

**CORPORATE**  
PRESENTATION  
**1Q23**



## **CIELO 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.

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ESG



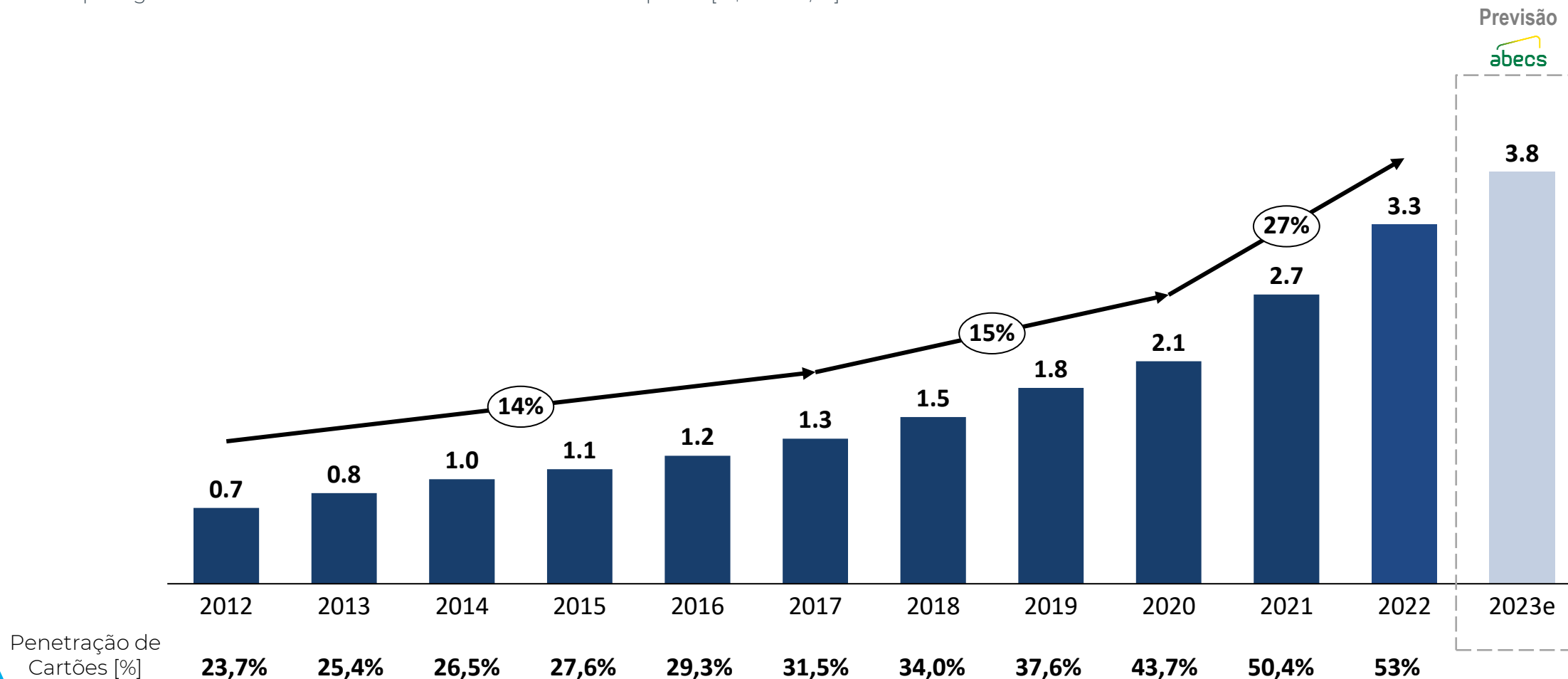
# ACQUIRING INDUSTRY



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# CARD PENETRATION ABOVE 50% IN 2022 AND ABECS' VOLUME PROJECTIONS INDICATE FUTURE PENETRATION GROWTH IN 2023<sup>1</sup>

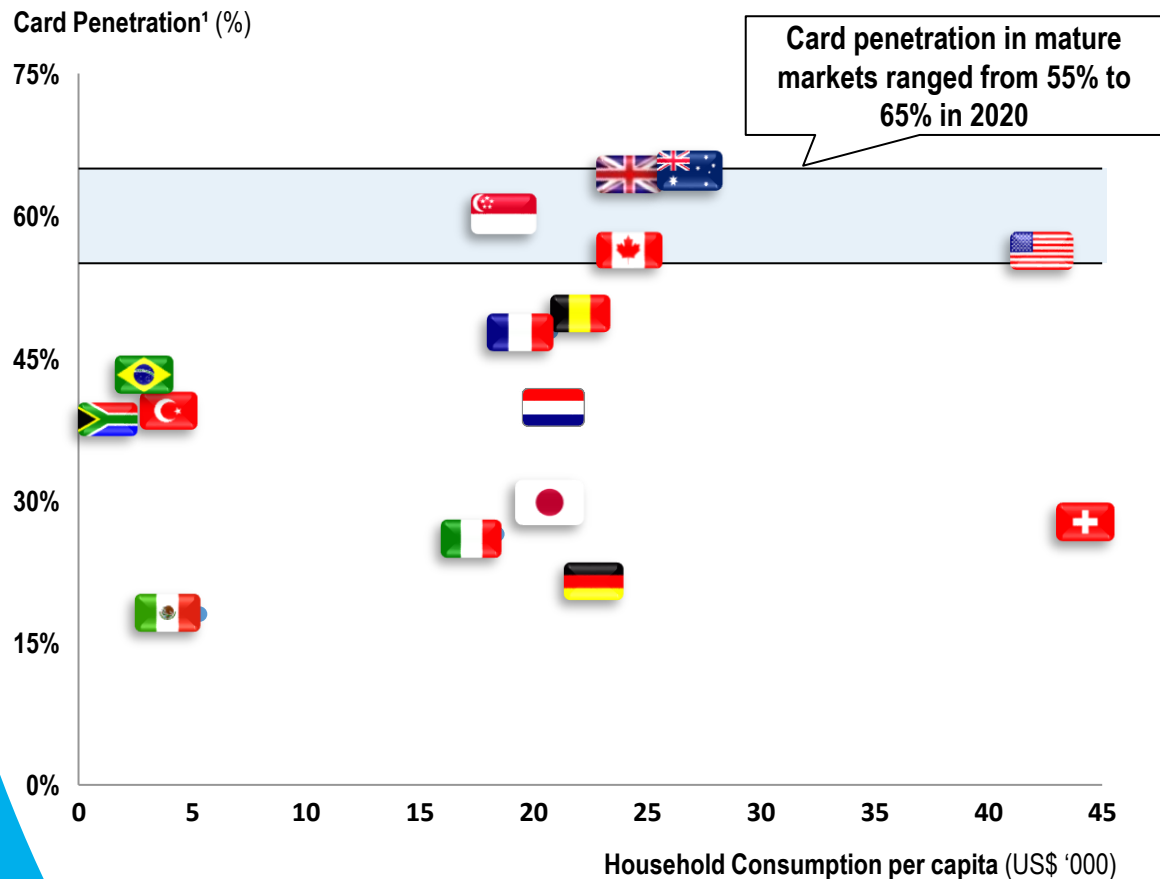
Acquiring TPV and Cards Penetration in Household Consumption<sup>2</sup> [R\$ billion, %]



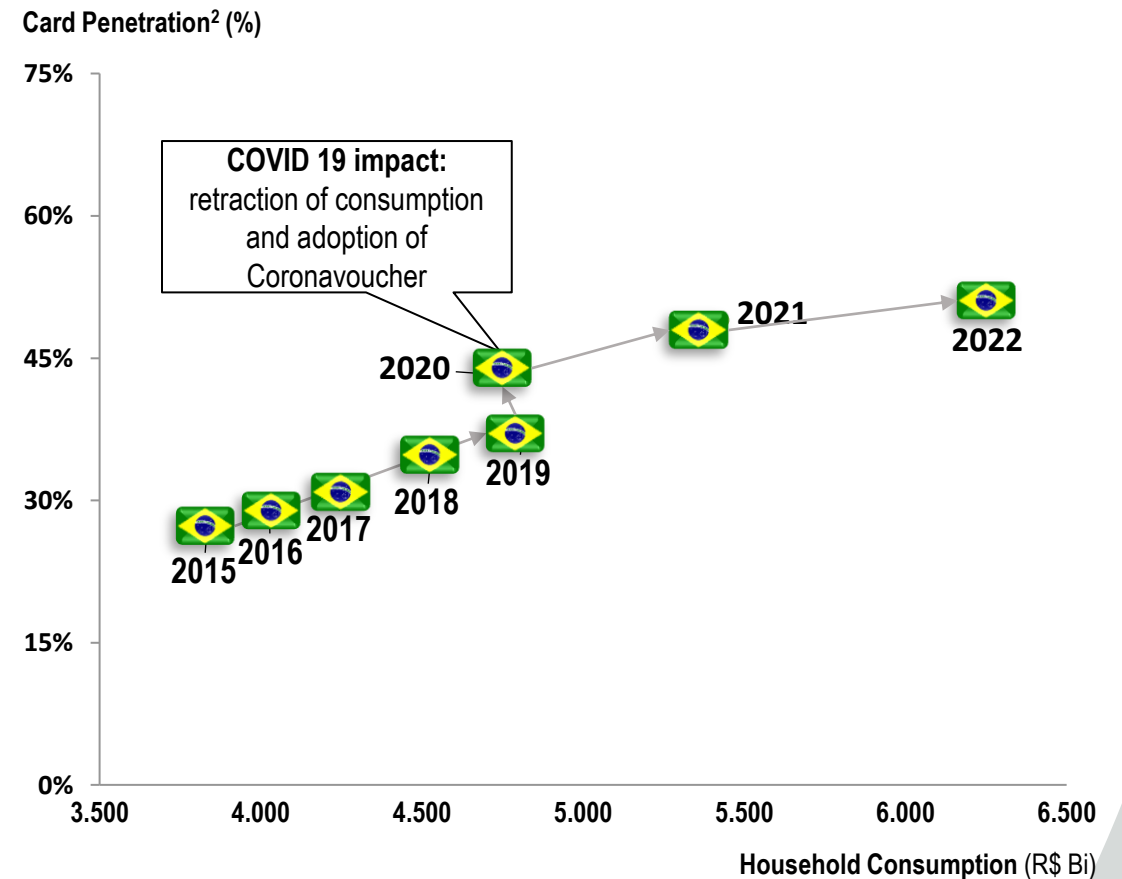
1. Brazilian Cards Association (ABECS) forecast; 2. In 2021, Cardmonitor changed the methodology for calculating the total acquiring market, adjusting backwards to 2020. As of 2020, Cardmonitor takes into account the total ABECS volume, adding volume transacted by Banricompras and foreigners' spending in Brazil, and excluding Brazilian spending abroad; Source: Ipeadata, CardMonitor

# THERE IS STILL ROOM FOR BRAZIL TO EXPAND CARDS PENETRATION WHILE HOUSEHOLD CONSUMPTION INCREASES

World (2020)

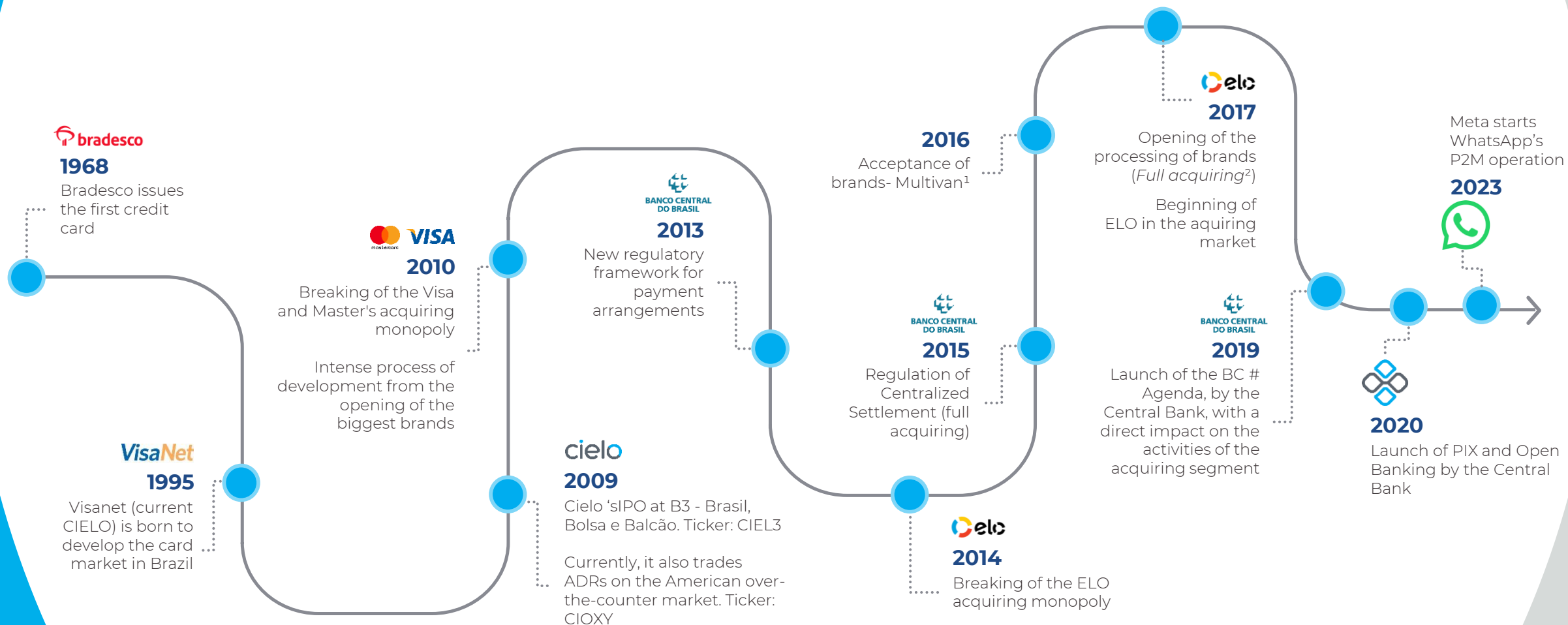


Brazil (2015-2022)



1) Considers volume disclosed by BIS and World Bank; 2. Considers volume disclosed by CardMonitor  
Source: Bank for International Settlements - BIS [2020]; Quarterly National Accounts - IBGE; Company disclosures (2015-2021); Cardmonitor; IpeaData, World Bank

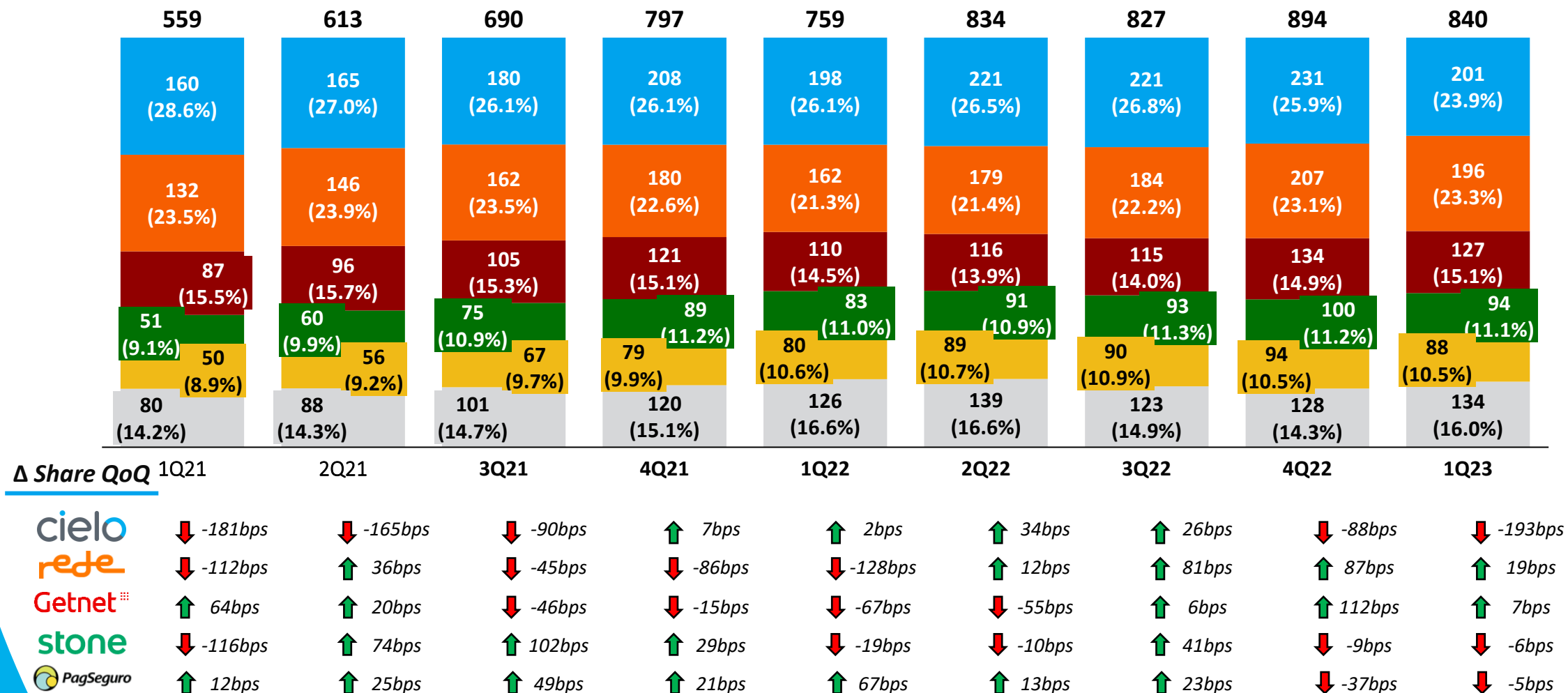
# MILESTONES: MAIN TRANSFORMATIONS IN THE ACQUIRING INDUSTRY OVER THE YEARS



<sup>1</sup> Multivan project made it possible to capture transactions of a specific brand, - exclusive processing by one acquirer - by another (ELO, HIPER), making commercial establishments not need to work with a specific acquirer to accept the brand. <sup>2</sup> Full acquiring allowed the processing of brands that were previously exclusive by other acquirers (end of processing exclusivity).

# QUARTERLY MARKET SHARE (ABECS)

Market Share Abecs – TPV [R\$ Bi], share [%], share variation QoQ [bps]



Note: Abecs total market view (issuer view); considers Brazilian card spending in general, not just payments captured in Brazil; numbers may be rounded off;  
Source: Corporate IR, Abecs; Strategy and M&A



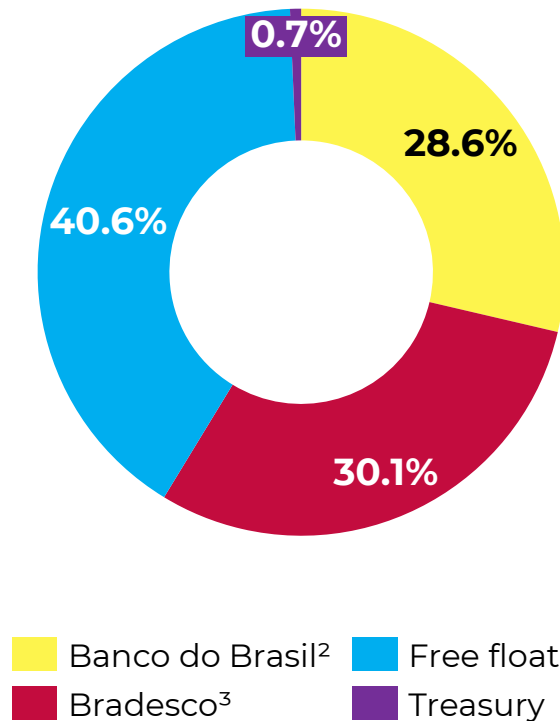
# CIELO AT A GLANCE



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# SOLID SHAREHOLDING COMPOSITION<sup>1</sup>, WITH CONTROL OF **TWO OF THE LARGEST BANKS IN THE COUNTRY AND HIGHLY QUALIFIED BOARD OF DIRECTORS**

Base date: 03/31/2023



## COMPOSITION OF THE BOARD OF DIRECTORS

**12 members**



## Six advisory committees of the Board of Directors and Fiscal Council

- Finance
- People and Compensation
- Corporate Governance
- Sustainability
- Audit
- Risks

<sup>1</sup> Total 2,716,815,061 common shares (CIEL3), listed on B3's Novo Mercado, at the end of 1Q22

<sup>2</sup> Through its subsidiary BB Elo Cartões Participações. <sup>3</sup> Through its subsidiary Quixaba

# SINCE 1995, WE ARE LEADERS IN THE **PAYMENTS MARKET**

## MAIN MILESTONES

**1995** – Visanet is born, being the first acquirer in the Brazilian payments market, with exclusive sales under the Visa and Amex brands

**2004** – We reach ½ million clients

**2009** – Visanet becomes Cielo for the IPO on B3 - Brasil, Bolsa e Balcão. Ticker: CIEL3<sup>1</sup>. The company repositioned itself in the market, expanding its service capacity and developing differentiation methods through new solutions

**2010** – Cielo loses exclusivity with the Visa brand

**2016** – Exclusion of bilateral agreements between merchant acquirers and card brands. In other words, Cielo starts to trade more than 80 card brands on its machines

## STRATEGIC MOVEMENTS

**2011** – Acquisition of Braspag

**2014** – Creation of Cateno with Banco do Brasil

**2018** – Total acquisition of Stelo

**2020** – Sale of 40.95% interest in Orizon

**2021** – Assignment of Rights Related to the Elo Platform

**2021** – Sale of all shares of M4U

**2022** – Sale of all shares of MerchantE

<sup>1</sup>Currently, it also trades ADRs on the American over-the-counter market via the Nasdaq International program. Ticker: CIOXY

# WE ARE A BRAZILIAN COMPANY, **LEADER IN THE ACQUIRING MARKET**

**~24%**

OF MARKET SHARE BR

Cielo is the biggest merchant acquirer and payment processor in Brazil and Latin America.

**~9%**

OF GDP

Approximately 9% of Brazil's gross domestic product is captured through a Cielo<sup>1</sup> machine

**1st**

Top Of Mind

Cielo is Top 1 in Folha Top Of Mind 2022 in the "Payment Machine" category

**R\$ 875**

BILLION

In Total Payment Volume (TPV) in more than 8.3 billion transactions<sup>2</sup>

**12 K**

TRANSACTIONS/SECOND

Highest technological capacity in the market to support high sales volume

**99%**

PRESENCE

With more than 5,500 Brazilian municipalities served, almost the entire country

**1.0**

MILLION

Clients in our active client base<sup>3</sup>

**5.1k**

Employees

~2.5k employees out of the total are part of our commercial team

<sup>1</sup>Transacted Volume in 2021 / Brazil's GDP for 2021 released by IBGE. <sup>2</sup>Data for the last 12 months as of 12/31/2022. <sup>3</sup> 90 days active base

WE OFFER A **COMPLETE ECOSYSTEM** THAT ADAPTS TO EACH RETAILER PROFILE, WITH PRODUCTS THAT DELIVER HIGH ADDED VALUE TO OUR CUSTOMERS



# OUR **BUSINESS**



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# TWO MAIN BUSINESS UNITS ON DIFFERENT SIDES OF THE INDUSTRY: **DIVERSIFICATION & PROFITABILITY**

## Cielo S.A. – Instituição de Pagamento



### ACQUIRING BUSINESS<sup>1</sup>

- **Cielo acts through out the entire payment cycle.** From acquiring new customer; supplying the machine or an e-commerce solution, capturing and processing the payments and setting the financial obligations of a given transaction.

- In addition, Cielo offers a wide set of products and solution, with highlights to **Pre-payment products**

#### Revenue Stream:

- MDR
- POS Rental Fees
- Prepayment revenues
- Other



### OUROCARD ARRANGEMENT

- **Cielo S.A. owns a 70% stake** at Cateno, as an investment, not operating the business
- Inserted in the **Ourocard Arrangement (BB card issuance business)** as a payment account manager.

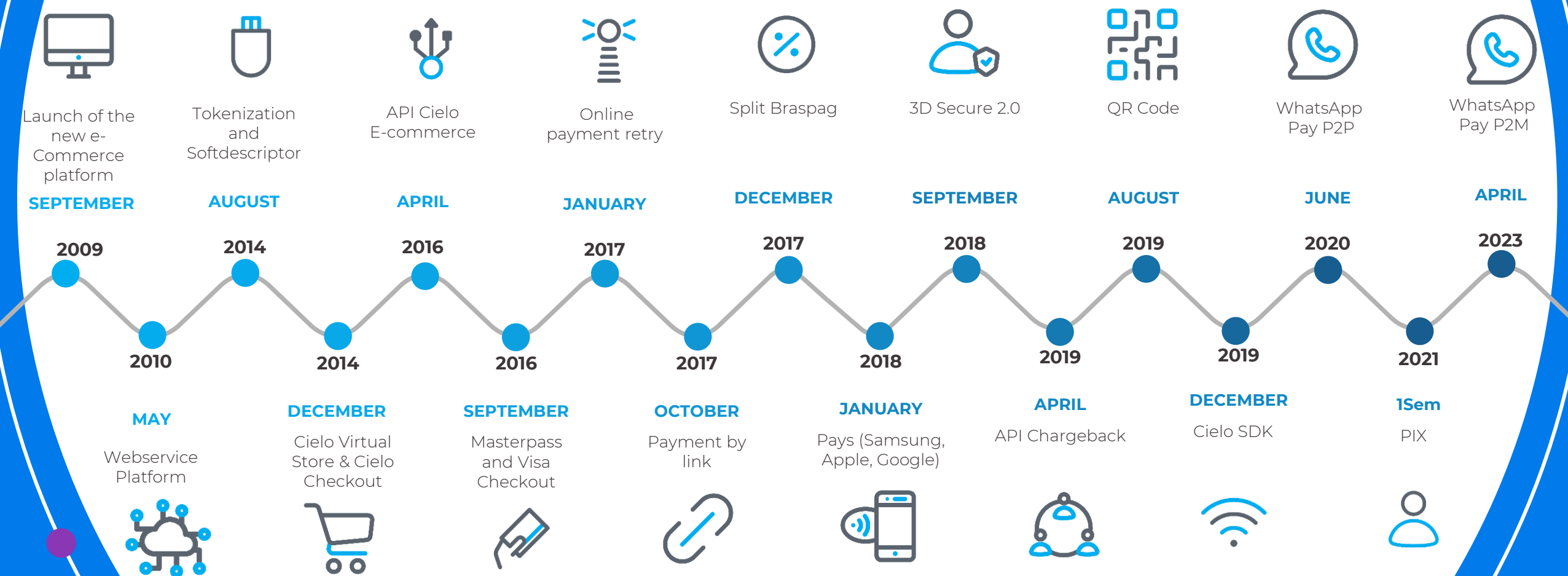
**Revenue Stream:** Interchange;

#### Cost Structure:

- Embossing and billing
- Processing management of the payment accounts
- Brand fees
- Others

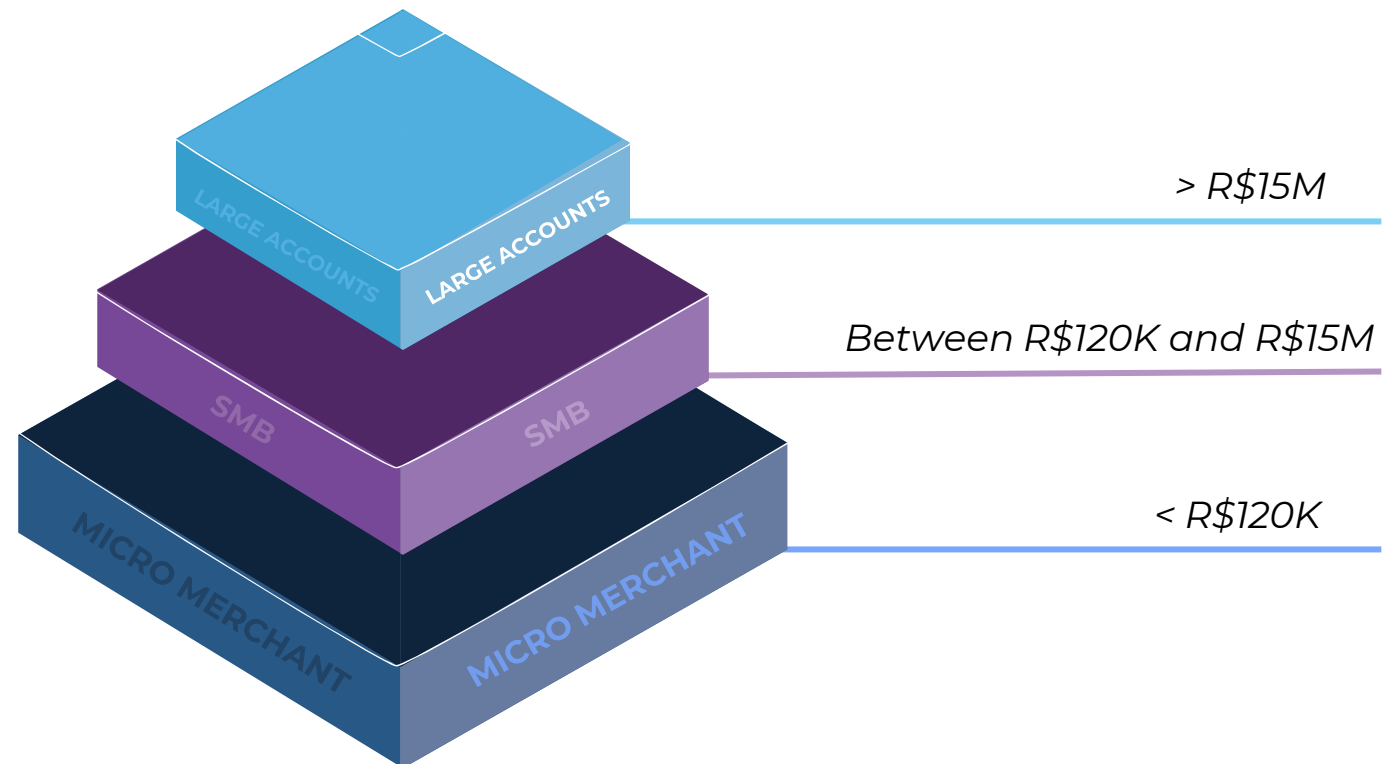
<sup>1</sup> We refer to the acquiring business unit as Cielo Brasil

# WE HAVE A HISTORY TURNED TO INNOVATION IN THE PAYMENT INDUSTRY





# MAIN CUSTOMER SEGMENTS BY SIZE <sup>1</sup>



<sup>1</sup> Customer's estimated revenue per year

OUR FOCUS IS TO BRING THE BEST EXPERIENCE **TO THE CLIENT**, THAT'S WHY WE HAVE THE AID OF:

### BUSINESS MANAGERS



Combining *Hunting* and *Farming* functions

Greater efficiency in travel and reduction of the client portfolio

Personal and closer relationship to clients

### APP CIELO EXPERT



APP to assist in identifying opportunities, planning and negotiations

Greater efficiency in approaches, using Advanced Analytics

Digitalized registration / service experience

### LOGISTICS



Implementation of a logistics team to improve onboarding and after sales: Heroes

Delivery of equipment at the time of sale in big cities: Instala Direto

Better customer experience and higher activation rate

# STRATEGY

## 5 Pillars of our strategy

### Strategy Pillars

#### 1 Payments - Core

#### 2 Innovation in Payments

#### 3 Financial Services Distribution

#### 4 Value-Added Services (VAS)

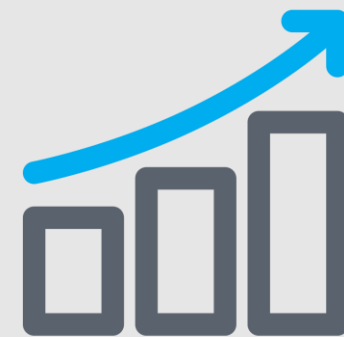
#### 5 People, Technology and Data



### Macro objectives

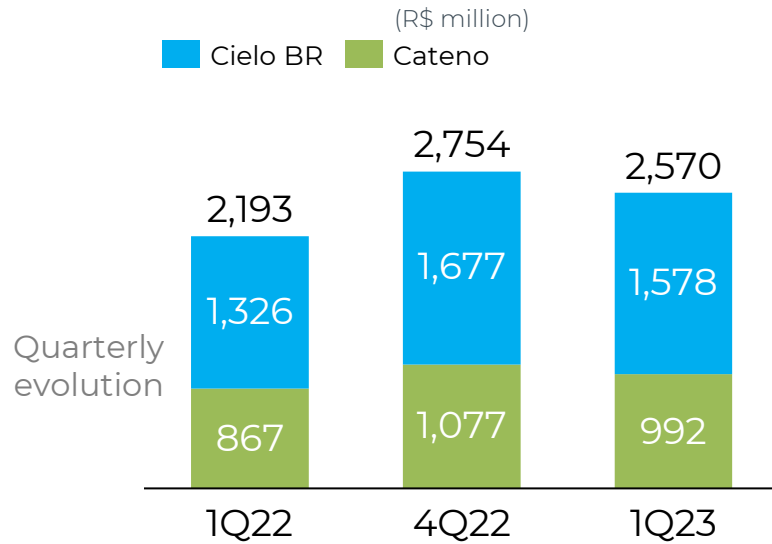
- A** Improve customer centricity and reach best-in-class service
- B** Sell efficiently and with more profitability
- C** Achieve the next frontier of efficiency
- D** Evolve the core product offering
- E** Innovate and explore adjacencies in financial services and VAS
- F** Consolidate as a reference tech company

# FINANCIAL HIGHLIGHTS

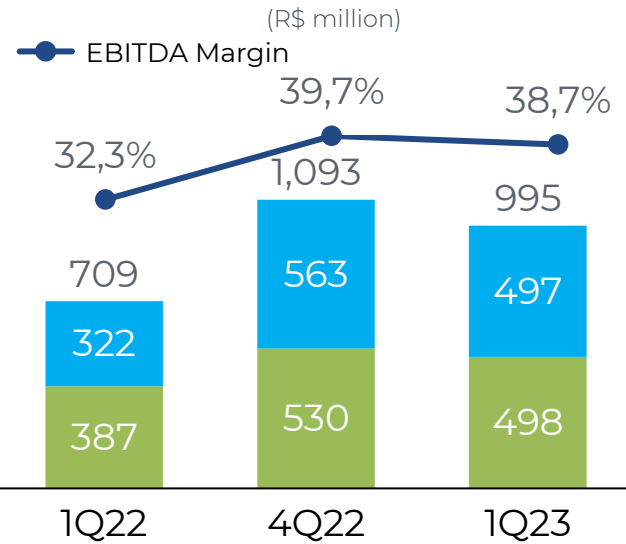


# CIELO'S FINANCIAL AND OPERATIONAL HIGHLIGHTS (1/6)

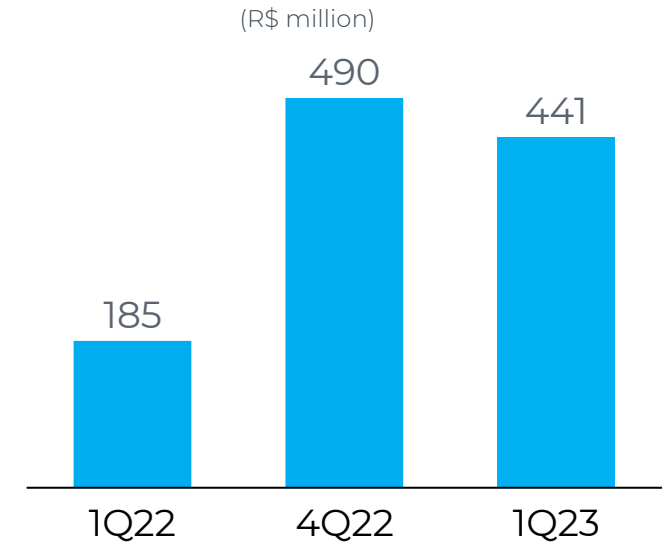
## NET OPERATING REVENUE<sup>1</sup>



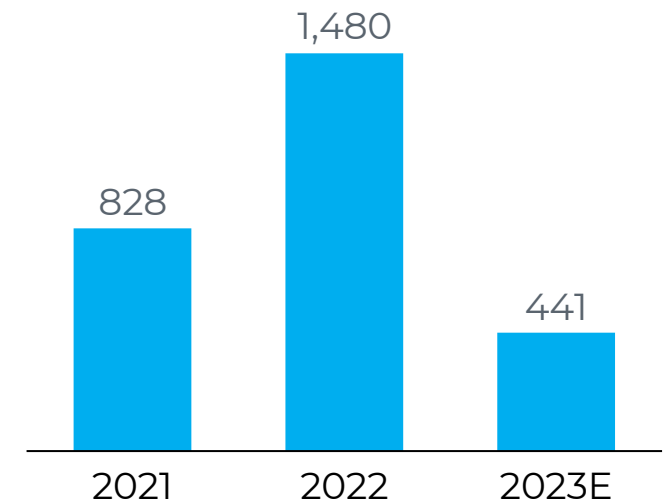
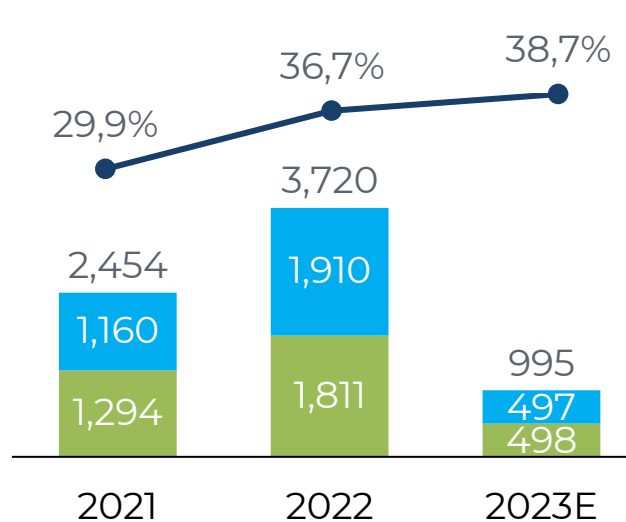
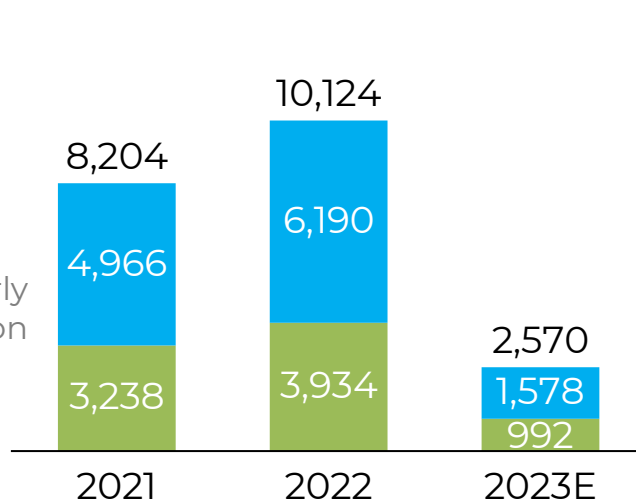
## EBITDA<sup>2</sup>



## RECURRING NET INCOME<sup>3</sup>



## Yearly evolution



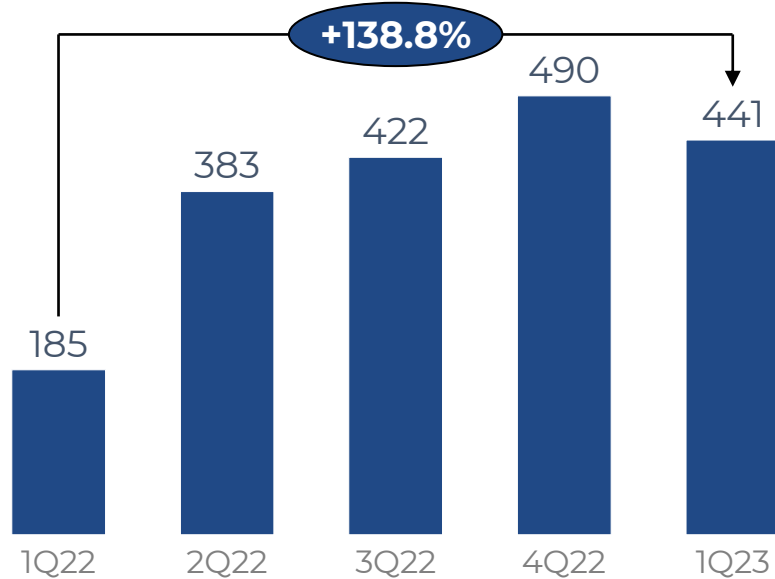
<sup>1</sup> Proforma view that only considers the consolidation of Cielo Brasil and Cateno. This view was created just to illustrate the performance of the main business units, considering the divestments made, which involved companies responsible for most of the income statement of "Other Subsidiaries" until 1Q22. <sup>2</sup> Recurring Cielo BR + Cateno <sup>3</sup> Recurring net income attributable to Cielo shareholders, this view starts on the 1Q21.

# CIELO'S FINANCIAL AND OPERATIONAL HIGHLIGHTS (2/6)

## NET INCOME MAINTAINS YOY GROWTH TREND, WITH STRONG OPERATIONAL PERFORMANCE

Recurring Net Income<sup>1, 2</sup>  
**R\$441MM** in 1Q23.

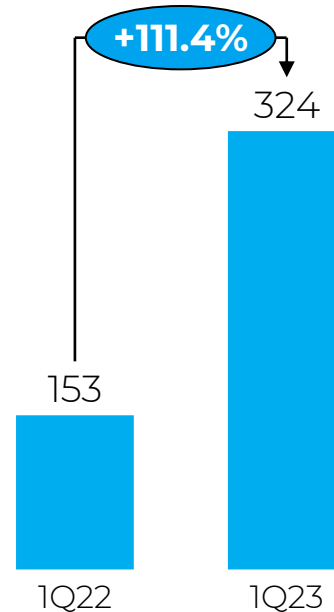
(R\$ million)



### Cielo BR Net Income<sup>2</sup> (Acquiring):

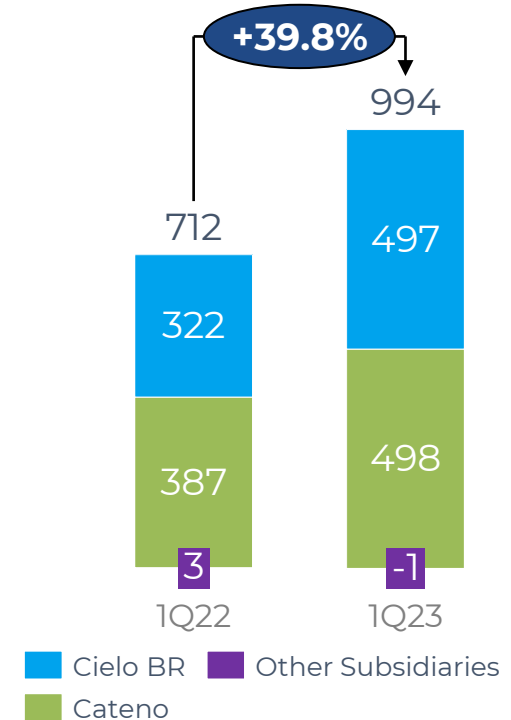
Excluding non-recurring items and the effects of financial expenses of debts related to the acquisition of subsidiaries, Cielo Brasil Net Income presents a 111% YoY growth

(R\$ million)



Recurring EBITDA  
**Robust Operating Result in Cielo Brasil and Cateno**

(R\$ million)



<sup>1</sup> Recurring net income attributable to Cielo shareholders.

# CIELO'S FINANCIAL<sup>1</sup> AND OPERATIONAL HIGHLIGHTS (3/6)

## TPV

(R\$ billion)

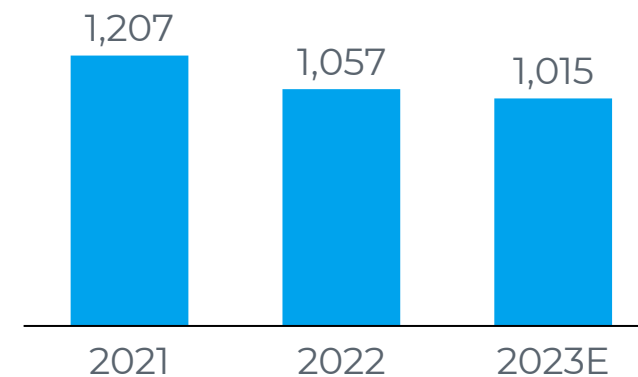
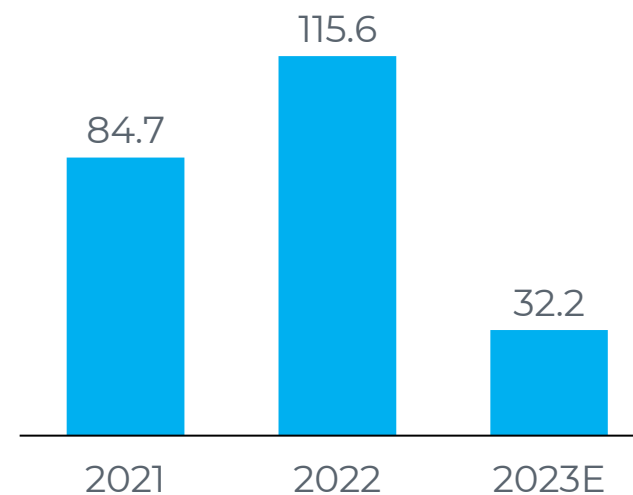
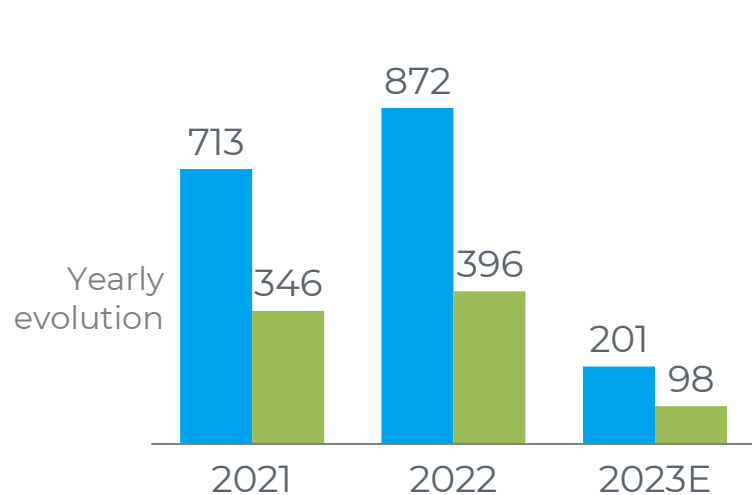
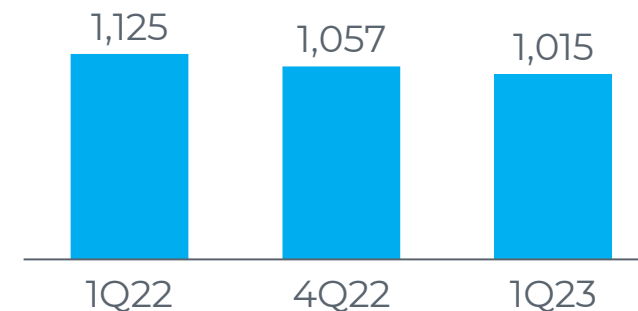
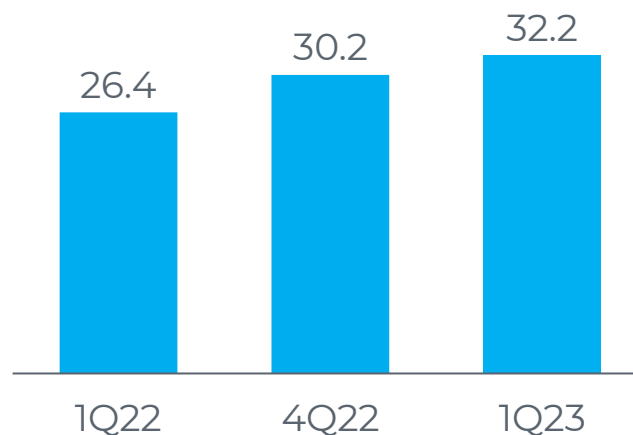
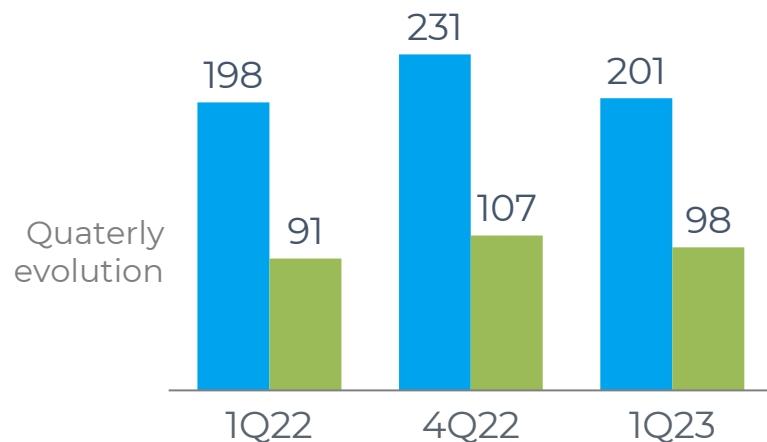
## PRE-PAYMENTS VOLUME

(R\$ billion)

## ACTIVE CUSTOMER BASE 90 DAY BASIS

(million)

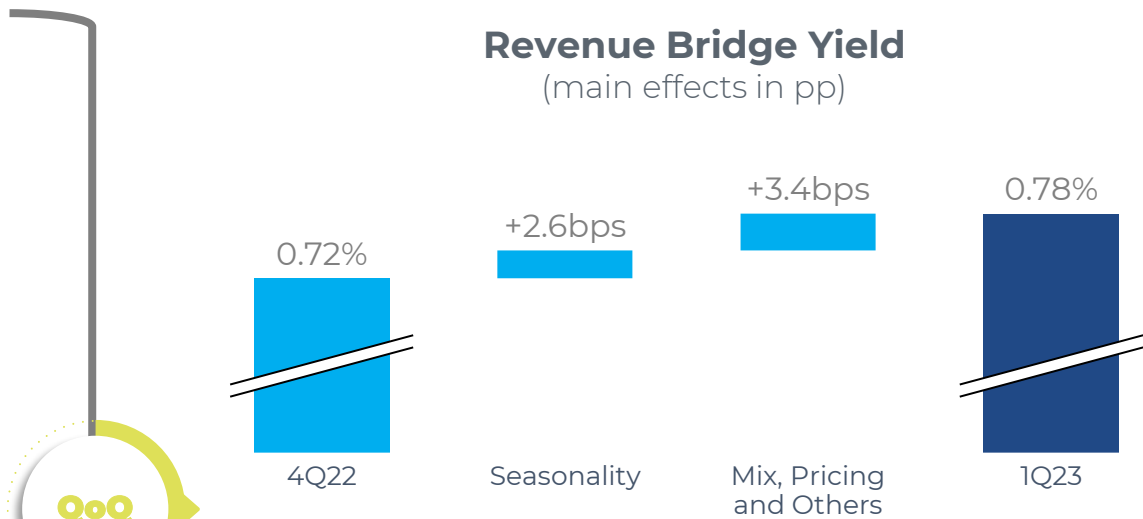
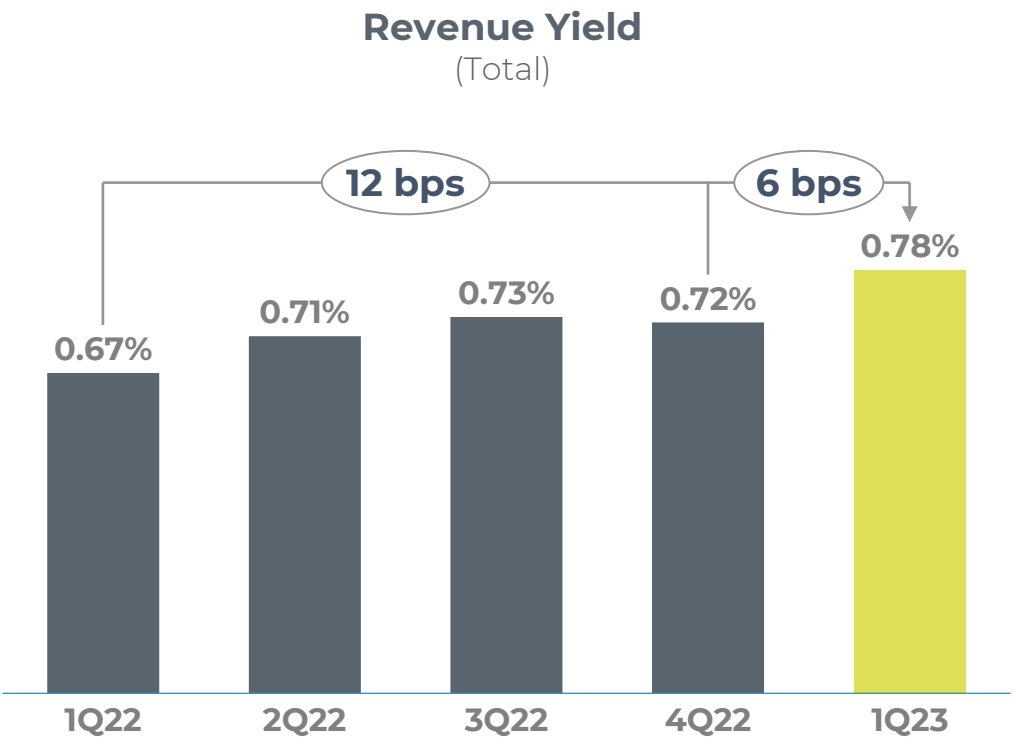
Cielo BR Cateno



<sup>1</sup> Full financial information package available at the Earnings Release and Result Presentation filed within CVM and at the IR website: [ir.Cielo.com.br](http://ir.Cielo.com.br)

# CIELO'S FINANCIAL AND OPERATIONAL HIGHLIGHTS (4/6)

## REVENUE YIELD



QoQ

- Mix and seasonality are the main effects QoQ
- The YoY increase was driven mainly by the profitability actions taken during 2022
- Company continues to monitor the market and executed new actions at the end of March

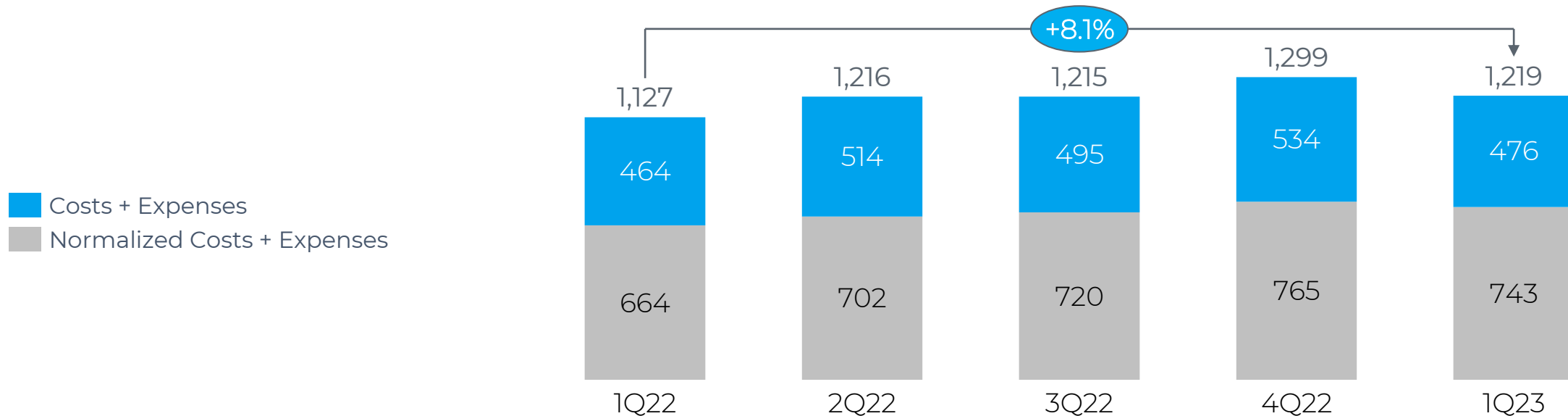


## CIELO'S FINANCIAL AND OPERATIONAL HIGHLIGHTS (5/6)

### OPERATIONAL EFFICIENCY (CIELO BRASIL)

- Total Costs + Expenses grew 8% YoY in Cielo Brasil, compared to a **19% growth in Net Revenue**
- In the normalized perspective, costs + expenses totaled R\$743 million. Growth was concentrated on the **YoY headcount increase of the sales team** and initiatives to improve operation performance and service quality, such as **cloud and call center**

#### Costs + Expenses (R\$ million)



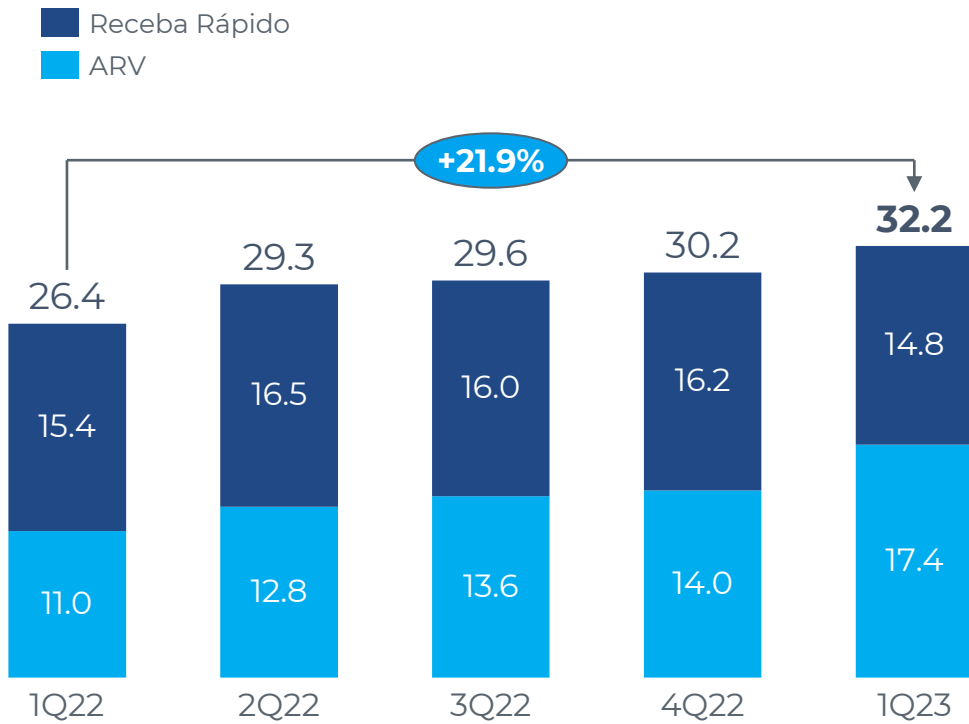
<sup>1</sup> Normalized expenses correspond to the total costs + expenses of Cielo Brasil deducted from the brand fees, subsidies, services provided by banks, PIS and COFINS credits, D&A and the non-recurring items.

# CIELO'S FINANCIAL AND OPERATIONAL HIGHLIGHTS (6/6)

## PRE-PAYMENT PRODUCTS

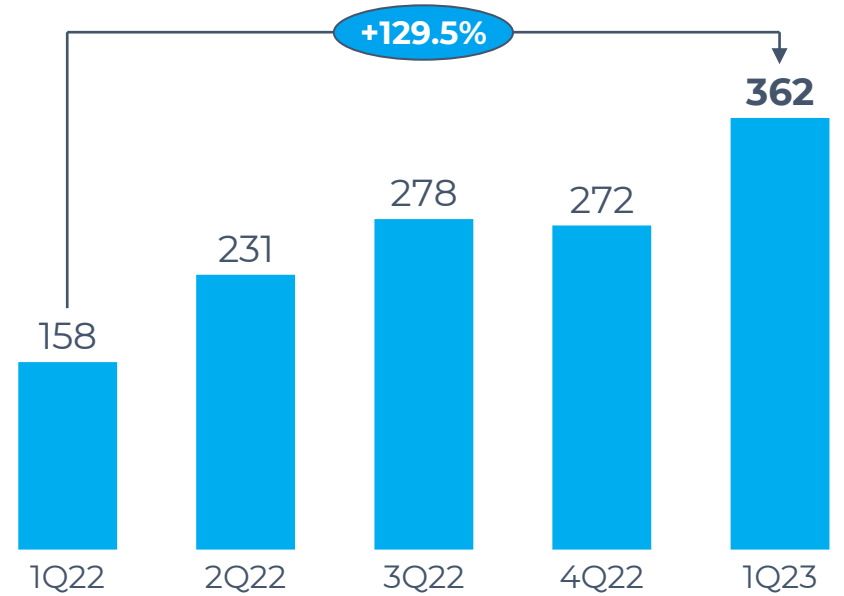
**Prepaid Volume**  
(R\$ billion)

**ARV Revenue**  
(R\$ million)



**Zoom-in  
ARV**

- Revenue boosted by larger allocated capital in the quarter



# Sustainability **ESG**



ISE B3 ICO2 B3



Pacto Global  
Rede Brasil



Sustainability Yearbook  
Member 2022  
S&P Global



# OUR COMMITMENT TO SUSTAINABLE DEVELOPMENT IS STRENGTHENED THROUGH THE SUSTAINABILITY POLICY.



## SUSTAINABILITY POLICY

Our **Sustainability Policy** establishes the guidelines for the implementation of an environmental, social and governance (ESG) agenda.



## STRATEGIC SUSTAINABILITY PLANNING

Our Strategic Sustainability establishes the **Sustainability Purpose**, as well as the guidelines and strategic themes for the Company's sustainability, which are structuring for the construction of shared value.



## PURPOSE OF SUSTAINABILITY

**Empower sustainable and inclusive business with everyone**

In this sense, we seek to provide clarity regarding the direction of our initiatives on environmental, social and corporate governance practices.

ISE B3 ICO2 B3



Sustainability Yearbook  
Member 2022  
S&P Global



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# STRATEGIC SUSTAINABILITY THEMES, WORKING WITH THE HIGHEST STANDARD OF ESG METRIC

## Enviromental

- **2022 GHG emissions (Scope 1 and 2) neutralized** through carbon credits and International Renewable Energy Certificates
- Structured processes for **reverse logistics and recycling** of electronic equipment.
- **Environmental Management System (EMS)** certified by the ISO 14001.
- Score "B" in the **Carbon Disclosure Project (CDP)**, which attests that Cielo is addressing actions on climate issues in a coordinated way.

## Social

- 'Guia de Rodas' Certification: inclusive and **accessible** experience in the workplace
- **Goal for gender and race inclusion:** until 2025 of 45% of woman & 35% of black and indigenous & 42% & 22% at the management level
- One of the **'Great Place to Work'** by GPTW BR
- Mentoring program for women with 50% of **places exclusively for black women.**
- **Cielo's 2022 Startup Mentoring Program** selected 10 'impacting startups', dedicated to address socioenvironmental problems
- The entrepreneurial education **Impulsiona Aí Program** for 150 black women entrepreneurs from peripheral territories.

## Governance

- Board with **4 independent members**, with notable background:
  - Former CVM President
  - Former Country Manager of one of the largest card brand
  - Former director of monetary policy
  - Former top executive of rating agency.
- Related parties matters are approved **solely by the independent members.**
- 100% of critical suppliers have been **audited against ESG criteria** in 2022.
- Launch of ESG-focused training in 2022, with participation of +76% of employees.

## ESG Awards & Recognition

- Award - Época Negócios 360: Cielo is the champion in Sustainability in the Financial Sector
- **'Best of the Decade' in Corporate Governance** by Época 360 Award, among all sectors
- Companies with the **best ESG scores**, by Exame: Cielo received a 9/10 grade
- Most Transparent Companies in Sustainability, by Valor and GRI: Cielo is one of the **most transparent companies regarding the disclosure of sustainability information**
- Presence in the **Sustainability Yearbook 2023 of S&P Global**, as the only Brazilian company in the IT services sector
- Only Acquirer in the **Corporate Sustainability Index** (ISE B3)

ISE B3 ICO2B3



Sustainability Yearbook  
Member 2022  
S&P Global



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# INVESTOR RELATIONS

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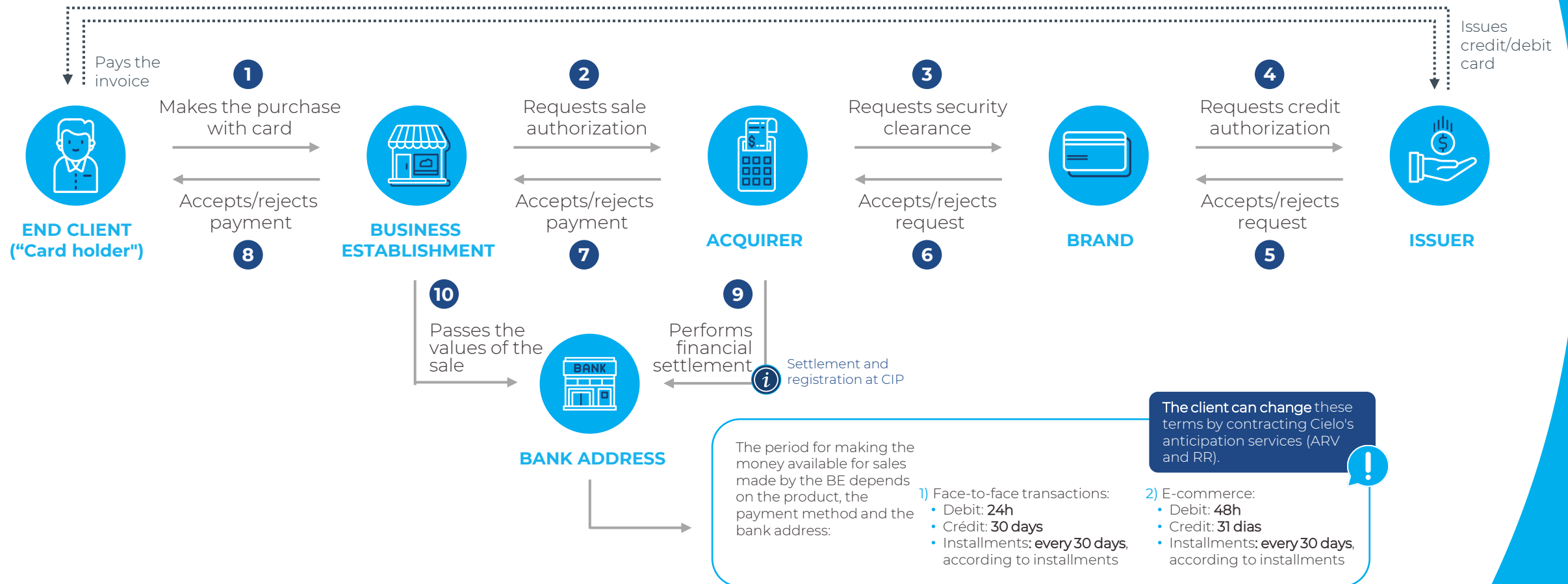


# ATTACHMENTS



# CREDIT PAYMENT CYCLE

**THE ENTIRE PAYMENT FLOW**, from the insertion of the card password to the approval/rejection response, takes approximately **3 SECONDS**.





# CREDIT PAYMENT CYCLE

