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Main Highlights

Strong Growth and Profitability

- ✓ **Highest historical figures in a quarter:** net adds, TPV, total revenue and income, adjusted net income, adjusted net margin and adjusted free cash flow
- ✓ **Record net adds** (ex-TON) in a quarter, having **accelerated to 69,700 clients** in 4Q20
- ✓ Active client base (ex-TON) of **652,600** in Dec-20, **+35.7%** y/y, despite Covid
- ✓ TPV was **R\$209.9bn** in 2020, up **62.6%** y/y (**38.8%** y/y growth excl. *Coronavoucher*¹, despite Covid impact)
 - ✓ TPV was **R\$64.4bn** in 4Q20, up **60.1%** y/y (**42.6%** y/y growth excl. *Coronavoucher*¹)
- ✓ **Record addition of TPV** (ex-*Coronavoucher*) y/y in a quarter, **+R\$17.1bn** in 4Q20
- ✓ Total revenue and income **for the first-time surpassed R\$1.0bn** in 4Q20, despite lower key account revenues
- ✓ **Record adjusted net income in a quarter**, reaching **R\$357.8mm** in 4Q20, **+30.1%** y/y
- ✓ Adjusted net income of **R\$958.2mm** in 2020, **+11.8%** y/y, despite R\$91.7 mm pre-tax impact from investments in TON, and Covid-related incentives to clients & donations
- ✓ **Record adjusted net margin** in a quarter, reaching **35.7%** in 4Q20, **+4.9 p.p.** q/q
- ✓ Take-Rate excl. *Coronavoucher*¹ of **1.64%** in 4Q20, -16 bps y/y mostly explained by headwind from lower base rate on key accounts take-rate

Fintech-as-a-Service and Software Solutions

- ✓ **Digital small businesses accelerated revenue growth** to **94%** y/y in 4Q20, with stable take-rates q/q, which are **even more profitable than the hubs**
- ✓ Over **R\$200mm** in annualized pro-forma software revenue³ as of 4Q20
- ✓ **Accelerated growth of pro-forma software revenue**⁴ to **55%** y/y as of 4Q20
- ✓ **387,600** software clients in Dec-20, **+187%** y/y and **+13%** q/q in 4Q20
- ✓ **Reached 18.85% ownership of Linx** through open market transactions at **lower average price per share than our offer**; transaction pending anti-trust authority approval

Financial Platform for SMBs and TON: Set for a Strong 2021

- ✓ **Accelerated hubs' TPV growth** y/y to **45%** in 4Q20, despite tougher comps
- ✓ **Hub improved execution and results** in 4Q20: record sales productivity; average TPV per client significantly above pre-Covid levels and growing; increased stickiness y/y
- ✓ **Increased from 10% to 34%** the activation² of banking services and/or credit within SMB payments active clients during 2020
- ✓ Hub clients active in A+B+C have **2.6x the revenue per client** of clients with payments only
- ✓ Reached **508,200** open digital banking accounts in Dec-20, **+151,100** q/q
- ✓ **133,400** digital banking accounts actively being used as the merchant's main settlement account as of Dec-20
- ✓ **Over 80%** of new hub clients in Mar-21 onboarded into the **new ABC platform dashboard**
- ✓ **Limiting credit risk exposure:** for the first time raised **~R\$500 million** in third-party capital for our credit solution
- ✓ TON: client base reached **113,700 micro merchants** in Dec-20, with **83% TPV growth q/q** in 4Q20 and with **encouraging unit economics**

Outlook (ex-Linx) and Recent Developments

- ✓ Active client base (ex-TON) expected to reach **~1mm clients by Dec-2021**
- ✓ StoneCo expects to invest in tech, commercial & operations, with headcount from these teams expected to **increase ~60%** in 2021
- ✓ **Take-rates¹ of Stone & Pagar.me with upward trend** expected along 2021
- ✓ **Revenue growth expected to accelerate significantly** in 2021 y/y
- ✓ **Scope of media deal with Globo expanded** from TON to the StoneCo level, with flip up of Globo's shares⁵; increased flexibility for media allocation

(1) Excluding Coronavoucher: Government relief payments that can be transferred by the beneficiary to digital wallets, some of which are integrated partners of Stone. With the transfer of balance, Stone earns a take-rate in line with debit transactions.

(2) Activation in SMB acquiring active client base in Dec-20.

(3) Considers 100% of revenues from all portfolio companies as of 4Q20. Number not consolidated in StoneCo's P&L as we own minority stakes (with path to control) in many portfolio companies.

(4) Considers revenue growth y/y from all current portfolio companies as of 4Q20, reflecting 100% of revenues and regardless of investment date.

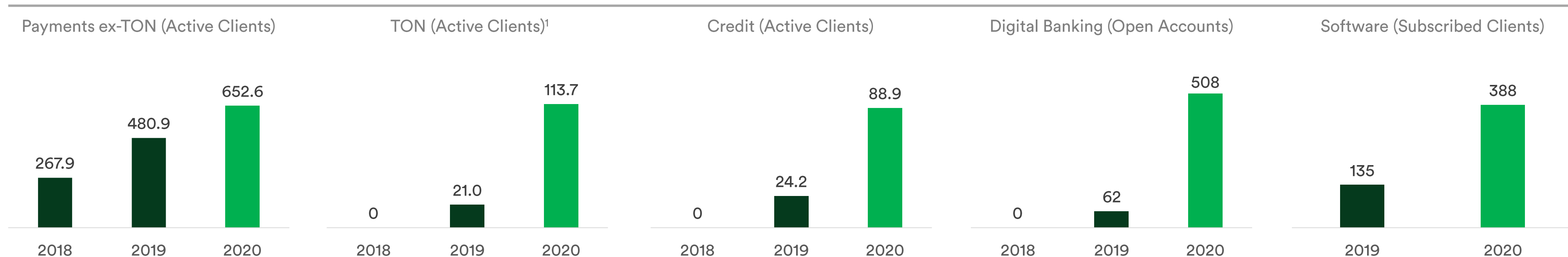
(5) Flip-up was accelerated from initially proposed timeframe agreed in contract for the TON partnership.



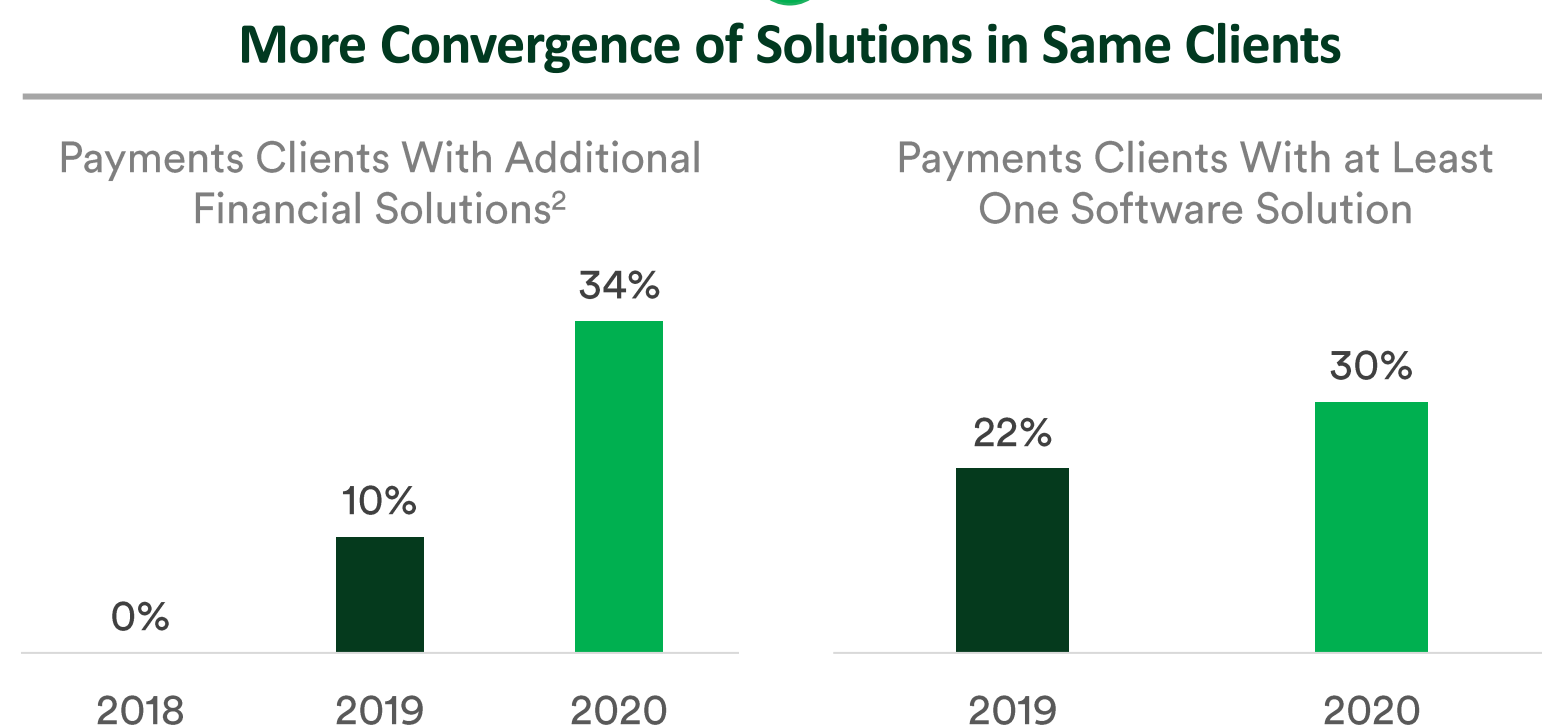
Evolution of Our Business in 2020

Despite Covid, we delivered strong growth and profitability, while investing heavily in our business

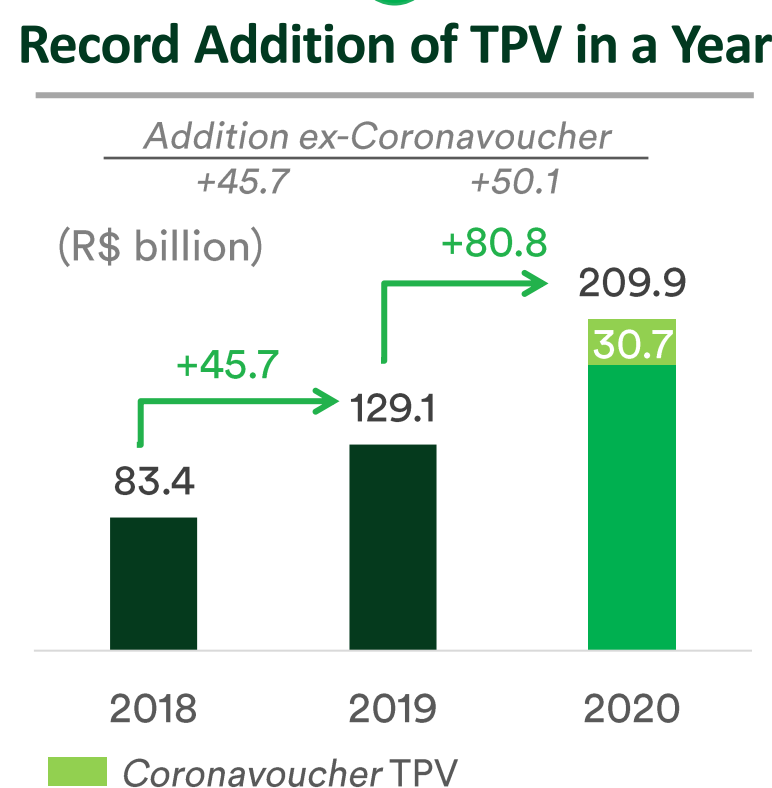
1 More Clients With Our Solutions (In Thousands)



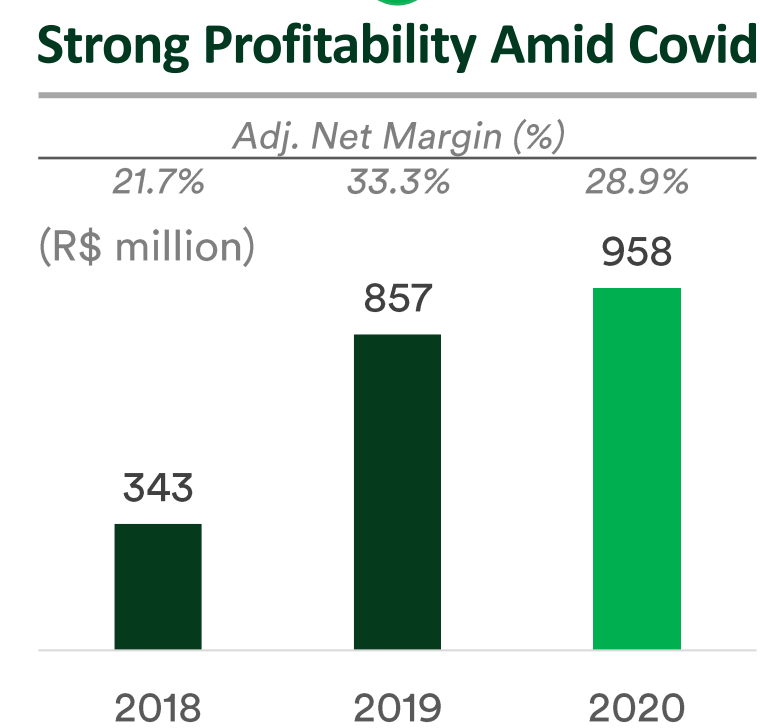
2 More Convergence of Solutions in Same Clients



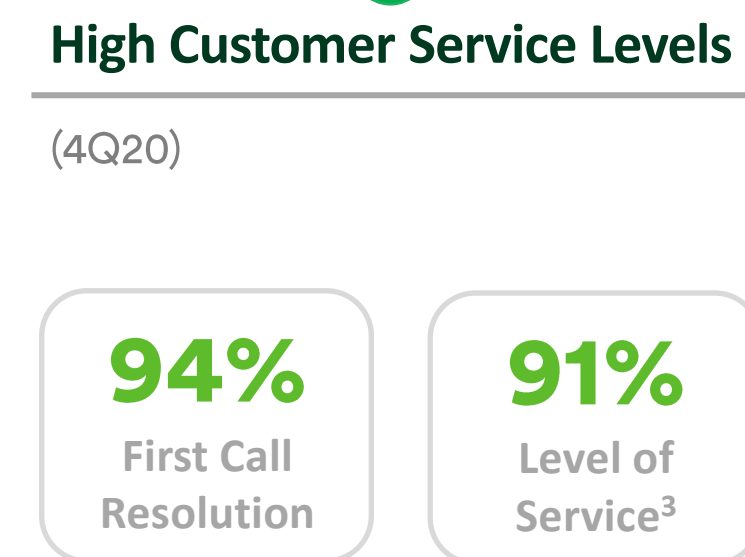
3 Record Addition of TPV in a Year



4 Strong Profitability Amid Covid



5 High Customer Service Levels



(1) Clients that have transacted with TON at least once in the preceding 12 months.
(2) Activation of banking services and/or credit in SMB active client base.
(3) Percentage of calls rated as “excellent” by our SMB clients.



Financial Platform for SMBs (1/3)

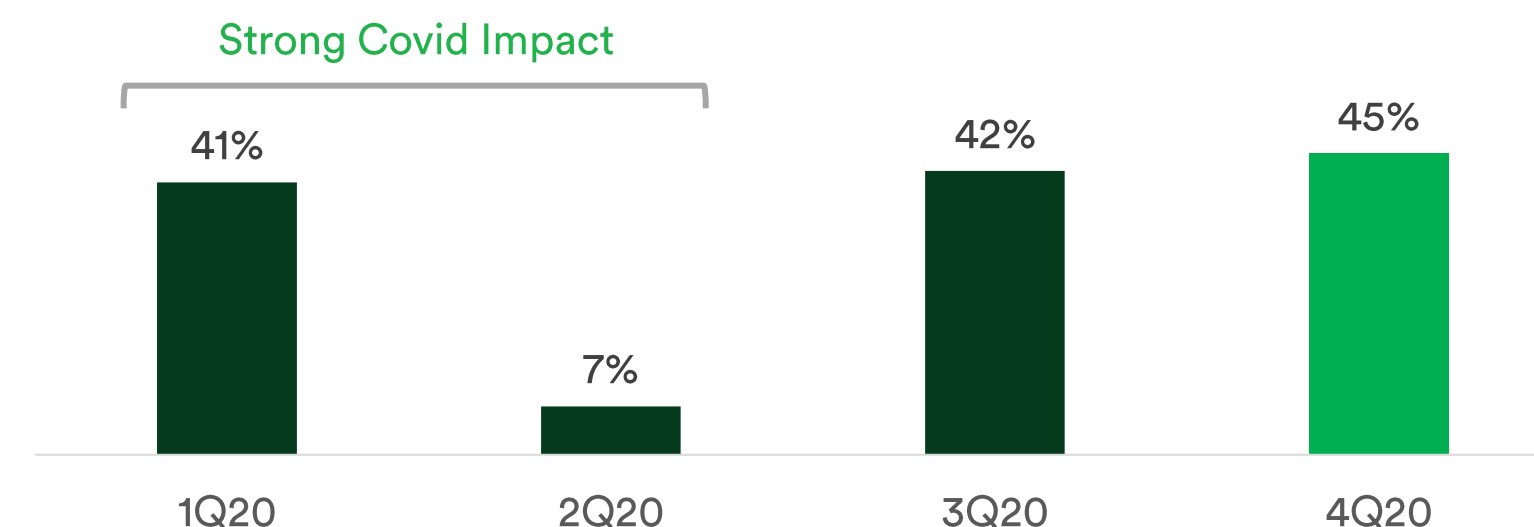
Set to accelerate growth and increase profitability in 2021

Key Developments

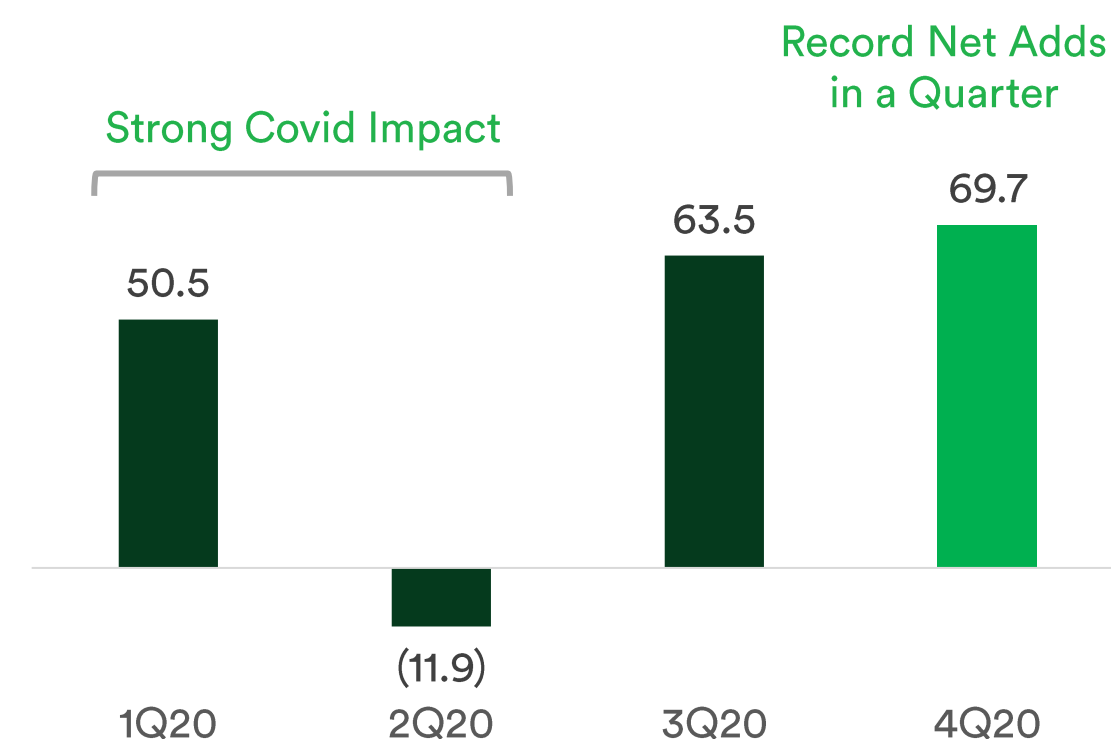
- ✓ Even though we are scaling fast, **the quality of our execution and results in SMBs are improving**
 - ✓ Increased y/y: net adds, average TPV per client, sales productivity and client stickiness
- ✓ Given these results, and **take-rate's upward trend expected along 2021**, we expect to accelerate hub investments this year, **increasing the salesforce headcount by ~60% y/y**

V-Shaped Recovery in the Hubs, with Acceleration in 4Q20

Hubs (SMBs) TPV Growth y/y

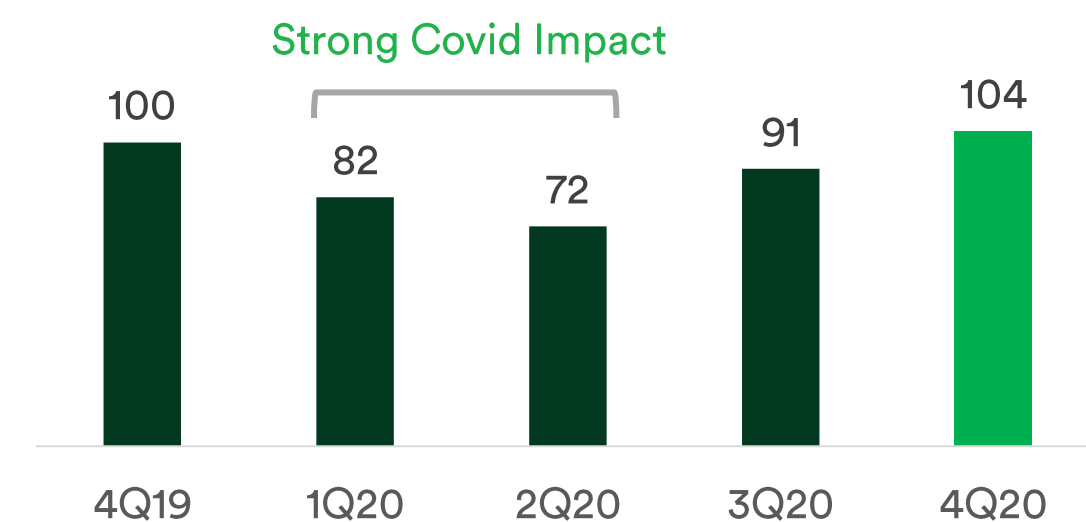


Fast Recovery of Client Base, Driven by Hubs

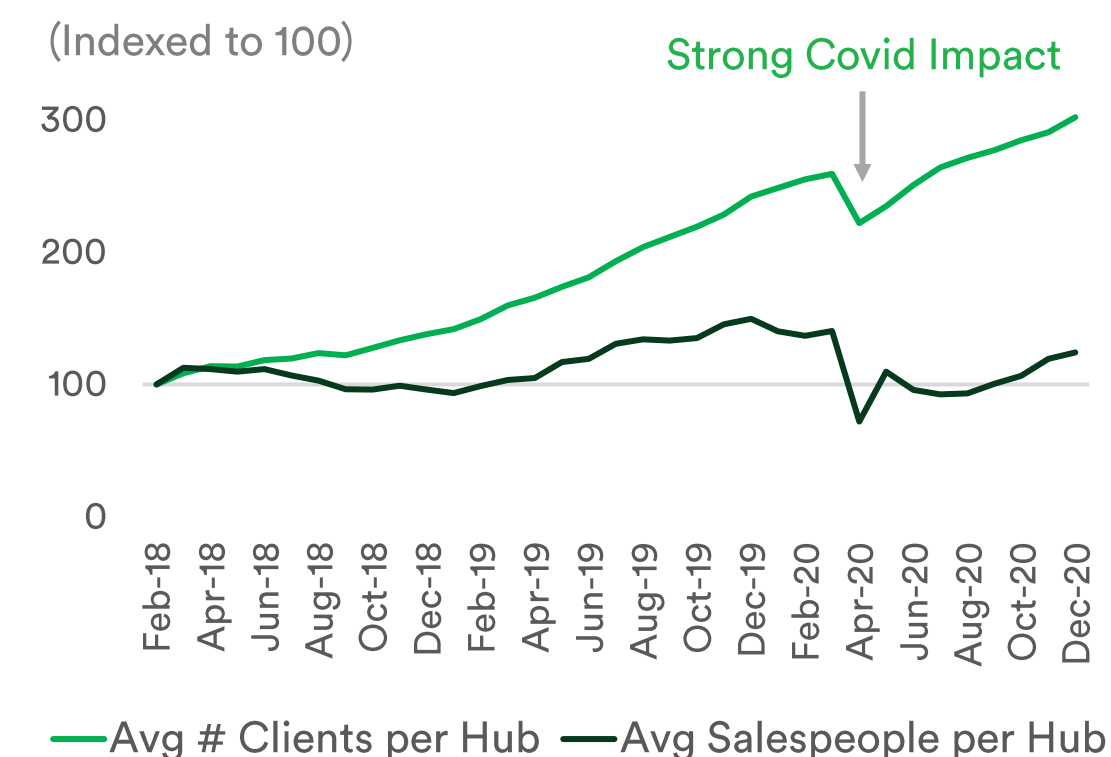


TPV per Client Above pre-Covid and Increasing

Hubs (SMB) Average TPV/Client (Indexed to 100)



Mature Hubs¹ Are Growing Strong



(1) Hubs opened in 2017 or before.

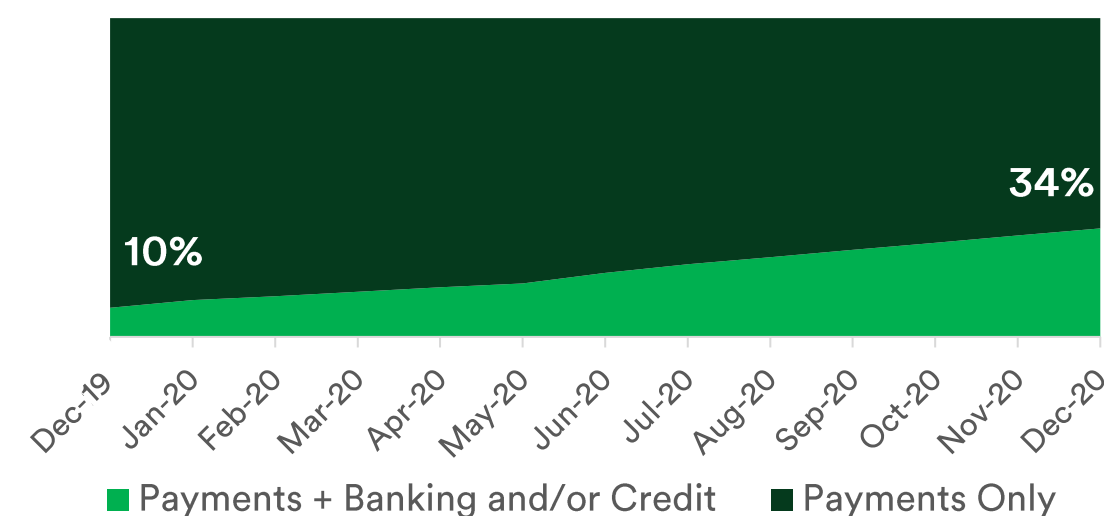


Financial Platform for SMBs (2/3)

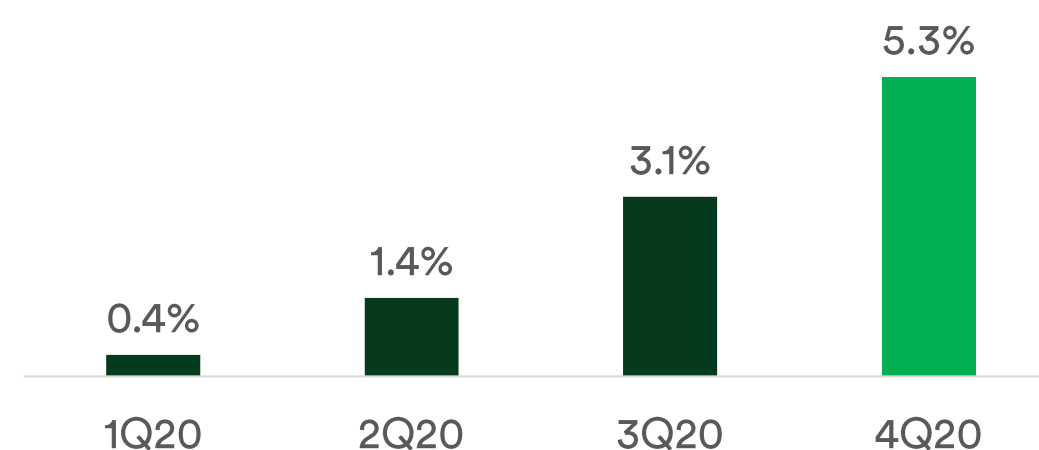
Revenue per hub client is increasing, in line with the activation and engagement of financial solutions

Increasing activation and engagement...

SMB Clients Active in Multiple Financial Solutions¹

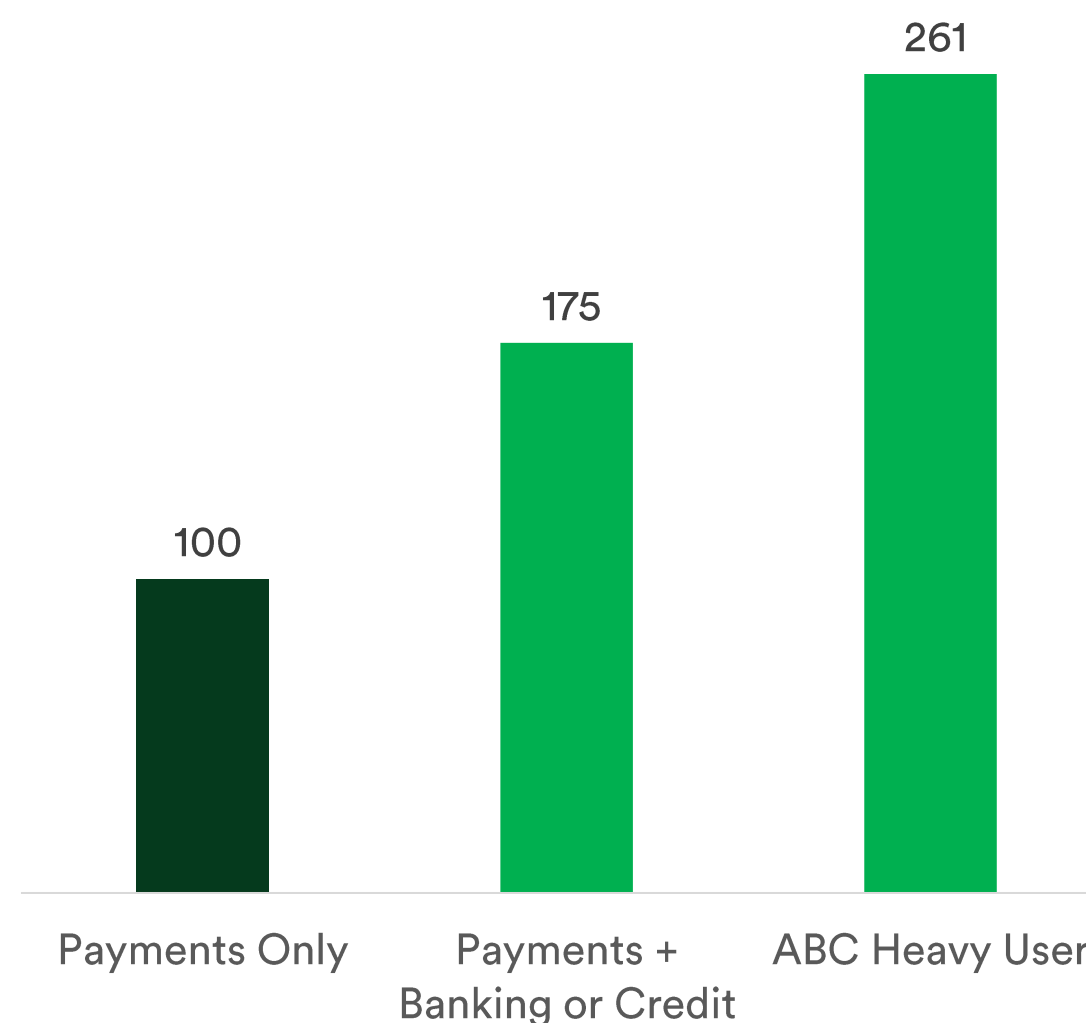


Heavy Users²



...Driving better unit economics...

Average Hub Revenue per Client as of Dec-20
(indexed to 100)



...With massive revenue pool to be addressed



(1) Penetration of hub payments clients active in banking, credit or both solutions.

(2) Clients that are actively using payments services, banking services and credit solutions.

(3) Stone internal estimate for the market based on Brazilian's largest merchant acquirers' total revenue; total revenue generated by the Brazilian top 5 banks on checking account services; total non-targeted loans for SMB companies in Brazil multiplied by the average spread discounted the expected default rate according to the Brazilian Central Bank; software revenue according to International Data Corporation.



Financial Platform for SMBs (3/3)

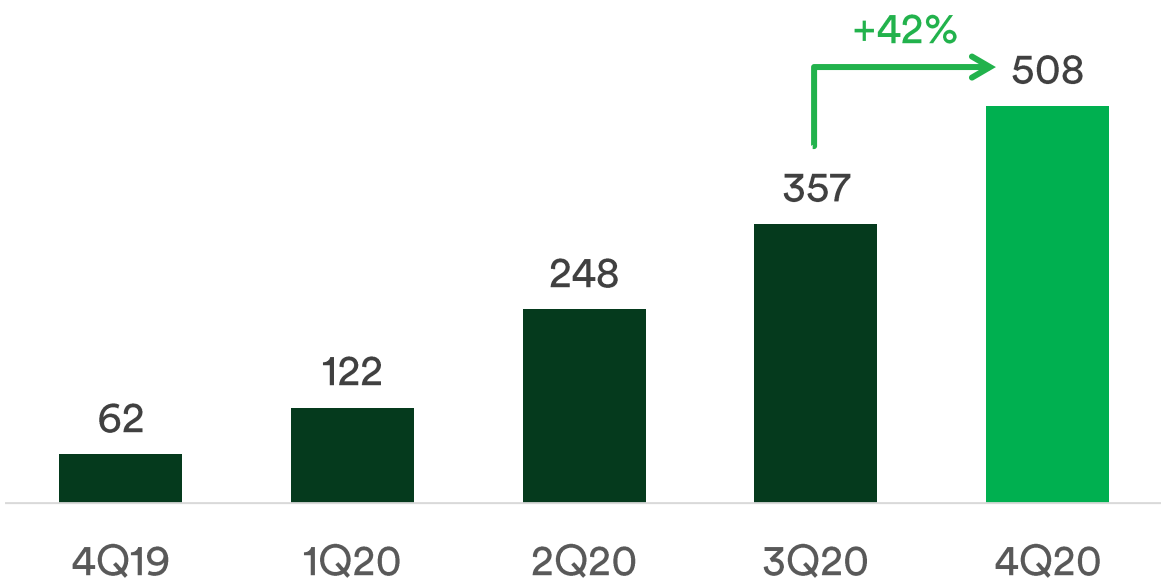
Digital banking and credit activation driven by ABC platform

Key Developments

- ✓ **508,200** open digital banking accounts as of 4Q20, with **133,400** accounts actively being used as the **merchant's main settlement account**
- ✓ Started enabling **PIX** acceptance to our clients, with similar economics to debit card transactions for Stone
- ✓ Raised **~R\$500 million** in third-party capital for our credit solution, **a first step in limiting risk exposure**; on track to raise additional funds with 3rd parties in 1H21
- ✓ Credit solutions with **healthy returns** and continuous improvement in our scoring model

Digital Banking

Number of digital accounts in thousands



Total Accounts Balance

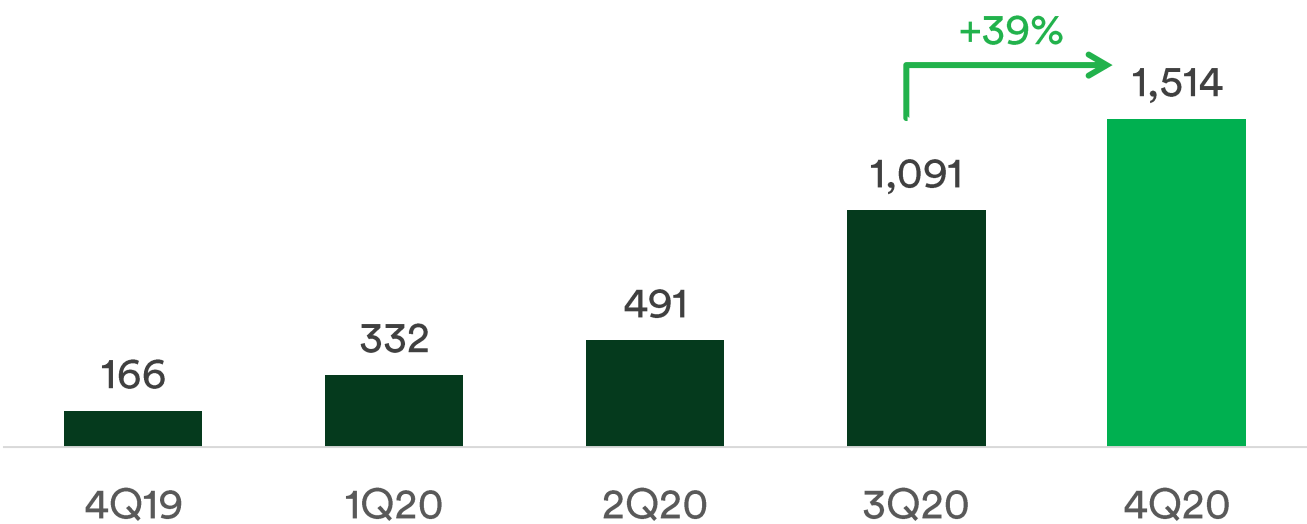
+92%
Q/Q

TPV Pre-paid Cards

+52%
Q/Q

Credit Solution

Total Credit Portfolio
(in R\$ millions)

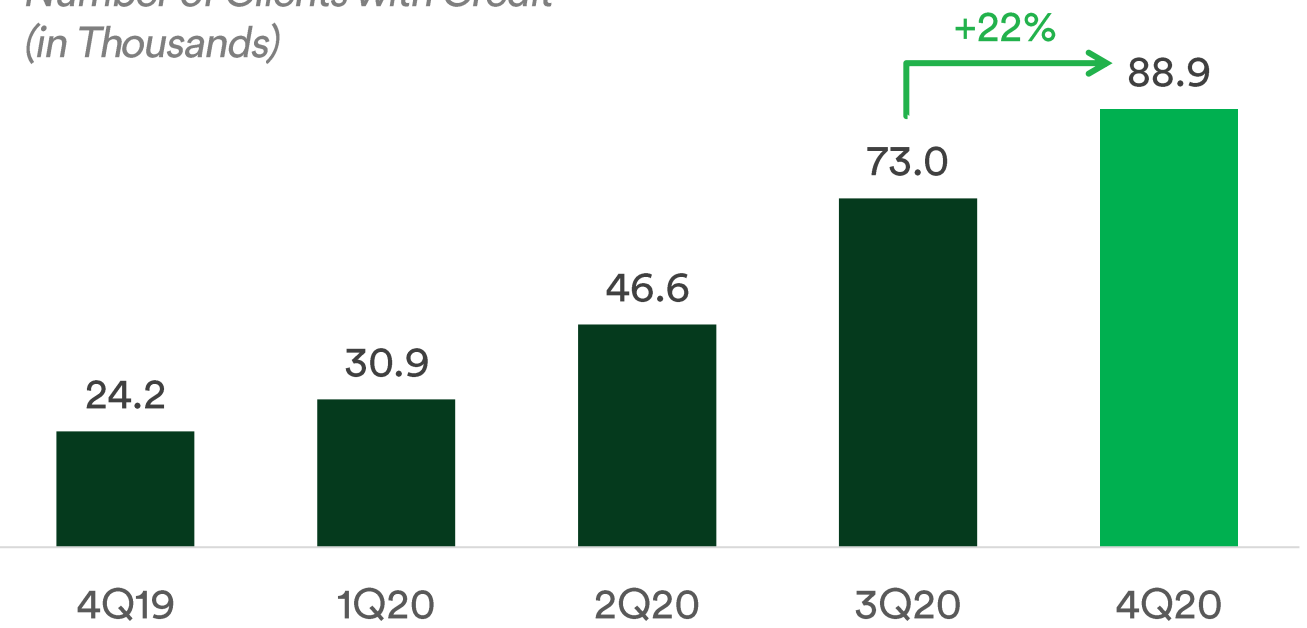


Key Metrics

2.0% - 2.5%
ROA p.m.¹

2.1% - 2.6%
RAR p.m.²

Number of Clients with Credit
(in Thousands)



1.6% - 2.1%
RAR net of CoF³
p.m.

8
Months
Duration⁴

(1) Return on assets: Monthly return on assets, calculated as credit revenue, net of expected losses, divided by disbursed amounts.
(2) Risk adjusted return: The estimated internal rate of return of the aggregated cash flows of the loan portfolio net of expected losses on the loans, which are derived from a time dependent mortality curve and recovery expectations.
(3) Risk adjusted return net of cost of funding: The estimated internal rate of return of the aggregated cash flows of the loan portfolio net of expected losses on the loans, which are derived from a time dependent mortality curve and recovery expectations, brought at present value by a discounted curve derived from StoneCo's funding costs specifically to the portfolio of loans.
(4) Weighted average time for all present values of cash flows from the credit portfolio to be realized.



TON – Accelerating Growth and Improving Economics

Strong traction from our micromerchant solution will be followed by higher investments in 2021

TON is ramping up...

- ✓ After launch in Mar-20, TON ended 2020 with a **client base nearly 5x** the end of 1Q20
- ✓ **Significant ramp-up in TPV, accelerating in the last months and with improving unit economics**, will be followed by **higher investments in 2021**
- ✓ In 2021, TON is looking to expand the ecosystem of solutions **beyond payments, with credit (enabled by 3rd party capital) and insurance as a broker**



...While improving unit economics and maintaining high customer satisfaction levels

TPV/Client
Take-Rate
CAC

~R\$1.5k
per Month
~2.2%
4Q20
↓
Q/Q

Level of Service² 87%

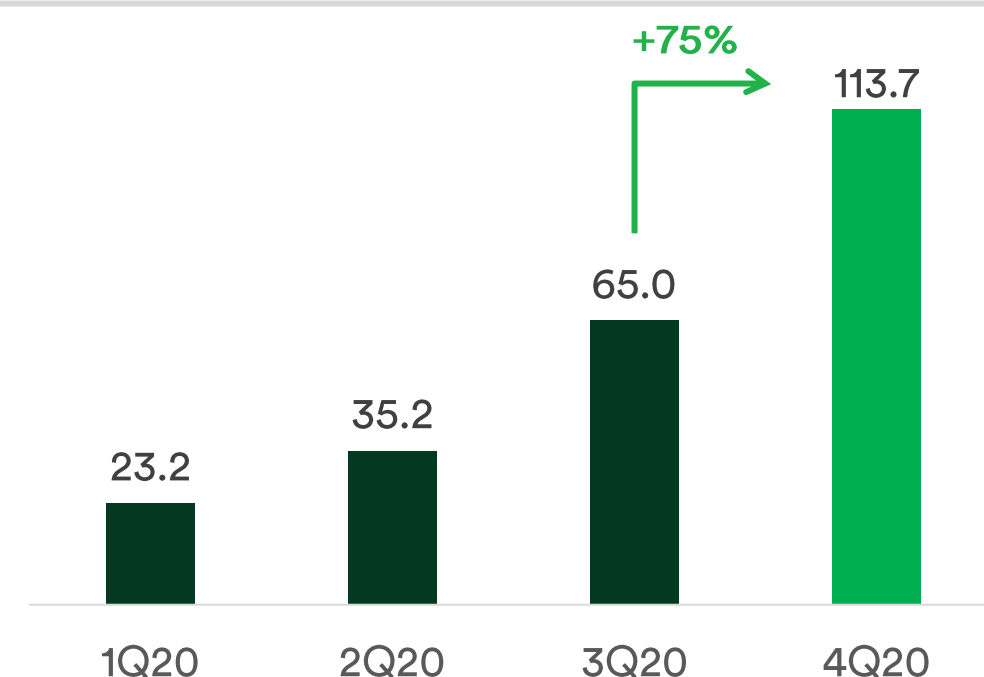
RA 1000³



Dec-20

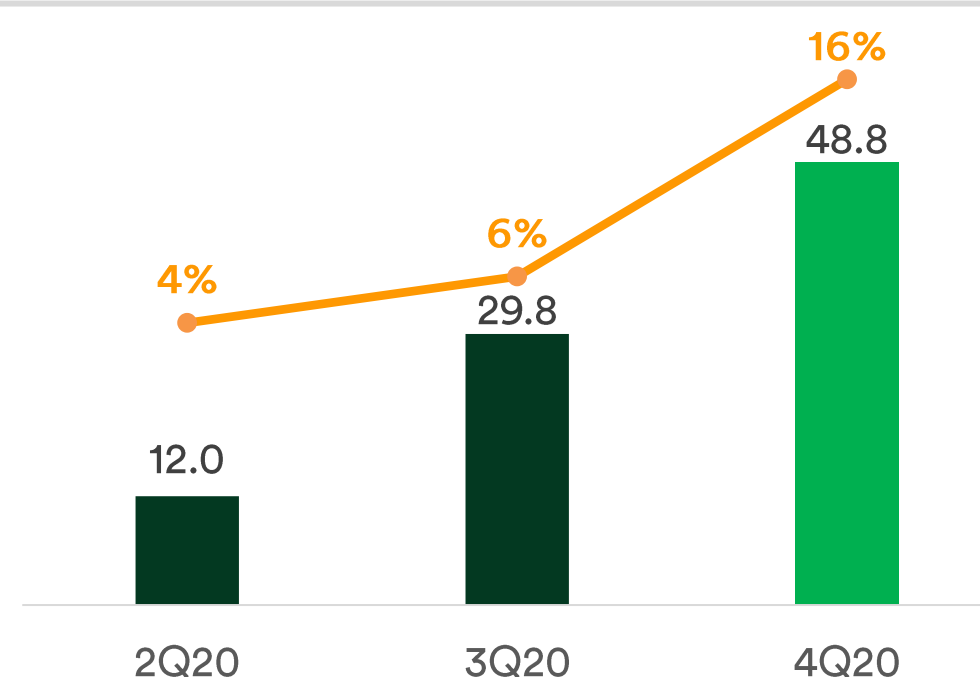
Number of Active Clients¹

(in thousands)



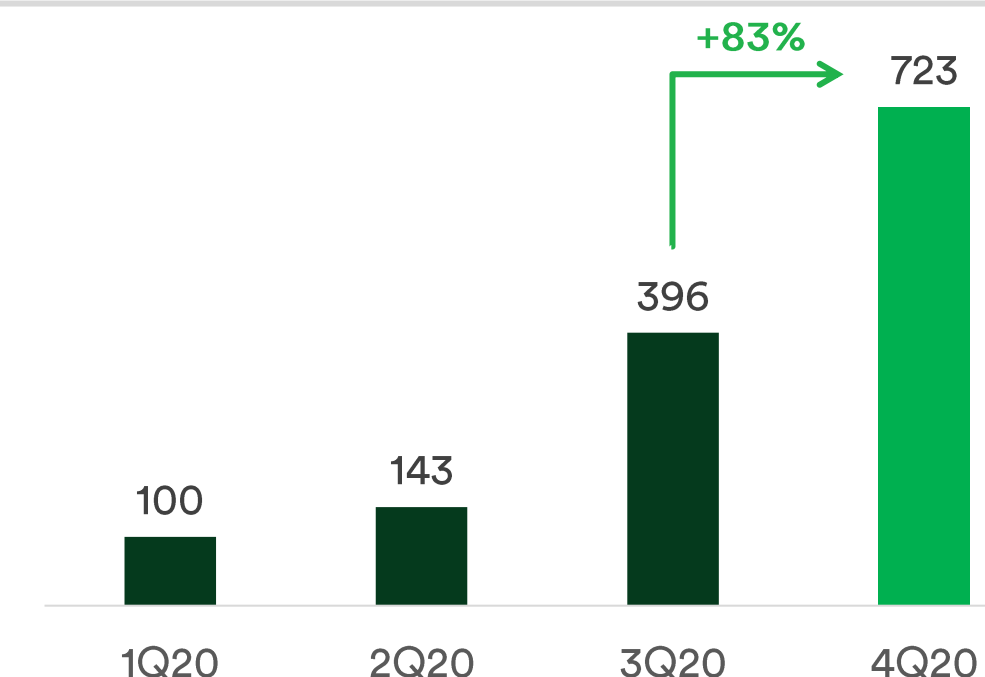
Net Addition of Clients

(in thousands)



Total Payment Volume

(Indexed to 100)



■ Net adds — % of leading player organic net adds

(1) Clients that have transacted with TON at least once in the preceding 12 months.

(2) Based on clients answer (1 to 100) to the question "How satisfied were you with your experience?".

(3) Seal of quality for the highest customer service level in "Reclame Aqui", the leading consumer conflicts solution platform in Latin America.

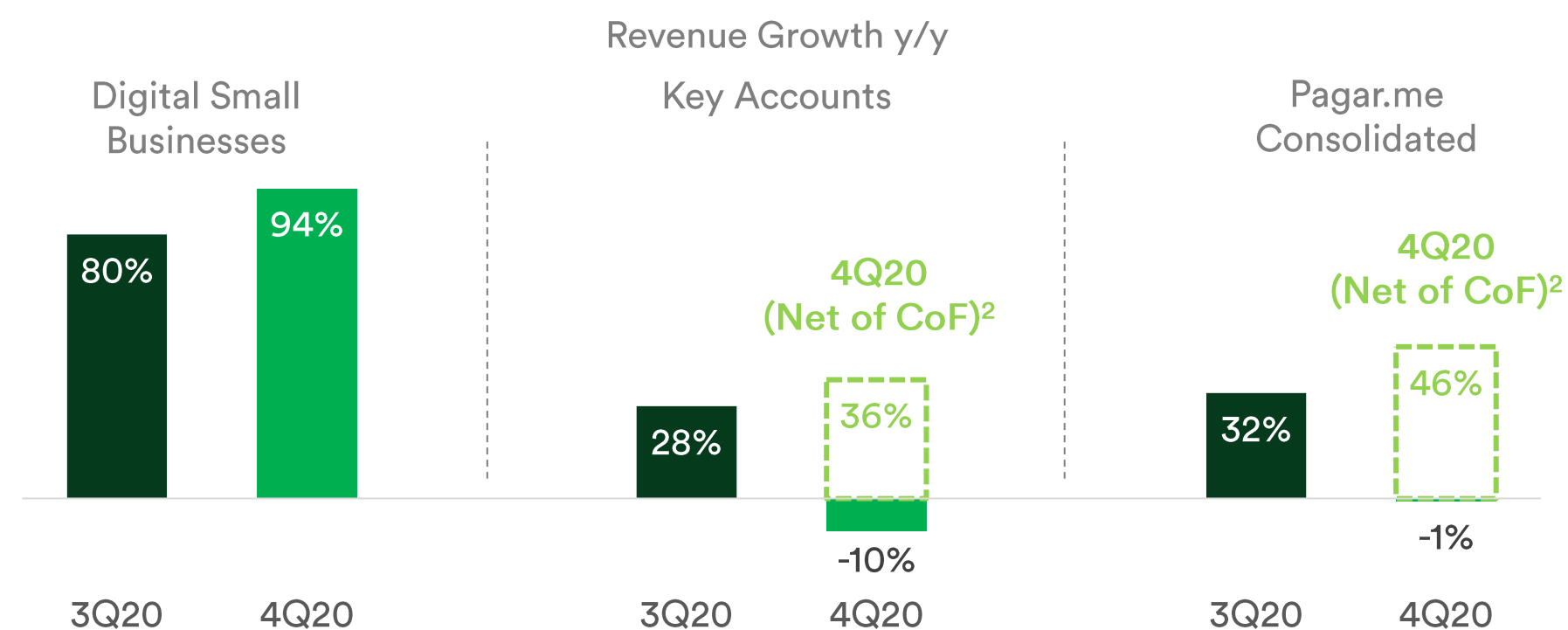
Fintech-as-a-Service pagar.me

Accelerating growth in digital small businesses

Key Developments

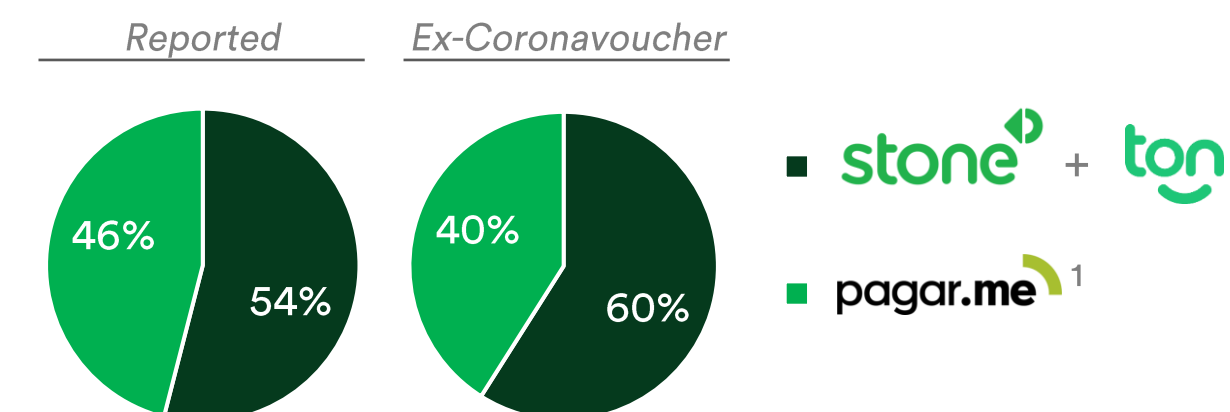
- ✓ Digital small businesses ecommerce revenue growth accelerated to 94% y/y in 4Q20, with higher profitability compared to the hubs
- ✓ On key accounts, we are prioritizing customized solutions to clients rather than commoditized payments relationships, driving gross margin up
- ✓ Despite Pagar.me's ~80% TPV growth y/y in 4Q20, and revenue net of cost of funding 46% growth y/y, overall Pagar.me's revenue dropped by 1% y/y as a result of declining base rate in Brazil and take rate reduction in key accounts
- ✓ Investments in technology in 2021 to advance in our product roadmap for fintech-as-a-service (banking-as-a-service and credit-as-a-service)

Digital Small Businesses Accelerated Growth and Key Accounts Increased Margins

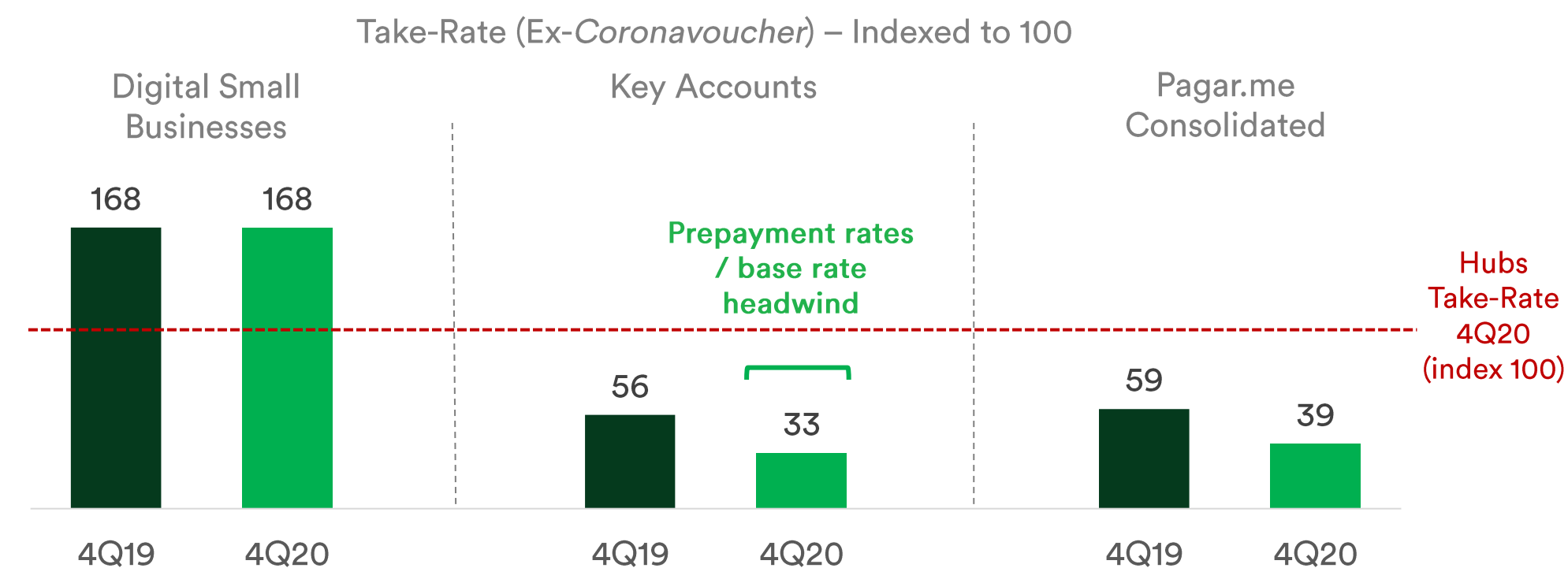


Pagar.me Represents ~40% of Total TPV

(4Q20)



Digital Small Businesses with Stable Take-Rate y/y, While Key Accounts' Profitability Was Impacted by Lower Base Rate



(1) Digital small businesses and key account clients, which include digital platforms (such as PSPs and marketplaces) and large retailers. TPV does not include agnostic online gateway and PSP.

(2) Revenue net of cost of funding related to prepayment.

Advancing in Our Software Strategy

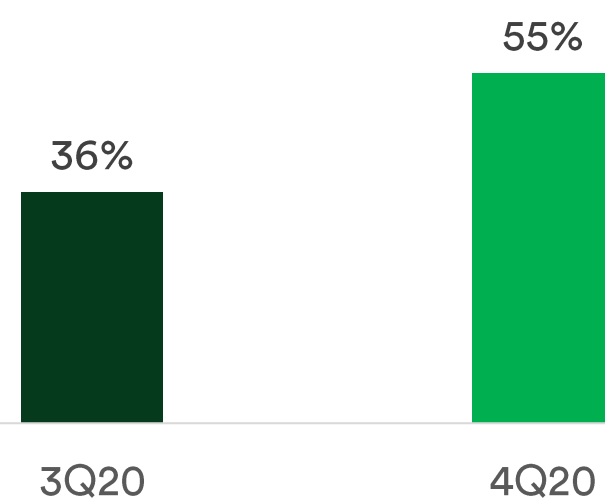
Portfolio of software companies accelerated organic growth

Key Developments

- ✓ Presence in **8 verticals**¹
- ✓ Over **R\$200mm** in annualized pro-forma software revenue² as of 4Q20
- ✓ **Accelerated organic growth** of pro-forma software revenue³ to **55%** y/y as of 4Q20
- ✓ **387,600 software clients** in Dec-20, **+187% y/y** and **13% q/q** in 4Q20
- ✓ Solutions helping merchants **to digitize their business**
 - ✓ Food delivery platform: restaurant base, orders, GMV and revenue **all grew above 100% y/y in 2020**
 - ✓ Leading social media management platform: **~75% revenue growth y/y** and clients' post impressions **growth of over 100% y/y**, both in 2020

Organic Revenue Growth Acceleration in 4Q20

Organic software revenue growth³



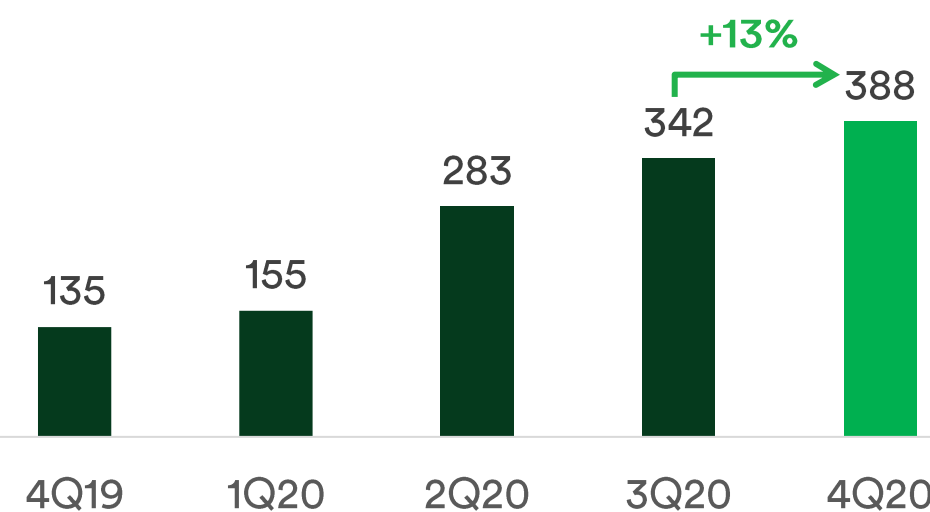
R\$200mm+
Annualized pro-forma
revenue² (4Q20)

Update on the Linx Transaction

- ✓ Linx transaction pending anti-trust authority (CADE) approval
- ✓ Stone acquired 35.7mm shares of Linx (BVMF:LINX3) through open market transactions at an average price of **R\$36.5175/share, lower than our offer approved in the Linx shareholders meeting**, reaching a **18.85%** basic ownership as of Feb-21
- ✓ In the last months we worked with Linx in a **clean team dynamics to evolve in our integration planning**
- ✓ Linx Core: **strategic asset to help merchants manage their business**, with integrated suite of POS & ERP software across 11+ Verticals
- ✓ Linx Digital⁴: **adds omnichannel sales management capabilities**, having recently expanded to the middle market; 88% GMV growth in 3Q20 y/y
- ✓ Linx Pay: strategy to **migrate clients to the Stone payments platform**

Consistent Client Base Growth and Convergence in Same Clients

Number of Subscribed Software Clients ('000)



30%
Payments clients with at
least one software solution
(4Q20)

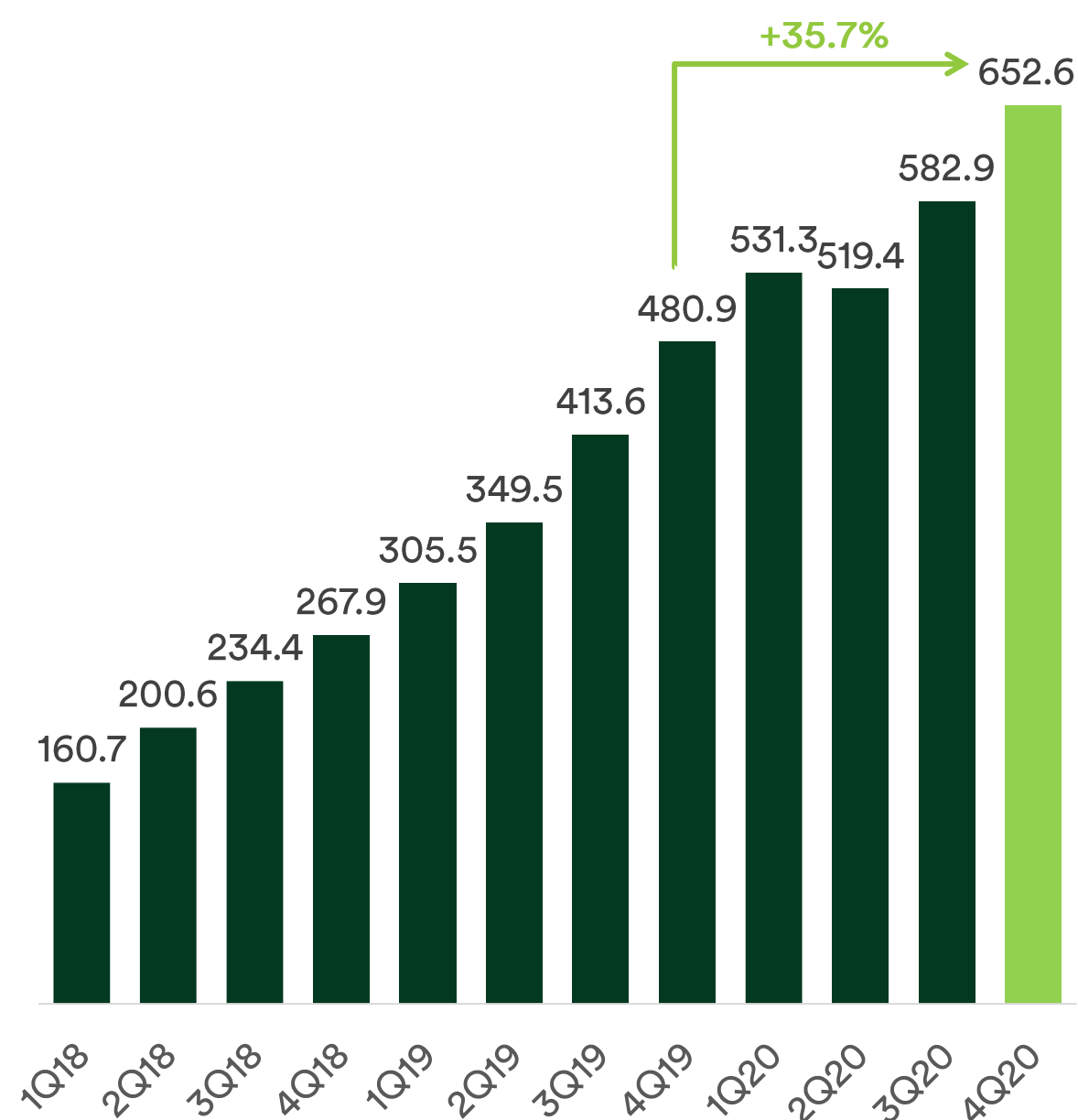
(1) Customer engagement, marketplace services, core payments, accounting services, health & education, generic POS/ERPs, food service, leisure & beauty.
(2) Considers 100% of revenues from all portfolio companies as of 4Q20. Number not consolidated in StoneCo's P&L as we own minority stakes (with path to control) in many portfolio companies.
(3) Considers revenue growth y/y from all current portfolio companies as of 4Q20, reflecting 100% of revenues and regardless of investment date.
(4) Publicly available information.

Strong Top-Line Growth – Quarterly Data

Financial and operating metrics

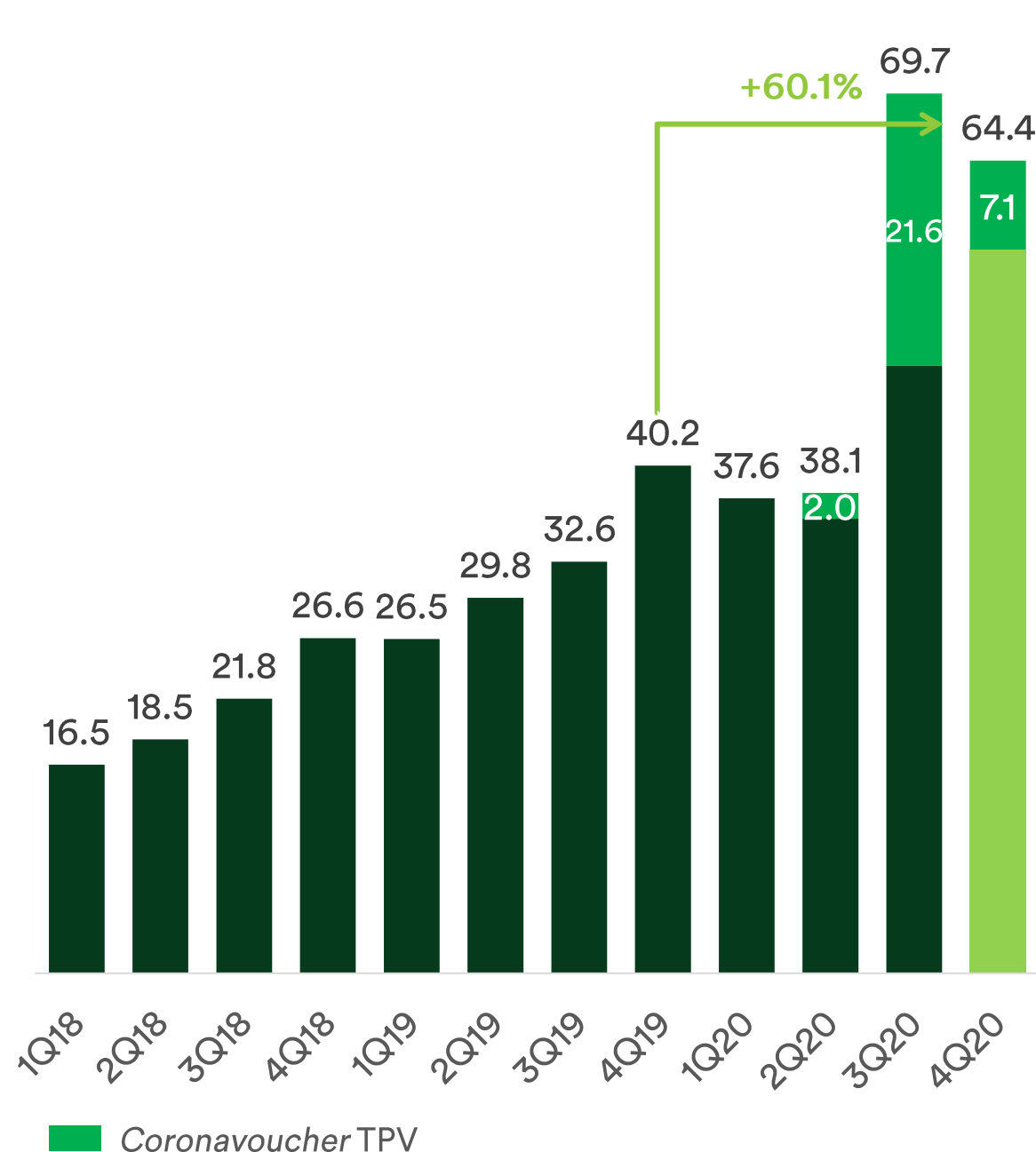
Active Clients – Payments¹

(Thousands, ex-TON / Stone Mais)



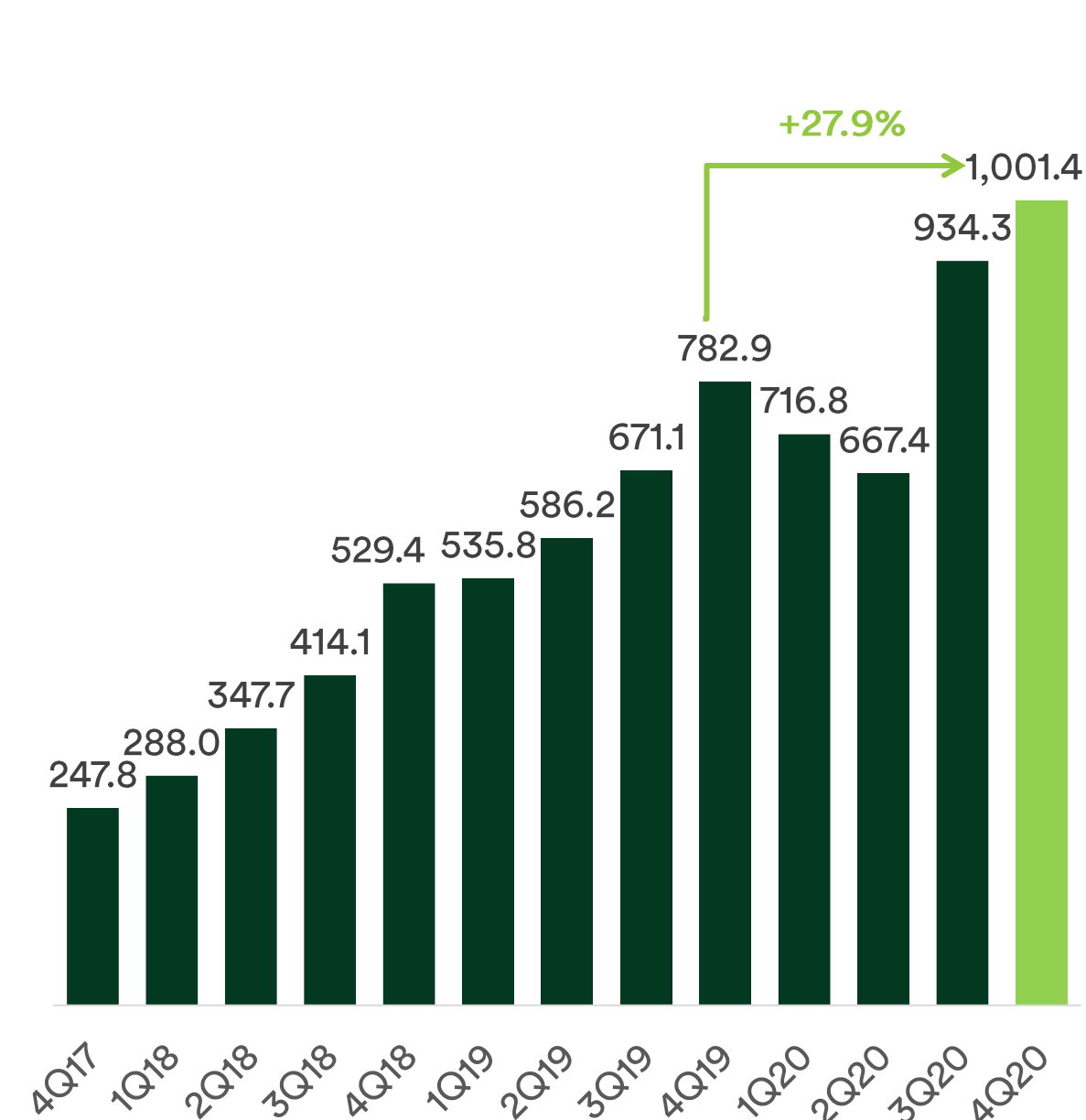
Total Payment Volume

(R\$ in billions)



Total Revenue and Income

(R\$ in millions)



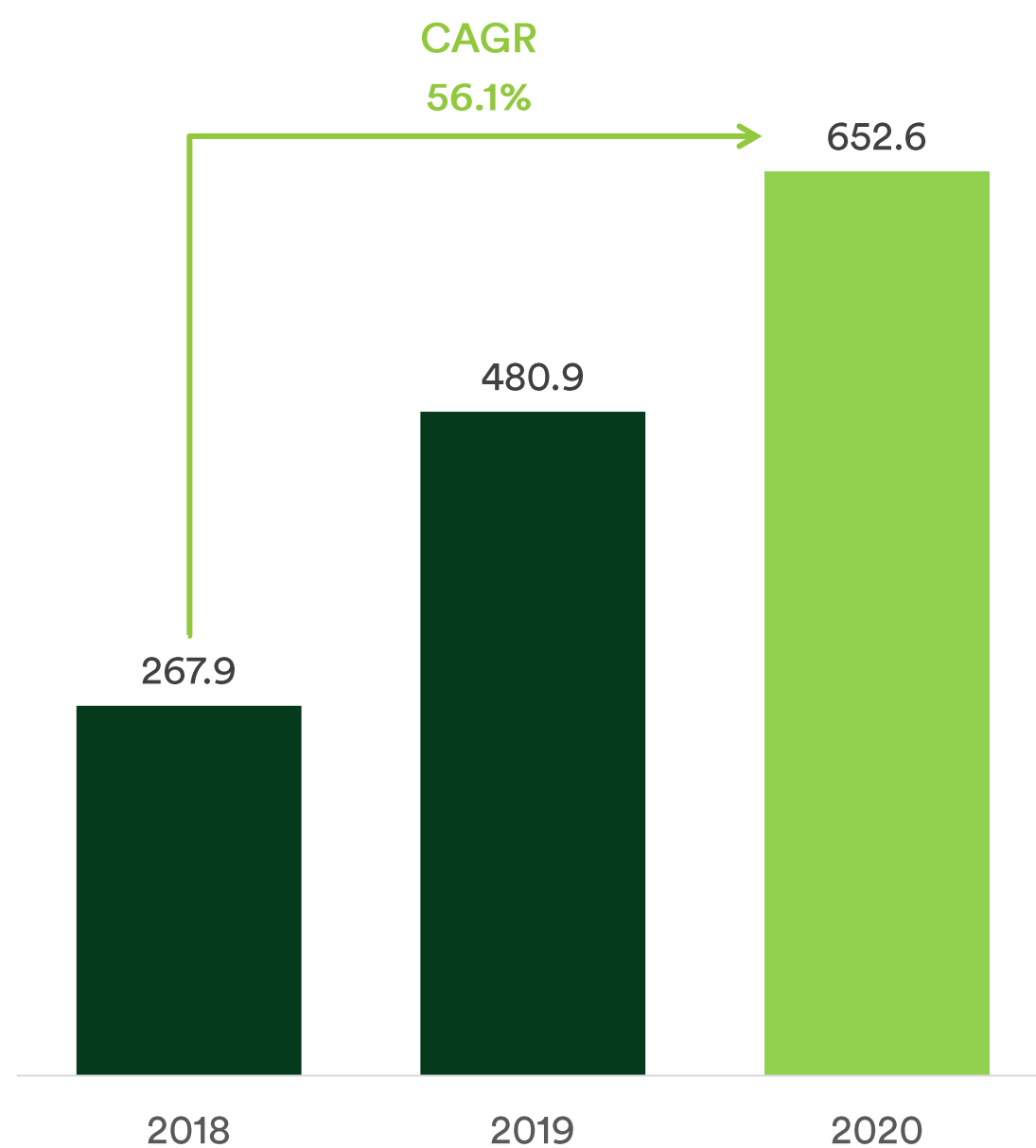
(1) Excludes micro-merchants. “Active Clients” are merchants that have completed at least one electronic payment transaction with Stone within the preceding 90 days. TON, our micro-merchant business, reported 113,700 active clients in 4Q20 (clients that have transacted with TON at least once in the preceding 12 months).

Strong Top-Line Growth – Annual Data

Financial and operating metrics

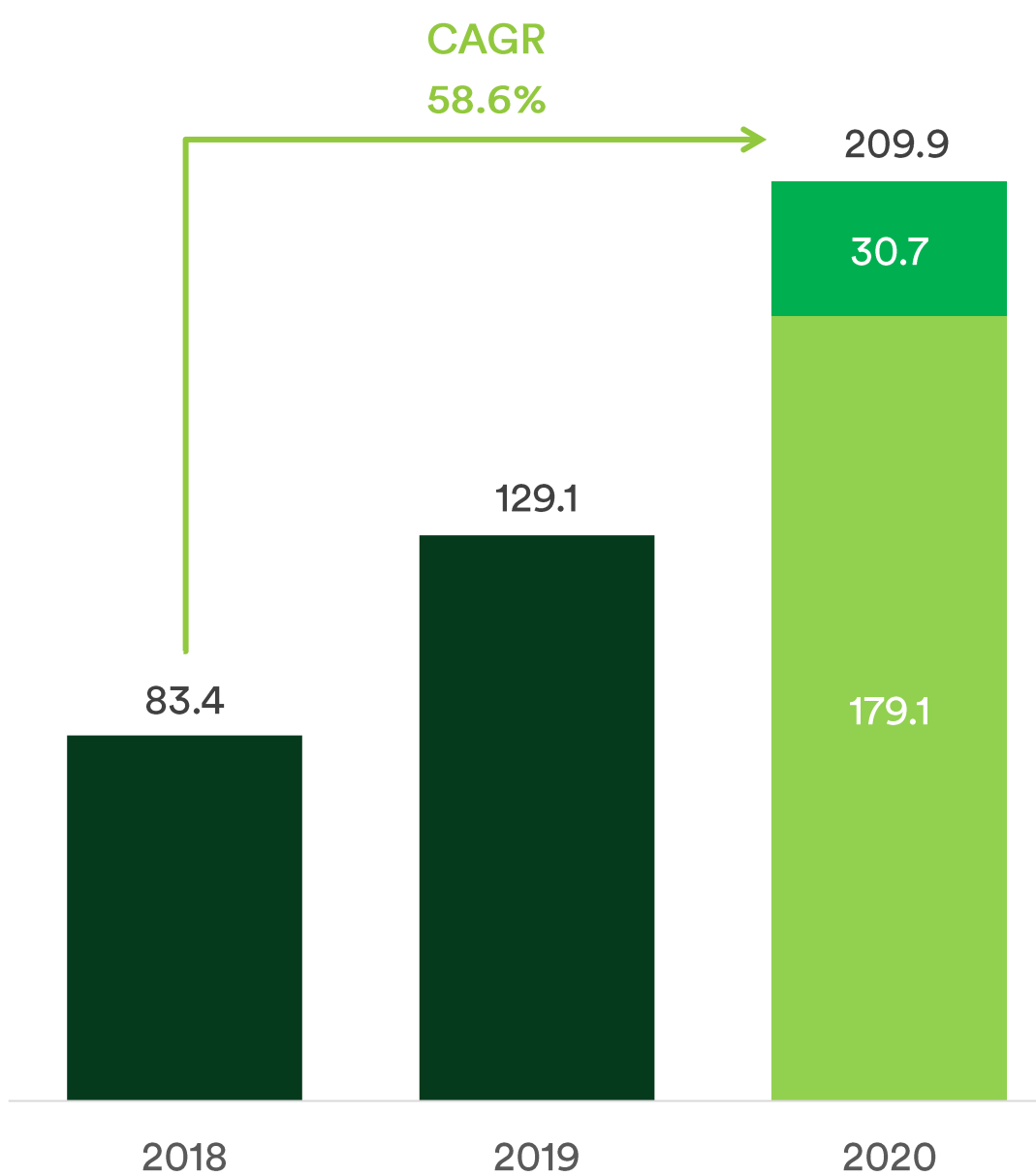
Active Clients – Payments¹

(Thousands, ex-TON / Stone Mais)



Total Payment Volume

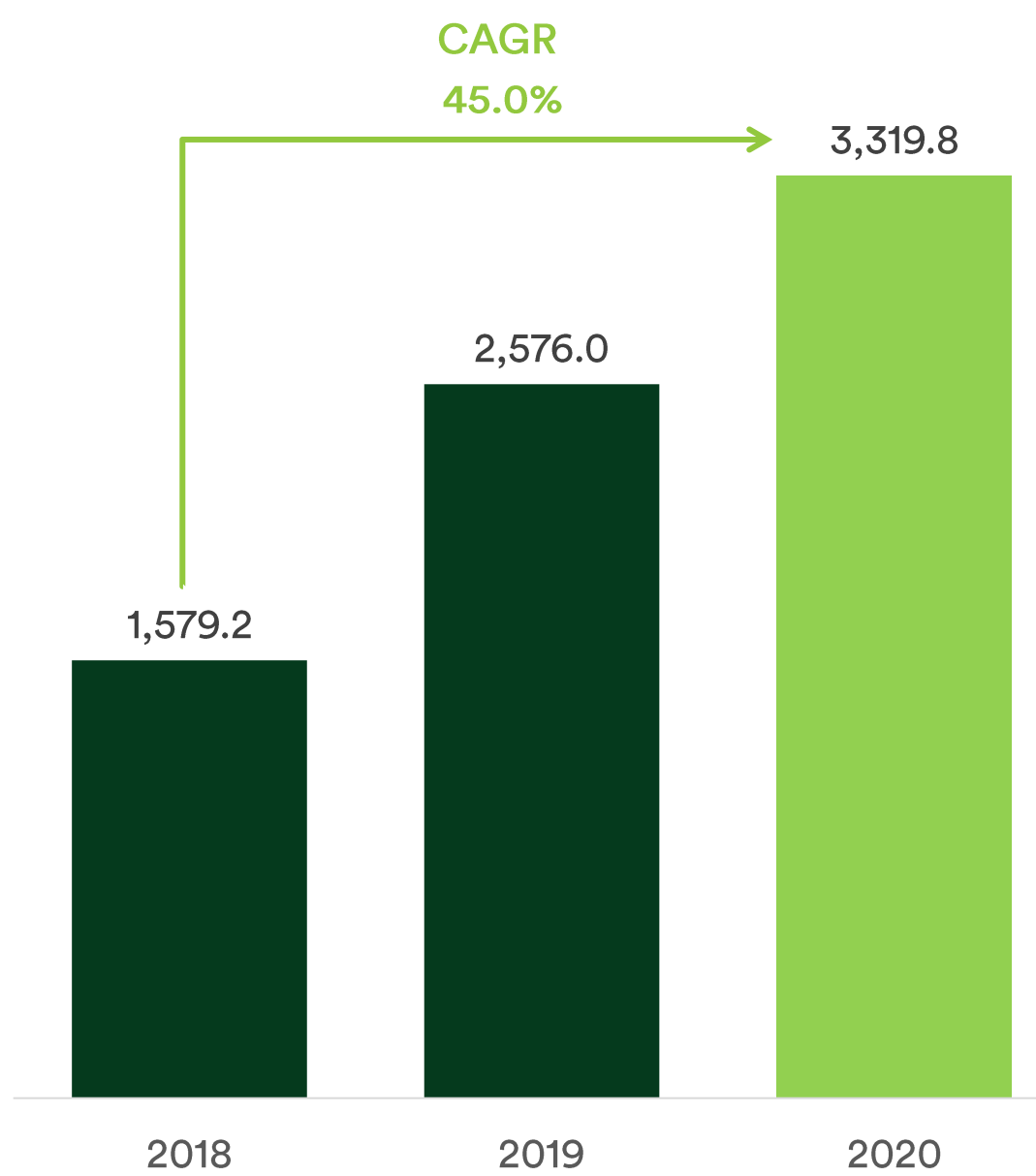
(R\$ in billions)



 Coronavoucher TPV

Total Revenue and Income

(R\$ in millions)



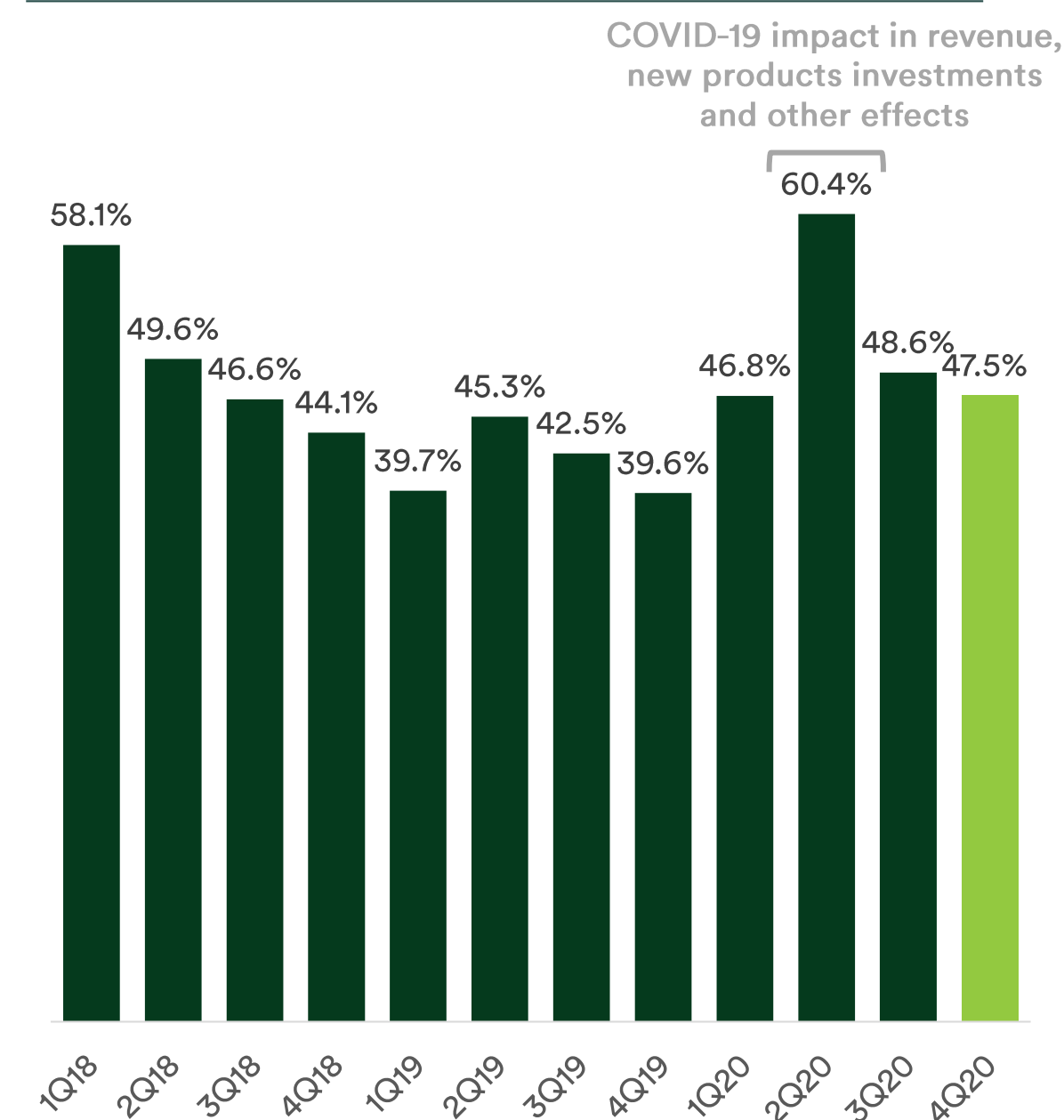
(1) Excludes micro-merchants. “Active Clients” are merchants that have completed at least one electronic payment transaction with Stone within the preceding 90 days. TON, our micro-merchant business, reported 113,700 active clients in 4Q20 (clients that have transacted with TON at least once in the preceding 12 months).



Operating Leverage and Profitability – Quarterly Data

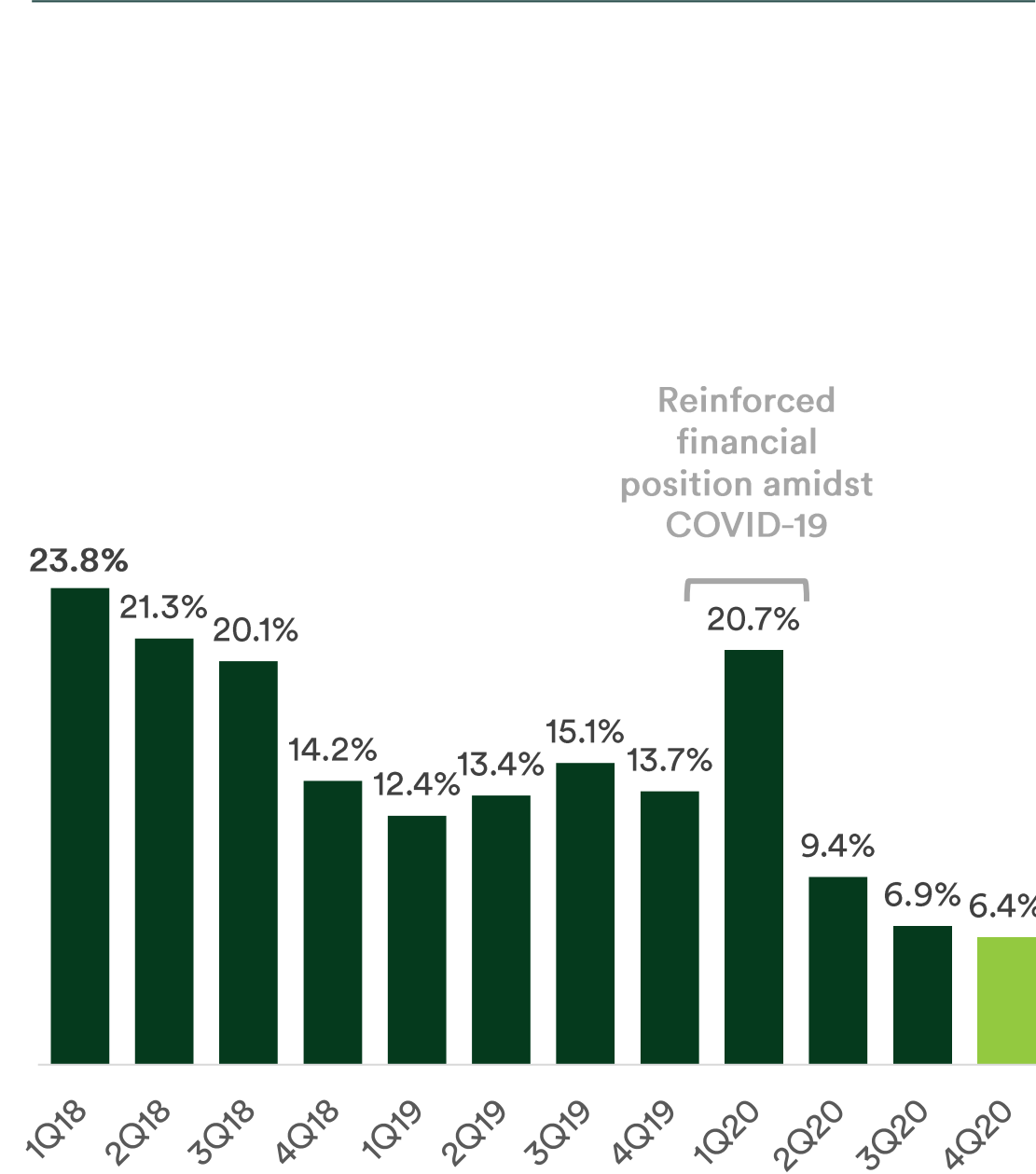
Total Costs and Expenses¹

(as % of Total Revenue and Income)



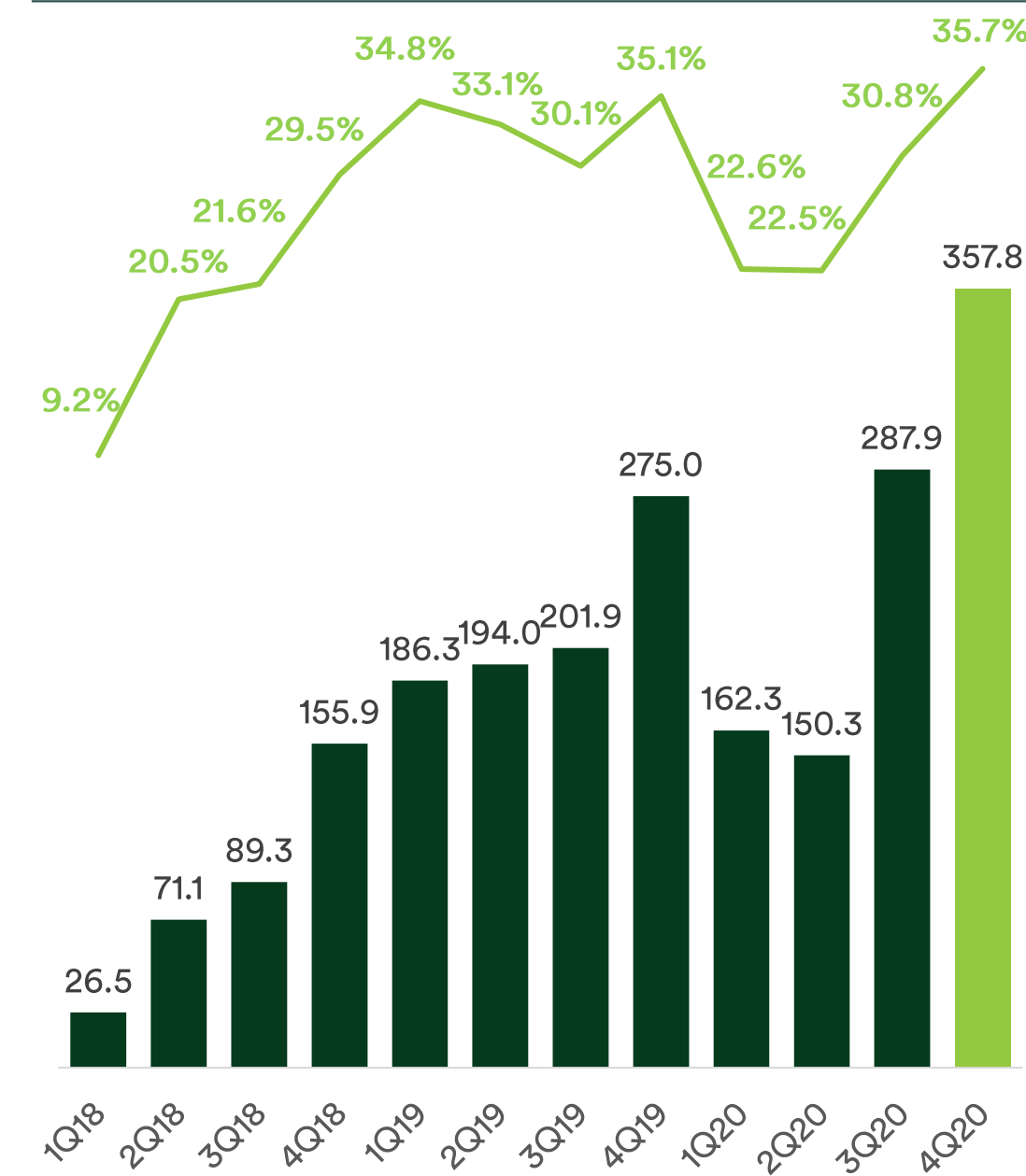
Financial Expenses

(as % of Total Revenue and Income)



Adjusted Net Income and Margin²

(R\$ in millions)



(1) Total Costs and Expenses as % of Total Revenue and Income. Includes Cost of Services, Administrative Expenses and Selling Expenses.

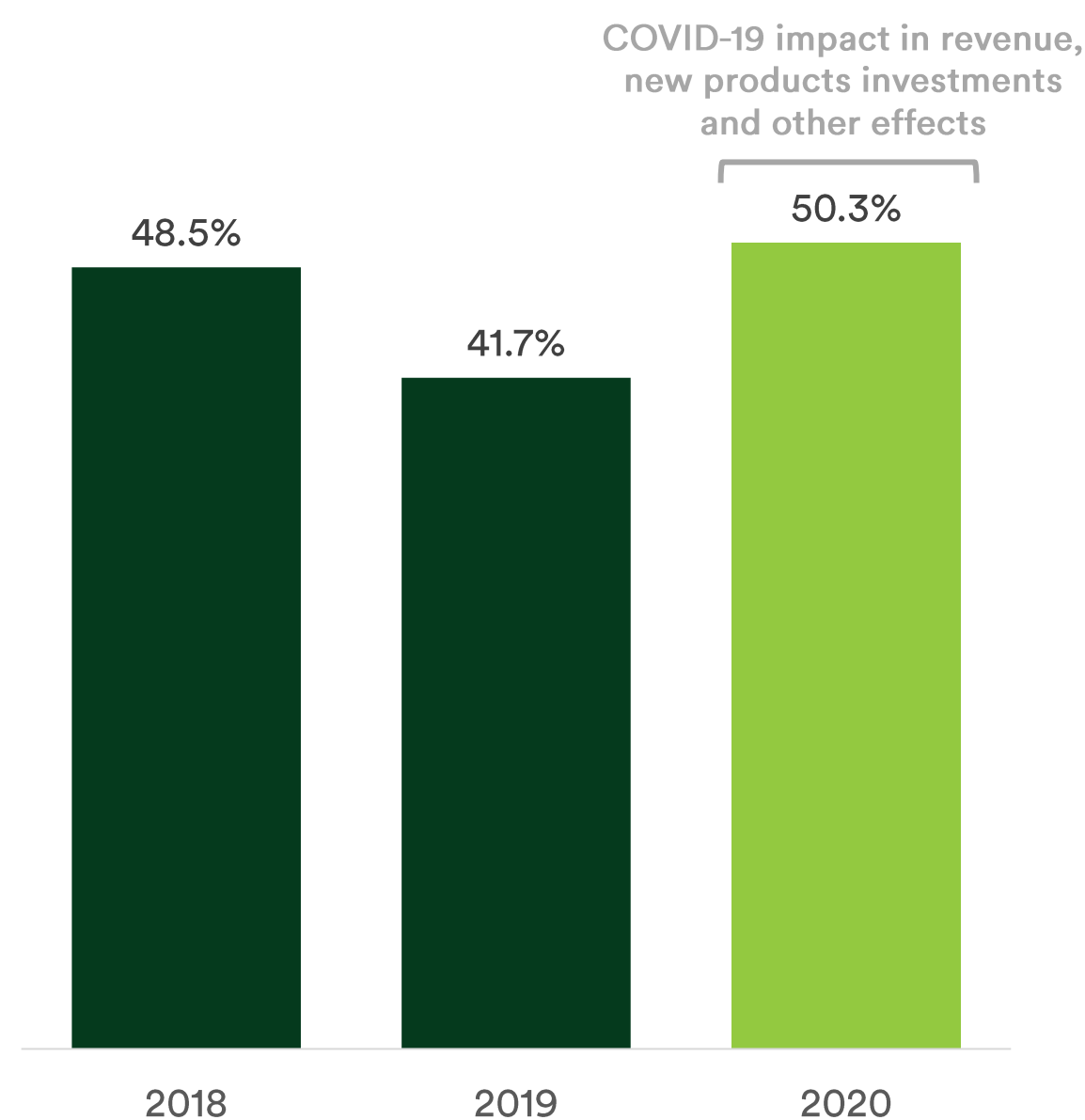
(2) Adjusted Net Income and Adjusted Net Margin are non-IFRS financial measures. Please see the appendix for a reconciliation of this non-IFRS financial measure to the most directly comparable IFRS financial measures.



Operating Leverage and Profitability – Annual Data

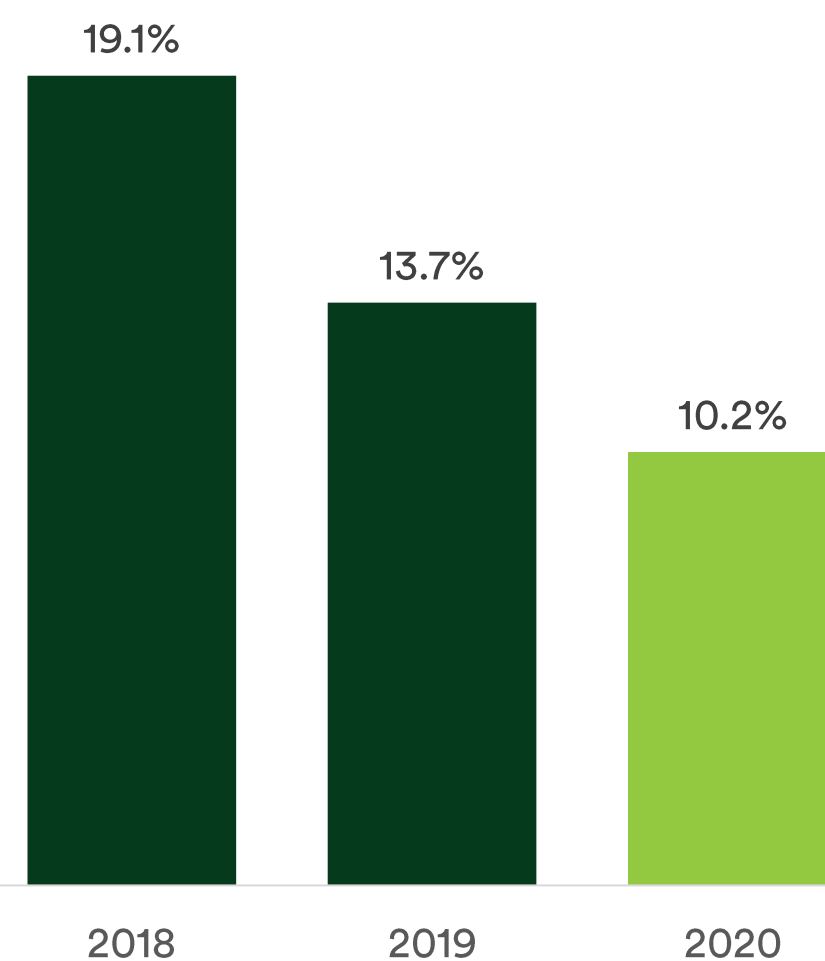
Total Costs and Expenses¹

(as % of Total Revenue and Income)



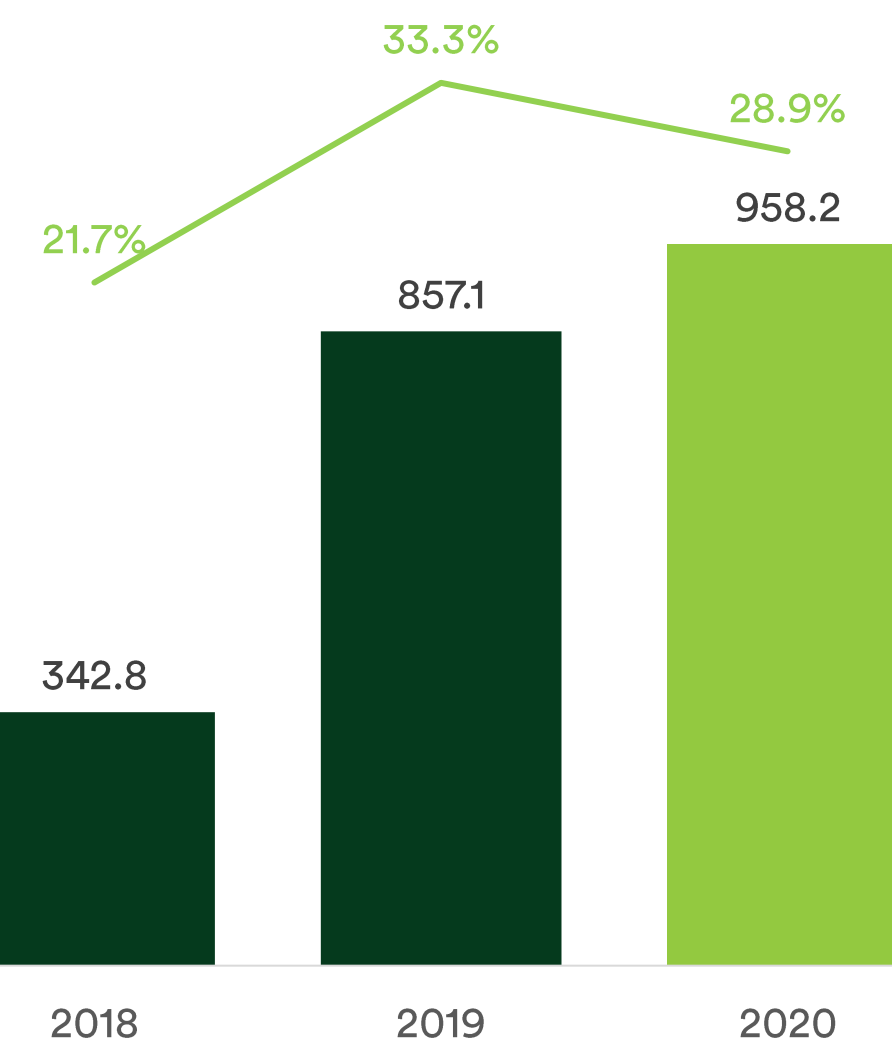
Financial Expenses

(as % of Total Revenue and Income)



Adjusted Net Income and Margin²

(R\$ in millions)



(1) Total Costs and Expenses as % of Total Revenue and Income. Includes Cost of Services, Administrative Expenses and Selling Expenses.

(2) Adjusted Net Income and Adjusted Net Margin are non-IFRS financial measures. Please see the appendix for a reconciliation of this non-IFRS financial measure to the most directly comparable IFRS financial measures.

Summary Statement of Profit and Loss

R\$ in millions	4Q19	% Rev.	4Q20	% Rev.	Δ %	Δ p.p.	2019	% Rev.	2020	% Rev.	Δ %	Δ p.p.
Transaction activities and other services	230.3	29.4%	335.2	33.5%	45.5%	4.1 p.p.	770.3	29.9%	1,144.1	34.5%	48.5%	4.6 p.p.
Subscription services and equipment rental	91.6	11.7%	122.0	12.2%	33.1%	0.5 p.p.	331.6	12.9%	388.0	11.7%	17.0%	(1.2 p.p.)
Financial income	404.1	51.6%	501.0	50.0%	24.0%	(1.6 p.p.)	1,287.8	50.0%	1,647.0	49.6%	27.9%	(0.4 p.p.)
Other financial income	56.9	7.3%	43.2	4.3%	(24.0%)	(2.9 p.p.)	186.4	7.2%	140.7	4.2%	(24.5%)	(3.0 p.p.)
Total revenue and income	782.9	100.0%	1,001.4	100.0%	27.9%	0.0 p.p.	2,576.0	100.0%	3,319.8	100.0%	28.9%	0.0 p.p.
Cost of services	(128.3)	(16.4%)	(213.2)	(21.3%)	66.2%	(4.9 p.p.)	(427.0)	(16.6%)	(769.9)	(23.2%)	80.3%	(6.6 p.p.)
Administrative expenses	(72.4)	(9.3%)	(122.5)	(12.2%)	69.0%	(3.0 p.p.)	(285.8)	(11.1%)	(392.5)	(11.8%)	37.3%	(0.7 p.p.)
Selling expenses	(109.0)	(13.9%)	(139.9)	(14.0%)	28.3%	(0.0 p.p.)	(360.6)	(14.0%)	(505.9)	(15.2%)	40.3%	(1.2 p.p.)
Financial expenses, net	(106.9)	(13.7%)	(64.2)	(6.4%)	(39.9%)	7.2 p.p.	(353.5)	(13.7%)	(339.8)	(10.2%)	(3.8%)	3.5 p.p.
Other operating income (expense), net	(2.5)	(0.3%)	(90.2)	(9.0%)	3559.9%	(8.7 p.p.)	(57.7)	(2.2%)	(177.1)	(5.3%)	206.9%	(3.1 p.p.)
(Loss) income from investment in associates	(1.1)	(0.1%)	(3.0)	(0.3%)	165.0%	(0.2 p.p.)	(0.8)	(0.0%)	(6.9)	(0.2%)	756.4%	(0.2 p.p.)
Profit (loss) before income taxes	362.6	46.3%	368.4	36.8%	1.6%	(9.5 p.p.)	1,090.7	42.3%	1,127.7	34.0%	3.4%	(8.4 p.p.)
Income tax and social contribution	(98.7)	(12.6%)	(62.3)	(6.2%)	(36.8%)	6.4 p.p.	(286.5)	(11.1%)	(290.2)	(8.7%)	1.3%	2.4 p.p.
Net income (loss) for the period	264.0	33.7%	306.1	30.6%	16.0%	(3.2 p.p.)	804.2	31.2%	837.4	25.2%	4.1%	(6.0 p.p.)
Adjusted Net Income¹	275.0	35.1%	357.8	35.7%	30.1%	0.6 p.p.	857.1	33.3%	958.2	28.9%	11.8%	(4.4 p.p.)

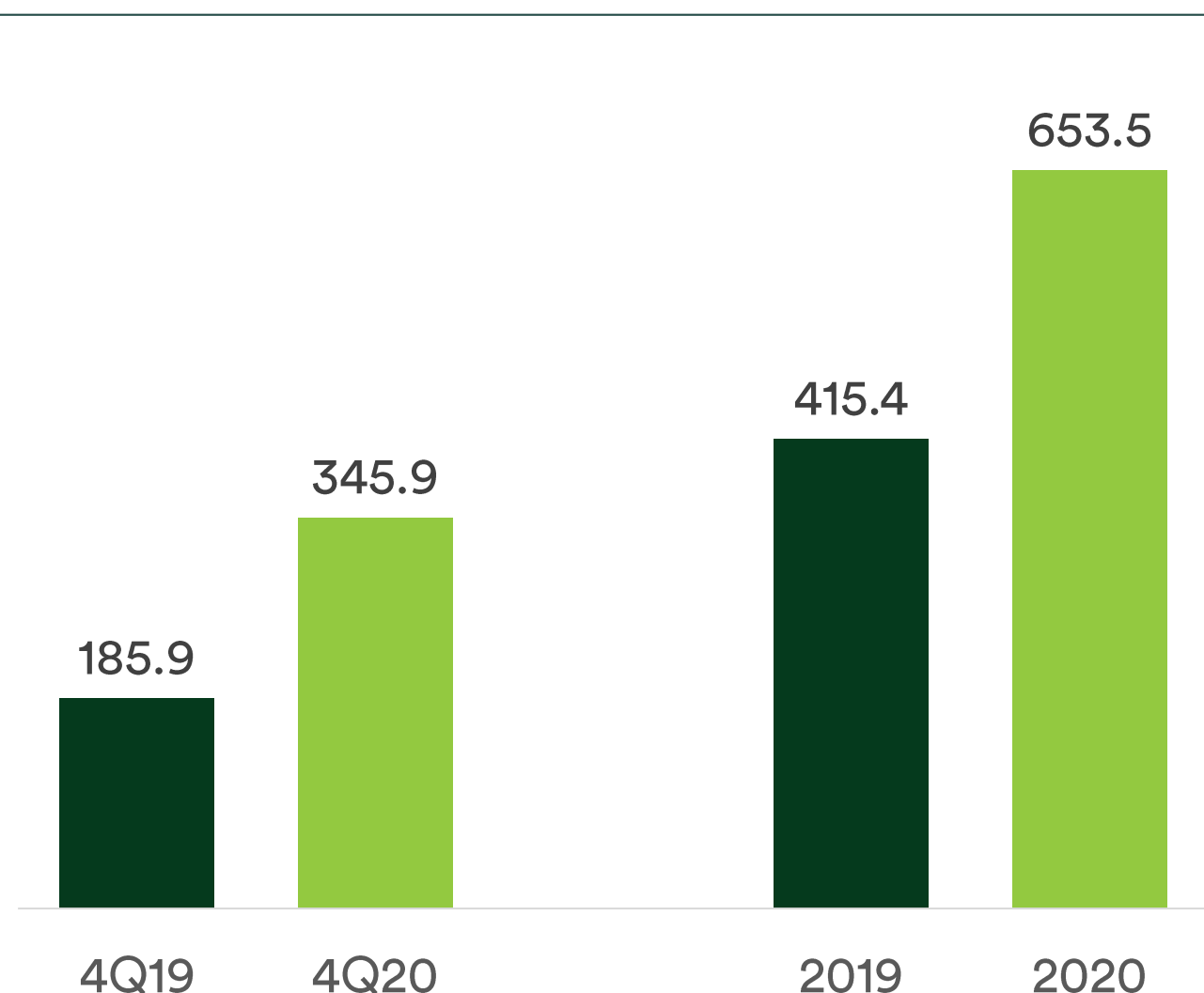
(1) Adjusted Net Income is a non-IFRS financial measure. Please see the appendix for the reconciliation of this non-IFRS financial measure to the most directly comparable IFRS financial measure.



Adjusted Free Cash Flow and Reconciliation (non-IFRS)

(R\$ in millions)

Adjusted Free Cash Flow¹



Reconciliation of Adjusted free cash flow	4Q19	4Q20	2019	2020
Net cash used in operating activities	(663.5)	242.6	(2,651.8)	56.5
(-) Adjustments in Operating Activities:				
Accounts receivable from card issuers ²	1,511.6	368.6	4,779.5	2,081.9
Accounts payable to clients ²	(409.8)	(362.9)	(245.9)	(1,379.1)
Interest income received, net of costs ³	(338.9)	(307.4)	(1,191.1)	(1,172.8)
Loans held for sale ⁴	124.7	454.7	124.7	1,522.0
Purchases of property and equipment	(19.4)	(37.4)	(333.6)	(372.1)
Purchases and development of intangible assets	(18.7)	(12.3)	(66.4)	(83.0)
Adjusted free cash flow¹	185.9	345.9	415.4	653.5

(1) Adjusted free cash flow is a non-IFRS financial measure.

(2) Each "Accounts Payable to Clients" recognized as a liability on our balance sheet is directly linked to an "Accounts Receivable from Card Issuers" recognized as an asset on our balance sheet. The Company receives from issuing banks first, and only then pays its clients, thus having no working capital requirement. When a client opts to be paid early (prepayment), the Company has a working capital requirement. However, the Company has the option to sell the receivables from card issuers related to those payables in order to meet such working capital requirements. The combined effect to the cash flows is a positive operational cash flow equivalent to net fees earned by providing such prepayment service. Whenever management opts to fund its prepayment operation with sources other than the sale of its own receivables, Net Cash Provided by/ (Used in) Operating Activities may be affected, as discussed in "Note on the impact of different funding sources in operating and financing cash flows" in our Earnings Release. However, management does not view such decision as translating into higher or lower ability of our business to generate cash operationally.

(3) Financial income from our prepayment activity, less the financial expenses related to the sale of receivables to financial institutions. The first item directly influences the level of accounts payable to clients on our balance sheet; the second item directly influences the amount of receivables from card issuers on our balance sheet.

(4) Besides prepayment, the Company has started to offer credit solutions to clients. The Company intends to fund its credit operation primarily through third parties (i.e. FIDC and debt), as well as with some Company cash. Given the operational nature of our credit business, like in the case of prepayment mentioned above, management does not view related funding decision as translating into higher or lower ability of our business to generate cash operationally.



Positives and Negatives of 2020

Management Assessment

Positives

- ✓ Great evolution of strategy and execution of Stone (SMBs + TON) and Pagar.me, with KPIs and unit economics pointing to an encouraging future
- ✓ Team evolution, while keeping a strong culture
- ✓ Adapted fast to the Covid lockdowns, with focus on liquidity management and capital allocation, while supporting our clients, team and community
- ✓ Important strategic step with acquisition of Linx and enhanced ecosystem of software solutions
- ✓ Solid financial management of the company, balancing growth and profitability

Negatives

- ✗ Covid impact on Stone's (SMBs + TON) short-term plans, with some investments put on hold in 1H20, e.g.: hub expansion plan and investments in TON
- ✗ Bad decision of customer support team resizing in mid-May, given the fast bounce back experienced
- ✗ Slow to change key accounts' strategy from commoditized payments relationship to customized solutions with focus on margins
- ✗ Could have been faster in the launch of ABC platform
- ✗ Could have advanced more in organic initiatives for digitization of retail, in addition to the Linx acquisition



2021 Outlook (ex-Linx)

Targets for strong growth acceleration and healthy margins

Client Base

- ✓ **Over 1 million** active clients (ex-TON)

Take-Rate¹

- ✓ **Upward trend in Stone** (SMB + TON) along 2021
- ✓ **Upward trend in Pagar.me** along 2021

Revenue Growth

- ✓ **Significant acceleration** from 2020 growth level

Investments

- ✓ **60% increase** in headcount for the technology, commercial and operations teams

Adjusted Net Margin

- ✓ **Roughly stable** compared to 2020

Effective Tax Rate

- ✓ **Similar levels** compared to 2020

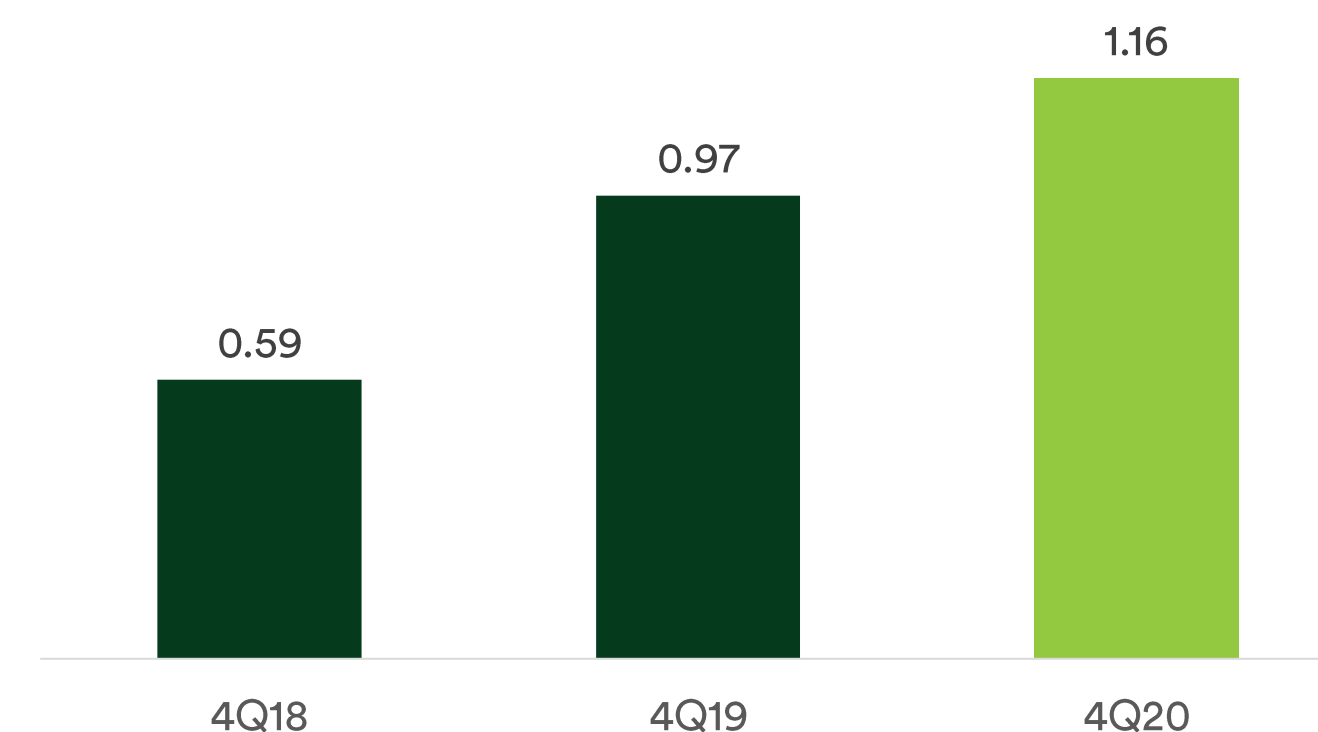
(1) Ex-Coronavoucher.

Appendix – Adjusted Net Income Reconciliation and EPS (Non-IFRS)

R\$ in millions	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20
Net income for the period	24.7	63.0	90.4	127.1	177.0	171.9	191.3	264.0	158.6	123.6	249.1	306.1
Share-based compensation expenses ¹	0.0	0.0	24.8	36.0	10.1	28.4	11.2	14.6	2.1	37.8	30.8	50.0
Amortization of fair value adjustment ²	2.7	2.8	2.8	4.3	3.8	4.3	4.6	4.6	3.4	3.4	6.9	3.5
Gain on previously held interest in associate ³	0.0	0.0	(21.4)	0.0	0.0	0.0	0.0	0.0	0.0	(3.0)	0.0	0.0
One-time impairment charges ⁴	0.0	8.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other expenses ⁵	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(1.7)	0.0	1.7	13.5	15.6
Tax effect on adjustments	(0.9)	(3.1)	(7.3)	(11.5)	(4.6)	(10.5)	(5.3)	(6.4)	(1.8)	(13.3)	(12.5)	(17.4)
Adjusted net income	26.5	71.1	89.3	155.9	186.3	194.0	201.9	275.0	162.3	150.3	287.9	357.8

Diluted Adjusted EPS⁶

(R\$ per share)



(1) Consists of expenses related to the vesting of one-time pre-IPO pool of share-based compensation.

(2) On intangibles related to acquisitions. Consists of expenses resulting from the amortization of the fair value adjustment on intangible assets and property and equipment as a result of the application of the acquisition method, a significant portion of which relate to the EdB acquisition.

(3) Consists of the gain on re-measurement of our previously held equity interest in Equals (3Q18) and Linked (2Q20) to fair value upon the date control was acquired.

(4) Consists of (i) impairment charges associated with certain processing system intangible assets acquired in the EdB acquisition that we no longer use, in an amount of R\$6.4 million in 2Q18 and (ii) impairment associated with improvements made to certain leased office space upon the termination of the lease, in an amount of R\$2.0 million for 2Q18.

(5) Consists of the fair value adjustment related to associates call option, M&A expenses and earn-out interests related to acquisitions.

(6) Calculated as Adjusted Net Income attributable to owners of the parent (Adjusted Net Income reduced by Net Income attributable to Non-Controlling interest) divided by diluted number of shares (figures available in the Earnings Release). Adjustments consider share-based compensation expenses and amortization of fair value adjustments, in line with previous disclosures.

stone^{co.}

