



cielo

Earnings
Release



2 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



2Q23 Recurring Net Income: R\$486 MM. +27% YoY
Largest Net Income for a second quarter since 2018



Net Revenue totals R\$2.6 BI. +4% YoY
+4% YoY in Cielo Brasil (volume: -11%) and +4% YoY in Cateno (volume: +2%)



Greater efficiency in revenue capture: *yield* totals **0.83% in 2Q23**, largest since 1Q19. +13bps YoY



Prepaid volume of R\$32 BI. +9% YoY
Acquisition of Receivables **Revenue (ARV) grew YoY for the 8th consecutive quarter: 64% YoY**



Cateno registers the second largest cash earnings¹ in its history: R\$266 MM
Recurring net Income (70%) of R\$199 MM. +16% YoY



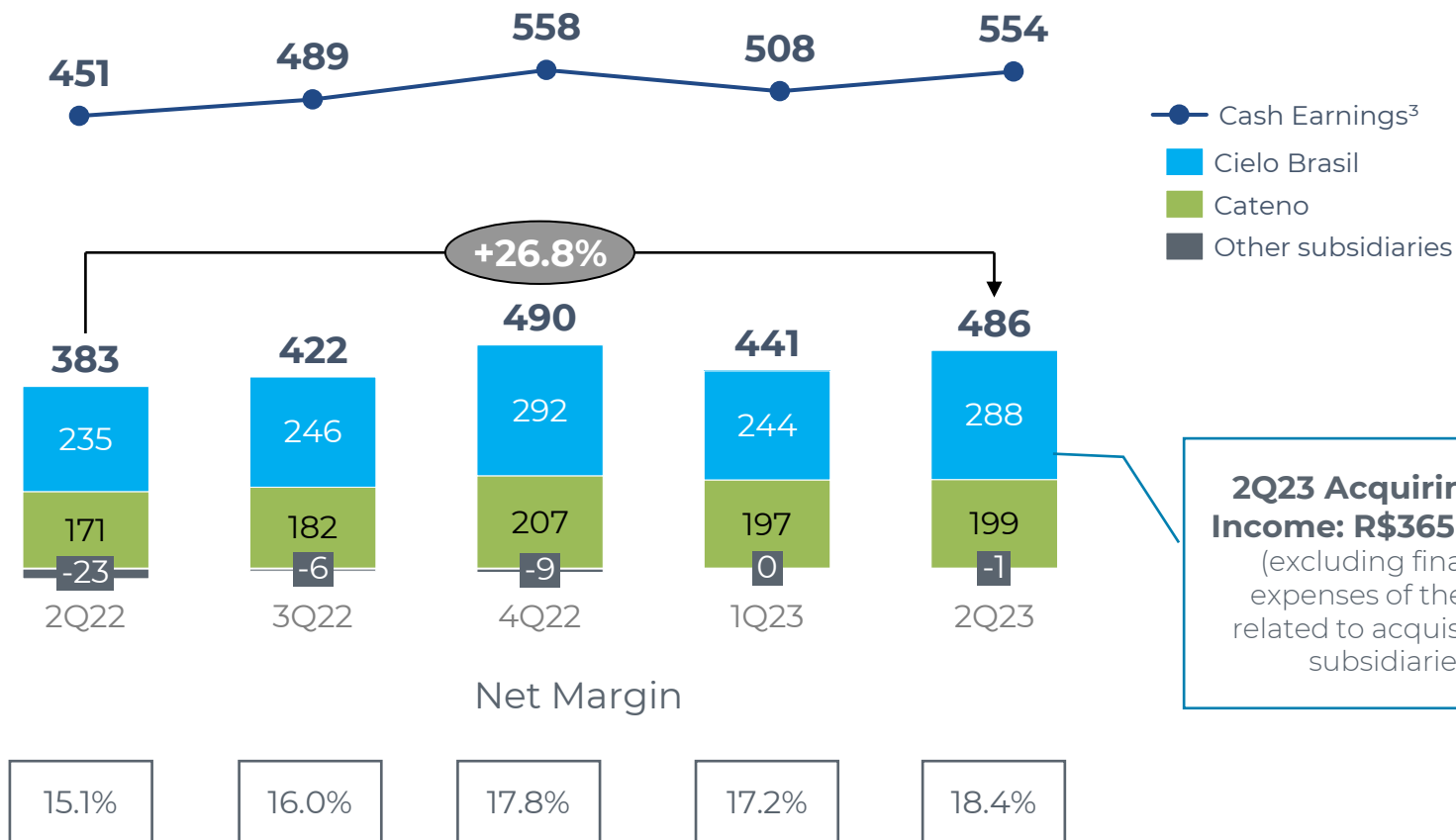
#PraCimaCielo: wide transformation program
Company seeks to expedite its transformation to reach new levels of efficiency

¹ 70% Cateno Recurring Net Income excluding the amortization of intangible related to the right of exploration of the Ourocard Arrangement.

Recurring Results

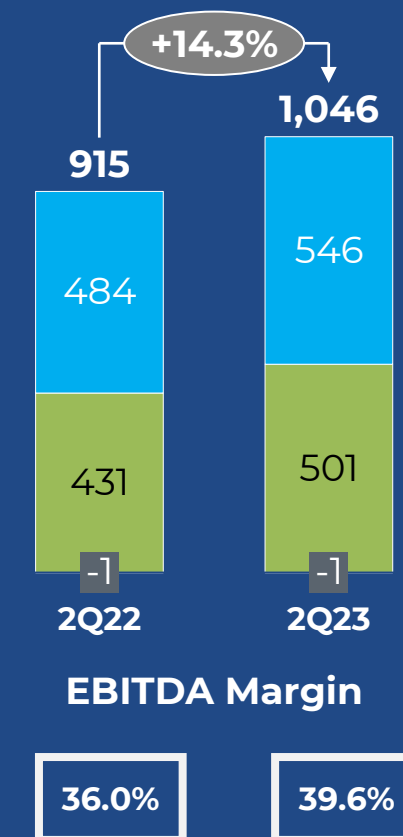
8th consecutive quarter of YoY growth

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



2Q23 Acquiring Net Income: R\$365 million
(excluding financial expenses of the debt related to acquisition of subsidiaries)

Recurring EBITDA²
(R\$ million)



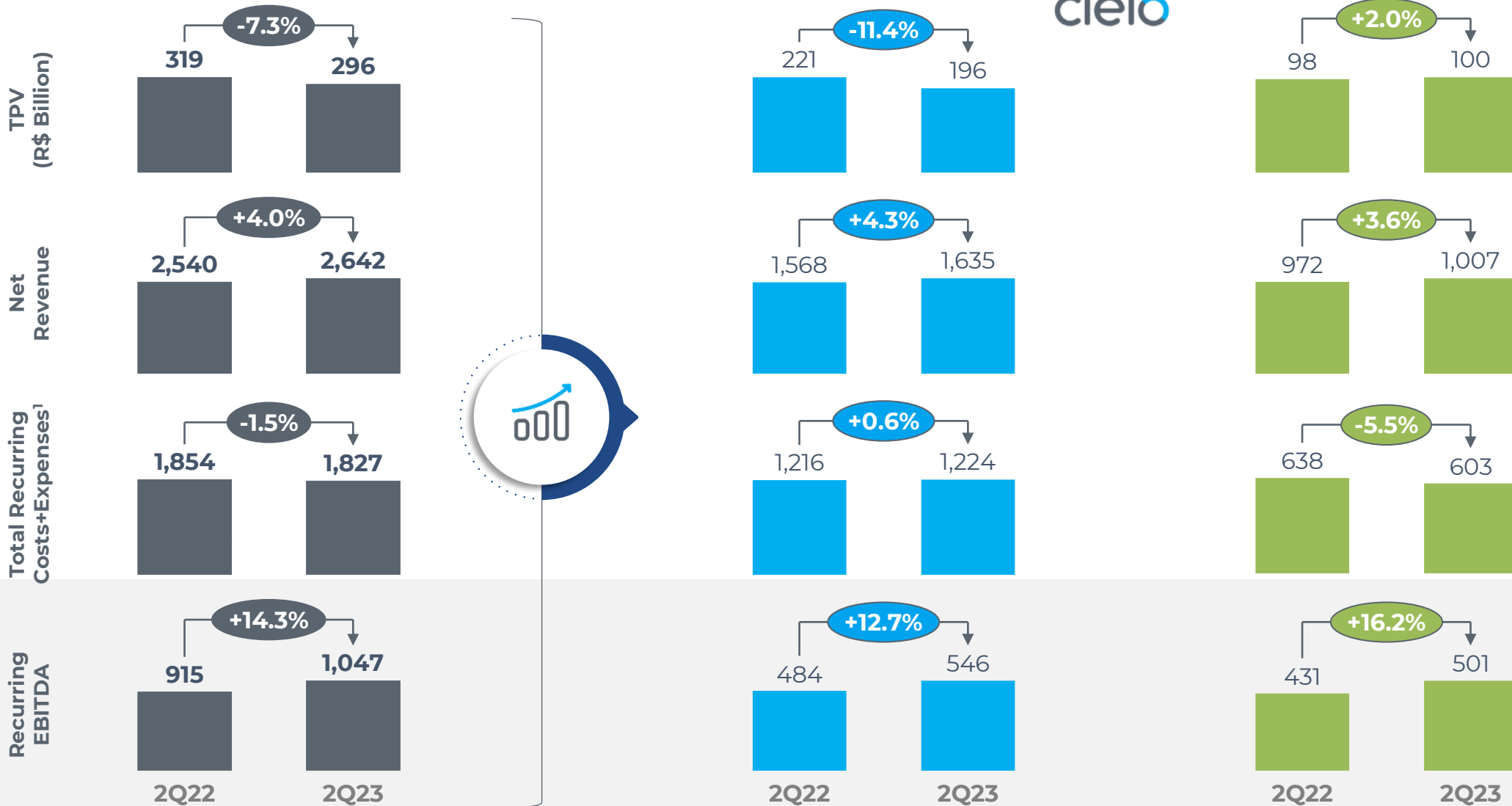
¹ Consolidated recurring Net Income attributable to Cielo shareholders. ² Reconciliations available in the attachments to this presentation. ³ Recurring Net Income attributable to Cielo shareholders, excluding 70% of amortization of intangible related to the right of exploration of the Ourocard Arrangement

Performance by Business Unit



Operational Performance - Cielo Brasil + Cateno

Profitability improvement in both business units



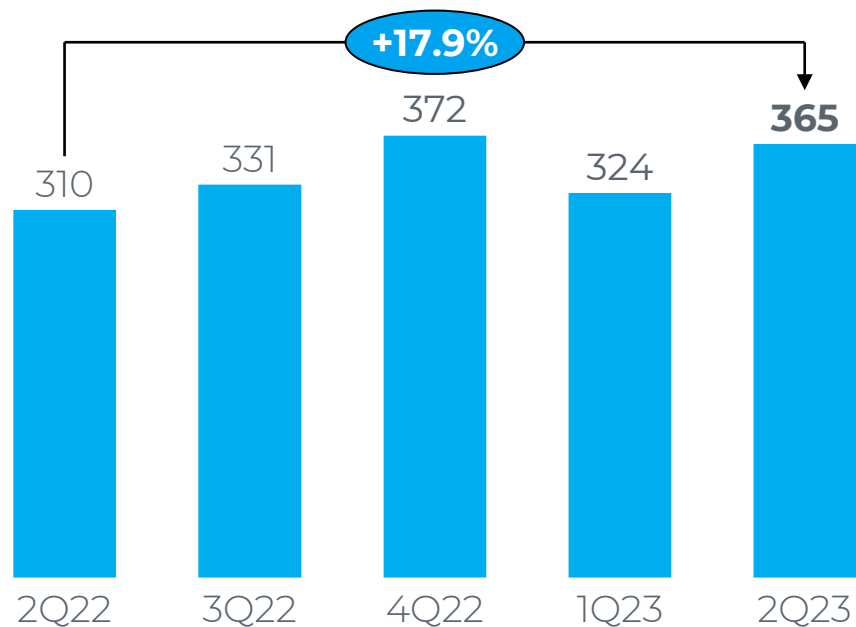
¹ Excluding the non-recurring effects of each period. Reconciliations available in the attachments to this presentation.

Business Units Results

Improvements in Acquiring and robust cash generation in Cateno

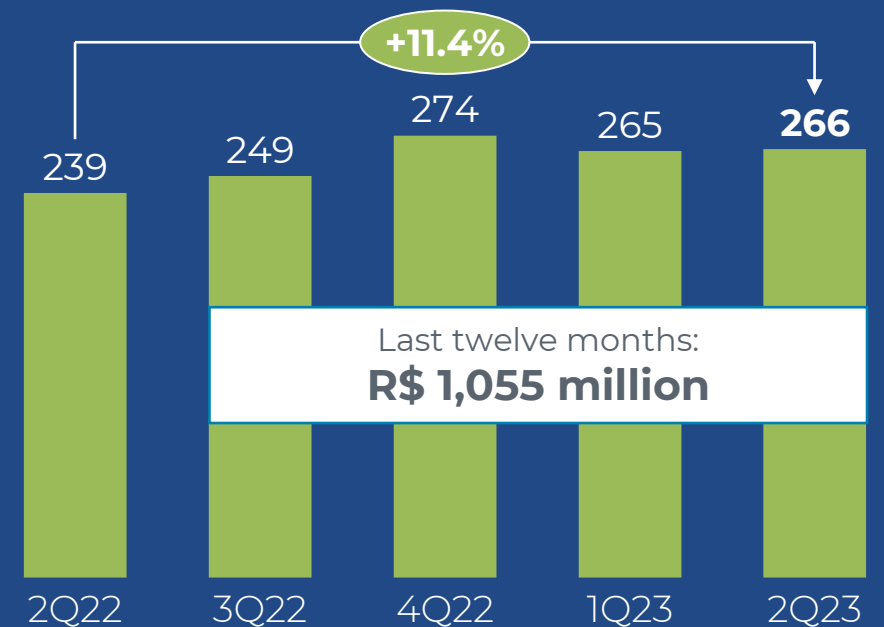
Acquiring Net Income¹ (R\$ million)

Excluding the cost of debts from the acquisition of subsidiaries



Cateno Cash Earnings¹ (70%) (R\$ million attributable to Cielo)

Excluding non-recurring items and amortization of intangible related to the right of exploration of the Ourocard Arrangement



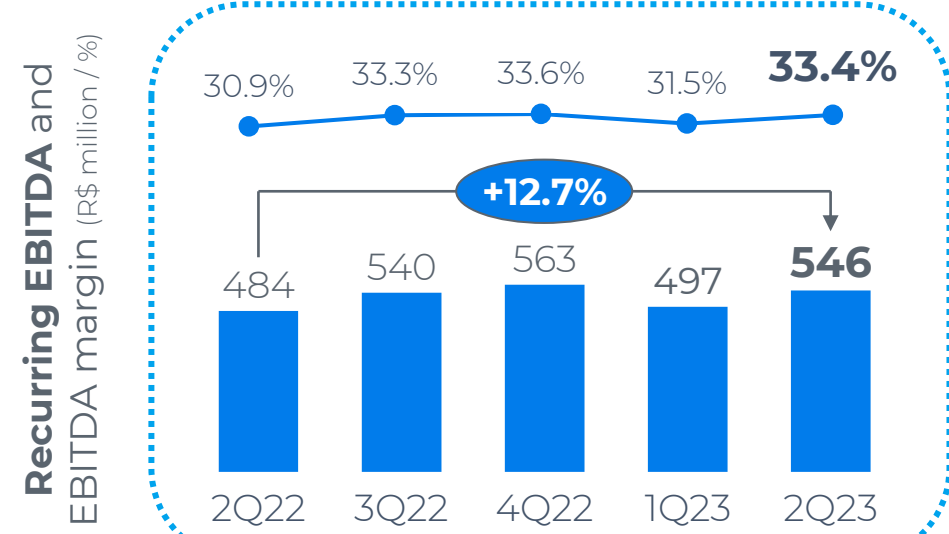
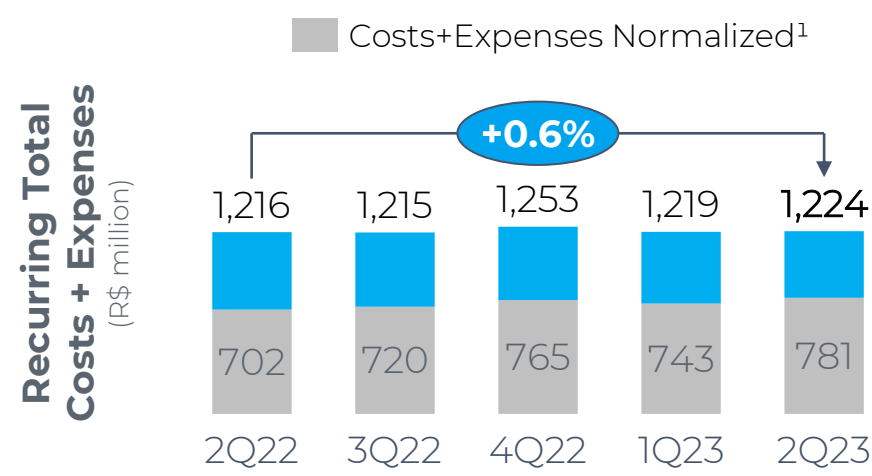
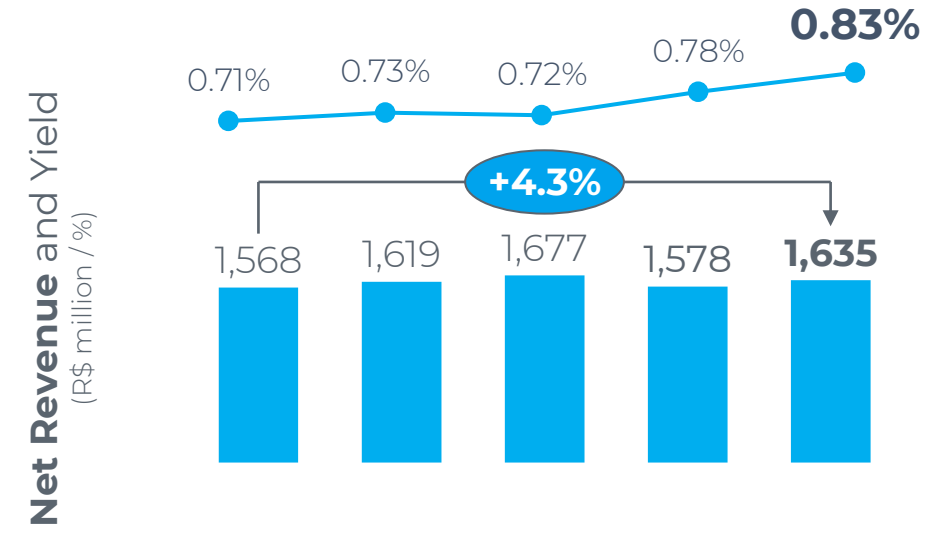
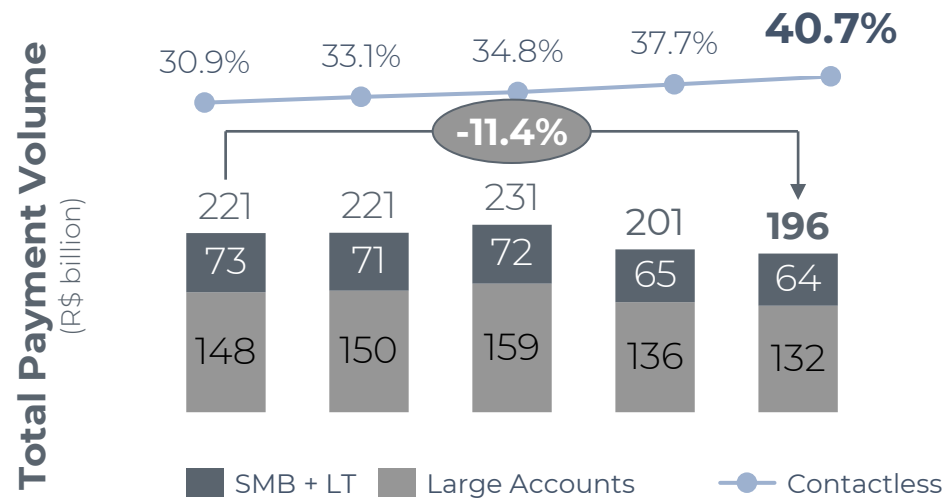
Acquisition debt cost allocated to Cielo Brasil (R\$ million)



¹ Reconciliations available in the attachments to this presentation.

Cielo Brasil: Operational Performance

Leveraging growth in yield and EBITDA

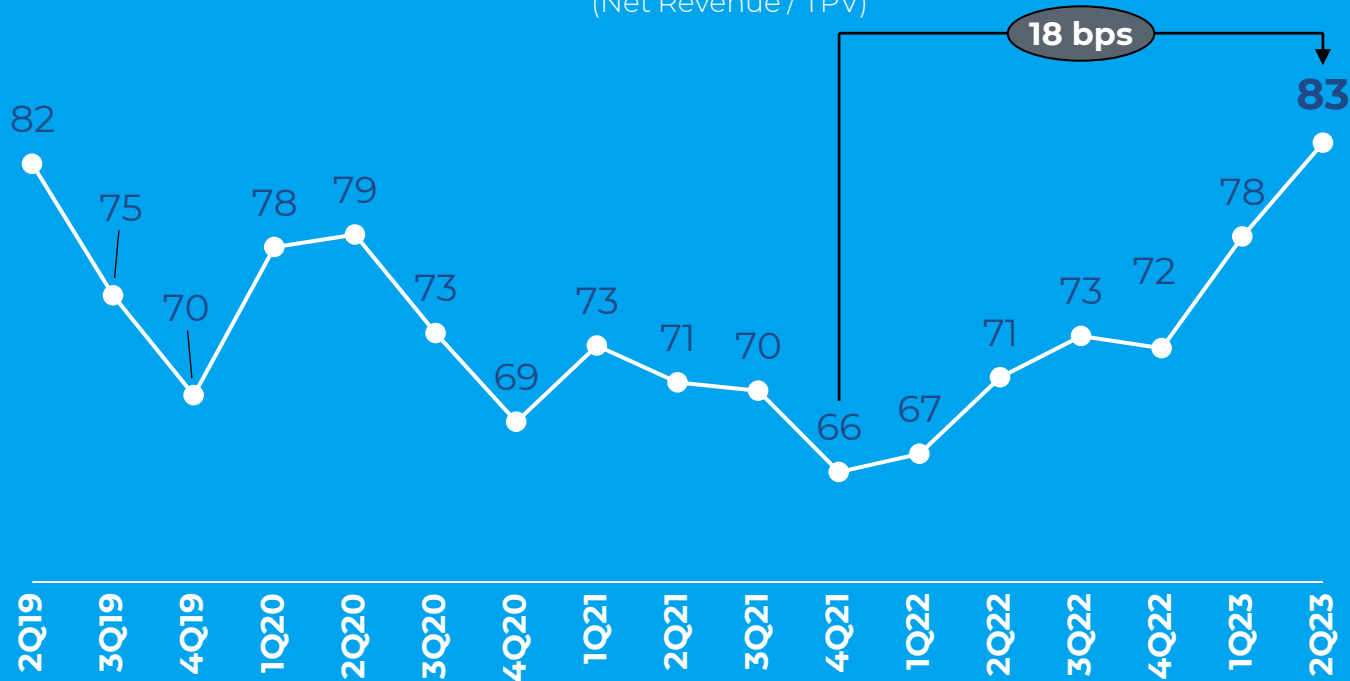


¹ Normalized expenses correspond to the total costs + expenses of Cielo Brasil deducted from the brand fees, subsidies, services provided by banks, PIS and COFINS credits, D&A and the non-recurring items.

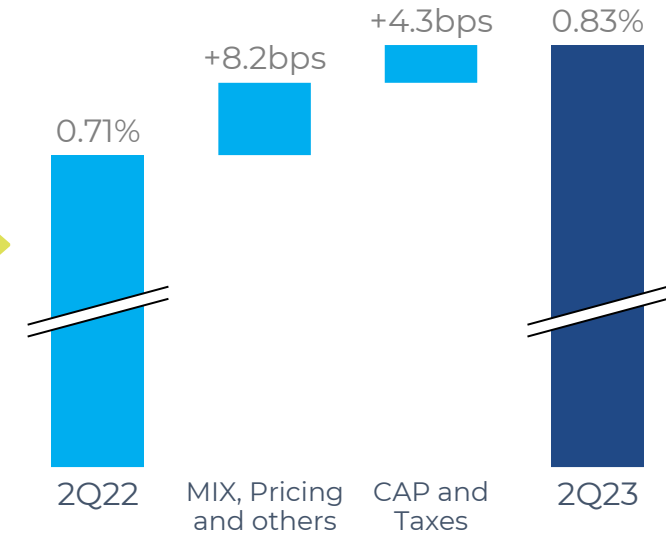
Revenue Yield

5th consecutive quarter of YoY growth

Revenue Yield
(Net Revenue / TPV)



Revenue Yield Bridge
(Main effects in pp)



Yield recovers 18bps since 4Q21

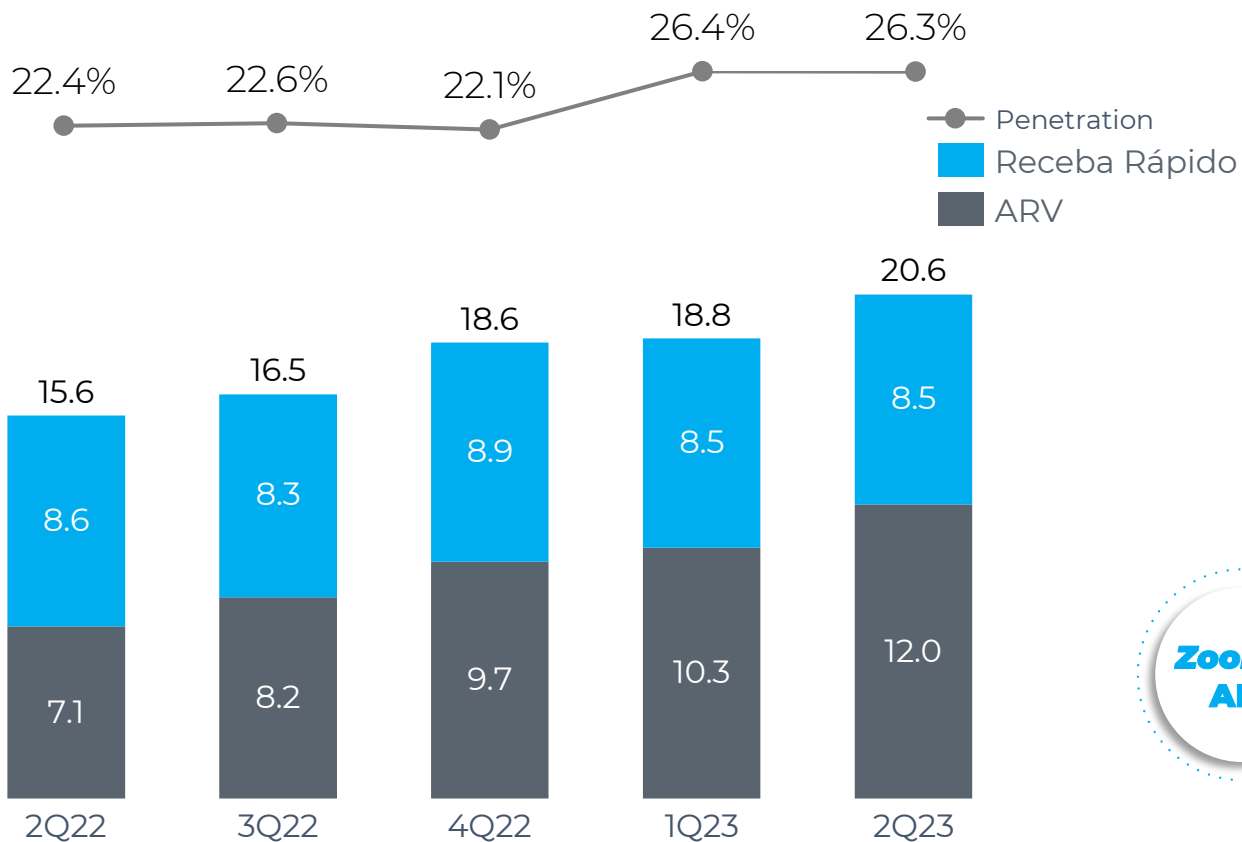
- **Mix and pricing are the main effects** YoY, reaffirming the Company efforts in profitability
- In the QoQ variation, the main effects were the changes in the interchange and the price actions implemented in March

Pre-Payment (ARV & RR)

2Q23: record of allocation in Pre-payment Products

Capital Allocation in Pre-payment Products

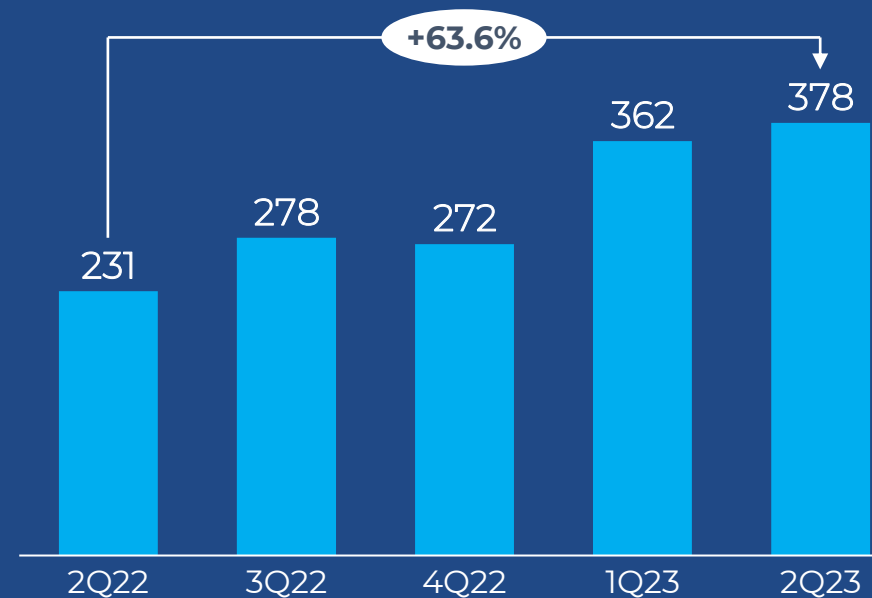
(R\$ billion)



ARV Revenue

(R\$ million)

- 8th quarter with YoY growth
- Revenue boosted by larger allocated capital in the quarter



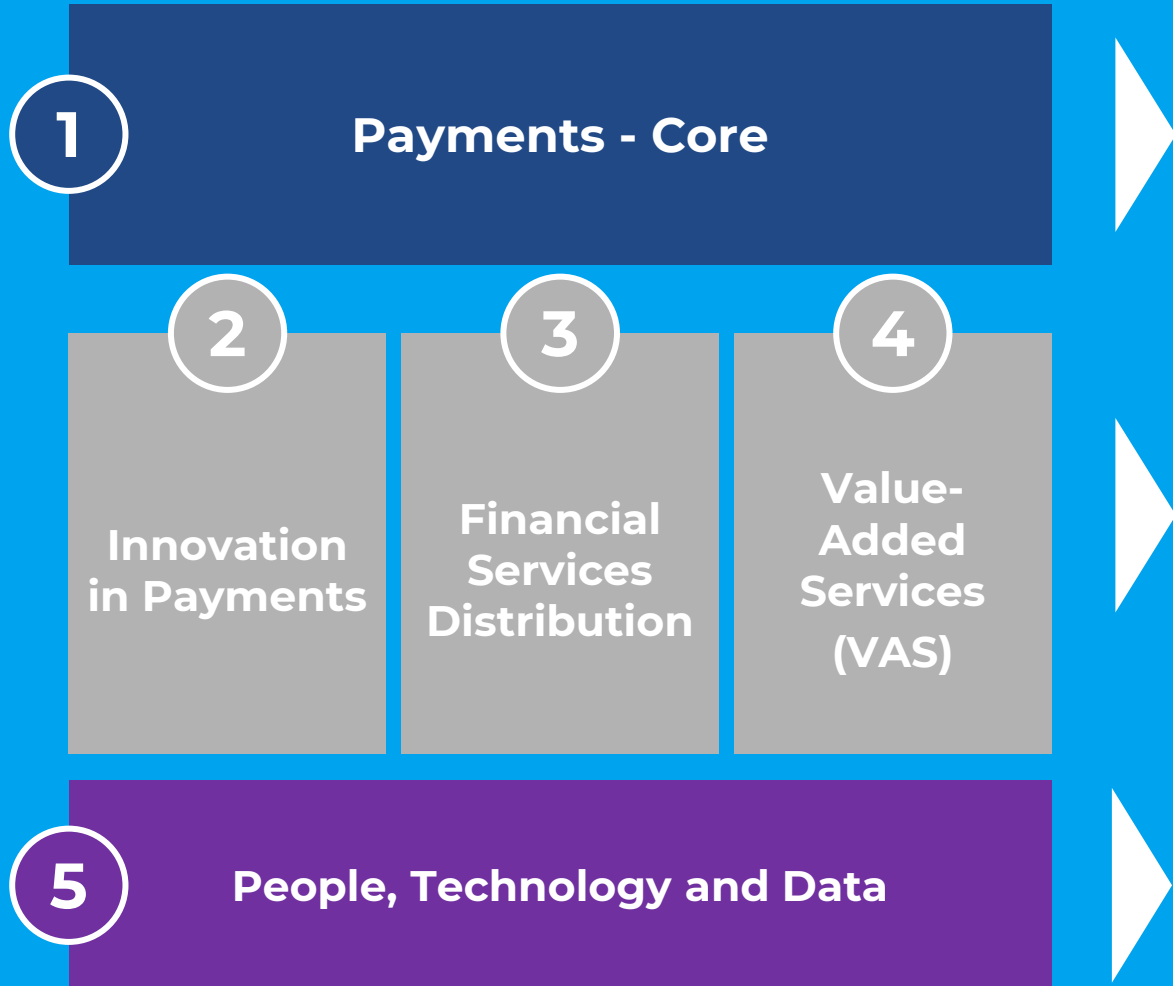
Zoom-in
ARV

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

2023 Strategy

Consistent strategy. Focus on the Client.

Pillars



Main objectives

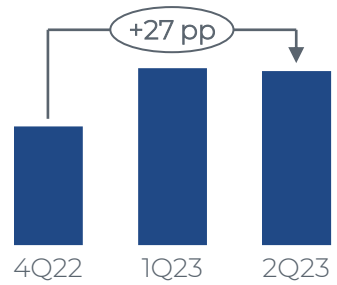
- A**  Improve customer centricity and reach best-in-class service
- B**  Sell efficiently and with more profitability
- C**  Achieve the next frontier of efficiency
- D**  Evolve the core product offering
- E**  Innovate and explore adjacencies in financial services and VAS
- F**  Consolidate as a reference tech company

Customer centricity

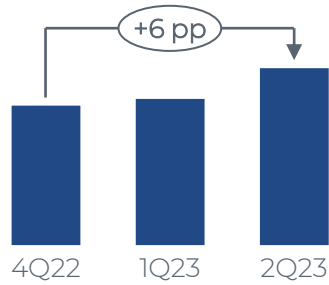
Service quality Indicators

Human Service and IVR¹ Indicators

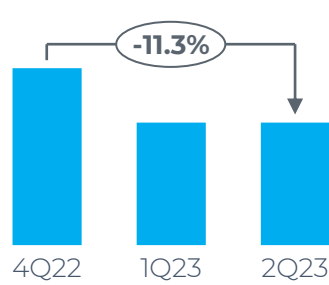
% Customers calls answered within 10s (voice)



% First Call Resolution

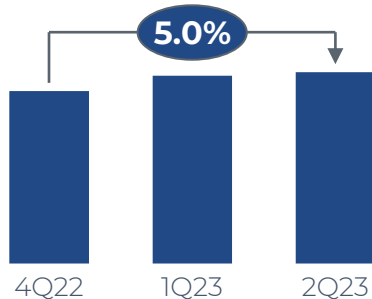


Average IVR Navigation Time



■ Human ■ IVR

Human Service Satisfaction (balance of promoters and detractors)



Customer Experience is key

Improvement plan comprises initiatives in different fronts, such as:

- **Client Service** (IVR, Human and Digital)
- **Logistics:** 90% of installations done in up to 2 business day
- **Intensive use of data** for proactive actions, such as battery changes
- End-to-end review of the digital channels process

¹ IVR: Interactive Voice Response (self-service)

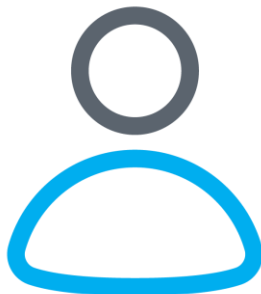
Excellence in customer service

Reinforcement in sales force



More than 2.5k

specialists all over Brazil
taking care of businesses



Hiring

up to 1.000

people in Banks
Channel



Aiming continuous **generation of sustainable value**, we are engaged in a broad transformation program



Putting the customer at the center and delivering a distinctive NPS experience

1. NPS and customer management



Ensure excellence in products and innovate in the core and beyond-the-core

2. Excellence in product lifecycle management

3. Innovation in the core and beyond the core



Expedite a new omnichannel commercial model

4. Excellence in distribution channels for growth in SMB and Large Accounts

5. Optimization of digital channels

6. Analytics-to-value in pricing and other fronts



Operate as a reference tech company

7. Best in class agility

8. IT Excellence and Modernization



Achieve the next frontier of sophistication and operational efficiency

9. Operational sophistication to increase efficiency

10. Transformation office

Ensure the execution of the plan and the cultural transformation necessary for its execution

Attachments



Reconciliation

Recurring Net Income (R\$ million)	2Q23	2Q22	Var. %	1Q23	Var. %
Consolidated	708.5	635.3	11.5%	440.8	60.7%
Non-recurring items - Cielo Brasil	(149.2)	30.4		-	
Non-recurring items – Cateno	(73.4)	-		-	
Non-recurring items – Other Subsidiaries	-	(282.3)		-	
Recurring Net Income	486.0	383.4	26.8%	440.8	10.2%
(+) Amortization Cateno (70%)	67.6	67.6	0.0%	67.6	0.0%
Cash Earnings	553.6	451.0	22.7%	508.4	8.9%

Acquiring Net Income (R\$ million)	2Q23	2Q22	Var. %	1Q23	Var. %
Recurring Result Attributable to Cielo	486.0	383.4	26.8%	440.8	10.2%
<i>Cielo Brasil</i>	287.8	235.0	22.5%	243.5	18.2%
Cost of acquisition debts	(77.1)	(74.7)	3.3%	(80.3)	-4.0%
<i>Cateno</i>	(77.1)	(71.0)	8.6%	(80.3)	-4.0%
<i>MerchantE</i>	-	(3.7)	-100.0%	-	
Acquiring Net Income	365.0	309.7	17.9%	323.8	12.7%

Cateno Cash Earnings (R\$ million)	2Q23	2Q22	Var. %	1Q23	Var. %
Net Income (100% Cateno)	283.6	244.7	15.9%	281.9	0.6%
(+) Amortization	96.6	96.6	0.0%	96.6	0.0%
Cash Earnings	380.2	341.3	11.4%	378.5	0.4%
Cash Earnings (70%)	266.1	238.9	11.4%	264.9	0.4%

Recurring EBITDA (R\$ million)	2Q23	2Q22	Var. %	1Q23	Var. %
EBITDA	1,430.6	1,183.2	20.9%	994.4	43.9%
Non-recurring Items	(384.8)	(268.4)		-	
Recurring EBITDA	1,045.8	914.8	14.3%	994.4	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" is a solid blue circle. The rest of the letters are white.

cielo

Investor
Relations

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