




cielo

Earnings
Release

 4 Q 2 2

Legal Disclaimer

The Company makes forward-looking statements that are subject to risks and uncertainties

Such statements are based on the Management's assumptions and surmises on the Company's best knowledge and information. Forward-looking statements include information about our current intentions, assumptions or expectations, as well as those of the members of the Company's Board of Directors and Board of Executive Officers.

Forward-looking statements also include information regarding our possible or assumed future operating results, as well as statements that are preceded or followed by or that include the words "believes", "may", "will", "continues", "expects", "anticipates", "intends", "plans", "estimates" or similar expressions.

Forward-looking statements and information are not guarantees of performance. They involve risks, uncertainties and assumptions, as they refer to future events and therefore depend on circumstances that may or may not occur. Future results and value creation for shareholders may differ materially from those expressed in or suggested by forward-looking statements. Many factors determining these results and values are beyond CIELO's ability to control and predict.

The Company's consolidated financial statements are presented in thousands of Brazilian Reais (R\$ thousand), in accordance with the Accounting Plan of the Institutions of the National Financial System (COSIF) and accounting practices adopted in Brazil.

Variation rates and sums contained in the tables and graphs are calculated before the rounding procedure.

Agenda

Presentation:

- Filipe Oliveira – CFO & IRO

Q&A:

- Estanislau Bassols – CEO
- Filipe Oliveira – CFO & IRO
- Daniel Diniz – Head of IR

Quarter Highlights

4Q22: consolidation of the trajectory of profitability growth



4Q22 Recurring Net Income: R\$490 MM. Largest NI since 1Q19. +63% YoY and 16% QoQ
In the FY22 Company reports R\$1.5 BI of Recurring Net Income. +79% YoY



Record of Total Payment Volume (TPV) in a quarter: R\$231 BI. +11% YoY and +5% QoQ



Operating **Revenue¹** posted **sequential growth: 4% QoQ**
Strong YoY progress: 18%. Totaling R\$ 2.8 BI in 4Q22.



Prepaid Volume (ARV and RR) **reaches new record: R\$30 BI.** +25% YoY and 2% QoQ
Acquisition of Receivables' **Revenue (ARV) grows 140% YoY**



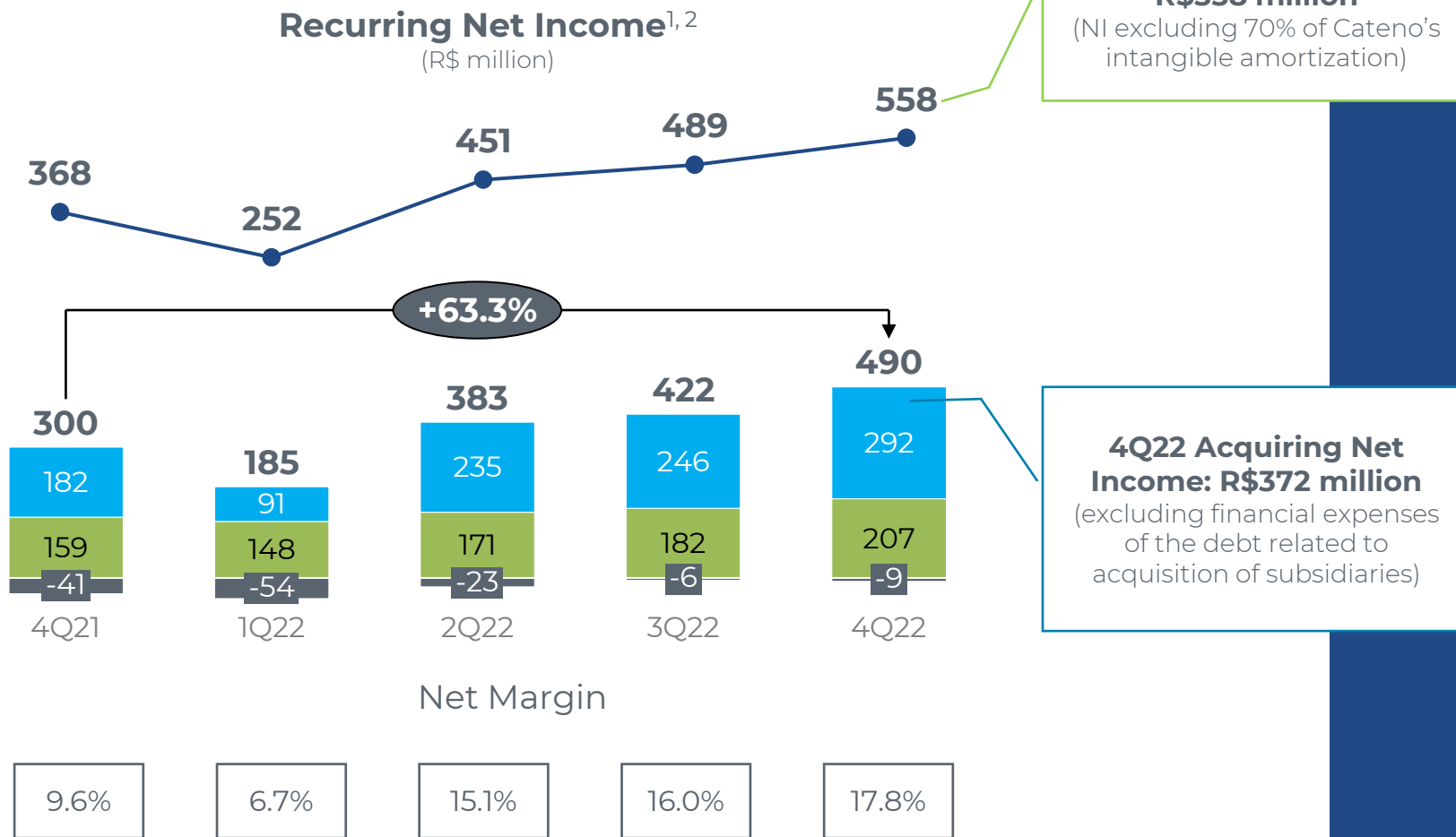
Robust cash generation in Cielo and Cateno. **Recurring EBITDA¹: R\$1.1 BI.** +43% YoY and +9% QoQ
In 2022, Recurring EBITDA reached **R\$3.7 BI.** 52% YoY



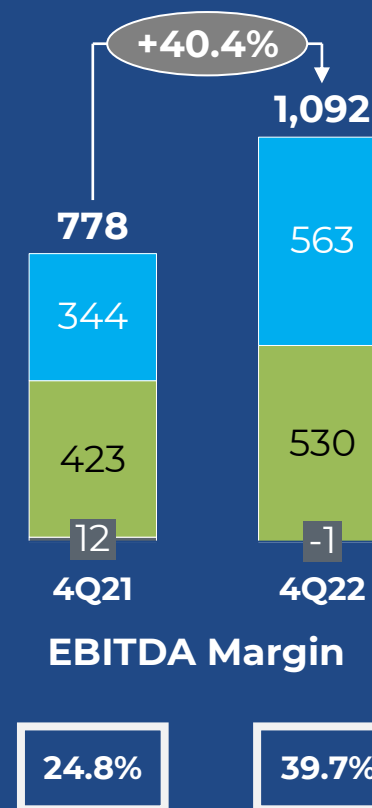
Cateno reports its largest quarterly Cash Earnings²: R\$392 MM
Net Income of R\$295 MM. +30% YoY and 14% QoQ

Recurring Results

Largest recurring result since 1Q19



Recurring EBITDA² (R\$ million)



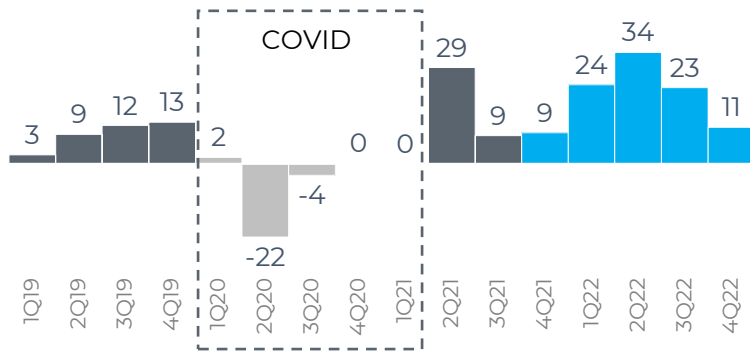
- Cielo Brasil
- Cateno
- Other Subsidiaries

Solid operating performance in Cielo and Cateno, resulting in a net margin of 18% 4Q22.

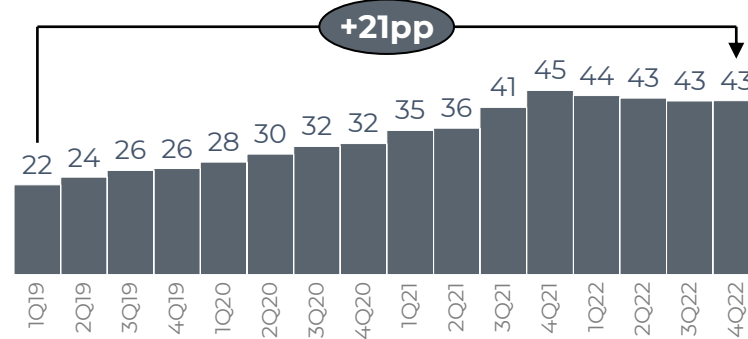
¹ Consolidated recurring Net Income attributable to Cielo shareholders. ² Reconciliations available in the attachments to this presentation. ³ Recurring Net Income attributable to Cielo shareholders, excluding 70% of amortization of intangible related to the right of exploration of the Ourocard Arrangement

Consistency in the Profitability Agenda

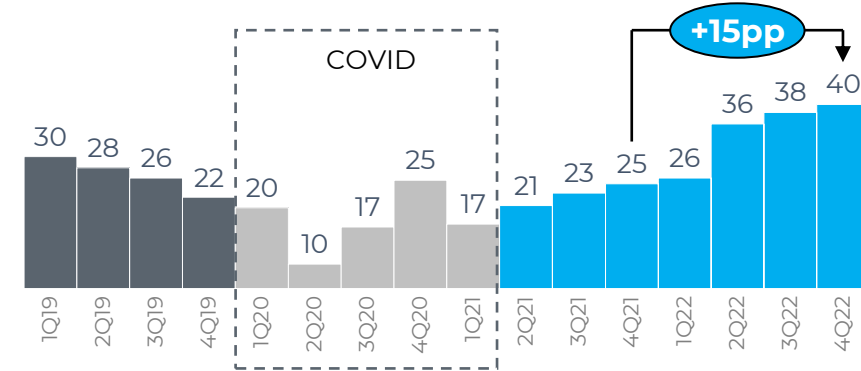
Cielo BR YoY TPV variation (%)



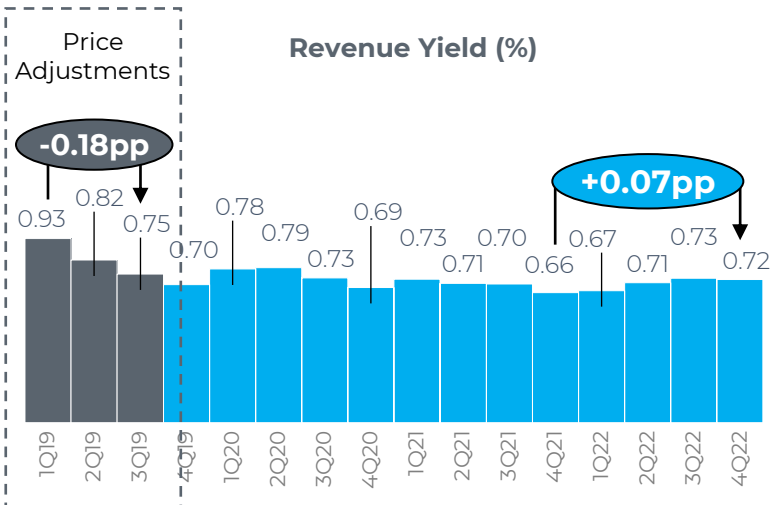
Prepaid Penetration in SMB and LT (%)



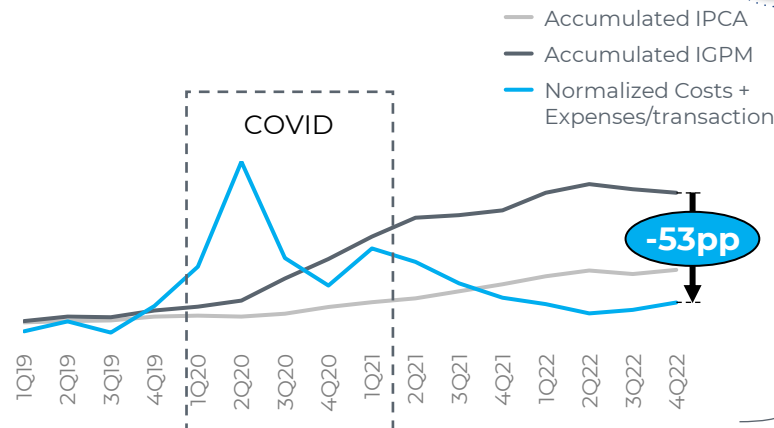
Recurring EBITDA Margin¹ (%)



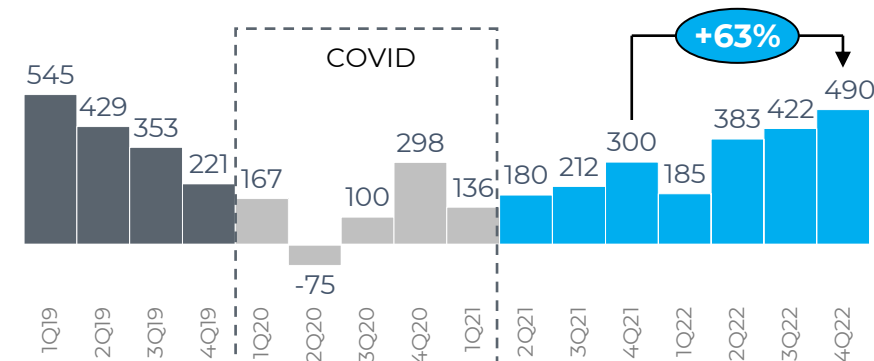
Revenue Yield (%)



Expenses per transaction VS Inflation



Recurring Net Income² (million)



Company maintains consistency in operational performance, presenting additional advances in EBITDA margin and Recurring Net Income

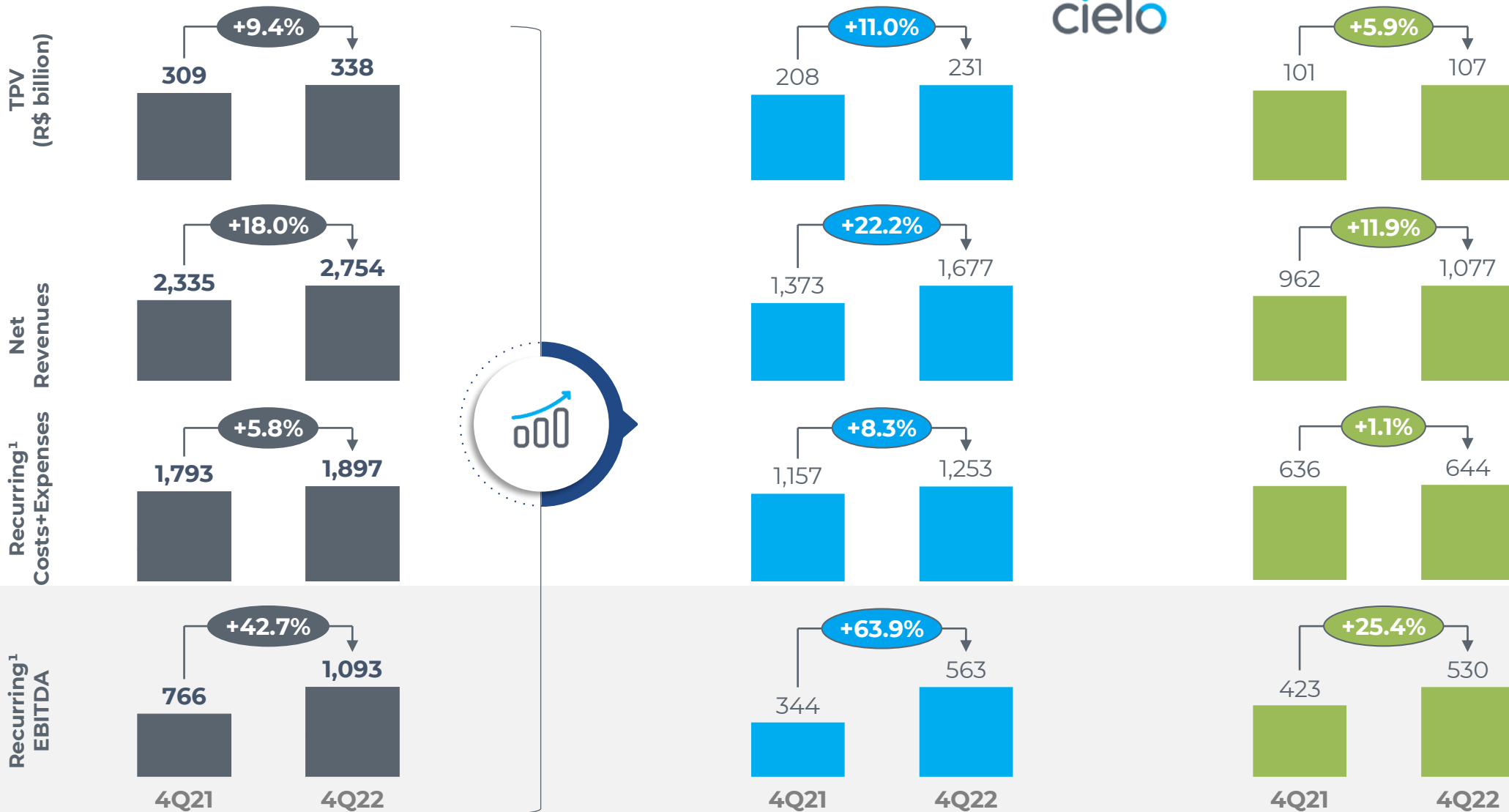
¹ Consolidated, excluding non-recurring items in accordance with the Company's regulations as of 1Q21. For the other periods, no extraordinary items were excluded.

Performance by Business Units



Operational Performance - Cielo BR + Cateno

Significant improvement in key indicators



¹ Cielo Brasil excluding non-recurring financial expenses effects described in the attachments of this presentation.

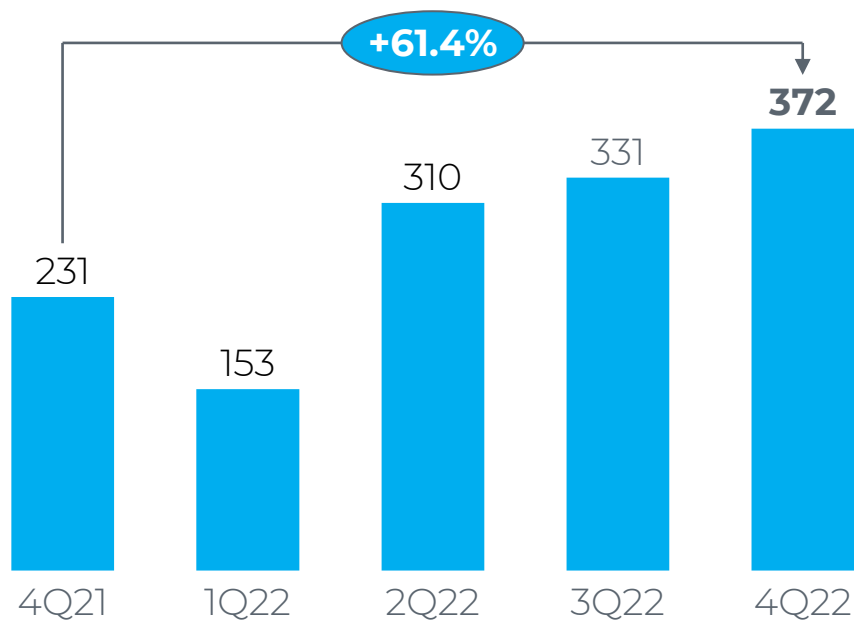
Net Income of Business Units

Improvements in Acquiring and robust cash generation in Cateno

Acquiring Net Income¹

(R\$ million)

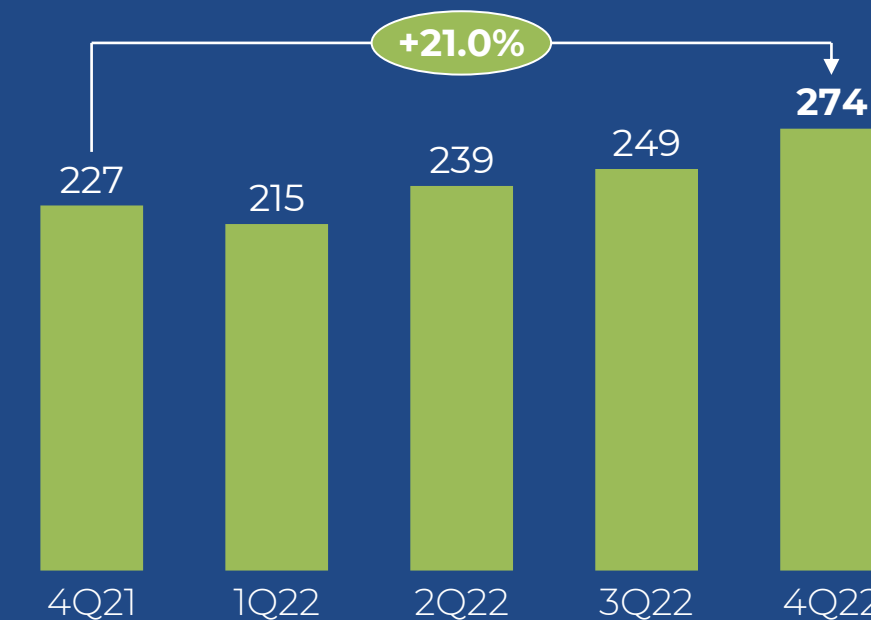
Excluding the cost of debts from the acquisition of subsidiaries



Cateno Cash Earnings¹ (70%)

(R\$ million attributable to Cielo)

excluding amortization of intangible related to the right of exploration of the Ourocard Arrangement



Acquisition debt cost allocated to Cielo BR (R\$ million)



¹ Reconciliations available in the attachments to this presentation

Cielo Brasil: Operational Performance

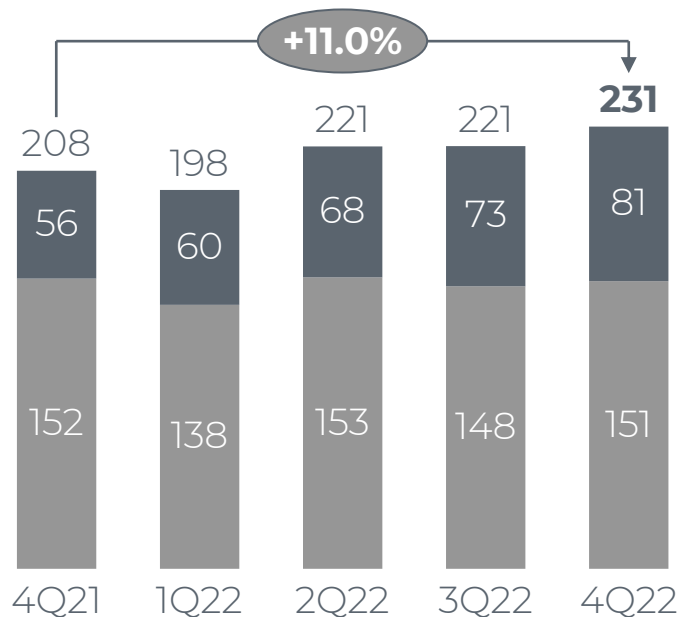
Growth in revenue with recovery of the EBITDA margin

Total Payment Volume

(R\$ billion)

Largest quarterly TPV in Cielo's history.

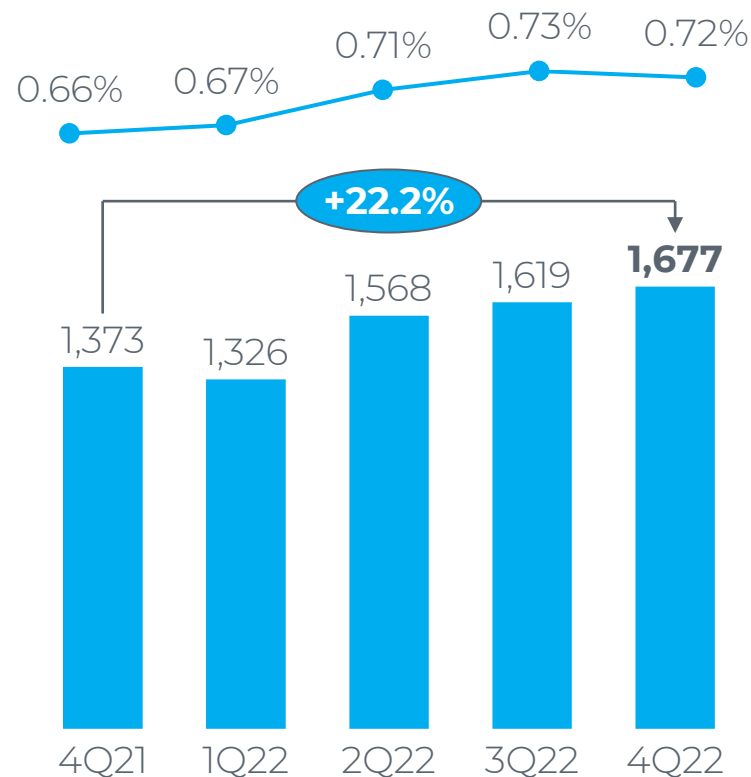
- Contactless
- Card Present



Net Revenue and Yield

(R\$ million)

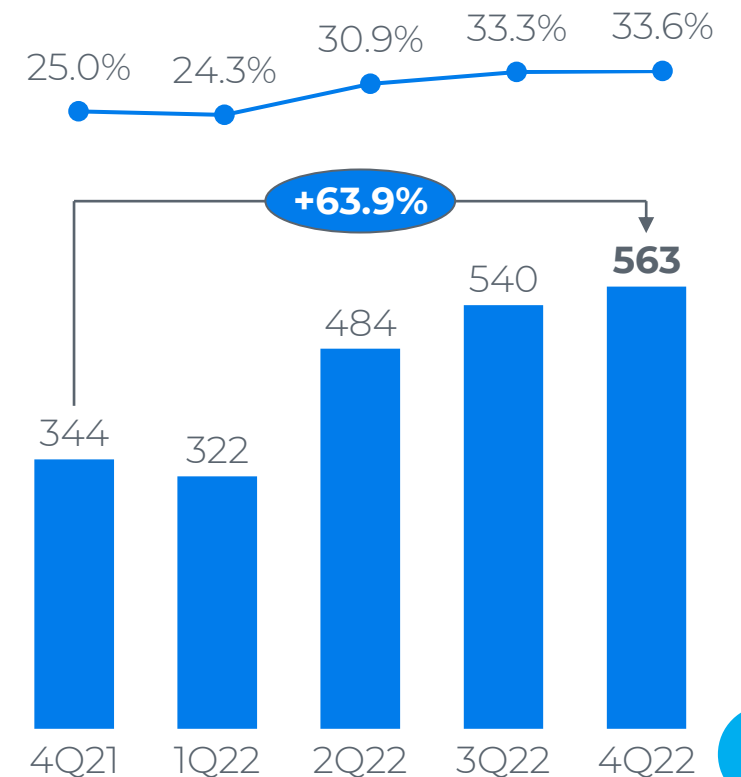
Revenue continues its growth trend QoQ and YoY



Recurring EBITDA and EBITDA margin

(R\$ million)

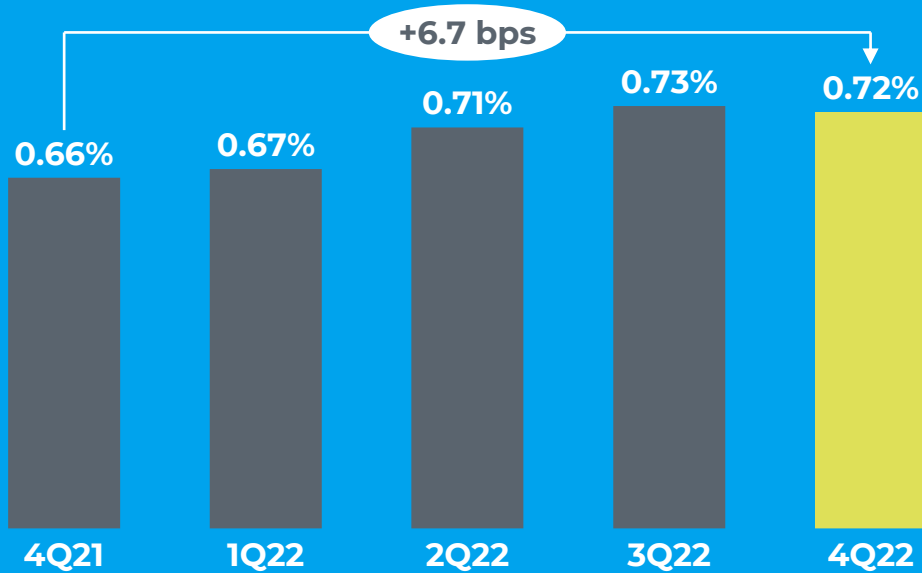
EBITDA margin grows 8.6pp YoY



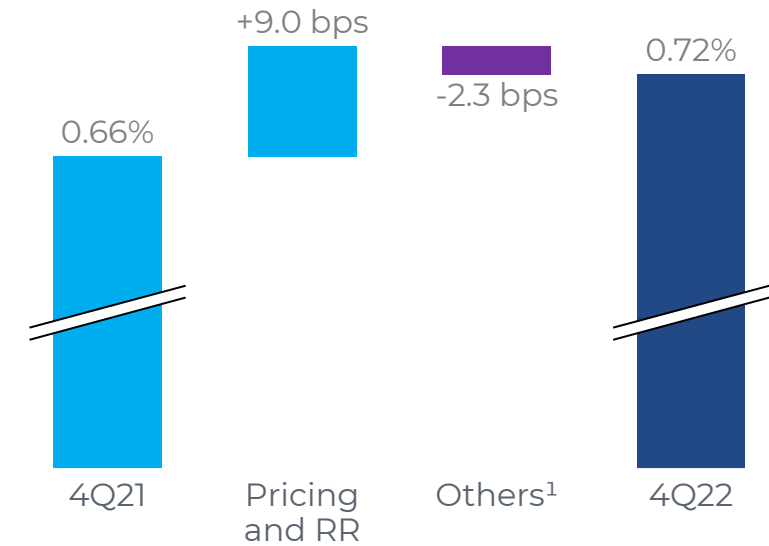
Revenue Yield

3rd consecutive quarter of YoY growth

Revenue Yield
(Quarterly)



Revenue Yield Bridge
(Main effects in pp)



- **Repositioning actions** during 2022 showed a positive impact in yield;
- Company continues to **monitor the market and possible opportunities** in terms of yield optimization.

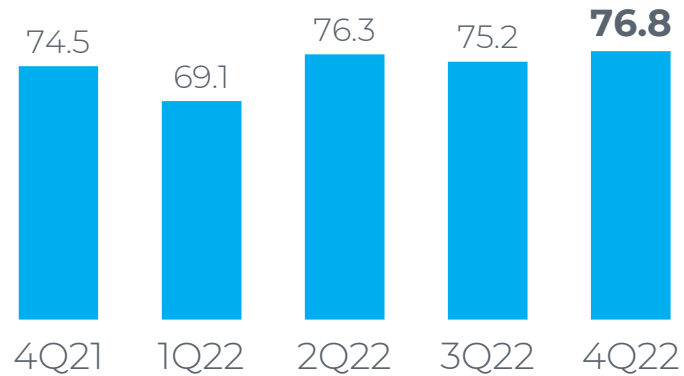
¹ 'Others' includes effect of (i) mix of clients, (ii) product mix, (iii) tax, (iv) Volume effect on yield as certain revenues do not vary according to TPV and (v) Other revenues.

SMB and Long-Tail

Company seeks growth with profitability in the segment

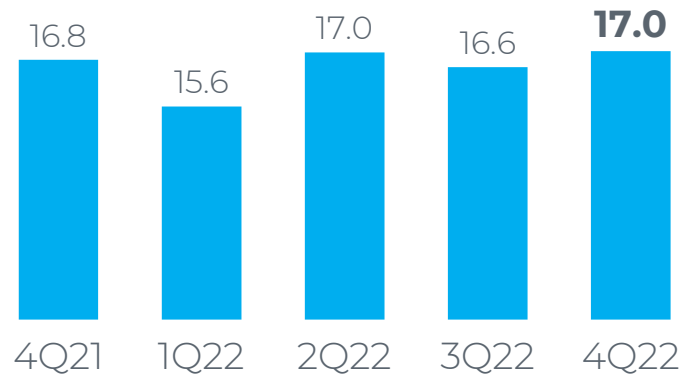
Total Payment Volume

(R\$ billion)



Prepaid Volume

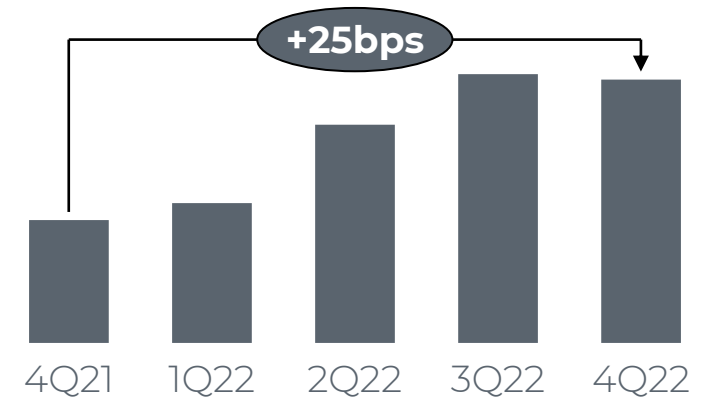
(R\$ billion)



Profitability Actions

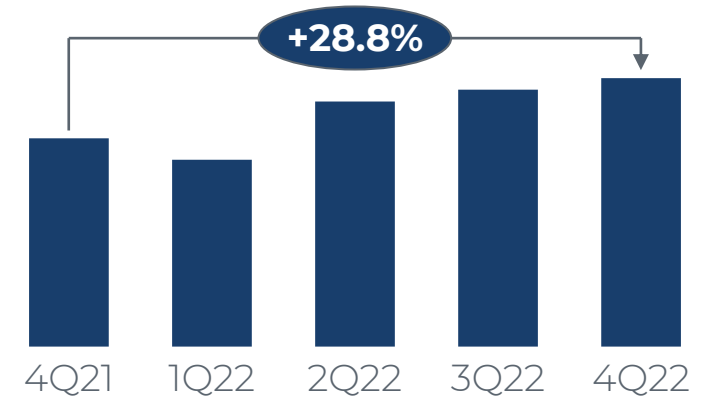


Revenue Yield



Contribution Margin¹

(R\$)



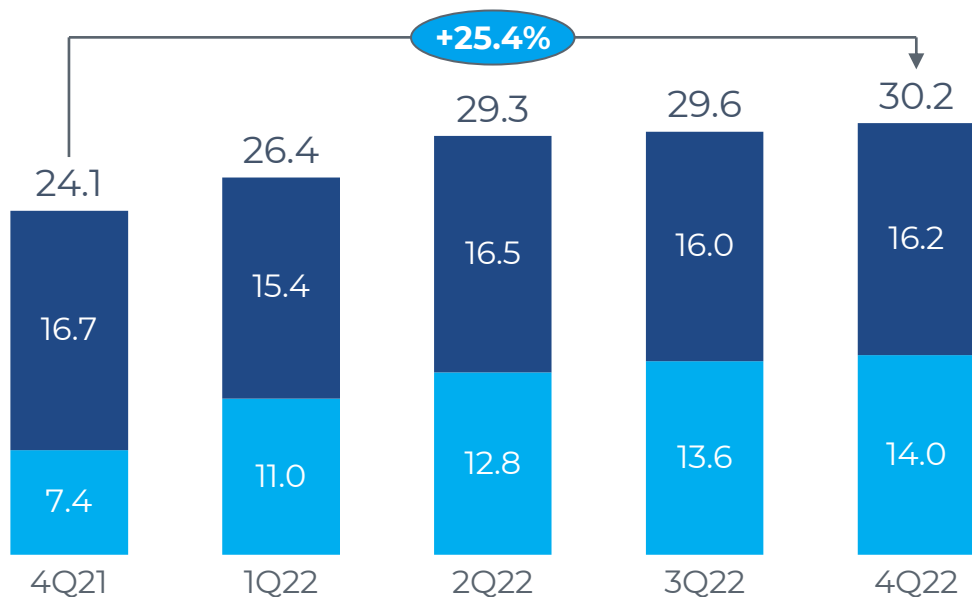
¹ Managerial and non-audited metric

Pre-Payment Products

Successful strategy in ARV brings new leaps to prepaid volumes

Prepaid Volume (R\$ billion)

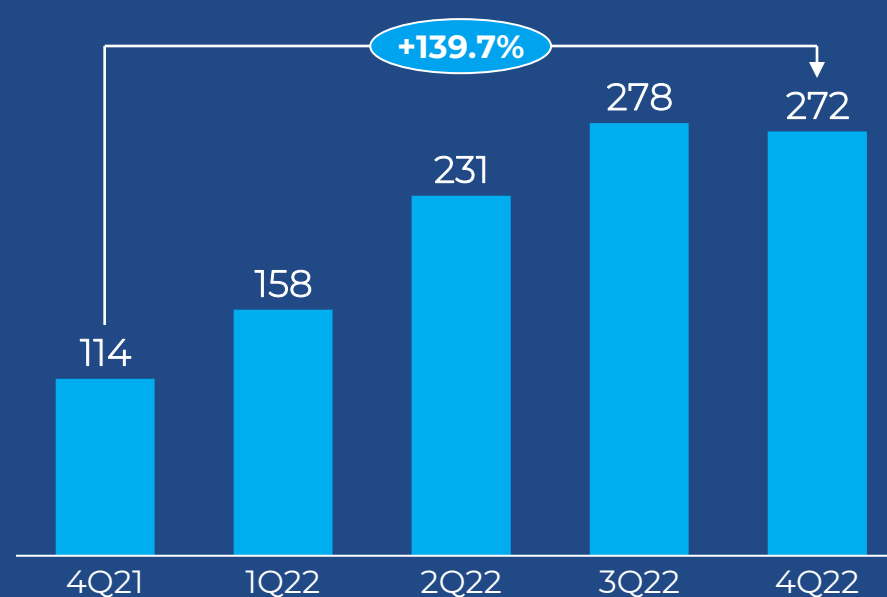
■ Receba Rápido
■ ARV



ARV Revenue (R\$ million)

- Revenue grows 140% YoY
- QoQ variation explained by concentration of capital allocated in December

Zoom-in
ARV



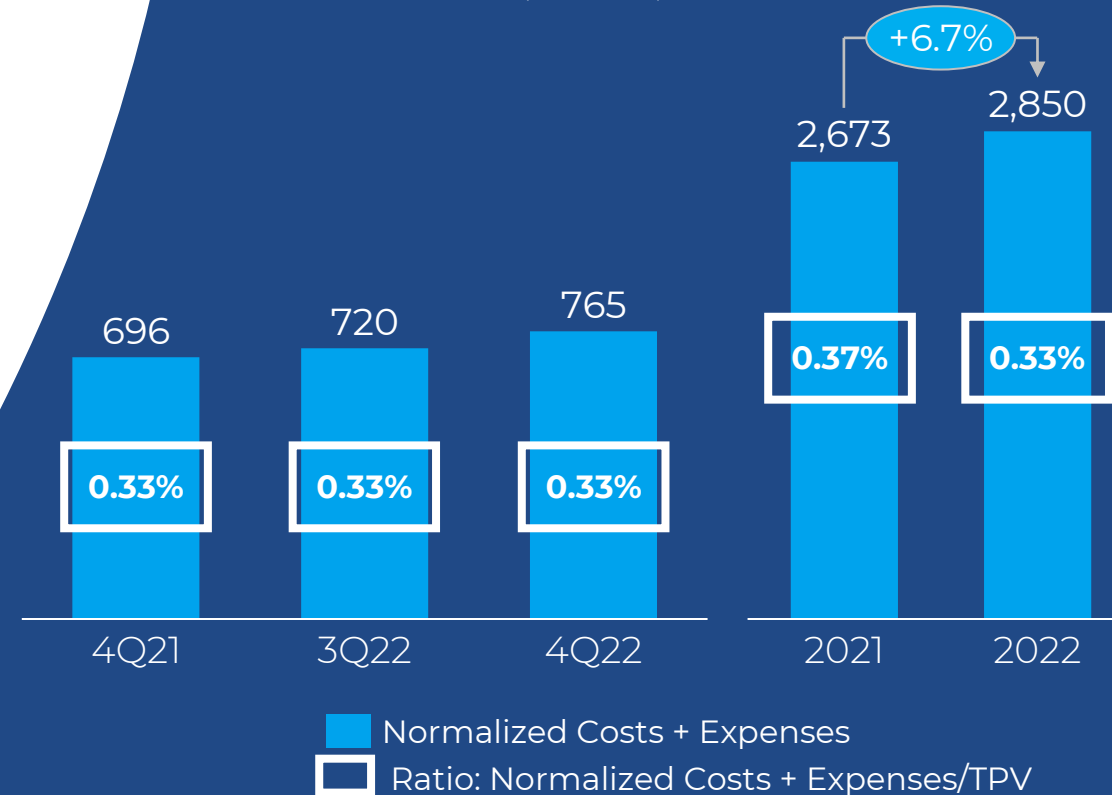
Operational Efficiency

Discipline in costs is a part of Cielo's culture

- In the full year, **normalized costs + expenses ratio decreased from 0.37% in 2021 to 0.33% in 2022.**
- Most efficient acquirer in the market**, when comparing the cost + expenses ratios¹ of the listed players
- 4Q22 Normalized Costs + Expenses with **stable ratio in 0.33%** in YoY and QoQ comparisons, even with investments in initiatives to improve operations, commercial team expansion and collective agreement (August/2022)



Normalized Costs + Expenses²
(R\$ million)



¹ Total Costs + Expenses Cielo Brasil 3Q22 / TPV 3Q22

² Normalized expenses correspond to the total cost + expenses of Cielo Brasil deducted from the brand fees, subsidies, services provided by banks, PIS and COFINS credits, D&A and the non-recurring items described in the attachments to this presentation

Strategy



2022 Achievements & 2023 Perspectives

2022

- ✓ **Record TPV** and market share stabilization
- ✓ **Increased profitability** of TPV
- ✓ **R\$1.5 billion** in Recurring Net Income
- ✓ Conclusion of **divestment cycle**
- ✓ **Strong expenses control discipline**
- ✓ **Pre-Payment Products growth**
- ✓ Improvements in **customer experience**



2023 →

- Advance in the customer service and experience agenda
- Maintain the focus in **profitability**
- New improvements in **digital transformation and new products**

Client Experience: 2022

Consolidation of the logistics model and improvements in leading indicators improved NPS



Deliveries in up to 2BD:

Average above 90% for the year



Human Service Satisfaction:

+6pp in 4Q22 vs 1Q22

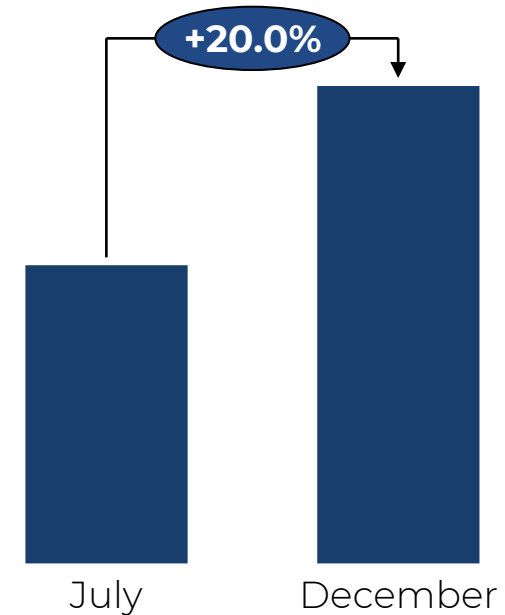


New chatbot on WhatsApp:

30 self-service functions



Indicators reinforce the improvement in the company's NPS through the second semester



2022 and 2023 Strategy

Same strategy. Improved focus

Strategy Pillars

1

Payments - Core

2

**Innovation
in Payments**

3

**Financial
Services
Distribution**

4

**Value-
Added
Services
(VAS)**

5

People, Technology and Data



Strategic priorities

1

Ensure financial efficiency for constant and sustainable growth

1

Deliver the best of Cielo to each customer segment

1

Excel in processes to delight our customers

1

Ensure the quality of products and services end-to-end

2

Fully and broadly serve our customers' needs in payment solutions

3

Expand our product offering with financial services

4

Increase the value of our customer base becoming a platform of services

5

Be recognized as a cutting-edge technology Company in the payments space

5

Deliver more value to our clients with data driven offerings and decisions

5

Expedite the development of our team and expand the adoption of agile methods, seeking for gains in all teams of the Company


ESG



ESG Initiatives and Milestones in 2022

Strength of Cielo brand and advances in ESG are leverages for the strategy

Main 2022 Recognitions

 **ISE B3:** Cielo is in the ISE B3 portfolio for the 10th consecutive year



2022 Reclame Aqui Award: competing with 8 companies in the category, Cielo was 1st in “Electronic payment methods”



Top of Mind: Cielo is Top1 in Folha Top Of Mind 2022 in the "Payment Machines" category



GPTW: 2nd position in the Financial Institutions – Large Financial Services category

Main 2022 ESG Initiatives



Representativeness goals: Cielo announced, in 1Q22, goals for gender, race and ethnicity



Guia de Rodas Certification: with a more accessible environment, we offer a more inclusive experience adapted to all



Zero Racism: Cielo joined the initiative, making internal changes, such as the anti-racism clause in contracts with suppliers and the creation of the commission for prevention of racial intolerance



Cielo Garage: Mentoring Program for Startups selected 10 ‘impact startups’ in 2022

Attachments



Reconciliation

Recurring Net Income (R\$ million)	4Q22	4Q21	Var. %	3Q22	Var. %	2022	2021	Var. %
Consolidated	328.0	336.9	-2.6%	421.7	-22.2%	1,569.5	970.5	61.7%
Non-recurring items (Cielo Brasil)	30.2	(36.7)				60.6	(142.2)	
Non-recurring items (Other Subsidiaries)	131.9					(150.4)		
Recurring Net Income	490.1	300.2	63.3%	421.7	16.2%	1,479.7	828.3	78.6%
(+) Amortization Cateno (70%)	67.6	67.8	-0.3%	67.6	0.0%	270.4	271.5	-0.4%
Cash Earnings	557.7	368.0	51.5%	489.3	14.0%	1,750.1	1,099.8	59.1%

Acquiring Net Income (R\$ million)	4Q22	4Q21	Var. %	3Q22	Var. %	2022	2021	Var. %
Recurring Result Attributable to Cielo	490.1	300.2	63.3%	421.7	16.2%	1,479.7	828.3	78.6%
<i>Cielo Brasil</i>	291.8	181.9	60.4%	245.6	18.8%	863.1	545.7	58.2%
Cost of acquisition debts	80.2	48.7	64.9%	85.3	-6.0%	302.9	136.0	122.7%
<i>Cateno</i>	78.4	44.8	75.1%	81.6	-3.9%	290.2	105.1	176.2%
<i>MerchantE</i>	1.9	3.9	-52.3%	3.7	-50.6%	12.8	31.0	-58.8%
Acquiring Net Income	372.1	230.6	61.4%	330.9	12.4%	1,166.0	681.7	71.0%

Cateno Cash Earnings (R\$ million)	4Q22	4Q21	Var. %	3Q22	Var. %	2022	2021	Var. %
Recurring Result Attributable to Cielo	206.8	159.0	30.1%	181.7	13.8%	707.5	438.7	61.3%
(+) Amortization	67.6	67.8	-0.3%	67.6	0.0%	270.4	271.5	-0.4%
Cash Earnings	274.4	226.8	21.0%	249.3	10.1%	977.9	710.2	37.7%

Recurring EBITDA (R\$ million)	4Q22	4Q21	Var. %	3Q22	Var. %	2022	2021	Var. %
EBITDA	914.7	789.5	15.9%	1,006.1	-9.1%	3,815.6	2,676.6	42.6%
Non-recurring Items	177.7	(11.3)	n/a	-	n/a	(90.8)	(157.1)	n/a
Recurring EBITDA	1,092.4	778.2	40.4%	1,006.1	8.6%	3,724.8	2,519.5	47.8%

The Cielo logo is displayed in white text against a blue sky background. The word "cielo" is written in a lowercase, sans-serif font. The letter "i" has a small blue dot above it. The letter "o" is a solid blue circle. The rest of the letters are white.

cielo

Investor
Relations

ri.cielo.com.br
ri@cielo.com.br