

(A free translation of the original in Portuguese)

## **CSU CardSystem S.A.**

Quarterly Information (ITR) at  
June 30, 2021  
and report on review of  
quarterly information

## **CSU CardSystem S.A.**

Full set of quarterly information

At June 30, 2021

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Quarterly information (ITR) - 6/30/2021 - CSU CARDSYSTEM S.A.

**Company information/Capital**

<b>Number of shares (In thousands)</b>	<b>Current quarter 6/30/2021</b>
<b>Paid-up capital</b>	
Common shares	41,800
Preferred shares	0
<b>Total</b>	<b>41,800</b>
<b>Treasury shares</b>	
Common shares	691
Preferred shares	0
<b>Total</b>	<b>691</b>

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Quarterly information (ITR) - 6/30/2021 - CSU CARDSYSTEM S.A.

### Quarterly information/balance sheet - assets

(R\$ thousand)

1 - Code	2 - Description	Current quarter 4/1/2021 to 6/30/2021	Prior year 1/1/2020 to 12/31/2020
1	Total Assets	537,771	539,784
1.01	Current assets	157,595	161,354
1.01.01	Cash and Cash Equivalent	80,740	83,760
1.01.03	Trade receivable	61,197	59,192
1.01.03.01	Customers	61,197	59,192
1.01.04	Inventories	3,297	2,512
1.01.06	Securities	4,660	8,319
1.01.06.01	Current securities	4,660	8,319
1.01.06.01.01	Income tax and social contribution	3,351	7,283
1.01.06.01.02	Other taxes to offset	1,309	1,036
1.01.08	Other current assets	7,701	7,571
1.01.08.03	Others	7,701	7,571
1.02	Non-current assets	380,176	378,430
1.02.01	Long-term assets	13,519	14,223
1.02.01.07	Taxes recoverable	4,629	4,588
1.02.01.07.02	Taxes to offset	4,629	4,588
1.02.01.10	Other non-current assets	8,890	9,635
1.02.01.10.03	Judicial deposits	7,005	7,794
1.02.01.10.04	Others	1,895	1,841
1.02.02	Investments	10,000	-
1.02.02.01	Investment Properties	10,000	-
1.02.02.01.04	Other Investments	10,000	-
1.02.03	Fixed assets	107,758	122,455
1.02.03.01	Fixed assets in operation	20,261	23,183
1.02.03.01.01	Fixed assets in operation	20,261	23,183
1.02.03.02	Right of use leased assets	87,497	99,272
1.02.04	Intangibles	248,899	241,752
1.02.04.01	Intangibles	248,899	241,752
1.02.04.01.02	Computerized systems	223,004	215,857
1.02.04.01.03	Goodwill (indefinite lived asset)	25,895	25,895

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Quarterly information (ITR) - 6/30/2021 - CSU CARDSYSTEM S.A.

**Quarterly information/balance sheet - liabilities and equity**

**(R\$ thousand)**

1 – Code	2 - Description	Current quarter	Prior year
		4/1/2021 to 6/30/2021	1/1/2020 to 12/31/2020
2	Total Liabilities	537,771	539,784
2.01	Current Liabilities	138,692	139,468
2.01.01	Social and Labor Obligations	53,185	44,458
2.01.01.01	Social obligations	11,832	9,634
2.01.01.02	Labor obligations	41,353	34,824
2.01.02	Suppliers	31,784	36,708
2.01.02.01	Domestic suppliers	31,784	36,708
2.01.03	Tax obligations	4,666	3,384
2.01.03.01	Federal Tax obligations	3,128	1,531
2.01.03.01.03	Other federal taxes	3,128	1,531
2.01.03.02	State Tax obligations	4	6
2.01.03.03	Municipal Tax obligations	1,534	1,847
2.01.04	Loans and Financing	39,142	39,556
2.01.04.01	Loans and Financing	16,412	14,706
2.01.04.01.01	In Brazilian Reais	16,412	14,706
2.01.04.03	Lease liabilities	22,730	24,850
2.01.04.03.01	Leasing liabilities	22,730	24,850
2.01.05	Other obligations	9,915	15,362
2.01.05.02	Others	9,915	15,362
2.01.05.02.01	Dividends and Interest on Equity	5,006	10,803
2.01.05.02.04	Other obligations	4,909	4,559
2.02	Non-current liabilities	90,441	108,041
2.02.01	Loans and Financing	76,138	93,611
2.02.01.01	Loans and Financing	22,659	30,928
2.02.01.01.01	In Brazilian Reais	22,659	30,928
2.02.01.03	Lease liabilities	53,479	62,683
2.02.01.03.01	Leasing liabilities	53,479	62,283
2.02.02	Other obligations	335	335
2.02.02.02	Others	335	335
2.02.02.02.03	Taxes due	335	335
2.02.03	Deferred Taxes	6,527	6,779
2.02.03.01	Deferred Income Tax and Social Contribution	6,527	6,779
2.02.04	Provisions	7,441	7,316
2.02.04.01	Social security, labor and civil tax provisions	7,441	7,316
2.02.04.01.01	Tax provisions	2,803	2,409
2.02.04.01.02	Provisions for Social Security and Labor	2,943	3,363
2.02.04.01.04	Civil Provisions	1,695	1,544
2.03	Net equity	308,638	292,275
2.03.01	Paid-in Capital Stock	169,232	169,232
2.03.02	Capital reserves	1,907	1,491
2.03.02.04	Options Granted	1,907	1,491
2.03.04	Profit Reserves	115,552	121,552
2.03.04.01	Legal reserve	15,097	15,097
2.03.04.05	Profit Retention Reserve	103,313	109,313
2.03.04.09	Shares in Treasury	-2,858	-2,858
2.03.05	Retained earnings	21,947	0

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Quarterly information (ITR) - 6/30/2021 - CSU CARDSYSTEM S.A.

**Quarterly information/statement of income**

**(R\$ thousand unless otherwise stated)**

1 - Code	2 – Description	Current year second quarter 4/1/2021 to 6/30/2021	Year to date 1/1/2021 to 6/30/2021	Prior year second quarter 4/1/2020 to 6/30/2020	Prior year to date 1/1/2020 to 6/30/2020
3.01	Revenue from the Sale of Goods and / or Services	130,499	254,147	111,615	225,701
3.02	Cost of Goods and / or Services Sold	-90,092	-176,085	-78,587	-161,914
3.03	Gross profit	40,407	78,062	33,028	63,787
3.04	Operating Expenses / Revenues	-16,027	-33,008	-16,727	-32,212
3.04.01	Selling Expenses	-483	-577	-323	-574
3.04.02	General and Administrative Expenses	-19,225	-36,374	-17,090	-34,680
3.04.04	Other Operating Income	4,062	6,315	4,256	6,711
3.04.05	Other Operating Expenses	-381	-2,372	-3,570	-3,669
3.04.05.01	Other Operating Expenses	-381	-2,372	-3,570	-3,669
3.05	Result Before Financial Result and Taxes	24,380	45,054	16,301	31,575
3.06	Financial result	-1,719	-4,549	-276	-2,497
3.06.01	Financial income	508	925	2,657	2,862
3.06.02	Financial expenses	-2,227	-5,474	-2,933	-5,359
3.07	Result Before Taxes on Profit	22,661	40,505	16,025	29,078
3.08	Income Tax and Social Contribution on Profit	-7,719	-12,758	-4,811	-8,551
3.08.01	Current	-7,159	-13,010	-5,843	-9,679
3.08.02	Deferred	-560	252	1,032	1,128
3.09	Net Income from Continuing Operations	14,942	27,747	11,214	20,527
3.11	Profit / Loss for the Period	14,942	27,747	11,214	20,527

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Quarterly information (ITR) - 6/30/2021 - CSU CARDSYSTEM S.A.

**Quarterly information/statement of comprehensive income**

**(R\$ thousand)**

1 - Code	2 - Description	Current year second	Current year to date	Prior year second	Prior year to date
		quarter 4/1/2021 to 6/30/2021	1/1/2021 to 6/30/2021	quarter 4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020
4.01	Profit / Loss for the period	14,942	27,747	11,214	20,527
4.03	Comprehensive Income for the period	14,942	27,747	11,214	20,527

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Quarterly information (ITR) - 6/30/2021 - CSU CARDSYSTEM S.A.

**Quarterly information/statement of cash flows - indirect method**

**(R\$ thousand)**

1 - Code	2 - Description	Current year	Prior year
		second quarter 4/1/2021 to 6/30/2021	second quarter 4/1/2020 to 6/30/2020
6.01	Net Cash from Operating Activities	64,074	77,010
6.01.01	Cash generated from operations	62,835	53,374
6.01.01.01	Profit / Loss for the Period	27,747	20,527
6.01.01.02	Depreciation and amortization	29,992	30,177
6.01.01.03	Residual value of assets written off	70	195
6.01.01.04	Interest and indexation charges	3,990	2,935
6.01.01.05	Equity instrument for payment in shares	416	255
6.01.01.06	Estimated losses on allowance for loan losses	313	707
6.01.01.07	Provision for legal liabilities	-252	-1,128
6.01.01.08	Deferred Income Tax and Social Contribution	559	-294
6.01.02	Changes in Assets and Liabilities	17,867	36,807
6.01.02.01	Trade receivables	-2,318	10,039
6.01.02.02	Inventories	-785	658
6.01.02.03	Judicial deposits	787	1,032
6.01.02.04	Other Assets	3,566	-2,377
6.01.02.05	Suppliers	-4,924	1,987
6.01.02.06	Salaries and Social Charges	8,727	16,824
6.01.02.07	Contingencies	-593	-886
6.01.02.08	Other liabilities	13,407	9,530
6.01.03	Others	-16,628	-13,171
6.01.03.01	Interest Paid	-4,060	-5,046
6.01.03.02	Income Tax and Social Contribution Paid	-12,568	-8,125
6.02	Net Cash Used in Investing Activities	-31,041	-24,307
6.02.01	Acquisition of property, plant and equipment	-1,118	-5,760
6.02.02	Acquisition of intangible assets	-19,923	-18,547
6.02.04	Investments	-10,000	0
6.03	Net Cash Used in Financing Activities	-36,053	-4,410
6.03.02	Loans	0	20,000
6.03.05	Amortization of Lease Liabilities	-6,692	-1,708
6.03.04	Dividends and Interest on Equity Paid	-16,803	-9,065
6.05	Decrease in Cash and Cash Equivalents	-12,558	-13,637
6.05.01	Opening Balance of Cash and Cash Equivalents	-3,020	48,293
6.05.02	Closing Balance of Cash and Cash Equivalents	83,760	28,542



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Quarterly information (ITR) - 6/30/2021 - CSU CARDSYSTEM S.A.

**Quarterly information/statement of changes in equity - 1/1/2021 to 6/30/2021 (R\$ thousand)**

1 - Code	2 - Description	Paid-up capital	Capital reserves, share options and treasury shares	Revenue reserves	Retained earnings	Other comprehensive income	Equity
5.01	Opening Balances	169,232	1,491	121,552	0	0	292,275
5.03	Adjusted Opening Balances	169,232	1,491	121,552	0	0	292,275
5.04	Capital Transactions with Partners	0	416	-6,000	-5,800	0	-11,384
5.04.03	Options Granted	0	416				416
5.04.07	Interest on Equity				-5,800		-5,800
5.04.08	Dividends supplementing the 2020 mandatory dividend			-6,000			-6,000
5.05	Total Comprehensive Income	0	0	0	27,747	0	27,747
5.05.01	Profit / Loss for the Period				27,747		27,747
5.07	Final balance	169,232	1,907	115,552	21,947	0	308,638

**Quarterly information/statement of changes in equity - 1/1/2020 to 6/30/2020 (R\$ thousand)**

1 - Code	2 - Description	Paid-up capital	Capital reserves, share options and treasury shares	Revenue reserves	Retained earnings	Other comprehensive income	Equity
5.01	Opening Balances	129,232	833	127,201	0	0	257,266
5.03	Adjusted Opening Balances	129,232	833	127,201	0	0	257,266
5.04	Capital Transactions with Partners	40,000	254	-40,000	-4,900	0	-4,646
5.04.03	Options Granted	0	254				254
5.04.07	Interest on Equity				-4,900		-4,900
5.05	Total Comprehensive Income	0	0	0	20,527	0	20,527
5.05.01	Profit / Loss for the Period				20,527		20,527
5.07	Final balance	169,232	1,087	87,201	15,627	0	273,147

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Quarterly information (ITR) - 6/30/2021 - CSU CARDSYSTEM S.A.

## Quarterly information/statement of value added

(R\$ thousand)

1 - Code	2 - Description	Current year to date	Prior year to date
		1/1/2021 to 6/30/2021	1/1/2020 to 6/30/2020
7.01	Revenues	289,039	261,552
7.01.01	Sales of Goods, Products and Services	286,846	255,547
7.01.02	Other revenues	2,507	6,711
7.01.04	Estimated losses on allowance for loan losses	-314	-706
7.02	Inputs Purchased from Third Parties	-46,352	-53,747
7.02.01	Costs Prods., Merchs. and Servs. Sold	-31,435	-35,069
7.02.02	Materials, Energy, Servs. Third Party and Others	-14,917	-18,678
7.03	Gross Value Added	242,687	207,805
7.04	Retentions	-29,992	-30,177
7.04.01	Depreciation and amortization	-29,992	-30,177
7.05	Net Added Value Produced	212,695	177,628
7.06	Added Value Received in Transfer	221	2,862
7.06.02	Financial income	221	2,862
7.07	Total Added Value to be Distributed	212,916	180,490
7.08	Added Value Distribution	212,916	180,490
7.08.01	Personnel	117,412	101,358
7.08.01.01	Direct Remuneration	92,674	78,927
7.08.01.02	Benefits	16,191	15,457
7.08.01.03	F.G.T.S.	8,547	6,974
7.08.02	Taxes, fees and contributions	56,053	47,086
7.08.02.01	Federal	50,011	41,632
7.08.02.02	State	19	25
7.08.02.03	Municipal	6,023	5,429
7.08.03	Remuneration of Third Party Capital	11,704	11,519
7.08.03.01	Fees	4,769	5,359
7.08.03.02	Rentals	6,935	6,160
7.08.04	Equity Remuneration	27,747	20,527
7.08.04.01	Dividends and Interest on Equity	5,800	4,900
7.08.04.03	Retained earnings	21,947	15,627

# 2Q21 RESULTS

Webcast: August 11, 2021 (Wednesday) 11:00 AM (NYC)

Portuguese (with simultaneous translation)

Webcast: [click here](#)



*São Paulo, August 10, 2021. CSU CardSystem S.A. (CARD3:BZ) ("CSU" or "Company"), a leading company in the Brazilian market in state-of-the-art technological solutions for payment means, customer experience and clients' loyalty and incentives, announces its results for the second quarter of 2021 ("2Q21").*

## EBITDA HITS RECORD-HIGH OF R\$39.2 MILLION (+25.2% VS. 2Q20) WITH NET INCOME OF R\$14.9 MILLION (+33.2% VS. 2Q20)

### FINANCIAL HIGHLIGHTS

- Net revenue: Record of R\$130.5 million (+16.9% vs. 2Q20) resulting from the search for digital solutions in both business units;
- EBITDA margin: Strong profitability trend, a record of 30.0% (+2.0 p.p. vs. 2Q20), due to growth of CSU.CardSystem unit;

### CSU.CARDSYSTEM UNIT

- Billed cards: Reached 17.1 million at the end of June (+3.9% vs. 2Q20);
- EBITDA: Record of R\$31.1 million (+32.5% vs. 2Q20) with a record EBITDA margin of 49.1% (+8.7 p.p. vs. 2Q20);

### CSU.CONTACT UNIT

- EBITDA: R\$8.1 million (+3.6% vs. 2Q20), a record for a 2nd quarter, with an EBITDA margin of 12.1% (-2.5 p.p. vs. 2Q20);

### DISTRIBUTIONS

- Interest on own capital: Approval of distribution of R\$3.0 million as interest on own capital for 2Q21 (+13.2% vs. 2Q20).

Main Indicators (R\$ thousand)	2Q21	2Q20	% Var. YoY	1Q21	% Var. QoQ	1H21	1H20	% Var.
<b>Net Revenue</b>	<b>130,499</b>	<b>111,615</b>	<b>16.9%</b>	<b>123,648</b>	<b>5.5%</b>	<b>254,147</b>	<b>225,701</b>	<b>12.6%</b>
CSU.CardSystem	63,284	58,065	9.0%	59,538	6.3%	122,822	116,988	5.0%
CSU.Contact	67,215	53,550	25.5%	64,110	4.8%	131,325	108,713	20.8%
<b>Gross profit</b>	<b>40,407</b>	<b>33,028</b>	<b>22.3%</b>	<b>37,655</b>	<b>7.3%</b>	<b>78,062</b>	<b>63,787</b>	<b>22.4%</b>
CSU.CardSystem	29,091	25,101	15.9%	27,800	4.6%	56,891	48,791	16.6%
CSU.Contact	11,316	7,927	42.8%	9,855	14.8%	21,171	14,996	41.2%
<b>Gross Margin</b>	<b>31.0%</b>	<b>29.6%</b>	<b>1.4 p.p.</b>	<b>30.5%</b>	<b>0.5 p.p.</b>	<b>30.7%</b>	<b>28.3%</b>	<b>2.5 p.p.</b>
CSU.CardSystem	46.0%	43.2%	2.8 p.p.	46.7%	-0.7 p.p.	46.3%	41.7%	4.6 p.p.
CSU.Contact	16.8%	14.8%	2.0 p.p.	15.4%	1.5 p.p.	16.1%	13.8%	2.3 p.p.
<b>EBITDA</b>	<b>39,189</b>	<b>31,291</b>	<b>25.2%</b>	<b>35,856</b>	<b>9.3%</b>	<b>75,045</b>	<b>61,752</b>	<b>21.5%</b>
CSU.CardSystem	31,074	23,459	32.5%	28,213	10.1%	59,287	47,972	23.6%
CSU.Contact	8,115	7,832	3.6%	7,643	6.2%	15,758	13,780	14.4%
<b>EBITDA Margin</b>	<b>30.0%</b>	<b>28.0%</b>	<b>2.0 p.p.</b>	<b>29.0%</b>	<b>1.0 p.p.</b>	<b>29.5%</b>	<b>27.4%</b>	<b>2.2 p.p.</b>
CSU.CardSystem	49.1%	40.4%	8.7 p.p.	47.4%	1.7 p.p.	48.3%	41.0%	7.3 p.p.
CSU.Contact	12.1%	14.6%	-2.5 p.p.	11.9%	0.2 p.p.	12.0%	12.7%	-0.7 p.p.
<b>Net Income</b>	<b>14,942</b>	<b>11,214</b>	<b>33.2%</b>	<b>12,805</b>	<b>16.7%</b>	<b>27,747</b>	<b>20,527</b>	<b>35.2%</b>
Net Margin	11.4%	10.0%	1.4 p.p.	10.4%	1.1 p.p.	10.9%	9.1%	1.8 p.p.

**About CSU.** Created in 1992, CSU is a leading company in the Brazilian market for providing cutting-edge technological solutions focused on the processing of electronic payment transactions, customer experience and clients' loyalty and incentive programs. CSU has around 6,000 employees, located in the cities of São Paulo, Barueri, Recife and Belo Horizonte. Acting in a pioneering way, CSU was the first company in its segment to go public on B3 in 2006, joining the Novo Mercado, the highest corporate governance level, under the ticker CARD3.

## **MESSAGE FROM MANAGEMENT**

In 2Q21, CSU progressed successfully in its major initiatives focused on innovation, technology and digital transformation for the Company and its clients, while continuing its ever-growing revenue and profitability trends that began in 2019. Highlights were:

- I. the implementation of our first Elo card issuer, Banco Mercantil, the result of a solid long-term relationship between the bank and CSU;
- II. the certification to act as a BIN Sponsor of Mastercard network, in implementation with a client at the end of July 2021. With this certification, CSU joined the regulatory entities as a non-regulated Payment Institution for issuing cards within the scope of this activity, facilitating the entry of new players into the ecosystem;
- III. a new client acquisition for the MarketSystem division, Banco PSA from Stellantis (owner of the brands Fiat-Chrysler, Peugeot-Citroën, among others), which will start operations in 3Q21;
- IV. the implementation of a fintech as the 1st client of the Hybrid Processing Platform in a cloud environment;
- V. the availability, beginning in August 2021, of the new features of the Open Banking ecosystem, in the format and within the schedule defined by Central Bank of Brazil ("[Bacen](#)"), aiming to facilitate the entry of card issuing institutions; and
- VI. in the Banking as a Service ("[BaaS](#)") business, the conclusion of the Technisys core banking implementation for the operationalization of the entire payments cycle in digital accounts and the drafting of the authorization request to Bacen for participation in Pix – Brazil's instant payments platform.

In May, we announced the conclusion of long-term licensing agreements for the **Glic** platform ([glic-solutions.com/en/](https://glic-solutions.com/en/)), a public cloud-based platform implemented in more than 20 countries for processing debit, credit and prepaid cards of the Visa, Mastercard and Elo networks, which combined with VisionPLUS®, a mainframe platform used worldwide for processing payment means and licensed by CSU from Fiserv, results in the new **Hybrid Processing Platform**, which is able to adapt to card issuers with different needs and potential to better serve new clients segments such as startups, fintechs and new financial institutions, with the 1st cloud client, a payment fintech, with the conclusion of the implementation expected for 4Q21. Thus, CSU becomes one of the few companies worldwide to operate its card processing ecosystem on a hybrid platform (cloud and mainframe), further strengthening its modern technological environment.

In June, we launched **Blue C Technology**, a new business unit focused on BaaS, with the purpose of providing 100% digital financial solutions for companies from several segments and sizes looking to enter the embedded finance competition, such as retail, industry, education, franchises, food and beverage, utilities, and payment institutions, among others. As a result, CSU now offers a comprehensive structure of financial products and services for companies, providing leading technology with the white label model of digital accounts for individuals and companies, in addition to solutions in credit, foreign exchange, insurance, investments, and acquiring, as part of a Marketplace of financial and value-added services.

Despite the economic impacts caused by the COVID-19 pandemic, the quarter ended with **record net revenue of R\$130.5 million (+16.9% vs. 2Q20)**, **record gross profit of R\$40.4 million (+22.3% vs. 2Q20)**, **record EBITDA of R\$39.2 million (+25.2% vs. 2Q20)** and **record EBITDA margin of 30.0%**, **net income was the highest in history for a 2nd quarter of R\$14.9 million (+33.2% vs. 2Q20)**, and recurring revenue of 98% in the quarter, which demonstrates the high resilience of the high-tech businesses provided by CSU.

The **CSU.CardSystem** unit, which has state-of-the-art technological solutions for payment means, recorded EBITDA growth to an all-time high of R\$31.1 million (+32.5% vs. 2Q20), with a record EBITDA margin of 49.1% (+8.7 p.p. vs. 2Q20). In the semester, we achieved record of captured transactions, reaching 312.2 million, equivalent to R\$ 100 billion. Also, the financial value of contactless captured transactions by CSU increased 4.5x between 2Q20 and 2Q21, in line with the growth of these operations in the market.

In the MarketSystem division, which provides solutions for client loyalty and incentives, besides the new client Banco PSA, we have improved our Marketplace OpteMais with the start of the development of the integration of DirectShop, a new partner that allows expanding the range of products for redemptions with online vouchers from Netflix, Uber, iFood, Rappi, among others.

In the **CSU.Contact** unit, which offers complete customer experience (CX) solutions, we expanded operations with several clients related to the world undergoing digital transformation, and kept about half of the relationship team working from home, reducing turnover and lowering absenteeism in the unit, resulting in EBITDA expansion to R\$8.1 million (+3.6% vs. 2Q20), the highest value for a 2nd quarter, with an EBITDA margin of 12.1% (-2.5 p.p. vs. 2Q20).

Moreover, the Company's low debt leverage with net debt of R\$34.5 million at the end of the quarter, combined with strong profitability and the delivery of consistent results, has enabled capital expenditures (CAPEX) of R\$11.4 million in technological solutions and the implementation of new clients, aimed at expanding results.

We also approved the distribution to shareholders of R\$3.0 million of interest on own capital ("IOC") regarding 2Q21, which will be allocated to the mandatory statutory dividend for this fiscal year, with payment as of January 14, 2022, totaling R\$5.8 million in the first half, equivalent to a payout of 21% in 2021 to date.

Finally, we wish to thank our clients, partners and employees, who support our high quality of services, and reaffirm our commitment to generating value for investors, focusing on business growth and profitability, with a positive outlook for this year.

## **FINANCIAL AND OPERATIONAL PERFORMANCE**

**Net revenue:** Ended 2Q21 with a **record of R\$130.5 million (+16.9% vs. 2Q20)** against R\$111.6 million in 2Q20, an increase of R\$18.9 million, with growth of R\$13.7 million in the CSU.Contact unit and R\$5.2 million in the CSU.CardSystem unit. During the semester, it amounted a **record of R\$254.1 million (+12.6% vs. 1H20)** against R\$225.7 million in 1H20, an increase of R\$28.4 million, with a growth of R\$22.6 million in the CSU.Contact unit and R\$5.8 million in the CSU.CardSystem unit.

**Recurring revenue<sup>1</sup>:** Came to **all-time high of R\$127.6 million** in the quarter **(+16.0% vs. 2Q20)**, representing 97.8% of net revenue (-0.8 p.p. vs. 2Q20), against R\$110.0 million in 2Q20, an increase of R\$17.6 million. During the semester, it amounted a **record of R\$249.8 million (+11.9% vs. 1H20)**, against R\$223.3 million in 1H20, an increase of R\$26.5 million.

**Costs:** Costs amounted to R\$90.1 million in the quarter **(+14.6% vs. 2Q20)**, against R\$78.6 million in 2Q20, up R\$11.5 million, as a result of a R\$10.3 million increase in CSU.Contact and a R\$1.2 million in CSU.CardSystem. During the semester, it amounted to R\$176.1 million **(+8.8% vs. 1H20)** against R\$161.9 million in 1H20, an increase of R\$14.2 million, with a growth of R\$16.5 million in the CSU.Contact unit and a reduction of R\$2.3 million in the CSU.CardSystem unit.

**Gross profit:** Reached a **record of R\$40.4 million** in 2Q21 **(+22.3% vs. 2Q20)**, against R\$33.0 million in 2Q20, up R\$7.4 million, as a result of an increase of R\$4.0 million in CSU.CardSystem and R\$3.4 million in CSU.Contact. During the semester, it amounted a **record of R\$78.1 million (+22.4% vs. 1H20)** against R\$63.8 million in 1H20, an increase of R\$14.3 million, with a growth of R\$8.1 million in the CSU.CardSystem unit and R\$6.2 million in the CSU.CardSystem unit.

**Gross margin:** Reached 31.0% in 2Q21 **(+1.4 p.p. vs. 2Q20)**, against 29.6% in the same period of 2020, with a positive contribution from both CSU.CardSystem and CSU.Contact. During the semester, it amounted a **record 30.7% (+2.4 p.p. vs. 1H20)** against 28.3% in 1H20.

**Selling, general and administrative expenses ("SG&A"):** In this quarter, SG&A expenses, including depreciation and amortization ("D&A"), reached R\$19.7 million **(+13.2% vs. 2Q20)**, against R\$17.4 million in 2Q20, up R\$2.3 million, as a result of an increase of R\$2.1 million in general and administrative expenses – mainly due to the increase in personnel expenses for the structure of Blue C Technology and a one-off M&A related to the investment in Fitbank – and of R\$0.2 million in selling expenses. Totalled R\$37.0 million in the semester **(+4.8% vs. 1H20)**, against R\$35.3 million in 2Q20, up R\$1.7 million, as a result of an increase of R\$1.5 million in general and administrative expenses – aforementioned – and an increase of R\$0.2 million in D&A expenses.

<sup>1</sup>**Recurring revenue:** Is a non-accounting metric that disregards non-current revenue such as service orders related to deployments and others at the CSU.CardSystem division.

# 2Q21 RESULTS

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Expenses (R\$ thousand)	2Q21	2Q20	% Var. YoY	1Q21	% Var. QoQ	1H21	1H20	Var. %
General and Administrative	(16,804)	(14,662)	14.6%	(14,693)	14.4%	(31,497)	(30,026)	4.9%
Depreciation and Amortization	(2,421)	(2,428)	-0.3%	(2,456)	-1.4%	(4,877)	(4,654)	4.8%
Sales and Marketing	(483)	(323)	49.5%	(94)	413.8%	(577)	(574)	0.5%
<b>Total Expenses of Sales, General and Adm.</b>	<b>(19,708)</b>	<b>(17,413)</b>	<b>13.2%</b>	<b>(17,243)</b>	<b>14.3%</b>	<b>(36,951)</b>	<b>(35,254)</b>	<b>4.8%</b>
<i>% of net revenue</i>	<i>15.1%</i>	<i>15.6%</i>	<i>-0.5 p.p.</i>	<i>13.9%</i>	<i>1.2 p.p.</i>	<i>14.5%</i>	<i>15.6%</i>	<i>-1.1 p.p.</i>

**Other operating revenues/expenses:** In this quarter, reached R\$3.7 million (**+436.6% vs. 2Q20**), against R\$0.7 million in the same period of 2020, up R\$3.0 million, due to a reversal of liabilities with providers for non-compliance with contractual obligations. During the semester, totaled R\$3.9 million (**+29.6% vs. 1H20**) against R\$3.0 million in 1H20, as mentioned in the quarter.

**EBITDA<sup>2</sup>:** Achieved an **all-time high of R\$39.2 million** in the quarter (**+25.2% vs. 2Q20**), against R\$31.3 million in 2Q20, up R\$7.9 million, as a result of an increase of R\$7.6 million in CSU.CardSystem and R\$0.3 million in CSU.Contact. During the semester, a new **record of R\$75.1 million (+21.5% vs. 1H20)** against R\$61.8 million in 1H20, an increase of R\$13.3 million, with growth of R\$11.3 million in the CSU.CardSystem unit and R\$2.0 million in the CSU.Contact unit.

**EBITDA margin:** Reached a **record 30.0%** in 2Q21 (**+2.0 p.p. vs. 2Q20**), against 28.0% in the same period of 2020, with growth of 8.7 p.p. at CSU.CardSystem and reduction of 2.6 p.p. at CSU.Contact. During the semester, a new **record of 29.5% (+2.2 p.p. vs. 1H20)** against 27.4% in 1H20.

EBITDA Reconciliation (R\$ thousand)	2Q21	2Q20	% Var. YoY	1Q21	% Var. QoQ	1H21	1H20	% Var.
<b>Net Income</b>	<b>14,942</b>	<b>11,214</b>	<b>33.2%</b>	<b>12,805</b>	<b>16.7%</b>	<b>27,747</b>	<b>20,527</b>	<b>35.2%</b>
(+) Income Taxes	7,719	4,811	60.4%	5,039	53.2%	12,758	8,551	49.2%
(+) Financial Result	1,719	276	522.8%	2,830	-39.3%	4,549	2,497	82.2%
(+) Depreciation and Amortization	14,809	14,990	-1.2%	15,182	-2.5%	29,991	30,177	-0.6%
<b>EBITDA</b>	<b>39,189</b>	<b>31,291</b>	<b>25.2%</b>	<b>35,856</b>	<b>9.3%</b>	<b>75,045</b>	<b>61,752</b>	<b>21.5%</b>
<b>EBITDA Margin</b>	<b>30.0%</b>	<b>28.0%</b>	<b>2.0 p.p.</b>	<b>29.0%</b>	<b>1.0 p.p.</b>	<b>29.5%</b>	<b>27.4%</b>	<b>2.2 p.p.</b>

**Financial result:** A net expense of R\$1.7 million in the quarter (**+522.8% vs. 2Q20**), against an expense of R\$0.3 million in the same period of 2020, a change of R\$1.4 million, with a decrease of R\$2.1 million in financial revenues, mostly due to the reduction of R\$2.1 million in indexation credits, and of R\$0.7 million in financial expenses, notably related to the decrease of R\$0.6 million in indexation charges. An expense of R\$4.5 million in the semester (**+82.2% vs. 1H20**) against an expense of R\$2.5 million in 1H20, an increase of R\$ 2.0 million, with a reduction of R\$1.9 million in financial income, mainly due to the reduction of R\$2.1 million in indexation credits, and of R\$0.1 million in financial expenses.

**Earnings before taxes ("EBT"):** A new quarterly **record of R\$22.7 million (+41.4% vs. 2Q20)**, against R\$16.0 million in 2Q20, up R\$6.7 million. Reached a **record of R\$40.5 million** in the year (**+39.3% vs. 1H20**), against R\$29.1 million in 1H20, an increase of R\$11.4 million.

**Income taxes and social contribution ("IT&SC"):** In 2Q21, R\$7.7 million (**+60.4% vs. 2Q20**), against R\$4.8 million in 2Q20, up R\$2.9 million, higher by R\$1.3 million in current IT&SC and R\$1.6 million in deferred IT&SC, both related to the higher EBIT. An expense of R\$12.8 million in the semester (**+49.2% vs. 1H20**) against R\$8.6 million in 1H20, an increase of R\$4.2 million, with a growth of R\$3.3 million in current income tax and R\$0.9 million in deferred income tax.

**Net income:** Reached R\$14.9 million in the quarter (**+33.2% vs. 2Q20**), a record for a 2nd quarter, against R\$11.2 million in 2Q20, a significant increase of R\$3.7 million. Reached a **record of R\$27.7 million** in the semester (**+35.2% vs. 1H20**), against R\$20.5 million in 1H20, an increase of R\$7.2 million.

<sup>2</sup> **EBITDA:** Prepared in accordance with CVM Instruction 527/12, it is a non-accounting measurement consisting of net income for the period, plus taxes on net profit, financial expenses net of financial income, and depreciation and amortization.



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## PERFORMANCE BY BUSINESS UNIT

### 1. CSU.CARDSYSTEM (Payment Means, Clients' Loyalty and Incentive)

**Net revenue:** Totalled R\$63.3 million in 2Q21 **(+9.0% vs. 2Q20)**, against R\$58.1 million in the same period of last year, an increase of R\$5.2 million, notably benefited by the process of greater digitization of clients, with revenues linked to digital services<sup>3</sup> reaching a record R\$52.5 million (+13.6% vs. 2Q20) against R\$46.2 million in 2Q20, representing 83.0% of the total **(+3.4 p.p. vs. 2Q20)**, against 79.6% in 2Q20. In the semester, it totaled R\$122.8 million **(+5.0% vs. 1H20)** against R\$117.0 million in 1H20, an increase of R\$5.8 million, with record revenues linked to digital services of R\$101.6 million (+9.8% vs. 1H20) against R\$ 92.5 million in 1H20, representing 82.7% of the total **(+3.6 p.p. vs. 1H20)**, against 79.1% in 1H20.

**Costs:** Amounted to R\$34.2 million in 2Q21 **(+3.7% vs. 2Q20)**, 38% of the total, against R\$33.0 million in the same period of the previous year, an increase of R\$1.2 million, mainly due to the R\$2.2 million growth (+23.4% vs. 2Q20) in personnel expenses and R\$2.2 million (+88.8% vs. 2Q20) in operational materials, partially offset by the reduction of R\$2.6 million (-28.1% vs. 2Q20) in the expenses with mailing as paperless invoices progressed. During the semester, it amounted to R\$65.9 million **(-3.3% vs. 1H20)**, against R\$68.2 million in 1H20, a reduction of R\$2.3 million, as detailed in the [Annex](#).

**Gross profit:** Amounted to R\$29.1 million **(+15.9% vs. 2Q20)**, 72% of the total, against R\$25.1 million in the same period last year, up R\$4.0 million. Totalled R\$56.9 million in the semester **(+16.6% vs. 1H20)**, against R\$48.8 million in 1H20, an increase of R\$8.1 million.

**Gross margin:** Increased to 46.0% in 2Q21 **(+2.8 p.p. vs. 2Q20)**, against 43.2% in 2Q19. During the semester, it reached 46.3% **(+4.6 p.p. vs. 1H20)** against 41.7% in 1H20.

**EBITDA:** An **all-time high of R\$31.1 million** in the quarter **(+32.5% vs. 2Q20)**, 79% of the total, against R\$23.5 million in the same period last year, up R\$7.6 million. Growth is explained by higher revenues compared to costs and expenses attributed to this unit and the expansion of digital services with higher margins, replacing traditional services such as issuing paper invoices, which have low margins. Reached a **record of R\$59.3 million** in the semester **(+23.6% vs. 1H20)**, against R\$48.0 million in 1H20, an increase of R\$11.3 million.

**EBITDA margin:** Reached a **record of 49.1% (+8.7 p.p. vs. 2Q20)**, against 40.4% in 2Q19. This trend mirrors the Company's focus on products for a more digital world with higher profitability. During the semester, a new **record of 48.3% (+7.3 p.p. vs. 1H20)** against 41.0% in 1H20.

Main Indicators (R\$ thousand)	2Q21	2Q20	% Var. YoY	1Q21	% Var. QoQ	1H21	1H20	% Var.
<b>Net Revenue</b>	63,284	58,065	9.0%	59,538	6.3%	122,822	116,988	5.0%
<b>Costs</b>	(34,193)	(32,964)	3.7%	(31,738)	7.7%	(65,931)	(68,197)	-3.3%
<b>Gross Profit</b>	29,091	25,101	15.9%	27,800	4.6%	56,891	48,791	16.6%
<i>Gross Margin</i>	46.0%	43.2%	2.8 p.p.	46.7%	-0.7 p.p.	46.3%	41.7%	4.6 p.p.
<b>Expenses</b>	(11,321)	(7,668)	47.6%	(8,111)	39.6%	(19,432)	(16,429)	18.3%
<b>Other Operational Revenues/Expenses</b>	3,719	(3,684)	-	(1,185)	-	2,534	(3,700)	-
<i>(+) Depr. and Amort.</i>	9,585	9,710	-1.3%	9,709	-1.3%	19,294	19,310	-0.1%
<b>EBITDA</b>	31,074	23,459	32.5%	28,213	10.1%	59,287	47,972	23.6%
<i>EBITDA Margin</i>	49.1%	40.4%	8.7 p.p.	47.4%	1.7 p.p.	48.3%	41.0%	7.3 p.p.

#### 1.1. Operational Performance – CardSystem (Payment means)

**Number of registered cards:** We ended 2Q21 with 27.6 million registered cards **(+12.0% vs. 2Q20)** against 24.6 million in the same quarter last year, an increase of 3.0 million, reflecting the maturity of the contracts signed and the organic growth of the unit, related to the expansion of payments operations in almost all clients.

**Number of billed cards:** We ended 2Q21 with 17.1 million billed cards **(+3.9% vs. 2Q20)** against 16.5 million in the same quarter last year, an increase of 0.6 million, related to the expansion of payments operations in almost all clients.

<sup>3</sup> Revenues linked to digital services: All revenues from CSU.CardSystem unit, except for the issuance and/or postage of cards, letters and physical invoices.

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It should be noted that, both in the registered and billed card base, pure debit cards were purged, which have revenues below the average of credit cards, which is why the volume numbers decreased compared to 1Q21, but with low impact on the unit's revenue and profitability.

CHART 1 – Registered cards (millions)

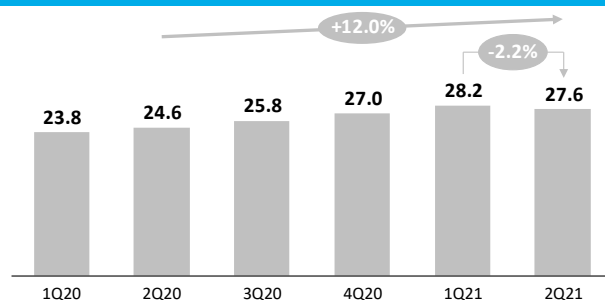
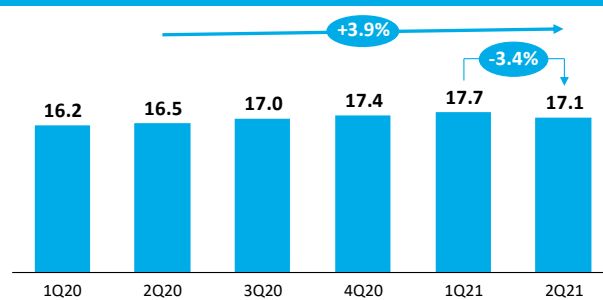
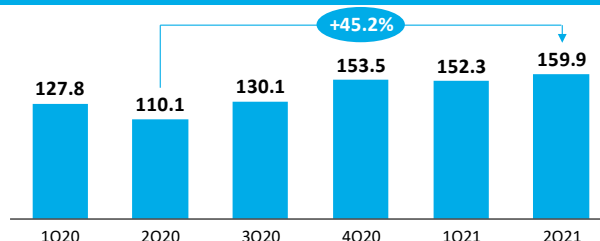


CHART 2 – Billed cards (millions)



**Number of captured transactions:** Amounted to 159.9 million transactions in the quarter (**+45.2% vs. 2Q20**), against 110.1 million in 1Q20, an increase of 49.8 million, after the retraction seen in 2Q20 due to the effects of Covid-19 on the economy, showing recovery and rapid expansion as of 3Q20. Note that this metric represents a lower proportion of the unit's total revenue, but it is a positive indicator as a business trend related to our card issuer and acquiring clients.

CHART 3 – Captured transactions per quarter (millions)



## 1.2. Operational Performance – MarketSystem (Clients' Loyalty and Incentive)

**Highlights:** At MarketSystem, which integrates this unit with solutions for clients' loyalty and incentives, we also won Banco PSA as a new client and improved our Marketplace OpteMais with the beginning of the development of the integration of DirectShop, a new partner that allows to expand the range of products for redemption with online vouchers from Netflix, Uber, iFood, Rappi, among others. Access: [www.optemais.com.br](http://www.optemais.com.br).

## 2. CSU.CONTACT (Customer Experience)

**Net revenue:** An **all-time high of R\$67.2 million** in the quarter (**+25.5% vs. 2Q20**), against R\$53.6 million in the same period of last year, up R\$13.6 million, due to an increase of 400 workstations to an average of 2,391 in 2Q21, related to the expansion of contracts with greater complexity and via multichannel attendance, including chat and robots. Reached a **record of R\$131.3 million** in the semester (**+20.8% vs. 1H20**), against R\$108.7 million in 1H20, an increase of R\$22.6 million.

**Costs:** Amounted to R\$55.9 million in 2Q21 (**+22.5% vs. 2Q20**), 62% of the total, against R\$45.6 million in the same period of the previous year, an increase of R\$10.3 million, mainly due to higher personnel costs of R\$9.3 million related to the operations growth. During the semester, it amounted to R\$110.2 million (**+17.5% vs. 1H20**), against R\$93.7 million in 1H20, an increase of R\$16.5 million, mainly for the reasons mentioned in the quarter, as detailed in the [Annex](#).

**Gross profit:** Grew substantially, as revenue outpaced costs, totaling a **record of R\$11.3 million** (**+42.7% vs. 2Q20**), 28% of the total, against R\$7.9 million in the same period of the previous year, an increase of R\$3.4 million, with efficiency



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in the maintenance of building/infrastructure costs. Reached a **record of R\$21.2 million** in the semester **(+41.2% vs. 1H20)** against R\$15.0 million in 1H20, an increase of R\$6.2 million, as discussed above.

**Gross margin:** Increased to 16.8% in 2Q21 **(+2.0 p.p. vs. 2Q20)**, against 14.8% in 2Q20. Growth on client operations and the use of technologies, increasing profitability. During the semester, it reached 16.1% **(+2.3 p.p. vs. 1H20)** against 13.8% in 1H20, as discussed above.

**EBITDA:** Totalled R\$8.1 million in 2Q21 **(+3.6% vs. 2Q20)**, the highest value for a 2nd quarter, 21% of the total, against R\$7.8 million in the same period of last year, up R\$0.3 million. Reached a **record of R\$15.8 million** in the semester **(+14.3% vs. 1H20)**, against R\$13.8 million in 1H20, an increase of R\$2.0 million.

**EBITDA margin:** Closed at 12.1% **(-2.5 p.p. vs. 2Q20)**, against 14.6% in 2Q20, a drop related to the higher apportionment of expenses for this unit. During the semester, it totaled 12.0% **(-0.7 p.p. vs. 1H20)** against 12.7% in 1H20.

Main Indicators (R\$ thousand)	2Q21	2Q20	% Var. YoY	1Q21	% Var. QoQ	1H21	1H20	% Var.
<b>Net Revenue</b>	67,215	53,550	25.5%	64,110	4.8%	131,325	108,713	20.8%
<b>Costs</b>	(55,899)	(45,623)	22.5%	(54,255)	3.0%	(110,154)	(93,717)	17.5%
<b>Gross Profit</b>	11,316	7,927	42.8%	9,855	14.8%	21,171	14,996	41.2%
<i>Gross Margin</i>	16.8%	14.8%	2.0 p.p.	15.4%	1.5 p.p.	16.1%	13.8%	2.3 p.p.
<b>Expenses</b>	(7,932)	(6,387)	24.2%	(7,308)	8.5%	(15,240)	(13,464)	13.2%
<b>Other Operational Revenues/Expenses</b>	(493)	1,012	-	(377)	30.8%	(870)	1,381	-
<b>(+) Depr. and Amort.</b>	5,224	5,280	-1.1%	5,473	-4.5%	10,697	10,867	-1.6%
<b>EBITDA</b>	8,115	7,832	3.6%	7,643	6.2%	15,758	13,780	14.4%
<i>EBITDA Margin</i>	12.1%	14.6%	-2.5 p.p.	11.9%	0.2 p.p.	12.0%	12.7%	-0.7 p.p.

## 2.1. Operating Performance

**Highlights:** Around half of our employees were working from home during the quarter. We have also focused on higher complexity operations, expanding the use of digital channels without voice (chats, e-mails, social media and robotization) in the last two years and expanded clients operations.

**Billed Workstations ("BW's"):** We ended the quarter with an average of 2,391 BWs **(+21.7% vs. 2Q20)** against 1,964 workstations in the same quarter of the previous year, an increase of 427 positions, distributed through several clients reflecting the global digital transformation and representing the highest number since 2Q18. During the semester, the average BWs was 2,297 **(+13.3% vs. 1H20)** against 2,028 in the same period of the previous year.

**EBITDA/BW:** We ended the quarter with R\$3,394 **(-14.9% vs. 2Q20)** against R\$ 3,987 in the same quarter of the previous year, a reduction of R\$ 593 due to the largest volume of expenses allocated in this unit. During the semester, it reached R\$3,386 (flat vs. 1H20), against R\$3.397 in 2Q20.

**Forms of service:** We ended the quarter with an average of 34.8% without voice channels **(+18.2 p.p. vs. 2Q19)** compared to 16.6% in the same quarter of 2019, due to increased use of digital channels and robotization.

CHART 4 - BWs Average

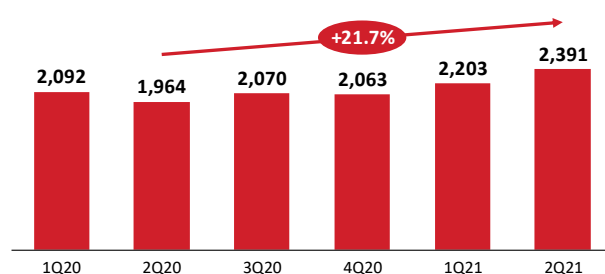
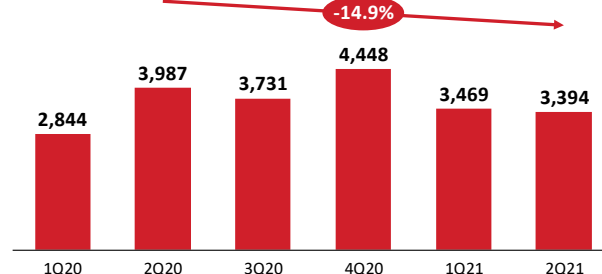


CHART 5: EBITDA CSU.Contact/BW (R\$)



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## CAPITAL EXPENDITURES (CAPEX)<sup>4</sup>

**Total CAPEX:** In the quarter, the Company invested R\$11.4 million **(-25.9% vs. 2Q20)**, against R\$15.3 million in 2Q21, down R\$3.9 million, being a reduction of R\$4.5 million in CSU.Contact, a decline of R\$0.7 million in Corporate and an increase of R\$1.2 million in CSU.CardSystem. It amounted R\$21.2 million in the semester **(-18.4% vs.1H20)** against R\$26.0 million in 1H20, a reduction of R\$4.8 million, being an increase of R\$1.7 million at CSU.CardSystem, reductions of R\$5.0 million at CSU.Contact and R\$1.5 million in Corporate.

**CSU.CardSystem (94% of the total):** Reached R\$10.7 million in the quarter **(+12.2% vs. 2Q20)**, against R\$9.5 million in the same period of last year, up R\$1.2 million. The growth is mainly due to Blue C Technology implementation, CSU's new BaaS unit, and due to the greater volume of customizations related to the software used for card processing. It totaled R\$19.9 million in the semester **(+9.6% vs. 1H20)**, against R\$18.1 million in 1H20, an R\$1.7 million increase, as discussed above.

**CSU.Contact (2% of the total):** Totaled R\$0.2 million in the quarter **(-95.4% vs. 2Q20)**, against R\$4.7 million in the same period of the previous year, a decrease of R\$4.5 million related to the implementation of new clients and the expansion of over 400 workstations at the end of 2Q20. It amounted R\$0.5 million in the semester **(-90.4% vs.1H20)**, against R\$5.6 million in 1H20, an R\$5.1 million decrease, as discussed above.

**Corporate (4% of the total):** Reached R\$0.4 million in the quarter **(-60.4% vs. 2Q20)**, against R\$1.1 million in 2Q20, down R\$0.7 million, due to improvement works carried out in 2Q20. It amounted R\$0.8 million in the semester **(-65.0% vs. 1H20)**, against R\$2.3 million in 1H20, an R\$1.5 million decrease, as discussed above.

Investments (R\$ thousand)	2Q21	2Q20	% Var. YoY	1Q21	% Var. QoQ	1H21	1H20	% Var.
<b>CSU CardSystem</b>	10,703	9,542	12.2%	9,180	16.6%	19,883	18,141	9.6%
<b>CSU Contact</b>	216	4,664	-95.4%	315	-31.4%	531	5,560	-90.4%
<b>Corporate</b>	451	1,140	-60.4%	350	28.9%	801	2,287	-65.0%
<b>Capex</b>	<b>11,370</b>	<b>15,346</b>	<b>-25.9%</b>	<b>9,845</b>	<b>15.5%</b>	<b>21,215</b>	<b>25,988</b>	<b>-18.4%</b>
<i>% of Net Revenue</i>	8.7%	13.7%	-5.0 p.p.	8.0%	0.7 p.p.	8.3%	11.5%	-3.2 p.p.

## CASH GENERATED FROM OPERATION

Operating cash generation in the quarter reached **R\$38.2 million (vs. R\$51.4 million in 2Q20)**, as a result of net income of R\$14.9 million (vs. R\$11.2 million in 2Q20), D&A of R\$14.8 million (vs. R\$15.2 million in 2Q20), working capital<sup>5</sup> changes of R\$6.3 million (vs. R\$24.1 million in 2Q20) – mainly due to the postponement of some charges due to the pandemic – and other changes in assets/liabilities of R\$2.2 million (vs. R\$1.2 million in 1Q20). Operating cash generation in the semester reached **R\$64.1 million (vs. R\$77.0 million in 1H20)**, as a result of net income of R\$27.7 million (vs. R\$20.5 million in 1H20), D&A of R\$30.0 million (vs. R\$30.2 million in 1H20), working capital changes of R\$0.7 million (vs. R\$29.5 million in 1H20) - for the reasons explained above, in addition to changes in receivables due to negotiations with providers – and other changes in assets/liabilities of R\$5.6 million (vs. negative R\$3.2 million in 1H20).

CHART 6 – Cash Generated from Operation 2Q21

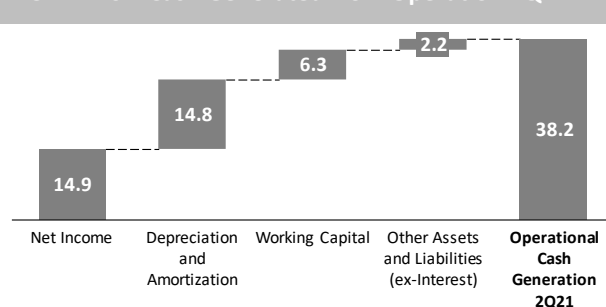
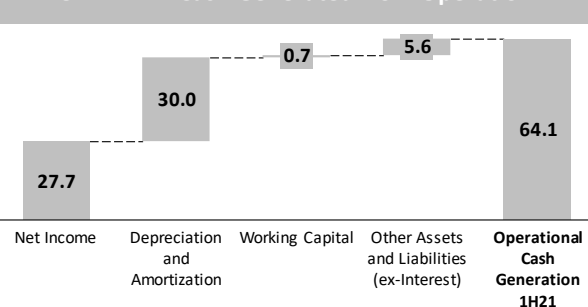


CHART 7 – Cash Generated from Operation 1H21



<sup>4</sup>**Capex:** Corporate investments mostly reflect investments in technology management platforms, in terms of both software and hardware, and improvements in general. This amount differs from the "Cash Used in Investing Activities" in the Cash Flow Statement due to leases.

<sup>5</sup> **Working capital:** It considers the following lines of the Cash Flow Statements: bills to receive, stocks, providers and salaries and social charges.

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## CAPITAL STRUCTURE<sup>6</sup>

**Gross debt:** At the end of the quarter, gross debt totaled R\$115.3 million (-7.1% vs. 2Q20) against R\$124.1 million in the same period of the previous year, a reduction of R\$8.8 million mainly related to the reduction of long term “financing and debt loans”. Compared to the R\$125.3 million recorded in the previous quarter (-8.0% vs. 1Q21), gross debt fell R\$10.0 million, mainly due to long term “lease liabilities”.

**Cash and cash equivalents:** At the end of the quarter, the balance of cash and cash equivalents totaled R\$80.7 million (+5.1% vs. 2Q20) against R\$76.8 million in the same period of the previous year, an increase of R\$3.9 million mainly related to the growth in net income in the period. Compared to the R\$69.6 million recorded in the previous quarter (-16.1% vs. 1Q21), against R\$11.2 million, for the abovementioned reason.

**Net debt:** At the end of June, the Company had net debt of R\$34.5 million (-26.9% vs. 2Q20) against R\$47.3 million in the same period of the previous year, a significant reduction of R\$12.8 million, mainly due to the reduction in gross debt. Compared to the R\$55.8 million recorded in the previous quarter, (-38.1% vs. 1Q21), decrease of R\$21.2 million, due to both the increase in cash and cash equivalents and the reduction in gross debt, aforementioned.

**Net debt/12M EBITDA:** The net debt-to-EBITDA ratio for the last 12 months (“12M”) decreased to 0.2x in 2Q21 against 0.4x in 2Q20, reflecting the strong cash generation in the period. Compared to the previous quarter, maintained a comfortably level (vs. 0.4x in 1Q21). The Company maintain a capital structure with ample space via financial leverage, keeping its indebtedness at appropriate levels, particularly to meet the challenges from the pandemic.

Indebtedness (R\$ thousand)	2Q21	2Q20	% Var. YoY	1Q21	% Var. QoQ
<b>Short Term Debt</b>	<b>39,142</b>	<b>35,930</b>	<b>8.9%</b>	<b>39,316</b>	<b>-0.4%</b>
Financing and Debt loan	16,412	11,229	46.2%	15,937	3.0%
Lease liabilities	22,730	24,701	-8.0%	23,379	-2.8%
<b>Long Term Debt</b>	<b>76,138</b>	<b>88,156</b>	<b>-13.6%</b>	<b>86,018</b>	<b>-11.5%</b>
Financing and Debt loan	22,659	39,106	-42.1%	26,823	-15.5%
Lease liabilities	53,479	49,050	9.0%	59,195	-9.7%
<b>Gross Debt</b>	<b>115,280</b>	<b>124,086</b>	<b>-7.1%</b>	<b>125,334</b>	<b>-8.0%</b>
(-) Cash and equivalents	80,740	76,835	5.1%	69,551	16.1%
<b>Net Debt</b>	<b>34,540</b>	<b>47,251</b>	<b>-26.9%</b>	<b>55,783</b>	<b>-38.1%</b>
<i>Net Debt/EBITDA 12M (x)</i>	<i>0.2</i>	<i>0.4</i>	<i>-0.2</i>	<i>0.4</i>	<i>-0.2</i>

## CAPITAL MARKETS

The shares of CSU CardSystem S.A. (CARD3:BZ) have been traded since its IPO in May 2006, on B3's Novo Mercado, the highest level of Corporate Governance in the Brazilian stock market. In addition, the Company is included in the IGC (Special Corporate Governance Stock Index), IGC-NM (Novo Mercado Corporate Governance Equity Index) and ITAG (Special Tag-Along Stock Index) indexes.

**Share capital:** CSU's capital stock is composed of 41.8 million common shares (ON), of which, at June 30, 2021, 54.1% were held by the Controlling Shareholder, 1.6% were held in Treasury and 44.3% were outstanding shares to be traded in the market (“free float”). At the end of the quarter, the Company did not have any shareholder, except for the Controlling Shareholder, with a holding greater than 5%.

**Market cap:** At the end of the quarter, CARD3 was quoted at R\$22.74, representing a market cap of R\$950.5 million (+72.5% vs. 2Q20), against R\$550.9 million at the end of the same quarter of 2020, an increase of R\$399.6 million. Compared to the R\$746.1 million recorded in the previous quarter (+27.4% vs. 1Q21), an increase of R\$204.4 million.

**Shareholder breakdown:** At the end of the quarter, free float participation of individuals reached 64.5% (vs. 59.8% in 2Q20 and vs. 62.2% in 1Q21), local institutional investors 19.4% (vs. 22.8% in 2Q20 and vs. 21.6% in 1Q21) and foreign investors 16.1% (vs. 17.4% in 2Q20 and vs. 16.2% in 1Q21).

<sup>6</sup> **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.

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**Number of shareholders:** At the end of the quarter, there were 19.6 thousand shareholders (+11.9% vs. 2Q20), against 17.5 thousand at the end of the same quarter of 2020 and 17.1 thousand (+14.3% vs. 1Q21) at the end of the previous quarter, an increase of 2.1 thousand and 2.5 thousand, respectively, resulting mainly from the expansion of the group of individuals.

**Average daily trading volume ("ADTV"):** The average daily traded volume was R\$9.1 million in 2Q21 (+214.7% vs. 2Q20), against R\$2.9 million in the same period of last year, up R\$6.2 million. Compared to the R\$2.9 million recorded in the previous quarter (+213.8% vs. 1Q21), an increase of R\$6.2 million.

**Distributions:** Reflecting management's confidence in the growing trend of results, in June 2021 the Company announced the approval of distribution of IOC in the gross amount of R\$3.0 million (R\$0.072 per share) for 2Q21 – an advance against the mandatory minimum dividend - based on the shareholding position as of June 25, 2021, and payment as of January 14, 2022, totaling R\$5.8 million in dividends, corresponding to 21% of net income for the period.

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## ANNEX

Statement of income (R\$ thousand)	2Q21	2Q20	% Var. YoY	1Q21	% Var. QoQ	1H21	1H20	% Var.
<b>Gross revenue</b>	<b>147,335</b>	<b>126,248</b>	<b>16.7%</b>	<b>139,511</b>	<b>5.6%</b>	<b>286,846</b>	<b>255,547</b>	<b>12.2%</b>
CSU.CardSystem	73,949	67,800	9.1%	69,549	6.3%	143,498	136,887	4.8%
CSU.Contact	73,386	58,448	25.6%	69,962	4.9%	143,348	118,660	20.8%
<b>Deductions</b>	<b>(16,836)</b>	<b>(14,633)</b>	<b>15.1%</b>	<b>(15,863)</b>	<b>6.1%</b>	<b>(32,699)</b>	<b>(29,846)</b>	<b>9.6%</b>
CSU.CardSystem	(10,665)	(9,735)	9.6%	(10,011)	6.5%	(20,676)	(19,899)	3.9%
CSU.Contact	(6,171)	(4,898)	26.0%	(5,852)	5.5%	(12,023)	(9,947)	20.9%
<b>Net revenue</b>	<b>130,499</b>	<b>111,615</b>	<b>16.9%</b>	<b>123,648</b>	<b>5.5%</b>	<b>254,147</b>	<b>225,701</b>	<b>12.6%</b>
Recurring	127,605	110,012	16.0%	122,177	4.4%	249,782	223,307	11.9%
% Recurring revenue	97.8%	98.6%	-0.8 p.p.	98.8%	-1.0 p.p.	98.3%	98.9%	-0.7 p.p.
CSU.CardSystem	63,284	58,065	9.0%	59,538	6.3%	122,822	116,988	5.0%
Digital	52,506	46,200	13.6%	49,053	7.0%	101,558	92,529	9.8%
Analog	10,779	11,864	-9.1%	10,485	2.8%	21,264	24,459	-13.1%
CSU.Contact	67,215	53,550	25.5%	64,110	4.8%	131,325	108,713	20.8%
<b>Costs</b>	<b>(90,092)</b>	<b>(78,587)</b>	<b>14.6%</b>	<b>(85,993)</b>	<b>4.8%</b>	<b>(176,085)</b>	<b>(161,914)</b>	<b>8.8%</b>
CSU.CardSystem	(34,193)	(32,964)	3.7%	(31,738)	7.7%	(65,931)	(68,197)	-3.3%
Personnel	(11,676)	(9,460)	23.4%	(10,635)	9.8%	(22,311)	(19,888)	12.2%
Operational materials	(4,552)	(2,411)	88.8%	(3,999)	13.8%	(8,551)	(5,236)	63.3%
Mailings of letters and invoices	(6,678)	(9,282)	-28.1%	(6,404)	4.3%	(13,082)	(19,134)	-31.6%
Communication	(485)	(475)	2.1%	(547)	-11.3%	(1,032)	(951)	8.5%
Depreciation/amortization	(7,980)	(8,029)	-0.6%	(8,077)	-1.2%	(16,057)	(16,051)	0.0%
Installations	(982)	(962)	2.1%	(1,118)	-12.2%	(2,100)	(2,002)	4.9%
Costs of awards	(607)	(637)	-4.7%	(742)	-18.2%	(1,349)	(1,704)	-20.8%
Others	(1,233)	(1,708)	-27.8%	(216)	470.8%	(1,449)	(3,231)	-55.2%
CSU.Contact	(55,899)	(45,623)	22.5%	(54,255)	3.0%	(110,154)	(93,717)	17.5%
Personnel	(44,254)	(34,969)	26.6%	(42,701)	3.6%	(86,955)	(71,878)	21.0%
Communication	(965)	(736)	31.1%	(754)	28.0%	(1,719)	(1,454)	18.2%
Depreciation/amortization	(4,408)	(4,533)	-2.8%	(4,649)	-5.2%	(9,057)	(9,472)	-4.4%
Installations	(3,359)	(2,921)	15.0%	(3,384)	-0.7%	(6,743)	(6,259)	7.7%
Other	(2,913)	(2,464)	18.2%	(2,767)	5.3%	(5,680)	(4,654)	22.0%
<b>Gross profit</b>	<b>40,407</b>	<b>33,028</b>	<b>22.3%</b>	<b>37,655</b>	<b>7.3%</b>	<b>78,062</b>	<b>63,787</b>	<b>22.4%</b>
CSU.CardSystem	29,091	25,101	15.9%	27,800	4.6%	56,891	48,791	16.6%
CSU.Contact	11,316	7,927	42.8%	9,855	14.8%	21,171	14,996	41.2%
<b>Gross margin</b>	<b>31.0%</b>	<b>29.6%</b>	<b>1.4 p.p.</b>	<b>30.5%</b>	<b>0.5 p.p.</b>	<b>30.7%</b>	<b>28.3%</b>	<b>2.5 p.p.</b>
CSU.CardSystem	46.0%	43.2%	2.7 p.p.	46.7%	-0.7 p.p.	46.3%	41.7%	4.6 p.p.
CSU.Contact	16.8%	14.8%	2.0 p.p.	15.4%	1.5 p.p.	16.1%	13.8%	2.3 p.p.
<b>Expenses</b>	<b>(16,027)</b>	<b>(16,727)</b>	<b>-4.2%</b>	<b>(16,981)</b>	<b>-5.6%</b>	<b>(33,008)</b>	<b>(32,212)</b>	<b>2.5%</b>
Selling, general & administrative (SG&A)	(19,708)	(17,413)	13.2%	(17,243)	14.3%	(36,951)	(35,254)	4.8%
Selling	(483)	(323)	49.5%	(94)	413.8%	(577)	(574)	0.5%
General and administrative	(16,804)	(14,662)	14.6%	(14,693)	14.4%	(31,497)	(30,026)	4.9%
Depreciation and amortization	(2,421)	(2,428)	-0.3%	(2,456)	-1.4%	(4,877)	(4,654)	4.8%
% Net revenue (SG&A)	15.1%	15.6%	-0.5 p.p.	13.9%	1.2 p.p.	14.5%	15.6%	-1.1 p.p.
Other operational revenue/expenses	3,681	686	436.6%	262	1305.0%	3,943	3,042	29.6%
Other operational revenue	4,062	4,256	-4.6%	2,253	80.3%	6,315	6,711	-5.9%
Other operational expenses	(381)	(3,570)	-89.3%	(1,991)	-80.9%	(2,372)	(3,669)	-35.4%
<b>EBIT</b>	<b>24,380</b>	<b>16,301</b>	<b>49.6%</b>	<b>20,674</b>	<b>17.9%</b>	<b>45,054</b>	<b>31,575</b>	<b>42.7%</b>
(+) Depreciation and amortization	14,809	14,990	-1.2%	15,182	-2.5%	29,991	30,177	-0.6%
<b>EBITDA</b>	<b>39,189</b>	<b>31,291</b>	<b>25.2%</b>	<b>35,856</b>	<b>9.3%</b>	<b>75,045</b>	<b>61,752</b>	<b>21.5%</b>
CSU.CardSystem	31,074	23,459	32.5%	28,213	10.1%	59,287	47,972	23.6%
CSU.Contact	8,115	7,832	3.6%	7,643	6.2%	15,758	13,780	14.4%
<b>EBITDA margin</b>	<b>30.0%</b>	<b>28.0%</b>	<b>2.0 p.p.</b>	<b>29.0%</b>	<b>1.0 p.p.</b>	<b>29.5%</b>	<b>27.4%</b>	<b>2.2 p.p.</b>
CSU.CardSystem	49.1%	40.4%	8.7 p.p.	47.4%	1.7 p.p.	48.3%	41.0%	7.3 p.p.
CSU.Contact	12.1%	14.6%	-2.6 p.p.	11.9%	0.2 p.p.	12.0%	12.7%	-0.7 p.p.
<b>Financial result</b>	<b>(1,719)</b>	<b>(276)</b>	<b>522.8%</b>	<b>(2,830)</b>	<b>-39.3%</b>	<b>(4,549)</b>	<b>(2,497)</b>	<b>82.2%</b>
Financial revenue	508	2,657	-80.9%	417	21.8%	925	2,862	-67.7%
Financial expenses	(2,227)	(2,933)	-24.1%	(3,247)	-31.4%	(5,474)	(5,359)	2.1%
<b>EBT</b>	<b>22,661</b>	<b>16,025</b>	<b>41.4%</b>	<b>17,844</b>	<b>27.0%</b>	<b>40,505</b>	<b>29,078</b>	<b>39.3%</b>
<b>Taxes</b>	<b>(7,719)</b>	<b>(4,811)</b>	<b>60.4%</b>	<b>(5,039)</b>	<b>53.2%</b>	<b>(12,758)</b>	<b>(8,551)</b>	<b>49.2%</b>
Current	(7,159)	(5,843)	22.5%	(5,851)	22.4%	(13,010)	(9,679)	34.4%
Deferred	(560)	1,032	-	812	-	252	1,128	-77.7%
<b>Net income</b>	<b>14,942</b>	<b>11,214</b>	<b>33.2%</b>	<b>12,805</b>	<b>16.7%</b>	<b>27,747</b>	<b>20,527</b>	<b>35.2%</b>
Net margin	11.4%	10.0%	1.4 p.p.	10.4%	1.1 p.p.	10.9%	9.1%	1.8 p.p.



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ASSET	Balance Sheet (R\$ thousand)				
	06/30/2021	03/31/2021	06/30/2021 vs. 03/31/2021	06/30/2020	06/30/2021 vs. 06/30/2020
<b>Total assets</b>	<b>537,771</b>	<b>539,285</b>	<b>-0.3%</b>	<b>531,860</b>	<b>1.1%</b>
<b>Current assets</b>	<b>157,595</b>	<b>154,126</b>	<b>2.3%</b>	<b>174,701</b>	<b>-9.8%</b>
Cash and cash equivalents	80,740	69,551	16.1%	76,835	5.1%
Accounts receivable from customers	61,197	68,223	-10.3%	72,018	-15.0%
Inventories	3,297	4,021	-18.0%	1,747	88.7%
Taxes to be offset	4,660	4,851	-3.9%	18,492	-74.8%
Other current assets	7,701	7,480	3.0%	5,609	37.3%
<b>Non-current assets</b>	<b>380,176</b>	<b>385,159</b>	<b>-1.3%</b>	<b>357,159</b>	<b>6.4%</b>
Long-term receivables	13,519	14,671	-7.9%	14,196	-4.8%
Taxes to be offset	4,629	4,604	0.5%	4,549	1.8%
Others	8,890	10,067	-11.7%	9,647	-7.8%
Investments	10,000	10,000	0.0%	-	n.a
Property, plant and equipment	20,261	21,721	-6.7%	45,253	-55.2%
Property, plant and equipment in use	20,261	21,721	-6.7%	24,613	-17.7%
Leasing	-	-	n.a	20,570	n.a
Construction in progress	-	-	n.a	70	n.a
Intangible assets	248,899	244,627	1.7%	238,292	4.5%
Computerized systems	223,004	218,732	2.0%	212,397	5.0%
Goodwill (indefinite useful life)	25,895	25,895	0.0%	25,895	0.0%
Right-of-use assets	87,497	94,140	-7.1%	59,418	47.3%

LIABILITY & EQUITY	Balance Sheet (R\$ thousand)				
	06/30/2021	03/31/2021	06/30/2021 vs. 03/31/2021	06/30/2020	06/30/2021 vs. 06/30/2020
<b>Total liabilities</b>	<b>537,771</b>	<b>539,285</b>	<b>-0.3%</b>	<b>531,860</b>	<b>1.1%</b>
<b>Current liabilities</b>	<b>138,692</b>	<b>137,214</b>	<b>1.1%</b>	<b>156,140</b>	<b>-11.2%</b>
Social and labor obligations	53,185	48,196	10.4%	52,514	1.3%
Social charges	11,832	8,741	35.4%	14,091	-16.0%
Labor liabilities	41,353	39,455	4.8%	38,423	7.6%
Trade payables	31,784	38,267	-16.9%	52,516	-39.5%
Taxes to be collected	4,666	3,720	25.4%	5,524	-15.5%
Federal taxes payable	3,128	2,198	42.3%	4,112	-23.9%
Municipal taxes payable	4	1,514	-99.7%	2	100.0%
State taxes payable	1,534	8	19075.0%	1,410	8.8%
Loans, financings and leasing liabilities	39,142	39,316	-0.4%	35,930	8.9%
Loans and financings	16,412	15,937	3.0%	11,229	46.2%
Leasing liabilities	22,730	23,379	-2.8%	18,533	22.6%
Other liabilities	9,915	7,715	28.5%	9,656	2.7%
<b>Non-current liabilities</b>	<b>90,441</b>	<b>99,804</b>	<b>-9.4%</b>	<b>102,573</b>	<b>-11.8%</b>
Loans, financings and leasing liabilities	76,138	86,018	-11.5%	88,156	-13.6%
Loans and financings	22,659	26,823	-15.5%	39,106	-42.1%
Borrowing - lease	-	-	n.a	5,081	n.a
Leasing liabilities	53,479	59,195	-9.7%	43,969	21.6%
Others	335	335	0.0%	335	n.a
Deferred income taxes and social contribution	6,527	5,967	9.4%	6,712	-2.8%
Legal liabilities	7,441	7,484	-0.6%	7,370	1.0%
Tax	2,803	2,594	8.1%	2,032	37.9%
Labor	2,943	3,274	-10.1%	4,760	-38.2%
Civil	1,695	1,616	4.9%	578	193.3%
<b>Shareholders' equity</b>	<b>308,638</b>	<b>302,267</b>	<b>2.1%</b>	<b>273,147</b>	<b>13.0%</b>
Paid in capital	169,232	169,232	0.0%	169,232	0.0%
Capital reserves	1,907	1,478	29.0%	1,087	75.4%
Profit reserves	115,552	127,552	-9.4%	87,201	32.5%
Legal reserve	15,097	15,097	0.0%	12,758	18.3%
Retained profits reserve	103,313	115,313	-10.4%	77,371	33.5%
Treasury shares	-2,858	-2,858	0.0%	-2,928	-2.4%
Retained earnings	21,947	4,005	448.0%	15,627	40.4%

Description	Statement of cash flows (R\$ thousand)							
	2Q21	1Q21	2Q20	2Q21 vs. 1Q21	2Q21 vs. 2Q20	1H21	1H20	1H21 vs. 1H20
<b>Cash from operating activities</b>	<b>38,235</b>	<b>25,840</b>	<b>51,460</b>	<b>48.0%</b>	<b>-25.7%</b>	<b>64,074</b>	<b>77,010</b>	<b>-16.8%</b>
Profit for the period	14,942	12,805	11,214	16.7%	33.2%	27,747	20,527	35.2%
Adjustments	18,002	17,086	17,040	5.4%	5.6%	35,088	32,847	6.8%
Depreciation and amortization	14,811	15,182	14,973	-2.4%	-1.1%	29,992	30,177	-0.6%
Asset disposals gain/losses	88	(19)	43	n.a	104.7%	70	195	-64.1%
Share-based payments	428	(12)	161	n.a	165.8%	416	255	63.1%
Provision for impairment of trade receivables	(66)	379	689	n.a	n.a	313	707	-55.7%
Deferred income tax and social contribution	560	(812)	(1,032)	n.a	537.0%	(252)	(1,128)	-77.7%
Provision for contingencies	174	385	1,262	-54.8%	-86.2%	559	(294)	n.a
Interest, indexation and exchange gain/losses on loans, contingencies and judicial deposits	2,007	1,983	944	1.2%	112.6%	3,990	2,935	36.0%
Changes in assets and liabilities	14,585	3,282	29,809	344.4 %	-51.1%	17,867	36,807	-51.5%
Trade receivables	7,092	(9,410)	6,910	n.a	2.6%	(2,318)	10,039	n.a
Inventories	724	(1,509)	228	n.a	217.5%	(785)	658	n.a
Judicial deposits	625	162	375	285.8 %	66.7%	787	1,032	-23.7%
Other assets	548	3,018	(2,316)	-81.8%	n.a	3,566	(2,377)	n.a
Trade payables	(6,897)	1,559	2,119	n.a	n.a	(4,924)	1,987	n.a
Salaries and social charges	5,403	3,738	14,803	44.5%	-63.5%	8,727	16,824	-48.1%
Contingencies	(295)	(298)	(304)	-1.0%	-3.0%	(593)	(886)	-33.1%
Other liabilities	7,385	6,022	7,994	22.6%	-7.6%	13,407	9,530	40.7%
Other	(9,294)	(7,333)	(6,603)	26.7%	40.8%	(16,628)	(13,171)	26.2%
Interest paid	(2,056)	(2,004)	(2,656)	2.6%	-22.6%	(4,060)	(5,046)	-19.5%
Income tax and social contribution paid	(7,238)	(5,329)	(3,947)	35.8%	83.4%	(12,568)	(8,125)	54.7%
<b>Net cash used in investing activities</b>	<b>(11,196)</b>	<b>(19,846)</b>	<b>(13,880)</b>	<b>-43.6%</b>	<b>-19.3%</b>	<b>(31,041)</b>	<b>(24,307)</b>	<b>27.7%</b>
Acquisition of property and equipment	(579)	(538)	(4,233)	7.6%	-86.3%	(1,118)	(5,760)	-80.6%
Additions to intangible assets	(10,617)	(9,308)	(9,647)	14.1%	10.1%	(19,923)	(18,547)	7.4%
Investments	-	(10,000)	-	n.a	n.a	(10,000)	-	n.a
<b>Net cash used in financing activities</b>	<b>(15,850)</b>	<b>(20,203)</b>	<b>12,992</b>	<b>-21.5%</b>	<b>n.a</b>	<b>(36,053)</b>	<b>(4,410)</b>	<b>717.5 %</b>
New borrowings	(115)	-	20,000	n.a	n.a	-	20,000	n.a
Repayment of borrowings	(4,838)	(2,954)	(1,895)	63.8%	155.3%	(6,692)	(1,708)	291.8%
Lease payments - right-of-use assets	(4,897)	(6,446)	(5,113)	-24.0%	-4.2%	(12,558)	(13,637)	-7.9%
Dividends paid	(6,000)	(10,803)	-	-44.5%	n.a	(16,803)	(9,065)	85.4%
<b>Decrease in cash and cash equivalents</b>	<b>11,189</b>	<b>(14,209)</b>	<b>50,572</b>	<b>n.a</b>	<b>-77.9%</b>	<b>(3,020)</b>	<b>48,293</b>	<b>n.a</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>69,551</b>	<b>83,760</b>	<b>26,263</b>	<b>-17.0%</b>	<b>164.8%</b>	<b>83,760</b>	<b>28,542</b>	<b>193.5 %</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>80,740</b>	<b>69,551</b>	<b>76,835</b>	<b>16.1%</b>	<b>5.1%</b>	<b>80,740</b>	<b>76,835</b>	<b>5.1%</b>

(A free translation of the original in Portuguese)

## **CSU CardSystem S.A.**

**Notes to the interim financial information  
for the three and six-month periods ended June 30, 2021  
In thousands of Brazilian reais, unless otherwise stated**

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### **1 General information**

CSU CardSystem S.A. (“CSU” or “Company”) is primarily engaged in the provision of services for the processing of credit cards and multiple use cards, and banking as a service, the managing and operating call / contact centers, collection and credit analysis, development and operational management of customer acquisition, loyalty and relationship programs, as well as the provision of services to companies engaged in the accreditation of merchants for electronic transactions, for the implementing, operationalizing and managing electronic transaction capture networks for payment transactions and the provision of outsourced IT services.

The Company is a publicly held corporation based in the city of Barueri, State of São Paulo, with shares traded on B3 - Brasil, Bolsa, Balcão. The ultimate controlling shareholder is Marcos Ribeiro Leite, who is the Company's CEO and founder, holding 54.11% of its shares through Greeneville Delaware LLC. Various shareholders own 44.24% of the shares and a further 1.65% of shares are held in treasury.

The issue of this quarterly financial information was authorized at a meeting of the Board of Executive Officers held on August 05, 2021.

### **Effects of COVID-19 on CSU's operations**

The pandemic has challenged business environments around the world. CSU continues to prioritize the protection of the health and well-being of its employees whilst assuring the continuity of the Company's customer operations.

The Company has deployed a rapid and precise response, making every endeavor to provide the best conditions for its employees to work in full health and confidence. Measures were introduced, such as reducing the number of administrative employees working in offices by transferring them to home work locations as also some Contact Center operations, enabling customers to continue to enjoy seamless services. Other protective measures were applied to assure safe working practices. Although circumstances are challenging, the Company has spared no effort and investment in meeting these goals.

These initiatives, coupled with the strategy of customer portfolio diversification, cost rationalization and focus on product innovation, enabled the Company to delivery consistent results, increasing profitability whilst addressing the major challenges brought by the pandemic.

The Company has been continuously monitoring its trade receivables for any signs of default. The reviews have not resulted in changes to the criteria for the provision for impairment of trade receivables nor for the write-off of other assets, consistent with best accounting practices. This conclusion reflects the quality of the customer portfolio and essential nature of the services provided.



## **CSU CardSystem S.A.**

### **Notes to the interim financial information for the three and six-month periods ended June 30, 2021 In thousands of Brazilian reais, unless otherwise stated**

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## **2 Summary of significant accounting policies**

### **2.1 Basis of preparation**

The financial information was prepared considering the going concern basis of accounting, historical cost as the value base, which, in the case of financial assets and liabilities, is adjusted to reflect the fair value measurement, and is presented in accordance with CPC 21 (R1) – Interim Financial Statements, issued by the Accounting Pronouncements Committee (CPC) in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Financial Report (ITR), which, regarding the Company's operations, are also in accordance with IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), except for the presentation of the Statement of Value Added, required by corporate law for publicly held companies, as supplementary information not required by IFRS standards. The financial presentation discloses all information of significance which is consistent with that used by management in the performance of its duties.

This quarterly financial information should be read jointly with the audited financial statements for the fiscal year ended December 31, 2020, given that its purpose is to provide an update of the significant activities, events and circumstances compared to those in the financial statements.

### **2.2 New standards, interpretations and amendments to standards**

There were no new accounting standards adopted for the period ended June 30, 2021 affecting the quarterly information.

There are no other standards, changes to standards and/or interpretations not yet in force that the Company expects might have a material impact on its quarterly financial information.

## CSU CardSystem S.A.

### Notes to the interim financial information for the three and six-month periods ended June 30, 2021 In thousands of Brazilian reais, unless otherwise stated

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## 3 Critical accounting estimates and judgments

### 3.1 Useful Life of Non-Current Assets

The fixed and intangible assets, excluding the goodwill, are depreciated and amortized based on the linear method, considering rates that approximate the economic useful life of the assets, reviewed annually and supported by an appraisal report issued by an independent expert, as below:

Property, Plant and Equipment	Economic life span (years)	
	2020	2019
Furniture and fixtures	9	9
Facilities	15	15
Equipment	9	9
Vehicles	6	6
Leasehold improvements	From 2 to 5	From 2 to 7
Computers and peripherals	4	4
Intangible assets	2020	2019
Data processing systems	19	19
Customization systems	41	41
ERP System	19	19
Vision Plus Software	41	41
Transfer of right of use – Software	10	10
Other	5	5

When preparing the financial statements for the fiscal year ended December 31, 2020, the Company reviewed the useful life of the Card24 software in the Customization Systems and Card24 Software groups, linked to the CAIXA lawsuit (Note 10.1). According to the report prepared by an independent expert the remaining useful life is two years.

The other information in this note has not changed from the disclosures in Note 3 of the financial statements as of December 31, 2020.

## CSU CardSystem S.A.

### Notes to the interim financial information for the three and six-month periods ended June 30, 2021 In thousands of Brazilian reais, unless otherwise stated

#### 4 Cash and cash equivalents

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Demand bank deposits		
Banks - domestic currency	7,620	4,925
	<u>7,620</u>	<u>4,925</u>
Fixed-income securities - CDB repurchase agreement (i)	73,120	78,835
	<u>73,120</u>	<u>78,835</u>
Cash and cash equivalents	<u>80,740</u>	<u>83,760</u>

- (i) The fixed income securities are on to short-term investments with daily liquidity, free from IOF and remunerated based on 70% to 85% of the CDI.

#### 5 Trade receivables – current and non-current

##### 5.1 Breakdown

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Current		
Accounts receivables – Billed	18,201	19,200
Trade receivables - not billed	43,899	42,565
(-) Estimated losses from doubtful accounts	<u>(903)</u>	<u>(2,573)</u>
	<u>61,197</u>	<u>59,192</u>
Non-current		
Accounts receivables – Billed	16,097	14,112
(-) Estimated losses from doubtful accounts	<u>(16,097)</u>	<u>(14,112)</u>
	<u>-</u>	<u>-</u>

## CSU CardSystem S.A.

### Notes to the interim financial information for the three and six-month periods ended June 30, 2021 In thousands of Brazilian reais, unless otherwise stated

#### 5.2 Composition by maturity

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Not yet due		
Up to one month	60,390	58,945
Overdue		
Up to one month	176	354
From one to two months	139	175
From two to three months	103	216
From three to four months	70	169
Over four months	17,318	16,018
Estimated losses from doubtful accounts	(16,999)	(16,685)
	807	247
	61,197	59,192

#### 5.3 Changes in the provision for impairment of trade receivables

	<b>Six-month periods ended June 30, 2021</b>	<b>June 30, 2020</b>
On January 1	(16,685)	(16,266)
Estimated losses from doubtful accounts	(314)	(706)
June 30,	(16,999)	(16,972)
Current assets	(902)	(2,423)
Non-current assets	(16,097)	(14,549)

The other information in this note has not changed significantly from the disclosures in Note 5 of the financial statements as of December 31, 2020.

## CSU CardSystem S.A.

### Notes to the interim financial information for the three and six-month periods ended June 30, 2021 In thousands of Brazilian reais, unless otherwise stated

#### 6 Inventories

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Cards	2,000	1,994
Additional materials	428	303
Other	869	215
	<u>3,297</u>	<u>2,512</u>

#### 7 Related parties

- 7.1 Transactions with related parties are for donations to Instituto CSU, recorded as expense, to support its activities related to the training of professionals for the labor market, with a view to promoting social inclusion by means of free computer courses. The Company occasionally contracts rentals of facilities from Anapurus, which are recorded as expenses.

	<b>Six-month periods ended</b>	
<b>Company</b>	<b>June 30, 2021</b>	<b>June 30, 2020</b>
CSU Institute	42	57
Anapurus Comercio e Participações		45
	<u>42</u>	<u>102</u>

#### 7.2 Management compensation

The annual compensation limit for services rendered for key management personnel, including Board members and statutory officers, was set at R\$8,739 for fiscal year 2021 (December 31, 2020 - R\$8,074), as approved in the Annual Shareholders' Meeting held on April 13, 2021.

	<b>Six-month periods ended</b>	
	<b>June 30, 2021</b>	<b>June 30, 2020</b>
Fees	2,293	2,187
Share-based payment	184	196
Bonuses and indirect benefits	1,864	557
	<u>4,341</u>	<u>2,940</u>

## **CSU CardSystem S.A.**

**Notes to the interim financial information  
for the three and six-month periods ended June 30, 2021**  
In thousands of Brazilian reais, unless otherwise stated

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### **8 Investments**

On March 2021, the Company acquired a minority interest of 4.0% for R\$10,000 in Fitbank Pagamentos Eletrônicos S.A., a fintech founded in 2015, in São Paulo, that offers complete means of payment infrastructure and Core Banking solutions.

As the Company does not have significant influence over the investee it is not recorded on the equity basis of accounting.

## CSU CardSystem S.A.

**Notes to the interim financial information**  
**for the three and six-month periods ended June 30, 2021**  
In thousands of Brazilian reais, unless otherwise stated

### 9 Property, Plant, and Equipment

	<b>Furniture and fixtures</b>	<b>Facilities</b>	<b>Equipment</b>	<b>Vehicles</b>	<b>Leasehold improvements</b>	<b>Computers and peripherals</b>	<b>Construction in progress</b>	<b>Total</b>
On January 1, 2020	2,114	1,331	6,821	2,167	8,386	1,465		22,284
Acquisition	162	180	893	9	2,934	1,514	70	5,762
Divestment			(37)			(3)		(40)
Depreciation	(196)	(68)	(893)	(187)	(1,658)	(388)		(3,390)
As of June 30, 2020,	<u>2,080</u>	<u>1,443</u>	<u>6,784</u>	<u>1,989</u>	<u>9,662</u>	<u>2,588</u>	<u>70</u>	<u>24,616</u>
On December 31, 2020								
Total cost	8,883	2,739	15,972	3,035	23,030	11,619		65,278
Accumulated depreciation	(6,728)	(1,401)	(9,152)	(1,292)	(14,407)	(9,115)		(42,095)
Accounting balance, net	<u>2,155</u>	<u>1,338</u>	<u>6,820</u>	<u>1,743</u>	<u>8,623</u>	<u>2,504</u>		<u>23,183</u>
On January 1, 2021	2,155	1,338	6,820	1,743	8,623	2,504		23,183
Acquisition	29		588		181	320		1,118
Divestment			(47)					(47)
Depreciation	(190)	(65)	(822)	(163)	(2,215)	(538)		(3,993)
As of June 30, 2021	<u>1,994</u>	<u>1,273</u>	<u>6,586</u>	<u>1,533</u>	<u>6,589</u>	<u>2,286</u>		<u>20,261</u>
As of June 30, 2021								
Total cost	8,912	2,739	16,560	2,988	23,211	11,939		66,349
Accumulated depreciation	(6,918)	(1,466)	(9,974)	(1,455)	(16,622)	(9,653)		(46,088)
Accounting balance, net	<u>1,994</u>	<u>1,273</u>	<u>6,586</u>	<u>1,533</u>	<u>6,589</u>	<u>2,286</u>		<u>20,261</u>

Depreciation in the six-month period ended June 30, 2021, allocated to the cost of services rendered amounts to R\$1,874 (June 30, 2020 - R\$1,478), and operating expenses amounts to R\$2,119 (June 30, 2020 - R\$1,912).

## CSU CardSystem S.A.

### Notes to the interim financial information for the three and six-month periods ended June 30, 2021 In thousands of Brazilian reais, unless otherwise stated

#### 10 Intangible assets

	Definite lifespan							Lifespan indefinite		
	Data processing systems	Customization systems	ERP System	Vision Plus Software	Transfer of right of use - Software	Software Card 24	Others	Intangibles under Development	Rail Sul and MarketSystem Goodwill	Total
On January 1, 2020	439	133,974	1,481	43,985	25,009	1,973			25,895	232,756
Acquisition		11,390	18	6,442	764					18,614
Divestment		(9)		(86)						(95)
Amortization	(30)	(4,772)	(75)	(4,839)	(2,969)	(298)				(12,983)
As of June 30, 2020	409	140,583	1,424	45,502	22,804	1,675			25,895	238,292
On December 31, 2020										
Total cost	9,821	260,268	3,052	119,891	98,328	4,142	3,081		36,845	535,428
Accumulated amortization	(9,321)	(112,824)	(1,703)	(72,025)	(80,718)	(3,071)	(3,064)		(10,950)	(293,676)
Accounting balance, net	500	147,444	1,349	47,866	17,610	1,071	17		25,895	241,752
On January 1, 2021	500	147,444	1,349	47,866	17,610	1,071	17		25,895	241,752
Acquisition	199	9,972		7,169	1,806		-	777		19,923
Amortization	(28)	(5,379)	(75)	(4,838)	(2,157)	(298)	(1)			(12,776)
As of June 30, 2021	671	152,037	1,274	50,197	17,259	773	16	777	25,895	248,899
As of June 30, 2021										
Total cost	10,020	270,240	3,052	127,060	100,134	4,142	3,081	777	36,845	555,351
Accumulated amortization	(9,349)	(118,203)	(1,778)	(76,863)	(82,875)	(3,369)	(3,065)		(10,950)	(306,452)
Accounting balance, net	671	152,037	1,274	50,197	17,259	773	16	777	25,895	248,899



## CSU CardSystem S.A.

### Notes to the interim financial information for the three and six-month periods ended June 30, 2021 In thousands of Brazilian reais, unless otherwise stated

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Amortization in the six-month period ended June 30, 2021, allocated to the cost of services rendered amounts to R\$10,901 (June 30, 2020 - R\$11,117), and operating expenses amounts to R\$1,875 (June 30, 2020 - R\$1,866).

#### 10.1 Software Card 24 - Projeto Caixa Econômica Federal

This refers to a contract signed in May 2005 with the Caixa Econômica Federal - CAIXA, comprising two phases: the first being the implementation of an integrated card processing solution for CAIXA technological environment; and the second the rendering of card processing services, in respect of this solution, over a 24 month period.

The Company concluded the first phase in accordance with the contractual conditions and agreements made with CAIXA, but CAIXA did not acknowledge the conclusion of the work. After various unsuccessful attempts to reach an understanding between the parties, the Company filed lawsuit in 2007, and CAIXA administratively finished the contract in 2008.

In August 2007, the Company proposed a Precautionary Measure Early Production of Evidence, in order to prove the rendering of services relating to the first phase and to collect amounts owed. The Company entered into an Ordinary Lawsuit in December 2007, claiming indemnities for damages caused due to the lack of recognition by CAIXA of the completion of the first phase of the service. CAIXA also seeks compensation from the Company, and related requests have been suspended until the final decision on the lawsuit filed by CSU.

This Protective Measure was granted in 2009. However, court investigation and clarification by the expert were inconclusively finished only in November 2013, which led to the lodging of an appeal by CSU with the Federal Regional Court, requesting a supplementary investigation, which is pending judgment. According to the decision of Associate Justice Daniel Paes, the request's content will be decided in the Appeal of the ordinary lawsuit, which is awaiting judgment.

In May 2014, the ordinary lawsuit filed by CSU was partially granted to order CAIXA to comply with the payment for the extraordinary services performed by CSU. The parties appealed to the Federal Regional Court to reverse the decision.

The amounts related to the specific customization for CAIXA were written-off in prior years, and there is the possibility of an alternative future use of this software. Until June 30, 2021, there were no significant changes in the progress of these lawsuit, and, based on the opinion of its legal counsel, management believes that the Company's position will prevail.

The balances related to the CAIXA Project on June 30, 2021 and December 31, 2020 are described below:

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Intangible assets - customization systems	14,567	14,567
Intangible assets - software Card 24	4,142	4,142
(-) Amortization	(15,041)	(13,504)
Total	<u>3,668</u>	<u>5,205</u>

The other information in this note has not changed significantly from the disclosures in Note 9 of the financial statements as of December 31, 2020.

## CSU CardSystem S.A.

### Notes to the interim financial information for the three and six-month periods ended June 30, 2021 In thousands of Brazilian reais, unless otherwise stated

#### 11 Right of use

	January 1, 2020	Additions	Amortization	Write-off	Recalculation (i)	December 31, 2020
Lease	33,523		(12,098)	(1,666)	17,328	37,087
Software rental	42,171	82	(10,130)		10,782	42,905
Equipment	12,704	770	(2,642)	(1)		10,831
Furniture and Fixtures	566	797	(212)			1,151
Improvements	2,871	189	(512)			2,548
Computers and peripherals	469	1,127	(883)	(7)		706
Other leases contracted	4,877	79	(595)	(317)		4,044
	<b>97,181</b>	<b>3,044</b>	<b>(27,072)</b>	<b>(1,991)</b>	<b>28,110</b>	<b>99,272</b>

	January 1, 2020	Additions	Amortization	Write-off	Recalculation (i)	June 30, 2020
Lease	33,523		(6,274)		(3,956)	23,293
Software rental	42,171	68	(5,417)		4,417	41,239
Equipment	12,704	466	(1,357)			11,813
Furniture and Fixtures	566	522	(99)	(3)		986
Improvements	2,871	189	(258)			2,802
Computers and peripherals	469	436	(437)			468
Other leases contracted	4,877	80	(328)	(81)		4,548
	<b>97,181</b>	<b>1,761</b>	<b>(14,170)</b>	<b>(84)</b>	<b>461</b>	<b>85,149</b>

	January 1, 2021	Additions	Amortization	Write-off	Recalculation (i)	June 30, 2021
Lease	37,087		(6,788)		41	30,340
Software rental	42,905		(4,138)	(222)	1,355	39,900
Equipment	10,831		(1,144)	2		9,689
Furniture and Fixtures	1,151		(114)	(2)		1,035
Improvements	2,548		(257)			2,291
Computers and peripherals	706		(509)			197
Other leases contracted	4,044	115	(273)	(41)	200	4,045
	<b>99,272</b>	<b>115</b>	<b>(13,223)</b>	<b>(263)</b>	<b>1,596</b>	<b>87,497</b>

(i) the increase in leases refers to the amendment and updating of contract and the adjustment of lease contract amounts according to agreed indexes. Changes in software rental balances are due to higher contracted volumes.

## CSU CardSystem S.A.

### Notes to the interim financial information for the three and six-month periods ended June 30, 2021 In thousands of Brazilian reais, unless otherwise stated

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#### 12 Loans, financing and Leasing liabilities

	June 30, 2021	December 31, 2020
Current liabilities		
Loans and financing (i)	16,412	14,706
Leasing liabilities	22,730	24,850
	<u>39,142</u>	<u>39,556</u>
Non-current liabilities		
Loans and financing (i)	22,659	30,928
Leasing liabilities	53,479	62,683
	<u>76,138</u>	<u>93,611</u>
	<u>115,280</u>	<u>133,167</u>

(i) transactions indexed to the Interbank Deposit Certificate (CDI), plus a spread ranging from 1.80% to 4.12% p.a. (2020 - 1.80% to 4.12% p.a.).

The maturity of loans and financing contracts signed until June 30, 2021 will occur until April 20, 2025.

For existing lease agreements at June 30, 2021, settlement is estimated to occur by April 30, 2028.

## CSU CardSystem S.A.

### Notes to the interim financial information for the three and six-month periods ended June 30, 2021 In thousands of Brazilian reais, unless otherwise stated

#### 12.1 Composition of non-current liabilities by maturity:

<u>Maturity Year</u>	<u>June 30, 2021</u>	<u>December 31, 2020</u>
2022	16,490	36,014
2023	28,737	28,305
2024	10,443	10,113
2025-2028	20,468	19,179
	<u>76,138</u>	<u>93,611</u>

The loans and financing are secured by promissory notes ranging from 100% to 120% of the amount of the agreements. The lease contracts are secured by promissory notes ranging from 100% to 120% of the amount of the contracts or by the assets subject to the contracts themselves.

The obligations for the lease contracts have payment maturities ranging from 36 to 96 months and are registered at their present value. Financial charges, which refer substantially to the variation of the CDI, are registered in the income statement during the lease term.

For two financing agreements, totaling R\$24,924 at June 30, 2021 (December 31, 2020 - R\$28,366), the Company is subject to: (i) the maintenance of a net debt ratio divided by EBITDA at least 3.1x lower and (ii) EBITDA index divided by financial expenses at least higher than 1.9x. Early maturity of the debt may be triggered if these ratios are not complied with. On June 30, 2021 and December 31, 2020, the Company was in compliance with these covenants.

## CSU CardSystem S.A.

### Notes to the interim financial information for the three and six-month periods ended June 30, 2021 In thousands of Brazilian reais, unless otherwise stated

#### 12.2 Changes in loans and financings and leases:

	<b>Loans and Financing</b>	<b>Leasing liabilities</b>
On January 1, 2020	32,142	85,436
Funding	20,000	2,021
Accrued interest	1,372	3,101
Amortization	(1,708)	(13,637)
Interest payment	(1,471)	(3,575)
Write-offs		(46)
Recalculation		451
As of June 30, 2020	<u>50,335</u>	<u>73,751</u>
On January 1, 2021	45,634	87,533
Funding		115
Accrued interest	1,310	2,642
Amortization	(6,692)	(12,558)
Interest payment	(1,181)	(2,879)
Write-offs		(240)
Recalculation (i)		1,596
As of June 30, 2021	<u>39,071</u>	<u>76,209</u>

(i) refers to agreed amendments and the updating of contract values by the contracted index.

#### 13 Social security and labor obligations

The balances of social and labor obligations are composed as follows:

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Payroll payable	9,282	10,006
Payroll charges	9,653	7,326
Provision for vacation and charges	21,727	20,394
Provision - Christmas bonus	7,325	
Provision for management bonus	2,750	4,165
Other	2,448	2,567
	<u>53,185</u>	<u>44,458</u>

## CSU CardSystem S.A.

### Notes to the interim financial information for the three and six-month periods ended June 30, 2021 In thousands of Brazilian reais, unless otherwise stated

#### 14 Taxes to be offset and to collect

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

	To be Offset		To collect	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
Current				
Income tax	1,805	4,304	399	
Social contribution	1,546	2,979	46	
	<u>3,351</u>	<u>7,283</u>	<u>445</u>	
Other taxes				
IR, PIS, COFINS and CSLL on third-party services			856	465
PIS and COFINS	461	204	1,698	956
Tax on services (ISS)	185	185	1,534	1,847
INSS (social security contribution)	663	647		
Others			133	116
	<u>1,309</u>	<u>1,036</u>	<u>4,221</u>	<u>3,384</u>
	<u>4,660</u>	<u>8,319</u>	<u>4,666</u>	<u>3,384</u>
Non-current				
Service Tax - ISSQN			335	335
Taxes to offset (i)	4,629	4,588		
	<u>4,629</u>	<u>4,588</u>	<u>335</u>	<u>335</u>

(i) refers to INSS credits on indemnity amounts expected to be recovered in 2022.

## CSU CardSystem S.A.

### Notes to the interim financial information for the three and six-month periods ended June 30, 2021 In thousands of Brazilian reais, unless otherwise stated

#### 15 Deferred income tax and social contribution

##### 15.1 Composition and changes in balances:

	<b>June 30, 2021</b>	<b>December 31, 2020</b>	<b>Charge (benefit) to income statement</b>	
			<b>June 30, 2021</b>	<b>June 30, 2020</b>
Deferred tax credits				
Temporary differences				
Provisions for legal liabilities	4,897	4,752	(145)	(136)
Estimated losses from doubtful accounts	4,698	4,592	(106)	(240)
Other provisions	2,740	3,109	369	(481)
Stock option plan	782	640	(142)	(87)
	<u>13,117</u>	<u>13,093</u>	<u>(24)</u>	<u>(944)</u>
Deferred tax assets				
Goodwill amortization	(8,805)	(8,805)		46
Leases	(10,839)	(11,067)	(228)	(230)
	<u>(19,644)</u>	<u>(19,872)</u>	<u>(228)</u>	<u>(184)</u>
	<u>(6,527)</u>	<u>(6,779)</u>	<u>(252)</u>	<u>(1,128)</u>

##### 15.2 Estimated realization period of deferred tax assets:

Management estimates that the deferred tax assets on temporary differences of R\$13,117 will be recovered by offset against taxable income within four years, as below:

<b>Year</b>	
2021	3,557
2022	1,714
2023	6,574
2024	1,272
	<u>13,117</u>

## CSU CardSystem S.A.

### Notes to the interim financial information for the three and six-month periods ended June 30, 2021 In thousands of Brazilian reais, unless otherwise stated

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

	<b>Six-month periods ended</b>	
	<b>June 30, 2021</b>	<b>June 30, 2020</b>
Income before income tax and social contribution	40,505	29,078
Calculated income tax and social contribution at statutory tax rates (25% plus 9%)	(13,772)	(9,887)
Adjustments to arrive at the effective rate		
Non-deductible expenses (including donations)	(199)	(147)
Additional 10% on Corporate Income Tax (IRPJ) basis	12	12
Tax incentive - Programa de Alimentação do Trabalhador (Workers' Food Program)	240	171
Interest on equity benefit	1,972	1,666
Provision for non-deductible bonuses	(1,011)	
Others		(366)
Income tax and social contribution in the result	(12,758)	(8,551)
Current	(13,010)	(9,679)
Deferred	252	1,128
	(12,758)	(8,551)
Effective tax rate - %	31.5%	29.4%



## CSU CardSystem S.A.

### Notes to the interim financial information for the three and six-month periods ended June 30, 2021 In thousands of Brazilian reais, unless otherwise stated

#### 16 Liabilities and judicial deposits

16.1 Contingent liabilities for which there is a risk of probable loss, are as follows:

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Tax	2,803	2,409
Labor	2,943	3,363
Civil complaints	1,695	1,544
	<u>7,441</u>	<u>7,316</u>

16.2 Judicial escrow deposits, whether or not related to liabilities from provisioned lawsuits, are classified as non-current assets:

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Labor	7,005	7,794
	<u>7,005</u>	<u>7,794</u>

16.3 The changes in contingent liabilities (non-current) are shown below:

	<b>Tax</b>	<b>Labor</b>	<b>Civil</b>	<b>Total</b>
On January 1, 2020	3,938	4,169	467	8,574
Additions	344	1,805	105	2,254
Write-offs		(886)		(886)
Reversals (i)	(2,107)	(439)	(2)	(2,548)
Accruals	(143)	111	8	(24)
As of June 30, 2020	<u>2,032</u>	<u>4,760</u>	<u>578</u>	<u>7,370</u>
On January 1, 2021	2,409	3,363	1,544	7,316
Additions	364	531	96	991
Write-offs		(593)		(593)
Reversals		(432)		(432)
Accruals	30	74	55	159
As of June 30, 2021	<u>2,803</u>	<u>2,943</u>	<u>1,695</u>	<u>7,441</u>

(i) substantially refers to the final and unappealable decision on the exclusion of PIS and COFINS from the CPRB calculation basis.

## CSU CardSystem S.A.

### Notes to the interim financial information for the three and six-month periods ended June 30, 2021 In thousands of Brazilian reais, unless otherwise stated

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#### 16.4 Possible risk of loss contingencies

The Company has tax, civil and labor lawsuits, classified by Management, based on its legal advisors' assessment, as involving possible risk of loss for which there are no provision, as per estimates below:

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Taxes	2,993	2,973
Labor	4,339	4,491
Civil complaints	25	93
	<u>7,357</u>	<u>7,557</u>

The other information in this note has not changed significantly from the disclosures in Note 15 of the financial statements as of December 31, 2020.

#### 17 Commitments

The Company has entered into agreements and bank guarantees in the normal course of its business as follows:

##### 17.1 Bank guarantees:

Bank guarantees, with top-tier financial institutions, are as follows:

<b>Modality</b>	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Guaranteed bank sureties		
Lease Agreements		2,783
Lawsuits	3,811	3,764
	<u>3,811</u>	<u>6,547</u>

## CSU CardSystem S.A.

### Notes to the interim financial information for the three and six-month periods ended June 30, 2021 In thousands of Brazilian reais, unless otherwise stated

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#### 18 Equity

##### 18.1 Capital

At June 30, 2021 and December 31, 2020, subscribed and fully paid-in capital was R\$169,232 represented by 41,800,000 common shares with no par value.

##### 18.2 Treasury shares

	Number of shares			Balance on treasury	Acquisition cost per share - in Reais		
	Authorized to acquire	Acquired	Cancelled		Weighted average	Minimum	Maximum
Balance from previous programs				553,208			
Programs in effect until June 30, 2019							
from 03/08/2017 to 03/08/2018 (ended on 03/05/2018)	1,000,000						
from 03/05/2018 to 03/04/2019 (ended on 06/26/2018)	1,000,000	220,000		220,000	7.34	6.11	8.56
Share-based Incentive and Retention Plan - shares delivered				(82,178)			
Balance on June 31, 2021				<u>691,030</u>			

Based on the shareholding position at June 30, 2021, treasury shares cannot exceed 1,848,917 shares (December 31, 2020 - 1,821,778).

On June 30, 2021, the market value of the shares held in treasury, calculated based on the last stock market quotation prior to the balance sheet date is R\$15,714 (December 31, 2020 - R\$10,428).

The other information in this note has not changed significantly from the disclosures in Note 17 of the financial statements as of December 31, 2020.

## CSU CardSystem S.A.

### Notes to the interim financial information for the three and six-month periods ended June 30, 2021 In thousands of Brazilian reais, unless otherwise stated

#### 19 Dividends and interest on equity

Management's proposal for the allocation of net income for the 2020 fiscal year for approval by the Annual Shareholders' Meeting to be held in April 13, 2021, is as follows:

Allocation of income for the 2020 fiscal year

Legal reserve - 5%	2,339
Retained profits reserve	25,942
Dividends - 28.1% via IOE already paid and approved	12,500
Additional dividends – 13.5% – already approved and paid in April 2021.	6,000
	<u>46,781</u>

On March 2, 2021 and June 22, 2021 the Board of Directors approved R\$5,800 for distribution as Interest on Equity (JCP) relative to the 2021 fiscal year (2020 R\$4,900). Payment will be made as of January 14, 2022 and will be attributed to the mandatory statutory dividends to be paid by the Company for fiscal year 2021, "ad referendum" of the Annual Shareholders Meeting.

	<u>JCP</u>	<u>Taxes</u>	<u>Net amount</u>
March	2,800	(381)	2,419
June	3,000	(413)	2,587
	<u>5,800</u>	<u>(794)</u>	<u>5,006</u>

The other information in this note has not changed significantly from the disclosures in Note 18 of the financial statements as of December 31, 2020.

#### 20 Financial risk management

##### 20.1 Financial instruments by category

The Company's main asset and liability financial instruments as of June 30, 2021 and December 31, 2020 are described below:

Financial assets: Cash and cash equivalents, accounts receivable, court escrow deposits and other assets measured at amortized cost. The investments are measured at fair value.

Financial liabilities: Suppliers, loans and financing, lease liabilities, dividends and other liabilities are all measured at amortized cost.

##### 20.2 Credit risk

The Company's sales policy considers the level of credit exposure experienced in the course of their business. The diversification of its receivables portfolio, the selectivity of its clients, as well as the monitoring of sales financing terms per business segment and individual position limits are procedures adopted in order to reduce eventual default problems in its receivables.

## CSU CardSystem S.A.

### Notes to the interim financial information for the three and six-month periods ended June 30, 2021 In thousands of Brazilian reais, unless otherwise stated

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#### 20.3 Liquidity risk

This is the risk that the Company will not have sufficient liquid funds to meet its financial commitments, due to the mismatch of terms or volume in estimated cash receipts and payments.

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

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

	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>From 2024 to 2028</b>
Trade accounts payable	31,784			
Loans and financing	9,609	16,574	10,872	8,315
Leasing liabilities	26,014	14,419	21,621	28,144
	<b>67,407</b>	<b>30,993</b>	<b>32,493</b>	<b>36,459</b>

#### 20.4 Market Risk

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

#### 20.5 Interest rate risk

The Company's exposure to interest rate risks is mainly related to the CDI rate on investments in fixed income securities, its loans and financing, and leasing contracts. The interest rates and maturities on these contracts are presented in Note 11. The interest volatility risk is basically linked to the CDI variation.

## CSU CardSystem S.A.

### Notes to the interim financial information for the three and six-month periods ended June 30, 2021 In thousands of Brazilian reais, unless otherwise stated

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#### 20.6 Capital management

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

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

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

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Loans, financing and lease liabilities	115,280	133,167
Cash and cash equivalents	(80,740)	(83,760)
Net debt	34,540	49,407
Total capitalization	343,178	341,682
Financial leverage ratio	0.10	0.14

#### 20.7 Derivatives

On June 30, 2021 and December 31, 2020, the Company had no derivative financial instruments.

## CSU CardSystem S.A.

### Notes to the interim financial information for the three and six-month periods ended June 30, 2021 In thousands of Brazilian reais, unless otherwise stated

#### 20.8 Sensitivity analysis of the financial assets and liabilities

Risks from significant balances from changes in the Interbank Deposit Certificate (CDI) on investments in fixed-income securities, classified as fair value through profit or loss, its loans and financing and leasing contracts, classified as financial liabilities at amortized cost, all with prefixed spreads. The fair values approximate of its book values.

In order to assess the sensitivity of the indicator in the balances of financial items to which the Company was exposed at June 30, 2021, three different scenarios were defined: (a) probable base scenario - considering the projection of the average annual CDI rate for the next 12 months; (b) scenario II - with a 25% appreciation over the probable scenario; and (c) scenario III - with a 50% appreciation over the probable scenario. For the balances of investments in fixed income securities, scenarios II and III consider rate depreciation.

To determine the sensitivity for each scenario, the gross remuneration, financial income or expense for these financial assets and liabilities, respectively, were calculated for the next 12 months, as below:

	<b>Financial assets (liabilities)</b>		<b>Risk</b>	<b>Financial income (expenses)</b>		
	<b>June 30, 2021</b>	<b>December 31, 2020</b>		<b>Probable Scenario</b>	<b>Scenario II</b>	<b>Scenario III</b>
Financial investments	73,120	78,835	CDI	3,558 6.50%	2,695 4.88%	1,815 3.25%
Lease Liabilities - Equipment	(6,533)	(9,088)	CDI	(658) 6.50%	(721) 8.13%	(782) 9.75%
Leasing liabilities - Properties and Software	(69,676)	(78,445)	CDI	(3,846) 7.84%	(4,335) 9.81%	(4,767) 11.77%
Financing	(39,071)	(45,634)	CDI	(4,424) 6.50%	(4,852) 8.13%	(5,269) 9.75%

## CSU CardSystem S.A.

### Notes to the interim financial information for the three and six-month periods ended June 30, 2021 In thousands of Brazilian reais, unless otherwise stated

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#### 21 Share-based compensation

At the Shareholders' Extraordinary General Meeting (EGM) held on April 2, 2007, the 2007 and 2008 Stock Option Plans were approved and the Board of Directors was assigned the management of the plans. These plans were terminated in 2015, with no options exercised.

On May 26, 2015, the Board of Directors authorized the Share-Based Incentive and Retention Plan, approved by the CVM on July 20, 2015, with the objective of transferring the ownership of the shares held in treasury (691,030 on June 30, 2021 (2020 - 696,030) without remuneration (no purchase option), for 24 to 36 months from the grant date and other conditions established in the program.

As of June 30, 2021, 367,749 shares had been granted to 16 employees. Also under this program, 82,178 shares were granted from the treasury shares (Note 18.2).

In the six-month period ended June 30, 2021, a total of R\$416 (December 31, 2020 - R\$ 728) was recognized as expenses referring to all programs.

#### 22 Insurance

The Company had the following main insurance policies taken out from third parties at the balance date:

Sector	Insured amounts	
	June 30, 2021	December 31, 2020
Comprehensive business insurance	332,568	342,088
Lawsuit insurance	3,550	
Legal insurance	4,102	6,283
Civil liability	103,585	95,263
Vehicle insurance	4,093	3,953
	<u>447,898</u>	<u>447,587</u>



## CSU CardSystem S.A.

### Notes to the interim financial information for the three and six-month periods ended June 30, 2021 In thousands of Brazilian reais, unless otherwise stated

#### 23 Net revenue

	Six-month periods ended	
	June 30, 2021	June 30, 2020
Gross revenue from services	286,846	255,547
Gross sales deductions		
Services Tax (ISSQN)	(5,735)	(5,132)
Social Integration Program Tax on Revenue (PIS) and Social Security Financing Tax on Revenue (COFINS)	(18,490)	(17,346)
Employer's Social Security Contribution	(8,474)	(7,368)
Net revenue from services	<u>254,147</u>	<u>225,701</u>

The other information in this note has not changed from the disclosures in Note 22 of the financial statements as of December 31, 2020.

#### 24 Cost of services rendered, expenses with sales, general and administrative

	Six-month periods ended			
	Costs of services rendered		Selling, general and administrative	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Labor and social charges	109,270	91,766	18,429	17,959
Cards used	2,735	1,509		
Use and delivery of reward	1,349	1,704		
Operating materials	5,817	3,728	486	292
Shipment (i)	13,203	19,134		2
Communication	2,751	2,405	168	159
Contracted services	2,039	3,569	6,176	4,300
Equipment/furniture maintenance	2,175	2,133	776	921
Software rental and maintenance	5,718	5,446	1,074	631
Depreciation and amortization	25,116	25,523	4,875	4,654
Occupancy	8,843	8,262	2,106	1,727
Advertising/relationship	22	24	577	574
Judicial expenses	4		514	1,723
PIS credit	(695)	(799)	(14)	(40)
COFINS credit	(3,200)	(3,681)	(56)	(182)
Other	938	1,191	1,840	2,530
	<u>176,085</u>	<u>161,914</u>	<u>36,951</u>	<u>35,254</u>

(i) refers to the process of digitalizing invoices for certain customers.

## CSU CardSystem S.A.

### Notes to the interim financial information for the three and six-month periods ended June 30, 2021 In thousands of Brazilian reais, unless otherwise stated

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#### 25 Financial result

	<b>Periods of six-month period ended</b>	
	<b>June 30, 2021</b>	<b>June 30, 2020</b>
Financial income		
Total financial investments	553	323
Indexation credits	121	2,275
Interest and fines	213	264
Foreign exchange gains	38	
	<u>925</u>	<u>2,862</u>
Finance expenses		
Charges on loans, financing and leases	(3,948)	(4,298)
Tax on financial transactions (IOF)	(5)	(10)
Indexation charges	(892)	(608)
Banking fees	(189)	(255)
Interest and penalties	(224)	(162)
Other	(216)	(26)
	<u>(5,474)</u>	<u>(5,359)</u>
	<u>(4,549)</u>	<u>(2,497)</u>

## CSU CardSystem S.A.

### Notes to the interim financial information for the three and six-month periods ended June 30, 2021 In thousands of Brazilian reais, unless otherwise stated

#### 26 Earnings (losses) per share

	Periods of six-month period ended	
	June 30, 2021	June 30, 2020
Numerator		
Net income attributable to common shares	27,747	20,527
Denominator (in thousands of shares)		
Weighted average number of common shares (excluding treasury shares)	41,027	41,027
Basic earnings and diluted earnings per share, in Reais	0.6763	0.5003

The other information in this note has not changed from the disclosures in Note 25 of the financial statements as of December 31, 2020.

#### 27 Business segment information

	CSU.CardSystem		CSU.Contact	
	Periods of six-month period ended		Periods of six-month period ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Gross revenue from services	143,498	136,887	143,348	118,660
Gross sales deductions	(20,676)	(19,899)	(12,023)	(9,947)
Net revenue from services	122,822	116,988	131,325	108,713
Cost of services rendered	(65,931)	(68,197)	(110,154)	(93,717)
Gross profit	56,891	48,791	21,171	14,996
Operating expenses	(16,898)	(20,129)	(16,110)	(12,083)
Operating profit	39,993	28,662	5,061	2,913

The 10 largest Company's clients concentrate a substantial part of our annual gross revenue, so that the loss of our largest clients could negatively impact the Company's results.

## CSU CardSystem S.A.

### Notes to the interim financial information for the three and six-month periods ended June 30, 2021 In thousands of Brazilian reais, unless otherwise stated

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	<b>Operating expenses</b>	
	<b>Period of six-month period ended</b>	<b>Period of six-month period ended</b>
	<b>June 30, 2021</b>	<b>June 30, 2021</b>
Selling	(577)	(574)
General and administrative	(36,374)	(34,680)
Other income (i)	6,315	6,711
Other expenses	(2,372)	(3,669)
	<b>(33,008)</b>	<b>(32,212)</b>

(i) Reversal of R\$3,808 from liabilities on non-compliance of supplier on contractual obligations in 2021 and income of R\$ 6,435 related to credits related to CPRB in 2020.

The other information in this note has not changed from the disclosures in Note 26 of the financial statements as of December 31, 2020.

\* \* \*

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**CSU CardSystem S.A.**  
**Quarterly Information (ITR) at**  
**June 30, 2021**  
**and report on review of**  
**quarterly information**

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## **Report on review of quarterly information**

To the Board of Directors and Shareholders  
CSU CardSystem S.A.

### **Introduction**

We have reviewed the accompanying interim accounting information of CSU CardSystem S.A. ("Company"), included in the Quarterly Information Form (ITR) for the quarter ended June 30, 2021, comprising the balance sheet at that date and the statements of income and comprehensive income for the quarter and six-month periods then ended, and the statements of changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the interim accounting information in accordance with the accounting standard CPC 21 - "Interim Financial Reporting", of the Brazilian Accounting Pronouncements Committee (CPC) and International Accounting Standard (IAS) 34 - "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim accounting information based on our review.

### **Scope of review**

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" and ISRE 2410 - "Review of Interim Financial Information Performed

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by the Independent Auditor of the Entity", respectively). A review of interim information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently did not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### **Conclusion on the interim information**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

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## **Other matters**

### **Statement of value added**

The quarterly information referred to above includes the statement of value added for the six-month period ended June 30, 2021. This statement is the responsibility of the Company's management and is presented as supplementary information under IAS 34. This statement has been subjected to review procedures performed together with the review of the quarterly information, for the purpose of concluding whether it is reconciled with the interim accounting information and accounting records, as applicable, and if its form and content are in accordance with the criteria defined in the accounting standard CPC 09 - "Statement of Value Added". Based on our review, nothing has come to our attention that causes us to believe that this statement of value added has not been properly prepared, in all material respects, in accordance with the criteria established in this accounting standard, and that it is consistent with the interim accounting information taken as a whole.

São Paulo, August 10, 2021

PricewaterhouseCoopers  
Auditores Independentes  
CRC 2SP000160/O-5

Ricardo Novaes de Queiroz  
Contador CRC 1DF012332/O-2



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Quarterly information (ITR) - 6/30/2021 - CSU CARDSYSTEM S.A.

**Opinions and statements/Officers' statement on the financial statements**

**Statement of the Board of Directors**

Pursuant to CVM Instructions 480/09, the executive officers of CSU CardSystem S.A. hereby declare that they have discussed, reviewed and agreed with the quarterly information for June 30, 2021.

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Quarterly information (ITR) - 6/30/2021 - CSU CARDSYSTEM S.A.

**Opinions and statements/Officers' statement on the financial statements**

**Statement of the Board of Directors**

Pursuant to CVM Instructions 480/09, the executive officers of CSU CardSystem S.A. hereby declare that they have discussed, reviewed and agreed with the conclusion expressed in the independent auditors' report on review of quarterly information for June 30, 2021.