



ClearSale

intelligence to move\_

RELEASE



# RESULTS

# 1st Quarter of 2023

## Conference Call

**05/16/2023** (Tuesday)  
(Simultaneous translation to English)  
10:00 AM (Brasília Time)  
09:00 AM (US Time - EDT)

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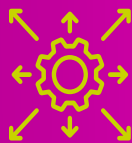
**Barueri**, Monday, May **15, 2023** - Clear Sale SA ("ClearSale" or "Company") (B3: CLSA3), a company specializing in digital anti-fraud solutions in the most diverse segments and a pioneer in mapping digital consumer behavior in Brazil, presents its results for the 1st quarter of 2023 ("1Q23"). The financial and operating information below, except where otherwise indicated, is presented in reais (BRL), in accordance with international accounting standards (IFRS) and Brazilian accounting principles. Comparisons refer to the same periods in 2022.

## Financial and Operational Highlights

Annual growth acceleration in **Net Revenue** in 1Q23.



**BRL 124.6 million**  
**+18.2%**



**ARR New Sales of**  
**BRL 37.1 million**



Annual growth of 34.4% in **ARR New Sales**.

Quarterly **Customers** net addition in 1Q23.

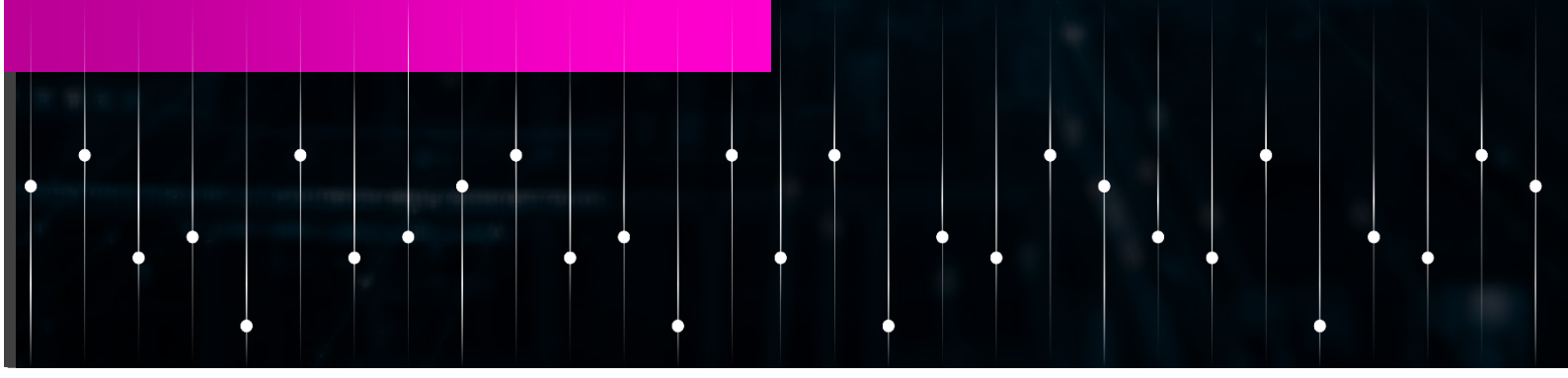


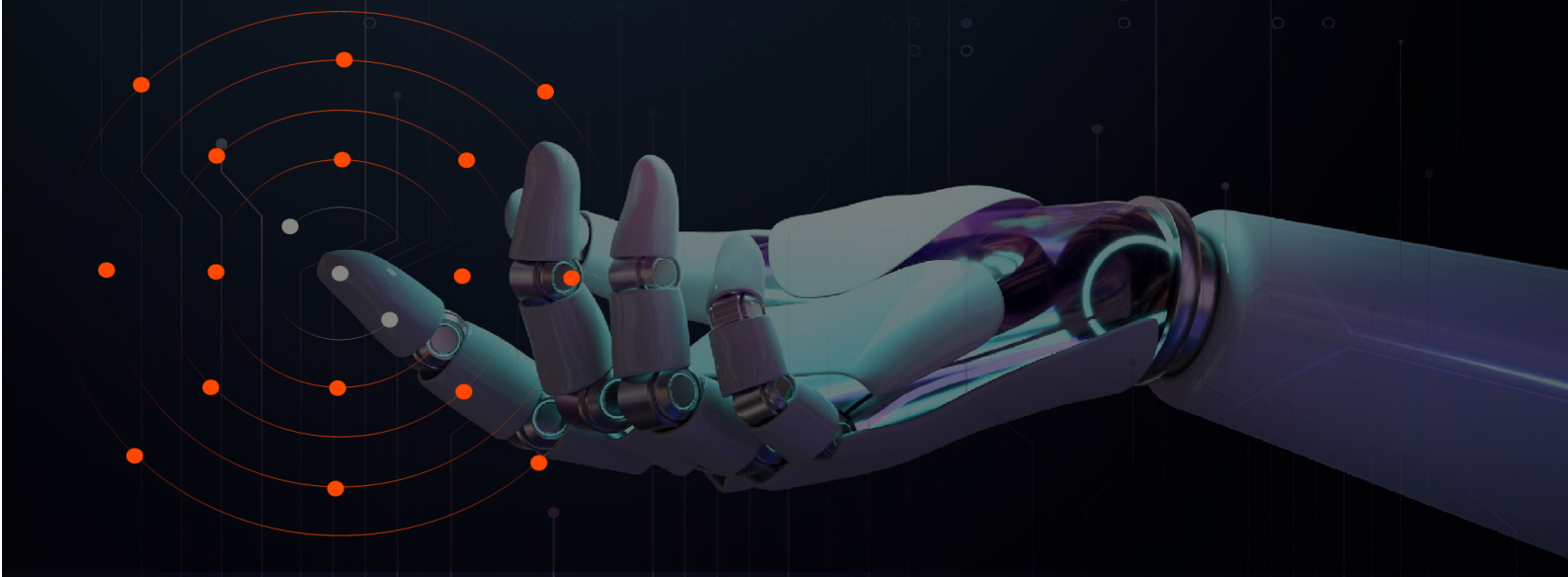
**7.785 Customers**  
**+210**

**Cash generation of**  
**BRL 25.8 million**  
**and Net Cash of**  
**BRL 414.8 million**



**Operating Cash** Generation in 1Q23 and healthy Cash position





	1Q23	YoY	
<b>New Sales ARR</b>	<i>E-commerce Brazil</i>	BRL 6.6 mn	(+26.4%)
	<i>International E-commerce</i>	BRL 4.7 mn	(+9.7%)
	<i>Application Fraud</i>	BRL 25.8 mn	(+42.6%)
	<b>Total ARR New Sales</b>	<b>BRL 37.1 mn</b>	<b>(+34.4%)</b>
<b>Customers</b>	<i>E-commerce Brazil</i>	5,667	(+1,041)
	<i>International E-commerce</i>	1714	(+312)
	<i>Application Fraud</i>	404	(+240)
	<b>Total Customers</b>	<b>7,785</b>	<b>(+1,593)</b>
<b>Churn</b>	<b>Total Churn Rate</b>	<b>3.2%</b>	<b>(+2.5 pp)</b>
<b>Net Revenue</b>	<i>E-commerce Brazil</i>	BRL 74.0 mn	(+26.6%)
	<i>International E-commerce</i>	BRL 18.1 mn	(+35.4%)
	<i>Application Fraud</i>	BRL 32.6 mn	(-3.1%)
	<b>Total Net Revenue</b>	<b>BRL 124.6 mn</b>	<b>(+18.2%)</b>
<b>Gross profit</b>	Recurring Gross Profit	BRL 45.1 mn	(+160.1%)
	Recurring Gross Margin	36.1%	(+19.7 pp)
<b>Recurring EBITDA</b>	Consolidated Recurring EBITDA	BRL -12.6 mn	(+BRL 36.9 mm)
	Consolidated EBITDA Margin	-10.1%	(+36.8 pp)
	Recurring EBITDA Brazil	BRL 1.2 mn	(+BRL 34.5 mm)
	EBITDA Margin Brazil	1.2%	(+37.3 pp)
<b>Net Income Recurrent</b>	Net income	BRL -13.5 mn	(+BRL 22.2 mm)
	Net Margin	-10.9%	(+23 pp)

Conference call in Portuguese:

05/16/2023 (Tuesday)

Investor Relations

Site: [ri.clear.sale](http://ri.clear.sale)

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10:00 AM (Brasília Time)  
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**CLSA**  
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## MESSAGE OF THANKS

Dear shareholders,

It is with gratitude, tranquility, and a sense of accomplishment that I step down as CEO of ClearSale and carry out the transition, duly planned and communicated in November 2022, to Eduardo Mônico, an extremely competent executive prepared for the role. In recent months, I have dedicated myself to a deeper assessment of the company's strategy, an agenda that will gain even more relevance in the company's Board of Directors, which I will join in June of this year.

Much of the market is aware of ClearSale through the company's IPO process and subsequent earnings releases. However, a much longer cycle than my tenure as CEO, which began in 2018, ends here.

Having a solid background in Artificial Intelligence, my first interactions with the company took place before 2008, through the development of AI algorithms for assessing the risk of fraud in payments with card-not-present in E-commerce, hitherto deployed in customers' on-premises systems. In 2008, when I formally took over the company's partnership, I personally designed the first cross-merchant fraud prevention model in Brazil, thus initiating the use of network effects in fraud prevention and the creation of our great data lake. Also in that year, we started a pioneering business model in fraud risk solutions, a solution now adopted by many of our competitors globally.

It was difficult to predict, at the time, that the company would become a data specialist company, the company that best knows the digital consumer in Brazil and with operations in risk management more broadly and in markets that go far beyond E-commerce and from Brazil. It was an entrepreneurial journey of a lot of learning, trust, freedom and belief in our employees, pillars strongly present in our culture. I always mention that the company has grown every year since then, going through all the economic crises and fraud attacks, such as the crisis that we just faced recently, already with market visibility.

In 2018, when I took over the leadership of the company, I focused on professionalizing the company, the commercial area, maintaining and adapting the culture, adjusting products and architectures, consolidating the entry into new markets through Credit and Application Fraud products for the segment finance and start of the Open Innovation area (Explore). I would like to highlight two other actions: the first was the paving necessary for the continued sustainable growth of the company with capital and governance, through the company's IPO process, finalized on my birthday on 07/30/2021. The second was the company's succession planning, with the construction of a C-Level of unique excellence, which will take this company to another level of management. We will maintain our DNA, being the company with the best vocation to solve current and future market risk pains, always with the trust of our customers and with a lot of innovation. The succession begins today.

To my successor, Eduardo Mônico, I wish all the best for this moment. I'm totally safe with the transition. We will have a much more professional management. I also offer all my support and support as a future adviser. It's not just a job transition, we're passing the product of a multi-life build into your hands.

I am very grateful to Renato Soriano, who has been our advisor for 13 years and made the distance, inherent to the position, seem non-existent.

In my IPO speech, I said that it is our actions within the company that will be reflected in the stock price at some point. Never the other way around. That's what I hope will continue.

Many thanks to all employees (many of them friends), customers, investors, suppliers, and everyone who indirectly contributed and/or contributes to ClearSale. This cycle was one of extreme pride in my life.

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**Dr. Bernardo Lustosa**



## 1. MESSAGE FROM MANAGEMENT

Dear Shareholders,

It is with great honor that I present the results of ClearSale for the first time as CEO. We are pleased to share the conclusion of our management transition process, which took place in a planned, calm and organized manner. In November of last year, we announced a movement in which Bernardo would dedicate himself to more strategic matters and focused on innovation, while I would focus on everyday issues. I would like to thank Bernardo for his teachings, support, and trust in me. I will continue to dream and work to honor his legacy and maintain ClearSale's reputation as an authority on fraud prevention.

In this first quarter of 2023, we operate with the new organizational structure per BU that we announced last quarter. This new structure already brings clear benefits, such as: (i) optimization of data use by the Risks unit; (ii) cross-generation of opportunities with a key account raising business opportunities through each of the BUs and (iii) the BUs (Global E-commerce, *Application Fraud* and *New Ventures*), with a more agile and flexible format, are able to take advantage of investments made more quickly, better adapt the portfolio of solutions and, consequently, implement a faster and more effective *go-to-market*.

Regarding the results of the first quarter, we observed an acceleration in the pace of annual revenue growth to 18.2%, which was supported by levels of fraud under control and by the new sale ARR, which were 34.4% above the same period of the year previous. This new sale was driven by digital segments, reflecting investments in development and componentization.

Our recurring EBITDA showed an improvement of BRL 37 million compared to the first quarter of last year, and in Brazil, we have a positive recurring EBITDA in a seasonally weak quarter, while the international EBITDA reflects the beginning its Equilibrium Plan. This process focuses on maintaining a profitable customer portfolio, renegotiating contracts, or terminating unprofitable contracts, which pressured the level of fraud this quarter, but which brings a much more sustainable business in the short and medium term.

Despite a challenging macroeconomic scenario, we are confident that our new structure and the investments made will continue to attract new customers, maintaining solid profitability in Brazil, while the International Equilibrium Plan process should boost consolidated profitability.

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**Eduardo Mônaco**  
CEO



## 2. OPERATIONAL INDICATORS

### 2.1. CUSTOMERS AND CHURN

# ; %	1Q23	4Q22	1Q22	QoQ	YoY
Brazil E-commerce Customers	5,667	5,524	4,626	+2.6%	+22.5%
International E-commerce Customers	1714	1,668	1,402	+2.8%	+22.3%
Application Fraud Customers	404	383	164	+5.5%	+146.3%
<b>Total Clients</b>	<b>7,785</b>	<b>7,575</b>	<b>6,192</b>	<b>+2.8%</b>	<b>+25.7%</b>

In March 2023, the total number of customers reached 7,785, quarterly growth of 2.8%, or net addition of 210 customers. Net addition was positive in all business lines, with emphasis on E-commerce Brazil, with net addition of 143, followed by E-commerce International at 46 and *Application Fraud* at 21.

BRL mn; %	1Q23	4Q22	1Q22	QoQ	YoY
Annualized Financial Churn	1.4	0.5	0.3	+164.5%	433.5%
<b>Annualized Churn Rate (%)</b>	<b>3.2%</b>	<b>1.4%</b>	<b>0.7%</b>	<b>+1.8 pp</b>	<b>+2.5 pp</b>

Churn in 1Q23 was BRL 1.4 million and a *Churn-rate* of 3.2%, down 2.5 p.p. compared to the *Churn -rate* in 1Q22 and up 1.8 pp compared to 2022. The increase is mainly due to the concentration of three clients in *Application Fraud*, one of which was due to business discontinuity. It is worth mentioning that the annualized *churn* rate conservatively considers that the same level of the first quarter would be replicated throughout 2023. Thus, we expect the *Churn rate* to normalize due to the dilution effect throughout the year.

### 2.2. ARR NEW SALES

BRL mn; %	1Q23	4Q22	1Q22	QoQ	YoY
ARR New Sales E-commerce Brazil	6.6	36.0	5.2	-81.8%	+26.4%
ARR New Sales E-commerce International	4.7	9.6	4.3	-50.6%	+9.7%
ARR New Sales <i>Application Fraud</i>	25.8	31.2	18.1	-17.5%	+42.6%
<b>Total ARR New Sales</b>	<b>37.1</b>	<b>76.8</b>	<b>27.6</b>	<b>-51.8%</b>	<b>+34.4%</b>

ARR New Sales in 1Q23 was BRL 37.1 million, a growth of 34.4% in the year.

ARR New Sales for E-commerce Brazil and E-commerce International was BRL 6.6 million and BRL 4.7 million in 1Q23, respectively, with emphasis on domestic sales, which had annual growth of 26.4%. While in *Application Fraud*, ARR New Sales was BRL 25.8 million, growth of 42.6%.

It is important to note that the investments made in the development of Flow, a componentized and modularized platform, have already shown positive effects, considering that ¼ of new E-commerce sales are already made in digital services.



### 3. FINANCIAL INDICATORS

#### 3.1. RESULTS REPORT

		1Q23	YoY
<b>ARR New Sales</b>	E-commerce Brazil	BRL 6,6 mn	(+26,4%)
	E-commerce Internacional	BRL 4,7 mn	(+9,7%)
	Application Fraud	BRL 25,8 mn	(+42,6%)
	<b>Total ARR New Sales</b>	<b>BRL 37,1 mn</b>	<b>(+34,4%)</b>
<b>Customers</b>	E-commerce Brazil	5.667	(+1041)
	E-commerce Internacional	1.714	(+312)
	Application Fraud	404	(+240)
	<b>Total Customers</b>	<b>7.785</b>	<b>(+1593)</b>
<b>Churn</b>	<b>Total Churn Rate</b>	<b>3,2%</b>	<b>(+2,5 pp)</b>
<b>Net Revenue</b>	E-commerce Brazil	BRL 74 mn	(+26,6%)
	E-commerce Internacional	BRL 18,1 mn	(+35,4%)
	Application Fraud	BRL 32,6 mn	(-3,1%)
	<b>Total Net Revenue</b>	<b>BRL 124,6 mn</b>	<b>(+18,2%)</b>
<b>Gross Profit</b>	Recurring Gross Profit	BRL 45,1 mn	(+160,1%)
	Recurring Gross Margin	36,1%	(+19,7 pp)
<b>Recurring EBITDA</b>	Recurring Total EBITDA	BRL -12,6 mn	(+BRL 36,9 mm)
	Recurring Total EBITDA Margin	-10,1%	(+36,8 pp)
	Recurring EBITDA Brazil	BRL 1,2 mn	(+BRL 34,5 mm)
	Recurring EBITDA Brazil Margin	1,2%	(+37,3 pp)
<b>Recurring Net Result</b>	Recurring Net Result	BRL -13,5 mn	(+BRL 22,2 mm)
	Recurring Net Margin	-10,9%	(+23 pp)

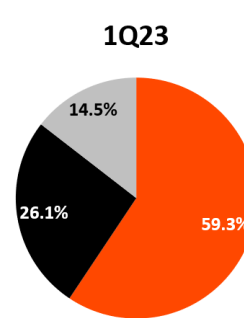
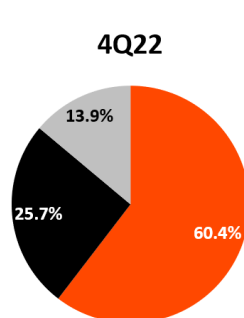
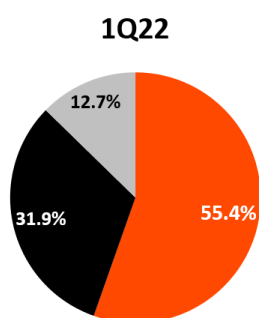




### 3.2. NET REVENUE by SEGMENT

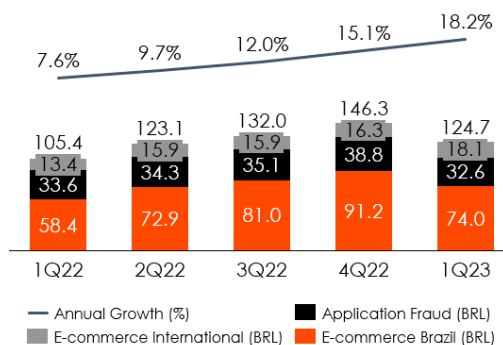
BRL mn; %	1Q23	4Q22	1Q22	QoQ	YoY
E-commerce Brazil	74.0	91.2	58.4	-18.9%	+26.6%
Application Fraud	32.6	38.8	33.6	-16.1%	-3.1%
International E-commerce (BRL)	18.1	20.9	13.4	-13.5%	+35.4%
International E-commerce (USD)	3.5	4.0	2.6	-12.5%	+36.2%
<b>Net operating revenue</b>	<b>124.6</b>	<b>151.0</b>	<b>105.4</b>	<b>-17.4%</b>	<b>+18.2%</b>

#### Revenue Distribution



■ E-Commerce BR ■ Application Fraud ■ E-commerce International

Total net revenue was BRL 124.6 million in 1Q23, an increase of 18.2% in the year, above the annual growth of 15.1% in 4Q22.



Revenue from E-commerce Brazil totaled BRL 74.0 million, up 26.6% over the same period of the previous year, reflecting new sales made throughout 2022 and fraud control.

In International E-commerce, net revenue reached USD 3.5 million or BRL 18.1 million, growth of 36.2% and 35.4%, respectively, against a weak basis of comparison.

Application Fraud line, revenue was BRL 32.6 million in 1Q23, down 3.1% against the same period of the previous year, explained by one-off churn and contract rollover effects.



## 3.3. COSTS OF SERVICES PROVIDED

BRL mn; %	1Q23	4Q22	1Q22	QoQ	YoY
Labor	-43.0	-41.9	-54.0	+2.7%	-20.4%
Suppliers	-20.4	-20.3	-25.2	+0.8%	-18.9%
Others	-12.1	-10.4	-8.9	+16.6%	+35.1%
<b>Recurring Costs without PPR (ex depr.)</b>	<b>-75.5</b>	<b>-72.5</b>	<b>-88.1</b>	<b>+4.2%</b>	<b>-14.3%</b>
% Net Revenue	-60.6%	-48.0%	-83.6%	-12.6 pp	+23.0 pp
Participation in Profits and Results (PPR)	-4.1	0.0	0.0	N/A	N/A
<b>Recurring Costs with PPR (ex depr.)</b>	<b>-79.6</b>	<b>-72.5</b>	<b>-88.1</b>	<b>+9.8%</b>	<b>-9.7%</b>
% Net Revenue	-63.9%	-48.0%	-83.6%	-15.8 pp	+19.7 pp
Non-recurring costs (Terminations)	-1.4	-1.5	0.0	-6.9%	at
Depreciation Costs	-7.0	-6.4	-3.5	+8.7%	+100.4%
<b>Total Accounting Cost (with depr.)</b>	<b>-88.0</b>	<b>-80.4</b>	<b>-91.6</b>	<b>+9.4%</b>	<b>-3.9%</b>
% Net Revenue	-70.6%	-53.3%	-86.9%	-17.3 pp	+16.3 pp

Recurring Costs, excluding PPR, totaled -BRL 75.5 million in 1Q23, down 14.3% or BRL 12.6 million year-on-year, compared to an 18.2% year-on-year growth in revenues. The reduction is mainly explained by the result of the Equilibrium plan, which resulted in an improvement of BRL 11.0 million in Labor and BRL 4.7 million in Suppliers. In Suppliers specifically, there was an accounting reclassification of BRL 3.2 million from other expenses to costs, that is, excluding this reclassification, Suppliers costs would have fallen by BRL 7.9 million in the year. The quarterly evolution is explained by the collective bargaining agreement and chargeback payments due to contract cancellations in the international operation, which impacts the others line.

Recurring Costs with PPR totaled -BRL 79.6 million, down 9.7% in the year, while Total Accounting Cost with depreciation was -BRL 88.0 million, down 3.9% in the year.



## 3.4. GROSS PROFIT AND GROSS MARGIN

BRL mn; %	1Q23	4Q22	1Q22	QoQ	YoY
E-commerce Brazil	74,0	91,2	58,4	-18,9%	+26,6%
Application Fraud	32,6	38,8	33,6	-16,1%	-3,1%
E-commerce International	18,1	20,9	13,4	-13,5%	+35,4%
<b>Net Revenues</b>	<b>124,6</b>	<b>151,0</b>	<b>105,4</b>	<b>-17,4%</b>	<b>+18,2%</b>
Total Recurring Costs ex PPR (ex depr.)	-75,5	-72,5	-88,1	+4,2%	-14,3%
<b>Recurring Gross Profit ex PPR (ex depr.)</b>	<b>49,1</b>	<b>78,5</b>	<b>17,3</b>	<b>-37,4%</b>	<b>+183,7%</b>
% Net Revenue	39,4%	52,0%	16,4%	-12,6 pp	+23,0 pp
Participation in Profits and Results (PPR)	-4,1	0,0	0,0	n/a	n/a
<b>Recurring Gross Profit with PPR (ex depr.)</b>	<b>45,1</b>	<b>78,5</b>	<b>17,3</b>	<b>-42,6%</b>	<b>+160,1%</b>
% Net Revenue	36,1%	52,0%	16,4%	-15,8 pp	+19,7 pp
Terminations	-1,4	-1,5	0,0	-6,9%	n/a
Depreciation and Amortization	-7,0	-6,4	-3,5	+8,7%	+100,4%
<b>Total Accounting Cost (ex depr.)</b>	<b>-88,0</b>	<b>-80,4</b>	<b>-91,6</b>	<b>+9,4%</b>	<b>-3,9%</b>
<b>Accounting Gross Profit (with depr.)</b>	<b>36,6</b>	<b>70,5</b>	<b>13,8</b>	<b>-48,1%</b>	<b>+164,7%</b>
% Net Revenue	29,4%	46,7%	13,1%	-17,3 pp	+16,3 pp

Recurring Gross Profit without PPR totaled BRL 49.1 million in 1Q23, an annual increase of 183.7% or BRL 31.8 million, while Gross Margin reached 39.4%, an increase of 23.0 p.p., reflecting the efficiency gains as mentioned earlier.

Even considering the PPR provision of BRL 4.1 million, the Recurring Gross Profit increases 160.1% or BRL 27.7 million in the year, totaling BRL 45.1 million. Recurring Gross Margin considering PPR improves 19.7 p.p. in the year, reaching 36.1%.



## 3.5. RECURRING AND NON-RECURRING EXPENSES

BRL mn; %	1Q23	4Q22	1Q22	QoQ	YoY
General and Administrative Expenses	-17,5	-20,5	-27,9	-14,9%	-37,3%
Sales Expenses	-29,5	-27,2	-30,7	+8,7%	-3,8%
Allowance for Doubtful Accounts (ADA)	-1,1	-5,8	0,0	-80,7%	n/a
Other Revenues and Expenses	-7,3	-11,7	-8,3	-38,2%	-12,5%
<b>Total recurring Expenses without PPR (ex depr.)</b>	<b>-55,4</b>	<b>-65,2</b>	<b>-66,8</b>	<b>-15,2%</b>	<b>-17,1%</b>
% Net Revenue	-44,4%	-43,2%	-63,4%	-1,2 pp	+18,9 pp
Participation in Profits and Results (PPR)	-2,3	-0,1	0,0	+2636,5%	n/a
<b>Total recurring Expenses with PPR (ex depr.)</b>	<b>-57,6</b>	<b>-65,3</b>	<b>-66,8</b>	<b>-11,8%</b>	<b>-13,7%</b>
% Net Revenue	-46,2%	-43,3%	-63,4%	-3,0 pp	+17,1 pp
Long-term incentive plan	-4,9	-3,9	-3,6	+24,6%	+34,3%
Write-off of Fixed Assets	0,2	0,0	0,0	n/a	n/a
Return of the building	0,0	-0,3	0,0	n/a	n/a
Terminations	0,0	-1,5	0,0	n/a	n/a
Depreciation and Amortization	-3,4	-1,8	-2,4	+83,1%	+41,1%
<b>Total non recurring expenses</b>	<b>-8,0</b>	<b>-7,5</b>	<b>-6,0</b>	<b>+6,6%</b>	<b>+33,8%</b>
<b>Total Accountable Expenses (with depr.)</b>	<b>-65,7</b>	<b>-72,9</b>	<b>-72,8</b>	<b>-9,9%</b>	<b>-9,8%</b>
% Net Revenue	-52,7%	-48,3%	-69,1%	-4,4 pp	+16,4 pp

Total Recurring Expenses without depreciation amounted to -BRL 55.4 million in 1Q23, an annual reduction of 17.1% or BRL 11.4 million, mainly explained by optimizations in Administrative Expenses and, to a lesser extent, optimization in Expenses with sales. Other expenses fall by account reclassification as mentioned above.

Considering the PPR provision of BRL 2.3 million in 1Q23, the Recurring Expense decreases by 13.7% in the year.



## 3.6. EBITDA AND ADJUSTED EBITDA

BRL mn; %	1Q23	4Q22	1Q22	QoQ	YoY
<b>Net Result</b>	<b>-17.6</b>	<b>5.3</b>	<b>-39.3</b>	<b>n/a</b>	<b>-55.4%</b>
(-) Financial Result	11.3	12.7	10.3	-11.0%	+9.3%
(-) Taxes	0.2	-5.1	9.3	n/a	-98.0%
(-) Depreciation and Amortization	-10.3	-8.3	-5.9	+25.3%	+76.3%
<b>EBITDA</b>	<b>-18.7</b>	<b>5.9</b>	<b>-53.1</b>	<b>n/a</b>	<b>-64.8%</b>
<i>EBITDA Margin (%)</i>	-15.0%	3.9%	-50.4%	-18.9 pp	+35.4 pp
(-) Termination Costs	-1.4	-1.5	0.0	-6.9%	n/a
(-) Long-term incentive plan	-4.9	-3.9	-3.6	+24.6%	+34.3%
(-) Write-off of Fixed Assets	0.2	0.0	0.0	n/a	n/a
(-) Return of the building	0.0	-0.3	0.0	n/a	n/a
(-) Terminations Expenses	0.0	-1.5	0.0	n/a	n/a
<b>Total Non-recurring</b>	<b>-6.1</b>	<b>-7.3</b>	<b>-3.6</b>	<b>-15.7%</b>	<b>+68.8%</b>
<b>Recurring EBITDA</b>	<b>-12.6</b>	<b>13.2</b>	<b>-49.5</b>	<b>n/a</b>	<b>-74.6%</b>
<i>Recurring EBITDA Margin (%)</i>	-10.1%	8.7%	-46.9%	-18.8 pp	+36.8 pp
Participation in Profits and Results (PPR)	-6.4	-0.1	0.0	+7553.1%	n/a
<b>Recurring EBITDA ex-PPR</b>	<b>-6.2</b>	<b>13.3</b>	<b>-49.5</b>	<b>n/a</b>	<b>-87.4%</b>
<i>Recurring EBITDA Margin ex-PPR (%)</i>	-5.0%	8.8%	-46.9%	-13.8 pp	+41.9 pp
(-) Subsidiary Recurring EBITDA (ClearSale LLC)	-13.8	-14.0	-11.4	-1.2%	+21.2%
<b>Recurring EBITDA Brazil</b>	<b>1.2</b>	<b>27.2</b>	<b>-38.1</b>	<b>-95.4%</b>	<b>n/a</b>
<i>Recurring EBITDA Margin Brazil (%)</i>	1.2%	20.9%	-41.3%	-19.7 pp	+42.5 pp

In 1Q23, EBITDA was -BRL 18.7 million, an increase of 34.4 million in the year. Recurring EBITDA with PPR provision was -BRL 12.6 million against -BRL 49.5 million in 1Q22, reflecting a Recurring EBITDA Margin of -10.1%. Recurring EBITDA excluding the PPR provision would be -BRL 6.2 million, an improvement of BRL 43.3 million in the year and reflecting a Recurring EBITDA Margin of -5.0%.

It is worth noting that Brazil's Recurring EBITDA was positive by BRL 1.2 million (or BRL 7.6 million excluding PPR) in a seasonally weak quarter. Consolidated EBITDA is especially impacted this quarter due to the international Equilibrium Plan process.



### 3.7. FINANCIAL RESULT

BRL mn; %	1Q23	4Q22	1Q22	QoQ	YoY
Financial Revenues	16.1	19.5	19.5	-17.5%	-17.6%
Financial Expenses	-4.8	-6.8	-9.2	-29.5%	-47.8%
<b>Financial Result</b>	<b>11.3</b>	<b>12.7</b>	<b>10.3</b>	<b>-11.0%</b>	<b>+9.3%</b>

The Financial Result was BRL 11.3 million in 1Q23, representing a decrease of 11.0% in the quarter and growth of 9.3% in the year.

Financial income totaled BRL 16.1 million, an annual decrease of BRL 3.4 million, mainly impacted by a one-off effect in 1Q22 from the re-measurement of the Beta Learning *earn-out*.

Financial expenses totaled BRL 4.8 million, down BRL 4.4 million in the year, mainly impacted by the non-cash effect of exchange variation and swap.

### 3.8. INCOME TAX AND NET INCOME

BRL mn; %	1Q23	4Q22	1Q22	QoQ	YoY
Operating Profit before Income Tax and Social Contribution	-17.7	10.4	-48.6	n/a	-63.5%
Tax and Social Contribution (Nominal Rate = 34%)	6.0	-3.5	16.5	n/a	-63.5%
<b>Adjustments for effective rate</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>	<b>0.0%</b>
Loss without constitution of deferred	-5.7	-2.9	-6.6	+101.3%	-12.6%
Other net exclusions/additions	-0.1	1.2	-0.7	n/a	-85.5%
<b>Tax and Social Contribution expenses at the effective rates</b>	<b>0.2</b>	<b>-5.1</b>	<b>9.3</b>	<b>n/a</b>	<b>-98.0%</b>
Effective rate	-1.0%	-49.2%	-19.1%	+48.2 pp	+18.1 pp
<b>Net Result</b>	<b>-17.6</b>	<b>5.3</b>	<b>-39.3</b>	<b>n/a</b>	<b>-55.4%</b>
Net Result adjustments	4.0	4.8	3.6	-15.7%	+11.5%
<b>Adjusted Net Result</b>	<b>-13.5</b>	<b>10.0</b>	<b>-35.7</b>	<b>n/a</b>	<b>-62.1%</b>
<i>Adjusted Net Margin (%)</i>	<i>-10.9%</i>	<i>6.7%</i>	<i>-33.9%</i>	<i>-17.5 pp</i>	<i>+23.0 pp</i>

Income tax and social contribution calculated in the period totaled BRL 0.2 million, reflecting an effective rate of -1.0%, mainly due to the negative result of ClearSale LLC.

The Net Result adjusted by the exclusion of non-recurring costs and expenses was -BRL 13.5 in 1Q23, an improvement from BRL 22.2 million in the year, while the Adjusted Net Margin closed the quarter at -10.9%, an increase of 23.0 pp in relation to the same period of the previous year.



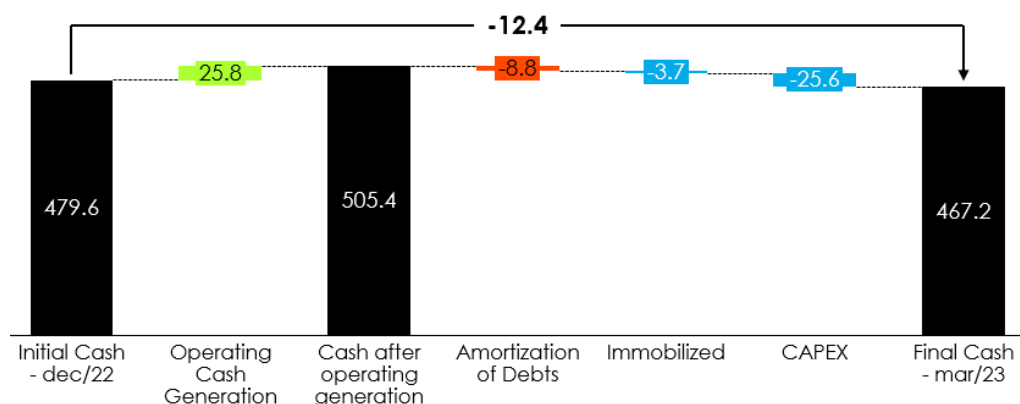
## 3.9. CAPEX

BRL mn; %	1Q23	4Q22	1Q22	QoQ	YoY
Development	-21.7	-18.2	-19.4	+18.9%	+11.9%
% Net Revenue	-17.4%	-12.1%	-18.4%	-5.3 pp	+1.0 pp
Licenses and Software Acquisition	-2.1	-10.9	-2.1	-80.3%	+0.3%
Immobilized	-3.7	-2.4	-2.8	+54.7%	+34.8%
M&A/Others	-1.8	0.2	-57.4	n/a	-96.8%
<b>Total CAPEX</b>	<b>-29.4</b>	<b>-31.3</b>	<b>-81.6</b>	<b>-6.3%</b>	<b>-64.0%</b>

In 1Q23, the company's CAPEX totaled BRL 29.4 million, as follows:

- (i) **Development: BRL 21.7 million, or 74% of the total**, in software development activation, which are important investments in technology to evolve and innovate in our platform and solutions, aiming to maintain our competitive advantage and market leadership.
- (ii) **Licenses and Software Acquisition: BRL 2.1 million** related to operating software licenses and acquisition.
- (iii) **Property, plant, and equipment: BRL 3.7 million** mainly related to the construction of the new headquarters.
- (iv) **M&A/Others: BRL 1.8 million** related to consideration for the acquisition of Beta Learning.

## 3.10. CASH FLOW



The company ended March 31, 2023, with BRL 467.2 million, reducing by BRL 12.4 million in the quarter, as follows:

- (i) **Operating Cash:** Solid operating cash generation of BRL 25.8 million supported by the results of the break-even plan bringing better profitability and the receipt of services provided in the last quarter of 2022.
- (ii) **Financing:** BRL 8.8 million in debt amortization.
- (iii) **Investments:** BRL 29.3 million, explained in the previous item, CAPEX.

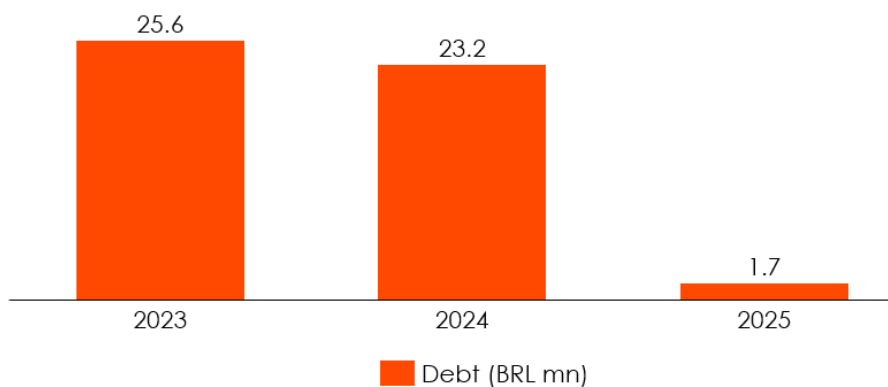


## 3.11. DEBT AND AMORTIZATION

BRL mn			1Q23
Contract	Index	Rate	Balance
Santander 4131	Pre-fixed	10.82%	20.1
Citibank 4131	Pre-fixed	7.95%	6.1
Working capital – Itaú	post-fixed	CDI + 3.50%	19.8
Working capital – Itaú	Pre-fixed	7.95%	4.4
BNDES Card – Bradesco	Pre-fixed	16.08%	0.2
<b>Debt</b>			<b>50.5</b>
Real Estate			3.3
<b>Total Indebtedness</b>			<b>53.8</b>
Cash and Cash Equivalents			467.2
Financial investments			1.4
<b>Availability (Cash and Cash Equivalents)</b>			<b>468.6</b>
<b>Net Cash/Net Debt</b>			<b>-414.8</b>

The Loans and Financing and Short- and Long-Term Lease Liabilities accounts ended March 31, 2023, in the total amount of BRL 50.5 million, with 60% of contracts being readjusted by pre-fixed indices and 39.2% post-fixed and amortization period as shown on the side.

## Amortization schedule







## 4. BALANCE SHEET

### 4.1. Active

	BRL mn; %	03/31/2023	12/31/2022	% Var.
<b>Current assets</b>				
Cash and cash equivalents		467.2	479.6	-2.6%
Financial investments		1.4	0.0	n/a
Bills to receive		115.4	137.2	-15.9%
Derivative financial instruments		0.0	1.6	-97.1%
Taxes to recover		30.8	32.0	-3.6%
Other assets		12.3	8.5	+44.6%
Related parts		0.0	0.0	n/a
<b>Total current assets</b>		<b>627.1</b>	<b>658.8</b>	<b>-4.8%</b>
<b>non-current assets</b>				
Financial investments		0.3	5.0	-93.1%
Other assets		2.2	2.1	+2.4%
Derivative financial instruments		0.0	0.0	n/a
Taxes to recover		0.3	0.2	+23.1%
Related parts		0.0	0.0	n/a
Deferred income tax and social contribution		7.7	4.1	+89.0%
Investments		0.0	0.0	n/a
Immobilized		21.7	20.7	+5.0%
Intangible		239.8	224.5	+6.8%
<b>Total Non-Current Assets</b>		<b>272.0</b>	<b>256.7</b>	<b>6.0%</b>
<b>Total Assets</b>		<b>899.2</b>	<b>915.5</b>	<b>-1.8%</b>



## 4.2. Passive

	BRL mn; %	03/31/2023	12/31/2022	% Var.
<b>current liabilities</b>				
Loans and financing		33.1	35.3	-6.4%
lease liability		0.5	0.6	-18.8%
Suppliers		31.7	28.7	+10.8%
Taxes and contributions to collect		11.9	11.7	+2.4%
Salaries and social charges		48.4	36.5	+32.8%
Contingent consideration payable		5.7	5.6	+2.9%
provisions		6.9	10.2	-33.1%
Controlled Phantom Share Provision		0.0	0.0	n/a
Advances from Customers		0.0	0.0	0.0%
Other liabilities		0.0	0.0	n/a
Share-based payment		4.5	3.6	+23.0%
<b>Total Current Liabilities</b>		<b>142.8</b>	<b>132.2</b>	<b>8.0%</b>
<b>non-current liabilities</b>				
Loans and financing		17.4	23.8	-26.7%
lease liability		2.8	3.0	-5.8%
Salaries and social charges		3.2	2.6	+20.9%
Derivative financial instruments		0.0	0.3	n/a
Controlled Phantom Share Provision		0.1	0.1	-46.2%
Share-based payment		2.8	2.3	+21.5%
Related parts		0.0	0.0	n/a
Contingent consideration payable		0.0	5.8	n/a
Deferred income tax and social contribution		0.0	0.0	n/a
provisions		0.2	0.2	+7.9%
Unsecured liability provision		0.0	0.0	n/a
<b>Total non-current liabilities</b>		<b>26.5</b>	<b>38.0</b>	<b>-30.3%</b>
<b>Net worth</b>				
Share capital		789.4	789.4	0.0%
Actions in Treasury		0.0	0.0	n/a
Capital reserve and options granted		52.2	50.2	+4.0%
Legal reserve		0.0	0.0	n/a
Earnings (Loss) Accumulated		-109.8	-92.4	+18.9%
Equity Valuation Adjustments		-1.8	-1.9	-5.2%
profit reserve		0.0	0.0	n/a
<b>Total equity</b>		<b>729.9</b>	<b>745.3</b>	<b>-2.1%</b>
<b>Total liabilities and shareholders' equity</b>		<b>899.2</b>	<b>915.5</b>	<b>-1.8%</b>



## 5. GLOSSARY

**Application Fraud** – Identity authentication and behavior analysis solutions or components, such as: Credit Score, insights, second authentication factor, biometrics, documentoscopy, human analysis. Application Fraud revenue also includes revenue from CyberSecurity anti-fraud solutions such as Threat-X and Reputation Score for PJ, Business Trust.

**ARR New Sales** - Annual Recurring Revenue or Annual Recurring Revenue. Represents the new annual revenue for the period that will remain in the Company for the duration of the future contract. The new sales ARR is calculated by multiplying the New Sales MRR (Monthly Recurring Revenue) by twelve, thus projecting the new annual recurring revenue for the next year.

**Beta Learning** - Founded in 2019 and acquired by ClearSale in January 2022, Beta Learning is a company specialized in software development services in various segments and corporate and technical software training, and contributes to the increase of ClearSale's technical team, reinforcing the maintenance and development of new products to better serve its customers, mainly for the Application Fraud and New Ventures segments.

**Chargeback** - Regarding virtual transactions, it is the cancellation of a purchase made using a credit or debit card, which the consumer holder can request if he is unaware of a charge or part of it. The person responsible for the reversal/return is the establishment that makes the sale.

**ChargebackOps** - Founded in 2015 and headquartered in Utah, United States of America, ChargebackOps is a company specializing in chargeback dispute and management (chargebacks). It was acquired by ClearSale in January 2022, with the aim of increasing efficiency, revenue, and customer relationship synergies both in Brazil and in the international operation.

**Churn rate** - Churn is measured by the ratio between the average monthly recurring revenue from lost customers and the total monthly recurring revenue for the previous year (December) in Brazil. The indicator represents the percentage of our monthly recurring revenues that were lost in the period in question by customers who discontinued with ClearSale.

**Customers** – Considers the total number of active initiatives, with the possibility of having two or more initiatives per client. As of the fourth quarter of 2022, we will consider the Start client portfolio, which is a guaranteed product focused on the long tail with agile processes.

**Cross-sell/Up-Sell** - Sales of additional solutions and/or components to the same customer and sales of more complete solutions to the same customer.

**Operating Costs** - The Costs of Services provided include salaries, charges and benefits, variable compensation for the Technology, Analytics, Products and Operations teams, as well



as expenses with technological infrastructure allocated to services provided by third parties, in addition to depreciation and amortization.

**Selling, General and Administrative Expenses** - Comprise salaries, charges and benefits, variable compensation, depreciation, and amortization, as well as outsourced expenses and services related to these areas and utilities (building maintenance and consumer bills) and other expenses.

**E-commerce** - Revenue from anti-fraud solutions consisting of transactional authenticity analysis, usually carried out in purchases made in E-commerce.

**Flow** - Componentized platform that takes us to another level of efficiency and processing agility, allowing the development of solutions that open new markets such as digital goods, delivery, tickets.

**ILP** - Long-term incentive program

**New Ventures** - Business Unit dedicated to innovation with the main objective of guaranteeing our presence and relevance in a future environment of new technologies and ways of doing business through the creation and exploration of new avenues of growth.

**MRR** - Monthly Recurring Revenue or Monthly Recurring Revenue. Represents the sum of recurring revenues that the customers in question will generate for ClearSale in a full 12-month period.

**Equilibrium Plan** - The Plan started in April 2022 with the aim of balancing revenue growth with margin, based on major fronts such as: (i) Review of contracts and anticipation of revenue; (ii) Acceleration of productivity and efficiency gain projects focused on contribution margin; (iii) Performance improvement of customer indicators and success fee capture; (iv) Optimization of cloud processing and elimination of redundancies; (v) Opportunity acceleration in project and administrative expense efficiency and (vi) Application of the international forward plan.



## 6. IR CONTACTS

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