



MAR 2022

stone^{co.}

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OUR PURPOSE:

To serve the Brazilian Entrepreneur,
transforming their dreams into results



Financial Services

73% of Revenue¹



Goal:

To be the best financial operating
system for Brazilian merchants



Micro + SMBs (MSMBs)



Key Accounts + Platform Services



Software

18% of Revenue¹



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

1) Does not include R\$181.0 mm of unallocated revenue, including Other Financial Income, revenue from TAG (registry of receivables), among others.

4Q21 Key Messages

1. **Challenging 2021** but **strong growth** and underlying fundamentals remain
2. **Initial recovery from spike in interest rates through repricing**, better positioned to improve profitability going forward
3. **Reorganized the company into Financial Services and Software divisions, and strengthened team** to provide greater execution focus and lead strategic priorities
4. **Positive outlook for 1Q22 and FY2022:** maintain strong growth while improving profitability

4Q21 Financial and Operational Highlights



Financial Services



Software

89.0_{BN¹}

TPV
(+54.5% y/y
ex-coronavoucher)¹

R\$ 492_{THOUSAND}

**Banking active
clients**
(+2.9x y/y)

1.8_{MM}

**Payments Active
Client Base**
(+2.3x y/y)

378_{THOUSAND}

**Payments
Net Adds**
(+3.2x y/y)

R\$ 1.9_{BN}

**Total Revenue
and Income**
(+87.0% y/y²)
(+50.5% y/y *proforma for Linx*)

R\$ 33.7_{MM}

Adj Net Income
(1.8% Adj Net
Margin)

R\$ 328_{MM}

Software Revenue
(+8.1x y/y and +15.7%
y/y *proforma for Linx*)

5.4_{THOUSAND}

**Omnichannel
Stores**

+26.4_{% y/y}

**Core³ Software
business growth**

98.9_%

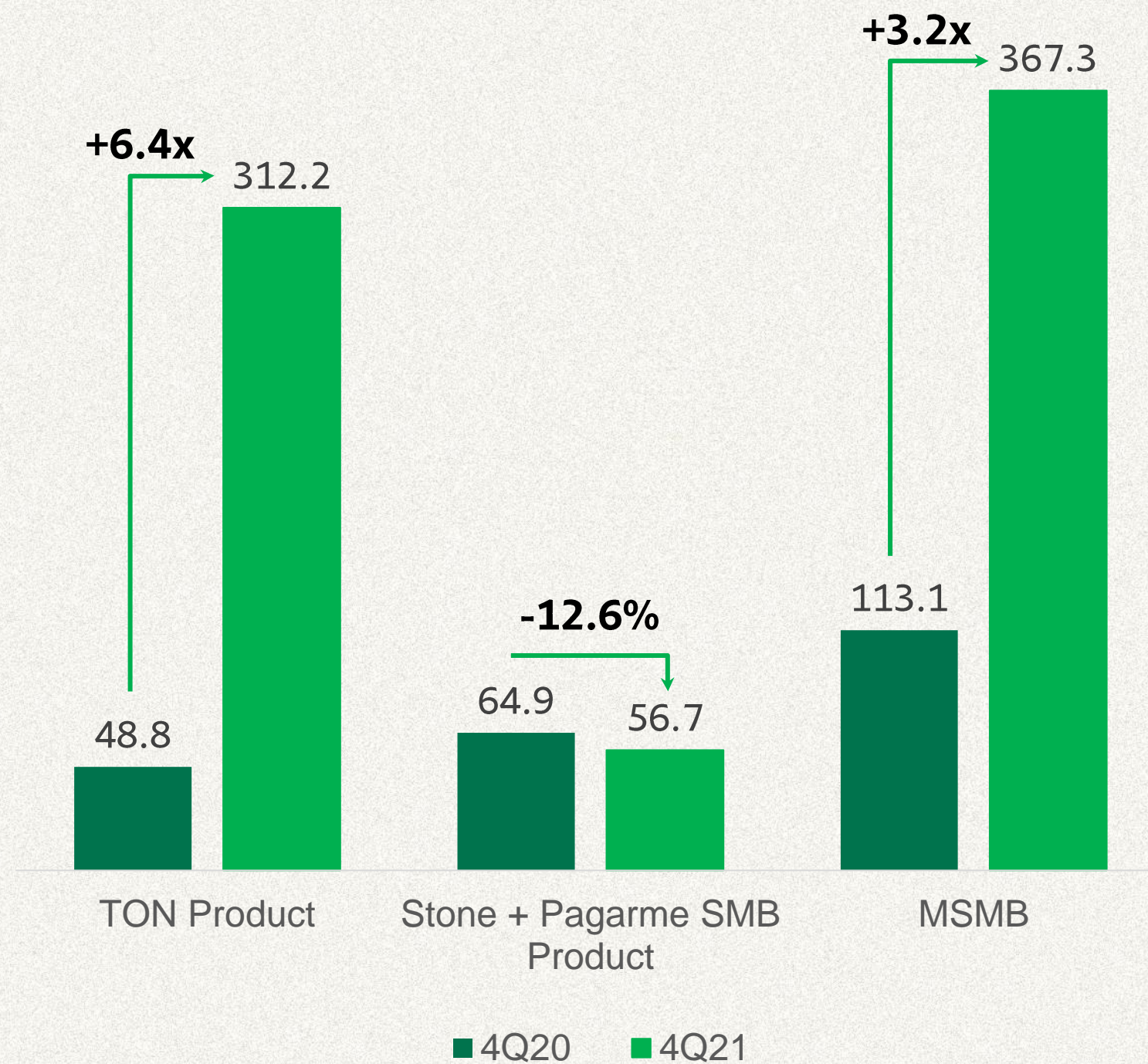
**Revenue
Retention Rate
Linx Core⁴**

- 1) TPV *ex-coronavoucher* in 4Q21 was R\$ 88.7 bn, implying a 54.5% TPV growth, while TPV including *coronavoucher* was R\$ 89.0 bn, implying a 38.2% TPV growth.
- 2) Total revenue and income excluding Linx increased +60.0% and +50.5% *proforma for Linx*.
- 3) Software core business include Linx Core (POS/ERP, CRM, bricks-and-mortar Gateway (TEF) and QR Code solutions) and POS/ERP solutions from our portfolio of companies besides Linx.
- 4) The revenue retention rate of Linx Core is the percentage of recurring revenue retained from existing customers on a year-over-year basis.

Record net client additions leading to 1.7 million MSMB¹ clients in 4Q21

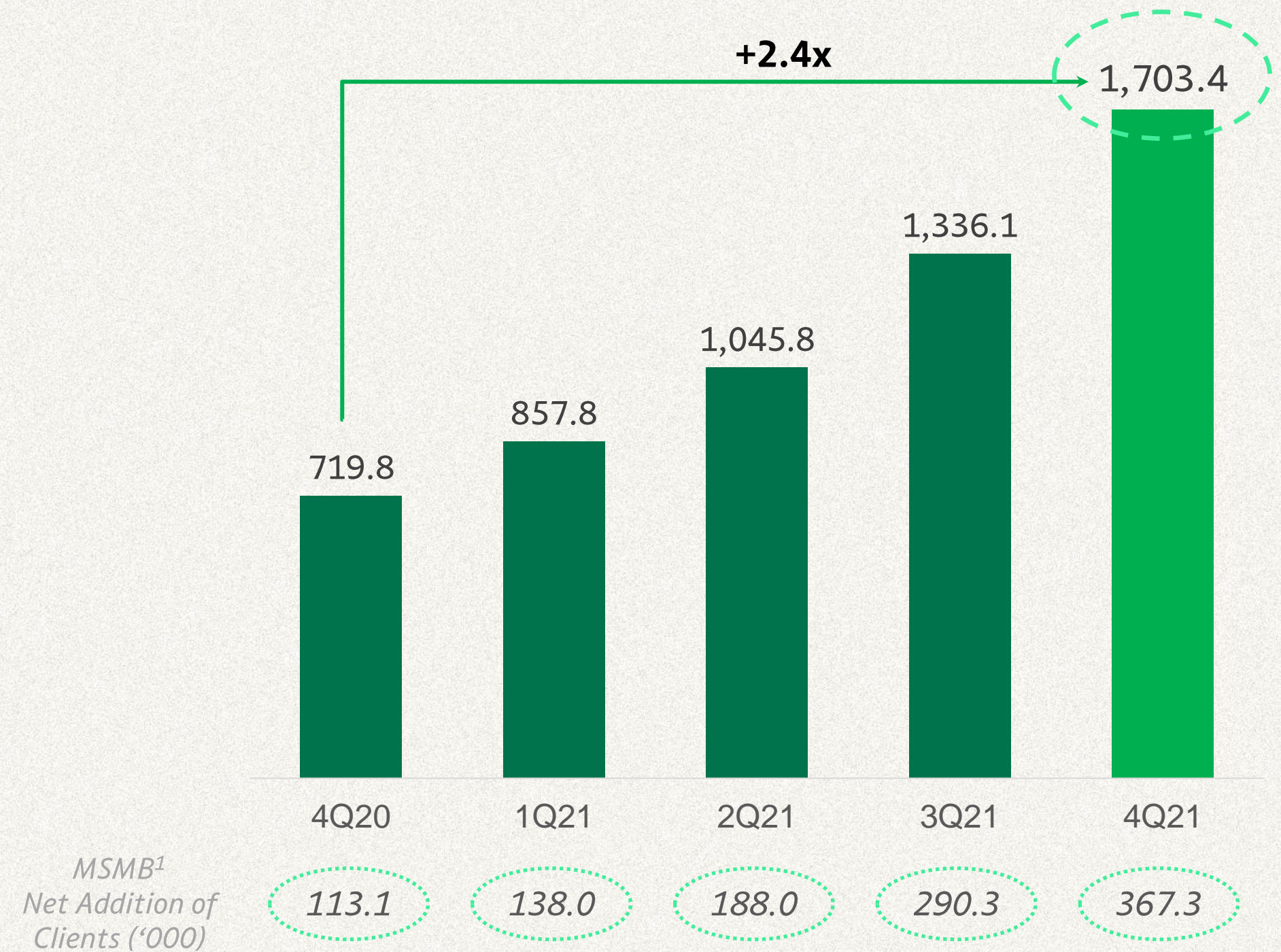
Record high net adds in MSMB

Quarterly Net Adds² – Payments ('000)



MSMB¹ client base over 1.7 million

MSMB¹ Active Clients² ('000)



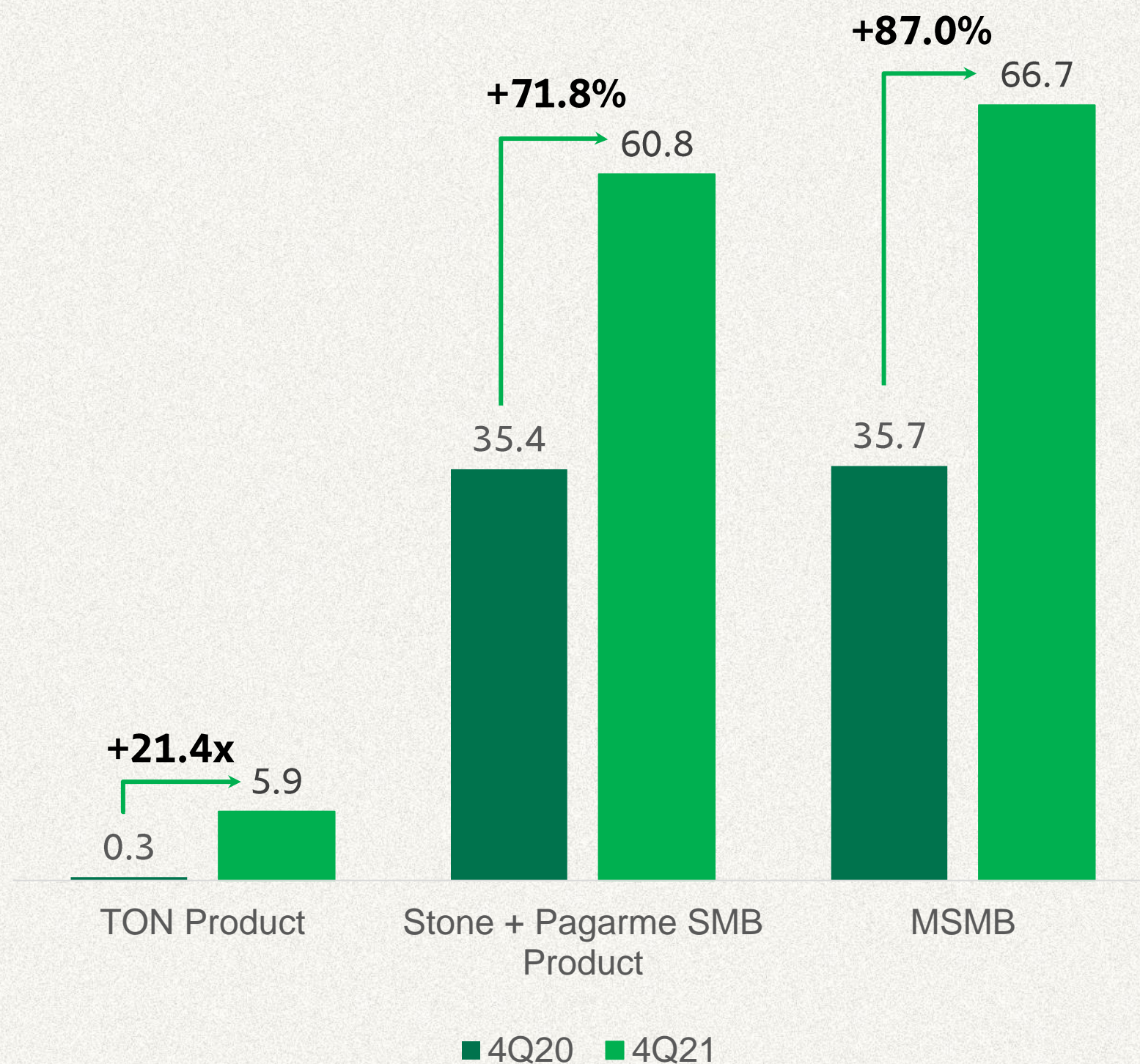
1) MSMB is composed of TON in Micro-merchants and Stone and Pagar.me in SMBs. Does not include clients from Linx.

2) "Active Clients" refer to merchants that have completed at least one electronic payment transaction with us within the preceding 90 days for SMBs or 365 days for micro-merchants. Excluded overlap. Does not include clients from Linx.

Accelerating volume growth and increasing take rates

Strong TPV growth¹

TPV (R\$ bn)



MSMB² Take rate



1Q22 Update

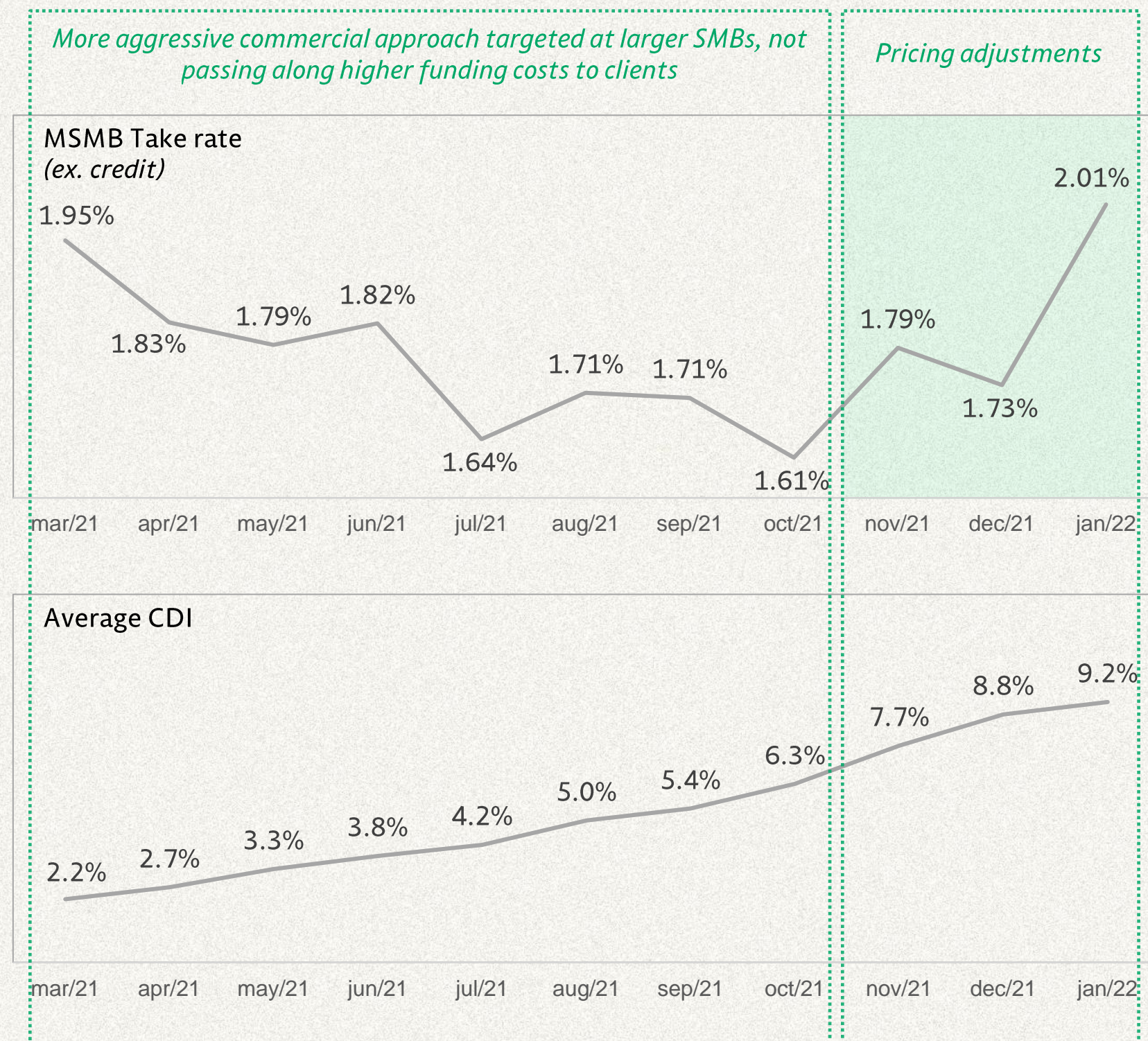
- In Jan/22 we saw a significant **increase in Take Rates** of MSMBs to 2.02%, helped by repricing that started in Nov/21.
- Both in Jan and Feb/22 **MSMB TPV growth** was above +80% y/y

1) From 1Q21 onwards, reported TPV figures consider all volumes processed and settled by StoneCo. As a result, from 1Q21 onwards we have included volumes processed by Pagarme PSP with acquirers other than Stone. This change added R\$68.4 million to MSMBs TPV in the quarter, implying an 86.9% growth for MSMBs without those volumes.

2) MSMB is composed by TON in Micro-merchants and Stone and Pagarme in SMBs. Does not include clients from Linx.

Initial recovery in 4Q21 from recent interest rates spike – better positioned to improve profitability going forward

MSMB Take rate vs. CDI evolution



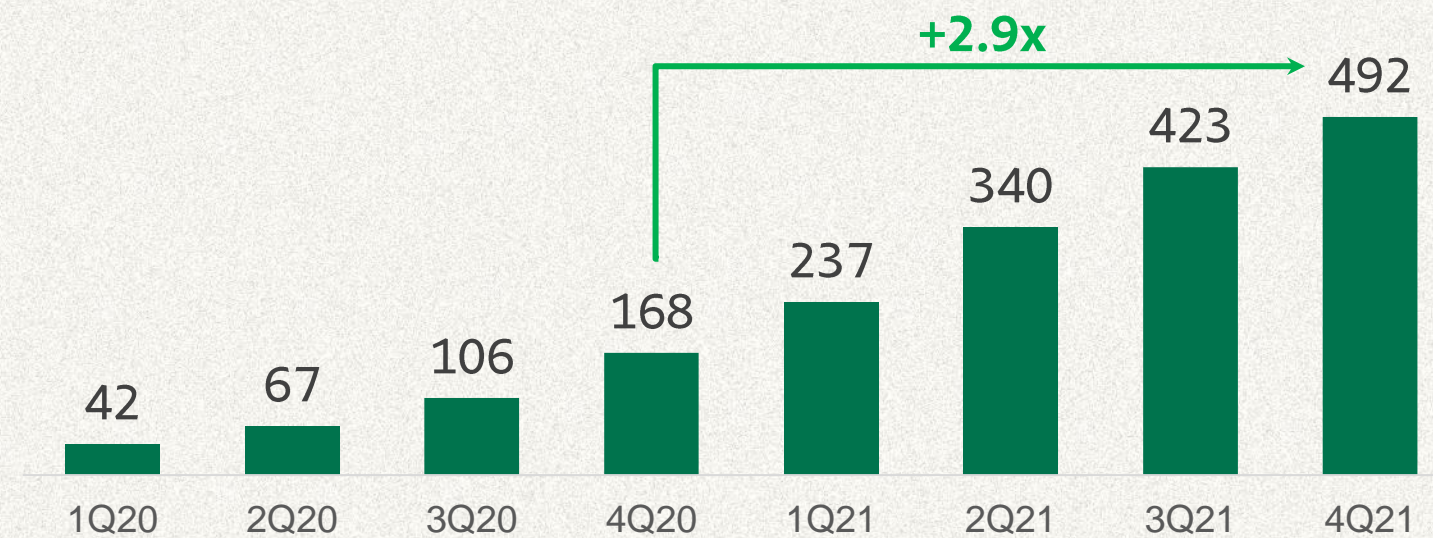
Actions taken and expectations

- ✓ **CDI rates** in Brazil increased at a very fast pace, increasing our funding costs, especially to fund our prepayment business
- ✓ Despite the spike in funding costs, we decided to take a more aggressive commercial approach targeted to larger SMBs and **not pass along these higher costs to our clients right away**
- ✓ In Nov/21 we started to gradually reprice our clients and adjust commercial policies. In 1Q22 we already see **positive results** and expect **higher MSMB Take Rates** and an **improvement in margins**
- ✓ Given the CDI increase along 2022, **pricing and repricing** will be an **ongoing process** throughout the year

Expanding banking platform

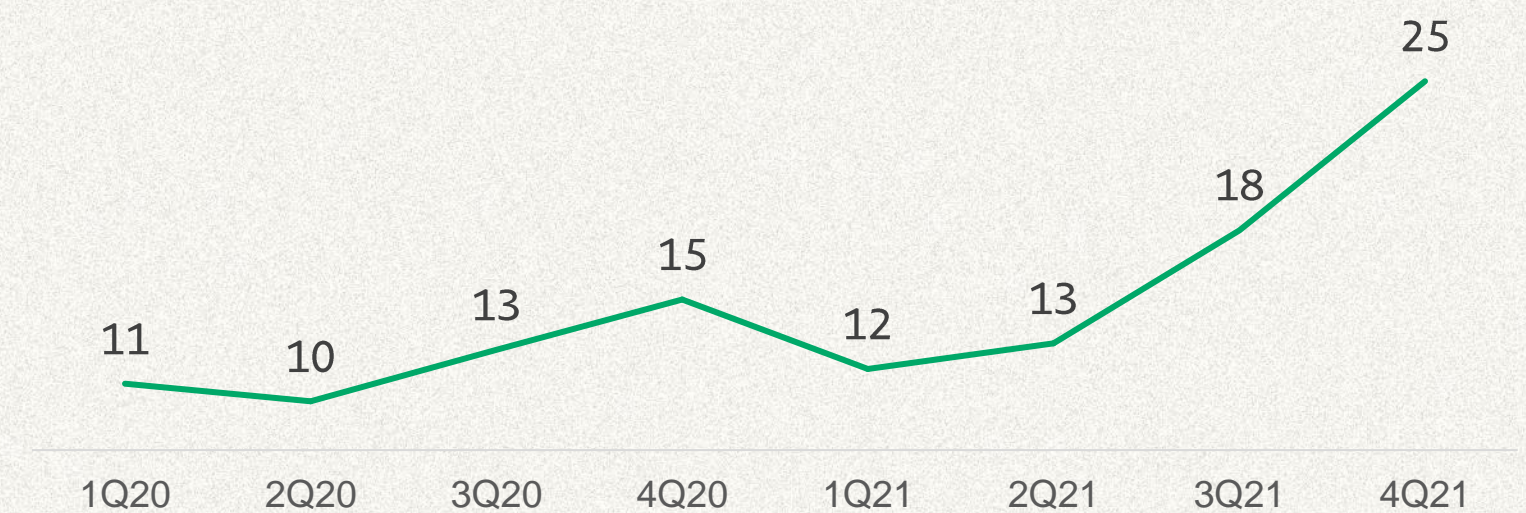
Growing banking client base...

Banking Active Clients¹ ('000)



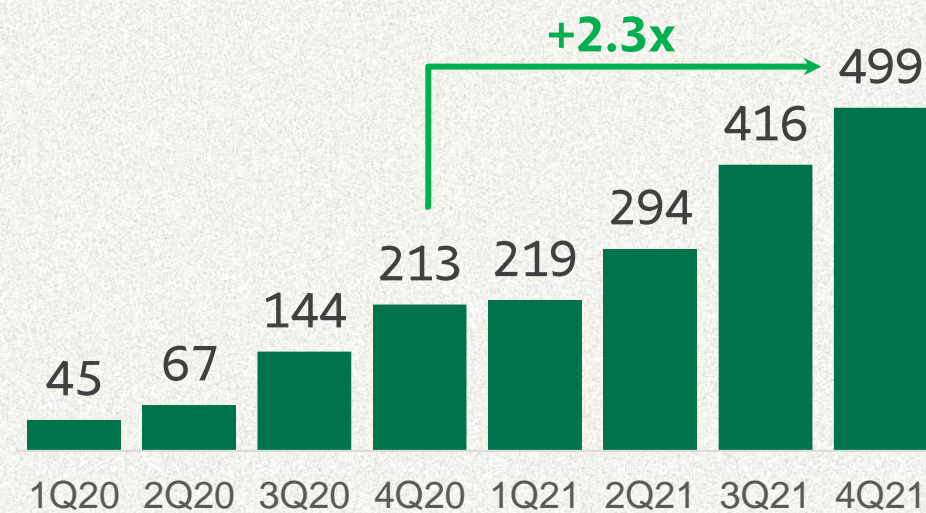
...while increasing banking ARPU

Banking ARPU (R\$/month per client)
(Includes insurance)



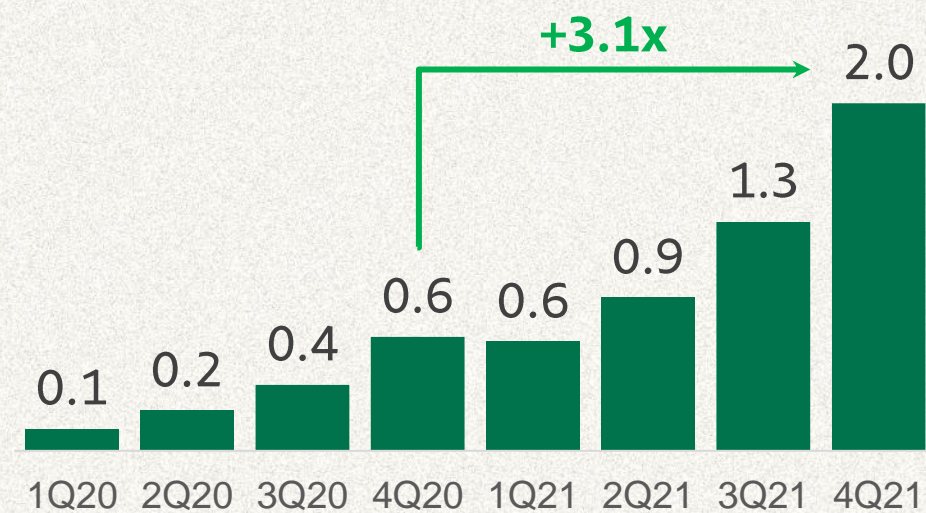
Card TPV growing 2.3x y/y

Card TPV (R\$mm)



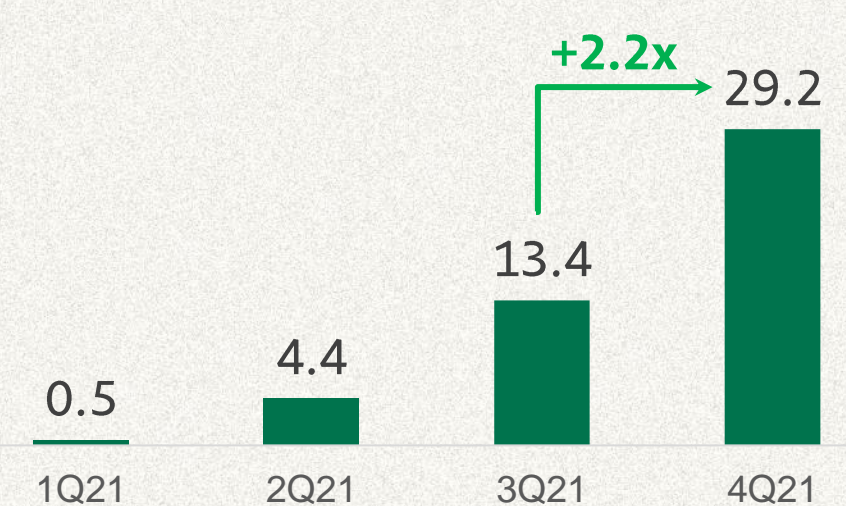
R\$2bn of client deposits

Total Accounts Balance (R\$bn)



Expanding the insurance product²

Insurance Clients ('000)



1) Clients who have transacted at least R\$ 1 in the past 30 days.

2) In 4Q21, comprised of clients with store, life (regular or whole life), and/or health insurance products.

Credit Update

Credit product update

✓ Status towards resuming disbursements:

- Five major fixes in product and operations:
 - Revamped product to simplify experience
 - Added personal guarantees
 - Implementing new sales process and scoring system
 - Better lifecycle monitoring system
 - Better risk monitoring system

✓ Legacy credit business was **cash flow positive** by R\$430.3 million in 4Q21, in line with our expectations; we are **close to receiving all the amount disbursed since the inception**

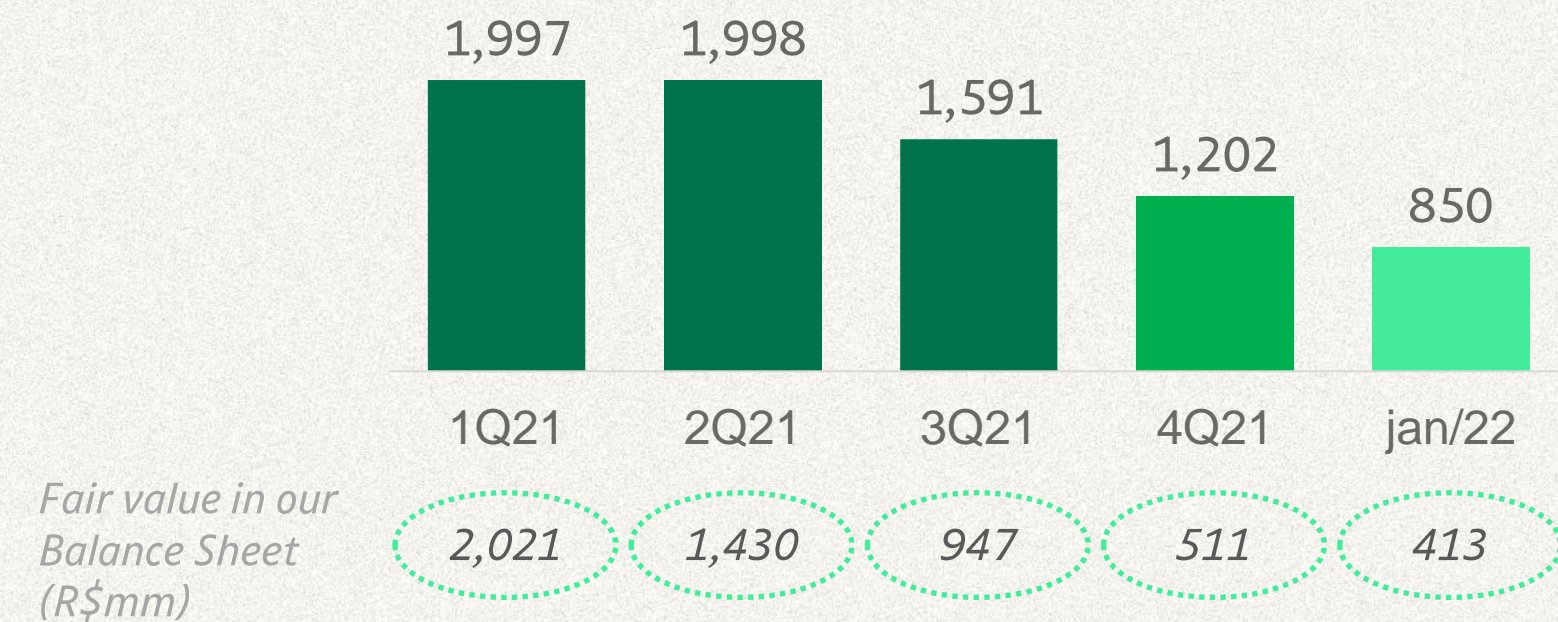
✓ NPLs60d¹ were R\$771.2 million, with **coverage ratio of 98%**, as expected with the run-off of the legacy portfolio

✓ January 2022 update:

- In Jan/22, we sold a distressed portion of our credit legacy portfolio to a third party for R\$12.3 million, above the fair value of R\$4.8 million
- Our **portfolio as of Jan/22** was R\$850.0 million, of which R\$492 million provisioned for bad debt

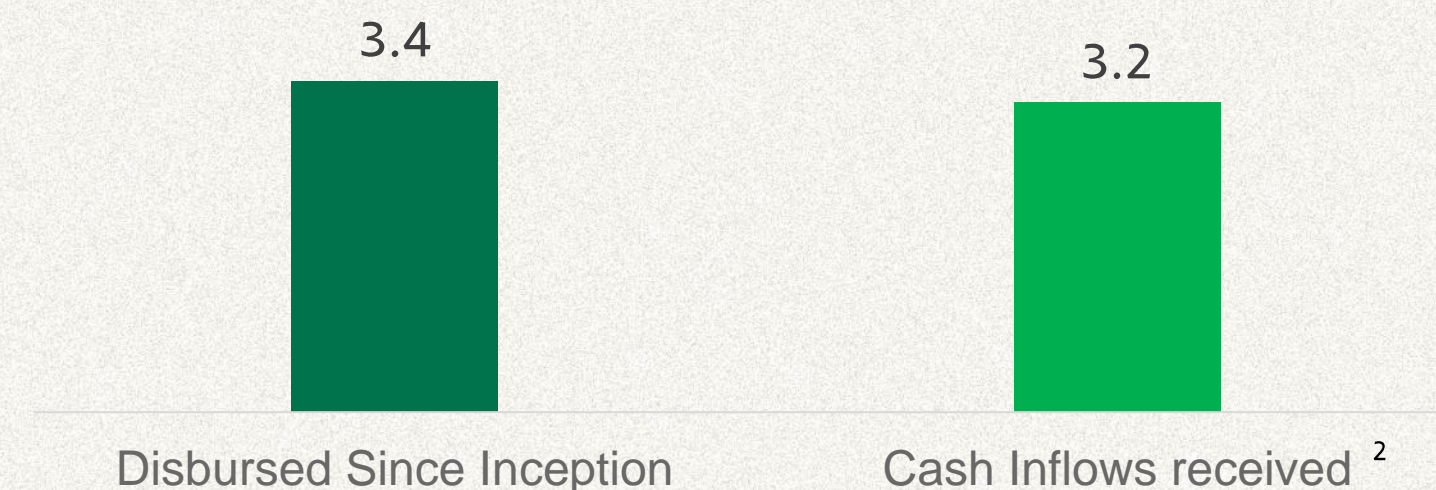
Legacy Credit Portfolio

Legacy portfolio outstanding (R\$bn)



Legacy Credit Cash Flow since inception

(R\$bn)



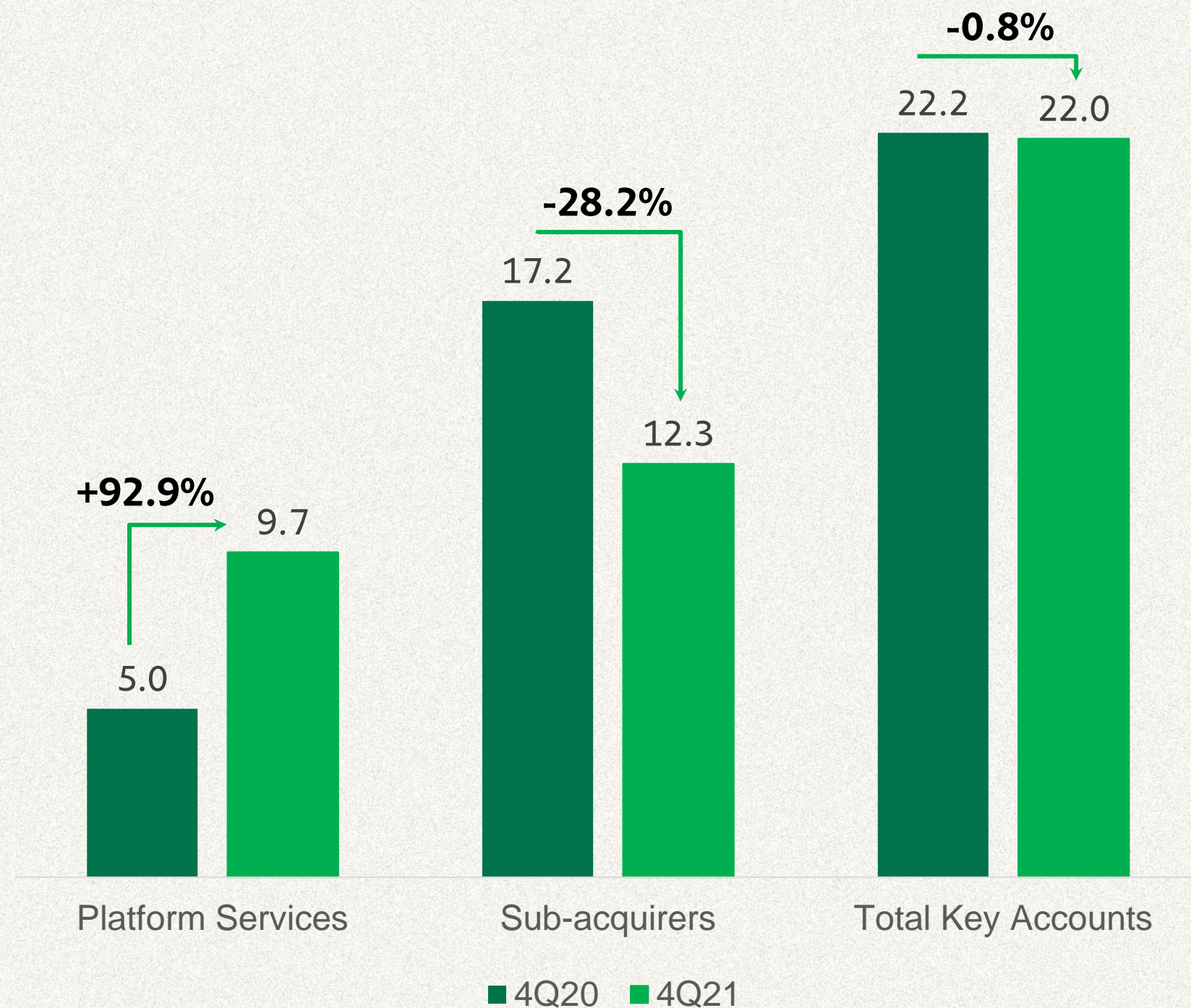
1) Refers to clients that have not paid principal for 60 days, regardless if they have paid interest.

2) As of March 14th.

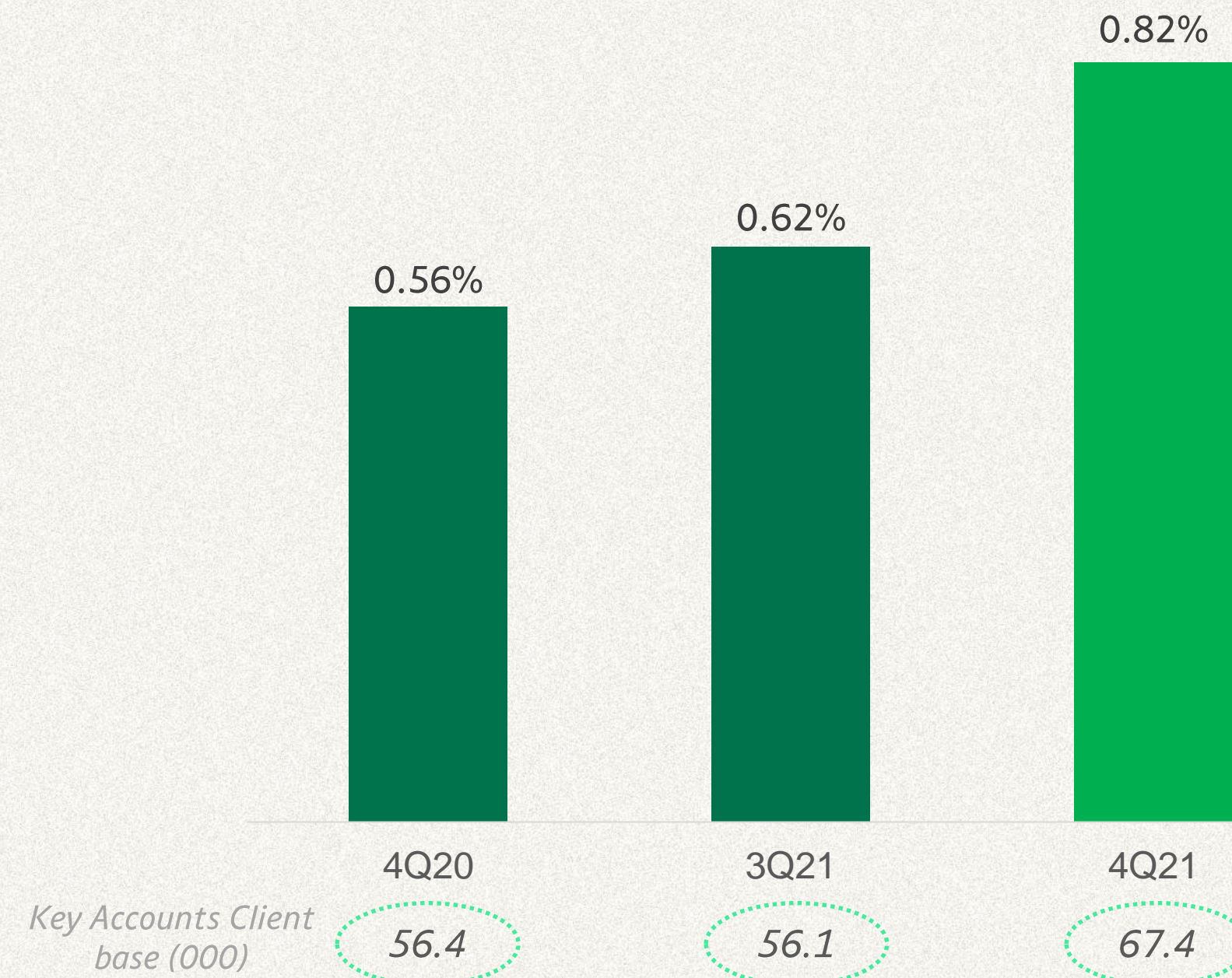
Key Accounts - Growth in platform services and deprioritizing sub-acquirers

TPV growth

TPV¹ ex-Coronavoucher (R\$bn)



Take rate

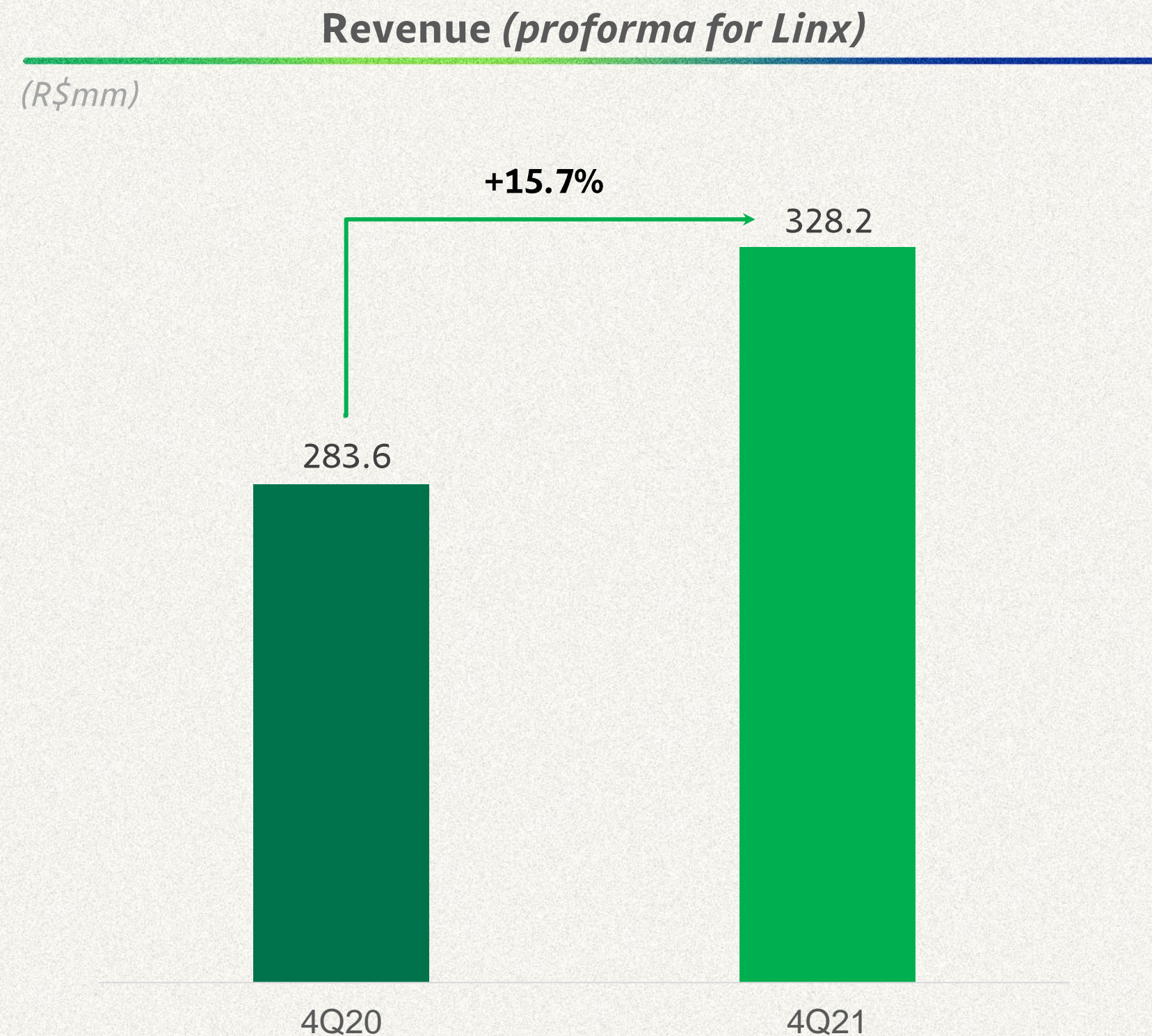


1) From 1Q21 onwards, reported TPV figures consider all volumes processed and settled by StoneCo. As a result, from 1Q21 onwards we have included volumes processed by Pagar.me PSP with acquirers other than Stone. This change added R\$179.7 million to Pagar.me Key Accounts in the quarter, implying a -1.6% decrease ex-Coronavoucher when excluding these volumes.

Software Business – Reorganizing businesses to improve execution

| | Core | Digital | Financial Services |
|------------------------|--|--|--|
| Products | <ul style="list-style-type: none"> • POS/ERP for different retail and services verticals • TEF/QR Code Gateway • Reconciliation software • CRM solutions | <ul style="list-style-type: none"> • OMS (Omnichannel) • E-commerce Platform • Impulse and other engagement tools • Ads • Hub marketplace | <ul style="list-style-type: none"> • Linx Sub-acquirer (shut down) • Synergies from Stone Financial Platform, with an over R\$ 200 Bn TPV addressable market |
| % of Revenue (2022E) | ~ 85% | ~ 15% | Within Key Accounts Revenue in Financial Services |
| Growth profile (2022E) | ~20% revenue growth | ~20% revenue growth | Increasing scale <i>(as we penetrate core active base with Stone financial services)</i> |
| Margin profile (2022E) | 20%+ EBITDA margin | Current negative EBITDA margins expected to improve as business matures | Current negative margins, as we shut down subacquiring infrastructure Positive contribution margins for 2022 as we execute synergies with Stone |

Software Business Highlights



Software Business Highlights

- ✓ **Resilient growth: net revenue growth of 15.7% y/y** (proforma for Linx)
 - **Core business¹** up +26.4% y/y
 - *Linx core business²* up +17.7% y/y
 - *Portfolio (ex-Linx) core business* up +82.3% y/y
 - **Linx Digital³ business** up +20.0% y/y
 - **Linx Sub-acquiring⁴ business** -52.7% y/y
- ✓ **Expected margin ramp-up in 2022:**
 - Synergies with Stone Financial Platform
 - Integration of software companies with Linx
 - More discipline in costs and expenses management

1) Software core business includes Linx Core and POS/ERP solutions from our portfolio of companies besides Linx.

2) Linx Core business is comprised of POS/ERP, CRM, bricks-and-mortar Gateway (TEF), and QR Code solutions.

3) Linx Digital net revenue is represented by E-commerce Platform, Omnichannel and Impulse solutions, the latter comprised by search, recommendation, reengaging and retargeting tools.

4) Linx Sub-acquiring net revenue also considers PinPag.

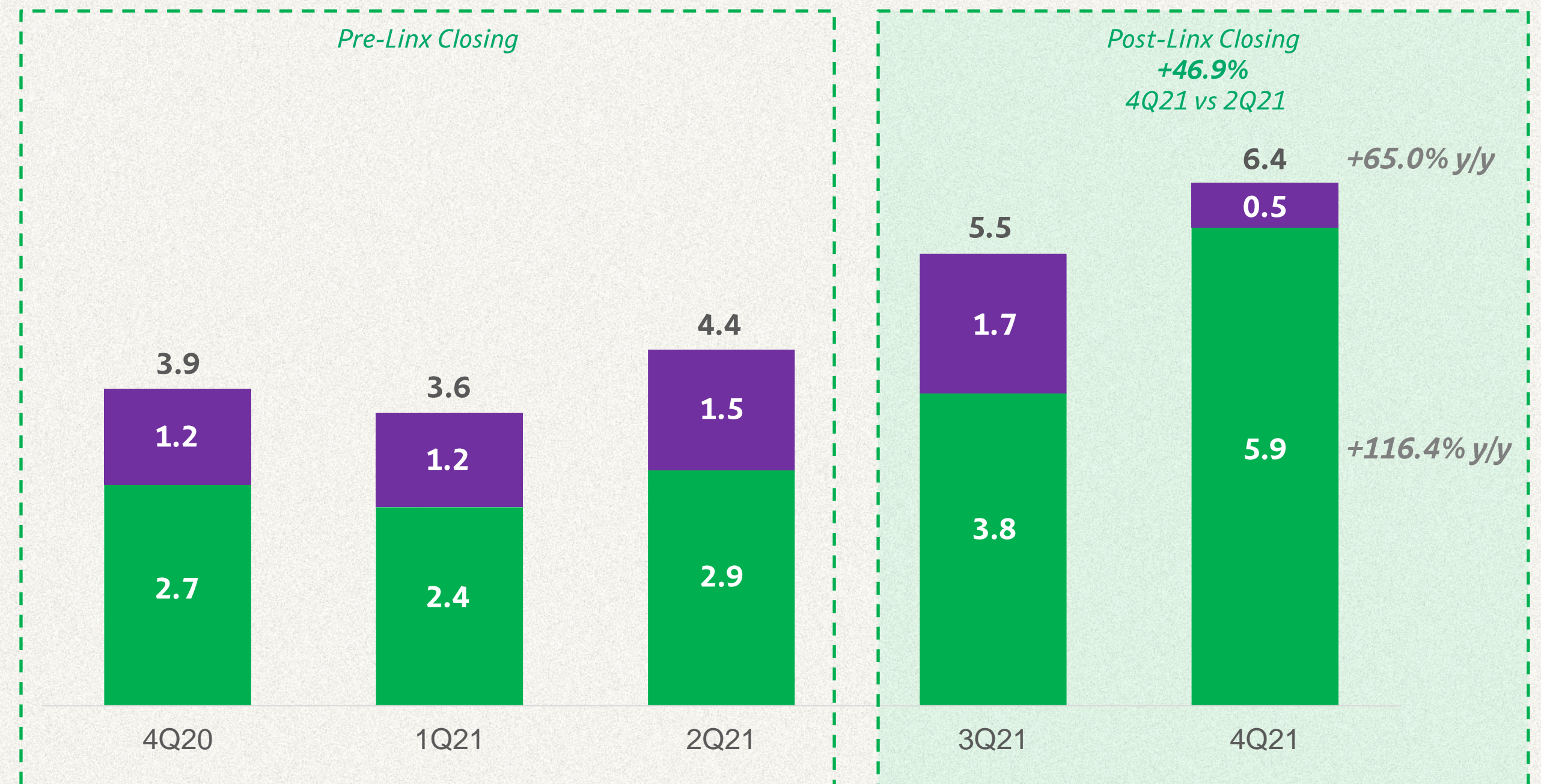
Initial results in payments penetration within Linx client base

Highlights

- Stone TPV within Linx client base has increased by 116% y/y in 4Q21, with a sharper increase after July, when we started managing the business
- This sharper TPV growth was driven by three main factors:
 - ✓ Migration of Linx Sub-acquiring TPV to Stone platform
 - ✓ Cross-sell of Stone solutions in Linx client base
 - ✓ Natural overlap from Stone TPV organic growth

Evolution of Stone and Linx TPV

(R\$bn)



■ Stone TPV over Linx client base

■ Linx Sub-acquiring TPV

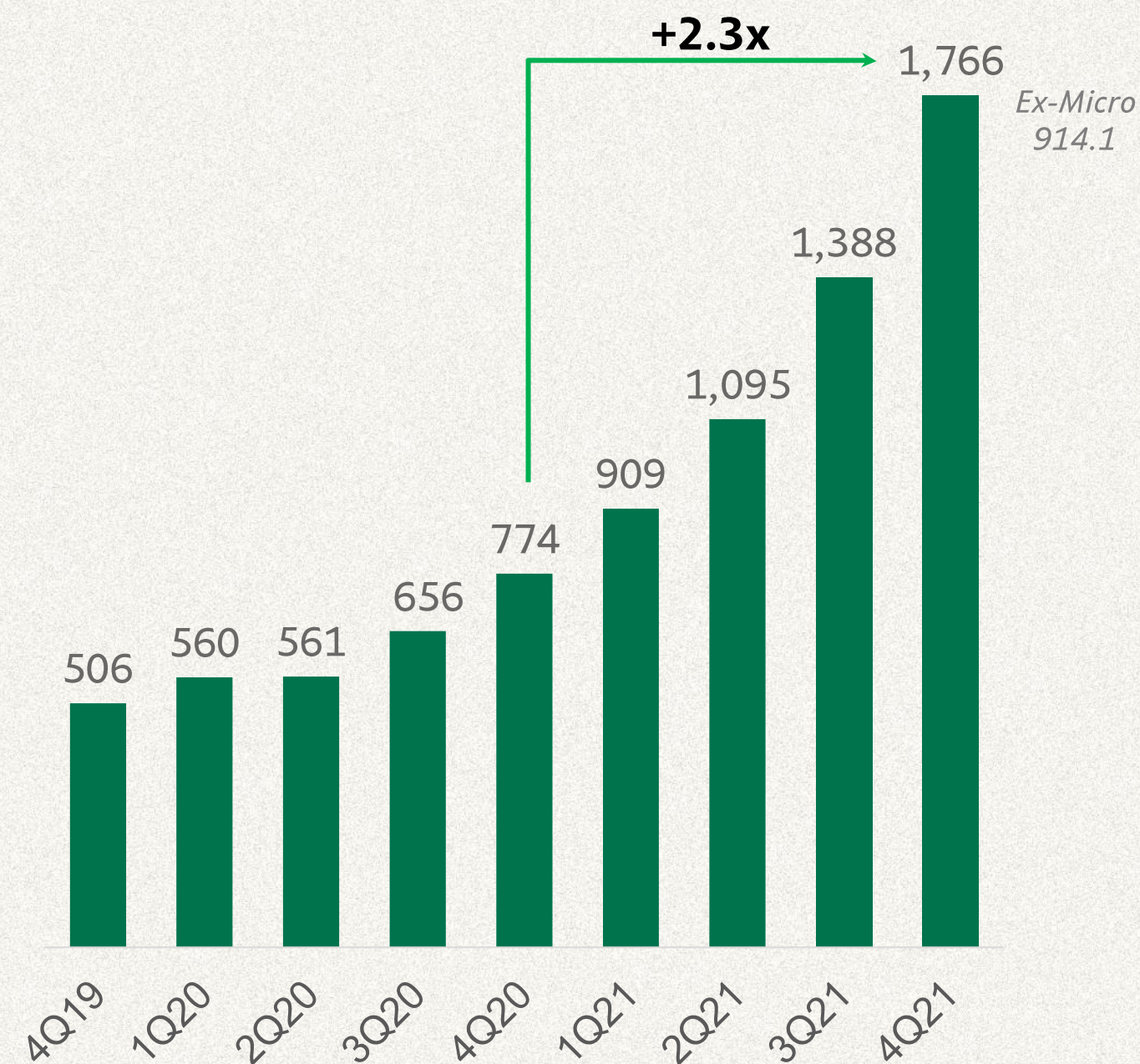


Top-Line Growth

Financial and operating metrics

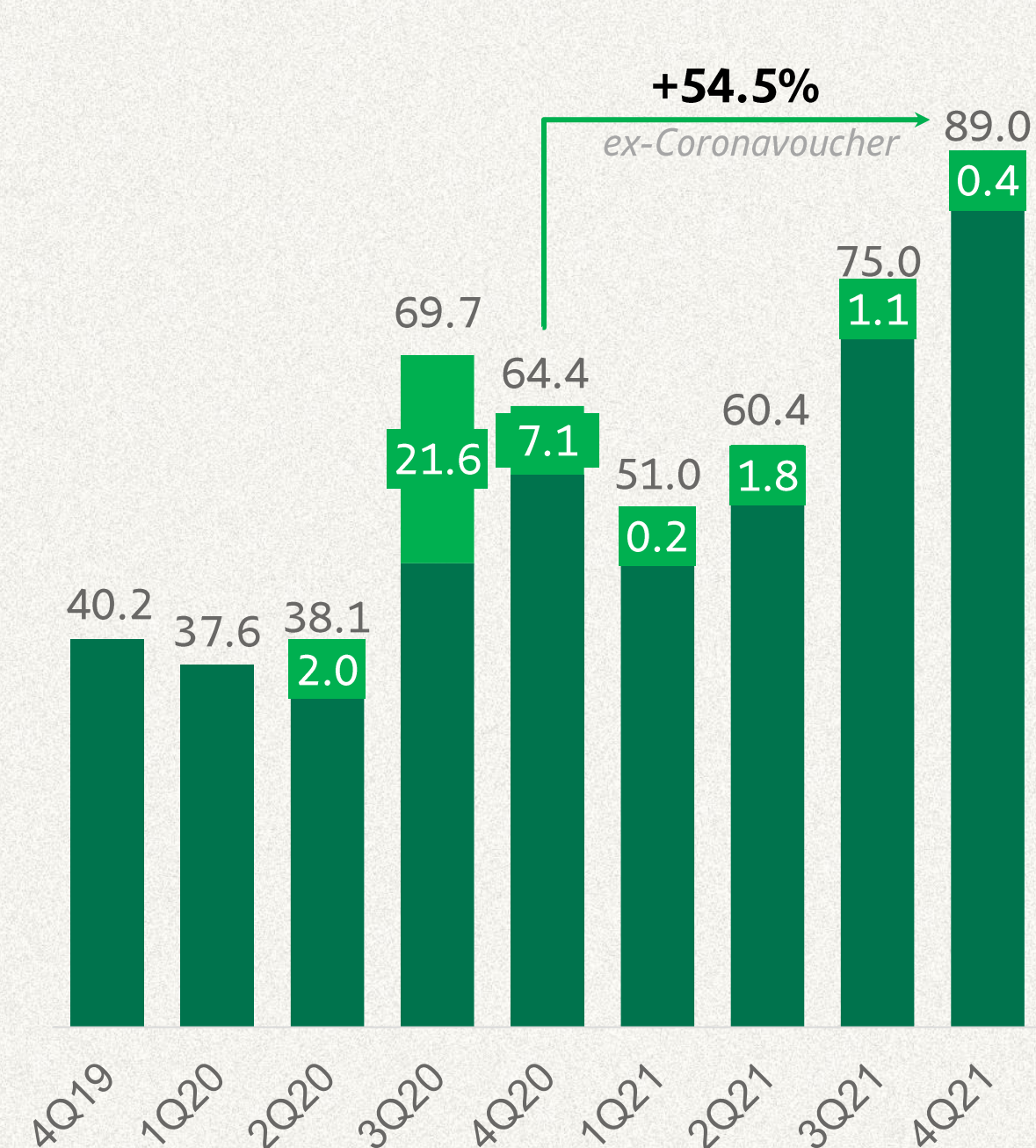
Active Clients – Payments ('000)

Total ^{1,2}

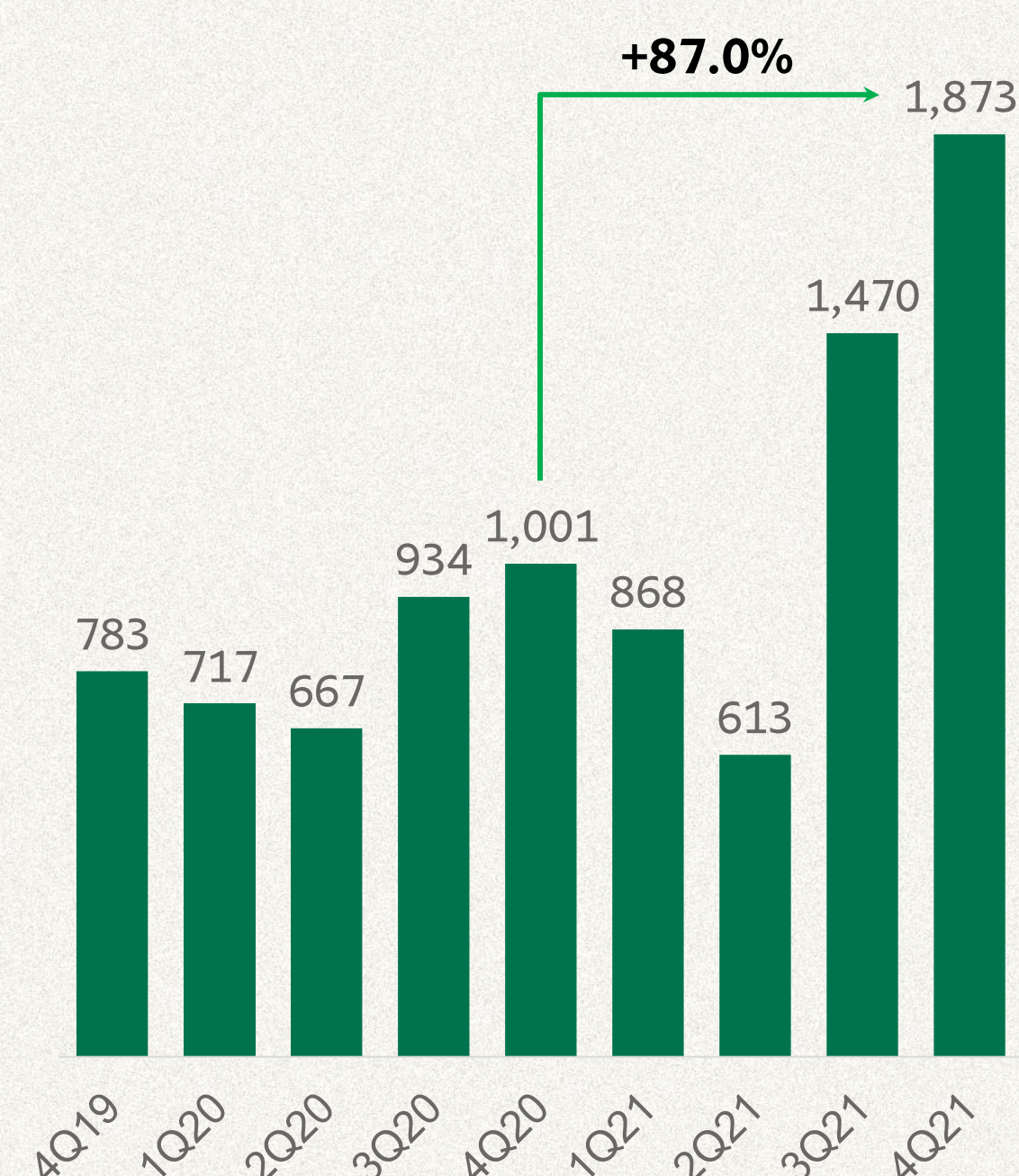


Total Payment Volume³ (R\$ bn)

Coronavoucher TPV



Total Revenue⁴ (R\$ mm)



1) SMB clients, Micro-merchants and Key Accounts.

2) From 1Q21 onwards, reported Active Client Base includes clients from our PSP solution that were not previously included in our reported numbers. Please refer to the reconciliation of historical numbers from previous and current metric in our 1Q21 earnings release.

3) From 1Q21 onwards, reported TPV figures consider all volumes processed and settled by StoneCo. As a result, from 1Q21 onwards we have included volumes processed by Pagar.me PSP with acquirers other than Stone. This change added R\$248.0 million to total TPV in the quarter, implying a 37.8% ex-Coronavoucher growth excluding these volumes and a 54.1% including Coronavoucher.

4) Total Revenue and Income.

Profitability and Adjusted Free Cash Flow

Highlights

- **R\$1.1bn of Adj. Cash from Operations** in 2021 (+40% y/y)
- **Adj. FCF of -R\$214mm in 2021** with negative impact of two decisions we made that, although accretive to the business, had negative impact in Adj. FCF:
 - significant **investment to advance purchase of POS terminals**, de-risking 2022 growth amid uncertainty with supply chain and microchip shortage and reducing POS lead time, resulting in a higher than usual CAPEX level in the 4Q21 (R\$548MM)
 - R\$230mm **prepaid marketing expenses** in 1Q21, which impacted Adj. Cash from Operations in 1Q21, funded by deal with Grupo Globo (impacting only cash flow from financing and cash neutral to Stone)
- R\$203mm Adj. Net Income in 2021, mainly impacted by higher Financial Expenses amid CDI increase

Adjusted Net Income and Margin¹ (R\$ mm)

| | 4Q20 | 1Q21 | 2Q21 | 3Q21 | 4Q21 | 2020 | 2021 |
|-------------------------|-------|-------|---------|------|------|-------|------|
| Adjusted Net Income | 358 | 187 | (151) | 133 | 34 | 958 | 203 |
| Adjusted Net Margin (%) | 35.7% | 21.6% | (24.5%) | 9.0% | 1.8% | 28.9% | 4.2% |

Adjusted Free Cash Flow² (R\$ mm)

| | 4Q20 | 1Q21 | 2Q21 | 3Q21 | 4Q21 | 2020 | 2021 |
|--------------------------------|------|-------|-------|-------|-------|-------|---------|
| Adj. Cash Flow from Operations | 500 | (159) | 489 | 388 | 366 | 777 | 1,085 |
| Capex | (50) | (377) | (224) | (150) | (548) | (455) | (1,299) |
| Adjusted Free Cash Flow | 451 | (535) | 265 | 239 | (182) | 322 | (214) |

1) 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.

2) The Company defines Adjusted Free Cash Flow, a non-IFRS metric, as Adjusted net cash provided by (used in) operating activities (non-IFRS), less purchase of property and equipment and purchases and development of intangible assets ("Capex"). In 3Q21 we have evolved our managerial view of Adjusted Free Cash Flow and other cash flow metrics. We have separated the effects of the variations in our Accounts Receivables from Card Issuers and Accounts Payable to Clients. We also started to strip out the actual cash inflows/(outflows) from the credit solution. More detailed information can be found in the 3Q21 Earnings Release.

Summary Statement of Profit and Loss

| | Statement of Profit and Loss | | | | | Adjusted Statement of Profit and Loss | | | | |
|---|------------------------------|----------------|----------------|---------------|----------------|---------------------------------------|---------------|----------------|---------------|----------------|
| Statement of Profit or Loss (R\$mm) | 4Q21 | % Rev. | 4Q20 | % Rev. | Δ % | 4Q21A | % Rev. | 4Q20A | % Rev. | Δ % |
| Net revenue from transaction activities and other services | 512.7 | 27.4% | 335.2 | 33.5% | 52.9% | 512.7 | 27.4% | 335.2 | 33.5% | 52.9% |
| Net revenue from subscription services and equipment rental | 408.1 | 21.8% | 122.0 | 12.2% | 234.7% | 408.1 | 21.8% | 122.0 | 12.2% | 234.7% |
| Financial income | 861.2 | 46.0% | 501.0 | 50.0% | 71.9% | 861.2 | 46.0% | 501.0 | 50.0% | 71.9% |
| Other financial income | 91.1 | 4.9% | 43.2 | 4.3% | 110.7% | 91.1 | 4.9% | 43.2 | 4.3% | 110.7% |
| Total revenue and income | 1,873.0 | 100.0% | 1,001.4 | 100.0% | 87.0% | 1,873.0 | 100.0% | 1,001.4 | 100.0% | 87.0% |
| Cost of services | (646.1) | (34.5%) | (213.2) | (21.3%) | 203.0% | (646.1) | (34.5%) | (213.2) | (21.3%) | 203.0% |
| Administrative expenses | (214.1) | (11.4%) | (122.5) | (12.2%) | 74.9% | (230.5) | (12.3%) | (99.3) | (9.9%) | 132.2% |
| Selling expenses | (318.4) | (17.0%) | (139.9) | (14.0%) | 127.7% | (318.4) | (17.0%) | (139.9) | (14.0%) | 127.7% |
| Financial expenses, net | (688.2) | (36.7%) | (64.2) | (6.4%) | 972.2% | (610.6) | (32.6%) | (61.1) | (6.1%) | 899.0% |
| Mark-to-market on equity securities designated at FVPL | (764.2) | (40.8%) | 0.0 | 0.0% | n.a. | 0.0 | 0.0% | 0.0 | 0.0% | n.a. |
| Other operating income (expense), net | (51.1) | (2.7%) | (90.2) | (9.0%) | (43.4%) | (49.0) | (2.6%) | (47.5) | (4.7%) | 3.3% |
| Gain (loss) on investment in associates | (1.2) | (0.1%) | (3.0) | (0.3%) | (59.5%) | (1.2) | (0.1%) | (3.0) | (0.3%) | (59.5%) |
| Profit before income taxes | (810.4) | (43.3%) | 368.4 | 36.8% | n.m | 17.2 | 0.9% | 437.4 | 43.7% | (96.1%) |
| Income tax and social contribution | 8.9 | 0.5% | (62.3) | (6.2%) | n.m | 16.5 | 0.9% | (79.7) | (8.0%) | n.m |
| Net income for the period | (801.5) | (42.8%) | 306.1 | 30.6% | n.m | 33.7 | 1.8% | 357.8 | 35.7% | (90.6%) |
| Adjusted Net income¹ | 33.7 | 1.8% | 357.8 | 35.7% | (90.6%) | | | | | |

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.

Summary Statement of Profit and Loss - Proforma for Linx

| | Statement of Profit and Loss | | | | | Adjusted Statement of Profit and Loss | | | | |
|---|------------------------------|----------------|----------------|---------------|-----------------|---------------------------------------|---------------|----------------|---------------|----------------|
| Statement of Profit or Loss Proforma for Linx (R\$mm) | 4Q21 | % Rev. | 4Q20 | % Rev. | Δ % | 4Q21A | % Rev. | 4Q20A | % Rev. | Δ % |
| Net revenue from transaction activities and other services | 512.7 | 27.4% | 368.3 | 29.6% | 39.2% | 512.7 | 27.4% | 368.3 | 29.6% | 39.2% |
| Net revenue from subscription services and equipment rental | 408.1 | 21.8% | 323.4 | 26.0% | 26.2% | 408.1 | 21.8% | 323.4 | 26.0% | 26.2% |
| Financial income | 861.2 | 46.0% | 504.1 | 40.5% | 70.8% | 861.2 | 46.0% | 504.1 | 40.5% | 70.8% |
| Other financial income | 91.1 | 4.9% | 48.6 | 3.9% | 87.3% | 91.1 | 4.9% | 48.6 | 3.9% | 87.3% |
| Total revenue and income | 1,873.0 | 100.0% | 1,244.4 | 100.0% | 50.5% | 1,873.0 | 100.0% | 1,244.4 | 100.0% | 50.5% |
| Cost of services | (646.1) | (34.5%) | (363.7) | (29.2%) | 77.7% | (646.1) | (34.5%) | (329.0) | (26.4%) | 96.4% |
| Administrative expenses | (214.1) | (11.4%) | (207.1) | (16.6%) | 3.4% | (230.5) | (12.3%) | (162.7) | (13.1%) | 41.7% |
| Selling expenses | (318.4) | (17.0%) | (183.6) | (14.8%) | 73.4% | (318.4) | (17.0%) | (183.6) | (14.8%) | 73.4% |
| Financial expenses, net | (688.2) | (36.7%) | (83.5) | (6.7%) | 724.2% | (610.6) | (32.6%) | (80.4) | (6.5%) | 659.1% |
| Mark-to-market on equity securities designated at FVPL | (764.2) | (40.8%) | 0.0 | 0.0% | n.a. | 0.0 | 0.0% | 0.0 | 0.0% | n.a. |
| Other operating income (expense), net | (51.1) | (2.7%) | (104.9) | (8.4%) | (51.3%) | (49.0) | (2.6%) | (52.6) | (4.2%) | (6.8%) |
| Gain (loss) on investment in associates | (1.2) | (0.1%) | (3.0) | (0.2%) | (59.5%) | (1.2) | (0.1%) | (3.0) | (0.2%) | (59.5%) |
| Profit before income taxes | (810.4) | (43.3%) | 298.6 | 24.0% | (371.4%) | 17.2 | 0.9% | 433.1 | 34.8% | (96.0%) |
| Income tax and social contribution | 8.9 | 0.5% | (58.4) | (4.7%) | (115.3%) | 16.5 | 0.9% | (80.2) | (6.4%) | (120.6%) |
| Net income for the period | (801.5) | (42.8%) | 240.2 | 19.3% | (433.7%) | 33.7 | 1.8% | 352.9 | 28.4% | (90.5%) |
| Adjusted Net income¹ | 33.7 | 1.8% | 352.9 | 28.4% | (90.5%) | | | | | |

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.

Costs and Expenses Proforma for Linx

Highlights

- Cost of Services: +96.4% y/y, increasing 8.1 p.p. as a percentage of revenue in 4Q21 vs. 4Q20, mainly due to: (i) ~4 p.p. as a result of the absence of credit revenue in the 4Q21; (ii) ~3 p.p. driven by TAG, our registry business, which had R\$64.5 million of costs in 4Q21 vs. R\$1.5 million in 4Q20; (iii) investments in technology, customer support, and logistics. We believe there are still efficiencies to be gained in datacenter and cloud costs
- Administrative expenses: Though we already had operating leverage in admin expenses, we will seek additional efficiency as the business scales and we rationalize back-office expenses both in Financial Services and Software
- Selling expenses: higher marketing investments and growth in sales HC, supported by attractive CAC payback between 8 and 13 months of MSMBs
- Financial expenses: strong increase in Financial expenses due to CDI hike throughout 2021 and R\$90M in 4Q21 related to the sale of receivables to new FIDC

Adjusted P&L Proforma for Linx (R\$ mm)

| | 4Q20 | 1Q21 | 2Q21 | 3Q21 | 4Q21 | y/y |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|------------|
| Total revenue and income | 1,244.4 | 1,106.0 | 865.7 | 1,469.6 | 1,873.0 | 50.5% |
| Cost of services | (329.0) | (366.6) | (436.3) | (525.6) | (646.1) | 96.4% |
| <i>% of revenue</i> | (26.4%) | (33.1%) | (50.4%) | (35.8%) | (34.5%) | 8.1 p.p. |
| Administrative expenses | (162.7) | (159.3) | (175.2) | (193.8) | (230.5) | 41.7% |
| <i>% of revenue</i> | (13.1%) | (14.4%) | (20.2%) | (13.2%) | (12.3%) | (0.8 p.p.) |
| Selling expenses | (183.6) | (205.9) | (269.8) | (308.2) | (318.4) | 73.4% |
| <i>% of revenue</i> | (14.8%) | (18.6%) | (31.2%) | (21.0%) | (17.0%) | 2.2 p.p. |
| Financial expenses, net | (80.4) | (103.2) | (164.6) | (281.0) | (610.6) | 659.1% |
| <i>% of revenue</i> | (6.5%) | (9.3%) | (19.0%) | (19.1%) | (32.6%) | 26.1 p.p. |

2022 Priorities

Financial Services

- 1 Better balance strong growth and profitability, improving margins
- 2 Evolve Banking value proposition and product roadmap
- 3 Re-launch and expand our credit offering, focusing on working capital loans and building credit cards and overdraft credit offerings

Software

- 1 Organic growth and margin improvements, with selective inorganic expansion in strategic verticals
- 2 Focus digital assets on enabling POS/ERP bricks-and-mortar clients to become omnichannel
- 3 Cross-sell Stone financial services (payments and banking/PIX) to our Software clients and leverage our strong distribution capabilities to scale software to SMBs

Key Enablers

- 1 Evolve management structure and teams
- 2 Investments in technology to evolve our multi-product strategy
- 3 Keep strong balance sheet and liquidity

Business improvements and outlook for 2022

Reorganizing and Strengthening the Management Team

1. Management reorganization and new hires around Financial Services and Software Business divisions

Providing Greater Financial Visibility

1. Transition to segment reporting in 2022
2. Report across three segments:
 - Financial Services
 - Software
 - Other

1Q22 and 2022 Outlook

1. Growth:
 - Total Revenue and Income expected to be between R\$1.85 billion and R\$1.90 billion in 1Q22, +113% to 119% y/y (+67% to 72% y/y proforma for Linx)
 - MSMB TPV expected to be between R\$58.5 billion and R\$60.0 billion, +79% and 83% y/y
 - Lower-pace of net client additions in 1Q22, following larger repricing in 4Q21 and Jan/22
2. Margin rebound: Adjusted Pre-Tax Income above R\$140.0 million in 1Q22, compared to R\$17.2 million in 4Q21
3. In 2022, Company will continue to invest in its growth avenues and strategic priorities, while improving margins

Appendix – Summary Statement of Profit and Loss – Annual

| Statement of Profit or Loss (R\$mm) | Statement of Profit and Loss | | | | | Adjusted Statement of Profit and Loss | | | | |
|---|------------------------------|----------------|----------------|---------------|----------------|---------------------------------------|---------------|----------------|---------------|----------------|
| | 2021 | % Rev. | 2020 | % Rev. | Δ % | 2021A | % Rev. | 2020A | % Rev. | Δ % |
| Net revenue from transaction activities and other services | 1,626.9 | 33.7% | 1,144.1 | 34.5% | 42.2% | 1,626.9 | 33.7% | 1,144.1 | 34.5% | 42.2% |
| Net revenue from subscription services and equipment rental | 1,071.9 | 22.2% | 388.0 | 11.7% | 176.2% | 1,071.9 | 22.2% | 388.0 | 11.7% | 176.2% |
| Financial income | 1,877.7 | 38.9% | 1,647.0 | 49.6% | 14.0% | 1,877.7 | 38.9% | 1,647.0 | 49.6% | 14.0% |
| Other financial income | 247.3 | 5.1% | 140.7 | 4.2% | 75.8% | 247.3 | 5.1% | 140.7 | 4.2% | 75.8% |
| Total revenue and income | 4,823.8 | 100.0% | 3,319.8 | 100.0% | 45.3% | 4,823.8 | 100.0% | 3,319.8 | 100.0% | 45.3% |
| Cost of services | (1,713.8) | (35.5%) | (769.9) | (23.2%) | 122.6% | (1,713.8) | (35.5%) | (769.9) | (23.2%) | 122.6% |
| Administrative expenses | (813.3) | (16.9%) | (392.5) | (11.8%) | 107.2% | (644.8) | (13.4%) | (346.9) | (10.4%) | 85.9% |
| Selling expenses | (1,012.5) | (21.0%) | (505.9) | (15.2%) | 100.1% | (1,012.5) | (21.0%) | (505.9) | (15.2%) | 100.1% |
| Financial expenses, net | (1,269.1) | (26.3%) | (339.8) | (10.2%) | 273.4% | (1,128.3) | (23.4%) | (331.9) | (10.0%) | 239.9% |
| Mark-to-market on equity securities designated at FVPL | (1,264.2) | (26.2%) | 0.0 | 0.0% | n.a. | 0.0 | 0.0% | 0.0 | 0.0% | n.a. |
| Other operating income (expense), net | (185.9) | (3.9%) | (177.1) | (5.3%) | 5.0% | (118.2) | (2.4%) | (64.9) | (2.0%) | 82.2% |
| Gain (loss) on investment in associates | (10.4) | (0.2%) | (6.9) | (0.2%) | 50.5% | (10.4) | (0.2%) | (6.9) | (0.2%) | 50.4% |
| Profit before income taxes | (1,445.6) | (30.0%) | 1,127.7 | 34.0% | n.m | 195.7 | 4.1% | 1,293.4 | 39.0% | (84.9%) |
| Income tax and social contribution | 68.2 | 1.4% | (290.2) | (8.7%) | n.m | 7.6 | 0.2% | (335.2) | (10.1%) | n.m |
| Net income for the period | (1,377.3) | (28.6%) | 837.4 | 25.2% | n.m | 203.3 | 4.2% | 958.2 | 28.9% | (78.8%) |
| Adjusted Net income¹ | 203.3 | 4.2% | 958.2 | 28.9% | (78.8%) | | | | | |

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.

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

| Net Income Bridge (R\$mm) | 1Q20 | 2Q20 | 3Q20 | 4Q20 | 1Q21 | 2Q21 | 3Q21 | 4Q21 |
|---|--------------|--------------|--------------|--------------|--------------|----------------|--------------|-------------|
| Net income (loss) for the period | 158.6 | 123.6 | 249.1 | 306.1 | 158.3 | 526.0 | (1,260.2) | (801.5) |
| Share-based compensation expenses ¹ | 2.1 | 37.8 | 30.8 | 50.0 | 20.7 | 46.4 | (1.7) | 1.5 |
| Amortization of fair value adjustment on intangibles related to acquisitions ² | 3.4 | 3.4 | 6.9 | 3.5 | 6.9 | 8.8 | 98.5 | (25.1) |
| Gain (Loss) on previously held interest in associate ³ | 0.0 | (3.0) | 0.0 | 0.0 | 0.0 | (12.0) | (3.8) | 0.0 |
| Mark-to-market and Cost of Funds related to the investment in Banco Inter | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (836.2) | 1,388.5 | 830.4 |
| Other expenses ⁴ | 0.0 | 1.7 | 13.5 | 15.6 | 10.0 | 12.7 | 75.0 | 20.7 |
| Tax effect on adjustments | (1.8) | (13.3) | (12.5) | (17.4) | (8.5) | 103.8 | (163.6) | 7.6 |
| Adjusted net income (loss) | 162.3 | 150.3 | 287.9 | 357.8 | 187.4 | (150.5) | 132.7 | 33.7 |
| Weighted Average Number of Shares (diluted) (millions of shares) | 281.8 | 282.0 | 297.2 | 313.7 | 314.8 | 314.5 | 308.9 | 308.9 |
| Adjusted Diluted EPS⁵ | 0.58 | 0.54 | 0.99 | 1.16 | 0.60 | (0.47) | 0.46 | 0.13 |

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.

3) Consists of the gain on re-measurement of our previously held equity interest in Equals (3Q18), Linked (2Q20), VHSYS (2Q21) and Collact (3Q21) to fair value upon the date control was acquired.

4) Consists of the fair value adjustment related to associates call option, call option of associates, M&A and Bond expenses, earn-out interests related to acquisitions, gains/losses in the sale of companies, dividends from Linx, Linx's organizational restructuring and restructuring of debt instruments.

5) 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).

Appendix – Proforma Historical P&L with Linx

| Statement of Profit or Loss - Stone and Linx Proforma (R\$mm) | 1Q20 | 2Q20 | 3Q20 | 4Q20 | 1Q21 | 2Q21 | 3Q21 | 4Q21 | Δy/y |
|---|--------------|--------------|----------------|----------------|----------------|----------------|------------------|----------------|----------|
| Net revenue from transaction activities and other services | 259.2 | 255.6 | 383.5 | 368.3 | 346.4 | 390.3 | 436.7 | 512.7 | 39.2% |
| Net revenue from subscription services and equipment rental | 270.0 | 266.0 | 284.7 | 323.4 | 343.1 | 365.0 | 371.0 | 408.1 | 26.2% |
| Financial income | 361.1 | 328.0 | 462.3 | 504.1 | 372.0 | 43.5 | 607.7 | 861.2 | 70.8% |
| Other financial income | 41.6 | 38.8 | 31.9 | 48.6 | 44.5 | 66.9 | 54.3 | 91.1 | 87.3% |
| Total revenue and income | 931.9 | 888.3 | 1,162.4 | 1,244.4 | 1,106.0 | 865.7 | 1,469.6 | 1,873.0 | 50.5% |
| Cost of services | (260.3) | (299.6) | (317.3) | (363.7) | (359.2) | (454.9) | (525.6) | (646.1) | 77.7% |
| Administrative expenses | (132.6) | (146.9) | (171.4) | (207.1) | (178.7) | (237.8) | (359.8) | (214.1) | 3.4% |
| Selling expenses | (148.8) | (155.7) | (181.1) | (183.6) | (205.9) | (269.8) | (308.2) | (318.4) | 73.4% |
| Financial expenses, net | (163.9) | (73.9) | (84.5) | (83.5) | (107.4) | (173.8) | (330.7) | (688.2) | 724.2% |
| Other operating income (expense), net | (5.4) | (44.3) | (47.8) | (104.9) | (44.4) | (100.9) | (29.1) | (764.2) | n.a. |
| Mark-to-market on equity securities designated at FVPL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 841.2 | (1,341.2) | (51.1) | (51.3%) |
| Gain (loss) on investment in associates | (1.3) | (1.5) | (1.1) | (3.0) | (3.6) | (2.8) | (2.8) | (1.2) | (59.5%) |
| Profit before income taxes | 219.7 | 166.4 | 359.2 | 298.6 | 206.7 | 466.8 | (1,427.8) | (810.4) | (371.4%) |
| Income tax and social contribution | (70.2) | (40.0) | (117.9) | (58.4) | (55.3) | (48.0) | 167.6 | 8.9 | (115.3%) |
| Net income for the period | 149.6 | 126.4 | 241.2 | 240.2 | 151.4 | 418.8 | (1,260.2) | (801.5) | (433.7%) |
| Adjusted Net Income | 159.8 | 160.9 | 298.2 | 352.9 | 182.7 | (153.7) | 132.7 | 33.7 | (90.5%) |



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