



4Q23 Results

March 20, 2024

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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:** ROCE¹, 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%
<i>Contribution (%)</i>	<i>50.7%</i>	<i>49.0%</i>	<i>1.7 p.p.</i>	<i>51.4%</i>	<i>-0.7 p.p.</i>	<i>50.4%</i>	<i>47.4%</i>	<i>3.0 p.p.</i>
Gross profit	54,294	54,329	-0.1%	53,577	1.3%	208,923	201,428	3.7%
<i>Gross margin</i>	<i>40.0%</i>	<i>39.2%</i>	<i>0.8 p.p.</i>	<i>40.5%</i>	<i>-0.5 p.p.</i>	<i>39.4%</i>	<i>37.5%</i>	<i>1.9 p.p.</i>
EBITDA	48,242	42,745	12.9%	46,502	3.7%	181,383	166,084	9.2%
<i>EBITDA margin</i>	<i>35.6%</i>	<i>30.9%</i>	<i>4.7 p.p.</i>	<i>35.1%</i>	<i>0.5 p.p.</i>	<i>34.2%</i>	<i>30.9%</i>	<i>3.3 p.p.</i>
Net income	24,041	21,978	9.4%	23,695	1.5%	88,423	73,572	20.2%
<i>Net margin</i>	<i>17.7%</i>	<i>15.9%</i>	<i>1.8 p.p.</i>	<i>17.9%</i>	<i>-0.2 p.p.</i>	<i>16.7%</i>	<i>13.7%</i>	<i>3.0 p.p.</i>

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

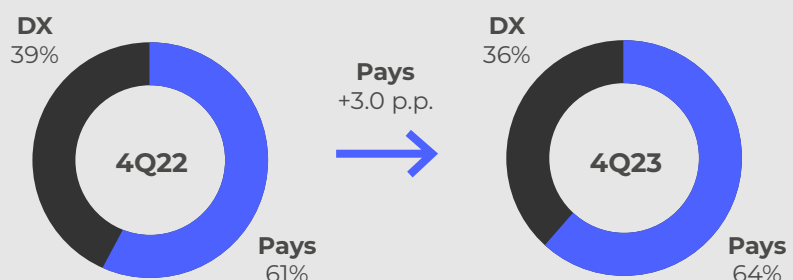
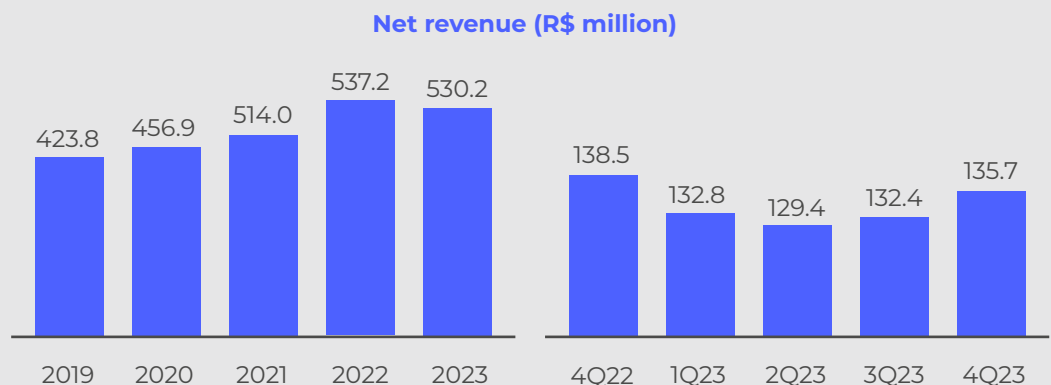
Net revenue: Totaled **R\$530.2 million** in 2023, lower by 1.3% vs. 2022. In the quarterly view, it is possible to note an important evolution of these indicator since 2Q23 (+2% 3Q23 vs. 2Q23 and +3% 4Q23 vs. 3Q23), with expansion in both business units reflecting the improved economic and financial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

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

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.

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



CSU Pays (our core business) grows consistently and recurringly on an annual basis (CAGR² 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.

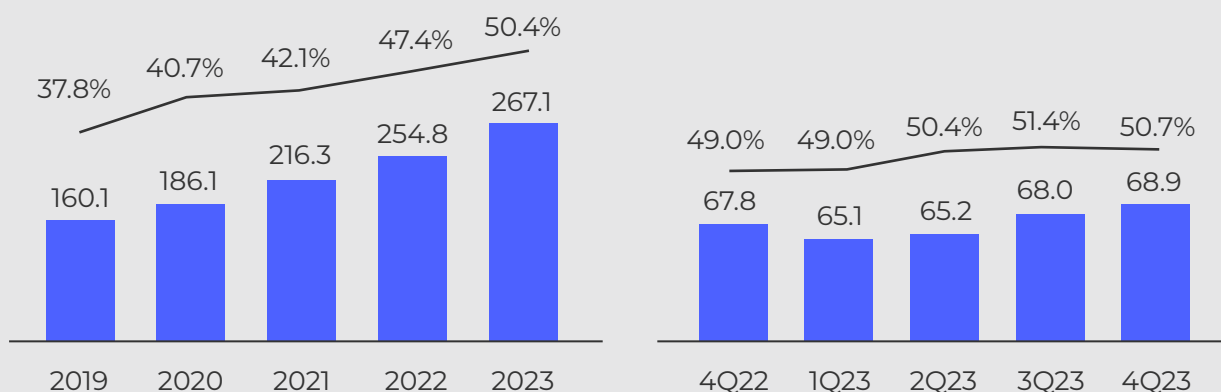
² CAGR: Compound Annual Growth Rate.

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 contribution³: 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.

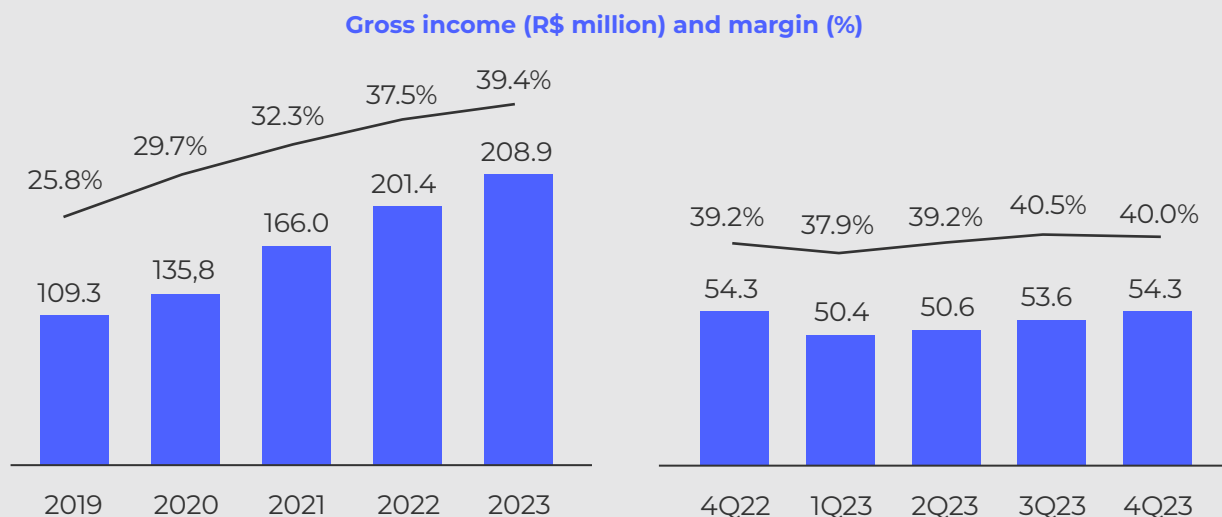
Gross contribution (R\$ million) and margin (%)



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 quarters 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).



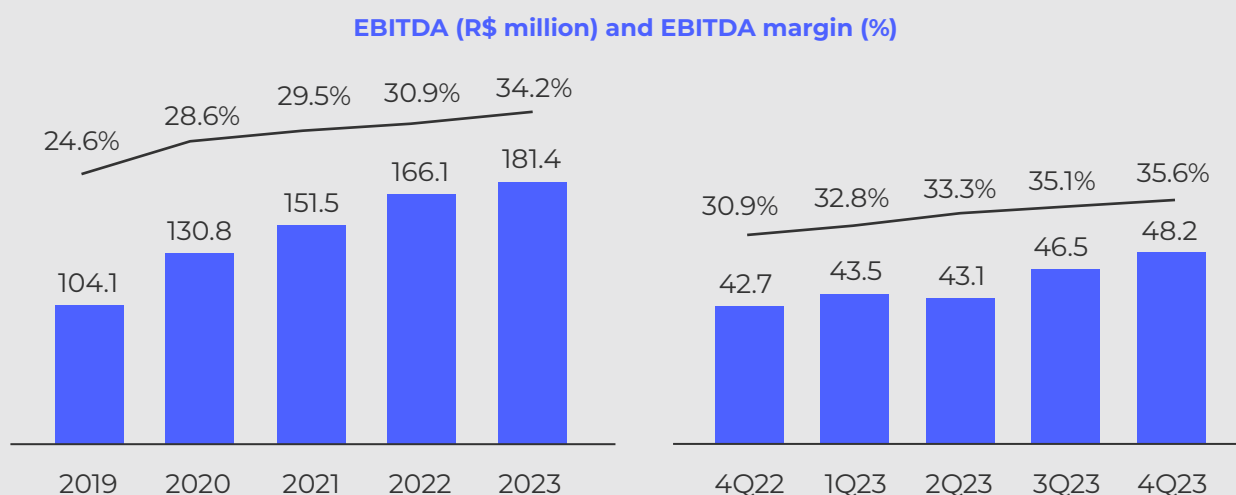
Selling, general and administrative expenses (SG&A): In 2023, the Company's SG&A – in this case including the corresponding depreciation and amortization (D&A) – remained practically in line when compared to 2022, and totaled R\$95.5 million (+0.1% vs. 2022). The maintenance of expenses at this level 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%
<i>% of net revenue</i>	<i>19.0%</i>	<i>19.2%</i>	<i>-0.2 p.p.</i>	<i>17.2%</i>	<i>1.8 p.p.</i>	<i>18.0%</i>	<i>17.8%</i>	<i>0.2 p.p.</i>

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.

EBITDA⁴ 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.



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%
<i>EBITDA margin</i>	<i>35.6%</i>	<i>30.9%</i>	<i>4.7 p.p.</i>	<i>35.1%</i>	<i>0.5 p.p.</i>	<i>34.2%</i>	<i>30.9%</i>	<i>3.3 p.p.</i>

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.

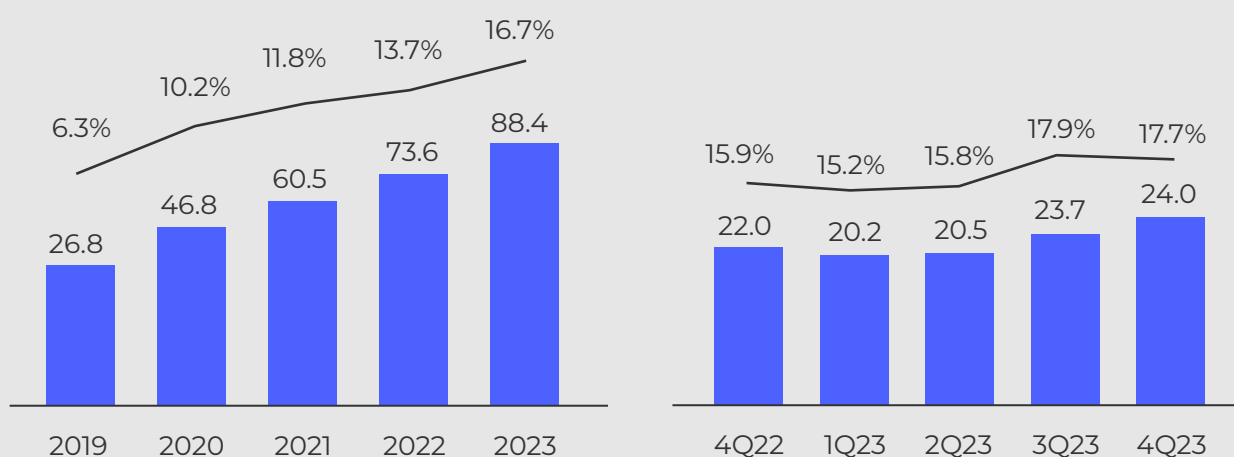
Financial result: In 2023 it totaled a net expense of R\$0.7 million compared to the R\$3.5 million of net expense presented in the same period of the previous year, **savings of R\$2.8 million**, explained by a non-recurring interest income from tax credits of R\$ 1.7 million and a higher income from 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 (%)



CAPEX⁵

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%
<i>% of net revenue</i>	<i>12.0%</i>	<i>14.5%</i>	<i>-2.5 p.p.</i>	<i>10.7%</i>	<i>1.3 p.p.</i>	<i>11.7%</i>	<i>11.8%</i>	<i>-0.1 p.p.</i>

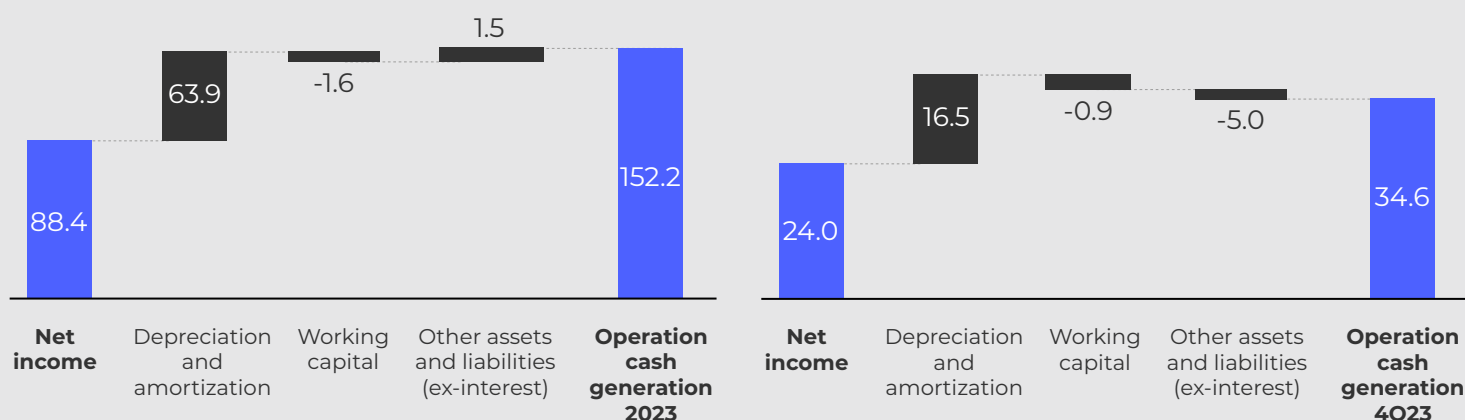
⁵ **CAPEX:** Corporate investments reflect, for the most part, investments in technological management platforms, both in terms of software and hardware, as well as improvements in general. This value differs from the "Cash Used in Investing Activities" in the Cash Flow Statement due to leasing.

Operating cash generation

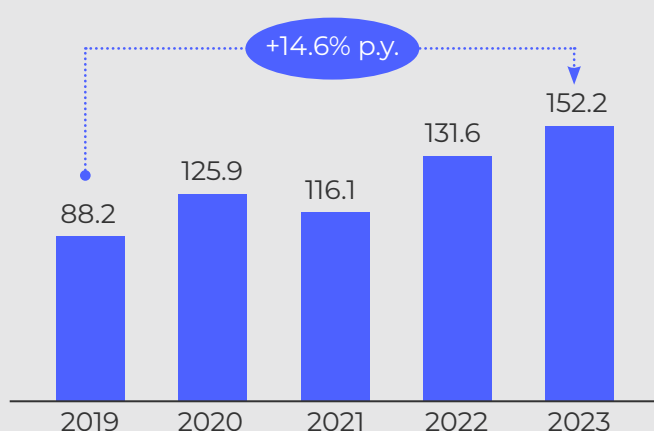
Cash generated by operational activities continues to expand rapidly and reached **R\$152.2 million** in 2023, R\$20.6 million (+15.7%) higher than cash generated in 2022, which was R\$131.6 million. In the quarter, cash generated by operating activities **totaled R\$34.6 million**, R\$8.5 million higher 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 Structure⁶

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 (infotech) 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).

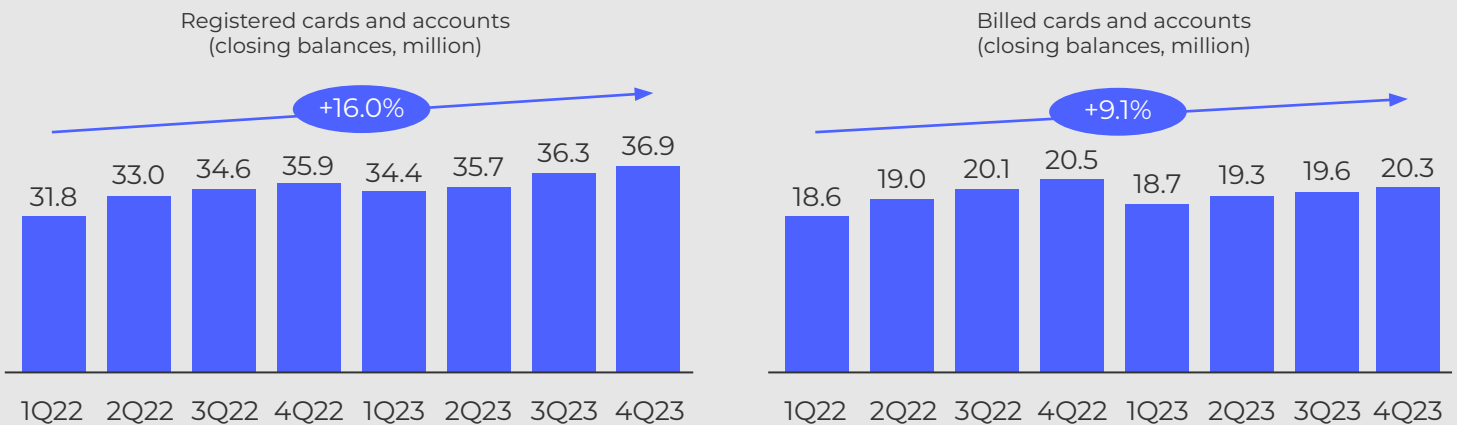
More recently, **new modalities became part of this vertical's portfolio**, with the launch of our new payment solutions such as Pix, Pix on Credit, Cryptocurrencies, as well as a complete Embedded Finance platform that includes products such as individual and business digital accounts, receipt and electronic 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).

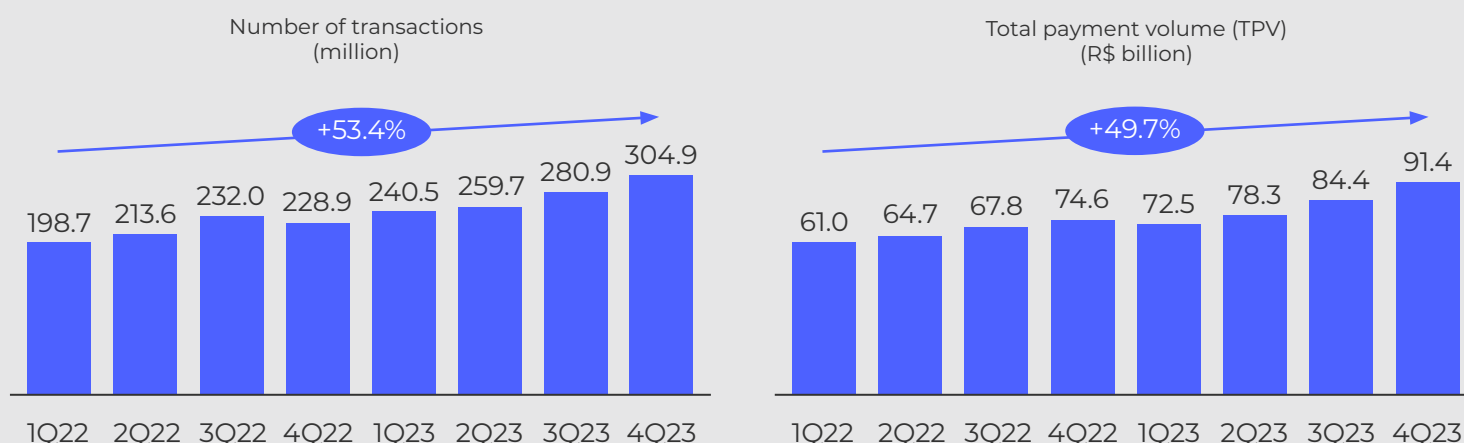
Below we will highlight some of the indicators in this segment:

Billed and registered cards and accounts



- **Registered cards and accounts:** 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.**

1.2 Financial performance

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

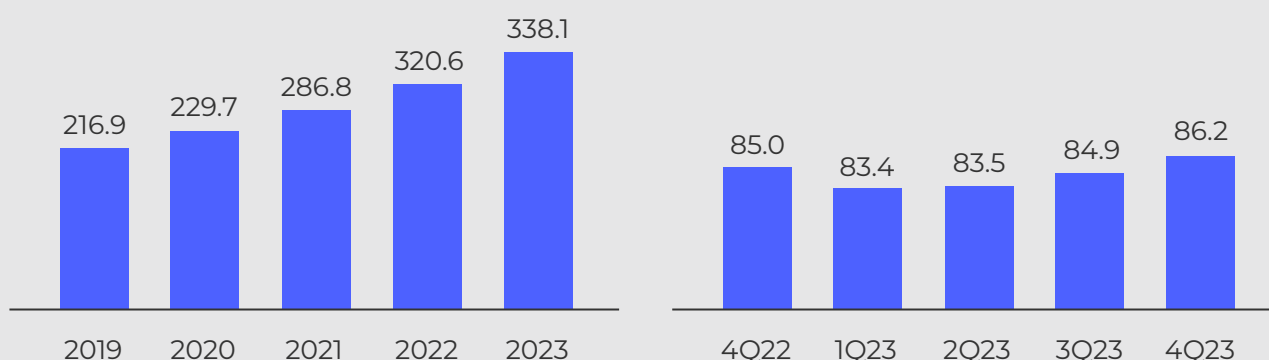
EBITDA:
R\$ 164.6 MM +14.9%
Mg. 48.7% +4.0 p.p.
 2023 yoy

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 revenues⁷ 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.

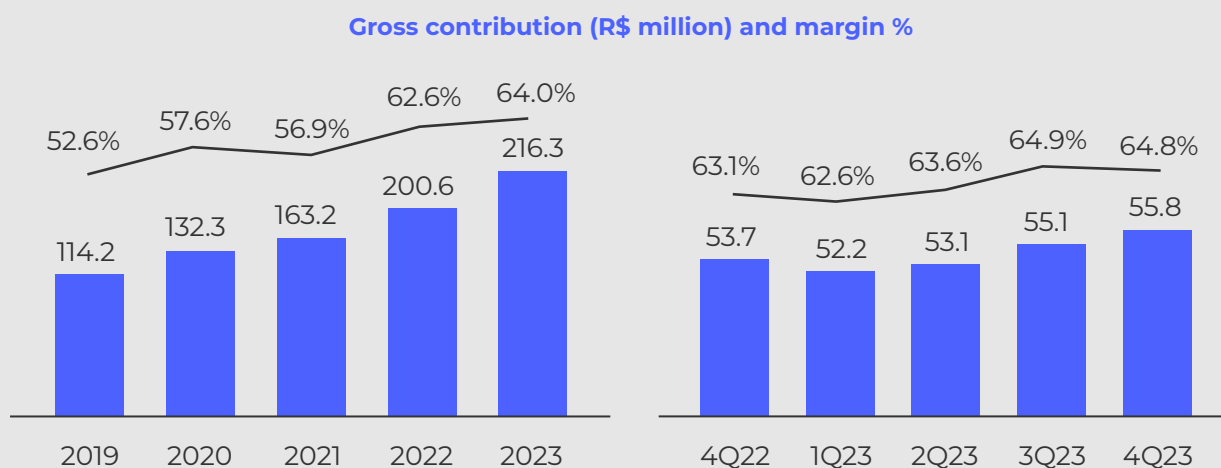
Net revenue (R\$ million)



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 proportional 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.

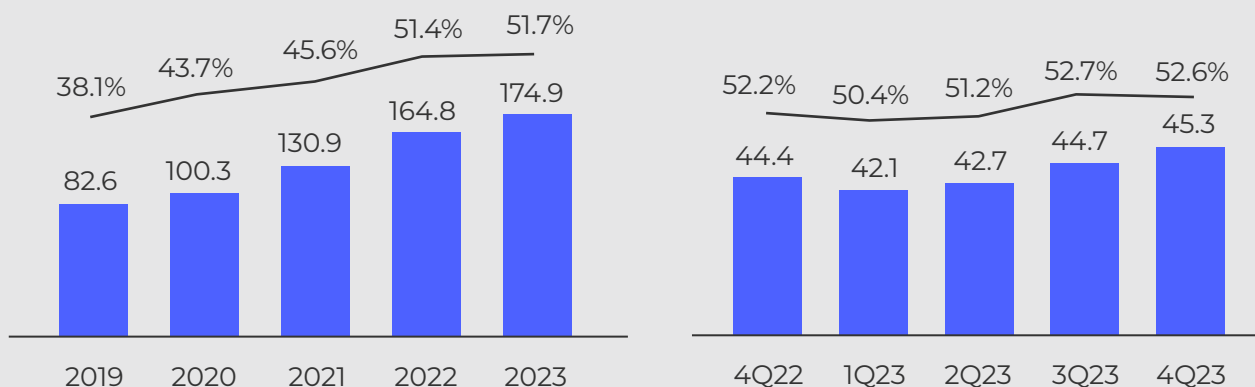
Gross contribution: As a result of variations in the items above (higher revenue and lower cost weight), in 2023 this metric totaled **R\$216.3 million with a margin of 64.0%** compared to R\$200.6 million and a margin of 62.6% in 2022, **an increase of R\$15.7 million (+7.8% and +1.4 p.p. vs. 2022)**. 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)**.



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).

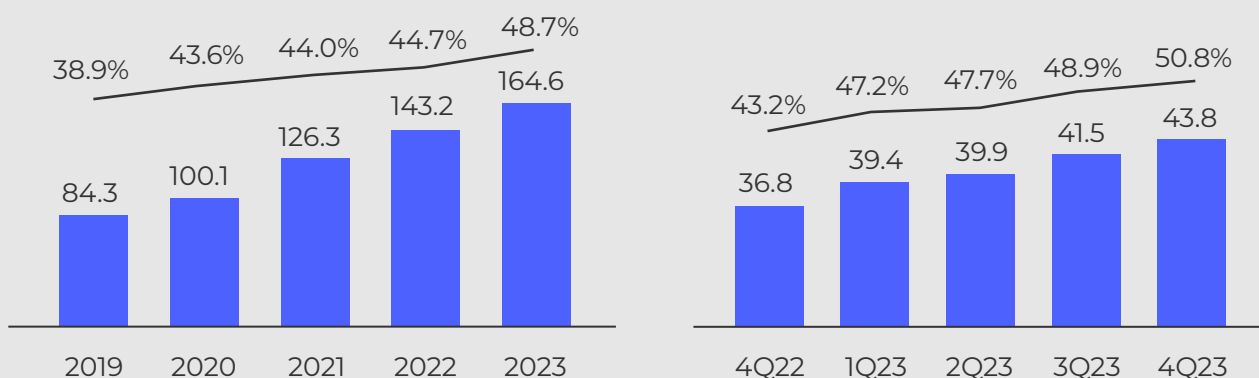
Thus, as a result of the variations mentioned above, in 2023 gross income reached **R\$174.9 million with a margin of 51.7%** compared to a value of R\$164.8 million with a margin of 51.4% in 2022 **(+6.1% and +0.3 p.p. vs. 2022, respectively)**. In 4Q23, gross income reached **R\$45.3 million with a 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%
<i>Contribution (%)</i>	<i>64.8%</i>	<i>63.1%</i>	<i>1.7 p.p.</i>	<i>64.9%</i>	<i>-0.1 p.p.</i>	<i>64.0%</i>	<i>62.6%</i>	<i>1.4 p.p.</i>
(-) 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%
<i>Gross margin</i>	<i>52.6%</i>	<i>52.2%</i>	<i>0.4 p.p.</i>	<i>52.7%</i>	<i>-0.1 p.p.</i>	<i>51.7%</i>	<i>51.4%</i>	<i>0.3 p.p.</i>
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%
<i>EBITDA margin</i>	<i>50.8%</i>	<i>43.2%</i>	<i>7.6 p.p.</i>	<i>48.9%</i>	<i>1.9 p.p.</i>	<i>48.7%</i>	<i>44.7%</i>	<i>4.0 p.p.</i>

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.

2.2 Financial Performance

Net Revenue:

R\$ 192.2 MM -11.3%
2023 yoy

Gross Contribution:

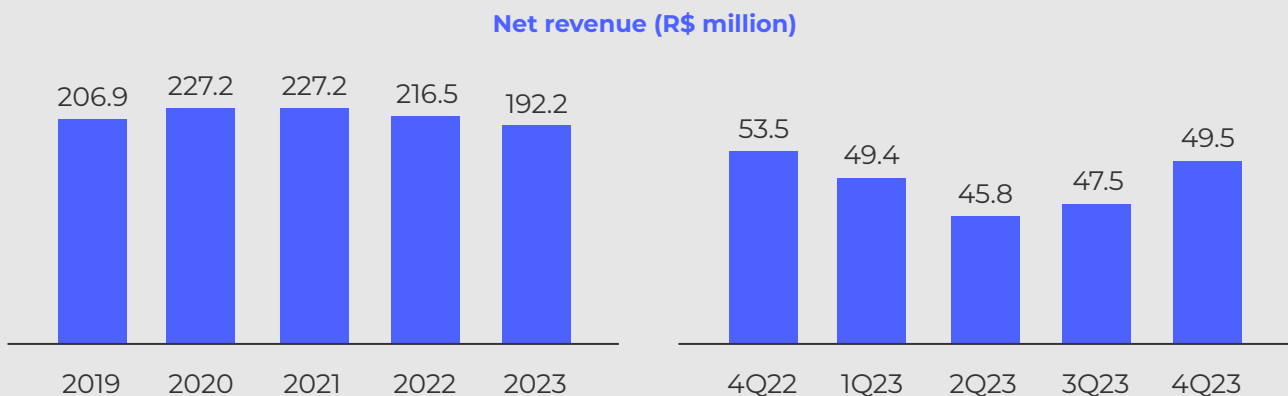
R\$ 50.8 MM -6.3%
Mg. 26.5% +1.4 p.p.
2023 yoy

EBITDA

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

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).

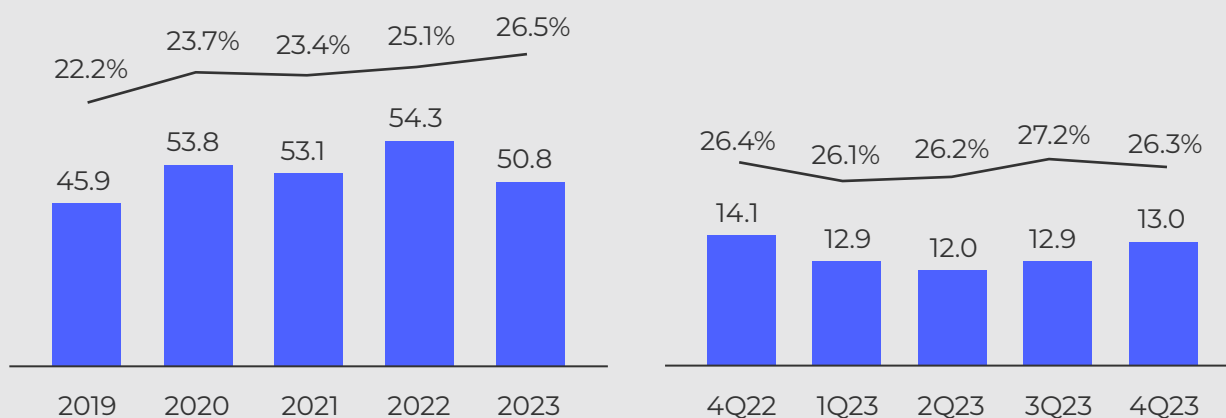
It is worth remembering that CSU DX is going through a profound digital transformation, where operational volumes and quality of service provision increase, but at a lower price and, consequently, lower cost for our customers. **We have prioritized high-density and complex operations**, moving into layers 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.



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 (%)

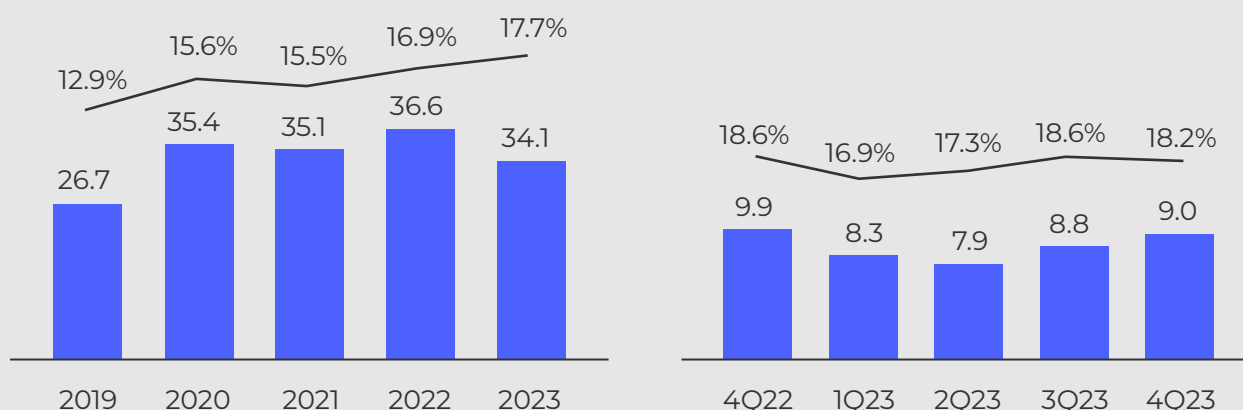


Total costs, gross income and gross margin: Including depreciation and amortization relevant to the cost line presented previously, total costs in 2023 reached R\$158.1 million compared to R\$179.9 million recorded in the previous year, a reduction of R\$21.8 million (-12.1% vs. 2022). During the quarter 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%.

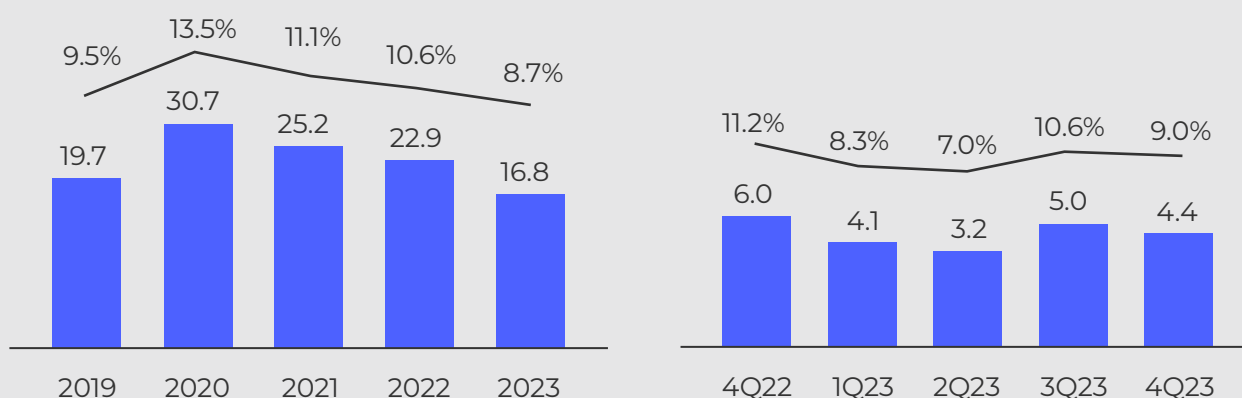
Gross income (R\$ million) and margin (%)



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%
<i>Contribution (%)</i>	<i>26.3%</i>	<i>26.4%</i>	<i>-0.1 p.p.</i>	<i>27.2%</i>	<i>-0.9 p.p.</i>	<i>26.5%</i>	<i>25.1%</i>	<i>1.4 p.p.</i>
(-) 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%
<i>Gross margin</i>	<i>18.2%</i>	<i>18.6%</i>	<i>-0.4 p.p.</i>	<i>18.6%</i>	<i>-0.4 p.p.</i>	<i>17.7%</i>	<i>16.9%</i>	<i>0.8 p.p.</i>
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%
<i>EBITDA margin</i>	<i>9.0%</i>	<i>11.2%</i>	<i>-2.2 p.p.</i>	<i>10.6%</i>	<i>-1.6 p.p.</i>	<i>8.7%</i>	<i>10.6%</i>	<i>-1.9 p.p.</i>

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 indicators⁸: 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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