



# ClearSale

**November 2022**

# AGENDA

## 1. ABOUT CLEARSALE

- ClearSale at a glance
- Our history
- Portfolio and relationship with clients
- Our data lake
- Strategy, culture & innovation
- Where we operate

## 2. E-COMMERCE

- The fraud problem
- The true cost of fraud
- Where we are positioned
- Operational flow
- Billing collection model
- E-commerce strategy

## 3. ONBOARDING / FRAUD APPLICATION

- A use case multiplicity
- The platform
- Onboarding strategy

## 4. EXPLORE

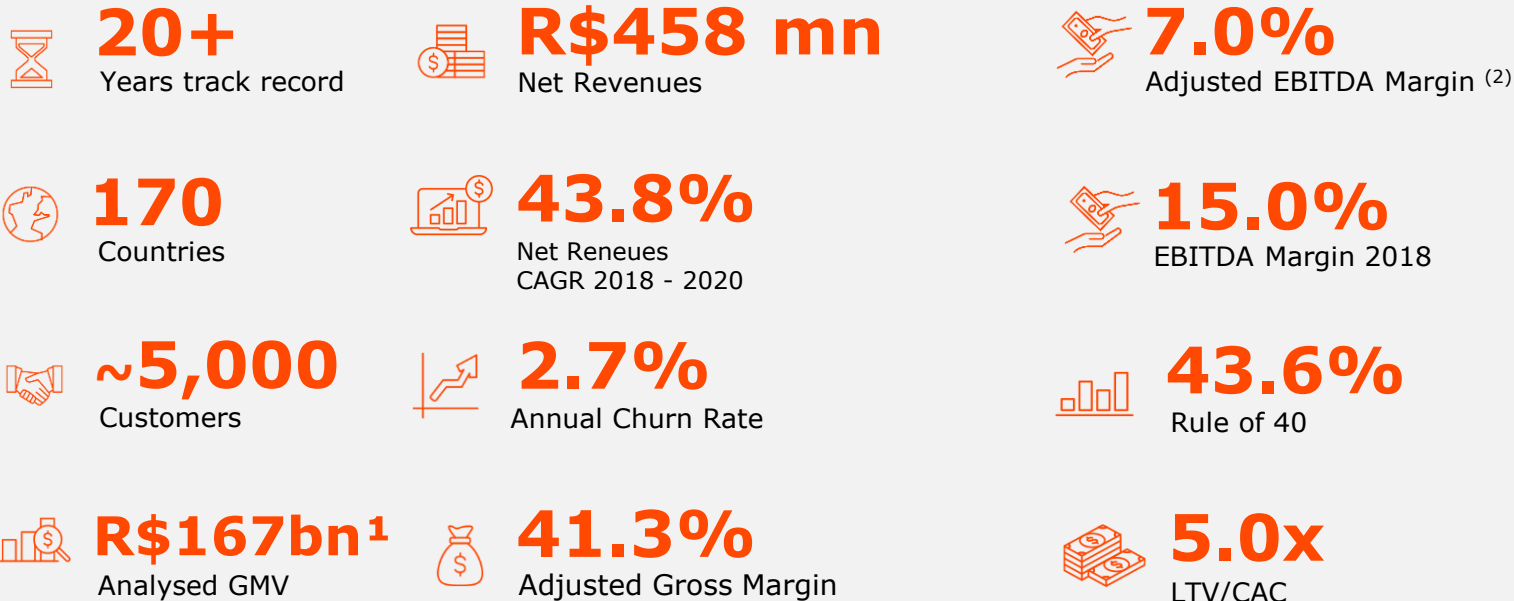
- The concept
- The Explore journey
- Our solutions

## 5. GOVERNANCE AND CORPORATE STRUCTURE

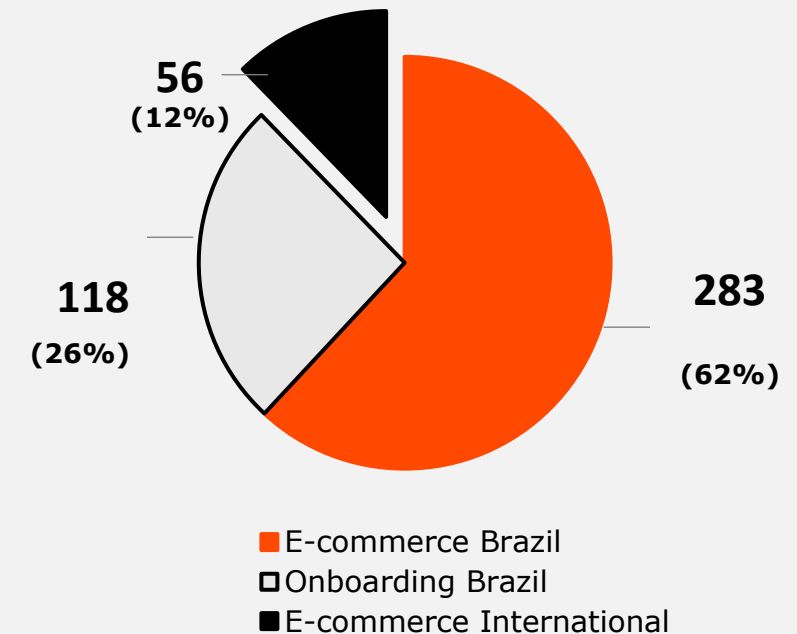
- Corporate structure
- Executives, board and committee
- Architecture and information security

## 6. FINANCIAL RESULTS

# A recurring and profitable SaaS business model, with global footprint



REVENUES BREAKDOWN (R\$MN; Share %)

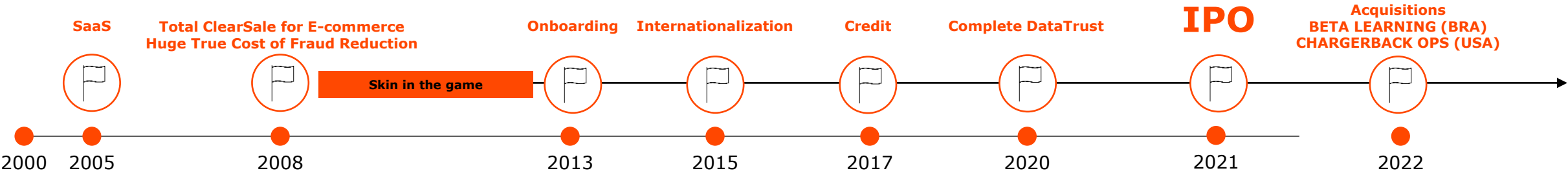
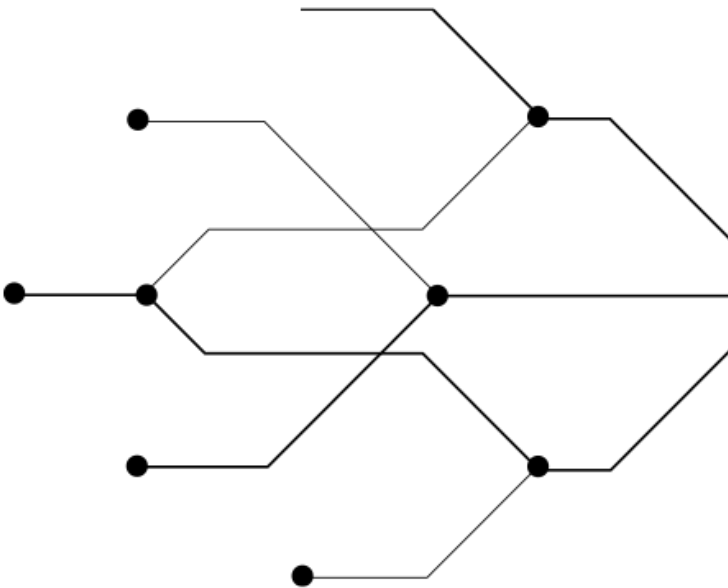
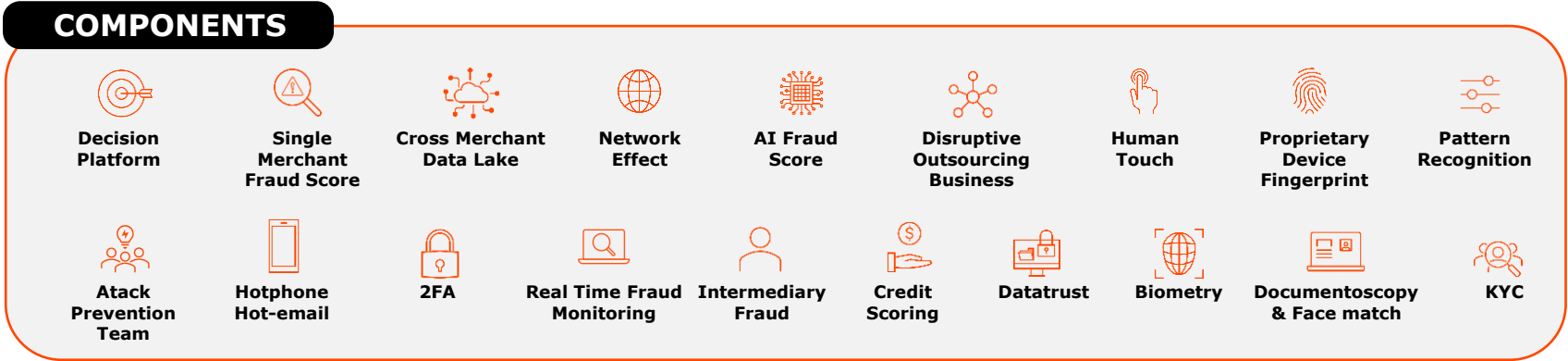


Data base as of 2021  
(1) Mapa da Fraude 2021  
(2) Revenue adjustment  
(3) Revenue Adjustment, Cloud, ILP, IPO Expenses and Subsidiaries/Discontinued.

SaaS: Software as a Service  
GMV: Gross Merchandise Volume  
Rule of 40: revenue growth + Adjusted EBITDA Margin

# Strong track record with 20+ Years leading the anti-fraud market

We develop technology for anti-fraud solutions through **data intelligence** to analyze consumers' behavior and reputation in the digital environment.





# We have an exceptional Client Portfolio with long term relationship

**+7** year of  
**Relationship**

\*Average for 20 biggest clients

**2.7%**  
Annual **Churn**  
(2021)

**60**  
**NPS** at the Quality  
Zone  
(2021)

NPS: Net Promoter Score

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Trust of **~5k** companies

**10** of the **10**  
largest  
**E-COMMERCE**

**7** of the **10**  
largest  
**FINANCIAL INSTITUTIONS**

**3** of the **5**  
largest  
**TELECOM**

**2** of the **5**  
largest  
**RETAIL**

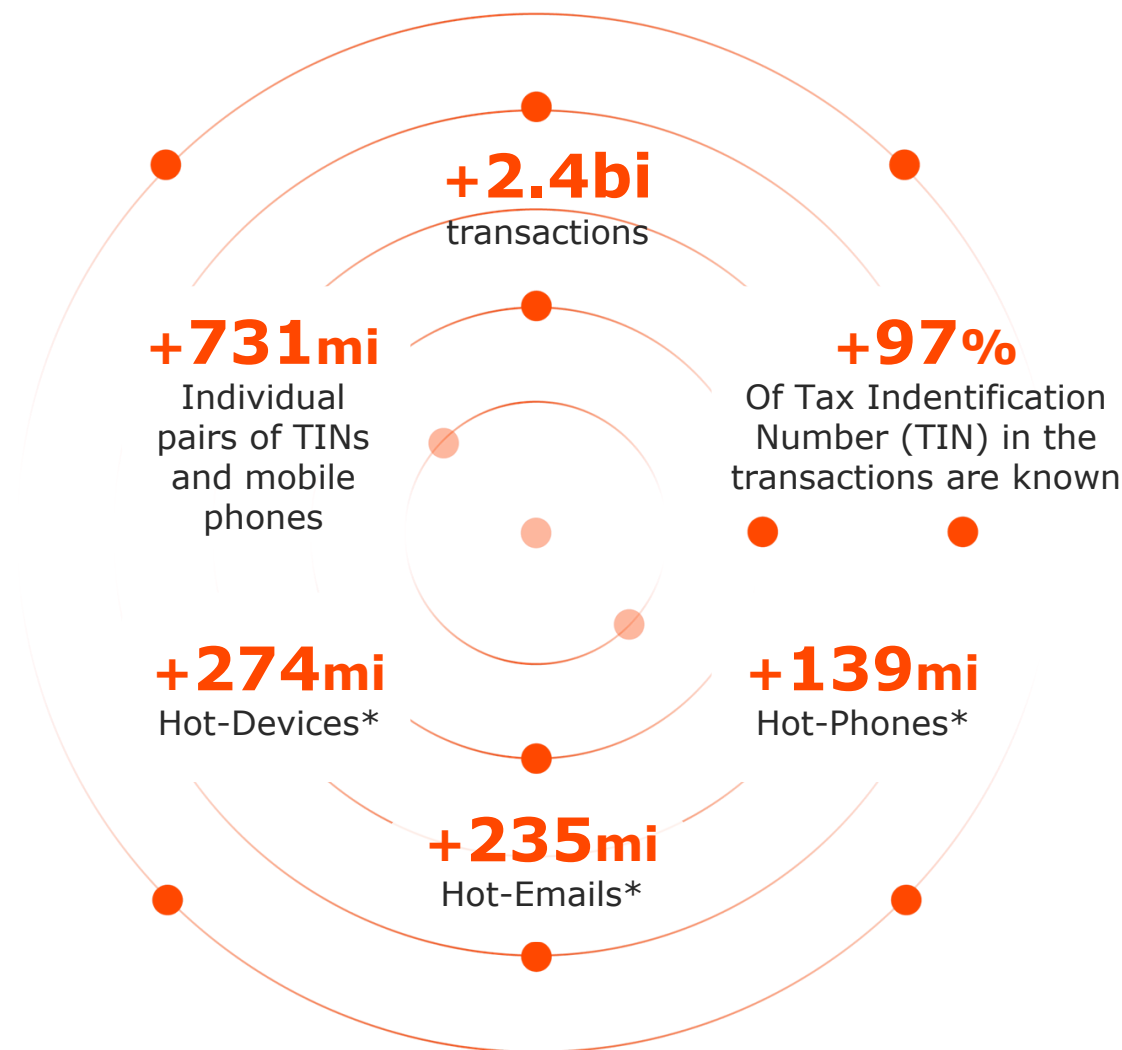
**4** of the **5**  
largest  
**DIGITAL BANKS**

# Unique and extensive **Data Lake** built from multiple sources, generating **Network Effect**

We are all over the digital Journey of businesses and consumers. We apply Artificial Intelligence from onboarding to transactions.

Throughout our history we have built a solid database, fed back daily, that allows us to know important consumer specificities.

Through Machine Learning, we improve models and maintain the analysis accuracy.



\*Hot devices e Hot Phones are, respectively, the devices and the cell phone numbers with a strong connection to the informed TIN, in which the probability of contact success is high  
(Total ClearSale base until 08.31.2021)

# Highly awarded Strategy & Innovation Culture that **brings results**

## UNIQUE CORPORATE CULTURE

**Sense of Ownership:** more than 50 employees with long term incentives

**Freedom & Flexibility**

**Trust**

More than employees, **People**

## INNOVATION

Innovation Culture

Skin in the game

CEO: former Head of Strategy & Innovation

60+ Squads: 300+ people directly involved in all depts

Data base as of July, 2021

## SELECTED AWARDS



**B CORPORATION**  
Certified since 2018



**9 Years awarded Technology Woman**

**Deloitte.**

**Growth Business**  
Awarded for 7 years



**HUMANIZADAS**  
Awarded for 2 years



**Most Beloved Glassdoor**

**VC S/A**

**To start your career**



**Best CEO for Diversity, Woman and Leadership**



**Most Ethical Companies 2020 Award**



# Where we Operate



## **E-commerce**

Anti-fraud solutions for e-commerce from all sizes and segments



## **Onboarding / Fraud Application**

Onboarding solutions 100% digital, with highest security and the best customer experience



## **Explore**

Innovation hub created by ClearSale to new business ideas

The background is a solid orange color. On the left side, there is a series of four concentric circles. A central dot is located at the center of these circles. Several other dots are placed on the circles: one on the innermost circle (top-left), one on the second circle (top), one on the third circle (top-right), one on the fourth circle (top-right), one on the second circle (bottom), one on the third circle (bottom), and one on the fourth circle (bottom).

**E-COMMERCE**

# The fraud problem

## Identity theft

Someone steals personal information and uses in a malicious manner



Buying goods or services using stolen personal information



Sale/application falsified by a tele-sales rep



Internal fraud schemes leading to unauthorized online purchases



Online payments using unauthorized credit cards

## Fraudulent behavior

Person is acting with the intent to deceive



Self-fraud: consumer deliberately lying about not having placed an order



Returns fraud: returning a substitute or used product



Insurance fraud: filing false claims with auto insurance providers



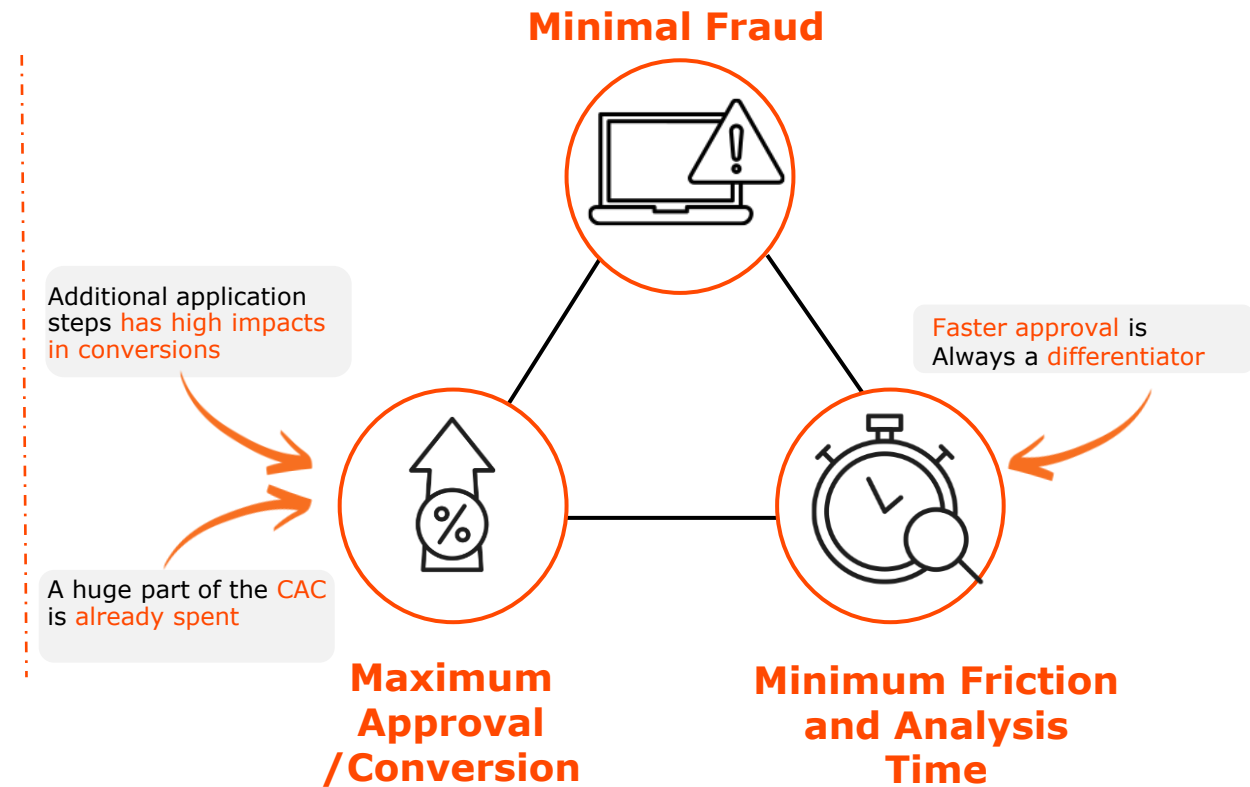
Tele-sales reps adding unauthorized upgrades to the original order

# The fraud problem

Standard approach on Fighting fraud is  
**"When in doubt, decline"**



What really matters in fraud prevention?  
**The triad to be pursued**



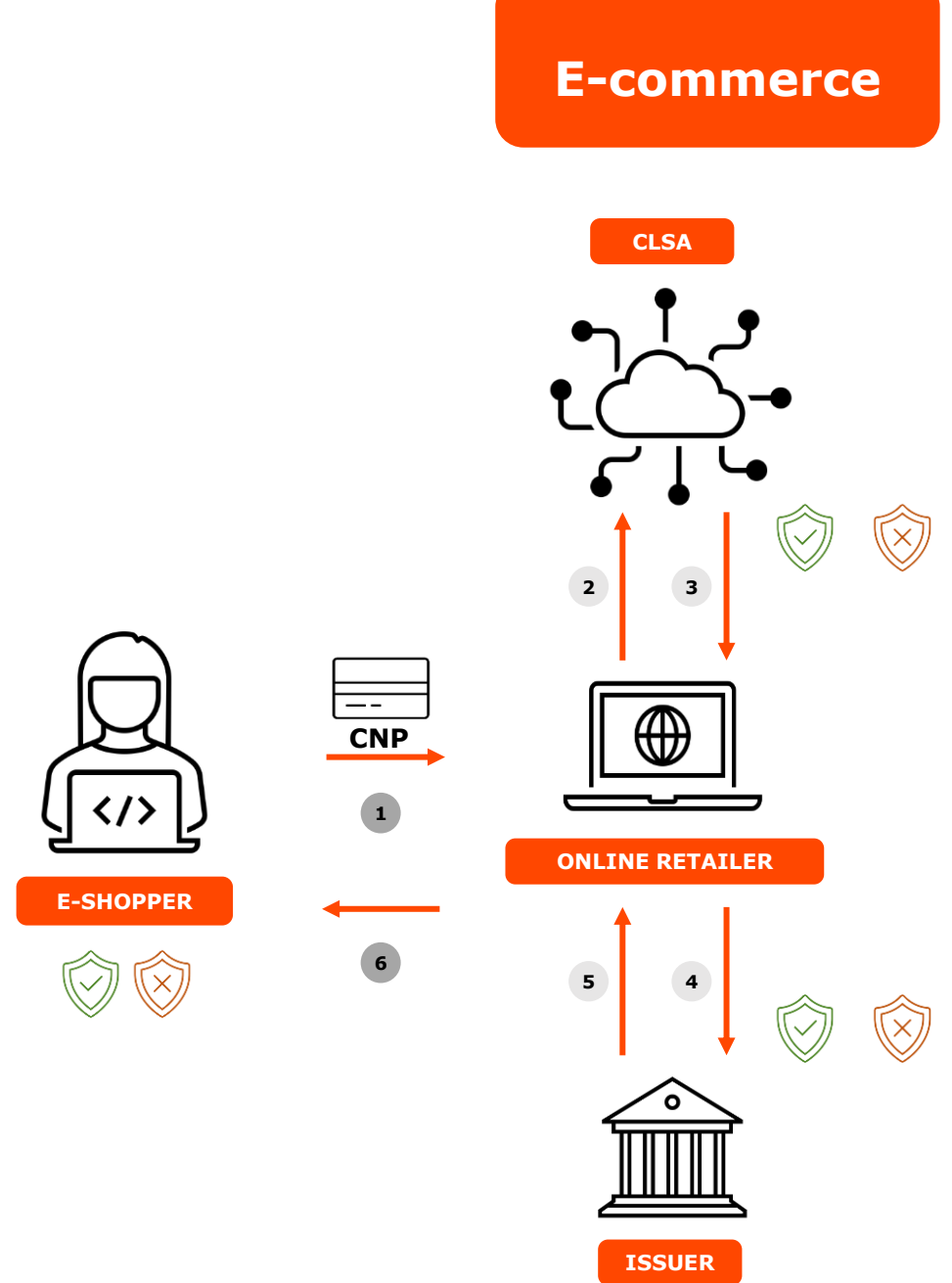
# Mitigate the True Cost of Fraud: Illustrative Example<sup>1</sup>

THE CLEARSALE GOAL IS TO **MINIMIZE THE TRUE COST OF FRAUD**

	US\$	INTERN	VENDOR A	VENDOR B
 FRAUD LOSSES	+	28.000	9.000	11.000
 FALSE DECLINES	+	138.000	57.000	17.000
 EXTERNAL COSTS	+	0	13.000	14.000
 INTERNAL COSTS	=	30.000	1.000	1.000
TRUE COST OF FRAUD		196.000	80.000	43.000
		>	>	BEST SOLUTION

Note: (1) Theoretical values for illustration purposes only. Values are only used to explain the "True Cost of Fraud" concept with an example, being unrelated to the Company or any competitors in the industry

# Where we are positioned



# Operational Flow

1



The Merchant transactions are integrated into the ClearSale **database**

2



TOTAL  
ClearSale

## SATISTICAL MODEL



**Artificial Intelligence** assigns the transaction **score**, an indicator that evaluates transactional data

## FRAUD SCORE

3

## AUTOMATIC APPROVAL



4

## 2º FACTOR AUTHENTICATION

We use 2FA for well-known clients in the market, whose response we trust, valuing the best buying experience

## HUMAN ANALYSIS



**2% of orders**

Data base as of 2021

# Billing collection Model

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1



**We receive per transaction**

2



**100% of the transactions must be analyzed by ClearSale**

3



**The efficiency gain is ours**

4



**The higher the volume of transactions, lower the price**

5



**Success fees and penalties accordingly to our performance**

# E-commerce

Large deliveries in line with the IPO

## IPO Plan:



**INCREASE  
COMPETITIVENESS  
STRENGTHEN  
RELATIONSHIPS**



**PENETRATION IN  
NEW SEGMENTS**



**STRENGTHEN  
PARTNERSHIPS**

**Platform with  
stability and UX;  
Product  
interface**

100% of stability at  
Black Friday

**Customized  
Products**

Express SLA

**Efficiency  
Projects**

Cloud, Avaya, 2AF  
WhatsApp, Biometry,  
SIM Swap, Acquiteture  
without CPF,  
Hotphone+, Network  
Effect

**True cost of  
fraud**

**Commercial  
Team**

Seniorization,  
organization in BUs,  
scalability, sector  
specialization, key  
accounts

**Acelerah Project**

R&S,treinamento e  
onboarding

**Focus on  
Negotiations**  
(inflation adjustment)

**Marketing  
Maturation**

Branding, PR and  
Content, ABM, Digital  
Performance, Events,  
Product Marketing

**Head of  
Acceleration**  
(alliances, partnerships, new  
businesses)

**Low historical  
churn**

2,7%  
(2021)

# Why to internationalize?

- Topline diversification
- Operational leverage
- Know-how + Expertise acquired operating in Brazil (complex country when it comes to fraud)
- Antifraud becoming a global business

## Good Reviews



Data base as of November, 2021

## Leader in Fraud Prevention G2 Grid – Winter 2022

- **Leader:** Grid Report for E-commerce Fraud Protection
- **Leader:** Small Business Grid Report for E-commerce Fraud Protection
- **Top Performer:** Mid-Market Grid Report for E-commerce Fraud Protection

# International E-commerce

Large deliveries in line with the IPO

## Planos do IPO:



### MÉXICO and LATAM

Consolidation via *Outbound Sales* and partnership for *Middle/Long Tail*



### EUA and CANADÁ

Middle/Long Tail via partnership and Enterprise test via *Outbound Sale*



### TEST NEW GEOGRAPHIES

with High Fraud Rates with Low Approval Rates

Commercial and Marketing Restructuring: Latam x RoW<sup>1</sup>

Head of Alliances and Head of Enterprise LATAM hiring

Brazil x International Synergies

LatAm Commercial Head hiring in progress

Acquisition of Chargeback Ops



- *Chargeback management Company (complementary solution)*
- *Strengthen customer and brand relationships in the US*
- *Potential revenue and efficiency synergies*

## Leader in Fraud Prevention G2 Grid (*Winter 2022*)

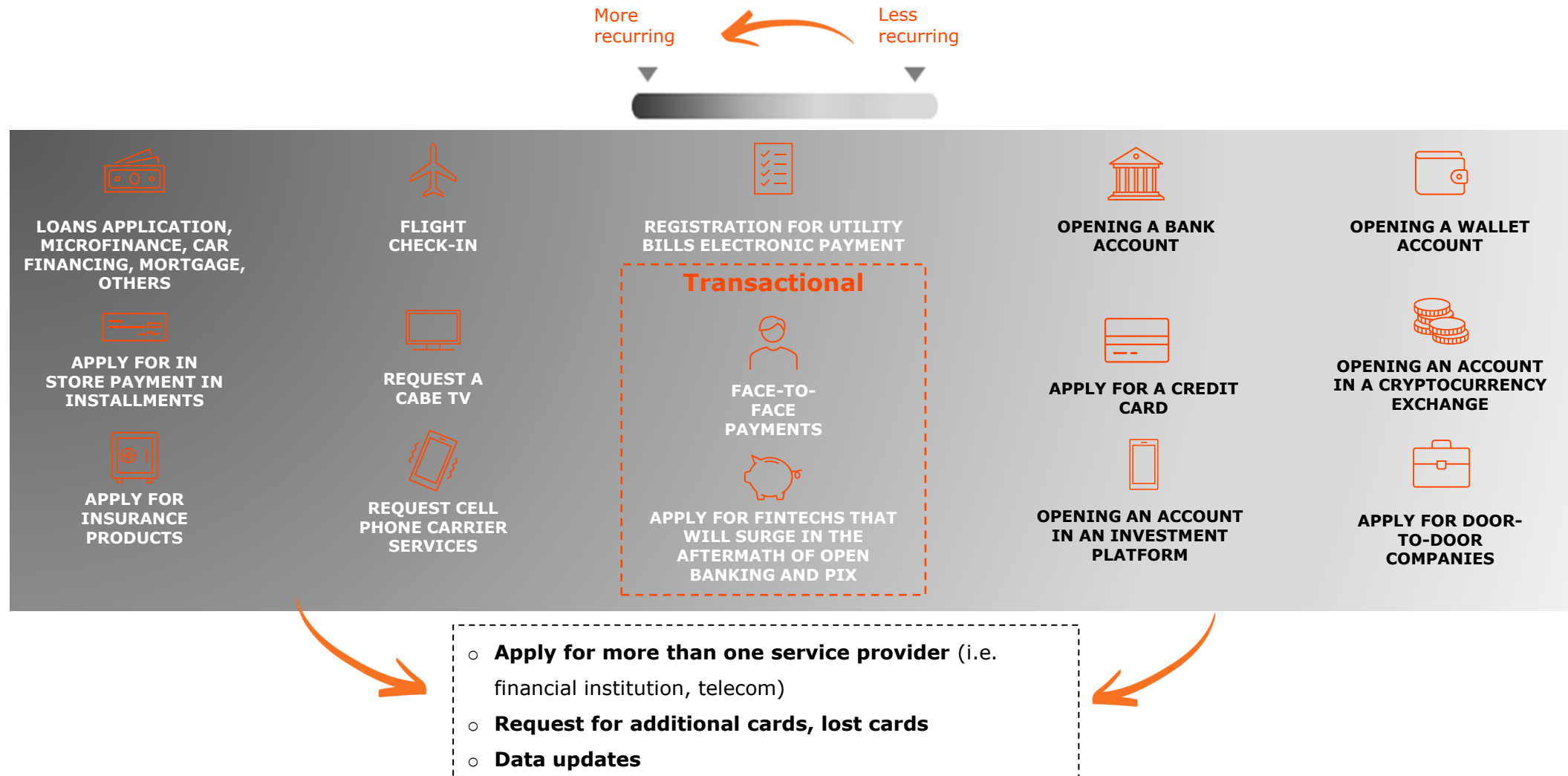
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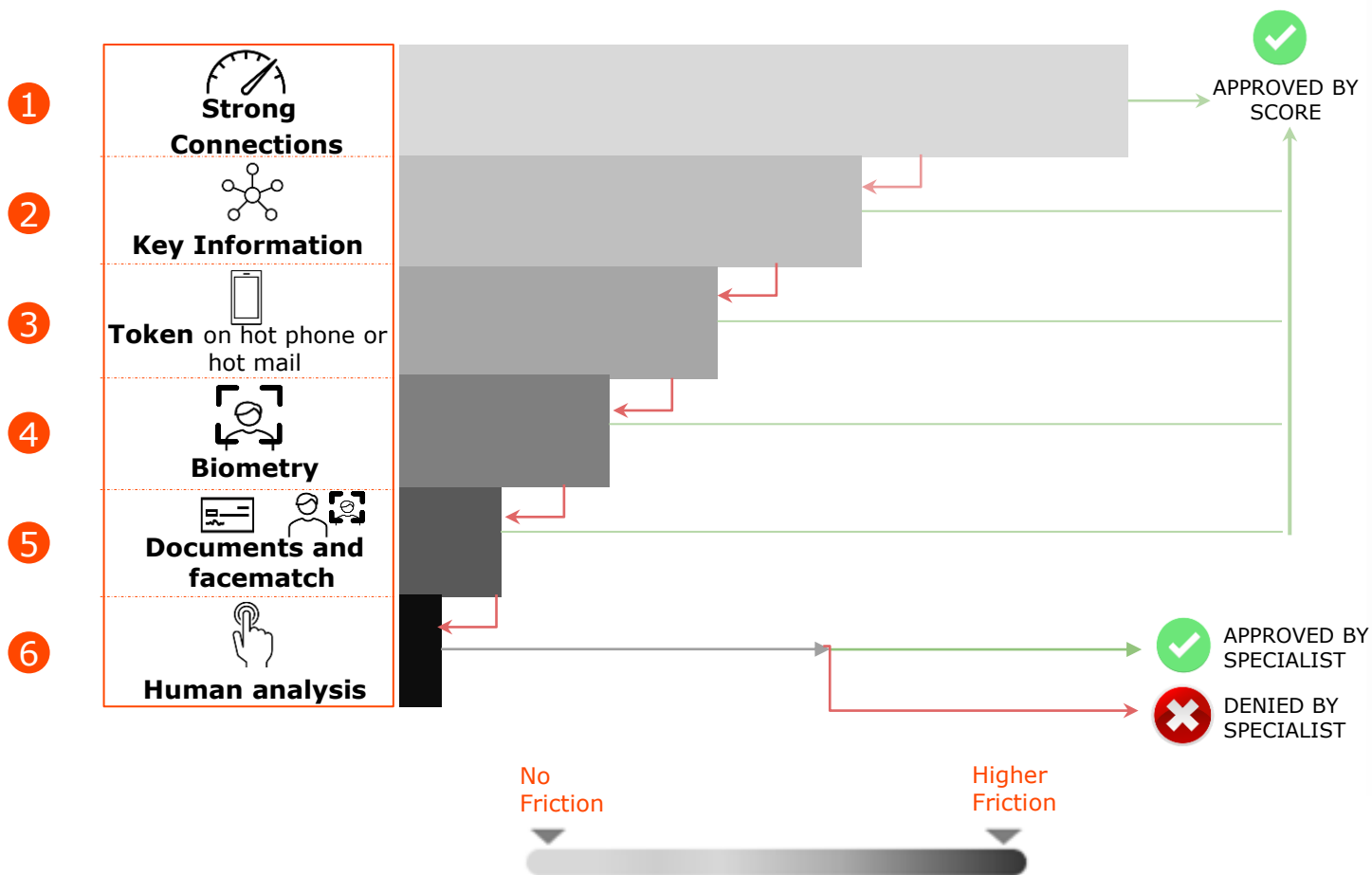
# **ONBOARDING / FRAUD APPLICATION**

## A use case multiplicity, dynamic, recurrent and in several segments



# Single platform with modular and integrated components

Low-friction approval flow



**ClearSale approach**

## Frictionless for good consumers

Focus on user experience to increase sales

## Multidimensional and modular

Multiple layers to increase protection against fraud

## Probabilistic Models

Use of statistical models/A.I. in continuous evolution

**Learn more [here](#) and [here](#)**

# Onboarding strategy



- Accelerating Data Trust platform's roadmap
- Increase investments in promotion and distribution
- Promoting User Experience and Frictionless Concept

# Onboarding

Large deliveries in line with the IPO

## IPO Plan:



**ACCELERATION  
of the DATA TRUST  
(frictionless UX)**



**LARGER  
INVESTMENT  
IN PROMOTION  
AND DISTRIBUTION**



**UPSIDES in  
CREDIT**

### Continuous Development in Components

Commercialization of  
documentscopy and Know Your  
Customer

### BETA LEARNING Acquisition



- Software factory with 110 employees and hiring pipeline
- Methodology and fit-cultural
- Training (technology and leadership)

### Commercial Team

Seniorization, organization in  
BUs, scalability, sector  
specialization, key accounts

### Acelerah Project

R&S, training/ onboarding

### Rebranding and New DATA TRUST Platform

- Implementation of biometry
- Component modularization
- Focus on UX and product interface

### Credit

Good grip and higher  
market demand: 15  
clients and +50mn  
consults

### Commercial Headcount

+71 people YoY  
+30 people since the  
IPO

### Marketing Maturation

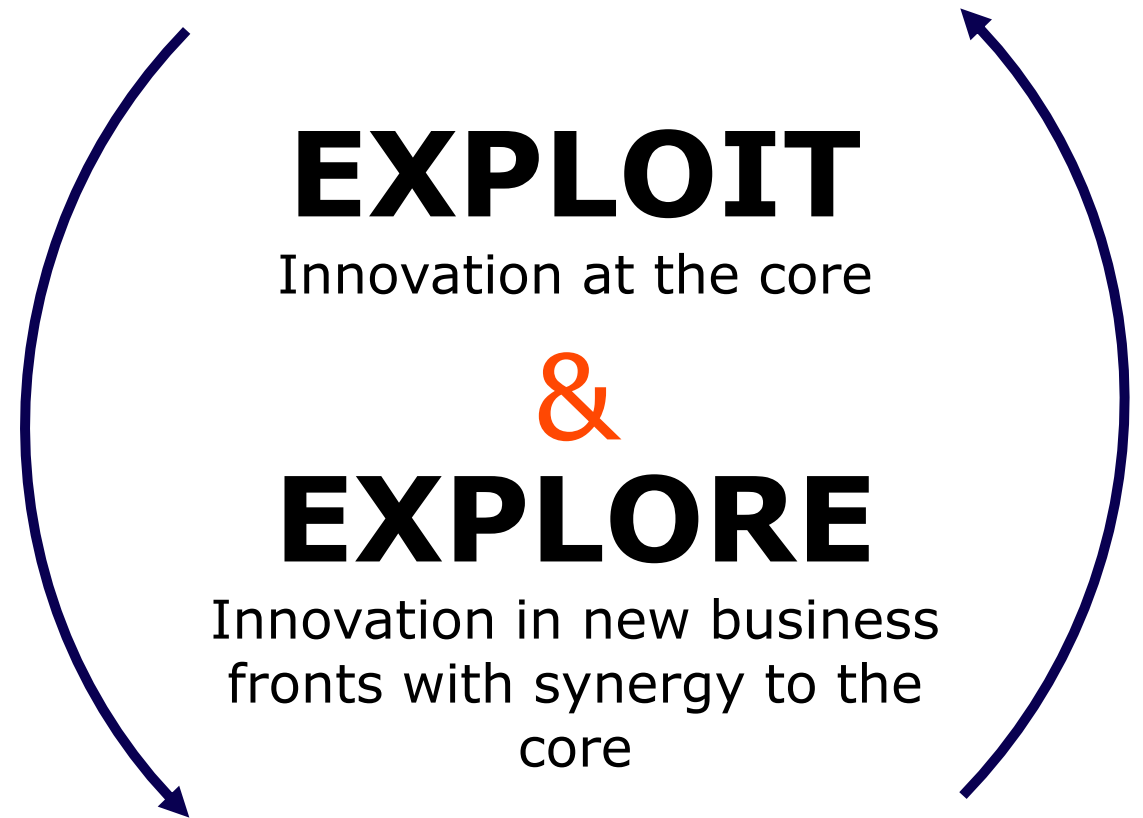
Branding, PR and  
Content, ABM, Digital  
Performance, Events,  
Product Marketing

### Commercial Teams in BUs and Head focused on acceleration



explore

**We apply the  
concept of:  
Ambidextrous  
Organizations**



# EXPLORE

Hub of **new businesses** that have **high synergy** and leverage from ClearSale's business and strategy, with **high potential, sustainable advantages**, and that completely solve a problem.

Hub initiatives go through a cycle that involves market discovery, solution prototyping, start-up and preparation for scale.



ClearSale

eXplore

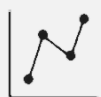
# Explore

Large deliveries in line with the IPO

## IPO Plan:



**TO SUSTAIN  
EXISTING  
INITIATIVES**  
(Threat-X and  
Business Trust)



**INVEST  
IN NEW  
BUSINESS**



**INCREASE IN  
HEADCOUNT**

**Threat-X and  
Business Trust at  
Pre-scale**

**Health and MKT  
Place in  
Prototyping**

**Chosen by Lift**  
(BACEN Innovation  
Program)

**Discovery  
Insurance**

**Doubled the  
number of  
employees<sup>1</sup>**

**Tripled the  
number of  
customers<sup>1</sup>**

## Explore Roadmap

1

**DISCOVERY**

2

**PROTOTYPATION**

3

**OPERATION**

4

**PRE-SCALE**

Spin-off or Products

Note: (1) Jul/21 vs Feb/22.

An abstract graphic on an orange background. It features several concentric circles of varying radii. Some of these circles have small dark dots placed on them. The dots are located at various points along the circles, creating a sense of movement or orbits. The text "OUR SOLUTIONS CREATED AT EXPLORE" is written in a bold, white, sans-serif font, positioned in the center-right of the image.

**OUR SOLUTIONS  
CREATED AT EXPLORE**

# BUSINESS Trust

Using all ClearSale's expertise and different products to support the analysis of companies, through the **behavior of the CNPJ and the CPFs of the related parties**, we deliver all the inputs for the best decision making:

Learn more [here](#).

**INSIGHTS**

**RISK GROUP**

**FRAUD SCORE**

**SERVICES**

DATA AS  
A SERVICE  
(DaaS)



API



SCREEN

API: application programming interface





# THREATX

ClearSale Threat Intelligence solution that **protects our customers brand** from any type of threat in the digital environment

The platform is made up of the union of artificial intelligence with human analysis from experts in monitoring sources on the Surface, Deep and Dark Web.

Our goal is to find and remove threats such as:

- ❖ Phishing
- ❖ Counterfeit products
- ❖ Fake profiles on social networks
- ❖ Data leaks

ThreatX has the best search and takedown performances on the market, in addition to a business model with **total threat removal** (shared success).

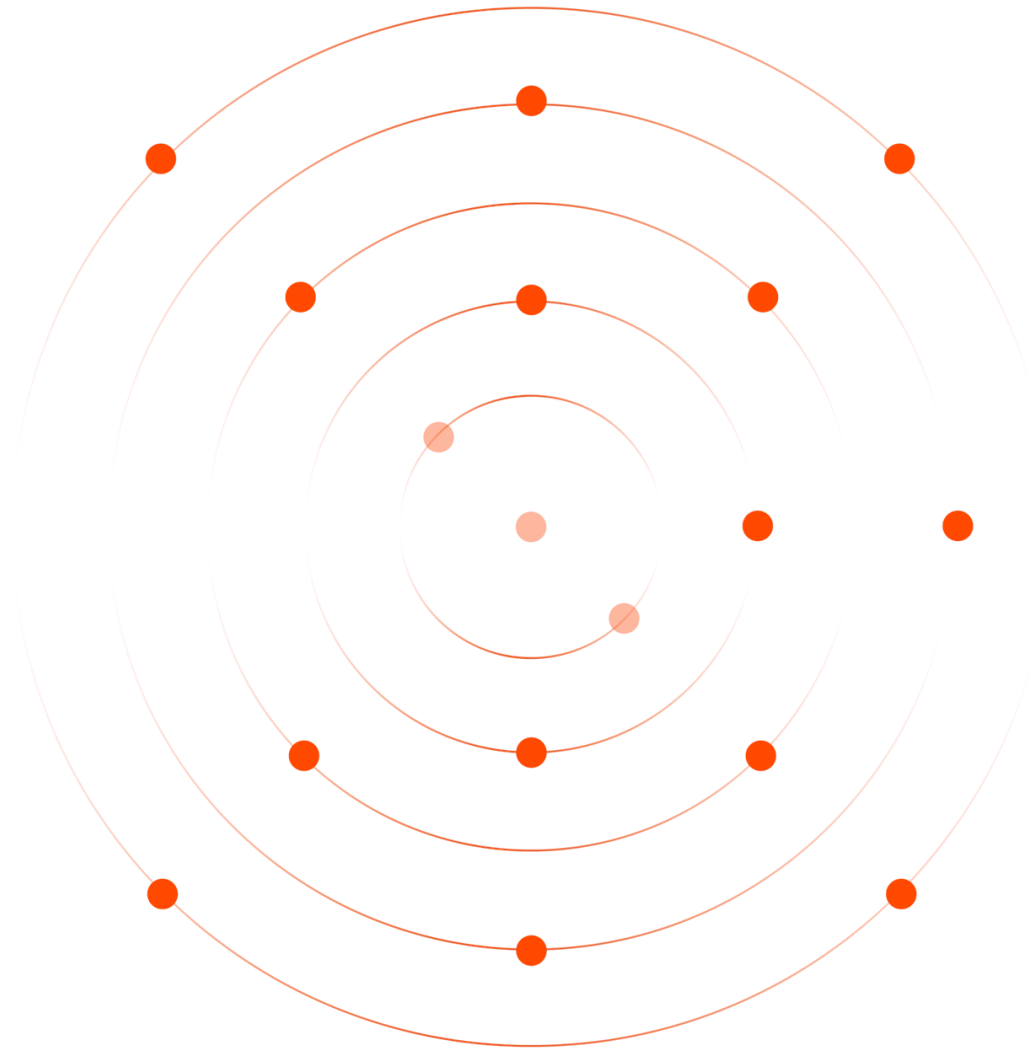
Find out more **here**

The background is a solid orange color. On the left side, there are several concentric circles of varying radii. Small dark dots are placed at various points along these circles, creating a pattern that resembles a stylized atomic model or a network diagram. The text is centered horizontally and partially overlaps the circles.

# **GOVERNANCE AND CORPORATE STRUCTURE**

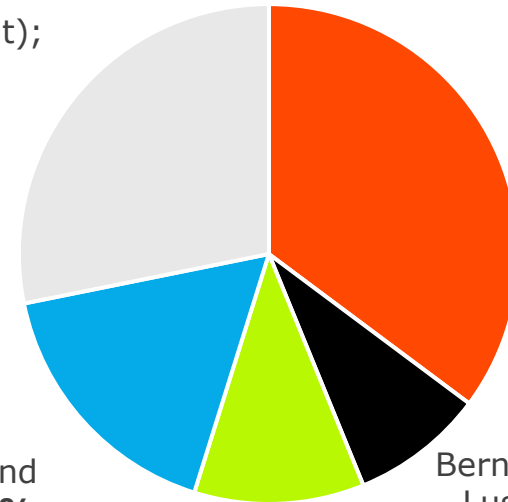
# ClearSale's Corporate Structure

**CLSA**  
B3 LISTED NM



Others (Free Float);  
**28%**

Other Controllers and  
Related People; **17%**



Pedro Chiamulera  
(Founder & Board  
President); **35%**

Bernardo Carvalho  
Lustosa (CEO);  
**9%**

Innova Capital;  
**11%**

# Experienced Executives and Board with diverse and complementary backgrounds

## KEY EXECUTIVES

Bernardo Lustosa, **CEO**

Maria Isabel, **Governance**

Renan Ikemoto, **I.R.**

Eduardo Monaco, **Delivery**

Alexandre Mafra, **CFO**

## PREVIOUS EXPERIENCE



Valid

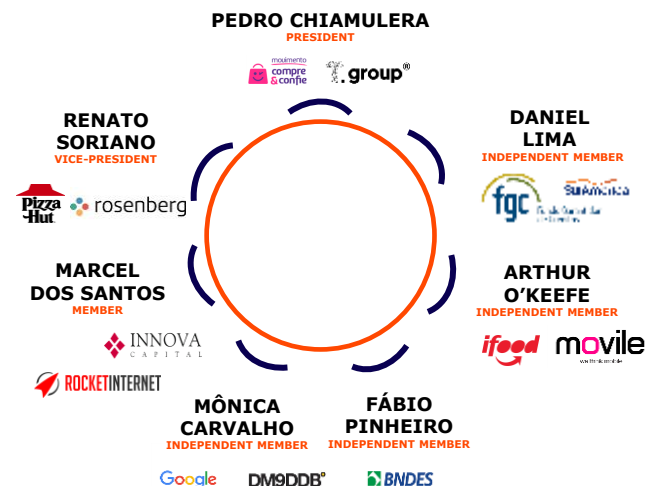


AmBev



PATRIA

## EXECUTIVE BOARD



**57%**  
of independent  
member

## OTHERS COMMITTEE



People



Audit/Risk



Ethics

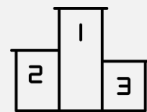
# Best-in-Class Security Architecture

## LGPD and Information Security



International standards for  
information security  
management

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We are constantly audited by  
well-known companies and by  
the internal auditing



Significant investments to  
comply with LGPD for customer  
data protection

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Information Security area does  
not depend on the IT area



Yearly Ethical Hacker Tests  
(EHT) Against production and  
certification environments

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Information Security  
Committee with autonomy

An abstract graphic on an orange background. It features several concentric circles of varying radii. Scattered across these circles are several dark brown dots of different sizes. The text "FINANCIAL RESULTS" is centered in the middle of the image in a bold, white, sans-serif font.

# **FINANCIAL RESULTS**

# Highlights – 3Q22

R\$ **11.1 MM**

**8.5%**

R\$ **19.0 MM**

**16.7%**

**Adjusted EBITDA**

**Adjusted EBITDA Margin**

**Adjusted EBITDA BR**

**Adjusted EBITDA Margin BR**

**47.7%**

**+12 p.p QoQ**

**+4 p.p YoY**

**Adjusted Gross Margin<sup>1</sup>**

R\$ **+18 MM QoQ**

R\$ **+11 MM YoY**

**Adjusted Gross Profit<sup>1</sup>**

**+42% QoQ;**

**+21% YoY**

R\$ **130 MM**

**Total Net Revenue**

**+12% YoY**

R\$ **81 MM**

**Brazil E-commerce Revenue**

**+18% YoY;**

**+11% QoQ**

R\$ **16 MM**

**International E-commerce Revenue**

**+13% YoY (real)**

**+12% YoY (dollar)**

R\$ **33 MM**

**Application Fraud Revenue (Onboarding)**

**-0,6% YoY**

**1.6%**

**Annualized Churn rate 9M22**

*(Logo churn)*

**Vs. 2,1% at 2021**

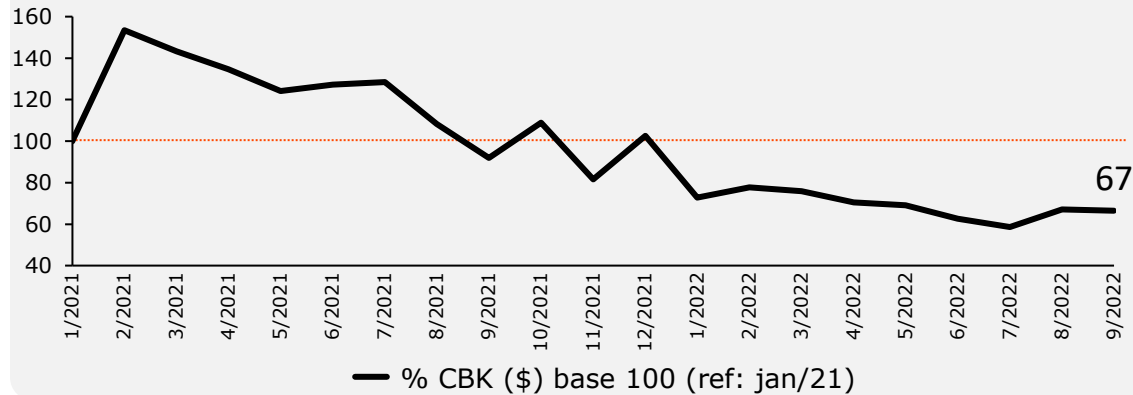
(1) Adjustments of: Cloud duplicity (2021), Terminations (2022) and excluding depreciation

# Recent Achievements



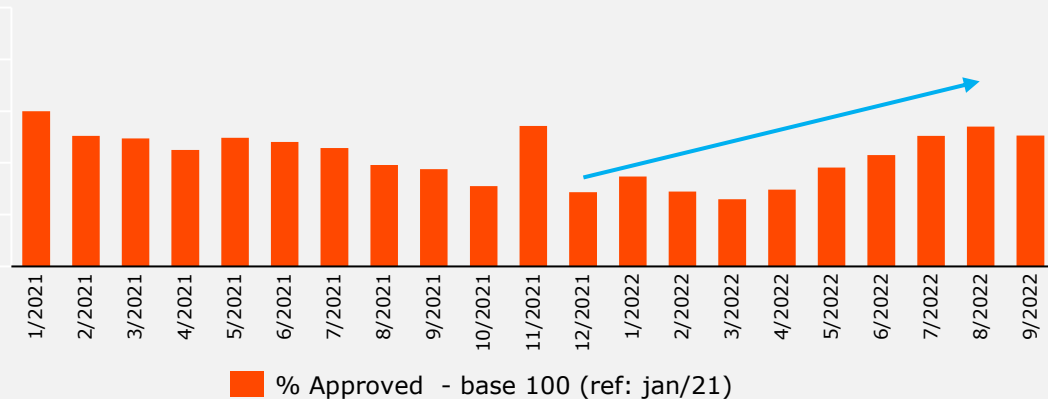
## Fraud indicators are normalized

### Chargeback Index<sup>1</sup>



## Approval resumption

### Approval Level<sup>1</sup> (%)



## Efficiency projects at all tiers of approval



### Operation

- ✓ Auto dialer implementation
- ✓ Specialized Sectors



### Tech Components

- ✓ Biometrics in E-commerce
- ✓ Whatsapp 2AF



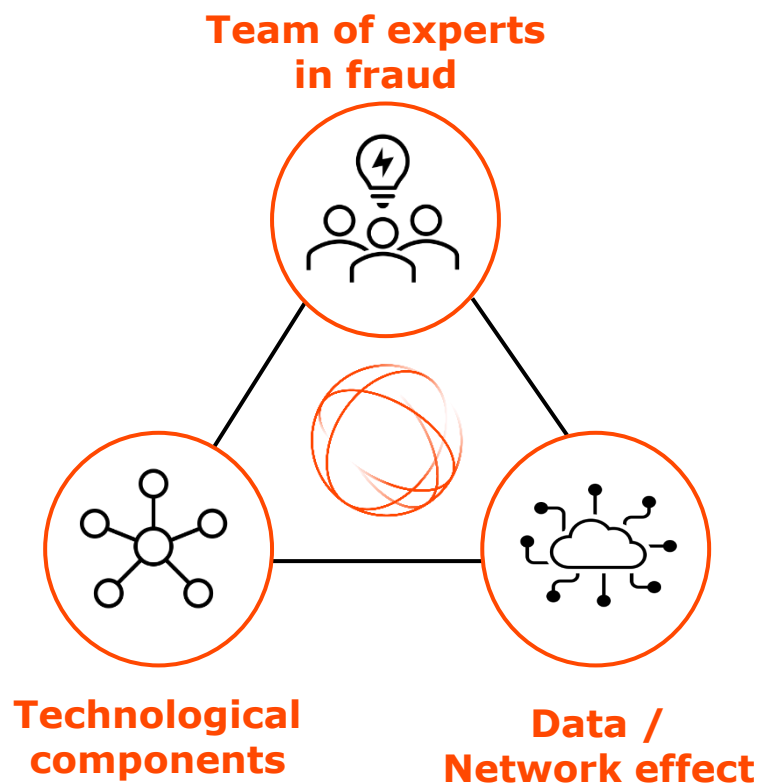
### Data Usage

- ✓ Componentized Platform (*Flow*):
  - Models and rules migration – Black Friday preparation
  - Agility gain in the next rollouts

Approval layers

# Long-term Vision

**Our competitive advantage based in...**



**...together with a componentized platform enables**

**various commercialization models**

**Components**  
to be used by  
our clients

**Bundles**  
to solve use  
cases

**Full outsourcing**  
with ClearSale's  
expertise



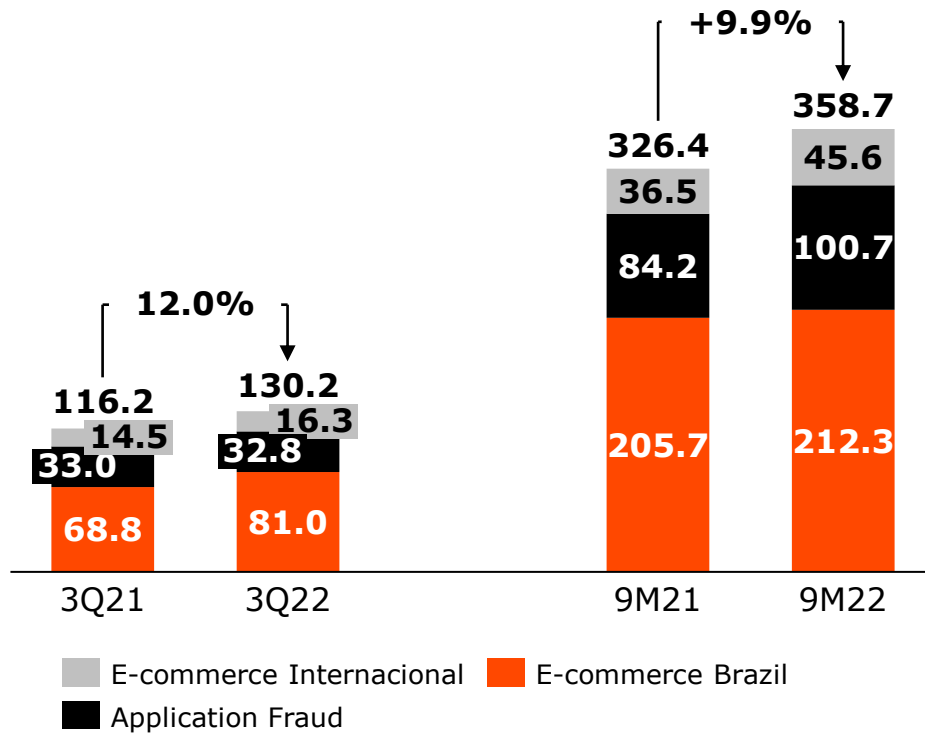
**To explore new markets and use cases**

**New CX projects and new businesses**

- ✓ **Relevant wallet client entrance**
- ✓ **"Straw-men" fraud** - "*Valida Cartão*"
- ✓ **Payment Link**
- ✓ **Liveness Biometrics and Documentoscopy** with customers in production
- ✓ **My Clear Launch**

# Net Revenues

## Net Revenues R\$ MM



Annual Growth - Net Revenue	3Q22 / 3Q21	9M22 / 9M21
<b>Brazil</b>		
<i>E-commerce BR</i> reported	+17,8%	+3,2%
<i>E-commerce BR</i> potential <sup>1</sup>	+14,4%	+6,8%
<i>Application Fraud</i>	-0,6%	+19,6%
<b>International</b>		
E-commerce Int. (BRL)	+12,8%	+25,0%
E-commerce Int. (USD)	+12,4%	+30,0%
<b>Total reported</b>	<b>+12,0%</b>	<b>+9,9%</b>
<b>Total potential<sup>1</sup></b>	<b>+10,1%</b>	<b>+12,0%</b>

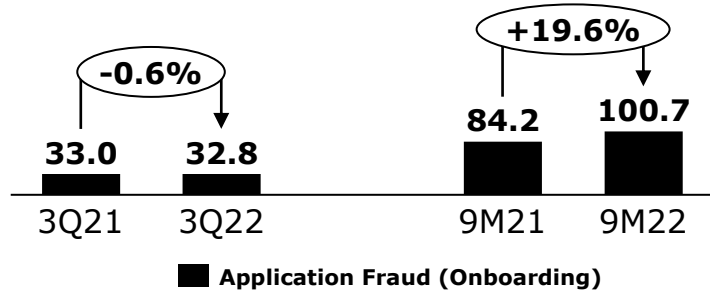
(1) Revenue adjustments refer to the Brazil e-commerce business and reflect discounts granted and chargeback recognized above the average relative level observed in 2020

# Net Revenue - Main highlights

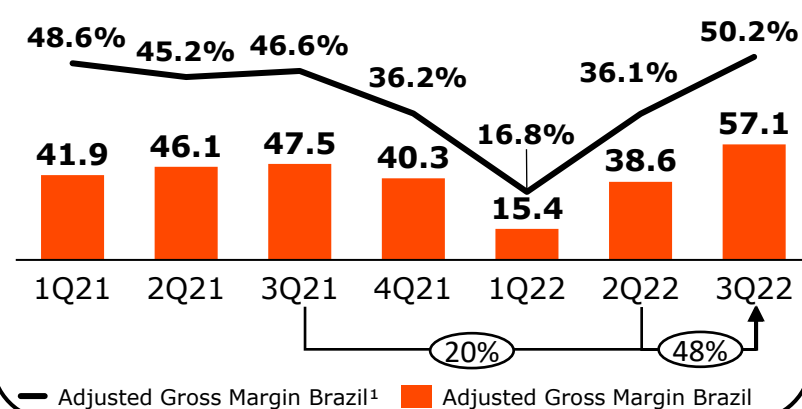
R\$ MM; %

**Application Fraud:** margin-focused contract rollover

Fraud Application Revenue (R\$ MM)

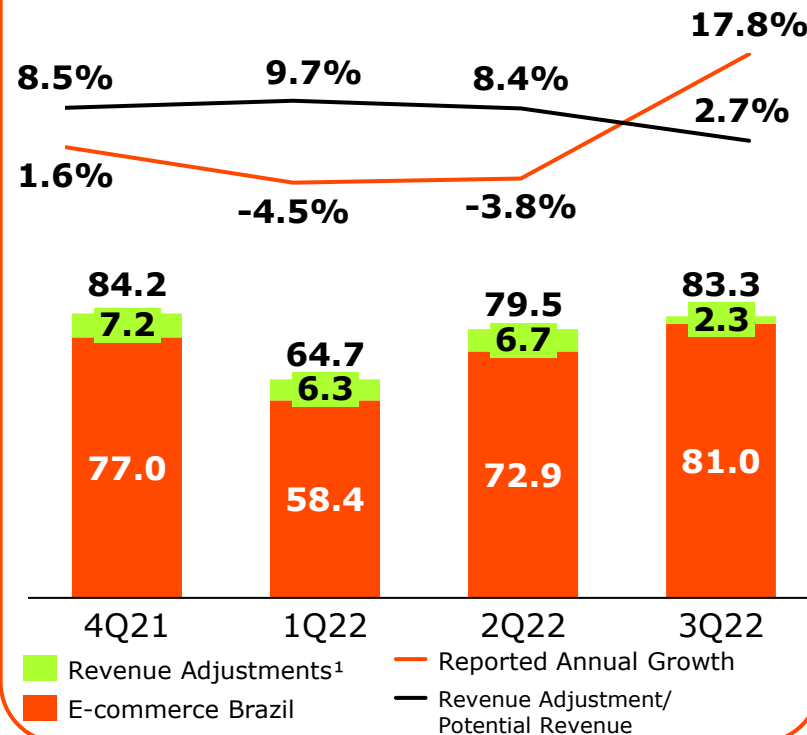


Gross Margin (%) and Brazil Gross Profit (R\$ MM)<sup>1</sup>



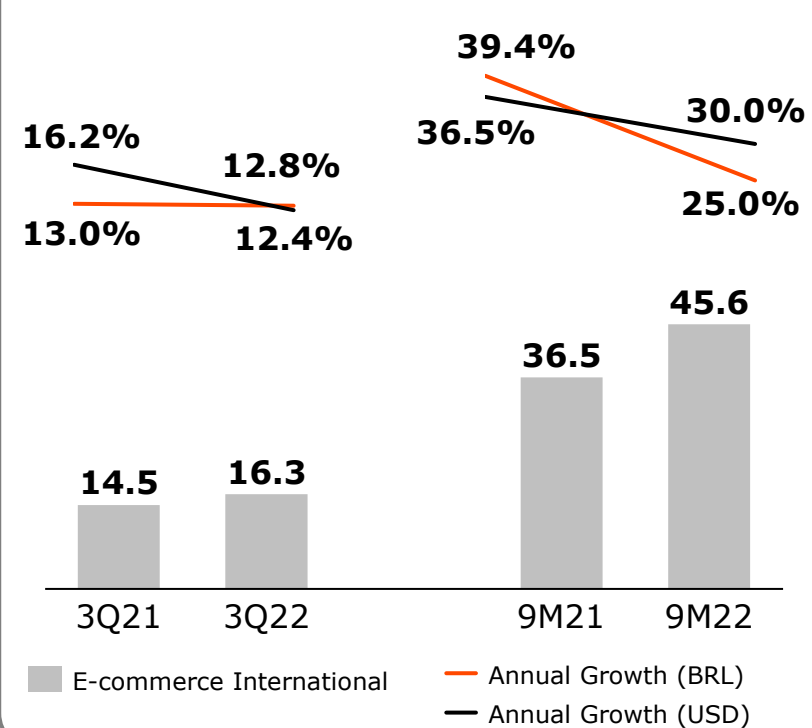
**E-commerce Brazil:** annual growth resumption with fraud control

E-commerce Brazil (R\$ MM), Annual Growth and Fraud Impact (%)



**E-commerce international:** annual growth rate of 30% (USD)

E-commerce International (R\$ MM) and Annual Growth (%)

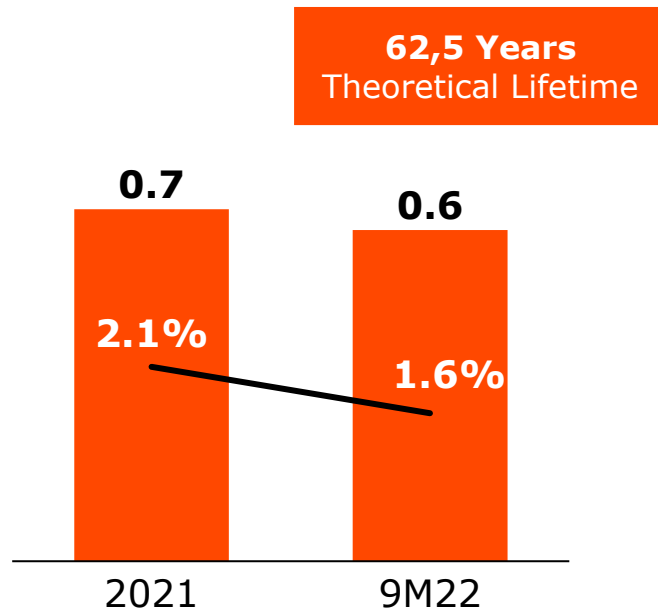


(1) Revenue adjustments refer to the Brazil e-commerce business and reflect discounts granted and chargeback recognized above the average relative level observed in 2020; (2) Cloud Duplicate Adjustments (2021), Terminations (2022) and excluding depreciation

# Revenue Operating Indicators

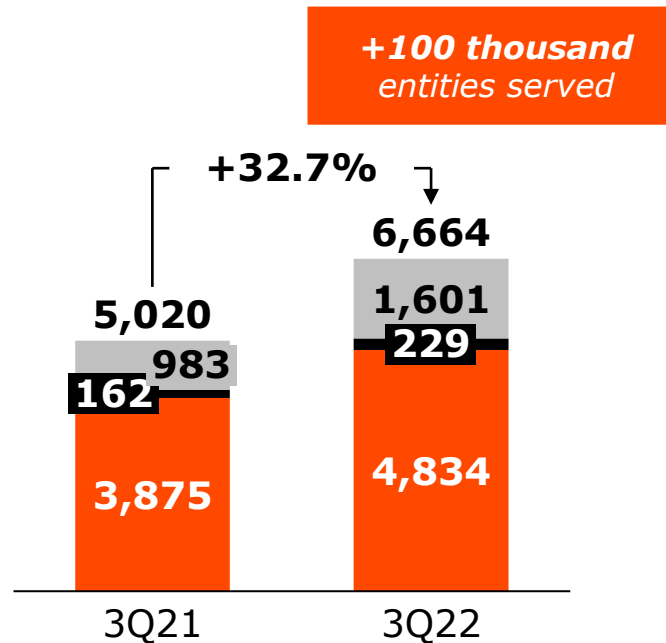
**New Sales ARR of R\$ 25.0 MM, customers growth of 1,644 e low Churn maintenance**

**Annualized Churn and Churn-rate**  
(R\$ MM and %)



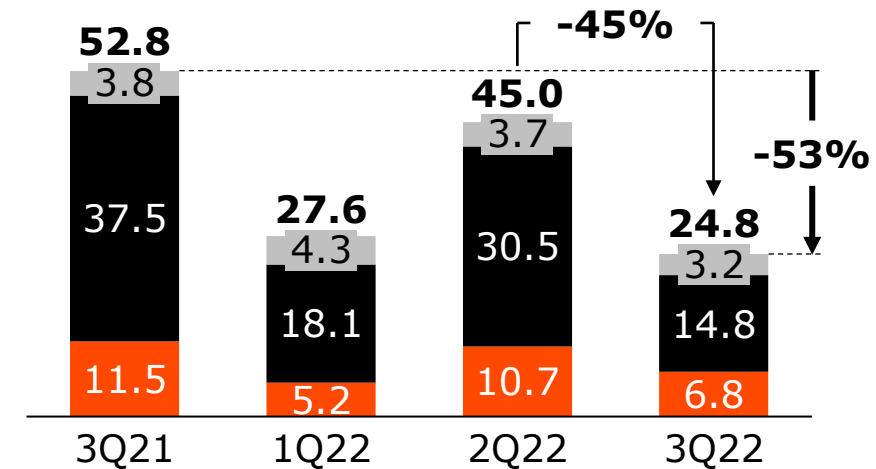
— Churn Rate (%)    ■ Financial Churn

**Customers Amount**



■ E-commerce Internacional    ■ Fraud Application    ■ E-commerce Brazil

**ARR<sup>1</sup> New Sales**  
R\$ MM



(1) Annually Recurring Revenue

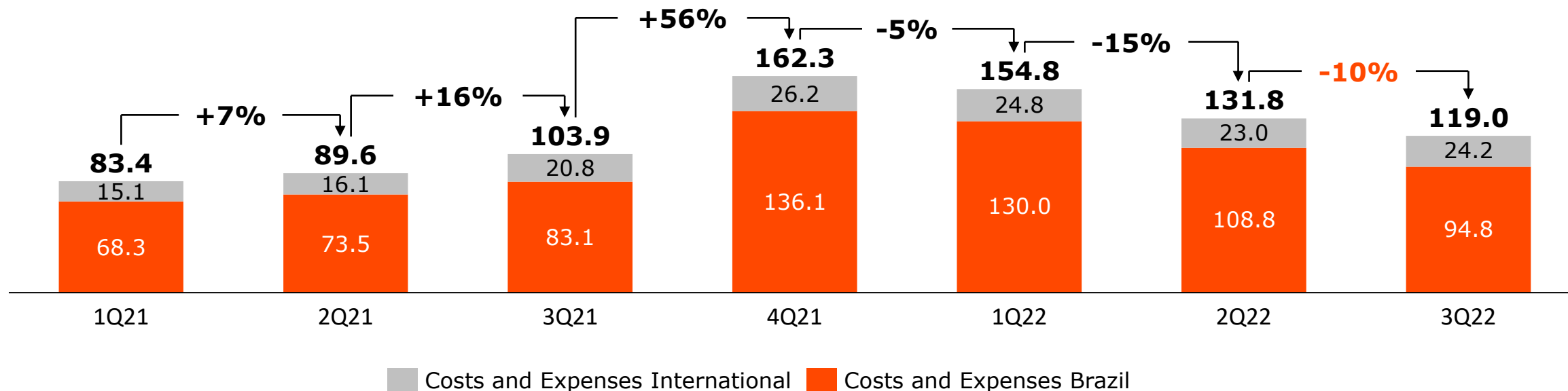
# Recurring Costs and Expenses<sup>1</sup>

R\$ MM; %

**Decrease of 10% or BRL 13 mm in the quarter and 27% or BRL 43 mm since 4Q21**

## Recurring Costs and Expenses<sup>1</sup>

R\$ MM; %



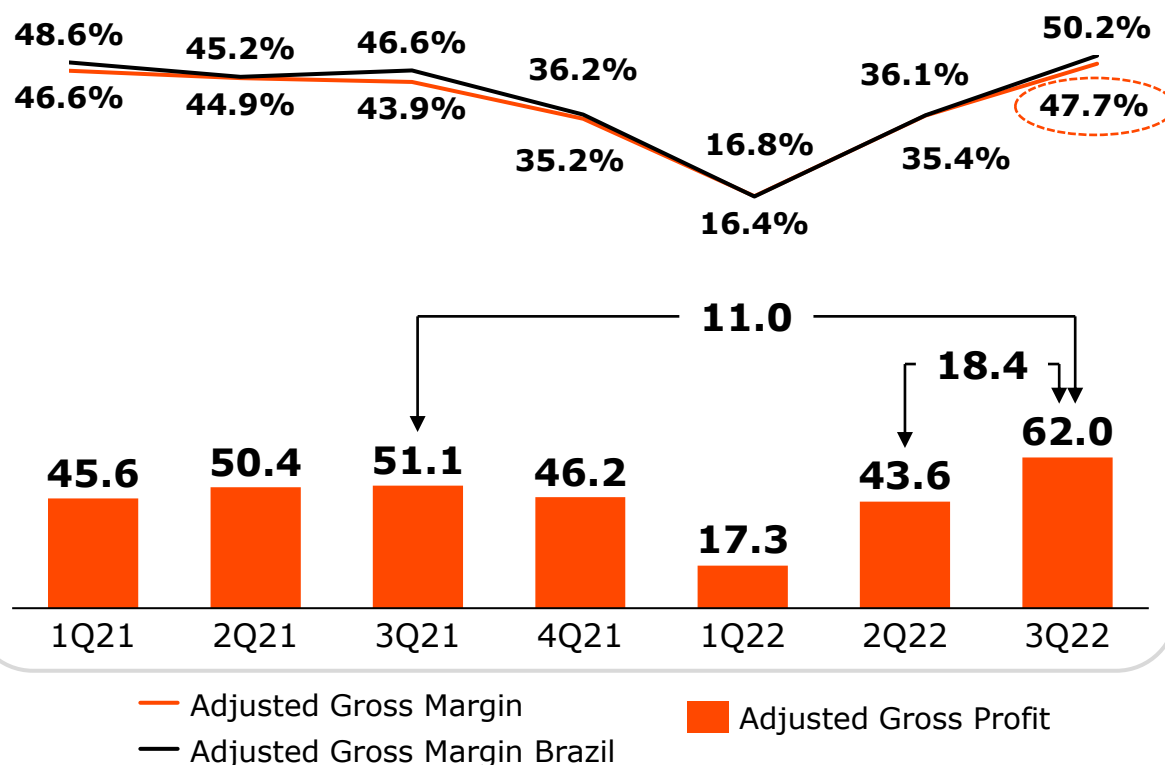
(1) Adjustments to: Result of discontinued subsidiaries (2021), Cloud duplicity (2021), IPO Expenses (2021), Terminations (2022), International Patent Acquisition (2022), Tax Adjustment (2022), Return of the building (2022) and Long-Term Incentive Plan (2021 and 2022) and excluding depreciation

# Adjusted Gross Profit, Adjusted Gross Margin, Adjusted EBITDA and Adjusted EBITDA Margin

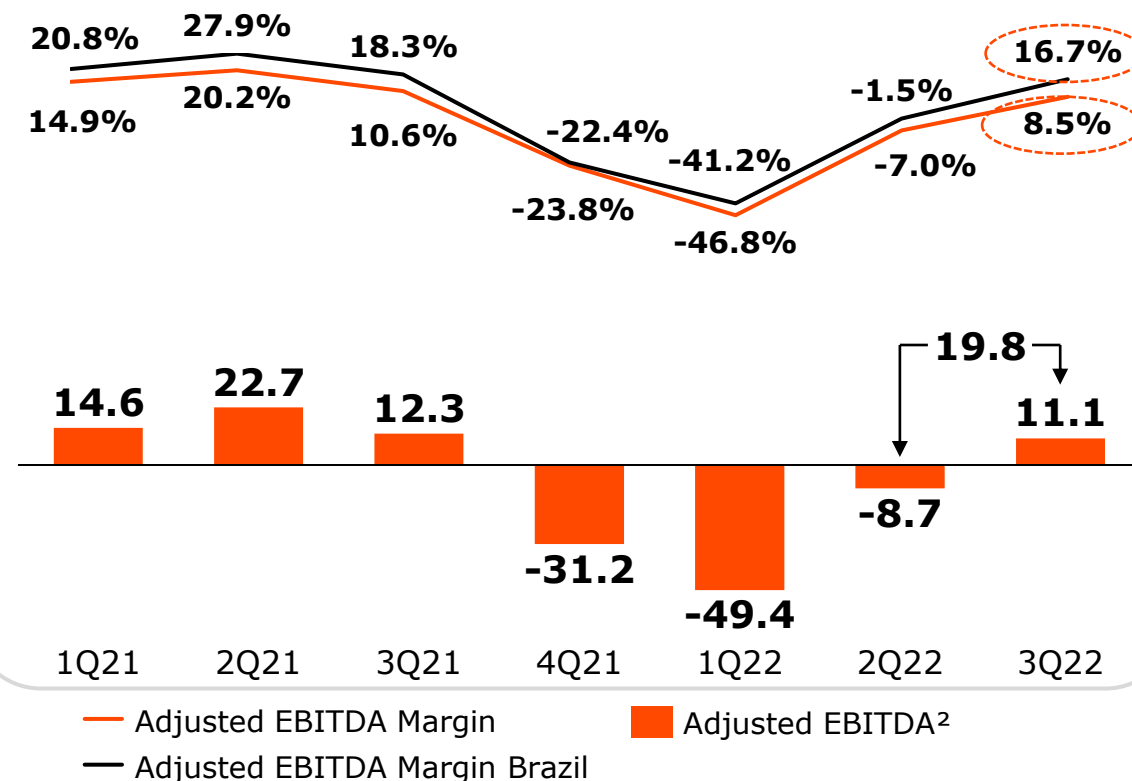
R\$ MM; %

**3Q22 Gross Margin returns to pre-IPO level and positive EBITDA in consolidated and in Brazil**

**Gross Profit (R\$ MM) and Gross Margin (%) Adjusted<sup>1</sup>**



**Adjusted EBITDA (R\$ MM) and Adjusted EBITDA Margin (%)<sup>2</sup>**

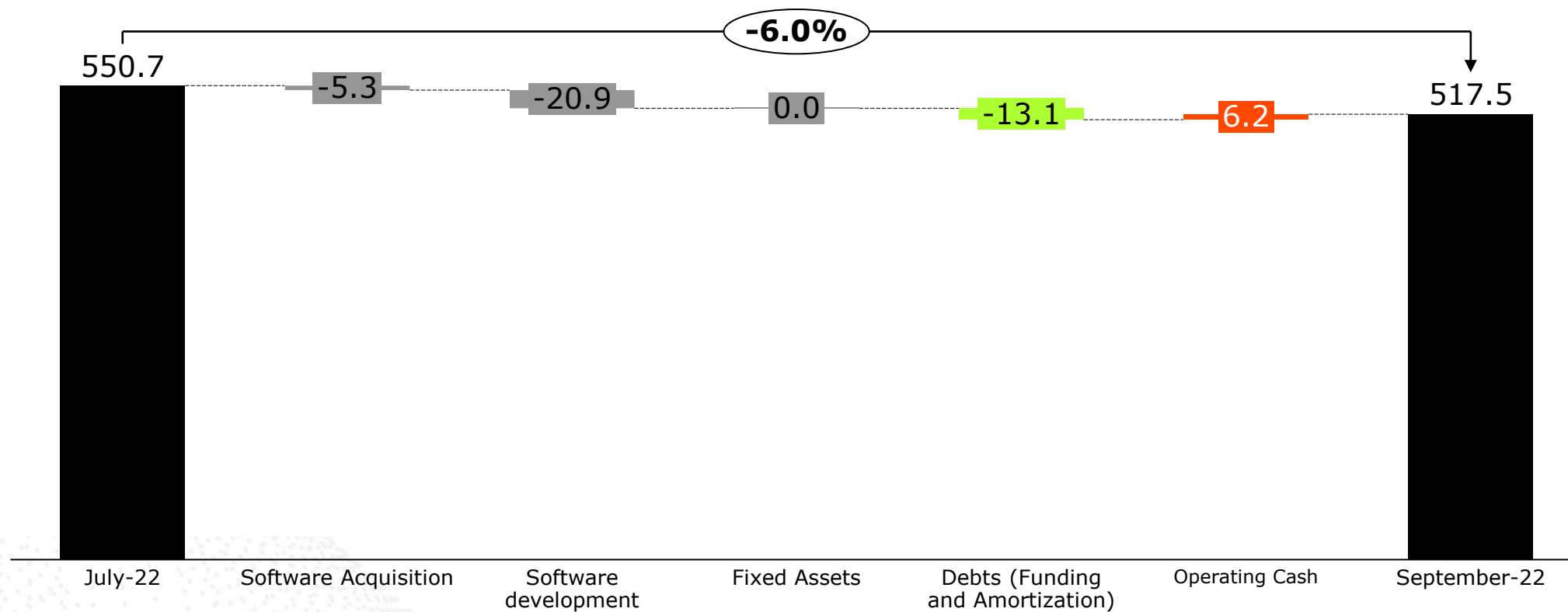


(1) Adjustments to : Cloud duplicity (2021) e Terminations (2022) excluding depreciation; (2) Adjustments of: Result of discontinued subsidiaries (2021), Cloud Duplicity (2021), IPO expenses (2021), Terminations (2022), International Patent Acquisition (2022), Tax Adjustment (2022), Return of the building (2022) e Long-Term Incentive Plan (2021 and 2022)

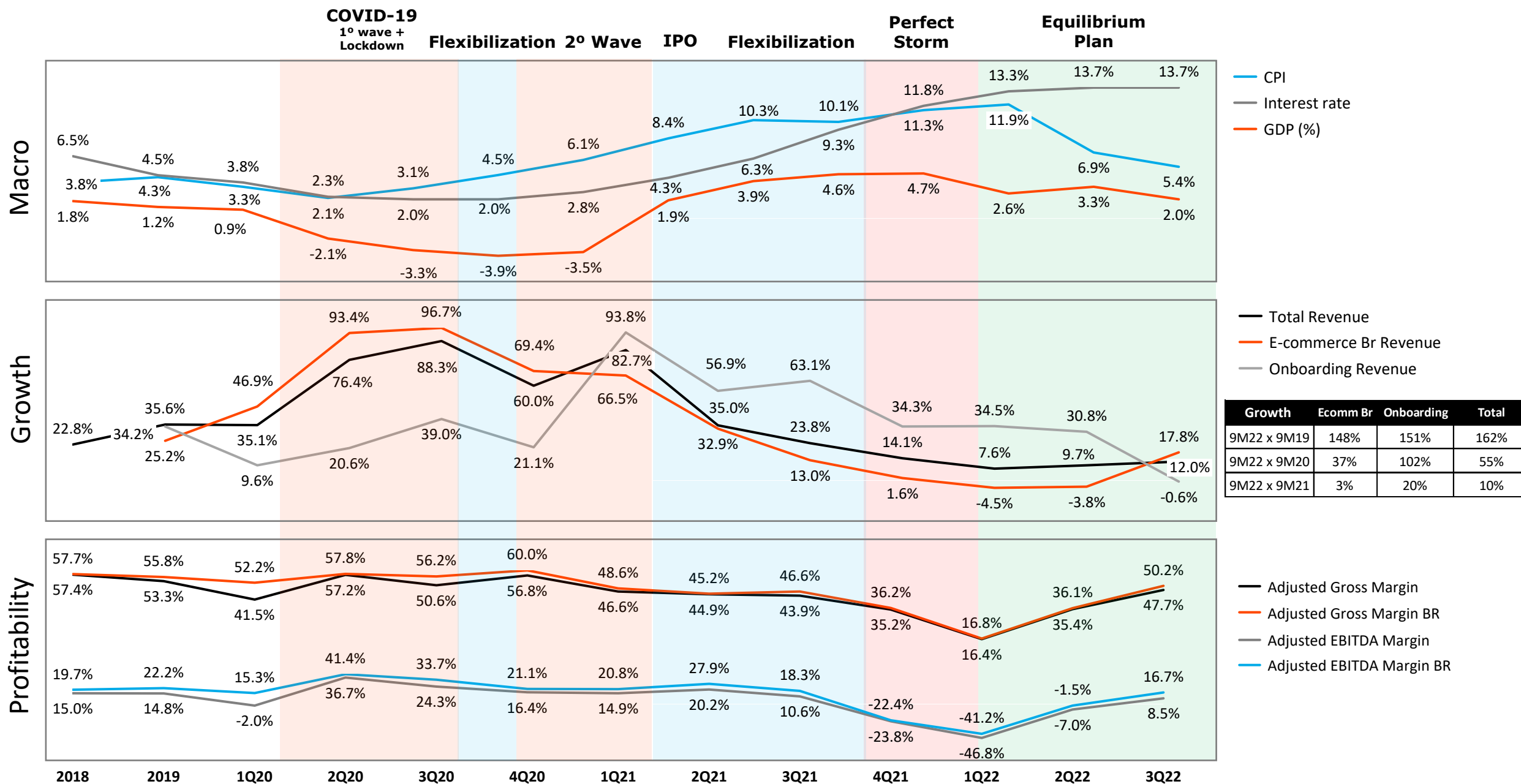
# Consolidated Cash Flow

R\$ MM

**Operating cash generation of R\$ 6.2 million**

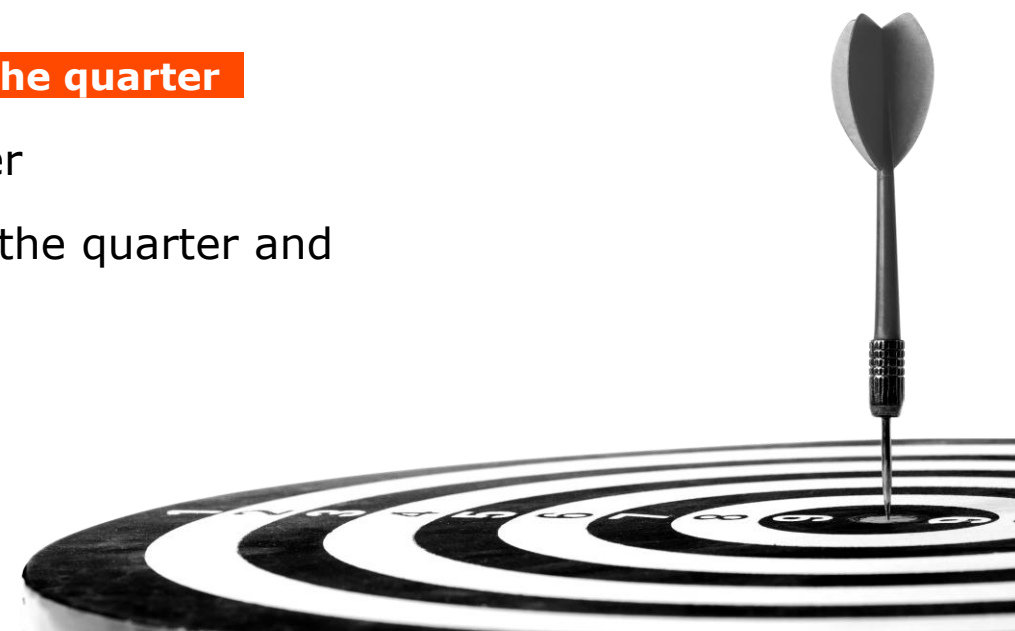


# Evolution 2018 - 2022



# Final Message

- **Solid operational indicators**
- **We remain focused on investments to make the company increasingly technological and explore new avenues of growth through the following differentials:**
  - ✓ (i) Data; (ii) Unique technology platform and (iii) team of experts to solve any type of fraud
- **Fraud attack level under control**
- **We continue to capture all opportunities for efficiency through the Equilibrium Plan**
  - ✓ Gross margin returned to pre-IPO levels **+12 p.p. in the quarter**
    - Margin-focused Application Fraud contracts rollover
  - ✓ Recurring costs and expenses reduced R\$13 million in the quarter and R\$43 million vs. 4Q21
  - ✓ Positive EBITDA Brazil and Consolidated
- **Reorganization for succession purposes to ensure operational and strategic excellence**





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