

dLocal (NASDAQ:DLO)

The next Wirecard/BCCI?

Troubling warning signs of potential...

**Accounting Fraud
or Misstatements**

**Money Laundering
or High-Risk Transactions**

**Currency Theft
or Suspicious FX Exposure**

Share price: ~\$13.4*

Market Cap: ~\$3,824m*

Merchant Clients Funds: \$353m**

February 20, 2025

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Background/Introduction

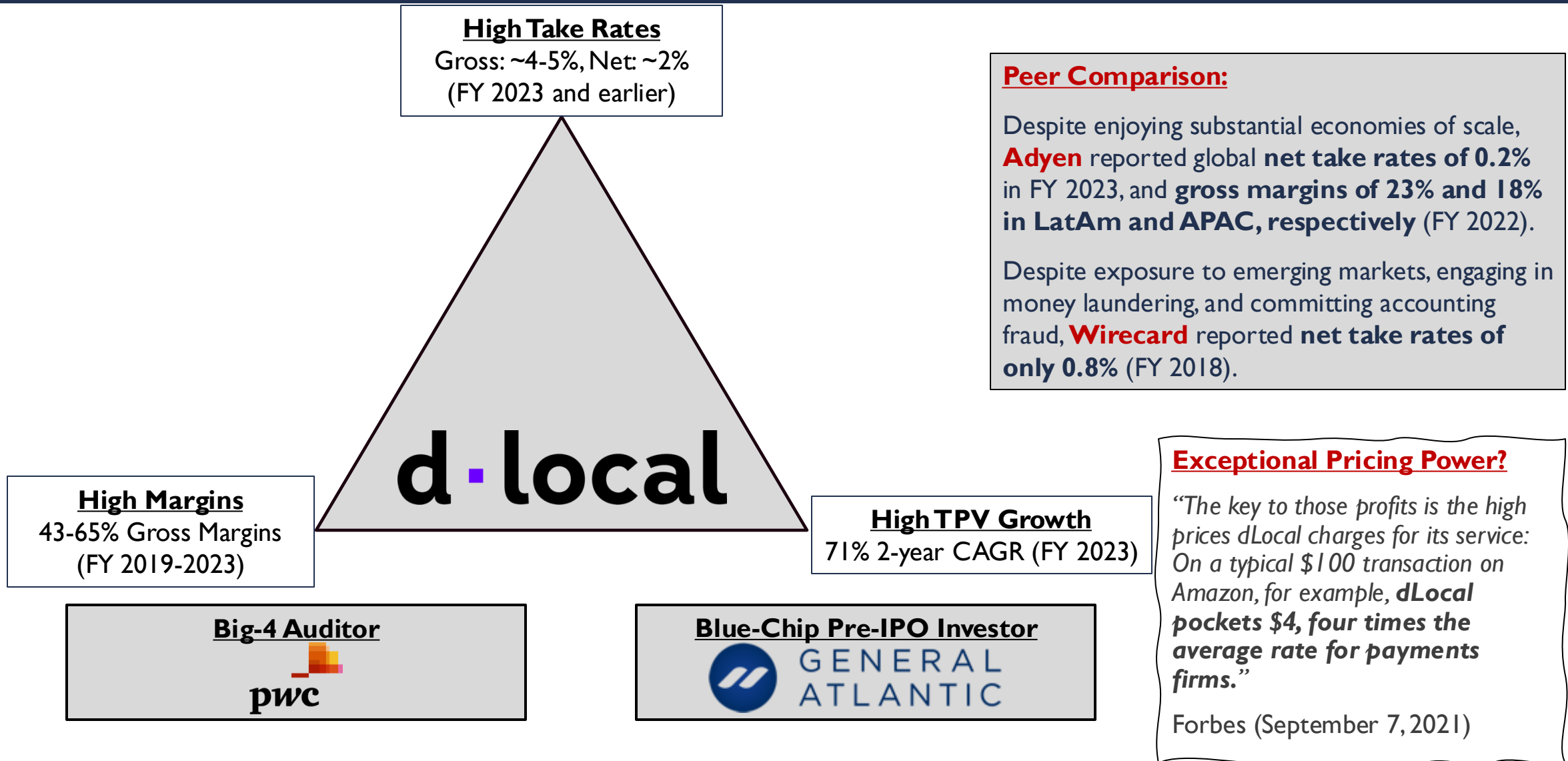
dLocal Ltd. (“dLocal”), a Uruguayan payment service provider, claims to connect blue chip merchants from developed markets (e.g., Netflix, Amazon) to emerging market consumers, by facilitating cross-border ecommerce and transmitting payments.

We, along related parties, have investigated dLocal and its privately-held sister companies AstroPay/Directa24 (n/k/a D24) since summer 2022 – compiling more than 500 pages of internal memoranda. dLocal has, in our view, engaged in practices that raise serious red flags of accounting fraud/misstatements, and money laundering/suspicious high-risk transactions. We view dLocal as a likely nefarious actor masquerading as a payment service provider to low-risk, legitimate merchants (which is unlikely to be very profitable).

Similar to Wirecard’s early ability to evade activist scrutiny, dLocal managed to withstand Muddy Waters’ 2022 campaign, which focused on surface-level red flags. Investor confidence partly relies on the belief that General Atlantic – a New York-based private equity firm and vocal supporter of dLocal against criticism – conducted thorough due diligence and ensured customary corporate governance practices. However, based on private company data and transaction records, we view this assumption as potentially misplaced (For the avoidance of doubt, we do not raise any allegations of wrongdoing against General Atlantic or its representatives).

This presentation does not cover all our findings but focuses on what we believe are serious red flags suggesting possible risks of: (i) **Accounting fraud/misstatements**, through a network of undisclosed related parties and subsidiaries; (ii) **Money laundering/suspicious transactions**, serving high-risk and potentially illicit merchants; and (iii) **Currency theft/FX discrepancies** in countries with capital controls and pegged exchange rates. We also indicate how dLocal’s “true bosses” and power structure potentially differed from those presented to investors - which, if true, could allow misconduct to persist or be easier concealed (i.e., **Corporate governance** issues).

dLocal's Original Promise to Investors: The Holy Trinity of (a) High Growth, (b) High Take Rates, and (c) High Margins; And Blue-Chip Backers as a Seal of Approval



... But Even the Auditors from PwC and General Atlantic's Representatives on the Board Appear to Have Missed Inconsistencies

dLocal's FY 2022 foreign currency risk exposure

| 2022 Account | Currency | Amount |
|--------------|----------------------|----------------|
| Net balances | United States dollar | 47,162 |
| | Brazilian real | 27,841 |
| | Indian rupee | 16,530 |
| | Egyptian pound | 16,243 |
| | Argentine peso | 12,863 |
| | Chilean peso | 4,017 |
| | Colombian peso | 3,763 |
| | Mexican peso | 3,701 |
| | Saudi riyal | 2,318 |
| | Vietnamese dong | 1,131 |
| | Chinese Yuan | 948 |
| | Egyptian pound | 827 |
| | Kenyan shilling | 700 |
| | Paraguayan guarani | 3 |
| | Jordanian dinar | 1 |
| | Czech koruna | — |
| | Mexican peso | (8) |
| | Bangladeshi taka | (39) |
| | Israeli new shekel | (168) |
| | Total | 203,241 |

\$47 million U.S. dollars as “foreign currency”*

\$16 million Egyptian pounds, and \$1 million “Egyptian” pounds

\$4 million Mexican pesos, and -\$8 thousand Mexican pesos



Apparently inaccurate currency codes, and borrowings at dubious interest rates

“During the year 2021, dLocal has received borrowings [...] in Brazilian Reais (**BRZ**) amounting to USD 5,000 (**BRZ** 27 million) [...] accruing interest at an **annual fixed interest rate of 1.85%.**” (FY 2021)

“On April 19, 2022, dLocal has received borrowings [...] in Brazilian Reais (**BRZ**) amounting to USD 15.8 million (**BRZ** 75 million) [...] accruing interest at an **annual fixed interest rate of 1.70%.**” (Q1 2022)

- **BRZ** is the currency symbol of *Brazilian Digital Token* (a crypto token). **BRL** is the symbol of *Brazilian Reais* (Brazilian currency), dLocal's core market.
- **Fixed interest rates of 1.85% and 1.70%** imply that dLocal borrowed money at below the interbank rate (which reached a recent trough of around 1.9% in 2020).

Reminder: dLocal's core business is transmitting money and foreign exchange.

* The characterization of \$47 million U.S. dollars as “foreign currency risk” could be justified if this money is “trapped” in dollar accounts in emerging markets. However, in this case investors should ask themselves whether valuing dLocal's cash balances and profits at their nominal value is justified. Also note the apparent inconsistency to FY 2021 and FY 2023 financials which disclose no U.S. dollars as “foreign currency” net balances.

After all, Even the Best Growth Investors can be Duped

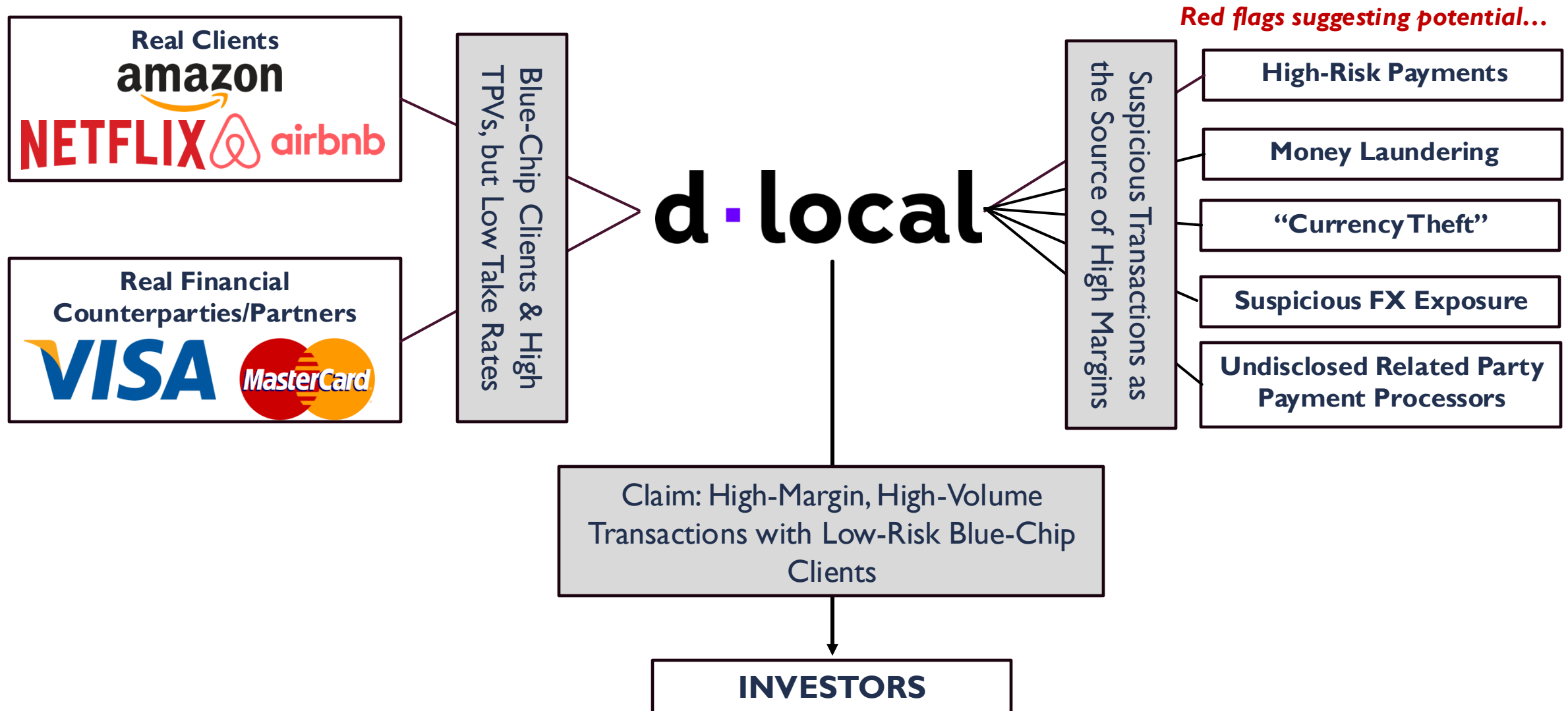
General Atlantic: the revered tech investor that backed Greensill

The firm that spotted the potential in Alibaba also lent credibility to collapsed finance group



General Atlantic chief Bill Ford has described Australian financier Lex Greensill as 'nothing if not ambitious' © FT montage

Our Thesis: Low-Margin, Legitimate Business on the Surface AND “Profits” from Potentially High-Risk, Suspicious/Illicit and/or Fake Business in the Background



Accounting Fraud or Misstatement Red Flags

- **Apparent Undisclosed Entities Identified:** Around 29 payment processors (17 of which were “gradually consolidated”) appear to be potentially undisclosed related parties or outright undisclosed subsidiaries (e.g., seemingly not explicitly named in a timely manner in dLocal’s consolidated financial statements).
- **Questionable Motives:** dLocal discloses more than 80 subsidiaries (as of Q3 2024), raising questions about the purpose of such a parallel network of apparently undisclosed entities.
- **Suspected Role of Those Entities:** Possible money laundering, capital control circumvention, and/or revenue fabrication.
- **“I-Man” Payment Processors:** Private company financials suggest little economic substance, with those entities appearing to “pass-through” transactions to dLocal’s official subsidiaries. We also suspect that some of these entities could be used as sham beneficiaries on payment receipts to conceal dLocal’s participation in certain transactions.
- **Apparently obfuscated Related Party Transactions:** Numerical evidence indicates that dLocal underreported related party receivables and revenues (and consequently related transaction volumes) – possibly suggesting a deliberate obfuscation of transactions with these entities (a major accounting issue, regardless of whether the transactions are real or fake).

dLocal's Purported Take Rates From Blue-Chip Clients – Partly as Good as Hardcore Money Laundering?

dLocal's pre-IPO take rates: up to 7% (estimated)

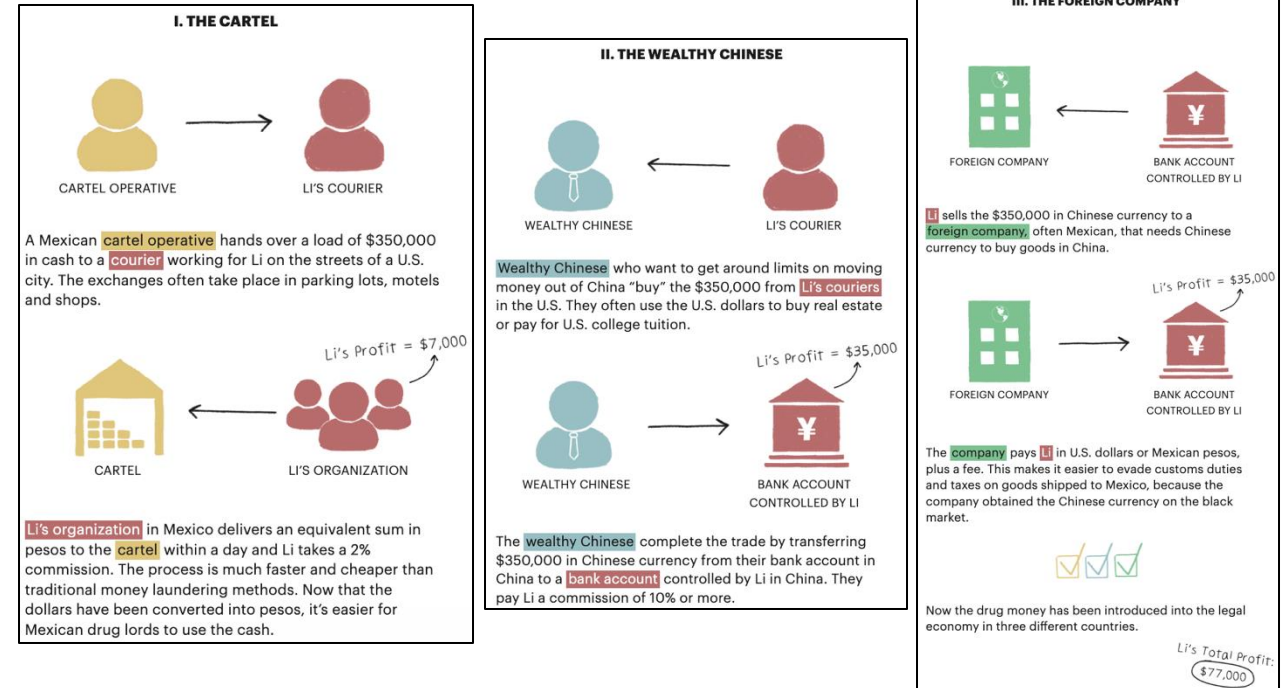
Money laundering take rate: 7% (U.S. drug money, circumvention of Chinese capital controls, customs fraud)

| \$ m | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|-----------------|---------|---------|---------|---------|---------|---------|----------|----------|
| TPV | 136.0 | 313.0 | 554.0 | 1,288.0 | 2,065.0 | 6,049.0 | 10,556.5 | 17,677.0 |
| Growth y-o-y | na | 130% | 77% | 132% | 60% | 193% | 75% | 67% |
| Revenues | 9.5 | 18.6 | >32.6 | 55.3 | 104.1 | 244.1 | 418.9 | 650.4 |
| Gross Take Rate | 7.0% | 5.9% | >5.9% | 4.3% | 5.0% | 4.0% | 4.0% | 3.7% |
| Net Revenues* | 6.8 | 12.4 | >21.1 | 36.9 | 62.5 | 136.8 | 212.7 | 294.1 |
| Net Take Rate | 5.0% | 4.0% | >3.8% | 2.9% | 3.0% | 2.3% | 2.0% | 1.7% |

* Dlocal Limited: Revenues ./ . Processing costs: AstroPay: Disclosure in AstroPay financial accounts
Disclosure by dLocal
Disclosure by AstroPay for Dlocal.com
Disclosure by Dlocal Limited (Malta) and Dlocal LLP (UK)
(Accounts for other subsidiaries not available. Group revenues and take rates might be higher)

Gross rake rates: 4-7%

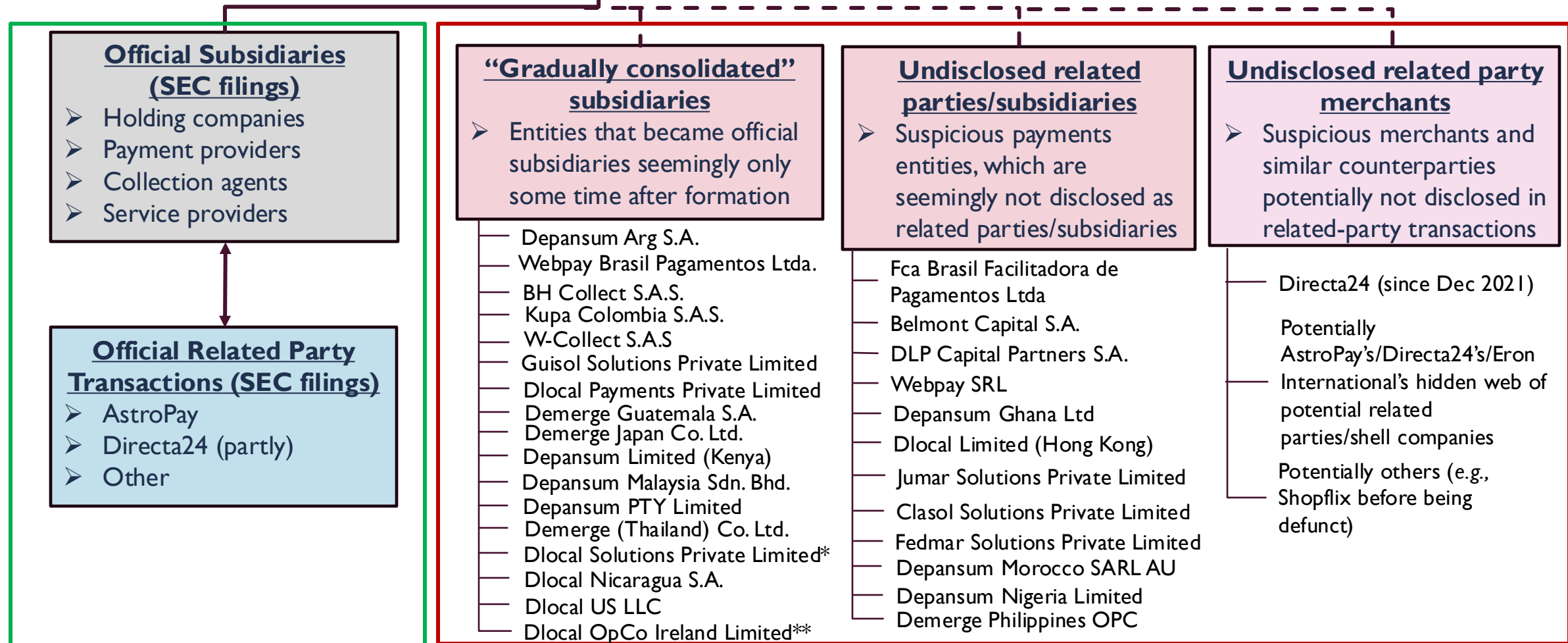
Conclusion: Unless dLocal claims to be a pure play money laundering business, we are skeptical that it was able to earn the take rates implied in its financial accounts. Therefore, we see warning signs of potential accounting fraud (e.g., fake revenues).



TPV: \$1,050,000
Revenue: \$77,000
Take rate: 7.3%

Warning Signs of Accounting Fraud/Misstatements: A Web of Seemingly Undisclosed, Related Party/Subsidiary Payment Processors Operating in Parallel to dLocal's Official Entities

d·local



Disclosed Activities

Suspicious Entities/Activities

* Despite incorporation in 2023, disclosed as a subsidiary seemingly only in [Q1 2024](#) but no longer in [Q2 2024](#). | ** Seemingly not disclosed as a consolidated subsidiary in dLocal's [FY 2023 Annual Report](#) at F-28-F29 but disclosed in the [Q3 2023 Earnings Release](#) (Even if just a clerical error, this could be sign of potentially weak controls or sloppy auditors).

Example 1: Dlocal Limited (Hong Kong)

表格 Form **NAR1**

公司編號 Company Number
3117208

12 董事 Directors

A. 董事(自然人) Director (Natural Person)

1 身分 Capacity ☒ 董事 Director ☐ 候補董事 Alternate Director 代替 Alternate to

中文姓名 Name in Chinese 張雪婷

英文姓名 Name in English 姓氏 Surname ZHANG 名字 Other Names XUE TING

前用姓名 Previous Names 中文 Chinese 英文 English

別名 Alias 中文 Chinese 英文 English

通訊地址 Correspondence Address 元朗坑頭村106號二樓

國家/地區 Country/Region 香港

電郵地址 Email Address TING.ZHANG@DLOCAL.COM

| Company Particulars Search | |
|---|-----------------------------------|
| Your Search: CR No.: = 3117208 | |
| CR No.: | 3117208 |
| Company Name: | DLOCAL LIMITED |
| Company Type: | Private company limited by shares |
| Date of Incorporation: | 31-DEC-2021 |
| Active Status: | Dissolved |
| Remarks: | Dissolved by Deregistration |
| Winding Up Mode: | - |
| Date of Dissolution / Ceasing to Exist: | 06-OCT-2023 |



Job title: "Fraud Leader"
(taken literally?)

Dlocal Limited (Hong Kong) – eponymous with dLocal – was incorporated on a suspicious day (December 31). One of dLocal's contemporaneous employees was its director and provided an "@dLocal" email address in regulatory filings.

Example 2: Jumar Solutions Private Limited (India)

“dLocal” as the contact point when appointing Jumar’s auditor in 2019

“Appointment of the first statutory auditor of the company”

December 23, 2019

“Email: darpan.shah@dlocal.com”

JUMAR SOLUTIONS PRIVATE LIMITED
CIN: U74999MH2019PTC333837

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF JUMAR SOLUTIONS PRIVATE LIMITED HELD ON FRIDAY OF DECEMBER 20, 2019 AT KG-1/249, VIKAS PURI, NEW DELHI 110018, INDIA AT 02:30 P.M. IST

APPOINTMENT OF FIRST STATUTORY AUDITOR OF THE COMPANY:

“RESOLVED THAT pursuant to the provisions of Section 139(6) and any other applicable provisions of the Companies Act 2013 and rules made thereunder of M/s. C N K R K & Co, Chartered Accountants having Firm Registration Number (“FRN”) 031598N having their office at 1101, KLJ Towers North Netaji Subhash Place, Pitampura New Delhi – 110 034, India from whom a consent and eligibility letter pursuant to Section 139 of the Companies Act, 2013 has been received, be and is hereby appointed as the first statutory auditor of the Company to hold office from the date of registration i.e. December 02, 2019, until the conclusion of the first annual general meeting of the Company on such remuneration as may be agreed upon between the Board of Directors and the auditor, in addition to the applicable taxes and reimbursement of actual out of pocket expenses incurred in relation with the audit of accounts of the Company.”

“RESOLVED FURTHER THAT any of the Directors of the Company, be and are hereby severally authorised to file, apply, sign, execute, alter, amend and/or correct all such applications, forms, letters, deeds, declarations and other documents and paper work and to undertake such other acts, deeds and things, as may be necessary to appoint M/s. C N K R K & Co, Chartered Accountants, as the first auditors of the Company.”

// CERTIFIED TRUE COPY//
For Jumar Solutions Private Limited

Manjula Mishra
Manjula Mishra
Director
DIN: 07286065
Address: KG-1/249, Vikas Puri, New Delhi - 110018 India
Date: December 23, 2019

Registered office: 91/92, Floor 9th, Plot 224, B Wing, Mittal, Court, Jamnalal Bajaj Marg, Nariman Point, Mumbai, Mumbai City - 400 021, Maharashtra, India,
Email: darpan.shah@dlocal.com Phone: +91 99306 48128

Jumar discloses control by dLocal in its Financial Statements for March 2022 (document signed in January 2023)

Jumar Solutions Private Limited

Notes to the Financial Statements

13 Related parties disclosure

I Names of related parties and nature of relationship

a) Companies that exercises control

dLocal Limited
dLocal Corp
dLocal LLP

Reminder: dLocal’s SEC filings seemingly do not disclose the existence of Jumar Solutions Private Limited (neither as a related party nor as a subsidiary).

Jumar Solutions provides an “@dlocal.com” email address when appointing its auditor. Moreover, in its financial statements, Jumar Solutions eventually disclosed to be controlled by dLocal.

Example 2: Jumar Solutions Private Limited (India) cont'd

Balance Sheet (March 2021)

| Jumar Solutions Private Limited Balance Sheet as at 31 March 2021 (Currency: Indian Rupee) | | | | |
|--|--------------------------------|----------|------------------------|------------------------|
| S. No. | Particulars | Note No. | As at 31 March 2021 | As at 31 March 2020 |
| A | EQUITY AND LIABILITIES | | | |
| 1 | Shareholder's funds | | | |
| (a) | Share capital | 2 | 2,50,000 | 2,50,000 |
| (b) | Reserves and surplus | 3 | 2,22,362 | (69,998) |
| | | | 4,72,362 | 1,80,002 |
| 2 | Non-current liabilities | | | |
| (a) | Deferred tax liabilities (net) | | - | - |
| (b) | Long Term Provisions | | - | - |
| 3 | Current liabilities | | | |
| (a) | Trade payables | 4 | 22,42,88,241 | - |
| (b) | Other current liabilities | 5 | 4,05,289 | 70,000 |
| (c) | Short-term provisions | 6 | 1,82,750 | - |
| | | | 22,48,76,282 | 70,000 |
| | Total | | 22,53,48,645 | 2,50,002 |
| B | ASSETS | | | |
| 1 | Non-current assets | | | |
| (a) | Property, plant and equipment | | - | - |
| (i) | Tangible assets | | - | - |
| (b) | Deferred tax assets (net) | 7 | 32,500 | - |
| (c) | Long-term loans and advances | | - | - |
| | | | 32,500 | - |
| 2 | Current assets | | | |
| (a) | Trade receivables | 8 | 21,63,19,206 | - |
| (b) | Cash and Bank balances | 9 | 5,33,177 | 2,50,002 |
| (c) | Short-term loans and advances | | - | - |
| (d) | Other current assets | 10 | 84,63,761 | - |
| | | | 22,53,16,145 | 2,50,002 |
| | Total | | 22,53,48,645 | 2,50,002 |

Trade payables:
INR 224 million

Trade receivables:
INR 216 million

Income Statement (March 2021)

| Jumar Solutions Private Limited Statement of Profit & Loss for the year ended 31 March 2021 (Currency: Indian Rupee) | | | | |
|--|--|--|--|-----------------|
| S.No. | Note No. | For the year ended 31 March 2021 | For the year ended 31st March 2020 | |
| A | INCOME | | | |
| 1 | Revenue from operations | 11 | 4,75,59,347 | - |
| 2 | Other income | 12 | - | 2 |
| | Total | | 4,75,59,347 | 2 |
| B | EXPENSES | | | |
| 3 | Employee benefits expense | | - | - |
| 4 | Finance Costs | 13 | 1,780 | - |
| 5 | Depreciation and amortisation expense | | - | - |
| 6 | Other expenses | 14 | 4,71,14,957 | 70,000 |
| | Total | | 4,71,16,737 | 70,000 |
| | Profit before prior period adjustments and tax | | 4,42,610 | (69,998) |
| | Less : Prior period adjustments | | - | - |
| | Profit / (Loss) before tax | | 4,42,610 | (69,998) |
| | Less: Tax expense/(benefits) | | | |
| | Current tax | | 1,82,750 | - |
| | Deferred tax charge/(credit) | | (32,500) | - |
| | | | 1,50,250 | - |
| | Profit for the year | | 2,92,360 | (69,998) |
| 14 | Other expenses | | | |
| | Processor Charges | | 46,26,85,59.74 | - |
| | Professional Charges | | 5,79,000 | - |
| | GST Late Fees | | 16,160 | - |
| | Interest on TDS | | 1,35,237 | - |
| | Payment to Auditors (see note 15 below) | | 1,25,000 | - |
| | Total | | 4,71,14,957 | - |

Revenue from
operations:
INR 47.6 million

Other expenses
INR 47.1 million

Processor
Charges
INR 46.4 million

Jumar Solutions' balance sheet is comprised of substantially only receivables and payables. 97% of its revenues was spent on (payment) processor charges (possibly dLocal – See *infra*), and the company does not incur any employee expenses.

Example 2: Jumar Solutions Private Limited (India) cont'd

Jumar's payables towards dLocal (March 2021)

| Jumar Solutions Private Limited Notes to the Financial Statements | | |
|--|--------------------------|------------------------|
| | (Currency: Indian Rupee) | |
| | As at 31 March 2021 | As at 31 March 2020 |
| 3 Reserve and Surplus | | |
| Balance at the beginning of the year | (69,998) | - |
| Add: Net profit for the current year as per the Statement of Profit and Loss | 2,92,360 | (69,998) |
| Net surplus in the Statement of Profit and Loss | 2,22,362 | (69,998) |
| 4 Trade payables | | |
| CNK RK & Co. | 3,50,367 | - |
| dLocal | 22,39,37,877 | - |
| Total | 22,42,88,244 | - |

dLocal's related party disclosure and total receivables (March 2021)

| | | |
|---|-------------------|----------------------|
| (c) Transactions with other related parties | | |
| The following transactions occurred with related parties: | | |
| | March 31, 2021 | March 31, 2020 |
| Transactions with merchants – revenues | 382 | 134 |
| Transactions with preferred suppliers (Collection agents) - costs | (116) | (175) |
| (d) Outstanding balances arising from transactions with related parties | | |
| The following balances are outstanding at the end of the reporting period in relation to transactions with related parties: | | |
| | March 31, 2021 | December 31, 2020 |
| Transactions with merchants – accounts payable | (771) | (598) |
| Transactions with preferred suppliers (Collection agents) – accounts payable | (35) | (39) |
| Transactions with preferred suppliers (Collection agents) – accounts receivable | 1,180 | 506 |

Payables towards dLocal are equivalent to ~5x LTM processor expenses (See *supra*).

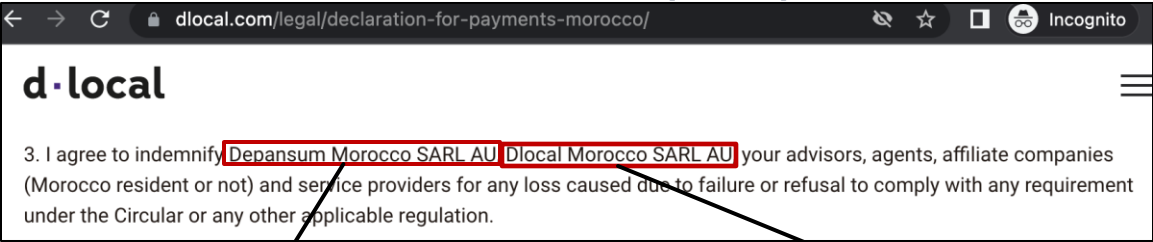
~\$3.1 million. Thus, higher than dLocal's reported total related party receivables, and meaningful (e.g., ~4% of dLocal's gross trade receivables).

| | | |
|---|-------------------|----------------------|
| 15. Trade and Other Receivables | | |
| Trade and Other Receivables of the Group are composed of the following: | | |
| | March 31, 2021 | December 31, 2020 |
| Trade receivables | 85,740 | 67,553 |
| Loss allowance | (395) | (341) |
| Trade receivables net | 85,345 | 67,212 |
| Advances and other receivables | 7,601 | 5,573 |
| Total | 92,946 | 72,785 |

Substantially all of Jumar's payables are vis-à-vis dLocal – and exceed the aggregate of dLocal's disclosed related party receivables. We suspect that dLocal used Jumar to either obscure some transactions and/or fabricate revenues/receivables.

Example 3: Depansum Morocco SARL AU a/k/a Depansum Marruecos SARL AU (Morocco)

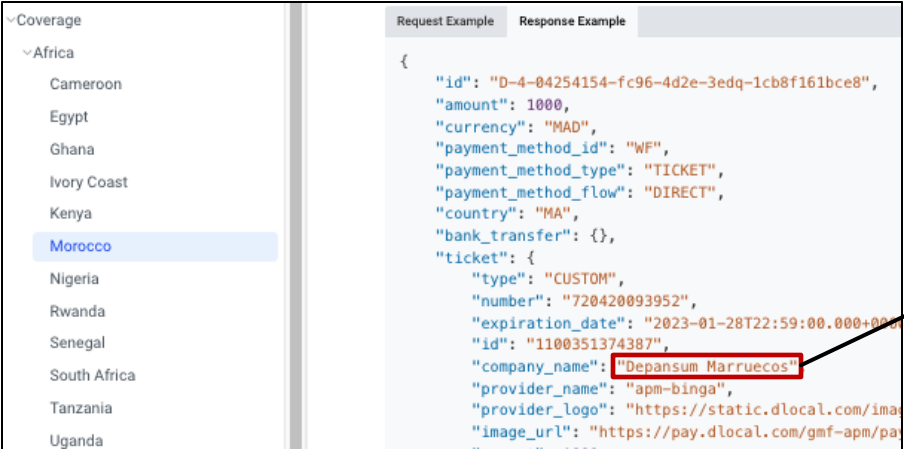
dLocal’s Terms & Conditions (2022)



Potential “Unofficial subsidiary”:
Depansum Morocco SARL AU

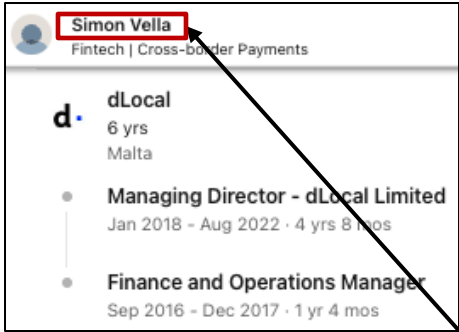
Official subsidiary (See SEC filings):
Dlocal Morocco SARL AU

dLocal’s Developer Documentation (2024)



“Depansum Marruecos”

dLocal’s employee as a director of Depansum Morocco



directinfo.ma

Office Marocain de la Propriété Industrielle et Commerciale

FICHE LEGALE DETAILLEE

DEPANSUM MARRUECOS

1| Informations légales

ICE

:

00230581700063

N°RC

:

99133, au tribunal de TANGER

Date création

:

19/07/2019

Abréviation

:

Capital

:

10000 DH

Forme juridique

:

SOCIETE A RESPONSABILITE LIMITEE

Statut juridique

:

EN ACTIVITE

2| Activité

INTERMEDIAIRE, CONSEILLER, FORMER, FOURNIR SOLUTIONS POUR AFFAIRES COMMERCIALES, CONCEPTION LOGICIELS INFORMATIQUES ET PASSERELLES POUR PAIEMENT ELECTRONIQUE DES OPERATIONS COMMERCIALES INTERNATIONALES

3| Siège et établissements

| Adresse | Activité | Enseigne |
|--|---|----------|
| 17 RUE MOUSSA BEN NOUSSAIR 1 ETAGE N 22 TANGER | INTERMEDIAIRE, CONSEILLER, FORMER, FOURNIR SOLUTIONS POUR AFFAIRES COMMERCIALES, CONCEPTION LOGICIELS INFORMATIQUES ET PASSERELLES POUR PAIEMENT ELECTRONIQUE DES OPERATIONS COMMERCIALES INTERNATIONALES | |

4| Représentants

| Nom et prénom | Qualité |
|---------------|--------------------|
| VELLA SIMON | GERANT OU COGERANT |

Hiding in plain sight: Depansum Morocco appeared in dLocal’s “Terms & Conditions” and in its developer documentation, but was seemingly not disclosed in dLocal’s SEC filings.

Example 4: Depansum Nigeria Limited (Nigeria)

Official Subsidiary: Demerge Nigeria Limited

| | |
|----------------------|---|
| Company Name | DEMERGE NIGERIA LIMITED |
| Registration Number | 1664025 |
| Date of Registration | Mar 2, 2020 |
| Company Type | PRIVATE COMPANY LIMITED BY SHARES |
| Company Address | 24B AMODU TIJANI CLOSE, VICTORIA-ISLAND, ETI-OSA, LAGOS STATE |

| | | |
|---|-----------------|--|
| 2 | ROLE TYPE | DIRECTOR |
| | SURNAME | EGEMONYE |
| | FIRSTNAME | COLIN |
| | OTHER NAME | C |
| | EMAIL | COLIN@GOLDSMITHSLLP.COM |
| | SERVICE ADDRESS | 24B AMODU TIJANI CLOSE, VICTORIA ISLAND, LAGOS STATE |

Suspicious Entity: Depansum Nigeria Limited

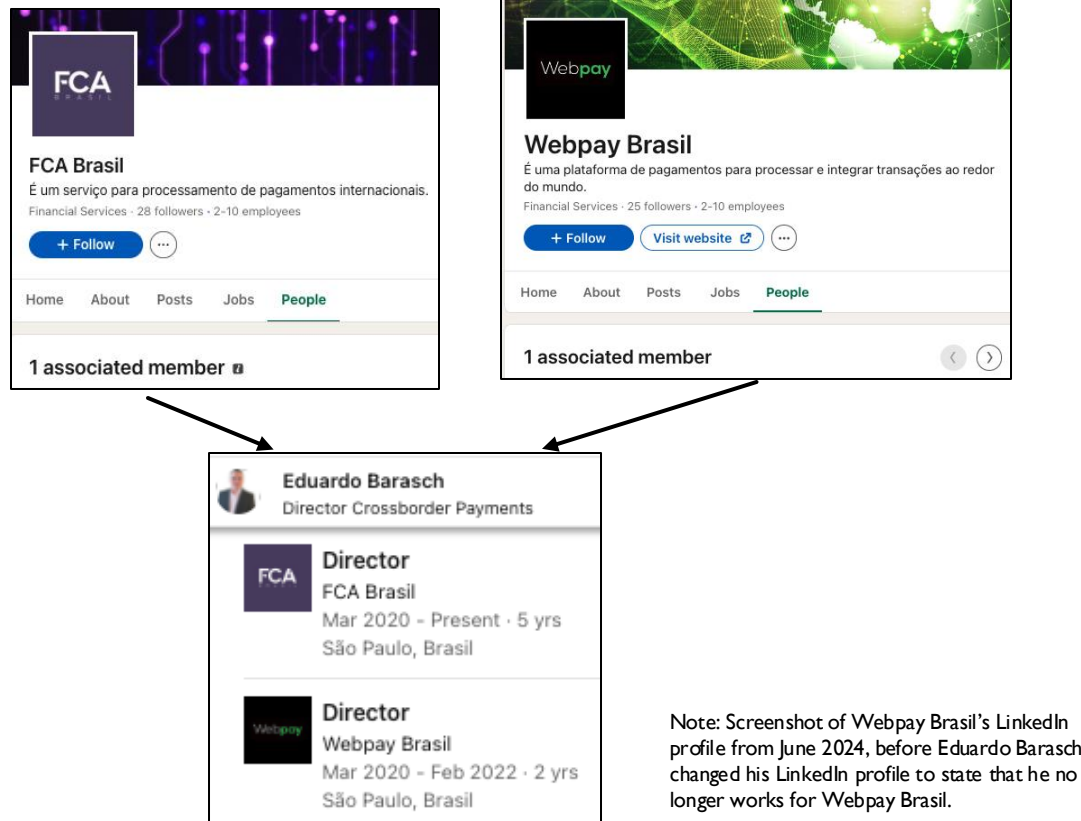
| | |
|----------------------|--|
| Company Name | DEPANSUM NIGERIA LIMITED |
| Registration Number | 1666344 |
| Date of Registration | Mar 10, 2020 |
| Company Type | PRIVATE COMPANY LIMITED BY SHARES |
| Company Address | 24B AMODU TIJANI CLOSE, OFF SANUSI FAFUNWA STREET, VICTORIA-ISLAND, ETI-OSA, LAGOS STATE |

| | | |
|--------------------|-----------------|--|
| DIRECTOR'S DETAILS | | |
| 1. | ROLE TYPE | DIRECTOR |
| | SURNAME | EGEMONYE |
| | FIRSTNAME | COLIN |
| | OTHER NAME | C |
| | EMAIL | COLIN@GOLDSMITHSLLP.COM |
| | SERVICE ADDRESS | 24B AMODU TIJANI CLOSE, VICTORIA ISLAND, LAGOS STATE |

Depansum Nigeria: Founded at the same time, same address, and with overlapping directors as the official subsidiary Demerge Nigeria. dLocal generated 13% of its FY 2023 revenue from Nigeria, although much less in 9M 2024.

Example 5: FCA Brasil Facilitadora de Pagamentos Ltda. and Webpay Brasil Pagamentos Ltda. (Brazil)

“I-Man” Payment processors with the same director...



...Acting as apparent alter-egos vis-à-vis consumers

The screenshot shows a consumer complaint titled **Cobranças Indevidas** (Unjustified Charges). The complaint is directed at **Fca Brasil Facilitadora de Pagamentos**, located in Osasco - SP, with a date of 07/03/2022 and ID 139573331. The complaint text states: "Fiz uma compra no mês de Julho/2021 na FCA BRASIL FACILITADORA DE PAGAMENTOS do serviço: currículo perfeito - pagamento único no valor de R\$ 39,99, para minha surpresa de julho de 2021 até hoje eles vem cobrando este valor mensalmente. Nunca comprem nada nem utilizem os serviços destas empresas. Na fatura do cartão vem como mercpag*meu currículo. Preciso do cancelamento destas cobranças de imediato." The complaint was published more than 1 year ago. A response from the company, dated 20/04/2022 at 10:33, states: "Estimado cliente, já respondemos a traves do nosso e-mail oficial. Como informado, somos processadora de pagamentos e o cancelamento deve ser feito diretamente com a empresa onde solicitou o serviço. Atentamente, Equipe de suporte webpay." The response is signed by the **Equipe de suporte webpay**.

Labels with arrows point to specific elements: **FCA Brasil** points to the company name in the complaint header; **"Sincerely, The support team of Webpay"** points to the signature of the response.

FCA Brasil and Webpay are/were apparent “I-man” payment processors, sharing the same director and using their names interchangeably in communications with consumers. This raises questions about whether they functioned as alter egos.

Example 5: FCA Brasil Facilitadora de Pagamentos Ltda. and Webpay Brasil Pagamentos Ltda. (Brazil) cont'd

dLocal controls both web domains

“Intellectual Property

[...]

As of March 31, 2021, we own the trademark ‘dlocal’ in the European Union, United States and Brazil [...]. We also own a number of domain names registered, including ‘Dlocal.com,’ [...] ‘**Webpaybrasil.com,**’ ‘**Fcabrasil.com,**’ [...]” (IPO Prospectus)



Despite controlling the web domains no later than March 31, 2021, dLocal only started to consolidate Webpay Brasil in Q1 2022.

As of Q3 2024, dLocal seemingly still does not consolidate Webpay’s apparent sister company FCA Brasil.

Similar “dummy” websites



While dLocal claims control over web domains, it has partly or completely not disclosed control over Webpay Brasil and FCA Brasil. Brazil is dLocal’s largest market accounting for 24% of revenues as of FY 2023.

Example 6: DLP Capital Partners S.A. (Argentina)

dLocal's country manager for Argentina is the president of DLP Capital Partners S.A.

Marcos Piccardo
Managing Director dLocal Argentina

Experience

- dLocal - 360 payments technology for LATAM, APAC & EMEA**
8 yrs 2 mos
Argentina
• **Managing Director**
Full-time
Jan 2018 - Present · 7 yrs 2 mos
- Presidente**
Jan 2017 - Present · 8 yrs 2 mos
Procesamos cobros y pagos por cuenta y orden de terceros, de @commerce
- Presidente de empresa**
Belmont Capital S.A.
Jan 2018 - Present · 7 yrs 2 mos
Argentina
Financiamos credits de consumo.
- dLocal Argentina S.A.**
8 yrs 2 mos
Argentina
• **Managin Director - Presidente**
Full-time
Jan 2017 - Present · 8 yrs 2 mos
Procesamos cobros y pagos por cuenta y orden de terceros, de @commerce
- Presidente**
Jan 2017 - Present · 8 yrs 2 mos
Procesamos cobros y pagos por cuenta y orden de terceros, de @commerce
- Presidente**
DLP Capital Partners S.A.
Feb 2011 - Present · 14 yrs 1 mo
Argentina

dLocal has moved some transactions through DLP Capital Partners S.A.

d·local **rapipago**

Presenta este comprobante en cualquier tienda Rapipago del país para realizar el pago por tu compra. Indica al cajero de la tienda el valor exacto que figura en el presente comprobante. De lo contrario es probable que no podamos validar correctamente la compra.

DATOS DE LA COMPRA
Monto: ARS125.85

Decile al cajero que tenés un pago de **DLP Capital Partners SA** y dictale estos numeros:
1128-30073

Fecha expiración: 2020-10-26 02:05:00

ACREDITACION INMEDIATA

DLP's customer service is/was handled by “@dlocal.com”

DLP Capital Partners SA Solución

Si tuviste un problema con Capital Partners SA ya sea porque no se acreditó el pago o porque no impactó en la cuenta de destino tenes que escribir un correo electrónico al DLP Capital Partners S.A email que es **reclamos@dlocal.com**

DLP Capital Partners is managed by a dLocal employee, with consumers directed to an “@dLocal.com” support email address. dLocal might move payments through DLP Capital Partners (e.g., as the official beneficiary/merchant of record).

Example 7: Webpay SRL (Argentina)

Webpay SRL's director was Andres Bzurovski (dLocal's cofounder and “non-executive” director)

Por esc. 100 del 14/08/14, F° 369, Registro Notarial 1908 CABA se constituyó:

- 1) **WEBPAY S.R.L.**
- 2) Sede Social: Av. Gral Indalecio Chenaut 1811 piso 12° departamento “B” CABA.-
- 3) Plazo: 99 años desde insc. en el RPC.
- 4) Socios:
 - 1) **Andrés Bzurovski Bay**, uruguayo, 04/09/77, DNI 95313130, CUIT 2095313130-8, casa empresario y
 - 2) **Ezequiel Andrés Israel**, argentino, 13/11/84, DNI 31303144, CUIT 20-31303144-7, soltero, Bartolomé Mitre 734, 10° B CABA.-
- 5) Objeto: La sociedad tiene por objeto dedicarse por cuenta propia o de terceros o asociada a

Webpay SRL is listed as the merchant of record for transactions facilitated by dLocal

Transaction date:
“21/8/22” (2022)

Merchant:
“Skrill”

Beneficiary (merchant of record):
“Webpay SRL”

Payment link:
“<https://pay.dlocal.com/gmf-apm/payments/M-012465...>”

Payments

✓ ¡Realizó la transferencia y aseguró tu compra!

Monto:
\$ 3.234,16

Transferí el monto exacto, incluyendo decimales, hasta el 29/08/2022 inclusive.

Atención: Recordá que el CVU a continuación es válido solamente para esta compra.

Banco: Itau
CVU: 0000083300000012424096
CUIT: 33714595569
Beneficiario: Webpay SRL

¿Cómo hacer la transferencia?

A través del **home banking** de cualquiera de estos bancos o **desde el que prefieras operar**, utilizando el CVU (Clave Virtual Uniforme) y los demás datos mencionados arriba.

Santander Galicia BBVA
Banco Provincia BANCO DE LA NACION ARGENTINA HSBC

A tener en cuenta

1. Los depósitos **solamente** se pueden hacer via home banking. El CVU es exclusivo para esta compra.
2. Las transferencias realizadas en otros bancos o cajeros automáticos podrán demorar hasta 48 hs en acreditarse.
3. Si tiene algún problema con el pago, por favor visite nuestro [portal de atención al cliente](#)

dlocal es un proveedor oficial de pagos de Skrill


<https://pay.dlocal.com/gmf-apm/payments/M-01246585-9b8e-4128-8b07-5d9b62d48c30>

Webpay was founded/led by Bzurovski. dLocal moved payments through Webpay (acting as the official beneficiary/merchant of record) – in the above example, for payments ultimately directed to the high-risk wallet service Skrill.

Example 8: Depansum Malaysia Sdn. Bhd. (Malaysia)

Already in 2021 Depansum Malaysia's director was Sergio Fogel (dLocal's cofounder and contemporaneous “non-executive” director)

2 / 3


 SURUHANJAYA SYARIKAT MALAYSIA
 COMPANIES COMMISSION OF MALAYSIA
 (Agensi di bawah KPDNHEP)

Name : DEPANSUM MALAYSIA SDN. BHD.
 Registration No. : 202001039581 (1395902-V)

CURRENT DIRECTORS/OFFICERS

| Name/Address | IC/Passport | Designation | Date of Appointment |
|--|-------------|-------------|---------------------|
| CAROLINE ANGEL A/P DEVET NO.4 JALAN HARMONI 9 TAMAN NUSA DAMAI 81700 PASIR GUDANG JOHOR | [REDACTED] | DIRECTOR | 02-12-2020 |
| FOGEL KAPLAN SERGIO ENRIQUE CL RIVEROS GRAL ROBERTO P 1231 MONTEVIDEO, URUGUAY | [REDACTED] | DIRECTOR | 29-04-2021 |
| CHONG KIM CHIN 140 JALAN DAMAI 7 TAMAN DAMAI 81400 SENAI JOHOR | [REDACTED] | SECRETARY | 02-12-2020 |

Already in 2021 Depansum Malaysia acted as the beneficiary for (test) transactions

mobi

EZYWAY SALE
RM 1,500.89 Sep 20, 2021 18:03AM

Hi Rahtha Gurosamy
You authorised a payment of RM 1,500.89 to DEPANSUM MALAYSIA SDN BHD

PAID TO
DEPANSUM MALAYSIA SDN BHD

MID : 4388231002123

TID : 72351256127812

CUSTOMER CARD DETAILS

Card Holder : RAHTHA

Card Number : XXXX XXXX XXXX 9086
Master Card Credit

TRANSACTION DETAILS

RRN : 126400401401

Sergio Fogel became Depansum Malaysia's director in 2021 – and the entity seemed to be involved in payments processing. However, dLocal started recognizing it as a subsidiary seemingly only in Q1 2022.

Special Mention: Directa24 (n/k/a D24)

dLocal was spun-out of AstroPay/Directa24 which retained the legacy high-risk business

“dLocal began as a division of AstroPay. [...] On August 1, 2018, our business was separated from the business of AstroPay and its affiliated entity, Directa24, pursuant to a separation agreement. [...]

AstroPay and Directa24 process payments mainly for merchants operating in online gambling, forex, binary options or adult entertainment verticals. [...] These activities do not have a clear legal framework in these jurisdictions and could be considered illegal in some of the jurisdictions, thereby exposing those companies to potential civil and criminal sanctions in one or more of the territories where they operate in the foreseeable future.” (IPO Prospectus)

dLocal discloses some* negligible related party transactions; including with AstroPay and certain collection agents

“For both of the years ended December 31, 2023 and 2022, approximately 1% of our TPV was processed by collection entities that are owned either by our employees or certain of our directors.” (FY 2023)

“In 2021, approximately 3% of our TPV was processed by collection agents that are owned either by our employees or certain of our directors.” (FY 2022)

“For the years ended December 31, 2023 and 2022, revenues from Astropay represented 0.2% and 0.3%, respectively, of our total revenue.” (FY 2023)

** As illustrated before, dLocal appears to have not accurately disclosed all related party transactions (e.g., smoking gun: Jumar Solutions).*

d · local

Officially, low-risk business with blue-chip e-commerce merchants

Google NETFLIX

DiRECTA24 24

High-risk payments

1XBET

STRIPCHAT

AstroPay

Wallets/prepaid cards for high-risk business



Special Mention: Directa24 – dLocal Appears to Have Backdated a Purported Separation from Directa24

FY 2021 Report: Directa24 is a related party

*“Therefore, we are subject to competition from AstroPay and its **affiliated entity Directa24** [...]*

*Finally, certain of our directors and officers were formerly associated with AstroPay and/or Directa24 and/or **continue to hold an ownership interest** in AstroPay and/or **Directa24**, and their prior association with and **current interest** in AstroPay and/or **Directa24** may be imputed to us.”*

(FY 2021, signed May 2, 2022)



Directa24 is a related party as of FY 2021, and likely even as of May 2022.

- Transactions with Directa24 should have been disclosed as related-party transactions as of December 31, 2021, and even thereafter.

FY 2022 Report: Directa24 was not a related party at the end of FY 2021

*“**Directa24 ceased to be an affiliated entity of AstroPay and DLocal on December 30, 2021.**”*

(FY 2022, signed April 5, 2023)



Directa24 stopped being a related party on the penultimate day of FY 2021.

- Transactions with Directa24 were likely no longer disclosed as related-party transactions as of December 31, 2021.

Special Mention: Directa24 – The “Separation” From dLocal Does not Appear Genuine

Directa24 LLP – Company Register Information

| | |
|-------------|--|
| 20 Sep 2022 | Cessation of Emiliano Sebastian Fernandez Balague as a person with significant control on 6 September 2022 |
| 20 Sep 2022 | Change of details for Mr Jonathan Kier Joffe as a person with significant control on 6 September 2022 |
| 12 Jul 2022 | Full accounts made up to 31 December 2021 |
| 13 Apr 2022 | Notification of Jonathan Kier Joffe as a person with significant control on 30 November 2021 |
| 13 Apr 2022 | Notification of Emiliano Sebastian Fernandez Balague as a person with significant control on 30 November 2021 |
| 13 Apr 2022 | Cessation of Aline Eva Hernstadt Chodorow as a person with significant control on 30 November 2021 |
| 13 Apr 2022 | Cessation of Sergio Fogel as a person with significant control on 30 November 2021 |
| 13 Apr 2022 | Cessation of Andres Bzurovski as a person with significant control on 30 November 2021 |
| 13 Apr 2022 | Appointment of Slean Investment Inc. as a member on 30 November 2021 |
| 13 Apr 2022 | Termination of appointment of Carmoly S.A. as a member on 30 November 2021 |
| 31 Jan 2022 | Confirmation statement made on 31 January 2022 with no updates |

Confirmation statement claiming that information is complete as of January 2022 (e.g., Fogel and Bzurovski are still the controlling members as previously disclosed)

Only in April 2022 ownership changes were announced that purportedly occurred in November 2021.

Jonathan Kier Joffe might be a proxy. We suspect that he might be related to the Argentine boutique law firm Kier Joffe or one of its principals.

Emiliano Balague is a long-standing business partner of Fogel and Bzurovski at AstroPay, Directa24, and dLocal. He was a 5.9% pre-IPO shareholder of dLocal through Unsal Holdings.

Sergio Fogel (along with his suspected wife Aline Chodorow) and Andres Bzurovski claim to have ceased significant control 5-months before registering the transaction in government filings (e.g., April 2022 announcement vs. November 2021 separation date).

Fogel and Bzurovski retained control over entities like Directa24 Payment System SL (Spain)

DIRECTA24 PAYMENT SYSTEM SL CHARGES

Search by name....

All charges

Ancients (15)

| Name | Post | From | Until |
|---|--------------------------|----------------------------|----------------------------|
| Bascou Innella Lucia | Attorney | 07/11/2022 | 04/17/2023 |
| Bzurovski Bay Andres | Solidarity Liquidator | 04/17/2023 | 04/17/2023 |
| Bzurovski Bay Andres | Solidarity Administrator | 12/17/2019 | 04/17/2023 |
| Fogel Kaplan Sergio Enrique | Solidarity Liquidator | 04/17/2023 | 04/17/2023 |
| Fogel Kaplan Sergio Enrique | Solidarity Administrator | 12/17/2019 | 04/17/2023 |

Special Mention: Directa24 – Is Directa24 Hiding Something?

| DIRECTA24 LLP | | | |
|--|----------|--------------------|--------------------|
| STATEMENT OF COMPREHENSIVE INCOME | | | |
| FOR THE YEAR ENDED 31 DECEMBER 2022 | | | |
| | Notes | 2022 \$ | 2021 \$ |
| Gross revenues from payment processing | 3 | 742,079,798 | 297,199,409 |
| Cost of sales from payment processing | | (89,467,261) | (29,963,500) |
| Gross profit | | 652,612,537 | 267,235,909 |
| Administrative expenses | | (19,829,783) | (15,653,487) |
| Operating profit | 4 | 632,782,754 | 251,582,422 |
| Interest receivable and similar income | 8 | 702,534 | - |
| Interest payable and similar expenses | 9 | (717,917) | - |
| Profit for the financial year before members' remuneration and profit shares available for discretionary division among members | | 632,767,371 | 251,582,422 |
| The profit and loss account has been prepared on the basis that all operations are continuing operations. | | | |

Revenue growth
+150% y-o-y

Operating profit (FY2022)
\$633 million
(By comparison, Adyen EBITDA:
€728 million)

Operating profit margin
85% (!!!)

Number of employees (LinkedIn)
#80 or 217
(By comparison, Adyen: #4,842)

Do these financials look like those of a legitimate payments company, or rather a potential money laundering or other dubious scheme? (Kudos if the former is true!) The same principals who created dLocal also founded AstroPay/Directa24.

Money Laundering Red Flags

- **Findings Seemingly Contradict Claims of Focus on Low-Risk Merchants:** Despite claiming to cater to low-risk, blue-chip merchants after having purportedly left behind high-risk payments to AstroPay/Directa24, dLocal continued to serve high-risk clients (e.g., gambling, “18+ websites”). High-risk payments can be more profitable, but investors tend to discount their value and sustainability (e.g., Compare Adyen vs. Paysafe price-to-earnings ratios).
- **Suspected Money Laundering:** Some of dLocal’s clients appear illicit and “unbankable.” Analysis with *Semrush* implies potentially millions of suspicious payment transactions to alleged content piracy networks, potentially accounting for larger volumes than some of dLocal’s official blue-chip content merchants.
- **Potentially Elevated Liability Risk as a Money Transmitter:** By transmitting funds through its own accounts and balance sheet – and not just serving as a pure payment processor/payment link – we have concerns that dLocal could face potential liability for the full payment volume, not just its take-rate revenues – creating a potentially a devastating regulatory and financial risk in the worst case.

While Investors Believe That dLocal Focuses on Low-Risk, Blue-Chip Merchants, it Appears to Have Secretly Facilitated High-Risk Payments

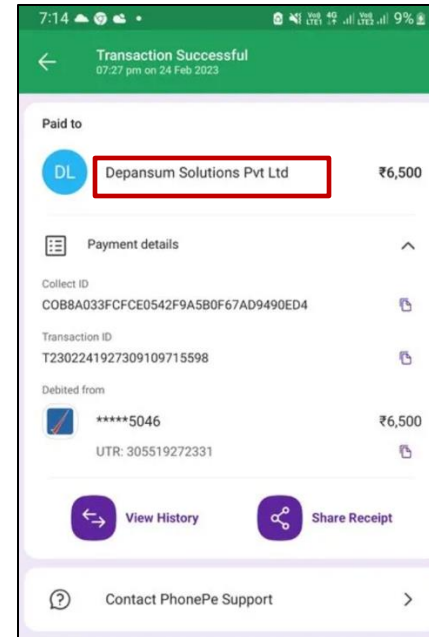
Payments to an online casino through Depansum Solutions Pvt Ltd (dLocal's Indian subsidiary)

A Amitsul from Faridabad, Haryana
Feb 25, 2023

Deposit success not come in my betway account

Address: Betway
Website: Support@betway.com

On 24th feb 2023
I made a transaction of INR 6500 through Phonepay to **DEPANSUM SOLUTION** The transaction was successful but the money didn't get deposited in **BETWAY** account. Its been 1 days there is no response from betway so i request please make a solution as soon as possible....



betway

“18+” Streaming platform: Clash Arts HK Limited d/b/a LivU and Yaar*

Jan 2022 – Dec 2023 | Worldwide | All devices

Root domain: dlocal.com

Traffic Journey Details

Sources: 1,179 | Destinations: 923

| Domain | Category | Channel | Traffic Share | Visits |
|-----------------|-------------|----------------|---------------|-------------|
| dlocal.com | | Direct | 70.55% | 155,865,594 |
| transbank.cl | | Referral | 2.82% | 6,238,008 |
| eneba.com | | Referral | 2.01% | 4,446,618 |
| xendit.co | | Referral | 1.59% | 3,505,692 |
| tvexpress.io | | Referral | 1.19% | 2,629,414 |
| lm.facebook.com | no category | Organic Social | 1.15% | 2,546,311 |
| livuchat.com | | Referral | 1.07% | 2,353,158 |

Dlocal Advcash

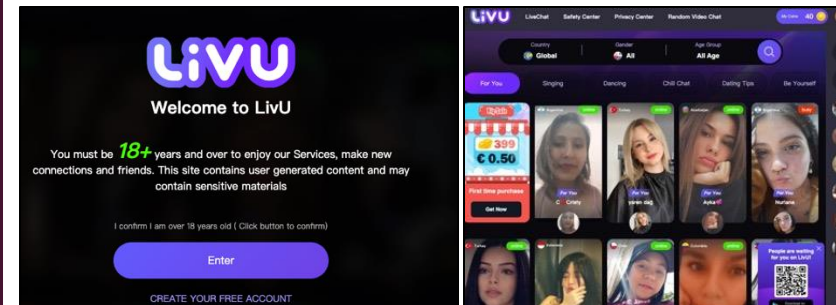
KYC

How do you configure payment with Dlocal?

Dlocal = Local Bank Account

Country that collects from the national Bank!

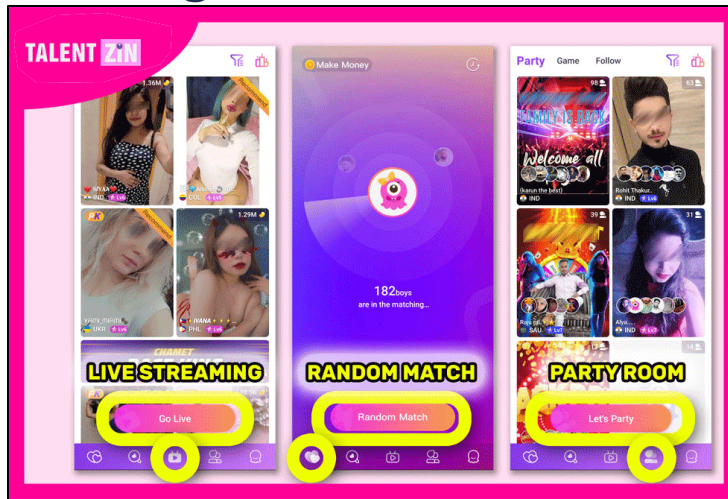
Mexico. Colombia. Ecuador. Peru. Chili. Uruguay. Bolivia. Panama. Costa Rica.



* dLocal facilitated apparently both payments from users for virtual coins, and payouts to the female “hosts.” Yaar’s other payment provider was AdvCash – an allegedly Russian-controlled, Belize-based, high-risk payments firm.

While Investors Believe That dLocal Focuses on Low-Risk, Blue-Chip Merchants, it Appears to Have Secretly Facilitated High-Risk Payments cont'd

Adult cam sites targeting the Indian market, and recruiting hostesses through suspicious “Agents” and “Sub-Agents”



Cam sites: Chamet, Honeycam, PoppoLive, Tango.me, with partly Chinese companies behind them and targeting the Indian market

dLocal as a payment provider: [Chamet](#), [Honeycam](#), [PoppoLive](#), [Tango.me](#) (*Semrush analysis*)

“Agents” and “sub-agents” to recruit female hostesses: [Talent Zin](#), [Chamet Star](#), [Streamer Agent](#), [Host Agency](#), [Pretty Talent](#)

Potentially **18+ content** during paid private chats (despite partial bans in official terms and conditions): e.g., [Chamet](#) (“no limit” rules during private chats), [Honeycam](#) (“May include intense violence, blood, sexual content” as of December 25, 2024*), [PoppoLive](#) (“With content such as nude videos, love relationships ... sure participants will be extremely excited”), [Tango](#) (“sexual content, scamming, smoking, abusive language”).

5 Chamet Standards and Rules must be respected

Rules during **Public Live or Match Live**, you have to respect Chamet rules:

- ✓ Wear clothes and makeup
- ✓ Stay warm and bright around
- ✓ Keep your background neat and pleasant
- ✓ Use headphones to communicate better
- ✓ Greetings at first sight
- ✓ Make sure to show your face in the middle of the screen

Rules during **Private Video Calls**:

- ✓ No limit

Standards of **Profile Picture**:

- ✓ Use a nice photo of your self
- ✓ Photo HD with proper brightness
- ✓ Upload a half-length photo and dress decently

- **The organization through “agent” and “sub-agent” networks** creates an elevated risk of human trafficking. Example: In August 2022 Mumbai’s police shut down a video sex call center linked to Chamet and rescued 17 women and students ([NewsX](#))
- **Reports of potential child exploitation:** [News report](#), [User complaint](#) (Chamet), [News report](#) (Tango, 2024) [News report](#) (Tango, 2018)

Source: [TalentZin Agency](#) (accessed February 19, 2025).

While Investors Believe That dLocal Focuses on Low-Risk, Blue-Chip Merchants, it it Appears to Have Secretly Facilitated High-Risk Payments cont'd

Forex/binary options trading (at least in 2018/2019): Binary.com and HotForex

D LOCAL PAYMENTS DOES NOT FORWARD PAYMENTS TO BINARY.COM

Sorted out

d-Local

Rio de Janeiro - RJ 09/03/2019 at 10:12 ID: 94817793

This complaint is more than 3 years old and is no longer being included in the company's index See all Complaints

I paid 15 dollars via Itaú Internet Banking, whose binary.com intermediary is D LOCAL PAYMENTS and the amount did not go into binary's account! I paid yesterday, 02/09/19 at 21:52 and until now, 03/-9 at 09:54 they have not transferred the money to binary. I didn't even receive any email about the transaction, but I have proof. This is a case of the FEDERAL POLICE! I hope they resolve it today, otherwise I will take appropriate action immediately!

Hiring a company that does not pass on the money

Economic Wildcard

12/05/2018 at 17:10 ID: 40657521

I didn't find my problem Other type of product/service Another problem

This complaint is more than 3 years old and is no longer being included in the company's index See all Complaints

After watching the Curinga Econômico video, we became interested in this investment option and followed all the steps that Curinga himself suggests on the internet to carry out copy trading. However, the company suggested by Curinga himself does not transfer the money we sent. This problem has been going on for more than 20 days, as a result of which we are losing interest and not knowing if we will receive the money back.

As the company is suggested by Curinga himself, he has to answer for the money that is stuck. Below is the complaint we made regarding Hotforex and D-local.

On 11/14, we made an online transfer (online purchase) through the Hotforex brokerage website where the money was transferred to D-local Brasil (name of the store that appears on the payment receipt). However, to date (11/24/2018) this money has not been transferred to Hotforex brokerage.

I hope that the arrangements for sending this payment will be made as soon as possible.

E-commerce shopping scams – A warning by the Argentine Cybercrimes Unit singles out dLocal

“The Specialized Cybercrime Fiscal Unit (UFECI), [...], detected in recent weeks a series of **fraud maneuvers** related to websites that use the Sodimac company logo, to which Potential victims are derived from advertisements that circulate on social networks Facebook and Instagram.

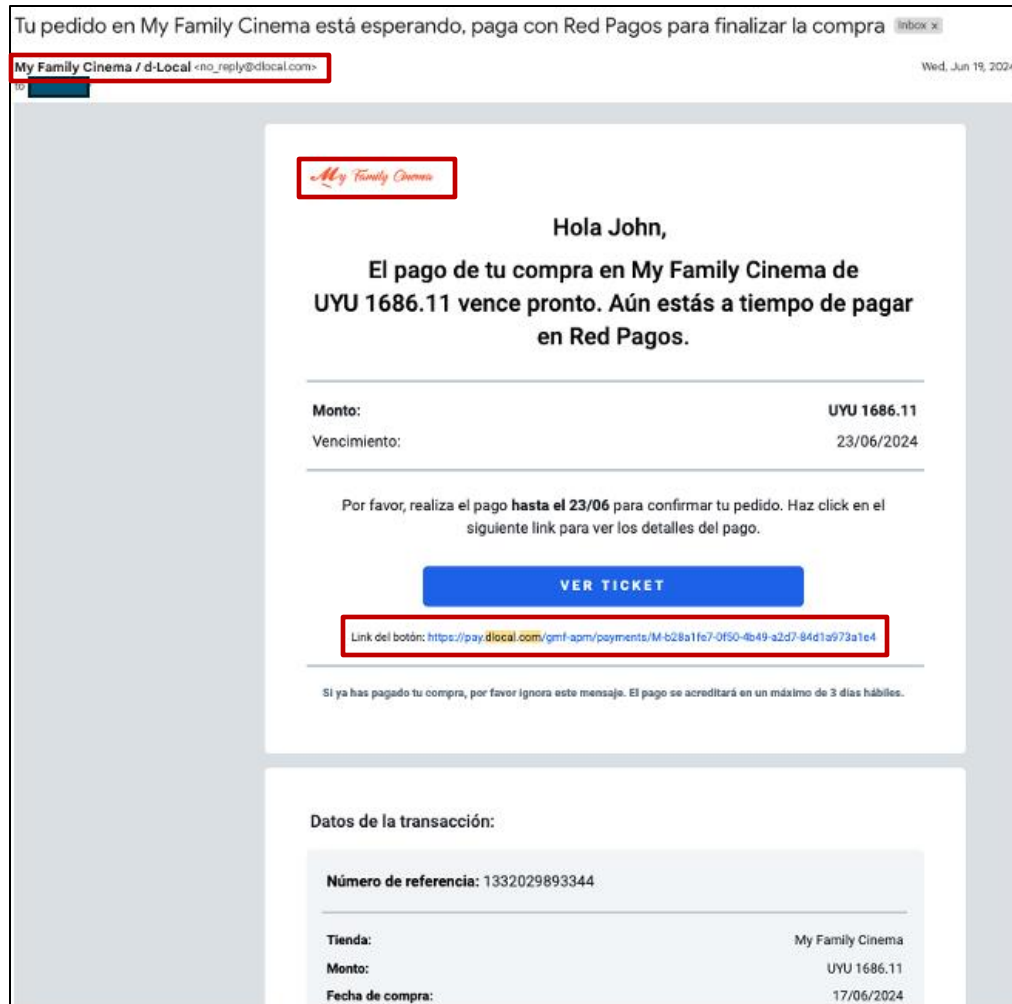
The publications on these networks refer to different websites where various products are offered for sale at very low prices and with free shipping. The sites are prepared to receive payments by credit card, debit card or bank transfer through the ‘D-Local’ platform.

The system works in a similar way to that of Internet sales transaction sites: once the product has been paid for, the victims receive an email in which the purchase is confirmed, the payment is detailed, and the shipping method and information are indicated. the delivery address. **However, they never receive the product.**” (Public Prosecutors Office, August 10, 2022)

Ongoing facilitation of e-commerce scams? According to Semrush, in December 2023 the top destination for website traffic from *dlocal.com* was *afterious.com* (541,140 visits). The website is reportedly a scam and “likely part of a larger interconnected scam network based in China” (according to *MalwareTips*), with fake product pictures and an email address connected to a different domain (e.g., *afterious@izswws.com*).

Money Laundering Red Flag: Payment Facilitation for Potential Content Piracy Websites

dLocal facilitated payments for My Family Cinema (Example: dLocal's home country Uruguay in 2024)



My Family Cinema is reportedly a content-piracy service

*“The My Family Cinema app is software that collects shows and presents them to you like any other streaming service. The difference is that it includes **shows from Netflix, HBO Max, Disney+ and Prime Video** under one price plan. You can also import cloud libraries.”*

Tech Review (July 29, 2021)

*“This little ‘black box’ **streams movies, TV, and streaming services like Netflix** for a fraction of the usual cost. It is **extremely popular and completely illegal.**”*

Americas Quarterly (January 18, 2019)

*“**My Family Cinema's** glossy printed leaflets promise [...] free access to **more than 250 channels**, most in ultra HD’, [...], including sports, [...], series [...]. ‘These are **well-structured organizations**,’ says Pascal Metral, one of the leading lawyers in the digital security sector. ‘Some people in Asia call it business, and some people call [these Asians] **pirates**. In our culture, we would call them **organized crime.**’ ”*

Americas Quarterly (January 18, 2019)

Money Laundering Red Flag: Payment Facilitation for Potential Content Piracy Websites cont'd

Jan - Dec 2023 Worldwide All devices

Root domain

dlocal.com Competitor Competitor Competitor

Sources 635 Destinations 561

Category Total 635 Referral 588 Organic Search 11 Paid Search 2 Organic Social 19 Paid Social

| Domain | Category | Channel | Traffic Share | Visits |
|-----------------------|-------------|----------------|---------------|-------------|
| dlocal.com | \$ | Direct | 74.26% | 110,067,648 |
| eneba.com | | Referral | 2.57% | 3,805,042 |
| xendit.co | \$ | Referral | 1.92% | 2,842,853 |
| transbank.cl | \$ | Referral | 1.72% | 2,554,455 |
| lm.facebook.com | no category | Organic Social | 1.72% | 2,546,311 |
| membersiteorange.com | no category | Referral | 1.44% | 2,131,970 |
| vendasvioleta.com | no category | Referral | 1.17% | 1,736,180 |
| business.facebook.com | no category | Organic Social | 1% | 1,484,655 |
| udemy.com | | Referral | 0.98% | 1,456,357 |
| livuchat.com | | Referral | 0.76% | 1,123,594 |
| gomobi.io | \$ | Referral | 0.74% | 1,096,053 |
| recaudoexpress.com | | Referral | 0.7% | 1,037,723 |
| payssion.com | \$ | Referral | 0.51% | 749,475 |
| tvexpress.io | | Referral | 0.49% | 726,788 |
| starplus.com | | Referral | 0.45% | 672,086 |

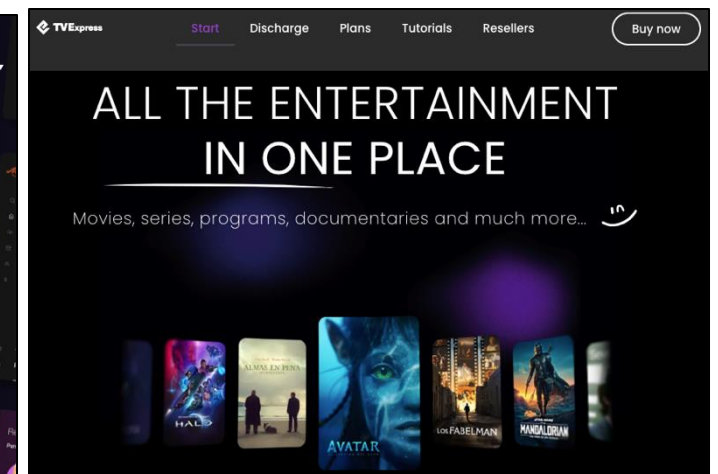
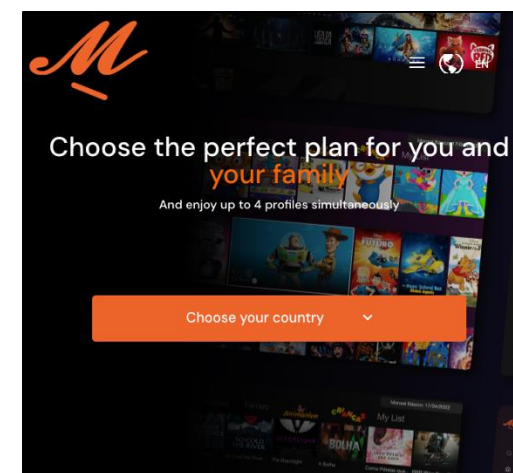
dLocal.com – Website Traffic Analysis (January – December 2023)

According to *Semrush*, three potential content piracy sites associated with My Family Cinema and TVExpress accounted for 4.6 million visits to dLocal.com during FY 2023. This is equivalent to 3% of total analyzed website visits and 12% when excluding “direct visits”.*

The most popular *legitimate* content merchant, Starplus.com (Disney), accounted for only 0.7 million visits.

(Note that there exist more content piracy merchants than shown here).

My Family Cinema and TVExpress

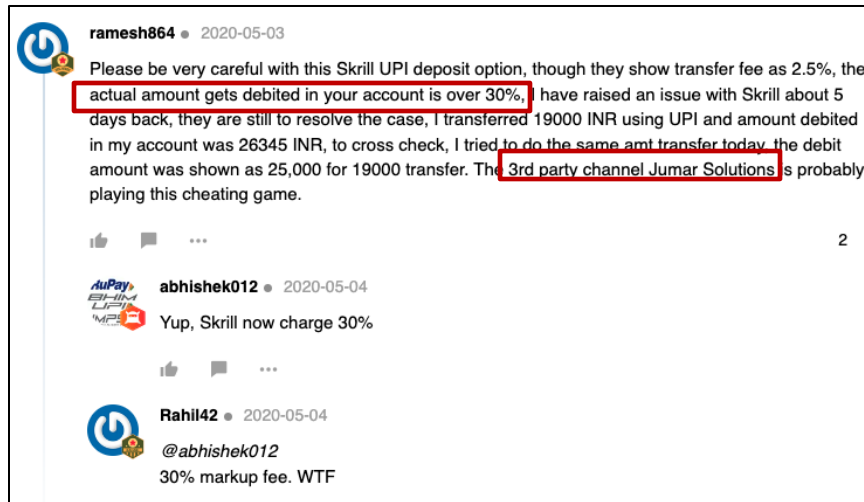


* For 9M 2024, suspected content piracy websites accounted for more than 6% of total analyzed website visits when excluding “direct visits,” according to *Semrush*.

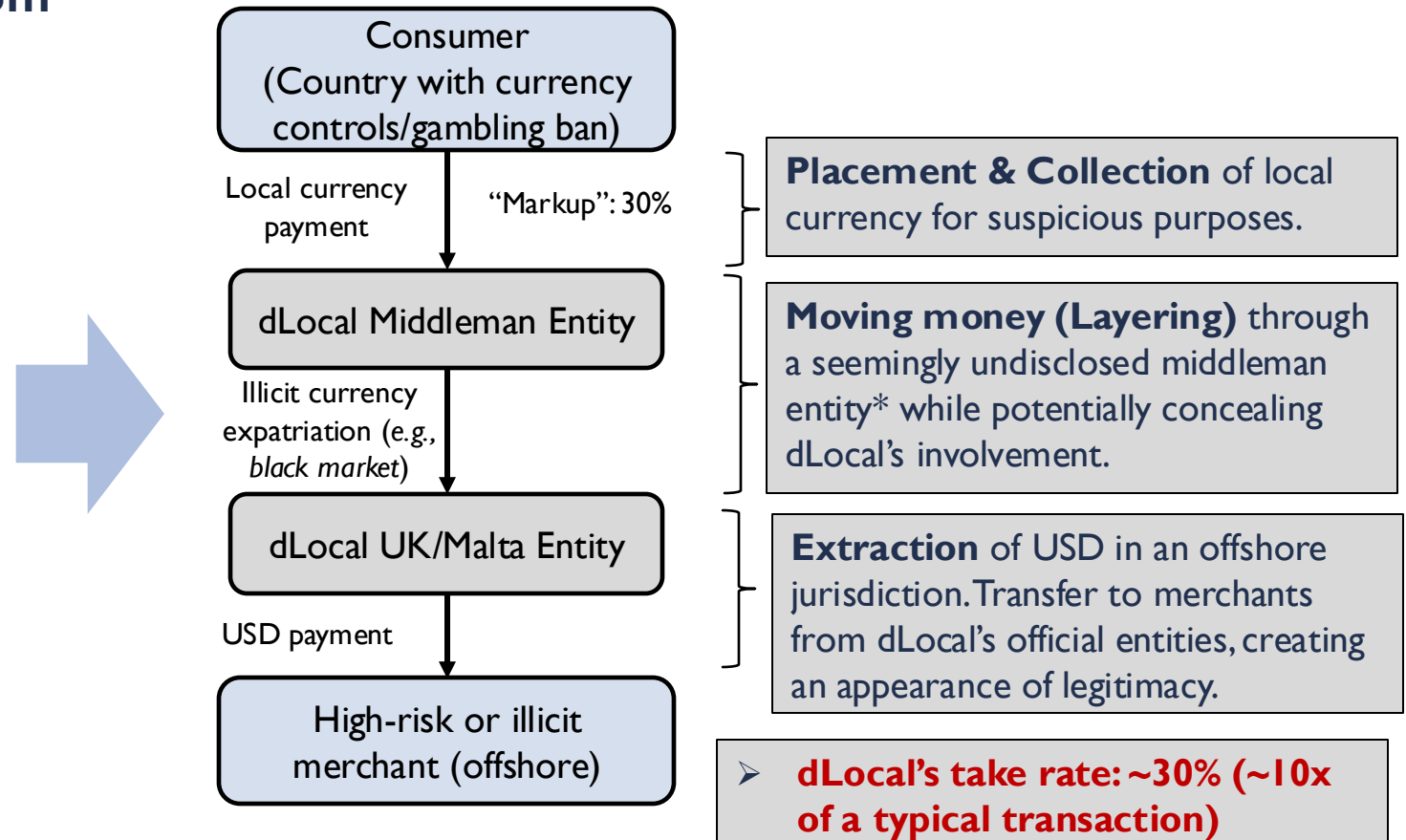
Sources: Website analysis of dlocal.com (January 2023–December 2023), retrieved from *Semrush*; My Family Cinema, former *Website* (accessed in March 2024); TVExpress (or one of its surrogates or resellers), *Website* (accessed December 25, 2024, Google Translate).

dLocal's Suspected Undisclosed Subsidiaries/Related Parties Engaged in Questionable Transactions

dLocal seems to have earned 30% (!!!) take rates – 10x of a typical transaction – from moving money for high-risk wallets



Suspected Transaction Chain = Possible Money Laundering?



Transaction flows resemble money laundering patterns. We suspect potential breaches of capital controls or other suspicious purposes.** Even without AML expertise, a ~30% transaction fee is a red flag for potential illegitimacy.

* Instead of an official subsidiary | ** Our suspicion is based on the involved countries, involved merchants, and the broader analysis of dLocal's activities analyzed in this presentation.

Sources: DesiDime, [Customer Review](#) (May 2020).

Suspicious FX Balances / “Currency Theft” Red Flags

- **High Take Rates in Emerging Markets with Currency Controls:** dLocal reported some of its highest take rates in emerging markets, such as Argentina (12% of FY 2023 revenues) and Nigeria (13% of FY 2023 revenues),* both of which were subject to strict capital controls protecting artificially low official foreign exchange rates. While dLocal attributes this to product mix, there are significant red flags suggesting operations in parallel or black markets.
- **Currency Expatriation and Allegations of Fraud:** News reports accused dLocal of illegally expatriating \$400 million using sham transactions and over-invoicing, bypassing currency controls. While dLocal denied allegations of impropriety and blamed its clients, our analysis of subsidiary accounts, and related merchants supports such claims.**
- **Possible Connections to Money Launderers:** Some of dLocal’s merchants also appeared linked to the “El Croata” money laundering group, with its arrested principals accused of laundering \$350 million to arbitrage official and black-market exchange rates, as well as moving money for criminal clients like the Sinaloa drug cartel.
- **Wider Implications:** We believe Argentina was not an isolated case but rather indicative of dLocal's broader conduct in markets with similar currency controls, as we identified ~\$100 million of – in our view – implausible FX balances in private company accounts linked to suspicious markets (partly without a clear business justification).

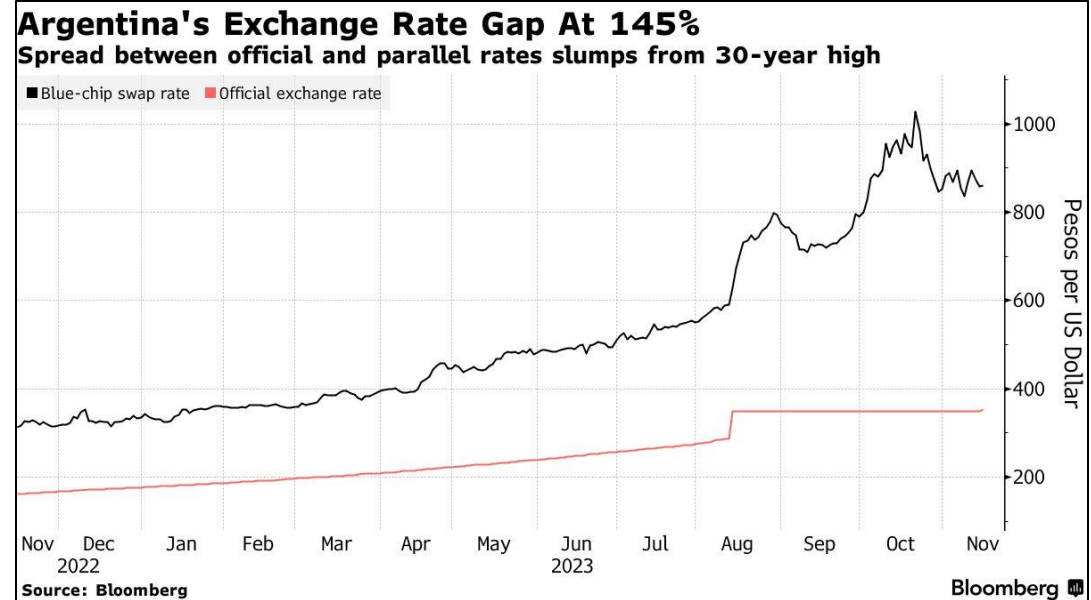
* dLocal claims that it legally operates with parallel market exchange rates in Nigeria. We are skeptical about dLocal's claims as we discovered a suspected undisclosed subsidiary in the country.

** [Reuters](#) (May 26, 2023): “Argentine news outlet Infobae published an article saying the government was investigating [dLocal] for a possible fraud of at least \$400 million.” “The company operates as a mere instrument to take advantage of the exchange rate gap and to take dollars abroad with operations that are not reflected in the accounting,” Infobae cited the sources as saying.” See *Infra* for more reports. | In a January 2025 podcast, dLocal’s CEO, Arnt, stated that the investigation had subsided and targeted dLocal’s clients rather than the company itself. However, we believe this does not contradict our observations of questionable practices. dLocal’s significant financial commitments and operational actions in response to the investigation could raise some doubts about its claimed innocence. At the very least, the situation highlights potential deficiencies in dLocal’s KYC and compliance processes and raises questions whether the company may have benefited from excessive take rates through its relationships with such clients in Argentina (and possibly other markets with currency controls). Podcast source: Bloomberg Línea, [CEO de dLocal ve empresas con “pico de interés” por Argentina y apunta al M&A en 2025](#) (January 15, 2025) at minute 23:50-25:10.

Currency Regulation and “Currency Theft” in Emerging Markets

- Some emerging markets like Argentina, Egypt, and Nigeria pegged their currencies to the U.S. dollar.*
- However, in contrast to wealthy petrodollar nations like Saudi Arabia, these emerging markets lack foreign currency reserves to protect the artificially low pegs.
- To prevent capital flight and an instant devaluation of their currency, these countries implemented capital and currency controls (i.e., individuals and businesses must meet strict conditions to exchange and expatriate a limited amount of local currency into U.S. dollars).
- When individuals/businesses are unable to exchange local currency through official channels, they sometimes rely on parallel markets (potentially illegally). The black-market exchange rate, however, is much more expensive than the official exchange rate (e.g., at times with a >100% markup to the official exchange rate).
- Even other countries like India and China have implemented complex capital controls and foreign exchange regulations which nefarious actors try to circumvent using typical money laundering methods.

Argentina: Official and Blue Dollar (parallel market) exchange rate



Obvious (but often illegal) arbitrage: Finding a way to exchange and expatriate Argentine pesos to U.S. dollars at the *official* exchange rate and exchanging U.S. dollars into Argentine pesos at the *black-market* exchange rate.

The loser: Countries whose currency reserves get – directly or indirectly – depleted through this “theft.”

dLocal's Take Rates in Argentina were Substantially Higher than Prices Offered to Legitimate Clients

dLocal *claimed* compliance with local laws...

"We comply with Central Bank requirements..."

Q4 2022 Earnings Call (Statement by CEO Kanovich).

"On Argentina, the cost of processing payments, it's very high. Keep in mind, many of our payments in Argentina are done using instalments, which are very high cost. And therefore, our net take rate should be pretty much in line in both countries. Expatriating funds from Argentina, it's expensive."

Q4 2022 Earnings Call (Statement by CEO Kanovich)

"To be clear, we expatriate all the funds [indiscernible] at the official rate."

Q1 2023 Earnings Call (Statement by President & COO Singer, referring to the procedures in Argentina)

... but its take rates raise questions

Take rates reported by dLocal (Argentina):

13% (FY 2020), **10%** (FY 2021)*

Gross margins (Q4 2022): ~78% (Argentina) vs. company-average of 47%**

What type of business explains dLocal's take rates?

Fees paid by dLocal's official clients (before FX):

3% (source: Primicia24);

2% plus tax (DonarOnline);

2-3.5% plus tax or **4-6.5%** (incl. tax and FX?) (dLocal Go)

Earnings potential from money laundering and

currency theft:

20% (e.g., "El Croata" organization)

Sources: dLocal FY 2022 Annual Report at F-36; dLocal FY 2021 Annual Report at 44-45, 88; dLocal FY 2023 Earnings Release; dLocal FY 2023 Earnings Presentation at 14 (assuming proportional scale); Primicia24, [La justicia imputó e investiga al unicornio dLocal por maniobras de lavado de dinero](#) (June 9, 2023, archived), (3% take rates for customers like Amazon and Dropbox); Donar Online, [Customer Support – dLocal in Argentina](#) (December 5, 2022, archived); dLocal, [dLocal Go Payins Multiple Countries April 2023](#) at 2 (original document already accessed in May 2023); dLocal, [dLocal Go Payins Multiple Countries May 2022](#) at 2 (accessed February 19, 2025); La Nación, [Quién es El Croata, el financista de la mayor cueva que "ganaba una diferencia del 20% en dólares"](#) (October 13, 2023), (20% take rates earned by El Croata).

* Revenues divided by Total Payment Volume (TPV). FY 2020: \$33 million revenues (32% of total), \$248 million TPV (12% of \$2,065 million total TPV). FY 2021: \$50 million revenues (21% of total), \$484 million TPV (8% of \$6,049 million total TPV). No breakdown of TPVs for FY 2022 and FY 2023.

** Gross margins (Q4 2022): Average: 47% (reported); Argentina: Gross profit (estimated \$11.0 million), Revenue (\$14.2 million).

Argentine Regulators / Local News Reports Seemed Skeptical of dLocal's Story

Argentine investigation reported by Infobae in May 2023

The Government investigates the only Uruguayan unicorn for alleged fraud against the Argentine State and analyzes denouncing it in the US

This is the fintech dLocal. Argentine Customs is considering notifying the SEC, the Wall Street regulator, and will seek to obtain information via the US Treasury and Homeland Security Investigations about the destination of at least USD 400 million that the company would have "fled" abroad.



dLocal's Response: Throwing (a lot of) money at the problem, apparently in a hope that it goes away:

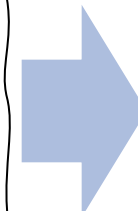
- Investment of \$100 million in government bonds of the stressed sovereign (e.g., > 1x FY 2023 gross revenues and likely a multiple of its net revenues from Argentina).
- Reinvesting proceeds from matured Argentine bonds into longer maturities.
- Plan to hire 100 people within 1 year and 300 people in the medium term (e.g., roughly tripling its employee base).

Customs raid at one of dLocal's purported merchants, Academiland (September 2023)



"Customs analyzed 9,304 collection operations [...] for [ARS]395 million. [...] all the others were paid in cash at payment centers and against a dLocal account. The agents took a sample of 800 users [...]. All responded that they never acquired any goods or services from Academiland."

Infobae (September 15, 2023)



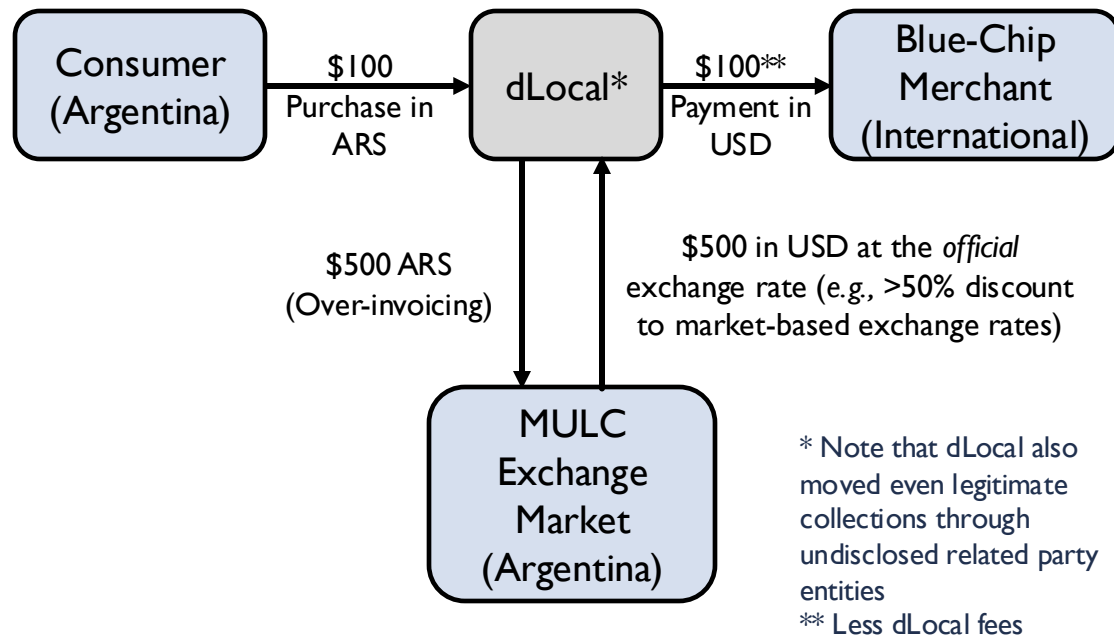
dLocal's Response: Sending a lawyer to represent its purported "third-party" client.

"A man showed up at one of the addresses [of the purported owners of Academiland], claiming to be the lawyer of one of the people reported, and then said that he was sent by dLocal a man showed up saying that he was a lawyer for one of the people."
(Infobae, September 15, 2023)

Although dLocal asserts compliance with local regulations and later stated that the investigation targeted its clients rather than the company itself, dLocal's response to the government probe involved massive financial and operational commitments to the country.

Suspected Money Laundering Method I: Alleged Over-Invoicing

Alleged over-invoicing of legitimate payment needs



According to the local news portal *Primicia24*, dLocal charges its international clients like Amazon and Dropbox ~3% commissions. However, when uploading invoices to the Single and Free Exchange Market (MULC), it allegedly inflated import invoices by up to 500% to illegally obtain more USD at the favorable, official exchange rate.

Subsidiary financial statements indicate potential over-invoicing

| December 31, 2022 | | | |
|---------------------------------|-------------|---|-------------|
| FX risk to Argentine Peso (ARS) | \$ m | FX risk to Argentine Peso (ARS) | \$ m |
| Group, consolidated FX exposure | 12.9 | Dlocal LLP (UK) | 22.4 |
| Group, consolidated FX hedges | 6.6 | Dlocal Corp LLP (UK) | 23.8 |
| | | Dlocal Limited (Malta) | - |
| | | Dlocal OpCo UK Limited (UK) | - |
| dLocal Consolidated | 19.5 | Subtotal: Group Payment Providers | 46.2 |
| | | Suspicious FX Exposure Discrepancy | 26.7 |

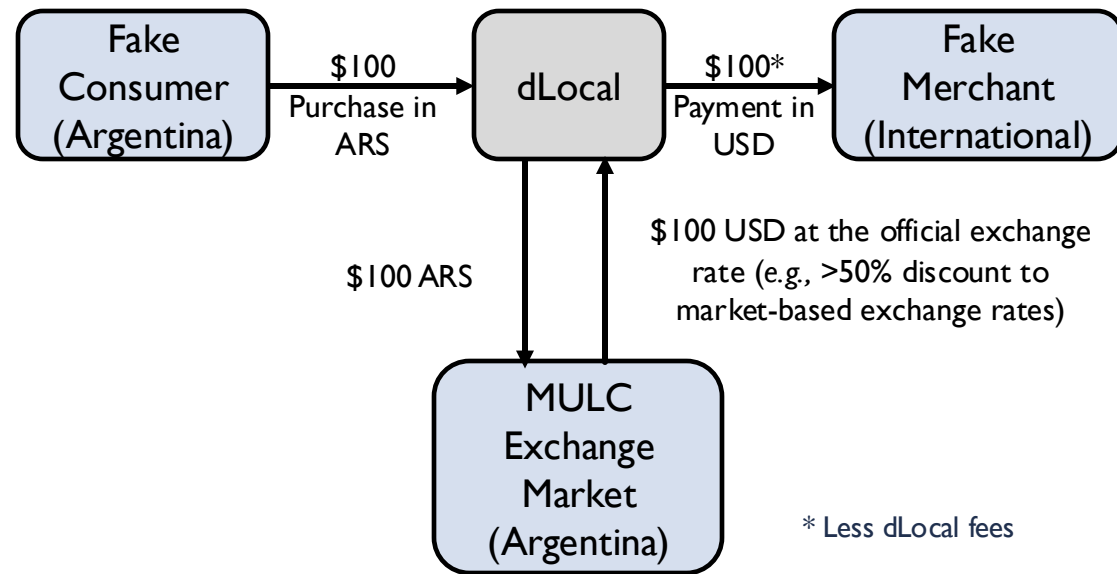
dLocal reported lower net exposure towards Argentine pesos (“ARS”) on a consolidated basis than the cumulative amount reported by its group payment provider subsidiaries. This implies that its other entities (presumably its Argentine collection subsidiaries) need to have negative ARS-denominated net assets (e.g., they owe more ARS than they hold in cash or receivables).

This seems implausible but could be the case if dLocal’s international payment processor subsidiaries claim higher payment needs for merchants than is justified based on collections (e.g., over-invoicing of import payments collected by the Argentine subsidiaries).

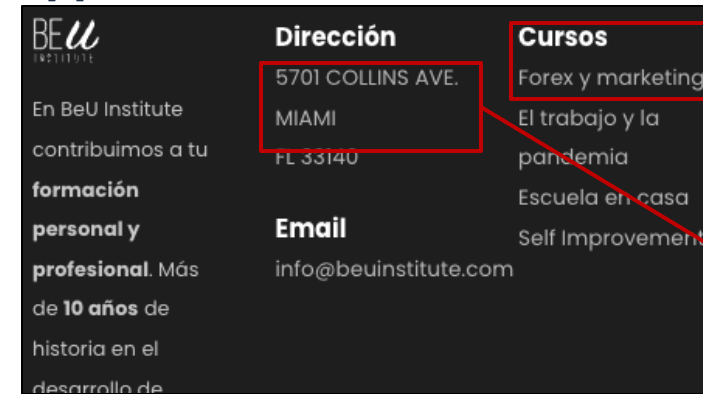
The suspicious balances normalized by December 2023 – potentially as a result of of the Argentine government investigation.

Suspected Money Laundering Method II: Alleged Fake Transactions and Fake Merchants

Alleged fake purchases of service or digital goods to justify expatriation requests



Academiland LLC and/or BeU Institute – An apparent sham merchant



Non-sense course: “Forex and marketing”

Address on the same avenue as the apartments/penthouses of Andres Bzurovski, Hyman Bielsky, and Emiliano Fernandez Balague*

Customs raid at the official owners of Academiland



“Customs analyzed 9,304 collection operations [...] for [ARS]395 million. [...] all the others were paid in cash at payment centers and against a dLocal account. The agents took a sample of 800 users [...]. All responded that they never acquired any goods or services from Academiland.”

Infobae (September 15, 2023)

According to the local news portal *Infobae* dLocal facilitated payments (e.g., acting as the merchant of record) for some alleged sham purchases made mostly through cash payment methods and used as a justification to expatriate funds to sham merchants.

In addition, dLocal allegedly miscoded transactions (e.g., avoiding scrutiny and/or circumventing regulation of certain products).

* Bzurovski is dLocal’s cofounder/director (address: Porsche Design Tower, 18555 Collins Ave.); Bielsky is dLocal’s “independent” director (audit committee member) but was likely a pre-IPO shareholder through HMAJG, LLC (address: Turnberry Ocean Club Residences, 18501 Collins Ave.); Fernandez Balague was an executive or investor at AstroPay/Directa24 and pre-IPO shareholder of dLocal (address: Turnberry Ocean Club Residences, 18501 Collins Ave.).

Sources: BeU Institute, [Archived website](#) (December 18, 2021); Infobae, [The Government denounced an alleged fraud to access official dollars and transfer them to the US through the unicorn dLocal](#) (September 15, 2023, Google Translate); The Real Deal; [Uruguayan fintech billionaire buys penthouse at Porsche Design Tower](#) (July 21, 2021); The Real Deal, [Argentinian investor pays \\$30M for Turnberry Ocean Club PH](#) (March 10, 2023), FloridaParcels, [Hyman K Bielsky](#) (accessed February 19, 2025).

Apparent Connection to Similar Schemes and Other Money Launderers

The “El Croata” Blue Dollar and Money Laundering Scheme

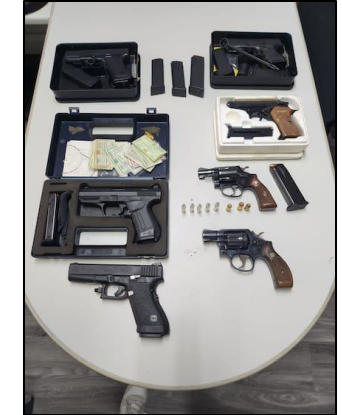
- Led by Ivo Rojnica, El Croata was the largest so-called “cave” in Argentina through which criminals moved money and illegal currency expatriation was facilitated. The scheme reportedly facilitated the movement of \$350 million, with El Croata collecting an estimated 20% take rate.
- The El Croata “Blue Dollar” scheme provided U.S. dollars at black market exchange rates and facilitated expatriation through a web of shell companies. Dollars or expatriation permits were obtained through classic money laundering methods such as over-invoicing and sham imports.
- In October 2023, the operation was dismantled through 20 police raids and multiple arrests. The case against El Croata also includes allegations of laundering drug money for the Sinaloa Cartel. This investigation, which spanned roughly five years, began after the U.S. Drug Enforcement Agency flagged suspicious transfers to American banks.

dLocal’s potential connection to El Croata

The news portal *mdz* reported that Academiland operated through or in association with the El Croata scheme (e.g., facilitating or benefiting from the illegal expatriation of Argentine pesos to the U.S.).

As previously demonstrated, Academiland appeared to be a sham merchant that would not have passed basic KYC/AML checks. Could dLocal’s association with Academiland – and by extension, El Croata – have been a case of willful blindness or even something more? Or was dLocal just duped and an unconscious/unwilling facilitator?

Arrest of Ivo Rojnica a/k/a El Croata and seized weapons



While the Argentine reporting seemed to be most advanced, it may have only scratched the surface (e.g., rather official subsidiaries). Notably, Argentina is not the only country with currency controls...

... Suspicious Apparent FX Balances after the Argentine Investigation – dLocal's Apparent Pivot to African and Asian Markets with Currency/Capital Controls and Black Markets

| Nigerian Naira NGN | | | |
|---------------------------------|----------------|--|--------------|
| December 31, 2023 | | | |
| FX risk to Nigerian Naira (NGN) | \$ m | FX risk to Nigerian Naira (NGN) | \$ m |
| Group, consolidated FX exposure | <9.1* | Dlocal LLP (UK) | 26.6 |
| Group, consolidated FX hedges | - | Dlocal Corp LLP (UK) | - |
| | | Dlocal Limited (Malta) | - |
| | | Dlocal OpCo UK Limited (UK) | - |
| dLocal Consolidated | <9.1 | Subtotal: Group Payment Providers** | 26.6 |
| | | Suspicious FX Exposure Discrepancy | ≥17.5 |

| Chinese Yuan CNY | | | |
|---------------------------------|----------------|--|--------------|
| December 31, 2023 | | | |
| FX risk to Chinese Yuan (CNY) | \$ m | FX risk to Chinese Yuan (CNY) | \$ m |
| Group, consolidated FX exposure | <9.1* | Dlocal LLP (UK) | - |
| Group, consolidated FX hedges | - | Dlocal Corp LLP (UK) | 11.2 |
| | | Dlocal Limited (Malta) | 11.3 |
| | | Dlocal OpCo UK Limited (UK) | - |
| dLocal Consolidated | <9.1 | Subtotal: Group Payment Providers** | 22.5 |
| | | Suspicious FX Exposure Discrepancy | ≥13.4 |

| Vietnamese Dong VND | | | |
|----------------------------------|-----------------|--|--------------|
| December 31, 2023 | | | |
| FX risk to Vietnamese Dong (VND) | \$ m | FX risk to Vietnamese Dong (VND) | \$ m |
| Group, consolidated FX exposure | <9.1* | Dlocal LLP (UK) | 20.7 |
| Group, consolidated FX hedges | 4.1 | Dlocal Corp LLP (UK) | 19.1 |
| | | Dlocal Limited (Malta) | - |
| | | Dlocal OpCo UK Limited (UK) | - |
| dLocal Consolidated | <13.2 | Subtotal: Group Payment Providers** | 39.9 |
| | | Suspicious FX Exposure Discrepancy | ≥26.7 |

| Pakistani Rupee PKR | | | |
|----------------------------------|----------------|--|--------------|
| December 31, 2023 | | | |
| FX risk to Pakistani Rupee (PKR) | \$ m | FX risk to Pakistani Rupee (PKR) | \$ m |
| Group, consolidated FX exposure | <9.1* | Dlocal LLP (UK) | - |
| Group, consolidated FX hedges | - | Dlocal Corp LLP (UK) | 25.5 |
| | | Dlocal Limited (Malta) | 24.8 |
| | | Dlocal OpCo UK Limited (UK) | - |
| dLocal Consolidated | <9.1 | Subtotal: Group Payment Providers** | 50.3 |
| | | Suspicious FX Exposure Discrepancy | ≥41.2 |

* In FY 2023, consolidated FX exposure was only disclosed for Top-5 currencies (e.g., >\$9.1 million exposure threshold), none of which are NGN, VND, PKR, or CNY; Note that the subsidiaries partly also disclose only the largest FX balances

** dLocal Opco Ireland Ltd. was disclosed as an additional payments provider in Q3 2023 but apparently not consolidated in the FY 2023 annual report.

In FY 2023 (e.g., coinciding with the launch of the government investigation), Argentine FX imbalances normalized. Instead, the same pattern has now apparently emerged in other countries with foreign exchange controls and black markets. Payment provider entities report disproportionally high FX exposure to NGN, VND, CNY, and PKR – seemingly exceeding dLocal's reported consolidated balances. Assuming accurate accounting, this discrepancy should imply negative local currency net assets at the local subsidiary level.

However, the absence of local subsidiaries in some countries (e.g., China, Pakistan) raises questions about where dLocal could record offsetting negative liabilities or how these balances can be otherwise explained.

Payment provider subsidiaries recorded suspiciously high exposure to countries with FX controls, seemingly surpassing dLocal's reported consolidated exposure by ~\$100 million (e.g., 17% of own cash balances plus trade & other receivables).

Potentially Misleading Profits: Even absent Potential “Currency Theft”, dLocal’s Accounting of Parallel Market Exchange Rates Might Mislead Shareholders – Turning Potential Economic Losses into Temporary Accounting Profits

- dLocal openly acknowledged that it operated solely in Nigeria’s parallel currency market, yet it claimed full compliance with all regulations. (We, of course, remain skeptical, especially given the potential presence of suspected undisclosed subsidiaries/related parties).
- It is curious that dLocal chooses to account for its Nigerian exposure at the official exchange rate, rather than at the “market rate” at which it conducts business. Investors, however, seem unconcerned, as dLocal has explained that while this approach results in inflated revenue figures, Nigeria’s gross profits would be considerably lower, and the net take rate would align with other markets. After all, dLocal asserts that it does not actively seek out FX risk.
- The reality, however, appears different. During FY 2022, dLocal reportedly accumulated net assets in Nigerian naira (FY 2023 numbers were not disclosed). Had dLocal applied the depreciating market rate instead of the official exchange rate, it could have faced an incremental loss of approximately \$4 million, or around 3.4% of its reported pre-tax profit. This is particularly significant given that Nigeria accounted for only 8.1% of dLocal’s revenues.

Accounting of Nigerian Naira net assets at official vs. market exchange rates

| | Dec. 31, 2022 | Dec. 31, 2021 | Change |
|--|----------------|---------------|-----------------------|
| Net balance: Nigerian Naira in USD m | 12.4 | 2.3 | + USD 10.1m |
| x dLocal's exchange rate (roughly official exchange rate) | 460.8 | 414.6 | +11.1% |
| = Net balance: Nigerian Naira in NGN m | 5,715.3 | 951.5 | + NGN 4,763.8m |
| ÷ Black market exchange rate | 744.0 | 562.5 | +32.3% |
| = Net balance: Nigerian Naira in USD m, at market rates | 7.7 | 1.7 | + USD 6.0m |
| Delta to reported change in net balance | (4.7) | (0.6) | - USD 4.1m |
| % of dLocal's reported pre-tax profit | 120.3 | | (3.4%) |
| By comparison: Nigeria as % of dLocal consolidated revenues | | | 8.1% |

Note: FX "hedges" ignored because diverting official/parallel exchange rates are not protected through non-delivery USD/NGN forwards if they are tied to the market rate.

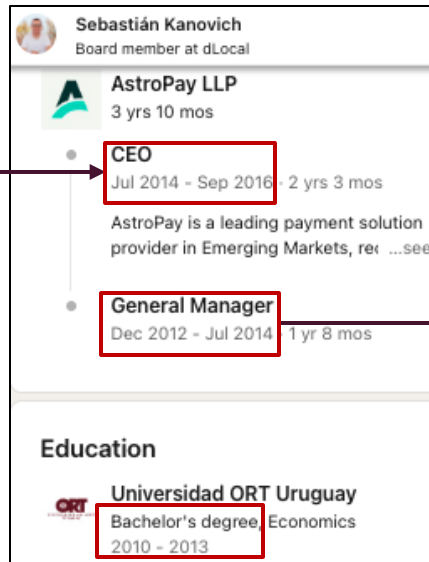
Our analysis indicates that by accumulating assets in Nigeria and translating them at the official FX rate – despite no plausible expectation to convert them at anything but the black-market rate – dLocal delayed the realization of losses.

Corporate Governance

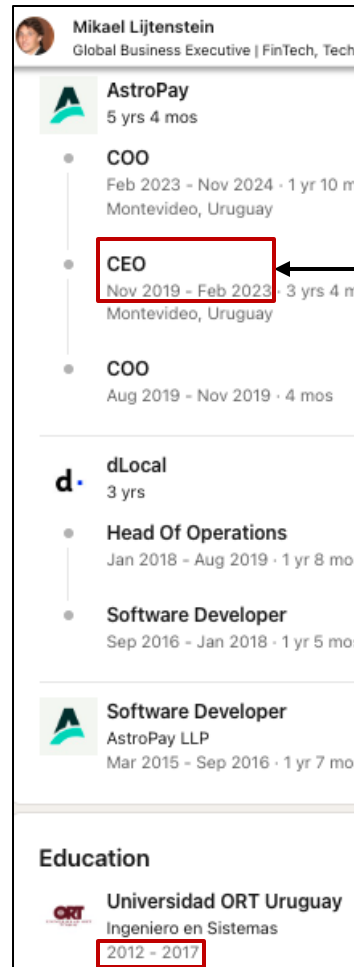
- **Investor Comfort and Perceived Leadership:** Investors got comfortable with dLocal's initially young (and now sidelined) executives Sebastian Kanovich and Jacobo Singer, partly due to the pre-IPO backing of General Atlantic (expecting completed due diligence and background checks from the private equity firm). The appointment of the soft-spoken Pedro Arnt as CEO and other C-level executives reinforced this confidence.
- **Contradictory Findings:** Our investigation reveals that despite being listed as only “non-executive directors” at dLocal's IPO, Sergio Fogel and Andres Bzurovski may have remained the “true bosses”, much like their roles at AstroPay/Directa24 (where they partly avoided formal executive titles – perhaps due to fear of legal liability).
- **Operational Control:** In 2022 we linked Fogel and Bzurovski to director or minority shareholder positions in nearly 25 of dLocal's subsidiaries (both official and unofficial), indicating substantial operational and executive power. In contrast, we only found two subsidiaries linked to CEO Kanovich at that time.
- **Ongoing Governance Failures:** Fogel appears to exercise influence through proxies – for example, in late 2022/2023, after a governance overhaul, he passed the director roles at certain subsidiaries to the manager of an olive plantation in which he invested (a questionable choice for a NASDAQ-listed financial institution).

Some of Fogel's and Bzurovski's "CEOs"? – Recent College Graduates Appointed to High Formal Roles

Sebastián Kanovich – CEO of a multinational financial institution ~1 year after graduating from university

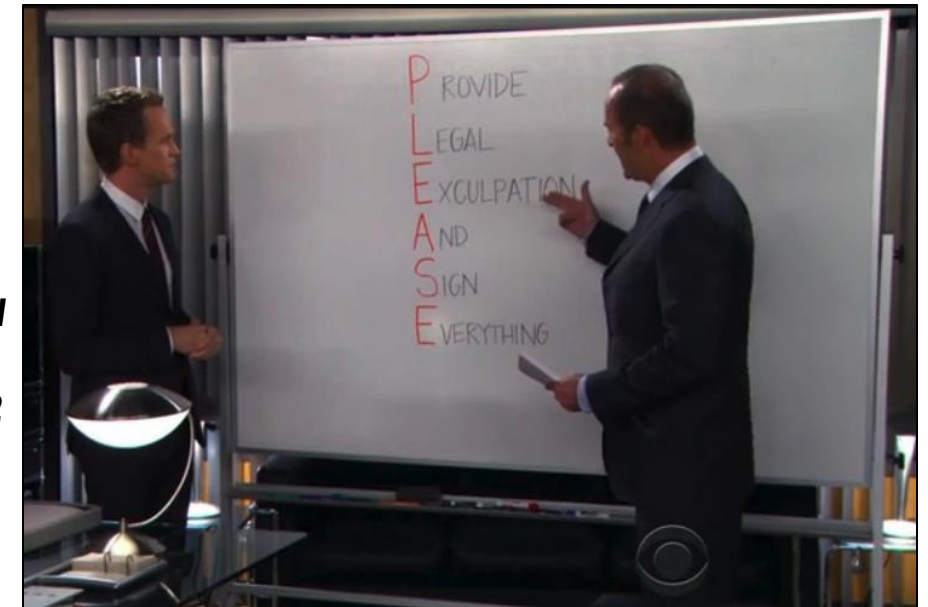


In 2012/2013, Alphonso Voigt – a lawyer by training – left AstroPay allegedly due to compliance/high-risk concerns* – and formed EBANX (a larger competitor of dLocal).



CEO of a multinational financial institution ~2 years after graduating from university

Job description for young “executives” at Fogel’s and Bzurovski’s companies?



Why did seasoned businessmen like Fogel and Bzurovski appoint young, recent college graduates into high formal roles at their established financial services businesses?

Sergio Fogel's Potentially Extended Grip on dLocal

Sergio Fogel – The real CEO of dLocal while officially only a non-executive* director?**

| Director or minority shareholder position | Sergio Fogel/Andres Bzurovski | Sebastian Kanovich/Jacobo Singer |
|---|-------------------------------|----------------------------------|
| Dlocal Group Limited | x | |
| Dlocal Limited | x | |
| Dlocal LLP | | x |
| Dlocal Corp LLP | x | |
| Dlocal OpCo UK Ltd | x | |
| Dlocal Pte Limited | x | |
| Dlocal Technologies S.A. | x | |
| Dlocal Markets Limited | x | |
| Demerge Mexico S.A. de C.V. | x | |
| Dlocal Mexico S.A. de C.V. | x | |
| Pagos y Servicios Limitada | x | |
| Dlocal Colombia S.A.S | x | |
| Demerge Colombia S.A.S | x | |
| Dlocal Costa Rica SRL | x | |
| Demerge Peru S.A.C. | x | |
| Depansum Solutions Private Limited | x | |
| Dlocal Uruguay S.A. | x | x |
| Depansum Malaysia SDN BHD | x | |
| Dlocal Panama S.A. | x | |
| Demerge Republic Dominicana SAS | x | |
| Depansum Pty Limited | x | |
| Demerge Japan Ltd | x | |
| Dlocal India Pvt. Limited | x | |
| Dlocal Vietnam Company Limited | x | |
| Demerge (Thailand) Co., Ltd. | x | |

Sergio Fogel approving Dlocal Corp LLP's financials

| DLOCAL CORP LLP | |
|--|----------|
| INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2021 | |
| Members | S. Fogel |
| Dlocal Group Limited (formerly known as Emerge Transfer Limited) | |

| | |
|---|---------------|
| This report was approved by the members, signed on their behalf by: | |
| DocuSigned by: | Sergio Fogel |
| | S. Fogel |
| Date: | 27 March 2023 |

* Only in June 2023, Sergio Fogel was appointed to an executive role as Co-President and Chief Strategy Officer. A press release describes the move as “making this role official” and “his appointment [...] formalizes the role he has been carrying out” – potentially tacitly confirming our suspicion.

** The search was conducted in 2022 (e.g., during a time when Sergio Fogel was official only dLocal's non-executive director) and does not reflect recent updates at these entities. There may also exist other information about some subsidiaries, which we could not access or analyze.

dLocal's IPO/SEO prospectuses present Sergio Fogel as a retired founder and non-executive director – positioning him and his business partner Bzurovski to sell \$688 million shares without triggering investor concerns. In reality, he had some authority at dLocal's official and unofficial subsidiaries: In addition to any informal power, he was a director at many subsidiaries and signed some subsidiary accounts.

Sergio Fogel's "Successor" at dLocal's Subsidiaries: An Apparent Olive Farmer

Dlocal Uruguay S.A. (August 2022): Chairman Sergio Fogel

| Cargo | Nombres Completos |
|--|-----------------------------|
| Presidente de Directorio | Sergio Enrique Fogel Kaplan |
| Presidente Ejecutivo | Jacobo Singer |
| Asesor en Proyectos Estratégicos y Legal | Nadia Yavitz |
| Director Ejecutivo | Sebastian Kanovich |
| Asesor de Operaciones | Maria Jose Cabrera |

Dlocal Uruguay S.A. (February 2024): Chairman Alfredo Curiel

| Cargo | Nombres Completos |
|--|---------------------------------|
| Presidente de Directorio | Alfredo Moisés Curiel Lewkowicz |
| Presidente Ejecutivo | Jacobo Singer |
| Asesor en Proyectos Estratégicos y Legal | Nadia Yavitz |
| Director Ejecutivo | Sebastian Kanovich |
| Director en Tecnología | Alberto Emmanuel Almeida Rodrio |


Alfredo Curiel: Olive farmer turns fintech director

In late 2022 or 2023, Alfredo Curiel replaced Sergio Fogel as the chairman or director at several of dLocal's subsidiaries (e.g., Dlocal Uruguay SA, Dlocal Pte Limited (Singapore)).


By November 2023, he held an increasing number of director positions across 20 dLocal subsidiaries, both official (e.g., Dlocal Ghana Ltd.) and suspected unofficial (e.g., Depansum Ghana Limited).


Curiel appears to have no relevant experience in financial institutions. Instead, he worked as a "local sales agent" for agricultural companies and oversaw olive and hemp plantations.


Notably, these roles include serving as director of the olive plantation Olivos del Uruguay, where Sergio Fogel is or was a shareholder.



Alfredo Curiel
 Information Technology (IT) Industry and Olives Industry


Experience


Director
 Olivos del Uruguay
 May 2006 - Present · 18 yrs 10 mos
 Pan de Azucar, Maldonado
 Management of a farm with 15,000 olive trees

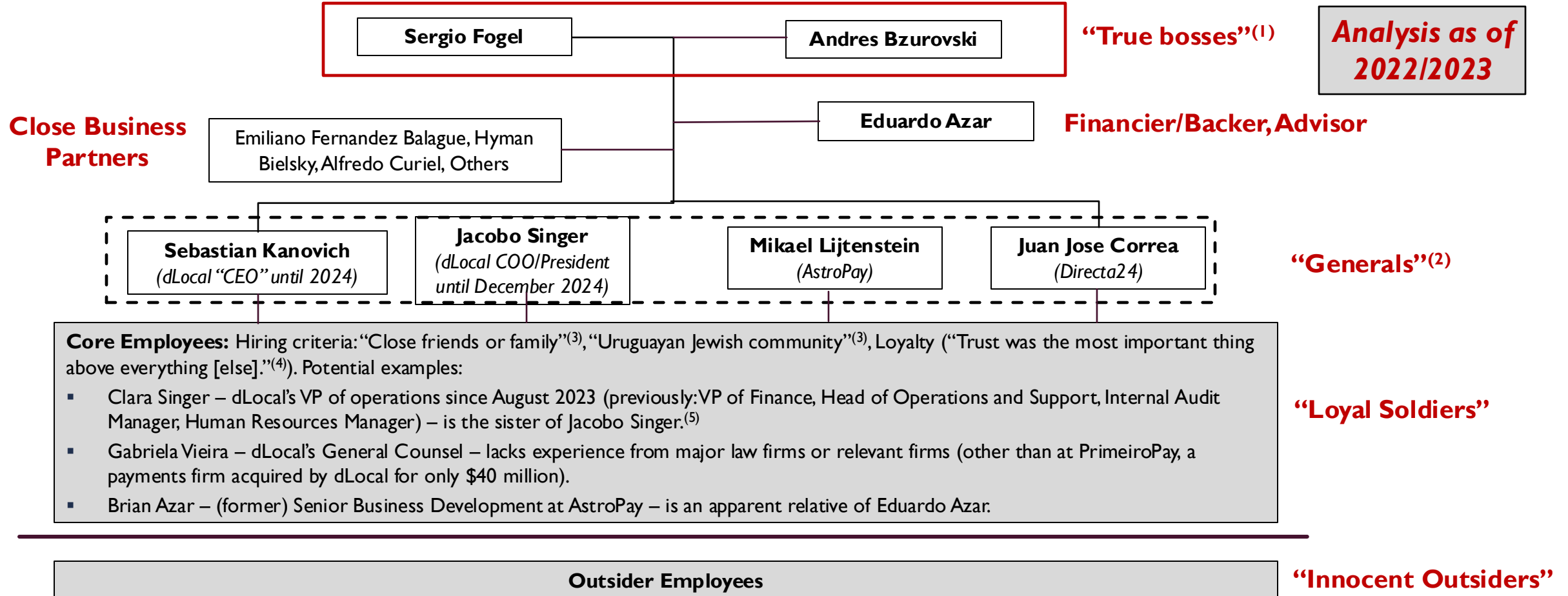

Owner - Director since 1999
 SAT Ltd.
 2000 - Present · 25 yrs 2 mos
 Olives Industry and Information Technology (IT) Industry...
 Software development for Apps for Android & iOS


Process Developer
 Shocron Benmuyal & Associates - Freelance
 Dec 2021 - Jun 2023 · 1 yr 7 mos


Cannabis/Hemp Production Supervisor
 Opuscann
 Mar 2020 - Nov 2021 · 1 yr 9 mos
 Pan de Azúcar, Maldonado, Uruguay
 Hemp planting, drying and packaging expertise


Local Sales Agent
 Agritask
 Feb 2019 - Nov 2021 · 2 yrs 10 mos
 Uruguay
 Agritask is an Agricultural Management Platform that keeps farm manage...see more

Our “Suspected Alternative Org Chart” for dLocal/AstroPay/Directa24



If accurate, the above characterization may suggest a mafia-like⁽⁶⁾ organizational structure at dLocal/AstroPay/Directa24 – indicated by obfuscated structures and a focus on loyalty to the principals by a close-knit, affinity-based group.

Sergio Fogel – The Best Leader for a Blue-Chip Payments Company?



Conclusion

Despite being a subscale operator, dLocal's reported take rates best those of larger payment firms. While this has raised critical questions in the past, investors continue to believe that dLocal can sustain some excess take rates even while catering to low-risk, blue-chip merchants.

Key Findings about the “Business Model”: We have demonstrated that dLocal is likely not the complaint, low-risk, payment provider it claims to be: (1) dLocal engages in high-risk payments and transactions that have the hallmarks of money laundering; and (2) according to news reports dLocal was accused of potentially illegally accessing subsidized official foreign exchange rates in emerging markets like Argentina, effectively siphoning foreign currency reserves.* Additionally, we found potential connections to other money laundering operations.

Questionable Profits: Even if dLocal is in fact generating profits from money laundering, we believe this could not fully explain dLocal's high take rates. After all, even the money laundering industry is competitive. We therefore suspect potential accounting fraud/misstatements at play, supported by the network of nearly 30 undisclosed suspected related parties or subsidiaries we tied to the company.

Broader Issues: dLocal's issues extend beyond red flags at a company that was listed by the young and inexperienced executives Kanovich and Singer. We view the story as part of a broader pattern of questionable activities linked to the Fogel-Bzurovski-Azar businesses.

Call to Action: Given the severity of these findings and the fragile nature of financial institutions, there might exist uncertainty about the ultimate recovery to shareholders. We nonetheless urge independent directors and General Atlantic to take decisive action to protect stakeholders and counterparties. A thorough clean-up must start with identifying any wrongdoers and removing them, their enablers, and their proxies from positions of power.

* In a January 2025 podcast, dLocal's CEO, Arnt, stated that the investigation had subsided and targeted dLocal's clients rather than the company itself. However, we believe this does not contradict our observations of questionable practices. At the very least, the situation highlights potential deficiencies in dLocal's KYC and compliance processes, and raises questions whether the company may have benefited from excessive take rates through its relationships with such clients in Argentina (and possibly other markets with currency controls). Podcast source: Bloomberg Línea, [CEO de dLocal ve empresas con “pico de interés” por Argentina y apunta al M&A en 2025](#) (January 15, 2025) at minute 23:50-25:10. 48