

Management Report

Dear Shareholders,

The Management of PPLA Participations Ltd. ("PPLA Participations" or "Company") and its subsidiaries are pleased to present the Management Report and Interim Condensed Financial Statements for the quarter ended September 30th, 2019, in accordance with IAS 34 – Interim Financial Reporting, part of the International Financial Reporting Standards (IFRS) and the Brazilian Corporate Law.

Relevant Event

During the quarter ended on September 30, 2019, BTG MB Investments LP ("BTG MB"), a company that has an indirect participation in the Company, converted R\$63.7 million of a loan granted to PPLA Investments into equity – PPLA Investments issued 41,069,392,537 Class D shares, equivalent to R\$0.0015 per share. As a consequence of the capitalization, PPLA Investments shareholders were diluted in their participation, in such a way that: (i) the Company indirectly holds, through PPLA Bermuda LP Holdco Ltd, 0.14% of PPLA Investments and (ii) BTG MB directly holds approximately 99% of PPLA Investments shares.

During the quarter ended on June 30, 2019, BTG MB Investments LP ("BTG MB"), a company that has an indirect participation in the Company, converted R\$175.9 million of a loan granted to PPLA Investments into equity – PPLA Investments issued 13,918,235,294 Class D shares, equivalent to R\$0.01 per share. As a consequence of the capitalization, PPLA Investments shareholders were diluted in their participation, in such a way that: (i) the Company indirectly holds, through PPLA Bermuda LP Holdco Ltd, 0.47% of PPLA Investments and (ii) BTG MB directly holds approximately 98% of PPLA Investments shares.

On March 29, BTG MB Investments LP, a company that has an indirect participation in the Company, converted R\$85 million of a loan granted to PPLA Investments into equity – PPLA Investments issued 3,766,919,006 Class D shares - equivalent to R\$0.02 per share. As a consequence of the capitalization, PPLA Investments shareholders were diluted in their participation, in such way that: (i) the Company indirectly holds, through PPLA Bermuda LP Holdco Ltd, 2.08% of PPLA Investments and; (ii) BTG MB directly holds approximately 93% of PPLA Investments shares.

Performance

On the third trimester of 2019, PPLA Participations had an operating loss of R\$102 thousand, mostly related to the adjustment at fair value of BR Pharma and to the financial expenses of PPLA Investments' liabilities.

Independent Auditors

PPLA Participations policy on contracting services not related to the external audit by our independent auditors is based on the applicable regulations and the internally accepted principles that safeguard the auditor's independence, i.e. that the auditors should not audit their own work, carry out management functions for their clients or promote the interests of those clients.

Acknowledgements

PPLA Participations thanks its investors and market partners for their continued confidence and support.