(A free translation of the original in Portuguese)

CSU DIGITAL S.A.

Individual and Consolidated Financial Statements
December 31, 2023
and independent auditor's report

CSU DIGITAL S.A.

Full set of financial statements

At December 31, 2023

Index

(A free translation of the original in Portuguese)

Full set of financial statements - 12/31/2023- CSU DIGITAL S.A.

Company information/Capital Composition

Number of Shares (Thousand)	Last Financial Year 12/31/2023
Paid-in Capital	
Ordinary	41,800
Preferenciais	0
Total	41,800
Treasury shares	
Ordinary	544
Preferenciais	0
Total	544

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Full set of financial statements - 12/31/2023- CSU DIGITAL S.A.

Individual of financial statements/balance sheet - assets

(R$ thousand)

Code	Description	Current year 12/31/2023	Prior year 12/31/2022	First year old 12/31/2021
1	Total Assets	606,534	607,219	569,366
1.01	Current assets	169,821	182,482	166,565
1.01.01	Cash and Cash Equivalent	74,608	86,455	83,292
1.01.03	Trade receivable	76,879	76,312	67,602
1.01.03.01	Customers	76,879	76,312	67,602
1.01.04	Inventories	2,449	3,588	2,971
1.01.06	Securities	6,963	5,455	3,378
1.01.06.01	Current securities	6,963	5,455	3,378
1.01.06.01.01	Income tax and social contribution	5,368	5,159	2,787
1.01.06.01.02	Other taxes to offset	1,595	296	591
1.01.08	Other current assets	8,922	10,672	9,322
1.01.08.03	Others	8,922	10,672	9,322
1.02	Non-current assets	436,713	424,737	402,801
1.02.01	Long-term assets	5,701	13,065	12,688
1.02.01.07	Taxes recoverable	1,395	3,937	4,718
1.02.01.07.02	Taxes to offset	1,395	3,937	4,718
1.02.01.10	Other non-current assets	4,306	9,128	7,970
1.02.01.10.03	Judicial deposits	4,093	6,853	6,996
1.02.01.10.04	Others	213	2,275	974
1.02.02	Investments	31,955	31,097	25,946
1.02.02.01	Investment Properties	31,955	31,097	25,946
1.02.02.01.04	Other Investments	31,955	31,097	25,946
1.02.03	Fixed assets	76,960	91,894	101,720
1.02.03.01	Fixed assets in operation	14,879	15,262	18,502
1.02.03.01.01	Fixed assets in operation	14,879	15,262	18,502
1.02.03.02	Right of use leased assets	62,081	76,632	83,218
1.02.04	Intangibles	322,097	288,681	262,447
1.02.04.01	Intangibles	322,097	288,681	262,447
1.02.04.01.02	Computerized systems	296,203	262,786	236,552
1.02.04.01.03	Goodwill (indefinite lived asset)	25,894	25,895	25,895

(A free translation of the original in Portuguese)

Full set of financial statements - 12/31/2023- CSU DIGITAL S.A.

Individual of financial statements/balance sheet - liabilities and equity

(R$ thousand)

Code	Description	Current year 12/31/2023	Prior year 12/31/2022	First year old 12/31/2021
2	Total Liabilities	606,534	607,219	569,366
2.01	Current Liabilities	121,801	155,994	142,232
2.01.01	Social and Labor Obligations	47,884	49,289	47,936
2.01.01.01	Social obligations	8,991	8,411	8,062
2.01.01.02	Labor obligations	38,893	40,878	39,874
2.01.02	Suppliers	35,345	38,755	32,125
2.01.02.01	Domestic suppliers	35,345	38,755	32,125
2.01.03	Tax obligations	5,460	4,210	5,146
2.01.03.01	Federal Tax obligations	2,271	2,162	3,238
2.01.03.01.01	Income Tax and Social Contribution on Profit	0	0	843
2.01.03.01.03	Other federal taxes	2,271	2,162	2,395
2.01.03.02	State Tax obligations	0	9	24
2.01.03.03	Municipal Tax obligations	3,189	2,039	1,884
2.01.04	Loans and Financing	25,576	36,498	39,278
2.01.04.01	Loans and Financing	4,929	9,587	14,463
2.01.04.01.01	In Brazilian Reais	4,929	9,587	14,463
2.01.04.03	Lease liabilities	20,647	26,911	24,815
2.01.04.03.01	Leasing liabilities	20,647	26,911	24,815
2.01.05	Other obligations	7,536	27,242	17,747
2.01.05.02	Others	7,536	27,242	17,747
2.01.05.02.01	Dividends and Interest on Equity	0	19,191	12,414
2.01.05.02.04	Other obligations	7,536	8,051	5,333
2.02	Non-current liabilities	55,377	69,379	84,303
2.02.01	Loans and Financing	38,179	49,206	64,816
2.02.01.01	Loans and Financing	1,689	6,763	16,400
2.02.01.01.01	In Brazilian Reais	1,689	6,763	16,400
2.02.01.03	Lease liabilities	36,490	42,443	48,416
2.02.01.03.01	Leasing liabilities	36,490	42,443	48,416
2.02.02	Other obligations	0	299	903
2.02.02.02	Others	0	299	903
2.02.02.02.03	Taxes due	0	299	903
2.02.03	Deferred Taxes	8,458	9,478	10,168
2.02.03.01	Deferred Income Tax and Social Contribution	8,458	9,478	10,168
2.02.04	Provisions	8,740	10,396	8,416
2.02.04.01	Social security, labor and civil tax provisions	8,740	10,396	8,416
2.02.04.01.01	Tax provisions	5,765	4,552	3,256
2.02.04.01.02	Provisions for Social Security and Labor	2,381	3,601	3,082
2.02.04.01.04	Civil Provisions	594	2,243	2,078
2.03	Net equity	429,356	381,846	342,831
2.03.01	Paid-in Capital Stock	229,232	169,232	169,232
2.03.02	Capital reserves	3,009	2,402	2,037
2.03.02.04	Options Granted	3,009	2,402	2,037
2.03.04	Profit Reserves	197,146	210,212	171,562
2.03.04.01	Legal reserve	29,901	21,801	18,122
2.03.04.05	Profit Retention Reserve	170,309	191,475	156,580
2.03.04.09	Shares in Treasury	-3,064	-3,064	-3,140
2.03.08	Other Comprehensive Results	-31	0	0

(A free translation of the original in Portuguese)

Full set of financial statements - 12/31/2023- CSU DIGITAL S.A.

Individual of financial statements/statement of income

(R$ thousand unless otherwise stated)

Code	Description	Current year to date 1/1/2023 to 12/31/2023	Prior year to date 1/1/2022 to 12/31/2022	First year old 1/1/2021 to 12/31/2021
3.01	Revenue from the Sale of Goods and / or Services	530,233	537,168	514,049
3.02	Cost of Goods and / or Services Sold	-321,310	-335,740	-348,030
3.03	Gross profit	208,923	201,428	166,019
3.04	Operating Expenses / Revenues	-91,520	-96,917	-74,460
3.04.01	Selling Expenses	-8,637	-10,176	-2,543
3.04.02	General and Administrative Expenses	-83,912	-85,224	-76,595
3.04.04	Other Operating Income	3,171	774	6,811
3.04.05	Other Operating Expenses	911	-2,291	-2,133
3.04.05.01	Other Operating Expenses	911	-2,291	-2,133
3.04.06	Equity pick-up	-3,053	0	0
3.05	Result Before Financial Result and Taxes	117,403	104,511	91,559
3.06	Financial result	-622	-3,539	-5,977
3.06.01	Financial income	11,234	8,052	4,505
3.06.02	Financial expenses	-11,856	-11,591	-10,482
3.07	Result Before Taxes on Profit	116,781	100,972	85,582
3.08	Income Tax and Social Contribution on Profit	-28,358	-27,400	-25,089
3.08.01	Current	-29,378	-29,841	-26,937
3.08.02	Deferred	1,020	2,441	1,848
3.09	Net Income from Continuing Operations	88,423	73,572	60,493
3.11	Profit / Loss for the Period	88,423	73,572	60,493

(A free translation of the original in Portuguese)

Full set of financial statements - 12/31/2023- CSU DIGITAL S.A.

Individual of financial statements/statement of comprehensive income

(R$ thousand)

Code	Description	Current year to date 1/1/2023 to 12/31/2023	Prior year to date 1/1/2022 to 12/31/2022	First year old 1/1/2021 to 12/31/2021
4.01	Profit / Loss for the period	88,423	73,572	60,493
4.02	Others Comprehensive Income for the period	-31	3,402	10,166
4.03	Comprehensive Income for the period	88,392	76,974	70,659

(A free translation of the original in Portuguese)

Full set of financial statements - 12/31/2023- CSU DIGITAL S.A.

Individual of financial statements /statement of changes in equity - 1/1/2023 to 12/31/2023 (R$ thousand)

Code	Description	Paid-up capital	Capital reserves, share options and treasury shares	Revenue reserves	Retained earnings	Other comprehensive income	Equity
5.01	Opening Balances	169,232	2,402	196,644	0	13,568	381,846
5.02	Adjustments from Previous Exercises	0	0	0	0	0	0
5.03	Adjusted Opening Balances	169,232	2,402	196,644	0	13,568	381,846
5.04	Capital Transactions with Partners	60,000	607	-74,589	-26,900	0	-40,882
5.04.03	Options Granted	60,000	0	-60,000	0	0	0
5.04.05	Treasury shares written off	0	607	0	0	0	607
5.04.06	Dividens	0	0	-14,589	0	0	-14,589
5.04.07	Interest on Equity	0	0	0	-26,900	0	-26,900
5.05	Total Comprehensive Income	0	0	0	88,423	-31	88,392
5.05.01	Profit / Loss for the Period	0	0	0	88,423	0	88,423
5.05.02	Others Comprehensive Income	0	0	0	0	-31	-31
5.05.02.01	Adjust financial statements	0	0	0	0	-31	-31
5.06	Profit allocation	0	0	61,523	-61,523	0	0
5.06.01	Retained profits	0	0	57,102	-57,102	0	0
5.06.02	Realization of the Reassessment Reserve	0	0	4,421	-4,421	0	0
5.07	Final balance	229,232	3,009	183,578	0	13,537	429,356

Individual of financial statements/statement of changes in equity - 1/1/2022 to 12/31/2022 (R$ thousand)

Code	Description	Paid-up capital	Capital reserves, share options and treasury shares	Revenue reserves	Retained earnings	Other comprehensive income	Equity
5.01	Opening Balances	169,232	2,037	161,396	0	10,166	342,831
5.02	Adjustments from Previous Exercises	0	0	0	0	0	0
5.03	Adjusted Opening Balances	169,232	2,037	161,396	0	10,166	342,831
5.04	Capital Transactions with Partners	0	365	-16,124	-22,200	0	-37,959
5.04.03	Options Granted	0	365	0	0	0	365
5.04.05	Treasury shares written off	0	0	76	0	0	76
5.04.06	Dividens	0	0	-16,200	0	0	-16,200
5.04.07	Interest on Equity	0	0	0	-22,200	0	-22,200
5.05	Total Comprehensive Income	0	0	0	73,572	3,402	76,974
5.05.01	Profit / Loss for the Period	0	0	0	73,572	0	73,572
5.05.02	Others Comprehensive Income	0	0	0	0	3,402	3,402
5.05.02.01	Adjust financial statements	0	0	0	0	3,402	3,402
5.06	Profit allocation	0	0	51,372	-51,372	0	0
5.06.01	Retained profits	0	0	47,693	-47,693	0	0
5.06.02	Realization of the Reassessment Reserve	0	0	3,679	-3,679	0	0
5.07	Final balance	169,232	2,402	196,644	0	13,568	381,846

(A free translation of the original in Portuguese)

Full set of financial statements - 12/31/2023- CSU DIGITAL S.A.

Individual of financial statements/statement of changes in equity - 1/1/2021 to 12/31/2021 (R$ thousand)

Code	Description	Paid-up capital	Capital reserves, share options and treasury shares	Revenue reserves	Retained earnings	Other comprehensive income	Equity
5.01	Opening Balances	169,232	1,491	121,552	0	0	292,275
5.02	Adjustments from Previous Exercises	0	0	0	0	0	0
5.03	Adjusted Opening Balances	169,232	1,491	121,552	0	0	292,275
5.04	Capital Transactions with Partners	0	546	-6,282	-14,367	0	-20,103
5.04.03	Options Granted	0	546	0	0	0	546
5.04.04	Treasury Shares Acquired	0	0	-917	0	0	-917
5.04.05	Treasury shares written off	0	0	635	0	0	635
5.04.06	Dividens	0	0	0	-367	0	-367
5.04.07	Interest on Equity	0	0	0	-14,000	0	-14,000
5.04.08	Dividend approved in 2021	0	0	-6,000	0	0	-6,000
5.05	Total Comprehensive Income	0	0	0	60,493	10,166	70,659
5.05.01	Profit / Loss for the Period	0	0	0	60,493	0	60,493
5.05.02	Others Comprehensive Income	0	0	0	0	10,166	10,166
5.05.02.01	Adjust financial statements	0	0	0	0	10,166	10,166
5.06	Profit allocation	0	0	46,126	-46,126	0	0
5.06.01	Retained profits	0	0	43,101	-43,101	0	0
5.06.02	Realization of the Reassessment Reserve	0	0	3,025	-3,025	0	0
5.07	Final balance	169,232	2,037	161,396	0	10,166	342,831

(A free translation of the original in Portuguese)

Full set of financial statements - 12/31/2023- CSU DIGITAL S.A.

Individual of financial statements/statement of cash flows - indirect method

(R$ thousand)

Code	Description	Current year 1/1/2023 to 12/31/2023	Prior year 1/1/2022 to 12/31/2022	First old year 1/1/2021 to 12/31/2021
6.01	Net Cash from Operating Activities	154,685	131,570	116,108
6.01.01	Cash generated from operations	165,252	147,250	129,387
6.01.01.01	Profit / Loss for the Period	88,423	73,572	60,493
6.01.01.02	Depreciation and amortization	63,164	61,574	59,948
6.01.01.03	Residual value of assets written off	653	971	46
6.01.01.04	Interest and indexation charges	11,151	10,285	8,474
6.01.01.05	Equity instrument for payment in shares	607	441	265
6.01.01.06	Estimated losses on allowance for loan losses	-2,635	530	211
6.01.01.07	Provision for legal liabilities	1,856	2,318	1,798
6.01.01.08	Deferred Income Tax and Social Contribution	-1,020	-2,441	-1,848
6.01.01.09	Equity pick-up	3,053	0	0
6.01.02	Changes in Assets and Liabilities	17,645	17,211	20,918
6.01.02.01	Trade receivables	2,068	-9,240	-8,621
6.01.02.02	Inventories	1,139	-617	-459
6.01.02.03	Judicial deposits	2,760	143	798
6.01.02.04	Other Assets	4,056	-4,268	4,192
6.01.02.05	Suppliers	-3,410	6,630	-4,583
6.01.02.06	Salaries and Social Charges	-1,405	1,353	3,478
6.01.02.07	Contingencies	-4,328	-1,893	-1,132
6.01.02.08	Other liabilities	16,765	25,103	27,245
6.01.03	Others	-28,212	-32,891	-34,197
6.01.03.01	Interest Paid	-8,818	-7,878	-8,100
6.01.03.02	Income Tax and Social Contribution Paid	-19,394	-25,013	-26,097
6.02	Net Cash Used in Investing Activities	-65,940	-55,630	-60,167
6.02.01	Acquisition of property, plant and equipment	-4,136	-3,290	-3,431
6.02.02	Acquisition of intangible assets	-57,862	-52,340	-46,193
6.02.04	Investments	-3,942	0	-10,543
6.03	Net Cash Used in Financing Activities	-100,592	-72,777	-56,409
6.03.02	Amortization of Loans and Financing	-9,525	-14,522	-14,997
6.03.04	Dividends and Interest on Equity Paid	-57,614	-30,200	-16,803
6.03.05	Amortization of Lease Liabilities	-33,453	-28,055	-24,609
6.05	Decrease in Cash and Cash Equivalents	-11,847	3,163	-468
6.05.01	Opening Balance of Cash and Cash Equivalents	86,455	83,292	83,760
6.05.02	Closing Balance of Cash and Cash Equivalents	74,608	86,455	83,292

(A free translation of the original in Portuguese)

Full set of financial statements - 12/31/2023- CSU DIGITAL S.A.

Individual of financial statements /statement of value added

(R$ thousand)

Code	Description	Current year to date	Prior year to date	First old year to date
		1/1/2023 to 12/31/2023	1/1/2022 to 12/31/2022	1/1/2021 to 12/31/2021
7.01	Revenues	609,302	609,437	587,332
7.01.01	Sales of Goods, Products and Services	603,502	609,193	580,732
7.01.02	Other revenues	3,171	774	6,811
7.01.04	Estimated losses on allowance for loan losses	2,629	-530	-211
7.02	Inputs Purchased from Third Parties	-81,312	-92,748	-95,575
7.02.01	Costs Prods., Mercs. and Servs. Sold	-40,676	-48,177	-60,326
7.02.02	Materials, Energy, Servs. Third Party and Others	-40,636	-44,571	-35,249
7.03	Gross Value Added	527,990	516,689	491,757
7.04	Retentions	-63,175	-61,574	-59,948
7.04.01	Depreciation and amortization	-63,175	-61,574	-59,948
7.05	Net Added Value Produced	464,815	455,115	431,809
7.06	Added Value Received in Transfer	8,181	8.052	3,801
7.06.01	Equity pick-up	-3,053		
7.06.02	Financial income	11,234	8.052	3,801
7.07	Total Added Value to be Distributed	472,996	463,167	435,610
7.08	Added Value Distribution	472,996	463,167	435,610
7.08.01	Personnel	236,837	241.430	237,384
7.08.01.01	Direct Remuneration	189,484	192,217	187,737
7.08.01.02	Benefits	30,174	32,791	33,027
7.08.01.03	F.G.T.S.	17,179	16,422	16,620
7.08.02	Taxes, fees and contributions	117,144	118,759	113,313
7.08.02.01	Federal	104,032	105,527	100,219
7.08.02.02	State	38	79	48
7.08.02.03	Municipal	13,074	13,153	13,046
7.08.03	Remuneration of Third Party Capital	30,592	29,406	24,420
7.08.03.01	Fees	11,856	11,591	9,778
7.08.03.02	Rentals	18,736	17,815	14,642
7.08.04	Equity Remuneration	88,423	73,572	60,493
7.08.04.01	Dividends and Interest on Equity	26,900	22,200	14,000
7.08.04.03	Retained earnings	61,523	51,372	46,493

(A free translation of the original in Portuguese)

Full set of financial statements - 12/31/2023- CSU DIGITAL S.A.

Consolidated of financial statements/balance sheet - assets
(R$ thousand)

Code	Description	Current year 12/31/2023	Prior year 12/31/2022	First year old 12/31/2021
1	Total Assets	611,536	0	0
1.01	Current assets	170,503	0	0
1.01.01	Cash and Cash Equivalent	75,290	0	0
1.01.03	Trade receivable	76,879	0	0
1.01.03.01	Customers	76,879	0	0
1.01.04	Inventories	2,449	0	0
1.01.06	Securities	6,963	0	0
1.01.06.01	Current securities	6,963	0	0
1.01.06.01.01	Income tax and social contribution	5,368	0	0
1.01.06.01.02	Other taxes to offset	1,595	0	0
1.01.08	Other current assets	8,922	0	0
1.01.08.03	Others	8,922	0	0
1.02	Non-current assets	441,033	0	0
1.02.01	Long-term assets	5,910	0	0
1.02.01.07	Taxes recoverable	1,395	0	0
1.02.01.07.02	Taxes to offset	1,395	0	0
1.02.01.10	Other non-current assets	4,515	0	0
1.02.01.10.03	Judicial deposits	4,093	0	0
1.02.01.10.04	Others	422	0	0
1.02.02	Investments	31,097	0	0
1.02.02.01	Investment Properties	31,097	0	0
1.02.02.01.04	Other Investments	31,097	0	0
1.02.03	Fixed assets	81,929	0	0
1.02.03.01	Fixed assets in operation	14,879	0	0
1.02.03.01.01	Fixed assets in operation	14,879	0	0
1.02.03.02	Right of use leased assets	67,050	0	0
1.02.04	Intangibles	322,097	0	0
1.02.04.01	Intangibles	296,203	0	0
1.02.04.01.02	Computerized systems	296,203	0	0
1.02.04.01.03	Goodwill (indefinite lived asset)	25,894	0	0

(A free translation of the original in Portuguese)

Full set of financial statements - 12/31/2023- CSU DIGITAL S.A.

Consolidated of financial statements/balance sheet - liabilities and equity
(R$ thousand)

Code	Description	Current year 12/31/2023	Prior year 12/31/2022	First year old 12/31/2021
2	Total Liabilities	611,536	0	0
2.01	Current Liabilities	122,960	0	0
2.01.01	Social and Labor Obligations	47,890	0	0
2.01.01.01	Social obligations	8,991	0	0
2.01.01.02	Labor obligations	38,899	0	0
2.01.02	Suppliers	35,345	0	0
2.01.02.01	Domestic suppliers	35,345	0	0
2.01.03	Tax obligations	5,460	0	0
2.01.03.01	Federal Tax obligations	2,271	0	0
2.01.03.01.03	Other federal taxes	3,189	0	0
2.01.04	Loans and Financing	26,729	0	0
2.01.04.01	Loans and Financing	4,929	0	0
2.01.04.01.01	In Brazilian Reais	4,929	0	0
2.01.04.03	Lease liabilities	21,800	0	0
2.01.04.03.01	Leasing liabilities	21,800	0	0
2.01.05	Other obligations	7,536	0	0
2.01.05.02	Others	7,536	0	0
2.02	Non-current liabilities	59,220	0	0
2.02.01	Loans and Financing	42,022	0	0
2.02.01.01	Loans and Financing	1,689	0	0
2.02.01.01.01	In Brazilian Reais	1,689	0	0
2.02.01.03	Lease liabilities	40,333	0	0
2.02.01.03.01	Leasing liabilities	40,333	0	0
2.02.03	Deferred Taxes	8,458	0	0
2.02.03.01	Deferred Income Tax and Social Contribution	8,458	0	0
2.02.04	Provisions	8,740	0	0
2.02.04.01	Social security, labor and civil tax provisions	8,740	0	0
2.02.04.01.01	Tax provisions	5,765	0	0
2.02.04.01.02	Provisions for Social Security and Labor	2,381	0	0
2.02.04.01.04	Civil Provisions	594	0	0
2.03	Net equity	429,356	0	0
2.03.01	Paid-in Capital Stock	229,232	0	0
2.03.02	Capital reserves	3,009	0	0
2.03.02.04	Options Granted	3,009	0	0
2.03.04	Profit Reserves	197,146	0	0
2.03.04.01	Legal reserve	29,901	0	0
2.03.04.05	Profit Retention Reserve	170,309	0	0
2.03.04.09	Shares in Treasury	-3,064	0	0
2.03.08	Other Comprehensive Results	-31	0	0

(A free translation of the original in Portuguese)

Full set of financial statements - 12/31/2023- CSU DIGITAL S.A.

Consolidated of financial statements/statement of income

(R$ thousand unless otherwise stated)

Code	Description	Current year to date 1/1/2023 to 12/31/2023	Prior year to date 1/1/2022 to 12/31/2022	First year old 1/1/2021 to 12/31/2021
3.01	Revenue from the Sale of Goods and / or Services	530,233	0	0
3.02	Cost of Goods and / or Services Sold	-321,310	0	0
3.03	Gross profit	208,923	0	0
3.04	Operating Expenses / Revenues	-91,442	0	0
3.04.01	Selling Expenses	-8,637	0	0
3.04.02	General and Administrative Expenses	-86,887	0	0
3.04.04	Other Operating Income	3,171	0	0
3.04.05	Other Operating Expenses	911	0	0
3.04.05.01	Other Operating Expenses	911	0	0
3.04.06	Equity pick-up	0	0	0
3.05	Result Before Financial Result and Taxes	117,481	0	0
3.06	Financial result	-700	0	0
3.06.01	Financial income	11,182	0	0
3.06.02	Financial expenses	-11,882	0	0
3.07	Result Before Taxes on Profit	116,781	0	0
3.08	Income Tax and Social Contribution on Profit	-28,358	0	0
3.08.01	Current	-29,378	0	0
3.08.02	Deferred	1,020	0	0
3.09	Net Income from Continuing Operations	88,423	0	0
3.11	Profit / Loss for the Period	88,423	0	0

(A free translation of the original in Portuguese)

Full set of financial statements - 12/31/2023- CSU DIGITAL S.A.

Consolidated of financial statements/statement of comprehensive income

(R$ thousand)

Code	Description	Current year to date 1/1/2023 to 12/31/2023	Prior year to date 1/1/2022 to 12/31/2022	First year old 1/1/2021 to 12/31/2021
4.01	Profit / Loss for the period	88,423	0	0
4.02	Others Comprehensive Income for the period	-31	0	0
4.03	Comprehensive Income for the period	88,392	0	0

(A free translation of the original in Portuguese)

Full set of financial statements - 12/31/2023- CSU DIGITAL S.A.

Consolidated of financial statements/statement of changes in equity - 1/1/2023 to 12/31/2023(R$ thousand)

Code	Description	Paid-up capital	Capital reserves, share options and treasury shares	Revenue reserves	Retained earnings	Other comprehensive income	Equity	Participation of non-controlling shareholders	Equity/Consolidated
5.01	Opening Balances	169,232	2,402	196,644	0	13,568	381,846	0	381,846
5.02	Adjustments from Previous Exercises	0	0	0	0	0	0	0	0
5.03	Adjusted Opening Balances	169,232	2,402	196,644	0	13,568	381,846	0	381,846
5.04	Capital Transactions with Partners	60,000	607	-74,589	-26,900	0	-40,882	0	-40,882
5.04.03	Options Granted	60,000	0	-60,000	0	0	0	0	0
5.04.05	Treasury shares written off	0	607	0	0	0	607	0	607
5.04.06	Dividens	0	0	-14,589	0	0	-14,589	0	-14,589
5.04.07	Interest on Equity	0	0	0	-26,900	0	-26,900	0	-26,900
5.05	Total Comprehensive Income	0	0	0	88,423	-31	88,392	0	88,392
5.05.01	Profit / Loss for the Period	0	0	0	88,423	0	88,423	0	88,423
5.05.02	Others Comprehensive Income	0	0	0	0	-31	-31	0	-31
5.05.02.01	Adjust financial statements	0	0	0	0	-31	-31	0	-31
5.06	Profit allocation	0	0	61,523	-61,523	0	0	0	0
5.06.01	Retained profits	0	0	57,102	-57,102	0	0	0	0
5.06.02	Realization of the Reassessment Reserve	0	0	4,421	-4,421	0	0	0	0
5.07	Final balance	229,232	3,009	183,578	0	13,537	429,356	0	429,356

(A free translation of the original in Portuguese)

Full set of financial statements - 12/31/2023- CSU DIGITAL S.A.

Consolidated of financial statements/statement of changes in equity - 1/1/2022 to 12/31/2022 (R$ thousand)

Code	Description	Paid-up capital	Capital reserves, share options and treasury shares	Revenue reserves	Retained earnings	Other comprehensive income	Equity	Participation of non-controlling shareholders	Equity/Consolidated
5.01	Opening Balances	169,232	2,037	161,396	0	10,166	342,831	0	342,831
5.02	Adjustments from Previous Exercises	0	0	0	0	0	0	0	0
5.03	Adjusted Opening Balances	169,232	2,037	161,396	0	10,166	342,831	0	342,831
5.04	Capital Transactions with Partners	0	365	-16,124	-22,200	0	-37,959	0	-37,959
5.04.03	Options Granted	0	365	0	0	0	365	0	365
5.04.05	Treasury shares written off	0	0	76	0	0	76	0	76
5.04.06	Dividens	0	0	-16,200	0	0	-16,200	0	-16,200
5.04.07	Interest on Equity	0	0	0	-22,200	0	-22,200	0	-22,200
5.05	Total Comprehensive Income	0	0	0	73,572	3,402	76,974	0	76,974
5.05.01	Profit / Loss for the Period	0	0	0	73,572	0	73,572	0	73,572
5.05.02	Others Comprehensive Income	0	0	0	0	3,402	3,402	0	3,402
5.05.02.01	Adjust financial statements	0	0	0	0	3,402	3,402	0	3,402
5.06	Profit allocation	0	0	51,372	-51,372	0	0	0	0
5.06.01	Retained profits	0	0	47,693	-47,693	0	0	0	0
5.06.02	Realization of the Reassessment Reserve	0	0	3,679	-3,679	0	0	0	0
5.07	Final balance	169,232	2,402	196,644	0	13,568	381,846	0	381,846

(A free translation of the original in Portuguese)

Full set of financial statements - 12/31/2023- CSU DIGITAL S.A.

Consolidated of financial statements/statement of changes in equity - 1/1/2021 to 12/31/2021 (R$ thousand)

Code	Description	Paid-up capital	Capital reserves, share options and treasury shares	Revenue reserves	Retained earnings	Other comprehensive income	Equity	Participation of non-controlling shareholders	Equity/Consolidated
5.01	Opening Balances	169,232	1,491	121,552	0	0	292,275	0	292,275
5.02	Adjustments from Previous Exercises	0	0	0	0	0	0	0	0
5.03	Adjusted Opening Balances	169,232	1,491	121,552	0	0	292,275	0	292,275
5.04	Capital Transactions with Partners	0	546	-6,282	-14,367	0	-20,103	0	-20,103
5.04.03	Options Granted	0	546	0	0	0	546	0	546
5.04.04	Treasury Shares Acquired	0	0	-917	0	0	-917	0	-917
5.04.05	Treasury shares written off	0	0	635	0	0	635	0	635
5.04.06	Dividens	0	0	0	-367	0	-367	0	-367
5.04.07	Interest on Equity	0	0	0	-14,000	0	-14,000	0	-14,000
5.04.08	Dividend approved in 2021	0	0	-6,000	0	0	-6,000	0	-6,000
5.05	Total Comprehensive Income	0	0	0	60,493	10,166	70,659	0	70,659
5.05.01	Profit / Loss for the Period	0	0	0	60,493	0	60,493	0	60,493
5.05.02	Others Comprehensive Income	0	0	0	0	10,166	10,166	0	10,166
5.05.02.01	Adjust financial statements	0	0	0	0	10,166	10,166	0	10,166
5.06	Profit allocation	0	0	46,126	-46,126	0	0	0	0
5.06.01	Retained profits	0	0	43,101	-43,101	0	0	0	0
5.06.02	Realization of the Reassessment Reserve	0	0	3,025	-3,025	0	0	0	0
5.07	Final balance	169,232	2,037	161,396	0	10,166	342,831	0	342,831

(A free translation of the original in Portuguese)

Full set of financial statements - 12/31/2023- CSU DIGITAL S.A.

Consolidated of financial statements/statement of cash flows - indirect method

(R$ thousand)

Code	Description	Current year 1/1/2023 to 12/31/2023	Prior year 1/1/2022 to 12/31/2022	First old year 1/1/2021 to 12/31/2021
6.01	Net Cash from Operating Activities	152,188	0	0
6.01.01	Cash generated from operations	163,589	0	0
6.01.01.01	Profit / Loss for the Period	88,423	0	0
6.01.01.02	Depreciation and amortization	63,902	0	0
6.01.01.03	Residual value of assets written off	653	0	0
6.01.01.04	Interest and indexation charges	11,803	0	0
6.01.01.05	Equity instrument for payment in shares	607	0	0
6.01.01.06	Estimated losses on allowance for loan losses	-2,635	0	0
6.01.01.07	Provision for legal liabilities	1,856	0	0
6.01.01.08	Deferred Income Tax and Social Contribution	-1,020	0	0
6.01.02	Changes in Assets and Liabilities	17,441	0	0
6.01.02.01	Trade receivables	2,068	0	0
6.01.02.02	Inventories	1,139	0	0
6.01.02.03	Judicial deposits	2,760	0	0
6.01.02.04	Other Assets	3,846	0	0
6.01.02.05	Suppliers	-3,410	0	0
6.01.02.06	Salaries and Social Charges	-1,399	0	0
6.01.02.07	Contingencies	-4,328	0	0
6.01.02.08	Other liabilities	16,765	0	0
6.01.03	Others	-28,842	0	0
6.01.03.01	Interest Paid	-9,448	0	0
6.01.03.02	Income Tax and Social Contribution Paid	-19,394	0	0
6.02	Net Cash Used in Investing Activities	-61,998	0	0
6.02.01	Acquisition of property, plant and equipment	-4,136	0	0
6.02.02	Acquisition of intangible assets	-57,862	0	0
6.03	Net Cash Used in Financing Activities	-101,355	0	0
6.03.02	Amortization of Loans and Financing	-9,525	0	0
6.03.04	Dividends and Interest on Equity Paid	-34,216	0	0
6.03.05	Amortization of Lease Liabilities	-57,614	0	0
6.05	Decrease in Cash and Cash Equivalents	-11,165	0	0
6.05.01	Opening Balance of Cash and Cash Equivalents	86,455	0	0
6.05.02	Closing Balance of Cash and Cash Equivalents	75,290	0	0

(A free translation of the original in Portuguese)

Full set of financial statements - 12/31/2023- CSU DIGITAL S.A.

Consolidated of financial statements /statement of value added

(R$ thousand)

		Current year to date	Prior year to date	First old year to date
		1/1/2023 to 12/31/2023	1/1/2022 to 12/31/2022	1/1/2021 to 12/31/2021
7.01	Revenues	609,302	0	0
7.01.01	Sales of Goods, Products and Services	603,502	0	0
7.01.02	Other revenues	3,171	0	0
7.01.04	Estimated losses on allowance for loan losses	2,629	0	0
7.02	Inputs Purchased from Third Parties	-83,500	0	0
7.02.01	Costs Prods., Mercs. and Servs. Sold	-40,676	0	0
7.02.02	Materials, Energy, Servs. Third Party and Others	-42,824	0	0
7.03	Gross Value Added	525,802	0	0
7.04	Retentions	-63,941	0	0
7.04.01	Depreciation and amortization	-63,941	0	0
7.05	Net Added Value Produced	461,861	0	0
7.06	Added Value Received in Transfer	11,234	0	0
7.06.02	Financial income	11,234	0	0
7.07	Total Added Value to be Distributed	473,095	0	0
7.08	Added Value Distribution	473,095	0	0
7.08.01	Personnel	236,871	0	0
7.08.01.01	Direct Remuneration	189,518	0	0
7.08.01.02	Benefits	30,174	0	0
7.08.01.03	F.G.T.S.	17,179	0	0
7.08.02	Taxes, fees and contributions	117,145	0	0
7.08.02.01	Federal	104,033	0	0
7.08.02.02	State	38	0	0
7.08.02.03	Municipal	13,074	0	0
7.08.03	Remuneration of Third Party Capital	30,656	0	0
7.08.03.01	Fees	11,920	0	0
7.08.03.02	Rentals	18,736	0	0
7.08.04	Equity Remuneration	88,423	0	0
7.08.04.01	Dividends and Interest on Equity	26,900	0	0
7.08.04.03	Retained earnings	61,523	0	0

4Q23 Results

March 20, 2024

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CONTENTS

Earnings Call

The Company will present the results through video conference with simultaneous translation to English.

Date: Thursday, March 21, 2024

PORTUGUESE AND ENGLISH

Time: 11:00 a.m. (BR) | 10:00 a.m. (NY)
Earnings conference call: click here

SÃO PAULO, MARCH 20th, 2024

CSU Digital S.A. (B3: CSUD3) ("CSU" or "Company"), leader in the Brazilian market of cutting-edge technology solutions for digital payments, embedded finance, digital experience, and customer loyalty and incentive, announces its results for the fourth quarter of 2023.

All data was prepared in accordance with accounting practices adopted in Brazil observing the pronouncements, guidelines and interpretations of the Brazilian Accounting Pronouncements Committee (CPC) duly approved by the CVM, the IFRS standards issued by IASB, and in compliance with the provisions of Law 6,404/76.

In June 2022, the Company announced the restructuring of its business units, which were renamed **CSU Pays** and **CSU DX**, replacing the former names CSU.CardSystem and CSU. Contact, respectively. Subsequently, an August 2022 Shareholders Meeting approved the corporate name change to **CSU Digital S.A.**, and in the following month the Company's shares began trading on B3 – Bolsa, Brasil, Balcão under its new trading code **CSUD3**. These changes represent key steps that reposition our business, which resulted from a vast investment program that has been carried out in recent years.

Consequently, adjustments were made (please refer to Exhibit 4) to our grouping of results by business division, according to the aforementioned changes. Such adjustments more appropriately reflect the nature of our service contracts from the perspective of end-to-end platform, thereby making it possible to compare the results achieved between the time periods.

[1] ROCE: return on capital employed; ROE: return on equity; ROIC: return on invested capital.

Quarter and year highlights

Consistent results, solid capital structure and new portfolio create an ideal environment for a new expansion cycle

Operational indicators:

- **B2B clients:** Wide-ranging contract renewals, providing even more certainty to results. Following the closing of 4Q23, in February 2024 we signed a contract with a new client of the insurance industry for Embedded Finance services.

- **Registered cards and accounts:** Continuous expansion reaching **36.9 million** registered units this quarter **(+2.8% vs. 4Q22)**.

- **Number of transactions managed:** Expansion of **+24.4%** vs. 2022, reaching **1.1 billion** transactions in 2023. Financially, **R$326.6 billion (+21.8% vs. 2022)** were processed on our platforms.

- **Number of CSU DX digitalized interactions:** reaches an average of **71%** of the total of 2023.

Technology platforms: In the first half of 2023, we completed the development of new CSU Pays platforms (new digital payments methods and Embedded Finance). In the third quarter, we launched our CSU DX hyperautomation processes platform (HAS), creating new and relevant growth opportunities.

Net revenue: Continuous expansion of operational activity levels leads once again to another quarter of revenue growth in both business units compared to the previous quarter, reaching **R$135.7 million in 4Q23 (+2.5% vs. 3Q23 and +4.9% vs. 2Q23)**. In 2023 it totaled R$530.2 million, in a slight reduction of 1.3% compared to 2022, as a consequence of contraction at DX in the first half of the year, due to the advance of digitalization and less heated economy in the period (these effects diminished still in 2023).

Gains in efficiency: Expansion in the volume of contracted services; evolution of the digitalization agenda and disciplined expenses management lift results.

- **Gross contribution:** For the full year it totaled R$267.1 million with a 50.4% margin (**+4.8% and +3.0 p.p. vs. 2022**, respectively). The quarter saw growth of **+1.5%** compared to 4Q22, reaching **R$68.9 million in 4Q23, with a margin of 50.7%**.

- **EBITDA: In 2023, it reached a record R$181.4 million, 9.2% higher compared to 2022**. In the quarter, the indicator grew **+12.9 % vs. 4Q22** and reached **R$48.2 million**, reflecting productivity gains and our non-stop financial diligence in controlling expenses.

- **EBITDA margin:** Performance gains elevated the indicator, which reached 34.2% in 2023 **(+3.3 p.p. vs. 2022)** and it reached 35.6% in 4Q23 (+4.7 p.p. vs. 4Q22).

- **Net income: Significant annual expansion of +20.2%** compared to 2022, **reaching R$88.4 million in 2023, new all-time record. In the quarter, it grew 9.4% vs. 4Q22**, reaching R$24.0 million in 4Q23.

Profitability and capital structure: Low financial leverage combined with high and growing profitability allow greater investments, with attractive returns and remuneration to shareholders.

- **Select profitability indicators:** ROCE[1], ROE, ROIC reached excellent levels of 25%, 22% and 21%, respectively.

- **Earnings distribution:** During the year, R$ 63.7 million was actually paid out in proceeds, part of which relates to the 2022 profit and part to the 2023 profit. In addition, another **R$17.3 million** will be presented to the AGM as a **complementary dividend**, which, if approved, will result in a **50% payout** of the 2023 profit. The distribution of **R$ 6.5 million in IOC for 1Q24** has also been approved for payment in April/24.

Message from Management

CSU Digital has undergone a profound transformation and expansion process over the last four years, based on four main pillars: digitalization, hyperautomation, portfolio expansion and use of artificial intelligence.

In the first pillar, we have focused on the digitalization of our products. This movement was essential to adapt our services to the digital environment, making them more accessible and efficient for our customers. Digitalization has allowed greater agility in financial transactions, eliminating the need for physical processes and significantly reducing response times. Additionally, digitalization has expanded our customization and integration capabilities with other platforms, providing a more complete and satisfying experience for users.

Meanwhile, CSU Digital also invested heavily in the hyperautomation of its own processes. This concept goes beyond traditional automation, seeking to automate not only individual tasks but also complete and interconnected processes. Hyperautomation has enabled the significant optimization of our operations, reducing costs, increasing efficiency and minimizing errors.

These two pillars - digitalization and hyperautomation - were fundamental for the evolution of CSU's results to become even more significant, with several operational and financial all-time-high records presented repeatedly. In 2023:

- we reached 36.9 million registered cards and accounts (+2.8% vs. 2022);
- 1.1 billion transactions were processed in our platforms (+24.4% vs. 2022), representing R$327 billion;
- the number of digitalized interactions at DX averaged 71% of the total of the year, an agenda that has allowed constant margin gains in this business unit;
- our revenue at CSU Pays continues to expand and reached R$338 million in 2023 (+5.4% vs. 2022);
- gross margin for both units grows uninterruptedly, reaching 51.7% at CSU Pays (vs. 51.4% in 2022) and 17.7% at CSU DX (vs. 16.9% in 2022), increasing the total at the Company to 39.4% (vs. 37.5% in 2022);
- the Company's EBITDA reached its record high, both in 4Q23 and in 2023, hitting R$48.2 million and a margin of 35.6% in 4Q23 (+13% and +4.7 p.p. vs. 4Q22, respectively) and R$181.4 million and a margin of 34.2% in 2023 (+9% and +3.3 p.p. vs. 2022);
- net income: in 2023 it reached a record R$88.4 million, an increase of R$14.8 million (+20.2% vs. 2022) with a margin of 16.7% (+3.0 p.p. vs. 2022), another record.

Coupled with operational improvement measures, we are building the foundations for a promising future for the Company, opening new, important growth opportunities by expanding our portfolio. We successfully completed the development of our comprehensive platform of solutions in financial transaction processing (cards, Pix, cryptocurrencies, digital accounts, transfers, payments, top-ups, among others) and which are now available embedded via API in multiple interfaces (either in CSU white-label apps or in clients' apps) in 2Q23. Subsequently, in 3Q23 we began to offer our customers -- in a broad and structured way -- the most advanced technology for hyperautomation of business processes in mass front-office, middle-office and back-office operations, with the launch of our HAS platform, a new solution from CSU DX.

With the end of this phase, CSU Digital reinforces its position as the largest and most complete platform on the market. Our solutions offer client companies the ability to provide their end customers with a complete, integrated and genuinely digital financial services experience from start to finish, regardless of their industry.

Finally, as the fourth pillar of our strategy, this new phase was enhanced by the massive use of artificial intelligence in both CSU Pays and CSU DX. This makes our offering more efficient than anything currently available. The application of artificial intelligence increases the levels of approval, assertiveness and customization of offerings, reduces operational errors, risks, rework and the average service time, which, consequently, improves business profitability and customer satisfaction.

Each of these recently launched initiatives has generated a lot of interest from potential customers from the most diverse industries, paving the way for a new, promising expansion cycle at the Company, whether obtaining new customers or capturing cross-selling and up-selling opportunities.

Before closing, CSU remains committed to increasing the return on invested capital for its investors. In this sense, in 2023, the Company effectively paid R$ 63.7 million, of which R$ 14.6 million were extraordinary dividends for the year 2022, R$ 22.2 million were the gross amount of IOC for the year 2022 and R$ 26.9 million were the gross amount of IOC for the year 2023. In addition, on March 19, 2024, the Board of Directors approved and will submit for approval to the General Meeting of April 29, 2024, the distribution of profits for the year, for which the proposed complementary dividends amount to R$ 17.3 million, which would increase the payout of 2023 to 50%. Finally, the Board of Directors of the Company has already approved the payment of R$ 6.5 million as interest on own capital related to the results of the first quarter of 2024, to be paid on April 4.

We thank everyone for the trust placed in the current Administration.

Marcos Ribeiro Leite
Founder & CEO

Consolidated results
Results summary

Consolidated main indicators (R$ thousand)	4Q23	4Q22	% Var. YoY	3Q23	% Var. QoQ	2023	2022	% Var.
Net revenue	**135,678**	**138,479**	**-2.0%**	**132,356**	**2.5%**	**530,233**	**537,168**	**-1.3%**
Gross contribution	**68,850**	**67,822**	**1.5%**	**67,996**	**1.3%**	**267,112**	**254,835**	**4.8%**
Contribution (%)	*50.7%*	*49.0%*	*1.7 p.p.*	*51.4%*	*-0.7 p.p.*	*50.4%*	*47.4%*	*3.0 p.p.*
Gross profit	**54,294**	**54,329**	**-0.1%**	**53,577**	**1.3%**	**208,923**	**201,428**	**3.7%**
Gross margin	*40.0%*	*39.2%*	*0.8 p.p.*	*40.5%*	*-0.5 p.p.*	*39.4%*	*37.5%*	*1.9 p.p.*
EBITDA	**48,242**	**42,745**	**12.9%**	**46,502**	**3.7%**	**181,383**	**166,084**	**9.2%**
EBITDA margin	*35.6%*	*30.9%*	*4.7 p.p.*	*35.1%*	*0.5 p.p.*	*34.2%*	*30.9%*	*3.3 p.p.*
Net income	**24,041**	**21,978**	**9.4%**	**23,695**	**1.5%**	**88,423**	**73,572**	**20.2%**
Net margin	*17.7%*	*15.9%*	*1.8 p.p.*	*17.9%*	*-0.2 p.p.*	*16.7%*	*13.7%*	*3.0 p.p.*

Net revenue:
R$ 530.2 MM -1.3%
2023 yoy

Gross contribution:
R$ 267.1 MM +4.8%
Mg. 50.4% +3.0 p.p.
2023 yoy

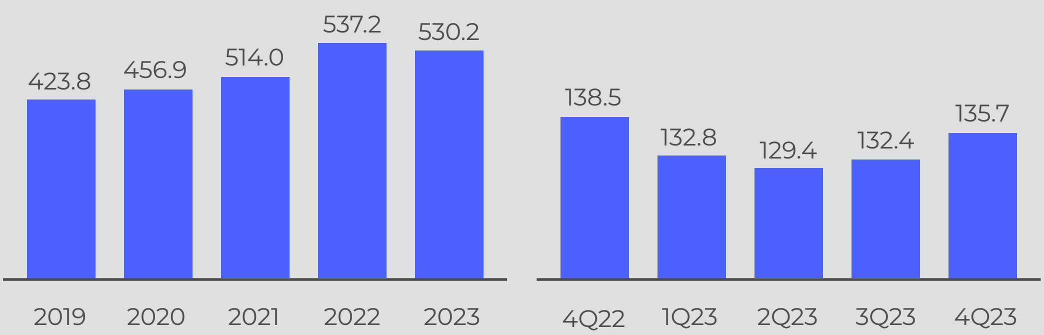
EBITDA:
R$ 181.4 MM +9.2%
Mg. 34.2% +3.3 p.p.
2023 yoy

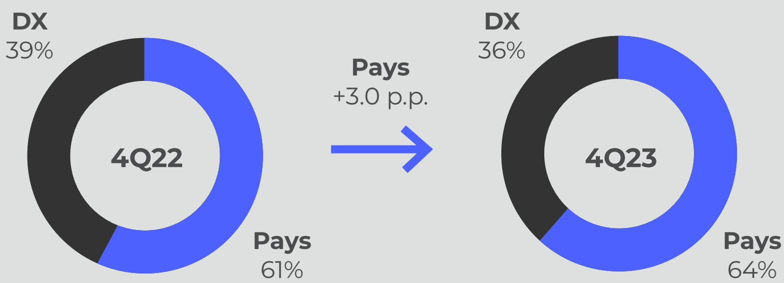
Net income:
R$ 88.4 MM +20.2%
Mg. 16.7% +3.0 p.p.
2023 yoy

Net revenue: Totaled **R$530.2 million** in 2023, lower by 1.3% vs. 2022. In the quarterly view, it is possible to note an important evolution of these indicator since 2Q23 (+2% 3Q23 vs. 2Q23 and +3% 4Q23 vs. 3Q23), with expansion in both business units reflecting the improved economic and financial outlook in Brazil, which led to an increase in operating volumes and the end of our contract renewal cycle.

For a better understanding of this indicator, it is very important to observe the per-vertical performance in the next sessions, considering that they are going through very different dynamics at the moment.

Net revenue (R$ million)





CSU Pays (our core business) grows consistently and recurringly on an annual basis (CAGR[2] of +12% p.y. since 2019), also enjoying gains in overall representation. In 2023, the unit grew +5% compared to 2022. It is worth noting that this progress was achieved in a year in which the company prioritized the renewal of its main contracts (more than 90% completed), demonstrating that this growth was due basically to its strong progress in operating volumes. This renewal phase is of major importance as it brings greater predictability to the current business and confidence for a new cycle of expansion, which is intensifying thanks to the recently expanded portfolio.

CSU DX has undergone a profound operational transformation, migrating from a traditional service model to becoming increasingly digital (71% of interactions). This movement, which initially led to greater revenue pressure, but in exchange generated greater profitability bringing the margin of this vertical to its highest value in history (+4.8% p.p. of gross margin since 2019, when this process began). It is worth noting that this dynamic seen exclusively in the customer experience operation, which is allocated to CSU DX, tends to stabilize considering the high level of digitalization already achieved and that this vertical enters a very different cycle from now on. Another important point is that, CSU DX began to encompass services with greater added value in the scope of hyperautomation of processes with massive use of artificial intelligence (AI), creating new and promising avenues of revenue growth and profitability for this unit and for the Company as a whole (cross-selling and up-selling).

In the quarterly view of CSU Digital's consolidated revenue, it is possible to note an important evolution of these indicators since 2Q23 (+2% 3Q23 vs. 2Q23 and +3% 4Q23 vs. 3Q23), with expansion in both business units reflecting the improved economic and financial outlook in Brazil, which led to an increase in operating volumes and the end of our contract renewal cycle.

For those who are not yet fully familiar with the evolution of CSU Digital's business and portfolio, the company has developed and executed over the years a model that is based on the full service concept. In this model, CSU Digital offers a robust technological infrastructure for financial services (CSU Pays), while providing all operational support (CSU DX) for these products on a daily basis with a very high degree of automation and performance, so that our customers can deliver a unique and complete experience to their users on short notice and without sizable investments.

This way of operating allows relevant synergies between products and a high degree of predictability of our revenues:

- Originally, **CSU Pays** main line of revenue was associated with the processing and management of card operations, in addition to the formulation and management of loyalty & incentive programs, both aimed at serving issuers. Consequently, revenue from these services has a direct correlation with the number of card units available for billing as well as the number of transactions, with different values for each type of processing. New modalities are beginning to gain relevance in this vertical with the launch of our new payment solutions (virtual cards, digital cards, wallets, Pix, Pix on Credit, Cryptocurrencies) and Embedded Finance being offered globally in an integrated fashion through CSU Switcher.

- Likewise, we guarantee all the capacity (infrastructure, people and technology) of the contracted **Digital Experience (DX)** services. Originally created to meet the demands of our customers in the card industry on the customer service front, this unit has undergone a true digital transformation in recent years, becoming quite dense in technology. From now on, it now has a new type of service marketed under the name HAS, which uses the best artificial intelligence tools for hyperautomation of business processes.

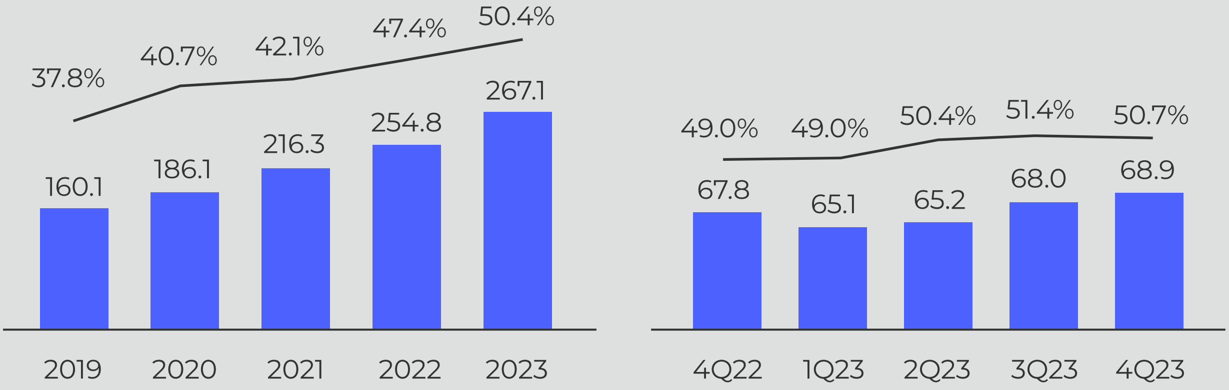
[2] **CAGR**: Compound Annual Growth Rate.

Costs (excluding depreciation and amortization): This line suffered a significant **reduction of R$19.2 million in 2023** (-6.8% vs. 2022) to reach a total of R$263.1 million compared to R$282.3 million in 2022. In the fourth quarter, the reduction **was R$3.8 million (-5.4% vs. 4Q22)**. The savings achieved are the result of **effective efficiency gains** and greater consumption of digital services by customers in both business units, with a consequent reduction in personnel, postage and communication costs, in return for an increase in contracted service costs (e.g., cloud).

Gross contribution[3]: It reached its all-time record of **R$267.1 million** in the year, which represents a margin (as a function of revenue representation) of **50.4%** compared to R$254.8 million and a margin of 47.4% in the previous year, an **increase of R$12.3 million** (+4.8% and +3.0 p.p. vs. 2022, respectively). In 4Q23 it reached **R$68.9 million** with a margin of **50.7%**, compared to R$67.8 million and a margin of 49.0% in the same period of the previous year, an **increase of R$1.1 million (+1.5% and +1.7 p.p. vs. 4Q22)**.

This increase is due to the greater relevance of the CSU Pays business division within the total, which has greater profitability, in addition to efficiency gains from the deep digitalization of products and processes carried out in recent years in both verticals.

Gross contribution (R$ million) and margin (%)

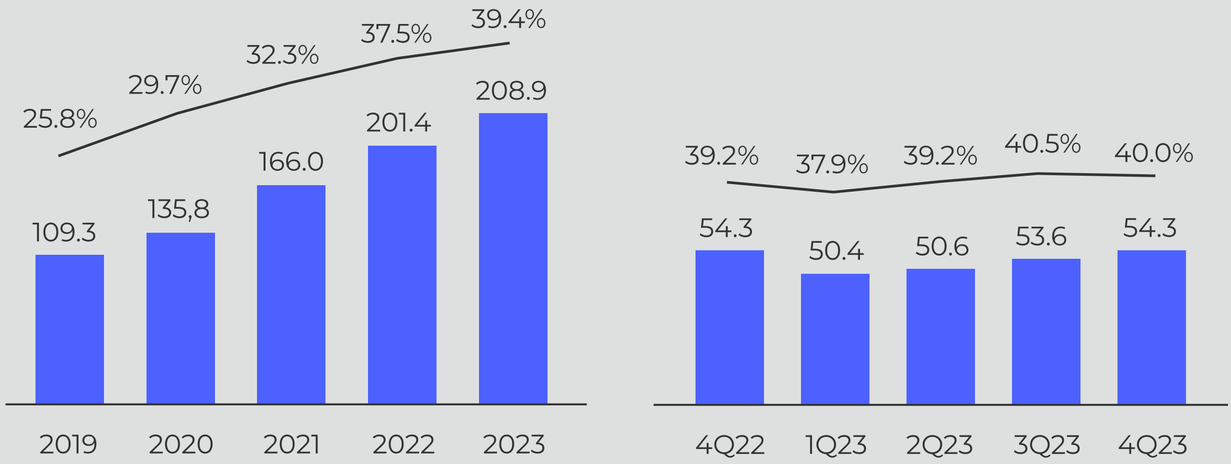


[3] **Gross Contribution:** Non-accounting measure that considers net revenue minus costs, excluding depreciation and amortization inherent in said costs. See reconciliation in Exhibit 5.

Total costs, gross income and gross margin: If we include the depreciation and amortization relevant to the cost line presented above, the total for this group in the year was R$321.3 million compared to R$335.7 million in the previous year, a **significant saving of R$14.4 million** (-4.3% vs. 2022, respectively). In the quarter, the total for this line was R$81.4 million vs. R$84.2 million in 4Q22, showing a **reduction of R$2.8 million** (-3.3% vs. 4Q22).

As a result, gross profit in 2023 **reached R$208.9 million with a margin of 39.4%**, compared to R$201.4 million with a margin of 37.5% in the previous year, an **increase of R$7.5 million (+3.7% and +1.9 p.p. vs. 2022, respectively)**. In the quarter it reached **R$54.3 million**, in line with the result achieved in 4Q22, with a gross margin of **40.0%**, which represents a gain of +0.8 p.p. vs. 4Q22, when the gross margin was 39.2%. It is important to note that due to the resumption of revenue growth in recent quarterers demonstrated by the Company's two business units, In the second half of this year, we see an even stronger increase in the gross profit indicator, up 6.7% compared to the first half. (+1.3% in 4Q23 vs. 3Q23 and +5.8% in 3Q23 vs. 2Q23).

Gross income (R$ million) and margin (%)



Selling, general and administrative expenses (SG&A): In 2023, the Company's SG&A – in this case including the corresponding depreciation and amortization (D&A) – remained practically in line when compared to 2022, and totaled R$95.5 million (+0.1% vs. 2022). The maintenance of expenses at this level is due to (i) higher amounts spent in a timely manner on termination and fines, as disclosed in 2Q23, (ii) higher marketing expenses with the launch of new products, (iii) the initial costs of our internationalization project, partially offset by (iv) positive effects especially in the second half of the year on personnel, consultancies and rent in line with our disclosed efficiency plan. If we excluded non-recurring expenses, in 2023 the total of this group would be R$92.5 million, which would represent a reduction of 3.0% compared to 2022.

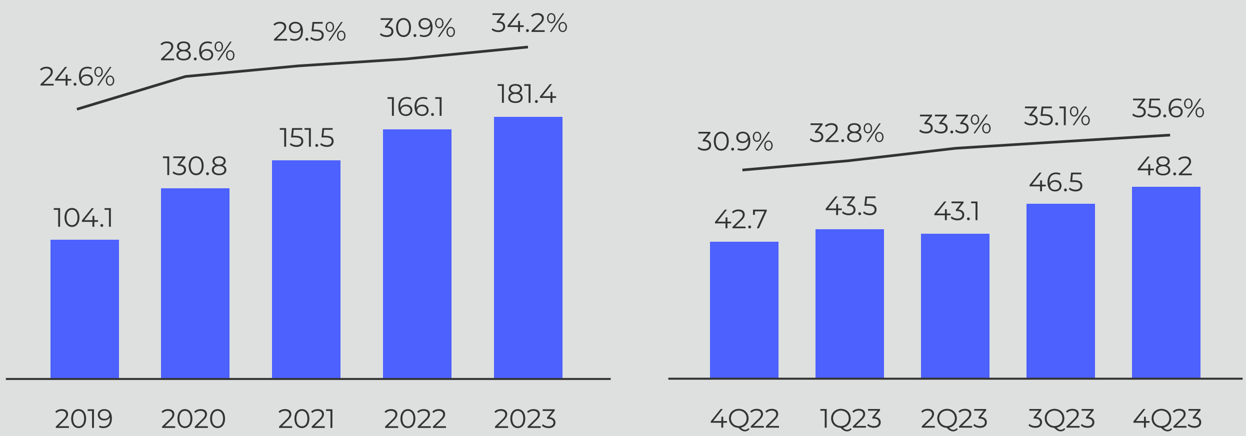
In a quarterly view it reached R$25.8 million in 4Q23 compared to R$26.5 million in the same period of 2022, a **reduction of R$0.7 million** (-2.7% vs. 4Q22), explained by (i) lower personnel expenses by capturing the benefits of the structure adjustment carried out in 2Q23, (ii) lower expenses with consultancies and (iii) lower expenses with equipment and software rental for specific projects more than offsetting the (iv) initial expenses incurred related to the structuring of our operations in the United States.

Consolidated SG&A (R$ thousand)	**4Q23**	**4Q22**	**% Var. YoY**	**3Q23**	**% Var. QoQ**	**2023**	**2022**	**% Var.**
General and administrative	(22,283)	(20,827)	7.0%	(18,824)	18.4%	(81,174)	(77,058)	5.3%
Depreciation and amortization	(1,894)	(1,571)	20.6%	(1,214)	56.0%	(5,713)	(8,166)	-30.0%
Sales and marketing	(1,618)	(4,122)	-60.7%	(2,736)	-40.9%	(8,637)	(10,176)	-15.1%
Total SG&A expenses	**(25,795)**	**(26,520)**	**-2.7%**	**(22,774)**	**13.3%**	**(95,524)**	**(95,400)**	**0.1%**
% of net revenue	*19.0%*	*19.2%*	*-0.2 p.p.*	*17.2%*	*1.8 p.p.*	*18.0%*	*17.8%*	*0.2 p.p.*

Other operating income (expenses): In 2023 it reached a net revenue of R$4.1 million compared to a net expense of R$1.5 million in the same period of the previous year, representing a positive evolution of R$5.6 million. In the quarter it resulted in a net revenue of R$3.3 million compared to a net expense of R$0.1 million, in 4Q22, also a positive evolution by R$3.4 million when compared to the same period of the previous year, mainly influenced by the reversal of provisions.

EBITDA[4] and EBITDA margin: Remaining in continuous expansion, the indicator **reached record levels in 2023 both from a nominal and marginal point of view, reaching R$181.4 million and 34.2%** compared to R$ 166.1 million and 30.9% in the same period of 2022, an increase of R$15.3 million (+9.2% and +3.3 p.p. vs. 2022, respectively). Quarterly it also reached a **record value of R$48.2 million**, with a margin of 35.6% in 4Q23 compared to R$42.7 million and a margin of 30.9% in the same period of 2022, an **increase of R$5.5 million (+12.9%) and +4.7 p.p. vs. 4Q22**, respectively. The evolution of these indicators is due to the recognition of operational benefits, mainly from our **digital transformation** plan of products and processes, which has been implemented over the last few years and is aimed at increasing the operational **efficiency** of our verticals.

EBITDA (R$ million) and EBITDA margin (%)



Consolidated EBITDA reconciliation (R$ thousand)	4Q23	4Q22	% Var. YoY	3Q23	% Var. QoQ	2023	2022	% Var.
Net income	**24,041**	**21,978**	**9.4%**	**23,695**	**1.5%**	**88,423**	**73,572**	**20.2%**
(+) Income taxes	7,241	5,634	28.5%	6,458	12.1%	28,358	27,400	3.5%
(+) Financial result	510	69	639.1%	717	-28.9%	700	3,539	-80.2%
(+) Depr. and amort.	16,450	15,064	9.2%	15,633	5.2%	63,902	61,574	3.8%
EBITDA	**48,242**	**42,745**	**12.9%**	**46,502**	**3.7%**	**181,383**	**166,084**	**9.2%**
EBITDA margin	*35.6%*	*30.9%*	*4.7 p.p.*	*35.1%*	*0.5 p.p.*	*34.2%*	*30.9%*	*3.3 p.p.*

[4] **EBITDA:** Prepared in accordance with CVM Instruction 527/12, it is a non-accounting gauge that consists of the net result for the period, plus taxes on profit, financial expenses net of financial income, and depreciation and amortization.

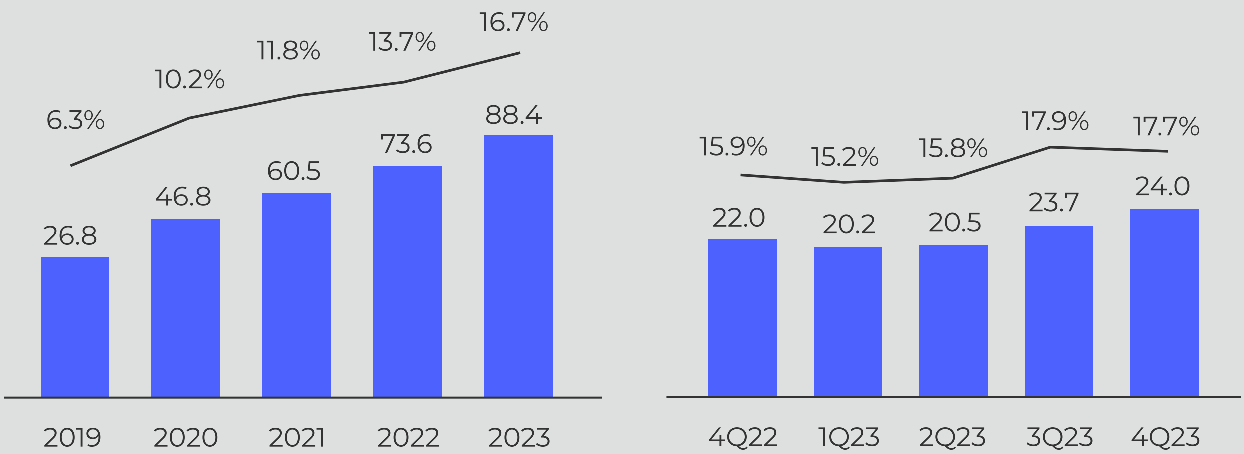
Financial result: In 2023 it totaled a net expense of R$0.7 million compared to the R$3.5 million of net expense presented in the same period of the previous year, **savings of R$2.8 million**, explained by a non-recurring interest income from tax credits of R$ 1.7 million and a higher income from financial investments of R$0.7 million In the quarter, there was a net expense of R$0.5 million compared to a net expense of R$0.1 million in 4Q22, a slight increase of R$0.4 million.

Earnings before interest and taxes (EBIT): Registered a significant increase of R$15.8 million (+15.7% vs. 2022), totaling R$116.8 million in 2023 compared to R$101.0 million in the previous year. In 4Q23, it reached a strong expansion of **R$3.7 million (+13.3% vs. 4Q22)**, reaching R$31.3 million compared to R$27.6 million in 4Q22.

Income tax and social contribution on net income (IR/CSLL): In the year, IR/CSLL volume totaled R$28.4 million compared to R$27.4 million in 2022, an increase of R$1.0 million (+3.5% vs. 2022). This change in value, not proportional to EBIT growth, represents a reduction in our effective rate due to a specific and historical review of deferred IR/CSLL balances, combined with the recent recognition of tax benefits relating to investments in technology linked to “Lei do Bem” and the increase in the distribution of interest on own capital, deductible for tax purposes. In 4Q23 the value recorded was R$7.2 million, an increase of R$ 1.6 million compared to the figure presented in 4Q22, which was R$5.6 million (+28.5% vs. 4Q22).

Net income and net margin: The Company’s net profit indicator reached an all-time high in 2023 of R$88.4 million compared to R$73.6 million in the previous year, an **increase of R$14.8 million (+20.2% vs. 2022). The net margin for the year reached a record of 16.7%** compared to 13.7% in 2022, an increase of +3.0 p.p. vs. 2022. In the quarterly view, it similarly reached a record of **R$24.0 million in 4Q23**, compared to R$22.0 million in 4Q22, an **increase of R$2.0 million (+9.4% vs. 4Q22)**, with a significant increase in net margin in the quarter, which reached 17.7% compared to 15.9% in the same period of 2022 **(+1.8 p.p. vs. 4Q22)**.

Net income (R$ million) and net margin (%)



CAPEX[5]

Total capex: In the year, the Company's investments reached R$61.8 million compared to R$63.5 million in 2022, a reduction of R$1.7 million (-2.7% vs. 2022). In the quarter, investments totaled R$16.3 million against R$20.0 million in the same period of the previous year, a reduction of R$3.7 million (-18.7% vs. 4Q22). The volume of investments in tangible and intangible assets shown in recent years is the result of the development of structuring projects that include the new digital payment modalities and functionalities, our embedded finance solutions, the larger amounts dedicated to increasing the robustness of our data and security infrastructure, and the new CSU DX process hyperautomation product (HAS), powered by AI.

- **CSU Pays (91% of the total in 4Q23):** in 2023 Capex for this unit totaled R$53.7 million vs. R$59.0 million in 2022, down by R$5.3 million (-8.9% vs. 2022). In the quarter it totaled **R$14.7 million** against R$18.6 million in the same period of the previous year, a reduction of R$3.9 million (-20.7% vs. 4Q22).

- **CSU DX (4% of the total in 4Q23):** in the year it totaled R$3.2 million compared to R$1.0 million in 2022, an increase of R$2.2 million (+214.4% vs. 2022), explained by investments related to new process hyperautomation solutions, HAS, which have become an important avenue of growth for this unit from now on. In the quarter it reached **R$0.7 million** against R$0.1 million in 4Q22, an increase of R$0.6 million (+563.2% vs. 4Q22).

- **Corporate (5% of the total in 4Q23):** in the year it totaled R$4.8 million compared to R$3.5 million recorded in 2022, an increase of R$1.3 million. In the quarter it totaled **R$0.8 million** against R$1.3 million in the same period of the previous year, a reduction of R$0.5 million.

Investments (R$ thousand)	4Q23	4Q22	% Var. YoY	3Q23	% Var. QoQ	2023	2022	% Var.
CSU Pays	14,726	18,559	-20.7%	12,570	17.2%	53,729	58,973	-8.9%
CSU DX	703	106	563.2%	1,158	-39.3%	3,216	1,023	214.4%
Corporate	846	1,349	-37.3%	485	74.4%	4,848	3,509	38.2%
Capex	**16,275**	**20,014**	**-18.7%**	**14,213**	**14.5%**	**61,793**	**63,505**	**-2.7%**
% of net revenue	*12.0%*	*14.5%*	*-2.5 p.p.*	*10.7%*	*1.3 p.p.*	*11.7%*	*11.8%*	*-0.1 p.p.*

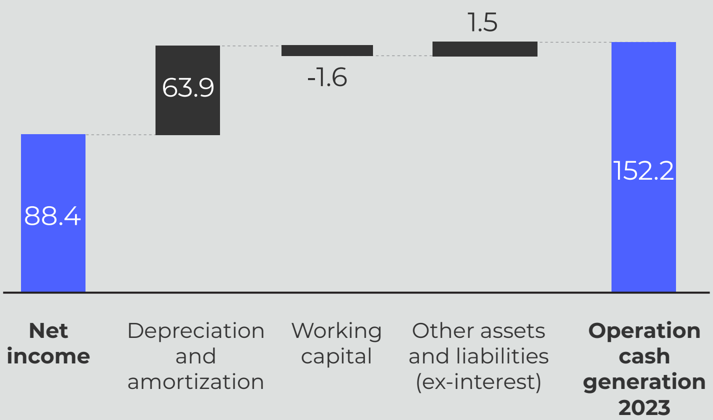
[5] **CAPEX:** Corporate investments reflect, for the most part, investments in technological management platforms, both in terms of software and hardware, as well as improvements in general. This value differs from the "Cash Used in Investing Activities" in the Cash Flow Statement due to leasing.

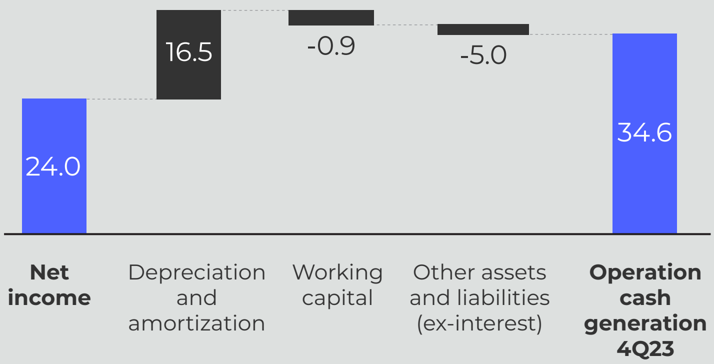
Operating cash generation

Cash generated by operational activities continues to expand rapidly and reached **R$152.2 million** in 2023, R$20.6 million (+15.7%) higher than cash generated in 2022, which was R$131.6 million. In the quarter, cash generated by operating activities **totaled R$34.6 million**, R$8.5 million higher than the R$26.1 million in 4Q22 (+32.5%).

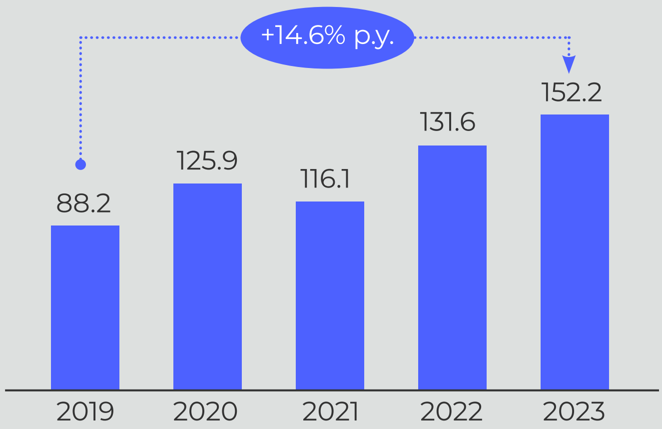
The company has a long and consistent track record of delivering results and generating cash, maintaining a high EBITDA-to-cash conversion rate, which was 84% in 2023, a similar percentage to the average seen between 2019 and 2023. Over the same period, operating cash generation **grew by 1.7 times (CAGR of more than 14% p.y.)**, reflecting continued operational progress and consequently higher profits.

Reconciliation of operating cash generation (R$ million)





Historical growth of operating cash generation (R$ million)



Capital Structure[6]

Gross debt: At the end of the quarter, gross debt totaled R$68.8 million compared to R$85.7 million in the same period of the previous year, a reduction of R$16.9 million **(-19.8% vs. 4Q22)**. **Analyzing exclusively the onerous debt (loans and financing)**, we ended the quarter with a gross balance of only R$6.6 million compared to R$16.4 million in 4Q22, a **reduction of R$9.8 million (-59.5%)** arising from the settlements and amortizations in the period.

Cash and cash equivalents: At the end of the quarter, the cash balance totaled R$75.3 million compared to R$86.5 million in the same period of the previous year, a reduction of R$11.2 million (-12.9% vs. 4Q22). This change resulting from (i) greater expenditures with technology made between the two periods, (ii) the higher level of amortization of loans and financing and, mostly (iii) the greater distribution of profits promoted. It is worth recalling that the Company changed its earnings distribution practice in 2023 and began declaring and distributing them quarterly (with a one-off effect on cash flow in the second quarter), further improving the return on shareholders' capital. Until the previous year the company declared earnings quarterly, but it only made payments at the beginning of the fiscal year following that fiscal year.

Net debt: Thus, at the end of December the Company had net cash of R$6.5 million compared to R$0.8 million in the same period of the previous year, expansion of R$5.7 million in its net cash position. By analyzing net debt based exclusively on onerous debt liabilities, we ended the quarter with a **net cash position of R$68.7 million**, a slight reduction of R$1.4 million compared to the R$70.1 million balance in the same period of the year above, for the same reasons mentioned in the previous paragraph, with special attention to the temporary effect resulting from the change in the practice of distributing proceeds.

Net debt/LTM EBITDA: Net debt-to-EBITDA ratio for the last 12 months (12M) was -0.04x (net cash) in 4Q23 compared to 0.00x in 4Q22, influenced by (i) operational advances that led to an increase in EBITDA (denominator) and (ii) the aforementioned decrease in net debt. As a result, the Company understands that its **capital structure is appropriate** to its business and market situation, allowing it to advance with investments in a relevant way, compensate its shareholders and have room for greater financial leverage, if deemed necessary, to capture attractive opportunities for adding assets.

Consolidated indebtedness (R$ thousand)	4Q23	4Q22	% Var. YoY	3Q23	% Var. QoQ
Financing and debt loan	**6,618**	**16,350**	**-59.5%**	**7,856**	**-15.8%**
Short term	4,929	9,587	-48.6%	4,902	0.6%
Long term	1,689	6,763	-75.0%	2,954	-42.8%
(-) Cash and equivalents	**75,290**	**86,455**	**-12.9%**	**79,174**	**-4.9%**
Net onerous debt (net cash)	**(68,672)**	**(70,105)**	**-2.0%**	**(71,318)**	**-3.7%**
EBITDA LTM	181,383	166,084	9.2%	175,886	3.1%
Net onerous debt/EBITDA LTM (x)	***(0.38)***	***(0.42)***	***0.04***	***(0.41)***	***0.03***
Lease liabilities (IFRS 16)	**62,133**	**69,354**	**-10.4%**	**65,300**	**-4.8%**
Gross debt	**68,751**	**85,704**	**-19.8%**	**73,156**	**-6.0%**
(-) Cash and equivalents	**75,290**	**86,455**	**-12.9%**	**79,174**	**-4.9%**
Net debt	**(6,539)**	**(751)**	**770.7%**	**(6,018)**	**8.7%**
EBITDA LTM	181,383	166,084	9.2%	175,886	3.1%
Net debt/EBITDA LTM (x)	***(0.04)***	***(0.00)***	***(0.03)***	***(0.03)***	***(0.00)***

[6] **Capital Structure:** Post-IFRS 16 Data. In addition, at the end of the quarter, the Company had no foreign-currency debt and did not use derivative instruments. Cash is invested in committed Bank Deposit Certificates (CDBs) issued by top-tier banks.

Performance by business unit

CSU Digital is considered a pioneer and one of the most innovative companies providing technological infrastructure (infratech) for financial services on the market. Based on its full service model, it provides 100% of digital payments solutions in a fully integrated manner and capable of being offered globally. These solutions range from the origination, processing and validation of transactions, the administration of multiple electronic payment methods and multiple currencies, fraud analysis and prevention mechanisms, the entire digital back office for risk analysis, exchange, onboarding and data curation, solutions processing for acquirers, in addition to hybrid customer service structures.

In June 2022, the Company announced the reformulation of its business units, which were renamed **CSU Pays and CSU DX**, replacing the names CSU.CardSystem and CSU.Contact, respectively. These changes aim to reinforce the Company's position as the main and broadest provider of technological solutions for financial services, ensuring end-to-end operations through a highly synergistic portfolio, generating cross-selling and up-selling opportunities. Therefore, in this report some adjustments were made (see Exhibit 4) in our grouping of results by business division, in order to more appropriately reflect the nature of our service contracts and make the results achieved between the time periods.

1. CSU Pays

CSU Pays is the business division that encompasses all cutting-edge solutions in Digital Payments, Loyalty and Incentive and Embedded Finance services.

Innovative and pioneering from the beginning, this unit was what gave rise to the Company. Created in 1992 under the name CardSystem Ltda. as the first independent processor of electronic means of payments, it was also the first company to work with the three main international brands simultaneously (Visa, Mastercard and American Express) in Brazil and the first to process payments in a digital wallet in South America, effectively a game changer in the digital financial services ecosystem in the country by allowing countless banks and companies from different sectors to participate in the broad credit market through the use of cards.

We have the broadest portfolio on the market for payments via cards including credit, debit and prepaid, whether physical, digital (mobile and wearables) or virtual, compatible with the main market wallets (Samsung Pay, Google Pay and Apple Pay).

More recently, **new modalities became part of this vertical's portfolio**, with the launch of our new payment solutions such as Pix, Pix on Credit, Cryptocurrencies, as well as a complete Embedded Finance platform that includes products such as individual and business digital accounts, receipt and electronic transfer of resources (cash in and cash out), payment of bills, top-ups, issuance and settlement of bills and other financial products (credit, investments, insurance) that are fully integrated through our CSU Switcher platform, with offer possibilities including multi-geography.

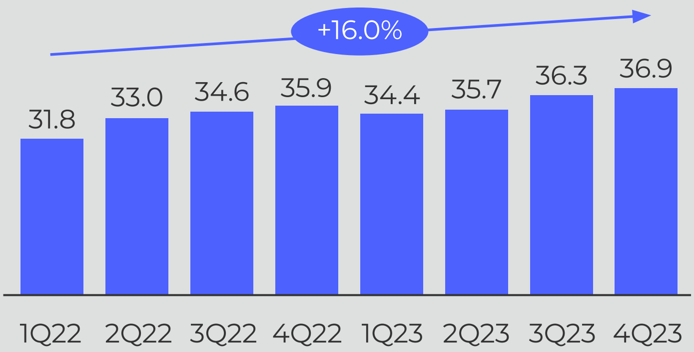
1.1 Operational performance

The **CSU Pays** unit has grown at a very significant pace over the last few years, making this division increasingly relevant in the Company's total revenue, accounting for 64% of the total in this quarter (+3.0 p.p. vs. 4Q22) , a trend that tends to continue over the course of time, considering a greater dynamism in this market and the large addition of new solutions to our portfolio. Our way of operating in this segment allows a high degree of predictability of revenues given its recurring nature (Platform as a Service).

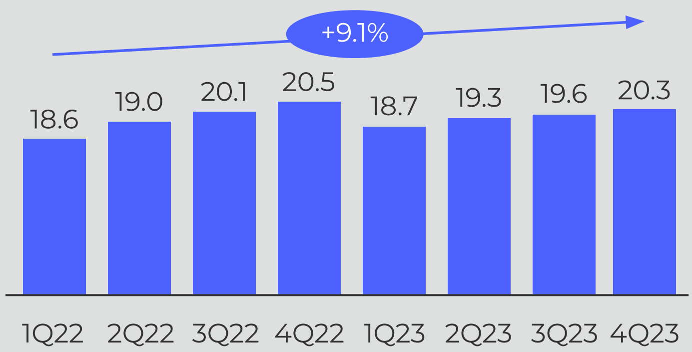
Below we will highlight some of the indicators in this segment:

Billed and registered cards and accounts

Registered cards and accounts
(closing balances, million)



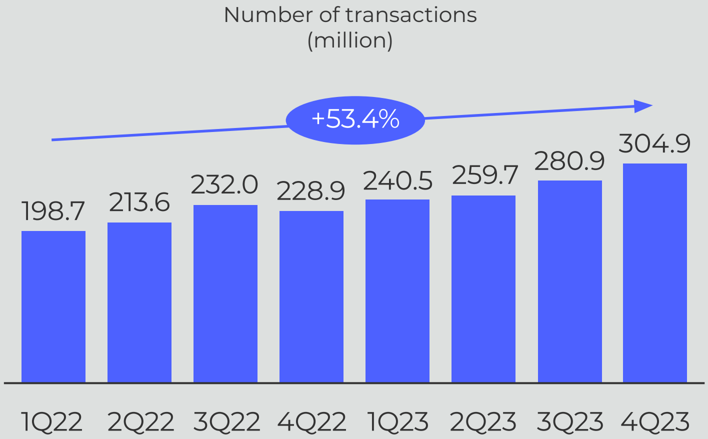
Billed cards and accounts
(closing balances, million)

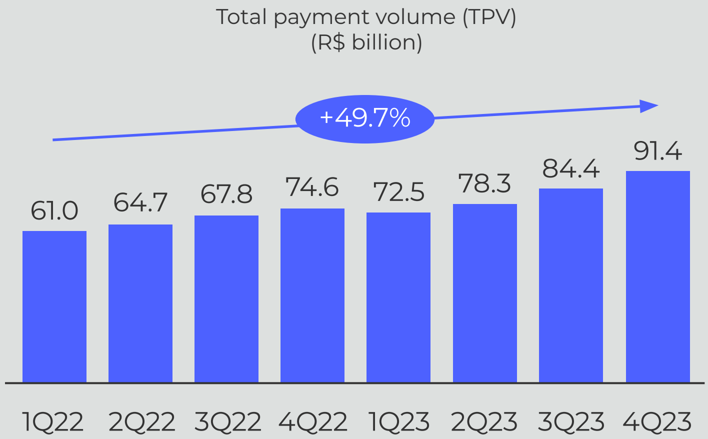


- **Registered cards and accounts:** We ended 4Q23 with **36.9 million** accounts and cards registered in our databases, compared to 35.9 million in the same period of the previous year, an **increase of 1.0 million (+2.8% vs. 4Q22)**. Over the last few quarters, there has been a clear trend to expand this base, following the organic evolution of our clients' businesses (B2B), who see cards and/or wallet accounts as an important instrument for promoting new revenue.

- **Billed cards and accounts:** We ended 4Q23 with **20.3 million** accounts and cards billed compared to 20.5 million in the same quarter of the previous year, a **slight reduction of 0.2 million (-1.0% vs. 4Q22)**. As mentioned in the 1Q23 Earnings Release, there was greater conservatism among some customers at the beginning of this year, which led them to review their policies regarding the maintenance of units with little or no activity, reducing the card base during the process renewal of their contracts, without any change from the point of view of transacted volume. Since then, as can be seen in the chart above, **the volume shown in this indicator has continued to grow**.

Processing volume





- **Number of transactions processed:** CSU's different digital platforms recorded a 2023 volume that exceeded 1.1 billion transactions compared to 873.2 million in 2022, an increase of 212.8 million (+24.4% vs. 2022). In the quarter, the volume recorded hit **304.9 million transactions** against 228.9 million in the same quarter of the previous year, an increase of 76.0 million **(+33.2% vs. 4Q22)**. This is an important indicator to measure the business trend of this subsegment and serves as a thermometer of demand from our contractors' end consumers. As one can see, this indicator has been growing uninterruptedly, whether via processing for issuers or processing for acquirers, as well as, more recently, the processing of other payment arrangements (Pix, Pix on Credit, cryptocurrencies) which allows us to maintain lasting growth in this vertical, even when there is some type of volatility in the account and card base.

- **Total payment volume (TPV)**: In 2023, the financial volume processed on our platforms exceeded R$326.6 billion compared to R$268.1 billion in 2022, a **strong expansion of R$58.5 billion (+21.8% vs. 2022)**. In 4Q23, it totaled **R$91.4 billion** against R$74.6 billion in 4Q22, an increase of R$16.8 billion **(+22.6% vs. 4Q22)**.

The **loyalty** platform is another important revenue subsegment of CSU Pays, which provides one of the best solutions on the market for building loyalty and incentive programs. Through these programs, our clients deepen the engagement of their own consumer base, by effectively creating relationship rules and attracting the use of their products and services by offering benefits. The mechanics of these programs are intuitive and involve rewarding participants for using and purchasing products and services from our contracting clients through the accumulation of points. This score can be used for redemption through a large catalog of new product and service options offered by **more than 100 partners** (>2,000 shops) with which CSU has a relationship or through cash reward (cashback). This unit had a total transacted financial volume of R$ 213 million in 2023, with growth of +20% in the period.

Therefore, whether on the card administration and processing side or on the loyalty side, part of the revenue of this business unit is still explained by the number of **account units and cards available for billing**, and it is also very important to observe the **number of transactions processed** on our different platforms.

It is worth mentioning that over time, the Company has reinvented itself and has been **adding fundamental solutions** not limited to the world of cards, expanding the size of our materially addressable market and preparing the Company for the future of the payments universe in Brazil and worldwide. These new lines of business place the company in a prominent position in the markets in which it operates, offering new opportunities for monetizing its user base to its clients, who now offer a true marketplace of financial services through our platforms.

It's worth remembering that, in April 2023, we announced the completion of development and the roll out of new products for digital payments that encompass new modalities such as Pix, Pix on Credit and cryptocurrencies, as well as our Embedded Finance platform. **Both solutions are already operational and have their first customers**.

On the digital payment processing front (ex-cards), we managed 192 thousand transactions, totaling a **financial volume of R$28.3 million by the end of February 2024**.

And on the Embedded Finance front, following the closing of 4Q23 **we signed a contract with a new client, a relevant company in the insurance industry**.

These new lines of business tend **to benefit results even more over the next few quarters**.

Net revenue:
R$ 338.1 MM +5.4%
2023 yoy

Gross contribution:
R$ 216.3 MM +7.8%
Mg. 64.0% +1.4 p.p.
2023 yoy

EBITDA:
R$ 164.6 MM +14.9%
Mg. 48.7% +4.0 p.p.
2023 yoy

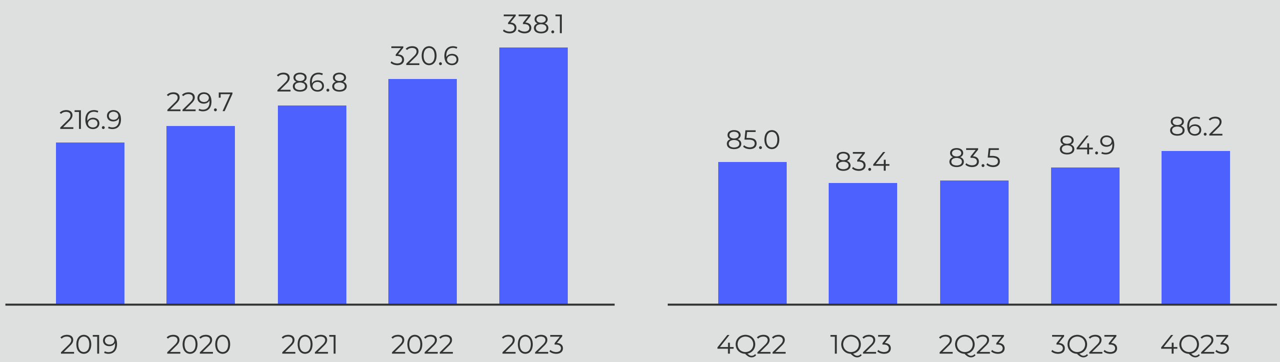
1.2 Financial performance

Net revenue: In 2023 it reached R$338.1 million compared to R$320.6 million, **an expansion of R$17.5 million (+5.4% vs. 2022)**. In the quarter, **it reached R$86.2 million** against R$85.0 million in the same period of the previous year, an increase of R$1.2 million **(+1.4% vs. 4Q22)**. It is worth noting that the Company was extremely successful in renewing contracts for longer terms with its main customers in this unit (about 90%), bringing even more security in maintaining recurring revenue levels and creating the basis for a new expansion cycle.

As previously mentioned, a large part of this business unit's revenue is explained by the number of account units and cards available for billing, combined with the number of transactions processed on our different platforms, bringing significant predictability to our revenue. As already highlighted, both indicators have grown significantly and repeatedly over the years.

Another important indicator to comment on is that purely digital revenues[7] have grown at a good pace, even after the effect of contractual renewals, with an increase of **9.0% in 2023 and 4.6% in this 4Q23** when compared to the same periods of the previous year, above the unit average. They represented **94.7% of the total in 4Q23** against 91.9% in 4Q22 **(+2.8 p.p. vs. 4Q22)**. This evolution has consistently increased the profitability of this segment and is the main guide for growth in the coming years, as digitalization continues to advance.

Net revenue (R$ million)

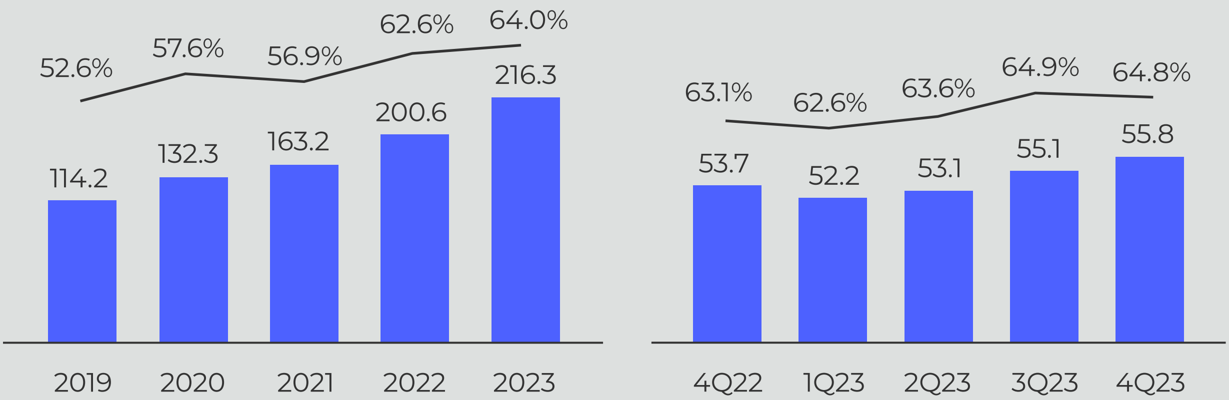


[7] **Revenue from digital services:** All revenues of the CSU Pays unit, except those from the issuance and/or posting of cards, letters, and physical invoices.

Costs (excluding depreciation and amortization): In the year, the costs of this business division totaled R$121.8 million compared to R$120.0 million in 2022, an increase of R$1.8 million (+1.4% vs. 2022), less than proporcional to the growth in revenue. We had some factors influencing this dynamic, such as (i) reduction of costs linked to analogical services, (ii) on the other hand, we had an increase in equipment and software rental to endure the expansion of our processing operation. These totaled R$30.4 million in 4Q23, with a reduction of R$0.9 million compared to the same period of the previous year **(-3.0% vs. 4Q22)** even with the strong expansion of volumes. The movement to digitalize products and processes answers the explanation for this variation.

Gross contribution: As a result of variations in the items above (higher revenue and lower cost weight), in 2023 this metric totaled **R$216.3 million with a margin of 64.0%** compared to R$200.6 million and a margin of 62.6% in 2022, **an increase of R$15.7 million (+7.8% and +1.4 p.p. vs. 2022)**. In the quarterly view, **this metric reached R$55.8 million in 4Q23, with a margin of 64.8%** against R$53.7 million and a margin of 63.1% in the same period of the previous year, an increase of R$2.1 million **(+4.0% and +1.7 p.p. vs. 4Q22, respectively)**.

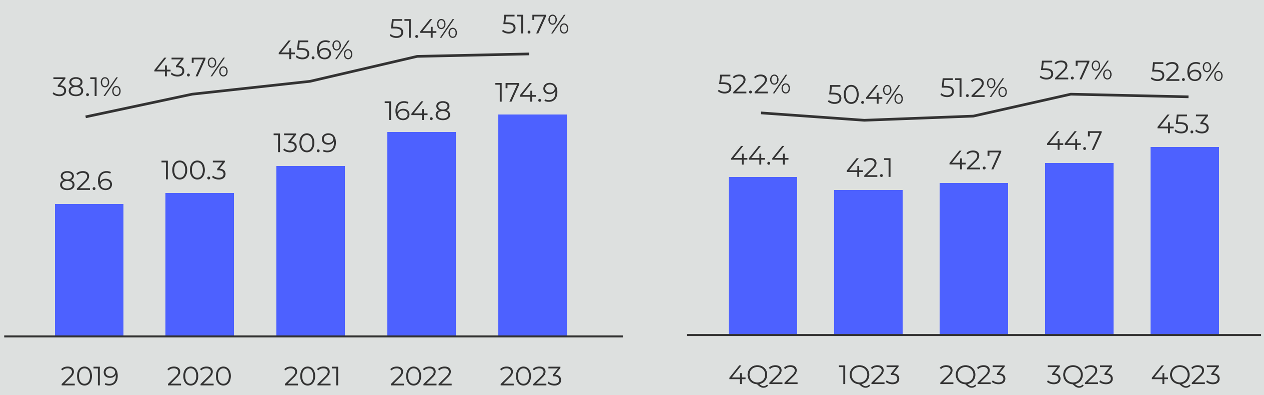
Gross contribution (R$ million) and margin %



Total costs, gross income and gross margin: In 2023, total costs after including relevant depreciation and amortization pertinent to this group, totaled R$ 163.2 million compared to R$ 155.8 million, an increase of R$ 7.4 million (+4.7% vs. 2022). In the quarter, they reached R$40.9 million against R$40.6 million in the same period of the previous year, an increase of R$0.3 million (+0.7% vs. 4Q22).

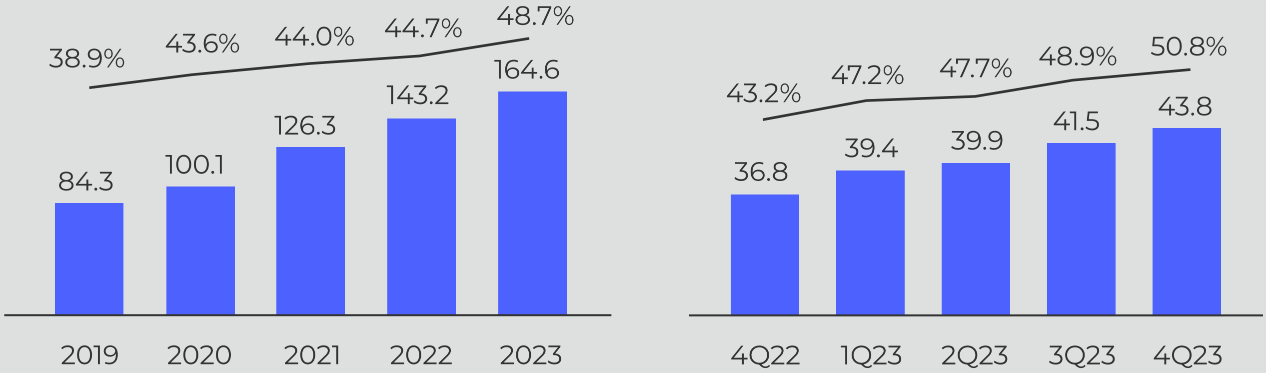
Thus, as a result of the variations mentioned above, in 2023 gross income reached **R$174.9 million with a margin of 51.7%** compared to a value of R$164.8 million with a margin of 51.4% in 2022 **(+6.1% and +0.3 p.p. vs. 2022, respectively)**. In 4Q23, gross income reached **R$45.3 million with a margin of 52.6%**, compared to R$44.4 million and a margin of 52.2% in the same period of the previous year, an increase of R$0.9 million (+2.0% and +0.4 p.p. vs. 4Q22, respectively), leading the gross income recorded in this business division to represent **83% of the Company's total** in 4Q23.

Gross income (R$ million) and margin (%)



EBITDA and EBITDA margin: In the year it totaled a record **R$164.6 million** with a margin of **48.7%** compared to R$143.2 million with a margin of 44.7% in 2022, an **increase of R$21.4 million (+14.9% and +4.0 p.p. vs. 2022)**. In the quarterly view, it reached **R$43.8 million** against R$36.8 million in the same period of the previous year, an **increase of R$7.0 million (+19.2% vs. 4Q22)**. EBITDA recorded in this business division reached **91%** of the Company's total in **4Q23**. Regarding margin, we reached **50.8% in 4Q23** (+7.6 p.p. vs. 4Q22), highlighting the efficiency gains and scalability of our business, as well as the strong financial discipline of our management in controlling expenses.

EBITDA (R$ million) and EBITDA margin (%)



Consolidated main indicators (R$ thousand)	4Q23	4Q22	% Var. YoY	3Q23	% Var. QoQ	2023	2022	% Var.
Net revenue	**86,225**	**85,015**	**1.4%**	**84,896**	**1.6%**	**338,062**	**320,625**	**5.4%**
Digital	81,688	78,101	4.6%	80,258	1.8%	318,769	292,336	9.0%
Analog	4,537	6,914	-34.4%	4,638	-2.2%	19,293	28,289	-31.8%
Costs (ex-deprec./amort)	(30,393)	(31,330)	-3.0%	(29,815)	1.9%	(121,784)	(120,045)	1.4%
Gross contribution	**55,832**	**53,685**	**4.0%**	**55,081**	**1.4%**	**216,278**	**200,580**	**7.8%**
Contribution (%)	*64.8%*	*63.1%*	*1.7 p.p.*	*64.9%*	*-0.1 p.p.*	*64.0%*	*62.6%*	*1.4 p.p.*
(-) Depreciation/ amortization	(10,520)	(9,279)	13.4%	(10,344)	1.7%	(41,423)	(35,780)	15.8%
Gross profit	**45,312**	**44,406**	**2.0%**	**44,737**	**1.3%**	**174,855**	**164,800**	**6.1%**
Gross margin	*52.6%*	*52.2%*	*0.4 p.p.*	*52.7%*	*-0.1 p.p.*	*51.7%*	*51.4%*	*0.3 p.p.*
Expenses	(13,722)	(16,141)	-15.0%	(11,128)	23.3%	(50,201)	(54,989)	-8.7%
Other operational revenues/expenses	272	(1,770)	-	(3,171)	-	(5,149)	(8,004)	-35.7%
(+) Depr. and amort.	11,936	10,259	16.3%	11,053	8.0%	45,069	41,393	8.9%
EBITDA	**43,798**	**36,754**	**19.2%**	**41,491**	**5.6%**	**164,574**	**143,200**	**14.9%**
EBITDA margin	*50.8%*	*43.2%*	*7.6 p.p.*	*48.9%*	*1.9 p.p.*	*48.7%*	*44.7%*	*4.0 p.p.*

2. CSU DX

2.1 Operational performance

CSU DX is our business division that focuses on developing solutions with high technological density for the service and process management subsegments for different types of business.

The digitalization of companies' processes is an increasingly present reality, as customers (B2B) demand, day after day, the management of a greater volume of interactions, increasing quality and lower unit costs. Over time, we have introduced a series of new devices and technological features such as robots, artificial intelligence, machine learning, the massive use of data and recognition technologies, as well as the use of multiple digital channels for service.

Our platforms managed approximately 3.9 million front office interactions in the last quarter (14.3 million in 2023), with the relevance of service through automated mechanisms, digital and self-service channels already reached the average of 71% in 2023. As a result of this transformation, this segment experienced an important **expansion in gross margin**, the evolution of which can be seen in our numbers over the years. **In 2023, it expanded +0.8 p.p. vs. 2022, reaching 17.7% (percentage was 12.9% in 2019)**, even in a scenario of revenue pressure resulting from a lower price per interaction that has its origins in digitalization – API consumption is cheaper for the customer than the rental of service positions (PAs).

In the second half of the year, we added very relevant skills to this vertical with the launch of new middle office and back-office solutions which we commercially call HAS. Which this, this vertical enters in a new era. We now offer the most advanced technology from a technological point of view, regarding the treatment and management of processes, integrating hyperautomation tools in different fields such as fraud prevention, exchange and curation, onboarding, among others. Thus, through the use of artificial intelligence and other cutting-edge technologies, we enable customers to optimize their operations, with relevant advances in their level of service (greater assertiveness and shorter average handling time), combined with significant reductions in operational costs and increased sales.

This is a movement of great importance for CSU Digital as it creates **new growth possibilities for this vertical and for the Company as a whole** (new customers, cross-selling and up-selling) **and further establishes our operations with our customers**, by entering (even more) in services with greater added value and high technological complexity, expanding the perception of a Deeply Tech company.

Net Revenue:

R$ 192.2 MM -11.3%
2023 yoy

Gross Contribution:

R$ 50.8 MM -6.3%
Mg. 26.5% +1.4 p.p.
2023 yoy

EBITDA

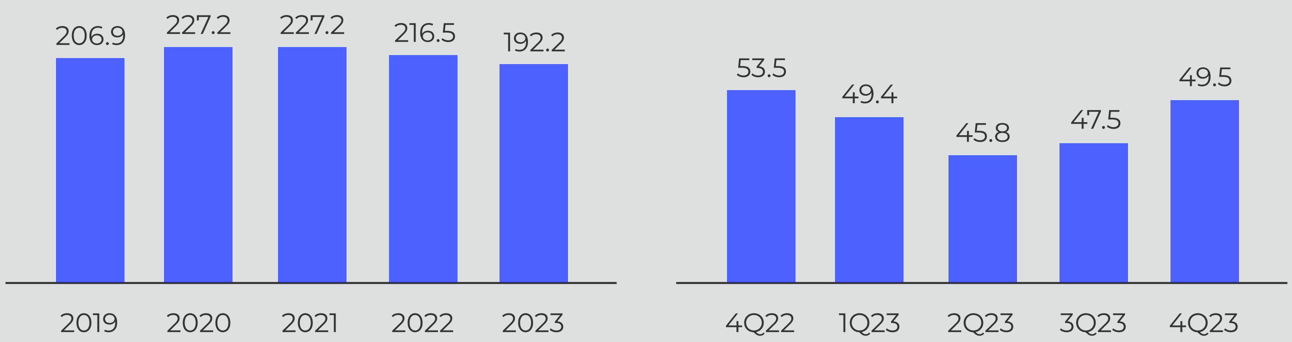
R$ 16.8 MM -26.5%
Mg. 8.7% -1.9 p.p.
2023 yoy

2.2 Financial Performance

Net Revenue: In the year, net revenue totaled R$192.2 million compared to R$216.5 million in 2022, a reduction of R$24.3 million (-11.3% vs. 2022). In the quarter it reached R$49.5 million against R$53.5 million in the same period of the previous year, a reduction of R$4.0 million (-7.5% vs. 4Q22). It is worth noting that we had in Brazil a more turbulent first half of the year from an economic point of view when we noticed greater conservatism in the conduct of business at some companies. This movement slowed down throughout the second half of the year, leading the unit to resume its growth when compared to the immediately preceding quarters (accumulated growth of +7.9% when comparing 4Q23 with 2Q23).

It is worth remembering that CSU DX is going through a profound digital transformation, where operational volumes and quality of service provision increase, but at a lower price and, consequently, lower cost for our customers. **We have prioritized high-density and complex operations**, moving into layers of our clients' business processes, which leads to a gradual increase in margins even in lower revenue scenarios (see results items in the following topics). In addition, as we have already pointed out, important new avenues for growth and profitability are opening up with the launch of HAS.

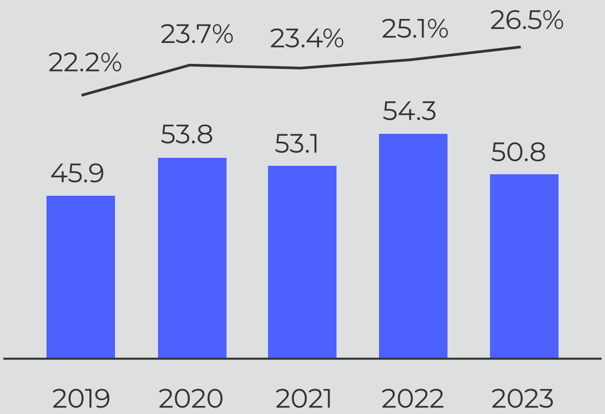
Net revenue (R$ million)

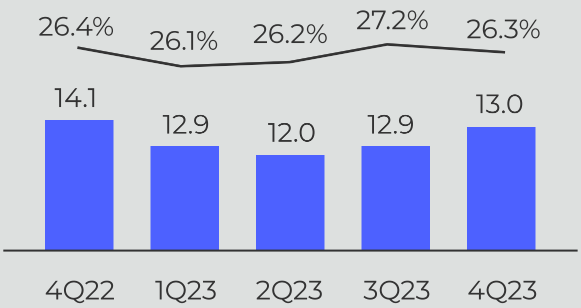


Costs (excluding depreciation and amortization): In the year, costs totaled R$141.3 million compared to R$162.3 million in 2022, **a significant reduction of R$21.0 million (-12.9% vs. 2022)** following the gradual change in the operating model mentioned in the previous topic, bringing **efficiency gains in operations** through greater use of self-service solutions and automated mechanisms, leading to lower personnel and facilities costs. In the quarter, they totaled R$36.4 million against R$39.3 million in the same period of the previous year, a **reduction of R$2.9 million (-7.4% vs. 4Q22)**.

Gross contribution: In the year, this metric reached R$50.8 million with a margin of 26.5% compared to R$54.3 million with a margin of 25.1% in 2022. The **margin expansion** (+1.4 p.p. vs. 2022) reflects efforts to **digitalize** our service operations, a movement that tends to gather even more strength as it increases the relevance of our activities in our customers' business processes (middle-office and back-office) by creating an experience with less friction and greater value perceived by consumers. In the quarter it reached R$13.0 million with a margin of 26.3% compared to R$14.1 million and a margin of 26.4% in the same period of the previous year. With the gradual of activity in this sub-segment, this metric grew compared to 3Q23 (+1%) and 2Q23 (+8.4%).

Gross contribution (R$ million) and margin (%)



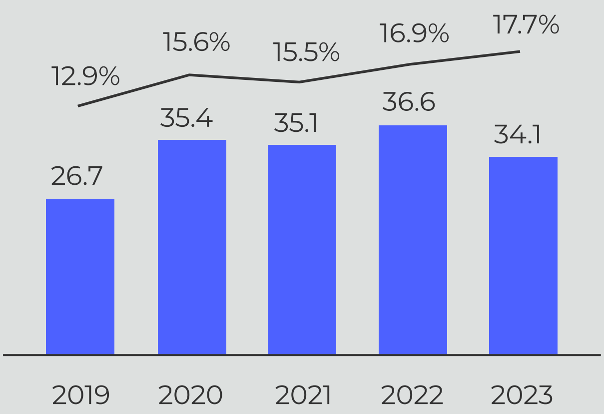


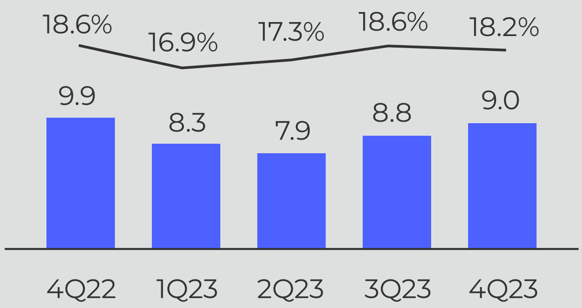
Total costs, gross income and gross margin: Including depreciation and amortization relevant to the cost line presented previously, total costs in 2023 reached R$158.1 million compared to R$179.9 million recorded in the previous year, a reduction of R$21.8 million (-12.1% vs. 2022). During the quarter they totaled R$40.5 million against R$43.5 million in the same period of the previous year, a reduction of R$3.1 million (-7.1% vs. 4Q22).

Thus, gross income in 2023 reached R$34.1 million with a margin of 17.7% compared to R$36.6 million with a margin of 16.9% in 2022 (-7.0% and +0.8 p.p. vs. 2022). As already mentioned, despite the scenario of temporary reduction in revenue, gross income suffers little nominal change, given the digitalization phase of this operation which, in practice, reduces the amount charged to our customers per interaction, but leaves a proportionally better result for the Company.

In the quarter it reached R$9.0 million , a reduction of R$0.9 million (-9.5%) compared to 4Q22. Margin reached 18.2% in 4Q23 against 18.6% in the same period of the previous year (-0.4 p.p.). It's important to note that the gradual resumption of growth in operating activities at this unit led to the increase in this indicator throughout the year. When comparing 4Q23 with 2Q23, gross profit increased by +13.5%.

Gross income (R$ million) and margin (%)

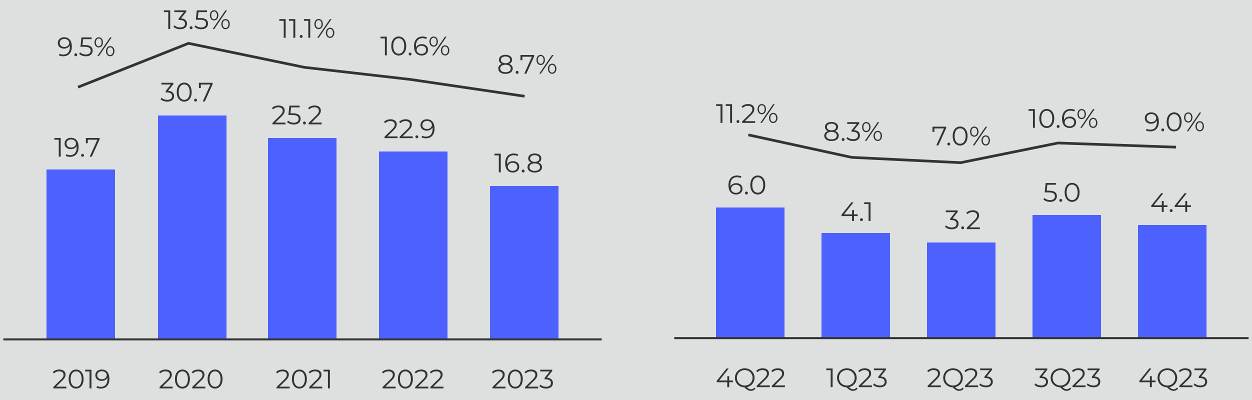




EBITDA and EBITDA margin: In the year it totaled R$16.8 million with a margin of 8.7% compared to R$22.9 million and a margin of 10.6% in 2022, a reduction of R$6.1 million (-26.5% and -1.9 p.p. vs. 2022, respectively). In the quarter it reached R$4.4 million with a margin of 9.0% compared to R$6.0 million and a margin of 11.2% in the same period of the previous year, a reduction of R$1.6 million and margin at -2.2 p.p., making the EBITDA recorded in this business division make up **9%** of the Company's total in **4Q23**.

It is important to remember, that in 2023, we incurred higher one-off **costs with terminations**, mostly affecting 2Q23, directly influencing the SG&A line on a non-recurring basis. The result of this effect, together with the resumption of revenue growth mentioned above, resulted in a significant increase in the CSU DX unit's EBITDA, which reached R$9.4 million in the second half (+28.6% vs. 1H23).

EBITDA (R$ million) and EBITDA margin (%)



Consolidated main indicators (R$ thousand)	4Q23	4Q22	% Var. YoY	3Q23	% Var. QoQ	2023	2022	% Var.
Net revenue	**49,453**	**53,464**	**-7.5%**	**47,460**	**4.2%**	**192,171**	**216,543**	**-11.3%**
Costs (ex-deprec./amort)	(36,435)	(39,327)	-7.4%	(34,545)	5.5%	(141,337)	(162,288)	-12.9%
Gross contribution	**13,018**	**14,137**	**-7.9%**	**12,915**	**0.8%**	**50,834**	**54,255**	**-6.3%**
Contribution (%)	*26.3%*	*26.4%*	*-0.1 p.p.*	*27.2%*	*-0.9 p.p.*	*26.5%*	*25.1%*	*1.4 p.p.*
(-) Depreciation/ amortization	(4,036)	(4,214)	-4.2%	(4,075)	-1.0%	(16,766)	(17,627)	-4.9%
Gross profit	**8,982**	**9,923**	**-9.5%**	**8,840**	**1.6%**	**34,068**	**36,628**	**-7.0%**
Gross margin	*18.2%*	*18.6%*	*-0.4 p.p.*	*18.6%*	*-0.4 p.p.*	*17.7%*	*16.9%*	*0.8 p.p.*
Expenses	(8,576)	(8,193)	4.7%	(8,037)	6.7%	(34,844)	(32,361)	7.7%
Other operational revenues/expenses	(476)	(543)	-12.3%	(372)	28.0%	(1,248)	(1,563)	-20.2%
(+) Depr. and amort.	4,514	4,805	-6.1%	4,580	-1.4%	18,833	20,180	-6.7%
EBITDA	**4,444**	**5,991**	**-25.8%**	**5,011**	**-11.3%**	**16,809**	**22,884**	**-26.5%**
EBITDA margin	*9.0%*	*11.2%*	*-2.2 p.p.*	*10.6%*	*-1.6 p.p.*	*8.7%*	*10.6%*	*-1.9 p.p.*

Capital markets

Overview: Shares in CSU Digital S.A. (B3: CSUD3) have been traded since the IPO held in May 2006 on B3's Novo Mercado, the highest level of Corporate Governance in the Brazilian stock market.

Furthermore, the Company is **included in 3 indexes on B3**, these being: IGC-NM (Corporate Governance Index – Novo Mercado), IGC (Differentiated Corporate Governance Index) and ITAG (Differentiated Tag Along Stock Index).

It is important to highlight the **remarkable advance in the market's understanding of CSU Digital's case** since the repositioning of the brand and ticker. A significant increase in interest in the Company has been noticed, as well as in the frequency of mentions, both in the press and on official financial market profiles on social media. The market is increasingly understanding the Company's operations, its long and proven track record of operational and financial strength, as well as the important transformations underway.

We renewed our analyst coverage, going from one to **nine houses that follow CSUD3's share:** Eleven, Mirae, MSX (Sarainvest), Órama, TC Matrix, Warren, Condor, Ticker and Nord.

During the same period, we noticed a **relevant maturation of the Company's shareholder base**, with a significant increase in the position of **institutional investors**. From the beginning of the period to the end of the quarter, we saw 96 new institutions and a **62% increase** in the shareholding position of this class of investor, which now holds 46% of CSU Digital's free float (until 12.31.2023).

In line with these facts, we have noticed an important increase in the price of the CSUD3 share which, from its lowest price in 2023 until the close of 12.31.2023, showed an appreciation of **+116%**. If we consider the profits distributed in the period, they accumulate **+128% of total shareholder return in this short period**.

Share capital: CSU Digital's share capital consists of 41.8 million common shares (ON), of which on 12.31.2023 54.24% belonged to the Controlling Shareholder, 1.30% was held in Treasury, 0.10% was held by managers and 44.36% was outstanding shares (free float, of which in September 2022 the acquisition of a relevant stake by Real Investor Gestão de Recursos Ltda was announced, holding 5.25% at the time, with the updated position of 9.44% according to public data made available by the Consolidated Funds Consultation at CVM from August 2023).

Market value: At the end of the quarter, CSUD3 shares closed at R$19.57, representing a market value of R$818.0 million **(+25.2% vs. 3Q23)** compared to R$653.3 million in 3Q23. The Small Cap index appreciated in the period by +11.5%.

Number of shareholders: At the end of the quarter, the number of shareholders was 19.3 thousand (+2.7% vs. 3Q23) compared to 18.8 thousand at the end of 3Q23, an increase of 0.5 thousand.

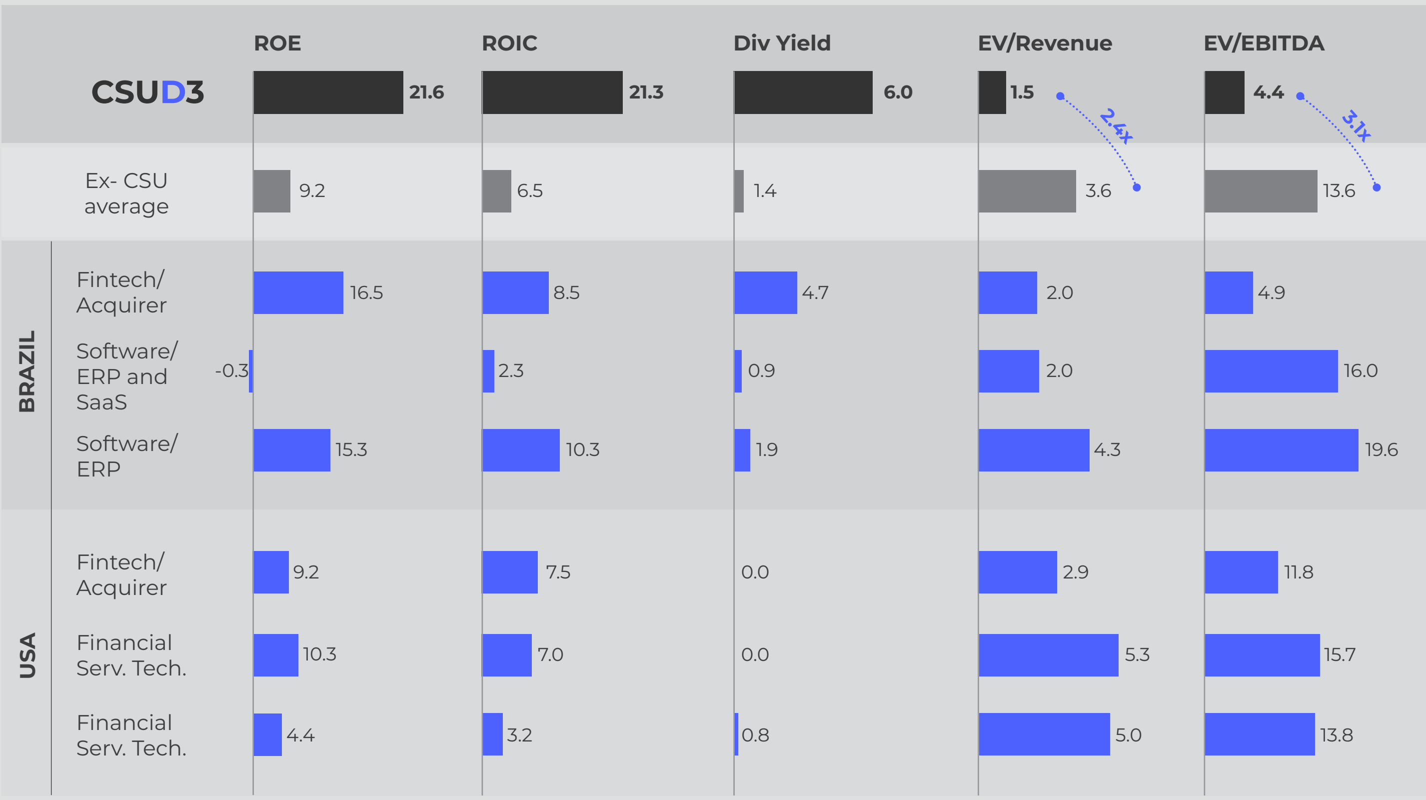
Average daily trading volume (ADTV): The average daily trading volume traded was R$1.2 million in 4Q23, in line with the volume recorded in 3Q23.

Earnings distribution: Reflecting management's confidence in the growing evolution of the Company's results and financial health, in December 2023 we announced the distribution of interest on own capital in the gross amount of R$7.4 million (R$0.179 per share) referring to 4Q23 - to be attributed to the minimum mandatory dividend for the 2023 fiscal year, "ad referendum" of the 2024 Ordinary General Meeting, already effectively paid as of 12.28.2023. During the year, CSU distributed R$63.7 million in earnings with R$14.6 million related to dividends for the year 2022, R$22.2 million referring to the gross amount of interest on own capital for the year 2022 and R$26.9 million in gross interest on own capital for the year 2023.

In addition, on March 19, 2024, the Board of Directors approved and will submit for approval to the General Meeting of April 29, 2024, the distribution of profits for the year, for which the proposed complementary dividends amount to R$ 17.3 million, which would increase the payout of 2023 to 50%. Finally, the Board of Directors of the Company has already approved the payment of R$ 6.5 million as interest on own capital related to the results of the first quarter of 2024, to be paid on April 24.

CSU vs. Peers indicators[8]: When comparing some of the main financial metrics between CSU Digital and other comparable players in related segments in Brazil and abroad, one notes that the Company has well **above average returns**, while it still presents **pricing metrics (multiples) substantially lower**, as shown below.

The Company displays an ROE of 21.6% (2.3x higher), an ROIC of 21.3% (3.3x higher), a dividend yield of 6.0% (4.3x higher). On the other hand, comparable players have an EV/Revenue multiple of 3.6x (2.4x higher than CSU) and EV/EBITDA of 13.6x (3.1x higher).



[8] **Reference dates:** 12.31.2023; **ROE:** return on equity; **ROIC:** return on invested capital; **Dividend yield;** EV: enterprise value. EV/Revenue and EV/EBITDA are widely used metrics as asset pricing multiples.

Subsequent Events

In the Board of Directors meeting, held on March 19, 2024, the Company's management team approved the proposal of the destination of the amount of R$ 44,212,000.00, a fraction of the total net income of 2023, to be distributed as proceeds. The amount of R$ 26,900,000.00 has already been fully paid in the form of interest on own capital (IOC) during the year of 2023, and the remaining R$ 17,312,000.00 should be distributed as complementary dividends.

The same meeting also approved the distribution of proceeds to shareholders, in the form of IOC, in respect to 1Q24, for a gross amount of R$ 6.5 million, or R$ 0.157551065 per share, excluding shares held by treasury, after tax withholding in accordance to the current legislation and taking into account legal exceptions. The payment of the IOC for 1Q24 will be made on April 4, 2024, based on the shareholding position on March 22, 2024, with the shares of the Company being traded "ex proceeds" as of March 25, 2024, the amounts of which will be included in the mandatory statutory dividends for the fiscal year of 2024, ad referendum of the General Shareholders' Meeting of 2025, in accordance with the provisions of Article 37 of the Company's Bylaws.

Events Calendar

Find below the next Company's corporate events:

Event	Date
Annual General Meeting	04.29.2024
Quarterly Information (ITR) 1Q24	05.08.2024
1Q24 Video Conference	05.09.2024
Reference Form	05.31.2024
Report on the Brazilian Corporate Governance Code	07.31.2024
Quarterly Information (ITR) 2Q24	08.07.2024
2Q24 Video Conference	08.08.2024
Quarterly Information (ITR) 3Q24	11.06.2024
3Q24 Video Conference	11.07.2024

Exhibits

1. Income Statement

Consolidated income statement (R$ thousand)	4Q23	4Q22	% Var. YoY	3Q23	% Var. QoQ	2023	2022	% Var.
Gross revenue	**154,385**	**157,428**	**-1.9%**	**150,632**	**2.5%**	**603,502**	**609,193**	**-0.9%**
CSU Pays	**100,422**	**98,961**	**1.5%**	**98,792**	**1.6%**	**393,645**	**372,778**	**5.6%**
CSU DX	**53,963**	**58,467**	**-7.7%**	**51,840**	**4.1%**	**209,857**	**236,415**	**-11.2%**
Deductions	**(18,707)**	**(18,949)**	**-1.3%**	**(18,276)**	**2.4%**	**(73,269)**	**(72,025)**	**1.7%**
CSU Pays	**(14,197)**	**(13,946)**	**1.8%**	**(13,896)**	**2.2%**	**(55,583)**	**(52,153)**	**6.6%**
CSU DX	**(4,510)**	**(5,003)**	**-9.9%**	**(4,380)**	**3.0%**	**(17,686)**	**(19,872)**	**-11.0%**
Net revenue	**135,678**	**138,479**	**-2.0%**	**132,356**	**2.5%**	**530,233**	**537,168**	**-1.3%**
Recurring	135,350	136,855	-1.1%	131,930	2.6%	527,354	530,138	-0.5%
% Recurring revenue	*99.8%*	*98.8%*	*1.0 p.p.*	*99.7%*	*0.1 p.p.*	*99.5%*	*98.7%*	*0.8 p.p.*
CSU Pays	**86,225**	**85,015**	**1.4%**	**84,896**	**1.6%**	**338,062**	**320,625**	**5.4%**
Digital	81,688	78,101	4.6%	80,258	1.8%	318,769	292,336	9.0%
Analog	4,537	6,914	-34.4%	4,638	-2.2%	19,293	28,289	-31.8%
CSU DX	**49,453**	**53,464**	**-7.5%**	**47,460**	**4.2%**	**192,171**	**216,543**	**-11.3%**
Costs (ex-depreciation and amortization)	**(66,828)**	**(70,657)**	**-5.4%**	**(64,360)**	**3.8%**	**(263,121)**	**(282,333)**	**-6.8%**
CSU Pays	**(30,393)**	**(31,330)**	**-3.0%**	**(29,815)**	**1.9%**	**(121,784)**	**(120,045)**	**1.4%**
Personnel	(19,050)	(19,909)	-4.3%	(17,792)	7.1%	(75,627)	(75,093)	0.7%
Materials	(2,624)	(3,343)	-21.5%	(3,349)	-21.6%	(12,567)	(12,824)	-2.0%
Mailings of letters and invoices	(1,212)	(2,883)	-58.0%	(1,573)	-22.9%	(5,651)	(12,352)	-54.3%
Communication	(308)	(459)	-32.9%	(225)	36.9%	(1,724)	(2,185)	-21.1%
Occupation	(3,173)	(1,084)	192.7%	(1,135)	179.6%	(6,689)	(4,713)	41.9%
Awards	(1,549)	(1,010)	53.4%	(1,436)	7.9%	(5,392)	(4,231)	27.4%
Others	(2,477)	(2,642)	-6.2%	(4,305)	-42.5%	(14,134)	(8,647)	63.5%
CSU DX	**(36,435)**	**(39,327)**	**-7.4%**	**(34,545)**	**5.5%**	**(141,337)**	**(162,288)**	**-12.9%**
Personnel	(32,754)	(32,592)	0.5%	(29,621)	10.6%	(121,012)	(133,883)	-9.6%
Communication	(347)	(663)	-47.7%	253	-	(967)	(3,073)	-68.5%
Occupation	(1,152)	(3,261)	-64.7%	(2,937)	-60.8%	(9,808)	(14,567)	-32.7%
Other	(2,182)	(2,811)	-22.4%	(2,240)	-2.6%	(9,550)	(10,765)	-11.3%
Gross contribution	**68,850**	**67,822**	**1.5%**	**67,996**	**1.3%**	**267,112**	**254,835**	**4.8%**
CSU Pays	**55,832**	**53,685**	**4.0%**	**55,081**	**1.4%**	**216,278**	**200,580**	**7.8%**
CSU DX	**13,018**	**14,137**	**-7.9%**	**12,915**	**0.8%**	**50,834**	**54,255**	**-6.3%**
Contribution (%)	***50.7%***	***49.0%***	***1.7 p.p.***	***51.4%***	***-0.7 p.p.***	***50.4%***	***47.4%***	***3.0 p.p.***
CSU Pays	*64.8%*	*63.1%*	*1.7 p.p.*	*64.9%*	*-0.1 p.p.*	*64.0%*	*62.6%*	*1.4 p.p.*
CSU DX	*26.3%*	*26.4%*	*-0.1 p.p.*	*27.2%*	*-0.9 p.p.*	*26.5%*	*25.1%*	*1.4 p.p.*
Total Costs (add depreciation and amortization)	**(81,384)**	**(84,150)**	**-3.3%**	**(78,779)**	**3.3%**	**(321,310)**	**(335,740)**	**-4.3%**
Gross profit	**54,294**	**54,329**	**-0.1%**	**53,577**	**1.3%**	**208,923**	**201,428**	**3.7%**
CSU Pays	**45,312**	**44,406**	**2.0%**	**44,737**	**1.3%**	**174,855**	**164,800**	**6.1%**
CSU DX	**8,982**	**9,923**	**-9.5%**	**8,840**	**1.6%**	**34,068**	**36,628**	**-7.0%**
Gross margin	***40.0%***	***39.2%***	***0.8 p.p.***	***40.5%***	***-0.5 p.p.***	***39.4%***	***37.5%***	***1.9 p.p.***
CSU Pays	*52.6%*	*52.2%*	*0.4 p.p.*	*52.7%*	*-0.1 p.p.*	*51.7%*	*51.4%*	*0.3 p.p.*
CSU DX	*18.2%*	*18.6%*	*-0.4 p.p.*	*18.6%*	*-0.4 p.p.*	*17.7%*	*16.9%*	*0.8 p.p.*
Expenses	**(22,502)**	**(26,648)**	**-15.6%**	**(22,707)**	**-0.9%**	**(91,442)**	**(96,917)**	**-5.6%**
Selling, general & administrative (SG&A)	(25,795)	(26,520)	-2.7%	(22,774)	13.3%	(95,524)	(95,400)	0.1%
Selling	(1,618)	(4,122)	-60.7%	(2,736)	-40.9%	(8,637)	(10,176)	-15.1%
General and administrative	(22,283)	(20,827)	7.0%	(18,824)	18.4%	(81,174)	(77,058)	5.3%
Depreciation and amortization	(1,894)	(1,571)	20.6%	(1,214)	56.0%	(5,713)	(8,166)	-30.0%
% Net revenue (SG&A)	*19.0%*	*19.2%*	*-0.2 p.p.*	*17.2%*	*1.8 p.p.*	*18.0%*	*17.8%*	*0.2 p.p.*
Other operational revenue/expenses	3,293	(128)	-2672.7%	67	4814.9%	4,082	(1,517)	-369.1%
Other operational revenue	881	114	672.8%	490	79.8%	3,171	774	309.7%
Other operational expenses	2,412	(242)	-1096.7%	(423)	-670.2%	911	(2,291)	-139.8%
EBIT	**31,792**	**27,681**	**14.9%**	**30,870**	**3.0%**	**117,481**	**104,511**	**12.4%**
(+) Depreciation and amortization	16,450	15,064	9.2%	15,633	5.2%	63,902	61,574	3.8%
EBITDA	**48,242**	**42,745**	**12.9%**	**46,502**	**3.7%**	**181,383**	**166,084**	**9.2%**
CSU Pays	**43,798**	**36,754**	**19.2%**	**41,491**	**5.6%**	**164,574**	**143,200**	**14.9%**
CSU DX	**4,444**	**5,991**	**-25.8%**	**5,011**	**-11.3%**	**16,809**	**22,884**	**-26.5%**
EBITDA margin	***35.6%***	***30.9%***	***4.7 p.p.***	***35.1%***	***0.5 p.p.***	***34.2%***	***30.9%***	***3.3 p.p.***
CSU Pays	*50.8%*	*43.2%*	*7.6 p.p.*	*48.9%*	*1.9 p.p.*	*48.7%*	*44.7%*	*4.0 p.p.*
CSU DX	*9.0%*	*11.2%*	*-2.2 p.p.*	*10.6%*	*-1.6 p.p.*	*8.7%*	*10.6%*	*-1.9 p.p.*
Financial result	**(510)**	**(69)**	**639.1%**	**(717)**	**-28.9%**	**(700)**	**(3,539)**	**-80.2%**
Financial revenue	2,036	2,555	-20.3%	2,310	-11.9%	11,182	8,052	38.9%
Financial expenses	(2,546)	(2,624)	-3.0%	(3,027)	-15.9%	(11,882)	(11,591)	2.5%
EBT	**31,282**	**27,612**	**13.3%**	**30,153**	**3.7%**	**116,781**	**100,972**	**15.7%**
Taxes	**(7,241)**	**(5,634)**	**28.5%**	**(6,458)**	**12.1%**	**(28,358)**	**(27,400)**	**3.5%**
Current	(10,116)	(7,127)	41.9%	(5,810)	74.1%	(29,378)	(29,841)	-1.6%
Deferred	2,875	1,493	92.6%	(648)	-	1,020	2,441	-58.2%
Net income	**24,041**	**21,978**	**9.4%**	**23,695**	**1.5%**	**88,423**	**73,572**	**20.2%**
Net margin	*17.7%*	*15.9%*	*1.8 p.p.*	*17.9%*	*-0.2 p.p.*	*16.7%*	*13.7%*	*3.0 p.p.*

2. Statement of Financial Position

Consolidated balance sheet - Asset (R$ thousand)					
Asset	**12/31/2023**	**09/30/2023**	**12/31/2023 vs. 09/30/2023**	**12/31/2022**	**12/31/2023 vs. 12/31/2022**
Total assets	**611,536**	**609,916**	**0.3%**	**607,219**	**0.7%**
Current assets	**170,503**	**171,969**	**-0.9%**	**182,482**	**-6.6%**
Cash and cash equivalents	75,290	79,174	-4.9%	86,455	-12.9%
Accounts receivable from customers	76,879	73,700	4.3%	76,312	0.7%
Inventories	2,449	2,856	-14.3%	3,588	-31.7%
Tax recoverable	6,963	6,259	11.2%	5,455	27.6%
Other assets	8,922	9,980	-10.6%	10,672	-16.4%
Non-current assets	**441,033**	**437,947**	**0.7%**	**424,737**	3.8%
Long-term receivables	5,910	7,128	-17.1%	13,065	-54.8%
Accounts receivable	-	-	n.a	-	n.a
Tax recoverable	1,395	1,777	-21.5%	3,937	-64.6%
Other assets	4,515	5,351	-15.6%	9,128	-50.5%
Investments	31,097	32,231	-3.5%	31,097	0.0%
Property, plant and equipment	14,879	15,026	-1.0%	15,262	-2.5%
Intangible assets	322,097	313,161	2.9%	288,681	11.6%
Computerized systems	296,203	287,266	3.1%	262,786	12.7%
Goodwill (indefinite useful life)	25,894	25,895	0.0%	25,895	0.0%
Right-of-use assets	67,050	70,401	-4.8%	76,632	-12.5%

Consolidated balance sheet - Liability and equity (R$ thousand)					
Liability & equity	**12/31/2023**	**09/30/2023**	**12/31/2023 vs. 09/30/2023**	**12/31/2022**	**12/31/2023 vs. 12/31/2022**
Liabilities + shareholder's equity	**611,536**	**609,916**	**0.3%**	**607,219**	**0.7%**
Current liabilities	**122,960**	**132,977**	**-7.5%**	**155,994**	**-21.2%**
Social and labor obligations	47,890	52,818	-9.3%	49,289	-2.8%
Social charges	8,991	6,760	33.0%	8,411	6.9%
Labor liabilities	38,899	46,058	-15.5%	40,878	-4.8%
Trade payables	35,345	32,470	8.9%	38,755	-8.8%
Taxes to be collected	5,460	4,484	21.8%	4,210	29.7%
Federal taxes payable	2,271	2,600	-12.7%	2,162	5.0%
State taxes payable	-	-	n.a	9	n.a
Municipal taxes payable	3,189	1,884	69.3%	2,039	56.4%
Loans, financings and leasing liabilities	26,729	29,226	-8.5%	36,498	-26.8%
Loans and financings	4,929	4,902	0.6%	9,587	-48.6%
Lease liabilities	21,800	24,324	-10.4%	26,911	-19.0%
Other liabilities	7,536	13,979	-46.1%	27,242	-72.3%
Non-current liabilities	**59,220**	**64,219**	**-7.8%**	**69,379**	**-14.6%**
Loans, financings and leasing liabilities	42,022	43,930	-4.3%	49,206	-14.6%
Loans and financings	1,689	2,954	-42.8%	6,763	-75.0%
Lease liabilities	40,333	40,976	-1.6%	42,443	-5.0%
Others	-	206	n.a	299	n.a
Deferred income taxes and social contribution	8,458	11,333	-25.4%	9,478	-10.8%
Legal liabilities	8,740	8,750	-0.1%	10,396	-15.9%
Tax	5,765	5,465	5.5%	4,552	26.6%
Labor	2,381	2,432	-2.1%	3,601	-33.9%
Civil	594	853	-30.4%	2,243	-73.5%
Shareholders' equity	**429,356**	**412,720**	**4.0%**	**381,846**	**12.4%**
Share capital	229,232	229,232	0.0%	169,232	35.5%
Capital reserves	3,009	2,980	1.0%	2,402	25.3%
Profit reserves	197,146	135,627	45.4%	210,212	-6.2%
Legal reserve	29,901	25,480	17.4%	21,801	37.2%
Retained profits reserve	170,309	113,211	50.4%	191,475	-11.1%
Treasury shares	- 3,064	- 3,064	0.0%	- 3,064	0.0%
Retained earnings	-	44,881	n.a	-	n.a
Other comprehensive results	- 31	-		-	

3. Cash Flow Statement

Consolidated cash flows statement (R$ thousand)								
Description	4Q23	3Q23	4Q23 vs. 3Q23	4Q22	4Q23 vs. 4Q22	2023	2022	2023 vs. 2022
Cash from operating activities	**34,577**	**43,693**	**-20.9%**	**26,094**	**32.5%**	**152,188**	**131,570**	**15.7%**
Profit for the period	24,042	23,695	1.5%	21,978	9.4%	88,423	73,572	20.2%
Adjustments	**13,689**	**19,701**	**-30.5%**	**17,899**	**-23.5%**	**75,166**	**73,678**	**2.0%**
Depreciation and amortization	16,450	15,633	5.2%	15,064	9.2%	63,902	61,574	3.8%
Asset disposals gain/losses	333	24	1287.5%	521	-36.1%	653	971	-32.7%
Share-based payments	30	206	-85.4%	149	-79.9%	607	441	37.6%
Provision for impairment of trade receivables	(3,891)	330	n.a.	55	n.a.	(2,635)	530	n.a.
Deferred income tax and social contribution	(2,875)	648	n.a.	(1,493)	92.6%	(1,020)	(2,441)	-58.2%
Provision for legal liabilities	204	230	-11.3%	709	-71.2%	1,856	2,318	-19.9%
Equity equivalent result	68	(34)	n.a.	-	n.a.	-	-	n.a.
Interest, indexation and exchange gain/losses on loans, legal liabilities and escrow deposits	3,370	2,664	26.5%	2,894	16.5%	11,803	10,285	14.8%
Changes in assets and liabilities	**6,091**	**6,435**	**-5.3%**	**(5,606)**	**n.a.**	**17,441**	**17,211**	**1.3%**
Trade receivables from customers	712	(3,482)	n.a.	(2,623)	n.a.	2,068	(9,240)	n.a.
Inventories	407	67	507.5%	(789)	n.a.	1,139	(617)	n.a.
Escrow deposits	397	259	53.3%	(304)	n.a.	2,760	143	1830.1%
Other assets	875	2,580	-66.1%	(2,377)	n.a.	3,846	(4,268)	n.a.
Trade payables	2,878	2,223	29.5%	5,011	-42.6%	(3,410)	6,630	n.a.
Social security and labor obligations	(4,933)	2,731	n.a.	(6,678)	-26.1%	(1,399)	1,353	n.a.
Legal liabilities	(423)	(472)	-10.4%	(3,041)	-86.1%	(4,328)	(1,893)	128.6%
Other liabilities	6,178	2,529	144.3%	5,195	18.9%	16,765	25,103	-33.2%
Other	**(9,245)**	**(6,138)**	**50.6%**	**(8,177)**	**13.1%**	**(28,842)**	**(32,891)**	**-12.3%**
Interest paid	(2,593)	(2,097)	23.7%	(1,029)	152.0%	(9,448)	(7,878)	19.9%
Income tax and social contribution paid	(6,652)	(4,041)	64.6%	(7,148)	-6.9%	(19,394)	(25,013)	-22.5%
Net cash used in investing activities	**(16,374)**	**(14,134)**	**15.8%**	**(14,432)**	**13.5%**	**(61,998)**	**(55,630)**	**11.4%**
Acquisition of property and equipment	(859)	(151)	468.9%	(922)	-6.8%	(4,136)	(3,290)	25.7%
Additions to intangible assets	(15,418)	(15,323)	0.6%	(13,510)	14.1%	(57,862)	(52,340)	10.6%
Investments	(97)	1,340	n.a.	-	n.a.	-	-	n.a.
Net cash used in financing activities	**(23,028)**	**(16,488)**	**39.7%**	**(11,797)**	**95.2%**	**(101,355)**	**(72,777)**	**39.3%**
Receipts from loans and financing	-	-	n.a.	(34)	n.a.	-	(0)	n.a.
Amortization of loans and financing	(1,141)	(2,411)	-52.7%	(2,485)	-54.1%	(9,525)	(14,522)	-34.4%
Amortization of lease liabilities	(9,285)	(8,403)	10.5%	(7,324)	26.8%	(34,216)	(28,055)	22.0%
Dividends paid	(12,602)	(5,674)	122.1%	(1,953)	545.3%	(57,614)	(30,200)	90.8%
Increase (decrease) in cash and cash equivalents	**(4,825)**	**13,071**	**n.a.**	**(134)**	**3510.5%**	**(11,165)**	**3,163**	**n.a.**
Cash and cash equivalents at the beginning of the period	**80,115**	**67,044**	**19.5%**	**86,589**	**-7.5%**	**86,455**	**83,292**	**3.8%**
Cash and cash equivalents at the end of the period	**75,290**	**80,115**	**-6.0%**	**86,455**	**-12.9%**	**75,290**	**86,455**	**-12.9%**

4. Reclassification of Results by Business Unit

In order to demonstrate the adjustments made to our results by business division, in view of the reformulation of the business units in CSU Pays and CSU DX, below we provide a chart with a quarterly view of results between the businesses and their reclassifications.

Reclassification (R$ thousand)	4Q23	4Q22	3Q23	2023	2022 Recl.	2022
Net revenue	**135,678**	**138,479**	**132,356**	**530,233**	**537,168**	**537,168**
CSU Pays	86,225	85,015	84,896	338,062	320,625	312,405
CSU DX	49,453	53,464	47,460	192,171	216,543	224,763
Gross profit	**54,294**	**54,329**	**53,577**	**208,923**	**201,428**	**201,428**
CSU Pays	45,312	44,406	44,737	174,855	164,800	163,245
CSU DX	8,982	9,923	8,840	34,068	36,628	38,183
Gross margin	***40.0%***	***39.2%***	***40.5%***	***39.4%***	***37.5%***	***37.5%***
CSU Pays	*52.6%*	*52.2%*	*52.7%*	*51.7%*	*51.4%*	*52.3%*
CSU DX	*18.2%*	*18.6%*	*18.6%*	*17.7%*	*16.9%*	*17.0%*
EBITDA	**48,242**	**42,745**	**46,502**	**181,383**	**166,084**	**166,084**
CSU Pays	43,798	36,754	41,491	164,574	143,200	141,643
CSU DX	4,444	5,991	5,011	16,809	22,884	24,441
EBITDA margin	***35.6%***	***30.9%***	***35.1%***	***34.2%***	***30.9%***	***30.9%***
CSU Pays	*50.8%*	*43.2%*	*48.9%*	*48.7%*	*44.7%*	*45.3%*
CSU DX	*9.0%*	*11.2%*	*10.6%*	*8.7%*	*10.6%*	*10.9%*
Net income	**24,041**	**21,978**	**23,695**	**88,423**	**73,572**	**73,572**
Net margin	*17.7%*	*15.9%*	*17.9%*	*16.7%*	*13.7%*	*13.7%*

5. Gross Contribution Reconciliation

The chart below aims to demonstrate the reconciliation of gross contribution, which is the result of net revenue from services deducted from their costs, excluding depreciation and amortization inherent to them.

Consolidated gross contribution reconciliation (R$ thousand)	4Q23	4Q22	% Var. YoY	3Q23	% Var. QoQ	2023	2022	% Var.
Gross profit	**54,294**	**54,329**	**-0.1%**	**53,577**	**1.3%**	**208,923**	**201,428**	**3.7%**
CSU Pays	45,312	44,406	2.0%	44,738	1.3%	174,855	164,800	6.1%
CSU DX	8,982	9,923	-9.5%	8,839	1.6%	34,068	36,628	-7.0%
(+) Depr. and amort. (costs)	14,556	13,493	7.9%	14,419	1.0%	58,189	53,407	9.0%
CSU Pays	10,520	9,279	13.4%	10,344	1.7%	41,423	35,780	15.8%
CSU DX	4,036	4,214	-4.2%	4,075	-1.0%	16,766	17,627	-4.9%
Gross contribution	**68,850**	**67,822**	**1.5%**	**67,996**	**1.3%**	**267,112**	**254,835**	**4.8%**
CSU Pays	55,832	53,685	4.0%	55,081	1.4%	216,278	200,580	7.8%
CSU DX	13,018	14,137	-7.9%	12,915	0.8%	50,834	54,255	-6.3%
Contribution (%)	***50.7%***	***49.0%***	***1.7 p.p.***	***51.4%***	***-0.7 p.p.***	***50.4%***	***47.4%***	***3.0 p.p.***
CSU Pays	*64.8%*	*63.1%*	*1.7 p.p.*	*64.9%*	*-0.1 p.p.*	*64.0%*	*62.6%*	*1.4 p.p.*
CSU DX	*26.3%*	*26.4%*	*-0.1 p.p.*	*27.2%*	*-0.9 p.p.*	*26.5%*	*25.1%*	*1.4 p.p.*

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CSUDigital

Individual and Consolidated Financial Statements

CSU Digital S.A.

December 31, 2023
with Independent Auditors' Report

CSU DIGITAL S.A

BALANCE SHEET
YEARS ENDED DECEMBER 31, 2023 AND 2022.
(in thousands of Reais)

ASSETS	Note	Parent Company 2023	Parent Company 2022	Consolidated 2023
Current				
Cash and cash equivalents	4	74,608	86,455	75,290
Accounts receivable from customers	5	76,879	76,312	76,879
Inventories	6	2,449	3,588	2,449
Taxes receivable	14	6,963	5,455	6,963
Other		8,922	10,672	8,922
		169,821	182,482	170,503
Non-current				
Judicial deposits	16	4,093	6,853	4,093
Taxes receivable	14	1,395	3,937	1,395
Other		213	2,275	422
		5,701	13,065	5,910
Investments	8	31,955	31,097	31,097
Property, plant and equipment	9	14,879	15,262	14,879
Intangible assets	10	322,097	288,681	322,097
Right-of-use	11	62,081	76,632	67,050
		431,012	411,672	435,123
		436,713	424,737	441,033
Total assets		606,534	607,219	611,536

LIABILITIES	Note	Parent Company 2023	Parent Company 2022	Consolidated 2023
Current				
Suppliers		35,345	38,755	35,345
Loans and financings	12	4,929	9,587	4,929
Leasing debt	12	20,647	26,911	21,800
Social and labor obligations	13	47,884	49,289	47,890
Taxes payable	14	5,460	4,210	5,460
Dividends and interest on equity	19	-	19,191	-
Other		7,536	8,051	7,536
		121,801	155,994	122,960
Non-current				
Loans and financings	12	1,689	6,763	1,689
Leasing debt	12	36,490	42,443	40,333
Legal liabilities	16	8,740	10,396	8,740
Taxes payable	14	-	299	-
Deferred income taxes and social contribution	15	8,458	9,478	8,458
		55,377	69,379	59,220
Shareholders' equity	18			
Share capital		229,232	169,232	229,232
Capital reserve		3,009	2,402	3,009
Income reserve		200,179	213,276	200,179
Treasury shares		(3,064)	(3,064)	(3,064)
		429,356	381,846	429,356
Total liabilities and shareholders’ equity		606,534	607,219	611,536

The Company's accompanying notes are an integral part of the financial statements.

CSU DIGITAL S.A.

INCOME STATEMENT
YEARS ENDED DECEMBER 31, 2023 AND 2022.
(In thousands of reais, except for information per share)

		Parent Company		Consolidated
	Note	2023	2022	2023
Net revenue from services	23	530,233	537,168	530,233
Cost of services	24	(321,310)	(335,740)	(321,310)
Gross profit		208,923	201,428	208,923
Operating expenses				
Selling	24	(8,637)	(10,176)	(8,637)
General and administrative	24	(83,912)	(85,224)	(86,887)
Other revenues, net		4,082	(1,517)	4,082
Equity pick-up	8	(3,053)		
		(91,520)	(96,917)	(91,442)
Operating profit before financial result		117,403	104,511	117,481
Financial result	25			
Financial income		11,234	8,052	11,182
Financial expenses		(11,856)	(11,591)	(11,882)
		(622)	(3,539)	(700)
Earnings before income tax and social contribution		116,781	100,972	116,781
Income tax and social contribution				
Current	15.3	(29,378)	(29,841)	(29,378)
Deferred	15.3	1,020	2,441	1,020
		(28,358)	(27,400)	(28,358)
Net income for the year		88,423	73,572	88,423
Earnings per share – basic	26	2.1674	1.7989	2.1674
Earnings per share – diluted	26	2.1485	1.7847	2.1485
Number of outstanding shares at end of the year (in thousands)		41,256	40,899	41,256

The Company's accompanying notes are an integral part of the financial statements.

CSU DIGITAL S.A.

STATEMENT OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022.
(in thousands of Reais)

	Parent Company		Consolidated
	2023	2022	2023
Net income for the year	88,423	73,572	88,423
Financial assets measured at fair value - VJORA		3,402	
Conversion adjustments on balance sheets of foreign subsidiaries	(31)		(31)
Total comprehensive income	88,392	76,974	88,392

The Company's accompanying notes are an integral part of the financial statements.

CSU DIGITAL S.A.

Statements of changes in shareholders´equity
Years ended December 31, 2023 and 2022
(in thousands of Reais)

	Share capital	Capital reserve	Treasury shares	Profit reserves: Retained profits	Profit reserves: Legal reserve	Accumulated profit	Proposed additional dividends	Other comprehensive income	Total equity attributable to controlling shareholders	Interest in the parent company	Total shareholders' equity
January 1, 2022	169,232	2,037	(3,140)	146,414	18,122	-		10,166	342,831		342,831
Net income for the year						73,572			73,572		73,572
Options granted recognized (Note 21)		365							365		365
Write-off of treasury shares with reserves			76						76		76
Dividends				(16,200)					(16,200)		(16,200)
Allocation of net income (Note 19)											
Retained profits				33,104		(33,104)			-		-
Legal reserve					3,679	(3,679)			-		-
Interest on equity						(22,200)			(22,200)		(22,200)
Proposed additional dividends						(14,589)	14,589				
On December 31, 2022	169,232	2,402	(3,064)	163,318	21,801	-	14,589	10,166	378,444		378,444
Other comprehensive income											
Financial assets measured at fair value								3,402	3,402		3,402
Exchange variation in foreign investments											
On December 31, 2022	169,232	2,402	(3,064)	163,318	21,801	-	14,589	13,568	381,846		381,846
Net income for the year						88,423			88,423		88,423
Capital increase	60,000			(60,000)					-		-
Options granted recognized (Note 21)		607							607		607
Dividends							(14,589)		(14,589)		(14,589)
Allocation of net income (Note 19)											
Retained profits				39,790		(39,790)			-		-
Legal reserve					4,421	(4,421)			-		-
Payment of interest on equity						(26,900)			(26,900)		(26,900)
Additional proposed dividends						(17,312)	17,312		-		-
On December 31, 2023	229,232	3,009	(3,064)	143,108	26,222	-	17,312	13,568	429,388		429,388
Other comprehensive income											
Financial assets measured at fair value											
Conversion adjustments on foreign investments								(31)	(31)		(31)
On December 31, 2023	229,232	3,009	(3,064)	143,108	26,222	-	17,312	13,537	429,357		429,357

The Company's accompanying notes are an integral part of the financial statements.

CSU DIGITAL S.A.

STATEMENT OF CASH FLOW
YEARS ENDED DECEMBER 31, 2023 AND 2022.
(in thousands of Reais)

	Note	Parent Company 2023	Parent Company 2022	Consolidated 2023
Cash flow from operating activities				
Net income for the year		88,423	73,572	88,423
Adjustments				
Depreciation and amortization	9, 10, 11	63,164	61,574	63,902
Residual value of written-off assets	9, 10, 11	653	971	653
Equity instrument for share-based payment	21	607	441	607
Allowance for doubtful accounts	5, 5.3	(2,635)	530	(2,635)
Deferred income taxes and social contribution	15.3	(1,020)	(2,441)	(1,020)
Provision for contingencies	16.3	1,856	2,318	1,856
Equity pick-up	8	3,053		
Interest, monetary variations on loans and financing, and contingencies		11,151	10,285	11,803
		76,829	73,678	75,166
Changes in assets and liabilities				
Accounts receivable from customers	5, 5.3	2,068	(9,240)	2,068
Inventories	6	1,139	(617)	1,139
Judicial deposits	16.2	2,760	143	2,760
Other assets and taxes recoverable		4,056	(4,268)	3,846
Suppliers		(3,410)	6,630	(3,410)
Social and labor obligations	13	(1,405)	1,353	(1,399)
Write-offs due to payment of contingencies		(4,328)	(1,893)	(4,328)
Other assets and taxes payable		16,765	25,103	16,765
		17,645	17,211	17,441
Cash generated by the operating activities		182,897	164,461	181,030
Interest paid	12.2	(8,818)	(7,878)	(9,448)
Income tax and social contribution paid	15.3	(19,394)	(25,013)	(19,394)
Net cash from operating activities		154,685	131,570	152,188
Cash flow from investing activities				
Acquisition of property, plant and equipment	9	(4,136)	(3,290)	(4,136)
Acquisition of intangible assets	10	(57,862)	(52,340)	(57,862)
Investments	8	(3,942)		
Cash used in investing activities		(65,940)	(55,630)	(61,998)
Cash flow from financing activities				
Income from loans and financings	12.2			
Amortization of loans and financings	12.2	(9,525)	(14,522)	(9,525)
Payment of obligations assumed through financial leases	12.2	(33,453)	(28,055)	(34,216)
Dividends paid and interest on equity		(57,614)	(30,200)	(57,614)
Net cash used in financing activities		(100,592)	(72,777)	(101,355)
Increase (decrease) in cash and cash equivalents		(11,847)	3,163	(11,165)
Cash and cash equivalents at the beginning of the year		86,455	83,292	86,455
Cash and cash equivalents at the end of the year		74,608	86,455	75,290

The Company's accompanying notes are an integral part of the financial statements.

CSU DIGITAL S.A.

STATEMENT OF
ADDED
YEARS ENDED DECEMBER 31, 2023 AND 2022.
(in thousands of Reais)

	Note	Parent Company 2023	Parent Company 2022	Consolidated 2023
Revenues				
Rendering of services	23	603,502	609,193	603,502
Other revenues	27	3,171	774	3,171
Allowance for doubtful accounts	5.3	2,629	(530)	2,629
		609,302	609,437	609,302
Inputs and services purchased from third parties				
Cost of services		(40,676)	(48,177)	(40,676)
Materials, energy, third-party services and others		(40,636)	(44,571)	(42,824)
		(81,312)	(92,748)	(83,500)
Gross value added		527,990	516,689	525,802
Depreciation and amortization	9, 10, 11	(63,175)	(61,574)	(63,941)
Net value added produced by the entity		464,815	455,115	461,861
Value added received in transfer				
Equity pick-up	8	(3,053)		
Financial income	25	11,234	8,052	11,234
Total value added to be distributed		472,996	463,167	473,095
Value added distribution				
Personnel and charges		236,837	241,430	236,871
Direct compensation		189,484	192,217	189,518
Benefits		30,174	32,791	30,174
FGTS		17,179	16,422	17,179
Taxes, fees and contributions		117,144	118,759	117,145
Federal		104,032	105,527	104,033
State		38	79	38
Municipal		13,074	13,153	13,074
Remuneration on third-party capital		30,592	29,406	30,656
Interest		11,856	11,591	11,920
Rents		18,736	17,815	18,736
Remuneration on equity		88,423	73,572	88,423
Dividends and interest on equity		26,900	22,200	26,900
Retained profits		61,523	51,372	61,523
Value added distributed		472,996	463,167	473,095

The Company's accompanying notes are an integral part of the financial statements.

1 GENERAL INFORMATION

The operations of CSU Digital S.A. ("CSU" or "Company") comprise the provision of credit card processing and multiple use services, management and operation of telemarketing and telesales (contact centers), telecharging and credit analysis, development and operational management relationship, loyalty and customer acquisition programs, provision of services to companies that operate in the accreditation of establishments to carry out electronic transactions, contemplating the implementation, operation and management of a network for capturing electronic transactions of means of payment, provision of information technology (IT) outsourcing services, developing credit card administration and issuance activities, developing payment account management solutions and activities and banking correspondent services to financial institutions.

The Company is a corporation headquartered in the city of Barueri, in the state of São Paulo, duly registered and with shares traded on the Brazilian stock exchange B3 – Brasil, Bolsa, Balcão. The ultimate controller is the Company's CEO and founder, Marcos Ribeiro Leite, who directly holds 0.2% of the shares and 54.00% of the shares through Greeneville Delaware LLC. Several other shareholders hold 44.5% of the shares and, in addition, the Company has 1.30% of shares in treasury.

The Company controls the wholly owned subsidiary CSU International LLC, incorporated on December 21, 2022, located in the United States of America, acting as a support point for the Company's expansion in technological solutions for payment methods and consumer relationships in the USA. Until December 31, 2022, CSU International LLC did not have commercial operations.

The issue of these financial statements was approved by the Board of Directors' meeting held on March 20, 2024.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These Individual and consolidated financial statements were prepared and are presented in accordance with the accounting practices adopted in Brazil, which comprise the standards issued by the Brazilian Securities and Exchange Commission (CVM) and the pronouncements issued by the Accounting Pronouncements Committee (CPC), as well as International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), except for the presentation of the Statement of Value Added ("DVA"), required by corporate law for publicly held companies, but as supplementary information to the IFRS standards, which do not require its presentation. The financial statements provide all significant information from the actual statements and such information is consistent with the information used by management in the performance of its duties.

The main accounting policies applied in the preparation of these financial statements are defined below and have been applied consistently in the years previously presented.

Management declares that all relevant information in the financial statements, and only said information, is being disclosed and used by Management to carry out its daily attributions.

The financial statements were prepared considering historical cost as the value base, which, in the case of financial assets and liabilities, is adjusted to reflect the fair value measurement.

In preparing the financial statements, Management is required to make certain accounting estimates and judgments in the application of accounting practices. Accounting estimates and judgments are evaluated on a recurring basis and are based on past experiences and other factors, including expectations for future events that are considered reasonable for the circumstances. The actual results of these estimates may present variations that, in the years in which they are verified, will be recognized in the income statement.

More complex areas that require a higher level of judgment, and areas with assumptions and estimates that are significant for the financial statements, are disclosed in Note 3.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of CSU Digital S.A and its subsidiary on December 31, 2023. Control is achieved when the Company is exposed or has the right to variable returns based on its involvement with the investee and the ability to influence these returns through the power it exercises over the investee.

The results from subsidiaries acquired during the year are included in the consolidated income statements as of the date in which the acquisition effectively occurred. In the Parent Company financial statements, investments in subsidiaries are accounted through the equity method.

The fiscal years of the subsidiaries coincide with the fiscal years of the Parent Company and accounting practices were applied equally among all subsidiaries. The balances of assets, liabilities, revenue, and expenses arising from intergroup transactions with the parent company have been eliminated in the consolidation. Net income for the year is attributed to the controllers of the parent company and to non-controlling minority shareholders.

The Company's consolidated financial statements include the following subsidiaries:

	Interest (%)	
	2023	
Subsidiary	Direct	Indirect
CSU International LLC	100%	-

2.3 New standards, interpretations, and amendments to standards

In 2023, the Company assessed the amendments and new interpretations to the CPC and IFRS standards issued by the CPC and IASB, respectively, effective for accounting periods beginning on or after January 1, 2023. The main changes were:

Pronouncement	**Description**	**In effect for annual reporting periods beginning on or after**
Changes to CPC 26 / IAS 1	Presentation of the Financial Statements	01/01/2023
Changes to CPC 23 / IAS 8	Distinguish the differences between changes in accounting policies and changes in accounting estimates	01/01/2023
Adoption of CPC 50 / IFRS 17	Insurance contracts – CPC 50. Impacts for insurers and reinsurers	01/01/2023
Changes to CPC 32 / IAS 12	Income taxes – CPC 32. Deferred tax related to Assets and Liabilities resulting from a single transaction	01/01/2023

The adoption of these standards did not cause material impacts on the Company's parent and consolidated financial statements.

The pronouncements and interpretations that were issued by the IASB, but were not in effect on the date the Company's financial statements were issued, are identified below:

Pronouncement	Description	In effect for annual reporting periods beginning on or after
Changes to CPC 03 / IAS 7 and CPC 40 / IFRS 7	Definition and disclosure of additional information related to supplier financing	01/01/2024
Changes to CPC 26 / IAS 1	Definition of the change in disclosure of long-term liabilities with covenants and the classification of liabilities as current or non-current	01/01/2024
Changes to CPC 02 / IAS 21	Determine if a currency is convertible and how a spot exchange rate should be determined when there is no exchangeability	01/01/2025
Changes to CPC 06 (R2) / IAS 16	Treatment for lease liabilities in Sale and Leaseback transactions	01/01/2024
Adoption of IFRS S1	General rules for disclosing material information related to sustainability	01/01/2024
Adoption of IFRS S2	Disclosure of climate-related information	01/01/2024
Changes to CPC 18 (R2) / IAS 28	Sale or contribution of assets between an investor and its affiliate or joint venture	The date in which these changes come into effect has not been defined by the IASB

Significant impacts on the Company's individual and consolidated financial statements are not expected as a result of this changes.

2.4 Information by business segment

The information by business segment is presented in a way that is consistent with the internal reports provided to the main decision maker for operations. The Board of Directors is main decision maker for operational and strategic matters, being responsible for allocating resources and assessing the performance of the business segments.

2.5 Functional currency and presentation currency

The items included in the financial statements are measured and presented in the currency in which the Company’s main economic environment operates ("functional currency"), which is the Brazilian Real.

For the purposes of presenting the Consolidated Statements, the assets and liabilities of the subsidiary company CSU International LLC (located in the USA), originally denominated in U.S. dollars, were converted into Brazilian reais, using the average monthly exchange rates. Variations in exchange rates resulting from these conversions were classified in other comprehensive income and accumulated in shareholders' equity.

2.6 Statement of value added

The Statement of Value Added was prepared and is presented according to accounting pronouncement CPC 09 – Statement of Value Added, issued by the CPC. The IFRS does not require the presentation of this statement. Therefore, under IFRS, this statement is presented as supplementary information without prejudice to the financial statements in its entirety.

2.7 Classification between current and non-current

The Company presents its assets and liabilities in the balance sheet according to CPC 26 (R1) - Presentation of Financial Statements, based on the current and non-current classification.

An asset is classified as current when: it is expected to be realized, it is intended to be sold or used in its normal operating cycle, it is held for trading, it is expected to be realized within 12 months after the reporting period or as a cash and cash equivalents item, unless it is restricted for exchange, that is, it is expected to be used to settle a liability for at least 12 months after the reporting period. All other assets are classified as “non-current”.

A liability is classified as current when: it is expected to be settled in its normal operating cycle, it is held primarily for trading, it is expected to be realized within 12 months after the reporting period or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as “non-current”. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.8 Cash and cash equivalents

The balance for cash and cash equivalents is represented by demand bank deposits and short-term, highly liquid financial investments, readily convertible into a known amount of cash with the issuers themselves, which are first-rate financial institutions and do not present a significant risk of change in values. On December 31, 2023, and December 31, 2022, the Company did not have financial investments exceeding 90 days.

2.9 Financial assets and liabilities - classification, recognition and measurement

The Company classifies all of its financial assets and liabilities in the following categories: assets measured at fair value through the income statement, assets measured at fair value through other comprehensive income, and assets measured at amortized cost. The classification depends on the purpose for which the financial assets or liabilities were acquired and are determined at initial recognition.

The purchase and sale of financial assets are normally recognized on the transaction date and are written off when the rights to receive cash flows have expired or transferred and, in the latter case, so long as the Company has significantly transferred all the associated risks and benefits.

(a) Financial assets measured at fair value through the income statement.

Financial assets measured at fair value through the income statement are financial assets held for trading. A financial asset is classified in this category if it was acquired mainly for purpose of its sale in the short-term. Assets in this category are classified as current assets. During the 2023 and 2022 fiscal years, the Company did not sign contracts that can be classified under these characteristics.

(b) Financial assets at amortized cost

Non-derivative financial assets with fixed or determinable payments, not quoted on an active market. They are included as current assets, except those with maturity periods greater than 12 months following the balance sheet base date, which are classified as non-current assets.

The Company's receivables are comprised of trade receivables and other accounts receivables, initially recorded at fair value and subsequently amortized through the effective interest rate method.

At the end of the fiscal year, an assessment is made to identify if there is objective evidence of impairment for a financial asset or group of financial assets and, if identified, a provision is recorded and recognized in the income statement.

(c) Financial assets measures at fair value for other comprehensive income

These financial assets are acquired or originated for the purpose of receiving contractual cash flows or by selling the assets. Balances are presented at fair value and gains are recorded in the income statement. The differences between the fair value and the initial value of the investment plus income earned and exchange rate variations are recognized as net equity in other accumulated comprehensive income in the “adjustments in equity valuation” line. Gains and losses recorded in equity are reclassified to the income statement on their settlement date. To determine the fair value, we use multiples observed in capital market transactions relating to acquisitions of shares in companies in the same/similar sector.

The fair value of financial instruments that are not traded in active markets is determined through valuation techniques. The Company uses its judgment to choose various methods and defines assumptions that are mainly based on market conditions existing on the date of the balance sheet. The Company used multiples for projected revenue to calculate the fair value of the investment. Revenue multiples is the method that calculates the value of a company through comparative analysis with the economic-financial performance of peer companies in the market. Fair value is recognized in other comprehensive income, in the adjustment in asset valuation account according to its value net of taxes.

2.10 Impairment of financial assets

Assets measured at amortized cost

The Company makes an assessment, at the end of each reporting period, if there is objective evidence that the financial asset or group of financial assets is impaired. A financial asset is impaired, and impairment losses are incurred, only if there is objective evidence of impairment arising from one or more events occurring after the initial recognition of the assets (a "loss event") and if said loss event impacts the estimated future cash flows of the financial asset and can be reliably estimated.

The Company applies the expected loss approach established in IFRS 9 / CPC 48 to measure losses due to the reduction in the recoverable value of its assets. The criteria used by the Company to determine if there is objective evidence of an impairment loss include:

(i) relevant financial difficulty of the issuer or debtor.

(ii) a breach of contract due to default or late payment of interest or principal.

(iii) the likelihood of the borrower to declare bankruptcy or another financial reorganization.

The Company's operations are fundamentally B2B (“business to business”) with low default levels. Given this condition, it adopts the following criteria to recognize estimated losses for doubtful accounts:

(a) assessing the risk of each client based on the aging of their overdue securities.

(b) provision for 100% of the value of securities overdue for over 120 days.

(c) provision for other overdue securities based on an average global risk rate for the client portfolio, obtained according to the average annual rate over the last 3 years. The annual rate is obtained using the following formula: the sum of the changes in allowance for doubtful accounts for the year over the average of securities that have matured in the last two years.

(d) at the end of each year, this rate is reviewed and comes into effect in the following year.

If an impairment amount reduces in a subsequent period and this reduction can be objectively related to an event that occurred after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment will be recognized in the income statement.

2.11 Derivative financial instruments and hedging activities

During the 2023 and 2022 fiscal years, the Company did not sign any contracts that can be considered as derivative financial instruments.

2.12 Trade receivables

Trade receivables correspond to amounts receivable for services performed during the normal course of the Company's activities. If the collection period is equivalent to one year or less, trade receivables are classified in current assets, otherwise they are presented as non-current assets.

Trade receivables are initially recorded at fair value and, subsequently, measured at amortized cost through the effective interest rate method, deducted by estimated losses on doubtful accounts at their net realizable value. The Company recognizes provisions for expected losses based on judgment through past loss experience, adjusted to factors that are specific to its customers and the economic environment.

The value of trade receivables are classified as non-current assets, and those with significant amounts classified as current assets are initially recorded at the present value of said assets based on the effective interest rate on forward sales. Said rate must be compatible with the nature, term, and risks of similar transactions under market conditions.

2.13 Inventory

The Company's inventories are comprised by materials used for its services and are valued at cost or net realizable value, whichever is lower. The realization value is the estimated sales price during the normal course of business, minus the estimated completion costs and the estimated costs to conclude the sale. Costs are determined through the weighted average cost method.

2.14 Property, plant and equipment (PP&E)

Fixed assets are measured at their historical cost, deducted from accumulated depreciation and provision for impairment, as applicable. Historical cost is considered as the expenses directly attributable to the acquisition of assets and may also include financing costs related to the acquisition of qualifying assets.

Subsequent costs are included in the book value of the asset or recognized as a separate asset, as appropriate, only when there is a probability of future economic flows and benefits associated with the asset and when costs can be reliably measured. Expenses for repairs and maintenance are recorded in the income statement when they incur.

Depreciation of fixed assets is calculated and recorded through the straight-line method from the operational start-up of the assets, using rates that contemplate the respective annual economic useful lives, as shown in Note 3.6, which are reviewed annually and subsequently adjusted, if appropriate.

Gains and losses on disposals of assets are determined by comparing the amounts in which they were sold and the book value and are included in the income statement for the year, under the "Other net income" account, on the date they were sold.

The value of an asset is immediately adjusted to its recoverable value if the book value of said asset is greater than its estimated recoverable value.

2.15 Intangible assets

Intangible assets are recorded at acquisition cost, deducted by accumulated amortization and provision for impairment, as applicable.

(a) Goodwill

Assets with an indefinite useful life, such as goodwill, are not subject to amortization but undergo annual recoverability tests, as described in Note 2.16.

For recoverability testing purposes, goodwill is allocated to the Cash Generating Unit that is expected to benefit from the business combination that originated the goodwill, in this case CSU Pays, identified according to the operating segment.

(b) Computer programs (software)

Software licenses are capitalized based on the costs incurred to acquire the software and make them available for use. These costs are amortized over the estimated annual useful life, as presented in Note 3.6. Expenses associated with software maintenance are only recognized as expenses when they are incurred.

Development expenses that can be directly associated with specific software that were developed internally and are controlled by the Company, and which will probably generate economic benefits higher than its costs for more than one year, are recognized as intangible assets. Direct expenses include employee remuneration for the software development team and directly related third-party expenses. These expenses and their respective amortization are presented under the "Customization" line for systems developed internally.

2.16 Impairment of non-financial assets

The Company and its subsidiaries review, on a quarterly basis, if there are any indications that an asset may have devalued. Intangible assets with an indefinite useful life undergo annual reviews. If any indication is identified, the Company estimates the asset's recoverable amount. Assets that are not valued individually are grouped into the smallest group of assets that generate cash flows from their recurring use and that are mostly independent from cash flows originating by other assets (cash generating units "CGU"). The recoverable amount of these assets, or CGUs, corresponds to the higher value between their fair value net of direct selling expenses and their value in use. Fair value net of direct selling expenses is determined by the price from the sale an asset in an unforced transaction between market participants, minus expenses to remove the asset, incremental direct expenses to bring the asset to a condition in which it could be sold, legal expenses and taxes. To assess the value in use, the Company must project future cash flows, trends and outlooks, as well as the effects of obsolescence, demand, competition, and other economic factors. These flows are discounted to their present values by using a tax discount rate, before taxes, that reflects current market conditions regarding the amount of time needed to recover capital and the specific risks of the assessed asset or CGU. In situations in which the present value of expected future cash flows is lower than their book value, the loss caused by irrecoverability is recognized in the amount by which the book value exceeds the fair value of these assets. Impairment of assets are recognized in the income statement (profit or loss). If a goodwill is allocated to the CGU to which the assets belong, the losses recognized for the CGUs are first allocated towards the reduction of the corresponding goodwill. If the goodwill is not enough to absorb the losses, the surplus will be allocated to other assets on a *pro-rata* basis. An impairment loss related to goodwill cannot be reversed. Impairments are only reversed if the book value of the asset does not exceed the book value that would have been recorded, net of depreciation or amortization, if the loss in value had not been recognized.

2.17 Suppliers

Liabilities with suppliers are defined as obligations to pay for goods or services that were acquired in the normal course of business and are classified as current liabilities if payment is due within a period of up to one year, otherwise, they are recorded as non-current liabilities. They are initially recorded at fair value and, subsequently, measured at amortized cost through the effective interest rate method. However, due to the short turnover of suppliers, they are normally recognized by the value of the corresponding invoice.

2.18 Loans and financings

Loans and financings are initially recognized at fair value, when funds are received, net of transaction costs. Subsequently, contracted loans are presented at amortized cost, that is, including the charges and interest proportional to the period there were incurred, recognized *pró-rata temporis* in the income statement, as a financial expense.

Loans and financing are classified as current liabilities, unless the Company has an unconditional right to defer the settlement of these liabilities for at least 12 months after the balance sheet date, when their classification changes to non-current liabilities.

2.19 Leases

Leases that transfer to the Company the risks and benefits relating to the ownership of the leased item are classified as financial leases, being capitalized at the beginning of the lease term at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments, and are depreciated over the economic useful life of the respective assets. The respective payments are allocated partly to liabilities and partly to financial charges, thus obtaining constant interest rates on the remaining balance for current and non-current liabilities. Financial charges are recognized in the income statement (profit or loss) during the lease period.

The Company’s rights-of-use leasing operations are mainly related to property and equipment rental and software rental. Lease periods are negotiated on an individual basis and have different terms and conditions. Contracts cannot be used as loan guarantees.

Management chose to adopt the CPC 06 (R2) model and used the nominal incremental rate and nominal payment flow, recalculating its lease contracts retrospectively from the initial adoption date, and began to use the nominal rate obtained through quotations from first-tier banks as the incremental rate, ranging from 4.17% to 16.26% p.a., and varying according to the term of each contract. The effects from adopting a nominal flow and nominal rate are disclosed in the explanatory notes.

2.20 Provisions

Provisions are recorded when the Company has a present obligation, legal or not, arising from past events, when there is a probability that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount can be made, measured by the present value of the expenses that will be needed to settle said obligations. Subsequently, the monetary restatement of the provision is recognized as a financial expense. Provisions for legal liabilities are related to lawsuits according to their probability of loss or gain, in which provisions are recorded only for lawsuits in which the Company's Management deems will have a probable and unfavorable outcome for the Company, based on an estimated loss that can be reasonably calculated. The Company began to adopt as a practice of provisioning for massive labor lawsuits, based on the historical average of lawsuit payments over a 12-month period. The Company reviews these amounts periodically to reflect the best estimates available at the time of the provision. The provisions for labor lawsuits on matters considered strategic and other types of legal liabilities are calculated individually, based on the judgment of each case. These determinations are made by Management, assisted by the Company's legal advisors, in such a way that provisions for legal liabilities are adequately recognized in the financial statements.

2.21 Income tax and social contribution

Income and social contribution tax expenses for the fiscal year includes current and deferred taxes. Income taxes are recognized in the income statement, except if they are related to items recognized directly in equity or comprehensive income. In these situations, taxes can also be recognized in shareholders' equity or in the comprehensive income statement. Current income tax and social contribution are calculated based on current tax legislation. Deferred income tax and social contribution are calculated based on tax-loss carryforward, the negative base of social contribution and the corresponding temporary differences between the tax calculation bases on assets and liabilities and the book values of the financial statements through the liability method. These tax rates, which are currently defined for the purposes of determining deferred credits, are 25% for income tax and 9% for social contribution, which is when the deferred tax asset is expected to be realized or when the deferred tax liability is settled. Deferred tax and contribution assets are recognized to the extent it is probable that future taxable income will be available to be used to offset temporary differences and/or tax loss carryforward and negative social contribution bases, according to projections of future results that were elaborated and based on internal assumptions and future economic scenarios that may change. Deferred income tax assets and liabilities may be compensated when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes applied by the same taxing authority on the tax entity which is intended to be used to settle balances on a net basis. Deferred income tax and social contribution tax credits, levied on tax losses and the negative social contribution bases, and other amounts that constitute temporary differences to reduce future tax burdens, are recognized according to past profitability and the Company's expected taxable profits to be generated in the coming years. The Company's Management prepares, at the end of each year, a technical study supported by expected future taxable results, considering their discounts at present value, to demonstrate its ability to realize these tax credits in less than ten years. These estimates are reviewed periodically so that any changes in the perspective recovery of these credits can be considered in a timely manner in the financial statements.

2.22 Related parties

Related party transactions were disclosed under the terms prevailing for transactions with independent parties and will only be carried out if these terms can be effectively proven. The nature of these transactions and their accounting records are described in Note 7.

2.23 Employee benefits

The Company does not maintain post-employment, severance or long-term benefits for its employees.

(a) Management bonus

This expense, and its respective current liability, is recorded on a monthly basis as an estimated percentage of Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) or net profit for the year, whichever is lower, as approved by the Board of Directors.

(b) Share-based compensation

The Company offers share-based compensation plans, settled with shares, under which the Company receives its employees' services as consideration for the Company's equity instruments. The fair value of employee services received in exchange for the granting of shares is recognized as an expense. The total amount to be recognized is referenced by the fair value of the shares granted, excluding the impact of any vesting conditions for non-market services and performance (e.g., profitability and continued employment for a specific period). The counterpart is recorded as a credit under the "Capital reserve" account. The transactions recognized in the income statement for the year are described in Note 21.

2.24 Share capital

The common shares issued by the Company are classified under shareholders' equity.

Amounts paid by the Company to acquire its own shares include any directly attributable additional costs, net of income tax, and is deducted from shareholders' equity until the acquired shares are canceled or sold.

2.25 Dividends and Interest on Equity

Distributions of dividends and interest on equity to the Company's shareholders, when approved, are recognized as liabilities in the financial statements pursuant to the provisions contained in the Company's bylaws. Any dividend amount that is higher the mandatory minimum will only be provisioned on the date it was approved by the Shareholders' Meeting.

The Company's Bylaws establishes that the Board of Directors may approve interest on equity to its shareholders, which must be attributed to the statutory dividend, configurating the legal obligation. The tax benefit on interest on equity is recognized in the income statement for the year. In the financial statements, interest on equity is eliminated from financial expenses in the period and deducted from accumulated profits as a counterpart in current liabilities.

2.26 Revenue recognition

(a) Services

Revenue from services is recognized under accrual accounting, based on the services provided until the balance sheet date, measured according to the criteria established in contractual agreements with customers. IFRS 15 / CPC 47 – Revenue from contracts with Clients establishes a 5-step model that reflects the consideration the Company expects to receive from the transfer of services provided to customers. Revenues from contracts with customers are recorded net of commercial discounts, operational penalties and other similar deductions. Part of the revenue is recognized as an estimate, as described in Note 3.4, and therefore future circumstances may arise that change the amounts obtained in the original revenue and cost measurements. When this occurs, the initial measurements will be reviewed, which may increase or reduce revenues or costs initially recorded and will be recognized in the income statement for the year in which Management gains awareness of the circumstances that gave rise to the review. Revenue is presented net of taxes, rebates, and discounts.

(b) Financial revenue

Financial revenue is recognized according to the elapsed time and the effective interest rate method.

2.27 Adjustment for present value

Non-current and current monetary assets and liabilities are adjusted to their present value on the date of transactions, depending the deadline for their expected realization when the effect is considered material for the financial statements as a whole, based on the estimated cost rate of the Company's capital. Therefore, the interest embedded in the revenues, expenses, and costs associated with these assets and liabilities are discounted so they can be recognized under the accrual basis. Subsequently, this interest is reallocated to financial income and expenses in the income statement (profit or loss) using the effective interest rate method over the outstanding term.

3 MAIN ACCOUNTING JUDGMENTS AND SOURCES OF UNCERTAINTY FOR ESTIMATES

When applying the Company's accounting policies, Management must exercise judgments and prepare estimates on the book values of assets and liabilities for which objective information is not easily obtained from other sources. Estimates and respective assumptions are based on past experiences and other factors considered relevant. The actual results of these book values may differ from these estimates.

Estimates and assumptions are constantly reviewed and updated estimates are subsequently recognized.

(a) Judgments

Accounting estimates and judgments are evaluated on a recurring basis and are based on past experience and other factors, including expectations for future events that are considered reasonable for the circumstances. Based on assumptions, the Company projects its future estimates. By definition, the resulting accounting estimates will rarely be the same as the respective actual results.

(b) Uncertainties about assumptions and estimates

Information on uncertainties related to assumptions and estimates that have a significant risk of resulting in a material adjustment to the accounting balances of assets and liabilities in the next fiscal year are included in the following explanatory notes:

- Note 5 - Trade receivables: criteria and amounts for the provision of doubtful accounts;
- Nota 6 - Inventory: criteria and amounts for the provision of losses in inventory;
- Note 8 - Investments: investments acquired at the fair value of the consideration. Determining these amounts involve a high degree of judgment on methodologies and assumptions for measuring fair value;
- Note 9 and 10 - PP&E: estimates the useful life of long-lived assets;
- Note 10 – Intangible: main assumptions regarding the recoverable values and the recoverability of development costs; Determining the goodwill on acquisition is a complex process and involves a high degree of subjectivity and many assumptions, such as determining the cash generating units, discount rates, projected inflation, growth percentages, perpetuity and profitability of the Company's business for the coming years, among others. These assumptions will be affected by market conditions or future economic scenarios in Brazil, which cannot be estimated precisely;
- Note 15 - Deferred income tax and social contribution: availability of future taxable profit to be used against tax losses;
- Note 16 – Provision for tax, labor and civil risks: main assumptions on the probability and magnitude of outflows;

(c) Impairment of assets

The Company and its subsidiaries review, on a quarterly basis, if there are any indications that an asset may have devalued. Intangible assets with an indefinite useful life undergo annual reviews. If any indication is identified, the Company estimates the asset's recoverable amount. Assets that are not valued individually are grouped into the smallest group of assets that generate cash flows from their recurring use and that are mostly independent from cash flows originating by other assets (cash generating units "CGU"). The recoverable amount of these assets, or CGUs, corresponds to the higher value between their fair value net of direct selling expenses and their value in use.

Fair value net of direct selling expenses is determined by the price from the sale an asset in an unforced transaction between market participants, minus expenses to remove the asset, incremental direct expenses to bring the asset to a condition in which it could be sold, legal expenses and taxes.

To assess the value in use, the Company must project future cash flows, trends and outlooks, as well as the effects of obsolescence, demand, competition, and other economic factors. These flows are discounted to their present values by using a tax discount rate, before taxes, that reflects current market conditions regarding the amount of time needed to recover capital and the specific risks of the assessed asset or CGU. In situations in which the present value of expected future cash flows is lower than their book value, the loss caused by irrecoverability is recognized in the amount by which the book value exceeds the fair value of these assets. Impairment of assets are recognized in the income statement (profit or loss). If a goodwill is allocated to the CGU to which the assets belong, the losses recognized for the CGUs are first allocated towards the reduction of the corresponding goodwill. If the goodwill is not enough to absorb the losses, the surplus will be allocated to other assets on a *pro-rata* basis. An impairment loss related to goodwill cannot be reversed. Impairments are only reversed if the book value of the asset does not exceed the book value that would have been recorded, net of depreciation or amortization, if the loss in value had not been recognized.

3.1 Allowance for doubtful accounts

Estimated losses from doubtful accounts are recorded in an amount that covers probable losses in the realization of trade receivables. To determine the amount to be provisioned to cover trade receivables, the Company analyzes the amount and characteristics of each account, considering its probability of being realized. With the adoption of IFRS 09 / CPC 48, the Company uses its provision matrix to calculate the expected credit loss for trades receivable according to past losses observed and reviews it based on past experiences with credit loss. However, considering the market in which the Company operates and the quality of its customers, these losses do not correspond to significant amounts.

3.2 Provisions for legal liabilities

Provisions for legal liabilities are related to lawsuits according to their probability of loss or gain, in which provisions are recorded only for lawsuits in which the Company's Management deems will have a probable and unfavorable outcome for the Company, based on an estimated loss that can be reasonably calculated. The Company began to adopt as a practice of provisioning for massive labor lawsuits, based on the historical average of lawsuit payments over a 12-month period. The Company reviews these amounts periodically to reflect the best estimates available at the time of the provision. The provisions for labor lawsuits on matters considered strategic and other types of legal liabilities are calculated individually, based on the judgment of each case. These determinations are made by Management, assisted by the Company's legal advisors, in such a way that provisions for legal liabilities are adequately recognized in the financial statements.

3.3 Fair value of investments

Investments are measured at the fair value of the consideration. Determining these amounts involve a high degree of judgment on methodologies and assumptions, such as market multiples for measuring fair value.

3.4 Revenue from unbilled services

The Company's revenues arise mainly from services, under the terms and conditions of the commercial contracts signed with its customers, including revenues from services for developing new functionalities for the operating systems used by its customers. Until it is billed, revenue from services is recognized according to the execution stage of the services performed, to the extent that all costs related to the services can be reliably measured, pursuant to the conditions established in the contracts.

3.5 Recovery of deferred income tax and social contribution on income tax losses, negative social contribution bases, and temporary differences

Deferred income tax and social contribution tax credits, levied on tax losses and the negative social contribution bases, and other amounts that constitute temporary differences to reduce future tax burdens, are recognized according to past profitability and the Company's expected taxable profits to be generated in the coming years. The Company's Management prepares, at the end of each year, a technical study supported by expected future taxable results, considering their discounts at present value, to demonstrate its ability to realize these tax credits in less than ten years. These estimates are reviewed periodically so that any changes in the perspective recovery of these credits can be considered in a timely manner in the financial statements.

3.6 Useful life of non-current assets

Property, plant and equipment and intangible assets, with the exception of goodwill, are depreciated and amortized based on the straight-line method, considering rates that are approximate to the economic useful lives of the assets, which are reviewed annually based on an appraisal report issued by an independent expert, as presented below:

	Economic useful life (years)	
Property and equipment	2023	2022
Furniture and fixtures	9	9
Facilities	14	14
Equipment	9	9
Vehicles	6	6
Leasehold improvements	2 to 5	2 to 5
Computers and peripherals	4	4

Intangible assets	2023	2022
Data processing systems	19	19
Customization systems (i)	41	41
ERP System	19	19
Vision Plus Software	41	41
Assignment of right of use - software	10	10
Other	5	5

(i) Concept for total useful life (years) = age of the asset (years) + remaining life (years) according to a technical report prepared by third-party specialists.

3.7 Goodwill on investments

The goodwill amount (Note 10) is tested annually for impairment. Management makes judgments and assumptions to assess the impact of economic and operational changes to estimate future cash flows and measure the recoverable value of the asset.

Growth rates were based on the expected expansion of the Company's markets and discount rates are compatible with rates practiced in the markets where the Company operates, at 13.9% p.a., after taxes, for CSU Pays (2022 – 12.6% p.a.). The impairment tests did not indicate a loss to be recognized for December 31, 2023, and 2022.

The growth and discount rates applied in the impairment tests originate from market estimates and are subject to sensitivity and changes in assumptions.

The implications from the main assumptions for recoverable amounts are discussed below:

a) *Growth rate assumptions:* Management recognizes that possible changes in market scenarios can affect the cash generating business unit: CSU Pays significantly impacts long-term growth assumptions. The perpetuity growth rate used to calculate the value in use for the assets was 1%. A 1% decrease in the growth rate used did not result in a loss due to devaluation.

b) *Discount rates before taxes:* Would be 19.7% for CSU Pays, which is the business unit that contains the goodwill to be tested.

c) *Discount rates after taxes:* Any change in the assessment of current market risks, specific to each cash-generating unit, may change the discount rates used to calculate the value in use for the assets. A 5% increase in the rate used for the cash generating unit will not result in a loss due to devaluation.

3.8 Estimated fair value

Assets and liabilities are recorded at fair value through the valuation method, considering the following levels:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2 - in addition to the price quotes in Level 1, includes data for the asset or liability that can be observed by the market directly (prices) or indirectly (derived from prices).
- Level 3 - uses data for the asset or liability that cannot be observed by the market (assumptions).

The fair value of other financial instruments (classified as Level 3), consisting of Investments, is determined by analyzing market multiples.

4 CASH AND CASH EQUIVALENTS

	Parent Company		Consolidated
	2023	2022	2023
Demand deposits			
Banks – domestic currency	3,937	4,192	3,937
Banks – foreign currency (ii)			682
	3,937	4,192	4,619
Fixed-income securities – Bank Deposit Certificates (CDBs) on repurchase agreements (i)	70,671	82,263	70,671
	70,671	82,263	70,671
Cash and cash equivalents	74,608	86,455	75,290

(i) The financial explanations refer to repo operations remunerated at the weighted average of 90% to 106.5% of the CDI (interbank certificates of deposit) on December 31, 2023, and 104.6% on December 31, 2022.

(ii) The balance in foreign currency corresponds to the current account balance in U.S. dollars (US$) of the wholly owned subsidiary CSU International LLC.

5 ACCOUNTS RECEIVABLES – CURRENT AND NON-CURRENT

The trade receivable balance basically refers to the billing for services provided, which are substantially received in the following month, as well as the proportional appropriation of revenue for services provided until the end of the accrued month, to be billed in accordance with the commercial clauses of the respective contracts.

5.1 Breakdown

	Parent Company and Consolidated	
	2023	2022
Current		
Accounts receivables – Billed	27,580	29,558
Accounts receivable – Unbilled	49,435	47,746
(-) Allowance from doubtful accounts	(136)	(992)
	76,879	76,312

	2023	2022
Non-current		
Accounts receivables – Billed	14,499	16,278
(-) Allowance from doubtful accounts	(14,499)	(16,278)
	-	-

5.2 Aging list

	Parent Company and Consolidated	
	2023	2022
Due in		
Up to one month	74,470	73,082
Overdue		
Up to one month	1,840	3,114
From one to two months	59	185
From two to three months	46	92
From three to four months	59	199
Overdue for more than one year	15,040	16,910
Allowance for doubtful accounts	(14,635)	(17,270)
Total overdue	2,409	3,230
	76,879	76,312

5.3 Changes in allowance for doubtful accounts

	Parent Company and Consolidated	
	2023	2022
January 1	(17,270)	(16,896)
Allowance for doubtful accounts	2,635	(374)
On December 31	(14,635)	(17,270)
Current assets	(136)	(992)
Non-current assets	(14,499)	(16,278)

6 INVENTORIES

	Parent Company and Consolidated	
	2023	2022
Cards	1,803	2,572
Additional materials	159	318
Other	487	698
	2,449	3,588

7 RELATED PARTIES

7.1 Related-party transactions are limited to donations made to Instituto CSU, recorded as an expense, to train professionals for the labor market, promoting social inclusion through free computer courses. The Company occasionally contracts rentals for facilities from the company Anapurus, which are recorded as expenses.

	Parent Company and Consolidated	
Company	2023	2022
Crieff Empreendimentos	3	
Instituto CSU	95	98
Anapurus Comercio e Participações Ltda.	826	264
	924	362

7.2 Management compensation

The global annual threshold for compensation for services rendered by key Management personnel, including the Board of Directors and statutory officers, was set at R$21,165 (December 31, 2022 - R$15,695) for the 2023 fiscal year, as approved at the Annual Shareholders' Meeting held on April 25, 2023.

	Parent Company and Consolidated	
	2023	2022
Fees	8,117	7,691
Share-based payment	787	365
Bonuses and indirect benefits	9,359	7,086
	18,263	15,142

8 INVESTMENTS

		Parent Company		Consolidated
	Direct equity percentage	2023	2022	2023
Fitbank Pagamentos Eletrônicos S.A.	4.00%	31,097	31,097	31,097
CSU Digital International LLC	100.00%	858		
		31,955	31,097	31,097

	Parent Company		Consolidated
Changes in investments	2023	2022	2023
Balance on January 1st	31,097	25,946	31,097
Investments (i)	3,942		
Equity pickup (i)	(3,053)		
Exchange rate Variations on Investments	(31)		
Fair value for other comprehensive income		5,151	
Balance on December 31	31,955	31,097	31,097

(i) Equity pick-up on the investment made in the wholly owned subsidiary CSU International LLC, incorporated on December 21, 2022, located in the USA.

9 PROPERTY, PLANT AND EQUIPMENT - PARENT COMPANY AND CONSOLIDATED

	Furniture and fixtures	Facilities	Equipment	Vehicles	Leasehold improvements	Computers and peripherals	Total
Economic useful life (years)	9	14	9	6	2 to 5	4	
January 1, 2022	1,978	1,217	6,522	1,376	5,116	2,293	18,502
Acquisition	255	29	1,413		157	1,436	3,290
Divestment	(5)	(15)	(112)		(12)	(94)	(238)
Depreciation	(389)	(127)	(1,649)	(314)	(2,657)	(1,156)	(6,292)
On December 31, 2022	1,839	1,104	6,174	1,062	2,604	2,479	15,262
On December 31, 2022							
Total cost	9,333	2,763	18,648	2,988	24,117	13,866	71,715
Accumulated depreciation	(7,494)	(1,659)	(12,474)	(1,926)	(21,513)	(11,387)	(56,453)
Accounting balance, net	1,839	1,104	6,174	1,062	2,604	2,479	15,262
On January 1, 2023	1,839	1,104	6,174	1,062	2,604	2,479	15,262
Acquisition	332	3	788	2,350	520	143	4,136
Divestment	(9)		(1)	(107)			(117)
Depreciation	(396)	(120)	(1,532)	(532)	(711)	(1,111)	(4,402)
On December 31, 2023	1,766	987	5,429	2,773	2,413	1,511	14,879
On December 31, 2023							
Total cost	9,656	2,766	19,435	5,231	24,637	14,009	75,734
Accumulated depreciation	(7,890)	(1,779)	(14,006)	(2,458)	(22,224)	(12,498)	(60,855)
Accounting balance, net	1,766	987	5,429	2,773	2,413	1,511	14,879

Depreciation in the twelve-month period ended December 31, 2023, allocated to the cost of services rendered totaled R$2,305 (December 31, 2022 - R$3,162), and operating expenses totaled R$2,097 (December 31, 2022 - R$3,130).

10 INTANGIBLE ASSETS - PARENT COMPANY AND CONSOLIDATED

	Defined/remaining useful life								Indefinite useful life	
	Data processing systems	Customization systems	ERP System	Software for the Cards Platform	Assignment of right of use - software	Software Card 24	Other	Intangibles under development	Goodwill	Total
Remaining economic useful life (years)	19	18	19	18	10	7	5			
January 1, 2022	646	163,370	1,199	52,825	14,604	474	15	3,419	25,895	262,447
Acquisition		30,937	35	15,610	1,113			4,645		52,340
Divestment				(218)	(84)			(89)		(391)
Amortized	(44)	(13,337)	(150)	(8,840)	(2,868)	(474)	(2)			(25,715)
On December 31, 2022	602	180,970	1,084	59,377	12,765	-	13	7,975	25,895	288,681
On December 31, 2022										
Total cost	10,020	318,492	3,087	149,683	100,245	4,142	3,081	7,975	36,845	633,570
Accumulated amortization	(9,418)	(137,522)	(2,003)	(90,306)	(87,480)	(4,142)	(3,068)		(10,950)	(344,889)
Accounting balance, net	602	180,970	1,084	59,377	12,765	-	13	7,975	25,895	288,681
On January 1, 2023	602	180,970	1,084	59,377	12,765		13	7,975	25,895	288,681
Acquisition		35,154		16,871	3,059			2,778		57,862
Divestment		(332)			(1)					(333)
Transfers				10,753				(10,753)		-
Amortized	(43)	(12,945)	(151)	(8,173)	(2,799)		(2)			(24,113)
On December 31, 2023	559	202,847	933	78,828	13,024	-	11	-	25,895	322,097
On December 31, 2023										
Total cost	10,020	353,314	3,087	177,307	103,303	4,142	3,081		36,845	691,099
Accumulated amortization	(9,461)	(150,467)	(2,154)	(98,479)	(90,279)	(4,142)	(3,070)		(10,950)	(369,002)
Accounting balance, net	559	202,847	933	78,828	13,024	-	11	-	25,895	322,097

Amortization in the twelve-month period ended December 31, 2023, allocated to the cost of services rendered totaled R$23,417 (December 31, 2022 - R$22,511), and operating expenses totaled R$696 (December 31, 2022 - R$3,204).

11 RIGHT-OF-USE ASSETS

Parent Company and Consolidated

	January 1, 2022	Additions	Amortized	Write-off	Remeasurement (i)	December 31, 2022
Lease of properties	25,369	4,182	(14,805)	(190)	3,889	18,445
Lease of software	35,708		(8,777)	(133)	7,374	34,172
Equipment	14,881	6,185	(4,043)	(7)		17,016
Furniture and fixtures	924		(207)			717
Improvements	2,028		(444)			1,584
Computers and peripherals	1,688		(770)	(2)		916
Other leases	2,620	1,693	(521)	(10)		3,782
	83,218	12,060	(29,567)	(342)	11,263	76,632

Parent Company

	January 1, 2023	Additions (ii)	Amortized	Write-off	Remeasurement (i)	December 31, 2023
Lease of properties	18,445	3,982	(16,254)		2,719	8,892
Lease of software	34,172		(13,157)	(6)	12,203	33,212
Equipment	17,016		(3,449)			13,567
Furniture and fixtures	717		(161)			556
Improvements	1,584		(320)			1,264
Computers and peripherals	916		(624)	(9)		283
Other leases	3,782	1,397	(684)	(188)		4,307
	76,632	5,379	(34,649)	(203)	14,922	62,081

Consolidated

	January 1, 2023	Additions (iii)	Amortized	Write-off	Remeasurement (i)	December 31, 2023
Lease of properties	18,445	9,689	(16,992)		2,719	13,861
Lease of software	34,172		(13,157)	(6)	12,203	33,212
Equipment	17,016		(3,449)			13,567
Furniture and fixtures	717		(161)			556
Improvements	1,584		(320)			1,264
Computers and peripherals	916		(624)	(9)		283
Other leases	3,782	1,397	(684)	(188)		4,307
	76,632	11,086	(35,387)	(203)	14,922	67,050

(i) The increase in property leases refers to changes in contractual amounts for the Alphaville Unit and in software rental due to the renewal of basic software used in the Mainframe.

(ii) The increase in additions to property leases refers to the renewal of the lease contract at the Recife unit.

(iii) The increase in property rental at for the subsidiary CSU International LLC refers to a commercial office located in Miami, Florida.

12 LOANS, FINANCING AND LEASE LIABILITIES

	Parent Company		Consolidated
	2023	2022	2023
Current liabilities			
Loans and financing (i)	4,929	9,587	4,929
Lease liabilities (ii)	20,647	26,911	21,800
	25,576	36,498	26,729
Non-current liabilities			
Loans and financing (i)	1,689	6,763	1,689
Lease liabilities (ii)	36,490	42,443	40,333
	38,179	49,206	42,022
	63,755	85,704	68,751

(i) The operations are post-fixed and indexed to the Interbank Deposit Certificate - CDI, with spreads of 1.59% to 4.12% p.a. (2022 – 1.80% to 4.12% p.a.).

(ii) The balance of R$57,137 consists of financial leases o R$13,525 (December 31, 2022 - R$16,137), and right-of-use lease liabilities of R$43,612 (December 31, 2022 - R$53,217).

The loans and financing contracts signed by December 31, 2023, will expire by April 20, 2025.

Leasing contract (financial and right-of-use) existing on December 31, 2023, are expected to be settled on May 31, 2028, for the Parent Company and on July 31, 2028, for the Consolidated.

The Company's lease contracts have most of their payment flows pegged to inflation indexes and, to safeguard the truthful representation and comply with the guidelines in CVM Circular Letter 2/2019, we present passive balances without inflation, which were effectively accounted for, and the estimated balances adjusted for inflation.

The flow adjusted for inflation was measured by the present value of lease payments expected until the end of each contract, increased by projected future inflation and discounted by the incremental financing rate, that is, the nominal interest rate. For the purposes of preparing the contractual future cash flows, we used the projected inflation rates until 2026, published in the Focus bulletin of the Central Bank of Brazil.

The company used projected inflation rates of 3.86% for 2024 and 3.5% for subsequent years. Considering these rates, we would have the following impacts for the year ended December 31, 2023:

	Parent Company		Consolidated	
Cash Flows	Book value	Adjusted for inflation	Book value	Adjusted for inflation
Right-of-use assets, net	39,021	43,518	43,990	48,487
Rental liabilities	51,831	54,296	56,827	59,292
Financial expenses	8,220	10,778	9,558	12,116

12.1 Breakdown of non-current liabilities balance, by maturity year:

Year of maturity	Parent Company and Consolidated 2023	2022
2024	-	15,660
2025	14,987	11,864
2026	12,113	10,094
2027	11,017	8,449
2028	3,905	3,139
	42,022	49,206

Loans and financing are backed by promissory notes that vary between 100% and 120% of the value of the agreements. Lease agreements are backed either by promissory notes that vary between 100% and 120% of the value of the agreements or by the assets that are themselves the objects of the respective agreements.

December 31,2023 the obligations under the lease agreements have payment term of up to 52 months and are recorded at their present value. Financial charges, which substantially refer to changes in the CDI rate, are recorded in the income statement over the lease term.

For the financing contract with Banco do Brasil, with a balance of R$6,688 on December 31, 2023 (December 31, 2022 - R$11,718), the Company is subject to (i) maintaining a specific net debt/EBITDA ratio each quarter. On December 31, 2023 and 2022, the Company was in compliance with this covenant.

12.2 Changes in loans, financings and lease liabilities:

	Parent Company		Consolidated	
	Loans and financings	Leasing debt	Loans and financings	Leasing debt
January 1, 2022	30,863	73,231	30,863	73,231
Funding		12,060		12,060
Accrued interest	3,242	5,373	3,242	5,373
Amortized	(14,522)	(27,928)	(14,522)	(27,928)
Interest payment	(3,233)	(4,645)	(3,233)	(4,645)
Remeasurement (i)		11,263		11,263
On December 31, 2022	16,350	69,354	16,350	69,354
On January 1, 2023	16,350	69,354	16,350	69,354
Funding		5,378		11,085
Accrued interest	1,684	7,863	1,684	8,544
Amortized	(9,525)	(33,453)	(9,525)	(34,216)
Interest payment	(1,891)	(6,927)	(1,891)	(7,557)
Remeasurement (i)		14,922		14,922
On December 31, 2023	6,618	57,137	6,618	62,132

(i) refers to the adjustment of lease contract amounts according to agreed indexes and the variation in contracted volumes.

13 SOCIAL SECURITY AND LABOR OBLIGATIONS

The balances of social and labor obligations are as follows:

	Parent Company		Consolidated
	2023	2022	2023
Payroll payable	9,641	9,975	9,647
Payroll charges	6,195	5,840	6,195
Provision for vacation and charges	23,577	23,822	23,577
Provision for Christmas bonus			
Provision for Management bonus	5,400	7,041	5,400
Other	3,071	2,611	3,071
	47,884	49,289	47,890

14 TAXES TO BE OFFSET AND DUE

The balances of taxes and social contributions to be offset and payable are as follows:

	Parent Company and Consolidated			
	To be offset		To be paid	
	2023	2022	2023	2022
Current				
Income tax (ii)	4,551	3,404	943	
Social contribution (ii)	817	1,754	233	
	5,368	5,158	1,176	
Other taxes				
Income Tax, Social Integration Program Tax on Revenue (PIS), Social Security Financing Tax on Revenue (COFINS) and Social Contribution (CSLL) on third-party services			241	771
Social Integration Program Tax on Revenue (PIS) and Social Security Financing Tax on Revenue (COFINS)	1,433		1,942	1,329
Tax on Services (ISS)	162	194	2,007	2,039
Social Security Tax (INSS)				
Other		103	94	71
	1,595	297	4,284	4,210
	6,963	5,455	5,460	4,210
Non-current				
ISSQN				299
Taxes to offset (i)	1,395	3,937		
	1,395	3,937		299

(i) INSS tax credits on indemnification funds.

(ii) Monthly collection by estimate.

15 DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION

15.1 Balance breakdown and changes:

			Debited (credited) to profit (loss) for the year	
	2023	**2022**	**2023**	**2022**
Deferred tax credits				
Temporary differences				
Provision for contingencies	3,293	5,226	1,933	(701)
Allowance for doubtful accounts	4,976	4,870	(106)	(206)
Rental liabilities	14,828	18,094	3,266	(1,103)
Total deferred assets	23,097	28,190	5,093	(2,010)
Deferred tax credits				
Fair value – investments	(6,988)	(6,988)		
Goodwill amortization	(8,804)	(8,805)	(1)	
Leasing - right of use	(13,272)	(16,613)	(3,340)	2,911
Other provisions	(2,491)	(5,262)	(2,771)	(3,342)
Total differed liabilities	(31,555)	(37,668)	(6,113)	(431)
Total deferred tax balance	(8,458)	(9,478)	(1,020)	(2,441)

15.2 Estimated period for the realization of deferred tax credits:

The Company's Management expects that the deferred tax credits on temporary differences, totaling R$ 9,825, will be recoverable through the offset of taxable income over the next 6 (six) years, according to the schedule presented below:

Year	
2024	1,570
2025	2,270
2026	3,523
2027	1,644
2028	396
2029	422
	9,825

15.3 Reconciliation of current and deferred income tax and social contribution expense

	Parent Company and Consolidated	
	2023	2022
Income before income tax and social contribution	116,781	100,972
Income tax and social contribution at statutory rates (25% and 9%, respectively)	(39,705)	(34,330)
Adjustment for calculation by the effective rate		
10% Additional of the IRPJ base	24	24
Interest on equity	9,146	7,548
Equity Pickup	(1,028)	
Other	3,205	(642)
Income tax and social contribution on profit or loss	(28,358)	(27,400)
Current	(29,378)	(29,841)
Deferred	1,020	2,441
	(28,358)	(27,400)
Effective tax rate - %	24.2%	27.1%

16 LIABILITIES AND JUDICIAL DEPOSITS

16.1 The Company’s legal liabilities, with a likelihood of probable loss, are as follows:

	Parent Company and Consolidated	
	2023	2022
Tax	5,764	4,552
Labor	2,381	3,601
Civil	595	2,243
	8,740	10,396

16.2 The amounts presented below correspond to the balance of deposits in court, whether or not related to liabilities for provisioned lawsuits, classified in non-current assets:

	Parent Company and Consolidated	
	2023	2022
Labor	3,504	6,853
Civil	589	
	4,093	6,853

16.3 The changes in legal liabilities (non-current) are as follows:

	Parent Company and Consolidated			
	Tax	Labor	Civil	Total
As of January 1, 2022	3,256	3,082	2,078	8,416
Additions	1,296	1,850	205	3,351
Payments		(1,780)	(113)	(1,893)
Reversals		(453)	(505)	(958)
Monetary restatement		902	578	1,480
On December 31, 2022	4,552	3,601	2,243	10,396
January 1, 2023	4,552	3,601	2,243	10,396
Additions	966	1,289	401	2,656
Payment/settlement		(2,464)	(1,864)	(4,328)
Reversals		(474)	(326)	(800)
Monetary restatement	246	429	141	816
On December 31, 2023	5,764	2,381	595	8,740

16.4 Possible losses from lawsuits

The Company is a party to tax, civil and labor lawsuits involving risk of loss classified by Management as possible, based on the assessment of its legal counsel, for which no provisions have been recorded, composed and estimated as follows:

	Parent Company and Consolidated	
	2023	2022
Tax (i)	3,735	2,576
Labor (ii)	4,861	4,821
Civil	131	320
	8,727	7,717

(i) Within the tax lawsuits, we highlight the lawsuit referring to non-payment of ISS withheld by third parties in Recife. There were no relevant changes in the process during the period ended December 31, 2023.

(ii) Refers to estimated losses for labor lawsuits under the methodology described in the Company's accounting policy, according to Note 2.20 of the financial statements of December 31, 2023.

The balance for liabilities and judicial deposits refers to the Parent Company, on December 31, 2023, and December 31, 2022. There are no balances in the subsidiary's statements. Therefore, the accounting position of the Consolidated and Parent Company have the same amounts.

17 COMMITMENTS

In the regular course of business, the Company executed bank guarantee agreements, grouped and characterized as follows:

17.1 Bank guarantees:

Based on current contracts, bank guarantees by first-class financial institutions have the following composition for single guarantees originating from a commercial partnership:

	Parent Company and Consolidated	
Type	2023	2022
Service agreements (i)	968	522
	968	522

(i) Refers to a guaranteed agreement with Mastercard and Amex.

18 SHAREHOLDERS' EQUITY

18.1 Share capital

On May 04, 2023, the Company approved, at the Annual Shareholders' Meeting, the increase in share capital with the capitalization of part of the Profit Reserves, in the amount of R$ 60,000, going from R$ 169,232 to R$ 229,232. There was no change in number of shares.

On December 31, 2023, and December 31, 2022, the subscribed and fully paid-in capital was represented by 41,800,000 common shares with no par value.

18.2 Treasury shares

	Number of shares					Acquisition cost per share - in Reais		
	Authorized to be acquired	Acquired	Canceled	Balance in Treasury	Weighted amount	Closure	Minimum	Maximum
Balance on December 31, 2021				661,012		13.06	11.07	11.64
Share-Based incentive and retention plan - shares delivered				(89,607)	(1,150)	11.01	12.51	14.77
Balance on December 31, 2022				571,405	(1,150)	12.20	10.95	11.49
Share-Based incentive and retention plan - shares delivered				(27,870)	(402)	15.50	10.82	15.88
Balance on December 31, 2023				543,535	(402)	19.57	19.04	19.57

Based on the shareholding position on December 31, 2023, the base amount for determining the 10% limit (free float) of treasury shares is 1,857,279 (1,855,540 on December 31, 2022).

On December 31, 2023, the market value of the shares held in treasury, calculated based on the last share price prior to the balance sheet date, is R$ 10,637 (December 31, 2022 - R$ 6,971).

18.3 Profit reserves

The legal reserve is constituted, on an annual basis, as an allocation of 5% of net income for the year and cannot exceed 20% of the share capital. The purpose of the legal reserve is to ensure the integrity of the share capital and can only be used to offset losses and increase capital.

The profit retention reserve refers to the retention of the remaining accumulated profits to meet the business growth established in the Company's investment plan, according to the capital budget approved the Company's Management and submitted for resolution by the Annual Shareholders' Meeting.

According to the Brazilian Corporation Law, the balance of profit reserves, except those contingencies, tax incentives and unrealized profits, cannot exceed the share capital. Once this limit is reached, the Shareholders’ Meeting will resolve on the use of excess funds to pay or increase share capital or to be distributed as dividends.

For accumulated profits on December 31, 2023, the allocation will be defined and approved in a resolution at the Annual Shareholders’ Meeting scheduled for April 29, 2024.

19 DIVIDENDS AND INTEREST ON EQUITY

Based on the operational and financial results until December 2022, the Company approved the payment of Interest on Equity relating to the 2022 fiscal year, in the amount of R$ 22,200 (totaling R$ 19,191 net of taxes), corresponding to R$ 0.53890 per share, to be attributed to the mandatory dividend pursuant to article 37 of the Company's Bylaws, “ad referendum” of the Annual Shareholders’ Meeting. The payment of said Interest on Equity was made on January 16, 2023.

On April 25, 2023, the General Shareholders’ Meeting approved the distribution of additional dividends, in the amount of R$ 14,586 (R$ 0.35375 per share), paid on May 17, 2023.

Management's proposal for the allocation of net income for the 2023 fiscal year, to be resolved at the Annual Shareholders’ Meeting to be held in April 2024, is as follows:

Allocation of the net income for 2023

Legal reserve - 5%	4,421
Profit retention reserve	57,102
Minimum mandatory dividends – 25% - IOE	21,000
Distribution of additional dividends – IoE	5,900
	88,423

The Company's Management, in accordance with the resolutions at the Board of Directors' meeting approved on March 17, 2023, the distribution of R$ 6,000 (0.14551 per share), on June 20, 2023, the distribution of R$ 6,500 (0.15763 per share), on September 21, 2023, the distribution of R$ 7,000 (0.16967 per share) and on December 12, 2023, the distribution of R$ 7,400 (0.17936 per share) all in the form of Interest on Equity for the 2023 fiscal year. Payments were made on April 18, 2023, July 17, 2023, October 6, 2023, and December 28, 2023, and will be attributed to the statutory mandatory dividends to be paid by the Company for the 2023 fiscal year, “ad referendum” of the Annual Shareholders’ Meeting.

	IoE	Taxes	Net value
March	6,000	(438)	5,562
June	6,500	(826)	5,674
September	7,000	(881)	6,119
December	7,400	(921)	6,479
	26,900	(3,066)	23,834

20 FINANCIAL RISK MANAGEMENT - PARENT COMPANY AND CONSOLIDATED

20.1 Financial instruments by category

The Company's main financial assets and liabilities on December 31, 2023, and December 31, 2022, are as follows:

		2023		2022	
Category of the financial instruments	Classification	Accounting	Fair value	Accounting	Fair value
Cash and cash equivalents	Amortized cost	3,937	3,937	4,192	4,192
Fixed-income securities – Bank Deposit Certificates (CDBs) on repurchase agreements	Amortized cost	70,671	70,671	82,263	82,263
Receivables	Amortized cost	76,879	76,879	76,312	76,312
Investment – Fitbank (i)	VJORA	31,097	31,097	31,097	31,097
Total financial assets		182,584	182,584	193,864	193,864

Category of the financial instruments	Classification	Accounting	Fair value	Accounting	Fair value
Suppliers	Amortized cost	35,345	35,345	38,755	38,755
Loans and financings	Amortized cost	6,619	6,527	16,350	16,465
Leasing	Amortized cost	13,525	13,525	16,137	16,299
Lease liabilities	Amortized cost	43,612	43,612	53,217	53,217
Total financial liabilities		99,101	99,009	124,459	124,736

(i) Investment measurable at the level 3 fair value hierarchy.

20.2 Credit risk

The Company's sales policy considers the level of credit exposure in the regular course of business. The diversification of its receivable portfolio, the selectivity of its clients and the monitoring of sales financing terms per business segment as well as individual position limits are procedures adopted to mitigate the effects of default in its accounts receivable.

20.3 Liquidity risk

This is the risk that the Company will not have sufficient liquid funds to meet its financial commitments as a result of a term or volume-related mismatch in estimated cash receipts and payments.

To manage the cash liquidity in local and foreign currency, assumptions for future disbursements and receipts are established and monitored on a daily basis, in addition to an active negotiation policy for operational limits available with financial institutions of at least 1.2 times the average monthly turnover.

The table below analyzes the Company's financial liabilities by maturity date, corresponding to the period remaining in the balance sheet until the contractual maturity date. The amounts disclosed are the contracted undiscounted cash flows, so they may not be consistent with the balances presented in the balance sheet and/or respective notes.

	2024	2025	2026 to 2028
Suppliers	35,345		
Loans and financings	4,982	1,707	
Leasing debt	25,539	15,710	30,336
	65,866	17,417	30,336

20.4 Market risk

The Company is exposed to market risks arising from its activities. Such market risks mainly correspond to changes in interest rates, which may adversely affect the value of financial assets and liabilities or future cash flow as well as the Company's results. Market risk is the potential loss arising from adverse changes in interest rates and market prices.

20.5 Interest rate risk

The Company's exposure to interest rate risks is mainly related to changes in the CDI rate on fixed income investments, its loans and financing, and commercial lease agreements. The interest rates and maturities on these agreements are presented in Note 12. The interest volatility risk is basically linked to the CDI floating rate.

20.6 Exchange rate risk

The Company's exposure to exchange rate risks is related solely to the balance in foreign currency at the subsidiary CSU International LLC. During 2023, this entity did not carry out commercial transactions, and the cash balance was R$682, which has the purpose of paying basic expenses at the branch, therefore, Management's assessment is that we are not subject to material exchange rate risk.

20.7 Capital management

The Company's objective when managing its capital is to safeguard its ability to continue to offer shareholder returns and benefits to other stakeholders, as well as to maintain an ideal capital structure to reduce this cost.

To maintain or adjust the capital structure, the Company may review the dividend payment policy, return capital to shareholders or issue new shares or sell assets to reduce, for example, the level of indebtedness.

The Company monitors capital based on the financial leverage ratio. This ratio, presented in the table below, corresponds to the net debt divided by the total capital. Net debt corresponds to total loans and leasing (including current and non-current), deducted from the amount of cash and cash equivalents, while total capital is calculated by adding equity and net debt, as shown in the balance sheet.

	Consolidated	
	2023	2022
Lease loans and liabilities	68,751	85,704
Cash and cash equivalents	(75,290)	(86,455)
Net debt	(6,539)	(751)
Total capital	422,817	381,095
Financial leverage ratio	(0.015)	(0.002)

20.8 Derivatives

On December 31, 2023, and December 31, 2022, the Company did not sign any contracts that can be considered as derivative financial instruments.

20.9 Sensitivity analysis of financial assets and liabilities.

The risk associated with the financial assets and liabilities maintained by the Company is linked to the variation in the Interbank Deposit Certificate (CDI) on investments in fixed income securities, its loans and financing, and leasing contracts, all with pre-determined spreads. Fair values are approximate to their book values.

To verify the sensitivity of the financial items to the indices to which the Company was exposed on December 31, 2023, three different scenarios were defined: (a) probable scenario - considering the projection of the average annual CDI rate for the next 12 months; (b) scenario II - with a 25% appreciation over the probable scenario; and (c) scenario III - with a 50% appreciation over the probable scenario. For fixed income investments, the balances in scenarios II and III consider depreciation of rates.

In order to verify the sensitivity for each scenario, the respective gross remuneration, financial income or expense for these financial assets and liabilities, respectively, were calculated for the next twelve months, as presented below:

	Financial assets (liabilities)			Financial income (expenses)		
	December 31, 2023	December 31, 2022	Risk	Probable scenario	Scenario II	Scenario III
Financial investments	70,671	82,263	CDI	6,048	4,589	3,095
				9.00%	6.75%	4.50%
Lease liability - equipment	(13,525)	(16,137)	CDI	(1,932)	(2,119)	(2,299)
				9.00%	11.25%	13.50%
Lease liabilities - properties and software	(43,612)	(53,217)	CDI	(4,044)	(4,378)	(4,776)
				9.00%	11.25%	13.50%
Financing	(6,618)	(16,350)	CDI	(1,456)	(1,531)	(1,604)
				9.00%	11.25%	13.50%

21 SHARE-BASED COMPENSATION

The Board of Directors approved, at a meeting held on May 26, 2015, the creation of a Share-Based Incentive and Retention Plan, approved by the CVM on July 20, 2015, with the purpose of transferring the ownership of 543,535 shares held
in treasury on December 31, 2023 (December 31, 2022 - 571,405), on a non-remunerated basis, that is, without call option, complying with the terms of 24 to 36 months from the grant date and other conditions set forth in the program.

Until December 31, 2023, a total of 379,091 shares were granted to 23 of the Company's employees. In the twelve-month period ended December 31, 2023, we recognized R$607 (December 31, 2022 - R$441, written off in treasury shares R$77), referring to all share-based programs and treasury shares.

22 INSURANCES

On the reporting date, the Company had the following main insurance policies taken out from third parties:

	Parent Company		Consolidated	
Segments	2023	2022	2023	2022
Comprehensive business insurance	387,300	362,095	411,507	362,095
Civil process insurance	5,213	6,015	29,419	6,015
Labor legal insurance	3,772	4,896	8,614	4,896
Civil liability insurance	118,263	113,554	118,263	113,554
Vehicle insurance	7,977	5,644	7,977	5,644
	522,525	492,204	575,780	492,204

23 NET REVENUE

	Parent Company and Consolidated	
	2023	2022
Gross revenue from services	603,502	609,193
Deductions from gross revenue		
Tax on Services of Any Nature (ISSQN)	(12,210)	(12,339)
Social Integration Program (PIS) and COFINS	(41,718)	(40,869)
Employer's Contribution to Social Security	(19,341)	(18,817)
Net revenue from services	530,233	537,168

On December 27, 2023, Law 14,784/2023 was published, extending the tax exemption on payroll until the end of 2027. Commonly known as "payroll tax exemption", the Social Security Contribution on Gross Revenue (CPRB) was established by Law 12,546, of 2011, which was initially mandatory and valid until December 31, 2014. However, it has been subject to successive extensions, in addition to having its mandatory nature removed.

The payroll tax exemption is a mechanism used by the government to benefit companies in certain sectors. The CPRB tends to be lower than the social security contribution calculated on the payroll. The Company is eligible for this benefit as it provides information technology (IT), information, communication technology (ICT) and call center services, in addition to other activities not covered by this legislation.

24. COST OF SERVICES, EXPENSES WITH SALES, GENERAL AND ADMINISTRATIVE

	Parent Company				Consolidated			
	Cost of services		Selling, general and administrative expenses		Cost of services		Selling, general and administrative expenses	
	2023	2022	2023	2022	2023	2022	2023	2022
Labor	196,629	208,974	55,823	50,896	196,629	208,974	55,858	50,896
Card consumption	4,901	4,575			4,901	4,575		
Consumption and awarding	5,393	4,231			5,393	4,231		
Operating materials	7,724	8,532	581	728	7,724	8,532	581	728
Shipment	5,651	12,617		1	5,651	12,617		1
Communication	2,692	5,258	396	416	2,692	5,258	396	416
Contracted services	7,174	5,157	10,049	10,410	7,174	5,157	10,382	10,410
Equipment and furniture maintenance	2,468	3,605	908	1,243	2,468	3,605	908	1,243
Rental and software maintenance	18,239	16,349	1,772	3,068	18,239	16,349	1,758	3,068
Depreciation and amortization	58,200	53,406	4,975	8,168	58,200	53,406	5,741	8,168
Occupancy	16,495	19,281	3,814	3,875	16,495	19,281	3,814	3,875
Advertising and relationships	178	165	8,637	10,176	178	165	8,637	10,176
Legal expenses	59	3	1,052	1,992	59	3	1,052	1,992
PIS/COFINS credit	(8,425)	(9,626)			(8,425)	(9,626)		
Travel and representations	1,525	1,493	1,737	949	1,525	1,493	1,987	949
Other	2,407	1,720	2,805	3,478	2,407	1,720	4,410	3,478
	321,310	335,740	92,549	95,400	321,310	335,740	95,524	95,400

25 FINANCIAL EARNINGS (LOSS)

	Parent Company		Consolidated	
	2023	2022	2023	2022
Financial investment revenue	8,000	7,272	8,000	7,272
Monetary variation gains	2,694	736	2,642	736
Interest and late payment fines received	541	44	541	44
FX variation	(1)		(1)	
	11,234	8,052	11,182	8,052
Charges on loans, financing, leases and right-of-use	(9,831)	(9,827)	(9,831)	(9,827)
Tax on financial transactions (IOF)	(31)	(47)	(31)	(47)
Monetary variation losses	(1,147)	(1,321)	(1,147)	(1,321)
Bank expenses	(162)	(98)	(162)	(98)
Interest and late payment fines paid	(131)	(106)	(131)	(106)
Other	(554)	(192)	(580)	(192)
	(11,856)	(11,591)	(11,882)	(11,591)
	(622)	(3,539)	(700)	(3,539)

26 EARNINGS PER SHARE

(a) Basic

The basic earnings per share is calculated by dividing the profit or loss attributable to the Company's shareholders by the weighted average number of common shares issued during the year, excluding common shares purchased by the Company and held as treasury shares (Note 18.2).

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of outstanding common shares to assume the conversion of all diluted potential common shares.

	2023	2022
Numerator (in thousands of Reais)		
Net income attributable to common shares	88,423	73,572
Denominator (in units of shares)		
Weighted average number of common shares (excluding treasury shares)	40,796	40,899
Weighted average number of common shares (excluding treasury shares and potential shares granted to employees)	41,156	40,573
Earnings per share - basic	2.1674	1.7989
Earnings per share - diluted	2.1485	1.7847

27 BUSINESS SEGMENT INFORMATION

Management defined the Company's operating segments based on reports used to make strategic decisions and reviewed by the Board of Directors. Information on assets and liabilities by segment is not regularly provided to Management. The summary of the Company's information, by segment, is segregated between CSU.Pays and CSU.DX, and illustrated as follows:

	Parent Company and Consolidated			
	CSU Pays		CSU DX	
	2023	2022	2023	2022
Gross revenue from services	393,645	372,778	209,857	236,415
Deductions from gross revenue	(55,583)	(52,153)	(17,686)	(19,872)
Net revenue from services	338,062	320,625	192,171	216,543
Cost of services	(163,207)	(155,824)	(158,103)	(179,916)
Gross profit	174,855	164,801	34,068	36,627
Operating expenses	(55,428)	(62,996)	(36,092)	(33,921)
Operating profit before financial result	119,427	101,805	(2,024)	2,706

The Company's 10 largest clients account for a significant part of gross revenue, in such a way that the loss of our largest clients could adversely affect the Company's results.

The breakdown of other net income according to the operating expenses line of the income statement is provided below:

	Operating revenues (expenses)	
	2023	2022
Other revenues	3,171	774
Other expenses	911	(2,291)
	4,082	(1,517)

28 STATEMENT OF CASH FLOW

The equity movements that did not affect the Company's cash flows are as follows:

	2023	2022
Variation in fair value of financial assets – Note 8		(5,151)
Compensation for recoverable taxes	(3,491)	(1,411)
Stock plan - Note 21	(607)	(441)
Interest on equity no paid in the year - Note 19		(22,200)
Right of use and leases - remeasuring - Note 11	(14,922)	(11,263)
Acquisitions via leasing - Note 11	(5,379)	(12,060)
	(24,399)	(52,526)

29 SUBSEQUENT EVENTS

On March 19, 2024, the Company’s Board of Directors approved the distribution of proposed complementary dividends, “ad referendum” of the Annual Shareholders’ Meeting scheduled for April 29, 2024, in the amount of R$ 17,312, thus totaling R$ 44,212 distributed for the year of 2023, being R$ 26,900 through Interest on Equity, which were paid as follows: R$ 6,000 on April 18, 2023, R$ 6,500 on July 17, 2023, R$ 7,000 on October 06, 2023, and R$ 7,400 on December 28, 2023. The same meeting also approved the distribution of proceeds to shareholders, in the form of IOC, in respect to 1Q24, for a gross amount of R$ 6.5 million, or R$ 0.157551065 per share, excluding shares held by treasury, after tax withholding in accordance to the current legislation and taking into account legal exceptions. The payment of the IOC for 1Q24 will be made on April 4, 2024, based on the shareholding position on March 22, 2024, with the shares of the Company being traded "ex proceeds" as of March 25, 2024, the amounts of which will be included in the mandatory statutory dividends for the fiscal year of 2024, ad referendum of the General Shareholders' Meeting of 2025, in accordance with the provisions of Article 37 of the Company's Bylaws.

Capital Budget 2024

Pursuant to paragraph 2 of Article 196 of Law 6,404/76, we hereby submit to your decision the Capital Budget of CSU Digital S.A. for the year 2024, in the amount of R$92.9 million, according to the funding sources below:

INVESTMENTS

Amount - R$ Thousand

Description	2024P
CSU.Pays	
Technology (HW/SW/Customizations)	70.251
CSU.Dx	
Technology (HW/SW/Customizations)	20.628
Corporate	
Technology (HW/SW) e Others	2.015
Total	**92.895**

1 Investments in software, customizations and hardware at the CSU Pays represent Management's estimate of amounts to be spent on new products and installation of prospects.

2 Investments at the CSU DX are mainly earmarked for disbursements for setting up of HAS product (Hyperautomation technology for broad process volumes) for prospects.

Capital Budget 2024 (continued)

USE AND SOURCE OF FUNDS:

Amount - R$ Thousand

Uses		
Investment Plan		92.895
Net Debt Reduction		78.925
Complementary Dividend Payments 2023		17.312
JCP Payments 2024		26.692
	Total	**215.823**
Sources		
Operating Cash Flow		215.823
	Total	**215.823**

Shareholding composition in::

	December 31, 2023		December 31, 2022		December 31, 2021	
Shareholders	# SHARES	%	# SHARES	%	# SHARES	%
Controlling	**22,672,598**	**54.2%**	**22,661,556**	**54.2%**	**22,628,692**	**54.1%**
Greeneville Delaware LLC	22,591,192	54.0%	22,591,192	54.0%	22,591,192	54.0%
Marcos Ribeiro Leite	81,406	0.2%	70,364	0.2%	37,500	0.1%
Others	**18,583,867**	**44.5%**	**18,567,039**	**44.4%**	**18,510,296**	**44.3%**
Treasury	**543,535**	**1.3%**	**571,405**	**1.4%**	**661,012**	**1.6%**
TOTAL CSUD3	**41,800,000**	**100.0%**	**41,800,000**	**100.0%**	**41,800,000**	**100.0%**

Date: December, 31

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INDEPENDENT AUDITOR'S REPORT ON THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders, Executive Board and Directors of
CSU Digital S.A.

Opinion

We have examined the individual and consolidated financial statements of CSU Digital S.A. and Subsidiaries ("Company"), identified as parent and consolidated, respectively, which comprise the balance sheet as of December 31, 2023 and the respective statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year ended on that date, as well as the corresponding explanatory notes, including material accounting policies.

In our opinion, the above-mentioned financial statements present fairly, in all material respects, the Company's individual and consolidated equity and financial position as of December 31, 2023, the individual and consolidated performance of its operations and its respective individual and consolidated cash flows for the year ended on that date, in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards IFRS, issued by the International Accounting Standards Board IASB.

Basis for opinion

Our audit was conducted in accordance with Brazilian and international auditing standards.
Our responsibilities in accordance with these standards are described in the following section entitled "Auditor's Responsibilities for Auditing Individual and Consolidated Financial Statements". We are independent of the Company, in accordance with the relevant ethical principles set forth in the Accountant's Code of Professional Ethics and in the professional standards issued by the Federal Accounting Council (CFC), and we comply with other ethical responsibilities in accordance with these standards. We believe that the audit evidence obtained is sufficient and appropriate to support our opinion.

Key Audit Matters

Key audit matters (KAM) are those that, in our professional judgment, were the most significant in our current year audit. These matters have been dealt with in the context of our audit of the individual and consolidated financial statements as a whole and in the formation of our opinion on these individual and consolidated financial statements and, therefore, we do not express a separate opinion on these matters.

Service Provision Revenue Recognition

Why it's a KAM

As disclosed in notes 2.26 (a), 3.4 and 23 to the individual and consolidated financial statements, the Company derives a substantial part of its revenue from the provision of credit card processing services, relationship and loyalty programs, teleservice and telesales (*contact centers*). Revenue is recognized as services are provided, calculated on the basis of contract prices agreed with customers and includes estimates of amounts to be invoiced. Thus, due to the relevance of the values involved, the complexity of the systemic environment and volumes of transacted data, we consider this subject as one of the main audit matters.

How the matter was handled in our audit

Our audit procedures included, but were not limited to: i) understanding the policy and methodology used by the Company in revenue recognition; ii) with the assistance of our information technology specialists, evaluation of the design of the relevant internal controls related to change management and access profiles of the measurement and billing systems and evaluation of the controls of customer approval on the estimates of revenues earned; iii) evaluation of the criteria and assumptions adopted in the recognition of revenue through substantive documentary tests, including external confirmations with the Company's customers; and v) assessment of the adequacy of the disclosures presented by the Company in light of technical pronouncement CPC 47 -Revenue from Contract with Customer.

Based on the procedures performed, we consider the judgments exercised and the criteria adopted for the recognition of revenue are acceptable in the context of the individual and consolidated financial statements taken together.

Capitalization of software-related costs

Why it's a KAM

As disclosed in notes 2.15(b), 3(c) and 10 to the individual and consolidated financial statements, software development costs that are directly attributable to a given project, identifiable and controlled by the Company, are recognized as intangible assets. These capitalized costs include, mainly, costs with employees allocated to the development of software and the acquisition of licenses for uses.

Thus, due to the relevance of the amounts involved, capitalization criteria considered this subject as one of the main audit matters.

How the matter was handled in our audit

Our audit procedures included, but were not limited to: i) understanding the policy and methodology used by the Company in the capitalization of software-related costs; ii) evaluation of the criteria and assumptions adopted in the capitalization of costs related to software through substantive documentary tests that seek to confirm whether the assets are identified, controlled and generate future economic benefits; and iii) assessment of the adequacy of the disclosures presented by the Company in light of the technical pronouncement CPC 4 (R1) Intangible Assets.

Based on the procedures carried out, we consider the judgments exercised and the criteria adopted in the capitalization of costs related to are acceptable in the context of the individual and consolidated financial statements taken together.

Other Matters

Statements of value added

The individual and consolidated statements of value added (DVA) for the year ended December 31, 2023, prepared under the responsibility of the Company's Executive Board and presented as supplementary information for IFRS purposes, were submitted to audit procedures performed in conjunction with the audit of the Company's individual and consolidated financial statements. In order to form our opinion, we assess whether these statements are reconciled with the financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in the technical pronouncement CPC 09 Statement of Value Added. In our opinion, these statements of value added have been adequately prepared in all material respects in accordance with the criteria set out in this technical pronouncement and are consistent with the individual and consolidated financial statements taken together.

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Other information accompanying the individual and consolidated financial statements and the auditor's report

The Company's Executive Board is responsible for this other information that includes the Management Report.

Our opinion on the individual and consolidated financial statements does not cover the Management Report, and we do not express any form of audit conclusion on that report.

In connection with the audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, to consider whether that report is materially inconsistent with the individual and consolidated financial statements or with our knowledge gained from the audit or otherwise appears to be materially misstated. If, on the basis of the work carried out, we conclude that there is a material misstatement in the Management Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and Governance for Individual and Consolidated Financial Statements

The Board of Executive Officers is responsible for the preparation and adequate presentation of individual and consolidated financial statements in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards ‑IFRS, issued by the IASB, and for the internal controls that it has determined as necessary to allow the preparation of individual and consolidated financial statements free of material misstatement, regardless of whether caused by fraud or error.

In the preparation of the individual and consolidated financial statements, the Board of Executive Officers is responsible for assessing the Company's ability to continue operating and disclosing matters, when applicable, related to its operational continuity and the use of this accounting basis in the preparation of the individual and consolidated financial statements, unless the Board intends to liquidate the Company or cease its operations, or has no realistic alternative to avoid shutting down operations.

Those responsible for the Company's governance are those responsible for supervising the process of preparing individual and consolidated financial statement.

Auditor's Responsibilities for Auditing Individual and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance that the individual and consolidated financial statements, taken together, are free from material misstatement, whether caused by fraud or error, and to issue an audit report containing our opinion. Reasonable security is a high level of security, but not a guarantee that an audit carried out in accordance with Brazilian and international auditing standards always detects any relevant misstatements that exist. Misstatements may be due to fraud or error and are considered material when, individually or together, they may influence, within a reasonable perspective, the economic decisions of users made on the basis of such individual and consolidated financial statements.

As part of an audit conducted in accordance with Brazilian and international auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. In addition:

- We identify and assess the risks of material misstatement in the individual and consolidated financial statements, whether caused by fraud or error, plan and execute audit procedures in response to such risks, and obtain appropriate and sufficient audit evidence to support our opinion. The risk of non-detection of material misstatement resulting from fraud is greater than that arising from error, as fraud may involve the act of circumventing internal controls, collusion, forgery, omission, or intentional misrepresentation.

- We gain an understanding of the internal controls relevant to the audit in order to plan audit procedures appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness

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of the Company's internal controls.

- We evaluate the adequacy of the accounting policies used and the reasonableness of the accounting estimates and respective disclosures made by the Board.

- We conclude on the adequacy of the Board's use of the operational continuity accounting basis and, based on the audit evidence obtained, whether there is material uncertainty in relation to events or conditions that may raise significant doubt regarding the Company's operational continuity capacity. If we conclude that material uncertainty exists, we should draw attention in our audit report to the respective disclosures in the individual and consolidated financial statements or include modification in our opinion if the disclosures are inadequate. Our conclusions are based on the audit evidence obtained as of the date of our report. However, future events or conditions may cause the Company to no longer maintain operational continuity.

- We evaluate the overall presentation, structure, and content of the individual and consolidated financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the corresponding transactions and events in a manner consistent with the objective of proper presentation.

- We obtain sufficient appropriate audit evidence regarding the financial information of the Company's entities or business activities to express an opinion on the individual and consolidated financial statements. We are responsible for the direction, supervision and performance of the audit and, consequently, the audit opinion.

We communicate with those charged with governance regarding, among other things, the planned scope and timing of the audit, and significant audit findings, including any significant deficiencies in internal controls that we have identified during our engagements.

We also provide those charged with governance with a statement that we comply with relevant ethical requirements, including applicable independence requirements, and communicate any potential relationships or matters that could materially affect our independence, including, where applicable, the respective safeguards.

Of the matters that were the subject of communication with those charged with governance, we determined those that were considered to be most significant in the audit of the individual and consolidated financial statements for the current year and that, therefore, constitute the main audit matters. We describe these matters in our audit report, unless law or regulation has prohibited public disclosure of the matter, or where, in extremely rare circumstances, we determine that the matter should not be communicated in our report because the adverse consequences of such communication may, within a reasonable perspective, outweigh the benefits of the communication to the public interest.

São Paulo, March 20, 2024

DELOITTE TOUCHE TOHMATSU
Auditores Independentes Ltda.

Alexander Cassini Decourt
Engagement Partner

Opinions and Declarations / Opinion or Summary Report, if any, of the Audit Committee(statutory or not)

The Audit Committee ("Committee") of CSU Digital ("Company") is a permanent non-statutory advisory body, linked to the Company's Board of Directors ("Board of Directors") and with operational operating autonomy. As part of the process of continuous evolution of the Company's corporate governance and compliance with the Novo Mercado Regulations of B3 – Brasil, Bolsa, Balcão ("Novo Mercado Regulations"), the Committee was installed at a meeting of the Board of Directors held on April 18, 2022 and its Internal Regulations ("Regulations") were also approved by the Company's Board of Directors at a meeting held on the same date. available on the Company's IR page (updated on 03/19/24).

The Committee annually defines a Work Plan for the proper planning and execution of its responsibilities. Meetings are held on an ordinary basis quarterly or extraordinarily whenever necessary, following the rules for convening.

Between 03/13/2023 and 03/19/2024, the Committee met 6 times. During the meetings held, the following areas also participated: (i) Controllership; (ii) Internal Audit, (iii) Risk and Compliance, (iv) Finance, (v) Technology and Information Security, (vi) Legal in addition to Independent Audit.

Meetings held and main topics discussed

03/17/2023: Presentation of the preliminary opinion of the independent auditors' report for the fiscal year ended December 31, 2022. Examination, analysis and approval of the Company's financial statements for the fiscal year ended December 31, 2022 and the proposals for the allocation of the results for the year 2022 and for the incorporation of part of the balance of the profit retention reserve into the capital stock.

05/08/2023: Presentation of the financial statements for the fiscal year ended March 31, 2023. Presentation of the current business landscape. Presentation of internal Compliance actions. Presentation of the Panel with the results of the Internal Whistleblowing Channel for the period from January 2023 to May 2023. Presentation of the status of the schedule of Risks, Compliance and Internal Audit activities.

08/08/2023: Presentation of the financial statements for the 2nd Quarter of 2023 ("2Q23"). Presentation of the current business landscape. Presentation of internal and external Compliance actions. Presentation of the Panel with the results of the Internal Whistleblowing Channel for the period from May 2023 to July 2023. Presentation of the status of the schedule of Risks, Compliance and Internal Audit activities.

11/06/2023: Presentation of the financial statements for the 3rd Quarter of 2023 ("3Q23"). Presentation of the current business landscape. Information Security Overview.
Presentation of the Panel with the results of the Internal Whistleblowing Channel for the period from August 2023 to October 2023. Presentation of the status of the schedule of Risks, Compliance, and Internal Audit activities.

03/13/2024: (i) Presentation of the Audited Financial Statements for the fiscal year accompanied by the preliminary presentation of the independent auditors' report for the fiscal year ended December 31, 2023; (ii) the management report and the proposal for the allocation of the results for the 2023 fiscal year were examined; (iii) ratification of the independence of the External Audit; (iv) presentation of the annual activity report of the Audit Committee for the year 2023; (v) presentation of the Panel with the results of the Internal Whistleblowing Channel for the year 2023; (vi) presentation of the status of the schedule of Risks, Compliance and Internal Audit activities; (vii) presentation of the Company's contingency panel by the legal department.

03/19/2024: Continuation of the meeting held on 03/13/2024, proceeded to the examination and analysis of the preliminary opinion of the independent auditors without reservation regarding the fiscal year ended December 31, 2023. Considering the information provided by the Company's Management and Deloitte, they unanimously decided that they adequately reflect, in all material aspects, the equity and financial positions of the Company and its subsidiaries, and recommended the approval of the documents by the Company's Board of Directors for their submission to the Annual General Meeting of Shareholders.

Conclusions and recommendations

The Audit Committee, based on the activities carried out, the recommendations and guidelines issued and complied with, and bearing in mind the attributions and limitations inherent to the scope of its activities, considers that:

a) complied with its Annual Work Plan;
b) the Company's internal controls are appropriate to the size and complexity of the business, as well as are the object of permanent attention by Management;
c) Internal Audit performs its functions with independence and quality;
d) the corporate accounting process follows the legal standards and practices adopted in Brazil;
(e) the quality of the work and the prior information provided by the independent auditors are satisfactory;
f) The recommendations for the guidelines proposed by the Committee were accepted through presentations made for the specific topics (Business and Information Security).

In the exercise of their legal duties and responsibilities, the members of the Committee analyzed the documentation consisting of the Financial Statements, the annual management report, the proposal for the allocation of results, accompanied by the preliminary opinion of the independent auditor, for the fiscal year ended December 31, 2023.

Considering the information provided by the Company's management, internal audit, the superintendencies responsible for accounting, budgeting, risk management, internal controls and compliance and the independent auditor, the members of the Committee opined that these information adequately reflect, in all material aspects, the Company's equity and financial positions, recommending, unanimously, the approval by the Company's Board of Directors of the aforementioned Documents.

<u>MEMBERS OF THE AUDIT COMMITTEE</u>

Antonio Kandir

Sérgio Luiz da Silva Ribeiro

João Carlos Matias

Opinions and Declarations / Declaration of the Directors on the FinancialStatements

Pursuant to CVM Resolution nº 80/2022, the officers of CSU DIGITAL S.A. declare that they discussed, reviewed and agreed withthe opinions expressed in the independent auditors' report and with the financial statements for the fiscal year ended December 31,2023.

BOARD

Marcos Ribeiro Leite
CEO

Pedro Alvarenga D'Almeida
Investor Relations Director

Fabiano Agante Droguetti
Director

Celio Rorato Junior
Financial Superintendent

Sérgio Pereira da Trindade
Senior Controller - CRC 1 SP 198109/O-7

Opinions and Declarations / Declaration of the Directors on the Independent Auditor's Report

Pursuant to CVM Resolution nº 80/2022, the officers of CSU DIGITAL S.A. declare that they discussed, reviewed and agreed withthe opinions expressed in the independent auditors' report and with the financial statements for the fiscal year ended December 31,2023.