

Retail decline 10.1% in March, according to ICVA

Impacts of the pandemic on the retail sector remain one year after its outbreak

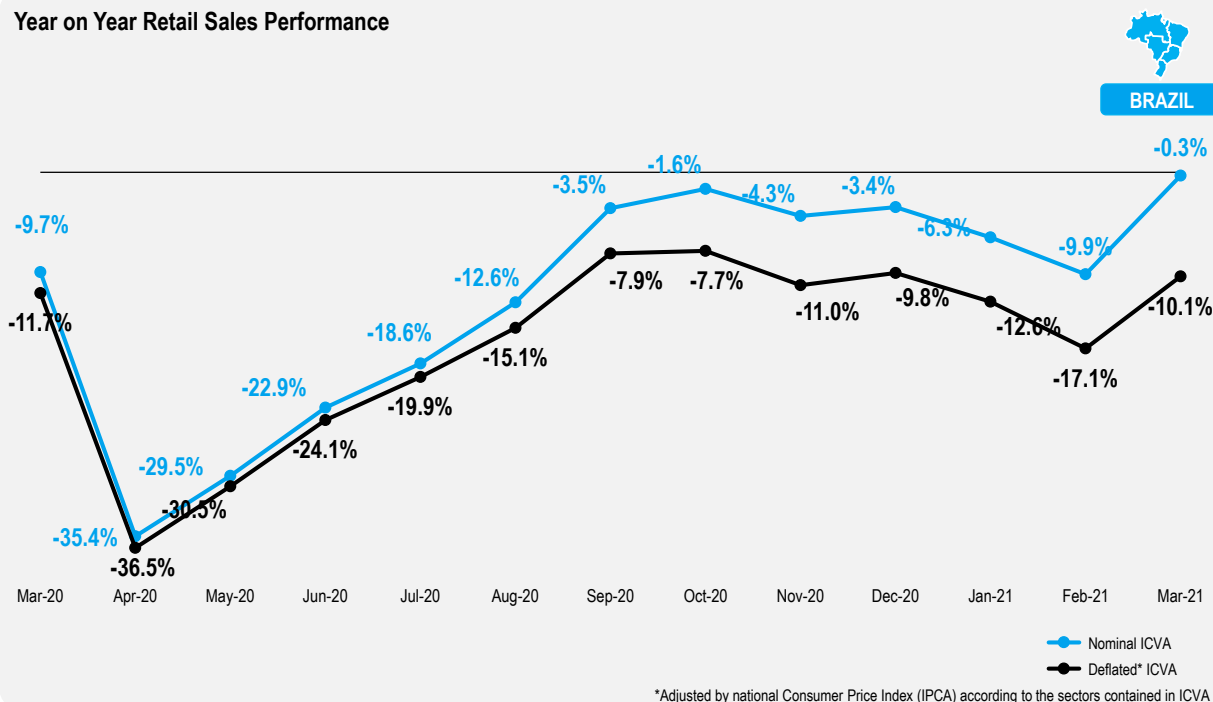
Retail sales fell 10.1%, excluding inflation, in March compared to the same month of 2020. In nominal terms, which reflect sales revenue received by retailers, the Cielo Broad Retail Index (ICVA) decline 0.3%.

Disregarding calendar effects, the drop in sales would be higher due to the effects of the pre-Easter week and day change. Thus, without these effects, the index for the month registered a decrease of 11.6%, excluding inflation. In nominal terms, with the calendar adjustments, the decrease amounted to 2.0%.

The sectors that registered the greatest deceleration when compared to February's pace were Apparel and Supermarkets & Hypermarkets. On the other hand, Travel & Transportation and Gas Stations registered growth.

"We have reached one year of the pandemic in Brazil and its effects are still reflected in the Retail performance. Despite the index acceleration, when compared to previous months, this result is not directly related to an improvement in Retail, since, as of March 2021, the months used as comparison basis were also impacted by the pandemic. In the sector perspective, the Drugstores & Pharmacies, Construction Materials, and Automotive Services sectors are highlighted, with increases in comparison to the same period last year," says Pedro Lippi, Head of Intelligence at Cielo.

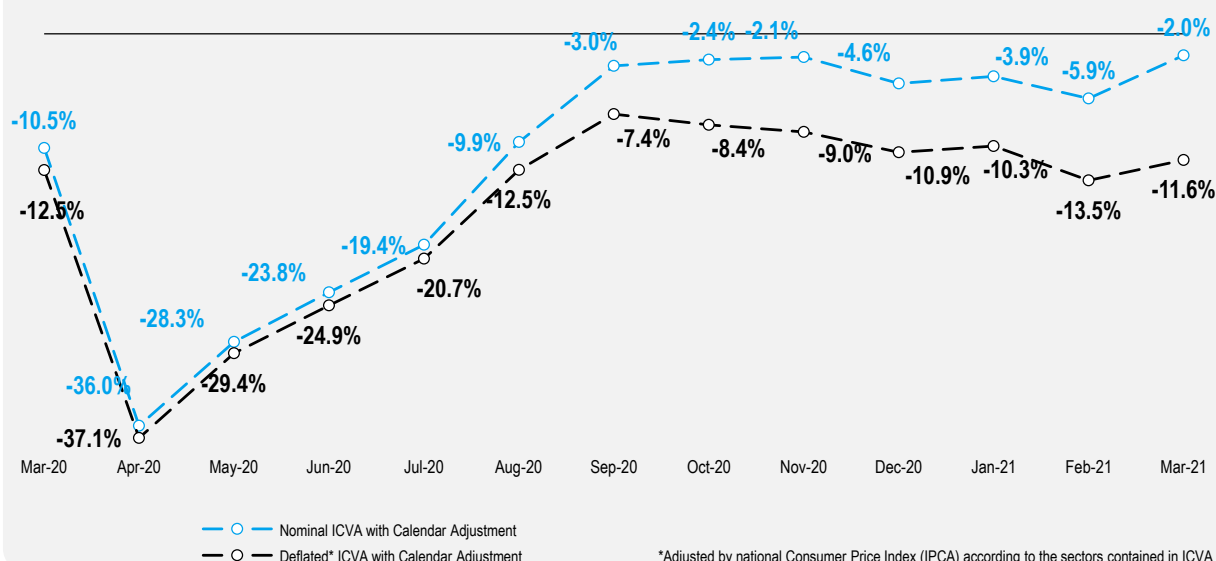
Year on Year Retail Sales Performance



Year on Year Retail Sales Performance with Calendar Adjustment



BRAZIL



INFLATION

The Broad Consumer Price Index (IPCA), calculated by the IBGE, moved up 6.1% in the last 12 months, increasing 0.93% in March. Gas Station was the group that contributed the most to the index increase.

Considering the IPCA weighted by sector and ICVA weights, broad retail inflation was 10.9%, accelerating in relation to the index registered in the previous month.

SECTORS

After discounting inflation and with calendar adjustments, all macro sectors recorded growth, except for the Non-Durable Goods sector.

In the Durable and Semi-durable Goods macro segment, the segment that most contributed to the increase was Furniture, Home Appliances and Department segments, while the Apparel sector presented the higher decline.

In the Services macro segment, the segment that most contributed to the increase was Transportation and Tourism, on the other hand the Bars and Restaurants sector presented the highest decline.

In the Non-Durable Goods macro segment, the Supermarkets & Hypermarkets segment most contributed to the decline, while Gas Stations contributed to the increase.

REGIONS

According to the deflated and with calendar adjustment ICVA, all of the country's regions, excluding the North region, registered a decline in the monthly evolution. In the Northeast region, the decline was 11.1%, followed by the Southeast (-10.9%), South (-9.7%) and Midwest (-9.4%) regions. The North region grew 0.5%.

Based on the nominal ICVA - which does not consider the inflation discount - and with a calendar adjustment, the only regions with positive variations were the North (+10.7%) and the Midwest (+2.1%). The other regions decelerated as follows: Southeast (-3.8%), Northeast (-2.6%) and South (-1.2%).

For further information, please contact the Investor Relations area:

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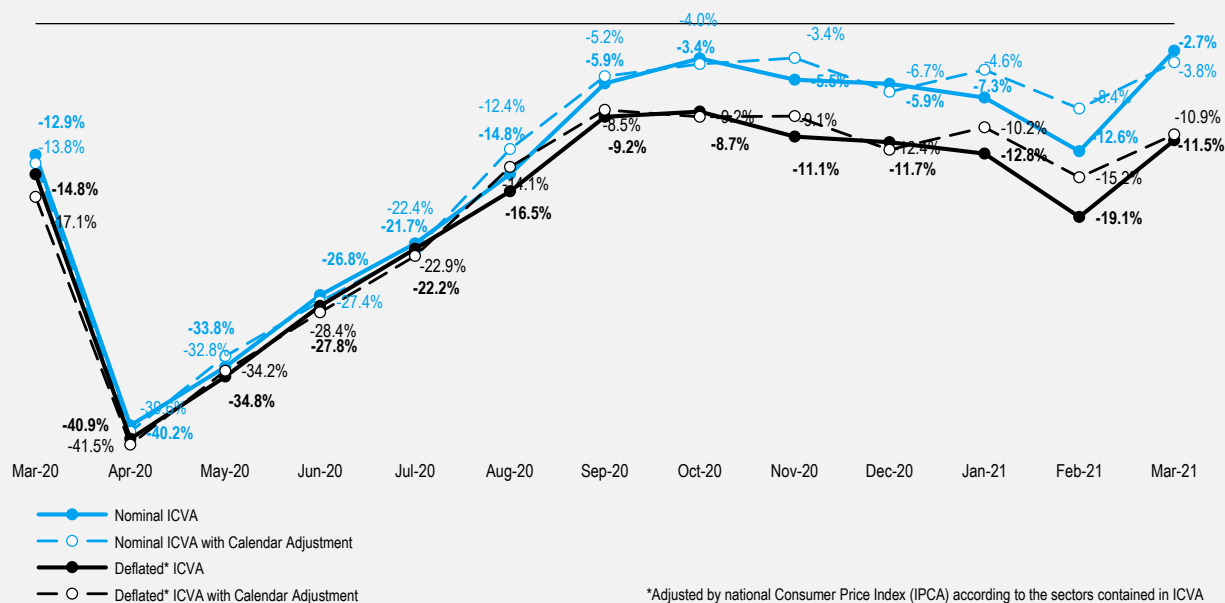
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Year on Year Retail Sales Performance by Region



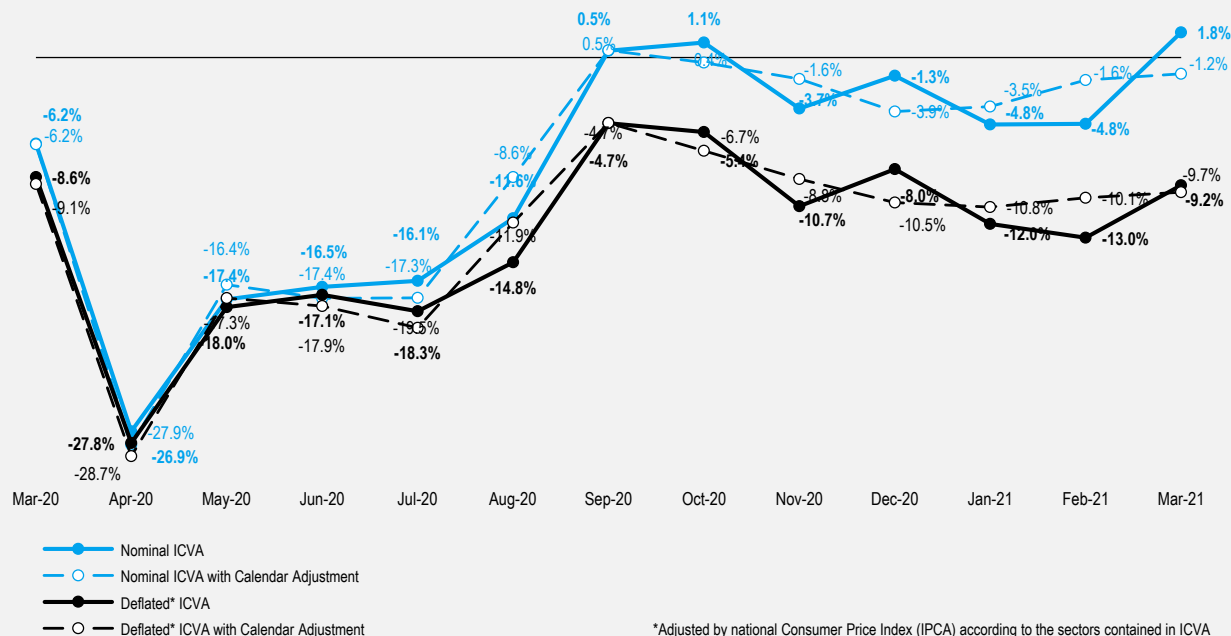
SOUTHEAST



Year on Year Retail Sales Performance by Region



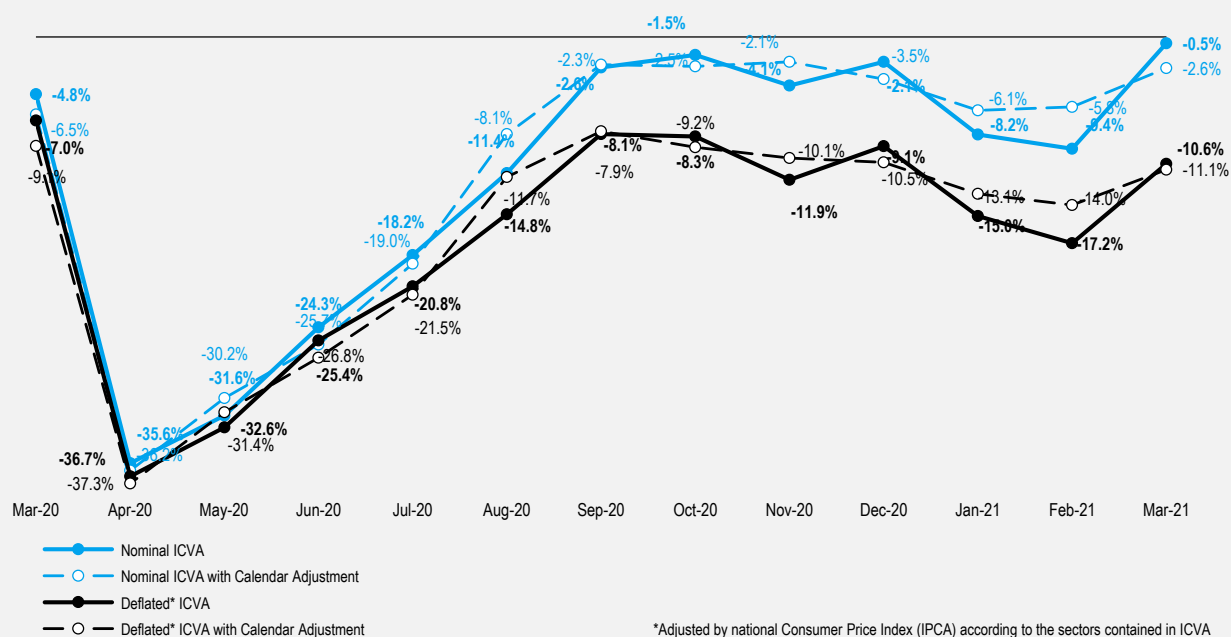
SOUTH



Year on Year Retail Sales Performance by Region



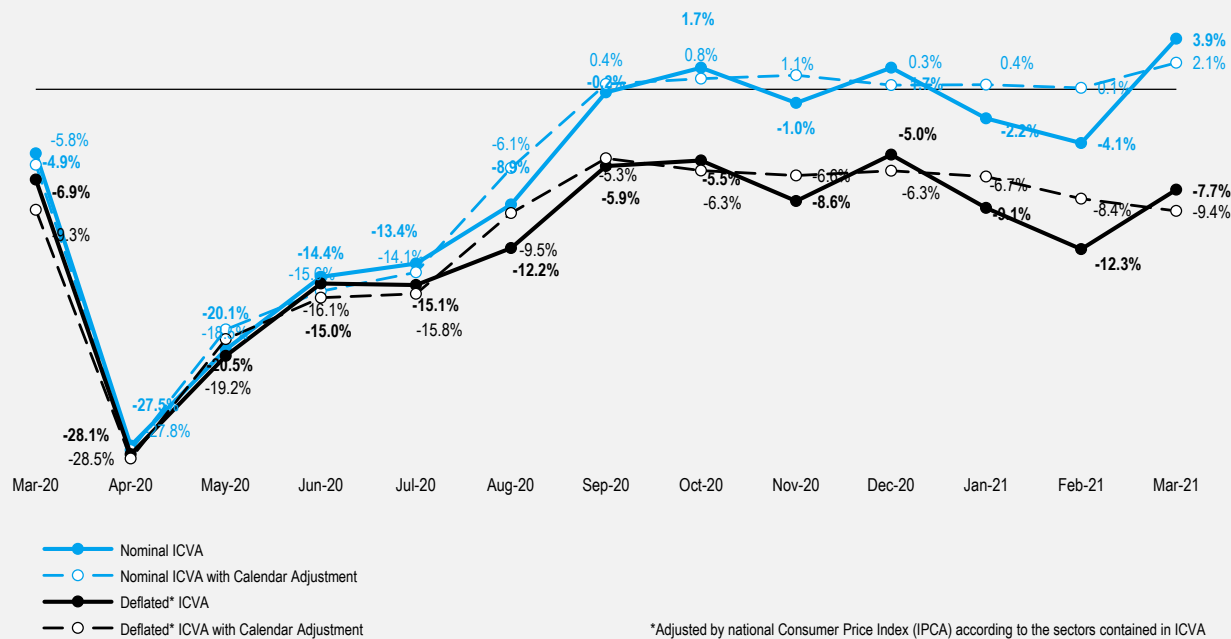
NORTHEAST



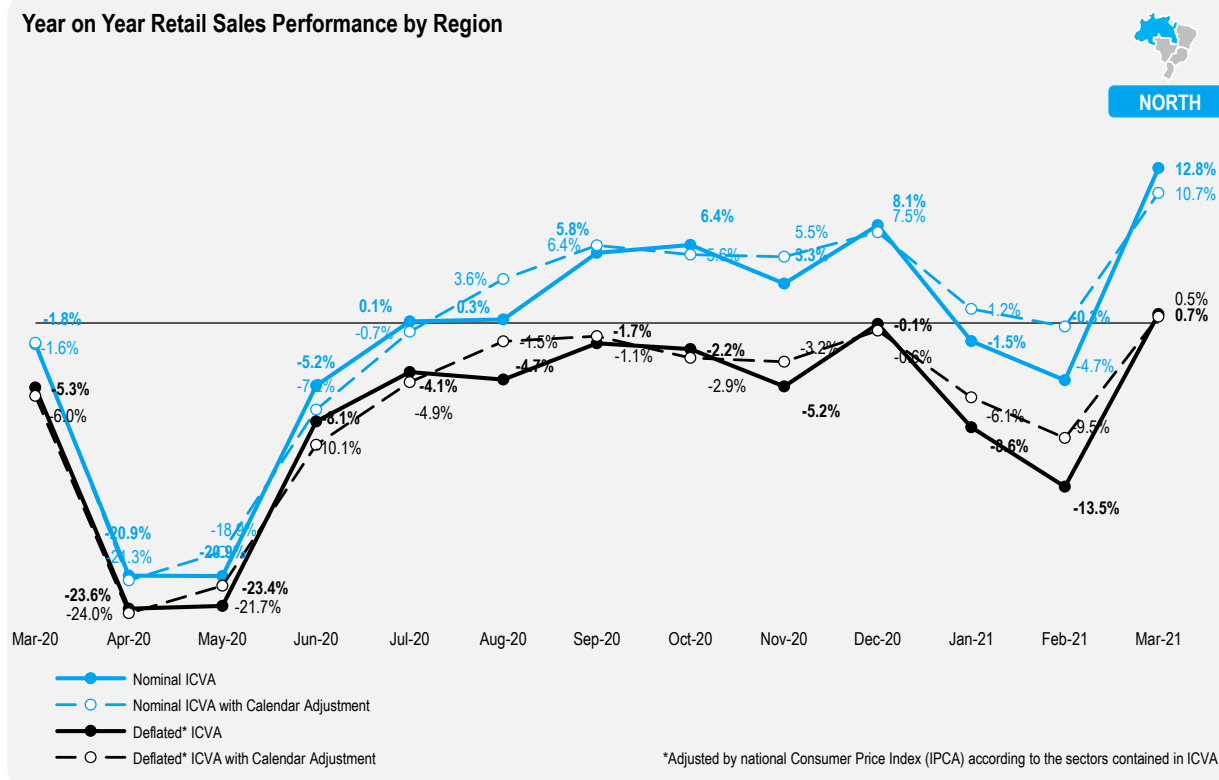
Year on Year Retail Sales Performance by Region



MIDWEST



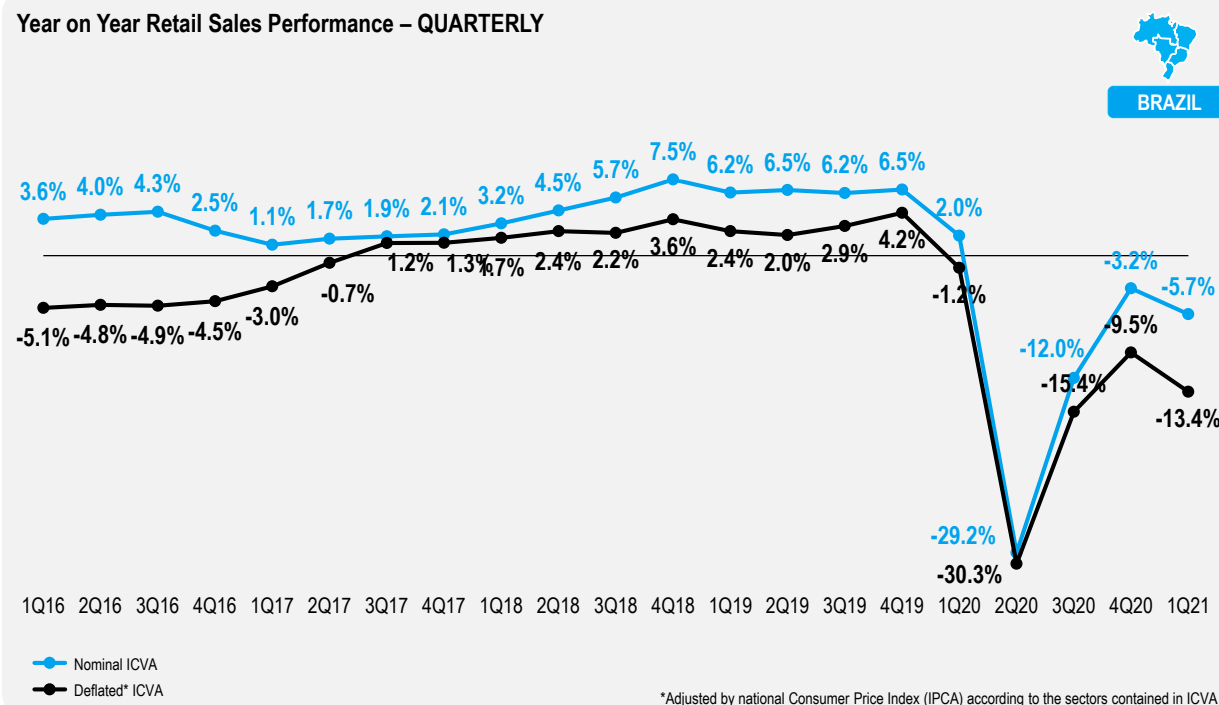
Year on Year Retail Sales Performance by Region



QUARTER

Sales in the first quarter of 2021, excluding inflation and calendar adjustments, registered a decline of 13.4% compared to the same period last year. In nominal terms, also excluding calendar effects, the decline was 5.7%.

Year on Year Retail Sales Performance – QUARTERLY



ABOUT THE ICVA

Cielo Broad Retail Index (ICVA) monitors the evolution of Brazil's retail on a monthly basis, according to sales in 18 segments mapped by Cielo, from small shopkeepers to large retailers. They account for 1.4 million retailers affiliated to the Company. The weight of each sector in the overall result of this indicator is defined by its monthly performance.

The ICVA was developed by Cielo's Intelligence Area with the goal of providing a monthly snapshot of the country's retail performance based on actual information.

HOW IT IS CALCULATED

Cielo's Business Analytics unit developed mathematical and statistical models, which were applied to the Company's database of the company with the purpose of isolating the effects of the competitive behavior of the acquiring market, such as market share variation, as well as excluding the effects of check and cash replacement for debit cards. Therefore, the index represents not only the retail consumption with cards but also the actual dynamics of the point-of-sale consumption.

The ICVA is in no way a preview of Cielo's financial results, which are impacted by several other factors related to both revenues and cost and expenses.

UNDERSTAND THE INDEX

Nominal ICVA - Indicates year-on-year growth in nominal sales revenue in broad retail in the period. It reflects what retailers actually see in their sales.

Deflated ICVA – Nominal ICVA discounting inflation. We use a deflator, which is calculated based on the Broad Consumer Price Index (IPCA), calculated by the IBGE, adjusted to the mix and weights of the sectors contained in the ICVA. It reflects real retail growth, excluding the contribution of price increases.

Nominal/deflated ICVA with calendar adjustment – ICVA without calendar effects that affects a certain month/period compared to the same month/period last year. It reflects the pace of growth, showing the acceleration and deceleration of the index.

Barueri, April 16, 2021.

Gustavo Henrique Santos de Sousa
Chief Financial and Investor Relations Officer