



3Q21

EARNINGS PRESENTATION

NOV 2021

stone^{co.}

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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.

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OUR PURPOSE:

To serve the Brazilian Entrepreneur,
transforming their dreams into results.



Payments & Financial Services

(72% of Revenue¹)

Goal:

To be the best financial operating
system for Brazilian merchants



Micro + SMBs (MSMBs)



Key Accounts + Platform Services



Software Solutions

(21% 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\$ 98.6mm of unallocated revenue, including Other Financial Income, revenue from TAG (registry of receivables), among others.

3Q21 Highlights



Payments & Financial Services

R\$ **75.0**^{BN¹}
TPV
(+53.6% y/y ex-coronavoucher)¹

1.4^{MN}
Payments Active
Client Base
(+2.1x y/y)

423^{THOUSAND}
Banking active
accounts base
(+4.0x y/y)

294^{THOUSAND}
Payments
Net Adds
(+3.1x y/y)



R\$ **1.5**^{BN} Total Revenue and Income
(+57.3% y/y)²

R\$ **133**^{MN} Adj Net Income
(9.0% Adj Net Margin)



Software Solutions

R\$ **315**^{MN}
Consolidated
software revenue
(+16.7x y/y)

+200^{THOUSAND}
Software active
client base³

5.2^{THOUSAND}
Omni-channel
stores

99%
Retention rate
Linx Core⁴

1) TPV ex-coronavoucher in the 3Q21 was R\$ 73.9 bn, implying a 53.6% TPV growth, while TPV including coronavoucher was R\$ 75.0 bn, implying a 7.6% TPV growth.

2) Total revenue and income pro forma growth including Linx was 26.4%.

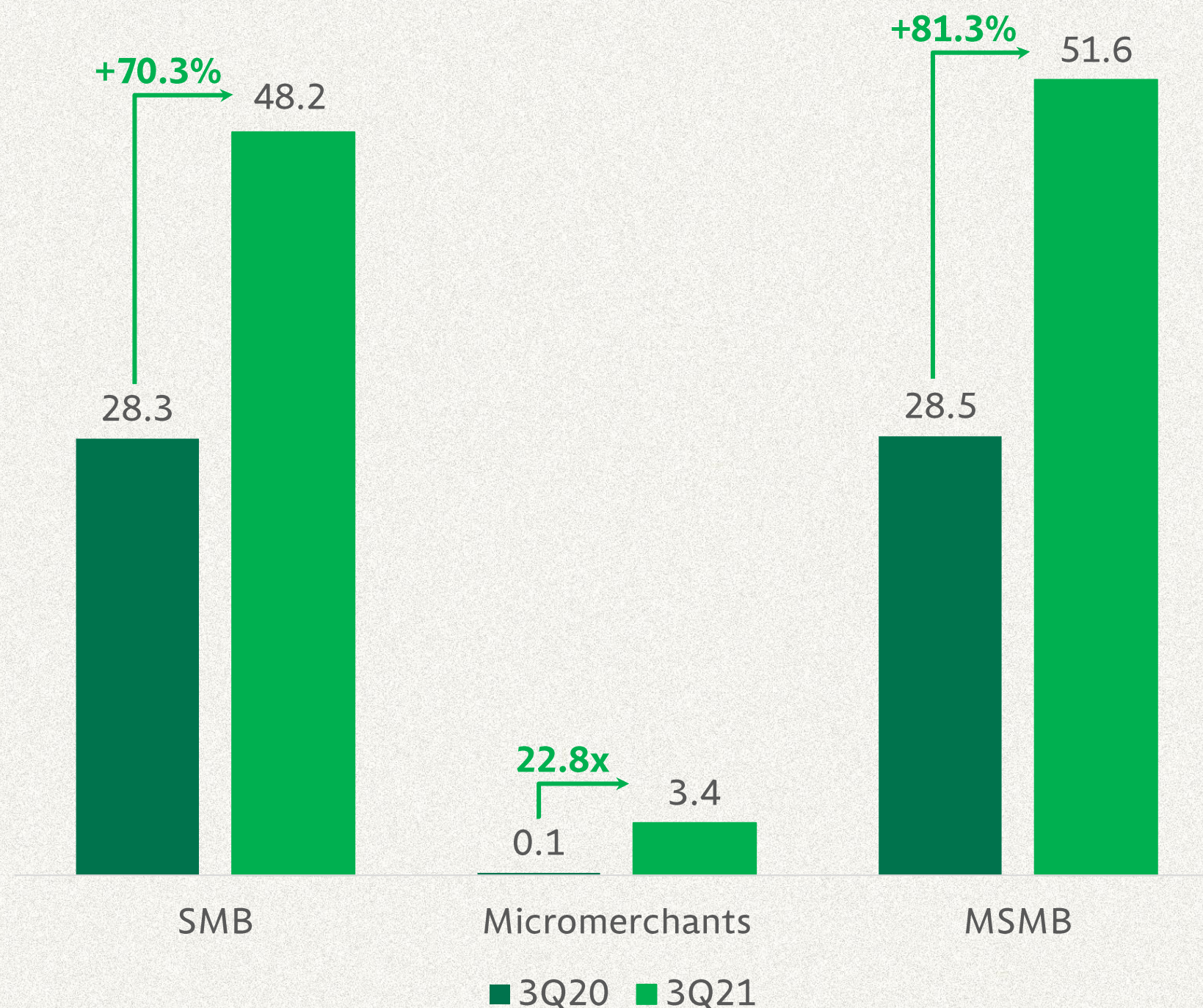
3) Combines clients from Linx on the concept based on "CLIFORS", which refers to a paying entity represented by 1 taxpayer's ID regardless of number of stores, and includes unique clients of other solutions, excluding overlap of clients who use more than one solution.

4) The retention rate of Linx clients is calculated by comparing the percentage of active clients from the previous quarter that generated positive revenue in the following quarter.

MSMB¹ fundamentals continue to drive solid performance

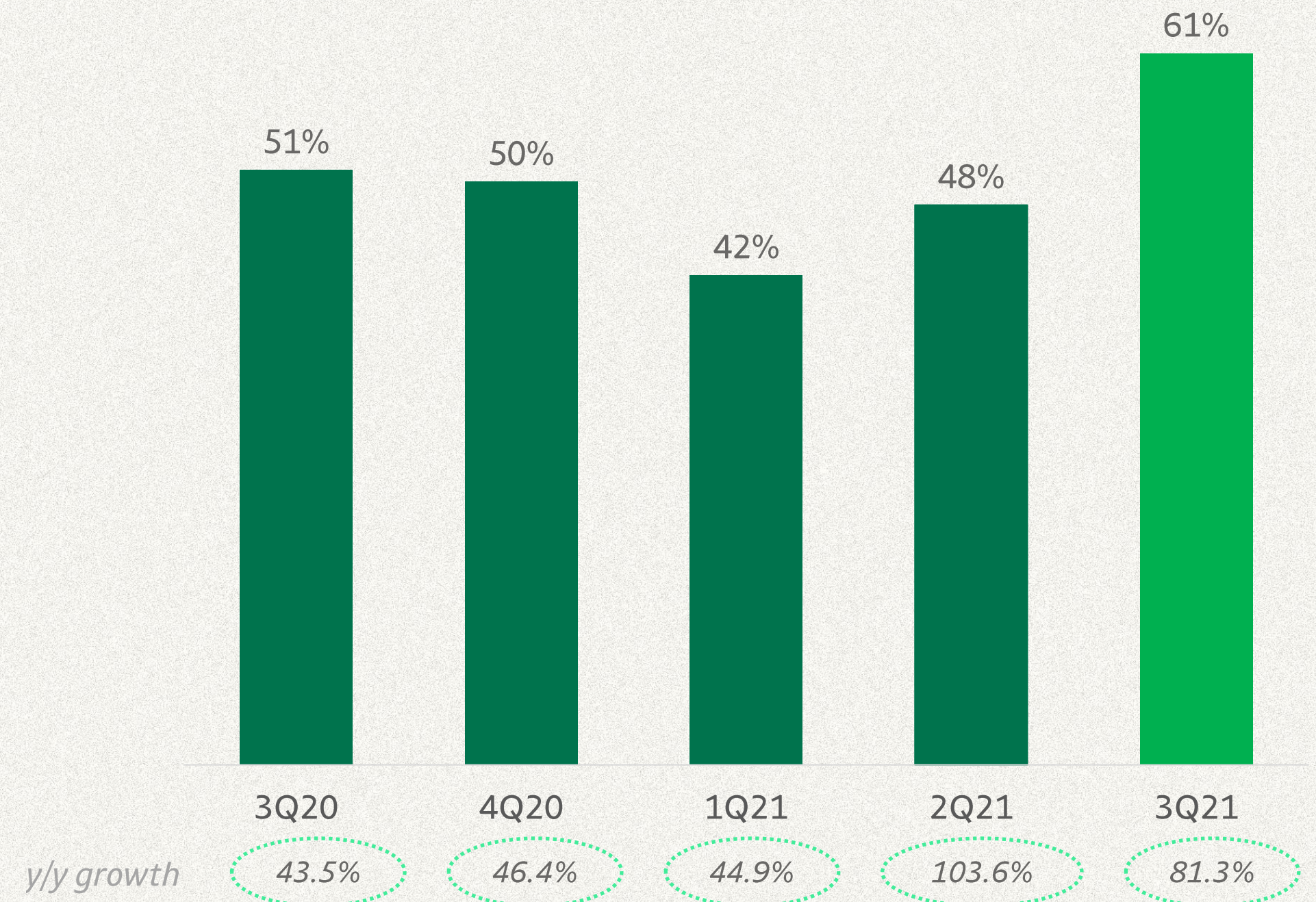
Strong TPV growth²

TPV (R\$ bn)



Accelerating 2-year CAGR

MSMB¹ TPV 2-year CAGR



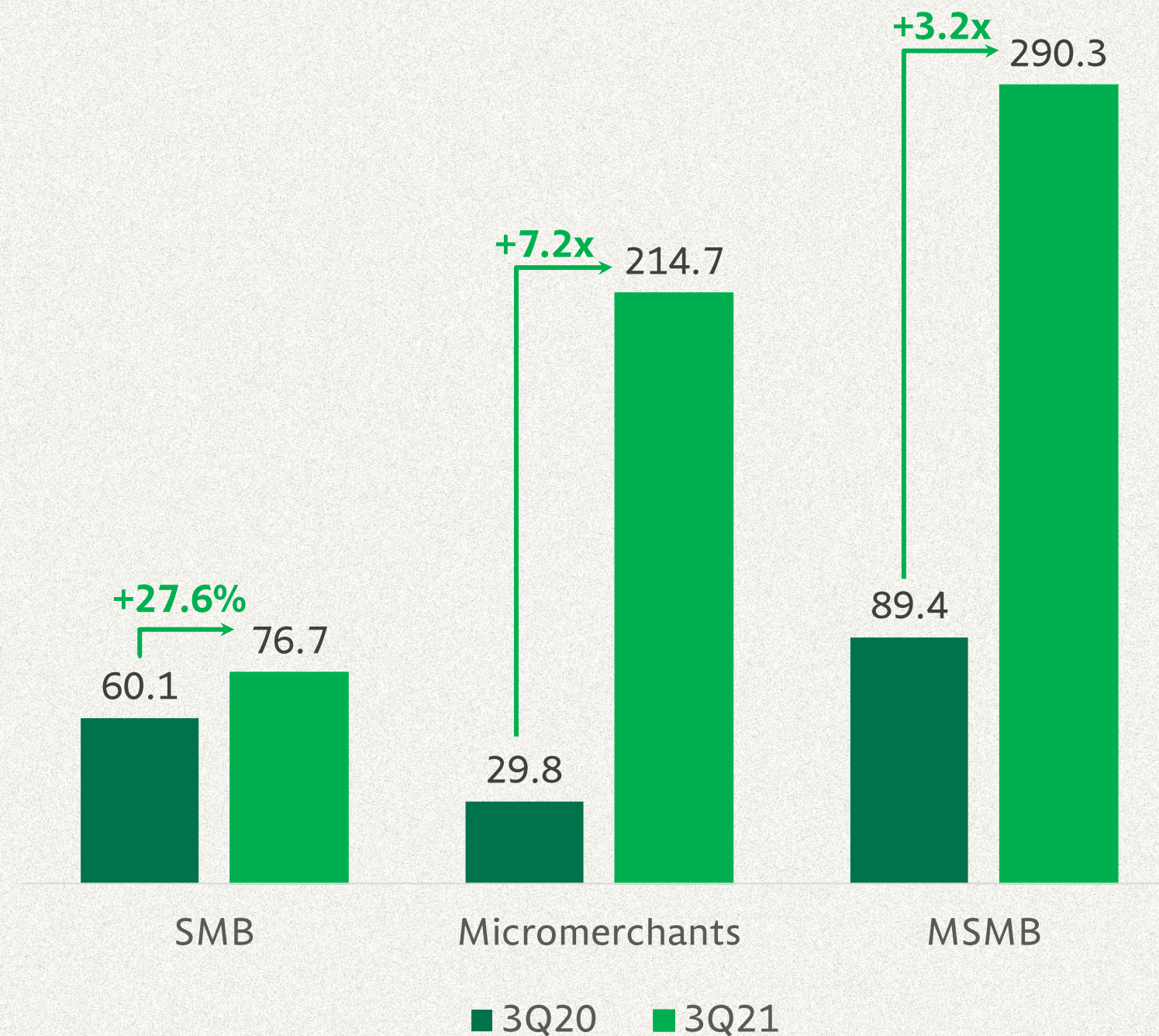
1) MSMB is composed by TON in Micromerchants and Stone and Pagar.me in SMBs, excluding clients from Linx.

2) 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\$ 79 mn to MSMBs TPV in the quarter, implying an 81.1% growth for MSMBs without those volumes.

Record net addition, leading to over 1.3 million MSMB¹ clients

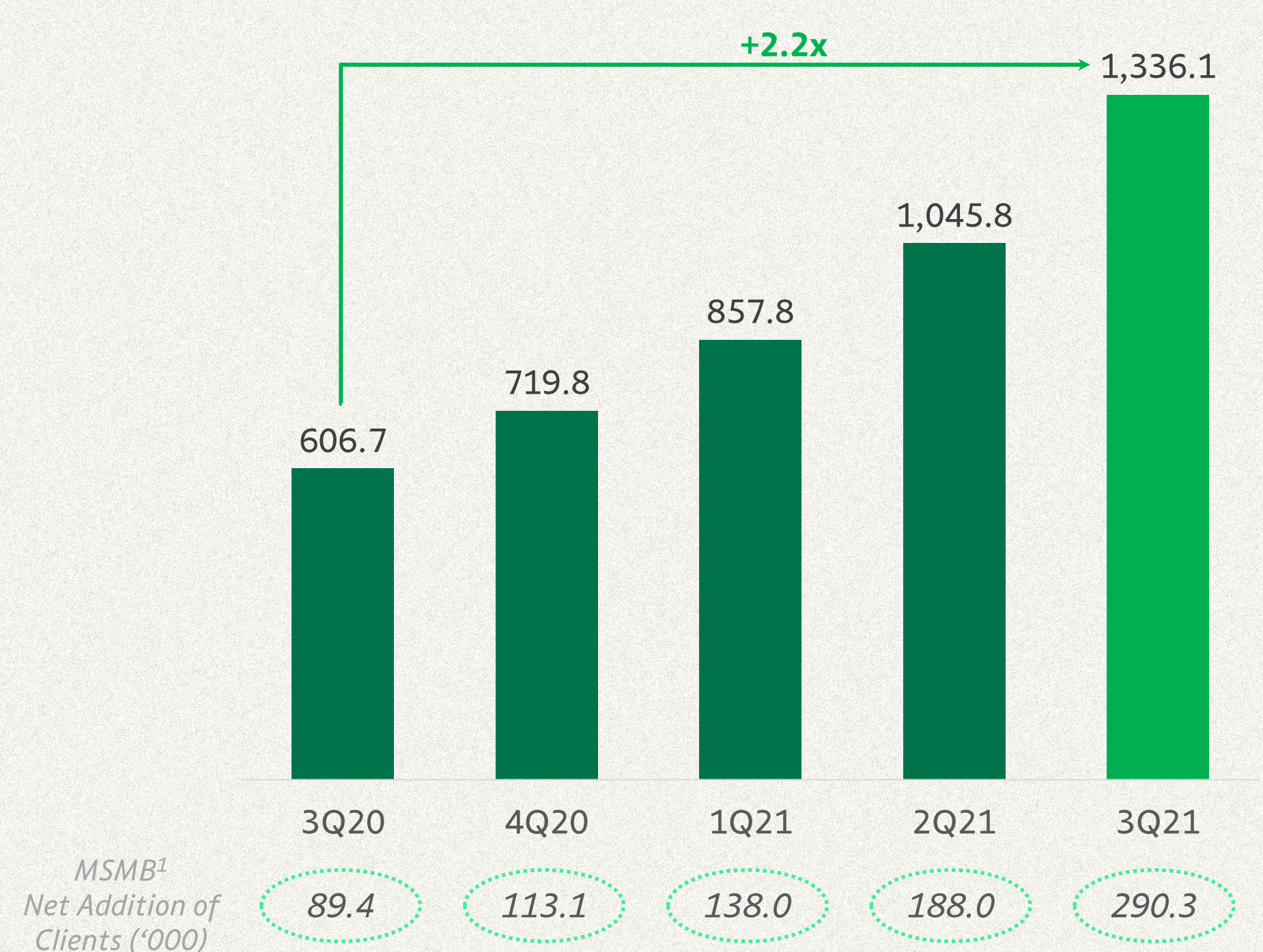
Record high net adds in SMB and Micromerchants

Quarterly Net Adds² – Payments ('000)



MSMB¹ client base over 1.3 million

MSMB¹ Active Clients² ('000)

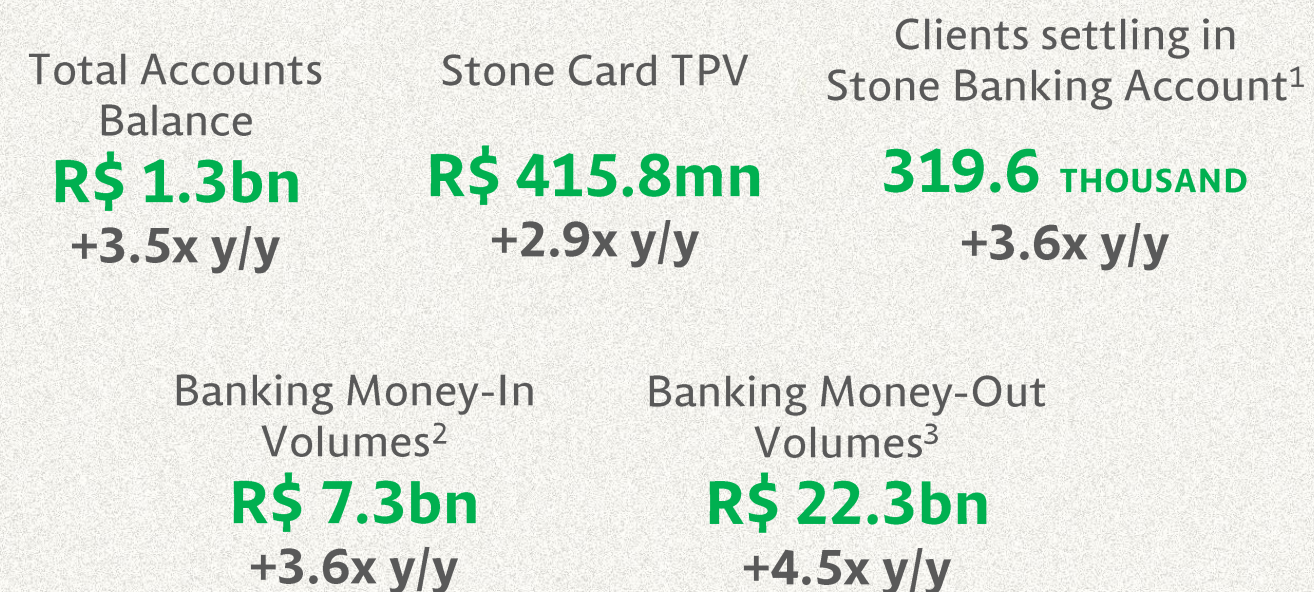


1) MSMB is composed by TON in Micromerchants and Stone and Pagar.me in SMBs, excluding clients from Linx.

2) "Active Clients" and "Net Adds" refer to merchants that have completed at least one electronic payment transaction within the preceding 90 day for SMB and in the preceding 365 days for Micromerchants, excluding clients from Linx.

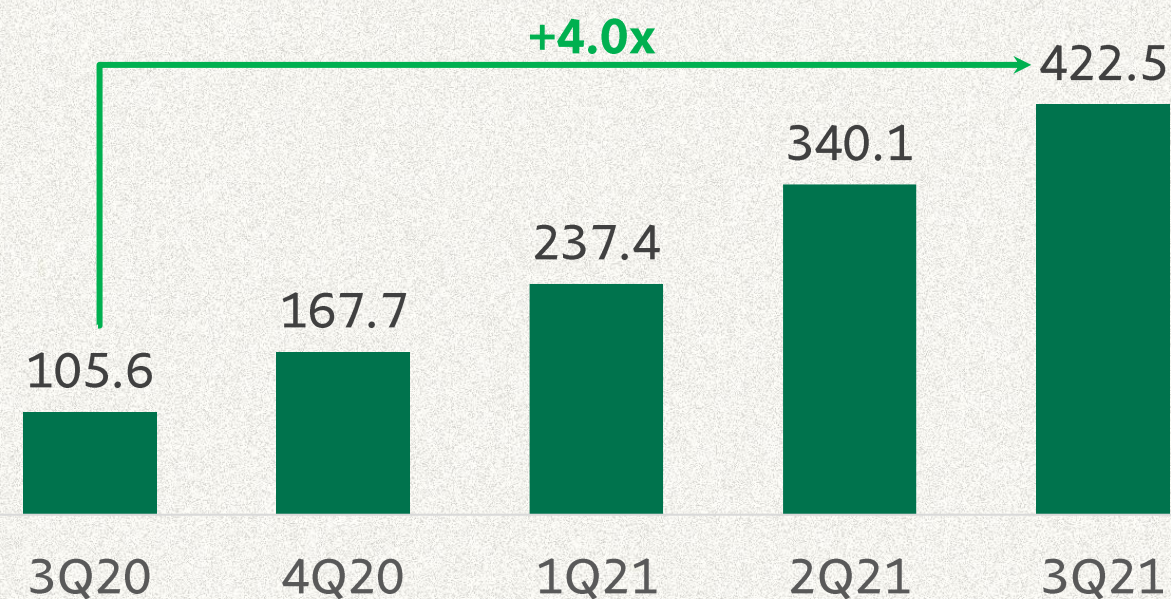
◀▶ Evolving our financial operating system

Increasing engagement



Growing banking client base

Banking Active Clients⁴ ('000)



Financial platform highlights

- ✓ 3Q21 **net cash inflow** of our credit business was R\$483.3 million, **~R\$9 million higher than expected**, with legacy portfolio of R\$1,591mn
- ✓ We envision **3 credit products**: (i) partially or fully-collateralized short-term loans; (ii) credit card; (iii) overdraft
- ✓ **New credit disbursements** – phase 1 (test mode, small scale) in 4Q21 and 1Q22: **focus on improving engineering and operation**
- ✓ **Investment in the fintech Gyra+**, a credit platform for SMBs, which is expected to close in 4Q21:
 - (i) **Team of entrepreneurs** with expertise in the industry;
 - (ii) Improve our **data, tech and product expertise** in credit
 - (iii) Ability to **integrate in additional platforms**
 - (iv) A **fee business**, with no balance sheet risk
- ✓ **Our insurance solution**, though still in beta mode, is showing encouraging trends, with approximately 14,500 active contracts; **fee business**, with no underwriting risk
- ✓ **Legacy credit portfolio performing as expected**, with no additional provision needed for the 3Q21. **Coverage ratio remains above 100%**

1) Considers clients liquidating in our Stone Digital Banking account regardless of which acquirer is being used. In TON and Pagar.me, all clients settle sales in the digital account.

2) Includes Pix In, *wiretransfers*, *boleto* issuance and TPV from other acquirers.

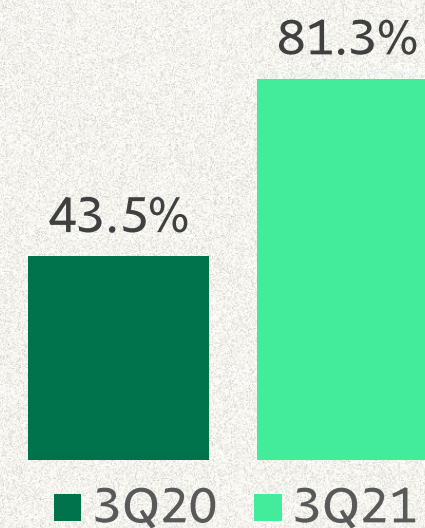
3) Includes Pix Out, *wiretransfers*, bill payments, *boletos* paid, withdrawals, recharge and others.

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

MSMBs Unit Economics – Balancing monetization and growth

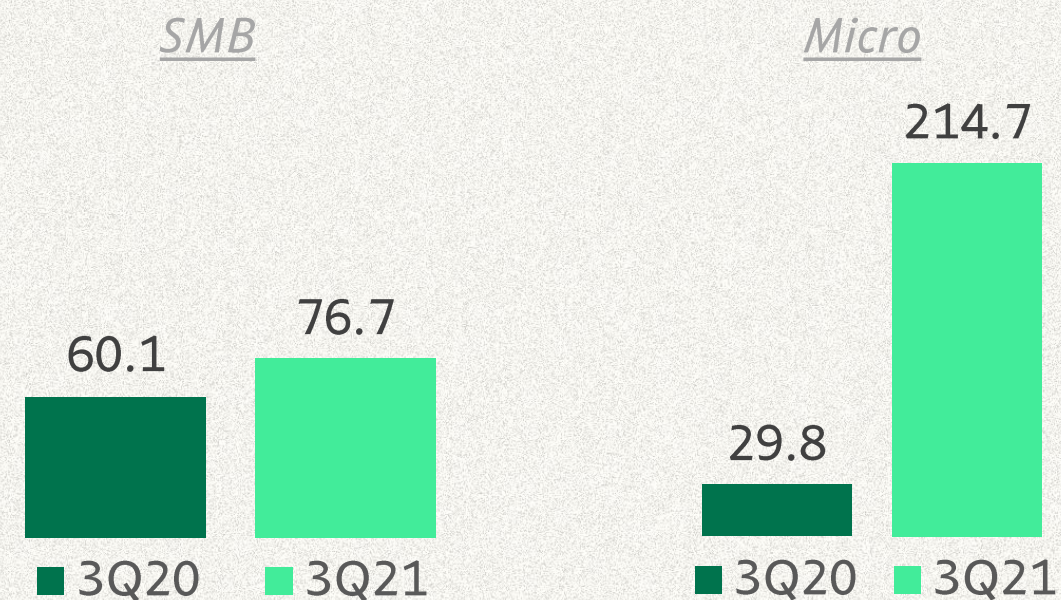
Accelerating TPV growth...

TPV growth in MSMBs (y/y)



...with net addition of clients...

Quarterly Net Adds ('000)



...and good monetization...

MSMBs ARPU (Average Revenue per Merchant) – R\$/month

R\$287/month

SMB: R\$365 (+3% y/y)
Micro: R\$117 (+247% y/y)

Keeping CAC¹ under control

CAC (R\$/client)

-28% y/y
MSMB

SMB: +1% y/y
Micro: -17% y/y

Stable cost to serve but higher funding costs

Cost to serve plus funding costs - R\$/month

+55% y/y
MSMB

Cost to serve: -4% y/y
Funding Costs: +252% y/y

Disciplined payback period

payback²
(with payments only³)

11-15 months

1) Customer Acquisition cost, including Capex and Opex related to acquisition of new MSMB clients.

2) Payback calculated as the CAC divided by monthly contribution margin of clients

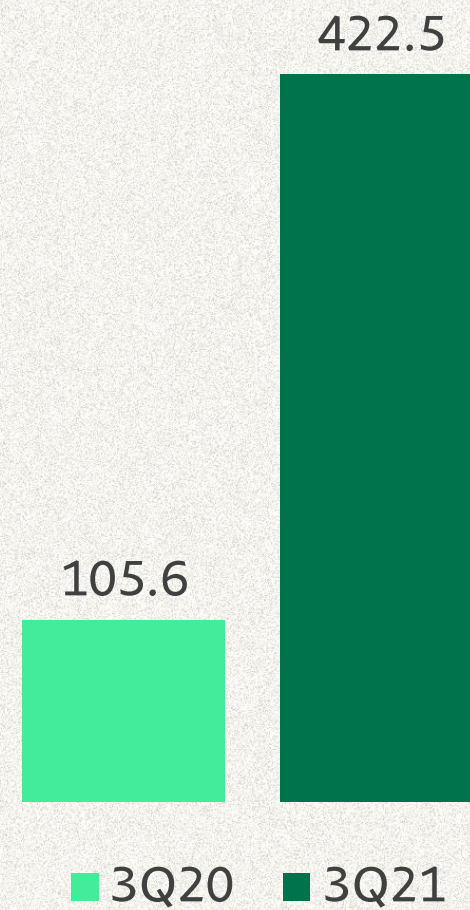
3) It considers only revenue from acquiring. Does not include potential additional revenue with banking, credit, software and insurance.

Unit Economics – banking and insurance

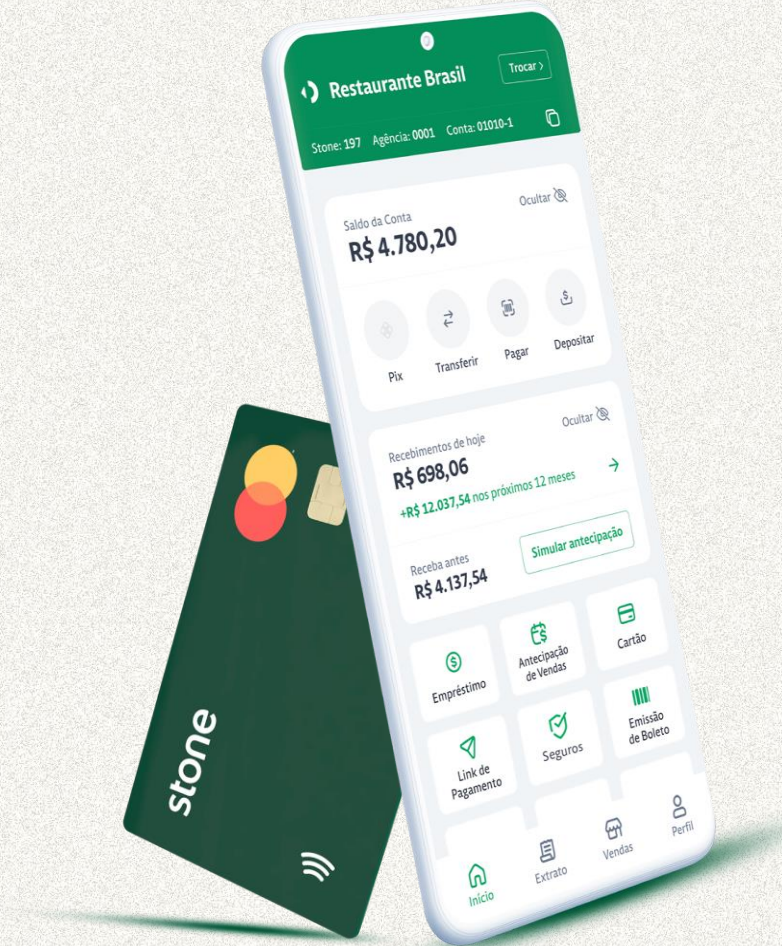
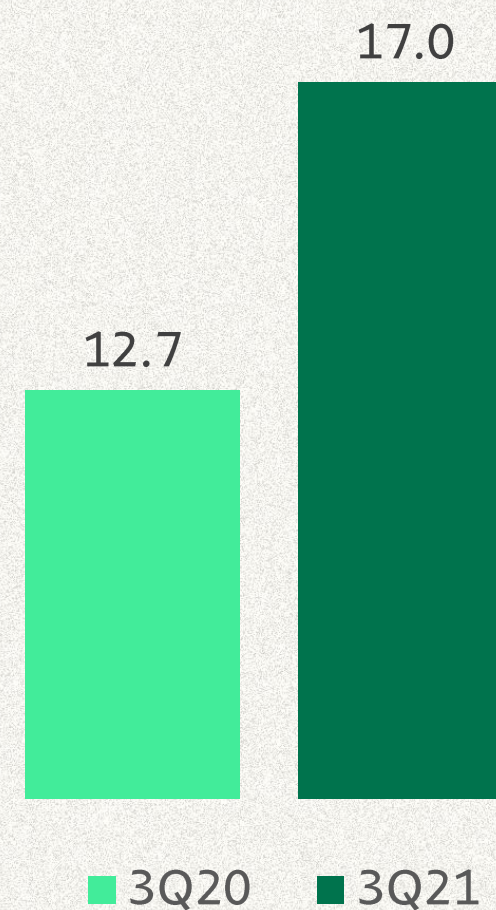
Banking

Strong growth with improving ARPU

Active Clients
(000s)



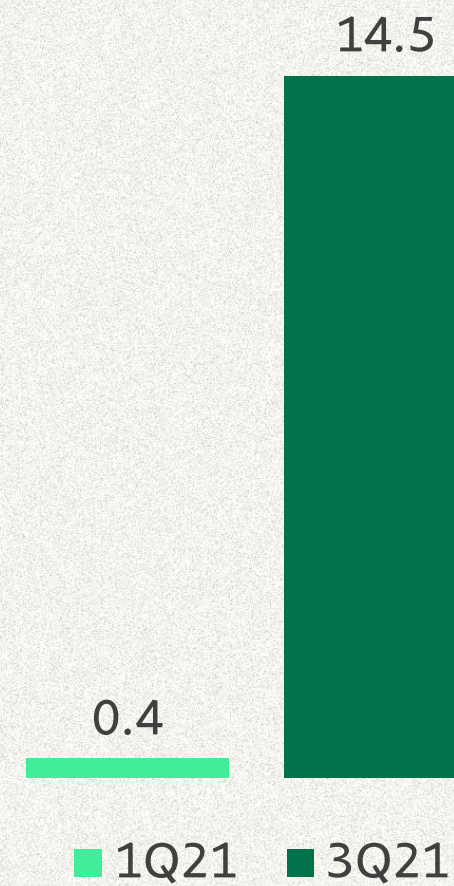
ARPU (R\$/month)



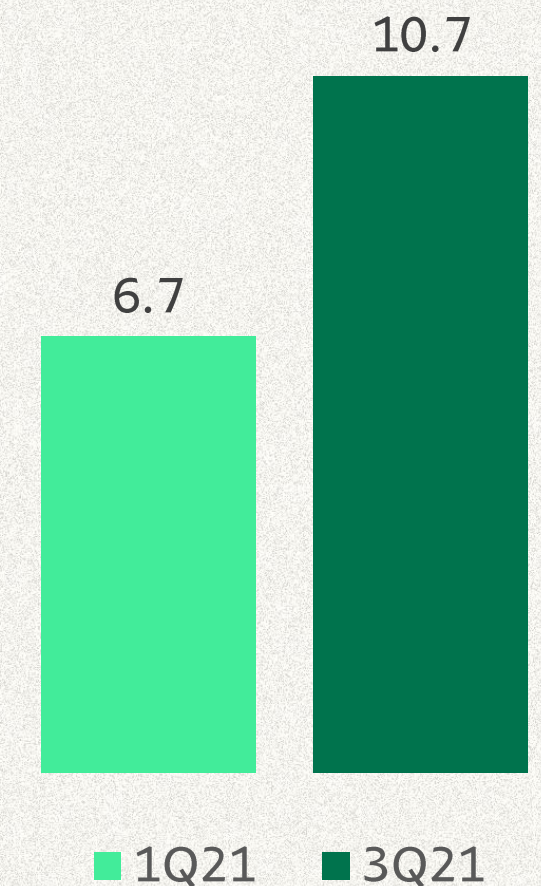
Insurance

Still in pilot mode showing good trends

Active Contracts¹
(000s)



ARPU² (R\$/month)



1) Active Contracts refer to merchants who have contracted at least one insurance product (business and/ or life insurance) and is in compliance with their financial obligations in the last 60 days.

2) Average revenue per Unit of Contract.

Unit Economics –SMB monetization opportunities

ARPU (Average revenue per SMB merchant) - R\$/month

R\$ **340**

ACQUIRING

(Actual B&M)

R\$ **30**¹

BANKING

R\$ **40**²

INSURANCE

R\$ **327**³

CREDIT

(Settled clients)

R\$ **160**⁴

**POS/ERP
SOFTWARE**

(Actual – POS/ERP
solutions)



1) Revenue per month for clients actively using the Stone Card.

2) Net monthly revenue of clients using two solutions that we currently offer as a broker: life insurance and store insurance.

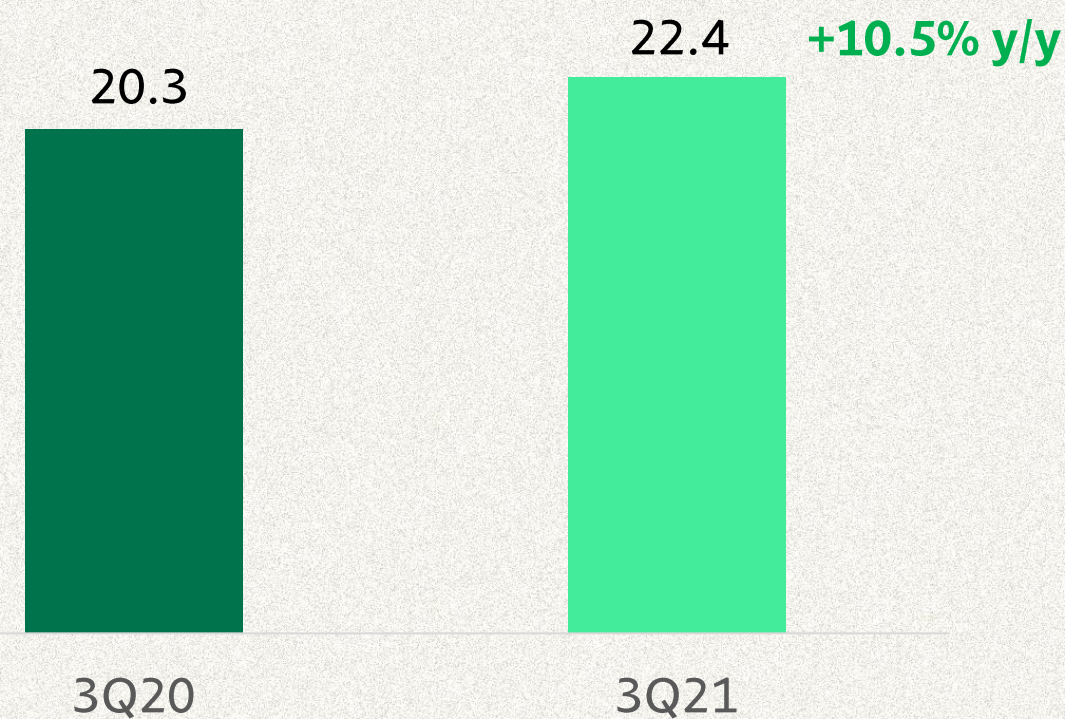
3) Average monthly revenue per client who fully paid down their loans with us.

4) Average monthly ticket for clients currently using our ERP/POS solutions for SMBs.

Key Accounts

Total Key Accounts

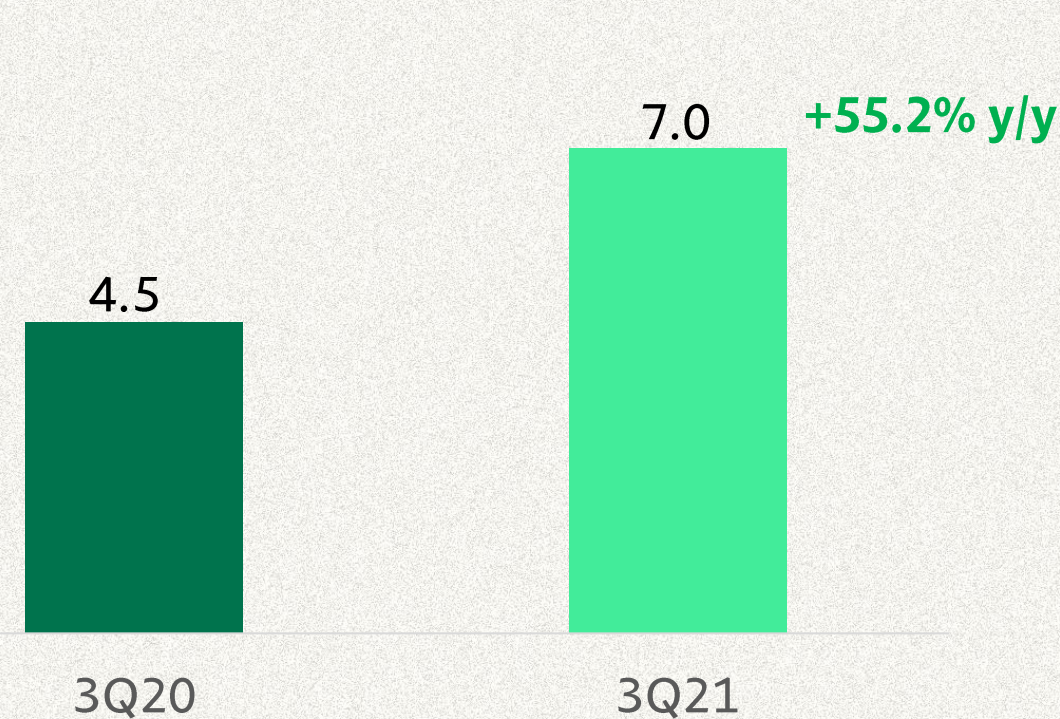
TPV¹ ex-Coronavoucher (R\$bn)



- ✓ **Total Key Accounts' (Platform Services + Sub-acquirers) TPV ex-coronavoucher grew 10.5%** and total TPV decreased 43.4% y/y as a result of R\$ 21.0bn in *Coronavoucher* volumes in 3Q20

Platform Services

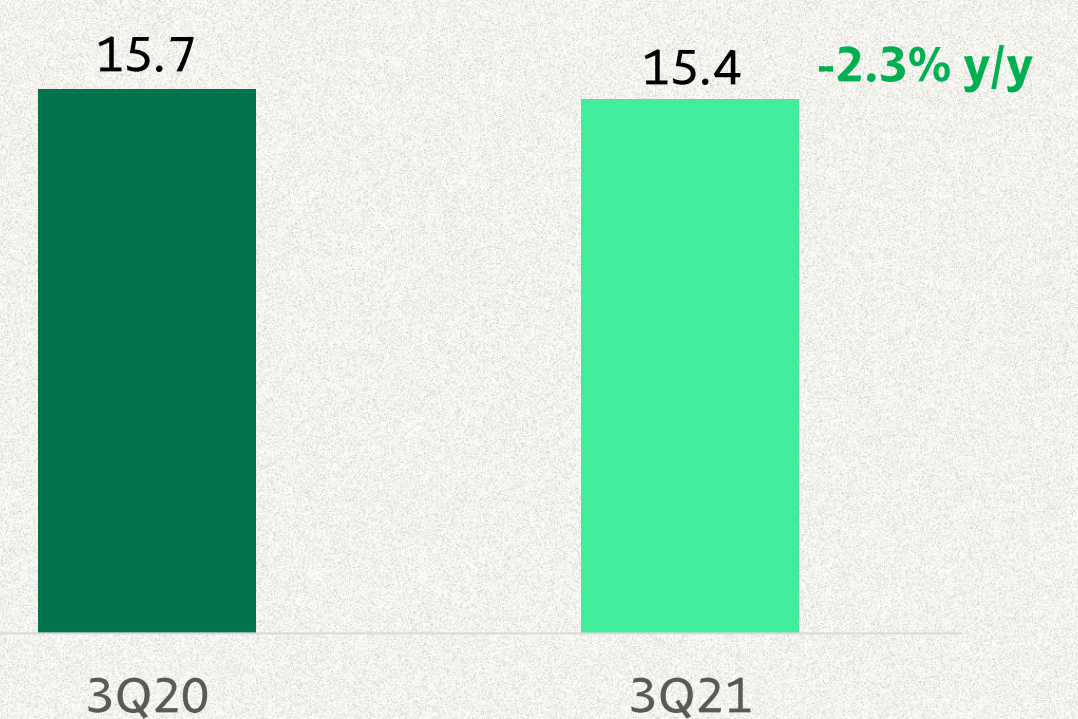
TPV¹ ex-Coronavoucher (R\$bn)



- ✓ In platform services, we want to make it really easy for any platform that serves sellers or consumers to **embed financial services through simple API** integrations

Sub-acquirers

TPV¹ ex-Coronavoucher (R\$bn)



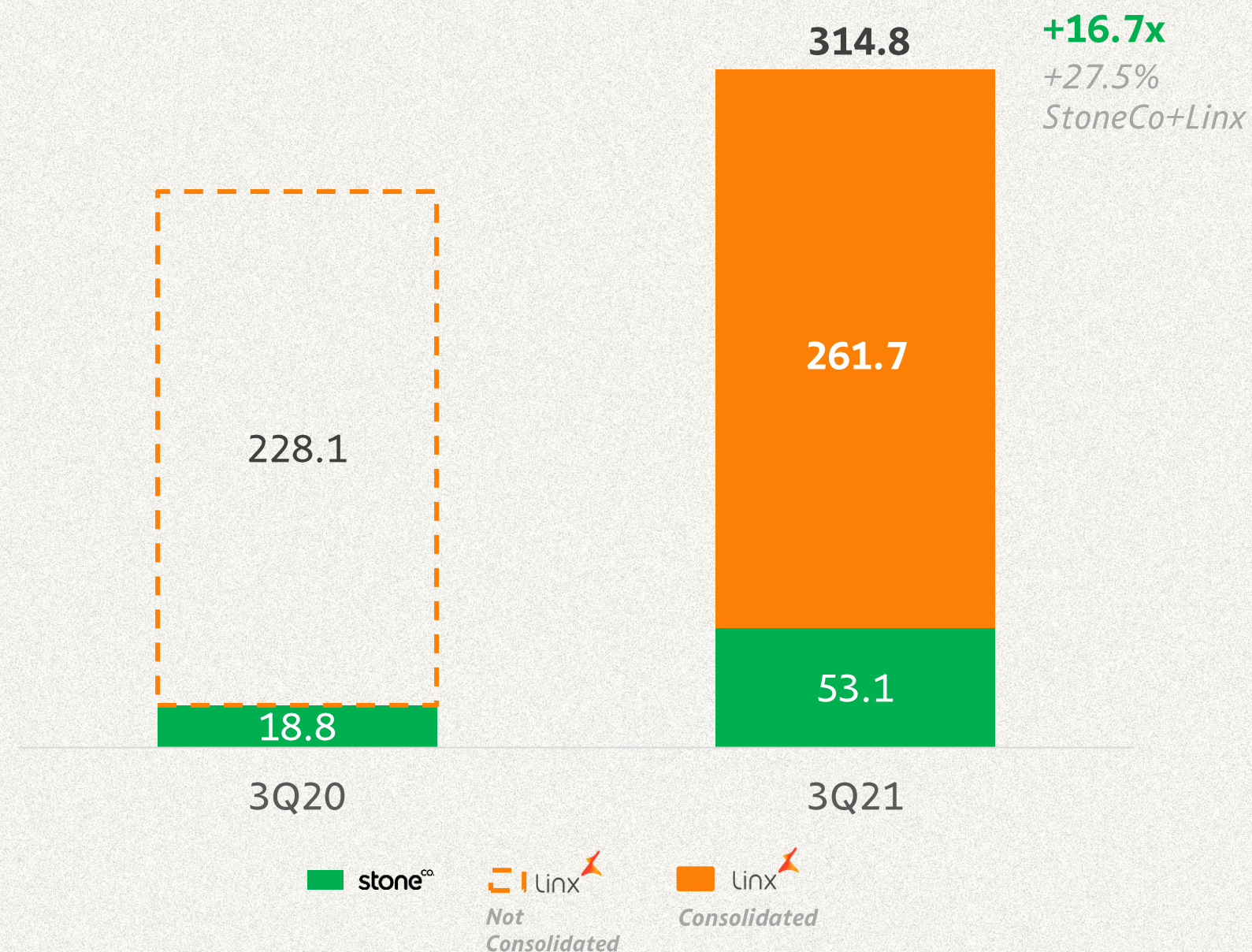
- ✓ Sub-acquirers represent ~40% of Key Accounts revenue, while **Platform Services represent ~60%**
- ✓ **Top 2 subacquirer clients represent only 1% of StoneCo's revenue net of funding costs**

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\$ 118mn to Pagar.me Key Accounts in the quarter, implying a 9.9% growth ex-Coronavoucher when excluding these volumes.

Reinforcing our position as the leading software player for retail in Brazil

Consolidated software revenue

Consolidated Software Net Revenue (R\$ mn)



Performance highlights

- ✓ Consolidated software revenue grew **17x** to R\$315 mn (27.5% y/y proforma for Linx)
- ✓ Linx recurring revenue¹ grew by **15.5%** y/y in 3Q21
- ✓ Linx Core **POS/ERP recurring revenue²** grew by **21.2%**, driven by an increase in average ticket and in the number of stores served
- ✓ Consolidated revenue from software solutions excluding Linx grew **182%** to R\$53.1 mn
- ✓ Software client base over **200,000 clients**

1) Considers recurring and royalties revenues.
2) Core POS/ERP recurring revenue also considers Food Delivery solutions.

Linux priorities

	Solutions	Key Metrics ¹	Strategic Focus
INVEST IN GROWTH AND QUALITY	POS/ERP	<u>Revenue growth:</u> +21% y/y	Drive organic and inorganic growth
	OMS ²	+52% y/y	Digitize merchant catalogue/ integrate to multiple channels
	Impulse ³	-3% y/y (20% 2y CAGR)	Help merchant's reach and engage with consumers
	B&M Gateway + QR ⁴	+25% y/y	Create financial services offering for each client segment
TURNAROUND AND IMPROVE	Linux Commerce	Flat revenue y/y (39% 2y CAGR)	Invest in scalability and features
		700 websites	
		R\$2.2bn GMV LTM	
ASSESSMENT	Sub-Acquirers	50% of clients in subacquiring migrated to Stone (81% opted-in) in mid-November	Full migration to Stone platform

1) Revenue growth data refers to gross revenue.

2) Order Management System: Our omnichannel solution offers multi-channel purchasing processes that integrate stores, franchises and distribution centers, thereby providing a single channel for our customers that decreases inventory shortage, generates more consumer traffic and increased sales.

3) Impulse solutions is comprised by search, recommendation, reengagement and retargeting tools.

4) Bricks-and-mortar gateway refers to "ETF" – Electronic Transfer of Funds. Includes QR Code solution.



Linx brings deep knowledge in retail

Breadth and depth of knowledge in a variety of business segments

~R\$350bn GMV

(Currently monetizing¹
~0.3% of GMV)

~R\$200bn TPV

(Mid-single digits
penetration with payments)

106k Locations



APPAREL



GAS STATIONS



COSMETICS



FOOD SERVICE



BIG RETAIL



FOOTWEAR



AUTO



ELECTRONICS



DRUGSTORES



ERP FOR
ECOMMERCE



1) Linx 3Q21 annualized revenue of R\$1,047 million divided by R\$350bn of estimated GMV.

Client segments in software

KEY ACCOUNTS

(~9% of revenue)

- Execution oriented towards customization
- Source of data and learnings
- Strategic positioning for consumer ecosystem integration (marketplaces)

MID & LARGE

(~80% of revenue)

- Vertical specialization and focus on growing existing verticals and expanding to new ones
- Drive digitization through omni-channel integrations
- Create integrated financial services and software specific to each vertical needs

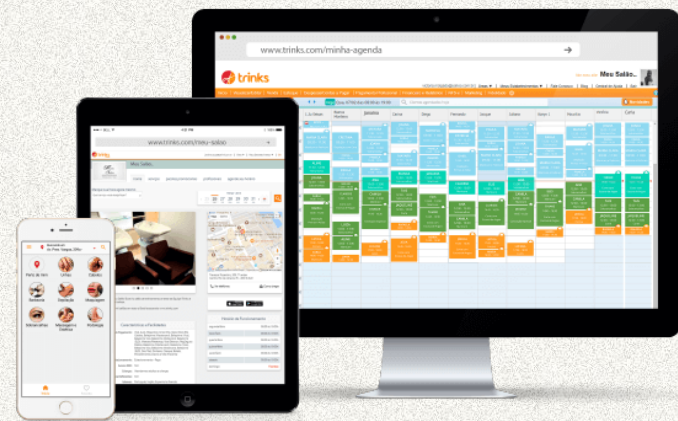
SMB

(~11% of revenue)

- Simple products to gain scale
- Improve client efficiency and UX through product integration
- Enable clients to sell online (own website + marketplaces)

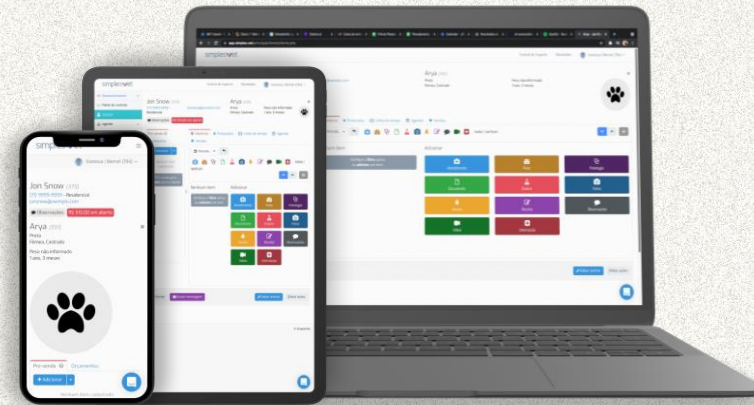
Early days of integrating software and financial services

BEAUTY



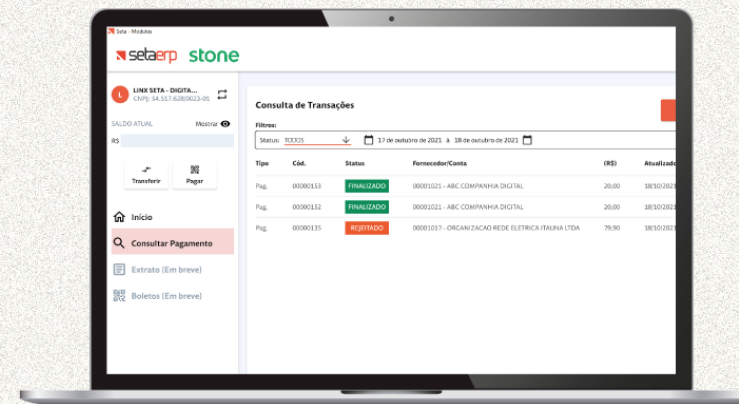
Banking integration and split payment feature

PETSHOP/VET



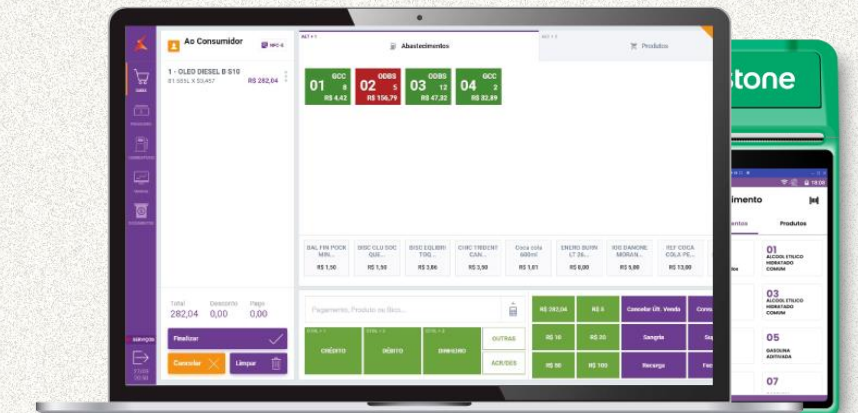
Payment reconciliation and split payment feature

FOOTWEAR



Openbanking in ERP

GAS STATIONS



Integrated mobile POS with fuel dispensers

How integration of software with payments and Open Banking benefits our clients

- Split payment between merchants and professionals
- Credit card payment recurrence
- Streamline checkout process with mobile POS
- Better omnichannel management with split payments
- Easier reconciliation of payment methods
- Automate bill payments through ERP
- Streamline information flow with accountants
- Avoid manual inputs, saving time for clients
- Facilitate PIX transactions and reconciliation directly in POS

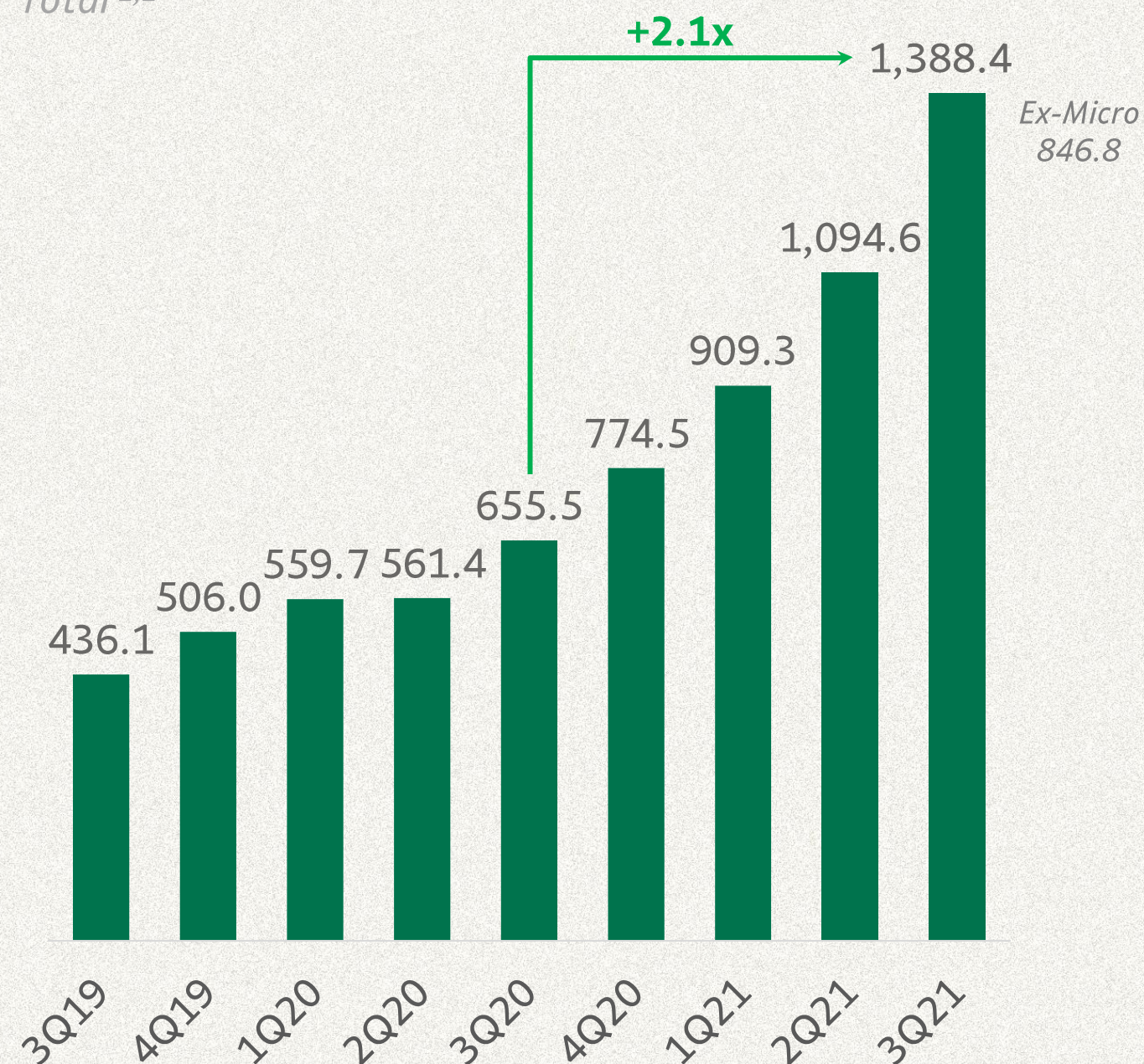


Top-Line Growth

Financial and operating metrics

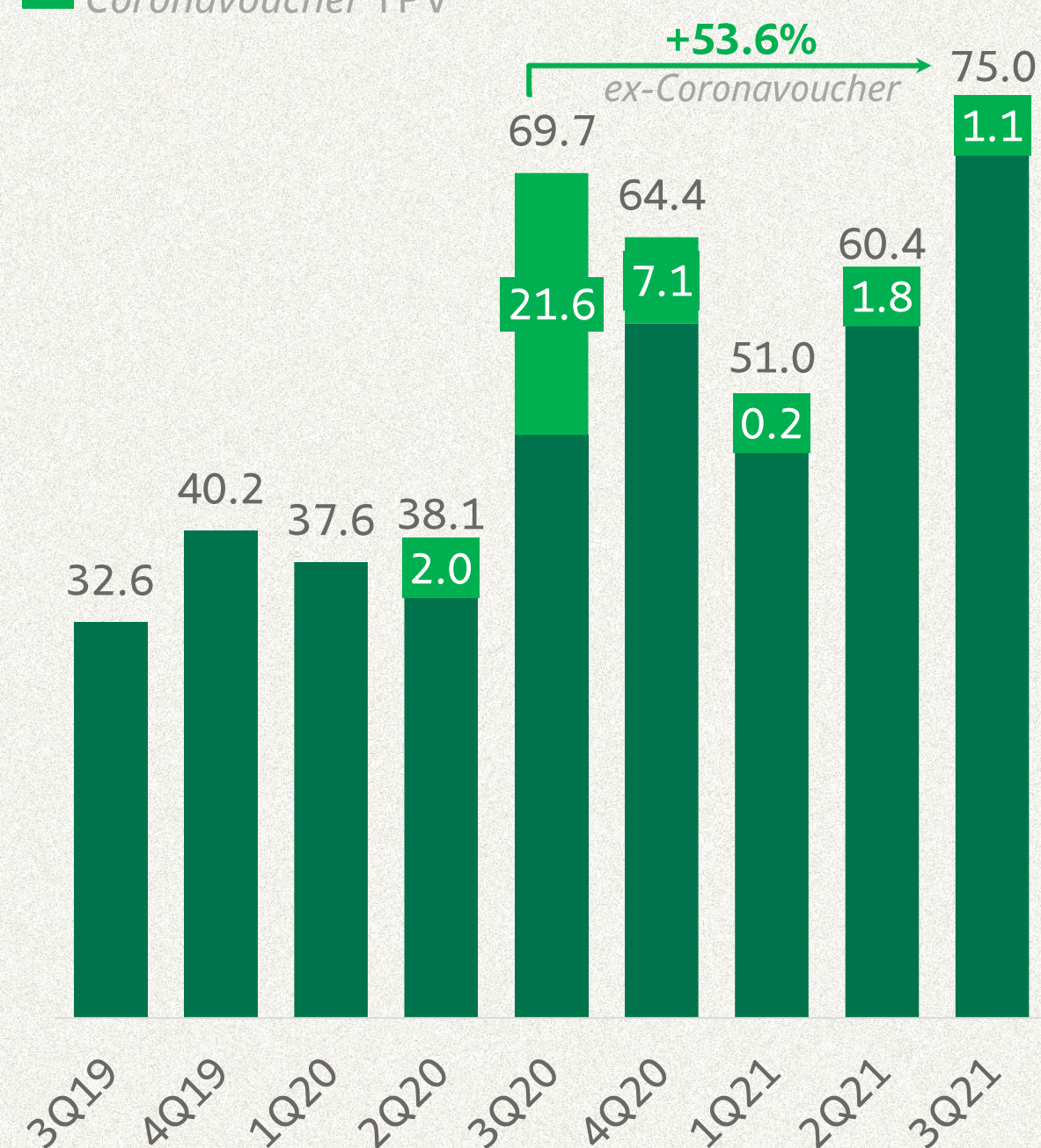
Active Clients – Payments ('000)

Total^{1,2}

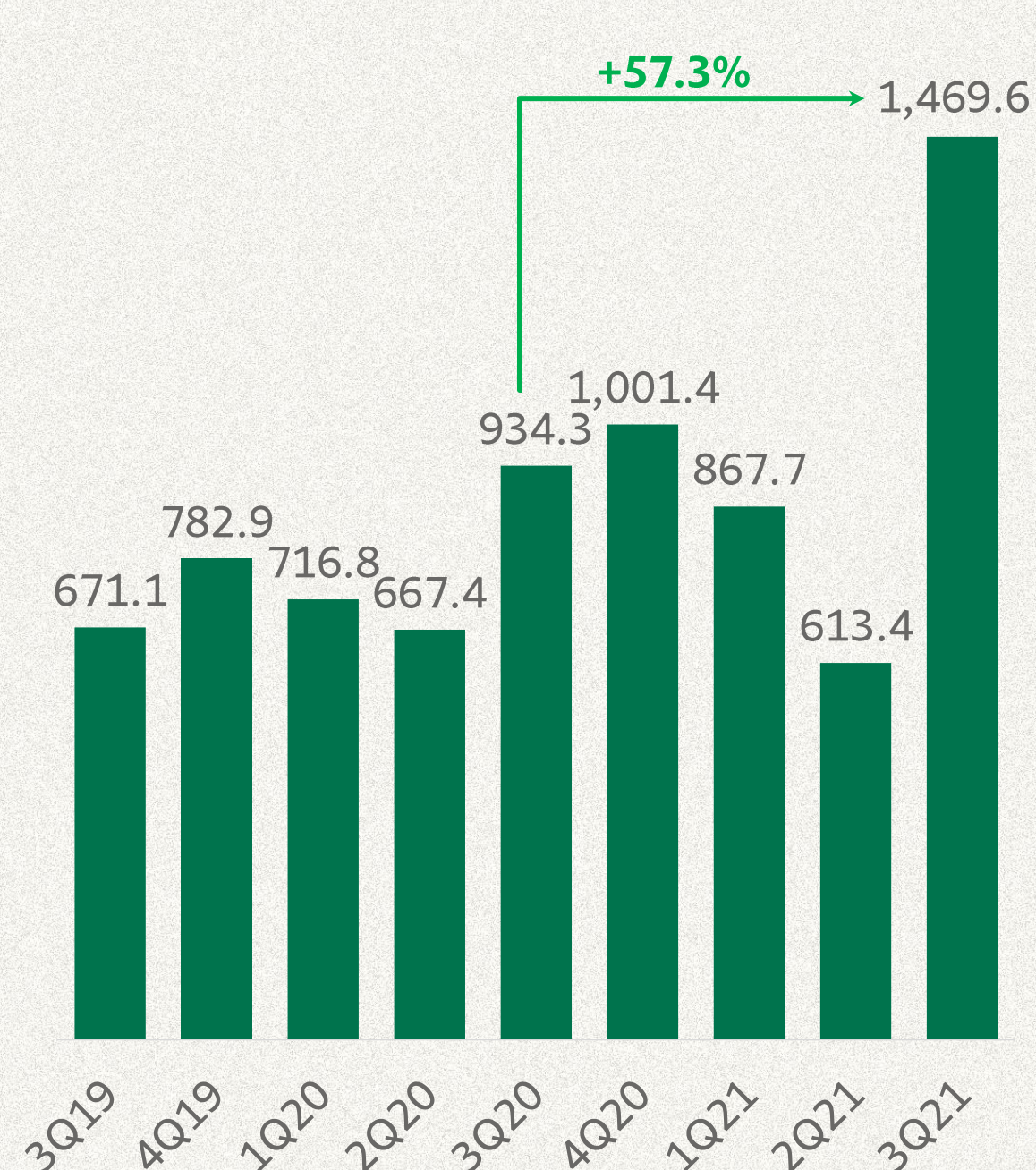


Total Payment Volume³ (R\$ bn)

Coronavoucher TPV



Total Revenue⁴ (R\$ mn)



1) SMB clients, Micromerchants 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.

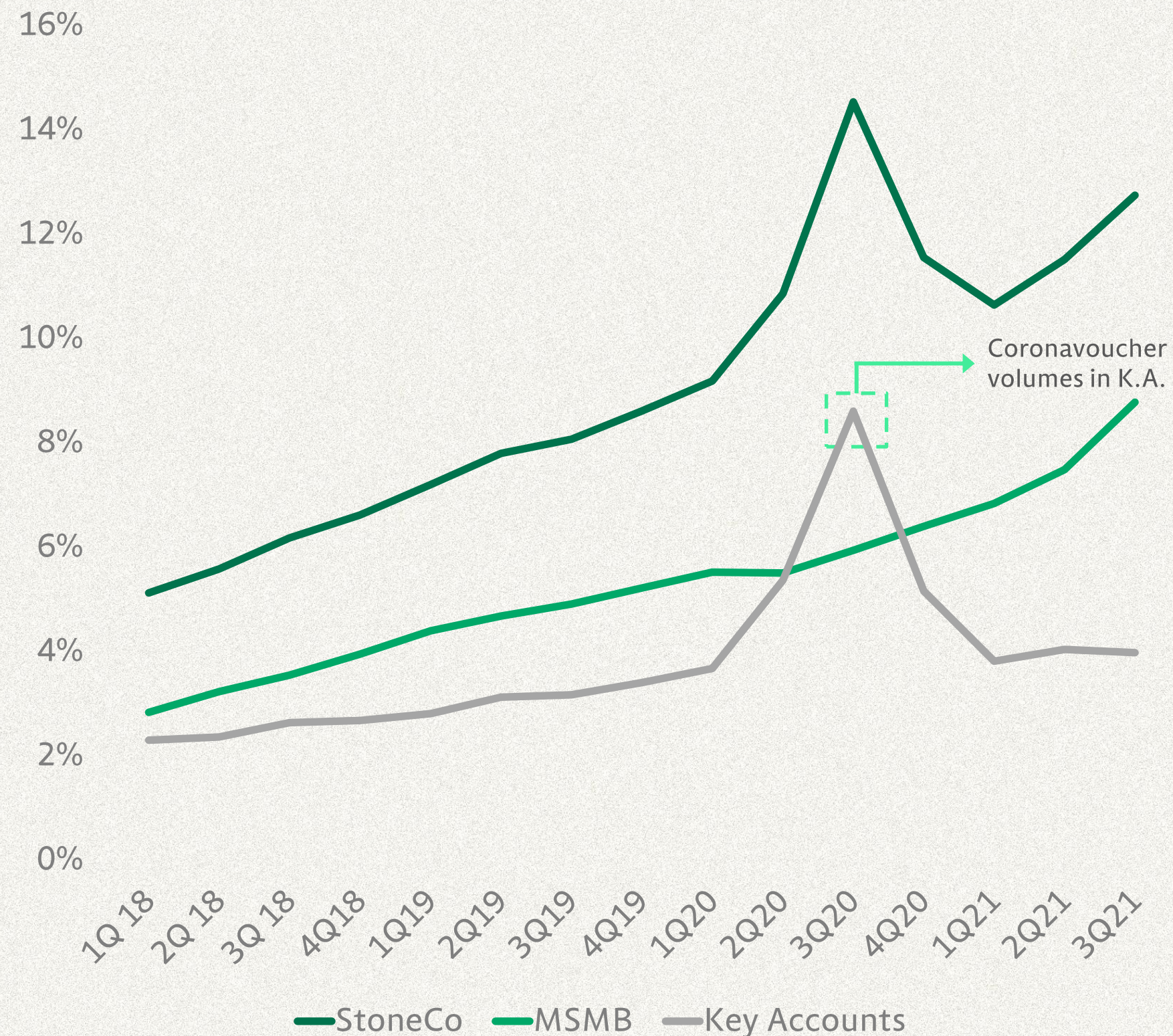
3) From 1Q21 onwards, reported TPV figures consider all volumes processed and settled by StoneCo. As a result, from 1Q21 onwards we have included volumes processed by Pagar.me PSP with acquirers other than Stone. This change added R\$197 million to total TPV in the quarter., implying a 53.2% ex-Coronavoucher growth excluding these volumes and a 7.3% reported TPV growth.

4) Total Revenue and Income.

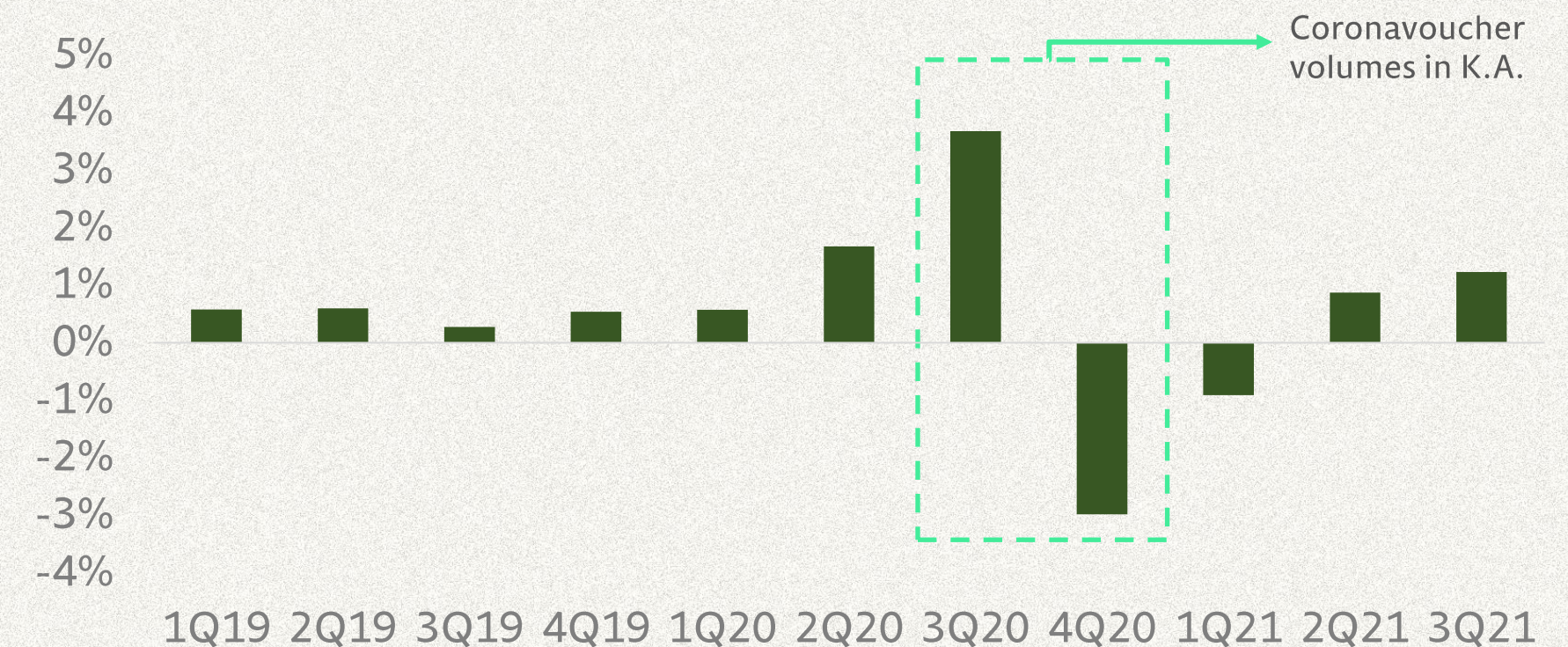


Consistent market share gains in payments, led by MSMB

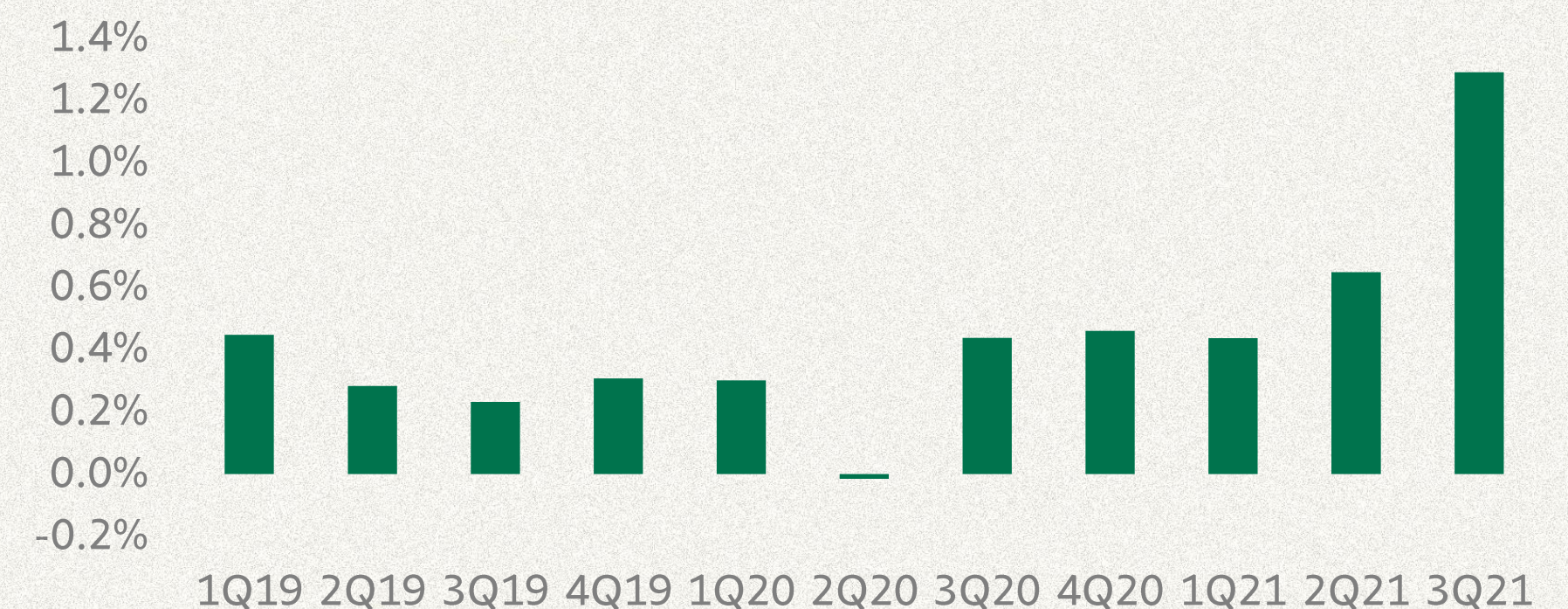
Market share¹ evolution



StoneCo quarterly market share changes (p.p.)



MSMBs² quarterly market share changes (p.p.)



1) Market share of StoneCo considering the public TPV volumes of main players in the market: StoneCo, Cielo, Rede, GetNet and Pagseguro.

2) Market share changes considering StoneCo volumes in MSMBs divided by Total market volume of five main players mentioned above.

Proforma Historical P&L with Linx

Proforma Results with Linx (ex credit product)¹

Statement of Profit or Loss - Stone and Linx Proforma excluding credit product (R\$ mn)	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	Δy/y
Net revenue from transaction activities and other services	259.2	255.6	383.5	368.3	346.4	390.3	436.7	13.9%
Net revenue from subscription services and equipment rental	270.0	266.0	284.7	323.4	343.1	365.0	371.0	30.3%
Financial income	341.7	262.8	305.8	355.1	346.5	440.7	610.4	99.6%
Other financial income	41.6	38.8	31.9	48.6	44.5	66.9	54.3	69.8%
Total revenue and income	912.5	823.2	1,006.0	1,095.4	1,080.5	1,262.9	1,472.3	46.4%
Cost of services	(260.3)	(299.6)	(317.3)	(363.7)	(359.2)	(454.9)	(525.6)	65.6%
Administrative expenses	(132.6)	(146.9)	(171.4)	(207.1)	(178.7)	(237.8)	(359.8)	109.9%
Selling expenses	(148.8)	(155.7)	(181.1)	(183.6)	(205.9)	(269.8)	(308.2)	70.2%
Financial expenses, net	(162.1)	(71.0)	(80.4)	(76.6)	(95.0)	(155.4)	(306.1)	280.6%
Other operating income (expense), net	(5.4)	(44.3)	(47.8)	(104.9)	(44.4)	(100.9)	(29.1)	-39.1%
Fair value adjustment on equity securities designated at FVPL	0.0	0.0	0.0	0.0	0.0	841.2	(1,341.2)	n.m.
Gain (loss) on investment in associates	(1.3)	(1.5)	(1.1)	(3.0)	(3.6)	(2.8)	(2.8)	155.0%
Profit before income taxes	202.2	104.2	206.8	156.5	193.6	882.4	(1,400.4)	n.m.
Income tax and social contribution	(64.2)	(18.8)	(65.4)	(43.5)	(57.5)	(143.8)	159.3	n.m.
Net income for the period	138.0	85.4	141.4	113.0	136.1	738.6	(1,241.2)	n.m.
Adjusted Net Income	148.3	119.9	198.5	225.7	167.3	166.1	151.7	-23.6%

Proforma Results with Linx

Statement of Profit or Loss - Stone and Linx Proforma (R\$ mn)	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	Δy/y
Net revenue from transaction activities and other services	259.2	255.6	383.5	368.3	346.4	390.3	436.7	13.9%
Net revenue from subscription services and equipment rental	270.0	266.0	284.7	323.4	343.1	365.0	371.0	30.3%
Financial income	361.1	328.0	462.3	504.1	372.0	43.5	607.7	31.5%
Other financial income	41.6	38.8	31.9	48.6	44.5	66.9	54.3	69.8%
Total revenue and income	931.9	888.3	1,162.4	1,244.4	1,106.0	865.7	1,469.6	26.4%
Cost of services	(260.3)	(299.6)	(317.3)	(363.7)	(359.2)	(454.9)	(525.6)	65.6%
Administrative expenses	(132.6)	(146.9)	(171.4)	(207.1)	(178.7)	(237.8)	(359.8)	109.9%
Selling expenses	(148.8)	(155.7)	(181.1)	(183.6)	(205.9)	(269.8)	(308.2)	70.2%
Financial expenses, net	(163.9)	(73.9)	(84.5)	(83.5)	(107.4)	(173.8)	(330.7)	291.2%
Other operating income (expense), net	(5.4)	(44.3)	(47.8)	(104.9)	(44.4)	(100.9)	(29.1)	-39.1%
Fair value adjustment on equity securities designated at FVPL	0.0	0.0	0.0	0.0	0.0	841.2	(1,341.2)	n.m.
Gain (loss) on investment in associates	(1.3)	(1.5)	(1.1)	(3.0)	(3.6)	(2.8)	(2.8)	155.0%
Profit before income taxes	219.7	166.4	359.2	298.6	206.7	466.8	(1,427.8)	n.m.
Income tax and social contribution	(70.2)	(40.0)	(117.9)	(58.4)	(55.3)	(48.0)	167.6	n.m.
Net income for the period	149.6	126.4	241.2	240.2	151.4	418.8	(1,260.2)	n.m.
Adjusted Net Income	159.8	160.9	298.2	352.9	182.7	(153.7)	132.7	-55.5%

1) Excludes revenue and financial expenses associated with the credit product.

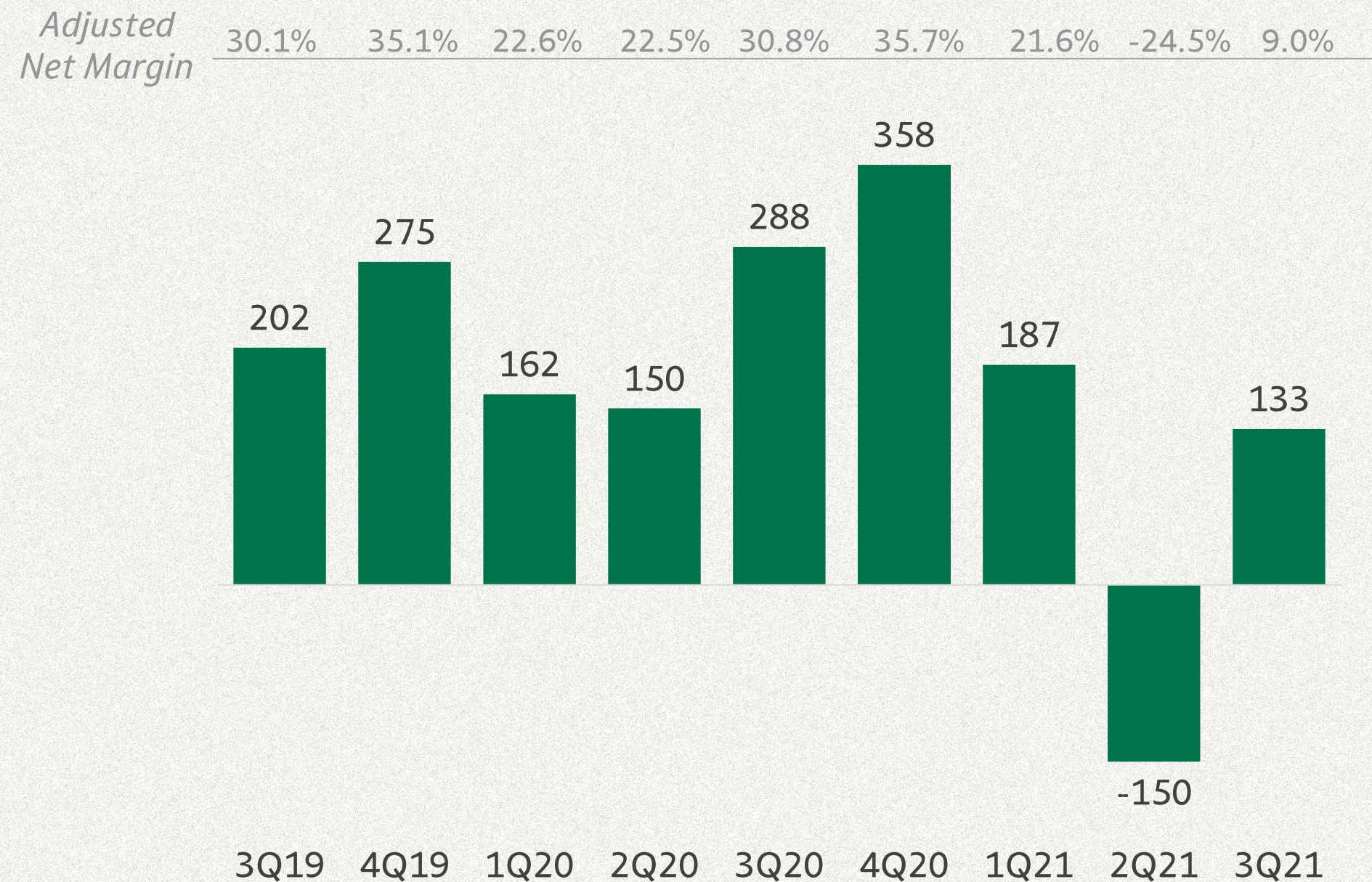
Summary Statement of Profit and Loss

Statement of Profit or Loss (R\$mm)	3Q21	% Rev.	3Q20	% Rev.	Δ %	9M21	% Rev.	9M20	% Rev.	Δ %
Net revenue from transaction activities and other services	436.7	29.7%	354.1	37.9%	23.3%	1,114.2	37.8%	808.9	34.9%	37.7%
Net revenue from subscription services and equipment rental	371.0	25.2%	92.5	9.9%	301.0%	663.8	22.5%	266.1	11.5%	149.5%
Financial income	607.7	41.4%	460.1	49.2%	32.1%	1,016.5	34.4%	1,146.0	49.4%	-11.3%
Other financial income	54.3	3.7%	27.6	3.0%	96.7%	156.2	5.3%	97.5	4.2%	60.3%
Total revenue and income	1,469.6	100.0%	934.3	100.0%	57.3%	2,950.7	100.0%	2,318.4	100.0%	27.3%
Cost of services	(525.6)	-35.8%	(208.1)	-22.3%	152.6%	(1,067.7)	-36.2%	(556.7)	-24.0%	91.8%
Administrative expenses	(359.8)	-24.5%	(106.2)	-11.4%	238.9%	(599.2)	-20.3%	(270.0)	-11.6%	121.9%
Selling expenses	(308.2)	-21.0%	(139.5)	-14.9%	120.9%	(694.1)	-23.5%	(366.0)	-15.8%	89.6%
Financial expenses, net	(330.7)	-22.5%	(64.7)	-6.9%	411.3%	(580.8)	-19.7%	(275.7)	-11.9%	110.7%
Fair value adjustment on equity securities designated at FVPL	(1,341.2)	-91.3%	0.0	0.0%	n.m.	(500.0)	-16.9%	0.0	0.0%	n.m.
Other operating income (expense), net	(29.1)	-2.0%	(43.3)	-4.6%	-32.8%	(134.8)	-4.6%	(86.8)	-3.7%	55.2%
Gain (loss) on investment in associates	(2.8)	-0.2%	(1.1)	-0.1%	155.1%	(9.2)	-0.3%	(3.9)	-0.2%	135.4%
Profit before income taxes	(1,427.8)	-97.2%	371.5	39.8%	n.m	(635.2)	-21.5%	759.2	32.7%	n.m
Income tax and social contribution	167.6	11.4%	(122.4)	-13.1%	n.m	59.3	2.0%	(227.9)	-9.8%	n.m
Net income for the period	(1,260.2)	-85.7%	249.1	26.7%	n.m	(575.9)	-19.5%	531.3	22.9%	n.m
Adjusted Net Income¹	132.7	9.0%	287.9	30.8%	-53.9%	169.6	5.7%	600.4	25.9%	-71.8%

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.

Profitability

Adjusted Net Income and Margin¹ (R\$ mn)



Adjusted Free Cash Flow²

Summarized Statement of Cash Flows (R\$mm)	3Q21	3Q20
Net Income	(1,260.2)	249.1
(+/-) Non-cash items	1,616.5	(116.4)
Cash net income	356.3	132.8
(+) Adjusted working capital variations ³	32.2	283.7
(=) Adjusted net cash provided by (used in) operating activities	388.4	416.4
(-) Capex	(149.9)	(181.9)
(=) Adjusted Free Cash Flow	238.5	234.5
(-) Prepayment Cash Needs	(2,511.2)	(929.1)
(+/-) Cash inflows/ (outflows) to credit solution	483.3	(436.4)
(+/-) Adjustments to digital clients float	(385.9)	92.5
(=) Free Cash Flow	(2,175.3)	(1,038.4)
(-) M&A & other investing activities	(4,732.3)	(62.3)
(=) Net cash provided by (used in) investing activities (ex-Capex)	(4,732.3)	(62.3)
(+/-) Sale of Receivables, FIDC and debt issuance /(repayment)	2,172.2	49.3
(+/-) Capital increase	0.0	7,845.6
(+/-) Other financing activities	(1.0)	(0.2)
(=) Adjusted net cash provided by (used in) financing activities	2,171.1	7,894.6
(=) Change in cash + short and long term investments	(4,736.4)	6,794.0
(+/-) Short/long term investments	1,920.8	(7,379.7)
(+) Effect from foreign exchange on cash and cash equivalents	(15.1)	1.3
(=) Change in cash and cash equivalents	(2,830.8)	(584.5)

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").

3) Changes in working capital excluding (i) net cash inflows/(outflows) from our legacy credit business; (ii) changes in Accounts Receivables from Card Issuers and Accounts Payable to Clients related to our prepayment activity; and (iii) cash flows related to changes in outstanding balance of our Pagar.me clients with us through our digital accounts.

◀ Our strategy evolved and our key principles remain strong

What we said by our IPO

- “We intend to develop new solutions and capabilities for Digital Banking Solutions and Micro-Merchant commerce”¹

- “We will continue to selectively pursue acquisitions (i.e. POS / ERP software)”²

- “We intend to continue to grow our base of Stone Hubs”¹

What we have done

- Active digital banking clients went from zero in 3Q18 to 422k in 3Q21
- Micro-Merchant active client base increased from virtually zero in 3Q18 to 545k clients in 3Q21

- We have acquired Linx and invested in 12 software companies, becoming the #1 software company for retail management in Brazil
- The consolidated software revenue went from ~ R\$7 million in the 3Q18 to ~ R\$ 315 million in 3Q21, serving over 200,000 clients

- The number of proprietary hubs has increased from 180 in 2Q18 to over 450 in 3Q21
- Increased client base from 235 thousand in the 3Q18 to 1.4 million in 3Q21

What we are doing

- Our goal is to be the best financial operating system for Brazilian merchants

- Our goal is to be the best workflow tool for Brazilian merchants and help them to sell through multiple channels

- Early days of integrating software and financial services

- With nearly 30 million MSMBs in Brazil, we still see a lot of room to expand our client base

1) Excerpt from StoneCo F-1.

2) Excerpt from StoneCo roadshow presentation.



What we have achieved since the IPO

Three years after, we see our business bigger and better

Metric	At IPO (3Q18)	3Q21	Δ
Active client base ('000)	234.7	1,388.4	5.9x 81% 3Y CAGR
TPV ¹	R\$22b	R\$74b	3.4x 50% 3Y CAGR
Total Revenue	R\$414mn	R\$1,470mn	3.5x 53% 3Y CAGR
Adjusted Net Income ²	R\$89mn	R\$133mn	+48.5% 14% 3Y CAGR
# of Digital Banking active clients ('000)	-	422,500	+422.5k
# of Software subscribed clients	~9,000	~200,000	22.2x
Total applications to Recruta in the year ³	~29,000	~138,000	4.8x
Calls rated as “excellent” – Customer Support ⁴	93%	92%	-1 p.p
Service Level Agreement – Logistics	96%	96%	-

In 3 years, we have...



Scaled our business



Evolved our new solutions



Attracted more great talents



Kept a very high service level

1) Ex-Coronavoucher.

2) 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 measure.

3) Recruta is Stone's semianual recruitment process, one of the largest in Brazil in terms of number of applications.

4) As of September/18 and 3Q21, according to internal surveys.

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

Net Income Bridge (R\$mn)	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21
Net income (loss) for the period	177.0	171.9	191.3	264.0	158.6	123.6	249.1	306.1	158.3	526.0	(1,260.2)
Share-based compensation expenses ¹	10.1	28.4	11.2	14.6	2.1	37.8	30.8	50.0	20.7	46.4	(1.7)
Amortization of fair value adjustment on intangibles related to acquisitions ²	3.8	4.3	4.6	4.6	3.4	3.4	6.9	3.5	6.9	8.8	98.5
Gain (Loss) on previously held interest in associate ³	0.0	0.0	0.0	0.0	0.0	(3.0)	0.0	0.0	0.0	(12.0)	(3.8)
Mark-to-market and Cost of Funds related to the investment in Banco Inter	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(836.2)	1,388.5
Other expenses ⁴	0.0	0.0	0.0	(1.7)	0.0	1.7	13.5	15.6	10.0	12.7	75.0
Tax effect on adjustments	(4.6)	(10.5)	(5.3)	(6.4)	(1.8)	(13.3)	(12.5)	(17.4)	(8.5)	103.8	(163.6)
Adjusted net income (loss)	186.3	194.0	201.9	275.0	162.3	150.3	287.9	357.8	187.4	(150.5)	132.7
Weighted Average Number of Shares (diluted) (millions of shares)	282.4	282.4	282.2	281.8	281.8	282.0	297.2	313.7	314.8	314.5	308.9
Adjusted Diluted EPS⁵	0.66	0.69	0.71	0.97	0.58	0.54	0.99	1.16	0.60	(0.47)	0.46

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, M&A and Bond expenses, earn-out interests related to acquisitions, gains/losses in the sale of companies, dividends from Linx and Linx's organizational restructuring.

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).



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