(A free translation of the original in Portuguese)

CSU DIGITAL S.A.

Full set of financial statements
December 31, 2022
and independent auditor's report

CSU DIGITAL S.A.

Full set of financial statements

At December 31, 2022

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Full set of financial statements - 12/31/2022- CSU DIGITAL S.A.

Company information/Capital Composition

Number of Shares (Thousand)	Last Financial Year 12/31/2022
Paid-in Capital	
Ordinary	41,800
Preferenciais	0
Total	41,800
Treasury shares	
Ordinary	571
Preferenciais	0
Total	571

(A free translation of the original in Portuguese)

Full set of financial statements - 12/31/2022- CSU DIGITAL S.A.

Full set of financial statements/balance sheet - assets

(R$ thousand)

Code	Description	Current year 12/31/2022	Prior year 12/31/2021	First year old 12/31/2020
1	Total Assets	607,219	569,366	539,784
1.01	Current assets	182,482	166,565	161,354
1.01.01	Cash and Cash Equivalent	86,455	83,292	83,760
1.01.03	Trade receivable	76,312	67,602	59,192
1.01.03.01	Customers	76,312	67,602	59,192
1.01.04	Inventories	3,588	2,971	2,512
1.01.06	Securities	5,455	3,378	8,319
1.01.06.01	Current securities	5,455	3,378	8,319
1.01.06.01.01	Income tax and social contribution	5,159	2,787	7,283
1.01.06.01.02	Other taxes to offset	296	591	1,036
1.01.08	Other current assets	10,672	9,322	7,571
1.01.08.03	Others	10,672	9,322	7,571
1.02	Non-current assets	424,737	402,801	378,430
1.02.01	Long-term assets	13,065	12,688	14,223
1.02.01.07	Taxes recoverable	3,937	4,718	4,588
1.02.01.07.02	Taxes to offset	3,937	4,718	4,588
1.02.01.10	Other non-current assets	9,128	7,970	9,635
1.02.01.10.03	Judicial deposits	6,853	6,996	7,794
1.02.01.10.04	Others	2,275	974	1,841
1.02.02	Investments	31,097	25,946	0
1.02.02.01	Investment Properties	31,097	25,946	0
1.02.02.01.04	Other Investments	31,097	25,946	0
1.02.03	Fixed assets	91,894	101,720	122,455
1.02.03.01	Fixed assets in operation	15,262	18,502	23,183
1.02.03.01.01	Fixed assets in operation	15,262	18,502	23,183
1.02.03.02	Right of use leased assets	76,632	83,218	99,272
1.02.04	Intangibles	288,681	262,447	241,752
1.02.04.01	Intangibles	288,681	262,447	241,752
1.02.04.01.02	Computerized systems	262,786	236,552	215,857
1.02.04.01.03	Goodwill (indefinite lived asset)	25,895	25,895	25,895

(A free translation of the original in Portuguese)

Full set of financial statements - 12/31/2022- CSU DIGITAL S.A.

Full set of financial statements/balance sheet - liabilities and equity

(R$ thousand)

Code	Description	Current year 12/31/2022	Prior year 12/31/2021	First year old 12/31/2020
2	Total Liabilities	607,219	569,366	539,784
2.01	Current Liabilities	155,994	142,232	139,468
2.01.01	Social and Labor Obligations	49,289	47,936	44,458
2.01.01.01	Social obligations	8,411	8,062	9,634
2.01.01.02	Labor obligations	40,878	39,874	34,824
2.01.02	Suppliers	38,755	32,125	36,708
2.01.02.01	Domestic suppliers	38,755	32,125	36,708
2.01.03	Tax obligations	4,210	5,146	3,384
2.01.03.01	Federal Tax obligations	2,162	3,238	1,531
2.01.03.01.01	Income Tax and Social Contribution on Profit	0	843	0
2.01.03.01.03	Other federal taxes	2,162	2,395	1,531
2.01.03.02	State Tax obligations	9	24	6
2.01.03.03	Municipal Tax obligations	2,039	1,884	1,847
2.01.04	Loans and Financing	36,498	39,278	39,556
2.01.04.01	Loans and Financing	9,587	14,463	14,706
2.01.04.01.01	In Brazilian Reais	9,587	14,463	14,706
2.01.04.03	Lease liabilities	26,911	24,815	24,850
2.01.04.03.01	Leasing liabilities	26,911	24,815	24,850
2.01.05	Other obligations	27,242	17,747	15,362
2.01.05.02	Others	27,242	17,747	15,362
2.01.05.02.01	Dividends and Interest on Equity	19,191	12,414	10,803
2.01.05.02.04	Other obligations	8,051	5,333	4,559
2.02	Non-current liabilities	69,379	84,303	108,041
2.02.01	Loans and Financing	49,206	64,816	93,611
2.02.01.01	Loans and Financing	6,763	16,400	30,928
2.02.01.01.01	In Brazilian Reais	6,763	16,400	30,928
2.02.01.03	Lease liabilities	42,443	48,416	62,683
2.02.01.03.01	Leasing liabilities	42,443	48,416	62,683
2.02.02	Other obligations	299	903	335
2.02.02.02	Others	299	903	335
2.02.02.02.03	Taxes due	299	903	335
2.02.03	Deferred Taxes	9,478	10,168	6,779
2.02.03.01	Deferred Income Tax and Social Contribution	9,478	10,168	6,779
2.02.04	Provisions	10,396	8,416	7,316
2.02.04.01	Social security, labor and civil tax provisions	10,396	8,416	7,316
2.02.04.01.01	Tax provisions	4,552	3,256	2,409
2.02.04.01.02	Provisions for Social Security and Labor	3,601	3,082	3,363
2.02.04.01.04	Civil Provisions	2,243	2,078	1,544
2.03	Net equity	381,846	342,831	292,275
2.03.01	Paid-in Capital Stock	169,232	169,232	169,232
2.03.02	Capital reserves	2,402	2,037	1,491
2.03.02.04	Options Granted	2,402	2,037	1,491
2.03.04	Profit Reserves	210,212	171,562	121,552
2.03.04.01	Legal reserve	21,801	18,122	15,097
2.03.04.05	Profit Retention Reserve	191,475	156,580	109,313
2.03.04.09	Shares in Treasury	-3,064	-3,140	-2,858

(A free translation of the original in Portuguese)

Full set of financial statements - 12/31/2022- CSU DIGITAL S.A.

Full set of financial statements/statement of income

(R$ thousand unless otherwise stated)

Code	Description	Current year to date 1/1/2022 to 12/31/2022	Prior year to date 1/1/2021 to 12/31/2021	First year old 1/1/2020 to 12/31/2020
3.01	Revenue from the Sale of Goods and / or Services	537,168	514,049	456,850
3.02	Cost of Goods and / or Services Sold	-335,740	-348,030	-321,085
3.03	Gross profit	201,428	166,019	135,765
3.04	Operating Expenses / Revenues	-96,917	-74,460	-64,915
3.04.01	Selling Expenses	-10,176	-2,543	-1,160
3.04.02	General and Administrative Expenses	-85,224	-76,595	-68,340
3.04.04	Other Operating Income	774	6,811	9,284
3.04.05	Other Operating Expenses	-2,291	-2,133	-4,699
3.04.05.01	Other Operating Expenses	-2,291	-2,133	-4,699
3.05	Result Before Financial Result and Taxes	104,511	91,559	70,850
3.06	Financial result	-3,539	-5,977	-5,476
3.06.01	Financial income	8,052	4,505	4,373
3.06.02	Financial expenses	-11,591	-10,482	-9,849
3.07	Result Before Taxes on Profit	100,972	85,582	65,374
3.08	Income Tax and Social Contribution on Profit	-27,400	-25,089	-18,593
3.08.01	Current	-29,841	-26,937	-19,654
3.08.02	Deferred	2,441	1,848	1,061
3.09	Net Income from Continuing Operations	73,572	60,493	46,781
3.11	Profit / Loss for the Period	73,572	60,493	46,781

(A free translation of the original in Portuguese)

Full set of financial statements - 12/31/2022- CSU DIGITAL S.A.

Full set of financial statements/statement of comprehensive income

(R$ thousand)

Code	Description	Current year to date 1/1/2022 to 12/31/2022	Prior year to date 1/1/2021 to 12/31/2021	First year old 1/1/2020 to 12/31/2020
4.01	Profit / Loss for the period	73,572	60,493	46,781
4.02	Others Comprehensive Income for the period	3,402	10,166	0
4.03	Comprehensive Income for the period	76,974	70,659	46,781

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Full set of financial statements - 12/31/2022- CSU DIGITAL S.A.

Full set of financial statements/statement of cash flows - indirect method

(R$ thousand)

Code	Description	Current year 1/1/2022 to 12/31/2022	Prior year 1/1/2021 to 12/31/2021	First old year 1/1/2020 to 12/31/2020
6.01	Net Cash from Operating Activities	131,570	116,108	125,933
6.01.01	Cash generated from operations	147,250	129,387	114,890
6.01.01.01	Profit / Loss for the Period	73,572	60,493	46,781
6.01.01.02	Depreciation and amortization	61,574	59,948	59,938
6.01.01.03	Residual value of assets written off	971	46	727
6.01.01.04	Interest and indexation charges	10,285	8,474	6,195
6.01.01.05	Equity instrument for payment in shares	441	265	728
6.01.01.06	Estimated losses on allowance for loan losses	530	211	419
6.01.01.07	Provision for legal liabilities	2,318	1,798	1,163
6.01.01.08	Deferred Income Tax and Social Contribution	-2,441	-1,848	-1,061
6.01.02	Changes in Assets and Liabilities	17,211	20,918	36,129
6.01.02.01	Trade receivables	-9,240	-8,621	23,153
6.01.02.02	Inventories	-617	-459	-107
6.01.02.03	Judicial deposits	143	798	2,207
6.01.02.04	Other Assets	-4,268	4,192	5,022
6.01.02.05	Suppliers	6,630	-4,583	-13,821
6.01.02.06	Salaries and Social Charges	1,353	3,478	8,768
6.01.02.07	Contingencies	-1,893	-1,132	-2,512
6.01.02.08	Other liabilities	25,103	27,245	13,419
6.01.03	Others	-32,891	-34,197	-25,086
6.01.03.01	Interest Paid	-7,878	-8,100	-9,067
6.01.03.02	Income Tax and Social Contribution Paid	-25,013	-26,097	-16,019
6.02	Net Cash Used in Investing Activities	-55,630	-60,167	-48,664
6.02.01	Acquisition of property, plant and equipment	-3,290	-3,431	-8,581
6.02.02	Acquisition of intangible assets	-52,340	-46,193	-40,083
6.02.04	Investments	0	-10,543	0
6.03	Net Cash Used in Financing Activities	-72,777	-56,409	-22,051
6.03.01	Loans	0	0	20,000
6.03.02	Amortization of Loans and Financing	-14,522	-14,997	-6,587
6.03.04	Dividends and Interest on Equity Paid	-30,200	-16,803	-9,065
6.03.05	Amortization of Lease Liabilities	-28,055	-24,609	-26,399
6.05	Decrease in Cash and Cash Equivalents	3,163	-468	55,218
6.05.01	Opening Balance of Cash and Cash Equivalents	83,292	83,760	28,542
6.05.02	Closing Balance of Cash and Cash Equivalents	86,455	83,292	83,760

Full set of financial statements - 12/31/2022- CSU DIGITAL S.A.

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

Code	Description	Paid-up capital	Capital reserves, share options and treasury shares	Revenue reserves	Retained earnings	Other comprehensive income	Equity
5.01	Opening Balances	169,232	2,037	161,396	0	10,166	342,831
5.03	Adjusted Opening Balances	169,232	2,037	161,396	0	10,166	342,831
5.04	Capital Transactions with Partners	0	365	-16,124	-22.200	0	-37,959
5.04.03	Options Granted	0	365	0	0	0	365
5.04.05	Treasury shares written off	0	0	76	0	0	76
5.04.06	Dividens	0	0	-16,200	0	0	-16,200
5.04.07	Interest on Equity	0	0	0	-22,200	0	-22,200
5.05	Total Comprehensive Income	0	0	0	73,572	3,402	76,974
5.05.01	Profit / Loss for the Period	0	0	0	73,572	0	73,572
5.05.02	Others Comprehensive Income	0	0	0	0	3,402	3,402
5.05.02.01	Adjust financial statements	0	0	0	0	3,402	3,402
5.06	Profit allocation	0	0	51,372	-51,372	0	0
5.06.01	Retained profits	0	0	47,693	-47,693	0	0
5.06.02	Realization of the Reassessment Reserve	0	0	3,679	-3,679	0	0
5.07	Final balance	169,232	2,402	196,644	0	13,568	381,846

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

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

Full set of financial statements - 12/31/2022- CSU DIGITAL S.A.

Full set of financial statements/statement of changes in equity - 1/1/2020 to 12/31/2020 (R$ thousand)

Code	Description	Paid-up capital	Capital reserves, share options and treasury shares	Revenue reserves	Retained earnings	Other comprehensive income	Equity
5.01	Opening Balances	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	658	-39,930	-12,500	0	-11,772
5.04.01	Capital increase	40,000	0	-40,000	0	0	0
5.04.03	Options Granted	0	728	0	0	0	728
5.04.05	Treasury shares written off	0	-70	70	0	0	0
5.04.07	Interest on Equity	0	0	0	-12,500	0	-12,500
5.05	Total Comprehensive Income	0	0	0	46,781	0	46,781
5.05.01	Profit / Loss for the Period	0	0	0	46,781	0	46,781
5.06	Profit allocation	0	0	34,281	-34,281	0	0
5.06.01	Retained profits	0	0	31,942	-31,942	0	0
5.06.04	Legal reserve	0	0	2,339	-2,339	0	0
5.07	Final balance	169,232	1,491	121,552	0	0	292,275

Full set of financial statements/statement of value added

(R$ thousand)

Code	Description	Current year to date 1/1/2022 to 12/31/2022	Prior year to date 1/1/2021 to 12/31/2021	First old year to date 1/1/2020 to 12/31/2020
7.01	Revenues	609,437	587,332	525,442
7.01.01	Sales of Goods, Products and Services	609,193	580,732	516,578
7.01.02	Other revenues	774	6,811	9,284
7.01.04	Estimated losses on allowance for loan losses	-530	-211	-420
7.02	Inputs Purchased from Third Parties	-92,748	-95,575	-97,721
7.02.01	Costs Prods., Mercs. and Servs. Sold	-48,177	-60,326	-63,452
7.02.02	Materials, Energy, Servs. Third Party and Others	-44,571	-35,249	-34,269
7.03	Gross Value Added	516,689	491,757	427,721
7.04	Retentions	-61,574	-59,948	-59,938
7.04.01	Depreciation and amortization	-61,574	-59,948	-59,938
7.05	Net Added Value Produced	455,115	431,809	367,783
7.06	Added Value Received in Transfer	8.052	3,801	4,373
7.06.02	Financial income	8.052	3,801	4,373
7.07	Total Added Value to be Distributed	463,167	435,610	372,156
7.08	Added Value Distribution	463,167	435,610	372,156
7.08.01	Personnel	241.430	237,384	206,707
7.08.01.01	Direct Remuneration	192,217	187,737	162,764
7.08.01.02	Benefits	32,791	33,027	28,753
7.08.01.03	F.G.T.S.	16,422	16,620	15,190
7.08.02	Taxes, fees and contributions	118,759	113,313	96,586
7.08.02.01	Federal	105,527	100,219	85,686
7.08.02.02	State	79	48	53
7.08.02.03	Municipal	13,153	13,046	10,847
7.08.03	Remuneration of Third Party Capital	29,406	24,420	22,082
7.08.03.01	Fees	11,591	9,778	9,847
7.08.03.02	Rentals	17,815	14,642	12,235
7.08.04	Equity Remuneration	73,572	60,493	46,781
7.08.04.01	Dividends and Interest on Equity	22,200	14,000	12,500
7.08.04.03	Retained earnings	51,372	46,493	34,281

4Q22 Results

March 21, 2023

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Earnings Call

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

Data: Wednesday, March 22, 2023

PORTUGUESE AND ENGLISH

Time: 11:00 a.m. (Brazil) | 10:00 a.m. (New York)
Earnings Conference Call: clique here

SÃO PAULO, MARCH 21, 2023

CSU Digital S.A. (B3: CSUD3) ("CSU" or "Company"), leader in the Brazilian market of last-generation technology solutions for payment methods, Banking as a Service (BaaS), digital experience, and customer loyalty and incentive, announces its results for the fourth quarter and full year of 2022.

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

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

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

Quarter Highlights

Combination of higher revenue growth, with high profitability, leading to 31.5% expansion in net income for the quarter

Net Revenue: **Growth rate expands to 7.8% vs. 4Q21**, to R$138.5 million in 4Q22. In 2022, net revenue reached R$537.2 million **(+4.5% vs. 2021)**;

- **Revenue from CSU Pays:** **Growth curse rises to 17%** compared to 4Q21, bringing this segment´s share to 61% of the total (up from 57% in 4Q21);
- **Revenue from CSU DX:** Operation becoming more digital every day, bringing for the second consecutive quarter gains in revenue and productivity;

Gains in Efficiency: Volume expansion, digitalization, and discipline in expense management increase the results;

- **Gross Contribution:** Increased by **17.0%** from 4Q21, reaching **R$67.8 million** in the 4Q22, with a margin of 49.0% against net revenue. In the year, it reached R$254.8 million **(+17.8% vs. 2021)**, with a margin of 47.4%;
- **EBITDA:** Reached **R$42.7 million (+11.5% vs. 4Q21)**, with constant expansion, given the productivity and scale gains. In the year, the Company's total EBITDA came to **R$166.1 million (+9.6% vs. 2022)**;
- **EBITDA Margin:** Performance gains raised the level of the margin indicator that continues to expand, reaching 30.9% **(+1.1 p.p. vs. 4Q21)** in 4Q22;
- **Net Income:** **The highest level in the Company's history and in strong expansion,** reaching R$ 22.0 million in 4Q22 (+31.5% vs. 4Q21) and R$ 73.6 million in 2022 **(+21.6% vs. 2021);**

Profitability and capital structure: Our low leverage and recurring increase in profitability allows for additional investments with attractive shareholder return;

- **Outstanding profitability indicators:** ROCE[1], ROE, ROIC reached the levels of 23.8%, 20.3%, and 18.9%, respectively.
- **Earnings Distribution:** In the year, the total dividends declared were **R$36.8 million (payout 50%)**. Of this amount, **R$ 22.2 million** have already been paid as JCP and the other **R$ 14.6 million** should be approved as complementary dividends at the Annual General Meeting. Furthermore, the distribution of **R$ 6.0 million** as interest on capital from 1Q23 was approved, to be paid in April/23.

Operational Indicators: All-time highs across metrics this year.

- **Billed and Registered Cards:** We closed the period with an operational record of **R$35.9 million** registered cards in our databases **(+17.0% vs. 4Q21)**;
- **Number of transactions managed:** A total of 228.9 million transactions were managed in the fourth quarter alone **(+12.6% vs. 4Q21)**, totaling 873.2 million transactions in the year **(+25.0% vs. 2021)**. A total of R$74.6 billion was processed on our platforms in 4Q22 **(+18.3% vs. 4Q21)**. In the year, this amount exceeded **R$268.1 billion (+21.8% vs. 2021)**;
- **Number of DX Digitized Interactions:** **53%** of the total amount, and adds to the **13%** of interactions via self-service, showing the prioritization of our performance in operations of greater density and complexity.
- **2 new clients:** We won contracts for the provision of loyalty and DX services for Unicred and Kluber in 4Q22, added to the 8 new contracts announced over the year, representing **10 new contracts entered into in 2022**, totaling 42 contracts.

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

Mensagem da Administração

The year of 2022 may be considered as one of the most important years in the history of CSU Digital, as it consolidates gains from the digitization of products, services and processes, representing important achievements in our business model that may translate into new and relevant possibilities of growing our business and increasing our profit.
This evolution is clear when we observe the company's key financial indicators over the last 14 quarters, and especially, the year of 2022:

• We ended the year with net revenue approximately 5% higher than that of 2021, reaching R$537.2 million, the largest indicator of the Company's historical series. We would also like to highlight that net revenue grew almost 8% in the fourth quarter, driven by the strong expansion of our financial services vertical CSU Pays, which grew by 17% in the period.

• We won 10 new clients this year (Unicred and Kluber in 4Q22), reaching 42 contracting companies from various segments and industries, including the digital economy. We recorded over 35.9 million billed and registered cards in our base, 17% higher than in 2021.

• Our profitability indicators grew at a fast pace and above two digits this year. Gross profit grew by 21%, to R$201.4 million. EBITDA amounted to R$166.1 million, 10% more than last year. Net Income was more than R$73.6 million, up by 21.6% over 2021, with an EBITDA margin of nearly 14%. Individually, all these indicators – like revenue – represent the Company's highest historical values.

Thus, I reinforce that the optimal results we reported allow the company to be at the forefront of innovation, increasingly investing in new tools, products and services for our clients, even amid a more troubled market. The robustness of our technology infrastructure coupled with our proven execution capacity place us in a favorable condition compared to other players in the Brazilian payment market.

The year of 2022 was also marked by the delivery of key transformational projects from our portfolio:

• We expanded our payment core business by offering more solutions to this market including instant payment (Pix), Pix Credit (*Pix Parcelado*), and the processing of cryptocurrency-based transactions.

• Our banking core business to offer Banking as a Service (BaaS) is in the final phase of implementation and is close to be officially launched. We are already operating under the concept we call "Friends and Family". We believe this will be an important growth avenue for the company to produce its first results already in 2023.

• And, with advances in the development of new payment products and banking services, the Company is now beginning its journey toward transforming the Digital Experience vertical, which had already been remodeled with the implementation of service technologies based on the development of new curatorship, antifraud and exchange products to support new financial services operations (BaaS) under the Digital Tracking concept.

Therefore, to capture this moment and make our market positioning clearer, we have changed the Company's brand name from CSU Cardsystem S.A. to "CSU Digital S.A.", as well as our ticker to trade shares on B3 to "CSUD3". Additionally, we have changed our visual identity.

The company also took the first step in internationalizing its operations by opening an office in Miami, USA. This move enables us to serve customers operating mainly in Brazil but who also wish to expand internationally. They can now rely on our international support the same way they do in Brazil.

Before wrapping up, it is important to underscore that CSU Digital has one of the best return on invested capital in the market, with outstanding indicators like ROCE[2], ROE, ROIC, which has been performing between 18 and 24% per year, besides maintaining a very attractive remuneration to shareholders. We distributed, on 01/16/2023 R$ 22.2 million (R$ 6.5 million from 4Q22) in interest on own capital, and will submit for approval at the General Assembly on 04/25/2023 the destination of profits whose proposed dividends are around R$ 14.6 million, raising the payout to 50%. As a Subsequent Event, on 03/17/2023 the Company's Board of Directors approved the payment on 04/18/2023 of R$ 6.0 million as IOC referring to the 1Q23 results.

We would like to thank everyone for putting their trust in the current Management. We remain committed to further growing the Company, always pursuing the best return.

Marcos Ribeiro Leite
Founder & CEO

[2] ROCE: return on capital employed (*retorno sobre o capital empregado*); ROE: return on equity (*retorno sobre o patrimônio líquido*); ROIC: return on invested capital (*retorno sobre o capital investido*).

Consolidated Results
Results Summary

Main Indicators (R$ thousand)	4Q22	4Q21	%Var. YoY	3Q22	%Var. QoQ	2022	2021	%Var.
Net Revenue	**138,479**	**128,511**	**7.8%**	**136,339**	**1.6%**	**537,168**	**514,049**	**4.5%**
Gross Contribution	**67,822**	**57,977**	**17.0%**	**66,856**	**1.4%**	**254,835**	**216,252**	**17.8%**
Contribution %	*49.0%*	*45.1%*	*3.9 p.p.*	*49.0%*	*0.0 p.p.*	*47.4%*	*42.1%*	*5.3 p.p.*
Gross Profit	**54,329**	**45,357**	**19.8%**	**53,570**	**1,4%**	**201,428**	**166,019**	**21.3%**
Gross Margin	*39.2%*	*35.3%*	*3.9 p.p.*	*39.3%*	*-0.1 p.p.*	*37.5%*	*32.3%*	*5.2 p.p.*
EBITDA	**42,745**	**38,329**	**11.5%**	**42,349**	**0.9%**	**166,085**	**151,507**	**9.6%**
EBITDA Margin	*30.9%*	*29.8%*	*1.1 p.p.*	*31.1%*	*-0.2 p.p.*	*30.9%*	*29.5%*	*1.4 p.p.*
Net Income	**21,978**	**16,717**	**31.5%**	**18,454**	**19.1%**	**73,572**	**60,493**	**21.6%**
Net Margin	*15.9%*	*13.0%*	*2.9 p.p.*	*13.5%*	*2.4 p.p.*	*13.7%*	*11.8%*	*1.9 p.p.*

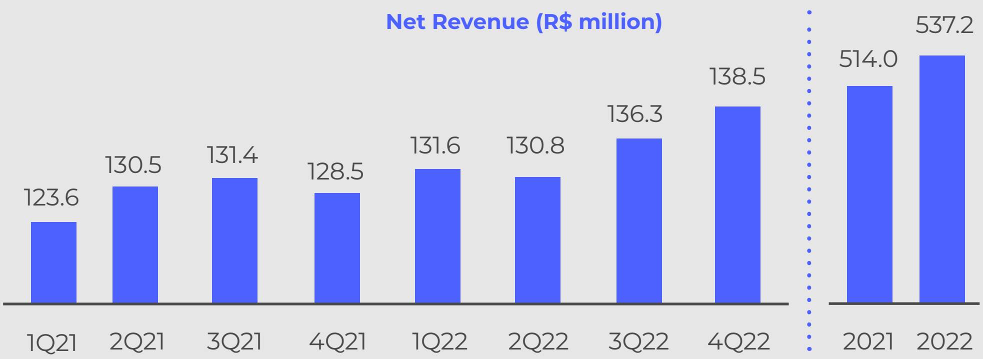
Net Revenue:
R$ 138.5 M +7.8%
4Q22 yoy

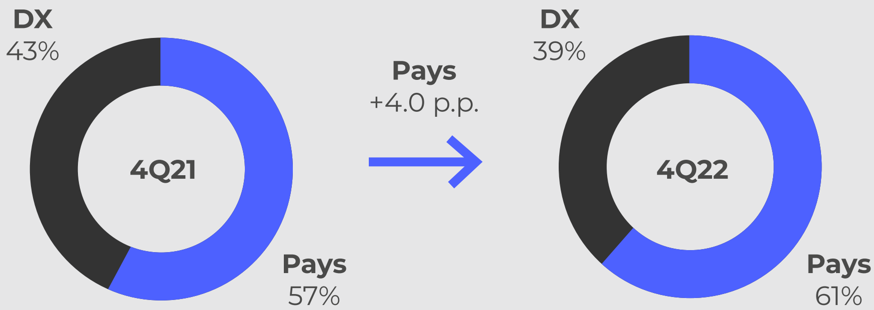
Gross Contribution:
R$ 67.8 M +17.0%
Mg. 49.0% +3.9p.p.
4Q22 yoy

EBITDA:
R$ 42.7 M +11.5%
Mg. 30.9% +1.1p.p.
4Q22 yoy

New Income:
R$ 22.0 M +31.5%
Mg. 15.9% +2.9p.p.
4Q22 yoy

Net Revenue: Faster pace of growth (+7.8%) following an increase of R$10.0 million year on year in 4Q22, reaching **R$138.5 million.** In the year, **net revenue was an all-time high of R$537.2 million**, compared to R$514.0 million in 2021, up by R$23.1 million (+4.5% vs. 2021). It is worth mentioning the continuous and increasing expansion shown by our business division for payment methods, BaaS and Loyalty, CSU Pays, which gained representativeness in the total amount. This trend should continue in the coming periods (see details in section 1.2).





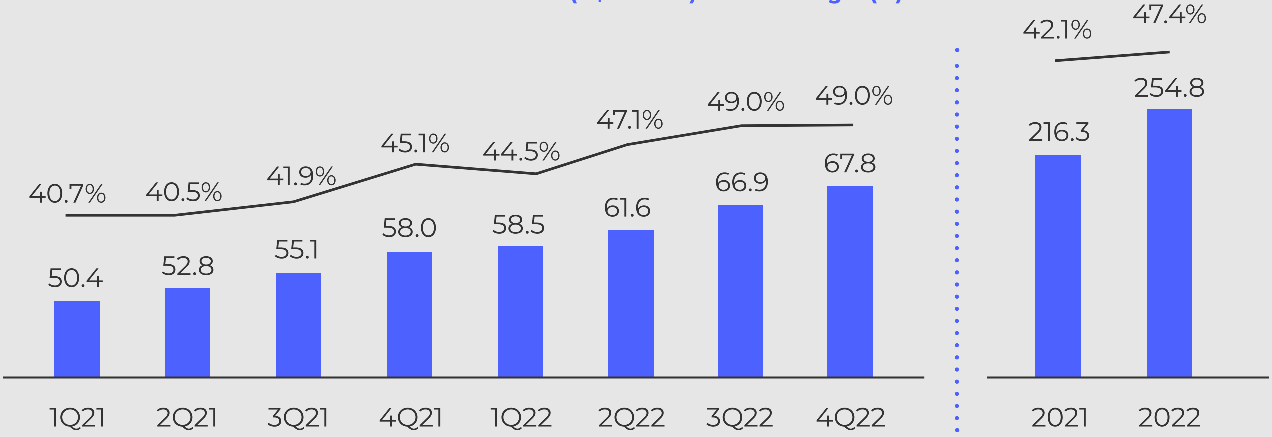
The Company has developed and executed, over the past years, a business model based on the Full Service concept. In this model, we ensure the entire technological infrastructure and a wide range of financial services solutions, while providing all the support to sustain and operationalize these products daily, so that our clients can offer a unique and complete experience to their users. Originally, the Company's main revenue line was associated with the processing and management of card transactions for issuers and, consequently, the number of cards available for billing, with different values for each type of processing. New modalities are beginning to gain relevance on this front with the launch of new solutions. Therefore, we guarantee full capacity for services hired for DX. This allows us to operate under a high degree of revenue predictability. Currently, we can affirm that **over 98% of our revenue is recurring**[3].

Costs (excluding depreciation and amortization): Amounted to R$70.7 million in 4Q22, in line with the same quarter of 2021 **(+0.2% vs. 4Q21)**. In 2022, costs totaled R$282.3 million against R$297.8 million in 2021, **a drop of R$15.5 million (-5.2% vs. 2021)**. Both variations are the result of real efficiency gains from a higher consumption of digital services by our customers and consequently reducing costs with personnel, operating materials, and shipping.

Gross Contribution[4]: Reached **R$67.8 million** in 4Q22, as well as a record margin, as a result of the representativeness in revenue, which stood at **49.0%**, compared to R$58.0 million, with a 45.1% margin, in the same period of 2021, up by R$9.8 million (+17.0% and +3.9 p.p. vs. 4Q21, respectively). **In the year, gross contribution totaled R$254.8 million, with a margin of 47.4%**, compared to R$216.3 million, with a margin of 42.1% in the previous year, **up by R$38.6 million (+17.8% and +5.3 p.p. vs. 2021, respectively)**.

This increased level is the result of the greater relevance of the CSU Pays business division in the total, which has higher profitability, added to the already mentioned efficiency gains in all business verticals.

Gross Contribution (R$ million) and its Margin (%)

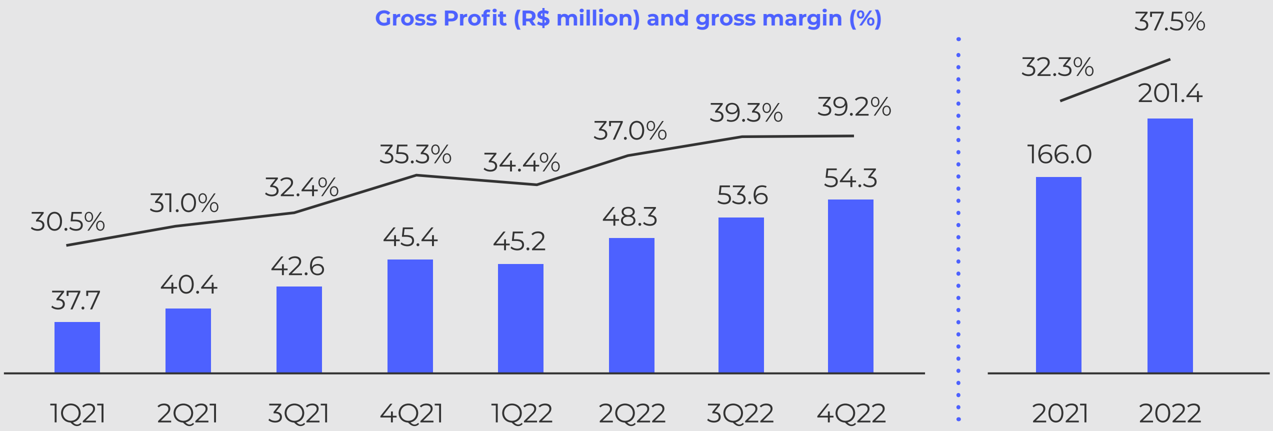


[3] **Recurring revenue:** Non-accounting metric that considers revenues such as service orders ("OS") related to deployments and projects – among others – at CSU Pay division, as non-recurring.

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

Total costs, gross profit and gross margin: If we include depreciation and amortization on costs, this line totaled R$84.2 million in 4Q22, compared to R$83.2 million in 4Q21, up by R$1.0 million in the current quarter compared to the same period last year (+1.2% vs. 4Q21). From the same point of view, in 2022, costs amounted to R$335.7 million compared to the R$348.0 million recorded last year, down by R$12.3 million (-3.5% vs. 2021).

As a result, our gross profit reached a record of R$54.3 million in 4Q22, with a gross margin of 39.2%, compared to R$45.4 million and a gross margin of 35.3% in the same period of 2021, up by R$9.0 million **(+19.8% and +3.9 p.p. vs. 4Q21, respectively)**. **In the year, this line totaled R$201.4 million, with a margin of 37.5%**, compared to R$166.0 million, with a margin of 32.3% in the previous year, up by R$35.4 million **(+21.3% and +5.2 p.p. vs. 2021, respectively)**.



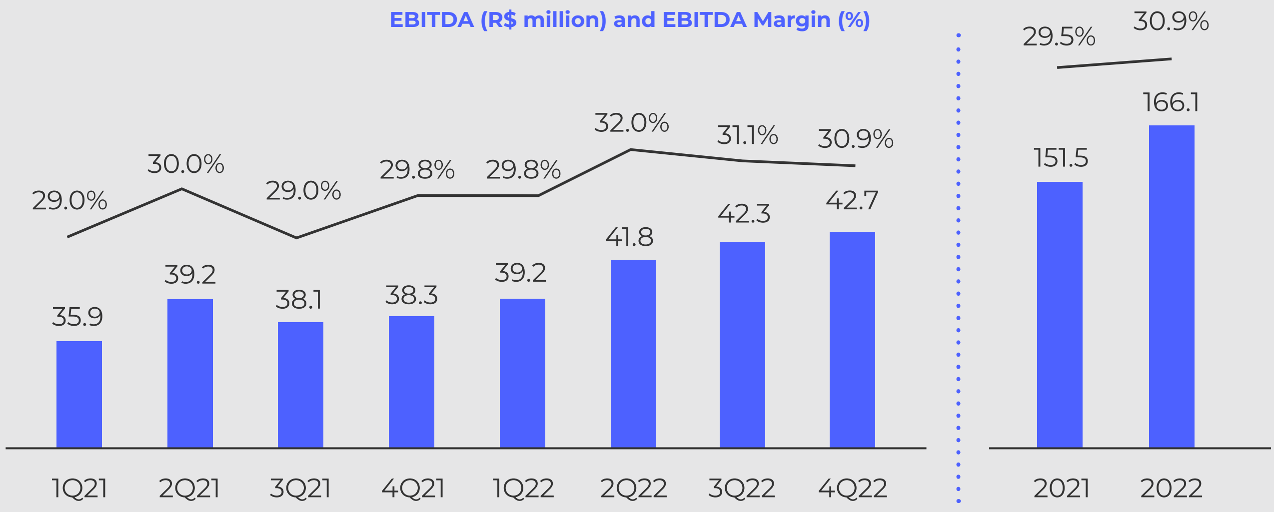
Selling, General and Administrative Expenses ("SG&A"): SG&A, including depreciation and amortization (D&A), reached R$26.5 million in 4Q22, compared to R$22.5 million in the same period of 2021, up by R$4.0 million (+17.9% vs. 4Q21). This variation can be explained mainly by (i) a higher volume of commercial and marketing expenses to disclose our **new brand and portfolio**, in addition to increasing our **participation in face-to-face events**, in a total amount of approximately R$2.2 million; (ii) an increase in expenses with payroll and charges, in the amount of R$3.5 million, with the **hiring of new employees for strategic teams** to support the growth of our business as we face new challenges; and (iii) in return, a reduction of R$0.8 million in D&A. In the year, SG&A amounted to R$95.4 million, compared to the R$79.1 million recorded last year, up by R$16.3 million (+20.5% vs. 2021), of which (i) R$10.2 million in General and Administrative Expenses related to personnel expenses (payroll and charges), arising from the 9% salary increase in 2021 and the 10% increase in 2022 (impact felt as of August of each year), and changes in the compensation model for key positions, in line with the current practices of the technology market, as well as the hiring of employees for strategic teams; (ii) R$7.6 million in Selling Expenses, due to our increased presence in events and higher investments in marketing; and (iii)in return, a reduction of R$1.5 million in D&A.

The Company reaffirms its belief that this is the right time to invest more in marketing so as to sustain its new market positioning and seize new growth opportunities as they appear, considering its financial and operation strength.

SG&A (R$ thousand)	4Q22	4Q21	%Var. YoY	3Q22	%Var. QoQ	2022	2021	%Var.
General and Administrative	*(20,827)*	*(18,203)*	*14.4%*	*(20,633)*	*0.9%*	*(77,058)*	*(66,880)*	*15.2%*
Depreciation and Amortization	*(1,571)*	*(2,399)*	*-34.5%*	*(2,108)*	*-25.5%*	*(8,166)*	*(9,715)*	*-15.9%*
Sales and Marketing	*(4,122)*	*(1,883)*	*118.9%*	*(3,442)*	*19.8%*	*(10,176)*	*(2,543)*	*300.2%*
Total SG&A expenses	**(26,520)**	**(22,485)**	**17.9%**	**(26,183)**	**1.3%**	**(95,400)**	**(79,138)**	**20.5%**
% of net revenue	*19.2%*	*17.5%*	*1.7 p.p.*	*19.2%*	*0.0 p.p.*	*17.8%*	*15.4%*	*2.4 p.p.*

Other Operating Income (Expenses): In fourth quarter 2022, it totaled a net expense of R$0.1 million, against a positive result of R$0.4 million in 4Q21, a negative variation of R$0.5 million. This is due to positive non-recurring events occurred in 4Q21, when there was a reversal of provision for doubtful accounts (receipt) and inventory costs, against a higher one-off tax expense in that quarter. Likewise, net expense was R$1.5 million in 2022, against a positive result of R$4.7 million in 2021, an variation of R$6.2 million. This is due to non-recurring positive events occurred in 2021, when in addition to the events already mentioned in the quarterly comparison, there was a reversal of provision for expenses that had been recorded but not materialized with a specific supplier, due to noncompliance with contractual obligations in 2Q21.

EBITDA[5] and EBITDA Margin: Reached an all-time high of R$42.7 million, with a margin of 30.9%, compared to R$38.3 million and a margin of 29.8% in the same period of 2021, **up by R$4.4 million (+11.5% and +1.1 p.p. vs. 4Q21, respectively)**. **In 2022, this line was an all-time high of R$166.1 million, with a margin of 30.9%**, compared to R$151.5 million, with a margin of 29.5% in 2021, **up by R$14.6 million (+9.6% and +1.4 p.p. vs. 2021, respectively)**. This evolution is attributed to the growth of the business and the operational gains obtained through out **efficiency plan**.



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

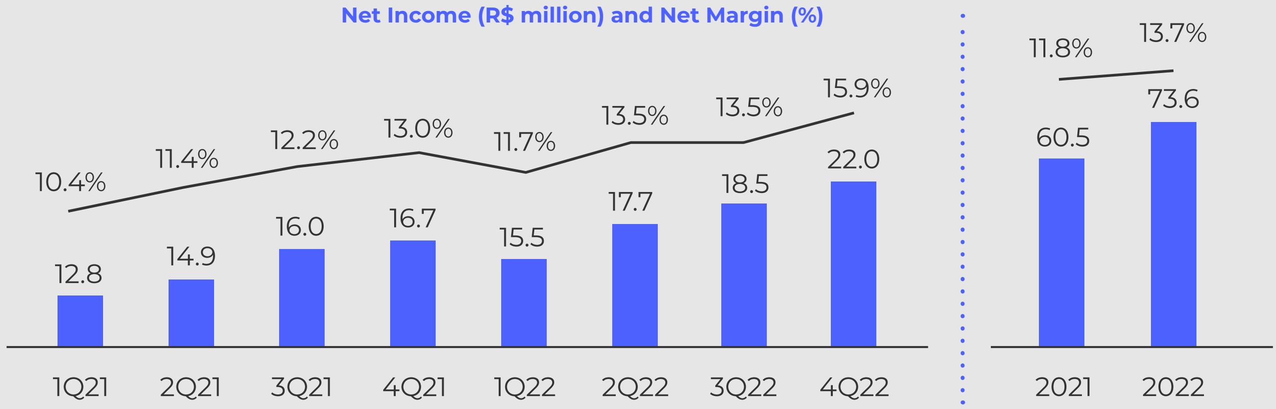
EBITDA Reconciliation (R$ thousand)	4Q22	4Q21	%Var. YoY	3Q22	%Var. QoQ	2022	2021	%Var.
Net Income	**21,978**	**16,717**	**31.5%**	**18,454**	**19.1%**	**73,572**	**60,493**	**21.6%**
(+) Income Taxes	*5,634*	*6,419*	*-12.2%*	*7,986*	*-29.5%*	*27,400*	*25,089*	*9.2%*
(+) Financial Result	*69*	*174*	*-60.3%*	*515*	*-86.6%*	*3,539*	*5,977*	*-40.8%*
(+) Depr. e Amort.	*15,064*	*15,019*	*0.3%*	*15,394*	*-2.1%*	*61,574*	*59,948*	*2.7%*
EBITDA	**42,745**	**38,329**	**11.5%**	**42,349**	**0.9%**	**166,085**	**151,507**	**9.6%**
EBITDA Margin	*30.9%*	*29.8%*	*1.1 p.p.*	*31.1%*	*-0.2 p.p.*	*30.9%*	*29.5%*	*1.4 p.p.*

Financial Result: In the quarter, the financial result came to a net expense of R$0.1 million against a net expense of R$0.2 million in 4Q21, a positive evolution of R$0.1 million. In 2022, the financial result was a net expense of R$3.5 million against a net expense of R$6.0 million in 2021, a positive evolution of R$2.5 million (+40.8% vs. 2021), partly due to (i) a R$3.5 million increase in financial income resulting from the maintenance of a higher average cash balance in the period, following the greater operating cash generation, and on the other hand, (ii) a R$1.1 million increase in financial expenses due to higher charges on loans, following the increase in their indexes (CDI rate).

Earnings Before Income Taxes ("EBIT"): Reached R$27.6 million in 4Q22, compared to R$23.1 million in 4Q22, **up by R$4.5 million (+19.3% vs. 4Q21)**. In 2022, EBIT amounted to R$101.0 million, against R$85.6 million in the previous year, **up by R$15.4 million (+18.0% vs. 2021)**.

Income Tax and Social Contribution ("IR/CSLL"): Totaled R$5.6 million, compared to R$6.4 million in 4Q21 (-12.3% vs. 4Q21), variation mainly due to effect of temporary differences recognition, with positive contribution to 4Q22's earnings. In 2022, income tax and social contribution totaled R$27.4 million, against R$25.1 million in 2021, up by R$2.3 million (+9.2% vs. 2021), less proportional than EBT increase, for the same reasons mentioned in the quarterly view.

Net income and net margin: This indicator reached an **all-time high of R$22.0 million** in 4Q22, compared to R$16.7 million in 4Q21, up by R$5.3 million **(+31.5% vs. 4Q21)**. **In 2022, it reached an all-time high of R$73.6 million**, compared to the R$60.5 million recorded last year, **up by R$13.1 million (+21.6% vs. 2021)**. Likewise, net margin reached a record of 15.9% in the quarter, compared to 13.0% in the same period of 2021 **(+2.9 p.p. vs. 4Q21)**. In 2022, this indicator reached a record of 13.7%, compared to 11.8% in 2021 **(+1.9 p.p. vs. 2021)**.



CAPEX[6]

Total Capex: Company investments reached R$20.0 million in 4Q22, against R$15.7 million in the same period of the previous year, up by R$4.3 million (+27.4% vs. 4Q21). In 2022, Capex totaled R$63.5 million against R$56.9 million in 2021, **up by R$6.6 million (+11.7% vs. 2021)**. The increase in investments in tangible and intangible assets this year is explained by the ongoing structuring projects of our BaaS solutions, the launch of new solutions and functionalities for the payment processing ecosystem and the higher amounts allocated to further enhance the robustness of our data and security infrastructure.

CSU Pays (93% of the total): Amounted to **R$18.6 million** in 4Q22 against R$14.2 million in the year-ago period, an increase of R$4.4 million (+31.1% vs. 4Q21), due to the maintenance of the level of investments allocated to develop our new solutions and to expand our processing capacity. In the year, Capex for this business unit totaled **R$59.0 million**, compared to R$53.0 million in 2021, up by R$6.0 million (+11.4% vs. 2021).

CSU DX (1% of the total): Totaled **R$0.1 million** in 4Q22, compared to the R$0.9 million in the same period last year, down by 0.8 million, as more customer service system tools were customized in 2021. In the year, this amount totaled **R$1.0 million**, against R$1.7 million in 2021, down by R$0.7 million, due to the reason already mentioned.

Corporate (6% of the total): Totaled **R$1.3 million** in 4Q22 against R$0.6 million in the same period of last year, up by R$0.7 million (+107.9% vs. 4Q21). In the year, this amount totaled **R$3.5 million**, compared to R$2.2 million in 2021, up by R$1.3 million (+60.5% vs. 2021).

Investments (R$ thousand)	4Q22	4Q21	%Var. YoY	3Q22	%Var. QoQ	2022	2021	%Var.
CSU Pays	*18,559*	*14,152*	*31.1%*	*14,571*	*27.4%*	*58,973*	*52,955*	*11.4%*
CSU DX	*106*	*914*	*-88.4%*	*227*	*-53.3%*	*1,023*	*1,725*	*-40.7%*
Corporate	*1,349*	*649*	*107.9%*	*1,330*	*1.4%*	*3,509*	*2,186*	*60.5%*
Capex	**20,014**	**15,715**	**27.4%**	**16,128**	**24.1%**	**63,505**	**56,866**	**11.7%**
% of Net Revenue	*14.5%*	*12.2%*	*2.3 p.p.*	*11.8%*	*2.7 p.p.*	*11.8%*	*11.1%*	*0.7 p.p.*

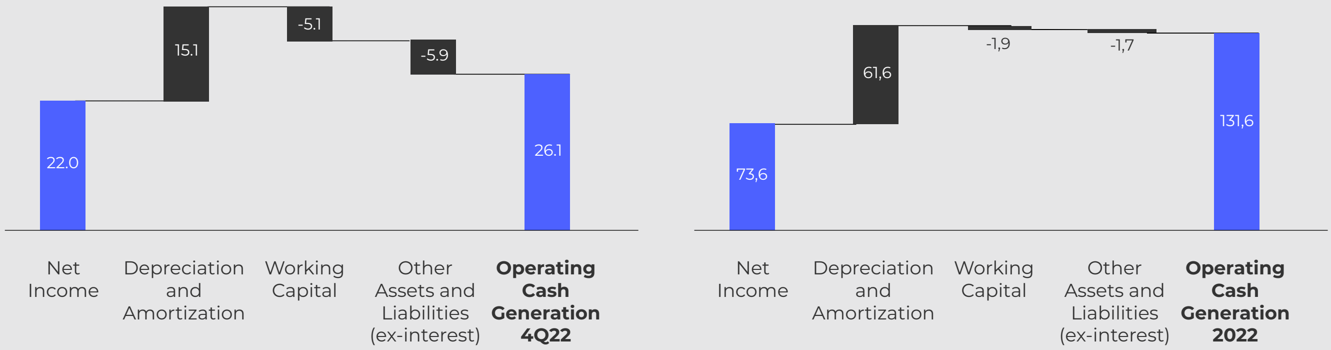
Operating Cash Generation

Cash generated by the Company's operating activities remained strong, **totaling R$26.1 million** in 4Q22 (vs. R$12.8 million in 4Q21). This increase was the result of (i) higher profit, (ii) the lower variations in the working capital accounts (accounts receivable, suppliers, salaries and social charges; and (iii) lower interest paid, due to a reduction in the gross debt in the period.

[6] **CAPEX:** Corporate investments are mostly related to investments in technology management platforms (software and hardware) and overall improvements. This amount differs from the "Cash Used in Investing Activities" line in the Cash Flow Statement due to leases.

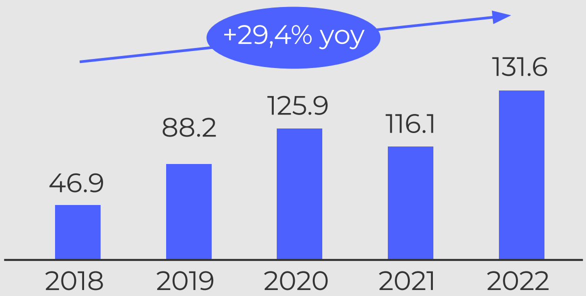
In 2022, operating cash generation **reached R$131.6 million** (vs. R$116.1 million in 2021), with a large contribution from the income lines due to higher net revenue and gains in operational efficiency.

Reconciliation of Operating Cash Generation (R$ million)



The Company has a long, consistent and growing history of results and cash generation. In the interval between 2018 and 2022, the compound growth rate of operating cash generation reached 29.4% per year, a very significant level that reflects the operational advances.

Historical growth of Operational Cash Generation (R$ million)



Capital Structure[7]

Gross Debt: At the end of the quarter, gross debt totaled R$85.7 million **(-17.7% vs. 4Q21)**, compared to R$104.1 million in the same period of the previous year, down by R$18.4 million. When analyzing only onerous debt (loans and financing), we ended the quarter with a balance of R$16.4 million, against R$30.9 million in 4Q21,
down by R$14.5 million due to settlements and amortizations in the period.
Our current cash balance and generation allows us to finance our operations with our own resources, in addition to reducing our debt balance.

[7] **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.

Cash and Cash Equivalents: At the end of the quarter, the cash and cash equivalents balance totaled R$86.5 million, compared to R$83.3 million in the same period of the previous year, up by R$3.2 million (+3.8% vs. 4Q21).

Net Debt: Thus, **in late December, the Company had a net debt of R$0.8 million**, against R$20.8 million in the same period of the previous year, a significant reduction of R$21.6 million, as explained previously. When analyzing only onerous debt obligations, we ended the quarter with a **net cash balance of R$70.1 million**, against R$52.4 million in the previous year, due to higher operating cash generation in the period and the reduction in loans and financing.

Net debt/LTM EBITDA: The Net Debt/EBITDA ratio for the last 12 months ("LTM") was down by 0.005x (net cash) in 4Q22, compared to 0.14x in 4Q21, influenced by (i) the operational growth that increased EBITDA (denominator) and (ii) the decline in net debt as mentioned above. With this, the Company considers its **capital structure to be adequate** for its current business situation, allowing it to advance in terms of investments and offer shareholder return, while still having room to increase its financial leverage, if necessary, and therefore capture attractive opportunities to acquire new assets.

Indebtedness (R$ thousand)	4Q22	4Q21	%Var. YoY	3Q22	%Var. QoQ
Financing and Debt loan	**16,350**	**30,863**	**-47.0%**	**19,269**	**-15.1%**
Short term	*9,587*	*14,463*	*-33.7%*	*11,237*	*-14.7%*
Long term	*6,763*	*16,400*	*-58.8%*	*8,032*	*-15.8%*
(-) Disponibilidades	*86,455*	*83,292*	*3.8%*	*86,589*	*-0.2%*
Net Onerous Debt	**(70,105)**	**(52,429)**	**33.7%**	**(67,320)**	**4.1%**
EBITDA LTM	*166,085*	*151,507*	*9.6%*	*161,688*	*2.7%*
Net Onerous Debt/EBITDA LTM (x)	**(0.42)**	**(0.35)**	**-0.1**	**(0.42)**	**0**
Lease liabilities (IFRS 16)	**69,354**	**73,231**	**-6.9%**	**68,408**	**-1.4%**
Gross Debt	**85,704**	**104,094**	**-17.7%**	**87,677**	**-2.3%**
(-) Cash and equivalents	*86,455*	*83,292*	*3.8%*	*86,589*	*-0.2%*
Net Debt	**(751)**	**20,802**	**-103.6%**	**1,088**	**-169.0%**
EBITDA LTM	*166,085*	*151,507*	*9.6%*	*161,668*	*2.7%*
Net Debt/EBITDA LTM (x)	**(0.01)**	**0.14**	**-0.1**	**0.01**	**0**

Performance by Business Unit

In June 2022, the Company announced the restructuring of its business units, which were renamed **CSU Pays** and **CSU DX**, replacing the former CSU.CardSystem and CSU.Contact, respectively. These changes reinforce the Company's positioning as the main provider of technological solutions in both business units and its high cross-selling capacity. Consequently, in this report, some adjustments were made (please see Exhibit 4) in our grouping of results by business division, in such a way that it more appropriately reflects the nature of our service contracts from the perspective of end-to-end platform, thereby making it possible to compare the results achieved between the periods.

1. CSU Pays (Payment Methods, Loyalty and Incentives, and BaaS)

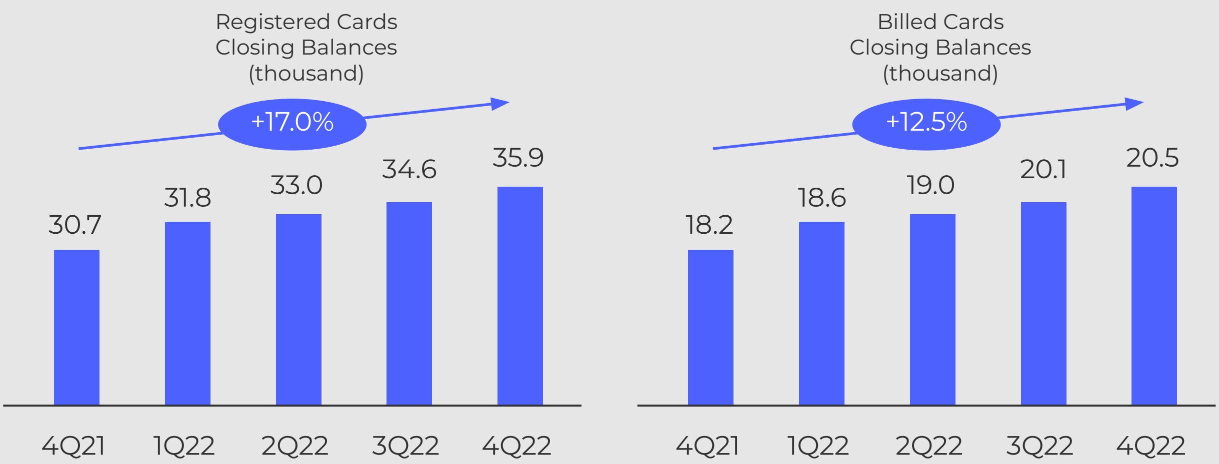
1.1 Operational Performance

CSU Pays, our business division that encompasses all cutting-edge solutions in Payment Methods, Loyalty and Incentives, and Banking as a Service (BaaS), grows at a very fast pace in terms of revenue, on a recurring basis **(25% growth between 1Q21 and 4Q22)**. This division is becoming increasingly relevant for the Company's revenue – a trend that is expected to continue in the coming quarters – and already account for **61% of the Company's total** amount in 4Q22.

With an innovative and pioneering spirit from the start, the Company was founded in 1992 under the name CardSystem Ltda., as the first independent processor of electronic payment methods, the first to work with the three major international brands simultaneously (Visa, Mastercard and American Express) in Brazil, and the first to process payments for digital wallets in South America, effectively changing the course of the history of the Brazilian digital financial services ecosystem by allowing numerous banks and companies from different industries to enter a large credit market through the use of cards. In terms of payment methods, we have the **largest portfolio** in the market, including services such as credit, debit and prepaid cards, whether physical, digital (mobile and wearables), or virtual.

Below, we will highlight some of the indicators of our operations:

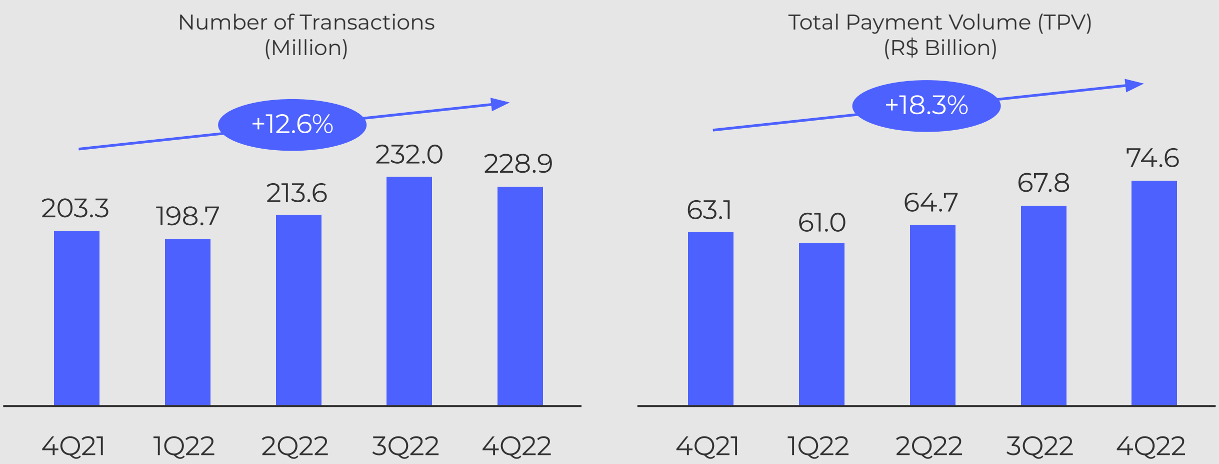
Billed and Registered Cards



Billed and Registered Cards: We ended 4Q22 and the year of 2022 with a **record of 35.9 million** registered cards in our base, compared to 30.7 million in the same period of the previous year, **up by 5.2 million units (+17.0% vs. 4Q21 and 2021)**. This indicator proves the depth and solidity of our client base, which, for the most part, expanded organically, as well as the gradual advance in new operations conquered.

Billed and Registered Cards: We ended 4Q22 and the year of 2022 with **20.5 million** billed cards against 18.2 million in the same quarter of the previous year, **up by 2.3 million (+12.5% vs. 4Q21 and 2021)**, reflecting the ongoing expansion in the number of CSU customers and their respective users, as well as an increase in the number of possibilities for the use of this payment modality.

Processing Volume



Number of Transactions Processed: CSU's various digital platforms recorded a volume of **228.9 million transactions** against 203.3 million in the same quarter of the previous year, increasing by 25.6 million **(+12.6% vs. 4Q21)**. In the year, CSU's various digital platforms recorded 873.2 million transactions against 698.4 million in 2021, increasing by 174.8 million **(+25.0% vs. 2021)**, illustrating that the use of cards as payment method continues to gain strength in Brazil as new people are inserted into this ecosystem. This is an interesting indicator to measure the business trend related to our customers, card issuers and acquiring customers, proving to be an important component to improve our business models and systems. For the time being, this metric has low representativeness in the unit's total revenue.

Total Payment Volume (TPV): The financial volume processed on our platforms totaled **R$74.6 billion**, against R$63.1 billion in 4Q21, up by R$11.5 billion **(+18.3% vs. 4Q21)**. In the year, it reached **R$268.1 billion**, against R$220.2 billion in 2021, up by R$47.9 billion **(+21.8% vs. 2021)**.

Other important revenue component of CSU Pays is the loyalty segment. We have one of the best market solutions to promote the design of **loyalty** and incentive programs. With these solutions, our clients can deepen their relationship with their own consumer base by effectively creating relationship scores and attracting customers to use their products and services in exchange for benefits. The rationale behind these programs is intuitive and entails rewarding consumers for using and purchasing products and services from our contracting clients (generally card issuers), by earning points. These points may be redeemed, allowing consumers to access a large catalogue to choose from a wide range of new products and services offered by over 100 partners (+2k establishments) with which CSU has a partnership. Alternatively, consumers can be rewarded with cash back.

A large part of this business unit's revenue is associated with the number of users and cards available for billing, with different amounts for each type of processing.

Over time, the Company has been reinventing itself and **creating solutions** and skills that are fundamental for its platform, allowing it to reach a prominent position in the markets where it operates. We announced we finished the development and launch of new products for payment methods that include new payment modalities, such as instant payment (Pix), Pix Credit (*Pix parcelado*), and cryptocurrencies. Our BaaS platform will soon be fully operational, providing our customers with new possibilities for user base monetization, offering a true financial services marketplace.

These new business lines are expected to benefit results over the coming quarters. In practical terms, these moves will allow us to expand our operations, which is not restricted to cards only, significantly increasing our addressable market and preparing us for the future universe of payments in Brazil and abroad.

Net Revenue:
R$ 85.0 M 17.0%
4Q22 yoy

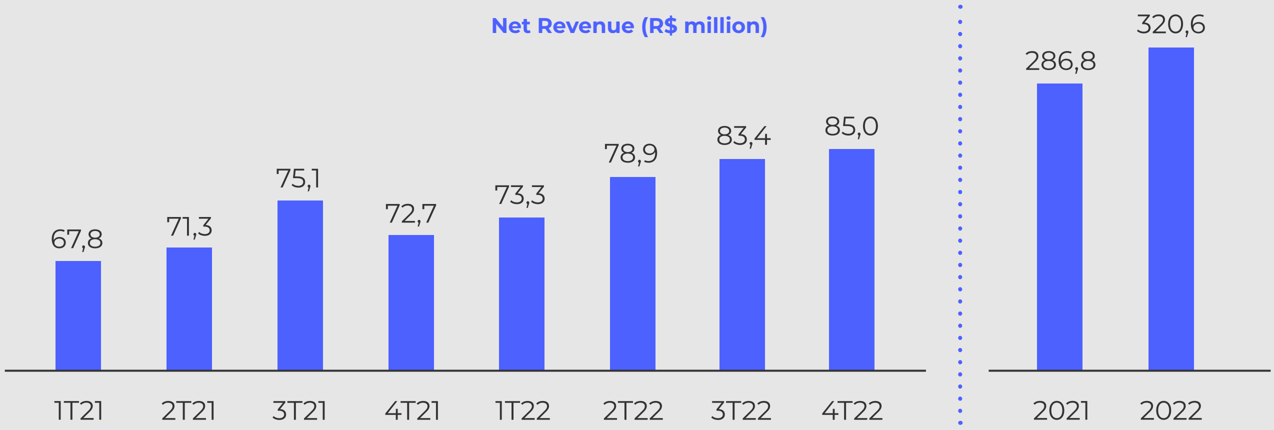
Gross Contribution:
R$ 53.7 M 20.0%
Mg. 63.1% 1.5p.p.
4Q22 yoy

EBITDA:
R$ 36.8 M 15.5%
Mg. 43.2% -0.6p.p.
4Q22 yoy

1.2 Financial Performance

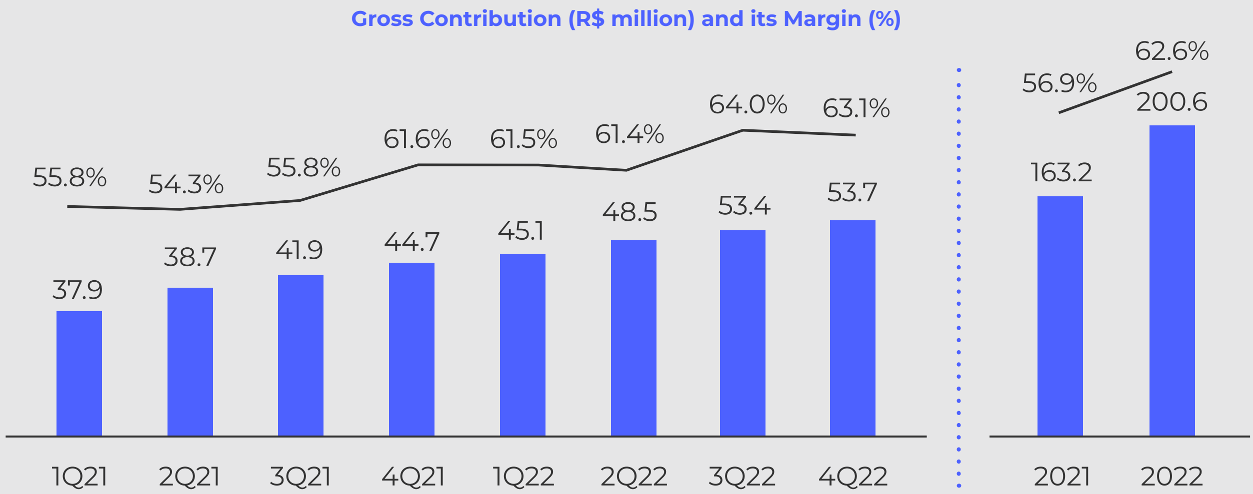
Net revenue: All-time high of R$85.0 million, against R$72.7 million in the same period of the previous year, up by R$12.3 million **(+17.0% vs. 4Q21)**, explained by the growing customer base that naturally increases the volume of issuances, processing, consumption and redemption of services. Revenues from purely digital services[8] accounted for **91.9% of the total**, compared to 89.2% in 4Q21 **(+2.7 p.p. vs. 4Q21)**. This indicator remained above the 90% level in all quarters of 2022. **In the year, revenue was also a record of R$320.6 million**, compared to the R$286.8 million recorded in 2021, up by R$33.8 million **(+11.8% vs. 2021)**.

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



Costs (excluding depreciation and amortization): Totaled R$31.3 million in 4Q22 against R$27.9 million in the same period last year, **up by R$3.4 million (+12.2% vs. 4Q21)**, chiefly explained the variation of equipment and software rental costs. In the year, costs from this business division totaled R$120.0 million, compared to R$123.6 million in 2021, **down by R$3.6 million (-2.9% vs. 2021)**, mainly explained by the greater digitalization of this type of service, even though increased personnel costs, equipment and software rentals.

Gross Contribution: As a result of the variations above, this metric reached an **all-time high of R$53.7 million** in 4Q22, **with a margin of 63.1%**, against R$44.7 million and a margin of 61.6% in the same period of the previous year, up by R$9.0 million **(+20.0% and +1.5 p.p. vs. 4Q21, respectively)**. In 2022, gross contributions were an all-time high of R$200.6 million, with a margin of 62.6%, compared to R$163.2 million, with a margin of 56.9% in 2021, **up by R$37.4 million (+22.9% and +5.7 p.p. vs. 2021, respectively)**.

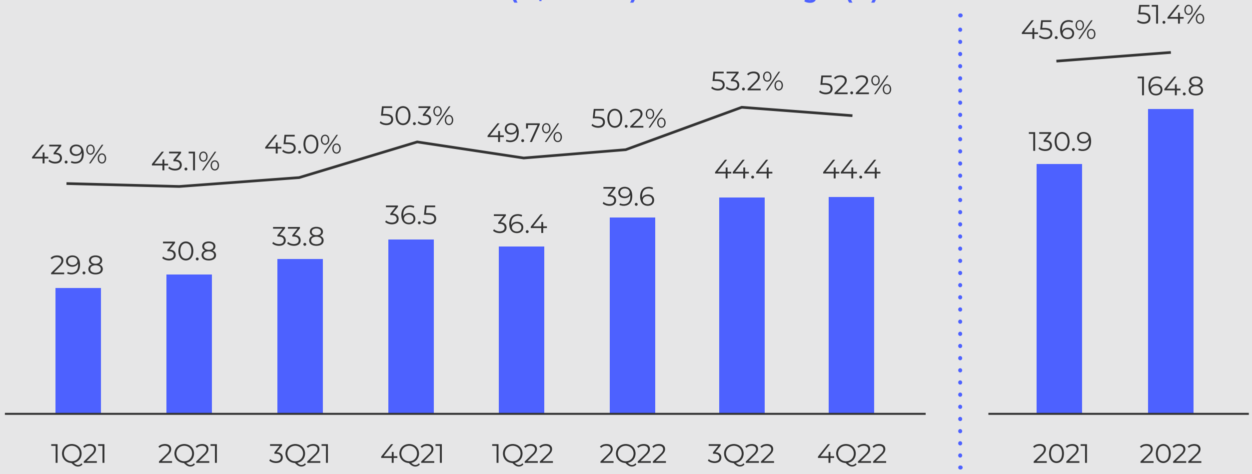


Total costs, gross profit and gross margin: Including depreciation and amortization on costs, this indicator totaled R$40.6 million in 4Q22, compared to R$36.1 million in the same period of the previous year, up by R$4.5 million (+12.5% vs. 4Q21), and in 2022, this indicator totaled R$155.8 million against R$156.0 million in 2021, down by R$0.2 million (-0.1% vs. 2021).

Thus, as a result of the variations above, gross profit reached an **all-time high of R$44.4 million** in 4Q22, **with a margin of 52.2%**, against R$36.5 million and a margin of 50.3% in the same period of the previous year, up by R$7.9 million (+21.5% and +1.9 p.p. vs. 4Q21, respectively). In 2022, this indicator reached a record of R$164.8 million, with a margin of 51.4%, compared to R$130.9 million, with a margin of 45.6% in 2021, **up by R$33.9 million (+25.9% and +5.8 p.p. vs. 2021, respectively)**.

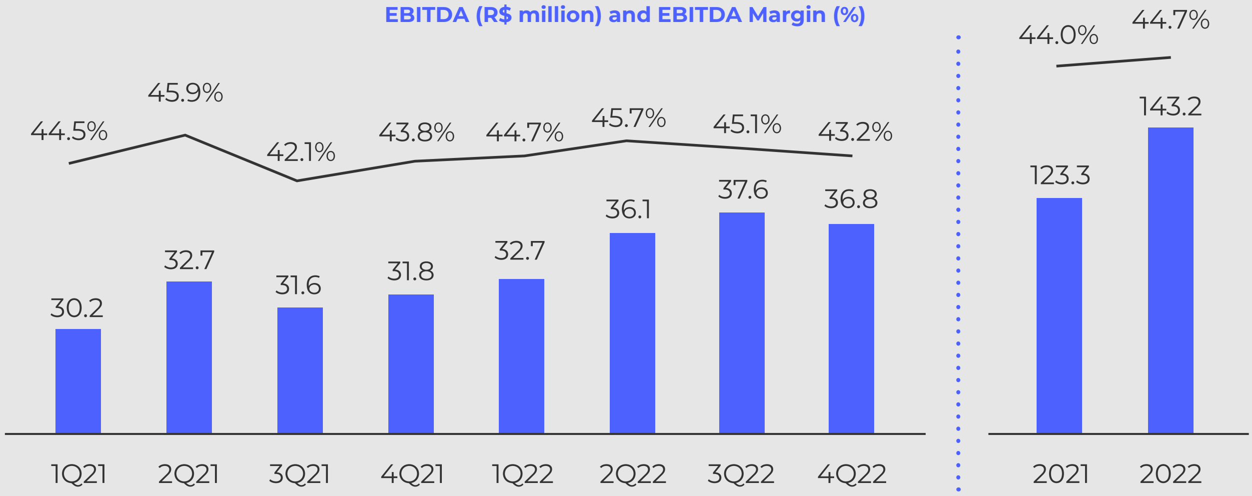
The continuous growth observed in this vertical brings important gains in margin and scale for CSU due to its largely digital nature and numerous cross-selling and up-selling opportunities created from the solid relationships with its current partner base. It should be noted that this is an expanding market and that the Company has ongoing initiatives to further expand its range of solutions. Gross Profit from this business division accounted for **82% of the Company's total** in 4Q22 and 2022.

Gross Profit (R$ million) and Gross Margin (%)



EBITDA and EBITDA Margin: Reached **R$36.8 million**, against R$31.8 million in the same period of the previous year, up by R$5.0 million **(+15.5% vs. 4Q21)**. **In the year, this line reached a record of R$143.2 million, compared to R$126.3 million in 2021, up by R$16.9 million (+13.3% vs. 2021)**. EBITDA from this business division accounted for 86% of the total for the Company in 4Q22 and the year of 2022. As for the EBITDA margin, we reached **43.2% in 4Q22** (-0.6 p.p. vs. 4Q21) and **44.7% in 2022** (+0.7 p.p. vs. 2021).

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



Main Indicators (R$ thousand)	4Q22	4Q21	%Var. YoY	3Q22	%Var. QoQ	2022	2021	%Var.
Net Revenue	**85,015**	**72,657**	**17.0%**	**83,403**	**1.9%**	**320,625**	**286,828**	**11.8%**
Digital	*78,101*	*64,778*	*20.6%*	*76,225*	*2.5%*	*292,336*	*244,460*	*19.6%*
Analog	*6,914*	*7,847*	*-11.9%*	*7,178*	*-3.7%*	*28,289*	*42,336*	*-33.2%*
Costs (ex-deprec./amort)	*(31,330)*	*(27,924)*	*12.2%*	*(30,019)*	*4.4%*	*(120,045)*	*(123,639)*	*-2.9%*
Gross contribution	*53,685*	*44,733*	*20.0%*	*53,384*	*0.6%*	*200,580*	*163,189*	*22.9%*
Contribution %	*63.1%*	*61.6%*	*1.5 p.p.*	*64.0%*	*-0.9 p.p.*	*62.6%*	*56.9%*	*5.7 p.p.*
(-) Depreciation / Amortization	*(9,279)*	*(8,187)*	*13.3%*	*(9,001)*	*3.1%*	*(35,780)*	*(32,313)*	*10.7%*
Gross profit	**44,406**	**36,546**	**21.5%**	**44,383**	**0.1%**	**164,800**	**130,876**	**25.9%**
Gross margin	*52.2%*	*50.3%*	*1.9 p.p.*	*53.2%*	*-1.0 p.p.*	*51.4%*	*45.6%*	*5.8 p.p.*
SG&A Expenses	*(16,142)*	*(11,446)*	*41.0%*	*(15,089)*	*7.0%*	*(54,986)*	*(41,215)*	*33.4%*
Other operating income / expenses	*(1,770)*	*(3,102)*	*-42.9%*	*(2,156)*	*-17.9%*	*(8,004)*	*(2,176)*	*267.8%*
(+) Depr. e Amort.	*10,259*	*9,821*	*4.5%*	*10,511*	*-2.4%*	*41,393*	*38,859*	*6.5%*
EBITDA	**36,753**	**31,819**	**15.5%**	**37,649**	**-2.4%**	**143,203**	**126,344**	**13.3%**
Margem EBITDA	*43.2%*	*43.8%*	*-0.6 p.p.*	*45.1%*	*-1.9 p.p.*	*44.7%*	*44.0%*	*0.7 p.p.*

2. CSU DX (Digital Experience)

2.1 Operating Performance

Net Revenue:
R$ 53.5 M -4.3%
4Q22 yoy

Gross Contribution:
R$ 14.1 M 6.7%
Mg. 26.4% 2.7p.p.
4Q22 yoy

EBITDA
R$ 6.0 M -8.0%
Mg. 11.2% -0.5p.p.
4Q22 yoy

CSU DX is our business division that focuses on the development of high technology and digital density Customer Experience operations. The insertion of new devices and service functionalities such as robots, the massive use of data and technologies for recognition, in addition to the use of multiple digital channels changed the reality of our operations, which is no longer a traditional Contact Center.

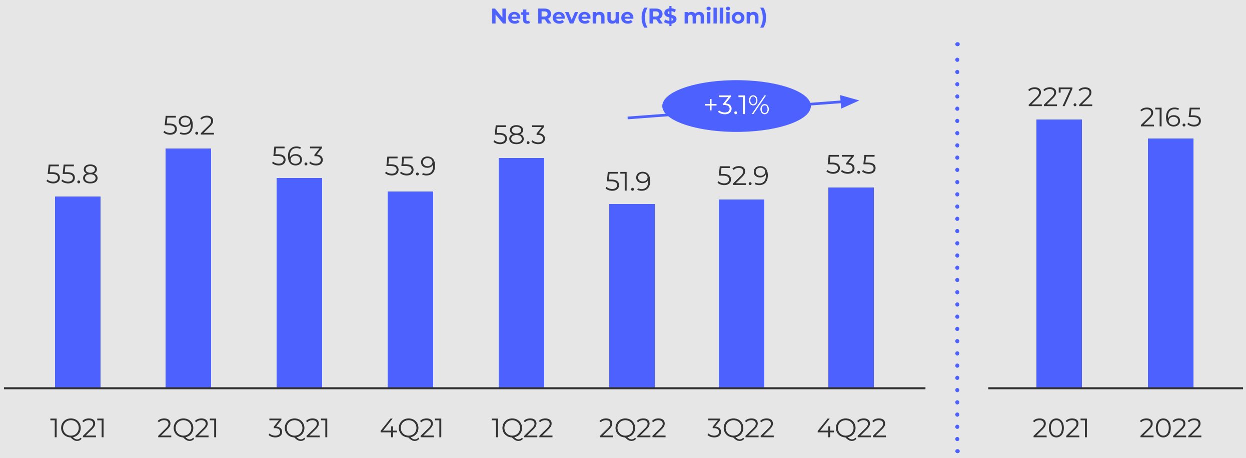
Our platforms managed approximately 2.9 million front office interactions in the last quarter, and the relevance of customer service through automated mechanisms and digital channels already exceeds 53% of the total. Additionally, 13% of the services are already being provided via self-service. As a result, the unit's gross margin is expanding (+2.8 p.p. vs. 4Q21) and has already surpassed the level of 18%. In the year, it reached 16.9%, against 15.5% in the same period of the previous year (+1.4 p.p vs. 2021).

This business division will undergo a new round of transformations, adding important competencies in the treatment and management of the process chain in different fields such as fraud prevention, exchange, curation, among others, to further support our customers in their challenges of offering financial products, moving even further into higher value-added and technologically complex services within the concept of Digital Tracking.

2.2 Financial Performance

Net revenue: Reached R$53.5 million in 4Q22, against R$55.9 million in the same period of the previous year, down by R$2.4 million (-4.3% vs. 4Q21). In the year, net revenue totaled R$216.5 million, compared to R$227.2 million in 2021, down by R$10.7 million (-4.7% vs. 2021). We underscore that the Company has made its best efforts to maintain and win contracts with **material and concrete synergies with the other business units**. **We have prioritized high-density and complex operations**, climbing the steps of our customers' value ladders, which leads to a gradual increase in margins even amid lower revenue scenarios.

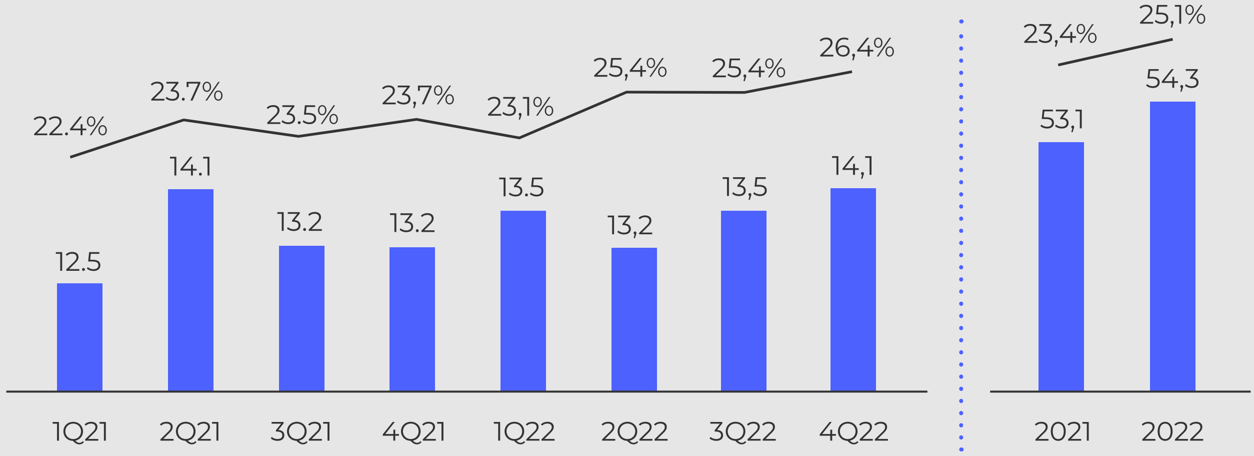
This **replacement process advanced** significantly, which allowed our revenue to expand, once again and for the second consecutive quarter, against the previous quarter by just over **R$0.6 million (+1.0% vs 3Q22)**. It is important to reiterate that these new operations have a lower volume of people allocated and reduced interactions, but higher unit value per transaction given the higher level of complexity.



Costs (excluding depreciation and amortization): Amounted to R$39.3 million, against R$42.6 million in the same quarter of the previous year, **down by R$3.3 million (-7.7% vs. 4Q21)**, in line with the gradual change in the operations model mentioned above, which led to the termination of some contracts with inadequate profitability. This includes lower personnel costs resulting from efficiency gains in operations. In 2022, costs totaled R$162.3 million against R$174.2 million in 2021, **down by R$11.9 million (-6.8% vs. 2021)**.

Gross Contribution: **Increased by R$0.9 million, with a margin of 26.4% (+6.7% and +2.7 p.p. vs. 4Q21, respectively)**, reaching R$14.1 million against R$13.2 million and a margin of 23.7% in the same period of the previous year. In 2022, this indicator totaled R$54.3 million, with a margin of 25.1%, **(+2.2% and +1.7 p.p. vs. 2021)**, accounting for 10% of the total, even with lower revenues. Margin expansion reflects efforts to **digitize** our operations and the greater relevance of our activities in our customers' businesses ladders to create an experience with less friction and greater value perceived by them.

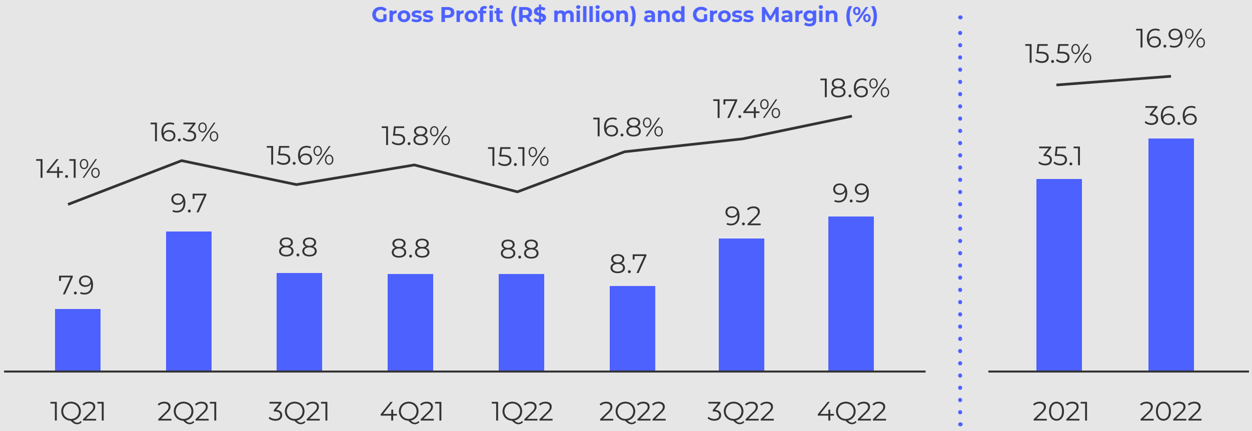
Gross Contribution (R$ million) and its Margin (%)



Total costs, gross profit and gross margin: Including depreciation and amortization on costs, this totaled R$43.5 million in 4Q22 against R$47.0 million in the same period of the previous year, down by R$3.5 million (-7.4% vs. 4Q21), and in 2022, this indicator totaled R$179.9 million against R$192.1 million in 2021, down by R$12.2 million (-6.3% vs. 2021).

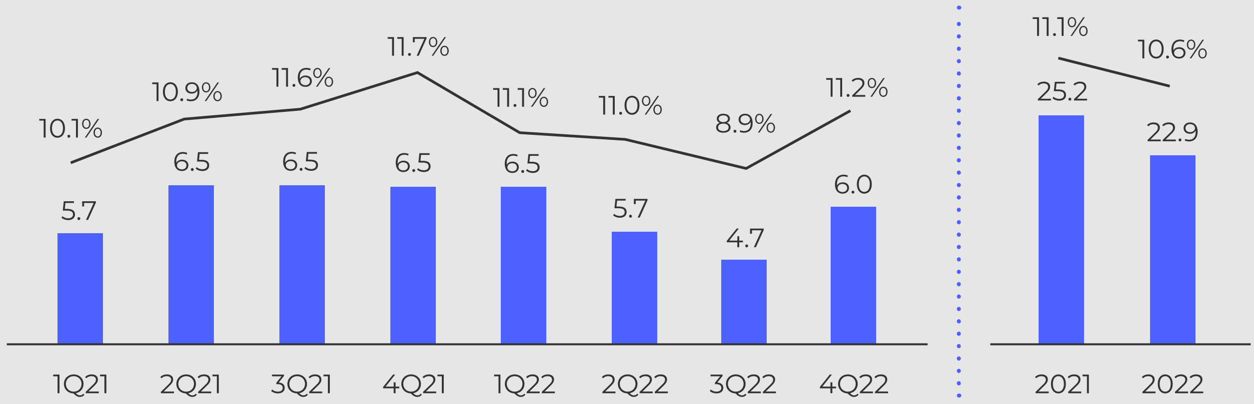
Accordingly, gross profit increased by R$1.1 million (+12.6), and margin in 2.8 p.p. going to 18.6% reaching R$9.9 million in 4Q22 against R$8.8 million and a margin of 15.8% in the same period of the previous year. In the year, gross profit totaled R$36.6 million, with a margin of 16.9%, (+4.2% and +1.4 p.p. vs. 2021), accounting for 18% of the total amount even with lower revenues, reinforcing our thesis of prioritizing more complex operations.

Gross Profit (R$ million) and Gross Margin (%)



EBITDA and EBITDA Margin: Reached R$6.0 million and a margin of 11.2%, compared to R$6.5 million and a margin of 11.7% in the same period of the previous year, a nominal reduction of R$0.5 million, with margin -0.5 p.p. lower. In 2022, EBITDA totaled R$22.9 million and a margin of 10.6%, compared to R$25.2 million and a margin of 11.1% in 2021, down by R$2.3 million (-9.1% and -0.5 p.p. vs. 2021, respectively). EBITDA from this business division which **accounts for 14% of the total for the Company in 2022**.

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



Main Indicators (R$ thousand)	**4Q22**	**4Q21**	**%Var. YoY**	**3Q22**	**%Var. QoQ**	**2022**	**2021**	**%Var.**
Net Revenue	**53,464**	**55,854**	**-4.3%**	**52,936**	**1.0%**	**216,543**	**227,221**	**-4.7%**
Costs (ex-deprec./amort)	*(39,327)*	*(42,610)*	*-7.7%*	*(39,464)*	*-0.3%*	*(162,288)*	*(174,158)*	*-6.8%*
Gross contribution	*14,137*	*13,244*	*6.7%*	*13,472*	*4.9%*	*54,255*	*53,063*	*2.2%*
Contribution %	*26.4%*	*23.7%*	*2.7 p.p.*	*25.4%*	*1.0 p.p.*	*25.1%*	*23.4%*	*1.7 p.p.*
(-) Depreciation / Amortization	*(4,214)*	*(4,433)*	*-4.9%*	*(4,285)*	*-1.7%*	*(17,627)*	*(17,920)*	*-1.6%*
Gross profit	**9,923**	**8,811**	**12,6%**	**9,187**	**8.0%**	**36,628**	**35,143**	**4.2%**
Gross margin	*18.6%*	*15.8%*	*2.8 p.p.*	*17.4%*	*1.2 p.p.*	*16.9%*	*15.5%*	*1.4 p.p.*
SG&A Expenses	*(8,192)*	*(8,094)*	*1.2%*	*(8,797)*	*-6.9%*	*(32,360)*	*(30,364)*	*6.6%*
Other operating income / expenses	*(543)*	*595*	-	*(573)*	*-5.2%*	*(1,563)*	*(705)*	*121.7%*
(+) Depr. e Amort.	*4,805*	*5,198*	*-7.6%*	*4,883*	*-1.6%*	*20,180*	*21,089*	*-4.3%*
EBITDA	**5,992**	**6,510**	**-7.9%**	**4,700**	**27.5%**	**22,882**	**25,163**	**-9.1%**
EBITDA Margin	*11.2%*	*11.7%*	*-0.5 p.p.*	*8.9%*	*2.3 p.p.*	*10.6%*	*11.1%*	*-0.5 p.p.*

Capital Markets

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

Also, the Company **is listed in 3 indexes from B3**, namely: IGC-NM (Novo Mercado Corporate Governance Equity Index), IGC (Special Corporate Governance Stock Index), and ITAG (Special Tag-Along Stock Index).

Share Capital: CSU's share capital consists of 41.8 million common shares, of which, on December 31, 2022, 54.2% were held by the Controlling Shareholder, 1.4% were held in Treasury, 0.1% was held by Management, and 44.3% were outstanding shares (free float) to be traded in the market (of this volume, in September 2022, we communicated our acquisition of a relevant equity interest of 5.25% in the asset management firm Real Investor Gestão de Recursos Ltda).

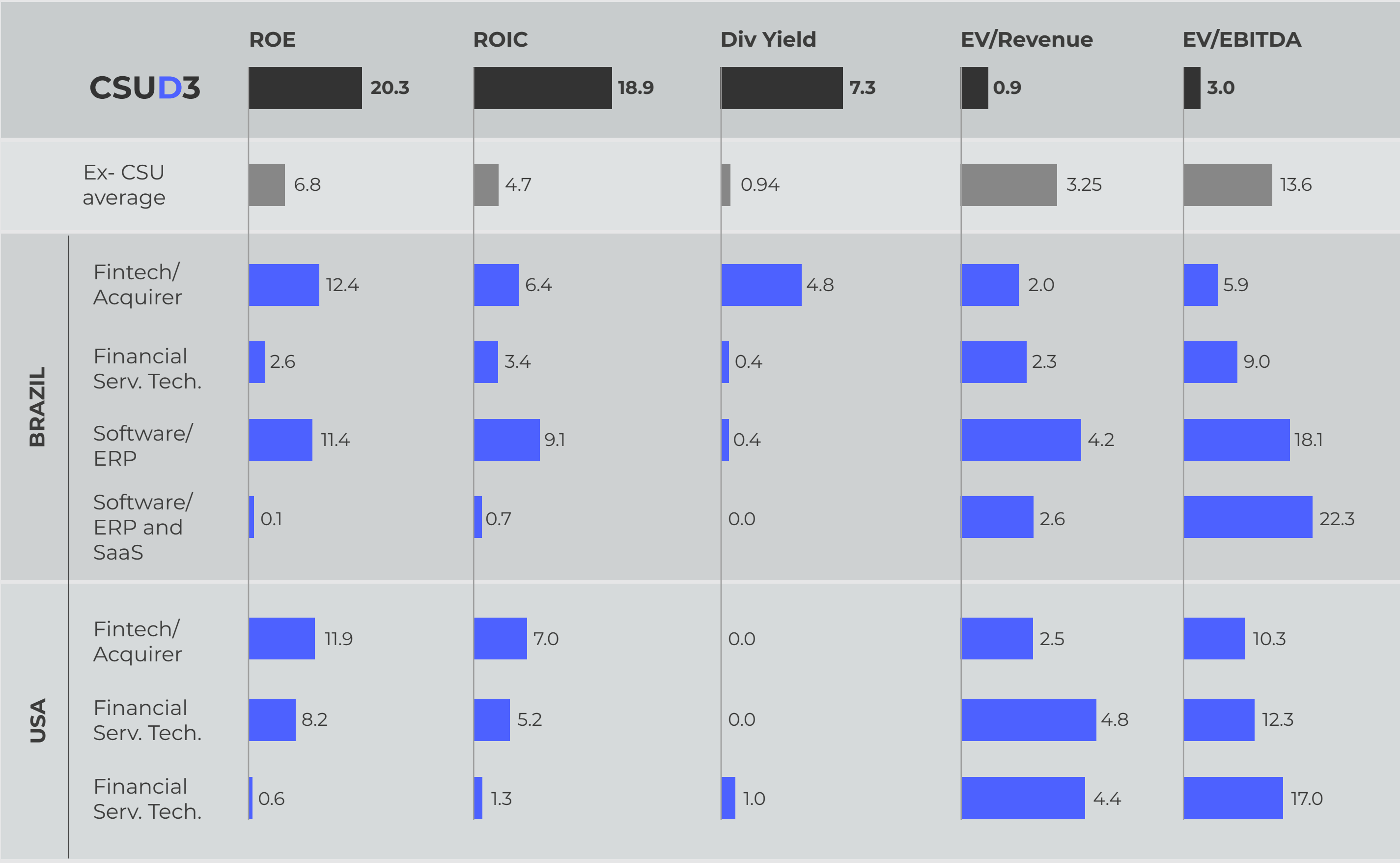
Market Value: At the end of the quarter, CSUD3 was priced at R$12.20, representing a market cap of R$503.0 million (-13.2% vs. 3Q22), compared to R$579.3 million in 3Q22, a drop of R$76.3 million. The Small Cap index also depreciated by -8.0% in the period.

Number of Shareholders: At the end of the quarter, the Company had 19.3 thousand shareholders (-5.4% vs. 3Q22), compared to 20.4 thousand at the end of 3Q22, reducing by 1.1 thousand, mainly due to the increase in the institutional investor base with the consequent reduction of the group of individuals.

Average Daily Trading Volume ("ADTV"): The average daily trading volume was R$1.4 million in 4Q22 (-30.0% vs. 3Q22), compared to R$2.0 million in 3Q22, down by R$0.6 million.

Earnings Distribution: Reflecting management's confidence in the continuous evolution of results, in December 2022, the Company announced a distribution of interest on own capital in the gross amount of R$6.5 million (R$0.158 per share) for 4Q22. In 2022 the total of declared proceedes was R$ 36.8 million (50% payout), been R$ 22.2 million of IOC already paid the remaining R$ 14.6 million must be approved was complementary dividends in the next General Meeting. Furthermore, the distribution of R$ 6.0 million of IOC from 1Q23 was approved for payment still in April/23.

CSU vs *Peers* Indicators: When comparing the metrics[9] below between CSU Digital and other comparable players in the market, one can see that the Company has much higher than average returns (ROE and ROIC). The Dividend Yield, similarly, is the highest of these. While its revenue and EBITDA multiples are the lowest among exposed companies.



[9] **Reference date of the metrics:** 31/12/2022.

Subsequent Events

The Company's Management approved, at a meeting of the Board of Directors held on March 17, 2023, the distribution of proposed complementary dividends, "ad referendum" of the Annual General Meeting to be held on April 25, 2023, in the amount of R$ 14.6 million, thus totaling R$ 36.8 million distributed relative to fiscal year 2022, of which R$ 22.2 million by way of Interest on Capital (IOC) already paid on January 16, 2023. The same meeting also approved the distribution of earnings to shareholders, in the form of interest on shareholders' equity, for 1Q23, in the gross amount of R$ 6.0 million, or R$ 0.145514769 per share, already excluding treasury shares, with withholding income tax to be paid in accordance with current legislation and respecting legal exceptions. The payment of IOC relative to 1Q23 will be made as of April 18, 2023, based on the shareholding position as of March 22, 2023, and the Company's shares will be traded "ex IOC" as of March 23, 2023, inclusive, whose amounts will be imputed to the statutory mandatory dividends relative to Fiscal Year 2023, "ad referendum" of the Annual General Meeting of 2024, pursuant to the provisions of Article 37 of the Company's Bylaws.

Events Calendar

Evento	Data
Annual General Meeting	04/25/2023
Quarterly Information (ITR) 1Q23	05/09/2023
1Q23 Video Conference	05/10/2023
Reference Form	05/30/2023
Report on the Brazilian Corporate Governance Code	07/28/2023
Quarterly Information (ITR) 2Q23	08/09/2023
2Q23 Video Conference	08/10/2023
Quarterly Information (ITR) 3Q23	11/08/2023
3Q23 Video Conference	11/09/2023

Exhibits

1.Income Statement

Statement of income (R$ thousand)	4Q22	4Q21	% Var. YoY	3Q22	% Var. QoQ	2022	2021	% Var.
Gross revenue	**157,428**	**145,380**	**8.3%**	**154,633**	**1.8%**	**609,193**	**580,732**	**4.9%**
CSU Pays	**98,961**	**84,398**	**17.3%**	**96,929**	**2.1%**	**372,778**	**332,665**	**12.1%**
CSU DX	**58,467**	**60,982**	**-4.1%**	**57,704**	**1.3%**	**236,415**	**248,067**	**-4.7%**
Deductions	**(18,949)**	**(16,869)**	**12.3%**	**(18,294)**	**3.6%**	**(72,025)**	**(66,683)**	**8.0%**
CSU Pays	**(13,946)**	**(11,741)**	**18.8%**	**(13,526)**	**3.1%**	**(52,153)**	**(45,837)**	**13.8%**
CSU DX	**(5,003)**	**(5,128)**	**-2.4%**	**(4,768)**	**4.9%**	**(19,872)**	**(20,846)**	**-4.7%**
Net revenue	**138,479**	**128,511**	**7.8%**	**136,339**	**1.6%**	**537,168**	**514,049**	**4.5%**
Recurring	136,855	126,719	8.0%	134,529	1.7%	530,138	506,116	4.7%
% Recurring revenue	*98.8%*	*98.6%*	*0.2 p.p.*	*98.7%*	*0.1 p.p.*	*98.7%*	*98.5%*	*0.2 p.p.*
CSU Pays	**85,015**	**72,657**	**17.0%**	**83,403**	**1.9%**	**320,625**	**286,828**	**11.8%**
Digital	78,101	64,778	20.6%	76,225	2.5%	292,336	244,460	19.6%
Analog	6,914	7,847	-11.9%	7,178	-3.7%	28,289	42,336	-33.2%
CSU DX	**53,464**	**55,854**	**-4.3%**	**52,936**	**1.0%**	**216,543**	**227,221**	**-4.7%**
Costs (ex-Depreciation and Amortization)	**(70,657)**	**(70,534)**	**0.2%**	**(69,483)**	**1.7%**	**(282,333)**	**(297,797)**	**-5.2%**
CSU Pays	**(31,330)**	**(27,924)**	**12.2%**	**(30,019)**	**4.4%**	**(120,045)**	**(123,639)**	**-2.9%**
Personnel	(19,909)	(16,413)	21.3%	(18,459)	7.9%	(75,093)	(68,902)	9.0%
Materials	(3,343)	(2,779)	20.3%	(3,203)	4.4%	(12,824)	(15,709)	-18.4%
Mailings of letters and invoices	(2,883)	(4,649)	-38.0%	(3,094)	-6.8%	(12,352)	(25,543)	-51.6%
Communication	(459)	(542)	-15.3%	(511)	-10.2%	(2,185)	(2,072)	5.5%
Occupation	(1,084)	(1,159)	-6.5%	(1,121)	-3.3%	(4,713)	(4,324)	9.0%
Awards	(1,010)	(1,283)	-21.3%	(874)	15.6%	(4,231)	(3,905)	8.3%
Others	6,637	7,088	-6.4%	6,244	6.3%	27,133	29,129	-6.9%
CSU DX	**(39,327)**	**(42,610)**	**-7.7%**	**(39,464)**	**-0.3%**	**(162,288)**	**(174,158)**	**-6.8%**
Personnel	(32,592)	(35,676)	-8.6%	(32,484)	0.3%	(133,883)	(146,189)	-8.4%
Communication	(663)	(1,087)	-39.0%	(614)	8.0%	(3,073)	(3,968)	-22.6%
Occupation	(3,261)	(3,632)	-10.2%	(3,772)	-13.5%	(14,567)	(13,773)	5.8%
Other	1,403	2,218	-36.7%	1,691	-17.0%	6,862	7,692	-10.8%
Gross contribution	**67,822**	**57,977**	**17.0%**	**66,856**	**1.4%**	**254,835**	**216,252**	**17.8%**
CSU Pays	**53,685**	**44,733**	**20.0%**	**53,384**	**0.6%**	**200,580**	**163,189**	**22.9%**
CSU DX	**14,137**	**13,244**	**6.7%**	**13,472**	**4.9%**	**54,255**	**53,063**	**2.2%**
Contribution (%)	***49.0%***	***45.1%***	***3.9 p.p.***	***49.0%***	***0.0 p.p.***	***47.4%***	***42.1%***	***5.3 p.p.***
CSU Pays	*63.1%*	*61.6%*	*1.5 p.p.*	*64.0%*	*-0.9 p.p.*	*62.6%*	*56.9%*	*5.7 p.p.*
CSU DX	*26.4%*	*23.7%*	*2.7 p.p.*	*25.4%*	*1.0 p.p.*	*25.1%*	*23.4%*	*1.7 p.p.*
Total Costs (add Depreciation and Amortization)	**(84,150)**	**(83,154)**	**1.2%**	**(82,769)**	**1.7%**	**(335,740)**	**(348,030)**	**-3.5%**
Gross profit	**54,329**	**45,357**	**19.8%**	**53,570**	**1.4%**	**201,428**	**166,019**	**21.3%**
CSU Pays	**44,406**	**36,546**	**21.5%**	**44,383**	**0.1%**	**164,800**	**130,876**	**25.9%**
CSU DX	**9,923**	**8,811**	**12.6%**	**9,187**	**8.0%**	**36,628**	**35,143**	**4.2%**
Gross margin	***39.2%***	***35.3%***	***3.9 p.p.***	***39.3%***	***-0.1 p.p.***	***37.5%***	***32.3%***	***5.2 p.p.***
CSU Pays	*52.2%*	*50.3%*	*1.9 p.p.*	*53.2%*	*-1.0 p.p.*	*51.4%*	*45.6%*	*5.8 p.p.*
CSU DX	*18.6%*	*15.8%*	*2.8 p.p.*	*17.4%*	*1.2 p.p.*	*16.9%*	*15.5%*	*1.4 p.p.*
Expenses	**(26,648)**	**(22,047)**	**20.9%**	**(26,615)**	**0.1%**	**(96,917)**	**(74,460)**	**30.2%**
Selling, general & administrative (SG&A)	(26,520)	(22,485)	17.9%	(26,183)	1.3%	(95,400)	(79,138)	20.5%
Selling	(4,122)	(1,883)	118.9%	(3,442)	19.8%	(10,176)	(2,543)	300.2%
General and administrative	(20,827)	(18,203)	14.4%	(20,633)	0.9%	(77,058)	(66,880)	15.2%
Depreciation and amortization	(1,571)	(2,399)	-34.5%	(2,108)	-25.5%	(8,166)	(9,715)	-15.9%
% Net revenue (SG&A)	*19.2%*	*17.5%*	*1.7 p.p.*	*19.2%*	*0.0 p.p.*	*17.8%*	*15.4%*	*2.4 p.p.*
Other operational revenue/expenses	(128)	438	-129.2%	(432)	-70.4%	(1,517)	4,678	-132.4%
Other operational revenue	114	174	-34.5%	199	-42.7%	774	6,811	-88.6%
Other operational expenses	(242)	264	-191.7%	(631)	-61.6%	(2,291)	(2,133)	7.4%
EBIT	**27,681**	**23,310**	**18.8%**	**26,955**	**2.7%**	**104,511**	**91,559**	**14.1%**
(+) Depreciation and amortization	15,064	15,019	0.3%	15,394	-2.1%	61,574	59,948	2.7%
EBITDA	**42,745**	**38,329**	**11.5%**	**42,349**	**0.9%**	**166,085**	**151,507**	**9.6%**
CSU Pays	**36,753**	**31,819**	**15.5%**	**37,649**	**-2.4%**	**143,203**	**126,344**	**13.3%**
CSU DX	**5,992**	**6,510**	**-8.0%**	**4,700**	**27.5%**	**22,882**	**25,163**	**-9.1%**
EBITDA margin	***30.9%***	***29.8%***	***1.1 p.p.***	***31.1%***	***-0.2 p.p.***	***30.9%***	***29.5%***	***1.4 p.p.***
CSU Pays	*43.2%*	*43.8%*	*-0.6 p.p.*	*45.1%*	*-1.9 p.p.*	*44.7%*	*44.0%*	*0.7 p.p.*
CSU DX	*11.2%*	*11.7%*	*-0.5 p.p.*	*8.9%*	*2.3 p.p.*	*10.6%*	*11.1%*	*-0.5 p.p.*
Financial result	**(69)**	**(174)**	**-60.3%**	**(515)**	**-86.6%**	**(3,539)**	**(5,977)**	**-40.8%**
Financial revenue	2,555	2,461	3.8%	2,911	-12.2%	8,052	4,505	78.7%
Financial expenses	(2,624)	(2,635)	-0.4%	(3,426)	-23.4%	(11,591)	(10,482)	10.6%
EBT	**27,612**	**23,136**	**19.3%**	**26,440**	**4.4%**	**100,972**	**85,582**	**18.0%**
Taxes	**(5,634)**	**(6,419)**	**-12.2%**	**(7,986)**	**-29.5%**	**(27,400)**	**(25,089)**	**9.2%**
Current	(7,127)	(6,616)	7.7%	(8,122)	-12.3%	(29,841)	(26,937)	10.8%
Deferred	1,493	197	657.9%	136	997.8%	2,441	1,848	32.1%
Net income	**21,978**	**16,717**	**31.5%**	**18,454**	**19.1%**	**73,572**	**60,493**	**21.6%**
Net margin	*15.9%*	*13.0%*	*2.9 p.p.*	*13.5%*	*2.4 p.p.*	*13.7%*	*11.8%*	*1.9 p.p.*

2. Statement of Financial Position

Balance Sheet - Asset (R$ thousand)					
ASSET	12/31/2022	09/30/2022	12/31/2022 vs. 09/30/2022	12/31/2021	12/31/2022 vs. 12/31/2021
Total assets	**607,219**	**590,084**	**2.9%**	**569,366**	**6.6%**
Current assets	**182,482**	**178,285**	**2.4%**	**166,565**	**9.6%**
Cash and cash equivalents	86,455	86,589	-0.2%	83,292	3.8%
Accounts receivable from customers	76,312	73,327	4.1%	67,602	12.9%
Inventories	3,588	2,799	28.2%	2,971	20.8%
Tax recoverable	5,455	4,252	28.3%	3,378	61.5%
Other assets	10,672	11,318	-5.7%	9,322	14.5%
Non-current assets	**424,737**	**411,799**	**3.1%**	**402,801**	5.4%
Long-term receivables	13,065	12,290	6.3%	12,688	3.0%
Accounts Receivable	-	411	n.a	-	n.a
Tax recoverable	3,937	3,937	0.0%	4,718	-16.6%
Other assets	9,128	7,942	14.9%	7,970	14.5%
Investments	31,097	25,946	19.9%	25,946	19.9%
Property, plant and equipment	15,262	15,848	-3.7%	18,502	-17.5%
Intangible assets	288,681	281,402	2.6%	262,447	10.0%
Computerized systems	262,786	255,507	2.8%	236,552	11.1%
Goodwill (indefinite useful life)	25,895	25,895	0.0%	25,895	0.0%
Right-of-use assets	76,632	76,313	0.4%	83,218	-7.9%

LIABILITY & EQUITY	31/12/2022	30/09/2022	31/12/2022 vs. 30/09/2022	31/12/2021	31/12/2022 vs. 31/12/2021
Total liabilities	**607,219**	**590,084**	**2.9%**	**569,366**	**6.6%**
Current liabilities	**155,994**	**156,725**	**-0.5%**	**142,232**	**9.7%**
Social and labor obligations	49,289	55,967	-11.9%	47,936	2.8%
Social charges	8,411	7,277	15.6%	8,062	4.3%
Labor liabilities	40,878	48,690	-16.0%	39,874	2.5%
Trade payables	38,755	33,744	14.9%	32,125	20.6%
Taxes to be collected	4,210	4,737	-11.1%	5,146	-18.2%
Federal taxes payable	2,162	3,211	-32.7%	3,238	-33.2%
State taxes payable	9	21	-57.1%	24	-62.5%
Municipal taxes payable	2,039	1,505	35.5%	1,884	8.2%
Loans, financings and leasing liabilities	36,498	37,510	-2.7%	39,278	-7.1%
Loans and financings	9,587	11,237	-14.7%	14,463	-33.7%
Lease liabilities	26,911	26,273	2.4%	24,815	8.4%
Other liabilities	27,242	24,767	10.0%	17,747	53.5%
Non-current liabilities	**69,379**	**70,540**	**-1.6%**	**84,303**	**-17.7%**
Loans, financings and leasing liabilities	49,206	50,167	-1.9%	64,816	-24.1%
Loans and financings	6,763	8,032	-15.8%	16,400	-58.8%
Lease liabilities	42,443	42,135	0.7%	48,416	-12.3%
Others	299	903	-66.9%	903	n.a
Deferred income taxes and social contribution	9,478	9,220	2.8%	10,168	-6.8%
Legal liabilities	10,396	10,250	1.4%	8,416	23.5%
Tax	4,552	4,220	7.9%	3,256	39.8%
Labor	3,601	4,196	-14.2%	3,082	16.8%
Civil	2,243	1,834	22.3%	2,078	7.9%
Shareholders' equity	**381,846**	**362,819**	**5.2%**	**342,831**	**11.4%**
Share capital	169,232	169,232	0.0%	169,232	0.0%
Capital reserves	2,402	2,253	6.6%	2,037	17.9%
Profit reserves	210,212	155,438	35.2%	171,562	22.5%
Legal reserve	21,801	18,122	20.3%	18,122	20.3%
Retained profits reserve	191,475	140,379	36.4%	156,580	22.3%
Treasury shares	- 3,064	- 3,063	0.0%	- 3,140	-2.4%
Retained earnings	-	35,896	n.a	-	n.a

3. Cash Flow Statement

Statement of cash flows (R$ thousand)								
Description	4Q22	3Q22	4Q22 vs. 3Q22	4Q21	4Q22 vs. 4Q21	2022	2021	2022 vs. 2021
Cash from operating activities	**26,094**	**35,174**	**-25.8%**	**12,776**	**104.2%**	**131,570**	**116,108**	**13.3%**
Profit for the period	21,978	18,454	19.1%	16,717	31.5%	73,572	60,493	21.6%
Adjustments	**17,899**	**17,566**	**1.9%**	**18,136**	**-1.3%**	**73,678**	**68,894**	**6.9%**
Depreciation and amortization	15,064	15,394	-2.1%	15,019	0.3%	61,574	59,948	2.7%
Asset disposals gain/losses	521	231	125.5%	(54)	n.a.	971	46	2010.9%
Share-based payments	149	167	-10.8%	241	-38.2%	441	265	66.4%
Provision for impairment of trade receivables	55	319	-82.8%	(141)	n.a.	530	211	151.2%
Deferred income tax and social contribution	(1,493)	(136)	997.8%	(197)	657.9%	(2,441)	(1,848)	32.1%
Provision for legal liabilities	709	603	17.6%	903	-21.5%	2,318	1,798	28.9%
Interest, indexation and exchange gain/losses on loans, legal liabilities and escrow deposits	2,894	988	192.9%	2,365	22.4%	10,285	8,474	21.4%
Changes in assets and liabilities	**(5,606)**	**9,308**	**n.a.**	**(13,299)**	**-57.8%**	**17,211**	**20,918**	**-17.7%**
Trade receivables from customers	(2,623)	(820)	219.9%	(5,382)	-51.3%	(9,240)	(8,621)	7.2%
Inventories	(789)	71	n.a.	(71)	1011.3%	(617)	(459)	34.4%
Escrow deposits	(304)	310	n.a.	(567)	-46.4%	143	798	-82.1%
Other assets	(2,377)	(671)	254.0%	(148)	1507.8%	(4,268)	4,192	n.a.
Trade payables	5,011	449	1016.0%	(686)	n.a.	6,630	(4,583)	n.a.
Social security and labor obligations	(6,678)	2,747	n.a.	(13,410)	-50.2%	1,353	3,478	-61.1%
Legal liabilities	(3,041)	1,685	n.a.	(239)	1172.4%	(1,893)	(1,132)	67.2%
Other liabilities	5,195	5,537	-6.2%	7,204	-27.9%	25,103	27,245	-7.9%
Other	**(8,177)**	**(10,155)**	**-19.5%**	**(8,778)**	**-6.8%**	**(32,891)**	**(34,197)**	**-3.8%**
Interest paid	(1,029)	(2,737)	-62.4%	(2,006)	-48.7%	(7,878)	(8,100)	-2.7%
Income tax and social contribution paid	(7,148)	(7,418)	-3.6%	(6,772)	5.6%	(25,013)	(26,097)	-4.2%
Net cash used in investing activities	**(14,432)**	**(15,358)**	**-6.0%**	**(15,849)**	**-8.9%**	**(55,630)**	**(60,167)**	**-7.5%**
Acquisition of property and equipment	(922)	(765)	20.5%	(1,105)	-16.6%	(3,290)	(3,431)	-4.1%
Additions to intangible assets	(13,510)	(14,593)	-7.4%	(14,201)	-4.9%	(52,340)	(46,193)	13.3%
Investments	-	-	n.a.	(543)	n.a.	-	(10,543)	n.a.
Net cash used in financing activities	**(11,797)**	**(9,557)**	**23.4%**	**(10,270)**	**14.9%**	**(72,777)**	**(56,409)**	**29.0%**
Receipts from loans and financing	(34)	35	n.a.	-	n.a.	(0)	-	n.a.
Amortization of loans and financing	(2,485)	(3,614)	-31.2%	(4,164)	-40.3%	(14,522)	(14,997)	-3.2%
Amortization of lease liabilities	(7,324)	(7,256)	0.9%	(6,106)	20.0%	(28,055)	(24,609)	14.0%
Dividends paid	(1,953)	1,277	n.a.	-	n.a.	(30,200)	(16,803)	79.7%
Increase (decrease) in cash and cash equivalents	**(134)**	**10,259**	**n.a.**	**(13,343)**	**-99.0%**	**3,163**	**(468)**	**n.a.**
Cash and cash equivalents at the beginning of the period	**86,589**	**76,330**	**13.4%**	**96,635**	**-10.4%**	**83,292**	**83,760**	**-0.6%**
Cash and cash equivalents at the end of the period	**86,455**	**86,589**	**-0.2%**	**83,292**	**3.8%**	**86,455**	**83,292**	**3.8%**

4. Reclassification of Results by Business Unit

To demonstrate the adjustments made to our grouping of results by business division, in light of the restructuring of the CSU Pays and CSU DX business units, we present below a table containing the quarterly overview of results between the business units and their reclassifications.

Reclassification (R$ thousand)	4Q22	4Q21 Recl.	4Q21	3Q22	2022 Recl.	2022	2021 Recl.	2021
Net revenue	**138,479**	**128,511**	**128,511**	**136,339**	**537,168**	**537,168**	**514,049**	**514,049**
CSU Pays	85,015	72,657	64,597	83,403	320,625	312,405	286,828	254,479
CSU DX	53,464	55,854	63,914	52,936	216,543	224,763	227,221	259,570
Gross Profit	**54,329**	**45,357**	**45,357**	**53,570**	**201,428**	**201,428**	**166,019**	**166,019**
CSU Pays	44,406	36,546	34,372	44,384	164,802	163,245	130,876	123,028
CSU DX	9,923	8,811	10,985	9,186	36,626	38,183	35,143	42,991
Gross Margin	***39.2%***	***35.3%***	***35.3%***	***39.3%***	***37.5%***	***37.5%***	***32.3%***	***32.3%***
CSU Pays	*52.2%*	*50.3%*	*53.2%*	*53.2%*	*51.4%*	*52.3%*	*45.6%*	*48.3%*
CSU DX	*18.6%*	*15.8%*	*17.2%*	*17.4%*	*16.9%*	*17.0%*	*15.5%*	*16.6%*
EBITDA	**42,745**	**38,329**	**38,329**	**42,349**	**166,085**	**166,085**	**151,507**	**151,507**
CSU Pays	36,753	31,819	29,645	37,649	143,203	141,646	126,345	118,496
CSU DX	5,992	6,510	8,684	4,700	22,882	24,439	25,163	33,011
EBITDA margin	***30.9%***	***29.8%***	***29.8%***	***31.1%***	***30.9%***	***30.9%***	***29.5%***	***29.5%***
CSU Pays	*43.2%*	*43.8%*	*45.9%*	*45.1%*	*44.7%*	*45.3%*	*44.0%*	*46.6%*
CSU DX	*11.2%*	*11.7%*	*13.6%*	*8.9%*	*10.6%*	*10.9%*	*11.1%*	*12.7%*
Net Income	**21,978**	**16,717**	**16,717**	**18,454**	**73,572**	**73,572**	**60,493**	**60,493**
Net margin	*15.9%*	*13.0%*	*13.0%*	*13.5%*	*13.7%*	*13.7%*	*11.8%*	*11.8%*

5. Gross contribution reconciliation

The table below shows the reconciliation of the gross contribution resulting from net income from services minus costs, excluding related depreciation and amortization.

Gross Contribution Reconciliation (R$ thousand)	4Q22	4Q21	% Var. YoY	3Q22	% Var. QoQ	2022	2021	% Var.
Gross profit	**54,329**	**45,357**	**19.8%**	**53,570**	**1.4%**	**201,428**	**166,019**	**21.3%**
CSU Pays	44,406	36,546	21.5%	44,384	0.1%	164,801	130,876	25.9%
CSU DX	9,923	8,811	12.6%	9,186	8.0%	36,627	35,143	4.2%
(+) Depr. and Amort. (costs)	13,493	12,620	6.9%	13,286	1.6%	53,407	50,233	6.3%
CSU Pays	9,279	8,187	13.3%	9,001	3.1%	35,780	32,313	10.7%
CSU DX	4,214	4,433	-4.9%	4,285	-1.7%	17,627	17,920	-1.6%
Gross Contribution	**67,822**	**57,977**	**17.0%**	**66,856**	**1.4%**	**254,835**	**216,252**	**17.8%**
CSU Pays	53,685	44,733	20.0%	53,384	0.6%	200,580	163,189	22.9%
CSU DX	14,137	13,244	6.7%	13,472	4.9%	54,255	53,063	2.2%
Contribution (%)	***49.0%***	***45.1%***	***3.9 p.p.***	***49.0%***	***0.0 p.p.***	***47.4%***	***42.1%***	***5.3 p.p.***
CSU Pays	*63.1%*	*61.6%*	*1.5 p.p.*	*64.0%*	*-0.9 p.p.*	*62.6%*	*56.9%*	*5.7 p.p.*
CSU DX	*26.4%*	*23.7%*	*2.7 p.p.*	*25.4%*	*1.0 p.p.*	*25.1%*	*23.4%*	*1.7 p.p.*

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Rua Piauí, 136 Barueri
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Av. Brigadeiro Faria Lima, 1306
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BELO HORIZONTE
Praça Hugo Werneck, 253
Belo Horizonte, MG | 30150-300

RECIFE I
Av. Conde da Boa Vista, 800
Recife, PE | 50060-004

RECIFE I
Av. Conde da Boa Vista, 150
Recife, PE | 50060-004

Full set of financial statements

CSU Digital S.A.

Financial statements at
December 31, 2022
and independent auditor's report

CSU Digital S.A.

Balance sheet

On December 31 (In thousands of reais)

Assets	Nota	2022	2021
Current			
Cash and cash equivalents	4	86,455	83,292
Accounts receivable from customers	5	76,312	67,602
Inventories	6	3,588	2,971
Taxes to be offset	14	5,455	3,378
Other		10,672	9,322
		182,482	**166,565**
Non-current			
Judicial Deposits	16	6,853	6,996
Taxes to be offset	14	3,937	4,718
Other		2,275	974
		13,065	**12,688**
Investment	8	31,097	25,946
Property, plant and equipment	9	15,262	18,502
Intangible assets	10	288,681	262,447
Right-of-use assets	11	76,632	83,218
		411,672	**390,113**
		424,737	**402,801**
Total assets		**607,219**	**569,366**

Liabilities	Nota	2022	2021
Current			
Trade payables		38,755	32,125
Loans and financings	12	9,587	14,463
Leasing liabilities	12	26,911	24,815
Social and labor obligations	13	49,289	47,936
Taxes to be collected	14	4,210	5,146
Dividends and interest on equity	19	19,191	12,414
Other		8,051	5,333
		155,994	**142,232**
Non-current			
Loans and financings	12	6,763	16,400
Leasing liabilities	12	42,443	48,416
Legal Liabilities	16	10,396	8,416
Taxes to be collected	14	299	903
Deferred income taxes and social contribution	15	9,478	10,168
		69,379	**84,303**
Shareholders' equity	18		
Share capital		169,232	169,232
Capital Reserves		2,402	2,037
Profit reserves		213,276	174,702
Treasury shares		(3,064)	(3,140)
		381,846	**342,831**
Total liabilities and shareholders' equity		**607,219**	**569,366**

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

CSU Digital S.A.

Statement of income
Years ended December 31
(In thousands of reais, except information per share
indicated in reais)

	Nota	2022	2021
Net revenue from services	23	537,168	514,049
Cost of services	24	(335,740)	(348,030)
Gross profit		**201,428**	**166,019**
Operating expenses			
Selling	24	(10,176)	(2,543)
General and administrative	24	(85,224)	(76,595)
Other revenues, net		(1,517)	4,678
		(96,917)	**(74,460)**
Operating profit before financial result		**104,511**	**91,559**
Financial result	25		
Financial income		8,052	4,505
Financial expenses		(11,591)	(10,482)
		(3,539)	**(5,977)**
Earnings before income tax and social contribution		**100,972**	**85,582**
Income tax and social contribution			
Current	15.3	(29,841)	(26,937)
Deferred	15.3	2,441	1,848
		(27,400)	**(25,089)**
Net income for the year		**73,572**	**60,493**
Earnings per share - basic and diluted	26	1.7989	1.4749
Number of outstanding shares at the end of the fiscal year (in thousands)		40,899	41,016

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

CSU Digital S.A.

Statement of comprehensive income
Years ended December 31
(In thousands of reais)

	2022	2021
Net income for the year	73,572	60,493
Financial assets measured at fair value	3,402	10,166
Total comprehensive income	**76,974**	**70,659**

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

CSU Digital S.A.
Statement of changes in equity
Years ended December 31
(In thousands of reais)

	Share capital	Capital reserve	Treasury shares	Profit reserves: Retained profits	Profit reserves: Legal reserve	Accumulated profit (loss	Equity valuation adjustment	Total
As of January 1, 2021	**169,232**	**1,491**	**(2,858)**	**109,313**	**15,097**	**-**	**-**	**292,275**
Net income for the year		**-**	**-**	**-**	**-**	**60,493**		**60,493**
Options granted recognized (Note 21)	-	546	-	-	-	-	-	546
Acquisition of treasury shares (Note 21)	-	-	(917)	-	-	-	-	(917)
Write-off of treasury shares using reserves	-	-	635	-	-	-	-	635
Complementary Dividends (R$ 0.1459 and 0.0089 per share)	-	-	-	(6,000)	-	(367)	-	(6,367)
Retained profits	-	-	-	43,101	-	(43,101)	-	-
Legal reserve	-	-	-	-	3,025	(3,025)	-	-
Interest on equity (1ºT R$ 0.0681 per share, 2ºT R$ 0.0729 per share, 3ºT R$ 0.1020 per share and 4°T R$ 0.09723 per share)	-	-	-	-	-	(14,000)	-	(14,000)
As of December 31, 2021	**169,232**	**2,037**	**(3,140)**	**146,414**	**18,122**	**-**	**-**	**332,665**
Outros resultados abrangentes								
Other comprehensive results	-	-	-	-	-	-	10,166	10,166
As of December 31, 2021	**169,232**	**2,037**	**(3,140)**	**146,414**	**18,122**	**-**	**10,166**	**342,831**
As of December 31, 2021	**169,232**	**2,037**	**(3,140)**	**146,414**	**18,122**	**-**	**10,166**	**342,831**
Net income for the year		**-**	**-**	**-**	**-**	**73,572**		**73,572**
Options granted recognized (Note 21)	-	365	-	-	-	-	-	365
Acquisition of treasury shares (Note 21)	-	-	-	-	-	-	-	-
Write-off of treasury shares using reserves	-	-	76	-	-	-	-	76
Complementary dividens(R$0.39378 per share)	-	-	-	(16,200)	-	-	-	(16,200)
Retained profits	-	-	-	47,693	-	(47,693)	-	-
Legal reserve	-	-	-	-	3,679	(3,679)	-	-
Interest on equity (1ºT R$ 0.09722 per share, 2ºT R$ 0.12638 per share, 3ºT R$ 0.15765 per share and 4ºT 0.15765 per share)	-	-	-	-	-	(22,200)	-	(22,200)
As of December 31, 2022	**169,232**	**2,402**	**(3,064)**	**177,907**	**21,801**	**-**	**10,166**	**378,444**
Outros resultados abrangentes								
Other comprehensive results - VJORA	-	-	-	-	-	-	3,402	3,402
As of December 31, 2022	**169,232**	**2,402**	**(3,064)**	**177,907**	**21,801**	**-**	**13,568**	**381,846**

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

CSU Digital S.A.

Statement of value added
Years ended December 31
(In thousands of reais)

	Nota	2022	2021
Revenues		609,193	580,732
Rendering of services	23		
Other revenues		774	6,811
Estimated losses from doubtful accounts	27	(530)	(211)
	5.3	**609,437**	**587,332**
Inputs and services purchased from third parties			
Cost of services		(48,177)	(60,326)
Materials, energy, third-party services and others		(44,571)	(35,249)
		(92,748)	**(95,575)**
Gross value added		**516,689**	**491,757**
Depreciation and amortization	9, 10 e 11	(61,574)	(59,948)
Net value added produced by the entity		**455,115**	**431,809**
Added value received in transfer			
Financial income	25	8,052	3,801
Total value added to be distributed		**463,167**	**435,610**
Value added distribution			
Personnel and charges		**241,430**	**237,384**
Direct compensation		192,217	187,737
Benefits		32,791	33,027
FGTS		16,422	16,620
Taxes, charges and contributions		**118,759**	**113,313**
Federal		105,527	100,219
State		79	48
Municipal		13,153	13,046
Remuneration on third-party capital		**29,406**	**24,420**
Interest		11,591	9,778
Rents		17,815	14,642
Remuneration on equity		**73,572**	**60,493**
Dividends and interest on equity		22,200	14,000
Retained profits		51,372	46,493
Value added distributed		**463,167**	**435,610**

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

CSU Digital S.A.

Statement of cash flows
Years ended December 31
(In thousands of reais)

	Nota	2022	2021
Cash flow from operating activities			
Net income for the year		73,572	60,493
Adjustments			
Depreciation and amortization	9, 10 e 11	61,574	59,948
Residual value of written-off assets	9 ,10 e 11	971	46
Equity instrument for share-based payment	21	441	265
Estimated losses from doubtful accounts	5 e 5.3	530	211
Deferred income taxes and social contribution	15.1	(2,441)	(1,848)
Provision for contingencies	16.3	2,318	1,798
Interest, monetary and exchange variations on loans, leases and contingencies		10,285	8,474
		73,678	68,894
Changes in assets and liabilities			
Accounts receivable from customers	5 e 5.3	(9,240)	(8,621)
Inventories	6	(617)	(459)
Judicial Deposits	16.2	143	798
Other assets and taxes to offset		(4,268)	4,192
Trade payables		6,630	(4,583)
Social and labor obligations	13	1,353	3,478
Write-offs due to payment of contingencies	16.3	(1,893)	(1,132)
Other liabilities and taxes payable		25,103	27,245
		17,211	20,918
Cash generated by operating activities		**164,461**	**150,305**
Interest paid	12.2	(7,878)	(8,100)
Income tax and social contribution paid	15.3	(25,013)	(26,097)
Net cash from operating activities		**131,570**	**116,108**
Cash flow from investing activities			
Sale of property, plant and equipment	9 e 11	(3,290)	(3,431)
Acquisition of intangible assets	10	(52,340)	(46,193)
Investments	8	-	(10,543)
Cash used in investing activities		**(55,630)**	**(60,167)**
Cash flow from financing activities			
Receipts from loans and financing		-	-
Amortization of loans and financing	12.2	(14,522)	(14,997)
Amortization of lease liabilities - right of use	12.2	(28,055)	(24,609)
Dividends paid and interest on equity		(30,200)	(16,803)
Net cash used in financing activities		**(72,777)**	**(56,409)**
Increase (decrease) in cash and cash equivalents		**3,163**	**(468)**
Cash and cash equivalents at the beginning of the year		**83,292**	**83,760**
Cash and cash equivalents at the end of the year		**86,455**	**83,292**

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

1 General information

The Company is a corporation headquartered in the city of Barueri, in the state of São Paulo, with registration and shares that are traded on the stock exchange B3 – Brasil, Bolsa, Balcão. The ultimate controller is the Chief Executive Officer and founder of the Company, Marcos Ribeiro Leite, who directly holds 0.17% of the shares and 54.05% of the shares through Greeneville Delaware LLC. Several shareholders hold 44.42% of the shares and, in addition, the Company holds 1.37% of treasury shares.

On August 29, 2022, the Extraordinary General Meeting resolved to change the corporate name of CSU Cardsystem S.A. to CSU Digital S.A., and to change the "ticker" in the CVM grid from "CARD3" to "CSUD3" as of September 15, 2022. The operations of CSU Digital S.A. ("CSU" or "Company") comprise the provision of credit card processing and multiple use services, management and operationalization of telemarketing and telesales (contact centers), telebilling and credit analysis, development and operational management of relationship programs, customer loyalty and acquisition, provision of services to companies operating in the accreditation of establishments for electronic transactions, including the implementation, operationalization and management of a network of electronic transaction capture of means of payment, provision of information technology (IT) outsourcing services, development of administration activities and issuance of credit cards, development of solutions and activities of payment account management and correspondent banking services to financial institutions

The issuance of these financial statements was authorized at a meeting of the Board of Directors held on March 17, 2023.

2 Summary of key accounting policies

2.1 Basis of preparation

The financial statements have been prepared and are presented in accordance with accounting practices adopted in Brazil that comprise the standards of the Brazilian Securities and Exchange Commission (CVM) and the pronouncements issued by the Accounting Pronouncements Committee (CPC), and in accordance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), except for the presentation of the Value Added Statement (DVA), required by corporate law for publicly-held companies, but as supplementary information to the IFRS standards that do not require this presentation. The financial statements show all relevant information specific to the financial statements, and they are consistent with those used by the management in its managing.

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

The financial statements have been prepared considering historical cost as a basis of value that, in the case of financial assets and liabilities, is adjusted to reflect the measurement at fair value.

The preparation of financial statements requires the use of certain accounting estimates and also the exercise of judgment by the Company's Management in the process of applying accounting policies. Accounting estimates and judgments are continuously evaluated and are based on historical experience and other factors, including expectations of future events, considered reasonable for the circumstances. The actual results of these estimates may present variations that, in the period in which they are verified, will be recognized in the result.
Those areas that require a higher level of judgment and have greater complexity, as well as the areas in which assumptions and estimates are significant for the financial statements, are disclosed in Note 3.

2.2 New standards, interpretations and amendments to standards

Amendments to IFRS 3/CPC 15 (R1) References to Conceptual Framework

The amendments update IFRS 3 (CPC 15 (R1)) so that it refers to the 2018 Conceptual Framework rather than the 1989 Framework. They also include in IFRS 3 the requirement that, for obligations within the scope of IAS 37 (CPC 25) Provisions, Liabilities and Contingent Assets, the buyer adopts IAS 37 (CPC 25) to determine whether there is an obligation present on the acquisition date due to past events. For a tax within the scope of IFRIC 21 (ICPC 21) – Taxes, the purchaser adopts IFRIC 21 (ICPC 21) to determine whether the event that resulted in the obligation to pay the tax occurred up to the acquisition date. This change had no impact on the Company's financial statements.

Amendments to IAS 16/CPC 27 Fixed Assets — Resources Before Intended Use

The changes prohibit deducting from the cost of an item of property, plant and equipment any resource arising from the sale of items produced before the asset is available for use, that is, resources to bring the asset to the location and in the condition necessary for it to be able to operate in the manner intended by Management. Consequently, the Company recognizes these proceeds from the sale and corresponding costs in the result.
The Company measures the cost of these items in accordance with IAS 2 – Inventories (CPC 16). The changes further clarify the meaning of 'testing whether an asset is functioning properly'. Currently, IAS 16 (CPC 27) determines this as assessing whether the technical and physical performance of the asset is such that it can be used in the production or supply of goods or services, for rental to third parties, or for administrative purposes.
If not presented separately in the statement of comprehensive income, the financial statements must disclose the amounts of the resources and costs included in the income corresponding to the items produced that are not a product of the Company's ordinary activities, and whose item(s) in the statement of comprehensive income include these resources and costs.
This change had no impact on the Company's financial statements.

Amendments to IAS 37/CPC 25 Onerous Contracts – Cost of Contract Fulfillment

The amendments specify that the 'cost of performance' of the contract comprises the 'costs directly related to the contract'. Costs directly related to the contract comprise the incremental costs of fulfilling that contract (e.g., employees or materials) and the allocation of other costs directly related to fulfilling contracts (e.g., allocation of depreciation expenses for an item of property, plant and equipment used in fulfilling the contract). This change had no impact on the Company's financial statements.

Amendments to IFRS 1/CPC 37 - Initial Adoption of International Accounting Standards

The amendment provides additional relief for a subsidiary that becomes an early adopter after its parent with respect to accounting for cumulative translation differences. As a result of the change, the subsidiary that uses the exemption contained in IFRS 1:D16(a) may now choose to measure the accumulated translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's transition date to IFRS Standards, if no adjustment is made with respect to the consolidation procedures and effects of the business combination in which the parent acquired the subsidiary. A similar option is available for an affiliate or joint venture that uses the exemption contained in IFRS 1:D16(a). This change had no impact on the Company's financial statements.

Amendments to IFRS 9/CPC 48 - Financial Instruments

The amendment clarifies that when applying the '10%' test to assess whether the financial liability should be written off, the Company only includes fees paid or received between the Company (debtor) and the creditor, including fees paid or received by the Company or creditor on behalf of the other party. This change had no impact on the Company's financial statements.

Amendments to IFRS 16/CPC 06 (R2) – Leases:

The amendment excludes the concept of reimbursement of improvements to third party properties. This change had no impact on the Company's financial statements.

Amendments to IAS 41/CPC 29 – Agriculture

The amendment excludes the requirement in IAS 41 for Companies to exclude tax cash flows when measuring the fair value of biological assets. This aligns the fair value measurement of IAS 41 with the requirements of IFRS 13 – Fair Value Measurement so that cash flows and discount rates are internally consistent and allows preparers to determine whether to use pre- or post-tax cash flows and discount rates for the most appropriate fair value measurement. This change had no impact on the Company's financial statements.

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

IFRS 17 - Insurance contracts (CPC 50)

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and replaces IFRS 4 – Insurance Contracts (CPC 11).
IFRS 17 describes the General Model, modified for insurance contracts with direct participation characteristics, described as the Variable Rate Approach. The General Model is simplified if certain criteria are met by measuring the remaining hedging liability using the Premium Allocation Approach.
The General Model uses current assumptions to estimate the value, term and uncertainty of future cash flows and explicitly measures the cost of this uncertainty, taking into account market interest rates and the impact of insured options and guarantees.
In June 2020, the IASB issued Amendments to IFRS 17 to address the implementation issues and challenges identified following the publication of IFRS 17. The amendments postpone the date of initial adoption of IFRS 17 (incorporating the amendments) for annual periods beginning on or after January 1, 2023. At the same time, the IASB issued IFRS 9 Temporary Exemption Extension (Amendments to IFRS 4 (CPC 11)) which extends the fixed maturity date of IFRS 9 Temporary Exemption (CPC 48) in IFRS 4 for annual periods beginning on or after January 1, 2023.
In December 2021, the IASB issued Initial Adoption of IFRS 17 and IFRS 9 – Comparative Information (Amendments to IFRS 17) to address the implementation issues and challenges identified following the publication of IFRS 17. The amendments address the challenges in presenting comparative information.
IFRS 17 shall be adopted retrospectively unless its adoption is impracticable, in which case either the modified retrospective approach or the fair value approach shall apply.
For the purposes of the transition requirements, the date of initial adoption corresponds to the beginning of the annual period in which the entity first adopts the standard, and the date of transition corresponds to the beginning of the period immediately preceding the date of initial adoption.

Amendment to IAS 1 "Presentation of Financial Statements"

Issued in May 2020, in order to clarify that liabilities are classified as current or non-current, depending on the rights that exist at the end of the period. The classification is not affected by the Company's expectations or events after the reporting date (for example, receipt of a waiver or covenant breach). The amendments also clarify what is meant by "liquidation" of a liability in the light of IAS 1. Amendments to IAS 1 are effective from January 1, 2023.

Amendment to IAS 1 and IFRS Practice Statement 2 - Disclosure of accounting policies:

In February 2021, the IASB issued a new amendment to IAS 1 on disclosure of “material” accounting policies rather than “significant” accounting policies. The amendments define what “material accounting policy information” is and explain how to identify it. It also clarifies that immaterial accounting policy information does not need to be disclosed, but if it is, that it should not obscure the relevant accounting information. To support this change, the IASB has also amended IFRS Practice Statement 2 Making Materiality Judgments to provide guidance on how to apply the concept of materiality to accounting policy disclosures. This amendment is effective from January 1, 2023.

Amendment to IAS 8 - Accounting Policies, Change of Estimate and Correction of Error:

The amendment issued in February 2021 clarifies how the Companies should distinguish changes in accounting policies from changes in accounting estimates, since changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to previous transactions and other previous events, as well as to the current period. This amendment is effective from January 1, 2023.

Amendment to IAS 12 - Taxes on Profit:

The amendment issued in May 2021 requires the Companies to recognize deferred tax on transactions that, upon initial recognition, give rise to equal amounts of taxable and deductible temporary differences. This typically applies to lease transactions (right-of-use assets and lease liabilities) and decommissioning and restoration obligations and will require recognition of additional deferred tax assets and liabilities. This amendment is effective from January 1, 2023.

There are no other IFRS standards or IFRIC interpretations that have not yet taken effect that could have a significant impact on the Company's financial statements.

2.3 Presentation of information by segments

Information by operating segments is presented in a manner consistent with internal reporting provided to the primary operational decision maker. The main operational and strategic decision maker responsible for allocating resources and evaluating the performance of the operating segments is the Board of Directors.

2.4 Functional and presentation currency

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

2.5 Value Added Statement

The Value Added Statement was prepared and is presented in accordance with accounting pronouncement CPC 09 – Value Added Statement, issued by CPC. IFRS does not require the submission of this statement. As a consequence, under IFRS, this statement is presented as supplementary information, without prejudice to the set of financial statements.

2.6 Classification between current and non-current

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

An asset is classified in current assets when: it is expected to realize it, if it intends to sell or consume it in the normal operating cycle, is held mainly for trading, is expected to realize it within 12 months after the disclosure period, or as “cash and cash equivalents”, unless there are restrictions on its exchange, that is, used to settle a liability for at least 12 months after the disclosure period. All other assets are classified as “non-current”.

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

2.7 Cash and cash equivalents

Cash and cash equivalents balances are represented by spot bank deposits and short-term and highly liquid financial investments, readily convertible into a known amount of cash with the issuers themselves, which are first-tier financial institutions and subject to an insignificant risk of change in value. As of December 31, 2022 and 2021, the Company had no financial investments longer than 90 days.

2.8 Financial assets and liabilities - classification, recognition and measurement

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

Purchases and sales of financial assets are normally recognized on the trade date, and their write-off is carried out when the rights to receive cash flows have expired or have been transferred and, in the latter case, provided that the Company has transferred, significantly, all risks and benefits.

(a) Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if it was acquired primarily for short-term selling purposes. Assets in this category are classified as current assets. During the years 2022 and 2021, the Company did not enter into contracts that may fall within these characteristics.

(b) Financial assets measured at amortized cost

They are non-derivative financial assets with fixed or determinable payments, not quoted in an active market. They are included as current assets, except those with a maturity of more than 12 months after the balance sheet date, which are classified as non-current assets.

The Company's receivables comprise accounts receivable and other accounts receivable, being accounted for at the initial moment at fair value and subsequently amortized, using the effective interest rate method.

At the end of the year, it is assessed whether there is objective evidence of impairment in a financial asset or in a group of financial assets and, when identified, a provision is recorded and recognized in the income statement.

(c) Financial assets measured at fair value by other comprehensive income

They are financial assets that are acquired or originated for the purpose of receiving contractual cash flows or selling the assets. Balances are stated at fair value and income is accounted for in profit or loss. The differences between the fair value and the initial value of the investment plus income earned and exchange variations are recognized in equity in other comprehensive income accumulated in the "Equity valuation adjustments" account. Gains and losses recorded in shareholders' equity are reclassified to profit or loss at the time of their liquidation. For the determination of Fair Value, we used multiples observed in capital market transactions related to acquisitions of interests in companies in the same sector/equivalent.

The fair value of financial instruments that are not traded in active markets is determined through the use of valuation techniques. The Company uses its judgment to choose various methods and define assumptions that are mainly based on market conditions existing at the balance sheet date. The Company used the analysis of multiples of projected revenue to calculate the fair value of the investment. Multiple by revenue is the method that calculates the value of the company by comparative analysis with the economic and financial performance of other similar companies in the market. Fair value is recognized in other comprehensive income under the item equity valuation adjustment stated at its net value of tax effects.

2.9 Impairment of financial assets

Assets measured at amortized cost

The Company assesses at the end of each reporting period whether there is objective evidence that the financial asset or group of financial assets is impaired. A financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events occurring after the initial recognition of the assets (a “loss event”) and that loss event has an impact on the estimated future cash flows of the financial asset and can be reliably estimated.

The Company applies the expected loss approach of IFRS 9 / CPC 48 to measure losses due to impairment of its Assets. The criteria that the Company uses to determine whether there is objective evidence of an impairment loss include:

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

(ii) a breach of contract, such as default or late payment of interest or principal;

(iii) it becomes probable that the borrower will declare bankruptcy or other financial reorganization;

The Company's operations are fundamentally b2b ("business to business") with a low degree of default. In view of this condition, it adopts the following criteria for the recognition of a PECLD:

(a) assessment of the risk of each client based on the aging of its overdue securities;
(b) provision of 100% of the value of securities overdue more than 120 days;
(c) provision for other maturing securities based on an average overall risk rate of the client portfolio, and this rate is obtained based on the average annual rate of the last 3 years. The annual rate is obtained with the following equation: the sum of the movement of the PECLD of the year on the average of the securities overdue in the last two years;
(d) at the end of each financial year that rate is reviewed and becomes effective for the next financial year.

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

2.10 Derivative financial instruments and hedging activities

During the years 2022 and 2021, the Company did not enter into contracts that can be considered as derivative financial instruments.

2.11 Accounts receivable from customers

Accounts receivable from customers correspond to amounts derived from the provision of services in the normal course of the Company's activities. If the term of receipt is equivalent to one year or less, accounts receivable are classified in current assets, otherwise they are presented in non-current assets.
Accounts receivable from customers are initially valued at fair value and subsequently measured at amortized cost using the effective interest rate method, less estimated losses on doubtful accounts presented at their net realizable value. The Company recognizes a provision for expected loss based on judgment through historical experience of loss adjusted for factors specific to its customers and the economic environment.

The value of trade receivables classified in non-current assets, as well as those of relevant value classified in current assets, are initially recorded at the present value of these assets calculated based on the effective interest rate on forward sales. This rate is compatible with the nature, timing and risks of similar transactions under market conditions.

2.12 Inventories

The Company's inventories comprise materials applied in the provision of services and are valued at cost or net realizable value, of the two, the lower. The net realizable value corresponds to the sale price in the normal course of business, less the estimated costs of completion and the estimated costs necessary to carry out the sale. Cost is determined using the weighted average cost method.

2.13 Fixed Assets

Fixed assets are measured at their historical cost, less accumulated depreciation and provision for adjustment to the probable value of realization (impairment), when applicable. Historical cost includes expenses directly attributable to the acquisition of the assets and may also include financing costs related to the acquisition of qualifying assets.

Subsequent costs are included in the carrying amount of the asset or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow and that the cost can be reliably measured. Expenses with repairs and maintenance are recorded in profit or loss for the year when incurred.

The depreciation of fixed assets is calculated and recorded based on the straight-line method from the entry into operation of the assets, considering rates that contemplate the respective annual economic useful lives as shown in Note 3.6, which are reviewed annually and adjusted prospectively, if appropriate.

Gains and losses on disposals are determined by comparing the sale values with the book value and are included in the result for the year under "Other income net", at the time of disposal.

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

2.14 Intangibles

Intangibles are stated at acquisition cost less accumulated amortization and provision for adjustment to the probable value of realization (impairment), when applicable.

(a) Goodwill

Assets that have an indefinite useful life, such as goodwill, are not subject to amortization, but rather to annual recoverability tests, as described in Note 2.15.

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

(b) Computer programs (software)

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

Development expenses directly associated with identifiable and unique software, developed internally, controlled by the Company and likely to generate economic benefits greater than costs for more than one year, are recognized as intangible assets. Direct expenses include the compensation of employees of the software development team and directly related third-party expenses. These expenses and their respective amortization are presented in the item "Customization" systems developed internally.

2.15 Impairment of non-financial assets

The Company reviews on a quarterly basis for indications that an asset may be impaired. For intangible assets with an indefinite useful life, the review is made annually. If there is any indication, the Company estimates the recoverable amount of the asset. Assets that are not individually valued are grouped into the smallest group of assets that generate continuous use cash inflows and that are largely independent of the cash flows of other assets (cash-generating units “CGU”). The recoverable value of these assets or CGUs corresponds to the highest value between their fair value net of direct selling expenses and their value in use. The fair value net of direct selling expenses is determined by the price that would be received for the sale of an asset in an unforced transaction between market participants, less expenses with the removal of the asset, incremental direct expenses to leave the asset in sale condition, legal expenses and taxes. To assess the value in use, the projections of future cash flows, trends and prospects were considered, as well as the effects of obsolescence, demand, competition and other economic factors. Such flows are discounted to their present values through the pre-tax discount rate that reflects current market conditions regarding the period of recoverability of the capital and the specific risks of the asset or CGU evaluated. In cases where the present value of expected future cash flows is less than their carrying amount, the impairment loss is recognized at the amount by which the carrying amount exceeds the fair value of those assets. Impairment losses of assets are recognized in profit or loss. In the existence of goodwill allocated in the CGU to which the assets belong.

The recognized losses related to CGUs are primarily allocated in the reduction of the corresponding goodwill. If goodwill is not sufficient to absorb such losses, the surplus will be allocated to the other assets on a pro-rata basis. A impairment loss related to goodwill cannot be reversed. Impairment losses are reversed only in the condition that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if the impairment had not been recognized.

2.16 Suppliers

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

2.17 Loans and financing

Loans and financing are initially recognized at fair value, on receipt of funds, net of transaction costs. Then, the loans taken are presented at amortized cost, that is, plus charges and interest proportional to the period incurred, recognized in the statement of income *pro rata temporis* as a financial expense.

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

2.18 Leases

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

The Company has leasing operations of rights of use mainly related to rental of real estate and equipment and rental of software. Contract terms are negotiated individually and with different terms and conditions. Contracts cannot be used as collateral for loans.

Management opted for the CPC 06 (R2) model using the nominal incremental rate and nominal payment flow and recalculated its lease agreements retrospectively from the date of initial adoption, using as an incremental rate the nominal rate obtained through quotations made with first-tier banks between 4.17% and 16.26% p.a., varying according to the term of each agreement and disclosing in an explanatory note the effect of adoption with nominal flow and nominal rate.

2.19 Provisions

Provisions are recorded when the Company has a present obligation, legal or not formalized, as a result of past events, when it is probable that an outflow of funds will be necessary to settle the obligation and when a reliable estimate of the amount can be made, measured at the present value of the expenses that will be necessary to settle the obligation. Subsequently, the monetary restatement of the provision is recognized as a financial expense. Provisions for legal liabilities refer to lawsuits, according to the probability of loss or gain, and provisions are recorded in the accounts only for procedures in which Management deems an unfavorable result to the Company to be probable and in relation to which the loss is estimated on a reasonable basis. The Company started to adopt as a practice for the provisioning of massive labor lawsuits, the historical average of payments of the lawsuits closed in the 12-month period. Periodically, the Company reviews these amounts in order to reflect the best estimate at the time of the provision. The provisions for labor legal liabilities of the topics considered strategic and judicial liabilities of other natures are calculated individually based on the judgment for each matter. These determinations are made by Management with the assistance of the Company's legal advisors, so that the provisions for legal liabilities are properly recognized in the financial statements.

2.20 Income tax and social contribution

Income tax and social contribution expenses for the year comprise current and deferred taxes. Income taxes are recognized in the income statement, except to the extent they relate to items recognized directly in equity or comprehensive income. In this case, taxes are also recognized in equity or in the statement of comprehensive income. Current income tax and social contribution are calculated based on current tax legislation. Deferred income tax and social contribution are calculated on income tax losses, the negative basis of social contribution and the corresponding temporary differences between the tax bases on assets and liabilities and the carrying amounts of the financial statements, using the liability method. The rates of these taxes, currently defined for the determination of these deferred credits, are 25% for income tax and 9% for social contribution, which are those when the respective deferred tax asset is expected to be realized or when the deferred tax liability is settled. Deferred tax assets are recognized to the extent that it is probable that taxable future profit is available to be used to offset temporary differences and/or tax losses of income tax and negative social contribution bases, based on projections of future results, prepared and based on internal assumptions and future economic scenarios that may, therefore, change. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxing authority on the taxable entity where there is an intention to settle the balances on a net basis. Deferred income tax and social contribution tax credits, levied on tax loss, negative basis of social contribution and other amounts that constitute temporary differences, which will be used to reduce future tax burden, are recognized based on the Company's history of profitability and expectations of generating taxable profits in the coming years. The Management of the Company prepares, at the end of each year, the technical study supported by the projection of future taxable results, including considering its discounts to present value, demonstrating the ability to realize these tax credits in a period of less than ten years.

These estimates are periodically reviewed, so that any changes in the perspective of recovery of these credits can be timely considered in the financial statements.

2.21 Related parties

Disclosures of related party transactions have been made on terms equivalent to those prevailing in independent party transactions and are made only if these terms can be effectively substantiated. The nature of these transactions and the accounting record are described in Note 7.

2.22 Employee benefits

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

(a) Gratuity to managers

The recognition of this expense and its current liabilities are recorded monthly based on percentage estimates of Profit Before Interest, Taxes, Depreciation and Amortization (EBITDA) or net income for the year, whichever is lower, as approved by the Board of Directors.

(b) Share-based compensation

The Company operates share-based compensation plans, settled with shares, according to which the Company receives the services of employees as consideration for the Company's equity instruments. The fair value of the employee's services, received in exchange for the granting of shares, is recognized as an expense. The total amount to be recognized is determined by reference to the fair value of the shares granted, excluding the impact of any non-market service and performance-based vesting conditions (e.g. profitability and permanence in employment for a specific period of time). The counterpart is recorded on credit under the heading "Capital reserve". Transactions recognized in profit or loss for the year are described in Note 21

2.23 Capital

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

The amounts paid for the acquisition of shares issued by the Company include any additional costs directly attributable, net of income tax, being deducted from shareholders' equity until the shares are canceled or disposed of.

2.24 Dividends and interest on equity

Dividends and Interest on Equity (JCP) distributions to the Company's shareholders are recognized as liabilities in the financial statements when resolved, based on the provisions contained in the Company's bylaws. Any amount of dividend above the mandatory minimum is only accrued on the date it is approved by the shareholders at the General Meeting.

The Company's bylaws establish that the Board of Directors may approve the credit to its JCP shareholders, and must be attributed to the statutory dividend, configuring the legal obligation. The tax benefit of the JCP is recognized in the income statement for the year. In the financial statements, the JCP is eliminated from the financial expenses for the year and deducted from retained earnings against current liabilities.

2.25 Revenue Recognition

(a) Provision of services

Revenue for the provision of services is recognized by the accrual basis of accounting, based on the services performed up to the balance sheet date, measured in accordance with the criteria established contractually with customers, to the extent that all costs related to the services can be measured reliably and when it is probable that future economic benefits will flow to the Company. IFRS 15 / CPC 47 – Revenue from contracts with Customers establishes a model containing five steps applied that reflect the consideration that the Company expects to receive for the transfer of the services provided to customers. Revenues from contracts with customers are recorded deducted from commercial discounts, operating penalty discounts and other similar deductions. Part of the revenue is recognized through an estimate, according to Note 3.4 and, therefore, circumstances may arise that change the values obtained in the original measurements of revenues and costs. At this time, the initial measurements will be reviewed, which may result in an increase or reduction in revenues or costs initially recorded, which will be recognized in the result of the year in which the Management becomes aware of the circumstances that give rise to the review. Revenue is presented net of taxes, rebates and discounts.

(b) Financial income

Financial income is recognized according to the elapsed term, using the effective interest rate method.

2.26 Adjustment to present value

Non-current and current monetary assets and liabilities are adjusted to their present value at the date of transactions, according to their performance deadlines when the effect is considered relevant in relation to the financial statements taken together, based on an estimated rate of the Company's cost of capital. Thus, interest embedded in revenues, expenses and costs associated with these assets and liabilities are discounted in order to recognize them in accordance with the accrual basis of exercise. Subsequently, these interests are reallocated to financial income and expenses items in the result through the use of the effective interest rate method for the enjoyment of the term.

3 Key accounting judgments and sources of uncertainty about estimates

In applying the Company's accounting policies, Management must exercise judgments and prepare estimates regarding the carrying amounts of assets and liabilities for which objective information is not easily obtained from other sources. The estimates and the respective assumptions are based on historical experience and other factors considered relevant. The actual results of these carrying amounts may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

(a) Judgments

Accounting estimates and judgments are continuously evaluated and are based on historical experience and other factors, including expectations of future events, that are considered reasonable for the circumstances.

Based on assumptions, the Company makes estimates with respect to the future. By definition, the resulting accounting estimates will rarely be equal to the respective actual results.

(b) Uncertainties about assumptions and estimates

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

- Explanatory note 5 - Accounts receivable: criteria and amounts of the allowance for doubtful accounts;

- Explanatory note 6 - Inventories: criteria and amounts for the provision for inventory losses;

- Explanatory note 8 - Investments: acquisition of investment at the fair value of the consideration. The determinations of these values involve a high degree of judgment in determining the methodologies and assumptions for measuring fair value;

- Explanatory Note 9 and 10 - Fixed Assets and Intangible Assets - estimate of the useful life of long-term assets;

- Explanatory Note 10 - Intangible assets: main assumptions in relation to recoverable amounts, including the recoverability of development costs. The determination of goodwill in the acquisition is a complex process and involves a high degree of subjectivity, as well as is based on several assumptions, such as the determination of cash-generating units, discount rates, inflation projection, growth percentages, continuity and profitability of the Company's business for the coming years, among others. These assumptions will be affected by market conditions or future economic scenarios in Brazil, which cannot be accurately estimated;

- Explanatory note 15 - Deferred income tax and social contribution: availability of future taxable income against which tax losses can be used;

- Explanatory notes 16 - Provision for tax, civil and labor risks: main assumptions about the probability and magnitude of outflows of resources;

(c) Impairment of assets

The Company and its subsidiaries review on a quarterly basis for indications that an asset may be impaired. For intangible assets with an indefinite useful life, the review is made annually. If there is any indication, the Company estimates the recoverable amount of the asset. Assets that are not individually valued are grouped into the smallest group of assets that generate continuous use cash inflows and that are largely independent of the cash flows of other assets (cash-generating units “CGU”). The recoverable value of these assets or CGUs corresponds to the highest value between their fair value net of direct selling expenses and their value in use.

The fair value net of direct selling expenses is determined by the price that would be received for the sale of an asset in an unforced transaction between market participants, less expenses with the removal of the asset, incremental direct expenses to leave the asset in sale condition, legal expenses and taxes.

To assess the value in use, the projections of future cash flows, trends and prospects were considered, as well as the effects of obsolescence, demand, competition and other economic factors. Such flows are discounted to their present values through the pre-tax discount rate that reflects current market conditions regarding the period of recoverability of the capital and the specific risks of the asset or CGU evaluated. In cases where the present value of expected future cash flows is less than their carrying amount, the impairment loss is recognized at the amount by which the carrying amount exceeds the fair value of those assets. Impairment losses of assets are recognized in profit or loss. In the existence of goodwill allocated in the CGU to which the assets belong. The recognized losses related to CGUs are primarily allocated in the reduction of the corresponding goodwill. If goodwill is not sufficient to absorb such losses, the surplus will be allocated to the other assets on a pro-rata basis. A impairment loss related to goodwill cannot be reversed. Impairment losses are reversed only in the condition that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if the impairment had not been recognized.

3.1 Estimated losses on doubtful accounts

Estimated losses on doubtful accounts are constituted in an amount sufficient to cover probable losses on the realization of accounts receivable. To determine the sufficiency of the provision on accounts receivable from customers, the amount and characteristics of each of the credits are evaluated, considering the probability of realization. With the adoption of IFRS 09 / CPC 48, the Company uses its provision matrix in order to calculate the expected credit loss for accounts receivable, based on the historical loss observed and reviews it according to the historical experience of credit loss. However, considering the market in which the Company operates and the quality of its customers, these losses do not include significant amounts.

3.2 Provisions for legal liabilities

Provisions for legal liabilities refer to lawsuits, according to the probability of loss or gain, and provisions are recorded in the accounts only for procedures in which Management deems an unfavorable result to the Company to be probable and in relation to which the loss is estimated on a reasonable basis. The Company started to adopt as a practice for the provisioning of massive labor lawsuits, the historical average of payments of the lawsuits closed in the 12-month period. Periodically, the Company reviews these amounts in order to reflect the best estimate at the time of the provision. The provisions for labor legal liabilities of the topics considered strategic and judicial liabilities of other natures are calculated individually based on the judgment for each matter. These determinations are made by Management with the assistance of the Company's legal advisors, so that the provisions for legal liabilities are properly recognized in the financial statements.

3.3 Fair value of Investments

Investments are measured at the fair value of the consideration. The determinations of these values involve a high degree of judgment in the determination of methodologies and assumptions, such as market multiples, to the measurement of fair value.

3.4 Revenue from provision of services not invoiced

The Company's revenues derive mainly from the provision of services, under the terms of commercial contracts with its customers, including revenues related to the provision of services for the development of new functionalities for the operating systems used by its customers. While not invoiced, revenue for the provision of services is recognized based on the stage of execution of the services performed, to the extent that all costs related to the services can be measured reliably, in accordance with the conditions established in the contracts.

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

Deferred income tax and social contribution tax credits, levied on tax loss, negative basis of social contribution and other amounts that constitute temporary differences, which will be used to reduce future tax burden, are recognized based on the Company's history of profitability and expectations of generating taxable profits in the coming years. The Management of the Company prepares, at the end of each year, the technical study supported by the projection of future taxable results, including considering its discounts to present value, demonstrating the ability to realize these tax credits in a period of less than ten years. These estimates are periodically reviewed, so that any changes in the perspective of recovery of these credits can be timely considered in the financial statements.

In thousands of reais, unless otherwise stated

3.6 Useful life of non-current assets

Fixed and intangible assets, with the exception of goodwill, are depreciated and amortized based on the straight-line method, considering rates that approximate the economic useful life of the assets, annually reviewed and supported by an appraisal report issued by an independent expert, presented below:

	Economic useful life (years)	
Fixed assets	**2022**	**2021**
Furniture and fixtures	9	9
Facilities	14	14
Equipment	9	9
Vehicles	6	6
Improvements in third party properties	2 to 5	2 to 5
Computers and peripherals	4	4

Intangible assets	**2022**	**2021**
Data processing systems	19	19
Customization systems (i)	41	41
ERP System	19	19
Vision Plus Software	41	41
Assignment of Software Use Rights	10	10
Others	5	5

(i) -Total useful life (years) = Age of the asset (years) + Remaining Life (years), according to a technical report prepared by third party experts.

3.7 Goodwill on investment

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

The growth rates were considered based on the expected growth of the Company's operating markets. The discount rates that were used in the projections are compatible with the market rates in which the Company operates, of 12.6% per year after taxes for the **CSU Pays** unit (2021 – 13.3% per year). The results of the tests did not indicate a loss of value to be recognized on December 31, 2022 and 2021.

The growth and discount rates used in these tests result from market estimates and are therefore subject to sensitivity and change in assumptions.

The implications of the main assumptions for the recoverable amount are discussed below:

a) ***Growth rate assumptions:*** Management recognizes that possible changes in market scenarios related to the business of the cash-generating unit: **CSU Pays** have a significant impact on long-term growth rate assumptions. The perpetuity growth rate used to calculate the use value of the assets was 1%. A 1% decrease in the growth rate used did not result in devaluation loss.

b) ***Pre-tax discount rates:*** It would be 18.6% for **CSU Pays** which is the business unit that contains the goodwill to be tested.

c) ***After-tax discount rates:*** Any change in the risk assessment in the current markets, specific to each cash-generating unit, may change the discount rates used to calculate the use value of the assets. A 5% increase in the rate used for the cash-generating unit will not result in a depreciation loss.

In thousands of reais, unless otherwise stated

3.8 Estimation of fair value

Assets and liabilities are accounted for at fair value according to the valuation method, considering the different levels defined as follows:

- Level 1 - quoted (unadjusted) prices in active markets for identical assets and liabilities.
- Level 2 - information, in addition to the quoted prices included in level 1, that is observable by the market for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - information for assets or liabilities that is not based on market observable data (i.e. unobservable assumptions).
  The fair value of other financial instruments (classified as Level 3), which comprises Investments, is determined by the analysis of market multiples.

4 Cash and Cash Equivalents

	2022	2021
Demand Bank Deposits		
Banks - National Currency	4,192	8,583
	4,192	8,583
Fixed-Income Securities – CDBs (i)	82,263	74,709
	82,263	74,709
Cash and Cash Equivalents	86,455	83,292

(i) Financial investments refer to committed operations remunerated at a weighted average rate of 85% to 106.5% of the interbank deposit certificate rate (CDI) (70% to 105.25% on December 31, 2021)

5 Trade Receivables – Current and Non-Current

The balance receivable from customers basically corresponds to the billing of the services provided, whose receipt occurs substantially in the following month, as well as the proportional appropriation of the revenue for the services provided until the end of the accrual month and which will be billed as defined in the commercial clauses of the respective contracts.

5.1 Breakdown

	2022	2021
Current		
Accounts Receivable – Invoiced	29,402	21,551
Accounts Receivable - Not Billed	47,902	46,942
(-) Estimated Losses from Doubtful Accounts	(992)	(891)
	76,312	67,602

	2022	2021
Non-Current		
Accounts Receivable – Invoiced	16,434	16,005
(-) Estimated Losses from Doubtful Accounts	(16,434)	(16,005)
	-	-

In thousands of reais, unless otherwise stated

5.2 Breakdown by Maturity Age

	2022	2021
Due		
In up to a month	73,040	67,410
Overdue		
In up to a month	3,114	471
From one to two months	185	70
From two to three months	92	71
From three to four months	199	58
Over four months	17,108	16,418
Estimated Loss for Doubtful Liquidation	(17,426)	(16,896)
	3,272	192
	76,312	67,602

5.3 Changes in the Estimated Losses from Doubtful Accounts

	2022	2021
On January 1	(16,896)	(16,685)
Estimated Loss for Doubtful Liquidation	(530)	(211)
On December 31	(17,426)	(16,896)
Current Assets	(992)	(891)
Non-Current Assets	(16,434)	(16,005)

6 Inventories

	2022	2021
Cards	2,572	1,696
Additional Materials	318	438
Other	698	837
	3,588	2,971

7 Related Parties

7.1 Transactions with related parties are for donations to Institute CSU to support its training of professionals for the labor market, to promote social inclusion through free computer courses. The Company occasionally contracts rentals of facilities from Anapurus, which are recorded as expenses.

Company	2022	2021
Expenses		
CSU Institute	98	105
Anapurus Comercio e Participações Ltda.	264	-
	362	105

In thousands of reais, unless otherwise stated

7.2 Management Compensation

The annual ceiling for compensation for services rendered for key management, including Board members and statutory officers, was set at R$15,695 for the fiscal year 2022 (December 31, 2021 - R$12,847), as approved in the Annual Shareholders' Meeting held on April 19, 2022.

	2022	2021
Fees	7,691	6,139
Share-Based Payment	365	547
Indirect Bonuses and Benefits	7,086	5,635
	15,142	12,321

8 Investments

	Percentage of direct participation	2022	2021
Fitbank Pagamentos Eletrônicos S,A,	4.00%	31,097	25,946
		31,097	25,946

Movement of investments

	2022	2021
Balance on January 1st	25,946	-
Acquisition	-	10,543
Fair value for other comprehensive income (i)	5,151	15,403
Balance on December 31	31,097	25,946

(i) Equity investment, the fair value of the investment is determined by analyzing market multiples. See note 3.8.

In thousands of reais, unless otherwise stated

9 Property, Plant and Equipment

	Furniture and Fixtures	Facilities	Equipment	Vehicles	Leasehold Improvements	Computers and Peripherals	Total
On January 1, 2021	2,155	1,338	6,820	1,743	8,623	2,504	23,183
Acquisition	200	10	1,375	-	942	904	3,431
Sale and Write-Off	-	-	-	(47)	-	1	(46)
Depreciation	(377)	(131)	(1,673)	(320)	(4,449)	(1,116)	(8,066)
On December 31, 2021	1,978	1,217	6,522	1,376	5,116	2,293	18,502
On December 31, 2021							
Total Cost	9,083	2,749	17,347	2,988	23,972	12,524	68,663
Accumulated Depreciation	(7,105)	(1,532)	(10,825)	(1,612)	(18,856)	(10,231)	(50,161)
Net Book Balance	1,978	1,217	6,522	1,376	5,116	2,293	18,502
On January 1, 2022	1,978	1,217	6,522	1,376	5,116	2,293	18,502
Acquisition	255	29	1,413	-	157	1,436	3,290
Sale and Write-Off	(5)	(15)	(112)	-	(12)	(94)	(238)
Depreciation	(389)	(127)	(1,649)	(314)	(2,657)	(1,156)	(6,292)
On December 31, 2022	1,839	1,104	6,174	1,062	2,604	2,479	15,262
On December 31, 2022							
Total Cost	9,333	2,763	18,648	2,988	24,117	13,866	71,715
Accumulated Depreciation	(7,494)	(1,659)	(12,474)	(1,926)	(21,513)	(11,387)	(56,453)
Net Book Balance	1,839	1,104	6,174	1,062	2,604	2,479	15,262

Depreciation in 2022, allocated to the cost of services provided, totaled R$3,162 (2021 - R$3,781), and operating expenses totaled R$3,130 (2021 - R$4,285).

In thousands of reais, unless otherwise stated

10 Intangible Assets

	Identifiable Useful Life								Useful Life Indefinite	
	Data Processing Systems	**"Customization" Systems**	**ERP System**	**Software Vision Plus**	**Assignment of Software Use Right**	**Software Card 24**	**Other**	**Intangible Asset under Development**	**Goodwill**	**Total**
On January 1, 2021	500	147,444	1,349	47,866	17,610	1,071	17	-	25,895	241,752
Acquisition	199	27,287	-	14,400	888	-	-	3,419	-	46,193
Amortization	(53)	(11,361)	(150)	(9,441)	(3,894)	(597)	(2)	-	-	(25,498)
On December 31, 2021	646	163,370	1,199	52,825	14,604	474	15	3,419	25,895	262,447
On December 31, 2021										
Total Cost	10,020	287,555	3,052	134,291	99,216	4,142	3,081	3,419	36,845	581,621
Accumulated Amortization	(9,374)	(124,185)	(1,853)	(81,466)	(84,612)	(3,668)	(3,066)	-	(10,950)	(319,174)
Net Book Balance	646	163,370	1,199	52,825	14,604	474	15	3,419	25,895	262,447
On January 1, 2022	646	163,370	1,199	52,825	14,604	474	15	3,419	25,895	262,447
Acquisition	-	30,937	35	15,610	1,113	-	-	4,645	-	52,340
alienation/write off	-	-	-	(218)	(84)	-	-	(89)	-	(391)
Amortization	(44)	(13,337)	(150)	(8,840)	(2,868)	(474)	(2)	-	-	(25,715)
On December 31, 2022	602	180,970	1,084	59,377	12,765	-	13	7.975	25.895	288.681
On December 31, 2022										
Total Cost	10,020	318,492	3,087	149,683	100,245	4,142	3,081	7,975	36,845	633,570
Accumulated Amortization	(9,418)	(137,522)	(2,003)	(90,306)	(87,480)	(4,142)	(3,068)	-	(10,950)	(344,889)
Net Book Balance	602	180,970	1,084	59,377	12,765	-	13	7,975	25,895	288,681

Amortization in 2022, allocated to the cost of services provided, totaled R$22,511 (2021 - R$21,745), and operating expenses totaled R$3,204 (2021 - R$3,753).

In thousands of reais, unless otherwise stated

10.1 Software Card 24 - Caixa Econômica Federal Project

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 24 months.

The Company concluded the first phase under the contractual conditions and agreements made with CAIXA, but the client did not acknowledge the conclusion of the work. After various unsuccessful attempts to settle, the Company filed a lawsuit in 2007, and CAIXA administratively finished the contract in 2008.

In August 2007, the Company proposed a Precautionary Measure for Early Production of Evidence 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, the court investigation and clarification by the expert were inconclusively closed 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 CAIXA customization were written off in prior years, and there is the possibility of alternative future use of this software. Up to December 31, 2022, there were no significant changes in the lawsuit’s progress. Based on the advice of its legal counsel, management believes that the Company’s position will prevail.

Below we summarize the balances for 2022 and 2021, linked to the CAIXA Project:

	2022	**2021**
Intangible Asset - Customization Systems	14,567	14,567
Intangible Asset - Card 24 Software	4,142	4,142
(-) Amortization	(18,709)	(18,235)
Total	-	474

In thousands of reais, unless otherwise stated

11 Right-Of-Use Assets

	January 1, 2021	Additions	Amortization	Write-Off (ii)	Remeasurement (i)	December 31, 2021
Property Rent	37,087	-	(13,425)	-	1,707	25,369
Software Rent	42,601	-	(8,204)	(222)	1,533	35,708
Equipment	10,831	6,556	(2,506)	-	-	14,881
Furniture and Fixtures	1,151	-	(227)	-	-	924
Improvements	2,548	-	(520)	-	-	2,028
Computers and Peripherals	2,624	-	(936)	-	-	1,688
Other Contracted Leases	2,430	627	(566)	(70)	199	2,620
	99,272	**7,183**	**(26,384)**	**(292)**	**3,439**	**83,218**

	January 1, 2022	Additions	Amortization	Write-Off (ii)	Remeasurement (i)	December 31, 2022
Property Rent	25,369	4,182	(14,805)	(190)	3,889	18,445
Software Rent	35,708	-	(8,777)	(133)	7,374	34,172
Equipment	14,881	6,185	(4,043)	(7)	-	17,016
Furniture and Fixtures	924	-	(207)	-	-	717
Improvements	2,028	-	(444)	-	-	1,584
Computers and Peripherals	1,688	-	(770)	(2)	-	916
Other Contracted Leases	2,620	1,693	(521)	(10)		3,782
	83,218	**12,060**	**(29,567)**	**(342)**	**11,263**	**76,632**

(i) Renewals of real estate and software contracts.
(ii) Write-off referring to delivery of a property.

In thousands of reais, unless otherwise stated

12 Loans, Financing and Leasing Liabilities

	2022	2021
Current Labilities		
Loans and Financing (i)	9,587	14,463
Lease Liabilities	26,911	24,815
	36,498	39,278
Non-current Liabilities		
Loans and Financing (i)	6,763	16,400
Lease Liabilities	42,443	48,416
	49,206	64,816
	85,704	104,094

(i) the operations are post-fixed and are indexed to the Interbank Deposit Certificate (CDI), plus a spread from 1.80% to 4.12% p.a. (2021 - 1.80% to 4.12% p.a.).

The maturity of loan and financing agreements signed until December 31, 2022 will occur until April 20, 2025.

For lease agreements existing up to December 31, 2022, settlement is estimated for up to April 30, 2028.

The Company's lease agreements substantially have their payment flows indexed by inflationary indices and to safeguard the faithful representation and comply with CVM guidelines in its CVM Circular Letter No. 2/2019, liability balances without inflation are provided, which were effectively accounted for and the estimate of inflated balances.

The inflated flow was measured by the present value of expected lease payments until the end of each contract, incorporating the projected future inflation and discounted by the incremental financing rate, that is, the nominal interest rate. In the preparation of contractual future cash flows, incorporating expected inflation, rates based on the Focus bulletin of the Central Bank of Brazil were used until 2026.

The company used projected inflation rates of 5.5% for 2023, 3.8% for 2024 and 3.5% for the following years. Considering these rates, we would have the following impacts for the year ended December 31, 2022:

Cash flows	accounting value	With Projected Inflation
Right-Of-Use Assets	76,632	84,336
Lease Liabilities	69,354	77,058
Financial expenses	11,102	12,636

In thousands of reais, unless otherwise stated

12.1 Non-current liability balances by maturity:

Maturity Year	**2022**	**2021**
2023	36,498	30,124
2024	15,660	11,830
2025	11,864	8,259
2026	10,094	6,564
2027	8,449	5,950
2028	3,139	2,089
	85,704	64,816

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 contracts or by the underlying assets.

As of December 31, 2023, the obligations under the lease agreements have a payment term of up to 64 months and are recorded at their present value. Financial charges, which substantially refer to the CDI variation, are recorded in the income statement during the lease term.

For the financing agreement with Banco do Brasil, with a balance on December 31, 2022 in the amount of R$11,718 (December 31, 2021 R$19,830), the Company is subject to (i) maintenance of a net debt ratio divided by EBITDA (LAJIDA) at least 3.1 times lower and (ii) EBITDA ratio (LAJIDA) divided by financial expenses at least 1.9 times higher, which, if not complied with, may lead to early settlement of the debt. On December 31, 2022 and December 31, 2021, the Company was in compliance with these covenants.

12.2 Changes in loans and financings and leases:

	Loans and Financing	**Lease Liabilities**
On January 1, 2021	45,634	87,533
Funding	-	7,183
Interest Provisioned	3,020	5,231
Amortization	(14,997)	(24,609)
Interest Payment	(2,794)	(5,306)
Write-Offs	-	(240)
Remeasurement	-	3,439
On December 31, 2021	30,863	73,231
On January 1, 2022	30,863	73,231
Funding	-	12,060
Interest Provisioned	3,242	5,373
Amortization	(14,522)	(27,928)
Interest Payment	(3,233)	(4,645)
Remeasurement (i)	-	11,263
On December 31, 2022	16,350	69,354

In thousands of reais, unless otherwise stated

(i) Renewal of real estate and software contracts.

13 Social Security and Labor Obligations

The balances of social and labor obligations are as follows:

	2022	2021
Wages payable	9,975	9,730
Payroll Charges	5,840	3,974
Provision of vacations and charges	23,822	23,502
Provision for gratification to managers	7,041	6,614
Other	2,611	4,116
	49,289	47,936

14 Taxes to be Offset and Due

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

	To be Offset		To be Collected	
	2022	2021	2022	2021
Current				
Income Tax (i)	3,404	1,591	-	492
Social Contribution (i)	1,754	1,196	-	351
	5,158	2,787	-	843
Other Taxes				
IR, PIS, COFINS and CSLL on third-party services	-	-	771	438
PIS and COFINS	-	399	1,329	1,799
ISS	194	192	2,039	1,884
Other	103	-	71	182
	297	591	4,210	4,303
	5,455	3,378	4,210	5,146
Noncurrent				
ISSQN	-	-	299	903
Taxes to be offset (ii)	3,937	4,718	-	-
	3,937	4,718	299	903

(i) The balance of taxes to be offset in Current, Income Taxes and Social Contribution refers to balances of Income Taxes and Social Contribution on a negative basis.
(ii) refers to the INSS tax credits.

In thousands of reais, unless otherwise stated

15 Deferred Income Tax and Social Contribution

15.1 Breakdown and changes in balances:

			Debited (Credited) to Income for the Fiscal Year	
	2022	**2021**	**2022**	**2021**
Deferred Tax Credits				
Temporary Differences				
Provision for Contingencies	5,226	4,525	(701)	(882)
Estimated Loss for Doubtful Liquidation	4,870	4,664	(206)	(72)
Other Provisions	5,059	3,955	(1,104)	263
Stock Option Plan	1,193	1,194	1	(554)
	16,348	14,338	(2,010)	(1,245)
Deferred Tax Debts				
VJORA - Investments	(6,988)	(5,237)	-	-
Goodwill Amortization	(8,805)	(8,805)	-	-
Leases	(10,033)	(10,464)	(431)	(603)
	(25,826)	(24,506)	(431)	(603)
	(9,478)	(10,168)	(2,441)	(1,848)

In thousands of reais, unless otherwise stated

15.2 Estimated realization for deferred tax assets:

The Company's Management expects that the deferred tax credits on temporary differences in the amount of R$ 16,348 are achievable through the generation of projected taxable income for the next 6 (six) years, according to the schedule presented below:

Year	
2023	2,322
2024	2,970
2025	3,279
2026	4,253
2027	2,375
2028	1,149
	16,348

15.3 Reconciliation of statutory to effective tax expense rates

	2022	**2021**
Profit before Income Tax and Social Contribution	100,972	85,582
Income Tax and Social Contribution Calculated at rates in force in the legislation (25% and 9%, respectively)	(34,330)	(29,098)
Adjustment for calculation by the effective rate		
Non-deductible expenses (including donations)	(808)	(579)
Additional 10% of the IRPJ base	24	24
Tax incentive - Worker's food program	(43)	506
Tax incentive - Technological innovation	881	
Tax incentive - Rouanet Law	877	686
Interest on Shareholders' Equity	7,548	4,760
Permanent exclusions	(1,549)	(1,388)
Other		
Income Tax and Social Contribution in the Result	(27,400)	(25,089)
Current (i)	(29,841)	(26,937)
Deferred	2,441	1,848
	(27,400)	(25,089)
Actual Tax Rate - %	27,1%	29.3%

(i) the amount of income tax and social contribution paid in 2022 corresponds to R$25,013 (in 2021 R$26,097)

In thousands of reais, unless otherwise stated

16 Liabilities and Judicial Deposits

16.1 Legal contingencies with probable risk of loss are as follows:

	2022	**2021**
Tax	4,552	3,256
Labor	3,601	3,082
Civil Claims	2,243	2,078
	10,396	8,416

16.2 The judicial deposits, whether or not related to liabilities for provisioned lawsuits, classified in non-current assets, are as below:

	2022	**2021**
Labor	6,853	6,996

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

	Tax	**Labor**	**Civil**	**Total**
On January 1, 2021	2,409	3,363	1,544	7,316
Additions	748	1,400	374	2,522
Payments	-	(1,132)	-	(1,132)
Reversals	-	(724)	-	(724)
Cash Restatement	99	175	160	434
On December 31, 2021	**3,256**	**3,082**	**2,078**	**8,416**
On January 1, 2022	**3,256**	**3,082**	**2,078**	**8,416**
Additions	1,296	1,850	205	3,351
Payments	-	(1,780)	(113)	(1,893)
Reversals	-	(453)	(505)	(958)
Cash Restatement	-	902	578	1,480
On December 31, 2022	**4,552**	**3,601**	**2,243**	**10,396**

In thousands of reais, unless otherwise stated

16.4 Possible risk of losses

The Company has tax, civil and labor lawsuits, involving the risk of loss classified by Management as possible, under the advice of its legal counsel, for which no provisions are recorded, estimated as below:

	2022	**2021**
Tax (ii)	2,576	3,041
Labor (i)	4,821	4,653
Civil Claims	320	494
	7,717	8,188

(i) estimates of labor lawsuit losses follow the methodology described in the Company's accounting policy, as described in Note 3.2.
(ii) refers to the discussion of ISS debts, of the Municipality of Recife, related to the period from 07/2006 to 12/2008, for which the city of Recife did not identify the respective withholdings for this period, Until December 31, 2022 , there was no progress in the discussion

17 Commitments

The Company executes agreements and bank guarantees, in the normal course of its business, as follows:

17.1 Bank guarantees:

Based on current contracts, bank guarantees, guaranteed by first-rate financial institutions, have the following composition referring to a single guarantee arising from a commercial partnership:

Modality	**2022**	**2021**
Bank guarantees guaranteeing Service Agreements	522	558

18 Shareholders' Equity

18.1 Share Capital

As of December 31, 2022, the subscribed and fully paid-in capital includes 41,800,000 (December 31, 2021 – 41,800,000) common shares with no par value.

18.2 Treasury Shares

	Number of Shares				Acquisition Cost per Share - In Reais		
	Authorized to acquire	Acquired	Canceled	Balance in Treasury Shares	Weighted Average	Minimum	Maximum
Balance on December 31, 2020				691,030			
Programs effective September 30, 2021							
de 21/09/2021 a 21/03/2023	1,800,000	46,500		46,500	11,51	6,11	19,9
Stock-Based Retention and Incentive Plan - shares delivered				(76,518)			
Balance on December 31, 2021				661,012			
Balance on December 31, 2020				(89,607)			
Programs effective September 30, 2021				571,405			

In thousands of reais, unless otherwise stated

Based on the balance sheet as of December 31, 2022, the limit for holding treasury shares totals R$143,779 (2021 - R$156,579).

On December 31, 2022, the market value of the shares held in treasury, based on the latest share price, is R$6,971 (2021 - R$8,633).

18.3 Profit reserves

The legal reserve is recognized annually as an allocation of 5% of the net income for the year and cannot exceed 20% of the share capital. The purpose of the legal reserve is to ensure the integrity of the share capital and may only be used to offset losses and increase capital.

The profit retention reserve refers to the retention of the remaining balance of retained earnings to meet the business growth project, established in the Company's investment plan, as per the capital budget approved and proposed by the Company's managers, to be resolved at the Shareholders' Meeting.

The balance of profit reserves, except for those for contingencies, tax incentives and unrealized profits, cannot exceed the share capital. Once this limit is reached, the meeting will deliberate on the application of the excess in the payment or increase of the share capital or in the distribution of dividends.
For the retained earnings on December 31, 2022, the allocation will be defined and approved in a resolution of the AGO - Ordinary General Meeting to be held on April 25, 2023.

19 Dividends and Interest on Own Capital

Based on the operating and financial results up to December, the crediting of Interest on Equity (JCP) for the 2021 fiscal year in the amount of R$14,000 (R$0.1019829 per share) was decided to be allocated to the mandatory dividend as per Article 37 of the Company's Bylaws, "ad referendum" of the Annual Shareholders' Meeting. The payment of the above interest on equity was made as of January 14, 2022, based on the shareholding position of December 4, 2021, with the Company's shares traded "ex-interest on equity" as of December 7, 2021. It was decided at the Annual Shareholders' Meeting on April 19, 2022 to credit additional dividends in the amount of R$ 16,200 (R$ 0.3937821 per share), paid on May 3, 2022

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

Allocation of net income for the year 2022

Legal Reserve - 5%	3.679
Profit Retention	47.693
Mandatory minimum dividends – 25%	17.473
Proposed additional dividends	4.727
	73.572

The Company's Management, pursuant to the resolutions taken at meetings of the Board of Directors, resolved on March 8, June 15, September 27 and December 27, 2022, the total amount of R$ 22,200 (R$ 0.5389012) in the form of Interest on Equity (JCP) related to the fiscal year of 2022. The payment was made on January 16, 2023 and will be imputed to the mandatory statutory dividends to be distributed by the Company, related to the fiscal year of 2022, "ad referendum" of the Ordinary General Meeting that will take place on April 25, 2023

In thousands of reais, unless otherwise stated

	ISE	Taxes	Net Balance
March	4,000	(564)	3,436
June	5,200	(715)	4,485
September	6,500	(875)	5,625
December	6,500	(855)	5,645
	22,200	**(3,009)**	**19,191**

20 Financial Risk Management

20.1 Financial Instruments by Category

The Company's main asset and liability financial instruments on December 31, 2022 and 2021 are described below:

Financial Assets: Cash and cash equivalents, accounts receivable, court escrow deposits and other assets measured at amortized cost.

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

20.2 Credit risk

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

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

	2023	2024	2025 to 2028
Suppliers	38,755	-	-
Loans and Financing	9,587	5,037	1,726
Lease Liabilities	26,911	10,623	31,820
	75,253	**15,660**	**33,546**

In thousands of reais, unless otherwise stated

20.4 Market Risk

The Company is exposed to market risks arising from its activities. These mainly correspond to changes in interest rates, which may adversely affect the value of financial assets and liabilities or future cash flow and 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 variation of the CDI 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 12. The interest volatility risk is basically linked to the CDI floating rate.

20.6 Capital Management

The Company's objective when managing its capital is to safeguard its ability to continue to offer returns to shareholders and benefits to other stakeholders and maintain an ideal debt equity capital structure.

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 capitalization. Net debt corresponds to the total loans and leasing (including current and non-current), less cash and cash equivalents. Total capitalization is calculated by adding equity and net debt, as shown in the balance sheet.

	2022	2021
Loans and Lease Liabilities	85,704	104,094
Cash and Cash Equivalents	(86,455)	(83,292)
Net Debt	(751)	20,802
Total Capital	381,095	363,633
Financial Leverage Ratio	(0.002)	0.06

20.7 Derivatives

In 2022 and 2021, the Company did not sign agreements that could be considered derivative financial instruments.

20.8 Sensitivity Analysis of the Financial Assets and Liabilities

The risk linked to the relevant transactions held by the Company is associated with changes in the Interbank Deposit Certificate (CDI) on investments in securities, classified as fair value through profit or loss, on loans and financing and leasing contracts, classified as financial liabilities at amortized cost, all of which with prefixed spreads. The fair values approximate the book values.

In order to present the sensitivity to the financial indices to which the Company was exposed on December 31, 2022, three different scenarios were defined: (a) probable scenario - considering the projection of the average annual CDI rate for the next 12 months; (b) scenario II - with a 25% appreciation over the probable scenario; and (c) scenario III - with a 50% appreciation over the probable scenario. For the balances of fixed-income securities investments, scenarios II and III consider rate depreciation.

In thousands of reais, unless otherwise stated

The respective gross remuneration, financial income or expense for these financial assets and liabilities, respectively, were calculated for the next 12 months, as presented below:

	Financial Assets (Liabilities)			Financial Revenues (Expenses)		
	2022	**2021**	**Risk**	**Probable Scenario**	**Scenario II**	**Scenario III**
Financial Investments	82,263	74,709	CDI	9,514	7,250	4,912
				12.50%	.,38%	6.25%
Lease Liabilities - Equipment	(16,137)	(11,717)	CDI	(2,272)	(2,586)	(2,886)
				12.50%	15.63%	18.75%
Lease Liabilities - Real Estate and Software	(53,217)	(61,514)	CDI	(3,392)	(4,454)	(4,887)
				10.71%	13,39%	16.07%
Financing	(16,350)	(30,863)	CDI	(2,044)	(2,555)	(3,066)
				12.50%	15.63%	18.75%

20.9 Category of financial instruments

		measurement	2022		2021	
Category of financial instruments	**Classification**	**Fair value**	**accounting**	**Fair value**	**accounting**	**Fair value**
Cash and equivalents	Amortized Cost	Nível 2	4.192	4.192	8.583	8.583
Fixed income securities - committed CDBCDB	Amortized Cost	Nível 2	82.263	82.263	74.709	74.709
Accounts receivable	Amortized Cost	Nível 2	76.312	76.312	67.602	67.602
Investment	VJORA	Nível 3	31.097	31.097	25.946	25.946
Total financial assets			**193.864**	**193.864**	**176.840**	**176.840**

		measurement	2022		2021	
Category of financial instruments	**Classification**	**Fair value**	**accounting**	**Fair value**	**accounting**	**Fair value**
Suppliers	Amortized Cost	Nível 2	38,755	38,755	32,125	32,125
Loans and financing	Amortized Cost	Nível 2	16,350	16,465	30,863	31,079
Leasing	Amortized Cost	Nível 2	16,137	16,299	11,717	11,741
Lease Liabilities	Amortized Cost	Nível 2	53,217	53,217	61,514	61,514
Total financial liabilities			**124,459**	**124,736**	**136,219**	**136,459**

In thousands of reais, unless otherwise stated

21 Share-Based Compensation

The Board of Directors approved, on May 26, 2015, a Share-Based Incentive and Retention Plan, approved by the CVM on July 20, 2015, to transfer the ownership of the shares held in treasury, 571,405 on December 31, 2022 (2021 – 661,012), non-remunerated (i.e., without purchase options), for 24 to 36 months from the grant date.

On December 31, 2022, 325,749 shares were granted to 14 employees. Under this program, 89,607 shares were granted from the shares held in treasury (Note 18.2).

The amount of R$441 (2021 – R$265) was recognized as an expense in 2022, referring to all programs.

22 Insurances

The Company had the following main insurance policies:

	Insured Amounts	
Segments	**2022**	**2021**
Comprehensive Business Insurance	362,095	332,568
Judicial Insurance	10,911	9,097
Civil Liability	113,554	93,479
Vehicle Insurance	5,644	4,493
	492,204	439,637

23 Net Revenue

	2022	**2021**
Gross Revenue from Services	609,193	580,732
Deductions from Gross Revenues		
Tax on Services of Any Nature (ISSQN)	(12,339)	(11,633)
Social Integration Program (PIS) and COFINS	(40,869)	(37,803)
Employer's Social Security Contribution	(18,817)	(17,247)
Net Revenue from Services	537,168	514,049

On December 31, 2021, Law No. 14,288/2021 was published, extending the payroll exemption until the end of 2023. Commonly known as "payroll exemption", the Social Security Contribution on Gross Revenue (CPRB) was instituted by Law No. 12,546 of 2011, it was initially mandatory and valid until December 31, 2014. However, it has been subject to successive extensions, in addition to its obligation being suppressed.

Payroll exemption is the mechanism practiced by the government in order to benefit companies in some sectors. The CPRB tends to be lower than the social security contribution calculated on the payroll. The Company is eligible for this benefit for providing information technology (IT), information and communication technology (ICT) and call center services, in addition to other activities not covered.

In thousands of reais, unless otherwise stated

24 Cost of Services, Expenses with Sales, General and Administrative

	Cost of Services		Selling, General and Administrative Expenses	
	2022	2021	2022	2021
Labor and Social Charges	208,974	215,095	50,896	42,371
Card Consumption	4,575	5,759	-	-
Consumption and Awarding	4,231	3,905	-	-
Operational Materials	8,532	10,085	728	1,574
Issued On	12,617	25,783	1	1
Communication	5,258	6,040	416	306
Outsourced Services	5,157	3,964	10,410	10,099
Equipment/Furniture Maintenance	3,605	4,092	1,243	1,363
Software Rent and Maintenance	16,349	11,345	3,068	2,227
Depreciation and Amortization	53,406	50,235	8,168	9,713
Occupation	19,281	18,100	3,875	3,818
Advertising/relationship	165	58	10,176	2,543
Court Expenses	3	7	1,992	1,995
Pis Credit	(1,655)	(1,512)	-	(14)
Cofins Credit	(7,971)	(6,959)	-	(71)
Other	3,213	2,033	4,427	3,213
	335,740	348,030	95,400	79,138

25 Financial Earnings (Loss)

	2022	2021
Financial Revenues		
Financial Investment Revenue	7,272	2,315
Active Monetary Changes (i)	736	1,514
Interest and Active Late Payment Fine	44	616
Exchange Rate Change	-	60
	8,052	4,505
Expenses		
Charges on Loans, Financing and Lease Liabilities	(9,827)	(8,249)
IOF	(47)	(15)
Passive Monetary Changes	(1,321)	(1,323)
Bank Expenses	(98)	(280)
Interest and passive late payment fine	(106)	(235)
Other	(192)	(380)
	(11,591)	(10,482)
	(3,539)	(5,977)

26 Earnings per Share

(a) Basic

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

(b) Diluted

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

	2022	2021
Numerator		
Net Income Attributable to Common Shares	73.572	60,493
Denominator (in thousands of shares)		
Weighted Average Number of Common Shares (excluding treasury shares)	40,889	41,016
Basic Earnings and Diluted Earnings per Share, in Reais	1,7989	14.749

27 Business Segment Information

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

	CSU.Pays		CSU.DX	
	2022	2021	2022	2021
Gross Revenue from Services	372,778	332,665	236,415	248,067
Deductions from Gross Revenues	(52,153)	(45,837)	(19,872)	(20,846)
Net Revenue from Services	320,625	286,828	216,543	227,221
Cost of Services	(155,824)	(155,952)	(179,916)	(192,078)
Gross Profit	164,801	130,876	36,627	35,143
Operating Expenses	(62,996)	(43,391)	(33,921)	(31,069)
Operating Result before Financial Result	101,805	87,485	2,706	4,074

The 10 largest customers account for a significant part of annual gross revenue, so the loss of our largest customers could adversely impact the Company's results.

In thousands of reais, unless otherwise stated

The ten largest clients concentrate a substantial part of its gross revenue. The loss of large clients could negatively impact the Company's results.

	Operating Expenses	
	2022	**2021**
With Sales	(10,176)	(2,543)
General and Administrative	(85,224)	(76,595)
Other Revenues	774	6,811
Other Expenses	(2,291)	(2,133)
	(96,917)	(74,460)

28 Statements of Cash Flow

	2022	**2021**
Variation in the fair value of financial assets - Note 8	(5,151)	(15,403)
Compensation of recoverable taxes	(1,411)	-
Stock Plan - Note 21	(441)	(265)
CP declared unpaid in the year - Note 19	(22,200)	(14,000)
Right of Use and Lease - remeasurements - Note 11	(11,263)	(3,439)
Acquisitions via Leasing - Note 11	(12,060)	(7,183)
	(52,526)	(40,290)

29 Subsequent Events

The Company's Management approved at the Board of Directors' meeting held on March 17, 2023 the distribution of proposed complementary dividends, "ad referendum" of the Annual General Meeting to be held on April 25, 2023, in the amount of BRL 14,586,000.00, thus making a total of R$ 36,786,000.00 distributed for the year 2022, of which R$ 22,200,000.00 through Interest on Equity (JCP) already paid on January 16, 2023. It also approved at the same meeting the distribution of proceeds to shareholders in the form of JCP related to 1Q23, in the gross amount of BRL 6,000,000.00 (six million reais), or R$ 0.145514769 per share, already excluding treasury shares, with withholding income tax to be carried out in accordance with the legislation in force and respecting the legal exceptions. The JCP payment for 1Q23 will be made from April 18, 2023, based on the shareholding position on March 22, 2023, with the Company's shares traded "ex-JCP" from March 23, 2023, inclusive, whose amounts will be imputed to the mandatory statutory dividends for the 2023 Fiscal Year, "ad referendum" of the Annual General Meeting of 2024, pursuant to Article 37 of the Company's Bylaws.

Capital Budget 2023

Pursuant to paragraph 2 of Article 196 of Law 6,404/76, we hereby submit to your decision the Capital Budget of CSU CardSystem S.A. for the year 2023, in the amount of R$77.5 million, according to the funding sources below:

INVESTMENTS

Amount - R$ Thousand

Description	2023P
CSU.Pays Technology (HW/SW/Customizations)	58,517
CSU.Dx Technology (HW/SW/Customization) and Improvements/Furniture/Others 8,677	8,677
Blue C	5,494
Corporate Technology (HW/SW) and Others 4,807	4,807
Total	**77,495**

1 Investments in software, customizations and hardware at CSU Pays represent Management's estimate of amounts to be spent on new projects and updating of the Company's current systems.

2 Investments at the CSU Dx unit are mainly earmarked for disbursements for setting up contact center operations linked to customers and the new BPM product.

Capital Budget 2023 (continued)

USE AND SOURCE OF FUNDS:

Descrição Valor – R$ Mil

Uses		
Investment Plan		77,495
Net debt reduction		47,720
Complementary Dividend Payments - 2022		14,586
JCP Payments - 2022		22,200
	Total	**162,001**
Sources		
Operating cash flow		
	Total	**162,001**

Shareholding composition in:

	December 31, 2022		December 31, 2021	
SHAREHOLDERS	**# SHARES**	**%**	**# SHARES**	**%**
Control Group	**22.661.556**	**54,2%**	**22.628.692**	**54,1%**
Greeneville Delaware LLC	22.591.192	54,0%	22.591.192	54,0%
Marcos Ribeiro Leite	70.364	0,2%	37.500	0,1%
Others	**18.567.039**	**44,4%**	**18.510.296**	**44,3%**
Treasury	**571.405**	**1,4%**	**661.012**	**1,6%**
TOTAL CSUD3	**41.800.000**	**100%**	**41.800.000**	**100%**

Data: December 31, 2022

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

To Management and Shareholders of
CSU Digital S.A.

Opinion

We have audited the accompanying financial statements of CSU Digital S.A. ("Company"), which comprise the balance sheet as at December 31, 2022 and the related statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CSU Digital S.A. as at December 31, 2022, and its financial performance and its cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards - IFRS, issued by the International Accounting Standards Board - IASB.

Basis for opinion

We conducted our audit in accordance with Brazilian and International Audit Standards on Auditing. Our responsibilities, in accordance with these standards, are further described in "Auditor´s responsibilities for the audit the financial statements" section of the report. We are independent of the Company, in accordance with the relevant ethical requirements in the Code of Ethics for Professional Accountants and the professional standards issued by the Brazilian Federal Accounting Council ("CFC"), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

Key audit matters ("KAMs") are those matters that, in our professional judgment, were of most significance in our audit of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and, therefore, we do not provide a separate opinion on these matters.

Recognition of Revenue from Service Provision

Why is it a KAM

As disclosed in note 2.25 (a), 3.3 and 23 to the financial statements, the Company has a substantial part of its revenue stream from credit card processing services, relationship and loyalty programs, teleservice and telesales (contact centers). Revenue is recognized as services are provided, calculated based on prices contracts agreed with customers and includes estimates of amounts to be invoiced and invoiced amounts, using various measurement and billing systems that are not integrated into the Company's accounting system. Thus, due to the relevance of the values involved, complexity of the systemic environment and volumes of transacted data, we consider this issue as one of the Key audit matters.

How the matter was conducted in our audit

Our audit procedures included, among others: (i) understanding of the policy and methodology used by the Company in revenue recognition; (ii) with support of our information technology specialists, evaluation of the design of relevant internal controls related to change management and access profiles of measurement and billing systems and evaluation of customer approval controls over revenue estimates received; (iiii) the evaluation of the criteria and assumptions adopted in the recognition of revenue through substantive detail tests; and (iv) assess the appropriateness of the respective disclosures in the Company financial statements in accordance with technical pronouncement CPC 47 - Revenue from the Client Contract.

Based on the procedures carried out, we consider the judgments exercised and the criteria adopted for revenue recognition are acceptable within the context of the financial statements taken as a whole.

Software-Related Cost Capitalization

Why is it a KAM

As disclosed in note 2.14(b) to the financial statements, the costs of developing software that are directly attributable to a given project, identifiable and controlled by the Company, are recognized as intangible assets. These capitalized costs mainly include employee costs allocated to software development and the acquisition of use licenses.

Therefore, due to the relevance of the values involved, capitalization criteria considerations this issue as one of the Key audit matters.

How the matter was conducted in our audit

Our audit procedures included, among others: (i) understanding of the policy and methodology applied by the Company in the capitalization of costs related to software; (ii) the evaluation of the criteria and assumptions adopted in the capitalization of costs related to software through substantive documentary tests that seek to confirm whether the assets are identifiable, controlled and generating future economic benefits; and (iii) assess the appropriateness of the respective disclosures in the Company financial statements Company in accordance with technical pronouncement CPC 4 (R1) - Intangible Assets.

Based on the procedures performed, we consider the judgments exercised and the criteria adopted in the capitalization of software-related costs are acceptable within the context of the financial statements taken as a whole.

Other matters

Statements of value added

The statements of value added (“DVA”) for the year ended December 31, 2022, prepared under the responsibility of the Company’s Management and disclosed as supplemental information for IFRS purposes, were subject to audit procedures performed together with the audit of the Company’s financial statements. In forming our opinion, we assessed whether these statements are reconciled with the financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria set out in technical pronouncement CPC 09 - Statement of Value Added. In our opinion, these statements of value added were appropriately prepared, in all material respects, in accordance with the criteria set out in such technical pronouncement and are consistent in relation to the financial statements taken as a whole.

Audit of financial statements for the year ended December 31, 2021

The financial statements, for the year ended December 31, 2021, were audited by another independent auditor, who issued a report dated March 9, 2022 with an unqualified opinion on these financial statements.

Other information accompanying the financial statements and the independent auditor’s report

Company’s Management is responsible for the other information that comprises the Management Report.

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

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

Responsibilities of Management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting practices adopted in Brazil and IFRS, issued by the IASB, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and its subsidiaries' financial reporting process.

Auditor's responsibilities for the audit of financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements taken as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, when applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the KAMs. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The accompanying financial statements have been translated into English for the convenience of readers outside Brazil.

São Paulo, March 21, 2023

DELOITTE TOUCHE TOHMATSU
Auditores Independentes Ltda.
CRC nº 2 SP 011609/O-8

Alexander Cassini Decourt
Engagement Partner
CRC nº 1 SP 276957/O-4

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

The members of the Statutory Audit Committee of CSU Digital S.A., in the exercise of their legal attributions and responsibilities as provided for in the Bylaws of the Statutory Audit Committee, considering the information provided by The Company's Management and its independent auditors examined and analyzed the preliminary report of the auditors independent, without reservations, for the fiscal year ended on December 31, 2022 and also analyzed the financial statements for the same year, comprising the Management Report, the Balance Sheet, the Statements of Income, Comprehensive Income, Changes in Equity, Cash Flows, and Value Added, complemented by explanatory notes, as well as the proposals for the allocation of the result for the year 2022 and for the incorporation of part of the balance of the profit retention reserve to the share capital, unanimously opined that these adequately reflect, in all material respects, the equity and financial position of the Company, and recommended the approval of documents by the Company's Board of Directors for forwarding to the Annual General Meeting of Shareholders.

Members of the Audit Committee

Antonio Kandir

Sérgio Luiz da Silva Ribeiro

João Carlos Matias

DIRECTORS' BOARD

Antonio Kandir

Chairman of the Independent Board

Antonio Martins Fadiga

Independent Board Member

Marcos Ribeiro Leite

Board Member

Rubens Antonio Barbosa

Independent Board Member

Ricardo Ribeiro Leite

Independent Board Member

Opinions and Declarations / Declaration of the Directors on the Financial Statements

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

<u>BOARD</u>

Marcos Ribeiro Leite
CEO

Pedro Alvarenga D'Almeida
Investor Relations Director

Guilherme Rocha Vieira
Chief Financial Officer

Fabiano Agante Droguetti
Director

Décio Burd
Director

Celio Rorato Junior
Financial Superintendent

Rodrigo Rocha Barbosa
Accounting Manager - CRC 1SP316033/O-4

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

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