

Retail grows 2.5% in January, according to the ICVA

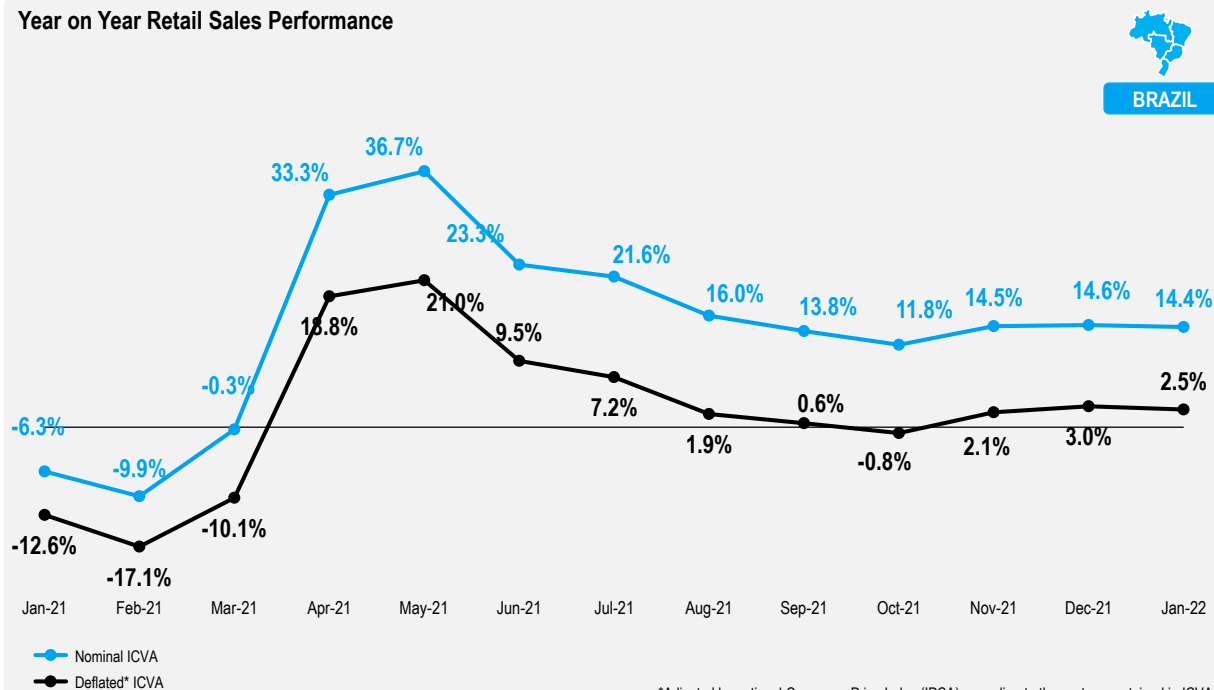
Sales are up for the third month in a row, favored by the moderation of isolation measures

Retail sales grew 2.5% in January 2022, excluding inflation, compared to the same month in 2021. In nominal terms, which reflect sales revenue earned by retailers, the Cielo Broad Retail Index (ICVA) climbed 14.4%.

Since the basis of comparison is early 2021, a time when we were still facing the worst phase of the pandemic, the easing of isolation measures continues to favor the performance of some sectors compared to January 2021. Calendar effects also contributed to the upswing. In January 2022, because of the composition of days for the New Year's holiday, there was an extra business day. Discounting this effect, the nominal growth would be 13.9% and, discounting inflationary effects, 2.1%.

"Retail trade is still recovering. Sales rose for the third month in a row. This is related to the gradual return to routine, which was greatly affected by the worsening of Covid-19 in late 2020 and the first months of last year, but also to the good behavior of some SMB sectors. This month, for example, we can positively highlight the Drugstores and Pharmacies sector," says Pedro Lippi, Head of Intelligence at Cielo.

Year on Year Retail Sales Performance



*Adjusted by national Consumer Price Index (IPCA) according to the sectors contained in ICVA

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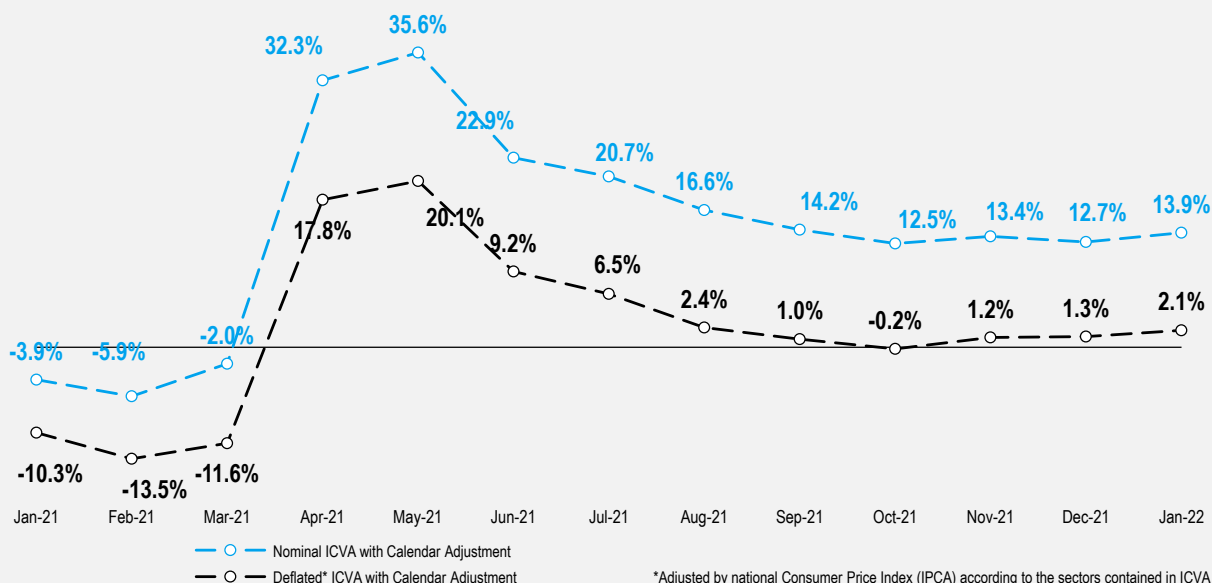
ri@cielo.com.br

Phone: +55 11 2596 8453

Year on Year Retail Sales Performance with Calendar Adjustment



BRAZIL



INFLATION

The Broad Consumer Price Index (IPCA), calculated by the IBGE, climbed 10.38% over the last 12 months after a 0.54% increase in Janeiro. Fuel and electricity prices had the most impact on the index. Considering the IPCA weighted by sector and ICVA weights, broad retail inflation was 11.56% in January, accelerating in relation to the index recorded in the previous month.

SECTORS

Discounting inflation and adjusting for the calendar, the Non-Durable Goods macro-sector ramped up when compared to December, with highlights on the Drugstores and Pharmacies segments.

The Durable and Semi-durable Goods macro-sectors recorded a slowdown in the monthly changeover. In Durable and Semi-durable Goods, one of the segments that contributed most to the deceleration was Furniture, Appliance and Department, while in Services, it was the Tourism and Transportation segment.

REGIONS

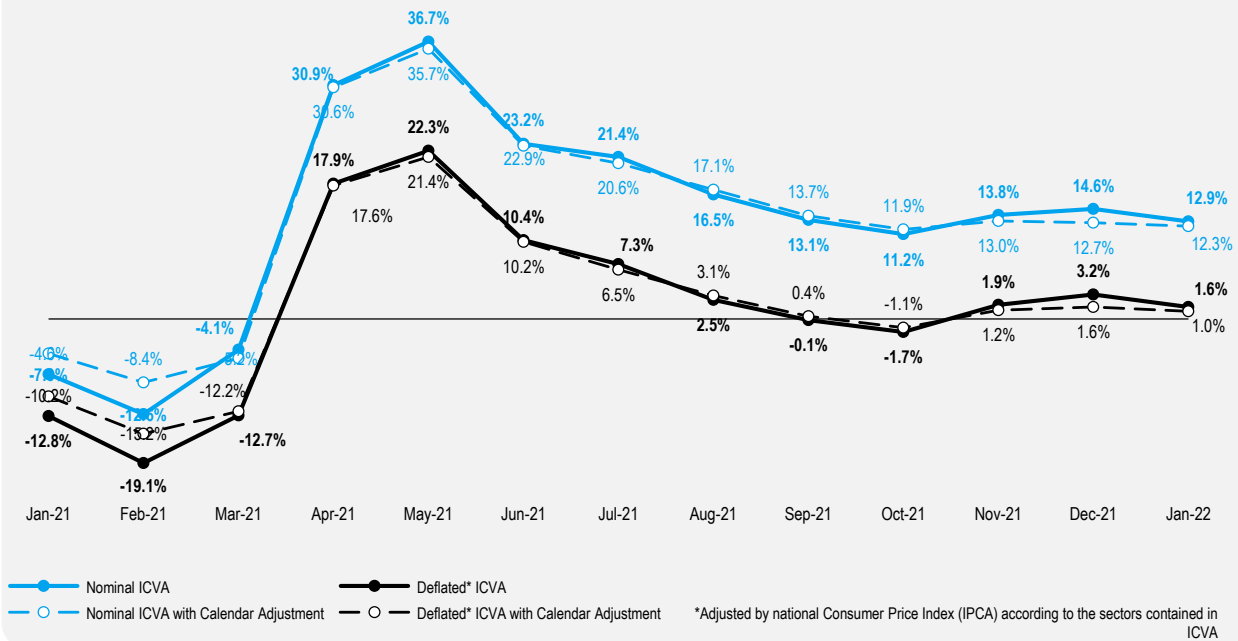
According to the calendar-adjusted, deflated ICVA, all regions presented an increase compared to January last year. The North region recorded growth of 9.7%, followed by the South (+6.5%), Northeast (+1.7%), Midwest (+1.4%) and Southeast (+1.0%) regions.

According to the calendar-adjusted nominal ICVA in comparison to January 2021, sales in the North region grew by 19.2%, followed by the South (+17.3%), Northeast (+14.8%), Midwest (+13.1%), and Southeast (+12.3%) regions.

Year on Year Retail Sales Performance by Region



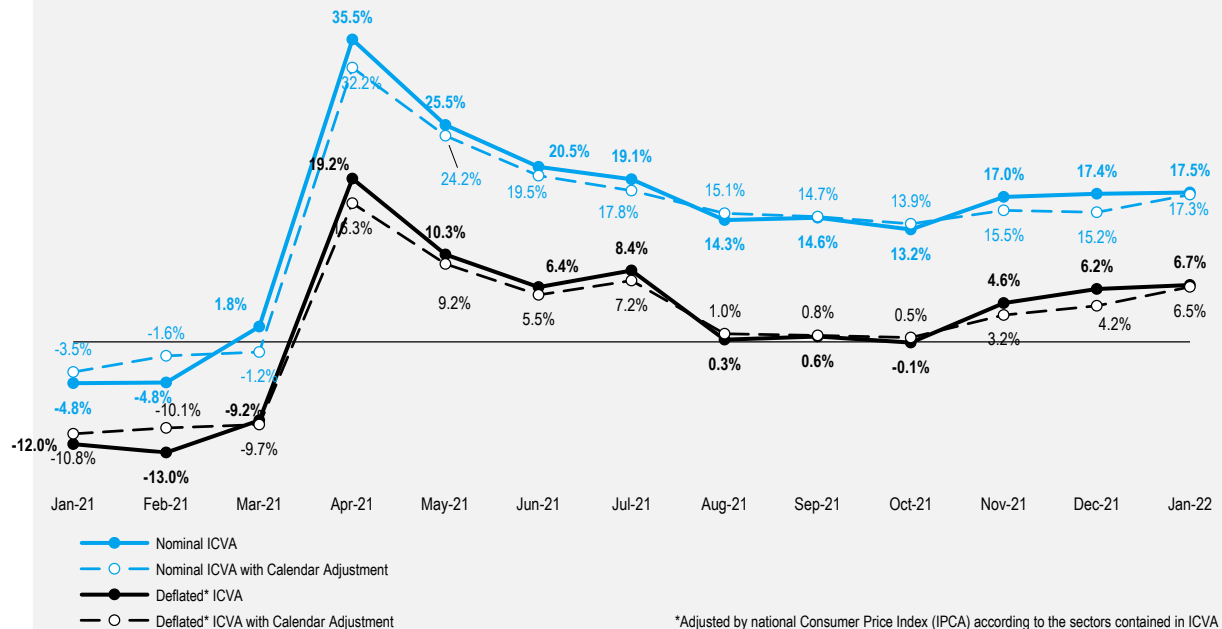
SOUTHEAST



Year on Year Retail Sales Performance by Region



SOUTH



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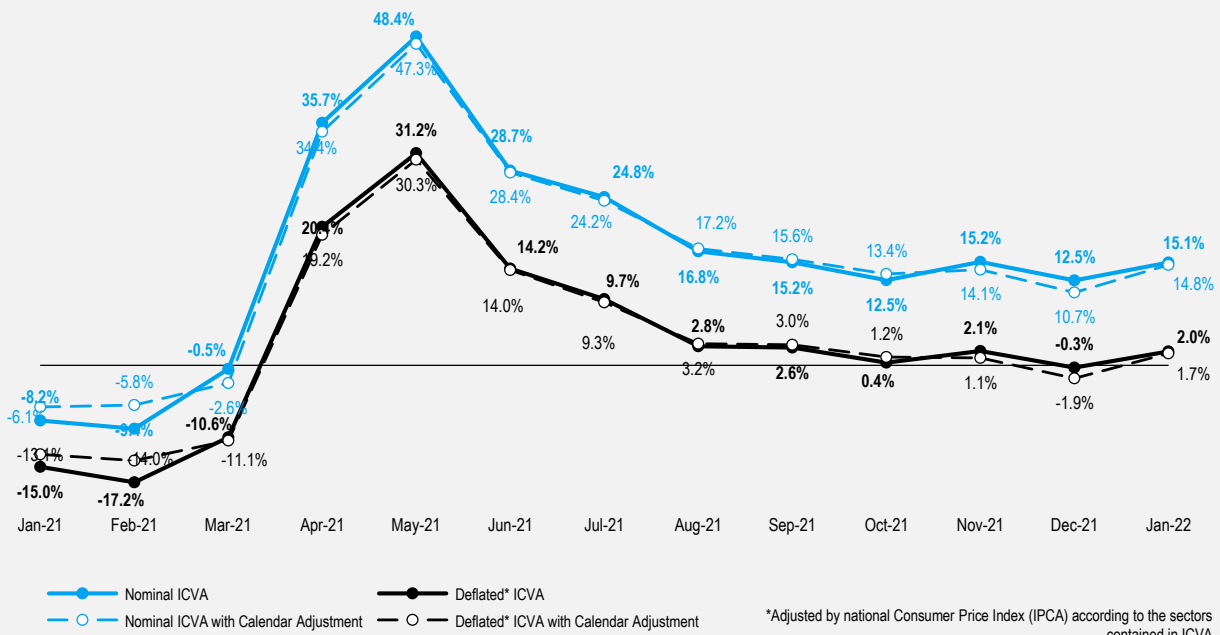
ri@cielo.com.br

Phone: +55 11 2596 8453

Year on Year Retail Sales Performance by Region



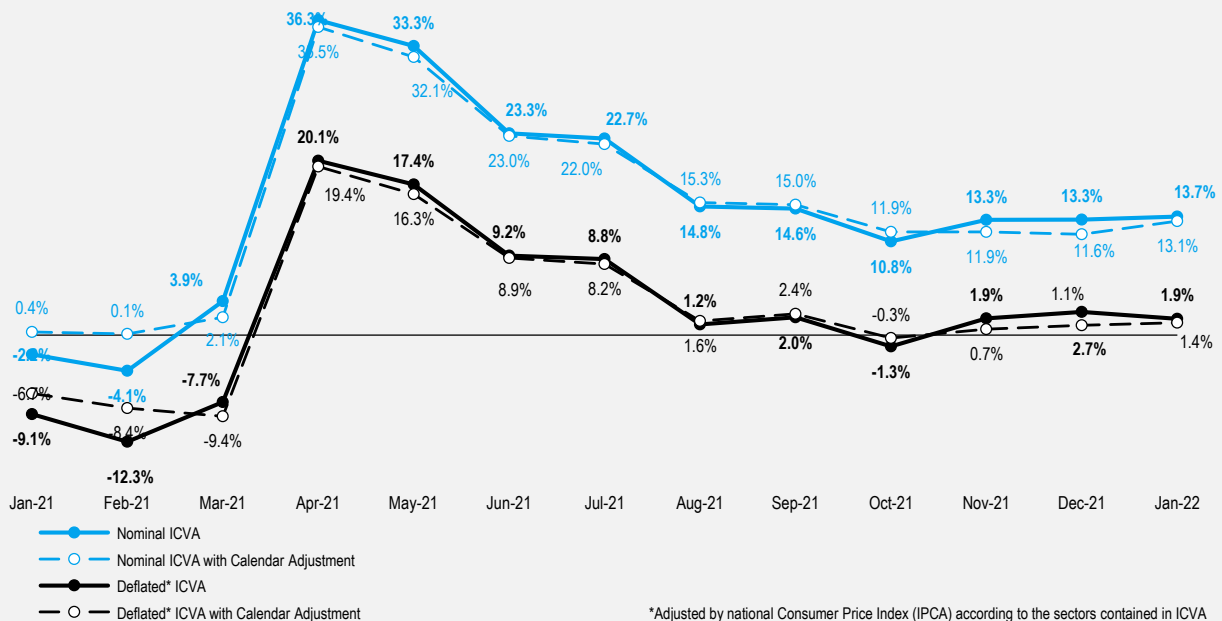
NORTHEAST



Year on Year Retail Sales Performance by Region



MIDWEST



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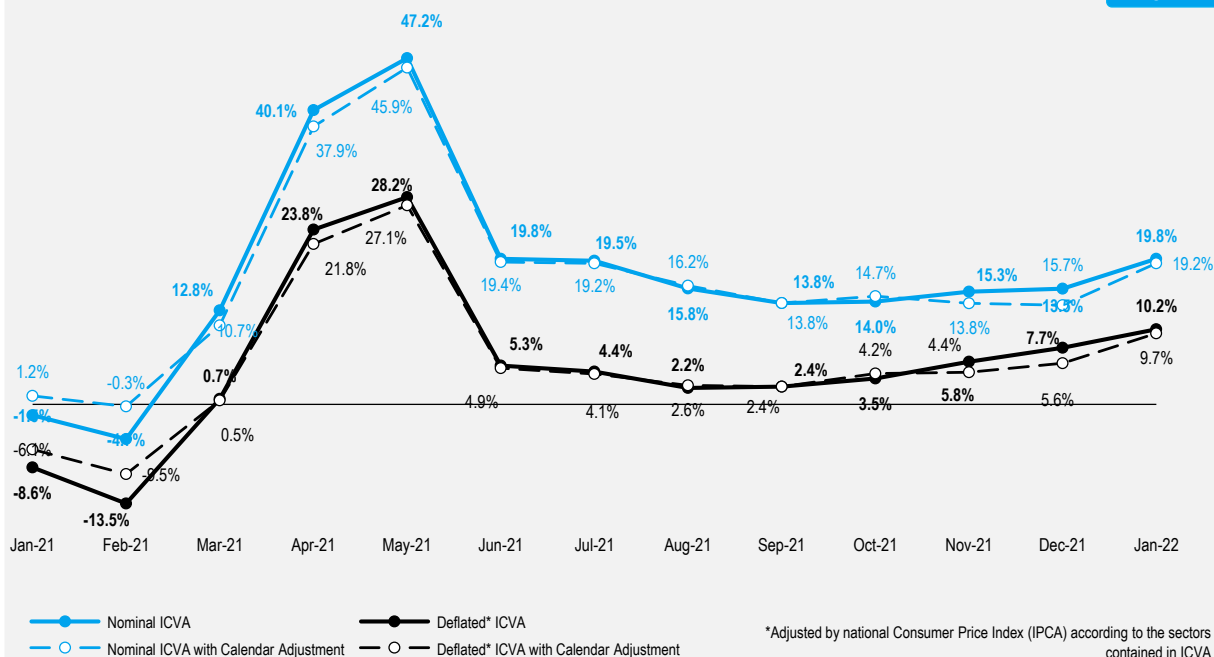
ri@cielo.com.br

Phone: +55 11 2596 8453

Year on Year Retail Sales Performance by Region



NORTH



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 1.3 million company-accredited retailers. The weight of each sector in the index's general result is defined by its performance in the current month.

The ICVA was developed by Cielo's Business Analytics department with the goal of providing a monthly snapshot of the country's retail trade based on real 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.

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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, February 17, 2022.

Gustavo Henrique Santos de Sousa
Chief Executive Officer and Investor Relations Officer

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