



ClearSale  
intelligence to move\_

RELEASE



# RESULTS

# 3rd Quarter and 9 months of **2023**

## Video conference

**11/14/2023** (Tuesday)  
(Simultaneous translation into English)  
10:00 am (Brasília)  
08:00 am (EDT)

[Access here](#)

**Barueri**, Monday, November **13, 2023** - Clear Sale SA ("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 3rd quarter and 9 months of 2023 ("3Q23" e "9M23").

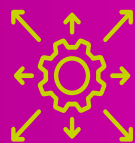
The following financial and operational information follows international accounting standards (IFRS) and Brazilian accounting principles. Comparisons refer to the same periods in 2022.

## Financial and operational highlights

Growth of 11% q/q and 121% y/y



**ARR New Sales of R\$ 54.9 million**



**R\$ 0.3 million**

**Positive Recurring EBITDA Brazil**

**Strategic Reorganization with payroll reduction to be captured from 4Q23 onwards.**



**Structure simplification**

**Generation R\$ 33.1 million and Net Cash of R\$369.9 million**



**Operating Cash Generation in 9M23 and healthy cash position**



	3Q23 (y/y)		9M23 (y/y)	
<b>ARR New Sales</b>	<i>E-commerce Brazil</i>	R\$ 6.5 mn (-4.8%)	R\$ 27.8 mn (+22.2%)	
	<i>E-commerce Internacional</i>	R\$ 1.2 mn (-62.5%)	R\$ 7.5 mn (-33.1%)	
	<i>Application Fraud</i>	R\$ 47.2 mn (+219.8%)	R\$ 106 mn (+67.3%)	
	<b>Total ARR New Sales</b>	<b>R\$ 54.9 mn (+121.2%)</b>	<b>R\$ 141.3 mn (+45.1%)</b>	
<b>Customers</b>	<i>E-commerce Brazil</i>	5,523 (+375)		
	<i>E-commerce Internacional</i>	1,564 (-37)		
	<i>Application Fraud</i>	249 (+13)		
	<b>Total Customers</b>	<b>7,336 (+351)</b>		
<b>Churn</b>	<b>Total Churn Rate</b>	<b>2.2%</b>	<b>(+0.8 p.p.)</b>	
<b>Net Revenue</b>	<i>E-commerce Brazil</i>	R\$ 74.3 mn (-9%)	R\$ 226.8 mn (+6.5%)	
	<i>E-commerce Internacional</i>	R\$ 15.4 mn (-4.5%)	R\$ 52.8 mn (+16.2%)	
	<i>Application Fraud</i>	R\$ 29.6 mn (-8.8%)	R\$ 90.9 mn (-9.4%)	
	<b>Total Net Revenue</b>	<b>R\$ 119.3 mn (-8.4%)</b>	<b>R\$ 370.5 mn (+3.3%)</b>	
<b>Gross Profit</b>	Recurring Gross Profit	R\$ 46 mn (-26%)	R\$ 144.1 mn (+17.1%)	
	Recurring Gross Margin	38.5% (-9.1 p.p.)	38.9% (+4.6 p.p.)	
<b>Recurring EBITDA</b>	Recurring Total EBITDA	R\$ -4.4 mn (-R\$ 15.6 mm)	R\$ -18.2 mn (+R\$ 28.8 mm)	
	Recurring Total EBITDA Margin	-3.7% (-12.3 p.p.)	-4.9% (+8.2 p.p.)	
	Recurring EBITDA Brazil	R\$ 0.3 mn (-R\$ 18.7 mm)	R\$ 1.9 mn (+R\$ 22.5 mm)	
	Recurring EBITDA Brazil Margin	0.3% (-16.4 p.p.)	0.6% (+7.2 p.p.)	
<b>Recurring Net Result</b>	Recurring Net Result	R\$ -10.5 mn (-R\$ 16.6 mm)	R\$ -24.5 mn (+R\$ 4.8 mm)	
	Recurring Net Margin	-8.8% (-13.5 p.p.)	-6.6% (+1.6 p.p.)	

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

#### Conference Call in Portuguese:

11/14/2023 (Tuesday)

(Simultaneous translation to English)  
10:00 AM (Brasília Time)  
08:00 AM (US Time - EDT)

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### 1. MESSAGE FROM ADMINISTRATION

Dear Shareholders,

We present our results for the first nine months of 2023, where we continue our transformation process aiming for a more technological, agile, scalable, and profitable Company, in a particularly complex quarter for Brazilian retail.



On October 6th, we announced an important strategic restructuring that had a transversal impact on the dismissal of approximately 9% of the company's total workforce. This process was conducted with transparency and respect, aiming to generate cash for the long-term sustainability of the business, adapting the structure to the macroeconomic moment and the strategic planning positioning and offers (componentization). Furthermore, this restructuring generated a negative one-off impact related to termination processes of R\$15.1 million this quarter, which was partially offset by a positive one-off effect of R\$11.2 million in gains from tax credits. As the restructuring took place in October, we have not yet captured any economic benefits in this quarter, and we hope to capture them from 4Q23 onwards.

This quarter, we also took another important step in the process of transitioning our revenues. We made significant progress in reducing human analysis usage in some of the major players in Brazilian e-commerce, leading to a reduction in dependence on these large retailers in our revenue, with a consequent capture of gross margin in the coming quarters. On the other hand, we continue to increase penetration in higher growth and higher margin segments, which showed an annual growth of 32.3%, seeking a more scalable, sustainable, and profitable business profile.

In the Global E-commerce business unit (BU), we effectively launched the dispute prevention product for issuers (Buy Checker) and had our first major bank billed, a solution that, in addition to expanding the range of services for financial institutions, helps us with the goal of data dominance. Additionally, we signed a payment link solution with a large acquirer and moved forward with the rollout of second factor authentication (2FA) via WhatsApp and link with biometrics, with 15 of our 20 largest customers in production and/or integration.

In Application Fraud BU, we closed the solution for the Central Bank Resolution No. 6 with 30 customers and in the New Ventures BU we won a large issuer for the ITP (payment transaction initiator) solution.

Finally, we had another quarter of operating cash generation, leading to an accumulated operating cash generation of R\$33.1 million in 2023. We hope in the next quarter, which has an important positive seasonal effect, to continue with our diligence in cost and expenses and to capture the benefits of the strategic restructuring.

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**Eduardo Mônico**  
CEO



## 2. OPERATIONAL INDICATORS

### 2.1. CUSTOMERS AND CHURN

# ; %	3Q23	2Q23	3Q22	QoQ	YoY
Customers e-commerce Brazil	5,523	5,483	5,148	+0.7%	+7.3%
Customers e-commerce International	1,564	1,613	1,601	-3.0%	-2.3%
Customers Application Fraud	249	270	236	-7.8%	+5.5%
<b>Total Customers</b>	<b>7,336</b>	<b>7,366</b>	<b>6,985</b>	<b>-0.4%</b>	<b>+5.0%</b>

In September 2023, the total number of customers reached 7,336, relatively flat in the quarter. In E-commerce Brazil, we had a quarterly increase of 40 customers. The international E-commerce unit showed a quarterly reduction of 3.0% due to client base cleaning. In Application Fraud, we had a reduction of 7.8% in the quarter, mainly due to the business interruption of some customers.

R\$ mn; %	3Q23	2Q23	2022	QoQ	vs 2022
Annualized Financial Churn	1.0	1.3	0.5	-22.1%	80.9%
<b>Annualized Churn Rate (%)</b>	<b>2.2%</b>	<b>2.8%</b>	<b>1.4%</b>	<b>-0.6 p.p.</b>	<b>+0.8 p.p.</b>

The Annualized Financial Churn in 3Q23 was R\$1.0 million, resulting in a Churn-rate of 2.2%, a drop of 0.6 pp. compared to 2Q23. In relation to 2022, the Churn-rate shows an increase of 0.8 pp. due to the impact observed in 1Q23, when we had a churn concentrated in three Application Fraud customers, one of which was due to business discontinuity.

### 2.2. ARR NEW SALES

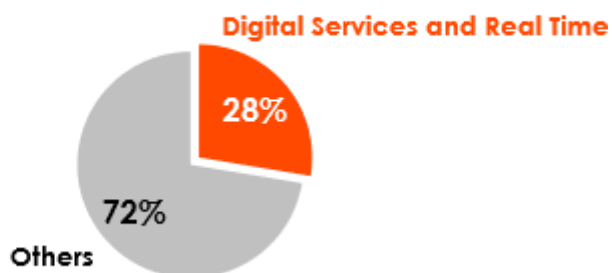
R\$ mn; %	3Q23	2Q23	3Q22	QoQ	YoY	9M23	9M22	YoY
ARR New Sales e-commerce Brazil	6.5	14.7	6.8	-55.8%	-4.8%	27.8	22.7	+22.2%
ARR New Sales e-commerce International	1.2	1.6	3.2	-23.7%	-62.5%	7.5	11.3	-33.1%
ARR New Sales Application Fraud	47.2	33.0	14.8	+42.9%	+219.8%	106.0	63.3	+67.3%
<b>Total ARR New Sales</b>	<b>54.9</b>	<b>49.3</b>	<b>24.8</b>	<b>+11.3%</b>	<b>+121.2%</b>	<b>141.3</b>	<b>97.4</b>	<b>+45.1%</b>

The ARR New Sales in 3Q23 was R\$54.9 million, growth of 121.2% in the year and 11.3% in the quarter, mainly due to the performance of Application Fraud, which presented annual and quarterly growth of 219.8% and 42.9%, respectively.

The performance of Application Fraud offset the slowdown in ARR New Sales E-commerce Brazil and E-commerce Internacional, which was R\$6.5 million and R\$1.2 million in 3Q23, respectively. The ARR New Sales Internacional follows the Equilibrium Plan strategy of focusing on profitable channels and customers.



### E-commerce BR ARR New Sales Distribution 9M23



It is important to note that the investments made in the development of Flow, a componentized and modularized platform, are already showing positive impacts considering that 28% of E-commerce Brazil new sales made in the first nine months of 2023 are already in digital and real time services.

## 3. FINANCIAL INDICATORS

## 3.1. RESULTS REPORT

R\$ mn; %	3Q23	2Q23	3Q22	QoQ	YoY	9M23	9M22	YoY
E-commerce Brazil	74.3	78.5	81.7	-5.4%	-9.0%	226.8	213.0	+6.5%
Application Fraud	29.6	28.7	32.4	+2.9%	-8.8%	90.9	100.3	-9.4%
E-commerce International	15.4	19.3	16.1	-20.0%	-4.5%	52.8	45.4	+16.2%
<b>Net Revenues</b>	<b>119.3</b>	<b>126.6</b>	<b>130.2</b>	<b>-5.7%</b>	<b>-8.4%</b>	<b>370.5</b>	<b>358.8</b>	<b>+3.3%</b>
Labor	-46.3	-42.3	-42.4	+9.6%	+9.3%	-131.6	-141.2	-6.8%
Suppliers	-18.8	-22.0	-17.0	-14.6%	+10.5%	-61.2	-67.6	-9.4%
Other Costs	-5.9	-6.6	-8.7	-11.1%	-32.5%	-24.6	-26.9	-8.5%
Participation in Profits and Results (PPR)	-2.3	-2.6	0.0	-11.3%	n/a	-9.0	0.0	n/a
<b>Recurring Costs (ex depr.)</b>	<b>-73.3</b>	<b>-73.5</b>	<b>-68.1</b>	<b>-0.2%</b>	<b>+7.6%</b>	<b>-226.4</b>	<b>-235.7</b>	<b>-4.0%</b>
<b>Recurring Gross Profit (ex depr.)</b>	<b>46.0</b>	<b>53.1</b>	<b>62.1</b>	<b>-13.4%</b>	<b>-26.0%</b>	<b>144.1</b>	<b>123.1</b>	<b>+17.1%</b>
<i>Gross Margin (%)</i>	38.5%	41.9%	47.7%	-3.4 p.p.	-9.1 p.p.	38.9%	34.3%	+4.6 p.p.
General and Administrative Expenses	-21.5	-21.1	-23.5	+1.8%	-8.4%	-60.1	-77.9	-22.8%
Selling Expenses	-25.5	-27.5	-26.7	-7.3%	-4.4%	-82.5	-84.8	-2.8%
PPR	-1.6	-1.1	0.0	+47.3%	n/a	-4.9	2.7	n/a
Allowance for Doubtful Accounts (ADA)	-1.8	-2.8	-0.8	-34.0%	+127.3%	-5.7	-1.2	+367.5%
Other Revenues and Expenses	0.0	-1.8	0.0	n/a	n/a	-9.0	-8.8	+2.5%
<b>Total Recurring Expenses (ex depr.)</b>	<b>-50.4</b>	<b>-54.2</b>	<b>-51.0</b>	<b>-7.0%</b>	<b>-1.1%</b>	<b>-162.3</b>	<b>-170.1</b>	<b>-4.6%</b>
<i>% Net Revenue</i>	-42.3%	-42.8%	-39.1%	+0.6 p.p.	-3.1 p.p.	-43.8%	-47.4%	+3.6 p.p.
<b>Recurring EBITDA</b>	<b>-4.4</b>	<b>-1.2</b>	<b>11.1</b>	<b>+283.8%</b>	<b>n/a</b>	<b>-18.2</b>	<b>-47.0</b>	<b>-61.4%</b>
<i>Recurring EBITDA Margin (%)</i>	-3.7%	-0.9%	8.6%	-2.8 p.p.	-12.3 p.p.	-4.9%	-13.1%	+8.2 p.p.
<b>Recurring EBITDA ex-ADA punctual</b>	<b>-4.4</b>	<b>0.4</b>	<b>11.1</b>	<b>n/a</b>	<b>n/a</b>	<b>-15.8</b>	<b>-47.0</b>	<b>-66.4%</b>
<i>Recurring EBITDA Margin ex-ADA punctual (%)</i>	-3.7%	0.3%	8.6%	-4.0 p.p.	-12.3 p.p.	-4.3%	-13.1%	+8.8 p.p.
<b>Recurring EBITDA Brazil</b>	<b>0.3</b>	<b>0.4</b>	<b>19.0</b>	<b>-31.2%</b>	<b>-98.6%</b>	<b>1.9</b>	<b>-20.6</b>	<b>n/a</b>
<i>Recurring EBITDA Margin Brazil (%)</i>	0.3%	0.4%	16.7%	-0.1 p.p.	-16.4 p.p.	0.6%	-6.6%	+7.2 p.p.
<b>Recurring EBITDA Brazil ex-ADA punctual</b>	<b>0.3</b>	<b>1.9</b>	<b>19.0</b>	<b>-86.1%</b>	<b>-98.6%</b>	<b>4.2</b>	<b>-20.6</b>	<b>n/a</b>
<i>Recurring EBITDA Margin Brazil ex-ADA punctual (%)</i>	0.3%	1.8%	16.7%	-1.5 p.p.	-16.4 p.p.	1.3%	-6.6%	+7.9 p.p.
Non recurring Costs and Expenses	-22.1	-2.1	-6.0	+952.5%	+270.2%	-30.3	-15.2	+99.2%
<b>EBITDA</b>	<b>-26.5</b>	<b>-3.3</b>	<b>5.2</b>	<b>+715.3%</b>	<b>n/a</b>	<b>-48.5</b>	<b>-62.2</b>	<b>-22.1%</b>
<i>EBITDA Margin (%)</i>	-22.2%	-2.6%	4.0%	-19.7 p.p.	-26.2 p.p.	-13.1%	-17.3%	+4.3 p.p.
Depreciation and Amortization	-11.7	-10.9	-7.9	+6.5%	+48.2%	-32.9	-20.8	+58.3%
<b>Operational Result</b>	<b>-38.2</b>	<b>-14.2</b>	<b>-2.7</b>	<b>+168.9%</b>	<b>+1317.0%</b>	<b>-81.4</b>	<b>-83.0</b>	<b>-1.9%</b>
Financial Revenues	15.2	14.7	16.1	+3.3%	-5.4%	46.1	59.2	-22.2%
Financial Expenses	-2.8	-4.0	-3.6	-29.4%	-20.8%	-11.6	-13.7	-15.4%
<b>Financial Result</b>	<b>12.4</b>	<b>10.8</b>	<b>12.5</b>	<b>+15.5%</b>	<b>-1.0%</b>	<b>34.5</b>	<b>45.5</b>	<b>-24.2%</b>
<b>Earnings before taxes</b>	<b>-25.8</b>	<b>-3.4</b>	<b>9.8</b>	<b>+647.6%</b>	<b>n/a</b>	<b>-46.9</b>	<b>-37.5</b>	<b>+25.1%</b>
Taxes	11.8	1.6	-7.7	+654.8%	n/a	13.6	-2.8	n/a
<b>Net Result</b>	<b>-13.9</b>	<b>-1.9</b>	<b>2.1</b>	<b>+641.5%</b>	<b>n/a</b>	<b>-33.4</b>	<b>-40.3</b>	<b>-17.3%</b>
<i>Net Result Margin (%)</i>	-11.7%	-1.5%	1.6%	-10.2 p.p.	-13.3 p.p.	-9.0%	-11.2%	+2.2 p.p.
Net Result adjustments	3.4	1.4	3.9	+146.4%	-13.5%	8.8	11.0	-19.8%
<b>Recurring Net Result</b>	<b>-10.5</b>	<b>-0.5</b>	<b>6.1</b>	<b>+2032.1%</b>	<b>n/a</b>	<b>-24.5</b>	<b>-29.3</b>	<b>-16.4%</b>
<i>Recurring Net Result Margin (%)</i>	-8.8%	-0.4%	4.7%	-8.4 p.p.	-13.5 p.p.	-6.6%	-8.2%	+1.6 p.p.
<b>Recurring Net Result ex-ADA punctual</b>	<b>-10.5</b>	<b>0.5</b>	<b>6.1</b>	<b>n/a</b>	<b>n/a</b>	<b>-23.0</b>	<b>-29.3</b>	<b>-21.6%</b>
<i>Recurring Net Result Margin ex-ADA punctual (%)</i>	-8.8%	0.4%	4.7%	-9.2 p.p.	-13.5 p.p.	-6.2%	-8.2%	+2.0 p.p.

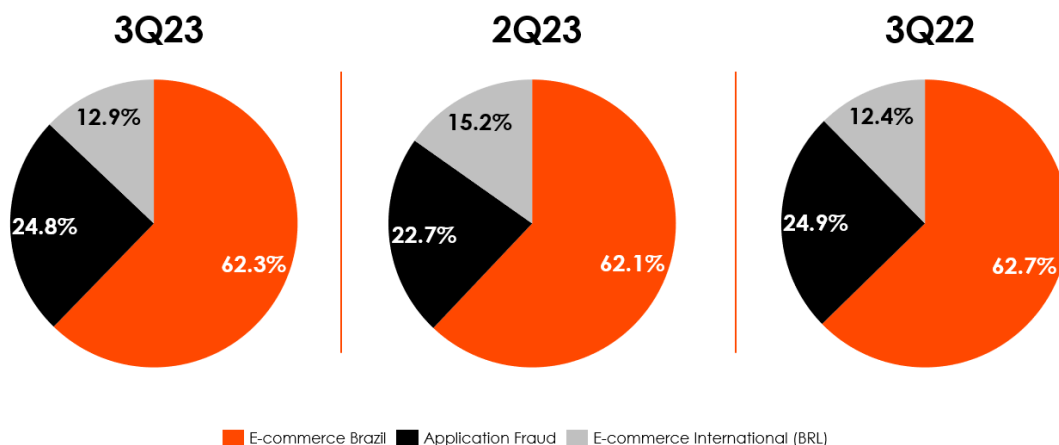




### 3.2. NET REVENUE by SEGMENT

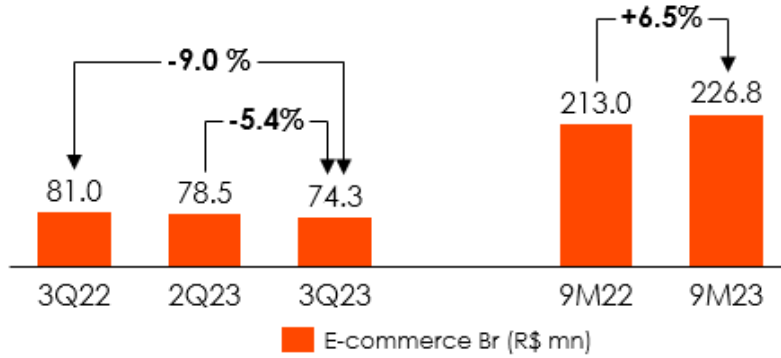
R\$ mn; %	3Q23	2Q23	3Q22	QoQ	YoY	9M23	9M22	YoY
E-commerce Brazil	74.3	78.5	81.7	-5.4%	-9.0%	226.8	213.0	+6.5%
Application Fraud	29.6	28.7	32.4	+2.9%	-8.8%	90.9	100.3	-9.4%
E-commerce International (BRL)	15.4	19.3	16.1	-20.0%	-4.5%	52.8	45.4	+16.2%
E-commerce International (USD)	3.2	3.9	3.1	-18.9%	+2.7%	10.5	8.9	+18.8%
<b>Net Revenues</b>	<b>119.3</b>	<b>126.6</b>	<b>130.2</b>	<b>-5.7%</b>	<b>-8.4%</b>	<b>370.5</b>	<b>358.8</b>	<b>+3.3%</b>

#### Revenue Breakdown



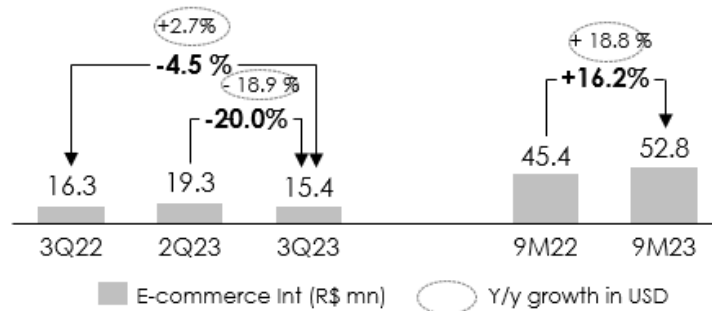
Total net revenue was R\$119.3 million in 3Q23 and R\$370.5 million in 9M23, an annual reduction of 8.4% and a growth of 3.3%, respectively.

**E-commerce Brazil**



**E-commerce Brazil** revenue totaled R\$74.3 million, an annual drop of 9.0%, explained by the componentization process, the GMV trend of large retailers and the controlled reduction in our revenue in large retailers. However, it is worth noting that part of the revenue related to the new economy shows a positive trend, with annual growth of 32.3%. As a result, we have a transitional process of pressured revenue, but with important effects of reducing dependence on large retailers and seeking a more sustainable and profitable revenue profile. In 9M23, annual growth was 6.5%, totaling revenue of R\$226.8 million, driven by fraud control.

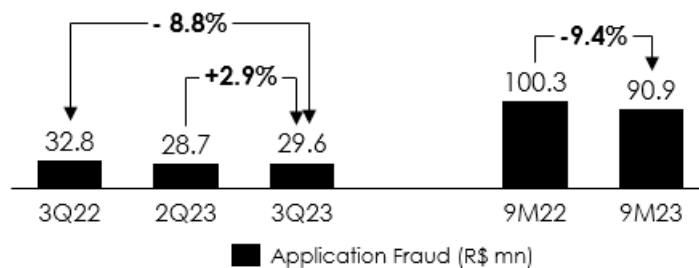
**E-commerce International**



**International E-commerce** net revenue reached USD3.2 million or R\$15.4 million in 3Q23, annual growth of 2.7% and a reduction of 4.5%, respectively. The drop in the quarter and the slowdown in the annual growth rate is explained by the exchange rate variation, cleanup of the customer base and focus on new profitable sales. It is worth noting that specifically in the quarterly variation, we have a seasonal impact due to Hot Sales observed in Mexico in 2Q23.

Year-to-date, revenue totaled USD10.5 million or R\$52.8 million, annual growth of 18.8% and 16.2%, respectively.

**Application Fraud**





**Application Fraud** revenue was R\$29.6 million in 3Q23, quarterly growth of 2.9% and annual reduction of 8.8%. In the 9M23, the revenue totaled R\$90.9 million, a drop of 9.4% compared to the same period in 2022. The declines in the periods were impacted by base revenue pressured by credit restrictions, mainly in two large customers of the financial segment.

### 3.3. COSTS OF SERVICES PROVIDED

R\$ mn; %	3Q23	2Q23	3Q22	QoQ	YoY	9M23	9M22	YoY
Labor	-46.3	-42.3	-42.4	+9.6%	+9.3%	-131.6	-141.2	-6.8%
Suppliers	-18.8	-22.0	-17.0	-14.6%	+10.5%	-61.2	-67.6	-9.4%
Others	-5.9	-6.6	-8.7	-11.1%	-32.5%	-24.6	-26.9	-8.5%
<b>Total Recurring Costs ex PPR (ex depr.)</b>	<b>-71.0</b>	<b>-70.9</b>	<b>-68.1</b>	<b>+0.2%</b>	<b>+4.2%</b>	<b>-217.4</b>	<b>-235.7</b>	<b>-7.8%</b>
% Net Revenue	-59.5%	-56.0%	-52.3%	-3.5 p.p.	-7.2 p.p.	-58.7%	-65.7%	+7.0 p.p.
Participation in Profits and Results (PPR)	-2.3	-2.6	0.0	-11.3%	n/a	-9.0	0.0	n/a
<b>Total Recurring Costs with PPR (ex depr.)</b>	<b>-73.3</b>	<b>-73.5</b>	<b>-68.1</b>	<b>-0.2%</b>	<b>+7.6%</b>	<b>-226.4</b>	<b>-235.7</b>	<b>-4.0%</b>
% Net Revenue	-61.5%	-58.1%	-52.3%	-3.4 p.p.	-9.1 p.p.	-61.1%	-65.7%	+4.6 p.p.
Non recurring costs	-10.2	-1.6	-1.5	+521.1%	+580.2%	-13.3	-3.9	+237.9%
Depreciation and Amortization	-7.6	-7.3	-4.6	+3.4%	+65.4%	-21.9	-13.4	+63.6%
<b>Total Accounting Cost</b>	<b>-91.1</b>	<b>-82.5</b>	<b>-74.2</b>	<b>+10.5%</b>	<b>+22.7%</b>	<b>-261.5</b>	<b>-253.0</b>	<b>+3.4%</b>
% Net Revenue	-76.4%	-65.2%	-57.0%	-11.2 p.p.	-19.4 p.p.	-70.6%	-70.5%	-0.1 p.p.

In 3Q23, recurring costs without PPR maintained the level of the previous quarter and an increased 4.2% in the year, explained by annual increases of 9.3% in labor and 10.5% in suppliers. Labor specifically was impacted by termination effects in operations, treated as recurring. In Suppliers, there was an accounting reclassification of R\$2.3 million in 3Q23 from Other Expenses to Costs, that is, excluding this reclassification, Suppliers' costs would have fallen by R\$0.5 million or 3.2% in the year, while Recurring costs without PPR would have increased by 0.8%. The increase in labor and suppliers is partially offset by the fall in other costs due to the improvement in international chargeback.

It is worth remembering that we started to provision the PPR from 1Q23, while in the previous year, there was no provisioning, so if we consider the PPR, in 3Q23 the company's costs grew 7.6% in the year and remained stable in the quarterly comparison.

The recurring costs without PPR totaled R\$217.4 million in 9M23, a reduction of R\$18.4 million or 7.8% compared to the same period in 2022.

## 3.4. GROSS PROFIT AND GROSS MARGIN

R\$ mn; %	3Q23	2Q23	3Q22	QoQ	YoY	9M23	9M22	YoY
E-commerce Brazil	74.3	78.5	81.7	-5.4%	-9.0%	226.8	213.0	+6.5%
Application Fraud	29.6	28.7	32.4	+2.9%	-8.8%	90.9	100.3	-9.4%
E-commerce International	15.4	19.3	16.1	-20.0%	-4.5%	52.8	45.4	+16.2%
<b>Net Revenues</b>	<b>119.3</b>	<b>126.6</b>	<b>130.2</b>	<b>-5.7%</b>	<b>-8.4%</b>	<b>370.5</b>	<b>358.8</b>	<b>+3.3%</b>
Total Recurring Costs ex PPR (ex depr.)	-71.0	-70.9	-68.1	+0.2%	+4.2%	-217.4	-235.7	-7.8%
<b>Recurring Gross Profit ex PPR (ex depr.)</b>	<b>48.3</b>	<b>55.7</b>	<b>62.1</b>	<b>-13.3%</b>	<b>-22.3%</b>	<b>153.1</b>	<b>123.1</b>	<b>+24.4%</b>
% Net Revenue	40.5%	44.0%	47.7%	-3.5 p.p.	-7.2 p.p.	41.3%	34.3%	+7.0 p.p.
Participation in Profits and Results (PPR)	-2.3	-2.6	0.0	-11.3%	n/a	-9.0	0.0	n/a
<b>Recurring Gross Profit with PPR (ex depr.)</b>	<b>46.0</b>	<b>53.1</b>	<b>62.1</b>	<b>-13.4%</b>	<b>-26.0%</b>	<b>144.1</b>	<b>123.1</b>	<b>+17.1%</b>
% Net Revenue	38.5%	41.9%	47.7%	-3.4 p.p.	-9.1 p.p.	38.9%	34.3%	+4.6 p.p.
Non recurring costs	-10.2	-1.6	-1.5	+521.1%	+580.2%	-13.3	-3.9	+237.9%
Depreciation and Amortization	-7.6	-7.3	-4.6	+3.4%	+65.4%	-21.9	-13.4	+63.6%
<b>Total Accounting Cost (ex depr.)</b>	<b>-91.1</b>	<b>-82.5</b>	<b>-74.2</b>	<b>+10.5%</b>	<b>+22.7%</b>	<b>-261.5</b>	<b>-253.0</b>	<b>+3.4%</b>
<b>Accounting Gross Profit (with depr.)</b>	<b>28.2</b>	<b>44.1</b>	<b>56.0</b>	<b>-36.0%</b>	<b>-49.7%</b>	<b>108.9</b>	<b>105.8</b>	<b>+3.0%</b>
% Net Revenue	23.6%	34.8%	43.0%	-11.2 p.p.	-19.4 p.p.	29.4%	29.5%	-0.1 p.p.

In 3Q23, Recurrent Gross Profit without PPR totaled R\$48.3 million, an annual reduction of 22.3%, while Gross Margin reached 40.5%, a drop of 7.2 pp., when compared to 3Q22, reflecting the drop in revenues.

In 9M23, Recurrent Gross Profit without PPR totaled R\$153.1 million, annual growth of 24.4%, while Gross Margin reached 41.3%, an increase of 7.0 pp.

## 3.5. RECURRING AND NON-RECURRING EXPENSES

R\$ mn; %	3Q23	2Q23	3Q22	QoQ	YoY	9M23	9M22	YoY
General and Administrative Expenses	-21.5	-21.1	-23.5	+1.8%	-8.4%	-60.1	-77.9	-22.8%
Sales Expenses	-25.5	-27.5	-26.7	-7.3%	-4.4%	-82.5	-84.8	-2.8%
Allowance for Doubtful Accounts (ADA)	-1.8	-1.2	-0.8	+48.5%	+127.3%	-3.3	-1.2	+174.8%
Allowance for Doubtful Accounts (ADA) punctual	0.0	-1.5	0.0	n/a	n/a	-2.3	0.0	n/a
Other Revenues and Expenses	0.0	-1.8	0.0	n/a	n/a	-9.0	-8.8	+2.5%
<b>Total recurring Expenses ex-PPR and ADA (ex depr.)</b>	<b>-48.8</b>	<b>-53.2</b>	<b>-51.0</b>	<b>-8.1%</b>	<b>-4.2%</b>	<b>-157.3</b>	<b>-172.7</b>	<b>-8.9%</b>
% Net Revenue	-40.9%	-42.0%	-39.1%	+1.1 p.p.	-1.8 p.p.	-42.5%	-48.2%	+5.7 p.p.
<b>Total recurring Expenses ex-PPR and ADA (ex depr.)</b>	<b>-48.8</b>	<b>-51.6</b>	<b>-51.0</b>	<b>-5.4%</b>	<b>-4.2%</b>	<b>-155.0</b>	<b>-172.7</b>	<b>-10.3%</b>
% Net Revenue	-40.9%	-40.8%	-39.1%	-0.1 p.p.	-1.8 p.p.	-41.8%	-48.2%	+6.3 p.p.
Participation in Profits and Results (PPR)	-1.6	-1.1	0.0	+47.3%	n/a	-4.9	2.7	n/a
<b>Total recurring Expenses with PPR and ADA (ex depr.)</b>	<b>-50.4</b>	<b>-54.2</b>	<b>-51.0</b>	<b>-7.0%</b>	<b>-1.1%</b>	<b>-162.3</b>	<b>-170.1</b>	<b>-4.6%</b>
% Net Revenue	-42.3%	-42.8%	-39.1%	+0.6 p.p.	-3.1 p.p.	-43.8%	-47.4%	+3.6 p.p.
<b>Total recurring Expenses with PPR and ex-ADA (ex depr.)</b>	<b>-50.4</b>	<b>-52.7</b>	<b>-51.0</b>	<b>-4.3%</b>	<b>-1.1%</b>	<b>-159.9</b>	<b>-170.1</b>	<b>-6.0%</b>
% Net Revenue	-42.3%	-41.6%	-39.1%	-0.6 p.p.	-3.1 p.p.	-43.2%	-47.4%	+4.2 p.p.
Long-term incentive plan	-7.0	-0.1	-3.8	+6115.0%	+82.9%	-12.0	-9.7	+23.3%
Write-off of Fixed Assets	0.0	0.0	0.0	n/a	n/a	0.2	0.0	n/a
Taxes adjustments	0.0	0.0	0.0	n/a	n/a	0.0	1.5	n/a
Terminations	-4.9	-0.3	-0.3	+1312.1%	+1764.1%	-5.2	-1.1	+387.1%
International patent acquisition	0.0	0.0	0.0	n/a	n/a	0.0	-1.7	n/a
Depreciation and Amortization	-4.1	-3.6	-3.3	+12.8%	+24.1%	-11.1	-7.4	+48.7%
<b>Total non recurring expenses</b>	<b>-16.0</b>	<b>-4.1</b>	<b>-7.8</b>	<b>+292.5%</b>	<b>+106.0%</b>	<b>-28.1</b>	<b>-18.7</b>	<b>+50.1%</b>
<b>Total Accountable Expenses (with depr.)</b>	<b>-66.4</b>	<b>-58.3</b>	<b>-58.7</b>	<b>+13.9%</b>	<b>+13.0%</b>	<b>-190.4</b>	<b>-188.8</b>	<b>+0.8%</b>
% Net Revenue	-55.7%	-46.1%	-45.1%	-9.6 p.p.	-10.6 p.p.	-51.4%	-52.6%	+1.2 p.p.

Total Recurring Expenses, including PPR reached R\$50.4 million in 3Q23, a drop of 7.0% in the quarter and 1.1% in the year. The drop in the quarter and 9M23 is mainly due to diligence in Administrative and Sales Expenses.

Specifically, regarding the PPR, we had a provision of R\$1.6 million in 3Q23, while there was no provision in 3Q22. Disregarding the PPR, Expenses would have fallen by 4.2% in the year and even if we disregard the accounting reclassification mentioned in the costs section, Expenses would remain at the same level of R\$51 million as in the previous year.

In 9M23, Total Recurring Expenses with PPR fell 4.6%, when compared to the same period of the previous year.





## 3.6. EBITDA AND ADJUSTED EBITDA

R\$ mn; %	3Q23	2Q23	3Q22	QoQ	YoY	9M23	9M22	YoY
<b>Net Result</b>	<b>-13.9</b>	<b>-1.9</b>	<b>2.1</b>	<b>+641.5%</b>	<b>n/a</b>	<b>-33.4</b>	<b>-40.3</b>	<b>-17.3%</b>
(-) Financial Result	12.4	10.8	12.5	+15.5%	-1.0%	34.5	45.5	-24.2%
(-) Taxes	11.8	1.6	-7.7	+654.8%	n/a	13.6	-2.8	n/a
(-) Depreciation and Amortization	-11.7	-10.9	-7.9	+6.5%	+48.2%	-32.9	-20.8	+58.3%
<b>EBITDA</b>	<b>-26.5</b>	<b>-3.3</b>	<b>5.2</b>	<b>+715.3%</b>	<b>n/a</b>	<b>-48.5</b>	<b>-62.2</b>	<b>-22.1%</b>
<i>EBITDA Margin (%)</i>	-22.2%	-2.6%	4.0%	-19.7 p.p.	-26.2 p.p.	-13.1%	-17.3%	+4.3 p.p.
(-) Non recurring costs	-10.2	-1.6	-1.5	+521.1%	+580.2%	-13.3	-3.9	+237.9%
(-) Long-term incentive plan	-7.0	-0.1	-3.8	+6115.0%	+82.9%	-12.0	-9.7	+23.3%
(-) Write-off of Fixed Assets	0.0	0.0	0.0	n/a	n/a	0.2	0.0	n/a
(-) Taxes adjustments	0.0	0.0	0.0	n/a	n/a	0.0	1.5	n/a
(-) Return of the building	0.0	0.0	-0.4	n/a	n/a	0.0	-0.4	n/a
(-) Terminations Expenses	-4.9	-0.3	-0.3	+1312.1%	+1764.1%	-5.2	-1.1	+387.1%
(-) International patent acquisition	0.0	0.0	0.0	n/a	n/a	0.0	-1.7	n/a
<b>Total Non-recurring</b>	<b>-22.1</b>	<b>-2.1</b>	<b>-6.0</b>	<b>+952.5%</b>	<b>+270.2%</b>	<b>-30.3</b>	<b>-15.2</b>	<b>+99.2%</b>
<b>Recurring EBITDA with PPR and ADA</b>	<b>-4.4</b>	<b>-1.2</b>	<b>11.1</b>	<b>+283.8%</b>	<b>n/a</b>	<b>-18.2</b>	<b>-47.0</b>	<b>-61.4%</b>
<i>Recurring EBITDA Margin (%)</i>	-3.7%	-0.9%	8.6%	-2.8 p.p.	-12.3 p.p.	-4.9%	-13.1%	+8.2 p.p.
Allowance for Doubtful Accounts (ADA) punctual	0.0	-1.5	0.0	n/a	n/a	-2.3	0.0	n/a
<b>Recurring EBITDA with PPR ex-ADA</b>	<b>-4.4</b>	<b>0.4</b>	<b>11.1</b>	<b>n/a</b>	<b>n/a</b>	<b>-15.8</b>	<b>-47.0</b>	<b>-66.4%</b>
<i>Recurring EBITDA Margin ex-ADA (%)</i>	-3.7%	0.3%	8.6%	-4.0 p.p.	-12.3 p.p.	-4.3%	-13.1%	+8.8 p.p.
Participation in Profits and Results (PPR)	-3.9	-3.7	0.0	+5.8%	n/a	-13.9	2.7	n/a
<b>Recurring EBITDA ex-PPR and ADA</b>	<b>-0.5</b>	<b>4.0</b>	<b>11.1</b>	<b>n/a</b>	<b>n/a</b>	<b>-1.9</b>	<b>-49.7</b>	<b>-96.2%</b>
<i>Recurring EBITDA Margin ex-ADA and PPR (%)</i>	-0.5%	3.2%	8.6%	-3.7 p.p.	-9.0 p.p.	-0.5%	-13.8%	+13.3 p.p.
Subsidiary Recurring EBITDA (ClearSale LLC)	-4.7	-1.5	-7.9	+204.8%	-40.3%	-20.1	-26.4	-24.0%
<b>Recurring EBITDA Brazil</b>	<b>0.3</b>	<b>0.4</b>	<b>19.0</b>	<b>-31.2%</b>	<b>-98.6%</b>	<b>1.9</b>	<b>-20.6</b>	<b>n/a</b>
<i>Recurring EBITDA Margin Brazil (%)</i>	0.3%	0.4%	16.7%	-0.1 p.p.	-16.4 p.p.	0.6%	-6.6%	+7.2 p.p.
Allowance for Doubtful Accounts (ADA) punctual	0.0	-1.5	0.0	n/a	n/a	-2.3	0.0	n/a
<b>Recurring EBITDA Brazil ex-ADA</b>	<b>0.3</b>	<b>1.9</b>	<b>19.0</b>	<b>-86.1%</b>	<b>-98.6%</b>	<b>4.2</b>	<b>-20.6</b>	<b>n/a</b>
<i>Recurring EBITDA Margin Brazil ex-ADA (%)</i>	0.3%	1.8%	16.7%	-1.5 p.p.	-16.4 p.p.	1.3%	-6.6%	+7.9 p.p.

In 3Q23, Recurrent EBITDA with PPR was -R\$4.4 million, a reduction of R\$3.3 million in the quarter and R\$15.6 million in the year. The annual reduction reflects lower revenue in the period and PPR provisioning, despite cost and expense control. In the 9M23, Recurrent EBITDA with PPR was -R\$18.2 million, an annual improvement of R\$28.8 million.



### 3.7. FINANCIAL RESULTS

R\$ mn; %	3Q23	2Q23	3Q22	QoQ	YoY	9M23	9M22	YoY
Financial Revenues	15.2	14.7	16.1	+3.3%	-5.4%	46.1	59.2	-22.2%
Financial Expenses	-2.8	-4.0	-3.6	-29.4%	-20.8%	-11.6	-13.7	-15.4%
<b>Financial Result</b>	<b>12.4</b>	<b>10.8</b>	<b>12.5</b>	<b>+15.5%</b>	<b>-1.0%</b>	<b>34.5</b>	<b>45.5</b>	<b>-24.2%</b>

The Financial Result was R\$12.4 million in 3Q23, representing a drop of 1.0% compared to the same period of the previous year. In 9M23, it totaled R\$34.5 million, an annual drop of 24.2%.

Financial revenues totaled R\$15.2 million in 3Q23, an annual drop of R\$ 0.9 million or 5.4%, while in 9M23 it showed a drop of 22.2%, or R\$13.1 million, totaling R\$46.1 million, mainly explained by a reduced cash position that impacted the financial investments line.

Financial expenses totaled -R\$2.8 million in 3Q23, a reduction of R\$0.7 million in the year or 20.8%, while in 9M23 there was an annual reduction of R\$2.1 million or 15.4%, impacted by debt reduction and the non-cash effect of exchange rate variations and swaps.

### 3.8. INCOME TAX AND NET INCOME

R\$ mn; %	3Q23	2Q23	3Q22	QoQ	YoY	9M23	9M22	YoY
Operating Profit before Income Tax and Social Contribution	-25.8	-3.4	9.8	+647.6%	n/a	-46.9	-37.5	+25.1%
Tax and Social Contribution (Nominal Rate = 34%)	8.8	1.2	-3.3	+647.6%	n/a	16.0	12.8	+25.1%
<b>Adjustments for effective rate</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
Loss without constitution of deferred	-1.6	-0.8	-6.4	+104.9%	-75.4%	-8.1	-16.4	-50.7%
Other net exclusions/additions	4.6	1.2	2.0	+299.0%	+127.8%	5.7	0.7	+707.2%
<b>Tax and Social Contribution expenses at the effective rates</b>	<b>11.8</b>	<b>1.6</b>	<b>-7.7</b>	<b>+654.8%</b>	<b>n/a</b>	<b>13.6</b>	<b>-2.8</b>	<b>n/a</b>
Effective rate	-45.9%	-45.5%	-78.3%	-0.4 p.p.	+32.4 p.p.	-28.9%	7.5%	-36.4 p.p.
<b>Net Result</b>	<b>-13.9</b>	<b>-1.9</b>	<b>2.1</b>	<b>+641.5%</b>	<b>n/a</b>	<b>-33.4</b>	<b>-40.3</b>	<b>-17.3%</b>
Net Result adjustments	3.4	1.4	3.9	+146.4%	-13.5%	8.8	11.0	-19.8%
<b>Adjusted Net Result</b>	<b>-10.5</b>	<b>-0.5</b>	<b>6.1</b>	<b>+2032.1%</b>	<b>n/a</b>	<b>-24.5</b>	<b>-29.3</b>	<b>-16.4%</b>
Adjusted Net Margin (%)	-8.8%	-0.4%	4.7%	-8.4 p.p.	-13.5 p.p.	-6.6%	-8.2%	+1.6 p.p.
<b>Adjusted Net Result ex-ADA punctual</b>	<b>-10.5</b>	<b>0.5</b>	<b>6.1</b>	<b>n/a</b>	<b>n/a</b>	<b>-23.0</b>	<b>-29.3</b>	<b>-21.6%</b>
Adjusted Net Margin (%)	-8.8%	0.4%	4.7%	-9.2 p.p.	-13.5 p.p.	-6.2%	-8.2%	+2.0 p.p.

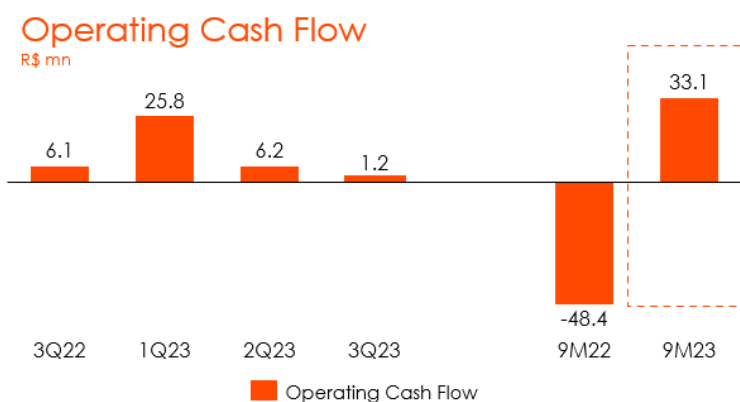
Income tax and social contribution calculated in the quarter totaled R\$11.8 million, reflecting an effective rate of -45.9%, due to: (i) Recognition of credits under the "Lei do Bem" relating to the 2022 fiscal year, totaling R\$11.2 million; and (ii) Loss without constitution of deferred charges, write-off of taxes and complementary provisions that together totaled R\$0.6 million. Additionally, the Company acquired the right to deduct the amount of R\$15.9 million from income tax and social contribution, equivalent to 34% of the value of the goodwill incorporated from the acquisition of Beta Learning, this amount had no impact on 3Q23 and will be tax amortized in up to five years.

The Adjusted Net Result in 3Q23 was -R\$10.5 million, while in 9M23 it was -R\$23.0 million.



### 3.9. CASH FLOW AND CAPEX

The company ended on September 30, 2023, with R\$369.9 million in Net Cash, a quarterly reduction of R\$27.7 million and R\$47.0 million in the year, with:



**Operating Cash:** Operating cash generation of R\$1.2 million in the quarter and R\$33.1 million in 9M23.

R\$ mn; %	3Q23	2Q23	3Q22	QoQ	YoY	9M23	9M22	YoY
Development	-20.9	-20.9	-20.9	+0.0%	-0.1%	-63.4	-63.9	-0.8%
% Net Revenue	-17.5%	-16.5%	-16.0%	-1.0 p.p.	-1.5 p.p.	-17.1%	-17.8%	+0.7 p.p.
Licenses and Software acquisition	-0.7	-1.7	-5.3	-56.8%	-86.3%	-4.6	-11.2	-59.2%
Immobilized	-0.3	-0.4	0.0	-29.3%	+642.1%	-4.4	-3.5	+24.3%
M&A/Others	0.6	-0.2	0.0	n/a	n/a	-0.1	-58.5	-99.8%
<b>Total CAPEX</b>	<b>-21.3</b>	<b>-23.2</b>	<b>-26.3</b>	<b>-8.0%</b>	<b>-18.8%</b>	<b>-72.5</b>	<b>-137.2</b>	<b>-47.1%</b>

In the quarter, the company's CAPEX totaled R\$21.9 million, as follows:

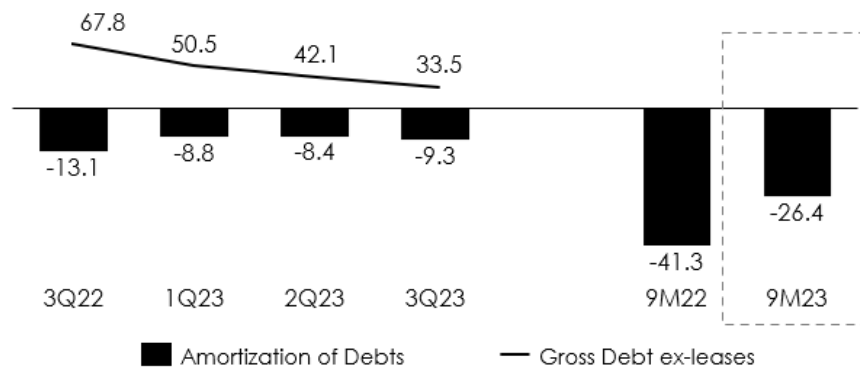
- (i) **Development:** R\$20.9 million in software development activation. We continue to invest to innovate our solution platform, aiming to maintain our competitive advantage and market leadership.
- (ii) **Licenses and Software Acquisition:** R\$0.7 million related to licenses and acquisition of operational software.
- (iii) **Fixed assets:** R\$0.3 million, and
- (iv) **M&A/Others:** R\$0.6 million, referring to changes in financial investments.

In the 9M23, the company's CAPEX totaled R\$72.5 million, as follows:

- (v) **Development: R\$63.4 million, in** software development activation, an annual drop of 0.8%, or R\$0.5 million.
- (vi) **Licenses and Software Acquisition:** R\$4.6 million related to licenses and acquisition of operational software, a reduction of 59.2% mainly explained by the implementation of SAP in 2022.
- (vii) **Fixed assets:** R\$4.4 million mainly related to the construction of the new headquarters.
- (viii) **M&A/Others:** R\$0.1 million related to the consideration for the acquisition of Beta Learning and the variation in financial investments.

## Financing Cash Flow

R\$ mn



**Financing Cash Flow:** debt amortization of R\$9.3 million in the quarter and R\$26.4 million in the year, according to the debt maturity schedule.

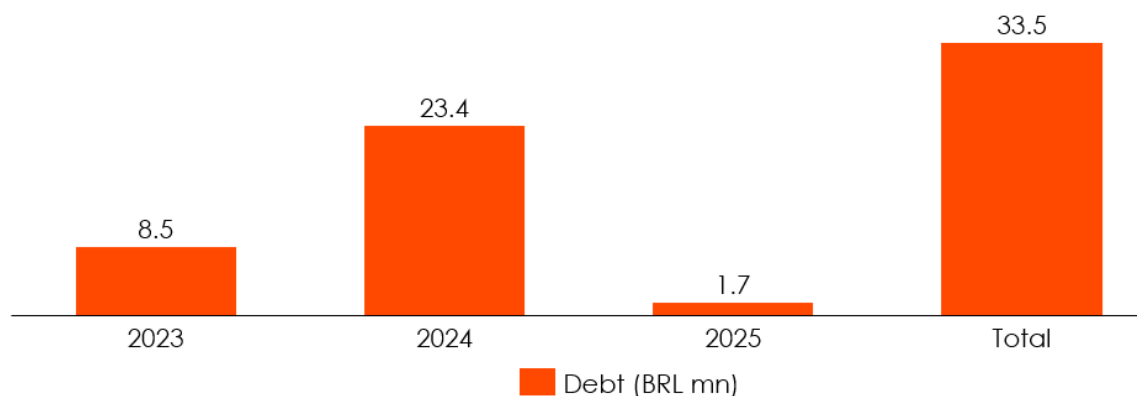


## 3.10. DEBTS

R\$ mn			3Q23
Contract	Index	Rate	Balance
Operation 4131 – Santander	Pre-fixed	10.82%	15.1
Operation 4131 – Citibank	Pre-fixed	7.95%	3.0
Working capital – Itaú	Post-fixed	CDI + 3.50%	14.1
Working capital – Itaú	Pre-fixed	7.95%	1.3
BNDES Card – Bradesco	Pre-fixed	16.08%	0.0
<b>Debt</b>			<b>33.5</b>
Lease liability			10.35
<b>Total Debt</b>			<b>43.9</b>
Cash and Equivalents			396.54
Financial investments			17.22
<b>Availability</b>			<b>413.8</b>

The Loans and Financing and Short- and Long-Term Lease Liabilities accounts ended on September 30, 2023, in the total amount of R\$43.9 million, with 60% of the contract balances being readjusted using pre-fixed indices and 40 post-fixed % and amortization period as follows:

## Amortization Schedule







## 4. BALANCE SHEET

### 4.1. Assets

	R\$ mn; %	9/30/2023	12/31/2022	% Chg.
<b>Current Assets</b>				
Cash and cash equivalents		396.5	479.6	-17.3%
Financial investments		17.2	0.0	n/a
Accounts receivable		117.1	137.2	-14.7%
Derivative financial instruments		0.0	1.6	n/a
Recoverable taxes		37.9	32.0	+18.7%
Other assets		21.2	8.5	+149.3%
Related parties		0.0	0.0	n/a
<b>Total current assets</b>		<b>590.0</b>	<b>658.8</b>	<b>-10.5%</b>
<b>Non-current assets</b>				
Financial investments		0.0	5.0	n/a
Other assets		2.3	2.1	+6.5%
Derivative financial instruments		0.0	0.0	n/a
Recoverable taxes		0.3	0.2	+32.6%
Related parties		0.0	0.0	n/a
Deferred income tax and social contribution		14.9	4.1	+266.0%
Investments		0.0	0.0	n/a
Fixed assets		17.4	20.7	-15.8%
Intangible		273.3	224.5	+21.7%
<b>Total non-current assets</b>		<b>308.2</b>	<b>256.7</b>	<b>20.1%</b>
<b>Total assets</b>		<b>898.2</b>	<b>915.5</b>	<b>-1.9%</b>

### 4.2. Liabilities and Shareholders' Equity

<b>Current liabilities</b>				
Suppliers		29.1	28.7	+1.7%
Loans and financing		29.4	35.3	-16.9%
Lease liability		3.5	0.6	+487.5%
Taxes and contributions payable		8.7	11.7	-25.2%
Payroll and related charges		76.0	36.5	+108.3%
Contingent consideration payable		5.2	5.6	-6.7%
Provisions		5.9	10.2	-42.4%
Financial derivatives		5.1	0.0	n/a



Advance from clients	0.0	0.0	+72.2%
Other liabilities	0.5	0.0	n/a
Shares based Payment	0.7	3.6	-79.5%
<b>Total current liabilities</b>	<b>164.1</b>	<b>132.2</b>	24.1%
<b>Non-current liabilities</b>			
Loans and financing	4.2	23.8	-82.5%
Lease liability	6.8	3.0	+128.6%
Payroll and related charges	3.5	2.6	+34.9%
Derivative financial instruments	0.0	0.3	n/a
Phantom shares provision	0.0	0.1	-76.4%
Shares based payment	2.5	2.3	+7.3%
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	+1.6%
Other liabilities	0.8	0.0	n/a
Unsecured liability provision	0.0	0.0	n/a
<b>Total non-current liabilities</b>	<b>18.0</b>	<b>38.0</b>	-52.7%
<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	54.6	50.2	+8.7%
Legal reserves	0.0	0.0	n/a
Retained earnings/losses	-92.4	-92.4	0.0%
Period's earnings/losses	-33.2	0.0	n/a
Other comprehensive income	-2.3	-1.9	+16.4%
Profit reserve	0.0	0.0	n/a
<b>Total shareholders' equity</b>	<b>716.1</b>	<b>745.3</b>	-3.9%
<b>Total liability and shareholders' equity</b>	<b>898.2</b>	<b>915.5</b>	-1.9%



## 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.

**Customers** – 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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