StoneCo Ltd.
Date of Action: August 29, 2024
Attachment to Internal Revenue Service Form 8937

The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended, and includes a general summary regarding the application of certain U.S. federal income tax laws and regulations relating to the effects of the Substitution (as defined below) on the tax basis of the Notes (as defined below) issued by StoneCo Ltd. ("StoneCo"). The information contained herein does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of holders. StoneCo does not provide tax advice to holders of its debt obligations and the examples provided below are based on certain assumptions and are merely illustrative. Holders should consult their own tax advisers regarding the particular tax consequences of the Substitution to them, including the applicability and effect of all U.S. federal, state and local and foreign tax laws.

10. CUSIP Numbers.

	Old CUSIP and ISIN Numbers		New CUSIP and ISIN Numbers	
Securities	Rule 144A Securities CUSIP/ISIN	Reg S Securities CUSIP/ISIN	Rule 144A Securities CUSIP/ISIN	Reg S Securities CUSIP/ISIN
3.950% senior notes due 2028	861787 AA7 US861787AA77	G85158 AA4 USG85158AA43	86165K AA3 US86165KAA34	P8T88J AA6 USP8T88JAA61

14. Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action.

On August 29, 2024 (the "Substitution Date") Stone Instituição de Pagamento S.A ("SIP") replaced StoneCo as issuer and principal debtor in respect of the outstanding 3.950% senior notes due 2028 (the "Notes") and StoneCo became a guarantor of the Notes (the "Substitution"). MNLT S.A. and Pagar.me Instituição de Pagamento S.A. continued to guarantee the Notes. Prior to the implementation of the Substitution, SIP was a guarantor on the Notes.

The Substitution was implemented pursuant to the Indenture, dated June 16, 2021, as amended by the First Supplemental Indenture, dated July 31, 2024 (the "Indenture"), and did not require consent from the bondholders. StoneCo, SIP, MNLT S.A. and Pagar.me Instituição de Pagamento S.A. and the trustee entered into a Second Supplemental Indenture, dated August 29, 2024 to implement the Substitution. The Offering Memorandum for the Notes, dated June 16, 2021 (the "Offering Memorandum") sets forth in more detail the terms and conditions of the Notes. Capitalized terms used and not defined herein shall have the respective meanings given to them in the Offering Memorandum.

15. Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.

StoneCo and SIP will treat the Substitution as a significant modification and a taxable exchange for U.S. federal income tax purposes of the "old" Notes with StoneCo as issuer for "new" Notes with SIP as issuer (the "New Notes").

On the Substitution, a U.S. Holder generally will recognize gain or loss equal to the excess of (i) the "issue price" (as described in line 19) of the New Notes over (ii) the U.S. Holder's adjusted tax basis in the Notes. A U.S. Holder's adjusted tax basis in the Notes generally will equal the amount paid therefor, increased by the amount of any market discount previously taken into account by the U.S. Holder and reduced by the amount of any amortizable bond premium previously amortized by the U.S. Holder with respect to the Old Notes.

16. Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.

As described in line 15 above, a holder's initial tax basis in New Notes deemed received in the Substitution will equal the issue price of the New Notes. See line 19.

17. List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.

Section 1001; Section 1012; Sections 1271-1275; Treasury Regulation section 1.1001-3(e)(4); Treasury Regulation section 1.1012-1(g); Treasury Regulation section 1.1273-2; Treasury Regulation section 1.1275-1; Treasury Regulation section 1.1275-2.

18. Can any resulting loss be recognized?

On the Substitution, a U.S. Holder could recognize a loss depending on its particular facts and circumstances. Holders should consult their own tax advisers regarding the particular tax consequences of the Substitution to them.

19. Provide any other information necessary to implement the adjustment, such as the reportable tax year.

The Substitution occurred on the Substitution Date. For a U.S Holder whose taxable year is the calendar year, the reportable tax year is 2024.

Pursuant to U.S. Treasury Regulation section 1.1273-2(f)(9), the Issuer has determined that, within the meaning of U.S. Treasury Regulation section 1.1273-2:

- The New Notes are "traded on an established market."
- The issue price of the New Notes is $893.76 per $1,000 face amount of such New Notes, or 89.376%.

As a result, the New Notes were issued with "original issue discount" for U.S. federal income tax purposes ("OID"). A U.S. holder generally will be required to include OID in gross income, as ordinary income, under a "constant-yield method" before the receipt of cash attributable to such income, regardless of the U.S. holder's regular method of accounting for U.S. federal income tax purposes. The rules governing instruments with OID are complex, and holders should consult with their own tax advisors about the application of such rules to the New Notes.