
**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, 2023

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)

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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, 2023 was 55,308,508 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:

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

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

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

U.S. GAAP International Financial Reporting Standards as issued by the International Accounting Standards Board Other

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

Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

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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, 2023 and 2022 in accordance with IFRS, as issued by the IASB. Unless otherwise noted, our financial information presented herein for the years ended December 31, 2023, 2022 and 2021 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, 2023, 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 2023,” relate to our fiscal year ended on December 31 of that calendar year.

Corporate Events

Our operational and financial condition results for the historical periods discussed in this annual report prior to the events described below do not reflect or include the operational results or any assets or liabilities of the transactions below, as well as certain critical accounting policies and estimates related to goodwill, intangible assets and purchase accounting related to the transactions. We began consolidating (i) Moneda and its subsidiaries as of December 1, 2021, (ii) the SPAC as of March 14, 2022, (iii) VBI as of July 1, 2022, (iv) Igah Ventures as of November 30, 2022, (v) Kamaroopin as of April 12, 2023, and (vi) our company in partnership with Bancolumbia as of November 1, 2023. Accordingly, our operational and financial condition results in future periods may not necessarily be comparable to our operational and financial condition results for historical periods, including those discussed in this annual report.

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 our position 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. On January 10, 2024, we issued 1,879,977 Class A common shares to the entities controlled by certain Moneda partners, as deferred compensation pursuant to the Moneda Transaction Agreement. See “Item 4. Information on the Company—A. History and Development of the Company—Our History—Combination with Moneda Asset Management” for additional information.

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 was structured in two stages with financial terms not disclosed. The first stage included the acquisition of a 40% minority equity stake and the second stage contemplated the acquisition of the remaining 60% for an undisclosed equity consideration (see note 29(a) to our audited consolidated financial statements). The first tranche of the acquisition of Kamaroopin was signed on December 8, 2021 and closed on February 1, 2022, whereas the second tranche was signed on March 16, 2023 and closed on April 12, 2023. As a result, Patria currently owns 100% of Kamaroopin.

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 of the right 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, with a par value of 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 US\$11.50 per share, subject to adjustment. The units were sold at a price of US\$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 notes 5, 12(d) and 20(c) to our audited consolidated financial statements.

On June 12, 2023, the SPAC held an extraordinary general meeting of its shareholders (the “Extraordinary General Meeting”). At the Extraordinary General Meeting, the SPAC shareholders approved amendments to its Amended and Restated Memorandum and Articles of Association to extend the date (the “Termination Date”) by which the SPAC has to consummate an initial business combination from June 14, 2023 (the “Original Termination Date”) to June 14, 2024 (the “Articles Extension Date”), in addition to other proposals. Accordingly, the SPAC now has up to June 14, 2024 to consummate its initial business combination. In connection with the Extraordinary General Meeting, shareholders holding an aggregate of 6,119,519 of the SPAC’s Class A ordinary shares exercised their right to redeem their shares on June 14, 2023. Following such redemptions, 16,880,481 ordinary shares of the SPAC remained outstanding and subject to redemption. The SPAC trust account has a remainder balance of US\$180 million following the withdrawal for the SPAC Class A ordinary shares redemption. On June 14, 2023 the SPAC Sponsor also deposited into the SPAC trust account an aggregate of US\$300,000 to effect the extension of the termination date. The purpose of the extension is to provide time for the SPAC to potentially complete a business combination. The SPAC Sponsor intends to continue to deposit US\$300,000 each month until the earlier of the completion of a business combination or its liquidation date.

Agreement to Acquire VBI Real Estate to Anchor Brazil Real Estate Platform

On June 9, 2022, we announced an agreement to acquire VBI Real Estate Gestão de Carteiras S.A. (“VBI Real Estate” or “VBI”) one of the leading independent alternative real estate asset managers in Brazil, which had approximately R\$5 billion in assets under management across both development and core real estate vehicles.

While specific financial terms are not being disclosed, the transaction is structured in two stages. The first stage closed on July 1, 2022, and entailed the acquisition of 50% of VBI for a cash consideration, plus the contribution of Patria’s two existing Brazilian REIT vehicles. The second stage allows us to exercise an option to acquire the remaining 50% of VBI and thus consolidate VBI’s platform into the Patria group.

In the course of 2023, VBI acquired three small-scale independent asset managers focused in real estate in Brazil: (i) BlueMacaw Asset Management Ltda., or “BlueMacaw” the spun-off portion of BlueMacaw Gestora Limitada, or “BlueMacaw Gestora”, an investment manager focused on real estate assets in Brazil. BlueMacaw Gestora was created as a spin-off of Blackstone’s Real Estate operations in Latin America, led by Marcelo Fedak; (ii) Bari Gestão de Recursos Ltda. (which was further renamed to VBI Securities Ltda.); (iii)

Move Capital S.A., and (iv) More Gestora de Recursos de Crédito Ltda. (which was further renamed to VBI Capital Ltda.), fostering the growth in the real estate vertical. See note 5 to our audited consolidated financial statements.

VBI continues to be Patria's Real Estate platform in Brazil and both co-founding partners of VBI – Ken Wainer and Rodrigo Abbud – are expected to continue leading VBI's businesses, with Marcelo Fedak joining VBI's board and in due course being appointed as an investment committee member in the business arrangement with Bancolombia, representing Patria.

On July 5, 2023, we announced that we had entered into a business arrangement with Bancolombia, a leading full-service financial conglomerate incorporated in Colombia, to expand our real estate capabilities into Colombia and leverage our private markets expertise to offer access to alternative investment products to Colombian investors. The transaction closed on November 1, 2023. Since its inception, Patria Asset Management S.A. ("PAM") manages a capital real estate investment vehicle with approximately US\$1.4 billion of assets under management as of December 31, 2023. Patria expects to contribute capital to be deployed over multiple years to support PAM's operations as well as to fund general partner commitments. Patria holds 51% of PAM with the remaining 49% being held by Bancolombia.

Agreement to Acquire Private Equity Solutions Business from abrdn

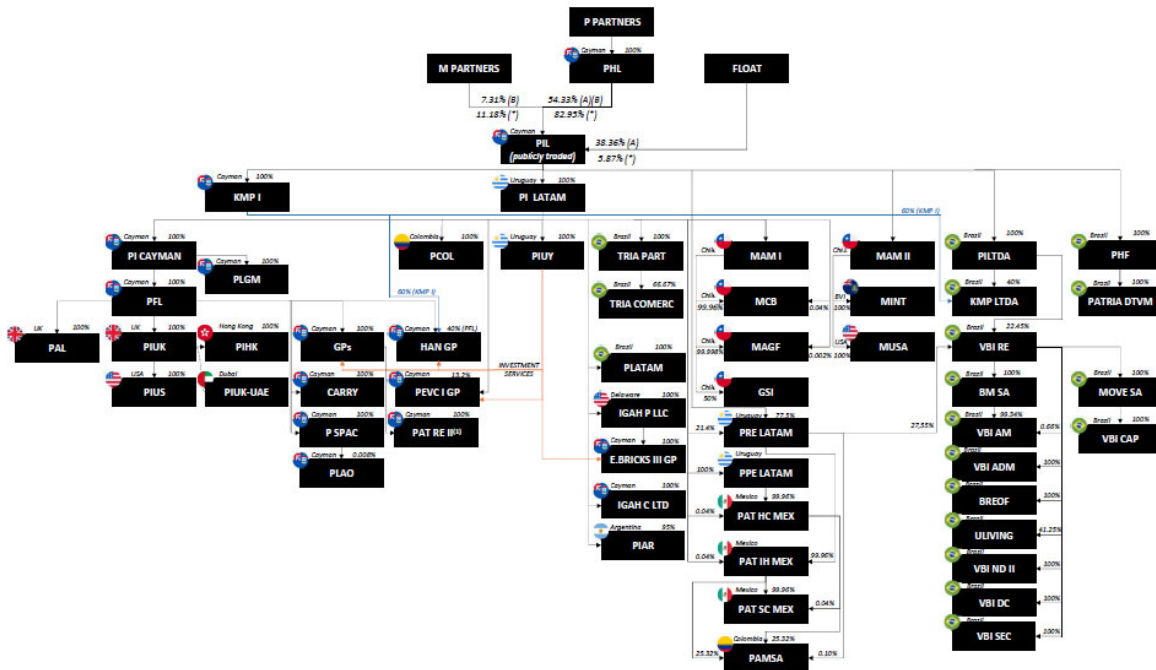
On October 16, 2023, we announced that we had entered into an agreement for the acquisition of the carved-out private equity solutions business from abrdn. Upon closing, the acquired platform together with certain of our existing feeder funds that direct Latin American capital to global private markets is expected to form a new vertical named Global Private Markets Solutions, or "GPMS," to be led by Marco D'Ippolito. We expect this new vertical to further develop as a complementary gateway for Latin American investors to access private markets on a global scale. The transaction is expected to add more than US\$8.0 billion in FEAUM based on numbers as of December 31, 2023. The transaction includes total consideration of up to GBP100 million (approximately US\$122 million) payable to the seller in cash as follows: (i) GBP80 million as base value of which GBP60 million was due at closing and GBP20 million is due 24 months after closing; and (ii) GBP20 million is contingent on certain performance factors and is due 36 months after closing. The transaction is subject to customary closing conditions and certain regulatory approvals.

Corporate Structure and Ownership

As of December 31, 2023, we had a total of 148,253,938 common shares issued and outstanding, consisting of 81,900,000 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 55,308,508 Class A common shares beneficially owned by our shareholders, including 1,061,008 shares beneficially owned by partners who joined Patria through M&A activity and received consideration in equity. On January 10, 2024, we issued 1,879,977 Class A common shares to entities controlled by certain Moneda partners as deferred consideration pursuant to the Moneda Transaction Agreement. See “Item 7. Major Shareholders and Related Party Transactions—A. Major Shareholders.”

The following chart shows our corporate structure and equity ownership as of April 25, 2024, after giving effect to our corporate reorganization and combination with Moneda; our acquisition of Kamaroopin, Igah, BlueMacaw and PAM with Bancolombia; our interests in VBI; the listing of the SPAC. This chart is provided for illustrative purposes only and does not show all of the legal entities:

Patria 2024 Corporate Structure



- (1) 24,437,198 Class B common shares of the 81,900,000 Class B common shares beneficially owned by Patria Holdings Limited are held 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, and other ancillary fees, net of rebates and related taxes, less personnel and administrative expenses, adjusted for brand amortization, and amortization of placement agents 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. 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.

The table below presents more information on our FRE:

	For the Years Ended December 31				
	2023	2022	2021	Change 2023/2022	Change 2022/2021
	(in US\$ millions)				
Revenue from management fees ⁽¹⁾	245.6	220.6	144.7	25.0	75.9
Revenue from incentive fees	4.1	6.1	4.9	(2.0)	1.2
Revenue from advisory and other ancillary fees	2.7	4.2	0.7	(1.5)	3.5
Taxes on revenues	(5.0)	(3.7)	(3.9)	(1.3)	0.2
Personnel expenses ⁽²⁾	(125.1)	(103.9)	(79.8)	(21.2)	(24.1)
(-) Long-term employee benefit ⁽³⁾	14.6	3.5	3.0	11.1	0.5
(-) Carried interest allocation ⁽⁴⁾	25.3	10.2	30.2	15.1	(20.0)
(-) Carry bonus provision	—	—	0.9	—	(0.9)
(-) Deferred and contingent consideration ⁽⁵⁾	23.0	24.4	2.0	(1.4)	22.4
(-) Other transaction costs	2.2	0.5	—	1.7	0.5
Amortization of intangible assets ⁽⁶⁾	(0.8)	(0.4)	(0.2)	(0.4)	(0.2)
Administrative expenses	(38.1)	(30.8)	(14.3)	(7.3)	(16.5)
(-) Rebate fees	6.5	3.9	0.4	2.6	3.5
(-) SPAC expenses and transaction costs ⁽⁷⁾	1.1	0.8	—	0.3	0.8
Placement fees amortization and rebates	(8.4)	(5.3)	(2.5)	(3.1)	(2.8)
Fee Related Earnings (FRE)	147.7	130.0	86.0	17.7	44.0

Note: For our non-GAAP financial measures, we reflect the results attributable for controlling owners to include our exposure from our ownership stake on each line item.

- Revenue from management fees consist of fee revenue from managing an investment fund in our portfolio, which 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." Such revenue increased from prior year due to (a) management fees earned by acquired businesses and (b) management fee revenue commencing in 2023 from newly launched investment fund Private Equity Fund VII.
- 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 a result of the acquired businesses.
- Long-term employee benefits consist of the equity-based compensation and long term employee benefits from acquired businesses. Includes Officers' Fund tracking shares, IPO's share-based incentive plan, and legacy strategic bonus from acquired business.
- Carried interest allocation refers to our employees' right to up to 35% of the performance fees recognized from investments funds. As of December 31, 2023, we had a payable balance of US\$31.9 million (US\$22.6 million non-current), primarily related to performance fees recognized from Patria Infrastructure Fund III.
- Deferred and contingent consideration consists of consideration expected to be paid to former shareholders of Moneda in exchange for future services as employees, which were payable in two installments due December 2, 2023 and December 2, 2024. We account for this consideration as a compensation expense as the employees render services. For the year ended December 31, 2023, US\$23.0 million was recognized as an expense in 2023. our income statement and our acquisition of Moneda included a total expected consideration of US\$57.5 million
- Amortization of intangible assets, such as software.
- SPAC expenses and transaction costs consist of expenses related to Patria Latin American Opportunity Acquisition Corp., a special purpose acquisition company (SPAC), which are excluded from our FRE.

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. 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."

Distributable Earnings

Distributable Earnings, or "DE," is used to assess our performance and capabilities to distribute dividends to shareholders. DE is calculated as FRE less current income tax expense, plus net realized performance fees, net financial income/(expenses), and other income/(expenses) adjusted to exclude IPO related expenses and non-recurring transaction costs, including changes to deferred and contingent considerations, gross obligation, options, warrants, SPAC's results, and share of equity-accounted earnings. 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.

The following table presents more information on our DE:

	2023	2022	2021	Change 2023/2022	Change 2022/2021
	(in US\$ millions)				
Fee Related Earnings (FRE)	147.7	130.0	86.0	17.7	44.0
Revenue from performance fees	74.1	30.4	89.3	43.7	(58.9)
Taxes on revenue—performance fees	(1.4)	(1.2)	(0.2)	(0.2)	(1.0)
Carried interest allocation	(25.3)	(10.2)	(30.2)	(15.1)	20.0
Carry bonus provision	—	—	(0.9)	—	0.9
Other income/(expenses)	(18.6)	(9.3)	(12.2)	(9.3)	2.9
Other transaction costs	9.5	6.7	11.8	2.8	(5.1)
Deferred and contingent consideration	(8.6)	(11.6)	(0.3)	3.0	(11.3)
SPAC expenses and transaction costs	6.2	10.6	—	(4.4)	10.6
Gross obligation - unwinding	11.7	3.5	—	8.2	3.5
Net financial income/(expense)	(1.6)	8.1	(0.3)	(9.7)	8.4
Derivative financial instruments	3.2	(3.2)	—	6.4	(3.2)
Share of equity-accounted earnings	(0.1)	(2.3)	—	2.2	(2.3)
Amortization of intangible assets from equity-accounted investments	0.6	2.2	—	(1.6)	2.2
Current income tax expense	(9.6)	(6.5)	(1.7)	(3.1)	(4.8)
Distributable Earnings (DE)	187.8	147.1	141.3	40.7	5.8

Note: For our non-GAAP financial measures, we reflect the results attributable for controlling owners to include our exposure from our ownership stake on each line item.

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.” 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.”

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, assets under management, and products, by allowing us to see the AUM by product, and its ability to generate revenues.

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.

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 “ABVCP,” 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.

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:

- 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;
- general economic, financial, political, demographic and business conditions in Europe, with respect to the conflict between Russia and Ukraine, the Middle East, with respect to the conflict between Israel and Hamas, and elsewhere where military action occurs, which may result in, among other things, global security issues that may adversely affect international business and economic conditions, and economic sanctions which may impact the global economy;
- fluctuations in exchange rates, interest and inflation in Latin America and any other countries we may serve in the future;
- the impact of the COVID-19 outbreak or other pandemics, epidemics and similar crises, on general economic and business conditions in Brazil, Chile, elsewhere in Latin America and globally, and any restrictive measures imposed by governmental authorities in response thereto;
- 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;
- climate change and our ability to assess the climate related risks we face, as well as those applicable to the funds under our management;
- macroeconomic and political conditions in Chile, including the potential effects of constitutional reform, disruptions in trade with China or the United States, tax reform and natural disasters such as earthquakes and floods in the region;
- risk associated with our international operations;
- our ability to compete and conduct our business in the future;
- 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 "Detailed Risk Factors" for a more thorough description of these and other risks.

Certain Factors Relating to Our Business and Industry

- The global outbreak of COVID-19 caused severe disruptions in Latin America and global economies and as a result, has adversely impacted our performance and results of operations. From 2020 to 2022, the pandemic exacerbated many of the risks described in this annual report. We expect other pandemics, epidemics and similar crises to adversely impact our performance and results of operation causing a slowdown in capital raising, capital deployment and realization activity.
- 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 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.
- 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.
- In addition to traditional physical and transitional risks, climate change can create other risks that are gaining increasing social, regulatory, economic and political relevance globally. Our efforts may not be successful in mitigating the climate-related risks arising from the increased focus, pace, breadth, and depth of regulatory expectations requiring implementation in short time frames across multiple jurisdictions and from changes in public policy, laws, and regulations of climate change and related environmental sustainability matters.

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. 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. In Chile, potential constitutional reform in the medium-term or fluctuations in copper prices related to demand in China may also 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, Chile 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.

- 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.
- 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 represent approximately 83.2% 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 voting power of the issued and outstanding Class B common shares is at least 10% of the total voting power 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.

Detailed Risk Factors

Certain Factors Relating to Our Business and Industry

The global outbreak of COVID-19 caused severe disruptions in Latin America and global economies, and as a result, has adversely impacted our performance and results of operations. Other pandemics, epidemics and similar crises may also adversely impact our performance and results of operations.

The World Health Organization designated COVID-19 as a pandemic. Actions from countries in response to the outbreak created severe economic contraction and adversely impacted many industries. While most countries lifted the public health restrictions with a view to reopening their economies, recurring COVID-19 outbreaks could lead to the re-introduction of such restrictions. The vaccination programs have contributed to the containment of the spread of COVID-19. 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 or of other pandemics, epidemics and similar crises and their effects on the global, Brazilian, Chilean and other Latin American economies where we have substantial portion of our operations.

From 2020 to 2022, the COVID-19 pandemic impacted, and may continue to impact, our business, financial condition, results of operations, liquidity and prospects materially. The pandemic has exacerbated many of the risks described in this annual report. We expect other pandemics, epidemics and similar crises to cause a slowdown in capital raising, capital deployment and realization activity. Adverse impacts on our business as a result of the COVID-19 pandemic or other pandemics, epidemics and similar crises include, but are not limited to a move into a system of, at least, partial remote working by our employees, which 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 this scenario. 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 failures of, or attacks on, their information systems and technology.

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 driven by factors such as rising interest rates, inflation, and events such as the recent COVID-19 pandemic can provoke significant volatility of equity and debt securities prices. 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 those experienced since 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.

Certain trends and conditions in financial markets may influence our ability to raise new capital which may negatively impact our growth in Assets Under Management and Revenues. For example, the direction of interest rates in individual countries may impact the level of demand from local investors for certain investment products. In periods of higher interest rates in countries such as Brazil and Chile, it may be more difficult for us to raise new capital in strategies targeting local investors. Likewise changes in the actual or target asset allocations of our investors, driven by factors such as a sudden drop to public equity markets or adjustments to risk profiles, could temporarily or permanently impact their ability to make new commitments to our funds.

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. The past few years brought 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 and continued uncertainty regarding the United Kingdom's ("U.K.") withdrawal from the European Union and the war in Ukraine. Such concerns have contributed and may continue to contribute to volatility in global equity and debt markets.

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 continued to evolve, and, as new variants continue to be identified in additional countries, many countries have reacted by instituting new 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 continue to have an adverse impact on economic and market conditions. The rapid development and fluidity of this situation preclude any prediction as to the ultimate adverse impact of the novel coronavirus. Nevertheless, 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 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 (SELIC), which could materially impact the cost of debt and third-party capital for financing and investing activities across industries.

In October 2023, the state of Israel was the target of an attack by the terrorist group Hamas, which led to the death of a number of civilians. As a result, Israel declared war on Hamas and conflicts commenced in Israel and the Gaza strip. Although the conflict is still developing, other world leaders have declared support to Israel, including through the commitment of funds and military personnel and capabilities. It is unclear whether the conflict and its underlying uncertainties will be contained or resolved, and what effects they may have on the global political and economic conditions in the long term.

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. See “—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 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.

During 2022 and until the date hereof, the global markets have experienced significant increases in interest rates, which impact the interest rates applicable to public and private debt financings. In addition, adverse developments that affect financial institutions, such as events involving liquidity that are rumored or actual, have in the past and may in the future lead to bank failures and market-wide liquidity problems. For example, on March 10, 2023, Silicon Valley Bank (“SVB”) was closed by the California Department of Financial Protection and Innovation, which appointed the Federal Deposit Insurance Corporation (“FDIC”) as receiver. Similarly, on March 12, 2023, Signature Bank and Silvergate Capital Corp. were each swept into receivership. The results of events or concerns that involve one or more of these factors could include a variety of material and adverse impacts on our ability to obtain financing, and on our current and projected business operations and our financial condition and results of operations. Any instability in the banking and financing markets could limit the availability of funds for financing activities or result in less favorable commercial financing terms, including higher interest rates or costs and tighter financial and operating covenants, or systemic limitations on access to credit and liquidity sources, thereby making it more difficult for us to acquire financing on acceptable terms or at all. An increase in interest rates may also adversely impact the profitability and return on projects we consider, and may cause us to decide not to pursue certain business opportunities.

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. Many 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.

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;
- 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 terms. There is a risk that fund fees in the alternative investment management industry will decline, without regard to the historical performance of a manager. Fund 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 2023 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 2024 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.

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, the Data Protection Act in the UK, 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.

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 ABVCA, 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: (i) Brazil with the CVM; (ii) 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.; (iii) Uruguay with the Central Bank of Uruguay; and (iv) the United Kingdom with the FCA. 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.

Chile has gone through two constitutional processes in recent years, both of which were rejected in referendums. While we believe it is unlikely that a third process will be repeated, it is possible that the constitutional debate will resurface, including through Congress. This reduces the dimension that this risk had in the past, but it remains a source of risk that could increase political uncertainty in the country.

Political developments in Latin America, including government deadlock, material changes to the Chilean constitution, 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 potential negative impacts of investments made by the private equity and other funds to which they commit capital, including with respect to environmental, social, and governance matters. Certain investors have also demonstrated increased demands and expectations 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 environmental, social, governance, 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 and environmental 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.

In addition, environmental, social, and governance matters and concerns relating to the use of misleading labels and marketing materials in relation to investment products have been the subject of increased focus by regulatory authorities in the EU. For example, in 2021 requirements under Regulation (EU) 2019/2088, also known as the Sustainable Finance Disclosure Regulation or SFDR, came into force. The SFDR was introduced to improve transparency in the market for sustainable investment products, to prevent greenwashing and to increase transparency around sustainability claims made by, among others, fund and asset managers. In 2022, the EU Taxonomy Regulation (Regulation (EU) 2020/852) entered into force. The Taxonomy Regulation establishes a framework for classifying whether an economic activity is “environmentally sustainable.” As a result of these and other legislative initiatives, we may be required to provide additional disclosure to EU-based investors in our funds with respect to environmental, social, and governance matters.

Although we strive to improve our assessment and monitoring of environmental, social, and governance matters regarding our different funds and their investments, in order to pertinently address regulatory and investor expectations, we may fail to do so successfully. Our approach intends to timely identify and address financially material environmental, social, and governance matters. However, we are subject to increasing scrutiny and enhanced requirements on such matters, which may result in constraints to certain capital deployment opportunities for our funds and adversely impact our ability to raise additional capital.

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.

We do not have a physical presence in Russia and Ukraine and we understand that our direct exposure to the war, Russian or Ukrainian markets, investors and assets is not material and therefore does not represent a sanctions-related risk or a material risk in general. Despite the foregoing, our client base and investments are broad by nature, which means that certain of our investors have as personnel or beneficial owners certain Russian nationals, officials or individuals who might be included in certain international sanctions lists due to their proximity to or relationship with Russia and its ongoing invasion of Ukraine. Furthermore, certain of our funds hold indirect minority stakes in companies or other assets that might be subject to certain restrictions under sanctions administered by the United States or other jurisdictions. These investments do not represent the main strategy of the respective funds and represent a de minimis share of assets under management, and we understand that all required disclosures have been provided to regulators. We believe that these investments and relationships are in compliance with sanctions laws and regulations applicable to the Company.

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.

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 that it will cease publication of certain types of LIBOR after December 31, 2021. The United Kingdom Financial Conduct Authority, or the "FCA," which regulates LIBOR, separately announced its intention to use new powers under the UK version of the Benchmarks Regulation to require continued publication of certain types of LIBOR on a synthetic basis under the end of 2022. The purpose of synthetic LIBOR is to enable parties to continue to use LIBOR in certain legacy contracts for a limited period. 1-month and 6-month synthetic sterling LIBOR ceased permanently at the end of March 2023. In November 2022, the FCA announced that will use its powers to compel publication of 3-month synthetic sterling LIBOR until the end of March 2024, after which it will cease permanently. In April 2023, the FCA announced that will require IBA to publish synthetic USD LIBOR for each of the 1-, 3- and 6-month tenors until 30 September 2024. 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.

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.

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 LIBOR 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.

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.

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;
- 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 liquidity;
- 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.

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.

Climate change can create transition risks, physical risks and other risks that could adversely affect us.

Climate-related risks can be an aggravating factor for the types of traditional risks that we encounter in the ordinary course of business, including without limitation the risks described in this “Risk Factors” section. Climate change may impact our market share through physical and transition risks. Risks associated with climate change are gaining increasing social, regulatory, economic and political relevance globally.

We strive to monitor increased regulatory compliance with climate-related risks that may result from the increased focus, pace, breadth, and depth of regulatory expectations requiring implementation in short time frames across multiple jurisdictions and from changes in public policy, laws, and regulations, of climate change and related environmental sustainability matters. However, our efforts may not be successful in mitigating such climate-related risks. Climate-related risks are assessed considering internationally recognized sustainability standards and frameworks.

Based on the current global regulatory and market dynamics, we continue evolving how we assess climate-related risks for Patria and the investments made by the funds we manage. Throughout a defined process, climate-related issues are considered in our investments where we assess climate-related risks at different moments and in different levels of depth in the due diligence stage of new investments. Aspects such as greenhouse gas (GHG) emissions, climate-related risks and opportunities, applicable climate-related KPIs for the management stage, and governance, strategy and risk mitigation measures are being evaluated, and recommendations addressed through comprehensive action plans. In our investments, we also seek to monitor KPIs related to GHG emissions, climate-related risks, and other climate change considerations. Over 80% of our private equity and infrastructure portfolio had their greenhouse gas emissions measured in 2022 and 2023.

Although it is not possible at this time to predict how new laws or regulations would impact our business, any future requirements imposing carbon pricing schemes, carbon taxes, emission control, or emission reduction obligations on the operations or activities performed by us, our portfolio companies or third parties hired to support our business may significantly impact our activities, such as increased compliance costs, impact on supply chain, implications for our employees' health, among others, which could limit our ability to pursue certain business opportunities and invest in certain business segments, products and services, each of which could adversely affect our business, financial condition and results of operations. Additionally, failure to comply with such laws and regulations could result in liabilities or penalties that could significantly impact our operation and financial condition.

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 occurrence 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, and we cannot provide assurance 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.

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;
- 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 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.

It is expected that the new Brazilian federal government may propose the general terms of fiscal reform to stimulate the economy and reduce the forecasted budget deficit for 2024 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 and other campaign proposals of the new Brazilian president, 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. In 2023, elevated interest rates in Brazil have contained the rise of inflation, but uncertainty remains as to the continued inflationary pressures resulting from the indirect impacts of conflicts, such as the ongoing wars in Israel and Ukraine, on global supply chains.

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 4.6%, 5.8% and 10.1% for the years ended as of December 31, 2023, 2022 and 2021, 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. This rate is set by the Monetary Policy Committee of the Central Bank (Comitê de Política Monetária), or “COPOM.” On March 17, 2021, the COPOM raised the SELIC rate to 2.75% and further raised the SELIC rate to 3.50% on May 5, 2021, to 4.25% on June 16, 2021, to 5.25% on August 4, 2021, to 6.25% on September 22, 2021, to 7.75% on October 27, 2021, to 9.25% on December 8, 2021, to 10.75% on February 2, 2022, to 11.75% on March 16, 2022, to 12.75% on May 4, 2022, to 13.25% on June 15, 2022 and to 13.75% on August 3, 2022. In 2023, COPOM reversed this trend, decreasing the SELIC rate to 13.25% on August 3, 2023, to 12.75% on September 21, 2023, to 12.25% on November 3, 2023, to 11.75% on December 14, 2023, to 11.25% on February 1, 2024 and to 10.75% on March 21, 2024. As of April 26, 2024, the SELIC rate was 10.75%. Conversely, more lenient government and Central Bank policies and interest rate decreases have triggered and may continue to trigger increases in inflation in the future and, consequently, may lead to increased 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.

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 Valparaiso 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 July 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 had approximately one year, from July 4 2021 to July 4, 2022, to complete the draft of the constitution. An exit referendum with compulsory participation took place to ratify or reject the proposal of new constitution drafted by the convention. The draft of the new constitution was rejected by a large majority of voters (around 62%). Due to the rejection of the draft, a new constitutional process began. The new constitutional process started in January 2023 with the enactment of the new law and continued with the appointment of commissions in March 2023, the election of the constitutional council on May 7, 2023 and a popular vote on a new draft constitution on December 17, 2023, which was rejected by 55% of the votes. No assurance can be given that any changes to the constitution or that disruptions in the political and economic climate in Chile will not adversely affect our business, financial condition or results of operations.

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, including as a result of fiscal and monetary adjustments during 2022 and 2023 could also result in increased public debt and instability in Chile's 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, international ownership legislation, and tax policies. Fluctuations in copper prices, including as a result of potential downturns in Chinese demand, may give rise to volatility in the Chilean financial markets and cause further economic instability in the country. Natural disasters such as earthquakes and floods may cause widespread damage which could also impair the asset quality of our loan portfolio and could have an adverse impact on the economy of the affected region. 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 2021, the real depreciated 7% to R\$5.581 per US\$1.00 on December 31, 2021. In 2022, the real appreciated 6.5% to R\$5.218 per US\$1.00 on December 31, 2022. The real/U.S. dollar exchange rate reported by the Central Bank was R\$4.841 per US\$1.00 on December 31, 2023, which reflected a 7.2% appreciation of the real against the U.S. dollar during 2023 due to fluctuating macroeconomic conditions. As of April 25, 2024, the real/U.S. dollar exchange rate reported by the Central Bank was R\$5.167 per US\$1.00, a depreciation of 6.7% of the real since December 31, 2023. 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. The Government is expected to send a new bill to Congress on certain tax reforms, which has not been disclosed as of the date of this annual report. 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 growth of 1.3% in 2017, 1.8% in 2018, and 1.2% in 2019, a contraction of 3.9% in 2020 and a growth of 4.6% and 2.9% in 2021 and 2022. In 2023, Brazilian GDP grew by 2.9%. In 2022 and 2023, Chilean GDP grew by 2.4% and 0.2% with an unemployment rate of 7.9% and 8.5% as of December 2022 and 2023, respectively.

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. 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.

Certain Factors Relating to Our Class A Common Shares

Patria Holdings owns Class A common shares and the majority of our issued and outstanding Class B common shares, which represent approximately 83.2% 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 all matters requiring shareholder approval and beneficially owns 55.4% of our issued share capital through its beneficial ownership of Class A common shares and the majority of our issued and outstanding Class B common shares, and consequently, 83.2% of the combined voting power of our issued share capital. Our Class B common shares are entitled to 10 (ten) 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' decisions in areas such as business strategy, financing, distributions, acquisitions and dispositions of assets or businesses 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 and Patria Holdings was the sole owner of all the Class B common shares, Patria Holdings would collectively control 52.6% 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 voting power 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 83.2% 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:

- 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 55.4% 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 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, 2023, we had outstanding 55,308,508 Class A common shares and 92,945,430 Class B common shares. The Class A common shares sold in our initial public offering are 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 are able to sell their shares in the public market from time to time without registering them, subject to certain limitations on the timing, amount and method of those sales imposed by regulations promulgated by the SEC. 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.

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

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 determined that it would launch new set of indexes that could give investors an alternative to avoid companies based on voting rights. 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 voting power of the issued and outstanding Class B common shares is at least 10% of the total voting power 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 voting power of the issued and outstanding Class B common shares is at least 10% of the voting power 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.

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 improperly 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 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, we have different disclosure and other requirements than U.S. domestic registrants.

As a foreign private issuer, we are subject to different disclosure and other requirements than domestic U.S. registrants. For example, as a foreign private issuer, in the United States, we are not subject to the same disclosure requirements as a domestic U.S. registrant under the Exchange Act, including the requirements to prepare and issue quarterly reports on Form 10-Q or to file current reports on Form 8-K upon the occurrence of specified significant events, the proxy rules applicable to domestic U.S. registrants under Section 14 of the Exchange Act or the insider reporting and short-swing profit rules applicable to domestic U.S. registrants under Section 16 of the Exchange Act. In addition, we 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 which we are required to distribute to shareholders generally, and that is material to us, you may not receive information of the same type or amount that is required to be disclosed to shareholders of a U.S. company.

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

Section 5605 of the Nasdaq equity rules 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 Revised) of the Cayman Islands (the "Companies Act") 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.

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 (Cayman) LLP, 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 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. We may need to allocate additional resources to comply with the requirements under the Cayman Economic Substance Act, 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.

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.

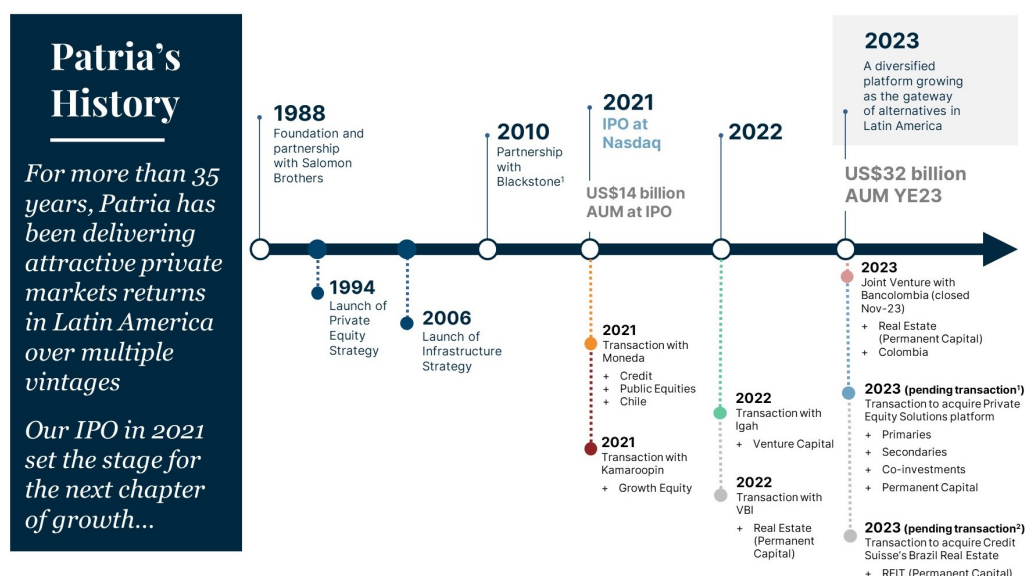
ITEM 4. INFORMATION ON THE COMPANY

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 December 31, 2022, Blackstone had fully exited its position. For further information on our main shareholders, see "Item 7. Major Shareholders and Related Party Transactions—A. Major Shareholders."



(1) Agreement to acquire private equity solutions platform announced on October 16, 2023, and expected to close in the first half of 2024.

(2) Agreement to acquire Credit Suisse's Real Estate business in Brazil ("CSHG Real Estate") was announced on December 6, 2023 and expected to close in the second half of 2024. Pending successful shareholder approval and transfer of underlying funds.

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. As a result, we issued 11,045,430 Class B common shares to entities controlled by certain Moneda partners.

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.

On January 10, 2024, we issued an additional 1,879,977 Class A common shares to entities controlled by certain Moneda partners as deferred compensation due pursuant to the Moneda Transaction. Such Class A common shares were registered under the Securities Act of 1933, as amended, pursuant to our registration statement on Form F-3 (Registration No. 333-275787) and the related prospectus supplement filed on January 9, 2024, to be offered and sold by the entities controlled by certain Moneda partners as selling shareholders.

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”. Kamaroopin commenced operations in 2018, and at the time of the announcement had four invested portfolio companies where they partner with knowledgeable entrepreneurs as investor operators to drive growth through single-minded consumer-focused and tech-enabled business models. Our partnership was structured in two stages with financial terms not disclosed. The first stage included 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 contemplated the acquisition of the remaining 60% for an undisclosed equity consideration. The first tranche of the acquisition of Kamaroopin was signed on December 8, 2021 and closed on February 1, 2022, whereas the second tranche was signed on March 16, 2023 and closed on April 12, 2023. As a result, Patria currently owns 100% of Kamaroopin.

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 of the right 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, with a par value of 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 US\$11.50 per share, subject to adjustment. The units were sold at a price of US\$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 notes 5, 12(d) and 20(c) to our audited consolidated financial statements.

On June 12, 2023, the SPAC held an extraordinary general meeting of its shareholders (the “Extraordinary General Meeting”). At the Extraordinary General Meeting, the SPAC shareholders approved amendments to its Amended and Restated Memorandum and Articles of Association to extend the date (the “Termination Date”) by which the SPAC has to consummate an initial business combination from June 14, 2023 (the “Original Termination Date”) to June 14, 2024 (the “Articles Extension Date”), in addition to other proposals. Accordingly, the SPAC now has up to June 14, 2024 to consummate its initial business combination. In connection with the Extraordinary General Meeting, shareholders holding an aggregate of 6,119,519 of the SPAC’s Class A ordinary shares exercised their right to redeem their shares on June 14, 2023. Following such redemptions, 16,880,481 ordinary shares of the SPAC remained outstanding and subject to redemption. The SPAC trust account has a remainder balance of US\$180 million following the withdrawal for the SPAC Class A ordinary shares redemption. The SPAC also deposited into the trust account an aggregate of US\$300,000 in order to effect the extension of the termination date for each additional one-month period, starting on June 14, 2023. The purpose of the extension is to provide time for the SPAC to potentially complete a business combination. The SPAC intends to continue to deposit US\$300,000 into the SPAC trust account each month until the earlier of the completion of a business combination or its liquidation date.

Agreement to Acquire VBI Real Estate to Anchor Brazil Real Estate Platform

On June 9, 2022, we announced an agreement to acquire VBI Real Estate Gestão de Carteiras S.A. (“VBI Real Estate” or “VBI”) one of the leading independent alternative real estate asset managers in Brazil, which had approximately R\$5 billion in assets under management across both development and core real estate vehicles.

While specific financial terms are not being disclosed, the transaction is structured in two stages. The first stage closed on July 1, 2022, and entailed the acquisition of 50% of VBI for a cash consideration, plus the contribution of Patria’s two existing Brazilian REIT vehicles. The second stage allows us to exercise an option to acquire the remaining 50% of VBI and thus consolidate VBI’s platform into the Patria group.

In the course of 2023, VBI acquired three small-scale independent asset managers focused in real estate in Brazil: (i) BlueMacaw Asset Management Ltda., or "BlueMacaw" the spun-off portion of BlueMacaw Gestora Limitada, or "BlueMacaw Gestora", an investment manager focused on real estate assets in Brazil. BlueMacaw Gestora was created as a spin-off of Blackstone's Real Estate operations in Latin America, led by Marcelo Fedak, (ii) Bari Gestão de Recursos Ltda. (which was later renamed to VBI Securities Ltda.) and (iii) More Gestora de Recursos de Crédito Ltda. (which was later renamed to VBI Capital Ltda.), fostering the growth in the real estate vertical.

Expansion into Venture Capital

On December 1, 2022, we announced the launch of a new venture capital strategy anchored on the acquisition of Igah Partners LLC, PEVC IV General Partner, Ltd and Igah Carry Holding Ltd., collectively referred as "Igah Ventures" or "Igah," one of the pioneers of the sector in Latin America. By expanding our platform to include venture capital, we seek to offer products and solutions throughout the equity investment cycle to address all stages of growth. We believe Igah's business complements Patria's existing private equity and growth equity strategies, which are focused on relatively mature companies, by adding investment expertise in startups and early-stage companies.

Igah has been operating since 2013 with three funds raised from local and international investors, having invested in startups such as Infracommerce, Contabilizei, Unico, Avenue and Conexa Saúde. As of December 1, 2022, Igah had US\$320 million in total assets under management and about US\$140 million in fee earning assets under management, as it prepared to launch its fourth fund. Patria acquired 100% of Igah when the transaction closed in December 2022. The consideration consisted of (i) an upfront cash payment, (ii) equity to be paid in the form of Class A common shares over the course of the next 12 months, and (iii) a deferred payment component subject to certain fundraising targets. Specific financial terms of the transaction are not being disclosed.

Business Arrangement with Bancolombia

On July 5, 2023, we announced that we had entered into a business arrangement with Bancolombia, a leading full-service financial conglomerate incorporated in Colombia, to expand our real estate capabilities into Colombia and leverage our private markets expertise to offer access to alternative investment products to Colombian investors. The transaction closed on November 1, 2023. Since its inception, Patria Asset Management S.A. ("PAM") manages a capital real estate investment vehicle with approximately US\$1.4 billion of assets under management as of December 31, 2023. Patria expects to contribute capital to be deployed over multiple years to support PAM's operations as well as to fund general partner commitments. Patria holds 51% of PAM with the remaining 49% being held by Bancolombia.

Agreement to Acquire Private Equity Solutions Business from Abrdn PLC

On October 16, 2023, we announced an agreement for the acquisition of the carved-out private equity solutions business from abrdn. Upon closing, the acquired platform together with certain of our existing feeder funds that direct Latin American capital to global private markets is expected to form a new vertical named Global Private Markets Solutions, or "GPMS," to be led by Marco D'Ippolito. We expect this new vertical to further develop as a complementary gateway for Latin American investors to access private markets on a global scale. The transaction is expected to add more than US\$8.0 billion in FEAUM based on numbers as of December 31, 2023. The transaction includes total consideration of up to GBP100 million (approximately US\$122 million) payable to the seller in cash as follows: (i) GBP80 million as base value of which GBP60 million was due at closing and GBP20 million is due 24 months after closing; and (ii) GBP20 million contingent on certain performance factors and is due 36 months after closing. The transaction is subject to customary closing conditions and certain regulatory approvals.

Agreement to Acquire Credit Suisse's Real Estate Business in Brazil

On December 6, 2023, we announced that we had entered into an agreement to acquire Credit Suisse Hedging-Griffo's Real Estate investment funds business unit in Brazil, or ("CSHG Real Estate"), for total cash consideration of up to R\$650 million. The transaction is structured with R\$300 million due upon completion of standard regulatory approvals, and up to an additional R\$350 million incrementally conditioned to the successful shareholder approval process and transfer of underlying real estate funds. The funds are listed on the B3 and together would add up to R\$12 billion (approximately US\$2.4 billion) in FEAUM to our real estate platform. The transaction closed on March 8, 2024. As of the date of this annual report, the transfer of the underlying real estate funds is still in process.

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 60 Nexus Way, 4th 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.

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\$31.8 billion and US\$27.2 billion as of December 31, 2023 and 2022, 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. To serve our clients, we offer a comprehensive array of products across major asset classes - private equity, infrastructure, credit, public equities and real estate. We offer these products through a variety of fund structures to meet our clients' investment goals and liquidity needs, generally falling into the categories of drawdown funds, permanent capital vehicles and evergreen funds.

As an asset manager, investment performance is the core of our business and a fundamental driver of our growth, and we believe we have built a solid track record across our strategies. The 20-year pooled Net IRR in U.S. dollars for our flagship private equity buyout funds, for example, was 20.3% as of December 31, 2023. For infrastructure, the pooled Net IRR in U.S. dollars for our latest two fully invested vintage flagship development funds was 12.6% as of December 31, 2023. With respect to credit, our Latin America High Yield Credit fund, our largest strategy, has outperformed its benchmark by 370 basis points (“bps”) since inception in February 4, 2000, as of December 31, 2023. With respect to public equities, we outperformed the benchmark for the Chilean Equities strategy since inception in March 18, 1994, as our strategy with the longest tenure exceeded 500bps as of the end of the 2023. Finally, with respect to real estate, VBI's largest Real Estate Investment Trusts (“REIT”) had a dividend yield spanning from 8% to 12% for the full year in 2023. For further information on our funds performance, see “—Our Business.”

We believe we have also generated attractive financial performance for our shareholders. Since our IPO, we have grown our Fee Earning Assets Under Management from US\$7.7 billion as of December 31, 2020 to US\$23.9 billion as of December 31, 2023. Our Fee Related Earnings grew from US\$56.8 million in 2020, adjusted for a comparable post-IPO compensation structure, to US\$147.7 million in 2023. Our Net Accrued Performance Fees nearly doubled from US\$298.4 million as of December 31, 2020 to US\$534.9 million as of December 31, 2023, even after the realization of US\$124 million within the same period.

Beginning with our results for the first quarter of 2023, we are reporting Net Accrued Performance Fee balances net of related compensation and revenue taxes only, while previous disclosures were also net of related corporate taxes. To be consistent with current reporting methodology, disclosures in prior periods were also adjusted accordingly for comparative purposes.

Finally, in aggregate we generated US\$3.29 of Distributable Earnings per share and distributed US\$2.79 in dividends in the twelve quarters since our IPO, encompassing our results for the years ended December 31, 2023, 2022 and 2021.

As of December 31, 2023, we had 430 professionals, of which 36 were partners, 23 of these working together for more than 15 years, operating in 11 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), Sausalito (United States), London (United Kingdom), Dubai (UAE), Hong Kong (China) and Buenos Aires (Argentina) 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, as we see the continuing growth of our industry and the increasing demand for our products. We seek to continue to grow as the partner of choice for global investors allocating capital to alternative investments in Latin America and to local investors seeking to allocate capital into alternative investments both in Latin America and globally.

We aim to be the leading gateway for 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.

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.

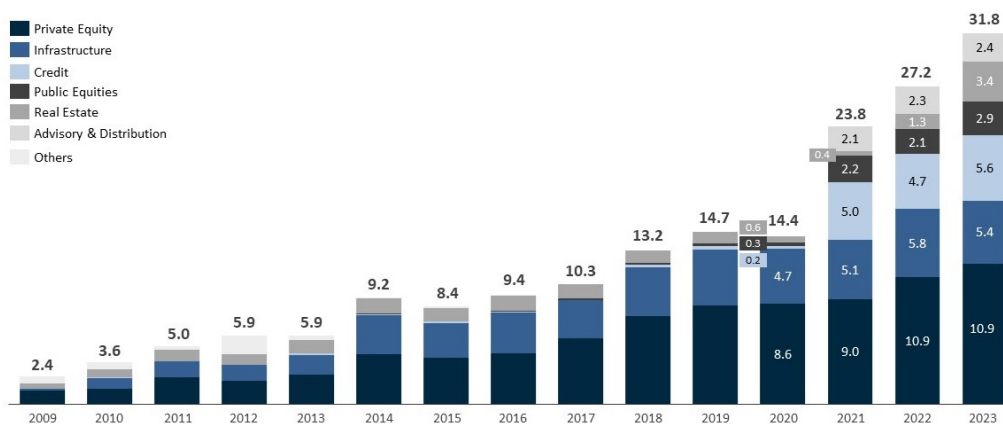
We believe that our ambition can be made viable by our ability to attract the best talent from different areas, leveraging the power of our investment approach, particularly the opportunities to create positive legacies in several sectors, as well as the attractiveness of our unique culture, entrepreneurial 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 two key AUM measures - Total AUM and Fee Earning 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. These AUM measures are 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, 2023, our Total AUM increased from US\$2.4 billion to US\$31.8 billion at a compounded annual growth rate, or “CAGR,” of 20.3% 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, 2023 and 2022, was US\$23.9 billion and US\$19.2 billion, respectively. Our Total 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. The following chart illustrates our Total AUM growth curve:

Total AUM Patria (in US\$ billions)



Note: 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, 2023 and 2022, our private equity product had over US\$12.1 billion and US\$10.9 billion of AUM, respectively, with approximately 50 investments and over 300 underlying acquisitions historically as of December 31, 2023. As of December 31, 2023 and 2022, the consolidated cash-weighted net IRR since inception for all our private equity products was 12.5% and 12.9% in U.S. dollars and 16.4% and 18.4% in Brazilian reais, respectively, with limited use of leverage. As of December 31, 2023, the 20-year consolidated cash-weighted net IRR of our private equity products was 20.3% in U.S. dollars, which we believe highlights the strength of our returns for the latest two decades. We continue to diversify our private equity strategy, and with our expansion to both venture capital and growth equity, we believe our product offering now more fully covers the private equity investment spectrum.

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;
- 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.

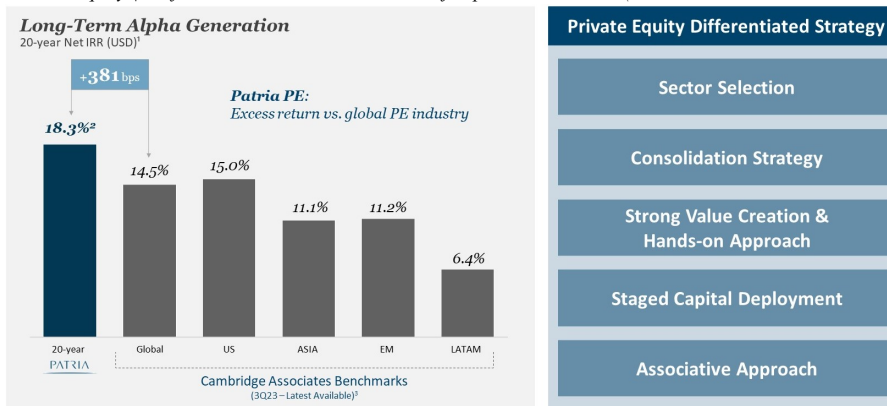
Private Equity | Overview as of December 31, 2023

\$12.1
billion
Total AUM

28-year
track record

	Attractive Addressable Market	+10 p.p. growth in Global Market Share of FDI inflows ('07- '22) \$8 bn in pipeline for the next 2-3 years
	Strong Performance	+381 bps of excess returns versus global PE industry on our Private Equity Strategy
	Competitive Edge	Sector-focused strategy, building market leaders through consolidation with a hands-on approach to value creation
	Team	Partners with +20 average years of experience and working together for 15 years on average Sector specialists with +32 average years of experience
	Diversified Platform	\$12+ bn AUM across an expanding product offering including Growth Equity & Venture Capital

Private Equity | Performance versus benchmark as of September 30, 2023 (latest benchmark data available)



(1) Methodology: Cash Weighted Chronological (“Pooled Returns”) consolidates funds return at original dates and cash flows. 20-year returns considers Funds II, III, IV, V, VI and Smart Fit co-investments.
 (2) As of September 30, 2023 to compare to latest benchmark data available. 20-year return was 20.3% as of December 31, 2023.
 (3) Cambridge index as of September 2023 (latest available). The index is a horizon calculation based on data compiled from private equity funds, including fully liquidated partnerships formed between 1986 and 2021.

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\$5.4 billion and US\$5.8 billion of Total AUM as of December 31, 2023 and 2022, respectively. We have offered over US\$1.6 billion of co-investment opportunities to date since our inception in 2006. As of December 31, 2023 and 2022, our infrastructure products had a consolidated cash-weighted net IRR since inception of 7.7% and 7.1% in U.S. dollars and 16.7% and 17.5% in Brazilian reais, respectively. As of December 31, 2023, the consolidated cash-weighted net IRR of our infrastructure latest vintages Fund III and Fund IV was 13.0% in U.S. dollars demonstrating the strength of our most recent funds.

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;
- *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 closed on total commitments of approximately US\$153 million (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. In August 2022, we launched the second fund of our infrastructure core family, Patria Infraestrutura Energia Core Renda FIP Infra, or “PIER.” PIER raised a total of US\$36 million (R\$190 million) and invested in a portfolio of 9 small hydro plants that are fully operational, with inflation-indexed long-term contracts and already distributing yield to investors.

Infrastructure | Overview as of December 31, 2023

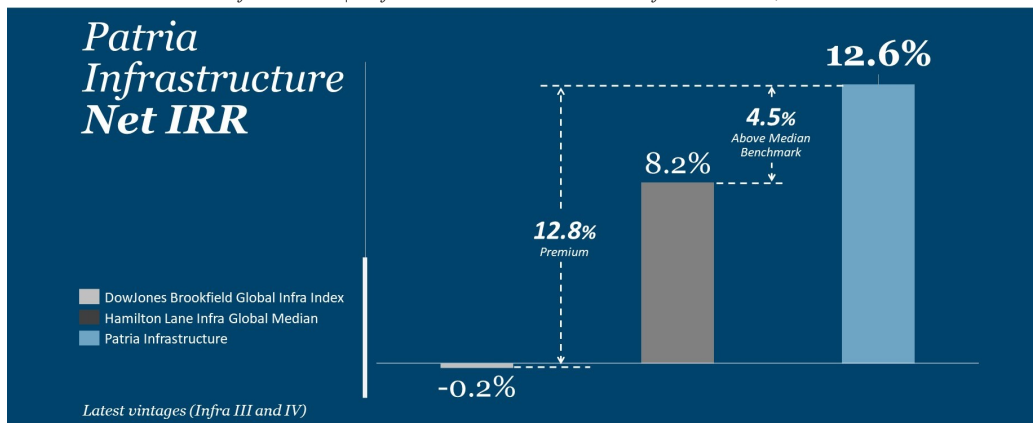
\$5.4
billion
Total AUM

18-year
track record

	Attractive Addressable Market	~\$90 bn in actionable equity investment opportunities expected in the next 5-7 years
	Strong Performance	13.0% average returns (over the last 10 years) 480 bps above benchmark ¹
	Competitive Edge	Strong development capacity , with over \$14 bn in CapEx , and on time/on budget track record ²
	Team	Over 80 experienced professionals, with technical and sector capabilities , dedicated to infrastructure in LatAm
	Diversified Platform	Expanding product offering in: Development, Core and Credit

(1) Hamilton Lane Infra Global Median.
(2) Capex developed/contracted.

Infrastructure | Performance versus benchmark as of December 31, 2023



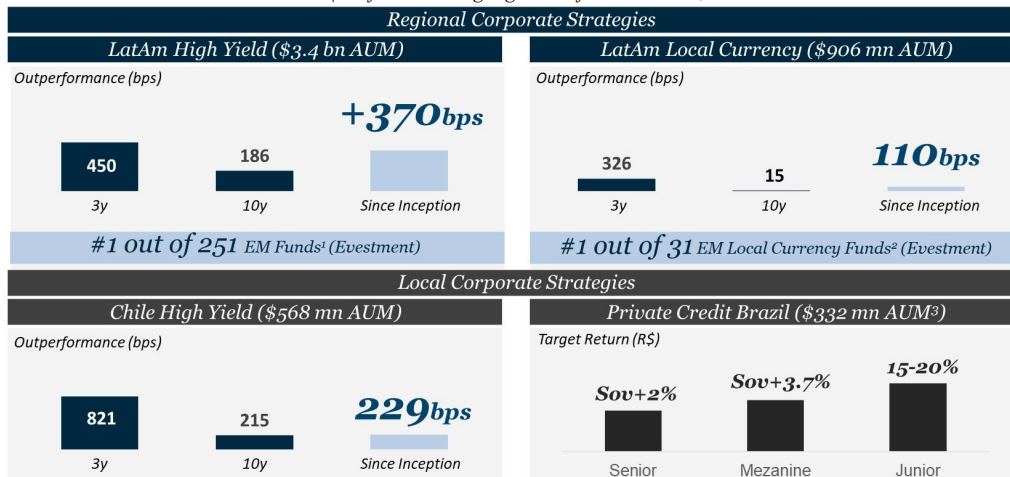
The key terms of our private equity and infrastructure flagship funds are in general: (1) tenure of 10 to 12 years, extendable for two additional years; (2) 1.5%–2.0% p.a. management fee, charged on either committed or invested capital; (3) five to six years of investment period; (4) for the funds which 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; (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.

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, 2023 and 2022, the Total AUM for our credit platform was US\$5.6 billion and US\$4.7 billion, respectively. As of the same dates, the Total AUM for our public equities products was US\$2.9 billion and US\$2.1 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.

Credit | Overview as of December 31, 2023



Credit | Performance Highlights as of December 31, 2023



Notes: Regional Corporate Strategies - source: Moneda Asset Management, JP Morgan, Evestment. Data calculated by Moneda Asset Management as of December 31, 2023. Benchmarks used: Cembri Broad Div Latam Index (JP Morgan) for LatAm High Yield and GBI Broad Div Latam Index (JP Morgan) for LatAm Local Currency. Local Corporate Strategies - source: Moneda Asset Management, Patria, RiskAmerica. Data as of September 30, 2023. Benchmark used: RiskAmerica Corporativo Global for Chile High Yield. Inception Date of Chile High Yield: December 31, 2012.

- (1) Last 10 years of the fund.
- (2) Since inception of the fund.
- (3) Includes two smaller vehicles – Credit D365 and FIAGRO which have a target return of CDI+3.5%.

Public Equities | Overview as of December 31, 2023

<p>\$2.9 billion Total AUM</p> <p>29-year track record</p>	 <p>Attractive Addressable Market</p>	<p>\$1+ Tn free float market cap in major target markets Opportunity to gain market share at regional and local level</p>
	 <p>Strong Performance</p>	<p>567 bps of outperformance since inception in largest strategies</p>
	 <p>Competitive Edge</p>	<p>Long term capital base with 80% of AUM from clients with 12+ years of relationship Deep research capabilities and bottom-up approach</p>
	 <p>Team</p>	<p>25+ years of average experience investing in Latin American Equities</p>
	 <p>Diversified Platform</p>	<p>\$2.9 bn AUM across 6 strategies</p>

Public Equities | Performance Highlights as of December 31, 2023

Recurrent overperformance versus the benchmarks since inception

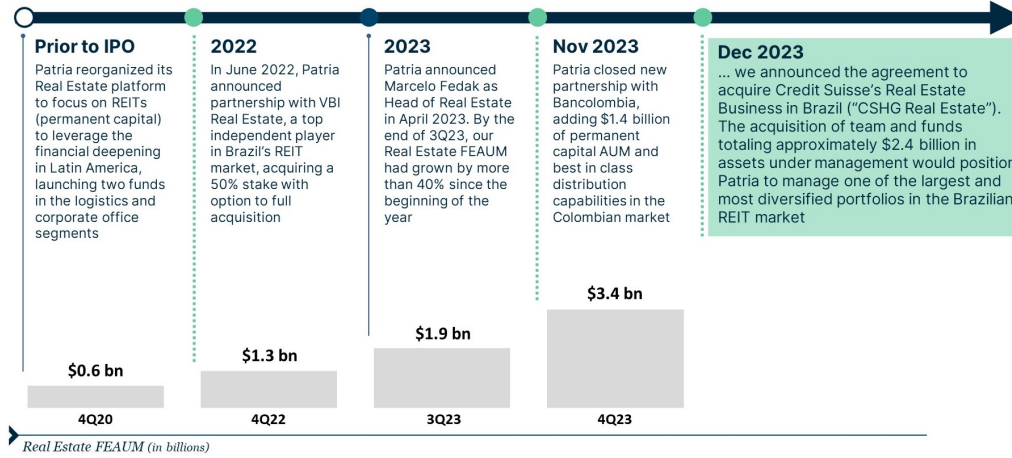


Notes: Data as of December 31, 2023. LatAm Public Equities Strategy returns have been calculated by Moneda applying the Global Investment Performance Standard methodology and have not been certified by a third party. Inception date LatAm Equities Strategy: May 27, 2008. Inception Date Chile Equities Strategy: March 18, 1994. Source: Moneda Asset Management. Inception date PIPE Institutional: October 9, 2014. PIPE Institutional returns are in Brazilian reais and as of December 31, 2023.

(1) Outperformance reflects primary fund within strategy

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, which we believe gained momentum in Brazil through the agreement to acquire VBI Real Estate See “—Agreement to Acquire VBI Real Estate to Anchor Brazil Real Estate Platform.” and in Colombia through the partnership with Bancolombia See “—Business Arrangement with Bancolombia.”. As of December 31, 2023 and 2022, the total AUM for our real estate platform was US\$3.4 billion and US\$1.3 billion, respectively.

Real Estate | The Evolution of Patria's Real Estate Since IPO as of December 31, 2023



Note: Acquisition of Credit Suisse's Real Estate Business in Brazil (“CSHG Real Estate”) is subject to standard regulatory approvals, as well as shareholder approvals in each of the underlying funds. For further information see “Item 3. Key Information—D. Risk Factors—Certain Factors Relating to Our Business and Industry—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.”

VBI Real Estate | Overview as of December 31, 2023




\$3.4¹
billion
Total AUM

18-year
track record

VBI Real Estate	
Attractive Addressable Market	\$33 bn REIT market cap in Brazil ¹ Fragmented with great consolidation potential
Strong Performance	2,377 bps, 898 bps and 2,801 bps of outperformance since inception for three largest REIT strategies (Logistics REIT, Office REIT and Credit REIT)
Competitive Edge	Deep sector specialization fully focused on Real Estate Vertically integrated: development and core investments Process orientated, consistent returns
Team	60 people with 20+ years of average experience investing in the Brazilian Real Estate market
Diversified Platform	16 listed REITs, multiple JVs and PE fund structures, \$ 3.4 bn in AUM, of which 80+ % is permanent capital ¹

(1) Includes the partnership with Bancolombia closed in November 2023.

VBI Real Estate | Performance Highlights as of December 31, 2023

VBI Real Estate						
	Industrial & Logistics REIT (LVBI)		Office REIT (PVBI)		Credit REIT (CVBI)	
Market Cap (R\$MM)	1,644		1,773		1,068	
Total Return Since Inception						
Dividend Yield	8.1% <i>Last 12 months</i>	15.6% <i>Last 24 months</i>	7.6% <i>Last 12 months</i>	14.2% <i>Last 24 months</i>	12.1% <i>Last 12 months</i>	25.7% <i>Last 24 months</i>

Note: Benchmark is IFIX index.

Our advisory and distribution platform, launched as a result of our combination with Moneda, had Total AUM of US\$2.4 billion and US\$2.3 billion as of December 31, 2023 and 2022, respectively, and plays an important role in 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, 2023

Asset Class	AUM (in US\$ billions)	FEAUM by Structure (in US\$ billions)		Fee Basis	Duration	Currency Exposure Hard / Soft (%)	Effective Mgmt. Fee Rate	
Private Equity	\$12.1	\$6.7	100%	Drawdown Funds	Deployed Capital at Cost	Long-dated & Illiquid	91% / 9%	1.7%
Infrastructure	\$5.4	\$3.3	93%	Drawdown Funds	Hybrid: Committed/ Deployed Capital at Cost	Long-dated & Illiquid	77% / 23%	1.5%
			7%	Infrastructure Core	Net Asset Value	Permanent Capital	0% / 100%	
Credit	\$5.6	\$5.4	94%	Open/Evergreen Funds	Net Asset Value	Periodic/Limited liquidity	71% / 29%	0.8%
			6%	Drawdown Funds	Net Asset Value	Long-dated & Illiquid	0% / 100%	
Public Equities	\$2.9	\$2.9	100%	Open/Evergreen Funds	Net Asset Value	Periodic/Limited liquidity	0% / 100%	0.7%
Real Estate	\$3.4	\$3.5	17%	Drawdown Funds	Deployed Capital at Cost	Long-dated & Illiquid	65% / 35%	0.9%
			83%	REITs	Net Asset Value	Permanent Capital	0% / 100%	
Advisory & Distribution	\$2.4	\$2.2	34%	Advisory	Net Asset Value	Periodic/Limited liquidity	23% / 77%	0.6%
			66%	Distribution Partnership	Based on Underlying Fund	Long-dated & Illiquid	100% / 0%	
Total	\$31.8	\$23.9				59% / 41%	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. Effective Management Fee Rate reflects the annualized management fee revenue divided by the average FEAUM for the most recent period. Real estate effective management fee rate includes the pro forma impact of 100% of VBI and Bancolumbia initiative, which is effective at Patria's 50% and 51% ownership level, respectively.

Drawdown Funds Investment Record as of December 31, 2023

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)
<i>(in thousands, except where noted)</i>									
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	Divested	616.657	882	1.193.694	1.194.576	1,9x	8%	19%
PE IV (2011)	1.270.853	115%	1.225.965	1.395.425	209.465	1.604.889	1,3x	1%	7%
PE V (2015)	1.807.389	115%	1.540.499	3.397.958	400.505	3.798.463	2,5x	16%	20%
PE VI (2019)	2.689.666	106%	1.729.175	3.162.494	36.958	3.199.452	1,9x	20%	17%
PE VII (2022)	1.179.148	Fundraising	378.074	408.021	-	408.021	1,1x	n/m	n/m
Total Private Equity ex. Co-Inv	7.802.652		5.705.830	8.364.780	3.172.727	11.537.507	2,0x	13%	17%
Co investments	745.010	100%	745.010	660.751	121.368	782.119	1,0x	n/m	n/m
Total Private Equity	8.547.662		6.450.840	9.025.531	3.294.095	12.319.626	1,9x	13%	16%
Infrastructure									
Infra II (2010)	1.154.385	102%	997.679	313.271	880.544	1.193.815	1,2x	0%	10%
Infra III (2013)	1.676.237	115%	1.306.477	823.648	2.222.534	3.046.181	2,3x	13%	21%
Infra IV (2018)	1.941.000	112%	819.923	1.122.705	21.904	1.144.609	1,4x	11%	7%
Infra V(2023)	974.973	Fundraising	-	-	-	-	n/m	n/m	n/m
Total Infrastructure ex. Co-Inv	5.746.595		3.124.078	2.259.624	3.124.982	5.384.606	1,7x	7%	15%
Co investments	1.181.195	86%	1.017.128	433.530	917.826	1.351.356	1,3x	n/m	n/m
Total Infrastructure	6.927.790		4.141.206	2.693.154	4.042.808	6.735.962	1,6x	8%	17%
Real Estate/Agribusiness									
RE I (2004)	177.362	Divested	168.335	-	459.072	459.072	2,7x		24%
RE II (2009)	996.340	87%	1.030.449	6.559	1.155.480	1.162.040	1,1x		0%
RE III (2013)	1.310.465	86%	1.172.811	405.651	158.068	563.718	0,5x		-17%
Farmland (2018)	149.043	Divested	61.019	-	96.684	96.684	1,6x		14%
Co investments	1.107.668	100%	1.105.167	2.199	-	2.199	0,0x		n/m
Total Real Estate/Agri	3.740.879		3.537.781	414.409	1.869.304	2.283.713	0,6x		-16%

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, 2023

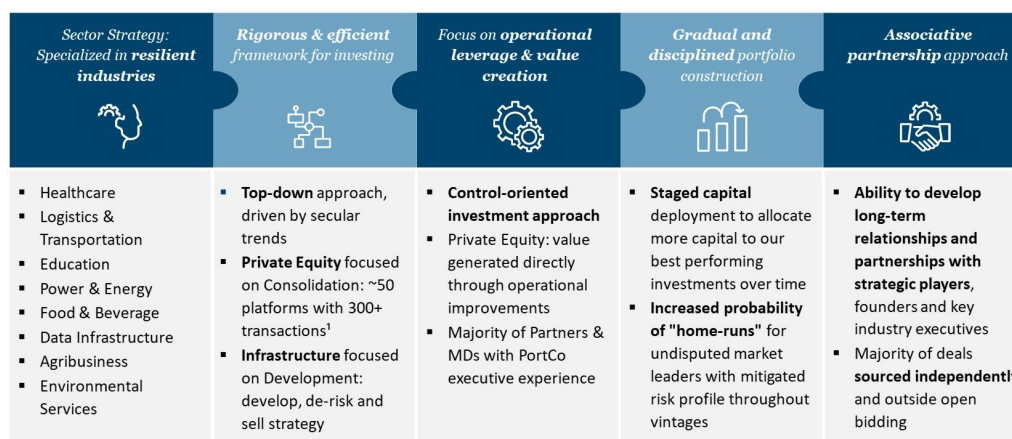
Asset Class	Strategy	Functional Currency	Strategy AUM (in US\$ millions)	Compounded Annualized Net Returns				Excess Return Since Incep.
				1 year	3 years	5 years	Since Incep.	
Credit	Latam High Yield (2000) <i>Benchmark: CEMBI Broad Div Latam HY</i>	USD	3,433	14.4%	6.9%	5.6%	10.9%	374 bps
				11.1%	2.3%	4.8%	7.2%	
	Latam Local Currency Debt (2009) <i>Benchmark: GBI Broad Div Latam</i>	USD	906	28.9%	8.4%	6.3%	4.7%	110 bps
				28.5%	5.1%	5.6%	3.6%	
	Chilean Fixed Income (2012) <i>Benchmark: Chilean Fixed Income Index</i>	CLP	568	10.3%	10.2%	7.3%	8.8%	178 bps
				4.5%	4.5%	6.2%	7.0%	
Public Equities	Latam Equities (2008) <i>Benchmark: Latam Equities Index</i>	USD	1,579	28.8%	4.5%	6.3%	4.0%	225 bps
				32.5%	9.1%	6.5%	1.7%	
	Chilean Equities (1994) <i>Benchmark: Chilean Equities Index</i>	CLP	982	18.8%	15.5%	4.1%	13.3%	511 bps
				22.8%	14.5%	3.4%	8.2%	

Note: Includes composite investment performance for funds of strategies with Total AUM of US\$500 million or more, and where relevant, a weighted composite of underlying benchmarks.

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



(1) Since inception to December 31, 2023.

(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 nonexistent 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.

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.

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 2023, we deployed more than US\$930 million through our drawdown funds. 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. 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. Our flagship private equity strategy's 20-year net IRR in U.S. dollars was 18.3% as of September 30, 2023, outperforming the global Cambridge Associates benchmark by more than 380 bps as of September 30, 2023, which is the latest benchmark data available. For our flagship infrastructure strategy, the pooled net IRR in U.S. dollars for our latest two vintages, or for the last decade, was 13.0% as of December 31, 2023, outperforming the Hamilton Lane Global Infrastructure Median and the Dow Jones Brookfield Global Infrastructure Index by 4.8% and 13.2% respectively. For Credit, our Latin American High Yield, our Latin American Local Currency and our Chilean High Yield strategies have outperformed their benchmarks since inception by 370 bps, 110 bps and 229 bps respectively. For Public Equities, the primary funds for our Chilean Equity, Latin Public Equities and Private Investment in Public Equity ("PIPE") strategies show an annualized outperformance since inception versus the relevant benchmarks of 567 bps, 444 bps and 771 bps respectively as of December 31, 2023. Finally, for Real Estate, all three main Real Estate Investment Trusts ("REITs") acquired through VBI Real Estate have outperformed the benchmark since inception as of December 31, 2023.

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. As of April 13, 2024, Preqin's database on fund managers ranks us as number one asset manager in the region for private equity in terms of funds raised in the last 10 years. Our capital raising capabilities currently rely on a team of approximately 60 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.

Distribution Structure | Global Presence

<p>📍 Offices</p> <p>9 Fundraising Offices</p>	<p>👥 Dedicated team</p> <p>58 professionals</p>	<p>🗨️ Client Meetings</p> <p>2,500+ (2023)</p>
<p>Recent Development: premier distribution channel in Colombia through our partnership with Bancolombia</p>		



Source: Internal analysis. As of December 31, 2023. Geographic allocation does not include Patria GP commitments.
 Note: The real/U.S. dollar exchange rate reported by the Central Bank was R\$4.841 per US\$1.00 on December 31, 2023.

Highly attractive and scalable business model with robust growth trajectory. We participate in an industry that we believe benefits from strong secular growth trends, as well as growth as a result of strategic acquisitions and market consolidation. From 2009 to 2023, our Total AUM increased at a compound annual growth rate, or “CAGR,” of 20.3%. 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. Management Fees provide us with highly predictable cash flows, given the long-term orientation of our investment strategies and the capital we manage for our clients. Performance and incentive fees provide the potential for additional revenues associated with our investment performance. As of December 31, 2023 and 2022, the sum of our net accrued performance fees was US\$535 million and US\$478 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. Beginning with our results for the first quarter of 2023, we are reporting Net Accrued Performance Fee balances net of related compensation and revenue taxes only. To be consistent with current reporting methodology, disclosures in prior periods were also adjusted accordingly for comparative purposes.

Given the highly recurring nature of our earnings, we have paid substantial dividends to our shareholders. In the years ended December 31, 2023, 2022 and 2021, dividends paid to our shareholders were US\$145.0 million, US\$103.3 million and US\$119.8 million, respectively. In addition, on March 8, 2024, we paid dividends to our shareholders in an aggregate amount of US\$59.9 million.

Seasoned management team with entrepreneurial spirit and professional culture. As of December 31, 2023, we had a senior management team, composed of 96 members. Our partners have been working together for more than 15 years, while partners and directors for more than 7 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 165 investment professionals and approximately 60 client coverage professionals based in São Paulo, Santiago, Montevideo, Bogotá, Medellín, Buenos Aires, New York, Sausalito, 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 250 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.

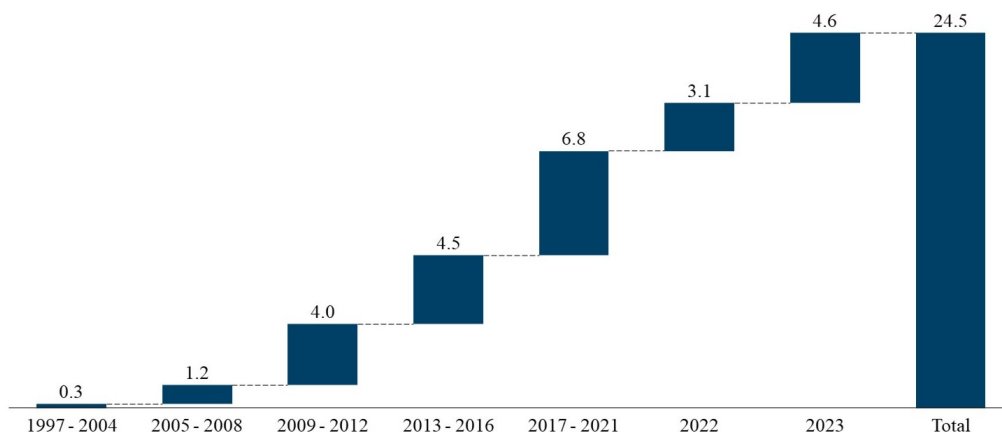
Our more than three decades of successful investments in Latin America have made Patria one of the most recognized private markets investors in the region, especially in the industries in which we focus. Our strong reputation in the Latin American business community attracts talented entrepreneurs, who 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 growth, which we expect to continue and contribute to our future growth. We believe we are among the market leaders in fundraising for alternatives in Latin America among Latin America-focused asset managers. For example, as of March 13, 2024, Preqin's database on fund managers ranks us as the number one asset manager in the region for private equity 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:

Fundraising by Time Period(1)
(in US\$ billions)



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

Growing addressable market. Alternative investments are expected to continue to grow vigorously and sustainably in the long-term. According to Preqin's special report published in 2023, "The Future of Alternatives in 2027", assets under management, or "AUM," in alternative asset classes (including private markets and hedge funds) is expected to grow at a CAGR of more than 9% to reach more than US\$23 trillion by the end of 2027, up from US\$14 trillion in 2021.

We believe the penetration of Latin American private investments as a share of global private markets can increase from the historically low levels. Preqin data as of April 15, 2024 shows that Latin America accounted for less than 1% of total global private markets AUM, while Latin America GDP in 2023 represented 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 Latin America and the global economy.

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, with the top 20 investors in aggregate managing approximately US\$9 trillion of AUM. As of December 31, 2023, 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. 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 Latin America, 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.

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 well-positioned to pursue 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 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 our infrastructure strategy alone, we offered more than US\$1.6 billion in co-investment opportunities to our LPs since inception;
- *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. 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 flagship private equity and infrastructure funds, we have made significant progress in diversifying our investment platform across major asset classes as we seek to offer a wider range of products to meet the needs of our growing client base. Aligned with our growth strategy, we have used capital raised in our January 2021 IPO to drive inorganic expansion, adding complementary products and scaling our presence in key asset classes such as credit, real estate and public equities.

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 Latin American investors, including institutional funds, private wealth managers and affluent retail investors. We expect to continue developing new offerings organically, and also pursuing 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 Latin America and globally.

Tap a growing demand for private market investment products in Latin America. We believe that we are well-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 recognize the crucial role that material environmental, social, and governance, or "ESG", considerations can play in shaping long-term value generation, and we assess them in our risk-return investment analysis and decisions. Our approach is governed by our Responsible Investment Policy, issued in 2019, which sets forth our general guidelines.

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. ESG integration is an important part of our way of doing business and 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).

We continue to improve our Responsible Investment framework to assess ESG considerations rigorously in our investment process through nine steps to evaluate and address material ESG aspects in the three main stages of the investment cycle: (i) investment, (ii) active ownership and, (iii) divestment. The implementation of the different steps varies according to the asset class, the moment in the investment cycle when the step is considered, and the level of depth, based on Patria's leverage, materiality, and priorities:

1. **Exclusion List:** compliance with the relevant exclusion list(s), according to the fund that will make the investment.
2. **Screening:** high level review of Responsible Investment Fundamentals that can impact the new investment, based mainly on industry, jurisdiction, and location.
3. **Due Diligence (DD):** assessment of applicable sustainability regulations, standards, and other relevant aspects identified during the DD process.
4. **Action Plan Design:** plan to be addressed by the target investment company in the short, medium, and long-term. It includes specific strategies, milestones, and required deliverables.
5. **Investment Committee:** presentation of sustainability materiality for consideration during the decision-making process.
6. **Responsible Business support and Engagement:** offering of sustainability expertise and facilitating knowledge building. Supporting investees in the identification and implementation of best practices. Particularly relevant for Patria's private equity and infrastructure portfolio.
7. **Key Performance Indicators (KPIs):** monitoring, measuring and periodic reporting of material environmental, social, and governance aspects, based on our Responsible Investment Fundamentals.
8. **Responsible Business Action Plans Execution in Ownership:** monitoring, supporting and calibrating the implementation of Action Plans.
9. **Divestment:** preparation of material environmental, social, and governance related information to analyze a company's integral performance for divestment purposes.

Patria's ESG Team sits within the management and transformation business area, which reports to the Chief Portfolio Officer, and leads active ownership of the portfolio.

We have two formal responsible investment instances:

1. **PAX Responsible Investment Forum**, a high-level working group, led by the Head of Responsible Investment and Sustainability and composed by representatives of multiple areas including Investor Relations, Shareholder Relations, Economic Analysis, Compliance and Legal, as well as the different investment verticals. This forum meets quarterly to:
 - a. Identify and discuss global trends and their impact.
 - b. Perform a high-level analysis of relevant investment decisions.
 - c. Oversee responsible investment alignment within Patria.
2. **Value Creation Responsible and Sustainable Business Forum**, a bi-monthly forum, led by the Responsible Investment and Sustainability team, counting on representatives from private equity and infrastructure portfolio companies. The participants of the forum:
 - a. Follow up on Patria's responsible investment agenda and the performance of the portfolio companies.
 - b. Discuss relevant sustainability topics and trends.
 - c. Develop organizational capabilities on sustainability matters by providing training and inviting external speakers.

In 2022, we hired a Head of ESG with over 18 years of experience on ESG and sustainability management and oversight in multiple industries in Latin America. The team currently has an ESG senior manager and a dedicated external senior advisor, and has integrated an ESG analyst. The team is supported by an external counsel with expertise on ESG and external consultants for ESG screening of new thesis and ESG due diligence of target companies, as well as other special projects and initiatives.

ESG oversight responsibilities and implementation responsibilities (which fall under the responsibility of the ESG team and portfolio companies) are being updated in the Responsible Investment Policy.

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 seniority levels of investment professionals. Our 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. When 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. For 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 benefit 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 solid human resources structure, which is composed of business partners distributed across areas and a centralized 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 centralized corporate team. The corporate team not only leverages synergies and the efficiencies resulting from shared, centralized processes, such as a centralized hotline channel, but also ensures that we act as a unit, follow our policies and code of ethics, and support 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 to achieve 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 and cloud-based approach with data duplication. We have a comprehensive and highly available disaster recovery, or “DR,” strategy and solution with multiple layers of redundancy: our file and application 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 annually. 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 from December 1, 2021, and, accordingly, we continue to work 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.

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 authorities 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 is 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 subsidiary in Bogota (Colombia) – Patria Investments Colombia S.A.S. is a non-regulated entity that provides 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 entity.

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.” Patria Finance Limited and Infrastructure II GP, Ltd. are 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 Asset Management S.A. is authorized in Colombia to perform investment manager services, and will also be subject to the oversight of the SFC (*Superintendencia Financiera de Colombia*) once it receives a license to distribute funds.

Moneda S.A. Administradora General de Fondos is registered in Chile as an asset manager and investment advisor 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 registered in Chile as a broker dealer and investment advisor 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 advisor (“RIA”), 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.

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:

- Patria Investments Hong Kong Limited in Hong Kong is licensed as a Type 1 Dealing in Securities, issued by the SFC (Securities and Futures Commission);
- Patria Investments UK Ltd. has a branch in Dubai with a category 4 DIFC Investment Advisory License, issued by the Dubai International Financial Centre ("DIFC");
- Patria Investments UK Ltd. in U.K. is authorized as a MiFID manager by the FCA, the scope of permission to perform the following regulated activities and services:
 - Advising on investments (except for pension transfers and pensions opt outs);
 - Arranging (bringing about deals) in investments;
 - Dealing in investments as agent;
 - Establishing, operating or winding up a collective investment scheme;
 - Making arrangements with a view to carry out transactions in investments; and
 - Managing investments.
- Patria Investments Uruguay Agente de Valores S.A. in Uruguay is authorized as a broker dealer and investment advisor by the Central Bank of Uruguay. The license was granted on November 17, 2023. The Uruguayan subsidiary is also 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 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.

Our subsidiary in Brazil, PLATAM Investments Brazil Ltda., provides advisory services, thus is not subject to regulation by any regulatory entity.

Our subsidiaries Patria KMP Cayman I (Cayman Islands) and Patria Investments LATAM S.A. (Uruguay) are holding companies and, thus, are also not subject to oversight by any regulatory entity.

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 "ABVCP."

VBI Real Estate Gestão de Carteiras S.A., the asset manager in which we have acquired 50% of equity stake, is subject to regulation in Brazil by the CVM and is a member of ANBIMA and ABVCP.

Our subsidiaries Igah Partners LLC, e-Bricks Ventures III GP, LLC and Igah Carry Holding Ltd. do not perform regulated activities and, as such, are not subject to any regulatory body.

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; in Uruguay, the Central Bank of Uruguay; in Chile, the CMF; and in the United Kingdom, the FCA. In addition, the Brazilian Regulated Entities are subject to the self-regulatory rules issued by B3, ANBIMA and ABVCP. We present below a summary of the main duties and powers of the CVM, ANBIMA and ABVCP.

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.

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;
- 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.

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 administrated 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;
- 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 Requirement

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 depository 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, As Amended, 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.

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;
- to apply targeted financial sanctions screening processes;
- to implement annual training and awareness for its staff, operators and AML Officers;
- to ensure that AML/CTF/CPF record keeping and internal reporting procedures are in place to identify and report any suspicious activity;
- to document a risk assessment of each client;
- to undertake an entity (self) risk assessment;
- to undertake documented periodic reviews of the Registered Person's clients;
- to ensure the Registered Person's board (or equivalent) retains oversight of risk in respect of the AML Regime;
- to ensure the maintenance of various regulatory registers such as internal and external suspicious activity reports, declined business, frozen assets, eligible introducers, politically exposed persons and training registers; and
- to monitor, assess and test the AML/CTF/CPF procedures to ensure continuing internal compliance with all acts 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 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 acts. 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 “POCA,” 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 POCA, 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 (*Comisión Para El Mercado Financiero*) 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 CLUF10,000.

Additionally, for each managed public fund, an insurance policy is required for a minimum amount of CLUF10,000.

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.

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, 2023, 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 and securities 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 Laws 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 depository 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
- 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.

Relevant Applicable Law to Securities Management Activities in UK

The Financial Services and Markets Act 2000 (“FSMA” or the “Act 2000”) which is an Act of the Parliament of the United Kingdom that created the Financial Conduct Authority as a regulator for insurance, investment and banking business. FSMA and related secondary legislation define the “regulatory perimeter,” setting out the activities and entities that fall within the scope of UK’s financial services regulation.

Section 19 of the Act 2000 states that a person (which includes a corporate entity) must not carry on a regulated activity in the U.K., or purport to do so, unless they are an authorized or exempt person. This is referred to as the general prohibition. Carrying on a regulated activity in breach of the general prohibition is a criminal offense and may result in certain agreements being unenforceable. The meaning of regulated activity is set out in Part II of the Act 2000 (Regulated Activities) Order 2001 (the Regulated Activities Order).

The regulated activity of managing investments is specified in article 37 of the Regulated Activities Order. In summary, managing assets belonging to another person in circumstances which involve the exercise of discretion, if:

- the assets consist of or include any security, structured deposit or contractually based investment (that is, any designated investment (other than a peer-to-peer agreement), funeral plan contract, structured deposit or right to or interest in a funeral plan contract); or
- the arrangements for their management are such that the assets may consist of or include such investments, and either the assets have at any time since April 29, 1988, done so, or the arrangements have at any time (whether before or after that date) been held out as arrangements under which the assets would do so.

Licensing requirements

As defined in section 55A of the Act 2000 (Application for permission), any person to perform the managing investment regulated activity by way of business needs to seek FCA authorization under Part 4A of the Act 2000 (Permission to carry on regulated activities).

Part 4A of FSMA sets out the Threshold Conditions which must be met at authorization of the activity and on an ongoing basis.

An investment manager, asset manager or portfolio manager could have just one client, such as a fund, or they could offer a separate account service for professional and/or retail investors. The investment manager's agreement (IMA) should list the services that correspond to their business plan and permissions that relate to the client(s).

Typical permissions required:

- advising on investments;
- arranging (bringing about) deals in investments;
- agreeing to carry on regulated activities;
- dealing in investments as an agent;
- making arrangements with a view to transactions in investments;
- managing investments; and
- controlling (but not holding) client money.

United Kingdom Anti-Money Laundering Legislation

The company is required to comply with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended by the money laundering and terrorist financing (amendment) regulations 2019) ("MLR") and is supervised by the FCA.

The MLR require companies to assess their money laundering risk and to establish and maintain systems and controls to guard against the business being used for money laundering. It explicitly requires a company:

- to take appropriate steps to identify and assess the risks of money laundering and terrorist financing to which a business is subject and document that assessment;
- to carry out Customer Due Diligence ("CDD") when it establishes a business relationship or undertakes an occasional transaction;
- to take a risk-based approach to CDD. There are three levels of CDD: Standard CDD, Simplified Customer Due Diligence' ("SDD") and Enhanced Customer Due Diligence ("EDD");
- to apply EDD measures in higher-risk situations; and
- to conduct ongoing monitoring of business relationships, including the scrutiny of transactions undertaken throughout the course of the relationship and keeping CDD information up to date; to adopt effective written procedures for identification of clients and recordkeeping; to report suspicious activities and ensure staff awareness and training.

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 current corporate structure and equity ownership, 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, 2023, we owned a number of trademarks, including, but not limited to, Patria Investimentos, Patria Investments, Moneda, Moneda Asset Management and VBI Real Estate to identify several business and financial services, in Brazil, Chile, United Kingdom 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 60 Nexus Way, 4th 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. Our current facilities are suitable for our business needs and we understand 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, 2023, 2022 and 2021 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\$31.8 billion and US\$27.2 billion as of December 31, 2023 and 2022, 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. To serve our clients, we offer a comprehensive array of products across major asset classes - private equity, infrastructure, credit, public equities and real estate. We offer these products through a variety of fund structures to meet our clients' investment goals and liquidity needs, generally falling into the categories of drawdown funds, permanent capital vehicles and evergreen funds.

As an asset manager, investment performance is the core of our business and a fundamental driver of our growth, and we believe we have built a solid track record across our strategies. The 20-year pooled Net IRR in U.S. dollars for our flagship private equity buyout funds, for example, was 20.3% as of December 31, 2023. For infrastructure, the pooled Net IRR in U.S. dollars for our latest two fully invested vintage flagship development funds was 13.0% as of December 31, 2023. With respect to credit, our Latin America High Yield Credit fund, our largest strategy, has outperformed its benchmark by 370 basis points (“bps”) since inception in February 4, 2000, as of December 31, 2023. With respect to public equities, we outperformed the benchmark for the Chilean Equities strategy since inception in March 18, 1994, as our strategy with the longest tenure exceeded 500bps as of the end of the 2023. Finally, with respect to real estate, VBI's largest Real Estate Investment Trusts (“REIT”) had a dividend yield spanning from 8% to 12% for the full year in 2023. For further information on our funds performance, see “—Our Business.”

We believe we have also generated attractive financial performance for our shareholders. Since our IPO, we have grown our Fee Earning Assets Under Management from US\$7.7 billion as of December 31, 2020 to US\$23.9 billion as of December 31, 2023. Our Fee Related Earnings grew from US\$56.8 million in 2020, adjusted for a comparable post-IPO compensation structure, to US\$147.7 million in 2023. Our Net Accrued Performance Fees nearly doubled from US\$298.4 million as of December 31, 2020 to US\$534.9 million as of December 31, 2023, even after the realization of US\$124 million within the same period.

Beginning with our results for the first quarter of 2023, we are reporting Net Accrued Performance Fee balances net of related compensation and revenue taxes only, while previous disclosures were also net of related corporate taxes. To be consistent with current reporting methodology, disclosures in prior periods were also adjusted accordingly for comparative purposes.

Finally, in aggregate we generated US\$3.29 of Distributable Earnings per share and distributed US\$2.79 in dividends in the twelve quarters since our IPO, encompassing our results for the years ended December 31, 2023, 2022 and 2021.

As of December 31, 2023, we had 430 professionals, of which 36 were partners, 23 of these working together for more than 15 years, operating in 11 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), Sausalito (United States), London (United Kingdom), Dubai (UAE), Hong Kong (China) and Buenos Aires (Argentina) 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, 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, 2023, 2022 and 2021:

For the Years Ended December 31,

	2023	2022	2021	2023/2022 Change	2022/2021 Change
	(in US\$ millions)				
Assets Under Management (AUM)	31,843	27,250	23,815	4,593	3,435
Private Equity AUM	12,064	10,909	9,017	1,155	1,892
Infrastructure AUM	5,387	5,836	5,060	-449	776
Credit AUM	5,610	4,693	4,982	917	(289)
Public Equities AUM	2,908	2,140	2,245	768	(105)
Real Estate AUM	3,432	1,325	366	2,107	959
Advisory & Distribution AUM	2,442	2,345	2,146	97	199
Fee Earning AUM	23,900	19,167	17,930	4,733	1,237
Private Equity AUM	6,658	6,048	4,942	610	1,106
Infrastructure AUM	3,272	3,287	3,521	-15	(234)
Credit AUM	5,381	4,520	4,927	861	(407)
Public Equities AUM	2,910	2,142	2,239	768	(97)
Real Estate AUM	3,476	1,404	414	2,072	990
Advisory & Distribution AUM	2,204	1,767	1,888	437	(121)
Net Accrued Performance Fee (1)	535	478	367	57	111
Net Accrued Performance Fee (Old Methodology)	518	462	348	56	114

(1) Beginning with our results for the first quarter of 2023, we are reporting Net Accrued Performance Fee balances net of related compensation and revenue taxes only. To be consistent with current reporting methodology, disclosures in prior periods were also adjusted accordingly for comparative purposes.

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).

The following table reflects the changes in our AUM for the years ended December 31, 2023 and 2022:

	Private Equity	Infra- structure	Credit	Public Equities	Real Estate	Advisory & Distribution	Total
	(in US\$ millions)						
AUM as of December 31, 2022	10,909	5,836	4,693	2,140	1,325	2,345	27,250
Reclassification	0	0	0	0	0	0	0
Acquisitions	184	0	0	0	1,364	0	1,547
Inflows	250	1,301	731	759	758	778	4,576
Outflows	-479	-2,030	-573	-535	-238	-751	-4,606
Valuation Impact	449	141	748	577	-72	75	1,918
Foreign Exchange (FX)	493	450	15	-34	298	-5	1,218
Funds capital variation	256	-311	-4	0	-2	0	-60
AUM as of December 31, 2023	12,064	5,387	5,610	2,908	3,432	2,442	31,843

Our AUM was US\$31,843 million as of December 31, 2023, an increase of US\$4,593 million, compared to US\$27,250 million as of December 31, 2022. The increase in AUM was mainly due to acquisitions (mostly driven by PAM), new capital raised across all verticals, positive performance of our funds and favorable fx impact. These increases were partially offset by realizations in our portfolio companies (mainly in IS III and PE V), dividends distributed from our REITs, Credit and Public Equities funds and redemptions across Credit, Public Equities and Advisory verticals.

The following table reflects the changes in our AUM for the years ended December 31, 2022 and 2021:

	Private Equity	Infra-structure	Credit	Public Equities	Real Estate	Advisory & Distribution	Total
	(in US\$ millions)						
AUM as of December 31, 2021	9,017	5,060	4,982	2,245	366	2,146	23,815
Reclassification (1)				(103)		103	—
Acquisitions	339	—	—	—	1,021	—	1,360
Inflows	1,271	101	551	278	42	888	3,132
Outflows	(69)	(119)	(861)	(567)	(54)	(652)	(2,322)
Valuation Impact	(67)	553	(23)	312	(115)	(89)	571
Foreign Exchange (FX)	526	233	10	(25)	74	(51)	767
Funds capital variation	(107)	8	35	—	(9)	—	(73)
AUM as of December 31, 2022	10,909	5,836	4,693	2,140	1,325	2,345	27,250

(1) In 2022, there was a reclassification of funds from Public Equities to Advisory & Distribution. For comparative purposes, the 4Q21 AUM for Public Equities and Advisory & Distribution reflecting this reclassification would be US\$2,142 million and US\$2,248 million respectively.

Our AUM was US\$27,250 million as of December 31, 2022, an increase of US\$3,435 million, compared to US\$23,815 million as of December 31, 2021. The increase in AUM was mainly due to acquisitions, valuation increase (mainly from invested companies of IS III, IS IV and Public Equities Funds), new capital raised (mainly PE VII) and exchange rate variations. These increases were partially offset by divestments, primarily from IS III and PE III.

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, 2023 and 2022:

	Private Equity	Infra-structure	Credit	Public Equities	Real Estate	Advisory & Distribution	Total
	(in US\$ millions)						
FEAUM as of December 31, 2022	6,048	3,287	4,520	2,142	1,404	1,767	19,167
Reclassification	0	0	0	0	0	0	0
Acquisitions	111	0	0	0	1,364	0	1,475
Inflows	570	487	531	759	635	603	3,585
Outflows	-97	-614	-385	-522	-174	-147	-1,940
Valuation Impact	-10	31	707	565	103	-20	1,377
Foreign Exchange (FX) and Other	35	82	7	-34	145	1	236
FEAUM as of December 31, 2023	6,658	3,272	5,381	2,910	3,476	2,204	23,900

Our FEAUM was US\$23,900 million as of December 31, 2023, an increase of US\$4,733 million, compared to US\$19,167 million as of December 31, 2022. This increase was driven by acquisitions (mostly driven by PAM), new capital raised across all verticals, positive performance of our funds and favorable foreign exchange impact. This increase was partially offset by realizations in our portfolio companies (mainly in IS III and PE V), dividends distributed from our REITs, Credit and Public Equities funds and redemptions across Credit, Public Equities and Advisory verticals. For more information on PAM, see "Item 4. Information on the Company—A. History and Development of the Company—Business Arrangement with Bancolombia."

The following table reflects the changes in our FEAUM for the years ended December 31, 2022 and 2021:

	Private Equity	Infra-structure	Credit	Public Equities	Real Estate	Advisory & Distribution	Total
	(in US\$ millions)						
FEAUM as of December 31, 2021	4,942	3,521	4,927	2,239	414	1,888	17,930
Reclassification (1)				(103)		103	—
Acquisitions	111	—	—	—	888	—	998
Inflows	1,191	337	444	278	50	265	2,565
Outflows	(203)	(654)	(846)	(567)	(54)	(294)	(2,618)
Valuation Impact	—	6	(15)	312	23	(161)	166
Foreign Exchange (FX) and Other	8	77	9	(18)	84	(34)	127
FEAUM as of December 31, 2022	6,048	3,287	4,520	2,142	1,404	1,767	19,167

(1) In 2022, there was a reclassification of funds from Public Equities to Advisory & Distribution. For comparative purposes, the 4Q21 FEAUM for Public Equities and Advisory & Distribution reflecting this reclassification would be US\$2,136 million and US\$1,991 million respectively.

Our FEAUM was US\$19,167 million as of December 31, 2022, an increase of US\$1,237 million, compared to US\$17,930 million as of December 31, 2021. This increase was driven by: (1) US\$998 million added by our new acquisitions; (2) US\$1,656 million from new capital raised mainly in PE VII, Credit, and PIPE funds; (3) US\$909 million of additional capital deployment in our drawdown funds; (4) US\$39 million due to inflation adjustment over our Brazilian funds; (5) US\$166 million of valuation impact mainly in PIPE funds; and (6) US\$87 million resulting from foreign exchange variations over the FEAUM of funds not denominated in US dollars. This increase was partially offset by a decrease of: (a) US\$314 million from divestments and dividends in our drawdown funds; (b) US\$488 million mainly due to the fact that we stopped charging management fees from IS II; (c) US\$127 million due to the end of investment period in PE V; and (d) US\$1,689 million of redemptions and dividends in our Credit, Public Equities and Advisory funds.

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, 2023 and 2022:

	(in US\$ millions)
Net accrued performance fee as of December 31, 2022	461.8
Methodology Adjustment	15.9
Net accrued performance fee as of December 31, 2022 (new methodology) (1)	477.7
Private Equity Fund III	-0.3
Private Equity Fund IV	0.0
Private Equity Fund V	-31.6
Private Equity Fund VI	101.1
Infrastructure II	0.0
Infrastructure III	-27.7
Infrastructure IV	4.9
Agribusiness I	0.0
Alturas II	0.9
Payara I	8.2
Payara II	1.7
Net accrued performance fee as of December 31, 2023	534.9

(1) Beginning with our results for the first quarter of 2023, we are reporting Net Accrued Performance Fee balances net of related compensation and revenue taxes only. To be consistent with current reporting methodology, disclosures in prior periods were also adjusted accordingly for comparative purposes.

Our net accrued performance fee was US\$535 million on December 31, 2023, an increase of US\$57 million, compared to US\$478 million on December 31, 2022. The increase was primarily due to the valuation increase from invested companies of Infra III, Infra IV and PE VI funds and addition of Kamaroopin funds (Payara I and II), representing US\$127 million of positive impact. This increase was partially offset mainly by US\$37 million realization of performance fee from IS III, US\$10 million realization of performance fee from PE V and US\$22 million due to assets valuation in PE V.

The following table reflects the changes in our net accrued performance fee for the years ended December 31, 2022 and 2021:

	(in US\$ millions)
Net accrued performance fee as of December 31, 2021 (1)	348.1
Private Equity Fund III	0.3
Private Equity Fund IV	(0.2)
Private Equity Fund V	30.8
Private Equity Fund VI	24.6
Infrastructure II	—
Infrastructure III	54.2
Infrastructure IV	3.9
Agribusiness I	—
Alturas II	0.1
Net accrued performance fee as of December 31, 2022	461.8

(1) For comparative purposes, the Net Accrued Performance Fee as of December 31, 2021 was US\$367 million considering the new methodology.

Our net accrued performance fee was US\$462 million on December 31, 2022, an increase of US\$114 million, compared to US\$348 million on December 31, 2021. 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 US\$19 million realization of performance fee from IS III.

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,				
	2023	2022	2021	Change 2023/2022	Change 2022/2021
	(in US\$ millions)				
Net income for the year	120.8	94.1	121.3	26.7	(27.2)
Fee Related Earnings (FRE)(1)	147.7	130.0	86.0	17.7	44.0
Distributable Earnings (DE)(2)	187.8	147.1	141.3	40.7	5.8

Note: For our non-GAAP financial measures, we reflect the results attributable for controlling owners to include our exposure from our ownership stake on each line item.

(1) Reconciled as net income before income taxes that are attributable to owners of the Parent less revenue from performance fees net of taxes, other income/(expenses) and net financial income/(expense), plus long term employee benefit personnel expenses related to equity-based compensation, Officers' fund and strategic long-term benefit plans, performance share plan, performance fee compensation, plus personnel and other restructuring costs as a results of acquisitions, plus deferred and contingent consideration and carry bonus provision, plus amortization of intangible assets (contractual rights, non-contractual customer relationships and brands) from acquisitions, changes in value related to option arrangements from acquisitions, SPAC warrants fair value changes and adding back administrative and transaction expenses related to SPAC. 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 attributable to owners of the Parent adjusted for deferred taxes, amortization of intangible assets (contractual rights, non-contractual customer relationships and brands) from acquisitions, long term employee benefit personnel expenses related to equity-based compensation, Officers' fund and strategic long-term benefit plans and performance share plan, personnel and other restructuring costs as a results of acquisitions, deferred and contingent consideration, changes in value related to option arrangements from acquisitions, foreign exchange gains/(losses) from settling acquisition payables and SPAC warrants fair value changes, administrative and transactions expenses for SPAC and non-recurring expenses mainly consisting of transaction costs. For a reconciliation of our DE to net income for the year, see "—Distributable Earnings (DE)" below.

Fee Related Earnings (FRE)

For our years ended December 31, 2023 and 2022, we made certain changes to the presentation of our Fee Related Earnings (FRE) including the composition certain income and expense items to provide what we believe to be a more meaningful and relevant presentation of our performance. As a result, our comparison of our FRE for the year ended December 31, 2021 may not be fully comparable to our FRE for the years ended December 31, 2023 and 2022. For further information, see note 2(c) to our audited consolidated financial statements included elsewhere in this annual report.

	For the Years Ended December 31,				
	2023	2022	2021	Change 2023/2022	Change 2022/2021
	(in US\$ millions)				
Net income before income tax	114.7	101.0	121.6	13.7	(20.6)
Revenue from performance fees	(74.1)	(30.4)	(89.3)	15.2	58.9
Taxes on revenue—performance fees	1.4	1.2	0.2	1.2	1.0
Long-term employee benefits(1)	14.7	3.5	3.0	11.7	0.5
Carried interest allocation	25.3	10.2	30.2	(4.9)	(20.0)
Deferred and contingent consideration(2)	22.9	12.9	2.3	20.6	10.6
Carry bonus provision	—	—	0.9	n.m.	(0.9)
Amortization of intangible assets from acquisitions(3)	19.3	17.4	4.7	1.9	12.7
SPAC expenses and transaction costs(4)	1.1	11.4	—	(10.3)	11.4
Other transaction costs(5)	9.1	7.2	12.2	(3.1)	(5.0)
Gross obligation adjustments (6)	11.6	3.5	—	8.1	n.m.
Share of earnings from associate(7)	0.1	0.1	—	—	0.1
Net financial income/(expense)	1.6	(8.0)	0.3	9.6	(8.3)
Fee Related Earnings	147.7	130.0	86.0	17.7	44.0

- (1) Long-term employee benefits for the years ended December 31, 2023, 2022 and 2021 reflects the impacts from our equity-based compensation, share based incentive plans, Officers' fund and strategic bonus.
- (2) Deferred and contingent consideration for the years ended December 31, 2023, 2022 and 2021 includes contingent consideration from acquisition transactions.
- (3) Amortization of intangible assets from acquisitions for the years ended December 31, 2023, 2022 and 2021 includes amortization of contractual rights, brand amortization and non-contractual customer relationships from acquisitions that have been given effect after we concluded the allocation of our purchase price from acquisitions.
- (4) SPAC expenses and transaction costs for the years ended December 31, 2023 and 2022 reflects the impact of our SPAC's IPO and operating expenses.
- (5) Other transaction costs for the years ended December 31, 2023, 2022 and 2021 includes expenses associated with business acquisition-related activity and restructuring.
- (6) Gross obligation adjustments for the years ended December 31, 2023 and 2022 reflect the unwinding of the present value of the redemption payable under put option arrangements from business acquisition-related activity.
- (7) Share of earnings from associate for the years ended December 31, 2023 and 2022 reflects the impact of share of equity accounted earnings from associate acquisitions.

Distributable Earnings (DE)

	For the Years Ended December 31,				
	2023	2022	2021	Change 2023/2022	Change 2022/2021
	(in US\$ millions)				
Net income for the year	118.4	93.0	121.2	25.4	(28.2)
Deferred income tax expenses	(13.4)	1.5	(1.3)	(14.9)	2.8
Amortization of intangible assets from acquisitions	19.3	17.4	4.7	1.9	12.7
Long-term employee benefits	14.7	3.5	3.0	11.2	0.5
Deferred and contingent consideration	14.3	12.9	2.3	1.4	10.6
Derivative financial instrument gains/(losses)	14.9	0.3	—	14.6	0.3
SPAC expenses and transaction costs	7.3	11.4	—	(4.1)	11.4
Other transaction costs	12.3	7.2	11.5	5.1	(4.3)
Distributable Earnings	187.8	147.1	141.3	40.7	5.8

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. Alternative investments are expected to continue to grow vigorously and sustainably in the long-term. According to Preqin’s special report published in 2023, ‘The Future of Alternatives in 2027’, assets under management (AUM) in alternative asset classes (including private markets and hedge fund) is expected to grow at a CAGR of more than 9% to reach more than US\$23 trillion by the end of 2027, up from US\$14 trillion in 2021. According to Preqin’s report, there is a growing trend of global investors establishing and raising target allocations to alternatives. These actions have been driven by several factors, including: (1) consistent outperformance in alternatives compared to public markets in both short and long-term investment periods; (2) alternatives play a key role on portfolio diversification benefits with low correlation to traditional assets; and (3) lower volatility in alternatives when compared to public markets, particularly during market downturns. We believe the penetration of Latin America private investments as a share of total global private markets can increase from the historically low levels. Preqin data as of April 15, 2024 shows that Latin America accounted for less than 1% of total global private markets AUM, while Latin America GDP in 2023 represented 6% of global GDP. We believe that the volume of capital flowing to private markets in Latin America can increase substantially, driven by positive economic and currency cycles and the low correlations between Latin America and the global economy. 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 allowed us to go further and expand our product offerings inorganically – exemplified by our significant credit, public equities and real estate platforms today. 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. However, capital raising continues to be competitive. If we are unable to continue to successfully raise larger or similar amounts of capital for our products, 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, 2023, we have overseen the deployment of more than US\$30 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 more than 100 investments and over 310 underlying acquisitions as of December 31, 2023. 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. 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 2023, 67% of our revenues and 48% of our expenses were denominated in U.S. dollars. In 2022 and 2021, 64% and 87% of our revenues and 40% and 65% 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 major impact on our results of operations for any periods presented herein, however our personnel and administrative expenses should be expected to reflect the general trends of inflation over time.

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 2023, Latin America and the Caribbean had a combined estimated total GDP of US\$6.3 trillion, approximately 659 million inhabitants, with an average GDP per capita of US\$9,559 and average real growth of nearly 2.9% per annum over the past 50 years, according to the World Bank. 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.

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. In 2022, the real appreciated 6.5% to R\$5.218 per US\$1.00 on December 31, 2022. The real/U.S. dollar exchange rate reported by the Central Bank was R\$4.841 per US\$1.00 on December 31, 2023, which reflected a 7.2% appreciation of the real against the U.S. dollar during 2023. The currency volatility experienced over the years was primarily driven by short-term capital flows resulted from higher global risk aversion, volatility in global capital markets, and persistent domestic political instability. As of April 25, 2024, the real/U.S. dollar exchange rate reported by the Central Bank was R\$5.167 per US\$1.00, a depreciation of 6.7% of the real since December 31, 2023. 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\$301 b and 19 million inhabitants as of 2023, 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). In 2020, the Chilean economy suffered due to the COVID-19 pandemic with extensive lockdowns in place, which led to an economic contraction of 6.1% in 2020. During 2021, the Chilean economy started to recover as the extensive lockdowns were lifted and consumption was strongly boosted by the pension fund withdrawals and other support measures given by the government. In 2021, GDP grew 11.7%, but the measures implemented by the government to increase liquidity for households during the COVID-19 pandemic led to an increase in inflation, with inflation reaching 7.2% in 2021 and 12.8% in 2022, based on the Chilean consumer price index. As a result, the Chilean Central Bank increased the MPR multiple times, from a historically low level of 0.5% in 2020 to a historically high level of 11.25% in October 2022. In 2023, inflation began to subside and decreased to 3.9% by the end of the year, based on the Chilean consumer price index. As a result, the Central Bank began easing monetary policy and reduced the MPR to 8.25% as of December 31, 2023. See "Item 3. Key Information—D. Risk Factors Certain Factors Relating to Latin America—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."

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 elevated global risk-aversion. 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 2023, see note 4(s) 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, 2023 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(t) to our audited consolidated financial statements included elsewhere in this annual report.

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 cybercrime 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 16.2% and 19.5% of our administrative expenses for the years ended December 31, 2023 and 2022, respectively.

Description of Principal Consolidated Financial Statements Line Items

We have revised the presentation of our consolidated income statement. Previously, the consolidated income statement provided a classification of our expenses based on their function. Management has concluded that a classification of our expenses based on their nature provides a more meaningful representation of our financial performance. This change in presentation has no impact on our prior years reported net income, earnings per share, consolidated statement of cash flows and consolidated statement of changes in equity. For further information, see note 2(c) to our audited consolidated financial statements included in this annual report.

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, reported 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 and other performance-based fees that 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 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 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.

Our operational expenses are composed of personnel expenses, carried interest allocation, amortization of intangible assets, deferred consideration on acquisitions, general and administrative expenses, other income/(expenses) and our share of equity-accounted earnings from associate investments.

Personnel expenses and carried interest allocation

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. Carried interest allocation refers to our employees' right to up to 35% of the performance fees recognized from investment funds. 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."

Deferred consideration

Deferred consideration primarily 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 as employees, which are payable in two installments due December 1, 2023 and December 1, 2024. This expense continues to be recognized as a compensation expense as the employees render services.

Amortization of intangible assets

Amortization of intangible assets are composed of the following components:

- Placement agent fees are composed of costs related to the capital raising processes, comprising a percentage of the amount raised, or a fixed amount paid upfront and amortized over the duration of the fund's existence;
- In 2023, contractual rights from investments funds were recognized from asset acquisition transactions. In 2022, contractual rights related 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 included 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 only if the performance is achieved - no amounts were due as of the settlement date and reporting date.
- Brands and non-contractual customer relationships acquired through business combination are recognized at fair value at the acquisition date. The cost of the intangible asset is then amortized over its estimated useful life using the straight-line method. A brand represents an acquired company's reputation, investment approach, track record, ability to innovate and overall value proposition. Brands of acquired companies can provide us with a competitive advantage in new markets or regions where we are expanding market share and to generate new revenue streams.

General and administrative expenses

General and administrative expenses mainly consist of professional services, IT and telecom services, depreciation of right-of-use assets and property and equipment, travel expenses, marketing and events expenses, occupancy expenses, expenses on utilities, materials and supplies, rebate fees (comprising a percentage of the management fee paid to the placement agent during the life of the fund), taxes and contributions and certain other administrative expenses.

Other income/(expenses)

Other income/(expenses) mainly consist of non-operating or non-recurring provisions and transactions related to merger and acquisition activity, initial public offering expenses related to the SPAC and certain other income or expenses.

Share of equity accounted earnings

Share of equity-accounted earnings consist of the portion of earnings of an associated company where we hold a significant influence but not a controlling stake. The investment is accounted for using the equity method where we recognize our share of the associated company's earnings for the same financial period. The share of earnings is based on our ownership percentage of the associated company and may include the amortization of identifiable intangible assets (brands and non-contractual customer relationships) that were acquired as part of the investment in the associated company.

Net Financial Income/(Expense)

Financial income is mainly composed of interest on highly liquid investments, realized and unrealized gains on long-term investments, unrealized gains on derivative financial instruments and asset-linked receivables and foreign exchange gains in monetary items. Financial expenses include interest, unrealized losses on derivative financial instruments, foreign exchange losses in monetary items and commission and brokerage expenses, 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 not 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(p) 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 operating income and expenses and income tax.

Results of Operations

Year Ended December 31, 2023, Compared to the Year Ended December 31, 2022

The following table sets forth our income statement data for the year ended December 31, 2023 and 2022:

	For the Years Ended December 31,		Variation (%)
	2023	2022	
	(in US\$ millions, except for percentages)		
Net Revenue from services	327.6	258.9	26.5 %
Personnel expenses	(78.8)	(69.8)	12.9 %
Carried interest allocation	(25.2)	(10.2)	147.1 %
Deferred consideration	(23.0)	(24.4)	(5.7) %
Amortization of intangible assets	(22.4)	(17.4)	28.7 %
General and administrative expenses	(39.1)	(31.1)	25.7 %
Other income/(expenses)	(18.7)	(9.3)	101.1 %
Share of equity-accounted earnings	(0.7)	(2.4)	(70.8) %
Net financial income/(expense)	(1.7)	8.1	(121.0) %
Net income before income tax	118.0	102.4	15.2 %
Income tax	2.8	(8.3)	(133.7) %
Net income for the year	120.8	94.1	22.1 %
Owners of the Parent	118.4	93.0	27.3 %
Non-controlling interests	2.4	1.1	118.2 %

n.m. = not meaningful

(1) We had previously revised the presentation of our consolidated income statement in 2022 that had previously provided a classification of expenses based on its function within our group to a classification of expenses based on its nature to provide what we believe to be a more meaningful and relevant presentation of our consolidated financial performance. For further information, see note 2(c) to our audited consolidated financial statements included in this annual report.

Net Revenue From Services

	For the Years Ended December 31,		
	2023	2022	Variation (%)
	(in US\$ millions, except for percentages)		
Revenue from management fees	252.9	223.5	13.2 %
Private Equity	112.0	99.6	12.4 %
Infrastructure	50.2	51.6	(2.7) %
Credit	39.5	37.3	5.9 %
Real Estate(1)	20.7	12.2	69.7 %
Public Equities	19.3	17.4	10.9 %
Advisory and Distribution	11.2	5.4	107.4 %
Revenue from incentive fees	4.1	6.1	(32.8) %
Private Equity	—	—	n.m
Infrastructure	—	—	n.m
Credit	3.3	2.4	37.5 %
Real Estate	—	—	n.m
Public Equities	0.8	3.7	(78.4) %
Advisory and Distribution	—	—	n.m
Revenue from performance fees(2)	74.7	30.4	145.7 %
Private Equity	15.4	—	n.m
Infrastructure	58.1	30.4	91.1 %
Credit	0	—	n.m
Real Estate	1.2	—	n.m
Public Equities	0	—	n.m
Advisory and Distribution	0	—	n.m
Fund fees	331.7	259.9	27.6 %
Revenue from advisory and other ancillary fees	2.7	4.2	(35.7) %
Taxes on revenue—performance fees	(1.4)	(1.2)	16.7 %
Taxes on revenue—management fees and other	(5.4)	(4.0)	35.0 %
Net Revenues from services	327.6	258.9	26.5 %
Brazil (3)	50.2	40.2	24.9 %
British Virgin Islands	—	3.1	n.m
Cayman Islands(4)	215.3	160.2	34.4 %
Chile(5)	53.0	52.1	1.7 %
Colombia (6)	2.0	—	n.m
Uruguay (7)	2.2	—	n.m
United Kingdom (8)	0.7	—	n.m
United States of America(9)	4.2	3.3	27.3 %

n.m. = not meaningful

- (1) Includes 50% attributable to non-controlling interest shareholders of VBI Real Estate and 49.26% attributable to Patria Asset Management SA. For more information on VBI Real Estate, see “—Agreement to Acquire VBI Real Estate to Anchor Brazil Real Estate Platform.” For more information on Patria Asset Management, see “—Business Arrangement with Bancolombia.”
- (2) 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.
- (3) Our Brazil revenue consists primarily of management and performance fees received by our Brazilian entities relating to the services provided to our funds and management and performance fees from VBI Real Estate.
- (4) Our Cayman Islands revenue consists of management and performance fees received by our Cayman Islands entities for the services provided to our funds.
- (5) Our Chile revenue consists of management, incentive, financial advisory and other fees from Moneda’s funds managed in Chile.
- (6) Our Colombia revenue consists of management fees from Patria Asset Management S.A.
- (7) Our Uruguay revenue consists of management fees from management services rendered to Igah.
- (8) Our United Kingdom revenue consists of management fees from Moneda funds managed in the United Kingdom.
- (9) Our United States revenue consists of management and incentive fees from funds managed by Moneda USA Inc.

Net revenue from services in 2023 amounted to US\$327.6 million, an increase of US\$68.7 million, or 26.5%, from US\$258.9 million in 2022, primarily attributable to an increase of US\$29.4 million in revenue from management fees as a result of additional management fees from acquired companies and management fees from newly launched investment fund Private Equity VII. Performance fees are variable in nature and dependent on the various stages of the life cycle of our investment funds and their respective investments. In 2023, performance fees increased by US\$44.4 million in revenue primarily earned from Infrastructure Fund III and Private Equity Fund V. In addition, revenue from incentive fees and from advisory and other ancillary fees collectively decreased by US\$3.4 million, or 34% from US\$10.2 million in 2022 to US\$6.8 million in 2023.

Personnel expenses and carried interest allocation

Personnel expenses in 2023 were US\$78.8 million, an increase of US\$9 million, or 12.9%, from US\$69.8 million in 2022, mainly due to additional personnel expenses from acquired businesses. Carried interest allocation increased by US\$15.0 million, or 147.2% from US\$10.2 million in 2022 to US\$25.2 million in 2023, due to an increase in performance fee revenue.

Deferred consideration on acquisition

Deferred consideration expenses, related to the business combination with Moneda, decreased by US\$1.4 million in 2023 due to a decrease in head count for participants eligible for the deferred consideration payment.

Amortization of intangible assets

Amortization of intangible assets increased by US\$5.0 million, or 28.7%, from US\$17.4 million in 2022 to US\$22.4 million in 2023, mainly due to an increase in the value of identifiable intangible assets (brands, non-contractual customer relationships and contractual rights) acquired as part of acquisition transactions.

Other income/(expenses)

Other expenses, net of other income increased by US\$9.4 million or 101.1%, from US\$9.3 million in other expenses to US\$18.7 million in other expenses, mainly attributable to: (i) a decrease of US\$4.2 million related to amortization of our SPAC initial public offering expenses; and (ii) a non-recurring gain of US\$4.2 million from fair value remeasurement of previously held interest of Kamaroopin upon completing business combination in stages converting an associate investment to a fully controlled subsidiary. These were partially offset by (i) a decrease of US\$2.9 from reversal of previously accrued expenses related to the value of contingent consideration payable on acquisition of Moneda; and (ii) an increase of US\$8.1 million in other expenses related to acquisition obligation adjustment and expenses; and (iii) an increase of US\$5.1 million in transaction costs for acquiring interests in businesses; and (iv) an increase of US\$0.8 million other expenses as result of integrating acquired business.

Share of equity accounted earnings

Share of equity-accounted earnings from entities we have significant influence over but do not control amounted to a loss of US\$0.7 million for 2023, (US\$2.4 million for 2022), after previously acquiring interests directly in Kamaroopin and indirect associate interests held through VBI Real Estate. The decrease in share of equity accounted losses of US\$1.7 million or 70.8%, mainly attributable to the reclassification of Patria's equity stake in Kamaroopin following the completion of the business combination and acquisition by Patria of 100% of the share capital of Kamaroopin in April 2023. (For more information on Kamaroopin, see “— Launch of Growth Equity Strategy and Agreement to Partner with Kamaroopin ”). The majority of share of equity-accounted earnings consist of the amortization of identifiable intangible assets acquired as part of the initial associate investment.

Net Financial Income/(Expense)

Net financial income/(expenses) in 2023 were US\$1.7 million net financial loss, a decrease of US\$9.8 million from US\$8.1 million net financial gain in 2022 primarily attributable to lower unrealized gains on long term investments (compared to a decrease of US\$4.7 million in 2022), lower unrealized gains on the SPAC's warrant liability (decrease by US\$2.4 million from 2022) and unrealized losses on derivative financial instruments related to acquisition-related activity (decrease by US\$3.2 million from 2022).

Net income Before Income Tax

As a result of the foregoing, net income before income tax in 2023 was US\$118.0 million, an increase of US\$15.6 million, or 15.2%, from US\$102.4 million in 2022.

Income Tax

Income tax in 2023 was positive US\$2.8 million, a decrease in income tax expenses of US\$11.2 million from US\$8.3 million expense in 2022. This decrease was primarily attributable to a decrease of US\$14.9 million in deferred income tax expenses due to an increase in deferred tax assets as a result of unrealized losses on option arrangements to acquire the remaining non-controlling interest in VBI Real Estate. The impact from the movements in fair value due to changes in unobservable inputs to the VBI option arrangements resulting in deferred tax income are derived from the subsidiary of the group holding both VBI call and put option arrangements measured at fair value (total deferred tax income in 2023 of US\$10.6 million). This was partially offset by an increase in current income tax expenses by US\$3.7 million as result of taxes in jurisdictions of acquired companies. Our effective income tax rate was -2.4% in 2023 and 8.1% in 2022.

Net Income for the Year

As a result of the foregoing, net income of our group in 2023 was US\$120.8 million, an increase of US\$15.6 million, or 22.1%, from US\$94.1 million in 2022.

Year Ended December 31, 2022, Compared to the Year Ended December 31, 2021

The following table sets forth our income statement data for the year ended December 31, 2022 and 2021:

	For the Years Ended December 31,		
	2022	2021	Variation (%)
	(in US\$ millions, except for percentages)		
Net Revenue from services	258.9	235.5	10.0 %
Personnel expenses	(69.8)	(47.6)	47.0 %
Carried interest allocation	(10.2)	(30.2)	(66.0)%
Deferred consideration	(24.4)	(2.0)	n.m.
Amortization of intangible assets	(17.4)	(7.0)	149.0 %
General and administrative expenses	(31.1)	(14.3)	117.0 %
Other income/(expenses)	(9.3)	(12.5)	(26.0)%
Share of equity-accounted earnings	(2.4)	—	n.m.
Net financial income/(expense)	8.1	(0.3)	n.m.
Net income before income tax	102.4	121.6	(16.0)%
Income tax	(8.3)	(0.4)	n.m.
Net income for the year	94.1	121.2	(22.0)%
Owners of the Parent	93.0	122.5	(24.0)%
Non-controlling interests	1.1	(1.3)	n.m.

n.m. = not meaningful

(1) We had previously revised the presentation of our consolidated income statement in 2022 that had previously provided a classification of expenses based on its function within our group to a classification of expenses based on its nature to provide what we believe to be a more meaningful and relevant presentation of our consolidated financial performance. For further information, see note 2(c) to our audited consolidated financial statements included in this annual report.

Net Revenue From Services

	For the Years Ended December 31,		
	2022	2021	Variation (%)
	(in US\$ millions, except for percentages)		
Revenue from management fees	223.5	144.7	54.0 %
Private Equity	99.6	82.2	21.0 %
Infrastructure	51.6	46.8	10.0 %
Credit	37.3	4.8	n.m.
Real Estate(1)	12.2	7.7	58.0 %
Public Equities	17.4	3.0	n.m.
Advisory and Distribution	5.4	0.2	n.m.
Revenue from incentive fees	6.1	4.9	24.0 %
Private Equity	—	0.1	n.m.
Infrastructure	—	—	n.m.
Credit	2.4	2.9	(17.0)%
Real Estate	—	—	n.m.
Public Equities	3.7	1.9	95.0 %
Advisory and Distribution	—	—	n.m.
Revenue from performance fees(2)	30.4	89.3	(66.0)%
Private Equity	—	89.1	n.m.
Infrastructure	30.4	—	n.m.
Credit	—	—	n.m.
Real Estate	—	0.2	n.m.
Public Equities	—	—	n.m.
Advisory and Distribution	—	—	n.m.
Fund fees	259.9	238.9	9.0 %
Revenue from advisory and other ancillary fees	4.2	0.7	n.m.
Taxes on revenue—performance fees	(1.2)	(0.2)	n.m.
Taxes on revenue—management fees and other	(4.0)	(3.9)	3.0 %
Net Revenues from services	258.9	235.5	10.0 %
Brazil Revenue(3)	40.2	25.7	56.0 %
British Virgin Islands	3.1	2.3	35.0 %
Cayman Islands(4)	160.2	200.7	(20.0)%
Chile(5)	52.1	5.2	n.m.
United States of America(6)	3.3	1.6	106.0 %

n.m. = not meaningful

(1) Includes 50% attributable to non-controlling interest shareholders of VBI Real Estate. For more information on VBI Real Estate, see “—Agreement to Acquire VBI Real Estate to Anchor Brazil Real Estate Platform.”

(2) 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.

(3) Our Brazil revenue consists primarily of management and performance fees received by our Brazilian entities relating to the services provided to our funds and management fees from VBI Real Estate.

(4) Our Cayman Islands revenue consists of management and performance fees received by our Cayman Islands entities relating to the services provided to our funds.

(5) Our Chile revenue consists of management, incentive, financial advisory and other fees from Moneda’s funds managed in Chile.

(6) Our United States revenue consists of management and incentive fees from funds managed by Moneda USA Inc.

Net revenue from services in 2022 amounted to US\$258.9 million, an increase of US\$23.4 million, or 10%, from US\$235.5 million in 2021, primarily attributable to an increase of US\$78.8 million in revenues from management fees as a result of additional management fees from acquired companies and an increase in capital deployed by our Private Equity Fund VI. Performance fees are variable in nature and dependent on the various stages of the life cycle of our investment funds and their respective investments. In 2022, performance fees decreased by US\$58.9 million from US\$89.3 million to US\$30.4 million, primarily earned from Infrastructure Fund III. In addition, revenue from incentive fees and from advisory and other ancillary fees collectively increased by US\$4.6 million, or 82%, from US\$5.6 million in 2021 to US\$10.2 million in 2022.

Personnel expenses and carried interest allocation

Personnel expenses in 2022 were US\$69.8 million, an increase of US\$22.2 million, or 47%, from US\$47.6 million in 2021, mainly due to additional personnel expenses from acquired businesses. Carried interest allocation decreased by US\$20 million, or 66% from US\$30.2 million in 2021 to US\$10.2 million in 2022, due to a decrease in performance fee revenue.

Deferred consideration on acquisition

Deferred consideration expenses, related to the business combination with Moneda, increased by US\$22.4 million in 2022 due to expenses accruing for 12 months compared to 1 month in 2021 after acquiring Moneda.

Amortization of intangible assets

Amortization of intangible assets increased by US\$10.4 million, or 149%, from US\$7.0 million in 2021 to US\$17.4 million in 2022, mainly due to an increase in the value of identifiable intangible assets (brands and non-contractual customer relationships) acquired as part of acquisition transactions.

Other income/(expenses)

Other expenses, net of other income decreased by US\$3.2 million or 25.6%, from US\$12.5 million in other expenses to US\$9.3 million in other expenses, mainly attributable to: (i) a decrease of US\$12.3 million in the value of contingent consideration payable on acquisition of Moneda; and (ii) a decrease of US\$4.1 million in transaction costs for acquiring interests in businesses. These were partially offset by (i) an increase in other expenses of US\$10.6 million related to our SPAC initial public offering expenses and related transaction expenses incurred for its listing in February 2022 (prior year IPO related expenses for PAX amounted to US\$2.9 million); and (ii) an increase of US\$4.3 million in other expenses related to acquisition obligation adjustment and expenses. In addition, as a result of integrating businesses acquired during 2021 we incurred expenses of US\$1.3 million.

Share of equity accounted earnings

Share of equity-accounted earnings from entities we have significant influence over but do not control amounted to US\$2.4 million for 2022, (none for 2021), after acquiring interests directly in Kamaroopin and indirect associate interests held through VBI Real Estate. The majority of share of equity-accounted earnings consist of the amortization of identifiable intangible assets acquired as part of the initial associate investment.

Net Financial Income/(Expense)

Net financial income/(expenses) in 2022 were US\$8.1 million, an increase of US\$8.4 million from US\$(0.3) million in 2021 primarily attributable to interest and gains earned on short-term investments, unrealized and realized gains on long-term investments and unrealized gains on warrant liability.

Net income Before Income Tax

As a result of the foregoing, income before income tax in 2022 was US\$102.4 million, a decrease of US\$19.2 million, or 16%, from US\$121.7 million in 2021.

Income Tax

Income tax in 2022 was US\$8.3 million, an increase of US\$7.9 million from US\$0.4 million in 2021. This increase was primarily attributable to the recognition of current income taxes as a result of taxes in jurisdictions of acquired companies. Our effective income tax rate was 8.1% in 2022 and 0.3% in 2021.

Net Income for the Year

As a result of the foregoing, net income in 2022 was US\$94.1 million, a decrease of US\$27.1 million, or 22%, from US\$121.2 million in 2021.

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 which closed in January 2021 to continue funding our expansion as well. See “—Capital Expenditures.” For additional information on our initial public offering, see “Item 4. Information on the Company—A. History and Development of the Company—Our History.”

Sources and Uses of Liquidity

As of December 31, 2023 and 2022, we had US\$220.6 million and US\$312.4 million in cash, cash equivalents and short-term investments, respectively. We have included US\$187.4 million and US\$240.3 million as of December 31, 2023 and 2022 respectively related to short-term investments held in a trust account that is restricted to be used for purposes of completing an initial business combination or redemption of public shares of the SPAC in our cash, cash equivalents and short-term investments as of December 31, 2023. During the year ended December 31, 2023, there were redemptions by the SPAC shareholders from the trust account of US\$65.2 million. 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, which mainly consists of:

- consideration payable on acquisitions;
- paying operating costs, including compensation and bonuses; and
- paying dividends to our shareholders.

In order to meet our cash requirements to sustain our inorganic growth strategy for the next 12 months we may be required to use a mix of available cash, cash equivalents, financial investments, equity and/or credit lines.

The following table shows the generation and use of cash for the year ended December 31, 2023, 2022 and 2021:

	For the Years Ended December 31		
	2023	2022	2021
	(in US\$ millions)		
Cash flows provided by operating activities	156.7	81.1	107.6
Cash flows provided by/used in investing activities	62.5	(189.3)	(284.2)
Cash flows provided by/used in financing activities	(229.9)	118.5	177.9

Operating Activities

Our net cash flows from operating activities increased by US\$75.6 million, from US\$81.1 million for the year ended December 31, 2022 to US\$156.7 million for the year ended December 31, 2023, which is mainly attributable to an increase in revenue from management fees and a significant increase in revenue from performance fees before considering changes attributable to working capital payable, increases in performance fee compensation payable and personnel and related taxes payables remaining consistent from 2022 as compared to the change in personnel and related payables between 2022 and 2023.

Our net cash flows from operating activities decreased by US\$26.5 million, from US\$107.6 million for the year ended December 31, 2021 to US\$81.1 million for the year ended December 31, 2022, which is mainly attributable to working capital decreases in personnel and current and deferred taxes payable and an increase in accounts receivable from renegotiated receivables from investment funds and performance fees receivable from Infrastructure Fund III. These outflows were partly offset by an increase in deferred consideration payable to Moneda.

Investing Activities

Our net cash flows used in investing activities increased by US\$251.8 million, from US\$189.3 million used in the year ended December 31, 2022 to US\$62.5 million cash provided by investing activities for the year ended December 31, 2023, primarily due to the previous year investment of the proceeds from the SPAC's initial public offering into its trust account. Excluding this non-recurring event, the remaining increase in cash flow from investing activities are a result of less cash used in acquisition-related activity in 2023 compared to 2022. In addition, there were redemptions from the SPAC trust account by its shareholders. This movement was partially offset by a lower liquidation rate of our short term investments during 2023 compared to 2022.

Our net cash flows used in investing activities decreased by US\$94.9 million, from US\$284.2 million for the year ended December 31, 2021 to US\$189.3 million for the year ended December 31, 2022, primarily due to the acquisition of Moneda in 2021, which required more capital than our acquisition of a minority stake in Kamaroopin, and our acquisitions of VBI and Igah Ventures, which were partially offset by proceeds from our divestment of certain short-term investments.

Financing Activities

Our net cash flows from financing activities decreased by US\$348.4 million, from net cash from financing activities of US\$118.5 million for the year ended December 31, 2022 to net cash used in financing activities of US\$229.9 million for the year ended December 31, 2023. Our financing activities primarily consisted of: (i) dividends paid to our shareholders, which were US\$145.1 million and US\$103.3 million in 2023 and 2022 respectively; and (ii) settlement of financing arrangements by sellers of business acquired during the year of US\$14.7 million; and redemptions by shareholders of the SPAC of US\$65.2 million .

Our net cash flows from financing activities decreased by US\$59.4 million, from net cash from financing activities of US\$177.9 million for the year ended December 31, 2021 to net cash from financing activities of US\$118.5 million for the year ended December 31, 2022. Our financing activities primarily consisted of: (i) IPO proceeds related to SPAC of US\$230 million; and (ii) dividends paid to our shareholders, which were US\$119.8 million and US\$103.3 million in 2021 and 2022, respectively.

Indebtedness

As of December 31, 2023 and 2022, we had no outstanding financial indebtedness.

Off-balance Sheet Arrangements

As of December 31, 2023 and 2022, we did not have any off-balance sheet arrangements.

Capital Expenditures

In the years ended December 31, 2023, 2022 and 2021, we made capital expenditures of US\$45.2 million, US\$54.5 million and US\$125.8 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 including payments to extend the life of our SPAC to consummate its initial business combination, 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, judgements and estimates that can have a significant impact on amounts reported in our consolidated financial statements. We base our assumptions, judgements 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, judgements 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 Revised).

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 them, or, if no term is fixed on the appointment of the director, until the earlier of their 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. 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.

On November 7, 2023, Otavio Lopes Castelo Branco Neto tendered his resignation as a member of our board of directors, effective on December 31, 2023. On the same date, Peter Paul Lorenço Estermann, Patria’s Chief of Private Equity Portfolio Management, was appointed as an interim board member.

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

Name	Age	Position
Olimpio Matarazzo Neto	64	Chairman
Peter Paul Lorenzo Estermann	66	Director
Alexandre Teixeira de Assumpção Saigh	56	Director and CEO
Pablo Javier Echeverría Benítez	60	Director
Sabrina Bridgett Foster	50	Independent Director(1)
Jennifer Anne Collins	49	Independent Director(1)
Glen George Wigney	68	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 60 Nexus Way, 4th 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).

Peter Paul Lorenzo Estermann is a Partner and our Chief of Private Equity Portfolio Management since January 2021 and a member of our board of directors since December 2023. 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 (Companhia Brasileira de Distribuição) (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).

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 Javier 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 serves as a professional independent director and is based in the Cayman Islands. She was appointed to the Board of Directors of the Cayman Islands Monetary Authority (CIMA) on February 7, 2023. She is also the founder and principal of Fifty Eleven Consulting Limited, a legal, regulatory and governance consulting firm. Sabrina has over 25 years' experience in the financial services industry, having practiced law for more than 18 years and served as an independent director since 2013.

During her career, Sabrina served as a Partner with the global law firm, Appleby (2004 through 2012), where her key practice areas included hedge fund and private equity structuring and formation, commercial and private trust structuring, as well as advising on general corporate matters, corporate governance, financing, and regulatory matters relevant to both regulated and non-regulated investment funds operating in multiple jurisdictions. Sabrina also served as a director and shareholder of Paget-Brown Attorneys-at-Law (2012 through 2013) and as an associate at Walkers (1999 through 2004) in the Cayman Islands. Sabrina also served as a professional independent director with the governance teams of Intertrust (2013 through 2015) and Maples Fiduciary (2015 through 2020), where she served on a wide range of alternative investment funds including hedge funds, fund of funds, segregated portfolio companies, private equity vehicles, hybrid structures, fund management companies and related structures. Sabrina holds a Postgraduate Award in Business Administration with Distinction from the University of Warwick and a Bachelor of Law with Honours from the University of Liverpool. She completed her Professional Practitioner's Course (Cayman Islands) with Queen's University Belfast and earned the Accredited Director designation from the Chartered Governance Institute of Canada. She was admitted as an Attorney-at-Law in the Cayman Islands in 1997. She has been recognised by Legal 500 Caribbean for her corporate and commercial work and by PLC Which Lawyer as a lawyer of choice for private clients. Sabrina is a member of the Cayman Islands Legal Practitioners Association, the International Bar Association, the American Bar Association, 100 Women in Finance, the Cayman Islands Directors Association, and the Chartered Governance Institute of Canada. Sabrina is registered as a 'registered director' under the Directors Registration and Licensing Act (as amended) of the Cayman Islands. She is also a Notary Public in and for the Cayman Islands and has published several articles relating to financial services.

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.

Glen George Wigney is currently affiliated with the Cayman Islands firm of Five Continents Partners GS Ltd., which provides independent governance to the alternative investment industry. Mr. Wigney has been a director and shareholder since 2014. He was formerly a senior member of Deloitte's global financial services team and has over 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 for ten years. 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 of 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.

Executive Officers

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

Name	Age	Position
Alexandre Teixeira de Assumpção Saigh	56	Chief Executive Officer and Director
Ana Cristina Russo	56	Chief Financial Officer
Marco Nicola D'Ippolito	47	Chief Corporate Development Officer
André Mauricio de Camargo Penalva	51	Head of Sales and Distribution
Ricardo Leonel Scavazza	46	Chief Executive Officer and Chief Investments Officer of Private Equity
Andre Franco Sales	50	Chief Executive Officer and Chief Investment Officer of Infrastructure
Daniel Rizardi Sorrentino	43	Brazil's Country Manager
Jose Augusto Gonçalves de Araujo Teixeira	45	Head of Marketing and Products
Ana Paula Alves dos Santos	56	Head of Human Resources
Marcelo Augusto Spinardi	40	Head of Finance
Pedro Rufino Carvalho da Silva	42	Global General Counsel
Peter Paul Lorenzo Estermann	66	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 60 Nexus Way, 4th floor, Camana Bay, PO Box 757, KY1-9006, Grand Cayman, Cayman Islands.

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

Ana Cristina Russo is our Chief Financial Officer since January 2023. Ms. Russo is also a member of the Management Committee and is primarily responsible for finance, operations, fund administration, internal controls and technology. Before taking over as CFO of Patria, Ms. Russo was the department head and CFO for Philip Morris International in Central America & the Caribbean from 2004 to 2007, for the Brazilian operations from 2008 to 2012 (and earlier in her career as CFO for Remy Cointreau Brazil). Ms. Russo also served as CFO of Latin America & Canada for Philip Morris International from 2012 to 2014 and as Chief Auditor reporting to the Audit Committee from 2015 to 2018. She has also developed a deep connection with business process, acting as a Business Partner to division leaders and General Managers, as well as managing a full P&L as CEO of Central America & Caribbean from 2018 to 2022. Ms. Russo holds a bachelor’s and post-graduate’s degrees in business administration from Fundação Getulio Vargas, and a Leadership Program certification from the International Institute for Management Development.

Marco Nicola D’Ippolito is our Chief Corporate Development Officer since January 2023. 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. Mr. D’Ippolito served Patria as COO from February 2009 to July 2020 and as CFO from July 2020 to December 2022. 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 since September 2012. 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 since August 2005. 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 since August 2006. 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 since March 2009. Mr. Sorrentino is primarily responsible for managing the Brazilian office, including Brazilian reals denominated products and strategies. Mr. Sorrentino was the Chief of Portfolio Management of the PE Group from March 2017 to December 2021. 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 since March 2020. 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 since March 2022. 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 since July 2021 and 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.

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. See “—Board of Directors.”

Pablo Javier Echeverría Benítez. See “—Board of Directors.”

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, 2023 and 2022, aggregate compensation for Patria’s directors and executive officers for services in all capacities was US\$13.4 million and US\$11.2 million, respectively, which includes both benefits paid in kind and variable compensation. Additionally, we paid to certain of our directors and executive officers an aggregate amount of US\$3.4 million as bonus compensation in February 2023 and paid an aggregate amount of US\$7.8 million as bonus compensation in February 2024.

Officer’s Fund

For the years ended December 31, 2023 and 2022, there were no grants under our Officer’s fund and we do not 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. As of December 31, 2023, the Officer’s fund was terminated. For further information, see note 31(b) to our audited consolidated financial statements included elsewhere in this annual report.

Long-Term Incentive Plan

On November 28, 2022, we adopted and implemented a new equity incentive program, the long-term incentive plan (the “LTIP”) for the purpose of advancing the interests of our shareholders by enhancing our ability to motivate and reward eligible participants 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 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 of the LTIP (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 long-term incentive plan committee composed by certain members of our board.

IPO Share-Based Incentive Grant

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, 2023, we granted an aggregate of 157,735 Class A common shares under the LTIP. As certain participants resigned from Patria in 2022, they forfeited their rights to receive 26,290 shares received under the IPO grant, according to the vesting schedule of the LTIP. Similarly, certain participants resigned from Patria in 2023, forfeiting their rights to receive 26,289 shares under the IPO grant, according to the vesting schedule of the LTIP. For further information, see note 28(d) to our audited consolidated financial statements included elsewhere in this annual report.

Annual Performance Share Grant

Besides the IPO grant, we have made three additional annual grants under the performance share plan, which provide for the vesting of performance shares based on both time and performance vesting. In 2022, we set a maximum aggregate grant of 101,408 Class A common shares and no participants resigned from Patria as of the date hereof, which would require them to forfeit their shares. In 2023, we set a maximum aggregate grant of 357,132 Class A common shares and 1 participant forfeited their right to receive 1,454 Class A common shares under the 2022 grant as a result of their resignations in 2023. In 2024, we set a maximum aggregate grant of 3,673,000 Class A common shares and no participants resigned from Patria as of the date hereof.

New Matching Share Plan

On February 26, 2024, our board of directors approved a new matching share plan for certain participants, offering them the opportunity to convert up to 50% of their cash bonus into equity shares and to receive a matching component in the form of restricted stock units that vest over a five year period, with one third of the applicable grant vesting on each of the third, fourth and fifth anniversary of the date of grant, subject to continued employment through each vesting date. For this matching share plan, we set a maximum aggregate grant of 1,630,000 Class A common shares and no participants have resigned from Patria as of the date hereof.

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 compensation 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.

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, 2023)

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	2	5	0	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.

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 plans to meet at least four times per year.

D. Employees

As of December 31, 2023, 2022 and 2021, we had 430, 385 and 390 employees, respectively. As of December 31, 2023, 193 of these employees were investment professionals. The table below breaks down our full-time personnel by function as of December 31, 2023:

Function	As of December 31, 2023	
	Number of Employees	% of Total
Management	18	4 %
Investment	168	39 %
Sales & IR	59	14 %
Corporate	185	43 %
Total	430	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.

Any outstanding shares beneficially owned by our directors and officers and/or entities affiliated with these individuals are disclosed in “Item 7. Major shareholders and Related Party Transactions—A. Major Shareholders.”

See “Item 6. Directors, Senior Management and Employees—B. Compensation—Long-Term Incentive Plan” for information on our share option long-term incentive programs.

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

We adopted a compensation recoupment policy on November 23, 2023. Please see Exhibit 97.1 to this annual report.

We have not been required to prepare an accounting restatement at any time during or after our last completed fiscal year and no recovery of awarded compensation is required pursuant to our compensation recoupment policy.

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, 2023, 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, 2023 on the basis of the following numbers of shares outstanding: 55,308,508 Class A common shares and 92,945,430 Class B common shares. Our free float consists of 54,247,400 of Class A common shares, which represents 98.1% of total Class A common shares and 5.5% of total voting power.

Unless otherwise indicated below, the address for each beneficial owner is c/o Patria Investments Limited, at 60 Nexus Way, 4th floor, Camana Bay, PO Box 757, KY1-9006, Grand Cayman, Cayman Islands.

Shareholders	Shares Beneficially Owned				% of Total Voting Power(1)
	Class A		Class B		
	Shares	%	Shares	%	
5% Shareholders					
Patria Holdings Limited(2)	177,943	0.3%	81,900,000	88.1%	83.2%
Entities affiliated with Capital Research Global Investors(3)	10,758,813	19.5%	—	—	1.1%
Entities affiliated with Capital International Investors(4)	3,982,865	7.2%	—	—	0.4%
Entities affiliated with Wellington Management Group LLP(5)	3,962,988	7.2%	—	—	0.4%
Entities affiliated with FMR LLC(6)	5,493,014	9.9%	—	—	0.6%
Entities affiliated with Grandeur Peak Global Advisors, LLC(7)	3,866,811	7.0%	—	—	0.4%
Entities affiliated with Blackrock, Inc.(8)	3,401,741	6.2%	—	—	0.3%
Executive Officers and Directors					
Alexandre Teixeira de Assumpção Saigh(2)(9)	177,943	0.3%	81,900,000	88.1%	83.2%
Olimpio Matarazzo Neto(2)(9)	177,943	0.3%	81,900,000	88.1%	83.2%
Pablo Javier Echeverría Benítez(10)	653,964	1.2 %	3,617,260	3.9 %	3.7 %
Sabrina Bridgett Foster	—	—	—	—	—
Jennifer Anne Collins	—	—	—	—	—
Glen George Wigney	—	—	—	—	—
Ana Cristina Russo	—	—	—	—	—
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(9)	—	—	—	—	—
Pedro Rufino Carvalho da Silva	—	—	—	—	—
Peter Paul Lorenzo Estermann	—	—	—	—	—
All directors and executive officers as a group (19 persons)	831,907	1.5 %	85,517,260	92.0	86.9
Total Free Float	54,247,400	98.1%	—	—	5.5%

* 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) This information is based solely on the Schedule 13G/A filed with the SEC on February 14, 2024 on behalf of Patria Holdings Limited, which consists of 57,462,802 Class B common shares held of record by Patria Holdings Limited and 24,437,198 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, 60 Nexus Way, 4th floor, Camana Bay, PO Box 757, KY1-9006, Grand Cayman, Cayman Islands.
- (3) This information is based solely on the Schedule 13G/A filed with the SEC on February 9, 2024 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.
- (4) This information is based solely on the Schedule 13G/A filed with the SEC on February 9, 2024 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.
- (5) This information is based solely on the Schedule 13G/A filed with the SEC on February 9, 2024 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.

- (6) This information is based solely on the Schedule 13G filed with the SEC on February 9, 2024 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.
- (7) This information is based solely on the Schedule 13G filed with the SEC on February 9, 2024 on behalf of Grandeur Peak Global Advisors, LLC. The address of such entity is 136 South Main Street, Suite 720, Salt Lake City, UT 84101.
- (8) This information is based solely on the Schedule 13G filed with the SEC on February 9, 2024 on behalf of Blackrock, Inc. The address of such entity is 50 Hudson Yards, New York, NY 10001.
- (9) While these executive officers and directors do not own common shares in Patria Investments Limited directly, they 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. Benitez does not own common shares in Patria Investments Limited directly, he owns equity interests in Inversiones Sao Paulo SpA and Inversiones Puerto Aventura Limitada, which are shareholders of Patria Investments Limited. This information includes the 653,964 Class A Common Shares beneficially owned by Mr. Benitez since January 2024. Mr. Benitez disclaims beneficial ownership of the shares held by Inversiones Sao Paulo SpA and Inversiones Puerto Aventura Limitada except to the extent, if any, of his respective pecuniary interest therein. The address of such entities 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\$6.9 million, US\$5.7 million and US\$2.8 million in the years ended December 31, 2023, 2022 and 2021, respectively. Additionally, we paid to certain of our partners an aggregate amount of US\$12.9 million as bonus compensation in the month of February 2024.

Carried Interest Allocation

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

Long-Term Incentive Plan

In 2021 and 2022, we introduced an equity incentive program 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 Incentive Plan" for additional information.

Strategic Bonus

Our employees in Chile are beneficiaries of certain long-term bonuses as part of the compensation for their services. See note 15(b) to our audited consolidated financial statements.

Lease Commitments

Certain lease payments were made for various office premises, a portion of which were paid by Moneda to its related party entity excluded from the acquisition of Moneda. The lease with the related party entity, Moneda III SpA (beneficially owned by Moneda's former partners), commenced in 2021 for Moneda Asset Management SpA, or "MAM I," and Moneda Corredores de Bolsa Limitada, or "MCB." Commencing in 2022, Moneda S.A. Administradora General de Fondos, or "MAGF," entered into a lease contract with Moneda III SpA. See note 31(g) to our audited consolidated financial statements.

Long-term investments

2023

We purchased shares on behalf of PBPE General Partner V, Ltd.'s investment fund Private Equity Fund V (PE V) in Lavoro Agro Limited ("Lavoro") for approximately US\$8.2 million. Lavoro was a private equity investment of PE V prior to going public and entering into a business combination (closed February 28, 2023) with an independent SPAC entity, formerly known as TPB Acquisition Corporation I.

2022

In 2022, we concluded the sale of a long-term investment held in Patria Crédito Estructurado Fondo de Inversión em Direitos Creditórios to Patria Holdings Limited, a shareholder of the Company, for a value of US\$5.2 million and realized gain of US\$0.8 million. The sale was concluded at a value that we believe reflects the fair market value of the investment and consistent with values that would have been realized through an arm's length transaction.

See note 31(c) to our audited consolidated financial statements.

Related Party Transaction Policy

In January 2021, we adopted 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

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, 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, 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.

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.

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 is 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, 2023, 2022 and 2021, dividends paid to our shareholders were US\$145.1 million, US\$103.3 million and US\$119.8 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, 2023, 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.”

Total dividends approved and declared for the year ended December 31, 2023 amounted to US\$145.1 million and a further US\$59.9 million were approved in February 2024 and paid in March 2024. Total dividends approved and declared for the year ended December 31, 2022 amounted to US\$103.3 million, and a further US\$45.3 million were approved in February 2023 and paid in March 2023 (included within the dividends declared and approved for the year ended December 31, 2023 amounting to US\$145.1 million).

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.

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 therefore as determined in accordance with applicable law.

Beginning in the first quarter 2024, we may elect to retain more than 15% of our Performance Related Earnings, net of a proportional share of corporate taxes, rather than distribute a full 85% as we aim to do with the rest of our Distributable Earnings. We expect to exercise this incremental retention, up to US\$100 million dollars, in order to fund M&A obligations and pay down debt, after which point, we will evaluate the appropriate distribution approach for these earnings going forward. 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).”

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, 2023, 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, 2023, we were party to four legal proceedings of a civil nature: (i) 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; (ii) one commercial dispute involving a group of investors seeking indemnification for alleged damages; and (iii) one commercial dispute filed by third parties seeking our joint liability in connection with the termination of a share purchase and sale agreement and other covenants entered into by a portfolio company of one of the funds managed by ourselves.

The aggregate estimated amount in connection with these proceedings is approximately US\$93.5 million (R\$452.5 million), for which no provisions have been made. We believe these proceedings are unlikely to have a material adverse impact on our operational results or financial condition.

Labor Matters

As of December 31, 2023, we were party to eight labor-related proceedings in an aggregate amount of US\$2.8 million (R\$13.4 million). The 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, on our operational results or financial condition.

Tax and Social Security Matters

As of December 31, 2023, we were involved in eleven 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. We believe these proceedings are unlikely to have a material adverse impact, individually or in the aggregate, on our operational results 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, 2023, the estimated value involved in this proceeding was US\$6.6 million (R\$31.9 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.
- 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, 2023, the estimated amount involved in this proceeding was US\$2.5 million (R\$12.2 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, 2023, 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\$6.6 million (R\$31.9 million). We do not believe that these judicial proceedings are material considering that none of them, individually, involve amounts above R\$15 million.
- In 2022, the Municipality of São Paulo filed one administrative proceeding against one of our subsidiaries (Patria Investimentos Ltda.), questioning the exemption of municipal tax over services, or "ISS". In 2023, the Municipality of São Paulo obtained favorable administrative decisions. In light of the outcome of such administrative proceedings, our subsidiaries filed legal proceedings to revert the administrative decisions and such legal proceedings are currently ongoing. As of December 31, 2023, the estimated amount involved in this proceeding was US\$4.4 million (R\$21.3 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.

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, one of our subsidiaries (Patria Investimentos Ltda.) was viewed as jointly liable for the payment of the underlying withholding income tax, together with fines and interest. We filed our 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 and second administrative instance. In Brazil, first administrative instance decisions are always reviewed by the Administrative Chamber of Tax Appeals, a second instance in administrative proceedings, and may also be reviewed by the higher court of the Administrative Chamber of Tax Appeals. 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, one of our subsidiaries (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. Offer and Listing Details

Not applicable.

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, Ugland 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, 55,308,508 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."

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 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 in accordance with the Memorandum and Articles of Association.

As of December 31, 2023, we had a total issued share capital of US\$14,825, divided into 148,253,938 common shares. Those common shares are divided into 55,308,508 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."

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 voting power of the issued and outstanding Class B common shares is less than 10% of the total voting power 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. 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

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 ordinary resolution, 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 four 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, Peter Paul Lorenço Estermann, Alexandre Teixeira de Assumpção Saigh, Pablo Javier Echeverría Benítez, 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. For more information on the current composition of our board of directors and our independent directors, see "Item 6. Directors, Senior Management and Employees—A. Directors and Senior Management."

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 "Item 6. Directors, Senior Management and Employees—C. Board Practices—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.

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 became 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, 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 a proper purpose and 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

See "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Registration Rights Agreement."

Subject to the lock-up agreements described below, in general, shareholders that are our affiliates are able to sell their shares in the public market from time to time without registering them, subject to certain limitations on the timing, amount and method of those sales imposed by regulations promulgated by the SEC. Furthermore, we 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."

Each Moneda Shareholder entered into a pledge, security, control and lock-up agreement with us, 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) entering 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) making any demand for the registration of any shares; held by such persons during the period beginning on the closing date of the Moneda acquisition and, provided that the fifth anniversary of the closing date has occurred, 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) 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, 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.

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

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.

An 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.

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 do not have 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 compensation 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.

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 have applied for and received an undertaking as to tax concessions pursuant to Section 6 of the Tax Concessions Act (As Revised) 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

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 2023 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 2024 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.

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.

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 www.sec.gov, from which you can electronically access this annual report.

I. Subsidiary Information

Not applicable.

J. Annual Report to Security Holders

If we are required to provide an annual report to security holders in response to the requirements of Form 6-K, we will submit the annual report to security holders in electronic format in accordance with the EDGAR Filer Manual.

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 30(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, 2023, 2022 and 2021 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.

As of December 31, 2023 and 2022, accounts receivable includes management fees from certain investment funds where collection has been postponed in 2023 considering their cash needs and classified as overdue. These overdue balances are related to the estimated asset realization dates within the investment funds and we understand they have no impact on the credit risk profile considering the nature of our operations as an investment manager and our customer base.

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. In addition, we have the option for certain financial instruments to be settled either in cash or through our own equity instruments, such as Class A common shares.

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, 2023, 2022 and 2021, to manage price risk arising from investment funds, we diversify our portfolio in accordance with the limits we set according to each strategy. We previously acquired derivatives in the 2022 financial year such as public warrants and call and put option arrangements from our merger and acquisition activity. For public warrants as it relates to our SPAC, we do not expect a material exposure to market risk nor do we expect it to have a material impact on our cash flow and financial position. We believe that call and put option arrangements included in the purchase agreements of businesses we acquired help us mitigate exposure to market risk as we carry out our expansion and growth strategy.

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.

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, 2023								
	Balance in each exposure currency(1)						Total Balance USD	Exchange Variation impact considering 10% change in the year end rates
	BRL	HKD	CLP	COP	GBP	USD		
(in thousands)								
Cash and cash equivalents	7,828.0	6,491.0	5,124,224.0	21,188,621.0	597.0	1,558.0	16,050.0	1,449.0
Client funds on deposit	—	—	15,027,219.0	—	—	—	17,055.0	1,706.0
Short term investments	17,204.0	—	2,308,439.0	—	—	198,336.0	204,510.0	617.0
Accounts receivable	108,120.0	38.0	7,874,868.0	4,385,717.0	202.0	109,599.0	142,263.0	3,266.0
Projects Advance	32,354.0	—	421,629.0	1,604,583.0	—	12,010.0	19,586.0	757.0
Deposit/guarantee on lease agreement	—	240.0	1,135,217.0	149,008.0	180.0	427.0	2,012.0	160.0
Client funds payable	—	—	15,027,219.0	—	—	—	17,055.0	(1,706.0)
Long-term investments	3,552.0	—	213,015.0	—	118.0	56,609.0	57,735.0	112.0
Carried interest allocation	11,854	—	—	—	—	29,481	31,929	(245.0)
Commitment subject to possible redemption	—	—	—	—	—	187,356.0	187,356.0	—
Consideration payable on acquisition	38,773	—	—	—	—	1,020	35,029	(3,401.0)
Contingent consideration payable on acquisition	88,116.0	—	—	—	—	—	18,201.0	(1,820.0)
Derivative financial instruments - Assets	15,521	—	—	—	—	—	3,206	320.0
Derivative financial instruments - Liability	—	—	—	—	—	321.0	321.0	—
Gross obligation under put option	395,261	—	—	—	—	—	92,926	3,118.0
Suppliers	(6,285.0)	244.0	2,001,294.0	2,626,609.0	205.0	2,865.0	4,808.0	(195.0)
Net Impact								4,138.0

(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, 2022

	Balance in each exposure currency(1)						Total Balance USD	Exchange Variation impact considering 10% change in the year end rates	
	BRL	HKD	CLP	COP	GBP	USD			
	(in thousands)								
Cash and cash equivalents	17,890	8,320	10,425,880	613,325	2,280,000	6,937	26,519	1,959	
Client funds on deposit	—	—	20,173,411	—	—	—	23,639	2,364	
Short term investments	23,621	—	2,496,932	—	—	278,402	285,855	745	
Accounts receivable	103,337	38	7,180,833	105,442	2,000	103,411	131,659	2,825	
Projects Advance	17,883	273	864	10,131	120,000	3,030	6,640	361	
Deposit/guarantee on lease agreement	—	264	957,240	83,079	180,000	393	1,782	139	
Client funds payable	—	—	20,173,411	—	—	—	23,639	(2,364)	
Long-term investments	3,361	—	67,912	—	117,925	34,391	35,257	86	
Carried interest allocation	18,085	—	—	—	—	8,984	12,450	(347)	
Commitment subject to possible redemption	—	—	—	—	—	234,145	234,145	—	
Consideration payable on acquisition	86,421	—	—	—	—	1,594	18,157	(1,656)	
Contingent consideration payable on acquisition	47,338	—	—	—	—	12,891	21,963	(908)	
Derivative financial instruments - Assets	32,985	—	—	—	—	—	6,322	632	
Derivative financial instruments - Liability	—	—	—	—	—	1,053	1,053	—	
Gross obligation under put option	383,123	—	—	—	—	—	73,428	(7,342)	
Suppliers	2,561	300	950,438	41,475	99,000	1,485	3,256	(176)	
Net Impact								(3,682)	

(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, 2023. 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, 2023 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).

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.

In accordance with guidance issued by the SEC, companies are permitted to exclude acquisitions from their first assessment of internal control over financial reporting for the first fiscal year in which the acquisition occurred. Our evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2023 did not include the internal controls of Patria Asset Management S.A. and Kamaroopin Gestora de Recursos Ltda. and Hanuman GP Cayman, LLC (collectively “Kamaroopin”), as these deals were closed in 2023. For more information on these acquisitions, see “Item 4. Information on the Company—A. History and Development of the Company—Our History.”

The acquired businesses combined contributed revenues of US\$ 3.0 million (approximately 0.9% of our consolidated revenue) and net profit of US\$ 0.8 million (approximately 0.7% of our consolidated net profit) to us for the year ended December 31, 2023, as well as total assets of US\$ 7.7 million (approximately 0.8% of our consolidated total assets) as of December 31, 2023.

Our management has assessed the effectiveness of our internal control over financial reporting as of December 31, 2023. 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, 2023.

C. Attestation Report of the Registered Public Accounting Firm

Deloitte Touche Tohmatsu Auditores Independentes Ltda., the independent registered certified public accounting firm who audited the Company’s consolidated financial statements included in this Form 20-F, has issued a report on the Company’s internal control over financial reporting, which is included herein.

D. Changes in Internal Control Over Financial Reporting

We extended our oversight and monitoring processes that support our internal control over financial reporting, as appropriate, to include VBI’s financial position, results of operations and cash flow into our consolidated financial statements through December 31, 2023. We are continuing to integrate the operations of VBI into our overall internal control over financial reporting and related processes. Except as disclosed in this paragraph, there were no other changes in our internal control over financial reporting (as the term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the year ended December 31, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16. [RESERVED]

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

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 adopted a code of ethics that applies to all of our employees, officers and directors and have posted the full text of our code of ethics on the investor relations section of our website, www.patria.com. Our code of ethics was revised in September 2022 to update certain procedures and reflect our integration with Moneda, such as information on the procedures related to gifts and entertainment, donations and sponsorships, among others. None of these changes were material and were only conducted to reflect the integration process with Moneda.

We intend to disclose future material 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, 2023 and 2022. Our independent registered public accounting firm was Deloitte Touche Tohmatsu Auditores Independentes Ltda. for the years ended December 31, 2023 and 2022.

	2023	2022
	(in US\$ thousands)	
Audit fees	1,392	803
Audit-related fees	27	578
Tax fees	18	91
All other fees	—	—
Total	1,437	1,472

Audit Fees

Audit fees are fees billed for professional services rendered by the principal accountant for the audit of the registrant's annual consolidated 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 may include audit, attestation, review and due diligence services that are not required by statute or regulation.

Tax Fees

The tax services provided to the Company relating to tax compliance.

All Other Fees

In 2023 and 2022, 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 compensation 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.

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.

ITEM 16J. INSIDER TRADING POLICIES

Not applicable.

ITEM 16K. CYBERSECURITY

Cybersecurity Risk Management and Strategy

We are committed to maintaining a robust cybersecurity infrastructure to safeguard the integrity and confidentiality of our digital assets, including the data of our investors, employees, portfolio companies, and business partners against potential cyber threats, incidents and vulnerabilities. Our cybersecurity framework is an integral part of our risk management and encompasses a comprehensive suite of policies and procedures aimed at strengthening our systems and operations according to industry best practices as discussed below. This framework is supported by a variety of security measures tailored to mitigate risk and enhance our defense mechanisms, including threats and incidents associated with the use of applications developed or services rendered by third-party service providers. These measures include, but are not limited to, the implementation of digital access controls, patch management protocols, identity verification processes, and the deployment of mobile device management solutions. Additionally, we employ security baselines and tools designed to detect and report anomalous activities, alongside continuous monitoring of data usage and the management of our hardware and software resources. With respect to third party service providers, our measures also include risk and compliance assessments and certain contractual obligations in vendor agreements.

To ensure the efficacy of our cybersecurity defenses, we conduct regular assessments through both automated and manual vulnerability scanning techniques. These assessments are critical in identifying and addressing potential security gaps. Our evaluation process also involves an annual review of our cybersecurity framework, benchmarking its performance against industry standards and recognized frameworks, such as those provided by the National Institute of Standards and Technology (NIST).

We also engage an independent third-party entity to conduct annual external penetration testing, as well as periodic evaluations of our cybersecurity measures. These assessments are instrumental in validating the effectiveness of our security strategies. Recognizing the importance of human factors in cybersecurity, we actively promote awareness and training among our employees on an ongoing basis. This is achieved through targeted internal communications, videos, and regular phishing awareness campaigns, which simulate real-world threats to enhance employee vigilance and response capabilities.

In addition, we have established a comprehensive Cybersecurity Incident Response (CIR) protocol to manage the escalation and resolution of suspected or confirmed cybersecurity events. The CIR protocol outlines the formation of a dedicated response team, comprising individuals from various technical and managerial departments, to investigate and remediate incidents. This team is also responsible for determining the need for external advisory support, including legal, forensic, and law enforcement assistance. Post-incident, the CIR protocol guides the ongoing monitoring and remediation efforts to prevent recurrence. The effectiveness and relevance of the CIR are reviewed on an annual basis by our Chief Information Security Officer (CISO), alongside members of our Information Technology (IT) and Internal Controls teams.

Cybersecurity Governance

Our cybersecurity team is led by our CISO, who works closely with our senior management. The CISO reported to our Chief Technology Officer (“CTO”) until January 2024. Since January 2024, our CISO reports directly to our Chief Information Officer (“CIO”). The CISO is responsible for developing and advancing our cybersecurity strategy.

Our Board of directors has overall oversight responsibility for our cybersecurity risk management program, but has also delegated certain matters regarding our cybersecurity risk management oversight to our audit committee. Our audit committee is responsible for ensuring that management, through our CISO, CTO and CIO, has processes in place designed to identify and evaluate cybersecurity risks to which we are exposed and implement processes and programs to manage cybersecurity risks and mitigate cybersecurity incidents.

Our CISO or CIO reports to our full board of directors and the audit committee at least annually on cybersecurity matters, including related risks. These reports also include, as applicable, an overview of cybersecurity incidents. The audit committee also reports material cybersecurity risks to our full board of directors, as applicable.

We believe our team has solid experience in cybersecurity and technology. Our previous CISO, Ronaldo Toshio, was one of our Vice Presidents. He has a graduate degree in system analysis from FASP (Faculdades Associadas de São Paulo) and an MBA in cybersecurity from FIAP (Faculdade de Informática e Administração Paulista). He was responsible for all aspects regarding our cybersecurity. Before joining us, Mr. Toshio worked for thirteen years at Itaú Unibanco group. He left Patria in January 2024. Our new CISO, Mr. Leonardo Martinez Larramendy, joined Patria in March 2024. He has a bachelor's degree in systems analysis from ORT Uruguay University. He received the CISSP (Certified Information Systems Security Professional) certification in 2003 (which has been renewed annually) and holds a Master's degree in Telecommunication and Networks from ORT Uruguay University. Before joining Patria, he led the cybersecurity area at Santander group, Uruguay, from 2009 to 2024.

Our CTO, Mr. Marco Gonçalves, is a Senior Vice President and responsible for all our infrastructure initiatives. Before joining Patria in 2003, Mr. Gonçalves worked for five years at JPMorgan Chase and three years at Banco Patrimônio. Mr. Gonçalves has a bachelor's degree in data processing technology from FATEC-SP (Faculdade de Tecnologia de São Paulo), a post graduate degree in process management and engineering for software development from FIAP and an MBA in strategic information technology management from Fundação Getulio Vargas –FGV.

Our CIO, Angelo Figaro Egido, is one of our officers and Head of IT, being responsible for all our technology. Before joining Patria in 2023, Mr. Figaro Egido was the CIO and VP of innovation and digital for Latin America for Renault-Nissan-Mitsubishi group regarding digital, security, infrastructure, systems, and digital products and was in charge of all information technology operations for Latin America.

Our CISO, CTO and CIO review the scope of our cybersecurity measures periodically, including in the event of a change in business practices that may implicate the security or integrity of our information and systems.

The CIO promotes the implementation of processes and programs to manage cybersecurity risks and remediate cybersecurity incidents. Management is responsible for identifying, considering, and assessing material cybersecurity risks on an ongoing basis, establishing processes to ensure that such potential cybersecurity risk exposures are monitored, putting in place appropriate mitigation measures and maintaining cybersecurity programs. Our cybersecurity programs are under the direction of our CIO who receives reports from our cybersecurity team and monitors the prevention, detection, mitigation, and remediation of cybersecurity incidents.

In 2023, we did not identify any cybersecurity threats that have materially affected or are reasonably likely to materially affect our business strategy, results of operations, or financial condition. However, despite our efforts, we cannot eliminate all risks from cybersecurity threats, or provide assurances that we have not experienced an undetected cybersecurity incident.

PART III**ITEM 17. FINANCIAL STATEMENTS**

We have responded to Item 18 in lieu of this item.

ITEM 18. FINANCIAL STATEMENTS

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:

Exhibit No.	Exhibit
2.1*	Description of Securities registered under Section 12 of the Exchange Act.
3.1	Amended and Restated 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 (incorporated herein by reference to Exhibit 4.1 to the Annual Report on Form 20-F (File No. 001-39911) filed with the SEC on April 28, 2022).
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 (incorporated herein by reference to Exhibit 4.2 to the Annual Report on Form 20-F (File No. 001-39911) filed with the SEC on April 28, 2022).
6.1	Long-Term Incentive Plan (incorporated herein by reference to Exhibit 99 to the Company's Registration Statement on Form S-8 (File No. 333-268577) filed with the SEC on November 28, 2022).
6.2	Long-Term Incentive Plan (incorporated herein by reference to Exhibit 99 to the Company's Registration Statement on Form S-8 (File No. 333-277375) filed with the SEC on February 26, 2024).
6.3	Bonus Share Plan (incorporated herein by reference to Exhibit 99 to the Company's Registration Statement on Form S-8 (File No. 333-277376) filed with the SEC on February 27, 2024).
8.1*	List of subsidiaries.
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.
23.1*	Consent of Deloitte Touche Tohmatsu Auditores Independientes Ltda.
97.1*	Compensation recoupment policy.
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 26, 2024

By: /s/ Alexandre Teixeira de Assumpção Saigh

Name: Alexandre Teixeira de Assumpção Saigh

Title: Chief Executive Officer

By: /s/ Ana Cristina Russo

Name: Ana Cristina Russo

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 Financial Statements

We have audited the accompanying consolidated statements of financial position of Patria Investments Limited and subsidiaries (the "Company") as of December 31, 2023 and 2022, the related consolidated income statements and consolidated statements of comprehensive income, of changes in equity and cash flows for each of the three years in the period ended December 31, 2023, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with International Financial Reporting Standards - IFRS as issued by the International Accounting Standards Board - IASB.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) - PCAOB, the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control - Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated April 26, 2024, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission - SEC and the PCAOB.

We conducted our audit 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 financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the 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 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 financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Goodwill - Moneda Cash-generating Units - Refer to Notes 4 (j) and 14 (d,e) to the financial statements

Critical Audit Matter Description

The Company's evaluation of goodwill for impairment involves the comparison of the value in use of each cash-generating unit to its carrying value. The Company used the discounted cash flow model to estimate fair value, which requires Management to make significant estimates and assumptions related to discount rates and forecasts of future revenues. Changes in these assumptions could have a significant impact on either the fair value, the amount of any goodwill impairment charge, or both. The goodwill balance was \$311,174 thousand as of December 31, 2023, of which \$239,879 thousand was allocated to the Moneda cash-generating Unit ("Moneda"). The value in use of the cash-generating units exceeded their carrying value as of the measurement date and, therefore, no impairment was recognized.

We identified goodwill as a critical audit matter because of the significant judgments made by Management to estimate the value in use of each cash-generating unit. This required a high degree of auditor judgment and an increased extent of effort to evaluate the forecasts of future revenue, including the need to involve our fair value specialists, when performing audit procedures to evaluate the reasonableness of Management's estimates and assumptions related to selection of the discount rate.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the discount rate and forecasts of future revenue used by Management to estimate the value in use of Goodwill included the following, among others:

- We tested the effectiveness of controls over Management's goodwill impairment evaluation, including those over the determination of the value in use of the cash-generating units, such as controls related to Management's selection of the discount rate and forecasts of future revenue.
- We evaluated Management's ability to accurately forecast future revenues by comparing actual results to Management's historical forecasts.
- We evaluated the reasonableness of Management's revenue forecasts by comparing the forecasts to historical revenues and to available macroeconomic information, and by performing sensitivity analysis over the forecasted revenue using different scenarios.
- With the assistance of our fair value specialists we: (i) evaluated the appropriateness of the discounted cash flow model; (ii) tested the mathematical accuracy of the discounted cash flow projections; (iii) tested the discount rate by developing a range of independent estimates and comparing those to the discount rate selected by Management.
- We evaluated the adequacy of the Company's disclosures in the financial statements.

Revenue from performance fees - Refer to Notes 4 (n) and 21 to the financial statements

Critical Audit Matter Description

The Company recognizes revenue from performance fees at a point in time when the related uncertainties are resolved and transaction prices can be estimated, resulting in a revenue recognition without significant chance of reversal, thus indicating high probability of economic benefits and cash inflow to the Group. The accounting for these revenues involves judgment and evaluation of uncertainties, particularly as it relates to the process of estimating total transaction price and determining the timing of recognition. As of December 31, 2023, net revenue from services was \$327,617 thousand, of which \$74,712 thousand relate to revenue from performance fees.

Given the judgments necessary to determine the timing and estimate total transaction price, auditing such estimates required an extensive audit effort due to the volume and judgment involved when performing audit procedures and evaluating the results of those procedures.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to Management's estimates of total transaction price and to determine timing of recognition included the following, among others:

- We tested the effectiveness of controls over performance fees revenue, including Management's controls over the estimates of total transaction prices and to determine timing of recognition for performance fees.
- We performed the following procedures to conclude whether the Group have recorded revenue from performance fees timely:
 - We inspected the limited partner's agreement for all funds managed relevant components of the Group to evaluate whether the Group is entitled to earn performance fees.
 - For all funds where the Group is entitled to performance fee, we evaluated whether there were indicatives that performance fees should be recognized by using internal and external information.
 - For the funds where we identified such indicatives, we confirmed whether revenues were recorded.
- For the significant components we tested the total revenue from performance fees recorded by performing the following:
 - We obtained performance fee calculation prepared by Management and compared to recorded amounts.
 - Tested the relevant inputs of the calculation by: (i) comparing the amount of proceeds (received or to be received by the Funds) to relevant support documentation that may include sales and purchase agreements, minutes of investing committee meetings, and other documents; (ii) tested accuracy and completeness of capital increases and distributions at fund level; (iii) tested the terms of limited partner's agreements by comparing them to the inputs included in the calculation.
 - Tested the mathematical accuracy of management's calculation.

We evaluated the adequacy of the Company's disclosures in the financial statements related to the revenue.

/s/ DELOITTE TOUCHE TOHMATSU

Audidores Independentes Ltda.

São Paulo, Brazil

April 26, 2024.

We have served as Company's auditors since



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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 Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Patria Investments Limited and subsidiaries (the “Company”) as of December 31, 2023, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control - Integrated Framework (2013) issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) - PCAOB, the consolidated financial statements as of and for the year ended December 31, 2023 of the Company, and our report, dated April 26, 2024, expressed an unqualified opinion on those financial statements.

As described in Management’s Annual Report on Internal Control over Financial Reporting, Management excluded from its assessment the internal control over financial reporting of Kamaroopin Gestora de Recursos Ltda. and Hanuman GP Cayman, LLC (collectively “Kamaroopin”) and Patria Asset Management S.A., which were acquired on April 12, 2023 and November 1, 2023, respectively, and whose combined financial statements constitute approximately 1% total assets and net revenues of the consolidated financial statements amounts as of and for the year ended December 31, 2023. Accordingly, our audit did not include the internal control over financial reporting at Kamaroopin and Patria Asset Management S.A.

Basis for Opinion

The Company’s Management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission - SEC and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of Management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

We evaluated the adequacy of the Company's disclosures in the financial statements related to the revenue.

São Paulo, April 26, 2024

/s/ DELOITTE TOUCHE TOHMATSU
Auditores Independentes Ltda.

We have served as Company's auditors since 2012.

Patria Investments Limited

Consolidated Statement of Financial Position
As of December 31, 2023 and December 31, 2022
(In thousands of United States dollars – US\$)

Assets	Note	12/31/2023	12/31/2022	Liabilities and equity	Note	12/31/2023	12/31/2022
Cash and cash equivalents	6	16,050	26,519	Client funds payable	7	17,055	23,639
Short term investments	12(a)	204,510	285,855	Consideration payable on acquisition	20(b)	59,087	33,187
Client funds on deposit	7	17,055	23,639	Personnel and related taxes payable	15	28,772	27,076
Accounts receivable	8	127,363	125,405	Taxes payable	16	3,902	878
Project advances	9	17,614	5,693	Carried interest allocation	22(b)	9,352	10,370
Recoverable taxes	11	4,014	5,672	Derivative financial instruments	12(d)	321	1,053
Other current assets	10	11,781	6,853	Commitment subject to possible redemption	20(c)	187,356	234,145
Derivative financial instruments	12(d)	3,206	—	Gross obligation under put option	20(d)	81,588	—
Current assets		401,593	479,636	Other current liabilities	17	10,065	7,652
Accounts receivable	8	14,900	6,254	Current liabilities		397,498	338,000
Project advances	9	1,972	947	Personnel liabilities	15	2,946	1,724
Deferred tax assets	18	15,472	1,749	Consideration payable on acquisition	20(b)	42,853	33,414
Other non-current assets	10	3,798	1,948	Carried interest allocation	22(b)	22,577	2,080
Long-term investments	12(b)	57,735	35,257	Gross obligation under put option	20(d)	11,338	73,428
Derivative financial instruments	12(d)	—	6,322	Other non-current liabilities	17	13,024	14,134
Investments in associates	12(c)	911	7,977	Non-current liabilities		92,738	124,780
Property and equipment	13	28,185	24,627	Total liabilities		490,236	462,780
Intangible assets	14	487,012	411,521	Capital	28(a)	15	15
Non-current assets		609,985	496,602	Additional paid-in capital	28(b)	500,694	485,180
Total assets		1,011,578	976,238	Capital reserves	28(d)	2,960	1,495
				Retained earnings		50,831	77,576
				Cumulative translation adjustment	28(f)	(12,011)	(11,478)
				Equity attributable to the owners of the Company		542,489	552,788
				Non-controlling interests	28(g)	(21,147)	(39,330)
				Equity		521,342	513,458
				Total liabilities and equity		1,011,578	976,238

The accompanying notes are integral parts of these consolidated financial statements.

Patria Investments Limited**Consolidated Income Statement****For the years ended December 31, 2023, 2022 and 2021***(In thousands of United States dollars - US\$, except earnings per share)*

	Note	2023	2022	2021
Net revenue from services	21	327,617	258,877	235,515
Personnel expenses	22	(78,778)	(69,779)	(47,604)
Carried interest allocation	22	(25,257)	(10,171)	(30,204)
Deferred consideration	20(b)	(22,961)	(24,444)	(2,037)
Amortization of intangible assets	23	(22,370)	(17,379)	(6,973)
General and administrative expenses	24	(39,159)	(31,150)	(14,332)
Other income/(expenses)	25	(18,666)	(9,265)	(12,506)
Share of equity-accounted earnings	12(c)	(753)	(2,351)	—
Net financial income/(expense)	26	(1,674)	8,115	(287)
Net Income before income tax		117,999	102,453	121,572
Income tax	27	2,816	(8,349)	(381)
Net income for the year		120,815	94,104	121,191
Attributable to:				
Owners of the Company		118,400	92,957	122,476
Non-controlling interests	28(g)	2,415	1,147	(1,285)
Basic earnings per thousand shares	28(e)	0.79888	0.63141	0.90066
Diluted earnings per thousand shares	28(e)	0.79634	0.63139	0.90066

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, 2023, 2022 and 2021
(In thousands of United States dollars - US\$)

	2023	2022	2021
Net income for the year	120,815	94,104	121,191
<i>Items that may be reclassified to the income statement:</i>			
Currency translation adjustment	(533)	(1,856)	(3,378)
Currency translation adjustment – non-controlling interests	(459)	1,284	(88)
Total comprehensive income	119,823	93,532	117,725
Attributable to:			
Owners of the Company	117,867	91,101	119,098
Non-controlling interests	1,956	2,431	(1,373)

The accompanying notes are integral parts of these consolidated financial statements.

Patria Investments Limited
Consolidated Statement of Changes in Equity
For the years ended December 31, 2023, 2022 and 2021
(In thousands of United States dollars - US\$)

	Notes	Attributable to owners							Non-controlling interests	Total Equity
		Capital	Additional paid-in capital	Capital reserves	Retained earnings	Cumulative translation adjustment	Equity attributable to owners of the Parent			
Balance at December 31, 2020		1	1,557	—	62,001	(6,244)	57,315	1,758	59,073	
Cumulative translation adjustment		—	—	—	—	(3,378)	(3,378)	(88)	(3,466)	
Share Split		11	(11)	—	—	—	—	—	—	
Capital issuance	28(a)	3	510,296	—	—	—	510,299	—	510,299	
Transaction costs	28(a)/28(b)	—	(27,047)	—	—	—	(27,047)	—	(27,047)	
Net income for the year		—	—	—	122,476	—	122,476	(1,285)	121,191	
Dividends declared	28(c)	—	—	—	(96,529)	—	(96,529)	—	(96,529)	
Share based incentive plan	28(d)	—	—	764	—	—	764	—	764	
Changes in interest of subsidiaries		—	385	—	—	—	385	(385)	—	
Balance at December 31, 2021		15	485,180	764	87,948	(9,622)	564,285	—	564,285	
Cumulative translation adjustment		—	—	—	—	(1,856)	(1,856)	1,284	(572)	
Net income for the year		—	—	—	92,957	—	92,957	1,147	94,104	
Dividends declared	28(c)	—	—	—	(103,329)	—	(103,329)	—	(103,329)	
Share based incentive plan	28(d)	—	—	731	—	—	731	—	731	
Non-controlling interests	29	—	—	—	—	—	—	13,729	13,729	
Gross obligation under put option	28(g)	—	—	—	—	—	—	(55,490)	(55,490)	
Balance at December 31, 2022		15	485,180	1,495	77,576	(11,478)	552,788	(39,330)	513,458	
Cumulative translation adjustment		—	—	—	—	(533)	(533)	(459)	(992)	
Net income for the year		—	—	—	118,400	—	118,400	2,415	120,815	
Dividends declared	28(c)	—	—	—	(145,145)	—	(145,145)	(3,663)	(148,808)	
Share based incentive plan	28(d)	—	—	1,465	—	—	1,465	—	1,465	
Capital contributions	28(g)	—	—	—	—	—	—	4,743	4,743	
Capital issuance	28(g)	—	15,514	—	—	—	15,514	—	15,514	
Non-controlling interests	29(b)	—	—	—	—	—	—	15,147	15,147	
Balance at December 31, 2023		15	500,694	2,960	50,831	(12,011)	542,489	(21,147)	521,342	

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, 2023, 2022 and 2021
(In thousands of United States dollars - US\$)

	Note	2023	2022	2021
Cash flows from operating activities				
Net income for the year		120,815	94,104	121,191
Adjustments to net income for the year				
Depreciation expense	13	4,747	3,825	1,783
Amortization expense	23	22,370	17,379	6,973
Net financial investment income	26	(2,120)	(2,345)	(355)
Unrealized (gains)/losses on long-term investments	26	2,952	(5,322)	(226)
Unrealized (gains)/losses on warrant liability	26	(690)	(3,115)	—
Unrealized (gains)/losses on other derivative financial instruments	26	3,934	(2,990)	—
Unrealized (gains)/losses on asset-linked receivable	26	(3,503)	—	—
Contingent consideration adjustments	25	(9,422)	(12,322)	—
Gross obligation under put - unwinding	25	11,666	3,533	—
Deferred consideration adjustments	25	788	729	—
Gain on associate derecognition	25	(4,199)	—	—
Interest expense on lease liabilities	26	1,243	1,807	1,022
Deferred income taxes expense	27	(13,316)	1,565	(1,311)
Current income taxes expense	27	10,500	6,784	1,692
Share of equity accounted earnings	12(c)	753	2,351	—
Share based incentive plan	22	1,465	731	764
Other non-cash effects		621	439	635
Changes in operating assets and liabilities				
Accounts receivable		(12,602)	(23,067)	(62,745)
Projects advances		(12,589)	(2,896)	(2,173)
Recoverable taxes		1,909	(2,423)	(2,570)
Personnel and related taxes		2,469	(12,877)	27,596
Carried interest allocation		19,234	868	11,582
Deferred consideration payable on acquisition	20(b)	22,229	24,444	2,037
Taxes payable and deferred taxes		(4,493)	(8,620)	1,182
Payment of income taxes		(3,254)	(621)	(221)
Other assets and liabilities		1,816	1,238	1,905
Payment of placement agent fees	14	(6,598)	(5,263)	(1,200)
Net cash provided by operating activities		156,725	77,936	107,561
Cash flows from investing activities				
Decrease (increase) in short term investments		31,076	108,855	(141,745)
Decrease (increase) in long-term investments		(9,793)	(12,069)	(17,873)
Investment into SPAC trust account		(2,100)	(236,900)	—
Proceeds from redemptions from the SPAC trust account		65,164	—	—
Payment of business acquisition payable	20(b)(v)	—	(16,437)	—
Acquisition of property and equipment	13	(5,870)	(5,439)	(1,551)
Acquisition of software and computer programs	14	(992)	(1,273)	(292)
Acquisition of investments in associates		(528)	(7,789)	—
Acquisition of contractual rights		(8,158)	—	—
Acquisition of subsidiaries, net of cash acquired	29	(6,633)	(18,295)	(122,767)
Net cash provided by/used in investing activities		62,166	(189,347)	(284,228)
Cash flows from financing activities				
IPO proceeds	28(b)	—	—	302,722
IPO transaction costs		—	—	(3,204)
IPO proceeds – SPAC *	5(a)	—	230,000	—
IPO transaction costs – SPAC		—	(4,665)	—
Proceeds from credit facility	20(e)	25,000	—	—
Repayment of credit facility and fees	20(e)	(26,253)	—	—
Redemptions from SPAC shareholders	20(c)	(65,164)	—	—
Dividends paid to the Company's shareholders	28(c)	(145,145)	(103,329)	(119,788)
Dividends paid to non-controlling interests in subsidiaries		(3,639)	—	—
Capital contributions received from non-controlling interest (NCI) shareholders		3,657	—	—
Payment of acquisition payable	20(b)(v)	(14,684)	—	—
Lease payments	20(a)	(2,156)	(1,652)	(832)
Interest paid on lease liabilities	20(a)	(1,243)	(1,807)	(1,007)
Net cash provided by/used in financing activities		(229,627)	118,547	177,891
Foreign exchange variation on cash and cash equivalents in foreign currencies		267	1,004	(12)
(Decrease)/Increase in cash and cash equivalents		(10,469)	11,255	1,212
Cash and cash equivalents at the beginning of the year	6	26,519	15,264	14,052
Cash and cash equivalents at the end of the year	6	16,050	26,519	15,264
(Decrease)/Increase in cash and cash equivalents		(10,469)	11,255	1,212
Non-cash operating, investing and financing activity				
Transfer of long-term investment with a corresponding decrease in liability		—	—	300
Addition and disposal of right of use assets		1,860	5,009	8,783
IPO transaction costs decrease in assets with corresponding decrease in equity		—	—	624
IPO transaction costs accrual increase in liability with corresponding decrease in equity		—	—	427
Changes in interest of subsidiaries		—	—	385
Acquisition of subsidiaries through share issuance of Company's Class A common shares		—	—	184,789
Contingent consideration payable on acquisition		4,707	9,072	25,775
Consideration payable on acquisition		29,748	18,156	16,437
VBI - Gross obligation under put option		—	65,544	—
Igah – Gross obligation under put option		—	7,666	—
SPAC Private Placement Warrants issued by SPAC to Sponsor		—	9,251	—
Issuance of SPAC Class A ordinary shares subject to possible redemption		—	220,458	—
Amortization of SPAC issuance costs to accrete SPAC Class A ordinary shares to redemption value		6,166	10,276	—
Interest earned on SPAC trust account subject to redemption		10,109	3,411	—
Capital contribution from NCI shareholders in lieu of dividend payable to NCI shareholders		1,086	—	—
Company Class A common shares issued		15,514	—	—

*Includes proceeds received for derivative financial instruments included in Units issued by SPAC

The accompanying notes are integral parts of these consolidated financial statements.

Patria Investments Limited

Notes to the consolidated financial statements

As of December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021

*(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. 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 Limited. (the "Parent"), which held 55.36% of the Company's common shares as of December 31, 2023 (December 31, 2022: 55.95%). The Parent is ultimately 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:

Investment product	Description
Infrastructure development funds	private equity approach applied to infrastructure assets;
Co-investment funds	focused on companies from its flagship funds;
Constructivist equity funds	private equity approach to listed companies;
Credit funds	business combination in 2021 with Moneda Asset Management SpA ("MAM I") and Moneda II SpA ("MAM II") (collectively "Moneda");
Real estate funds	increased in 2022 with the controlling acquisition of VBI Real Estate Gestão de Carteiras S.A. ("VBI") and controlling acquisition of Patria Asset Management S.A ("PAM") in partnership with Bancolombia to expand real estate capabilities into Colombia – note 29;
Venture capital and growth funds	through business combination in 2022 with Igah Partners LLC ("Igah Ventures") and PEVC I General Partner IV, Ltd. ("Igah IV") and Igah Carry Holding Ltd (collectively "Igah"). In addition, during 2023 (note 29) Kamaroopin Gestora de Recursos Ltda. ("Kamaroopin Ltda") and Hanuman GP Cayman, LLC (collectively "Kamaroopin").

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 (United States), London (United Kingdom), Dubai (UAE), and Hong Kong 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 60 Nexus Way, 4th floor, Camana Bay, Grand Cayman, Cayman Islands.

There are no material uncertainties that casts significant doubt upon the Company's and Group's ability to continue as a going concern. As such the use of going concern basis of accounting is considered appropriate.

These audited consolidated financial statements for the years ended December 31, 2023, 2022 and 2021 include the financial information regarding the Company and its subsidiaries, as described in note 5.

Patria Investments Limited

Notes to the consolidated financial statements

As of December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021

(Amounts in thousands of United States dollars - US\$, except where otherwise stated)

2 Presentation of financial statements

a. Statement of compliance and basis of preparation

The consolidated financial statements have been prepared in accordance with the 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 22, 2024.

b. Functional and presentation currency

The consolidated financial statements are presented in United States dollars (USD), the functional currency of the Company. 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 and note 5 for the functional currency determined for each entity.

c. Change in Consolidated Income Statement presentation

The Group had previously revised the presentation of its Consolidated Income Statement in accordance with IAS 1 for the audited consolidated financial statements for the years ended December 31, 2022 and 2021. Previously, the Consolidated Income Statement provided a classification of expenses based on its function within the Company. Management has concluded that a classification of expenses based on its nature provides a more meaningful representation of the financial performance of the Group.

This change in presentation has no impact on the Group’s prior years reported net income, earnings per share, consolidated statement of cash flows and consolidated statement of changes in equity.

d. 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) recoverability of deferred tax assets, using projections of future cash flows and anticipated income and expenses growth rates, as well as considering the timing of utilization of net operating losses, temporary differences and applicable caps 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;

Patria Investments Limited

Notes to the consolidated financial statements

As of December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021

(Amounts in thousands of United States dollars - US\$, except where otherwise stated)

- (vi) the fair value of financial instruments, and the share based incentive plan, using inputs that are primarily unobservable;
- (vii) fair values of identifiable assets and contingent consideration from business combination transactions and consideration transferred as part of the purchase price allocation;
- (viii) The expected redemption amount of gross obligation in respect of written put option arrangements; and
- (vx) recoverable amounts of cash-generating units, including 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, real estate, and advisory and distribution.

4 Material accounting policies

The material accounting policies described below have been consistently applied in the preparation of the consolidated financial statements, with the exception of the International Tax Reform-Pillar Two Model Rules (Amendments to IAS 12), which is effective from 1 January 2023 and applied retrospectively (note 27) ; the Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) applied from 1 January 2023, and the Definition of an Accounting Estimate (Amendments to IAS 8) applied from 1 January 2023.

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 does not control an investee when it exercises decision-making rights delegated to it. In these situations, the Company may invest in certain investment funds that it manages holding investment fund units with the same rights as the other investment fund investors. The investment funds and their investees are not consolidated by the Company, given that they operate as agents. These investments did not give the Company control nor significant influence over the respective investment funds.

Additionally, although the Group may exercise some level of significant influence over investments held in other investment funds in which it invests, it does not have control over the underlying portfolio companies held by those funds. Therefore, these investments are classified and accounted for as Fair Value Through Profit or Loss ("FVTPL") in accordance with IFRS 9 – Financial Instruments. Details of these investment funds are included in note 12.

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.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Patria Investments Limited

Notes to the consolidated financial statements

As of December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021

(Amounts in thousands of United States dollars - US\$, except where otherwise stated)

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

b. Investments in associates

Associates are companies in which the Group holds an interest and over which the Group has a significant influence but does not have control. In assessing significant influence, the Group considers the investment held and its power to participate in the financial and operating policy decisions of the investee through its voting or other rights. Investments in these companies are initially recognized at cost of acquisition and subsequently accounted for using the equity method unless elected to be measured at fair value through profit or loss in accordance with *IFRS 9*.

Under the equity method, an investment in an associate is recognized initially in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment, net of any cumulative impairment loss. The Group applies the approach to include both payments and contingent variable payments in the carrying amount of the investment at the acquisition date.

c. 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.

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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") in Chile 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

A financial instrument is recognized when the Group becomes a party to 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.

Non-derivative financial instruments comprise of cash, short and long-term investment, client funds, accounts receivable and other liabilities. Lease obligations, while not considered financial instruments under accounting standards, are also included in our analysis of financial instruments for liquidity risk purposes.

Derivative financial instruments are financial contracts, the value of which is derived from the value of the underlying assets, interest rates, indexes or currency exchange rates. Derivative financial instruments are also classified as securities unless they are designated as effective hedging instruments. Derivatives are initially recognized at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. Derivative financial instruments are classified in the Group's Consolidated Statement of Financial Position as current or non-current based on whether or not net-cash settlement or conversion of the instrument could be required within 12 months of the balance sheet date.

(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.

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.

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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 general and administrative expenses (no trade receivables have previously been impaired). 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.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. It is treated as the derecognition of the original liability and the recognition of a new liability when an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss

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.

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.

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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.

h. Gross obligation under put option

The Group has granted put options to non-controlling interest shareholders of certain consolidated subsidiaries. Liabilities from put options granted represent contracts that impose (or may potentially impose) an obligation on the Group to purchase its own equity instruments (including the shares of a subsidiary) for cash or another financial asset. The Group recognizes these commitments as follows:

Put option liabilities (net of any proceeds received) are initially recorded in equity at the present value of the expected redemption amount payable and recorded as a liability in the statement of financial position. The present value is based on a discounted cash flow model, market multiples or a recent transaction during the current year in which the equity value was determined. This applies regardless of whether the Group has the discretion to settle in its own equity instruments or cash. Management's judgements and estimates relate to the inputs used in determining the present value of the expected redemption amount payable.

In accordance with IAS 32, the Group has decided to apply as an accounting policy choice, the classification of the gross obligation arising from business combination in equity as part of non-controlling interest where the non-controlling interest shareholders still have an economic interest in the underlying business results.

In the event the non-controlling interest shareholders do not have an economic interest in the underlying business results, the Group recognizes the gross obligation under the put option as disclosed above and the corresponding non-controlling interests are eliminated.

Subsequent revisions to the expected redemption amount payable as well as the unwinding of the discount related to the measurement of the present value of the granted put option liability, are recognized through profit and loss. Where a granted put option expires unexercised or is cancelled, the carrying value of the financial liability is reclassified to the non-controlling reserve in equity. The difference between the carrying amount of the discharged liability and reserve recognized on acquisition of control from business combination is recorded in equity through profit or loss.

i. 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:

Furniture and fixtures	10 years
Building improvements	10 years
Office equipment	5 years

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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.

j. 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 portfolio management contracts, which are amortized over the respective contractual periods of the underlying investment funds. Amortization details are included under note 14; and
- (iv) identifiable intangible assets acquired through business combination are recognized at fair value at the acquisition date, have a finite useful life and are subsequently carried at cost less accumulated amortization and impairment losses. Amortization details are included under note 14.

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.

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 gain from 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 at least 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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k. Employees' benefits

(i) Short-term employee benefits

Current benefits are paid within twelve months and include salaries, social security contributions, bonuses and profit sharing, including carried interest allocations (excluding allocations payable after 12 months from reporting date). 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.

(ii) Long-term employee benefits – long term incentive program

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 of the LTIP (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 committee appointed by the board of directors for the administration and implementation of the LTIP.

Share based incentive plan – equity incentive program

Under the LTIP, the Company has share based incentive plans of which Performance Restricted Units ("PSUs") are granted to eligible participants and subject to achieving vesting conditions, are convertible into Class A common shares.

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.

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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.

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 Class A common shares.

The Monte Carlo simulation 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.

I. 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.
- 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.

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m. Leases

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 adjusts 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 as 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, Chile and Colombia within the scope of IFRS 16.

n. 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.

The Group 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 are primarily related to management of investment funds. Management fees of illiquid investment funds 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 of investment funds are generally based on an agreed percentage of Net Asset Value or Assets Under Management. 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.

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.

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Performance fees and other performance-based 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 associated performance obligations are satisfied, the related uncertainties are resolved, the likelihood of a claw-back or reversal is highly 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.

o. Financial income and expenses

Financial income primarily comprises of interest income and gains on short and long-term investments, gains from derivative instruments and foreign exchange gains in monetary items.

Financial expenses primarily include losses on short and long-term investments, losses from derivative instruments, interest expenses, foreign exchange losses in monetary items and banking costs on financial transactions, recognized on an accrual basis.

p. 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.

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 27. 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.

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q. 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. Non-monetary 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).

r. 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.

s. Amendments to IFRSs that are mandatorily effective for annual periods beginning on January 1, 2023

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, 2023:

- Amendments to IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2: *Disclosure of Accounting Policies*
 - The amendments require entities to disclose their material rather than their significant accounting policies. The Group adopted the amendments effective January 1, 2023. Whilst these amendments do not change the Group's accounting policies, the Group has reviewed the accounting policy information disclosed in these financial statements against the new requirements.
- Amendments to IAS 8 *Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimate*
 - Under the new definition, accounting estimates are clarified as monetary amounts in financial statements that are subject to measurement uncertainty. Where an entity's accounting policy requires an item to be measured at monetary amounts that cannot be observed directly, it should develop an accounting estimate to achieve this objective. The amendments are effective January 1, 2023 and were adopted on this date with no material impact to the Group.
- Amendments to IAS 12 *Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
 - The amendment related to the recognition of deferred tax when an entity accounts for transactions, such as leases or decommissioning obligations, by recognizing both an asset and a liability. The Group adopted the amendments effective January 1, 2023 with no material impact to the Group.
- Amendments to IAS 12 *Income taxes: International Tax Reform – Pillar Two Model Rules*
 - On 23 May 2023, the IASB issued amendments to IAS 12 to provide a mandatory temporary exemption to the requirements to account for deferred taxes assets and liabilities related to Pillar Two income taxes, as published by the Organization for Economic Co-operation and Development (OECD). The amendments are effective for accounting periods beginning on or after January 1, 2023 and the mandatory temporary exemption is applied retrospectively to prior periods. Disclosures related to the amendments are made in note 27

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t. New standards and interpretations not yet adopted– applicable and mandatory for fiscal years beginning on or after January 1, 2024

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, 2024:

- Amendments to IAS 1 *Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Noncurrent Liabilities with Covenants*
- Amendments to IFRS 16 *Leases: Lease Liability in a Sale and Leaseback*
- Amendments to IAS 7 *Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements*
- Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability*
- IFRS S1 – *General Requirements for Disclosure of Sustainability related Financial Information* and IFRS S2 – *Climate-related disclosures*

5 Group Structure

a. Consolidation and subsidiaries

The consolidated financial statements include the entities listed below, which are the Company’s direct or indirect subsidiaries:

Subsidiaries	Principal Activities	Country of Incorporation	Functional Currency	Equity interest (direct or indirect) (%)	
				December 31, 2023	December 31, 2022
Patria Finance Ltd.	Asset management & administration	KY	USD	100.00 %	100.00 %
Patria Brazilian Private Equity III, Ltd.	Investment fund manager	KY	USD	100.00 %	100.00 %
PBPE General Partner IV, Ltd.	Investment fund manager	KY	USD	100.00 %	100.00 %
PBPE General Partner V, Ltd.	Investment fund manager	KY	USD	100.00 %	100.00 %
Patria Brazilian Private Equity General Partner VI, Ltd.	Investment fund manager	KY	USD	100.00 %	100.00 %
Patria Brazil Real Estate Fund General Partner II, Ltd.	Investment fund manager	KY	USD	100.00 %	100.00 %
Patria Brazil Real Estate Fund General Partner III Ltd.	Investment fund manager	KY	USD	100.00 %	100.00 %
Patria Brazil Retail Property Fund General Partner, Ltd.	Investment fund manager	KY	USD	100.00 %	100.00 %
Patria Investments UK Ltd.	Investor relations, marketing & administration	UK	GBP	100.00 %	100.00 %
Patria Investments US LLC	Investor relations, marketing & administration	US	USD	100.00 %	100.00 %
Patria Investments Colombia S.A.S.	Advisory, investor relations & marketing	CO	COP	100.00 %	100.00 %
Infrastructure II GP, Ltd.	Investment fund manager	KY	USD	100.00 %	100.00 %
Infrastructure III SLP Ltd.	Investment fund manager & advisory	KY	USD	100.00 %	100.00 %

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Subsidiaries	Principal Activities	Country of Incorporation	Functional Currency	Equity interest (direct or indirect) (%)	
				December 31, 2023	December 31, 2022
Patria Infrastructure General Partner IV Ltd.	Investment fund manager	KY	USD	100.00 %	100.00 %
Pátria Investimentos Ltda. ("PILTDA")	Asset management & administration	BR	BRL	100.00 %	100.00 %
Patria Investments Latam S.A.	Holding company	UY	USD	100.00 %	100.00 %
Patria Investments Uruguay Agente de Valores S.A. (formerly Patria Investments Uruguay S.A.)	Advisory, investor relations & marketing	UY	USD	100.00 %	100.00 %
Patria Investments Cayman Ltd.	Holding company	KY	USD	100.00 %	100.00 %
Patria Investments Chile SpA	(g) Advisory, investor relations & marketing	CH	CLP	—	100.00 %
	Investor relations, marketing & administration				
Patria Investments Hong Kong, Ltd.		HK	HKD	100.00 %	100.00 %
	Asset management & administration				
Platam Investments Brazil Ltda.		BR	BRL	100.00 %	100.00 %
Patria Constructivist Equity Fund General Partner II, Ltd.	Investment fund manager	KY	USD	100.00 %	100.00 %
PI General Partner V Ltd.	Investment fund manager	KY	USD	100.00 %	100.00 %
PPE General Partner VII, Ltd.	Investment fund manager	KY	USD	100.00 %	100.00 %
PI Renewables General Partner, Ltd.	Investment fund manager	KY	USD	100.00 %	100.00 %
Patria Latam Growth Management Ltd.	Investment fund manager	KY	USD	100.00 %	100.00 %
	Holding company & SPAC Sponsor				
Patria SPAC LLC		KY	USD	100.00 %	100.00 %
Patria Latin American Opportunity Acquisition Corp.	(a) SPAC	KY	USD	100.00 %	100.00 %
Moneda Asset Management SpA ("MAM I")	Holding company	CH	CLP	100.00 %	100.00 %
Moneda Corredores de Bolsa Limitada ("MCB")	Broker	CH	CLP	100.00 %	100.00 %
Moneda S.A. Administradora General De Fondos ("MAGF")	Asset management	CH	CLP	100.00 %	100.00 %
Moneda II SpA ("MAM II")	Holding company	CH	USD	100.00 %	100.00 %
Moneda International Inc.	Investment fund manager	BV	USD	100.00 %	100.00 %
Moneda USA Inc.	Advisory	US	USD	100.00 %	100.00 %
Patria KMP Cayman I	(f) Holding company	KY	USD	—	100.00 %
VBI Real Estate Gestão de Carteiras S.A. ("VBI")	(b) Asset management	BR	BRL	50.00 %	50.00 %
VBI Administração Fiduciária e Gestão Ltda	Administration	BR	BRL	50.00 %	50.00 %
BREOF Partners Ltda	Holding company	BR	BRL	50.00 %	50.00 %
VBI ND Empreendimentos Imobiliários Ltda	(g) Dormant	BR	BRL	—	50.00 %
VBI ND II Empreendimentos Imobiliários Ltda	Dormant	BR	BRL	50.00 %	50.00 %
VBI Data Center Empreendimentos Imobiliários Ltda	Dormant	BR	BRL	50.00 %	50.00 %
Igah Partners LLC	(c) Asset management	US	USD	100.00 %	100.00 %
e.Bricks Ventures III GP, LLC	(k) Investment fund manager	KY	USD	100.00 %	100.00 %
Igah Carry Holding Ltd	Carry vehicle	KY	USD	100.00 %	100.00 %
PEVC General Partner IV, Ltd.	Holding company	KY	USD	100.00 %	100.00 %
Patria Real Estate Latam S.A.S	(b) Holding company	UY	USD	98.90 %	100.00 %
Patria Private Equity Latam S.A.S	(d) Holding company	UY	USD	100.00 %	—
Patria Fund Advisor Ltd.	(d) Dormant	KY	USD	100.00 %	—
PPE Fund VII, SLP, LP	(d) Carry vehicle	KY	USD	100.00 %	—
NewCo BlueMacaw Partner Ltda.	(e) Holding company	BR	BRL	100.00 %	—

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Subsidiaries	Principal Activities	Country of Incorporation	Functional Currency	Equity interest (direct or indirect) (%)	
				December 31, 2023	December 31, 2022
BlueMacaw S.A.	(e) Holding company	BR	BRL	100.00 %	—
VBI Asset Management Ltda.	(e) Asset management	BR	BRL	100.00 %	—
KMP I Holding	(f) Holding company	KY	USD	100.00 %	—
Kamaroopin Gestora de Recursos Ltda. ("Kamaroopin Ltda")	(f) Asset management	BR	BRL	100.00 %	40.00 %
Hanuman GP Cayman, LLC ("Hanuman")	(f) Asset management	KY	USD	100.00 %	40.00 %
Pat HoldCo Mexico S. de R.L. de C.V.	(d) Holding company	MX	MXN	100.00 %	—
Pat Inmuebles HoldCo Mexico S. de R.L. de C.V.	(d) Holding company	MX	MXN	100.00 %	—
Pat HoldCo Servicios Corporativos S. de R.L. de C.V.	(d) Holding company	MX	MXN	100.00 %	—
Patria Real Estate II Ltd.	(d) Holding company	KY	USD	100.00 %	—
Patria Investments Argentina S.A.	(d) Holding company	AR	ARS	100.00 %	—
PI Fund V SLP, L.P.	(d) Carry vehicle	KY	USD	100.00 %	—
VBI Securities Ltda. (formerly "Bari Gestao De Recursos Ltda.")	(h) Asset management	BR	BRL	50.00 %	—
Patria Asset Management S.A. ("PAM") (formerly Gestoría Externa de Portafolios S.A.)	(i) Asset management	CO	COP	50.74 %	—
VBI Capital Ltda. (formerly Morc Gestora de Recursos de Crédito Ltda.	(j) Asset management	BR	BRL	50.00 %	—
Move Capital S.A.	(j) Asset management	BR	BRL	50.00 %	—

" USD" United States dollars, "BRL" Brazilian Real, "GBP" Pound Sterling, "CLP" Chilean peso, "COP" Colombian peso, "HKD" Hong Kong dollar, "ARS" Argentine Peso, "KY" Cayman Islands, "BR" Brazil, "CO" Colombia, "CH" Chile, "UK" United Kingdom, "US" United States, "BV" British Virgin Islands, "MX" Mexico, "AR" Argentina

(a) **Patria Latin American Opportunity Acquisition Corp. (the "SPAC" or "PLAO")**: a special purpose acquisition company incorporated in the Cayman Island and sponsored by Patria SPAC LLC (the "SPAC Sponsor") for the purpose of effecting a business combination with one or more businesses with a focus in Latin America. On March 14, 2022, PLAO, announced the closing of its IPO. The registration statement on Form S-1 relating to the securities referred to therein and subsequently amended has been filed with the Securities and Exchange Commission ("SEC") and declared effective on March 9, 2022.

The IPO included issuance of 23,000,000 units ("the 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 PLAO, par value US\$0.0001 per share (the "SPAC Class A Ordinary Shares"), and one-half of one redeemable warrant of the Company (each whole warrant, a "Warrant"), with each Warrant entitling the holder thereof to purchase one SPAC Class A Ordinary Share for US\$11.50 per share, subject to adjustment. The Units were sold at a price of US\$10.00 per Unit, generating gross proceeds from the issuance of US\$230,000,000.

SPAC Class A Ordinary Shares are classified as a liability in accordance with IAS32, Financial Instruments: Presentation, and based on the terms of the issuance that permits redemption by holders of SPAC Class A Ordinary Shares.

Holders of the SPAC Class A Ordinary Shares and holders of the SPAC Class B Ordinary Shares will vote together as a single class on all matters submitted to a vote of PLAO's shareholders, except when not permitted by law or stock exchange rule; provided that only holders of the SPAC Class B Ordinary Shares shall have the right to vote on the appointment and removal of PLAO's directors prior to the initial business combination or continuing PLAO in a jurisdiction outside the Cayman Islands (including any special resolution required to amend the constitutional documents of PLAO or to adopt new constitutional documents of PLAO, in each case, as a result of PLAO approving a transfer by way of continuation in a jurisdiction outside the Cayman Islands).

Restrictions on the Group's ability to access or use assets and settle liabilities are included in notes 12(a) and 20(c).

On June 12, 2023, PLAO held an extraordinary general meeting of the PLAO's shareholders (the "Extraordinary General Meeting"). At the Extraordinary General Meeting, PLAO's shareholders approved amendments to PLAO's Amended and Restated Memorandum and Articles of Association to extend the termination date by which PLAO has to consummate an initial business combination from June 14, 2023 (the "Original Termination Date") to June 14, 2024, in addition to other proposals. Accordingly, PLAO now has up to June 14, 2024 to consummate its initial business combination. In connection with the Extraordinary General Meeting, shareholders holding an aggregate of 6,119,519 of the SPAC's Class A Ordinary Shares exercised their right to redeem their shares. Following such redemptions, 16,880,481 SPAC Class A Ordinary Shares will remain outstanding. Following the withdrawals from the SPAC's trust account in connection with redemptions, it is expected that approximately US\$179.8 million will remain in the SPAC's trust account of the approximate US\$244.9 million that was in the SPAC's trust account prior to such redemptions. From the date of approval and recurring monthly thereafter until the earlier of the completion of a business combination or liquidation date, the SPAC Sponsor will also deposit into the SPAC's trust account an amount of US\$0.3 million to cover operating costs during the extension of the termination date of PLAO. The purpose of the extension is to provide time for PLAO to complete a business combination. Per the terms of the approved extension amendment proposal, if PLAO completes a business combination, it will, at the option of the SPAC Sponsor, repay the amounts loaned under the promissory note or convert a portion of all of the amounts loaned under such a promissory note into warrants, which will be identical to the private placement warrants.

Should PLAO not complete the initial business combination within the specified period the SPAC Class A Ordinary Shares will be redeemed from the proceeds held in the trust account, as disclosed in note 12(a).

As of December 31, 2023, the Group has not selected any business combination target for PLAO. The expectation is to complete a business combination as soon as the Group identifies a target company. The target company could potentially be identified as a related party as one of the Group's investment funds investees. In the event of a business combination with a related party, it could result in recognition of performance fee revenue and carried interest allocation expenses for the Group.

(b) In March 2023, the Group restructured its VBI holding, contributing the interest held by the Company in VBI to Patria Real Estate Latam S.A.S. There was no change in control or in the total interest held by the Group in VBI. However, there was a dilution of 1.1% in the Company's direct and indirect interest in Patria Real Estate Latam S.A.S. during the year because of the transaction to acquire assets of Blue Macaw as disclosed in note 5(e) below.

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- (c) Igah Partners LLC ("Igah Ventures"): a subsidiary of the Group acquired through a business combination that serves as manager of venture capital related funds. Additionally, as disclosed in note 29, PEVC I General Partner IV, Ltd ("Igah IV") was also acquired.
Igah Ventures and Igah IV are collectively referred to as "Igah".
- (d) Newly incorporated subsidiaries without assets, liabilities or operations.
- (e) On April 3, 2023, VBI acquired a 100% beneficial interest in NewCo BlueMacaw Partners Ltda., BlueMacaw S.A. and VBI Asset Management Ltda., (collectively "Blue Macaw") for US\$4.4 million (BRL 22.2 million) in cash. The Blue Macaw entities are located in Brazil and focus on infrastructure and real estate investments throughout Latin America. The acquisition is part of the Group's strategy to enhance its share of the Brazilian real estate market through synergies with VBI.
The Group accounted for the transaction as an asset acquisition since the principal assets acquired consist of 4 contractual rights relating to the portfolio of management contracts of the investment funds acquired. On acquisition date, the Group recorded US\$4.4 million in intangible assets related to contractual rights from the asset acquisition. The other assets and acquired and liabilities assumed were not significant.
In addition to the upfront payments made by VBI upon closing, the Group has a call option to acquire the remaining interest in Patria Real Estate Latam S.A.S. For the year ending December 31, 2023, the first tranche of the call option was exercised and US\$0.7 million recorded as an equity-linked compensation cost included under deferred consideration in acquiring a part of the interest of the remaining minority interest held in Patria Real Estate Latam S.A.S. (note 20(b)(v)).
The remaining call option arrangements in the form of contingent payments (2026 and 2028 exercise period) are subject to certain financial metrics and performance criteria in 2026 and 2028. No expense or liability is recorded in respect of these option arrangements considering the immaterial value for the year ending December 31, 2023.
- (f) On April 12, 2023, the Group acquired control of Kamaroopin by acquiring the remaining interest in these companies pursuant to the acquisition agreement for Kamaroopin (note 29 (a)). For purposes of the Kamaroopin transaction, KMP I Holding (fully owned by Patria Investments Limited) was incorporated and Patria KMP Cayman 1 was merged into Patria Investments Limited.
- (g) This entity, with limited or no activity, was dissolved during 2023 and had no significant accounting impact.
- (h) On September 1, 2023, the Group completed the acquisition of Bari Gestao De Recursos Ltda. renamed to VBI Securities Ltda ("Bari"), a subsidiary of the Group US\$ 4.6 million (BRL 22.5 million) cash settled equally between non-controlling interest shareholders of VBI and the Group. Bari is an asset management company focused on real estate investment products. The Group accounted for the transaction as an asset acquisition since the principal lead asset consisted of contractual rights in the management of its investment fund representing substantially all of the fair value of the gross assets acquired. There is no operational process in the entity as of the closing date. All activities, systems and industry knowledge will be taken over by VBI management.
- (i) On November 1, 2023, the Group acquired control of Gestoria Externa de Portafolios S.A. renamed to Patria Asset Management S.A. ("PAM") by acquiring 50.74% of the beneficial interest of the entity (refer to note 29).
- (j) On November 3, 2023, the Group completed the acquisition of Move Capital S.A. and More Gestora de Recursos de Crédito Ltda. renamed to VBI Capital Ltda. (collectively, "Move"), subsidiaries of the Group for US\$ 1.8 million (BRL 8.85 million) to be settled equally between non-controlling interest shareholders of VBI and the Group. Fifty percent of the purchase price was settled on closing with the remaining balance being due on the twelfth month following the closing and subject to adjustment per the purchase agreement after satisfying reorganization terms and conditions per the purchase agreement. The entities acquired are asset management companies. The Group accounted for the transaction as an asset acquisition since the lead asset consists of contractual rights in the management of its real estate investment fund representing substantially all of the fair value of the gross assets acquired.
The transaction includes the payment of a second installment of US\$ 1.8 million (BRL 8.85 million adjusted for CDI – Brazilian interbank deposit rate) within 12 months of the closing date (note 10(c)), subject to certain conditions precedent, more particularly, a specific corporate reorganization involving More Invest Gestora de Recursos Ltda. The conditions need to be completed prior to completion of the second installment.
- (k) The domicile of the entity was changed to the Cayman Islands.

6 Cash and cash equivalents

	2023	2022
Cash at bank and on hand	12,029	21,372
Short-term deposits (a)	3,934	3,379
Shares of mutual funds (a)	87	1,768
Cash and cash equivalents	16,050	26,519

- (a) Short-term deposits and shares of mutual funds are cash equivalents held for the purposes of meeting short-term cash commitments with maturities of three months or less from the date of acquisition and subject to insignificant risk of changes in value.

7 Client funds on deposit and client funds payable

	2023	2022
Client funds on deposit	13,848	22,490
Other receivables from clients (a)	3,207	1,149
Client funds on deposit and other receivables	17,055	23,639

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	2023	2022
Client funds payable (a)	17,055	23,639
Client funds payable	17,055	23,639

(a) Other receivables from clients and client funds payable are unsettled trades from brokerage activities for client transactions 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.

8 Accounts receivable

Amounts receivable from customers relate to management, incentive, 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.

	2023	2022
Current (a)	127,363	125,405
Non-current (b)	14,900	6,254
Accounts receivable	142,263	131,659

(a) Current balances include overdue postponed collections of management fees of US\$ 86.7 million (US\$ 16.0 million for the current year of which US\$ 11.5 million was renegotiated during June 2023 and US\$ 70.7 million related to prior years management fees renegotiation but overdue as of December 31, 2023) related to PBPE Fund IV (Ontario), L.P. ("PBPE Fund IV") and Patria Real Estate III. The renegotiations and postponement of these collections commenced in prior years and the management fees were recognized as receivable in prior years. The table below reflects the original billing dates and when revenue from management fees were recognized. These relate to management past fees due and uncollected because of the Group's decision to postpone the collection of certain investment funds billed fees. All renegotiated and postponed balances as of December 31, 2023 are expected to be recovered over the next twelve months subject to the timing of the realization of underlying investment fund assets and based on the estimated cash needs of the investment funds over the next twelve months. Management has evaluated and concluded that no allowances for uncollectible accounts needs to record supported by contracts and commitments of the investors of the funds, and based on the fact that the funds have significant investments to be realized that will generate cash in order to settle the outstanding balances with the Group.

Fund Structure	Overdue balance as of December 31, 2023	Year Revenue recognized (millions)
PBPE Fund IV	US\$ 77.3 million	2023: US\$ 13.2 2022: US\$ 18.1
Patria Real Estate III	US\$ 9.4 million	2023: US\$ 2.5 2022: US\$ 5.7

(b) Non-current balances as of December 31, 2023 are mainly performance fees receivable from Patria Infrastructure Fund III in 2026 of \$ 9.3 million, and a receivable from Patria Private Equity Fund V ("PE V") as disclosed under long term investments in note 12 (b). No interest is charged and the impact of the present value adjustment using the effective interest rate method at the date of initial recognition is not material.

9 Project advances

	2023	2022
Current	17,614	5,693
Non-current	1,972	947
Project advances	19,586	6,640

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.

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*(Amounts in thousands of United States dollars - US\$, except where otherwise stated)***10 Other assets**

	2023	2022
Advances to employees	2,671	2,585
Prepaid expenses (a)	6,081	3,806
Intangible asset acquisition rights (c)	1,886	—
Other current assets	1,143	462
Other current assets	11,781	6,853
Prepaid expenses (a)	266	95
Unamortized debt issuance costs	1,235	—
Deposit/guarantee on lease agreements (b)	2,012	1,782
Other non-current assets	285	71
Other non-current assets	3,798	1,948

(a) 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 general and administrative expenses in the period they are related to.

(b) 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.

(c) Includes the right to acquire additional portfolio management contracts as a result of the acquisition of Move Capital S.A. (note 5(j))

11 Recoverable Taxes

	2023	2022
Income tax recoverable	3,846	5,259
Other recoverable taxes	168	413
Recoverable Taxes	4,014	5,672

Recoverable taxes consist mainly of income taxes charged in Brazil and Chile and paid in advance.

12 Investments**a. Short-term investments**

	2023	2022
Securities (a)	17,154	45,544
Investments held in trust account (b)	187,356	240,311
Short-term investments	204,510	285,855

(a) Securities are liquid investment funds, with portfolios holding term deposits, equities, government bonds, and other short-term liquid securities.

(b) Investments held in trust account are investments received through the IPO transaction of PLAO. These funds are restricted and may only be used for purposes of completing an initial business combination or redemption of public shares. These securities are classified and accounted for as Fair Value Through Profit or Loss ("FVTPL"). The investments held in the trust account are comprised of U.S. government securities.

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b. Long-term investments

	2023	2022
Patria Growth Capital Fund I Fundo de Investimento em Participações Multiestratégia (a)	18,707	14,777
Lavoro Agro Limited (b)	20,166	—
KMP Growth Fund II (Cayman), LP (“KMP Growth Fund II”) (c)	8,917	9,463
Lavoro Agro Fi Nas Cadeias Produtivas Agroindustriais Fiagro Direitos Creditorios (d)	2,139	4,427
Patria Infra Energia Core FIP EM Infraestrutura	4,088	4,184
Simba Fundo De Investimento Multimercado	1,038	—
Other investments	2,680	2,406
Long-term investments	57,735	35,257

Some investments in securities are expected to be maintained until the investment funds’ respective termination dates and are measured at FVTPL. As of December 31, 2023, the Group’s ownership interest in each of these investments (excluding interest owned indirectly through investment funds in note (a) and (c) below) range from 0.00005% to 5.78%. (December 31, 2022: 0.00006% to 13.2%). Refer to note 30(b) for reconciliation of movements in fair value for level 3 instruments.

- (a) Patria Growth Capital Fund I Fundo de Investimento em Participações Multiestratégia is a fully owned investment fund that solely includes a late-stage venture capital investment as part of the Group’s growth equity strategy. As of December 31, 2023, this fund has an investment interest of 26.1% (December 31, 2022: 22.1%) in Startse Informações e Sistemas S/A (“Startse”), an entity in Brazil providing an education platform and a crowdfunding platform for startups. The Group elected to measure the investment at fair value through profit or loss in accordance with IFRS 9.
- (b) The Group purchased shares on behalf of PBPE General Partner V, Ltd.’s investment fund PE V in Lavoro Agro Limited (“Lavoro”) at a price of \$3.50 per share for a total investment of approximately US\$8.2 million. Lavoro is Brazil’s largest agricultural inputs retailer and a leading provider of agriculture biologics inputs in Latin America. These performance fees were crystallized in conjunction with the IPO of Lavoro. The limited partner of the fund and Patria agree that as a consequence of successful completion of the transaction, part of performance fee was crystallized through Lavoro shares to Patria (total amount of US\$15.5 million). The investment fund also agreed to cover the spread between US\$3.50 and US\$10 per share on the future sale of the shares by the Group. As of December 31, 2023, the receivable from the investment fund amounts to US\$3.5 million for the commitment to cover the spread.
- (c) The Group has committed approximately 24% of the capital of KMP Growth Fund II (December 31, 2022: 64%). As of December 31, 2023, KMP Growth Fund II held a direct 9.5% interest in portfolio company (December 31, 2022: 10%), Dr. Consulta Clinica Medica Ltda., a Brazil-based healthcare technology company (December 31, 2022: 10%), an indirect 28.23% interest in portfolio company Zenklub Serviços Ltda (December 31, 2022: —%) and 22.35% indirect interest in portfolio company Consorciei Participações SA (“Consorciei”) (December 31, 2022: —%). The Group elected to measure the investment at fair value through profit or loss in accordance with IFRS 9.
- (d) An investment is held in Lavoro Agro Fi Nas Cadeias Produtivas Agroindustriais Fiagro Direitos Creditorios (5.78% of the net asset value as of December 31, 2023 and 13.2% as of December 31, 2022), a trust invested in securities related to agribusiness production chains in Brazil, such as agribusiness receivables, real estate receivables backed by credits from agribusiness production chains and liquidity assets within the agribusiness.
- (e) Following is the breakdown of long-term investments by region:

	2023	2022
Brazil	55,930	33,490
Other	1,805	1,767
Balance	57,735	35,257

Single investments held through investment funds are allocated in accordance with the country of incorporation of underlying investments.

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c. Investments in associates

Below is information on the Group in respect of investments in associates as of December 31, 2023 and December 31, 2022, the country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

	December 31, 2022	Changes in Equity	Equity in earnings	Associate derecognized	Other comprehensive income	December 31, 2023
Equity-accounted method						
Investment in associate (a)	7,977	528	(753)	(6,931)	90	911
Equity-accounted method						
	December 31, 2021	Changes in Equity	Equity in earnings	Additions	Other comprehensive income	December 31, 2022
Investment in associate	—	223	(2,351)	10,004	101	7,977

The share of profits/(losses), brand and non-contractual customer relationship amortization for the years ending December 31, 2023 and 2022 include the impact from Kamaroopin, previously recognized as an investment in associate up until control was acquired on April 12, 2023 (note 29).

Share of equity-accounted earnings		
	2023	2022
Non-contractual customer relationships amortization	(572)	(2,115)
Brand amortization	(9)	(35)
Share of profits or (losses) from associates	(172)	(201)
Total	(753)	(2,351)

* Amortization on identifiable intangible assets acquired from investments with significant influence are included in share of equity-accounted earnings in the Group's consolidated income statement.

(a) Associate is composed of a single investee:

Uliving Holding S.A. incorporated in Brazil (41.25% of the total and voting capital as of December 31, 2023 and 36.7% as of December 31, 2022) is an associate of VBI and its main economic activity is the holdings of non-financial institutions.

d. Derivative financial instruments

The fair value of derivative financial instruments, comprised of forwards, warrants and options is determined in accordance with the following criteria:

- Forward exchange contracts – at the market quotation value and the installments receivable or payable are prefixed to a future date, adjusted to present value based on market rates.
- Options – option contracts provide the purchaser the right to buy the instrument at a pre-determined base price at a future date.
- Warrants – the warrant liabilities issued by PLAO contain features that qualify as embedded derivatives. The fair value has been measured based on the listed market price of such warrants.

Forward exchange contracts

The Group has previously entered into forward exchange contracts to protect against changes in future cash flows and exchange rate variation of net investments in foreign operations known as Non-Deliverable Forward (“NDF”) contracts. As of December 31, 2023 (see table 12.d.1 with the composition of the derivative financial instrument portfolio for December 31, 2022) there are no open forward exchange contracts.

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VBI – option arrangements

The business combination with VBI (as disclosed in note 29), includes a call and put option arrangement (collectively “VBI Option arrangements”) with the non-controlling interest shareholders, exercisable at specified future dates and linked to the second stage of the business combination. The original VBI shareholders granted to the Group a call option arrangement (“VBI call option”) which includes the right for the potential acquisition of the remaining non-controlling interest of VBI. The exercise price will be equal to a pre-determined formula based on the value of VBI’s fee earning assets under management on the exercise date and adjusted for interest.

The Group has no obligation to exercise the VBI call option and can exercise at its discretion in accordance with the VBI call option exercise dates (see below) to be settled in a combination of cash consideration and Class A common shares.

In addition, the Group granted a put option arrangement (“VBI put option”) to the non-controlling shareholders of VBI that is linked to the second stage of the business combination. It is exercisable at specified future dates (see below) at the discretion of the non-controlling shareholders and upon expiry of the VBI call option mentioned above. The financial implications of the VBI put option are disclosed under note 20 (d) recognized at the present value of the expected redemption amount payable. The maturity profile of the VBI Option arrangements is detailed below:

- The VBI call option and VBI put option (after amendment of the shareholders agreement in 2023) shall only be exercisable between the second anniversary of the acquisition closing date (inclusive) and the third anniversary date of the acquisition closing date (inclusive).

The non-controlling shareholders currently have all the economic benefits associated with ownership of shares representing non-controlling interest.

Igah IV – option arrangements

The business combination with Igah IV (as disclosed in note 29), includes a call and put option arrangement (collectively “Igah Option arrangements”) with the selling shareholders, exercisable at specified future dates and linked to acquiring the remaining interest in Igah IV. The selling shareholders of Igah IV granted to the Group a call option arrangement (“Igah call option”) which includes the right for the potential acquisition of the remaining interest of Igah IV. The exercise price will be equal to a pre-determined formula based on the value of Igah IV’s fundraising activity until the investments fund’s final closing and firm commitments on the exercise date and adjusted for interest and dividends. From the acquisition date, the selling shareholders of Igah IV are entitled to any dividends from the Company’s Class A common shares that the selling shareholders will receive in connection with the settlement of the Igah Option arrangements (note 29).

The Group has no obligation to exercise the Igah call option and can exercise at its discretion in accordance with the Igah call option exercise dates (see below) to be settled in a combination of cash consideration and Class A common shares.

In addition, the Group granted a put option arrangement (“Igah put option”) to the selling shareholders of Igah IV. It is exercisable at the same terms and method of settlement as the Igah call option with specified future dates (see below) at the discretion of selling shareholders and upon expiry of the Igah call option mentioned above. The financial implications of the Igah put option are disclosed under note 20 (d) recognized at the present value of the expected redemption amount payable.

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The maturity profile of the Group's Igah Option arrangements is detailed below:

- The Igah call option shall only be exercisable between the acquisition date (inclusive) and the fifth anniversary date of the acquisition closing date (inclusive).
- The Igah put option shall only be exercisable up to 2 months after the expiry of the Igah call option (inclusive).

The One Real Estate Investment Fund – option arrangements

Call options were acquired from certain shareholders of The One Real Estate Investment Fund, a real estate investment fund. The call options provide the Group with the right to acquire a non-controlling interest in the real estate investment fund. The call options are exercisable from June 2024.

SPAC – warrant liabilities

On March 14, 2022 PLAO concluded its IPO of 23,000,000 Units including the issuance of 3,000,000 Units as a result of the underwriter's exercise in full of its over-allotment option. Each Unit consists of one SPAC Class A Ordinary Share, par value \$0.0001 per share, and one-half of one redeemable warrant of PLAO (each whole warrant, a "Warrant"). The Units were sold at a price of \$10.00 per Unit, generating gross proceeds to PLAO of \$230,000,000. Additionally, the Units will automatically separate into their component parts and will not be traded after completion of the initial business combination.

Each whole Warrant entitles the holder thereof to purchase one SPAC Class A Ordinary Share at a price of \$11.50 per share, subject to adjustment. The Warrants will become exercisable 30 days after the completion of the initial business combination and will expire five years after the completion of the initial business combination or earlier upon redemption or liquidation. On the exercise of any Warrant, the Warrant exercise price will be paid directly to the SPAC and not placed in the trust account.

The Group recognizes the Warrants as financial liabilities at fair value and remeasures the Warrants at fair value at each reporting period, and any change in fair value is recognized in the Group's Consolidated Income Statement. The fair value has been measured based on the listed market price of such Warrants. The expected life of the Warrants is assumed to be equivalent to their remaining contractual term. The dividend rate is based on the historical rate, which the Group expects to be zero.

The SPAC Class A Ordinary Shares and Warrants comprising the Units began separate trading on the 52nd day following the date of PLAO's IPO. As of December 31 2023 and December 31, 2022, 11,500,000 Warrants were in issue by PLAO. In addition, if the SPAC sponsor makes any working capital loans, it may convert those loans into a maximum of 1,500,000 additional private placement warrants, at the price of \$1.00 per warrant.

Redemption of Warrants when the price per SPAC Class A Ordinary Share equals or exceeds \$18.00: Once the Warrants become exercisable, PLAO may redeem the outstanding Warrants:

- in whole and not in part;
- at a price of \$0.01 per Warrant;
- upon a minimum of 30 days' prior written notice of redemption; and
- if, and only if, the last reported sale price of SPAC Class A Ordinary Shares equals or exceeds \$18.00 per share (as adjusted) for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date on which PLAO sends the notice of redemption to the Warrant holders.

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PLAO will not redeem the Warrants as described above unless an effective registration statement under the Securities Act covering the SPAC Class A Ordinary Shares issuable upon exercise of the Warrants is effective and a current prospectus relating to those SPAC Class A Ordinary Shares is available throughout the 30-day redemption period. Any such exercise would not be on a cashless basis and would require the exercising warrant holder to pay the exercise price for each Warrant being exercised.

Redemption of Warrants when the price per SPAC Class A Ordinary Share equals or exceeds \$10.00: Once the Warrants become exercisable, PLAO may redeem the outstanding Warrants:

- in whole and not in part;
- at a price of \$0.10 per Warrant upon a minimum of 30 days' prior written notice of redemption; provided that holders will be able to exercise their Warrants on a cashless basis prior to redemption and receive that number of shares determined by reference to the table set forth in the warrant agreement based on the redemption date and the "redemption fair market value" of SPAC Class A Ordinary Shares (as defined below) except as otherwise described in the warrant agreement;
- if, and only if, the closing price of SPAC Class A Ordinary Shares equals or exceeds \$10.00 per share (as adjusted) for any 20 trading days within the 30-trading day period ending three trading days before the Company sends the notice of redemption to the warrant holders; and
- if the closing price of the SPAC Class A Ordinary Shares for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date on which the Company sends the notice of redemption to the warrant holders is less than \$18.00 per share (as adjusted).

Solely for the purposes of this redemption provision, the "redemption fair market value" of the SPAC Class A Ordinary Shares shall mean the volume weighted average price of the SPAC Class A Ordinary Shares for the ten (10) trading days immediately following the date on which notice of redemption is sent to the holders of Warrants.

No fractional SPAC Class A Ordinary Shares will be issued upon redemption. If, upon redemption, a holder would be entitled to receive a fractional interest in a share, PLAO will round down to the nearest whole number of the number of SPAC Class A Ordinary Shares to be issued to the holder.

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*(Amounts in thousands of United States dollars - US\$, except where otherwise stated)***12.d.1 Derivative financial instrument portfolio composition**

Below is the composition of the derivative financial instrument portfolio (assets and liabilities) by type of instrument, fair value and maturity as of December 31, 2023 and December 31, 2022.

<i>Derivative financial instruments</i>	December 31, 2023					
	Notional	Fair Value	%	Up to 3 months	From 4 to 12 months	Above 12 months
Assets						
The One Real Estate Investment Fund call options	11,282	310	10	—	310	—
VBI Call option	86,944	2,896	90	—	2,896	—
Total	98,226	3,206	100	—	3,206	—
Liabilities						
Warrants	132,250	321	100	—	321	—
Total	132,250	321	100	—	321	—
<i>Derivative financial instruments</i>	December 31, 2022					
	Notional	Fair Value	%	Up to 3 months	From 4 to 12 months	Above 12 months
Assets						
VBI Call option	86,698	6,322	100	—	—	6,322
Total	86,698	6,322	100	—	—	6,322
Liabilities						
Warrants	132,250	1,011	96	—	1,011	—
Forward exchange contracts	4,210	42	4	42	—	—
Total	136,460	1,053	100	42	1,011	—

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13 Property and equipment

2023						
<i>Changes in cost</i>	Opening balance	Additions	Disposals	Acquisitions of subsidiaries	CTA ^(*)	Closing balance
Furniture and fixtures	1,734	88	(3)	—	49	1,868
Building improvements	11,259	5,283	(171)	—	288	16,659
Office equipment	5,354	499	(167)	19	278	5,983
Right-of-use assets (a)	18,122	2,003	(143)	—	347	20,329
Total - Cost of fixed assets	36,469	7,873	(484)	19	962	44,839

2023						
<i>Changes in accumulated depreciation</i>	Opening balance	Additions	Disposals	Acquisitions of subsidiaries	CTA ^(*)	Closing balance
(-) Furniture and fixtures	(1,161)	(144)	2	—	(31)	(1,334)
(-) Building improvements	(4,516)	(953)	176	—	(197)	(5,490)
(-) Office equipment	(3,332)	(631)	155	(4)	(173)	(3,985)
(-) Right-of-use assets (a)	(2,833)	(3,019)	31	—	(24)	(5,845)
Total - Accumulated depreciation	(11,842)	(4,747)	364	(4)	(425)	(16,654)
Property and equipment, net	24,627	3,126	(120)	15	537	28,185

2022						
<i>Changes in cost</i>	Opening balance	Additions	Disposals	Acquisitions of subsidiaries	CTA ^(*)	Closing balance
Furniture and fixtures	1,434	224	—	53	23	1,734
Building improvements	7,460	3,661	—	238	(100)	11,259
Office equipment	3,561	1,554	—	150	89	5,354
Right-of-use assets (a)	12,624	9,739	(4,730)	521	(32)	18,122
Total - Cost of fixed assets	25,079	15,178	(4,730)	962	(20)	36,469

2022						
<i>Changes in accumulated depreciation</i>	Opening balance	Additions	Disposals	Acquisitions of subsidiaries	CTA ^(*)	Closing balance
(-) Furniture and fixtures	(919)	(162)	—	(53)	(27)	(1,161)
(-) Building improvements	(3,559)	(828)	—	(71)	(58)	(4,516)
(-) Office equipment	(2,724)	(430)	—	(99)	(79)	(3,332)
(-) Right-of-use assets (a)	(4,469)	(2,405)	4,442	(200)	(201)	(2,833)
Total - Accumulated depreciation	(11,671)	(3,825)	4,442	(423)	(365)	(11,842)
Property and equipment, net	13,408	11,353	(288)	539	(385)	24,627

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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

As of December 31, 2023, 2022 and 2021 there was no indication that any of these assets were impaired.

(a) The Group is a lessee in lease agreements for which the underlying assets are the office spaces located in different jurisdictions (refer to note 20 (a)).

(b) Following is the breakdown of the total Property and equipment assets by region:

	2023	2022
Brazil	9,481	8,580
Cayman Islands	3,877	1,350
Chile	7,702	7,933
Colombia	1,144	—
United Kingdom	1,754	2,071
United States of America	3,689	3,995
Other	538	698
Balance	28,185	24,627

Property and equipment assets are allocated based on where the assets are located, and include leasehold improvements, and right-of-use lease assets.

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14 Intangible assets and goodwill

	2023						
<i>Changes in costs</i>	Opening balance	Additions	Disposals	Transfer	Acquisition of subsidiaries	CTA ^(*)	Closing Balance
Placement agents (a)	42,148	6,598	(3,308)	—	—	603	46,041
Contractual rights (b)	44,156	10,473	—	—	30,911	2,552	88,092
Non-contractual customer relationships (c)	110,591	—	—	—	10,560	(356)	120,795
Software	3,515	992	(3)	—	—	60	4,564
Brands (c)	19,075	—	—	—	868	(119)	19,824
Goodwill (d)	276,819	—	—	—	34,332	23	311,174
Total - Cost of intangible assets	496,304	18,063	(3,311)	—	76,671	2,763	590,490

	2023						
<i>Changes in accumulated amortization</i>	Opening balance	Additions	Disposals	Transfer	Acquisition of subsidiaries	CTA ^(*)	Closing Balance
(-) Placement agents (a)	(32,503)	(1,931)	3,308	—	—	(118)	(31,244)
(-) Contractual rights (b)	(36,577)	(3,123)	—	—	—	6	(39,694)
(-) Non-contractual customer relationships (c)	(10,653)	(12,970)	—	—	—	385	(23,238)
(-) Software	(1,539)	(793)	—	—	—	(42)	(2,374)
(-) Brands (c)	(3,511)	(3,553)	—	—	—	136	(6,928)
Total - Accumulated amortization	(84,783)	(22,370)	3,308	—	—	367	(103,478)
Intangible assets, net	411,521	(4,307)	(3)	—	76,671	3,130	487,012

	2022						
<i>Changes in costs</i>	Opening balance	Additions	Disposals	Transfer	Acquisitions of subsidiaries	CTA ^(*)	Closing balance
Placement agents (a)	36,804	5,263	(50)	—	—	131	42,148
Contractual rights (b)	44,156	—	—	—	—	—	44,156
Non-contractual customer relationships (c)	84,705	—	—	335	25,366	185	110,591
Software	1,848	1,273	—	—	264	130	3,515
Brands (c)	15,428	—	—	—	3,617	30	19,075
Goodwill (d)	242,891	—	—	(335)	34,025	238	276,819
Total - Cost of intangible assets	425,832	6,536	(50)	—	63,272	714	496,304

	2022						
<i>Changes in accumulated amortization</i>	Opening balance	Additions	Disposals	Transfer	Acquisitions of subsidiaries	CTA ^(*)	Closing balance
(-) Placement agents (a)	(30,996)	(1,442)	—	—	—	(65)	(32,503)
(-) Contractual rights (b)	(34,051)	(2,526)	—	—	—	—	(36,577)
(-) Non-contractual customer relationships (c)	(785)	(9,773)	—	—	—	(95)	(10,653)
(-) Software	(839)	(410)	—	—	(264)	(26)	(1,539)
(-) Brands (c)	(253)	(3,228)	—	—	—	(30)	(3,511)
Total - Accumulated amortization	(66,924)	(17,379)	—	—	(264)	(216)	(84,783)
Intangible assets, net	358,908	(10,843)	(50)	—	63,008	498	411,521

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Changes in costs	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)	—	—	—	—	85,954	(914)	85,040
Software	1,313	292	(407)	324	397	(71)	1,848
Brands	—	—	—	—	15,598	(170)	15,428
Goodwill (d)	—	—	—	—	244,032	(1,476)	242,556
Total - Cost of intangible assets	82,365	292	(407)	324	345,981	(2,723)	425,832

Changes in accumulated amortization	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

As of December 31, 2023, 2022 and 2021, there was no impairment indication for any of these assets.

(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, 2023, is expected to be amortized as shown below:

	2024	2025	2026	2027	2028	2029	2030	2031	2032	Total
Placement agent fees	2,571	2,454	1,860	1,858	1,796	1,139	1,139	1,139	841	14,797

The remaining balance, as of December 31, 2022, was expected to be amortized as shown below:

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Total
Placement agent fees	1,740	1,636	1,518	725	725	707	702	702	702	488	9,645

Contractual rights refer to:

(b) contractual rights from investment funds recognized from the asset acquisition transaction of Blue Macaw, Bari and Move and the business combination with Patria Asset Management ("PAM") completed during the year ending December 31, 2023. As of December 31, 2022 contractual rights related to the management of the investment fund, Infrastructure GP II, Ltd. and Infrastructure III SLP, Ltd. These rights were recorded as a result of the acquisition of control of the P2 Brasil Private Infrastructure General Partner II Ltd. and P2 Brasil Holding Ltd. (collectively the "P2 Group") on December 25, 2015 from Promon International Inc.

Inputs to determine fair value of Blue Macaw, Bari, Move and PAM contractual rights

Country	Blue Macaw	Bari	Move	PAM
	Brazil	Brazil	Brazil	Colombia
Forecast period	April 3, 2023 – December 31, 2031	September 1, 2023 – December 31, 2031	October 1, 2023 – February 28, 2032	November 1, 2023 – December 31, 2032
Consumer price index	2%-4.52%	2.06%-3.05%	2.55%-3.65%	2.5% - 6.3%
IPCA – Broad National Consumer Price Index	4%-5.96%	3.5%-4.92%	3.5%-4.6%	—
Selic/Brazilian federal funds rate	8.75%-11.75%	8.5%-11.75%	9.39%-11.86%	—
GDP	—	—	—	1%-4.9%

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Intangible asset	Amortization period				
	P2 Group	Blue Macaw	Bari	Move	PAM
Contractual rights	8-12 years	3-20 years	17 years	17 years	25 years

- (c) Non-contractual customer relationships refer to client relationships of Moneda, VBI, Igah and Kamaroopin, acquired for the benefit of the Group through rendering of ordinary business activities by the acquired entities. VBI customer relationships have a longer expected amortization period based on the nature of the capital structure of the underlying investment funds consisting of permanent capital. Brands refer to Moneda, VBI and Kamaroopin brands acquired through business combination. The table below includes the amortization period:

Intangible asset	Amortization period			
	Moneda	VBI	Igah	Kamaroopin
Non-contractual customer relationships	9 years	29 years	3 years	5 years
Brands	5 years	8 years	—	8 years

- (d) The goodwill recognized on the acquisition of Moneda, Igah, Hanuman and Patria Asset Management are not deductible for tax purposes. The goodwill recognized of VBI and the first tranche of Kamaroopin for interest held through Brazilian subsidiaries is not deductible for tax purposes until there is a merger with the acquired company. It remains unrecognized until the acquired companies are able to generate sufficient taxable income after merger to utilize any tax benefit. The deferred tax asset will be established taking into account the impact from local tax laws and regulations in the countries where the acquired companies operate following the merger.
- (e) All goodwill recognized during 2023 relates to business combination transactions of which the recoverable amount of acquired entities 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 for the respective countries in which the entities operate.
- There were no significant changes to assumptions between acquisition dates for Kamaroopin (April 12, 2023) and Patria Asset Management ("PAM") (November 1, 2023) and December 31, 2023. The Group performs an impairment test annually and when circumstances indicate the carrying value may be impaired. No impairment losses on goodwill have been recognized in the current and prior year based on determining recoverable amount based on value-in-use.

Inputs to Moneda impairment test

	2023	2022
	January 1, 2024 – December 31, 2028	January 1, 2023 - December 31, 2028
Forecast period		
Annual inflation rate – Chile	5 %	3 %
Annual inflation rate – United States of America	5 %	2 %
USD/CLP average exchange rate	850	815 – 830
Discount rate range	13.4 %	12.1% - 13.7%
Tax rate	27% to 35%	27% to 35%

2023 - Inputs to VBI and Igah impairment test

	VBI	Igah
	January 1, 2024 – December 31, 2028	January 1, 2024 – December 31, 2028
Forecast period*		
Annual inflation rate – Brazil	5 %	5 %
Discount rate	18.0 %	17.6 %
Tax rate	34 %	34 %

*Actual performance data was included in the forecast period for goodwill impairment testing to enhance accuracy and reflect historical consistency.

2022 - Inputs to determine fair value goodwill on acquisition

	VBI	Igah
	July 1, 2022 – December 31, 2029	January 1, 2023 – December 31, 2030
Forecast period*		
Annual inflation rate – Brazil	3.3%- 8.1%	1.9% - 8.1%
Discount rate	11.8 %	15.31 %
Tax rate	34 %	34 %

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(Amounts in thousands of United States dollars - US\$, except where otherwise stated)

For the year ending December 31, 2023, goodwill was recognized from acquiring control of Kamaroopin and Patria Asset Management (“PAM”) according to the following inputs:

2023 - Inputs to determine fair value of Kamaroopin and PAM goodwill

	Kamaroopin Ltda and Hanuman	Patria Asset Management
Forecast period	April 12, 2023 - December 31, 2031	November 1, 2023 – December 31, 2032
Annual inflation rate – Brazil	4.00% - 5.96%	—
Annual inflation rate – Colombia	—	2.5% - 6.3%
Annual inflation rate – United States of America	1.97% - 3.84%	2.0% – 2.9%
Discount rate	15.9% - 18.8%	16.2% - 18.9%
Tax rate	34 %	35 %

During the three-month period ended March 31, 2023, the provisional purchase price allocation for the acquisition of VBI and Igah was updated during the measurement period. As a result of adjustments made to the purchase consideration to the fair value of preferred dividends payable and the fair value of Igah Option arrangements, the carrying amount of goodwill was increased (as disclosed in note 29).

Goodwill from acquisitions of subsidiaries and adjustments during measurement period are composed of the following during the year ending December 31, 2023:

Acquisition	December 31, 2022	Twelve-month period ending December 31, 2023	Total goodwill acquired
VBI	15,474	1,966	17,440
Igah	18,551	2,455	21,006
Kamaroopin	—	16,473	16,473
Patria Asset Management (formerly Gestoria Externa de Portafolios S.A.)	—	13,438	13,438
Balance	34,025	34,332	68,357

(f) The following reflects the composition of goodwill as of December 31, 2023 (including the effects of CTA) included in intangible assets allocated per acquisition:

	2023	2022
Moneda	239,879	242,508
VBI	19,143	15,760
Igah	21,106	18,551
Kamaroopin	16,742	—
Patria Asset Management	14,304	—
Balance	311,174	276,819

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(g) The following is the breakdown of intangible assets by region:

	2023	2022
Brazil*	66,476	43,762
Cayman Islands	242,385	224,486
Colombia***	47,224	—
Chile **	120,842	132,520
United States of America	10,082	10,747
Other	3	6
Balance	487,012	411,521

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 fair value adjustments to assets and liabilities allocated to Brazil includes the impact from business combination with VBI and Kamaroopin.

** Goodwill and fair value adjustments to assets and liabilities allocated to Chile includes the impact from Moneda for acquisition of MAM I.

*** Goodwill and fair value adjustments to assets and liabilities allocated to Colombia includes the impact from acquisition of Patria Asset Management ("PAM").

15 Personnel and related taxes payable

	2023	2022
Personnel and related taxes	2,393	3,280
Accrued vacation and related charges	2,810	2,563
Employee profit sharing (a)	23,569	20,321
Officers' fund (note 31 (b))	—	912
Personnel and related taxes payable - current liabilities	28,772	27,076
Officers' fund (note 31 (b))	—	350
Strategic bonus (b)	2,946	1,374
Personnel - non-current liabilities	2,946	1,724

(a) The Group recognizes a provision for payment of equity incentive program to employees, according to conditions approved by management, which is recorded as personnel expenses in the consolidated income statement. An amount of US\$ 20,321 was paid in February 2023. The balance on December 31, 2023 of US\$ 23,569 was fully settled by February 28, 2024. The settlement includes estimated equity compensation (US\$ 11.7 million) in the form of Class A common shares to be issued to key management in lieu of cash compensation.

(b) The Group delivers a long-term bonus (the "Strategic bonus") for a group of its employees in exchange for long terms of service. Moneda 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 with settlement expected in 2026.

16 Taxes payable

	2023	2022
Taxes on revenues	1,738	275
Income taxes	1,872	445
Other taxes payable	292	158
Taxes payable	3,902	878

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*(Amounts in thousands of United States dollars - US\$, except where otherwise stated)***17 Other liabilities**

	2023	2022
Suppliers	4,808	3,256
Lease liabilities (a)	3,014	2,243
Dividends payable (b)	2,040	2,085
Other current liabilities	203	68
Other current liabilities	10,065	7,652
Lease liabilities (a)	12,822	13,851
Other non-current liabilities	202	283
Other non-current liabilities	13,024	14,134

(a) The Group is the lessee in lease agreements for which the underlying assets are the office spaces located in Grand Cayman, Bogotá, London, New York, Montevideo, Santiago and São Paulo as disclosed in note 20.

(b) Dividends payable to the previous owners of VBI prior to acquisition by the Group that remain payable on December 31, 2023.

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18 Deferred taxes

Deferred tax assets	December 31, 2020	(Charged)/credited		December 31, 2021	(Charged)/credited		December 31, 2022	(Charged)/credited		December 31, 2023
		to profit or loss	directly to equity / CTA		to profit or loss	directly to equity / CTA		to profit or loss	directly to equity / CTA	
Derivative options (a)	—	—	—	—	6	—	6	10,326	311	10,643
Employee profit sharing provision and other personnel accruals (b)	1,945	1,623	430	3,998	603	168	4,769	(1,675)	155	3,249
Deferred tax on intangible assets from business combination	—	—	—	—	770	6	776	952	90	1,818
Management fee provision	391	(359)	(32)	—	—	—	—	—	—	—
Business combination – earnout	—	—	—	—	191	—	191	420	28	639
Tax losses	—	—	—	—	78	(3)	75	(54)	5	26
Tax on Accrual for expenses	—	107	1	108	(92)	25	41	(28)	2	15
Tax depreciation of fixed assets	—	(52)	(223)	(275)	(248)	(35)	(558)	249	1	(308)
Deferred tax on performance fees - IFRS 15	—	(40)	(83)	(123)	(3,164)	(294)	(3,581)	3,138	(182)	(625)
Gain from bargain purchase	—	6	(164)	(158)	15	1	(142)	36	(1)	(107)
Impact of IFRS 16	(185)	58	34	(93)	274	(5)	176	(4)	2	174
Other	2	(32)	19	(11)	2	5	(4)	(44)	(4)	(52)
Net deferred tax assets	2,153	1,311	(18)	3,446	(1,565)	(132)	1,749	13,316	407	15,472

(a) Deferred tax on temporary differences from fair value movements of VBI Option arrangements as a result of changes in unobservable inputs impacting the fair value of the VBI Option arrangements to exercise in order to acquire the non-controlling interest of VBI in accordance with the pre-determined inputs of the VBI Option arrangements. The impact from the movements in fair value impacting deferred tax are derived from the fair value adjustments booked in a Brazilian tax jurisdiction for the subsidiary of the group holding both VBI Option arrangements and measured at fair value at the Brazilian subsidiary level which has no control over VBI. The difference in measurement basis between subsidiary and consolidated level is due to control existing only at the consolidated level and consequently there is a deferred tax asset impact arising from unrealized losses on the VBI put option.

(b) Deferred tax on temporary differences in the provision for employee profit-sharing.

19 Provisions and contingent liabilities

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 below matters.

Taxes

In 2017 and 2018, the Company's subsidiaries Patria Investimentos Ltda. ("PILTDA") and Patria Infraestrutura Gestão de Recursos Ltda. ("PINFRA"), became involved in administrative proceedings to 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. PINFRA was subsequently merged into PILTDA on September 30, 2020. As of December 31, 2023, management assisted by external legal counsel assessed the risk of loss relating to these lawsuits as possible and estimated the potential loss for PILTDA as US\$ 3,133 (US\$ 2,602 as of December 31, 2022) and for PINFRA as US\$ 3,452 (US\$ 2,842 as of December 31, 2022). As of March 22, 2022, PILTDA was notified of additional 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 additional lawsuits as possible and evaluated the additional potential loss for PILTDA as US\$4,390 as of December 31, 2023 (US\$ 3,623 as of December 31, 2022).

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During January 2020, PILTDA received infraction notices for an amount as of December 31, 2023 of approximately US\$ 6,585 (US\$ 5,578 as of December 31, 2022) related to taxes on gross revenue and an amount of approximately US\$ 2,512 (US\$ 2,148 as of December 31, 2022) related to labor taxes, for which external legal counsel assessed the risk of loss relating to these lawsuits as possible.

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 Grand Cayman, Bogotá, London, Montevideo, New York, Santiago and São Paulo. The Consolidated Statement of Financial Position and the Consolidated Income Statement discloses the following amounts relating to leases:

Amounts recognized in the Consolidated Statement of Financial Position

	2023	2022
Right-of-use assets	20,329	18,122
(-) Depreciation of right-of-use assets	(5,845)	(2,833)
Right-of-use assets	14,484	15,289
Lease liabilities (current)	3,014	2,243
Lease liabilities (non-current)	12,822	13,851
Lease liabilities	15,836	16,094

Amounts recognized in the Consolidated Income Statement

	2023	2022	2021
Depreciation of right-of-use assets	(3,019)	(2,405)	(1,201)
Interest on lease liabilities	(1,243)	(1,807)	(1,022)
Principal paid	(2,434)	(1,652)	(832)

Refer to note 30 liquidity risk disclosures for maturity analysis on lease contracts.

Refer to note 31 for disclosures on leases with a related party.

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b. Consideration payable on acquisition

The following table reflects consideration payable from acquisition transactions

	2023	2022
Deferred consideration payable – Moneda (i)	48,710	15,889
Consideration payable on acquisition – Igah (iv)	—	4,771
Consideration payable on acquisition – Bari	3,570	—
Consideration payable on acquisition – Move	1,886	—
Consideration payable on acquisition – VBI (iii)	2,553	11,792
Consideration payable on acquisition - Bancolombia	1,348	—
Consideration payable on acquisition - Kamaroopin (ii)	1,020	735
Current liabilities – consideration payable on acquisition	59,087	33,187
Consideration payable on acquisition - Bancolombia	24,652	—
Deferred consideration payable (i) – Moneda	—	10,592
Contingent consideration payable on acquisition – Moneda (note 30(b))	—	12,891
Contingent consideration payable on acquisition – VBI (note 30(b))	11,053	9,072
Consideration payable on acquisition - Kamaroopin (ii)	—	859
Contingent consideration payable on acquisition – Kamaroopin (note 30(b))	7,148	—
Non-current liabilities – consideration payable on acquisition	42,853	33,414

- (i) The Moneda business combination transaction included US\$ 58.7 million on acquisition date expected to be paid to Moneda's former partners who are currently employees of the Group. The amount to be paid in exchange for their services was subject to a time vesting period up until December 1, 2023 and December 1, 2024, and payable in two equal installments in cash. On December 4, 2023, an amendment to the transaction purchase agreement for Moneda was concluded to settle the first instalment due in the Company's Class A common shares rather than cash for strategic liquidity purposes.

This expense is recognized as a compensation expense as the employees render services and is not part of the Purchase Price Allocation. For the years ending December 31, 2023 and 2022, deferred consideration expenses in the Group's Consolidated Income Statement were as a result of the following:

	2023	2022	2021
Moneda	(22,229)	(24,444)	(2,037)
Blue Macaw (note 5(e))	(732)	—	—
Total deferred consideration	(22,961)	(24,444)	(2,037)

- (ii) Consideration payable for the acquisition of the first tranche of Kamaroopin (when acquired as an associate of the Company in 2022) will be paid in the next 12 months.
- (iii) The consideration payable to VBI is indexed to interbank interest rates (CDI) in Brazil as per the terms of the acquisition agreement. The liability includes the second installment payable to selling shareholder of VBI and a preferred dividend payable to the preferred shareholders of VBI, determined in accordance with the terms of the acquisition agreement.
- (iv) Consideration payable for the acquisition of Igah per terms of the purchase agreement consisting of equity consideration in common shares net of dividends in relation to the total Class A common shares issued (included as part of the consideration transfer to sellers of Igah per note 29).
- (v) Cash Settlements during the year ending December 31, 2023 and 2022 includes:

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Description	2023	2022
Acquisition payable - Moneda	—	(16,437)
Acquisition payable - Kamaroopin	(998)	—
Acquisition payable - VBI	(13,686)	—
Total acquisition payables paid	(14,684)	(16,437)
Deferred consideration paid – Blue Macaw (note 5(e))	(732)	—

Amounts in relation to Blue Macaw refer to the exercise of a pre-agreed purchase option for an additional stake in a recently acquired asset (note 5(e)). This option, referred to as Option 1, was part of the initial acquisition agreement and does not have any performance conditions attached. The expense is recognized as deferred consideration in the Group's audited Consolidated Income Statement due to its non-routine nature and indirect association with a strategic asset acquisition.

(vi) Non-cash (Class A common shares of the Company) settlements during the year ending December 31, 2023 and 2022

Description	2023	2022
Acquisition payable – Igah	(5,385)	—
	(5,385)	—

c. SPAC commitments liability

The holders of SPAC Class A Ordinary Shares of PLAO have the right to redeem their shares in cash at the earliest of (i) upon the completion of PLAO's initial business combination or (ii) 15 months or up to 21 months (if extended) from the closing of the IPO transaction.

The Group accounts for the SPAC Class A Ordinary Shares subject to redemption as a financial liability measured at amortized cost which as of December 31, 2023 was US\$ 187.36 million (December 31, 2022: US\$ 234.1 million). The instrument was initially recognized at fair value, net of the corresponding eligible transaction costs. The warrant component issued to the shareholders of PLAO is separately accounted for as derivatives and measured at fair value with the change in fair value recorded in the statement of income.

Offering costs consist of legal, accounting, underwriting and other costs incurred through the balance sheet date that are directly related to the SPAC's IPO. Upon the completion of the IPO, the offering costs were allocated using the relative fair values of the SPAC's Class A Ordinary Shares and its Warrants. The costs allocated to Warrants were recognized in other expenses and those related to the SPAC's Class A Ordinary Shares were charged against the carrying value of SPAC's Class A Ordinary Shares to subsequently accrete the SPAC's Class A Ordinary Shares to redemption value. Transaction costs include US\$ 4.6 million in upfront underwriting commissions deducted from the SPAC's IPO proceeds and US\$16.8 million in other offering costs which were expensed (\$6.2 million and \$10.6 million for the years ending December 31, 2023 and 2022 respectively).

The SPAC is subject to laws and regulations enacted by national, regional and local governments. In particular, it is required to comply with certain SEC and other legal requirements. Compliance with, and monitoring of, applicable laws and regulations may be difficult, time consuming and costly. Those laws and regulations and their interpretation and application may also change from time to time and those changes could have a material adverse effect on the business, investments and results of operations. In addition, a failure to comply with applicable laws or regulations, as interpreted and applied, could have a material adverse effect on the business, including the ability to negotiate and complete an initial business combination, and results of operations.

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Movements during the period on the Group's commitment subject to possible redemption are detailed below. Movements of the SPAC's IPO initial costs and interest earned represent a non-cash charge against commitments subject to redemption and has no impact on the Group's consolidated cash flow statement during the period which will be settled upon any redemptions:

Commitment subject to possible redemption	
Balance at December 31, 2021	—
Commitment subject to possible redemption raised	220,458
IPO expenses - SPAC	10,325
Interest earned on trust account	3,362
Balance at December 31, 2022	234,145
Amortization of SPAC IPO initial cost	6,166
Interest earned on trust account	10,109
Deposits	2,100
Redemptions (note 5(a))	(65,164)
Balance at December 31, 2023	187,356

d. Gross obligation under put option*i. VBI – Option arrangements*

The business combination with VBI (as disclosed in notes 12(d) and 29), included VBI Option arrangements with the non-controlling shareholders, exercisable at specified future dates.

The measurement of the put option liability is based on the expected gross redemption amount payable from exercising the VBI Option arrangements and discounting to the present value on acquisition date which is also included under non-controlling interest in the Consolidated Statement of Changes in Equity. The fair value of the underlying business is calculated using a discounted cash flow analysis based on the relevant Group's subsidiary budgeted cash flows and forecasts. The estimate takes into consideration the projected AUM of VBI during periods when the VBI Option arrangements can be exercised. Accordingly, the measurement of the put option liability is subject to significant estimation uncertainty.

Other assumptions used by the Group when determining the gross obligation under a put option liability are closely linked to the broader market expectations in the real estate industry and the budgeted cash flows and forecasts of the entities acquired. The financial liability is recorded at amortized cost after recognition and is subject to annual review of estimated redemption amount.

As of December 31, 2023, the gross obligation had a present value of US\$ 81.6 million (December 31, 2022: US\$ 65.5 million with acquisition date present value of US\$ 60.9 million). The value of the premium received from non-controlling interest shareholders for the VBI put option amounted to US\$ 5.4 million resulting in US\$ 55.5 million recorded within non-controlling interest at acquisition date.

ii. Igah IV – Option arrangements

The business combination with Igah IV (as disclosed in notes 12(d) and 29), includes Igah Option arrangements with the selling shareholders of Igah IV, exercisable at specified future dates.

The measurement of the put option liability is based on the expected gross redemption amount payable from exercising the Igah Option arrangements and discounting to the present value on acquisition date. The fair value of the underlying business is calculated using a discounted cash flow analysis based on the relevant Group's subsidiary budgeted cash flows and forecasts. The estimate takes into consideration the projected AUM of Igah IV during periods when the Igah Option arrangements can be exercised. Accordingly, the measurement of the put option liability is subject to significant estimation uncertainty.

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In addition, the selling shareholders of Igah IV are entitled to any dividends from the acquisition date because of equity consideration using Class A common shares to settle the Igah Option arrangement.

Other assumptions contained in the discounted cash flow analysis as of December 31, 2023 used by the Group when determining the gross obligation under a put option liability are closely linked to the broader market expectations in the private equity and venture capital industry and the budgeted cash flows and forecasts of the entities acquired – refer to note 29(d) regarding anticipated acquisition method used to consolidate Igah into the Group. The financial liability is recorded at amortized cost after recognition.

Movements during the year on the Group's gross obligation under the VBI put option and the Igah put option are detailed below.

Purchase commitments for minority interests shares				
	Note	VBI	Igah IV	Total
Balance at December 31, 2022		65,544	7,884	73,428
Cumulative translation adjustment		5,377	—	5,377
Purchase price allocation adjustments		—	2,455	2,455
Gross obligation adjustments	25(b)	10,667	999	11,666
Balance at December 31, 2023		81,588	11,338	92,926

e. Long-term borrowings

On September 1, 2023, Patria Finance Limited (the "Borrower"), a subsidiary of the Group entered into an unsecured loan agreement with Banco Santander, S.A. (the "Lender") for a total amount of US\$ 100 million (the "Loan Facility"). The Loan Facility is guaranteed by the Company and is subject to certain covenants.

As of December 31, 2023, the outstanding balance of the credit facility is nil with a remaining US\$ 75 million financing to draw on until the first anniversary of the closing of the Loan Facility.

The loan agreement includes covenants related to the AUM and total debt to fee related earnings ratio of the Company as guarantor.

The transaction costs associated with this loan include a commitment fee applicable for the first two calendar quarters following loan origination, and a fee on unused commitment for the last two quarters.

The loan will be initially measured at fair value minus transaction costs and subsequently measured at amortized cost in accordance with IFRS 9. As of December 31, 2023, unamortized debt issuance costs are presented within other assets due to no outstanding balance of the Loan Facility as of December 31, 2023.

The Company manages its exposure to credit risk arising from the Loan Facility by monitoring compliance with loan covenants on a regular basis.

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21 Net revenue from services

	2023	2022	2021
Revenue from management fees	252,885	223,485	144,654
Revenue from incentive fees	4,051	6,070	4,915
Revenue from performance fees (a)	74,712	30,350	89,295
Fund fees	331,648	259,905	238,864
Revenue from advisory and other ancillary fees	2,742	4,156	731
Total gross revenue from services	334,390	264,061	239,595
Taxes on revenue - management fees and other	(5,356)	(3,957)	(3,910)
Taxes on revenue - performance fees	(1,417)	(1,227)	(170)
Taxes on revenue	(6,773)	(5,184)	(4,080)
Net Revenue from services	327,617	258,877	235,515
The following is the breakdown of revenue by region (b):			
Brazil	50,177	40,165	25,725
British Virgin Islands	23	3,122	2,311
Cayman Islands	215,296	160,226	200,695
Chile	53,032	52,074	5,215
Colombia	1,993	—	—
Uruguay	2,215	—	—
United Kingdom	713	—	—
United States of America	4,168	3,290	1,569
Net revenue from services	327,617	258,877	235,515

(a) Performance fees are primarily generated when the return of the investment funds surpasses the performance hurdle set out in the related charters. Revenue from performance fees mainly consists of US\$ 57.8 million from Patria Infrastructure Fund III and \$15.5 million from PE V relating to the Lavoro transaction (note 12(b)) for the year ended December 31, 2023.

(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.

22 Personnel expenses and carried interest allocation

	2023	2022	2021
Salaries and wages	(37,945)	(33,991)	(14,377)
Officers' Fund	(24,256)	(20,940)	(22)
Rewards and bonuses	(5,236)	(4,746)	(4)
Social security contributions and payroll taxes	(324)	(1,657)	(2)
Carried interest bonuses	(1,141)	(1,107)	—
Restructuring costs – personnel (a)	—	—	(1)
Share based incentive plan (note 28(d))	(2,247)	(530)	—
Strategic Bonus	(1,465)	(731)	(1)
Other short-term benefits	(6,164)	(6,077)	(4)
Personnel expenses	(78,778)	(69,779)	(14,410)
Carried interest allocation (b)	(25,257)	(10,171)	(30,204)

(a) Restructuring costs of personnel refers to costs associated with the implementation of streamlining initiatives and cost reduction plan in the operating activities of the Group, mainly driven by consolidation/integration of businesses.

(b) Carried interest allocation refers to the Group's employees' right to up to 35% of the performance fees recognized from certain investments funds. As of December 31, 2023, US\$ 31.9 million (US\$ 9.3 million current and US\$ 22.6 million non-current) remains payable primarily related to performance fees recognized from Patria Infrastructure Fund III (December 31, 2022: US\$12.4 million of which US\$ 2.1 million was non-current) and Patria Private Equity Fund V related to the Lavoro transaction (December 31, 2022 – see note 31(c)).

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23 Amortization of intangible assets

	2023	2022	2021
Amortization of non-contractual customer relationships (note 14)	(12,970)	(9,773)	(785)
Amortization of contractual rights (note 14)	(3,123)	(2,526)	(3,623)
Amortization of placement agents' fees (note 14)	(1,931)	(1,442)	(2,148)
Amortization of brands (note 14)	(3,553)	(3,228)	(253)
Amortization of software (note 14)	(793)	(410)	(164)
Amortization of intangible assets	(22,370)	(17,379)	(6,973)

24 General and Administrative expenses

	2023	2022	2021
Professional services	(10,823)	(8,330)	(6,439)
IT and telecom services	(6,325)	(6,061)	(1,762)
Rebate fees	(6,473)	(3,852)	(364)
Depreciation of right-of-use assets	(3,019)	(2,405)	(1,201)
Travel expenses	(2,671)	(2,190)	(1,137)
Marketing and events	(2,877)	(1,708)	(338)
Occupancy expenses	(1,079)	(1,434)	(578)
Depreciation of property and equipment	(1,728)	(1,420)	(582)
Professional services - SPAC	(1,089)	(807)	—
Insurance	(669)	(734)	(180)
Taxes and contributions	(775)	(685)	(340)
Materials and supplies	(346)	(314)	(191)
Other administrative expenses	(1,285)	(1,210)	(1,220)
General and Administrative expenses	(39,159)	(31,150)	(14,332)

25 Other income/(expenses)

	2023	2022	2021
IPO expenses and IPO related bonuses	—	—	(2,862)
Share issuance expenses – SPAC (notes 5(a) and 20(c))	(6,167)	(10,325)	—
Associate derecognition	4,199	—	—
Transaction costs (a)	(9,618)	(4,536)	(8,550)
Transaction costs – SPAC	—	(315)	—
Contingent consideration adjustments(b)	9,422	12,322	(264)
Gross obligation adjustments (b)	(11,666)	(3,533)	—
Deferred consideration adjustments (b)	(788)	(729)	—
Restructuring costs (c)	(2,104)	(1,293)	—
Net gain/(loss) on disposal of property and equipment	25	(51)	—
Other	(1,969)	(805)	(830)
Other income/(expenses)	(18,666)	(9,265)	(12,506)

(a) Transaction costs relate to expenses incurred on acquisition of subsidiaries for business combination.

(b) Measurement of the present value of considerations payable (note 20 (b)) and gross obligations under put option (note 20(d)) for acquired businesses, included under other income/(expenses) based on its correlation with the Groups' expansion strategy through acquisition activity. The movement for contingent consideration for the year ended December 31, 2023 and 2022 relates to the financial performance of Moneda, an acquired businesses, being lower than the earn-out performance criteria.

(c) Expenses incurred to third party service providers assisting in the reorganizing and integration of acquired businesses to improve the Group's long-term future performance and efficiency.

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26 Net financial income/(expense)

	2023	2022	2021
Financial income			
Net financial investment income	2,120	2,345	355
Unrealized gains on long-term investments	—	5,322	226
Realized gains from long-term investments	1,797	1,922	—
Unrealized gains on warrant liability	690	3,114	—
Unrealized gains on other derivative financial instruments	—	105	—
Unrealized gains on asset-linked receivable (note 12(b))	3,503	—	—
Net exchange variation	831	—	601
Other financial income	50	59	6
Total finance income	8,991	12,867	1,188
Financial expenses			
Unrealized losses on long-term investments	(2,952)	—	—
Unrealized losses on forward	—	(230)	—
Unrealized losses on other derivative financial instruments	(3,931)	—	—
Realized losses on forward	(252)	—	—
Commission and brokerage expenses	(443)	(518)	(68)
Interest on lease liabilities	(1,243)	(1,807)	(1,022)
Net exchange variation - acquisitions	(614)	(1,350)	—
Other financial expenses	(1,230)	(847)	(385)
Total finance expenses	(10,665)	(4,752)	(1,475)
Net financial income/(expense)	(1,674)	8,115	(287)

27 Income taxes expenses

As an entity headquartered in the Cayman Islands, the Company is subject to a tax neutral 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.

Reconciliation of income tax	2023	2022	2021
Income before income taxes	117,999	102,453	121,572
Impact of difference in tax rates of foreign subsidiaries	2,816	(8,349)	642
Nondeductible expenses	—	—	(1,023)
Total income taxes (a)	2,816	(8,349)	(381)
Current (b)	(10,500)	(6,784)	(1,692)
Effective tax rate current	(9.12 %)	(6.12 %)	(1.40 %)
Deferred (c)	13,316	(1,565)	1,311
Effective tax rate	(2.40) %	8.1 %	0.3 %

(a) No amounts related to income taxes have been recognized directly in equity.

(b) The current income tax expense charge is primarily related to the effects of different tax rates of the Group's Brazilian and Chilean subsidiaries.

(c) The deferred income tax charge is primarily related to Brazilian taxes on unrealized fair value adjustments related to the VBI option arrangements.

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International Tax Reform – Pillar Two

The International Tax Reform - Pillar Two Model Rules, also referred to as the "Global Anti-Base Erosion" or "GloBE" Rules, was released by the Organization for Economic Co-operation and Development (OECD) on December 20, 2021. Delegates from all Inclusive Framework (IF) member jurisdictions developed the rules, and over 135 jurisdictions agreed to update the international tax system, considering it was no longer fit for purpose in a globalized and digitalized economy.

Pillar Two Rules aim to ensure that large multinational enterprises with consolidated revenues of EUR 750 million or more in at least two of the last four years pay a minimum effective corporate tax rate of 15% on income arising in each jurisdiction with revenue-generating activities. The means by which GloBE must be incorporated into domestic law is determined by each implementing jurisdiction.

For the year ending December 31, 2023, the Group has not incurred any top-up tax, considering it did not meet the requirements to be classified as a large multinational enterprise. The global revenues accounted for under IFRS have not exceeded EUR 750 million in at least two of the last four years, and the Group also does not expect to exceed the mentioned threshold in the 2024 financial year.

It is important to mention that Patria Group operates in multiple jurisdictions (Uruguay, Brazil, Cayman Islands, Chile, Colombia, Argentina, Hong Kong, the United States of America, and the United Kingdom), and the application of the Pillar Two rules requires jurisdictions to enact legislation to apply the Pillar Two rules. The Group is continues to monitor the development of the discussions, and as of December 31, 2023, the status of the enactment of local legislation was as follows:

- Brazil, Cayman Islands, Chile, Colombia, USA, Argentina, and Uruguay:
 - No public announcements
- Hong Kong:
 - Public consultation: On February 22, 2023, the Financial Secretary announced in his Budget Speech that Hong Kong plans to apply the global minimum effective tax rate on large multinationals with global turnover of at least EUR 750 million and implement the Domestic Minimum Top-up Tax starting from 2025 onwards and that a consultation exercise will be launched to allow multinationals to make early preparation. On December 21, 2023, the Government launched a three-month consultation on "Implementation of Global Minimum Tax and Hong Kong Minimum Top-up Tax". The legislative bill is expected to be submitted in the second half of 2024.
- United Kingdom:
 - The legislation was enacted in the UK on July 11, 2023, and introduced an Income Inclusion Rule (IIR), known locally as the "multinational top-up tax", and domestic minimum top-up tax (DTT), as part of Finance (No 2) Act 2023.
 - Both the UK IIR and the UK DTT apply for accounting periods beginning on or after December 31, 2023. On July 18, the UK government published proposals for several amendments to the UK's Pillar Two rules for inclusion in Finance Bill 2024. These include measures to implement an Under Taxed Profits Rule (UTPR) in the UK. The draft provisions do not include a commencement date and will not take effect until they have been included in a Finance Bill. However, as previously indicated, HMRC has confirmed that the commencement date will not be earlier than accounting periods beginning on or after December 31, 2024.

It is unclear (a) if the Pillar Two model rules create additional temporary differences, requiring the Company to remeasure deferred taxes for the Pillar Two model rules, and (b) which tax rate to use to measure deferred taxes. In response to this uncertainty, on May 23, 2023, and June 27, 2023, respectively, the IASB and AASB issued amendments to IAS 12 'Income taxes' introducing a mandatory temporary exception to the requirements of IAS 12 under which a company does not recognize or disclose information about deferred tax assets and liabilities related to the proposed OECD Pillar Two model rules. However, considering that the Group does not meet the requirements to be regarded as a large multinational enterprise, no further recognition or disclosure assessment was performed for December 31, 2023.

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28 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 undesignated as yet 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 148,253,938 common shares issued and outstanding, of which 55,308,508 are Class A common shares and 92,945,430 are 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. 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

Each of Patria Holdings Limited shareholders (which include entities beneficially owned by the founders of the Company and certain directors and executive officers) have agreed to lock-up restrictions on the sale of shares in Patria Holdings Limited 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 Limited.

As part of the Moneda business combination, Moneda's former partners have entered into a Moneda Lock-Up Agreement restricting them from selling any shares held by them, disclosing their intention to sell any shares held by them, converting Class B common shares into Class A common shares, entering into any derivative transactions or making any demand for the registration of any shares held by them. These restrictions are in place from the fifth anniversary of the Moneda acquisition's closing date until the earlier of (a) the Moneda former partner's termination of employment with the Group or its affiliates, and (b) the 60th day after the expiration of the relevant tax statute of limitations for 50% of the relevant collateral shares.

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As of December 31, 2023 and December 31, 2022, the issued share capital was distributed as follows:

	2023		2022	
	Shares	Capital (US\$)	Shares	Capital (US\$)
Total	148,253,938	14,826	147,192,930	14,720
Class A	55,308,508	5,531	54,247,500	5,425
Class B	92,945,430	9,295	92,945,430	9,295

b. Additional paid-in capital

The Additional Paid-in Capital amounts recorded as of December 31, 2023 and December 31, 2022 are presented below:

	2023	2022
Class A	314,592	299,078
Class B	186,102	186,102
Total	500,694	485,180

On June 15, 2023, the Company issued 682,741 Class A common shares (US\$ 10.1 million) in part settlement of the Kamaroopin acquisition. On November 30, 2023, the Company issued 378,267 Class A common shares in part settlement of the Igah acquisition (US\$ 5.4 million).

c. Dividends

Dividends are declared and paid to the Company's shareholders on a pro-rata basis.

Dividends declared and paid by the Group to the Company's shareholders for the year ended December 31, 2023, 2022 and 2021 were:

Shareholder	2023		2022		2021	
	US\$*	US\$*	US\$*	US\$*	US\$*	US\$*
Class A	53,687	0.9840	38,082	0.7020	38,462	0.7090
Class B	91,458	0.9840	65,247	0.7020	58,067	0.6247
Total	145,145	0.9840	103,329	0.7020	96,529	0.6558

(*) Per thousand shares after share split, see note 28(a).

Prior to the IPO, dividends were paid on a disproportional basis using a predetermined formula that considered adjusted net income and other adjustments agreed by the shareholders in the Group's previous shareholders agreement valid at that time. For the years ended December 31, 2023, December 31, 2022, and December 31, 2021 (post the IPO) dividends were declared and paid to shareholders on a pro-rata basis.

d. Share based incentive plan

The equity incentive programs under the long-term incentive plan ("LTIP") are restricted share plans in which eligible participants includes members of the Group's management and its employees. Beneficiaries under the equity incentive programs, are granted rights to shares based on certain criteria (time and performance vesting conditions). The final eligibility of any beneficiary to participate in the LTIP is determined by the LTIP Committee.

The LTIP was approved and launched on November 28, 2022. From 2022 going forward a maximum of 600,000 shares can be granted from the LTIP. As of December 31, 2023, Grants A and B disclosed below has been granted from the LTIP.

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*(Amounts in thousands of United States dollars - US\$, except where otherwise stated)**Grant A*

Grant A was provided to eligible participants commencing from January 2022 in accordance with the terms of the LTIP.

The defined maximum number of shares under Grant A should not exceed 101,408 (84,506 Performance Restricted Units (“PSUs”) were granted to eligible participants under Grant A and the remaining 16,902 PSUs might be issued subject to the boost grant requirements being met.)

Grant B

Grant B was provided to eligible participants commencing from January 2023 in accordance with the terms of the LTIP.

The defined maximum number of shares under Grant B should not exceed 357,132 (297,610 Performance Restricted Units (“PSUs”) were granted to eligible participants under Grant B and the remaining 59,522 PSUs might be issued, subject to the boost grant requirements being met.)

IPO Grant

The IPO Grant was subject to the completion of the IPO registration and approved by the board of director’s meeting on May 19, 2021 and is closed to new participants. The IPO grant mirrors the vesting conditions of Grant A, excluding the commencement date and share price on grant date used for measuring achievement of time and vesting conditions.

The defined maximum number of shares under the IPO grant should not exceed 410,115 (289,183 PSUs were granted and the remaining 120,932 PSUs might be issued subject to the boost grant requirements being met.)

The table below reflects the PSU activity for the years ending December 31, 2023, 2022 and 2021.

	IPO Grant	Grant A	Grant B
	Number of PSUs (in thousands)		
Outstanding December 31, 2020	—	—	—
Granted	289	—	—
Forfeited	(79)	—	—
Outstanding December 31, 2021	210	—	—
Granted	—	85	—
Forfeited	(26)	—	—
Outstanding December 31, 2022	184	85	—
Granted	—	—	298
Forfeited	(53)	—	(1)
Outstanding December 31, 2023	131	85	297

No shares were exercised, expired or vested during the period. Refer to note 22 for expenses incurred for the years ending December 31, 2023, 2022 and 2021 (US\$1,465, US\$731 and US\$764 respectively).

Description	Amount (US\$)		
	2023	2022	2021
Capital Reserves	2960	1465	764
Share based incentive plan expenses for the year ending December 31	1465	731	764

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The intention of the Committee as of December 31, 2023 was to settle any future vesting through delivery of Class A common shares to participants.

LTIP	Grant date	Weighted-average fair value
IPO grant	January 22, 2021	US\$ 15.95
Grant A	December 1, 2022	US\$ 9.15
Grant B	January 22, 2023	US\$ 10.76

The original weighted-average fair value of PSU shares was determined on the grant date and calculated based on the Monte Carlo simulation 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 Group's consolidated net income for the year attributable to the holders of the Company's common shares.

Share based incentive plan

The dilutive effect of the equity incentive programs is dependent on whether vesting conditions are deemed to be met as of the reporting date. As of December 31, 2023, only Grant B had met the TSR performance condition and the weighted average impact (approx. 280,000 shares) was included as part of calculated diluted earnings per share. As of December 31, 2022 the TSR performance condition was not met.

Moneda

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 to Moneda at the end of the contingency period. Events to satisfy the net revenue growth and net income margin conditions related to the contingent consideration have not yet occurred.

On December 4, 2023 an amendment to the Moneda transaction purchase agreements was executed with Moneda's former partners who are currently employees of the Group to settle the first installment of deferred consideration with equity compensation through issuance of the Company's Class A common shares (note 20(b)(i)). On January 10, 2024, 1.88 million Class A common shares were issued. The weighted average impact of the issuance since the agreed amendment (approximately 140,000 shares) has been included in the basic earnings per thousand shares below.

VBI

The Group further assessed the potential dilution on earnings per thousand shares based on issuing Class A common shares to acquire the non-controlling interest of VBI per the VBI call option (note 12(d)) to be settled in a combination of cash consideration and Class A common shares (the equity portion of consideration will be a maximum of 50% of the total value). Call options on the shares held by non-controlling shareholders have been excluded from the calculation of diluted earnings per share as their inclusion would be anti-dilutive for years ending December 31, 2023 and 2022. The VBI call option could potentially dilute basic earnings per share in the future.

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*(Amounts in thousands of United States dollars - US\$, except where otherwise stated)**Igah*

The basic weighted average number of shares includes the impact of equity consideration from the number of Class A common shares (December 31, 2023: 379,825 shares and weighted average impact from acquisition date to December 31, 2022: approximately 29,800 shares) issued on November 30, 2023, 12 months after the acquisition of Igah and included within the basic weighted average number of shares from January 1, 2023 due to the passage of time being the only requirement. 379,825 Class A common shares were issued on November 30, 2023 and the weighted average impact from acquisition date to December, 2022 was approximately 29,800 shares.

The impact from Igah Option arrangements to be settled in Class A common shares was excluded from the calculated diluted earnings per share as their inclusion would be anti-dilutive and conditions to exercise the options have not been satisfied as of reporting date.

Kamaroopin

The basic weighted average number of shares is adjusted to include the weighted average impact (approximately 495,175 shares) from the business combination completed in stages with Kamaroopin (as disclosed in note 28(a) and 29(a)).

Employee-profit sharing

As disclosed under note 15(a) certain employees eligible to receive their employee-profit sharing awards for the year ending December 31, 2023 were settled with the Company's Class A common shares. As the shares vest on receipt of the equity compensation, settled in February 2024, the weighted average impact of the estimated number of shares to be issued were adjusted to include in the diluted weighted average number of shares (approximately 192,000 shares).

There are no further outstanding financial instruments or agreements convertible into potentially dilutive common shares in the reporting years.

	2023	2022	2021
Net income for the year attributable to the Owners of the Company	118,400	92,957	122,476
Basic weighted average number of shares	148,207,379	147,221,698	135,983,968
Basic earnings per thousand shares	0.79888	0.63141	0.90066
Diluted weighted average number of shares	148,679,965	147,226,334	135,983,968
Diluted earnings per thousand shares	0.79634	0.63139	0.90066

f. 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".

g. Non-controlling interests

As of December 31, 2023, the Group had two subsidiaries with non-controlling interests per the table below. As of December 31, 2022, the Group had one subsidiary with non-controlling interests.

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	Interest	Equity(*)			Income (Loss) (*)		
		2023	2022	2021	2023	2022	2021
Non-controlling interest in Patria Investimentos Ltda	49%	—	—	—	—	—	(1,285)
Non-controlling interest in VBI Real Estate Gestão de Carteiras S.A.	50%	(37,564)	(39,330)	—	2,128	1,147	—
Non-controlling interest in Patria Asset Management	49.26%	16,417	—	—	287	—	—

* From June 1, 2021 Patria Investments Limited holds 100% of Patria Investimentos Ltda.

Set below is summarized financial information for the VBI subsidiary that has non-controlling interests. The amounts disclosed are before inter-company eliminations.

Summarized Condensed Consolidated Statement of Financial Position	VBI		PAM
	December 31, 2023	December 31, 2022	December 31, 2023
Current assets	8,142	6,647	6,867
Current liabilities	(8,285)	(3,703)	(1,364)
Current net assets	(143)	2,944	5,503
Non-current assets	26,613	27,425	16,317
Non-current liabilities	(614)	(605)	(57)
Non-current net assets	25,999	26,820	16,260
Net assets	25,856	29,764	21,763

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Summarized Condensed Income Statement	VBI	Allocated to NCI	PAM	Allocated to NCI
	12 month period ended December 31, 2023		2 month Period between November 1, 2023 and December 31, 2023	
	2023		2023	
Net revenue from services				
Revenue from management fees	12,686	6,343	1,993	977
Revenue from performance fees	1,132	566	—	—
Taxes on revenue	(810)	(405)	—	—
Personnel expenses	(3,070)	(1,535)	(742)	(364)
Amortization of intangible assets	(1,870)	(935)	—	—
General and administrative expenses	(1,892)	(946)	(179)	(88)
Share of profits of associates	(222)	(111)	—	—
Other income/(expenses)	(6)	(3)	(151)	(74)
Net financial income/(expenses)	(148)	(74)	(25)	(12)
Income before income tax	5,800	2,900	896	439
Income taxes	(1,544)	(772)	(310)	(152)
Current	(1,460)	(730)	(293)	(144)
Deferred	(84)	(42)	(17)	(8)
Net income for the period	4,256	2,128	586	287

Summarized Condensed Income Statement	VBI	Allocated to NCI
	6 month period between July 1, 2022 and December 31, 2022	6 month period between July 1, 2022 and December 31, 2022
	2022	
Net revenue from services	5,406	2,703
Revenue from management fees	5,858	2,929
Taxes on revenue	(452)	(226)
Personnel expenses	(1,008)	(504)
Amortization of intangible assets	(630)	(315)
General and administrative expenses	(766)	(383)
Share of profits of associates	(125)	(63)
Net financial income/(expenses)	125	63
Income before income tax	3,002	1,501
Income taxes	(708)	(354)
Current	(608)	(304)
Deferred	(100)	(50)
Net income for the period	2,294	1,147
Other comprehensive income	—	1,284
Total comprehensive income	2,294	2,431

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	VBI – Non-controlling interest	PAM – Non-controlling interest
Balance at December 31, 2021	—	—
Net assets and proportion of share of identifiable assets on acquisition	13,729	—
Net income since acquisition	1,147	—
Gross obligation under put option	(55,490)	—
Cumulative translation adjustment	1,284	—
Balance at December 31, 2022	(39,330)	—
Net income for the period	2,128	287
Dividends declared (a)	(3,663)	—
Capital contributions (b)	4,743	—
Net assets and proportion of share of identifiable assets on acquisition	—	15,147
Cumulative translation adjustment	(1,442)	983
Balance at December 31, 2023	(37,564)	16,417

(a) During the year, subsidiary VBI completed several acquisitions as part of the Group's strategic growth plan. To finance these acquisitions, capital contributions were made by the non-controlling interests. These contributions represent the proportionate share of the acquisition cost that is attributable to the non-controlling interests. The capital contributions have been accounted for as an increase in equity attributable to non-controlling interests.

(b) The dividends declared to non-controlling interests represent the share of the subsidiary's profits that are distributed to the shareholders who hold the non-controlling interests. These dividends are accounted for as a decrease in equity attributable to non-controlling interests.

Gross obligation – non-controlling interest

The VBI business combination includes a VBI put option arrangement related to the non-controlling interest of VBI as disclosed in notes 12 (d) and 29. The amounts payable under the option arrangement are recognized as a financial instrument reflecting the present value of the expected gross obligation payable under the VBI put option and included under non-controlling interest in the Consolidated Statement of Changes in Equity.

As of December 31, 2023, the gross obligation had a present value of US\$ 79 million (December 31, 2022: US\$ 65.5 million with acquisition date present value of US\$ 60.9 million). The value of the premium received from non-controlling interest shareholders for the VBI put option amounted to US\$ 5.4 million resulting in US\$ 55.5 million recorded within non-controlling interest.

29 Business combinations

The following table presents the amounts recorded relating to the Group's business combinations completed year ending December 31, 2023 (note 29 (a) and (b)) and year ending December 31, 2022 (note 29 (c) and (d)) in accordance with IFRS 3. During the measurement period the Group received updates to the valuation of the purchase consideration and goodwill acquired on acquisition.

a. Kamaroopin and Hanuman

On April 12, 2023, the Group closed on the transaction with the controlling shareholder of Kamaroopin to acquire the remaining 60% interest and enter a business combination with Kamaroopin. The acquisition is structured as a combination of cash and equity consideration. Details of the purchase consideration, the net assets acquired and the goodwill are listed below and are provisional pending receipt of the final valuation of those assets.

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The goodwill recognized from the 2022 acquisition related to the first tranche of Kamaroopin Ltda., representing a 40% interest held through a Brazilian subsidiary is not deductible for tax purposes until there is a merger with the acquired company. It remains unrecognized until the acquired companies are able to generate sufficient taxable income after merger to utilize any tax benefit. The deferred tax asset will be constituted considering established taking into account the impact from local tax laws and regulations in the countries where the acquired companies operate following the merger. Any Goodwill related to acquiring the remaining 60% interest in Kamaroopin Ltda and 100% of the interest in Hanuman is deductible for tax purposes.

The first tranche of the acquisition of Kamaroopin was signed on December 8, 2021 and closed on February 1, 2022, and the second tranche was signed on March 16, 2023 and closed on April 12, 2023. The second stage completed the acquisition of the remaining 60%. As a result, Patria currently owns 100% of Kamaroopin.

The acquisition date carrying value of the Group's previously held equity interest in Kamaroopin was remeasured to fair value at the acquisition date resulting in a US\$ 4.2 million gain recognized in profit or loss in other income (note 25).

Goodwill and identifiable intangible assets recognized during 2023 relate to the fair value of the entities acquired through business combination transactions. Key assumptions to determine the fair value include discounted cash flow calculations based on current and past performance forecasts and considering current market indicators for the respective countries in which the entities operate.

The Group is required to make contingent payments, subject to the acquired entities achieving certain fundraising objectives per the terms of the purchase agreement (earn-out range between US\$ 4.0 million and US\$ 10.1 million). The contingent consideration payment (payable in BRL) had a fair value of US\$ 4.7 million on acquisition date. The fair value was estimated on acquisition date by projecting future fundraising activity within a 30-month period from acquisition date to estimate the undiscounted contingent consideration payable in accordance with a predetermined range of payments that is based on the level of fundraising and applying a discount rate range to determine the fair value of contingent consideration to be settled in the Company's Class A common shares by March 30, 2027.

The acquired businesses of Kamaroopin contributed revenues of US\$ 1.0 million and net profit of US\$ 0.2 million to the Group for the period from April 12, 2023 to December 31, 2023. The impact of revenue and net profit from the above transactions, had the acquisition taken place on January 1, 2023, was US\$ 2.0 million and US\$ 0.8 million respectively. Acquisition-related costs, of US\$ 0.2 million, are included in other expenses in the Group's audited Consolidated Income Statement and in operating cash flows in the audited Consolidated Statement of Cash Flows year ending December 31, 2023. Details of the purchase consideration, the net assets acquired, and the goodwill are listed below and are provisional and pending receipt of the final valuation of those assets.

b. Patria Asset Management
(formerly Gestoría Externa de Portafolios S.A.)

On November 1, 2023, the Group closed on a transaction with Banca de Inversión Bancolombia S.A. Corporación Financiera ("Bancolombia"), a financial conglomerate in Colombia entering into an agreement for the Group to subscribe to acquiring 51.74% per cent of the controlling shareholding in accordance with *IFRS 10* in a Colombian entity Gestoría Externa de Portafolios S.A. renamed to Patria Asset Management. Bancolombia remains as the non-controlling interest shareholder entering into a shareholders agreement relating to the new entity. The business combination will leverage the Group's private market expertise in Latin America with Bancolombia distribution capabilities to expand access to alternative investment products in Colombia. The new entity will provide investment management services for collective investment schemes including mutual funds and private equity funds in Colombia.

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Consideration transferred on the closing date as contributions into the new entity include COP 19.452 billion (approximately US\$ 4.8 million), representing the first installment of the Group's total minimum scheduled contributions of COP 168.4 billion (approximately US\$40.4 million) to be made in annual tranches of variable amounts until 2030 in accordance with the subscription agreement of Patria Asset Management ("PAM"). As a result, the present value of the contributions to be made were recognized at at acquisition date for US\$ 24.4 million (December 31, 2023: Non-current payable of US\$ 24.7 million and current payable of US\$ 1.3 million). There are no performance conditions associated with this contribution scheduled. Dividends will be declared on a disproportional basis using the percentage of capital contributions made by its shareholders.

The acquired businesses contributed revenues of US\$ 2.0 million and net profit of US\$ 0.6 million to the Group for the period from November 1, 2023 to December 31, 2023. The impact of revenue and net profit from the above transactions, had the acquisition taken place on January 1, 2023, was US\$ 2.0 million and US\$ 0.6 million respectively. Acquisition-related costs, of US\$ 1.0 million, are included in other expenses in the Group's audited Consolidated Income Statement and in operating cash flows in the audited Consolidated Statement of Cash Flows for the nine-month period ending December 31, 2023. Details of the purchase consideration, the net assets acquired, and the goodwill are listed below and are 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

	100% Kamaroopin April 12, 2023	100% Patria Asset Management November 1, 2023
Total purchase consideration		
Cash consideration paid (a)	2,024,000	4,787,000
Consideration payable	—	24,415,000
Contingent consideration payable	4,707,000	—
Equity consideration	10,130,000	—
Total consideration transferred	16,861,000	29,202,000
Non-controlling interest	—	15,147,000
Fair value of equity interest previously held	11,132,000	—
Total consideration	27,993,000	44,349,000
The assets and liabilities recognized as a result of the acquisition are as follows:		
Cash and cash equivalents	178,000	—
Net working capital	(101,000)	—
Intangible assets: contractual rights	—	30,911,000
Intangible assets: non-contractual customer relationships	10,560,000	—
Intangible assets: brands	868,000	—
Property and equipment	15,000	—
Net identifiable assets acquired	11,520,000	30,911,000
Total consideration less net identifiable assets acquired: Goodwill	16,473,000	13,438,000

(a) Purchase consideration – cash outflow for the year ending December 31, 2023 to acquire the subsidiary, net of cash acquired

	Kamaroopin	Patria Asset Management
Cash consideration	2,024,000	4,787,000
Less: Cash acquired	(178,000)	—
Net outflow of cash -investing activities	1,846,000	4,787,000

(b) The Group recognizes non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. The decision is made on an acquisition-by-acquisition basis. For the non-controlling interests in Patria Asset Management ("PAM"), the Group elected to recognize the non-controlling interests at its proportionate share of the acquired net identifiable assets.

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c. VBI

On July 1, 2022, the Group acquired control of VBI's operations through acquiring 50% of the issued share capital of VBI, an alternative real estate asset manager in Brazil with operations across development and core real estate vehicles, to anchor its Brazil real estate platform. This transaction aligns Patria with highly specialized investment talent building valuable permanent capital.

Adjustments include an increase in purchase consideration related to preferred dividends payable by VBI to the previous controlling owners of VBI resulting in an increase to the fair value of goodwill in note 14 for the same amount. The preferred dividends were paid to provide compensation to the previous owners for the loss of their controlling interest in VBI.

d. Igah

On November 30, 2022, the Company acquired 100% interest in a new subsidiary, Igah Partners LLC ("Igah Ventures"), a Brazilian based venture capital firm, 13.2% of PEVC I General Partner IV, Ltd. ("Igah IV"), and 100% of Igah Carry Holding Ltd, an entity for carried interest allocations (collectively referred to as "Igah"). The acquisition of these entities was accounted for as a linked transaction.

Igah's business complements the Group's existing private equity and growth equity strategies, which are focused on relatively mature companies, by adding investment expertise in startups and early-stage companies.

Adjustments include an increase in purchase consideration (US\$ 2.45 million) related to the fair value of Option arrangements included to acquire Igah IV resulting in increase to the fair value of goodwill in note 14 or the same amount.

Acquisition date fair value of each major class of identifiable assets and liabilities recognized

	100% VBI July 1, 2022	100% Igah November 30, 2022
Total purchase consideration		
Cash consideration paid (a)	10,815	8,116
Consideration payable	10,859	4,771
Contingent consideration payable	8,355	—
Preferred dividends payable	1,966	—
Option arrangements	(827)	10,339
Total consideration transferred	31,168	23,226
Non-controlling interest (b)	13,729	—
Fair value of equity interest previously held	—	—
Total consideration	44,897	23,226
The assets and liabilities recognized as a result of the acquisition are as follows:		
Cash and cash equivalents	600	36
Accounts receivable	2,462	—
Net working capital	(2,587)	64
Intangible assets: non-contractual customer relationships	23,246	2,120
Intangible assets: brands	3,617	—
Property and equipment	539	—
Lease liability	(420)	—
Net identifiable assets acquired	27,457	2,220
Total consideration less net identifiable assets acquired: Goodwill	17,440	21,006

(a) Purchase consideration – cash outflow for the year ending December 31, 2022 to acquire the subsidiary, net of cash acquired

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	VBI	IGAH	Total
Cash consideration	10,815	8,116	18,931
Less: Cash acquired	(600)	(36)	(636)
Net outflow of cash -investing activities	10,215	8,080	18,295

(b) The Group recognizes non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. The decision is made on an acquisition-by-acquisition basis. For the non-controlling interests in VBI, the Group elected to recognize the non-controlling interests at its proportionate share of the acquired net identifiable assets.

As disclosed in note 12(d) and note 29(b) the Group is applying the anticipated method of acquisition to recognize Igah IV in accordance with *IFRS 10* considering the contractual arrangements that in substance gives the Group control of Igah IV.

Financial year ended December 31, 2021**e. Moneda**

The following relates to the Group's 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 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 Moneda.

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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 are final with adjustments in the measurement period to reclassify US\$0.3 million from goodwill to non-contractual customer relationships as disclosed in note 14:

Acquisition date fair value of each major class of identifiable assets and liabilities recognized	
	Moneda
Total purchase consideration	
Cash consideration paid	132,331
Consideration payable	16,437
Share issued	184,789
Contingent consideration payable	25,491
Total purchase consideration	359,048
The assets and liabilities recognized as a result of the acquisition are as follows:	
Cash and cash equivalents	9,564
Accounts receivable	14,852
Working Capital	(27,137)
Intangible assets: non-contractual customer relationships	85,954
Intangible assets: brands	15,598
Fixed assets	6,769
Tax assets and liabilities	1,698
Other assets and other liabilities	7,718
Net identifiable assets acquired	115,016
Goodwill	244,032
Net assets acquired	359,048

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30 Financial instruments

a. Financial instruments by categories

The Group classifies its financial instruments into the categories below:

<u>Financial assets</u>	<u>Fair value Level</u>	<u>2023</u>	<u>2022</u>
Financial assets at amortized cost			
Accounts receivable		138,760	131,659
Cash and cash equivalents		16,050	26,519
Client funds on deposit		17,055	23,639
Project advances		19,586	6,640
Deposit/guarantee on lease agreement		2,012	1,782
Financial assets at fair value through profit or loss			
Short term investments	1	204,510	285,855
Accounts receivable	1	3,503	—
Long-term investments - Lavoro	1	20,166	4,184
Long-term investments - Lavoro	2	9,945	6,833
Long-term investments - Patria Growth Capital Fund I Fundo de Investimento em Participações Multiestratégia	3	18,707	14,777
Long-term investments – KMP Growth Fund II	3	8,917	9,463
Derivative financial instruments – The One Real Estate Investment Fund call options	2	310	—
Derivative financial instruments – VBI Call options	3	2,896	6,322
Financial liabilities			
Financial liabilities at amortized cost			
Commitment subject to possible redemption		187,356	234,145
Gross obligation under put option		92,926	73,428
Client funds payable		17,055	23,639
Lease liabilities		15,836	16,094
Consideration payable on acquisition		35,029	18,157
Carried interest allocation		31,929	12,450
Suppliers		4,808	3,256
Financial liabilities at fair value through profit or loss			
Derivative financial instruments – Warrants	1	321	1,011
Derivative financial instruments – forward exchange contracts	2	—	42
Contingent consideration payable on acquisition	3	18,201	21,963

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;
- **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;

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- **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.

Refer to table above for fair value measurement methodologies (“Fair value level”) applied to financial assets and financial liabilities measured at fair value.

Transfers

Transfers into and out of fair value hierarchy levels are analyzed at the end of each consolidated financial statement reporting period. A transfer into Level 3 would be deemed to occur where there is a change in liquidity or other inputs used in the valuation of the financial instrument.

There were no transfers between Levels 1, 2 and 3 for fair value measurements as of and for the year ended December 31, 2023. As of and for the year ended December 31, 2022, the Group had no transfers between Levels 1 and 2 and had the below transfers to and from level 3.

Transfer to Level 3 fair value measurement

As of June 30, 2022, the investment in Patria Growth Capital Fund I Fundo de Investimento em Participações Multiestratégia was transferred from Level 2 to Level 3 after considering the change in valuation methodology from previously using the transaction cost price to applying a discounted cash flow model at the reporting date.

Transfer from Level 3 fair value measurement

As of June 30, 2022, the Warrants were transferred out of Level 3 into Level 1. The fair value of the Warrants issued in connection with the IPO of PLAO was measured at fair value using a Monte Carlo simulation model as of March 31, 2022. From June 30, 2022, the fair value of the Warrants issued have been measured based on the listed market price of such warrants, a Level 1 measurement.

Unobservable inputs

The following analysis illustrates specific valuation techniques, unobservable inputs used to value Level 3 financial instruments and the sensitivity to reasonable changes in the most significant underlying variables used in measurement:

	Description	Note	Valuation technique	Unobservable inputs	Range of unobservable inputs	Sensitivity	Financial impact*
Consideration payable on acquisition	Contingent consideration payable on acquisition - Moneda	20 (b)	Discounted cash flow	Discount rate Probability adjusted net revenue and net income	13.9% - 16.8%	50 basis points	US\$ nil
Consideration payable on acquisition	Contingent consideration payable on acquisition – VBI	20 (b)	Discounted cash flow	Discount rate Projected AUM	11.7% -13.7% 1% to 26% AUM growth	10% less growth	US\$ 0.2 million
Long-term investments	Patria Growth Capital Fund I Fundo de Investimento em Participações Multiestratégia - Startise	12 (b)	Discounted cash flow	Discount rate Expected cash flows	17.1% -18.2%	50 basis points	US\$ 0.8 million
Long-term investments	KMP Growth II	12 (b)	Discounted cash flow	Discount rate Expected cash flows	18.0% - 19.2%	100 basis points	US\$ 0.9 million
Derivative financial instruments	VBI call option	12 (d)	Monte Carlo simulation	Projected AUM at option exercise date	50% greater/(lower) than projected AUM	34.49% volatility	US\$1.4 million/(US\$2.9 million)
Consideration payable on acquisition	Contingent consideration payable on acquisition – Kamaroopin	20 (b)	Discounted cash flow	Discount rate Projected fundraising activity	11.5% - 13.7%	100 basis points	US\$0.2 million

* Increase (decrease in discount rate) or decrease (increase in discount rate) the discounted fair value

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Contingent consideration

The ultimate settlement of contingent consideration could deviate from current estimates based on the actual results of these financial measures. The liability is re-measured each reporting period and the change in fair value of contingent consideration is presented on the accompanying Consolidated Income Statement in other income or expenses as fair value gains/(losses) on contingent consideration. Between acquisition date and December 31, 2023, there has been a decrease in contingent consideration payable due to actual lower net income margins achieved in comparison to performance measurement criteria per the Moneda purchase agreement.

(i) Moneda business combination

The Group is required to make contingent payments, subject to the acquired entities achieving certain revenue and profitability targets. The contingent consideration payment has a maximum earnout of US\$ 71 million for the business combination with Moneda. The fair value of the contingent consideration liability 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. A probabilistic scenario approach using the pre-determined net income and net revenue metrics within the purchase agreement was used to estimate expected undiscounted contingent consideration payable and a discount rate range was applied to determine the fair value of contingent consideration up to the measurement period ending December 31, 2023 (payable in 2024). As of December 31, 2023 the financial performance of Moneda, was lower than the earn-out performance criteria and thus the full liability was written off as a fair value adjustment to contingent consideration within other income/(expenses) (note 25).

(ii) VBI business combination

The Group is required to make contingent payments, subject to the acquired entity achieving certain AUM and fundraising targets. The contingent consideration payment (payable in BRL) as of reporting date has an earnout of US\$ 11.1 million for the business combination with VBI. The fair value of the contingent consideration liability upon acquisition was US\$ 8.4 million and was estimated by projecting future AUM between the 2nd and 5th anniversary from the acquisition closing date, to estimate the undiscounted contingent consideration payable and applying a discount rate range to determine the fair value of contingent consideration to be settled in cash on the later of the 2nd anniversary from the acquisition closing date or ten business days after achieving the fundraising targets. As of December 31, 2023, contingent targets have been met and settlement will take place per the purchase agreement.

(iii) Kamaroopin business combination

The Group is required to make contingent payments, subject to the acquired entity achieving certain fundraising objectives per the terms of the purchase agreement (earn-out range between US\$ 4.0 million and US\$ 10.1 million). The contingent consideration payment (payable in BRL) had a fair value of US\$ 4.7 million and US\$ 7.1 million on acquisition date and December 31, 2023 respectively. The fair value was estimated on acquisition date by projecting future fundraising activity within a 30 month period from acquisition date to estimate the undiscounted contingent consideration payable in accordance with a predetermined range of payments that is based on the level of fundraising and applying a discount rate range to determine the fair value of contingent consideration to be settled in the Company's Class A common shares by March 30, 2027.

Long-term investments

The fair values were calculated based on the underlying investment's cash flows discounted using an unobservable input discount rate range. The change in fair value of the Level 3 investment is presented on the accompanying Consolidated Income Statement in net financial income or expenses as unrealized gains/(losses) on long-term investments.

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Derivative financial instruments

- (i) The VBI call option was valued using a Monte Carlo simulation, which is considered to be a Level 3 fair value measurement. The Group estimates volatility based on a group of comparable market participants. The risk-free interest rate is based on the risk-free rate as disclosed by B3 (Brasil, Bolsa, Balcão). The expected life of the VBI Option arrangements are assumed to be equivalent to the remaining contractual term. The derivative was recorded as a financial asset in the Group's Consolidated Statement of Financial Position. The impact from this transaction is presented in note 12(d) and 28(e).

The following table presents a reconciliation of financial instruments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) as of December 31, 2023 and 2022.

	Contingent consideration payable (a)	Long term investments at fair value through profit or loss (b)	Derivative warrant liability	Derivative Financial instruments (c)
Fair value of Level 3 financial instruments at December 31, 2021	25,775	—	—	—
Additions	8,355	9,463	4,125	6,104
Transfer to Level 3	—	10,689	—	—
Transfers from Level 3	—	—	(1,471)	—
Cumulative translation adjustment	155	—	—	113
Change in fair value	(12,322)	4,088	(2,654)	105
Fair value of Level 3 financial instruments at December 31, 2022	21,963	24,240	—	6,322
Additions	4,707	—	—	—
Cumulative translation adjustment	953	—	—	505
Change in fair value	(9,422)	3,384	—	(3,931)
Fair value of Level 3 financial instruments at December 31, 2023	18,201	27,624	—	2,896

* Changes in fair value include impact from price risk and/or foreign exchange rate risk

(a) Related to contingent consideration payable to sellers of Moneda, VBI and Kamaroopin (note 20 (b))

(b) Relates to investments in Patria Growth Capital Fund I Fundo de Investimento em Participações Multiestratégia, and KMP Growth Fund II (note 12(b))

(c) Relates to VBI Call option to purchase remaining non-controlling interest and other purchased options (note 12(d))

c. Financial instruments measured at amortized costs

As of December 31, 2023, and December 31, 2022, 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 except for transactions related to the gross obligation under put option (note 20(d)) measured at amortized cost which is a non-current and current liability and has future gross redemption amounts as reflected in the liquidity risk under note 30(d)(ii).

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

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The Group determines concentrations of risk by assessing the nature, extent, and impact of risks in its investment portfolio. This assessment considers a range of factors that are relevant to its investment strategy and objectives, including geographic concentration, industry concentration, counterparty risk, market risk, and liquidity risk.

To manage concentrations of risk, the Group uses various risk management strategies, including diversification, hedging, and monitoring of counterparty credit risk. The Group also regularly reports on its risk management activities and the effectiveness of its risk management policies and procedures to its audit committee and board of directors.

While the Group uses quantitative measures, such as percentages of its portfolio invested in particular regions or industries, to help determine concentrations of risk, it also uses its judgment and experience in assessing the overall impact of concentrations of risk on its investment portfolio and making informed investment decisions.

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, accounts receivable balances as of December 31, 2023 and December 31, 2022 are composed mainly of management fees, performance fees of investment funds, advisory fees and reimbursement of expenses to be received from investees of such investment funds. As of December 31, 2023 and 2022 accounts receivable includes renegotiated due dates (see note 8(a)) of management fees within certain investment funds as considering their cash needs, the collection thereof was postponed during 2023 and classified as overdue. These overdue balances are related to the estimated asset realization dates within the investment funds and have no impact on the credit risk profile considering the nature of the Group's operations as an investment manager and its customer base.

The amounts receivable and project advances as of December 31, 2023, 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 (note 8) (a)	94,811	4,502	235	822	732	24,180	1,941	140	—	14,900	142,263
Project Advances	—	—	—	—	—	5,729	10,621	1,143	121	1,972	19,586
Total	94,811	4,502	235	822	732	29,909	12,562	1,283	121	16,872	161,849

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The amounts receivable and project advances as of December 31, 2022, 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)	426	134	—	104	245	24,886	4,134	2,064	93,412	6,254	108,115
Project Advances	—	—	—	—	—	2,692	55	2,722	224	947	3,935
Total	426	134	—	104	245	27,578	4,189	4,786	93,636	7,201	138,299

(a) Current overdue balances include renegotiated management fees of US\$ 8.7 million (2022: US\$ 18.1 million) from current year and US\$ 64.1 million (2022: US\$ 35 million and 2021: US\$ 11 million) from prior years related to management fees from PBPE Fund IV. All renegotiated and postponed balances as of December 31, 2023 are expected to be recovered over the next twelve months subject to the timing of the realization of underlying investment fund assets and based on the estimated cash needs of the investment funds over the next twelve months.

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 and short term investments, keeping them available for paying its obligations and reducing its exposure to liquidity risk. In addition, the Group has the option for certain financial instruments to be settled either in cash or through its own equity instruments, Class A common shares.

Expected future payments for financial liabilities as of December 31, 2023, 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	4,808	—	—	—	—	4,808
Leases (a)	816	680	691	2,110	15,285	19,582
Carried interest allocation	—	—	—	9,352	22,577	31,929
Consideration payable on acquisition	834	684	1,704	7,155	24,652	35,029
Contingent consideration payable on acquisition (a)	—	—	—	—	20,376	20,376
Commitment subject to possible redemption (a) and (c)	—	—	187,356	—	—	187,356
Gross obligation under put option (a) and (b)	—	—	—	86,944	14,665	101,609
Derivative financial instruments	—	—	—	—	—	—
Client funds payable (d)	17,055	—	—	—	—	17,055
Total	23,513	1,364	189,751	105,561	97,555	417,744

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As of December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021

(Amounts in thousands of United States dollars - US\$, except where otherwise stated)

Expected future payments for financial liabilities as of December 31, 2022, 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	3,256	—	—	—	—	3,256
Investment fund participating shares	—	—	—	—	262	262
Leases (a)	655	548	591	1,884	17,078	20,756
Carried interest allocation	—	—	10,370	2,080	—	12,450
Consideration payable on acquisition	—	958	—	11,792	958	13,708
Contingent consideration payable on acquisition (a)	—	—	—	—	26,475	26,475
Commitment subject to possible redemption (a) and (c)	—	—	240,311	—	—	240,311
Gross obligation under put option (a) and (b)	—	—	—	—	100,306	100,306
Derivative financial instruments	42	—	1,011	—	—	1,053
Client funds payable (d)	17,055	—	—	—	—	17,055
Total	21,008	1,506	252,283	15,756	145,079	435,632

(a) Amounts reflect undiscounted future cash outflows to settle financial liabilities.

(b) Liability to be partly settled with Class A common shares

(c) Settled with proceeds held in SPAC's trust account

(d) Settled with proceeds held in Client funds on deposit account (note 7)

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, 2023 and December 31, 2022 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 has acquired Warrants as it relates to the SPAC PLAO that are listed. The fair value of the Warrants are subject to changes in market prices. However, the Group has determined that the exposure to market risk from the warrants is not significant and therefore no sensitivity analysis is presented.

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 10% (2022: 10%) increase in the price of Level 1 and Level 2 long-term investments, with other variables held constant, would have increased the profit before tax by US\$ 3.0 million (2022: US\$ 1.1 million). A 10% decrease in the price would have had the equal but opposite effect.

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Foreign exchange risk:

Foreign exchange risk results from a possible change in foreign exchange rates that would affect the finance income or expenses and the assets or liability balances 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.

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, 2023

	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	7,828	6,491	5,124,224	21,188,621	597	1,558	16,050	1,449
Short term investments	17,204	—	2,308,439	—	—	198,336	204,510	617
Client funds on deposit	—	—	15,027,219	—	—	—	17,055	1,706
Accounts receivable	108,120	38	7,874,868	4,385,717	202	109,599	142,263	3,266
Projects Advance	32,354	—	421,629	1,604,583	—	12,010	19,586	757
Deposit/guarantee on lease agreement	—	240	1,135,217	149,008	180	427	2,012	160
Long-term investments	3,552	—	213,015	—	118	56,609	57,735	112
Client funds payable	—	—	15,027,219	—	—	—	17,055	(1,706)
Suppliers	(6,285)	244	2,001,294	2,626,609	205	2,865	4,808	(195)
Derivative financial instruments - Assets	15,521	—	—	—	—	—	3,206	320
Derivative financial instruments - Liability	—	—	—	—	—	321	321	—
Commitment subject to possible redemption	—	—	—	—	—	187,356	187,356	—
Gross obligation under put option	395,261	—	—	—	—	—	92,926	3,118
Carried interest allocation	11,854	—	—	—	—	29,481	31,929	(245)
Consideration payable on acquisition	38,773	—	—	—	—	1,020	35,029	(3,401)
Contingent consideration payable on acquisition	88,116	—	—	—	—	—	18,201	(1,820)
Net Impact								4,138

(a) BRL - Brazilian Real, (b) HKD - Hong Kong dollar, (c) CLP - Chilean Peso, (d) COP - Colombian Peso, (e) GBP - Pound Sterling

31 Related parties

a. Key management compensation

The amounts paid to directors and officers for their roles as executives in 2023, 2022 and 2021 included in "Personnel expenses" are shown below:

	2023	2022	2021
Key management compensation	(6,971)	(5,705)	(2,784)

Additionally, for the year ended December 31, 2023 the Company has accrued US\$ 8.1 million (2022: US\$ 7.4 million) as bonuses payable to key management, which is included in "Personnel expenses". Bonuses payable to key management will be settled by way of equity compensation issued as Class A common shares.

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*(Amounts in thousands of United States dollars - US\$, except where otherwise stated)***b. Officers' Fund**

	2023	2022
Personnel current liabilities	—	912
Personnel non-current liabilities	—	350
	—	1,262

The Officers' Fund Plan was administered by the Company through a limited liability entity (the "Officers' Fund") and is registered as an administered fund under the laws of the Cayman Islands.

Certain employees that were offered the opportunity to participate 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 and entitles employees to a cash benefit. 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.

For the year ended December 31, 2023, the Group has accrued and paid US\$ 0.3 (December 31, 2022: US\$ 1.7 million) No further quotas in the Officers' Fund were granted since the IPO on January 21, 2021. As of December 31, 2023, the Officers' Fund Plan was settled.

c. Long-term investments**2023**

As described in notes 12(b), the Group purchased shares on behalf of PBPE General Partner V, Ltd.'s investment fund Private Equity Fund V (PE V) in Lavoro Agro Limited ("Lavoro") for approximately \$8.2 million. Lavoro was a private equity investment of PE V prior to going public and entering into a business combination (closed February 28, 2023) with an independent SPAC entity, formerly known as TPB Acquisition Corporation I.

2022

In August 2022, the Group concluded the sale of a long-term investment held in Patria Crédito Estruturado Fundo de Investimento em Direitos Creditórios to Patria Holdings Limited, a shareholder of the Company, for a value of US\$ 5.2 million and a realized gain of US\$ 0.8 million. The sale was concluded at a value reflecting the fair market value of the investment and consistent with values that would have been realized through an arm's length transaction.

d. Carried interest allocation

As described in note 22(b), up to 35% of the performance fee receivable from certain of the Group's investment funds are payable to the Group's employees.

e. Share based incentive plan

As described in note 28(d), the Company has share based incentive plans 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(b), the Group accrues for a Strategic Bonus in Chile that employees receive in exchange terms of service. The Strategic Bonus payable for a key management participant was US\$ 152 as of December 31, 2023 (December 31, 2022: US\$ nil) of which US\$ 109 was accrued for the year ended December 31, 2023 (US\$ 12 for the year ended December 31, 2022) and included under personnel expenses.

Patria Investments Limited

Notes to the consolidated financial statements

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*(Amounts in thousands of United States dollars - US\$, except where otherwise stated)***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. As a result, a lease contract was entered into by MAM I and MCB in 2021 and MAGF in 2022 with their related party entity Moneda III SpA (beneficially owned by Moneda's former partners).

Related party lease - Santiago	2023	2022
Lease liabilities (current)	520	502
Lease liabilities (non-current)	2,604	3,078

Related party lease - Santiago	2023	2022
Principal paid	538	425
Depreciation of right-of-use assets	551	481
Interest on lease liabilities	79	73

h. SPAC

Refer to notes 5(o) and 20(d) for related party transaction with the SPAC

32 Events after the reporting period*Acquisitions**Abrdn Inc.*

On October 16, 2023, the Group announced intention to enter into an agreement to acquire a private equity solutions business from Abrdn Inc. ("Abrdn"). The transaction includes total consideration of up to GBP 100 million (US\$125 million). Upon closing, the acquisition will launch Global Private Markets Solutions as a new investment strategy vertical for the Group in 2024. As of the issuance date of these audited consolidated financial statements the transaction has not closed.

Real Estate

On December 6, 2023, the Group announced the signing of an agreement for the acquisition of Credit Suisse's Real Estate business in Brazil ("CSHG Real Estate"), for total cash consideration of up to approximately US\$130 million. The transaction is structured with approximately US\$60 million due upon completion of the standard regulatory approvals and up to an additional estimated US\$70 million conditioned to the successful shareholder approval process and transfer of underlying real estate funds. The funds are listed on the Brazilian stock exchange, and together would add approximately up to US\$2.4 billion in assets under management to Patria's Real Estate platform.

The CSHG Real Estate platform invests in the Brazilian REIT market across a diverse range of market strategies including logistics, retail, office and receivables. As of the issuance date of these audited consolidated financial statements the transaction has not closed.

Energy trading

The Group completed the signing in February 2024 to acquire a controlling interest and enter a business combination with a private undisclosed energy trading company in Brazil. Consideration of up to approximately US\$20.6 million can be expected to be paid as part of the capitalization of the energy trading company for the Group to acquire a controlling interest. Further details and closing are subject to regulatory approvals. As of the issuance date of these audited consolidated financial statements the transaction has not closed.

Patria Investments Limited

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Moneda deferred consideration

On January 10, 2024, 1.88 million Class A common shares were issued per the amended Moneda transaction purchase agreement to settle the first installment due for Moneda's deferred consideration as disclosed per note 20(b)(i).

Equity incentive program

Bonus share scheme

A new restricted stock plan program for key management compensation was launched where key management may invest up to 50% of the annual bonus in the Company's Class A common shares at market value ("Purchased Shares"). The Company will match every share ("Matching Shares") bought by key management in accordance with specified performance criteria of executive participants. The restricted stock plan will be subject to a 3-5 years vesting schedule. Matching shares will have the Group's standard vesting schedule:

- 1/3 after 36 months from grant date;
- 1/3 after 48 months from grant date; and
- 1/3 after 60 months from grant date.

The acquired shares will not have vesting criteria applicable and will not be subject to any lock-up, however, if the executive sells any of those shares before the Matching Shares are vested, the corresponding Matching Shares will be forfeited. 50% of the vested shares cannot be sold during employment of key management.

Share based grants

On February 26, 2024, the Group launched a new equity incentive program as a LTIP where eligible participants include members of the Group's management and its employees. Beneficiaries under the second equity incentive program, will be granted rights to shares based on certain criteria (time and performance vesting conditions). The second equity incentive program will mirror the vesting conditions of the IPO grant. The defined maximum number of shares under the new grant should not exceed 5,380,000. On January 19, 2024, 3.36 million PSUs under the equity incentive program were granted to eligible participants (0.3 million subject to boost grant requirements being met). The equity incentive program filed will be used for LTIP programs as well as the partner bonus matching program for Matching Shares as disclosed in note 31(e).

The final eligibility of any beneficiary to participate in the second equity incentive program is determined by a compensation committee, created and appointed by the Company's board of directors to administer the equity incentive program.

Dividends

On February 6, 2024 the board of directors approved a dividend of US\$ 0.399 per share (US\$ 59.9 million) which was paid in March 2024.

After December 31, 2023 and up until the date of authorization for issuance of the audited consolidated financial statements, there were no further significant events that occurred after the reporting period for disclosure.

* * *

Eduardo Tomazelli
Accountant

Ana Cristina Russo
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, 2023 Patria Investments Limited (“we,” “us,” and “our”) had the following series of securities registered pursuant to Section 12(b) of the Exchange Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common shares, par value US\$0.0001 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, Ugland 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\$14,825, divided into 148,253,938 common shares. Those common shares are divided into 55,308,508 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.

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, 2023.

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. 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 four 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.

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
Platam Investments Brazil Ltda.	Brazil	Advisory services
Patria SPAC LLC	Cayman Islands	Holding company
Patria Latin American Opportunity Acquisition Corp.	Cayman Islands	Holding company

Name	Jurisdiction	Primary Business
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

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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 26, 2024

/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, Ana Cristina Russo, 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 26, 2024

/s/ Ana Cristina Russo

Ana Cristina Russo

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, 2023 (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 26, 2024

/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, 2023 (the "Report"). I, Ana Russo, 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 26, 2024

/s/ Ana Cristina Russo

Ana Cristina Russo

Chief Financial Officer

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statements Nos. 333-277376, 333-277375, 333-257155 and No. 333-268577 on Form S-8 and Registration Statement No. 333-275787 on Form F-3 of our reports dated April 26, 2024, relating to the consolidated financial statements of Patria Investments Limited and the effectiveness of Patria Investments Limited's internal control over financial reporting appearing in this Annual Report on Form 20-F for the year ended December 31, 2023.

São Paulo, April 26, 2024

/s/ DELOITTE TOUCHE TOHMATSU
Auditores Independentes Ltda.

PATRIA

PATRIA INVESTMENTS LIMITED COMPENSATION RECOUPMENT POLICY

This Patria Investments Limited Compensation Recoupment Policy (the “**Policy**”) has been adopted by the Board of Directors (the “**Board**”) of Patria Investments Limited (the “**Company**”) on November 23rd, 2023. This Policy provides for the recoupment of certain executive compensation in the event of an accounting restatement resulting from material noncompliance with financial reporting requirements under U.S. federal securities laws in accordance with the terms and conditions set forth herein. This Policy is intended to comply with the requirements of Section 10D of the Exchange Act (as defined below) and Section 5608 of the Nasdaq Listing Rules (the “**Listing Rule**”).

1. DEFINITIONS.

For the purposes of this Policy, the following terms shall have the meanings set forth below.

- (a) “**Committee**” means the independent members of the Board.
- (b) “**Covered Compensation**” means any Incentive-based Compensation “received” by a Covered Executive during the applicable Recoupment Period; *provided that*:
 - i. such Incentive-based Compensation was received by such Covered Executive (A) on or after the Effective Date, (B) after he or she commenced service as an Executive Officer and (C) while the Company had a class of securities publicly listed on a United States national securities exchange; and
 - ii. such Covered Executive served as an Executive Officer at any time during the performance period applicable to such Incentive-based Compensation.

For purposes of this Policy, Incentive-based Compensation is “**received**” by a Covered Executive during the fiscal period in which the Financial Reporting Measure applicable to such Incentive-based Compensation (or portion thereof) is attained, even if the payment or grant of such Incentive-based Compensation is made thereafter.

- (c) “**Covered Executive**” means any (i) current or former Executive Officer.
- (d) “**Effective Date**” means the date on which the Listing Rule becomes effective.
- (e) “**Exchange Act**” means the U.S. Securities Exchange Act of 1934, as amended.

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- (f) **“Executive Officer”** means, with respect to the Company, (i) its president, (ii) its principal financial officer, (iii) its principal accounting officer (or if there is no such accounting officer, its controller), (iv) any vice-president in charge of a principal business unit, division or function (such as sales, administration or finance), (v) any other officer who performs a policy-making function for the Company (including any officer of the Company’s parent(s) or subsidiaries if they perform policy-making functions for the Company) and (vi) any other person who performs similar policy-making functions for the Company. Policy-making function is not intended to include policy-making functions that are not significant. The determination as to an individual’s status as an Executive Officer shall be made by the Committee and such determination shall be final, conclusive and binding on such individual and all other interested persons.
- (g) **“Financial Reporting Measure”** means any (i) measure that is determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, (ii) stock price measure or (iii) total shareholder return measure (and any measures that are derived wholly or in part from any measure referenced in clause (i), (ii) or (iii) above). For the avoidance of doubt, any such measure does not need to be presented within the Company’s financial statements or included in a filing with the U.S. Securities and Exchange Commission to constitute a Financial Reporting Measure.
- (h) **“Financial Restatement”** means a restatement of the Company’s financial statements due to the Company’s material noncompliance with any financial reporting requirement under U.S. federal securities laws that is required in order to correct:
- i. an error in previously issued financial statements that is material to the previously issued financial statements; or
 - ii. an error that would result in a material misstatement if the error were (A) corrected in the current period or (B) left uncorrected in the current period.

For purposes of this Policy, a Financial Restatement shall not be deemed to occur in the event of a revision of the Company’s financial statements due to an out-of-period adjustment (i.e., when the error is immaterial to the previously issued financial statements and the correction of the error is also immaterial to the current period) or a retrospective (1) application of a change in accounting principles; (2) revision to reportable segment information due to a change in the structure of the Company’s internal organization; (3) reclassification due to a discontinued operation; (4) application of a change in reporting entity, such as from a reorganization of entities under common control; (5) revision for stock splits, reverse stock splits, stock dividends or other changes in capital structure; or (6) adjustment to provisional amounts in connection with a prior business combination.



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- (i) **“Incentive-based Compensation”** means any compensation (including, for the avoidance of doubt, any cash or equity or equity-based compensation, whether deferred or current) that is granted, earned and/or vested based wholly or in part upon the achievement of a Financial Reporting Measure. For purposes of this Policy, “Incentive-based Compensation” shall also be deemed to include any amounts which were determined based on (or were otherwise calculated by reference to) Incentive-based Compensation (including, without limitation, any amounts under any long-term disability, life insurance or supplemental retirement or severance plan or agreement or any notional account that is based on Incentive-based Compensation, as well as any earnings accrued thereon).
- (j) **“Nasdaq”** means the NASDAQ Global Select Market, or any successor thereof.
- (k) **“Recoupment Period”** means the three fiscal years completed immediately preceding the date of any applicable Recoupment Trigger Date. Notwithstanding the foregoing, the Recoupment Period additionally includes any transition period (that results from a change in the Company’s fiscal year) within or immediately following those three completed fiscal years, provided that a transition period between the last day of the Company’s previous fiscal year end and the first day of its new fiscal year that comprises a period of nine (9) to twelve (12) months would be deemed a completed fiscal year.
- (l) **“Recoupment Trigger Date”** means the earlier of (i) the date that the Board (or a committee thereof or the officer(s) of the Company authorized to take such action if Board action is not required) concludes, or reasonably should have concluded, that the Company is required to prepare a Financial Restatement, and (ii) the date on which a court, regulator or other legally authorized body directs the Company to prepare a Financial Restatement.

2. RECOUPMENT OF ERRONEOUSLY AWARDED COMPENSATION.

- 2.1 In the event of a Financial Restatement, if the amount of any Covered Compensation received by a Covered Executive (the **“Awarded Compensation”**) exceeds the amount of such Covered Compensation that would have otherwise been received by such Covered Executive if calculated based on the Financial Restatement (the **“Adjusted Compensation”**), the Company shall reasonably promptly recover from such Covered Executive an amount equal to the excess of the Awarded Compensation over the Adjusted Compensation, each calculated on a pre-tax basis (such excess amount, the **“Erroneously Awarded Compensation”**).
- 2.2 If (i) the Financial Reporting Measure applicable to the relevant Covered Compensation is stock price or total shareholder return (or any measure derived wholly or in part from either of such measures) and (ii) the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in the Financial



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Restatement, then the amount of Erroneously Awarded Compensation shall be determined (on a pre-tax basis) based on the Company's reasonable estimate of the effect of the Financial Restatement on the Company's stock price or total shareholder return (or the derivative measure thereof) upon which such Covered Compensation was received.

- 2.3 For the avoidance of doubt, the Company's obligation to recover Erroneously Awarded Compensation is not dependent on (i) if or when the restated financial statements are filed or (ii) any fault of any Covered Executive for the accounting errors or other actions leading to a Financial Restatement.
- 2.4 Notwithstanding anything to the contrary in Sections 2(a) through (c) hereof, the Company shall not be required to recover any Erroneously Awarded Compensation if both (x) the conditions set forth in either of the following clauses (i), (ii), or (iii) are satisfied and (y) a majority of the independent directors serving on the Board has determined that recovery of the Erroneously Awarded Compensation would be impracticable:
- i. the direct expense paid to a third party to assist in enforcing the recovery of the Erroneously Awarded Compensation under this Policy would exceed the amount of such Erroneously Awarded Compensation to be recovered; *provided* that, before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation pursuant to this Section 2(d), the Company shall have first made a reasonable attempt to recover such Erroneously Awarded Compensation, document such reasonable attempt(s) to make such recovery and provide that documentation to the Nasdaq;
 - ii. recovery of the Erroneously Awarded Compensation would violate Cayman law to the extent such law was adopted prior to November 28, 2022 (*provided* that, before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation pursuant to this Section 2(d)), the Company shall have first obtained an opinion of home country counsel of the Cayman Islands, that is acceptable to the Nasdaq, that recovery would result in such a violation, and the Company must provide such opinion to the Nasdaq; or
 - iii. recovery of the Erroneously Awarded Compensation would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of Sections 401(a)(13) or 411(a) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**").



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- 2.5 The Company shall not indemnify any Covered Executive, directly or indirectly, for any losses that such Covered Executive may incur in connection with the recovery of Erroneously Awarded Compensation pursuant to this Policy, including through the payment of insurance premiums or gross-up payments.
- 2.6 The Committee shall determine, in its sole discretion, the manner and timing in which any Erroneously Awarded Compensation shall be recovered from a Covered Executive in accordance with applicable law, including, without limitation, by (i) requiring reimbursement of Covered Compensation previously paid in cash; (ii) seeking recovery of any gain realized on the vesting, exercise, settlement, sale, transfer or other disposition of any equity or equity-based awards; (iii) offsetting the Erroneously Awarded Compensation amount from any compensation otherwise owed by the Company or any of its affiliates to the Covered Executive; (iv) cancelling outstanding vested or unvested equity or equity-based awards; and/or (v) taking any other remedial and recovery action permitted by applicable law. For the avoidance of doubt, except as set forth in Section 2(d), in no event may the Company accept an amount that is less than the amount of Erroneously Awarded Compensation; *provided* that, to the extent necessary to avoid any adverse tax consequences to the Covered Executive pursuant to Section 409A of the Code, any offsets against amounts under any nonqualified deferred compensation plans (as defined under Section 409A of the Code) shall be made in compliance with Section 409A of the Code.

3. ADMINISTRATION

- 3.1 This Policy shall be administered by the Committee. All decisions of the Committee shall be final, conclusive and binding upon the Company and the Covered Executives, their beneficiaries, executors, administrators and any other legal representative. The Committee shall have full power and authority to (i) administer and interpret this Policy; (ii) correct any defect, supply any omission and reconcile any inconsistency in this Policy; and (iii) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of this Policy and to comply with applicable law (including Section 10D of the Exchange Act) and applicable stock market or exchange rules and regulations. Notwithstanding anything to the contrary contained herein, to the extent permitted by Section 10D of the Exchange Act and the Listing Rule, the Board may, in its sole discretion, at any time and from time to time, administer this Policy in the same manner as the Committee.

4. AMENDMENT/TERMINATION

- 4.1 Subject to Section 10D of the Exchange Act and the Listing Rule, this Policy may be amended or terminated by the Committee at any time. To the extent that any applicable



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law, or stock market or exchange rules or regulations require recovery of Erroneously Awarded Compensation in circumstances in addition to those specified herein, nothing in this Policy shall be deemed to limit or restrict the right or obligation of the Company to recover Erroneously Awarded Compensation to the fullest extent required by such applicable law, stock market or exchange rules and regulations. Unless otherwise required by applicable law, this Policy shall no longer be effective from and after the date that the Company no longer has a class of securities publicly listed on a United States national securities exchange.

5. INTERPRETATION

- 5.1 Notwithstanding anything to the contrary herein, this Policy is intended to comply with the requirements of Section 10D of the Exchange Act and the Listing Rule (and any applicable regulations, administrative interpretations or stock market or exchange rules and regulations adopted in connection therewith). The provisions of this Policy shall be interpreted in a manner that satisfies such requirements and this Policy shall be operated accordingly. If any provision of this Policy would otherwise frustrate or conflict with this intent, the provision shall be interpreted and deemed amended so as to avoid such conflict.

6. OTHER COMPENSATION CLAWBACK/RECOUPMENT RIGHTS

- 6.1 Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies, rights or requirements with respect to the clawback or recoupment of any compensation that may be available to the Company pursuant to the terms of any other recoupment or clawback policy of the Company (or any of its affiliates) that may be in effect from time to time, any provisions in any employment agreement, offer letter, equity plan, equity award agreement or similar plan or agreement, and any other legal remedies available to the Company, as well as applicable law, stock market or exchange rules, listing standards or regulations; *provided*, however, that any amounts recouped or clawed back under any other policy that would be recoupable under this Policy shall count toward any required clawback or recoupment under this Policy and vice versa.

7. EXEMPT COMPENSATION

- 7.1 Notwithstanding anything to the contrary herein, the Company has no obligation under this Policy to seek recoupment of amounts paid to a Covered Executive which are granted, vested or earned based solely upon the occurrence or non-occurrence of nonfinancial events. Such exempt compensation includes, without limitation, base salary, time-vesting awards, compensation awarded on the basis of the achievement of metrics that are not Financial Reporting Measures or compensation awarded solely at



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the discretion of the Committee or the Board, *provided* that such amounts are in no way contingent on, and were not in any way granted on the basis of, the achievement of any Financial Reporting Measure performance goal.

8. MISCELLANEOUS

- 8.1 Any applicable award agreement or other document setting forth the terms and conditions of any compensation covered by this Policy shall be deemed to include the restrictions imposed herein and incorporate this Policy by reference and, in the event of any inconsistency, the terms of this Policy will govern. For the avoidance of doubt, this Policy applies to all compensation that is received on or after the Effective Date, regardless of the date on which the award agreement or other document setting forth the terms and conditions of the Covered Executive's compensation became effective, including, without limitation, compensation received under the Patria Investments Limited Incentive Plan and any successor plan thereto.
- 8.2 This Policy shall be binding and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives.
- 8.3 All issues concerning the construction, validity, enforcement and interpretation of this Policy and all related documents, including, without limitation, any employment agreement, offer letter, equity award agreement or similar agreement, shall be governed by, and construed in accordance with, the laws of the Cayman Islands, without giving effect to any choice of law or conflict of law rules or provisions (whether of the Cayman Islands or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the Cayman Islands.
- 8.4 The Covered Executives, their beneficiaries, executors, administrators and any other legal representative and the Company shall initially attempt to resolve all claims, disputes or controversies arising under, out of or in connection with this Policy by conducting good faith negotiations amongst themselves. To ensure the timely and economical resolution of disputes that arise in connection with this Policy, any and all disputes, claims or causes of action arising from or relating to the enforcement, performance or interpretation of this Policy shall be resolved to the fullest extent permitted by law by final, binding and confidential arbitration, by a single arbitrator, in New York, NY, conducted by Judicial Arbitration and Mediation Services, Inc. ("**JAMS**") under the applicable JAMS rules. To the fullest extent permitted by law, the Covered Executives, their beneficiaries, executors, administrators and any other legal representative and the Company, shall waive (and shall hereby be deemed to have waived) (1) the right to resolve any such dispute through a trial by jury or judge or administrative proceeding; and (2) any objection to arbitration taking place in New York,



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NY. The arbitrator shall: (i) have the authority to compel adequate discovery for the resolution of the dispute and to award such relief as would otherwise be permitted by law; and (ii) issue a written arbitration decision, to include the arbitrator's essential findings and conclusions and a statement of the award. The arbitrator shall be authorized to award any or all remedies that any party would be entitled to seek in a court of law. Any such award rendered shall be enforceable by any court having jurisdiction and, to the fullest extent permitted by law, the Covered Executives, their beneficiaries, executors, administrators and any other legal representative and the Company shall waive (and shall hereby be deemed to have waived) the right to resolve any such dispute regarding enforcement of such award through a trial by jury.

- 8.5 If any provision of this Policy is determined to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted by applicable law and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable law.



