



cielo

Earnings Release

1Q24



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## Presentation

This report presents the economic and financial situation of Cielo S.A – Instituição de Pagamento (B3: CIEL3 and OTC: CIOXY). Intended for market analysts, shareholders, investors, the press, and other stakeholders, this document provides analyses, indicators and information considered relevant for analyzing the performance of Cielo and its subsidiaries. It is released quarterly and presents the results of the first quarter of 2024. This document is not audited, and its reading does not replace the reading of the accounting statements of the period and other documents filed with regulatory bodies.

The consolidated financial statements are presented in thousands of reais (BRL thousand), in accordance with the Chart of Accounts for Institutions of the National Financial System (COSIF) and accounting practices adopted in Brazil. **The tables and charts in this report show values in the BRL million format**, except where otherwise indicated. Occasionally, accounting data may be supplemented by operational and/or management information (not audited).

Below are the different perspectives presented in this report:

- **Cielo Brasil:** Management presentation that represents the results of the companies Cielo, Stelo, Aliança, Servinet and FIDCs structured by the Company.
- **Cateno:** Management presentation showing Cateno's individual results.
- **Other Subsidiaries:** Management presentation that represents the results of Cielo's other subsidiaries, except for those in the Cielo Brasil and Cateno perspectives. This outlook has lost relevance after the sale of MerchantE in April 2022.
- **Cielo Consolidated:** Presentation that consolidates the results of all the companies that make up the group, according to accounting practices adopted in Brazil.

For purposes of this report, references to consolidated net income always refer to the profit attributable to Cielo shareholders, except where otherwise indicated.

This report is available online, at Cielo's Investor Relations website, where you can find the financial statements as well as more information about the Company, its structure, business, and other information considered relevant to investors. The website is [ri.cielo.com.br](http://ri.cielo.com.br).

This report may include statements about future events that are subject to risks and uncertainties. Such statements are based on our Management's beliefs and assumptions made to the best of our knowledge and based on information currently available to us. Statements about future events may include information about our intentions, beliefs or current expectations, as well as those of the members of the Board of Directors and Officers of the Company.

Forward-looking statements and information also include information about possible or assumed future operating results, as well as statements that are preceded, followed by or 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 because they refer to future events, and therefore depend on circumstances that may or may not occur. Future results and shareholder value creation may differ significantly from those expressed in or suggested by the forward-looking statements. Many of the factors that will determine these results and values are beyond Cielo's ability to control or predict.

This report may include non-accounting metrics. We draw attention to these metrics. They have been included because Management considers them to be relevant for understanding the business, but are not necessarily subject to the same preparation criteria as the financial statements.

The rates of change sums in the tables and charts are calculated before rounding.

## 1. Highlights

### **Cielo reports BRL 503 million in Recurring Net Income in 1Q24, the highest result since 1Q19. 14% growth over 1Q23.**

The first quarter of 2024 was marked by the progress of the company's transformation project and commercial expansion, seeking continuous improvement in the relationship with its clients, as well as actions to optimize the Cielo's financial results.



#### **Recurring Net Income**

Record recurring net income since 1Q19 totaling BRL 503.1 million in the quarter, up 14% on 1Q23.



#### **Cielo Brasil's financial results record since 1Q21**

In the quarter, ARV revenues reached BRL 372,0 million, which, combined with new measures to optimize assets and liabilities, boosted the Financial Result.



#### **Cielo Brasil's total normalized costs down by 15% YoY**

The company's efficiency measures resulted in lower terminal and processing costs.



#### **Cateno maintains revenue growth trend**

Net Operating Revenue reached BRL 1.0B in 1Q24, up 4.8% from 1Q23, reflecting the maintenance of revenue yield and an increase in volume.



#### **Shareholder return**

Focus on value generation, with ROE totaling 18.7% in the cash view<sup>1</sup> over the last 12 months.

<sup>1</sup> Return on Equity ("ROE"): Recurring net income attributable to Cielo shareholders (excluding 70% of the amortization of intangible assets in Cateno), divided by the average shareholders' equity attributable to shareholders in the period.

## 2. Result by Business Unit

### 2.1. Net Operating Revenue

Net Revenue (BRL million)	1Q24	1Q23	Var. %	4Q23	Var. %
Cielo Brasil	1,523.6	1,577.6	-3.4%	1,637.1	-6.9%
Cateno	1,039.6	992.2	4.8%	1,133.2	-8.3%
<b>Cielo + Cateno</b>	<b>2,563.2</b>	<b>2,569.8</b>	<b>-0.3%</b>	<b>2,770.2</b>	<b>-7.5%</b>
Other Subsidiaries	-	-	n/a	-	n/a
<b>Consolidated</b>	<b>2,563.2</b>	<b>2,569.8</b>	<b>-0.3%</b>	<b>2,770.2</b>	<b>-7.5%</b>

- Net Operating Revenue reached BRL 2,563.2 million in 1Q24, maintaining stability in comparison with 1Q23.

### 2.2. EBITDA

EBITDA (BRL million)	1Q24	1Q23	Var. %	4Q23	Var. %
Cielo Brasil	286.7	497.0	-42.3%	451.0	-36.4%
Cateno	460.4	497.9	-7.5%	549.1	-16.2%
Other Subsidiaries	(0.4)	(0.5)	-20.0%	(0.4)	0.0%
<b>Consolidated</b>	<b>746.7</b>	<b>994.4</b>	<b>-24.9%</b>	<b>999.6</b>	<b>-25.3%</b>
<b>EBITDA Margin</b>	<b>29.1%</b>	<b>38.7%</b>	<b>-9.6pp</b>	<b>36.1%</b>	<b>-7.0pp</b>

- EBITDA reached BRL 746.7 million in 1Q24, down 24.9% from 1Q23, mainly related to expenses with the advancement of the Company's transformation program, #PraCimaCielo! and expansion of salesforce.

### 2.3. Financial Result

Financial Result (BRL million)	1Q24	1Q23	Var. %	4Q23	Var. %
Financial revenue	71.1	99.3	-28.4%	83.2	-14.5%
Financial expenses	(402.2)	(523.8)	-23.2%	(454.9)	-11.6%
Anticipation of receivables	372.0	362.2	2.7%	384.6	-3.3%
Exchange rate variation, net	(3.4)	(8.3)	-59.0%	(8.0)	-57.5%
<b>Financial Result</b>	<b>37.5</b>	<b>(70.6)</b>	<b>n/a</b>	<b>4.9</b>	<b>665.3%</b>

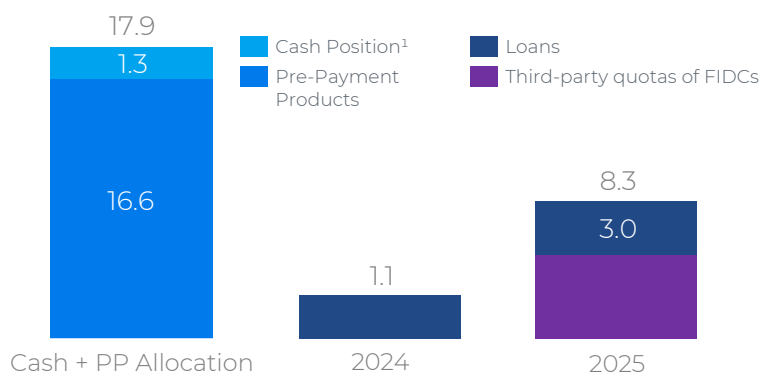
- The consolidated financial result showed a significant improvement over 1Q23, reflecting the optimization of the debt structure that supports the operation of Prepaid Volume; ARV result maximization strategy; and reduction of the Selic rate.

### 2.4. Consolidated Net Income

Net Income (BRL million)	1Q24	1Q23	Var. %	4Q23	Var. %
Cielo Brasil	326.9	243.5	34.3%	260.6	25.4%
Cateno	176.1	197.3	-10.7%	220.4	-20.1%
Other Subsidiaries	(0.0)	0.0	n/a	0.0	n/a
<b>Consolidated</b>	<b>503.1</b>	<b>440.8</b>	<b>14.1%</b>	<b>480.8</b>	<b>4.6%</b>

- **Recurring net income totaled BRL 503.1 million in 1Q24**, up 14.1% from 1Q23, due to a robust improvement in financial results, optimizations in expenses with reduced costs of services provided and greater tax efficiency. This result was partially offset by a lower volume and higher expenses with the company's transformation program.

## 2.5. Liquidity and Indebtedness



\* Chart in billions of Reais. 1) The cash position (or total liquidity) presented consolidates 100% of the cash balances and cash equivalents of the subsidiary Cateno.

- On March 31, 2024, the Company recorded a balance of cash and cash equivalents of BRL 1,260.4 million, down BRL 1,090.7 million compared to March 31, 2023, and down BRL 173.9 million compared to December 31, 2023. The reduction in availability on both comparison bases is mainly explained by the decrease in the balance of debt obligations and financing, due to liability management measures.
- At the balance sheet closing date, Cielo recorded total debt obligations and financing of BRL 4,086.0 million, down BRL 2,346.8 million vs. March 31, 2023, and BRL 3,645.0 million vs. December 31, 2023. The decrease in the total amount of debt obligations compared to the same period of the previous year is mainly explained by the settlement of Private Debentures carried out in December 2023. Compared with the previous quarter, the reduction in loans is mainly a reflection of the lower balance raised from CCBs.
- In addition to debt obligations and financing operations, Cielo uses as funds raised through Credit Rights Investment Funds ("FIDCs") according to note 6 of its Interim Financial Information. The FIDC quotas belonging to third parties are part of the Company's liabilities and are recorded in COSIF under "Non-controlling shareholders" and in the IFRS under "Liabilities with senior FIDC quotas", and the balance with third-party FIDC quota holders was BRL 5,320.2 million on March 31, 2024. In the period, there was a reduction in the balances raised by FIDCs due to the maturity, in March 2024, of FIDC Emissor I.

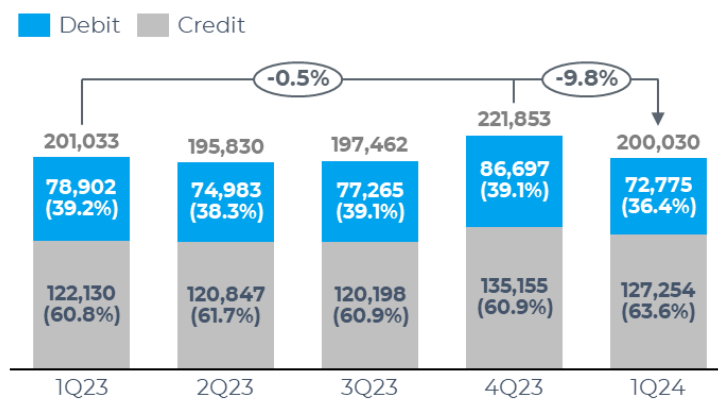
## 3. Cielo Brasil

### 3.1. Highlights

- Cielo Brasil's net income reached a Q1 record since 1Q19 with BRL 327 million, up 34.3% from 1Q23.
- Cielo Brasil's Revenue Yield rose 2bps from 4Q23. The improvement reflects better prices and seasonal effects, partially offset by the lower penetration of *Receba Rápido* and the greater concentration of the volume mix in Large Accounts.
- Reduction of Service Costs by 9.3% in 1Q24 compared to 1Q23, reflecting mainly the reductions in costs linked to POS - due to the optimization of the POS park - and efficiency initiatives in transaction processing costs.
- Cielo Brasil's Financial Results were up BRL 115 million from the same quarter of the previous year, reaching BRL 19 million in financial result for 1Q24. The improvement reflects the optimization of the debt structure that supports the pre-payment operation; the strategy of maximizing results in ARV; and cuts to the Selic rate.

### 3.2. Operational Performance

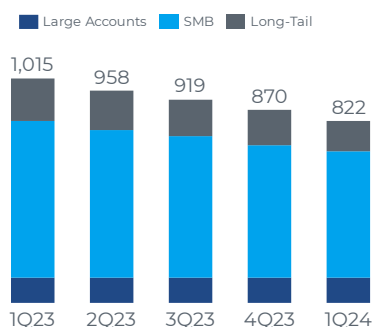
#### 3.2.1 Financial volume (in BRL million)



Financial and transaction volume	1Q24	1Q23	Var. %	4Q23	Var. %
<b>Credit and Debit Cards</b>					
Financial transaction volume (BRL million)	200,029.7	201,032.6	-0.5%	221,852.4	-9.8%
Number of transactions (million)	1,917.6	1,947.3	-1.5%	2,076.6	-7.7%
<b>Credit Cards</b>					
Financial transaction volume (BRL million)	127,254.5	122,130.2	4.2%	135,155.4	-5.8%
Number of transactions (million)	898.3	831.3	8.1%	902.2	-0.4%
<b>Debit Cards</b>					
Financial transaction volume (BRL million)	72,775.2	78,902.4	-7.8%	86,697.0	-16.1%
Number of transactions (million)	1,019.3	1,116.0	-8.7%	1,174.4	-13.2%

- The financial volume of transactions captured by Cielo Brasil was BRL 200.0 billion in 1Q24, down 0.5% from 1Q23, with a 4.2% increase in credit card transactions and a 7.8% decrease in debit card transaction volume.

### 3.2.3 Active Client Base (thousands)



Considering merchants that carried out at least one transaction with Cielo in the last 90 days, the total active base ended 1Q24 at 822 thousand establishments, down 5.5% from 4Q23, mainly reflecting the behavior of smaller customer segments.

### 3.2.3 Pre-payment/Prepaid Volume

Pre-Payment Products (BRL million)	1Q24	1Q23	Var. %	4Q23	Var. %
Credit card captured volume	127,254.5	122,130.2	4.2%	135,155.4	-5.8%
<b>(ARV) financial volume</b>	<b>12,966.1</b>	<b>17,407.7</b>	<b>-25.5%</b>	<b>20,070.3</b>	<b>-35.4%</b>
% over credit card volume	10.2%	14.3%	-4.1pp	14.8%	-4.7pp
<b>(RR) Two-day payment financial volume</b>	<b>11,648.8</b>	<b>14,780.6</b>	<b>-21.2%</b>	<b>13,585.0</b>	<b>-14.3%</b>
% over credit card volume	9.2%	12.1%	-2.9pp	10.1%	-0.9pp
<b>(ARV+RR) Pre-Payment Products - financial volume</b>	<b>24,614.9</b>	<b>32,188.3</b>	<b>-23.5%</b>	<b>33,655.3</b>	<b>-26.9%</b>
% over credit card volume	19.3%	26.4%	-7.0pp	24.9%	-5.6pp
SMB and LT (BRL million)	1Q24	1Q23	Var. %	4Q23	Var. %
Credit card captured volume	32,893.7	34,424.4	-4.4%	36,272.0	-9.3%
<b>(ARV) financial volume</b>	<b>2,450.4</b>	<b>2,238.5</b>	<b>9.5%</b>	<b>2,596.4</b>	<b>-5.6%</b>
% over credit card volume	7.4%	6.5%	0.9pp	7.2%	0.3pp
<b>(RR) Two-day payment financial volume</b>	<b>10,545.4</b>	<b>12,819.0</b>	<b>-17.7%</b>	<b>12,301.0</b>	<b>-14.3%</b>
% over credit card volume	32.1%	37.2%	-5.2pp	33.9%	-1.9pp
<b>(ARV+RR) Pre-Payment Products - financial volume</b>	<b>12,995.8</b>	<b>15,057.6</b>	<b>-13.7%</b>	<b>14,897.4</b>	<b>-12.8%</b>
% over credit card volume	39.5%	43.7%	-4.2pp	41.1%	-1.6pp

\*Sums for disclosure purposes only. Includes Cielo's Prepaid Volume: *Receba Rápido* and ARV (includes advance volume from other payment institutions)

- The table above shows the details of Cielo's performance with Prepaid Volume. The Company classifies different solutions under Prepaid Volume that allow retailers to receive their credit card sales within two days.
- Prepaid Volume reached BRL 24.6 billion in 1Q24, a reduction of 23.5% against 1Q23, reflecting the company's strategy of maximizing results in ARV, with a reduction in exposure to customers with lower margins and optimization of the debt structure, with adjustment of the duration of assets and liabilities.
- The company's strategy prioritizes the financing of its exposure to *Receba Rápido* with more stable and long-term sources. In this case, although the receivables are short term, there is recurrence contracted with the clients. In ARV, there is a greater prioritization of the use of third-party resources, given the characteristics of this business.

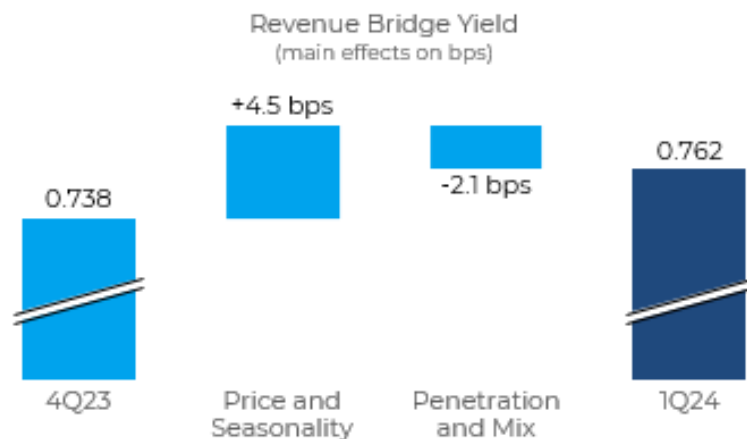


### 3.3. Financial Performance

#### 3.3.1 Operating Income and Revenue Yield

BRL million	1Q24	1Q23	Var. %	4Q23	Var. %
TPV	200,029.7	201,032.6	-0.5%	221,852.4	-9.8%
Net Revenue	1,523.6	1,577.6	-3.4%	1,637.1	-6.9%
Yield	0.76%	0.78%	-0.02pp	0.74%	0.02pp

- Net revenues reached BRL 1,523.6 million in 1Q24, down 3.4% from 1Q23, explained by lower volume and revenue yield.
- Compared to 1Q23, the drop in revenue yields is mainly due to the lower penetration of *Receba Rápido* and the greater share of Large Accounts in TPV. These factors were only partially offset by the higher average MDR observed between the periods.
- In comparison with 4Q23, the revenue *yield* grew by 2bps to 0.76% in 1Q24. This increase reflects the effects of better prices and seasonality, being partially mitigated by lower penetration in *Receba Rápido* and mix effects.



## 3.3.2 Analysis of Costs and Expenses

### 3.3.2.1 Cost of Services Rendered

BRL million	1Q24	1Q23	Var. %	4Q23	Var. %
Costs related to POS	(200.2)	(235.5)	-15.0%	(206.2)	-2.9%
Costs related to transactions	(515.6)	(558.4)	-7.7%	(533.7)	-3.4%
Other costs	(75.6)	(78.7)	-4.0%	(70.2)	7.7%
<b>Cost of service rendered</b>	<b>(791.4)</b>	<b>(872.6)</b>	<b>-9.3%</b>	<b>(810.1)</b>	<b>-2.3%</b>
Brand fees and services rendered by banks	431.9	424.8	1.7%	455.7	-5.2%
Tax Credit (PIS / COFINS)	(96.7)	(85.0)	13.8%	(102.0)	-5.2%
Depreciation and amortization	119.5	136.3	-12.3%	123.3	-3.0%
<b>Normalized Cost of service rendered</b>	<b>(336.7)</b>	<b>(396.5)</b>	<b>-15.1%</b>	<b>(333.1)</b>	<b>1.1%</b>

- The **cost of services rendered** fell 9.3% from 1Q23, reflecting a decrease in all major components:
  - Costs associated with POS terminals** fell 15.0% from 1Q23, mainly due to lower depreciation expenses, efficiency initiatives and optimization of the terminal fleet;
  - Transaction-related costs** fell 7.7% year-over-year, primarily reflecting efficiencies in technology and development costs; and
  - Other costs** fell 4.0%, mainly due to operational improvement initiatives.
- On a normalized basis, a concept in which variable costs and extraordinary events are segregated, costs decreased nominally by 15.1% YoY, reflecting efficiency initiatives as highlighted above.

### 3.3.2.2 Operating Expenses

BRL million	1Q24	1Q23	Var. %	4Q23	Var. %
Salaries / Wages and benefits	(332.4)	(234.9)	41.5%	(325.5)	2.1%
General and administratives	(94.0)	(56.5)	66.4%	(103.1)	-8.8%
Sales and Marketing expenses	(33.1)	(12.6)	162.7%	(41.5)	-20.2%
Other operating expenses net	(105.6)	(40.3)	162.0%	(29.2)	261.6%
Depreciation and Amortization	(1.5)	(1.9)	-21.1%	(1.7)	-11.8%
<b>Operating Expenses</b>	<b>(566.6)</b>	<b>(346.2)</b>	<b>63.7%</b>	<b>(501.0)</b>	<b>13.1%</b>
Non-recurring	-	-	n/a	-	n/a
<b>Normalized Operating Expenses</b>	<b>(566.6)</b>	<b>(346.2)</b>	<b>63.7%</b>	<b>(501.0)</b>	<b>13.1%</b>

- Operating expenses** grew 63.7% over 1Q23, mainly reflecting the Company's greater investments, with emphasis on commercial expansion and operational transformation initiatives – with reflections concentrated on **personnel expenses** and **general and administrative expenses**. Changes in **sales and marketing expenses** are due to higher campaign expenses, seeking to reinforce the Cielo brand. In **Other Operating Expenses**, this movement is basically due to one-off movements in the period, mainly reflecting provisions for operating losses.

### 3.3.2.3 Normalized Total Costs and Expenses

BRL million	1Q24	1Q23	Var. %	4Q23	Var. %
Normalized Cost of service rendered	(336.7)	(396.5)	-15.1%	(333.1)	1.1%
Normalized Operating Expenses	(566.6)	(346.2)	63.7%	(501.0)	13.1%
<b>Normalized Total Expenses (costs + expenses)</b>	<b>(903.3)</b>	<b>(742.7)</b>	<b>21.6%</b>	<b>(834.1)</b>	<b>8.3%</b>

- The normalized cost and expenses, a concept in which variable costs and extraordinary events are segregated, were up 21.6% from 1Q23. This increase is mainly related to progress in the Company's transformation program, #PraCimaCielo!, in addition to expenses with commercial expansion.

### 3.3.3 EBITDA

Recurring EBITDA (BRL million)	1Q24	1Q23	Var. %	4Q23	Var. %
<b>EBITDA</b>	<b>286.7</b>	<b>497.0</b>	<b>-42.3%</b>	<b>451.0</b>	<b>-36.4%</b>
Non-recurring Items	-	-	n/a	-	n/a
<b>Recurring EBITDA</b>	<b>286.7</b>	<b>497.0</b>	<b>-42.3%</b>	<b>451.0</b>	<b>-36.4%</b>

- Cielo Brasil's EBITDA fell 42.3% from 1Q23, impacted mainly by expenses related to progress in the Company's transformation program, #PraCimaCielo!, in addition to expenses with commercial expansion.

### 3.3.4 Financial Result

Financial Result (BRL million)	1Q24	1Q23	Var. %	4Q23	Var. %
Financial Revenues	50.8	71.7	-29.1%	55.5	-8.5%
Financial Expenses	(400.4)	(521.6)	-23.2%	(453.3)	-11.7%
Acquisition of receivables income, net	372.0	362.2	2.7%	384.6	-3.3%
Net exchange variation	(3.4)	(8.3)	-59.0%	(8.0)	-57.5%
<b>Total</b>	<b>19.0</b>	<b>(96.0)</b>	<b>n/a</b>	<b>(21.2)</b>	<b>n/a</b>

- Cielo Brasil's financial results in 1Q24 accrued of BRL 19.0 million against expenses of BRL 96.0 million in 1Q23. The improvement reflects the strategy of maximizing results in the ARV and the optimization of the debt structure that supports the Prepaid Volume operation together with cuts to the Selic rate, which positively impacts the financial expense line.
- Financial revenues** were down from 1Q23, reflecting the lower average balance applied and cuts to the Selic rate.
- The decrease in **Financial expenses** compared to 1Q23 reflects the strategy of optimizing the debt structure that supports the Prepaid Volume operation, reducing the average balance of liabilities, in addition to cuts to the Selic rate, which positively affects interest expenses.
- Revenue from the acquisition of receivables** grew from 1Q23, reflecting the strategy of maximizing results in ARV.

### 3.3.5 Net Income

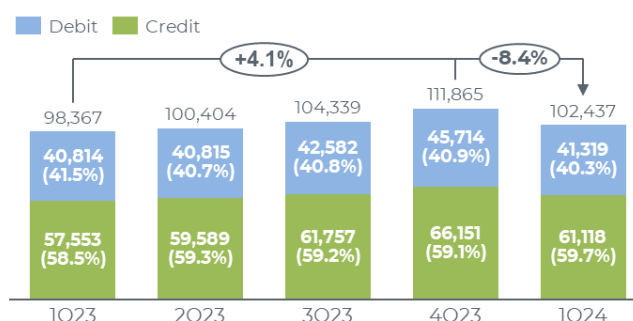
- Cielo Brasil's recurring net income in 1Q24 stood at BRL 326.9 million, up 34.3% from 1Q23.
- Cielo Brasil's result reflected a robust improvement in the financial result, optimizations in expenses with a reduction in the costs of the services provided and greater tax efficiency. These factors were partially offset by lower volumes and investments in commercial expansion and in the operational transformation process, as well as a one-off increase in other net operating expenses in the period, as described above.

## 4. Cateno

### 4.1. Highlights

- Cateno's net income stood at BRL 252 million in 1Q24, down 10.7% from 1Q23, reflecting higher non-volumetric costs, mainly related to card issuing and postage. These factors were partially mitigated by higher revenues in line with greater volume.
- Net revenue grew by 4.8% over the same quarter last year, driven by volume growth with a 6.2% increase in TPV transacted by credit cards.

### 4.2. Financial Volume



Financial volume (BRL million)	1Q24	1Q23	Var. %	4Q23	Var. %
Credit volume	61,117.5	57,552.7	6.2%	66,151.1	-7.6%
Debit volume	41,319.4	40,814.1	1.2%	45,714.4	-9.6%
<b>Total financial volume</b>	<b>102,436.9</b>	<b>98,366.8</b>	<b>4.1%</b>	<b>111,865.5</b>	<b>-8.4%</b>

### 4.3. Financial Performance

#### 4.3.1 Net Revenue, Costs and Expenses

BRL million	1Q24	1Q23	Var. %	4Q23	Var. %
<b>Net Revenue</b>	<b>1,039.6</b>	<b>992.2</b>	<b>4.8%</b>	<b>1,133.2</b>	<b>-8.3%</b>
<b>Cost of service provided</b>	<b>(619.8)</b>	<b>(536.3)</b>	<b>15.6%</b>	<b>(622.1)</b>	<b>-0.4%</b>
<b>Operating Expenses</b>	<b>(56.1)</b>	<b>(54.9)</b>	<b>2.2%</b>	<b>(58.7)</b>	<b>-4.4%</b>
Salaries / Wages and benefits	(30.5)	(27.1)	12.5%	(31.3)	-2.6%
General and administratives	(7.1)	(6.1)	16.4%	(8.2)	-13.4%
Other operating expenses net	(18.5)	(21.7)	-14.7%	(19.2)	-3.6%
Non-Recurring	-	-	n/a	-	n/a
<b>Recurring Operating Expenses</b>	<b>(56.1)</b>	<b>(54.9)</b>	<b>2.2%</b>	<b>(58.7)</b>	<b>-4.4%</b>

- Net revenue grew by 4.8% over the same quarter last year, driven by volume growth.
- The costs of services provided, including depreciation and amortization costs, totaled BRL 619.8 million in 1Q24, a 15.6% increase compared to 1Q23, reflecting: (i) higher volume; (ii) higher card issuance costs; and (iii) to a lesser extent, the behavior of technology costs.

- **Operating expenses** reached BRL 56.1 million, an increase of 2.2% compared to 1Q23, mainly due to an increase in Personnel and Administrative Expenses, partially offset by lower Net Operating Expenses.

### 4.3.2 Financial Result

Financial Result (BRL million)	1Q24	1Q23	Var. %	4Q23	Var. %
Financial revenue	18.1	25.5	-29.0%	25.9	-30.1%
Financial expenses	(0.1)	(0.6)	-83.3%	(0.2)	-50.0%
<b>Total</b>	<b>18.0</b>	<b>24.9</b>	<b>-27.7%</b>	<b>25.7</b>	<b>-30.0%</b>

- **The financial result** stood at BRL 18.0 million in the quarter, a reduction of 27.7% in relation to 1Q23, due to the reduction in the Selic rate in the period, as well as a lower cash balance, following the redemption of shares at the end of 4Q23.

### 4.3.3 Recurring Net Income and Cash Earnings

Cash Earnings (BRL million)	1Q24	1Q23	Var. %	4Q23	Var. %
<b>Net Income</b>	<b>251.6</b>	<b>281.9</b>	<b>-10.7%</b>	<b>314.9</b>	<b>-20.1%</b>
Non recurring	-	-	n/a	-	n/a
<b>Recurring Net Income</b>	<b>251.6</b>	<b>281.9</b>	<b>-10.7%</b>	<b>314.9</b>	<b>-20.1%</b>
Amortization	96.5	96.6	-0.1%	96.5	-0.1%
<b>Cash Earnings</b>	<b>348.1</b>	<b>378.5</b>	<b>-8.0%</b>	<b>411.4</b>	<b>-15.4%</b>

- Cateno's recurring net income was BRL 251.6 million in 1Q24, down 10.7% in 1Q23.
- From a **cash perspective**, which deducts amortization expenses for the intangible assets related to the right to exploit the Ourocard Arrangement, **Cateno's Recurring Net Income** in 1Q24 amounted to BRL 348.1 million, as presented in the table above.

## 5. Exhibits

### 5.1. 1Q24 Management Performance - Cosif Standard (Unaudited)

Income Statement	Cielo Brasil					Cateno - Accounting value					Other Subsidiaries					Cielo Consolidated					
	1Q24	1Q23	Var. %	4Q23	Var. %	1Q24	1Q23	Var. %	4Q23	Var. %	1Q24	1Q23	Var. %	4Q23	Var. %	1Q24	1Q23	Var. %	4Q23	Var. %	
<i>BRL million</i>																					
<b>Gross operating revenue</b>	<b>1,731.8</b>	<b>1,796.6</b>	<b>-3.6%</b>	<b>1,863.8</b>	<b>-7.1%</b>	<b>1,168.9</b>	<b>1,124.5</b>	<b>3.9%</b>	<b>1,274.2</b>	<b>-8.3%</b>	-	-	n/a	-	n/a	<b>2,900.7</b>	<b>2,921.2</b>	<b>-0.7%</b>	<b>3,137.9</b>	<b>-7.6%</b>	
Taxes on services	(208.2)	(219.0)	-4.9%	(226.7)	-8.2%	(129.3)	(132.3)	-2.3%	(141.0)	-8.3%	-	-	n/a	-	n/a	(337.5)	(351.4)	-4.0%	(367.7)	-8.2%	
<b>Net operating revenue</b>	<b>1,523.6</b>	<b>1,577.6</b>	<b>-3.4%</b>	<b>1,637.1</b>	<b>-6.9%</b>	<b>1,039.6</b>	<b>992.2</b>	<b>4.8%</b>	<b>1,133.2</b>	<b>-8.3%</b>	-	-	n/a	-	n/a	<b>2,563.2</b>	<b>2,569.8</b>	<b>-0.3%</b>	<b>2,770.2</b>	<b>-7.5%</b>	
<b>Total cost + expenses</b>	<b>(1,358.0)</b>	<b>(1,218.8)</b>	<b>11.4%</b>	<b>(1,311.1)</b>	<b>3.6%</b>	<b>(675.9)</b>	<b>(591.2)</b>	<b>14.3%</b>	<b>(680.8)</b>	<b>-0.7%</b>	<b>(0.4)</b>	<b>(0.5)</b>	<b>-20.0%</b>	<b>(0.4)</b>	<b>0.0%</b>	<b>(2,034.3)</b>	<b>(1,810.5)</b>	<b>12.4%</b>	<b>(1,992.3)</b>	<b>2.1%</b>	
<b>Total costs</b>	<b>(791.4)</b>	<b>(872.6)</b>	<b>-9.3%</b>	<b>(810.1)</b>	<b>-2.3%</b>	<b>(619.8)</b>	<b>(536.3)</b>	<b>15.6%</b>	<b>(622.1)</b>	<b>-0.4%</b>	-	-	n/a	-	n/a	<b>(1,411.2)</b>	<b>(1,408.9)</b>	<b>0.2%</b>	<b>(1,432.2)</b>	<b>-1.5%</b>	
Cost of service rendered	(671.8)	(736.3)	-8.8%	(686.8)	-2.2%	(523.3)	(439.7)	19.0%	(525.6)	-0.4%	-	-	n/a	-	n/a	(1,195.1)	(1,176.0)	1.6%	(1,212.4)	-1.4%	
Depreciation and amortization	(119.6)	(136.3)	-12.3%	(123.3)	-3.0%	(96.5)	(96.6)	-0.1%	(96.5)	0.0%	-	-	n/a	-	n/a	(216.1)	(232.9)	-7.2%	(219.8)	-1.7%	
<b>Gross income</b>	<b>732.2</b>	<b>705.0</b>	<b>3.9%</b>	<b>827.0</b>	<b>-11.5%</b>	<b>419.8</b>	<b>455.9</b>	<b>-7.9%</b>	<b>511.1</b>	<b>-17.9%</b>	-	-	n/a	-	n/a	<b>1,152.0</b>	<b>1,160.9</b>	<b>-0.8%</b>	<b>1,338.0</b>	<b>-13.9%</b>	
<b>Operating expenses</b>	<b>(566.6)</b>	<b>(346.2)</b>	<b>63.7%</b>	<b>(501.0)</b>	<b>13.1%</b>	<b>(56.1)</b>	<b>(54.9)</b>	<b>2.2%</b>	<b>(58.7)</b>	<b>-4.4%</b>	<b>(0.4)</b>	<b>(0.5)</b>	<b>-20.0%</b>	<b>(0.4)</b>	<b>0.0%</b>	<b>(623.1)</b>	<b>(401.6)</b>	<b>55.2%</b>	<b>(560.1)</b>	<b>11.2%</b>	
Personnel	(332.4)	(234.9)	41.5%	(325.5)	2.1%	(30.5)	(27.1)	12.5%	(31.3)	-2.6%	-	-	n/a	-	n/a	(362.9)	(261.9)	38.6%	(356.8)	1.7%	
General and administratives	(94.0)	(56.5)	66.4%	(103.1)	-8.8%	(6.9)	(5.8)	19.0%	(8.0)	-13.8%	(0.4)	(0.4)	0.0%	(0.4)	0.0%	(101.3)	(62.8)	61.3%	(111.5)	-9.1%	
Sales and Marketing expenses	(33.1)	(12.6)	162.7%	(41.5)	-20.2%	-	-	n/a	-	n/a	-	-	n/a	-	n/a	(33.1)	(12.6)	162.7%	(41.5)	-20.2%	
Other operating income (Expenses), net	(105.6)	(40.3)	162.0%	(29.2)	n/a	(18.5)	(21.7)	-14.7%	(19.2)	-3.6%	-	(0.1)	-100.0%	-	n/a	(124.1)	(62.1)	99.8%	(48.4)	156.4%	
Depreciation and amortization	(1.5)	(1.9)	-21.1%	(1.7)	-11.8%	(0.2)	(0.3)	-33.3%	(0.2)	0.0%	-	-	n/a	-	n/a	(1.7)	(2.2)	-22.7%	(1.9)	-10.5%	
<b>Operating income</b>	<b>165.6</b>	<b>358.8</b>	<b>-53.8%</b>	<b>326.0</b>	<b>-49.2%</b>	<b>363.7</b>	<b>401.0</b>	<b>-9.3%</b>	<b>452.4</b>	<b>-19.6%</b>	<b>(0.4)</b>	<b>(0.5)</b>	<b>-20.0%</b>	<b>(0.4)</b>	<b>0.0%</b>	<b>528.9</b>	<b>759.3</b>	<b>-30.3%</b>	<b>777.9</b>	<b>-32.0%</b>	
<b>EBITDA</b>	<b>286.7</b>	<b>497.0</b>	<b>-42.3%</b>	<b>451.0</b>	<b>-36.4%</b>	<b>460.4</b>	<b>497.9</b>	<b>-7.5%</b>	<b>549.1</b>	<b>-16.2%</b>	<b>(0.4)</b>	<b>(0.5)</b>	<b>-20.0%</b>	<b>(0.4)</b>	<b>0%</b>	<b>746.7</b>	<b>994.4</b>	<b>-24.9%</b>	<b>999.6</b>	<b>-25.3%</b>	
<b>EBITDA Margin</b>	<b>18.8%</b>	<b>31.5%</b>	<b>-12.7pp</b>	<b>27.5%</b>	<b>-8.7pp</b>	<b>44.3%</b>	<b>50.2%</b>	<b>-5.9pp</b>	<b>48.5%</b>	<b>-4.2pp</b>	<b>0.0%</b>	<b>0.0%</b>	<b>n/a</b>	<b>0.0%</b>	<b>n/a</b>	<b>29.1%</b>	<b>38.7%</b>	<b>-9.6pp</b>	<b>36.1%</b>	<b>-7.0pp</b>	
<b>Financial income (costs)</b>	<b>19.0</b>	<b>(96.0)</b>	<b>n/a</b>	<b>(21.2)</b>	<b>n/a</b>	<b>18.0</b>	<b>24.9</b>	<b>-27.7%</b>	<b>25.7</b>	<b>-30.0%</b>	<b>0.4</b>	<b>0.5</b>	<b>-20.0%</b>	<b>0.4</b>	<b>0.0%</b>	<b>37.5</b>	<b>(70.6)</b>	<b>n/a</b>	<b>4.9</b>	<b>n/a</b>	
Financial revenue	50.8	71.7	-29.1%	55.5	-8.5%	18.1	25.5	-29.0%	25.9	-30.1%	2.1	2.1	0.0%	1.8	16.7%	71.1	99.3	-28.4%	83.2	-14.5%	
Financial expenses	(400.4)	(521.6)	-23.2%	(453.3)	-11.7%	(0.1)	(0.6)	-83.3%	(0.2)	-50.0%	(1.7)	(1.6)	6.3%	(1.4)	21.4%	(402.2)	(523.8)	-23.2%	(454.9)	-11.6%	
Purchase of receivables	372.0	362.2	2.7%	384.6	-3.3%	-	-	n/a	-	n/a	-	-	n/a	-	n/a	372.0	362.2	2.7%	384.6	-3.3%	
Net exchange variation	(3.4)	(8.3)	-59.0%	(8.0)	-57.5%	-	-	n/a	-	n/a	-	-	n/a	-	n/a	(3.4)	(8.3)	-59.0%	(8.0)	-57.5%	
Income before income tax and social contribution	184.6	262.8	-29.8%	304.8	-39.4%	381.7	425.9	-10.4%	478.1	-20.2%	(0.0)	0.0	n/a	0.0	n/a	566.4	688.7	-17.8%	782.8	-27.6%	
<b>Income tax and social contribution</b>	<b>142.3</b>	<b>(19.3)</b>	<b>n/a</b>	<b>(44.2)</b>	<b>n/a</b>	<b>(130.1)</b>	<b>(144.0)</b>	<b>-9.7%</b>	<b>(163.2)</b>	<b>-20.3%</b>	-	-	n/a	-	n/a	<b>12.2</b>	<b>(163.3)</b>	<b>n/a</b>	<b>(207.5)</b>	<b>n/a</b>	
Current	(8.2)	(57.2)	-85.7%	(22.1)	-62.9%	(128.8)	(142.9)	-9.9%	(177.5)	-27.4%	-	-	n/a	-	n/a	(137.0)	(200.1)	-31.5%	(199.7)	-31.4%	
Deferred	150.5	37.9	n/a	(22.1)	n/a	(1.3)	(1.1)	18.2%	14.3	n/a	-	-	n/a	-	n/a	149.2	36.8	n/a	(7.8)	n/a	
<b>Net result</b>	<b>326.9</b>	<b>243.5</b>	<b>34.3%</b>	<b>260.6</b>	<b>25.4%</b>	<b>251.6</b>	<b>281.9</b>	<b>-10.7%</b>	<b>314.9</b>	<b>-20.1%</b>	<b>(0.0)</b>	<b>0.0</b>	<b>n/a</b>	<b>0.0</b>	<b>n/a</b>	<b>578.6</b>	<b>525.4</b>	<b>10.1%</b>	<b>575.3</b>	<b>0.6%</b>	
<b>Net margin</b>	<b>21.5%</b>	<b>15.4%</b>	<b>6.0pp</b>	<b>15.9%</b>	<b>5.5pp</b>	<b>24.2%</b>	<b>28.4%</b>	<b>-4.2pp</b>	<b>27.8%</b>	<b>-3.6pp</b>	<b>0.0%</b>	<b>0.0%</b>	<b>n/a</b>	<b>0.0%</b>	<b>n/a</b>	<b>22.6%</b>	<b>20.4%</b>	<b>2.1pp</b>	<b>20.8%</b>	<b>1.8pp</b>	
<b>Attributed to Cielo</b>	<b>326.9</b>	<b>243.5</b>	<b>34.3%</b>	<b>260.6</b>	<b>25.4%</b>	<b>176.1</b>	<b>197.3</b>	<b>-10.7%</b>	<b>220.4</b>	<b>-20.1%</b>	<b>(0.0)</b>	<b>0.0</b>	<b>n/a</b>	<b>0.0</b>	<b>n/a</b>	<b>503.1</b>	<b>440.8</b>	<b>14.1%</b>	<b>480.8</b>	<b>4.6%</b>	
Attributed to Noncontrolling interests	-	-	n/a	-	n/a	75.5	84.6	-10.8%	94.5	-20.1%	-	-	n/a	-	n/a	503.1	84.6	n/a	94.5	n/a	



## 1Q24 Conference Calls

Date: Friday, 04/26/2023

Time: 11:30 (Brasília) 10:30 (NY)

[Access Link](#)

NOTE: This link will give you access to 3 audio options  
(i) original, (ii) Portuguese, or (iii) English

## Ticker CIEL3

BRL 5.40

Market value

BRL 14.7 billion

Earnings per share

BRL 0.19

P/E

6.83x

*Information current as of March 28, 2024*

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