



Prepared Remarks Q2 2022

Cassio Bobsin, Founder and CEO

Hello everyone, and welcome to Zenia's Q2 2022 earnings call. I'm Cassio Bobsin, Founder & CEO. Today, we are going to present the key highlights of our second quarter results, demonstrating that we are on track to deliver guidance for the year.

Let's start with slide 4. During our Investor Day at the end of July, we disclosed to the market how we unified our portfolio of customer experience solutions after accelerating R&D investments and concluding all planned acquisitions in this first year as a public company. We're now able to provide a complete end-to-end customer experience journey to support the companies to attract leads, convert into customers, service them when needed and guarantee a successful relationship.

Zenia Attraction, former Zenia Campaign, is our SaaS solution that allows companies to create valuable communication campaigns for their prospects and customers in an easy, connected, and fast way by using data intelligence and automation across multiple channels. It allows companies to communicate with customers at the right time with the right channel. Companies using this solution can segment their campaign by the audience, profile or behavior, managing and enriching their contact base with data captured from multiple sources.

Zenia Conversion comes from Sirena. It is our SaaS solution that allows companies to improve sales through intelligent and multichannel conversations while ensuring



better performance of the sales team through data and integrations. For example, companies can optimize their entire sales process by starting with lead generation from digital ads, then all the way through the lead qualification process, sales engagement, sales closing, and even payment collection along the same conversation with the customer.

Zenvia Service comes from Movidesk. It is our SaaS solution that enables companies to provide amazing customer service with structured support across multiple channels. It is deployed to ensure a consistent experience for a long-term relationship while improving team performance and efficiency. As an example, companies can manage performance with several KPIs, establish multiple customized SLAs, control tickets across internal teams, and much more.

Zenvia Success, which comes from SenseData, is our SaaS solution for the customer success phase, enabling companies to continuously engage customers based on their individual context, promoting healthy and long lasting relationships. With this solution, companies can connect multiple data sources to create a 360 degree understanding of their customers, including customized KPIs and behavior tagging, so actionable insights are generated and transformed into proactive and highly contextualized customer interactions.

Let's move to slide 5, where you can understand exactly how our platform is structured. In addition to the solutions I have presented, our platform also provides



CX Tools that companies can use to integrate and automate their customer experiences in various ways. Our main tools are APIs, Bots, NLU, and Docs.

We're building a new world where experiences become more personal, engaging, and fluid for all humans. Our platform enables companies to break down the barriers that exist in customer experiences today.

QUANTUM is the essence of our platform. It connects all of our solutions and tools with the company's systems and processes. Quantum remembers your name, your latest interaction, and even your sentiment towards brands at any point of the journey. It consists of four core components:

Quantum Connect enables companies to bring customer data and events from other software into our platform, allowing highly contextualized interactions. For example, when a customer enters a physical store and buys a product, it is possible to immediately communicate with the customer by reading the data from the back systems with Zenvia Connect.

Quantum CDP, or customer data platform, stores end customer information from either the platform itself or from Quantum Connect, and assists in enriching both automated and human-based interactions according to the customer history with the company. With Quantum CDP, a company can define the best channel to impact an end-customer by accessing this end-customer's previous behavior in terms of communication channels.



Quantum Abstraction enables communication with customers through various channels in a simple way, streamlining processes and enabling the end-customer to switch channels while keeping the conversation going. For example, the end customer can start a conversation for support on Instagram, and on the next day, continue it on WhatsApp.

And finally, **Quantum Cognitive** automates predictive data analysis to unlock value from customer relationships based on their behavior, conversations, and transactions, enabling highly contextualized and proactive experiences. For example, by analyzing the profile of a particular end customer, we can identify that they always buy a certain product during a certain period, but this period is about to end and the end customer has not made the purchase yet. Maybe we can trigger a reminder for them or create a promotion campaign.

This is how our platform connects all the dots along the customer journey, providing multiple ways for companies to create unique experiences that are more personal, engaging, and fluid.

Companies can start working with us by subscribing to any solution or tool, and as they go deeper into adopting multiple parts of the platform, we can break down all CX barriers and unlock the true potential for end customers.

For you to see how all this really works, we prepared a short video that presents the journey of a fictitious end-customer, Johnny. We call it Johnny's Journey. Right



after the video, Shay will discuss our key financial metrics in more detail. I will be back after that for the Q&A.

[Johnny's Journey Video \(click here\)](#)

Shay Chor, CFO and IRO

Hello everyone and thank you for being with us today. I love this video. The first time I saw Johnny's Journey was back in December 2021. At that point, I was with Zenvia for less than 3 months. And that was the moment when I understood what we do and where we are going. So I hope this video was enlightening to you as it was for me.

Now, before I jump specifically into Q2 numbers, I would like to highlight that this is the fourth quarterly earnings we publish post our IPO. So it is important for us to emphasize the improved results quarter after quarter after quarter reflects how the proceeds from our IPO were critically allocated to M&A and R&D, which puts us exactly where we planned to be, contributing to our accelerated transformation into a SaaS company.

That's what this snapshot of our Q2 and first half 2022 numbers show. It has been a strong quarter both in terms of organic growth and acquisitions integration into our results. These numbers have already consolidated two months of Movidesk since the transaction closed in May.



We recorded 204 million reais in revenue for Q2, an increase of 50% YoY due to a solid client base expansion of 37% and the consolidation of Movidesk over the past two months. The growth in H1 was even better, with a 55% YoY increase, totaling 402 million reais in revenues. Of this total, 70.4 million came from the three recently acquired companies.

The acceleration of our transformation into a SaaS company is also already positively impacting our margins. The gross margin for Q2 stood at almost 38%, a solid increase of 5 p.p. from Q2 2021, while for H1 2022, the gross margin was 35.8% - up 5.6 p.p from the year before.

As you will see further in the slides, these numbers are all within the guidance range for the year.

As of Q2, we are starting to report results under a new breakdown. One that is more aligned with our decision-making process and will make it easier for you to understand what we do and where we are going. The format change is also driven by the announcement we made in mid-June on the evolution of our business areas: CPaaS and SaaS. While the CPaaS business still generates 71% of our revenues, over half of our gross profit is already coming from SaaS, which makes us a SaaS Company.

Let's take a deeper dive into our SaaS numbers.



Revenues originated from our SaaS business – which is now headed by Raphael Godoy, our former CMO, totaled 115 million reais, with a monthly revenue recurrence of 82%. This means that we are talking about an annual recurring revenue of this business, including full consolidation of Movidesk, at 226 million reais as of June and 280 million reais as of December 2022.

We currently serve over 6.5 thousand SaaS customers, generating an adjusted gross margin of 66.5%. Other important metrics are the NRE of 120% and a CAC Payback of 11 months.

Keep in mind, that these numbers are just a fraction of the Total Addressable Market for SaaS services in Latin America, which is expected to reach 29 billion reais by 2026, according to IDC. Out of this almost 30 billion reais TAM, 60% is white space. And we have jumped from zero to slightly over 2% market share in just one year. So there is a huge opportunity for us to continue growing our SaaS revenues at the 50% level we have been growing, bringing Zenvia to another level of size and profitability.

Our CPaaS business, now headed by the CRO Cris Franco, is also very healthy and continues to expand. Although the future growth of the company will be coming mostly from our SaaS business, there is value in our CPaaS business that cannot be ignored. For 2022, this business is expected to reach around 600 million reais in revenues, with a gross margin of 23%, generated by almost 9 thousand clients.



CPaaS is a fast growing market in Latin America, which is expected to multiply by 3.5 times in the next 5 years, from a total market size of 3.5 billion reais to nearly 19 billion reais according to IDC.

Moving on to Slide 11, you can see that in this quarter, half of the growth came organically, and the other half came from acquisitions. These results fully consolidate D1 and SenseData, and consider only two months of Movidesk. Together, the three companies contributed 70.4 million reais to our consolidated net revenues, while the organic growth brought 72.8 million reais.

This combination of solid organic growth with M&A positively impacted our adjusted gross margin, which went up 5.7 p.p. to reach 35.8% in H1 2022. And in the second quarter, our margin has already reached 38%. All these metrics are within the guidance range for the full year, as we can see in the next slide.

Our total revenue growth and adjusted gross margin for the first six months of the year are both within the guidance range.

For the second half of the year, we expect to continue to focus on integrating our M&As and improving profitability, as we add a full six months of Movidesk gross margins in our numbers. We expect to generate positive EBITDA during the second half of the year, while our operating cash flow should already be at break even in the next six months.



Finally, I would like to say that we know the funding gap is a concern. While this issue does not prevent us from sleeping, we do not live in denial. We have been working on several different alternatives and we expect to be able to announce something in the coming months. With this in mind, we can now move to the Q&A session.