



Stone Raises Funding for Its Credit Solution, Advancing in the Strategic Roadmap of Its Full Financial Platform While Limiting Credit Risk Exposure

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SÃO PAULO, Brazil, Jan. 14, 2021 (GLOBE NEWSWIRE) -- StoneCo Ltd. (Nasdaq: STNE) ("Stone"), a leading provider of financial technology solutions that empower merchants to conduct commerce seamlessly across multiple channels, today announces that it has completed the issuance of R\$580 million in FIDC ("*Fundo de Investimento em Direitos Creditórios*") quotas, raising R\$493 million in third-party capital for its credit solution for SMBs in Brazil.

The new credit FIDC is structured with senior and mezzanine quotas held by institutional investors for a 36-month period, while Stone holds the subordinated quotas. The senior quotas reached R\$348 million with a brAAA rating and yield of CDI (basic interest rate) + 4% per year. The mezzanine quotas reached R\$145 million with a brBBB rating and yield of CDI + 7% per year. The subordinated quotas held by Stone totaled R\$87 million.

Despite the first issuance of a new FIDC product usually having a higher cost than an operation in steady state, Stone decided to increase the offer size from the initial size of R\$340 million to R\$493 million. Total demand was nearly R\$1 billion, which we believe creates a healthy path for future issuances at a lower cost.

This is an important milestone for Stone, which advances on its strategic roadmap to become a full financial platform for SMBs. This type of transaction will enable Stone to scale further its credit solution while limiting the credit risk exposure.

XP Investimentos Corretora de Câmbio, Títulos e Valores Mobiliários S.A. acted as Lead Bookrunner in the offering, and XP Investimentos Corretora de Câmbio, Títulos e Valores Mobiliários S.A., Banco Bradesco BBI S.A., Banco Itaú BBA S.A. and Banco Votorantim S.A. collectively acted as Bookrunners in the offering.

No Offer or Solicitation

This communication shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdiction.

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Source: StoneCo Ltd.