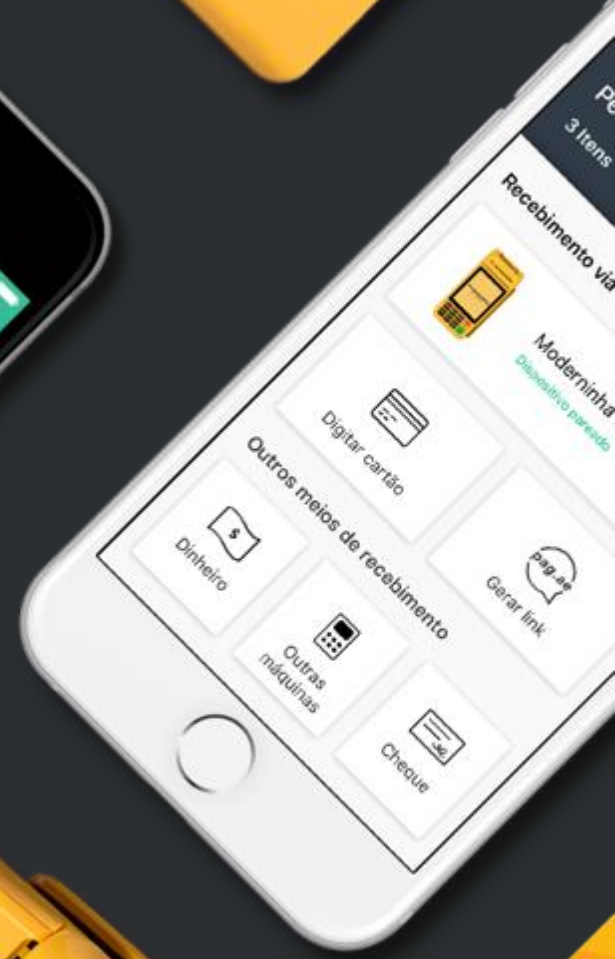
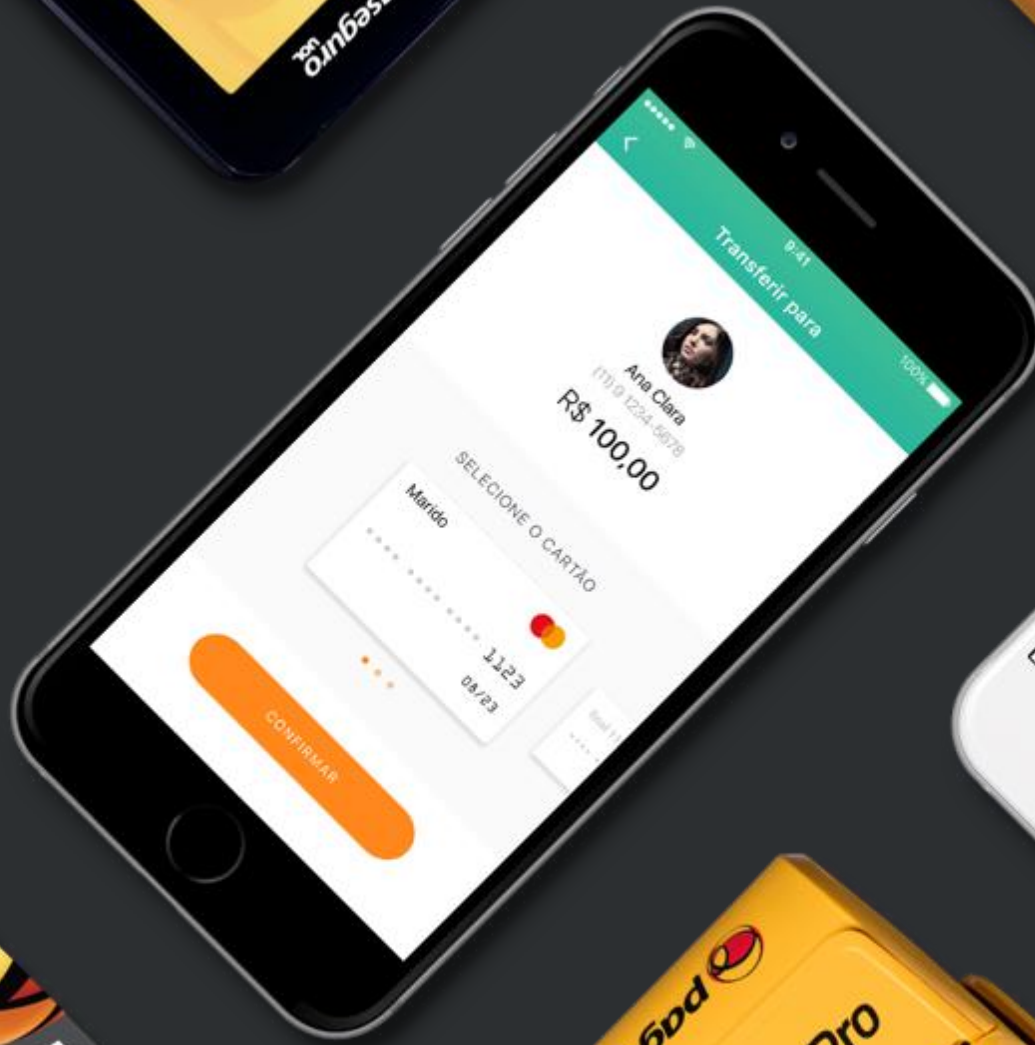




# 2Q18 Presentation August 30, 2018

August 2018



# Important disclosure

This presentation, prepared by PagSeguro Digital Ltd (the “company”), is solely for informational purposes. The information in this presentation does not constitute or form part of, and should not be construed as, an offer or invitation to subscribe for, underwrite or otherwise acquire, any securities of the company or any subsidiary or affiliate of the company, nor should it or any part of it form the basis of, or be relied on in connection with any contract to purchase or subscribe for any securities of the company or any of its subsidiaries or affiliates nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever.

This presentation may contain forward-looking statements relating to matters such as continued growth prospects for the company, industry trends and product and technology initiatives.

These statements are based on currently available information and our current assumptions, expectations and projections about future events. While we believe that our assumptions, expectations and projections are reasonable in view of currently available information, you are cautioned not to place undue reliance on these forward-looking statements. Our actual results may differ materially from those included in this presentation, for a variety of reasons, including those described in the forward-looking statements and risk factor sections of our Registration Statement on Form F-1 (File No. 333-225697) and other filings with the Securities and Exchange Commission (the “SEC”), which are available on our investor relations website (<http://investors.pagseguro.com>) and on the SEC’s website (<https://www.sec.gov>).

All of the information included in this presentation is updated as of June 30, 2018. Except as may be required by applicable law, we assume no obligation to publicly update or revise our statements.

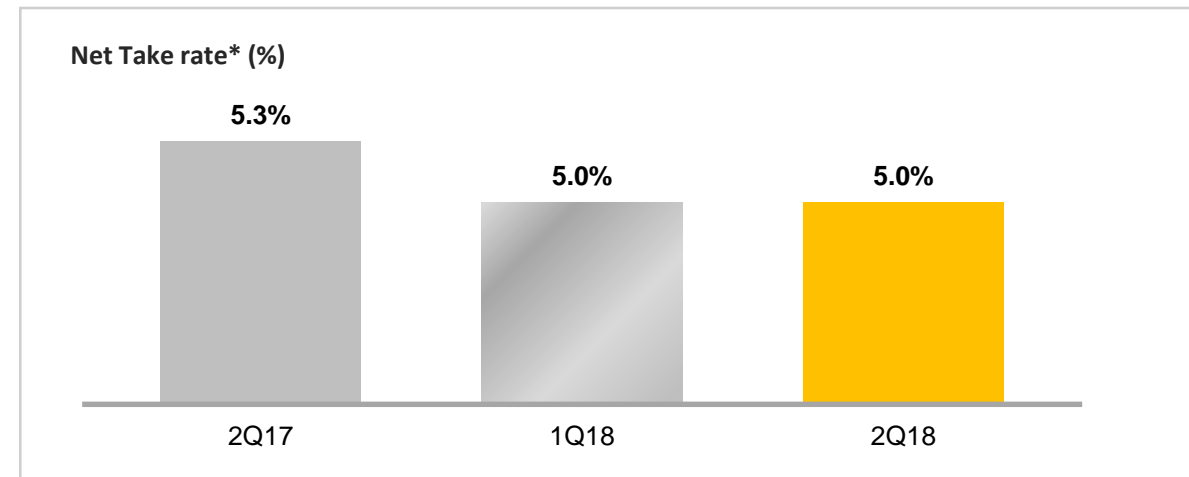
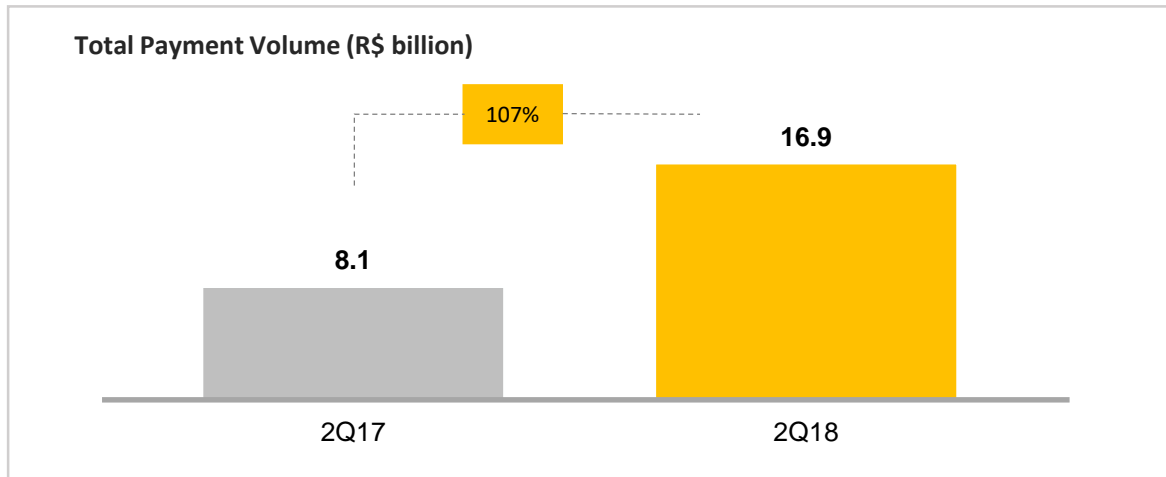
## **Non-GAAP financial measures**

This presentation includes the following financial measures defined as "non-GAAP financial measures" by the SEC: non-GAAP net income, non-GAAP total net revenue, non-GAAP net take rate, non-GAAP total costs and expenses, non-GAAP administrative expenses and non-GAAP net margin. We present non-GAAP measures when we believe that the additional information is useful and meaningful to investors. These non-GAAP measures are provided to enhance investors' overall understanding of our current financial performance and its prospects for the future. Specifically, we believe the non-GAAP measures provide useful information to both management and investors by excluding certain expenses, gains and losses, as the case may be, that may not be indicative of our core operating results and business outlook.

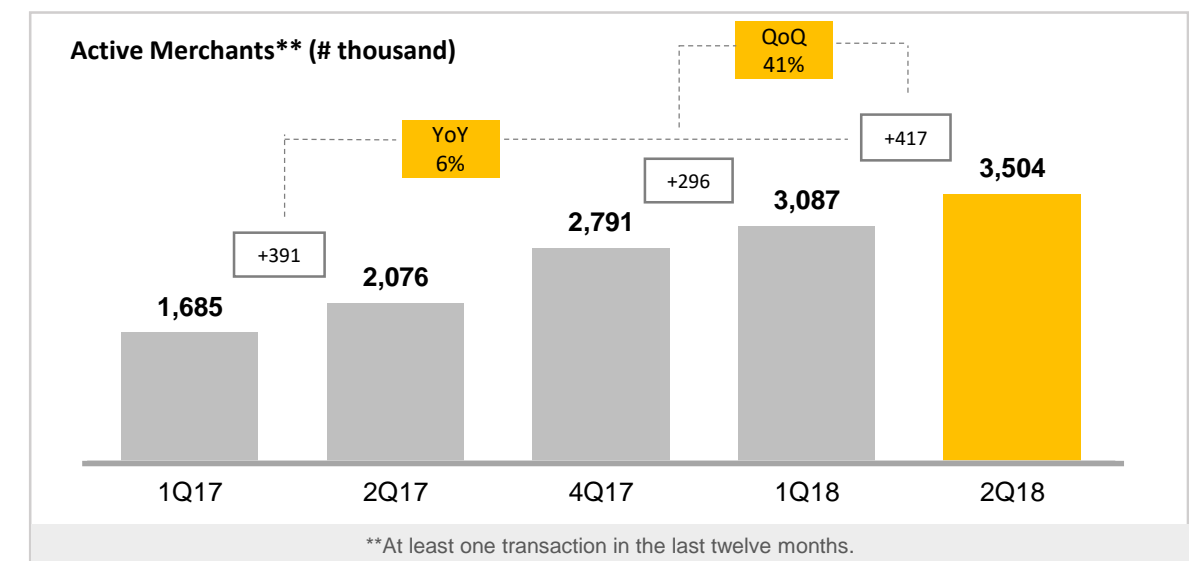
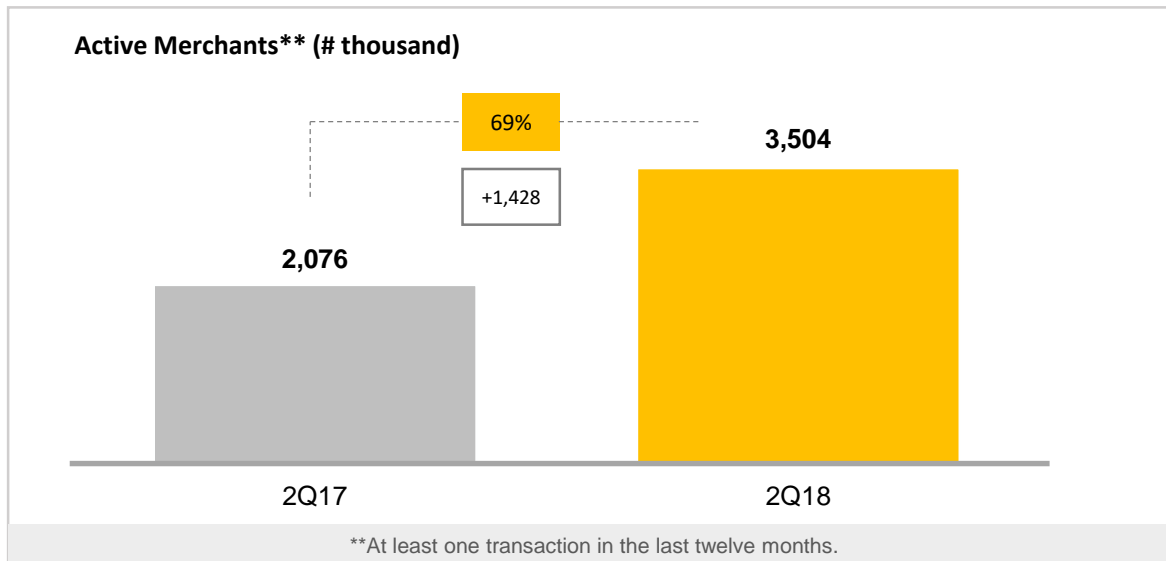
For an explanation of the foregoing non-GAAP measures, please see “Supplemental Information” included in this presentation. These measures may be different from non-GAAP financial measures used by other companies. The presentation of this non-GAAP financial information, which is not prepared under any comprehensive set of accounting rules or principles, is not intended to be considered in isolation of, or as a substitute for, the financial information prepared and presented in accordance with IFRS as issued by the IASB. Non-GAAP measures have limitations in that they do not reflect all of the amounts associated with our results of operations as determined in accordance with IFRS. These measures should only be used to evaluate our results of operations in conjunction with the corresponding GAAP measures.

For a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measures, see “Supplemental Information.”

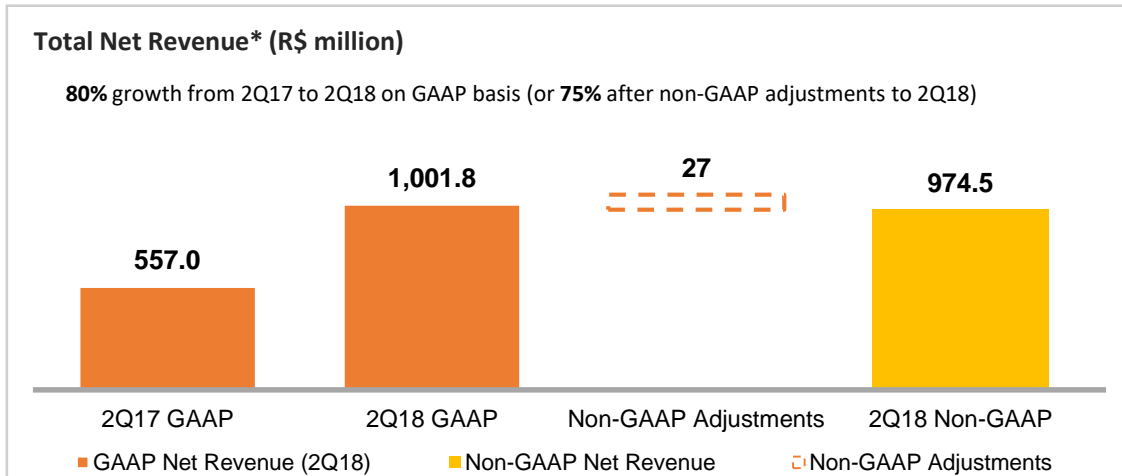
# Operational Metrics



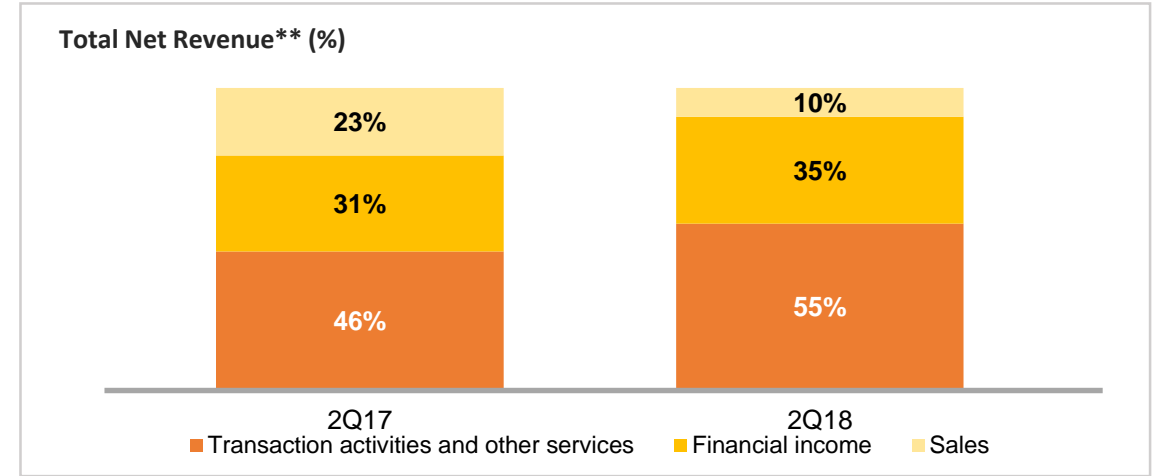
\* Net revenue from transactional activities and other services + financial income / total TPV



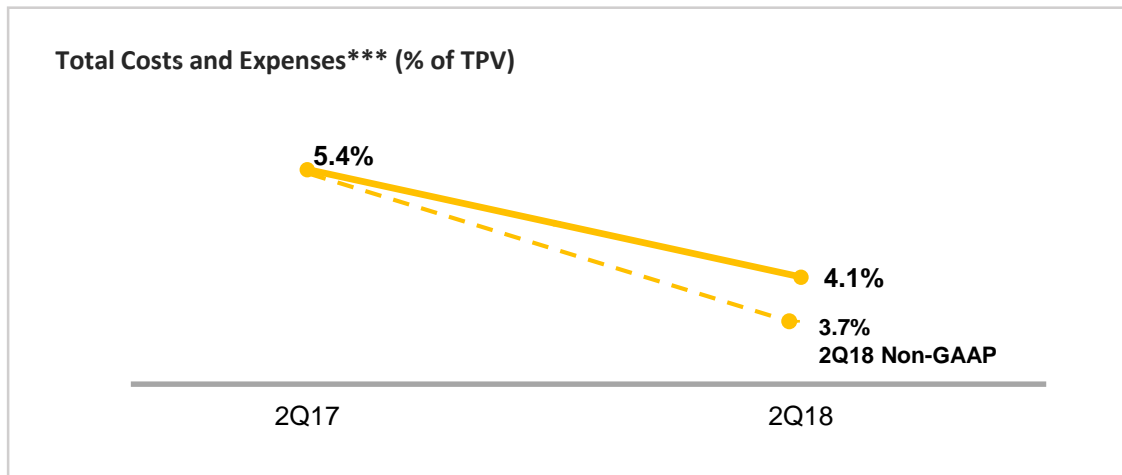
# Scalable Business Model



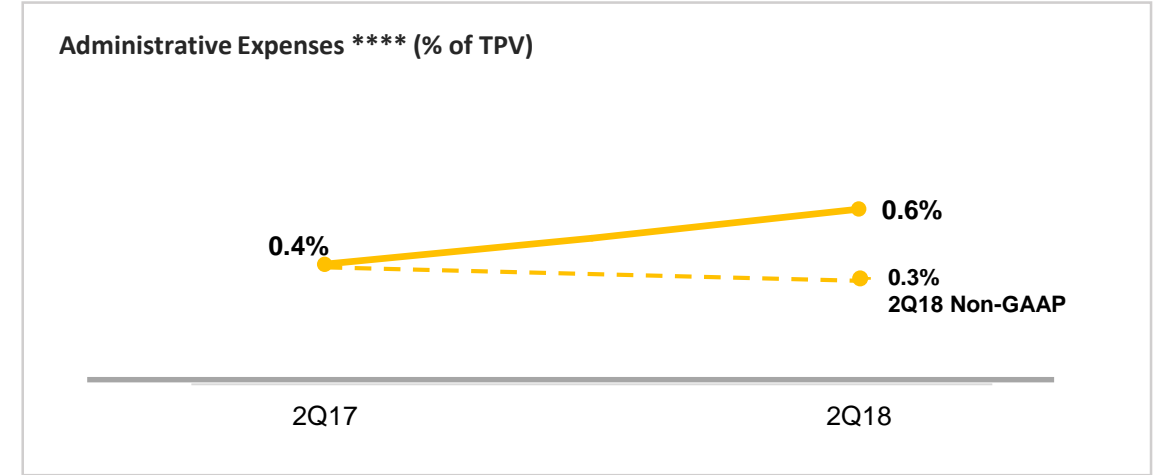
\* Non-GAAP Total Net Revenue is a non-GAAP financial measure. No Non-GAAP Adjustments were recorded in 2Q17. Please see the Supplemental Information for a reconciliation of this non-GAAP financial measure to the most directly comparable GAAP financial measure.



\*\* "Excludes other financial income (R\$2.5 million in 2Q17 and R\$64.5 million in 2Q18) to make results comparable".

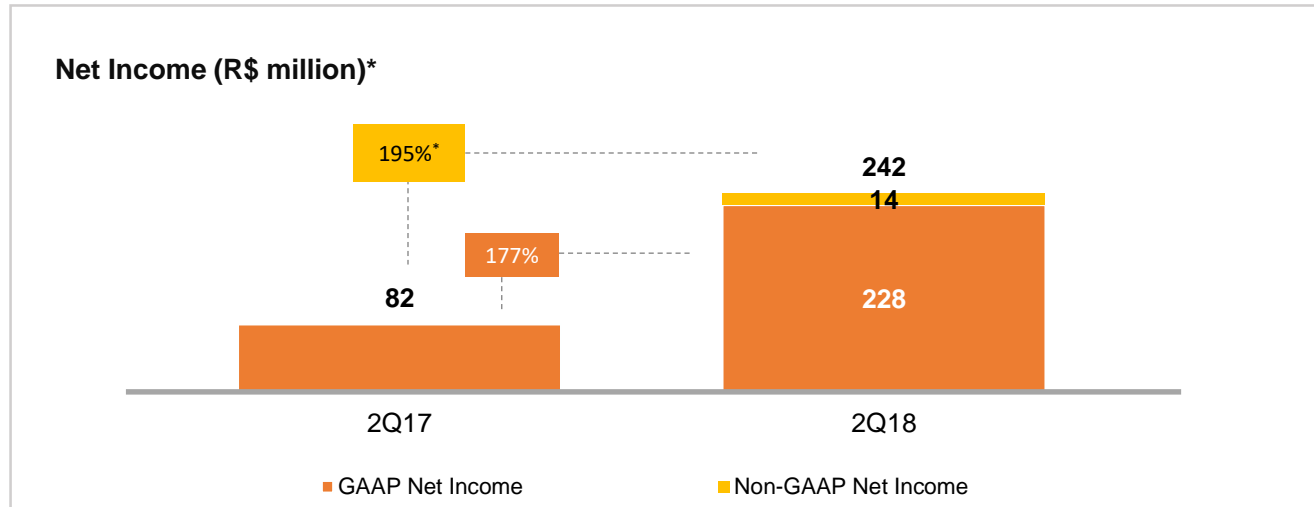


\*\*\* Non-GAAP Total Expenses is a non-GAAP financial measure. No Non-GAAP Adjustments were recorded in 2Q17. Excludes stock-based compensation expenses (no value recorded in 2Q17 and R\$ 62.3mn in 2Q18) to make results comparable. Please see the Supplemental Information for a reconciliation of this non-GAAP financial measure to the most directly comparable GAAP financial measure.

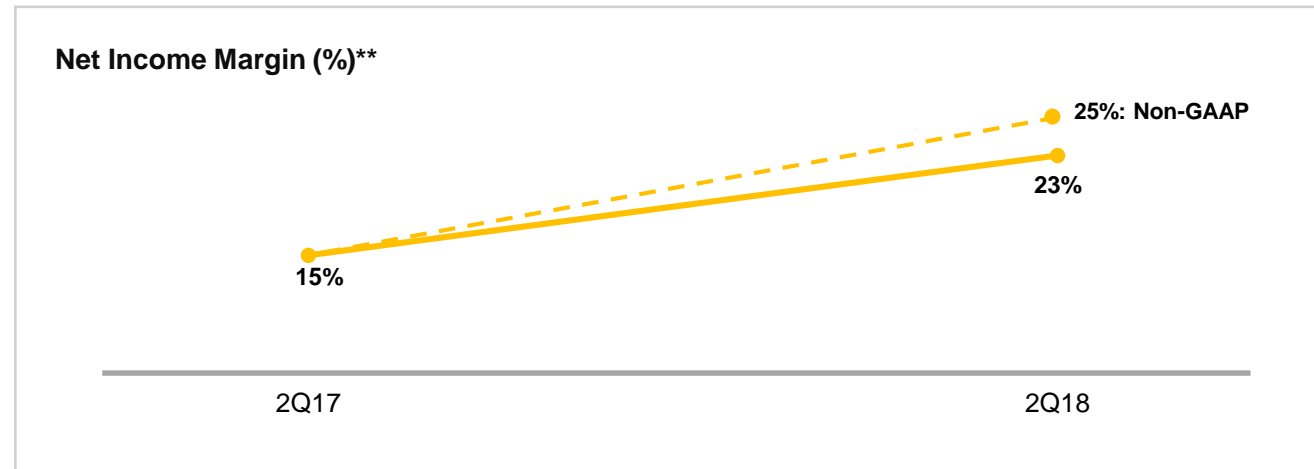


\*\*\*\* Non-GAAP Administrative Expenses is a non-GAAP financial measure. No Non-GAAP Adjustments were recorded in 2Q17. Excludes administrative stock-based compensation expenses (no value recorded in 2Q17 and R\$ 51mn in 2Q18) to make results comparable. Please see the Supplemental Information for a reconciliation of this non-GAAP financial measure to the most directly comparable GAAP financial measure.

# Net Income and Margin Expansion

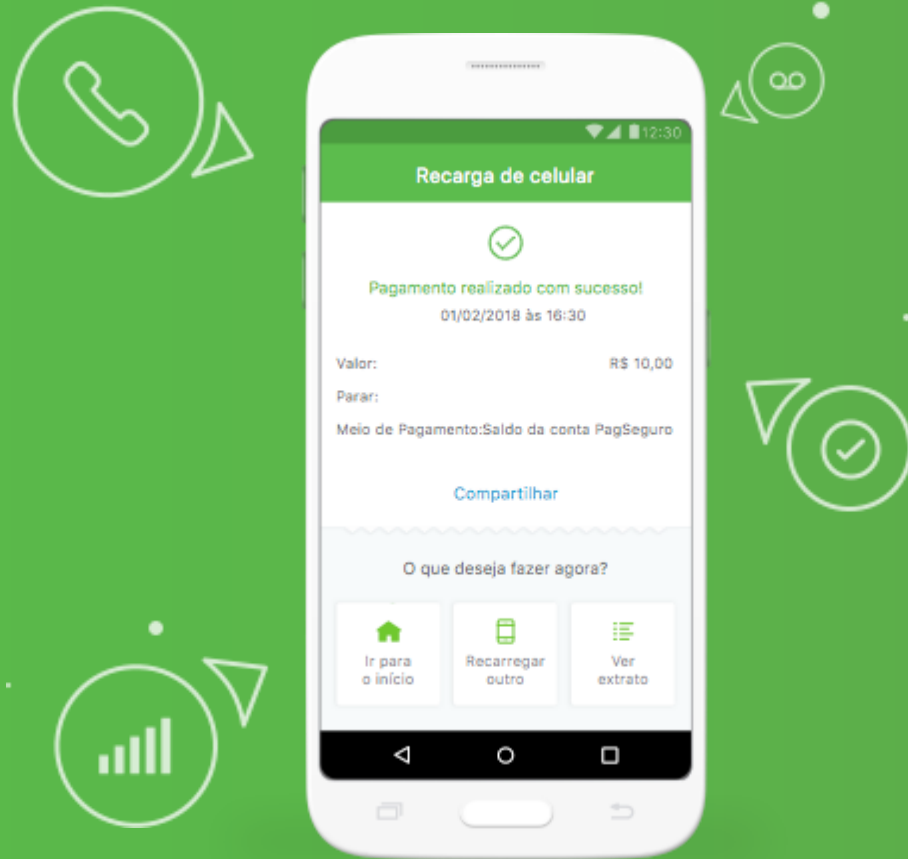


\* Non-GAAP Net Income is a non-GAAP financial measure. No Non-GAAP Adjustments were recorded in 2Q17. Please see the Supplemental Information for a reconciliation of this non-GAAP financial measure to the most directly comparable GAAP financial measure;



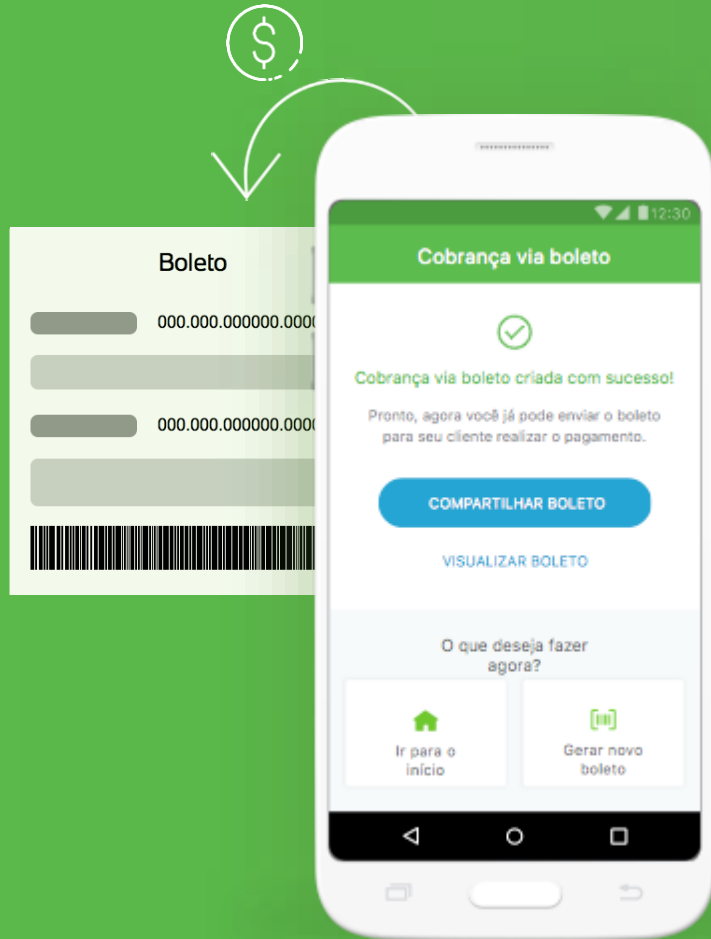
\*\* Net Margin is calculated by dividing Net Income by Total Revenue and Income. Non-GAAP Net Income Margin is calculated by dividing Non-GAAP Net Income by Non-GAAP Total Revenue and Income. Non-GAAP Net Income Margin is a non-GAAP financial measure. Please see the Supplemental Information for a reconciliation of this non-GAAP financial measure to the most directly comparable GAAP financial measure.

# Mobile Top Up



- Prepaid Mobile Top up feature using the balance of PAGES digital account
- Increasing customer engagement through our functionalities

# InApp Boleto Billing



- Target B2B and B2C
- Merchants and individuals can issue unlimited bank slips (Boletos) through the app as a payment method.
- PAGES receive MDR for this type of transaction.

# P2P



- B2B / B2C
- Transfer of balances between PAGS accounts, free of charge (Merchants and Consumers)
- Clients can send free invitations to other people to create a PAGS digital account, which is free and takes only 3 minutes to sign up.



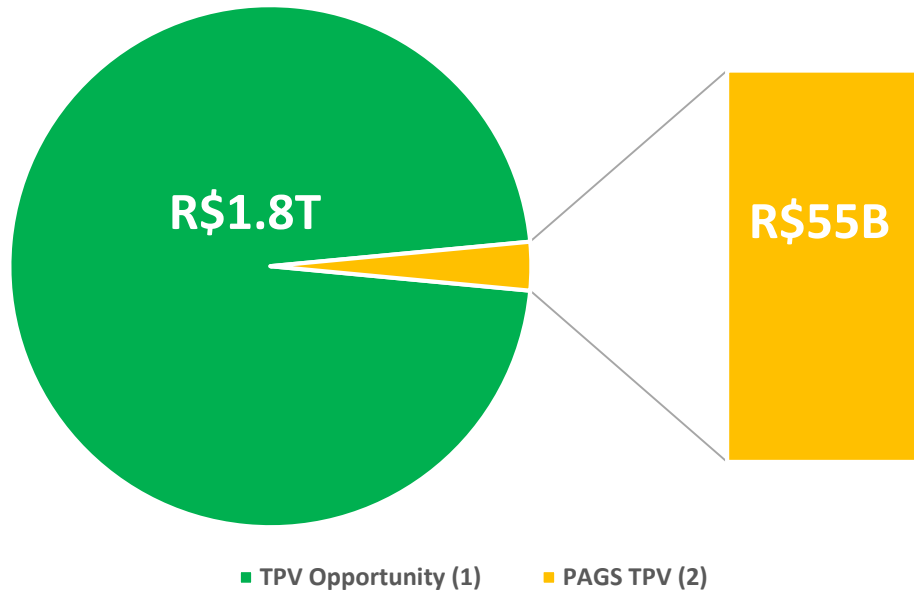
# PagSeguro: building a world-class payment ecosystem

Product	Status
 Digital Account	<input checked="" type="checkbox"/>
 Prepaid Card	<input checked="" type="checkbox"/>
 P2P Payments	<input checked="" type="checkbox"/>
 E-Commerce	<input checked="" type="checkbox"/>
 E-Wallet	<input checked="" type="checkbox"/>
 Cross-border Settlements	<input checked="" type="checkbox"/>
 Purchase Protection	<input checked="" type="checkbox"/>
 Bill Payments	<input checked="" type="checkbox"/>
 Mobile Top-up	<input checked="" type="checkbox"/>
 In Store QR Code Payments	<input checked="" type="checkbox"/>
 Online QR Code Payments	<input checked="" type="checkbox"/>

# Closing Remarks

PAGS's long tail market has natural entry barriers: capillarity and low merchant spending

Less than 5% penetrated over the Total Addressable Market



PAGES opened a new market: 79% of our merchants did not accept cards before joining us <sup>(3)</sup>

1

Small clients are best reached online

- PAGES benefits from UOL's audience and client base:
  - 75% Brazilian internet reach
  - 500K webhosting clients

2

PAGES's offerings are unique and the most complete for small clients

- Sale of POS (instead of monthly rental fees)
- 100% digital, self-service onboarding and focus in Xperience
- One size fits all pricing
- No need for a bank account
- Online distribution
- Innovative functionalities and products (free digital account, prepaid cards, bill payments, mobile top up, P2P, among others)

<sup>1</sup> As of Jul/17. Source: Neoway Business Solutions (through the compilation of data from the Brazilian Micro and Small Businesses Support Service (SEBRAE), Brazil's Tax Authority (the Receita Federal), the Annual Social Information Report (the RAIS) and other sources) and Valor Econômico. Excludes industries such as steel, metallurgy and oil, among others

<sup>2</sup> Figures are represented as trailing 12 months ended June 30, 2018

<sup>3</sup> Company internal research

# SUPPLEMENTAL INFORMATION

# Q1 Results: Reconciliation of GAAP measures to Non-GAAP measures

	Three Months ended March 31, 2018
<b>Total revenue and income</b>	<b>928.0</b>
Less: Foreign exchange gain on IPO proceeds	(89.8)
<b>Non-GAAP total revenue and income (1)</b>	<b>838.2</b>
<b>Total expenses</b>	<b>(765.0)</b>
Less: Share-based long-term incentive plan (LTIP)	210.6
Less: Tax related to remittance of IPO proceeds (IOF tax)	13.1
<b>Non-GAAP total expenses (2)</b>	<b>(541.3)</b>
<b>Profit before taxes</b>	<b>163.0</b>
Plus: Total Non-GAAP adjustments	133.9
<b>Non-GAAP profit before taxes (3)</b>	<b>296.9</b>
<b>Income tax and social contribution</b>	<b>(14.5)</b>
Less: Income tax and social contribution on non-GAAP adjustments	(69.5)
<b>Non-GAAP deferred income tax (4)</b>	<b>(84.0)</b>
<b>Net income</b>	<b>148.5</b>
Plus: Total Non-GAAP adjustments	64.4
<b>Non-GAAP net income (5)</b>	<b>212.9</b>

**(1) Non-GAAP total revenue and income** excludes a foreign exchange gain on our IPO primary proceeds in the amount of **R\$89.8 million** in the three months ended March 31, 2018, which relates to the impact of exchange rate variation on the conversion from U.S. dollars into Brazilian *reals* of the proceeds from our sale of new shares in the IPO. We exclude this foreign exchange variation from our non-GAAP measures primarily because it is unusual income. The foreign exchange gain on our IPO primary proceeds is included within Other financial income. Other financial income in the amount of **R\$116.4 million** is therefore adjusted by excluding the foreign exchange gain on our IPO primary proceeds, resulting in Non-GAAP Other financial income in the amount of **R\$26.6 million**.

**(2) Non-GAAP total expenses excludes:**

**(a) stock-based compensation expenses and related employer payroll taxes** in the total amount of **R\$210.6 million**, consisting of expenses for equity awards under our LTIP. We exclude stock-based compensation expenses from our non-GAAP measures primarily because they are non-cash expenses, and the related employer payroll taxes depend on our stock price and the timing and size of exercises and vesting of equity awards, over which management has limited to no control, and as such management does not believe these expenses correlate to the operation of our business. The largest portion of this expense amount was recognized upon the closing of our IPO with the issuance of 1.9 million shares under our LTIP awards that vested on the IPO date. The total of stock-based compensation expenses is allocated between Cost of sales and services and Administrative expenses. Excluding the stock-based compensation expenses, Cost of sales and services in the amount of **R\$444.8 million** is adjusted by **R\$38.2 million** resulting in a Non-GAAP Cost of sales and services of **R\$406.5 million**, and Administrative Expenses in the amount of **R\$219.0 million** is adjusted by **R\$172.4 million** resulting in Non-GAAP Administrative expenses of **R\$46.7 million**.

**(b) tax related to remittance of IPO primary share proceeds (IOF tax)** in the amount of **R\$13.1 million** in the three months ended March 31, 2018, which represents the impact of Brazilian IOF tax (currency remittance tax) payable when we remitted the proceeds from our sale of new shares in the IPO from the Cayman Islands to Brazil. We exclude this IOF tax on the remittance of IPO primary share proceeds from our Non-GAAP measures primarily because it is an unusual expense. The IOF tax is fully allocated to Financial expenses. Financial expenses in the amount of **R\$16.5 million** is therefore adjusted by excluding the IOF tax, resulting in Non-GAAP Financial expenses in the amount of **R\$3.4 million**.

**(3) Non-GAAP profit before taxes** is equal to the sum of the adjustments described in footnotes (1) and (2) above.

**(4) Non-GAAP income tax and social contribution** consists of income tax at the rate of 34% calculated on the Non-GAAP adjustments described in footnotes (1) and (2) above, other than the foreign exchange gain on IPO primary share proceeds of **R\$89.8 million**, which is not taxable, and the tax benefits related to other Non-GAAP adjustments.

**(5) Non-GAAP net income** is equal to the sum of the adjustments described in footnotes (1), (2) and (4) above.

# Q2 Results: Reconciliation of GAAP measures to Non-GAAP measures

	Three Months ended June 30, 2018
<b>Total revenue and income</b>	<b>1,001.8</b>
Less: Foreign exchange gain on follow-on proceeds	(27.3)
<b>Non-GAAP total revenue and income (1)</b>	<b>974.5</b>
<b>Total expenses</b>	<b>(689.1)</b>
Less: Share-based long-term incentive plan (LTIP)	62.3
Less: Tax related to remittance of follow-on proceeds (IOF tax)	0.7
<b>Non-GAAP total expenses (2)</b>	<b>(626.1)</b>
<b>Profit before taxes</b>	<b>312.7</b>
Plus: Total Non-GAAP adjustments	35.7
<b>Non-GAAP profit before taxes (3)</b>	<b>348.4</b>
<b>Income tax and social contribution</b>	<b>(85.1)</b>
Less: Income tax and social contribution on non-GAAP adjustments	(21.2)
<b>Non-GAAP deferred income tax (4)</b>	<b>(106.3)</b>
<b>Net income</b>	<b>227.6</b>
Plus: Total Non-GAAP adjustments	14.5
<b>Non-GAAP net income (5)</b>	<b>242.1</b>

(1) **Non-GAAP total revenue and income** excludes a foreign exchange gain on our follow-on proceeds in the amount of **R\$27.3 million** in the three months ended June 30, 2018, which relates to the impact of exchange rate variation on the conversion from U.S. dollars into Brazilian *reais* of the proceeds from our sale of new shares in our June 2018 follow-on offering. We exclude this foreign exchange variation from our non-GAAP measures primarily because it is unusual income. The foreign exchange gain on our follow-on proceeds is included within Other financial income. Other financial income in the amount of **R\$64.5 million** is therefore adjusted by excluding the foreign exchange gain on our follow-on proceeds, resulting in Non-GAAP Other financial income in the amount of **R\$37.2 million**.

(2) **Non-GAAP total expenses** excludes:

(a) **Stock-based compensation expenses and related employer payroll taxes** in the total amount of **R\$62.3 million**, consisting of expenses for equity awards under our LTIP. This consists of expenses for equity awards under our long-term incentive plan (LTIP). We exclude stock-based compensation expenses from our non-GAAP measures primarily because they are non-cash expenses and they depend on our stock price and the exchange rate from U.S. dollars into Brazilian *reais* at the time of the vesting of the equity awards. The related employer payroll taxes depend on our stock price and the exchange rate from U.S. dollars into Brazilian *reais* at the time of the exercises and the vesting date of the equity awards, over which management has limited to no control, and as such management does not believe these expenses correlate to the operation of our business. The largest portion of this expense amount was recognized upon the closing of our IPO with the issuance of 1.9 million shares under our LTIP awards that vested at the IPO date. The total of stock-based compensation expenses is allocated between Cost of sales and services and Administrative expenses. Excluding the stock-based compensation expenses, Cost of sales and services in the amount of R\$482.8 million is adjusted by R\$11.3 million resulting in Non-GAAP Cost of sales and services of R\$471.5 million; and Administrative Expenses in the amount of R\$109.2 million is adjusted by R\$51.0 million resulting in Non-GAAP Administrative expenses of R\$58.2 million.

(b) **Tax related to remittance of follow-on share proceeds (IOF tax)** in the amount of **R\$0.7 million** in the three months ended June 30, 2018, which represents the impact of Brazilian IOF tax (currency remittance tax) payable when we remitted the proceeds from our sale of new shares in our June 2018 follow-on offering from the Cayman Islands to Brazil. We exclude this IOF tax on the remittance of follow-on share proceeds from our Non-GAAP measures primarily because it is an unusual expense. The IOF tax is fully allocated to Financial expenses. Financial expenses in the amount of **R\$2.8 million** is therefore adjusted by excluding the IOF tax, resulting in Non-GAAP Financial expenses in the amount of **R\$2.1 million**.

(3) **Non-GAAP profit before taxes** is equal to the sum of the adjustments described in footnotes (1) and (2) above.

(4) **Non-GAAP income tax and social contribution** consists of income tax at the rate of 34% calculated on the Non-GAAP adjustments described in footnotes (1) and (2) above, other than the foreign exchange gain on follow-on proceeds of **R\$27.3 million**, which is not taxable, and the tax benefits related to other Non-GAAP adjustments.

(5) **Non-GAAP net income** is equal to the sum of the adjustments described in footnotes (1), (2) and (4) above.

# Reconciliation of GAAP measures to Non-GAAP measures

Reconciliation of Net Income to Non-GAAP Net income:	1Q18	2Q18
<b>Net income</b>	<b>148.5</b>	<b>227.6</b>
Foreign exchange gain on IPO primary share proceeds (1)	(89.8)	-
Foreign exchange gain on Follow on proceeds (2)	-	(27.3)
Share-based-term incentive plan (LTIP) (3)	210.6	62.3
<i>New shares issued (new hires/ addition to LTIP/ others)</i>	-	30.7
<i>Recurrent quarterly provision</i>	-	31.6
Tax related to remittance of IPO primary share proceeds (IOF tax) (4)	13.1	-
Tax related to remittance of Follow on proceeds (IOF tax) (5)	-	0.7
Income tax and social contribution on non-GAAP adjustments (6)	(69.5)	(21.2)
<b>Total non-GAAP net income adjustments</b>	<b>64.4</b>	<b>14.5</b>
<b>Non-GAAP Net Income</b>	<b>212.9</b>	<b>242.1</b>

- Foreign exchange gain on IPO primary share proceeds** excludes a foreign exchange gain on our IPO primary proceeds in the amount of **R\$89.8 million** in the three months ended March 31, 2018, which relates to the impact of exchange rate variation on the conversion from U.S. dollars into Brazilian *reais* of the proceeds from our sale of new shares in the IPO. We exclude this foreign exchange variation from our non-GAAP measures primarily because it is unusual income. The foreign exchange gain on our IPO primary proceeds is included within Other financial income. Other financial income in the amount of **R\$116.4 million** is therefore adjusted by excluding the foreign exchange gain on our IPO primary proceeds, resulting in Non-GAAP Other financial income in the amount of **R\$26.6 million**.
- Foreign exchange gain on Follow on share proceeds** excludes a foreign exchange gain on our follow-on proceeds in the amount of **R\$27.3 million** in the three months ended June 30, 2018, which relates to the impact of exchange rate variation on the conversion from U.S. dollars into Brazilian *reais* of the proceeds from our sale of new shares in our June 2018 follow-on offering. We exclude this foreign exchange variation from our non-GAAP measures primarily because it is unusual income. The foreign exchange gain on our follow-on proceeds is included within Other financial income. Other financial income in the amount of **R\$64.5 million** is therefore adjusted by excluding the foreign exchange gain on our follow-on proceeds, resulting in Non-GAAP Other financial income in the amount of **R\$37.2 million**.
- Stock-based compensation expenses and related employer payroll taxes:** In **1Q18** the total amount of **R\$210.6 million**, consisting of expenses for equity awards under our LTIP. We exclude stock-based compensation expenses from our non-GAAP measures primarily because they are non-cash expenses, and the related employer payroll taxes depend on our stock price and the timing and size of exercises and vesting of equity awards, over which management has limited to no control, and as such management does not believe these expenses correlate to the operation of our business. The largest portion of this expense amount was recognized upon the closing of our IPO with the issuance of 1.9 million shares under our LTIP awards that vested on the IPO date. The total of stock-based compensation expenses is allocated between Cost of sales and services and Administrative expenses. Excluding the stock-based compensation expenses, Cost of sales and services in the amount of **R\$444.8 million** is adjusted by **R\$38.2 million** resulting in a Non-GAAP Cost of sales and services of **R\$406.5 million**; and Administrative Expenses in the amount of **R\$219.0 million** is adjusted by **R\$172.4 million** resulting in Non-GAAP Administrative expenses of **R\$46.7 million**. In **2Q18** in the total amount of **R\$62.3 million**, consisting of expenses for equity awards under our LTIP. This consists of expenses for equity awards under our long-term incentive plan (LTIP). We exclude stock-based compensation expenses from our non-GAAP measures primarily because they are non-cash expenses and they depend on our stock price and the exchange rate from U.S. dollars into Brazilian *reais* at the time of the vesting of the equity awards. The related employer payroll taxes depend on our stock price and the exchange rate from U.S. dollars into Brazilian *reais* at the time of the exercises and the vesting date of the equity awards, over which management has limited to no control, and as such management does not believe these expenses correlate to the operation of our business. The largest portion of this expense amount was recognized upon the closing of our IPO with the issuance of 1.9 million shares under our LTIP awards that vested at the IPO date. The total of stock-based compensation expenses is allocated between Cost of sales and services and Administrative expenses. Excluding the stock-based compensation expenses, Cost of sales and services in the amount of R\$482.8 million is adjusted by R\$11.3 million resulting in Non-GAAP Cost of sales and services of R\$471.5 million; and Administrative Expenses in the amount of R\$109.2 million is adjusted by R\$51.0 million resulting in Non-GAAP Administrative expenses of R\$58.2 million.
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- Tax related to remittance of follow-on share proceeds (IOF tax)** in the amount of **R\$0.7 million** in the three months ended June 30, 2018, which represents the impact of Brazilian IOF tax (currency remittance tax) payable when we remitted the proceeds from our sale of new shares in our June 2018 follow-on offering from the Cayman Islands to Brazil. We exclude this IOF tax on the remittance of follow-on share proceeds from our Non-GAAP measures primarily because it is an unusual expense. The IOF tax is fully allocated to Financial expenses. Financial expenses in the amount of **R\$2.8 million** is therefore adjusted by excluding the IOF tax, resulting in Non-GAAP Financial expenses in the amount of **R\$2.1 million**.
- Non-GAAP income tax and social contribution** consists of income tax effect related to the Non-GAAP adjustments mentioned above, excluding the foreign exchange gain on IPO primary share proceeds of **R\$89.8 million** and the foreign exchange gain on follow on proceeds of **R\$27.3 million**, which are not taxable, and the tax benefits related to other Non-GAAP adjustments.