CI&T UK Limited

Registered number: 10257844

Annual report

For the year ended 31 December 2022

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CI&T UK LIMITED

COMPANY INFORMATION

Directors	B Guicardi-Neto S Rodrigues
Company secretary	Broadway Secretaries Limited
Registered number	10257844
Registered office	One Bartholomew Close London United Kingdom EC1A 7BL
Independent auditor	Warrener Stewart Harwood House 43 Harwood Road Fulham London SW6 4QP

CI&T UK LIMITED

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the audited financial statements for the year ended 31 December 2022.

Principal activity

The principal activity of the Company during the year was that of the sale of digital information technology solutions.

Directors

The directors who served during the year and to the date of this report were:

B Guicardi-Neto
S Rodrigues (appointed 23 June 2022)

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Going concern

The financial statements are prepared on a going concern basis. The Company remains assured of the financial support by the parent company. The directors have received confirmation that the parent company will continue to support the Company and provide it with adequate funds when necessary to enable it to meet its debts as they fall due within the next 12 months. On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis.

Economic impact of global events

UK businesses are facing many uncertainties and challenges caused by political, economic, social, technological, legal and environmental factors. These uncertainties have contributed to an environment where there exists a range of issues and risks, including inflation, rising interest rates, labour shortages, disrupted supply chains and new ways of working.

The directors have carried out an assessment of the potential impact of these uncertainties on the business, including the impact of mitigation measures, and have concluded the greatest impact on the business is expected to be from the economic ripple effect on the global economy. The directors have taken account of these potential impacts in their going concern assessment.

The Company continues to work with its partners to minimise any impacts of these events and maximise the realisation of any opportunities they may provide to the business.

Qualifying third party indemnity provisions

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the period and remain in place at the date of this report. No claim or notice of a claim in respect of these indemnities has been received in the year.

Strategic report

The Company has taken exemption under section 414B of the Companies Act 2006 from the requirements to prepare a Strategic report for the current financial year.

Disclosure of information to the auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all the steps that ought to have been taken as directors in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditor

The auditor, Warrener Stewart, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

This report was approved by the board and signed on its behalf by:

Bruno Guicardi (Nov 2, 2023 09:15 EDT)

B Guicardi-Neto
Director

Date: Nov 2, 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CI&T UK LIMITED

Opinion

We have audited the financial statements of CI&T UK Limited (the 'Company') for the year ended 31 December 2022, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its loss for the period then ended;
- have been properly prepared in accordance with FRS 101; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard 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 opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The directors are responsible for the other information contained within the Annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 the directors intend either to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 ISAs (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our assessment of the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur, is considered to be low. We reached this conclusion after consideration of the following:

- a high level of review of key performance and similar indicators;
- a high level of informed individuals within senior and finance management;
- a strong control environment across the financial and operational functions; and
- a high degree of experience and trust within key finance management.

We designed our audit procedures to respond to identified risks and communicated these to all members of the audit team. Some of the specific procedures performed to detect irregularities, including fraud, are detailed below:

- enquiries made with key management;
- a review of group-wide polices and procedures in respect of fraud prevention and detection; and
- a high level analytical review of financial data

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to material misstatement in the financial statements or non-compliance with regulation. This risk increases the more the compliance with a law or regulation is removed from the events and transactions reflected in the financial statements as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring because of fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CI&T UK LIMITED

Use of the audit report

This report is made solely to the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body for our audit work, for this report, or for the opinions we have formed.

Colin Edney (Senior statutory auditor)

for and on behalf of
Warrener Stewart

Chartered Accountants & Statutory Auditors

43 Harwood Road
London
United Kingdom
SW6 4QP

Date: Nov 2, 2023

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Turnover		7,239,978	2,847,867
Cost of sales		(6,522,159)	(2,265,546)
Gross profit		717,819	582,321
Administrative expenses		(1,877,248)	(1,140,931)
Operating loss	4	(1,159,429)	(558,610)
Interest receivable and similar income	7	20,824	53,681
Interest payable and similar expenses	8	(313,728)	(19,178)
Loss before tax		(1,452,333)	(524,107)
Tax on loss	9	-	-
Loss for the financial year		(1,452,333)	(524,107)
Other comprehensive income		-	-
Total comprehensive loss for the year		(1,452,333)	(524,107)

The Statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

The notes on pages 11 to 27 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note		2022 £		2021 £
Fixed assets					
Tangible assets	10		20,397		9,761
Investments	11		190		-
			20,587		9,761
Current assets					
Debtors: amounts falling due within one year	12	5,183,785		1,922,627	
Cash at bank and in hand	13	1,283,765		275,826	
		6,467,550		2,198,453	
Creditors: amounts falling due within one year	14	(7,914,751)		(2,194,786)	
Net current (liabilities)/assets			(1,447,201)		3,667
Provisions for liabilities					
Deferred tax	15	(8,692)		-	
Net (liabilities)/assets			(1,435,306)		13,428
Capital and reserves					
Called up share capital	16		100		100
Capital contribution reserve	17		600,000		600,000
Other reserves	17		10,201		6,602
Profit and loss account	17		(2,045,607)		(593,274)
Total equity			(1,435,306)		13,428

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Bruno Guicardi (Nov 2, 2023 09:15 EDT)

B Guicardi-Neto
Director

Date: Nov 2, 2023

The notes on pages 11 to 27 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital	Capital contribution reserves	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2021 (as previously stated)	100	-	637	(282,646)	(281,909)
Prior year adjustment	-	-	-	213,479	213,479
At 1 January 2021 (as restated)	100	-	637	(69,167)	(68,430)
Comprehensive income for the year					
Loss for the year	-	-	-	(524,107)	(524,107)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(524,107)	(524,107)
Parent contributions/ share based payments	-	600,000	5,965	-	605,965
Total transactions with owners	-	600,000	5,965	-	605,965
At 1 January 2022	100	600,000	6,602	(593,274)	13,428
Comprehensive income for the year					
Loss for the year	-	-	-	(1,452,333)	(1,452,333)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(1,452,333)	(1,452,333)
Share based payments	-	-	3,599	-	3,599
Total transactions with owners	-	-	3,599	-	3,599
At 31 December 2022	100	600,000	10,201	(2,045,607)	(1,435,306)

The notes on pages 11 to 27 form part of these financial statements.

1. General information

CI&T UK Limited is a private company limited by shares, registered in England and Wales. The company's registered number is 10257844. The address of its registered office is One Bartholomew Close, London, United Kingdom, EC1A 7BL.

The principal activity of the Company during the year was that of the sale of digital information technology solutions.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

Except for certain disclosure exemptions detailed below, the recognition, measurement and disclosure requirements of UK-adopted International Accounting Standards have been applied to these financial statements, and where necessary, amendments have been made in order to comply with the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The financial statements have been presented in Pounds Sterling as this is the currency of the primary economic environment in which the Company operates and is rounded to the nearest pound.

First time application of FRS 101

In the current year the company has adopted FRS 101. In previous years the financial statements were prepared in accordance with applicable UK accounting standards.

There have been no material amendments to the disclosure requirements previously applied in accordance with UK GAAP.

The following principal accounting policies have been applied:

2. Accounting policies (continued)

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

This information is included in the consolidated financial statements of CI&T, Inc. as at 31 December 2022 and these financial statements may be obtained from 630 Freedom Business Center, 3rd Floor, King of Prussia, PA 19406.

2.3 Exemption from preparing consolidated financial statements

The Company, and the group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and group are considered eligible for the exemption to prepare consolidated accounts.

2.4 Going concern

The financial statements are prepared on a going concern basis. The Company remains assured of the financial support by the parent company. The directors have received confirmation that the parent company will continue to support the Company and provide it with adequate funds when necessary to enable it to meet its debts as they fall due within the next 12 months. On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis.

2.5 Impact of new international reporting standards, amendments and interpretations

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2022 that have had a material impact on the Company's financial statements.

2. Accounting policies (continued)

2.6 Foreign currency translation

Functional and presentation currency

The Company's functional and presentation currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

All other foreign exchange gains and losses are presented in profit or loss within 'administrative expenses'.

2.7 Turnover

The Company operated an Intercompany Service Agreement with its parent company, CI&T Inc. that states the rates that intercompany turnover is to be calculated on a cost plus basis. The Company also derives its turnover from services provided to the third party.

Turnover is recognised to the extent that is it probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Rendering of services

Turnover from providing services is recognised in the accounting period in which the services are rendered.

For fixed-price contracts, turnover is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

2.8 Interest receivable and similar income

Interest receivable and similar income is recognised in profit or loss using the effective interest method.

2. Accounting policies (continued)

2.9 Interest payable and similar expenses

Interest payable and similar expenses are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in other creditors as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.11 Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

2. Accounting policies (continued)

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Computer equipment	- 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2. Accounting policies (continued)

2.14 Valuation of investments

Investments in subsidiaries are measured using the equity method of accounting.

Investments are initially recognised at cost and adjusted thereafter for the post acquisition share of the investee's net assets.

To the extent that net assets fall below the cost of acquisition, the difference is recorded as a liability.

2.15 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.16 Cash at bank and in hand

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.17 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2. Accounting policies (continued)

2.19 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

Fair value through profit or loss

All of the Company's financial assets are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses being recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Impairment of financial assets

The Company always recognises lifetime ECL for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

2. Accounting policies (continued)

2.19 Financial instruments (continued)

Financial liabilities

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss, when the financial liability is held for trading, or is designated as at fair value through profit or loss. This designation may be made if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or the financial liability forms part of a group of financial instruments which is managed and its performance is evaluated on a fair value basis, or the financial liability forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at fair value through profit or loss. Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In applying the company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Critical judgements in applying the company's accounting policies

The critical judgements that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

Share based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Company used the Black-Scholes model.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Recoverability of debtors

The directors establish a provision for debtors that are estimated not to be recoverable, non-invoiced revenue and expected credit losses. When assessing recoverability the directors have considered factors such as the aging of the debts, past experience of recoverability and the credit profile of individual or groups of customers. In 2022 the provision for non-invoiced revenue was calculated by applying a percentage to clients who had pending billing amounts. The company recognised an allowance for doubtful debts of £887 (2021: £nil). The provision recognised in the financial statements totalled £3,655 (2021: £nil). The estimated credit losses are applicable from October 2022 and the amount recognised in the financial statements amounted to £nil.

4. Operating loss

The operating loss is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets	4,073	1,892
Exchange differences	(34,424)	(5,599)

5. Auditor's remuneration

During the year, the Company has incurred the following amounts from the Company's auditor: £12,000 (2021: £7,950).

6. Employees

	2022 £	2021 £
Wages and salaries	2,601,306	1,185,027
Social security costs	366,080	178,651
Cost of defined contribution scheme	98,040	50,251
	3,065,426	1,413,929

The average monthly number of employees, including the directors, during the year was 15 (2021: 11).

7. Interest receivable

	2022 £	2021 £
Other interest receivable	20,824	53,681

8. Interest payable and similar expenses

	2022 £	2021 £
Loans from group undertakings	313,728	19,178

9. Taxation

	2022 £	2021 £
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Tax on loss	-	-

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021: higher than) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £	2021 £
Loss on ordinary activities before tax	(1,452,333)	(524,107)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	(275,943)	(99,580)
Effects of:		
Losses surrendered for group relief	275,943	99,580
Total tax charge for the year	-	-

Factors that may affect future tax charges

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

10. Tangible fixed assets

	Computer equipment £
Cost	
At 1 January 2022	11,684
Additions	14,709
At 31 December 2022	26,393
Depreciation	
At 1 January 2022	1,923
Charge for the year	4,073
At 31 December 2022	5,996
Net book value	
At 31 December 2022	20,397
At 31 December 2021	9,761

11. Investment

	Investments in subsidiary companies £
Cost	
At 1 January 2022	-
Additions	190
At 31 December 2022	190

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Country of incorporation	Class of shares	Holding
CI&T Colombia	Colombia	Ordinary	100%

12. Debtors: Amounts falling due within one year

	2022 £	2021 £
Trade debtors	3,493,363	1,190,570
Amounts owed by group undertakings	1,525,416	600,808
Other debtors	128,151	90,428
Prepayments	754	5,015
Tax recoverable	36,101	35,806
	5,183,785	1,922,627

Amounts owed by group undertakings are unsecured, interest free and payable on demand. Trade debtors also include some element of amounts owed by group undertakings.

Trade debtors are stated after provisions of £4,542 (2021: £nil).

13. Cash at bank and in hand

	2022 £	2021 £
Cash at bank and in hand	1,283,765	275,826

14. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	2,041,488	590,926
Amounts owed to group undertakings	4,931,146	1,367,080
Other taxation and social security	47,326	63,293
Other creditors	213,168	5,717
Accruals	681,623	167,770
	7,914,751	2,194,786

Amounts owed to group undertakings are interest bearing at between libor 6 months+2% and 5.33% (2021: 3% fixed rate libor), unsecured and repayable on demand. Trade creditors also include some element of amounts owed to group undertakings and these amounts are interest free, unsecured and repayable on demand.

15. Deferred taxation

	2022 £
Charged to profit or loss	(8,692)
At end of year	(8,692)

The deferred taxation balance is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	(8,692)	-

16. Called up share capital

	2022 £	2021 £
Allotted, called up and fully paid		
100 (2021: 100) ordinary shares of £1 each	100	100

Each ordinary share has attached to it full voting, dividend and capital distribution rights.

17. Reserves

Other reserves

This reserve comprises the fair value of options recognised as an expense. Upon exercise of options, any proceeds received are credited to share capital. The other reserves remain as a separate component of equity.

Capital contribution reserves

This reserve represents amount contributed by the parent company.

Profit and loss account

This reserve represents the cumulative profits and losses of the Company.

18. Share-based payments

Under the terms of their employment contracts, the employees of the Company are entitled to participate in the share based payment scheme of the parent company, CI&T, Inc.

On October 29, 2021, in connection with a restructuring, the Board of Directors approved the migration of the plan from the subsidiary CI&T Brazil to the Company. The Company recognized the rights of each participant accrued under the corresponding plan and related programs and shall assume all obligations of CI&T Brazil under such plan. Since then, the Company remeasured the fair value of the stock options granted, both of the Company and of the subsidiary CI&T Brazil on the date of the plan migration. The remeasurement to the fair value of the stock options granted was immaterial.

The options already granted became options granted under the CI&T Cayman Plan, provided that each option shall confer the right to acquire one class A common share issued by the Company.

As the number of shares forming the Company's capital stock is 68.14 times the number of shares forming the subsidiary CI&T Brazil, the number of granted options and the exercise price were adjusted in the same proportion.

During the year 5615 (2021: 23,987) options were granted to 1 employee in 2022 (2021: 3 employees). The weighted average exercise price is in Brazilian Real.

	Weighted average exercise price (pence) 2022	Number 2022	Weighted average exercise price (pence) 2021	Number 2021
Outstanding at the beginning of the year		273,306		123,876
Granted during the year	R$ 16.76	5,615	R$ 19.84	23,987
Transferred from CI&T SW SOP Plan	R$ 9.58	78,360	R$ 9.58	125,443
Exercised during the year	*	(144,359)	-	-
Outstanding at the end of the year		212,922		273,306

* The weighted average exercise price for the share options excercised during the year was between R$ 9.58 and R$ 19.84 (2021: nil).

The share option scheme was valued using the Black Scholes method as the fair value of services received could not be estimated reliably. The directors believe that the Black Scholes method provides the best estimate of the fair value of the equity instruments granted.

The fair value of the share options granted in the current and previous financial years were calculated using the Black Scholes method at the grant date. This is considered to be an appropriate method of calculating the fair value based on the information which was made available at the time of valuation.

18. Share-based payments (continued)

	2022	2021
	£	£
Share option expense	3,596	5,965

19. Contingent liabilities

The Company has provided a guarantee to HSBC Bank Plc in relation to credit card limits.

20. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £26,090 (2021 : £18,091). Contributions totalling £16,399 (2021: £975) were payable to the fund at the reporting date and are included in creditors.

21. Related party transactions

The Company is a wholly owned subsidiary of CI&T, Inc. and has taken advantage of exemption permitted by IAS 24 'Related Party Disclosures' not to disclose related party transactions entered into with other wholly owned members of the group. The Company and its subsidiary undertakings are included within the consolidated financial statements of CI&T, Inc.

22. Post balance sheet events

There have been no significant events affecting the Company since the year end.

23. Controlling party

The immediate parent company is CI&T, Inc., a company incorporated in the United States of America. The company's registered office address is 630 Freedom Business Center, 3rd Floor, King of Prussia, PA 19406.

The smallest and largest group company in which the results of the Company are consolidated is headed by CI&T, Inc., a company registered in the United States of America. Copies of the consolidated financial statements of CI&T, Inc. are available from 630 Freedom Business Center, 3rd Floor, King of Prussia, PA 19406.

The ultimate parent company is CI&T Software S.A. incorporated in Federative Republic of Brazil.

CI&T Inc

Consolidated financial statements
December 31, 2022

Content

KPMG

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Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
CI&T Inc

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of CI&T Inc and subsidiaries (the Company) as of December 31, 2022 and 2021, the related consolidated statements of profit or loss, other comprehensive income, changes in equity, and cash flows for each of the years in the three-year period ended December 31, 2022, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2022, in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Basis for Opinion
These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

KPMG Auditores Independentes

KPMG Auditores Independentes Ltda.
CRC 2SP-027612/F

We have served as the Company's auditor since 2018.

Campinas, Brazil

March 28, 2023

CI&T Inc

Consolidated statements of financial position as of December 31, 2022 and 2021

(In thousands of Brazilian Reais - R$)

Assets	Note	December 31, 2022	December 31, 2021
Cash and cash equivalents	10.1	185,727	135,727
Financial investments	10.2	96,299	798,786
Trade receivables	11	501,671	340,519
Contract assets	23	217,250	134,388
Recoverable taxes		7,619	7,785
Tax assets		2,959	2,810
Derivatives - hedge accounting	28.2	19,637	-
Derivatives	28.1	11,194	896
Other assets	12	38,269	29,994
Total current assets		**1,080,625**	**1,450,905**
Recoverable taxes		3,624	3,046
Deferred tax assets	26	35,138	31,989
Judicial deposits	19	9,819	3,079
Restricted cash - Escrow account and indemnity asset		31,552	-
Other assets	12	3,654	2,974
Property, plant and equipment	13	55,266	57,721
Intangible assets and goodwill	14	1,750,898	738,803
Right-of-use assets	15.a	56,187	73,827
Total non-current assets		**1,946,138**	**911,439**
Total assets		**3,026,763**	**2,362,344**

Liabilities and equity	Note	December 31, 2022	December 31, 2021
Suppliers and other payables		33,376	33,566
Loans and borrowings	16	231,296	164,403
Lease liabilities	15.b	21,539	21,214
Salaries and welfare charges	17	260,156	234,173
Accounts payable for business combination	18	71,650	48,923
Derivatives - hedge accounting	28.2	35,169	-
Derivatives	28.1	4,109	535
Tax liabilities		3,890	13,345
Other taxes payable		14,382	5,423
Contract liability		32,136	13,722
Other liabilities		47,501	13,669
Total current liabilities		**755,204**	**548,973**
Loans and borrowings	16	742,935	624,306
Lease liabilities	15.b	41,269	60,674
Provisions	19	12,347	633
Accounts payable for business combination	18	133,299	36,803
Other liabilities		3,530	1,660
Total non-current liabilities		**933,380**	**724,076**
Equity	22		
Share capital		37	36
Share premium		946,173	915,947
Capital reserves		203,218	10,105
Profit reserves		251,873	125,957
Other comprehensive income (loss)		(63,122)	37,250
Total equity		**1,338,179**	**1,089,295**
Total equity and liabilities		**3,026,763**	**2,362,344**

The accompanying notes are an integral part of these consolidated financial statements

CI&T Inc

Consolidated statements of profit or loss

For the years ended on December 31, 2022, 2021 and 2020

(In thousands of Brazilian Reais – R$)

	Note	December 31, 2022	December 31, 2021	December 31, 2020
Net revenue	23	2,187,710	1,444,380	956,519
Costs of services provided	24	(1,425,219)	(935,732)	(600,866)
Gross profit		**762,491**	**508,648**	**355,653**
Selling expenses	24	(163,871)	(89,654)	(65,093)
General and administrative expenses	24	(315,915)	(151,681)	(81,161)
Research and technological innovation expenses	24	-	(4)	(3,462)
Impairment loss on trade receivables and contract assets	24	(329)	(497)	(196)
Other income (expenses) net	24	(8,458)	(22,206)	2,503
Operating expenses net		**(488,573)**	**(264,042)**	**(147,409)**
Operating profit before financial income and tax		**273,918**	**244,606**	**208,244**
Finance income	25	172,996	69,816	47,808
Finance cost	25	(246,642)	(104,048)	(63,261)
Net finance costs		**(73,646)**	**(34,232)**	**(15,453)**
Profit before income tax		**200,272**	**210,374**	**192,791**
Income tax expense				
Current	26	(69,873)	(95,375)	(66,912)
Deferred	26	(4,483)	10,958	1,775
Net profit for the year		**125,916**	**125,957**	**127,654**
Income attributable to:				
Controlling shareholders		125,916	125,957	127,654
Net profit for the year		**125,916**	**125,957**	**127,654**
Earnings per share				
Earnings per share – basic (in R$)	27	0.95	1.03	1.06
Earnings per share – diluted (in R$)	27	0.93	1.01	1.04

The accompanying notes are an integral part of these consolidated financial statements.

CI&T Inc

Consolidated statements of other comprehensive income

For the years ended on December 31, 2022, 2021 and 2020

(In thousands of Brazilian Reais – R$)

	Note	December 31, 2022	December 31, 2021	December 31, 2020
Net profit for the year		125,916	125,957	127,654
Other comprehensive income (OCI):				
Items that are or may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations	22.d	(84,840)	23,830	9,620
Cash flow hedges - effective portion of changes in fair value	28	(15,532)	-	-
Total comprehensive income for the year		**25,544**	**149,787**	**137,274**
Total comprehensive income attributed to				
Owners of the Company		25,544	149,787	137,274
Total comprehensive income for the year		**25,544**	**149,787**	**137,274**

The accompanying notes are an integral part of these consolidated financial statements.

CI&T Inc

Consolidated statements of changes in equity

For the years ended on December 31, 2022, 2021 and 2020

(In thousands of Brazilian Reais – R$)

					Profit reserves				
	Notes	Share capital	Share premium	Capital reserve	Legal reserve	Retained earnings reserve	Retained earnings	Other comprehensive income (loss)	Total equity
Balance as of January 1, 2020		**68,968**	**-**	**4,112**	**8,846**	**23,979**	**-**	**3,800**	**109,705**
Comprehensive income for the year									
Net profit for the year		-	-	-	-	-	127,654	-	127,654
Other comprehensive income for the year		-	-	-	-	-	-	9,620	9,620
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**-**	**127,654**	**9,620**	**137,274**
Transactions with the owner of the Group									
Contributions, distribution and constitution of reserves									
Equity settled share-based compensation		-	-	2,652	-	-	-	-	2,652
Tax effect on the share-based compensation		-	-	-	-	45	-	-	45
2019 additional dividends		-	-	-	-	(16,263)	-	-	(16,263)
Interest on shareholders´ equity		-	-	-	-	-	(4,276)	-	(4,276)
Legal reserve constitution		-	-	-	4,947	-	(4,947)	-	-
Minimum mandatory dividends		-	-	-	-	-	(30,677)	-	(30,677)
Constitution of retained earnings reserve		-	-	-	-	87,754	(87,754)	-	-
Total contributions and distribution and constitution of reserves		**-**	**-**	**2,652**	**4,947**	**71,536**	**(127,654)**	**-**	**(48,519)**
Balances as of December 31, 2020		**68,968**	**-**	**6,764**	**13,793**	**95,515**	**-**	**13,420**	**198,460**
Comprehensive income for the year									
Net profit for the period		-	-	-	-	-	125,957	-	125,957
Other comprehensive income for the year	22.e	-	-	-	-	-	-	23,830	23,830
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**-**	**125,957**	**23,830**	**149,787**
Transactions with the owner of the Group									
Contributions, distribution and constitution of reserves									
Equity settled share-based compensation	21.f	-	-	2,498	-	-	-	-	2,498
Tax effect on the share-based compensation	26	-	-	-	-	(147)	-	-	(147)
Shares exercised of executive officers	21.e	28,697	-	(28,697)	-	-	-	-	-
Corporate restructuring		(88,206)	-	95,711	(13,793)	6,288	-	-	-
Capital contribution	22.a	3	-	-	-	-	-	-	3
Initial public offering proceeds, gross	22.b	-	915,947	-	-	-	-	-	915,947
Initial public offering costs, net of taxes	22.c	-	-	(66,876)	-	-	-	-	(66,876)
2020 additional dividends		-	-	-	-	(95,368)	-	-	(95,368)
Interest on shareholders´ equity		-	-	-	-	(6,288)	-	-	(6,288)
Constitution of retained earnings reserve		-	-	-	-	125,957	(125,957)	-	-
Total contributions and distribution and constitution of reserves		**(59,506)**	**915,947**	**2,636**	**(13,793)**	**30,442**	**(125,957)**	**-**	**749,769**
Changes in ownership interest									

CI&T Inc

Consolidated statements of changes in equity

For the years ended on December 31, 2022, 2021 and 2020

(In thousands of Brazilian Reais – R$)

	Notes	Share capital	Share premium	Capital reserve	Profit reserves: Legal reserve	Profit reserves: Retained earnings reserve	Retained earnings	Other comprehensive income (loss)	Total equity
Spin-off of the CI&T IOT		(9,426)	-	597	-	-	-	-	(8,829)
Merger of Hoshin		-	-	108	-	-	-	-	108
Total changes in ownership interest		**(9,426)**	**-**	**705**	**-**	**-**	**-**	**-**	**(8,721)**
Balances as of December 31, 2021		**36**	**915,947**	**10,105**	**-**	**125,957**	**-**	**37,250**	**1,089,295**
Comprehensive income for the year									
Net profit for the year		-	-	-	-	-	125,916	-	125,916
Exchange variation in foreign investments	22.e	-	-	-	-	-	-	(84,840)	(84,840)
Cash flow hedges - effective portion of changes in fair value	28.2.a.1	-	-	-	-	-	-	(15,532)	(15,532)
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**-**	**125,916**	**(100,372)**	**25,544**
Transactions with the owner of the Group									
Contributions, distribution and constitution of reserves									
Issues of ordinary shares related to business combinations (Somo)	9.2.a	-	14,037	-	-	-	-	-	14 037
Issues of ordinary shares related to business combinations (Transpire)	9.4.a	-	16,189	-	-	-	-	-	16.189
Equity settled share-based payment - Vested immediately (Box)	9.3.a	-	-	4,124	-	-	-	-	4.124
Equity settled share-based payment - Vested immediately (Nersol)	9.5.a		-	170,774	-	-	-	-	170,774
Equity settled share-based compensation	21.a	-	-	2,121	-	-	-	-	2,121
Equity settled restricted stock units	21.c		-	3,376	-	-	-	-	3,376
Equity settled incentive stock options	21.b		-	50	-	-	-	-	50
Share options exercised	21/22.a	1	-	12,668	-	-	-	-	12,569
Constitution of retained earnings reserve		-	-	-	-	125,916	(125,916)	-	-
Total contributions and distribution and constitution of reserves		**1**	**30,226**	**193,113**	**-**	**125,916**	**(125,916)**	**-**	**223,340**
Balances as of December 31, 2022		**37**	**946,173**	**203,218**	**-**	**251,873**	**-**	**(63,122)**	**1,338,179**

The accompanying notes are an integral part of these consolidated financial statements.

CI&T Inc

Consolidated statements of cash flows

For the years ended on December 31, 2022, 2021 and 2020

(In thousands of Brazilian Reais – R$)

	Notes	December 31, 2022	December 31, 2021	December 31, 2020
Cash flow from operating activities				
Net profit for the year		125,916	125,957	127,654
Adjustments for:				
Depreciation and amortization	13, 14, 15	94,558	48,354	29,882
Loss on the sale of property, plant and equipment and intangible assets	13, 14, 15, 16	3,781	1,237	689
Interest, monetary variation and exchange rate changes	16	55,323	45,627	7,789
Interest and exchange variation on accounts payable for business combinations		(2,994)	3,091	-
Exchange variation on escrow account related to Somo acquisition		2,968	-	-
Interest on lease	16	3,823	6,369	5,023
Unrealized loss (gain) on financial instruments		(7,114)	3,084	(2,512)
Income tax expenses	26	74,356	84,417	65,137
Impairment losses on trade receivables	11	423	280	414
(Reversal of) impairment losses on contract assets	23	(94)	217	(218)
Write-off of intangible assets	14	-	21,894	-
Provision for labor risks	19	386	472	(12)
Provision for indemnity		-	-	(18)
Share-based plan	21.f	5,486	2,531	942
Income on financial investments	10.2	(1,964)	-	-
Fair value adjustment on accounts payable for business combination	24.d	11,497	-	-
Exchange rate changes on indemnity		-	-	(4,324)
Others		(1,855)	98	469
Variation in operating assets and liabilities				
Trade receivables		(116,574)	(102,300)	(47,848)
Contract assets		(69,101)	(52,876)	(8,339)
Other taxes recoverable		(547)	(13,806)	461
Tax assets		1,267	(91)	507
Judicial deposits		(6,741)	4	-
Suppliers		(29,769)	12,215	6,746
Salaries and welfare charges		10,729	63,083	49,086
Tax liabilities		(9,681)	(17,364)	(12,275)
Other taxes payable		6,376	1,698	(407)
Contract liabilities		9,636	1,922	(7,138)
Payment of share-based indemnity		-	(628)	(43,354)
Other receivables and payables, net		565	(21,054)	(11,435)
Cash generated from operating activities		**160,656**	**214,431**	**156,919**
Income tax paid	26	(48,299)	(64,150)	(47,044)
Interest paid on loans and borrowings	16	(70,096)	(12,149)	(3,880)
Interest paid on lease	16	(6,169)	(5,753)	(5,023)
Net cash from operating activities		**36,092**	**132,379**	**100,972**
Cash flows from investing activities				
Acquisition of property, plant and equipment and intangible assets	13, 14	(22,967)	(29,907)	(21,391)

CI&T Inc

Consolidated statements of cash flows

For the years ended on December 31, 2022, 2021 and 2020

(In thousands of Brazilian Reais – R$)

	Notes	December 31, 2022	December 31, 2021	December 31, 2020
Redemption(Contribution in) of financial investments	10.2	655,533	(784,915)	-
Acquisition of subsidiary net of cash acquired – Dextra	9.1.e	-	(692,722)	-
Acquisition of subsidiary net of cash acquired - Somo	9.2.e	(270,825)	-	-
Acquisition of subsidiary net of cash acquired - Box 1824	9.3.e	(19,040)	-	-
Acquisition of subsidiary net of cash acquired – Transpire	9.4.e	(55,724)	-	-
Acquisition of subsidiary net of cash acquired – Ntersol	9.5.e	(400,137)	-	-
Cash outflow on hedge accounting settlement	28.2.a.1	25,263	-	-
Hedge accounting - ineffective portion inflow	28.2.a.1	5,337	-	-
Net cash used in investing activities		**(82,560)**	**(1,507,544)**	**(21,391)**
Cash flow from financing activities				
Share-based plan contributions	21	-	1,282	-
Issuance of common shares at initial public offering	1	-	915,947	-
Transaction cost of offering	1	-	(55,874)	-
Dividends paid	22.f	-	(126,045)	(30,977)
Exercised of share-based compensation	21.a	12,668	-	-
Interest on equity, paid	16	-	(6,288)	(4,276)
Payment of lease liabilities	16	(26,993)	(17,656)	(15,500)
Proceeds from loans and borrowings	16	527,507	740,596	144,269
Settlement of derivatives	16	390	-	-
Payment of loans and borrowings	16	(350,571)	(75,196)	(88,107)
Payment of installment related to acquisition of business - Dextra	18	(62,338)	-	-
Net cash from financing activities		**100,663**	**1,376,766**	**5,409**
Net increase in cash and cash equivalents		**54,195**	**1,601**	**84,990**
Cash and cash equivalents as of January 1st		**135,727**	**162,827**	**79,500**
Exchange variation effect on cash and cash equivalents		(4,195)	(20,949)	(1,663)
Cash reduction due to spin-off effect		-	(7,752)	-
Cash and cash equivalents as of December 31		**185,727**	**135,727**	**162,827**

The accompanying notes are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

(Amounts in thousands of Brazilian Reais – R$, unless otherwise stated)

1 Operational context

CI&T Inc ("CI&T" or "Company") is a publicly held company incorporated in the Cayman Islands on June 2021, headquartered at Rua Dr. Ricardo Benetton Martins, 1000, Pólis de Tecnologia, in the City of Campinas, State of São Paulo, Brazil. As a holding company, it is mainly engaged in the investment, as a partner or shareholder, in other companies, consortia or joint ventures in Brazil, and other countries. The Company's subsidiaries are mainly engaged in the development of customizable software through the implementation of software solutions, including machine learning, artificial intelligence (AI), analytics, cloud migration and mobility technologies.

These consolidated financial statements comprise the Company and its subsidiaries (collectively referred to as the "Group").

Unless otherwise indicated or if the context otherwise requires, all references in these consolidated financial statements to "CI&T Brazil" refer to CI&T Software S.A., one of the Company's subsidiaries.

Since November 10, 2021 CI&T has been a publicly-held company registered with the US Securities and Exchange Commission (the "SEC") and its shares are traded on the New York Stock Exchange ("NYSE") under the ticker symbol "CINT".

a. Corporate restructuring

CI&T Inc. became the holding entity of CI&T Software S.A. ("CI&T Brazil") in connection with the initial public offering. Prior to the IPO, CI&T Inc. had not begun operations, had nominal assets and liabilities, and had no material contingent liabilities or commitments.

On October 04, 2021, CI&T Inc. established, as a sole member, the subsidiary CI&T Delaware LLC ("CI&T Delaware"). The main office is located at 251 Little Falls Drive, Wilmington, Delaware, 19808. On November 8, 2021, all CI&T Brazil's shares were contributed to CI&T Delaware and, subsequently, CI&T Delaware's shares were transferred to CI&T Inc. Until this corporate reorganization, CI&T Brazil, an operating company, was the ultimate holding of the Group, and it consolidated the results of all companies until that date.

The Group accounted for the restructuring as a business combination of entities under common control, and the pre-combination carrying amounts of CI&T Brazil are included in CI&T's consolidated financial statements with no fair value uplift. Thus, these consolidated financial statements reflect:

(i) The historical operating results and financial position of CI&T Brazil prior to the restructuring;

(ii) The consolidated results of the Group following the restructuring;

(iii) The assets and liabilities of CI&T Brazil and its then subsidiaries at their historical cost;

(iv) The number of ordinary shares issued by CI&T, as a result of the restructuring is reflected retroactively to January 1, 2020, for purposes of calculating earnings per share;

(v) CI&T Brazil shares were contributed in CI&T Delaware at its book value as at November 8, 2021;

(vi) As the remaining equity reserves of CI&T Brazil are no longer applicable to CI&T, they were added to the initial capital reserve balance (see note 22.c).

2 List of direct and indirect subsidiaries

Information on the Company's direct and indirect subsidiaries is presented below:

		December 31,2022		December 31,2021		December 31,2020	
Subsidiaries	**Country of Origin**	**Direct**	**Indirect**	**Direct**	**Indirect**	**Direct**	**Indirect**
CI&T Delaware LLC [(a)]	United States	100%	-	100%	-	-	-
CI&T Software S.A.	Brazil	-	100%	-	100%	-	-
CI&T Japan, Inc.	Japan	-	100%	-	100%	100%	-
CI&T China Inc.	China	-	100%	-	100%	-	100%
CI&T IOT [(b)]	Brazil	-	-	-	-	100%	-
CI&T Portugal Unipessoal Lda.	Portugal	-	100%	-	100%	100%	-
CI&T Australia PTY Ltd.	Australia	-	100%	-	100%	100%	-
Dextra Inc. [(c)]	United States	-	100%	-	100%	-	-
CINQ Inc. [(c)]	United States	-	100%	-	100%	-	-
CI&T Inc. ("CI&T US")	United States	-	100%	-	100%	100%	-
CI&T Software Inc ("CI&T Canada")	Canada	-	100%	-	100%	-	100%
CI&T UK Limited. ("CI&T UK")	United Kingdom	-	100%	-	100%	-	100%
CI&T Colombia	Colombia	-	100%	-	-	-	-
CI&T Argentina S/A	Argentina	-	100%	-	100%	-	100%
NTERSOL Consulting LLC ("NTERSOL") [(f)]	United States	-	100%	-	-	-	-
CoreIP Holdings, Inc. [(f)]	United States	-	100%	-	-	-	-
Somo Global Ltd ("Somo") [(d)]	United Kingdom	100%	-	-	-	-	-
Somo Custom Ltd [(d)]	United Kingdom	-	100%	-	-	-	-
Somo Global Inc. [(d)]	United States		100%	-	-	-	-
Somo Global SAS. [(d)]	Colombia	-	100%	-	-	-	-
Ideonyx Ltd (in liquidation) [(d)]	United Kingdom	-	100%	-	-	-	-
Somo Ltd (dormant) [(d)]	United Kingdom	-	100%	-		-	-
CI&T Oceania PTY Ltd ("Transpire") [(e)]	Australia	100%	-	-	-	-	-
Unconstrained Thinking PTY Ltd [(e)]	Australia	-	100%	-	-	-	-

(a) Refers to note 1.a.

(b) In July 2019, the subsidiary CI&T IOT Comércio de Hardware e Software Ltda. started its operations. The subsidiary's main activity is the sale of technology devices and software on environment management platforms for efficient use of spaces. In April 2021, the partial spin-off on the CI&T IOT investment was approved with the transfer of its net equity to CI&T Brazil's shareholders

(c) In August 2021, CI&T Brazil completed the acquisition of 100% of the shareholding control of Dextra Investimentos S.A. and its subsidiaries (see note 9.1).

(d) In January 2022, the Company completed the acquisition of 100% of the shareholding control of Somo Global Ltd and its subsidiaries (see note 9.2).

(e) In September 2022, the Company completed the acquisition of 100% of the shareholding control of Transpire Technology Pty Ltd and it subsidiary (see note 9.4).

(f) In November 2022, the Company completed the acquisition of 100% of the shareholding control of NTERSOL Consulting LLC and its subsidiary (see note 9.5).

3 Basis of accounting

These consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The issuance of these consolidated financial statements was authorized by the Company's Board of Directors and Audit Committee on March 28, 2023.

Details of the Group's accounting policies are included in note 8.

4 Functional and presentation currency

These consolidated financial statements are presented in Brazilian Reais ("R$"), which is the Company's functional currency. All balances are rounded to the nearest thousands, except when otherwise indicated.

The main exchange rates used in the preparation of the Company's financial statements are Brazilian Reais, US dollar ("US$"), Yen, Euro, Australian dollar ("AU$"), Pound sterling ("£"), and Colombian peso as the Company's subsidiaries have the following functional currencies: CI&T Brazil and BOX 1824 have the local currency, the Brazilian Reais, as its functional currency; CI&T Inc (USA), NTERSOL and Somo Global Inc have the local currency, the US dollar, as their functional currency; CI&T Japan Inc has the local currency, Yen, as its functional currency; CI&T Portugal has the local currency, Euro, as its functional currency; CI&T Australia and Transpire have the local currency, Australian dollar, as its functional currency; CI&T United Kingdom, Somo Global and Somo Custom have the local currency, the Pound sterling, as their functional currency; and CI&T Colombia and Somo Global SAS have the local currency, the Colombian peso, as its functional currency.

5 Use of judgments and estimates

In preparing these consolidated financial statements, Management has made judgments and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. The revisions to estimates are recognized prospectively.

a. Judgments

Information about judgments made in the application of accounting policies that have significant effects on the amounts recognized in the financial statements are included in the following notes:

- Note – 7 - lease term: whether the Group is reasonably certain to exercise extension options;
- Note – 23 - revenue recognition: whether service revenue is recognized over time or at a point in time.

b. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year is included in the following note:

- **Note 9** – acquisition of subsidiary: fair value of the consideration transferred, fair value of identifiable intangibles.

- **Note 14** - impairment test of intangible assets and goodwill: assumptions including the Company's forecasted EBITDA, terminal growth rate and discount rate used to calculate the recoverable amount of the Company's intangible and goodwill.

c. Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has established a control framework with respect to the measurement of fair value. This includes the review of significant fair value measurements, significant unobservable data and valuation adjustments. If third-party information, such as broker quotes or pricing services, is used to measure fair values, the valuation team assesses the evidence obtained from third parties to support the conclusion that such valuations meet the requirements of the Accounting Standards, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses observable market data as much as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- **Level 1:** Quoted prices (not adjusted) in active markets for identical assets or liabilities.

- **Level 2:** Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- **Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- **Note 9** – business combination - acquisition of subsidiary;
- **Note 21** – share-based payment transactions and the compensation for the cancellation of the share based plan; and
- **Note 28** – financial instruments.

6 Changes in significant accounting policies

The Group has adopted *Onerous Contracts – Costs of Fulfilling a Contract (Amendments to IAS 37)* from 1 January 2022. This resulted in a change in accounting policy performing an onerous contracts assessment. Previously, the Group included only incremental costs to fulfil a contract when determining whether that contract was onerous. The revised policy is to include both incremental costs and an allocation of other direct costs.

The amendments apply prospectively to contracts existing at the date when the amendments are first applied. The Group has analyzed all contracts existing at 1 January 2022 and determined that none of them would be identified as onerous applying the revised accounting policy – i.e. there is no impact on the opening equity balances as at 1 January 2022 as a result of the change.

Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted, however, the Group has not early adopted the new or amended standards in preparing the consolidated financial statements. The adoption of these pronouncements, amendments are not expected to have a significant impact on the Group's consolidated financial statements.

(i) Deferred tax related assets and liabilities arising from a single transaction (Amendments to IAS 12)
The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases and decommissioning liabilities. The amendments apply for annual reporting periods beginning on or after 1 January 2023. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognized from beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.

(ii) Classification of liabilities as current or non-current (Amendments to IAS 1)
The amendments, as issued in 2020, aim to clarify the requirements on determining whether a liability is current or non-current, and apply for annual reporting periods beginning on or after 1 January 2023. However, the IASB has subsequently proposed further amendments to IAS 1 and the deferral of the effective date of 2020 amendments to no earlier than 1 January 2024.

Due to these ongoing developments, the Group is unable to determine the impact of these amendments on the consolidated financial statements in the period of initial application. The Group is closely monitoring the developments.

(iii) Other standards

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2
- Definition of Accounting Estimates (Amendments to IAS 8)

7 Basis of measurement

The consolidated financial statements were prepared based on the historical cost basis, except for derivative financial instruments, non-derivatives financial instruments, contingent consideration assumed in a business combination, liabilities for the cancellation of the share-based plan, and liabilities for cash-settled shared-based payment arrangements which are measured at fair value at each reporting date.

8 Significant accounting policies

The Group has consistently applied the following accounting policies described below to all the periods presented in these consolidated financial statements except if mentioned otherwise (see note 6).

a. Basis of consolidation

(i) Business combination

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The consideration transferred in the acquisition is measured at fair value, as are the identifiable net assets acquired. Any goodwill that may arise is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured, and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employee (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date in which control commences until the date in which control ceases.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses (except for foreign currency translation gains or losses) arising from intra-group transactions, are eliminated. Unrealized losses arising are eliminated in the same way as unrealized gain, but only to the extent that there is no evidence of impairment.

b. Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Company and its subsidiaries by the exchange rates at the dates of each such transaction.

Monetary assets and liabilities denominated in foreign currencies on the reporting date are translated to the functional currency at the exchange rate on that date. Non-monetary assets and liabilities that are measured at fair value in foreign currency are retranslated into the functional currency at the exchange rate on the date when the fair value was determined. Non-monetary items that are measured based on historical cost in foreign currency are translated at the exchange rate on the transaction date. Foreign currency differences are generally recognized in profit or loss and presented within finance costs.

However, foreign currency differences resulting from the translation of investments abroad and the qualifying cash flow hedges to the extent that the hedges are effective are recognized in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising from acquisition, are translated into Brazilian Reais at the exchange rates at the reporting date. The income and expenses of operations abroad are translated into Brazilian Reais at the exchange rates at the transaction date.

Foreign currency differences are recognized in other comprehensive income and accumulated in the translation reserve.

c. Revenue from contracts with customers

Information about the Group's accounting policies related to contracts with customers is provided in note 23.

d. Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. These liabilities are recognized at the amount of the expected payment if the Company has a present legal obligation to pay this amount due to service provided by the employee and the obligation can be estimated reliably.

(ii) Share-based payment arrangements

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The Group recognizes each expense according to the services rendered for each subsidiary where the employee participating in the plan works, with the counterpart at:

(a) increase in equity if the services rendered are received in a transaction with a share-based payment settled in equity instruments;

(b) or, if the services rendered are acquired in a transaction with a share-based payment settled in cash (or other assets), a liability is recognized.

The fair value of the amount payable to employees related to the rights on the valuation of shares, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities during the period in which employees unconditionally acquire their right to payment. The liability is remeasured at each reporting date and on the settlement date, based on the fair value of the rights on the valuation of the shares. Any changes in the fair value of the liability are recognized in the profit or loss.

When the granting of an equity instrument is cancelled or settled during the vesting period, the entity must account for the cancellation or settlement as an acceleration of the vesting period and, therefore, must immediately recognize the amount that would be recognized as services received over the remaining vesting period.

In cases where the share-based compensation plan is cancelled, any payments made to employees at the time of the cancellation must be accounted for as a repurchase of an equity instrument, that is, in a reduction account of shareholders' equity, except if the payment exceeds the fair value of the equity instruments granted, measured on the repurchase date. Any surplus must be recognized as an expense for the period. However, if the share-based payment arrangement presents liabilities components, the entity must remeasure the fair value of the corresponding liability on the date of cancellation or settlement. Any payment made to settle these liability components should be accounted for as an extinguishment of the liability.

e. Finance income and finance costs

The Group's finance income and finance costs include:

- Interest income;
- Interest expense;
- The net gain or loss on financial assets measured at fair value through profit or loss;
- The foreign currency gain or loss on financial assets and financial liabilities;
- Hedge ineffectiveness recognized in profit or loss; and
- The reclassification of net gains and losses previously recognized in other comprehensive income on cash flow hedges of foreign currency risk.

Interest income or expense is recognized using the effective interest method. The Group classifies dividends and interest on equity paid as cash flows used in financing activities.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- at the amortized cost of the financial liability.

In calculating interest income or expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or the amortized cost of the liability. However, for financial assets that have become credit-impaired after the initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

f. Income tax

Income tax expenses comprise current and deferred tax, and social security contribution tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 - Provisions, Contingent Liabilities and Contingent Assets.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable profit or loss for the year and any adjustment to taxes payable or receivable in respect of prior years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if certain criteria are met.

(ii) Deferred taxes

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- Temporary differences in the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- Temporary differences related to investments in subsidiaries to the extent that the Group can control the timing of the reversal of the temporary difference, and it is probable that the temporary difference will not be reversed in the foreseeable future.

Deferred tax assets are recognized in respect of tax losses, unused deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for each individual subsidiary.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that they are no longer probable.

Deferred tax assets and liabilities are measured based on the rates that are expected to be applied to temporary differences when they are reversed, based on the rates that were enacted up to the reporting date.
The measurement of deferred tax reflects the tax consequences that would follow from the way the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

g. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand and in banks and short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

h. Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment items are measured at cost of acquisition, less accumulated depreciation and any accumulated impairment losses.

Any gain or loss on the disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated to write-off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method based over their estimated useful lives, and is recognized in profit and loss. Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative years are as follows:

IT equipment	2 to 5 years
Furniture and fixtures	7-10 years
Vehicles	5 years
Leasehold improvements	1 to 8 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

i. Intangible assets and goodwill

(i) Recognition and measurement

Goodwill

Goodwill arising from the acquisition of subsidiaries is measured at cost less accumulated impairment losses, when applicable

Brands and Customer relationship

Brands and customer relationship acquired through business combinations are recognized at their fair value at the acquisition date and amortized over their expected benefit period.

Software

Software licenses are capitalized based on the costs incurred to acquire the software and prepare them to be ready for use and amortized over their expected benefit period.

Costs associated with software maintenance are recognized as expenses as incurred. Development costs directly attributable to the design and testing of identifiable and unique software products, controlled by the Group, are recognized as intangible assets.

Directly attributable costs, which are capitalized as a part of the software product, include the costs of employees allocated to software development and an appropriate portion of the applicable indirect expenses.

Other development costs that do not meet these criteria for capitalization are recognized as expenses as they are incurred. Development costs previously recognized as expenses are not recognized as assets in subsequent periods.

Software in progress
Software in progress is capitalized only if the expenditure can be measured reliably, the product or progress is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient intention and resources to complete development and use or sell the asset. Otherwise, it is recognized in profit and loss as incurred. Subsequent to initial recognition, intangible in progress is measured at cost less any accumulated impairment losses.

Non-compete agreement
Non-compete agreements acquired through business combinations are recognized at their fair value at the acquisition date and are amortized over the term of the agreements.

(ii) Subsequent expenditure
Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures, including brands and patents, are recognized in profit or loss as incurred.

(iii) Amortization
Amortization is calculated to write-off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss. Goodwill is not amortized.

The estimated useful lives for current and comparative periods are as follows:

Network software	5 years
Internally developed software	3 years
Customer relationship	6 – 19 years
Non-compete agreement	5 years
Brands	1 - 21 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

j. Financial instruments

(i) Recognition and initial measurement
Trade receivables are initially recognized on the date they are originated. All other financial assets and liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not measured at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. Trade receivable without a significant financing component are initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets
Upon initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income ("FVOCI") — debt investment; FVOCI — equity investment; or at FVTPL – fair value through profit or loss.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

(i) It is maintained within a business model aimed at maintaining financial assets to receive contractual cash flows; and

(ii) Its contractual terms give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. Upon initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or fair value through other comprehensive income ("FVOCI") as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial asset – Business model assessment
The Group makes an assessment of the objective of the business model in which a financial asset is held in the portfolio level because it better reflects the way the business is managed and information is provided to Management. Information considered includes:

(i) The stated policies and objectives set for the portfolio and the operation of those policies in practice. These include whether Management's strategy focuses on achieving contractual interest income, maintaining a particular interest rate profile, matching the duration of financial assets with the duration of related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;

(ii) How the performance of the portfolio is evaluated and reported to the Group's Management;

(iii) The risks that affect the performance of the business model (and the financial assets held according to that business model) and how those risks are managed;

(iv) How the managers of the business are compensated – e.g., whether compensation is based on the fair value of assets managed or the contractual cash flows earned; and

(v) The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales, in a manner consistent with the continuing recognition of the assets of the Company and its subsidiaries.

Financial assets held for trading or managed and whose performance is evaluated on a fair value basis are measured at fair value through profit or loss.

Financial asset – assessment of whether contractual cash flows are solely principal and interest payments
For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset upon initial recognition. Interest' is defined as consideration for the time value of money and the credit risk associated with the principal amount outstanding over a given period of time and for the other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable-rate features;
- Prepayment and extension features; and
- Terms that limit the Group's access to cash flows from specific assets (e.g., non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. In addition, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets - Subsequent measurement and gains and losses

Financial assets at FVTPL
These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost
These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Financial liabilities – classification, subsequent measurement and gains and losses
Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as measured at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities measured at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense, foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(iii) Derecognition

Financial assets
The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers rights to receive the contractual cash flows in a transaction in which either: (i) substantially all the risks and rewards of ownership of the financial asset are transferred, or (ii) the Group neither transfers nor retains substantially all of the risks and rewards of ownership of it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statements of financial position, but retains all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities
The Group derecognizes a financial liability when its contractual obligations are discharged or canceled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On the derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

Interest rate benchmark reform
When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortized cost changed as a result of interest benchmark reform, the Group updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met: (i) the changes are necessary as a direct consequence of the reform; and (ii) the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Group applied the policies on accounting for modifications to the additional changes.

(iv) Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(v) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate exposures.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

(vi) Non-derivative financial instruments and hedge accounting

The Group designates certain non-derivative financial instruments as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates.

At the inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and the hedging instrument are expected to offset each other.

Cash flows hedges

When a non-derivative financial instrument is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the non-derivative financial instrument is recognized in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the non-derivative financial instrument that is recognized in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present basis, from the inception of the hedge. Any ineffective portion of changes in the fair value of non-derivative financial instrument is recognized immediately in profit or loss.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of forward element of forward exchange contracts (forward points) is separately accounted for as a cost of hedging and recognized in costs of hedging reserve within equity.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as financial investments, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognized.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedge reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item cost's on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

Additionally, when a financial instrument designated as a hedging instrument expires or is settled, the Group may replace it with another financial instrument, in order to ensure the continuity of the hedging relationship. Similarly, when a transaction designated as a hedged item takes place, the Group may designate the financial instrument that hedged that transaction as a hedging instrument in a new hedging relationship. The ineffective portion of exchange rate variations arising from hedging instruments is recorded in the financial result for the period. The effective amount of gain or loss on the instrument is accounted for under the heading "Other comprehensive income" and the ineffective amount under the heading of "Net finance cost", with the accumulated gains and losses recognized in profit or loss.

k. Equity

Share capital
According to the Company's Articles of Association, two classes of common shares are authorized: Class A common shares, which are entitled to one vote per share, and Class B common shares, which are entitled to ten votes per share and maintain a proportional ownership interest in the event that additional Class A common shares are issued. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity.

Share premium
The share premium refers to the difference between the subscription price that the shareholders paid for the shares and their nominal value.

Capital reserve
The breakdown of capital reserves arises from the corporate restructuring that occurred in 2021 (note 1.a), share-based compensation (note 21.d) and the share issuance costs (note 21.c).

l. Impairment

(i) Non-derivative financial assets

Financial instruments and contract assets
The Group recognizes loss allowances for expected credit losses on:

- Financial assets measured at amortized cost

- Contract assets

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime expected credit losses.

When determining whether the credit risk of a financial assets has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group considers a financial asset to be in default when:

- It is unlikely that the creditor will fully pay its credit obligations to the Group, without resorting to actions such as the realization of the guarantee (if any); or
- The financial asset is more than 360 days overdue;

Lifetime credit losses are the expected credit losses that result from all possible default events over the expected life of the financial instrument.

The maximum period considered in the expected credit loss estimate is the maximum contractual period over which the Group is exposed to credit risk.

(ii) Measurement of expected credit losses

The Group considers evidence of impairment of assets measured at amortized cost at the collective level. The assets are assessed collectively for any loss of value that could have occurred but had not yet been identified.

Assets are assessed collectively for impairment based on the grouping of assets with similar risk characteristics.

In assessing the impairment as a whole, the Group uses historical trends in the probability of default, the recovery period and the loss amounts incurred. adjusted to reflect the Management's judgment on the assumptions if the current economic and credit conditions are such that actual losses are probable to be higher or lower than those suggested by historical trends.

A loss by reduction to the recoverable amount is calculated as the difference between the recorded amount and the present value of estimated future cash flows, discounted by the original effective interest rate of the asset. Losses are recognized in profit or loss and deducted from the gross carrying amount of the assets.

The allowance for loss on financial assets measured at amortized cost is deducted from the gross carrying amount of the assets.

(iii) Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- A breach of contract such as a default or being more than 90 days past due;
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- It is probable that the debtor will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for expected credit losses in the statement of financial position
Loss allowances for financial assets measured at amortized cost are deducted from gross carrying amount of the assets.

(iv) Write-off
The gross carrying amount of a financial asset is written off when the Group has no reasonable expectation of recovering the financial asset in whole or in part. For customers, the Group has a policy of writing off the gross amount when the financial asset is 360 days past due based on historical experience of recoveries of similar assets, unless the Group has reasonable and supportable information to demonstrate that another writing off criterion is more appropriate. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(v) Non-financial assets
At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market evaluations of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of the asset or CGU exceeds its recoverable amount.
Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

m. Provisions

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(i) Disputes and litigations

The provision for disputes and litigation is recognized when it is probable that the Group will be required to make future payments as a result of past events. Such payments include, but are not limited to, the various claims, processes and actions initiated by both third parties and the Group, relating to labor disputes, complaints from tax authorities and other judicial matters.

(ii) Provision for indemnity of the share-based compensation plan

The provision for the indemnity of the share-based compensation plan was recognized upon the cancellation of all programs and agreements entered into in the Group's share-based compensation plan. Payments to the beneficiaries of the plan grant the Group full discharge on any right related to the Plan.

n. Leases

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single component.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-to-use asset is initially measured at cost, which comprises the initial amount of the liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as a discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments,
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period of the Group are reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not or terminate early.

Regarding the option to extend office leases, the Group applies a 5-year additional to determine the right-of-use amounts, except when there is no certain probability of continuity of activities in such locations. Renewal clauses generally use an inflation update index that is updated annually.

For the years disclosed, the Group does not have lease agreements with variable payments.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments resulting from a change in index or rate, if there is a change in the Group's estimate of the amounts expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognize right-of-use assets and lease liabilities of low-value assets and short-term leases, including IT equipment. The Group recognizes lease payments associated with these leases as expenses on a straight-line basis over the lease term.

o. Operating profit

Operating profit is the result generated from the continuing principal revenue-producing activities of the Group as well as other income and expenses related to operating activities. Operating profit excludes net finance costs, share of profit of equity-accounted investees and income taxes.

p. Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date of the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities (see note 5).

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, the Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based in a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but not later than when the valuation is wholly supported by observable market data or the transaction is closed out.

9 Business combination

9.1 Business combination – Dextra

On June 26, 2021, CI&T Brazil entered into a purchase agreement to acquire 100% of the shareholding control of Dextra Investimentos S.A. ("Dextra Holding") and its subsidiaries ("Dextra Group"). On July 22, 2021, the transaction was approved by the Administrative Council for Economic Defense (CADE), a Brazillian regulator. All conditions precedent were met on August 10, 2021, the date on which the closing term of the acquisition was formalized, and CI&T Brazil obtained the shareholding control of the Dextra Group. Dextra Group is primarily involved in customized software development.
The total consideration of acquisition in the purchase agreement was R$ 800,000. The Company paid R$ 650,000 on August 10, 2021, and R$ 50,938 on December 2, 2021. The Management

revised the purchase price on the closing date based on the Agreement, and reduced the price based in the amount of R$ 16,427, thus the total of consideration transferred was R$ 783,573.

a. Consideration transferred

The following table summarizes the fair value of each major class of consideration transferred on the acquisition date:

Cash	**700,938**
Accounts payable for business combination (note 18)	82,635
Accounts payable to former shareholders (i)	45,726
Retained amount(ii)	30,000
Other (i)	6,909
Total consideration transferred (note 9.1.d)	**783,573**

(i) These amounts were settled in August 10, 2022. See note 18.

(ii) The amount of R$ 30,000 related to a portion of the remaining balance payable was retained for any materialized contingencies, which will be paid on the fifth anniversary of the closing date.

b. Acquisition-related cost

The Company incurred acquisition-related costs of R$ 2,109 on legal fees and due diligence costs. These costs have been recognized in "administrative expenses".

c. Identifiable assets acquired and liabilities assumed

The following table summarizes the recognized amounts of assets acquired and liabilities assumed on the acquisition date:

Assets	**Fair value**
Current	
Cash and cash equivalents	8,216
Trade receivables (a)	56,313
Recoverable taxes	1,668
Other assets	2,386
Current assets	**68,583**
Non-current	
Recoverable taxes	3,932
Property, plant and equipment (note 13)	9,149
Intangible assets (i) (note 14)	148,523
Right-of-use assets (note 15)	5,414
Non-current assets	**167,018**
Total assets	**235,601**

Liabilities	**Fair value**
Current	
Suppliers	5,627
Lease liabilities (note 15)	3,105
Salaries and welfare charges	23,436
Tax liabilities	10,569
Contract liabilities	1,933
Other liabilities	26
Current liabilities	**44,696**
Non-current	
Other liabilities	18
Lease liabilities (note 15)	3,035
Non-current liabilities	**3,053**
Total liabilities	**47,749**
Total identifiable net assets acquired (note 9.1.d)	**187,852**

(a) Gross contractual amount receivable was R$56,854 and R$541 was not expected to be collected.

(i) According to the purchase price on August 10, 2021:

	Fair value
Network software (note 14)	191
Internally developed software (note 14)	22,613
Customer relationship (note 14)	88,961
Non-compete agreement (note 14)	16,257
Brands (note 14)	20,501
Total intangible assets at fair value (note 14)	**148,523**

Measurement of fair values

The following fair values have been determined on the assumptions:

- The fair value estimate for brands was calculated based on the "Relief from Royalty or Savings of Royalties" method, which estimates the asset's value based on hypothetical royalty payments that would be saved by the asset holder compared to what would be paid for licensing the asset owned by third parties, considering its useful life. The useful life for brands is 1.4 year.
- The fair value estimate for the non-compete agreement was calculated based on the "With and Without" method. Its useful life is 5 years.
- The fair value estimate for customer relationship was calculated based on the multi-period excess earnings. Its useful life is 7.4 years.

d.Goodwill

Goodwill arising from the acquisition has been recognized as follows:

	Note	Goodwill
Consideration transferred	9.1.a	783,573
Fair value of identifiable net assets	9.1.c	(187,852)
Goodwill (note 14)		**595,721**

Goodwill is attributable mainly to the skills and technical talent of Dextra's workforce and the synergies expected to be achieved from integrating the Company. The recognized goodwill is deductible for tax purposes during the merger, which occurred on December 31, 2021.

e.Purchase consideration cash outflow

Outflow of cash to acquire subsidiary, net of cash acquired	**Note**	**Amount**
Cash consideration	9.1.a	700,938
Less: Balances acquired – Cash and cash equivalents	9.1.c	(8,216)
Net outflow of cash - investing activities		**692,722**

9.2 Business combination – Somo

On January 14, 2022, the Company entered into a Sale and Purchase Agreement ("Agreement" or "SPA") to acquire 100% of the shareholding control of Somo Global Ltd ("Somo") and its subsidiaries ("Somo Group"), a digital product agency headquartered in the United Kingdom. On January 27, 2022, after all conditions precedent were met, the acquisition was formalized, and the Company obtained the shareholding control of the Somo Group. Somo has offices in the UK, the USA and Colombia.

The total consideration of acquisition in the purchase agreement was R$ 447,414 as detailed below.

a. *Consideration transferred*

The following table summarizes the fair value of each major class of consideration transferred on the acquisition date:

Cash	**340,777**
Restricted cash in escrow account (note 18)	23,061
Retained amount[(i)] (note 18)	7,206
Earn-out[(ii)] (note 18)	59,868
Contingent consideration (note 18)	2,465
Class A common shares issued[(iii)]	14,037
Total consideration transferred (note 9.2.d)	**447,414**

(i) The amount of R$ 7,206 (£ 1,000) is related to a portion of the remaining balance payable that was retained for any materialized contingencies.

(ii) The Agreement also contemplates an earn-out clause of up to R$ 59,868 (£ 8,307) based on future performance (see note 14). As of December 31, 2022, the fair value of the contingent consideration was R$ 61,529 (£ 9,800).

(iii) Issuance of 225,649 Class A common shares in connection with the transaction, per a total amount of R$ 14,037, issued to electing sellers in accordance with the Agreement.

b. *Acquisition-related cost*

The Group incurred acquisition-related costs of R$ 2,601 on legal fees and due diligence costs. These costs have been recognized in "general and administrative expenses".

c. *Identifiable assets acquired and liabilities assumed*

The following table summarizes the recognized amounts of assets acquired and liabilities assumed on the acquisition date:

Assets	**Fair value**
Current	
Cash and cash equivalents	98,701
Trade receivables [(a)]	38,677
Contract assets	13,359
Recoverable taxes	275
Other assets	2,454
Current assets	**153,466**
Non-current	
Deferred taxes	8,061
Property, plant and equipment (note 13)	2,359
Right-of-use assets (note 15)	6,800
Intangible assets [(i)] (note 14)	57,285
Non-current assets	**74,505**
Total assets	**227,971**

Liabilities	**Fair value**
Current	
Suppliers and other payables	30,409
Loans and borrowings (note 13)	25,213
Lease liabilities	4,440
Contract liabilities	730
Tax liabilities	3,948
Salaries and welfare charges	9,668
Other liabilities	11,295
Current liabilities	**85,703**
Non-current	
Loans and borrowings (note 13)	9,267
Lease liabilities	2,360
Other liabilities	406
Non-current liabilities	**12,033**
Total liabilities	**97,736**
Total identifiable net assets acquired (note 9.2.d)	**130,235**

(a) Gross contractual amount receivable was R$ 38,703 and R$ 26 was not expected to be collected.

(i) According to the purchase price on January 27, 2022:

	Fair value
Customer relationship (note 14)	49,539
Brands (note 14)	7,746
Total intangible assets at fair value (note 14)	**57,285**

Measurement of fair values

The following fair values have been determined on the assumptions:

- The fair value estimate for brands was calculated based on the "Relief from Royalty or Savings of Royalties" method, which estimates the asset's value based on hypothetical royalty payments that would be saved by the asset holder compared to what would be paid for licensing the asset owned by third parties, considering its useful life. The useful life for brands is 15 months.

- The fair value estimate for customer relationship was calculated based on the multi-period excess earnings. Its useful life is 227 months.

d. Goodwill

Goodwill arising from the acquisition has been recognized as follows:

	Note	**Goodwill**
Consideration transferred	9.2.a	447,414
Fair value of identifiable net assets	9.2.c	(130,235)
Goodwill (note 10)		**317,179**

Goodwill is attributable mainly to the skills and technical talent of Somo's workforce and the synergies expected to be achieved from integrating the Group. This goodwill was not deductible for tax purposes.

e. *Purchase consideration cash outflow*

Outflow of cash to acquire subsidiary, net of cash acquired	Note	Amount
Cash consideration	9.2.a	340,777
Retained amount payment (i)	18	5,688
Less: Balances acquired – Cash and cash equivalents	9.2.c	(98,701)
Outflow of cash - investing activities		**247,764**
Restricted cash in escrow account		23,061
Net outflow of cash - investing activities		**270,825**

(i) The retained amount of R$ 7,206 for any materialized contingencies was reviewed and settled on June 3, 2022, per an amount of R$ 5,688 (£939), after negotiation agreed upon per both parties.

9.3 Business combination – Box 1824

On June 1, 2022, the Group entered into a Sale and Purchase Agreement ("Agreement" or "SPA") to acquire 100% of the shareholding control of BOX 1824 Planejamento e Marketing Ltda ("Box 1824"), a strategic consulting firm headquartered in São Paulo, Brazil, to accelerate its global strategic capabilities.

The final total consideration of acquisition in the purchase agreement was R$ 34,179 as detailed below.

a. *Consideration transferred*

The following table summarizes the fair value of each major class of consideration transferred on the acquisition date:

Cash	**20,768**
(-) Price adjustment	(558)
Retained amount[(i)] (note 18)	8,871
Share-based payment – vested immediately (note 22.c)	4,124
Other (note 18)	974
Total consideration transferred (note 9.3.d)	**34,179**

(i) The amount of R$ 8,871 was related to a portion of the remaining balance payable that was retained for any materialized contingencies that occurred after June 1, 2022 but related to contingencies liabilities before the acquisition date. The remaining balance, as adjusted, will be paid in the next three years, on each anniversary of the closing date.

b. *Acquisition-related cost*

The Group incurred acquisition-related costs of R$ 717 related to legal fees and due diligence costs. These costs have been recognized in "general and administrative expenses".

c. *Identifiable assets acquired and liabilities assumed*

The following table summarizes the recognized amounts of assets acquired and liabilities assumed on the acquisition date:

Assets	**Fair value**
Current	
Cash and cash equivalents	1,728
Trade receivables [(a)]	1,695
Contract assets	1,598
Recoverable taxes	104
Other assets	312
Current assets	**5,437**
Non-current	
Indemnity asset	13,583
Property, plant and equipment (note 13)	51
Intangible assets [(i)] (note 14)	11,981
Non-current assets	**25,615**
Total assets	**31,052**

Liabilities	**Fair value**
Current	
Suppliers and other payables	533
Contract liabilities	962
Tax liabilities	920
Salaries and welfare charges	442
Contingent liabilities (note 19)	13,583
Other liabilities	6
Current liabilities	**16,446**
Non-current	
Tax liabilities	1,952
Non-current liabilities	**1,952**
Total liabilities	**18,398**
Total identifiable net assets acquired (note 9.3.d)	**12,654**

(a) Gross contractual amount receivable was R$ 1,696 and R$ 1 was not expected to be collected.

[(i)] **According to the purchase price on September 30, 2022:**

	Fair value
Customer relationship (note 14)	6,430
Brands (note 14)	5,536
Software (note 14)	15
Total intangible assets at fair value (note 14)	**11,981**

Measurement of fair values

The following fair values have been determined on the assumptions:

- The fair value estimate for brands was calculated based on the "Relief from Royalty or Savings of Royalties" method, which estimates the asset's value based on hypothetical royalty payments that would be saved by the asset holder compared to what would be paid for licensing the asset owned by third parties, considering its useful life. The useful life for brands is 252 months.

- The fair value estimate for customer relationship was calculated based on the multi-period excess earnings. Its useful life is 91 months.

d. Goodwill

The Goodwill arising from the acquisition has been recognized as follows:

	Note	Goodwill
Consideration transferred	9.3.a	34,179
Fair value of identifiable net assets	9.3.c	(12,654)
Goodwill (note 10)		**21,525**

Goodwill is attributable mainly to the skills and technical talent of Box 1824's workforce and the synergies expected to be achieved from integrating the Group. The recognized goodwill is expected to be deductible for tax purposes during the merger, which occurred on December 30, 2022.

e. Purchase consideration cash outflow

Outflow of cash to acquire subsidiary, net of cash acquired	**Note**	**Amount**
Cash consideration	9.3.a	20,768
Less: Balances acquired – Cash and cash equivalents	9.3.c	(1,728)
Net outflow of cash - investing activities		**19,040**

9.4 Business combination – Transpire

On September 1, 2022, the Group entered into a Sale and Purchase Agreement ("Agreement") to acquire 100% of the shareholding control of Transpire Technology Pty Ltd ("Transpire"), a digital product agency based in Australia.

The total consideration of acquisition in the purchase agreement was R$ 77,310 as detailed below.

a. Consideration transferred

The following table summarizes the fair value of each major class of consideration transferred on the acquisition date:

Cash	60,392
Price adjustment (i)	729
Class A common shares issued (note 22.a)	16,189
Total consideration transferred (note 9.4.d)	**77,310**

(i) The purchase price adjustment was paid in November 2022, negotiation agreed upon per both parties.

b. Acquisition-related cost

The Group incurred acquisition-related costs of R$ 1,776 related to legal fees and due diligence costs. These costs have been recognized in "general and administrative expenses".

c. *Identifiable assets acquired and liabilities assumed*

The following table summarizes the recognized amounts of assets acquired and liabilities assumed on the acquisition date:

Assets	**Fair value**
Current	
Cash and cash equivalents	5,397
Trade receivables [(a)]	9,322
Contract assets	239
Other assets	277
Current assets	**15,235**
Non-current	
Bank guarantee	766
Property, plant and equipment (note 9)	1,183
Right-of-use assets (note 11)	1,314
Intangible assets [(i)] (note 10)	12,692
Non-current assets	**15,955**
Total assets	**31,190**

Liabilities	**Fair value**
Current	
Suppliers and other payables	4,384
Contract liabilities	2,065
Tax liabilities	479
Salaries and welfare charges	7,963
Lease liability (note 11)	1,314
Other liabilities	1,380
Current liabilities	**17,585**
Non-current	
Loans and borrowings (note 12)	5,490
Non-current liabilities	**5,490**
Total liabilities	**23,075**
Total identifiable net assets acquired (note 9.4.d)	**8,115**

(a) Gross contractual amount receivable was R$ 9,333 and R$ 11 was not expected to be collected.

[(i)] **According to the purchase price on September 01, 2022:**

	Fair value
Customer relationship (note 14)	12,665
Software (note 14)	5
Brands (note 14)	22
Total intangible assets at fair value (note 14)	**12,692**

Measurement of fair values
The following fair value has been determined on the assumption:

- The fair value estimate for customer relationship was calculated based on the multi-period excess earnings. Its useful life is 46 months.

d. ***Goodwill***
The Goodwill arising from the acquisition has been recognized as follows:

	Note	Goodwill
Consideration transferred	9.4.a	77,310
Fair value of identifiable net assets	9.4.c	(8,115)
Goodwill (note 10)		**69,195**

Goodwill is attributable mainly to the skills and technical talent of Transpire's workforce and the synergies expected to be achieved from integrating the Group. This goodwill was not deductible for tax purposes.

e. ***Purchase consideration cash outflow***

Outflow of cash to acquire subsidiary, net of cash acquired	**Note**	**Amount**
Cash consideration	9.4.a	60,392
Price adjustment paid		729
Less: Balances acquired – Cash and cash equivalents	9.4.c	(5,397)
Net outflow of cash - investing activities		**55,724**

9.5 Business combination – NTERSOL

On October 14, 2022, the Group entered into a Sale and Purchase Agreement ("Agreement") to acquire 100% of the shareholding control of NTERSOL Consulting LLC ("NTERSOL"), a U.S. based digital transformation provider, to expand its financial services expertise in North America. On November 1, 2022, the Group announced the completion of the acquisition of NTERSOL.

The total consideration of acquisition in the purchase agreement was R$ 664,652 as detailed below. The remaining balance payable retained for any materialized contingencies will be paid on the second anniversary of the closing date (November 1, 2024), per a fair value amount of R$ 75,096 (US$ 14,582).

a. ***Consideration transferred***
The following table summarizes the fair value of each major class of consideration transferred on the acquisition date:

Cash	**418,007**
(+) Estimated price adjustment	775
Retained amount (note 18)	75,096
Share-based payment – vested immediately (note 22.c)	170,774
Total consideration transferred (note 9.4.d)	**664,652**

b. ***Acquisition-related cost***

The Group incurred acquisition-related costs of R$ 7,194 related to legal fees and due diligence costs. These costs have been recognized in "general and administrative expenses".

c. *Identifiable assets acquired and liabilities assumed*

The following table summarizes the recognized amounts of assets acquired and liabilities assumed on the acquisition date:

Assets	**Fair value**
Current	
Cash and cash equivalents	17,870
Trade receivables [(a)]	36,064
Other assets	2,455
Current assets	**56,389**
Non-current	
Other assets	88
Property, plant and equipment (note 13)	68
Right-of-use assets (note 15)	2,921
Intangible assets [(i)] (note 14)	157,007
Non-current assets	**160,084**
Total assets	**216,473**

Liabilities	**Fair value**
Current	
Suppliers and other payables	1,091
Salaries and welfare charges	1,627
Lease liability (note 15)	673
Other liabilities	9,338
Current liabilities	**12,729**
Non-current	
Lease liability (note 15)	2,248
Non-current liabilities	**2,248**
Total liabilities	**14,977**
Total identifiable net assets acquired (note 9.5.d)	**201,496**

(a) Gross contractual amount receivable was R$ 36,085 and R$ 679 was not expected to be collected.

[(i)] **According to the purchase price on November 01, 2022:**

	Fair value
Customer relationship (note 14)	153,644
Software (note 14)	3,363
Total intangible assets at fair value (note 14)	**157,007**

Measurement of fair values
The following fair value has been determined on the assumption:

- The fair value estimate for customer relationship was calculated based on the multi-period excess earnings. Its useful life was 87 months.

- The fair value estimate for software was calculated based on "Relief from Royalty or Savings of Royalties" method, which estimates the asset's value based on hypothetical royalty payments that would be saved by the asset holder compared to what would be paid for licensing the asset owned by third parties, considering its useful life. The useful life for brands was 60 months.

d. Goodwill
The Goodwill arising from the acquisition has been recognized as follows:

	Note	Goodwill
Consideration transferred	9.5.a	664,652
Fair value of identifiable net assets	9.5.c	**(201,496)**
Goodwill (note 14)		**463,156**

Goodwill is attributable mainly to the skills and technical talent of NTERSOL's workforce and the synergies expected to be achieved from integrating the Group. This goodwill is deductible for tax purposes.

e. Purchase consideration cash outflow

Outflow of cash to acquire subsidiary, net of cash acquired	**Note**	**Amount**
Cash consideration	9.5.a	418,007
Less: Balances acquired – Cash and cash equivalents	9.5.c	(17,870)
Net outflow of cash - investing activities		**400,137**

9.6 Revenue and profit
Since the acquisition, Somo, Box 1824, Transpire and NTERSOL contributed revenue and profit to the Group results as shown below:

Revenue and profit of acquisition on December 31, 2022:

	Amount
Revenue	234,168
Loss	(7,705)

Management's estimate of revenue and profit for the year ended December 31, 2022 (had the acquisition occurred at the beginning of the reporting period):

	Amount
Revenue	2,384,367
Profit	131,824

10 Cash and cash equivalents and financial investments

10.1 Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash and cash equivalents	127,263	69,720
Short-term financial investments	58,464	66,007
Total	**185,727**	**135,727**

Short-term financial investments are represented by fixed income securities, with interest rate ranging from 101% to 102% on December 31, 2022 (100% to 103% as of December 31, 2021) of the changes of Interbank Deposit Certificate (CDI) variation which (i) Management expects to use for short-term commitments; (ii) present daily liquidity; and (iii) are readily convertible into a known amount of cash, subject to an insignificant risk of change in value.

10.2 Financial investments

	December 31, 2022	December 31, 2021
Financial investments	96,299	798,786

On December 31, 2022, the balance of R$96,299 (US$18,456) (R$ 798,786 (US$ 143,139) as of December 31, 2021) is allocated between an interest-bearing account and time deposits. Both instruments are in US$, and they bear interest rates ranging from 0.57% p.a. to 4.20% p.a. on December 31, 2022 (0.05% p.a. as of December 31, 2021), and such account presents immediate liquidity. The Group holds US$ amount for short-term commitments in the same currency. A foreign currency exposure arises from these financial investments held in US$, since the amount may be subject to a significant exchange rate once translated to R$. Part of the Group's financial investments was addressed for highly probable future acquisitions, so hedge accounting was applied to hedge exposures to exchange variations. This hedge accounting was discontinued in October 2022 (for further information about cash flow hedge accounting, see note 28).

11 Trade receivables

The balances of trade receivables are presented, as follows:

	December 31, 2022	December 31, 2021
Trade receivables – Dollar denominated – from US customers	304,693	226,154
Trade receivables – Reais denominated – from **Brazilian customers**	133,582	100,581
Trade receivables – from other customers	64,049	14,843
(-) Expected credit losses	(653)	(1,059)
Trade receivables, net	**501,671**	**340,519**

The balances of trade receivables by maturity date are as follows:

	December 31, 2022		December 31, 2021	
	Trade receivables	(-) Expected credit losses	Trade receivables	(-) Expected credit losses
Not due	458,802	(146)	319,450	(134)
Overdue:				
from 1 to 60 days [(i)]	36,995	(261)	20,020	(40)
61 to 360 days	6,140	(119)	1,564	(854)
Over 360 days	387	(127)	544	(31)
Total	**502,324**	**(653)**	**341,578**	**(1,059)**

(i) As of December 31, 2022, the balance of trade receivables overdue from 1 to 60 days of R$36,995 (R$20,020 as of December 31, 2021), refers to a series of clients. The Group considers these extensions and delays as expected in its credit risk analysis.

The movement of impairment loss on trade receivables is as follows:

Balance as of December 31, 2020	**(692)**
Provision	(3,106)
Reversal	2,826
Exchange variation	(87)
Balance as of December 31, 2021	**(1,059)**
Provision	(1,130)
Reversal	707
Write-off	655
Exchange variation	174
Balance as of December 31, 2022	**(653)**

12 Other assets

	December 31, 2022	December 31, 2021
Prepaid expenses [(a)]	37,527	29,743
Rental security deposits	3,179	2,471
Advance payments to suppliers	242	162
Others	975	592
Total	**41,923**	**32,968**
Current	38,269	29,994
Non-current	3,654	2,974
Total	**41,923**	**32,968**

(a) Prepaid expenses are mostly comprised of prepaid insurance, mainly related to the directors and officers liability insurance, consulting, and software support prepayments.

13 Property, plant and equipment

	December 31, 2022	December 31, 2021
IT equipment	37,963	35,230
Furniture and fixtures	5,064	6,283
Leasehold improvements [(a)]	12,226	16,051
Property, plant and equipment in progress	13	157
Total	**55,266**	**57,721**

(a) Improvements are depreciated on a straight-line basis over the duration of the lease agreement.

The changes in the balances are as follows:

	IT equipment	Furniture and fixtures	Vehicles	Leasehold improvements	In progress	Hardware devices	Total
Cost:							
Balance as of December 31, 2020	**34,852**	**12,941**	**86**	**28,292**	**222**	**487**	**76,880**
Exchange rate changes	386	176	-	375	37	-	974
Spin-off	(128)	(4)		-	(313)	(625)	(1,070)
Addition due to business combination (note 9.1.c)	7,379	1,018	-	752	-	-	9,149
Additions	22,527	301	-	1,052	1,724	138	25,742
Disposals	(1,376)	(563)	(86)	(909)	(160)	-	(3,094)
Transfers	-	-	-	1,353	(1,353)	-	-
Balance as of December 31, 2021	**63,640**	**13,869**	**-**	**30,915**	**157**	**-**	**108,581**
Exchange rate changes	(1,308)	(289)		(533)		-	(2,130)
Addition due to business combination (note 9.2.c, 9.3.c, 9.4.c and 9.5.c)	2,822	526	-	313	-	-	3,661
Additions	18,777	317	-	95	154	-	19,343
Disposals	(8,390)	(4,115)	-	(9,554)	(30)	-	(22,089)
Transfers	6	-	-	262	(268)	-	-
Balance as of December 31, 2022	**75,547**	**10,308**	**-**	**21,498**	**13**	**-**	**107,366**
Depreciation:							
Balance as of December 31, 2020	**(19,445)**	**(6,577)**	**(59)**	**(11,832)**	**-**	**(196)**	**(38,109)**
Exchange rate changes	(214)	(42)	-	57	-	-	(199)
Spin-off	10	2	-	-	-	280	292
Additions	(9,625)	(1,451)	(5)	(3,908)	-	(84)	(15,073)
Disposals	864	482	64	819	-	-	2,229
Balance as of December 31, 2021	**(28,410)**	**(7,586)**	**-**	**(14,864)**	**-**	**-**	**(50,860)**
Exchange rate changes	775	104	-	162	-	-	1,041
Additions	(16,645)	(1,405)	-	(3,401)	-	-	(21,451)
Disposals	6,696	3,643	-	8,831	-	-	19,170
Balance as of December 31, 2022	**(37,584)**	**(5,244)**	**-**	**(9,272)**	**-**	**-**	**(52,100)**
Balance as of:							
December 31, 2021	**35,230**	**6,283**	**-**	**16,051**	**157**	**-**	**57,721**
December 31, 2022	**37,963**	**5,064**	**-**	**12,226**	**13**	**-**	**55,266**

The Group does not have property, plant or equipment pledged as collateral.

14 Intangible assets

	December 31, 2022	December 31, 2021
Software	5,641	2,399
Internally developed software (i)	4,059	3,911
Software in progress	1,032	391
Customer relationship	288,943	84,195
Non-compete agreement	10,865	13,897
Brands	7,464	14,541
Subtotal	**318,004**	**119,334**
Goodwill	1,432,894	619,469
Total	**1,750,898**	**738,803**

(i) Refers to internal expenses with software development to be sold by the Group and also for internal use.

Goodwill arising from the following acquisitions:

	December 31, 2022	December 31, 2021
CI&T IN Software (i)	2,871	2,871
CI&T Japan	1,007	1,233
Comrade (i)	18,367	19,644
Dextra (i)	595,721	595,721
Somo	260,466	-
Box 1824 (i)	21,525	-
Transpire	63,702	-
Ntersol	469,235	-
	1,432,894	619,469

(i) Merged subsidiaries.

For the purpose of impairment testing, goodwill is allocated to a unique cash generating unit (CGU).

The change in the balances of intangible assets as follows:

	Software	Internally developed software	Software in progress	Customer relationship	Non-compete agreement	Brands	Goodwill	Total
Cost:								
Balance as of December 31, 2020	**9,732**	**13,351**	**115**	**-**	**-**	**-**	**14,570**	**37,768**
Additions due to business combination (note 9)	191	22,613	-	88.961	16,257	20,501	595,721	744,244
Exchange rate changes	38	-	-	-	-	-	9,178	9,216
Additions	1,999	1,428	738	-	-	-	-	4,165
Impairment loss [a]	-	(20,723)	-	-	(2,795)	-	-	(23,518)
Write-off	(18)	-	(550)	-	-	-	-	(568)
Transfers	-	(88)	88	-	-	-	-	-
Balance as of December 31, 2021	**11,942**	**16,581**	**391**	**88,961**	**13,462**	**20,501**	**619,469**	**771,307**
Additions due to business combination Somo (note 9.2)	-	-	-	49,539	-	7,746	317,179	374.464
Additions due to business combination Box (note 9.3)	15	-	-	6,430	-	5,536	21.525	33,506
Additions due to business combination Transpire (note 9.4)	-	5	-	12,665	-	22	69,195	81,887
Additions due to business combination Ntersol (note 9.5)	3,363	-	-	153,644	-	-	463,156	620,163
Exchange rate changes	(7)	-	-	2.020	-	-	(57,630)	(55.617)
Additions	901	-	2,723	-	-	-	-	3,624
Write-off	(1,078)	-	(32)	-	-	(7)	-	(1,117)
Transfers	50	2,000	(2.050)	-	-	-	-	-
Balance as of December 31, 2022	**15,186**	**18,586**	**1,032**	**313,259**	**13,462**	**33,798**	**1,432,894**	**1,828,217**
Amortization:								
Balance as of December 31, 2020	**(8,636)**	**(10,966)**	**-**	**-**	**-**	**-**	**-**	**(19,602)**
Exchange rate changes	(32)	-	-	-	-	-	-	(32)
Additions	(893)	(1,708)	-	(4,766)	(1,189)	(5.960)	-	(14,516)
Impairment loss [a]	-	-	-	-	1,624	-	-	1,624
Write-off	18	4	-	-	-	-	-	22
Balance as of December 31, 2021	**(9,543)**	**(12,670)**	**-**	**(4,766)**	**435**	**(5,960)**	**-**	**(32,504)**
Exchange rate changes	89	-	-	-	-	-	-	89
Additions	(1,129)	(1.857)	-	(19,550)	(3.032)	(20,374)	-	(45,942)
Write-off	1,038	-	-	-	-	-	-	1.038
Balance as of December 31, 2022	**(9,545)**	**(14,527)**	**-**	**(24,316)**	**(2,597)**	**(26,334)**	**-**	**(77,319)**
Balance at:								
December 31, 2021	**2,399**	**3,911**	**391**	**84,195**	**13,897**	**14,541**	**619,469**	**738,803**
December 31, 2022	**5,641**	**4,059**	**1,032**	**288,943**	**10,865**	**7,464**	**1,432,894**	**1,750,898**

(a) After the consummation of the Dextra Group acquisition, the Group decided to discontinue the investment in the intangible assets, acquired in the business combination and initially recognized as internally developed software, in the amount of R$20,723, due to growth strategies in the digital transformation market, with the purpose more directed to the development of customized and on demand software for customers. The residual amount with respect to a non-compete agreement, in the amount of R$1,171, was also recognized as impairment. The total amount of impairment loss of intangible assets was recognized in the caption "Other income (expenses), net" (note 24.1), in the amount of R$21,895, as of December 31, 2021.

Impairment test – Goodwill

The recoverable amount of the CGU was based on the value in use, determined through the discounted future cash flows to be generated by the continuous use of the CGU.

The discounted cash flow methodology was used to determine the value in use of the CGU, calculated based on the capitalization of free cash flows discounted at a weighted-average cost of capital (WACC) that corresponds to the discount rate, considering the weighted average cost of the different financing forms present in the Group's capital structure.

The values attributed to the main assumptions, as detailed below, represent the assessment of future management trends in relevant sectors and were based on historical data from internal and external sources.

	December 31, 2022	December 31, 2021
Discount rate - before tax	25.00%	19.06%
Discount rate - after tax	17.00%	12.94%
Budgeted EBITDA growth rate (average for the next five years)	22%	22%
Terminal value growth rate:	3.0%	3.5%

The financial projections of the business unit in Brazil were prepared in Brazilian reais, in nominal values for the next five years.

The discount rate was estimated after tax based on the historical weighted average cost of capital rate at which the CGU operates.

Cash flow projections were prepared for five years and a growth rate in perpetuity after this period was considered. The rate of growth in perpetuity was determined as the lower value between the inflation of the countries where the Group operates and the estimated annual compound rate of long-term growth of EBITDA, which Management believes to be consistent with the market.

The key estimates used were as follows:

- Revenue growth was projected considering the average growth levels experienced over the past years and the growth for the next five years between 28% and 43%, considering effective tax rates on the base date of assessment.

- The variation in EBITDA follows revenues, costs, and expenses. The EBITDA margin was maintained at 22% over the projected period.

Management therefore believes that no reasonably possible change in any of the above key assumptions would cause the carrying amount of goodwill not to be recoverable.

The estimated recoverable amount of the CGU exceeded its carrying amount by approximately R$ 1,987 (R$ 1,919 in December 31, 2021).

The Group did not recognize any impairment loss for the years ended December 31, 2022, 2021 and 2020.

15 Leases

a. Right-of-use assets

	December 31, 2022	December 31, 2021
Properties	48,415	69,441
Vehicles	7,772	4,173
IT equipment	-	213
Total	**56,187**	**73,827**

Some of the Group's leases have the option of an extension that can be exercised for an indefinite period, and in these cases the Group has already considered in the measurement of the lease amounts the extensions that are reasonably certain to be exercised.
The Group applies the short-term lease recognition exemption to its short-term leases of properties

(those leases that have a lease term of 12 months or less). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expenses on a straight-line basis. The remaining rental expenses for the year totaled R$5,815 as of December 31, 2022 (R$5,922 as of December 31, 2021 and R$4,669 as of December 31, 2020).

The changes to balances of the right-of-use are:

	Properties	**Vehicles**	**IT equipment**	**Total**
Cost:				
Balance on December 31, 2020	**88,549**	**5,008**	**851**	**94,408**
Additions due to business combination (note 9.c)	5,414	-	-	5,414
Foreign currency difference	2,744	3	-	2,747
Additions	11,815	3,724	-	15,539
Derecognition of right-of-use assets	(2,200)	(2,363)	-	(4,563)
Remeasurement of right-of-use assets	1,318	-	-	1,318
Balance on December 31, 2021	**107,640**	**6,372**	**851**	**114,863**
Additions due to business combination (note 9.c)	11,035	-	-	11,035
Foreign currency difference	(3,226)	-	-	(3,226)
Additions	8,144	6,930	-	15,074
Derecognition of right-of-use assets	(33,006)	(1,104)	(851)	(34,961)
Balance on December 31, 2022	**90,587**	**12,198**	**-**	**102,785**
Depreciation:				
Balance on December 31, 2020	**(22,090)**	**(2,199)**	**(354)**	**(24,643)**
Foreign currency difference	(856)	(1)	-	(857)
Depreciation	(16,535)	(1,944)	(284)	(18,763)
Derecognition of right-of-use assets	1,657	1,945	-	3,602
Remeasurement of right-of-use assets	(376)	-	-	(376)
Balance on December 31, 2021	**(38,200)**	**(2,199)**	**(638)**	**(41,037)**
Foreign currency difference	123	-	-	123
Depreciation	(23,679)	(3,273)	(213)	(27,165)
Derecognition of right-of-use assets	19,584	1,046	851	21,481
Balance on December 31, 2022	**(42,172)**	**(4,426)**	**-**	**(46,598)**
Net balance at:				
December 31, 2021	69,441	4,173	213	73,827
December 31, 2022	48,415	7,772	-	56,187

b. Lease liabilities

	Average discount rate (per year)	**December 31, 2022**	**December 31, 2021**
Properties	8.26% (2021: 10.88%)	54,369	77,366
Vehicles	16.63% (2021: 14.54%)	8,439	4,285
IT equipment	7.70% (2021: 7.70%)	-	237
Total		**62,808**	**81,888**
Current		21,539	21,214
Non-current		41,269	60,674
Total		**62,808**	**81,888**

The change in lease liabilities is disclosed in the reconciliation of change in liabilities to cash flows in note 16.

16 Loans and borrowings

Loans and borrowings operations can be summarized as follows:

	Currency	Average interest rate per year (%)	Year of maturity	December 31, 2022	December 31, 2021
Itaú (i)	US$	4.82% p.a.	2022	-	2,349
Itaú (ii)	US$	4.86% p.a.	2023	53,500	-
Citibank (iii)	US$	Libor 3 months rate + 1.90%	2022	-	11,164
Banco do Brasil (ii)	US$	3.68% p.a.	2022	-	56,551
Citibank (ii)	US$	4.06% p.a. / 2.28% p.a.	2023	14,937	28,328
Bradesco (i)	R$	CDI + 1.10% p.a.	2023	1,669	11,684
Citibank (ii)	US$	3.80% p.a.	2023	10,191	-
Bradesco (ii)	US$	3.98% p.a.	2023	15,183	-
Santander Bank S/A (v)	R$	CDI + 1.60% p.a.	2026	-	204,047
Bradesco (i)	R$	CDI + 1.75% p.a.	2026	296,774	306,417
Citibank (ii)	US$	Libor 3 months rate + 2.07%	2026	129,701	168,169
Santander (v)	US$	5.02% p.a.	2026	111,106	-
Citibank (v)	US$	SOFR 2.79% p.a.	2027	209,193	-
HSBC (v)	US$	SOFR 2.90% p.a.	2027	131,977	-
Total				**974,231**	**788,709**

(i) Export credit note - NCE: Refers to financing to export software development services.

(ii) Advance on Foreign Exchange Contract (ACC).

(iii) Refers to Revolving Credit Facility.

(iv) Refers to Leasing contracts.

(v) Refers to Law 4131 - Foreign currency loans granted by the banks abroad to a Brazilian company.

These balances were included as current and non-current borrowings in the consolidated statement of financial position as follows:

	December 31, 2022	December 31, 2021
Current	231,296	164,403
Non-current	742,935	624,306
Total	**974,231**	**788,709**

The principal balances of long-term loans and borrowings as of December 31, 2022, mature as follows:

Maturity	
2024	168,668
2025	239,632
2026	230,281
2027	104,354
Non-current liabilities	**742,935**

The reconciliation of change in liabilities to cash flows arising from financing activities is shown below:

	Liabilities	Leases	Share premium and	Total
	Loans and borrowings	**Leases (note 15.b)**	**Reserves**	
Balance as of January 1, 2022	788,709	81,888	1,052,042	1,922,639
Changes in cash flow from financing activities				
Proceeds from loans and borrowings	527,507	-	-	527,507
Loans, borrowings and lease liabilities payments	(350,571)	(26,993)	-	(377,564)
Proceeds from exercise of share options	-	-	12,668	12,668
Settlement of derivatives	390	-	-	390
Total changes in cash flow from financing activities	**177,326**	**(26,993)**	**12,668**	**163,001**
Exchange rate changes	1,707	(2,689)	-	(982)
Other changes - liabilities				
Additions due to business combination (note 9.2.c/9.4.c/9.5.c)	39,970	11,035	-	51,005
New leases	-	15,074	-	15,074
Interest expenses	68,198	3,823	-	72,021
Interest paid	(70,096)	(6,169)	-	(76,265)
Other borrowing/lease costs	(31,193)	(464)	-	(31,657)
Early lease termination	-	(12,697)		(12,697)
Total other changes - liabilities	**6,879**	**10,602**	-	**17,481**
Total other changes - equity	-	-	**336,554**	**336,554**
Balance as of December 31, 2022	**974,621**	**62,808**	**1,401,264**	**2,439,083**

	Liabilities	Leases	Share premium and	Total
	Loans and borrowings	**Leases (note 15.b)**	**Reserves**	
Balance as of January 1, 2021	89,230	75,228	116,072	280,530
Changes in cash flow from financing activities				
Proceeds from loans and borrowings	740,596	-		740,596
Loans, borrowings and lease liabilities payments	(75,196)	(17,656)	-	(92,852)
Issuance of common shares at initial public offering	-	-	915,947	915,947
Transaction cost of offering	-	-	(66,876)	(66,876)
Share-based plan contributions	-	-	1,282	1,282
Interest on equity paid	-	-	(6,288)	(6,288)
Dividends paid (note 22)	-	-	(126,045)	(126,045)
Total changes in cash flow from financing activities	**665,400**	**(17,656)**	**718,020**	**1,365,764**
Exchange rate changes	601	2,054		2,655
Other changes - liabilities				
Additions due to business combination (note 9.c)	-	6,139	-	6,139
New leases	-	15,504	-	15,504
Remeasurement	-	1,351	-	1,351
Interest expenses	23,366	6,369	-	29,735
Interest paid	(12,149)	(5,753)	-	(17,902)
Other borrowing/lease costs	22,261	(213)	-	22,048
Early lease termination	-	(1,135)	-	(1,135)
Total other changes - liabilities	**33,478**	**22,262**	**-**	**55,740**
Total other changes - equity	-	-	**217,950**	**217,950**
Balance as of December 31, 2021	**788,709**	**81,888**	**1,052,042**	**1,922,639**

	Liabilities	Leases	Net Equity	Total
	Loans and financing	**Leases (Note 15.b)**	**Reserves**	
Balance as of January 1, 2020	**27,849**	**77,393**	**36,937**	**142,179**
Financing cash flow variations				
Proceeds from loans and borrowings	144,269	-	-	144,269
Loan and borrowings payments, and lease payments	(88,107)	(15,500)	-	(103,607)
Interest on own capital	-	-	(4,276)	(4,276)
Dividends paid	-	-	(30,977)	(30,977)
Total changes in financing cash flows	**56,162**	**(15,500)**	**(35,253)**	**5,409**
Effect of changes in exchange rates	1,310	7,657	-	8,967
Other changes - related to liabilities				
New leases	-	16,715	-	16,715
Interest expense	5,281	5,023	-	10,304
Interest paid	(3,880)	(5,023)	-	(8,903)
Other costs	2,508	-	-	2,508
Lease termination	-	(11,037)	-	(11,037)
Total other changes related to liabilities	**3,909**	**5,678**	**-**	**9,587**
Total other changes related to equity	**-**	**-**	**114,388**	**114,388**
Balance as of December 31, 2020	**89,230**	**75,228**	**116,072**	**280,530**

Loans and borrowings covenants

The loans and borrowings are subject to covenants, which establish the early maturity of debts. Early maturity of the loans could be caused by:

- Disposal, merger, incorporation, spin-off, or any other corporate reorganization process that implies a change in the shareholding control, except for the prior consent from the creditor, and if it does not affect the liquidity capacity of this instrument.

In 2022, the Company had three events that required prior communication to creditors, as follow:

- Acquisition of 100% of Box 1824 (note 9.3), becoming a full subsidiary of the group in May 2022 and merged into the indirect subsidiary CI&T Brazil in December 2022;

- Acquisition of 100% of Transpire (note 9.4), becoming an integral subsidiary of the group in September 2022; and

- Acquisition of NTERSOL (note 9.5), becoming a wholly owned subsidiary of the group in October 2022.

- Some of the debt contracts held by the Group include covenants that demand the maintenance of specific ratios, such as the Net Debt to EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) ratio.

17 Salaries and welfare charges

	December 31, 2022	December 31, 2021
Salaries	30,551	31,342
Accrued vacation and charges	107,801	83,750
Bonus	64,815	72,810
Withholding income tax	29,267	20,604
Payroll charges (social contributions)	15,168	18,124
Others	12,554	7,543
Total	**260,156**	**234,173**

18 Accounts payable for business combination

	December 31, 2022	December 31, 2021
Dextra (note 9.1)		
Acquisition cost	-	48,817
Retained amount	34,183	30,000
Other	-	6,909
	34,183	**85,726**
Somo (note 9.2)		
Earn-out	61,529	-
Escrow account	20,091	-
Other	2,148	-
	83,768	-
Box 1824 (note 9.3)		
Retained amount	9,165	-
Other	974	-
	10,139	-
NTERSOL (note 9.5)		
Retained amount	76,084	
Other	775	-
	76,859	-
Current	71,650	48,923
Non-current	133,299	36,803
Total	**204,949**	**85,726**

The table below shows the movement of the accounts payable for business combination:

	2022							
	Balance as of January 1, 2022	**Monetary adjustment (i)**	**Price adjustment review**	**Acquisitions (note 9)**	**Exchange variation**	**Fair value adjustment**	**Payment**	**Balance as of December, 2022**
Accounts payable for business combination	**85,726**	**9,108**	**2,582**	**177,541**	**(11,114)**	**9,132**	**(68,026)**	**204,949**
Dextra	85,726	8,430	2,365	-	-	-	(62,338)	**34,183**
Somo	-	-	-	92,600	(12,102)	8,958	(5,688)	**83,768**
Box (note 9.3)	-	678	(558)	9,845	-	174	-	**10,139**
Ntersol (note 9.5)	-	-	775	75,096	988	-	-	**76,859**

	2021				
	Balance as of January 1, 2021	**Acquisition (Note 9)**	**Monetary adjustment (i)**	**Payment**	**Balance as of December 31, 2021**
Accounts payable for business combination	-	**133,573**	3,091	(50,938)	**85,726**
Dextra (note 9.1)	-	133,573	3,091	(50,938)	**85,726**

(i) Adjusted by the CDI rate.

19 Provisions

The Group is involved in tax and labor lawsuits that were considered probable losses and are provisioned according to the table below:

	Balance as of January 1, 2021	Provisions	Balance as of December 31, 2021	Provisions	Provisions assumed in a business combination (note 9.3.c)	Reversal of provisions assumed in a business combination	Reversal	Payments	Balance as of December 31, 2022
Tax	11	120	131	77	-	-	(3)		205
Labor	150	352	502	582	13,583	(2,240)	(270)	(15)	12,142
Total Provisions	**161**	**472**	**633**	**659**	**13,583**	**(2,240)**	**(273)**	**(15)**	**12,347**

The main labor lawsuits above refer to the compliance with a minimum quota of employees with disabilities and lack of control over working hours.

In relation to the business combination with Box 1824, the Group has also assumed an amount of R$ 11,343 (R$ 13,583 on the acquisition date) related to labor contingencies liability (note 9.3.c/d).

Additionally, the Group is a party to civil, labor and tax lawsuits, whose likelihood of loss is regarded as possible, for which no provision was recorded, in the amount of R$ 10,563 as of December 31, 2022 (R$ 4,292 as of December 31, 2021).

The main discussion assessed as possible loss refers to:

- Tax lawsuits related to non-contribution tax credits referring to payroll in the period from January 1 to December 31, 2011.
- In relation to the business combination with Box 1824 (note 9.3), the Group has also assumed the labor contingencies liability, for which no provision was recorded, in the amount of R$ 6,283 as of December 31, 2022.

Judicial deposits

As of December 31, 2022, the Group's judicial deposits totaled R$ 9,819 (R$ 3,079 as of December 31, 2021), recognized in the statement of financial position, in non-current assets. Of this amount, R$ 9,405 (R$ 2,933 as of December 31, 2021) refers to tax lawsuits, R$ 415 (R$ 142 as of December 31, 2021) refers to labor lawsuits and R$ 4 as of December 31, 2021 refers to civil lawsuits.

20 Employee benefits

The Group provides its employees with benefits that include medical care, dental care and life insurance during their employment. These benefits are paid by the Group and according to the category of health plans elected, with a consideration paid by the employee.

Additionally, the Group offers its employees the option to participate in a private pension plan to which voluntary contributions are made. For CI&T Brazil, the contributions are made exclusively by the participants; for CI&T US, CI&T UK and CI&T Canada the companies contribute with the same amount as the participants up to 4% of the employee salary. In both scenarios there is no consideration to be paid by the subsidiaries, as there are no post-employment obligations. The nature of the plan allows employees to suspend or discontinue their contributions at any time and allows the Management to transfer the portfolio to another administrator.

The Group does not have additional post-employment obligations and none other long-term benefits, such as time-of-service leave, lifetime health plan and other time-service benefits.

21 Share-based compensation

a. Equity-settled share-based payment arrangement

Stock option program

First plan (2020 / 2021)
On March 30, 2020, the Board of Directors approved the 1st and 2nd stock option programs and, on February 26, 2021, approved the 3rd and 4th stock option programs, through which selected executives were granted options that concede the right to exercise the stock purchase, subject to certain conditions under the "Stock Option Plan" ("SOP"), with the option to settle in equity or cash.

On October 29, 2021, in connection with the corporate reorganization mentioned in the note 1.a, the Board of Directors approved the migration of the plan from the subsidiary CI&T Brazil to the Company. The Company recognized the rights of each participant accrued under the corresponding plan and related programs and shall assume all obligations of CI&T Software under such plan. Since that, the Company remeasured the fair value of the stock options granted, both of the Company and of the subsidiary CI&T Brazil on the date of the plan migration. The remeasurement to fair value of the stock options granted was immaterial.

The options granted become options granted under the CI&T Cayman Plan, provided that each option shall concede the right to acquire one class A common share issued by Company.

Considering that the number of shares forming the Company's capital stock is approximately 68.14 times the number of shares forming the subsidiary CI&T Brazil, the number of granted options and the exercise price were adjusted in the same proportion.

Second plan (2022)
On June 9, 2022, the Board of Directors approved the 2nd stock option plan, through which selected executives were granted options that confer the right to exercise the stock purchase, subject to certain conditions under the "Stock Option Plan", with the option to settle in equity.

Incentive stock options program
On October 1, 2022, the Board of Directors approved the Incentive Stock Options ("ISO") program. An ISO is a stock option that meets the requirements of Section 422 of the U.S. Code. The ISO may be granted only to Company employees or employees of certain of the Company's subsidiaries and must have an exercise price of no less than 100% of the fair market value (or 110% with respect to a 10% shareholder) of a Class A common share of the Company on the grant date and a term of no more than 10 years (or five years with respect to a 10% shareholder). The aggregate fair market value, determined at the time of grant, of the Class A common shares of the Company subject to ISOs that are exercisable for the first time by a participant during any calendar year may not exceed US$ 100,000. The Plan provides that participants terminated for "cause" will forfeit all of their ISOs, whether or not vested. Participants terminated for any other reason will forfeit their unvested ISOs, retain their vested ISOs. No dividends or dividend equivalents will be paid on ISOs.

Restricted stock units program
On October 1, 2022, the Board of Directors approved the Restricted Stock Units ("RSU") program. A restricted stock unit is an unfunded and unsecured obligation to issue Class A common shares of the Company (or an equivalent cash amount) to participants in the future. The RSU become payable on terms and conditions determined by the Company and will vest and be settled at such times in cash, shares, or other specified property, as determined by the Company. Participants have no rights of a shareholder as to the RSU, including no voting rights or rights to dividends, until the underlying Class A common shares of the Company are issued or become payable to the participant. Expect as otherwise provided by the Company, in the event a participant is terminated for any reason, the vesting with respect to the participant's RSU will cease, each of the participant's outstanding unvested RSU will be forfeited for no consideration as of the date such termination, and any shares remaining undelivered with respect to the participant's vested RSU will be delivered on the delivery date specified in the applicable award agreement.

The key terms and conditions related to the grants under these programs are as follows:

Plan	Currency	Number of granted options/RSUs	Fair value at grant date (R$)	Contractual life (i)	Limit date (i)
Stock options plan (SOP)					
04/01/2020 - 1st and 2nd program	R$	3.940.478	1.846	6.8 years	01/01/2027
04/01/2021 - 3rd program	R$	666.616	1.275	5.8 years	01/01/2027
04/01/2021 - 4th program	R$	187.820	298	5.8 years	01/01/2027
04/01/2022	US$	290.099	4.593	6.8 years	01/01/2028
08/01/2022	US$	133.245	737	5.5 years	01/01/2028
09/01/2022	US$	87.629	170	5.4 years	01/01/2028
10/01/2022	US$	7.606	11	5.3 years	01/01/2028
Incentive stock options (ISO)					
10/01/2022	US$	83.522	187	5.3 years	01/01/2027
Restricted stock units (RSU)					
10/01/2022	US$	46.314	2.250	5.3 years	01/01/2027
11/01/2022	US$	1.399.998	59.771	3.5 years	01/01/2026

(i) Conditional upon the grace period and assuming the possibility of anticipated vesting in face of a liquidity event.

The Board of Directors is entitled to select the participants of the program, at its sole discretion, among the Management, executives, employees and service providers of the Company and its subsidiaries. Additionally, the Board of Directors defines the terms of each program, when the option granted to the participants will become eligible for exercise ("vesting period"), including the possibility of anticipating the vesting period.

b. Cash-settled share-based payment arrangement

Stock option program
The stock options program settle in cash are under the plans mentioned above in item "a" - First Plan 2020 (2nd and 4th programs) and Second Plan 2022.

This stock option program was also migrated from the subsidiary CI&T Brazil to the Company. The number of granted options was proportionally adjusted by the equivalent of the Company's shares.

The amount to be settled in cash is based on the increase of the Company's share price between the grant date and the exercise date.

The key terms and conditions related to the grants under these programs are as follows:

Grant date	**Currency**	**Number of granted options/RSUs**	**Contractual life (i)**	**Limit date (i)**	**Liabilities carrying amount as of December 31, 2022**
Stock options plan (SOP)					
04/01/2020 - 2nd Program	R$	69,774	6.8 years	01/01/2027	865
10/06/2021 - 3rd program	R$	6,065	5.3 years	01/01/2027	32
10/21/2021 - 4th program	R$	6,065	5.2 years	01/01/2027	16
10/11/2022	US$	13,101	5.3 years	01/01/2028	2

c. Measurement of fair values

The Group calculated the fair value on the grant date using the Black-Scholes option pricing model. The Black-Scholes model requires the input of highly subjective assumptions, including the fair value of the Company's shares, expected volatility, expected term, risk-free interest rate and dividend yield.

The Company's grants under its share-based compensation plan with employees are measured based on fair value of the Group's shares at the grant date and recognized as compensation expense on a straight-line basis over the requisite service period, with a corresponding impact reflected in additional paid-in capital.

The Company estimated the following assumptions for the calculation of the fair value of the share options:

c.1 *Equity settled.*

Grant date	Currency	Exercise price	Share price at grant date	Interest rate	Volatility (% p.a.)	Fair value at grant date	Expected life (weighted-average)
Stock options plan (SOP)							
04/01/2020 - 1st and 2nd Program	R$	9.58	21.68	24.19%	1.53%	0.48	3.7 years
04/01/2021 - 3rd program	R$	19.84	21.68	27.73%	2.66%	1.81	4.3 years
04/01/2021 - 4th program	R$	19.84	21.68	27.73%	2.66%	1.85	4.3 years
04/01/2022	US$	16.75	17.50	27.44%	0.39%	3.37	3.0 years
04/01/2022	US$	15.00	11.50	27.44%	2.60%	1.08	2.4 years
04/01/2022	US$	16.75-16.95	8.13	27.44%	3.26%	0.65	2.4 years
04/01/2022	US$	17.50	9.39	27.44%	3.83%	0.26	2.4 years
Incentive stock options (ISO)							
10/01/2022	US$	16.75	9.39	27.44%	3.83%	0.44	2.3 years
Restricted stock units (RSU)							
10/01/2022	US$	n/a	9.39	27.44%	3.83%	9.39	3.7 years
10/01/2022	US$	n/a	8.29	27.44%	4.07%	8.29	3.5 years

- Expected volatility: The expected volatility was estimated based on the historical volatility of the comparable companies share prices. The expected life of options represents the period of time the granted options are expected to be outstanding.

On October 29, 2021, as a result of the corporate reorganization (see note 1.a), the exercise price of the options changed from R$ 653.21 to R$ 9.58 for the 1st and 2nd programs and changed from R$ 1,352.00 to R$ 19.84 for the 3rd and 4th programs, to be updated according to the official national price index (IPCA / IBGE). The participants must pay the exercise price in cash and the program does not provide for alternatives for paying cash back to participants.

c.2 *Cash-settled*

Grant date	Currency	Exercise price	Share price at grant date	Interest rate	Volatility (% p.a.)	Fair value at grant date	Expected life (weighted-average)
Stock options plan (SOP)							
04/01/2020 - 2nd Program	R$	9.58	21.68	1.53%	24.19%	7.76	3.7 years
21/06/2021 - 4th program	R$	19.84	21.68	27.73%	2.66%	16.86	4.3 years
10/21/2021 - 4th program	R$	19.84	21.68	27.73%	2.66%	16.86	4.3 years
10/01/2022	US$	16.75	9.98	3.83%	27.44%	2.10	2.3 years

The inputs used in the measurement of the fair value at grant date were remeasured at December 31, 2022:

Grant date	Currency	Exercise price	Share price on December 31, 2022	Interest rate	Volatility (% p.a.)	Fair value at remeasured date December 31, 2022	Expected life (weighted-average)
Stock options plan (SOP)							
04/01/2020 - 2nd Program	R$	9.58	34.18	6.16%	31.71%	26.03	3.7 years
10/06/2021 - 4th program	R$	19.84	34.18	6.13%	31.71%	17.35	4.3 years
10/21/2021 - 4th program	R$	19.84	34.18	6.13%	31.71%	17.34	4.3 years
10/01/2022	US$	16.75	6.55	3.83%	31.71%	0.43	2.3 years

d. Reconciliation of outstanding share options and RSUs

The following shows the evolution of the share options and RSUs for the year ended at December 31, 2022:

d.1 Equity-settled

Grant date	Number of granted options/RSUs	(-) Canceled	(-) Exercised	Number of outstanding on 12/31/2022	Number of vested on 12/31/2022
Stock options plan (SOP)					
04/01/2020 - 1st and 2nd Program	3,940,478	(78,360)	(965,052)	2,897,066	1,902,444
04/01/2021 - 3rd program	666,616	-	(71,716)	594,900	84,403
04/01/2021 - 4th program	187,820	(19,900)	(12,367)	155,553	24,624
04/01/2022	290,099	-	-	290,099	-
08/01/2022	133,245	-	-	133,245	-
09/01/2022	87,629	-	-	87,629	-
10/01/2022				-	-
	5,305,887	**(98,260)**	**(1,049,135)**	**4,158,492**	**2,011,471**
Incentive stock options (ISO)					
10/01/2022	83,522	-	-	83,522	-
	83,522	**-**	**-**	**83,522**	**-**
Restricted stock units (RSU)					
10/01/2022	46,314	-	-	46,314	-
11/10/2022	1,399,998	-	-	1,399,998	-
	1,446,312	**-**	**-**	**1,446,312**	**-**

d.2 Cash-settled

Grant date	Number of granted options/RSUs	(-) Canceled	(-) Exercised	Number of outstanding on 12/31/2022	Number of vested on 12/31/2022
Stock options plan (SOP)					
04/01/2020 - 2nd Program	69,774	-	(1,774)	68,000	30,526
10/06/2021 - 3rd program	6,065	-	(909)	5,156	909
10/21/2021 - 4th program	6,065	-	-	6,065	909
10/01/2022	13,101	-	-	13,101	-

e. Share-based compensation - shares granted to executive officers

Box 1824

On May 31, 2022, the Company granted to the former controlling shareholder of the subsidiary Box 1824 the right to receive 45,255 shares. Box's shareholder became an executive of the Group, and the granting of the shares is conditioned to continuing employment in the Group until the first and second maturities, on May 31, 2026 and 2027, respectively. The fair value of the shares was estimated on the acquisition date of the subsidiary, based on the share price, in the amount of R$3,521.

In the year ended on December 31, 2022, the Group recognized in the statement of profit or loss an amount of R$ 448 related to expenses of the share-based compensation plan (shares granted) (see details in item "f").

Comrade, Inc – McMillian Family Trust

In August 2017, the Company granted to the former controlling shareholders of the subsidiary Comrade, Inc. (later merged into CI&T US) the right to receive 16,530 shares. Comrade's shareholders became executives of the Group, and the granting of the shares is conditioned to continuing employment in the Group for a period of four years from the acquisition date of Comrade. The fair value of the shares was estimated on the acquisition date of the subsidiary, using the "Black-Scholes" pricing model, in the amount of R$5,120.

On October 8, 2021, the executive officers exercised the options through the issuance of 16,530 new common shares, with no par value, at the total issuance price of R$28,697, subscribed by McMillian Family Trust. The subscribed shares were paid through the transfer of 15,896 shares issued by the subsidiary CI&T US to the subsidiary CI&T Brazil.

As of December 31, 2021, the impact on profit or loss totaled R$246 (R$751 as of December 31, 2020), see details below in item "f" – expenses recognized in profit or loss.

f. Expenses recognized in profit or loss

	December 31, 2022	December 31, 2021	December 31, 2020
Plan in force:			
Equity settled - SOP	1,776	967	142
Equity settled – RSU	3,401	-	-
Equity settled - ISO	49	-	-
Cash settled	(188)	1,318	41
Shares granted to executives' officers	448	246	751
Expenses recognized in profit or loss (note 24)	**5,486**	**2,531**	**934**
Other effects in shareholders' equity	-	1,282	1,751
Total	**5,486**	**3,813**	**2,685**
(-) Effect of cash settled	188	(1,318)	(41)
Effect of movements in exchange rates	(127)	3	8
Total shareholders' equity	**5,547**	**2,498**	**2,652**

22 Equity

a. Share capital

	December 31, 2022	December 31, 2021
Number of ordinary nominative shares	133,814,311	132,197,896
Par value	R$ 0.00027	R$ 0.00027
Share capital	R$ 37	R$ 36

As of December 31, 2022, the total issued share capital of R$ 37 (R$ 36 as of December 31, 2021) is divided into 133,814,311 common shares (132,197,896 as of December 31, 2021).

Those common shares are divided into 19,969,110 Class A common shares, including 225,649 Class A common shares that were issued as part of the payment for the Somo acquisition in January 2022 (see note 9.2), 341,631 Class A common shares that were issued in August 2022 as part of the payment for the Transpire acquisition on September 1, 2022 (see note 9.4), both of them issued accordingly the CI&T´s share price at their respective transaction dates, and 1,049,135 Class A common shares issued from January to December 2022 in connection with the Compay's share-based compensation plan (see note 21), and 113,845,201 Class B common shares.

The holders of the Class A common shares and Class B common shares have identical rights, except that (i) the holders of Class B common shares are entitled to ten votes per share, whereas holders of Class A common shares are entitled to one vote per share, (ii) Class B common shares have certain conversion rights and (iii) the holders of Class B common shares are entitled to maintain a proportional ownership interest in the event that additional Class A common shares are issued, however that such rights to purchase additional Class B common shares may only be exercised with Class B Shareholder Consent.

b. Share premium

After the Company has completed its initial public offering in November 2021 (note 1), the share premium referred to the difference between the subscription price (US$ 15.00 per share) that the shareholders paid for the shares and their nominal value (US$ 0.00005 per share), as a total amount of R$ 915,947 (US$ 166,666).

In connection with the business combinations occurred from January to November 2022, the share premium increased by R$ 14,037 from shares issued as part of the payment for the Somo acquisition in January 2022 (see note 2.2) and R$ 16,189 from shares issued as part of the payment for the Transpire acquisition in September 2022. As of December 31, 2022, the total amount of share premium is R$ 946,173 (R$ 915,947 as of December 31, 2021).

c. Capital reserve

Corporate Restructuring
As described in note 1.a above, the Company did not perform any corporate restructuring during the year ended on December 31, 2022. During the prior year, CI&T completed its corporate restructuring in November 2021. CI&T Brazil ceased to be ultimate parent company, and CI&T (non-operating holding company) became the ultimate parent company. This transaction occurred through the transfer of the shares of its shareholders from CI&T Brazil to CI&T Delaware and, subsequently, to CI&T, which result in the capital increase of 121,086,781 shares at par value of R$ 0.00027 per share, in the amount of R$ 33, and the remaining amount of R$ 88,206 was recorded as capital reserve.

Share-based compensation
The Group share-based compensation plans in place were accounted as Capital reserve (see note 21).

Share issuance costs
The Company incurred incremental costs directly attributable to the public offering in the amount of R$ 66,876, net of taxes, recorded in the Capital reserve.

Share-based payment - Vested immediately
Refers to the purchase price to be paid in common shares in connection with business combination, but considered as vested immediately at each acquisition date, and the amount was measured at fair value on the same date in the amount of R$ 4,124 (Box 1824 – note 9.3a) and R$ 170,774 (Ntersol – note 9.5a). The amount will be converted into an equivalent number of shares on each anniversary of the closing date.

d. Earnings reserves

	December 31, 2022	**December 31, 2021**	**December 31, 2020**
Retained earnings reserve	251,873	125,957	95,515

As of December 31, 2022, the Company's Board of Directors has not yet decided on the earnings reserve application.

e. Other comprehensive income

Translation differences
Accumulated translation adjustments include all foreign currency translation differences on investments abroad.

Foreign currency translation exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income, as described in note 8.b.ii, and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Cash flow hedges

As mentioned on note 28, in January 2022, the Company decided to apply hedge accounting for financial instruments (non-derivates), with the purpose of hedging exchange rates in transactions related to highly probable risk operations. The movement of exchange variation to be realized by highly probable transactions is accumulated in other comprehensive income.

f. Dividends and interest on shareholders' equity

The dividends and interest on shareholder´s equity shown below occurred before the corporate reorganization. As of December 31, 2022, the Company had no dividends and interest on shareholder´s equity liabilities.

	1st January 2020	Additions	Tax withholding income	Payments	December 31, 2020	Additions	Tax withholding income	Payments	Capitalization	December 31, 2021
Dividends	14,714	46,940	-	(30,977)	30,677	145.368	-	(126,045)	(50,000)	-
Interest on company capital	-	4,276	(641)	(3,635)	-	6,288	(943)	(5,345)	-	-
	14,714	**51,216**	**(641)**	**(34,612)**	**30,677**	**151,656**	**(943)**	**(131,390)**	**(50,000)**	**-**

23 Net revenue

The Group generates revenue primarily through the provision of services described in the table below, which is summarized by nature:

	December 31, 2022	December 31, 2021	December 31, 2020
Software development revenue	2,094,090	1,394,583	891,012
Software maintenance revenue	57,035	30,026	31,133
Revenue from software license agent	1,210	1,637	2,413
Consulting revenue	32,724	15,922	28,601
Other revenue	2,651	2,212	3,360
Total net revenue	**2,187,710**	**1,444,380**	**956,519**

The following table sets forth the net revenue by industry vertical for the periods indicated:

	December 31, 2022	December 31, 2021	December 31, 2020
By Industry Vertical			
Financial services	649,166	487,177	324,118
Food and beverages	429,023	340,709	244,590
Pharmaceuticals and cosmetics	281,300	206,375	134,763
Technology, media, and telecom	328,500	169,311	81,961
Retail and manufacturing	135,566	93,871	83,046
Education and services	78,452	64,336	41,323
Logistic and Transportation	73,248	37,247	15,159
Others	212,454	45,353	31,559
Total net revenue	**2,187,710**	**1,444,380**	**956,519**

Performance obligations and revenue recognition policies

The revenue is measured based on the consideration specified in the contract with the client. The Group recognizes revenue when it transfers control over the product or service to the customer.

The table below provides information on the nature and timing of performance obligations in contracts with customers, including the revenue recognition policies listed in the main types of services:

Type of service	Nature and timing of performance obligations	Revenue recognition
Services provision: software development; software maintenance; consultancy.	The Group has determined that the customer controls all work in progress as the services are provided. This is because, according to these contracts, services are provided according to the client's specifications and, if a contract is terminated by the client, the Group will be entitled to reimbursement of the costs incurred to date, including a reasonable margin. Invoices are issued in accordance with contractual terms and are usually paid on average in 69 days as of December 31, 2022 (70 days as of December 31, 2021). Unbilled amounts are presented as contract assets.	The associated revenue and costs are recognized over time. The progress of the performance obligation is measured based on the hours incurred.
Software License Agency	The Group acts as an agent in software license agreements between the developer and the customer. Invoices (related to agency fees) are issued in accordance with the contractual terms and are generally paid on average within 45 days.	Revenue related to fees as agent is recognized when contracts are entered into.

Contract assets

Contract assets relate mainly to the Group's rights to consideration for services performed, for which control has been transferred to the client, but not invoiced on the reporting date. Contract assets are transferred to receivables when the Group issues an invoice to the client.

The balances from contract assets are shown and segregated in the statement of financial position as follows:

	December 30, 2022	December 31, 2021
Contract assets – Dollar denominated – from US customers	94,613	80,107
Contract assets – Reais denominated – from Brazilian customers	104,836	50,350
Contract assets – from other customers	18,474	4,844
(-) Expected credit losses from contract assets	(673)	(913)
Total	**217,250**	**134,388**

The movement of expected credit losses of contract assets, is as follows:

Balance as of December 31, 2020	**(675)**
(Provision)	(217)
Effect of movements in exchange rates	(21)
Balance as of December 31, 2021	**(913)**
(Provision)	94
Effect of movements in exchange rates	146
Balance as of December 31, 2022	**(673)**

24 Expenses by nature

Information on the nature of expenses recognized in the consolidated statement of profit or loss is presented below:

	December 31, 2022	December 31, 2021	December 31, 2020
Employee expenses	(1,573,253)	(1,010,989)	(628,699)
Third-party services and other inputs	(120,742)	(65,023)	(55,660)
Short-term leases	(7,497)	(5,922)	(4,669)
Insurance	(15,045)	(3,214)	(883)
Travel expenses	(13,396)	(4,156)	(8,656)
Depreciation and amortization [(a)]	(94,558)	(48,354)	(29,882)
Training	(6,788)	(4,353)	(1,863)
Share-based compensation [(b)] (note 21)	(5,486)	(2,531)	(934)
Consulting [(c)]	(18,480)	(9,177)	(446)
Expected credit loss	(329)	(497)	(196)
Impairment of intangible assets (note 14)	-	(21,895)	-
Other post-acquisition expenses (d)	(25,650)	-	-
Surplus of indemnity	-	-	18
Other costs and expenses	(32,568)	(23,663)	(16,405)
Total	**(1,913,792)**	**(1,199,774)**	**(748,275)**
Disclosed as:			
Costs of services provided	(1,425,219)	(935,732)	(600,866)
Selling expenses	(163,871)	(89,654)	(65,093)
General and administrative expenses	(315,915)	(151,681)	(81,161)
Research and technological innovation expenses	-	(4)	(3,462)
Impairment loss on trade receivables and contract assets	(329)	(497)	(196)
Other income (expenses) net	(8,458)	(22,206)	2,503
Total	**(1,913,792)**	**(1,199,774)**	**(748,275)**

(a) Depreciation and amortization include R$40,968 (R$31,884 as of December 31, 2021 and R$24,089 as of December 31, 2020) classified as cost of services; R$10,521 (R$9,365 as of December 31, 2021 and R$5,793 as of December 31, 2020) as general and administrative expenses, and R$43,069 (R$7,105 as of December 31, 2021) regarding intangible assets acquired in business combination as general and administrative expenses.

(b) Share-based compensation includes R$4,235 (R$1,930 as of December 31, 2021 and R$139 as of December 31, 2020) classified as cost of services and R1,251 (R$600 as of December 31, 2021 and R$795 as of December 31, 2020) as expenses.

(c) Consulting expenses includes R$18,335 (R$6,957 as of December 31, 2021 and R$446 as of December 31, 2020) related to acquisitions and R$2,220 as of December 31, 2021 referring to costs directly attributable to secondary public share offering.

(d) Other post-acquisition expenses include the fair value adjustment on account payable for business combination (R$11,497) and other expenses related to the obligation of business combination (R$11,153).

24.1 Other income (expenses), net

	December 31, 2022	December 31, 2021	December 31, 2020
Costs attributable to secondary offering	-	(2,220)	-
Impairment of intangible assets (note 14)	-	(21,895)	-
Government grant	1,141	2,481	1,571
Fair value adjustment on account payable for business combination	(11,497)	-	-
Other	1,898	(572)	932
	(8,458)	**(22,206)**	**2,503**

25 Net finance costs

	December 31, 2022	December 31, 2021	December 31, 2020
Finance income:			
Income from financial investments	7,406	4,321	2,626
Foreign-exchange gain	136,544	46,302	28,135
Gains on derivatives	25,655	18,585	16,652
Interest received	2,549	99	170
Monetary variation	117	314	29
Other finance income	725	195	196
	172,996	**69,816**	**47,808**
Finance costs:			
Exchange variation loss	(131,970)	(49,237)	(20,080)
Loss on derivatives	(15,366)	(18,112)	(31,575)
Interest and charges on loans and leases (note 16)	(73,837)	(29,729)	(10,304)
Bank guarantee expenses	(471)	(17)	(17)
Commissions and brokerage	-	(2,598)	-
Monetary variation	(9,018)	(3,092)	-
Other finance costs	(15,980)	(1,263)	(1,285)
	(246,642)	**(104,048)**	**(63,261)**
Net finance costs	**(73,646)**	**(34,232)**	**(15,453)**

26 Income tax and social contribution

Income tax and social security contribution recognized in profit or loss for the year are shown as follows:

	December 31, 2022	December 31, 2021	December 31, 2020
Current income tax and social security contribution	(69,873)	(95,375)	(66,912)
Deferred income tax	(4,483)	10,958	1,775
Income tax and social contributions	**(74,356)**	**(84,417)**	**(65,137)**

The reconciliation of the effective rate with the average nominal rate is shown as follows:

	December 31, 2022	December 31, 2021	December 31, 2020
Profit before income tax and social contribution	200,272	210,374	192,791
Combined income tax and social contribution rate	34%	34%	34%
Tax using the Company's domestic tax rate	(68,092)	(71,527)	(65,549)
Interest on own capital	-	2,138	1,469
Expected income tax expense and interest on own capital	(68,092)	(69,389)	(64,080)
Tax incentives	-	-	219
Taxation of profit before income tax generated abroad	(1,362)	(9,610)	-
Impairment loss (intangible)	-	(6,864)	-
Other permanent exclusions (additions)	(4,902)	1,446	(1,276)
Income Tax and Social Contribution Expenses	**(74,356)**	**(84,417)**	**(65,137)**
Current	(69,873)	(95,375)	(66,912)
Deferred	(4,483)	10,958	1,775
	(74,356)	**(84,417)**	**(65,137)**
Effective rate	**37%**	**40%**	**34%**

Amounts recognized directly in shareholders' equity

	December 31, 2022	December 31, 2021	December 31, 2020
Share-based compensation plan	-	(147)	45
Total	-	**(147)**	**45**
Current	-	-	8,698
Deferred	-	(147)	(8,653)
Total taxes recognized in equity	-	**(147)**	**45**

Deferred tax

The composition and changes in the deferred income tax and social contribution are described below:

December 31, 2022								
	Net balance on January 1st 2022	**Recognition in profit or loss**	**Deferred tax acquired from business combination (9.2.c)**	**Other**	**Exchange variation effect**	**Net amount**	**Deferred tax asset**	**Deferred tax liabilities**
Provisions	1,677	1,529	-	102	(35)	3,273	3,273	-
Bonus accrued	25,768	(5,227)	-	-	470	21,011	21,011	-
Restrict stock Units	-	719	-	-	-	719	719	-
Lease	2,122	408	-	-	81	2,611	2,611	-
Other items	607	(832)	2,316	-	(1,326)	765	765	-
R&D tax credit	-	-	5,745	-	(951)	4,794	4,794	-
Tax loss carry amount	1,815	(1,080)	-	1,826	(596)	1,965	1,965	-
Net tax liability (assets)	**31,989**	**(4,483)**	**8,061**	**1,928**	**(2,357)**	**35,138**	**35,138**	-

December 31, 2021								
	Net balance on January 1st 2021	**Recognition in equity**	**Recognition in profit or loss**	**Other**	**Exchange variation effect**	**Net amount**	**Deferred tax asset**	**Deferred tax liabilities**
Provisions	2,038	-	(437)	-	76	1,677	1,739	(62)
Bonus accrued	18,447	-	6,354	-	968	25,768	25,768	-
Lease	2,168	-	(41)	-	(5)	2,122	2,122	-
Other items	(8,629)		2,630	6,913	(307)	607	2,440	(1,833)
Indemnity on share-based compensation plan	214	(147)	(67)	-	-	-	-	-
Tax loss carry amount	915	-	2,519	(1,619)	-	1,815	3,228	(1,413)
Net tax liability (assets)	**15,152**	**(147)**	**10,958**	**5,294**	**732**	**31,989**	**35,297**	**(3,308)**

27 Earnings per share

Basic and diluted earnings per share

The calculation of basic earnings per share was based on the net income attributed to holders of common shares and the weighted average number of outstanding common shares. The calculation of diluted earnings per share was based on the net income attributed to holders of common shares and the weighted average number of outstanding common shares, after adjustments for all potential diluted common shares.

	December 31, 2022	December 31, 2021	December 31, 2020
Numerator			
Profit attributable to holders of common shares	125,916	125,957	127,654
Denominator			
Weighted average number of basic shares held by shareholders	133,186,441	121,777,128	119,960,383
Earnings per share – basic	**0.95**	**1.03**	**1.06**
Numerator			
Profit attributable to holders of common shares	125,916	125,957	127,654
Denominator			
Weighted average number of diluted shares held by shareholders	134,774,674	125,155,798	123,287,891
Net earnings per share – diluted	**0.93**	**1.01**	**1.04**

Weighted average number of common shares.

	December 31, 2022	December 31, 2021	December 31, 2020
Weighted average common shares (basic)	133,186,441	121,777,128	119,960,383
Effect of share-based compensation when exercised	1,588,233	3,378,670	3,327,508
Weighted average number of common shares	**134,774,674**	**125,155,798**	**123,287,891**

28 Financial instruments and risk management

28.1 Financial instrument categories

The Group maintains operations with derivative and non-derivative financial instruments. The control policy consists of monitoring the terms contracted against current terms and conditions in the market. The Company does not make investments of speculative nature in derivatives or any other risk assets.

The estimated fair value of the Group's financial instruments considered the following methods and assumptions:

- Cash and cash equivalents and financial investment: recognized at cost plus income earned up to the closing date of the financial statements, which approximate their fair value.

- Trade receivables: arise directly from the Group's operations, classified at amortized cost, are recorded at their original values, adjusted based on the exchange rate changes, when applicable, and subject to a provision for losses. Their carrying amount is a reasonable approximation of fair value.

- Loans and borrowings: classified as financial liabilities measured at amortized cost and are recorded at their contractual values. The contractual flow of loans and borrowings is adjusted to the future value of the liabilities considering the interest until maturity.

- Derivative financial instruments: The Group used derivative financial instruments to manage the interest rate risk exposure. This risk arises from the possibility of the Group incurring losses because of interest rate fluctuations that increase finance costs related to loans. Since April 2021, the Group has decided not to engage in new derivative agreements to manage the foreign exchange risk exposure. Existing contracts were maintained: NDFs — non-deliverable forwards are used for operations with derivative instruments, for the discounted cash flow model for fair value calculation, with future dollar and interest assumptions obtained at B3 — Brasil, Bolsa, Balcão. Black and Scholes fair value statistical model is used for transactions with currency option (dollar), with future dollar and interest assumption obtained at B3. The financial instruments were valued by calculating the present value through the use of market curves that impact the specific instrument on the calculation dates. For this, future curves of US$ Libor 3M, exchange coupon, and currency quotation are used. For interest rate swaps, the present value of the asset position and the liability position are both estimated by discounting cash flows at the interest rate of the currency in which the swap is denominated. The difference between the present value of the asset and the liability position of the swap generates its fair value. For exchange forward swaps, the present value of the asset position and the liability position are both estimated by discounting cash flows at the rate of currency in which the swap is denominated. The difference between the present value of the asset and the liability position of the swap generates its fair value.

- Non-derivatives financial instruments: Based on the Group's risk management and considering the existing natural hedge on exchange rate variations, the Group designated hedge relationships between "highly probable future transactions" (hedged item) and non-derivative financial instruments (hedging instruments), and their exchange effects were recognized at the same time in the OCI. The exchange rate variations in proportions of cash flows from non-derivative financial instruments were designated as hedging instruments. At the inception of designated hedging relationships, the Group documented the risk management objective and strategy for undertaking the hedge. The Group also documented the economic relationship between the hedged item and the hedging instrument, including identification of: (i) the hedging instrument; (ii) the hedged item; (iii) the nature of the risk being hedged; and (iv) the assessment whether the hedging relationship meets the hedge effectiveness requirements.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, segregated by category:

	December 31, 2022			
	Amortized cost	**Assets/liabilities measured at FVTPL**	**Assets / liabilities measured at FVOCI**	**Total**
Financial assets				
Cash and cash equivalents	185,727	-	-	185,727
Financial investments	96,299	-	-	96,299
Trade receivables	501,671	-	-	501,671
Contract assets	217,250	-	-	217,250
Derivatives	-	11,194	-	11,194
Non-derivatives financial instruments – future exports revenue	-	-	19,637	19,637
Other assets	41,923	-	-	41,923
	1,042,870	**11,194**	**19,637**	**1,073,701**
Financial liabilities				
Suppliers and other payables	33,376	-	-	33,376
Loans and borrowings	974,231	-	-	974,231
Lease liabilities	62,808	-	-	62,808
Accounts payable for business combination	66,561	138,388	-	204,949
Derivatives	-	4,109	-	4,109
Non-derivatives financial instruments – future exports revenue	-	-	35,169	35,169
Contract liabilities	32,136	-	-	32,136
Other liabilities	51,031	-	-	51,031
	1,220,143	**142,497**	**35,169**	**1,397,809**

	December 31, 2021		
	Amortized cost	**Assets/liabilities measured at FVTPL**	**Total**
Financial assets			
Cash and cash equivalents	135,727	-	135,727
Financial investments	798,786	-	798,786
Trade receivables	340,519	-	340,519
Contract assets	134,388	-	134,388
Derivatives	-	896	896
Other assets	32,949	-	32,949
	1,442,369	**896**	**1,443,265**
Financial liabilities			
Suppliers and other payables	33,566	-	33,566
Loans and borrowings	788,709	-	788,709
Lease liabilities	81,888	-	81,888
Accounts payable for business combination	85,726	-	85,726
Derivatives	-	535	535
Contract liabilities	13,722	-	13,722
Other liabilities	15,329	-	15,329
	1,018,940	**535**	**1,019,475**

28.2 Financial risk management

The Group's operations are subject to the following risk factors:

a. *Market risks*

The Group is exposed to market risks resulting from the normal course of its activities, such as inflation, interest rates and exchange rate changes.

Thus, the Group's operating results may be affected by changes in national economic policy, especially regarding short and long-term interest rates, inflation targets and exchange rate policy. Exposures to market risk are measured by sensitivity analysis.

Management interest rate benchmark reform and associated risks

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). In 2021, the Group undertook amendments to most financial instruments with contractual terms indexed to IBORs such that they incorporated new benchmark rates. As at December 31 2022, the Group's remaining IBOR exposure is indexed to US dollar LIBOR. The alternative reference rate for all US dollar LIBOR is the Secured Overnight Financing Rate (SOFR). The Group finished the process of implementing appropriate fallback clauses for all US dollar LIBOR indexed exposures in 2021. These clauses automatically switch the instruments from USD LIBOR to SOFR as and when USD LIBOR ceases. As announced by the Financial Conduct Authority (FCA) in early 2022, the panel bank submissions for US dollar LIBOR will cease in mid-2023.

The risk Management monitors and manages the Group´s transition to alternative rates. The Management evaluates the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as a result of IBOR reform and how to manage communication about IBOR reform with counterparties. The Management reports to the Company´s board of directors regularly and collaborates with other business functions as needed. It provides periodic reports to management of interest rate risk and risks arising from IBOR reform.

a.1 Foreign currency – Exchange rate changes

The Group is exposed to foreign exchange risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables, and borrowings are denominated and the respective functional currencies of the Company and its subsidiaries.

Therefore, foreign exchange risk is inherent to the Group's business model. The Group's revenue is mainly denominated in foreign currency and, consequently, is exposed to exchange rate changes. The Group's expenses, on the other hand, are mainly denominated in the Group's functional currency (Brazilian Reais) and, consequently, are not exposed to exchange rate changes. The Group is exposed to exchange rate risk on its financial investments, suppliers and other payables, trade receivables, loans and borrowings, accounts payable for business combination, lease liabilities and derivatives. See below the total exposure to foreign currency:

	December, 2022			December, 2021	
	US$	**£**	**Other currencies**	**US$**	**Other currencies**
Financial investments	96,299	-	-	798,786	-
Suppliers and other payables	(4,229)	(2,264)	(2,078)	(8,763)	(722)
Trade receivables	304,617	51,152	12,306	233,724	7,273
Loans and borrowings	(223,512)	-	-	(266,561)	-
Lease liabilities	(29,147)	(1,009)	(2,493)	(32,159)	(962)
Accounts payable for business combination	(76,859)	(83,768)	-	-	-
Derivatives	(4,109)	-	-	361	-
Net exposure	**63,060**	**(35,889)**	**7,735**	**725,388**	**5,589**

Cash flow hedge for the Group's future investments:
In January 2022, the Group decided to apply hedge accounting for certain financial instruments (non-derivatives), with the purpose of hedging exchange rates in transactions related to highly probable risk operations.

On January 3, 2022, the Company designated hedge relationships "highly probable future acquisitions" and non-derivative US dollar financial investment for a total amount of R$ 572,940 (US$ 104,615). On January 27, 2022, as mentioned in note 9.2, the Company acquired the Somo Group. In connection with this acquisition, an amount of R$ 347,704 (US$ 64,615) was used to pay for the acquisition. On September 1, 2022, as mentioned in note 9.4, the Company acquired Transpire. In connection with this acquisition, an amount of R$ 55,545 (US$ 10,725) was used to pay for the acquisition. On November 1, 2022, as mentioned in note 9.5, the Company acquired NTERSOL. In connection with this acquisition, an amount of R$ 80,181 (US$ 15,000) was used to pay for the acquisition. The Group monitored on a monthly basis the relationships between the hedged item and hedging instruments, and the remaining balance of R$ 75,044 (US$ 14,275) of financial investments no longer meets the criteria for hedge accounting, then the hedge accounting was discontinued in October 2022, therefore, the cumulative gain or loss that was recognised in other comprehensive income, in the amount of R$ 5,337, was reclassified from equity to profit or loss.

The individual hedge relationships were established on a one-to-one basis, that is, each month's "highly probable future acquisitions" and the proportions of cash flows from financial investments made abroad, used in each hedge relationship, have the same face value in US dollars. The Company considered as "highly probable future acquisitions" only part of its total planned acquisitions.

The exposure of the Group's future investments in acquisitions in hard currency to the risk of variations in the R$/US$ exchange rate (liability position) was offset by an inverse exposure equivalent to its US dollars financial investments (asset position) to the same type of risk.

Cash flow hedge for the Group's future Revenues

Considering the natural hedge and the risk management strategy, the Group designates hedging relationships to account for the effects of the existing hedge between a foreign exchange gain or loss from proportions of its long-term debt obligations (denominated in U.S. dollars) and foreign exchange gain or loss of its highly probable U.S. dollar denominated future export revenues, so that gains or losses associated with the hedged transaction (the highly probable future exports) and the hedging instrument (debt obligations) are recognized in the statement of profit or loss in the same periods.

The schedule of cash flow hedge involving the Company´s future exports as of December 31, 2022 is set below:

				Present value of hedging instrument notional value at December 31, 2022	
Hedging Instrument	**Hedged Transaction**	**Nature of the Risk**	**Maturity Date**	**US$**	**R$**
Foreign exchange gains and losses on proportion of non-derivative financial instruments cash flows	Foreign exchange gains and losses of highly probable future monthly exports revenues	Foreign Currency - Real vs U.S. Dollar Spot Rate	2023 to 2026	-	-
Citibank (i)			2026	30,000	156,531
Citibank (ii)			2023	3,000	15,653
Bradesco (ii)			2023	3,000	15,653
Citibank (ii)			2023	2,000	10,435
Itaú (ii)			2023	10,000	52,177
Total amounts designated as of December 31, 2022				**48,000**	**250,449**

(i) Export credit note - NCE: Refers to financing to export software development services.

(ii) Advance on Foreign Exchange Contract (ACC).

Changes in the fair value of US$ foreign exchange debt obligation (non-derivative financial instruments) designated as effective cash flow hedges have their effective component recorded in Equity, Other Comprehensive Income ("OCI") and the ineffective component recorded in Statement of Profit or Loss, in finance income (expense). The amounts accumulated in Equity are recognized in the Statement of Profit or Loss in the years in which the hedged item affects the result, the effects of which are appropriated to the result, in order to minimize the variations in the hedged item.

The individual hedge relationships are established on a one-to-one basis, that is, the "highly probable exports" of each month and the proportions of cash flows from foreign exchange debt obligation made abroad, used in each relationship and individual hedge, have the same face value in US dollars.

The exposure of the Group's future exports in hard currency to the risk of variations in the R$/US$ exchange rate (liability position) is offset by an inverse exposure equivalent to its US dollars debt (asset position) to the same type of risk.

Hedge Accounting Effects

The movement of exchange variation accumulated in other comprehensive income as of December 31, 2022, resulting from completed investments in acquisitions during the year are set out below:

	Exchange variation
Balance as of December 31, 2021	
Recognized in Other comprehensive income	(30,600)
Reclassified to the statements of financial position - occurred investments in acquisitions	25,263
Reclassified to the statements of profit or loss - ineffective portion	5,337
Balance as of December 31, 2022	-

The movement of exchange variation accumulated in other comprehensive income as of December 31, 2022, resulting from completed and expected exports are set out below:

	Exchange variation
Balance as of December 31, 2021	
Recognized in Other comprehensive income	(23,855)
Reclassified to the statements of profit or loss - occurred exports	8,323
Balance as of December 31, 2022	**(15,532)**

As of December 31, 2022, the annual expectation of realization of the exchange rate variation balance accumulated in equity is R$ 8,951.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

a.2 *Interest rate risk*

Derives from the possibility of the Group incurring gains or losses resulting from changes in interest rates applicable to its financial assets and liabilities. The Group may also enter into derivative contracts in order to mitigate this risk.

a.3 *Sensitivity analysis of non-derivative financial instruments*

Exchange rate fluctuation and changes in interest rates may positively or adversely affect the financial statements, due to an increase or decrease in the balances of trade receivables and investments in foreign currency and the variation in the balances of financial investments and loans and borrowings.

The Group mitigates its risks relating to non-derivative financial assets and liabilities substantially through the contracting of derivative financial instruments. Accordingly, the Group identified the main risk factors that may generate losses for its operations with derivative financial instruments and this sensitivity analysis is based on three scenarios that may impact the Group's future results and cash flows, as described below:

(i) Probable scenario: The Group's projections, based on internal and external data, considered the highest projection expected by the Company for the next 12 months: (i) the interest rate index in order to analyze the sensitivity of the index in short-term investments and loans and borrowings was 13.95% for CDI and 4.65% for Libor (only applicable for some loans and borrowings); (ii) the exchange rate of R$ 5.40 for US$ and R$ 6.39 for £, related to the closing rate projected by the Company, for the purposes of analyzing the foreign exchange exposure. Based on these factors, variations in the adverse and remote scenarios were calculated.

(ii) Adverse scenario: considered a variation of 25% in the main risk factor of each transaction.

(iii) Remote scenario: considered a variation of 50% in the main risk factor of each transaction.

For each scenario, the gross finance income or finance costs were calculated, excluding taxes and the maturity flow of each agreement. The base date considered was December 31, 2022, projecting the indexes for one year and verifying their sensitivity in each scenario.

Sensitivity analysis for interest rate risk

	Risk	**Exposure in R$**	**Period rates**	**Probable scenario (I)**	**Adverse Scenario (II)**	**Remote Scenario (III)**
Short-term financial investments	Interest rate increase - CDI	58,464	13.65%	13.95%	17.44%	20.93%
				175	2,216	4,256
Loans and borrowings	Interest rate increase - CDI	(298,443)	13.65%	13.95%	17.44%	20.93%
				(895)	(11,311)	(21,727)
Accounts payable for business combination	Interest rate increase – CDI	(43,348)	13.65%	13.95%	17.44%	20.93%
				(130)	(1,643)	(3,156)
Loans and borrowings	Interest rate increase - Libor	(129,701)	3.81%	4.65%	5.81%	6.98%
				(1,089)	(2,594)	(4,112)
Loans and borrowings	Interest rate increase - SOFR	(341,170)	4.31%	4.88%	6.10%	7.32%
				(1,945)	(6,107)	(10,269)
Derivatives (interest rate swap)	Interest rate increase - Libor	129,701	3.81%	4.65%	5.81%	6.98%
				1,089	2,594	4,112
Net effect				**(2,795)**	**(16,845)**	**(30,896)**

Sensitivity analysis for exchange rate risk

	Risk	Exposure in US$	Probable scenario (i)	Adverse Scenario (ii)	Remote Scenario (iii)
Net exchange variation on transactions					
Exchange variation in the year	Foreign currency appreciation – US$	5.2177	5.4039	6.7549	8.1059
Financial investments		18,456	3,437	28,371	53,305
Suppliers and other payables		(811)	(151)	(1,246)	(2,341)
Trade receivables		58,381	10,871	89,744	168,617
Loans and borrowings		(42,837)	(7,976)	(65,849)	(123,723)
Derivatives		20,003	3,724	30,748	57,772
Lease liabilities		(5,586)	(1,040)	(8,587)	(16,134)
Accounts payable for business combination		(14,582)	(1,941)	(21,641)	(41,341)
			6,924	**51,540**	**96,155**

	Risk	Exposure in $	Probable scenario (i)	Adverse Scenario (ii)	Remote Scenario (iii)
Net exchange variation on transactions					
Exchange variation in the year	Foreign currency appreciation – £	6.2785	6.3960	7.9950	9.5940
Suppliers and other payables		(361)	(42)	(619)	(1,196)
Trade receivables		8,147	957	13,985	27,012
Lease liabilities		(161)	(19)	(276)	(533)
Accounts payable for business combination		(13,342)	(1,568)	(22,902)	(44,236)
			(672)	**(9,812)**	**(18,953)**

b. Credit risk

Credit risk refers to the risk that a counterparty will not comply with its contractual obligations, causing the Group to incur financial losses. Credit risk is the risk of a counterparty in a business transaction not complying with an obligation provided by a financial instrument or an agreement with a client, which would cause financial loss. To mitigate these risks, the Group analyzes the financial and equity condition of its counterparties, as well as the definition of credit limits and permanent monitoring of outstanding positions.

The Group applies the simplified standard approach to commercial financial assets, where the provision for losses is analyzed over the remaining life of the asset.

In addition, the Group is exposed to credit risk with respect to financial guarantees granted to banks.

The Group held cash and cash equivalents of R$ 185,727 on December 31, 2022 (R$ 135,727 as of December 31, 2021) and financial investments of R$ 96,299 on December 30, 2022 (R$ 798,786 as of December 31, 2021). The cash and cash equivalents and financial investments are held with bank and financial institution counterparties, which are rated BB- to A+, based on Standard & Poor's ratings.

The carrying amount of financial assets represents the maximum credit exposure. The maximum credit risk exposure on the date of the financial statements is:

	December 31, 2022	December 31, 2021
Hedge financial instruments (current and non-current)	11,194	896
Cash and cash equivalents	185,727	135,727
Financial investments	96,299	798,786
Trade receivables	501,671	340,519
Contract assets	217,250	134,388
Other receivables (current and non-current)	41,923	32,949
	1,054,064	**1,443,265**

On 31 December 2022, the exposure to credit risk for trade receivables, contract assets and other receivables by geographic region was as follows:

	December 31, 2022	December 31, 2021
NAE (North America and Europe)	**499,626**	**297,430**
North America	426,166	287,992
Europe	73,460	9,438
LATAM (Latin America)	**246,270**	**202,528**
APJ (Asia, Pacific and Japan)	**14,948**	**7,917**
Total	**760,844**	**507,875**

c. ***Liquidity risk***

The Group monitors liquidity risk by managing its cash resources and financial investments.

Liquidity risk is also managed by the Group through its cash flow projection, which aims to ensure the availability of funds to meet the Group's both operational and financial obligations.

The Group also maintains approved credit lines with financial institutions in order to adequate levels of liquidity in the short, medium and long terms.

The maturities of the long-term installments of the loans are described in note 16.

The following are the remaining contractual maturities of financial liabilities on the reporting date. The amounts are gross and undiscounted, including contractual interest payments and excluding the impact of netting agreements:

	2022					
	Carrying amount	**Cash contractual cash flow**	**6 months or less**	**6- 12 months**	**1-2 years**	**2-5 Years**
Non-derivative financial liabilities						
Trade payables	33,376	33,376	33,376	-	-	-
Loans and borrowings	974,231	1,176,743	146,564	107,207	273,298	649,674
Lease liabilities	62,808	70,837	13,903	11,480	17,981	27,473
Accounts payable for business combination	204,949	229,547	64,888	7,484	95,858	61,317
Contract liabilities	32,136	32,136	32,136	-	-	-
Other payables (current and non-current)	51,031	51,031	51,031	-	-	-
Derivatives	4,109	4,109	4,109	-	-	-
Non-derivatives financial instruments	35,169	35,169	35,169	-	-	-
	1,397,809	**1,632,948**	**381,176**	**126,171**	**387,137**	**738,464**

	2021					
	Carrying amount	**Cash contractual cash flow**	**6 months or less**	**6- 12 months**	**1-2 years**	**2-5 Years**
Non-derivative financial liabilities						
Trade payables	33,566	33,566	33,566	-	-	-
Loans and borrowings	788,709	974,942	136,161	88,045	171,022	579,714
Lease liabilities	81,888	87,662	12,435	12,251	22,284	40,692
Accounts payable for business combination	85,726	85,726	1,064	47,860	12,179	24,623
Contract liabilities	13,722	13,722	13,722	-	-	-
Other payables (current and non-current)	15,329	15,329	15,329	-	-	-
Derivatives	535	535	535	-	-	-
	1,019,475	**1,211,482**	**212,812**	**148,156**	**205,485**	**645,029**

Bank credit lines

	December 31, 2022	**December 30, 2021**
Used	-	11,161
Not used	54,786	47,434
	54,786	**58,595**

The Group has credit lines for working capital with the banks HSBC and Citibank, in the amount of US$10,500 or R$54,786, at the exchange rate of 5.2177, the commercial selling rate for U.S. dollars as of December 31, 2022, as reported by the Brazilian Central Bank (note 16).

28.3 Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. As of December 31, 2022, the Group no longer entered into purchase and sale agreement for derivative financial instruments (NDFs).

Fair value estimated for derivative financial instruments contracted by the Group was determined according to information available in the market, mainly through financial institutions and specific methodologies of assessment. However, considerable judgment is necessary to understand market data in order to produce the fair value estimate for each operation. Consequently, the estimates do not necessarily indicate the amounts that will be effectively realized at settlement.

For comparison purpose, as of December 31, 2021, the Group had the following agreements for financial derivatives (NDFs):

		2021			
Maturity	**Nominal value (US$)**	**Contracted rate**	**Amount in R$**	**Market rate**	**Fair value**
February 25, 2022	(560)	5.6220	(3,148)	5.3459	(17)
Total					**(17)**

The Group also used options in order to protect exports against the risk of exchange variation. The Group may enter into zero-cost collar strategies, which consists of the purchase of a put option and the sale of a call option, contracted with the same counterparty and with a net zero premium.

The composition of the balances involving options to buy and sell currencies is as follows:

		2021			
Maturity	**Nominal value (US$)**	**Contracted rate**	**Amount in R$**	**Market rate**	**Fair value**
01/21/2021 - 01/17/2022	875	Put option	4,900	5.8257	(349)
02/25/2021 - 02/25/2022	490	Put option	2,909	5.6490	(170)
					(519)
01/21/2021 - 01/17/2022	875	Call option	(4,900)	5.5563	298
02/25/2021 - 02/25/2022	490	Call option	(2,909)	5.4690	196
					494
					(25)

During 2021, the Group entered into an interest rate swap transaction with the purpose of hedging the exposure to variable interest rate related to the Export Credit Note – NCE with Citibank.

In May 2022, the Group entered a swap operation exchanging the CDI based rate to a US$ prefixed rate, related to a portion of an Export Credit Note - NCE with Bradesco.

The interest rate profile of the Group's interest-bearing financial instruments, as reported to the Group's Management, is as follows:

			2022		
Maturity	**Notional (US$)**	**Amount in R$**	**Floating rate receivable**	**Fixed rate payable**	**Fair value**
07/16/2026	30,000	152,100	3-months LIBOR	3.07%	11,194
07/07/2026	-	100,000	CDI	Foreign Exchange + 4.90%	(4,109)
					7,085

	2021				
Maturity	**Notional (US$)**	**Amount in R$**	**Floating rate receivable**	**Fixed rate payable**	**Fair value**
07/16/2026	30,000	152,100	3-month LIBOR	3.07%	403
					403

28.4 Classification of financial instruments by type of measurement of fair value

The Group has financial instruments measured at fair value, which are qualified as defined below:

- **Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the group may have access to on the measurement date;
- **Level 2** - Observable information for the asset or liability, directly or indirectly, except for quoted prices included in Level 1; and
- **Level 3** - Unobservable data for the asset or liability.

	Carrying amount		Fair value	
	December 31, 2022	**December 31, 2021**	**December 31, 2022**	**December 31, 2021**
Level 2				
Derivatives:				
Non-Deliverable Forward - NDF	-	(17)	-	(17)
Interest rate swap	7,085	403	7,085	403
Call and put option term	-	(25)	-	(25)
Total	**7,085**	**361**	**7,085**	**361**
Non-derivatives				
Lease liabilities	(62,808)	(81,888)	(62,808)	(81,888)
Loans and borrowings	(974,231)	(788,709)	(974,231)	(788,709)
Accounts payable for business combination	(204,949)	(85,726)	(204,949)	(85,726)
Total	**(1,241,988)**	**(956,323)**	**(1,241,988)**	**(956,323)**
Total	**(1,234,903)**	**(955,962)**	**(1,234,903)**	**(955,962)**

Cash and cash equivalents, financial investments, trade receivables, and suppliers and other payables were not included in the table above. The Group understands that these financial instruments have no classification, as the carrying amount of these items is a reasonable approximation of fair value.

29 Related parties

Transactions with key management personnel

The Group paid R$10,997 as of December 31, 2022 (R$11,096 as of December 31, 2021 and R$9,519 as of December 31, 2020) as direct compensation to key management personnel. These amounts correspond to the executive board compensation, related social charges and short-term benefits and are recorded under line “General and administrative expenses”.

In 2020, the amount of R$43,354 was paid to the key management personnel, due to the cancellation of the Group's share-based compensation plan as disclosed in note 21.c. The remaining amount, of R$628, was approved and paid in July 2021.

The executive officers also participate in the Group's share-based compensation program (see note 21). For the year ended on December 31, 2022, R$ 21 (R$99 as of December 31, 2021 and R$22 as of December 31, 2020) were recognized in the statement of profit or loss.

The Group has no additional post-employment obligation, as well as no other long-term benefits, such as premium leave and other severance benefits. The Group also does not offer other benefits in connection with the dismissal of its Senior Management's members, in addition to those defined by the Brazilian labor legislation in force.

30 Operating segments

Operating segments are defined based on business activities that reflect how CODM - Chief Operating Decision Maker reviews financial information for decision.

The Group's CODM is the Group's Board of Director. The CODM is in charge of the operational decisions of resource allocation and performance evaluation. The CODM considers the whole Group as a single operating and reportable segment, monitoring operations, making decisions on fund allocation and evaluating performance based on a single operating segment.

The CODM reviews relevant financial data on a consolidated basis for all subsidiaries. CODM makes decisions and regularly evaluates the performance of Group's services as a whole in a single operational and reportable segment.

The table below summarizes net revenues by geographic region:

	December 31, 2022	**December 31, 2021**	**December 31, 2020**
NAE (North America and Europe)	**1,129,166**	**693,006**	**471,763**
North America	923,174	654,858	451,999
Europe	205,992	28,148	19,764
LATAM (Latin America)	**975,948**	**701,206**	**435,987**
APJ (Asia, Pacific and Japan)	**82,596**	**50,168**	**48,769**
Total (Note 23)	**2,187,710**	**1,444,380**	**956,519**

Net revenues by geographic area were determined based on the country where the sale was made. The net revenue from a single customer represents 15% of the Company's total net revenues as of December 31, 2022 (20% as of December 31, 2021 and also as of December 31, 2020).

Revenue by client concentration

The following table sets forth net revenue contributed by the top client, and top ten clients for the periods indicated:

	December 31, 2022	**December 31, 2021**	**December 31, 2020**
Top client	325,505	283,311	190,599

Top 10 clients	1,079,941	913,890	644,722

Geographic information of the Group's non-current assets

The table below summarizes non-current assets, except deferred taxes, based on assets geographic location:

	December 31, 2022	December 31, 2021
Brazil	819,873	818,221
Cayman	405,145	-
United States of America	676,167	58,061
China	2,317	2,239
Australia	2,987	8
United Kingdom	1,804	74
Canada	280	284
Portugal	569	387
Other countries	1,858	176
Total	**1,911,000**	**879,450**