



# Institutional Presentation

2Q24

stoneco

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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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# Agenda

- 1** Stone at a glance
- 2** Our numbers
- 3** Our opportunity

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# Our mission

**Financial and software solutions**

with the **best service**  
in the industry

**Micro, small and medium**  
businesses

To serve Brazilian entrepreneurs,  
transforming their **dreams into results.**

Helping them **better manage**  
**and grow** their business

# Our journey

2012

**Our Foundation**



**We Disrupted** payments in Brazil

Modern Technology  
Differentiated Sales  
Superior Service

Expansion Phase

**Revolutionized SMB Services**



We entered an attractive underserved market segment

**Underserved** Merchants  
**Difficult** to Reach  
**Large** Profit Pool

**Expanded to Micro Merchants**



Leveraging the strength of our SMB platform

**Completely** Digital  
**Low** Cost-to-Serve  
**Attractive** Pricing

Today

**A leading player in Payments and POS/ERP**

**11%**

Market Share<sup>1</sup> in Payments

Acquired Brazil's  
**#1 Retail Software**  
Linx

A leading payments disruptor for Brazilian MSMBs<sup>2</sup>

**Leading** Market Share  
**Best** product-market fit  
**Targeted** offerings for specific client segments

**With a Broad Suite of Solutions**



Added financial services

**+ Banking & Credit**

Expanded Software Solutions

**POS/ERP** for multiple verticals and segments

Future

**Unified Commerce Value Proposition**



**End-to-End value proposition** for MSMBs

**Scalable** Platform  
**Massive** Distribution  
**Local Support**  
**Integrated Solutions** adapted to the needs of each segment

**Note 1.** TPV compared to total industry volumes, as announced by ABECS. Considers data from 2Q24.

**Note 2.** Micro, Small and Medium Businesses.

# Our offerings

## stoneco



### Financial Services

88% of Revenue<sup>1</sup>



#### Goal:

To be the best financial operating system for Brazilian merchants



Micro + SMBs (MSMB)

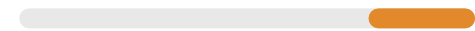


Payments + Banking + Credit



### Software

12% of Revenue<sup>1</sup>



#### Goal:

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





Integrated POS and ERP solutions for strategic verticals



Digital + Omnichannel Solutions

# Our positioning

	TPV	HOW CLIENTS SEE US	OUR POSITIONING
Large	> R\$ 2MM per month		<ul style="list-style-type: none"><li>○ Opportunistic approach</li><li>○ Focus on efficiency</li></ul>
SMB	R\$ 100k - 2MM per month		<ul style="list-style-type: none"><li>○ All-in-one solution</li><li>○ Superior service differentiation</li><li>○ Software as an edge for more mature clients</li></ul>
Micro	Up to R\$ 15k per month		<ul style="list-style-type: none"><li>○ Simple and easy-to-use solutions</li><li>○ Digital business model</li><li>○ Low cost for the client, good economics for us</li></ul>



# Our competitive advantages

## Tech-enabled Distribution

- +99% of Brazil's GDP covered
- Go beyond the Hub with lower CAC

## Superior Client Service

- 1-business-day delivery for SMBs and 3-day for Micro clients
- Less than 5 seconds pick-up time
- Consistently ranked #1 in client satisfaction<sup>1</sup> in Brazil

## Comprehensive Merchant Platform

- Single Payments, Banking and Credit Platform
- Vertical value propositions through software integrations
- Stone Platform allows multiple value propositions at scale

# Our platform: build once, use many

Unified platforms are crucial for us to win and gain operating leverage

Brand

stone

ton

pagar.me

  
Stone Embedded

...

Unified Platforms

Experience

Account

User Interface

Hardware

Product

Payments

Banking

Credit

Operations

Sales

Logistics

Client Service

Pricing

Internal

Data

Fraud & Security

Infrastructure

# Our management

Seasoned executives at the leadership team



**Pedro Zinner**  
Chief Executive  
Officer



**André Monteiro**  
Risk



**Carolina da Costa**  
Impact &  
Sustainability



**Diego Salgado**  
Treasury



**Fabio Kapitanovas**  
People & Operations



**Lia Matos**  
Strategy & Marketing



**Marcus Fontoura**  
Technology



**Mateus Biselli**  
Small and Medium  
Merchant Business



**Mateus Scherer**  
Chief Financial &  
Investor Relations  
Officer



**Sandro Bassili**  
Software



**Tatiana Malamud**  
Legal & Compliance



**Victor Lino**  
Micro Merchants  
Business



**Vinícius Carrasco**  
Economist &  
Regulatory Affairs

# Board of Directors and Committees

After the AGM approval on April 23, 2024

## BOARD OF DIRECTORS

### Board of Directors

Mauricio Luis Luchetti\*

CHAIRPERSON

Gilberto Caldart\*

VICE-CHAIRMAN

José Alexandre Scheinkman\*

Diego Fresco Gutierrez\*

Luciana Ibiapina Lira Aguiar\*

Silvio José Morais\*

Thiago Dos Santos Piau

\* INDEPENDENT MEMBERS

## COMMITTEES

### People and Compensation

Mauricio Luis Luchetti

CHAIRPERSON

Silvio José Morais

Thiago Dos Santos Piau

### Audit

Diego Fresco Gutierrez

CHAIRPERSON

Luciana Ibiapina Lira Aguiar

Silvio José Morais

### Risk

Luciana Ibiapina Lira Aguiar

CHAIRPERSON

Gilberto Caldart

José Alexandre Scheinkman

### Finance

Silvio José Morais

CHAIRPERSON

Diego Fresco Gutierrez

Thiago Dos Santos Piau

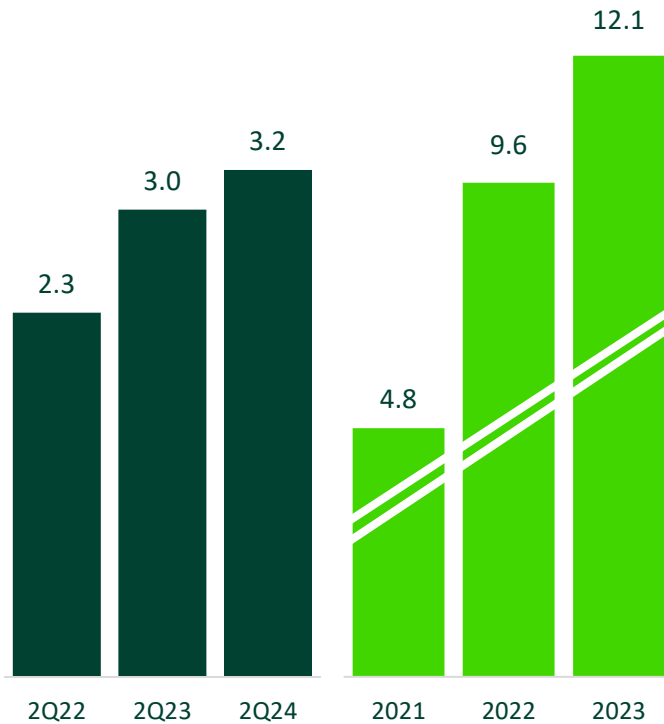
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# Balancing Profitability & Growth

## Total Revenue

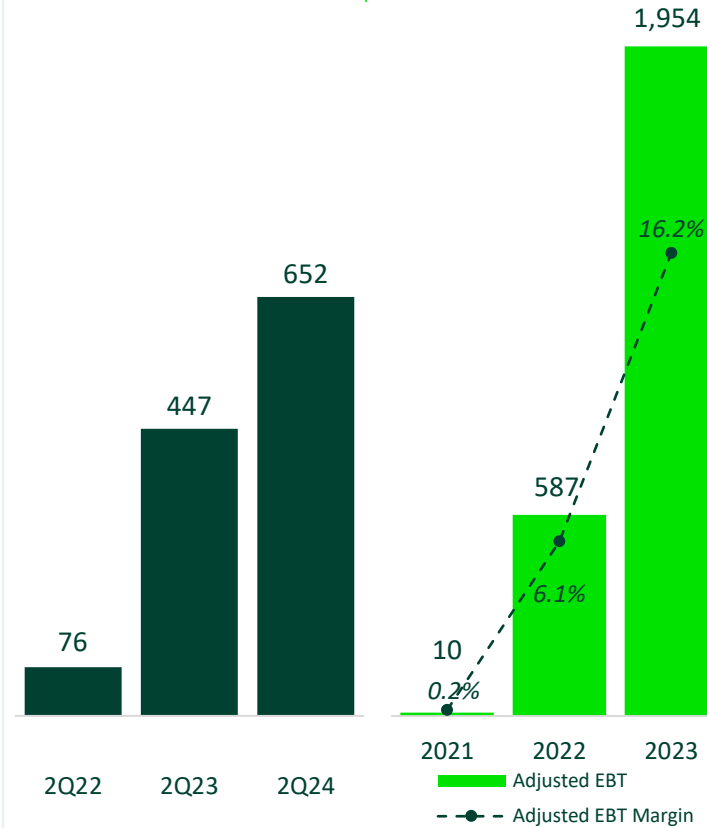
R\$bn



Strong **Growth**

## Adjusted EBT

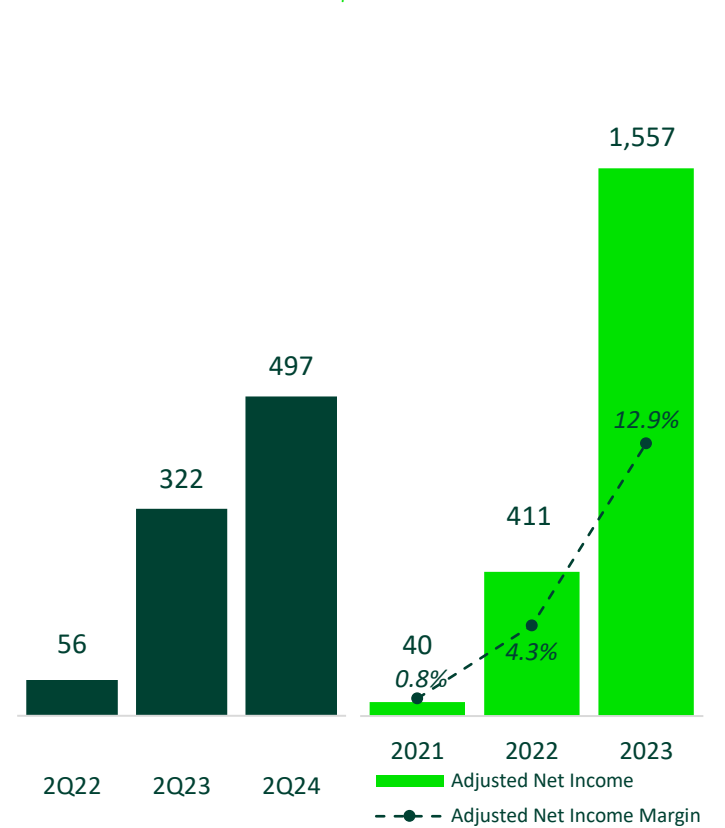
R\$mn



Increasing **Profitability**

## Adjusted Net Income

R\$mn



Improving **Earnings**

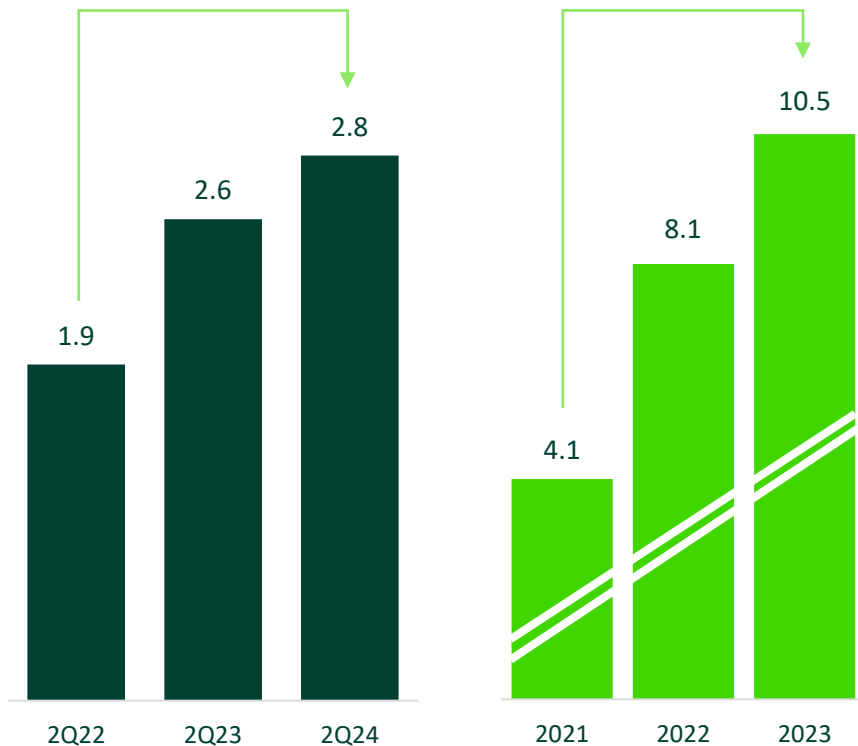
# Financial Services - Revenue growth with margin expansion

## Financial Services Revenue

R\$bn

+21%  
CAGR

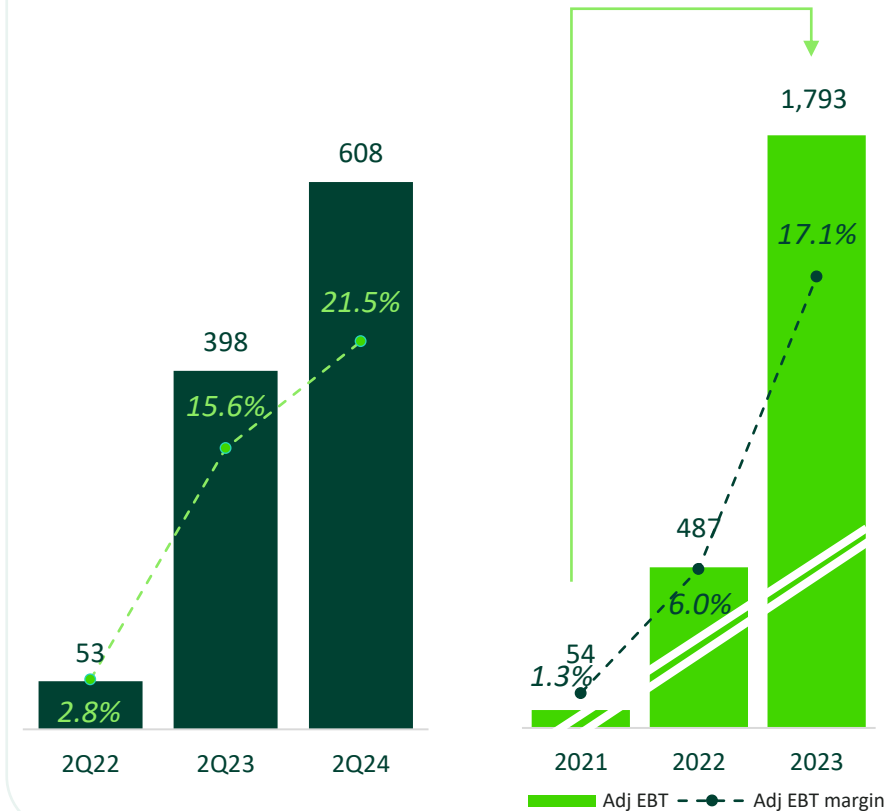
+60%  
CAGR



## Financial Services Adjusted EBT

R\$mn

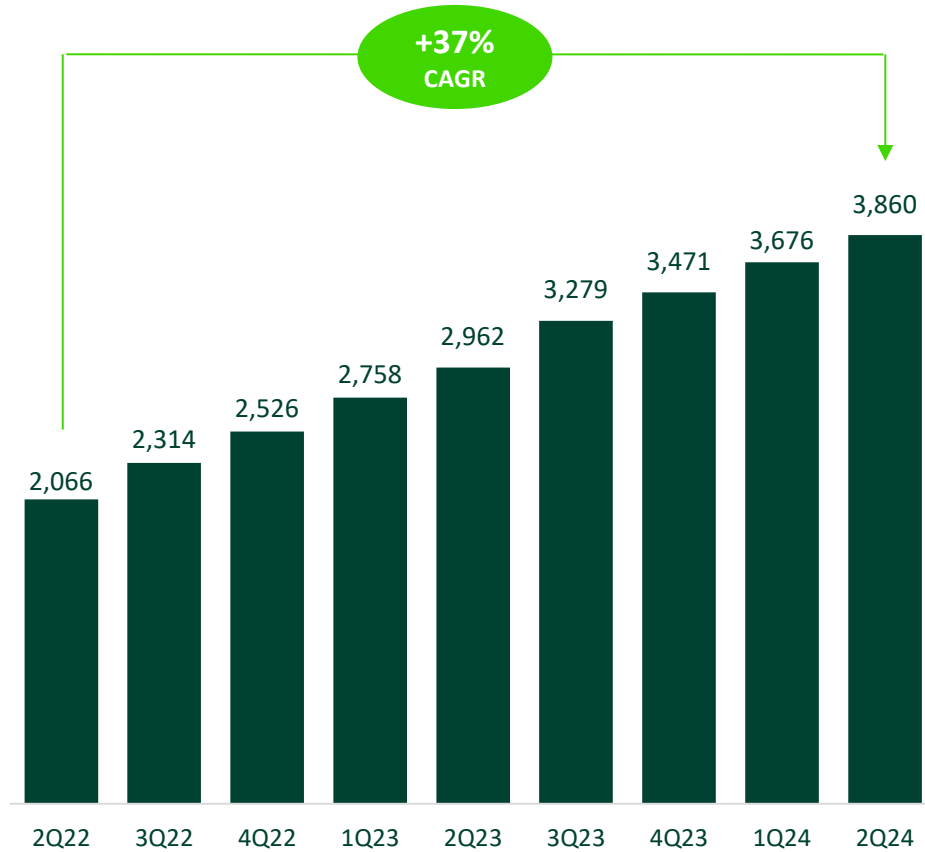
+476%  
CAGR



# Financial Services - Reaching More Clients

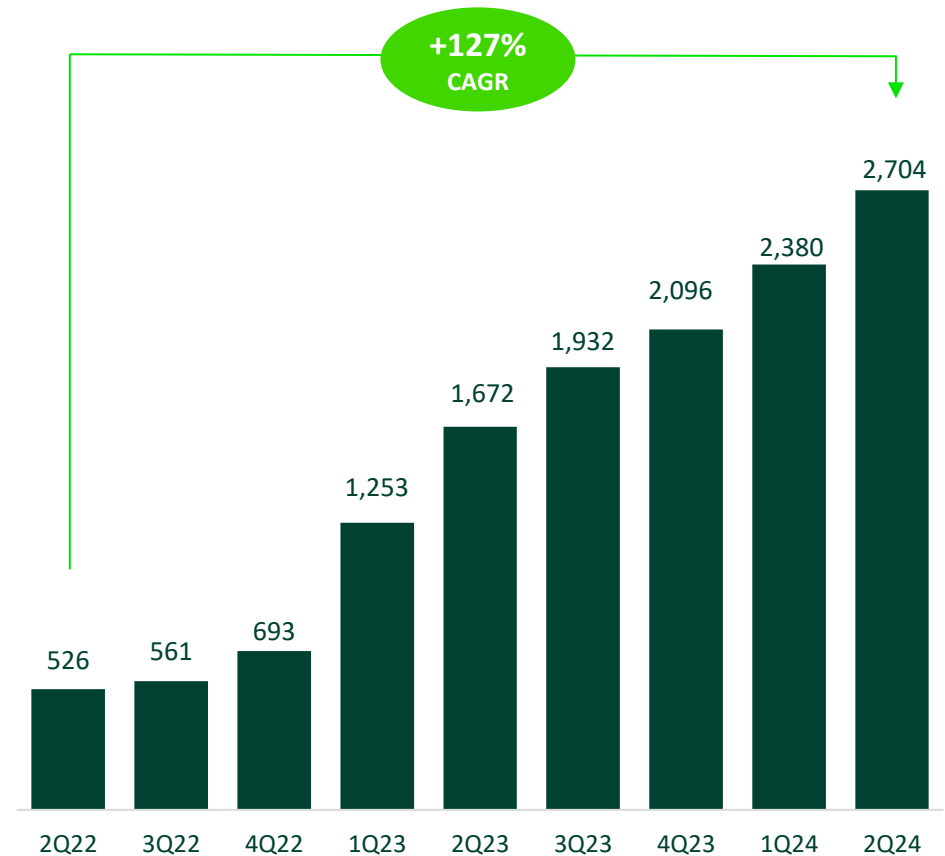
## MSMB Payment Client Base

MSMB Payments Total Active Clients ('000)



## MSMB Banking Client Base

MSMB Banking Total Active Clients ('000)

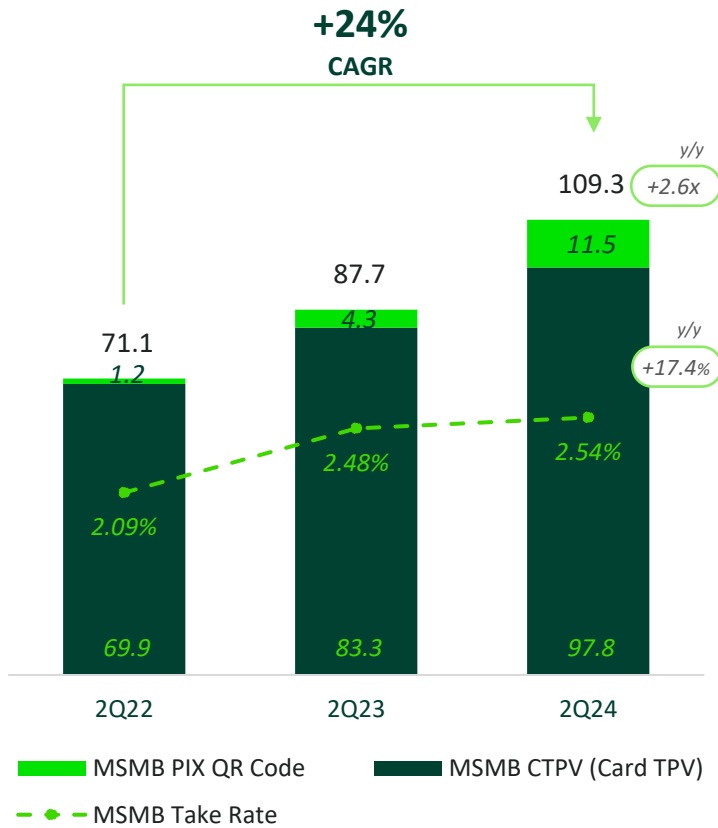




# Financial Services - Increased engagement

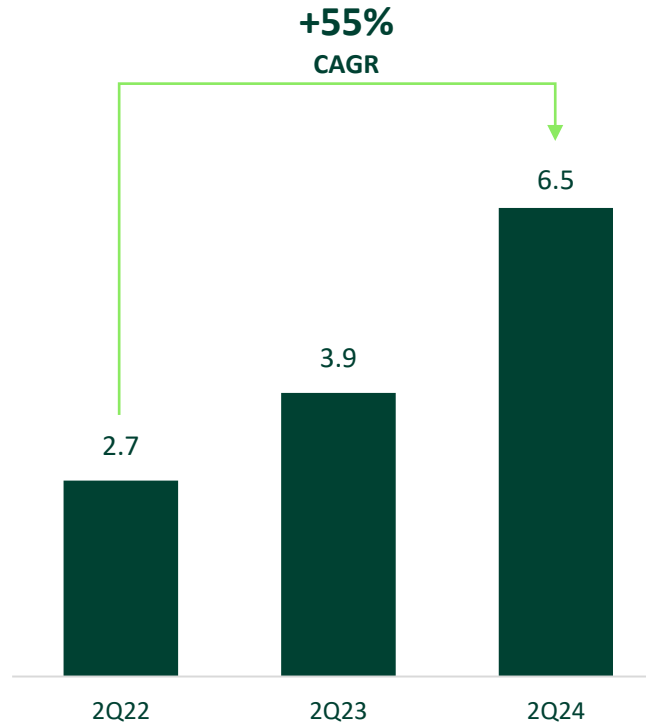
## Payments

MSMB TPV (R\$bn) and MSMB Take Rate<sup>1</sup> (%)



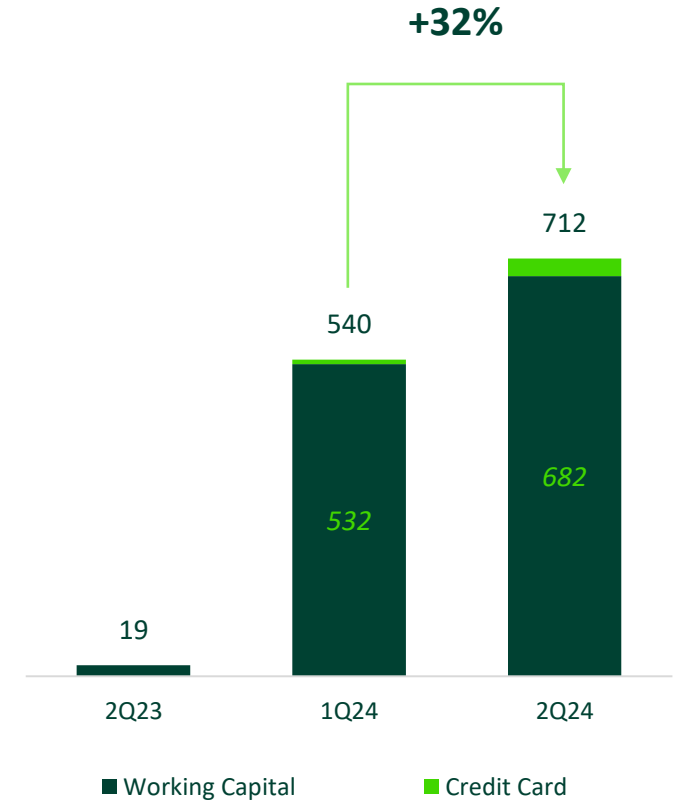
## Banking

Client deposits (R\$m)



## Credit Portfolio

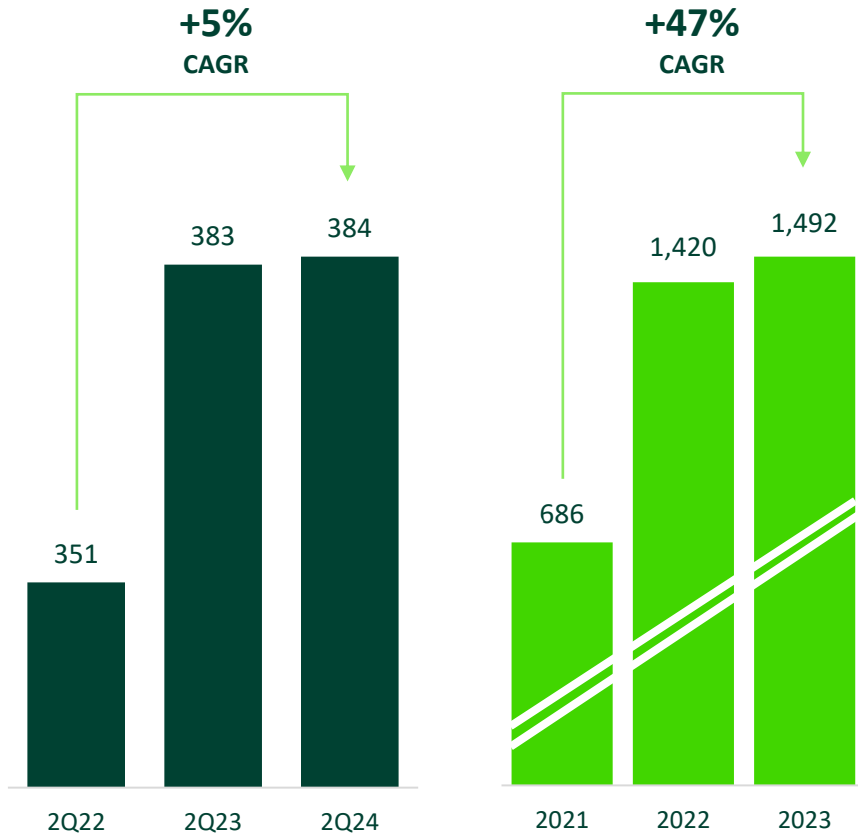
R\$m



# Software - Software profitability remains stable on a recurring basis

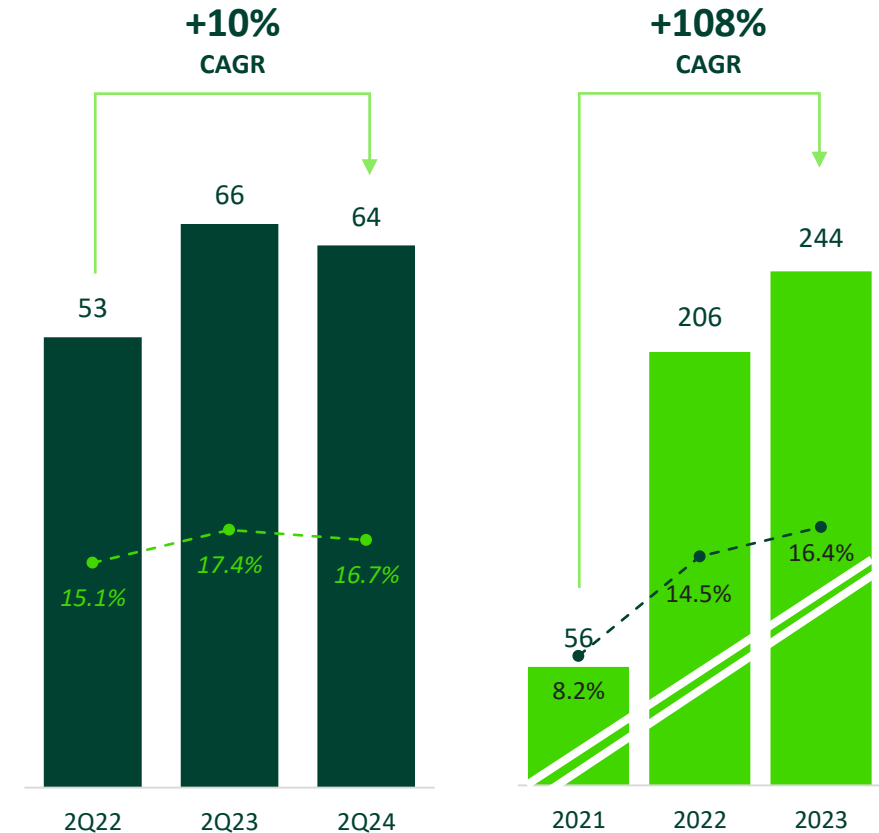
## Software Revenue

R\$mn



## Software Adjusted EBITDA

R\$mn



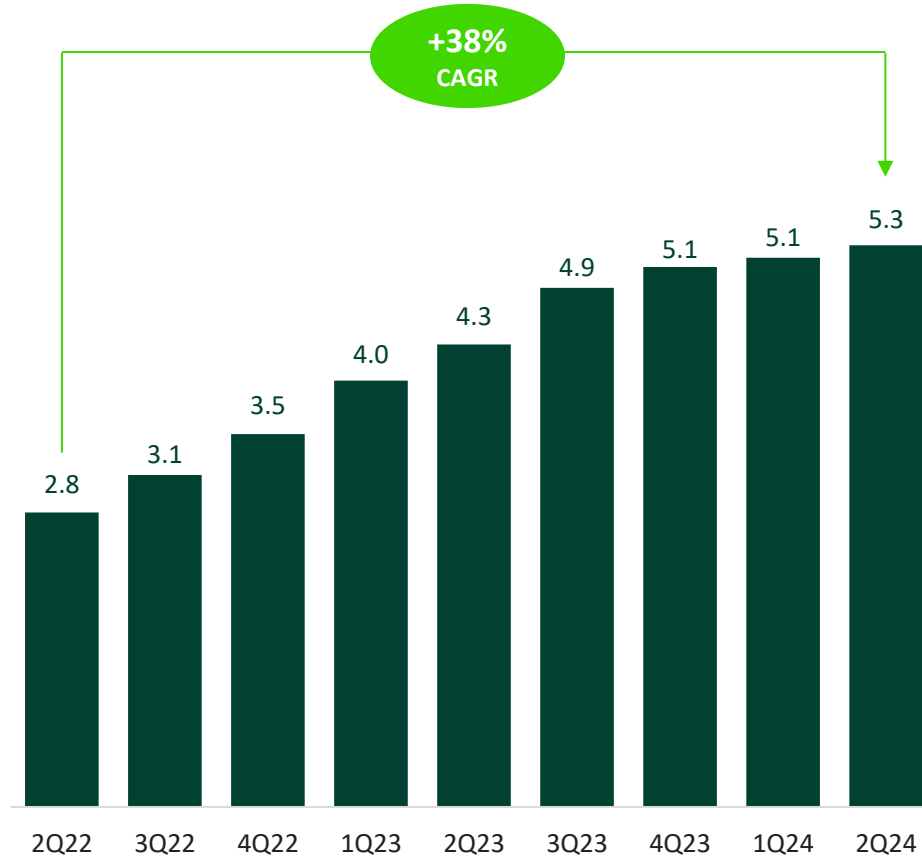
Decreased in 2024 due to  
severance costs of R\$3.2mn in  
the quarter

# Strong Cash Generation and Balance Sheet

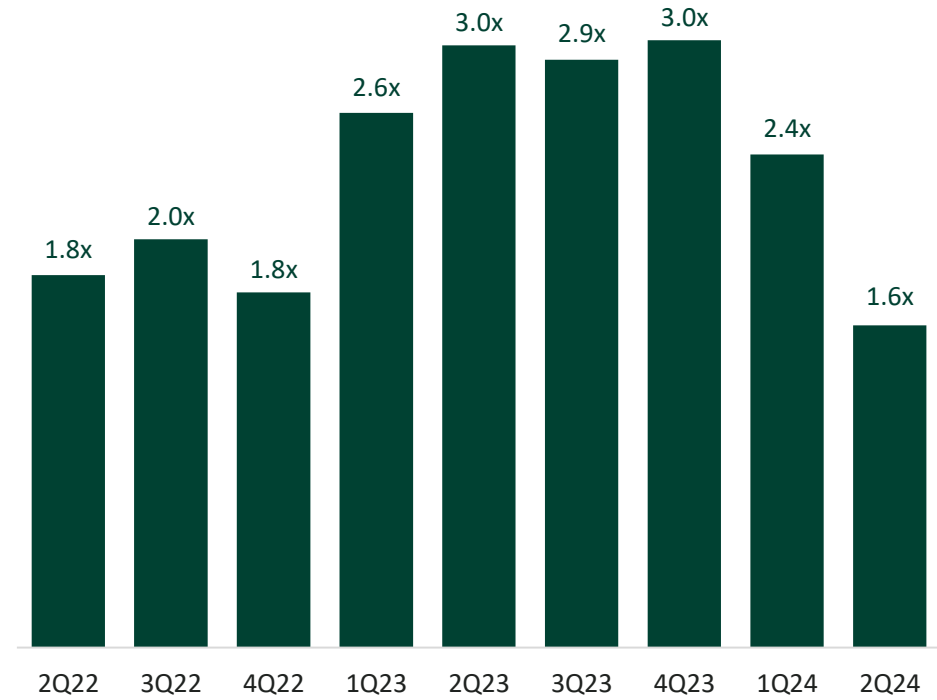
## Adjusted Net Cash Position

R\$bn

+38%  
CAGR



## Cash/Short-Term Debt Ratio<sup>1</sup>



**Note 1.** Cash considers the sum of Cash & cash equivalents and short-term Investments, while Short-term debt considers the sum of Institutional deposits and marketable debt securities and other debt instruments.

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# Huge and diverse opportunity

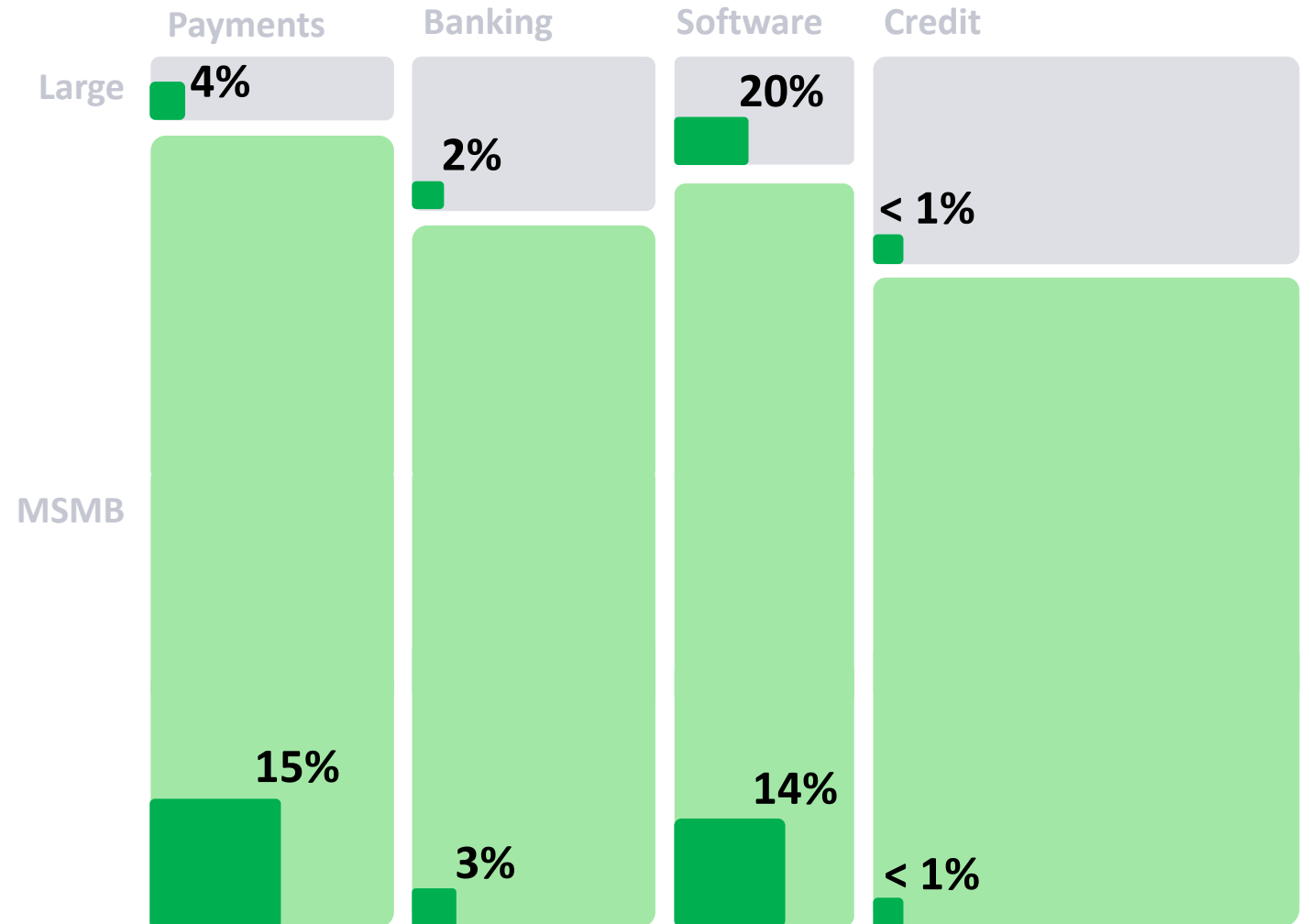
Addressable Market<sup>1</sup>: ~R\$ 100 Bn

 **8x TAM expansion**

Big and **unpenetrated** TAM

**Diversification** of the business

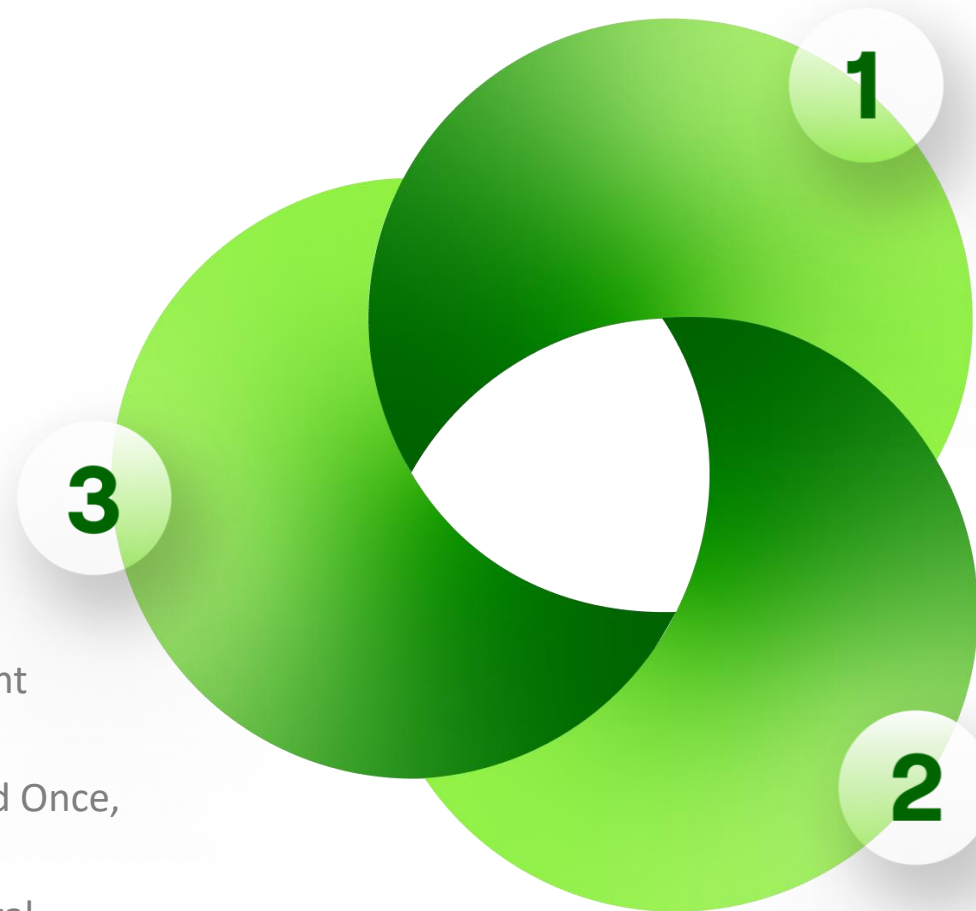
Still **huge opportunity** ahead



# Our Strategic Priorities

## SCALE THROUGH PLATFORMS

- Foundational assets: distribution, logistics, client service and brand
- Stone Tech Platform: Build Once, use many
- Scale with little incremental investment



## WIN IN THE MSMB MARKET

- True distribution powerhouse allowing multiple segment reach
- Attractive financial services opportunity in our installed Software Base
- Sustained best service in the market

## DRIVE ENGAGEMENT

- More levers to build price bundles
- Scale working capital solutions to monetize further
- Software as a differentiator

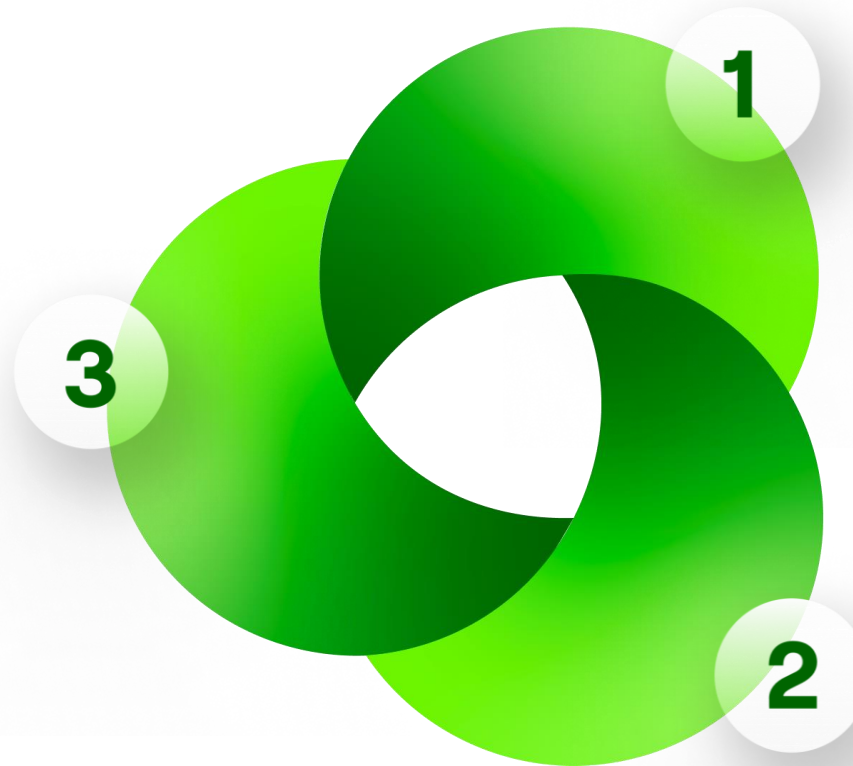
# From Strategy to Finance

SCALE THROUGH  
PLATFORMS

## Gain operational leverage

Net Income

Adm. Expenses



WIN IN THE  
MSMB MARKET

## Grow the base

MSMB TPV

Client Deposits

DRIVE ENGAGEMENT

## Monetize

MSMB Take Rate

Credit Portfolio

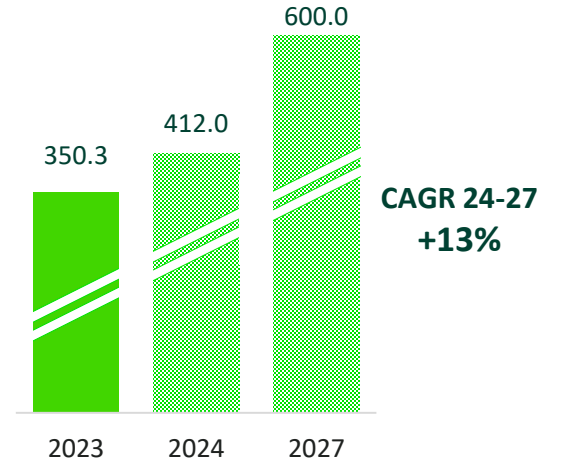
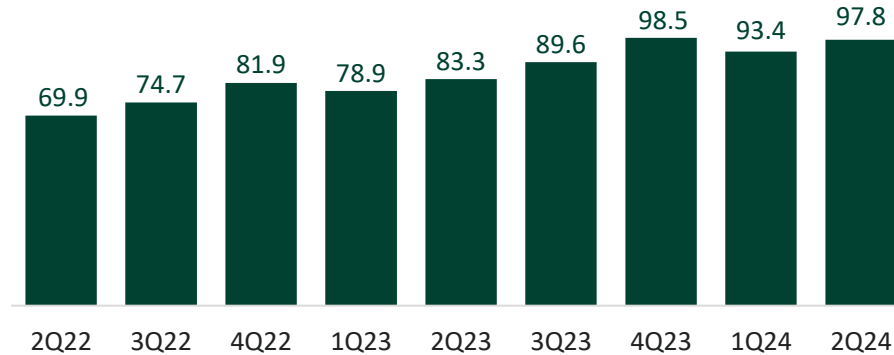
1

# Grow the base

Our guidance metrics

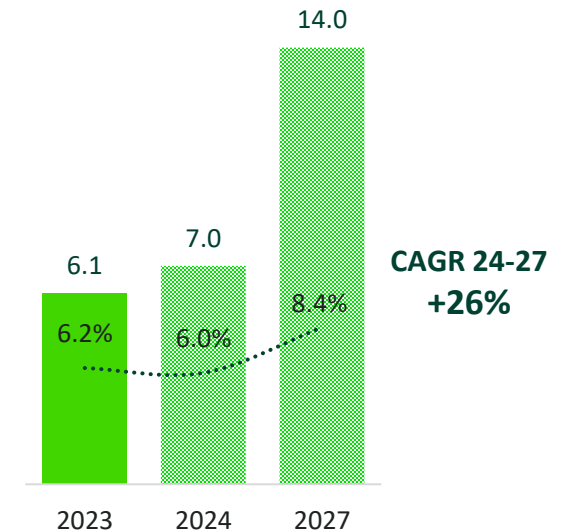
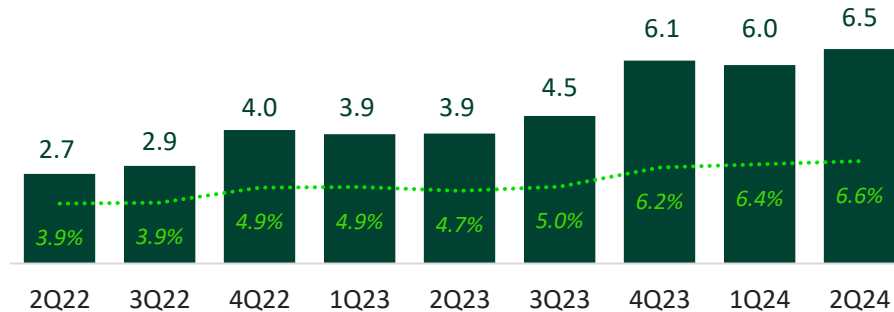
## MSMB CTPV

R\$bn



## Client Deposits

R\$bn and % of MSMB CTPV

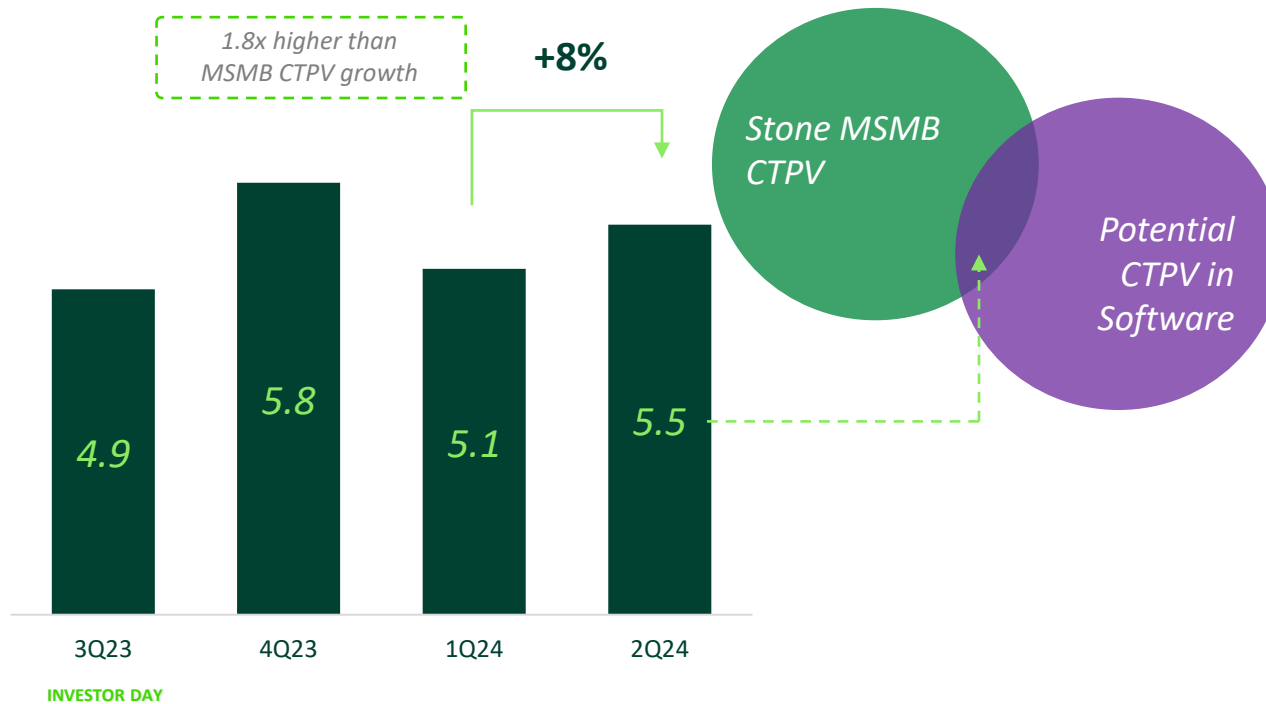




# Software – Unlock value through the creation of bundles

## MSMB CTPV Overlap<sup>1</sup>

R\$bn



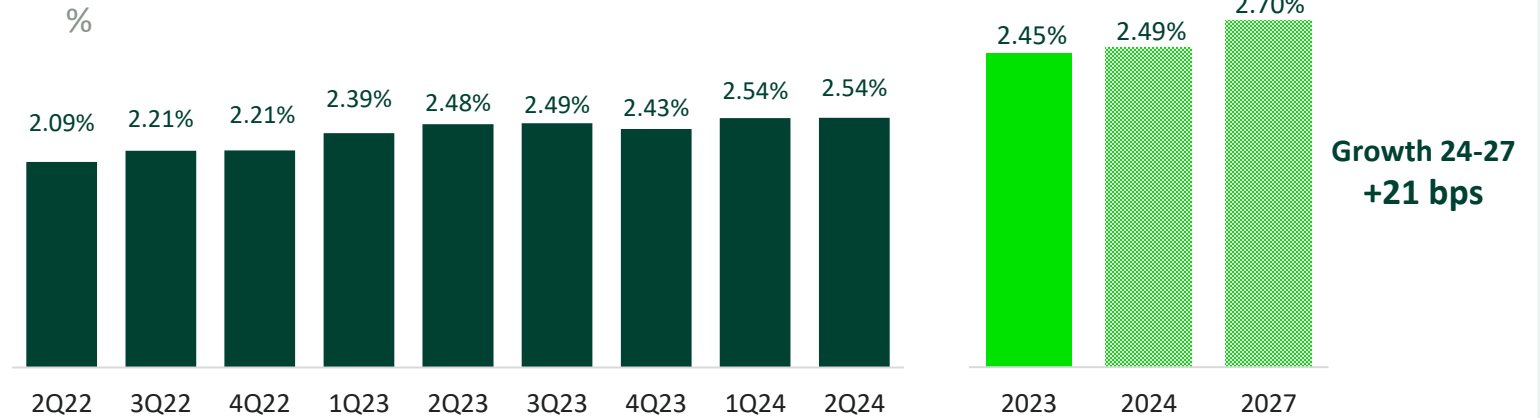
- ✓ *Overlap CTPV growth outpacing overall **MSMB CTPV growth**, driven by financial services specialists distribution, specially in gas stations and retail*
- ✓ *Efforts under way to enable software **distribution channel** to sell financial services and software bundles via commercial incentives and systems integration*
- ✓ ***Efforts in 2024** will be focused on two verticals: Gas Station and Retail*

2

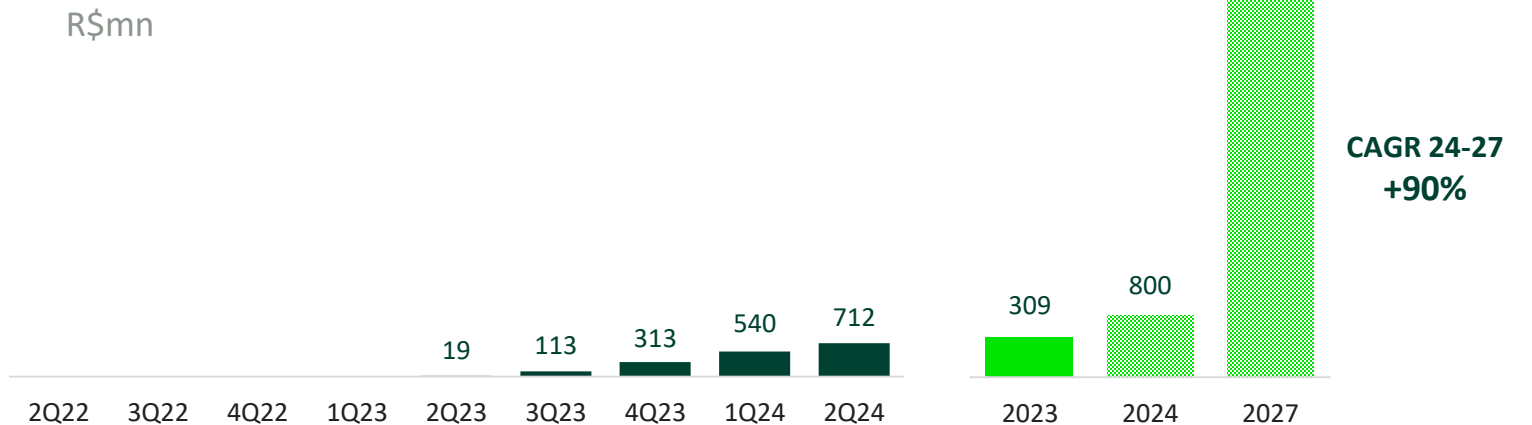
# Monetize

Our guidance metrics

## MSMB Take Rate<sup>1</sup>

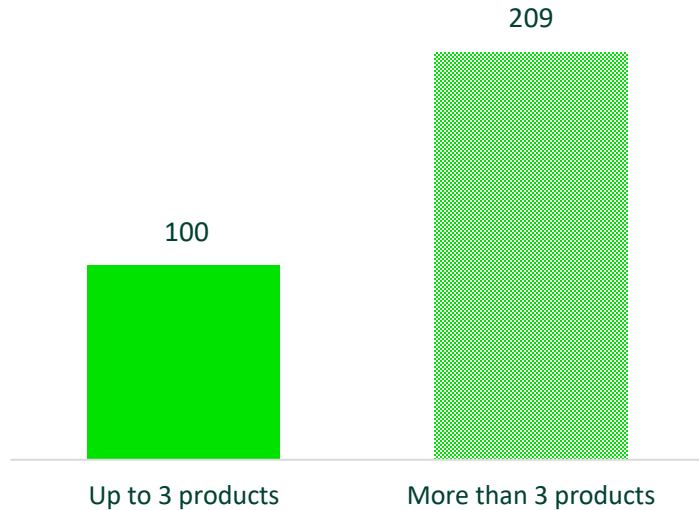


## Credit Portfolio – Revamped Product

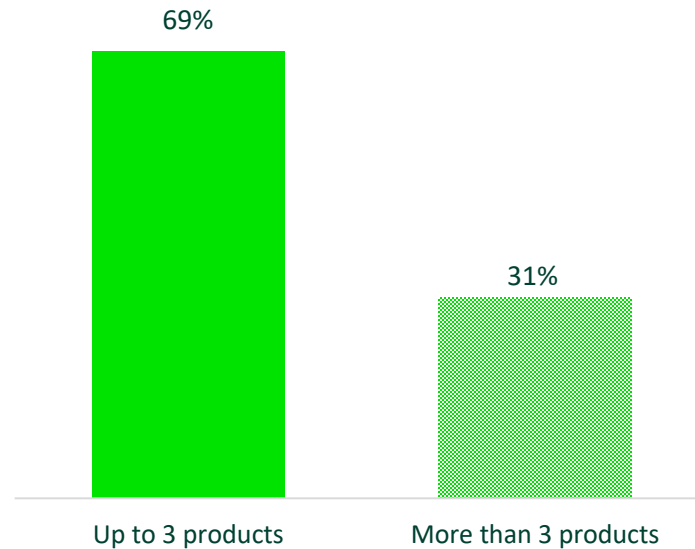


# Build and price bundles

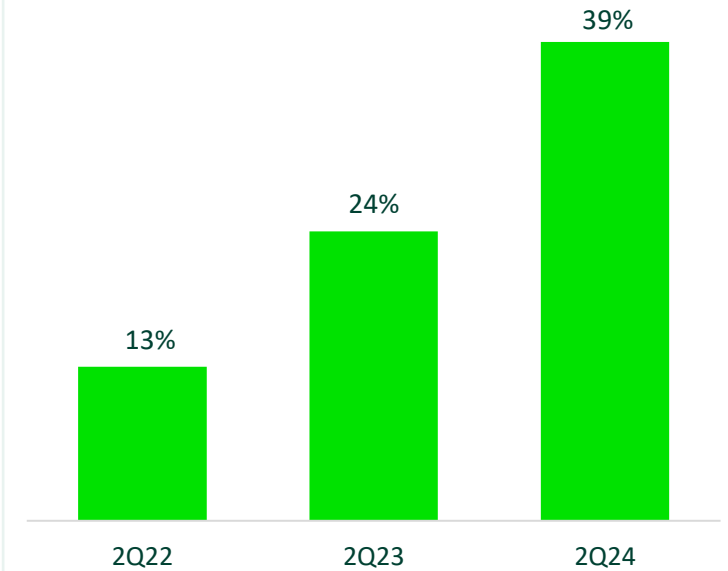
Net ARPAC<sup>1</sup> by number of products used



Share of clients by number of products used



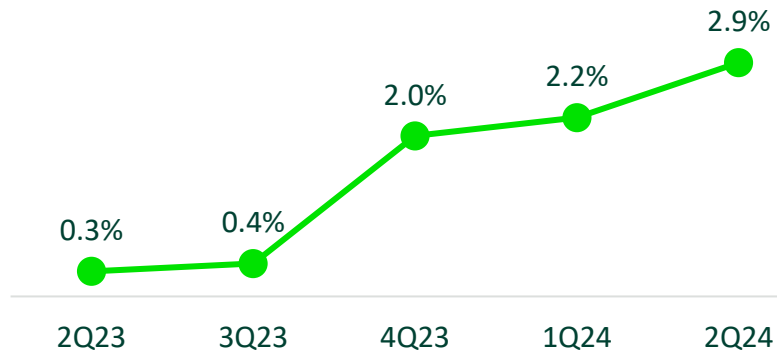
% of clients with +3 products by sales cohort



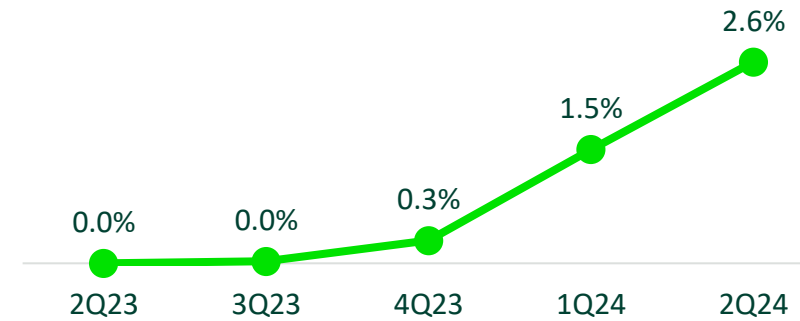
The **more products** our clients use, the **higher** their **monetization** and there's a **sizeable opportunity to improve engagement**.

# Revamped capability to deploy credit

## NPL 15-90 Portfolio



## NPL over 90 Portfolio



We are being cautious in our approach to credit and have **positive early signs overall** with low NPL Ratio for the portfolio.

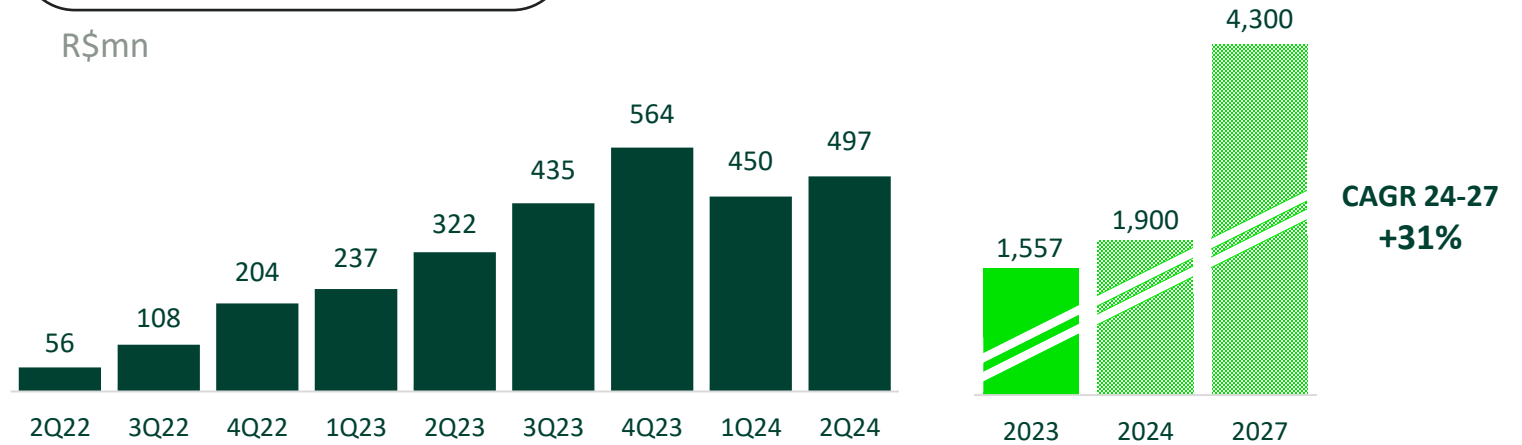
3

# Gain Operational Leverage

Our guidance metrics

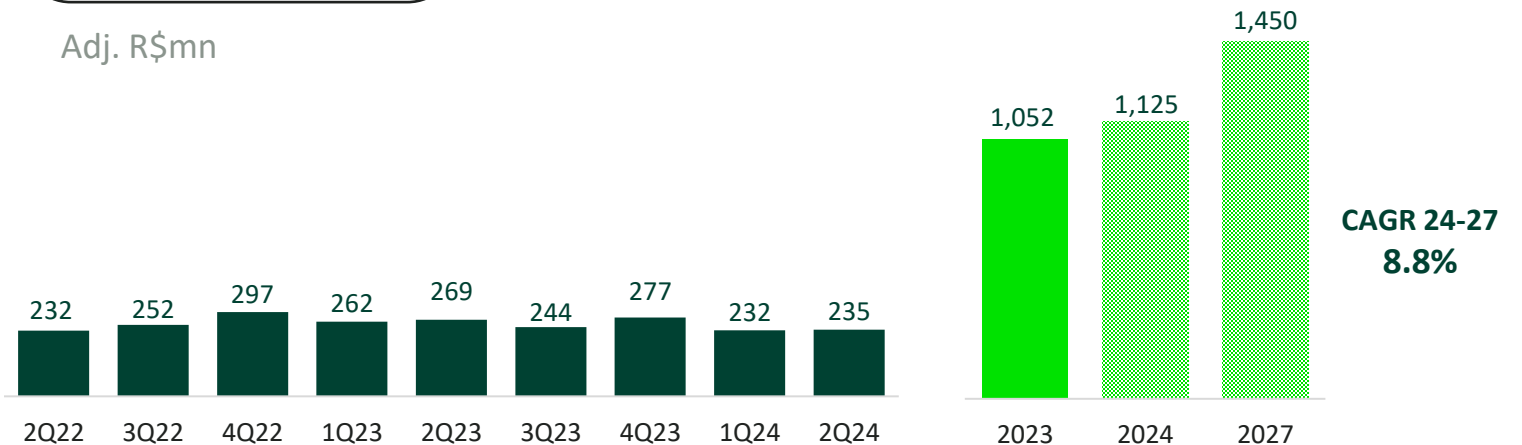
## Adjusted Net Income

R\$m



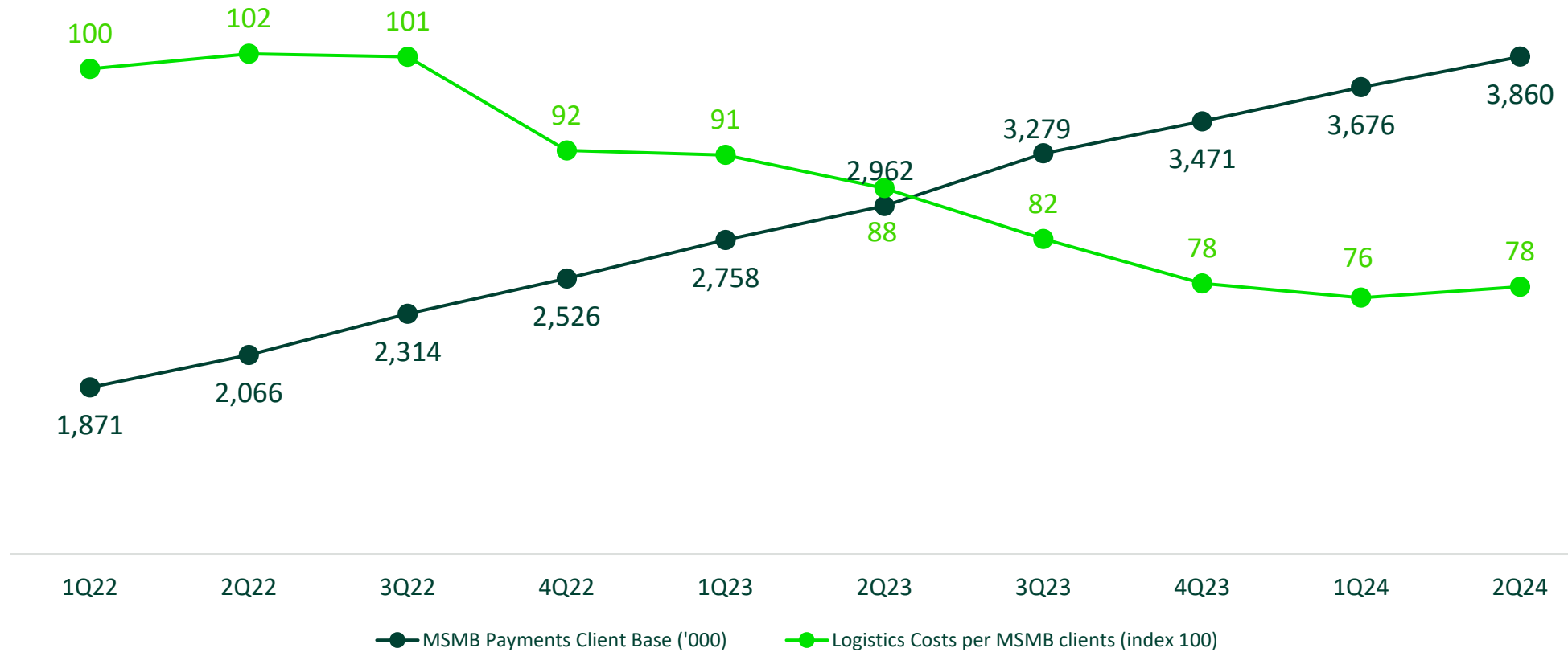
## Adm. Expenses

Adj. R\$m



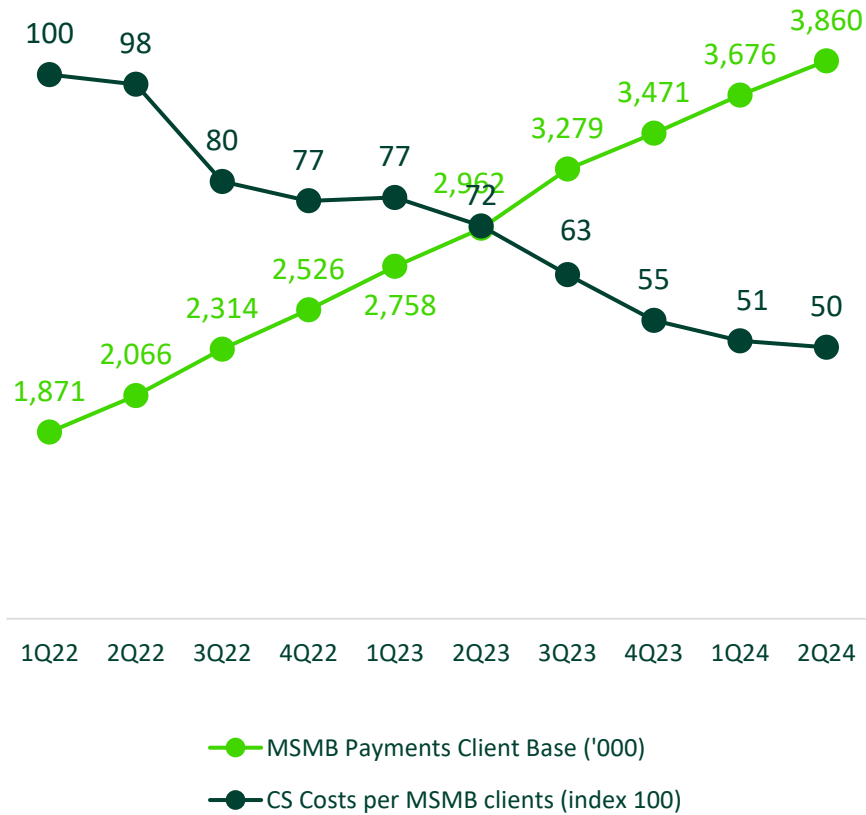
# Foundational assets: our logistics platform

## COGS efficiency (Logistics)

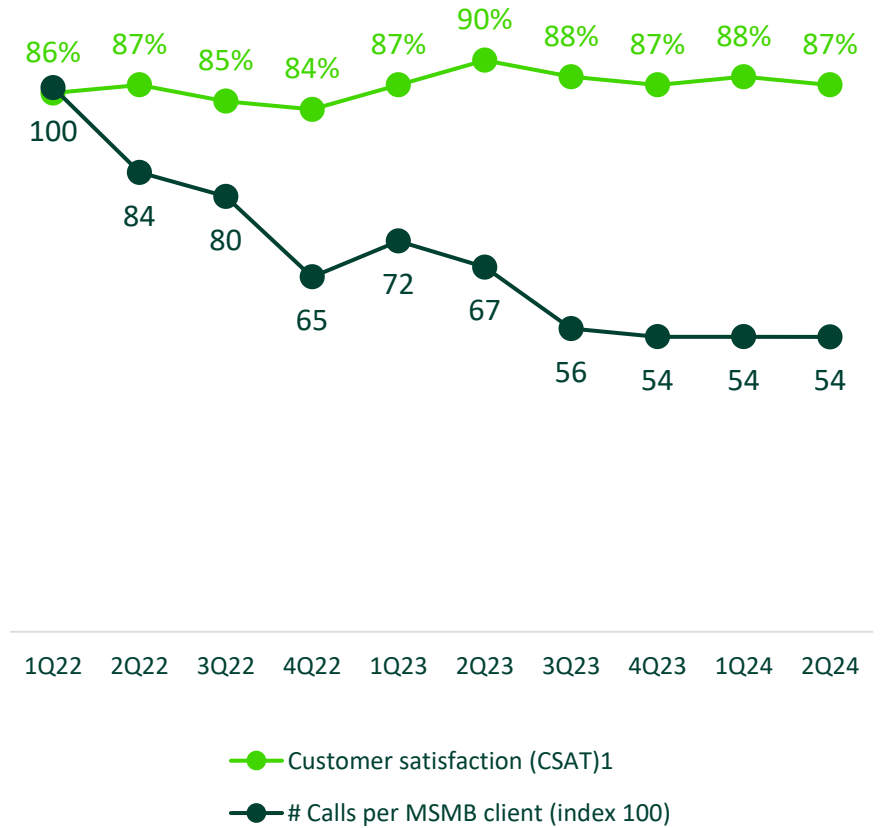


# Foundational assets: our client service platform

## COGS efficiency (Client Service)



## # Calls per client vs client satisfaction



# 2024 Guidance

On track to Deliver our 2024 Guidance

GROWTH

MSMB CTPV<sup>1</sup> (R\$bn)

> 412

> +18%

191

+18%

MSMB Card TPV

Client Deposits (R\$bn)

> 7.0

> +14%

6.5

+65%

Demand deposits

MONETIZATION

Credit Portfolio (R\$bn)

> 0.8

> +2.6x

0.7

+38x

Working capital loans and Credit Card

MSMB Take Rate (%)

> 2.49%

> +4bps

2.54%

+11bps

MSMB Financial Services Revenues<sup>2</sup> over Card TPV

EFFICIENCY

Adj Adm Expenses (R\$bn)

< 1.125

< +7%

0.467

-12%

Strong results despite (i) the execution of the share buyback program, (ii) changes in the recognition of membership fee revenues and (iii) the new future yield curve

Adj Net Income (R\$bn)

> 1.9

> +22%

0.948

+70%

Note 1. MSMB CTPV (Card TPV) consists solely of Card Total Payment Volume and does not include MSMB PIX QR Code volumes.

Note 2. Please refer to our results spreadsheet to get the explanation on how to reconcile the Financial Services calculated based on take rate and TPV disclosed information.



# Appendix - Statement of Consolidated Profit and Loss

Refer to [investors.stone.co](https://investors.stone.co) to have access to our Financial Spreadsheet with complete Historical Operational and Financial metrics

Statement of Profit or Loss (R\$mn)	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	2022	2023	Δ% y/y
Net revenue from transaction activities and other services	606.9	677.8	777.8	733.1	840.1	868.5	868.1	749.8	807.5	2,617.4	3,309.8	26.5%
Net revenue from subscription services and equipment rental	437.8	426.4	464.6	445.1	457.3	463.4	459.1	456.7	453.3	1,760.9	1,825.0	3.6%
Financial income	1,105.0	1,251.6	1,331.6	1,375.0	1,462.6	1,620.9	1,770.8	1,741.1	1,826.7	4,638.0	6,229.3	34.3%
Other financial income	154.4	152.7	132.1	158.4	194.8	187.0	150.7	137.3	118.4	572.6	691.0	20.7%
<b>Total revenue and income</b>	<b>2,304.1</b>	<b>2,508.4</b>	<b>2,706.1</b>	<b>2,711.7</b>	<b>2,954.8</b>	<b>3,139.9</b>	<b>3,248.7</b>	<b>3,084.9</b>	<b>3,205.9</b>	<b>9,588.9</b>	<b>12,055.0</b>	<b>25.7%</b>
Cost of services	(626.2)	(671.3)	(698.0)	(721.3)	(685.3)	(773.5)	(802.7)	(809.9)	(841.4)	(2,669.8)	(2,982.8)	11.7%
<i>Provision for expected credit losses<sup>1</sup></i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>(22.7)</i>	<i>(39.4)</i>	<i>(44.8)</i>	<i>(18.1)</i>	<i>n.a.</i>	<i>(61.9)</i>	<i>n.a.</i>
Administrative expenses	(272.0)	(283.9)	(327.2)	(298.0)	(303.9)	(278.3)	(308.6)	(257.0)	(255.5)	(1,121.4)	(1,188.9)	6.0%
Selling expenses	(335.9)	(385.4)	(406.1)	(389.9)	(411.9)	(442.4)	(454.0)	(529.7)	(524.9)	(1,511.2)	(1,698.3)	12.4%
Financial expenses. net	(954.7)	(940.3)	(911.5)	(923.6)	(1,073.8)	(1,058.9)	(943.1)	(896.5)	(851.1)	(3,514.7)	(3,999.5)	13.8%
Mark-to-market on equity securities designated at FVPL	(527.1)	111.5	(114.5)	30.6	0.0	0.0	0.0	0.0	0.0	(853.1)	30.6	n.m.
Other operating income (expense), net	(70.3)	(91.3)	(109.0)	(101.5)	(56.7)	(82.6)	(0.3)	(108.1)	(80.9)	(302.5)	(241.2)	(20.3%)
Gain (loss) on investment in associates	(1.3)	(1.2)	(0.3)	(1.0)	(0.8)	(0.6)	(1.7)	0.3	(0.4)	(3.6)	(4.2)	16.4%
<b>Profit before income taxes</b>	<b>(483.4)</b>	<b>246.5</b>	<b>139.4</b>	<b>306.8</b>	<b>422.3</b>	<b>503.5</b>	<b>738.2</b>	<b>484.0</b>	<b>651.7</b>	<b>(387.3)</b>	<b>1,970.8</b>	<b>n.m.</b>
Income tax and social contribution	(5.9)	(49.4)	(60.6)	(81.1)	(115.1)	(92.2)	(82.0)	(110.4)	(153.4)	(139.1)	(370.4)	166.3%
<b>Net income for the period</b>	<b>(489.3)</b>	<b>197.1</b>	<b>78.8</b>	<b>225.7</b>	<b>307.2</b>	<b>411.3</b>	<b>656.2</b>	<b>373.6</b>	<b>498.3</b>	<b>(526.4)</b>	<b>1,600.4</b>	<b>n.m.</b>
<b>Adjusted Net Income</b>	<b>55.8</b>	<b>108.3</b>	<b>203.8</b>	<b>236.6</b>	<b>322.0</b>	<b>435.1</b>	<b>563.8</b>	<b>450.4</b>	<b>497.1</b>	<b>410.5</b>	<b>1,557.5</b>	<b>279.4%</b>

**Note 1.** In 2Q23, credit revenues were recognized net of provision for expected credit losses in Financial Income. From 3Q23 onwards, provision for expected losses is allocated in Cost of services.

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

Refer to [investors.stone.co](https://investors.stone.co) to have access to our Financial Spreadsheet with complete Historical Operational and Financial metrics

Net Income Bridge (R\$m)	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	2022	2023
Net income (loss) for the period	(489.3)	197.1	78.8	225.7	307.2	411.3	656.2	373.6	498.3	(526.4)	1,600.4
Amortization of fair value adjustment <sup>1</sup>	46.5	32.2	35.0	33.7	35.7	38.8	(15.8)	12.3	13.4	138.6	92.4
Mark-to-market related to the investment in Banco Inter <sup>2</sup>	527.1	(111.5)	114.5	(30.6)	0.0	0.0	0.0	0.0	0.0	853.1	(30.6)
Other expenses <sup>3</sup>	(14.4)	(0.9)	(13.4)	14.1	(11.0)	2.4	(84.2)	71.3	(12.9)	(17.8)	(78.6)
Tax effect on adjustments	(14.2)	(8.5)	(11.1)	(6.3)	(10.0)	(17.5)	7.6	(6.8)	(1.6)	(36.9)	(26.1)
<b>Adjusted net income</b>	<b>55.8</b>	<b>108.3</b>	<b>203.8</b>	<b>236.6</b>	<b>322.0</b>	<b>435.1</b>	<b>563.8</b>	<b>450.4</b>	<b>497.1</b>	<b>410.5</b>	<b>1,557.5</b>
Weighted Average Diluted Number of Shares (as reported - mn of shares)	312.2	323.9	324.6	324.9	326.9	326.9	318.4	316.1	314.8	311.9	319.3
Basic Number of Shares (mn of shares)	312.2	312.4	312.6	312.7	313.1	313.8	310.7	309.1	307.8	311.9	312.6
Adjusted basic EPS (R\$) <sup>4</sup>	0.25	0.54	0.75	0.76	1.02	1.38	1.80	1.46	1.61	1.97	4.96

**Note 1.** 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.

**Note 2:** In 1Q23, we have sold our stake in Banco Inter.

**Note 3.** Consists of the fair value adjustment related to associates call option, earn-out and earn-out interests related to acquisitions, reversal of litigation of Linx, and divestment of assets.

**Note 4:** Calculated as Adjusted Net income attributable to owners of the parent (Adjusted Net Income reduced by Adjusted Net Income attributable to Non-Controlling interest) divided by basic number of shares.

# Appendix - Glossary of Terms

- ✓ **"ARPAC" (Average Revenue Per Active Client)**: Banking ARPAC considers banking revenues, such as floating from demand deposits, card interchange fees, insurance and transactional fees, as well as PIX QR Code revenues.
- ✓ **Banking Active Clients**: clients who have transacted at least R\$1 in the past 30 days.
- ✓ **Banking Deposits**: demand deposits from banking customers, including MSMB and Key Account clients.
- ✓ **"Consolidated Credit Metrics"**: refer to our working capital loan and credit card portfolios.
- ✓ **"Credit Clients"**: consider merchants who have an active working capital loan contract with Stone at the end of the period.
- ✓ **"Credit Revenues"**: In 2Q23, credit revenues were recognized net of provision for expected credit losses in Financial Income. From 3Q23 onwards, credit revenues are recognized gross of provision for expected losses, which are allocated in Cost of Services.
- ✓ **"CTPV"**: Means Card Total Payment Volume and refers only to transactions settled through cards. Does not include PIX QR Code volumes.
- ✓ **"Active Payments Client Base"**: refers to MSMBs and Key Accounts. Considers clients that have transacted at least once over the preceding 90 days, except for Ton active clients which consider clients that have transacted once in the preceding 12 months. As from 3Q22, does not consider clients that use only TapTon.
- ✓ **"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: Retail deposits, Accounts payable to clients, Institutional deposits and marketable debt securities, Other debt instruments and Derivative financial instrument.
- ✓ **"Banking"**: refers to our digital banking solution and includes insurance products.
- ✓ **"Financial Services" segment**: this segment is comprised of our financial services solutions serving both MSMBs and Key Accounts. Includes mainly our payments, digital banking and credit solutions.
- ✓ **"Key Accounts"**: refers to operations in which Pagar.me acts as a fintech infrastructure provider for different types of clients, especially larger ones, such as mature e-commerce and digital platforms, commonly delivering financial services via APIs. It also includes clients that are onboarded through our integrated partners program, regardless of client size.
- ✓ **"Membership fees"**: refer to the upfront fee paid by merchants for all Ton offerings and specific ones for Stone when they join our client base. Until December 31, 2023, membership fees revenues were recognized fully at the time of acquisition. From January 1, 2024 onwards, the Group recognizes revenues from membership fees deferred through the expected lifetime of the client.
- ✓ **"MSMB segment"**: refer to SMBs – small and medium business (online and offline) and micro-merchants, from our Stone, Pagar.me and Ton products. Considers clients that have transacted at least once over the preceding 90 days, except for Ton active clients which consider clients that have transacted once in the preceding 12 months. As from 3Q22, does not consider clients that use only TapTon.
- ✓ **"MSMB CTPV Overlap"**: refers to the MSMB CTPV in Software installed base within the priority verticals - Gas Station, Retail, Drugstores, Food and horizontal software.
- ✓ **"Non-allocated"**: comprises other smaller businesses which are not allocated in our Financial Services or Software segments. From 2Q24 onwards, revenues in the non-allocated business segment are inexistent, since we divested assets within the segment.
- ✓ **"NPL (Non-Performing Loans)"**: is the total outstanding of the contract whenever the clients default on an installment. More information on the total overdue by aging considering only the individual installments can be found in Note 5.4.1 of the Financial Statements.
- ✓ **"PIX QR Code"**: includes the volume of PIX QR Code transactions from dynamic POS QR Code and static QR Code from MSMB and Key Accounts merchants, unless otherwise noted.
- ✓ **"Provisions ratio"**: calculated as accumulated provisions for expected credit losses divided by the total portfolio amount in the period.
- ✓ **"Revenue"**: refers to Total Revenue and Income net of taxes, interchange fees retained by card issuers and assessment fees paid to payment schemes.
- ✓ **"Software" segment**: composed of our Strategic Verticals (Retail, Gas Stations, Food, Drugstores and horizontal software), Enterprise and Other Verticals. The Software segment includes the following solutions: POS/ERP, TEF and QR Code gateways, reconciliation, CRM, OMS, e-commerce platform, engagement tool, ads solution, and marketplace hub.
- ✓ **"Take Rate (Key Accounts)"**: managerial metric that considers the sum of revenues from financial services solutions offered to Key Account clients, excluding non-allocated revenues, divided by Key Accounts CTPV.
- ✓ **"Take Rate (MSMB)"**: managerial metric that considers the sum of revenues from financial services solutions offered to MSMBs, excluding Ton's membership fee, TAG revenues and other non-allocated revenues, divided by MSMB CTPV.
- ✓ **"TPV"**: Total Payment Volume. Reported TPV figures consider all card volumes settled by StoneCo, including PIX QR Code transactions from dynamic POS QR Code and static QR Code from MSMB and Key Accounts merchants, unless otherwise noted.
- ✓ **"Working Capital Portfolio"**: is gross of provisions for losses, but net of amortizations.



# Thank you



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[investors@stone.co](mailto:investors@stone.co)