

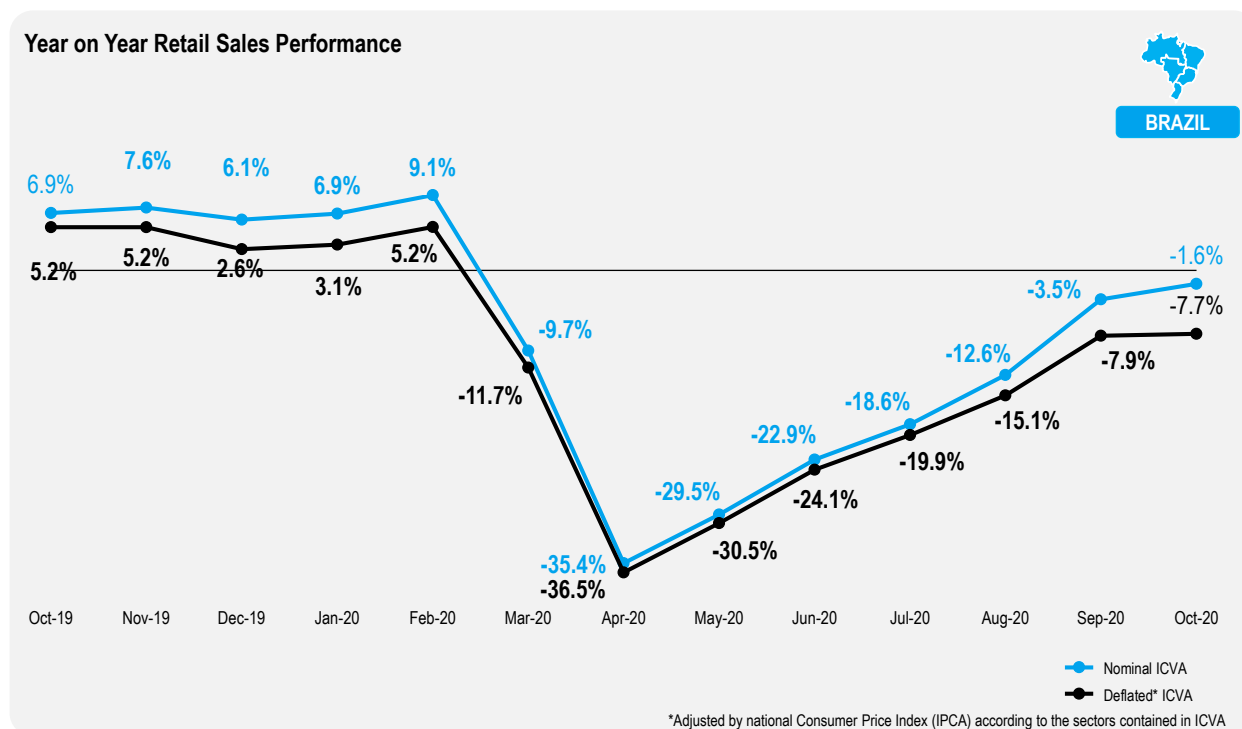
Retail sales fall 7.7% in October compared to the same month last year, according to ICVA

The recovery slowed down compared to September

Still affected by the COVID-19 pandemic, Brazilian retail sales fell 7.7%, excluding inflation, in October compared to the same month last year, as indicated by the Cielo Broad Retail Index (ICVA). In nominal terms, which reflect sales revenue received by retailers, the ICVA fell 1.6%.

Despite the decline from October 2019, retail recorded month-on-month recovery for the seventh consecutive time. The positive highlight was the acceleration of sectors such as Food (bars and restaurants), Veterinary Clinics and Pet Shops. On the other hand, the Building Material and Automotive sectors slowed down.

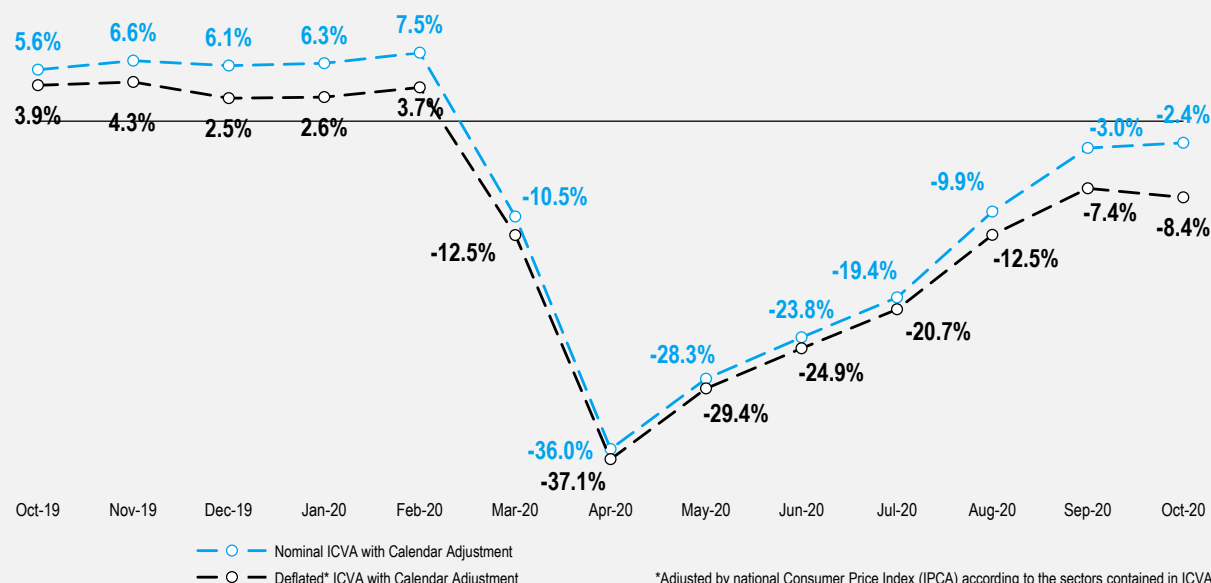
"The pace of retail recovery slowed down in October, although the most affected segments in the beginning of the pandemic, such as Bars and Restaurants and Tourism and Transport, continued to fall less," says Cielo's Director of Intelligence, Gabriel Mariotto. "The sectors that contributed most to the slowdown in the recovery were those that were growing well above average until September, such as Supermarkets and Hypermarkets and Building Materials".



Year on Year Retail Sales Performance with Calendar Adjustment



BRAZIL



INFLATION

The Broad Consumer Price Index (IPCA) increased 0.86% in October, the highest figure for the month since 2002. In the last 12 months, inflation amounted to 3.92%. According to the Brazilian Institute of Geography and Statistics (IBGE), Food & Beverages played a major role in the index increase.

Considering the IPCA weighted by sector and ICVA weights, broad retail inflation was 6.5% in October.

SECTORS

Excluding inflation and with calendar adjustments, Durable & Semi-Durable Goods accounted for most of the index increase, followed by Services. In the first group, the highlight was Apparel. In the second group, it is worth noting an acceleration in the Food (bars and restaurants) sector.

The Non-Durable Goods macro sector slowed down in October, chiefly due to the Drugstore & Pharmacy sector. In this group, the positive highlight was Veterinary Clinics and Pet Shops, which recorded growth.

REGIONS

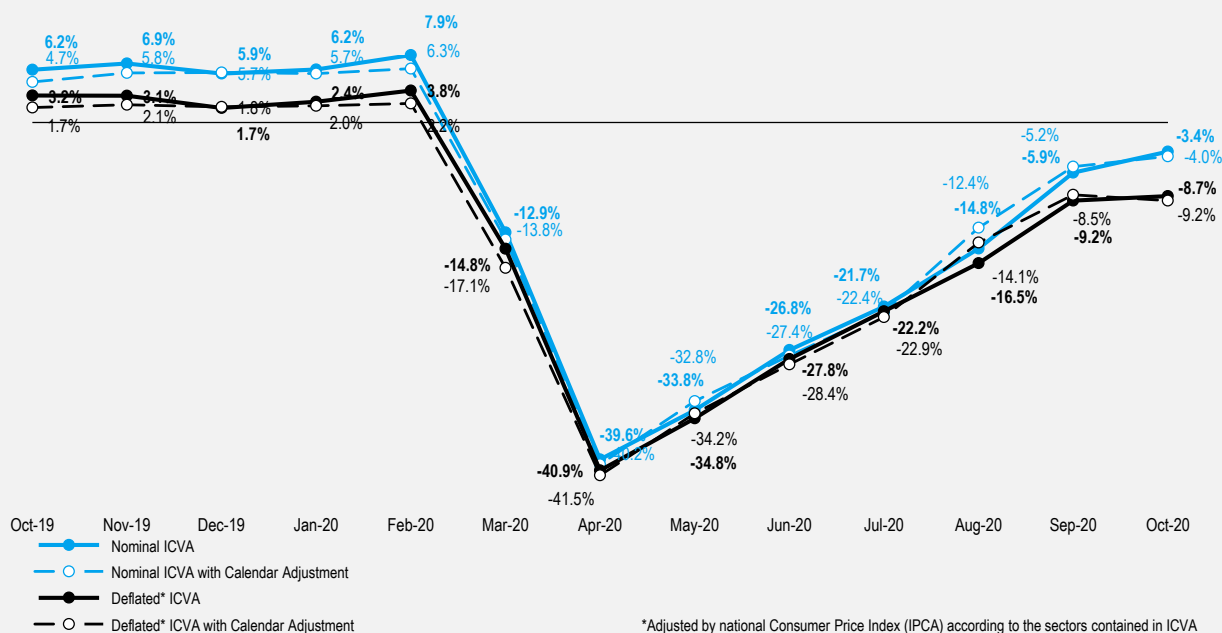
All regions recorded a downturn in sales compared to October 2019. According to the deflated ICVA with calendar adjustment, the Southeast and Northeast regions recorded the biggest decline in October 2020 (-9.2%), followed by the South (-6.7%), Midwest (-6.3%) and North (-2.9%) regions.

According to the nominal ICVA – which does not discount inflation – with calendar adjustment, the highlight was the North region, up by 5.6%. The Midwest increased 0.8%, followed by the South (-0.4%), Northeast (-2.5%) and Southeast (-4.0%) regions.

Year on Year Retail Sales Performance by Region



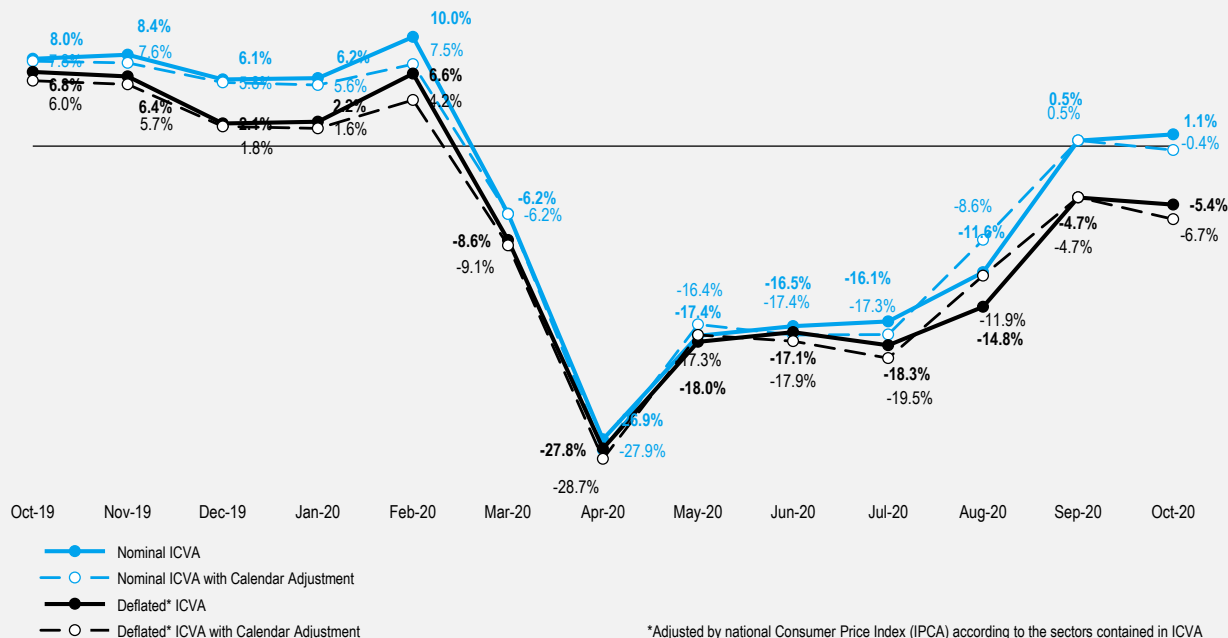
SOUTHEAST



Year on Year Retail Sales Performance by Region



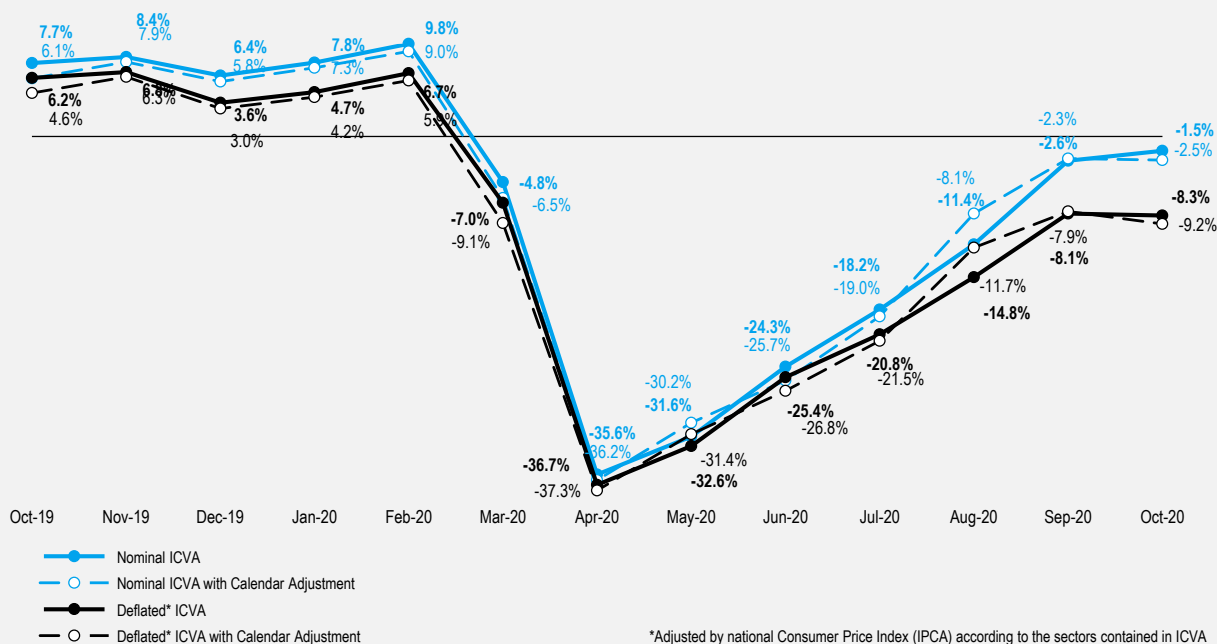
SOUTH



Year on Year Retail Sales Performance by Region



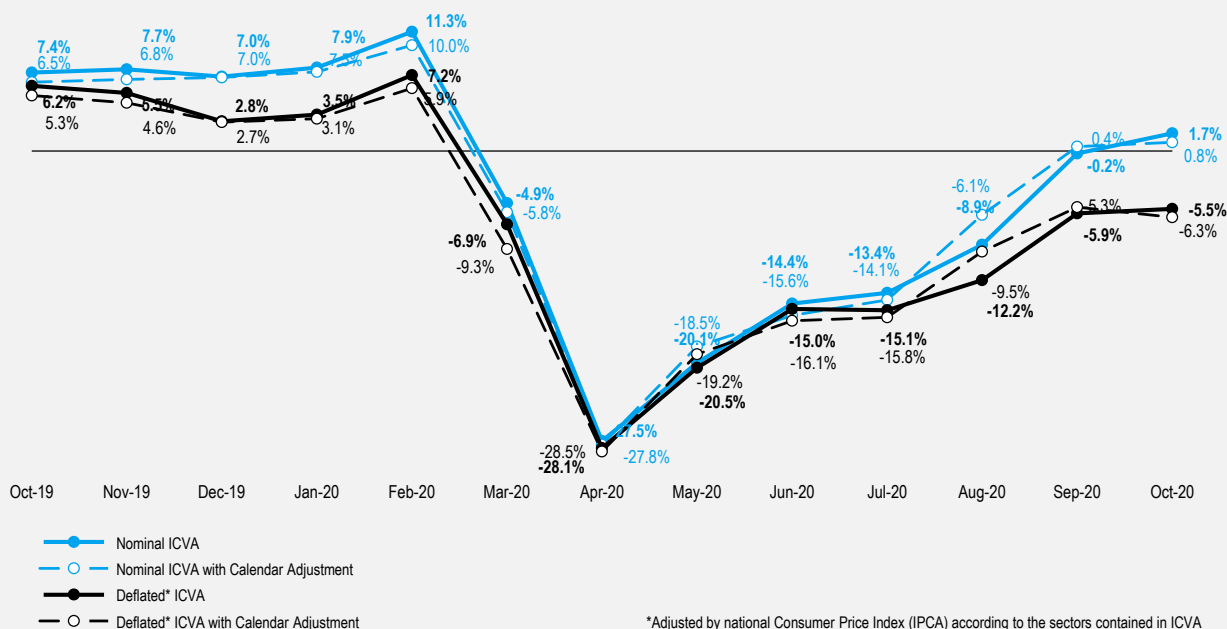
NORTHEAST



Year on Year Retail Sales Performance by Region



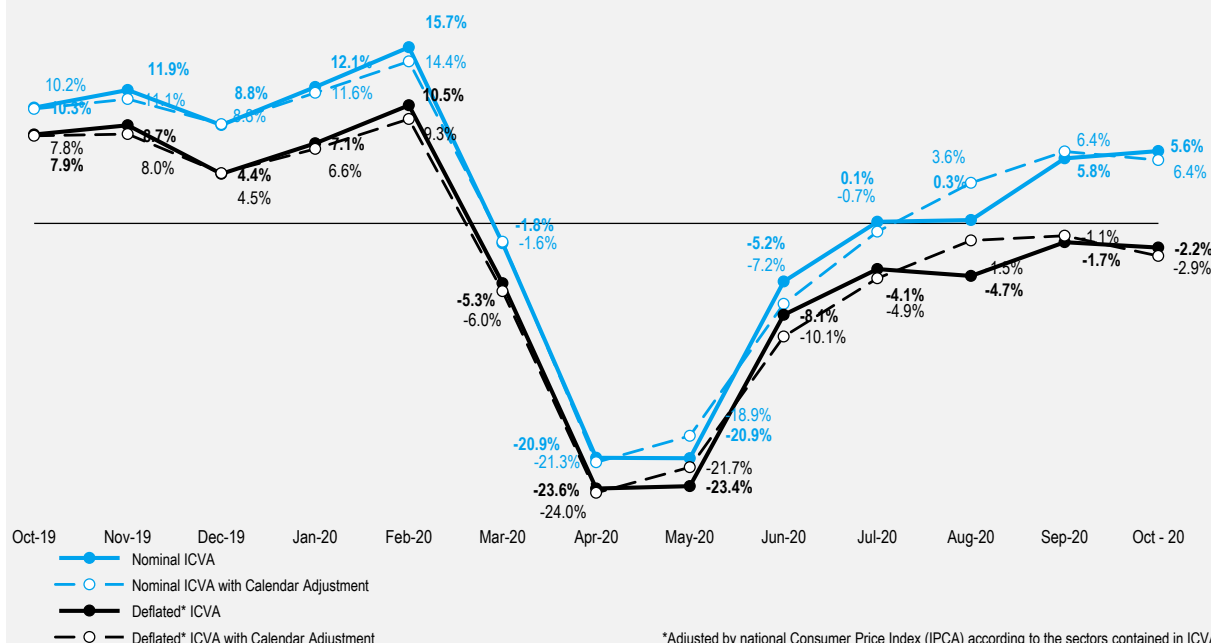
MIDWEST



Year on Year Retail Sales Performance by Region



NORTH



ABOUT THE ICVA

The Cielo Broad Retail Index (ICVA) tracks the monthly performance of Brazil's retail sector based on a group of 18 sectors mapped by Cielo, ranging from small to large retailers. They account for 1.5 million retailers affiliated to the Company. The weight of each sector in the overall result of this indicator is defined by its monthly performance.

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

HOW IT IS CALCULATED

Cielo's Business Analytics unit developed mathematical and statistical models, which were applied to the Company's database of the company with the purpose of isolating the effects of the competitive behavior of the acquiring market, such as market share variation, as well as excluding the effects of check and cash replacement for debit cards. Therefore, the index represents not only the retail consumption with cards but also the actual dynamics of the point-of-sale consumption.

The ICVA is in no way a preview of Cielo's financial results, which are impacted by several other factors related to both revenues and cost and expenses.

UNDERSTAND THE INDEX

Nominal ICVA - Indicates year-on-year growth in nominal sales revenue in broad retail in the period. It reflects what retailers actually see in their sales.

Deflated ICVA – Nominal ICVA discounting inflation. We use a deflator, which is calculated based on the Broad Consumer Price Index (IPCA), calculated by the IBGE, adjusted to the mix and weights of the sectors contained in the ICVA. It reflects real retail growth, excluding the contribution of price increases.

Nominal/deflated ICVA with calendar adjustment – ICVA without calendar effects that affects a certain month/period compared to the same month/period last year. It reflects the pace of growth, showing the acceleration and deceleration of the index.

Barueri, November 17, 2020.

Gustavo Henrique Santos de Sousa
Chief Financial and Investor Relations Officer