ClearSale
intelligence to move_

RESULTS

4th Quarter of 2023

Video conference

03/26/2024 (Tuesday)
(Simultaneos translation into English)
10:00 a.m (Brasília)
09:00 a.m (EDT)

[Acess Here](#)

Barueri , Monday, March **25** , **2024 - 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, it presents its results for the 4th quarter and 2023 ("4Q23" and "2023").

The following financial and operational information follows international accounting standards (IFRS) and Brazilian accounting principles. Comparisons refer to the same periods in 2022.

Financial and operational highlights

+213 customers in the year

Annual churn rate of 1.9%

Customer Growth and Controlled Churn Rate
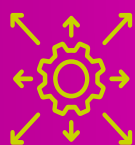
Annual reduction of R$35.4 million

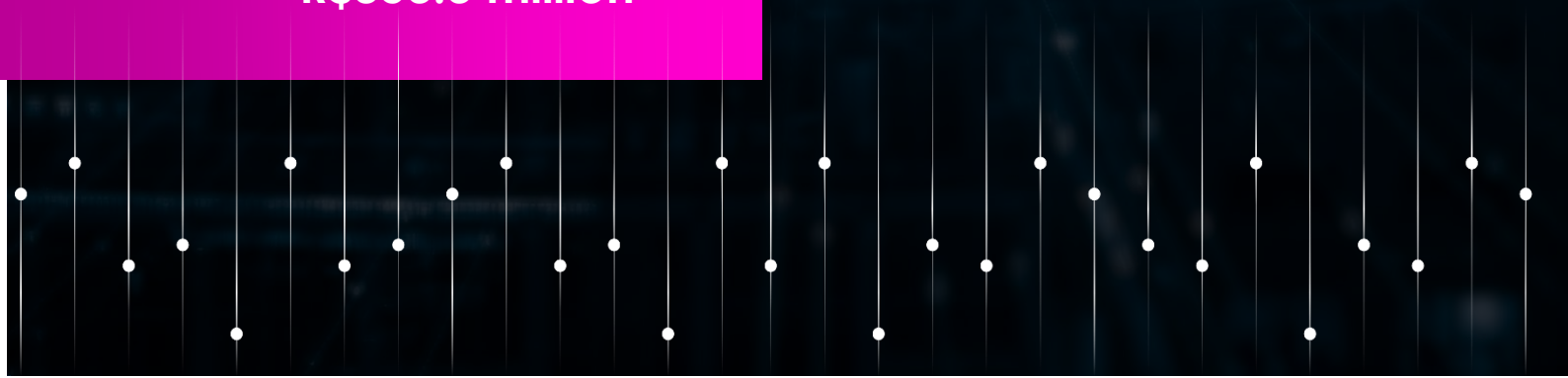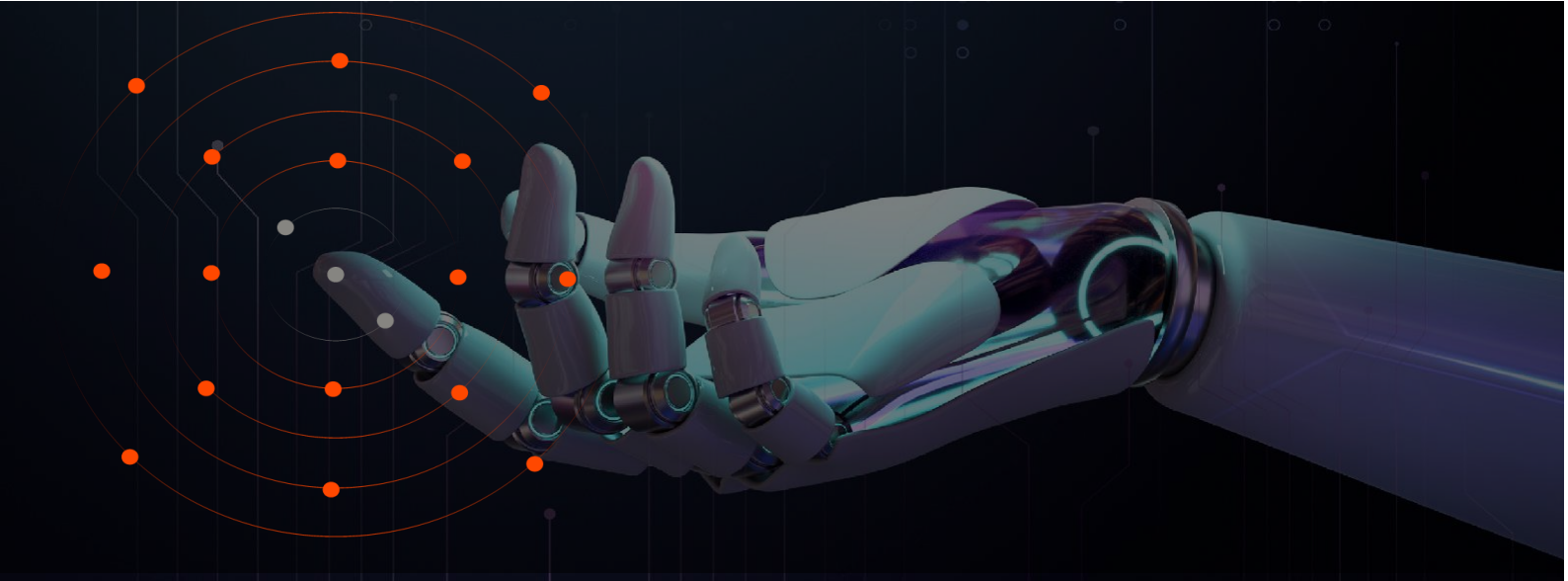**Diligence in Costs and Expenses**

+ R$29.9 million

Annual increase in Recurrent EBITDA

Generation R$44.4 million and Net Cash of R$353.3 million

Operating Cash Generation in 2023 and healthy cash position

		4Q23 (y/y)		2023 (y/y)	
ARR New Sales	Transactional Brazil (e-commerce)	R$ 10.5 mn	(-70.9%)	R$ 38.3 mn	(-34.9%)
	Transactional International (e-commerce)	R$ 2.5 mn	(-74.2%)	R$ 10 mn	(-52%)
	Application Fraud	R$ 26.6 mn	(-14.6%)	R$ 132.6 mn	(+40.3%)
	Total ARR New Sales	**R$ 39.6 mn**	**(-48.5%)**	**R$ 180.9 mn**	**(+3.9%)**
Customers	Transactional Brazil (e-commerce)	5,660	(+364)		
	Transactional International (e-commerce)	1,498	(-170)		
	Application Fraud	263	(+19)		
	Total Customers	**7,421**	**(+213)**		
Churn	**Total Churn Rate**	**1.9%**	**(+0.4 p.p.)**		
Net Revenue	Transactional Brazil (e-commerce)	R$ 83.2 mn	(-8.8%)	R$ 310 mn	(+1.9%)
	Transactional International (e-commerce)	R$ 19.1 mn	(-8.4%)	R$ 71.9 mn	(+8.4%)
	Application Fraud	R$ 31.3 mn	(-19.3%)	R$ 122.2 mn	(-12.2%)
	Total Net Revenue	**R$ 133.6 mn**	**(-11.4%)**	**R$ 504.1 mn**	**(-1.1%)**
Gross Profit	Recurring Gross Profit	R$ 68.7 mn	(-12.4%)	R$ 221.9 mn	(+10.2%)
	Recurring Gross Margin	51.4%	(-0.6 p.p.)	44.0%	(+4.5 p.p.)
Recurring EBITDA	Recurring Total EBITDA	R$ 22.1 mn	(+R$ 7.5 mn)	R$ 18 mn	(+R$ 52.3 mn)
	Recurring Total EBITDA Margin	16.5%	(+6.8 p.p.)	3.6%	(+10.3 p.p.)
	Recurring EBITDA Brazil	R$ 24.6 mn	(-R$ 4 mn)	R$ 40.5 mn	(+R$ 34.5 mn)
	Recurring EBITDA Brazil Margin	21.4%	(-0.5 p.p.)	9.4%	(+8 p.p.)
Recurring Net Result	Recurring Net Result	R$ 10 mn	(+R$ 0.1 mn)	R$ -14.4 mn	(+R$ 6.9 mn)
	Recurring Net Margin	7.5%	(+0.9 p.p.)	-2.8%	(+1.3 p.p.)

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summary

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1. MESSAGE FROM ADMINISTRATION

Dear Shareholders,

We present our results for the year 2023, in which, aiming for financial and business sustainability, we implemented many strategic and structural evolutions, based on 3 main pillars:

i) **Simplification** : a more focused and lighter company, with adjustment of the structural level of costs and expenses;

ii) **Scalability with profitability** : more agile and efficient technological infrastructure and scalable components enabling faster sales and implementation with higher margins and use to reduce the need for human analysis in the customer base;

iii) **Diversification** : reducing dependence on large traditional e-commerce customers and legacy contracts on *application fraud* and increasing penetration into new markets with more profitable solutions.

In 2023, we accelerated a series of actions to address **Simplification** and **Scalability with Profitability** , such as the beginning of the migration of legacy customers to the *Flow platform* , acceleration of the number of technological components, consolidation of the Equilibrium Plan in Brazil and implementation in the International and restructuring strategic (optimizing 9% of the board or 15% of the sheet). All of this allowed us to:

i) Operating cash generation of R$44.4 million in 2023, an improvement of R$91.2 million compared to the previous year, and an improvement in net cash burn ex -M&A of R$88.1 million;

ii) Improvement of R$29.9 million in consolidated adjusted EBITDA.

Regarding **Diversification**, we accelerated the transition process in our revenue, which we are reducing dependence on large customers, mainly market physical delivery places, through repositioning our solutions (higher margin at the expense of revenue). This factor is the main reason for the drop in our revenue. On the other hand, we have a product strategy, positioning and go to clear and focused market to enter new markets more profitably.

We have a complete and componentized portfolio under a new positioning of partnership and collaboration to resolve fraud in any market and payment method. We prioritize 13 segments divided into 3 verticals:

i) **Transactional in new segments** : payment link, *delivery* , issuers, *tickets* and *middle* Latin retail;

ii) **Credit and Financial Markets**: score and data, credit score, straw man profile, biometrics, document validation and R6 (pioneer solution to address the requirement of Resolution No. 6 of the Central Bank);

iii) **PIX**: Transactional Pix and Pix installments.

Finally, we enter 2024 focused mainly on: **Net Cash Control** , seeking to preserve a large part of our R$ 353 million in Net Cash from December 2023, at the same time as we transform the business to be a cash generator and **New Sales** in 13 segments mentioned above in order to guarantee diversification in different segments and products, mitigating cyclical impacts on the economy, while at the same time accumulating revenue growth for the following years.

Eduardo Mônaco
CEO

2. OPERATIONAL INDICATORS

2.1. CUSTOMERS AND CHURN

#; %	4Q23	3Q23	4Q22	QoQ	YoY
Brazil Transactional Customers (e-commerce)	5,660	5,523	5,296	+2.5%	+6.9%
International Transactional Customers (e-commerce)	1,498	1,564	1,668	-4.2%	-10.2%
Application Fraud Clients	263	249	244	+5.6%	+7.8%
Total Customers	**7,421**	**7,336**	**7,208**	**+1.2%**	**+3.0%**

In 4Q23, the total number of customers reached 7,421, an annual increase of 3.0% or 213 customers, driven by Transactional Brazil (e-commerce), which grew by 364 customers in the year, reaching 5,660 customers. *Application Fraud* showed an increase of 7.8% or 19 customers, while the International Transactional (e-commerce) showed an annual drop of 170 customers, due to base cleaning.

R$ mn ; %	2023	9M23	2022	QoQ	vs 2022
Annualized Financial Churn	0.8	1.0	0.5	-14.2%	+55.3%
Annualized Churn Rate (%)	**1.9%**	**2.2%**	**1.4%**	**-0.3pp .**	**+ 0.4pp .**

Churn in 2023 was R$0.8 million, resulting in a *Churn -rate* of 1.9%, a drop of 0.3 pp . compared to 9M23. In relation to 2022, the *Churn-rate* shows an increase of 0.4 pp . due to the impact of 1Q23, when we had *churn* concentrated in three *Application Fraud customers*, one of which was due to business discontinuity.

2.2. ARR NEW SALES

R$ mn; %	4Q23	3Q23	4Q22	QoQ	YoY	2023	2022	YoY
ARR New Sales Transactional Brazil (e-commerce)	10.5	6.5	36.0	+60.7%	-70.9%	38.3	58.7	-34.9%
ARR New Sales Transactional International (e-commerce)	2.5	1.2	9.6	+104.4%	-74.2%	10.0	20.9	-52.0%
ARR New Sales Application Fraud	26.6	47.2	31.2	-43.6%	-14.6%	132.6	94.5	+40.3%
Total ARR New Sales	**39.6**	**54.9**	**76.8**	**-27.9%**	**-48.5%**	**180.9**	**174.2**	**+3.9%**

ARR New Sales in 4Q23 was R$39.6 million, a drop of 48.5% in the year and 27.9% in the quarter. As we mentioned, we are introducing componentized solutions, with higher margins and a lower average ticket, impacting the growth of the indicator.

In relation to the year 2023, Total ARR New Sales grows 3.9%, driven by Application Fraud, which showed growth of 40.3%. The international ARR Venda Nova follows the Equilibrium Plan strategy of focusing on profitable regions, channels and customers.

**ARR New Sales Distribution
Transactional BR (e-commerce) – 2023**

Digital Services and Real Time

25%

75%

Others
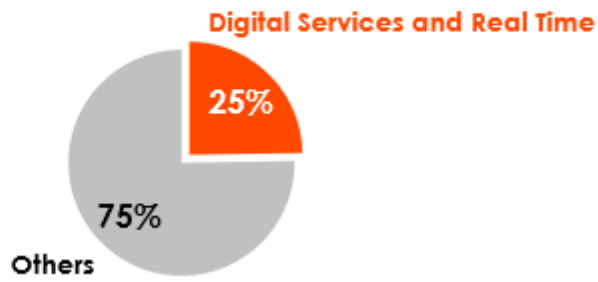
It is important to note that the investments made in the development of Flow, a componentized and modularized platform, show positive impacts considering that 25% of new sales made in 2023 of Transactional Brazil (e-commerce) are already in digital and real time services.

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3. FINANCIAL INDICATORS

3.1. RESULTS REPORT

| R$ mn; %	4Q23	3Q23	4Q22	QoQ	YoY	2023	2022	YoY
Transactional Brazil (e-commerce)	83.2	74.3	91.2	+12.0%	-8.8%	310.0	304.1	+1.9%
Application Fraud	31.3	29.6	38.8	+5.8%	-19.3%	122.2	139.1	-12.2%
Transactional International (e-commerce)	19.1	15.4	20.9	+24.2%	-8.4%	71.9	66.3	+8.4%
Net Revenues	**133.6**	**119.3**	**150.9**	**+12.0%**	**-11.4%**	**504.1**	**509.6**	**-1.1%**
Labor	-38.4	-44.4	-41.8	-13.5%	-8.2%	-170.2	-187.3	-9.1%
Suppliers	-16.2	-17.3	-19.0	-6.2%	-14.5%	-66.5	-79.7	-16.5%
Other Costs	-7.6	-6.5	-11.1	+17.5%	-31.4%	-34.4	-39.3	-12.5%
Utilities	-2.7	-2.8	-0.6	-4.3%	+378.7%	-11.1	-1.9	+477.1%
Total Recurring Costs ex PPR (ex depr.)	**-64.9**	**-71.0**	**-72.5**	**-8.5%**	**-10.4%**	**-282.2**	**-308.2**	**-8.4%**
Recurring Gross Profit ex PPR (ex depr.)	**68.7**	**48.3**	**78.4**	**+42.3%**	**-12.4%**	**221.9**	**201.4**	**+10.2%**
Gross Margin (%)	51.4%	40.5%	52.0%	+ 10.9pp .	-0.6pp .	44.0%	39.5%	+ 4.5pp .
Labor	-30.4	-32.2	-35.2	-5.5%	-13.6%	-135.6	-145.6	-6.9%
Suppliers	-10.7	-10.5	-13.1	+1.8%	-18.4%	-39.6	-49.6	-20.1%
Other Expenses	-2.9	-3.2	-3.7	-10.9%	-23.5%	-16.6	-11.4	+44.8%
Utilities	-1.3	-1.1	-5.6	+18.6%	-77.5%	-5.3	-21.6	-75.4%
Allowance for Doubtful Accounts (ADA)	-1.3	-1.8	-6.1	-29.0%	-78.7%	-6.8	-7.6	-9.6%
Total Recurring Expenses ex PPR (ex depr.)	**-46.6**	**-48.8**	**-63.8**	**-4.6%**	**-27.0%**	**-203.9**	**-235.8**	**-13.5%**
% Net Revenue	-34.9%	-40.9%	-42.3%	+ 6.1pp .	+ 7.4pp .	-40.4%	-46.3%	+ 5.8pp .
Recurring EBITDA ex PPR	**22.1**	**-0.6**	**14.6**	**n/a**	**+51.1%**	**18.0**	**-34.3**	**n/a**
Recurring EBITDA Margin (%)	16.5%	-0.5%	9.7%	+ 17.0pp .	+ 6.8pp .	3.6%	-6.7%	+ 10.3pp
Recurring EBITDA Brazil ex PPR	**24.6**	**4.1**	**28.6**	**+492.6%**	**-14.0%**	**40.5**	**6.0**	**+574.7%**
Recurring EBITDA Margin Brazil (%)	21.4%	4.0%	22.0%	+ 17.5pp .	-0.5pp .	9.4%	1.4%	+ 8.0pp .
Participation in Profits and Results (PPR)	-5.9	-3.9	-0.1	+53.0%	+7051.8%	-19.8	2.6	n/a
Non recurring Costs and Expenses	-7.3	-22.1	-7.3	-67.0%	+0.5%	-37.6	-22.6	+66.4%
EBITDA	**8.9**	**-26.5**	**7.3**	**n/a**	**+21.8%**	**-39.4**	**-54.3**	**-27.4%**
EBITDA Margin (%)	6.6%	-22.2%	4.8%	+ 28.9pp .	+ 1.8pp .	-7.8%	-10.7%	+ 2.8pp .
Depreciation and Amortization	-11.4	-11.7	-9.6	-1.9%	+18.7%	-44.4	-30.5	+45.5%
Operational Result	**-2.6**	**-38.2**	**-2.3**	**-93.3%**	**+9.0%**	**-83.8**	**-84.8**	**-1.2%**
Financial Revenues	12.6	15.2	19.5	-17.4%	-35.5%	58.6	76.4	-23.2%
Financial Expenses	-4.5	-2.8	-6.8	+60.6%	-33.5%	-16.1	-20.5	-21.4%
Financial Result	**8.1**	**12.4**	**12.7**	**-35.1%**	**-36.5%**	**42.5**	**55.9**	**-23.9%**
Earnings before taxes	**5.5**	**-25.8**	**10.4**	**n/a**	**-46.8%**	**-41.3**	**-29.0**	**+42.6%**
Taxes	-0.3	11.8	-5.2	n/a	-94.6%	13.3	-8.1	n/a
Net Result	**5.2**	**-13.9**	**5.2**	**n/a**	**+0.8%**	**-28.0**	**-37.1**	**-24.4%**
Net Result Margin (%)	3.9%	-11.7%	3.4%	+ 15.6pp .	+ 0.5pp .	-5.6%	-7.3%	+ 1.7pp .
Net Result adjustments	4.8	3.4	4.8	+41.1%	+0.6%	13.6	15.8	-13.6%
Recurring Net Result	**10.0**	**-10.5**	**10.0**	**n/a**	**+0.7%**	**-14.4**	**-21.3**	**-32.5%**
Recurring Net Result Margin (%)	7.5%	-8.8%	6.6%	+ 16.3pp .	+ 0.9pp .	-2.8%	-4.2%	+ 1.3pp .

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3.2. NET REVENUE by SEGMENT

R$ mn; %	4Q23	3Q23	4Q22	QoQ	YoY	2023	2022	YoY
Transactional Brazil (e-commerce)	83.2	74.3	91.2	+12.0%	-8.8%	310.0	304.1	+1.9%
Application Fraud	31.3	29.6	38.8	+5.8%	-19.3%	122.2	139.1	-12.2%
Transactional International (e-commerce) (BRL)	19.1	15.4	20.9	+24.2%	-8.4%	71.9	66.3	+8.4%
Transactional International (e-commerce) (USD)	3.9	3.2	4.0	+22.3%	-2.9%	14.4	12.8	+12.1%
Net Revenues	**133.6**	**119.3**	**150.9**	**+12.0%**	**-11.4%**	**504.1**	**509.6**	**-1.1%**

Revenue Distribution
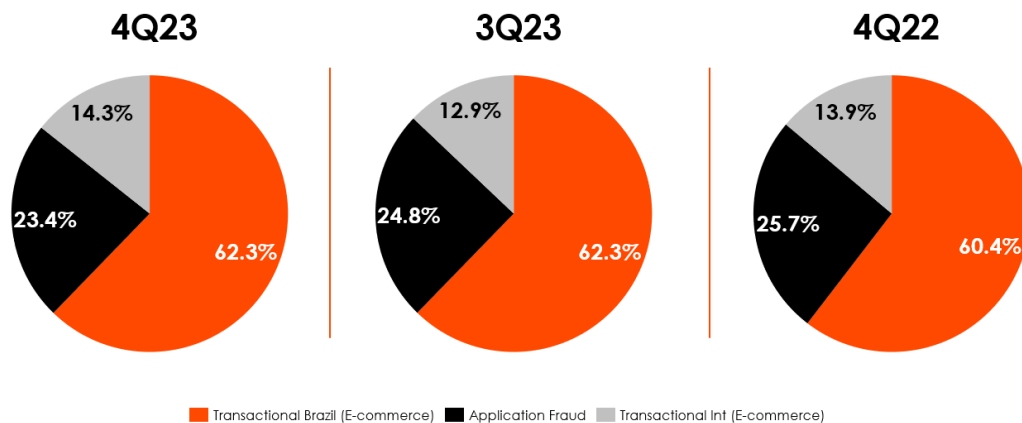
Total net revenue was R$133.6 million in 4Q23 and R$504.1 million in 2023, annual reductions of 11.4% and 1.1%, respectively.
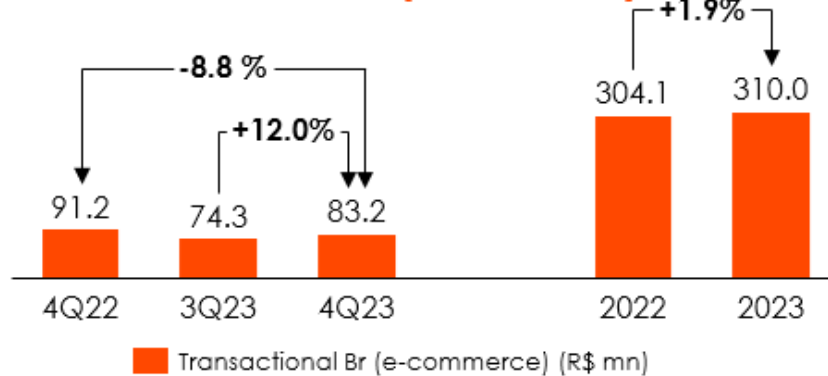
Transactional Brazil (e-commerce) revenue totaled R$83.2 million, an annual drop of 8.8%, explained by the process of componentization/repositioning of solutions (higher margin, at the expense of revenue), trend of GMV and reduction in our revenue in large retailers. While 4Q23 revenues in large markets places fell 42.4% annually, in other clients growth was 8.7% . As a result, we have a transitional process of pressured revenue, but with important effects of reducing dependence on large retailers. On the other hand, we increased our exposure to segments with different economic cycles, making our revenue more resilient in the long term. In 2023, annual growth was 1.9%, totaling revenue of R$310.0 million.

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International Transactional (e-commerce)

Transactional Int (e-commerce) (R$ mn)   y/y variation in USD
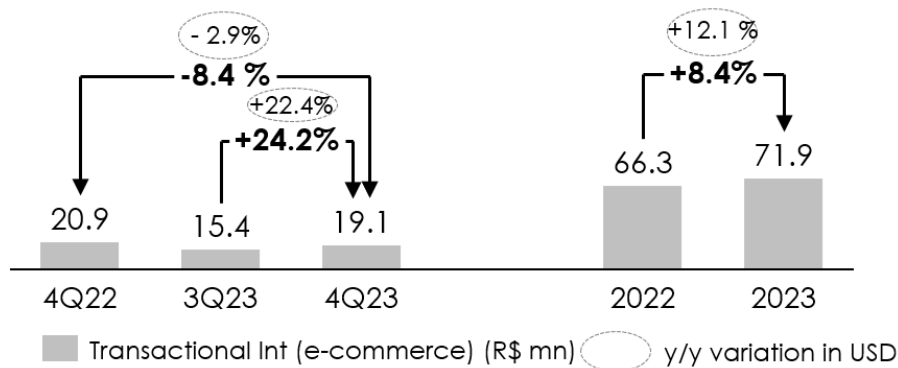
In **International Transactional (e-commerce)**, net revenue reached USD 3.9 million or R$19.1 million in 4Q23, an annual drop of 2.9% in dollars or 8.4% in reais. The annual drop is explained by exchange rate variation, cleaning of the customer base and focus on regions and new profitable sales.

In the year to date, revenue totaled USD 14.4 million or R$71.9 million, annual growth of 12.1% in dollars or 8.4% in reais.

Application Fraud

Application Fraud (R$ mn)
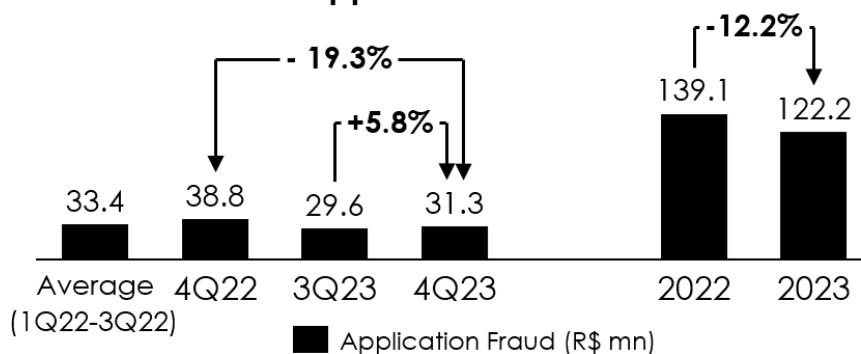
In line with **Application Fraud** revenue was R$31.3 million in 4Q23, quarterly growth of 5.8% and annual drop of 19.3%. The annual drop is explained by the repositioning of solutions (higher margin at the expense of revenue) and the credit restriction in the market. It is important to note that the effect of componentization /repositioning of solutions already reflects an annual growth in the volume of queries of 30%, in 4Q23. Year-to-date, revenue totaled R$122.2 million, a drop of 12.2% compared to 2022.

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3.3. COSTS OF SERVICES PROVIDED

R$ mn ; %	4Q23	3Q23	4Q22	QoQ	YoY	2023	2022	YoY
Labor	-38.4	-44.4	-41.8	-13.5%	-8.2%	-170.2	-187.3	-9.1%
Suppliers	-16.2	-17.3	-19.0	-6.2%	-14.5%	-66.5	-79.7	-16.5%
Utilities	-2.7	-2.8	-0.6	-4.3%	+378.7%	-11.1	-1.9	+477.1%
Others	-7.6	-6.5	-11.1	+17.5%	-31.4%	-34.4	-39.3	-12.5%
Total Recurring Costs ex PPR (ex depr.)	**-64.9**	**-71.0**	**-72.5**	**-8.5%**	**-10.4%**	**-282.2**	**-308.2**	**-8.4%**
% Net Revenue	-48.6%	-59.5%	-48.0%	+ 10.9pp .	-0.6pp .	-56.0%	-60.5%	+ 4.5pp .
Participation in Profits and Results (PPR)	-3.5	-2.3	0.0	+49.7%	n/a	-12.4	0.0	n/a
Total Recurring Costs with PPR (ex depr.)	**-68.4**	**-73.3**	**-72.5**	**-6.7%**	**-5.6%**	**-294.6**	**-308.2**	**-4.4%**
% Net Revenue	-51.2%	-61.5%	-48.0%	+ 10.3pp .	-3.1pp .	-58.4%	-60.5%	+ 2.0pp .
Non recurring costs	-4.2	-10.2	-1.5	-58.7%	+172.3%	-17.5	-5.5	+219.4%
Depreciation and Amortization	-7.2	-7.6	-6.4	-4.7%	+12.6%	-29.1	-19.8	+47.4%
Total Accounting Cost	**-79.8**	**-91.1**	**-80.4**	**-12.4%**	**-0.8%**	**-341.2**	**-333.4**	**+2.3%**
% Net Revenue	-59.7%	-76.4%	-53.3%	+ 16.6pp .	-6.4pp .	-67.7%	-65.4%	-2.3pp .

In 4Q23, recurring costs without PPR totaled R$64.9 million, a drop of 8.5% compared to the previous quarter and 10.4% in the year, highlighted by the annual reductions of 31.4% in Other costs, 14.5% in Services provided by third parties and 8.2% in Salaries, charges and benefits, already reflecting the gains from strategic restructuring. In Utilities specifically, there was an accounting reclassification of ~R$2 million from Other expenses to costs, that is, excluding this reclassification, Utilities costs would have remained stable in the year.

It is worth to remember that we started to provision the PPR from 1Q23, while in the previous year, there was no provisioning, however, even if we consider the PPR, in 4Q23 the company's costs decreased by 5.6% in the year and 6.7% in comparison quarterly, totaling R$68.4 million.

In 2023, recurring costs without PPR totaled R$282.2 million, a reduction of R$26.0 million or 8.4% compared to 2022.

3.4. GROSS PROFIT AND GROSS MARGIN

R$ mn; %	4Q23	3Q23	4Q22	QoQ	YoY	2023	2022	YoY
Transactional Brazil (e-commerce)	83.2	74.3	91.2	+12.0%	-8.8%	310.0	304.1	+1.9%
Application Fraud	31.3	29.6	38.8	+5.8%	-19.3%	122.2	139.1	-12.2%
Transactional International (e-commerce)	19.1	15.4	20.9	+24.2%	-8.4%	71.9	66.3	+8.4%
Net Revenues	**133.6**	**119.3**	**150.9**	**+12.0%**	**-11.4%**	**504.1**	**509.6**	**-1.1%**
Total Recurring Costs ex PPR (ex depr.)	-64.9	-71.0	-72.5	-8.5%	-10.4%	-282.2	-308.2	-8.4%
Recurring Gross Profit ex PPR (ex depr.)	**68.7**	**48.3**	**78.4**	**+42.3%**	**-12.4%**	**221.9**	**201.4**	**+10.2%**
% Net Revenue	51.4%	40.5%	52.0%	+ 10.9pp .	-0.6pp .	44.0%	39.5%	+ 4.5pp .
Participation in Profits and Results (PPR)	-3.5	-2.3	0.0	+49.7%	n/a	-12.4	0.0	n/a
Recurring Gross Profit with PPR (ex depr.)	**65.2**	**46.0**	**78.4**	**+41.9%**	**-16.8%**	**209.5**	**201.4**	**+4.0%**
% Net Revenue	48.8%	38.5%	52.0%	+ 10.3pp .	-3.1pp .	41.6%	39.5%	+ 2.0pp .
Non recurring costs	-4.2	-10.2	-1.5	-58.7%	+172.3%	-17.5	-5.5	+219.4%
Depreciation and Amortization	-7.2	-7.6	-6.4	-4.7%	+12.6%	-29.1	-19.8	+47.4%
Total Accounting Cost (with depr.)	**-79.8**	**-91.1**	**-80.4**	**-12.4%**	**-0.8%**	**-341.2**	**-333.4**	**+2.3%**
Accounting Gross Profit (with depr.)	**53.8**	**28.2**	**70.4**	**+90.7%**	**-23.6%**	**162.9**	**176.2**	**-7.6%**
% Net Revenue	40.3%	23.6%	46.7%	+ 16.6pp .	-6.4pp .	32.3%	34.6%	-2.3pp .

In 4Q23, Recurrent Gross Profit without PPR totaled R$68.7 million and Gross Margin was 51.4%, an annual reduction of 12.4% and 0.6 pp ., respectively. The drop in revenue was partially offset by the reduction in costs. In the quarter, the 42.3% growth in Recurrent Gross Profit is due to better seasonality and cost control.

In 2023, Recurrent Gross Profit without PPR totaled R$221.9 million, annual growth of 10.2%, while Gross Margin reached 44.0%, an increase of 4.5 pp .

3.5. RECURRING AND NON-RECURRING EXPENSES

R$ mn; %	4Q23	3Q23	4Q22	QoQ	YoY	2023	2022	YoY
Labor	-30.4	-32.2	-35.2	-5.5%	-13.6%	-135.6	-145.6	-6.9%
Suppliers	-10.7	-10.5	-13.1	+1.8%	-18.4%	-39.6	-49.6	-20.1%
Utilities	-1.3	-1.1	-5.6	+18.6%	-77.5%	-5.3	-21.6	-75.4%
Allowance for Doubtful Accounts (ADA)	-1.3	-1.8	-6.1	-29.0%	-78.7%	-6.8	-7.6	-9.6%
Other Expenses	-2.9	-3.2	-3.7	-10.9%	-23.5%	-16.6	-11.4	+44.8%
Total recurring Expenses ex-PPR (ex depr.)	**-46.6**	**-48.8**	**-63.8**	**-4.6%**	**-27.0%**	**-203.9**	**-235.8**	**-13.5%**
% Net Revenue	-34.9%	-40.9%	-42.3%	+ 6.1pp .	+ 7.4pp .	-40.4%	-46.3%	+ 5.8pp .
Participation in Profits and Results (PPR)	-2.5	-1.6	-0.1	+57.7%	+2892.8%	-7.4	2.6	n/a
Total recurring Expenses with PPR (ex depr.)	**-49.1**	**-50.4**	**-63.9**	**-2.7%**	**-23.2%**	**-211.3**	**-233.2**	**-9.4%**
% Net Revenue	-36.7%	-42.3%	-42.3%	+ 5.5pp .	+ 5.6pp .	-41.9%	-45.7%	+ 3.8pp .
Long-term incentive plan	-3.1	-7.0	-3.9	-56.1%	-21.1%	-15.1	-13.8	+9.5%
Write-off of Fixed Assets	0.0	0.0	0.0	n/a	n/a	0.2	0.0	n/a
Taxes adjustments	0.0	0.0	0.0	n/a	n/a	0.0	1.5	n/a
Return of the building	0.0	0.0	-0.3	n/a	n/a	0.0	-0.7	n/a
Terminations	0.0	-4.9	-1.5	n/a	n/a	-5.2	-2.5	+106.3%
International patent acquisition	0.0	0.0	0.0	n/a	n/a	0.0	-1.7	n/a
Depreciation and Amortization	-4.2	-4.1	-3.2	+3.3%	+30.8%	-15.3	-10.7	+42.1%
Total non recurring expenses	**-7.3**	**-16.0**	**-8.9**	**-54.4%**	**-18.3%**	**-35.4**	**-27.9**	**+26.9%**
Total Accountable Expenses (with depr.)	**-56.4**	**-66.4**	**-72.8**	**-15.1%**	**-22.6%**	**-246.7**	**-261.0**	**-5.5%**
% Net Revenue	-42.2%	-55.7%	-48.2%	+ 13.5pp .	+ 6.1pp .	-48.9%	-51.2%	+ 2.3pp .

Total Recurring Expenses ex-PPR reached R$46.6 million in 4Q23, a drop of 4.6% in the quarter and 27.0% in the year, highlighting the annual drops in all expense lines, reflecting diligence in expenses and strategic restructuring. The Utilities line falls due to the reclassification of accounts as mentioned above.

Even if we consider the PPR, in 4Q23 recurring expenses fell 23.2% in the year and 2.7% in the quarterly comparison, totaling R$49.1 million.

In 2023, Total Recurring Expenses ex-PPR fall by 13.5%, or R$31.9 million, when compared to the previous year, reaching R$203.9 million.

3.6. RECURRING EBITDA

R$ mn; %	4Q23	3Q23	4Q22	QoQ	YoY	2023	2022	YoY
Net Result	**5.2**	**-13.9**	**5.2**	**n/a**	**+0.8%**	**-28.0**	**-37.1**	**-24.4%**
(-) Financial Result	8.1	12.4	12.7	-35.1%	-36.5%	42.5	55.9	-23.9%
(-) Taxes	-0.3	11.8	-5.2	n/a	-94.6%	13.3	-8.1	n/a
(-) Depreciation and Amortization	-11.4	-11.7	-9.6	-1.9%	+18.7%	-44.4	-30.5	+45.5%
EBITDA	**8.9**	**-26.5**	**7.3**	**n/a**	**+21.8%**	**-39.4**	**-54.3**	**-27.4%**
EBITDA Margin (%)	6.6%	-22.2%	4.8%	+ 28.9pp .	+ 1.8pp .	-7.8%	-10.7%	+ 2.8pp .
(-) Non recurring costs	-4.2	-10.2	-1.5	-58.7%	+172.3%	-17.5	-5.5	+219.4%
(-) Long-term incentive plan	-3.1	-7.0	-3.9	-56.1%	-21.1%	-15.1	-13.8	+9.5%
(-) Write-off of Fixed Assets	0.0	0.0	0.0	n/a	n/a	0.2	0.0	n/a
(-) Taxes adjustments	0.0	0.0	0.0	n/a	n/a	0.0	1.5	n/a
(-) Return of the building	0.0	0.0	-0.3	n/a	n/a	0.0	-0.7	n/a
(-) Terminations Expenses	0.0	-4.9	-1.5	n/a	n/a	-5.2	-2.5	+106.3%
(-) International patent acquisition	0.0	0.0	0.0	n/a	n/a	0.0	-1.7	n/a
Total Non-recurring	**-7.3**	**-22.1**	**-7.3**	**-67.0%**	**+0.5%**	**-37.6**	**-22.6**	**+66.4%**
Recurring EBITDA with PPR	**16.2**	**-4.4**	**14.5**	**n/a**	**+11.2%**	**-1.8**	**-31.7**	**-94.2%**
Recurring EBITDA Margin (%)	12.1%	-3.7%	9.6%	+ 15.8pp .	+ 2.5pp .	-0.4%	-6.2%	+ 5.9pp .
Allowance for Doubtful Accounts (ADA) punctual	-5.9	-3.9	-0.1	+53.0%	+7051.8%	-19.8	2.6	n/a
Recurring EBITDA with PPR ex-ADA	**22.1**	**-0.6**	**14.6**	**n/a**	**+51.1%**	**18.0**	**-34.3**	**n/a**
Recurring EBITDA Margin ex-ADA(%)	16.5%	-0.5%	9.7%	+ 17.0pp .	+ 6.8pp .	3.6%	-6.7%	+ 10.3pp .
Participation in Profits and Results (PPR)	-2.4	-4.7	-13.9	-47.9%	-82.4%	-22.5	-40.3	-44.2%
Recurring EBITDA ex-PPR	**18.6**	**0.3**	**28.5**	**+7002.9%**	**-34.6%**	**20.7**	**8.6**	**+140.1%**
Recurring EBITDA Margin ex- PPR(%)	16.3%	0.3%	21.9%	+ 16.0pp .	-5.6pp .	4.8%	1.9%	+ 2.8pp .
Subsidiary Recurring EBITDA (ClearSale LLC)	-5.9	-3.9	-0.1	+53.0%	+7051.8%	-19.8	2.6	n/a
Recurring EBITDA Brazil	**24.6**	**4.1**	**28.6**	**+492.6%**	**-14.0%**	**40.5**	**6.0**	**+574.7%**
Recurring EBITDA Margin Brazil (%)	21.4%	4.0%	22.0%	+ 17.5pp .	-0.5pp .	9.4%	1.4%	+ 8.0pp .

In 4Q23, Recurring EBITDA ex-PPR was R$22.1 million, an annual improvement of 51.1%, or R$7.5 million, while Brazil Recurring EBITDA ex-PPR totaled R$24.6 million.

Year-to-date, Recurring EBITDA ex-PPR totaled R$18.0 million, an improvement of R$52.3 million compared to the same period of the previous year.

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3.7. FINANCIAL RESULT

R$ mn ; %	4Q23	3Q23	4Q22	QoQ	YoY	2023	2022	YoY
Financial revenues	12.6	15.2	19.5	-17.4%	-35.5%	58.6	76.4	-23.2%
Financial expenses	-4.5	-2.8	-6.8	+60.6%	-33.5%	-16.1	-20.5	-21.4%
Financial result	**8.1**	**12.4**	**12.7**	**-35.1%**	**-36.5%**	**42.5**	**55.9**	**-23.9%**

The Financial Result was R$8.1 million in 4Q23, representing an annual drop of 36.5%. In 2023, it totaled R$42.5 million, an annual drop of 23.9%.

Financial revenues totaled R$12.6 million in 4Q23, an annual drop of 35.5%, while in 2023, there was a drop of 23.2%, totaling R$58.6 million, mainly explained by a reduced cash position which impacted the income line and financial investments and a lower interest rate.

Financial expenses totaled -R$4.5 million in 4Q23, an annual reduction of 33.5%, while, in 2023, there was an annual reduction of 21.4%, impacted by debt reduction.

3.8. INCOME TAX AND NET INCOME

R$ mn; %	4Q23	3Q23	4Q22	QoQ	YoY	2023	2022	YoY
Operating Profit before Income Tax and Social Contribution	5.5	-25.8	10.4	n/a	-46.8%	-41.3	-29.0	+42.6%
Tax and Social Contribution (Nominal Rate = 34%)	-1.9	8.8	-3.5	n/a	-46.8%	14.0	9.8	+42.6%
Adjustments for effective rate								
Loss without constitution of deferred	-1.7	-1.6	-2.9	+5.4%	-41.8%	-9.8	-19.3	-49.4%
Other net exclusions/additions	3.3	4.6	1.2	-30.0%	+169.7%	9.0	1.3	+589.5%
Tax and Social Contribution expenses at the effective rates	**-0.3**	**11.8**	**-5.2**	**n/a**	**-94.6%**	**13.3**	**-8.1**	**n/a**
Effective rate	-5.0%	-45.9%	-49.9%	+ 40.9pp .	+ 44.9pp .	-32.2%	28.0%	-60.2pp .
Net Result	**5.2**	**-13.9**	**5.2**	**n/a**	**+0.8%**	**-28.0**	**-37.1**	**-24.4%**
Net Result adjustments	4.8	3.4	4.8	+41.1%	+0.6%	13.6	15.8	-13.6%
Adjusted Net Result	**10.0**	**-10.5**	**10.0**	**n/a**	**+0.7%**	**-14.4**	**-21.3**	**-32.5%**
Adjusted Net Margin (%)	7.5%	-8.8%	6.6%	+ 16.3pp .	+ 0.9pp .	-2.8%	-4.2%	+ 1.3pp .

Income tax and social contribution calculated in the quarter totaled -R$0.3 million, reflecting an effective rate of -5.0%, mainly due to the refund of tax losses and negative basis from previous years.
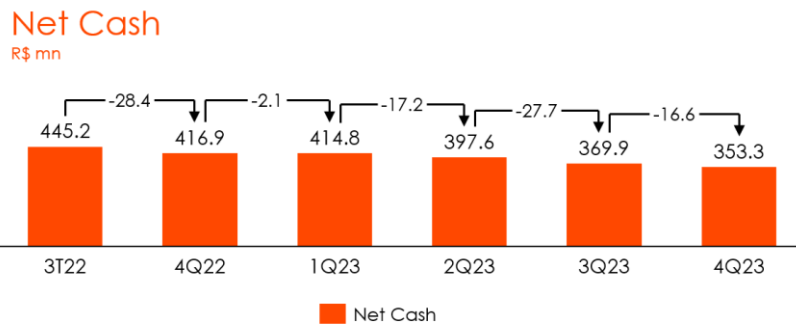
In 2023, income tax and social contribution totaled R$ 13.3 million, reflecting a tax rate of -32.2%, remembering that in 3Q23, the Company acquired the right to deduct income tax and social contribution in the amount of R$15.9 million equivalent to 34% of the value of the goodwill incorporated from the acquisition of Beta Learning, this amount had no impact on results and will be tax amortized within five years.

The Adjusted Net Result in 4Q23 was R$9.2 million, reflecting an adjusted net margin of 6.9%. Year-to-date, adjusted net result -R$15.2 million and adjusted net margin of -3.0%.
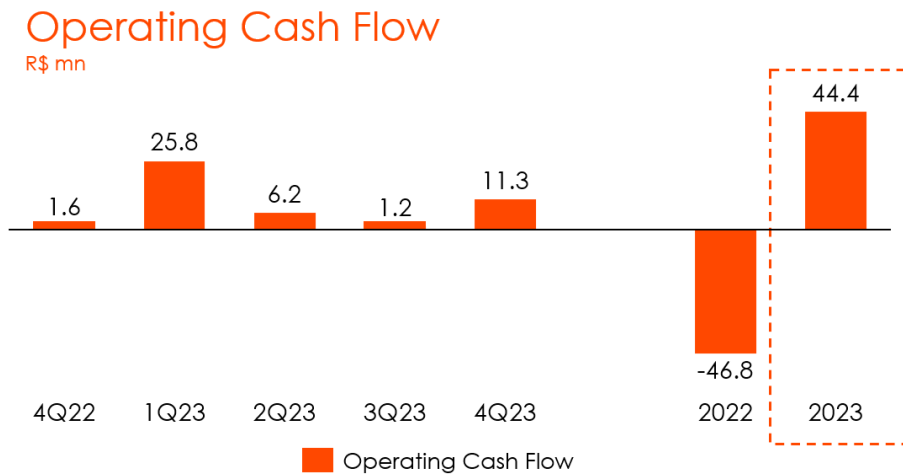
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3.9. CASH FLOW AND CAPEX

The company ended December 31, 2023 with R$353.3 million in Net Cash, a quarterly reduction of R$16.6 million and R$63.6 million in the year, with:

Net Cash
R$ mn

3T22	4Q22	1Q23	2Q23	3Q23	4Q23
445.2	416.9	414.8	397.6	369.9	353.3

-28.4 -2.1 -17.2 -27.7 -16.6

Net Cash

Operating Cash: Operating cash generation of R$11.3 million in the quarter and R$44.4 million in the year, an improvement compared to the operating cash burn of R$46.8 million in 2022.

Operating Cash Flow
R$ mn

4Q22	1Q23	2Q23	3Q23	4Q23	2022	2023
1.6	25.8	6.2	1.2	11.3	-46.8	44.4

Operating Cash Flow

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| R$ mn; %	4Q23	3Q23	4Q22	QoQ	YoY	2023	2022	YoY
Development	-18.9	-20.9	-18.2	-9.4%	+3.7%	-82.4	-82.2	+0.2%
% Net Revenue	-14.1%	-17.5%	-12.1%	+ 3.4pp .	-2.1pp .	-16.3%	-16.1%	-0.2pp .
Licenses and Software acquisition	-0.5	-0.7	-10.9	-32.8%	-95.5%	-5.1	-22.1	-77.1%
Immobilized	0.0	-0.3	-2.4	-94.7%	-99.4%	-4.4	-5.9	-25.7%
M&A/Others	0.0	0.6	0.2	n/a	n/a	-0.1	-58.4	-99.8%
Total CAPEX	**-19.4**	**-21.3**	**-31.3**	**-8.9%**	**-38.0%**	**-91.9**	**-168.5**	**-45.4%**

In the quarter, the company's CAPEX totaled R$ 19.4 million, of which:

(i) **Development: R$18.9 million** in *software* development activation, a quarterly drop of -9.4%, reflecting the benefits of strategic restructuring. However, we continue to invest to innovate our solution platform, aiming to maintain our competitive advantage and market leadership.

(ii) **Licenses and Software Acquisition:** R$0.5 million related to licenses and acquisition of operational *software*.

In 2023, the company's CAPEX totaled R$91.9 million, of which:

(iii) **Development: R$82.4 million,** in *software* development activation, stable in relation to 2022.

(iv) **Licenses and Software Acquisition:** R$5.1 million related to licenses and acquisition of operational *software* , an annual reduction of 77.1%, mainly explained by the implementation of SAP in 2022.

(v) **Fixed assets:** R$4.4 million mainly related to the construction of the new headquarters;

(vi) **M&A/Others:** R$0.1 million related to the consideration for the acquisition of Beta Learning and the variation in financial investments.

Financing : debt amortization of R$11.4 million in the quarter and R$37.9 million in the year, according to the debt maturity schedule.


Financing Cash Flow
R$ mn
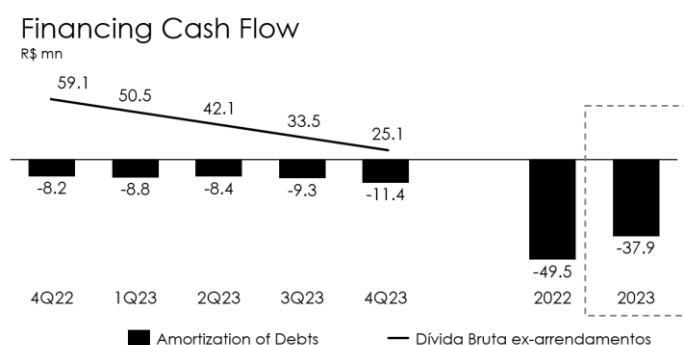
3.10. DEBT AND AMORTIZATION

R$ mn			4Q23
Contract	**Index**	**Rate**	**Balance**
Operation 4131 – Santander	Pre-Fixed	10.82%	12.6
Operation 4131 – Citibank	Pre-Fixed	7.95%	1.5
Working capital – Itaú	Post-Fixed	CDI + 3.50%	11.0
Working capital – Itaú	Pre-Fixed	7.95%	0.0
BNDES – Bradesco Card	Pre-Fixed	16.08%	0.0
Gross Debt			**25.1**
Lease liability			15.8
Total Debt			**40.9**
Cash and Cash Equivalent			388.8
Financial investments			5.4
Net Availability			**394.2**
Net Cash considering Leases			**353.3**
Net Cash excluding Leases			**369.1**

The Loans and Financing accounts ended on December 31, 2023 in the total amount of R$ 25.1 million, with 56% of the contract balances being readjusted by Pre-Fixed indices and 44% Post-Fixed and amortization period as per below:

Amortization Schedule

Debt

	23.4			25.1

1.7

2024   2025   Total

■ Debt (BRL mn)
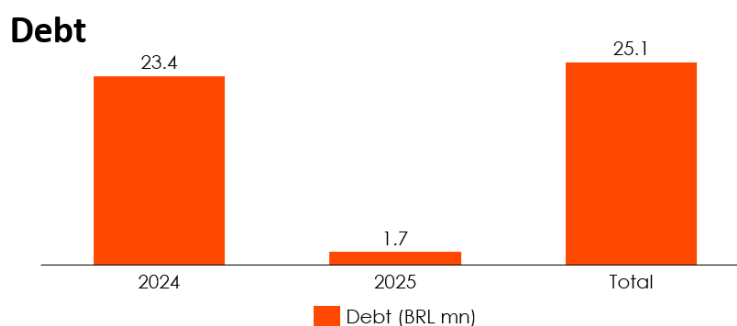
3.11. BALANCE SHEET

3.11.1. Assets

R$ mn ; %	12/31/2023	12/31/2022	%Var.
Current assets			
Cash and cash equivalents	388.8	479.6	-18.9%
Financial investments	5.4	0.0	n/a
Bills to receive	118.1	137.2	-13.9%
Derivative financial instruments	0.0	1.6	n/a
Taxes to recover	29.9	32.0	-6.4%
Other assets	14.0	8.5	+64.1%
Related parts	0.0	0.0	n/a
Total current assets	**556.1**	**658.8**	-15.6%
Non-current asset			
Financial investments	0.0	5.0	n/a
Other assets	2.3	2.1	+8.3%
Derivative financial instruments	0.0	0.0	n/a
Taxes to recover	0.4	0.2	+69.7%
Related parts	0.0	0.0	n/a
Deferred income tax and social contribution	17.4	4.1	+326.9%
Investments	0.0	0.0	n/a
Immobilized	14.8	20.7	-28.3%
Intangible	290.1	224.5	+29.2%
Total non-current assets	**325.0**	**256.7**	26.6%
Total Assets	**881.2**	**915.5**	**-3.7%**

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3.11.2. Liabilities

Current liabilities			
Suppliers	29.1	28.7	+1.6%
Loans and financing	23.4	35.3	-33.8%
Lease liability	6.6	0.6	+988.5%
Taxes and contributions payable	5.8	11.7	-50.3%
Payroll and related charges	55.9	36.5	+53.3%
Contingent consideration payable	4.2	5.6	-24.9%
Provisions	8.8	10.2	-14.5%
Financial derivatives	8.9	0.0	n/a
Advance from clients	0.0	0.0	n/a
Other liabilities	0.5	0.0	n/a
Shares based Payment	0.2	3.6	-95.5%
Total current liabilities	**143.3**	**132.2**	**8.4%**
Non-current liabilities			
Loans and financing	1.7	23.8	-93.0%
Lease liability	9.3	3.0	+210.6%
Payroll and related charges	2.9	2.6	+11.1%
Derivative financial instruments	0.0	0.3	n/a
Phantom shares provision	0.0	0.1	-93.4%
Shares based payment	2.1	2.3	-9.1%
Related parties	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	0.3	0.2	+44.7%
Other liabilities	0.7	0.0	n/a
Unsecured liability provision	0.0	0.0	n/a
Total non-current liabilities	**16.9**	**38.0**	**-55.5%**
Shareholders' equity			
Joint capital	789.4	789.4	0.0%
Treasury shares	0.0	0.0	n/a
Capital reserve and options granted	55.4	50.2	+10.4%
Legal reserves	0.0	0.0	n/a
Retained earnings/losses	-92.4	-92.4	0.0%
Period's earnings/losses	-28.0	0.0	n/a
Other comprehensive income	-3.5	-1.9	+79.6%
Profit reserve	0.0	0.0	n/a
Total shareholders' equity	**720.9**	**745.3**	**-3.3%**
Total liability and shareholders' equity	**881.2**	**915.5**	**-3.7%**

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1. GLOSSARY

Application Fraud – Identity authentication and behavior analysis solutions or components, such as: Credit *Score , insights* , second authentication factor, biometrics, document copying, human analysis. *Application Fraud* revenues also include revenues from CyberSecurity anti-fraud solutions , such as Threat-X and *Business Trust* Reputation *Score* .

ARR New Sale - *Annual Recurring* Revenue. Represents the new annual revenue for the period that will remain with the Company for the duration of the future contract. The ARR of new sales is calculated by multiplying the MRR (*Monthly Recurring Revenue*) of New Sales 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 growth 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 - With regard to virtual transactions, it is the cancellation of a purchase made using a credit or debit card, which the consumer can request if they are unaware of a charge or part of it. The person responsible for the refund/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 dispute and *chargeback management* . It was acquired by ClearSale in January 2022, with the aim of increasing synergies in efficiency, revenue and customer relationships both in Brazil and in the International operation.

Churn rate - Churn is measured through the ratio between the average monthly recurring revenue from lost customers and the total monthly recurring revenue from the previous year (month of 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 and there may be two or more initiatives per customer. From the fourth quarter of 2022, we start to consider the Start customer portfolio, which is a guaranteed product focused on the long term 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 comprise salaries, charges and benefits, variable remuneration of 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.

Sales, General and Administrative Expenses - These include salaries, charges and benefits, variable remuneration, depreciation and amortization, as well as expenses and outsourced services related to these areas and utilities (building maintenance and utility bills) and other expenses.

Transactional (E-commerce) - Revenues from anti-fraud solutions that consist of the analysis of transactional authenticity, generally carried out on 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 up 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 ensuring 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* . It represents the sum of recurring revenue that the customers in question will generate for ClearSale over a full 12-month period.

***Balance Project* –** Project 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 projects to gain productivity and efficiency with a focus on contribution margin; (iii) Performance improvement of customer indicators and Success capture fee ; (iv) Optimization of cloud processing and elimination of redundancies; (v) Acceleration of opportunity in efficiency of administrative expenses and projects and (vi) Application of the plan to the international front.

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