

Operator: Good morning, ladies, and gentlemen, welcome to the conference of ClearSale where we will discuss the results of the fourth quarter of 2021.

In a moment, all the participants will be connected as listeners, later we will open a session of questions and answers when will be given the instructions to participate. Please remember that this conference is being recorded and the recording will be available on the website of IR of the company at the address RI ClearSale. The presentation of slides utilized is also available on the side of relations with investors or the company and in the CVM side.

Before continuing, I would like to clarify that any declarations that may be made during this conference relative to perspectives or business are based on provisions based on the current expectations of the management. These expectations are subject to changes due to macroeconomic conditions, market risks and other factors.

With us today we have Bernardo Lustosa, Director President, CEO of ClearSale, Alexandre Manhe, Financial Director, and Renan Ikemoto, Director of Relations with Investors.

I'd like to pass the microphone to Dr. Bernardo Lustosa. Please, Bernardo.

Bernardo Lustosa: Good morning, everyone it's a pleasure to be here with you to give us the results for 2021 together with the fourth quarter of 21.

We are very happy with the results of the year, pretty in line with what we have proposed to investors during the entire roadshow, a year of much learning, a lot of compliance, a lot of governance, things that non-listed companies don't have to concern themselves with, many audits, so we're learning how to deal with all of this better, a year of great acceleration and we did not expect the concretization of the IPO to bring this acceleration; that's why at the end of the first quarter when we felt that the IPO would happen I called the executives and we all talked about a mindset of the pre-IPO mindset, which I call this mindset, and we started to accelerate the company with our own cash so that we could reap the fruits of that in the future.

So, we then understand that reaching the end of the year with a structure practically complete for the growth of the company and now I'm going to bring to you the numbers that corroborate this. Now starting with some great news, last night we received the acceptance Mercado Livre – the leader of Mercado Pago – to be able to promote a note to the market, a notification to the market of our signing of a contract with them. For many years investors have spoken with us about and say “with such a huge data bank, Mercado Livre, the biggest e-

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commerce in Brazil, does the risk management in house, isn't that a tendency?", and with the backtests realized in ClearSale showed that the network effect that we generate would generate value for Mercado Livre, so we closed an anti-fraud contract, a Threat-X contract, which is our product, incubated in the area of open innovation, anti-phishing, takedown, monitoring of marketplaces, etc., and Business Trust, which is the company's defrauding other companies. So, it's great for us and now 10 of the 10 largest e-commerces retail with physical delivery in Brazil are ClearSale clients. We're very proud of that.

Talking about the proceeds of our IPO, everything that we thought about doing during the year in the different verticals, in the different avenues of growth starting with e-commerce, we started to invest a great deal in scalability and availability of the interface of the solution for the data bank, which shows that... a demonstration of this is that we went through Black Friday with no occurrences with 100% availability and scalability, we customized our products to attend other segments and as the plan was mentioned there's still lots of e-commerce in Brazil to be captured, for example, the contentment, digital goods, delivery, food delivery, tickets, lines and so forth. So, we're customizing this to be with the SLA express to address these more digital sales addressing pharmacies, etc. This is just an example, many projects, efficiently and innovation projects we did the migration 100% to the cloud, we changed our dialer for the best dialer, which is Avaya, we tried the two factor authentication through WhatsApp so we don't lose clients who are more used to communication via WhatsApp, then in the SMS we made an integration so that we would be able to know when the chip of a telephone was changed to know if there was a swap or not, which is a type of fraud that could pass through our platform, our data trust platform, it will no longer pass, it will no longer escape. We designed an architecture to attend e-commerces that don't have CPF, many e-commerces are arriving in Brazil and don't ask for CPFs to do transactions, we made an architecture of hot phone plus, in other words, an algorithm of artificial intelligence which says "great, this telephone is really this CPFs' telephone",, but what is the chance of having a fraud even so? It would be a cell fraud or a friendly fraud, and we captured all of the network effect within the architecture, scale of architecture making that so that any order from any store or any bank proposal works as information for the other clients for an e-commerce very small that has just entered the base or small Fintech who is not used to the risk analysis done, each one is doing their own... you can use the risk analysis of the entire base. All the same work.

What is important is in the fraud. What is important? To reduce the total cost of fraud, which is by doing a rereading. Remembering here, who loses with fraud? The cost with false positives, in other words, when we do not make a sale for a good client because of a fear fraud, cost of suppliers and cost with internal teams and prevention teams. This the total cost of fraud, and who minimizes this is the best product, and we have the best fraud product in all the regions in which we have tested it.

We have seniorized our commercial team separated by business units to e-commerce, fraud application, and international which is already separated, and you open innovation area through our Explore function, which is already separate,

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we have specialized it by sectors, we made the Acelera Project with a lot of training separated by business units where we have challenges to do R\$360 million more of ARR in 21, and we reached that goal, so that was a huge victory for us financially, we focused a great deal on negotiations because many times e-commerces lose, especially the retailers because the banks are now more tranquil, they ask them not to readjust by inflation,, but this in the context which today would give it a 10% [unintelligible], which is equal to giving a 10% discount, we also are firm with that, we also matured and have a much more professional marketing than we had previously, and so we did the rebranding of brand, we invested more in PR content, account-based marketing to circle are deciders with our principal digital prospects, digital performance, events and marketing, product marketing so that we can repage, remark and become... because we have some products which are quite old, old combinations, we hope this year to change all of that and make it more efficient in each area.

We also had an hedge of acceleration, which will focus greatly on alliances, and as we assumed this, it was a gap that ClearSale had, a big gap which we had, and it is already presenting growth, but we expect much more in that area connecting new businesses, and we closed the year with a historically low churn of 2.7%, which is low not only for ClearSale, but it's also a historical record for ClearSale, but also as a benchmark for the market and in the market of Software as a Service.

When we go to the onboarding area, which I prefer to call fraud application, what is this? When someone solicits a credit card online, opens up an account online, a check account online, a telephone line, a paid bill, cable TV, vehicle financing, digital accounts, app accounts, all of this has identity theft, and here we accelerated greatly, so it was part of our proceeds to invest a lot in our platform of data trust, which I presented together with the launch of our brand, as you can see in this video on the site of ClearSale in the IR section, and we have developed the components, data trust is a platform which has several components and which we try to decide the orders with the least possible friction. So, we are already commercializing Documentoscopia and Know Your Customer, background checks, and we did the acquisition in 2022 of Beta Learning bringing 110 professionals, technology professionals, a company with a cultural fit which is very high, and which also works in the formation of new technicians, new technology technician, lay people up until then making it possible for us to anticipate the movement of possible shortage of labor in this area, shortage of talents in this area.

On the credit area we are having a very positive surprise more and more, as our database increases, we have more effect network effect and we are able to know the digital consumer, and with that our credit score helps together with the scores of our clients to separate more. In other words, have less non-payment with same rate of approval with the same level of non-payment, and it has been a pleasant surprise, we now have 15 clients, it wasn't even an avenue, a separate growth avenue, so we may study transforming this into a separate growth avenue and we're now transacting 50 million in proposals per month in this credit score.

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We amplified the commercial force by 71 people year on year and more than 30 people since their IPO. As I mentioned, we started an acceleration before and this was really motivated by a metric of Software as a Service, which is mandatory for the LTV, in the relationship LTV CAC, and these are some of the points of attention that we see in our onboarding area: the acceleration of data trust, big investments in distribution and promotion and upsides in credit are the principal highlights here.

When we talk about e-commerce, international e-commerce, our priorities have always been first of all growth in Latin America, in parallel we make our healthy operation in the US and Canada, and after that to find solutions in other countries, test solutions in other countries outside of the Americas, and we are very, very focused on Latin America because here there's an index, a rate of fraud which only ClearSale can solve, so we have restructured this area, we did a chess game of people there, the commercial and marketing of Latin America and the US and Canada and we hired in 2021 a head of partnerships, alliances, a head of enterprise sales for Latin America, and we have used more and more the synergies of international, Brazil's international synergies, and we're in the final phase of the hiring of a commercial head, general commercial head for Latin America. Remembering that we had a delay because we had a name that was ready, but he gave up, and so we had to start over again, but we believe that we will fill this this space this week, so within a month that person will be able to start with us.

We acquired in the US ChargebackOps, which is a company of recovery of chargebacks. When we are to prove that the client asked for a charge back fraudulently and using the data that was used for good purchase, we can share that with the bank, and it was an important acquisition because this ChargebackOps already has a portfolio of clients, more enterprise clients in the US, it's a small company, but which we can cross sell both of ChargebackOps for ClearSale as well as the opposite. We're putting one more product in our portfolio and we can now improve our operating margin of the company bringing part of the labor to Brazil and still have more brand awareness in the US because is a Brazilian company buying an American company. It also has a very good cultural fit, which we always think is important, they are from Salt Lake City, they've had the opportunity to be sold to another company, but Steve spoke with me, and he said: "I want this to go a long way, so I chose ClearSale to make this sale, we chose to sell to ClearSale".

We continue leading the rankings here of G2 Grid in all sizes of e-commerce as the best software of fraud prevention, which gives us the confidence that we have the best products and a commercial acceleration which is slightly below which was projected not in 2021, but in general. We can be moving more quickly, it's purely commercial because the product that we have is the best in every region which it's been tested, as I said. Our area of open innovation, which is Explore, is quite a bit more mature, so we now have the phases here and a committee decides with each pitch of the entrepreneurs which initiatives will go through that phase, so we have the discovery, prototyping, pre-scale, and operation, we already have 2 initiatives in pre-scale focusing commercially which are the

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Threat-X and Business Trust, health insurance, and marketplace are already in phase of prototyping, we were chosen by Lift, which is an innovation project of the Central Bank among 49 suppliers if I'm not mistaken, ClearSale was chosen as one of the 9 to participate in this project, which includes for example the digital real, which is a crypto currency based on the real in Brazil, it will be the mass banking of Brazilians, we also have insurance in general in the phase of discovery and research, we doubled the headcount and tripled the quantity of clients between July 21 until February of 22, from July 21 till February 22.

So, we're very happy here, we have slots for more initiatives, and we have processes structured to incubate other things that are interesting here starting from new investment theses that may come along.

Speaking of people, diversity, culture, we have diverse groups internally which are managed by the employees themselves for diversity, so we have the group of *negritude*, which is the black employee group, the group of gender equality, PCD, LGBTQI+, all this driven and inspired by the area of human resources, which is managed by the actual employees of ClearSale themselves. We continue gaining awards even in a hybrid environment, we believe that we dominate the hybrid environment, we're almost 100% remote because I measured this I make, I bring these new employees and they tell us, they keep saying the same things as when the environment was in the remote environment, which we have a strong culture, respect for people as a humanized company, we people win awards as humanized company, we're on the list of the Great Place To Work for 10 years now consecutively since we applied the first time, and in rankings better and better, we've won awards of Women in Tech as Endeavor Entrepreneurs.

The awards continue to come without making any effort, no direction, we just apply and let the employees respond to the questionnaires with no goal for that. This is just a reflection of our internal culture.

Speaking in terms of governance, we made a complaint channel, so everything can go well in the company, so that things arrive where they need to get to avoiding any problems with the hierarchical levels or with the exposition of people, we worked a lot with the Empregadora brand, the attraction of talents to ClearSale, we're in a partnership with Fúria –for those of you who don't know, Fúria is a team, video game players, and sometimes when I want to see want to see my football team I say: “no, I have to see the game of Fúria”, and he was enchanted, he wants to work in ClearSale, and in a few years when he is in the labor market and this is the public that we're reaching now. The game is more and more representative, people use a lot the Great Place to Work for that for the attraction of talents, we are in the metaverse, we have a ClearSale virtual building in the GTA game so people can go in and play inside the ClearSale building. We have a sports championship which has poker games, first person games. Just yesterday we had a session, and this is one way that we have to bring people closer even in a remote environment.

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We make several webinars on technology to attract this type of professional, which is the most difficult time to attract, and we have had a lot of success and we will have more and more this brand as an employer for the culture that we have, which continues to manifest itself spontaneously within the company.

We're making various programs of inclusion and education, so the program of trainees in which 60 people have joined the company, 2 programs for acceleration of young people based on technology, and Beta Learning which we acquired, which is doing a program for training called ClearTech which takes lay people from the company not trained in technology and trains them to become technologists. So, we're training labor, technologic labor and analytics, machine learning and all of this just right here in the core of ClearSale.

Speaking about these acquisitions which we have done, I've spoken about them, but I wanted to reinforce that they are totally in line with the proceeds that we spoke about with investors during the roadshow. For example, acqui-hires – acqui-hires is when we acquire a company and we bring together the talents of that company and eventual opportunities for international expansion, inorganic expansion, which is the case of ChargebackOps –and we continue looking at opportunities and structuring the company to do this in a way that is more active, in accordance with the investment theses, which are for now the same as we talked about during the IPO, but it may suffer changes because the strategy of ClearSale is alive and we discuss it every single week.

Going into numbers here, we closed 2021 with 458 million in net revenue, this between Brazil and ClearSale LLC, which is a controlled company, the international part of the company, and 32% of growth year on year. If we compare it with the growth of Brazil with the CDI, with inflation, we beat all of those indexes, we're happy with that, the company is happy with this, I'm happy, the executives are happy with this, it's not easy, we could have arrived to grow 37%, we could have grown 37% if it wasn't for the difficulty that we had dealing with fraud at this time, we're at an economic moment which is complex, e-commerce no longer grows as fast, fraud has digitalized, it has professionalized and the fraud attempts have doubled in relation to what they were previously, and we have had some discounts in performance which was here reflected in all of this presentation how much it would have been if we had the same performance and indicators that we had in 2020. So, we grew 32, we could have gotten to 37, unfortunately this year we weren't able to, we have war rooms, we're dealing with that because it's not enough just to beat the competitors, the benchmark of ClearSale is ClearSale, and we want to put ourselves at a level we've always had our fraud indexes, we will do it, it's already giving results and it's not the first, not the second, not the fifth time that we have encountered problems, new standards of fraud in the market and in all of these cases we solved this and came out much more innovative than we were previously, and that's why ClearSale is a supplier that can solve from Mexico with indicators much better than our global competitors.

The revenue of onboarding is a huge highlight, we grew 57% year on year, onboarding, and fraud application, which makes it possible for this to be one of the best sectors of ClearSale in the future going forward, as I will show you going

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forward. The revenue of e-commerce in Brazil grew 23% year on year, could have arrived at 29 if it hadn't been for the discounts per performance and international e-commerce grew 42%, so if we look at a smaller base, it's not so aggressive, but it's better than what we've had in the past. So, the first effects of the restructuring are already happening.

When we talk about new sales, we tripled our sales goals for 2021 talking about acceleration, the promised acceleration, we reached additional 87% compared to last year in terms of ARR being 112% in the onboarding fraud application, or in other words, it more than doubled, and if we take what we added of recurring revenue, monthly recurring revenue annualized of the onboarding, it's already more than all of the of sales of onboarding for 2020, so that is definitively our biggest avenue of growth, which is proven here.

The churn I talked about historically it's low as a referenced in the market and it demonstrates the trust that ClearSale has that clients have in ClearSale, which is part of our values, part of our DNA. We increased the commercial headcount from 160 to 231 people, and even so, we maintained an LTV versus CAC CSC considering only 5 years of permanence in 10.5 times. The rules of Software as a Service tell us that when you have an LTV CAC greater than 3 times, you have to explode your commercial area, so that's why we have not saved any efforts, we have squeezed our margins, because we're going to receive the fruits of this going forward as long as there's a market, both in onboarding and e-commerce we see lots of market to be reached in the onboarding and we feel that it's only crawling, it's a run for market share, we're not going to because of the moment the economy take our foot off the accelerator in any case.

On the rule of 40 of global ClearSale, Brazil plus the US, where we've had a loss, we had 36% in realized numbers – remembering that 40 is the attractive – and if we hadn't had these performance problems, it would have been 44. If we look at this number just in Brazil, in other words, if we had not decided to invest internationally, we would have 41 and 49. So, the United States, the international area is a decision that we bet on so we invested in it and we can understand as a Brazilian company, attractive for investments and receiving investments, one of them is the international expansion.

When we look at our net revenue, we had growth a little bit slower in the fourth quarter due to a series of factors, but for the year, as I said, we grew 32% and we could have grown 36% if it were not for those problems, these performance problems with fraud, which we consider punctual, so that means that our projected revenue, which is possible to be reached, if when we come back to the levels of indicators, of fraud indicators that we had previously and we're already heading in that direction to reflect, so we have to look at several quarters going forward this year.

So, e-commerce in the fourth quarter grew only 1%, in the year it grew 22%, it could have grown 29%. We have recent market research, we have the EBIT which says 27%, Neotrust and it says that e-commerce grew 26%, so we could have captured even more than that, unfortunately the difficulties of treating fraud

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made it impossible to get all this, but we did get 22, onboarding had 57% growth and on the year 34% in the fourth quarter. E-commerce international in dollars both in the quarter as well as in the year was 41% of growth, so we wound up with 32 and it could have been 36% in a scenario where fraud had been resolved and which will certainly arrive shortly.

As onboarding is the principal avenue growth, this is a slide that demonstrates that. Here is the breakdown of current revenue and this year the breakdown of added ARR of new sales, so we can see that the slice coming from onboarding is much bigger than in the current, so here, since we see this as an avenue for growth and the revenue of ClearSale tends to come out of that, which is on the left to that which is on the right.

Let me just go over here take a sip of water.

When we look at new sales, as I said, on average we have grown 87%, if we look at onboarding 11%, and here we have the distribution quarter by quarter, and these things are seasonal, they're very large accounts, ClearSale is a company with a concentrated revenue, so it varies greatly and oscillations between the quarters according to the cycle of sales of the large accounts, which are in production and entering into production. So, this here gives us a general panorama, as you can study this more carefully in detail the fourth quarter, it was a little bit weaker than it usually is, I think we had also this fall off in relation to 2020, but this is normal. At the same time in the first quarter, we sold 5.5 times what we sold last year.

When we look at the quantity of clients, we grew by 1.660 clients from one year to the next, a growth of 40.3%. We have many alliances which are already formed, large quantities of clients for ClearSale, many in the e-commerce and in the onboarding, we're very focused on large companies so the growth is very effective, and it's not very effective, and the international is bringing lots of new clients as well. The churn, it's important to remember that our churn was 2.7% compared to 4.2% last year even with a client base that was higher. This is all fruit of a restructuring of the company, which is reflected in fixed costs because it's not enough to sell, there's a whole chain, when I invest in the commercial for sales I have to invest in after the sale and customer service, I have the customer success, I have to invest in delivery, technology, analytics, operation of human analysis so that when this client enters I will be ready to attend him, generate confidence and capture his gross margin. But all of this is an investment that comes over time, so it was planned a compression of margins, as you will see.

So, our gross profit and gross margin fell in the fourth quarter from 54 to 30% and for the year from 50 to 37%. This has several explanations, one is the one that I just gave, but it is also reflected in 2 ways: one is an acceleration of the technical team, which is what will support the entry of these new investments which we are doing and get these clients up and running with quality and generating confidence, which is our principle; and working in 2020 with a quantity that's very suboptimal number of operators generating contingencies and hurting our indicators in the e-commerce sector.

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What happened? The pandemic happened, so the e-commerce grew by 100%, so we should have doubled my capacity and my labor in the human analysis area. While this didn't happen, it generates EBITDA with a gross margin, an undesirable gross margin. So, much more due to the effect of 2020 than 2021. We had this fall off and with this charge back discounts and the doubling of the cloud that we already had and ended in 2021, we would have been able to have a fall of 50 to 41%, which would be simpler and be more easier to digest this year.

If we look at this, the gross profit, the orange line on the graph is 2020 and the black line is 2021, the gross profit coming from 171 million, if I had not lost the revenue from the performance it would have gone up more 5.6, and if I had not had this duplicity of cloud which is non-recurring, I would have gone up another 8.9, if I'm not reading the wrong line here, we would have an adjusted profit of 194, and if I take away these fixed costs, which many are for structuring of 81.5 million, it would have given us a contribution margin, the direct margin just with the direct cost of operating of 61%, which is lower than last year because of the quantity of analysts, which is a suboptimal number of analysts in 2020, which was very strong, and also due to the structuring, the difficulty of dealing with fraud, more difficult frauds which involve more orders analyzed manually, these things have high ups and downs as time goes by. Even so, 61% of contribution margin, which is something very healthy.

To understand what this was, who are reading our financial statements and is not seeing an EBITDA of 61.9% negative, of this 23.4 are expenses which happened because of the IPO, these are fees from the banks, payment of commissions, lawyers, offices, etc., so this is all nonrecurring. Normally the EBITDA is not in accounting measure, so normally you exclude from the EBITDA the non-recurring expenses, we have 48 million in provisions or variations of provision for incentive programs, long-term incentive programs, this for us is an investment in the future so that keep people in the company which are going to add much value to the company going forward, with us today we have to provision all of these programs and incentives for long term at the present moment.

So, this has zero impact on cash, zero cash impact, it is a no cash effect, so if I remove these two effects, the zero cash effects of this and this one which is a nonrecurring, we get to an adjusted EBITDA of 9.5%. If I take another nonrecurring expense was the duplicity of the cloud, it goes to 18. Investing in international was a decision that ClearSale made which generated a loss of 21, if we just look at the Brazil EBITDA nonrecurring of 40 and if I had still been to capture the revenue by not giving discounts on the billing, we could have arrived at 54.7.

It's just to understand what it all represents. The cash impact of all this was only 52 million, even though it seems they go from negative 61.9 to 54.7, or to 40.2. So, this is just for us to understand when we see EBITDA and not be afraid, not be scared by some things that we see there.

Talking about expenses, we grew by nearly 100% in the fourth quarter plus 15.6 of those are provisions for LP or for adjustments for provisions that did not impact,

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so we would have gone to 66%, of course, we continue the restructuring, we ended the year with the company totally structured, almost completely structured for growth, and taking all these LP provisions, 56% growth of fixed costs. Remembering that here have all the structuring, as well as to be a listed company along with the others which I mentioned.

The EBITDA in the fourth quarter is negative by 24 million, when we adjust it for the cloud duplication and the adjustments in revenue, but we have to remember that there there's a provision, everything of PRL hitting our fourth quarter, and we're going to pass the provision is monthly next year, the 6 million of international losses are here, they wouldn't have to be if we had invested in international market and all the commercial commissions of the second half of the year are here and should be divided between last 2 quarters, which we're going to start doing next year.

So, all of this would give us an EBITDA at the end of negative 10%, and at the end of the day you see that what we consumed in the operating cash even leaving the company totally ready for growth, totally no, 85 to 90% ready for growth that we want to continue making next year, the growth we can have next year. For the year, as planned, we had a contraction, a compression of EBITDA in the quarter of 16% to 17 negative. I already spoke about adjustments, but for the year we finished with 9.5, if I take away the effects of the cloud duplicity, which is nonrecurring, captured this revenue, we could have closed at 33 million of EBITDA, but we had, yes, the fall of 74, so we're close to break even. In other words, we're not using up any cash, which is where I'm going to go now.

Speaking of cash, our cash flow we raised 770 million in the IPO plus 50 that we had, in round numbers 820, 40 were spent nonrecurring expenses, costs of the IPO itself, 20 is the loss of the LLC, ClearSale International, and 10 which is what we in fact we really burned in our cash when we invested the proceeds in the acceleration of growth and compression of margins. And so, here we have about 750. In other words, we have all of our cash on hand, the market is saying that the second semester, the second half the sources of private investments will be drying up due to this macroeconomic picture in the country, 2020 will be more complicated because of all the variables, interest rates, credit, non-payment by families, inflation in basic guidance such as food, fuel, make the discretionary consumption diminishes and the offer of credit diminishes, this impacts the e-commerces and impacts the banks and impacts the Fintechs, and indirectly impacts ClearSale. But we're here with almost all of the proceeds that we've raised to make new acquisitions along with other investment opportunities come along.

The net debt is close to 102 million, a lot of this was captured prefixed at 10%, doesn't make any sense to pay that debt, so we are perfectly lined up in terms of cash with almost all of the proceeds of the IPO, what we proposed and what we've done up until now and eventually to build other growth theses in the Explore operation or outside of it.

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So, the final message that I'd like to leave with you is that we proposed to do one thing, we are coherent, we started to do the acceleration prior to the IPO, we were able to, we delivered all of the new sales that was proposed, we hit our goals, we had the margin compression, yes, perhaps a little bit bigger than we estimated, the process of IPO we said that it would take 6 months, things aren't so precise, but we did our margin compression, which left us structured, ready, and ready to grow in 2022.

This bill will be easy? No because we depend on the orders that come to us, and as I said, every economic scenario is hurting that, but the onboarding, the fraud application, and our running aftermarket doesn't make any sense to decelerate this, we have our own inflection, our J curve and to try and come out on the other side much better positioned than all of our competitors, and with ClearSale ready when the economy comes back, we'll have captured everything that we wanted instead of because of that or because of several quarters taking steps backward.

We've always been a company focused on long-term growth, we chose an allocation of funds, investment funds basically long only, and if 70% or more of our investors are on the board, nobody sold any stock, everybody understands the context of the market, which is coming and going, and we're very confident looking at the long-term future. Thank you very much.

Question and Answer Session

Operator: Ok, thank you. We're going to start our session of questions and answers. So I wanted to tell you that you have an app on the bottom of the screen, Q&A; please, send your questions to there, send your messages there that you want to participate, that you'd like to make a question and we will then open your microphone, ok If your question is called, I have access to the question here on my cell phone and we'll open the microphone, ok? So, I'm going to give you a few minutes to send you questions and then we'll start.

Now the first question I have is from Carlos Herrera, Condor. He says:

"Yes, hi. I have two questions; first do you estimate to continue growing your team during 2022? In relation to revenue, what's the percentage of SG&A that you should reach of SG&A that you should reach this year?"

Bernardo Lustosa: I'm going to answer more qualitatively, it's getting to talk about percentages, but the SG&A we divided in 2 ways: one is the commercial area and while I'm generating new sales with a low churn rate that I have and was generated this LTV and this cost of acquisition, and this is in levels that are high and as long as there is market I'm not going to stop investing in commercial. How much? I don't know. We're not going to make a giant jump and then see the LTV CAC go down to 2 and be unsustainable, so we're taking steps and growing from there.

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As far as the other part of his G&A, which is the administrative and financial, we still lack a little bit in the financial area, being a listed company demands a lot from the financial area, Manhe is here to talk about that how complicated it is, so we have the financial structuring which is still not complete, so it should grow, so I don't know how to give you that percentage right now and we're not giving any guidance at the moment on that.

Operator: Does anybody like to add, or can I go to the next question?

Carlos in his second question he says: "How are your processes with the acquired companies? With the acquisition of ChargebackOps in the US, are you studying entering into new geographies?" But I think that's what he means.

Bernardo Lustosa: No, we already have a process designed for the recovering of chargeback in Brazil, but it's in parts, we're going to use basically the recovery of the chargeback in the US for US and Canada, use the access that they already have, the confidence that they already have in the market to do upselling, to cross selling with ClearSale, but as tropicalizable as you'd think, the United States and Canada you're able to dispute and gain with the bank easier than here in Brazil, here Latin America and principally in Mexico.

Operator: Perfect. And so, we have here Gabriela Moraes, from Itaú BBA, who would like them to open microphone. Please, go ahead, make your question.

Gabriela Moraes: Good morning, everybody, thank you for the call. I have a few questions here from my side. First the question of margins, I want to understand your mentality looking at the first quarter, the first half of the year, and basically with the e-commerce a little bit slower, but we see some effects from the fourth quarter were nonrecurring that affected the margin. So, I just wanted to understande how do you see the margin with the first half of 2022? This is my first question.

Bernardo Lustosa: Without giving any guidance, I can explain qualitatively what we can expect. E-commerce has grown at rates more conservative than last year, which is expected in a moment post pandemic where everything is opening again and a part of the team that had migrated to the 100% e-commerce is not going back to consumption in physical stores, the discretionary consumption has fallen for all the motives that I explained, so for that reason the base revenue, the revenue from the existing clients should be compressed and we will adjust the marginal area, but we won't be able to take away the costs of structuring in the company because we're focused on the long-term.

So, we should have margins rate lower or even negative, it's part of what we proposed to make a J curve, but also to capture the effects going forward on the

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part of onboarding, which is an avenue growth, we should have possibly a fall in revenue, the base revenue because of the difficulties of access to credit, and all the processes that we have authenticated which are connected to approval of some credit in some way, either credit card, or credit accounts, or credit accounts with overdraft limits, or financing, or personal loans, etc.

So, the market does not permit us to grow, that we grow so much, recovering so much of our margin, and these performance effects, like as in the case of the chargeback, they take time to get to us and discounts come later, so they still should impact the first and second quarters of this year, of 2022.

Gabriela Moraes: Ok, that's clear. Last question very quickly, in relation to churn we see here that there's been an improvement in relation to last year, I wanted to understand that you have accumulated for the third quarter in 2021, I wanted to understand if this increase here in relation on the quarterly relationship.

Bernardo Lustosa: Sincerely, I can't answer, I don't know that detail.

Alexandre Manhe: The churn, the way we look at it always goes accumulating over the entire cycle, so it's natural that when we compared the third to the fourth quarter there's the carry forward, the clients who have lost during the year already impacting on the last quarter. So, it's not just the new churns, these are clients that we lost in the last quarter which impact on this indicator.

Gabriela Moraes: Ok, that's very clear. Thank you.

Operator: Thank you Gabriela for the questions.

I have one here from Andrew [I didn't know his last name], from Emerging Variant:

“Are you considering the repurchase, stock repurchase?”

Bernardo Lustosa: This was discussed in the Board, I'm going to come back to remembering that the Board of ClearSale today, within that Board we have approximately 70% are shareholders of the company, or the company shareholders on our Board, we have no profit reserved for the repurchase of actions, otherwise we would have done it due to the incentive programs that we will need these shares via swap with the banks, these are things that cost money, and we understand that the investor didn't invest in ClearSale so that the company itself to repurchase its own shares.

We understood in the Board and the Board took the decision to not do any repurchasing discussing principally for the financial instruments and also because we don't want to decide on the part of the investors what they do with

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their money. For now, we're not planning it, when we have a profit reserve, then yes, because we will have other options, we'll have stock for the long-term shares when we have a profit reserve, retained profits.

Operator: We have another one here from Ernesto Gabilondo, from Bank of America:

“What are your expectations for the rule of 40 this year and your seasonality?”

Bernardo Lustosa: It will depend greatly on the economic context during the year and our capacity for performance, which we are sure that we will recover, but when and why this will reflect is in the same way that we had looked at this, it will depend on the offer of credit. It's difficult to say about the rule of 40 with the growth seems to be challenging this year for all the reasons, economic reasons that I mentioned, and then we're going to have to be careful looking at the growth and with the relative margin, and there is a [unintelligible] in the company already, a plan for that in the company.

Operator: Thank you Bernardo. We have one here from Daniel, he doesn't put his last name or the company:

“The program with long-term incentives, will they have a relative impact in this line for the 2022 results?”

Bernardo Lustosa: All of these have vesting or cliff, and so the impact for 2022 is very small, it's provisioned, the cash effect for 22 will be minimal. I don't know if you have any idea how much it would be?

Alexandre Manhe: The effect on cash about 2 or 3 million this year, which are several programs which are being invested right now, it's already being invested right now.

Operator: Good. One more from Daniel:

“In relation to the worsening of the chargebacks operation, what's the expectation for 2022? What are the motives that caused this reduction of the results in 2021 and what actions you could start taking to avoid this again?”

Bernardo Lustosa: The fraud attempts doubled during the pandemic, e-commerce only grew 27%, so just by the simple volume, let's put it like this, if you sell 100 orders and 1 is fraud, that's 1% fraud. If you sell 50, just to give an example, [unintelligible] if you sell 50, then that's 2%. So, all by itself the index grows when you have an increase in the number of fraud attempts against this lower level of growth.

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We have a war room set up, as I said, ClearSale does not compete with competitors, we compete with itself, we compete with ourselves. We have a healthful index of fraud that we discuss internally how to resolve fraud. Resolve fraud placing the rate of success of the fraudsters so low that he gives up, he goes get another job, or goes fraud other companies that are not protected by ClearSale, and we the action plan with several results which I have observed and where our company is completely... I was in the IT area of ClearSale, I was in the analytics area, so I accompanied this project and I see success.

However, it takes time to reflect itself in the business numbers over time and it can transform into a success fee in the third quarter, for the quarter.

Operator: I'm going to have to close off now because of our time. If you still have any other questions, please enter in contact and our IR team is at your service to answer your questions, and now due to the time, we're going to have to close.

I want to also thank the presence of Doctor Bernardo, presence of Renan, Ale. Thank you very much for your answers and for you presentation.

The teleconference of ClearSale is closed. Have all a good day and thank you very much.