



Earnings Release

4Q 2021

cielo

Summary

PRESENTATION3

1. 4Q21 HIGHLIGHTS.....4

2. MESSAGE FROM MANAGEMENT.....5

3. CIELO CONSOLIDATED7

4. CIELO BRASIL.....11

5. CATENO19

7. EXHIBITS.....25

Conference Calls 4Q21

Date: Thursday, **February 3, 2022**

In Portuguese

(Simultaneous translation into English)

Time: **11:30 am** (Brasilia)

Phone: +55 11 3181-8565

55 11 4090-1621.

Password: CIELO

In English

Time: **10:30 am** (ET)

Phone: +1 844-204-8942

55 11 4090-1621.

Password: CIELO

Ticker CIEL3

R\$2.28

Market value

R\$6.2 billion

Earnings per share

R\$0.12

P/E

6.4x

Information as of December 30, 2021

Contacts

Email: ri@cielo.com.br

Phone: +55 (11) 2596-8453

Website: ri.cielo.com.br

PRESENTATION

This report presents the economic and financial situation of Cielo S.A. (B3: CIEL3 and OTC NASDAQ International: 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. This report is published quarterly and presents the Company's results up to the fourth quarter of 2021. This document is not audited.

The financial statements are presented in thousands of Reais (R\$ thousand), as per the Accounting plan of the National Financial System Institutions (COSIF) and accounting practices adopted in Brazil. The tables and charts includes figures in R\$ million, except where otherwise indicated. Occasionally, accounting data may be supplemented by operational and/or managerial information.

We highlight below the different views presented in this report:

- Cielo Consolidated – Presents the consolidated results of all companies under Cielo's economic group, as well as the FIDCs structured by Cielo. Only the equity interests in the companies Orizon (Cielo sold all its shares in January 2021) and Paggo (non operational) are recognized under the equity method.
- Cielo Brazil – Managerial view that consolidates the results of Cielo, Stelo, Aliança, Servinet and FIDCs structured by the Company. The equity method is used to recognize the results of Orizon and Paggo. In this report, the term "Company" is always used in reference to Cielo Brazil.
- Cateno – Managerial view that presents individual results for Cateno.
- Other subsidiaries – Managerial view that consolidates the results of Cielo's other subsidiaries, except for those in the Cielo Brasil and Cateno views.

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

This report is available online, at Cielo's Investor Relations website, where there is also more information about the Company, its structure, business, and other information considered relevant to investors. The website can be accessed at ri.cielo.com.br. Reading this report does not replace reading the financial statements and other documents filed with regulators.

This report may include forward-looking statements that are subject to risks and uncertainties. Such statements are based on our Management's beliefs and assumptions and on the Company's best knowledge and 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 Company's Board of Directors and Officers.

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 materially from those expressed in or suggested by the forward-looking statements. Many of the factors determining these results and values are beyond Cielo's ability to control and 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 they were not necessarily carried out with the same criteria to prepare the financial statements.

The variations rates in the tables and charts are calculated before rounding the numbers.

1. 4Q21 HIGHLIGHTS

PROFIT GROWS 98% THIS YEAR AND REACHES R\$970 MILLION IN 2021.

Net income reached R\$ 337 million in the quarter, 13% higher than in 4Q20. Total volume captured by Cielo Brasil accelerates growth, reaching an all-time high at R\$208 billion in the quarter

- ✓ **RESULTS MAINTAIN RECOVERY TREND** – Net income grew 59.0% QoQ and 13.0% YoY. This is the fifth consecutive quarter in which the company recorded YoY growth.
- ✓ **RECOVERY SUSTAINED BY OPERATING PROFIT IMPROVEMENTS** – Results were driven by growth in captured volume, expansion of pre-payment products and better performance of subsidiaries, especially **Cateno**. Profits increased despite a challenging scenario for financial results, impacted by hikes in the benchmark interest rate (SELIC).
- ✓ **EXPANSION OF PREPAID RECEIVABLES BUSINESS** – The so-called pre-payment products, solutions that allow Cielo’s customers to get advances on their receivables, arising from credit card transactions (with and without installments), showed a new leap in penetration in the SMB and Long-tail segments, reaching 44.8% in 4Q21, up from 40.8% in 3Q21. Such solutions include the acquisition of receivables, carried out through FIDC and the “Receba Rápido” modality, in which the entire receivable flow is paid to the merchant within 2 days, even for credit card transactions. **“Receba Rápido” was the highlight of the period, reaching 40.9% penetration in the last quarter of 2021, compared to 28.5% in 4Q20.**
- ✓ **CIELO BRASIL’S NET REVENUES UP 9% OVER THE 3Q21** – Performance reflects volume growth and greater penetration of the “Receba Rápido” product.
- ✓ **STRONG SPENDING DISCIPLINE** – Lowest expense ratio¹ in Cielo Brasil’s historical series² (0.55%), with normalized costs + expenses³ up only 0.6% over 4Q20. The company continues to reinforce its spending control discipline, while intensifying investments in business transformation.
- ✓ **CATENO’S RESULTS UP 24.1% FROM 3Q21** – Results driven by operational income, with an 11.3% increase in net revenue compared to 3Q21, and keeping expenses under control.

¹ Expense Ratio is the ratio between the Company’s total costs and expenses and captured volume.

² Considering COSIF historical series which comprehends the periods from 1Q18 to 4Q21

³ Normalized expenses correspond to the cost and expenses of Cielo Brasil less brand fees, subsidies, services provided by banks, PIS/COFINS credits, D&A, non-recurring items and commercial expansion

2. MESSAGE FROM MANAGEMENT

In 2021, the company has advanced significantly in its transformation process, showing solid recovery in profitability and improvements in various aspects of the operation.

It was a challenging period. We started the year with a new wave of COVID cases, resulting in new quarantine and social distancing measures across the country. It was also a period of many transformations, whether because of the pace of innovation that has characterized the payments industry in Brazil, or because of the regulatory agenda. They brought significant changes, for example, the implementation of the new receivables registration system.

In this context, Cielo has advanced in the implementation of its strategy. The Company has been seeking to expand its operations in the value chain, by offering higher value-added services to its customer base, and to advance in innovations that keep Cielo at the forefront in a context of increasing digitalization of payment methods. At the same time, we understand that growth and transformation of the business needs to be built on a solid foundation, based on excellent acquiring services and operations, which is the company's core business and the reason for its relationship with 1.2 million merchants throughout the country.

In the past year, we made significant operational advances in sales, logistics and service. We revisited the sales model, expanded, equipped with technology and trained our sales team to improve customer attraction and retention, prioritizing a more personal relationship model, bringing us closer to retail customers. The new model has been gaining traction, which allows us to see improvements in indicators such as the activation rate and the volume generated by new customers in the month following activation, the result of improvements in our onboarding process.

In logistics, we brought a new service model called Heroes to 153 cities. Exclusive, uniformed professionals who make visits to customers to install equipment and help solve problems quickly. Heroes embodies Cielo's commitment to noticeably improving the customer experience. It was implemented in conjunction with other important improvements in the logistics system: equipment being delivered at the act of the sale, through the decentralization of POS inventory; we increased the percentage of installations carried out within 2 business days; and improved our capacity to recover POS terminals.

In customer service, we prioritize digital solutions, which provide a better experience and have better satisfaction rates. We reduced the contact rate – the percentage of the customer base that calls the call center – and increased the penetration of our digital channels.

These were important deliveries within a larger goal: to position Cielo among the best in the industry in terms of customer service by the end of 2022. The fronts involve new deliveries in logistics; reformulation of the call center and experience in digital channels; pricing and billing journey; and systems modernization, with an ambitious plan to accelerate migration to the Cloud.

The business transformation and the evolution of the Company's culture have been translating into better financial performance. We reached R\$970 million of net income in 2021, up 98% from the previous year, with improved results in all business lines: Cielo Brasil, Cateno and Other subsidiaries. It is also important to highlight that over the last five consecutive quarters the Company has recorded YoY growth in net income.

Acquiring results (Cielo Brasil) have been driven by a recovery in captured volume, which grew 11% over 2020; solid expenses discipline; and the expansion of pre-payment products, solutions that help our customers better manage their cash flow by allowing them to receive their credit card sales within two business days. One of the highlights of these solutions is our "Receba Rápido" product, whose penetration led to strong growth in the volume captured by SMB and Long-tail customers, reaching 45% in the last quarter of 2021, compared to 32% in the same period of the previous year.

Cateno has also seen positive performance, with higher revenues and expenses under control. Volumes showed a solid growth at 23%, driven mainly by credit card transactions.

One of the enablers of transformation that is being implemented in the company is the focus on its core competencies and strategic priorities. In this sense, in 2021 we completed divestments in Orizon, for R\$129 million, and in Mutidisplay/M4U, a transaction with a base value of R\$125 million.

At Cielo, we seek to ensure that the result and deliveries occur in a sustainable and correct manner, in line with the best market practices. This past year, we received awards and recognition for fulfilling this commitment. We were recognized for our Corporate Governance, ESG initiatives, and sustainability reporting practices and quality.

We were only able to achieve these results with the hard work of a qualified team of employees. Throughout the pandemic, Cielo has sought to protect its employees, recognizing the performance and effort of the team in this business transformation journey. As a result, we were recognized by Great Place to Work, as one of the best companies to work for in the country. We ranked second among companies in the financial sector. Cielo's shares are also among the most relevant in the IGPTW index, created recently by B3 and which includes companies that adopt best practices in their workplaces and promote a process that values relationships and people development.

Technological innovations, changes in consumer behavior and the regulatory changes being implemented in the country should make the payments industry even more dynamic. We will continue to prepare the Company to thrive in this scenario, maintaining our leadership role and increasingly helping Brazilian retail with cutting-edge financial solutions and services.

We appreciate the dedication invested by our employees, and the trust placed in us of our customers, shareholders and partners.

3. CIELO CONSOLIDATED

3.1. HIGHLIGHTS

- Cielo's Consolidated Net Income reached R\$336.9 million in 4Q21, up 13.0% from the same quarter last year and 59.0% from 3Q21, with improved performance in the three business units (Cielo Brasil, Cateno and Other subsidiaries). On a recurring basis, the net income amounted R\$300.2 million in 4Q21
- Net operating revenues grew 3.9% over 4Q20 and 4.4% over the third quarter. The growth in Cateno and Cielo Brasil was partially offset by a drop in net revenue from Other subsidiaries, which is explained by closing the sale of Multidisplay/M4U in November 2021.
- Cost and expenses remain under control, growing at a slower pace than net revenue, registering a small increase of 2.9% vs. 4Q20, and 1.2% vs. 3Q21.

3.2. RESULTS / BUSINESS UNIT

3.2.1. NET OPERATING REVENUE

Net Revenue (R\$ million)	4Q21	4Q20	Var. %	3Q21	Var. %	2021	2020	Var. %
Consolidated	3,141.5	3,022.7	3.9%	3,009.5	4.4%	11,685.5	11,186.0	4.5%
CIELO BRASIL	1,373.0	1,306.8	5.1%	1,262.5	8.8%	4,965.6	4,771.1	4.1%
CATENO	961.8	803.8	19.7%	864.5	11.3%	3,237.9	2,622.4	23.5%
OTHER SUBSIDIARIES	806.7	912.1	-11.6%	882.5	-8.6%	3,482.0	3,792.5	-8.2%

- **Consolidated Net Revenue** reached R\$ 3,141.5 million in 4Q21, up 3.9% YoY and 4.4% QoQ. With highlights to Cateno and Cielo Brasil, growing 11.3% and 8.8% over 3Q21, respectively.

3.2.2. EBITDA

EBITDA (R\$ million)	4Q21	4Q20	Var. %	3Q21	Var. %	2021	2020	Var. %
Consolidated	789.5	768.2	2.8%	692.8	14.0%	2,676.6	2,058.0	30.1%
CIELO BRASIL	355.0	368.4	-3.6%	317.2	11.9%	1,317.1	1,076.7	22.3%
CATENO	422.7	409.3	3.3%	361.0	17.1%	1,293.5	1,031.3	25.4%
OTHER SUBSIDIARIES	11.8	(9.5)	-224.2%	14.7	-19.7%	65.9	(50.0)	-231.8%

- **Consolidated EBITDA** reached R\$789.5 million in 4Q21, the highest level since 1Q19, reflecting the improvement in operations, which has been observed in all of the Company's lines of business.

3.2.3. CONSOLIDATED NET INCOME

Net Income (R\$ million)	4Q21	4Q20	Var. %	3Q21	Var. %	2021	2020	Var. %
Consolidated	336.9	298.2	13.0%	211.9	59.0%	970.5	490.2	98.0%
CIELO BRASIL	218.6	191.2	14.3%	126.5	72.8%	687.9	399.6	72.1%
CATENO	159.0	149.9	6.1%	128.1	24.1%	438.7	325.1	34.9%
OTHER SUBSIDIARIES	(40.7)	(42.9)	-5.1%	(42.8)	-4.9%	(156.1)	(234.6)	-33.5%

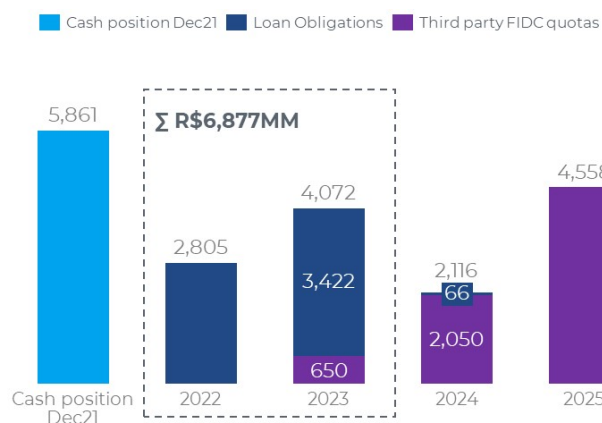
- **Consolidated Net Income** was up 13.0% YoY and 59.0% QoQ, coming in at R\$ 336.9 million.
- Two non-recurring events were identified in the period⁴, being (i) the closing of Multidisplay/M4U divestment and; (ii) the effects of the discontinuation of the Cielo Pay app. In aggregate, these events had a positive impact of R\$36.7 million in net income, net of tax effects. Excluding this effects, the Company's adjusted income would be R\$300.2 million, which is superior to both 3Q21 and 4Q20.
- Below, we highlight the effects of non-recurring events on the different items of the income statement:
 - Sale of Muldisplay/M4U - Generated a positive impact of R\$30.5 million in the net other operational expenses line, and R\$18.9 million in the IRPJ/CSLL line, with a net effect of R\$49.4 million in the net income;
 - Discontinuation of the Cielo Pay app - Brought a negative impact of R\$19.2 million in the net other operational expenses line, with an offsetting entry of R\$6.5 million in the IRPJ/CSLL line, resulting in a net effect of R\$12.7 million in the result.
- Additionally, for purposes of comparison with standards adopted by the market, we inform that Cielo's cash basis earnings⁵, which isolates the effects of the amortization of intangibles related to the incorporation of Cateno and the acquisition of the USA subsidiary, would be R\$1.3 billion in 2021, and R\$426.5 million in 4Q21.

⁴ As of 1Q21, the Company adopts the identification and classification of non-recurring events, in line with internal regulations approved at the beginning of this year, and in accordance with the resolution of the Central Bank of Brazil on the subject.

⁵ Consolidated net income attributable to the controllers less the amortization of intangibles related to the incorporation of Cateno and acquisition of the subsidiary abroad, net of tax effects. This metric does not follow COSIF accounting standards and has not been audited.

3.2.4. LIQUIDITY AND INDEBTEDNESS

(In R\$ million)



*The cash position (or total liquidity) presented in this item, according to COSIF accounting practices, consolidated 100% of the subsidiary Cateno's cash and cash equivalents

- On December 31, 2021, Cielo (consolidated) recorded total cash and cash equivalents of R\$5,860.7 million, an increase of R\$1,656.8 million vs. December 31, 2020 and R\$387.3 million vs. September 30, 2021. The increase in total cash and cash equivalents compared to the previous year is explained mainly by the issuance of R\$7,300.0 million of senior shares of FIDC, offset by the amortization of public debentures and senior shares of FIDC in the amount of R\$6,169.6 million.
- On the balance sheet closing date, Cielo recorded total loans and financing of R\$6,295.1 million, down R\$2,651.6 million vs. December 31, 2020 and up R\$106.1 million vs. September 30, 2021. The reduction in total loans and financing compared to the previous year is explained by the amortization of public debentures.

3.3. INCOME STATEMENT

Income Statement	Cielo Consolidated							
	4Q21	4Q20	Var. %	3Q21	Var. %	2021	2020	Var. %
<i>R\$ million</i>								
Gross operating revenue	3,540.5	3,330.3	6.3%	3,386.3	4.6%	13,125.2	12,273.4	6.9%
Taxes on services	(399.0)	(307.6)	29.7%	(376.8)	5.9%	(1,439.7)	(1,087.4)	32.4%
Net operating revenue	3,141.5	3,022.7	3.9%	3,009.5	4.4%	11,685.5	11,186.0	4.5%
Total cost + expenses	(2,625.9)	(2,551.0)	2.9%	(2,595.2)	1.2%	(10,110.4)	(10,354.6)	-2.4%
Total costs	(2,112.1)	(2,037.3)	3.7%	(2,141.6)	-1.4%	(8,287.3)	(8,071.2)	2.7%
Cost of service rendered	(1,844.9)	(1,751.7)	5.3%	(1,874.3)	-1.6%	(7,224.2)	(6,894.9)	4.8%
Depreciation and amortization	(267.2)	(285.6)	-6.4%	(267.3)	0.0%	(1,063.1)	(1,176.3)	-9.6%
Gross income	1,029.4	985.4	4.5%	867.9	18.6%	3,398.2	3,114.8	9.1%
Operating expenses	(513.8)	(513.7)	0.0%	(453.6)	13.3%	(1,823.1)	(2,283.5)	-20.2%
Salaries / Wages and benefits	(250.1)	(191.1)	30.9%	(211.8)	18.1%	(885.2)	(772.5)	14.6%
General and administratives	(101.3)	(113.0)	-10.4%	(90.5)	11.9%	(351.8)	(457.4)	-23.1%
Sales and Marketing expenses	(52.7)	(79.2)	-33.5%	(59.3)	-11.1%	(235.3)	(373.4)	-37.0%
Other operating (Expenses) income, net	(103.0)	(119.9)	-14.1%	(80.8)	27.5%	(313.2)	(627.9)	-50.1%
Depreciation and amortization	(6.7)	(10.5)	-36.2%	(11.2)	-40.2%	(37.6)	(52.3)	-28.1%
Equity Interest	-	0.4	n/a	-	n/a	0.7	(1.9)	n/a
Operating result	515.6	472.1	9.2%	414.3	24.5%	1,575.8	829.4	90.0%
EBITDA	789.5	768.2	2.8%	692.8	14.0%	2,676.6	2,058.0	30.1%
<i>EBITDA Margin</i>	<i>25.1%</i>	<i>25.4%</i>	<i>-0.3pp</i>	<i>23.0%</i>	<i>2.1pp</i>	<i>22.9%</i>	<i>18.4%</i>	<i>4.5pp</i>
Financial income	(61.3)	14.8	n/a	(32.3)	89.8%	(74.5)	121.5	-161.3%
Financial revenue	106.7	40.8	161.5%	95.0	12.3%	324.4	160.6	102.0%
Financial expenses	(275.3)	(98.9)	178.4%	(235.9)	16.7%	(805.0)	(511.9)	57.3%
Acquisition of receivables income, net	113.5	81.6	39.1%	102.9	10.3%	406.6	502.7	-19.1%
Net exchange variation	(6.2)	(8.7)	-28.7%	5.7	n/a	(0.5)	(29.9)	n/a
Result before income tax and social contribution	454.3	486.9	-6.7%	382.0	18.9%	1,501.4	951.0	57.9%
Income tax and social contribution	(49.3)	(124.1)	-60.3%	(115.2)	-57.2%	(342.9)	(319.5)	7.3%
Current	(89.7)	(147.1)	-39.0%	(186.8)	-52.0%	(479.3)	(397.7)	20.5%
Deferred	40.4	23.0	75.7%	71.6	-43.6%	136.4	78.2	74.4%
Net result	405.0	362.8	11.6%	266.8	51.8%	1,158.5	631.5	83.5%
<i>Net margin</i>	<i>12.9%</i>	<i>12.0%</i>	<i>0.9pp</i>	<i>8.9%</i>	<i>4.0pp</i>	<i>9.9%</i>	<i>5.6%</i>	<i>4.3pp</i>
Attributed to Cielo	336.9	298.2	13.0%	211.9	59.0%	970.5	490.2	98.0%
Attributed to non Cielo interest	68.1	64.6	5.4%	54.9	24.0%	188.0	141.3	33.1%

The above income statement differs from the presentation of the financial statements in accordance with accounting practices adopted in Brazil, thus, it shows additional lines and makes certain reclassifications of balances to facilitate the understanding of the readers of this report.

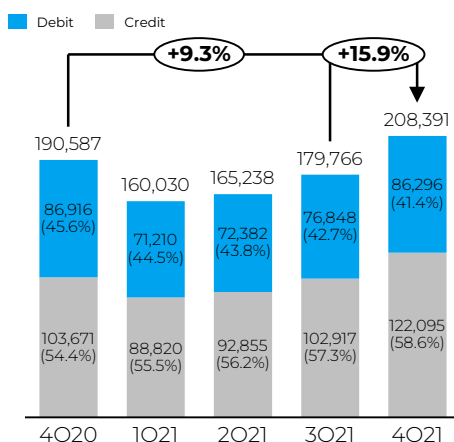
4. CIELO BRASIL

4.1. HIGHLIGHTS

- **Cielo Brasil's Net Income reached R\$218.6 million in 4Q21, up 14.3% vs. 4Q20 and 72.8% vs. the previous quarter.** In both comparisons, the result was driven by increased revenues and consistent expense control. On the other hand, higher growth in net income was limited by lower financial income due to hikes in the SELIC rate and, in relation to 4Q20, an increase in Tax on Services ("ISS") expenses in relation to revenues from commissions. The result was also affected by (i) the tax effects of the interest on shareholder's equity declared in the 4Q21, in an amount higher than in previous quarters; and (ii) non-recurring events, which boosted Cielo Brasil's profit by R\$36.7 million. The non-recurring events are detailed in the "Consolidated Results" section of this report.
- **Net operating revenues grew 5.1% vs. 4Q20 and 8.8% vs. 3Q21.** Revenue was driven, in both comparisons, by the expansion of captured volume and the higher penetration of the two-day payment method, "Receba Rápido".
Mainly in the comparison with 4Q20, these effects were partially offset by pressure in price resulting from the strong competition in the acquiring segment and by the effects of Law #175/2020, which were not included in the baseline and increased the Company's ISS expenses by R\$38.0 million. Without the effects of this new law, applied from January 1st 2021, net revenues would have grown by 8.0% over 4Q20.
- Financial income presented a reduction in both comparisons, reflecting the increase in the basic interest rate (SELIC), which impacts the Company's financial expenses, and also the expansion of the two-day payment modality ("Receba Rápido"). This product consumes Cielo's cash, reducing its financial income, since the revenues generated are registered in net operating revenue.
- **The company continues to reinforce its spending control discipline, while intensifying investments in business transformation.** In the quarter, Cielo invested R\$76 million in new initiatives to ensure additional leaps in quality of services, to increase commercial productivity, and to advance in the modernization of operations and technological base. The amount mentioned includes R\$59 million in expenses recognized in 4Q21, and R\$17 million in investments ("CAPEX").
- Despite the new investments, and inflation in the period, cost and expenses grew only 5.8% vs. 4Q20 and 6.5% vs. 3Q21. The ratio between cost and expenses and the financial transactions volume ("expense ratio") was 0.55%, the lowest level of the historical series.

4.2. OPERATIONAL PERFORMANCE

4.2.1. FINANCIAL VOLUME: HISTORICAL SERIES (in R\$ Million)

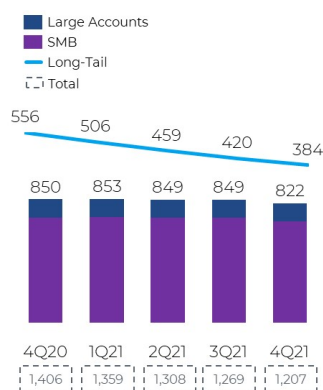


4.2.2. FINANCIAL VOLUME BETWEEN PERIODS

Financial and transaction volume	4Q21	4Q20	Var. %	3Q21	Var. %	2021	2020	Var. %
Credit and Debit Cards								
Financial transaction volume (R\$ million)	208,391.3	190,586.3	9.3%	179,765.6	15.9%	713,424.8	643,955.3	10.8%
Number of transactions (million)	1,936.4	1,751.4	10.6%	1,718.6	12.7%	6,767.8	6,174.8	9.6%
Credit Cards								
Financial transaction volume (R\$ million)	122,094.9	103,670.6	17.8%	102,917.3	18.6%	406,687.5	360,163.4	12.9%
Number of transactions (million)	824.8	722.7	14.1%	731.0	12.8%	2,892.2	2,677.3	8.0%
Debit Cards								
Financial transaction volume (R\$ million)	86,296.4	86,915.7	-0.7%	76,848.3	12.3%	306,737.2	283,791.9	8.1%
Number of transactions (million)	1,111.6	1,028.7	8.1%	987.6	12.6%	3,875.5	3,497.5	10.8%
Agro Product								
Financial transaction volume (R\$ million)	1,159.5	1,162.5	-0.3%	1,349.4	-14.1%	5,101.0	6,106.0	-16.5%
Number of transactions (million)	0.01	0.02	-15.4%	0.01	-9.3%	0.05	0.07	-24.0%
Debit Excluding Agro								
Financial transaction volume (R\$ million)	85,137.0	85,753.2	-0.7%	75,498.9	12.8%	301,636.2	277,685.9	8.6%
Number of transactions (million)	1,111.6	1,028.7	8.1%	987.5	12.6%	3,875.5	3,497.4	10.8%

- **The financial volume of transactions captured by Cielo Brasil was R\$208.4 billion in the 4Q21**, the highest in history for a single quarter, a 9.3% growth over 4Q20 and 15.9% growth vs. the previous quarter.
- **In relation to the mix by transaction type, credit card transactions represented 58.6% in 4Q21**, a recovery of 1.3 percentage point (“pp”) from 3Q21 and 4.2 pp from 4Q20. The financial volume of credit card transactions grew 17.8% YoY, while debit card transactions fell by 0.7%.

4.2.3. ACTIVE CLIENT BASE (thousand)



- Considering merchants that carried out at least one transaction with Cielo in the last 90 days, the total active base ended 4Q21 down 14.2% from 4Q20. The main reason is the suspension in the policy for granting subsidies to POS terminals in the sales modality, which mainly impacts clients in the Long-tail segment.

4.2.4. PRE-PAYMENT PRODUCTS

Pre-payment products (R\$ million)	4Q21	4Q20	Var. %	3Q21	Var. %	2021	2020	Var. %
Credit card captured volume	122,094.9	103,670.6	17.8%	102,917.3	18.6%	406,687.5	360,163.4	12.9%
ARV financial volume	7,372.6	9,153.8	-19.5%	7,924.3	-7.0%	33,002.5	33,228.7	-0.7%
% ARV over credit card volume	6.0%	8.8%	-2.8pp	7.7%	-1.7pp	8.1%	9.2%	-1.1pp
Two-day payment financial volume	16,720.7	10,361.7	61.4%	13,966.4	19.7%	51,683.5	29,502.7	75.2%
% two-day payment over credit card volume	13.7%	10.0%	3.7pp	13.6%	0.1pp	12.7%	8.2%	4.5pp
Pre-payment products - ARV and Two-day payment vol.*	24,093.3	19,515.5	23.5%	21,890.7	10.1%	84,686.0	62,731.4	35.0%
% Pre-payment products over credit card volume	19.7%	18.8%	0.9pp	21.3%	-1.5pp	20.8%	17.4%	3.4pp
SMB and LT (R\$ million)	4Q21	4Q20	Var. %	3Q21	Var. %	2021	2020	Var. %
Credit card captured volume	37,729.6	33,124.8	13.9%	34,736.5	8.6%	133,329.1	111,509.4	19.6%
ARV financial volume	1,467.1	1,225.7	19.7%	1,303.3	12.6%	5,058.6	6,946.8	-27.2%
% ARV over credit card volume	3.9%	3.7%	0.2pp	3.8%	0.1pp	3.8%	6.2%	-2.4pp
Two-day payment financial volume	15,445.6	9,450.5	63.4%	12,861.9	20.1%	47,612.0	26,921.0	76.9%
% two-day payment over credit card volume	40.9%	28.5%	12.4pp	37.0%	3.9pp	35.7%	24.1%	11.6pp
Pre-payment products - ARV and Two-day payment vol.*	16,912.7	10,676.2	58.4%	14,165.2	19.4%	52,670.5	33,867.8	55.5%
% Pre-payment products over credit card volume	44.8%	32.2%	12.6pp	40.8%	4.0pp	39.5%	30.4%	9.1pp

*Sums for disclosure purposes only. Includes Cielo's pre-payment products (ARV and Receba Rápido)

- The table above shows the details of Cielo's performance in pre-payment products. Cielo classifies under "pre-payment products" different solutions that allow retailers to receive their credit card sales within two days. Credit card transactions (without installments) are usually settled within 30 days, with an additional term for transactions with installment. Pre-payment products include (i) ARV - Purchase of Receivables through FIDC Cielo; and (ii) the two-day payment modality - "Receba Rápido" - solution in which the entire credit transaction flow of the client (with or without installments) are automatically credited to the merchant within two business days after each transaction.

- The highlight is the expansion of Receba Rápido modality, the company's focus in pre-payment products, which has been showing significant growth in terms of penetration over the financial volume of transactions, especially for the SMB and long-tail segments.

4.2.5. ACQUISITION OF RECEIVABLES INDICATORS

Purchase of Receivables	4Q21	4Q20	Var. %	3Q21	Var. %	2021	2020	Var. %
% Purchased volume over Total Credit Volume	6.0%	8.8%	-2.8pp	7.7%	-1.7pp	8.1%	9.2%	-1.1pp
Financial Volume of Purchase of Receivables (R\$ million)	7,372.6	9,153.8	-19.5%	7,924.3	-7.0%	33,002.5	33,228.7	-0.7%
Average Term (Calendar Days)	46.0	37.8	8.2	56.4	(10.4)	49.1	52.2	(3.1)
Average Term (Business Days)	31.7	25.5	6.2	38.9	(7.2)	33.7	35.5	(1.7)
Gross Revenue from purchase of receivables earned by FIDC	119.9	81.7	46.8%	106.7	12.4%	420.6	510.0	-17.5%

4.3. FINANCIAL PERFORMANCE

4.3.1. OPERATING REVENUES AND REVENUE YIELD

R\$ million	Cielo Brasil							
	4Q21	4Q20	Var. %	3Q21	Var. %	2021	2020	Var. %
TPV	208,391.3	190,586.3	9.3%	179,765.6	15.9%	713,424.8	643,955.3	10.8%
Net Revenue	1,373.0	1,306.8	5.1%	1,262.5	8.8%	4,965.6	4,771.1	4.1%
Yield	0.66%	0.69%	-0.03pp	0.70%	-0.04pp	0.70%	0.74%	-0.04pp

- Net revenues reached R\$1,373 million in 4Q21, up 8.8% from 3Q21, this behavior of revenues is directly associated with the growth of volumes, which was only partially offset by the revenue yield, an indicator that measures the ratio of net revenues to financial transaction volume.
- The revenue yield reached 0.66% in 4Q21. Initiatives on profitability (e.g. Receba Rápido) have been boosting yields, with an impact greater than the negative effect of competition on prices. The declines observed in this indicator are mainly due to the strong increase in volume (since part of Cielo's revenues are not subject to fluctuations in volume, such as POS rentals) and changes in the mix for each period. In addition, when compared to 4Q20, the decline in yield is due to higher ISS expenses, as shown in the chart below.



⁴ Mix and seasonality effect considers, among others factors, customer segment mix and the volume effect on yield as part of the revenue does not follow the volume growth.

⁵ As of 1Q21, Cielo incurred in higher ISS (tax on services charged by municipalities in Brazil) expenses as a result of the expected impacts of the law 175/2020.

4.3.2. COST AND EXPENSE ANALYSIS

Total Expenses (costs + expenses)	4Q21	4Q20	Var. %	3Q21	Var. %	2021	2020	Var. %
Costs related to POS	(230.0)	(242.3)	-5.1%	(223.0)	3.1%	(910.0)	(1,006.8)	-9.6%
Costs related to transactions	(531.7)	(451.0)	17.9%	(483.1)	10.1%	(1,888.1)	(1,750.2)	7.9%
Other costs	(81.3)	(70.5)	15.3%	(68.2)	19.2%	(288.8)	(268.0)	7.7%
Cost of service rendered	(843.0)	(763.8)	10.4%	(774.3)	8.9%	(3,086.9)	(3,025.0)	2.0%
Brand fees, subsidy amortization, services rendered by banks	413.4	434.2	-4.8%	368.3	12.2%	1,493.7	1,623.4	-8.0%
Tax Credit (PIS / COFINS)	(74.6)	(118.7)	-37.2%	(72.1)	3.4%	(317.3)	(379.0)	-16.3%
Depreciation and amortization	122.0	104.9	16.3%	124.1	-1.7%	472.3	393.7	20.0%
Normalized Cost of service rendered	(382.2)	(343.3)	11.3%	(354.0)	7.9%	(1,438.1)	(1,386.9)	3.7%
Salaries / Wages and benefits	(190.1)	(132.7)	43.3%	(151.8)	25.2%	(643.8)	(546.9)	17.7%
General and administratives	(63.6)	(49.6)	28.2%	(54.5)	16.7%	(195.3)	(170.8)	14.3%
Sales and Marketing expenses	(10.4)	(33.7)	-69.1%	(21.3)	-51.2%	(76.9)	(130.2)	-40.9%
Other operating expenses net	(35.8)	(98.6)	-63.7%	(71.3)	-49.8%	(149.5)	(428.1)	-65.1%
Depreciation and Amortization	(2.6)	(4.3)	-39.5%	(2.8)	-7.1%	(11.8)	(18.4)	-35.9%
Operating Expenses (R\$ million)	(302.5)	(318.9)	-5.1%	(301.7)	0.3%	(1,077.3)	(1,294.4)	-16.8%
Non-recurring items - 9M21						(145.8)	-	
Non-recurring items - 9M20						-	31.7	
Non-recurring item - Sale of written-off receivables		(16.2)				-	(16.2)	
Non-recurring item - Sale of Multidisplay	(30.5)					(30.5)	-	
Non-recurring item - Discontinuation of Cielo Pay	19.2					19.2	-	
Expenses related to commercial expansion	19.2	5.5	248.2%	20.0	-3.8%	68.2	5.5	-
Normalized Operating Expenses	(294.6)	(329.6)	-10.6%	(281.7)	4.6%	(1,166.2)	(1,273.4)	-8.4%
Total Expenses (costs + expenses)	(1,145.5)	(1,082.7)	5.8%	(1,076.0)	6.5%	(4,164.2)	(4,319.4)	-3.6%
Normalized Total Expenses (costs + expenses)	(676.7)	(672.9)	0.6%	(635.7)	6.4%	(2,604.3)	(2,660.3)	-2.1%

* In 2021, the Company approved internal regulations governing the classification of non-recurring events. In order to allow for comparability, the rule was applied to the entire historical series.

** In 4Q20, R\$16.2 million was segregated as non-recurring arising from the sale of bad debt portfolio. That occasion was the first in which the Company carried out a transaction of this nature. These transactions should become more frequent and include portfolios of amounts less relevant to the result, which is why revenues of this nature of R\$9.7 million were not segregated as non-recurring in 4Q21.

4.3.2.1. COST OF SERVICES RENDERED

Total Expenses (costs + expenses)	4Q21	4Q20	Var. %	3Q21	Var. %	2021	2020	Var. %
Costs related to POS	(230.0)	(242.3)	-5.1%	(223.0)	3.1%	(910.0)	(1,006.8)	-9.6%
Costs related to transactions	(531.7)	(451.0)	17.9%	(483.1)	10.1%	(1,888.1)	(1,750.2)	7.9%
Other costs	(81.3)	(70.5)	15.3%	(68.2)	19.2%	(288.8)	(268.0)	7.7%
Cost of service rendered	(843.0)	(763.8)	10.4%	(774.3)	8.9%	(3,086.9)	(3,025.0)	2.0%

- The YoY increase in the costs of services rendered was mainly due to **costs related to the capture, processing and settlement of transactions**, given the increase in volume, which results in more expenses with brand fees and processing services, in addition to lower recognition of PIS/COFINS credits in 4Q21. These effects were partially offset by a decline in customer prospecting and maintenance services provided by banks. Also compared to 4Q20, there was a drop in costs related to POS terminals, mainly explained by the reduction in the amortization of subsidies on the sale of POS terminals.
- In relation to the 3Q21, the costs of services rendered increased 8.9%, mainly due to the increased captured volume, as it impacts transaction-related costs.

4.3.2.2. OPERATING EXPENSES

Total Expenses (costs + expenses)	4Q21	4Q20	Var. %	3Q21	Var. %	2021	2020	Var. %
Salaries / Wages and benefits	(190.1)	(132.7)	43.3%	(151.8)	25.2%	(643.8)	(546.9)	17.7%
General and administratives	(63.6)	(49.6)	28.2%	(54.5)	16.7%	(195.3)	(170.8)	14.3%
Sales and Marketing expenses	(10.4)	(33.7)	-69.1%	(21.3)	-51.2%	(76.9)	(130.2)	-40.9%
Other operating expenses net	(35.8)	(98.6)	-63.7%	(71.3)	-49.8%	(149.5)	(428.1)	-65.1%
Depreciation and Amortization	(2.6)	(4.3)	-39.5%	(2.8)	-7.1%	(11.8)	(18.4)	-35.9%
Operating Expenses (R\$ million)	(302.5)	(318.9)	-5.1%	(301.7)	0.3%	(1,077.3)	(1,294.4)	-16.8%

- The YoY decline of operating expenses in 4Q21 was mainly due to the decrease in the **other operating expenses** line and lower **sales and marketing expenses**, effects that were partially offset by **higher personnel expenses**, due to the yearly salary adjustment agreement and changes in personnel provisions in the quarter.

The behavior of other operating expenses is mainly associated with operational efficiency measures and improvements in the logistics process (lower expenses with POS terminal write-offs), in addition to the effects of non-recurring items in the period (Multidisplay/Cielo Pay), which as a whole reduced operating expenses by R\$11.3 million in 4Q21.

- Operating expenses remained stable compared to 3Q21, where the increase in **personnel expenses** was offset by the reduction in **other operating expenses**, given the non-recurring events in 4Q21 and the base line effect given the increase, in 3Q21, of provisions related to the implementation of the new receivables system.

4.3.2.3. NORMALIZED COST AND EXPENSES (Managerial view)

Total Expenses (costs + expenses)	4Q21	4Q20	Var. %	3Q21	Var. %	2021	2020	Var. %
Normalized Total Expenses (costs + expenses)	(676.7)	(672.9)	0.6%	(635.7)	6.4%	(2,604.3)	(2,660.3)	-2.1%

- Normalized cost and expenses, a concept in which variable costs, extraordinary events and the effects of commercial expansion are segregated, remained stable in relation to 4Q20, and grew 6.4% over the previous quarter. This performance is the result of the spending discipline and the efficiency actions that have been taken by management, which were sufficient to offset the effects of inflation, the pressure on the Company's structure from the increase in volume, and the investments in new operational improvement initiatives, which totaled R\$59 million in expenses for the quarter.

4.3.3. EBITDA

- EBITDA totaled R\$355.0 million in 4Q21, with a 25.9% margin representing a year-over-year decline of 3.6% and a QoQ increase of 11.9%. The YoY decrease is mainly explained by higher expenses with ISS. Excluding this impact, the comparison would show an increase of 6.7%.

4.3.4. FINANCIAL INCOME

Financial Result (R\$ million)	4Q21	4Q20	Var. %	3Q21	Var. %	2021	2020	Var. %
Financial Revenues	84.4	31.6	167.1%	78.4	7.7%	270.0	94.0	187.2%
Financial Expenses	(251.9)	(83.6)	201.3%	(214.6)	17.4%	(717.2)	(434.3)	65.1%
Acquisition of receivables income, net	113.5	81.6	39.1%	102.9	10.3%	406.6	502.7	-19.1%
Net exchange variation	(6.2)	(8.6)	-27.9%	5.7	n/a	(0.5)	(29.7)	-98.3%
Total	(60.2)	21.0	n/a	(27.6)	118.1%	(41.1)	132.7	-131.0%

- In both comparisons, financial income and expenses are seeing an upward growth trend, driven by the increase in the average DI rate and by the growth in the average balances of investments and funding.
- The **revenue from the acquisition of receivables, net**, also showed an increase in both comparisons, reflecting the increase in the DI rate and in average volume.

4.3.5. NET INCOME

- In 4Q21, Cielo Brasil's net income came in at R\$218.6 million, up 14.3% vs. 4Q20 and up 72.8% vs. 3Q21. Net margin was up 1.3pp vs. 4Q20 and 5.9pp vs. 3Q21.

4.4. INCOME STATEMENT

Income Statement	Cielo Brasil							
	4Q21	4Q20	Var. %	3Q21	Var. %	2021	2020	Var. %
<i>R\$ million</i>								
Gross operating revenue	1,597.6	1,474.2	8.4%	1,465.7	9.0%	5,764.6	5,373.4	7.3%
Taxes on services	(224.6)	(167.4)	34.2%	(203.2)	10.5%	(799.0)	(602.3)	32.7%
Net operating revenue	1,373.0	1,306.8	5.1%	1,262.5	8.8%	4,965.6	4,771.1	4.1%
Total cost + expenses	(1,145.5)	(1,082.7)	5.8%	(1,076.0)	6.5%	(4,164.2)	(4,319.4)	-3.6%
Total costs	(843.0)	(763.8)	10.4%	(774.3)	8.9%	(3,086.9)	(3,025.0)	2.0%
Cost of service rendered	(718.1)	(624.2)	15.0%	(646.5)	11.1%	(2,583.7)	(2,416.5)	6.9%
Depreciation and amortization	(124.9)	(139.6)	-10.5%	(127.8)	-2.3%	(503.2)	(608.5)	-17.3%
Gross income	530.0	543.0	-2.4%	488.2	8.6%	1,878.7	1,746.1	7.6%
Operating expenses	(302.5)	(318.9)	-5.1%	(301.7)	0.3%	(1,077.3)	(1,294.4)	-16.8%
Salaries / Wages and benefits	(190.1)	(132.7)	43.3%	(151.8)	25.2%	(643.8)	(546.9)	17.7%
General and administratives	(63.6)	(49.6)	28.2%	(54.5)	16.7%	(195.3)	(170.8)	14.3%
Sales and Marketing expenses	(10.4)	(33.7)	-69.1%	(21.3)	-51.2%	(76.9)	(130.2)	-40.9%
Other operating (Expenses) income, net	(35.8)	(98.6)	-63.7%	(71.3)	-49.8%	(149.5)	(428.1)	-65.1%
Depreciation and amortization	(2.6)	(4.3)	-39.5%	(2.8)	-7.1%	(11.8)	(18.4)	-35.9%
Equity Interest	-	0.4	n/a	-	n/a	0.7	(1.9)	n/a
Operating result	227.5	224.5	1.3%	186.5	22.0%	802.1	449.8	78.3%
EBITDA	355.0	368.4	-3.6%	317.2	11.9%	1,317.1	1,076.7	22.3%
<i>EBITDA Margin</i>	<i>25.9%</i>	<i>28.2%</i>	<i>-2.3pp</i>	<i>25.1%</i>	<i>0.7pp</i>	<i>26.5%</i>	<i>22.6%</i>	<i>4.0pp</i>
Financial income	(60.2)	21.0	n/a	(27.6)	118.1%	(41.0)	132.7	n/a
Financial revenue	84.4	31.6	167.1%	78.4	7.7%	270.0	94.0	187.2%
Financial expenses	(251.9)	(83.6)	201.3%	(214.6)	17.4%	(717.2)	(434.3)	65.1%
Acquisition of receivables income, net	113.5	81.6	39.1%	102.9	10.3%	406.6	502.7	-19.1%
Net exchange variation	(6.2)	(8.6)	-27.9%	5.7	n/a	(0.5)	(29.7)	n/a
Result before income tax and social contribution	167.3	245.5	-31.9%	158.9	5.3%	761.1	582.5	30.7%
Income tax and social contribution	51.3	(54.3)	n/a	(32.4)	n/a	(73.2)	(182.9)	-60.0%
Current	60.3	(86.7)	n/a	(48.2)	n/a	(73.6)	(209.7)	-64.9%
Deferred	(9.0)	32.4	n/a	15.8	n/a	0.4	26.8	-98.5%
Net result	218.6	191.2	14.3%	126.5	72.8%	687.9	399.6	72.1%
<i>Net margin</i>	<i>15.9%</i>	<i>14.6%</i>	<i>1.3pp</i>	<i>10.0%</i>	<i>5.9pp</i>	<i>13.9%</i>	<i>8.4%</i>	<i>5.5pp</i>
Attributed to Cielo	218.6	191.2	14.3%	126.5	72.8%	687.9	399.6	72.1%
Attributed to non Cielo interest	-	-	n/a	-	n/a	-	-	n/a

5. CATENO

5.1. HIGHLIGHTS

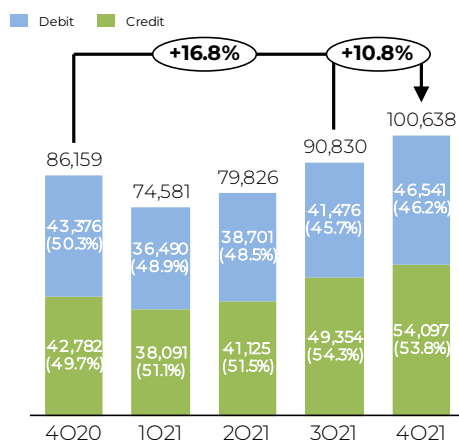
- **Cateno's net income reached R\$227.1 million in 4Q21**, up 6.1% vs. 4Q20 and 24.1% vs. the previous quarter. The result was driven by an increase in net revenues and by financial income. Compared to the 4Q20 these effects were partially offset by higher operating costs associated with volume and the behavior of net other operating expenses.
- **Net revenues rose 19.7% year-over-year and 11.3% quarter-over-quarter**, driven by volume growth in both comparisons, and a more favorable transaction mix in the YoY comparison. It is worth noting that, in the YoY comparison, revenue growth was limited by the effects of law #175/2020, which were only felt as of 1Q21, and generated R\$32.7 million in additional ISS expenses in 4Q21.
- Operating expenses grew in both comparisons, reflecting, basically, the behavior in the reimbursement of expenses related to the Ourocard payment arrangement, due to more favorable operating income numbers, as volumes grew and expenses were kept under control.

5.1.1.1. NET REVENUE

- Cateno’s net revenues totaled R\$961.8 million in 4Q21, up 19.7% vs. 4Q20 and 11.3% vs. 3Q21. In both comparisons, growth was related to an increase in transaction volumes. In the YoY comparison, revenue also benefited from a more favorable mix, with greater concentration on credit card transactions and segments that provide higher average interchange fees, effects that were partially offset by higher ISS expenses.

5.2. OPERATIONAL PERFORMANCE

5.2.1. CHANGE IN FINANCIAL VOLUME (In R\$ million)



5.2.2. FINANCIAL VOLUME

Financial volume (R\$ million)	4Q21	4Q20	Var. %	3Q21	Var. %	2021	2020	Var. %
Total financial volume	100,638.1	86,158.5	16.8%	90,830.1	10.8%	345,875.3	281,799.0	22.7%
Credit volume	54,097.3	42,782.2	26.4%	49,354.2	9.6%	182,668.2	142,350.0	28.3%
Debit volume	46,540.7	43,376.3	7.3%	41,475.9	12.2%	163,207.2	139,449.0	17.0%
Total financial volume excluding specific business*	99,202.3	85,001.5	16.7%	89,540.5	10.8%	340,602.4	275,703.0	23.5%

*Represents the volume of transactions with Ourocard Agribusiness, BNDES Card and others.

5.3. FINANCIAL PERFORMANCE

5.3.1. COST AND EXPENSE ANALYSIS

5.3.1.1. COST OF SERVICES RENDERED

Changes in the cost of services rendered are presented below:

Cost of service rendered (R\$ million)	4Q21	4Q20	Var. %	3Q21	Var. %	2021	2020	Var. %
Cost of service rendered	(541.3)	(441.5)	22.6%	(570.4)	-5.1%	(2,068.3)	(1,684.0)	22.8%

- The cost of services rendered, including depreciation and amortization, totaled R\$541.3 million in 4Q21, up 22.6% vs. 4Q20 and down 5.1% vs. 3Q21. In the YoY comparison, the increase is mainly associated with effects of volume expansion over brand fee costs. In the QoQ comparison, costs are down mainly due to lower embossing/postage expenses, and to lower brand fees, explained by discounts granted in the 4Q21.

5.3.1.2. OPERATING EXPENSES

Changes in operating expenses are presented below:

Operating Expenses (R\$ million)	4Q21	4Q20	Var. %	3Q21	Var. %	2021	2020	Var. %
Salaries / Wages and benefits	(23.1)	(19.3)	19.7%	(17.4)	32.8%	(76.5)	(75.6)	1.2%
General and administratives	(5.6)	(11.6)	-51.7%	(4.8)	16.7%	(24.9)	(34.6)	-28.0%
Sales and Marketing expenses	(0.1)	(0.1)	n/a	(0.1)	0.0%	(0.5)	(0.2)	150.0%
Other operating expenses net	(66.2)	(19.3)	243.0%	(8.2)	707.3%	(163.5)	(185.6)	-11.9%
Total	(95.0)	(50.3)	88.9%	(30.5)	211.5%	(265.4)	(296.0)	-10.3%

- In 4Q21, operating expenses reached R\$95.0 million, up by 88.9% vs. 4Q20 and 211.5% vs. 3Q21. The changes are basically due to the behavior of the 'other operating expenses net' line, impacted by the provisions referring to the reimbursement provided for in the Ourocard arrangement. In the 3Q21 Cateno recognized the expectation of receiving R\$19.6MM. Given a more favorable behavior of the volume and expenses for the period, there was a reversal of R\$21.7MM in the 4Q21 referring to part of the reimbursement foreseen by Cateno for 2021.
- It should be noted that the reimbursement mechanism establishes an annual ceiling for the ratio between certain expenses and costs and the total volume captured by Cateno. In 2020, given the effects of the pandemic on volumes, and the increase in operating losses, Cateno triggered this contractual mechanism for the first time. In 2021, starting in the second quarter, Cateno started to account monthly for the expectation of also triggering the refund for that period. However, given the increase in volumes, concentration of brand fees in 4Q21 and the positive trend for operating costs and expenses, the year's performance was better than expected, with a reversal of some of the amounts recorded until 3Q21.

Other operating expenses, net (R\$ million)	4Q21	4Q20	Var. %	3Q21	Var. %	2021	2020	Var. %
Operating losses	(28.2)	(47.2)	-40.2%	(25.0)	13.0%	(139.2)	(208.2)	-33.2%
Reimbursement of expenses	(21.7)	29.9	n/a	19.6	-210.7%	(2.8)	29.9	n/a
Others	(16.2)	(2.0)	706.7%	(2.8)	472.1%	(21.5)	(7.3)	195.5%
Other operating expenses, net	(66.2)	(19.3)	243.0%	(8.2)	707.3%	(163.5)	(185.6)	-11.9%

5.3.2. FINANCIAL INCOME

Changes in financial income are presented below:

Financial Income (R\$ million)	4Q21	4Q20	Var. %	3Q21	Var. %	2021	2020	Var. %
Financial revenue	21.7	13.1	65.6%	15.1	43.7%	51.2	66.7	-23.2%
Financial expenses	(0.7)	(0.5)	40.0%	(0.5)	40.0%	(2.1)	(3.3)	-36.4%
Total	21.0	12.6	66.7%	14.6	43.8%	49.1	63.4	-22.6%

- Financial income came in at R\$21.0 million in the quarter, up 66.7% vs. 4Q20 and 43.8% vs. 3Q21. In both comparisons, the changes are mostly due to the increase in the average DI rate.

5.3.3. NET INCOME

- Cateno's net income attributable to Cielo was R\$159.0 million in 4Q21, up 6.1% vs. 4Q20, and up 24.1% vs. 3Q21.
- In the managerial view, which allocates cost of debts assumed by Cielo Brasil to create Cateno, and deducts expenses with amortizations, Cateno's managerial net income in 4Q21 came in at R\$182.0 million, as shown below.

Income Statement (Cash Basis) R\$ million	Managerial Cateno							
	4Q21	4Q20	Var. %	3Q21	Var. %	2021	2020	Var. %
Net operating revenue	961.8	803.8	19.7%	864.5	11.3%	3,237.9	2,622.4	23.5%
Total cost + expenses (ex-amortization)	(539.4)	(394.9)	36.6%	(503.8)	7.1%	(1,945.7)	(1,592.6)	22.2%
Operating income	422.4	408.9	3.3%	360.7	17.1%	1,292.2	1,029.8	25.5%
Financial income	21.0	12.6	66.7%	14.6	43.8%	49.1	63.5	-22.7%
Income before income tax and social contribution	443.4	421.5	5.2%	375.3	18.2%	1,341.3	1,093.3	22.7%
Income tax and social contribution	(119.4)	(110.5)	8.0%	(95.3)	25.2%	(326.6)	(241.4)	35.3%
Net income	324.0	311.0	4.2%	279.9	15.7%	1,014.7	851.9	19.1%
Share Cielo 70%	226.8	217.7	4.2%	196.0	15.7%	710.3	596.3	19.1%
(-) Financial expenses net of taxes related to Cateno	(44.8)	(21.1)	111.9%	(44.2)	1.4%	(149.1)	(103.1)	44.7%
Adjusted net income (cash earnings)	182.0	196.6	-7.4%	151.8	19.9%	561.2	493.3	13.8%

5.4. INCOME STATEMENT

Income Statement	Cateno							
	4Q21	4Q20	Var. %	3Q21	Var. %	2021	2020	Var. %
<i>R\$ million</i>								
Gross operating revenue	1,115.6	907.6	22.9%	1,006.8	10.8%	3,760.7	2,952.4	27.4%
Taxes on services	(153.8)	(103.8)	48.2%	(142.3)	8.1%	(522.8)	(330.0)	58.4%
Net operating revenue	961.8	803.8	19.7%	864.5	11.3%	3,237.9	2,622.4	23.5%
Total cost + expenses	(636.3)	(491.8)	29.4%	(600.9)	5.9%	(2,333.7)	(1,980.0)	17.9%
Total costs	(541.3)	(441.5)	22.6%	(570.4)	-5.1%	(2,068.3)	(1,684.0)	22.8%
Cost of service rendered	(444.5)	(344.6)	29.0%	(473.4)	-6.1%	(1,680.5)	(1,296.6)	29.6%
Depreciation and amortization	(96.8)	(96.9)	-0.1%	(97.0)	-0.2%	(387.8)	(387.4)	0.1%
Gross income	420.5	362.3	16.1%	294.1	43.0%	1,169.6	938.4	24.6%
Operating expenses	(95.0)	(50.3)	88.9%	(30.5)	211.5%	(265.4)	(296.0)	-10.3%
Salaries / Wages and benefits	(23.1)	(19.3)	19.7%	(17.4)	32.8%	(76.5)	(75.6)	1.2%
General and administratives	(5.2)	(11.2)	-53.6%	(4.4)	18.2%	(23.4)	(33.1)	-29.3%
Sales and Marketing expenses	(0.1)	(0.1)	0.0%	(0.1)	0.0%	(0.5)	(0.2)	150.0%
Other operating (Expenses) income, net	(66.2)	(19.3)	243.0%	(8.2)	707.3%	(163.5)	(185.6)	-11.9%
Depreciation and amortization	(0.4)	(0.4)	0.0%	(0.4)	0.0%	(1.5)	(1.5)	0.0%
Operating income	325.5	312.0	4.3%	263.6	23.5%	904.2	642.4	40.8%
EBITDA	422.7	409.3	3.3%	361.0	17.1%	1,293.5	1,031.3	25.4%
<i>EBITDA Margin</i>	<i>43.9%</i>	<i>50.9%</i>	<i>-7.0pp</i>	<i>41.8%</i>	<i>2.2pp</i>	<i>39.9%</i>	<i>39.3%</i>	<i>0.6pp</i>
Financial income	21.0	12.6	66.7%	14.6	43.8%	49.1	63.5	-22.7%
Financial revenue	21.7	13.1	65.6%	15.1	43.7%	51.2	66.7	-23.2%
Financial expenses	(0.7)	(0.5)	40.0%	(0.5)	40.0%	(2.1)	(3.3)	-36.4%
Income before income tax and social contribution	346.5	324.6	6.7%	278.2	24.6%	953.3	705.9	35.0%
Income tax and social contribution	(119.4)	(110.6)	8.0%	(95.2)	25.4%	(326.6)	(241.5)	35.2%
Current	(134.1)	(94.8)	41.5%	(143.7)	-6.7%	(405.9)	(248.0)	63.7%
Deferred	14.7	(15.8)	n/a	48.5	n/a	79.3	6.5	n/a
Net income	227.1	214.0	6.1%	183.0	24.1%	626.7	464.4	34.9%
<i>Net margin</i>	<i>23.6%</i>	<i>26.6%</i>	<i>-3.0pp</i>	<i>21.2%</i>	<i>2.4pp</i>	<i>19.4%</i>	<i>17.7%</i>	<i>1.6pp</i>
Attributed to Cielo	159.0	149.9	6.1%	128.1	24.1%	438.7	325.1	34.9%
Attributed to non Cielo interest	68.1	64.1	6.2%	54.9	24.0%	188.0	139.3	35.0%

The above income statement differs from the presentation of the financial statements in accordance with accounting practices adopted in Brazil, thus, it shows additional lines and makes certain reclassifications of balances to facilitate the understanding of the readers of this report.

6. OTHER SUBSIDIARIES

6.1. FINANCIAL PERFORMANCE

Income Statement <i>R\$ million</i>	Other Subsidiaries							
	4Q21	4Q20	Var. %	3Q21	Var. %	2021	2020	Var. %
Gross operating revenue	827.3	948.5	-12.8%	913.8	-9.5%	3,599.9	3,947.6	-8.8%
Taxes on services	(20.6)	(36.4)	-43.4%	(31.3)	-34.2%	(117.9)	(155.1)	-24.0%
Net operating revenue	806.7	912.1	-11.6%	882.5	-8.6%	3,482.0	3,792.5	-8.2%
Total cost + expenses	(844.1)	(976.5)	-13.6%	(918.3)	-8.1%	(3,612.5)	(4,055.3)	-10.9%
Total costs	(727.8)	(832.0)	-12.5%	(796.9)	-8.7%	(3,132.1)	(3,362.2)	-6.8%
Cost of service rendered	(682.3)	(782.9)	-12.8%	(754.4)	-9.6%	(2,960.0)	(3,181.8)	-7.0%
Depreciation and amortization	(45.5)	(49.1)	-7.3%	(42.5)	7.1%	(172.1)	(180.4)	-4.6%
Gross income	78.9	80.1	-1.5%	85.6	-7.8%	349.9	430.3	-18.7%
Operating expenses	(116.3)	(144.5)	-19.5%	(121.4)	-4.2%	(480.4)	(693.1)	-30.7%
Salaries / Wages and benefits	(36.9)	(39.1)	-5.6%	(42.6)	-13.4%	(164.9)	(150.0)	9.9%
General and administratives	(32.5)	(52.2)	-37.7%	(31.6)	2.8%	(133.1)	(253.5)	-47.5%
Sales and Marketing expenses	(42.2)	(45.4)	-7.0%	(37.9)	11.3%	(157.9)	(243.0)	-35.0%
Other operating (Expenses) income, net	(1.0)	(2.0)	-50.0%	(1.3)	n/a	(0.2)	(14.2)	n/a
Depreciation and amortization	(3.7)	(5.8)	-36.2%	(8.0)	-53.8%	(24.3)	(32.4)	-25.0%
Equity Interest	-	-	n/a	-	n/a	-	-	n/a
Operating result	(37.4)	(64.4)	-41.9%	(35.8)	4.5%	(130.5)	(262.8)	-50.3%
EBITDA	11.8	(9.5)	n/a	14.7	-19.7%	65.9	(50.0)	-231.8%
<i>EBITDA Margin</i>	<i>1.5%</i>	<i>-1.0%</i>	<i>2.5pp</i>	<i>1.7%</i>	<i>-0.2pp</i>	<i>1.9%</i>	<i>-1.3%</i>	<i>3.2pp</i>
Financial income	(22.1)	(18.8)	17.6%	(19.4)	13.9%	(82.5)	(74.7)	10.4%
Result before income tax and social contribution	(59.5)	(83.2)	-28.5%	(55.2)	7.8%	(213.0)	(337.5)	-36.9%
Income tax and social contribution	18.8	40.8	-53.9%	12.4	51.6%	56.9	104.9	-45.8%
Current	(15.9)	34.4	-146.2%	5.1	-411.8%	0.2	60.0	-99.7%
Deferred	34.7	6.4	442.2%	7.3	375.3%	56.7	44.9	26.3%
Net result	(40.7)	(42.4)	-4.0%	(42.8)	-4.9%	(156.1)	(232.6)	-32.9%
<i>Net margin</i>	<i>-5.0%</i>	<i>-4.6%</i>	<i>-0.4pp</i>	<i>-4.8%</i>	<i>-0.2pp</i>	<i>-4.5%</i>	<i>-6.1%</i>	<i>1.7pp</i>
Attributed to Cielo	(40.7)	(42.9)	-5.1%	(42.8)	-4.9%	(156.1)	(234.6)	-33.5%
Attributed to non Cielo interest	-	0.5	n/a	-	n/a	-	2.0	n/a

The above income statement differs from the presentation of the financial statements in accordance with accounting practices adopted in Brazil, thus, it shows additional lines and makes certain reclassifications of balances to facilitate the understanding of the readers of this report.

6.2. NET INCOME ATTRIBUTABLE TO CIELO

Net income attributable to Cielo from other subsidiaries recorded a loss of R\$40.7 million in 4Q21, compared to R\$42.9 million in 4Q20 and R\$42.8 million in 3Q21. In both comparisons, the improved results are due to more positive trends for the subsidiaries abroad.

7. EXHIBITS

7.1. CIELO BRASIL'S NET INCOME EXCLUDING THE IMPACT ON THE COSTS OF DEBT CONTRACTED IN THE ACQUISITIONS OF CATENO AND MERCHANT-E (managerial view)

Income Statement	CIELO BR' RESULT NET OF ACQUISITION COST							
R\$ million	4Q21	4Q20	Var. %	3Q21	Var. %	2021	2020	Var. %
Result Attributed to Cielo	336.9	298.2	13.0%	211.9	59.0%	970.5	490.2	98.0%
Cielo Brasil	218.6	191.2	14.3%	126.5	72.8%	687.9	399.6	72.1%
Subsidiaries	118.3	107.0	10.6%	85.3	38.7%	282.6	90.5	212.3%
<i>Cateno</i>	<i>159.0</i>	<i>149.9</i>	<i>6.1%</i>	<i>128.1</i>	<i>24.1%</i>	<i>438.7</i>	<i>325.1</i>	<i>34.9%</i>
<i>Other Subsidiaries</i>	<i>(40.7)</i>	<i>(42.9)</i>	<i>-5.1%</i>	<i>(42.8)</i>	<i>-4.9%</i>	<i>(156.1)</i>	<i>(234.6)</i>	<i>-33.5%</i>
Cost of acquisition debt	(48.7)	(19.3)	151.8%	(37.4)	30.2%	(136.0)	(106.2)	28.1%
Cateno	(44.8)	(11.4)	292.3%	(29.7)	51.0%	(105.1)	(66.6)	57.7%
MerchantE	(3.9)	(7.9)	-50.9%	(7.7)	-49.6%	(31.0)	(39.6)	-21.8%
Cielo Brasil (-) cost of debt	267.3	210.5	26.9%	163.9	63.1%	823.9	505.8	62.9%
Subsidiaries (+) cost of debt	69.6	87.7	-20.6%	47.9	45.3%	146.6	(15.7)	n/a

7.2. MANAGEMENT PERFORMANCE 4Q21 – COSIF (NOT AUDITED)

Income Statement	Cielo Brasil					Cateno - Accounting value					Other Subsidiaries					Cielo Consolidated					
	4Q21	4Q20	Var. %	3Q21	Var. %	4Q21	4Q20	Var. %	3Q21	Var. %	4Q21	4Q20	Var. %	3Q21	Var. %	4Q21	4Q20	Var. %	3Q21	Var. %	
<i>R\$ million</i>																					
Gross operating revenue	1,597.6	1,474.2	8.4%	1,465.7	9.0%	1,115.6	907.6	22.9%	1,006.8	10.8%	827.3	948.5	-12.8%	913.8	-9.5%	3,540.5	3,330.3	6.3%	3,386.3	4.6%	
Taxes on services	(224.6)	(167.4)	34.2%	(203.2)	10.5%	(153.8)	(103.8)	48.2%	(142.3)	8.1%	(20.6)	(36.4)	-43.4%	(31.3)	-34.2%	(399.0)	(307.6)	29.7%	(376.8)	5.9%	
Net operating revenue	1,373.0	1,306.8	5.1%	1,262.5	8.8%	961.8	803.8	19.7%	864.5	11.3%	806.7	912.1	-11.6%	882.5	-8.6%	3,141.5	3,022.7	3.9%	3,009.5	4.4%	
Total cost + expenses	(1,145.5)	(1,082.7)	5.8%	(1,076.0)	6.5%	(636.3)	(491.8)	29.4%	(600.9)	5.9%	(844.1)	(976.5)	-13.6%	(918.3)	-8.1%	(2,625.9)	(2,551.0)	2.9%	(2,595.2)	1.2%	
Total costs	(843.0)	(763.8)	10.4%	(774.3)	8.9%	(541.3)	(441.5)	22.6%	(570.4)	-5.1%	(727.8)	(832.0)	-12.5%	(796.9)	-8.7%	(2,112.1)	(2,037.3)	3.7%	(2,141.6)	-1.4%	
Cost of service rendered	(718.1)	(624.2)	15.0%	(646.5)	11.1%	(444.5)	(344.6)	29.0%	(473.4)	-6.1%	(682.3)	(782.9)	-12.8%	(754.4)	-9.6%	(1,844.9)	(1,751.7)	5.3%	(1,874.3)	-1.6%	
Depreciation and amortization	(124.9)	(139.6)	-10.5%	(127.8)	-2.3%	(96.8)	(96.9)	-0.1%	(97.0)	-0.2%	(45.5)	(49.1)	-7.3%	(42.5)	7.1%	(267.2)	(285.6)	-6.4%	(267.3)	0.0%	
Gross income	530.0	543.0	-2.4%	488.2	8.6%	420.5	362.3	16.1%	294.1	43.0%	78.9	80.1	-1.5%	85.6	-7.8%	1,029.4	985.4	4.5%	867.9	18.6%	
Operating expenses	(302.5)	(318.9)	-5.1%	(301.7)	0.3%	(95.0)	(50.3)	88.9%	(30.5)	211.5%	(116.3)	(144.5)	-19.5%	(121.4)	-4.2%	(513.8)	(513.7)	0.0%	(453.6)	13.3%	
Personnel	(190.1)	(132.7)	43.3%	(151.8)	25.2%	(23.1)	(19.3)	19.7%	(17.4)	32.8%	(36.9)	(39.1)	-5.6%	(42.6)	-13.4%	(250.1)	(191.1)	30.9%	(211.8)	18.1%	
General and administratives	(63.6)	(49.6)	28.2%	(54.5)	16.7%	(5.2)	(11.2)	-53.6%	(4.4)	18.2%	(32.5)	(52.2)	-37.7%	(31.6)	2.8%	(101.3)	(113.0)	-10.4%	(90.5)	11.9%	
Sales and Marketing expenses	(10.4)	(33.7)	-69.1%	(21.3)	-51.2%	(0.1)	(0.1)	0.0%	(0.1)	0.0%	(42.2)	(45.4)	-7.0%	(37.9)	11.3%	(52.7)	(79.2)	-33.5%	(59.3)	-11.1%	
Other operating (Expenses) income, net	(35.8)	(98.6)	-63.7%	(71.3)	-49.8%	(66.2)	(19.3)	243.0%	(8.2)	707.3%	(1.0)	(2.0)	-50.0%	(1.3)	n/a	(103.0)	(119.9)	-14.1%	(80.8)	27.5%	
Depreciation and amortization	(2.6)	(4.3)	-39.5%	(2.8)	-7.1%	(0.4)	(0.4)	0.0%	(0.4)	0.0%	(3.7)	(5.8)	-36.2%	(8.0)	-53.8%	(6.7)	(10.5)	-36.2%	(11.2)	-40.2%	
Equity Interest	-	0.4	n/a	-	n/a	-	-	n/a	-	n/a	-	-	n/a	-	n/a	-	0.4	n/a	-	n/a	
Operating income	227.5	224.5	1.3%	186.5	22.0%	325.5	312.0	4.3%	263.6	23.5%	(37.4)	(64.4)	-41.9%	(35.8)	4.5%	515.6	472.1	9.2%	414.3	24.5%	
EBITDA	355.0	368.4	-3.6%	317.2	11.9%	422.7	409.3	3.3%	361.0	17.1%	11.8	(9.5)	n/a	14.7	-19.7%	789.5	768.2	2.8%	692.8	14.0%	
<i>EBITDA Margin</i>	<i>25.9%</i>	<i>28.2%</i>	<i>-2.3pp</i>	<i>25.1%</i>	<i>0.7pp</i>	<i>43.9%</i>	<i>50.9%</i>	<i>-7.0pp</i>	<i>41.8%</i>	<i>2.2pp</i>	<i>1.5%</i>	<i>-1.0%</i>	<i>2.5pp</i>	<i>1.7%</i>	<i>-0.2pp</i>	<i>25.1%</i>	<i>25.4%</i>	<i>-0.3pp</i>	<i>23.0%</i>	<i>2.1pp</i>	
Financial income	(60.2)	21.0	n/a	(27.6)	118.1%	21.0	12.6	66.7%	14.6	43.8%	(22.1)	(18.8)	17.6%	(19.4)	13.9%	(61.3)	14.8	n/a	(32.3)	89.8%	
Financial revenue	84.4	31.6	167.1%	78.4	7.7%	21.7	13.1	65.6%	15.1	43.7%	0.6	(3.9)	n/a	1.5	-60.0%	106.7	40.8	161.5%	95.0	12.3%	
Financial expenses	(251.9)	(83.6)	201.3%	(214.6)	17.4%	(0.7)	(0.5)	40.0%	(0.5)	40.0%	(22.7)	(14.8)	53.4%	(20.8)	9.1%	(275.3)	(98.9)	178.4%	(235.9)	16.7%	
Acquisition of receivables, net	113.5	81.6	39.1%	102.9	10.3%	-	-	n/a	-	n/a	-	-	n/a	(0.1)	n/a	113.5	81.6	39.1%	102.9	10.3%	
Net exchange variation	(6.2)	(8.6)	-27.9%	5.7	n/a	-	-	n/a	-	n/a	-	(0.1)	n/a	-	n/a	(6.2)	(8.7)	n/a	5.7	n/a	
Income before income tax and social contribution	167.3	245.5	-31.9%	158.9	5.3%	346.5	324.6	6.7%	278.2	24.6%	(59.5)	(83.2)	-28.5%	(55.2)	7.8%	454.3	486.9	-6.7%	382.0	18.9%	
Income tax and social contribution	51.3	(54.3)	-194.5%	(32.4)	-258.3%	(119.4)	(110.6)	8.0%	(95.2)	25.4%	18.8	40.8	-53.9%	12.4	51.6%	(49.3)	(124.1)	-60.3%	(115.2)	-57.2%	
Current	60.3	(86.7)	-169.6%	(48.2)	-225.1%	(134.1)	(94.8)	41.5%	(143.7)	-6.7%	(15.9)	34.4	-146.2%	5.1	-411.8%	(89.7)	(147.1)	-39.0%	(186.8)	-52.0%	
Deferred	(9.0)	32.4	-127.8%	15.8	-157.0%	14.7	(15.8)	-193.0%	48.5	n/a	34.7	6.4	442.2%	7.3	375.3%	40.4	23.0	75.7%	71.6	-43.6%	
Net result	218.6	191.2	14.3%	126.5	72.8%	227.1	214.0	6.1%	183.0	24.1%	(40.7)	(42.4)	-4.0%	(42.8)	-4.9%	405.0	362.8	11.6%	266.8	51.8%	
<i>Net margin</i>	<i>15.9%</i>	<i>14.6%</i>	<i>1.3pp</i>	<i>10.0%</i>	<i>5.9pp</i>	<i>23.6%</i>	<i>26.6%</i>	<i>-3.0pp</i>	<i>21.2%</i>	<i>2.4pp</i>	<i>-5.0%</i>	<i>-4.6%</i>	<i>-0.4pp</i>	<i>-4.8%</i>	<i>-0.2pp</i>	<i>12.9%</i>	<i>12.0%</i>	<i>0.9pp</i>	<i>8.9%</i>	<i>4.0pp</i>	
Attributed to Cielo	218.6	191.2	14.3%	126.5	72.8%	159.0	149.9	6.1%	128.1	24.1%	(40.7)	(42.9)	-5.1%	(42.8)	-4.9%	336.9	298.2	13.0%	211.9	59.0%	
Attributed to non Cielo interest	-	-	n/a	-	n/a	68.1	64.1	6.2%	54.9	24.0%	-	0.5	n/a	-	n/a	68.1	64.6	5.4%	54.9	24.0%	