



1Q23 Results

May 9, 2023

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Earnings call

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

Date: Wednesday, May 10, 2023

PORTUGUESE AND ENGLISH

Time: 11:00 a.m. (BR) | 10:00 a.m. (NY)

Earnings Conference Call: [click here](#).

SÃO PAULO, MAY 9th, 2023

CSU Digital S.A. (B3:CSUD3) ("CSU" or "Company"), leader in the Brazilian market of cutting-edge technology solutions for payment methods, Banking as a Service (BaaS), digital experience, and customer loyalty and incentive, announces its results for the first quarter of 2023.

All information 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 the 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, in August 2022 the 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 (ticker) CSUD3. These changes represent key steps in repositioning our business, which results from a vast investment program that has been carried out in recent years.

Consequently, adjustments were made (please see Exhibit 4) to our grouping of results by business division, according to the aforementioned changes. Such adjustments seek to 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 periods.

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

Quarter highlights

Continued evolution of the digitalization agenda translated into profit expansion and cash generation at high levels

Net revenue: Reaches R\$ 132.8 million, expanding slightly by 1.0% from 1Q22.

- **CSU Pays revenue:** Accelerated growth of **13.8%** compared to 1Q22, increasing this segment's participation to **63% of total revenue** (from 56% in 1Q22);
- **CSU DX revenue:** Operation undergoing a deep transformation, becoming more digital and enjoying new growth possibilities.

Gains in efficiency: Expansion in the volume of contracted financial services, as well as in the agenda for digitalization and disciplined expense management, increase our results.

- **Gross contribution:** Growth of **11.3%** compared to 1Q22, reaching **R\$ 65.1 million** in 1Q23 with a 49.0% margin;
- **EBITDA:** This metric hit a new **record of R\$ 43.5 million (+11.0% vs. 1Q22)** amid productivity gains and our persistent financial diligence involving expenses control;
- **EBITDA margin:** Performance gains buoyed the indicator, which hit 32.8% in 1Q23 **(+3.0 p.p. vs. 1Q22), reaching an all-time high;**
- **Net income:** Sharp annual expansion of **30.7%**, reaching R\$ 20.2 million in 1Q23.

Profitability and capital structure: Our low leverage and recurring profitability allow additional investments with attractive shareholder return.

- **Select profitability indicators** ROCE¹, ROE e ROIC reached 24%, 21% and 19%, respectively;
- **Earnings distribution:** Payment of **R\$ 6.0 million** of interest on capital (IOC) in **1Q23**. Payment was made in **April 2023**.

Operational indicators: Intense commercial agenda and continuous evolution of operations.

- **2 new clients:** New contracts for Pays and DX services with Vilela Brasil and Listo Tecnologia in 1Q23;
- **Billed and registered cards:** We ended the quarter with **34.4 million** registered cards in our database **(+8.1% vs. 1Q22)**;
- **Number of transactions managed:** 240.5 million transactions in the last quarter **(+21.0% vs. 1Q22)**. In financial terms, R\$ 72.5 billion were processed **(+18.8% vs. 1Q22)** on our platforms in 1Q23;
- **Number of DX digitalized transactions:** **63%** of the total, adding to the **10%** via self service.

Message from Management

Despite the naturally weaker seasonality at the beginning of each fiscal year and a less favorable macro scenario, the Company saw consistent and solid results in the first three months of 2023 in line with the advances delivered sequentially for several years - with strong expansion in profitability indicators:

- EBITDA posted another record, reaching R\$ 43.5 million (+11.0% vs. 1Q22) on the heels of productivity gains and a strong discipline in expense management. As a result, EBITDA margin reached its highest-ever level of 32.8% (+3.0 p.p. vs. 1Q22);
- Net Income expanded substantially by 30.7% year-on-year, reaching R\$ 20.2 million in 1Q23;
- Operating Cash Generation reached a significant R\$ 36.7 million in 1Q23;
- and Consolidated Net Revenue expanded 1% compared to 1Q22, reaching R\$ 132.8 million, being well worth mentioning the strong growth of 13.8% in the CSU Pays business unit, increasing the share of this segment to 63% of total revenue.

The scale achieved and the existing synergy among the business units allow the continuous evolution of operating margins, placing CSU Digital as one of the best returns on invested capital in the market. We highlight metrics such as ROCE², ROE, ROIC, which have been performing from 19% to 24% per year.

This notable operational performance stems from continuous investment in the improvement and development of new solutions, which are increasingly digital and lead CSU Digital to the forefront of the Brazilian market for payment methods. Over the years, we have added new modalities to our portfolio such as digital and virtual cards in pre- and post-paid modes, digital wallets compatible with Samsung Pay, Google Pay and Apple Pay, wearable payment devices and contactless cards. We inserted service robots, incorporated algorithms and machine learning, improved fraud recognition and prevention technology, and expanded the use of digital service channels, among other initiatives that have allowed our units to reach new levels of growth and profitability, as evidenced previously.

With each passing day, the acceleration trend of our industry becomes even more noticeable as companies from diverse sectors bolster their financial services, in order to deepen existing relationships. This movement draws demand for service providers that can help speed the digitalization of their operations and processes, while removing possible friction from their sales, engagement, collection and payment ecosystems.

As a result, we are enjoying continuous growth in demand for our solutions from new customers. When reaching out to CSU Digital, these companies are looking for a partner offering a unique robustness in tech infrastructure and a proven execution track record.

That said, in the first quarter we acquired two new clients, Villela Brasil in the CSU Pays unit and Listo Tecnologia at CSU DX. After the end of the quarter, in April we signed with 60+ Bank for the complete suite of banking services.

Our business model will continue to evolve, drawing on the roll-out of technology solutions:

- We extended our payment product portfolio to include instant transfer solutions such as Pix cash and Pix on credit, and the processing of cryptocurrency transactions. At the same time we have implemented new authentication tools - such as biometric facial or fingerprint recognition - and are testing new transfer and purchase mechanics, such as payments via WhatsApp.
- We now have a banking core so that companies can expand their offer of financial services based on the complete or partial contracting of these products within the services modality, thanks to the modular structure of our systems architecture;

² ROCE: return on capital employed; ROE: return on equity; ROIC: return on invested capital.

- And we expanded the avenues of growth for DX by intensifying investments in cutting-edge technology solutions for process hyper-automation in the treatment and prevention of fraud, exchange and curation. These solutions bring important economies of scale for our customers and aim to further our relationship with them by entering higher value-added service layers.

Early this year we noticed a greater conservatism in the execution of business plans at companies in specific industries - notably retail, wholesale and retail banking, and crypto. We also noticed companies on a clear agenda of cost cuts, especially regarding customer service and back office. None of this prevented us from posting great results.

It is important to mention that the pace of economic expansion in Brazil and abroad slowed again at the end of 2022 and beginning of 2023, with persistently high inflation, rising interest rates, reduced demand especially for goods whose sales depend on financing, and specific industries facing stronger financial headwinds.

We believe that 2023 will present unique challenges, but the country's economy will progressively recover throughout the year. Important advances in this direction are noticeable: (i) in the major global economies, high uncertainty driven by geopolitical tensions, vulnerable lenders and more restrictive central banks are now being better managed; (ii) in Brazil, since the last quarter of 2022 indicators show that the disinflation process across the Brazilian economy has been consolidated, which could cause a drop in interest rates and favor the resumption of activity; (iii) in the credit market, lending volume is showing accommodation and the average rate on loans is beginning to fall, easing fears of a more structural impact; and (iv) turbulence in the crypto market begins to subside amid important advances in the regulatory agenda.

Always watchful to each of these movements, CSU Digital focused the first months on (i) the contract renewal agenda, successfully lengthening contracts with some major clients; (ii) the acceleration of investments in the process chain, in line with a rising demand from customers for solutions that help cut costs based on scale gains in operational processes; it also focused on (iii) the agenda for containment and rationalization of internal expenses, in order to maintain a structure balanced with the current scenario and to preserve profitability until the signs of recovery stressed above are consolidated.

Before closing, the Board of Directors approved the payment of R\$ 6.0 million as IOC related to 1Q23 results, which was paid on April 18, 2023 -- keeping a very attractive return for shareholders, while evidencing the Company's financial strength.

We thank everyone for the trust placed in the current Management and we will remain committed to further boosting the Company, always seeking the best rates of return.

Marcos Ribeiro Leite
Founder & CEO

Consolidated results Results Summary

Main indicators (R\$ thousand)	1Q23	1Q22	% Var. YoY	4Q22	% Var. QoQ
Net revenue	132,842	131,579	1.0%	138,479	-4.1%
Gross contribution	65,108	58,512	11.3%	67,822	-4.0%
<i>Contribution (%)</i>	49.0%	44.5%	4.5 p.p.	49.0%	0.0 p.p.
Gross profit	50,410	45,209	11.5%	54,329	-7.2%
<i>Gross margin</i>	37.9%	34.4%	3.5 p.p.	39.2%	-1.3 p.p.
EBITDA	43,534	39,205	11.0%	42,745	1.8%
<i>EBITDA margin</i>	32.8%	29.8%	3.0 p.p.	30.9%	1.9 p.p.
Net income	20,201	15,457	30.7%	21,978	-8.1%
<i>Net margin</i>	15.2%	11.7%	3.5 p.p.	15.9%	-0.7 p.p.

Net revenue: Reached R\$ 132.8 million in 1Q23 from R\$ 131.6 million in 1Q22 (+1.0% vs. 1Q22). We highlight the continuous and growing expansion of **CSU Pays**, our division encompassing payment methods, BaaS and Loyalty, adding 7 p.p. to its share of revenue, a trend expected to continue in the coming quarters (see performance by vertical in the upcoming sections).

Net revenue:

R\$ 132.8 MM +1.0%
1Q23 yoy

Gross contribution:

R\$ 65.1 MM +11.3%
Mg. 49.0% +4.5p.p.
1Q23 yoy

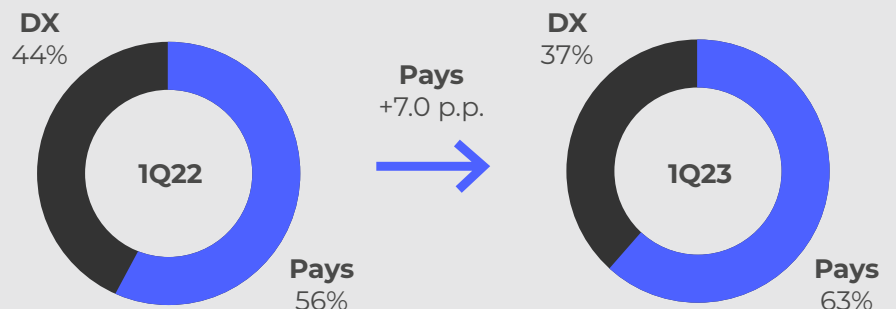
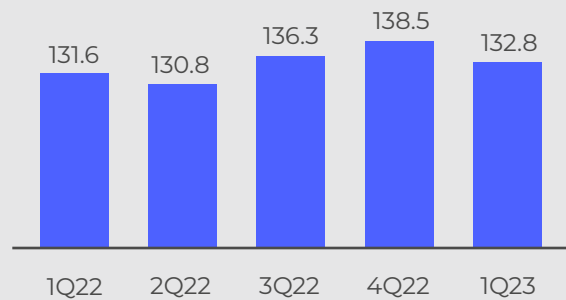
EBITDA:

R\$ 43.5 MM +11.0%
Mg. 32.8% +3.0p.p.
1Q23 yoy

Net income:

R\$ 20.2 MM +30.7%
Mg. 15.2% +3.5p.p.
1Q23 yoy

Net revenue (R\$ million)



Over the past years, the Company developed and executed a business model based on the Full Service concept. This model ensures the technology infrastructure and a wide range of financial services solutions. Meanwhile, we also provide the necessary support to sustain and operationalize these products on a daily basis, in order for our clients to offer a unique, complete experience to their users.

Thus, our way of operating allows a high degree of predictability of our revenues:

- Originally, the main revenue line at CSU Pays was associated with the processing and management of card transactions for issuers -- consequently with the number of cards available for billing, with different values for each type of processing;
- Similarly, we guarantee full capacity (infrastructure, people and technology) for the contracted DX services.

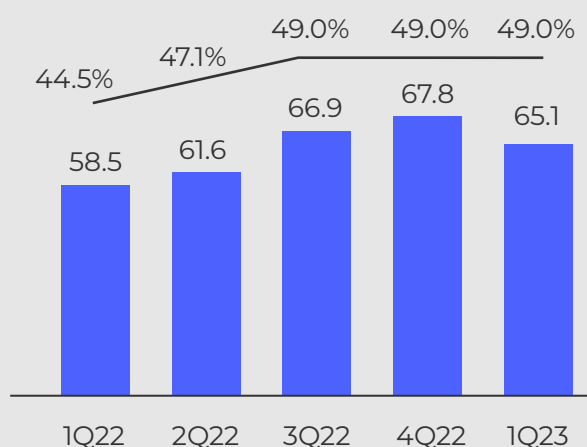
New modalities are beginning to gain relevance on this front with the launch of new solutions.

Costs (excluding depreciation and amortization): This line **decreased by approximately R\$ 5.4 million (-7.3%)**, closing 1Q23 at R\$ 67.7 million compared to R\$ 73.1 million in 1Q22. This change is the result of effective efficiency gains arising from the increased consumption of digital services by our customers, with a consequent reduction in personnel and operating materials.

Gross contribution³: Reached **R\$ 65.1 million in 1Q23** leading to a **49.0%** margin (as a function of revenue share), compared to R\$58.5 million and a 44.5% margin year on year, a significant **R\$ 6.6 million increase (+11.3%)**. Its share of revenue increased by 4.5 p.p.

This increase is due to the greater relevance of the CSU Pay business unit, which enjoys higher profitability, in addition to efficiency gains from the deep digitalization of products and processes in the past few years across all verticals.

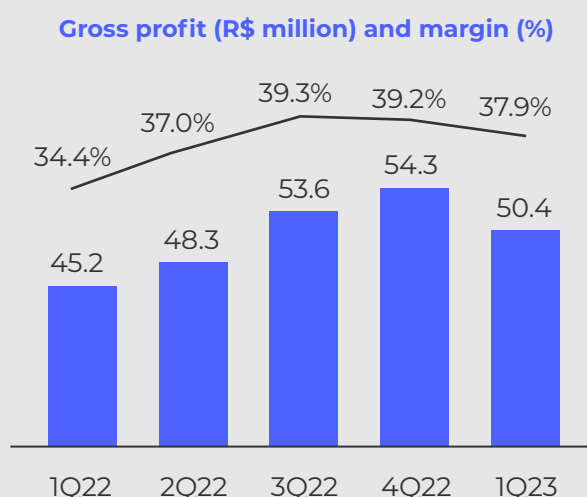
Gross contribution (R\$ million) and margin (%)



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 profit and gross margin: If we include depreciation and amortization related to costs, the total for this line increases to R\$ 82.4 million in 1Q23 and R\$ 86.4 million in 1Q22, leading to a **R\$ 4.0 million reduction** (-4.6% vs. 1Q22).

As a result, gross profit and gross margin reached **R\$ 50.4 million** and 37.9%, respectively, in 1Q23, compared to R\$ 45.2 million and 34.4% year on year. The **increase amounted to R\$ 5.2 million (+11.5%)**, prompting a 3.5 p.p. margin.

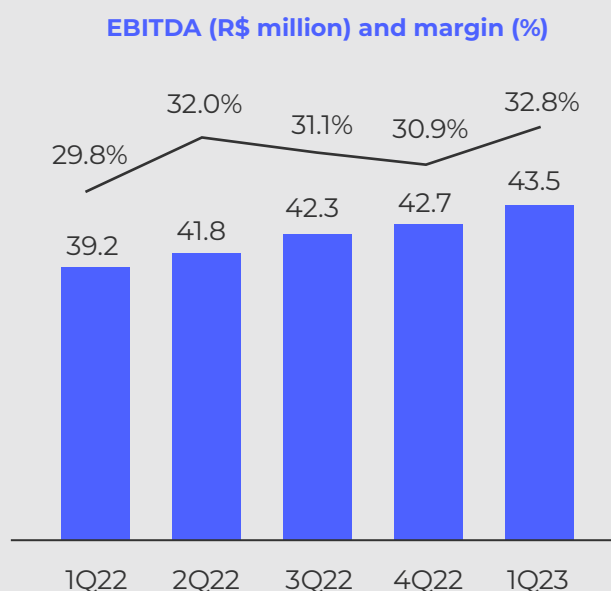


Selling, general and administrative expenses (SG&A): The Company's SG&A - including depreciation and amortization (D&A) - reached R\$ 23.0 million in 1Q23 against R\$ 21.7 million year on year, a R\$ 1.3 million increase (+5.8% vs. 1Q22). This change is basically explained by (i) higher commercial and marketing expenses linked to the publicizing of our **new portfolio and our new brand**, added to a greater **participation at in-person events** by approximately R\$ 1.2 million, (ii) higher expenses with payroll and payroll charges by R\$ 0.7 million due to the **strengthening of strategic teams** and to the annual collective payment agreement of the period. These increases were partially offset by a reduction of R\$ 1.0 million in D&A.

SG&A (R\$ thousand)	1Q23	1Q22	% Var. YoY	4Q22	% Var. QoQ
General and administrative	(19,361)	(18,331)	5.6%	(20,827)	-7.0%
Depreciation and amortization	(1,401)	(2,395)	-41.5%	(1,571)	-10.8%
Sales and marketing	(2,238)	(1,004)	122.9%	(4,122)	-45.7%
Total SG&A expenses	(23,000)	(21,730)	5.8%	(26,520)	-13.3%
<i>% of net revenue</i>	17.3%	16.5%	0.8 p.p.	19.2%	-1.9 p.p.

Other operating income (expenses): This line was in line with 1Q22, positive by approximately R\$ 25 thousand.

EBITDA⁴ and EBITDA margin: Reached a **nominal record level of R\$ 43.5 million and 32.8%**, respectively, compared to R\$ 39.2 million and 29.8% in the same quarter of 2022. **The increase equaled R\$ 4.3 million (+11.0% and +3.0 pp vs. 1Q22, respectively).** This evolution stems from the expansion of business volume and operational gains from our **efficiency plan**.



EBITDA reconciliation (R\$ thousand)	1Q23	1Q22	% Var. YoY	4Q22	% Var. QoQ
Net income	20,201	15,457	30.7%	21,978	-8.1%
(+) Income taxes	7,087	6,087	16.4%	5,634	25.8%
(+) Financial result	147	1,963	-92.5%	69	113.0%
(+) Depr. and amort.	16,099	15,698	2.6%	15,064	6.9%
EBITDA	43,534	39,205	11.0%	42,745	1.8%
<i>EBITDA margin</i>	32.8%	29.8%	3.0 p.p.	30.9%	1.9 p.p.

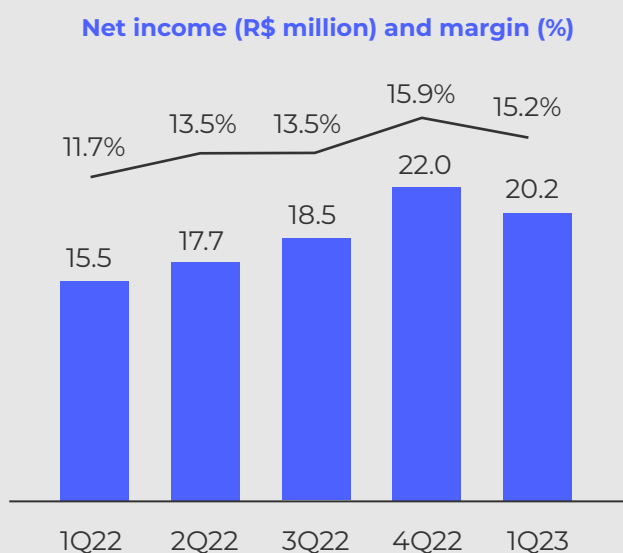
⁴ **EBITDA:** Prepared according to CVM Instruction 527/12, it is a non-accounting measurement consisting of net income for the period, plus taxes on income, financial expenses net of financial income, and depreciation and amortization.

Financial result: During the quarter, it totaled a net expense of R\$ 0.1 million against a net expense of R\$ 2.0 million in 1Q22, a positive evolution of R\$ 1.9 million basically explained by a heftier financial income in 1Q23 arising from an increased return on financial investments amid a higher CDI rate in the time period and the recognition of lower amounts of currency variation on final and unappealable judicial proceedings, with a positive effect in the result.

Earnings before income taxes (EBIT): Sharp expansion of **R\$ 5.7 million (+26.7%)** reaching R\$ 27.3 million in 1Q23, compared to R\$ 21.5 million in 1Q22.

Income tax and social contribution on net income (IR/CSLL): Totaled R\$ 7.1 million in 1Q23 against R\$ 6.1 million in 1Q22 (+16.4% vs. 1Q22). The **growth rate trailed that of EBIT** due to a higher payment of IOC, which is tax deductible, as well as to a heftier tax deferral in 1Q22, regarding to contingencies of the period.

Net income and net margin: Reached **R\$ 20.2 million** in 1Q23 from R\$ 15.5 million in 1Q22, a **significant increase of R\$ 4.7 million (+30.7% vs. 1Q22)**. Likewise, net margin in the quarter reached 15.2% against 11.7% in 2022 (**+3.5 p.p. vs. 1Q22**).



CAPEX⁵

Total capex: The Company's Capex reached R\$ 12.8 million in 1Q23 against R\$ 12.3 million in 1Q22, a R\$ 0.5 million increase (+3.8% vs. 1Q22). The higher investment in tangible and intangible assets this year is explained by the maintenance of projects that structure our BaaS solutions. Capex is also explained by the rollout of new solutions and functionalities for the payment processing environment, by greater sums dedicated to beefing up the robustness of our data and security infrastructure and by the development of new products in hyperautomation, at DX.

- **CSU Pays (90% of the total):** amounted to **R\$ 11.5 million** in 1Q23 against R\$ 11.4 million in 1Q22, presenting a slight change (+R\$ 0.1 million or +0.5% vs. 1Q22), explained by the continued pace of investments in the development of new solutions.
- **CSU DX (8% of the total):** amounted to **R\$ 1.0 million** in 1Q23 against R\$ 0,4 million year on year, increase of R\$ 0.6 million (+144.8%), explained by investments referring to new hyperautomation solutions for processes (Business Process Management - BPM).
- **Corporate (2% of the total):** equaled **R\$ 0.3 million** in 1Q23 compared to R\$ 0.5 million in 1Q22, reduction of R\$ 0.2 million (-41.5% vs. 1Q22).

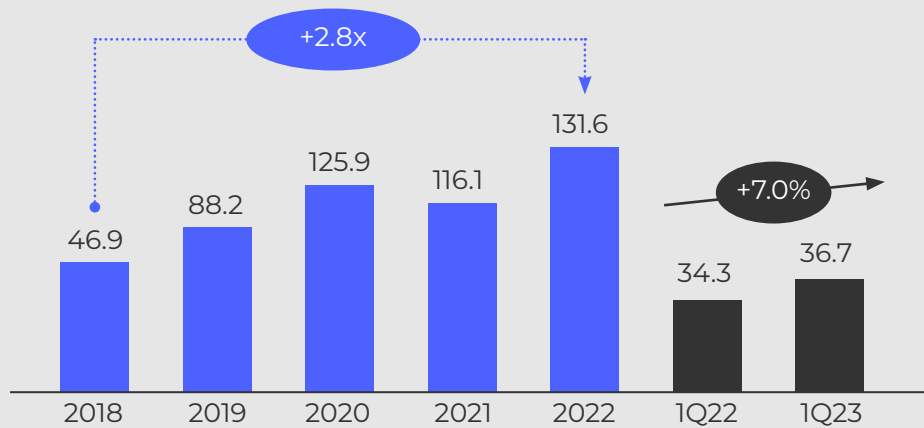
Investments (R\$ thousand)	1Q23	1Q22	% Var. YoY	4Q22	% Var. QoQ
CSU Pays	11,460	11,405	0.5%	18,559	-38.3%
CSU DX	1,033	422	144.8%	106	874.5%
Corporate	278	475	-41.5%	1,349	-79.4%
Capex	12,771	12,302	3.8%	20,014	-36.2%
% of net revenue	9.6%	9.3%	0.3 p.p.	14.5%	-4.9 p.p.

⁵CAPEX: Company investments reflect mostly investments in management technology platforms, both in terms of software and hardware, as well as improvements in general. This amount differs from the "Cash Used in Investing Activities" in the Cash Flow Statement due to leasing.

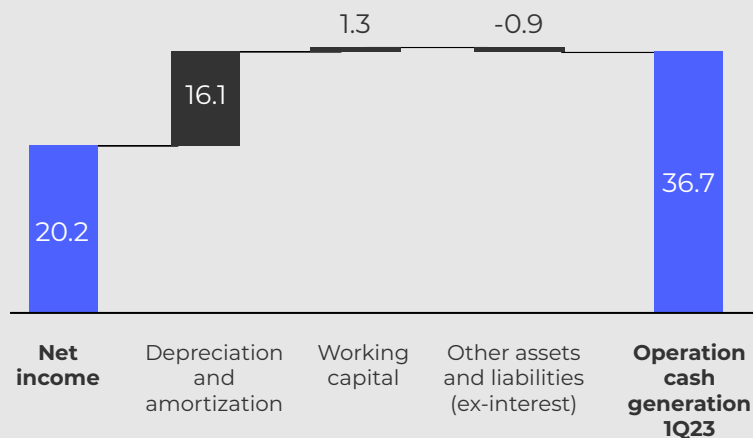
Operating cash generation

Cash generated by operating activities remained solid and **totaled R\$ 36.7 million** in 1Q23, R\$ 2.4 million higher than the R\$ 34.3 million in 1Q22 (+7.0%). We can cite the higher profit earned by the company, as previously outlined, as the main reason for this expansion. The Company has a long and consistent history of results and cash flow evolution. In the interval between 2018 and 2022, operating cash generation practically tripled and continues to expand in 2023, reflecting the continuous operating advances and, consequently, the higher profit earned by the company, as previously detailed.

Historical growth of operating cash generation (R\$ million)



Reconciliation of operating cash generation (R\$ million)



Capital structure⁶

Gross debt: At the end of the quarter, gross debt totaled R\$ 94.1 million compared to R\$ 106.7 million in the same period of the previous year, down by R\$ 12.6 million **(-11.8% vs. 1Q22)**. Regarding onerous debt (loans) we ended the quarter with a R\$ 13.4 million balance against R\$ 26.7 million in 1Q22, a **R\$ 13.3 million reduction (-50%)**, stemming from repayments and amortizations. Cash generation and the current cash balance allow the Company to fund its operations internally and to reduce debt.

Cash and cash equivalents: At the end of the quarter, cash and cash equivalents totaled R\$ 80.4 million, from R\$ 82.7 million in the same period of the previous year, a slight reduction of R\$ 2.3 million (-2.8% vs. 1Q22). That level considers a higher volume of repayments and amortizations that reduced leverage, as well as the proceeds paid in that period, totaling R\$ 38,4 million, as 2021 dividends and 2022 IOC.

Net debt: At the end of March, the Company had R\$ 13.7 million worth of net debt compared to R\$ 24.0 million of net debt in the same period of the previous year, thus posting a significant reduction of R\$ 10.3 million, as explained previously. Regarding onerous debt, we ended the quarter with a net cash position of R\$ 67.0 million, a R\$ 11.0 million expansion from R\$ 56.0 million in the previous year due to higher results during the past 12 months. There was a decrease in the balance for loans and financing, amid a greater volume of repayments and amortizations, and a higher payout in 2022, which increased to 50%.

Net debt/LTM EBITDA: Net debt to EBITDA in the last 12 months (12M) fell was 0.08x in 1Q23 from 0.16x in 1Q22, influenced by (i) the operational progress that led to an increase in EBITDA (denominator) and (ii) the aforementioned decrease in net debt. The Company understands that its **capital structure is adequate** vis-à-vis its current business and market dynamics, allowing it to move forward with investments in a relevant way, offer shareholder return and have room for greater financial leverage, if it deems necessary, to capture attractive opportunities and add assets.

Indebtedness (R\$ thousand)	1Q23	1Q22	% Var. YoY	4Q22	% Var. QoQ
Financing and debt loan	13,372	26,718	-50.0%	16,350	-18.2%
Short term	7,880	13,276	-40.6%	9,587	-17.8%
Long term	5,492	13,442	-59.1%	6,763	-18.8%
(-) Cash and equivalents	80,397	82,677	-2.8%	86,455	-7.0%
Net onerous debt (net cash)	(67,025)	(55,959)	19.8%	(70,105)	-4.4%
EBITDA LTM	170,413	154,856	10.0%	166,084	2.6%
Net onerous debt/EBITDA LTM (x)	(0.39)	(0.36)	(0.03)	(0.42)	0.03
Lease liabilities (IFRS 16)	80,773	80,004	1.0%	69,354	16.5%
Gross debt	94,145	106,722	-11.8%	85,704	9.8%
(-) Cash and equivalents	80,397	82,677	-2.8%	86,455	-7.0%
Net debt	13,748	24,045	-42.8%	(751)	-1930.6%
EBITDA LTM	170,413	154,856	10.0%	166,084	2.6%
Net debt/EBITDA LTM (x)	0.08	0.16	(0.07)	(0.00)	0.09

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

In June 2022, the Company announced the reformulation of its business units, which were renamed **CSU Pays** and **CSU DX**, replacing CSU.CardSystem and CSU.Contact, respectively. These changes aim to strengthen the Company's position as the main, most comprehensive provider of technological solutions for financial services, ensuring end-to-end support with a highly synergic portfolio, generating cross-selling and up-selling opportunities. Therefore, some adjustments were made in this report (see Exhibit 4) concerning our results breakdown by business division, in order to reflect more appropriately the nature of our service contracts. The results achieved in different time periods are now comparable in an enhanced fashion.

1. CSU Pays (Payment methods, loyalty and incentives, and baas)

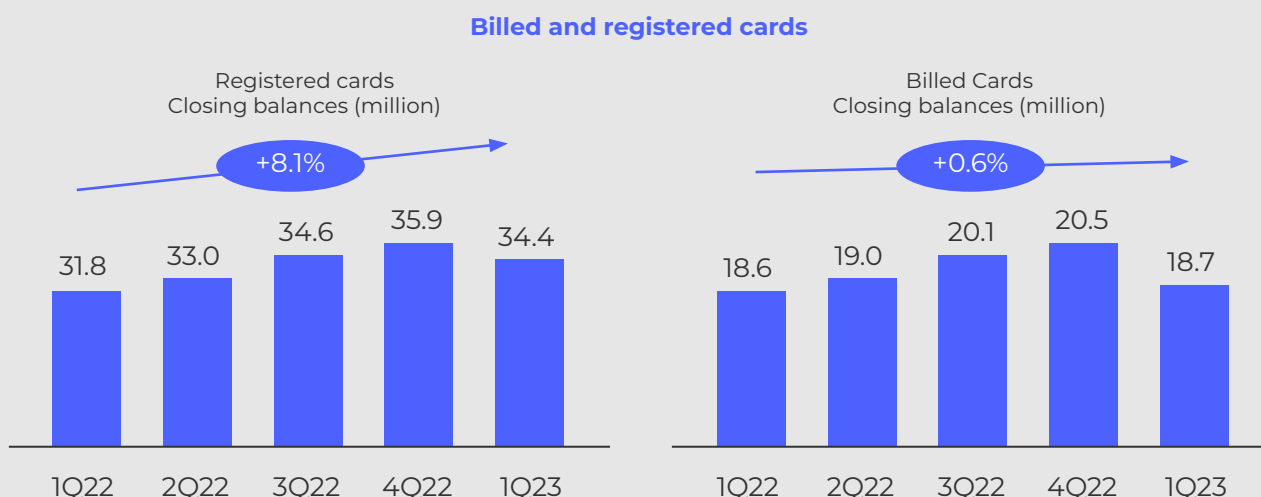
1.1 Operational performance

CSU Pays, our business division that encompasses cutting-edge solutions in Payment Methods, Loyalty and Incentives, and Banking as a Service (BaaS), grows its revenue at a very significant clip (**14% expansion from 1Q22 to 1Q23**). Our operations in this division become more relevant to revenue each day - a trend expected to continue. These operations represent **63% of the total** in 1Q23.

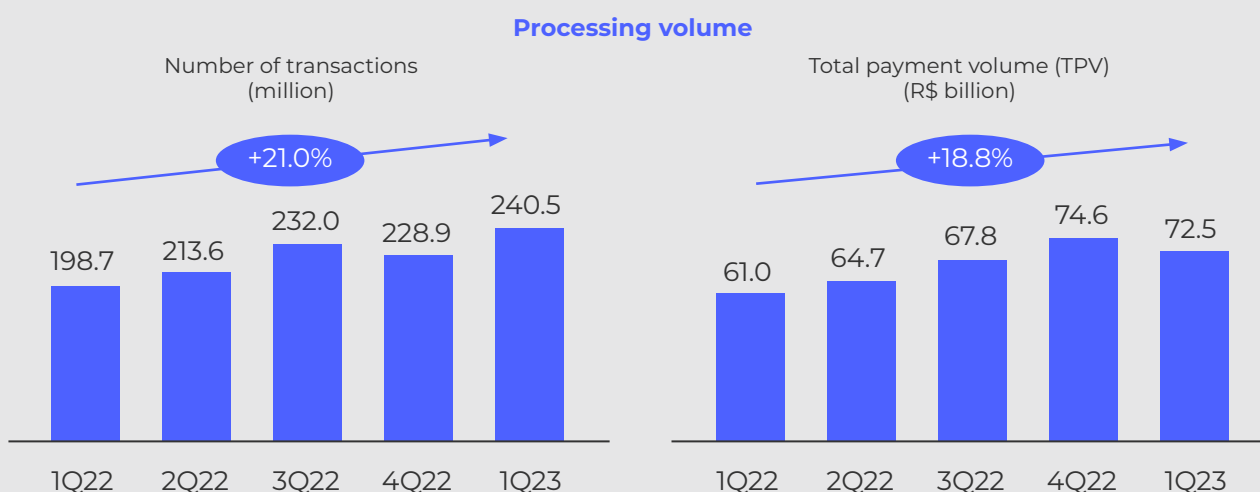
Innovative and trailblazing since its inception, the Company was formed in 1992 under the name CardSystem Ltda. as the first independent processor of electronic payment methods. It was also the first to work with the three major international brands simultaneously (Visa, Mastercard and American Express) in Brazil and the first to process payments for digital wallets in South America. It was effectively a game changer in the digital financial services ecosystem in Brazil by allowing banks and companies from different industries to enter a large credit market through the use of cards.

We have the **broadest portfolio on the market** for this type of payment including credit, debit and prepaid cards, whether physical, digital (mobile and wearables) or virtual – compatible with the major wallets (Samsung Pay, Google Play and Apple Play).

Below we highlight some of the metrics for our operations in this segment:



- **Card and account units registered:** We ended 1Q23 with a **record 34.4 million** accounts and cards registered in our bases, against 31.8 million in the previous year, an **increase of 2.6 million (+8.1% vs. 1Q22)**. Throughout 2022, we saw a clear trend of expansion for this base, following organic evolution of our clients' businesses (B2B), who see cards as an important driver of credit and billing (prepaid). Compared to 4Q22, there was a 1.5 million reduction of units and accounts in this last quarter. As mentioned in the Message from Management, there is an increased conservatism at some clients seen at the beginning of 2023 regarding market disturbances. This has led some companies to revise their policies for maintaining cards with little or no activity, shrinking the base during the contract renewal process, without changes to transacted volume.
- **Card and account units billed:** We ended 1Q23 with a record **18.7 million** accounts and cards billed in our bases, against 18.6 million in the previous year, an **increase of only 0.1 million (+0.6% vs. 1Q22)** as explained in the prior item.



- **Number of transactions processed:** The digital platforms at CSU recorded **240.5 million transactions** compared to 198.7 million year on year, a 41.8 million increase **(+21.0% vs. 1Q22)**. This is an important indicator to gauge the business trend of this subsegment, providing a thermometer for demand from the end consumers of our users – card issuers and acquiring customers. As one can note, this metric has risen incessantly, allowing us to maintain perennial growth in performance for this vertical, even amid volatility in the cards base.
- **Total payment volume (TPV):** The financial volume processed on our platforms totaled **R\$ 72.5 billion**, from R\$ 61.0 billion in 1Q23, an increase of R\$ 11.5 billion **(+18.8% vs. 1Q22)**. This is an interesting metric to measure the business trend at our clients. For now, it represents a small share of the unit's revenue.

The **loyalty's** platform subsegment is another key revenue driver at CSU Pays. We have one of the best solutions on the market to promote the design of loyalty and incentive programs. With these solutions, our customers are able to deepen the engagement of their own consumer base, effectively creating liaison rules and boosting the use of their products and services by offering benefits. These programs are intuitive and reward consumers for using and purchasing products and services from our clients (generally cards) by accruing points. The balance can be redeemed through a wide range of options for new products and services offered by **more than 100 partners** (>2,000 institutions) related to CSU or through cash back.

Either from card management and processing or from loyalty, much of this business unit's revenue is still tied to the number of users and cards available for billing, it is important to also note the number of transactions processed on our different platforms.

Over time, the Company has reinvented itself, adding fundamental solutions and skills to its platform, in order to be at the forefront of the markets where it operates. We announce the completion of the development and rollout of new products for payment methods, which include new modes such as Pix, Pix on Credit (installments) and cryptocurrencies. Our BaaS is operational, in soft launch, bringing new possibilities for our customers to monetize their user bases, in a true marketplace of financial services, which is poised to alter the modeling dynamics suggested in the prior paragraph.

These new business lines tend to buoy results over the coming quarters. In practice, these actions will allow the company to operate more broadly, beyond cards, thus expanding the size of our materially addressable market and preparing the company for the future of the universe of payments in Brazil and worldwide.

Net revenue:

R\$ 83.4 MM +13.8%
1Q23 yoy

Gross contribution:

R\$ 52.2 MM +15.9%
Mg. 62.6% +1.1p.p.
1Q23 yoy

EBITDA:

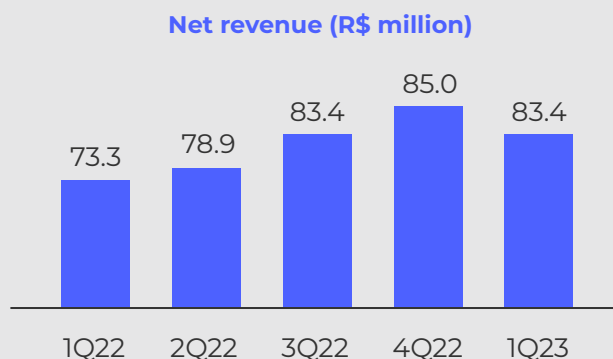
R\$ 39.4 MM +20.4%
Mg. 47.2% +2.5p.p.
1Q23 yoy

1.2 Financial performance

Net revenue: Reached R\$ 83.4 million against R\$ 73.3 million year-on-year, a R\$ 10.1 million increase **(+13.8% vs. 1Q22)**. As mentioned previously, much of this unit's revenue is still explained by the number of cards available for billing, alongside the number of transactions processed on our platforms.

CSU Digital is considered a pioneer, innovative provider of infratech for financial services. Based on our full service model, we offer 100% of the solutions for payment methods, from origination, processing and validation of transactions, management of multiple electronic payment methods, mechanisms for analysis and fraud prevention, all the operational back office for risk analysis, invoicing, collection and customer service, in addition to processing solutions for the acquiring customers. Our operation allows a high degree of revenue predictability, amid its recurring nature (Platform as a Service).

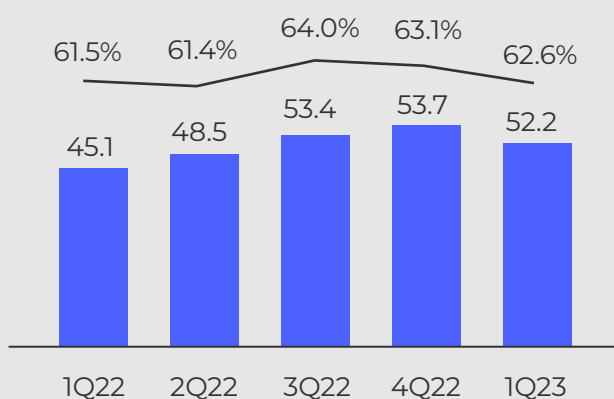
Another noteworthy indicator is that purely digital revenues⁴ linked to these services accounted for **93.3% of the total**, compared to 90.3% in 1Q22 **(+3.0 p.p. vs. 1Q22)**. This migration allows us to further enhance the profitability of this business unit every quarter.



Costs (excluding depreciation and amortization): R\$ 31.2 million in 1Q23 compared to R\$ 28.2 million in 1Q22, **up by R\$ 3.0 million (+10.4% vs. 1Q22)** mainly explained by the variation in contracted service costs and equipment and software rental, in line with the expansion in our processing operation.

Gross contribution: As a result of the above, this metric reached a **record R\$ 52.2 million** in 1Q23 **with a 62.6% margin** against R\$ 45.1 million and a 61.5% margin in the same period of the previous year, a R\$ 7.1 million increase (+15.9% and +1.1 p.p. vs. 1Q22, respectively).

Gross contribution (R\$ million) and margin %

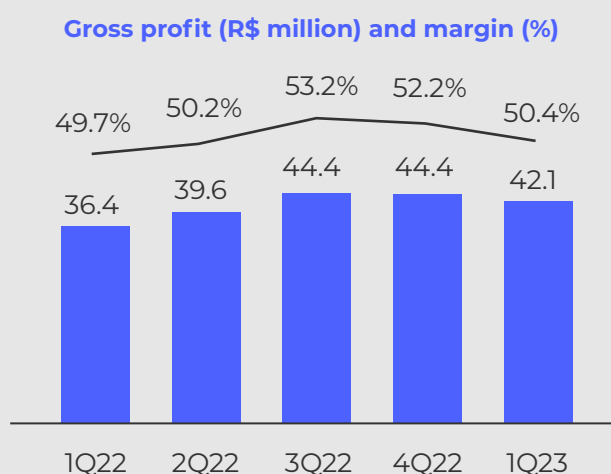


⁴ **Revenue from digital services:** All revenues of the CSU Pays unit, except those from the issuance and/or posting of cards, letters, and physical invoices.

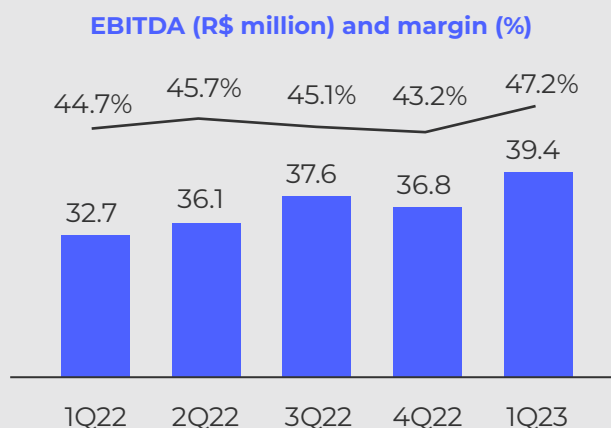
Total costs, gross profit and gross margin: Total costs, including depreciation and amortization, amount to R\$ 41.3 million in 1Q23 compared to R\$ 36.9 million in the same period of the previous year, a R\$ 4.4 million increase (+12.1% vs. 1Q22).

As a result, gross profit reached **R\$ 42.1 million** in 1Q23 **with a 50.4% margin** against R\$ 36.4 million and a margin of 49.7% in the same period of the previous year, up significantly by R\$ 5.7 million (+15.6% and +0.7 p.p. vs. 1Q22, respectively).

The continuous growth seen in this vertical prompts important margin and scale gains at CSU, due to its digital nature and numerous cross-selling and up-selling opportunities from the solid relationships with its partner base. This is an expanding market and the Company has initiatives underway to further its range of solutions. Gross profit recorded in this business division made up **83% of the Company's total** in 1Q23.



EBITDA and EBITDA margin: Reached **R\$ 39.4 million** against R\$ 32.7 million in the same period of the previous year, a **R\$ 6.7 million increase (+20.4% vs. 1Q22)**. EBITDA recorded in this business division accounted for 91% of the Company's total in 1Q23. EBITDA margin reached **47.2% in 1Q23 (+2.5 p.p. vs. 1Q22)**, reflecting the gains in efficiency and scalability of our business, as well as the strong financial discipline while managing expenses.



Main indicators (R\$ thousand)	1Q23	1Q22	% Var. YoY	4Q22	% Var. QoQ
Net revenue	83,410	73,294	13.8%	85,015	-1.9%
Digital	77,815	66,208	17.5%	78,101	-0.4%
Analog	5,309	7,086	-25.1%	6,914	-23.2%
Costs (ex-deprec./amort)	(31,189)	(28,244)	10.4%	(31,330)	-0.5%
Gross contribution	52,221	45,050	15.9%	53,685	-2.7%
Contribution (%)	62.6%	61.5%	1.1 p.p.	63.1%	-0.5 p.p.
(-) Depreciation/ amortization	(10,143)	(8,638)	17.4%	(9,279)	9.3%
Gross profit	42,078	36,412	15.6%	44,406	-5.2%
Gross margin	50.4%	49.7%	0.7 p.p.	52.2%	-1.8 p.p.
Expenses	(11,749)	(11,770)	-0.2%	(16,142)	-27.2%
Other operational revenues/expenses	(1,872)	(2,148)	-12.8%	(1,770)	5.8%
(+) Depr. and amort.	10,952	10,249	6.9%	10,259	6.8%
EBITDA	39,409	32,743	20.4%	36,753	7.2%
EBITDA margin	47.2%	44.7%	2.5 p.p.	43.2%	4.0 p.p.

2. CSU DX (Digital Experience)

2.1 Operational performance

CSU DX is our business division focused on the development of high technology Digital Experience operations. The addition of new devices and features such as robots, the massive use of data and recognition technologies, as well as the utilization of multiple digital channels have transformed our operations, which are no longer restricted to traditional Contact Center.

This reality is becoming more and more present, considering that clients demand an increasingly higher service volume with enhanced quality and lower cost. Our platforms managed approximately 3.6 million front office interactions in the last quarter, and the relevance of customer service through automated mechanisms and digital channels tops **63%** of the total. Additionally, **10%** of services are already carried out via self-service. As a result, the unit's gross margin is expanding (+1.8 p.p. vs. 1Q22) and stood near 17%, even amid a scenario of revenue pressure.

This business division is undergoing a new round of transformations, adding important competences to the handling and management of processes, integrating **hyperautomation** tools in fields such as fraud prevention, exchange, curation, to further support our clients in their quest to cut operational costs, as they expand their financial product offers.

This is significant for CSU Digital, as it creates new growth possibilities and ingrain our operation by furthering our activity in services with higher added value and greater technological complexity within the concept of Digital Tracking.

Net revenue:

R\$ 49.4 MM -15.2%
1Q23 yoy

Gross contribution:

R\$ 12.9 MM -4.3%
Mg. 26.1% +3.0p.p.
1Q23 yoy

EBITDA

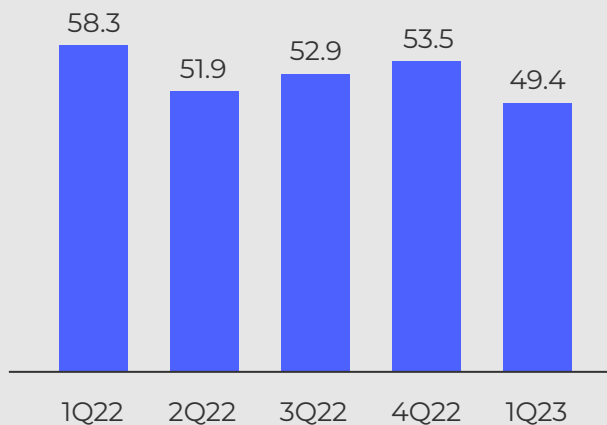
R\$ 4.1 MM -36.2%
Mg. 8.3% -2.8p.p.
1Q23 yoy

2.2 Financial performance

Net revenue: Reached R\$ 49.4 million in 1Q23 against R\$ 58.3 million in the same period of the previous year, a R\$ 8.9 million reduction (-15.2% vs. 1Q22). The Company has made its best efforts to maintain and win contracts featuring material, concrete **synergies with other business units. We have prioritized high-density and complex operations**, thus penetrating our clients' business and leading to a gradual increase in margins even amid lower revenue scenarios.

We affirm that we are boosting the growth avenues for DX, from the development of new process hyperautomation solutions for fraud treatment and prevention, exchange and curation, which will integrate our portfolio throughout 2023.

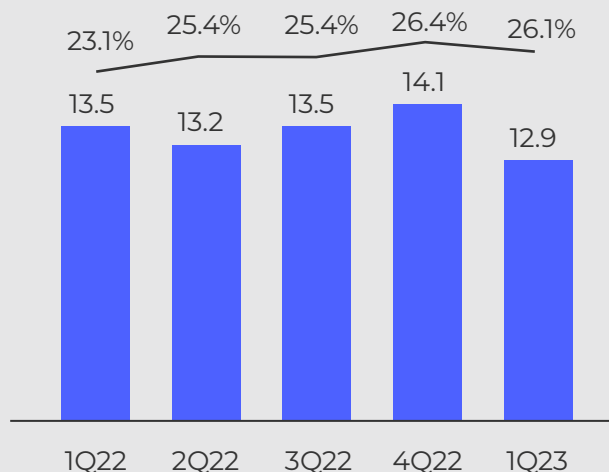
Net revenue (R\$ million)



Costs (excluding depreciation and amortization): Totaled R\$ 36.5 million in 1Q23 against R\$ 44.8 million in the same period of the previous year, **a R\$ 8.3 million reduction (-18.5% vs. 1Q22)** following the gradual change in the operations model mentioned above, which led to the **termination of some contracts with inadequate profitability**. In addition, lower personnel costs arising from **efficiency gains in operations**, based on a greater use of self-service solutions and automated mechanisms.

Gross contribution: Reached R\$ 12.9 million with a 26.1% margin in 1Q23, against R\$ 13.5 million and a margin of 23.1% in the same period of the previous year. The **margin expansion** (+3.0 p.p. vs. 1Q22) reflects efforts to **digitalize** our operations and the greater relevance of our activities within our customers' businesses, creating a smoother experience with less friction and greater perceived value.

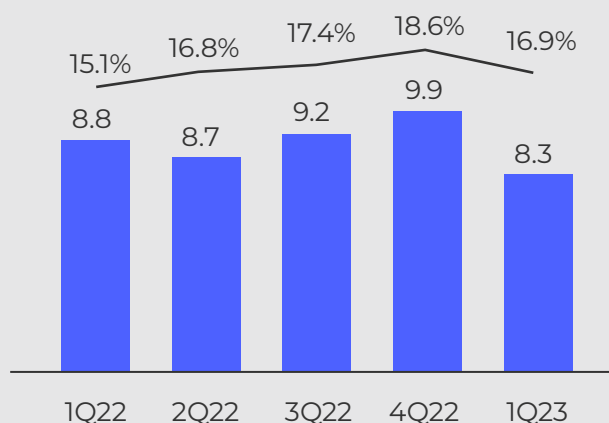
Gross contribution (R\$ million) and margin %



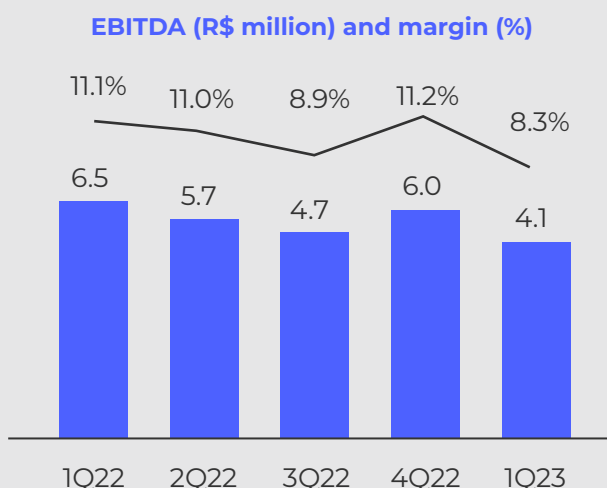
Total costs, gross profit and gross margin: Including depreciation and amortization, total costs amounted to R\$ 41.1 million in 1Q23 against R\$ 49.5 million in the same period of the previous year, down by R\$ 8.4 million (-16.9% vs. 1Q22), in line with a lower revenue volume.

Gross profit reached R\$ 8.3 million in 1Q23, a slight reduction of R\$ 0.5 million (-5.3%) in relation to 1Q22, and **margin rose to 16.9%** in 1Q23 against 15.1% in the same period of the previous year (+1.8% p.p.).

Gross profit (R\$ million) and margin (%)



EBITDA and EBITDA margin: Reached R\$ 4.1 million with a 8.3% margin against R\$ 6.5 million and an 11.1% margin in the same period of the prior year, a reduction of R\$ 2.3 million for EBITDA and -2.8 p.p. for margin, amid the temporary impact of a lower operating leverage, until new products are launched. EBITDA recorded in this business division **accounted for 9%** of the Company's total in **1Q23**.



Main indicators (R\$ thousand)	1Q23	1Q22	% Var. YoY	4Q22	% Var. QoQ
Net revenue	49,432	58,285	-15.2%	53,464	-7.5%
Costs (ex-deprec./amort)	(36,545)	(44,823)	-18.5%	(39,327)	-7.1%
Gross contribution	12,887	13,462	-4.3%	14,137	-8.8%
Contribution (%)	26.1%	23.1%	3.0 p.p.	26.4%	-0.3 p.p.
(-) Depreciation/ amortization	(4,555)	(4,665)	-2.4%	(4,214)	8.1%
Gross profit	8,332	8,797	-5.3%	9,923	-16.0%
Gross margin	16.9%	15.1%	1.8 p.p.	18.6%	-1.7 p.p.
Expenses	(9,107)	(7,631)	19.3%	(8,192)	11.2%
Other operational revenues/expenses	(247)	(153)	61.4%	(543)	-54.5%
(+) Depr. and amort.	5,147	5,449	-5.5%	4,805	7.1%
EBITDA	4,125	6,462	-36.2%	5,992	-31.2%
EBITDA margin	8.3%	11.1%	-2.8 p.p.	11.2%	-2.9 p.p.

Capital markets

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

In addition, the Company is a **member of three indexes on B3**: IGC-NM (Corporate Governance Index – New Market), IGC (Differentiated Corporate Governance Index) and ITAG (Differentiated Tag Along Stock Index).

Share capital: CSU Digital's share capital consists of 41.8 million common shares (ON). On 3.31.2023, 54.2% of the share capital was held by the Controlling Shareholder, 1.4% was held in Treasury, 0.1% was held by Managers and 44.3% were outstanding shares (free float, of which in September 2022 the acquisition of relevant interest by Real Investor Gestão de Recursos Ltda was announced, holding 5.25% at the time, and the updated position of 8.58%, according to public data made available by the [Consolidated Funds Consultation - CVM](#), with base date of Jan/2023).

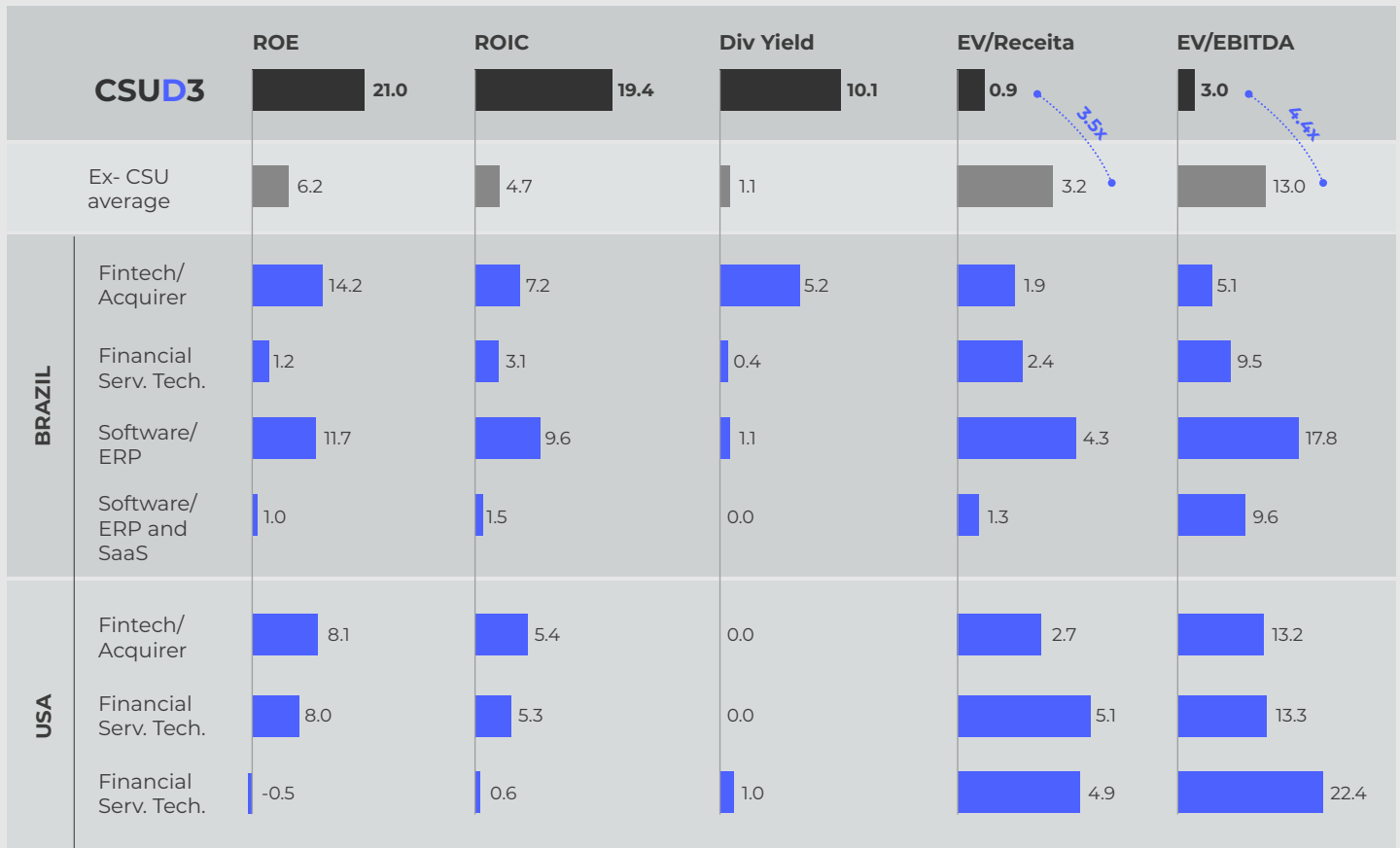
Market value: At the end of the quarter, CSUD3 shares were traded at R\$ 9.68, representing a market capitalization of R\$ 399.1 million (-20.7% vs. 4Q22) compared to R\$ 503.0 million in 4Q22, down by R\$ 103.9 million. The Small Cap index also dropped -8.0% in the period. It is worth noting that since the end of 1Q23 until 05/08/2023, the share price has grown +18.9%, while the Small Cap index has varied +5.2%.

Number of shareholders: At the end of the quarter, our shareholders numbered 18.6 thousand (-3.5% vs. 4Q22), against 19.3 thousand at the end of 4Q22, a 0.7 thousand reduction mainly due to a larger base of institutional investors with the subsequent reduction of individuals.

Average daily trading volume (ADTV): The average daily trading volume was R\$ 1.2 million in 1Q23 (-14.3% vs. 4Q22), against R\$ 1.4 million in 4Q22, down by R\$ 0.2 million.

Earnings distribution: Reflecting the managers' confidence in the upward evolution of results, in March 2023 the Company announced the payment of IOC in the gross amount of R\$ 6.0 million (R\$ 0.146 per share) referring to 1Q23 - to be assigned to the mandatory minimum dividend for the 2023 fiscal year, "ad referendum" of the 2024 Annual General Meeting - effectively paid from April 18, 2023.

CSU vs. peers indicators: When comparing some of the financial metrics⁸ between CSU Digital and other players in related segments, in Brazil and abroad, one notices that the Company has **returns well above average**, while still presenting **substantially lower pricing metrics (multiples)**, as displayed below. The Company shows an ROE of 21.0% (3.4x higher), a ROIC of 19.4% (4.2x higher), a dividend yield of 10.1% (9.3x higher). On the other hand, the comparable players, for the moment, exhibit EV/Revenue multiple of 3.2x (3.5x higher than CSU's) and EV/EBITDA of 12.1x (4.4x higher).



⁸ Reference date: March, 31, 2023; **ROE:** return on equity; **ROIC:** return on invested capital; **Dividend yield:** amount of dividends and distributions over market capitalization; **EV:** enterprise value. **EV/Revenues** and **EV/EBITDA** are widely used metrics in the market as asset pricing multiples.

Events calendar

Find below the next Company's corporate events:

Event	Date
1Q23 Video Conference	05/10/2023
Reference Form	05/30/2023
Report on the Brazilian Corporate Governance Code	07/28/2023
Quarterly Information (ITR) 2Q23	08/09/2023
2Q23 Video Conference	08/10/2023
Quarterly Information (ITR) 3Q23	11/08/2023
3Q23 Video Conference	11/09/2023

Exhibits

1. Income statement

Statement of income (R\$ thousand)	1Q23	1Q22	% Var. YoY	4Q22	% Var. QoQ
Gross revenue	151,186	148,836	1.6%	157,428	-4.0%
CSU Pays	97,164	85,206	14.0%	98,961	-1.8%
CSU DX	54,022	63,630	-15.1%	58,467	-7.6%
Deductions	(18,344)	(17,257)	6.3%	(18,949)	-3.2%
CSU Pays	(13,754)	(11,912)	15.5%	(13,946)	-1.4%
CSU DX	(4,590)	(5,345)	-14.1%	(5,003)	-8.3%
Net revenue	132,842	131,579	1.0%	138,479	-4.1%
Recurring	131,946	130,338	1.2%	136,855	-3.6%
% Recurring revenue	99.3%	99.1%	0.2 p.p.	98.8%	0.5 p.p.
CSU Pays	83,410	73,294	13.8%	85,015	-1.9%
Digital	77,815	66,208	17.5%	78,101	-0.4%
Analog	5,309	7,086	-25.1%	6,914	-23.2%
CSU DX	49,432	58,285	-15.2%	53,464	-7.5%
Costs (ex-depreciation and amortization)	(67,734)	(73,067)	-7.3%	(70,657)	-4.1%
CSU Pays	(31,189)	(28,244)	10.4%	(31,330)	-0.5%
Personnel	(20,069)	(17,706)	13.3%	(19,909)	0.8%
Materials	(3,350)	(3,088)	8.5%	(3,343)	0.2%
Mailings of letters and invoices	(1,480)	(3,301)	-55.2%	(2,883)	-48.7%
Communication	(473)	(597)	-20.8%	(459)	3.1%
Occupation	(1,231)	(1,339)	-8.1%	(1,084)	13.6%
Awards	(1,224)	(1,007)	21.5%	(1,010)	21.2%
Others	6,781	7,432	-8.8%	6,637	2.2%
CSU DX	(36,545)	(44,823)	-18.5%	(39,327)	-7.1%
Personnel	(30,490)	(37,416)	-18.5%	(32,592)	-6.4%
Communication	(547)	(908)	-39.8%	(663)	-17.5%
Occupation	(2,849)	(3,999)	-28.8%	(3,261)	-12.6%
Other	1,896	2,165	-12.4%	1,403	35.1%
Gross contribution	65,108	58,512	11.3%	67,822	-4.0%
CSU Pays	52,221	45,050	15.9%	53,685	-2.7%
CSU DX	12,887	13,462	-4.3%	14,137	-8.8%
Contribution (%)	49.0%	44.5%	4.5 p.p.	49.0%	0.0 p.p.
CSU Pays	62.6%	61.5%	1.1 p.p.	63.1%	-0.5 p.p.
CSU DX	26.1%	23.1%	3.0 p.p.	26.4%	-0.3 p.p.
Total Costs (add depreciation and amortization)	(82,432)	(86,370)	-4.6%	(84,150)	-2.0%
Gross profit	50,410	45,209	11.5%	54,329	-7.2%
CSU Pays	42,078	36,412	15.6%	44,406	-5.2%
CSU DX	8,332	8,797	-5.3%	9,923	-16.0%
Gross margin	37.9%	34.4%	3.5 p.p.	39.2%	-1.3 p.p.
CSU Pays	50.4%	49.7%	0.7 p.p.	52.2%	-1.8 p.p.
CSU DX	16.9%	15.1%	1.8 p.p.	18.6%	-1.7 p.p.
Expenses	(22,975)	(21,702)	5.9%	(26,648)	-13.8%
Selling, general & administrative (SG&A)	(23,000)	(21,730)	5.8%	(26,520)	-13.3%
Selling	(2,238)	(1,004)	122.9%	(4,122)	-45.7%
General and administrative	(19,361)	(18,331)	5.6%	(20,827)	-7.0%
Depreciation and amortization	(1,401)	(2,395)	-41.5%	(1,571)	-10.8%
% Net revenue (SG&A)	17.3%	16.5%	0.8 p.p.	19.2%	-1.9 p.p.
Other operational revenue/expenses	25	28	-10.7%	(128)	-119.5%
Other operational revenue	698	262	166.4%	114	512.3%
Other operational expenses	(673)	(234)	187.6%	(242)	178.1%
EBIT	27,435	23,507	16.7%	27,681	-0.9%
(+) Depreciation and amortization	16,099	15,698	2.6%	15,064	6.9%
EBITDA	43,534	39,205	11.0%	42,745	1.8%
CSU Pays	39,409	32,743	20.4%	36,753	7.2%
CSU DX	4,125	6,462	-36.2%	5,992	-31.2%
EBITDA margin	32.8%	29.8%	3.0 p.p.	30.9%	1.9 p.p.
CSU Pays	47.2%	44.7%	2.5 p.p.	43.2%	4.0 p.p.
CSU DX	8.3%	11.1%	-2.8 p.p.	11.2%	-2.9 p.p.
Financial result	(147)	(1,963)	-92.5%	(69)	113.0%
Financial revenue	3,377	1,492	126.3%	2,555	32.2%
Financial expenses	(3,524)	(3,455)	2.0%	(2,624)	34.3%
EBT	27,288	21,544	26.7%	27,612	-1.2%
Taxes	(7,087)	(6,087)	16.4%	(5,634)	25.8%
Current	(7,410)	(7,139)	3.8%	(7,127)	4.0%
Deferred	323	1,052	-69.3%	1,493	-78.4%
Net income	20,201	15,457	30.7%	21,978	-8.1%
Net margin	15.2%	11.7%	3.5 p.p.	15.9%	-0.7 p.p.

2. Statement of financial position

Balance sheet - Asset (R\$ thousand)					
Asset	03/31/2023	12/31/2022	03/31/2023 vs. 12/31/2022	03/31/2022	03/31/2023 vs. 03/31/2022
Total assets	614,333	607,219	1.2%	581,214	5.7%
Current assets	174,752	182,482	-4.2%	170,267	2.6%
Cash and cash equivalents	80,397	86,455	-7.0%	82,677	-2.8%
Accounts receivable from customers	72,935	76,312	-4.4%	72,653	0.4%
Inventories	2,662	3,588	-25.8%	2,612	1.9%
Tax recoverable	6,724	5,455	23.3%	3,681	82.7%
Other assets	12,034	10,672	12.8%	8,644	39.2%
Non-current assets	439,581	424,737	3.5%	410,947	7.0%
Long-term receivables	12,761	13,065	-2.3%	11,333	12.6%
Accounts receivable	-	-	n.a	-	n.a
Tax recoverable	4,598	3,937	16.8%	3,937	16.8%
Other assets	8,163	9,128	-10.6%	7,396	10.4%
Investments	31,097	31,097	0.0%	25,946	19.9%
Property, plant and equipment	14,286	15,262	-6.4%	17,157	-16.7%
Intangible assets	294,830	288,681	2.1%	267,378	10.3%
Computerized systems	268,935	262,786	2.3%	241,483	11.4%
Goodwill (indefinite useful life)	25,895	25,895	0.0%	25,895	0.0%
Right-of-use assets	86,607	76,632	13.0%	89,133	-2.8%

Balance sheet - Liability and equity (R\$ thousand)					
Liability & equity	03/31/2023	12/31/2022	03/31/2023 vs. 12/31/2022	03/31/2022	03/31/2023 vs. 03/31/2022
Liabilities + shareholder's equity	614,333	607,219	1.2%	581,214	5.7%
Current liabilities	143,415	155,994	-8.1%	141,086	1.7%
Social and labor obligations	51,568	49,289	4.6%	53,120	-2.9%
Social charges	6,566	8,411	-21.9%	6,917	-5.1%
Labor liabilities	45,002	40,878	10.1%	46,203	-2.6%
Trade payables	33,577	38,755	-13.4%	32,674	2.8%
Taxes to be collected	5,611	4,210	33.3%	5,424	3.4%
Federal taxes payable	3,475	2,162	60.7%	3,599	-3.4%
State taxes payable	3	9	-66.7%	7	-57.1%
Municipal taxes payable	2,133	2,039	4.6%	1,818	17.3%
Loans, financings and leasing liabilities	39,171	36,498	7.3%	40,568	-3.4%
Loans and financings	7,880	9,587	-17.8%	13,276	-40.6%
Lease liabilities	31,291	26,911	16.3%	27,292	14.7%
Other liabilities	13,488	27,242	-50.5%	9,300	45.0%
Non-current liabilities	74,653	69,379	7.6%	85,961	-13.2%
Loans, financings and leasing liabilities	54,974	49,206	11.7%	66,154	-16.9%
Loans and financings	5,492	6,763	-18.8%	13,442	-59.1%
Lease liabilities	49,482	42,443	16.6%	52,712	-6.1%
Others	205	299	-31.4%	903	n.a
Deferred income taxes and social contribution	9,155	9,478	-3.4%	9,116	0.4%
Legal liabilities	10,319	10,396	-0.7%	9,788	5.4%
Tax	5,059	4,552	11.1%	3,495	44.7%
Labor	2,678	3,601	-25.6%	4,666	-42.6%
Civil	2,582	2,243	15.1%	1,627	58.7%
Shareholders' equity	396,265	381,846	3.8%	354,167	11.9%
Share capital	169,232	169,232	0.0%	169,232	0.0%
Capital reserves	2,620	2,402	9.1%	1,840	42.4%
Profit reserves	224,413	210,212	6.8%	171,638	30.7%
Legal reserve	21,801	21,801	0.0%	18,122	20.3%
Retained profits reserve	205,676	191,475	7.4%	156,580	31.4%
Treasury shares	- 3,064	- 3,064	0.0%	- 3,064	0.0%
Retained earnings	-	-	n.a	11,457	n.a

3. Cash flow statement

Statement of cash flows (R\$ thousand)					
Description	1Q23	4Q22	1Q23 vs. 4Q22	1Q22	1Q23 vs. 1Q22
Cash from operating activities	36,737	26,094	40.8%	34,341	7.0%
Profit for the period	20,201	21,978	-8.1%	15,457	30.7%
Adjustments	20,483	17,899	14.4%	18,745	9.3%
Depreciation and amortization	16,099	15,064	6.9%	15,698	2.6%
Asset disposals gain/losses	190	521	-63.6%	-	n.a.
Share-based payments	218	149	46.3%	(121)	n.a.
Provision for impairment of trade receivables	111	55	101.8%	(140)	n.a.
Deferred income tax and social contribution	(323)	(1,493)	-78.4%	(1,052)	-69.3%
Provision for legal liabilities	922	709	30.0%	733	25.8%
Interest, indexation and exchange gain/losses on loans, legal liabilities and escrow deposits	3,266	2,894	12.9%	3,627	-9.9%
Changes in assets and liabilities	2,806	(5,606)	n.a.	9,001	-68.8%
Trade receivables from customers	3,266	(2,623)	n.a.	(4,911)	n.a.
Inventories	926	(789)	n.a.	359	157.9%
Escrow deposits	300	(304)	n.a.	597	-49.8%
Other assets	(2,835)	(2,377)	19.3%	697	n.a.
Trade payables	(5,178)	5,011	n.a.	549	n.a.
Social security and labor obligations	2,279	(6,678)	n.a.	5,184	-56.0%
Legal liabilities	(1,243)	(3,041)	-59.1%	(173)	618.3%
Other liabilities	5,291	5,195	1.9%	6,699	-21.0%
Other	(6,753)	(8,177)	-17.4%	(8,862)	-23.8%
Interest paid	(2,500)	(1,029)	142.9%	(2,167)	15.3%
Income tax and social contribution paid	(4,253)	(7,148)	-40.5%	(6,695)	-36.5%
Net cash used in investing activities	(12,491)	(14,432)	-13.4%	(12,033)	3.8%
Acquisition of property and equipment	(361)	(922)	-60.8%	(635)	-43.1%
Additions to intangible assets	(12,130)	(13,510)	-10.2%	(11,398)	6.4%
Investments	-	-	n.a.	-	n.a.
Net cash used in financing activities	(30,304)	(11,797)	156.9%	(22,923)	32.2%
Receipts from loans and financing	-	(34)	n.a.	-	n.a.
Amortization of loans and financing	(2,968)	(2,485)	19.4%	(4,195)	-29.2%
Amortization of lease liabilities	(8,145)	(7,324)	11.2%	(6,683)	21.9%
Dividends paid	(19,191)	(1,953)	882.6%	(12,045)	59.3%
Increase (decrease) in cash and cash equivalents	(6,058)	(134)	4433.2%	(615)	885.0%
Cash and cash equivalents at the beginning of the period	86,455	86,589	-0.2%	83,292	3.8%
Cash and cash equivalents at the end of the period	80,397	86,455	-7.0%	82,677	-2.8%

4. Reclassification of results by business unit

In order to show the adjustments made to our results by business division -- following the reformulation of the business units into CSU Pays and CSU DX -- below we provide a table featuring the quarterly results of each business and their reclassifications.

Reclassification (R\$ thousand)	1Q23	1Q22 Recl.	1Q22	4Q22
Net revenue	132,842	131,579	131,579	138,479
CSU Pays	83,410	73,294	65,074	85,015
CSU DX	49,432	58,285	66,505	53,464
Gross profit	50,410	45,209	45,209	54,329
CSU Pays	42,078	36,412	34,855	44,406
CSU DX	8,332	8,797	10,354	9,923
Gross margin	37.9%	34.4%	34.4%	39.2%
CSU Pays	50.4%	49.7%	53.6%	52.2%
CSU DX	16.9%	15.1%	15.6%	18.6%
EBITDA	43,534	39,205	39,205	42,745
CSU Pays	39,409	32,743	31,186	36,753
CSU DX	4,125	6,462	8,019	5,992
EBITDA margin	32.8%	29.8%	29.8%	30.9%
CSU Pays	47.2%	44.7%	47.9%	43.2%
CSU DX	8.3%	11.1%	12.1%	11.2%
Net income	20,201	15,457	15,457	21,978
Net margin	15.2%	11.7%	11.7%	15.9%

5. Gross contribution reconciliation

The table below shows the reconciliation of gross contribution, which is the result of net revenue from services excluding their costs, as well as depreciation and amortization inherent to them.

Gross contribution reconciliation (R\$ thousand)	1Q23	1Q22	% Var. YoY	4Q22	% Var. QoQ
Gross profit	50,410	45,209	11.5%	54,329	-7.2%
CSU Pays	42,078	36,412	15.6%	44,407	-5.2%
CSU DX	8,332	8,797	-5.3%	9,922	-16.0%
(+) Depr. and amort. (costs)	14,698	13,303	10.5%	13,493	8.9%
CSU Pays	10,143	8,638	17.4%	9,279	9.3%
CSU DX	4,555	4,665	-2.4%	4,214	8.1%
Gross contribution	65,108	58,512	11.3%	67,822	-4.0%
CSU Pays	52,221	45,050	15.9%	53,685	-2.7%
CSU DX	12,887	13,462	-4.3%	14,137	-8.8%
Contribution (%)	49.0%	44.5%	4.5 p.p.	49.0%	0.0 p.p.
CSU Pays	62.6%	61.5%	1.1 p.p.	63.1%	-0.5 p.p.
CSU DX	26.1%	23.1%	3.0 p.p.	26.4%	-0.3 p.p.

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