



cielo

Earnings Release

4Q23



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Presentation

This report presents the economic and financial situation of Cielo S.A – Instituição de Pagamento (B3: CIEL3 and OTC: CIOXY). Intended for market analysts, shareholders, investors, the press, and other stakeholders, this document provides analyses, indicators and information considered relevant for analyzing the performance of Cielo and its subsidiaries. It is released quarterly and presents the results of the fourth quarter of 2023. This document is not audited and its reading does not replace the reading of the accounting statements of the period and other documents filed with regulatory bodies.

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

Below are the different perspectives presented in this report:

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

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

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

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

Forward-looking statements and information also include information about possible or assumed future operating results, as well as statements that are preceded, followed by or include the words "believes", "may", "will", "continues", "expects", "anticipates", "intends", "plans", "estimates", or similar expressions.

Forward-looking statements and information are not guarantees of performance. They involve risks, uncertainties and assumptions because they refer to future events, and therefore depend on circumstances that may or may not occur. Future results and shareholder value creation may differ significantly from those expressed in or suggested by the forward-looking statements. Many of the factors that will determine these results and values are beyond Cielo's ability to control or predict.

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

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

1. Highlights

Cielo reports BRL 2.1 billion in Net Income in 2023, the highest result since 2018. Growth of 33% over 2022

2023 was another milestone in the resumption of profitability, with a 23% net margin. The year also defined its agenda for operational excellence, delivering new solutions and more quality to customers, who recognized such advances in satisfaction surveys.



Recurring Net Income

Recurring net income totaled BRL 1.9 billion in the year, with a growth of 26% over 2022. In the quarter, the result accrued BRL 481 million, an increase of 5% over the result reported in 3Q23.



Record Acquisition of Receivables Revenue ("ARV") in 2023

Revenues registered BRL 1.6 billion in the year, with a 6.7% growth YoY. In the quarter, we registered a new record in prepaid volume (ARV+RR): BRL 34 billion. Performance in the quarter reinforces the commitment to diversify revenue sources and support retailers in managing their cash flow.



Cateno records highest cash earnings¹ in history: BRL 1.1 billion in the year

Record also in the quarter, with BRL 288 million cash earnings. Net Income related to Cielo's stake (70%) reached BRL 220 million in 4Q23, +7% YoY.



Recurring EBITDA totals BRL 4.0 billion in 2023, with 38.0% margin

In the quarter, recurring EBITDA totaled BRL 1.0 billion, with a margin of 36.1%.



Client at the Center: Highest NPS on Company History

NPS (*Net Promoter Score*) grew another 20 points since July/22, as a matter of widespread improvements in operational and service indicators.



Return to shareholders and distribution of dividends

Focus on value creation, with ROE totaling 18.1% on cash view² in 2023. Robust cash generation has allowed for a greater distribution of dividends since 2018: BRL 764 million via Interest on Equity ("JCP"). The Company also announced an additional interest on equity of BRL 410 million for March 2024.

¹ Recurring Net Income of Cateno attributable to Cielo's shareholders, excluding 70% of the amortization of the intangible in Cateno related to the right to exploit the Ourocard Arrangement

² Return on Equity ("ROE"): Recurring Net Income attributable to Cielo's shareholders (excluding 70% of the amortization of intangible assets in Cateno), divided by the average shareholders' equity attributable to shareholders in the period

2. Result by Business Unit

2.1. Net Operating Income

Net Revenue (BRL million)	4Q23	4Q22	Var. %	3Q23	Var. %	2023	2022	Var. %
Cielo Brasil	1,637.1	1,677.3	-2.4%	1,569.0	4.3%	6,418.7	6,189.5	3.7%
Cateno	1,133.2	1,076.7	5.2%	1,050.0	7.9%	4,182.4	3,934.3	6.3%
Cielo + Cateno	2,770.2	2,754.0	0.6%	2,619.0	5.8%	10,601.1	10,123.8	4.7%
Other Subsidiaries	-	-	n/a	-	n/a	-	569.3	-100.0%
Consolidated	2,770.2	2,754.0	0.6%	2,619.0	5.8%	10,601.1	10,693.1	-0.9%

- Net Operating Revenue reached BRL 2,770.2 million in 4Q23, an increase of 0.6% compared to 4Q22, mainly due to the recovery of revenue yield at Cielo Brasil and higher volumes at Cateno, partially offset by lower volumes at Cielo Brasil.

2.2. EBITDA

EBITDA (BRL million)	4Q23	4Q22	Var. %	3Q23	Var. %	2023	2022	Var. %
Cielo Brasil	451.0	517.6	-12.9%	486.8	-7.4%	2,206.7	1,818.1	21.4%
Cateno	549.1	530.0	3.6%	504.8	8.8%	2,211.2	1,810.5	22.1%
Other Subsidiaries	(0.4)	(132.9)	-99.7%	(0.3)	33.3%	(2.2)	187.0	-101.2%
Consolidated	999.6	914.7	9.3%	991.3	0.8%	4,415.7	3,815.6	15.7%
EBITDA Margin	36.1%	33.2%	2.9pp	37.9%	-1.8pp	41.7%	35.7%	6.0pp

- EBITDA reached BRL 999.6 million in 4Q23, an increase of 9.3% compared to 4Q22, mainly due to the baseline effect in Other Subsidiaries. Had it not been for the non-recurring effects, consolidated EBITDA would have fallen by 8.5%, reflecting the lower volumes at Cielo Brasil, investments to improve operations and expansion of the commercial team, mitigated by revenue yield growth and better performance at Cateno.

2.3. Financial Result

Financial Result (BRL million)	4Q23	4Q22	Var. %	3Q23	Var. %	2023	2022	Var. %
Financial income	83.2	174.5	-52.3%	67.1	24.0%	332.0	467.6	-29.0%
Financial expenses	(454.9)	(530.4)	-14.2%	(542.1)	-16.1%	(2,023.4)	(1,722.6)	17.5%
Anticipation of receivables	384.6	272.1	41.3%	442.0	-13.0%	1,566.7	938.5	66.9%
Exchange rate variation, net	(8.0)	(13.2)	-39.4%	(5.0)	60.0%	(28.3)	(67.8)	-58.3%
Financial Result	4.9	(97.0)	n/a	(38.0)	n/a	(153.0)	(384.3)	-60.2%

- The consolidated Financial Result showed significant improvements over 4Q22, reflecting Cielo Brasil's better performance and the decline in the SELIC rate. In the acquiring core, the financial result benefited mainly from the expansion of ARV, in long-tail, SMB and also with large accounts.

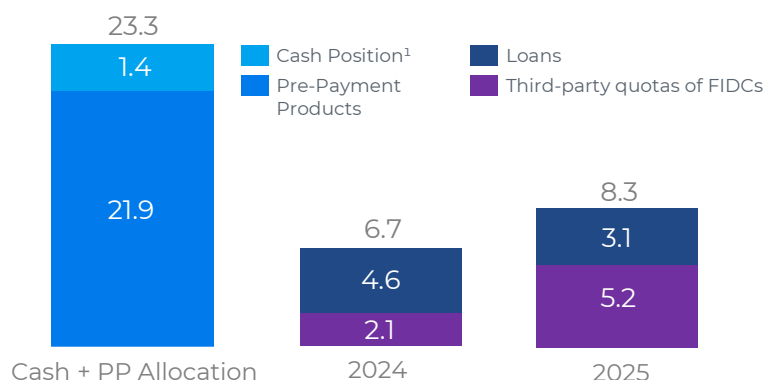
2.4. Consolidated Net Income

Net Income (BRL million)	4Q23	4Q22	Var. %	3Q23	Var. %	2023	2022	Var. %
Cielo Brasil	260.6	261.6	-0.4%	256.5	1.6%	1,197.6	802.5	49.2%
Cateno	220.4	206.8	6.6%	200.2	10.1%	889.8	707.5	25.8%
Other Subsidiaries	0.0	(140.4)	n/a	(0.0)	n/a	(0.6)	59.5	n/a
Consolidated	480.8	328.0	46.6%	456.7	5.3%	2,086.8	1,569.5	33.0%
Non-recurring Items - Cielo Brasil	-	(30.2)				149.2	(60.6)	
Non-recurring Items - Cateno	-					73.4	-	
Non-recurring Items - Other Subsidiaries	-	(131.9)				-	150.4	
Recurring Net Income	480.8	490.1	-1.9%	456.7	5.3%	1,864.3	1,479.7	26.0%

- Recurring net income totaled BRL 480.8 million in 4Q23, down 1.9% from 4Q22, reflecting the EBITDA performance – with lower volumes in Cielo Brasil and greater investments in the

commercial team and in the operational transformation process – which was partially offset by the consistent improvement in financial results.

2.5. Liquidity and Indebtedness



¹Chart in BRL billion. the cash position (or total liquidity) presented in this item consolidates 100% of the cash balances and cash equivalents of the subsidiary Catenio.

- On December 31, 2023, the Company recorded Cash and Cash Equivalents balance of BRL 1,434.3 million, a decrease of BRL 735.3 million from December 31, 2022, and an increase of BRL 287.2 million from September 30, 2023. The reduction in cash equivalents compared to the same period last year is mainly explained by the increase in resources allocated to Pre-Payment Products. Compared to the previous quarter, the increase in cash equivalents reflects the higher balance of loans, partially offset by the higher allocation to Pre-Payment Products.
- On the base date of the balance sheet, Cielo recorded a total of BRL 7,730.9 million in loans and financing, an increase of BRL 1,087.9 million when compared to December 31, 2022, and an increase of BRL 1,316.6 million compared to September 30, 2023. The increase in total loans on both bases of comparison is explained by the higher short-term funding, mostly offset by the liquidation of Private Debentures carried out in December 2023.
- With a focus on optimizing the structure of uses and sources of resources, the Company replaced the Private Debentures (BRL 3,480.2 million) with working capital funds through CCB (Bank Credit Note). On December 31, 2023, the outstanding balance of these debts were R\$4,605.7 million.
- In addition to loans and financing operations, Cielo uses as capitalization certain funds raised through Credit Rights Investment Funds ("FIDCs"), according to explanatory note 6 of its Intermediate Accounting Information. The shares of FIDCs belonging to third parties make up the Company's liabilities and are recorded in COSIF under "Non-controlling shareholders" and under IFRS under "Obligations with FIDC senior shares", with the balance with third-party shareholders of the FIDCs being BRL 7,275.9 million on December 31, 2023. Of this amount, BRL 2,073.9 million in senior quotas are due in March 2024.

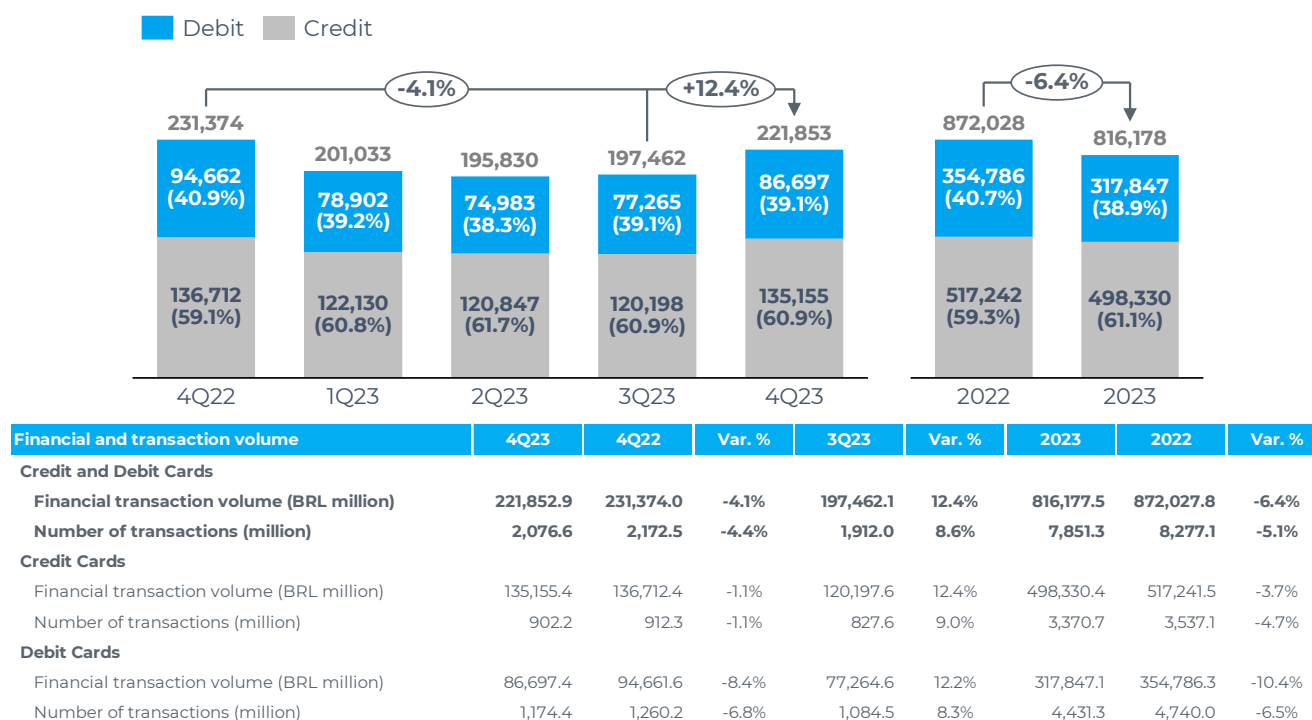
3. Cielo Brasil

3.1. Highlights

- Cielo Brasil's Net Income reached BRL 260.6 million, up 1.6% over 3Q23.
- Net operating revenue decreased 2.4% compared to 4Q22. Revenue was mainly impacted by lower volumes, which were partially offset by revenue yield growth, which reached 0.74% in 4Q23, compared to 0.72% in 4Q22. The main factors that boosted the yield were the profitability actions adopted throughout 2023, and the behavior of the interchange – impacted by BCB Resolution 246/22, which came into force in April/23.
- Total Costs + Expenses increased 0.9% YoY, reflecting volume and efficiency initiatives, mainly in costs. Normalized costs + expenses reflect investments in commercial expansion and operational improvement. Excluding these investments, expenses continue to grow below inflation.
- New record for Pre-Payment Products volume (ARV and RR): BRL 33.7 billion in 4Q23, reinforcing the commitment to diversify revenue sources and support retailers in managing their cash flow. Allocation to Pre-Payment Products reached BRL 21.9 billion on December 31, 2023.
- Cielo Brasil's Financial Results continue to improve, recording expenses of BRL 21.2 million in 4Q23 compared to expenses of BRL 65.2 million in the previous quarter.

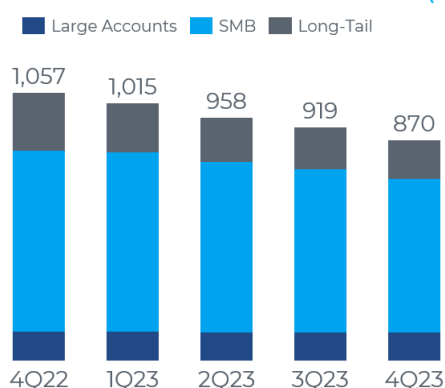
3.2. Operational Performance

3.2.1 Financial Volume (in BRL million)



- The financial volume of transactions captured by Cielo Brasil was BRL 221.9 billion in 4Q23, down 4.1% from 4Q22, with a 1.1% decrease in credit card transactions and an 8.4% decrease in debit card transaction volume.

3.2.2 Active Customer Base (thousands)



Considering merchants that carried out at least one transaction with Cielo in the last 90 days, the total active base ended 4Q23 at 870 thousand, down 5.3% from 3Q23, mainly reflecting the behavior of smaller customer segments.

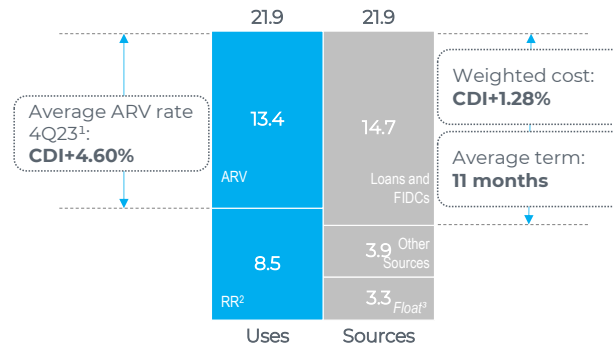
3.2.3 Pre-Payment Products

Pre-Payment Products (BRL million)	4Q23	4Q22	Var. %	3Q23	Var. %	2023	2022	Var. %
Credit card captured volume	135,155.4	136,712.4	-1.1%	120,197.6	12.4%	498,330	517,242	-3.7%
(ARV) financial volume	20,070.3	14,005.8	43.3%	17,539.0	14.4%	72,799.4	51,355.6	41.8%
% over credit card volume	14.8%	10.2%	4.6pp	14.6%	0.3pp	14.6%	9.9%	4.7pp
(RR) Two-day payment financial volume	13,585.0	16,216.2	-16.2%	13,663.7	-0.6%	56,069.4	64,217.7	-12.7%
% over credit card volume	10.1%	11.9%	-1.8pp	11.4%	-1.3pp	11.3%	12.4%	-1.2pp
(ARV+RR) Pre-Payment Products - financial volume*	33,655.3	30,222.0	11.4%	31,202.7	7.9%	128,868.8	115,573.4	11.5%
% over credit card volume	24.9%	22.1%	2.8pp	26.0%	-1.1pp	25.9%	22.3%	3.5pp
SMB and LT (BRL million)	4Q23	4Q22	Var. %	3Q23	Var. %	2023	2022	Var. %
Credit card captured volume	36,683.2	37,090.0	-1.1%	34,710.0	5.7%	140,615	143,965	-2.3%
(ARV) financial volume	2,606.9	2,113.4	23.3%	2,235.1	16.6%	9,430	7,009	34.5%
% over credit card volume	7.1%	5.7%	1.4pp	6.4%	0.7pp	6.7%	4.9%	1.8pp
(RR) Two-day payment financial volume	12,351.7	14,033.0	-12.0%	12,328.6	0.2%	50,001	56,525	-11.5%
% over credit card volume	33.7%	37.8%	-4.2pp	35.5%	-1.8pp	35.6%	39.3%	-3.7pp
(ARV+RR) Pre-Payment Products - financial volume*	14,958.5	16,146.4	-7.4%	14,563.7	2.7%	59,431	63,535	-6.5%
% over credit card volume	40.8%	43.5%	-2.8pp	42.0%	-1.2pp	42.3%	44.1%	-1.9pp

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

- The table above shows the opening of Cielo's operations in Pre-Payment Products. The Company classifies the different solutions that allow retailers to receive their sales by credit cards within two days.
- **Record prepaid volume:** volume prepaid reached BRL 33.7 billion in 4Q23, an increase of 11.4% compared to 4Q22, which demonstrates the Company's efforts to expand its Pre-Payment business. The ARV evolution stands out, with a 43.3% growth compared to the prepaid volume in 4Q22, with an increase in penetration of 4.6 pp, leveraged by the operational improvements implemented throughout 2023 and a more favorable market for this line.
- The balance allocated to Pre-Payment Products reached BRL 21.9 billion at the end of 4Q23, an increase of 17.7% compared to the same period of the previous year.
- The Company's Strategy prioritizes the financing of its exposures to RR with a more stable and long-term sources. In this case, although the term of the receivables is short, there is a recurrence contracted with the customers. In ARV, there is a greater prioritization of the use of third-party resources, given the characteristics of this business. The figure below shows the uses and sources of funding position, in December 2023.

Uses and Funding Sources (BRL billion on dec/2023)



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.

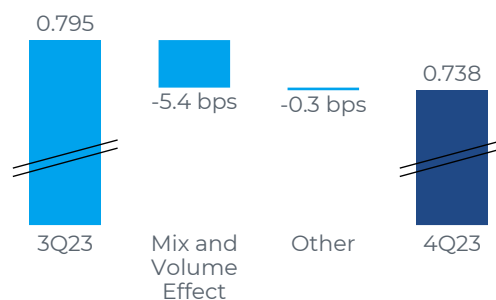
3.3. Financial Performance

3.3.1 Operating Revenues and Revenue Yield

BRL million	4Q23	4Q22	Var. %	3Q23	Var. %	2023	2022	Var. %
TPV	221,852.9	231,374.0	-4.1%	197,462.1	12.4%	816,177.5	872,027.8	-6.4%
Net Revenue	1,637.1	1,677.3	-2.4%	1,569.0	4.3%	6,418.7	6,189.5	3.7%
Yield	0.74%	0.72%	0.01pp	0.79%	-0.06pp	0.79%	0.71%	0.08pp

- Net revenue reached BRL 1,637 million in 4Q23, down 2.4% from 4Q22, mainly explained by lower volumes, which was partially offset by revenue yield growth, which reached 0.74% in 4Q23, compared to 0.72% in 4Q22. The main factors that boosted the yield were the profitability actions adopted throughout 2023, and the behavior of the exchange – impacted by BCB Resolution 246/22, which came into force in April/23.
- The revenue yield reached 0.74% in 4Q23. The expansion in the period reflects the effects explained above and better product mix, share in the transacted volume via credit card that totaled 60.9% in 4Q23, compared to 59.1% in the previous year. In comparison to the previous quarter, there was a decrease in yield, mainly reflecting (i) the seasonality of the 4th quarter, (ii) the renewal of the customer base in the retail and long-tail segment, an effect that is enhanced by the Company's focus on increasing the average size of retailers within this segment, and (iii) the increased participation of large accounts in the mix. To a lesser extent, the yield was also impacted by other factors, such as the lower penetration of the automatic 2-day payment modality in the captured volume.

Revenue Yield Bridge (Main effects in bps)



3.3.2 Cost and Expense Analysis

3.3.2.1 Costs of services provided

BRL million	4Q23	4Q22	Var. %	3Q23	Var. %	2023	2022	Var. %
Costs related to POS	(206.2)	(250.4)	-17.7%	(205.8)	0.2%	(879.6)	(938.3)	-6.3%
Costs related to transactions	(533.7)	(561.2)	-4.9%	(514.4)	3.7%	(2,133.7)	(2,205.1)	-3.2%
Other costs	(70.3)	(87.6)	-19.8%	(61.7)	13.9%	(289.1)	(330.9)	-12.6%
Cost of service rendered	(810.1)	(899.2)	-9.9%	(781.9)	3.6%	(3,302.3)	(3,474.3)	-5.0%
Brand fees and services rendered by banks	455.7	449.5	1.4%	412.3	10.5%	1,707.1	1,791.2	-4.7%
Tax Credit (PIS / COFINS)	(102.0)	(98.9)	3.2%	(93.8)	8.7%	(384.6)	(354.2)	8.6%
Depreciation and amortization	123.3	137.3	-10.2%	125.8	-2.0%	517.8	523.2	-1.0%
Normalized Cost of service rendered	(333.1)	(411.3)	-19.0%	(337.6)	-1.4%	(1,462.1)	(1,514.1)	-3.4%

- The **costs of services provided** decreased by 9.9% compared to 4Q22, reflecting a decrease in all major components:
- **Transaction-related costs** decreased 4.9% year-on-year basis, mainly reflecting volume in the period.
- **Costs linked to capture terminals** decreased 17.7% compared to 4Q22, due to lower maintenance expenses, due to the optimization of POS terminals and efficiency initiatives.
- **Other costs** decreased by 19.8%, mainly due to operational improvement initiatives.
- On a normalized basis, a concept in which variable costs and extraordinary events are segregated, costs would present a 19.0% reduction YoY, reflecting efficiency initiatives as highlighted above.

3.3.2.2 Operating Expenses

R\$ million	4Q23	4Q22	Var. %	3Q23	Var. %	2023	2022	Var. %
Salaries / Wages and benefits	(325.5)	(246.7)	31.9%	(278.3)	17.0%	(1,115.5)	(889.8)	25.4%
General and administratives	(103.1)	(65.8)	56.7%	(77.6)	32.9%	(314.8)	(273.1)	15.3%
Sales and Marketing expenses	(41.5)	(36.1)	15.0%	(50.1)	-17.2%	(140.2)	(112.0)	25.2%
Other operating expenses net	(29.2)	(49.2)	-40.7%	(20.1)	45.3%	143.0	(145.3)	n/a
Depreciation and Amortization	(1.7)	(1.9)	-10.5%	(1.9)	-10.5%	(7.4)	(7.8)	-5.1%
Operating Expenses	(501.0)	(399.7)	25.3%	(428.0)	17.1%	(1,434.9)	(1,428.0)	0.5%
Non-recurring	-	45.8	-100.0%	-	n/a	(226.0)	91.8	n/a
Normalized Operating Expenses	(501.0)	(353.9)	41.6%	(428.0)	17.1%	(1,660.9)	(1,336.2)	24.3%

- **Operating expenses** recorded a 25.3% growth over 4Q22, reflecting mainly the period of higher investments by the Company, with emphasis to the commercial expansion and operational transformation initiatives – with concentrated impacts on personnel and general and administrative expenses. Main variations:
- In **personnel expenses** the observed increase over 4Q22 is due to higher spending related to the expansion of the commercial team and collective agreement, as well as the effect of internalizations and provision movements. Compared to the previous quarter, variation in this line was also observed, and the growth is explained by commercial expansion, collective bargaining, and other factors such as higher provisions.
- In **general and administrative expenses**, the increase is mainly related to the advancement of the Company's transformation program, #PraCimaCielo!, as well as higher expenses on training and transportation related to commercial expansion.
- The variation observed in **sales and marketing expenses** in the annual comparison is due to higher spending on campaigns, events, and the website, aiming to leverage the reach of commercial actions and reinforce the Cielo brand, which is Top of Mind in Brazil.
- In **Other Operating Expenses**, the variation is mainly due to the baseline effect of 4Q22, when expenses related to the discontinuation of LIO V2 were recorded.

3.3.2.3 Normalized Total Cost and Expenses

BRL million	4Q23	4Q22	Var. %	3Q23	Var. %	2023	2022	Var. %
Normalized Cost of service rendered	(333.1)	(411.3)	-19.0%	(337.6)	-1.4%	(1,462.1)	(1,514.1)	-3.4%
Normalized Operating Expenses	(501.0)	(353.9)	41.6%	(428.0)	17.1%	(1,660.9)	(1,336.2)	24.3%
Normalized Total Expenses (costs + expenses)	(834.1)	(765.2)	9.0%	(765.6)	8.9%	(3,123.0)	(2,850.3)	9.6%

- Normalized total costs + expenses, a concept in which variable costs and extraordinary events are segregated, increased by 9.0% compared to 4Q22. This performance is due to investments in operational improvement initiatives within #PraCimaCielo, the expansion of the commercial force throughout the year, and the inflationary pressure on the expense structure. These effects were partially offset by efficiency actions adopted by the Company. **Excluding the effects of the investments mentioned above, costs + expenses continue to grow below inflation.**

3.3.3 EBITDA

Recurring EBITDA (BRL million)	4Q23	4Q22	Var. %	3Q23	Var. %	2023	2022	Var. %
EBITDA	451.0	517.6	-12.9%	486.8	-7.4%	2,206.7	1,818.1	21.4%
Non-recurring Items	-	45.8	n/a	-	n/a	(226.0)	91.8	n/a
Recurring EBITDA	451.0	563.4	-20.0%	486.8	-7.4%	1,980.7	1,909.9	3.7%

- Cielo Brasil's EBITDA reduced 12.9% in 4Q22, primarily impacted by lower volume. Additionally, there was a reduction in the penetration of automatic pre-payment (RR) in the SMB and long-tail segments, which impacted EBITDA, this was partially offset by the growth of ARV operations within this segment, benefiting the financial result.

3.3.4 Financial Result

Financial Result (BRL million)	4Q23	4Q22	Var. %	3Q23	Var. %	2023	2022	Var. %
Financial Revenues	55.5	141.7	-60.8%	36.4	52.5%	217.0	313.9	-30.9%
Financial Expenses	(453.3)	(506.5)	-10.5%	(538.6)	-15.8%	(2,014.5)	(1,632.5)	23.4%
Acquisition of receivables income, net	384.6	272.1	41.3%	442.0	-13.0%	1,566.7	938.5	66.9%
Net exchange variation	(8.0)	(13.2)	-39.4%	(5.0)	60.0%	(28.3)	(67.8)	-58.3%
Total	(21.2)	(105.9)	-80.0%	(65.2)	-67.5%	(259.1)	(447.9)	-42.2%

- Cielo Brasil's financial result in 4Q23 totaled expenses of BRL 21.2 million, compared to BRL 105.9 million in 4Q22. The improvement reflects the robust increase in revenues from the acquisition of receivables, coupled with the drop in the Selic rate, which had a positive impact on the financial expense line.
- Financial revenues** decreased compared to 4Q22, reflecting the lower average balance applied, mainly due to the increase in allocation to Pre-Payment Products.
- The decrease in **financial expenses** against 4Q22 mainly reflects the decrease in the Selic rate, which positively affected the interest on debts.
- Receivables acquisition revenue** grew significantly compared to 4Q22, reflecting the higher anticipated volume and average operating rates. The Company has been experiencing increasing volume in ARV as a result of improvements in product-related business processes and better market conditions.

3.3.5 Net Income

- In 4Q23, Cielo Brasil's recurring net income was BRL 260.6 million, down 10.7% from 4Q22.
- Cielo Brasil's results were impacted by volume and investments in commercial expansion and the operational transformation process, as described above. These factors were partially offset by yield recovery and improved ARV performance.
- It is important to note that part of the financial expenses of the debts contracted by Cielo, when it acquired MerchantE and Cateno, are allocated to Cielo Brasil's results. In the view below, we present Cielo Brasil's recurring result without the cost of such debts. From this managerial point of view, recurring income totals BRL 327.9 million, accounting for 68% of the consolidated result.

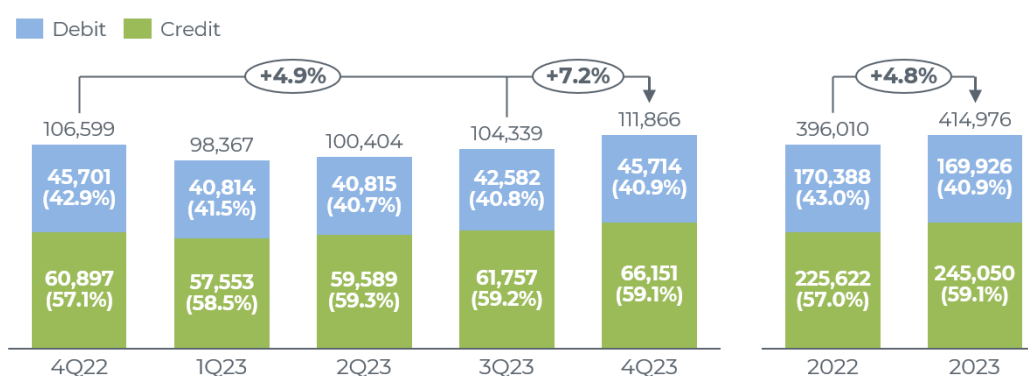
Recurring result adjusted by the cost of acquisition debts								
BRL million	4Q23	4Q22	Var. %	3Q23	Var. %	2023	2022	Var. %
Recurring Result - Cielo Brasil	260.6	291.8	-10.7%	256.5	1.6%	1,048.4	863.1	21.5%
Cost of acquisition debt, net	(67.3)	(80.2)	-16.1%	(79.7)	-15.6%	(304.5)	(302.9)	0.5%
<i>Cateno</i>	(67.3)	(78.4)	-14.1%	(79.7)	-15.6%	(304.5)	(290.2)	4.9%
<i>MerchantE</i>	-	(1.9)	-100.0%	-	n/a	-	(12.8)	-100.0%
Cielo Brasil (-) cost of debt	327.9	372.1	-11.9%	336.2	-2.5%	1,352.9	1,166.0	16.0%

4. Cateno

4.1. Highlights

- Cateno's net income reached a new record of BRL 314.9 million in 4Q23, a growth of 6.6% over 4Q22, mainly driven by higher volumes and revenue. In the year, net income reached R\$1,271.2 million, a 25.8% increase compared to 2022, driven by operational leverage, as net revenue grew 6.3%, costs increased by only 1.2%, and operating expenses decreased by 77.7%, given better performance in the line of operating losses and provisions related to the ISS. Excluding non-recurring effects, net income would have totaled R\$1,166.4 million in 2023, a growth of 15.4%.
- Net revenue grew 5.2% year-over-year, compared to the same quarter of the previous year, driven by volume growth and a more favorable product mix, with an 8.6% increase in TPV transacted through credit cards.

4.2. Financial Volume (in BRL million)



Financial volume (BRL million)	4Q23	4Q22	Var. %	3Q23	Var. %	2023	2022	Var. %
Credit volume	66,151.1	60,897.4	8.6%	61,757.5	7.1%	245,049.8	225,621.7	8.6%
Debit volume	45,714.4	45,701.3	0.0%	42,582.0	7.4%	169,925.9	170,388.0	-0.3%
Total financial volume	111,865.5	106,598.7	4.9%	104,339.4	7.2%	414,975.6	396,009.7	4.8%

4.3. Financial Performance

4.3.1 Net Revenue, Costs and Expenses

BRL million	4Q23	4Q22	Var. %	3Q23	Var. %	2023	2022	Var. %
Net Revenue	1,133.2	1,076.7	5.2%	1,050.0	7.9%	4,182.4	3,934.3	6.3%
Cost of service rendered	(622.1)	(587.8)	5.8%	(590.5)	5.4%	(2,307.1)	(2,280.4)	1.2%
Operating Expenses	(58.7)	(55.7)	5.4%	(51.6)	13.8%	(51.5)	(231.2)	-77.7%
Salaries / Wages and benefits	(31.3)	(28.2)	11.0%	(27.9)	12.2%	(110.8)	(89.3)	24.1%
General and administratives	(8.2)	(6.7)	22.4%	(9.4)	-12.8%	(36.7)	(23.9)	53.6%
Other operating expenses net	(19.2)	(20.8)	-7.7%	(14.3)	34.3%	96.0	(118.0)	n/a
Non-Recurring			n/a		n/a	(158.8)		n/a
Recurring Operating Expenses	(58.7)	(55.7)	5.4%	(51.6)	13.8%	(210.3)	(231.2)	-9.0%

- Net revenue grew 5.2% over the same quarter of the previous year, driven by volume growth and a more favorable product mix. Volume transacted via credit card accounted for 59.1% of total volume in 4Q23, compared to 57.1% in the same period of the previous year..

- **Costs of services provided**, including depreciation and amortization costs, totaled R\$622.1 million in 4Q23, a 5.8% increase compared to 4Q22, mostly in line with the period's volume.
- **Operating expenses** reached R\$58.7 million, a 5.4% increase compared to 4Q22, mainly due to personnel expenses, impacted by the collective bargaining and changes in the company's workforce.

Other operating expenses (BRL million)	4Q23	4Q22	Var. %	3Q23	Var. %	2023	2022	Var. %
Operating losses	(19.9)	(17.2)	15.4%	(16.1)	23.2%	(76.1)	(97.3)	-21.8%
Reimbursement of expenses	-	-	n/a	-	n/a	-	(12.7)	n/a
Others	0.7	(3.6)	n/a	1.8	-62.1%	172.1	(8.0)	n/a
Other operating expenses, net	(19.2)	(20.8)	-7.7%	(14.3)	34.3%	96.0	(118.0)	n/a
Non-Recurring	-	-	n/a	-	n/a	(158.8)	-	n/a
Other Normalized Expenses	(19.2)	(20.8)	-7.7%	(14.3)	34.3%	(62.8)	(118.0)	-46.8%

4.3.2 Financial Result

Financial Income (BRL million)	4Q23	4Q22	Var. %	3Q23	Var. %	2023	2022	Var. %
Financial revenue	25.9	22.2	16.7%	27.0	-4.1%	105.9	121.6	-12.9%
Financial expenses	(0.2)	(5.8)	-96.6%	(0.1)	100.0%	(1.4)	(10.0)	-86.0%
Total	25.7	16.4	56.7%	26.9	-4.5%	104.5	111.6	-6.4%

- The **financial result** reached R\$25.7 million in the quarter, a 56.7% increase compared to 4Q22, due to a one-off baseline effect of monetary update of contingencies, that occurred in 4Q22.

4.3.3 Recurring Net Income and Cash Earnings

Cash Earnings (BRL million)	4Q23	4Q22	Var. %	3Q23	Var. %	2023	2022	Var. %
Net Income	314.9	295.4	6.6%	286.0	10.1%	1,271.2	1,010.7	25.8%
Non recurring			n/a		n/a	-104.8		n/a
Recurring Net Income	314.9	295.4	6.6%	286.0	10.1%	1,166.4	1,010.7	15.4%
Amortization	96.5	96.6	0.0%	96.6	0.0%	386.2	386.3	0.0%
Cash Earnings	411.4	392.0	5.0%	382.6	7.6%	1,552.6	1,397.0	11.1%

- Cateno's recurring net income was R\$314.9 million in 4Q23, a 6.6% increase compared to 4Q22. In the year, net income reached R\$1,166.4 million, 15.4% higher than in 2022.
- From a **cash perspective**, deducting expenses related to the amortization of intangibles related to the Ourocard arrangement, **Cateno's Recurring Net Income** in 4Q23 reached R\$411.4 million, and in the year 2023, it reached R\$1,552.6 million, as presented in the table above.

5. Attachments

5.1. 4Q23 Management Performance – Cosif Standard (Unaudited)

Income Statement	Cielo Brasil					Cateno - Accounting value					Other Subsidiaries					Cielo Consolidated				
<i>R\$ million</i>	4Q23	4Q22	Var. %	3Q23	Var. %	4Q23	4Q22	Var. %	3Q23	Var. %	4Q23	4Q22	Var. %	3Q23	Var. %	4Q23	4Q22	Var. %	3Q23	Var. %
Gross operating revenue	1,863.8	1,899.3	-1.9%	1,781.4	4.6%	1,274.2	1,201.1	6.1%	1,180.6	7.9%	-	-	n/a	-	n/a	3,137.9	3,100.4	1.2%	2,962.0	5.9%
Taxes on services	(226.7)	(222.0)	2.1%	(212.4)	6.7%	(141.0)	(124.4)	13.3%	(130.6)	8.0%	-	-	n/a	-	n/a	(367.7)	(346.4)	6.1%	(343.0)	7.2%
Net operating revenue	1,637.1	1,677.3	-2.4%	1,569.0	4.3%	1,133.2	1,076.7	5.2%	1,050.0	7.9%	-	-	n/a	-	n/a	2,770.2	2,754.0	0.6%	2,619.0	5.8%
Total cost + expenses	(1,311.1)	(1,298.9)	0.9%	(1,209.9)	8.4%	(680.8)	(643.5)	5.8%	(642.1)	6.0%	(0.4)	(132.9)	-99.7%	(0.3)	33.3%	(1,992.3)	(2,075.3)	-4.0%	(1,852.4)	7.6%
Total costs	(810.1)	(899.2)	-9.9%	(781.9)	3.6%	(622.1)	(587.8)	5.8%	(590.5)	5.4%	-	-	n/a	-	n/a	(1,432.2)	(1,487.0)	-3.7%	(1,372.4)	4.4%
Cost of service rendered	(686.8)	(761.9)	-9.9%	(656.1)	4.7%	(525.6)	(491.3)	7.0%	(493.9)	6.4%	-	-	n/a	-	n/a	(1,212.4)	(1,253.2)	-3.3%	(1,150.0)	5.4%
Depreciation and amortization	(123.3)	(137.3)	-10.2%	(125.8)	-2.0%	(96.5)	(96.5)	0.0%	(96.6)	-0.1%	-	-	n/a	-	n/a	(219.8)	(233.8)	-6.0%	(222.4)	-1.2%
Gross income	827.0	778.1	6.3%	787.1	5.1%	511.1	488.9	4.5%	459.5	11.2%	-	-	n/a	-	n/a	1,338.0	1,267.0	5.6%	1,246.6	7.3%
Operating expenses	(501.0)	(399.7)	25.3%	(428.0)	17.1%	(58.7)	(55.7)	5.4%	(51.6)	13.8%	(0.4)	(132.9)	-99.7%	(0.3)	33.3%	(560.1)	(588.3)	-4.8%	(480.0)	16.7%
Personnel	(325.5)	(246.7)	31.9%	(278.3)	17.0%	(31.3)	(28.2)	11.0%	(27.9)	12.2%	-	-	n/a	-	n/a	(356.8)	(274.9)	29.8%	(306.2)	16.5%
General and administratives	(103.1)	(65.8)	56.7%	(77.6)	32.9%	(8.0)	(6.4)	25.0%	(9.1)	-12.1%	(0.4)	(1.1)	-63.6%	(0.3)	33.3%	(111.5)	(73.3)	52.1%	(87.0)	28.2%
Sales and Marketing expenses	(41.5)	(36.1)	15.0%	(50.1)	-17.2%	-	-	n/a	-	n/a	-	-	n/a	-	n/a	(41.5)	(36.1)	15.0%	(50.1)	-17.2%
Other operating income (Expenses), net	(29.2)	(49.2)	-40.7%	(20.1)	45.3%	(19.2)	(20.8)	-7.7%	(14.3)	34.3%	-	(131.8)	n/a	-	n/a	(48.4)	(201.8)	-76.0%	(34.4)	40.7%
Depreciation and amortization	(1.7)	(1.9)	-10.5%	(1.9)	-10.5%	(0.2)	(0.3)	-33.3%	(0.3)	-33.3%	-	-	n/a	-	n/a	(1.9)	(2.2)	-13.6%	(2.3)	-17.4%
Operating income	326.0	378.4	-13.8%	359.1	-9.2%	452.4	433.2	4.4%	407.9	10.9%	(0.4)	(132.9)	-99.7%	(0.3)	33.3%	777.9	678.7	14.6%	766.6	1.5%
EBITDA	451.0	517.6	-12.9%	486.8	-7.4%	549.1	530.0	3.6%	504.8	8.8%	(0.4)	(132.9)	-99.7%	(0.3)	33%	999.6	914.7	9.3%	991.3	0.8%
EBITDA Margin	27.5%	30.9%	-3.3pp	31.0%	-3.5pp	48.5%	49.2%	-0.8pp	48.1%	0.4pp	n/a	n/a	n/a	n/a	n/a	36.1%	33.2%	2.9pp	37.9%	-1.8pp
Financial income (costs)	(21.2)	(105.9)	-80.0%	(65.2)	-67.5%	25.7	16.4	56.7%	26.9	-4.5%	0.4	(7.5)	n/a	0.3	33.3%	4.9	(97.0)	n/a	(38.0)	n/a
Financial revenue	55.5	141.7	-60.8%	36.4	52.5%	25.9	22.2	16.7%	27.0	-4.1%	1.8	10.6	-83.0%	3.7	-51.4%	83.2	174.5	-52.3%	67.1	24.0%
Financial expenses	(453.3)	(506.5)	-10.5%	(538.6)	-15.8%	(0.2)	(5.8)	-96.6%	(0.1)	100.0%	(1.4)	(18.1)	-92.3%	(3.4)	-58.8%	(454.9)	(530.4)	-14.2%	(542.1)	-16.1%
Purchase of receivables	384.6	272.1	41.3%	442.0	-13.0%	-	-	n/a	-	n/a	-	-	n/a	-	n/a	384.6	272.1	41.3%	442.0	-13.0%
Net exchange variation	(8.0)	(13.2)	-39.4%	(5.0)	60.0%	-	-	n/a	-	n/a	-	-	n/a	-	n/a	(8.0)	(13.2)	-39.4%	(5.0)	60.0%
Income before income tax and social contribution	304.8	272.5	11.9%	293.9	3.7%	478.1	449.6	6.3%	434.8	10.0%	(0.0)	(140.4)	n/a	(0.0)	n/a	782.8	581.7	34.6%	728.6	7.4%
Income tax and social contribution	(44.2)	(10.9)	305.5%	(37.4)	18.2%	(163.2)	(154.2)	5.8%	(148.8)	9.7%	0.0	-	n/a	-	n/a	(207.5)	(165.1)	25.7%	(186.1)	11.5%
Current	(22.1)	(26.2)	-15.6%	(12.0)	84.2%	(177.5)	(141.1)	25.8%	(124.9)	42.1%	-	-	n/a	-	n/a	(199.7)	(167.3)	19.4%	(136.8)	46.0%
Deferred	(22.1)	15.3	n/a	(25.4)	-13.0%	14.3	(13.1)	n/a	(23.9)	n/a	-	-	n/a	-	n/a	(7.8)	2.2	n/a	(49.3)	-84.2%
Net result	260.6	261.6	-0.4%	256.5	1.6%	314.9	295.4	6.6%	286.0	10.1%	0.0	(140.4)	n/a	(0.0)	n/a	575.3	416.6	38.1%	542.5	6.0%
Net margin	15.9%	15.6%	0.3pp	16.3%	-0.4pp	27.8%	27.4%	0.4pp	27.2%	0.6pp	n/a	n/a	n/a	n/a	n/a	20.8%	15.1%	5.6pp	20.7%	0.1pp
Attributed to Cielo	260.6	261.6	-0.4%	256.5	1.6%	220.4	206.8	6.6%	200.2	10.1%	0.0	(140.4)	n/a	(0.0)	n/a	480.8	328.0	46.6%	456.7	5.3%
Attributed to Noncontrolling interests	-	-	n/a	-	n/a	94.5	88.6	6.7%	85.8	10.1%	-	-	n/a	-	n/a	94.5	88.6	6.7%	85.8	10.1%



4Q23 Conference Calls

Tuesday, February 06th, 2024

Time: 11:30 a.m. (Brasília time) 09:30 a.m. (US EDT)

Link to Conference Call

[click here](#)

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

Ticker CIEL3

BRL 4.62

Market Value

BRL 12.6 billion

Earnings per Share

BRL 0.18

P/E

6.02x

Information current as of 12/28/2023

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