




cielo

Earnings
Release

 3 Q 2 3

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:

- Daniel Diniz – Head of IR

Q&A:

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

Quarter Highlights



3Q23 Recurring Income: R\$457 MM. +8% YoY and **+40% from 9M23 vs 9M22**
Largest Net Income for a third quarter since 2018



Cielo Brasil's volume registered sequential growth: +1% QoQ
The YoY comparison also shows an inflection of the downward trend: -10.8%



Acquisition of Receivable Revenues ("ARV") totaled **R\$442 MM.** +59% YoY
Prepaid volume (ARV+RR) of **R\$31 BI.** +5% YoY. +3 pp in penetration (26% vs 23%)



Cateno registers the second largest cash earnings¹ in its history: R\$268 MM
Net Income (70%) of R\$200 MM. +10% YoY



Efficiency²: Total Normalized Costs + Expenses reduced by 2% in the QoQ comparison

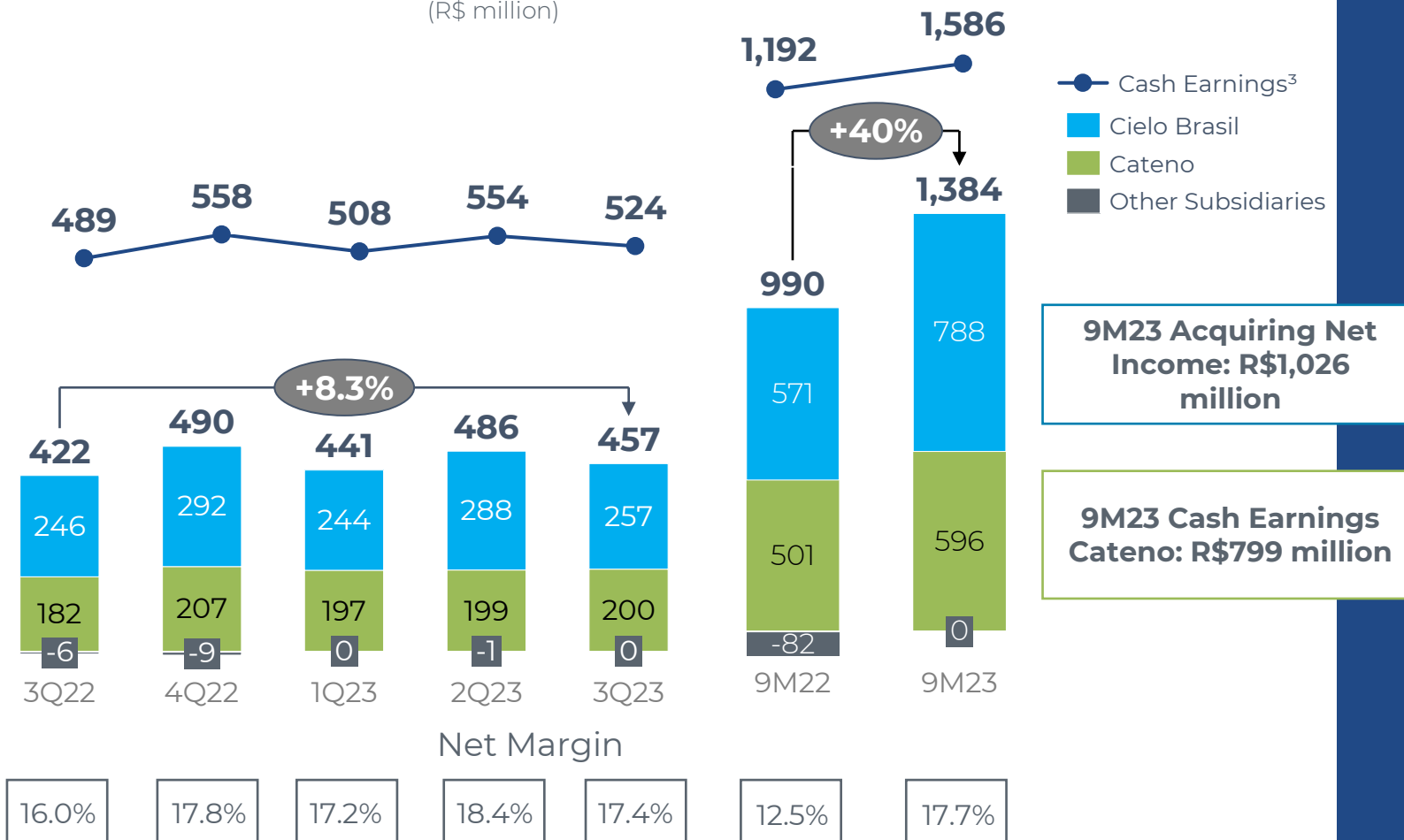


NPS: +14 points evolution in 12 months (July 2023 vs July 2022)

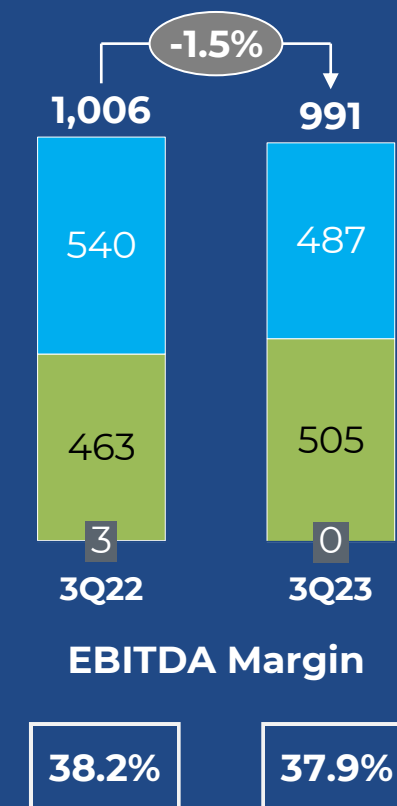
Recurring Results

9° consecutive quarter of YoY growth

Recurring Net Income^{1,2} and Cash Earnings³
(R\$ million)



Recurring EBITDA²
(R\$ million)



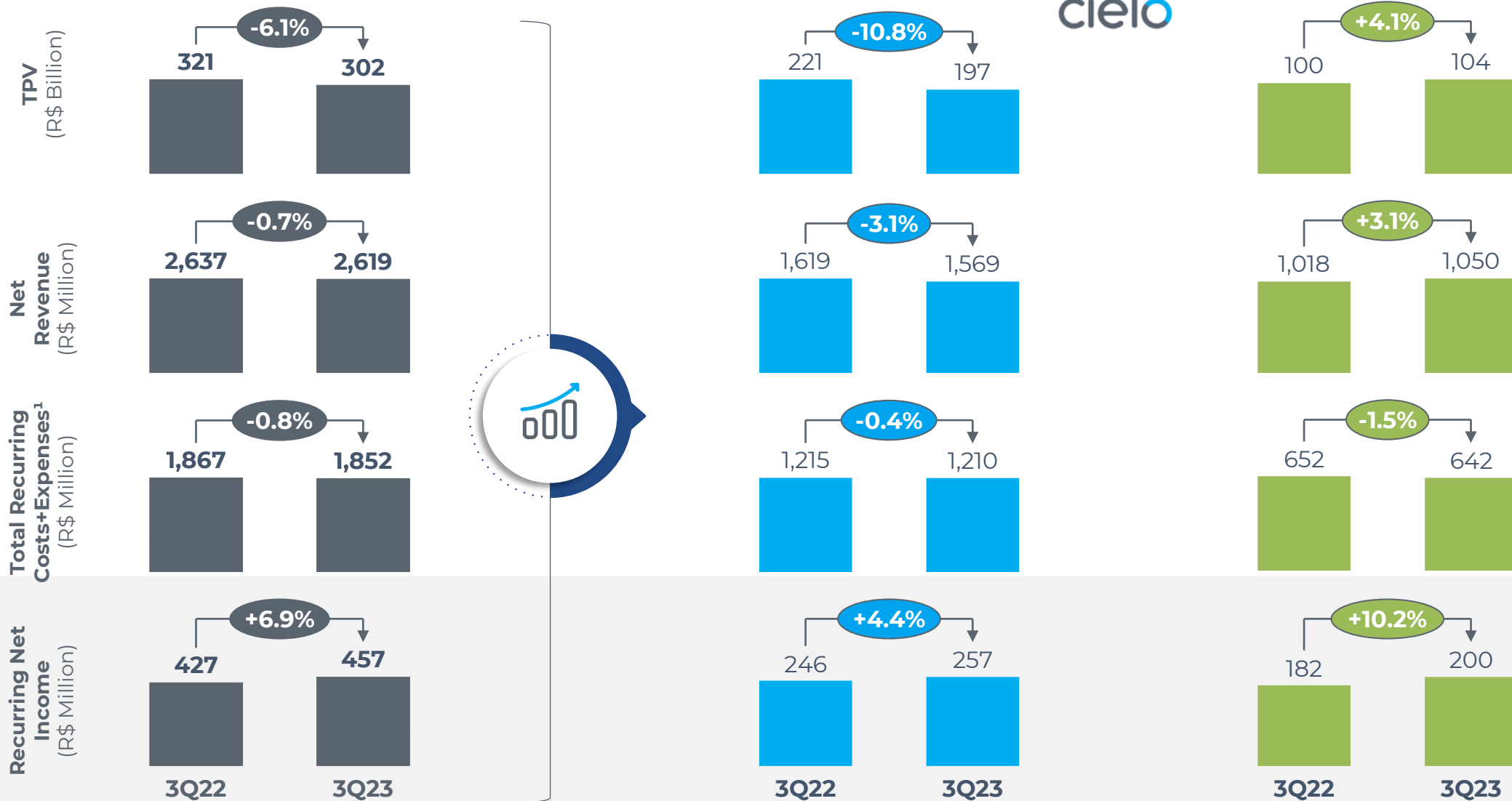
¹ Consolidated recurring Net Income attributable to Cielo shareholders. ² Reconciliations available in the attachments to this presentation. ³ Recurring Net Income attributable to Cielo shareholders, excluding 70% of amortization of intangible related to the right of exploration of the Ourocard Arrangement

Performance by Business Unit



Performance Cielo Brasil + Cateno

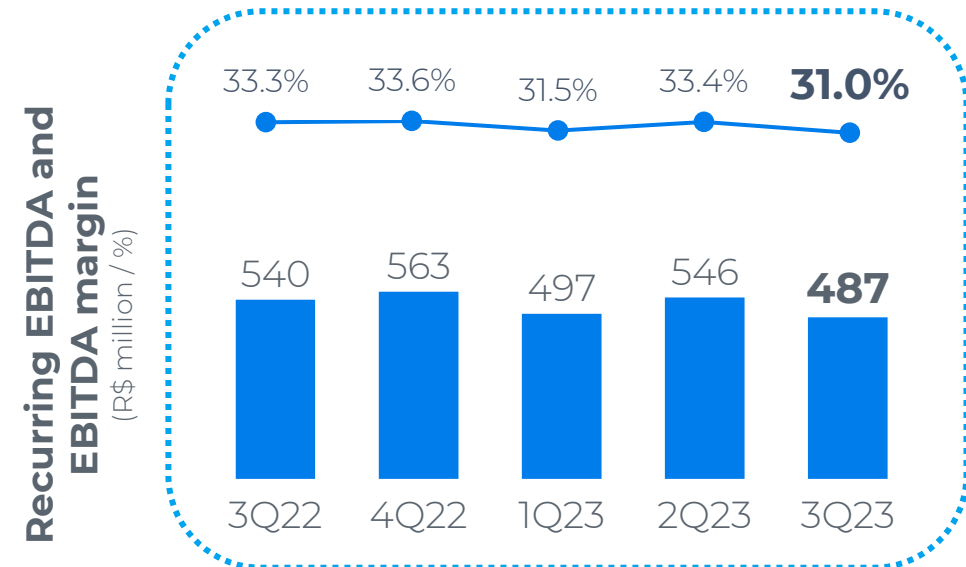
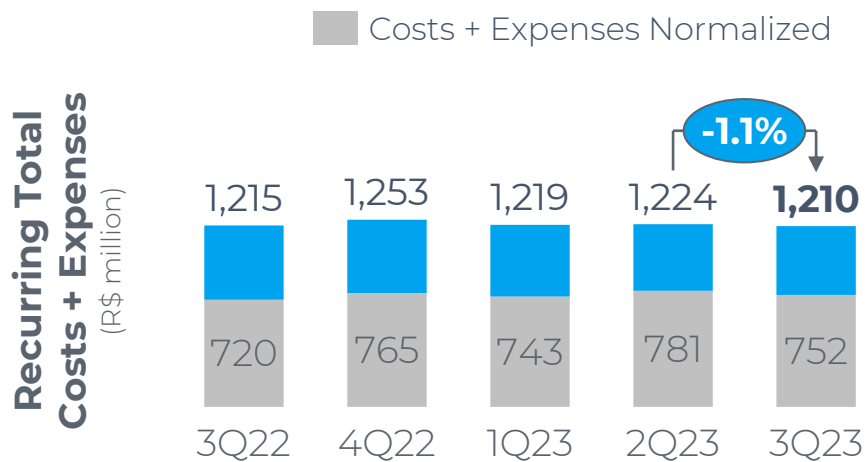
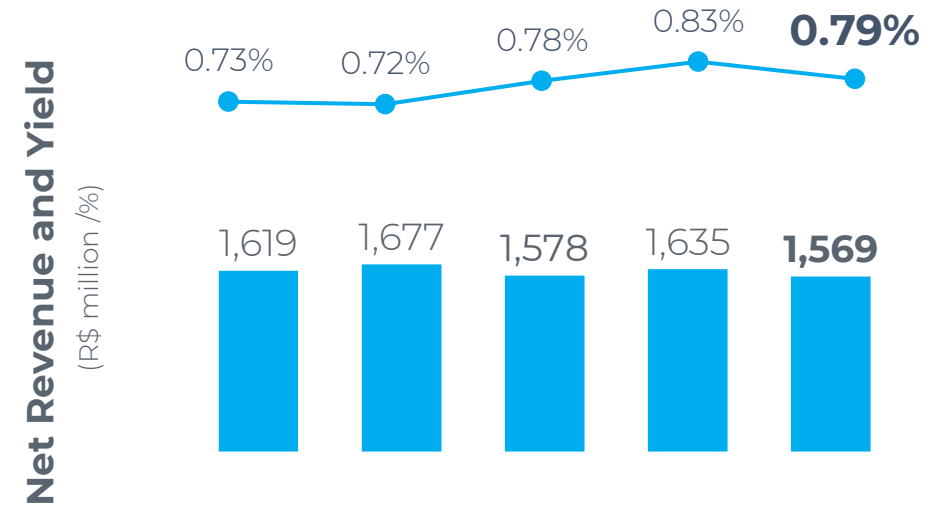
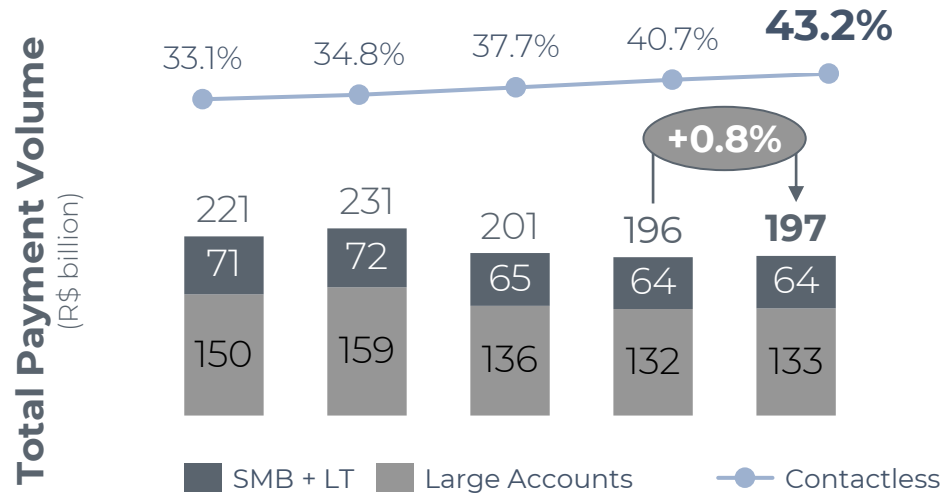
Net Income registers growth in both business units



¹ Excluding the non-recurring effects of each period. Reconciliations available in the attachments to this presentation. ² Cielo Brasil Recurring Net Income plus Cateno's Recurring Net Income (70%)

Cielo Brasil: Operational Performance

Volumes returns to growing QoQ and Normalized Costs + Expenses registered reduction

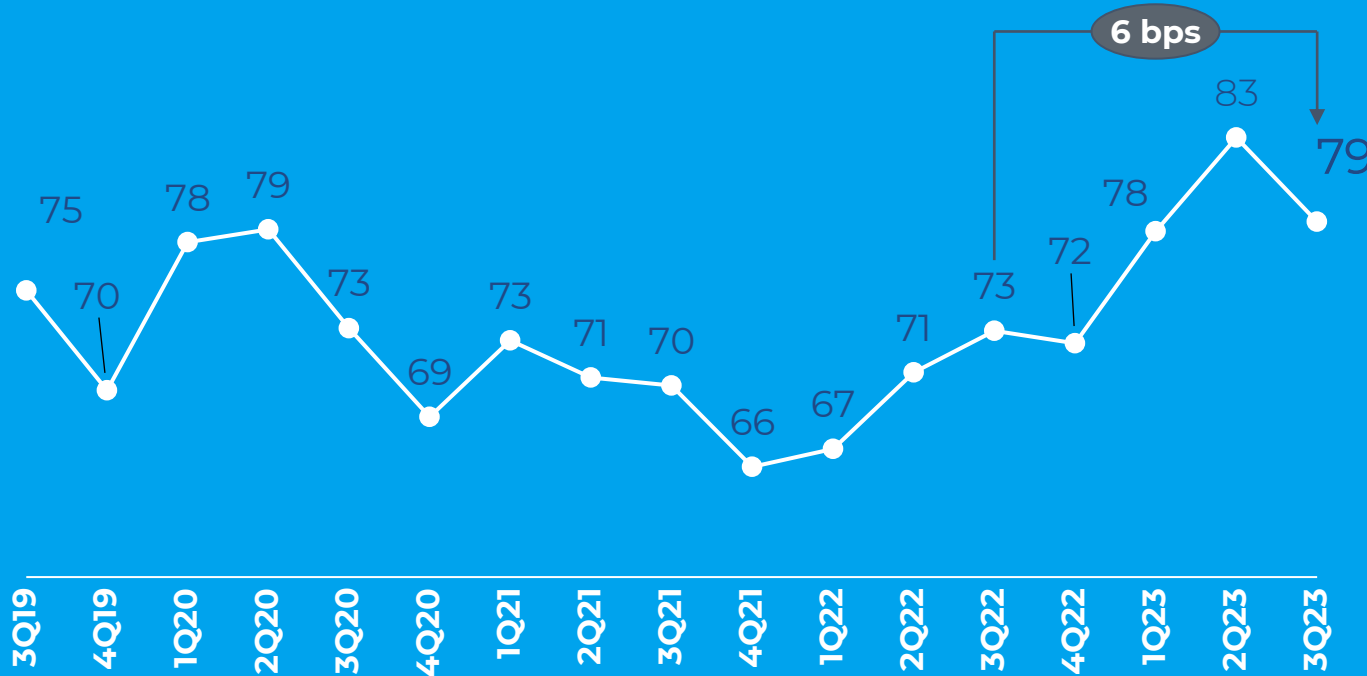


¹ Normalized expenses correspond to the total costs + expenses of Cielo Brasil deducted from the brand fees, subsidies, services provided by banks, PIS and COFINS credits, D&A and the non-recurring items.

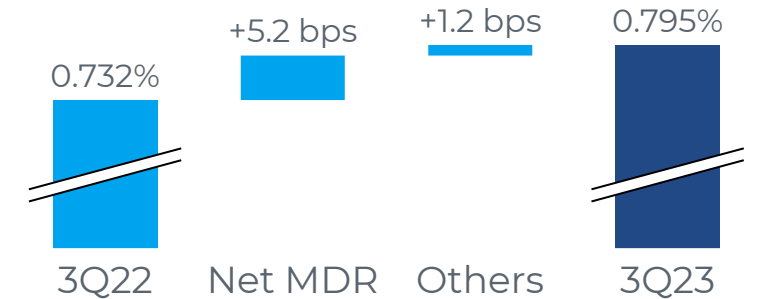
Revenue Yield

6th consecutive quarter of YoY growth

Revenue Yield
(% Net Revenue / TPV)



Revenue Yield Bridge
(Main effects in pp)



YoY

- Main positive effects in the YoY comparison:
 - Pricing / Interchange**
 - Volume**

QoQ

- In the QoQ variation, the main effects were:
 - Customer base renewal**
 - Product and client mix**

Yield recovers 13bps since 4Q21

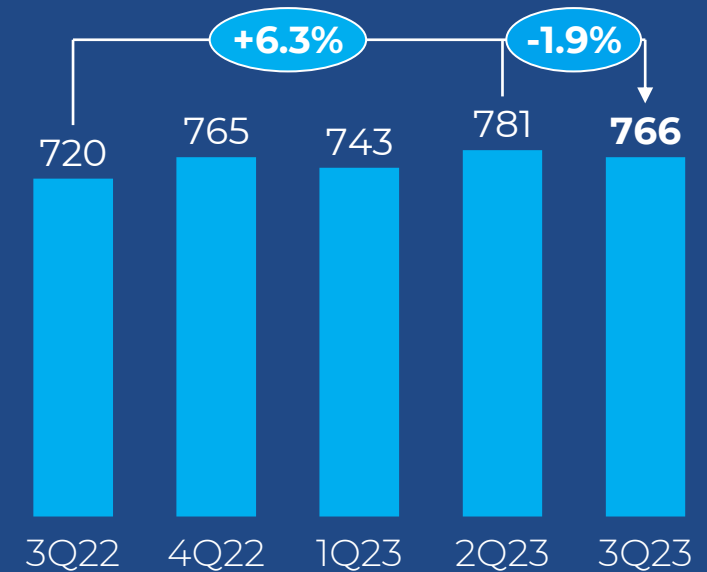
Operational Efficiency

Cielo continues focused on efficiency

- **Cielo Brasil Total Normalized Costs + Expenses reduced 2% QoQ**, despite investments in initiatives for operational improvement and the increase in the headcount of the commercial team
- #PraCimaCielo covers initiatives to **take the Company to a new level of efficiency and operational excellence**



Total Normalized Costs + Expenses
(R\$ million)



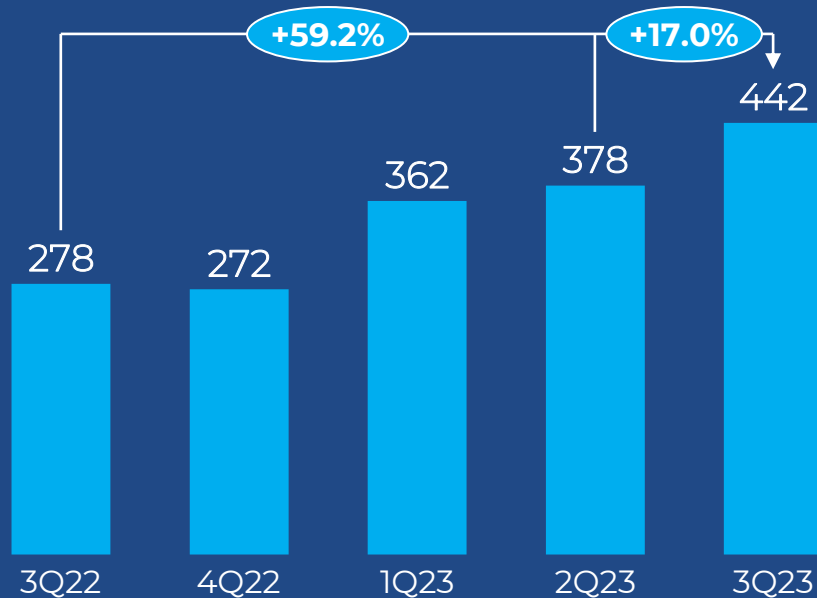
¹ Normalized expenses correspond to the total costs + expenses of Cielo Brasil deducted from brand fees, subsidies, services provided by banks, PIS and COFINS credits, D&A and non-recurring items.

Allocation on Pre-Payment

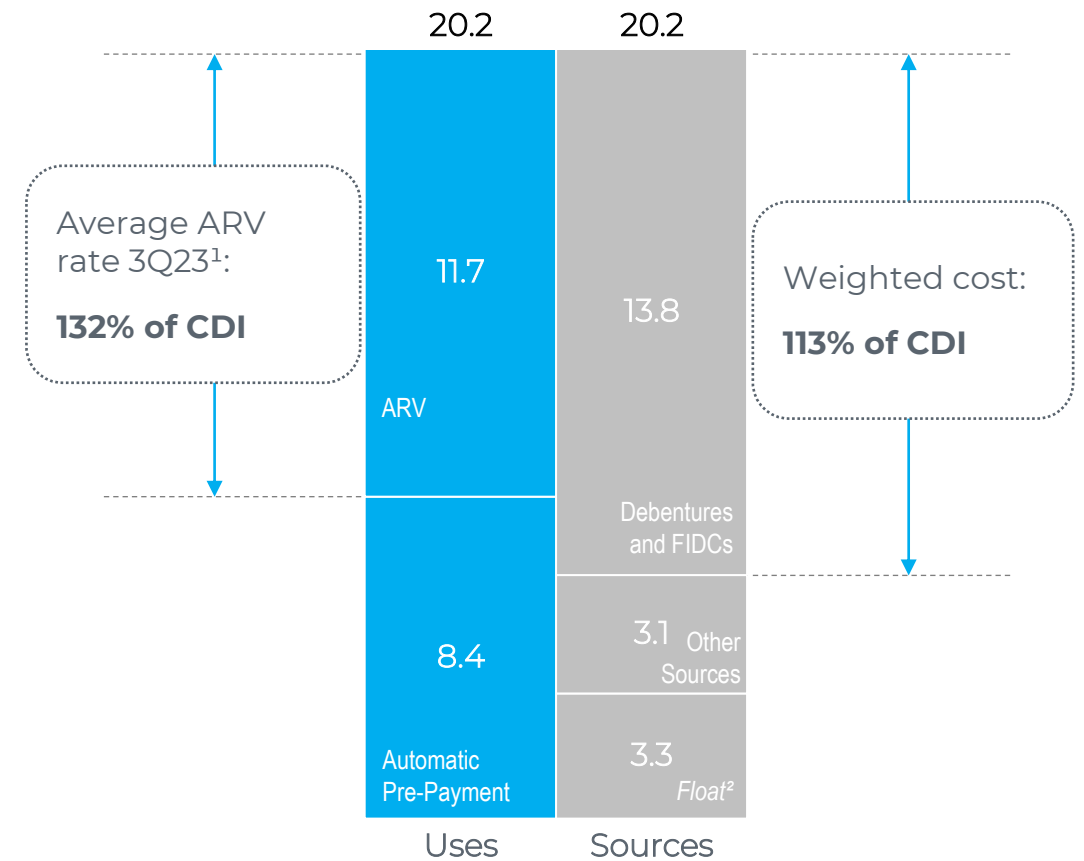
Solid growth in ARV Revenues

Revenue from Acquisition of Receivables ("ARV") (R\$ million)

- 9th quarter of YoY growth
- Increased revenue generation efficiency
- Allocation on Pre-Payment Products (ARV+RR*) remains at record level: R\$ 20.2 billion as of Sep/23



Uses and Funding Sources (R\$ billion in Sep/2023)



¹ Weighted average of the monthly ARV rate, available at CVM in the monthly FIDC's reports

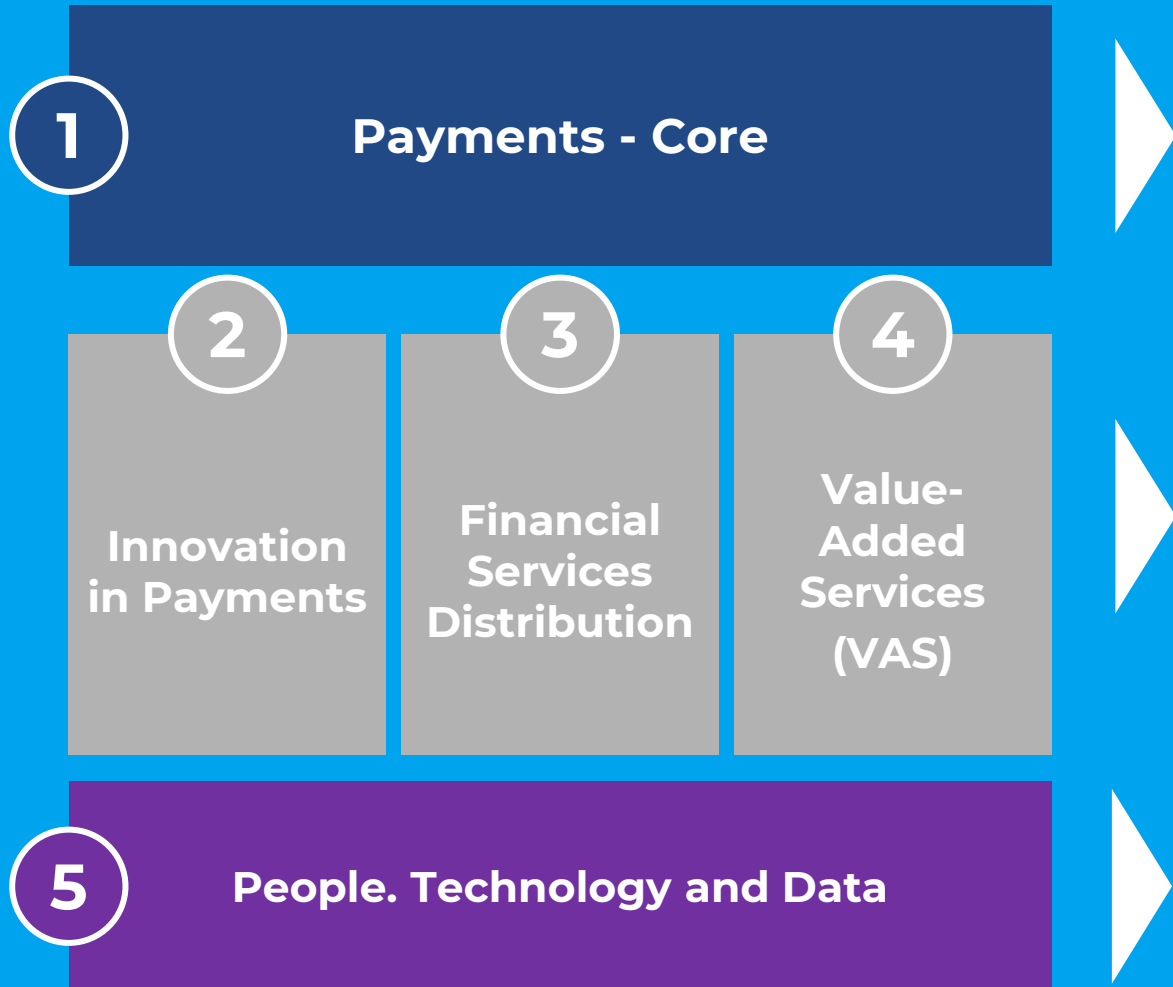
² Float generated by the time difference between the settlement of accounts receivable with issuers and the settlement of accounts payable with merchants. Float allocation is restricted to advance payments in accordance with law no. 14,031/2020

Consistent strategy.
with focus on the client
and operational
advances

2023 Strategy

#PraCimaCielo has leveraged the strategy

Pillars



Main 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

Service Excellence

Evolution in NPS and advances in indicators

Net Promoter Score (NPS)

(July 2023)

Improvement leveraged by:

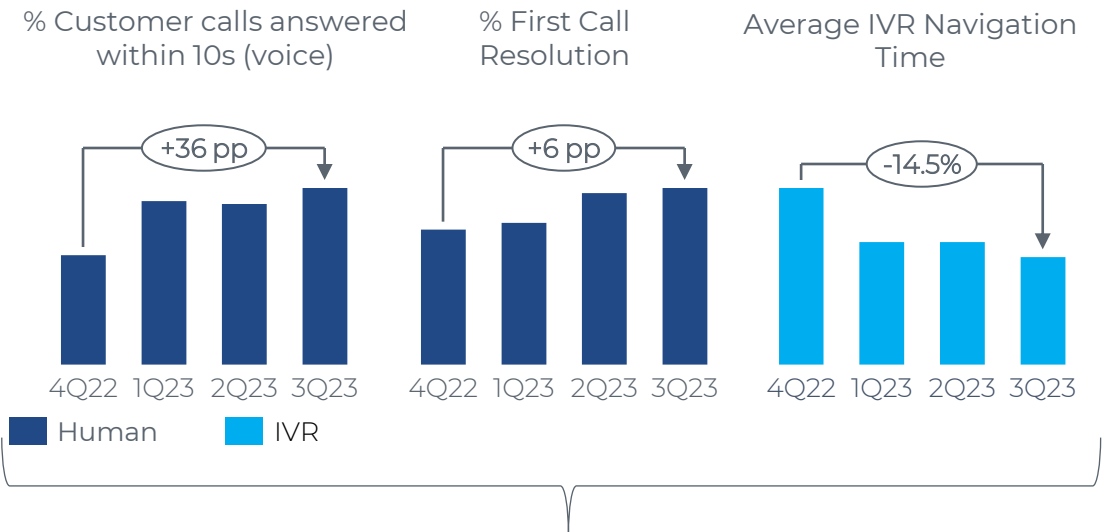
- **End-to-end** processes review
- Internalization of **key positions of the customer service**
- Intense use of **data throughout the customer journey**
- Consistency in **logistics performance**



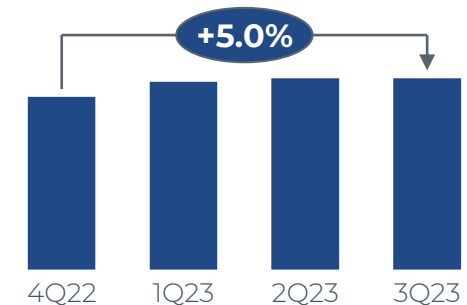
**Growth
of 14 points
Jul23 vs Jul22**

**Indicators
Pre - NPS**

Human Service and IVR¹ Indicators



Human Service Satisfaction (balance of promoters and detractors)



¹ IVR: Interactive Voice Response (self-service)

Excellence in customer service

Reinforcement in sales force – Bank Channel

More than 300 people

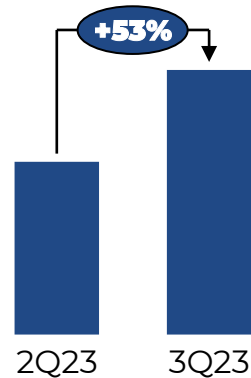
hired until September 2023



In total, we count with **more than 600 specialists** in the bank channel

Total captured volume

(affiliation month)



2023 Launches

Customer Experience is core to Cielo. Today we have a more agile model. a more robust launch process and greater use of cloud-based solutions

Cielo takes the lead and launches **ARV until 7pm for all customers**, making it viable through PIX.

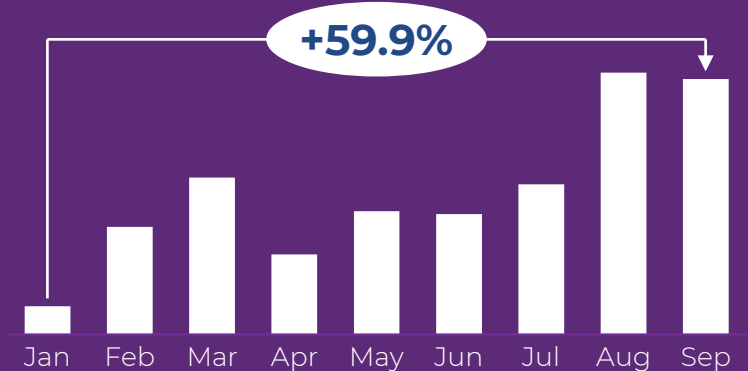


Launching of Cielo Tap, which transforms the merchant smartphone into a POS, in a simple and friendly way

Urban Mobility:
Expansion in the number of venues boosts volume captured throughout 2023



Start of WhatsApp P2M operation



2023 Commitments

(4Q22 message)

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



9M23 Achievements

- ✓ **Recurring NI : +40% 9M23 vs 9M22**
- ✓ **Advances in NPS: growth of 14 points**
- ✓ **Start of WhatsApp P2M operation**
- ✓ **Launched Cielo Tap**
- ✓ **Increased allocation on ARV**
- ✓ **Launched ARV Pix**
- ✓ **Growth in Urban Mobility**

Attachments



Reconciliation

Recurring Net Income (R\$ million)	3Q23	3Q22	Var. %	2Q23	Var. %
Consolidated	456.7	421.7	8.3%	708.50	-35.5%
Non-recurring items (Cielo Brasil)	-	-		(149.2)	
Non-recurring items (Cateno)	-	-		(73.4)	
Recurring Net Income	456.7	421.7	8.3%	486.0	-6.0%
(+) Amortization Cateno (70%)	67.6	67.6	0.0%	67.6	0.0%
Cash Earnings	524.3	489.3	7.2%	553.6	-5.3%

Acquiring Net Income (R\$ million)	3Q23	3Q22	Var. %	2Q23	Var. %
Recurring Result Attributable to Cielo	456.7	421.7	8.3%	486.0	-6.0%
<i>Cielo Brasil</i>	256.5	245.6	4.4%	287.8	-10.9%
Cost of acquisition debts	(79.7)	(85.3)	-6.6%	(77.1)	3.3%
<i>Cateno</i>	(79.7)	(81.6)	-2.3%	(77.1)	3.3%
<i>MerchantE</i>	-	(3.7)	-100.0%	-	
Acquiring Net Income	336.2	330.9	1.6%	365.0	-7.9%

Cateno Cash Earnings (R\$ million)	3Q23	3Q22	Var. %	2Q23	Var. %
Net Income (100% Cateno)	286.0	259.6	10.2%	283.6	0.8%
(+) Amortization	96.6	96.6	0.0%	96.6	0.0%
Cash Earnings	382.6	356.2	7.4%	380.2	0.6%
Cash Earnings (70%)	267.8	249.3	7.4%	266.1	0.6%

Recurring EBITDA (R\$ million)	3Q23	3Q22	Var. %	2Q23	Var. %
EBITDA	991.3	1,006.1	-1.5%	1,430.5	-30.7%
Non-recurring Items	-	-		(384.8)	
Recurring EBITDA	991.3	1,006.1	-1.5%	1,045.7	-5.2%

The logo for Cielo, featuring the word "cielo" in a lowercase, sans-serif font. The letter "i" has a blue dot, and the letter "o" has a blue segment on its right side. The rest of the letters are white.

cielo

Investor
Relations

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