

Coordinator: Good morning, ladies and gentlemen, and welcome to the ClearSale conference where the fourth quarter and full year 2022 results will be discussed.

All participants are connected only as listeners, later the Q&A session will be opened. Then, instructions will be given to participate. The video and the presentation are being transmitted simultaneously over the internet via webcast and the recording will be available on the company's IR website at: ri.clear.sale. The slideshow that will be used will also be 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 prospects of the business are forecasts based on current management expectations. These expectations are subject to change due to macroeconomic conditions, market risks and other factors. Future considerations are not performance guarantees, they involve risks, uncertainties, and assumptions, as they refer to future events and therefore depend on circumstances that may or may not occur.

Economic conditions, industry conditions and other operating factors could affect the company's future results and lead to results that differ materially from those expressed in such forward-looking statements.

With us today are Dr. Bernardo Carvalho Lustosa, CEO of ClearSale, Eduardo Mônaco, Co-CEO of ClearSale, Alexandre Mafra, CFO, and Mr. Renan Ikemoto, Investor Relations Officer.

Initially, Dr. Bernardo and Mr. Mônaco will comment on the strategic and operational highlights during the period and Mr. Mafra will comment on ClearSale's financial results. After that, everyone will be available, along with Mr. Renan, to answer any questions that may be asked.

Now then I would like to pass the floor to Dr. Bernardo Lustosa. Please, Bernardo, you can proceed.

Bernardo Lustosa: Good morning, everyone. It is a pleasure to present ClearSale's results for the fourth quarter of 2022, a quarter that reinforces the consolidation of the success of the Equilibrium Plan, started in the middle of the second quarter, which shows the capacity to react to the market scenario, the macroeconomic scenario, scenarios of fraud attacks that ClearSale passed by, we have a muscle memory of growth, of generating profitability and this quarter has been consolidating, again, this ability of balance growth with margin since that is how the macroeconomic scenario asks us.

clearsale

It is worth remembering that we have achieved a consistent result of growth and profitability quarter after quarter since the beginning of the year, which was quite troubled, and this also demonstrates that the plan is not a one-off action, something that was done, a layoff, none of that, but rather a change in mindset and a set of structuring projects throughout the company that have been yielding results over the quarters and have everything to continue yielding results over time because they are structuring and whose results you will follow shortly.

Now talking about the year and contextualizing it, it was a difficult year. We enter the first quarter with what our CFO, Mafra, that will talk about in a moment, he calls the perfect storm where the macroeconomic scenario deteriorates very quickly, we arrive with high inflation and mainly concentrated in basic items, unemployment, household indebtedness, post-pandemic recovery in K, that is, worse income distribution and this greatly affects discretionary consumption, and because it is in a post-pandemic moment, remembering here for those who have not followed the ClearSale story for a long time, this affects online retail much more because consumers are also buying in physical retail again, so the great news is that the pandemic is over, but this affects the vertiginous growth that e-commerce has been experiencing and is still a very expressive line of revenue for the ClearSale.

So, these two points greatly affected the level of activity in the market and it was mismatched with our sizing of structure for growth, so in the middle of the second quarter we build the Equilibrium Plan, which I just mentioned, which aims to balance growth with profitability and also, before that, we had also had an increase in the systemic risk of fraud during the pandemic, which was completely resolved throughout the year.

So, going into the fourth quarter results, we have a historic record for ClearSale revenue this quarter and the best quarter of 2022 in annual net revenue growth, and you will see later that if we still open within the quarter the evolution within the months was even better in terms of growth rate, which shows that we also grew in profitability, but also increased growth by dosing both things and not killing one to the detriment of the other.

We had a new sales record accumulating annual recurring revenue for the year in the fourth quarter, it was the best sales quarter in history in e-commerce in Brazil and internationally and the second best in history in application fraud. And new sales already reflect our investments in development and componentization. What is this? We managed to create components, which Eduardo will talk about in a moment, with the isolated sale of components, with the isolation of the Flow Project legacy system, entering new forms of payment, new segments and cross selling and up sell to our base customers, and this is an ongoing process that will bear much fruit in the future.

In addition, we have maintained solid operating indicators, a record net addition of customers of over 911 over the last quarter and an annual historic new churn rate of 1.4%. We also have gross margin expansion from the first quarter to the last quarter, starting with 17.3 million in the first quarter to 78.4 million in the fourth quarter, which means an increase of 61 million in gross margin, which annualized

clearsale

would give 244 million, our EBITDA margin evolved from -46.8 in the first quarter, where it all started, the whole turnaround began, to 8.7% in the fourth quarter, and if we look at the margin in Brazil, which is the cash generator or which should be the cash generator for the new investments that we are betting on new initiatives, internationally, this EBITDA margin in Brazil is already 20.9% in this last quarter.

It is worth emphasizing that we did all of this without losing our vision of the future and our focus on long-term growth. So, the second point I would like to highlight is that at the same time we repositioned and revolutionized the way we do business and our corporate structure to maximize the generation of value in the medium and long term. How did we do it? We increased our product portfolio with several technological components and implemented a componentized and modularized platform. This enables the growth of solutions and varied marketing models through our offerings, ranging from a single component to a combination of components that ClearSale has historically known, which knows how to resolve a type of fraud or all fraud in a given segment, and we never stop being together with our customers, our churn rate shows that, we have confidence in our customers and many of them still choose and will continue to choose our traditional full management or risk management shared with ClearSale .

In addition, we remodeled the entire organizational structure into business units, allowing for faster growth with profitability and focus on the customer, in addition to giving each business unit more decision-making autonomy. So, we have 3 business units, Eduardo will speak, but quickly, e-commerce, application fraud and new businesses, which we call new ventures, and with that we have ClearSale fully structured for the future already ready, with no expectation of increased expenses for this purpose.

As I said, new sales in the last quarter broke a record and we entered into new forms of payment, new segments, which demonstrates the return on investments that we made, mainly in the componentization of the segments, which also, at the same time, bring more gross margin than products that are intensive in human analysis.

So, to explain more about ClearSale's new positioning, ClearSale's new organizational structure and new growth strategy, I'm going to call our CEO Eduardo Mônaco here, who will then pass it on to Alexandre Mafra, our CFO, to pass it on the quantitative part for you of the results.

Eduardo Mônaco: Thank you, Bernardo, good morning, everyone, it's a pleasure to be with you again here in the ClearSale earnings release and telling you about our new achievements.

We have been on a journey of componentization and creation of a new platform for ClearSale for a few years now, and a very important point is that we have created and continue to create countless new components. These new components have allowed us to have much greater scalability as a company, we have achieved many efficiency projects from there, in recent years we have had a migration journey from an "on premises structure" to "cloud", we have

clearsale

developed numerous efficiency projects that are reflected in the results as a dialer, our new technological platform that moves from a more monolithic model to a more component and scale model and the company's knowledge is much more distributed in the most diverse cuts that we can do.

But this, this componentization strategy, also allowed us to create and develop many components. Today, as you can see it marked in orange on this graph, we have many new components that allow us to have a complete and unique platform for risk and fraud solutions in the digital environment. All of these with a lot of value potential that we will tell you in the next topic.

The more components we have, the more offers we are able to make, and the more offers we are able to make, we can address many problems that in the old structure we could not, it was more difficult to get, so we opened a market much bigger, with many more segments that ClearSale is and will be exploring. You saw or will see in the sales numbers that we have already done or will continue to do, and this enables us to offer different models. Years ago, ClearSale was very focused only on the full outsourcing model, that sale where we did complete management for our client. More and more, we are going towards a model where we can sell only a single technological component that solves a specific pain and in general is ClearSale's gateway so that we can carry out cross sell and up sell strategies in our customers and, in addition, by understanding well the risk pains of segments, we can envelop packages that meet use cases such as, for example, orange fraud and many others, we can combine components to solve a latent pain in the market .

With that, as I said, we are getting closer and closer to more customers, new segments and, therefore, closer to our customers' risk pains, which will always enable us to know more and more about the different markets and how ClearSale has grown into new markets and this year we launch a new organizational strategy, a new organizational structure where we are now grouped by business units, an e-commerce business unit, which is fully globalized today with more than 1,000 customers outside the country and also taking care of an important, relevant and growing portfolio in Brazil, an application fraud business unit that takes care of onboarding problems and relevant segments such as banks, Telecoms, Fintechs and all others where we add value to the onboarding process, of application fraud and we have a new, more structured and more robust business unit that we have called new ventures, which aims to explore new avenues of growth considering ClearSale's optionalities and differentials to develop products here.

We have, for example, a very successful cybersecurity structure that has been constantly growing within ClearSale, all of which is supported by specialized risk areas where we have our data, technology, data science specialists who are able to solve the risk problem measuring and analyzing the risk of each context in which we live, operations team as well. And, in addition, we have a growth structure that enables us to execute from our go to market in each of the channels and segments supported by people resources and financial and administrative resources.

clearsale

With that, we can have better product placements, much more focus on customer service and much more agility and connection in sales, so today ClearSale is also structured with a much more agile management model and with much more autonomy at the end. And all this demonstrates that we are very focused on what we have internally called the “growth cycle”, which is this cycle of all these differentials that I am talking about working. So, as we have many more components today and we are ready to create many new ones, we can have many more offers, combining these components in the way I said.

If we can have many more offers, we will be in many more segments and new segments that we were not able to reach before, reaching many more customers. If we are closer to more customers, we are closer to their pain and with that we are able to develop new components and better components and make this cycle turn in a positive way for ClearSale. All this leveraged this year by a very well-executed go-to-market strategy that we are executing, which will unlock value in many new segments that ClearSale currently lacks leadership but is ready to address.

And, in addition, we have been talking a lot about customer proximity within the company, which has been a very important and highly valued thing within the corporation.

So, summarizing everything, we understand that we left a model in recent years of a more traditional management model, we have a much more agile model today, structured by business units, we have a product strategy that comes out from a single model of full outsourcing and allows componentized sales or sales by bundles, we leave a much less scalable system and organizational structure for a more scalable system, in the cloud, componentized on a platform, we leave a growth strategy that in general was very reactive where ClearSale had the lead and was sought after by many customers and has increasingly become analytical and increasingly now has driven segments that we want and can solve important pains and a model organizational structure that had a much more internal structure for a much more modern governance, much more autonomous and much closer to the client.

I would like to thank and invite Alexandre Mafra, our CFO, to tell you a little more about our results for the fourth quarter of 2022.

Alexandre Mafra: Thank you, Mônaco. Good morning, everyone and thank you for coming. I am pleased to present ClearSale's financial results.

As Bernardo said at the beginning of the presentation, we are a company that knows how to change the needle quickly and effectively, and that we were able to observe once again this quarter. We bring a consolidated view of revenue, and I would like to highlight how we were consistently accelerating the pace of annual growth throughout the year reaching 15.1% in the fourth quarter. This, as a reflection of the control of fraud and the conversion of the pipe into sales, mainly focused on new segments.

clearsale

Year-to-date, revenue growth was 11.4% against the same period of the previous year. The fourth quarter of 22 was also the best quarter in annual revenue growth for e-commerce Brazil, which grew 18.4% against the same period of the previous year. In this quarter, the 2022 Black Friday slowdown was partially offset by higher-than-expected Christmas activity, fraud control and new sales.

Here I highlight the sale of solutions for new payment methods, such as payment links, in addition to cross border, new customers, cross sell and up sell. In application fraud, we observed a resumption of annual and quarterly growth in the fourth quarter of 2022, with growth of 13.5% in the quarter and 18.4% after a drop in the previous quarter due to the cancellation of low-yield contracts. The growth is explained both by the recovery of base revenue and by new sales, which reached the second highest value for the application fraud line in ClearSale's history.

In the accumulated result for the year, growth was 17.8% against the same period of the previous year. In international e-commerce, we maintained annual revenue growth in dollars, which was 12% in the fourth quarter of 22. The fourth quarter of 22 also set a new sales record, which contributed to the annual growth. In the accumulated result for the year, international e-commerce grew by 23.8% in dollars and 18% in reais.

Presenting our operating indicators, which closed the year with a solid performance. Our new sales ARR was R\$76.8 million in the fourth quarter of 22, 3 times higher in the year and in the quarter and breaking an all-time record. In customers, we had growth of 911 customers in the quarter and 1,802 in the year, quarterly and annual additions, also records in ClearSale's history, ending the year with 7,575 customers.

Our churn rate ended the year 22 at a very healthy level of 1.4%, 0.7 percentage points below the year, which represents a theoretical lifetime of more than 70 years for the customer with us. This is the lowest level that this indicator has ever been in the company's history. Our recurring costs and expenses reached 137.8 million in the 4th of 22, even considering R\$5.6 million of provision for doubtful debts of 100% of the amount owed by a large national retailer, which entered in RJ. This represents an 11% drop compared to the first quarter of 22 or 15% excluding one-off PDD.

We compare it with the first quarter of 22 because the fourth quarter of 21 presents a PLR provision of R\$17.6 million that did not occur in this quarter, but even so, if we take the fourth quarter of 21 and disregard this PLR of 17.6 million and the one-off PDD for the fourth quarter of 22, we will show a decrease of 8.6% per year. Comparing with the third quarter of 22, we see an increase of 15.8%. Looking at that number in more detail, costs specifically increased 6.5% in the quarter, relatively lower than the 16% growth in revenues, reflecting greater operational efficiency.

Expenses increased due to the impact of the allowance for loan losses, as mentioned earlier, and expenses concentrated in the last quarter, such as commercial commissions, events, and year-end expenses.

Moving on to slide 16, we bring the views of adjusted gross profit and EBITDA. As a result of everything we discussed, we reached a gross margin of 56.4% in Brazil and 51.9% in the consolidated for the fourth quarter of 22, third consecutive quarter of gross margin expansion maintaining levels above the level observed in the pre-IPO.

In absolute terms, we advanced R\$32.2 million in the year and R\$16.4 million in the quarter. Our adjusted EBITDA margin, already positive in the previous quarter, maintained the expansion trend, reaching 20.9% in Brazil and 8.7% in the consolidated in the fourth quarter of 22. Excluding the effect of provisions, doubtful accounts, the EBITDA margin adjusted would be 25.2% in Brazil and 12.4% in the consolidated. In absolute terms, adjusted EBITDA was R\$13.1 million in the fourth quarter, or R\$18.8 million excluding this provisioning effect.

Moving now to slide 17, cash flow, where we show our cash flow for the quarter. The first point I would like to highlight is the continuity of operating cash generation, which was R\$1.6 million in the fourth quarter of 22. Investments made to maintain the sustainability of our business and innovation totaled R\$18 million. Additionally, we had R\$9.6 million in licenses and internal developments, R\$1.3 million in the acquisition of management systems, mainly for the implementation of SAP, R\$8 million in debt amortization, according to their schedule, and 2.4 million in property, plant and equipment, mainly related to the relocation of our headquarters.

As a result, our cash flow ended 2022 at a very healthy level, at R\$479.6 million. For 2023, we will continue with discipline and seek to maintain operating cash generation.

I would now like to invite Bernardo to make final remarks.

Bernardo Lustosa: Thank you Mafra, thank you Edu. Coming to the final messages, folks, first I would like to reinforce ClearSale's commitment to building trust in the market, customers in ClearSale and consumers in customers, we've always been focused on building trust, which is demonstrated by historic 1.4% churn rate once again from ClearSale, only 1.4% of customer revenue left ClearSale in terms of monthly recurring revenue in 2022.

We also put ClearSale back on track in terms of profitability, not only because of the number itself, but because of the consistency in the evolution of the level of profitability over the quarters from the first to the fourth without also losing the growth in the rate of expansion of revenue, also consistent from the first quarter to the last.

Furthermore, we did not fail to aim at the long term, once again reinforcing our focus on sustainable growth. In what way? With the expansion of the portfolio of components, with the flow, which came to modularize and provide scalability and reduce the cost per transaction, increase the gross margin and allow a more fluid growth of the company, there is an adaptation of the organizational structure in business units to give more decision autonomy for the company, we had the best quarter of the year in the fourth in terms of growth of new added revenue, revenue

that tends to be recurring because we are in a worse macroeconomic scenario, and also we end up with a net addition of record customers, reaching more than 7,500 customers and, adding it all up, our long-term commitment, our reaction capacity, our consistent growth added to the consistent profitability gives us, despite having been a very difficult year in macroeconomic terms, cost of capital for the entire market, it gives us a sense of accomplishment and a much better future expectation. Whatever the macroeconomic or fraud scenario, ClearSale has been in the market for 15 years, in this fraud prevention market and knows how to deal with all of this and will know and is learning more and more. thank you very much.

Q&A Session

Coordinator: So, thank you all for the presentation. Folks, so we are now starting our Q&A session, both for analysts and investors.

I just want to make a deal with you that, please, to send the questions, use the chat button located in the left corner of your screen.

We already have questions here, while you can ask the next ones, it's from Flávio, from Bank of America. He says:

“I would like to better understand what we can expect with regards to customer growth and new sales for 2023. How should this translate into revenue growth?”

Then, he amends another: “Are there still benefits to be captured in the Equilibrium Plan? What can we expect from margin improvement in 2023?”

Bernardo Lustosa: Good morning, thank you for your question. First, I would like to remind you that the growth in new customers and new revenue in 2022 was a record, it was greater than 2021 and our goal for next year is even greater. We talked a lot about the evolution of components and combinations of components that we have been focusing on along with full outsourcing solutions, of complete outsourcing of risk management, which we have always worked on, and together with these new components comes the whole combination of offer.

Looking at our budget, which we reduced a lot of expenses throughout the year, one of the lines that we didn't reduce was marketing, because we need to take these new components and these offers combined in an appropriate way for the market, and if we already achieved a new revenue record in the last quarter, the trend with a more packaged offer and more adequate with the market pains is that we have a continuity of this revenue growth.

I'll turn it over to Eduardo to talk about the growth cycle, which was completely remodeled for this year.

Eduardo Mônaco: Thank you Bernardo, good morning, everyone. I would like to complement Bernardo's answer by reinforcing a little of what we said in the presentation. ClearSale has in recent years made a very serious strategy of moving away from a company that had a much more monolithic and single-

product mindset to a componentization strategy of our solution, creating numbers of new components over the last few years through serious investment in products , technology, componentization, architecture, cloud etc., and this enables us to qualify for a scale that is very different from what we have been doing, and this scale comes from 2 different complementary aspects: the first is a scale where it allows you to sell isolated components, combinations of components, solve a problem or even the full outsourcing model, which was and is our flagship product throughout ClearSale's history, but which now opens up opportunities in other ways. And this is important and complementary, as I said, because this opens avenues of growth for us in market segments, whether in e-commerce or application fraud, which require adaptations of our solution, which from now on will be much easier and much more natural. So, from a technological and product point of view, this is important.

From the point of view of ClearSale's positioning, an important focus for 2023 is how we unlock value from all this investment that was made by telling the different market segments in their language how ClearSale can, knows and manages to help them in each one of your challenges. So, we've been doing a lot of work, which is inspired by this growth cycle, looking at our offerings, understanding how we package it, how we do a more focused, structured, go-to-market job, how do we organize this commercial dynamics without failing to recognize that we did, as Bernardo said, record sales last year and we want and have the ambition to continue growing in 2023, and every time we grow in new segments, we are a recurring revenue business, we add new businesses to history and we learn new segments and increase our TAM.

Bernardo Lustosa: Speaking now about profitability, the trend is for continued growth in profitability respecting seasonality. So why do I say this? The Equilibrium Plan, as I said in the presentation, was not an one-off action, it was not a layoff, it was none of that. It was a collection of projects combining growth with margin, I would say dozens and dozens of projects and many of them are still in the rollout phase, that is, I develop something that brings more efficiency and I distribute it throughout my supply chain customers.

So, the expectation is for more profitability, but always compared to the previous year. It is very difficult, for example, for a first quarter in someone who is very connected to retail and lending to be better than the fourth quarter, but that does not mean that conceptually the projects have reduced profitability. On the contrary, they are increasing. So, looking year over year, expectations should be very good.

Mafra can give a more quantitative touch on this.

Alexandre Mafra: Yes, I think this is just for us to complement here, that's how we will continue to be extremely disciplined on our costs and expenses. We know that the year 23 will not be a simple year, we are a usage-based SaaS, so we are not counting in our budget, in our projections with a large increase in base revenue, but if it comes, I think the company is very prepared to capture these opportunities. And if it doesn't come, we will continue with a lot of discipline to ensure that we have a good year regardless of this economic moment.

On the other hand, it's a bit of what Bernardo and Mônica said, we see this addition of customers helping our profitability a lot, especially when we talk about all the new customers that are coming in, with higher margins and so on. They are helping a lot. So, we're going to keep our feet on the ground, with our guard up, but we're ready to capture any opportunity that comes our way.

Eduardo Mônica: I would even like to complement, Maíra, that you mentioned an important point, given the new componentization strategy, the tendency is for new customers to enter a more modern solution, with more percentage margin than a legacy solution.

Coordinator: Perfect, guys, thank you. Just remembering our agreement, if you want to send a question, I kindly ask that you use the chat located in the left corner of your screen. And so, giving a segment here, we have a question from Andrew, from Emerging Variant. He says like this:

"Can you clarify the expectation of how much you expect to spend on software (investments) in 2023? And how much of that is related to Brazilian business and how much is related to driving international business growth? When will the international business reach EBITDA breakeven? Thanks."

Bernardo Lustosa: I'm going to give a conceptual answer here since we don't give guidance. In terms of Capex, it's a big line at ClearSale and, speaking of Capex in general, why do we have cash? We have cash to invest in growth and we are focused on medium and long-term growth. So, to grow, we need scalability, structuring and products that adapt to market transformations.

So, when we see software development or everything Capex in general, it is first important to remember that a part of it is in the company's internal systems, for example, installation and ERP licenses, etc., sales force, systems so that the company work that is part of the structure of the company. Another part in scalability, we have the Flow Project, for example, which takes the legacy system and transforms it and decouples it, reducing the cost per transaction, which translates into gross margin that we saw the evolution this year, we increased 60 million in gross margin from the first quarter to the fourth quarter also because of software development and it's not over yet. It is worth remembering that most of these investments in Capex internal systems are finite and eventually Capex tends to reduce.

And the other one is software development for the future. We launched I think more than a dozen new components, which will be offers that will probably translate, we hope, into new sales, so a part of it should be reduced to the end of the implementation of internal systems, the other Capex with the end of the treatment of the legacy, we cannot pass expectations here, it needs time, and the other should not reduce since we are a company that has to keep up with market trends and it is a high-tech company, that is what invests in R&D.

Maíra can give more color on this, but before moving on to it, speaking of the international market, we have more than 1,500 customers outside Brazil, most of them profitable, since 2022 we have started to be much more careful with this

portfolio and to have an executive goal of reducing the international cash burn for this. We are not going to throw away a market where we have the best product based on the evaluation of the rating agencies themselves, on products, on the NPS of customers, on the churn rate, but we are not going to spend so much on acquisition costs and there are others structuring projects in progress so that we can maintain international investment, which we believe in, but with cash burn substantially lower than today.

I don't have an expectation, I can't pass and we still don't have a breakeven expectation. Bearing in mind that it is an important market, for Brazilian offers that involve customers from all over Latin America, the international market is important, so we continue to bet, however, at a slower pace while we adapt the product to the reality of the markets more precisely. Maфра can now give some color to the numbers which can be disclaimed here.

Alexandre Maфра: I think there are 2 points here that are extremely important: the question is great because it meets the 2 main challenges that the company itself is imposing, so when we look, we tried to open up a little better this quarter than what R&D actually is and what other components of internal systems development are, license purchases and a little of what we spent on SAP implementation. We know that the development of internal systems and the implementation of SAP are non-recurring expenses, we still have one more step to implement SAP in the international market this year, but the biggest expenses have already passed, and then when we focus specifically on the expense of R&D, in this quarter it was 12% over net revenues and in the year we are reaching more or less 16% over net revenues.

We look at this in the long term, we understand that there is a very interesting benchmark to pursue of reaching around 10% on net revenues of these values. But we're going to have a lot of down to earth to adjust this curve, and this curve will be adjusted according to the company's own revenue growth and according to the investment opportunities that we have versus the return that these projects give us.

What we have today are extremely healthy returns. I think that the great advances that we are having and the realization of this in this quarter, the number of additions of customers, of addition of new sales, they are very much in line with the componentization investment that the company made, which proves to us that we are going the right way.

Coordinator: Perfect, guys. So, just to remind you, if you have a question, we kindly ask you to use the chat button located on the left side of your screen.

So, we have a question here from Bernardo, from Bridge One, which goes like this:

“Good morning and congratulations on the results of the year. Could you please give a little more color to the new ventures’ unit? What are the synergies with ClearSale's businesses? Could you comment on M&A opportunities to drive this area?”

Bernardo Lustosa: I'm going to expand the answer a little and talk about innovation in general. As I said, we are in a transformation market, in addition to new ventures, we are also investing in our transactional e-commerce solution, card not present, in sustainable innovation, we are, it has been said several times, expanding application fraud and onboarding solutions with new components, and in new ventures we have 3 big bets, which are: credit, which is already a reality at ClearSale, we know the behavior of the digital consumer like no other company in Brazil, so credit in Brazil; cyber security, we already have ThreatX, which is anti-phishing and attacks monitoring, there are several threat intelligence products there, which is an unit fully incubated within the area that was called Explore and is now within new ventures; and we have what we are internally calling embedded finance, which is what? Getting into transactional banking, mainly because of the PIX fraud, okay. So, all PIX frauds are made in the name of... the funds are received in accounts opened in the name of third parties or in the name of oranges and ClearSale is specialized in solving both, and it is the only one that solved the fraud of oranges in the national market, which is an expressively significant pain today in the banking system, so we want to get into transactional banking to solve this type of fraud.

Still within the PIX, we will have the PIX in installments, which will have fraud because the fraudster can leverage the funds received, instead of withdrawing in cash he could down payment on several products at once, mainly in e-commerce, which we already take care of it, so that's it. This also involves pattern recognition because these accounts that receive the funds have a behavior that is totally atypical of a normal account, a normal current account of fraudulently receiving Pix, and everything is being addressed in this area of new ventures ; and there is also the Pix return mechanism that the Central Bank is implementing, which will be similar to the charge back, which is the return of the resource in e-commerce, but now with the responsibility of the bank. So, there will also be fraud there and ClearSale is also preparing solutions.

So, in general, the 3 big short-term bets of new ventures are these and there is also a good part of the R&D that we are doing and research of players that already operate in the sector for possible partnerships and/or acquisitions.

Eduardo, would you like to complete?

Eduardo Mônico: No, I think it's covered.

Coordinator: Perfect then, everyone. Moving on to the next question from Rodrigo, SulAmérica:

"Good morning and congratulations on the results. Do you believe that churn may at some point go back to levels below 1%? What can we expect from the elimination of redundancies in 2023? Finally, how has the charge back behaved at the beginning of the year? Thanks."

Renan Ikemoto: We stack the churn, so in the first quarter we calculate the financial churn, annualize it, in the second quarter we stack what comes in the second quarter and the first, so it accumulates. It's always good for you to

compare the evolution of the year ended, which we show an improvement versus what we had last year and a low historical record. So, I think churn is a good thing if you always look at the accumulated versus the accumulated for the previous year, because it keeps piling up.

Alexandre Mafra: Do you want to talk a little about charge back, Mônaco?

Eduardo Mônaco: I think there are 2 more points in the question, right, I think he mentions duplications, I think that's what I understood, and when he talks about redundancies I understand that redundancies have to do with our R&D and efficiency efforts, so, yes, when you are in the process of building new technological components, for example, you have part of redundancies in costs and you also exist in a process of efficiency and organization at ClearSale, remembering that we did an organizational redesign of ClearSale at the end of last year and we are putting this into motion this year to capture synergies and possible redundancies that existed between, for example, the international structure and the structure in Brazil, an area that had a focus on the commercial area and another focus on the operational part that we can find out opportunities, so this could still happen as we stabilize this structure in addition to the products part.

So, I think yes, we could have it, but I wouldn't say it would be extremely significant in our results, ok?

And the last part, which is the charge back part, I would say that since the middle of last year, we managed to stabilize the charge back at levels that are absolutely behaved and adherent to our history of very well-managed charge backs for each of the risks of each of the segments that we do and from that moment until now we are in a very stable charge back moment.

Coordinator: Perfect. Guys, we can have 2-3 more minutes for you to send the questions, so just remembering our agreement, if you have any, just send them in the chat located in the left corner of the screen, I'll give you more time because at the moment, none have arrived yet, and if they don't, we'll continue here to finalize the presentation.

Guys, sorry, so let's do this, so we don't run the risk of running out of time, I'll end our question-and-answer block here, remembering that our IR team is always at your disposal, okay?

So, I would now like to turn the call over to Dr. Bernardo for final considerations. Please Bernardo is with you.

Bernardo Lustosa: Well, for those interested, thank you for watching our earnings release. Once again, we have, within the difficulty that the year has been, we have a sense of accomplishment, as soon as we diagnosed the perfect storm there that Mafra talks about so much, we always had and have again a capacity for reaction very quickly with the team's engagement, with our latent, urgent demands, impressive, we pride ourselves on having a very strong culture, which is proven in the GPTW surveys and many others that we participate in.

clearsale

The end of the perfect storm came out in the press, I would put it another way: the storm is still there, interest rates are still high, discretionary consumption is still difficult, household debt persists, defaults are high and then the difference that we had right at the IPO and even weeks after the IPO it would be sailing in calm waters at high speed and suddenly we are faced with waves of 15-20 m.

The difference, the 15-20 m waves are still there, but ClearSale, because it deals with risk management, because it deals with fraud, is used to dealing with this type of wave. So, the storm didn't pass, but we learned to navigate with the storm, adjust the sails (which is a term Eduardo uses) and we continued like that. We never stop aiming at the long term, so this is reflected in Capex what should be reduced over time, but we are a company that aims at long-term growth, so we will not stop betting on projects that will lead us to increased growth, as we have already observed, and with that to maximize the value of the company for shareholders, but also remembering all the other stakeholders, ESG, we are the only tech company in Brazil, as far as I know, certified by Sistema B, and thereby maximize long-term value for all stakeholders .

So, we end this quarter's release with great satisfaction. Thank you for your attention.

Coordinator: Thank you, Bernardo. Folks, the ClearSale videoconference is now over. Thank you all for participating, have a great day and see you next time.