equity III, Ltd., and Patria Brazil Real Estate Fund General Partner II, Ltd. that gives it the right to all returns and the related investment in PBPE Fund III (Ontario), L.P. and Patria Brazil Real Estate Fund II, L.P. For more details, see note 12(b).

18 Deferred taxes

| | <u>2021</u> | <u>2020</u> |
|--|---------------------|---------------------|
| Deferred tax on the provision for employee profit sharing and other personnel accruals (a) | 3,998 | 1,945 |
| Deferred tax on management fee provision(a) | — | 391 |
| Deferred tax on accruals for expenses | 108 | — |
| Deferred tax on tax depreciation of fixed assets | (275) | — |
| Deferred tax on performance fees - IFRS 15 | (123) | — |
| Deferred tax on gain from bargain purchase (b) | (158) | — |
| Deferred tax on initial application of IFRS 16* | (93) | (185) |
| Other deferred taxes | (11) | 2 |
| Deferred taxes | <u>3,446</u> | <u>2,153</u> |

- (a) Deferred tax is calculated on temporary differences in the provision for employee profit-sharing and management fee write-offs.

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- (b) On December 26, 2016, Moneda Servicios y Asesorías merged with Moneda Asset Management SpA. As a result of the merger, a gain from bargain purchase was generated, considering that the total value of the investment made by the merging company in the shares or social rights of the merged company was less than the tax value of the tax assets, as of the date of merger. The gain from bargain purchase is distributed among all the non-monetary assets received due to the merger for tax purposes. If there is a difference compared to the tax value of the assets, after adjusting non-monetary assets, the difference is considered income subject to taxation. Accordingly, it is treated as deferred income and amortized across a maximum of 10 consecutive business years.

| <i>Deferred tax assets</i> | Employee profit sharing provision | Management fee provision | Taxable Goodwill | Tax on Accrual for expenses | Tax depreciation of fixed assets | IFRS 15 | Gain from bargain purchase | Impact of IFRS 16 | Other | Total |
|---------------------------------|-----------------------------------|--------------------------|------------------|-----------------------------|----------------------------------|--------------|----------------------------|-------------------|-------------|--------------|
| As of December 31, 2018 | 2,572 | 954 | 2,403 | — | — | — | — | — | (65) | 5,864 |
| (Charged)/credited | | | | | | | | | | |
| - to profit or loss | 648 | 488 | (1,143) | — | — | — | — | 42 | 62 | 97 |
| - directly to equity / CTA | — | — | — | — | — | — | — | (359) | — | (359) |
| As of December 31, 2019 | 3,220 | 1,442 | 1,260 | — | — | — | — | (317) | (3) | 5,602 |
| (Charged)/credited | | | | | | | | | | |
| - to profit or loss | (560) | (724) | (984) | — | — | — | — | 61 | (38) | (2,245) |
| - directly to equity / CTA | (715) | (327) | (276) | — | — | — | — | 71 | 43 | (1,204) |
| As of December 31, 2020* | 1,945 | 391 | — | — | — | — | — | (185) | 2 | 2,153 |
| (Charged)/credited | | | | | | | | | | |
| - to profit or loss | 1,623 | (359) | — | 107 | (52) | (40) | 6 | 58 | (32) | 1,311 |
| - directly to equity / CTA | 430 | (32) | — | 1 | (223) | (83) | (164) | 34 | 19 | (18) |
| As of December 31, 2021 | 3,998 | — | — | 108 | (275) | (123) | (158) | (93) | (11) | 3,446 |

* Deferred tax liability balances (US\$ 185) were reclassified to deferred tax assets considering taxes are for the same taxable entity and taxation authority

19 Provisions and contingent liabilities

Tax and Social Security

In 2017 and 2018, the Company's subsidiaries Patria Investimentos Ltda. ("PILTDA") and Patria Infraestrutura Gestão de Recursos Ltda. ("PINFRA"), that was subsequently merged into PILTDA on September 30, 2020 (see note 5(o)), became involved in administrative proceedings, in which the entities defend the exemption of municipal tax over services ("ISS"). In 2019 Municipality of São Paulo obtained a favorable judgment; however, these administrative proceedings gave rise to judicial lawsuits, for which decisions are still pending. As of December 31, 2021, management assisted by external legal counsel assessed the risk of loss relating to these lawsuits as possible and evaluated the potential loss for PILTDA as US\$ 2,135 (US\$ 1,926 as of December 31, 2020) and for PINFRA as US\$ 2,329 (US\$ 681 as of December 31, 2020).

During January 2020, PILTDA received infraction notices in the amount of approximately US\$ 4,763 as of December 31, 2021 (US\$ 4,956 as of December 31, 2020) related to Social Contributions on Gross Revenue (PIS and COFINS) and in the amount of approximately US\$ 1,845 (US\$ 1,923 as of December 31, 2020) related to labor taxes ("Social Security Contributions"), for which external legal counsel assessed the risk of loss relating to these lawsuits as possible.

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Labor

In 2019, PILTDA became involved in employment lawsuits with the risk of loss considered possible by external legal counsel. As of December 31, 2021, the potential loss was US\$ 37 (US\$ 36 as of December 31, 2020), for which liability has not been recognized.

For the years covered by these financial statements, the Group was not directly involved in lawsuits for which the possibility of loss was probable. Therefore, no provision was recorded pursuant to IAS 37 (Provisions, Contingent Liabilities, and Contingent Assets) relating to any of the above matters.

20 Commitments

The Group is subject to commitments which occur in the normal course of business. The Group plans to fund these commitments out of existing facilities and internally generated funds.

a. Lease commitments

The lease commitments in which the Group is a lessee refer to the leasing of its office spaces located in São Paulo, Cayman, Montevideo, London and Santiago. The consolidated statement of financial position and the consolidated income statement shows the following amounts relating to leases:

Amounts recognized in the Consolidated Statement of Financial Position

| | <u>2021</u> | <u>2020</u> |
|---|---------------------|---------------------|
| Right-of-use assets | 12,624 | 4,183 |
| (-) Depreciation of right-of-use assets | (4,469) | (1,988) |
| Right-of-use assets | <u>8,155</u> | <u>2,195</u> |
| Lease liabilities (current) (a) | 951 | 780 |
| Lease liabilities (non-current) (a) | 6,913 | 802 |
| Lease liabilities | <u>7,864</u> | <u>1,582</u> |

Amounts recognized in the Consolidated Income Statement

| | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|---|-------------|-------------|-------------|
| Depreciation of right-of-use assets (b) | (1,201) | (1,026) | (1,273) |
| Interest on lease liabilities (b) | (1,022) | (869) | (918) |

(a) The principal amount paid in 2021 and 2020 on leases was US\$ 832 (US\$ 26 to related party for lease commitments in Santiago) and US\$ 893, respectively. Lease liabilities in Santiago with a related party include US\$ 322 and US\$ 2,093 for current and non-current lease liabilities respectively.

(b) Depreciation of right-of-use assets and interest on lease liabilities include amounts of US\$ 35 and US\$ 5 respectively related to leasing of office spaces from a related party in Santiago.

Refer to note 29 liquidity risk disclosures for maturity analysis on lease contracts.

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21 Revenue from services

| | 2021 | 2020 | 2019 |
|---|----------------|----------------|----------------|
| Revenue from management fees | 144,654 | 112,870 | 104,872 |
| Revenue from incentive fees | 4,915 | 3,450 | 18,079 |
| Revenue from performance fees (a) | 89,295 | — | 4,866 |
| Fund fees | 238,864 | 116,320 | 127,817 |
| Revenue from advisory and other ancillary fees | 731 | 2,491 | 978 |
| Total gross revenue from services | 239,595 | 118,811 | 128,795 |
| Taxes on revenue - management fees | (3,587) | (3,051) | (2,589) |
| Taxes on revenue - incentive fees | (231) | (388) | (2,040) |
| Taxes on revenue - performance fees | (170) | — | (542) |
| Taxes on revenue - advisory and other ancillary fees | (92) | (355) | (139) |
| Taxes on revenue | (4,080) | (3,794) | (5,580) |
| Revenue from services | 235,515 | 115,017 | 123,215 |
| The following is the breakdown of revenue by region (b): | | | |
| Brazil | 25,725 | 28,452 | 35,886 |
| British Virgin Islands | 2,311 | — | — |
| Cayman Islands | 200,695 | 86,565 | 87,329 |
| Chile | 5,215 | — | — |
| United States of America | 1,569 | — | — |
| Net revenue from services | 235,515 | 115,017 | 123,215 |

- (a) Performance fees are primarily generated when the return of the investment funds surpass the performance hurdle set out in the related charters. Since the investment funds' performance are susceptible to market volatility and to factors out of the Group's control, the related fees fall under the variable consideration defined in IFRS 15. According to the referred standard, the Group recognizes these fees at a point in time when the related uncertainties are resolved, the likelihood of a claw-back or reversal is improbable and the likely amount of the transaction prices can be estimated without significant chance of reversal, indicating high probability of economic benefits and cash inflow to the Group. An amount of US\$ 87.8 million is included under performance fees from PBPE Fund III (Ontario), L.P. determined in accordance with above.
- (b) Disclosure of revenue by geographic location is based on the registered domicile of the manager receiving fees. The investment funds managed by the Group attract and retain many global investors that represent the Group's portfolio of clients. None of the Group's individual clients represents more than 10% of the total revenues for the presented years.

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22 Cost of services rendered

| | 2021 | 2020 | 2019 |
|--|-----------------|-----------------|-----------------|
| Salaries and wages | (11,593) | (7,896) | (10,165) |
| Partners' compensation (note 30(a)) | (2,784) | (2,582) | (2,738) |
| Officers' Fund | (2,196) | (431) | 1,037 |
| Rewards and bonuses | (21,828) | (11,800) | (17,785) |
| Social security contributions and payroll taxes | (3,898) | (2,356) | (4,684) |
| Carried interest bonuses | (890) | — | — |
| Share based incentive plan (note 27(d)) | (764) | — | — |
| Strategic Bonus | (15) | — | — |
| Other short-term benefits | (3,636) | (2,164) | (2,563) |
| Personnel expenses | (47,604) | (27,229) | (36,898) |
| Amortization of placement agents' fees (note 14) | (2,148) | (2,300) | (2,270) |
| Rebate fees | (364) | (30) | (27) |
| Amortization of contractual rights (note 14) | (3,623) | (3,623) | (3,763) |
| Amortization of non-contractual customer relationships (note 14) | (785) | — | — |
| Amortization of intangible assets | (6,920) | (5,953) | (6,060) |
| Carried interest allocation (a) | (30,204) | — | — |
| Deferred consideration (b) | (2,037) | — | — |
| Costs of services rendered | (86,765) | (33,182) | (42,958) |

(a) This expense refers to a carried interest share held by a related party (representing the Group's senior managing directors and employees) in Patria Brazilian Private Equity III, Ltd. that gives it the right to up to 35% of the performance fees recognized from PBPE Fund III (Ontario), L.P. As of December 31, 2021, US\$ 11.6 million remains payable.

(b) Refer to note 28 for details on deferred consideration accrued.

23 Administrative expenses

| | 2021 | 2020 | 2019 |
|--|-----------------|-----------------|-----------------|
| Professional services | (6,439) | (7,351) | (5,852) |
| IT and telecom services | (1,762) | (1,085) | (1,262) |
| Depreciation of right-of-use assets | (1,201) | (1,026) | (1,273) |
| Travel expenses | (1,137) | (1,586) | (2,760) |
| Depreciation of property and equipment | (582) | (654) | (847) |
| Occupancy expenses | (578) | (977) | (1,339) |
| Taxes and contributions | (340) | (189) | (358) |
| Brand amortization | (253) | — | — |
| Marketing and events | (338) | (495) | (709) |
| Materials and supplies | (191) | (153) | (227) |
| Software amortization | (164) | (84) | (96) |
| Other administrative expenses | (1,400) | (1,027) | (979) |
| Administrative expenses | (14,385) | (14,627) | (15,702) |

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24 Other income/(expenses)

| | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|--|------------------------|-----------------------|------------------|
| Net loss on sale of property and equipment (a) | (52) | — | (1) |
| Net gain on sale of subsidiary (b) | 25 | — | — |
| Net loss on transfer of investment (c) | (734) | — | — |
| IPO expenses and IPO related bonuses (d) | (2,862) | (2,169) | — |
| Transaction costs (e) | (8,550) | 129 | 67 |
| Other | (333) | — | — |
| Other income/(expenses) | <u>(12,506)</u> | <u>(2,040)</u> | <u>66</u> |

- (a) Loss on sale of property and equipment was recognized on retirement of right of use assets related to the lease of the London office, terminated in May 2021.
- (b) Gain on sale of subsidiary was recognized related to sale of Pátria Companhia Securitizadora de Créditos Imobiliários as disclosed under note 5 (p).
- (c) Net loss on transfer of investment fund, Patria Infra Energia Core FIP EM Infraestrutura from PILTDA to Patria Finance Ltd. The loss results mainly from the decrease in unit price between acquisition date and transfer date.
- (d) IPO expenses and IPO-related bonuses were recognized related to the Company's Initial Public Offering which concluded on January 21, 2021. The amount was considered according to the costs allocated to the secondary offering and includes non-cash expenses of US\$ 270.
- (e) Transaction costs relate to expenses incurred on acquisition of subsidiaries for business combination.

25 Net financial income/(expense)

| | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|---|---------------------|---------------------|---------------------|
| Net financial investment income | 355 | 366 | 890 |
| Valuation adjustment on long-term investments | 226 | (91) | 46 |
| Net exchange variation | 601 | 501 | 10 |
| Banking fees | (441) | (103) | (151) |
| Interest on lease liabilities | (1,022) | (869) | (918) |
| Other financial income/(expenses) | (6) | 4 | (47) |
| Net financial income/(expense) | <u>(287)</u> | <u>(192)</u> | <u>(170)</u> |

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26 Income taxes expenses

As an entity headquartered in the Cayman Islands, the Company is subject to a neutral tax regime. However, the Group's subsidiaries headquartered in Brazil, Colombia, Chile, the United Kingdom, the United States of America, and Hong Kong are subject to income taxes as set out by local tax laws.

| <u>Reconciliation of income tax</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|---|----------------|----------------|----------------|
| Income before income taxes | 121,572 | 64,976 | 64,451 |
| Bermuda (2020)/Cayman Islands (2021) statutory income tax | — | — | — |
| Impact of difference in tax rates of foreign subsidiaries | 642 | (2,749) | (3,195) |
| Nondeductible expenses | (1,023) | (386) | (318) |
| Total income taxes | (381) | (3,136) | (3,513) |
| Current | (1,692) | (891) | (3,783) |
| Deferred | 1,311 | (2,245) | 270 |
| Effective tax rate | 0.3% | 4.8% | 5.5% |

27 Equity

(a) Capital

On January 13, 2021, the Company carried out a share split of 117:1 (one hundred and seventeen for one). As a result, the share capital previously represented by 1,000,000 common shares, with a par value of US\$ 0.001 each, totaling US\$ 1 (one thousand dollars) was increased to 117,000,000 common shares. The share split has been applied retrospectively to all figures in the consolidated financial statements and notes regarding the number of shares and per share data as if the share split had been in effect for all years presented.

The Company's Memorandum and Articles of Association ("Articles of Association") authorizes the issuance of up to US\$100,000, consisting of 1,000,000,000 shares of par value US\$0.0001. Of those authorized shares, (i) 500,000,000 are designated as Class A common shares, (ii) 250,000,000 are designated as Class B common shares, and (iii) 250,000,000 are as yet undesignated and may be issued as common shares or shares with preferred rights. Class B common shares are entitled to 10 votes per share and Class A common shares are entitled to one vote per share.

The Company currently has a total of 147,192,930 common shares issued and outstanding, 54,247,500 Class A common shares, beneficially owned by investors who purchased in the initial public offering and Blackstone (taken together). 92,945,430 Class B common shares beneficially owned by Patria Holdings Ltd. and Moneda's former partners as a result of the business combination transaction (note 28).

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 the Articles of Association, including transfers to affiliates, transfers to and between trusts solely for the benefit of the shareholder or its affiliates, and partnerships, corporations and other entities exclusively owned by the shareholder or its affiliates. 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 total number of the issued and outstanding Class B common shares is less than 10% of the total number of shares outstanding.

Restrictions on transfer

Shareholders of the Company who held shares upon completion of the IPO and existing shareholders have agreed to lock-up agreements that restrict shareholders, subject to specified exceptions, from selling or otherwise disposing of any shares for a period of 180 days after the date of the IPO without the prior consent of the representatives for the underwriters. However, the underwriters may, at their discretion and without notice, release all or any portion of the shares from the restrictions in any of the lock-up agreements described above.

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In addition, each of Patria Holdings' shareholders (which include entities beneficially owned by the founders of the Company and certain of the Company's directors and executive officers) have agreed to lock-up restrictions that restricts the sale of shares in Patria Holdings for a period of five years from the consummation of the IPO, except for lock-up restrictions applicable to shares beneficially owned by certain key management, which terminates in 2024. Any exception to these restrictions would require an amendment or waiver of such limitations among the shareholders of Patria Holdings.

Furthermore, each of Moneda's former partners entered into a pledge, security, control and lock-up agreement, or the "Moneda Lock-Up Agreement" that restrict Moneda's former partners from (1)(A) offering, pledging, assigning, selling or otherwise disposing any shares, (B) publicly disclosing the intention to make any offer, pledge, assignment, sale, loan, conversion or disposition or (C) converting any such Class B common shares into Class A common shares, (2) enter into any derivative transaction, swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership, in whole or in part, directly or indirectly, of such shares, or (3) make any demand for the registration of any shares; held by such persons during the period beginning on fifth anniversary of the acquisition date (December 1, 2021) of the Moneda acquisition and ending on the earlier of (a) the date on which Moneda's former partners cease to be employed by the Group or any of its affiliates, including any Moneda entity, and (b) the 60th day after the expiration of the relevant tax statute of limitations, with respect to 50% of the relevant collateral shares.

As of December 31, 2021 and December 31, 2020, the issued share capital was distributed as follows:

| | 2021 | | 2020 | |
|--------------|--------------------|----------------|--------------------|----------------|
| | Shares | Capital (US\$) | Shares | Capital (US\$) |
| Total | 147,192,930 | 14,720 | 117,000,000 | 1,000 |
| Class A | 54,247,500 | 5,425 | — | — |
| Class B | 92,945,430 | 9,295 | 117,000,000 | 1,000 |

19,147,500 Class A common shares were issued as part of the IPO (refer to note 1) and 11,045,430 Class B common shares were issued to Moneda's former partners as part of the business combination transaction (refer to note 28).

(b) Additional paid-in capital

The Additional Paid-in Capital amounts recorded as of December 31, 2021 and December 31, 2020 were demonstrated below:

| | 2021 | 2020 |
|--------------|----------------|--------------|
| Class A | 299,078 | 623 |
| Class B | 186,102 | 934 |
| Total | 485,180 | 1,557 |

Net proceeds from issuance of Class A common shares through the IPO amounted to US\$ 302.7 million after deducting IPO transaction costs incurred in the direct issuance of equities of US\$ 27 million. Further IPO cash transactional costs of US\$4.3 million were incurred (including non-cash expenses of US\$ 1.1 million). Additional Class B common shares issued as consideration for the Moneda business combination amounted to US\$ 184.8 million.

(c) Dividends

In January 2021, the Company paid US\$ 23,259 related to 2020 dividends to Patria Holdings Ltd. and Blackstone. The shareholders received US\$ 21,100 and US\$ 2,159, respectively.

Dividends declared and paid by the Group to the Company's shareholders for the year ended December 31, 2021, 2020 and 2019 were:

| Shareholder | 2021 | | 2020 | | 2019 | |
|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | | US\$* | | US\$* | | US\$* |
| Class A | 38,462 | 0.7090 | — | — | — | — |
| Class B | 58,067 | 0.6247 | 84,188 | 0.7196 | 46,397 | 0.3966 |
| Total | 96,529 | 0.6558 | 84,188 | 0.7196 | 46,397 | 0.3966 |

(*) Per thousand shares after share split, see note 27(a).

Prior to the IPO, dividends were paid on a disproportional basis using a predetermined formula that considers adjusted net income and other adjustments agreed to by the shareholders in the Group's previous shareholders agreement valid at that time. For the year ended December 31, 2021, dividends were declared and paid to shareholders on a pro-rata basis.

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(d) *Share based incentive plan*

The establishment of the first equity incentive program (“IPO grant” or “share based incentive plan”) under the LTIP pursuant to the completion of the IPO registration was approved at the board of director’s meeting on May 19, 2021. The defined maximum number of shares under the IPO grant should not exceed 410,115 (289,183 PSUs on grant date and 120,932 to be further issued subject to the boost grant requirements being met) of the issued and outstanding shares of the Company. As of December 31, 2021, the outstanding number of Performance Restricted Units (“PSU”), convertible into Class A common shares, granted under the share based incentive plan was 210,314 PSUs (78,869 PSUs forfeited following the resignation of certain participants of the IPO grant) to be settled at the vesting date.

Set out below is summary of PSU activity for the year ended December 31, 2021.

| | PSUs |
|---------------------------------------|------------|
| Outstanding, December 31, 2020 | <u>—</u> |
| Granted | 289 |
| Forfeited | (79) |
| Outstanding, December 31, 2021 | 210 |

The table above reflects the PSU activity in the year. No shares were exercised, expired or vested during the year covered by the above table.

For the period ended December 31 2021, total PSU cumulative expenses were US\$ 764 and the intention of the Committee as of December 31, 2021 was to settle any future vesting through delivery of Class A common shares to participants.

The original weighted-average fair value of PSU shares at the grant date of January 22, 2021 is US\$ 15.95, calculated based on the Monte Carlo model, which incorporates the effects of the performance conditions on the fair value. Dividends were not considered separately in the model since the participants are compensated with more shares when dividends are distributed during the vesting period and because the Total Shareholder Return (“TSR”) performance condition already considers dividends distributed as part of the calculation.

(e) *Earnings per share (basic and diluted)*

Basic earnings per share have been calculated based on the consolidated profit for the year attributable to the holders of the Company’s common shares.

Diluted earnings per share are impacted by the share incentive plan as disclosed under note 27 (d). The dilutive effect is dependent on whether vesting conditions are deemed to be met as of the reporting date. As of December 31, 2021, the TSR performance condition was not met.

The Group has assessed the potential dilution on earnings per thousand shares based on issuing Class A common shares rather than cash to potentially settle any contingent consideration payable per Moneda business combination purchase agreement (note 28). Events to satisfy the net revenue growth and net income margin conditions related to the contingent consideration have not yet occurred.

There are no further outstanding financial instruments or agreements convertible into potentially dilutive common shares in the reporting years.

| | 2021 | 2020 | 2019 |
|--|-----------------------|-----------------------|-----------------------|
| Net income for the year attributable to the Owners of the Company | 122,476 | 62,209 | 58,539 |
| Basic and diluted weighted average number of shares | 135,983,968 | 117,000,000 | 117,000,000 |
| Basic and diluted earnings per thousand shares | <u>0.90066</u> | <u>0.53170</u> | <u>0.50033</u> |

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(f) Adjustments regarding the initial application of IFRS 16

On January 1, 2019 the Group recognized an increase of US\$ 714 on retained earnings due to the adoption of IFRS 16 as described in note 4 (l).

(g) Cumulative Translation Adjustments

The Company translates the financial information of its subsidiaries from their functional currency to U.S. dollars, which is the Company's and the Group's presentation currency. The effects of the translation are accounted for and presented on Equity under the caption "Cumulative Translation Adjustments".

(h) Non-controlling interests

The Group's subsidiary with non-controlling interests as of December 31, 2020 was Patria Inestimentos Ltda. This entity has share capital consisting solely of ordinary shares.

| | Interest | Equity(*) | | Income (Loss) (*) | |
|---|----------|-----------|-------|-------------------|-------|
| | | 2021 | 2020 | 2021 | 2020 |
| Non-controlling interest in Patria Inestimentos Ltda. | 49% | — | 1,758 | (1,285) | (369) |

* Commencing June 1, 2021 the Company now holds 100% of Patria Inestimentos Ltda as discussed under note 5(o)

28 Business combinations

The following relates to the Group's significant transactions related to business combinations for the year ended December 31, 2021.

On December 1, 2021, the Group acquired control of Moneda's operations through acquiring 100% of the issued share capital of MAM I and MAM II, Chilean simplified corporations. The acquisition has significantly increased the Group's market share in Latin America. Moneda is a leading asset manager in PIPE and credit investments in the Latin American region and is headquartered in Santiago, Chile. The goodwill from the combination will enhance the Group's product offering by adding a credit and PIPE investment platform in the Latin American region. The combination of the two operations will add geographical exposure within Latin America through client base and product offering and will open the opportunity for cross selling and leveraging a complementary investor base. The Group accounted for this investment as a subsidiary where operations of Moneda are held through entities MAM I and MAM II as described under note 5. None of the goodwill recognized is deductible for tax purposes.

Under the purchase agreement, Moneda's former partners received an upfront consideration of US\$ 333.6 million, in a combination of US\$ 148.8 million in cash (US\$ 16.4 million payable subject to purchase agreement conditions) and US\$ 184.8 million (11,045,430 shares) in the Company's Class B common shares. The table below summarizes the consideration paid for MAM I and MAM II.

In addition, subject to the achievement of certain pre-determined net income and net revenue metrics based on future events for the years ended December 31, 2022 and December 31, 2023, potential contingent consideration between US\$ nil and US\$ 71.1 million (undiscounted) is payable in cash or Class A common shares under the purchase agreement (note 27 (e) for earnings per share impact). The fair value of the contingent consideration of US\$ 25.5 million was estimated by calculating the present value of the contingent consideration payable based on estimated net income margin and net revenue growth for the years ended December 31, 2022 and December 31, 2023. A probabilistic scenario approach using the pre-determined net income and net revenue metrics within the purchase agreement is used to estimate expected undiscounted contingent consideration payable and a discount rate range between 13.9% to 16.8% was applied to determine the fair value of contingent consideration to be paid December 31, 2023.

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The acquired businesses contributed revenues of US\$ 9.1 million and net profit of US\$ 5.3 million to the Group for the period from December 1, 2021 to 31 December 31, 2021. The impact of revenue and net profit from the above transactions, had the acquisition taken place on January 1, 2021, was US\$ 84.7 million and US\$ 24.2 million respectively. Acquisition-related costs, not directly attributable to the issue of shares of US\$ 8.6 million, are included in other expenses in the Group's consolidated income statement and in operating cash flows in the consolidated statement of cash flows for the year ended December 31, 2021. Details of the purchase consideration, the net assets acquired and goodwill listed below is provisional and pending receipt of the final valuation of those assets:

| Acquisition date fair value of each major class of identifiable assets and liabilities recognized | | | |
|--|---------------------------------------|--|----------------|
| | MAM I December 1, 2021 | MAM II December 1, 2021 | Total |
| Total purchase consideration | | | |
| Cash consideration paid | 132,331 | — | 132,331 |
| Consideration payable | 16,437 | — | 16,437 |
| Share issued | — | 184,789 | 184,789 |
| Contingent consideration payable | — | 25,491 | 25,491 |
| Total purchase consideration | <u>148,768</u> | <u>210,280</u> | <u>359,048</u> |
| The assets and liabilities recognized as a result of the acquisition are as follows: | | | |
| Cash and cash equivalents | 7,868 | 1,696 | 9,564 |
| Accounts receivable | 7,170 | 7,682 | 14,852 |
| Working Capital (a) | (16,729) | (10,408) | (27,137) |
| Intangible assets: non-contractual customer relationships | 50,490 | 35,129 | 85,619 |
| Intangible assets: brands | 9,427 | 6,171 | 15,598 |
| Fixed assets | 6,746 | 23 | 6,769 |
| Tax assets and liabilities | 3,253 | (1,555) | 1,698 |
| Other assets and other liabilities | (1,552) | 9,270 | 7,718 |
| Net identifiable assets acquired | <u>66,673</u> | <u>48,008</u> | <u>114,681</u> |
| Goodwill | <u>82,095</u> | <u>162,272</u> | <u>244,367</u> |
| Net assets acquired | <u>148,768</u> | <u>210,280</u> | <u>359,048</u> |

- a) The majority of working capital assumed from MAM I and MAM II includes current trade accounts payables (suppliers) in addition to client funds payable and other current liabilities offset by short term investments, client funds on deposit and other current financial assets. No contingent liabilities nor indemnification assets were acquired as part of the business combination.

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Arrangements not part of the business combination:

The transaction included US\$ 58.7 million expected to be paid to Moneda's former partners who are currently employees of the Group in exchange for future services, with two equal installments due on December 2, 2023 and December 2, 2024 respectively. This expense will be recognized as a compensation expense as the employees render services. For the year ended December 31, 2021, US\$ 2.0 million was recognized as an expense in the Group's income statement.

29 Financial instruments

(a) Financial instruments by categories

The Group classifies its financial instruments into the categories below:

| Financial assets | 2021 | 2020 |
|--|-------------|-------------|
| Financial assets at amortized cost | | |
| Accounts receivable | 108,115 | 46,015 |
| Project advances | 3,935 | 1,772 |
| Client funds on deposit | 78,163 | — |
| Deposit/guarantee on lease agreement | 3,043 | 142 |
| Financial assets at fair value through profit or loss | | |
| Cash and bank accounts | 13,383 | 14,052 |
| Mutual fund shares | 1,881 | — |
| Short term investments | 151,866 | 9,929 |
| Long-term investments | 18,278 | 1,986 |
| Financial liabilities | | |
| Financial liabilities at amortized cost | | |
| Client funds payable | 78,163 | — |
| Lease liabilities | 7,864 | 1,582 |
| Placement agent | 50 | 1,250 |
| Suppliers and occupancy costs | 7,372 | 3,185 |
| Carried interest allocation | 11,582 | — |
| Consideration payable on acquisition | 16,437 | — |
| Financial liabilities at fair value through profit or loss | | |
| Investment fund participating shares in Patria Brazilian Private Equity General Partner III, Ltd., and Patria Brazil Real Estate Fund II, L.P. | 796 | 1,515 |
| Contingent consideration payable on acquisition | 25,775 | — |

(b) Financial instruments measured at fair value

The fair value measurement methodologies are classified according to the following hierarchical levels:

- **Level 1:** measurement based on quotations of identical financial instruments, traded in an active market, without any adjustments;

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- **Level 2:** valuation techniques based on observable inputs. This category covers financial instruments that are valued using: (i) quotations of similar financial instruments, traded in an active market; (ii) quotations of identical or similar financial instruments, traded in a fairly inactive market; and (iii) other valuation techniques in which all significant inputs are directly or indirectly observable in market input;
- **Level 3:** valuation techniques based on unobservable inputs. This category covers all financial instruments whose valuation techniques are based on inputs not observable in market inputs when such inputs have a significant impact on the measurement of their fair values. This category includes financial instruments that are valued based on quotations of similar financial instruments that, however, require adjustments and assumptions to ensure that their fair values reflect the differences among them.

As of December 31, 2021 and December 31, 2020, cash and investments were measured by level 1 and level 2 methodologies, respectively.

In connection with the Moneda business combination discussed in note 28, the Group is required to make contingent payments, subject to the entities achieving certain revenue and profitability targets. The contingent consideration payments are up to US\$ 71 million for the business combination with Moneda. The fair value of the liabilities for the contingent consideration recognized upon acquisition was US\$ 25.5 million and was estimated by discounting to present value the probability weighted contingent payments expected to be made. Assumptions used in these calculations includes an assumed probability-adjusted profit in Moneda and a discount rate. The ultimate settlement of contingent consideration could deviate from current estimates based on the actual results of these financial measures. This liability is considered to be a Level 3 financial liability that is re-measured each reporting period. The change in fair value of contingent consideration for these acquisitions is included in other income or expenses in the Group's income statement.

The Group held no assets or liabilities at fair value using significant unobservable inputs for the years ended December 31, 2020 and 2019. The following table presents a reconciliation of the liability measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended December 31, 2021:

| | <u>2021</u> |
|---|---------------|
| Fair value at the beginning of the year | — |
| Contingent purchase consideration | 25,491 |
| Payments | — |
| Change in fair value - discounting | 284 |
| | <u>25,775</u> |

The Group has considered a 5% change in discount rate to determine the impact to the discounted fair value of contingent consideration payable, which would increase the discounted fair value by up to US\$ 0.3 (decrease in discount rate) million or decrease fair value by up to US\$ 0.6 million (increase in discount rate). Since acquisition there has been no change in circumstances or assumptions used to determine contingent consideration payable, the only impact being from discounting between acquisition date and reporting date.

(c) Financial instruments measured at amortized costs

As of December 31, 2021, and December 31, 2020, the book values of the financial instruments measured at amortized cost correspond approximately to their fair values because the majority are short-term financial assets and liabilities or the impact of the time value of money is not material.

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(d) Risk management

The Group is exposed to the following risks arising from the use of financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

i. Credit risk

Credit risk is the possibility of incurring a financial loss if a client or a counterpart in a financial instrument fails to perform its contractual obligations.

The Group has low exposure to credit risk because its customer base is formed by investors in each investment fund. These investors are required to comply with the capital calls in order to repay related investment fund expenses. If capital calls are not complied with, the participation of that investor is diluted among the remaining investors of the investment fund. In addition, management fees could be settled by the sale of the underlying investments kept by the investment funds. The cash and the short-term investments are maintained in large banks with high credit ratings. Furthermore, the accounts receivable as of December 31, 2021 and December 31, 2020 are composed mainly of management fees and performance fees of investment funds, and also of advisory fees and reimbursement of expenses to be received from investees of such investment funds.

The amounts receivable and project advances as of December 31, 2021, are expected to be received as demonstrated below:

| | Overdue | | | | | Due in | | | | | Total |
|-------------------------|-------------------|----------------|-----------------|-----------------|---------------|---------------|----------------|-----------------|-----------------|---------------|----------------|
| | Less than 90 days | 91 to 180 days | 181 to 270 days | 271 to 360 days | Over 360 days | 01 to 90 days | 91 to 180 days | 181 to 270 days | 271 to 360 days | Over 360 days | |
| Accounts Receivable (a) | 866 | 301 | 191 | 55 | 35 | 7,596 | 32,114 | 20,857 | 35,104 | 10,996 | 108,115 |
| Project Advances | — | — | — | — | — | 1,170 | 1,123 | — | 906 | 736 | 3,935 |
| Total | 866 | 301 | 191 | 55 | 35 | 8,766 | 33,237 | 20,857 | 36,010 | 11,732 | 112,050 |

- (a) Non-current balances are related to management fees receivable from fund PBPE Fund IV (Ontario), L.P. in a single installment on December 31, 2023. In addition, management fees of US\$ 13 million from current year and US\$ 22 million from prior years relate to management fees from PBPE Fund IV, which are due by December 31, 2022.

The amounts receivable and project advances as of December 31, 2020, are as follows:

| | Overdue | | | | | Due in | | | | | Total |
|-------------------------|-------------------|----------------|-----------------|-----------------|---------------|---------------|----------------|-----------------|-----------------|---------------|----------|
| | Less than 90 days | 91 to 180 days | 181 to 270 days | 271 to 360 days | Over 360 days | 01 to 90 days | 91 to 180 days | 181 to 270 days | 271 to 360 days | Over 360 days | |
| Accounts Receivable (a) | 2,198 | 10,828 | — | — | — | 10,996 | 21,993 | 46,015 | — | — | — |
| Project Advances | — | 1,277 | — | — | — | — | 495 | 1,772 | — | — | — |
| Total | 2,198 | 12,105 | — | — | — | 10,996 | 22,488 | 47,787 | — | — | — |

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Patria Investments Limited

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As of December 31, 2021 and 2020 and for the years ended December 31, 2021, 2020 and 2019

(Amounts in thousands of United States dollars - US\$, except where otherwise stated)

ii. Liquidity Risk

Liquidity risk is the possibility that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets which might affect the Group's payment ability, taking into consideration the different currencies and settlement terms of its financial assets and financial liabilities.

The Group performs the financial management of its cash and cash equivalents, keeping them available for paying its obligations and reducing its exposure to liquidity risk.

Expected future payments for financial liabilities as of December 31, 2021, are shown below.

| | Expected liabilities to be paid in | | | | | Total |
|---|------------------------------------|----------------|-----------------|-----------------|---------------|---------------|
| | 01 to 60 days | 61 to 120 days | 121 to 180 days | 181 to 360 days | Over 360 days | |
| Suppliers and occupancy costs | 7,372 | — | — | — | — | 7,372 |
| Placement agents' fees | 50 | — | — | — | — | 50 |
| Investment fund participating shares | — | — | — | — | 796 | 796 |
| Leases (a) | 315 | 276 | 276 | 828 | 7,617 | 9,312 |
| Carried interest allocation | — | — | — | 11,582 | — | 11,582 |
| Consideration payable on acquisition | — | 16,437 | — | — | — | 16,437 |
| Contingent consideration payable on acquisition (a) | — | — | — | — | 33,438 | 33,438 |
| Total | 7,737 | 16,713 | 276 | 12,410 | 41,851 | 78,987 |

(a) Amounts reflect undiscounted future cash outflows to settle financial liabilities.

Expected future payments for financial liabilities as of December 31, 2020, are shown below

| | Expected liabilities to be paid in | | | | | Total |
|--------------------------------------|------------------------------------|----------------|-----------------|-----------------|---------------|---------------|
| | 01 to 60 days | 61 to 120 days | 121 to 180 days | 181 to 360 days | Over 360 days | |
| Dividends payable | 23,259 | — | — | — | — | 23,259 |
| Suppliers and occupancy costs | 3,185 | — | — | — | — | 3,185 |
| Placement agents' fees | 450 | 400 | — | 400 | — | 1,250 |
| Investment fund participating shares | — | — | — | — | 1,515 | 1,515 |
| Leases (a) | 252 | 252 | 266 | 746 | 1,859 | 3,375 |
| Total | 27,146 | 652 | 266 | 1,146 | 3,374 | 32,584 |

iii. Market risk

Market risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, such as interest rate, foreign exchange rate, and security prices. The Group's policy is to minimize its exposure to market risk.

The marketable securities as of December 31, 2021 and December 31, 2020 consist primarily of mutual fund money markets which reduces the Group's exposure to market risk and investment funds whose portfolios, dependent on the investment strategy are composed of product lines as discussed under Segment information (note 3). To manage its price risk arising from investment funds, the Group diversifies its portfolio.

Diversification of the portfolio is done in accordance with the limits set by the Group. The Group does not hold financial liabilities linked to market prices so it does not have significant exposure to interest rate risk and is not presenting such sensitivity analysis.

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During the year ended December 31, 2021 and the year ended December 31, 2020, the Group did not hold derivative financial instruments.

Security price risk:

Long-term investments made by the Group represent investments in investment fund products where fair value is derived from the reported Net Asset Values (“NAV”) for each investment fund, which in turn are based upon the value of the underlying assets held within each of the investment fund products and the anticipated redemption horizon of the investment fund product. Investment fund products expose the Group to market risk and therefore this process is subject to limits consistent with the Group’s risk appetite. To manage its price risk arising from investments in securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

A 5% (2020: 5%) increase in the price of long-term investments, with other variables held constant, would have increased the profit before tax by US\$ 1.8 million (2020: US\$ 0.2 million). A 5% decrease in the price would have had the equal but opposite effect.

Foreign exchange risk:

Foreign exchange risk results from a possible change in foreign exchange rates that would affect the finance income (or costs and expenses) and the liabilities (or assets) balance of contracts indexed to a foreign currency. The Group measures its foreign exchange exposure by subtracting its non-US dollar currencies liabilities from its respective denominated assets, thus obtaining its net foreign exchange exposure and the amount actually affected by exchange fluctuations.

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Sensitivity analysis

The sensitivity analysis was based on financial assets and financial liabilities exposed to currency fluctuations against the US dollar, as demonstrated below:

As of December 31, 2021

| | Balance in each exposure currency | | | | | | Total Balance USD | Exchange Variation impact considering 10% change in the year end rates. |
|---|-----------------------------------|---------|------------|---------|---------|---------|-------------------------|--|
| | BRL(a) | HKD (b) | CLP (c) | COP (d) | GBP (e) | USD | | |
| Cash and cash equivalents | 112 | 10,367 | 5,380,931 | 380,196 | 460 | 6,893 | 15,264 | 838 |
| Client funds on deposit | — | — | 66,672,455 | — | — | — | 78,163 | 7,817 |
| Short term investments | 44,202 | — | 2,279,681 | — | — | 141,272 | 151,866 | 1,059 |
| Accounts receivable | 22,741 | 6 | 6,908,891 | 113,854 | — | 95,911 | 108,115 | 1,220 |
| Projects Advance | 4,120 | 237 | (1,168) | 469 | 32 | 3,124 | 3,935 | 81 |
| Deposit/guarantee on lease agreement | 85 | 264 | 1,847,751 | 81,908 | 180 | 566 | 3,043 | 248 |
| Client funds payable | — | — | 66,672,455 | — | — | — | 78,163 | (7,817) |
| Long-term investments | 3,508 | — | 63,614 | — | — | 17,574 | 18,278 | 70 |
| Carried interest allocation | — | — | — | — | — | 11,582 | 11,582 | — |
| Consideration payable on acquisition | — | — | — | — | — | 16,437 | 16,437 | — |
| Contingent consideration payable on acquisition | — | — | — | — | — | 25,775 | 25,775 | — |
| Suppliers and occupancy costs | 2,811 | 196 | 921,549 | 86,553 | 200 | 5,472 | 7,372 | (190) |
| Net Impact | | | | | | | | 3,326 |

(a) BRL - Brazilian Real, (b) HKD - Hong Kong dollar, (c) CLP - Chilean Peso, (d) COP - Colombian Peso, (e) GBP - Pound Sterling

The exposure shows the balance sheet impact considering a US dollar valuation increase of 10%. This scenario best reflects the Group's expectations based on projections available in the financial market and takes into account the closing rates for each year.

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30 Related parties

(a) Directors' and Officers' compensation

The amounts paid to directors and officers for their roles as executives in 2021, 2020 and 2019 included in "Personnel expenses" are shown below:

| | 2021 | 2020 | 2019 |
|---------------------------------------|----------------|----------------|----------------|
| Directors' and officers' compensation | <u>(2,784)</u> | <u>(2,582)</u> | <u>(2,738)</u> |

Additionally, for the year ended December 31, 2021 the Company has accrued US\$ 21 million as bonuses to directors and officers, which is included in "Personnel expenses".

(b) Officers' Fund

| | 2021 | 2020 |
|-----------------------------------|--------------|--------------|
| Other Assets | — | 47 |
| Personnel current liabilities | 1,852 | 1,271 |
| Personnel non-current liabilities | <u>3,029</u> | <u>1,527</u> |

The Officers' Fund Plan is administered by the Company through a limited liability entity (the "Officers' Fund") registered as an administered fund under the laws of the Cayman Islands.

Group employees were offered the opportunity to purchase quotas (limited number of units in Officers' Fund available for participants to purchase) in the Officers' Fund based on the discretion of the directors of the Officers' Fund. With the payment of a contribution to the Officers' Fund on the grant date, these employees are entitled to a cash benefit that is calculated by management based on defined financial metrics of the Group (e.g., DE – Distributable Earnings) with certain vesting conditions and financial hurdles. Each grant benefit is subject to graded vesting periods of 2 to 4 years. Upon vesting, the benefits are redeemable yearly at the option of the holder or mandatorily redeemed after two years. Should the employee cease to be eligible for the cash benefit (e.g., as a result of leaving the Group), all unvested benefits are paid based on the amount that was originally contributed to the Officers' Fund Plan. For the year ended December 31, 2021, the Company has accrued US\$ 2.2 million (2020: US\$ 0.4m). No further quotas in the Officers' Fund were granted during 2021.

(c) Long-term investments

As described in notes 12(b) and 17(b), Patria Brazilian Private Equity III, Ltd. and Patria Brazil Real Estate Fund General Partner II, Ltd. have a related party (representing certain of the Group's founding shareholders) holding a participating share that gives it the right to all returns on Patria Brazil Real Estate Fund II, L.P., and PBPE Fund III (Ontario), L.P., these investments are recorded under long-term investments with equivalent liabilities to the holder of the participating share. All contributions to these investment funds are made by the related party; distributions received are returned to the related party.

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(d) Carried interest allocation

As described in note 22(a), 35% of the performance fee receivable from PBPE Fund III (Ontario), L.P. is payable to the carried interest vehicle which is ultimately owned by the Group's senior managing directors and employees.

(e) Share based incentive plan

As described in note 27(d), the Company introduced a share based incentive plan to provide long-term incentives to certain employees, directors, and other eligible participants in exchange for their services.

(f) Strategic Bonus

As described in note 15(c), the Group accrues for a Strategic Bonus in Chile that employees receive in exchange for long terms of service.

(g) Lease commitments

Note 20(a) details lease payments made for various office premises, a portion of which were paid by Moneda to its related party entity that was excluded from the Moneda acquisition. The lease with the related party entity, Moneda III SpA (beneficially owned by Moneda's former partners), commenced on December 1, 2021.

(h) Building improvements

Amounts for building improvements included under property and equipment (note 13) includes US\$ 97 for services provided to MAGF by a related party (Constructor EG SpA which is partially owned by a related party of a partner in the Group) for the month and year ending December 31, 2021.

(i) Professional services

Amounts for other liabilities (note 17) and administrative expenses (note 23) includes US\$ 2 for legal advisory services provided to MAGF by a related party (Barros and Errázuriz Abogados Limitada which is partially owned by a related legal advisory director of the Group) for the month and year ending December 31, 2021.

31 Events after the reporting period

Acquisitions

On December 8, 2021, the Company announced the launch of a new growth equity strategy, anchored by a proposed partnership with Kamaroopin Gestora de Recursos Ltda. (purchased by PILTDA) and Hanuman GP Cayman, LLC (purchased by Patria Finance Ltd.) (collectively "Kamaroopin"), a private markets investment group. The partnership is structured in two stages. The first stage includes the acquisition of a 40% minority equity stake, at which point the Group would pursue a joint fundraising campaign for a new growth equity fund. The second stage would trigger the acquisition of the remaining 60% for a fixed undisclosed equity consideration contingent on fundraising success. In the event the requirements for the second stage are not satisfied, the Group and Kamaroopin would have the option to unwind the transaction.

The acquisition for 40% minority interest concluded on February 1, 2022 for US\$ 7.7 million in cash, subsequent to all terms and conditions per the purchase agreement being satisfied.

Dividends

On February 10, 2022 the board of directors approved a dividend of US\$ 0.16 per share (US\$ 23.6 million) which was paid in March 2022.

Special Purpose Acquisition Company ("SPAC")

Initial Public Offering

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(Amounts in thousands of United States dollars - US\$, except where otherwise stated)

On March 14, 2022, Patria Latin American Opportunity Acquisition Corp. (the “SPAC entity”), announced the closing of its initial public offering of 23,000,000 units, including the exercise in full by the underwriters to purchase an additional 3,000,000 units to cover over-allotments, at a price of US\$10.00 per unit. Each Unit consists of one Class A ordinary share of the SPAC entity, par value \$0.0001 per share (the “SPAC Class A Ordinary Shares”), and one-half of one redeemable warrant of the Company (each whole warrant, a “Public Warrant”), with each Public Warrant entitling the holder thereof to purchase one SPAC Class A Ordinary Share for \$11.50 per share, subject to adjustment. The Units were sold at a price of \$10.00 per Unit, generating gross proceeds from the issuance of US\$ 230,000,000.

The SPAC entity is a special purpose acquisition company incorporated in the Cayman Islands and sponsored by affiliate, Patria SPAC LLC (the “Sponsor”) for the purpose of effecting a business combination with one or more businesses with a focus in Latin America. The registration statement on Form S-1 relating to the securities referred to therein and subsequently amended has been filed with the SEC and declared effective on March 9, 2022.

Warrants

26,000,000 Warrants (11,500,000 of Public Warrants and 14,500,000 of Private Placement Warrants) were issued in connection with the IPO.

The Private Placement Warrants are identical to the Public Warrants, except that, so long as they are held by the Sponsor or its permitted transferees, (i) they will not be redeemable by the Company, (ii) they (including the SPAC Class A Ordinary Shares issuable upon exercise of these Warrants) may not, subject to certain limited exceptions, be transferred, assigned or sold by the Sponsor until 30 days after the completion of the Initial Business Combination, (iii) they may be exercised by the holders on a cashless basis, (iv) are subject to registration rights and (v) use a different Black-Scholes Warrant Model for purposes of calculating the Black-Scholes Warrant Value (as defined in the warrant agreement).

Warrants are redeemable when the price per SPAC Class A Ordinary Share equals or exceeds \$18.00. Once the Warrants become exercisable, the Company may redeem the outstanding Warrants (except as described above with respect to the Private Placement Warrants).

Contingent liabilities

As of March 22, 2022, PILTDA became involved in administrative proceedings related to the exemption of ISS between 2017 and 2019. Management assisted by external legal counsel assessed the risk of loss relating to these lawsuits as possible and evaluated the potential loss for PILTDA as US\$ 2.1 million.

Subsequent to December 31, 2021 and up until the date of authorization for issuance of the consolidated financial statements, there were no further significant events that occurred after the reporting period for disclosure.

* * *

Luis Gustavo G. Mota
Accountant

Marco Nicola D’Ippolito
Chief Financial Officer

Alexandre T. A. Saigh
Chief Executive Officer

**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, 2021 Patria Investments Limited (“we,” “us,” and “our”) had the following series of securities registered pursuant to Section 12(b) of the Exchange 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\$0.0001 per share | PAX | The Nasdaq Global Select Market |

Patria Investments Limited was incorporated in Bermuda on July 6, 2007 as a limited liability exempted company and changed the jurisdiction of its incorporation to the Cayman Islands on October 12, 2020, registering by way of continuation 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.

Our affairs are governed principally by: (1) our Memorandum and 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 at 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

Since our initial public offering, Patria has a total issued share capital of US\$14,720, divided into 147,192,930 common shares. Those common shares are divided into 54,247,500 Class A common shares and 92,945,430 Class B common shares. All of our outstanding share capital is fully paid. Our Class A common shares are in book-entry form, registered in the name of each shareholder or its nominee.

Our total authorized share capital is US\$100,000, divided into 1,000,000,000 shares par value US\$0.0001 each, of which (1) 500,000,000 shares are designated as Class A common shares, (2) 250,000,000 shares are designated as Class B common shares, and (3) 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.

Our Memorandum and 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 10 votes per share and to maintain a proportional ownership and voting 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 in our Memorandum and Articles of Association. 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

The following information describes our Class A common shares and provisions set forth by our Memorandum and Articles of Association, the Companies Act, and the common law of the Cayman Islands. This description is only a summary. You should read and refer to our Memorandum and Articles of Association included as Exhibit 1.1 of our annual report on Form 20-F.

Description of Our Memorandum and Articles of Association

History of Share Capital

On January 21, 2021, the registration statement on Form F-1 (File No 333-251823) relating to our initial public offering of our Class A common shares was declared effective by the SEC. On January 26, 2021, we closed our initial public offering, pursuant to which we issued and sold 19,147,500 Class A common shares and certain selling shareholders sold an additional 15,466,147 Class A common shares for an aggregate amount of 34,613,647 Class A common shares for an aggregate price of US\$588,431,999. We did not receive any proceeds from the sale of Class A common shares by the selling shareholders. Our Class A common shares began trading on the Nasdaq Global Select Market on January 22, 2021, under the symbol “PAX.”

On December 1, 2021, we completed our previously announced combination with Moneda Asset Management SpA, or “Moneda,” a leading asset manager headquartered in Chile. As a result, we issued 11,045,430 Class B common shares to entities controlled by certain Moneda partners. In addition, upon the satisfaction of the conditions precedent, we will be required to pay an aggregate amount of US\$71.1 million, either in cash or as Class A common shares. For information on the Moneda acquisition, see “Item 4. Information On The Company—A. History and Development of the Company—Our History—Combination with Moneda Asset Management” of our annual report on Form 20-F.

None of the foregoing transactions involved any underwriters, underwriting discounts or commissions, or any public offering. We believe the offers, sales, and issuances of the above securities were exempt from registration under the Securities Act by virtue of Section 4(a)(2) of the Securities Act (or Regulation D promulgated thereunder) or Regulation S because the issuance of securities to the recipients did not involve a public offering or an offering to U.S. persons, or in reliance on Rule 701 because the transactions were pursuant to compensatory benefit plans or contracts relating to compensation as provided under such rule. The recipients of the securities in each of these transactions represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were placed upon the share certificates issued in these transactions. All recipients had adequate access, through their relationships with us, to information about us. The sales of these securities were made without any general solicitation or advertising.

As of December 31, 2021, Patria had no shares in treasury.

General

Our shareholders adopted the Articles of Association included as Exhibit 3.1 to the Amendment No. 2 to our registration statement on Form F-1 (File no. 333-251823), filed with the SEC on January 14, 2021. The following summary is subject to and qualified in its entirety by Patria Investments Limited’s memorandum and 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 our annual report on Form 20-F for the fiscal year ended December 31, 2021.

Corporate Purposes

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 amended) of the Cayman Islands, or the “Companies Act,” generally.

Issuance of Shares

Except as expressly provided in Patria’s Articles of Association, Patria’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 increase in issued share capital), either at a premium or at par, with or without preferred, deferred or other special rights or restrictions, whether relating 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, Patria shall not issue bearer shares.

Patria’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 Patria (following an offer by Patria 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 Patria pursuant to Patria’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 ten-to-one voting ratio between our Class B common shares and Class A common shares means that 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.”

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

Fiscal Year

Patria’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) the holder of Class B common shares is entitled to 10 votes per share, whereas holders of Class A common shares are entitled to one vote per share, (2) Class B common shares have certain conversion rights and (3) the holder of Class B common shares is 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” and “—Conversion.” 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.

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

- (2) the rights conferred on holders of Class A common shares shall not be deemed to be varied by the creation or issue of further Class B common shares and vice versa; and
- (3) the rights attaching to the Class A common shares and the Class B common shares shall not be deemed to be varied by the creation or issue of shares with preferred or other rights, including, without limitation, shares with enhanced or weighted voting rights.

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

Preemptive or Similar Rights

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

The Class B common shares are entitled to maintain a proportional ownership interest in the event that additional Class A common shares are issued. As such, except for certain exceptions, including the issuance of Class A common shares in furtherance of our initial public, if Patria 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 Patria. This right to maintain a proportional ownership interest may be waived by a majority of the holders of Class B common shares.

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 the Articles of Association, including transfers to affiliates, transfers to and between trusts solely for the benefit of the shareholder or its affiliates, and partnerships, corporations and other entities exclusively owned by the shareholder or its affiliates. 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 total number of the issued and outstanding Class B common shares is less than 10% of the total number of shares outstanding.

No class of Patria’s common shares may be subdivided or combined unless the other class of common shares is concurrently subdivided or combined in the same proportion and in the same manner.

Equal Status

Except as expressly provided in Patria’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 Patria is the surviving entity), 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, at least 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 Patria is a party, or (2) any tender or exchange offer by Patria 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, at least 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, Patria'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 Patria at the applicable record date for that meeting and, in order to vote, all calls or installments then payable by such shareholder to Patria 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 10 votes per Class B common share.

As a Cayman Islands exempted company, Patria is not obliged by the Companies Act to call annual general meetings; 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 Patria has the discretion whether or not to hold an annual general meeting in 2021. 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, Patria 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 São Paulo, Brazil, 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. Patria's Articles of Association provide that upon the requisition of one or more shareholders representing not less than one-third of the voting rights entitled to vote at general meetings, the board will convene an extraordinary general meeting and put the resolutions so requisitioned to a vote at such meeting. The Articles of Association provide no other right to put any proposals before annual general meetings or extraordinary general meetings.

Subject to regulatory requirements, the annual general meeting and any extraordinary general meetings must be called by not less than ten (10) clear days' notice prior to the relevant shareholders meeting and convened by a notice discussed below. Alternatively, upon the prior consent of all holders entitled to receive notice, with regards to the annual general meeting, and the holders of 95% in par value of the shares entitled to attend and vote at an extraordinary general meeting, that meeting may be convened by a shorter notice and in a manner deemed appropriate by those holders.

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

Holders whose shares are registered in the name of DTC or its nominee, which we expect will be the case for all holders of Class A common shares, will not be shareholders or members 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 Patria'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 Patria 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 Patria 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 Patria and any person or persons (including without limitation any bilateral or any multilateral set-off or netting arrangements between the Company and any person or persons), and subject to any agreement between Patria and any person or persons to waive or limit the same, shall apply Patria'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 Patria.

Changes to Capital

Pursuant to the Articles of Association, Patria 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 issued or agreed to be issued to any person and diminish the amount of its share capital by the amount of the shares so canceled.

Patria'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, Patria 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 Patria 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 Patria's board of directors.

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

However, Patria'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 Patria in respect thereof;
- the instrument of transfer is lodged with Patria, 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 Patria; 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 Patria to purchase its own shares, subject to certain restrictions. The board of directors may only exercise this power on behalf of Patria, 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

Our intention is to pay to holders of Class A common shares dividends representing approximately 85% of our Distributable Earnings, subject to adjustment by amounts determined by our board of directors to be necessary or appropriate. The dividend amount could also be adjusted upwards or downwards. For more information on Distributable Earnings, see “Item 5. Operating and Financial Review and Prospects—A. Operating Results—Non-GAAP Financial Measures and Reconciliations—Distributable Earnings (DE).” For more information on our dividend policy, see “Item 8. Financial Information—A. Consolidated Statements and Other financial Information.”

Subject to the Companies Act, Patria’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 Patria. Except as otherwise provided by the rights attached to shares and the Articles of Association of Patria, 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 Patria’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 holder 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

Patria 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 five to 11 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 Patria’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.

On October 1, 2010, we entered into a shareholders’ agreement, or the “Shareholders’ Agreement,” with Patria Holdings Limited and Blackstone PAT Holdings IV, L.L.C. The Shareholders’ Agreement contains certain customary provisions, including the rights of Patria Holdings Limited and Blackstone PAT Holdings IV, L.L.C. to designate a certain number of the members of our board of directors. The Shareholders’ Agreement (including the board designation rights and Patria’s rights with respect to use of the Blackstone name) was terminated in connection with our initial public offering, except for certain provisions that survive in accordance with the terms of the Shareholders’ Agreement, including drag-along and tag-along rights.

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.

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 10 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 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 Patria'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 São Paulo, Brazil 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 Nasdaq, the board of directors may from time to time at its discretion exercise all powers of Patria, 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 Patria 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 Patria'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, which is recorded in the shareholders' register as the holder of our Class A common shares.

Under Cayman Islands law, Patria 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 Patria 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. After the completion of our initial public offering, the register of shareholders was immediately updated to record and give effect to the issuance of new Class A common shares in such offering. Once the register of shareholders was updated, the shareholders recorded in the register of shareholders were deemed to have legal title to the shares set against their name.

If the name of any person is incorrectly entered in or omitted from the register of shareholders, or if there is any default or unnecessary delay in entering on the register the fact of any person having ceased to be a shareholder of Patria, the person or member aggrieved (or any shareholder of Patria, or Patria itself) may apply to the Cayman Islands Grand Court for an order that the register be rectified, and the court may either refuse such application or it may, if satisfied of the justice of the case, make an order for the rectification of the register.

Exempted Company

Patria 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 information related to 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 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).

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 Patria or management that shareholders may consider favorable. In particular, the capital structure of Patria concentrates ownership of voting rights in the hands of Patria Holdings. 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 Patria 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 Patria. 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 Patria are entitled to 10 votes per share, while the Class A common shares are entitled to one vote per share. Since Patria Holdings beneficially owns all the Class B common shares, Patria Holdings has the ability to elect a majority of the members of our board of directors and to determine the outcome of most matters submitted for a vote of shareholders. This concentrated voting control could discourage others from initiating any potential merger, takeover, or other change of control transaction that other shareholders may view as beneficial.

So long as Patria Holdings has the ability to determine the outcome of most matters submitted to a vote of shareholders as well as the overall management and direction of Patria, 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 Patria has two classes of common shares may have the effect of depriving you as a holder of Class A common shares of an opportunity to sell your Class A common shares at a premium over prevailing market prices and make it more difficult to replace the directors and management of Patria.

Preferred Shares

Patria'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, Patria'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 Patria.

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 Patria 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 Patria, general corporate claims against Patria 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 Patria's Articles of Association.

The Cayman Islands courts ordinarily would be expected to follow English case law precedents, which permit a minority shareholder to commence a representative action against Patria, or derivative actions in Patria'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 Patria; and (3) an irregularity in the passing of a resolution that requires a qualified (or special) majority.

THE SYMBOL “[**]” DENOTES PLACES WHERE CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS BOTH (i) NOT MATERIAL AND (ii) TREATED AS PRIVATE OR CONFIDENTIAL.

Execution Version

TRANSACTION AGREEMENT

by and among

PATRIA INVESTMENTS LIMITED,

PATRIA INVESTMENTS LATAM S.A.,

MONEDA ASSET MANAGEMENT SPA

THE SHAREHOLDERS OF MONEDA ASSET MANAGEMENT SPA

and

THE GUARANTORS SET FORTH ON ANNEX A HERETO, solely for purposes of Article 10 and Article 11

Dated as of September 3, 2021

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TRANSACTION AGREEMENT

THIS AGREEMENT, dated as of September 3, 2021 (this “Agreement”), is made and entered into by and among Patria Investments Limited, a Cayman Islands exempted company with limited liability (“PIL”), Patria Investments LATAM S.A., a corporation (sociedad anónima) duly incorporated under the laws of Uruguay (“PIL Uruguay”), Moneda Asset Management SpA, a Chilean simplified corporation (Sociedad por Acciones) (the “Company”), the shareholders of the Company set forth on Annex A hereto (the “Moneda Shareholders”), solely for purposes of Article 10 (Shareholder Guaranty) and Article 11 (Miscellaneous), the Guarantors (as defined below), and, solely for purposes of Section 11.5 (Moneda Shareholders’ Representatives), the Representatives (as defined below). PIL (and after the Closing, the Surviving Corporation), PIL Uruguay, the Moneda Shareholders and, prior to the Closing, the Company, is each referred to herein as a “Party”, and together, the “Parties”.

RECITALS

WHEREAS, the Company is involved in the asset management business, with a focus in Latin America;

WHEREAS, PIL is involved in the private markets investment business in Latin America;

WHEREAS, believing that combining their respective businesses will create value for their clients and stakeholders, the Parties desire to implement a series of business combination transactions on the terms and subject to the conditions set forth herein, pursuant to which the Company will become a wholly-owned Subsidiary of PIL and the Moneda Shareholders will become shareholders of PIL;

WHEREAS, the Moneda Shareholders own one hundred percent (100%) of the outstanding equity interests of the Company;

WHEREAS, PIL indirectly owns one hundred percent (100%) of the outstanding equity interests of PIL Uruguay;

WHEREAS, prior to the Closing, the Moneda Shareholders will conduct a reorganization of the Company substantially as described in Exhibit A (the “Pre-Closing Reorganization”);

WHEREAS, upon consummation of the Pre-Closing Reorganization, the Company and a new legal entity incorporated by the Moneda Shareholders under the laws of the Cayman Islands (“MAM II HoldCo”) will own, together, directly or indirectly, all of the outstanding equity interests of the other Moneda Entities (as defined herein), excluding the Excluded Real Estate and the equity interests in Moneda Argentina Asesorías y Servicios S.A.U. (“MARG”);

WHEREAS, in furtherance of the foregoing, upon the terms and subject to the conditions set forth herein, the Parties intend that, at the Closing, (a) the Moneda Shareholders shall sell, assign, transfer, convey and deliver to PIL Uruguay for cash, and PIL Uruguay shall purchase, acquire and accept from the Moneda Shareholders, all of the outstanding equity interests of the Company and the Nominal Minority Interests (such equity interests, as further defined herein, together with the Nominal Minority Interests, the “Cash Purchase Shares”) and (b) MAM II HoldCo shall be merged with and into PIL (the “Merger”), with PIL being the surviving entity of the Merger;

WHEREAS, the board of directors of the Company and the respective governing bodies of each of the Moneda Shareholders, as applicable, has (a) determined that it is in the best interests of the Company, and the Moneda Shareholders, and declared it advisable, to enter into this Agreement and the other Transaction Agreements to which the Company and each of the Moneda Shareholders is a party, as applicable, (b) approved the execution, delivery and performance of this Agreement and the other Transaction Agreements to which the Company or a Moneda Shareholder is a party, and the Transactions, upon the terms and subject to the conditions set forth in this Agreement and (c) adopted a resolution adopting this Agreement and recommending this Agreement be executed by the Moneda Shareholders; and

WHEREAS, the board of directors of PIL has (a) determined that it is in the best interests of PIL and its shareholders, and declared it advisable, for PIL and PIL Uruguay to enter into this Agreement and the other Transaction Agreements to which PIL and PIL Uruguay are a party, respectively, (b) approved the execution, delivery and performance of this Agreement and the other Transaction Agreements to which PIL and PIL Uruguay are a party, respectively, and the consummation of the Transactions, upon the terms and subject to the conditions set forth in this Agreement and (c) adopted a resolution adopting this Agreement and recommending this Agreement be approved by its shareholders.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth herein and other good and valuable consideration, the adequacy and receipt of which are hereby acknowledged, and intending to be legally bound hereby, the Parties hereby agree as follows:

ARTICLE 1 DEFINITIONS

Section 1.1 Certain Definitions . For all purposes of this Agreement, the following terms shall have the respective meanings specified in this Section 1.1 (such definitions to be equally applicable to both the singular and plural forms of the terms herein defined):

“Accounting Framework” means the accounting principles, policies, practices and methodologies (with consistent classifications, judgments, elections, inclusions, exclusions and valuation and estimation methodologies) used and applied in the preparation of the Example ANI Statement, the Example Carlyle Statement, the Example Closing Statement and the Example Earn-Out Statement, as applicable.

“Acquired Company” means each of the Company and MAM II HoldCo.

“Acquisition Proposal” has the meaning set forth in Section 5.10(a).

“Adjusted Net Income” means the consolidated net income of the Moneda Entities, adjusted, without duplication, as follows: (a) decreased or increased (to the extent reflected in such consolidated net income), by the positive or negative effects, respectively, of any material extraordinary items not related to the ordinary course of business of the Moneda Entities, and (b) increased or decreased, as applicable, by the net tax effect resulting from the calculation of such adjustments, determined in accordance with IFRS, applied in a manner consistent with past practices and using the Accounting Framework.

“Adjusted Net Income 2021” means the consolidated net income of the Moneda Entities, adjusted, without duplication, as follows: (a) increased (to the extent deducted in calculating such consolidated net income) by any Company Transaction Expenses, (b) increased (to the extent deducted in such consolidated net income) by any expense generated by, resulting from or attributable to the Excluded Assets (including depreciation and property taxes), (c) decreased by the Pro Forma Lease Expense, (d) decreased or increased (to the extent reflected in such consolidated net income), by the positive or negative effects, respectively, of any material extraordinary items not related to the ordinary course of business of the Moneda Entities, (e) decreased or increased (to the extent reflected in such consolidated net income) by any cash financial income or expense, respectively, for the year ended December 31, 2021, (f) increased (to the extent deducted in calculating such consolidated net income) by the bonuses expense for the year ended December 31, 2021, (g) decreased by the Bonus Amount 2021 Provision, and (h) increased or decreased, as applicable, by the net tax effect resulting from the calculation of the adjustments set forth in the foregoing clauses (a) to (g), determined in accordance with IFRS, applied in a manner consistent with past practices and using the Accounting Framework used and applied in the preparation of the Example ANI Statement, as set forth for illustrative purposes in Exhibit B.

“Adjusted Net Income Margin” means, for any period, the quotient of (a) the Adjusted Net Income for such period, divided by (b) the Adjusted Net Revenue for such period.

“Adjusted Net Revenue” means the consolidated Net Revenue of the Moneda Entities, excluding, without duplication, (a) any revenue generated by, resulting from or attributable to the Excluded Assets, (b) any revenue generated by, resulting from or attributable to any terminated Carlyle Distribution Business and (c) the effects of any material extraordinary items, determined in accordance with IFRS, applied in a manner consistent with past practices of the Company, and using the Accounting Framework used and applied in the preparation of the Example Earn-Out Statement.

“Adviser Compliance Policies” has the meaning set forth in Section 3.11(e).

“Advisory Agreement” means the investment advisory, subadvisory agreements, including certain operative agreements that constitute advisory agreements, portfolio management agreements (*contratos de administración de cartera*) and the managed account agreements to which the Moneda Entities (except for GDI) are party.

“Affiliate” means, with respect to any Person, any other Person that directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such first Person. Notwithstanding anything in this Agreement to the contrary, the Company Funds shall not be deemed Affiliates of the Moneda Entities.

“Affiliate Contracts” has the meaning set forth in Section 3.21.

“Agents” means, with respect to any Person, such Person’s officers, directors, employees, auditors, managers, attorneys, consultants, accountants, financial advisors and other agents.

“Agreement” has the meaning set forth in the preamble hereto.

“Ancillary Agreements” means (a) the Registration Rights Agreement, (b) the Voting Agreement, (c) Next Generation Retention Plan, (d) each Pledge and Lock-Up Agreement, (e) the Plan of Merger and (f) any other certificates, instruments, or agreements being executed and delivered in connection with this Agreement and the Transactions, including any exhibits or attachments to any of the foregoing or this Agreement.

“ANIBBP” means the consolidated net income of the Moneda Entities, adjusted, without duplication, as follows: (a) increased (to the extent deducted in calculating such consolidated net income) by any Company Transaction Expenses, (b) increased (to the extent deducted in such consolidated net income) by any expense generated by, resulting from or attributable to the Excluded Assets (including depreciation and property taxes), (c) decreased by the Pro Forma Lease Expense, (d) decreased or increased (to the extent reflected in such consolidated net income) by the positive or negative effects, respectively, of any material extraordinary items not related to the ordinary course of business of the Moneda Entities, (e) decreased or increased (to the extent reflected in such consolidated net income) by any cash financial income or expense, respectively, for the year ended December 31, 2021, (f) increased (to the extent deducted in calculating such consolidated net income) by the bonuses expense for the year ended December 31, 2021, (g) increased or decreased, as applicable, by the net tax effect resulting from the calculation of the adjustments set forth in the foregoing clauses (a) to (f), determined in accordance with IFRS, applied in a manner consistent with past practices and using the Accounting Framework used and applied in the preparation of the Example ANI Statement.

“ANI Adjustment Amount” means an amount (which may be a positive or negative number) equal to the product of (a) the amount by which the Adjusted Net Income 2021 (converted into dollars at the Applicable Period Exchange Rate for 2021) is higher or lower than **[**](\$[**]) multiplied by (b) [**] ([**])**.

“ANI Adjustment Amount Calculation” has the meaning set forth in Section 2.10(a).

“ANI Adjustment Calculation Deadline” has the meaning set forth in Section 2.10(a).

“Anti-Corruption Laws” has the meaning set forth in Section 3.23(a).

“Anti-Money Laundering Laws” has the meaning set forth in Section 3.11(k).

“Applicable Exchange Rate” means for conversions of: (a) Chilean pesos into dollars, the exchange rate *Dólar Observado* published in the Chilean Official Gazette (*Diario Oficial*) by the Central Bank of Chile on the relevant date of determination (or the immediately preceding Business Day, if such date is not a Business Day), pursuant to No. 6 of Chapter I of the Foreign Exchange Regulations of the Central Bank of Chile or any other regulations replacing the same, and (b) Euros into dollars, the exchange rate EUR USD published by Bloomberg (BGN New York) on the relevant date of determination (or the immediately preceding Business Day, if such date is not a Business Day).

“Applicable Law” means, with respect to any Person, property, asset, transaction, event or other matter, any Law applicable or relating to, and legally binding on, such Person, property, asset, transaction, event or other matter, as the case may be.

“Applicable Period Exchange Rate” for any applicable period, means the average of the daily Applicable Exchange Rate for each day of such applicable period.

“Assumed Plan” means a Plan (a) that is sponsored by a Moneda Entity or (b) that is an individual agreement to which any Moneda Entity is a party, on the one hand, and any employee of a Moneda Entity is a party, on the other hand.

“Audited Financial Statements” has the meaning set forth in Section 3.5(a).

“Balance Sheet Date” has the meaning set forth in Section 3.5(a).

“Base Cash Consideration” means [**] dollars (\$[**]).

“Base Date” means July 31, 2021.

“Base Date Assets Under Management” has the meaning set forth in Section 3.13(a).

“Bermuda Company Fund” means each Fund formed or incorporated under the laws of Bermuda.

“Bonus Amount Provision” means the provision for the amount of bonuses payable to employees of the Moneda Entities, which shall be an amount equal to (a) the product of (i) Adjusted Net Income, decreased or increased (to the extent reflected in Adjusted Net Income) by any non-operating income or expenses, respectively, increased (to the extent deducted in Adjusted Net Income) by employee-related expenses (excluding Bonus Amount Provision), and increased (to the extent reflected in Adjusted Net Income) by income tax associated with the Bonus Amount Provision (tax shield), multiplied by (ii) 0.5, minus (b) the employee-related expenses (excluding Bonus Amount Provision), in each case of the Moneda Entities, as set forth for illustrative purposes in Exhibit B(ii).2.

“Bonus Amount 2021 Provision” means the provision for the amount of bonuses payable to employees of the Moneda Entities for the year ended December 31, 2021, which shall be an amount equal to (a) the product of (i) ANIBBP, increased (to the extent deducted in ANIBBP) by employee-related expenses (excluding bonus provisions), and increased (to the extent reflected in ANIBBP) by income tax associated with the Bonus Amount 2021 Provision (tax shield), multiplied by (ii) 0.5, minus (b) the employee-related expenses (excluding bonus provisions), in each case of the Moneda Entities for the year ended December 31, 2021, as set forth for illustrative purposes in Exhibit B(ii).1.

“Business” means the business conducted by the Moneda Entities as of the date hereof, including providing investment management, portfolio management and brokerage services to the Company Clients.

“Business Day” means any day that is not a Saturday, a Sunday or a day on which banks in any of the City of New York; Santiago, Chile; or George Town, Cayman Islands are authorized or required to close for regular banking business.

“BVI Advisor” means Moneda International Inc.

“BVIFSC” means the Financial Services Commission of the British Virgin Islands

“Calculation Time” means 11:59 p.m. (Chilean time) on the day immediately prior to the Closing Date.

“CAMV” means *Comité de Acreditación de Conocimientos en el Mercado de Valores* of Chile.

“Carlyle Distribution Agreements” means the arrangements set forth in Section 1.1(a) of the Company Disclosure Schedule.

“Carlyle Distribution Business” means the operations, activities, business or results of operations of the Company or any of its Subsidiaries pursuant to the Carlyle Distribution Agreements.

“Carlyle Trigger Event” means the earlier of (a) the termination of any of the Carlyle Distribution Agreements in accordance with their respective terms by The Carlyle Group or its relevant Affiliate and (b) the date on which the Moneda Entity party to any Carlyle Distribution Agreement is notified of the termination thereof, in each case in connection with the public announcement of the Transactions (other than as a result of an action or omission of PIL or any of its Subsidiaries (other than the Moneda Entities prior to the Closing)) within a period of twelve (12) months from the date the first public announcement of the Transactions is made.

“Carlyle Trigger Event Adjustment Amount” means an amount equal to the product of (a) the Net Revenue of any Moneda Entities for the year ended December 31, 2021 (or any such shorter period if the relevant Carlyle Trigger Event occurs prior to December 31, 2021, in which case such net revenue shall be calculated on an annualized basis) accrued by or attributable to the portion of the Carlyle Distribution Business terminated by virtue of the relevant Carlyle Trigger Event (converted into dollars at the Applicable Period Exchange Rate for 2021 or any such shorter period), *multiplied by* (b) the consolidated Adjusted Net Income Margin for all Moneda Entities for the year ended December 31, 2021 (or any such shorter period if the relevant Carlyle Trigger Event occurs prior to December 31, 2021, in which case such consolidated Adjusted Net Income Margin shall be calculated on an annualized basis), and *multiplied by* (c) **[**]** (**[**]**).

“Carlyle Trigger Event Date” the date on which a Carlyle Trigger Event occurs.

“Cash Adjustment Amount” means an amount (which may be a positive or negative number) equal to (i) the Closing Date Cash *minus* (ii) the Target Cash.

“Cash Purchase Shares” has the meaning set forth in the recitals hereto.

“Cause” means with respect to any of the individuals listed in Annex A hereto, (a) gross negligence or willful misconduct, or willful and substantial failure to perform their duties (other than due to temporary physical or mental illness or incapacity), (b) commission or conviction of, or plea of guilty or nolo contendere to, or confession to, (x) a misdemeanor involving moral turpitude that has, or could reasonably be expected to have, a material adverse impact on the performance of their duties or result in material injury to the reputation or business of PIL or any of its Subsidiaries, or (y) a felony (or the equivalent of a misdemeanor or felony in a jurisdiction other than the United States), (c) their material violation of any written policies of PIL or its relevant Subsidiary that continues after receipt of written notice thereof by PIL, including reasonable detail as to such violation, (d) fraud or misappropriation, embezzlement, or misuse of funds or property belonging to PIL, or any of its Subsidiaries or affiliated Funds, (e) their use of illicit drugs that has a materially adverse impact on the performance of their duties, or (f) their ceasing to devote their business time and effort to the business activities and investments of the Moneda Entities substantially as devoted in the three (3) years preceding the Closing.

“Cayman Company Fund” means each Fund formed or incorporated under the laws of the Cayman Islands.

“Chilean Advisor” means Moneda S.A. Administradora General de Fondos.

“Chilean Advisor Minority Equity Interests” means five (5) shares of the Chilean Advisor, currently owned by Inversiones Puerto Aventura Limitada, which as of the date hereof represents approximately [**]% of the issued and outstanding shares of the Chilean Advisor.

“Chilean Antitrust Law” means the Chilean Decree-Law No. 211 of 1973, as amended, and any other similar Law enforced by any Governmental Authority regarding pre-merger notifications for the purpose of competition reviews, that is applicable to the Moneda Shareholders, PIL, the Moneda Entities or the Transactions.

“Chilean Fund” means a Fund organized pursuant to the LUF, including unregistered private Funds (*fondos de inversión privados*) and Funds registered with the CMF.

“Chilean Income Tax Law” has the meaning set forth in Section 3.17(k).

“Chilean Stock Exchanges” means the Chilean exchanges *Bolsa de Comercio de Santiago*, *Bolsa de Valores* and *Bolsa Electrónica de Chile*, *Bolsa de Valores*.

“Chilean Tax Authority” means the Chilean *Servicio de Impuestos Internos*.

“CICA” means the Companies Act of the Cayman Islands.

“CIMA” means the Cayman Islands Monetary Authority.

“Claim Communication” has the meaning set forth in Section 9.5(e).

“Claim Notice” has the meaning set forth in Section 9.5(a).

“Closing” has the meaning set forth in Section 2.3.

“Closing Cash Consideration Payment” has the meaning set forth in Section 2.5(a).

“Closing Date” has the meaning set forth in Section 2.3.

“Closing Date Cash” means, without duplication, the aggregate amount of cash, cash equivalents (including the amount of any received checks, drafts and wires deposited or that are available for deposit for the account of the Moneda Entities), security deposits, marketable securities and including investments in mutual funds and other short-term investments, of the Moneda Entities, but, excluding: (a) any restricted cash (including any funds on deposit with insurance carriers and any amounts held in escrow, as cash collateral, cash security deposit or similar arrangement pursuant to any contract for the purchase of property, assets or services or otherwise, as well as funds relating to the GDI Business restricted pursuant to regulatory requirements), and (b) any insurance proceeds or indemnification payments received, or other funds held, by the Moneda Entities with respect to any casualty loss ((a) and (b), collectively, “Restricted Cash”), in each case without giving effect to the consummation of the Closing, calculated as of the Calculation Time, determined in accordance with IFRS, applied in a manner consistent with past practices of the Company, and using the Accounting Framework used and applied in the preparation of the Example Closing Statement.

“Closing Date Measurement Price” means the Measurement Price for the period composed of (a) the period of thirty (30) consecutive trading days ending on and including the full trading day prior to the date on which the execution of this Agreement is publicly announced, and (b) the period of thirty (30) consecutive trading days ending on and including the full trading day prior to the Closing Date.

“Closing Date Net Working Capital” means, without duplication, and without giving effect to the Closing, (a) current assets *minus* (b) current liabilities, in each case of the Moneda Entities, calculated as of the Calculation Time, determined in accordance with IFRS, applied in a manner consistent with past practices of the Company, and using the Accounting Framework used and applied in the preparation of the Example Closing Statement; provided that “Closing Date Net Working Capital” shall not include any component of the (x) Closing Date Cash or (y) Indebtedness Adjustment Amount.

“Closing Overpayment” has the meaning set forth in Section 2.9(b)(ix)(B).

“Closing Share Consideration” means a number of PIL Class B Shares equal to the quotient of (i) the Closing Share Consideration Value *divided* by (ii) the Closing Date Measurement Price.

“Closing Share Consideration Value” means [**] dollars (\$[**]).

“Closing Statement” has the meaning set forth in Section 2.9(b)(i).

“Closing Underpayment” has the meaning set forth in Section 2.9(b)(ix)(A).

“CMF” means the Comisión para el Mercado Financiero of Chile.

“Code” means the U.S. Internal Revenue Code of 1986, as amended.

“Company” has the meaning set forth in the preamble hereto.

“Company Advisors” means the Chilean Advisor, GDI, the U.S. Advisor and the BVI Advisor and any other entity Affiliate of the Company providing advisory and sub-advisory services to clients (including Company Funds).

“Company Agent for Service of Process” has the meaning set forth in Section 11.12(f).

“Company Client” means any Person that is or has been an investment advisory, investment management, brokerage services, portfolio management, distribution or placement client (including sub-advisory client) of a Company Advisor or GDI in respect of which the Company or any of its Affiliates provide investment management, brokerage, portfolio management, distribution or placement services (including each of the Company Funds, sub-advisory relationships, Managed Accounts and any account in respect of individuals that are clients of the GDI Business); provided that in the case of a Company Fund, the definition of Company Client shall be deemed to refer to the Company Fund, but not to any Company Fund Investors.

“Company Disclosure Schedule” has the meaning set forth in the introductory paragraph of Article 3 (Representations and Warranties Relating to the Moneda Entities and the Moneda Shareholders).

“Company Employee” means any director, officer or employee of any Acquired Company.

“Company Fund” means any Chilean Fund, UCITS, U.S. Company Fund, Cayman Company Fund, Bermuda Company Fund and other Funds (a) sponsored or controlled by a Moneda Entity or (b) for which a Moneda Entity acts as the principal investment adviser, investment manager, collateral manager, general partner, managing member, manager or in a similar capacity; *provided, however*, that Company Funds shall not include any Managed Accounts, or sub-advisory relationship. The Company Funds as of the date of this Agreement, are set forth in Section 3.14(a) of the Company Disclosure Schedule.

“Company Fund Investors” means the limited partners, shareholders or other investors of the Company Funds.

“Company Transaction Expenses” means the fees, costs and expenses (including travel expenses) incurred, payable or reimbursable by each of the Moneda Entities or by or on behalf of the Moneda Shareholders, the Representatives or their respective Affiliates and Agents in connection with the preparation, negotiation or execution of this Agreement, the Ancillary Agreements, the Pre-Closing Reorganization and the consummation or performance of any of the Transactions, including (a) the fees and expenses payable by each of the Moneda Entities to any financial advisors engaged by any Moneda Entity or any Moneda Shareholder in connection with the Transactions, (b) the fees and expenses payable by any Moneda Entity or any of their respective Subsidiaries to Skadden, Arps, Slate, Meagher & Flom LLP, Barros & Errázuriz Abogados, Walkers, Guyer & Regules and any other attorneys engaged by any Moneda Entities in connection with the Transactions, (c) the fees and expenses payable by any Moneda Entity to outside accountants or other advisors, which fees and expenses were incurred in connection with this Agreement and the other Transaction Agreements and the Transactions, (d) any success, change of control, retention, “single trigger” severance (or the enhanced or increased amount of any severance that would be caused by the Transactions in the event of a subsequent termination of employment), Tax gross-up payments relating to the forgiveness of any amounts receivable pursuant to any employee loan arrangements, or other special bonuses or compensatory payments (whether deferred or otherwise) payable to any current or former employee or other individual service provider of any Moneda Entity to the extent such payments arise, are triggered by, or are payable by any Moneda Entity as a result of or in connection with the consummation of the Transactions, and (e) the employer portion of any employment, payroll, social security, unemployment or other Taxes or other amounts associated with the amounts set forth in clause (d) of this definition, but excluding for purposes of this definition any portion of fees and expenses incurred by any Moneda Entity (i) that PIL is responsible for paying under this Agreement or (ii) initiated or otherwise incurred at the written request or direction of PIL or any of its Affiliates or Agents.

“Confidentiality Agreement” means the Confidentiality Agreement, dated as of December 16, 2019, by and between Patria Finance Limited and the Company (formerly, Moneda Asset Management S.A.).

“Consent Notice” has the meaning set forth in Section 5.2(a).

“Contract” means any contract, agreement, indenture, note, bond, loan, instrument, lease, conditional sale contract, purchase or sales order, mortgage, license, franchise, insurance policy, undertaking, or other legally binding commitment, arrangement or agreement to which the applicable Person is a party or by which the applicable Person or any of its properties or assets is bound.

“Control” means possession, directly or indirectly, of the power to direct or cause the direction of management or policies of a Person (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise).

“Controlling Party” has the meaning set forth in Section 8.6(c).

“COVID-19 Actions” means any commercially reasonable actions that any Moneda Entity determines in good faith are necessary or prudent for any Moneda Entity to take or not take in connection with (a) mitigating the actual or anticipated adverse effects of the pandemic or public health emergency caused by COVID-19 on the business of the Acquired Companies (including to respond to any supply or service disruptions caused by COVID-19 or to preserve intact its relationships or arrangements with clients, suppliers or Governmental Authorities), (b) protecting the health and safety of clients, personnel and other business relationships of the Moneda Entities and (c) ensuring compliance with any Applicable Law, or order of any quasi-governmental authorities having jurisdiction over the Moneda Entities (including any quarantine, “shelter in place”, “stay at home”, workforce reduction, social distancing, shut down, closure or sequester Law, directive, guidelines or recommendations) in connection with or in response to COVID-19.

“Current Policy” has the meaning set forth in Section 5.11.

“De Minimis Amount” has the meaning set forth in Section 9.2(b).

“Deferred Restricted Cash” means the Restricted Cash set forth in Exhibit L.

“Dispute Deadline” has the meaning set forth in Section 2.9(b)(iii).

“Dispute Notice” has the meaning set forth in Section 2.9(b)(iii).

“Dispute Response” has the meaning set forth in Section 2.9(b)(iv).

“Dissenter Rights” has the meaning set forth in Section 2.6(d).

“Dissenting Shareholder” has the meaning set forth in Section 2.6(d).

“Dissenting Shares” has the meaning set forth in Section 2.6(d).

“Dollar/Euro Adjusted Net Revenue” means the portion of the Adjusted Net Revenue (excluding the GDI Adjusted Net Revenue) that is generated by the Moneda Entities in Dollars and Euros, including any portion of the Adjusted Net Revenue generated in Dollars or Euros but reflected in the consolidated financial statements of the Moneda Entities in Chilean pesos (converted into dollars at the Applicable Period Exchange Rate for the applicable period), determined in accordance with IFRS, applied in a manner consistent with past practices of the Company, and using the Accounting Framework used and applied in the preparation of the Example Earn-Out Statement.

“Dollar/Euro Adjusted Net Revenue Growth” means the average of (a) and (b), where (a) is the growth rate between the Dollar/Euro Adjusted Net Revenue for the year ended December 31, 2022 compared to the Dollar/Euro Adjusted Net Revenue for the year ended December 31, 2021, and (b) is the growth rate between the Dollar/Euro Adjusted Net Revenue for the year ended December 31, 2023 compared to the Dollar/Euro Adjusted Net Revenue for the year ended December 31, 2022.

“Dollar/Euro Earn-Out Amount” means the portion of any Earn-Out Amount based on the Dollar/Euro Adjusted Net Revenue Growth.

“Earn-Out Amount” means the sum of (a) the Dollar/Euro Earn-Out Amount, *plus* (b) the Non-Dollar/Euro Earn-Out Amount, *plus* (c) the GDI Earn-Out Amount.

“Earn-Out Notice” has the meaning set forth in Section 2.11(e).

“Effective Time” has the meaning set forth in Section 2.4.

“Encumbrance” means any lien, pledge, mortgage, security interest, claim, charge, easement, limitation, commitment, encroachment, restriction (other than any restriction on transferability imposed by Applicable Laws) or encumbrance.

“Environmental Laws” means all Chilean Laws relating to (a) the protection or restoration of the environment, including indoor air, (b) the handling, use, presence, disposal, release or threatened release of, or exposure to, any hazardous substance, or (c) pollution, contamination or any injury to persons or property from exposure to any hazardous substance.

“Equity Rights” has the meaning set forth in Section 3.4(b).

“ERISA” means the U.S. Employee Retirement Income Security Act of 1974, as amended, and the rules, regulations and class exemptions of the Department of Labor thereunder.

“Estimated Closing Statement” has the meaning set forth in Section 2.9(a)(i).

“Estimated Initial Adjustment Amount” has the meaning set forth in Section 2.9(a)(i).

“Example ANI Statement” means the sample schedule setting forth (a) the accounts that shall be the indicative line items used for purposes of determining the Adjusted Net Income 2021 and the ANI Adjustment Amount, and (b) an illustrative calculation for the seven months ended July 31, 2021 converted to an annual basis solely for purposes of the illustrative calculation, using such accounts, which schedule is set forth on Exhibit B hereto.

“Example Carlyle Statement” means the sample schedule setting forth (a) the accounts that shall be the indicative line items used for purposes of determining each Carlyle Trigger Event Adjustment Amount, and (b) an illustrative calculation using such accounts, which schedule is set forth on Exhibit C hereto.

“Example Closing Statement” means (a) the sample indebtedness and cash schedule setting forth (i) the accounts that shall be the indicative line items used for purposes of determining the Indebtedness Adjustment Amount and the Closing Date Cash and (ii) an illustrative calculation, as of 11.59 p.m., Chile Standard Time, on July 31, 2021, using such accounts, and (b) the sample working capital schedule setting forth (i) the accounts that shall be the indicative line items used for purposes of determining Closing Date Net Working Capital and (ii) an illustrative calculation, as of 11.59 p.m., Chile Standard Time, on July 31, 2021, using such accounts, which schedules are set forth on Exhibit D.

“Example Earn-Out Statement” means the schedule setting forth, for illustrative purposes, (a) the accounts that shall be the indicative line items used for purposes of determining (i) the Adjusted Net Revenue (including a detailed breakdown thereof into Dollar/Euro Adjusted Net Revenue, Non-Dollar/Euro Adjusted Net Revenue and GDI Adjusted Net Revenue, including information per Fund, as set forth for indicative purposes in Exhibit E-1), (b) an illustrative calculation of the Weighted Adjusted Net Income Margin, (c) an illustrative calculation of the Adjusted Net Revenue Growth, and (d) an illustrative calculation of the Earn-Out Amount for the period commencing on January 1, 2021 and ending on December 31, 2023, using such accounts, which schedule is set forth on Exhibit E hereto.

“Exchange Act” means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC thereunder.

“Excluded Assets” means the Excluded Real Estate and MARG.

“Excluded Real Estate” means the properties set forth in Section 1.1(b) of the Company Disclosure Schedule.

“Final ANI Adjustment Amount” has the meaning set forth in Section 2.10(c).

“Financial Statements” has the meaning set forth in Section 3.5(a).

“FINRA” means the Financial Industry Regulatory Authority, Inc. and its Subsidiaries.

“FNE” means the Fiscalía Nacional Económica of Chile.

“FNE Filing” means any potential pre-merger notification for competition reviews that the Transactions may trigger in Chile, under the provisions of Title IV of the Chilean Antitrust Law.

“Fund” means any investment fund or other collective investment vehicle or collective investment scheme that is a distinct entity (including any general or limited partnership, corporation, trust or limited liability company, *fondo de inversion* pursuant to the LUF, and including each separate portfolio or series of any of the foregoing and whether or not dedicated to a single investor, or a series thereof).

“Fundamental Representations” means Section 3.1 (*Organization and Related Matters*), Section 3.2(a) (*Authority*), Section 3.3 (*Non-Contravention*), Section 3.4(a) (*Capital Structure; Subsidiaries*), Section 3.22 (*No Broker*), Section 4.1 (*Organization and Related Matters*), Section 4.2(a) (*Authority*), Section 4.3 (*Non-Contravention*), Section 4.4(a) and (c) (*Capital Structure; Subsidiaries*) and Section 4.13 (*No Broker*).

“GDI” means Moneda Corredores de Bolsa Limitada.

“GDI Adjusted Net Revenue” means the Net Revenue of the GDI Business (without duplication with respect to the Dollar/Euro Adjusted Net Revenue and the Non-Dollar/Euro Adjusted Net Revenue), calculated as the sum of such net revenue of the GDI Business during the relevant period (converted into dollars at the Applicable Period Exchange Rate for such period), excluding the effects of any extraordinary items, determined in accordance with IFRS, applied in a manner consistent with past practices of the Company, and using the Accounting Framework used and applied in the preparation of the Example Earn-Out Statement.

“GDI Adjusted Net Revenue Growth” means the average of (a) and (b), where (a) is the growth rate of the GDI Adjusted Net Revenue for the year ended December 31, 2022 when compared to the GDI Adjusted Net Revenue for the year ended December 31, 2021; and (b) is the growth rate of the GDI Adjusted Net Revenue for the year ended December 31, 2023 when compared to the GDI Adjusted Net Revenue for the year ended December 31, 2022.

“GDI Minority Equity Interest” means **[**]**% of the equity interests of GDI, currently owned by Inversiones y Asesorías Santa Loreto Limitada.

“GDI Assignment Deed” means the public deed of assignment to be executed by the Company, Inversiones y Asesorías Santa Loreto Limitada and PIL Uruguay on the Closing Date, on terms reasonably satisfactory to PIL Uruguay, pursuant to which (i) Inversiones y Asesorías Santa Loreto Limitada sells, assigns and transfers to PIL Uruguay, and PIL Uruguay purchases and receives from Inversiones y Asesorías Santa Loreto Limitada, the GDI Minority Equity Interests, and (ii) the Company and PIL Uruguay amend clause Fifth of the articles of association of GDI in order to reflect that the new and exclusive partners of GDI are the Company and PIL Uruguay.

“GDI Business” means the (i) business conducted by GDI and (ii) any portfolio management and brokerage services conducted by a Moneda Entity for the benefit of clients of GDI, which are not direct clients of any of the Moneda Entities.

“GDI Earn-Out Amount” means the portion of the Earn-Out Amount based on the Average GDI Adjusted Net Revenue Growth.

“Government Official” has the meaning set forth in Section 3.23(a).

“Governmental Authority” means any U.S., Chile or foreign government, any state or other political subdivision thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including the SEC, CMF or any other authority, agency, department, board, commission or instrumentality of the U.S., any State of the U.S., Chile or any political subdivision thereof or any foreign jurisdiction, and any court, tribunal or arbitrator(s) of competent jurisdiction, and any U.S., Chile or foreign governmental or non-governmental self-regulatory organization, agency or authority, including the Chilean Stock Exchanges and the CAMV.

“Governmental Filings” has the meaning set forth in Section 3.2(b).

“Guaranteed Obligations” has the meaning set forth in Section 10.1(a).

“Guaranteed Moneda Shareholder Equity Interests” means, with respect to each Guarantor (a) during the period beginning on the Closing Date and ending on the fifth (5th) anniversary of the Closing Date, the number of shares of the Guaranteed Moneda Shareholder set forth opposite such Guarantor’s name in Annex B hereto, and (b) during the period beginning on the fifth (5th) anniversary of the Closing Date and ending on the date on which such Guarantor ceases to be employed, directly or indirectly, by PIL or any of its Affiliates (including the Moneda Entities) (each such date, a “Specified Termination Date”), a number of shares of its Guaranteed Moneda Shareholder equal to (x) the number set forth opposite such Guarantor’s name in Annex B hereto divided by (y) two (2), rounded to the nearest whole number.

“Guaranteed Obligation” has the meaning set forth in Section 10.1(a).

“Guarantor” means, with respect to each Moneda Shareholder, the individual set forth opposite such Moneda Shareholder’s name on Annex B hereto.

“Guarantor’s Agent for Service of Process” has the meaning set forth in Section 10.10.

“IFRS” means International Financial Reporting Standards as issued by the International Accounting Standards Board as in effect from time to time.

“Indebtedness” of a Person means (a) all obligations of such Person for borrowed money, together with all accrued but unpaid interest thereon and other payment obligations thereon, (b) all obligations of such Person evidenced by bonds, debentures, notes and similar instruments, (c) all obligations in respect of letters of credit, bankers’ acceptances and similar facilities, (d) obligations under interest rate swaps, hedges or similar agreements with respect to interest rates, (e) obligations for the deferred purchase price of services, property or assets, including earn-outs and purchase price adjustments, but excluding any trade payables or accrued expenses arising in the ordinary course of business, and (f) all obligations for guarantees of another Person in respect of the obligations set forth in any of the foregoing clauses, but excluding, in each case of clauses (a) through (f) above, intercompany indebtedness amongst the Moneda Entities.

“Indebtedness Adjustment Amount” means, with respect to the Moneda Entities, without duplication (a) any indebtedness for borrowed money, together with all accrued but unpaid interest thereon and other payment obligations thereon (including any prepayment premiums, breakage costs and other related fees or liabilities payable as a result of the prepayment thereof), (b) any indebtedness evidenced by a note, bond, debenture or other similar instrument or debt security, (c) all obligations in respect of letters of credit, bankers’ acceptances and similar facilities issued for the account of any of Moneda Entity, (d) obligations under interest rate swaps, hedges or similar agreements with respect to interest rates, (e) obligations for the deferred purchase price of services, businesses, property or assets, including earn-outs and purchase price adjustments or other similar obligation, but excluding any trade payables or accrued expenses arising in the ordinary course of business (to the extent reflected in the Closing Date Net Working Capital), (f) all unpaid Company Transaction Expenses, (g) all unpaid portion of the full bonuses for the year ended December 31, 2021, (h) the outstanding obligation for any long term bonuses granted as of the date hereof by the Moneda Entities pursuant to Section 5.14 (Accrual of Cash Payments), (i) any indebtedness of a Person of a type that is referred to in clauses (a) through (h) above and which is guaranteed by any of the Acquired Companies or their Subsidiaries, but excluding, without duplication, in each case of clauses (a) through (i) above, any such items to the extent existing solely amongst the Moneda Entities, and (j) the amount of any unpaid income Taxes of the Moneda Entities for any tax period ending on or prior to December 31, 2020, or portion thereof, which amount shall be calculated by taking into account any available income Tax assets for any tax period ending on or prior to December 31, 2020, that actually reduce such Tax liabilities in the same jurisdiction as such assets as a matter of applicable Tax Law (provided that the amount in this clause (j) may be a positive or negative number), in each case without giving effect to the Closing, calculated as of the Calculation Time determined in accordance with IFRS, applied in a manner consistent with past practices of the Company, and using the Accounting Framework used and applied in the preparation of the Example Closing Statement.

“Indemnification Basket” has the meaning set forth in Section 9.2(b).

“Indemnified Party” has the meaning set forth in Section 9.5(a).

“Indemnifying Party” has the meaning set forth in Section 9.5(a).

“Indemnity Cap” has the meaning set forth in Section 9.4(a).

“Independent Accounting Firm” means Ernst & Young LLP. In the event that (x) the aforementioned firm is not willing or able to serve as the Independent Accounting Firm, and (y) PIL and the Moneda Shareholders cannot agree on the joint appointment of another internationally recognized, independent and impartial public accounting firm or forensic accounting firm to serve as Independent Accounting Firm within ten (10) Business Days of a written request by any Party to the other for such an appointment, then the Independent Accounting Firm shall be appointed by the ICC upon the written request of any Party hereto, in accordance with the ICC Rules then in force, within ten (10) Business Days of such written request or as soon as practicable thereafter.

“Infringe” has the meaning set forth in Section 3.18(b).

“Initial Adjustment Amount” means an aggregate amount (converted into dollars at the Applicable Exchange Rate for the Business Day immediately preceding the Closing Date, or in respect of the preparation of the Estimated Closing Statement, the Applicable Exchange Rate for the Business Day immediately preceding delivery thereof) equal to (a) the Net Working Capital Adjustment Amount (which may be a positive or negative number), *plus* (b) the Cash Adjustment Amount (whether positive or negative), *minus* (c) the Indebtedness Adjustment Amount. For the avoidance of doubt, the Initial Adjustment Amount may be a positive or negative number.

“Insurance Policies” has the meaning set forth in Section 3.15.

“Intellectual Property” means any intellectual property rights, including (a) patents, patent applications, (b) trademarks, service marks, certification marks, logos, trade dress, trade names, corporate names, brand names, domain names and other indicators of source or origin, including all goodwill associated therewith, (c) copyrights (including copyrights in software), (d) trade secrets and know-how, and (e) renewals, divisionals, continuations, continuations-in-part, reissues, reexaminations and foreign counterparts of any of the foregoing.

“Interest” means an annual rate equal to SOFR *plus* two percent (2%).

“Interim Period” means the period from and after the date of this Agreement through the earlier of (a) the Closing and (b) the termination of this Agreement in accordance with Section 7.1 (Termination).

“Investment Advisers Act” means the U.S. Investment Advisers Act of 1940, as amended, and the rules and regulations of the SEC thereunder.

“Investment Company Act” means the U.S. Investment Company Act of 1940, as amended, and the rules and regulations of the SEC thereunder.

“IRS” means the U.S. Internal Revenue Service.

“Key Person” means each of Pablo Echeverría Benítez, Fernando Tisné Maritano, Alfonso Duval García-Huidobro and Juan Luis Rivera Palma.

“Knowledge of PII” means the actual knowledge, as of the date of this Agreement, after due inquiry, as to the matters set forth herein and qualified by Knowledge, of Alexandre T. de A. Saigh, Olimpio Matarazzo Neto, Otavio Lopes Castello Branco Neto, Marco Nicola D’Ippolito and Paulo Cirulli.

“Knowledge of the Company” means the actual knowledge, as of the date of this Agreement, after due inquiry, as to the matters set forth herein and qualified by Knowledge of Pablo Echeverría Benítez, Fernando Tisné Maritano, Alfonso Duval García-Huidobro, Juan Luis Rivera Palma, Alfredo Reyes Valderrama, Alejandro Olea González, Javier Montero Ser, Esteban Jadresic Marinovic, Vicente Bertrand Donoso, Ezequiel Camus Ibañez and Ruben Felipe Corvalán Lagos.

“Law” means any domestic or foreign federal, state or local statute, law (whether statutory or common law), ordinance, rule, regulation, Order, directive, or other pronouncement of any Governmental Authority.

“Leased Real Property” means the real property leased pursuant to the Leases.

“Leases” has the meaning set forth in Section 3.20(b).

“LMV” means Ley 18.045 de Mercado de Valores of Chile, as amended, and the rules and regulations of the CMF thereunder.

“Lock-Up Period” means the period beginning on the Closing Date and ending, with respect to each Guarantor, on the applicable Specified Termination Date.

“Losses” means any and all damages, liabilities, losses, obligations, judgments, awards, sanctions, interest, fines, penalties, assessments, costs, charges, fees and expenses (including reasonable and documented out-of-pocket fees and expenses of attorneys, accountants, consultants and experts); *provided* that in calculating Losses, no provision or adjustment shall be made for any multiple of earnings, revenue or other measure of operating results, increase factor or any other premium over book or historical value, except with respect to Losses calculated on the basis of a multiple of earnings, revenue or other measure of operating results, if and to the extent that such Losses or reduced earnings, revenue or operating results are reasonably expected to be sustained or to be recurring, in a manner that impacts the long term value of the Company.

“LUF” means *Ley 20.712 de Administración de Fondos de Terceros y Carteras Individuales* of Chile, as amended, and the rules and regulations of the CMF thereunder.

“made available” means included in the virtual data room created by the Company, maintained by Intralinks and accessible by PIL; filed electronically with the CMF on a non-confidential basis, or otherwise provided to PIL or its Agents, in each case on or prior to September 1, 2021.

“MAM II HoldCo” has the meaning set forth in the recitals hereto.

“Managed Account” means any investment account that is owned by an investor (or any nominee thereof) and in respect of which a Moneda Entity provides advisory services for compensation on a discretionary or non-discretionary basis, *provided, however*, that a Managed Account does not include a Company Fund.

“MARG” has the meaning set forth in the recitals hereto.

“Material Adverse Effect” on PIL and its Subsidiaries, on the one hand, or the Moneda Entities, on the other hand, as applicable, means any change or event that has a material adverse effect on (a) the assets, condition, or results of operations of PIL and its Subsidiaries, taken as a whole, or the assets, condition, or results of operations of the Moneda Entities, taken as a whole, as applicable, or (b) the ability of PIL, PIL Uruguay, the Moneda Shareholders or the Moneda Entities, as applicable, to perform its or their obligations under this Agreement or to consummate the Merger and the other Transactions, except that in each case, none of the following changes or events shall be deemed, either alone or in combination, to constitute a Material Adverse Effect, or be taken into account in determining whether there has been or will be a Material Adverse Effect: (i) general economic, political, regulatory or social conditions in any of the jurisdictions in which PIL or the Moneda Entities, as applicable, operate; (ii) any change in the financial, banking, currency, capital or credit markets in general (whether in any of the jurisdictions in which PIL or the Moneda Entities, as applicable, operate or in any international market), including changes in interest rates, any downgrades or deterioration in the credit markets; (iii) acts of God, epidemics, pandemics (including the COVID-19 pandemic or similar fact, and any restrictions, quarantines, measures or Orders promulgated or adopted as a result, or to mitigate or address such pandemics), natural disasters, weather conditions, national or international political or social conditions, including the engagement in, or escalation or worsening of, hostilities in or by any of the jurisdictions in which PIL or the Moneda Entities, as applicable, operate or any other country or the occurrence of any military or terrorist attack, any regime change or coup d’etat, any cyber-attack or force majeure; (iv) the negotiation or announcement of this Agreement or of any of the Transaction Agreements or the pendency or consummation of the Transactions (including, for the avoidance of doubt, the Pre-Closing Reorganization), or the disclosure of the fact that PIL and PIL Uruguay are the prospective acquirers of the Moneda Entities, or the Business, or parties to the Transaction Agreements, or any communication by PIL or PIL Uruguay regarding plans or intentions of PIL or PIL Uruguay with respect to the Moneda Entities or the Business; (v) any changes in IFRS or other applicable accounting regulations or accounting standards or principles (or interpretations thereof) or any change in Law or the interpretation or enforcement thereof; (vi) the taking of any action expressly required or contemplated by this Agreement or the Ancillary Agreements (including with respect to the Pre-Closing Reorganization), or any action taken, or failure to take action, or such other changes, in each case which PIL or any of its Affiliates, or the Moneda Shareholders or any of their Affiliates, as applicable, has expressly approved or consented to or requested in writing; (vii) any failure by PIL or its Affiliates, or the Moneda Shareholders or their Affiliates, as applicable, to meet any budgets, plans, revenue forecasts, earnings estimates or financial projections; provided that the reason for, or facts or occurrences giving rise to or contributing to, such failure to meet such forecasts, earnings estimates or financial projections may be taken into account in determining a Material Adverse Effect; and (ix) any matters expressly disclosed in the PIL Disclosure Schedule or the Company Disclosure Schedule; except, in the case of clauses (i), (ii), (iii) and (v), to the extent such change or event disproportionately and adversely affects the Moneda Entities, taken as a whole, relative to Persons in the investment management industry operating in the sectors in which the Moneda Entities operate in Chile.

“Material Contract” has the meaning set forth in Section 3.8(a).

“Measurement Price” means the volume-weighted average price per share, rounded to the nearest four decimal points, of PIL Class A Shares on Nasdaq (as reported on Bloomberg L.P. under the function “VWAP”) for the relevant determination period.

“Merger” has the meaning set forth in the recitals hereto.

“Moneda Entities” means, collectively, the Acquired Companies, together with the legal entities set forth in Annex C hereto.

“Moneda Shareholders” has the meaning set forth in the preamble hereto.

“Moneda Shareholders Agent for Service of Process” has the meaning set forth in Section 11.12(e).

“Moneda Shareholder Indemnified Taxes” has the meaning set forth in Section 8.1(a).

“Moneda Shareholder Indemnitees” has the meaning set forth in Section 9.3(a).

“Multiemployer Plan” means any “multiemployer plan” within the meaning of Section 4001(a)(3) of ERISA or Section 3(37) of ERISA.

“Nasdaq” means the National Association of Securities Dealers Automated Quotations.

“Net Revenue” means, for any period, (a) gross revenue (for avoidance of doubt, net of VAT), minus (b) rebates, minus (c) other distribution costs.

“Net Working Capital Adjustment Amount” means an amount (which may be a positive or negative number) equal to (a) the Closing Date Net Working Capital *minus* (b) the Target Net Working Capital.

“Next Generation Retention Plan” means an agreement to be entered at the Closing between the parties and on the terms set forth in Exhibit F hereto.

“Newly Formed FIP” means a Fondo de Inversión Privado to be formed by the Moneda Shareholders as part of the Pre-Closing Reorganization and that will own approximately **[**]** percent (**[**]**%) of MAM II HoldCo immediately prior to the Merger.

“Nominal Minority Interests” means the Chilean Advisor Minority Interest and the GDI Minority Equity Interest.

“Non-Controlling Party” has the meaning set forth in Section 8.6(c).

“Non-Dollar/Euro Adjusted Net Revenue” means the portion of the Adjusted Net Revenue (excluding the GDI Adjusted Net Revenue) that is generated by the Moneda Entities in a currency other than dollars or Euros (converted into dollars at the Applicable Period Exchange Rate for the applicable period), determined in accordance with IFRS, applied in a manner consistent with past practices of the Company, and using the Accounting Framework used and applied in the preparation of the Example Earn-Out Statement.

“Non-Dollar/Euro Adjusted Net Revenue Growth” means the average of (a) and (b), where (a) is the growth rate between the Non-Dollar/Euro Adjusted Net Revenue for the year ended December 31, 2022 compared to the Non-Dollar/Euro Adjusted Net Revenue for the year ended December 31, 2021; and (b) is the growth rate of the Non-Dollar/Euro Adjusted Net Revenue for the year ended December 31, 2023 compared to the Non-Dollar/Euro Adjusted Net Revenue for the year ended December 31, 2022.

“Non-Dollar/Euro Earn-Out Amount” means the portion of the Earn-Out Amount based on the Non-Dollar/Euro Adjusted Net Revenue Growth.

“Non-Reimbursable Damages” has the meaning set forth in Section 9.4(f).

“Notice Period” has the meaning set forth in Section 9.5(b).

“OFAC” means the U.S. Department of Treasury’s Office of Foreign Assets Control.

“Operative Documents” means the Organizational Documents, investment advisory or subadvisory agreements (including portfolio management agreements or *contratos de administración de cartera*), managed account agreements, brokerage services agreements, subscription documents, investor side letters and other advisory agreements and governing documentation, of a Fund (including, for the avoidance of doubt, any subadvisory agreement entered into by a Company Advisor or a PIL Advisor with another adviser or sub-adviser) or of a Company Client account.

“Order” means any order, judgment, injunction, award, decree or writ adopted or imposed by any Governmental Authority.

“Organizational Documents” means, (a) with respect to any Person that is a corporation, its articles or certificate of incorporation or memorandum and articles of association, as the case may be, and bylaws; (b) with respect to any Person that is a partnership, its certificate of partnership and partnership agreement; (c) with respect to any Person that is a limited liability company, its certificate of formation and limited liability company or operating agreement; (d) with respect to any Chilean Fund, its *reglamento interno*; (e) with respect to any Person that is a trust or other entity, its declaration or agreement of trust or constituent document; and (f) with respect to any other Person, its comparable organizational documents; in each case, as has been amended or restated and as in effect on the date hereof.

“Outside Date” has the meaning set forth in Section 7.1(a)(v).

“Party” or “Parties” has the meaning set forth in the preamble hereto.

“Permits” means all permits, licenses, registrations, orders, approvals, certificates, waivers and authorizations of a Governmental Authority held, used or required by the applicable Person in connection with its business and operations.

“Permitted Encumbrances” means (a) Encumbrances for Taxes, assessments or other governmental charges or levies not yet due and payable or due and payable but not delinquent or which are being contested in good faith by appropriate proceedings and for which adequate reserves have been established in accordance with IFRS, (b) warehousemen’s, mechanics’, materialmen’s, carriers’, workers’, repairers’ and other Encumbrances arising or incurred in the ordinary course of business or in connection with construction contracts for amounts that are not yet delinquent or are being contested in good faith and for which adequate reserves have been established in accordance with IFRS, (c) zoning, entitlement, building codes and other land use regulations, ordinances or legal requirements imposed by any Governmental Authorities having jurisdiction over the Leased Real Property, (d) all rights relating to the construction and maintenance in connection with any public utility of wires, poles, pipes, conduits and appurtenances thereto, on, under or above the Leased Real Property, (e) statutory Encumbrances in favor of lessors arising in connection with any property leased to any Moneda Entity, (f) other Encumbrances, defects, irregularities or imperfections of title, encroachments, easements, servitudes, permits, rights of way, flowage rights, restrictions, leases, licenses, covenants, sidetrack agreements and oil, gas, mineral and mining reservations, rights, licenses and leases, which, in each case and in the aggregate, do not materially interfere with the ordinary conduct of the Business, (g) Encumbrances incurred or deposits made to a Governmental Authority in connection with a Permit; (h) Encumbrances incurred or deposits made in the ordinary course of business in connection with workers’ compensation, unemployment insurance or other types of social security; (i) third-party Encumbrances on the fee title of any Leased Real Property, (j) Encumbrances that do not, and would not reasonably be expected to, individually or in the aggregate, materially detract from the value of any of the properties, rights or assets of the business of the Moneda Entities, taken as a whole, or materially interfere with the use thereof as currently used by the Moneda Entities, and (k) those resulting from (A) the Transaction Agreements or (B) PIL, PIL Uruguay, their identity or their legal, regulatory contractual or corporate status.

“Person” means any individual, corporation, company, partnership (limited or general), limited liability company, joint venture, association, trust, Fund or other entity or organization, including a Governmental Authority.

“PIL” has the meaning set forth in the preamble hereto.

“PIL Advisor” means any of the PIL entities who provide advisory and sub-advisory services to clients (including PIL Funds).

“PIL Agent for Service of Process” has the meaning set forth in Section 11.12(c).

“PIL Class A Shares” has the meaning set forth in Section 4.4(a).

“PIL Class B Shares” has the meaning set forth in Section 4.4(a).

“PIL Disclosure Schedule” has the meaning set forth in the introductory paragraph of Article 4 (Representations and Warranties of PIL and PIL Uruguay).

“PIL Financial Statements” has the meaning set forth in Section 4.5(c).

“PIL Fund” means a Fund for which PIL or any of its Subsidiaries provides advisory or subadvisory services pursuant to its Operative Documents.

“PIL Indemnitees” has the meaning set forth in Section 9.2(a).

“PIL SEC Reports” has the meaning set forth in Section 4.5(a).

“PIL Tax Indemnified Parties” has the meaning set forth in Section 8.1(a).

“PIL Uruguay” has the meaning set forth in the preamble hereto.

“PIL Uruguay Agent for Service of Process” has the meaning set forth in Section 11.12(d).

“Plan” means each employee benefit plan, program, policy, and contract (including but not limited to, any “employee benefit plan”, as such term is defined in Section 3(3) of ERISA, whether or not subject to ERISA, and any bonus, incentive, excess benefit, profit sharing, full-week (“*semana corrida*”), compensation, deferred compensation, agreed deposits (“*depósito convenido*”), share bonus, share purchase, restricted share, option or other equity-based arrangement, sick leave, leave of absence, short or long-term disability and any employment, termination, retention, acknowledgement of seniority, health and medical insurance plan, life insurance plan, disability insurance plan, bonus, change in control or severance plan or any other plan, program, policy or contract whether written or unwritten, funded or unfunded) for the benefit of any current or former officer, employee, director or consultant of a Moneda Entity in each case (a) that is sponsored, maintained or contributed to by a Moneda Entity or (b) with respect to which a Moneda Entity may have any liability or obligation.

“Plan of Merger” has the meaning set forth in Section 2.4.

“Pledge and Lock-Up Agreement” means each pledge, security, control and lock-up agreement between PIL and each Moneda Shareholder, substantially in the form of Exhibit G hereto.

“Post-Closing Adjustment Dispute” has the meaning set forth in Section 2.9(b)(vii).

“Post-Closing Adjustment Dispute Arbitrator” has the meaning set forth in Section 2.9(b)(vii).

“Post-Closing Tax Period” means any taxable period (or portion thereof) that begins after the Closing Date.

“Pre-Closing Reorganization” has the meaning set forth in the recitals hereto.

“Pre-Closing Tax Period” means any taxable year or period that ends on or before the Closing Date and, with respect to any taxable year or period beginning before and ending after the Closing Date, the portion of such taxable year or period ending on and including the Closing Date.

“Pre-Closing Taxes” means any Taxes that are attributable to any Pre-Closing Tax Period (including by reason of the operation of Section 8.5) or directly resulting from the Pre-Closing Reorganization.

“Privacy Policies” has the meaning set forth in Section 3.19(a).

“Pro Forma Lease Expense” means an amount per annum equal to eleven thousand seventy one point two (11,071.2) UF.

“Pro Rata Share” means, with respect to each Moneda Shareholder, the percentage set forth opposite such Moneda Shareholder’s name on Annex A hereto.

“Proceedings” has the meaning set forth in Section 3.9(a).

“Property Taxes” means real, personal and intangible ad valorem property taxes.

“PTE 84-14” has the meaning set forth in Section 3.11(i).

“Registration Rights Agreement” means a registration rights agreement among PIL and the Moneda Shareholders, substantially in the form of Exhibit H hereto.

“Regulatory Documents” means, with respect to a Person, all forms, reports, registration statements, schedules and other documents filed, or required to be filed, by such Person pursuant to the Securities Laws or the rules and regulations of any Governmental Authority or foreign governmental or non-governmental or self-regulatory organization agency or authority (including the Chilean Stock Exchanges, CAMV, the BVI FSC, Nasdaq and FINRA).

“Representatives” means any two (2) of the Key Persons, acting together in accordance with Section 11.5(a).

“Requisite Regulatory Approval” has the meaning set forth in Section 5.9(b).

“Restricted Cash” has the meaning set forth in the definition of Closing Date Cash.

“Restricted Period” has the meaning set forth in Section 10.7.

“Sanctioned Person” has the meaning set forth in Section 3.23(c).

“Sanctioned Territory” has the meaning set forth in Section 3.23(c).

“Sanctions” has the meaning set forth in Section 3.23(c).

“SDN List” means OFAC’s list of Specially Designated Nationals and Blocked Persons.

“SEC” means the U.S. Securities and Exchange Commission.

“Second Consent Notice” has the meaning set forth in Section 5.2(a).

“Securities Act” means the U.S. Securities Act of 1933, as amended, and the rules and regulations of the SEC thereunder.

“Securities Laws” means the LMV, LUF, Securities Act, the Exchange Act, the Investment Company Act, the Investment Advisers Act, state “blue sky,” securities and investment advisory laws, all applicable foreign securities laws, and, in each case, the rules and regulations promulgated thereunder.

“Shareholder Guaranty” shall have the meaning set forth in Section 10.1(a).

“Similar Law” means any federal, state, local, non-U.S. or other law or regulation that are similar to the fiduciary responsibility or prohibited transaction provisions contained in Title I of ERISA or Section 4975 of the Code.

“SOFR” means the Secured Overnight Financing Rate published by the Federal Reserve Bank of New York on its website (currently at <http://www.newyorkfed.org>, or any successor source for such rate as identified by such by the Federal Reserve Bank of New York from time to time) for the Business Day immediately prior to the date on which relevant Interest begins to accrue pursuant to this Agreement.

“Specified Acceleration Event” shall mean with respect to a Guarantor, his voluntary termination of employment with, or resignation from, the Company or any of its Affiliates upon the occurrence of a Specified Release Event.

“Specified Exceptions” has the meaning set forth in Section 5.1(a).

“Specified Payment” has the meaning set forth in Section 2.12(a).

“Specified Release Event” shall mean an event that constitutes a material breach by PIL of (a) a Fundamental Representation made by PIL under Sections 4.1, 4.2(c), 4.4(a) and 4.4(c) or (b) of the representation set forth in Section 4.12 (*Foreign Corrupt Practices, Anti-Money Laundering and Other Matters*), or in the case of (b) if occurring after the Closing, would have resulted in a material breach of Section 4.12 (*Foreign Corrupt Practices, Anti-Money Laundering and Other Matters*) had such event happened prior to Closing, if following such occurrence or the publicity thereof (x) any director, executive or employee of PIL or its Subsidiaries, excluding, for the avoidance of doubt their portfolio companies (the “Subject Companies”), has been charged with, or detained or imprisoned for, criminal conduct by a Governmental Authority, (y) the reputation of a PIL and its Subsidiaries, taken as a whole, has been materially and repeatedly tarnished publicly, and, as a result of the events resulting in such breach, the average trading price of PIL’s Class A Shares over a 30 day trading period has dropped by 40% with respect to the average trading price thereof during the 30-day period preceding either the occurrence or the publicity of such event.

“Stock Purchase” has the meaning set forth in Section 2.1.

“Straddle Period” has the meaning set forth in Section 8.2(a).

“Subsidiary” means, when used with reference to a Person, any other Person of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other governing body or persons performing similar functions, or more than fifty percent (50%) of the outstanding voting securities of which are owned, directly or indirectly, by such Person; *provided, however*, that none of the following shall be considered to be Subsidiaries of any Acquired Company or any Affiliate of any such Acquired Company: (a) any entity registered as an investment company under the Investment Company Act; (b) any entity that would, but for Section 3(c)(1) or 3(c)(7) of the Investment Company Act, be required to be so registered; (c) any other entity intended to serve as an investment pool of any kind (regardless of the ownership interest of the Company or any such Affiliate); (d) any entity in which an Acquired Company or any Affiliate of such Acquired Company has made a “seed money” investment; or (e) any Company Fund.

“Surviving Corporation” has the meaning set forth in Section 2.2.

“Target Cash” means zero (0).

“Target Net Working Capital” means [**] dollars (\$[**]).

“Tax Benefit” means the Tax effect of any item of loss, deduction or credit or any other item which actually decreases Taxes paid (determined on a “with and without” basis), including any interest with respect thereto or interest that would have been payable but for such item.

“Tax Claim” has the meaning set forth in Section 8.6(a).

“Tax Indemnified Party” has the meaning set forth in Section 8.6(a).

“Tax Indemnifying Party” has the meaning set forth in Section 8.6(a).

“Tax Item” means any item of income, gain, loss, deduction, credit, recapture of credit or any other item that increases or decreases Taxes paid or payable.

“Tax Proceeding” has the meaning set forth in Section 8.6(b).

“Tax Return” means returns, reports, affidavits and other forms filed or required to be filed in connection with the assessment or collection of, any Taxes.

“Taxes” means all taxes (and all inflation adjustments, interest, fines, and penalties thereon and additions thereto imposed by any Taxing Authority, whether disputed or not), including all income, franchise, gains, capital, real property, goods and services, transfer, value added, gross receipts, windfall profits, severance, ad valorem, personal property, production, sales, use, license, stamp, documentary stamp, estimated, social security, Medicare, unemployment or withholding taxes, or other tax, assessment, fee, duty or charge of any kind whatsoever in the nature of or similar to a tax imposed by any Taxing Authority.

“Taxing Authority” means any Governmental Authority having jurisdiction over the assessment, determination, collection or other imposition of any Tax, including the IRS and the Chilean Tax Authority.

“Third Party Claim” has the meaning set forth in Section 9.5(b).

“Total Cash Consideration” means an aggregate amount of cash in dollars equal to (i) the Base Cash Consideration, *plus* (ii) the Initial Adjustment Amount (whether positive or negative), as adjusted pursuant to Section 2.10 (*Adjusted Net Income Adjustment*), Section 2.11 (*Earn-Out*), Section 2.12 (*Deferred Consideration Payment*) and Section 2.13 (*Carlyle Trigger Event*).

“Total Consideration” means (i) the Total Cash Consideration, *plus* (ii) the Closing Share Consideration Value.

“Transaction Agreements” means this Agreement and the Ancillary Agreements.

“Transactions” means the transactions contemplated by the Transaction Agreements.

“Transfer Form” means a *traspaso de acciones* executed pursuant to the laws of Chile, before two (2) witnesses or a Public Notary, by each Moneda Shareholder and PIL Uruguay in order to effect the transfer of the Cash Purchase Shares (other than the GDI Minority Equity Interests) as agreed hereunder.

“Transfer Taxes” has the meaning set forth in Section 8.4.

“UCITS” means a collective investment scheme governed by the UCITS Directive for which an Acquired Company provides advisory or subadvisory services pursuant to its Operative Documents.

“UCITS Directive” means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended by Directive 2014/91/EU of the European Parliament and of council of 23 July 2014 as regards to depositary functions, remuneration policies and sanctions and as amended from time to time.

“UF” means *Unidad de Fomento*, applicable in Chile.

“Unaudited Financial Statements” has the meaning set forth in Section 3.5(a).

“U.S.” means the United States of America.

“U.S. Advisor” means Moneda USA, Inc.

“U.S. Advisor Advisory Contract” has the meaning set forth in Section 5.2(a).

“U.S. Company Fund” means a Fund sponsored or managed by the U.S. Advisor.

“VAT” means value added tax applicable in Chile.

“Voting Agreement” means the voting agreement, dated as of the date hereof, by and among Patria Holdings Limited, MAM II HoldCo, the Moneda Shareholders, and the Moneda Partners (as defined therein), a copy of which is attached as Exhibit I hereto.

“Weighted Adjusted Net Income Margin” means the quotient of (a) the sum of (i) the Adjusted Net Income Margin for the year ended December 31, 2022 *multiplied* by the Adjusted Net Revenue for the year ended December 31, 2022, *plus* (ii) the Adjusted Net Revenue for the year ended December 31, 2023 *multiplied* by the Adjusted Net Revenue for the year ended December 31, 2023, *divided* by (b) the sum of Adjusted Net Revenue for the years ended December 31, 2022 and 2023.

“2021 Employment-Related Expenses” has the meaning set forth in the definition of Bonus Amount 2021 Provision.

ARTICLE 2 THE TRANSACTIONS

Section 2.1 The Company Stock Purchase. On the terms of this Agreement and subject to the satisfaction or waiver, if permissible, of the conditions set forth in Article 6 (Conditions to Closing), at the Closing, immediately after or simultaneously with the consummation of the Merger, PIL Uruguay shall, and PIL shall cause PIL Uruguay to, purchase, acquire and accept from each Moneda Shareholder, and the Company shall cause each Moneda Shareholder, and each Moneda Shareholder shall, sell, convey, assign and transfer to PIL Uruguay, the Cash Purchase Shares, in the numbers and for their respective Pro Rata Share (set forth in Annex A hereto) of the Closing Cash Consideration Payment (the “Stock Purchase”).

Section 2.2 The MAM II HoldCo Mergers. On the terms of this Agreement and subject to the satisfaction or waiver, if permissible, of the conditions set forth in Article 6 (Conditions to Closing) and in accordance with the applicable provisions of the CICA, at the Closing, immediately prior to or simultaneously with the consummation of the Stock Purchase, PIL shall, as to itself, and each Moneda Entity and each Moneda Shareholder, as to MAM II HoldCo, shall, act to cause and assure that (a) MAM II HoldCo shall merge with and into PIL, with PIL being the surviving entity, and upon the Merger becoming effective, the Registrar of Companies shall strike MAM II HoldCo off the register of companies in the Cayman Islands, such that the separate corporate existence of MAM II HoldCo shall thereupon cease, (b) PIL shall be the surviving corporation (the “Surviving Corporation”) in the Merger and shall continue to be governed by the laws of the Cayman Islands and (c) the separate existence of the Surviving Corporation with all its rights, privileges, immunities, powers and franchise shall continue after the Merger. The Parties further agree that the Merger shall not be treated as a realization event for Chilean Tax purposes (and thus that taxable gain or loss will not be realized for Chilean Tax purposes as a result of the Merger) and the Parties shall not take any position on any Tax Return inconsistent with such agreement unless otherwise required by Applicable Law. Without limiting the generality of the foregoing, and subject thereto, on the Closing Date and at the Effective Time, all of the property, rights, privileges, powers and franchises of PIL and MAM II HoldCo shall vest in the Surviving Corporation, and all debts, liabilities and duties of PIL and MAM II HoldCo shall become the debts, liabilities and duties of the Surviving Corporation.

Section 2.3 Closing . The consummation of the Transactions (the “Closing”) shall take place at the offices of Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, New York 10017, commencing at 10:00 a.m., Chilean time, on the date that is ten (10) Business Days following the date on which all of the conditions set forth in Article 6 (Conditions to Closing) have been satisfied or waived, if permissible by the Parties entitled to the benefits thereto (other than conditions which by their nature are to be satisfied or waived at the Closing and are expected to be satisfied at the Closing), or at such other date, time and place as PIL and the Representatives shall mutually agree in writing (the date on which the Closing actually takes place being referred to herein as the “Closing Date”).

Section 2.4 Effective Time . On the terms of this Agreement and subject to the satisfaction or waiver, if permissible, of the conditions set forth in Article 6 (Conditions to Closing), at the Closing, MAM II HoldCo, PIL and the Moneda Shareholders shall (and in the case of the Moneda Shareholders, shall cause the Newly Formed FIP to) execute the plan of merger, substantially in the form attached hereto as Exhibit J (the “Plan of Merger”), and as soon as practicable on the Closing Date, shall file the Plan of Merger and other documents required under the CICA to effect the Merger with the Registrar of Companies of the Cayman Islands as provided by Section 233 of the CICA. The Plan of Merger shall specify that the Merger shall become effective upon the registration of the Plan of Merger by the Registrar of Companies of the Cayman Islands (the effective time of the Merger being hereinafter referred to as the “Effective Time”). At the Effective Time, the effect of the Merger will be as provided in this Agreement, and, to the extent not inconsistent herewith, the Plan of Merger and the applicable provisions of the CICA; provided that in the event of any conflict or inconsistency between the terms and conditions of this Agreement and the terms and conditions of the Plan of Merger, this Agreement shall prevail as between the Parties.

Section 2.5 Consideration for the Transactions .

(a) Stock Purchase Cash Consideration. At the Closing, in consideration for the purchase of the Cash Purchase Shares, PIL Uruguay shall, and PIL shall cause PIL Uruguay to, pay to each Moneda Shareholder, by wire transfer of immediately available funds to the account set forth opposite each such Moneda Shareholder’s name in Annex A hereto (or such other account or accounts as may be designated by such Moneda Shareholder in accordance with Section 11.8 (Notices)), its Pro Rata Share of an aggregate amount of cash in dollars (the “Closing Cash Consideration Payment”) equal to (x) the Base Cash Consideration *plus or minus*, as applicable, (y) the Estimated Initial Adjustment Amount (as calculated by the Representatives in the Estimated Closing Statement).

(b) Merger Consideration. At the Closing, each shareholder of MAM II HoldCo shall receive a number of PIL Class B Shares equal to the Closing Share Consideration Percentage set forth opposite each such Moneda Shareholder’s name in Annex A hereto, and each share of MAM II HoldCo that is issued and outstanding immediately prior to the Closing shall cease to be outstanding, shall automatically be cancelled and retired and shall cease to exist without any action on the part of any holder thereof.

(c) Total Consideration. The aggregate consideration for the Stock Purchase and the Merger shall be the Total Consideration.

Section 2.6 Merger Procedures .

(a) Exchange Procedures. At the Effective Time, PIL shall, in exchange for the MAM II HoldCo shares held by each Moneda Shareholder, deliver to each Moneda Shareholder a certified copy of the register of members of PIL reflecting a number of PIL Class B Shares equal to the Closing Share Consideration Percentage set forth opposite each such Moneda Shareholder’s name in Annex A hereto, duly registered under the name of such Moneda Shareholder.

(b) Organizational Documents. As of the Effective Time, the memorandum & articles of association of PIL, as in effect immediately prior to the Effective Time, shall be the memorandum & articles of association of the Surviving Corporation, until thereafter amended in accordance with Applicable Law, the applicable provisions of such memorandum & articles of association.

(c) Directors and Officers. The directors and officers of PIL existing at the Closing Date, together with any other person designated to the Board of Directors (including the individual designated in accordance with the Voting Agreement), shall be the directors and officers of the Surviving Corporation and shall hold office in accordance with the memorandum & articles of association of the Surviving Corporation until their successors are duly elected or appointed and qualified or until their earlier death, resignation or removal. The officers of the Company existing at the Closing Date shall be the officers of the Company immediately after Closing, and the chief executive officer of the Company immediately before the Closing shall report directly to the chief executive officer of PIL after the Closing, in each case, without prejudice to the rights of (x) the Moneda Shareholders and PIL under its Organizational Documents and Applicable Law, and (y) the Moneda Partners under the Voting Agreement.

(d) Statutory Dissenter Rights. Notwithstanding anything in this Agreement to the contrary, any PIL Class B Shares or MAM II HoldCo shares that are issued and outstanding immediately prior to the Effective Time and are held by a holder (each, a "Dissenting Shareholder") who has validly exercised and not withdrawn or lost its right to dissent from the Merger ("Dissenter Rights") pursuant to Section 238 of the CICA (collectively, the "Dissenting Shares") shall be surrendered and cancelled and cease to exist at the Effective Time, but shall not be converted into or exchangeable for or represent the right to receive the Closing Share Consideration, and each such Dissenting Shareholder shall be entitled only to payment of the fair value of such Dissenting Shares in accordance with Section 238 of the CICA. If any Dissenting Shareholder failed to perfect or prosecute or shall have otherwise waived, effectively withdrawn or lost his or her rights thereunder, then as of the later of the Effective Time, the occurrence of such event or a court of competent jurisdiction determining that such holder is not entitled to the relief provided by Section 238 of the CICA, the Dissenting Shareholder shall, in respect of its Dissenting Shares surrendered and cancelled at the Effective Time, be entitled to receive consideration in connection with the Merger (without any interest thereon), pursuant to this Section 2.6 (*Merger Procedures*). PIL, or the Moneda Shareholders, as applicable, shall give the Moneda Shareholders or PIL, respectively, (i) prompt notice of any written notice of exercise of Dissenter Rights, attempted withdrawals of such Dissenter Rights, and any other instruments served pursuant to Applicable Law that are received by PIL or MAM II HoldCo relating to PIL shareholders' or MAM II HoldCo shareholders' exercise of Dissenter Rights, as applicable and (ii) the opportunity to direct all negotiations and proceedings with respect to the exercise of Dissenter Rights under the CICA. PIL or the Moneda Shareholders shall not, except with the prior written consent of the Moneda Shareholders or PIL, respectively, voluntarily make any payment with respect to any exercise of Dissenter Rights, offer to settle or settle any such Dissenter Rights or approve any withdrawal of any such Dissenter Rights. The Parties hereby agree that the Closing Share Consideration represents the fair value of the shares of MAM II HoldCo for purposes of Section 238(8) of the CICA.

Section 2.7 Closing Deliverables .

(a) At the Closing, the Moneda Shareholders shall deliver, or cause to be delivered, to PIL or its designee:

(i) the certificate provided for in Section 6.2(c);

(ii) all the outstanding stock certificates issued and held by each Moneda Shareholder representing their respective ownership of all the Cash Purchase Shares (other than the GDI Minority Equity Interests) held by such Moneda Shareholder;

(iii) Transfer Forms, duly executed by each Moneda Shareholder with respect to their respective Cash Purchase Shares (other than the GDI Minority Equity Interests);

(iv) the GDI Assignment Deed, duly executed by the Company and Inversiones y Asesorías Santa Loreto Limitada.

(v) the original shareholders register of the Company and the Chilean Advisor, duly updated to reflect the transfer of the Cash Purchase Shares (other than GDI Minority Equity Interests) to PIL Uruguay and evidencing the registration of PIL Uruguay's ownership as of the Closing of the Cash Purchase Shares (other than the GDI Minority Equity Interests) free and clear of all Encumbrances;

(vi) duly executed written instruments releasing and discharging any Encumbrances existing as of the Closing on the Cash Purchase Shares;

(vii) the special resolutions of the members of MAM II HoldCo, in a form reasonably acceptable to PIL, effective as of the Closing, approving the Merger and Plan of Merger; and

(viii) a counterpart to each Ancillary Agreement to which the Moneda Shareholders, or their Affiliates are a party, duly executed by each Moneda Shareholder and its applicable Affiliates.

(b) At the Closing, PIL shall deliver, or cause to be delivered, to the Moneda Shareholders or their designee:

(i) the certificate provided for in Section 6.3(d);

(ii) a counterpart to each Ancillary Agreement to which PIL or its Affiliates are a party, duly executed by PIL or its applicable Affiliate;

(iii) the special resolutions of the members of PIL, in a form reasonably acceptable to the Moneda Shareholders, effective as of the Closing, (a) approving the Merger and Plan of Merger; and (b) approving the appointment of an individual designated by the Moneda Partners as a director of PIL;

(iv) a counterpart to each Transfer Form delivered pursuant to Section 2.7(a)(iii), duly executed by PIL Uruguay;

(v) the GDI Assignment Deed, duly executed by PIL Uruguay;

(vi) the Closing Cash Consideration Payment; and

(vii) the Closing Share Consideration.

Section 2.8 Proceedings at Closing . All proceedings to be taken, all documents to be executed and delivered, and all payments to be made and consideration to be delivered at the Closing shall be deemed to have been taken, executed, delivered and made simultaneously, and, except as expressly provided hereunder, no proceedings shall be deemed taken nor any documents executed, delivered or made until all have been taken, executed, delivered or made. For accounting purposes, the Closing shall be deemed effective as of 11:59 p.m., Chilean time on the day immediately prior to the Closing Date.

Section 2.9 Stock Purchase Cash Consideration; Adjustments .

(a) Estimated Initial Adjustment Amount.

(i) No later than five (5) Business Days prior to the Closing Date, the Representatives shall provide to PIL a written statement (the "Estimated Closing Statement") setting forth the Moneda Shareholders' good faith estimate of the Initial Adjustment Amount (the "Estimated Initial Adjustment Amount"), based on the Moneda Shareholders' good faith calculations of the (A) Net Working Capital Adjustment Amount, (B) Cash Adjustment Amount, and (C) Indebtedness Adjustment Amount, together with a calculation, based on the foregoing, of the Closing Cash Consideration Payment and the applicable Pro Rata Share payable to each Moneda Shareholder. The Estimated Closing Statement shall be prepared in accordance with (w) IFRS, applied in a manner consistent with past practices of the Company, and using the Accounting Framework and (x) the definitions of Cash Adjustment Amount, Net Working Capital Adjustment Amount, Indebtedness Adjustment Amount and, in each case, with any other component definitions thereof set forth in this Agreement.

(ii) The Moneda Shareholders shall consider in good faith (but otherwise shall not be obligated to implement or execute) any written comments that PIL may provide to the Estimated Closing Statement within forty eight (48) hours of receipt by PIL thereof. For the avoidance of doubt, any failure by PIL to deliver any notice of its disagreement with any portion of the Estimated Closing Statement, or failure by PIL to include in any such notice a portion of the Estimated Closing Statement with which PIL disagrees, shall not affect, modify or otherwise prejudice in any way PIL's rights and remedies under Section 2.9(b) of this Agreement. To the extent the Moneda Shareholders elect to implement or execute any written comments provided by PIL to the Estimated Closing Statement, the Representatives shall deliver to PIL a revised Estimated Closing Statement reflecting such comments prior to the Closing Date, which revised Estimated Closing Statement shall be deemed to be the definitive Estimated Closing Statement for all purposes under this Agreement, without prejudice to the Moneda Shareholders' rights under Section 2.9(b) (*Initial Adjustment Amount*).

(iii) Subject to Section 5.4(a) (*Access to Information*), following the delivery of the Estimated Closing Statement, the Moneda Shareholders shall provide PIL and its Agents (at PIL' expense), during normal business hours, with reasonable access to the relevant books and records (including working papers, invoices, receipts and other supporting documentation) of the Company and its Subsidiaries, to the extent in the possession or control of such Party, and otherwise reasonably cooperate in good faith to answer reasonable questions in connection with the Estimated Closing Statement and the preparation thereof.

(b) Initial Adjustment Amount

(i) As soon as practicable, but in any event no later than ninety (90) days after the Closing Date, PIL shall prepare and deliver to the Representatives a statement (the "Closing Statement") setting forth PIL's good faith calculation of the (A) Net Working Capital Adjustment Amount, (B) Cash Adjustment Amount and (C) Indebtedness Adjustment Amount, together with a calculation, based on the foregoing good faith calculations, of the Initial Adjustment Amount, in each case including reasonable supporting detail for such calculations. The Closing Statement shall be prepared in accordance with (w) IFRS, applied in a manner consistent with past practices of the Company, and using the Accounting Framework and (x) the definitions of Cash Adjustment Amount, Net Working Capital Adjustment Amount, Indebtedness Adjustment Amount and, in each case, with any other component definitions thereof set forth in this Agreement. If PIL does not deliver the Closing Statement to the Representatives within ninety (90) days after the Closing Date, the Representatives may elect by written notice to PIL to deem the Estimated Closing Statement as the Closing Statement that is final and binding on the Parties or to prepare the Closing Statement as required hereunder but only if prior to the expiration of such period, PIL has received on a timely basis information requested of the Moneda Entities and has been provided the access referred to in the immediately subsequent clause (ii). Upon the Representatives' preparation of the Closing Statement and delivery of such to PIL, PIL shall have thirty (30) days to review the Closing Statement and the dispute provisions outlined below shall apply *mutatis mutandis*.

(ii) In connection with PIL's or the Representatives' preparation of the Closing Statement, as applicable, and the Representatives' or PIL's preparation of the Dispute Notice, as applicable, each Party shall provide reasonable access to its Agents and employees (responsible for and knowledgeable about the relevant information) and assure its Affiliates act in good faith to provide access to, relevant books and records (including working papers, invoices, receipts and other supporting documentation), to the extent in the possession or control of such Party and its Affiliates. Each Party shall promptly, and in any event within such timeframe as may be reasonably required by the other Party, make available such employees and records and respond to the reasonable inquiries of, or requests for information by, the other Party, as set forth in this clause (ii).

(iii) Within thirty (30) days following the Representatives' receipt of the Closing Statement (the "Dispute Deadline"), the Representatives may provide written notice to PIL disputing all or a part of the Closing Statement (such notice, a "Dispute Notice"). If the Representatives do not deliver a Dispute Notice to PIL within the Dispute Deadline, or if the Representatives accept in writing the Closing Statement before the expiration of such Dispute Deadline, then the Closing Statement shall become final and binding upon the Parties. Any Dispute Notice shall specify in reasonable detail the basis of any dispute so asserted, and the specific amounts or line items of the Closing Statement that are in dispute.

(iv) PIL shall have the right, but not the obligation, to deliver to the Representatives a written response to the Dispute Notice (the "Dispute Response").

(v) If a Dispute Notice is duly delivered to PIL in accordance with this Section 2.9 prior to the Dispute Deadline, then (x) any such items and amounts not disputed therein shall be final, binding and non-appealable by the Moneda Shareholders, and (y) in respect to any amounts and items that are disputed on the Dispute Notice, the Closing Statement (as revised in accordance with this sentence) shall become final, binding and non-appealable upon the Moneda Shareholders and PIL on the earlier of (A) the date the Representatives and PIL resolve in writing (signed by an authorized representative) any differences they have with respect to the amounts and items specified in the Dispute Notice or (B) the date any disputed matters are finally resolved in writing by the Post-Closing Adjustment Dispute Arbitrator.

(vi) PIL and the Representatives shall use commercially reasonable efforts to resolve the disputed items during the thirty (30)-day period commencing on the date of PIL's receipt of the Dispute Notice. Any written resolution executed by the Representatives and an authorized representative of PIL as to any amounts and items in dispute shall be final, binding and conclusive.

(vii) At the end of such thirty (30)-day period, either the Representatives or PIL may submit any and all amounts and items that remain in dispute and that were included in the Dispute Notice (the "Post-Closing Adjustment Dispute") to the Independent Accounting Firm for designation of a neutral and non-conflicted partner thereat to act as arbitrator of the Post-Closing Adjustment Dispute (the "Post-Closing Adjustment Dispute Arbitrator"). The place of arbitration shall be New York, New York. The award of the Post-Closing Adjustment Dispute Arbitrator, which shall be governed by the Federal Arbitration Act, 9 U.S.C. § 1 et seq., shall be final and binding upon the Parties to the fullest extent permitted by Applicable Law and may be enforced in any court of competent jurisdiction. The Post-Closing Adjustment Dispute Arbitrator shall render his or her award regarding the Post-Closing Adjustment Dispute within thirty (30) Business Days after the date of his or her appointment, or as soon as practical thereafter, which award must be in writing and must set forth, in reasonable detail, the basis therefor. Each of the Representatives and PIL shall execute and deliver a customary engagement letter as may be reasonably requested by the Independent Accounting Firm or the Post-Closing Adjustment Dispute Arbitrator; *provided* that a Party's delay or lack of execution or delivery thereof shall not preclude the other Party's exercise of its rights hereunder. Subject to the provisions of this Section 2.9(b)(vii), the terms of appointment and engagement of the Post-Closing Adjustment Dispute Arbitrator shall be as reasonably agreed upon between the Representatives and PIL, and any associated engagement fees shall be initially borne fifty percent (50%) by the Moneda Shareholders and fifty percent (50%) by PIL; *provided* that all such fees shall ultimately be borne by the Moneda Shareholders and PIL in inverse proportion as such Party ultimately prevails on the matters resolved by the Post-Closing Adjustment Dispute Arbitrator, which proportionate allocations shall also be determined by the Post-Closing Adjustment Dispute Arbitrator at the time the award of the Post-Closing Adjustment Dispute Arbitrator is rendered on the merits of the disputed items. Except as provided in the preceding sentence, all other costs and expenses incurred by the Parties hereto in connection with resolving any dispute hereunder before the Post-Closing Adjustment Dispute Arbitrator shall be borne by the Party incurring such cost and expense. In resolving the Post-Closing Adjustment Dispute, the Post-Closing Adjustment Dispute Arbitrator shall, and shall be instructed by the Representatives and PIL to, (A) be bound by the provisions of this Section 2.9, and apply the Agreement and the Accounting Framework to resolve any such disputed items, (B) not assign a value to any item higher than the highest value claimed for such item or lower than the lowest value for such item claimed by either PIL or the Moneda Shareholders, (C) base its award solely on the Closing Statement, the Dispute Notice, and the Dispute Response (if applicable) and shall not otherwise conduct an independent investigation and (D) limit its decision to only such items as are in dispute.

(viii) The Parties shall, and shall use reasonable best efforts to cause their respective independent accountants and their respective Affiliates to, cooperate and assist in the calculation of the Initial Adjustment Amount and the components thereof, and in the conduct of the review by the Post-Closing Adjustment Dispute Arbitrator of any proposed calculations of the Initial Adjustment Amount or the components thereof, including making reasonably available within business hours and without any disruption to the business of the Moneda Entities or PIL and its Affiliates (to the extent necessary to resolve the items in dispute and subject to customary confidentiality and indemnity agreements) books, records, work papers and relevant personnel.

(ix) Upon final determination of the Initial Adjustment Amount (and the components thereof) pursuant to this Section 2.9(b):

(A) Closing Underpayment: If the Estimated Initial Adjustment Amount is lower than the Initial Adjustment Amount as finally determined in accordance with this Section 2.9(b) (such shortfall, the “Closing Underpayment”), then PIL shall pay the Closing Underpayment by delivering to each Moneda Shareholder, at PIL’s sole discretion (1) such Moneda Shareholder’s Pro Rata Share (as calculated by the Representatives in a notice delivered to PIL) of an aggregate amount of cash in dollars equal to the Closing Underpayment, by wire transfer of immediately available funds to the account set forth opposite each such Moneda Shareholder’s name in Annex A hereto (or such other account or accounts as may be designated by such Moneda Shareholder in accordance with Section 11.8 (Notices)), or (2) such Moneda Shareholder’s Pro Rata Share of an aggregate number of PIL Class A Shares equal to the quotient of (I) the Closing Underpayment *divided by* (II) the Measurement Price for the period of thirty (30) consecutive trading days ending on and including the full trading day prior to the date of payment; *provided* that PIL may elect to pay the Closing Underpayment in any combination of cash (in accordance with the foregoing sub-clause (1)) and shares (in accordance with the foregoing sub-clause (2)).

(B) Closing Overpayment: If the Estimated Initial Adjustment Amount is higher than the Initial Adjustment Amount as finally determined in accordance with this Section 2.9(b) (such excess, the “Closing Overpayment”), then each Moneda Shareholder shall pay the Closing Overpayment by delivering to PIL, at such Moneda Shareholder’s sole discretion (1) such Moneda Shareholder’s Pro Rata Share of an aggregate amount of cash in dollars equal to the Closing Overpayment, by wire transfer of immediately available funds to the account designated by PIL in accordance with Section 11.8 (Notices), or (2) such Moneda Shareholder’s Pro Rata Share of an aggregate number of shares equal to the quotient of (I) the Closing Overpayment *divided by* (II) the Measurement Price for the period of thirty (30) consecutive trading days ending on and including the full trading day prior to the date of payment, by delivering any PIL Class A Shares that such Moneda Shareholder may have received in accordance with this Agreement, or PIL Class B Shares; *provided* that the Moneda Shareholders may elect to pay the Closing Overpayment by delivering any combination of cash (in accordance with the foregoing sub-clause (1)) and shares (in accordance with the foregoing sub-clause (2)); *provided, further*, that in no event shall the aggregate amount which each Moneda Shareholder is obligated to pay PIL pursuant to this clause (B) exceed an amount in dollars equal to such Moneda Shareholder’s Pro Rata Share of the Closing Overpayment.

(x) Any payment of the Closing Underpayment or the Closing Overpayment, as applicable, pursuant to this Section 2.9 shall be payable within ten (10) Business Days after the date the Initial Adjustment Amount is finally determined in accordance with this Section 2.9, together with Interest thereon payable in cash accruing from the date such payment is due until the date of payment, calculated on the basis of a year of three hundred sixty-five (365) days.

Section 2.10 Adjusted Net Income Adjustment .

(a) No later than thirty (30) days after the audited annual consolidated financial statements of the Surviving Corporation for the year ended December 31, 2021 are approved by its board of directors (the "ANI Adjustment Calculation Deadline"), PIL shall provide to the Representatives a written statement setting forth PIL's good faith calculation of the ANI Adjustment Amount (the "ANI Adjustment Amount Calculation"), including reasonable supporting detail for such calculation, and prepared in accordance with (w) IFRS, applied in a manner consistent with past practices of the Company, and using the Accounting Framework and (x) the definitions of Adjusted Net Income 2021, ANI Adjustment Amount and, in each case, with any other component definitions thereof set forth in this Agreement. If PIL does not deliver the ANI Adjustment Amount Calculation to the Representatives before the expiration of the ANI Adjustment Calculation Deadline, the Representatives may elect by written notice to PIL to prepare the ANI Adjustment Amount Calculation as required hereunder. Upon the Representatives' preparation of the ANI Adjustment Amount Calculation and delivery of such to PIL, PIL shall have thirty (30) days to review the ANI Adjustment Amount Calculation and the dispute provisions outlined below shall apply *mutatis mutandis*.

(b) Within thirty (30) days following receipt of the ANI Adjustment Amount Calculation, the Representatives may provide written notice to PIL disputing all or a part of the ANI Adjustment Amount Calculation, in which case the dispute resolution process set forth in Section 2.9(b)(iii)-(viii) shall apply *mutatis mutandis* to the resolution of any disputes related to the ANI Adjustment Amount Calculation. If the Representatives do not deliver such notice within such thirty (30)-day period, or if the Representatives accept in writing the ANI Adjustment Amount Calculation before the expiration of such thirty (30)-day period, then the ANI Adjustment Amount Calculation delivered by PIL shall become final and binding on the Parties for all purposes hereunder.

(c) Within five (5) Business Days after the date on which the ANI Adjustment Amount (and the components thereof) is finally determined pursuant to this Section 2.10 (such amount, the "Final ANI Adjustment Amount"):

(i) If the Final ANI Adjustment Amount is greater than zero, then PIL shall pay the Final ANI Adjustment Amount by delivering to each Moneda Shareholder, at PIL's sole discretion (A) such Moneda Shareholder's Pro Rata Share (as calculated by the Representatives in a notice delivered to PIL) of an aggregate amount of cash in dollars equal to the Final ANI Adjustment Amount, by wire transfer of immediately available funds to the account set forth opposite each such Moneda Shareholder's name in Annex A hereto (or such other account or accounts as may be designated by such Moneda Shareholder in accordance with Section 11.8 (Notices)), or (B) such Moneda Shareholder's Pro Rata Share of an aggregate number of PIL Class A Shares equal to the quotient of (I) the Final ANI Adjustment Amount *divided by* (II) the Measurement Price for the period of thirty (30) consecutive trading days ending on and including the full trading day prior to the date of payment; *provided that* PIL may elect to pay the Final ANI Adjustment Amount in any combination of cash (in accordance with the foregoing sub-clause (A)) and shares (in accordance with the foregoing sub-clause (B)); and

(ii) If the Final ANI Adjustment Amount is less than zero, then each Moneda Shareholder shall pay the Final ANI Adjustment Amount by delivering to PIL, at such Moneda Shareholder's sole discretion (A) such Moneda Shareholder's Pro Rata Share of an aggregate amount of cash in dollars equal to the Final ANI Adjustment Amount, by wire transfer of immediately available funds to the account designated by PIL in accordance with Section 11.8 (Notices), or (B) such Moneda Shareholder's Pro Rata Share of an aggregate number of shares equal to the quotient of (I) the Final ANI Adjustment Amount *divided by* (II) the Measurement Price for the period of thirty (30) consecutive trading days ending on and including the full trading day prior to the date of payment, by delivering any PIL Class A Shares that such Moneda Shareholder may have received in accordance with this Agreement, or PIL Class B Shares; *provided* that the Moneda Shareholders may elect to pay the Final ANI Adjustment Amount by delivering any combination of cash (in accordance with the foregoing sub-clause (A)) and shares (in accordance with the foregoing sub-clause (B)); *provided, further*, that in no event shall the aggregate amount which each Moneda Shareholder is obligated to pay PIL pursuant to this clause (ii) exceed an amount in dollars equal to such Moneda Shareholder's Pro Rata Share of the Final ANI Adjustment Amount.

(d) If the ANI Adjustment Calculation Deadline has expired prior to the delivery of the Estimated Closing Statement pursuant to the terms herein, the Moneda Shareholders and PIL, as applicable, shall cooperate in good faith to reflect the ANI Adjustment Amount in the Estimated Closing Statement and Estimated Initial Adjustment Amount, and thereafter in the Closing Statement and the Initial Adjustment Amount, without duplication.

(e) Any payment of the Final ANI Adjustment Amount pursuant to this Section 2.10 shall accrue Interest payable in cash from the date such payment is due until the date of payment, calculated on the basis of a year of three hundred sixty-five (365) days.

(f) Any payment pursuant to this Section 2.10 shall be deemed an adjustment to the Total Cash Consideration.

Section 2.11 Earn-Out .

(a) Calculation of Earn-Out Amount. In addition to the consideration payable to the Moneda Shareholders pursuant to the other provisions of this Article 2, the Moneda Shareholders shall have the right to receive additional consideration for the Cash Purchase Shares from PIL of up to an aggregate amount of **[**]** dollars (**[\$**]**), subject to the terms and conditions set forth in this Section 2.11; *provided* that no Earn-Out Amount shall be payable pursuant to this Section 2.11 if the Weighted Net Income Margin of the Moneda Entities for the years ended December 31, 2022 and December 31, 2023 (the "Earn-Out Period") is less than **[**]** percent (**[**]**%).

(b) The Dollar/Euro Earn-Out Amount shall be calculated as follows; *provided* that the Dollar/Euro Earn-Out Amount shall in no event exceed **[**]** dollars (**[\$**]**):

(i) If the Dollar/Euro Adjusted Net Revenue Growth is less than **[**]**percent (**[**]**%), the Dollar/Euro Earn-Out Amount shall be zero;

- (ii) If the Dollar/Euro Adjusted Net Revenue Growth is equal to [**] percent ([**]%), the Dollar/Euro Earn-Out Amount shall be [**] dollars (\$[**]);
- (iii) If the Dollar/Euro Adjusted Net Revenue Growth is equal to or exceeds [**] percent ([**]%), the Dollar/Euro Earn-Out Amount shall be [**] dollars (\$[**]); and
- (iv) If the Dollar/Euro Adjusted Net Revenue Growth is equal to or exceeds [**] percent ([**]%) but is less than [**] percent ([**]%), the Dollar/Euro Earn-Out Amount shall be adjusted on a straight linear interpolation basis between [**] dollars (\$[**]) and [**] dollars (\$[**]), as set forth for illustrative purposes in the Example Earn-Out Statement.
- (c) The Non-Dollar/Euro Earn-Out Amount shall be calculated as follows; *provided* that the Non-Dollar/Euro Earn-Out Amount shall in no event exceed [**] dollars (\$[**]):
- (i) If the Non-Dollar/Euro Adjusted Net Revenue Growth is less than [**]percent ([**]%), the Dollar/Euro Earn-Out Amount shall be zero;
- (ii) If the Non-Dollar/Euro Adjusted Net Revenue Growth is equal to [**] percent ([**]%), the Dollar/Euro Earn-Out Amount shall be [**] dollars (\$[**]);
- (iii) If the Non-Dollar/Euro Adjusted Net Revenue Growth is equal to or exceeds [**] percent ([**]%), the Dollar/Euro Earn-Out Amount shall be [**] dollars (\$[**]); and
- (iv) If the Non-Dollar/Euro Adjusted Net Revenue Growth is equal to or exceeds [**] percent ([**]%) but is less than [**] percent ([**]%), the Non-Dollar/Euro Earn-Out Amount shall be adjusted on a straight linear interpolation basis between [**] dollars (\$[**]) and [**] dollars (\$[**]), as set forth for illustrative purposes in Example Earn-Out Statement.
- (d) The GDI Earn-Out Amount shall be calculated as follows; *provided* that the GDI Earn-Out Amount shall in no event exceed [**] dollars (\$[**]):
- (i) If the GDI Adjusted Net Revenue Growth is less than [**] percent ([**]%), the GDI Earn-Out Amount shall be zero;
- (ii) If the GDI Adjusted Net Revenue Growth is equal to [**] percent ([**]%), the GDI Earn-Out Amount shall be [**] dollars (\$[**]);
- (iii) If the GDI Adjusted Net Revenue Growth is equal to or exceeds [**] percent ([**]%), the GDI Earn-Out Amount shall be [**] dollars (\$[**]); and
- (iv) If the GDI Adjusted Net Revenue Growth is equal to or exceeds [**] percent ([**]%) but is less than [**] percent ([**]%), the GDI Earn-Out Amount shall be adjusted on a straight linear interpolation basis between [**] dollars (\$[**]) and dollars (\$[**]), as set forth for illustrative purposes in Example Earn-Out Statement.

(e) No later than thirty (30) days after the audited annual consolidated financial statements of the Surviving Corporation for the year ended December 31, 2023 are approved by its board of directors, PIL shall provide the Representatives a written statement setting forth PIL's good faith calculation of the Dollar/Euro Adjusted Net Revenue Growth, the Non-Dollar/Euro Adjusted Net Revenue Growth, the GDI Adjusted Net Revenue Growth and any resulting Earn-Out Amount (the "Earn-Out Notice"), including reasonable supporting detail for such calculations and prepared in accordance with (w) IFRS, applied in a manner consistent with past practices of the Company, and using the Accounting Framework, (x) the definition of Adjusted Net Revenue and with any other component definitions thereof set forth in this Agreement. If PIL does not deliver the Earn-Out Notice to the Representatives within such thirty (30)-day period, the Representatives may elect by written notice to PIL to prepare the Earn-Out Notice as required hereunder. Upon the Representatives' preparation of the Earn-Out Notice and delivery of such to PIL, PIL shall have thirty (30) days to review the Earn-Out Notice and the dispute provisions outlined below shall apply *mutatis mutandis*.

(f) Within thirty (30) days following receipt of the Earn-Out Notice, the Representatives may provide written notice to PIL disputing all or a part of the Earn-Out Amount, in which case the dispute resolution process set forth in Section 2.9(b)(iii)-(viii) shall apply *mutatis mutandis* to the resolution of any disputes related to the determination of the Earn-Out Amount. If the Representatives do not deliver such notice to PIL within such fifteen (15)-day period, or if PIL accepts in writing the Earn-Out Amount before such thirty (30)-day period, then the Earn-Out Amount calculated by PIL shall become final and binding on the Parties for all purposes hereunder.

(g) Within ten (10) Business Days after the date on which any Earn-Out Amount (and the components thereof) is finally determined pursuant to this Section 2.11, PIL shall pay the Earn-Out Amount by delivering to each Moneda Shareholder, at PIL's sole discretion (A) such Moneda Shareholder's Pro Rata Share (as calculated by the Representatives in a notice delivered to PIL) of an aggregate amount of cash in dollars equal to the Earn-Out Amount, by wire transfer of immediately available funds to the account set forth opposite each such Moneda Shareholder's name in Annex A hereto (or such other account or accounts as may be designated by such Moneda Shareholder in accordance with Section 11.8 (*Notices*)), or (B) such Moneda Shareholder's Pro Rata Share of an aggregate number of PIL Class A Shares equal to the quotient of (1) the Earn-Out Amount *divided by* (II) the Measurement Price for the period of thirty (30) consecutive trading days ending on and including the full trading day prior to the date of payment; *provided* that PIL may elect to pay the Earn-Out Amount by delivering any combination of cash (in accordance with the foregoing sub-clause (A)) and shares (in accordance with the foregoing sub-clause (B)).

(h) The Parties acknowledge and agree that (i) the split of the Earn-Out Amount payable pursuant to the foregoing clauses (b) and (c) between the Dollar/Euro Earn-Out Amount and the Non-Dollar/Euro Earn-Out Amount in **[**]** (**[**]** percent (**[**]**%) each) is based on the Parties' assumption that such split will be consistent with the proportion between the Dollar/Euro Adjusted Net Revenue and the Non-Dollar/Euro Adjusted Net Revenue during the Earn-Out Period; and (ii) if the Dollar/Euro Adjusted Net Revenue represents less than **[**]** percent (**[**]**%) or more than **[**]** percent (**[**]**%) of the total Moneda Entities' Adjusted Net Revenue for 2023, such **[**]** percent (**[**]**%) / **[**]** percent (**[**]**%) split of the Earn-Out Amount payable under the foregoing clauses (b) and (c) shall be proportionally adjusted to reflect the proportion that the Dollar/Euro Adjusted Net Revenue and Non-Dollar/Euro Adjusted Net Revenue bear to the total Moneda Entities' Adjusted Net Revenue for 2023.

(i) During the Earn-Out Period, the Parties shall act in good faith with the intent of ensuring that each of the Moneda Entities act in their own best long-term interest and not in a manner prejudicial to or competitive with the long-term interests of PIL and PIL shall not and shall cause its Subsidiaries (including, after the Closing, the Moneda Entities) not to, take or cause to be taken any action intended to reduce any Earn-Out Amount.

(j) Without limiting the generality of the foregoing, during the Earn-Out Period, with respect to the Moneda Entities or the Business, PIL shall and shall cause its Subsidiaries (including, after the Closing, the Moneda Entities):

(i) not to, without the prior written consent of the Moneda Shareholders, directly or indirectly, either in one or a series of transactions, (1) sell, transfer, assign, otherwise dispose of, or discontinue or otherwise abandon operations in respect of, any portion of the Business or the assets of a Moneda Entity, or equity interests in any Moneda Entity, or (2) consummate any consolidation, merger, combination or other similar transaction of any Moneda Entity; and

(ii) not to negatively impact the Earn-Out Amount by function or costs of PIL or its Affiliates (other than the Moneda Entities) or allocate to any Moneda Entity any costs of PIL or any of its Affiliates that are not related to, associated with or attributable, in whole or in the appropriate portion, to the business, operations or activities of the Moneda Entities, as the case may be.

(k) During the Earn-Out Period, if PIL or any of its Affiliates were to acquire any target company or business in Chile in the investment management sector in which the Moneda Entities operate, PIL and the Representatives shall discuss in good faith with respect to a possible allocation to the Moneda Entities of a portion of the revenues generated by such acquired target company or business.

(l) Any payment of the Earn-Out Amount pursuant to this Section 2.11 shall accrue Interest payable in cash from the date such payment is due until the date of payment, calculated on the basis of a year of three hundred sixty-five (365) days.

(m) Any payment pursuant to this Section 2.11 shall be deemed an adjustment to the Total Cash Consideration.

Section 2.12 Deferred Consideration Payment.

(a) In addition to the consideration payable to the Moneda Shareholders pursuant to the other provisions of this Article 2, PIL shall pay each Moneda Shareholder such Moneda Shareholders' Pro Rata Share (as calculated by the Representatives in a notice delivered to PIL) of an aggregate amount of cash in dollars equal to **[**]** dollars (**[\$]****) (the "Deferred Payment"), by wire transfer of immediately available funds to the account set forth opposite each such Moneda Shareholder's name in Annex A hereto (or such other account or accounts as may be designated by such Moneda Shareholder in accordance with Section 11.8 (*Notices*)), in two lump sums of **[**]** dollars (**[\$]****) each (each a "Specified Payment"), in each case, on the terms and subject to the conditions set forth in the subsequent clauses.

(b) The payment to each Moneda Shareholder of the first Specified Payment shall be subject to the condition precedent that (i) a period of two (2) years after the Closing Date elapses, and (ii) during such period, the individual set forth opposite such Moneda Shareholder's name in Annex A (each individual, a "Specified Individual") hereto has not voluntarily resigned its employment with the Moneda Entities or otherwise been terminated for Cause.

(c) The payment to each Moneda Shareholder of the second Specified Payment shall be subject to the condition precedent that (i) a period of three (3) years after the Closing Date elapses, and (ii) during such period, the individual set forth opposite such Moneda Shareholder's name in Annex A hereto has not voluntarily resigned its employment with the Moneda Entities or otherwise been terminated for Cause.

(d) Notwithstanding anything herein to the contrary (including in the preceding clauses (b) and (c) of this Section 2.12), in the event that a Specified Acceleration Event shall have occurred as to any Guarantor, any portion of Deferred Payment that shall not have been previously paid to the Moneda Shareholder controlled by such Guarantor shall become due and payable within five (5) Business Days following written notice to PIL by such Moneda Shareholder with respect to such Specified Acceleration Event.

(e) For the avoidance of doubt, death or incapacity of any Specified Individual shall not be deemed Cause, and the portion of the Deferred Payment payable to the Moneda Shareholder related to such deceased or incapacitated Specified Individual shall be paid to such Moneda Shareholder. Any payment of the Deferred Payment pursuant to this Section 2.12 shall accrue Interest payable in cash from the date such payment is due until the date of payment, calculated on the basis of a year of three hundred sixty-five (365) days.

(f) Any payment pursuant to this Section 2.12 shall be deemed an adjustment to the Total Cash Consideration.

Section 2.13 Carlyle Trigger Event.

(a) If any Carlyle Trigger Event occurs, PIL shall provide to the Representatives no later than thirty (30) days after such Carlyle Trigger Event Date a written statement setting forth PIL's good faith calculation of the Carlyle Trigger Event Adjustment Amount (the "CTEAA Calculation") including the reasonable supporting detail for such calculation. The CTEAA Calculations shall be prepared in accordance with (w) IFRS, applied in a manner consistent with past practices of the Company, and using the Accounting Framework, (x) the definitions of Carlyle Distribution Business, Carlyle Trigger Event Adjustment Amount and, in each case, with any other component definitions thereof set forth in this Agreement.

(b) Within thirty (30) days of receipt of the CTEAA Calculation, the Representatives may provide written notice to PIL disputing all or a part of the CTEAA Calculation, in which case the dispute resolution process set forth in Section 2.9(b)(iii)-(viii) shall apply *mutatis mutandis* to the resolution of any disputes related to the Carlyle Trigger Event Adjustment Amount. If the Representatives do not deliver such notice within such thirty (30)-day period, or if the Representatives accept in writing the CTEAA Calculation before the expiration of such thirty (30)-day period, then the Carlyle Trigger Event Adjustment Amount as set forth in the CTEAA Calculation shall become final and binding on the Parties for all purposes hereunder.

(c) Within five (5) Business Days after the date on which the Carlyle Trigger Event Adjustment Amount (and the components thereof) is finally determined pursuant to this Section 2.13, each Moneda Shareholder shall pay to PIL, at such Moneda Shareholder's sole discretion (i) such Moneda Shareholder's Pro Rata Share of an aggregate amount of cash in dollars equal to the Carlyle Trigger Event Adjustment Amount, by wire transfer of immediately available funds to the account designated by PIL in accordance with Section 11.8 (Notices), or (ii) such Moneda Shareholder's Pro Rata Share of a number of shares equal to the quotient of (I) the Carlyle Trigger Event Adjustment Amount *divided by* (II) the Measurement Price for the period of thirty (30) consecutive trading days ending on and including the full trading day prior to the date of payment, by delivering any PIL Class A Shares that such Moneda Shareholder may have received in accordance with this Agreement, or PIL Class B Shares; *provided* that the Moneda Shareholders may elect to pay the Carlyle Trigger Event Adjustment Amount by delivering any combination of cash (in accordance with the foregoing sub-clause (i)) and shares (in accordance with the foregoing sub-clause (ii)); *provided, further*, that in no event shall the aggregate amount which each Moneda Shareholder is obligated to pay PIL pursuant to this clause (c) exceed an amount in dollars equal to such Moneda Shareholder's Pro Rata Share of the Carlyle Trigger Event Adjustment Amount.

(d) If any Carlyle Trigger Event has occurred prior to the delivery of the Estimated Closing Statement pursuant Section 2.9, the Moneda Shareholders and PIL shall cooperate in good faith to include the applicable Carlyle Trigger Event Adjustment Amount as part of the Estimated Closing Statement and Estimated Initial Adjustment Amount, and thereafter in the Closing Statement and the Initial Adjustment Amount, without duplication.

(e) If any Carlyle Trigger Event has occurred, any Net Revenue accrued by or attributable to (less any direct cost incurred by or attributable to) the relevant portion of the Carlyle Distribution Business relating to such Carlyle Trigger Event on or after January 1, 2022, shall be for the benefit of the Moneda Shareholders.

(f) Any payment pursuant to this Section 2.13 shall be deemed an adjustment to the Total Cash Consideration.

Section 2.14 Withholding. Each Party and its Affiliates shall be entitled to deduct and withhold, or cause to be deducted and withheld, from any amounts otherwise payable pursuant to this Agreement, such amounts as are required to be deducted or withheld with respect to the making of such payment under Applicable Law; provided that each Party and its Affiliates, if applicable, will use commercially reasonable efforts to provide reasonable advanced notice of any such withholding or deduction and shall work with the other Party in good faith to reduce or eliminate any such deduction or withholding (it being agreed and understood that general disclosure of U.S. federal backup withholding of the type customarily included in letters of transmittal and similar forms provided to payees constitutes “reasonable advance notice” for purposes of this Section 2.14). Any Party required to withhold any amount hereunder shall deliver to the other Party (a) evidence of such withholding and (b) evidence of payment of the respective withholding Taxes within fifteen (15) days after payment is to be made to the appropriate Governmental Authority in accordance with Applicable Law. To the extent that amounts are so deducted or withheld, such deducted or withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Person in respect of which such deduction and withholding was made.

Section 2.15 Stock Pledge Agreement. Simultaneously with the Closing, the Moneda Shareholders shall pledge to PIL the Closing Share Consideration in accordance with the terms and conditions set forth in each Pledge and Lock-Up Agreement, to be automatically released upon the occurrence of the events and pursuant to the terms specified therein.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES RELATING TO THE MONEDA ENTITIES
AND THE MONEDA SHAREHOLDERS

Except as set forth in the written disclosure schedule delivered to PIL by the Company concurrently with the execution and delivery of this Agreement (the “Company Disclosure Schedule”), (a) each Moneda Shareholder hereby represents and warrants to PIL, severally and not jointly, with respect to such Moneda Shareholder and the Company and each Moneda Entity, and (b) the Company hereby represents and warrants to PIL with respect to itself and each Moneda Entity, as follows:

Section 3.1 Organization and Related Matters.

(a) Each Moneda Entity (i) is duly organized and validly existing under the Laws of its jurisdiction of organization, incorporation or formation, (ii) has the requisite corporate power and authority necessary to carry on its respective Business substantially in the manner as it is now being conducted and to own, lease and operate all of its properties and assets and (iii) is duly qualified to do business in each jurisdiction in which it is conducting its business, or the operation, ownership or leasing of its properties and assets make such qualification necessary, except where the failure to be so qualified would not, individually or in the aggregate, reasonably be expected to be material to such Moneda Entity, or prohibit or materially impair or delay such Moneda Entity’s ability to consummate the Transactions.

(b) Such Moneda Shareholder (i) is duly organized and validly existing under the Laws of its jurisdiction of organization, incorporation or formation, (ii) has the requisite corporate power and authority necessary to carry on its respective business substantially in the manner as it is now being conducted and to own, lease and operate all of its properties and assets, (iii) duly licensed or qualified to do business in each jurisdiction in which it is conducting its business, or the operation, ownership or leasing of its properties and assets make such qualification or licensing necessary, except where the failure to be so licensed or qualified would not, individually or in the aggregate, reasonably be expected to be material to such Moneda Shareholder’s ability, or prohibit or materially impair or delay the Moneda Shareholders to consummate the Transactions and (iv) other than as set forth in Schedule 3.1(b), is Controlled by the Specified Individual set forth opposite such Moneda Shareholder’s name on Annex A hereto.

Section 3.2 Authority; No Violations.

(a) The Company has, and each Moneda Entity will have, as of the Closing, all requisite corporate power and authority to execute and deliver the Transaction Agreements to which it is or will be a party and to consummate the Transactions. The execution, performance and delivery of this Agreement by the Company have been, and the execution, performance and delivery of the Ancillary Agreements to which each Moneda Entity is or will be a party and the consummation of the Transactions by each Moneda Entity have been, as of the Closing, duly and validly authorized by all requisite action thereof and no other corporate proceedings or shareholder action on the part of any Moneda Entity will be necessary to authorize, or approve its execution and delivery of this Agreement and the Ancillary Agreements, to perform its obligations hereunder and thereunder, or to consummate the Transactions, other than (i) the shareholder approval required to effect the Merger and (ii) the filing of the Plan of Merger and related documentation with the Registrar of Companies of the Cayman Islands and publication of notice of the Merger in the Cayman Islands Government Gazette pursuant to the CICA. This Agreement has been (and the execution and delivery of each Ancillary Agreement to which a Moneda Entity will be a party will be) duly executed and delivered by each Moneda Entity, as applicable, constitutes (and each such Ancillary Agreement when so executed and delivered by the applicable Moneda Entity will constitute) a valid, legal and binding agreement of the Moneda Entities (assuming that this Agreement has been, and the Ancillary Agreements to which the Moneda Entity is a party will be, duly and validly authorized, executed and delivered by the other Persons party thereto), enforceable against the respective Moneda Entity in accordance with their terms, except (i) to the extent that enforceability may be limited by applicable bankruptcy, liquidation, insolvency, fraudulent conveyance, reorganization, moratorium, preference or other Laws affecting the enforcement of creditors’ rights generally and (ii) that the availability of equitable remedies, including specific performance, is subject to the discretion of the court before which any proceeding thereof may be brought.

(b) No notices to, filings with or authorizations, consents or approvals of any Governmental Authority (collectively, “Governmental Filings”) are necessary to be made by or received by the Company or such Moneda Shareholder for the execution, delivery or performance by the Company and such Moneda Shareholder of this Agreement or the Ancillary Agreements to which the Company is or will be a party or the consummation by the Company of the Transactions, except for (i) compliance with, and filings related to, the FNE Filing, (ii) filings listed on Section 3.2(b) of the Company Disclosure Schedule, (iii) the filing of the Plan of Merger by MAM II HoldCo and related documentation with the Registrar of Companies of the Cayman Islands and publication of notice of the Merger in the Cayman Islands Government Gazette pursuant to the CICA (iv) any Governmental Filings of the Company that become applicable as a result of matters specifically related to PIL or its Affiliates and (v) those the failure of which to obtain or make would not reasonably be expected to materially impair or delay Moneda Entities or such Moneda Shareholder’s ability to consummate the Transaction on a timely basis.

(c) Except as set forth in Section 3.2(c) of the Company Disclosure Schedule, (i) no vote of the holders of any class or series of capital stock of the Moneda Entities is necessary to approve this Agreement, each other Ancillary Agreement to which it is or will be a party or the Pre-Closing Reorganization as applicable to each such Moneda Entity; and (ii) except for dissenter’s rights applicable to MAM II HoldCo upon the Merger, no dissenter’s rights will be applicable with respect to the Transactions.

(d) Each of the Moneda Shareholders has all requisite corporate power and authority to execute and deliver this Agreement and the Ancillary Agreements to which it is or will be a party and to consummate the Transactions. The execution and delivery of this Agreement by the Company, and, as of the Closing, the execution and delivery of the Ancillary Agreements to which such Moneda Shareholder will be a party and the consummation of the Transactions by such Moneda Shareholder will have been duly and validly authorized by all requisite action of such Moneda Shareholder and no other corporate proceedings or shareholder action on the part of such Moneda Shareholder are necessary to authorize, or approve its execution and delivery of this Agreement and the Ancillary Agreements to which such Moneda Shareholder is a party, to perform its obligations hereunder and thereunder, or to consummate the Transactions. This Agreement has been (and the execution and delivery of each Ancillary Agreement to which such Moneda Shareholder will be a party will be) duly executed and delivered by such Moneda Shareholder and constitutes (and each such Ancillary Agreement when so executed and delivered by such Moneda Shareholder will constitute) a valid, legal and binding agreement of such Moneda Shareholder (assuming that this Agreement has been, and the Ancillary Agreements to which such Moneda Shareholder is a party will be, duly and validly authorized, executed and delivered by the other Persons party thereto), enforceable against such Moneda Shareholder in accordance with their terms, except (i) to the extent that enforceability may be limited by applicable bankruptcy, liquidation, insolvency, fraudulent conveyance, reorganization, moratorium, preference or other Laws affecting the enforcement of creditors’ rights generally and (ii) that the availability of equitable remedies, including specific performance, is subject to the discretion of the court before which any proceeding thereof may be brought.

(e) Except as set forth in Section 3.2(e) of the Company Disclosure Schedule, no vote of the holders of any class or series of capital stock of any of the Moneda Shareholders is necessary to approve this Agreement, each other Ancillary Agreement to which such Moneda Shareholder is or will be a party or the Pre-Closing Reorganization as applicable to each such Moneda Shareholder.

Section 3.3 Non-Contravention.

(a) Except as set forth in Section 3.3 of the Company Disclosure Schedule, assuming all Governmental Filings described in Section 3.2(b) (*Company's Governmental Filings*) and Section 4.2(b) (*PIL's Governmental Filings*) have been obtained or made (and any applicable waiting period has expired or terminated), and the execution and delivery by the Company of this Agreement and, as of the Closing, of the Ancillary Agreements to which each Moneda Entity is or will be a party, and the performance of its obligations hereunder and thereunder (including the consummation of the Transactions) do not or will not (a) violate any provision of the Organizational Documents of such Moneda Entity, (b) violate any Law to which such Moneda Entity is subject, (c) require any consent of or notice to any Person under, or result in a violation or breach of, or constitute (with or without notice or lapse of time or both) a default or give rise to any right of termination, cancellation or acceleration under, any Material Contract or (d) except as contemplated by this Agreement or the Ancillary Agreements, result in the creation or imposition of any Encumbrance other than Permitted Encumbrances on any asset of the Moneda Entities, except for any creation of an Encumbrance that would not materially impair or delay such Moneda Entity's ability to consummate the Transaction.

(b) Except as set forth in Section 3.3 of the Company Disclosure Schedule, assuming all material Governmental Filings described in Section 3.2(b) (*Company's Governmental Filings*) and Section 4.2(b) (*PIL's Governmental Filings*) have been obtained or made (and any applicable waiting period has expired or terminated), and the execution and delivery by each Moneda Shareholder of this Agreement and the Ancillary Agreements to which such Moneda Shareholder is or will be a party and the performance of its respective obligations hereunder and thereunder (including the consummation of the Transactions) do not or will not (a) violate any provision of the Organizational Documents of any Moneda Shareholder, (b) violate any Law to which such Moneda Shareholder is subject, (c) require any consent of or notice to any Person under, or result in a violation or breach of, or constitute (with or without notice or lapse of time or both) a default or give rise to any right of termination, cancellation or acceleration under, any Material Contract or (d) except as contemplated by this Agreement or the Ancillary Agreements, result in the creation or imposition of any Encumbrance other than Permitted Encumbrances on any asset of the Company, except, as to (b) and (c) as would not, individually or in the aggregate, reasonably be expected to be material to such Moneda Entity.

Section 3.4 Capital Structure; Subsidiaries.

(a) As of the date hereof, the authorized capital stock of the Company consists of 34,710 issued and outstanding common shares of a single series. Except as set forth in Section 3.4(a) of the Company Disclosure Schedule, all of the issued and outstanding shares of capital stock of the Company are duly authorized, validly issued, fully paid and non-assessable and free of preemptive rights, rights of first refusal or any similar rights and are owned free and clear of any Encumbrance by each of the Moneda Shareholders as set forth in Section 3.4(a) of the Company Disclosure Schedule. Except as set forth in Section 3.4(a) of the Company Disclosure Schedule, neither the Company nor any of its Subsidiaries directly or indirectly owns beneficially or of record any equity interest in any Person, other than the Subsidiaries of the Company, and other than any such interest of any Person held in accordance with Applicable Law for investment purposes in the ordinary course of business.

(b) Other than as set forth in Section 3.4(b) of the Company Disclosure Schedule, there are no outstanding securities, options, warrants, calls, or other similar rights, commitments, agreements, arrangements or undertakings (“Equity Rights”) (i) obligating any Moneda Entity to issue, deliver, redeem, purchase or sell, or cause to be issued, delivered, redeemed, purchased or sold, any shares or any other equity interests in any Moneda Entity or in any of their respective properties or assets or any instruments or obligations convertible or exchangeable into or exercisable for any Shares or any other equity interests in any Moneda Entity or in any of their respective properties or assets, (ii) giving any Person a right to subscribe for or acquire any Shares or any other equity interests in any Moneda Entity or in any of their respective properties or assets or (iii) obligating any Moneda Entity to issue, grant, adopt or enter into any such Equity Right.

(c) None of the Moneda Entities have outstanding any bonds, debentures, notes or other similar obligations having the right to vote (or convertible into, or exchangeable or exercisable for, securities having the right to vote) with the stockholders of the Moneda Entities on any matter. Except as set forth in Section 3.4(c) of the Company Disclosure Schedule; (i) there are no stockholder agreements, voting trusts or other agreements or understandings to which the Company or any of its Subsidiaries is a party with respect to the holding, voting, registration, redemption, repurchase or disposition, or that restricts the transfer of, any capital stock or other voting securities or equity interests of the Company and (ii) there are no stockholder agreements, voting trusts or other agreements or understandings to which such Moneda Shareholder is a party with respect to the holding, voting, registration, redemption, repurchase or disposition, or that restricts the transfer of, any capital stock or other voting securities or equity interests of the Company or (after the Closing) PIL.

(d) Section 3.4(d) of the Company Disclosure Schedule, sets forth a correct and complete list, as of the date of this Agreement, of each Subsidiary of the Company, indicating the type of entity and jurisdiction of organization. Except as set forth in Section 3.4(d) of the Company Disclosure Schedule, the Company owns, directly or indirectly, all of the issued and outstanding equity interests in, and other securities of, each Subsidiary of the Company, free and clear of any Encumbrances. All of the issued and outstanding equity interests of each Subsidiary of the Company have been duly authorized and are validly issued, fully paid and non-assessable and are free of preemptive rights. Each Subsidiary of the Company (i) is duly organized and validly existing under the Laws of the jurisdiction of its formation, (ii) has the requisite power and authority necessary to carry on its respective Business substantially in the manner as it is now being conducted and to own, lease and operate all of its properties and assets and (iii) is duly qualified to do business in each jurisdiction in which it is conducting its business, or the operation, ownership or leasing of its properties and assets make such qualification necessary, except where the failure to be so qualified as would not, individually or in the aggregate, reasonably be expected be material to such Moneda Entity.

Section 3.5 Financial Statements.

(a) The Company has made available to PIL copies of (a) the audited consolidated balance sheets of the Company and its Subsidiaries as of December 31, 2020, December 31, 2019, and December 31, 2018, and the related audited statements of income, changes in shareholders’ equity and cash flows for the fiscal years ended December 31, 2020, December 31, 2019, and December 31, 2018, with respect to the Company and its Subsidiaries (collectively, the “Audited Financial Statements”) and (b) the unaudited consolidated balance sheets of the Company and its Subsidiaries as of July 31, 2021 (the “Balance Sheet Date”), and the related unaudited statements of income for the three-month period ended July 31, 2021, with respect to the Company and its Subsidiaries (collectively, the “Unaudited Financial Statements” and, together with the Audited Financial Statements, the “Financial Statements”). The Financial Statements have been prepared in all material respects in accordance with IFRS applied on a consistent basis (except as may be indicated in the notes thereto) and fairly present, in all material respects, the consolidated financial position of the Company and its Subsidiaries as of the dates thereof and the results of operations, stockholders’ equity and cash flows for the periods then ended (subject, in the case of the Unaudited Financial Statements, to the absence of footnotes and normal year-end adjustments and to any other adjustments described therein). The Company has established and maintains a system of internal accounting controls sufficient to provide reasonable assurances that (A) all transactions are executed in accordance with the general or specific authorization of the management of the Company and (B) transactions are recorded as necessary to permit the preparation of financial statements for external purposes in conformity with IFRS.

(b) The records, systems, controls, data and information of the Moneda Entities are recorded, stored, maintained and operated under means (including any electronic, mechanical or photographic process, whether computerized or not) that are under the exclusive ownership and direct control of the Moneda Entities or their respective accountants (including all means of access thereto and therefrom), except for any non-exclusive ownership and non-direct control that would not reasonably be expected to have a materially adverse effect on the Moneda Entities' ability to make the representations contained in Section 3.5(a). The Company maintains accounting records that fairly and accurately reflect, in all material respects, the transactions of its Subsidiaries, including the Moneda Entities, and the Company has devised, implemented and maintains internal controls sufficient to provide reasonable assurances regarding the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. Neither the Company nor any of its Subsidiaries nor, to the Knowledge of the Company, any director, officer, auditor, accountant, consultant or representative of the Company or any of its Subsidiaries has, since January 1, 2019, through the date hereof, received written notice of any substantive complaint, allegation, assertion or claim that the Moneda Entities has engaged in questionable accounting or auditing practices.

Section 3.6 Absence of Liabilities.

(a) The Moneda Entities do not have any liabilities other than (i) liabilities disclosed or reserved for in the Financial Statements (ii) liabilities incurred under or in accordance with the Transaction Agreements (including in connection with the Pre-Closing Reorganization) and (iii) liabilities incurred by the Moneda Entities after December 31, 2020, in the ordinary course of business consistent with past practice that would not reasonably be expected, individually or in the aggregate, to (x) be material to the Moneda Entities, taken as a whole or (y) prohibit or materially impair the Moneda Entities' or the Moneda Shareholders' ability to consummate the transactions contemplated hereby or thereby or perform their obligations hereunder on a timely basis.

(b) No order has been notified to the Moneda Shareholders, or any of the Moneda Entities, nor have any of the foregoing submitted or received any request, for the purpose of discussing or adopting a resolution aimed at the liquidation of the Moneda Entities or Moneda Shareholders or for the appointment of an interim liquidator. No lawsuit has been notified either to the Moneda Entities or the Moneda Shareholders requesting the appointment of a financial controller in relation to the Moneda Entities or the Moneda Shareholders, and no liquidator has been appointed with respect to all or part of any of the properties, goods and/or obligations of the Moneda Shareholders or the Moneda Entities. Neither the Moneda Shareholders nor the Moneda Entities have been notified of any administrative or judicial decision, restraining order, attachment, order of seizure, confiscation, execution or another process in respect of all or part of any of the properties, assets and/or obligations of the Moneda Entities or the Moneda Shareholders nor there are known situations that reasonably might give rise to one or more of those.

Section 3.7 Absence of Certain Changes. Since the Balance Sheet Date, there has not occurred any Material Adverse Effect on the Company or any development, or combination of developments that, individually or in the aggregate, is reasonably expected to have a Material Adverse Effect on the Moneda Entities.

Section 3.8 Contracts.

(a) Except as set forth in Section 3.8(a) of the Company Disclosure Schedule, none of the Moneda Entities is a party to or bound by, or by which any of their assets or properties are bound or affected, any of the following as of the date hereof (collectively, the “Material Contracts”):

(i) any Contract relating to Indebtedness (other than any Indebtedness of the type referred to in clause (e) of the definition thereof) by such Moneda Entity with an outstanding principal amount in excess of \$50,000;

(ii) any Contract prohibiting or restricting in any material respect the ability of any Moneda Entity to engage in any business, to operate in any geographical area or to compete with any Person, or that requires any Moneda Entity to deal exclusively with any Person;

(iii) except as set forth on Section 3.8(a)(iii) of the Company Disclosure Schedule, any Advisory Agreement involving aggregate payments or consideration of such Moneda Entity of more than \$100,000 in any year;

(iv) any joint venture, partnership or similar agreement material to the Business, as currently conducted;

(v) any Contract that requires that a Moneda Entity after the Closing to make referrals of business or make available business opportunities or products or services to any person on a priority or exclusive basis;

(vi) any Contract relating to the acquisition or disposition of any business, capital stock or assets of any Person (whether by merger, sale of stock, sale of assets or otherwise) for consideration greater than \$50,000 or that has any remaining obligations under any “earn-out” or other contingent consideration provisions;

(vii) any Contract entered into relating to the disposition or acquisition of any line of business by any Moneda Entity (other than this Agreement);

(viii) any Contract involving a remaining commitment by such Moneda Entity to pay capital expenditures in excess of \$50,000;

(ix) any custodial arrangement, brokerage agreement or other Contract for the provision of custodial, brokerage or other similar services involving aggregate payments or consideration of more than \$50,000 in any year;

(x) any Contract, including any side letters, amendments, supplements or ancillary documents to any such Contracts, providing for future aggregate annual payments by or to such Moneda Entity of more than \$50,000 and that is not terminable on less than sixty (60) days' notice by such Moneda Entity;

(xi) any Contract by which a Moneda Entity has agreed to cap, rebate or discount its fees, share its fees or other payments, share its expenses, waive its fees, set its fees off against any other fees due to any Moneda Entity or to reimburse or assume any or all of its fees or expenses thereunder;

(xii) any Contract providing for future payments or the acceleration or vesting of payments that are conditioned, in whole or in part, on a transfer of equity interests or assets of any of the Moneda Entities;

(xiii) any Contract providing for the placement, distribution or sale of shares, units or other ownership interests of a Company Fund that required, or is reasonably expected to require, the provision of payments to, or the provision of payments from, the Moneda Entities in excess of \$50,000 in 2020 or 2021;

(xiv) any Contract under which any Moneda Entity has agreed not to disclose, or to maintain the confidentiality of, any information of another Person in any way relating to the Business or not to solicit or hire employees of any Person other than (A) confidentiality provisions contained in subscription agreements, separate managed account arrangements and related side letters, agreements with respect to research services, research databases, libraries or software, or third party engagement letters, in each case entered into in the ordinary course of business and (B) any such Contract entered into by any Moneda Entity with respect to a potential investment by one or more Moneda Entities in the ordinary course of business;

(xv) any Contract that is primarily a Contract of guarantee, support, indemnification, assumption or endorsement of, or any similar commitment with respect to liabilities of any Person other than the Moneda Entities or, with respect to Company Funds, Subsidiaries of such Company Funds other than portfolio companies where the potential exposure under such Contract is more than \$50,000;

(xvi) any administration agreement or any other Contract providing for administrative services to a Company Fund that is required, or is reasonably expected to require, the provision of payments to, or for the provision of payments from, the Moneda Entities in 2020 or 2021 in excess of \$50,000 and by its terms is not terminable without penalty upon notice of thirty (30) days or less;

(xvii) any Contract requiring any Moneda Entity (A) to co-invest with any other Person; (B) to provide seed capital or similar investment or (C) to invest in any investment product (including, any such Contract requiring additional or "follow-on" capital contributions to any Company Fund);

(xviii) any Contract that (A) purports to restrict or limit any Moneda Entity or any of their respective Affiliates, before or after the Closing, in their respective business or (B) that contains an exclusivity provision or provisions regarding priority with respect to the allocation of investment opportunities;

(xix) any Contract with any Governmental Authority (other than sovereign wealth funds with respect to which a Company Advisor acts as investment manager or investment adviser);

(xx) any settlement agreements under which any Moneda Entity has continuing liabilities in excess of \$50,000;

(xxi) any hedging, derivatives or similar contract or arrangements in excess of \$50,000;

(xxii) any Contract containing (A) a “clawback,” or similar undertaking by the Moneda Entities requiring the reimbursement or refund of any fees or which contains a “net loss carryforward” provision or (B) a “most favored nation” or similar provision;

(xxiii) any Contract that contains (A) “key person” or similar provisions pertaining to employees of a Moneda Entity (as defined in the applicable Operative Documents thereof), (B) any of the following rights provided to a Company Fund Investor with respect to a Company Client advised or managed by a Moneda Entity (1) special withdrawal or redemption rights, (2) designation rights regarding advisory boards, directors or similar provisions, (3) anti-dilution rights or (4) special notice or reporting requirements or (C) early termination rights with respect to a Company Fund; or

(xxiv) any Contract by which (A) a third Person licenses Intellectual Property to such Moneda Entity that is material to its Business, taken as a whole, as currently conducted (except for any licenses for “off-the-shelf” or commercially available software or other commercially available technology) or (B) a Moneda Entity licenses material Intellectual Property to a third Person, other than non-exclusive licenses in the ordinary course of business.

(b) The Company has delivered or made available to PIL correct and complete copies of each Material Contract, in each case, in effect on the date hereof. Assuming each such Material Contract is binding and enforceable against the other parties thereto (other than the Moneda Entities), each Material Contract is a legal, valid and binding agreement of the applicable Moneda Entity and is in full force and effect, except as may be limited by applicable bankruptcy, liquidation, insolvency, fraudulent conveyance, reorganization, moratorium, preference or other Laws affecting the enforcement of creditors’ rights generally and subject to general principles of equity (regardless of whether enforcement is sought in equity or at law) and except where such failure to be so legal, valid, binding and in full force and effect as would not have a material adverse impact on the Moneda Entities, taken as a whole. Except as otherwise disclosed in Section 3.8(b) of the Company Disclosure Schedule, as of the date hereof, no Moneda Entity has received written notice of (i) a material breach or default under such Material Contract, or (ii) cancellation or termination of, or intent to cancel or terminate, such Material Contract. Except as otherwise disclosed in Section 3.8(b) of the Company Disclosure Schedule, no Moneda Entity is in material breach of or default under any Material Contract to which such Moneda Entity is a party and, to the Knowledge of the Company, no counterparty to any Material Contract is in material breach or default of such Material Contract and no event has occurred that (with the giving of notice or the lapse of time or both) would constitute such a material breach or default by any Moneda Entity.

Section 3.9 Legal Proceedings.

(a) Except as set forth in Section 3.9 of the Company Disclosure Schedule, as of the date of this Agreement, (i) there are no legal, administrative, arbitral or other proceedings (including disciplinary proceedings), claims, suits, actions or governmental or regulatory investigations or inquiries of any nature, in each case, by or before a Governmental Authority (collectively, "Proceedings") that are pending (and have been duly notified to a Moneda Entity in a written notice addressed and delivered to such Moneda Entity) or, to the Knowledge of the Company, threatened in writing against any Moneda Entity or any of their respective properties, assets or businesses that, if adversely determined, would likely have a material negative impact on such Moneda Entity, or prohibit or delay the consummation of the Transactions, and (ii) there is no Order imposed upon any Moneda Entity or any of their respective properties, assets or business, in each case, that would reasonably be expected, individually or in the aggregate, to have a material negative impact on such Moneda Entity.

(b) As of the date of this Agreement, (i) there are no Proceedings that are pending or, to the Knowledge of the Company, threatened in writing against any Moneda Shareholder or any of their respective properties, assets or businesses that, if adversely determined, would likely have a material negative impact on such Moneda Shareholder, or prohibit or delay the consummation of the Transactions, and (ii) there is no Order imposed upon any Moneda Shareholder or any of their respective properties, assets or business (that has been notified in writing to, or is otherwise known by, such Moneda Shareholder), in each case, that would reasonably be expected, individually or in the aggregate, to have a material negative impact on such Moneda Shareholder or prohibit or delay the consummation of the Transactions.

Section 3.10 Compliance with Applicable Law.

(a) Except as set forth in Section 3.10(a) of the Company Disclosure Schedule, (i) since January 1, 2019, each Moneda Entity and each Moneda Shareholder is operating the Business in compliance with all Applicable Laws, and (ii) as of the date hereof no Moneda Entity or Moneda Shareholder has received any written notice from any Governmental Authority with legal or supervisory authority over such Moneda Entity or Moneda Shareholder asserting any material violation (or any investigation with respect thereto) by such Moneda Entity or Moneda Shareholder of any Applicable Law, except, as to (i) and (ii) for violations that would not, individually or in the aggregate, reasonably be expected to be material to the Moneda Entities, taken as a whole, or such Moneda Shareholder.

(b) The Moneda Entities hold, and at all times since January 1, 2019, have held, all Permits necessary for the conduct of the Business as conducted on the date hereof, except as set forth in Section 3.10(b) of the Company Disclosure Schedule or where any such failure would not, individually or in the aggregate, reasonably be expected to be material to the Moneda Entities, taken as a whole (excluding the Excluded Assets). All material Permits of the Business are in full force and effect and are not subject to any suspension, cancellation, modification or revocation or any Proceedings related thereto, and, to the Knowledge of the Company, no such suspension, cancellation, modification or revocation or Proceeding is threatened.

Section 3.11 Other Compliance Matters.

(a) Except as set forth in Section 3.11(a) of the Company Disclosure Schedule, since January 1, 2019, the applicable Moneda Entities have timely filed all Regulatory Documents that were required to be filed with any Governmental Authority and have timely paid in full all fees and assessments due and payable in connection therewith other than such failures to timely file or pay that would not, individually or in the aggregate, reasonably be expected to be material to the Moneda Entities, taken as a whole.

(b) None of the Moneda Entities, nor to the Knowledge of the Company, any of their directors, officers or employees is ineligible pursuant to Applicable Law to serve as or at an investment adviser, depositor, *corredora de bolsa*, *administradora de cartera* or *administradora general de fondos*, nor is there any Proceeding pending or, to the Knowledge of the Company, threatened in writing by any Governmental Authority, that would result in the ineligibility of any of the Moneda Entities or any of their respective directors, officers or employees to serve in any such capacities. Except as set forth in Section 3.11(b) of the Company Disclosure Schedule, the directors, officers and employees of the Chilean Advisor and GDI that pursuant to LMV and the regulation issued by the CMF require to be certified by CAMV, have obtained the certification corresponding to its position or role by the CAMV.

(c) No Governmental Authority has provided notice of or, to the Knowledge of the Company or the Moneda Shareholders, initiated any investigation into the Moneda Entities or the Moneda Shareholders. There is no deficiency, violation or exception claimed or asserted by any Governmental Authority with respect to any examination of the Moneda Entities or Moneda Shareholders that has not been resolved, except for a deficiency, violation or exception that would not, individually or in the aggregate, reasonably be expected to be material to the Moneda Entities or the respective Moneda Shareholder, as applicable. Except to the extent restricted from doing so by Applicable Law, the Company has made available to PIL complete and correct copies of all (i) material investigation, examination, audit or inspection reports or letters provided by any Governmental Authority in respect of the Moneda Entities, the Moneda Shareholders or any Company Fund, (ii) material, written responses to any such reports or letters made by the Moneda Entities or the Moneda Shareholders or, to the Knowledge of the Company, any Company Fund and (iii) other material correspondence relating to any investigation, examination, audit or inspection of or in respect of the Moneda Entities, the Moneda Shareholders or, to the Knowledge of the Company, any Company Fund by any Governmental Authority, in each case since January 1, 2019, through the date hereof. To the extent the Company or a Moneda Shareholder has made available to PIL a copy of correspondence relating to an investigation, examination, audit or inspection of or in respect of a Moneda Entity, the Moneda Shareholders or a Company Fund by a Governmental Authority, any such copy of correspondence that the Company or a Moneda Shareholder has made available to PIL is a complete and correct copy of such correspondence.

(d) The books and records of the Moneda Entities and the Company Funds (i) have been maintained in accordance with Applicable Laws in all material respects, (ii) are, to the Knowledge of the Company, true and complete in all material respects and (iii) do not, to the Knowledge of the Company, contain any inaccuracies or discrepancies that would, individually or in the aggregate, reasonably be expected to be material to the Moneda Entities, taken as a whole.

(e) Each Company Advisor and each Moneda Entity has in effect and, at all times required by Applicable Law since January 1, 2019, has had in effect, to the extent necessary to comply with Applicable Law, the following written policies and procedures reasonably designed to effectuate the purposes thereof: (i) a code of ethics and a written policy regarding insider trading and material non-public information, as required under the Investment Advisers Act (including with respect to insider trading and personal trading under Section 204A thereof and Rule 204A-1 thereunder) and the LUF; (ii) written policies and procedures regarding: risk management and internal control; management and use of relevant information for the market; conflict of interest; confidentiality; insider trading; related party transactions; anti-money laundering; anti-corruption; bribery; privacy and any other written policies and procedures required pursuant to the LMV, the LUF, the Anti-Money Laundering Laws, Anti-Corruption Laws and the regulations issued by the CMF, the Chilean Financial Analysis Unit (*Unidad de Análisis Financiero*) or any Governmental Authority; and (iii) such other written policies and procedures required by Rule 206(4)-7 under the Investment Advisers Act (collectively, “Adviser Compliance Policies”), except, in each of (i)-(iv) as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the Moneda Entities. All such Adviser Compliance Policies comply in all material respects with the applicable Law (to the extent applicable), including Sections 204A and 206 of the Investment Advisers Act and Rule 204A-1 and Rule 206(4)-7 thereunder, and there have been no material violations or allegations by any current or former employee, client or Company Fund Investor of the Moneda Entities or any Governmental Authority of material violations of such Adviser Compliance Policies. Each Moneda Entity has conducted a review of the adequacy of such Adviser Compliance Policies for each of the twelve (12) month periods ended December 31, 2018, December 31, 2019, and December 31, 2020, and has determined, based upon such review, that such Adviser Compliance Policies are adequate and have been effectively implemented in all material respects. All “supervised persons” (as defined in the Investment Advisers Act) of the Moneda Entities have been provided with copies of such Adviser Compliance Policies and have executed acknowledgments that they are bound by the provisions of the code of ethics and Business Conduct of the Company.

(f) The Moneda Entities have complied in all material respects with Applicable Law and the rules and regulations issued by the CMF or any Governmental Authority (including, Ruling (Circular) No. 2,054 of 2011, General Ruling (*Norma de Carácter General*) No. 380 of 2015 and Ruling (*Circular*) No. 2,108 of 2013 issued by the CMF and Resolution No. 150 of December 2, 2020 (“Resolution No. 150”) issued by the Chilean Tax Authority) governing (i) the receipt, use or provision of brokerage services, (ii) the portfolio management services (*administradores de carteras*), (iii) the custody of securities services (*custodia de valores de terceros*), (iv) the acting as an *agente responsable para fines tributarios en Chile* pursuant to Resolution No. 150, and (v) the receipt, use or provision of “brokerage and research services” (as such term is defined in Section 28(e) of the Exchange Act) through “soft dollar” arrangements or otherwise, to the extent applicable.

(g) No Moneda Entity and, to the Knowledge of the Company, none of the Company Funds or the officers, directors, partners or employees of any Moneda Entity, to the extent it would reasonably be expected to be material to the Moneda Entities, taken as a whole: (A) has ever been indicted for or convicted of any felony or any crime involving fraud, misrepresentation or insider trading, (B) has experienced any of the “Bad Actor” disqualifications described in Rule 506(d)(1) under the Securities Act or (C) is subject to any outstanding order barring, suspending or otherwise materially limiting the right to engage in any activity conducted as part of the Business as currently conducted. No Moneda Entity has a reasonable basis to believe that it or any of the officers, directors, partners or employees of any of the Moneda Entities, to the extent it would reasonably be expected to be material to Moneda Entities (taken as a whole), is the subject of or, to the Knowledge of the Company, has been threatened with, any on-going investigation by any Governmental Authority.

(h) As of the date hereof, except as set forth in Section 3.11(e)(i)(iii) and (iv) of the Company Disclosure Schedule, no Moneda Entity or Company Fund (i) is required to be registered, licensed or qualified as a bank, trust company, investment company, commodity trading advisor, commodity pool operator, commodity broker-dealer, futures commission merchant, transfer agent, real estate broker, introducing broker, municipal advisor, insurance company or insurance broker; (ii) is required to be registered as an investment adviser under United States Law; (iii) is required to be registered as a broker-dealer; (iv) is required to report to the SEC or a U.S. state securities authority as an “exempt reporting adviser” under United States Law; or (v) is, by reason of any failure to be so registered, licensed or qualified, subject to any liabilities or disabilities that would, individually or in the aggregate, reasonably be expected to be material to the Moneda Entities, taken as a whole. No Moneda Entity has received notice of any proceeding concerning any failure to obtain any bank, trust company, investment company, commodity trading advisor, commodity pool operator, commodity broker-dealer, futures commission merchant, transfer agent, real estate broker, introducing broker, municipal advisor, insurance company or insurance broker registration, license or qualification.

(i) Neither (i) any Moneda Entity nor (ii) any affiliate thereof (as defined in Section VI(d) of Department of Labor Class Exemption 84-14 (“PTE 84-14”)) who is an officer, director or employee of a Moneda Entity has been charged with, convicted of or released from imprisonment with respect to any predicate offense of Law No. 20,393 of Corporate Criminal Liability, felony or other crime that would prevent PIL from qualifying as a qualified professional asset manager as defined in PTE 84-14 after the Closing. Each Moneda Entity has complied in all material respects with its obligations under ERISA and has no liability for any violation of Section 406 of ERISA or Section 4975 of the Code.

(j) The Moneda Entities currently maintain the investment management performance per vehicle listed in **Section 3.11(f) of the Company Disclosure Schedule. The performance history set forth therein is accurate** and complete in all material respects.

(k) Each of the Moneda Shareholders, and each Moneda Entity is, and each has at all times during the prior five (5) years been, in material compliance with applicable provisions of the Chilean Money Laundering Law 19,913, as amended, any rules and regulations promulgated thereunder, the U.S. Bank Secrecy Act of 1970, as amended and any rules and regulations promulgated thereunder, in each case to the extent applicable to such Moneda Entity or such Moneda Shareholder (“Anti-Money Laundering Laws”).

Section 3.12 Company Advisors.

(a) The Company Advisors have been duly registered, licensed or qualified as an *administradora general de fondos, administradora de cartera*, a registered investment adviser under the Investment Advisers Act or similar term under Applicable Law or are exempt therefrom, and each such registration or license is in full force and effect. The Form ADV filings of the Company Advisors in effect on the date of this Agreement, do not contain any untrue statement of material fact or omit any material fact required to be stated therein, except for any statements or omissions, individually or in the aggregate, which would not reasonably be expected to be material to the Moneda Entities, taken as a whole. The Company Advisors currently maintain and, have maintained, a net capital equal to or in excess of the minimum net capital required to be maintained by it under all Applicable Law, if applicable. Section 3.12(a) of the Company Disclosure Schedule lists the jurisdictions in which the Company or any of its Subsidiaries (1) is registered as an investment adviser, or (2) is required to give notice that it is acting as an investment adviser.

(b) Each Company Advisor has provided its investment advisory services to each Company Client in compliance with Applicable Law, to the extent applicable, except for such failures to comply as, individually or in the aggregate, would not reasonably be expected to be material to the Moneda Entities, taken as a whole.

(c) Except as otherwise indicated in Section 3.12(c) of the Company Disclosure Schedule, no Person, other than the Moneda Entities, is entitled to receive fees, carry or other compensation or payments (other than ordinary course distributions to limited partners) or performance or incentive fees from the Company Clients.

(d) No Company Advisor or any “person associated with” (as defined in the Investment Advisers Act) a Company Advisor in each case, solely to the extent such Company Advisor is subject to the Investment Advisers Act is (i) ineligible pursuant to Section 203(e) or 203(f) of the Investment Advisers Act to serve as an investment adviser or as a “person associated with” an investment adviser, (ii) subject to limitations placed by the SEC on the activities, functions or operations of such Person pursuant to Section 203(e) or 203(f) of the Investment Advisers Act, or (iii) subject to any disqualification that would be a basis for the denial, suspension or revocation of registration of, or the placement of limitations on the activities, functions, operations or associations of, any Moneda Entity under Section 203(e) or 203(f) of the Investment Advisers Act. As of the date of this Agreement, there are no actions, suits, proceedings or investigations pending or, to the Knowledge of the Company, threatened that could result in any such ineligibility, disqualification, denial, suspension or revocation or in the placement of any such limitations.

Section 3.13 Company Clients.

(a) Except as otherwise indicated thereon, Section 3.13(a) of the Company Disclosure Schedule sets forth: (i) a complete and correct list, as of the Base Date, of each Company Client (other than a client of the GDI Business); and (ii) the total net assets under management by the Company and its Subsidiaries for each Company Client (other than a client of the GDI Business) as of the Base Date (collectively, the “Base Date Assets Under Management”) calculated in the same manner as provided for in the calculation of base investment management fees payable in respect of each such Company Client account pursuant to the terms of the Operative Documents applicable to such account.

(b) Section 3.13(b) of the Company Disclosure Schedule lists the balance as of July 31, 2021, in any “loss carryforward” or “high-water mark” account (or other similar accrued or pending offsets, liabilities or obligations) pursuant to the Company Client or Company Fund Operative Documents. No return of previously paid or allocated incentive or performance compensation or other distributions or allocations to the general partners (or other similar managing entities) of the Company Clients is currently required or expected with respect to any Company Client or Company Fund Investor.

(c) Since January 1, 2019, except for Transactions contemplated hereby, no event has occurred that would permit the removal or termination of a Company Advisor with respect to any Company Client (whether now cured or uncured) and no event (whether now cured or uncured) that, with the giving of notice or the passage of time or both, would constitute any such event has occurred in connection with any Company Client and no allegation that any such event has occurred has been made in writing to any of the Moneda Entities.

(d) Except as indicated on Section 3.13(d) of the Company Disclosure Schedule, each Operative Document with respect to each Company Fund and each Company Client includes all provisions required by and complies in all respects with Applicable Law and each offering memorandum and marketing material distributed to or made available to existing or prospective Company Clients or Company Fund Investors since January 1, 2019, (i) has complied in all material respects with Applicable Law and (ii) to the extent such Company Fund is subject to the Exchange Act, or the offering memorandum or marketing material (as applicable) is subject to Section 206 of the Investment Advisers Act or Rule 206(4)-8 thereunder, has not contained any untrue statement of a material fact, or omitted to state a material fact required to be stated therein or necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not materially misleading.

(e) Except as would not reasonably be expected to be material to the Moneda Entities, taken as a whole, the U.S. Advisor has, since January 1, 2019, complied with Rule 206(4)-2 under the Investment Advisers Act with respect to all Company Client funds and securities of which the U.S. Advisor has “custody,” as defined in such rule.

(f) The Moneda Entities have complied in all material respects with Applicable Law and the rules and regulations issued by the CMF or any Governmental Authority (including, the Ruling (*Circular*) No. 1,962 of 2010, Ruling (*Circular*) No. 1,963 of 2010 and General Ruling (*Norma de Carácter General*) No. 271 of 2009 issued by the CMF) governing the custody of securities by brokerage companies or securities agents (*custodia de valores de terceros por corredores de bolsa y agentes de valores*) with respect to all Company Clients.

Section 3.14 Company Funds.

(a) Section 3.14(a) of the Company Disclosure Schedule lists each Company Fund. Each Company Fund that is a Chilean Fund is, and at all times required under Applicable Law has been, duly registered with the CMF. Each UCITS is, and at all times required under Applicable Law has been, duly registered as an investment company (or comparable company) in accordance with Applicable Law. Each Cayman Company Fund is, and at all times required under Applicable Law has been duly registered with CIMA under the Cayman Mutual Funds Act or the Private Funds Act of the Cayman Islands (as applicable). No Company Client is registered or required to be registered with the SEC as an investment company under the Investment Company Act.

(b) Each Company Fund that is a juridical entity is duly organized, validly existing and, with respect to entities in jurisdictions that recognize the concept of “good standing,” in good standing under the Laws of the jurisdiction of its organization and has the requisite corporate, trust, company or partnership power and authority to own its properties and to carry on its business as currently conducted, and is qualified to do business in each jurisdiction where the nature of the business conducted by it or the character or location of the properties and assets owned, leased or operated by it makes such qualification or licensing necessary, except where any failure to be so duly organized, validly existing, in good standing, licensed or qualified or to have such power would not, individually or in the aggregate, reasonably be expected to be material to the Moneda Entities taken as a whole. No Company Fund is in material violation of any provision of its Organizational Documents.

(c) Except as indicated on Section 3.14(c) of the Company Disclosure Schedule, each Company Fund is, and has since the later of January 1, 2019, and its inception date, operated in compliance (i) with Applicable Law and (ii) with its respective investment policies and restrictions, as set forth in the applicable prospectus and registration statement for such Company Fund, except, in each case, where any failure to be in compliance would not, individually or in the aggregate, reasonably be expected to be material to the Moneda Entities, taken as a whole. Since the later of January 1, 2019, and its inception date, each Company Fund has filed all Regulatory Documents in compliance with Applicable Law, except where such failure would not, individually or in the aggregate, reasonably be expected to be material to the Moneda Entities, taken as a whole.

(d) The shares, units or other ownership interests of each Company Fund: (i) are duly authorized, validly issued, fully paid and non-assessable, and no such shares or other ownership interests have been issued in violation of Applicable Law, (ii) other than shares of the Chilean Funds, since their initial offering have been offered for sale pursuant to, and in compliance with, the securities Laws of each jurisdiction in which they have been sold or offered for sale and in all cases. The shares of the Chilean Funds, since their initial offering have been offered in compliance with Applicable Law. In addition, none of the Company Funds that have offered securities in the U.S. in reliance on the private placement exemption under the Securities Act, or to the Knowledge of the Company, any “covered persons” relating to such Company Funds, have been subject to any of the disqualifying events specified in Rule 506(d) of Regulation D promulgated under the Securities Act.

(e) To the Knowledge of the Company, solely based on the representations and covenants made by either (x) each Company Fund Investor at the time of its admission to the applicable Company Fund or (y) each Company Client at the time of entering into the agreement with the U.S. Advisor, as applicable, (i) each Company Fund Investor of a U.S. Company Fund is, and was at the time it acquired its interest therein, an “accredited investor” (as defined in Regulation D promulgated under the Securities Act) and a “qualified purchaser” (as defined under the Investment Company Act), (ii) each Company Fund Investor in a Company Fund incorporated, organized or formed in any jurisdiction outside the United States is, and was at the time it acquired its interest therein, either (A) an “accredited investor” (as defined in Regulation D promulgated under the Securities Act) and a “qualified purchaser” (as defined under the Investment Company Act), or (B) is a Person that (1) is not a “U.S. person” (as defined in Regulation S promulgated under the Securities Act) and (2) purchased its interest in the relevant Company Fund in an “offshore transaction” (as defined in Regulation S promulgated under the Securities Act), and (iii) each Company Client of the U.S. Advisor in respect of a Managed Account is a “qualified institutional buyer” (as defined under the Securities Act). Each Company Fund that is not a U.S. Company Fund is incorporated, organized or formed in a jurisdiction outside the United States.

(f) Since January 1, 2019, prior to the acceptance of any subscription agreement from any Company Fund Investor, and on an annual basis thereafter, a Moneda Entity has confirmed (either directly or indirectly through a third-party administrator) that such investor is not identified on the SDN List or otherwise subject to sanctions administered by OFAC or owned or controlled by or acting on behalf of any person listed on the SDN List, except where the failure to do so would not, individually or in the aggregate, reasonably be expected to be material to the Moneda Entities, taken as a whole.

(g) None of the Moneda Entities (or any predecessors thereto) has since September 3, 2019, (i) acted as the sponsor or promoter of any collective investment vehicle, issuer or other Person required to be registered as an investment company under the Investment Company Act or (ii) provided investment management services to or through any issuer or other Person that is required to be registered under the Applicable Laws of the appropriate securities regulatory authority in the jurisdiction in which the issuer is domiciled (other than the United States or the states thereof), which is or holds itself out as engaged primarily in the business of investing, reinvesting or trading in securities, other than as disclosed in Section 3.17 of the Company Disclosure Schedule.

(h) The audited balance sheet of each Company Fund as of each such Company Fund’s two most recently completed fiscal years and the related other audited financial statements for such two most recently completed fiscal years have been prepared in accordance with IFRS (or in the case of a UCITS, generally accepted accounting practice in Luxembourg), and to the Knowledge of the Company present fairly in all material respects the financial position and other financial results of such Company Fund at the dates and for the periods stated therein.

(i) None of the assets of any of the Company Funds or of Company Clients for whom the Company and its subsidiaries otherwise provide investment management services constitute (i) “plan assets” within the meaning of Department of Labor Regulation Section 2510.3-101, as modified by Section 3(42) of ERISA or (ii) assets of any plan subject to Similar Law and neither the Company nor its Subsidiaries or Affiliates have agreed contractually to conduct its investment management activities with respect to a Company Fund or Company Client as though the Company Funds or Company Clients were subject to ERISA or Similar Law.

(j) Except as set forth in Section 3.14(j) of the Company Disclosure Schedule, no consent from the Company Funds, (nor from their shareholders, investors and comités de vigilancia) is required to the assignment or deemed assignment of any Advisory Agreement resulting from the Transactions contemplated hereby pursuant to its Operative Documents or Applicable Law.

Section 3.15 Insurance. Section 3.15 of the Company Disclosure Schedule identifies each material insurance policy and bond covering the Moneda Entities, the Company Funds or any of their assets, properties, obligations or employees (collectively, the “Insurance Policies”). Each Insurance Policy is in full force and effect, all premiums due and payable thereon have been paid and, in the past twelve (12) months from the date hereof, no Moneda Entity has received written notice from any insurer or agent of any intent to cancel, prematurely terminate or not renew any such Insurance Policy. The insurance amounts of the Insurance Policies provide adequate coverage of the risks of the Moneda Entities’ operations as required by applicable Laws.

Section 3.16 Employees; Employee Benefit Plans; ERISA.

(a) Section 3.16(a) of the Company Disclosure Schedule lists all material Plans and identifies each such Plan that is an Assumed Plan. The Company has made available to PIL complete and correct copies of, to the extent applicable, with respect to each Assumed Plan, the plan document (or in the case of any such Assumed Plan that is unwritten, a description of such Assumed Plan and with respect to any Plan that is not an Assumed Plan, a summary thereof), any trust documents or other funding vehicles, the most recent summary plan description, the most recent IRS determination letter, the most recent annual report (Form 5500 series) and any material communication with any Governmental Authority relating to any such Assumed Plan.

(b) Each Assumed Plan (and any related trust or other funding vehicle) has been maintained and administered in material compliance with its terms, the applicable requirements of ERISA, the Code and any other Applicable Law. All contributions, premiums and expenses required to be made to or paid in respect of a Plan on behalf of an employee, officer or director of a Moneda Entity, whether by Law or by the terms of an Assumed Plan or any agreement relating thereto has been timely made or to the extent not yet required to be made or paid, have been fully accrued and reflected on the books and records of the Moneda Entities in accordance with normal accounting practices and Applicable Law, in either case, except as would not reasonably be expected to have a material effect on the Moneda Entities. Except as set forth in Section 3.16(b) of the Company Disclosure Schedule, (i) no Plan is a Multiemployer Plan or a defined benefit plan or a plan that is subject to Title IV of ERISA or subject to 412 of the Code or Section 302 of ERISA, and (ii) no Plan provides health or other welfare benefits to former employees of a Moneda Entity other than health continuation coverage pursuant to Section 4980B of the Code. Each Plan intended to be qualified under Section 401(a) of the Code, and the trust (if any) forming a part thereof, has received a favorable determination letter from the IRS and, to the Knowledge of the Company, there are no existing circumstances or events that would reasonably be expected to result in any revocation of, or a change to, such determination letter.

(c) There are no pending or, to the Knowledge of the Company, threatened claims, administrative proceedings, lawsuits, arbitrations or other proceedings pending or threatened in any forum by or on behalf of any present or former employee of the Moneda Entities, including directors, managers, employees, advisors or unions, or any applicant for employment alleging breach of any express or implied employment contract, any Laws governing employment or the termination thereof or other discriminatory, wrongful or tortious conduct or infraction of fundamental rights in connection with the employment relationship, related to unfair or anti-union labor practices or to work-related accidents and professional diseases, which have been asserted or instituted.

(d) Except as disclosed on Section 3.16(d) of the Company Disclosure Schedule, the execution, delivery and performance of this Agreement by the Company, and the consummation by the Company of the Transactions, will not (alone or in combination with any other event) result in (i) severance pay or benefits, a material increase in the amount of compensation or benefits or the acceleration of the vesting or timing of payment of any compensation or benefits payable to or in respect of any current or former employee, officer or director of the Moneda Entities, (ii) any materially increased or accelerated funding obligation with respect to any Assumed Plan, (iii) any amount being nondeductible by any Moneda Entity or PIL or any of its Affiliates under Section 280G of the Code or subject to an excise tax under Section 4999 of the Code, in each case to the extent applicable, or (iv) the termination of any agreement entered into between any Moneda Entity and its respective officers, employees, unions or workers associations. In this regard, the Moneda Entities have not given or received written notice of termination of any employment contracts, nor have they received any written notice from any officer indicating the officer's intention to terminate his or her employment with the applicable Moneda Entity due to the execution, delivery and performance of this Agreement by the Moneda Entities, and the consummation of the Transactions. None of the Moneda Entities is a party to any plan or agreement that provides for the gross-up or reimbursement of Taxes imposed under Section 4999 or 409A of the Code (or any corresponding provisions of state or local Law relating to Tax).

(e) (i) None of the Moneda Entities has any liability under Title IV of ERISA or Section 412, 430 or 4971 of the Code or a defined benefit plan within the meaning of section 3(35) of ERISA (without regard to whether such plan is subject to ERISA, including any Plan maintained outside the U.S.), and (ii) no event has occurred that is reasonably likely to result in any Moneda Entity or any entity, whether or not incorporated, that is under common control with any Moneda Entity within the meaning of Section 4001 of ERISA or is part of a group that includes any Moneda Entity and that is treated as a single employer under Section 414 of the Code, incurring material liability under Title IV of ERISA or the Code which liability under clauses (i) and (ii) is or could reasonably be expected to become a liability of a Moneda Entity or PIL or any of its Affiliates on or after the Closing, other than as a withholding agent under Applicable Law.

(f) No Moneda Entity is a party to or is otherwise bound by any collective bargaining agreement or similar agreement with any union or employees' association, and as of the date hereof, there are no labor unions, worker's assemblies, committees, works council or other organizations or groups representing, or to the Knowledge of the Company, purporting to represent or attempting to represent any employees employed by the Moneda Entities. There is no pending or, to the Knowledge of the Company, threatened, strike, dispute, corporate campaign, slowdown, picketing or work stoppage by, or lockout of, or other similar labor activity or organizing campaign with respect to, any employees of any Moneda Entity.

(g) The Company has made available to PII a list containing the following information with respect to each employee of a Moneda Entity (including officers and key executives): complete name; original date of hire and any subsequent hire date, job title; employment status (full- or part-time, absent or on leave); internal job code; work location and legal entity that employs such employee; current rate of annual base salary or current wage rate; fiscal year 2020 bonus and estimate target fiscal year 2021 bonus; number of accrued vacation days; and long-term cash or cash appreciation awards including vesting date.

(h) Except as set forth in Section 3.16(h) of the Disclosure Schedule, since January 1, 2019, the Moneda Entities are and have been, in compliance with all Applicable Laws respecting employment and employment practices, but not limited to, as applicable, terms and conditions of employment, immigration, wages, overtime, vacations, hours of work, full week (semana corrida), occupational safety and health, labor accidents and diseases, severances, bonuses, whether under the Law and/or their individual employment agreements, and family allowances, all social security obligations and debts arising in connection with but not limited to social security contributions, pension fund contributions, mandatory health care contributions, unemployment insurance contributions, welfare payments and insurance for work-related accidents and illnesses; and any other applicable labor and social security Laws and fair employment practices, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the Company.

(i) There are no pending debts, obligations, liabilities, claims or demands pending or to the Knowledge of the Company threatened in any forum by or on behalf of any present or former director of the Moneda Entities in respect of or in connection with their position of members of the boards of directors.

(j) Except as set forth on Section 3.16(i) of the Disclosure Schedule there are no personnel providing fee-based services to any Moneda Entity. The personnel who render fee-based services to the Moneda Entities provide their services without subordination and dependency of the respective Moneda Entity.

(k) Section 3.16(j) of the Disclosure Schedule includes a list of all the contractors' companies that provide services to the Moneda Entities under Chilean subcontracting law. The abovementioned contractors as well as their employees, render the services in accordance with the respective services agreements executed by and between the contractors' companies and the respective Moneda Entity, without any tie of subordination and dependency not existing an employment relationship with the respective Moneda Entity. Except as set forth in Section 3.16(i) of the Disclosure Schedule there are no other services agreements executed with contractors' companies currently in force in the Moneda Entities, stating the Company that these contractors are up to date in the compliance of the labor and social security obligations of their employees.

(l) The Moneda Entities have implemented all material measures in order to effectively protect the life and health of their employees and also of the contractors' employees pursuant to article 184 of the Chilean Labor Code, Law No. 16,744 of Working Accidents and Professional Diseases and complementary laws and rules. Additionally, there is no evidence of an employee suffering from work related diseases and no employee has sick leave for work related accidents or diseases.

Section 3.17 Company Tax Representations.

(a) All material Tax Returns required to be filed by the Moneda Entities have been duly and timely filed, and all such Tax Returns are true, correct and complete in all material respects. All material Taxes (whether or not shown as due on such Tax Returns) required to be paid with respect to, or that could give rise to an Encumbrance (other than a Permitted Encumbrance) on the assets of, the Moneda Entities have been duly and timely paid. All material monies required to be withheld by the Moneda Entities in connection with any amounts paid or owing to any Company Employee, independent contractor, creditor, equity holder or any other Person for Taxes have been duly and timely withheld, and such withheld Taxes have been either duly and timely filed and paid to the proper Governmental Authority or set aside in accounts for such purpose, or accrued, reserved against, and entered on the books and records of the applicable Moneda Entity. Specifically, in cases where the corresponding material withholding Tax has not been filed and paid or has been filed and paid at a reduced rate, due to the application of a double tax treaty agreement in force between Chile and the country of residence of the third-party, the relevant Moneda Entity has complied in all material respects with the necessary legal and administrative requirements not to withhold the full amounts of the corresponding material withholding Tax and has kept the relevant tax residence certificates and affidavits, as required under Applicable Law.

(b) The unpaid Taxes of the Moneda Entities (i) did not as of the Balance Sheet Date materially exceed the reserve for Taxes (excluding any reserve for deferred Taxes established to reflect timing differences between book and Tax income) set forth on the face of the Unaudited Financial Statements (rather than in any notes thereto) and (ii) will not materially exceed that reserve as adjusted for the passage of time through the Closing Date in accordance with the past custom and practice of the Moneda Entities in filing their Tax Returns.

(c) No written agreement or consent waiving or extending the statute of limitations or the period of assessment or collection of any material Taxes of any of the Moneda Entities are currently in effect, no written requests for any such waivers or extensions are currently pending, and no written power of attorney with respect to any Moneda Entity has been filed or entered into with any Governmental Authority.

(d) No material Tax Returns of any of the Moneda Entities are under audit, examination or investigation, in each case that has been initiated by written notice by any Governmental Authority (including notifications and observations made electronically or in the web portal), and no such audit, examination or investigation has been threatened in writing; and no Governmental Authority has asserted in writing any deficiency, adjustment or claim with respect to material Taxes against any of the Moneda Entities that has not been resolved with respect to any taxable period for which the period of assessment or collection remains open.

(e) Except as set forth in Section 3.17(e) of the Company Disclosure Schedule, none of the Moneda Entities (i) has received or applied for a material Tax ruling or entered into a material closing agreement, (ii) is, or during any taxable period for which the period of assessment or collection remains open has been, a member of any affiliated, consolidated, combined or unitary group (other than any such group of which the Company is the common parent and which consists only of the Moneda Entities or a subset thereof) for purposes of filing income Tax Returns or (iii) has any material liability for the Taxes of any Person other than the applicable Moneda Entities.

(f) None of the Moneda Entities will be required to include any material item of income in, or exclude any material item of deduction from, taxable income for any taxable period (or portion thereof) that begins after the Closing Date as a result of any (i) change in or incorrect method of accounting for a taxable period ending on or before the Closing Date, (ii) installment sale or open transaction disposition made or existing on or before the Closing Date, (iii) prepaid amount received or deferred revenue accrued on or prior to the Closing Date, or (iv) any “closing agreement” within the meaning of Section 7121 of the Code (or any corresponding or similar provision of state, local or non-U.S. Applicable Law) executed on or before the Closing Date.

(g) No written claim has been made by any Governmental Authority in a jurisdiction where any Moneda Entity has not filed a Tax Return that it is or may be subject to material Taxes by, or required to file material Tax Returns in, such jurisdiction.

(h) There are no Encumbrances for material Taxes upon the assets of any of the Moneda Entities, other than Permitted Encumbrances.

(i) None of the Moneda Entities is a party to, or bound by, or has any obligation under, any tax allocation or sharing agreement or similar contract or arrangement or any agreement that obligates it to make any payment computed by reference to the Taxes, taxable income or taxable losses of any other Person (excluding agreements entered into in the ordinary course of business that are not primarily related to Taxes).

(j) Material Tax deductions (including tax losses) and tax basis in material assets and investments, as well as Tax credits have been duly and properly determined and claimed or deducted in accordance with Applicable Law and are duly supported in accordance with Applicable Law, current instructions of the Governmental Authority and accounting principles.

(k) Except as set forth in Section 3.17(i) of the Company Disclosure Schedule, each of the Moneda Entities is in compliance in all material respects with all applicable transfer pricing laws and regulations and as applicable, all transactions entered into by any of the Moneda Entities with any Affiliate or related party have been carried out at arm’s-length conditions and in accordance with Applicable Law and regulations, and consequently are free of material penalty Taxes imposed under Article 21 of the Chilean Law Decree No. 824 of 1974 (the “Chilean Income Tax Law”), of assessment or appraisal authority of the Chilean Tax Authority under Article 64 of the Law Decree No. 830, Chilean Tax Code, and are in compliance with Article 41 E of the Chilean Income Tax Law, when applicable.

(l) No Moneda Entity that is organized in the United States has benefitted from any tax relief measures introduced in the Applicable Laws of granted by any Governmental Authorities by reason of the COVID-19 pandemic.

(m) Such Moneda Shareholder is resident for all Tax purposes in Chile.

Except for the express representations and warranties made in Section 3.16 and this Section 3.17, neither the Moneda Shareholders nor the Company make any representation or warranty, express or implied, concerning Taxes or Tax matters.

Section 3.18 Intellectual Property .

(a) No Affiliate other than the Company and its Subsidiaries owns any material proprietary Intellectual Property used in the business of the Moneda Entities.

(b) Except as set forth in Section 3.18(a) of the Company Disclosure Schedule or as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the Moneda Entities, (i) to the Knowledge of the Company, the operation of the Business by each Moneda Entity does not infringe, violate or misappropriate (“Infringe”) any Intellectual Property of third Persons, (ii) all Intellectual Property owned by the Moneda Entities is owned free and clear of all Encumbrances other than Permitted Encumbrances, and such items are subsisting and unexpired, and to the Knowledge of the Company, valid and enforceable, (iii) to the Knowledge of the Company, no Person is infringing any Intellectual Property owned by the and (iv) no claims are pending (or to the Knowledge of the Company, threatened) against the Moneda Entities alleging that their Business Infringes the Intellectual Property of any third Person.

(c) The Moneda Entities use commercially reasonable efforts to protect the security of the personal information that they collect and store in the operation of the Business, and there have been no material breaches or, to the Knowledge of the Company, unauthorized accesses to same, other than those that were resolved without material cost or liability or the duty to notify any third Person. The Moneda Entities are in compliance in all material respects with their internal and posted written policies relating to privacy, and the collection, destruction, storage, use and onward transfer of third party information, including any personally identifiable information of any person used or held for use by the Moneda Entities. Except as would not be, and would not reasonably be expected to be, individually or in the aggregate, material to the Moneda Entities, to the Knowledge of the Company since January 1, 2019, there has been no unauthorized access to, use of, or disruption of any of the Moneda Entities’ products, services, systems (including IT systems), or applications.

Section 3.19 Cybersecurity and Data Protection.

(a) Except as would not have a Material Adverse Effect on the Moneda Entities, each of the Moneda Entities has in effect, and since January 1, 2019, has had in effect (i) internal written policies and procedures with respect to the protection of non-public personal information about customers, clients and other third parties that comply with Applicable Law (“Privacy Policies”) and (ii) written policies and procedures with respect to business continuity plans in the event of business disruptions. All such policies and procedures comply in all material respects with Applicable Law (to the extent applicable) and there have been no material violations or allegations by any employee or client of the Acquired Companies or any Governmental Authority of material violations of such Adviser Compliance Policies.

(b) Each Moneda Entity and each Company Fund has complied in all material respects with its Privacy Policies, and the Moneda Entities have not received any written complaints, notices or allegations by any Person alleging otherwise.

Section 3.20 Real Estate.

(a) As of the Closing, after giving effect to the Pre-Closing Reorganization, no Moneda Entity will own any real property.

(b) Section 3.20(b) of the Company Disclosure Schedule lists all real estate leases and subleases to which any Moneda Entity is a party (the “Leases”). Correct and complete copies of the Leases have been delivered or made available to PIL. Except as otherwise disclosed in Section 3.20(b) of the Company Disclosure Schedule, no Moneda Entity is, and, to the Knowledge of the Company, no other party is, in material breach or default of any material Lease and, to the Knowledge of the Company, no event has occurred that (with the giving of notice or the lapse of time or both) would constitute such a material breach or default by any Moneda Entity or, to the Knowledge of the Company, any other party thereto.

(c) Each of the Moneda Entities is complying and, since January 1, 2019, has complied with all applicable Environmental Laws that pertain to any of the activities or properties of the Moneda Entities (other than with respect to, or on behalf of, any Company Fund) and the use and ownership thereof and the operation of the Business, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the Company.

Section 3.21 Contracts with Affiliates. Section 3.21 of the Company Disclosure Schedule lists all Contracts to which a Moneda Entity, on the one hand, and the Moneda Shareholders or any of their Affiliates (other than the Moneda Entities), on the other hand, are parties or are otherwise bound (collectively, the "Affiliate Contracts"), all of which, except as described in Section 3.21 of the Company Disclosure Schedule, are on arm's length terms.

Section 3.22 No Broker. Except for Servicios Financieros Altis S.A., the fees and expenses of which will be borne by the Moneda Shareholders or the Company (and included in the calculation of Company Transaction Expenses), no broker, finder, financial advisor or similar intermediary has acted for or on behalf of, or is entitled to any broker's, finder's, financial advisor's or similar fee or other commission from, the Moneda Shareholders or any Moneda Entity or any of their Affiliates in connection with this Agreement, the Ancillary Agreements, or the Transactions.

Section 3.23 Foreign Corrupt Practices, Anti-Money Laundering and Other Matters.

(a) No Moneda Entity, or any of their respective directors or officers, or, to the Knowledge of the Company, any of their respective agents, employees or other Persons (in their capacities as such) that act for or on behalf of any Moneda Entity (each, a "Moneda Entity Representative"), has, since January 1, 2016, (i) made any bribe, rebate, payoff, influence payment, kickback or other payment that would be unlawful under any Applicable Laws related to combating corruption, bribery or improper payments to government officials, politicians, political parties or persons related to any of the above, including the Chilean Legal Entities Criminal Liability Law 20,393 and the U.S. Foreign Corrupt Practices Act of 1977, as amended ("Anti-Corruption Laws"); (ii) without limiting the foregoing, offered, paid, promised to pay, or authorized the payment of any money, or offered, given, promised to give, or authorized the giving of anything of value, to any officer, employee or any other person acting in an official capacity for any Governmental Authority, for any political party or official thereof, or for any candidate for political office (individually and collectively, a "Government Official") or to any Person under circumstances where the Moneda Entity or Moneda Entity Representative knew or had reason to know that all or a portion of such money or thing of value would be offered, given or promised, directly or indirectly, to any Government Official, in each case, for the purpose of (A) influencing any act or decision of such Government Official in that Person's official capacity, (B) inducing such Government Official to do or omit to do any act in relation to his or her lawful duty, (C) securing any improper advantage or (D) inducing such Government Official to influence or affect any act or decision of any Governmental Authority, in each case, in order to unlawfully assist any of the Moneda Entities or any Moneda Entity Representative in obtaining or retaining business for or with, or in directing business to, any Person; (iii) acted in material violation of the economic and trade sanctions administered by OFAC, to the extent applicable in the jurisdictions in which the Business is conducted or (iv) acted in material violation of applicable Anti-Money Laundering Laws. No Moneda Entity Representative is a Government Official. Since January 1, 2015, neither the Moneda Entities nor, to the Knowledge of the Company, any "covered associate" of the Moneda Entities has made a "contribution" to an "official" of a "government entity" that is (or was at the time of, or during the two (2)-year period following, the contribution date) a Company Client or prospective Company Client (or an investor or prospective investor in a "covered investment pool" that is a Company Client or prospective Company Client), or has otherwise taken any action or entered into any Contract or other arrangement, which, in each case, would disqualify or would have disqualified a Moneda Entity from providing investment advisory services for compensation to such "government entity" either directly or through a "covered investment pool" pursuant to Rule 206(4)-5 under the Investment Advisers Act. None of the U.S. Advisor, BVI Advisor or, to the Knowledge of the Company, any "covered associate" of such Company Advisors has made a "contribution" to an "official" of a "government entity" during the two-year period preceding the date of this Agreement (in each case, within the meaning of Rule 206(4)-5 under the Investment Advisers Act). No Company Client or Company Fund Investor is a "government entity" within the meaning of Rule 206(4)-5 under the Investment Advisers Act.

(b) As of the date of this Agreement, the Moneda Entities have disclosed all material facts known to them regarding (i) all claims, damages, liabilities, obligations, losses, penalties, actions, judgments, and/or allegations of any kind or nature that are asserted against, paid or payable by the Moneda Entities or Moneda Entity Representatives in connection with non-compliance with any Anti-Corruption Laws in the jurisdictions in which the Business is conducted by the Moneda Entities or, to the Knowledge of the Company, the Moneda Entity Representatives, and (ii) any investigations (whether formal or informal, external or internal) involving possible non-compliance with any Anti-Corruption Laws by the Moneda Entities or, to the Knowledge of the Company, the Moneda Entity Representatives. No Moneda Entity is a corporation, business or other Person that has been formed by or for the benefit of any Government Official.

(c) No Moneda Entity or, to the Knowledge of the Company, any Moneda Entity Representative is: (i) the subject of any sanctions administered by OFAC, the United Nations, the European Union, Her Majesty's Treasury of the United Kingdom, the Monetary Authority of Singapore, the Hong Kong Monetary Authority, or other applicable sanctions authority (collectively, "Sanctions"), (ii) located, organized or resident in a country or territory that is the subject of comprehensive Sanctions (currently, Cuba, Iran, North Korea, Syria, and the Crimea region of Ukraine) (each, a "Sanctioned Territory," and each such Person described in clauses (i) and (ii), a "Sanctioned Person"), (iii) acting for or on behalf of any Sanctioned Person or (iv) the subject of any proceedings, inquiry or investigation (whether formal or informal, external or internal) regarding compliance with Sanctions.

(d) During the last five (5) years, no Moneda Entity or, to the Knowledge of the Company, any Moneda Entity Representative has engaged in or is now engaged in any dealings or transactions with or involving any Sanctioned Person, or in or involving any Sanctioned Territory, in violation of applicable Sanctions.

(e) None of the Moneda Shareholders or their Guarantors shall use or contribute any part of the Closing Cash Consideration Payment (i) in violation of any applicable Anti-Corruption Laws, or (ii) to, or for the benefit of, any Sanctioned Person.

Section 3.24 Investigation; No Additional Representations. In entering into this Agreement, each of the Moneda Shareholders and the Company acknowledges and agrees, without limiting its right to rely on the representations, warranties, covenants and agreements contained herein, that it (a) has conducted its own independent investigation, review and analysis of, and, based thereon, has formed an independent judgment concerning, the business, assets, condition, operations and prospects of PIL and (b) has had access to publicly available information as filed with the SEC by PIL, received management presentations on selected matters requested by the Company and opportunities to ask questions of PIL's senior executives as to the business, assets, condition, operations and prospects of PIL and (c) has such knowledge and experience as to be aware of the risks and uncertainties inherent in the holding of capital stock of PIL as contemplated by this Agreement and the Ancillary Agreements, and has independently made its own analysis and decision to enter into this Agreement. Notwithstanding anything in this Agreement to the contrary, each Moneda Shareholder and the Company acknowledges and agrees that, except for the representations and warranties expressly set forth in Article 4 (Representations and Warranties of PIL and PIL Uruguay), none of PIL, any of its Affiliates, their Agents, nor any other Person on behalf of any of them, makes or shall be deemed to make any representation or warranty to the Moneda Shareholders, the Moneda Entities or any other Person with respect to PIL or the Transactions, express or implied, at law or in equity (including any implied warranty or representation as to the business of PIL, or the value, condition, merchantability or suitability or non-infringement of intellectual property as to any of the assets of PIL). It is understood that any estimates, forecasts, projections or other predictions, or multiple of earnings, revenues or other financial measure and any other information or materials that have been or shall hereafter be provided or made available to such Moneda Shareholder or any of its Affiliates or their respective Agents (including in any presentation by PIL, any of its Affiliates, their respective Agents or otherwise), are not, and shall not be deemed to be, representations and warranties of PIL or any of its Affiliates or any of their respective Agents. Each Moneda Shareholder hereby expressly disclaims (and shall cause its Affiliates, shareholders and any other interest holders of any kind whatsoever to expressly disclaim, as and when requested) any reliance whatsoever on any representation, warranty or other statement of PIL, its Affiliates or any of their Agents, whether made prior, during or after the execution of this Agreement, except for the representations and warranties set forth in Article 4 (Representations and Warranties of PIL and PIL Uruguay).

Section 3.25 Sufficiency of Assets. The assets, properties and rights, of any nature whatsoever, owned or held for use by the Moneda Entities immediately following the Pre-Closing Reorganization and immediately following the Closing comprise all of the assets, property, employees and rights necessary to permit PIL and the Moneda Entities to conduct the Business in substantially the same manner as conducted by the Moneda Entities in the ordinary course in the six (6) months prior to the date hereof.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF PIL AND PIL URUGUAY

Except (a) as set forth in the PIL SEC Reports furnished or filed with the SEC and publicly available at least three (3) Business Days prior to the date hereof, excluding any disclosures in any risk factors section, in any section related to forward-looking statements and other disclosures that are predictive, cautionary or forward-looking in nature or (b) as set forth in the written disclosure schedule delivered to the Company by PIL concurrently with the execution and delivery of this Agreement (the "PIL Disclosure Schedule"), PIL and PIL Uruguay hereby represent and warrant to the Moneda Shareholders and the Company as follows:

Section 4.1 Organization and Related Matters. Each of PIL and PIL Uruguay (a) is duly organized and validly existing under the Laws of its jurisdiction of organization, incorporation or formation, (b) has the requisite corporate power and authority necessary to carry on its business substantially in the manner as it is now being conducted and to own, lease and operate all of its properties and assets, and (c) is duly qualified to do business in each jurisdiction in which it is conducting its business, or the operation, ownership or leasing of its properties and assets make such qualification necessary, except where the failure to be so qualified would not reasonably be expected to be material to PIL and its Subsidiaries, taken as a whole, or materially impair or delay PIL's or PIL Uruguay's ability to consummate the Transactions.

Section 4.2 Authority; No Violation.

(a) Each of PIL and PIL Uruguay has all requisite power and authority to execute and deliver this Agreement and the Ancillary Agreements to which it is or will be a party and to consummate the Transactions. The execution, performance and delivery of this Agreement and the Ancillary Agreements to which PIL or PIL Uruguay is or will be a party and the consummation of the Transactions by PIL and PIL Uruguay have been duly and validly authorized by all requisite action of PIL and PIL Uruguay, as applicable, and no other corporate proceedings or shareholder action on the part of PIL or PIL Uruguay are necessary to authorize, or approve its execution and delivery of this Agreement and the Ancillary Agreements to which it is a party, to perform its obligations hereunder and thereunder, or to consummate the Transactions, other than: (i) the shareholder approval to effect the Merger and (ii) the filing of the Plan of Merger and related documentation with the Registrar of Companies of the Cayman Islands and publication of notice of the Merger in the Cayman Islands Government Gazette pursuant to the CICA. This Agreement has been (and the execution and delivery of each of the Ancillary Agreements to which PIL and PIL Uruguay will be a party will be) duly executed and delivered by PIL and PIL Uruguay, and constitutes (and each such Ancillary Agreement when so executed and delivered by PIL and PIL Uruguay will constitute) a valid, legal and binding agreement of PIL and PIL Uruguay (assuming that this Agreement has been, and the Ancillary Agreements to which PIL or PIL Uruguay is a party will be, duly and validly authorized, executed and delivered by the other Persons party thereto), enforceable against PIL and PIL Uruguay in accordance with their terms, except (i) to the extent that enforceability may be limited by applicable bankruptcy, liquidation, insolvency, fraudulent conveyance, reorganization, moratorium, preference or other Laws affecting the enforcement of creditors' rights generally and (ii) that the availability of equitable remedies, including specific performance, is subject to the discretion of the court before which any proceeding thereof may be brought.

(b) No Governmental Filings are necessary to be made by or received by PIL or PIL Uruguay for the execution, delivery or performance by PIL or PIL Uruguay of this Agreement or the Ancillary Agreements to which PIL or PIL Uruguay is a party or the consummation by PIL or PIL Uruguay of the Transactions, except for (i) such filings and approvals as are required to be made or obtained under the Securities Act and the securities or "blue sky" laws of various states in connection with the issuance of PIL Class B Shares pursuant to this Agreement, (ii) compliance with, and filings related to, the FNE Filing, (iii) any Governmental Filings of PIL or PIL Uruguay that become applicable as a result of matters specifically related to the Company or its Affiliates and (iv) those the failure of which to obtain or make would not, reasonably be expected to have materially impair or delay PIL's or PIL Uruguay's ability to consummate the Transactions on a timely basis.

(c) (i) No vote of the holders of any class or series of capital stock of PIL or PIL Uruguay is necessary to approve this Agreement or to consummate the Transactions; and (ii) no dissenter's rights will be applicable with respect to the Transactions.

Section 4.3 Non-Contravention. Except as set forth in Section 4.3 of the PIL Disclosure Schedule, assuming all Governmental Filings described in Section 3.2(b) (*Company's Governmental Filings*) and Section 4.2(b) (*PIL and PIL Uruguay's Governmental Filings*) have been obtained or made (and any applicable waiting period has expired or terminated) and the execution and delivery by PIL and PIL Uruguay of this Agreement and the Ancillary Agreements to which PIL and PIL Uruguay will be a party, and the performance of their obligations hereunder and thereunder (including the consummation of the Transactions) do not or will not (a) violate any provision of the Organizational Documents of PIL or PIL Uruguay, (b) violate any Law to which PIL or PIL Uruguay is subject, (c) require any consent of or notice to any Person under, or result in a violation or breach of, or constitute (with or without notice or lapse of time or both) a default or give rise to any right of termination, cancellation or acceleration under, any material Contract or (d) except as contemplated by this Agreement or the Ancillary Agreements, result in the creation or imposition of any Encumbrance other than Permitted Encumbrances on any asset of PIL or PIL Uruguay.

Section 4.4 Capital Structure; Subsidiaries.

(a) The authorized share capital of PIL consists of one billion (1,000,000,000) shares, par value \$0.0001, five hundred million (500,000,000) of which are designated Class A common shares (“PIL Class A Shares”), two hundred fifty million (250,000,000) of which are designated Class B common shares (“PIL Class B Shares”) and (iii) two hundred fifty million (250,000,000) are as yet undesignated. As of the date hereof, (i) fifty-four million two hundred forty-seven thousand five hundred (54,247,500) shares of PIL’s Class A common stock were issued and outstanding and (ii) eighty-one million nine hundred thousand 81,900,000 PIL Class B Shares were issued and outstanding. Since the close of business on January 26, 2021 through the date hereof, neither PIL nor any of its Subsidiaries have issued any equity securities, or any securities convertible into, or exchangeable or exercisable for, any PIL Class B Shares or other equity securities. Other than as disclosed in Section 4.4(a) of the PIL Disclosure Schedule, all of the issued and outstanding shares of capital stock of PIL are duly authorized, validly issued, fully paid and non-assessable and free of preemptive rights, rights of first refusal or any similar rights. The PIL Class B Shares are sufficient to issue and deliver the Closing Share Consideration, and, subject to the limitations set forth in Section 10.9 (Lock-Up) and in each Pledge and Lock-Up Agreement, such Closing Share Consideration shall be automatically converted to an equal number of PIL Class A Shares in accordance with its terms upon written request by the Moneda Shareholders.

(b) Other than as set forth in Section 4.4(b) of the PIL Disclosure Schedule, there are no Equity Rights (i) obligating PIL or any of its Subsidiaries to issue, deliver, redeem, purchase or sell, or cause to be issued, delivered, redeemed, purchased or sold, any shares of capital stock or any other equity interests in PIL or any of its properties or assets or any instruments or obligations convertible or exchangeable into or exercisable for any shares of capital stock or any other equity interests in PIL or any of its Subsidiaries or in any of their respective properties or assets, (ii) giving any Person a right to subscribe for or acquire any shares of capital stock or any other equity interests in PIL or in any of its properties or assets or (iii) obligating PIL to issue, grant, adopt or enter into any such Equity Right.

(c) Neither PIL nor any of its Subsidiaries has outstanding any bonds, debentures, notes or other similar obligations having the right to vote (or convertible into, or exchangeable or exercisable for, securities having the right to vote) with the shareholders of PIL on any matter. PIL does not have a shareholder rights plan, “poison pill” or similar arrangement in place. There are no shareholder agreements, voting trusts or other agreements or understandings to which PIL or any of its Subsidiaries is a party with respect to the holding, voting, registration, redemption, repurchase or disposition, or that restricts the transfer of, any capital stock or other voting securities or equity interests of PIL.

(d) The PIL Class A Shares are registered pursuant to Section 12(b) of the Exchange Act and are listed for trading on the Nasdaq Global Select Market under the symbol “PAX.” There is no Proceeding or investigation pending or, to the Knowledge of PIL, threatened in writing against PIL by Nasdaq or the SEC with respect to any intention by Nasdaq or the SEC to deregister the PIL Class A Shares or to terminate the listing of the PIL Class A Shares. None of PIL or any of its Affiliates has taken any action in an attempt to terminate the registration of the PIL Class A Shares under the Exchange Act.

Section 4.5 SEC Reports; Financial Statements.

(a) PIL has timely filed or otherwise furnished (as applicable) to the SEC all registration statements, prospectuses, forms, reports and other documents (including all exhibits, schedules and annexes thereto) required to be filed or furnished by it with the SEC since January 1, 2021 (such documents and other any documents filed by PIL with the SEC, as have been supplemented, modified or amended since the time of filing, including all information incorporated therein by reference, and also including those filed or furnished subsequent to the date hereof, collectively, the “PIL SEC Reports”). As of their respective filing or furnishing dates (or, if supplemented, modified or amended since the time of filing or furnishing, as of the date of the most recent supplement, modification or amendment), none of the PIL SEC Reports contained (and no PIL SEC Reports filed with or furnished to the SEC subsequent to the date hereof will contain) any untrue statement of a material fact or omitted (or will omit) to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The PIL SEC Reports complied as to form in all material respects with applicable requirements of Securities Laws, in each case as in effect on the date each such document was filed with or furnished to the SEC.

(b) As of the date hereof, there are no outstanding or unresolved comments in any comment letters received from the SEC with respect to any of the PIL SEC Reports and, as of the date hereof, to PIL’s Knowledge, none of the PIL SEC Reports is the subject of ongoing SEC review.

(c) The financial statements (including all related notes and schedules thereto), contained or that will be contained in the PIL SEC Reports (or incorporated therein by reference) (the “PIL Financial Statements”) have been prepared in all material respects in accordance with IFRS applied on a consistent basis and fairly present, in all material respects, the consolidated financial position of PIL and its Subsidiaries as of the dates thereof and the results of operations, stockholders’ equity and cash flows for the periods then ended, in each case, subject, in the case of the (x) audited PIL Financial Statements, to the notes therein and such exceptions and qualifications as may be reflected in such financial reports, and (y) unaudited PIL Financial Statements, to the absence of footnotes and normal year-end adjustments and to any other adjustments described therein. PIL has established and maintains a system of internal accounting controls sufficient to, in all material respects, provide reasonable assurances that (i) all transactions are executed in accordance with the general or specific authorization of the management of PIL and (ii) transactions are recorded as necessary to permit the preparation of financial statements for external purposes in conformity with IFRS.

Section 4.6 Absence of Liabilities. Except as set forth in Section 4.6 of the PIL Disclosure Schedule, and except for liabilities and obligations (a) incurred in the ordinary course of business since March 31, 2021, (b) incurred under or in accordance with the Transaction Agreements or in connection with the Transactions or (c) that would not be required to be disclosed on a consolidated balance sheet for PIL and its Subsidiaries prepared in accordance with IFRS in a manner consistent with the PIL Financial Statements, since March 31, 2021, neither PIL nor its Subsidiaries has incurred liabilities or obligations that would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on PIL.

Section 4.7 Absence of Certain Changes. Since March 31, 2021, there has not occurred any Material Adverse Effect on PIL or any development, or combination of developments that, individually or in the aggregate, is reasonably expected to have a Material Adverse Effect on PIL.

Section 4.8 Legal Proceedings. Except as set forth in Section 4.8 of the PIL Disclosure Schedule, as of the date of this Agreement, (a) there are no Proceedings that are pending or, to the Knowledge of PIL or PIL Uruguay, threatened in writing against PIL or PIL Uruguay, that, if adversely determined, would likely have a material negative impact on PIL and its Subsidiaries, taken as a whole, or prohibit or delay the consummation of the Transactions and (b) there is no Order imposed upon PIL or any of its properties, assets or business that would reasonably be expected, individually or in the aggregate, to have a material negative impact on PIL taken as a whole.

Section 4.9 Compliance with Applicable Law.

(a) Except as set forth in Section 4.9 of the PIL Disclosure Schedule, (i) since January 1, 2019, PIL and its Subsidiaries are operating their business in compliance with all Applicable Laws and (ii) as of the date hereof PIL and its Subsidiaries have not received any written notice from any Governmental Authority with legal or supervisory authority over PIL or its Subsidiaries asserting any material violation (or investigation with respect thereto) by PIL and its Subsidiaries of any Applicable Law, except, as to (i) and (ii) for violations that would not, individually or in the aggregate, reasonably be expected to be material to PIL and its Subsidiaries, taken as a whole.

(b) PIL and its Subsidiaries hold, and at all times since January 1, 2019, have held, all material Permits necessary for the conduct of their respective businesses as conducted on the date hereof, except as set forth in Section 4.9(b) of the PIL Disclosure Schedule or where any such failure would not, individually or in the aggregate, reasonably be expected to be material to PIL or its Subsidiaries, taken as a whole. All material Permits of PIL and its Subsidiaries are in full force and effect, except for any failure to be in full force and effect that would not, individually or in the aggregate, reasonably be expected to be material to PIL and its Subsidiaries.

Section 4.10 Purchase for Investment. PIL Uruguay is an “accredited investor” within the meaning of Rule 501 of Regulation D promulgated under the Securities Act. PIL, indirectly through PIL Uruguay, is acquiring the Cash Purchase Shares for investment for its own account and not with a view to, or for sale in connection with, any distribution thereof, or with any present intention of distributing or selling such Cash Purchase Shares in violation of applicable Securities Laws. PIL (either alone or together with its advisors) has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of its investment in the Cash Purchase Shares, is capable of bearing the economic risks of such investment. PIL acknowledges that the Cash Purchase Shares have not been registered under the Securities Act or any state securities Laws, and agrees that the Cash Purchase Shares may not be sold, transferred, offered for sale, pledged, hypothecated or otherwise disposed of without registration under the Securities Act, except pursuant to an exemption from such registration available under the Securities Act, and without compliance with foreign Securities Laws, in each case, to the extent applicable.

Section 4.11 PIL Tax Representations. All material Tax Returns required to be filed by PIL and its Subsidiaries have been duly and timely filed, and all such Tax Returns are true, correct and complete in all material respects. All material Taxes (whether or not shown as due on such Tax Returns) required to be paid by PIL and its Subsidiaries in connection with any amounts paid or owing to any employee, independent contractor, creditor, equity holder or any other Person for Taxes have been duly and timely withheld, and such withheld Taxes have been either duly and timely paid to the proper Governmental Authority or set aside in accounts for such purpose, or accrued, reserved against, and entered on the books and records of PIL and its Subsidiaries.

Section 4.12 Foreign Corrupt Practices, Anti-Money Laundering and Other Matters.

(a) Neither PIL nor any of its Subsidiaries, nor any of their respective directors or officers, or, to the Knowledge of PIL, any of their respective agents, employees or other Persons (in their capacities as such) that act for or on behalf of PIL or any of its Subsidiaries (each, a "PIL or Subsidiary Representative"), has, in any material respect since January 1, 2016, (i) made any bribe, rebate, payoff, influence payment, kickback or other payment that would be unlawful under any Anti-Corruption Laws; (ii) without limiting the foregoing, offered, paid, promised to pay, or authorized the payment of any money, or offered, given, promised to give, or authorized the giving of anything of value, to any "Government Official" or to any Person under circumstances where PIL or any of its Subsidiaries, or a PIL or Subsidiary Representative knew or had reason to know that all or a portion of such money or thing of value would be offered, given or promised, directly or indirectly, to any Government Official, in each case, for the purpose of (A) influencing any act or decision of such Government Official in that Person's official capacity, (B) inducing such Government Official to do or omit to do any act in relation to his or her lawful duty, (C) securing any improper advantage or (D) inducing such Government Official to influence or affect any act or decision of any Governmental Authority, in each case, in order to unlawfully assist PIL, any of its Subsidiaries or any PIL or Subsidiary Representative in obtaining or retaining business for or with, or in directing business to, any Person; (iii) acted in material violation of the economic and trade sanctions administered by OFAC, to the extent applicable in the jurisdictions in which PIL or any of its Subsidiaries conduct business; or (iv) acted in material violation of applicable Anti-Money Laundering Laws. Neither PIL nor any of its Subsidiaries, or PIL or Subsidiary Representative, is a Government Official.

(b) As of the date of this Agreement, PIL has disclosed all material facts known to it regarding (i) all claims, damages, liabilities, obligations, losses, penalties, actions, judgments, and/or allegations of any kind or nature that are asserted against, paid or payable by PIL, any of its Subsidiaries or a PIL or Subsidiary Representative in connection with non-compliance with any Anti-Corruption Laws in the jurisdictions in which PIL or any of its Subsidiaries or, to the Knowledge of PIL, a PIL or Subsidiary Representative, conducts business and (ii) any investigations (whether formal or informal, external or internal) involving possible non-compliance with any Anti-Corruption Laws by PIL or any of its Subsidiaries or, to the Knowledge of PIL, a PIL or Subsidiary Representative. Neither PIL nor any of its Subsidiaries, or PIL or Subsidiary Representative, is a corporation, business or other Person that has been formed by or for the benefit of any Government Official.

(c) Neither PIL nor any of its Subsidiaries nor, to the Knowledge of PIL, any PIL or Subsidiary Representative is: (i) the subject of any Sanctions, (ii) located, organized or resident in a Sanctioned Territory, (iii) acting for or on behalf of any Sanctioned Person or (iv) the subject of any proceedings, inquiry or investigation (whether formal or informal, external or internal) regarding compliance with Sanctions.

(d) During the last five (5) years, neither PIL nor any of its Subsidiaries nor, to the Knowledge of PIL, any PIL or Subsidiary Representative has engaged in or is now engaged in any dealings or transactions with or involving any Sanctioned Person, or in or involving any Sanctioned Territory, in violation of applicable Sanctions.

(e) PIL represents that the funds or assets used to pay the Moneda Shareholders in connection with the Transactions were not illegally derived or obtained, directly or indirectly, from a Sanctioned Person, in violation of Sanctions or the Anti-Money Laundering Laws.

Section 4.13 No Broker. Except for J.P. Morgan Chase & Co, the fees and expenses of which will be borne by PIL, no broker, finder, financial advisor or similar intermediary has acted for or on behalf of, or is entitled to any broker's, finder's, financial advisor's or similar fee or other commission from, PIL or any of its Affiliates in connection with this Agreement, the Ancillary Agreements, or the Transactions.

Section 4.14 Investigation; No Additional Representations. In entering into this Agreement, each of PIL and PIL Uruguay acknowledges and agrees, without limiting its right to rely on the representations, warranties, covenants and agreements contained herein, that it (a) has conducted its own independent investigation, review and analysis of, and, based thereon, has formed an independent judgment concerning, the business, assets, condition, operations and prospects of the Moneda Entities, (b) has been furnished with information about the Moneda Entities, businesses and operations as it has reasonably requested, and (c) has such knowledge and experience as to be aware of the risks and uncertainties inherent in the purchase of interests in the Acquired Companies of the type contemplated by this Agreement, as well as the knowledge of the Moneda Entities and their operations in particular, and has independently made its own analysis and decision to enter into this Agreement. Notwithstanding anything in this Agreement to the contrary, each of PIL and PIL Uruguay acknowledges and agrees that, except for the representations and warranties expressly set forth in Article 3 (Representations and Warranties Relating to the Moneda Entities and the Moneda Shareholders), neither the Moneda Shareholders, nor any of their Affiliates, their Agents, nor any other Person on behalf of any of them, makes or shall be deemed to make any representation or warranty to PIL or any other Person with respect to the Moneda Shareholders, the Moneda Entities, the Business or the Transactions, express or implied, at law or in equity (including any implied warranty or representation as to the business of the Moneda Entities, or the value, condition, merchantability or suitability or non-infringement of intellectual property as to any of the assets of the Moneda Entities). It is understood that any estimates, forecasts, projections or other predictions, or multiple of earnings, revenues or other financial measure and any other information or materials that have been or shall hereafter be provided or made available to PIL or any of its Affiliates or their respective Agents (including in any presentation by the Moneda Shareholders, any of their Affiliates, management of the Moneda Entities, their respective Agents or otherwise), are not, and shall not be deemed to be, representations and warranties of the Moneda Shareholders, the Moneda Entities, any of their Affiliates or any of their respective Agents. Each of PIL and PIL Uruguay hereby expressly disclaims (and shall cause its Affiliates, shareholders and any other interest holders of any kind whatsoever to expressly disclaim, as and when requested) any reliance whatsoever on any representation, warranty or other statement of the Moneda Shareholders, the Moneda Entities, their Affiliates or any of their Agents, whether made prior, during or after the execution of this Agreement, except for the representations and warranties set forth in Article 3 (Representations and Warranties Relating to the Moneda Entities and the Moneda Shareholders).

**ARTICLE 5
COVENANTS**

Section 5.1 Conduct of Business.

(a) During the Interim Period, except (i) as required or prohibited by Applicable Law or fiduciary or contractual obligation contained in documents made available to PIL prior to the date hereof, (ii) as required, contemplated or permitted by this Agreement, or necessary to consummate the Transactions, including in relation to the Pre-Closing Reorganization, (iii) as set forth in Section 5.1 of the Company Disclosure Schedule or Section 5.1(d), (iv) for commercially reasonable deviations therefrom due to COVID-19 Actions or similar epidemic or health emergencies or (v) with the prior written consent of PIL (which consent shall not be unreasonably withheld, conditioned or delayed) (items (i)-(v), the “Specified Exceptions”), the Company shall, and the Moneda Shareholders shall cause each Moneda Entity to use commercially reasonable efforts to (x) carry on its business in the ordinary course, consistent with past practice and (y) preserve its present business organization and material business relationships.

(b) Without limiting the generality of the foregoing, during the Interim Period, subject to the Specified Exceptions, the Company shall not, and the Moneda Shareholders shall cause each of the Moneda Entities not to, directly or indirectly:

(i) amend its Organizational Documents in any material respect that is adverse to PIL or the Moneda Shareholders, as the case may be;

(ii) amalgamate, merge with or into or consolidate with any other Person;

(iii) adopt a plan of complete or partial liquidation or resolutions providing for a complete or partial liquidation, dissolution, recapitalization or other reorganization of the Company or any other Moneda Entity;

(iv) authorize, issue, split, combine, subdivide or reclassify any capital stock, or securities exercisable for, exchangeable for or convertible into capital stock, or other equity or voting interests, other than the issuance of capital stock, or securities exercisable for, exchangeable for or convertible into capital stock, of a Moneda Entity, as applicable, to any other Subsidiary or Moneda Entity, as applicable;

(v) sell, transfer, lease, offer to sell, abandon or make any other disposition of any of its material assets (except for existing financial assets sold for cash in connection with the Pre-Closing Reorganization), other than pursuant to existing Contracts not in excess of \$50,000;

(vi) enter into any new line of business outside its existing businesses as of the date hereof;

(vii) acquire any other Person, including by way of merger, consolidation or purchase of all or a material portion of the capital stock or assets of such Person, other than the purchase of (A) assets or securities on behalf of clients in the ordinary course of business or (B) the purchase of an interest in a proprietary seed capital account or portfolio in the ordinary course of business.

(viii) declare, set aside, make or pay any dividend or other distribution, payable in cash, stock, property or otherwise, with respect to any of its capital stock, except for (a) dividends or other distributions paid by any wholly owned Subsidiary of the Company or of the Acquired Companies to the Company, the Acquired Companies or to any of their wholly owned Subsidiaries or (b) dividends that would not, individually or in the aggregate, leave the Moneda Entities with cash lower than the Target Cash;

(ix) except for Indebtedness expected to be discharged prior to the Closing, incur, create, assume or otherwise become liable for any Indebtedness of the type referred to in clause (a) or (b) of the definition thereof (or, to the extent relating thereto, clause (d) of the definition thereof) in excess of \$50,000;

(x) except as set forth in Section 5.1(b) of the Company Disclosure Schedule, other than in the ordinary course of business, enter into any swap or hedging transaction or other derivative agreements with respect to foreign exchange or interest rate swaps;

(xi) except as required by Applicable Law, IFRS or any other applicable accounting principles or regulations, make any change in its accounting methods or practices;

(xii) other than in the ordinary course of business, enter into, amend or modify in any material respect or assign (other than to another Moneda Entity) or terminate any Material Contract or any Contract that would be a Material Contract if existing on the date hereof (other than the expiration or termination of any Contract due to the lapse of time, in accordance with its terms);

(xiii) except to the extent required by any Plan, policy or agreement as in effect on the date of this Agreement, (A) with respect to any employee of the Company, an Acquired Company, and any of their Subsidiaries, grant any (x) increase in the compensation, commissions or benefits, including severance pay, other than increases in employee base salaries or wage rates or employee benefits in the ordinary course of business consistent with past practice and other compensation granted to newly hired employees consistent with clause (B) below and in the ordinary course of business consistent with past practice or (y) accelerate the payment or vesting of, conditionally or otherwise, any bonus, equity-based awards or benefits; (B) hire (other than to replace departing employees), or terminate (other than for cause) the employment of, any officer or employee having a title that is at or above director; (C) grant any equity award or other long-term incentive compensation; or (D) enter into any agreement which provides for, or amend any agreement to provide for, payment in connection with a change in control (either alone or together with any other event) of a Moneda Entity;

(xiv) make, change, or revoke any entity classification or other material Tax election, adopt or change any material method of Tax accounting, file any material amended Tax Return, enter into any material closing agreement, request any ruling from, or initiate or enter into any voluntary disclosure with, a Governmental Authority with respect to material Taxes, surrender any right to claim a material Tax refund, settle or compromise any material Tax claim or assessment, or consent to any settlement or extension or waiver of the limitations period applicable to any material Tax claim or assessment;

(xv) settle any Proceeding, other than settlements that result solely in monetary obligations of the Moneda Entities (without the admission of wrongdoing or a nolo contendere or similar plea, the imposition of injunctive or other equitable relief, or restrictions on the future activity or conduct, by, of or on behalf of the Moneda Entities) involving payment by the Moneda Entities in an amount not greater than \$50,000;

(xvi) initiate any Proceeding against any Client or Governmental Authority (except for counterclaims with respect to proceedings initiated by Governmental Authorities in the ordinary course of business);

(xvii) make or incur any capital expenditures in excess of \$50,000 in the aggregate;

(xviii) enter into any lease capitalized in accordance with IFRS; or

(xix) agree or commit to do any of the foregoing.

(c) Other than the Company's consent rights with respect to the foregoing matters, as applicable (which consent shall not be unreasonably withheld, conditioned or delayed), nothing contained in this Agreement is intended to give PIL, directly or indirectly, any right to control or direct the operations of a Moneda Entity or any of their Affiliates, as applicable, prior to the Closing. Subject to the foregoing sentence, prior to the Closing, the Moneda Shareholders and the Moneda Entities shall exercise complete control and supervision over their respective operations.

(d) For the avoidance of doubt, and without limitation of any other action not constituting a prohibited action under Section 5.1(b), any action (including any distributions, payments or transfers by or to the Moneda Entities) pursuant to and in compliance with the Pre-Closing Reorganization and Section 5.3 hereof, shall not constitute prohibited action under Section 5.1(b) with respect to each Moneda Entity prior to the Closing.

Section 5.2 Client Consents.

(a) U.S. Advisor Clients. Section 5.2(a) of the Company Disclosure Schedule sets forth a correct and complete list, as of the date of this Agreement, of each “investment advisory contract” (as defined in Section 205(d) of the Investment Advisers Act) to which the U.S. Advisor is a party (each such contract, a “U.S. Advisor Advisory Contract”), indicating the names of the other parties to each such contract and the dates of each such contract. The Company shall, and shall cause the U.S. Advisor to, as soon as reasonably practicable following the date hereof, use its reasonable best efforts to: (i) ensure that each U.S. Advisor Advisory Contract is compliant with Section 205 of the Investment Advisers Act and make any amendment to such contracts that is necessary to ensure such compliance, *provided* that any such amendment shall be effected in accordance with the existing terms and conditions of the applicable contract, and (ii) solicit and obtain, by no later than three (3) Business Days prior to the Closing Date, (A) the affirmative written consent of a majority in interest of the limited partners of Moneda Latin American Equities Fund (Delaware), LP to the assignment or deemed assignment of the limited partnership agreement of Moneda Latin American Equities Fund (Delaware), LP, (B) the affirmative written consent of Best Investment Corporation to the assignment or deemed assignment of the discretionary investment management agreement (including any supplemental agreements thereto) currently in effect between the U.S. Advisor and Best Investment Corporation, (C) the affirmative written consent of both Mercer Global Investments Europe Limited and Mercer QIF Fund Plc to the assignment or deemed assignment of the sub-investment management agreement currently in effect among the U.S. Advisor, Mercer Global Investments Europe Limited and Mercer QIF Fund Plc, (D) the affirmative written consent of the Chilean Advisor to the assignment or deemed assignment of the investment advisory and marketing support agreement currently in effect between the U.S. Advisor and the Chilean Advisor and (E) the affirmative written consent of the BVI Advisor to the assignment or deemed assignment of the investment advisory and marketing support agreement currently in effect between the U.S. Advisor and the BVI Advisor, in each case in reference to the assignment or deemed assignment of the applicable U.S. Advisor Advisory Contract (within the meaning of Section 205 of the Investment Advisers Act) resulting from the Transactions contemplated hereby and the continuation of the U.S. Advisor’s performance of its management or advisory services pursuant to the applicable U.S. Advisor Advisory Contract following consummation of the Transactions pursuant to its current terms, it being understood that the respective consents shall be solicited and obtained, and that the assignment of the U.S. Advisor Advisory Contracts shall be effected, (1) in a manner consistent with Applicable Law and with the applicable terms and conditions of the U.S. Advisor Advisory Contracts and of other related Operative Documents of the relevant Company Clients and (2) without any concessions or waivers having been provided to any such Company Clients in connection therewith and without modification or waiver of the existing terms or conditions set forth in the applicable Operative Documents (other than any amendments made to such Operative Documents solely in furtherance of the Company’s obligation under clause (i) of this Section 5.2(a)). In connection with obtaining any consent from any Person (including any consent pursuant to this Section 5.2(a)), (x) without the prior written consent of PIL, none of the Moneda Shareholders shall impose on the Business any obligation to pay or commit to pay to any Person any cash or other consideration, make any commitment or incur any liability and (y) none of PIL or its Affiliates shall be required to pay or commit to pay to any Person any cash or other consideration, make any commitment, amend any contract or incur any liability. Promptly after the date of this Agreement, but in any event at least forty-five (45) days in advance of the Closing Date, the Company shall, in furtherance of its obligations under clause (ii) of this Section 5.2(a), cause the U.S. Advisor to send a consent notice (a “Consent Notice”), on terms mutually reasonably satisfactory to each Party, to each of the Persons referenced in such clause (ii). If the requisite consent is not yet received from any Person referenced in such clause (ii) within twenty (20) days after the Consent Notice is sent to such Person and such Person has not affirmatively withheld or denied consent, then the Company shall, no more than twenty (20) days after the Consent Notice is sent to such Person, cause the U.S. Advisor to send that Person a follow-up notice (the “Second Consent Notice”) in a form agreed to between the Company and PIL promptly following the date of this Agreement. Each Consent Notice and Second Consent Notice shall be delivered via e-mail and followed up by mail and/or facsimile or such other form of delivery as required for the particular Person from whom consent is being solicited pursuant to the applicable U.S. Advisor Advisory Contract and any other applicable Operative Documents (as applicable).

(b) Cooperation. The Parties shall provide all cooperation necessary or advisable in connection with obtaining the consents sought pursuant to this Section 5.2. Without limiting the foregoing, (i) PIL agrees to provide promptly in writing all information concerning itself and its Affiliates required to be included in the proxy solicitation, or other consent solicitation or materials contemplated by this Section 5.2. Each Moneda Shareholder, the Company and PIL agree that such information supplied by it or on its behalf shall not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The Company shall, to the extent permitted by Applicable Law, upon the request of PIL, consult in good faith with PIL regarding the consent solicitation process set forth in this Section 5.2, and shall use reasonable best efforts to communicate with PIL on a regular basis to keep PIL apprised of such consent solicitation efforts and to inform PIL as soon as practicable of any material developments related to such efforts (including any failure by the U.S. Advisor to obtain any of the requisite consents under this Section 5.2). Subject to Section 5.4, upon reasonable request, the Company shall promptly make available to PIL copies of all executed consents and other documents evidencing satisfaction of the foregoing.

Section 5.3 Pre-Closing Reorganization.

(a) The Moneda Shareholders and the Company agree that, from the date hereof and until the Closing Date, the Moneda Shareholders and the Company shall, and shall cause each other Moneda Entity to, promptly take any necessary or advisable action to implement, prior to or simultaneously with the Closing, the Pre-Closing Reorganization in accordance with Applicable Law and regulations issued by the Chilean Tax Authority or any Governmental Authority.

(b) The Moneda Shareholders agree to provide PIL with a reasonable opportunity to review and comment on relevant documentation related to the Pre-Closing Reorganization prior to implementation. As soon as reasonably practicable following the implementation of each step of the Pre-Closing Reorganization, the Moneda Shareholders agree to provide PIL with copies of all documentation reflecting the completion of each such step. The Moneda Shareholders shall be responsible for all costs and expenses directly resulting from the Pre-Closing Reorganization and Taxes set forth in Section 8.1(a)(i) of this Agreement.

Section 5.4 Access to Information; Confidentiality; Books and Records.

(a) Subject to Applicable Law, during the Interim Period, upon reasonable advance notice, the Company shall, and shall cause the other Moneda Entities to, provide to PIL and its Agents (at PIL's expense) during normal business hours reasonable access to all books and records of the Moneda Entities and their employees. In exercising its rights hereunder, PIL shall conduct itself in a manner so as to not interfere with the normal business operations of the Moneda Entities prior to the Closing. PIL acknowledges and agrees that any contact by PIL and its Agents with Agents of the Acquired Companies hereunder shall be arranged and supervised by Agents of the Moneda Shareholders previously agreed in writing, unless the Representatives otherwise expressly consent in writing with respect to any specific contact. Notwithstanding anything to the contrary set forth in this Agreement, neither the Moneda Shareholders nor any of their Affiliates (including the Moneda Entities) shall be required to disclose to PIL or any Agent thereof any information, (A) if in doing so, (1) could reasonably violate any Law (including any privacy Law) or Contract to which a Moneda Shareholder or any of its Affiliates (including any Acquired Company) is a party or is subject, (2) the Moneda Shareholders or such Affiliate of the Moneda Shareholders, as applicable, believe in good faith that such disclosure could impair the ability to successfully assert a claim of privilege (including the attorney-client and work product privileges) or (3) would result in the disclosure of any competitively sensitive information of the Moneda Shareholders or of any of their Affiliates, or (B) the disclosure of which requires the consent of any employee or other individual associated with the Moneda Entities, the Moneda Shareholders or any of their Affiliates, until such time as such consent has been obtained. Nothing herein shall require the Moneda Shareholders or any Moneda Entities to violate any copyright of any third party.

(b) In addition, during the Interim Period, subject to Section 5.4(a), the Company and, with respect to clause (iii) below, the Moneda Shareholders, if applicable, shall provide PIL with (i) each copy of the Company's audited consolidated and quarterly interim financial statements, including any related notes (to the extent, and in the same form, issued in the ordinary course of business), no later than five (5) Business Days following the date on which they are approved by the board of directors of the Company, (ii) with financial and operating information provided to the Company's board of directors promptly following any meeting of its board of directors at which such information is provided and (iii) such information as PIL may reasonably request in respect of the Moneda Entities in order to prepare and file an information statement in respect of the Transactions to be provided to PIL's shareholders, promptly as practicable following such request.

(c) All information provided to PIL or to which PIL obtains access in connection with the Transaction Agreements and the Transactions shall be held by PIL as confidential and as Confidential Information (as defined in the Confidentiality Agreement) under the terms of the Confidentiality Agreement and shall be subject to the Confidentiality Agreement in all respects, the terms of which are incorporated herein by reference. Effective upon, and only upon, the occurrence of the Closing, the Confidentiality Agreement shall terminate with respect to information and other Confidential Information (as defined in the Confidentiality Agreement) relating solely to the Acquired Companies.

(d) PIL shall promptly advise the Representatives, and the Representatives shall promptly advise PIL, in writing, of any fact, change, condition, circumstance or occurrence or nonoccurrence of any event of which such party is aware (i) that has had or is reasonably likely to have a Material Adverse Effect on PIL or the Company, respectively, or (ii) which it believes would or would be reasonably likely to cause or constitute a material breach of any of its representations, warranties or covenants contained herein or that reasonably could be expected to give rise, individually or in the aggregate, to the failure of a condition in Article 6. The Company may, from time to time prior to the date that is three (3) Business Days prior to the Closing Date, by notice given to PIL in accordance with this Agreement, supplement or amend the Company Disclosure Schedule; *provided* that no such disclosure shall (i) be deemed to have cured or to cure any past breach or past partial breach of any representation or warranty given by the Company contained in this Agreement, including for purposes of indemnification in accordance with Article 8 and Article 9, or (ii) be considered for purposes of determining whether the conditions set forth in Section 6.2(a) or Section 6.2(b) have been satisfied.

Section 5.5 Post-Closing Access.

(a) PIL shall, and shall cause its Affiliates (including, after the Closing, the Moneda Entities) to, preserve and keep all books and records and all information relating to the accounting, legal, Tax, regulatory, business and financial affairs of the Moneda Entities or assets that are obtained by PIL hereunder, for a reasonable period, which shall in no event be less than ten (10) years after the Closing Date, or for any longer period as may be (i) required by Applicable Law or any Governmental Authority or (ii) reasonably necessary with respect to the prosecution or defense of any Proceeding (including for these purposes, under Article 2 (The Transactions), Article 8 (Tax Matters) or Article 9 (Indemnification)) that is then pending or threatened in writing, or audit and with respect to which a Moneda Shareholder has notified PIL as to the need to retain such books, records or information.

(b) Following the Closing, for so long as such information is retained by PIL in accordance with Section 5.5(a), PIL shall, and shall cause the Moneda Entities to, subject to Applicable Law, permit the Moneda Shareholders and their authorized Agents to have reasonable access and duplication rights during normal business hours, upon reasonable prior notice to PIL, to the information described in Section 5.5(a) and the Agents of PIL and the Moneda Entities to the extent that such access may be reasonably required in connection with (i) the preparation of any Tax Return, or with any audits or similar proceedings, (ii) any Proceeding (including for these purposes, under Article 2 (The Transactions), Article 8 (Tax Matters) or Article 9 (Indemnification)) relating to a Moneda Shareholder or any Acquired Company or (iii) any Governmental Authority or regulatory matter.

Section 5.6 Contact with Clients, Employees, Etc. . Prior to the Closing, neither PIL nor any of its Affiliates or Agents shall contact or communicate with the Agents, independent contractors or clients of the Moneda Entities regarding, or in connection with, the Transactions without the consent of the Representatives, which may be withheld in their sole discretion.

Section 5.7 Further Assurances. From and after the Closing, each Party shall when requested by the other Party from time to time after the Closing, and at its own expense, cooperate with the other Party, execute and deliver, or cause to be executed and delivered, to such other Party such further acknowledgements, consents, assignments, documents and other instruments reasonably necessary to perfect or evidence the Transactions.

Section 5.8 Public Announcements. Neither PIL, PIL Uruguay, the Moneda Shareholders, or the Company shall make, nor permit any of their respective Affiliates or Agents to make, any public announcement or filing, or issue any public communication or proxy solicitation in respect of this Agreement, the Ancillary Agreements or the Transactions, without the prior written consent of (a) PIL (which consent shall not be unreasonably withheld, conditioned or delayed), in the case of an announcement, filing, communication or proxy solicitation by the Moneda Shareholders or any of their Affiliates or Agents, or (b) the Representatives (which consent shall not be unreasonably withheld, conditioned or delayed), in the case of an announcement, filing, communication or proxy solicitation by PIL or any of its Affiliates, except, in each case, if such announcement, filing, communication or proxy solicitation is (i) required by IFRS or any Law (including disclosure obligations; provided that each Party shall consider in good faith any reasonable comments provided by the other Parties, as applicable) applicable to PIL, PIL Uruguay, the Moneda Shareholders, the Company or any of their respective Affiliates, or (ii) in a manner consistent with the terms set forth in Exhibit K hereto; provided that, in the case of an announcement, filing, communication or proxy solicitation described in clauses (a) or (b), the Parties shall discuss and coordinate such announcement or communication with the other Parties, as applicable, prior to such announcement, filing or issuance.

Section 5.9 Regulatory Matters; Third Party Consents.

(a) During the Interim Period, subject to the terms and conditions herein provided, each of PIL, PIL Uruguay and the Company shall, and, if required by Applicable Law, shall cause its Subsidiaries to, use their respective reasonable best efforts to take, agree to take or cause to be taken, any and all actions and to do, or cause to be done, any and all things necessary, proper or advisable so as to consummate and make effective as promptly as practicable the Transactions (including the satisfaction of the conditions precedent set forth in Article 6 (*Conditions to Closing*)), and each such Party shall, and shall cause its respective Subsidiaries to, cooperate fully to that end.

(b) Without limiting the generality of [Section 5.9\(a\)](#), PIL, PIL Uruguay and the Company shall, and, if required by Applicable Law, shall cause their Subsidiaries to, use reasonable best efforts to (i) obtain any action, approval, authorization, clearance, order, Permit or waiver of all Governmental Authorities required to consummate the Transactions (including the FNE Filing and, prior to, or reasonably promptly after, the Closing, the consent of the Chilean Electronic Stock Exchange in connection with the indirect change of control of GDI) (each a “[Requisite Regulatory Approval](#)”), and (ii) complete any registrations that may be necessary, proper or advisable before the Registrar of Companies of the Cayman Islands with respect to the Merger (the “[Specified Registration](#)”). In connection therewith, (i) PIL, PIL Uruguay and the Company shall, and, if required by Applicable Law, shall cause their Subsidiaries to, (x) prepare and file as promptly as required by Applicable Law, but in any event no later than thirty (30) days from the date hereof, all filings, registrations and notifications necessary or advisable to make in connection with the Requisite Regulatory Approvals, and (y) on the Closing Date, make all Governmental Filings necessary or advisable to make in connection with the Specified Registration and, in each case of (x) and (y), thereafter promptly make any other submissions and responses required under any Applicable Law with respect to the Transactions; *provided* that pursuing consents or approvals with respect to Advisory Agreements shall be governed by [Section 5.2](#), and (ii) PIL and the Company shall, and, if required by Applicable Law, shall cause their Subsidiaries to, (A) subject to appropriate confidentiality protections, deliver as promptly as practicable to the appropriate Governmental Authorities any additional information and documentary material that may be requested pursuant to Applicable Law in connection with the Transactions, (B) promptly notify the other Parties of any substantive written communication made to or received by PIL or the Company (or their respective Subsidiaries), as the case may be, from any Governmental Authority regarding this Agreement or any of the Transactions, and, if permitted by Applicable Law and reasonably practicable, permit the other Parties hereto to review in advance any proposed substantive written communication to any such Governmental Authority and incorporate such other Parties’ (and any of its outside counsel’s) reasonable comments to such proposed written communication, (C) not agree to participate in any meeting or engage in any substantive discussion with any Governmental Authority in respect of any filing, investigation or inquiry regarding this Agreement or any of the Transactions unless, to the extent reasonably practicable, it consults with such other Parties in advance and, to the extent permitted by Law or not prohibited by such Governmental Authority, gives such other Parties the opportunity to attend or participate and (D) act in good faith and reasonably cooperate with the other Party in connection with any filing, including by furnishing the other Parties with copies of all such filings to the non-filing Party and, if requested by the other Party, consider all reasonable additions, deletions or changes suggested to any such correspondence; *provided, however*, that no Party shall have any obligation to provide to any other party documents or portions thereof that contain confidential or competitively sensitive information, and that information and materials may be redacted or withheld (x) as necessary to comply with legal obligations and bona fide contractual arrangements, (y) to the extent that they concern or refer to matters other than the Moneda Entities, the Business or the Transactions (including with respect to other business segments of PIL, the Moneda Shareholders or their respective Affiliates); *provided, further*, that the Parties may, as each deems advisable, reasonably designate any material or information provided to or received by any party under this [Section 5.9](#) as “outside counsel only material.” To the extent not prohibited by Applicable Law, the Parties shall promptly advise each other upon receiving any communication from any Governmental Authority in connection with the Requisite Regulatory Approvals set forth in Annex D hereto that causes such Party to believe that there is a reasonable likelihood that any such Requisite Regulatory Approvals will not be obtained or that the receipt of any such approval will be materially delayed.

(c) Notwithstanding anything to the contrary in this Agreement, nothing herein shall obligate or be construed to obligate the Company or any of its Affiliates (including any of the Moneda Entities) to make, or to cause to be made, any payment to, or forgo any rights against, any third Person in order to obtain the consent, waiver, confirmation, novation or approval of such third Person under any Contract. The failure by any Moneda Entity to obtain any consent, waiver, confirmation, novation or approval with respect to any Contract (including any Advisory Agreement) shall not (i) constitute a failure to satisfy any condition set forth in [Article 6](#) (*Conditions to Closing*) or (ii) relieve PIL or PIL Uruguay from its obligation to consummate the Transactions.

(d) From the date of this Agreement until the Closing, neither PIL nor any of its Subsidiaries or controlled Affiliates shall acquire or agree to acquire, by merging with or into or consolidating with, or by purchasing a substantial portion of the assets of or any equity in, or by any other manner, any assets or securities of a company focused on the asset management business in Chile, or enter into a joint venture or similar arrangement with respect thereto, if the execution and delivery of a definitive agreement relating to, or the consummation of, such acquisition or joint venture or similar arrangement would reasonably be expected to (individually or in the aggregate) (i) result in a material delay in obtaining, or materially increase the risk of not obtaining, the Requisite Regulatory Approvals, (ii) materially increase the risk of the FNE seeking or entering an Order prohibiting or conditioning the consummation of the Transactions, (iii) materially increase the risk of not being able to remove any such Order on appeal or otherwise, or (iv) otherwise prevent, condition or materially delay the consummation of the Transactions.

(e) Notwithstanding the foregoing, nothing in this Section 5.9 shall require, or be construed to require, PIL, the Moneda Shareholders, the Company or any of their respective Affiliates to agree to, unless agreed in their sole discretion, (i) sell, hold, divest, discontinue, limit or take any other action with respect to, before or after the Closing Date, any assets, businesses or interests of PIL, the Moneda Shareholders, the Company or any of their respective Affiliates; (ii) terminate existing relationships, contractual rights or obligations of the Company, the Moneda Shareholders or PIL or their respective Affiliates; (iii) terminate any joint venture or other arrangement of the Company, the Moneda Shareholders or PIL or their respective Affiliates; (iv) any conditions relating to, or changes or restrictions in, the operations of any such assets, businesses or interests which, in either case, could reasonably be expected to adversely impact the economic or business benefits to PIL of the Transactions contemplated by this Agreement or (v) any modification or waiver of the terms and conditions of this Agreement.

Section 5.10 Non-Solicitation of Alternative Transactions.

(a) Unless and until this Agreement has been terminated in accordance with its terms, each Moneda Shareholder shall not, and each Moneda Shareholder shall cause the Company, the Acquired Companies and their Subsidiaries not to, and shall direct its and their Agents not to, directly or indirectly, (i) solicit, initiate or knowingly encourage or facilitate the submission of any proposal to acquire or purchase any capital stock of, or concerning a merger consolidation, combination, sale of all or any material portion of the assets of, or similar transaction involving, the Acquired Companies or the Business (an "Acquisition Proposal"), (ii) (A) enter into or participate in any discussions or negotiations with, (B) furnish any non-public information relating to the Acquired Companies or the Business (other than as to the existence of these provisions) to, or (C) otherwise knowingly cooperate in any way with, or knowingly assist, participate in, facilitate or encourage any effort by, in each case of this clause (ii), any Person, other than PIL and its Affiliates, in connection with making an Acquisition Proposal, (iii) enter into any agreement with any party other than PIL and its Affiliates with respect to such an Acquisition Proposal or (iv) authorize any of the foregoing actions.

(b) Each Moneda Shareholder shall, and shall cause the Company, the Acquired Companies and their Subsidiaries to, immediately terminate and cause to be terminated any and all existing discussions or negotiations with any Persons (other than PIL and its Affiliates) conducted heretofore with respect to any of the foregoing actions described in Section 5.10(a). The Moneda Shareholders shall not, and shall cause their controlled Affiliates not to, release any third party from any confidentiality or use restrictions to the extent relating to non-public information concerning the Acquired Companies or the Business to which the Moneda Shareholders, the Company or any of their controlled Affiliates is a party and relating to any Acquisition Proposal.

Section 5.11 D&O Indemnification and Insurance. PIL shall, or shall cause one or more Moneda Entities to, at PIL's cost, obtain with effect from and after the Closing Date and shall, or shall cause such Moneda Entities to, maintain in effect for six (6) years after the Closing Date a "run-off" or "tail" directors' and officers' liability insurance policy to the current policy (the "Current Policy") covering the directors and officers of the Moneda Entities and the officers of the Company Funds and members of the Fund Boards with respect to matters occurring prior to the Closing and having coverage limits in the same aggregate amount as provided in the current policy for such six-year (6-year) period and terms and conditions otherwise no less advantageous to the indemnitees than the terms and conditions of the current policy covering the directors and officers of the Moneda Entities and officers of the Company Funds and members of the Fund Boards.

Section 5.12 Affiliate Agreements. The Company shall cause all Affiliate Contracts with respect to which there would otherwise be liability on the part of PIL or any of its Affiliates (including any Moneda Entity after the Closing), to be settled or otherwise terminated effective upon the Closing, without any liability on the part of PIL or any of its Affiliates (including liability arising from such termination), except for this Agreement, the Ancillary Agreements and those Contracts or other transactions set forth in Section 5.12 of the Company Disclosure Schedule.

Section 5.13 Board of Directors. The Moneda Shareholders and the Company shall use reasonable best efforts to cause such members of the boards of directors or comparable governing body of the Company, the Acquired Companies and their Subsidiaries indicated in writing by PIL prior to the Closing, to tender their resignation from such position to be effective upon the Closing, and in the event any such individual does not tender his/her resignation, the Moneda Shareholders and the Company shall take such actions necessary to remove such individuals from such positions at or prior to the Closing; *provided* that no such members of the board of directors or comparable governing bodies shall be removed to the extent that such removal would result in requiring prior regulatory consent in Luxembourg to the Transactions with respect to any Moneda Entity.

Section 5.14 Accrual of Cash Payments. Following the date hereof, the Company shall accrue all amounts payable by the Company or its Subsidiaries for employee bonuses (including, for the avoidance of doubt, bonuses payable to senior employees under profit share pools or similar arrangements), management fee rebates for Fiscal Year 2021, which amounts shall be considered Indebtedness Adjustment Amount under this Agreement.

Section 5.15 Political Contributions. During the Interim Period, unless PIL otherwise consents in writing, no Moneda Entity nor any Guarantor shall make any "contribution" to an "official" of a "government entity" (in each case, within the meaning of Rule 206(4)-5 under the Investment Advisers Act).

Section 5.16 Allocation of Bonus Amounts to Moneda Entities' Executives. For the 2022 – 2026 calendar years, an amount calculated in accordance with the definition of Bonus Amount Provision shall be reserved for the Moneda Entities' executives and employees. After the expiration of such five-year period, all bonus amounts payable to such executives and employees shall be determined by reference to the compensation and benefits policies (including fee-related earnings allocation) of PIL; *provided*, that the Company's executives and employees shall be treated no less favorably with respect thereto at any time, than similarly situated executives and employees of PIL and its Affiliates.

Section 5.18 Bonus Amount 2021. The Moneda Shareholders and the Company shall cause the Moneda Entities to allocate an amount equal to the Bonus Amount 2021 to the payment of bonuses to employees of the Moneda Entities for 2021.

Section 5.19 Deferred Restricted Cash. As soon as reasonably practicable after any portion of Deferred Restricted Cash becomes unrestricted, and ceases to be Restricted Cash, PIL shall on or before the first anniversary of the Closing transfer or cause to be transferred to the Moneda Shareholders by wire transfer of immediately available funds to the account set forth opposite each such Moneda Shareholder's name in Annex A hereto (or such other account or accounts as may be designated by such Moneda Shareholder in accordance with Section 11.8 (*Notices*)) an amount equal to each such Moneda Shareholder's Pro Rata Share of the such portion of Deferred Restricted Cash that ceases to be Restricted Cash; provided that no such transfers to Moneda Shareholders shall be required unless such Deferred Restricted Cash was released without meaningful countervailing payments, offsets or objections not assumed by the Moneda Entities and the cumulative amount of such released funds shall be in excess of \$**[**]** for each such distribution. Any payment pursuant to this Section 5.19 shall be deemed an adjustment to the Total Cash Consideration.

Section 5.20 Certain Regulatory Matters. Prior to the Closing, the Moneda Entities shall, at their sole cost and expense, use reasonable best efforts to take the actions set forth in Annex E hereto, acting in accordance with Section 5.9 as to such actions.

ARTICLE 6 CONDITIONS TO CLOSING

Section 6.1 Mutual Conditions. The respective obligations of each Party to consummate the Transactions and to effect the Closing shall be subject to the satisfaction (or waiver in writing by each Party, if permissible) prior to or at the Closing, of each of the following conditions:

(a) Regulatory Approvals. The Requisite Regulatory Approvals set forth in Annex D shall have been received and in full force and effect, and any related waiting period (and applicable extensions) required by Law shall have expired or been terminated.

(b) No Injunction, etc. No statute, rule, regulation, executive order, decree, temporary restraining order, preliminary or permanent injunction or other Order enacted, issued, promulgated, enforced or entered by any Governmental Authority having competent jurisdiction or other legal restraint or prohibition enjoining or otherwise preventing the consummation of the Transactions shall be in effect.

(c) Pre-Closing Reorganization. The Pre-Closing Reorganization shall have been carried out and consummated and be in full force and effect.

Section 6.2 Conditions to the Obligations of PIL and PIL Uruguay. The obligations of PIL and PIL Uruguay to consummate the Transactions and to effect the Closing shall be subject to the satisfaction of each of the following conditions, any of which may be waived in writing by PIL and PIL Uruguay prior to or at the Closing:

(a) Representations and Warranties.

(i) The Fundamental Representations of the Company, and the representation and warranty set forth in Section 3.7 (*Absence of Certain Changes*) shall be true and correct (without giving effect to any limitations as to "materiality" or "Material Adverse Effect" set forth therein) in all respects as of the date of this Agreement and at and as of the Closing with the same effect as though made at and as of the Closing; and

(ii) The representations and warranties contained in Article 3 of this Agreement (other than the Fundamental Representations of the Company, and the representation and warranty set forth in Section 3.7 (*Absence of Certain Changes*)) (without giving effect to any limitations as to “materiality” or “Material Adverse Effect” set forth therein) shall be true and correct as of the date of this Agreement and at and as of the Closing with the same effect as though made at and as of the Closing (except to the extent such representations and warranties relate to an earlier date, in which case such representations and warranties shall be true and correct as of such earlier date) except for such failures to be true and correct as would not have a Material Adverse Effect on the Company.

(b) Covenants and Agreements. The Company and the Moneda Shareholders shall have performed and complied in all material respects with all covenants required by this Agreement to be performed or complied with by them at or prior to the Closing.

(c) Officer’s Certificate. The Company shall have delivered to PIL a certificate, dated as of the Closing Date, signed by a duly authorized officer of the Company, certifying as to the satisfaction of the conditions contained in Section 6.2(a) and Section 6.2(b).

(d) Key Person. Each Key Person shall (i) continue to devote its business time to the Moneda Entities substantially as devoted as of the date hereof, or otherwise be employed on active status by a Moneda Entity as of the Closing, and (ii) not have provided notice, resigned or otherwise indicated in writing that such individual will terminate or cease its duties, role or employment on or after the Closing.

Section 6.3 Conditions to the Obligations of the Company, and the Moneda Shareholders. The obligations of the Company, the Moneda Shareholders to consummate the Transactions and to effect the Closing shall be subject to satisfaction of each of the following conditions, any which may be waived in writing by the Company and the Representatives prior to or at the Closing:

(a) Representations and Warranties.

(i) The Fundamental Representations of PIL and PIL Uruguay, and the representation and warranty set forth in Section 4.7 (*Absence of Certain Changes*) shall be true and correct (without giving effect to any limitations as to “materiality” or “Material Adverse Effect” set forth therein) in all respects as of the date of this Agreement and at and as of the Closing Date with the same effect as though made at and as of the Closing; and

(ii) The representations and warranties contained in Article 4 of this Agreement (other than the Fundamental Representations of PIL and PIL Uruguay, and the representation and warranty contained in Section 4.7 (*Absence of Certain Changes*)) (without giving effect to any limitations as to “materiality” or “Material Adverse Effect” set forth therein) shall be true and correct as of the date of this Agreement and at and as of the Closing with the same effect as though made at and as of the Closing (except to the extent such representations and warranties relate to an earlier date, in which case such representations and warranties shall be true and correct as of such earlier date), except for such failures to be true and correct as would not have a Material Adverse Effect on PIL.

(b) Covenants and Agreements. PIL and PIL Uruguay shall have performed and complied in all material respects with all covenants required by this Agreement to be performed or complied with by PIL or PIL Uruguay at or prior to the Closing.

(c) Voting Agreement. The Voting Agreement shall have been duly executed and delivered and remain in full force and effect and the covenants therein to be performed before or at Closing shall have been performed in all material respects.

(d) Officer's Certificate. PIL shall have delivered to the Company and the Representatives a certificate, dated as of the Closing Date, signed by a duly authorized officer of PIL, certifying as to the satisfaction of the conditions contained in Section 6.3(a) and Section 6.3(b).

Section 6.4 Frustration of Closing Conditions. No Party may rely on the failure of any condition set forth in this Article 6 to be satisfied if such failure was caused by such Party's breach of this Agreement.

ARTICLE 7 TERMINATION

Section 7.1 Termination.

(a) This Agreement may be terminated and the Transactions may be abandoned at any time prior to the Closing:

(i) by the mutual written agreement of PIL and the Moneda Shareholders;

(ii) by either PIL or the Moneda Shareholders, if (A) there shall be any Law that makes consummation of the Transactions illegal or otherwise prohibited or (B) any statute, rule, regulation, executive order, decree, restraining order, injunction or other Order of any Governmental Authority having competent jurisdiction permanently enjoining or otherwise preventing the consummation of the Transactions is enacted, issued, promulgated, enforced or entered and such statute, rule, regulation, executive order, decree, restraining order, injunction or other Order shall have become final and non-appealable; *provided* that (A) the Moneda Shareholders shall not have the right to terminate this Agreement pursuant to this Section 7.1(a)(ii) if they or the Company are in breach of any representation or warranty contained herein and (B) PIL shall not have the right to terminate this Agreement pursuant to this Section 7.1(a)(ii) if PIL or PIL Uruguay are in breach of any representation, warranty or other agreement herein;

(iii) by the Moneda Shareholders, if there shall be a breach by PIL or PIL Uruguay of any of their representations, warranties, covenants or agreements contained herein that would result in a failure to satisfy one or more of the conditions set forth in Section 6.3(a) or Section 6.3(b), and such breach is either (A) not capable of being cured prior to the Outside Date or (B) is capable of being cured and has not been cured within the earlier of (1) sixty (60) days after the receipt by PIL of a written notice of such breach from the Moneda Shareholders and (2) five (5) Business Days prior to the Outside Date; *provided* that the Moneda Shareholders shall not have the right to terminate this Agreement pursuant to this Section 7.1(a)(iii) if the Company or any of the Moneda Shareholders is then in breach of any of its representations, warranties, covenants or agreements contained herein and such breach would result in a failure to satisfy one or more of the conditions set forth in Section 6.2(a) or Section 6.2(b);

(iv) by PIL, if there shall be a breach by the Company or any Moneda Shareholder of any of their representations, warranties, covenants or agreements contained herein that would result in a failure to satisfy one or more of the conditions set forth in Section 6.2(a) or Section 6.2(b), and such breach is either (A) not capable of being cured prior to the Outside Date or (B) is capable of being cured and has not been cured within the earlier of (1) sixty (60) days after the receipt by the Moneda Shareholders of a written notice of such breach from PIL and (2) five (5) Business Days prior to the Outside Date; *provided*, that PIL shall not have the right to terminate this Agreement pursuant to this Section 7.1(a)(iv) if PIL or PIL Uruguay is then in breach of any of its respective representations, warranties, covenants or agreements contained herein and such breach would result in a failure to satisfy one or more of the conditions set forth in Section 6.3(a) or Section 6.3(b); or

(v) by the Moneda Shareholders, on the one hand, or PIL, on the other hand, if the Closing shall not have occurred by 5:00 P.M. (New York City time) on April 30, 2022 (the "Outside Date"); *provided* that (A) the Moneda Shareholders shall not have the right to terminate this Agreement pursuant to this Section 7.1(a)(v) if the Moneda Shareholders' failure to fulfill any obligation or covenant under this Agreement (or breach of any representation, warranty or other agreement herein) shall have been the cause of, or resulted in, the failure of the Closing to occur on or prior to such date and (B) PIL shall not have the right to terminate this Agreement pursuant to this Section 7.1(a)(v) if its or PIL Uruguay's failure to fulfill any obligation or covenant under this Agreement (or breach of any representation or warranty contained herein) shall have been the cause of, or resulted in, the failure of the Closing to occur on or prior to such date; *provided* that if on or prior to the Outside Date, all of the conditions set forth in Article 6 (Conditions to Closing) have been satisfied or waived, if permissible by the Parties entitled to the benefits thereto (other than conditions which by their nature are to be satisfied or waived at the Closing and are expected to be satisfied at the Closing), except for the condition set forth in Section 6.1(a), and the Parties have not received from a Governmental Authority, notice in writing that the Requisite Regulatory Approvals will not be obtained, then the Outside Date shall be deemed to be the date that is thirty (30) days from the initial Outside Date; *provided further* that neither PIL nor the Moneda Shareholders shall have the right to terminate this Agreement pursuant to this Section 7.1(a)(v) in the event the other Party has initiated Proceedings seeking specific performance in accordance with Section 11.9 (*Specific Performance*) and such Proceedings are pending.

(b) The termination of this Agreement shall be effectuated by the delivery by the Party seeking to terminate this Agreement to the other Party of a written notice of such termination and the basis under this Agreement for such termination. If this Agreement so terminates, it shall become null and void and have no further force or effect, except as provided in Section 7.2 (Survival).

Section 7.2 Survival. If this Agreement is terminated in accordance with Section 7.1 (*Termination*) hereof and the Transactions are not consummated, this Agreement shall become null and void and of no further force and effect, no Party (or any of its Affiliates or its or their respective Agents) will have any liability or further obligation to any other Party (and the Parties shall be relieved and released from any related liabilities), and the Transactions shall be abandoned without further action by the Parties; *provided* that the provisions of Section 5.8 (*Public Announcements*), this Section 7.2, Article 11 (*Miscellaneous*), and the Confidentiality Agreement shall survive any termination hereof and remain in full force and effect. Notwithstanding the foregoing, nothing in this Section 7.2 shall relieve any Party of liability resulting from fraud or intentional breach of this Agreement occurring prior to such termination.

ARTICLE 8
TAX MATTERS

Section 8.1 Tax Indemnification.

(a) From and after the Closing, the Moneda Shareholders hereby agree, on a several and not joint basis, to indemnify PIL and each of its Affiliates (including the Acquired Companies after the Closing Date) (collectively, the “PIL Tax Indemnified Parties”) and hold the PIL Tax Indemnified Parties harmless from and against (i) any Pre-Closing Taxes (including any Taxes directly resulting from the Pre-Closing Reorganization) imposed on or in respect of the Acquired Companies, (ii) any Pre-Closing Taxes of any other person (including the Moneda Shareholders or any of their Affiliates (other than the Acquired Companies)) for which an Acquired Company is liable as a transferee or successor, by contract entered into prior to the Closing Date or otherwise (excluding agreements entered into in the ordinary course of business that are not primarily related to Taxes), (iii) any Taxes directly resulting from the MAM II HoldCo Merger described in Section 2.2 of this Agreement which are imposed on the Moneda Shareholder or MAM II HoldCo or its subsidiaries, and (iv) reasonable legal fees and expenses attributable to any item in clause (i) through (iii) above; provided that the Moneda Shareholders shall not be required to pay or cause to be paid, or to indemnify or hold harmless the PIL Tax Indemnified Parties from and against any Taxes to the extent such Taxes (i) were included as a liability in the calculation of the Total Cash Consideration, (ii) arise as a result of the violation of Section 8.3 (Amendment of Tax Returns; Similar Items), or (iii) were incurred by reason of a transaction outside of the ordinary course of business entered into after the Closing on the Closing Date, other than as otherwise expressly contemplated by this Agreement (the Taxes for which the Moneda Shareholders are required to indemnify PIL pursuant to this Section 8.1(a), the “Moneda Shareholder Indemnified Taxes”). Notwithstanding anything to the contrary herein, the amount of Moneda Shareholder Indemnified Taxes payable by each Moneda Shareholder shall not exceed such Moneda Shareholder’s Pro Rata Share of the aggregate Moneda Shareholder Indemnified Taxes payable by the Moneda Shareholders.

(b) Subject to the provisions of Section 8.6 (*Tax Audits*), any indemnity payment required to be made pursuant to this Section 8.1 or otherwise pursuant to this Article 8 shall be made within thirty (30) days after the indemnified party makes written demand containing reasonable details of the relevant facts and calculations upon the indemnifying party, but in no case earlier than five (5) days prior to the later of the date on which (i) the relevant Taxes or other amounts are required to be paid to the applicable Taxing Authority (including pursuant to a Tax Return filing in the ordinary course of business or otherwise) and (ii) the applicable Taxing Authority may commence a collection action in respect of the relevant Taxes, which action may not reasonably be contested or appealed.

Section 8.2 Tax Returns.

(a) PIL shall prepare and timely file (or cause to be prepared and timely filed) all Tax Returns required to be filed after the Closing Date (taking into account any extension) by or with respect to the Acquired Companies and, subject to Section 8.1(a), pay all Taxes due with respect thereto. In the case of any such Tax Return that relates to any Pre-Closing Tax Period or any period that includes (but does not end on) the Closing Date (a "Straddle Period"), (i) such Tax Return shall be prepared and timely filed in a manner consistent with past practices, elections and methods of the relevant Acquired Company (or the Moneda Shareholders or their relevant Affiliates, as applicable), except as required by Applicable Law, (ii) PIL shall deliver any such Tax Return to Representatives for their review and comment at least thirty (30) days prior to the due date therefor in the case of annual income Tax Returns (taking into account any extensions) or upon a reasonable timeframe for other Tax Returns, and (iii) PIL shall reflect comments received from the Representatives that are more likely than not necessary to comply with Applicable Law (or required to comply with subsection (i) above) no later than thirty (30) days prior to the due date therefor (taking into account any extensions), in the case of income Tax Returns, or as soon as reasonably practicable (taking into account any extensions) in the case of all other Tax Returns.

(b) Company and PIL shall make (and shall cause their relevant Affiliates to make) an election, if available under Applicable Law, to treat, or to the extent permitted or required under Applicable Law shall treat, the taxable year of each of the Acquired Companies as closing on the Closing Date.

Section 8.3 Amendment of Tax Returns; Similar Items. Unless otherwise required by Applicable Law, PIL and its Subsidiaries shall not amend, or permit any Acquired Company to amend, any Tax Return of any Acquired Company or agree to any waiver or extension of the statute of limitations relating to Taxes with respect to any Acquired Company for a Pre-Closing Tax Period or Straddle Period or that reflects (or is required to reflect) any Moneda Shareholder Indemnified Taxes, in each case, without the prior written consent of Representatives, which consent shall not be unreasonably withheld or delayed if such action would not adversely affect the Moneda Shareholders or any of their Affiliates. Without the prior written consent of the Representatives, PIL shall not, and shall not permit its Affiliates to, (x) make any Tax election with respect to an Acquired Company, which Tax election would be effective for any Pre-Closing Tax Period or Straddle Period, (y) make an election under Section 338(g) of the Code (or any similar provision of U.S. state or local Law) with respect to an Acquired Company, or (z) or voluntarily approach any Taxing Authority on or after the Closing Date with respect to any Tax position taken by any Acquired Company (or the Moneda Shareholders or any of their Affiliates with respect to an Acquired Company) on a Tax Return for any Pre-Closing Tax Period or Straddle Period if such action would reasonably be expected to increase the amount of Moneda Shareholder Indemnified Taxes; *provided* that nothing herein shall limit the ability of PIL or any of its Affiliates to respond to mandatory requests for information (including information document requests) from any Taxing Authority or engage in any discussions with any Taxing Authorities in the course of any Tax Proceeding.

Section 8.4 Transfer Taxes. All transfer, documentary, sales, use, stamp, registration, value added and other such Taxes (including any penalties and interest) incurred in connection with the Transactions (including any real property transfer tax and any similar Tax, "Transfer Taxes") but excluding (for the avoidance of doubt) any Taxes imposed on net income or under the Chilean Income Tax Law, shall be borne by PIL, except that fifty percent (50%) of any Transfer Taxes imposed in Chile or the Cayman Islands shall be treated as a current liability in the calculation of Company Transaction Expenses. Transfer Taxes shall be paid to the appropriate Governmental Authority when due by the Person having the obligation to pay such Transfer Taxes under Applicable Law. The party responsible under Applicable Law for filing the Tax Returns with respect to such Transfer Taxes shall timely file all such Tax Returns and other documentation with respect thereto and shall promptly provide a copy of such Tax Returns and other documentation to the other party.

Section 8.5 Allocation of Straddle Period Taxes. For purposes of this Agreement, in the case of any Straddle Period, (a) all Property Taxes shall be apportioned between the Pre-Closing Tax Period, on the one hand, and the Post-Closing Tax Period, on the other hand, based on the number of days in such Straddle Period included in the Pre-Closing Tax Period and the number of days in such Straddle Period included in the Post-Closing Tax Period, and (b) all other Taxes shall be apportioned between the Pre-Closing Tax Period, on the one hand, and the Post-Closing Tax Period, on the other hand, as though such taxable period terminated as of the close of business on the Closing Date; *provided* that (i) exemptions, allowances or deductions that are calculated on an annual basis (including depreciation and amortization deductions) shall be allocated between the Pre-Closing Tax Period, on the one hand, and the Post-Closing Tax Period, on the other hand, in proportion to the number of days in such Straddle Period included in the Pre-Closing Tax Period and the number of days in such Straddle Period included in the Post-Closing Tax Period, (ii) all Tax Items resulting from any Company Transaction Expenses will (to the extent permitted by Applicable Law) be allocated to the portion of the Straddle Period that is deemed to end on the close of business on the Closing Date, and (iii) all Tax Items related to the Excluded Assets will be allocated to the portion of the Straddle Period that is deemed to end on the close of business on the Closing Date.

Section 8.6 Tax Audits.

(a) If one party is responsible for, or would reasonably be expected to be responsible for, the payment of or indemnification in respect of Taxes pursuant to this Article 8 (the "Tax Indemnifying Party"), and the other party to this Agreement (the "Tax Indemnified Party") receives a notice of deficiency, proposed adjustment, adjustment, assessment, audit, examination, suit, dispute or other claim with respect (in whole or in part) to such Taxes (a "Tax Claim"), the Tax Indemnified Party shall promptly (and in any event within ten (10) Business Days) notify the Tax Indemnifying Party in writing of such Tax Claim; *provided* that a delay to so notify shall not relieve the Tax Indemnifying Party of its obligations hereunder, except to the extent that such party is prejudiced by such delay. Such notice shall specify in reasonable detail the basis for such Tax Claim and shall include a copy of the relevant portion of any correspondence received from the Taxing Authority.

(b) In the case of any Tax audit, examination, contest, litigation or other Proceeding with or against any Taxing Authority ("Tax Proceeding") of or with respect to any of the Acquired Companies or any of their Subsidiaries for any taxable period ending on or before the Closing Date, the Representatives shall have the exclusive right to control such Tax Proceeding; *provided* that (i) the Representatives shall keep PIL reasonably informed regarding the conduct of such Tax Proceeding, (ii) PIL shall be entitled to participate in such Tax Proceeding and attend any meetings or conferences with the relevant Taxing Authority to the extent reasonably permitted to do so, and (iii) the Moneda Shareholders shall not settle, compromise or abandon any such Tax Proceeding without obtaining the prior written consent of PIL (which consent shall not be unreasonably withheld, conditioned or delayed).

(c) In the case of a Tax Proceeding (i) of or with respect to any of the Acquired Companies for any Straddle Period or (ii) involving Taxes that are Moneda Shareholder Indemnified Taxes and Taxes that are not Moneda Shareholder Indemnified Taxes (and such Tax Proceeding for Taxes that are Moneda Shareholder Indemnified Taxes is not separable from such Tax Proceeding for Taxes that are not Moneda Shareholder Indemnified Taxes), the Controlling Party shall have the right and obligation to conduct, at its own expense, such Tax Proceeding; *provided* that (i) the Controlling Party shall keep the Non-Controlling Party reasonably informed regarding the conduct of such Tax Proceeding, (ii) the Controlling Party shall consult with the Non-Controlling Party and offer the Non-Controlling Party an opportunity to comment before submitting any written materials prepared or furnished in connection with such Tax Proceeding, (iv) the Controlling Party shall defend such Tax Proceeding diligently and in good faith as if it were the only party in interest in connection with such Tax Proceeding, (v) the Non-Controlling Party shall be entitled to participate in such Tax Proceeding and attend any meetings or conferences with the relevant Taxing Authority and (vi) the Controlling Party shall not settle, compromise or abandon any such Tax Proceeding without obtaining the prior written consent of the Non-Controlling Party, which consent shall not be unreasonably withheld, conditioned or delayed. For purposes of this Agreement, "Controlling Party" shall mean the Moneda Shareholders if the Moneda Shareholders, taken as a whole, and their Affiliates are reasonably expected to bear the majority of the Tax liability in connection with such Tax Proceeding (*provided* that the Moneda Shareholders may elect in such case to not be the Controlling Party), or PIL if PIL and its Affiliates are reasonably expected to bear the majority of the Tax liability in connection with such Tax Proceeding. "Non-Controlling Party" means whichever of the Moneda Shareholders or PIL is not the Controlling Party with respect to such Tax Proceeding.

Section 8.7 Tax Refunds and Credits. The Moneda Shareholders shall be entitled to any refund of Taxes for which the Moneda Shareholders are responsible under this Article 8. PIL shall be entitled to any refund of Taxes of the Acquired Companies other than refunds to which the Moneda Shareholders are entitled pursuant to the immediately preceding sentence. Any refunds of Taxes of the Acquired Companies for any Straddle Period shall be equitably apportioned between the Moneda Shareholders and PIL in accordance with the principles set forth in Section 8.5 and the first sentence of this Section 8.7. PIL shall, if the Representatives so reasonably requests and at the Moneda Shareholders' expense, file for and obtain or cause its relevant Affiliates (including the Acquired Companies) to file for and obtain refunds. The Representatives shall have the right to control the conduct of any such claim. If the Moneda Shareholders pay (or if the Acquired Companies pay prior to the Closing) estimated Taxes for any Straddle Period in excess of the amount ultimately determined to be due for the portion of such Straddle Period ending on the Closing Date (as determined pursuant to Section 8.5), and PIL or its Affiliates (including the Acquired Companies) obtains the benefit of such excess payment (either as a cash refund or as a reduction in cash Taxes actually payable), PIL shall promptly refund such excess to the Moneda Shareholders. Payments pursuant to this Section 8.7 shall be made in readily available funds within fifteen (15) days of the actual receipt or realization of the applicable refund or credit (and shall include, for the avoidance of doubt, any interest paid thereon, but shall be net of any Taxes to the party receiving such refund in respect of the receipt or accrual of such refund).

Section 8.8 Cooperation. PIL and each Acquired Company, on the one hand, and the Moneda Shareholders, on the other hand, shall cooperate fully, as and to the extent reasonably requested by the other Party, in connection with the filing of any Tax Returns pursuant to this Article 8 and the conduct of any Tax audit or other proceeding relating to Taxes. Such cooperation shall include the retention and (upon the other Party's request) the provision of records and information which are reasonably relevant to any such Tax Return or Tax Proceeding, making employees and personnel available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder, and the provision of any reasonably requested power of attorney. The Party requesting such cooperation shall bear the reasonable out-of-pocket costs of the other Party. From and after the date hereof, the Moneda Shareholders shall cause each Acquired Company to, and, after the Closing, PIL shall cause each Acquired Company to, retain all books and records with respect to Tax matters relating to all taxable periods beginning before the Closing Date, and to abide by all record retention agreements entered into with any Governmental Authority. PIL shall retain all Tax Returns, schedules, and work papers and all material records and other documents relating thereto of the Acquired Companies until the expiration of the later of (a) the tenth (10th) anniversary of the Closing Date or (b) the date on which Taxes may no longer be assessed under the applicable statutes of limitation, including any waivers or extensions thereof. Thereafter, PIL shall not destroy or dispose of any such Tax Returns, schedules, work papers or any other material records or other documents relating thereto without giving written notice to the Moneda Shareholders of such pending destruction or disposal and offering the Moneda Shareholders the right to copy such documents and information.

Section 8.9 Tax Sharing Agreements. To the extent relating to the Acquired Companies, the Moneda Shareholders shall terminate or cause to be terminated, on or before the Closing Date, all tax sharing agreements or similar arrangements (excluding this Agreement and any agreement entered into in the ordinary course of business that is not primarily related to Taxes), if any, to which any of the Acquired Companies, on the one hand, and the Moneda Shareholders or any of their Subsidiaries (other than the Acquired Companies), on the other hand, are parties, and neither the Moneda Shareholders or any of their Affiliates nor any of the Acquired Companies shall have any rights or obligations thereunder after the Closing with respect to any past, current or future period.

Section 8.10 Coordination; Survival. Notwithstanding anything to the contrary in this Agreement, claims for indemnification with respect to Taxes shall be governed exclusively by this Article 8, and the indemnification provisions of this Article 8 represent the sole and exclusive remedy of a Party for any such claims (subject to the limitations expressly applied to this Article 8 as are set forth in Article 9 (Indemnification)). The indemnification provisions of this Article 8 shall survive until sixty (60) days after the expiration of the relevant Tax statutes of limitations.

ARTICLE 9 INDEMNIFICATION

Section 9.1 Survival.

(a) All representations and warranties made in this Agreement, or in any certificate delivered pursuant to Section 6.2(c) or Section 6.3(d), and the right to commence any claim with respect thereto shall terminate eighteen (18) months after the Closing Date, other than (i) the Fundamental Representations (other than the representations and warranties set forth in Section 3.1 (Organization and Related Matters), Section 3.2 (Authority; No Violations), Section 3.4 (Capital Structure; Subsidiaries), Section 4.1 (Organization and Related Matters), Section 4.2 (Authority; No Violations), and Section 4.4 (Capital Structure; Subsidiaries)) and the representations and warranties set forth in Section 3.16 (Employees; Employee Benefit Plans; ERISA) which shall survive for a period of five (5) years after the Closing Date, (ii) the representations and warranties set forth in Section 3.1 (Organization and Related Matters), Section 3.2 (Authority; No Violations), Section 3.4 (Capital Structure; Subsidiaries), Section 4.1 (Organization and Related Matters), Section 4.2 (Authority; No Violations), and Section 4.4 (Capital Structure; Subsidiaries) which shall survive for a period of ten (10) years after the Closing Date, and (iii) the representations and warranties set forth in Section 3.17 (Company Tax Representations) and Section 4.11 (PIL Tax Representations), which shall not survive the Closing.

(b) All covenants and agreements of the Parties contained in this Agreement which by their terms are to be performed in whole or in part, or which prohibit actions, subsequent to the Closing Date, shall survive the Closing Date in accordance with their respective terms and until fully performed, but not to exceed the applicable statute of limitations in the event of a breach of any such covenant. All other covenants and agreements contained herein shall survive for a period of eighteen (18) months after the Closing Date.

(c) Notwithstanding the preceding clauses, any representation, warranty, covenant or agreement in respect of which any Claim Notice shall have been given in accordance with Section 9.5 (*Notification of Claims; Third Party Claims*) to the Party against whom such indemnity is sought under this Agreement, within the applicable survival periods specified in Section 9.1(a) and Section 9.1(b) shall survive as to such claim until the final resolution of such claim.

Section 9.2 Indemnification by the Moneda Shareholders.

(a) From and after the Closing, and subject to this Article 9, the Moneda Shareholders shall, severally and not jointly, indemnify and hold harmless PIL and each of its Subsidiaries and Affiliates and each of their respective officers, directors, employees and agents (collectively, the "PIL Indemnitees") from and against all Losses incurred by a PIL Indemnitee to the extent based on or resulting from (i) any breach of any representation or warranty set forth in Article 3 (*Representations and Warranties Relating to the Moneda Entities and the Moneda Shareholders*) (other than the representations and warranties set forth in Section 3.17 (*Company Tax Representations*)), (ii) any breach by the Company of any of its covenants or agreements contained herein which are to be performed at or prior to the Closing, (iii) any breach by the Moneda Shareholders of any of their covenants or agreements contained herein, (iv) the matters set forth on Annex E hereto or (v) any Proceeding initiated by a Person (other than PIL or any of its Affiliates) after the Closing Date in connection with the Excluded Assets.

(b) Notwithstanding anything to the contrary contained in this Section 9.2, the PIL Indemnitees shall not be entitled to indemnification, or to otherwise make a claim for indemnity, under Section 9.2(a)(i) (i) unless and until the aggregate amount of Losses that would otherwise be payable exceeds, on a cumulative basis, an amount equal to **[**]** dollars (\$**[**]**) (the "Indemnification Basket"), in which case the PIL Indemnitees shall be entitled to the full amount of such Losses from the first dollar thereof and (ii) where the amount of Losses with respect to such claim (or related series of claims arising from the same facts and circumstances) does not exceed **[**]** dollars (\$**[**]**) (the "De Minimis Amount") (and the amount of such Losses with respect to such claims that do not exceed the De Minimis Amount shall not be aggregated for purposes of the Indemnification Basket in the preceding clause (b)(i)); *provided, however*, that neither the Indemnification Basket nor the De Minimis Amount shall apply with respect to any claim by a PIL Indemnitee for indemnification for any breach of any Fundamental Representation of the Company.

Section 9.3 Indemnification by PIL.

(a) From and after the Closing, and subject to this Article 9, PIL shall indemnify and hold harmless the Moneda Shareholders and each of their Affiliates and each of their respective officers, directors, employees and agents (collectively, the "Moneda Shareholder Indemnitees") from and against any Losses incurred by a Moneda Shareholder Indemnitee to the extent based on or resulting from (i) any breach of any representation or warranty set forth in Article 4 (*Representations and Warranties of PIL and PIL Uruguay*), or (ii) any breach by PIL, PIL Uruguay or the Surviving Corporation of any of its covenants or agreements contained herein.

(b) Notwithstanding anything to the contrary contained in this Section 9.3, the Moneda Shareholder Indemnitees shall not be entitled to indemnification under Section 9.3(a)(i) (i) unless and until the aggregate amount of Losses that would otherwise be payable hereunder exceeds, on a cumulative basis, an amount equal to the Indemnification Basket, in which case the Moneda Shareholder Indemnitees shall be entitled to the full amount of such Losses from the first dollar thereof and (ii) where the amount of Losses with respect to such claim (or related series of claims arising from the same facts and circumstances) does not exceed the De Minimis Amount (and the amount of such Losses with respect to such claims that do not exceed the De Minimis Amount shall not be aggregated for purposes of the Indemnification Basket in the preceding clause (b)(i)); *provided, however*, that neither the Indemnification Basket nor the De Minimis Amount shall apply with respect to any claim by a Moneda Shareholder Indemnitee for indemnification for any breach of any Fundamental Representation of PIL.

Section 9.4 Indemnification Generally; Certain Limitation. Notwithstanding anything in this Agreement to the contrary, PIL and the Moneda Shareholders agree, for themselves and on behalf of the PIL Indemnitees and the Moneda Shareholder Indemnitees:

(a) Other than with respect to a breach of the representations and warranties set forth in Section 3.1 (Organization and Related Matters), Section 3.2 (Authority; No Violations), Section 3.4 (Capital Structure; Subsidiaries), Section 4.1 (Organization and Related Matters), Section 4.2 (Authority; No Violations), and Section 4.4 (Capital Structure; Subsidiaries), as applicable, in no event shall the PIL Indemnitees or the Moneda Shareholder Indemnitees be entitled to recover pursuant to Section 9.2(a)(i) and Section 9.3(a)(i) (as applicable), respectively, more than an amount equal to [**] dollars (\$[**]), in the aggregate (the “Indemnity Cap”).

(b) Notwithstanding Section 9.4(a), in no event shall the PIL Indemnitees or the Moneda Shareholder Indemnitees be entitled to recover with respect to any or all matters under this Agreement, more than an amount equal to the Total Consideration, in the aggregate; and in no event shall the aggregate amount of Losses indemnifiable by each Moneda Shareholder under any provision of this Agreement exceed such Moneda Shareholder’s Pro Rata Share.

(c) The amount of any and all Losses indemnifiable pursuant to Section 8.1 (Tax Indemnification), Section 9.2 (Indemnification by the Moneda Shareholders) or Section 9.3 (Indemnification by PIL) shall be determined net of any (i) Tax Benefit to the Indemnified Party with respect thereto, and (ii) amounts actually recovered by the applicable Indemnified Party under insurance policies or other collateral sources (including contractual indemnities of any Person which are contained outside of this Agreement) with respect to such Losses. To the extent that an Indemnifying Party makes any payment pursuant to Section 8.1 (Tax Indemnification), Section 9.2 (Indemnification by the Moneda Shareholders) or Section 9.3 (Indemnification by PIL), as applicable, in each case to the extent not already taken into account in determining the indemnified Losses pursuant to this Section 9.4(c), such Indemnified Party shall promptly pay over to the applicable Indemnifying Party (in the case of a PIL Indemnitee, pay to the Moneda Shareholders their respective Pro Rata Share of) the amount so recovered or realized, but not in excess, in the aggregate, of an amount equal to the aggregate amount previously so paid to, or otherwise recovered by, the Indemnified Party in respect of such matter pursuant to Section 8.1 (Tax Indemnification), Section 9.2 (Indemnification by the Moneda Shareholders) or Section 9.3 (Indemnification by PIL), as applicable, net of any deductible or any reasonable and documented out-of-pocket expenses actually incurred by such Indemnified Party in securing such recovery. The PIL Indemnitees shall have no right to assert any claims, and the PIL Indemnitees shall not be entitled to indemnification, with respect to any Loss that would have been covered by an insurance policy had PIL maintained for its benefit and the benefit of the Moneda Entities an insurance policy providing the same rights and coverage as were provided under any insurance policy in effect for the Moneda Entities immediately prior to the Closing.

(d) Notwithstanding any other provision of this Agreement, in no event shall any Indemnified Party be entitled to indemnification pursuant to this Article 9 to the extent any Losses are attributable primarily to such Indemnified Party’s own willful breach or fraud.

(e) An indemnity payment made pursuant to this Agreement shall be treated as an adjustment to the Total Cash Consideration for Tax purposes, unless otherwise required by Applicable Law or an audit or other administrative or judicial action with respect to the Indemnified Party or Indemnifying Party causes any such payment not to constitute an adjustment to the Total Cash Consideration for Tax purposes.

(f) No Party shall be liable under any provision of this Agreement for (i) special, punitive or exemplary damages, or (ii) any indirect, consequential or incidental damages of any kind or nature, or for lost profits, revenues, opportunity costs, diminution in, or delayed generation of, value of assets or securities, or damages based upon a multiple of earnings or similar financial measure, even if under Applicable Law such lost profits, revenues, opportunity costs, diminution in, or delayed generation of, value of assets or securities, or damages would not be considered consequential or special damages (except to the extent damages of the sort described in this clause (ii) were a reasonably foreseeable consequence of the matter for which indemnification is sought), in each case of clauses (i) and (ii) ("Non-Reimbursable Damages"), except (1) if, and solely to the extent that, any such Non-Reimbursable Damages are awarded by a court of competent jurisdiction pursuant to a final non-appealable judgment pursuant to a Third Party Claim in respect of which such Indemnified Party is entitled to indemnification from an Indemnifying Party hereunder, and (2) fraud. All indemnifiable Losses under Article 8 (Tax Matters) or this Article 9 shall be determined without duplication of recovery under other provisions of this Agreement (including if any such Losses are considered, adjusted, compensated or otherwise included in the calculation of the Total Cash Consideration pursuant to Article 2 (The Transactions)) or otherwise under one or more single or multiple claims. If a set of facts, conditions, events or occurrences constitute a breach of more than one representation, warranty, covenant or agreement that is subject to an indemnification obligation under Article 8 (Tax Matters) or this Article 9, then only one recovery of indemnifiable Losses shall be permitted in respect thereof, and in no event shall there be any indemnification or duplication of payments under different provisions of this Agreement arising out of substantially the same facts, conditions, events or occurrences

Section 9.5 Notification of Claims; Third Party Claims.

(a) A Person that may be entitled to be indemnified under this Agreement (the "Indemnified Party") shall promptly (taking into account the Indemnifying Party's required time to prepare a response or action) notify (but in any event within twenty (20) days of the Indemnified Party first, as applicable, (i) determining that certain facts or circumstances have given rise to a right of indemnification hereunder, in the case of a claim other than a Third Party Claim, or (ii) receiving notice or becoming aware of any Third Party Claim, in the case of a Third Party Claim) the party or parties from which indemnification is sought under this Article 9 (the "Indemnifying Party") in a writing delivered in good faith (i) describing in reasonable detail (to the extent then known) the facts and circumstances with respect to the subject matter of the underlying claim (including a list of all the particular Sections of this Agreement pursuant to which indemnification is being sought under this Article 9), (ii) attaching copies of any material written evidence upon which such claim is based, and (iii) indicating the good faith estimated amount, if reasonably ascertainable at that time, of the Loss that has been or may be sustained by the Indemnified Party in connection therewith (a "Claim Notice"); *provided, however*, that a delay to provide such Claim Notice shall not release the Indemnifying Party from any of its obligations under this Article 9 except to the extent the Indemnifying Party is prejudiced by such delay (and then only to the extent of such prejudice). The Parties agree that (i) in this Article 9 they intend to shorten (in the case of the limited survival periods specified in Section 9.1) the applicable statute of limitations period with respect to certain claims hereunder, (ii) Claim Notices for claims in respect of a breach of a representation, warranty, covenant or agreement hereunder must be delivered prior to the expiration of any applicable survival period specified in Section 9.1 for such representation, warranty, covenant or agreement and (iii) subject to the exceptions set forth in Section 9.1(c), any claims for indemnification for which a Claim Notice is not timely delivered in accordance with the terms and conditions of this Article 9 shall be expressly barred and are hereby irrevocably and unconditionally waived.

(b) Upon an Indemnifying Party's receipt of a Claim Notice from an Indemnified Party pursuant to (and in accordance with the requirements of) this Section 9.5 in respect of a pending or threatened claim or demand by a third party that the Indemnified Party has determined in good faith has given or will reasonably give rise to a right of indemnification under this Agreement (such claim or demand being a "Third Party Claim"), the Indemnifying Party may, by written notice delivered to the Indemnified Party within twenty (20) Business Days after the date of receipt of the Claim Notice (the "Notice Period") in respect of such Third Party Claim, assume the defense and control of such Third Party Claim (including the right to file (at its reasonable discretion) any counterclaim as part of the defense strategy, and to negotiate a settlement or compromise of such Third Party Claim), with its own counsel (which may be appointed, removed or replaced at the Indemnifying Party's sole discretion) and at its own expense and the Indemnified Party shall fully cooperate with the Indemnifying Party and its counsel in connection with the investigation, settlement, defense or prosecution thereof; *provided* that the Indemnifying Party shall not be entitled to assume or continue control of the defense of any such Third Party Claim if (A) the Indemnified Party has been advised by external counsel that an actual or potential conflict of interest exists that cannot be waived between the Indemnifying Party and the Indemnified Party in connection with the defense of such Third Party Claim, (B) such Third Party Claim relates to or arises in connection with any criminal proceeding, (C) the Third Party Claim seeks an injunction or equitable relief against any Indemnified Party, (D) the Indemnifying Party has failed or is failing to defend in good faith the Third Party Claim, or (E) the aggregate amount in controversy under such Third Party Claim exceeds the amount of the Indemnity Cap then available to satisfy claims in accordance with Section 9.4; *provided, further*, that the Indemnifying Party shall permit the Indemnified Party a reasonable opportunity to participate in the defense of such Third Party Claim with its own counsel and at its own expense; *provided, further*, that if the Indemnifying Party assumes the defense and control of such Third Party Claim, such Indemnifying Party may not, except with the prior written consent of the Indemnified Party (which consent shall not be unreasonably withheld, conditioned or delayed) (i) admit wrongdoing or accept liability on the part of PIL or any of its Affiliates (including any Moneda Entity) with respect to such Third Party Claim or (ii) settle or compromise such Third Party Claim unless such settlement or compromise includes as a term thereof a full and unconditional release by the third party asserting such Third Party Claim of all applicable Indemnified Parties and does not provide for injunctive or other non-monetary relief or require any payment or contribution by the Indemnified Parties or their Affiliates not subject to indemnification hereunder. Notwithstanding the foregoing, the Indemnifying Party shall be responsible for the fees and expenses of the Indemnified Party's counsel if (A) the named parties to any such action (including any impleaded parties) include both such Indemnified Party and the Indemnifying Party and such Indemnified Party shall have been advised in writing by external counsel that the assertion of one or more legal defenses available to the Indemnified Party would be adverse to the interests of the Indemnifying Party or (B) the Indemnified Party shall have been advised in writing by external counsel that the assumption of such defense by the Indemnifying Party would be inappropriate due to an actual conflict of interest absent representation by the Indemnified Party by its own counsel; *provided* that the Indemnifying Party shall not be liable for the fees and expenses of more than one firm of counsel for all Indemnified Parties, taken together, other than a single local counsel in each relevant jurisdiction.

(c) If the Indemnifying Party (i) does not notify the Indemnified Party within the Notice Period that such Indemnifying Party elects to undertake the defense and control thereof, (ii) notifies such Indemnified Party that it does not elect to undertake the defense and control thereof, or (iii) ceases to defend such Third Party Claim with commercially reasonable diligence, then, in each case, such Indemnified Party shall have the right to contest, defend, settle or compromise such Third Party Claim (the reasonable and documented costs of which shall be taken into account as a Loss), and shall not thereby waive any right to indemnity therefor pursuant to this Agreement; *provided, however*, that, notwithstanding anything in this Agreement to the contrary, no Indemnified Party may, in any circumstance, settle or compromise (or agree to settle or compromise) a Third Party Claim for which it intends to seek indemnification hereunder absent the prior written consent of the Indemnifying Party (which consent shall not be unreasonably withheld or delayed); *provided, further*, that if an Indemnified Party settles a Third Party Claim it is defending pursuant to this [Section 9.5\(c\)](#) without obtaining the Indemnifying Party's written consent to such settlement in violation of the foregoing, then the Indemnifying Party shall be relieved of its indemnification obligations hereunder with respect to such Third Party Claim.

(d) The Indemnifying Party and the Indemnified Party, as applicable, shall reasonably cooperate with the Party controlling the defense of any Third Party Claim and its counsel in the investigation, settlement, defense or prosecution thereof, and each of PIL and the Moneda Shareholders, as applicable, shall (and shall cause its relevant Affiliates and its and their Agents, as the case may be, to) (i) promptly furnish such documentary evidence, records, information and testimony, and attend such conferences, discovery proceedings, hearings, trials and appeals (including as witnesses), and (ii) provide access to any other relevant documents or party, including any Agents, in each case, as may be reasonably requested in connection therewith to ensure the adequate defense of any such Third Party Claim.

(e) With respect to any notice or any other written communication or document that is received by an Indemnified Party from any third party (including a Governmental Authority) and that relates to a Third Party Claim for which the Indemnifying Party has already assumed the control of the defense (a "[Claim Communication](#)"), without prejudice to any obligation of the Indemnified Party under [Section 9.5\(d\)](#), the applicable Indemnified Party shall cause to be delivered to the Indemnifying Party copies of such Claim Communication no later than the date that is five (5) Business Days following receipt thereof by such Indemnified Party, or such shorter period within which a response or action may be required or advisable (taking into account the Indemnifying Party's required time to prepare such response or action).

(f) In the event any Indemnifying Party receives a Claim Notice pursuant to this [Section 9.5](#) that does not involve a Third Party Claim, the Indemnifying Party shall notify the Indemnified Party within twenty (20) Business Days following its receipt of such Claim Notice whether the Indemnifying Party disputes all or a portion of its liability to the Indemnified Party under this [Article 9](#), *provided, however*, that a failure to notify the Indemnified Party within such period shall not be deemed an acknowledgment that the underlying claim is indemnifiable hereunder, with prejudice to the rights of the Indemnified Party under this Agreement (including [Section 11.12](#) (*Governing Law; Arbitration*)). The Indemnified Party shall reasonably cooperate with and assist the Indemnifying Party in determining the validity of any such claim for indemnity by the Indemnified Party.

Section 9.6 Payment of Claims.

(a) Any indemnification payments to the Moneda Shareholders Indemnitees pursuant to Section 9.3(a)(i) shall be effected by delivering to each Moneda Shareholder such Moneda Shareholder's Pro Rata Share (as calculated by PIL in a notice delivered to PIL) of an aggregate amount of cash in dollars equal to the relevant indemnification payment, by wire transfer of immediately available funds to the account set forth opposite each such Moneda Shareholder's name in Annex A hereto (or such other account or accounts as may be designated by such Moneda Shareholder in accordance with Section 11.8 (Notices)). Any indemnification payments to the Moneda Shareholders Indemnitees pursuant to this Article 9 (other than with respect to Section 9.3(a)(i)) shall be effected by delivering to each Moneda Shareholder, at PIL's sole discretion (i) such Moneda Shareholder's Pro Rata Share (as calculated by PIL in a notice delivered to PIL) of an aggregate amount of cash in dollars equal to the relevant indemnification payment, by wire transfer of immediately available funds to the account set forth opposite each such Moneda Shareholder's name in Annex A hereto (or such other account or accounts as may be designated by such Moneda Shareholder in accordance with Section 11.8 (Notices)), or (ii) such Moneda Shareholder's Pro Rata Share of an aggregate number of PIL Class A Shares or PIL Class B Shares equal to the quotient of (A) the amount of the relevant indemnification payment *divided by* (B) the Measurement Price for the period of thirty (30) consecutive trading days ending on and including the full trading day prior to the date of payment

(b) Any indemnification payments to the PIL Indemnitees pursuant to this Article 9 shall be effected by delivering to PIL, at the Moneda Shareholders' sole discretion (i) each Moneda Shareholder's Pro Rata Share of an aggregate amount of cash in dollars equal to the relevant indemnification payment, by wire transfer of immediately available funds to the account designated by PIL in accordance with Section 11.8 (Notices), or (ii) such Moneda Shareholder's Pro Rata Share of an aggregate number of shares equal to the quotient of (A) the amount of the relevant indemnification payment *divided by* (B) the Measurement Price for the period of thirty (30) consecutive trading days ending on and including the full trading day prior to the date of payment, by delivering by delivering any PIL Class A Shares that such Moneda Shareholder may have received in accordance with this Agreement, or PIL Class B Shares; *provided* that each Moneda Shareholder may elect to pay the relevant indemnification payment by delivering any combination of cash (in accordance with the foregoing sub-clause (i)) and shares (in accordance with the foregoing clause (ii)); *provided, further*, that in no event shall the aggregate amount which each Moneda Shareholder is obligated to pay PIL pursuant to this clause (b) exceed an amount in dollars equal to such Moneda Shareholder's Pro Rata Share of the relevant indemnification payment.

Section 9.7 Exclusive Remedy.

(a) Notwithstanding anything to the contrary in this Agreement and except (a) as set forth in Article 2, (b) in case of fraud or willful breach or (c) in the case where a Party seeks to obtain an injunction, specific performance or other equitable relief pursuant to Section 11.9 (Specific Performance), the Parties hereby agree that, from and after the Closing, the sole and exclusive remedy of a Party for any breach or inaccuracy of any representation or warranty contained in this Agreement, or for any breach of any covenant or agreement contained in this Agreement shall be the applicable indemnification rights set forth in Article 8 (Tax Matters) and this Article 9.

Section 9.8 Mitigation. Each of the Moneda Shareholders Indemnitees and PIL Indemnitees shall use their reasonable best efforts to mitigate any claim or liability that it asserts or is reasonably likely to assert under Article 8 (Tax Matters) or this Article 9.

ARTICLE 10
SHAREHOLDER GUARANTY

Section 10.1 Shareholder Guaranty.

(a) Upon the terms and subject to the conditions set forth in this Section 10.1, each Guarantor irrevocably, absolutely and, except as set forth in this Section 10.1 and Section 10.2, unconditionally guarantees to PIL and PIL Uruguay the due, prompt and punctual payment and performance by the Moneda Shareholder set forth opposite such Guarantor's name in Annex B hereto (its "Guaranteed Moneda Shareholder"), of all of such Guaranteed Moneda Shareholder's payment and performance obligations under this Agreement and each Ancillary Agreement to which such Guaranteed Moneda Shareholder is or will be a party (each such guaranty, a "Seller Guaranty" and each such guaranteed obligation, a "Guaranteed Obligation").

(i) Notwithstanding anything in this Agreement to the contrary, in no event shall any Guarantor have any liability (A) for the obligation of any Person other than such Guarantor's Guaranteed Moneda Shareholder or (B) in excess of the lower of its Guaranteed Moneda Shareholder's Pro Rata Share of (x) the Total Consideration or (y) the relevant Guaranteed Obligation; and (ii) the limitations applicable to the obligations of each Moneda Shareholder hereunder (including under Section 9.1, Section 9.2(b) and Section 9.4) shall apply to the obligations of such Moneda Shareholder's Guarantor.

(b) A demand for payment or performance or an action to enforce with respect to a Seller Guaranty may be made, brought or prosecuted, as applicable, against a Guarantor only if a Guaranteed Obligation that has become due and payable remains unpaid or unperformed by the applicable Guaranteed Moneda Shareholder for any reason, ten (10) Business Days after PIL has delivered a written notice to such Guaranteed Moneda Shareholder and Guarantor stating in reasonable detail the source of the obligation, the amount (if a payment obligation) and the basis therefor, and that such Guaranteed Moneda Shareholder has failed to pay or perform such Guaranteed Obligation after it becomes due and payable under this Agreement.

(c) Notwithstanding anything in this Agreement to the contrary, PIL and PIL Uruguay shall seek satisfaction of the Guaranteed Obligations first from the Guaranteed Moneda Shareholders in accordance herewith, then pursuant to the Pledge Agreement in accordance with the terms thereof, and only if, and to the extent, a Guaranteed Obligation remains outstanding after becoming due and payable, against the applicable Guarantors.

Section 10.2 Absolute and Unconditional Guaranty.

(a) The liability of each Guarantor under its Seller Guaranty shall, to the fullest extent permitted by Applicable Law, be absolute and, except as set forth in Section 10.1, unconditional, irrespective of:

(i) the illegality of the applicable Seller Guaranty;

(ii) the validity or genuineness of this Agreement with respect to any Moneda Shareholder;

(iii) the enforceability of this Article 10 against any Moneda Shareholder and the Guarantor;

(iv) any release or discharge of any obligation of a Guaranteed Moneda Shareholder under this Agreement resulting from any change in the corporate existence, structure or ownership of such Guaranteed Moneda Shareholder, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting such Guaranteed Moneda Shareholder or any of its assets;

(v) any amendment or modification of this Agreement or change in the manner, place or terms of payment or performance or any change or extension of the time of payment or performance of, renewal or alteration of any Guaranteed Obligation, any escrow arrangement or other security therefor, any liability incurred directly or indirectly in respect thereof, or any amendment or waiver of or any consent to any departure from the terms of this Agreement or the documents entered into in connection herewith; provided, for the avoidance of doubt, that in such case, the amended terms of the relevant Guaranteed Obligations shall apply with respect to the Guaranteed Moneda Shareholders obligations hereunder;

(vi) the existence of any claim, setoff or other right that the applicable Guarantor may have at any time against its Guaranteed Moneda Shareholder, whether in connection with any Guaranteed Obligation or otherwise; or

(vii) any other act or omission relating to the Seller Guaranty that may or might in any manner or to any extent vary the risk of the Guarantor or otherwise operate as a discharge of the Guarantor as a matter of Applicable Law or equity.

(b) Notwithstanding anything to the contrary contained in this Article 10, each of PIL and PIL Uruguay agrees that to the extent a Guaranteed Moneda Shareholder makes, or is otherwise relieved of, its payment obligations under this Agreement, its Guarantor shall be similarly relieved of its corresponding Guaranteed Obligations under its Seller Guaranty in respect of such relieved or paid obligations.

Section 10.3 Beneficiaries. No Beneficiary shall be obligated to file any claim relating to any Guaranteed Obligation in the event that the Guaranteed Person becomes subject to a bankruptcy, reorganization or similar proceeding, and the failure of the Beneficiary to so file shall not affect the applicable Guarantor's obligations hereunder. In the event that any payment to the Beneficiary in respect of any Guaranteed Obligation is rescinded or must otherwise be returned for any reason whatsoever, the applicable Guarantor shall remain liable hereunder with respect to the Guaranteed Obligation as if such payment had not been made.

Section 10.4 Waivers. Each Guarantor irrevocably waives acceptance, presentment, demand, protest and any notice in respect of its Seller Guaranty not provided for in this Article 10.

Section 10.5 Subrogation. No Guarantor may exercise any rights of subrogation or contribution, whether arising by contract or operation of Law (including any such right arising under any bankruptcy or insolvency laws) or otherwise, by reason of any payment by it in respect of its Seller Guaranty unless and until all of the Guaranteed Obligations with respect to its Guaranteed Moneda Seller have been paid in full.

Section 10.6 Representations and Warranties of Each Guarantor. Each Guarantor hereby represents and warrants to PIL and PIL Uruguay, severally and not jointly, with respect to such Guarantor, as of the date hereof and as of the Closing Date, as follows:

(a) Ownership. Such Guarantor controls its Guaranteed Moneda Shareholder, and has all requisite power and authority to cause such vehicle to perform all of its obligations under this Agreement and each Ancillary Agreement to which such Guaranteed Moneda Shareholder is a party. Each Guarantor is, and will be, as of the Closing Date, Controlled by the Specified Individual set forth opposite such Guaranteed Moneda Shareholder's name on Annex B.

(b) Authority; Execution. Such Guarantor has all requisite power and authority to execute this Agreement and to perform its obligations under its Shareholder Guaranty, and each Seller Guaranty has been validly authorized. Such Guarantor's Shareholder Guaranty constitutes a legal, valid and binding obligation of such Guarantor (assuming that this Agreement has been duly and validly authorized, executed and delivered by PIL and PIL Uruguay), enforceable against such Guarantor in accordance with its terms, except (i) to the extent that enforceability may be limited by applicable bankruptcy, liquidation, insolvency, fraudulent conveyance, reorganization, moratorium, preference or other Laws affecting the enforcement of creditors' rights generally and (ii) that the availability of equitable remedies, including specific performance, is subject to the discretion of the court before which any proceeding thereof may be brought.

(c) No Conflicts. The execution of this Agreement, the performance of the applicable Seller Guaranty and the fulfillment of and compliance with the terms and conditions hereof do not (i) violate or conflict with, constitute a breach of or default under, any judgment of any Governmental Authority by which the Guarantor is a party or by which any of its properties are bound, (ii) result in a breach of or constitute a default (or an event which with notice or lapse of time or both would become a default) under, give to others any right of termination, amendment, acceleration or cancellation of, result in triggering any payment or other obligations, pursuant to, any material Contract, permit, franchise, license or other instrument applicable to the Guarantor, or (iii) violate or conflict with any Applicable Law, in each case, except for any breach or violation that would not materially impair such Guarantor's ability to perform its obligations under such Seller Guaranty. There are no actions, suits, litigation, arbitration or administrative proceedings pending against such Guarantor for the declaration of his bankruptcy or insolvency.

(d) Consent. No consent, approval, order or authorization of, or registration, declaration or filing with, any Governmental Authority, is required in connection with the execution of this Agreement by the Guarantor and the performance of the applicable Seller Guaranty, the consummation of the Seller Guaranty and the fulfillment of and compliance with the terms and conditions thereof.

Section 10.7 Non-Solicitation.

(a) As a material inducement for PIL and PIL Uruguay to enter into this Agreement and each of the Ancillary Agreements, each Guarantor hereby agrees to the covenants and restrictions contained herein, and each Guarantor hereby acknowledges and agrees that PIL and PIL Uruguay would not execute and deliver this Agreement and consummate the transactions contemplated hereby in the absence of such covenants.

(b) For the period commencing on the Specified Termination Date and ending on the third (3rd) anniversary of the date on which such Guarantor is no longer employed directly or indirectly by PIL or any Moneda Entity (such period, the "Restricted Period"), each Guarantor shall not, and shall cause its Guaranteed Moneda Shareholder and other Affiliates not to, directly or indirectly, solicit, encourage or induce any Company Employee to leave the employment or service of any Acquired Company; or (ii) contact for solicitation, solicit, encourage, induce, hire, engage or employ any Company Employee, whether as an employee, independent contractor, consultant, advisor or otherwise; provided, that nothing in this Agreement shall prohibit or restrict any Guarantor, Moneda Shareholder or other Person from (i) publishing general advertisements or making other general postings via other media of employment opportunities or listings, so long as such advertisement, posting or listings are not specifically directed towards any Company Employee (but only to the extent such advertisement, posting or listing does not result in the hiring of any Company Employee) or (ii) soliciting or hiring any Company Employee who was terminated by the applicable Moneda Entity, or who is otherwise no longer employed by such Moneda Entity for a period of no less than one (1) year.

Section 10.8 Non-Competition. During the Restricted Period, each Guarantor shall not, and shall cause its Guaranteed Moneda Shareholder and other Affiliates not to, directly or indirectly, whether as an owner, investor, shareholder, member, partner, lender, consultant, advisor, director, officer, employee, agent or otherwise, own, manage, operate, control or engage in any Competing Business in Latin America or own, manage, operate or control any Person that is engaged in, or owns, operates, manages, or controls any Competing Business in Latin America; provided, that nothing in this Section 10.8 shall prohibit or limit any Guarantor, Moneda Shareholder or other Person from (a) owning, managing, operating, controlling, engaging or participating in any way in any business not involved in a Competing Business, (b) a minority, non-controlling interest of not more than two percent (2%) of the outstanding capital stock of a publicly-traded company that, directly or indirectly, engages in the Competing Business, so long as no Guarantor nor any of its Affiliates has any active participation in the management of such business. For purposes of this Agreement, "Competing Business" means the Business of the Company as conducted as of the Closing Date or within twelve (12) months prior to the Closing Date.

Section 10.9 Lock-Up.

(a) Notwithstanding anything to the contrary in this Agreement, but subject to this Section 10.9, during the Lock-Up Period, each Guarantor, with respect to its Guaranteed Moneda Shareholder Equity Interests shall not, without the prior written consent of PIL:

(i) (A) offer, pledge, assign, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any such Guaranteed Moneda Shareholder Equity Interests, (B) publicly disclose the intention to make any offer, pledge, assignment, sale, loan, conversion or disposition or (C) make any demand for or exercise any right with respect to the registration of any Guaranteed Moneda Shareholder Equity Interests; or

(ii) enter into any derivative transaction, swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership, in whole or in part, directly or indirectly, of such Guaranteed Moneda Shareholder Equity Interests, whether any such transaction is to be settled by delivery of Guaranteed Moneda Shareholder Equity Interests, in cash or otherwise.

(b) Each Guarantor shall maintain Control of its Guaranteed Moneda Shareholder during the Lock-Up Period, including the right to vote any such Guaranteed Moneda Shareholder Equity Interests. Each Guarantor acknowledges and agrees that any purported transfer, transaction or action in violation of this Section 10.9 shall not be valid and shall not be recognized or recorded by the Guaranteed Moneda Shareholder.

(c) Notwithstanding anything in this Agreement to the contrary, in the event that (i) a definitive agreement that contemplates a Change of Control of PIL is entered into after the Closing Date, or (ii) a Specified Release Event has occurred, the Lock-Up Period for any Guaranteed Moneda Shareholder Equity Interests shall automatically terminate immediately upon such Change of Control or upon occurrence of a Specified Release Event. For the avoidance of doubt, no Guaranteed Moneda Shareholder Equity Interest shall be subject to the restrictions of this Section 10.9 from and after the Specified Termination Date; provided that each Guarantor and each Moneda Shareholder acknowledges and agrees that no such termination of a Lock-Up Period in accordance with this Section 10.9(c) shall limit, impair or condition, or constitute a waiver of, any right to indemnification under Article IX or any rights or remedies available to PIL or PIL Uruguay under this Agreement, other than in respect to this Section 10.9.

(d) This Section 10.9 shall not limit or restrict any transfer or other disposition of Guaranteed Moneda Shareholder Equity Interests during the Lock-Up Period (i) as a bona fide gift, (ii) to one or more members of the immediate family of the applicable Guarantor, (iii) to any trust, the primary beneficiaries of which are, directly or indirectly, the applicable Guarantor or one or more members of its immediate family, (iv) to any corporation, partnership, limited liability company, Fund or other Person Controlled or managed by the applicable Guarantor or one or more members of its immediate family, (v) by will, other testamentary document or intestacy or pursuant to a domestic relations, settlement or similar order or (vi) to PIL or any of its Affiliates; provided that, in each case, the transferred Guaranteed Moneda Shareholder Equity Interest shall continue to be subject to the terms and restrictions of this Agreement, and; provided further, that the transferee, trust, donee or distributee shall agree to be bound by the terms of this Section 10.9, and deliver to PIL any related documentation reasonably requested by PIL.

(e) Each Guarantor and PIL agrees that the restrictive covenants contained in this Section 10.8 shall be enforced independently of any other obligations among the Parties pursuant to this Agreement or the Ancillary Agreements, and that the existence of any other claim or defense shall not affect the enforceability of this Agreement, the Ancillary Agreements or the remedies hereunder.

Section 10.10 Other Agreements. Each Guarantor (i) irrevocably appoints CT Corporation System (with respect to such Guarantor, the “Guarantor’s Agent for Service of Process”), located at 28 Liberty Street, New York, NY 10005, as its authorized agent on which any and all legal process may be served in any dispute, controversy, claim, action or proceeding arising out of or related to this Agreement or any other Transaction Agreement, or any Transaction; (ii) agree that service of process upon such Guarantor’s Agent for Service of Process shall constitute effective service of process upon it in any such dispute, controversy, claim, action or proceeding; and (iii) agree that the failure of such Guarantor’s Agent for Service of Process to give notice to such Guarantor of any such service shall not impair or affect the validity of such service or any judgment rendered in such dispute, controversy, claim, action or proceeding. If for any reason such Guarantor’s Agent for Service of Process shall cease to be available to act as such, such Guarantor agrees to designate a new agent for service of process in the Borough of Manhattan, the City of New York, on the terms and for the purposes of this Section 11.12, and the Guarantors shall, as soon as practicable, give notice to PIL of such new Guarantor’s Agent for Service of Process. Nothing herein shall be deemed to limit the ability of any other party hereto to serve any such legal process in any other manner permitted by Applicable Law or to obtain jurisdiction over any such party or bring actions, suits or proceedings as may be permitted by Applicable Law.

ARTICLE 11
MISCELLANEOUS

Section 11.1 Amendments; Waiver. This Agreement may not be amended, supplemented, altered or modified except by written instrument executed and delivered by each Party, which may be entered into at any time. Any waiver of a term or provision of this Agreement shall be valid only if set forth in an instrument in writing signed and delivered on behalf of the Party or parties against whom the waiver is to be effective. Any written waiver shall be limited to those items specifically waived therein, and no such waiver shall constitute a waiver of, or estoppel with respect to, any subsequent, or other non-specified, inaccuracy, breach or failure to strictly comply with the provisions of this Agreement. No failure or delay by any Party in exercising any right, power, privilege or remedy hereunder or to insist upon strict compliance by any other party with its obligations hereunder, no single or partial exercise of any such right or power, privilege or remedy, or any abandonment or discontinuance of steps to enforce such right, power, privilege or remedy, and no custom or practice of the parties in variance with the terms hereof shall operate as a waiver of, or operate as estoppel with respect to, any party's right to demand exact compliance with the terms hereof.

Section 11.2 Entire Agreement. This Agreement (including the Company Disclosure Schedule, the PIL Disclosure Schedule, the Ancillary Agreements and the Confidentiality Agreement), constitutes the entire agreement of the Parties with respect to the subject matter hereof and thereof and supersedes all prior agreements and understandings, discussions, negotiations and communications, written and oral, among the Parties with respect to such subject matter, except that this Agreement shall not supersede the terms and provisions of the Confidentiality Agreement (other than as set forth in Section 5.8 (Public Announcements)), which shall survive and remain in effect to the extent set forth in Section 5.4(c) (Confidentiality).

Section 11.3 Expenses. Except as otherwise set forth in this Agreement, whether or not the Transactions are consummated, all fees and expenses incurred in connection with this Agreement and the Transactions, including the fees and disbursements of counsel, financial advisors and accountants, shall be paid by the Party incurring such fees or expenses.

Section 11.4 Interpretation. In this Agreement, the Company Disclosure Schedule and the PIL Disclosure Schedule:

(a) Unless the context otherwise requires, when a reference is made in this Agreement to (i) Articles, Sections, Schedules or Exhibits, such reference shall be to an Article of, Section of, Schedule to or Exhibit to this Agreement; (ii) "paragraphs" or "clauses" shall be deemed references to separate paragraphs or clauses of the section or subsection in which the reference occurs; (iii) any Contract (including this Agreement) or Law shall be deemed references to such Contract or Law as amended, supplemented or modified from time to time in accordance with its terms and the terms hereof, as applicable, and in effect at any given time (and, in the case of any Law, to any successor provisions thereof); (iv) any reference to a Person shall also be deemed references to such Person's successors and permitted assigns, and in the case of any Governmental Authority, any Person(s) succeeding to its functions and capacities; and (v) any Law shall be deemed references to all rules and regulations promulgated thereunder. Notwithstanding the foregoing, for purposes of any representations and warranties contained in this Agreement that are made as of a specific date or dates, references to any Law shall be deemed to refer to such Law, as amended as of such date or dates.

(b) Any capitalized term used in any Exhibit, Schedule or Section of the Company Disclosure Schedule or the PIL Disclosure Schedule but not otherwise defined therein will have the meaning given to such term in this Agreement.

(c) The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

(d) Whenever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation.” “Writing,” “written” and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form.

(e) If a term is defined as one part of speech (such as a noun), it shall have a corresponding meaning when used as another part of speech (such as a verb). Unless the context clearly requires otherwise, words using the singular or plural number also include the plural or singular number, respectively and terms defined in the singular have the corresponding meanings in the plural, and vice versa. Unless the context clearly requires otherwise, words importing the masculine gender shall include the feminine and neutral genders and vice versa, and words denoting natural persons shall be deemed to include business entities and vice versa. The words “hereof,” “hereto,” “hereby,” “herein,” “hereunder” and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular section or article in which such words appear. The word “or” shall not be exclusive.

(f) Any reference to “days” means calendar days unless Business Days are expressly specified. If any action under this Agreement is required to be done or taken on a day that is not a Business Day, then such action shall be required to be done or taken not on such day but on the first succeeding Business Day thereafter. When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded. The phrases “the date of this Agreement,” “the date hereof” and terms of similar import, unless the context otherwise requires, shall be deemed to refer to the date set forth in the first paragraph of this Agreement.

(g) Each Party acknowledges that it has been represented by independent counsel of its choice throughout all negotiations that have preceded the execution of this Agreement and the Ancillary Agreements, such Party and its independent counsel have reviewed this Agreement and the Ancillary Agreements, and that it has executed the same with consent and upon the advice of said counsel. Each Party and its counsel cooperated in the drafting and preparation of this Agreement, the Ancillary Agreements and other documents referred to herein, and any and all drafts relating thereto, shall be deemed the work product of the Parties and may not be construed against any Party by reason of its preparation. Accordingly, any rule of construction to the effect that any ambiguities are to be resolved against the drafting Party, or any similar rule operating against the drafter of an agreement, shall not be applicable to the construction or interpretation of this Agreement and is hereby expressly waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the intentions of the Parties and this Agreement.

(h) References to “dollars” or “\$” are to U.S. dollars, and references to “CLP\$” or “Pesos” are to Chilean pesos, the lawful currency of Chile.

(i) Regardless of any translation of this Agreement and any Transaction Agreement into any language other than English, the English language version prevails and shall govern in case of any differences or alleged differences, and any such translations into other languages are for convenience only.

Section 11.5 Moneda Shareholders' Representatives.

(a) The Representatives are hereby designated, appointed, authorized and empowered to act as the representatives, agent, proxy and attorney-in-fact for and on behalf of each Moneda Shareholder with respect to all matters or Proceedings related to each covenant and agreement contained in the Transaction Agreements and any other matters relating to the rights and obligations of the Moneda Shareholders arising, directly or indirectly, from or taken, directly or indirectly, in connection with the Transactions, the Transaction Agreements or any agreement or instrument related hereto or contemplated hereby, and the Representatives hereby accept such appointment, which shall include the power and authority:

(i) to negotiate, execute and deliver such waivers, modifications, amendments, consents and other documents required or permitted to be given in connection with this Agreement and the Ancillary Agreements and the consummation of the Transactions as the Representatives, in their sole discretion, may deem necessary or desirable;

(ii) to enforce and protect the rights and interests of the Moneda Shareholders and to enforce and protect the rights and interests of the Representatives arising out of or under or in any manner relating to this Agreement and the Ancillary Agreements, and each other agreement, document, instrument or certificate referred to herein or therein or the Transactions, and to take any and all actions which the Representatives believe are necessary or appropriate under the Ancillary Agreements or this Agreement, including actions in connection with the determination of any payment due hereunder or thereunder for and on behalf of the Moneda Shareholders, including (A) assert any claim or institute any Proceeding; (B) investigate, defend, contest or litigate any Proceeding initiated by PIL, any Affiliate of PIL, or any other Person, or by any federal, state or local Governmental Authority against the Representatives or any of the Moneda Shareholders, and receive and accept service of legal process on behalf of any or all the Moneda Shareholders in any such Proceeding and compromise or settle on such terms as the Representatives shall determine to be appropriate, and give receipts, releases and discharges with respect to, any such Proceeding; (C) file any proofs of debt, claims and petitions as the Representatives may deem advisable or necessary; (D) settle or compromise any claims asserted under this Agreement or the Ancillary Agreements; and (E) file and prosecute appeals from any decision, judgment or award rendered in any such Proceeding, it being understood that the Representatives shall not have any obligation to take any such actions, and shall not have any liability for any failure to take any such actions;

(iii) to refrain from enforcing any right of any Moneda Shareholder or the Representatives arising out of or under or in any manner relating to this Agreement, the Ancillary Agreements or any other agreement, instrument or document in connection with the foregoing; provided, however, that no such failure to act on the part of the Representatives, except as otherwise provided in this Agreement, shall be deemed a waiver of any such right or interest by the Representatives or by such Moneda Shareholder unless such waiver is in writing signed and delivered by the waiving party or by the Representatives; and

(iv) to make, execute, acknowledge, deliver and receive all such other agreements, guarantees, orders, receipts, endorsements, notices, requests, instructions, certificates, stock powers, letters and other writings, and, in general, to do any and all things and to take any and all action that the Representatives, in their sole and absolute discretion, may consider necessary or proper or convenient in connection with or to carry out the transactions contemplated by this Agreement, the Ancillary Agreements, and all other agreements, documents or instruments referred to herein or therein or executed in connection herewith and therewith.

(b) All actions, decisions and instructions of the Representatives shall be conclusive and binding upon all of the Moneda Shareholders and neither Moneda Shareholder nor any other Person acting on behalf of any Moneda Shareholder shall have any claim or cause of action against the Representatives, and the Representatives shall have no liability to any Moneda Shareholder or any other Person acting on behalf of any Moneda Shareholder, for any action taken, decision made or instruction given by the Representatives in connection with this Agreement or any Ancillary Agreements, except in the case of the Representatives' own gross negligence or intentional misconduct. In the performance of its duties hereunder, the Representatives shall be entitled to rely (and shall be fully protected in relying and shall not be liable to anyone for anything done, omitted or suffered based thereon) upon (i) any document or instrument reasonably believed by it to be genuine, accurate as to content and signed by any Moneda Shareholder, PIL or any other Person, (ii) any statements or other information furnished to it by any Moneda Shareholder, PIL or any other Person, (iii) any statements, other information or advice furnished to it by any advisor (including accountants consulted by PIL and any financial advisor), counsel, agent or other representative and (iv) any other evidence or information of any kind deemed by the Representatives, in their sole discretion, to be reliable or otherwise appropriate in connection with its role contemplated herein. The Representatives may assume that any Person purporting to give any notice in accordance with the provisions hereof has been duly authorized to do so. The Representatives shall be entitled to retain counsel, experts, accountants and other representatives, agents or advisors and to incur such costs, fees and expenses as the Representatives deem necessary or appropriate in connection with the performance of its role under this Agreement, and all such costs, fees and expenses incurred by the Representatives shall be borne, advanced, reimbursed or paid, as the case may be and at the direction of the Representatives, by the Moneda Shareholders.

(c) The Representatives shall have such powers and authority as are necessary or appropriate to carry out the functions assigned to it under this Agreement and in any other document delivered in connection herewith; *provided, however*, that the Representatives shall have no obligation to act on behalf of the Moneda Shareholders. Notwithstanding anything to the contrary contained herein, the Representatives in their capacity as such shall have no fiduciary duties or responsibilities to any Moneda Shareholder or the Company or its Subsidiaries and no duties or responsibilities except for those expressly set forth herein, and no implied covenants, functions, responsibilities, duties, obligations or liabilities on behalf of any Moneda Shareholder shall otherwise exist against or with respect to the Representatives in their capacity as such.

(d) In no event shall the Representatives be liable hereunder or in connection herewith for any Non-Reimbursable Damages or for any liabilities resulting from the actions of a Moneda Shareholder other than the Representatives acting in their capacity as such. PIL shall have the right to rely upon all actions taken or omitted to be taken by the Representatives pursuant to this Agreement and the Ancillary Agreements, all of which actions or omissions shall be legally binding upon the Moneda Shareholders. The grant of authority provided for herein (i) is coupled with an interest and shall be irrevocable by any act of any Moneda Shareholder or by operation of Law and all of the indemnities, immunities, authority and power granted to the Representatives hereunder shall survive the death, incompetency, bankruptcy or liquidation of any Moneda Shareholder and (ii) shall survive the Closing or any termination of this Agreement or any Ancillary Agreement.

(e) The Representatives are serving in such capacity solely for purposes of administrative convenience, and are not themselves liable in such capacity for any of the obligations of the Moneda Shareholders hereunder, and PIL agrees that it will not look to the assets of the Representatives for the satisfaction of any obligations to be performed by the Moneda Shareholders hereunder. The Representatives shall not be liable for any act done or omitted hereunder or under any Ancillary Agreement as Representatives while acting in good faith. Each Moneda Shareholder shall, to the extent of its Pro Rata Share, indemnify the Representatives and hold the Representatives harmless against any loss, liability or expense incurred without gross negligence or willful misconduct on the part of the Representatives or any of their Affiliates and any of their respective partners, members, attorneys, accountants, advisors or controlling Persons and arising out of or in connection with the acceptance or administration of the Representatives' duties hereunder (including pursuant to any Ancillary Agreement).

(f) The Representatives shall receive no compensation for their services except for such reimbursement, bearing of costs or advancement of expenses as is contemplated herein.

(g) Any resignation by the Representatives shall not be effective until new Representatives shall be appointed by the Moneda Shareholders and have confirmed their acceptance of such appointment in writing to PIL.

Section 11.6 Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

Section 11.7 Currency. Any and all payments made pursuant to this Agreement shall be made in dollars, and in full, without any setoff, counterclaim, restriction or condition and without any deduction or withholding (subject to Section 2.14).

Section 11.8 Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by e-mail of a .pdf document (with confirmation of transmission); or (d) on the third (3rd) day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 11.8):

if to PIL, PIL Uruguay, or after the Closing, the Surviving Corporation, to:

[**]
Attention: [**]
Email: [**]

with a copy to:

[**]Attention: [**]
Email: [**]

with a copy to:

[**]
Attention: [**]
Email: [**]

with a copy (which shall not constitute notice) to:

[**]Attention: [**]
Email: [**]

with a copy (which shall not constitute notice) to:

[**]
Attention: [**]
Email: [**]

if to the Moneda Shareholders (and, prior to the Closing, the Company), to the Representatives or the Guarantors, to:

[**]
Attention: [**]
Email: [**]

with a copy to:

[**]
Attention: [**]
Email: [**]

with a copy (which shall not constitute notice) to:

[**]
Attention: [**]
Email: [**]

with a copy (which shall not constitute notice) to:

[**]
Attention: [**]
Email: [**]

Section 11.9 Specific Performance.

(a) The Parties agree that immediate, extensive and irreparable damage for which monetary damages, even if available, would not be an adequate remedy, would occur and damages would be difficult to determine in the event that the provisions of this Agreement were not performed in accordance with its specific terms and that any remedy at law for any breach of any provision of this Agreement would be inadequate. Accordingly, the Parties acknowledge and agree that each Party shall be entitled to an immediate injunction or injunctions, specific performance or other equitable relief to prevent breaches of this Agreement and/or to enforce specifically the terms and provisions hereof in any arbitral tribunal or court as specified in Section 11.12, in addition to any other remedy to which they are entitled at law or in equity, without the necessity of proving the inadequacy of money damages as a remedy, and the Parties hereby agree not to assert, and hereby waive, in any action seeking any such relief, the defense of adequacy of a remedy at law and the posting of any bond or other security in connection therewith. Each Party further acknowledges and agrees that injunctive relief and/or specific performance will not cause an undue hardship to such Party.

(b) Each Party further agrees that (i) by seeking the remedies provided for in this Section 11.9, a Party shall not in any respect waive its right to seek any other form of relief that may be available to such Party under this Agreement or in the event that the remedies provided for in this Section 11.9 are not available or otherwise are not granted, and (ii) nothing set forth in this Section 11.9 shall require any Party to institute any action for (or limit any Party's right to institute any action for) specific performance under this Section 11.9 prior or as a condition to exercising any termination right under Article 7, nor shall the commencement of any action pursuant to this Section 11.9 or anything set forth in this Section 11.9 restrict or limit any such Party's right to terminate this Agreement in accordance with Article 7 (*Termination*) or pursue any other remedies under this Agreement that may be available then or thereafter. Notwithstanding the foregoing, following a valid termination of this Agreement pursuant to Section 7.1 (*Termination*), no Party shall be entitled to seek or obtain specific performance or any other equitable remedy with respect to the enforcement of any Party's obligation to consummate the Closing and any other related obligations. If any Party brings any action to enforce specifically the performance of the terms and provisions when expressly available to such party pursuant to the terms of this Agreement, the Outside Date shall automatically be extended (i) to the thirtieth (30th) Business Day following the resolution of such action, or (ii) by such other time period established by the court presiding over such action.

Section 11.10 Binding Effect; Persons Benefiting; No Assignment. This Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns and any transferee of all or substantially all of the assets of such Party and its Subsidiaries taken as a whole. Except for Section 5.11 (*D&O Indemnification*) and Article 9 (*Indemnification*) (each of which shall be for the benefit of the Persons set forth therein, and each such Person shall be an intended third party beneficiary thereof and shall have the rights, benefits and remedies provided for therein), no provision of this Agreement is intended or shall be construed to confer upon any entity or Person other than the Parties and their respective successors and permitted assigns any right, remedy or claim under or by reason of this Agreement or any part hereof. Except in connection with the Pre-Closing Reorganization, this Agreement may not be assigned without the prior written consent of PIL, in the case of any assignment by the Company or the Moneda Shareholders, or the Representatives, in the case of any assignment by PIL.

Section 11.11 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same agreement, it being understood that all of the Parties need not sign the same counterpart. Delivery of an executed signature page of this Agreement by electronic image scan transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 11.12 Governing Law; Arbitration.

(a) This Agreement shall be governed in all respects, including as to validity, interpretation and effect, by and construed in accordance with the Laws of the State of New York (without giving effect to choice of law principles thereof that would result in the application of the law of another jurisdiction).

(b) Except as otherwise provided in Section 2.8, any dispute, controversy or claim arising out of or relating to this Agreement, or the breach, termination or validity thereof (a “Dispute”) shall be resolved by final and binding arbitration administered by the International Chamber of Commerce (“ICC”) pursuant to its Rules of Arbitration then in effect (the “ICC Rules”), except as modified herein.

(i) The seat of arbitration shall be New York, New York and the arbitration shall be conducted in the English language.

(ii) The arbitration shall be conducted by a three-member arbitral tribunal (the “Arbitral Tribunal”). If there are only two parties to the arbitration, each Party shall nominate one arbitrator in accordance with the ICC Rules and the two arbitrators so nominated shall nominate a third arbitrator, who shall serve as chair of the Arbitral Tribunal, within thirty (30) days of the confirmation by the ICC Court of Arbitration (“ICC Court”) of the appointment of the second arbitrator. If there are more than two parties to the arbitration, then the claimant or claimants collectively, and respondent or respondents collectively, shall each nominate one arbitrator within thirty (30) days of receipt by respondent or respondents of the request for arbitration. The two arbitrators so nominated shall nominate the president (the “President”) within thirty (30) days of the confirmation by the ICC Court of the appointment of the second arbitrator. If the two party-appointed arbitrators cannot reach agreement on the President within the time periods specified herein, then the ICC Court shall appoint the chair in accordance with the Rules. If either all of the claimants or all of the respondents, respectively, fail to make a joint appointment of an arbitrator within the time limits set forth herein, unless otherwise agreed in writing by the parties, then the ICC Court shall appoint the remaining arbitrators in accordance with the Rules.

(iii) The Arbitral Tribunal, upon the request of a Party to a Dispute and subject to Article 7 of the ICC Rules, may join any Party to this Agreement to the arbitration proceedings and may make a single, final award determining all Disputes between them. Each of the Parties to this Agreement consents and agrees to be joined to any arbitration proceedings in relation to any Dispute upon determination by the Arbitral Tribunal that such joinder is appropriate.

(iv) A Party may request consolidation of two or more arbitrations pending under the ICC Rules into a single arbitration pursuant to Article 10 of the ICC Rules. The Parties agree that two or more arbitration proceedings may be consolidated in accordance with this Section 11.12(b)(iv) and subject to Article 10 of the ICC Rules, even if the parties to such arbitration proceedings are not identical.

(v) In addition to monetary damages, the Arbitral Tribunal shall be empowered to award equitable relief, including, but not limited to an injunction and specific performance of any obligation under this Agreement.

(vi) By agreeing to arbitration, the parties do not intend to deprive any court of its jurisdiction to issue a pre-arbitral injunction, pre-arbitral attachment or other order in aid of arbitration proceedings. Without prejudice to such provisional remedies that may be granted by a court, the Arbitral Tribunal shall have full authority to grant provisional remedies and to order a party to request that a court modify or vacate any temporary or preliminary relief issued by such court.

(vii) The award of the Arbitral Tribunal shall be final and binding upon the parties thereto, and shall be the sole and exclusive remedy between the parties regarding any claims, counterclaims, issues, presented to the Arbitral Tribunal. Judgment upon any award may be entered in any court having jurisdiction over any party or any of its assets.

(viii) The parties consent and submit to the non-exclusive personal jurisdiction and venue of any federal court located in the State of New York or, where such court does not have jurisdiction, any New York state court, in either case located in the Borough of Manhattan, New York City, New York ("New York Court") for the enforcement of any arbitral award rendered hereunder and to compel arbitration or for interim or provisional remedies in aid of arbitration. In any such action: (i) each party irrevocably waives, to the fullest extent it may effectively do so, any objection, including any objection to the laying of venue or based on the grounds of forum non conveniens or any right of objection to jurisdiction on account of its place of incorporation or domicile, which it may now or hereafter have to the bringing of any such action or proceeding in any New York Court; and (ii) each of the parties irrevocably consents to service of process sent by an international courier service (with written confirmation of receipt) to the address provided in Section 11.8 (*Notices*) or in any other manner permitted by applicable law.

(c) PIL (i) irrevocably appoints Patria Investments US, LLC (the "PIL Agent for Service of Process"), located at 601 Lexington Avenue, 17th Floor, New York, NY 10022, as its authorized agent on which any and all legal process may be served in any dispute, controversy, claim, action or proceeding arising out of or related to this Agreement or any other Transaction Agreement, or any Transaction; (ii) agrees that service of process upon the PIL Agent for Service of Process shall constitute effective service of process upon it in any such dispute, controversy, claim, action or proceeding; and (iii) agrees that the failure of the PIL Agent for Service of Process to give notice to it of any such service shall not impair or affect the validity of such service or any judgment rendered in such dispute, controversy, claim, action or proceeding. If for any reason the PIL Agent for Service of Process shall cease to be available to act as such, PIL agrees to designate a new agent for service of process in the Borough of Manhattan, The City of New York, on the terms and for the purposes of this Section 11.12, and PIL shall, as soon as practicable, give notice to the Representatives of such new PIL Agent for Service of Process. Nothing herein shall be deemed to limit the ability of any other party hereto to serve any such legal process in any other manner permitted by Applicable Law or to obtain jurisdiction over any such party or bring actions, suits or proceedings as may be permitted by Applicable Law.

(d) PIL Uruguay (i) irrevocably appoints Patria Investments US, LLC (the "PIL Uruguay Agent for Service of Process"), located at 601 Lexington Avenue, 17th Floor, New York, NY 10022, as its authorized agent on which any and all legal process may be served in any dispute, controversy, claim, action or proceeding arising out of or related to this Agreement or any other Transaction Agreement, or any Transaction; (ii) agrees that service of process upon the PIL Uruguay Agent for Service of Process shall constitute effective service of process upon it in any such dispute, controversy, claim, action or proceeding; and (iii) agrees that the failure of the PIL Uruguay Agent for Service of Process to give notice to it of any such service shall not impair or affect the validity of such service or any judgment rendered in such dispute, controversy, claim, action or proceeding. If for any reason the PIL Uruguay Agent for Service of Process shall cease to be available to act as such, PIL Uruguay agrees to designate a new agent for service of process in the Borough of Manhattan, The City of New York, on the terms and for the purposes of this Section 11.12, and PIL Uruguay shall, as soon as practicable, give notice to the Representatives of such new PIL Uruguay Agent for Service of Process. Nothing herein shall be deemed to limit the ability of any other party hereto to serve any such legal process in any other manner permitted by Applicable Law or to obtain jurisdiction over any such party or bring actions, suits or proceedings as may be permitted by Applicable Law.

(e) The Moneda Shareholders (i) irrevocably appoint CT Corporation System (the “Moneda Shareholders Agent for Service of Process”), located at 28 Liberty Street, New York, NY 10005, as their authorized agent on which any and all legal process may be served in any dispute, controversy, claim, action or proceeding arising out of or related to this Agreement or any other Transaction Agreement, or any Transaction; (ii) agree that service of process upon the Moneda Shareholders Agent for Service of Process shall constitute effective service of process upon them in any such dispute, controversy, claim, action or proceeding; and (iii) agree that the failure of the Moneda Shareholders Agent for Service of Process to give notice to them of any such service shall not impair or affect the validity of such service or any judgment rendered in such dispute, controversy, claim, action or proceeding. If for any reason the Moneda Shareholders Agent for Service of Process shall cease to be available to act as such, the Moneda Shareholders agree to designate a new agent for service of process in the Borough of Manhattan, the City of New York, on the terms and for the purposes of this Section 11.12, and the Moneda Shareholders shall, as soon as practicable, give notice to PIL of such new Moneda Shareholders Agent for Service of Process. Nothing herein shall be deemed to limit the ability of any other party hereto to serve any such legal process in any other manner permitted by Applicable Law or to obtain jurisdiction over any such party or bring actions, suits or proceedings as may be permitted by Applicable Law.

(f) The Company (i) irrevocably appoints CT Corporation System (the “Company Agent for Service of Process”), located at 28 Liberty Street, New York, NY 10005, as its authorized agent on which any and all legal process may be served in any dispute, controversy, claim, action or proceeding arising out of or related to this Agreement or any other Transaction Agreement, or any Transaction; (ii) agrees that service of process upon the Company Agent for Service of Process shall constitute effective service of process upon it in any such dispute, controversy, claim, action or proceeding; and (iii) agree that the failure of the Company Agent for Service of Process to give notice to it of any such service shall not impair or affect the validity of such service or any judgment rendered in such dispute, controversy, claim, action or proceeding. If for any reason the Company Agent for Service of Process shall cease to be available to act as such, the Company agrees to designate a new agent for service of process in the Borough of Manhattan, the City of New York, on the terms and for the purposes of this Section 11.12, and the Company shall, as soon as practicable, give notice to PIL of such new Company Agent for Service of Process. Nothing herein shall be deemed to limit the ability of any other party hereto to serve any such legal process in any other manner permitted by Applicable Law or to obtain jurisdiction over any such party or bring actions, suits or proceedings as may be permitted by Applicable Law.

Section 11.13 Waiver of Jury Trial. Each Party hereby waives, to the fullest extent permitted by Law, any right to trial by jury of any suit, claim, demand, action, proceeding or cause of action (i) arising under this Agreement or (ii) in any way connected with or related or incidental to the dealings of the Parties in respect of this Agreement or any of the Transactions, in each case whether now existing or hereafter arising, and whether in contract, tort, equity, or otherwise. The Parties each hereby agree and consent that any such suit, claim, demand, action, proceeding or cause of action shall be decided in accordance with Section 11.12 without a jury and that the Parties to this Agreement may file an original counterpart of a copy of this Agreement as written evidence of the consent of the Parties hereto to the waiver of their right to trial by jury.

Section 11.14 Exhibits and Schedules. The Company Disclosure Schedule, the PIL Disclosure Schedule, and all exhibits, schedules, annexes or other documents expressly incorporated into this Agreement, are hereby incorporated into this Agreement and are hereby made a part hereof as if set out in full in this Agreement. The mere inclusion of any item or any dollar or any other currency amount in any section or subsection of the Company Disclosure Schedule or the PIL Disclosure Schedule as an exception to any representation or warranty or otherwise (or any non-disclosed item or information of comparable or greater significance) shall not be deemed to constitute an admission or suggestion by the applicable Party, or to otherwise imply, that any such item is or would reasonably be expected to be material or has had or would reasonably be expected to have a Material Adverse Effect on the Company or PIL, as applicable, is required to be disclosed, or otherwise represents a violation of, breach of or default under any Contract, Permit or Law or otherwise or an exception or material fact, event or circumstance for the purposes of this Agreement, or that such item meets or exceeds a monetary or other threshold specified for disclosure in this Agreement or otherwise. Such disclosure shall not be used as a basis for interpreting the term “material,” “materially,” “materiality,” “Material Adverse Effect” or any similar qualification. In addition, no dollar or any other currency amount referenced in the Company Disclosure Schedule or the PIL Disclosure Schedule is indicative of what is or is not material. Unless the context would otherwise require, the term “material” and the concept of the “material nature” of an effect upon any Moneda Entity shall be measured relative to the Moneda Entities, taken as a whole as their Business is currently being conducted. Matters disclosed in any section or subsection of the Company Disclosure Schedule or PIL Disclosure Schedule are not necessarily limited to matters that are required by this Agreement to be disclosed therein. Such additional matters are set forth for informational purposes only and do not necessarily include other matters of a similar nature or impose any duty or obligation to disclose any information beyond what is required by this Agreement, and disclosure of such additional matters shall not affect, directly or indirectly, the interpretation of this Agreement or the scope of the disclosure obligations hereunder. Headings inserted in the sections or subsections of the Company Disclosure Schedule or the PIL Disclosure Schedule are for convenience of reference only and shall not have the effect of amending or changing the express terms of the sections or subsections as set forth in this Agreement. Any matter disclosed in any Section of the Company Disclosure Schedule or PIL Disclosure Schedule, as applicable, shall be considered disclosed with respect to each other Section of such Disclosure Schedule to which such matter would reasonably pertain. The Company Disclosure Schedule, the PIL Disclosure Schedule and the information and statements contained therein are not intended to constitute, and shall not be construed as constituting, representations or warranties of a Party except as, or to the extent, provided in this Agreement.

Section 11.15 Legal Representation. Each of the Parties agrees that Skadden, Arps, Slate, Meagher & Flom LLP, Walkers and Barros & Errázuriz Abogados may serve as counsel to the Moneda Shareholders or any of their Affiliates in connection with any matters related to the Transaction Agreements and the Transactions, including any litigation, claim or obligation arising out of or relating to the Transaction Agreements or the Transactions, notwithstanding any representation by Skadden, Arps, Slate, Meagher & Flom LLP, Walkers and Barros & Errázuriz Abogados prior to the Closing Date of any Acquired Company. PIL and the Company each hereby (a) waives any claim it has or may have that Skadden, Arps, Slate, Meagher & Flom LLP, Walkers or Barros & Errázuriz Abogados has a conflict of interest or is otherwise prohibited from engaging in such representation and (b) agrees that, in the event that a dispute arises after the Closing between PIL or any Acquired Company, on the one hand, and a Moneda Shareholder or any of its Affiliates, on the other hand, Skadden, Arps, Slate, Meagher & Flom LLP, Walkers and Barros & Errázuriz Abogados may represent such Moneda Shareholder or any of its Affiliates in such dispute even though the interests of such Person(s) may be directly adverse to the Company or any other Acquired Company and even though Skadden, Arps, Slate, Meagher & Flom LLP, Walkers and Barros & Errázuriz Abogados may have represented the Company or any other Acquired Company in a matter substantially related to such dispute; *provided* that Skadden, Arps, Slate, Meagher & Flom LLP, Walkers and Barros & Errázuriz Abogados will adhere to their applicable professional obligation not to disclose confidential information of the Company or any Acquired Company to any other Person other than to the Moneda Shareholders and their Affiliates in connection with its representation of the Moneda Shareholders and their Affiliates and other than as required by Applicable Law or applicable legal standards of professional responsibility. Each of the Parties also further agrees that, as to all communications among Skadden, Arps, Slate, Meagher & Flom LLP, Walkers or Barros & Errázuriz Abogados and the Acquired Companies and/or their respective Agents that relate in any way to the Transactions, the attorney-client privilege belongs to the Moneda Shareholders and shall not pass to or be claimed by PIL or any Acquired Company. Notwithstanding the foregoing, in the event that a dispute arises between PIL, an Acquired Company or any of their Affiliates and a third party other than a party to this Agreement after the Closing, the Acquired Companies may assert the attorney-client privilege to prevent disclosure of confidential communications by Skadden, Arps, Slate, Meagher & Flom LLP, Walkers and Barros & Errázuriz Abogados to such third party; *provided* that neither the Company nor any other Acquired Company may waive such privilege without the prior written consent of the Moneda Shareholders.

By: [**]
Name: [**]
Title: [**]

REPRESENTATIVE

By: [**]
Name: [**]
Title: [**]

REPRESENTATIVE

By: [**]
Name: [**]
Title: [**]

INVERSIONES RONIN 2 LIMITADA

By: [**]

Name: **[**]**

Title: **[**]**

By: [**]

Name: **[**]**

(solely for purposes of Article 10 and Article 11)

By: [**]

Name: [**]

Title: [**]

By: [**]

Name: [**]

(solely for purposes of Article 10 and Article 11)

By: [**]
Name: [**]
Title: [**]

By: [**]
Name: [**]
(solely for purposes of Article 10 and Article 11)

By: [**]

Name: [**]

Title: [**]

By: [**]

Name: [**]

(solely for purposes of [Article 10](#) and [Article 11](#))

INVERSIONES LIRCAY SPA

By: [**]

Name: [**]

Title: [**]

By: [**]

Name: [**]

(solely for purposes of Article 10 and Article 11)

By: [**]

Name: [**]

Title: [**]

By: [**]

Name: [**]

(solely for purposes of Article 10 and Article 11)

By: [**]

Name: [**]

Title: [**]

By: [**]

Name: [**]

(solely for purposes of Article 10 and Article 11)

INVERSIONES Y ASESORÍAS SANTA LORETO
LIMITADA

By: [**]

Name: [**]

Title: [**]

By: [**]

Name: [**]

(solely for purposes of Article 10 and Article 11)

By: [**]

Name: [**]

Title: [**]

By: [**]

Name: [**]

(solely for purposes of Article 10 and Article 11)

INVERSIONES OROBANCA SPA

By: [**]

Name: [**]

Title: [**]

By: [**]

Name: [**]

(solely for purposes of Article 10 and Article 11)

By: [**]

Name: [**]

Title: [**]

By: [**]

Name: [**]

(solely for purposes of Article 10 and Article 11)

By: [**]
Name: [**]
Title: [**]

By: [**]
Name: [**]
(solely for purposes of Article 10 and Article 11)

THE SYMBOL “[]” DENOTES PLACES WHERE CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS BOTH (i) NOT MATERIAL AND (ii) TREATED AS PRIVATE OR CONFIDENTIAL.**

Execution Version

FIRST AMENDMENT TO TRANSACTION AGREEMENT

This **FIRST AMENDMENT TO TRANSACTION AGREEMENT** (this “First Amendment”) is made and entered into as of the first day of December, 2021, by and among Patria Investments Limited, a Cayman Islands exempted company with limited liability (“PIL”), Patria Investments LATAM S.A., a corporation (*sociedad anónima*) duly incorporated under the laws of Uruguay (“PIL Uruguay”), Moneda Asset Management SpA, a Chilean simplified corporation (*Sociedad por Acciones*) (the “Company”), and Fernando Tisné Maritano and Alfonso Duval García-Huidobro, in their capacity as Representatives, on behalf of the Moneda Shareholders, and, solely for purposes of Article 10 (Shareholder Guaranty) and Article 11 (Miscellaneous) of the Agreement, the Guarantors (in each case, as defined in the Agreement detailed below).

RECITALS

WHEREAS, on September 3, 2021, PIL, PIL Uruguay, the Company, the Moneda Shareholders, solely for purposes of Article 10 (Shareholder Guaranty) and Article 11 (Miscellaneous) of the Agreement, the Guarantors (as defined in the Agreement), and, solely for purposes of Section 11.5 (Moneda Shareholders’ Representatives) of the Agreement, the Representatives, entered into a Transaction Agreement (as the same may be amended or supplemented from time to time in accordance with its terms, the “Agreement”). Capitalized terms used but not otherwise defined herein shall have the meanings assigned to them in the Agreement;

WHEREAS, the Parties and, solely with respect to Article 10 (Shareholder Guaranty) and Article 11 (Miscellaneous) of the Agreement, the Guarantors, acting in accordance with Section 11.1 (Amendments; Waiver) and Section 11.5 (Moneda Shareholder’s Representatives) of the Agreement, as applicable, desire to amend the Agreement on the terms and subject to the conditions set forth herein; and

WHEREAS, Inversiones Orobanca Limitada has conducted a corporate reorganization to: (a) spin off a portion of its shares in the Company to a newly formed entity, Futrono Investment SpA; (b) spin off its shares in a newly formed entity resulting from the spin-off of the Company (MAM II as defined in Exhibit A of the Agreement), to another newly formed entity (Inversiones Oropax); and (c) convert to a simplified corporation (*sociedad por acciones*) and amend its statutory name to Futrono Corp. SpA.

NOW, THEREFORE, in consideration of the mutual agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties and the Guarantors hereby agree as follows:

1. Exhibit A of the Agreement shall be amended and restated in its entirety as set forth in Exhibit A to this First Amendment.
2. Annex A of the Agreement shall be amended and restated in its entirety as set forth in Annex A to this First Amendment.
3. Annex B of the Agreement shall be amended and restated in its entirety as set forth in Annex B to this First Amendment.

4. A new definition shall be included in Section 1.1 (Certain Definitions) of the Agreement, as follows:

“Newly Formed SpA” means Inversiones VA SpA, a Chilean simplified corporation (*Sociedad por Acciones*) formed as part of the Pre-Closing Reorganization, which shareholders include MAM III SpA, and certain senior executives and other employees of the Moneda Entities in accordance with Exhibit F hereto, and which will own approximately three point ninety four percent (3.94%) of MAM II HoldCo immediately prior to the Merger.”

5. The definition of “Newly Formed FIP” in Section 1.1 (Certain Definitions) of the Agreement shall be deleted, and all references in the Agreement thereto, shall be and shall be deemed replaced by, references to the new definition of “Newly Formed SpA” for all purposes.

6. The definition of “Ancillary Agreements” in Section 1.1 (Certain Definitions) of the Agreement shall be amended and restated in its entirety, as follows:

“Ancillary Agreements” means (a) the Registration Rights Agreement, (b) the Voting Agreement, (c) the Allocation Agreement, (d) each Pledge and Lock-Up Agreement, (e) the Plan of Merger and (f) any other certificates, instruments, or agreements being executed and delivered in connection with this Agreement and the Transactions, including any exhibits or attachments to any of the foregoing or this Agreement.”

7. The definition of “Initial Adjustment Amount” in Section 1.1 (Certain Definitions) of the Agreement shall be amended and restated in its entirety, as follows:

“Initial Adjustment Amount” means an aggregate amount (converted into dollars at the Applicable Exchange Rate for the Closing Date) equal to (a) the Net Working Capital Adjustment Amount (which may be a positive or negative number), plus (b) the Cash Adjustment Amount (whether positive or negative), minus (c) the Indebtedness Adjustment Amount. For the avoidance of doubt, the Initial Adjustment Amount may be a positive or negative number.

8. The definition of “Next Generation Retention Plan” in Section 1.1 (Certain Definitions) of the Agreement shall be amended and restated in its entirety, as follows:

“Next Generation Retention Plan Agreements” means those certain *Anexos Contrato Individual de Trabajo* to be entered into by and between (a) each executive of a Moneda Entity designated in writing by the Representatives in consultation with PIL, and such Moneda Entity, in each case, on or about January 30, 2022 and substantially in the form set forth in Exhibit B-1 to the First Amendment; (b) each executive of a Moneda Entity designated in writing by the Representatives in consultation with PIL, and such Moneda Entity, in each case, on or about January 30, 2022 and substantially in the form set forth in Exhibit B-2 to the First Amendment; and (c) each executive of a Moneda Entity designated in writing by the Representatives in consultation with PIL, and such Moneda Entity, in each case, on or about January 30, 2023 and substantially in the form set forth in Exhibit B-3 to the First Amendment.”

9. The definition of “Target Net Working Capital” in Section 1.1 (Certain Definitions) of the Agreement shall be amended and restated in its entirety, as follows:

“Target Net Working Capital” means [**] dollars (\$[**]).”

10. A new definition shall be included in Section 1.1 (Certain Definitions) of the Agreement, as follows:

“First Amendment” means that certain First Amendment to this Agreement, dated as of the Closing Date, by and among the parties hereto.”

11. A new definition shall be included in Section 1.1 (Certain Definitions) of the Agreement, as follows:

“Allocation Agreement” means that certain *Acuerdo Earn-Out*, to be entered into at the Closing by and among the Moneda Shareholders, substantially in the form set forth in Exhibit C to the First Amendment.”

12. A new Section 5.21 shall be included in Article 5 (Covenants) of the Agreement, as follows:

“Section 5.21 Next Generation Retention Plan. PIL shall cause each Moneda Entity to deliver a counterpart to each Next Generation Retention Plan Agreement to which such Moneda Entity is a Party, duly executed by such Moneda Entity; *provided* that the aggregate amounts payable under the Next Generation Retention Plan Agreements, taken as a whole, shall not exceed the Bonus Amount Provision.”

13. The definition of “Moneda Entities” in Section 1.1 (Certain Definitions) of the Agreement shall be amended and restated in its entirety, as follows:

“Moneda Entities” means, collectively, the Acquired Companies, together with the legal entities set forth in Annex C hereto; *provided* that with respect to a Specified Individual, Key Person, executive or employee subject to a Specified Transfer of Employment, for purposes of Section 2.12(b), Section 2.12(c) and Section 5.16, the definition of “Moneda Entities” shall be deemed to include PIL or any of its Affiliates (including after the Closing, the Moneda Entities) that at any time employs any Specified Individual, Key Person, executive or employee, as applicable.”

14. A new definition shall be included in Section 1.1 (Certain Definitions) of the Agreement, as follows:

“Specified Transfer of Employment” means, with respect to a Specified Individual, Key Person or other executive or employee of a Moneda Entity, the transfer of employment of such Specified Individual, Key Person, executive or employee, from a Moneda Entity (or, after the Closing, PIL or any Affiliate of PIL) to PIL or any of its Affiliates (including, after the Closing, any Moneda Entity), as applicable, including, in each case, by employment substitution (*sustitución patronal*), termination and rehire, secondment or any other manner.”

15. Section 2.12(b) of the Agreement shall be amended and restated in its entirety, as follows:

“(b) The payment to each Moneda Shareholder of the first Specified Payment shall be subject to the condition precedent that (i) a period of two (2) years after the Closing Date elapses, and (ii) during such period, the individual set forth opposite such Moneda Shareholder’s name in Annex A (each individual, a “Specified Individual”) hereto has not voluntarily resigned its employment with the Moneda Entities or otherwise been terminated for Cause; *provided* that any resignation, or termination in connection with a Specified Transfer of Employment, shall not constitute a failure to satisfy the condition set forth in this clause.”

16. Section 2.12(c) of the Agreement shall be amended and restated in its entirety, as follows:

“(c) The payment to each Moneda Shareholder of the second Specified Payment shall be subject to the condition precedent that (i) a period of three (3) years after the Closing Date elapses, and (ii) during such period, the individual set forth opposite such Moneda Shareholder’s name in Annex A hereto has not voluntarily resigned its employment with the Moneda Entities or otherwise been terminated for Cause; *provided* that any resignation or termination in connection with a Specified Transfer of Employment, shall not constitute a failure to satisfy the condition set forth in this clause.”

17. Section 5.9(b)(i)(x) of the Agreement shall be amended and restated in its entirety, as follows:

“(x) prepare and file as promptly as required by Applicable Law, but in any event no later than October 10, 2021, all filings, registrations, and notifications necessary or advisable to make in connection with the Requisite Regulatory Approvals,”

18. Section 2.5(a) (Stock Purchase Cash Consideration) of the Agreement shall be amended and restated in its entirety, as follows:

“Stock Purchase Cash Consideration. At the Closing, in consideration for the purchase of the Cash Purchase Shares, PIL Uruguay shall, and PIL shall cause PIL Uruguay to, pay to each Moneda Shareholder, by wire transfer of immediately available funds to the account or accounts as may be designated by such Moneda Shareholder in accordance with Section 11.8 (*Notices*), its Pro Rata Share of an aggregate amount of cash in dollars (the “Closing Cash Consideration Payment”) equal to (x) the Base Cash Consideration *plus or minus*, as applicable, (y) the Estimated Initial Adjustment Amount (as calculated by the Representatives in the Estimated Closing Statement).”

19. Section 5.11 (D&O Indemnification and Insurance) of the Agreement shall be amended and restated in its entirety, as follows:

“Section 5.11 D&O Indemnification and Insurance. As soon as reasonably practicable after the Closing Date, but in any event no later than forty-five (45) days from the Closing Date, PIL shall, or shall cause one or more Moneda Entities to, at PIL’s cost, obtain with effect from and after the Closing Date and shall, or shall cause such Moneda Entities to, maintain in effect for six (6) years after the Closing Date a “run-off” or “tail” directors’ and officers’ liability insurance policy to the current policy (the “Current Policy”) covering the directors and officers of the Moneda Entities and the officers of the Company Funds and members of the Fund Boards with respect to matters occurring prior to the Closing and having coverage limits in the same aggregate amount as provided in the current policy for such six-year (6-year) period and terms and conditions otherwise no less advantageous to the indemnitees than the terms and conditions of the current policy covering the directors and officers of the Moneda Entities and officers of the Company Funds and members of the Fund Boards; *provided* that, if PIL has not provided evidence reasonably satisfactory to the Representatives of the foregoing coverage or of coverage to avoid any gap while longer term coverage is finalized within twenty five (25) days from the Closing Date, the Representatives may elect at their discretion to negotiate and obtain D&O insurance coverage to avoid any gap, at PIL’s cost.”

20. Section 5.16 (Allocation of Bonus Amounts to Moneda Entities' Executives) of the Agreement shall be amended and restated in its entirety, as follows:

“Section 5.16 Allocation of Bonus Amounts to Moneda Entities' Executives. For the 2022 – 2026 calendar years, PIL shall cause the Moneda Entities to reserve for the benefit of, and deliver to, the Moneda Entities' executives and employees (including any executive or employee subject to a Specified Transfer of Employment) an amount calculated in accordance with the definition of Bonus Amount Provision. After the expiration of such five-year period, PIL shall cause all bonus amounts payable to such executives and employees to be determined and delivered by reference to the compensation and benefits policies (including fee-related earnings allocation) of PIL; *provided*, that the Company's executives and employees (including any executive or employee subject to a Specified Transfer of Employment) shall be treated no less favorably with respect thereto at any time, than similarly situated executives and employees of PIL and its Affiliates.”

21. Section 6.2(d) of the Agreement shall be amended and restated in its entirety, as follows:

“(d) Key Person. Each Key Person shall (i) continue to devote its business time to the Moneda Entities substantially as devoted as of the date hereof, or otherwise be employed on active status by a Moneda Entity as of the Closing, and (ii) not have provided notice, resigned or otherwise indicated in writing that such individual will terminate or cease its duties, role or employment on or after the Closing (other than as to Juan Luis Rivera, any termination, stoppage or other interruption of his duties, role or employment solely as a result of restrictions on working or residing in the United States resulting from the expiration, termination or loss of validity of his existing E-2 visa or any rights thereunder in accordance with U.S. immigration Applicable Law due to the consummation of the Transactions).”

22. Notwithstanding anything in the Agreement to the contrary, the Parties acknowledge and agree that:

(a) as to the matters required by Section 5.20 (Certain Regulatory Matters) of the Agreement in relation to the Economic Substance (Companies and Limited Partnerships) Act, 2018 (as amended) of the British Virgin Islands (the “Economic Substance Regime”), the Parties have agreed that PIL shall cause, the compliance and remediation of any past non-compliance by the BVI Advisor with the Economic Substance Regime as set forth in item 1 of Annex E to the Agreement to be undertaken by the Moneda Entities after the Closing, including by implementing, among others, one or more of the following actions: (i) terminating the investment management agreement currently in place between the BVI Advisor and Moneda Latin American Corporate Debt, and any other investment management agreement that may be entered into after the date hereof (the Company Funds party to such investment management agreements, collectively, the “Specified Funds”), (ii) entering into new investment management agreements between each Specified Fund and a newly formed Affiliate of PIL organized by PIL in the Cayman Islands after the Closing, (iii) amending the Permits held by the BVI Advisor to remove the Permit for investment management granted thereto, and (iv) preparing and filing all Governmental Filings necessary or advisable to make in connection with the actions set forth in this clause (a) (collectively, the “Specified Actions”);

(b) as a result, the Parties agree that the Specified Actions shall occur as soon as reasonably practicable following the Closing; and

(c) the fact that Specified Actions may be taken after the Closing, shall not diminish the PIL Indemnitees' rights to indemnification pursuant to Section 9.2(a)(iv) of the Agreement.

23. Notwithstanding anything in the Agreement to the contrary (including in Section 1.1 (Certain Definitions), the Accounting Framework, Section 2.9 (Stock Purchase Cash Consideration; Adjustments), Section 2.10 (Adjusted Net Income Adjustment), Section 2.11 (Earn-Out), Section 5.1 (Conduct of Business), Section 8.1 (Tax Indemnification) and Section 9.2 (Indemnification by the Moneda Shareholders)), the Parties acknowledge and agree that:

(a) on November 23, 2021, the Representatives provided to PIL the Estimated Closing Statement, in accordance with Section 2.9(a) (Estimated Initial Adjustment Amount) of the Agreement (the “11/23/2021 Estimated Closing Statement”);

(b) based on its review of the 11/23/2021 Estimated Closing Statement, PIL has requested that the Moneda Shareholders cause the Moneda Entities to deliver certain dividends or other distributions to the Moneda Shareholders (the “Moneda Dividend Transactions”), and the Moneda Shareholders are willing to accommodate such request, and implement the Moneda Dividend Transactions, subject to the terms and conditions set forth in this First Amendment;

(c) the Moneda Dividend Transactions shall include the following:

- (i) causing the BVI Advisor to declare a dividend not to exceed an aggregate pre-Tax basis amount equal to [**] dollars (\$[**]), and deliver such dividend or other distribution to MAM II SpA (the “BVI Advisor Dividend”);
- (ii) causing MAM II SpA to declare a dividend or other distribution not to exceed an aggregate pre-Tax basis amount equal to [**] dollars (\$[**]), and deliver such dividend or other distribution to the Moneda Shareholders;
- (iii) causing the Chilean Advisor to declare a dividend not to exceed an aggregate pre-Tax basis amount equal to [**] pesos (CLP\$[**]), and deliver such dividend or other distribution to the Company;
- (iv) causing the Company to declare a dividend not to exceed an aggregate pre-Tax basis amount equal to [**] pesos (CLP\$[**]), and deliver such dividend or other distribution to the Moneda Shareholders; and
- (v) implementing certain intercompany financing arrangements among the Moneda Entities for the purpose of effecting the Moneda Dividend Transactions, as well as implementing the following two (2) loans evidenced through promissory notes, and (the “Dividend Financing Arrangements”): (i) a [**] dollars (\$[**]) loan between Inversiones Puerto Aventura Limitada on one hand, and the BVI Advisor on the other, and (ii) a [**] dollars (\$[**]) loan between Futrono Corp. SpA on one hand, and the BVI Advisor on the other, in each case to finance the dividends set forth in the foregoing clause (i), and causing the Moneda Entities to make any payment that may be required in connection with, or as a result of, the Dividend Financing Arrangements.

The Moneda Dividend Transactions shall be, and shall be deemed to be, expressly approved and consented to, and any and all notices or consultation or other rights (except only as set forth in clause (e) of this Section 23 in connection with the MAM II Tax) in connection therewith, waived by, PIL, PIL Uruguay and their Affiliates, for all purposes under the Agreement;

(d) in furtherance of the foregoing, prior to the date hereof, the Moneda Shareholders revised the 11/23/2021 Estimated Closing Statement to reflect the Moneda Dividend Transactions, and provided such revised statement to PIL (the “Revised Statement”), which for all purposes under the Agreement shall be, and shall be deemed to be, the Estimated Closing Statement delivered in accordance with Section 2.9(a) (Estimated Initial Adjustment Amount) of the Agreement;

(e) other than in connection with the calculation of the Closing Date Cash, the Moneda Dividend Transactions shall not have a negative impact to the Moneda Shareholders pursuant to or in accordance with the calculation of the Total Cash Consideration, including to the effect that the amount of any cost related thereto (including any resulting tax effect), shall increase the Adjusted Net Income and the Adjusted Net Income 2021; and

(f) PIL agrees to indemnify and hold harmless the Moneda Shareholder Indemnitees from and against any and all Taxes and Losses that any Moneda Shareholder Indemnitee may suffer or incur, or become subject to, by reason of, resulting from, relating to, in connection with, or arising out of any portion of the Moneda Dividend Transactions, other than the Chilean *Impuesto a la Renta de Primera Categoría* that may be payable by MAM II SpA with respect to any *remesa* in connection with the BVI Advisor Dividend (the "MAM II Tax"). PIL undertakes to pay directly, when due, any and all such Taxes (other than the MAM II Tax), fees, costs and expenses related to any Third Party Claim in connection with the Moneda Dividend Transactions and the preparation of the defense thereof.

24. Futrono Investment SpA and Inversiones Oropax (*sociedad colectiva civil*), hereby designate, appoint, authorize and empower the Representatives to act as the representatives, agent, proxy and attorney-in-fact for and on behalf of each of Futrono Investment SpA and Inversiones Oropax (each a Moneda Shareholder as set forth in Annex A of the Agreement) with respect to all matters or Proceedings related to each covenant and agreement contained in the Transaction Agreements and any other matters relating to the rights and obligations of the Moneda Shareholders arising, directly or indirectly, from or taken, directly or indirectly, in connection with the Transactions, the Transaction Agreements or any agreement or instrument related thereto or contemplated thereby, and the Representatives hereby accept such appointment, which shall include the power and authority to act on the same terms as set forth in Section 11.5 (Moneda Shareholders' Representatives) of the Agreement.

25. Each Moneda Shareholder hereby waives the right to receive the dividend of [**] dollars (\$[**]) per share declared to record holders of common stock of PIL at the close of business on December 2, 2021, that will be paid on December 16, 2021.

26. The reference in Section 2.11(a) (Calculation of Earn-Out Amount) to the "Weighted Net Income Margin" shall be and shall be deemed replaced by, reference to "Weighted Adjusted Net Income Margin".

27. The reference in Section 2.11(f) to "fifteen (15) days" shall be and shall be deemed replaced by, reference to "thirty (30) days".

28. Except as expressly set forth herein, (a) this First Amendment shall not by implication or otherwise limit, impair, constitute a waiver of, or otherwise affect the rights and remedies of the parties hereto or any other party under the Agreement, the Ancillary Agreements, or the documents delivered pursuant thereto, and (b) shall not alter, modify, amend or in any way affect any of the terms or conditions contained in the Agreement, the Ancillary Agreements, or the documents delivered pursuant thereto, all of which are ratified and affirmed in all respects and shall continue in full force and effect.

29. Upon the execution hereof, this First Amendment and the Agreement shall constitute one agreement. The term "Agreement", as used in the Agreement, shall mean the Agreement as amended by this First Amendment, although this change shall not alter the dates as of which any provision of the Agreement speaks. For example, phrases such as "as of the date hereof" and "as of the date of this Agreement" shall continue to refer to September 3, 2021, the date that the Agreement was executed.

30. Article 11 (Miscellaneous) of the Agreement shall apply *mutatis mutandis* to this First Amendment.

[The remainder of this page has been intentionally left blank. Signature pages follow.]

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be executed the day and year first above written.

PATRIA INVESTMENTS LIMITED

By: [**]

Name: [**]
Title: [**]

PATRIA INVESTMENTS LATAM S.A.

By: [**]

Name: [**]
Title: [**]

[Signature Page to First Amendment]

By: [**]

Name: [**]

Title: [**]

By: [**]

Name: [**]

Title: [**]

[Signature Page to First Amendment]

INVERSIONES PUERTO AVENTURA LIMITADA

INVERSIONES OROBANCA SPA

INVERSIONES FINANCIERAS S.A.

INVERSIONES Y ASESORÍAS SANTA LORETO
LIMITADA

ASESORÍAS E INVERSIONES TRIALMA LIMITADA

INVERSIONES LEPRECHAUN SPA

INVERSIONES LIRCAY SPA

ASESORÍAS E INVERSIONES MORALEJA SPA

JADRESIC ASESORÍAS E INVERSIONES SPA

ASESORÍAS E INVERSIONES IOU LIMITADA

INVERSIONES RONIN 2 LIMITADA

FUTRONO CORP. SPA
(formerly, Inversiones Orobanca Limitada)

By: [**]

Name: [**]

Title: Representative [**]

By: [**]

Name: [**]

Title: Representative [**]

[Signature Page to First Amendment]

By: [**]

Name: [**]

Title: [**]

[Signature Page to First Amendment]

By: [**]

Name: [**]

Title: [**]

[Signature Page to First Amendment]

PABLO ECHEVERRÍA BENÍTEZ

By: /s/ Pablo Echeverría Benítez
(solely for purposes of Article 10 and Article 11 of the Agreement)

[Signature Page to First Amendment]

FERNANDO TISNÉ MARITANO

By: /s/ Fernando Tisé Maritano
(solely for purposes of Article 10 and Article 11 of the Agreement)

[Signature Page to First Amendment]

JUAN LUIS RIVERA PALMA

By: /s/ Juan Luis Rivera Palma
(solely for purposes of Article 10 and Article 11 of the Agreement)

[Signature Page to First Amendment]

ALFREDO REYES VALDERRAMA

By: /s/ Alfredo Reyes Valderrama
(solely for purposes of Article 10 and Article 11 of the Agreement)

[Signature Page to First Amendment]

ALFONSO DUVAL GARCÍA- HUIDOBRO

By: /s/ Alfonso Duval García-Huidobro
(solely for purposes of Article 10 and Article 11 of the Agreement)

[Signature Page to First Amendment]

ALEJANDRO OLEA GONZÁLEZ

By: /s/ Alejandro Olea González
(solely for purposes of Article 10 and Article 11 of the Agreement)

[Signature Page to First Amendment]

JAVIER MONTERO SER

By: /s/ Javier Montero Ser
(solely for purposes of Article 10 and Article 11 of the Agreement)

[Signature Page to First Amendment]

ESTEBAN JADRESIC MARINOVIC

By: /s/ Esteban Jadresic Marinovic
(solely for purposes of Article 10 and Article 11 of the Agreement)

[Signature Page to First Amendment]

VICENTE BERTRAND DONOSO

By: /s/ Vicente Bertrand Donoso
(solely for purposes of Article 10 and Article 11 of the Agreement)

[Signature Page to First Amendment]

EZEQUIEL CAMUS IBAÑEZ

By: /s/ Ezequiel Camus Ibañez
(solely for purposes of Article 10 and Article 11 of the Agreement)

[Signature Page to First Amendment]

EXHIBIT A

Pre-Closing Reorganization

Exhibit A-1

EXHIBIT B-1

[**]

Exhibit B-1-1

EXHIBIT B-2

[**]

Exhibit B-2-1

EXHIBIT B-3

[**]

Exhibit B-3-1

EXHIBIT C

[**] (*see attached*)

Exhibit C-1

ANNEX A

Moneda Shareholders

[**]

ANNEX B

Shareholder Guarantors

[**]

**CERTIFICATION BY THE PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Alexandre Teixeira de Assumpção Saigh, certify that:

1. I have reviewed this annual report on Form 20-F of Patria Investments 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)) 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.
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 27, 2022

/s/ Alexandre Teixeira de Assumpção Saigh

Alexandre Teixeira de Assumpção Saigh

Chief Executive Officer

**CERTIFICATION BY THE PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Marco Nicola D'Ippolito, certify that:

1. I have reviewed this annual report on Form 20-F of Patria Investments 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)) 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.
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 27, 2022

/s/ Marco Nicola D'Ippolito

Marco Nicola D'Ippolito
Chief Financial Officer

**CERTIFICATION BY THE PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The certification set forth below is being submitted in connection with the Annual Report on Form 20-F of Patria Investments Limited (the “Company”) for the fiscal year ended December 31, 2021 (the “Report”). I, Alexandre Teixeira de Assumpção Saigh, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 27, 2022

/s/ Alexandre Teixeira de Assumpção Saigh

Alexandre Teixeira de Assumpção Saigh

Chief Executive Officer

**CERTIFICATION BY THE PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The certification set forth below is being submitted in connection with the Annual Report on Form 20-F of Patria Investments Limited (the “Company”) for the fiscal year ended December 31, 2021 (the “Report”). I, Marco Nicola D’Ippolito, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 27, 2022

/s/ Marco Nicola D’Ippolito

Marco Nicola D’Ippolito

Chief Financial Officer

| Name | Jurisdiction | Primary Business |
|---|--------------------------|---|
| Patria Finance Ltd. | Cayman Islands | Management Company and Financial Advisory Services |
| Patria Brazilian Private Equity III, Ltd. | Cayman Islands | Manager or Administrator of Funds |
| PBPE General Partner IV, Ltd. (formerly Patria Brazilian Private Equity General Partner IV, Ltd.) | Cayman Islands | Same as above |
| PBPE General Partner V, Ltd. (formerly Patria Brazilian Private Equity General Partner V, Ltd.) | Cayman Islands | Same as above |
| Patria Brazilian Private Equity General Partner VI, Ltd. | Cayman Islands | Same as above |
| Patria Brazil Real Estate Fund General Partner II Ltd. | Cayman Islands | Same as above |
| Patria Brazil Real Estate Fund General Partner III Ltd. | Cayman Islands | Same as above |
| Patria Brazil Retail Property Fund General Partner, Ltd. | Cayman Islands | Same as above |
| Infrastructure GP II, Ltd. (formerly Patria Infrastructure General Partner II Ltd.) | Cayman Islands | Same as above |
| Infrastructure III SLP Ltd. (formerly Patria Infrastructure General Partner III Ltd.) | Cayman Islands | Same as above |
| Patria Constructivist Equity Fund General Partner, Ltd. | Cayman Islands | Same as above |
| Patria Constructivist Equity Fund General Partner II, Ltd. | Cayman Islands | Same as above |
| PI General Partner V Ltd. (formerly Patria Infrastructure Special Limited Partner V Ltd.) | Cayman Islands | Same as above |
| PPE General Partner VII, Ltd. | Cayman Islands | Same as above |
| PI Renewables General Partner, Ltd. | Cayman Islands | Same as above |
| Patria Latam Growth Management Ltd. | Cayman Islands | Same as above |
| Patria Farmland General Partner, Ltd. | Cayman Islands | Same as above |
| Patria Infrastructure General Partner IV Ltd. | Cayman Islands | Same as above |
| Patria Investments U.K. Ltd. | United Kingdom | Investor relations |
| Patria Investments US LLC | United States of America | Investor relations and marketing services and certain back-office services |
| Patria Investments Colombia S.A.S. | Colombia | Advisory services related to asset management of investment funds and other investments |
| Pátria Investimentos Ltda. (“PILTDA”) | Brazil | Management of Brazilian funds and providing financial advisory services for foreign clients |
| Patria Investments Latam S.A. (formerly Zedra S.A.) | Uruguay | Holding |
| Patria Investments Uruguay S.A. | Uruguay | Advisory services related to asset management of investment funds and investor relations and marketing services |
| Patria Investments Cayman Ltd. | Cayman Islands | Holding |
| Patria Investments Chile SpA | Chile | Advisory services related to asset management of investment funds and other investments |
| Patria Investments Hong Kong, Ltd. | Hong Kong | Investor relations and marketing services |

| Name | Jurisdiction | Primary Business |
|---|--------------------------|---|
| Platam Investments Brazil Ltda. | Brazil | Advisory services |
| Patria SPAC LLC | Cayman Islands | Holding company |
| Patria Latin American Opportunity Acquisition Corp. | Cayman Islands | Holding company |
| Moneda Asset Management SpA ("MAM I") | Chile | Manager of Moneda entities headquartered in Chile |
| Moneda Corredores de Bolsa Limitada ("MCB") | Chile | Stockbroker |
| Moneda S.A. Administradora General de Fondos ("MAGF") | Chile | Manager of investment funds and managed accounts |
| Moneda II SpA ("MAM II") | Chile | Manager of Moneda entities headquartered outside of Chile |
| Moneda International Inc. | British Virgin Islands | Manager of investment funds |
| Moneda USA Inc. | United States of America | Registered Investment Advisor |

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-257155 on Form S-8 of our report dated April 26, 2022, relating to the consolidated financial statements of Patria Investments Limited as of December 31, 2021 and 2020 and for each of the three years in the period ended December 31, 2021 appearing in this Annual Report on Form 20-F.

/s/ DELOITTE TOUCHE TOHMATSU
Auditores Independentes Ltda.
São Paulo - SP, Brazil

April 27, 2022