

Coordinator: Good morning, ladies and gentlemen. Welcome to the ClearSale conference, where the results for the second quarter of 2024 will be discussed. All participants are connected only as listeners. To ask questions, simply submit them in the chat located on the left side of the screen, and they will be answered later in the Q&A session. The video and the presentation are being broadcast simultaneously over the internet via webcast. The recording will be available on the company's IR website at ri.clear.se. The slide presentation will be used, it 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 forecasts based on management's current expectations. These expectations are subject to change depending on macroeconomic conditions, market risks and other factors. Future considerations are not guarantees of performance, they involve risks, uncertainties and assumptions, as they refer to future events and, therefore, depend on the circumstances that may or may not occur. General economic conditions, industry conditions and other operating factors may affect the Company's future results and may lead to results that differ materially from those expressed in such forward-looking considerations. With us today are Mr. Eduardo Mônaco, CEO, Alexandre Mafra, CFO and Renan Ikemoto, director of investor relations. Initially, Mr. Monaco will comment on the strategic and operational highlights during the period. Subsequently, Mr. Mafra will comment on ClearSale's financial results and, afterwards, they will be available together with Mr. Renan to answer any questions that may be formulated. Now, I would like to give the floor to Mr. Eduardo. Please, Monaco, you can proceed.

Eduardo Mônaco: Hello, everyone. We are delighted to welcome you once again for ClearSale's second quarter 2024 earnings release, a quarter that closes out our first half of results. And before starting, marking our trajectory, I would like to remember our technological journey, which we have talked about a few times to you, and which is increasingly becoming a reality in our daily lives. Today we have a more scalable platform, capable of bringing new components to our journey, and increasingly with our maturity of offer, product, brand, we are also able to promote new bundles, new offer packages to the market, adding to our already winning full service, offers like this, and also component offers, Absolutely scalable, which allows us to enter new verticals and bring us greater profitability.

clearsale

Within this, within this journey, you will remember that last quarter we talked a lot about our strategy and within our strategy there is an important axis, which again the technological journey enables, it is the axis of our brand positioning. And with great pride, we launched this quarter our new strategic positioning, the One Step Ahead positioning, which is already born global. Here in Brazil, we have been talking about one step ahead, which allows us to always be one step ahead of fraud, one step ahead of credit risks, one step ahead in innovation. And this launch, not only in terms of positioning, we have also reached many more customers, many more partners, and managing in a very strategic, segmented way, to carry out actions where we demonstrate to the market the robustness of everything we have built in these last cycles and we launch saying that we have a campaign, an important step in our trajectory and disclosing to our partners and customers in an exclusive way that ClearSale is then one step ahead of fraud, always being proud of our trajectory, but also demonstrating to the market that the company has modernized, transformed and is much more ready to be a strategic partner of its customers.

This also becomes a reality in our go to market, in our product vision, the company has proliferated a lot the level of offers and the level of products that we have delivered to the market with a speed that we have never had from technology. And then it is worth brushing here, within our mandala, some products that we have launched in a very robust way to the market. Credit products that we have talked about many times, we launch a new version with many more features. and we call the product Credit Pro.

In the transactional field, we are increasingly close to the banks, absorbing card ownership data for new offers and more than that, so that we can improve the customer experience and the principality of the card, which has been a topic so talked about in the financial market. In addition, we are advancing in biometrics, biometrics not only in the transactional, but also in the onboarding, having better coverage, a very flexible product that adheres to the needs of the market.

In the financial market, we take advantage of Febraban Tech, a major event in the segment, to launch an offer that we called secure authentication, where we use the best of ClearSale, from your data, the information from our device, a new product that we launch, combining with our data to ensure a good experience for the customer invisibly and when necessary we can give up and to place within the process components of greater inflection, such as biometrics, documentscopy, and others, doing this in a very flexible, direct way, and can even bring very, very significant results to the financial market from the point of view of efficiency and from the point of view of experience for their customers. We have numerous new fraud scores for various segments

clearsale

and for various opportunities. We also have a very great facility for our customers, who when connecting to an API, they are available to call various ClearSale services, this in the world of onboarding.

And also, in our New Ventures vertical, we launch several offers, such as Bettor's Passport, with very important differentials to meet the regulation of this very important segment that has grown as much as the Bets segment. Our Threat-X continues to grow, increasingly preparing for internationalization and incorporation of AI tools within our product to have much more scale and distribution capacity. And in our Embedded Finance thesis, we also advance in BNPL and went to the second phase of DREX, in addition to the market launch of our increasingly robust distributed digital identity. This contributes a lot to our ecosystem, so it allows us to do a lot of cross-selling within our ecosystem. Customers from the transactional world demand us in onboarding and credit solutions, the reverse is also true, we have financial customers who enter the transnational world and we are able to bring comfort and information and a very consistent product to this customer, the same component can be used in several places, as I mentioned, biometrics and many of these interchangeable processes and segments, but most importantly, scalable, both from a technological point of view, and from a business process and operation point of view. All this also with a very relevant background for us, which is that we maintain dominance in data and be able to collect, the more information we have, the better our services will be and the more they feedback between them.

So, we are increasingly making our ecosystem robust, prepared, and you will see in the numbers that Maфра presents, especially in our new revenue numbers, part of this effect is already being realized in our results. I would now like to invite Alexandre Maфра to show the numbers in more detail for this second quarter.

Alexandre Maфра: Thank you, Monaco. Good morning to all and thank you very much for your presence. Now let's go through the financial results for the second quarter and the cumulative results for the six months of 2024. Starting with operational indicators, our annualized churn remained controlled in the first half of 2024, at the level of 3.2%, which means a theoretical lifetime of 32 years. It is worth mentioning that the cleaning of bases in the international provided a relevant drop in the churn rate of the international, from the level of 23.4% in 2023 to 7.3% in the first annualized half.

Below, we show the evolution of customers, in which this quarter we reprocessed the base with a new criterion. where we started to consider as customers only transactionally active customers, excluding customers without transactions. We closed the quarter with 7,255 active customers in transaction, 76% in Transactional Brazil, 20% in Transactional

clearsale

International and 4% in Application Fraud. Compared to the beginning of the year, we had a net addition of 97 customers, and 188 customers compared to the previous quarter.

On the right side of the slide, we bring up the MRR New Sale, or Monthly Recurring Revenue. The indicator represents an estimate of the recurring revenues that the customers in question will generate for the company on a monthly basis for the next few years. The MRR is calculated from the average of the monthly gross revenue from each harvest in the period under review. From 2024 onwards, we will segregate new sales of monthly recurrence, that is, sales that we have monthly predictability of consumption, from non-monthly recurring sales, that is, sales that do not have monthly predictability, such as batch queries, batch contracts, and queries for base cleaning. In the first half of 2024, the Total MRR New Sale was R\$ 6.4 million, an annual growth of 46.5%, showing growth in all business units. The MRR New Sale, with monthly recurrence, totaled R\$ 4.7 million, which, annualized, means a recurring ARR of R\$ 56.4 million. In other words, we have an important growth carry for next year, based on sales in this first half of the year. The non-monthly recurrence MRR totaled R\$1.7 million, driven by the performance of Application Fraud.

Regarding gross revenue from new sales, we totaled R\$ 17.3 million in the second quarter of 2024, showing an annual growth of 61.8%, driven by the performance of new sales, monthly recurring of Transacional Brasil, which grew 55.5% in the year, as well as by the non-monthly recurring new sales of Application Fraud. The International Transactional totaled R\$1.5 million in the second quarter, with annual growth of 28.6%. And in the year, gross revenue from new sales totaled R\$ 26.3 million, representing an annual growth of 65%.

Moving on to slide 11, let's talk a little about our net revenue. Total net revenue was BRL 118.9 million in the second quarter of 2024. A quarterly growth of 6.5% and an annual drop of 6.1%, reflecting a downward trend of this annual drop, when compared to the previous quarter, in which we had a high single-digit drop. Year-to-date, total net revenue was R\$230.5 million, down 8.2% year-on-year. In the second quarter of 2024, transactional Brazil revenue totaled R\$66.8 million, a quarterly growth of 5.1% due to lower seasonality and new sales, and a year-on-year decrease of 15%. In the first half of the year, revenue totaled R\$130.3 million, down 14.5% year-on-year. The annual declines reflect the process of componentization and repositioning of our solutions, GMV trend and reduction of our revenue in large retailers. While first-half revenues in large marketplaces fell 42.2% year-on-year, in other customers the growth was 1.7%. Within a specific customer, in this block of others, we had a one-off chargeback, which affected the growth of net revenue. Thus, the growth of others without this effect would be 7.6%. As a result, we have a transitory process of pressured revenue, but with important effects of reducing dependence on large retailers. On the other hand,

clearsale

we increased our exposure to segments with different economic cycles, making our revenue more resilient in the long term. In the international transactional, net revenue reached US\$3 million, or 15.6 million reais, in the second quarter of 2024. An annual drop of 23.4% in dollars, or 19.3% in reais, while in the year-to-date revenue totaled 6.1 million dollars, or 30.7 million reais. Annual drop of 18.1% in dollars, or 17.9% in reais. The year-on-year drop is explained by the cleanliness of the customer base and focus on profitable new regions and sales. Application Fraud was our positive highlight, in which we once again showed growth at healthy paces. Application Fraud revenue was R\$ 36.6 million in the second quarter of 2024, a quarterly growth of 10.9% and an annual growth of 27.2%, explained by the performance of new sales and the carryover of sales made last year. Year-to-date, revenue reached R\$69.5 million, an annual growth of 13.5%.

Moving on to slide 12, let's talk a little about our costs and expenses. On this slide, we bring a view of the evolution of costs and expenses. In the table on the right, it is possible to see the capture of the benefits of the various plans implemented over the years. total expense costs reached R\$129.3 million in the second quarter of 2024, relatively stable compared to the previous year. Year-to-date, total expense costs totaled R\$247.7 million, a decrease of R\$25 million compared to the same period of the previous year. It is worth noting that we have a long-term incentive, which has no cash effect, and which goes through a provision adjustment due to the share price. Excluding the long-term incentive, total costs and expenses would have an annual decrease of R\$11.1 million in the second quarter of 2024, or R\$34.1 million year-to-date.

Going now to slide 13. As a result of everything we have covered, we achieved a gross margin of 42.3% in Brazil and 45.6% internationally, consolidating a gross margin of 42.8% in the second quarter of 2024. In addition, our gross profit reached R\$ 50.8 million, a slight decrease compared to the previous year. The EBITDA indicator, excluding the long-term incentive program, which does not have a cash effect, as we have already mentioned in the previous slide, was R\$ 0.3 million, reflecting an EBITDA margin of 0.3% and showing an annual improvement of 2.7 percentage points.

Going to cash flow, we have an operating cash burn of R\$ 7 million in the second quarter of 2024. If we consider the payment of the PPR for the 2023 fiscal year, which was made in the second quarter, and taking a comparison to the same bases, since in the second quarter of 2023 we did not have a PPR payment, we would have... a cash generation of 13.7 million reais, which is a number comparable to the number of cash generation in the second quarter of last year. Year-to-date, operating cash generation totals 22.5 million reais. Below, in the cash flow from investments, we reduced investments of around R\$4.6 million in the second quarter of 2024 and R\$17.3 million in the year-to-date, compared

clearsale

to the same period of the previous year. The reduction is mainly due to the development line as a reflection of the strategic restructuring carried out in September last year. On the upper right, we ended the second quarter of 2024 with a gross debt of R\$ 11.6 million. with an amortization of R\$ 5.4 million in debt in the second quarter of 2024. Finally, we ended the quarter with R\$354.4 million in net cash, a consumption of R\$14.7 million per year, or a generation of R\$5.9 million if we disregard the payment of PPR and take it to a basis also comparative with the previous year, referring to the 2023 fiscal year.

I will now turn the presentation to Monaco to make the final considerations. Thank you very much, guys.

Eduardo Mônaco: Thank you, Maфра. So, with that, now we will close and open for questions and answers soon, but first, as usual, I would like to close by passing on some relevant messages to you and tying them with our strategic vision. We continue our journey, a journey of strategic repositioning, a journey that goes through technology, that goes through a mindset of componentization and new offers. You've seen a lot of new offers here. Our capacity to launch offers has been exponential and we are getting closer and closer to the market. With this, we consolidate a new positioning of ClearSale, which has been something that we have talked about and talked about a lot with our customers over the last few months and we feel that it is the right time for us to launch a campaign that can consolidate this positioning to the market, repositioning our brand for a much more technological brand, Modern, flexible, partner of our clients, and with that we also, as we said in many of the disclosures, we expanded our go-to-market and managed to enter several other segments, as we mentioned throughout the presentation. This is part of our vision of being an increasingly diverse company, you have seen this in our numbers, with much more operational deleveraging and in search of scalability and profitability, we are going through a transition, a moment where we still exchange products in some customers, we have a macro ecosystem still impacting our revenue results, But the company is in shape and prepared to invest in technology, but at the same time be able to scale its products very lightly. With that, one of our relevant focuses this year is sales, and you see robust numbers this year, there is a 65% growth year over year in new sales. It is also very important to highlight that one of our theses and target markets is the application fraud market, especially in the financial and diversified segment, telecoms, direct selling companies, where we already grow in the top line 27%, which is very significant for our history, driven by new, high-profitability products, such as credit.

And we also continue our always continuous gymnastics of looking at our costs and expenses. We reduced 25 million in the semester compared to the same semester last year. We improved EBITDA, we

clearsale

improved our operating cash. And another relevant goal for our company, we generate net cash in the year-to-date of 6 million reais. So, it is relevant information within our trajectory and our history, which continues. We still have steps to take over the next few months and semesters, but we are confident that we are on the right path. And now I would like to open it for you to ask the questions you find pertinent. Thank you very much for your attention once again and let's go to questions and answers.

Q&A Session

Renan Ikemoto: Guys, starting the Q&A session here, we already have a first question from Arnon Shirazi, from Santander. What is behind the new sales performance? What are they doing from a commercial point of view? What type of customer, product is behind this sale?

Eduardo Monaco: Arnon, good morning, good morning, everyone. Nice to be here with you. Answering the question, first I think this point is relevant because it is fundamental in our trajectory, in our strategic transition that we have made. It has been a fundamental focus of the entire ClearSale team and leadership to seek new sales, especially new sales of this new ClearSale that we have been talking about. So what's behind it, directly answering your question. I selected some items here for us to talk about. First, the technological evolution of ClearSale's products begins to gain traction and we are able to have relevant use cases in several new products, customers testing, customers entering production and happy with our solution, which excites us a lot looking to the future. And I could cite as an example credit solutions, document validation solutions, biometrics solutions, etc., The second relevant issue is that we materialize in this quarter very clearly to you at the beginning of our disclosure, that we are increasingly ready to, from this componentized technology, create offers and bundles being very close to the market. So we did this in an accelerated way this semester, especially in this last quarter, where we clearly see us launching a bundle for secure authentication, proposing new alternatives for the onboarding process of the financial segment and other segments. We have different segments, such as the bettor's passport to the world of BETS. We have launches of biometrics in e-commerce that can also help facilitate and generate greater efficiency in the process. We have our Threat-X product. So, there are several bundles that we are creating and gaining traction due to this technological strategy that we talked about. The third element is an increasingly mature and increasingly focused commercial team and much more lean commercial processes so that we are close to each market segment, to each of the two. I think the other element is the repositioning of the brand. So, a year ago, the market still recognized ClearSale as a company very focused on the full-service business. And during this year, we made a huge effort through a

clearsale

clear ABM strategy, and now the launch of this repositioning of our brand, to show the market that we are no longer this company, that we have transformed ourselves and that we have a very large option, a very wide range of options, And we are increasingly accessing the high decision-making levels of our customers through this repositioning. And I think what we're most excited about about this strategy is that this sale, as I said, is from this new Clear Sale. So, for sure, it is much more diverse from a product point of view, much more diverse from the point of view of segments, Dependence reduction than what brought us here with growth, we reduce dependence on those large marketplace and e-commerce players, so this is fundamental for the story and for our trajectory. So that's what's behind it, tireless work from the product manufacturing team to the top team that takes this story to the market.

Renan Ikemoto: Guys, remembering that to ask a question just to send it through the chat located on the left side of the screen. We have a question here from Maria Clara Infantose from Itaú BBA. The company has been showing slightly better results over time, has been launching products such as new secure authentication, biometrics in e-commerce, but would like to have better visibility over future plans and a timeline to improve profitability.

Eduardo Monaco: Maria, I think we can divide our process into a few chapters. I think that the first chapter of our trajectory was to have this discipline, this diligence in costs, which we have demonstrated, as you can see in the results, consistently every quarter, some level of evolution, and we continue with a lot of discipline in this, this was part of our last quarters. At the same time, we were launching new products, as you noticed, that, due to the characteristic of our business, it piles up crops over time that are much more profitable and healthier for the future. Right now, we are very, very focused on ensuring that these sales happen with more profitable, more diverse products and, at the same time, more efficient cash management so that we can eliminate all remnants of cash burn in the company on this journey that we are on now. At the same time, Maria, I think your question allows me to highlight this, we have also sought to find these theses that can build this future. And in this quarter, we already demonstrate a very relevant thesis in our application fraud business unit, that in the total revenue of this quarter, it already grows 27%, if I'm not mistaken, in the exact number. So, this already demonstrates that in addition to balancing to be a company that grows again, we also build more representative theses. And this thesis is very relevant, because you know that it operates especially in the financial segment, the fintech segment, the telecoms segment, the direct sales segment, they are growing and very large segments. So there, having theses like this, especially also the credit thesis, which gives us a TAM, a much higher SAM, we can also have traction in this result. So, this is the third phase of this journey, where we, in addition to returning to

clearsale

growth and profitability, a company with a healthier P&L, which will come in the next quarters, over the next few quarters, also consistently, without major madness, but will happen in the next quarters. Then later, in the last phase of this story, we will... From our innovations, we seek theses that can further accelerate this growth. But we will do it, we will continue to do our evolutions consistently and gradually.

Alexandre Mafra: Let me complement a point that I think your question is great to give a veneer that we are also transforming this company into a much more predictable company. And this type of characteristic for a recurring revenue company, from our point of view, it is excellent. We start to have a dynamic where we challenged ourselves in a different way to change the four wheels of the car, with the car going at 160 km per hour. We challenge ourselves to make a transformation of this company through technology, to... having a company with much more profitable products, with a higher degree of scalability and with much better future results. But we are, effectively, I joke that we have already become the Cape of Good Hope here. We had revenue until the end of last year that grew the drop, and what we see in these two quarters, the first and second quarters, is a company that is reducing the drop in revenue compared to the previous year. So this indicates that we are reaching the end of this journey, and we enter a very interesting equation, a little of what Monaco just said. An equation where we have new products on the market, there are combos, we have a different proximity to the market, at different levels, with different products, with much more profitable products. We have been accelerating new sales, we have been reducing the loss, from that base of large e-commerce. And this starts to turn the tables now in the second half of the year. And, together, we took the company, took it to the gym, left a company much fitter and is having a lot of discipline in keeping this company fit. So, we understand that we... It will continue to accelerate results in the second half of the year, to effectively have a company that generates cash, which I think is the main objective of this year.

Renan Ikemoto: There is one more question here from Maria Clara, about churn compared to 2023, financial churn has been decreasing with the international base cleaning. Didn't I expect a stabilization at this level, or do we still see better?

Eduardo Monaco: Maria, I think churn has always been an indicator that has made us very proud, makes us very proud. We have a very low churn compared to the average we find in the market. And what we have been going through is these specific moments. Internacional is a story... Where we have, as we have said over the quarters, done this work of having a more profitable portfolio, you see the evolution of gross margin that we have achieved in the international market. So, I think that when we look at the general view, we don't expect growth in our churn, but a stabilization, yes, I think this is the medium and long-term view.

clearsale

There may be specific moments in a specific case when we discover that that account is not healthy, that we have to make some tougher decisions in favor of this journey that we have been making, but in the long term and in the consolidated view we do not expect major changes in this indicator.

Renan Ikemoto: So, a few more minutes for us to receive any more questions.

Well, guys, without further questions, I would like to call Edu and Mafa for final considerations.

Eduardo Monaco: Well, once again thank everyone for their presence in our earnings release. I think that just reinforcing a final message, we continue our journey very aware of the challenges we still have to have a company that is increasingly balanced in its results, but also aware of the moment in which we live, a necessary moment for the history and trajectory of ClearSale, with several external impacts as well, but also with a lot of clarity about what we are doing in the short term to have an increasingly diverse, profitable, scalable company, with many more product possibilities and we continue on this trajectory without great madness, more aware and without also failing to invest in the future of the company. So it's another quarter within this trajectory and we will continue here making every effort to go especially this year. To continue selling a lot and selling this new Clear Sale and very careful with our cash. Thank you, guys. Until the next quarter.