




cielo

Earnings
Release

 4 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 (BRL 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 e IRO
- Daniel Diniz – Head of IR

Year Highlights



Consolidation of the Company's trajectory of improved results
Highest recurring Net Income since 2018: BRL 1.9 BN. +26% YoY. **Cash basis¹ ROE reaches 18%**



Record ARV Revenues: BRL 1.6 BN. +67% YoY



8bps increase in Revenue Yield in 2023



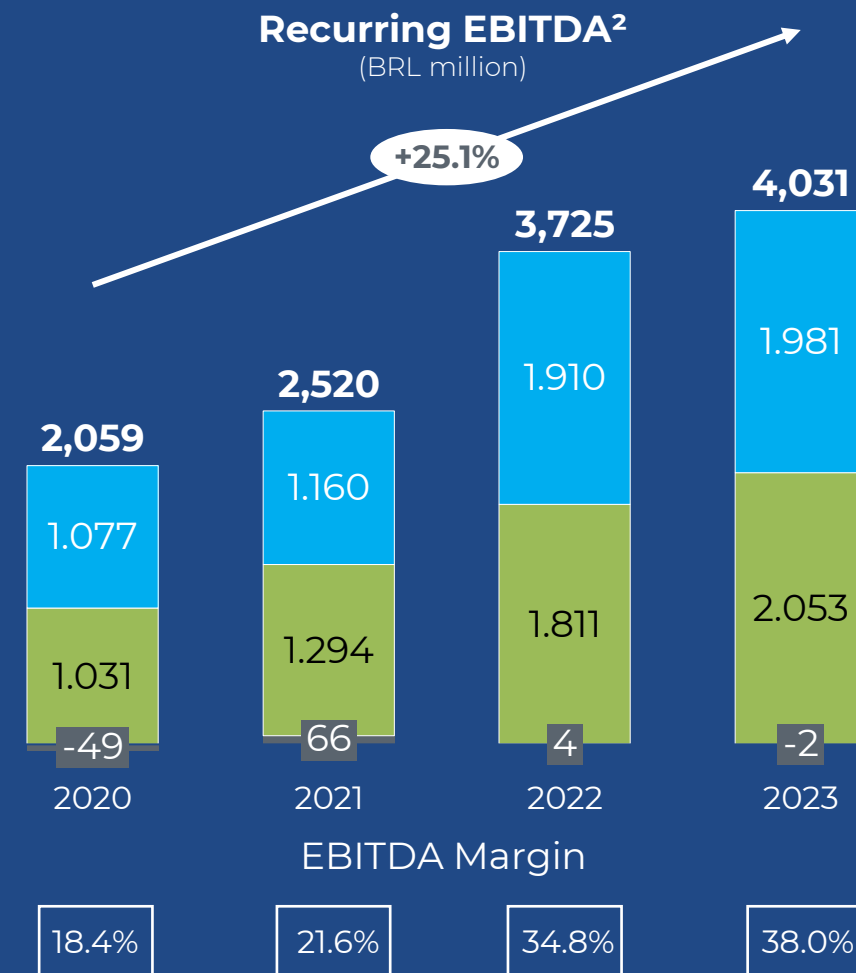
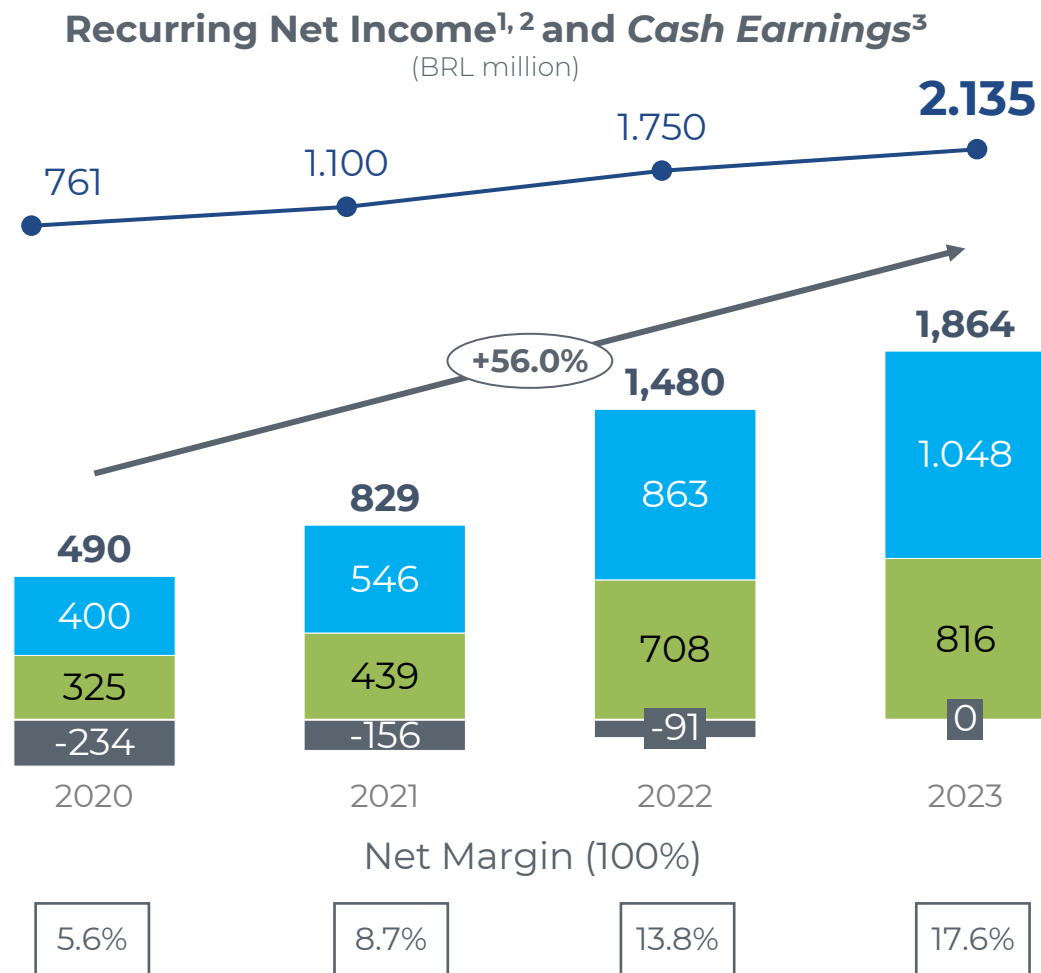
Cateno records its highest cash earnings² in history: BRL 1.1 BN
Recurring Net Income (70%) of BRL 816 million. +15% YoY



Client at the Center: Material improvement in NPS +20 points since July 2022

Recurring Result – FY2023

Continuing trajectory of results growth



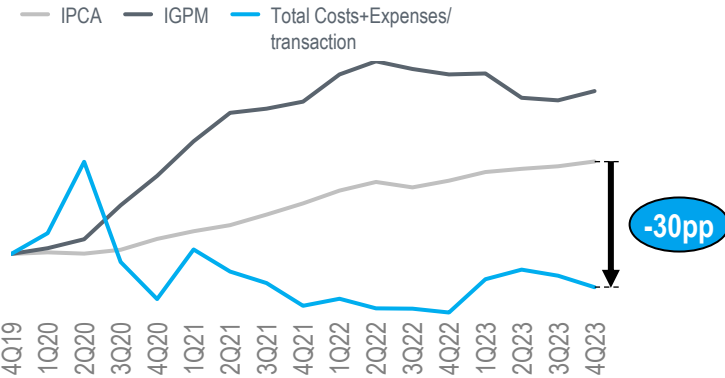
¹ Recurring Consolidated Net Income attributable to Cielo's shareholders. ² Reconciliations available in the attachments to this presentation. ³ Recurring Net Income attributable to Cielo's shareholders, excluding 70% of the intangible amortization in Cateno related to the Ourocard Arrangement.

Value Generation to Shareholders and Clients

Higher profitability leveraged by the execution of the strategy for returns, efficiency, and revenue diversification

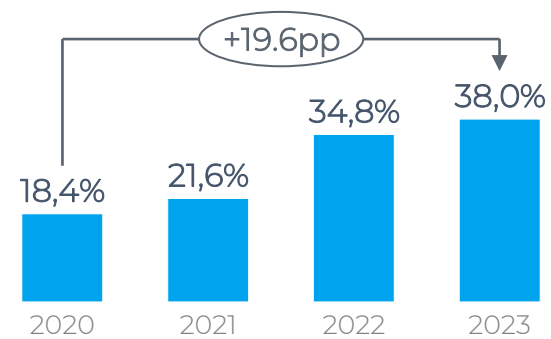
Cielo made progress in expense control

Cost+Expense ¹ per transaction VS Inflation



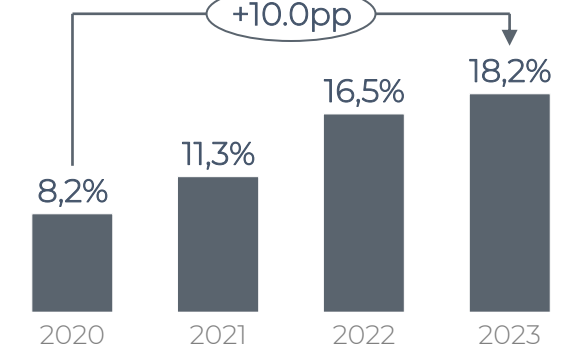
Leveraged EBITDA margin

Recurring EBITDA Margin (%)



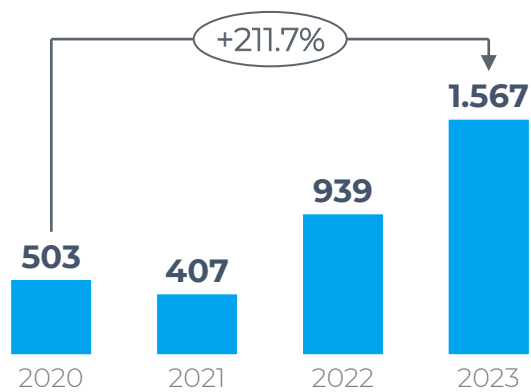
Generating value to shareholders

Cash ROE² (%)



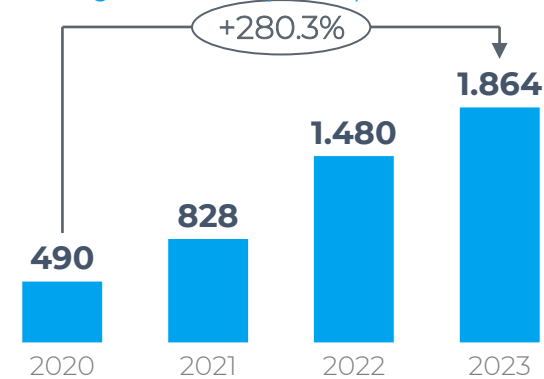
Diversified Revenue streams

ARV Revenue



~3,8x annual Net Income growth

Recurring Net Income (million)



And delivering quality to Customers

NPS – Net Promoter Score



¹ Normalized expenses of Cielo Brazil divided by the number of transactions

² Cash ROE = 12-month Recurring Consolidated Profit, excluding the amortization of intangibles related to the Ourocard Arrangement, divided by the average of the last 12 months' equity

Quarter Highlights



Recurring Net Income 4Q23: **BRL 481 MM**. +5% QoQ



Recovery of Cielo Brasil volumes: growth above historical seasonality **+12% QoQ**
Total TPV amounted to BRL 222 bn in the quarter



Largest pre-payment volume (ARV+RR) in the Company's history: **BRL 34 BN**. +11% YoY



Cateno records its highest cash earnings² in history: BRL 288 MM
Recurring Net Income (70%) of BRL 220 million. +7% YoY

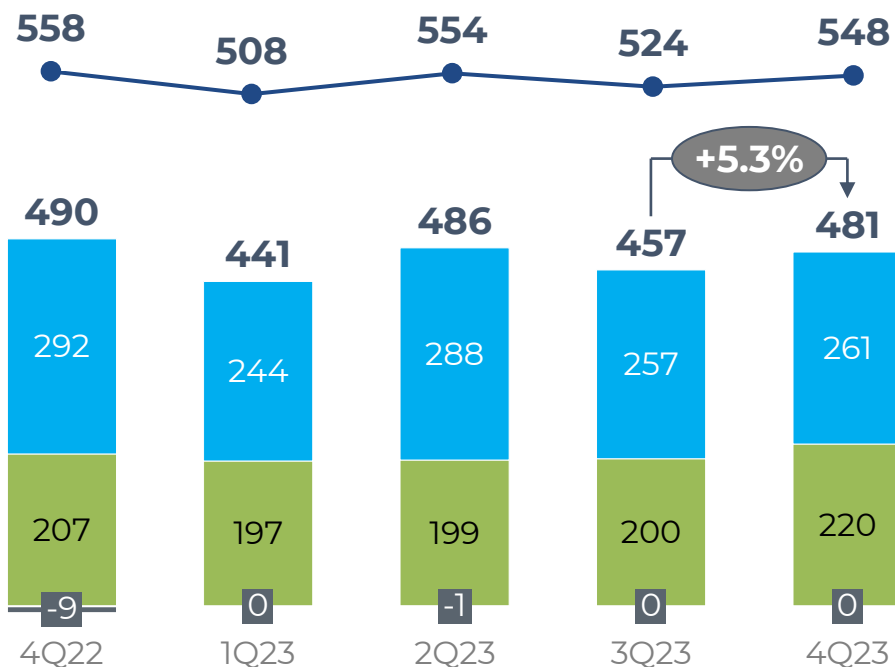


Customer at the Center: Significant improvement in NPS +6 points in the second half of 2023

Recurring Result – 4Q23

5.3% Growth in QoQ Net Income

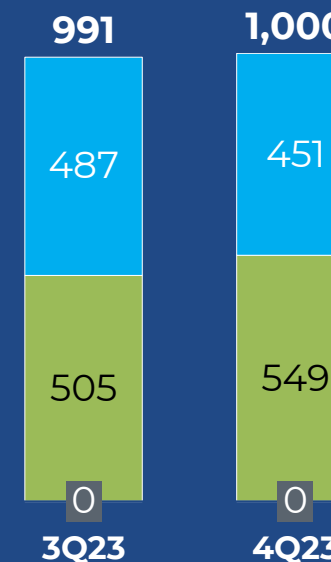
Recurring Net Income^{1,2} and Cash Earnings³
(BRL million)



Net Margin (100%)



Recurring EBITDA²
(BRL million)



EBITDA Margin



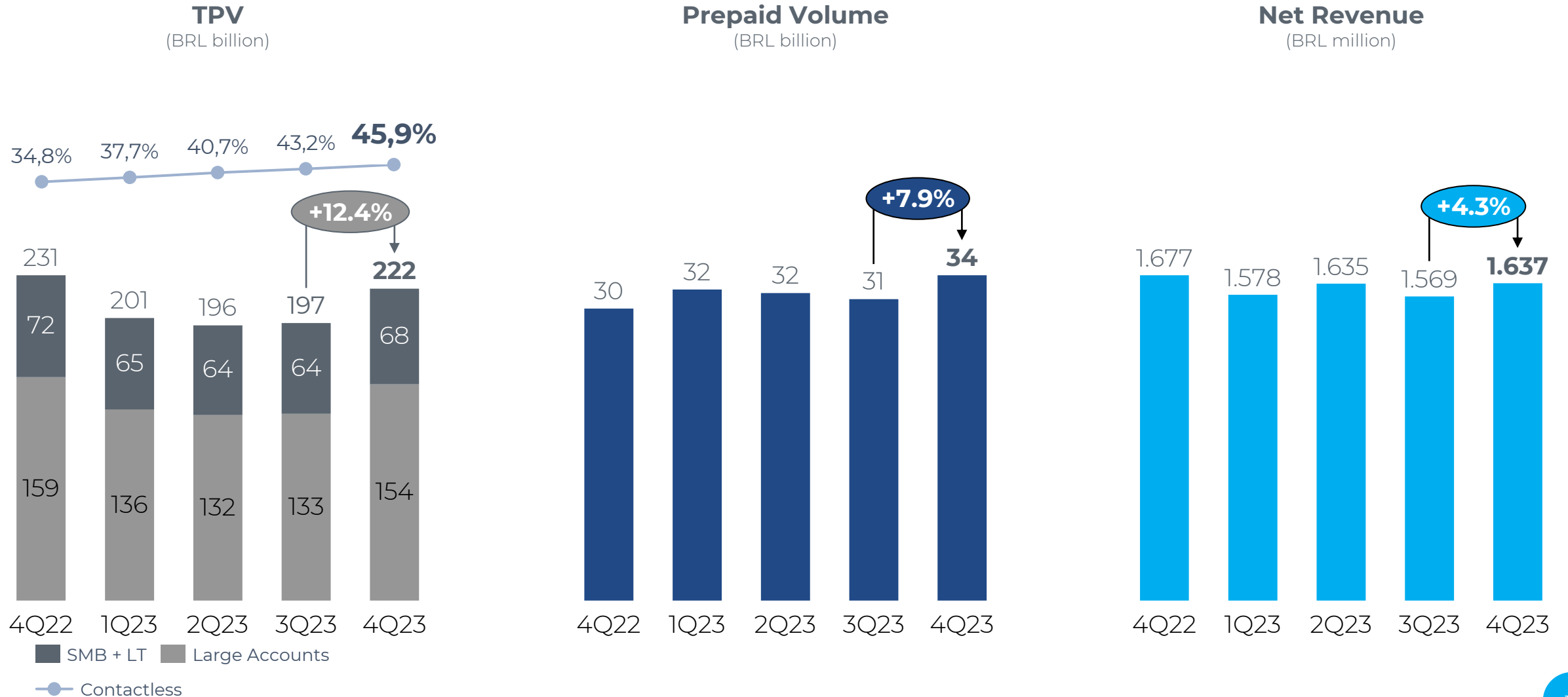
¹ Recurring Consolidated Net Income attributable to Cielo's shareholders. ² Reconciliations available in the attachments to this presentation. ³ Recurrent Net Income attributable to Cielo's shareholders, excluding 70% of the amortization of intangibles in Cateno related to the right to operate the Ourocard Arrangement.

Performance by Business Unit



Cielo Brasil – Operational Performance

TPV shows QoQ growth above historical seasonality

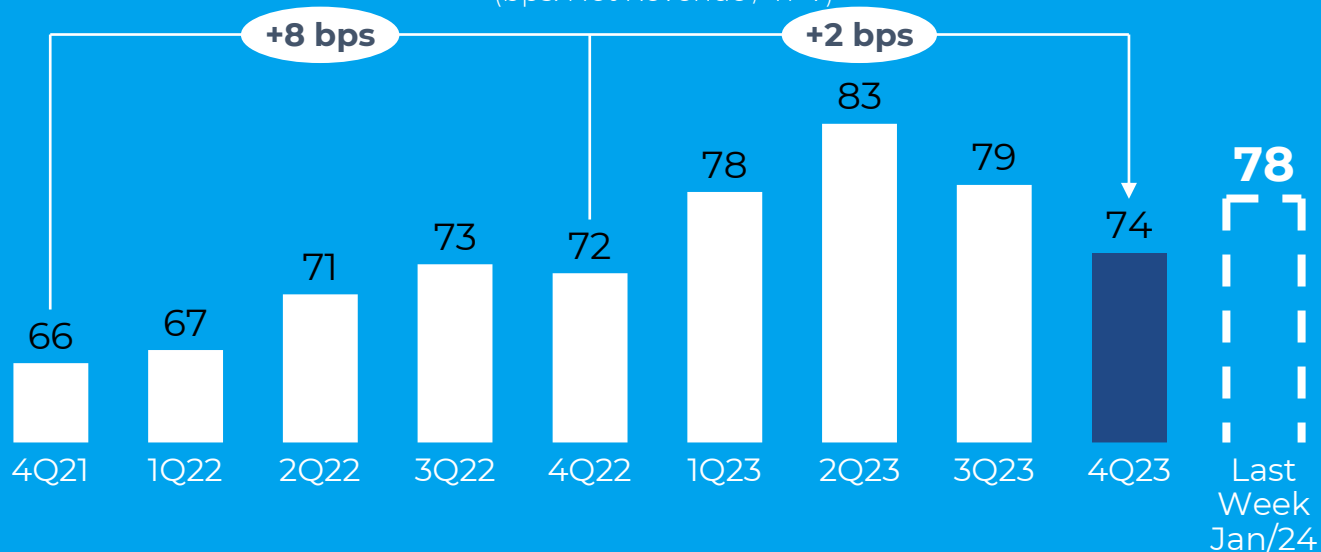


Revenue Yield

7th consecutive quarter of YoY growth

Revenue Yield

(bps: Net Revenue / TPV)



% of large accounts in TPV

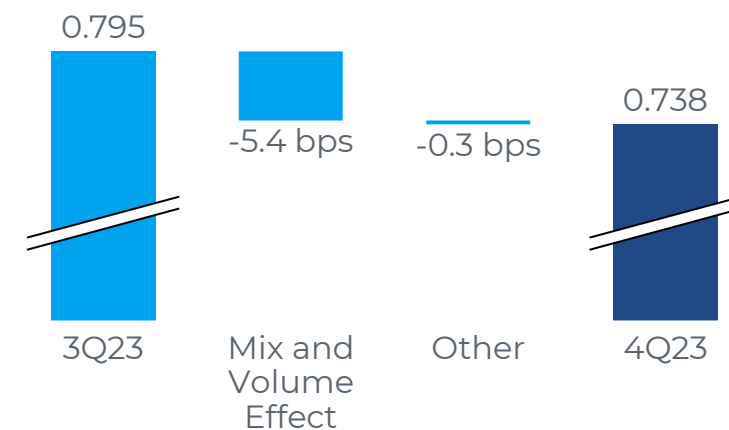
64.3%	66.5%	67.1%	67.9%	68.7%	67.7%	67.5%	67.6%	69.5%
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Recent data points to yield resilience

- Elasticity continues to be favorable
- Market remains rational

Revenue Yield Bridge

(Main effects in bps)



For QoQ variation, the main effects were:

- Historical **seasonality**
- Recovery of the volume of **Large Accounts**
- RR Penetration

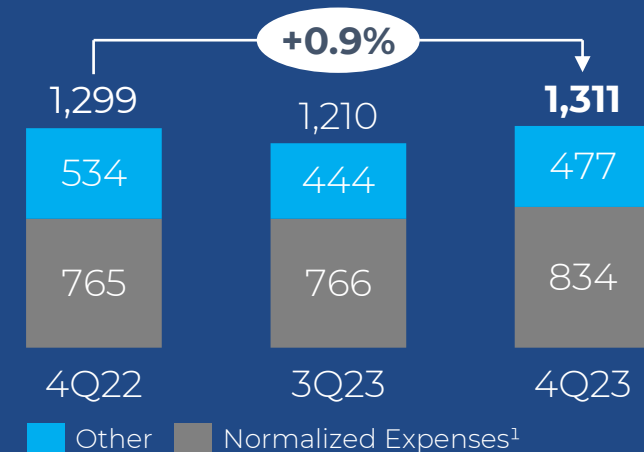
Operational Efficiency

Cielo continues focused on efficiency

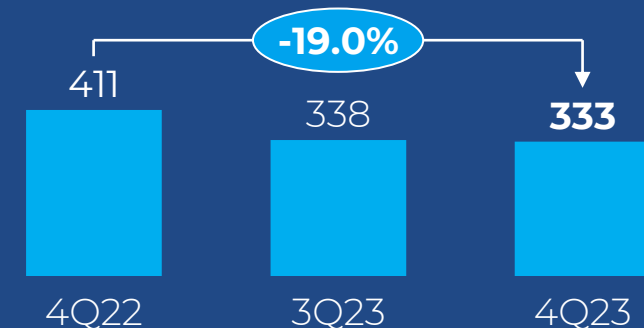
- **Total expenses show a YoY variation of +0.9%**, reflecting volume and efficiency initiatives, mainly in costs
- Normalized expenses reflect investments in commercial expansion and operational improvement. **Excluding these investments, expenses continue to grow below inflation**
- **In terms of costs, the Company has already captured results from initiatives** in logistics and process management through #PraCimaCielo. Normalized costs reduced by 19% YoY



Total Expenses (BRL million)



Normalized Costs¹ (BRL million)



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

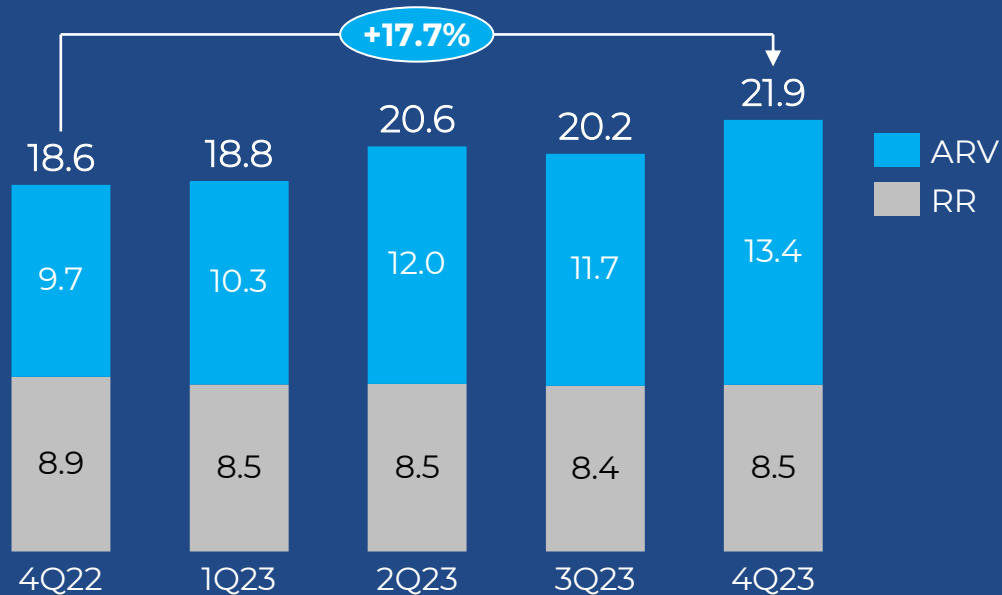
Prepayment and Financing

Solid Growth in the Prepayment Portfolio

Allocated Portfolio

(BRL billion)

- Average ARV rate for 4Q23: **CDI+4.60%**¹
- Allocation in Prepayment Products (ARV+RR²) **sets a record: R\$ 21.9 billion** on December 23

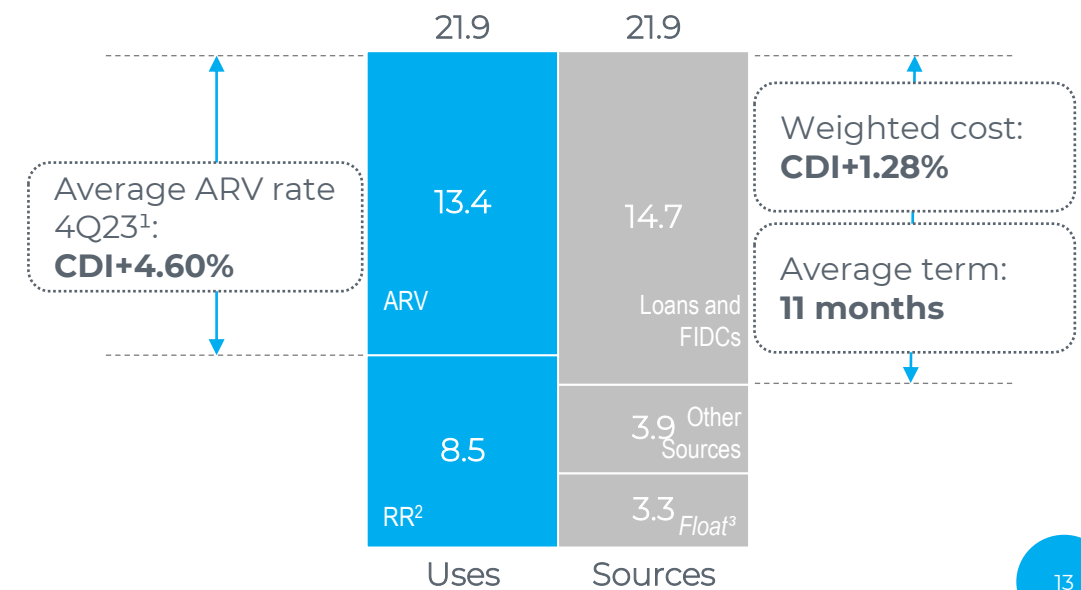


Uses and Funding Sources

(BRL billion on dec/2023)

Greater optimization of Asset and Liability Management

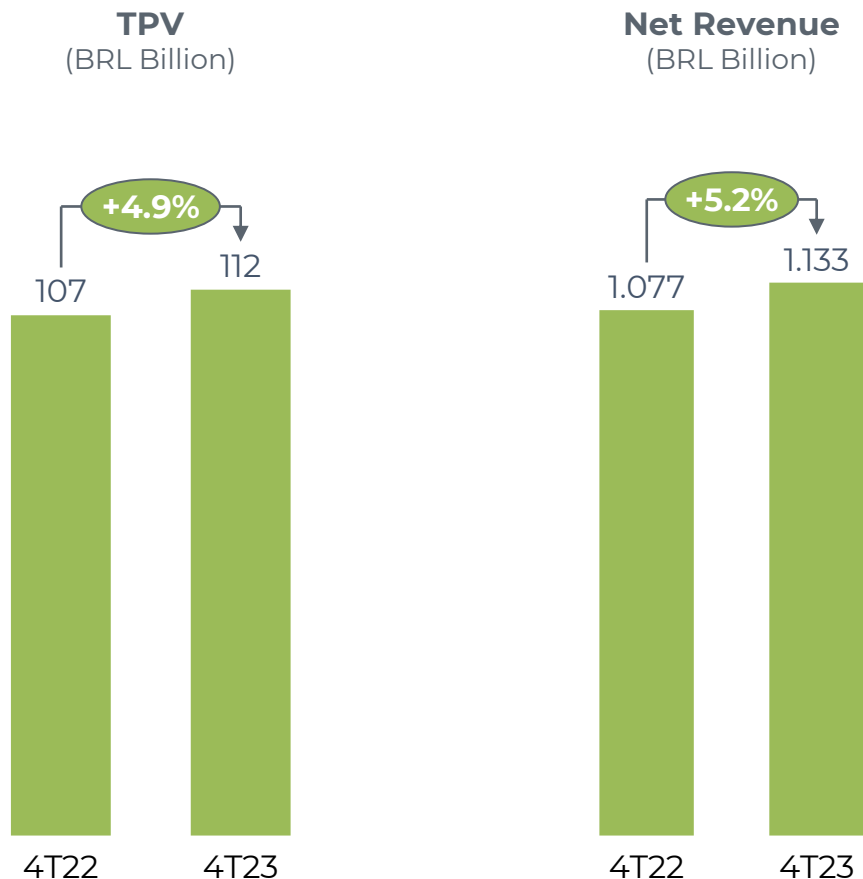
- Settlement of **R\$ 3.5 billion in debentures** in Dec/23
- Issuance of **new debts** with the aim of reducing costs and increasing asset and liability matching
- Reduction of the **Weighted Average Cost of Funding** to **CDI+1.28%** in Dec/23



¹ Weighted average rate of the months in 4Q23, available in CVM, in the monthly reports of the FIDCs. ² RR - two-day payment method. ³ Float generated by the time difference between the settlement of accounts receivable from issuers and the settlement of accounts payable with establishments. The allocation of the float is restricted to anticipation as per law no. 14,031/2020.

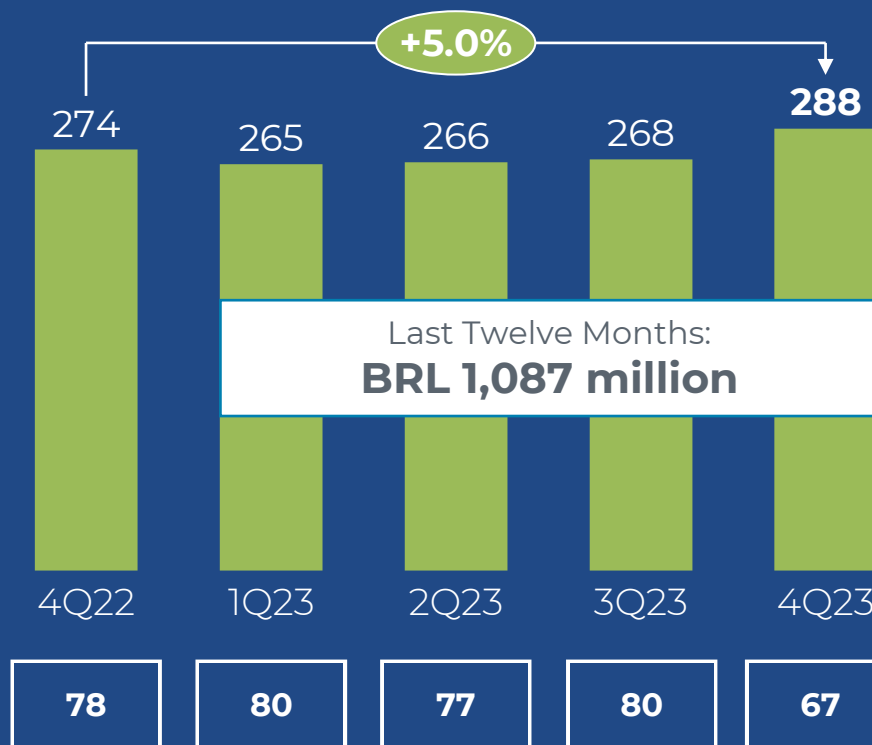
Cateno: Operational Performance

R\$ 1.1 billion in Cash Basis Net Income (70%) in 2023



Cateno Cash Basis Net Income¹ (70%) (BRL million attributed to Cielo)

Excluding non-recurring impacts and amortization of intangible assets related to the Ourocard Arrangement



Cost of debt for the acquisition allocated in Cielo Brasil (BRL million)

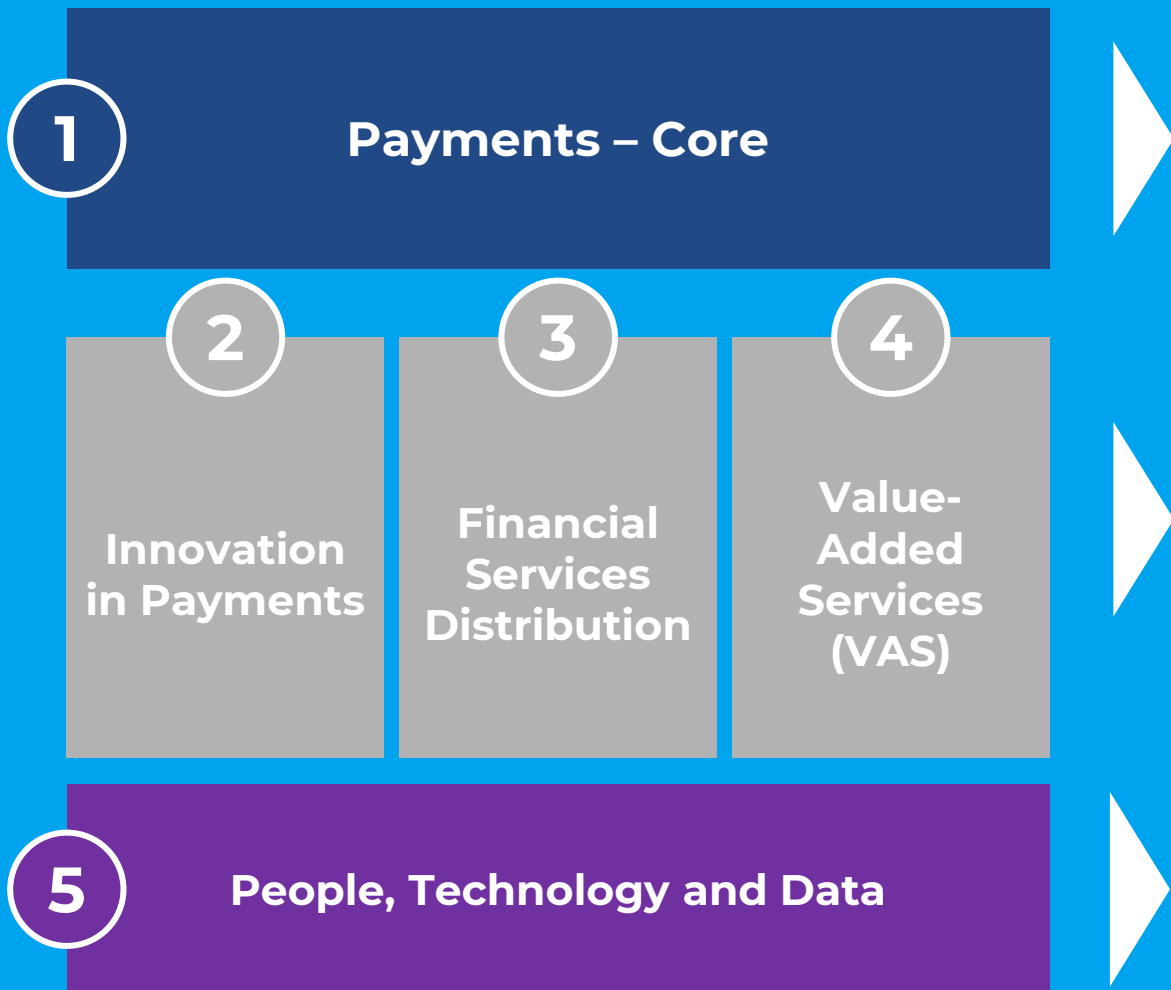
¹ Reconciliations available in the attachments to this presentation

**Consistent strategy,
with focus on the client
and operational
advances**

2023 and 2024 Strategy

A consistent strategy and disciplined execution

Pillars



Main objectives

- A** Improve customer centricity and reach best-in-class service
- B** Sell efficiently and with optimized 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

Excellence in customer service

Highest NPS in Cielo's history

Net Promoter Score (NPS)

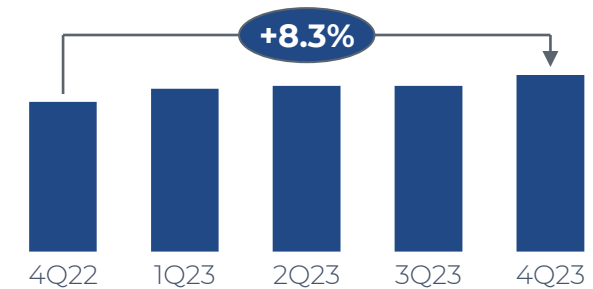
Evolution leveraged by:

- End-to-end process review
- Internalization of **key positions in customer service**
- Intensive use of **data throughout the customer journey**
- Consistency in **logistics performance**
 - **Lowest maintenance index in history**
 - **~35% of battery replacements are predictive**
 - **Satisfaction is 15 points higher in predictive service**

Satisfaction
And NPS

Satisfaction - Customer Service

(balance of promoters and detractors after interaction with CS)



NPS with Strong growth

+20pts since Jul2022

+6pts since Jul2023

Commercial Model- Advances and challenges in SMB

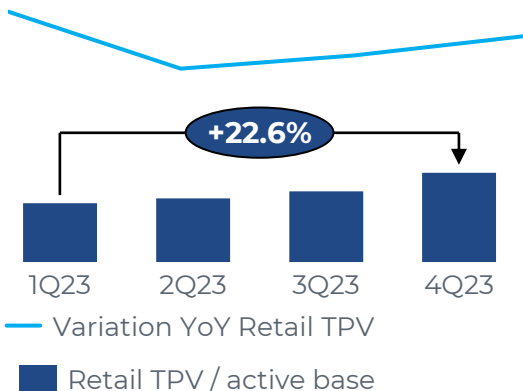
Main advances:

- ✓ **Prioritization of medium to large-sized customers.** Through adjustment of commercial team incentives
- ✓ **Higher selectiveness in customer affiliations** (Aug/23)
- ✓ **Expansion of banking channel teams:** beginning of the second wave. ~330 people being hired
- ✓ **Improvements in human and digital customer service**

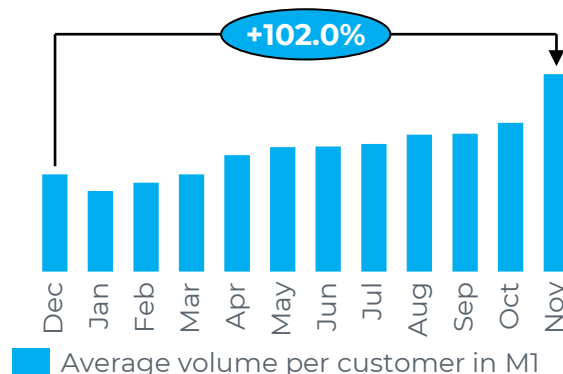
Key Challenges:

- **Revenue yield recovery:** short term
- **Commercial productivity recovery:** short term
- **Better balance between customer sizes:** short term
- **Ramp-up of new business consultants:** medium term
- **Optimization of digital channels:** medium term

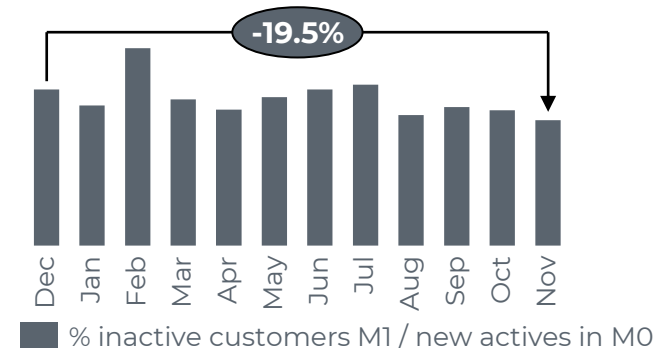
Average size: larger average size in SMB and inflection in the YoY trajectory of TPV



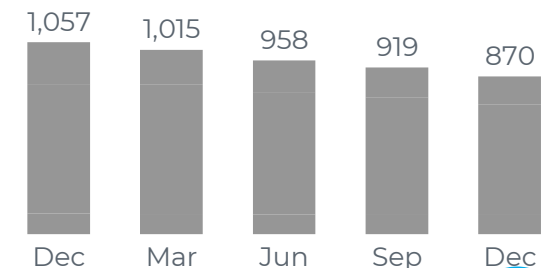
New cohorts: Average volume in the month following activation



Early Churn: Significant improvement after changing customer profile



Active Base: decline in active base (90 days) reflects change in profile and challenges in commercial productivity



Diversity and Awards

Cielo advances in diversity goals and social initiatives

Advancements in diversity

- **Black and indigenous people represent** 36.8% of the Employees, surpassing the 2025 target. Representation of 21.7% in Leadership Positions (target is 22% by 2025).
- **Inclusive Leadership Program:** ~190 leaders trained in 2023. Focus is on developing leadership that promotes Diversity, Equity, and Inclusion (DEI).
- Results achieved thanks to the Company's commitment to the representation of minoritized groups at all levels.

Impulsiona Cielo

- Initiatives with social impact in the field of entrepreneurial education, 28 black women have undergone immersions and technical mentoring on business, processes, and financial education.
- The next stage of the program will be held in 2024, when the business of 10 entrepreneurs will be accelerated by Cielo.



Champion in the "Electronic Payment Methods" category for the 2nd consecutive time in one of the country's most recognized reputation awards.



Most remembered brand of POS for the second consecutive year



Payment sector company with the best corporate governance practices, by Estadão.



Best Company to Work for in the "Financial Institutions" category.



Recognized for the 2nd time by Guiaderodas, a technology company that is a reference in promoting Accessibility



Only acquirer to receive the Pro-Ethics Company Seal. Conducted by the Office of the Comptroller General of the Union (CGU) in partnership with the Ethos Institute

2023 Achievements

Another year of consistent deliveries and surpassing expectations

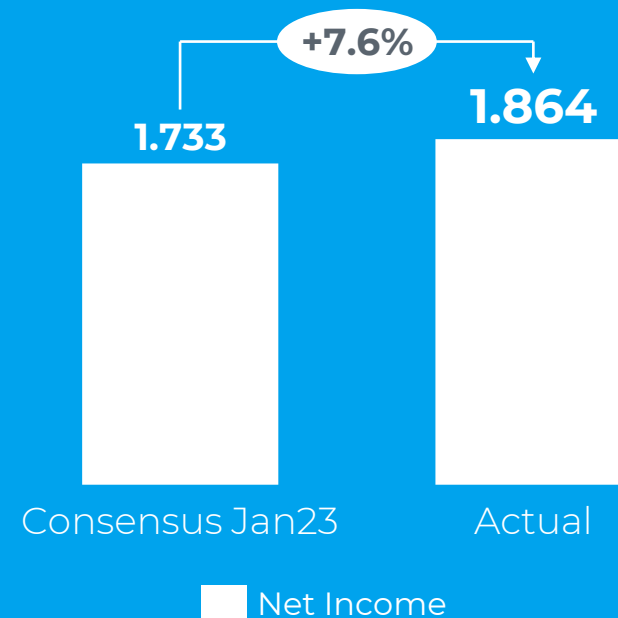
2023 Achievements

- ✓ Recurring Net Income: +26% 23 vs 22
- ✓ Records in Pre-Payments
- ✓ NPS: 20pts growth
- ✓ Launch of Cielo Tap
- ✓ Launch of ARV through Pix
- ✓ Start of WhatsApp's P2M operation
- ✓ Growth in Urban Mobility



Consensus vs Actual

Expectations at the beginning of the year were surpassed by 7.6%



¹ Consensus: consolidation of estimates received by the Company from 11 analysis firms in January 2023

Commitments for 2024

Consistency in executing the strategy

Commitments

- **Maintain focus on profitability**
- **Efficiency and operational enhancement**
- **Accelerate the ramp-up of SMB distribution channels**
- **Reach new levels of Prepayment penetration in SMB**
- **New advances in service quality – UX & UI**
- **New solutions to our Customers**
- **Increased digitization, data usage and agility on the operation**



Attachments



Reconciliation

Recurring Net Income (BRL million)	4Q23	4Q22	Var. %	3Q23	Var. %
Consolidated	480.8	328.0	46.6%	456.7	5.3%
Non-recurring items (Cielo Brasil)	-	30.2		-	
Non-recurring items (Cateno)	-	-		-	
Recurring Net Income	-	131.9		-	
(+) Amortization Cateno (70%)	480.8	490.1	-1.9%	456.7	5.3%
Cash Earnings	67.6	67.6	0.0%	67.6	0.0%
	548.4	557.7	-1.7%	524.3	4.6%

Acquiring Net Income (BRL million)	4Q23	4Q22	Var. %	3Q23	Var. %
Recurring Result Attributable to Cielo	480.8	490.1	-1.9%	456.7	5.3%
<i>Cielo Brasil</i>	260.6	291.8	-10.7%	256.5	1.6%
Cost of acquisition debts	(67.3)	(80.2)	-16.1%	(79.7)	-15.6%
<i>Cateno</i>	(67.3)	(78.4)	-14.1%	(79.7)	-15.6%
<i>MerchantE</i>	-	(1.9)	-100.0%	-	
Acquiring Net Income	327.9	372.1	-11.9%	336.2	-2.5%

Cateno Cash Earnings (BRL million)	4Q23	4Q22	Var. %	3Q23	Var. %
Net Income (100% Cateno)	314.9	295.4	6.6%	286.0	10.1%
(+) Amortization	96.5	96.6	0.0%	96.6	0.0%
Cash Earnings	411.4	392.0	5.0%	382.6	7.6%
Cash Earnings (70%)	288.0	274.4	5.0%	267.8	7.6%

Recurring EBITDA (BRL million)	4Q23	4Q22	Var. %	3Q23	Var. %
EBITDA	999.6	914.7	9.3%	991.3	0.8%
Non-recurring Items	-	177.7		-	
Recurring EBITDA	999.6	1,092.4	-8.5%	991.3	0.8%

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" is a solid blue circle. The rest of the letters are white.

cielo

Investor
Relations

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