



Barueri, November 14th, 2023

## Transcript of the 3Q23 earnings conference

**Coordinator:** Good morning, ladies, and gentlemen, welcome to the ClearSale conference where the results of the third quarter and the 9 months of 2023 will be discussed.

All participants are logged in as listeners only. Later, the Q&A session will open, at which point they will be given instructions to participate. The video and presentation are being broadcast simultaneously over the internet via webcast. The recording will be available on the company's IR website at: [ri.clear.sale](https://ri.clear.sale). The slide presentation that will be used is also available on the company's investor relations website and on the CVM website.

Before proceeding, I would like to clarify that any statements that may be made during this conference regarding the business outlook are forward-looking statements based on management's current expectations. These expectations are subject to change due to macroeconomic conditions, market risks and other factors. Future considerations are not guarantees of performance, they involve risks, uncertainties, and assumptions, as they relate to future events and therefore depend on circumstances that may or may not occur.

General macroeconomic conditions, industry conditions and other operating factors could affect the Company's future results and could cause results to differ materially from those expressed in such forward-looking statements.

With us today are Mr. Eduardo Monaco, CEO of ClearSale, Mr. Alexandre Mafra, CFO, and Mr. Renan Ikemoto, Investor Relations Officer.

Mr. Monaco will initially comment on the strategic and operational highlights during the period and Mr. Mafra will then comment on ClearSale's financial results. After that, both will be available, together with Mr. Renan, to answer any questions that may be raised.

So now I would like to give the floor to Mr. Eduardo. Please, Edu, can you begin.

**Eduardo Monaco:** Good morning, everyone. Incredibly happy to welcome you again to the ClearSale earnings call.

This quarter, we release the results of the third quarter and reinforce the relevant part of the strategic moves we have been making. But in this quarter in particular, we start

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by talking a little about the dynamics of the market, which has affected other companies that are closely related to the digital retail environment and the construction of credit in the macroeconomic scenario.

ClearSale, like others, is affected by this movement and we are going to tell you a little about a result compressed in revenue, but which is part of a relevant strategic move that the company has made.

To start, then, I wanted to talk about the dynamics *of the Brazilian e-commerce market, where we separated, on the one hand, the underperformers and the outperformers*, to show you *that, within the e-commerce segment*, which pulls a good part of ClearSale's revenue, we have, on the left side, several segments that have a more compressed growth, which historically are very relevant in the history of ClearSale, and on the other hand we have segments with very intense growth and that are a relevant part of our growth strategy through componentization and technology.

In this graph it is quite explicit that on the *underperformance side we have a very compressed growth, but a very concentrated GMV, especially in marketplaces, and in outperformers we have a much higher growth, but a lower GMV*. This demonstrates our strategy, we brought this to soon demonstrate our strategy of decentralization and deconcentrating of our revenue in these large *marketplaces*, which have historically been particularly important for ClearSale and, with everything we have done, we will demonstrate this soon.

This dynamic is important, it is in the background, and we decided, therefore, to spend some energy here telling you and reminding you a good part of our strategic moves, which have been cascaded over the last few *quarters* in the company.

Remembering, we came out of a post-pandemic process with very intense growth and that low interest rate movement, where all technology and digital companies were growing a lot, ClearSale, then, finds a quarter without growth at the beginning of 2022, and we then start an important project for us where we try to recover gross margin, which we call Brazil's Equilibrium Plan. This Break-Even Plan has been constantly sought to improve efficiency and gross margin improvement in our operating results. In addition, a strategy that we have been doing for a long time is to componentize our solutions, so that we can, through technology, make new sales in new segments seeking to improve gross margin.

At the beginning of this year, we also launched our International Balance Plan, which makes a major *turnaround* in international results, which concerned us from the point of view of balance and profitability, and we demonstrated in the previous quarter, and will continue to demonstrate, a great recovery in this part.

You also saw, and it is worth mentioning here, that this quarter we made an important adjustment in our organization seeking more simplification, a strategic review of our projects without losing the quality of our services and our focus on sustainable growth in the medium term. This restoration was quite significant, Mafra will soon give you more numbers and colors, and all the termination effect was placed in this quarter, but the cost reduction effects we will get from the next quarters and the benefits will appear from then on.

The entire process continues in our wake of planning and dividing a company that has an increasingly diversified and resilient portfolio, drastically reducing dependence on the largest customers. And here it is worth highlighting this chart on the right, where we can see the importance of the large *marketplaces* of the new economy and other products – and when we talk about the new economy, we are talking about *real-time* products, higher margin and other physical delivery products in ClearSale's e-commerce Brazil revenue.

Note that in the third quarter of 2022, large *marketplaces* accounted for 22% of all Brazilian e-commerce revenue . When we go to the third quarter of 2023, the reduction is almost ten percentage points in this dependency, reducing 38%. And notice that this effect was quite accentuated in this last quarter, and that is why we highlight this market movement where these *marketplace players* have had compressions in their digital revenues as well and ClearSale diversifying its product portfolio with it has made a more intense movement to reduce dependence.

It is also remarkably interesting to note how much the new economy, with *real-time* products, higher margins and much more diversification, gains space in ClearSale's e-commerce revenue , demonstrating here a lot of resilience in what we are planting for the future of ClearSale.

We reposition our products and solutions in our base customers, this goes for e-commerce and application fraud, seeking a review to have products more adherent to the new market, seeking more efficiency for ClearSale and for our customers. And with this, we unlock several addressable markets that are today in the wake of greater growth, which we have called the new economy, in addition to repositioning our product also in *application fraud*.

We also have a second block of our strategy that has to do with deleveraging our company, especially in this challenging macro environment. We have constantly shown you a reduction in our volume of people, especially in the operation process. This has made the company *lighter* from a people point of view. We have now also made an important move, as I said earlier, in the administrative part and, with that, we structurally reduce the company's fixed costs and expenses to get through this challenging scenario that we have seen at the end of this year 2023 and probably still

at the beginning of 2024. With this, we also internally seek much more simplification and focus and strategic choices.

And on top of all that, as I said earlier, our entire history and journey of transforming this company through technology will bring much more scalability with profitability. Componentization enables faster sales and production with higher margins and we also reposition ourselves as a company through a very different strategic positioning, and our focus is to go through this challenging moment in the market with business sustainability and increasingly preparing this company with each of these strategic steps so that we, Yes, go through a period of lower growth, but when this process returns, we are fully ready for expressive growth with expressive profitability at the same time. This is part of our strategic background; we have been doing it and demonstrating it over the last few quarters.

And the special highlight of this last quarter, within the global e-commerce BU, we launched a dispute prevention product for issuers with the first customer already billing, demonstrating this idea of ClearSale increasingly being present throughout the customer journey. Last quarter, we had launched the product that we called *Buy Checker*, now we launch this dispute prevention product, where we are increasingly able to show the market our completeness of solutions.

We were able to get a contract signed with a major acquirer for the payment link solution. Payment link is one of those verticals with a high growth rate nowadays, where the fraud process is complex and ClearSale has all the expertise and knowledge to win a good part of this market, which has grown impressively and with important margins because they are products more focused on decision and *real-time*.

We also continue to do our efficiency process, which started there in the Balance Plan, *rolling 2FA* via WhatsApp – including last week we won an award with a case showing our *multilayer and* multi-component technological solution for e-commerce, improving our customer journey – and we are *rolling* WhatsApp and biometric links for 15 of the 20 largest customers that are already in production or integrating with us, showing our ability to continue innovating and always ahead of fraud in this environment and much closer and prepared for various challenges and e-commerce markets.

In Application Fraud & New Ventures, the biggest highlight of this quarter is the entry of thirty clients in the Central Bank's resolution number 6. We announced a few *quarters* ago that we would have an important product positioning. ClearSale was able to go into production without any problems last week, with thirty customers already running on the ClearSale solution. This increases our data power, increases our proximity to the financial market and repositions ClearSale in this segment.

In Embedded Finance, we bring a first major issuer to the ITP solution, and we are launching new products in this solution, which is the initiator solution, payment transition, which facilitates the PIX process within the checkout.

And then, in the cross areas, in Data and Performance, we continue to migrate from the Flow platform without compromising automatic approval, full approval and Chargeback indicators, it is a continuous process that also helps to improve gross margin. In Growth, we focus in a very structured way on payment link, digital components, redesign of *application fraud* solutions for all customers so that we can increasingly have this customer base clean, structured, and ready, and we continue to do this and will continue to do so over the next few quarters.

And the new Behavioral Credit Score, which also won an important award this past week, where we have another case in a *mobility player* and we have grown and gained a lot of relevance, not only in *digital players*, but with remarkably interesting conversations with large banks. And from a corporate point of view, the big highlight of this quarter is the strategic and organizational restructuring, which Mafra will give a little more number to soon.

So, with that, I close my introduction, I would like to invite Mafra to give color to all this with the quarter's numbers, demonstrating to you our results and our plan for the future.

**Alexandre Mafra:** Thank you, Monaco. Good morning, everyone and thank you very much for coming. Let us now go through our financial results for the third quarter and the cumulative results for the 9 months of 2023.

Going to slide seven, I would like to initially show you the quarter's non-recurring events. As Monaco has already commented, on October 6 we announced a strategic restructuring, which impacted the dismissal of approximately 9% of ClearSale's total workforce, which, in financial terms, represents 15% of the last payroll.

In this quarter, we provisioned for severance effects, which totaled R\$15.1 million. On the other hand, we capture important tax effects. We captured R\$ 11.2 million in tax credits from the Good Law for the year 22. It is worth mentioning that we see this benefit as recurring, but that it was fully captured in the third quarter of twenty-three. In addition, we acquired the right to deduct income tax in the amount of R\$ 15.9 million, equivalent to the effect of the merger of Beta. This amount will be economically appropriated in 5 years, but with no impact on results.

On slide eight, I present our operating revenue indicators. In Churn, the company maintains a satisfactory indicator of 2.2%, which theoretically means a *lifetime* of 46 years. It is worth mentioning here that excluding the effect of the customer's closure of the activity, that is, *the churn* that is not in our control, the indicator would be 1.6%.



In Customers, we closed the quarter with 7,336 active customers, 75% in e-commerce Brazil, 3% in international e-commerce and 21% in application fraud. Compared to the same period last year, we had a net addition of 351 customers and a net decrease of thirty customers compared to the second quarter of twenty-three. Our total new sales ARR was R\$ 54.9 million in the third quarter and R\$ 141.3 million in the 9 months of '23, increases of 121.2% and 45.1%, respectively.

The significant growth is mainly due to the Application Fraud BU, which had a new sales ARR of R\$ 47.2 million in the third quarter of 2023 and R\$ 106 million in 9 months of 2023, growth of 219.8% and 67.3%, respectively.

In E-Commerce Brazil, we can observe a reduction in ARR of new sales versus the second quarter of twenty-three, when we had an above-average sale. It is worth noting that one-third of new sales are focused on digital and *real-time* services.

On the international front, new sales ARR totaled R\$1.2 million in the third quarter of 23 and 7.5 million year-to-date, down 62.5% and 33.1% year-on-year. It is worth remembering here our strategy of base cleaning and focus on profitable customers, with a significant reduction in the sales force of the domestic market and a restricted focus on LatAm operations.

On slide nine we present our operating revenue indicators. Consolidated net revenue in the third quarter of twenty-three totaled R\$119.3 million, down 8.4% from Q3 2022 and 5.7% from Q3. When we look at the cumulative figure for the period, we have a total revenue of R\$ 370.5 million, a growth of 3.3% compared to the same period of the previous year.

In E-Commerce Brazil, Monaco has already explained some of the dynamics of focus on selling components, especially in the growth of other verticals and a reduction in dependence on large retailers. Putting it now in numbers, we recorded a net revenue of 74.3 million in the third quarter of 2023, with a reduction of 9% compared to the third quarter of 2022, and 5.4% compared to the previous quarter. In the 9 months of 2023, revenue grew by 6.5%, totaling R\$ 226.8 million.

In International E-Commerce, net revenue in the third quarter was R\$15.4 million, down 4.5% from Q32 and 20% from the previous quarter, when we have an important seasonal effect, which is hot sales in Mexico. In the 9 months, revenue reached R\$ 52.8 million, a growth of 16.2% compared to the same period of the previous year.

In Application Fraud, we recorded a net revenue of BRL 29.6 million in the third quarter of 2023, a reduction of 8.8% compared to the third quarter of 2022 and a growth of 2.9% compared to the previous quarter. In the 9 months of 2023, net revenue from the operation totaled BRL 90.9 million, a reduction of 9.4% compared to the 9 months of



twenty-two. Here we still carry the effect of the credit recession and change of solutions focused on higher margin.

Moving on now to slide ten, we present our recurring costs and expenses. Year-to-date recurring costs and expenses show a reduction of R\$17.1 million, or 4.2%, compared to the same period of the previous year. Excluding the PLR, the reduction would be 33.7 million or 8.3%. In the quarter, recurring expense costs reached R\$123.7 million, an increase of 3.9% compared to Q3 22, but a decrease of 3.1% compared to Q23.

Going now to slide eleven, we show our gross profit and recurring EBITDA. As a result of all that we have covered, we achieved a gross margin of 39.5% in Brazil and 32.3% internationally, consolidating a gross margin of 38.5% in the third quarter of twenty-three. Year-to-date, our gross profit reached R\$144.1 million, an increase of R\$21.1 million and representing a gross margin of 39.1%.

It is worth mentioning here that we treat as recurring all the costs of termination of our table, where we had a continuous reduction throughout the year. This is a little different from the treatment we gave of the non-recurring costs of the announced restructuring. The EBITDA margin in Brazil remained at a positive level of 0.3%, while the consolidated EBITDA margin was slightly negative at 3.7%.

Year-to-date, our EBITDA was negative at R\$18.2 million, a substantial improvement compared to R\$46.9 million in the same period last year. It is important to note that, looking at the fourth quarter, we have an important seasonal revenue effect and also an expectation of a reduction that is very representative of the entire restructuring previously presented.

Moving on to slide thirteen, cash flow, investment, and indebtedness, we have operating cash generation of R\$1.2 million in the third quarter of 2023 and R\$33.1 million year-to-date. Below, in the investment cash flow, we reduced the investment by R\$ 5 million compared to the third quarter of 2022 and 1.9 million compared to the second quarter of 2023, both by finalizing the investments in the new headquarters, and by maintaining the diligence under development, while still investing in the company's sustainability.

On the upper right, we ended the third quarter with a gross debt of R\$33.5 million, with an amortization of 9.3 million in debt in the third quarter of twenty-three. Finally, we ended the third quarter of '23 with a balance of cash and financial investments totaling R\$413.8 million, or R\$369.9 million, discounting gross debt and leases.

I would now like to call Monica for the final considerations.



**Eduardo Monaco:** Thank you very much, Mafra. Now, I wanted to make the final remarks by highlighting three points for you so that soon we can be available for the questions you are asking in the chat.

So, to consolidate all our messages, I wanted to highlight to you that this is a quarter that was a very challenging quarter due to macroeconomic issues in the retail segment, where ClearSale has a very important relevance, and also due to the issues that are still accumulating in the Brazilian credit scenario, however, we continue to do our homework, where we have projects that continue to happen in search of a very sustainable, solid, healthy, resilient, technological and sustainable company.

There are several projects that accumulate over these quarters, whether it is the Balance Plan, or the *turnaround* that we have done in the international sector, whether it is reorganizing the action that we have done by reducing our fixed costs, Capex and other lines of expenditure, or our technological strategy of componentization and attack on new segments.

With this, we are able to reduce dependence on the big *players* in *e-commerce*, open new markets for ClearSale, sell products with better profitability and have a much flatter and leaner company to go through this difficult time, in a growth that we do not like, however, we are increasingly ready, whether in our growth strategy, or in our strategy of driving our expenses for a company that is preparing for higher growth and better profitability in the near future.

Thank you all very much, we are open to questions.

### Q&A Session

**Coordinator:** Thank you, Edu. Well guys, as Edu said then, we are now starting our Q&A session for investors and analysts. I am going to make an arrangement with you, please send the questions there in the Q&A button, on the left side of your screen, and if possible, informing the name and surname and the company you are representing, okay?

I am going to take the first question right here, which is from Thiago Kapulskis, from Itaú BBA. It goes like this:

"The company is clearly on a path of margin cleanup, with an improvement to come in the fourth quarter, as they said. Can you comment a little on what you have been doing in this regard? Is it just staffing cuts, or is there more involved?"

**Eduardo Monaco:** Thank you, Thiago. Good to have you here with us again on our *call*. Thank you for the question and I wanted to divide it into a few pieces, because it uses all the strategy that we have done in the last *quarters* in this process of this new





management that we have been running within ClearSale. And then I wanted to start by talking about variable costs, the variable part of costs.

What has impacted margin improvement from variable costs? Number one, the whole project that we did to balance that had gains in technological efficiency behind it, so changing technological components, including biometrics, including a second factor of authentication using WhatsApp, so several ways that allowed us to reduce the size of our manual analysis. The second element that helps in variable cost is the increasingly active exchange that ClearSale has made in each of its customers, whether in e-commerce or in the financial market, we have been actively looking at our products and seeking changes in these products in search of efficiency for our customer and efficiency for ClearSale. This, in a simplistic way, boils down, in general, to a reduction in the number of tables and an increase in technology and technological components in our base customer solutions.

So, that is the first element, variable cost reduction through technology or product change.

The second element that we have done now is an element of reducing fixed costs, so seeking strategic choices, prioritizations, and a more efficient company, we made this corporate reorganization that aims to have much more focus so that we can continue to generate value in our company. So that is the second important element.

The third element, which we see over time in ClearSale's journey, is our entire *growth* cycle, which we have been thinking strategically about through technological componentization and ClearSale's quest to be in new markets. This affects our new sales, which have been increasingly healthy, this is a first year where our new sales are practically all healthy from the point of view of bringing technology, bringing new components, bringing new segments, bringing diversification to the portfolio.

But as you know well, Thiago, our recipe is, a good part, impacted by the base and another part by the new recipe. So, this process happens over time, this third element, which is the new sale influenced.

And I also wanted to highlight, within our journey of evolution that we have been doing, also the *turnaround* that we did in the international, where we came out of a significant cash burn last year and through synergies, choice of customers, control of the Chargeback, we also made a good change in the *mindset* of the international and also managed to stack another element of search for efficiency.

So, it is an important question, it is broad, which brings me all the *recap* of what we have done along this trajectory and what we have been doing along this trajectory of these last quarters.



And just to remember, and add the last point, in this quarter in particular we have our P&L greatly affected by a relevant part of these non-recurring expenses, which, as of the next quarter, we already have an important cleaning to enter 2024 with this a little lighter for a year that should still start. From a macro point of view, we still see a challenging 2023 and the beginning of 2024, but we are creating these solid foundations so that we can surf a new wave of growth soon.

**Alexandre Mafra:** Let me add just two more points. It is extremely important for us to highlight the half-full side of the glass of the results of our third quarter. He has a few items that would be super important for you all to keep in mind. I think that, first, we presented an extremely important growth where we want to grow. If we look at the part of digital components, new economy, etc., our year-over-year growth is a growth of 35%, an extremely relevant revenue growth within e-commerce.

On the other hand, I think there is also a very important *result of de-risking* our operation, where we reduce our dependence on revenue from three of the largest *players* in Brazilian e-commerce, which was already 22% in the third quarter from 22 to 13.5% in this quarter, and this reduction in controlled revenue, which we like to talk about a lot, it's extremely important because we also deleverage our operation a lot, which I think is the effect that Monaco just explained.

We cannot capture the whole of this quarter because it also has an extremely important termination cost that we treated as operational within, because it is an operational cost within our organization and has nothing to do with the restructuring that we announced.

But I think that these two effects together they also land in a very interesting way from the fourth quarter, where we will see a much cleaner company, where these costs of recurring and non-recurring terminations will no longer be present and a company that is growing revenue where we want it to grow, in components and in customers and markets where we have much more margin.

So, it is extremely important that this sticks in your heads as well.

**Coordinator:** Going here to a question from Thiago, which he had sent two to us, about the international:

"How do you see this *business* going forward? Should we expect an acceleration with the operation in Mexico or is there still cleaning to come along this line that could impact revenue?"

**Eduardo Monaco:** Thiago, in the international we worked on two main fronts this year, the first front was to find a more sustainable balance for the international operation. Remembering that in 2022 we had a cash burn of almost seventy million in the

international coming from a search for a more aggressive growth strategy. We adjusted our process at the beginning of this year, excluded customers, we effectively sought to improve the control of Chargeback with synergies with the Brazilian business and we made a lot of administrative and financial synergy. This greatly improves the gross margin results in the international and I, answering the question directly, would say that in this process the vast majority of our benefits have already been, but this does not take away from us responsibility and we are seeking this for the budget of 24 of constant and incremental improvements in our result. This is something that ClearSale has done throughout its history, and we will continue to do so in the *international business*.

From a 2024 perspective as well, we continue to keep an incredibly careful eye on the cost of customer acquisition. This is my second big goal of 2023; the new sale did not come to an extremely high level in 2023 because of all the adjustments we are making. In 2024, although we have bets in Mexico, yes, and in the Latin American market, yes, we still see that we will have to be very careful with the acquisition cost for 2024 to maintain the focus we have had on improving profitability and results, not only in the international operation, but in the ClearSale operation as a whole.

**Alexandre Mafra:** There is an especially important point when we talk about the international market, we are reducing the cash burn of the international market by half this year, which is a point, it is a super important advance. And then, I think that together with the macro environment, with the focus that we have on LatAm, we still intend to reap good results in this operation.

**Coordinator:** The question here is from Nair, from Santander, which goes like this:

"Good morning. Could we talk about how the Balance Plan is evolving internationally?"

**Eduardo Monaco:** Cool. Felipe, I think we have already covered all the issues related to the international in this answer we gave to Thiago. And the Balance Plan continues in this vein that we talked about. We have already been able to capture a good part of the benefits with synergies, with Chargeback improvement, we continue with incremental improvements planned for these next *quarters* and, in addition, we continue to accelerate our idea of increasingly integrating operations, systems, products, so that we can find new avenues of growth in the international market with a focus on Latin America. especially in Mexico.

**Coordinator:** Perfect. Moving on here, we have a question from Lourenzo, he is an individual investor:

"Good morning, I am a shareholder of the company. I would like to know about the corporate aspect of ClearSale given the *low valuation* and cost optimization. Are



there potential competing shareholders interested in increasing the position or even incorporating the company?"

**Alexandre Mafra:** We, as management, have a lot of difficulty answering this type of question, we are a publicly traded company, it is subject to market dynamics and our internal obligation is to effectively bring the best result that we can deliver to our shareholders. So, this is an aspect that does not have much to do with our day-to-day life and our responsibility here.

**Coordinator:** Guys, I will give you some more time, we are getting more questions here, I will just organize and, in the meantime, redo the agreement with you. There is the Q&A button on the left side of the screen, you can send it to us, preferably by sending the name, surname, and company you are representing, and then we'll put it in order here to try to answer as many questions as possible, okay?

I will give you a minute more while I organize the next ones.

Come on, I am getting Pedro Novaes's, who is from Komatu – I do not know if it is Komáto or Komatú, even apologies for any pronunciation mistakes, okay?

"Hello, good morning. By my numbers, you have something like \$15 million in stock swaps. Given the company's comfortable liquidity position, do you intend to increase this amount?"

**Alexandre Mafra:** Thank you for the question, Pedro. At the time we did this stock swap, we did it to face the long-term incentive plan that we had here and precisely to remove the volatility of the share price from our results. So, this is the economic substance responsible for the swap that we did.

We are only going to do more swaps if we have a long-term incentive that makes sense, otherwise we will not speculate on this kind of thing in front of the market.

**Coordinator:** Perfect, guys, while I wait for more questions here, the same agreed, little Q&A button on the left side of the screen, preferably with first name, last name, and company you are representing, okay?

I have one more here, okay guys? Question from Yuri Kaiserman – again, forgive any mispronunciation of surname:

"ClearSale has an extremely valuable information base on consumer behavior. Are you looking at opportunities to monetize this differential?"

**Eduardo Monaco:** Hi, Yuri, thanks for the question. It is remarkably interesting your question because part of the essence of ClearSale, you capture the essence well. We, in fact, are a company that knows the most about the digital behavior of the Brazilian

consumer, and this is a truly relevant asset, and we monetize our base for the sake of our products. So, whenever we launch a new product, it has behind it an immensely powerful use of this data and any release that we do is part of the premise that we use this Data Lake to build these products in a unique way.

And then it is worth mentioning and taking advantage of this moment to talk about two strategies that we have. First, a strategy of new data products, and here it is worth mentioning as an example credit, which is one of the verticals that we have entered quite successfully, managing to penetrate digital banks and large banks in a marked way, with very interesting conversations, where we use our digital behavior to offer, for example, a credit score complementary to the score he has, which demonstrates the power of ClearSale's database to approve people who until then were not being safely approved in the Brazilian credit scenario.

So, this is a remarkably interesting example, products are generated from this base.

Another example that I think is worth mentioning is an important pillar of our strategy, which is based on the premise that we must always launch products or initiatives that seek to increase our dominance of data in the market. This year alone, I would like to cite three examples of initiatives that we have been doing very intensively to not only productize, but to increase this competitive advantage of ClearSale: example number one that we disclosed in this report, we, for the first time, were part of a *bureau* process where we positioned ourselves with a solution with a huge differential in resolution number VI of the Central Bank, where we start to receive frauds, have access to shared frauds in the financial segment within our base, and also start to receive inquiries about this base of 30 *players* who are already ClearSale customers and we have a very different solution in this aspect.

Another example is the product we launched with MasterCard Buy Checker, where we can help the retailer avoid Chargeback and the issuer segment avoid Chargeback from simple integrations in ClearSale, increasing the power of the company's data.

And the third major initiative and thesis that we have been working on is the PIX thesis, where we have launched several products, whether it is ePIX, to initiate payment transactions for retailers, or our initiative to make a PIX for the financial institution avoiding fraud in transactional PIX.

All of this increases ClearSale's data dominance and increases our ability to generate products and monetize from those products.

What we do not do, Yuri, to make it truly clear, is sell data in a pure way through LGPD and we are extremely focused on the risk environment. Our solutos are linked to the risk environment.



**Coordinator:** Perfect, guys. Even for us to finish here on time, respect everyone's schedule, now I will close our Q&A block and I will pass the floor to our board for final considerations and then we will wrap up.

**Eduardo Monaco:** Thank you, Felipe. I am going to pull it this way. Thank you to everyone who was once again with us following the results. We are very aware that it is a difficult quarter for the general scenario, that is, a moment where ClearSale has been making tough decisions, we have been for several quarters, consistently, demonstrating to you policies that aim to make a company much healthier, technological and scalable, not only in control of our current operation, as well as in our initiative to sell to new segments, taking a dependency on a history of e-commerce segments where ClearSale has dominance.

In addition, we continue to be very encouraged with our strategy, a strategy that demonstrates our data differentials, technology specialized in risk that we have, which allows us to be in numerous segments, in numerous payment methods in the future, so we are prepared to go through this challenging moment of revenue growth, But making the right decisions, doing what needs to be done so that we clean up our customer base, so that we have growth in new segments and that we can, soon enough, have a much more profitable and much more resilient company for its growth and expanding in several segments.

Thanks again to everyone. Mafra, do you want to complement?

**Alexandre Mafra:** yes, I do not think there is any way we can say that we are happy with the quarter's results, right? But there are super positive aspects that must be observed, and we had an extremely important evolution, and we are paying a toll in this third quarter so that we have a much better and much more open road from the fourth quarter onwards.

The company is looking very carefully, very carefully at its operating cash generation and we understand that we are going in the right direction. So, I think thank you all for attending our conference and I will see you as early as next quarter. So long, thanks, guys.

**Coordinator:** Thanks, guys. ClearSale's video conferencing is therefore closed. Thank you all for your participation. Have a great day and see you next time, guys!