4Q22

EARNINGS PRESENTATION

MAR 2023

stone co.

Disclaimer

This presentation and the information contained herein does not constitute an offer for sale or solicitation of an offer to buy any securities of the issuer.

This document contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934, each as amended, including, in particular, statements about StoneCo Ltd.'s (the "Company") plans, strategies and prospects and estimates of industry growth or prospects. These statements identify prospective information and may include words such as "believe", "may", "will", "aim", "estimate", "continue", "anticipate", "intend", "expect", "forecast", "plan", "predict", "project", "potential", "aspiration", "objectives", "should", "purpose", "belief", and similar, or variations of, or the negative of such words and expressions, although not all forward-looking statements contain these identifying words. All statements other than statements of historical fact contained in this presentation may be forward-looking statements. The Company has based these forward-looking statements on its estimates and assumptions of its financial results and its current expectations and projections about future events and financial trends that it believes may affect its financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs as of the date of this presentation. These forward-looking statements are conditioned upon and also involve a number of known and unknown risks, uncertainties, and other factors that could cause actual results, performance or events to differ materially from those anticipated by these forward-looking statements. Such risks, uncertainties, and other factors may be beyond the Company's control and may pose a risk to the Company's operating and financial condition. In addition, the Company operates in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for the Company's management to predict all risks, nor can the Company assess the impact of all factors on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements that the Company may make. Accordingly, you should not rely upon forward-looking statements as predictions of future events.

Risks that contribute to the uncertain nature of the forward-looking statements include, among others, risks associated with the Company's ability to anticipate market needs and develop and deliver new and enhanced products and services functionalities to address the rapidly evolving market for payments and point-of-sale, financial technology, and marketing services; the Company's ability to differentiate itself from its competition by delivering a superior customer experience and through its network of hyper-local sales and services, the Company's ability to expand its product portfolio and market reach and deal with the substantial and increasingly intense competition in its industry; the Company's ability to retain existing clients, attract new clients, and increase sales to all clients; changes to the rules and practices of payment card networks and acquiring processors; the Company's ability to obtain debt and equity financings; possible fluctuations in the Company's results of operation and operating metrics; the effect of management changes and business initiatives; and other known and unknown risks, all of which are difficult to predict and many of which are beyond the Company's control. The Company has provided additional information in its reports on file with the Securities and Exchange Commission concerning factors that could cause actual results to differ materially from those contained in this presentation and encourages you to review these factors. The statements contained in this presentation are based on the Company's current beliefs and expectations and speak only as of the date of this presentation. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events and/or otherwise, except to the extent required by law.

To supplement the financial measures presented in this press release and related conference call, presentation, or webcast in accordance with IFRS, Stone also presents the following non-IFRS measures of financial performance: Adjusted Net Income, Adjusted Net Cash, Adjusted Pre-Tax Income, Adjusted Pre-Tax Margin, EBITDA and EBITDA Margin. A "non-IFRS financial measure" refers to a numerical measure of Stone's historical or future financial performance or financial position that either excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with IFRS in Stone's financial statements. Stone provides certain non-IFRS measures as additional information relating to its operating results as a complement to results provided in accordance with IFRS. The non-IFRS financial information presented here in should be considered in conjunction with, and not as a substitute for or superior to, the financial information presented in accordance with IFRS. There are significant limitations associated with the use of non-IFRS financial measures. Further, these measures may differ from the non-IFRS information, even where similarly titled, used by other companies and therefore should not be used to compare Stone's performance to that of other companies. Stone has presented Adjusted Net Income to eliminate the effect of items from Net Income that it does not consider indicative of its continuing business performance within the period presented. Stone defines Adjusted Net Income as Net Income (Loss) for the Period, adjusted for (1) non-cash expenses related to the grant of share-based compensation in connection to one-time pre-IPO pool as well as non-recurring long term incentive plans and the fair value (mark-to-market) adjustment for share-based compensation classified as a liability, (2) amortization of fair value adjustments on acquisitions, (3) gain on re-measurement of our previously held equity interest to fair value upon the date control was acquired, (4) mark-to-market of equity investments, and (5) unusual income and expenses.

As certain of these measures are estimates of, or objectives targeting, future financial performance ("Estimates"), they are unable to be reconciled to their most directly comparable financial measures calculated in accordance with IFRS. There can be no assurance that the Estimates or the underlying assumptions will be realized, and that actual results of operations or future events will not be materially different from the Estimates. Under no circumstances should the inclusion of the Estimates be regarded as a representation, undertaking, warranty or prediction by the Company, or any other person with respect to the accuracy thereof or the accuracy of the underlying assumptions, or that the Company will achieve or is likely to achieve any particular results.

Certain market and/or industry data used in this presentation were obtained from internal estimates and studies, where appropriate, as well as from market research and publicly available information. Such information may include data obtained from sources believed to be reliable. However, the Company disclaims the accuracy and completeness of such information, which is not guaranteed. Internal estimates and studies, which the Company believes to be reliable, have not been independently verified. The Company cannot assure recipients of this presentation that such data is accurate or complete.

The trademarks included herein are the property of the owners thereof and are used for reference purposes only. Such use should not be construed as an endorsement of the products or services of the Company.

Recipients of this presentation are not to construe the contents of this summary as legal, tax or investment advice and recipients should consult their own advisors in this regard. This presentation has been prepared solely for informational purposes. Neither the information contained in this presentation, nor any further information made available by the Company or any of its affiliates or employees, directors, representatives, officers, agents or advisers in connection with this presentation will form the basis of or be construed as a contract or any other legal obligation.

OUR PURPOSE:

To serve the Brazilian Entrepreneur, transforming their dreams into results

Financial Services

Software

Goal:

To be the best financial operating system for Brazilian merchants

- Micro + SMBs (MSMBs)
- Platform Services

Goal:

To be the best workflow tool for Brazilian merchants and help them to sell more through multiple channels

- POS and ERP solutions for strategic verticals
- Digital + Omnichannel Solutions

Key Highlights - 4Q22 and 2022

1 Successfully drove strong growth and improved profitability

- **Revenue** grew faster than TPV, doubling in 2022 to R$9.6bn and up 44% y/y in 4Q22 to R$2.7bn
- **Adj EBT**[1] of R$316mn in 4Q22 with Adj EBT Margin of 11.7% (+330bps q/q)
- **Adj Net Income** of R$235mn in 4Q22, +44% q/q

2 Generated increasingly stronger cash flow

- **Improved** our cash generation throughout the year, culminating in our strongest quarter over the last year
- **Adj Net Cash** increased by R$385mn q/q and R$1.2bn y/y to R$3.5bn in 4Q22

3 Financial Services produced client base expansion, new solutions and higher take rate

- **MSMB in 4Q22: (1) TPV** +23% y/y (nearly 2x Industry[2]); **(2) Client base** +48% y/y to 2.5mn merchants[3]; and **(3) Take Rate** +50bps y/y to reach 2.21%
- **Banking** client base reached 692,800, with MSMB deposits reaching R$3.6bn and ARPAC[4] increasing 77% y/y to R$45 per month
- **Expanded our banking solution** within Micro segment with initial pilots of "Super Conta Ton"

4 Software gained scale, improved operating margin and accelerated financial services integrations

- **Software Revenue** growth of 21% y/y in 4Q22
- **Adj EBITDA Margin** of 16.2% in 4Q22, up 120bps q/q and 760bps y/y
- **Integrated financial services platform to POS/ERP solutions** in key verticals, opening a key cross-sell opportunity to be explored

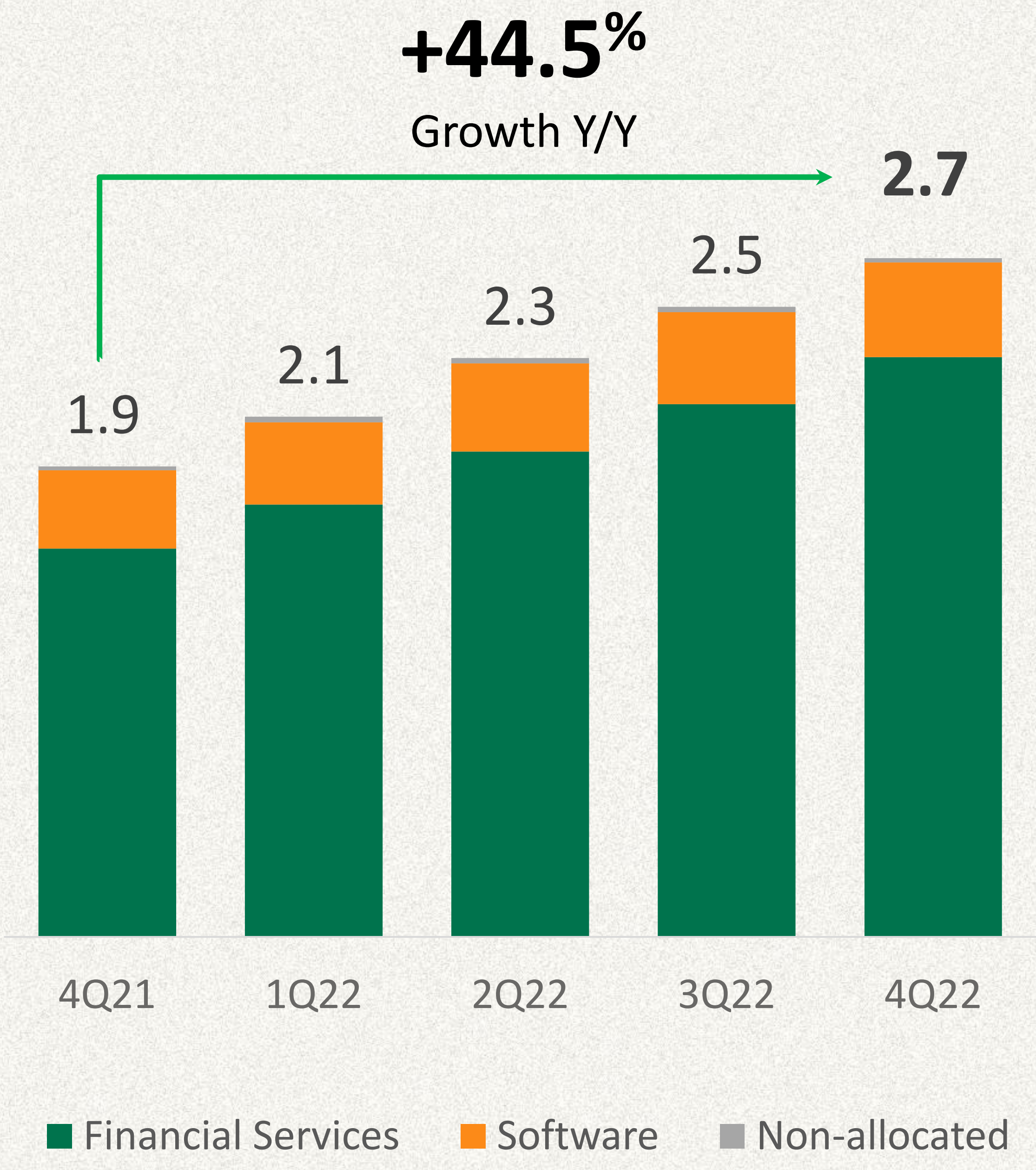
5 Enhanced our capabilities to execute on the next phase of Stone

- Evolved our **management team and governance**
- Strengthened **key capabilities** such as banking, credit, product/tech and risk

1) As of 2Q22 and following the sale of StoneCo's stake in Banco Inter, Adj EBT no longer includes the adjustment of financial expenses related to our bond. Please refer to our earnings release for historical metrics with and without the bond adjustment.
2) MSMB TPV compared to total industry volumes, as announced by ABECS.
3) MSMB clients are composed of TON, Stone and Pagar.me products. Does not include clients from Linx and clients that exclusively use TapTon.
4) ARPAC means Average Revenue Per Active Client. Banking ARPAC includes card interchange fees, floating revenue, insurance, and transactional fees.

StoneCo 4Q22 Consolidated Financials

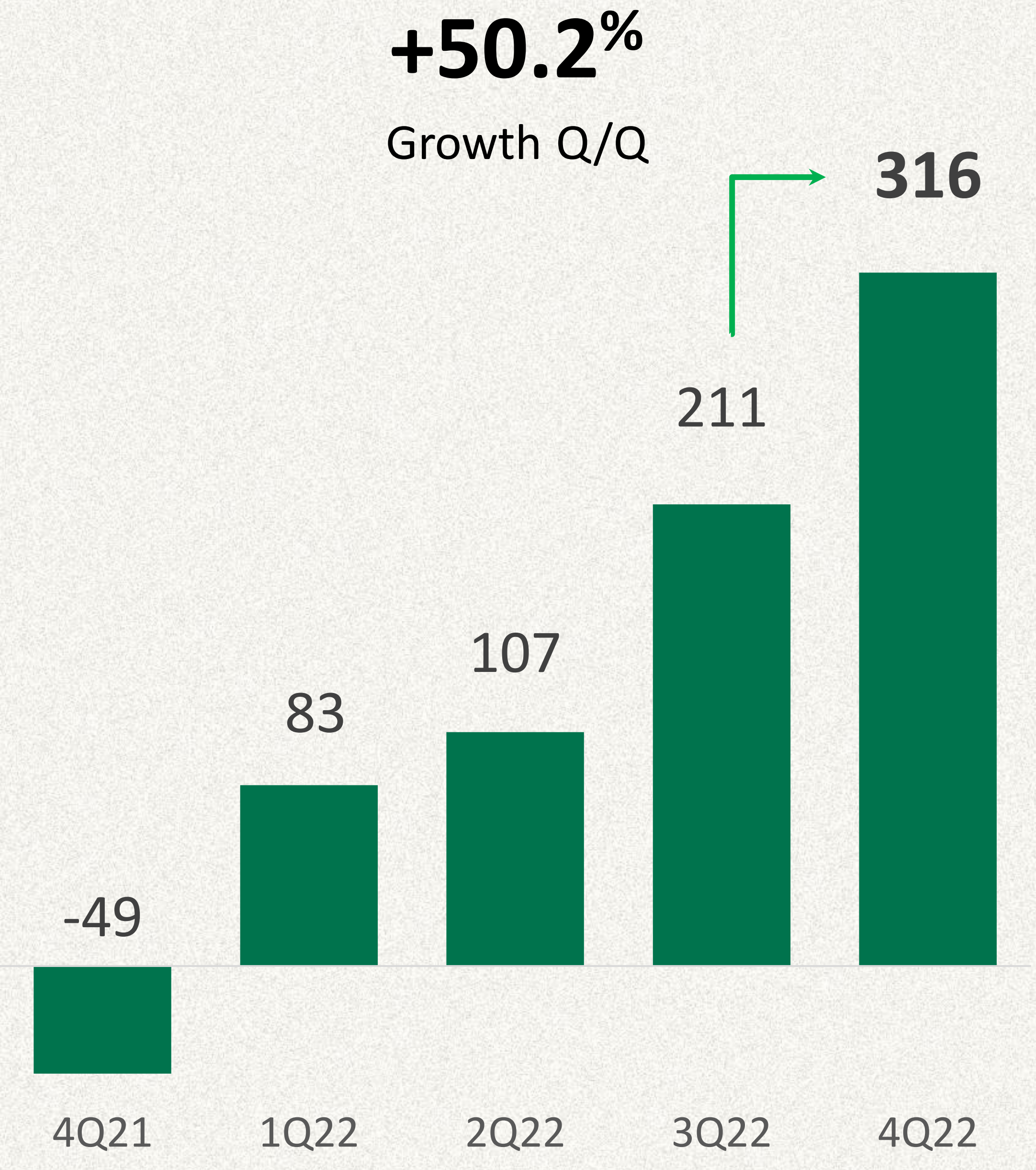
Total Revenue R$bn



Strong Growth

Above Guidance of R$2.6bn

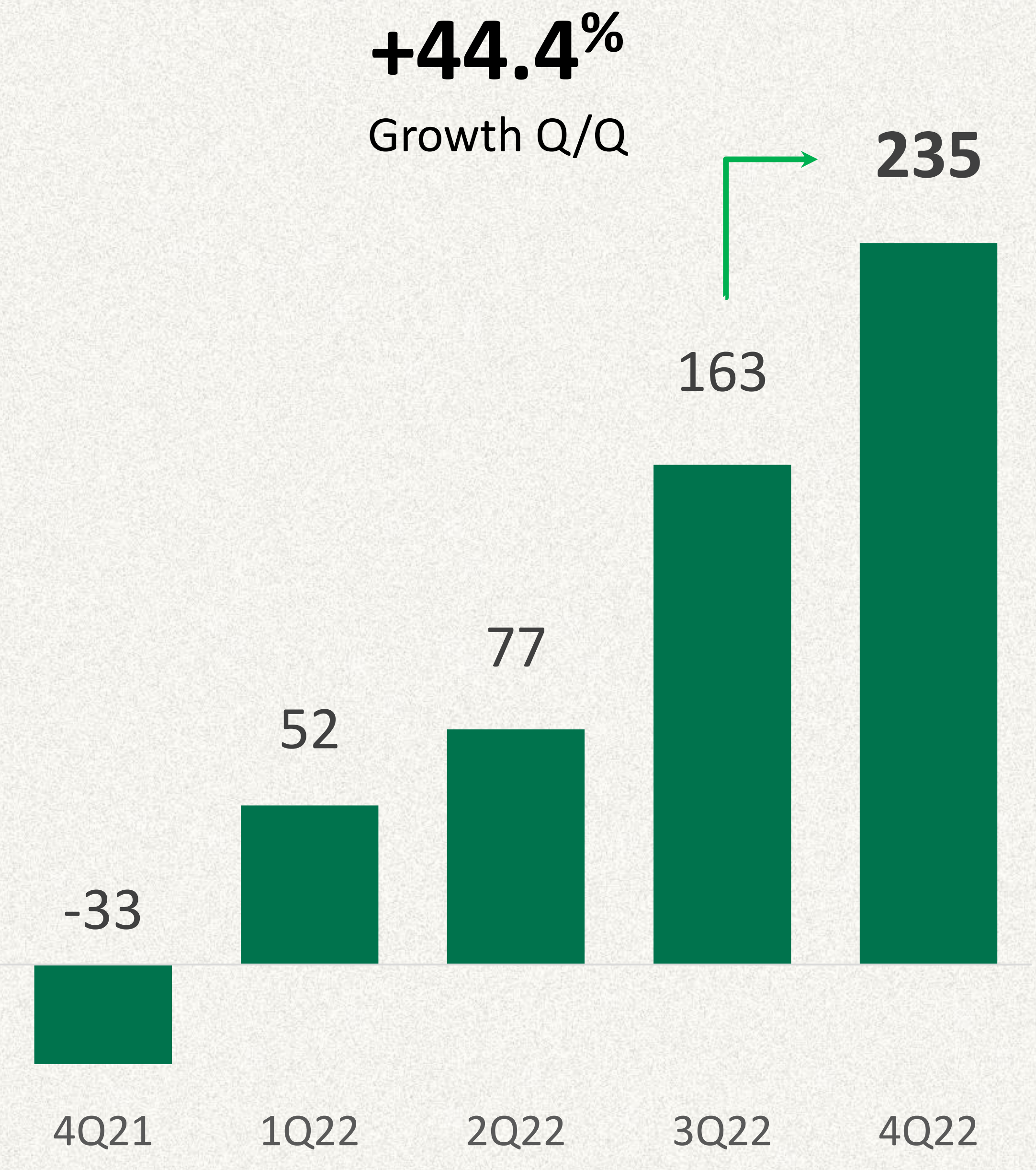
Adj EBT[1] R$mn



Increasing Profitability

Above Guidance of R$250mn

Adj Net Income[2] R$mn



Improving Earnings

Generating Positive Cash Flow

1) As of 2Q22 and following the sale of StoneCo's stake in Banco Inter, Adj EBT no longer adjust the financial expenses related to our bond. To allow for better understanding of our business performance trends, the information in this presentation refer to our Adj P&L metrics not adjusting for the bond expenses for all periods for comparability purposes, unless otherwise noted. Please refer to our earnings release for historical metrics with and without the bond adjustment.

2) Adj Net Income is a non-IFRS financial measure. Please see the appendix for a reconciliation of this non-IFRS financial measure to the most directly comparable IFRS financial measures. To allow for better understanding of our business performance trends, the information in this presentation refer to our Adj P&L metrics not adjusting for the bond expenses for all periods for comparability purposes, unless otherwise noted. Please refer to our earnings release for historical metrics with and without the bond adjustment.

Key Highlights - Segment[1] Breakdown

Financial Services

Revenue: R$2.3bn
(+49% y/y)

Adj EBT[2]: R$286mn
(12.4% margin[2])

- Payments solutions
- Digital banking
- Credit
- Registry of Receivables (TAG)

Software

Revenue: R$376mn
(+21%y/y)

Adj EBITDA: R$61mn
(16.2% margin)

- **Core**: POS/ERP, TEF/QR Code gateways, reconciliation and CRM
- **Digital**: OMS, e-commerce platform, engagement tool, ads and marketplace hub

Non-Allocated Activities[3]

Revenue: R$22mn

Adj EBT: R$(1)mn

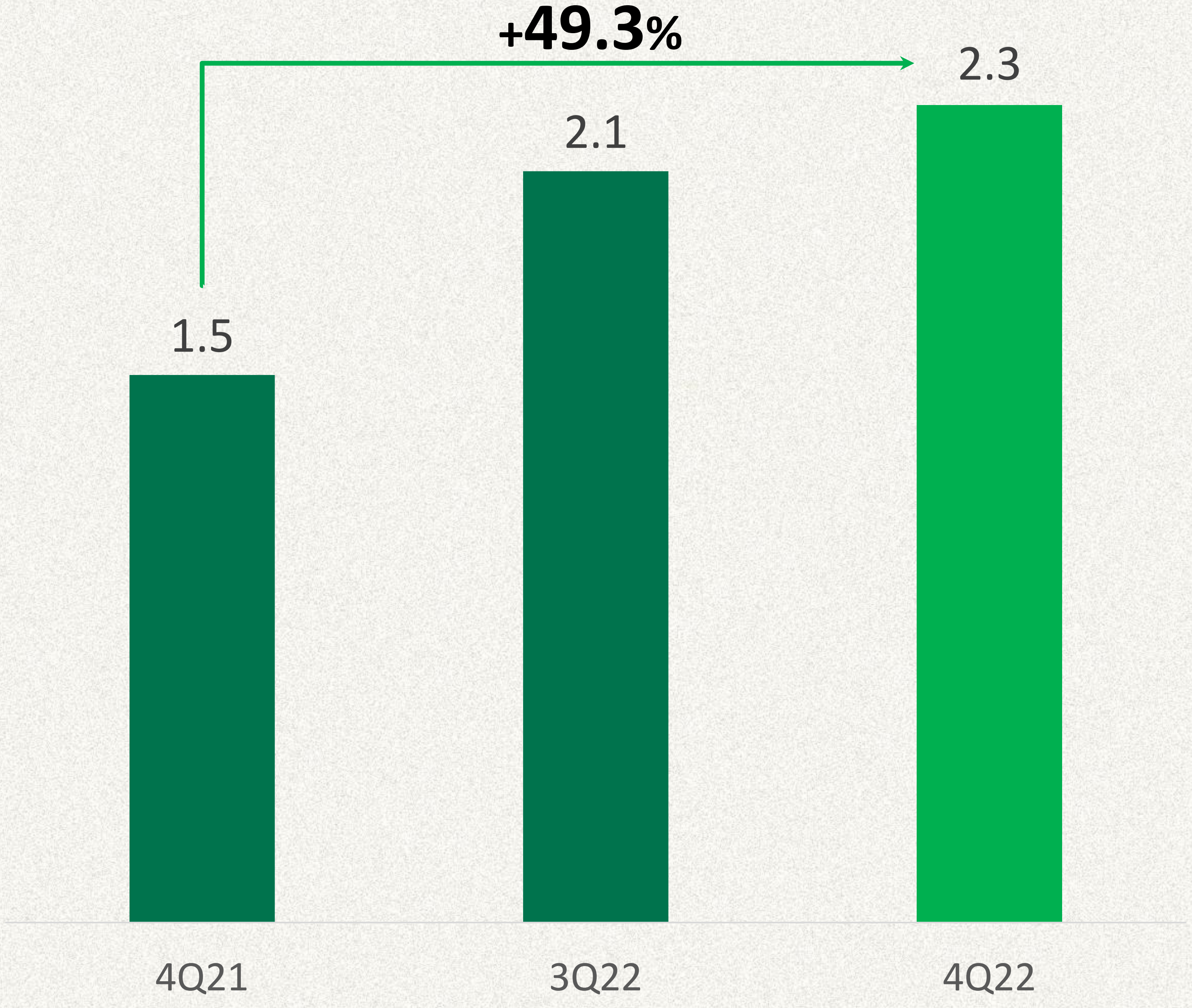
- Other businesses not allocated in Financial Services and Software segments

1) We started to report our financial and operating metrics in two segments in 1Q22, Financial Services and Software, and Non-allocated activities comprised of non-strategic businesses. Note that our segment reporting is performed on an adjusted basis, adjusting for items such as the mark-to-market of Inter investment, amortization of fair value adjustments on acquisitions, among other factors.
2) As of 2Q22 and following the sale of StoneCo's stake in Banco Inter, Adj EBT and Adj EBT margin no longer adjust the financial expenses related to our bond. Please refer to our earnings release for historical metrics with and without the bond adjustment.
3) Comprised of non-strategic and discontinued businesses.

Financial Services[1] - Strong revenue growth and improving profitability

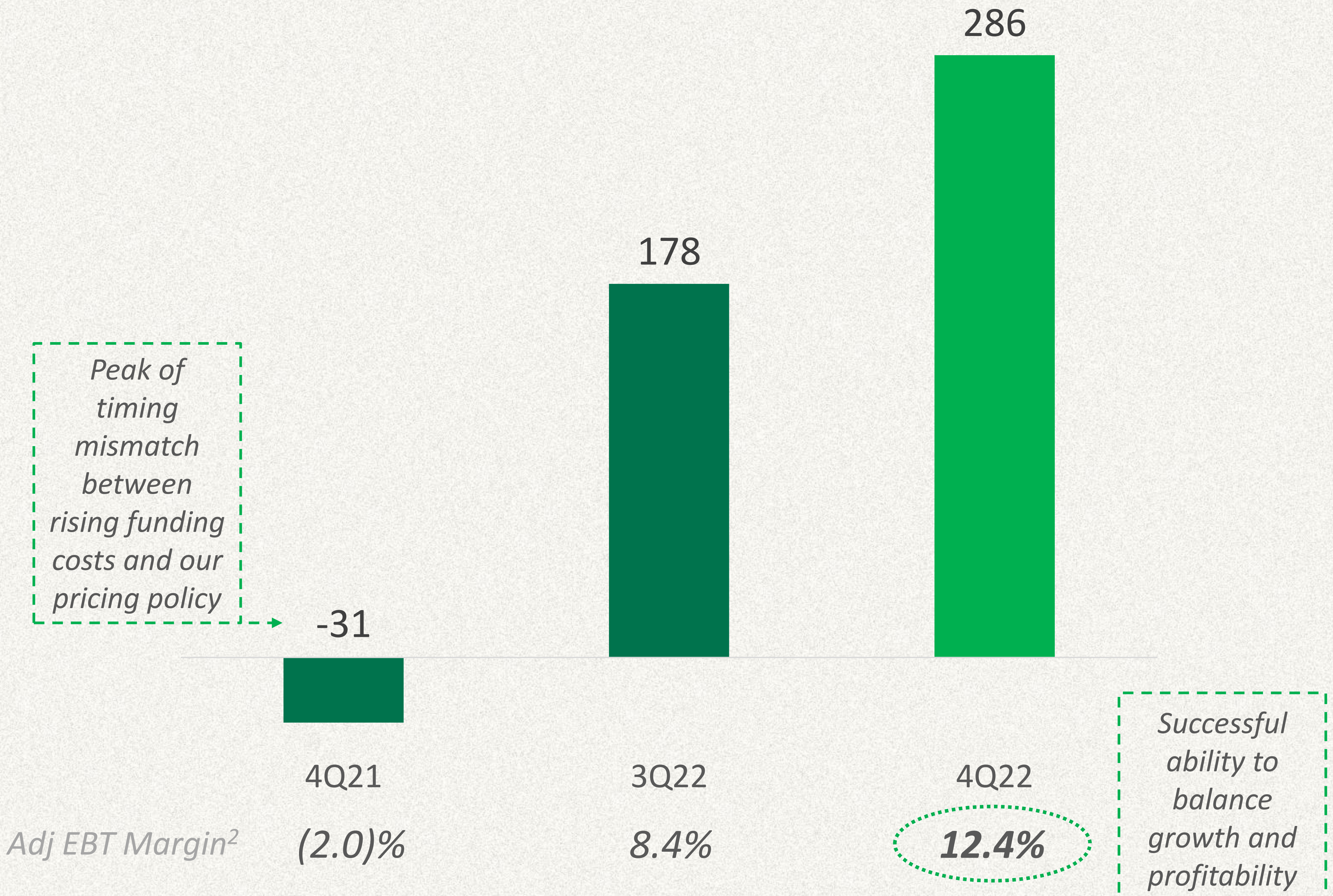
Revenue

R$bn



Adj EBT[2]

R$mn

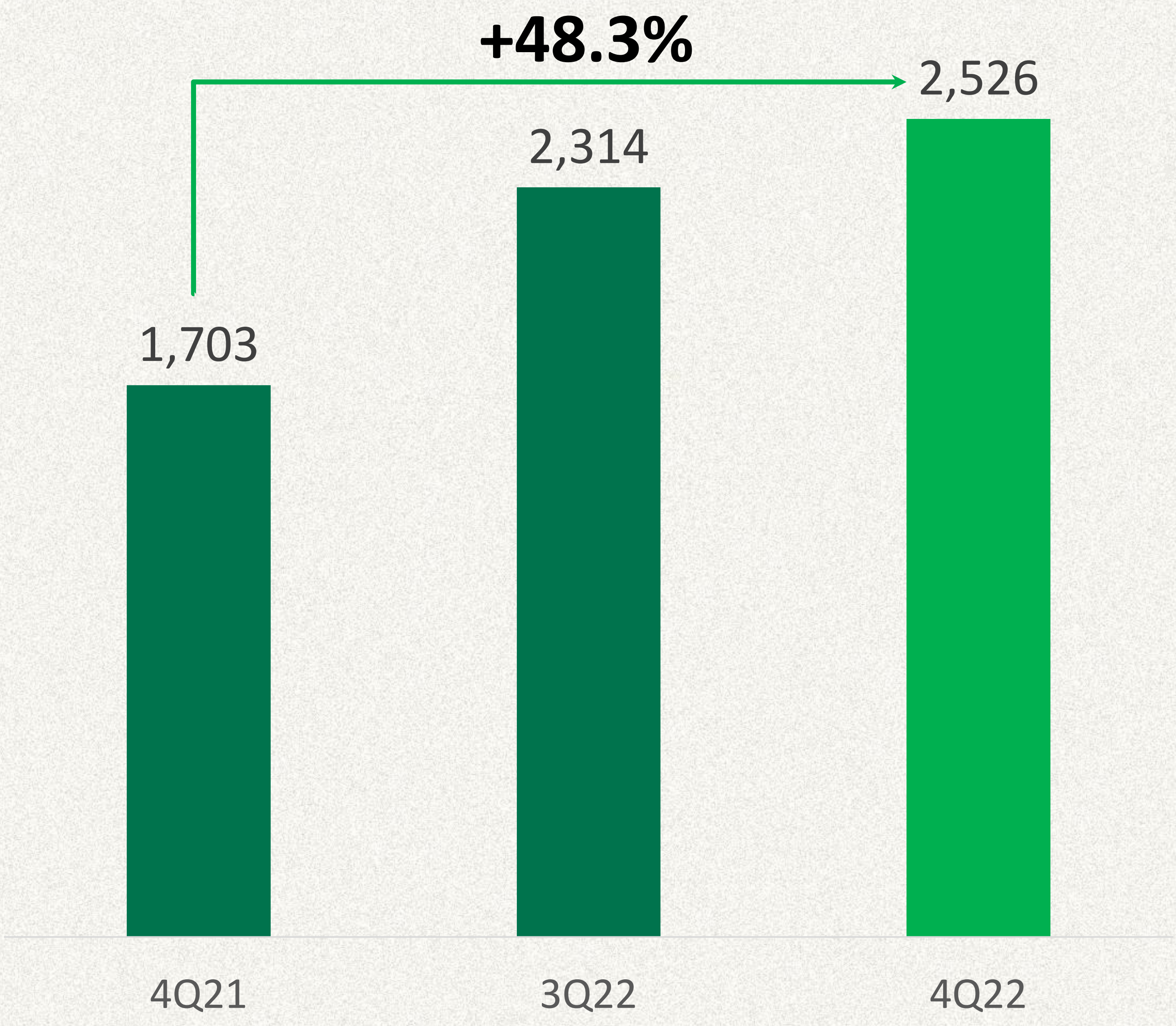


1) This segment is comprised of our financial services solutions serving both MSMBs and Key Accounts, which includes mainly our payments solutions, digital banking, credit and our registry business TAG.
2) To allow for better understanding of our business performance trends, the information in this presentation refer to our Adjusted P&L metrics not adjusting for the bond expenses for all periods for comparability purposes, unless otherwise noted.

MSMB[1] - MSMB payments client base reached 2.5 million merchants in the quarter

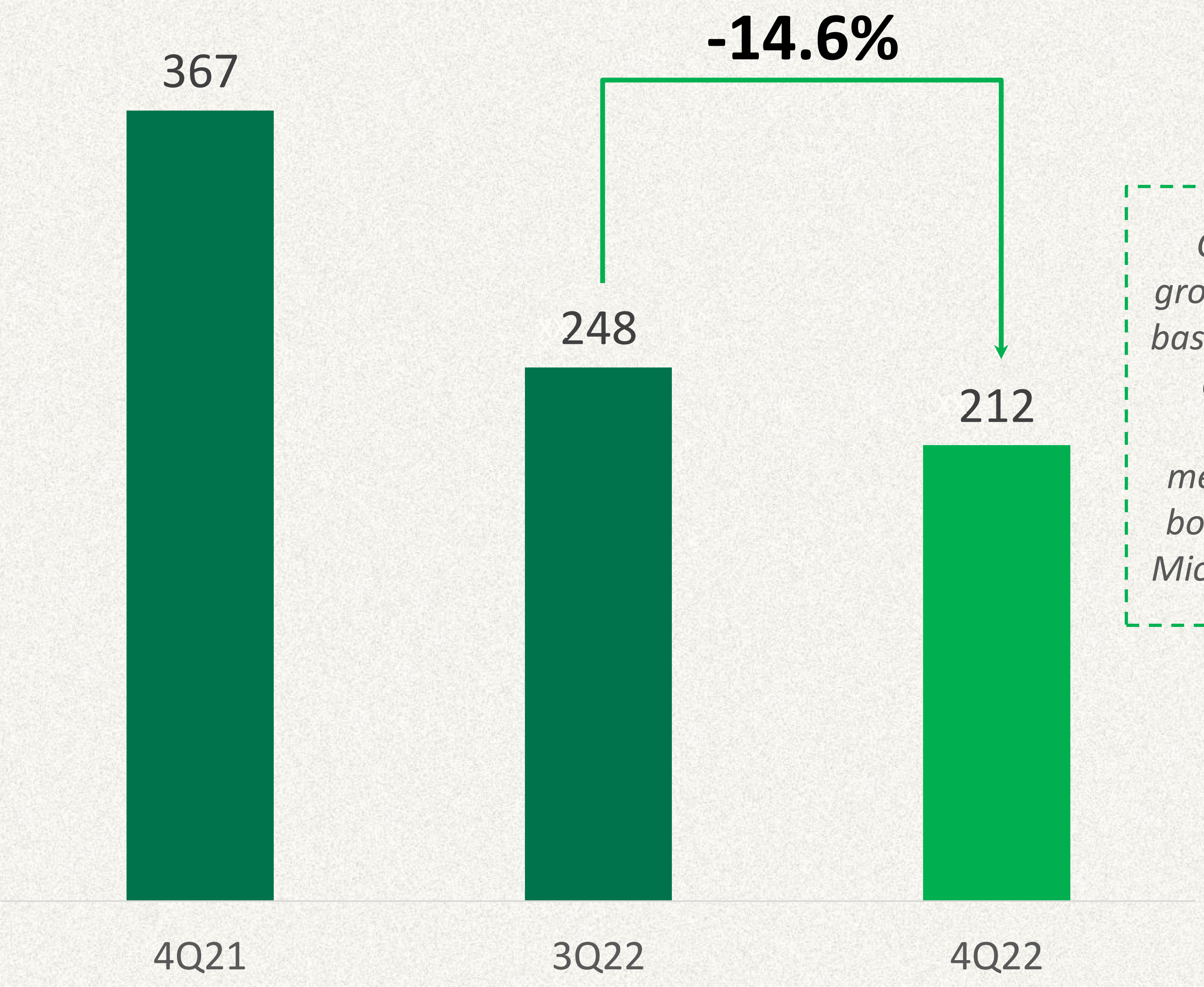
MSMB[1] Payments client base

MSMB[1] Active Payments Clients[2] ('000)



MSMB[1] Payments net adds

Quarterly MSMB[1] Payments Net Adds ('000)

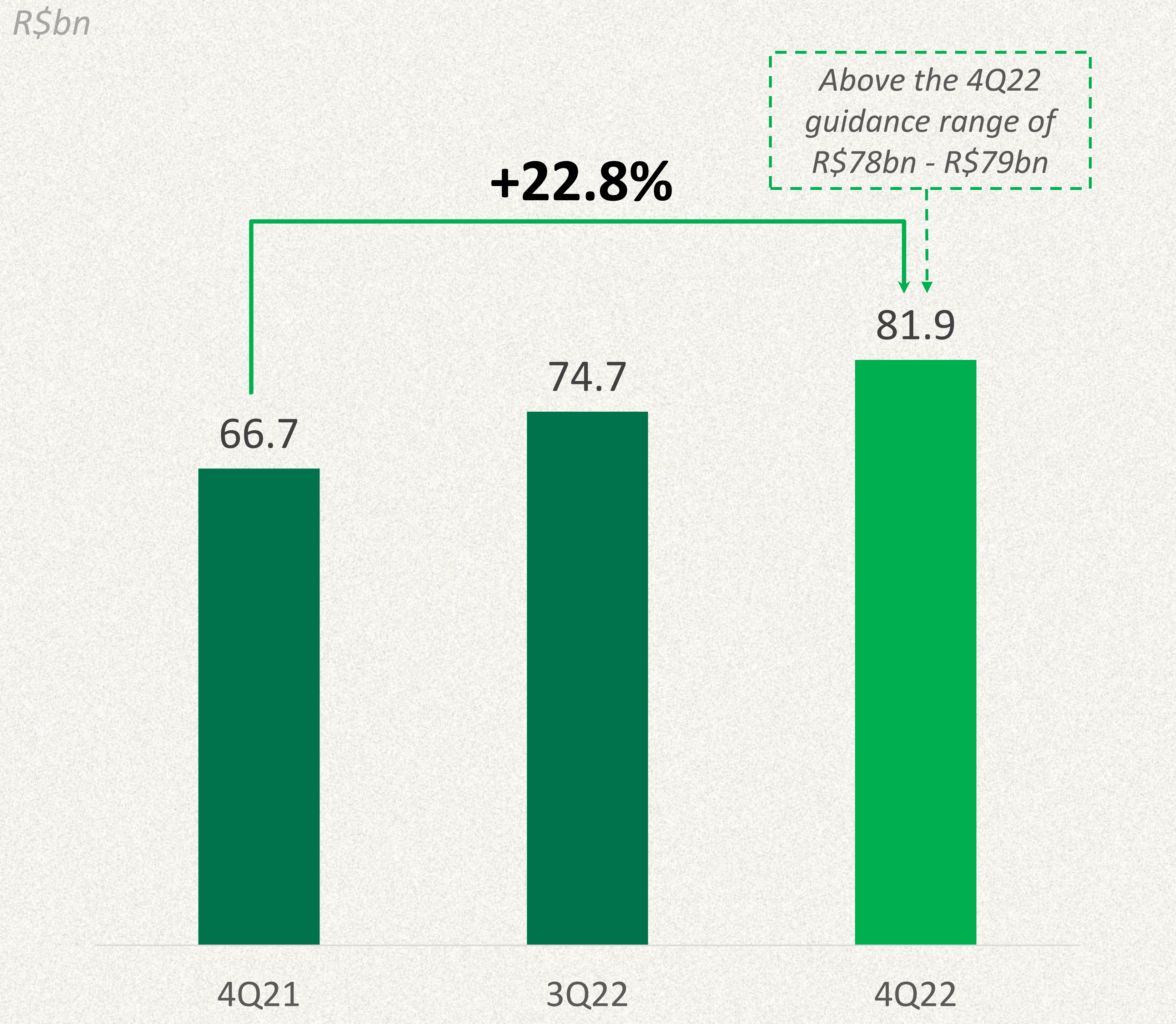


Continued growth in client base, with focus on higher quality merchants for both SMB and Micro segments

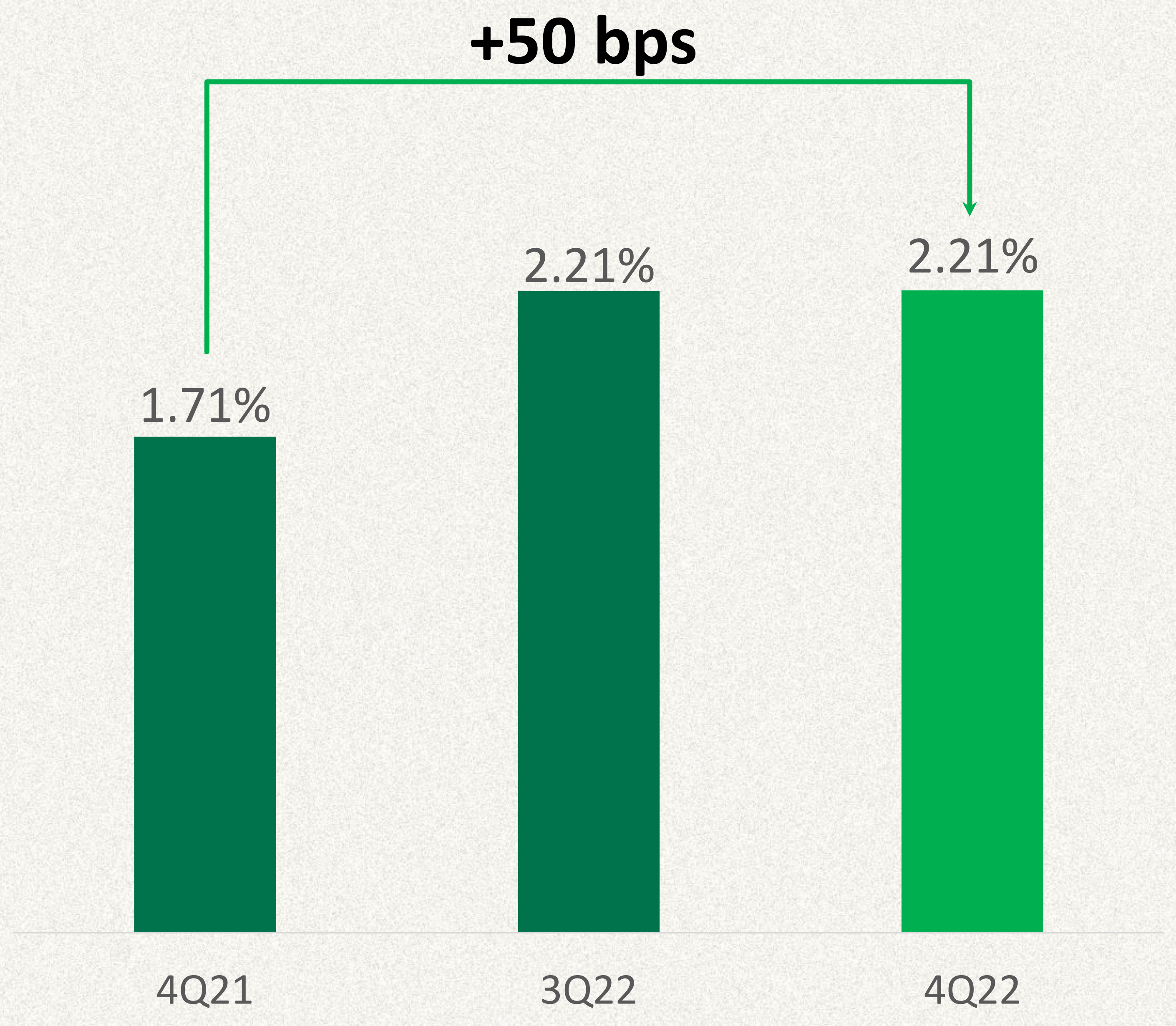
1) MSMB is composed of TON, Stone and Pagar.me products. Does not include clients from Linx and clients that exclusively use TapTon.
2) "Active Clients" refer to merchants that have completed at least one electronic payment transaction with us within the preceding 90 days, except for TON product which considers 365 days. Excludes overlap. Does not include clients from Linx and clients that exclusively use TapTon.

MSMB[1] - Strong MSMB TPV growth and consistent higher take rate level

MSMB[1] TPV



MSMB[1] Take Rate



1) MSMB is composed of TON, Stone and Pagar.me products. Does not include clients from Linx and clients that exclusively use TapTon.

Banking - expanded client base and solutions

Evolution of banking solutions

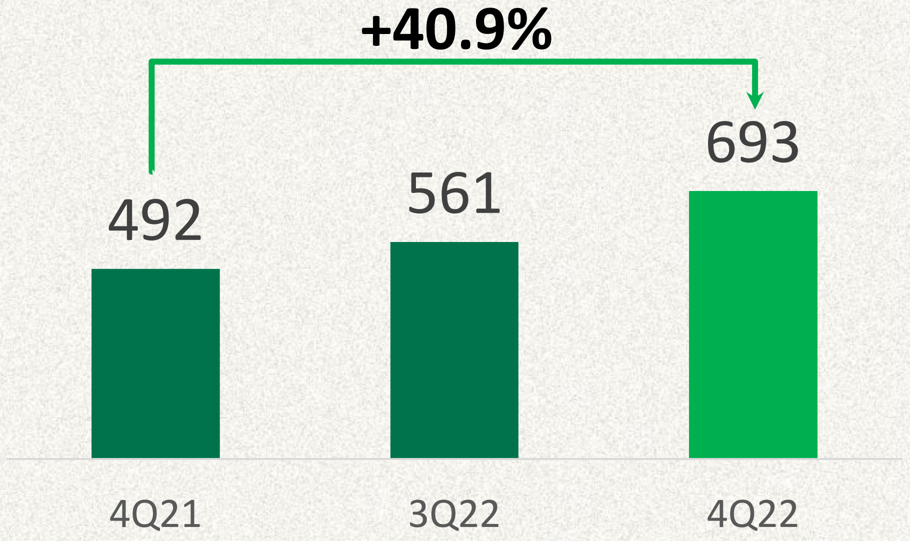
Distinct banking + acquiring offerings for micro and SMB client segments

Key highlights for 2022

- ✓ Initial pilots of our **full banking for micro clients** under the offering "Super Conta Ton"
- ✓ **Expanded transactional products** such as PIX, *boletos* and tax payments
- ✓ **PIX-in** tripled in 2022 to R$44bn and increased 22% q/q in 4Q22, mainly driven by PIX P2M volumes

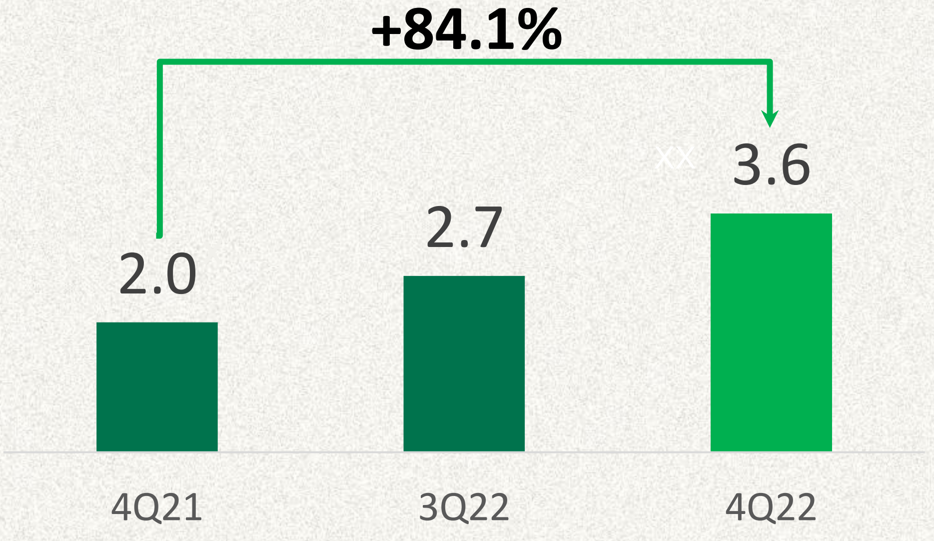
Growing banking client base

Banking Active Clients[1] ('000)



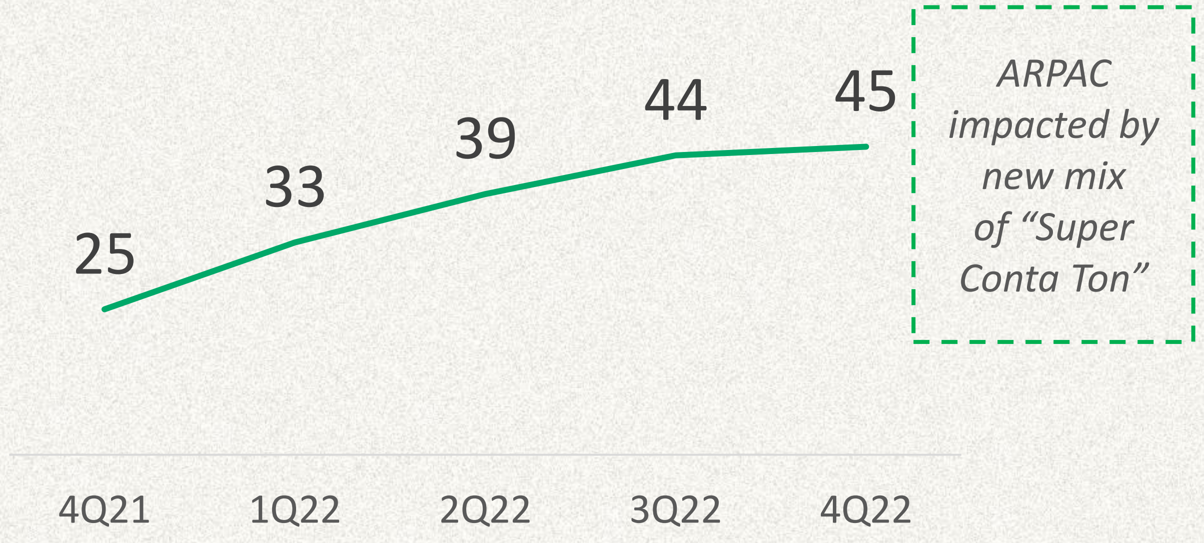
R$3.6bn of client deposits

Total Accounts Balance (R$bn)



Increasing banking ARPAC[2]

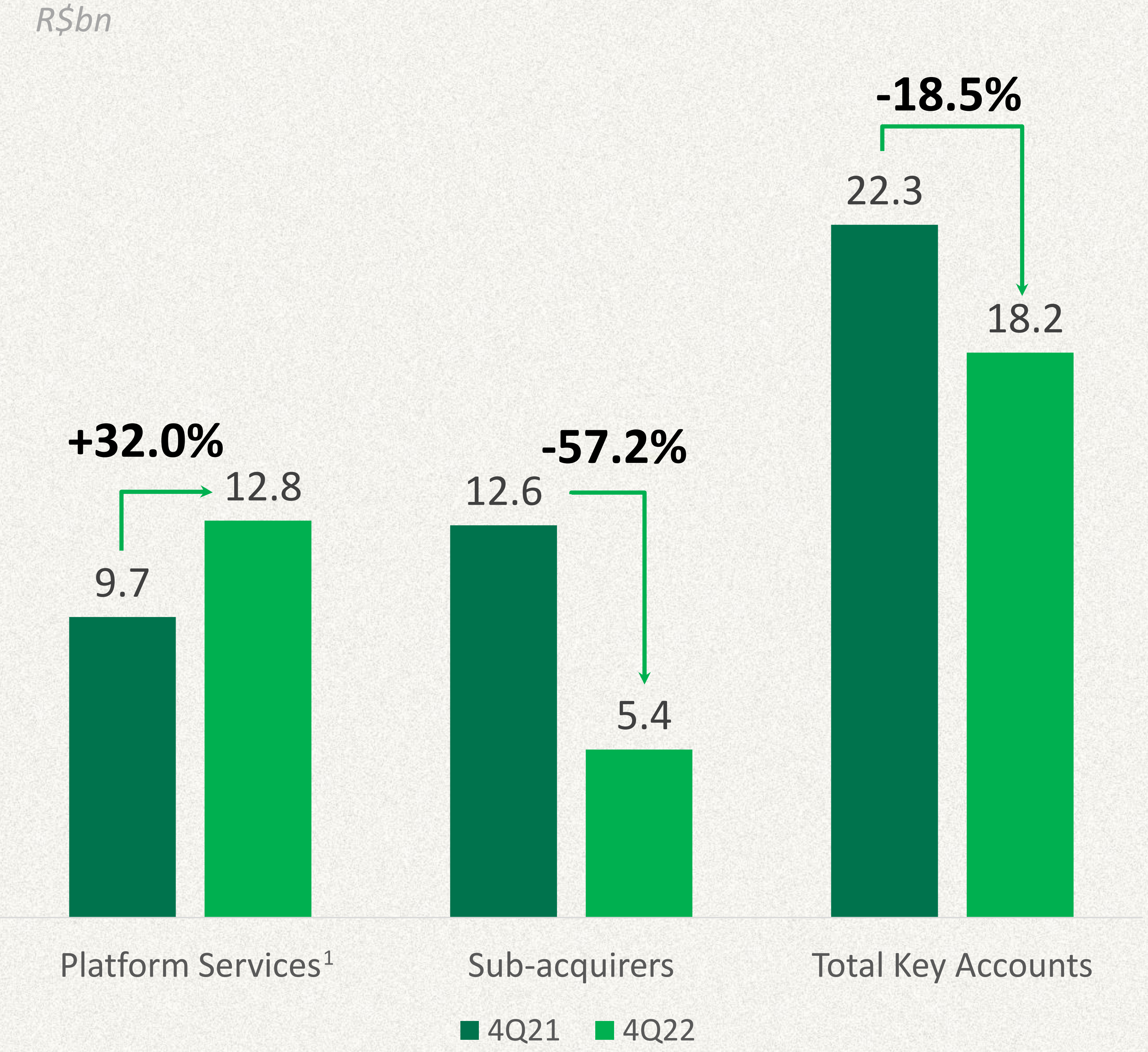
Banking ARPAC[2] (R$/month per client)



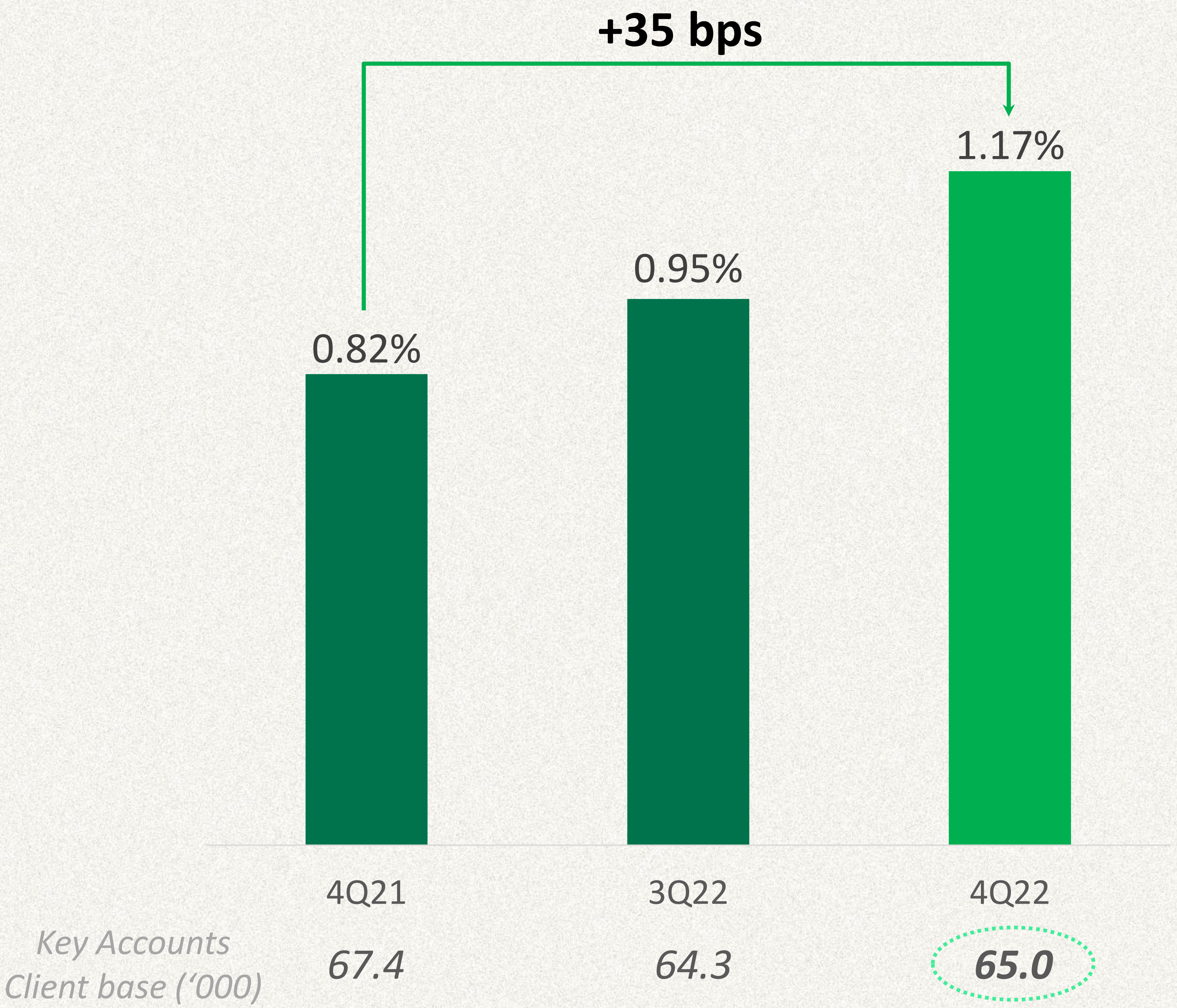
1) Clients who have transacted at least R$1 in the past 30 days.
2) ARPAC means Average Revenue Per Active Client. Banking ARPAC includes card interchange fees, floating revenue, insurance, and transactional fees.

Key Accounts - Our shift in prioritization from Sub-acquirers to Platform Services results in higher profitability

Key Accounts TPV



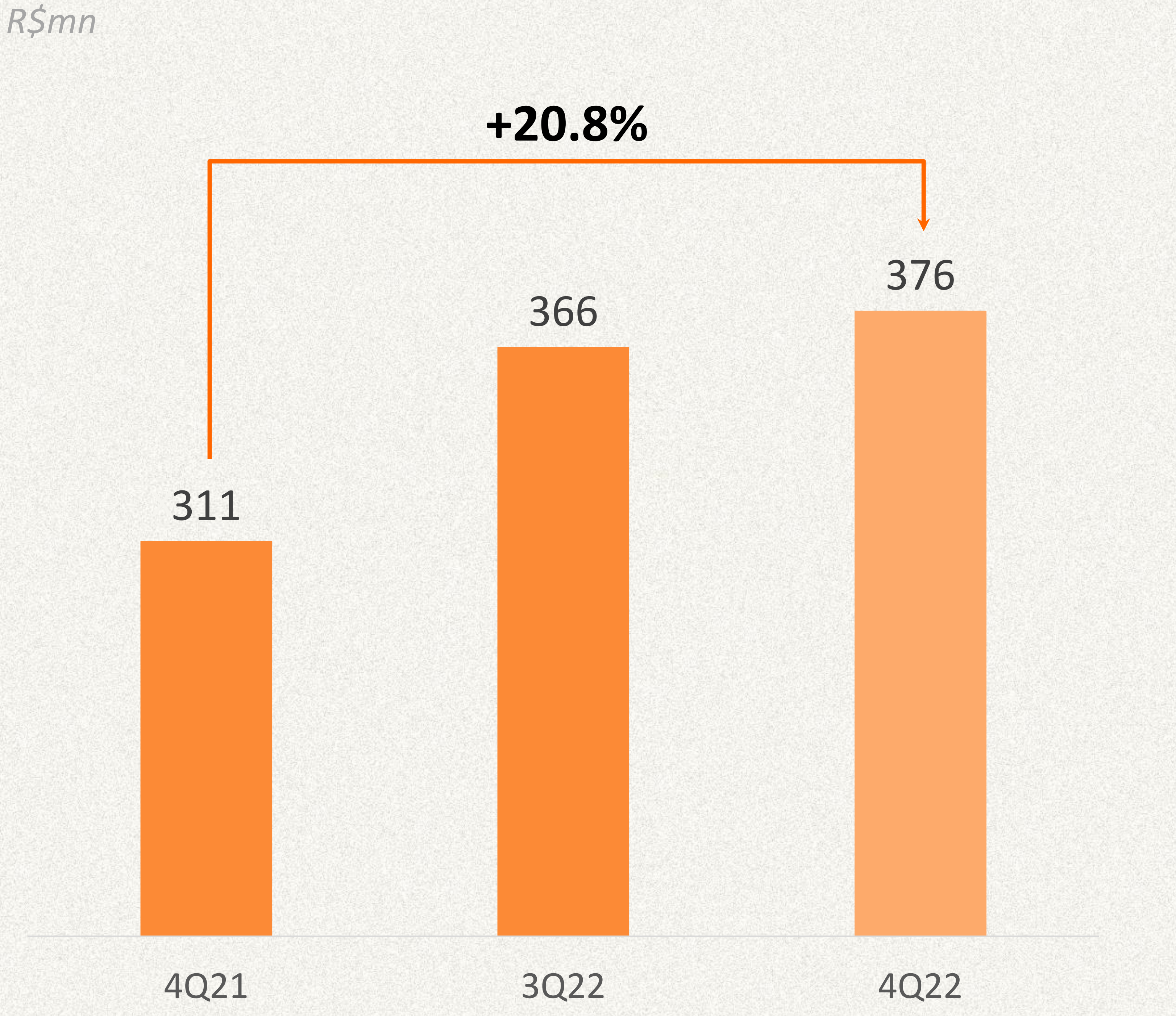
Key Accounts Take rate



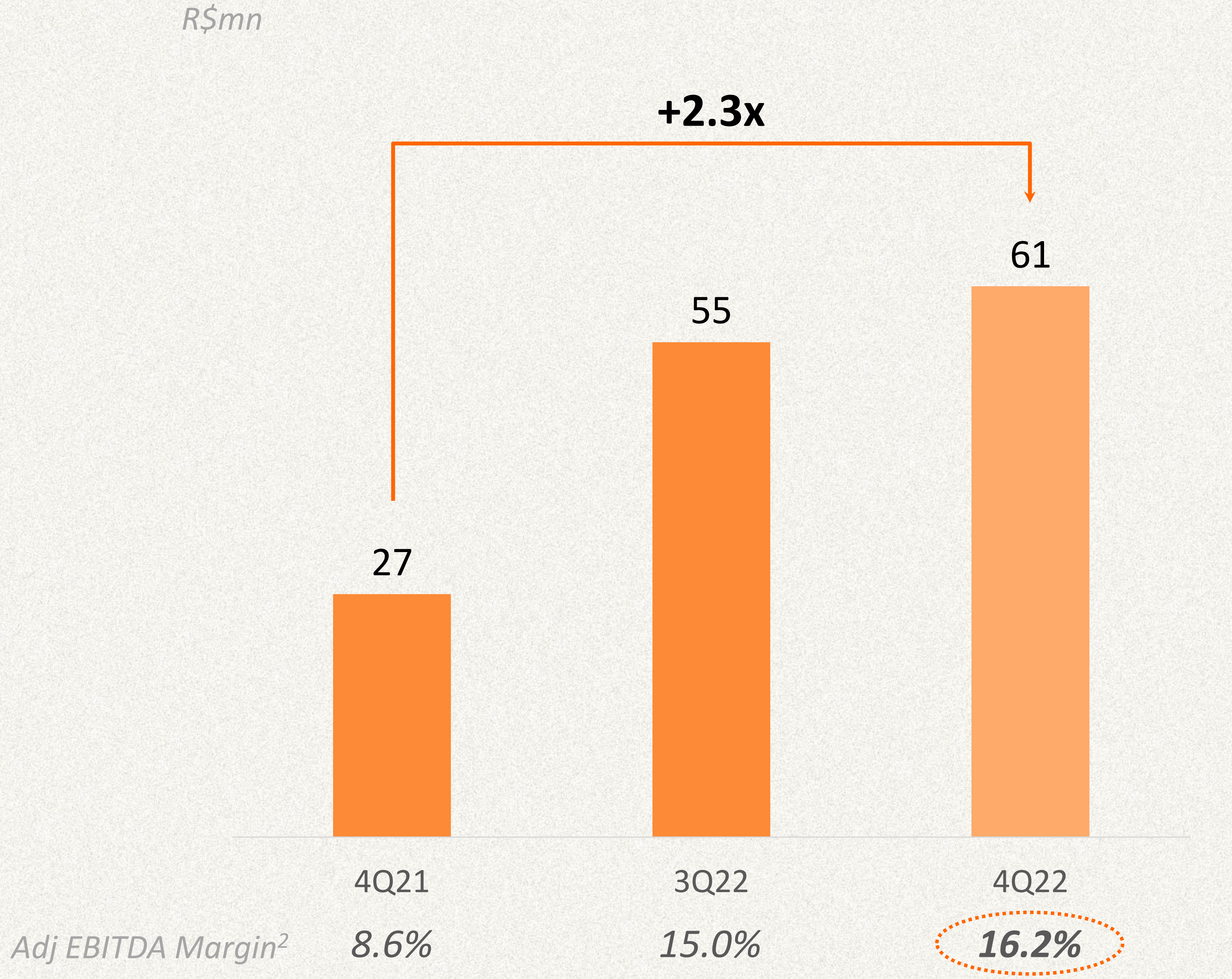
1) Platform Services encompasses a wide range of business models, including marketplaces, e-commerce platforms, software companies and omnichannel retailers.

Software[1] - Consistent growth with Adj EBITDA Margin[2] improvement

Revenue



Adj EBITDA[2]



1) Comprised of two main fronts, namely: (i) Core: which includes POS/ERP solutions, bricks-and-mortar Gateway (TEF), QR Code solutions, reconciliation and CRM and (ii) Digital: which includes OMS, e-commerce platform, engagement tools, ads solutions and marketplace hub.
2) Adj EBITDA and Adj EBITDA Margins are non-IFRS financial metrics adjusted by the same items as Adj Net Income, as applicable. Please refer to the appendix for the details on the adjustments.

Software - Progress with our strategy

1

Core POS/ERP Solutions
DRIVING GROWTH

- **Core[1] revenue** growth of 23% y/y, mainly driven by both increase in locations and in average ticket
- **Digital[2] revenue** increased 4% y/y, with positive effect from the acquisition of Plugg.To, a marketplace integration hub, offsetting a weaker performance of our Ads and Impulse businesses in the quarter
- **Integrated financial services platform to POS/ERP solutions** in key verticals, opening a key cross-sell opportunity to be explored in 2023
- We continue to pursue selected **M&A opportunities**

2

Gaining Scale with
SUSTAINED MARGINS

- **Revenue** of R$376mn in 4Q22, totaling R$1.4bn in 2022
- **Adj EBITDA margin** increased from 8.6% in 4Q21 to 16.2% in 4Q22 as we gain efficiency in our back-office operation
- We continue to work towards **cost discipline** while also investing in developing new products and improving our customer experience

1) Core business includes POS/ERP, CRM, bricks-and-mortar Gateway (TEF) and QR Code solutions.
2) Digital business is represented by e-commerce platform, omnichannel and impulse solutions, the latter comprised by search, recommendation, reengaging and retargeting tools.

Consolidated Costs and Expenses

Quarter over quarter highlights

- **Cost of Services:** operating leverage q/q mainly due to lower costs in Software and efficiency gains in our registry business TAG, logistics and banking
- **Administrative:** increased q/q driven by non-recurring higher expenses related to third-party advisory and seasonal personnel expenses
- **Selling expenses:** gained operating leverage q/q as a result of roughly stable marketing expenses, despite increased investments in our sales force
- **Financial expenses:** decreased 380 bps as a percentage of revenue mainly due to higher use of own cash to fund our prepayment operations, which has, on the other hand, led to a decrease of interest on cash (Other Financial Income down R$20.6mm in 4Q22 vs. 3Q22)
- **Other income (expenses), net:** increased q/q mostly driven by the impairment and write-off of non-core assets related to proprietary operational software of R$33.7mn

Adj P&L - Consolidated[1]

R$mn	4Q21	1Q22	2Q22	3Q22	4Q22	y/y	q/q
Total revenue and income	**1,873.0**	**2,070.3**	**2,304.1**	**2,508.4**	**2,706.1**	*44.5%*	*7.9%*
Cost of services	**(646.1)**	**(674.4)**	**(626.2)**	**(671.3)**	**(698.0)**	*8.0%*	*4.0%*
% of revenue	*(34.5%)*	*(32.6%)*	*(27.2%)*	*(26.8%)*	*(25.8%)*	*870 bps*	*100 bps*
Administrative expenses	**(230.5)**	**(214.8)**	**(231.6)**	**(251.8)**	**(296.5)**	*28.6%*	*17.8%*
% of revenue	*(12.3%)*	*(10.4%)*	*(10.1%)*	*(10.0%)*	*(11.0%)*	*130 bps*	*(100) bps*
Selling expenses	**(318.4)**	**(383.7)**	**(335.9)**	**(385.4)**	**(406.1)**	*27.6%*	*5.4%*
% of revenue	*(17.0%)*	*(18.5%)*	*(14.6%)*	*(15.4%)*	*(15.0%)*	*200 bps*	*40 bps*
Financial expenses, net	**(676.8)**	**(702.1)**	**(945.6)**	**(932.2)**	**(903.4)**	*33.5%*	*(3.1%)*
% of revenue	*(36.1%)*	*(33.9%)*	*(41.0%)*	*(37.2%)*	*(33.4%)*	*270 bps*	*380 bps*
Other income (expenses), net	**(49.0)**	**(12.1)**	**(56.8)**	**(55.8)**	**(85.2)**	*73.8%*	*52.7%*
% of revenue	*(2.6%)*	*(0.6%)*	*(2.5%)*	*(2.2%)*	*(3.1%)*	*(50) bps*	*(90) bps*

1) To allow for better understanding of our business performance trends, this table refers to our Adj Statement of Profit and Loss metrics not adjusting for the bond expenses. Please refer to our earnings release for historical metrics with and without the bond adjustment.

We have been consistently generating cash and improving liquidity

Highlights

- We increased our adjusted net cash[1] position by R$1.2bn in 2022, with 4Q22 being the strongest quarter, with an increase of +R$385mn. The quarterly evolution is mostly explained by:

    I. +R$372mn of cash net income[2]

    II. +R$84mn from trade accounts payable and other liabilities

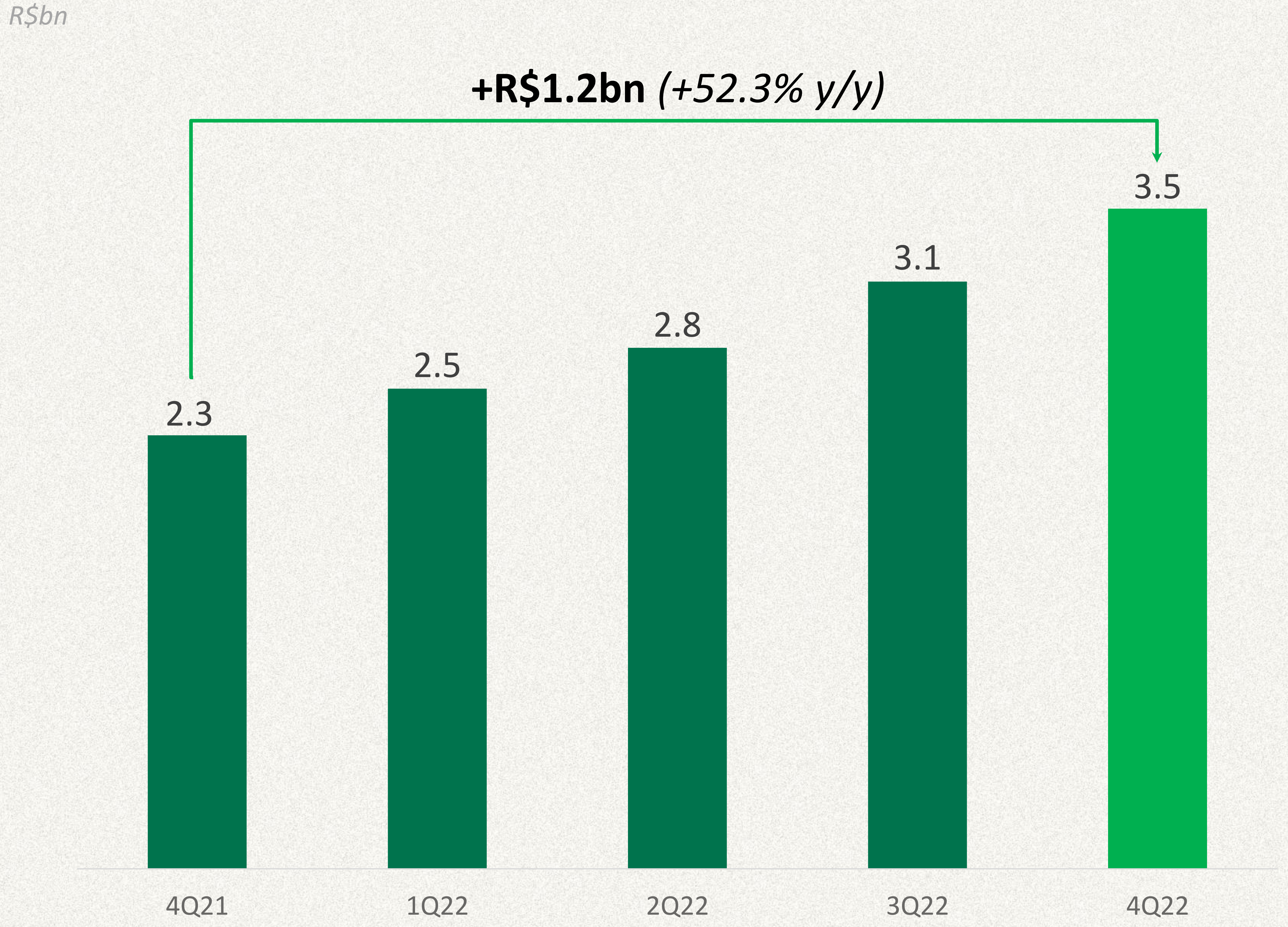
    III. +R$52mn from taxes payable and recoverable taxes

    IV. +R$42mn of net collections from our credit business

    V. R$(155)mn of Capex

    VI. R$(16)mn from M&A

Adj Net Cash position



1) Adjusted Net Cash is a non-IFRS financial metric and consists of the following items: (i) Adjusted Cash: Cash and cash equivalents, Short-term investments, Accounts receivable from card issuers, Financial assets from banking solution and Derivative financial instrument; minus (ii) Adjusted Debt: Obligations with banking customers, Accounts payable to clients, Loans and financing, Obligations to FIDC quota holders and Derivative financial instrument. Please refer to our earnings release for historical metrics.
2) Cash Net Income is our IFRS net income plus non-cash income and expenses, as reported in our statement of cash flows.

1Q23 Outlook

Expected changes

Adjustments to Net income:

- ✓ Starting in 1Q23, our Adj Net Income will be presented without any adjustment related to share-based compensation expenses aiming a better alignment on calculation and comparability, simplifying the understanding of our financial results
- ✓ In order to make it simpler to reconcile our results from 1Q23 onwards, we have provided in the appendix historical numbers with the new adjustment policy

1Q23 Guidance

Total Revenue[1]

Above **R$2.6bn**

MSMB TPV

Between **R$77bn** and **R$78bn**

Adj EBT[2]

Above **R$265mn** *(not adjusting for SBC)*

Compares with R$276mn for 4Q22

1) Total Revenue and Income.
2) 1Q23 Guidance of Adj EBT no longer includes the financial expenses adjustment related to our bond and adjustments related to share-based compensation expenses.

2023 Priorities

1 **Grow with Efficiency**	• Opex efficiency • Grow MSMB business, maintaining price discipline and allocating capital wisely
2 **Generate Cash**	• Maintain strong cash flow generation and overall liquidity position
3 **Expand Financial Services**	• Banking expansion and client engagement through broader solution set • Launch Credit
4 **Evolve our Software Business**	• Further develop the execution of our software strategy, exploring cross-sell opportunities between financial services and software with integrated products
5 **Optimize Management**	• Continue to enhance Stone’s high-performance culture and management system

Appendix - Summary Statement of Consolidated Profit and Loss

	Statement of Profit and Loss					Adjusted Statement of Profit and Loss[1]				
Statement of Profit or Loss (R$mn)	**4Q22**	**% Rev.**	**4Q21**	**% Rev.**	**Δ %**	**4Q22**	**% Rev.**	**4Q21**	**% Rev.**	**Δ %**
Net revenue from transaction activities and other services	777.8	*28.7%*	512.7	*27.4%*	51.7%	777.8	*28.7%*	512.7	*27.4%*	51.7%
Net revenue from subscription services and equipment rental	464.6	*17.2%*	408.1	*21.8%*	13.8%	464.6	*17.2%*	408.1	*21.8%*	13.8%
Financial income	1,331.6	*49.2%*	861.2	*46.0%*	54.6%	1,331.6	*49.2%*	861.2	*46.0%*	54.6%
Other financial income	132.1	*4.9%*	91.1	*4.9%*	45.0%	132.1	*4.9%*	91.1	*4.9%*	45.0%
Total revenue and income	**2,706.1**	***100.0%***	**1,873.0**	***100.0%***	**44.5%**	**2,706.1**	***100.0%***	**1,873.0**	***100.0%***	**44.5%**
Cost of services	(698.0)	*(25.8%)*	(646.1)	*(34.5%)*	8.0%	(698.0)	*(25.8%)*	(646.1)	*(34.5%)*	8.0%
Administrative expenses	(327.2)	*(12.1%)*	(214.1)	*(11.4%)*	52.8%	(296.5)	*(11.0%)*	(230.5)	*(12.3%)*	28.6%
Selling expenses	(406.1)	*(15.0%)*	(318.4)	*(17.0%)*	27.6%	(406.1)	*(15.0%)*	(318.4)	*(17.0%)*	27.6%
Financial expenses. net	(911.5)	*(33.7%)*	(688.2)	*(36.7%)*	32.4%	(903.4)	*(33.4%)*	(676.8)	*(36.1%)*	33.5%
Mark-to-market on equity securities designated at FVPL	(114.5)	*(4.2%)*	(764.2)	*(40.8%)*	(85.0%)	0.0	*0.0%*	0.0	*0.0%*	n.a.
Other operating income (expense), net	(109.0)	*(4.0%)*	(51.1)	*(2.7%)*	113.4%	(85.2)	*(3.1%)*	(49.0)	*(2.6%)*	73.8%
Gain (loss) on investment in associates	(0.3)	*(0.0%)*	(1.2)	*(0.1%)*	(71.9%)	(0.3)	*(0.0%)*	(1.2)	*(0.1%)*	(71.9%)
Profit before income taxes (EBT)	**139.4**	***5.2%***	**(810.4)**	***(43.3%)***	**n.m**	**316.5**	***11.7%***	**(49.1)**	***(2.6%)***	**n.m**
Income tax and social contribution	(60.6)	*(2.2%)*	8.9	*0.5%*	n.m	(81.7)	*(3.0%)*	16.5	*0.9%*	n.m
Net income for the period	**78.8**	***2.9%***	**(801.5)**	***(42.8%)***	**n.m**	**234.8**	***8.7%***	**(32.5)**	***(1.7%)***	**n.m**
Adjusted Net income[2]	**234.8**	***8.7%***	**(32.5)**	***(1.7%)***	**n.m**					

1) To allow for better understanding of our business performance trends, this part of the table refers to our Adj Statement of Profit and Loss metrics not adjusting for the bond expenses. Please refer to our earnings release for historical metrics with and without the bond adjustment.
2) Adj 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. To allow for better understanding of our business performance trends, the information in this presentation refers to our Adj P&L metrics not adjusting for the bond expenses for all periods for comparability purposes, unless otherwise noted.

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

Net Income Bridge (R$mn)[1]	4Q21	1Q22	2Q22	3Q22	4Q22	2021	2022
Net income (loss) for the period	**(801.5)**	**(313.0)**	**(489.3)**	**197.1**	**78.8**	**(1,377.3)**	**(526.4)**
Non-recurring share-based compensation expenses [2]	1.5	13.7	30.9	44.4	40.9	66.9	129.8
Amortization of fair value adjustment [3]	(25.1)	24.9	46.5	32.2	35.0	89.1	138.6
Gain (Loss) on previously held interest in associate [4]	0.0	0.0	0.0	0.0	0.0	(15.8)	0.0
Mark-to-market related to the investment in Banco Inter [5]	764.2	323.0	527.1	(111.5)	114.5	1,264.2	853.1
Other expenses [6]	20.7	10.8	(14.4)	(0.9)	(13.4)	118.3	(17.8)
Tax effect on adjustments	7.6	(7.6)	(24.3)	1.3	(21.1)	(60.6)	(51.8)
Adjusted net income (loss)	**(32.5)**	**51.7**	**76.5**	**162.5**	**234.8**	**84.7**	**525.5**
Weighted Average Number of Shares (diluted) (millions of shares)	308.9	310.3	312.2	323.9	324.6	308.9	311.9
IFRS basic EPS (R$) [7]	(2.57)	(1.01)	(1.56)	0.65	0.25	(4.40)	(1.67)
Adjusted Diluted EPS (R$) [8]	**(0.08)**	**0.17**	**0.25**	**0.52**	**0.72**	**0.33**	**1.71**

1) To allow for better understanding of our business performance trends, this table refers to our Adj Statement of Profit and Loss metrics not adjusting for the bond expenses for comparability purposes. Please refer to our earnings release for historical metrics with and without the bond adjustment.
2) Consists of expenses related to grants in connection to one-time pre-IPO pool of share-based compensation as well as non-recurring long term incentive plans. For additional details, please refer to our press release "StoneCo Announces New Incentive Plan Pool" as of June 2, 2022.
3) Related to acquisitions. Consists of expenses resulting from the changes of the fair value adjustments as a result of the application of the acquisition method.
4) Consists of the gain on re-measurement of our previously held equity interest in Linked (2Q20), Vhsys (2Q21) and Collact (3Q21) to fair value upon the date control was acquired.
5) From 2Q22 onwards we no longer adjust the financial expenses related to our bond, which may affect the comparability of our Adjusted results between our numbers from 2Q22 onwards and our numbers from prior periods. For comparability purposes, we have included in this line only the mark-to-market from the investment in Banco Inter in both our current and historical numbers, thus not adjusting the bond expenses.
6) Consists of the fair value adjustment related to associates call option, M&A and bond issuance expenses, earn-out interests related to acquisitions, gains/losses in the sale of companies, dividends from Linx and organizational restructuring expenses.
7) Calculated as Net income attributable to owners of the parent (Net Income reduced by Net Income attributable to Non-Controlling interest) divided by basic number of shares. For more details on calculation, please refer to Note 15 of our Consolidated Financial Statements, December 31st, 2022.
8) Calculated as Adj Net income attributable to owners of the parent (Adj Net Income reduced by Adj Net Income attributable to Non-Controlling interest) divided by diluted number of shares.

Appendix - Profitability with and without share-based compensation adjustments

Profitability with and without SBC adjustments (R$mn)	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	2021	2022
CONSOLIDATED										
Reported										
Adjusted EBT	247.6	(202.7)	81.3	(49.1)	82.5	106.7	210.7	316.5	77.2	716.4
Adjusted Net Income	187.4	(155.5)	85.3	(32.5)	51.7	76.5	162.5	234.8	84.7	525.5
Not Adjusting for Share-based Compensation										
Adjusted EBT	226.9	(249.1)	83.0	(50.6)	68.8	75.8	166.3	275.6	10.2	586.6
Adjusted Net Income	173.3	(186.4)	86.7	(33.5)	42.6	55.8	108.3	203.8	40.0	410.5
FINANCIAL SERVICES										
Reported										
Adjusted EBT	250.2	(202.6)	104.3	(31.0)	65.9	84.0	177.6	285.6	121.0	613.1
Adjusted Net Income	191.4	(153.2)	113.1	(13.0)	45.4	66.9	148.1	214.2	138.2	474.6
Not Adjusting for Share-based Compensation										
Adjusted EBT	229.6	(248.7)	105.7	(32.6)	52.2	53.3	135.0	246.1	54.1	486.6
Adjusted Net Income	177.3	(183.9)	114.1	(14.0)	36.3	46.3	95.1	184.1	93.4	361.8
SOFTWARE										
Reported										
Adjusted EBT	0.6	(0.7)	(11.6)	(15.2)	12.3	40.0	33.7	31.8	(27.0)	117.8
Adjusted Net Income	(0.7)	(3.0)	(14.8)	(15.6)	2.2	26.9	15.4	22.4	(34.0)	66.9
Not Adjusting for Share-based Compensation										
Adjusted EBT	0.6	(1.0)	(11.4)	(15.2)	12.3	39.9	31.9	30.5	(27.0)	114.6
Adjusted Net Income	(0.7)	(3.2)	(14.6)	(15.6)	2.2	26.8	14.2	21.5	(34.1)	64.7
NON-ALLOCATED										
Reported										
Adjusted EBT	(3.2)	0.6	(11.4)	(2.8)	4.3	(17.3)	(0.6)	(1.0)	(16.8)	(14.5)
Adjusted Net Income	(3.2)	0.7	(13.0)	(3.9)	4.2	(17.3)	(1.0)	(1.8)	(19.4)	(15.9)
Not Adjusting for Share-based Compensation										
Adjusted EBT	(3.3)	0.6	(11.3)	(2.8)	4.3	(17.4)	(0.6)	(1.0)	(16.8)	(14.6)
Adjusted Net Income	(3.3)	0.7	(12.9)	(3.9)	4.1	(17.3)	(1.0)	(1.8)	(19.4)	(16.0)

Appendix - Historical Accounting P&L

Statement of Profit or Loss (R$mn)	4Q21	1Q22	2Q22	3Q22	4Q22	Δy/y	2021	2022	Δy/y
Net revenue from transaction activities and other services	512.7	554.9	606.9	677.8	777.8	*51.7%*	1,626.9	2,617.4	*60.9%*
Net revenue from subscription services and equipment rental	408.1	432.2	437.8	426.4	464.6	*13.8%*	1,071.9	1,760.9	*64.3%*
Financial income	861.2	949.8	1,105.0	1,251.6	1,331.6	*54.6%*	1,877.7	4,638.0	*147.0%*
Other financial income	91.1	133.4	154.4	152.7	132.1	*45.0%*	247.3	572.6	*131.5%*
Total revenue and income	**1,873.0**	**2,070.3**	**2,304.1**	**2,508.4**	**2,706.1**	***44.5%***	**4,823.8**	**9,588.9**	***98.8%***
Cost of services	(646.1)	(674.4)	(626.2)	(671.3)	(698.0)	*8.0%*	(1,713.8)	(2,669.8)	*55.8%*
Administrative expenses	(214.1)	(238.2)	(272.0)	(283.9)	(327.2)	*52.8%*	(813.3)	(1,121.4)	*37.9%*
Selling expenses	(318.4)	(383.7)	(335.9)	(385.4)	(406.1)	*27.6%*	(1,012.5)	(1,511.2)	*49.3%*
Financial expenses. net	(688.2)	(708.2)	(954.7)	(940.3)	(911.5)	*32.4%*	(1,269.1)	(3,514.7)	*177.0%*
Other operating income (expense). net	(51.1)	(31.8)	(70.3)	(91.3)	(109.0)	*113.4%*	(185.9)	(302.5)	*62.7%*
Mark-to-market on equity securities designated at FVPL	(764.2)	(323.0)	(527.1)	111.5	(114.5)	*(85.0%)*	(1,264.2)	(853.1)	*(32.5%)*
Gain (loss) on investment in associates	(1.2)	(0.7)	(1.3)	(1.2)	(0.3)	*(71.9%)*	(10.4)	(3.6)	*(65.6%)*
Profit before income taxes	**(810.4)**	**(289.8)**	**(483.4)**	**246.5**	**139.4**	***n.m.***	**(1,445.6)**	**(387.3)**	*(73.2%)*
Income tax and social contribution	8.9	(23.2)	(5.9)	(49.4)	(60.6)	*n.m.*	68.2	(139.1)	*n.m*
Net income for the period	**(801.5)**	**(313.0)**	**(489.3)**	**197.1**	**78.8**	***n.m.***	**(1,377.3)**	**(526.4)**	***(61.8%)***
Adjusted Net Income (not adjusting for the bond[1])	**(32.5)**	**51.7**	**76.5**	**162.5**	**234.8**	*n.m.*	**84.7**	**525.5**	*520.2%*
Adjusted Net Income (adjusting for the bond)	**33.7**	**132.2**	**171.9**	**267.6**	**339.5**	*907.8%*	**203.3**	**911.2**	*348.2%*

Reported

1) To allow for better understanding of our business performance trends, Adj Net income refers to our Adj Statement of Profit and Loss metrics not adjusting for the bond expenses for comparability purposes. Please refer to our earnings release for historical metrics with and without the bond adjustment.

investors@stone.co