



ClearSale  
intelligence to move\_

RELEASE



# RESULTS

# 2nd Quarter of 2023

## Video conference

**8/15/2023** (Tuesday)  
(Simultaneous translation into English)  
10:00 am (Brasília)  
09:00 am (EDT)

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IR Contact

**Barueri, Monday, August 14, 2023** - Clear Sale S.A. ("ClearSale" or "Company") (B3: CLSA3), a company specializing in digital anti-fraud solutions in the most diverse segments and a pioneer in mapping digital consumer behavior in Brazil, it presents its results for the 2nd quarter and 6 months of 2023 ("2Q23" and "6M23").

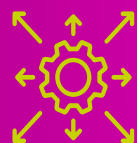
The following financial and operating information follows international accounting standards (IFRS) and Brazilian accounting principles. Comparisons refer to the same periods in 2022.

## Financial and operational highlights

Significant results of the **Equilibrium Plan** at **International**



**Gross Margin of 38.9%, best level since the IPO**



**ARR New Sales of BRL 49.3 million**

**ARR New Sales** growth of 33% q/q and 10% y/y

Positive Consolidated Recurring EBITDA ex-punctual ADA (Allowance for Doubtful Accounts) and International close to breakeven.



**BRL 0.4 million in Recurring EBITDA ex-punctual ADA.**



**BRL 32 million Cash generation and BRL 397.6 million Net Cash position**

**Operating Cash Generation** in 6M23 and healthy Cash position



	2Q23 (y/y)		6M23 (y/y)		
<b>ARR New Sales</b>	<i>E-commerce Brazil</i>	BRL 14.7 mn	(+37.4%)	BRL 21.3 mn	(+33.8%)
	<i>E-commerce Internacional</i>	BRL 1.6 mn	(-57.3%)	BRL 6.3 mn	(-21.2%)
	<i>Application Fraud</i>	BRL 33 mn	(+8.2%)	BRL 58.8 mn	(+21%)
	<b>Total ARR New Sales</b>	<b>BRL 49.3 mn</b>	<b>(+9.7%)</b>	<b>BRL 86.4 mn</b>	<b>(+19.1%)</b>
<b>Customers</b>	<i>E-commerce Brazil</i>		5,483	(+433)	
	<i>E-commerce Internacional</i>		1,613	(+133)	
	<i>Application Fraud</i>		270	(+43)	
	<b>Total Customers</b>		<b>7,366</b>	<b>(+609)</b>	
<b>Churn</b>	<b>Total Churn Rate</b>		<b>2.8%</b>	<b>(+1.4 p.p.)</b>	
<b>Net Revenue</b>	<i>E-commerce Brazil</i>	BRL 78.5 mn	(+7.8%)	BRL 152.5 mn	(+16.1%)
	<i>E-commerce Internacional</i>	BRL 19.3 mn	(+20.9%)	BRL 37.4 mn	(+27.5%)
	<i>Application Fraud</i>	BRL 28.7 mn	(-16.2%)	BRL 61.3 mn	(-9.7%)
	<b>Total Net Revenue</b>	<b>BRL 126.6 mn</b>	<b>(+2.8%)</b>	<b>BRL 251.2 mn</b>	<b>(+9.9%)</b>
<b>Gross Profit</b>	Recurring Gross Profit	BRL 53.1 mn	(+21.6%)	BRL 98.1 mn	(+61%)
	Recurring Gross Margin	41.9%	(+6.5 p.p.)	39.1%	(+12.4 p.p.)
<b>Recurring EBITDA</b>	Recurring Total EBITDA	BRL -1.2 mn	(+BRL 7.5 mm)	BRL -13.7 mn	(+BRL 44.4 mm)
	Recurring Total EBITDA Margin	-0.9%	(+6.1 p.p.)	-5.5%	(+20 p.p.)
	Recurring EBITDA Brazil	BRL 0.4 mn	(+BRL 2 mm)	BRL 1.6 mn	(+BRL 41.2 mm)
	Recurring EBITDA Brazil Margin	0.4%	(+1.9 p.p.)	0.8%	(+20.6 p.p.)
<b>Recurring Net Result</b>	Recurring Net Result	BRL -0.5 mn	(+BRL 1.5 mm)	BRL -14 mn	(+BRL 23.7 mm)
	Recurring Net Margin	-0.4%	(+1.3 p.p.)	-5.6%	(+10.9 p.p.)

\*All comparisons in this table refer to the same period of the last year (Year-over-Year)

Conference Call in Portuguese:

8/15/2023 (Tuesday)

(Simultaneous translation to English)  
10:00 AM (Brasília Time)  
09:00 AM (US Time - EDT)

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Investor Relations

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# 1. MESSAGE FROM MANAGEMENT

Dear Shareholders,

We would like to present our results for the first half of 2023, in which, despite the challenging scenario, we continue our transformation process, based on:

**i) Progress in componentization, which allows us to enter new segments in a more technological and agile way.**

In E-commerce in Brazil, we already have 33% of ARR New Sales in 2Q23 from digital segments and with Real Time products. As a result, in the quarter, we had the entry of 6 new customers in tickets anti-fraud solutions. In addition, we launched an innovative dispute prevention product for card issuers with the completion of strategic partnerships. In Application Fraud we had R\$33 million in new sales ARR, an increase of 8.2% in the year and an annual increase of 43 customers, we also captured the entry of customers for the Strawman Fraud solutions and in the new Behavioral Credit Score. Lastly, we are strategically positioning ourselves to actively act on Resolution No. 6 of the Central Bank. In the New Ventures Business Unit, we launched our ITP (payment transaction initiator) product, already with the acquisition of the first customer, and we launched our anti-phishing product, Threat-X, internationally. This gives us enough confidence to continue operating in a challenging macroeconomic environment, where we see our base revenues, mainly in Application Fraud, with encrypted transaction levels.

**ii) Diligence in costs and expenses with local and International Equilibrium Plan.**

Throughout 2022, we implemented the Equilibrium Plan in Brazil, which was very assertive and efficient. With the same focus and determination, we applied the Equilibrium Plan in the international operation last quarter and in this 2Q23 we already observed a considerable improvement in financial results, with the international gross margin above pre-IPO levels and with recurring EBITDA close to breakeven. This improvement, added to the maintenance of diligence in costs and expenses in Brazil, led our consolidated recurring EBITDA (excluding provisions for credit from clients undergoing "chapter 11") was positive by R\$ 0.4 million this quarter.

**iii) Diligence in investments with continuous generation of operating cash.**

Our accumulated operating cash generation for the year totaled R\$32 million, while we continue to maintain diligence in development investments, that showed a reduction of R\$0.8 million in the quarter and R\$2.8 million in the year.

I am happy to announce that we received B Corp and GPTW (Great Place to Work) recertifications, which reinforce our commitment to social and environmental issues, as well as the importance of maintaining our culture and people management in transforming ClearSale into a great place to work.

Finally, we continue our focus on technological transformation, building a more agile, more scalable, and more profitable company.



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**Eduardo Mônico**  
CEO



## 2. OPERATIONAL INDICATORS

### 2.1. CUSTOMERS AND CHURN

# ; %	2Q23	1Q23	2Q22	QoQ	YoY
Brazil e-commerce customers	5,483	5,358	5,050	+2.3%	+8.6%
International e-commerce customers	1,613	1,714	1,480	-5.9%	+9.0%
Application Fraud Customers	270	260	227	+3.8%	+18.9%
<b>Total Customers</b>	<b>7,366</b>	<b>7,332</b>	<b>6,757</b>	<b>+0.5%</b>	<b>+9.0%</b>

In June 2023, the total number of customers reached 7,366, quarterly growth of 0.5%, or net addition of 34 customers. Despite the cleanup of the international base, the total net addition in the quarter was offset by E-commerce Brazil and Application Fraud.

BRL mn; %	2Q23	1Q23	2022	QoQ	vs 2022
Annualized Financial Churn	1.3	1.4	0.5	-12.2%	132.3%
<b>Annualized Churn Rate (%)</b>	<b>2.8%</b>	<b>3.2%</b>	<b>1.4%</b>	<b>-0.4 p.p.</b>	<b>+1.4 p.p.</b>

The Annualized Financial Churn in 2Q23 was BRL 1.3 million, resulting in a Churn-rate of 2.8%, a reduction when compared with the Churn-rate in 1Q23, when we had churn concentrated in three Application Fraud clients, one of which it was due to business discontinuity. The impact in the previous quarter is what explains the 1.4 pp worsening of Churn in 2Q23 when compared to 2022.

### 2.2. ARR NEW SALES

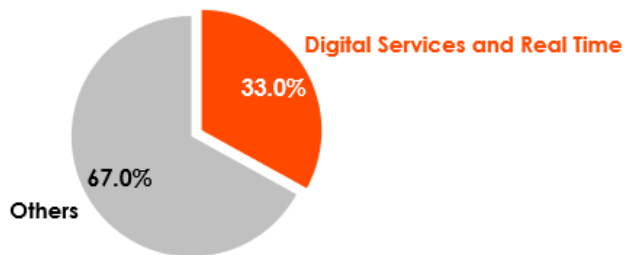
BRL mn; %	2Q23	1Q23	2Q22	QoQ	YoY	6M23	6M22	YoY
ARR New Sales e-commerce Brazil	14.7	6.6	10.7	+124.6%	+37.4%	21.3	15.9	+33.8%
ARR New Sales e-commerce International	1.6	4.7	3.7	-66.6%	-57.3%	6.3	8.0	-21.2%
ARR New Sales Application Fraud	33.0	25.8	30.5	+28.2%	+8.2%	58.8	48.6	+21.0%
<b>Total ARR New Sales</b>	<b>49.3</b>	<b>37.1</b>	<b>45.0</b>	<b>+33.2%</b>	<b>+9.7%</b>	<b>86.4</b>	<b>72.5</b>	<b>+19.1%</b>

ARR New Sales in 2Q23 was BRL 49.3 million, up 33.2% in the year and 9.7% in the quarter.

ARR New Sales for E-commerce Brazil and E-commerce International was BRL 14.7 million and BRL 1.6 million in 2Q23, respectively, with highlight on sales in Brazil, which had an annual growth of 37.4%. The ARR New Sales Internacional follows the Equilibrium Plan's strategy of focusing on profitable channels and customers. While in Application Fraud, ARR New Sales was BRL 33.0 million, an annual growth of 8.2%.



Distribution of ARR New Sales E-commerce BR – 6M23



It is important to note that the investments made in the development of Flow, a componentized and modularized platform, already shows positive effects, considering that 1/3 of new E-commerce sales are already made in digital services and real time.

## 3. FINANCIAL INDICATORS

## 3.1. RESULTS REPORT

BRL mn; %	2Q23	1Q23	2Q22	QoQ	YoY	6M23	6M22	YoY
E-commerce Brazil	78.5	74.0	72.9	+6.2%	+7.8%	152.5	131.3	+16.1%
Application Fraud	28.7	32.6	34.3	-11.8%	-16.2%	61.3	67.9	-9.7%
E-commerce International	19.3	18.1	15.9	+6.5%	+20.9%	37.4	29.3	+27.5%
<b>Net Revenues</b>	<b>126.6</b>	<b>124.6</b>	<b>123.1</b>	<b>+1.5%</b>	<b>+2.8%</b>	<b>251.2</b>	<b>228.5</b>	<b>+9.9%</b>
Labor	-42.3	-43.0	-44.8	-1.7%	-5.7%	-85.3	-98.8	-13.7%
Suppliers	-22.0	-20.4	-25.4	+7.7%	-13.4%	-42.4	-50.6	-16.1%
Other Costs	-6.6	-12.1	-9.2	-45.1%	-28.1%	-18.7	-18.2	+3.0%
Participation in Profits and Results (PPR)	-2.6	-4.1	0.0	-36.3%	n/a	-6.7	0.0	n/a
<b>Recurring Costs (ex depr.)</b>	<b>-73.5</b>	<b>-79.6</b>	<b>-79.5</b>	<b>-7.7%</b>	<b>-7.5%</b>	<b>-153.1</b>	<b>-167.6</b>	<b>-8.7%</b>
<b>Recurring Gross Profit (ex depr.)</b>	<b>53.1</b>	<b>45.1</b>	<b>43.6</b>	<b>+17.8%</b>	<b>+21.6%</b>	<b>98.1</b>	<b>61.0</b>	<b>+61.0%</b>
<i>Gross Margin (%)</i>	41.9%	36.1%	35.4%	+5.8 p.p.	+6.5 p.p.	39.1%	26.7%	+12.4 p.p.
General and Administrative Expenses	-21.1	-17.5	-26.5	+21.1%	-20.3%	-38.6	-54.4	-29.0%
Selling Expenses	-27.5	-29.5	-27.5	-6.8%	-0.0%	-57.0	-58.2	-2.0%
PPR	-1.1	-2.3	2.7	-52.9%	n/a	-3.3	2.7	n/a
Allowance for Doubtful Accounts (ADA)	-2.8	-1.1	-0.4	+144.9%	+521.6%	-3.9	-0.4	+826.9%
Other Revenues and Expenses	-1.8	-7.3	-0.5	-75.7%	+243.1%	-9.0	-8.8	+2.5%
<b>Total Recurring Expenses (ex depr.)</b>	<b>-54.2</b>	<b>-57.6</b>	<b>-52.3</b>	<b>-5.9%</b>	<b>+3.7%</b>	<b>-111.9</b>	<b>-119.1</b>	<b>-6.1%</b>
<i>% Net Revenue</i>	-42.8%	-46.2%	-42.5%	+3.4 p.p.	-0.4 p.p.	-44.5%	-52.1%	+7.6 p.p.
<b>Recurring EBITDA</b>	<b>-1.2</b>	<b>-12.6</b>	<b>-8.7</b>	<b>-90.8%</b>	<b>-86.7%</b>	<b>-13.7</b>	<b>-58.1</b>	<b>-76.4%</b>
<i>Recurring EBITDA Margin (%)</i>	-0.9%	-10.1%	-7.0%	+9.2 p.p.	+6.1 p.p.	-5.5%	-25.4%	+20.0 p.p.
<b>Recurring EBITDA ex-ADA punctual</b>	<b>0.4</b>	<b>-11.8</b>	<b>-8.7</b>	<b>n/a</b>	<b>n/a</b>	<b>-11.4</b>	<b>-58.1</b>	<b>-80.4%</b>
<i>Recurring EBITDA Margin ex-ADA punctual (%)</i>	0.3%	-9.4%	-7.0%	+9.7 p.p.	+7.3 p.p.	-4.5%	-25.4%	+20.9 p.p.
<b>Recurring EBITDA Brazil</b>	<b>0.4</b>	<b>1.2</b>	<b>-1.6</b>	<b>-69.1%</b>	<b>n/a</b>	<b>1.6</b>	<b>-39.6</b>	<b>n/a</b>
<i>Recurring EBITDA Margin Brazil (%)</i>	0.4%	1.2%	-1.5%	-0.8 p.p.	+1.9 p.p.	0.8%	-19.9%	+20.6 p.p.
<b>Recurring EBITDA Brazil ex-ADA punctual</b>	<b>1.9</b>	<b>2.1</b>	<b>-1.6</b>	<b>-7.3%</b>	<b>n/a</b>	<b>4.0</b>	<b>-39.6</b>	<b>n/a</b>
<i>Recurring EBITDA Margin Brazil ex-ADA punctual (%)</i>	1.8%	1.9%	-1.5%	-0.2 p.p.	+3.3 p.p.	1.9%	-19.9%	+21.7 p.p.
Nonrecurring Costs and Expenses	-2.1	-6.1	-5.6	-65.7%	-62.7%	-8.2	-9.2	-11.1%
<b>EBITDA</b>	<b>-3.3</b>	<b>-18.7</b>	<b>-14.3</b>	<b>-82.6%</b>	<b>-77.2%</b>	<b>-21.9</b>	<b>-67.4</b>	<b>-67.4%</b>
<i>EBITDA Margin (%)</i>	-2.6%	-15.0%	-11.6%	+12.4 p.p.	+9.0 p.p.	-8.7%	-29.5%	+20.7 p.p.
Depreciation and Amortization	-10.9	-10.3	-7.1	+5.8%	+54.7%	-21.3	-12.9	+64.5%
<b>Operational Result</b>	<b>-14.2</b>	<b>-29.0</b>	<b>-21.4</b>	<b>-51.1%</b>	<b>-33.5%</b>	<b>-43.2</b>	<b>-80.3</b>	<b>-46.2%</b>
Financial Revenues	14.7	16.1	23.6	-8.4%	-37.5%	30.8	43.1	-28.5%
Financial Expenses	-4.0	-4.8	-3.3	-16.9%	+21.1%	-8.8	-12.5	-29.6%
<b>Financial Result</b>	<b>10.8</b>	<b>11.3</b>	<b>20.3</b>	<b>-4.8%</b>	<b>-47.0%</b>	<b>22.0</b>	<b>30.6</b>	<b>-28.0%</b>
<b>Earnings before taxes</b>	<b>-3.4</b>	<b>-17.7</b>	<b>-1.1</b>	<b>-80.6%</b>	<b>+222.9%</b>	<b>-21.2</b>	<b>-49.7</b>	<b>-57.4%</b>
Taxes	1.6	0.2	-4.4	+763.8%	n/a	1.7	4.9	-64.2%
<b>Net Result</b>	<b>-1.9</b>	<b>-17.6</b>	<b>-5.5</b>	<b>-89.3%</b>	<b>-65.7%</b>	<b>-19.4</b>	<b>-44.8</b>	<b>-56.6%</b>
<i>Net Result Margin (%)</i>	-1.5%	-14.1%	-4.4%	+12.6 p.p.	+3.0 p.p.	-7.7%	-19.6%	+11.9 p.p.
Net Result adjustments	1.4	4.0	3.4	-65.7%	-59.8%	5.4	7.1	-23.3%
<b>Recurring Net Result</b>	<b>-0.5</b>	<b>-13.5</b>	<b>-2.0</b>	<b>-96.4%</b>	<b>-75.6%</b>	<b>-14.0</b>	<b>-37.7</b>	<b>-62.9%</b>
<i>Recurring Net Result Margin (%)</i>	-0.4%	-10.9%	-1.6%	+10.5 p.p.	+1.3 p.p.	-5.6%	-16.5%	+10.9 p.p.
<b>Recurring Net Result ex-ADA punctual</b>	<b>0.5</b>	<b>-13.0</b>	<b>-2.0</b>	<b>n/a</b>	<b>n/a</b>	<b>-12.5</b>	<b>-37.7</b>	<b>-67.0%</b>
<i>Recurring Net Result Margin ex-ADA punctual (%)</i>	0.4%	-10.4%	-1.6%	+10.8 p.p.	+2.1 p.p.	-5.0%	-16.5%	+11.6 p.p.

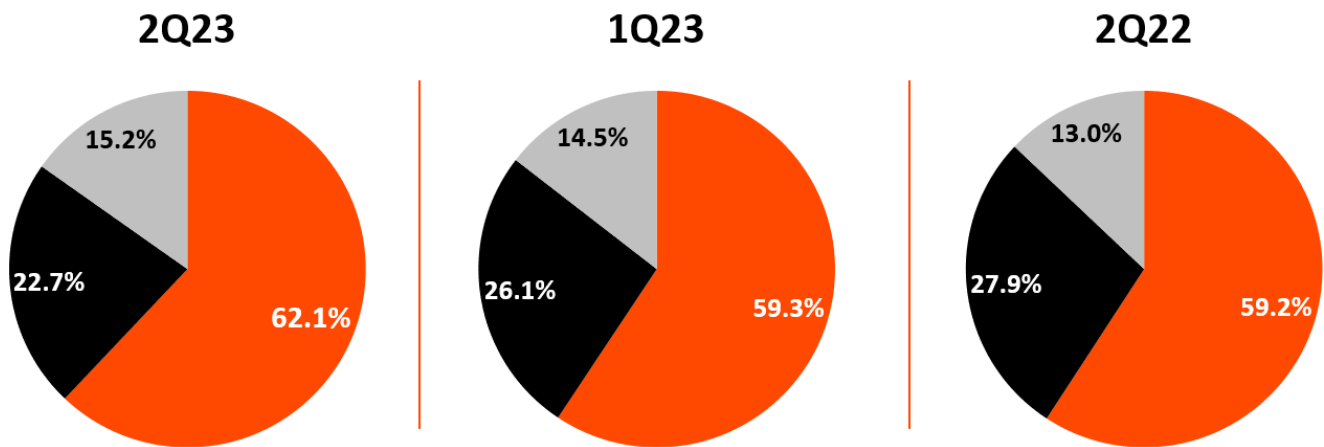




### 3.2. NET REVENUE by SEGMENT

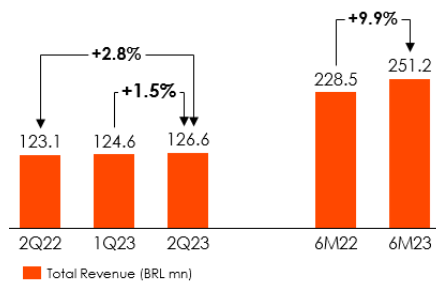
BRL mn; %	2Q23	1Q23	2Q22	QoQ	YoY	6M23	6M22	YoY
E-commerce Brazil	78.5	74.0	72.9	+6.2%	+7.8%	152.5	131.3	+16.1%
Application Fraud	28.7	32.6	34.3	-11.8%	-16.2%	61.3	67.9	-9.7%
E-commerce International (BRL)	19.3	18.1	15.9	+6.5%	+20.9%	37.4	29.3	+27.5%
E-commerce International (USD)	3.9	3.5	3.2	+11.9%	+20.4%	7.4	5.8	+27.3%
<b>Net Revenues</b>	<b>126.6</b>	<b>124.6</b>	<b>123.1</b>	<b>+1.5%</b>	<b>+2.8%</b>	<b>251.2</b>	<b>228.5</b>	<b>+9.9%</b>

### Revenue Distribution



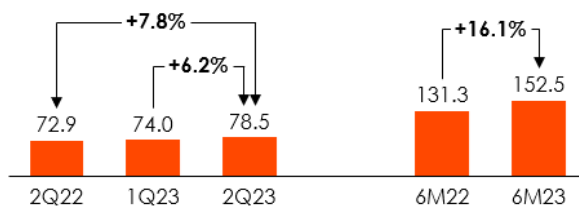
■ E-Commerce BR ■ Application Fraud ■ E-commerce International

Total Net Revenue (BRL mn)



Total net revenue was BRL 126.6 million in 2Q23 and BRL 251.2 million in 6M23, up 2.8% and 9.9% in the year, respectively.

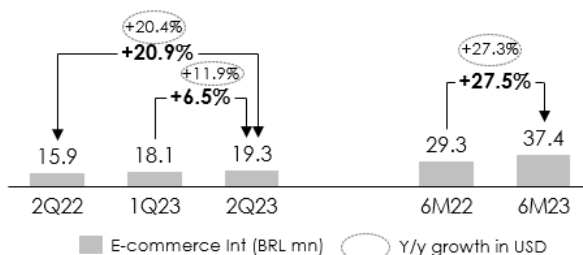
E-commerce Brazil (BRL mn)



In the quarter, revenue from **E-commerce Brazil** totaled BRL 78.5 million, up 7.8% against the same period of the previous year. Despite the challenging macro scenario, our revenue was boosted by the 37.4% increase in the year in ARR New Sales, the annual increase of 433 customers and the maintenance of fraud control.

In the first half, the growth was 16.1%, totaling revenue of BRL 152.5 million, compared to BRL 131.3 in 2022.

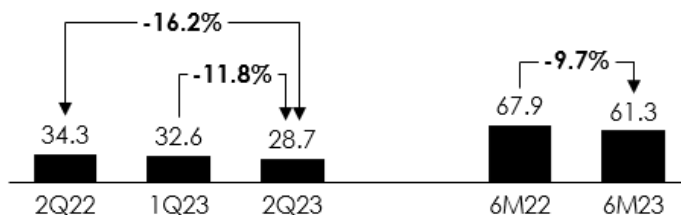
International E-commerce



In **International E-commerce**, net revenue reached USD 3.9 million or BRL 19.3 million, annual growth of 20.4% and 20.9%, respectively, driven by the resilience of base revenues, new customers, and a stronger HotSales in Mexico.

In the semester, revenue totaled USD 7.4 million or BRL 37.4 million, up 27.3% and 27.5% respectively.

Application Fraud (BRL mn)



The **Application Fraud** revenue was BRL 28.7 million in 2Q23, down 16.2% against the same period of the previous year. In the first half, revenue totaled BRL 61.3 million, down 9.7% compared to the same period in 2022. The decreases in the periods were impacted by the base revenue pressured by credit restrictions, mainly in two large clients of the financial segment. On the other hand, we continued to focus on generating business, with the launch of new solutions such as Straw-man fraud and the new behavioral credit score, as well as annual increases of 43 customers and 8.2% in ARR New Sales.



## 3.3. COSTS OF SERVICES PROVIDED

BRL mn; %	2Q23	1Q23	2Q22	QoQ	YoY	6M23	6M22	YoY
Labor	-42.3	-43.0	-44.8	-1.7%	-5.7%	-85.3	-98.8	-13.7%
Suppliers	-22.0	-20.4	-25.4	+7.7%	-13.4%	-42.4	-50.6	-16.1%
Others	-6.6	-12.1	-9.2	-45.1%	-28.1%	-18.7	-18.2	+3.0%
<b>Total Recurring Costs ex PPR (ex depr.)</b>	<b>-70.9</b>	<b>-75.5</b>	<b>-79.5</b>	<b>-6.1%</b>	<b>-10.8%</b>	<b>-146.4</b>	<b>-167.6</b>	<b>-12.6%</b>
% Net Revenue	-56.0%	-60.6%	-64.6%	+4.6 p.p.	+8.5 p.p.	-58.3%	-73.3%	+15.1 p.p.
Participation in Profits and Results (PPR)	-2.6	-4.1	0.0	-36.3%	n/a	-6.7	0.0	n/a
<b>Total Recurring Costs with PPR (ex depr.)</b>	<b>-73.5</b>	<b>-79.6</b>	<b>-79.5</b>	<b>-7.7%</b>	<b>-7.5%</b>	<b>-153.1</b>	<b>-167.6</b>	<b>-8.7%</b>
% Net Revenue	-58.1%	-63.9%	-64.6%	+5.8 p.p.	+6.5 p.p.	-60.9%	-73.3%	+12.4 p.p.
Non-recurring costs (terminations)	-1.6	-1.4	-2.4	+13.9%	-32.5%	-3.1	-2.4	+26.8%
Depreciation and Amortization	-7.3	-7.0	-5.3	+5.1%	+38.0%	-14.3	-8.8	+62.7%
<b>Total Accounting Cost</b>	<b>-82.5</b>	<b>-88.0</b>	<b>-87.2</b>	<b>-6.3%</b>	<b>-5.4%</b>	<b>-170.4</b>	<b>-178.8</b>	<b>-4.7%</b>
% Net Revenue	-65.2%	-70.6%	-70.8%	+5.5 p.p.	+5.7 p.p.	-67.9%	-78.2%	+10.4 p.p.

In 2Q23, despite the 2.8% annual growth in revenues, Recurring Costs considering participation in profit and results (PPR) fell 7.5% in the same period. This drop is due to the reduction in all operating expense lines, with emphasis on the Other Expenses, which reflects the reduction in international chargeback due to the equilibrium plan.

It is worth remembering that we started accruing the PPR from 1Q23, while there was no provision in the previous year. Excluding PPR, cost would decrease 10.8%.

In Suppliers specifically, there was an accounting reclassification of BRL 2.3 million in 2Q23 from Other Expenses to Costs, that is, excluding this reclassification, Supplier costs would have fallen by BRL 5.7 million in the year while Recurring Costs excluding PPR would have fallen 13.6% or BRL 10.8 million.

In the first semester, recurring costs without PPR totaled BRL 146.4 million, down 12.6% compared to the same period of 2022.

## 3.4. GROSS PROFIT AND GROSS MARGIN

BRL mn; %	2Q23	1Q23	2Q22	QoQ	YoY	6M23	6M22	YoY
E-commerce Brazil	78.5	74.0	72.9	+6.2%	+7.8%	152.5	131.3	+16.1%
Application Fraud	28.7	32.6	34.3	-11.8%	-16.2%	61.3	67.9	-9.7%
E-commerce International	19.3	18.1	15.9	+6.5%	+20.9%	37.4	29.3	+27.5%
<b>Net Revenues</b>	<b>126.6</b>	<b>124.6</b>	<b>123.1</b>	<b>+1.5%</b>	<b>+2.8%</b>	<b>251.2</b>	<b>228.5</b>	<b>+9.9%</b>
Total Recurring Costs ex PPR (ex depr.)	-70.9	-75.5	-79.5	-6.1%	-10.8%	-146.4	-167.6	-12.6%
<b>Recurring Gross Profit ex PPR (ex depr.)</b>	<b>55.7</b>	<b>49.1</b>	<b>43.6</b>	<b>+13.3%</b>	<b>+27.6%</b>	<b>104.8</b>	<b>61.0</b>	<b>+71.9%</b>
% Net Revenue	44.0%	39.4%	35.4%	+4.6 p.p.	+8.5 p.p.	41.7%	26.7%	+15.1 p.p.
Participation in Profits and Results (PPR)	-2.6	-4.1	0.0	-36.3%	n/a	-6.7	0.0	n/a
<b>Recurring Gross Profit with PPR (ex depr.)</b>	<b>53.1</b>	<b>45.1</b>	<b>43.6</b>	<b>+17.8%</b>	<b>+21.6%</b>	<b>98.1</b>	<b>61.0</b>	<b>+61.0%</b>
% Net Revenue	41.9%	36.1%	35.4%	+5.8 p.p.	+6.5 p.p.	39.1%	26.7%	+12.4 p.p.
Terminations	-1.6	-1.4	-2.4	+13.9%	-32.5%	-3.1	-2.4	+26.8%
Depreciation and Amortization	-7.3	-7.0	-5.3	+5.1%	+38.0%	-14.3	-8.8	+62.7%
<b>Total Accounting Cost (ex depr.)</b>	<b>-82.5</b>	<b>-88.0</b>	<b>-87.2</b>	<b>-6.3%</b>	<b>-5.4%</b>	<b>-170.4</b>	<b>-178.8</b>	<b>-4.7%</b>
<b>Accounting Gross Profit (with depr.)</b>	<b>44.1</b>	<b>36.6</b>	<b>35.9</b>	<b>+20.4%</b>	<b>+22.9%</b>	<b>80.7</b>	<b>49.7</b>	<b>+62.3%</b>
% Net Revenue	34.8%	29.4%	29.2%	+5.5 p.p.	+5.7 p.p.	32.1%	21.8%	+10.4 p.p.

In 2Q23, Recurring Gross Profit without profit sharing totaled BRL 55.7 million, an annual increase of 27.6%, while Gross Margin reached 44.0%, up 8.5 pp when compared to 2Q22, reflecting the efficiency gains as mentioned earlier.

Even considering the PPR provision of BRL 2.6 million in 2Q23, Recurring Gross Profit increased 21.6% or BRL 9.4 million in the year, totaling BRL 53.1 million, while the Recurring Gross Margin improved 6.5 pp in the year, reaching 41.9%.

In 6M23, Recurring Gross Profit excluding PPR totaled BRL 104.8 million, up 71.9%, while Gross Margin reached 41.7%, up 15.1 pp, annually.

## 3.5. RECURRING AND NON-RECURRING EXPENSES

BRL mn; %	2Q23	1Q23	2Q22	QoQ	YoY	6M23	6M22	YoY
General and Administrative Expenses	-21.1	-17.5	-26.5	+21.1%	-20.3%	-38.6	-54.4	-29.0%
Sales Expenses	-27.5	-29.5	-27.5	-6.8%	-0.0%	-57.0	-58.2	-2.0%
Allowance for Doubtful Accounts (ADA)	-1.2	-0.3	-0.4	+300.5%	+176.4%	-1.5	-0.4	+265.7%
Allowance for Doubtful Accounts (ADA) punctual	-1.5	-0.8	0.0	+86.8%	n/a	-2.3	0.0	n/a
Other Revenues and Expenses	-1.8	-7.3	-0.5	-75.7%	+243.1%	-9.0	-8.8	+2.5%
<b>Total recurring Expenses ex-PPR and ADA (ex depr.)</b>	<b>-53.2</b>	<b>-55.4</b>	<b>-55.0</b>	<b>-4.0%</b>	<b>-3.3%</b>	<b>-108.5</b>	<b>-121.8</b>	<b>-10.9%</b>
% Net Revenue	-42.0%	-44.4%	-44.7%	+2.4 p.p.	+2.7 p.p.	-43.2%	-53.3%	+10.1 p.p.
<b>Total recurring Expenses ex-PPR and ADA (ex depr.)</b>	<b>-51.6</b>	<b>-54.5</b>	<b>-55.0</b>	<b>-5.3%</b>	<b>-6.1%</b>	<b>-106.2</b>	<b>-121.8</b>	<b>-12.8%</b>
% Net Revenue	-40.8%	-43.8%	-44.7%	+3.0 p.p.	+3.9 p.p.	-42.3%	-53.3%	+11.0 p.p.
Participation in Profits and Results (PPR)	-1.1	-2.3	2.7	-52.9%	n/a	-3.3	2.7	n/a
<b>Total recurring Expenses with PPR and ADA (ex depr.)</b>	<b>-54.2</b>	<b>-57.6</b>	<b>-52.3</b>	<b>-5.9%</b>	<b>+3.7%</b>	<b>-111.9</b>	<b>-119.1</b>	<b>-6.1%</b>
% Net Revenue	-42.8%	-46.2%	-42.5%	+3.4 p.p.	-0.4 p.p.	-44.5%	-52.1%	+7.6 p.p.
<b>Total recurring Expenses with PPR and ex-ADA (ex depr.)</b>	<b>-52.7</b>	<b>-56.8</b>	<b>-52.3</b>	<b>-7.2%</b>	<b>+0.8%</b>	<b>-109.5</b>	<b>-119.1</b>	<b>-8.0%</b>
% Net Revenue	-41.6%	-45.6%	-42.5%	+3.9 p.p.	+0.8 p.p.	-43.6%	-52.1%	+8.5 p.p.
Long-term incentive plan	-0.1	-4.9	-2.3	-97.7%	-95.0%	-5.0	-5.9	-15.5%
Write-off of Fixed Assets	0.0	0.2	0.0	n/a	n/a	0.2	0.0	n/a
Taxes adjustments	0.0	0.0	1.5	n/a	n/a	0.0	1.5	n/a
Terminations	-0.3	0.0	-0.8	n/a	-57.4%	-0.3	-0.8	-57.4%
International patent acquisition	0.0	0.0	-1.7	n/a	n/a	0.0	-1.7	n/a
Depreciation and Amortization	-3.6	-3.4	-1.8	+7.1%	+105.2%	-7.0	-4.2	+68.3%
<b>Total non-recurring expenses</b>	<b>-4.1</b>	<b>-8.0</b>	<b>-5.0</b>	<b>-49.4%</b>	<b>-17.8%</b>	<b>-12.1</b>	<b>-11.0</b>	<b>+10.5%</b>
<b>Total Accountable Expenses (with depr.)</b>	<b>-58.3</b>	<b>-65.7</b>	<b>-57.2</b>	<b>-11.2%</b>	<b>+1.8%</b>	<b>-124.0</b>	<b>-130.1</b>	<b>-4.7%</b>
% Net Revenue	-46.1%	-52.7%	-46.5%	+6.6 p.p.	+0.4 p.p.	-49.4%	-56.9%	+7.6 p.p.

Total Recurring Expenses, including PPR, reached R\$54.2 million in 2Q23, down 5.9% in the quarter and up 3.7% in the year. The drop in the quarter is due to a high base of Other Expenses in 1Q23, due to corporate events, and a reduction in Selling Expenses.

The increase in the year is explained mainly by punctual Allowance for Doubt Accounts (ADA) of companies that entered in "Chapter 11" and by the PPR provisioning. Specifically, regarding PPR, we had a provision of R\$1.1 million in 2Q23 and a reversal of R\$2.7 million in 2Q22. Excluding the PPR and the punctual Allowance for Doubt Accounts, Expenses would have fallen by 6.1% in the year and even if we disregard the accounting reclassification mentioned in the costs section, Expenses would still have fallen by 2.0% in the year.

In 6M23, Total Recurring Expenses with PLR dropped 6.0%, when compared to the same period of the previous year, and Recurring Expenses without PLR and without punctual ADA dropped 12.7%.



## 3.6. ADJUSTED EBITDA

BRL mn; %	2Q23	1Q23	2Q22	QoQ	YoY	6M23	6M22	YoY
<b>Net Result</b>	<b>-1.9</b>	<b>-17.6</b>	<b>-5.5</b>	<b>-89.3%</b>	<b>-65.7%</b>	<b>-19.4</b>	<b>-44.8</b>	<b>-56.6%</b>
(-) Financial Result	10.8	11.3	20.3	-4.8%	-47.0%	22.0	30.6	-28.0%
(-) Taxes	1.6	0.2	-4.4	+763.8%	n/a	1.7	4.9	-64.2%
(-) Depreciation and Amortization	-10.9	-10.3	-7.1	+5.8%	+54.7%	-21.3	-12.9	+64.5%
<b>EBITDA</b>	<b>-3.3</b>	<b>-18.7</b>	<b>-14.3</b>	<b>-82.6%</b>	<b>-77.2%</b>	<b>-21.9</b>	<b>-67.4</b>	<b>-67.4%</b>
<i>EBITDA Margin (%)</i>	-2.6%	-15.0%	-11.6%	+12.4 p.p.	+9.0 p.p.	-8.7%	-29.5%	+20.7 p.p.
(-) Termination Costs	-1.6	-1.4	-2.4	+13.9%	-32.5%	-3.1	-2.4	+26.8%
(-) Long-term incentive plan	-0.1	-4.9	-2.3	-97.7%	-95.0%	-5.0	-5.9	-15.5%
(-) Write-off of Fixed Assets	0.0	0.2	0.0	n/a	n/a	0.2	0.0	n/a
(-) Taxes adjustments	0.0	0.0	1.5	n/a	n/a	0.0	1.5	n/a
(-) Terminations Expenses	-0.3	0.0	-0.8	n/a	-57.4%	-0.3	-0.8	-57.4%
(-) International patent acquisition	0.0	0.0	-1.7	n/a	n/a	0.0	-1.7	n/a
<b>Total Non-recurring</b>	<b>-2.1</b>	<b>-6.1</b>	<b>-5.6</b>	<b>-65.7%</b>	<b>-62.7%</b>	<b>-8.2</b>	<b>-9.2</b>	<b>-11.1%</b>
<b>Recurring EBITDA with PPR and ADA</b>	<b>-1.2</b>	<b>-12.6</b>	<b>-8.7</b>	<b>-90.8%</b>	<b>-86.7%</b>	<b>-13.7</b>	<b>-58.1</b>	<b>-76.4%</b>
<i>Recurring EBITDA Margin (%)</i>	-0.9%	-10.1%	-7.0%	+9.2 p.p.	+6.1 p.p.	-5.5%	-25.4%	+20.0 p.p.
Allowance for Doubtful Accounts (ADA) punctual	-1.5	-0.8	0.0	+86.8%	n/a	-2.3	0.0	n/a
<b>Recurring EBITDA with PPR ex-ADA</b>	<b>0.4</b>	<b>-11.8</b>	<b>-8.7</b>	<b>n/a</b>	<b>n/a</b>	<b>-11.4</b>	<b>-58.1</b>	<b>-80.4%</b>
<i>Recurring EBITDA Margin ex-ADA (%)</i>	0.3%	-9.4%	-7.0%	+9.7 p.p.	+7.3 p.p.	-4.5%	-25.4%	+20.9 p.p.
Participation in Profits and Results (PPR)	-3.7	-6.4	2.7	-42.2%	n/a	-10.0	2.7	n/a
<b>Recurring EBITDA ex-PPR and ADA</b>	<b>4.0</b>	<b>-5.4</b>	<b>-11.3</b>	<b>n/a</b>	<b>n/a</b>	<b>-1.4</b>	<b>-60.8</b>	<b>-97.8%</b>
<i>Recurring EBITDA Margin ex-ADA and PPR (%)</i>	3.2%	-4.3%	-9.2%	+7.5 p.p.	+12.4 p.p.	-0.5%	-26.6%	+26.1 p.p.
Subsidiary Recurring EBITDA (ClearSale LLC)	-1.5	-13.8	-7.1	-88.9%	-78.2%	-15.4	-18.5	-17.1%
<b>Recurring EBITDA Brazil</b>	<b>0.4</b>	<b>1.2</b>	<b>-1.6</b>	<b>-69.1%</b>	<b>n/a</b>	<b>1.6</b>	<b>-39.6</b>	<b>n/a</b>
<i>Recurring EBITDA Margin Brazil (%)</i>	0.4%	1.2%	-1.5%	-0.8 p.p.	+1.9 p.p.	0.8%	-19.9%	+20.6 p.p.
Allowance for Doubtful Accounts (ADA) punctual	-1.5	-0.8	0.0	+86.8%	n/a	-2.3	0.0	n/a
<b>Recurring EBITDA Brazil ex-ADA</b>	<b>1.9</b>	<b>2.1</b>	<b>-1.6</b>	<b>-7.3%</b>	<b>n/a</b>	<b>4.0</b>	<b>-39.6</b>	<b>n/a</b>
<i>Recurring EBITDA Margin Brazil ex-ADA (%)</i>	1.8%	1.9%	-1.5%	-0.2 p.p.	+3.3 p.p.	1.9%	-19.9%	+21.7 p.p.

In 2Q23, Recurring EBITDA ex-ADA was positive by BRL 0.4 million, an improvement of BRL 9.1 million in the year and BRL 12.2 million in the quarter. The improvement reflects the maintenance of positive Recurring EBITDA in Brazil and the improvement in Recurring EBITDA internationally due to the Equilibrium Plan. International Recurring EBITDA was -BRL 1.5 million, an improvement of BRL 5.6 million in the year and BRL 12.3 million in the quarter.

Recurring EBITDA considering the impact of the punctual ADA was -BRL 1.2 million in 2Q23 and -BRL 13.7 million in 6M23, an annual improvement of BRL 7.5 million and BRL 44.4 million, respectively.



### 3.7. FINANCIAL RESULT

BRL mn; %	2Q23	1Q23	2Q22	QoQ	YoY	6M23	6M22	YoY
Financial Revenues	14.7	16.1	23.6	-8.4%	-37.5%	30.8	43.1	-28.5%
Financial Expenses	-4.0	-4.8	-3.3	-16.9%	+21.1%	-8.8	-12.5	-29.6%
<b>Financial Result</b>	<b>10.8</b>	<b>11.3</b>	<b>20.3</b>	<b>-4.8%</b>	<b>-47.0%</b>	<b>22.0</b>	<b>30.6</b>	<b>-28.0%</b>

The Financial Result was BRL 10.8 million in 2Q23, down 47.0% compared to the same period of the previous year. In 6M23, it was BRL 22.0 million, down 28.0%.

Financial income totaled BRL 14.7 million in 2Q23, down BRL 8.9 million or 37.5% in the year, while in 6M23 down 28.5%, or BRL 12.3 million, totaling BRL \$30.8 million, mainly explained by a reduced cash position.

Financial expenses totaled BRL 4.0 million in 2Q23, up BRL 0.8 million or 21.1% in the year, while in 6M23 there was an annual decrease of BRL 3.7 million or 29.6%, mainly impacted by the non-cash effect of exchange variation and swap.

### 3.8. INCOME TAX AND NET INCOME

BRL mn; %	2Q23	1Q23	2Q22	QoQ	YoY	6M23	6M22	YoY
Operating Profit before Income Tax and Social Contribution	-3.4	-17.7	-1.1	-80.6%	+222.9%	-21.2	-49.7	-57.4%
Tax and Social Contribution (Nominal Rate = 34%)	1.2	6.0	0.4	-80.6%	+222.9%	7.2	16.9	-57.4%
<b>Adjustments for effective rate</b>								
Loss without constitution of deferred	-0.8	-5.7	0.0	-86.6%	n/a	-6.5	-6.6	-0.9%
Other net exclusions/additions	1.2	-0.1	-4.8	n/a	n/a	1.1	-5.6	n/a
<b>Tax and Social Contribution expenses at the effective rates</b>	<b>1.6</b>	<b>0.2</b>	<b>-4.4</b>	<b>+763.8%</b>	<b>n/a</b>	<b>1.7</b>	<b>4.9</b>	<b>-64.2%</b>
Effective rate	-45.5%	-1.0%	412.7%	-44.5 p.p.	-458.1 p.p.	-8.3%	-9.8%	+1.6 p.p.
<b>Net Result</b>	<b>-1.9</b>	<b>-17.6</b>	<b>-5.5</b>	<b>-89.3%</b>	<b>-65.7%</b>	<b>-19.4</b>	<b>-44.8</b>	<b>-56.6%</b>
Net Result adjustments	1.4	4.0	3.4	-65.7%	-59.8%	5.4	7.1	-23.3%
<b>Adjusted Net Result</b>	<b>-0.5</b>	<b>-13.5</b>	<b>-2.0</b>	<b>-96.4%</b>	<b>-75.6%</b>	<b>-14.0</b>	<b>-37.7</b>	<b>-62.9%</b>
Adjusted Net Margin (%)	-0.4%	-10.9%	-1.6%	+10.5 p.p.	+1.3 p.p.	-5.6%	-16.5%	+10.9 p.p.
<b>Adjusted Net Result ex-ADA punctual</b>	<b>0.5</b>	<b>-13.0</b>	<b>-2.0</b>	<b>n/a</b>	<b>n/a</b>	<b>-12.5</b>	<b>-37.7</b>	<b>-67.0%</b>
Adjusted Net Margin (%)	0.4%	-10.4%	-1.6%	+10.8 p.p.	+2.1 p.p.	-5.0%	-16.5%	+11.6 p.p.

Income tax and social contribution calculated in the quarter totaled BRL 1.6 million, reflecting an effective rate of -45.5%, mainly due to the negative result of ClearSale LLC.

Net Income adjusted by the exclusion of non-recurring costs and expenses was -BRL 0.5 million in 2Q23, an improvement of BRL 13.0 million in the quarter and BRL 1.5 million in the year, while the adjusted net margin closed by -0.5%. Also adjusting for the punctual ADA, Adjusted Net Income would have been BRL 0.5 million and net margin of 0.4%.

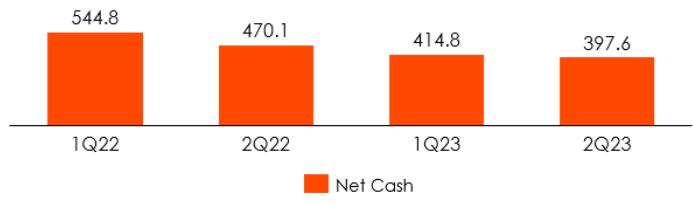
In 6M23, Net Income was -BRL 14.0 million, up BRL 23.7 million in the year, with an adjusted Net Margin of -5.6%, an annual increase of +10.9 pp.



### 3.9. CASH FLOW AND CAPEX

#### Net Cash

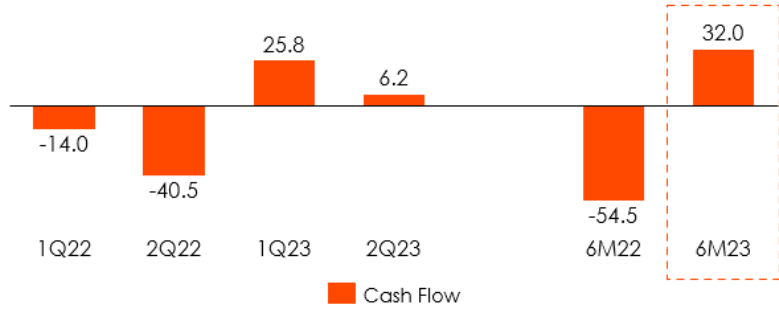
BRL mn



The company ended June 30, 2023, with Net Cash and Financial Applications of BRL 397.6 million, a quarterly reduction of BRL 17.2 million and reduction of BRL 19.3 million at 6M23, of which:

#### Operating Cash Flow

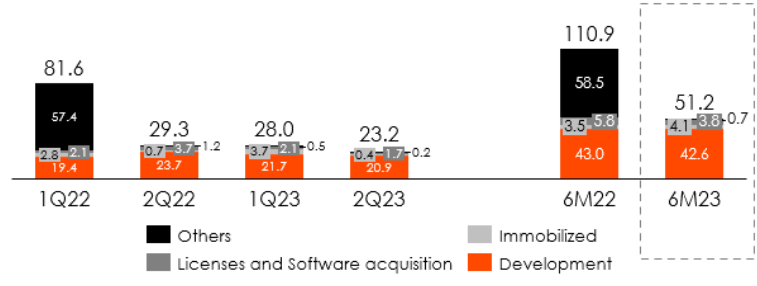
BRL mn



**Operating Cash:** Solid operating cash generation of BRL 6.2 million in the quarter and BRL 32 million in 6M23, supported by the results of the equilibrium plan, bringing better profitability.

#### Investments Cash Flow

BRL mn





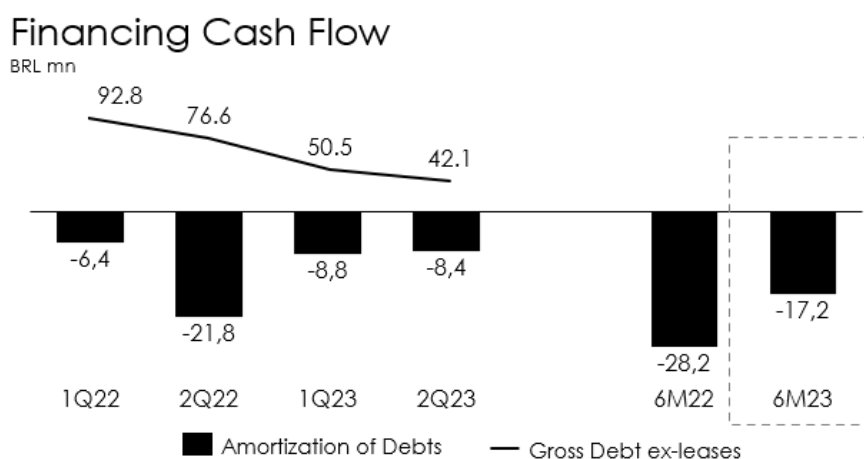
BRL mn; %	2Q23	1Q23	2Q22	QoQ	YoY	6M23	6M22	YoY
Development	-20.9	-21.7	-23.7	-3.7%	-11.7%	-42.6	-43.0	-1.1%
% Net Revenue	-16.5%	-17.4%	-19.2%	+0.9 pp	+2.7 pp	-16.9%	-18.8%	+1.9 pp
Licenses and Software Acquisition	-1.7	-2.1	-3.7	-20.8%	-54.4%	-3.8	-5.8	-34.4%
Immobilized	-0.4	-3.7	-0.7	-89.3%	-46.2%	-4.1	-3.5	+17.6%
M&A/Others	-0.2	-0.5	-1.2	-53.3%	-81.1%	-0.7	-58.5	-98.8%
<b>Total CAPEX</b>	<b>-23.2</b>	<b>-28.0</b>	<b>-29.3</b>	<b>-17.2%</b>	<b>-20.8%</b>	<b>-51.2</b>	<b>-110.9</b>	<b>-53.8%</b>

In the quarter, the company's CAPEX totaled BRL 23.2 million, as follows:

- (i) **Development:** BRL 20.9 million, or 90% of the total, in software development activation. Although we continue to invest to innovate our solution platform, aiming to maintain our competitive advantage and market leadership, we maintain diligence and with that reduced investments by BRL 0.8 million in the quarter and by BRL 2.8 million in the year.
- (ii) **Licenses and Software Acquisition:** BRL 1.7 million related to operating software licenses and acquisition.
- (iii) **Fixed Assets:** BRL 0.4 million, down BRL 3.3 million from the quarter when we had occasional investments in the new headquarters.
- (iv) **M&A/Others:** BRL 0.2 million, down BRL 0.3 million in the quarter and BRL 1 million in the year.

In the semester, the company's CAPEX totaled BRL 51.2 million, as follows:

- (v) **Development:** BRL 42.6 million, or 83.2% of the total, in software development activation, down 1.1% y/y.
- (vi) **Licenses and Software Acquisition:** BRL 3.8 million related to operating software licenses and acquisition.
- (vii) **Property, plant, and equipment:** BRL 4.1 million mainly related to the construction of the new headquarters.
- (viii) **M&A/Others:** BRL 0.7 million mainly related to consideration for the acquisition of Beta Learning.



**Financing:** amortization of debts of BRL 8.4 million in the quarter and BRL 17.2 million in the year, with a gross debt balance of BRL 42.1 million on June 30, 2023.

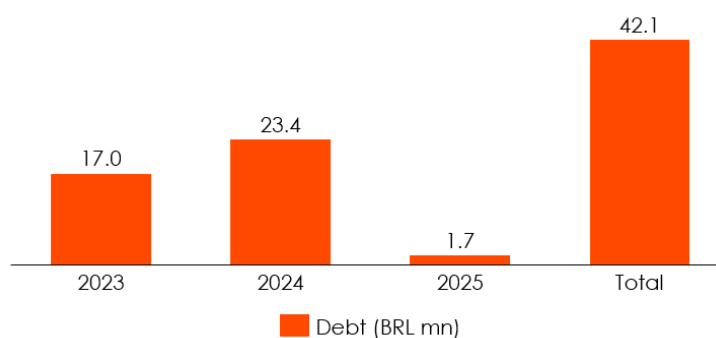


## 3.10. DEBT AND AMORTIZATION

BRL mn			2Q23
Contract	Index	Rate	Balance
Operation 4131 – Santander	Pre-fixed	10.82%	17.6
Operation 4131 – Citibank	Pre-fixed	7.95%	4.6
Working capital – Itaú	post-fixed	CDI + 3.50%	17.0
Working capital – Itaú	Pre-fixed	7.95%	2.8
BNDES Card – Bradesco	Pre-fixed	16.08%	0.0
<b>Debt</b>			<b>42.1</b>
leases			3.50
<b>Total Indebtedness</b>			<b>45.6</b>
Cash and Cash Equivalents			416.21
Financial investments			26.94
<b>Availability</b>			<b>443.2</b>
<b>Net Cash/Net Debt</b>			<b>-397.6</b>

The Short- and Long-Term Loans and Financing plus Lease Liabilities accounts closed on June 30, 2023, in the total amount of BRL 45.6 million, with 60% of the balance of contracts being readjusted by pre-Fixed indices and 40 post-Fixed % and amortization term as below.

## Amortization schedule





## 4. BALANCE SHEET

### 4.1. Assets

	BRL mn; %	6/30/2023	12/31/2022	% Chg.
<b>Current Assets</b>				
Cash and cash equivalents		416.2	479.6	-13.2%
Financial investments		26.9	0.0	n/a
Accounts receivable		105.2	137.2	-23.4%
Derivative financial instruments		2.1	1.6	+34.9%
Recoverable taxes		34.6	32.0	+8.2%
Other assets		25.4	8.5	+199.0%
Related parties		0.0	0.0	n/a
<b>Total current assets</b>		<b>610.5</b>	<b>658.8</b>	<b>-7.3%</b>
<b>Non-current assets</b>				
Financial investments		0.6	5.0	-88.8%
Other assets		2.2	2.1	+4.4%
Derivative financial instruments		0.0	0.0	n/a
Recoverable taxes		0.3	0.2	+29.0%
Related parties		0.0	0.0	n/a
Deferred income tax and social contribution		9.4	4.1	+129.9%
Investments		0.0	0.0	n/a
Fixed assets		19.6	20.7	-5.3%
Intangible		253.0	224.5	+12.7%
<b>Total non-current assets</b>		<b>285.0</b>	<b>256.7</b>	<b>11.1%</b>
<b>Total assets</b>		<b>895.5</b>	<b>915.5</b>	<b>-2.2%</b>



## 4.2. Liabilities and Shareholders' Equity

<b>Current liabilities</b>			
Loans and financing	30.6	35.3	-13.3%
Lease liability	0.1	0.6	-86.9%
Suppliers	32.9	28.7	+14.9%
Taxes and contributions payable	10.8	11.7	-7.1%
Payroll and related charges	58.1	36.5	+59.2%
Contingent consideration payable	5.9	5.6	+4.7%
Provisions	6.9	10.2	-32.3%
Phantom shares provision	0.0	0.0	n/a
Advance from clients	0.0	0.0	+100.0%
Other liabilities	0.0	0.0	n/a
Shares based Payment	1.8	3.6	-51.6%
<b>Total current liabilities</b>	<b>147.1</b>	<b>132.2</b>	<b>11.3%</b>
<b>Non-current liabilities</b>			
Loans and financing	11.4	23.8	-51.9%
Lease liability	3.4	3.0	+14.7%
Payroll and related charges	3.3	2.6	+27.5%
Derivative financial instruments	0.0	0.3	n/a
Phantom shares provision	0.0	0.1	-60.4%
Shares based payment	2.6	2.3	+12.7%
Related parties	0.0	0.0	n/a
Contingent consideration payable	0.0	5.8	n/a
Deferred income tax and social contribution	0.0	0.0	n/a
Provisions	0.2	0.2	+0.5%
Unsecured liability provision	0.0	0.0	n/a
<b>Total non-current liabilities</b>	<b>21.0</b>	<b>38.0</b>	<b>-44.7%</b>
<b>Shareholders' equity</b>			
Joint capital	789.4	789.4	0.0%
Treasury shares	0.0	0.0	n/a
Capital reserve and options granted	53.4	50.2	+6.4%
Legal reserves	0.0	0.0	n/a
Retained earnings	-111.7	-92.4	+20.9%
Other comprehensive income	-3.7	-1.9	+93.0%
Profit reserve	0.0	0.0	n/a
<b>Total shareholders' equity</b>	<b>727.3</b>	<b>745.3</b>	<b>-2.4%</b>
<b>Total liability and shareholders' equity</b>	<b>895.5</b>	<b>915.5</b>	<b>-2.2%</b>



## 5. GLOSSARY

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

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

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

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

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

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

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

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

**Operating Costs** - The Costs of Services provided include salaries, charges and benefits, variable compensation for the Technology, *Analytics*, Products and Operations teams, as well as expenses with technological infrastructure allocated to services provided by third parties, in addition to depreciation and amortization.

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

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

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

**ILP** - Long-term incentive program

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

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

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



## 6. IR CONTACTS

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ClearSale

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