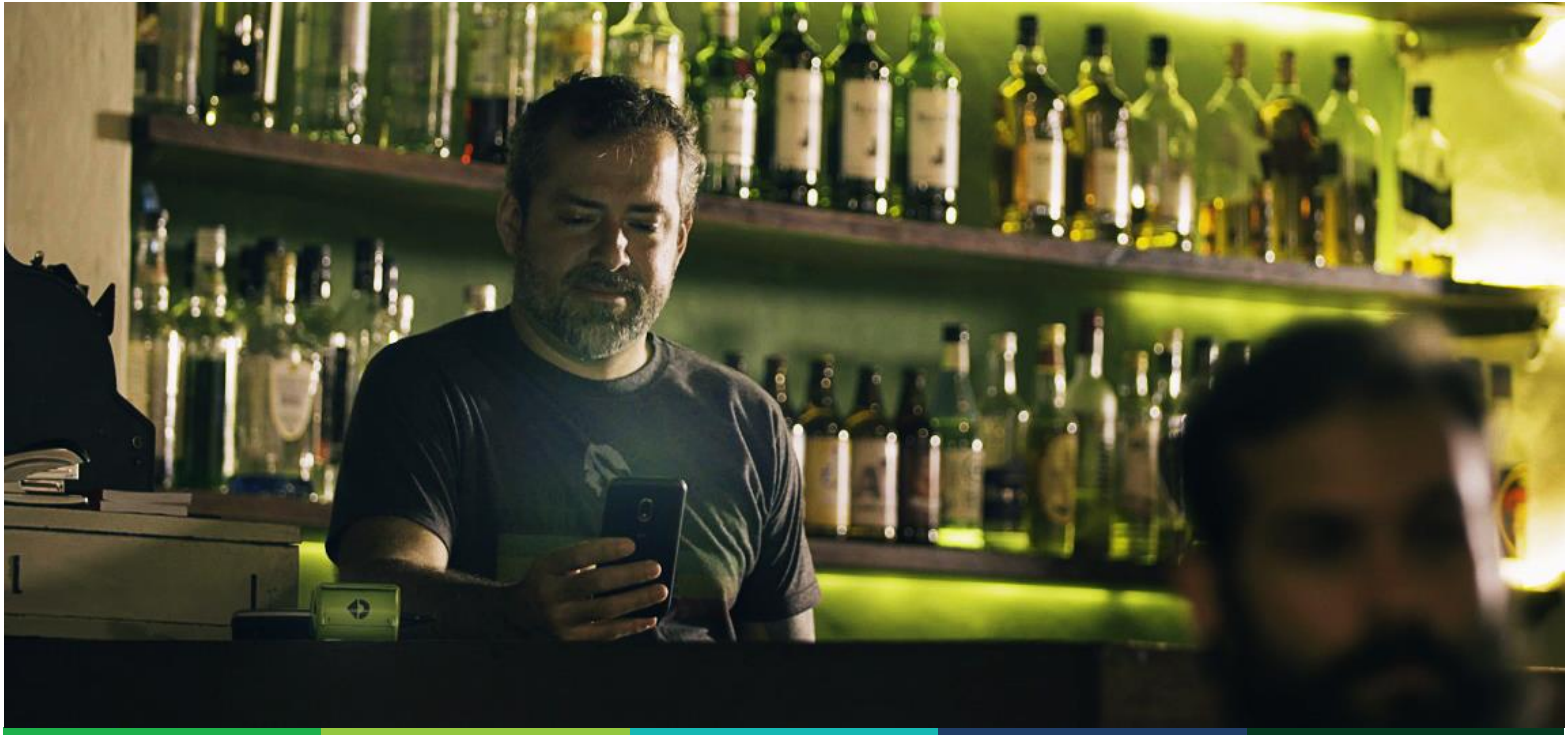

2Q20 EARNINGS PRESENTATION • **AUG 2020**

stone co.

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Main Highlights

Accelerating Growth Trend and Stable Margins

- TPV in 2Q20 was **R$38.1bn**, growing **27.9%** y/y, with monthly growth accelerating in Jul-20 to **128.8%** y/y (**42.5%** excluding Coronavoucher volumes, above 1Q20 y/y growth)
- **Total TPV is 46% above pre-COVID levels** (11% excluding Coronavoucher volumes)[1]
- Take-rate excluding Coronavoucher TPV and financial relief to clients related to COVID-19 was **1.77%**, -4bps q/q, mainly due to mix of digital accounts and integrated partners volume[2]
- Reported take rate of **1.67%,** including Coronavoucher impact of 7bps, financial relief to clients of 3bps and mix effect
- Net revenue growth of **13.8%** y/y in 2Q20 (**15.5%** excluding other financial income), despite financial relief to clients
- Adjusted Pre-Tax Margin[3] **29.9%**, compared to guidance range of 20% to 24%
- Adjusted Net Income of **R$150.3mm** in 2Q20, with Adjusted Net Margin of **22.5%** in 2Q20, despite COVID-19 impacts of R$33.5mm[4] pre-tax, which were not excluded from our Adjusted Net Income figure

Digital & Integrated Partners and Software Update

- **Digital commerce growing fast**, with online TPV growing **763.7%** y/y in Jul-20 (**+94.3%** ex-Coronavoucher) and online SMB revenue growing **2x** in the same period
- Processed **R$2bn** in Coronavoucher TPV for integrated partners in 2Q20 and over **R$9bn** in Jul-20, with **good revenue contribution,** despite lower take rate
- **Over R$100mm** in total annualized pro-forma software revenue[5], with 11 portfolio companies
- **305,000 software clients** in Jul-20, growing **8%** m/m and **83%** q/q in 2Q20 with contribution from different segments

Hubs and Integrated Financial Platform (ABC) Update

- **42%** of hubs personnel already **back to the front line**, with daily routes and presence in the hubs
- **Client centricity**: number of calls rated as "excellent" at **87%** and first call resolution at **87%**[6]
- Take-rate in the hubs grew **6%** q/q and y/y in 2Q20, as we succeed in rolling out new solutions
- Banking services revenue grew by **3.4x** m/m in Jul-20, given the initial traction of our **banking-as-a-service** strategy
- Banking open accounts grew by **2x** q/q in 2Q20 driven by SMBs, reaching **285,000** in Jul-20
- In Jul-20, credit outstanding reached **R$626mm**, with **56,100** clients, **healthy ROA**[7] of **2.8%** per month for portfolio in Jul-20 and declining delinquency

Recent Developments and Outlook

- **Resumed hiring activity** in 3Q20, mainly in hubs & operations, after commerce reopening in Brazil
- **TPV in the Hubs is 9% above pre-COVID levels**[1], benefiting from geographic diversification across thousands of Brazilian cities and a commerce reopening trend
- Net addition of clients in recent months indicate a **significant client base growth for 3Q20**
- Operating leverage and **margins improvement expected for 3Q20**
- **TON**: resumed marketing investments, with client base growing over **51%** q/q to reach **35,200** clients in 2Q20

(1) TPV from 2nd half of Jul-20 compared to 1st half of Mar-20.
(2) Take-rate decrease also explained by slightly stronger mix of debit over credit, among other factors.
(3) Adjusted Pre-Tax Margin equals Pre-Tax Income plus share-based compensation expenses, amortization of fair value adjustments and other expenses, divided by Total Revenue and Income, in line with previous disclosures.
(4) Includes severance costs from team resizing in May-20, financial relief to clients related to COVID-19 and the donation for a temporary hospital construction in Rio de Janeiro.
(5) Considers 100% revenues from all portfolio companies.
(6) 2Q20 average according to internal surveys.
(7) Monthly net returns (net of expected losses) for the credit disbursements.

Our Business Remained Solid During COVID-19

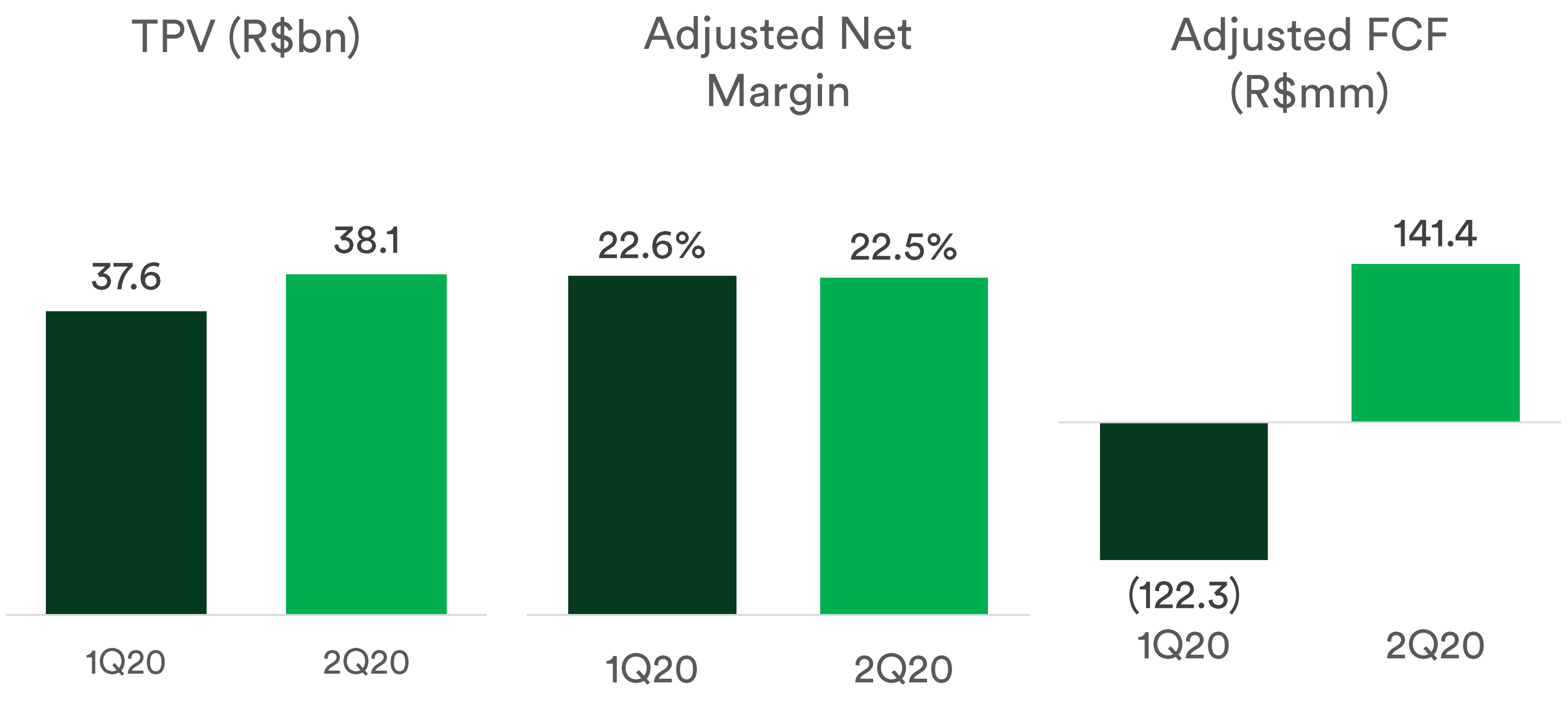
Maintained healthy profitability and already on track for V-shaped recovery

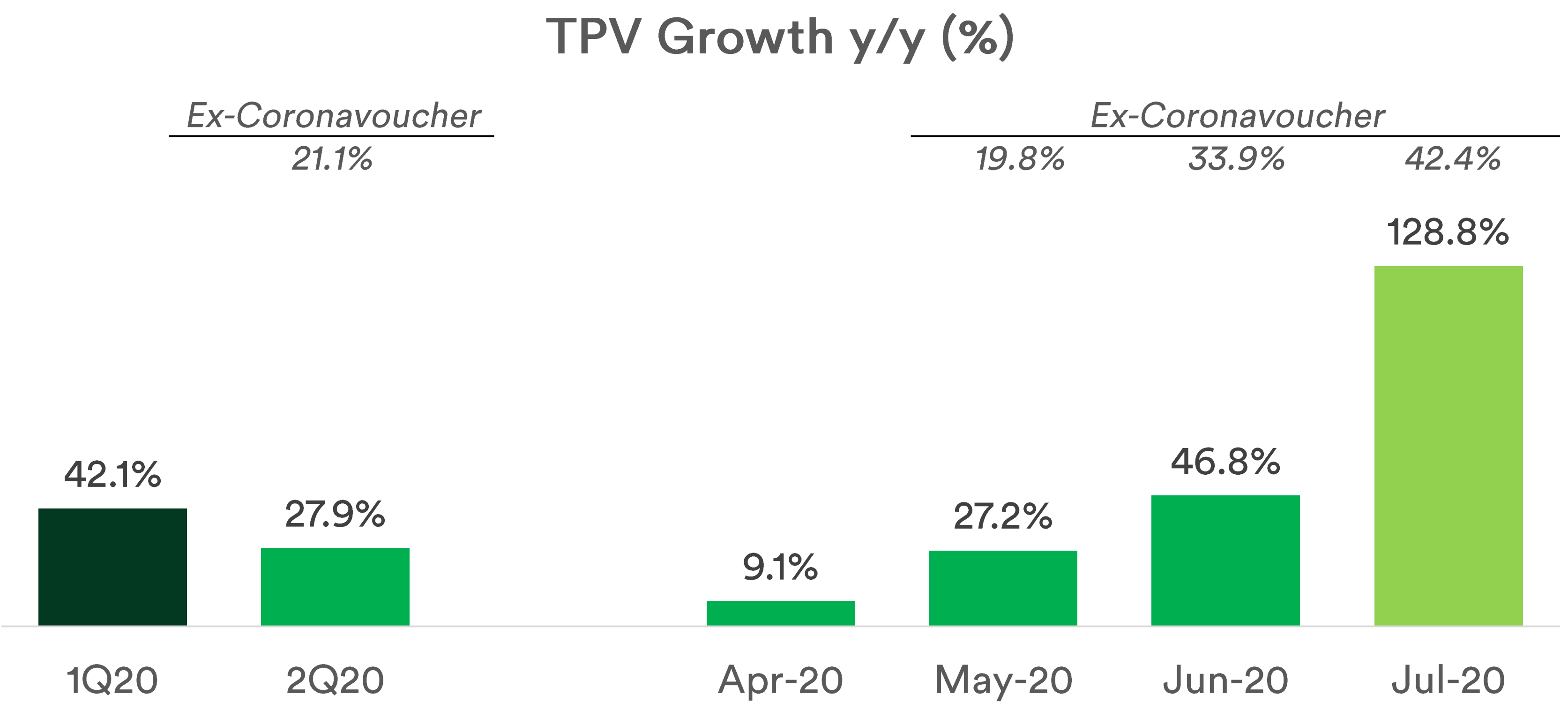
Our business remained solid during COVID-19 outbreak...

- ✔ In 2Q20, we added almost **R$0.5bn** in TPV q/q, growing **27.9%** y/y despite COVID-19 impact
- ✔ Adjusted Net Margin was flattish q/q, reaching **22.5%** in 2Q20
- ✔ FCF generation was **R$141mm** in 2Q20, a R$263.7mm[1] improvement q/q

...Now, TPV is accelerating to reach pre-COVID growth levels

- ✔ **Strong online presence**, **national distribution** and **channel diversification** behind consistent TPV recovery
- ✔ **Recovery in TPV comes from all segments**, including the hubs (SMBs)
- ✔ **TPV y/y growth is already above 1Q20** in Jul-20, even ex-Coronavoucher





Notes:
(1) Includes R$53mm from temporary tax withholding in 1Q20, which was released in the first week of Apr-20.

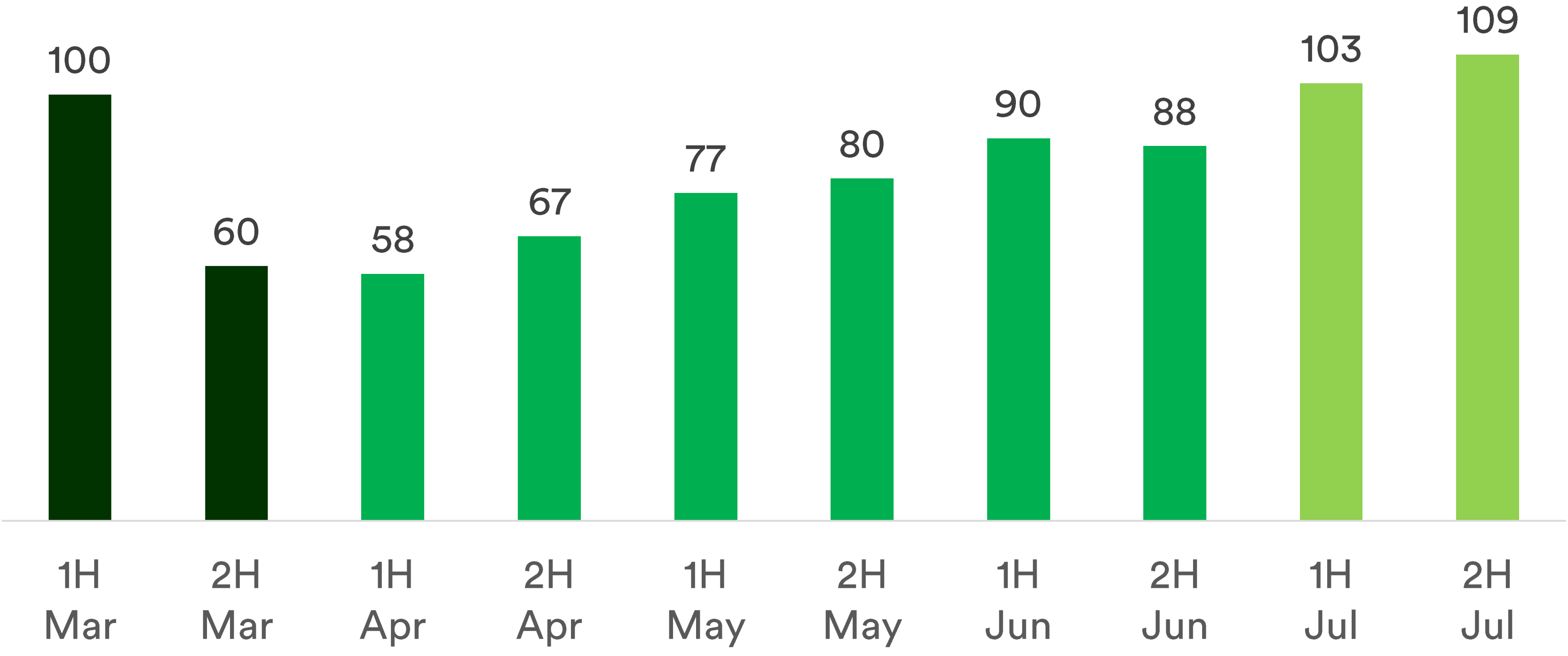
Hubs Are Already Above Pre-Covid Levels[1]

Volumes and client base have shown strong recovery

TPV performance

- StoneCo total TPV in the 2nd half of July is **46% above 1st half of March** (**11%** excluding Coronavoucher) and y/y growth is accelerating
- **TPV in the Hubs is 9% above pre-COVID levels**, benefiting from growth investments, geographic diversification across thousands of Brazilian cities, as well as commerce reopening trend

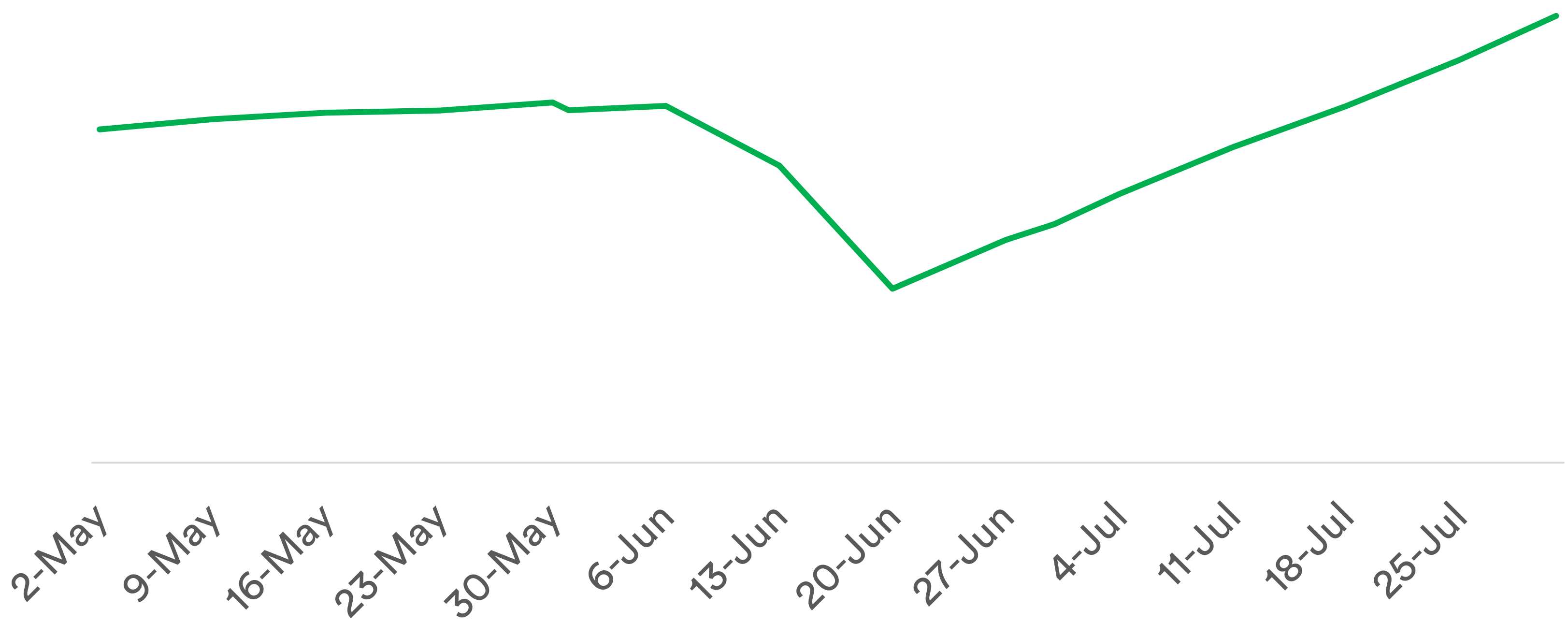
Hubs (SMBs) TPV
(1H Mar-20 indexed to 100)



Clients performance

- The number of clients transacting on a weekly basis is already at **4% above pre-COVID levels**
- Net adds in 2Q20 was impacted by 2H Mar-20 lockdown effects, as we report our active client base on a 90-day metric[2]
- Net addition of clients in recent months indicate a **significant client base growth for 3Q20**

Hubs (SMBs) Client Base in 2020 - 90 days
(1H Mar-20 indexed to 100)



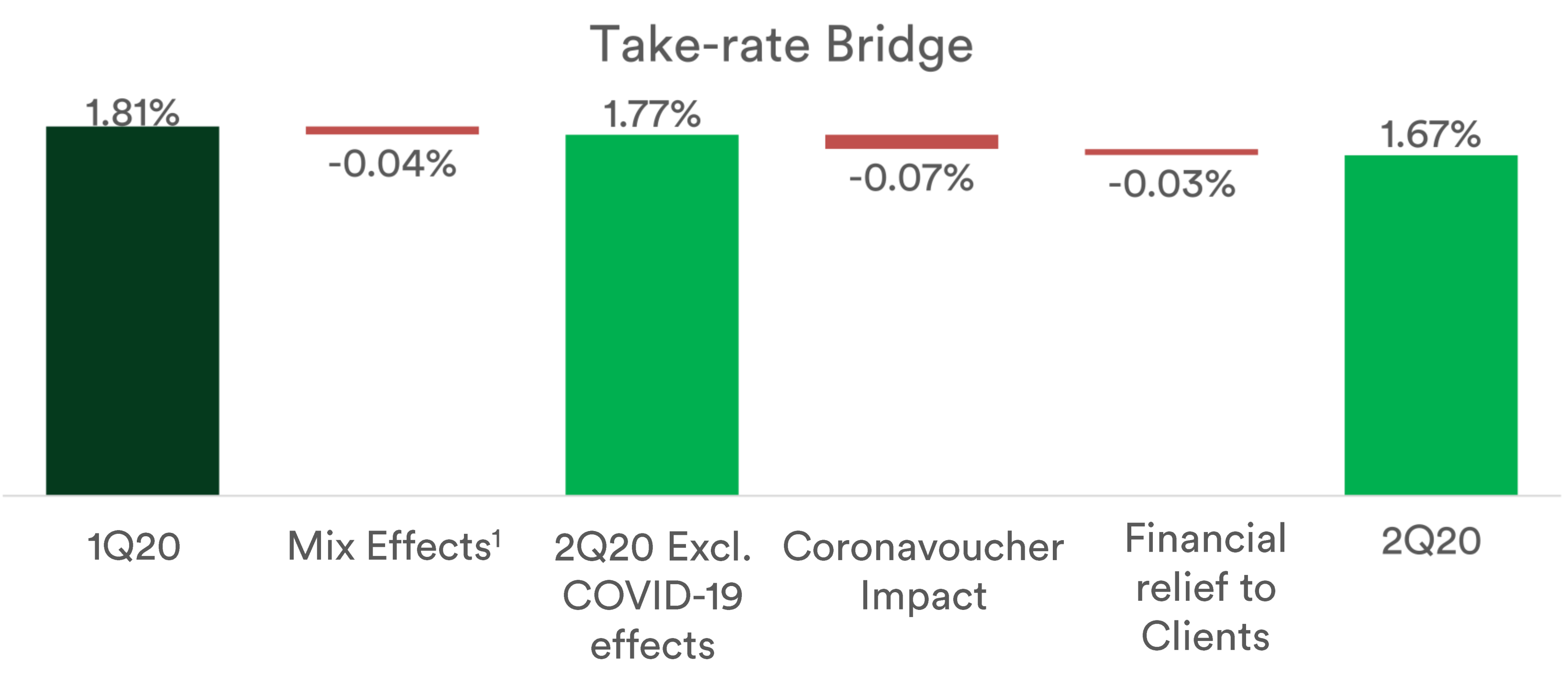
Note:
(1) Considers volumes of 2nd half of July compared to 1st half of Mar-20.
(2) Clients that have transacted at least once over the preceding 90 days. As a result of the lag in the metric, our net addition of clients was -11,900 in 2Q20.

Profitability Update

Hubs profitability is increasing, while Coronavoucher volumes have positive impact to revenue

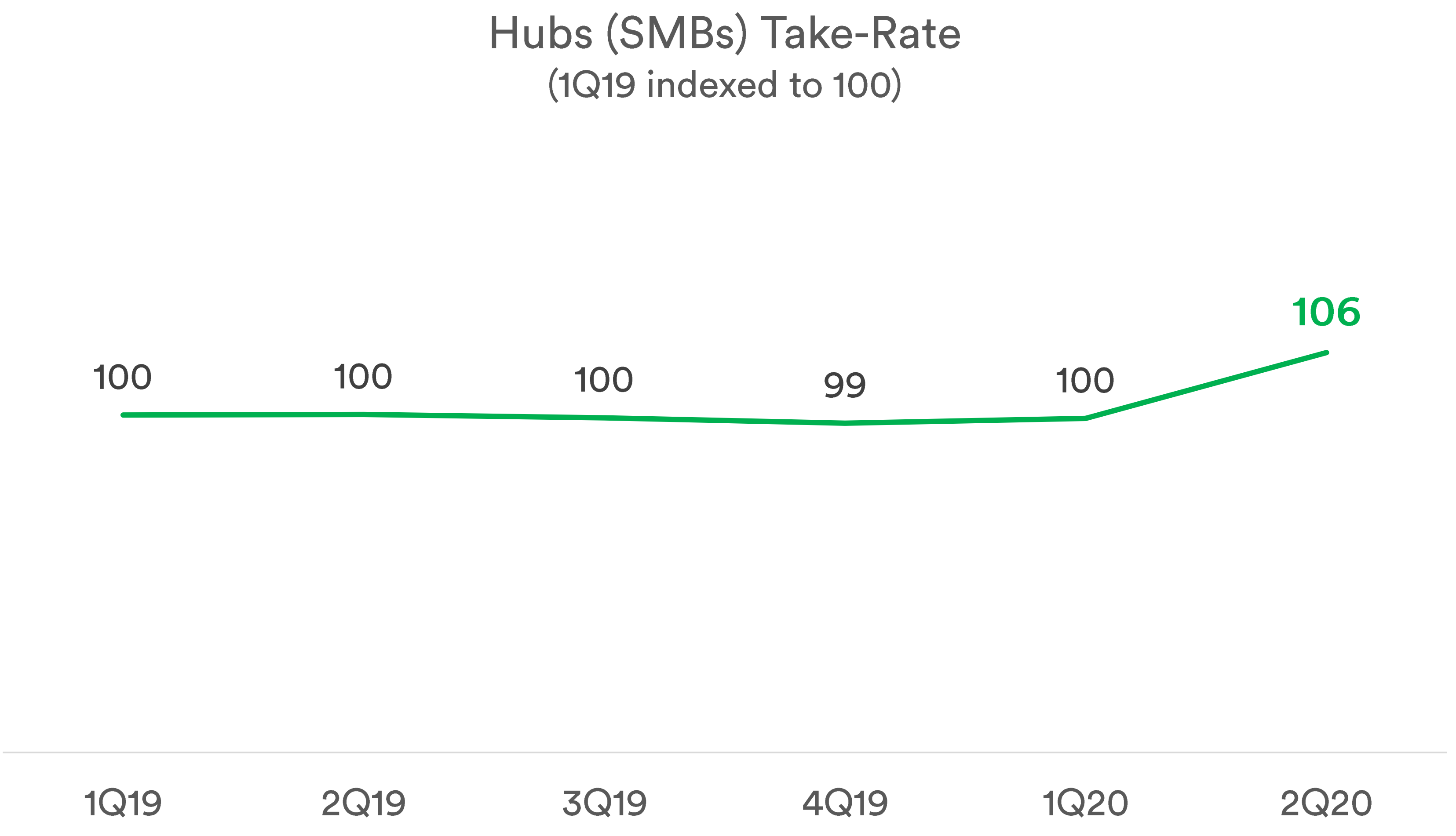
Coronavouchers volumes and financial relief to clients had an impact on overall take-rate…

- Take Rate was **1.67%** in 2Q20, mostly explained by **-10 bps from COVID-19 impact** in 2Q20
  - -7bps from Coronavoucher volumes (debit-like transactions with lower take rate)
  - -3bps from COVID-19 related incentives
- Take rate excluding COVID-19 impact, was **1.77%** in 2Q20
  - -4 bps q/q explained mainly by **stronger volumes from integrated partners** and **digital accounts**[1]



…However, take-rate in the hubs is increasing

- Take-rate in the hubs are **+6%** q/q and **6%** y/y, as we succeed in rolling out new solutions to the bricks-and-mortar SMB clients



Notes:
(1) Take-rate decrease also explained by slightly stronger mix of debit over credit, among other factors.

Regulatory Changes and Opportunities in Brazilian Financial Market

Uniquely positioned to compete leveraging on our differentiated technology and proximity with clients

Instant payments (PIX)

- Promotes **higher penetration of electronic payments** over cash, increasing our TAM
- **Proprietary API-driven open banking platform** will enable Stone to offer PIX to SMBs and digital clients and banking-as-a-service infrastructure to integrated partners
- Best positioned to **simplify PIX payments** for merchants with **technology & security**
  - **Digital account** directly connected to the Central Bank infrastructure (SPI)
  - **POS device** for capturing in-store PIX transactions (QR code) with fraud protection
  - **Enable e-commerce** PIX transactions
  - **Disrupt *Boletos*,** enabling merchants and final consumers to add a payment option faster and cheaper
- Opportunity to **monetize the transactions** offering value proposition to our clients

Receivables registration

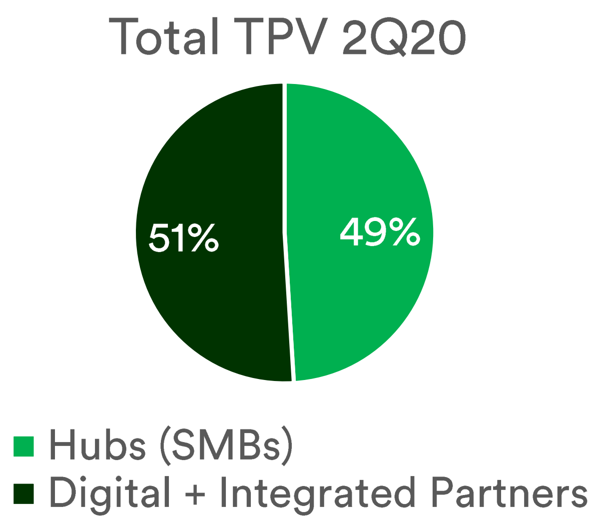
- **Built agnostic proprietary platform** to serve Stone and other market participants
- **Opportunity to expand** our working capital addressable market by leveraging on our hyperlocal distribution to
  - Prepay receivables from **all merchants,** including clients outside Stone ecosystem
  - Give more flexibility and **security to offer credit to all merchants**, locking the receivables and reducing risks

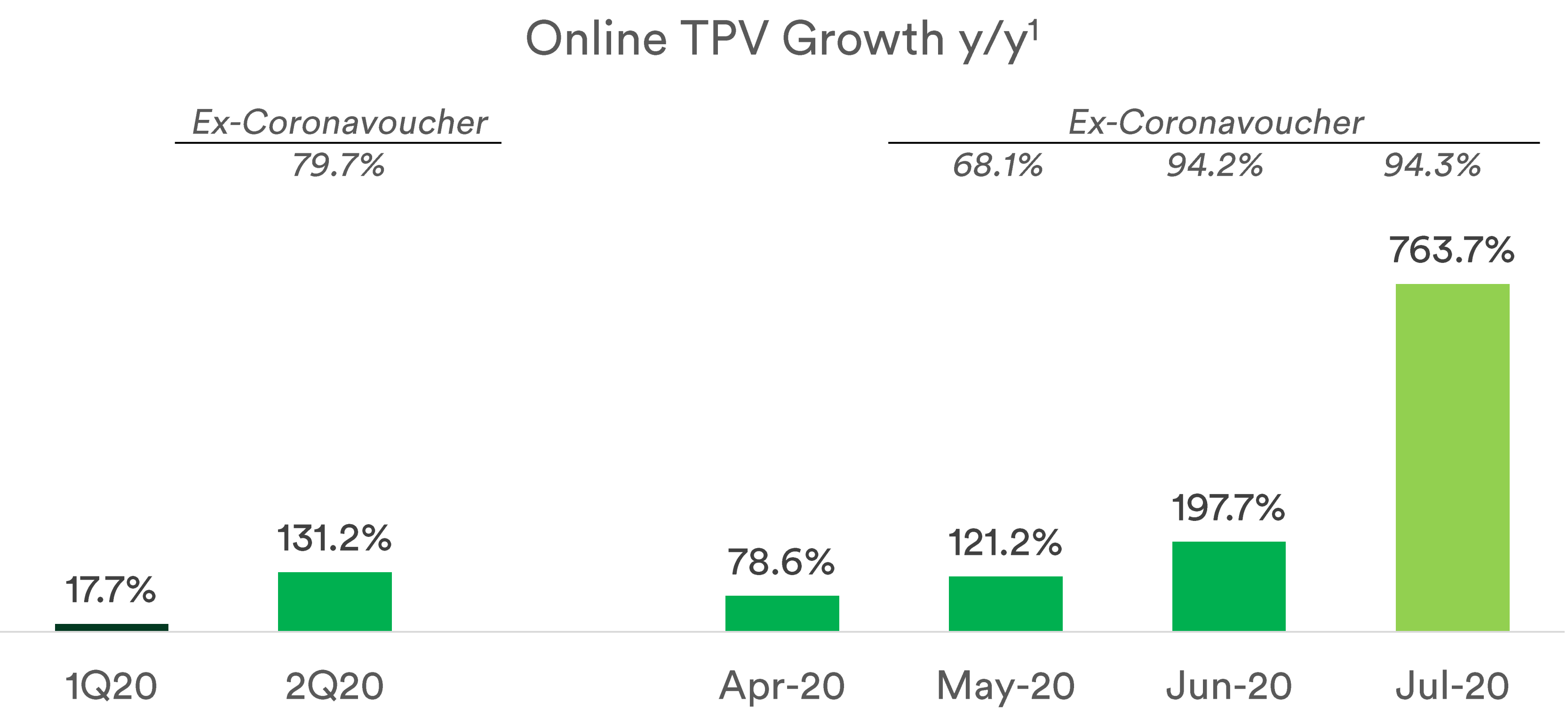
Digital and Integrated Partners Are Accelerating Growth

Expanding our presence in digital commerce

Online TPV continues to grow strong…

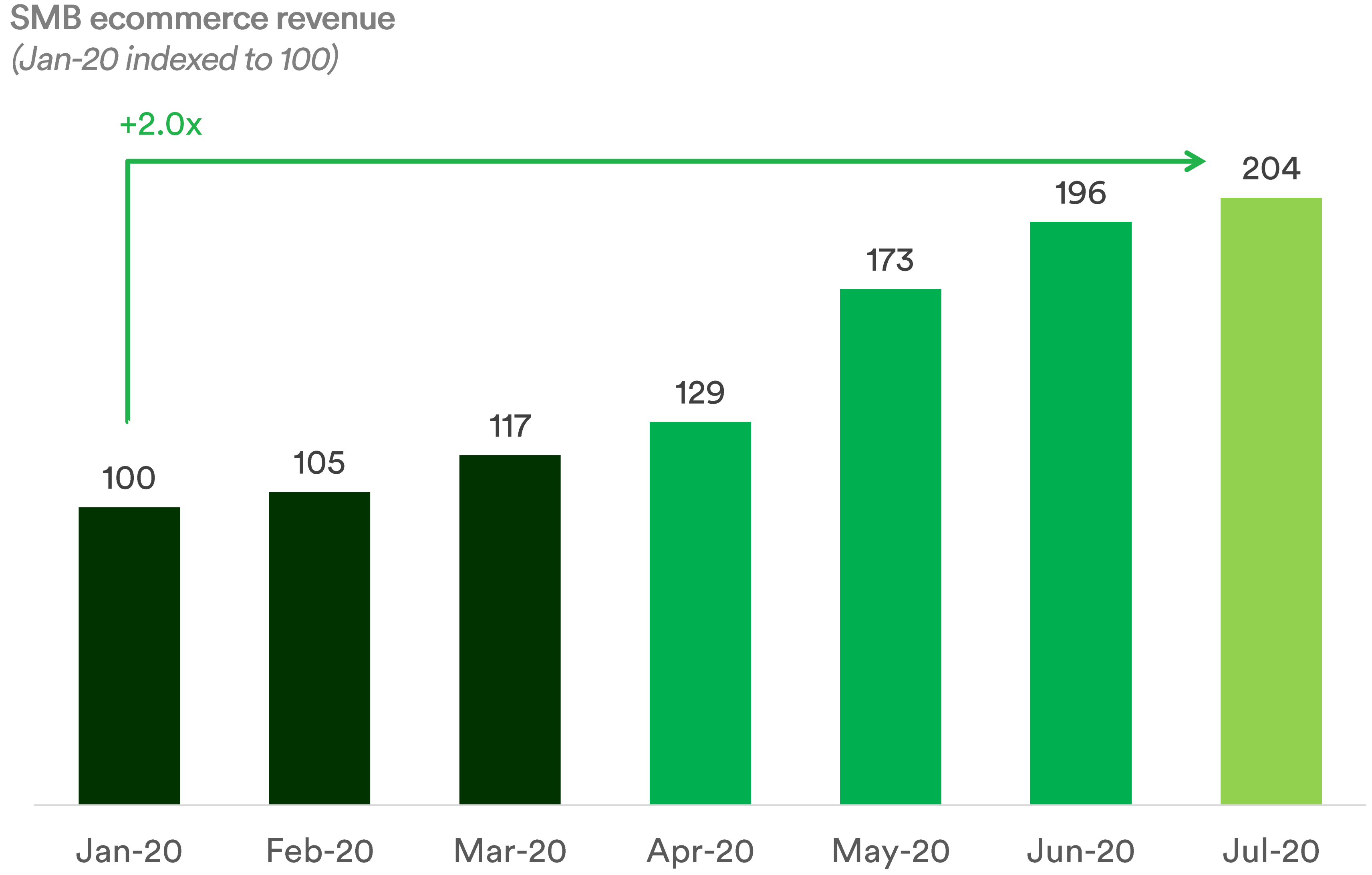
- Online TPV[1] growth of **763.7%** y/y in Jul-20 (**94.3%** ex-Coronavoucher volumes)
- **Coronavoucher** government relief payments through our Integrated Partners amounted **R$2bn** in 2Q20 and **R$9bn** in Jul-20, with **positive impact to revenue,** despite lower take-rate





…Driving also SMB ecommerce revenue growth

- eCommerce revenue from SMBs, the **most profitable for the segment**, is accelerating through Jul-20, more than doubling since the start of 2020



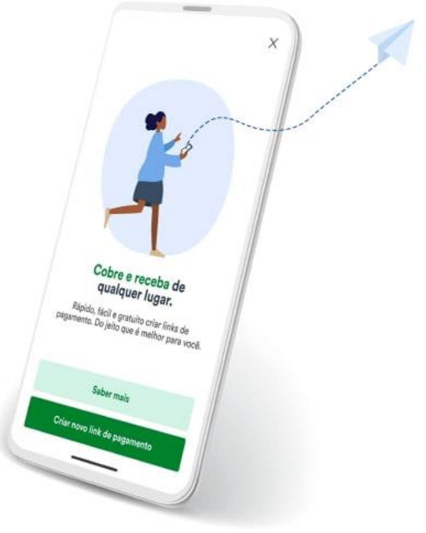
Notes:
(1) Card not present transactions.

Digital Banking Services Update

Record growth in accounts & transactions after intensifying investments

Scaling our banking platform

- ✔ **Record addition of accounts** and growth in Jul-20: **285,000** accounts, addition of **+37,000**, **15%** m/m
  - ✔ Of which **67,000** clients already on ABC platform as of Jul-20
- ✔ ~**1/4** of clients **liquidating directly in the Stone account**
- ✔ **Successful integrations to Partners** through our public APIs, offering banking-as-a-service solutions in addition to serving our SMB operations

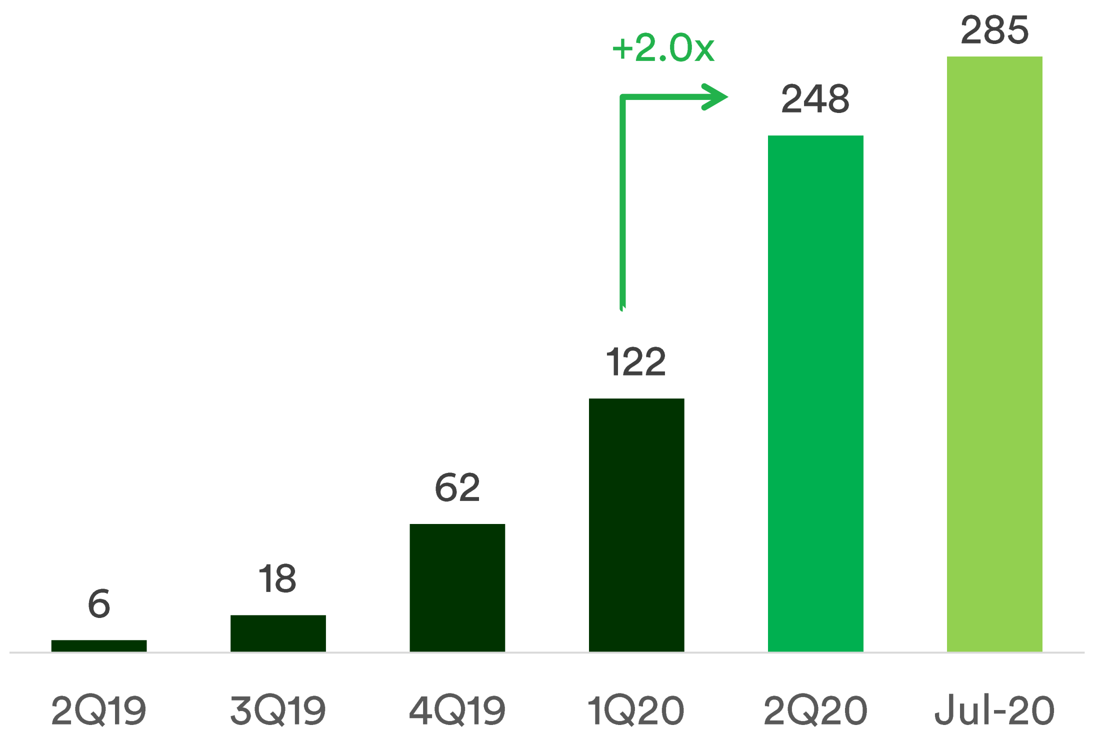


Continued traction

Number of Transactions[1]	Total Banking Revenue	Number of Accounts
+5.0x	**+3.4x**	**+2.0x**
m/m as of Jul-20	m/m as of Jul-20	Q/Q

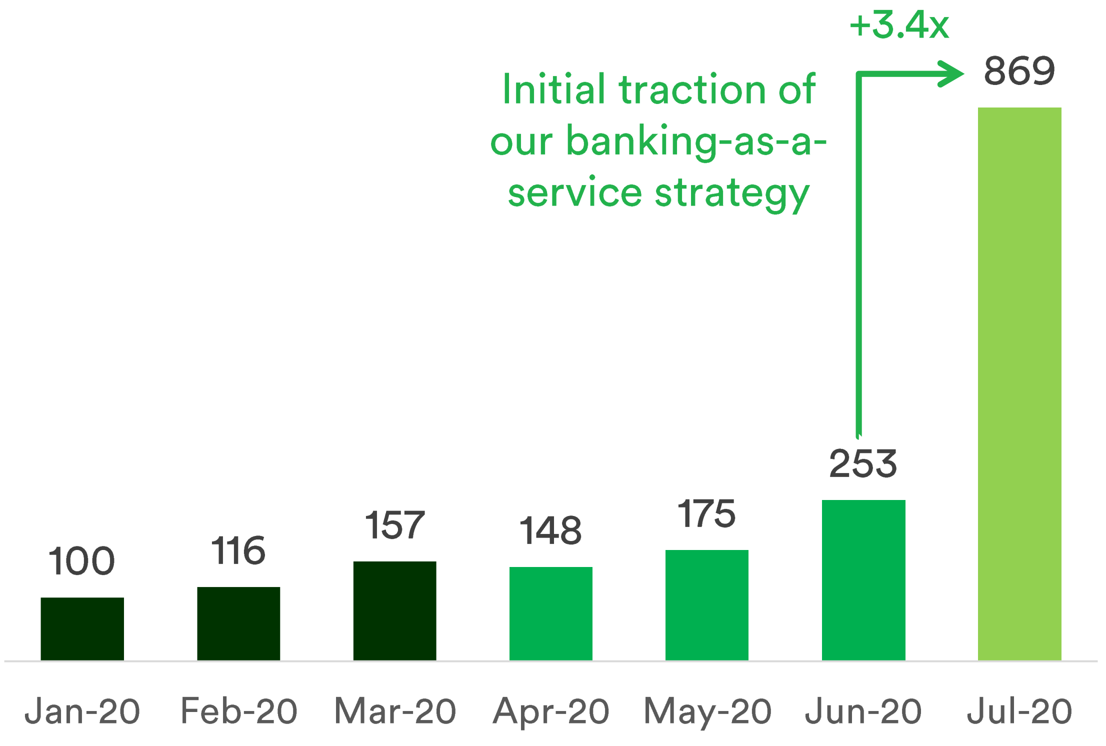
Number of accounts

(in thousands)



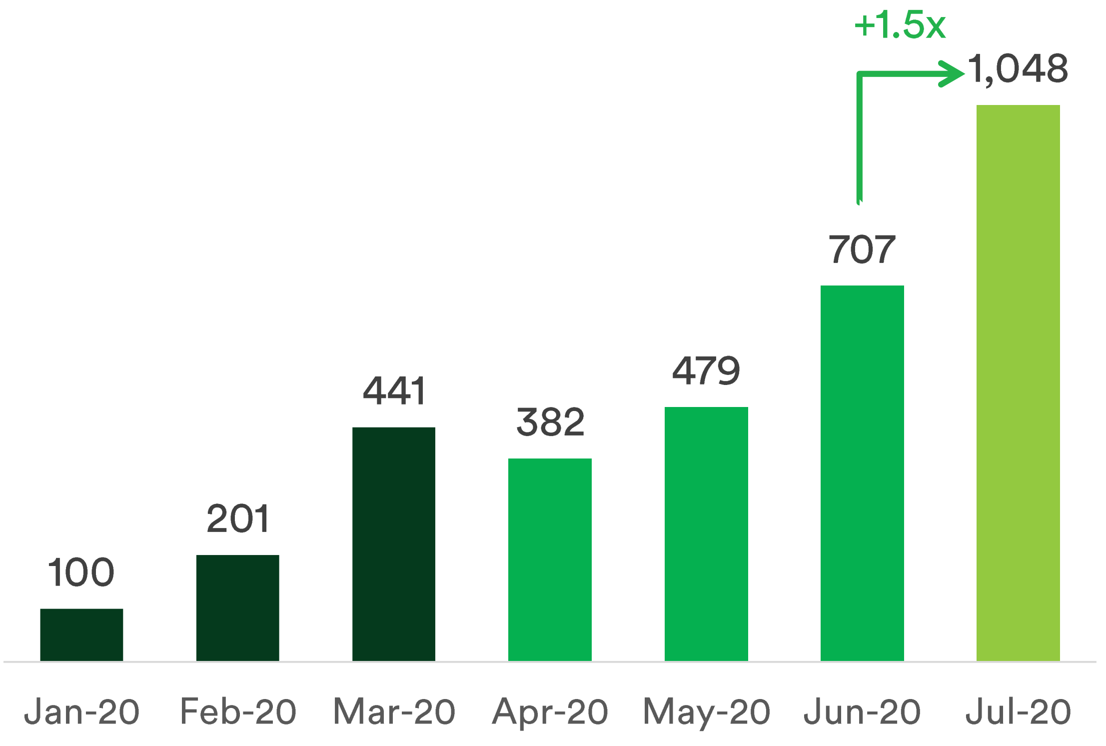
Revenue per month

(Indexed to 100)



Total pre-paid card TPV

(Indexed to 100)



(1) Includes wire transfers, boletos paid and cash withdrawals.

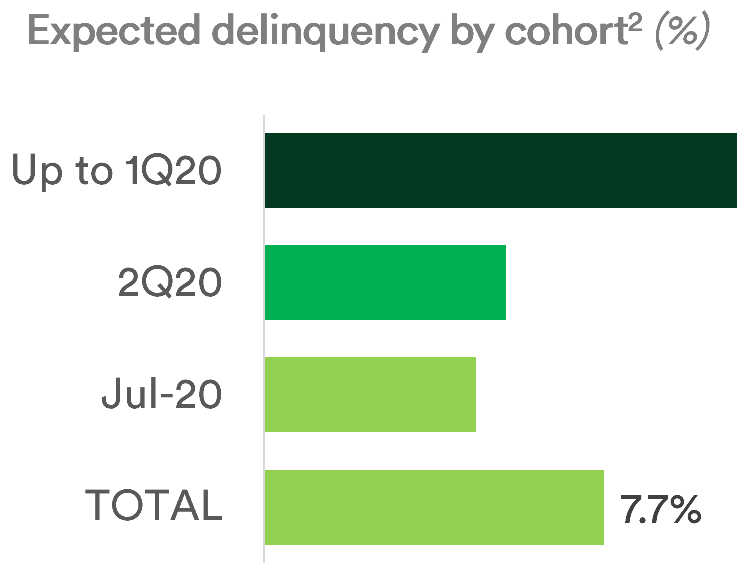
Credit Solution Update

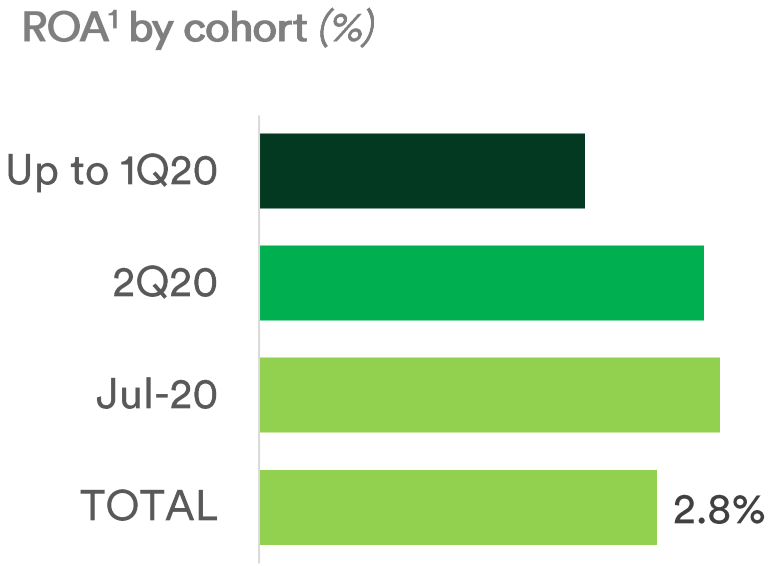
Disciplined portfolio growth with healthy cohorts

We have intensified investments in credit

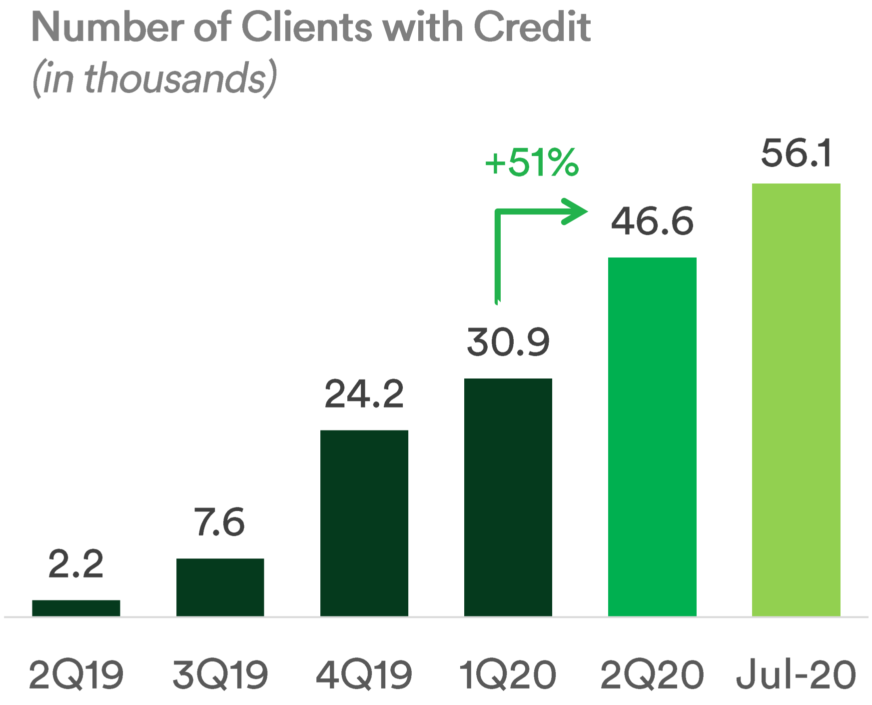
- Reached **56,100** credit clients in Jul-20
- Credit portfolio of **R$626mm** in Jul-20
- ROA[1] of **2.8%** per month for total portfolio in Jul-20
- **Portfolio delinquency trending down** at mid single digit for Jul-20 cohort
- **39%** of **credit portfolio** in 2Q20 are from the State capitals, the rest are **widespread in over 1,600 cities**

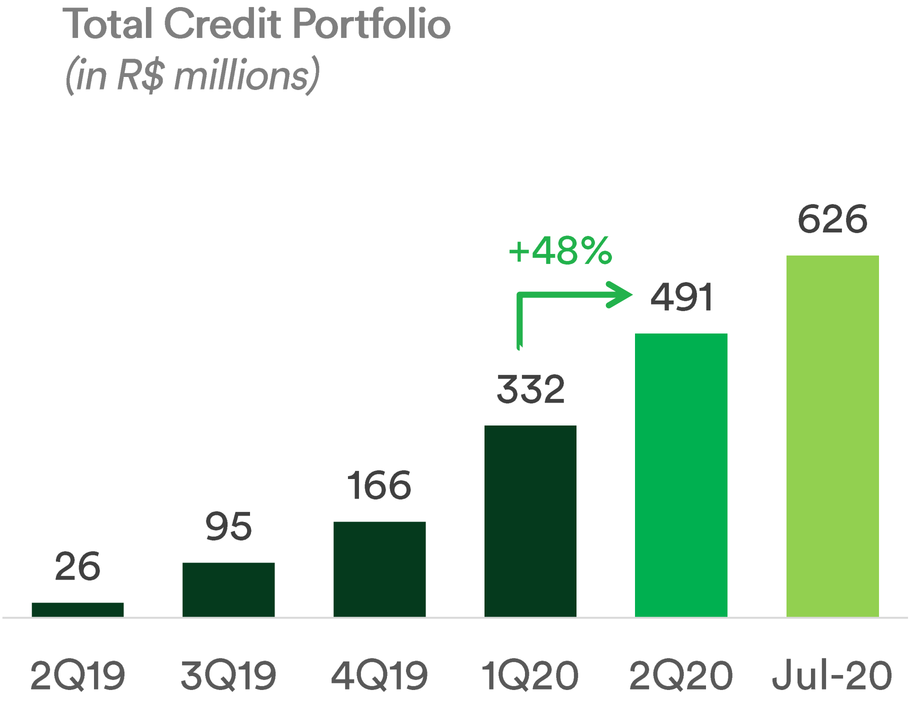
Balancing risk, profitability and growth



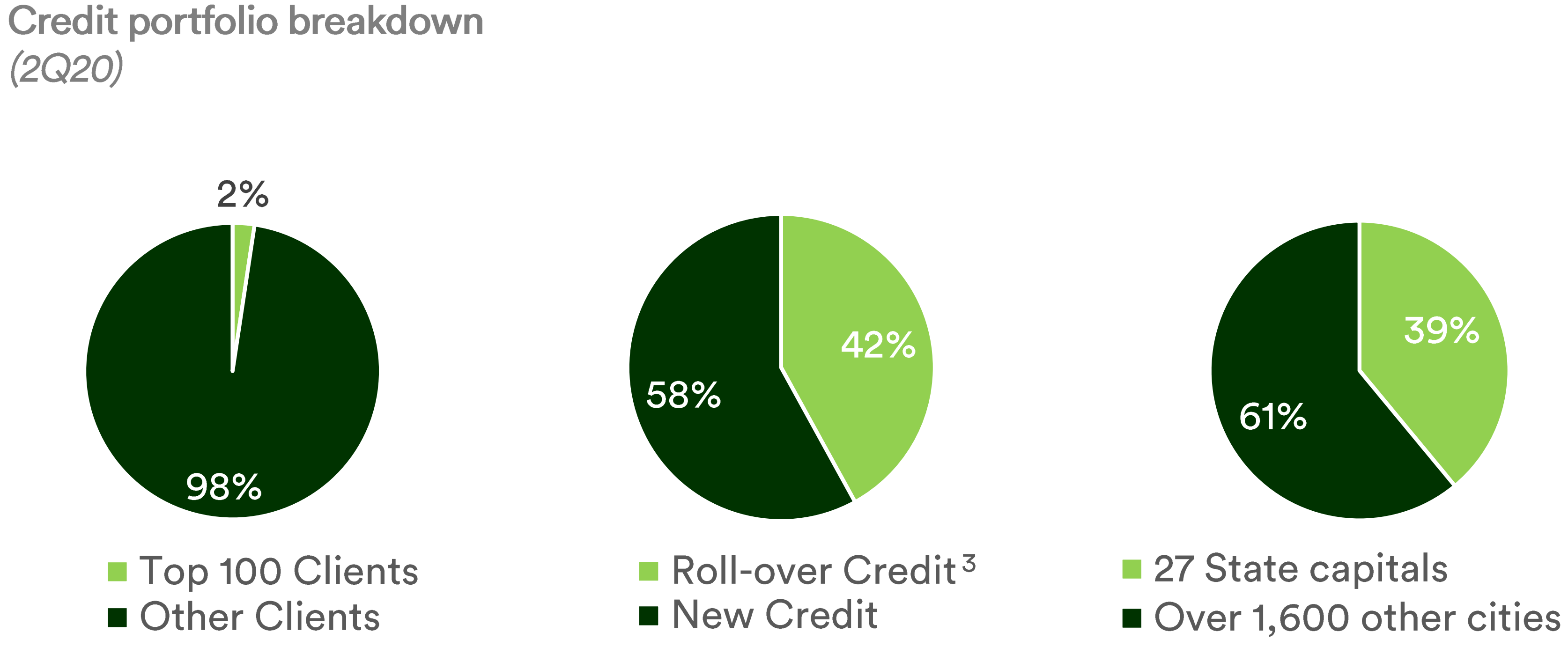


Scaling fast, with discipline, despite COVID-19





Healthy credit portfolio



(1) Monthly net returns (net of expected losses) for the credit disbursements.
(2) Expected delinquency levels as of Jul-20. Older cohorts were more impacted by COVID-19, whereas new cohorts were already originated with a new credit policy.
(3) Clients that successfully paid all their credit balance and hired new additional credit, building credit history.

Software Strategy Update

Many of our solutions accelerated growth during COVID-19

Strategy update

- ✔ Annualized pro-forma software revenue[1] of over **R$100mm** in 2Q20
- ✔ Software client base increased **83%** q/q in 2Q20, mainly driven by investments in new portfolio companies
- ✔ Examples of solutions that **accelerated growth** during the quarantine
  - ✔ mLabs number of social media posts grew over **70%** in Jul-20 compared to Jan-20
  - ✔ Delivery Much GMV grew over **100%** in Jul-20 compared to Jan-20

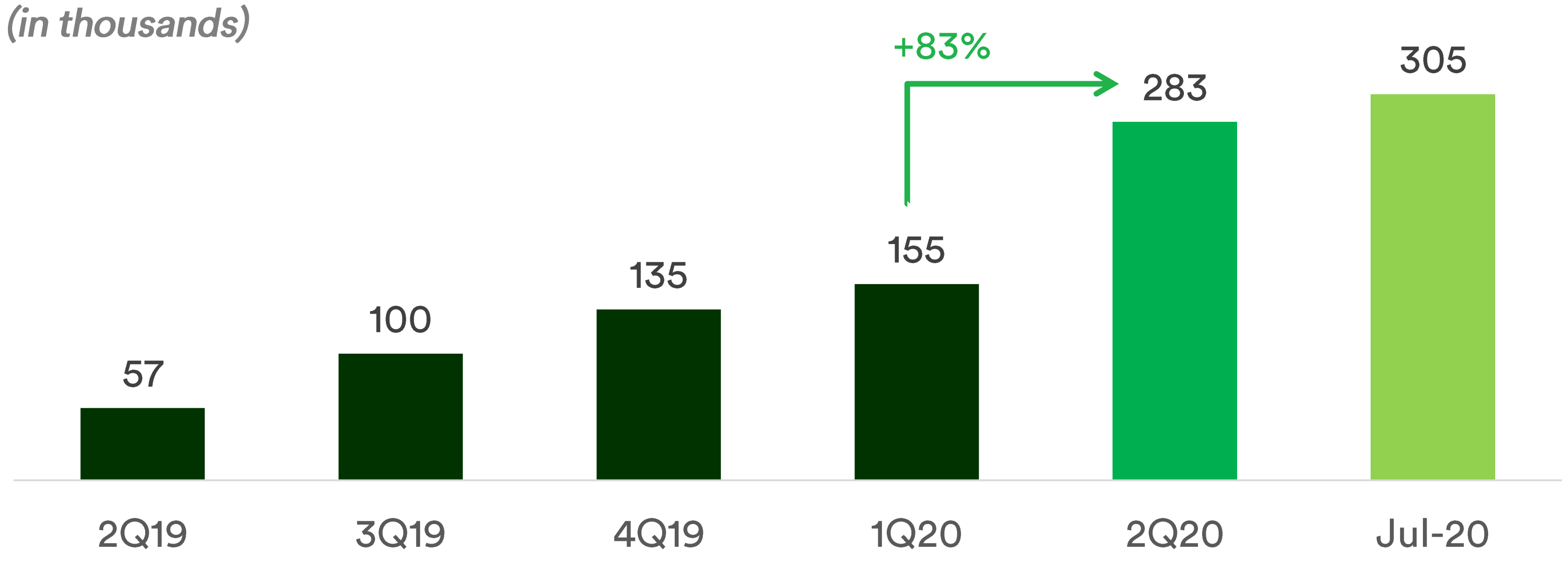
Client growth across all segments

(Growth %, Mar-20 vs Jul-20)

Customer Engagement	Core Payments + Essential Services	Marketplace Services	POS/ERP	Beauty
+82%	**+48%**	**+40%**	**+5%**	**+5%**

Accelerated total software client base growth

(in thousands)



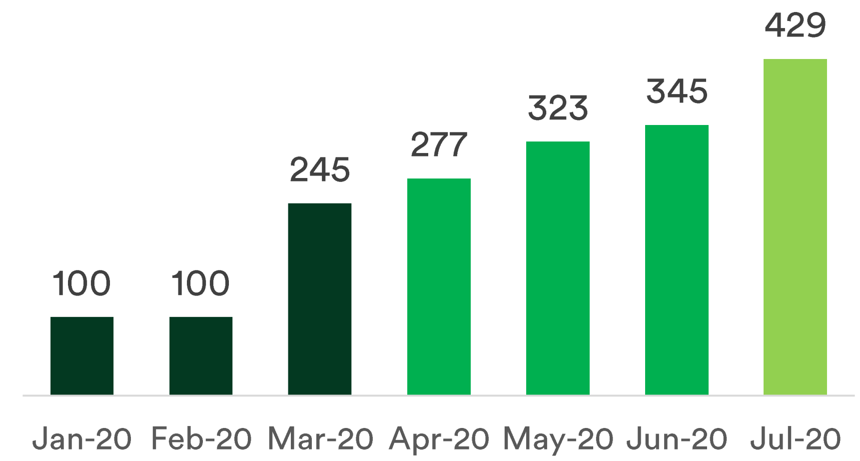
Integrating software and ABC Platform

vhsys

Generic POS/ERP

- ✔ Invested in Apr-19
- ✔ **Full integration** of Acquiring and Banking products

Number of Payments Clients Onboarded by VHsys (Jan-20 indexed to 100)



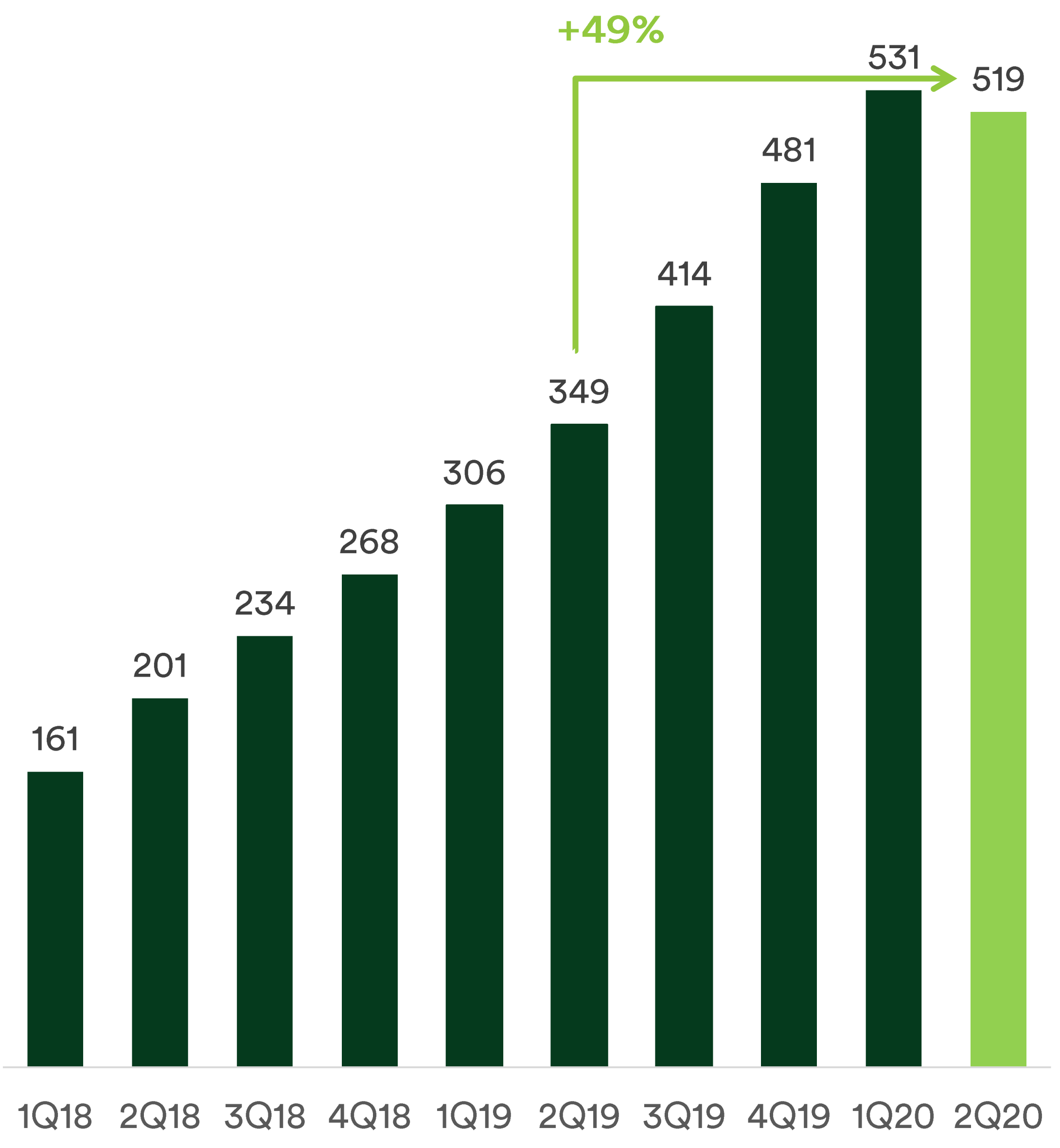
Notes:
(1) Considers 100% of the revenue from all portfolio companies even though we own less than 100% of some companies.

Healthy Growth During Challenging Times

Financial and operating metrics

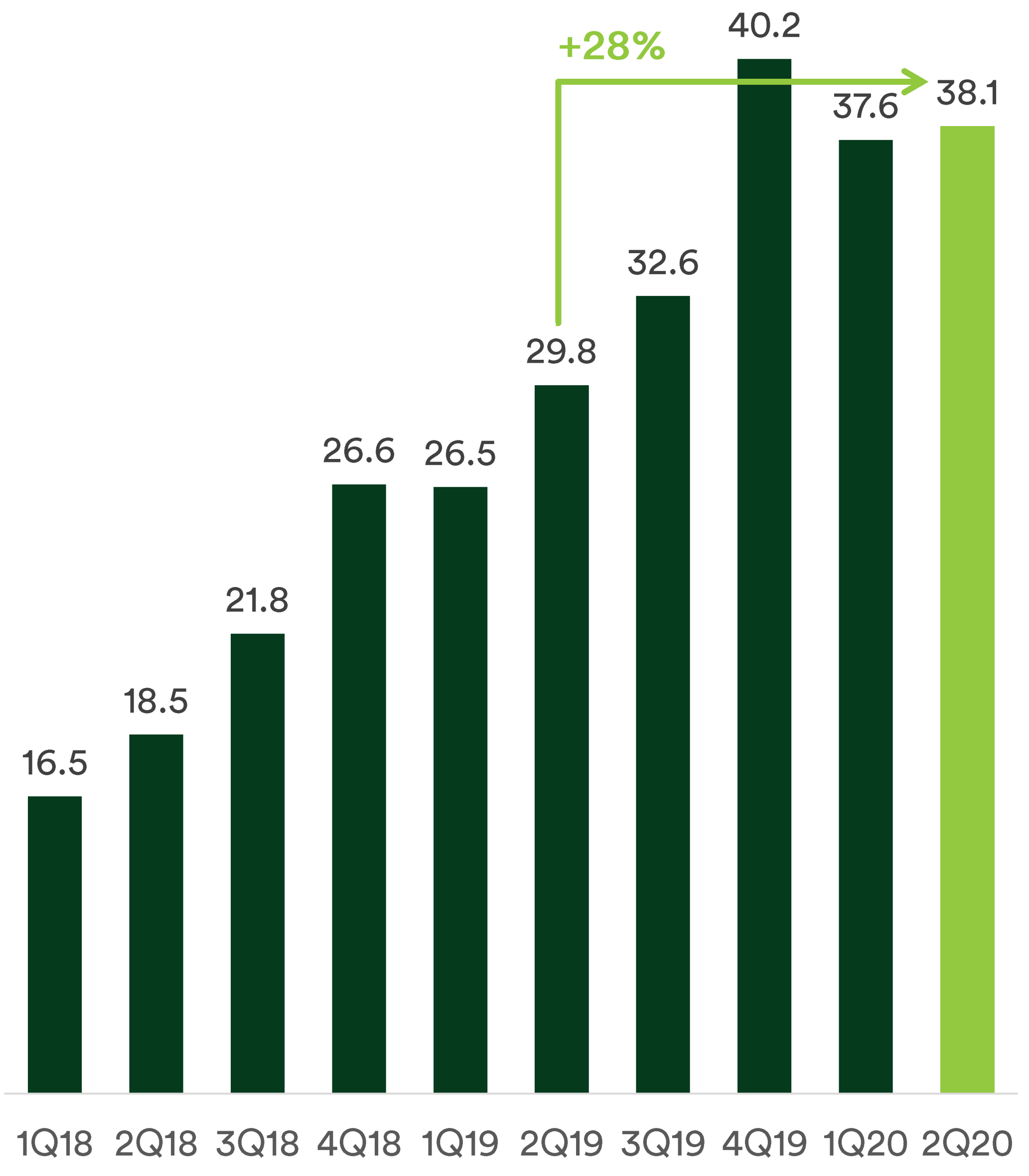
Active Clients – Payments[1]

(Thousands, ex-TON / Stone Mais)



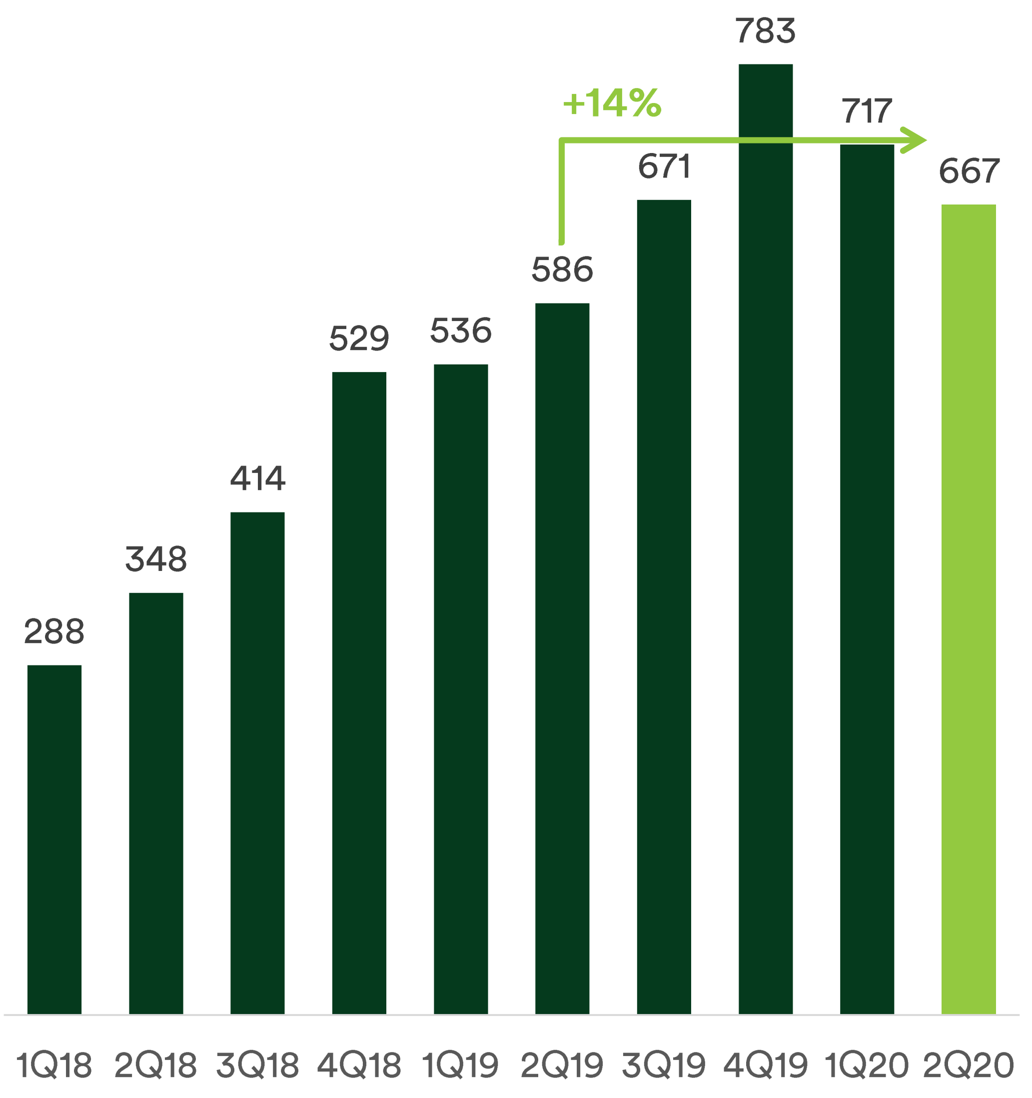
Total Payment Volume

(R$ in billions)



Total Revenue and Income

(R$ in millions)



Notes:
(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 35,200 active clients in 2Q20 (clients that have transacted with TON at least once in the preceding 12 months).

Summary Statement of Profit and Loss

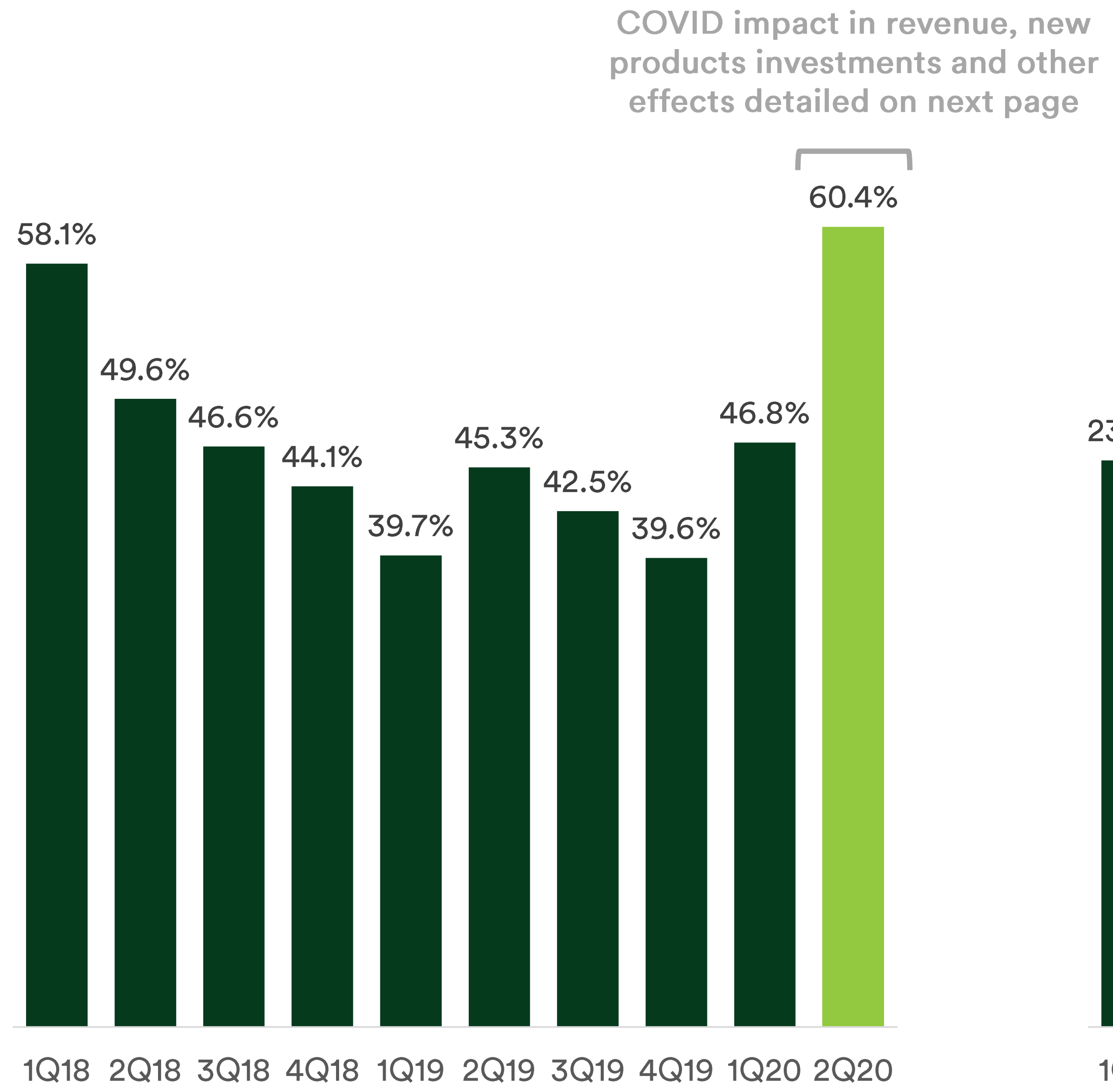
R$ in millions	2Q19	% Rev.	2Q20	% Rev.	Δ %	Δ p.p.	1H19	% Rev.	1H20	% Rev.	Δ %	Δ p.p.
Transaction activities and other services	177.3	*30.2%*	227.5	*34.1%*	28.3%	3.8 p.p.	346.0	*30.8%*	454.8	*32.9%*	31.4%	2.0 p.p.
Subscription services and equipment rental	74.6	*12.7%*	80.4	*12.1%*	7.8%	(0.7 p.p.)	145.8	*13.0%*	173.6	*12.5%*	19.1%	(0.5 p.p.)
Financial income	297.2	*50.7%*	326.6	*48.9%*	9.9%	(1.8 p.p.)	548.6	*48.9%*	685.9	*49.6%*	25.0%	0.7 p.p.
Other financial income	37.1	*6.3%*	32.9	*4.9%*	(11.4%)	(1.4 p.p.)	81.5	*7.3%*	69.9	*5.0%*	(14.3%)	(2.2 p.p.)
Total revenue and income	**586.2**	*100.0%*	**667.4**	*100.0%*	**13.8%**	**0.0 p.p.**	**1,122.0**	*100.0%*	**1,384.1**	*100.0%*	**23.4%**	**0.0 p.p.**
Cost of services	(100.8)	*(17.2%)*	(198.7)	*(29.8%)*	97.2%	(12.6 p.p.)	(186.2)	*(16.6%)*	(348.7)	*(25.2%)*	87.3%	(8.6 p.p.)
Administrative expenses	(77.4)	*(13.2%)*	(89.9)	*(13.5%)*	16.2%	(0.3 p.p.)	(142.1)	*(12.7%)*	(163.9)	*(11.8%)*	15.3%	0.8 p.p.
Selling expenses	(87.3)	*(14.9%)*	(114.7)	*(17.2%)*	31.4%	(2.3 p.p.)	(150.0)	*(13.4%)*	(226.5)	*(16.4%)*	51.0%	(3.0 p.p.)
Financial expenses, net	(78.8)	*(13.4%)*	(62.6)	*(9.4%)*	(20.5%)	4.1 p.p.	(145.4)	*(13.0%)*	(211.0)	*(15.2%)*	45.1%	(2.3 p.p.)
Other operating income (expense), net	(32.3)	*(5.5%)*	(40.1)	*(6.0%)*	24.0%	(0.5 p.p.)	(43.8)	*(3.9%)*	(43.6)	*(3.1%)*	(0.5%)	0.8 p.p.
(Loss) income from investment in associates	(0.5)	*(0.1%)*	(1.5)	*(0.2%)*	190.9%	(0.1 p.p.)	(0.5)	*(0.0%)*	(2.8)	*(0.2%)*	432.7%	(0.2 p.p.)
Profit (loss) before income taxes	**209.1**	*35.7%*	**159.8**	*24.0%*	**(23.6%)**	**(11.7 p.p.)**	**454.0**	*40.5%*	**387.8**	*28.0%*	**(14.6%)**	**(12.4 p.p.)**
Income tax and social contribution	(37.3)	*(6.4%)*	(36.2)	*(5.4%)*	(2.8%)	0.9 p.p.	(105.1)	*(9.4%)*	(105.5)	*(7.6%)*	0.4%	1.7 p.p.
Net income (loss) for the period	**171.9**	*29.3%*	**123.6**	*18.5%*	**(28.1%)**	**(10.8 p.p.)**	**348.9**	*31.1%*	**282.2**	*20.4%*	**(19.1%)**	**(10.7 p.p.)**
Adjusted Net Income[1]	**194.0**	*33.1%*	**150.3**	*22.5%*	**(22.5%)**	**(10.6 p.p.)**	**380.3**	*33.9%*	**312.6**	*22.6%*	**(17.8%)**	**(11.3 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.

Operating Leverage and Profitability

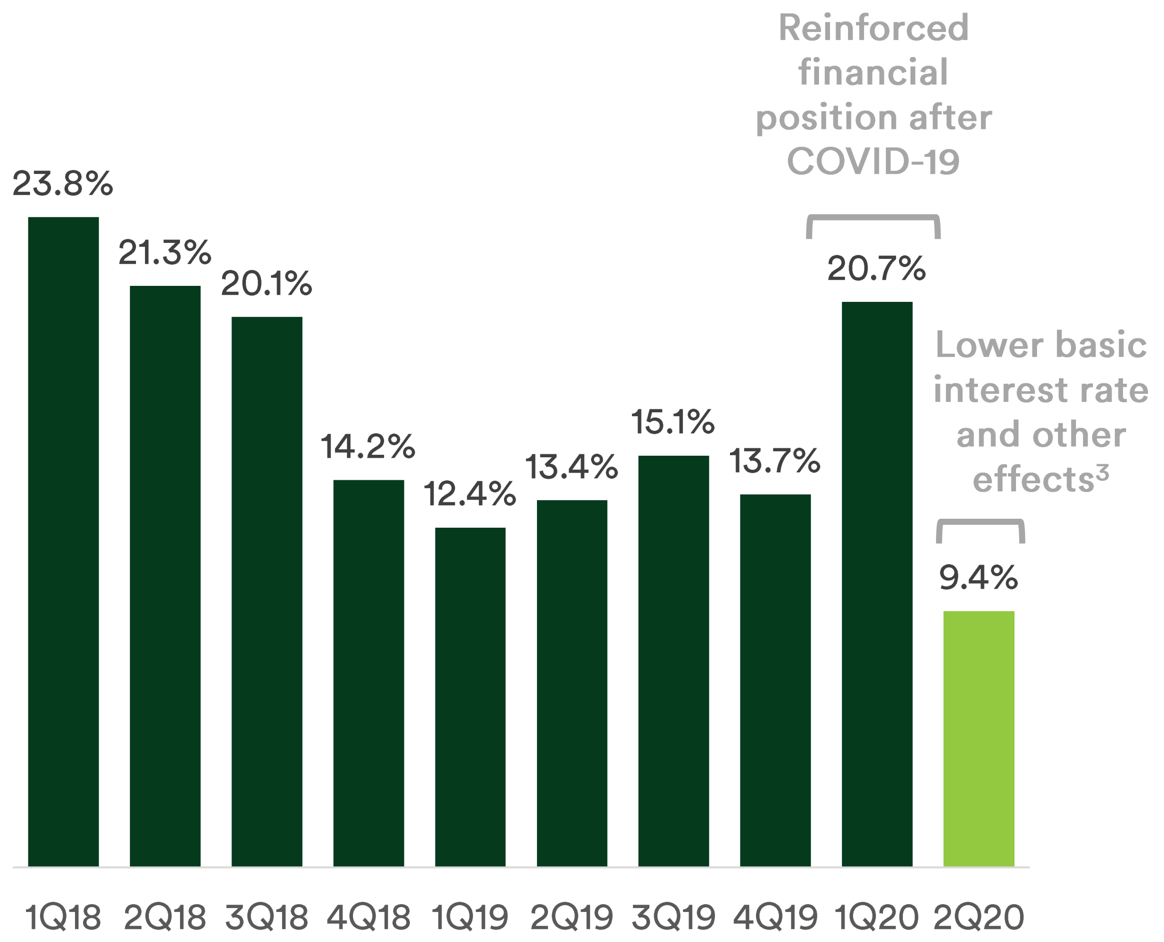
Total Costs and Expenses[1]

(as % of Total Revenue and Income)



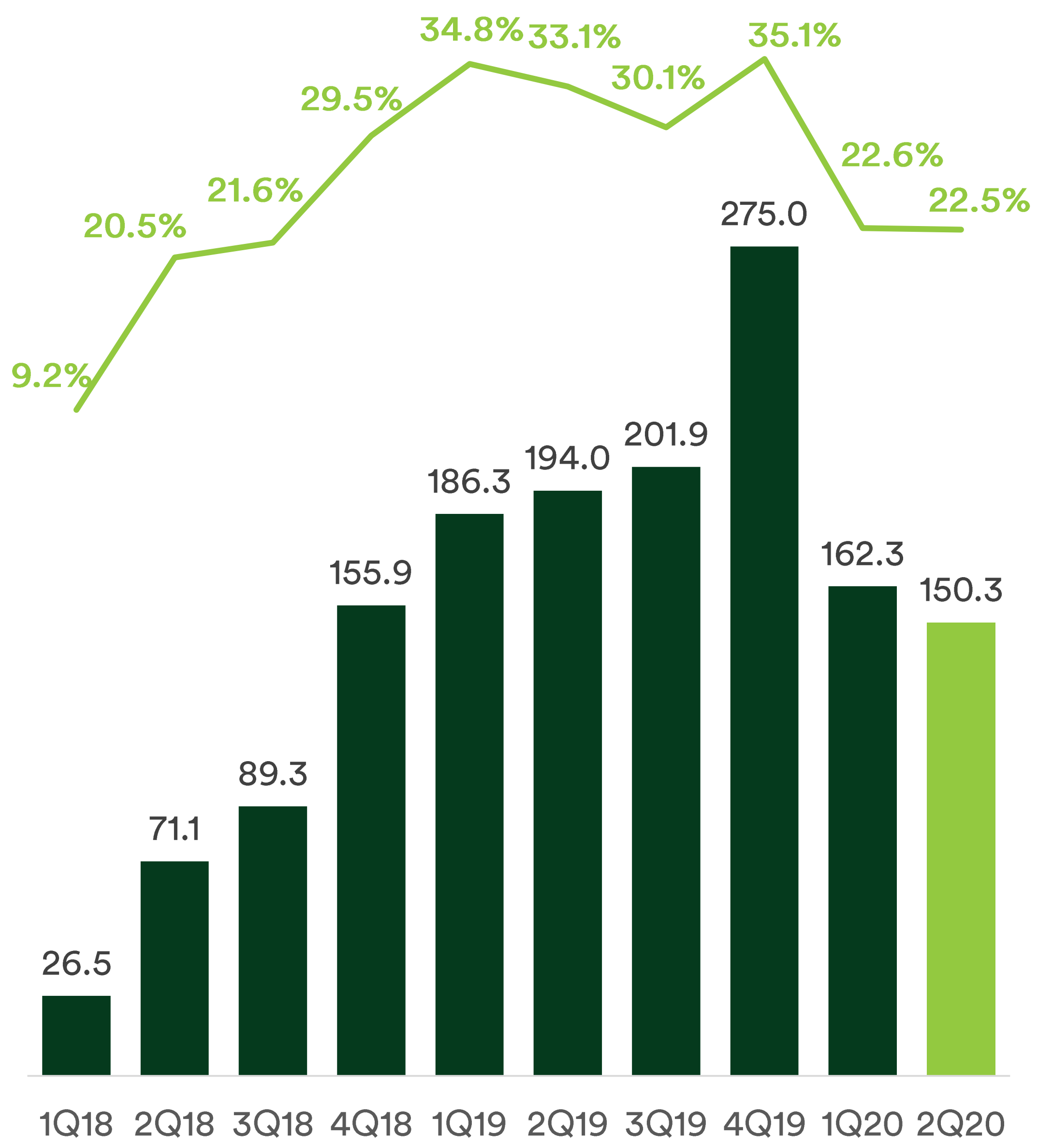
Financial Expenses

(as % of Total Revenue and Income)



Adjusted Net Income and Margin[2]

(R$ in millions)



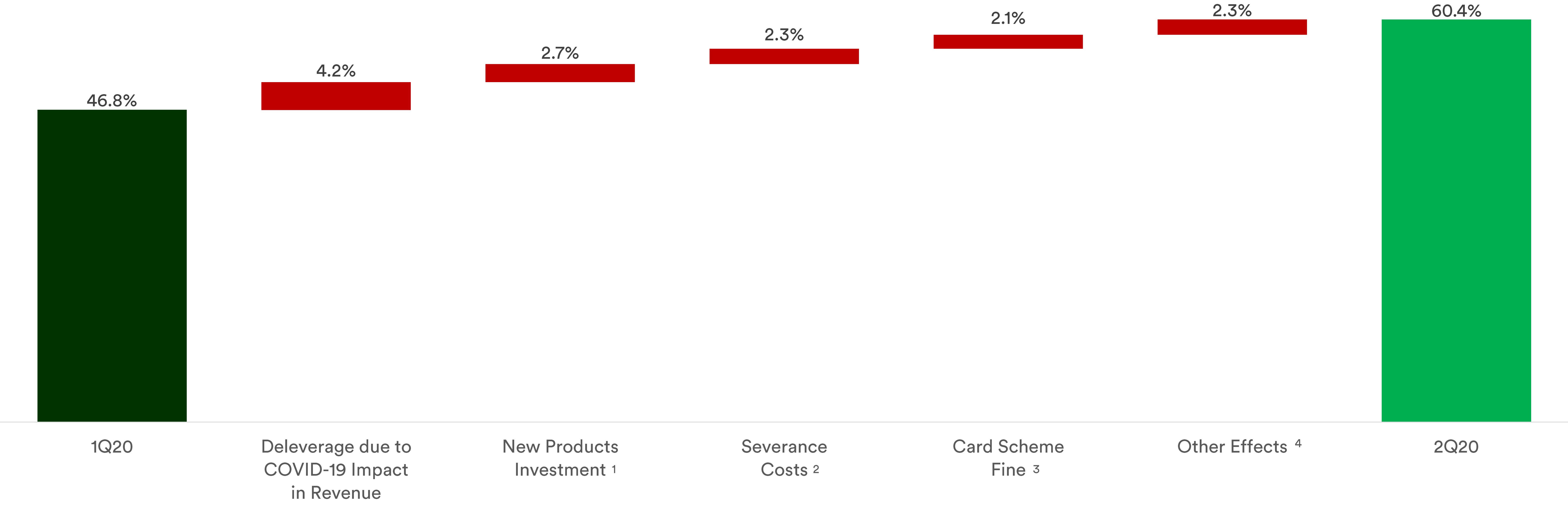
Notes:
(1) Total Costs and Expenses as % of Total Revenue and Income. Includes Cost of Services, Administrative Expenses and Selling Expenses.
(2) Adjusted Net Income and Adjusted Net Margin are non-IFRS financial measures. Please see the appendix for a reconciliation of this non-IFRS financial measure to the most directly comparable IFRS financial measures.
(3) Higher proportion of own capital to fund prepayment and credit operations compared to 1Q20.

Total Costs and Expenses Evolution

Operating leverage improvement expected for 3Q20

Total Costs and Expenses Bridge Q/Q

(as % of Total Revenue and Income)

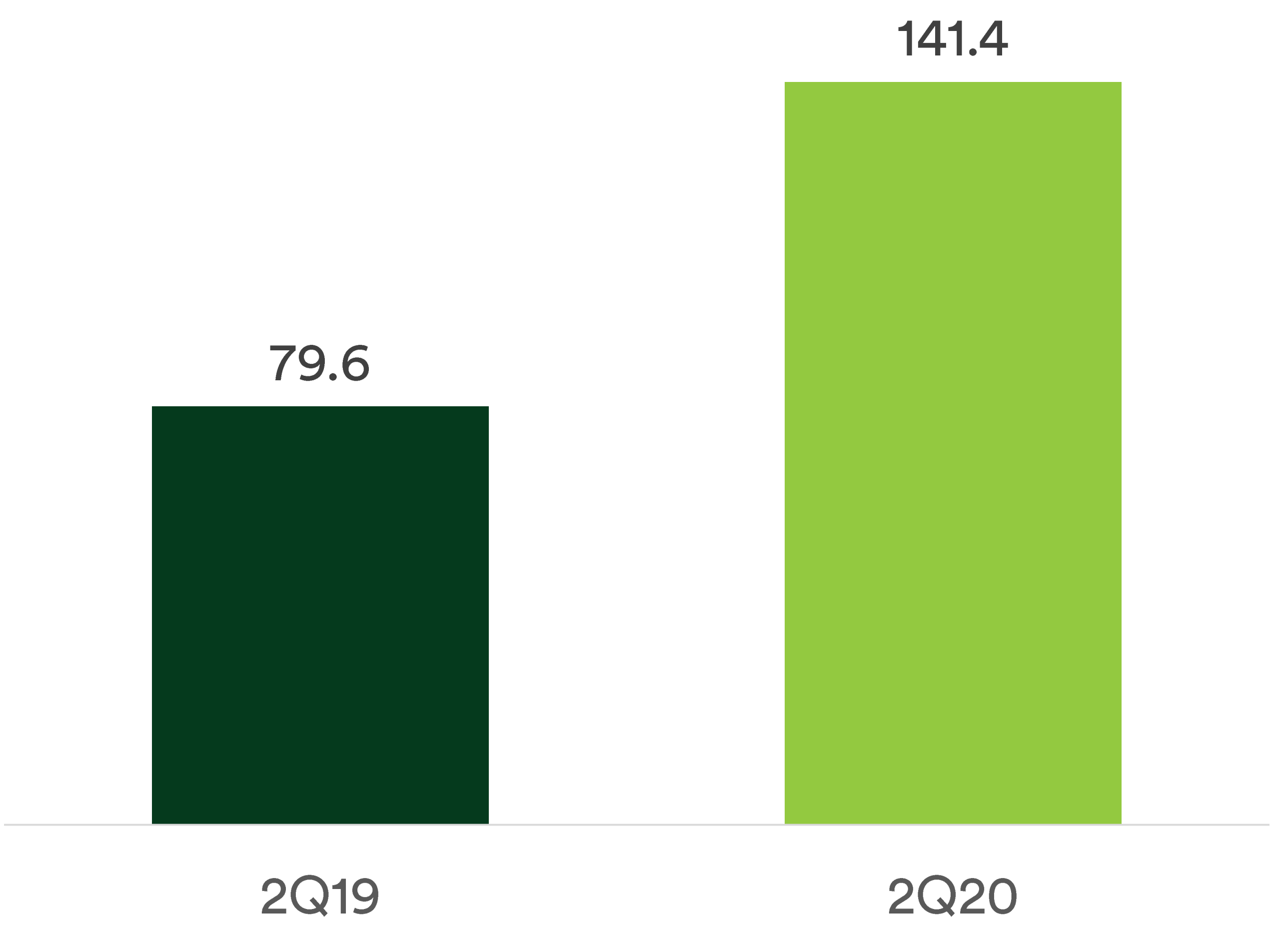


(1) Investments in TON, banking and software solutions, including marketing expenses for our Compre Local campaign.
(2) R$15.2mm in severance costs related to team resizing in May-20.
(3) R$14.0mm one-time fine from a card scheme related to the non-usage of a specific product called 3DS, which we are still discussing.
(4) Includes extra facilities expenses related to the return of workspaces and third-party services expenses, among other.

Adjusted Free Cash Flow and Reconciliation (non-IFRS)

(R$ in millions)

Adjusted Free Cash Flow[1]



Reconciliation of Adjusted free cash flow	2Q19	2Q20	1H19	1H20
Net cash used in operating activities	**(1,883.6)**	**1,121.3**	**(2,178.5)**	**1,483.8**
(-) Adjustments in Operating Activities:				
Accounts receivable from card issuers[2]	*2,128.2*	*271.2*	*3,302.8*	*(1,263.5)*
Accounts payable to clients[2]	*228.4*	*(1,026.7)*	*(241.4)*	*301.1*
Interest income received, net of costs[3]	*(313.2)*	*(311.5)*	*(547.9)*	*(661.1)*
Loans held for sale[4]	*0.0*	*198.5*	*0.0*	*382.3*
Purchases of property and equipment	*(62.4)*	*(90.8)*	*(117.0)*	*(181.0)*
Purchases and development of intangible assets	*(17.7)*	*(20.5)*	*(29.7)*	*(42.5)*
Adjusted free cash flow[1]	**79.6**	**141.4**	**188.3**	**19.1**

(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 in our balance sheet. Originally, the Company receives from issuing banks first, and only then paid 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 itself 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 in our balance sheet.

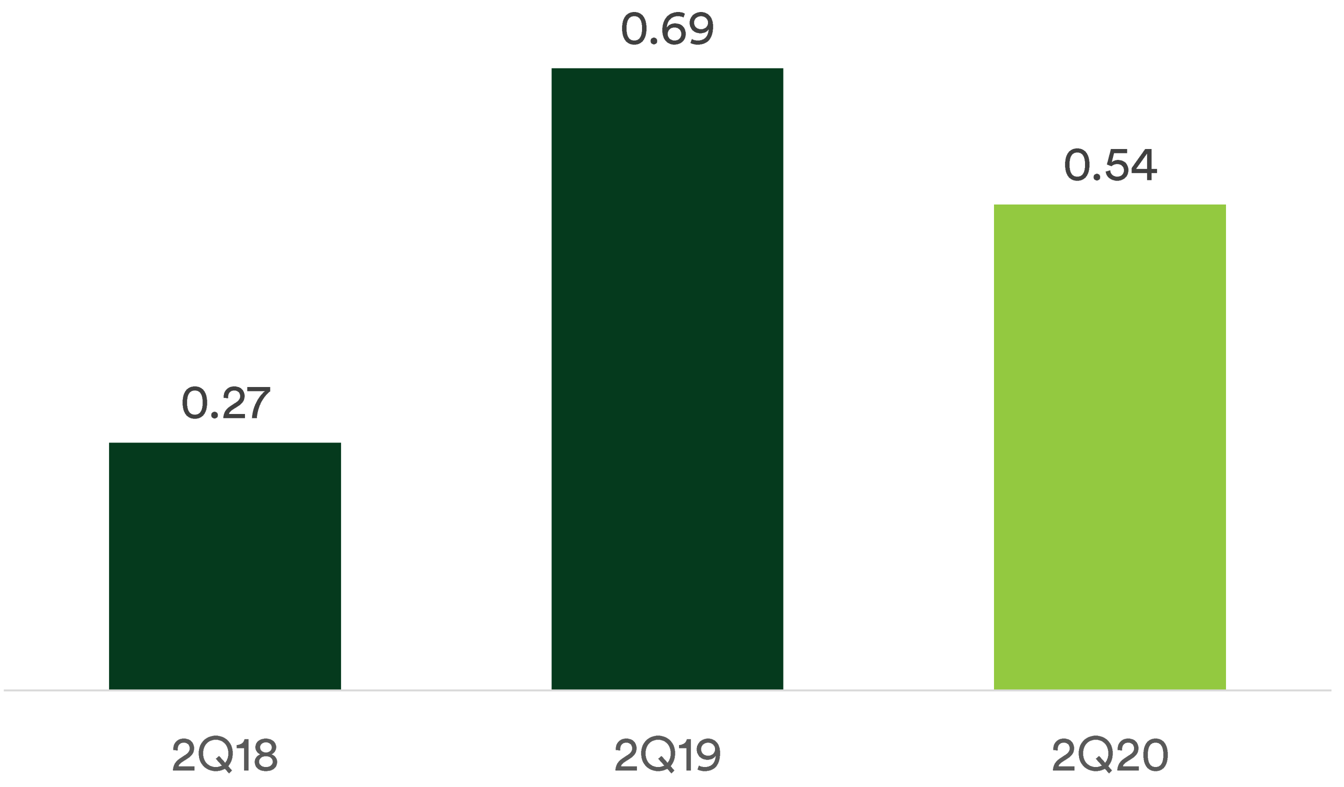
(4) Besides prepayment, the Company has started to offer credit solutions to clients. The company intends to fund its credit operation primarily through third parties (i.e. FIDC and debt), as well as with some own cash. Given the operational nature of our credit business, like in the case of prepayment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

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

R$ in millions	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20
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**
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
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
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)
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
Other expenses [5]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(1.7)	0.0	1.7
Tax effect on adjustments	(0.9)	(3.1)	(7.3)	(11.5)	(4.6)	(10.5)	(5.3)	(6.4)	(1.8)	(13.3)
Adjusted net income	**26.5**	**71.1**	**89.3**	**155.9**	**186.3**	**194.0**	**201.9**	**275.0**	**162.3**	**150.3**

Diluted Adjusted EPS[6]

(R$ per share)



(1) Consists of non-cash expenses related to the vesting of one-time pre-IPO grant 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.
(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. Adjustments consider share-based compensation expenses and amortization of fair value adjustments, in line with previous disclosures

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