



# claranet

Make modern happen<sup>®</sup>

Results Presentation

**4Q23**

September 2023





# DISCLAIMER

This presentation may contain statements and information that express the expectations, beliefs and forecasts of Claranet Technology's management about future events or results. Such statements and information are only forecasts and are not guarantees of future performance, subject to risks, uncertainties and factors relating to the Company's operations and business environment.

Although Claranet Technology believes that the expectations and assumptions contained in the statements are reasonable and based on data currently available to its management, we caution investors that forward-looking statements involve risks as they refer to future events and therefore depend on circumstances that may or may not occur, in addition to the risks presented in the disclosure documents, subject to change without prior notice.





**1**

**Message from  
Management**

**2**

**4Q23 Results**

A blurred background image showing several people in business attire gathered around a table, looking at a laptop screen. The image is dimmed and serves as a backdrop for the text.

**Section**

**1**

**Message from  
Management**

# Solid generation of Net Income, EBITDA and Operating Cash

**a** Adjusted EBITDA: +14.5% growth in 4Q23 and 24.1% in FY2023

**b** Adjusted EBITDA Margin: 2.0 p.p. expansion to 38.2% in 4Q23 and 9.7 p.p. in FY2023 to 42.4%

**c** Adjusted Net Income: +205.1% growth in 4Q23 and 156.5% in FY2023

**d** Adjusted Net Income Margin: 21.3% in 4Q23 (+14.4 p.p.); 23.0% in FY2023 (+14.4 p.p.)

**e** Operating Cash Generation<sup>1</sup>: R\$ 21.8 MM in 4Q23 (+73.8%); R\$ 84.6 MM in FY2023 (+137.3%)

**f** New Hires in Senior Business Staff

**g** Resumption of M&A strategy with ADTsys acquisition

<sup>1</sup>) Cash Flow from Operating Activities excluding Payment of Interest on Borrowings, Financing, Debentures and Intercompany Loans.

# 4Q23 Financial Highlights



Net Revenue



R\$ 50.8 million

**-1.5%**

Adjusted  
EBITDA



R\$ 19.4 million

**+14.5%**

Adjusted  
EBITDA Margin



38.2%

**+2.0 p.p.**

Adjusted Net  
Income



R\$ 10.8 million

**+205.1%**

Operating Cash  
Flow<sup>1</sup>



R\$ 21.8 million

**+73.8%**

Adjusted EBITDA  
Conversion into  
Operating Cash  
Generation<sup>1</sup>



112.0%

**+38.2 p.p.**

A dark, blurred background showing several people in business attire gathered around a table, with their hands resting on a laptop. The scene is dimly lit, emphasizing the collaborative work environment.

**Section**

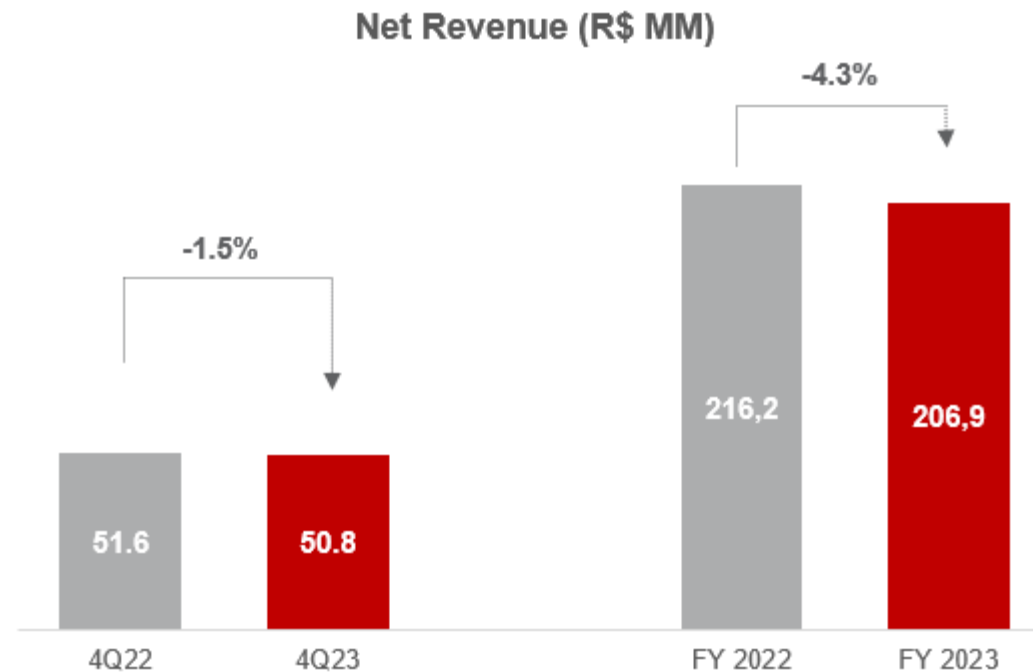
**2**

**4Q23  
Results**

# Net Revenue



Net Revenue performance in 4Q23, as well as in FY 2023, reflects our strategic direction to eliminate contracts with low (or even negative, in some cases) contribution margins, in addition to a challenging macroeconomic scenario. However, we recognize that this performance falls short of our expectations. This recognition has led us to a renewed commitment to take an in-depth look at the commercial strategies adopted and internal processes, so as to identify areas for improvement and necessary adjustments. In this sense, we made significant changes in our business areas, including the strategic hiring of professionals who will contribute to the creation of new businesses, in a new cycle of growth.



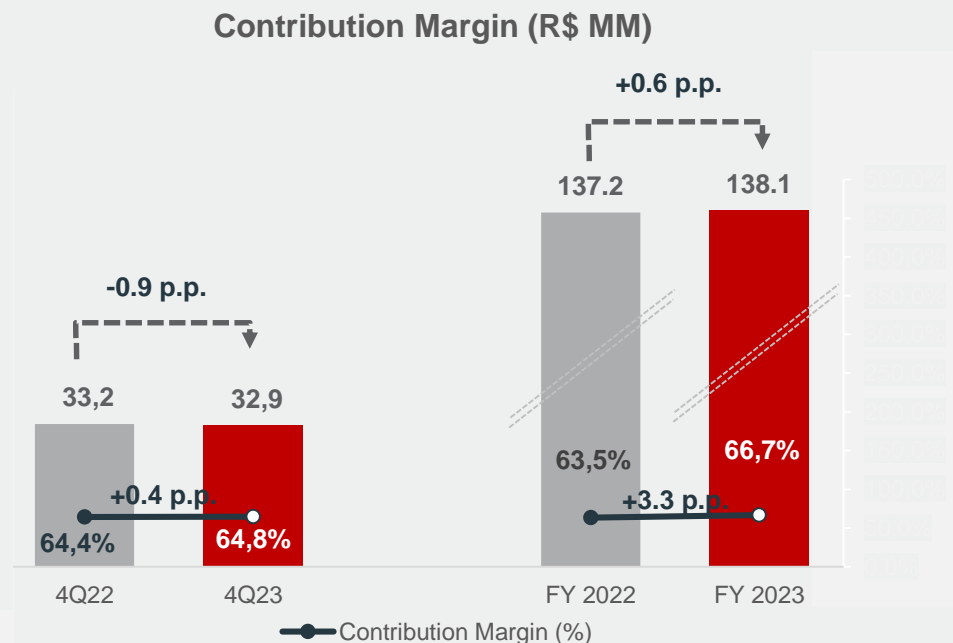
Net Revenue  
**-1.5%**  
R\$ 50.8 million



# Contribution Margin



Contribution Margin, measured by Net Revenue less Direct Variable Costs, amounted to R\$ 32.9 million in 4Q23. As a percentage of revenue, Contribution Margin represented 64.8%, up 0.4 percentage points versus the same period last year, corroborating our strategic direction of focusing on contracts with high added value, as well as our efficient management of costs and expenses. In FY 2023, Contribution Margin represented 66.7% of Net Revenue for the period, expanding 3.3 percentage points.



## Contribution Margin

**64.8%**

+0.4 p.p.

Our team remains focused on contracts with a **high contribution margin**, so as to **maintain and expand the profitability and longevity** of our business.

# Operating Expenses



Operating Expenses amounted to R\$ 5.2 million in 4Q23, a 73.3% drop as compared to 4Q22. Sales and Marketing Expenses amounted to R\$ 2.9 million, down 29.1%, mainly due to the optimization of publicity and advertising expenses. General and Administrative Expenses amounted to R\$ 5.8 million, 66.1% below the same period last year. Other Operating Expenses totaled R\$ 3.5 million revenue in the quarter, 91.1% higher as compared to the same period last year, mainly due to the reversal of contingencies that did not materialize, set up at the time of Mandic acquisition. In FY 2023 Operating Expenses totaled R\$ 25.6 million, 51.2% lower than the same period previous year.

## Operating Expenses (R\$ MM)

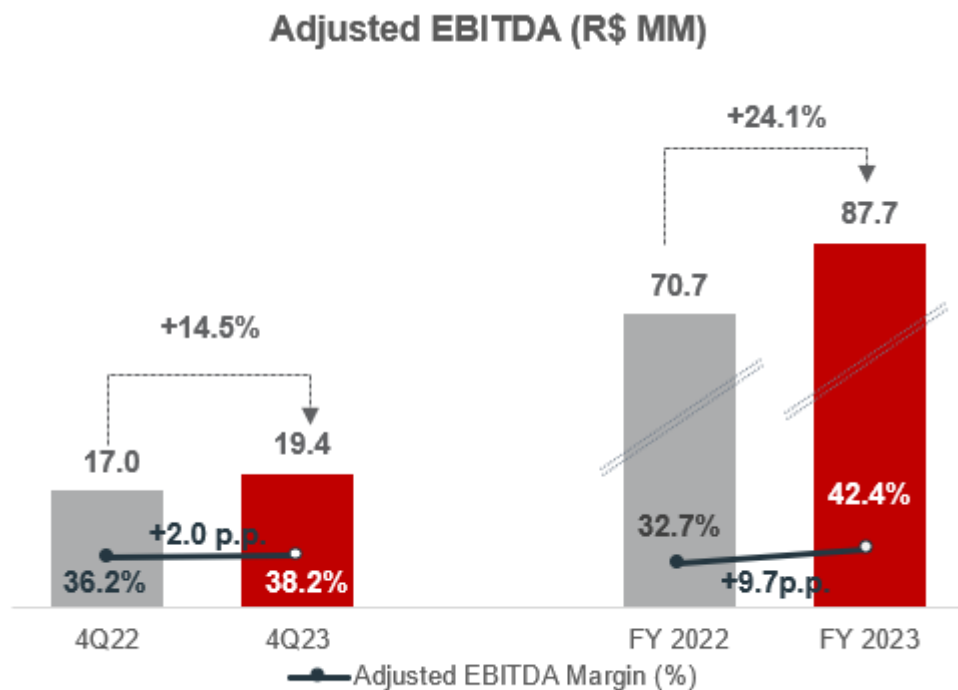
	4T23	4T22	Δ	FY 2023	FY 2022	Δ
<b>R\$ mil (exceto %)</b>						
Vendas	(2.922)	(4.120)	-29,1%	(11.010)	(16.306)	-32,5%
Gerais e Administrativas	(5.815)	(17.147)	-66,1%	(20.181)	(37.629)	-46,4%
Outras	3.548	1.857	91,1%	5.639	1.597	N.A.
<b>Total</b>	<b>(5.189)</b>	<b>(19.410)</b>	<b>-73,3%</b>	<b>(25.552)</b>	<b>(52.338)</b>	<b>-51,2%</b>
<b>Total (% da Receita Líquida)</b>	<b>10,2%</b>	<b>37,6%</b>	<b>-27,4 p.p.</b>	<b>12,4%</b>	<b>24,2%</b>	<b>-11,9 p.p.</b>

- The 29.1% and 66.1% drop in Selling & Marketing and General & Administrative Expenses, respectively reflect our ability to optimize expenses and generate operating leverage.
- Other Expenses recorded a positive amount of R\$ 3.5 million, mainly referring to a reversal of unmaterialized contingencies set at the time of Mandic's acquisition.

# Adjusted EBITDA



Adjusted EBITDA amounted to R\$ 19.4 million, with 14.5% growth, reflecting our growth strategy, including our ability to execute on M&A integration, coupled with our efforts to improve our mix and our proven ability to increase operating leverage. Adjusted EBITDA Margin reached 36.2% in the quarter, up 2.0 p.p. versus 4Q22. In FY 2023, Adjusted EBITDA amounted to R\$ 87.7 million, growing 24.1%, with 42.4% Margin, expansion of 9.7 p.p.



3Q23 Adjusted EBITDA Margin

**38.2%**

+2.0 p.p.

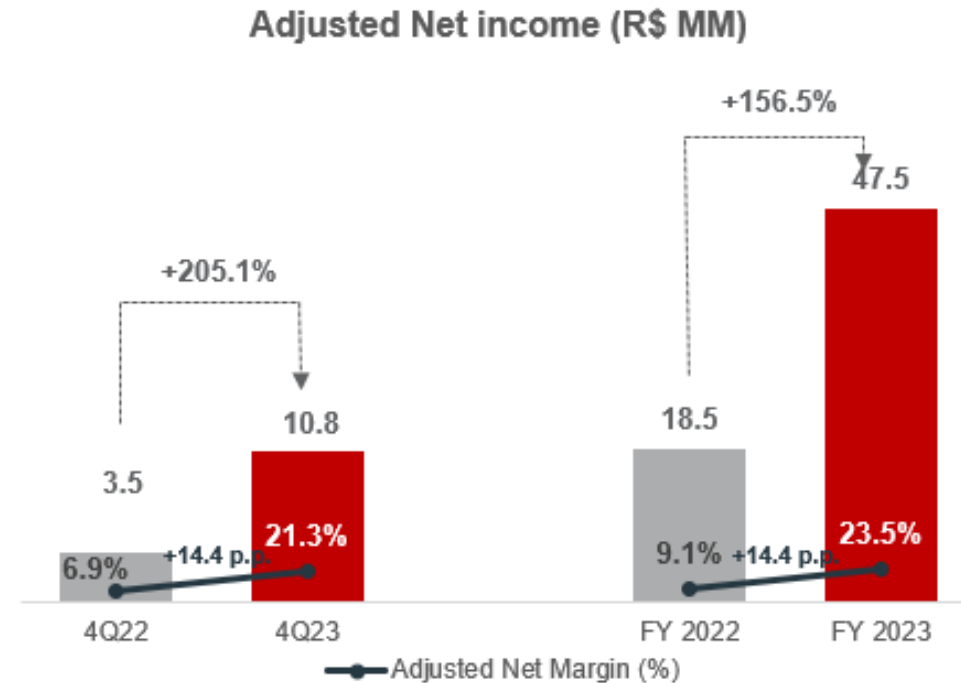
Our efforts to **optimize processes, increase operational efficiency and constantly improve our offer of products and services** were reflected in the significant growth of our Adjusted EBITDA, which totaled **R\$ 19.4 million** in 4Q23, with 14.5% growth versus 4Q22. In FY 2023, Adjusted EBITDA amounted to **R\$ 87.7 million**, **24.1%** growth.

# Adjusted Net Income



Adjusted Net Income (adjusted for Amortization of Intangible Assets in Business Combinations, Deferred Taxes, Stock Option Plan and other extraordinary items) totaled R\$ 10.8 million in 4Q23, with 205.1% growth as compared to the same period last year. Adjusted Net Margin was 21.3%, with 14.4 percentage points expansion. In FY 2023, Adjusted Net Income reached R\$ 47.5 million, 156.5% increase, while Adjusted Net Margin stood at 23.0%, 14.4 percentage points higher than FY 2022.

4Q23 Adjusted Net Income includes a **reduction adjustment** in the amount of **R\$ 12.0 million**, referring to a **fair value adjustment** resulting from the transaction with Mandic's former minority shareholders.



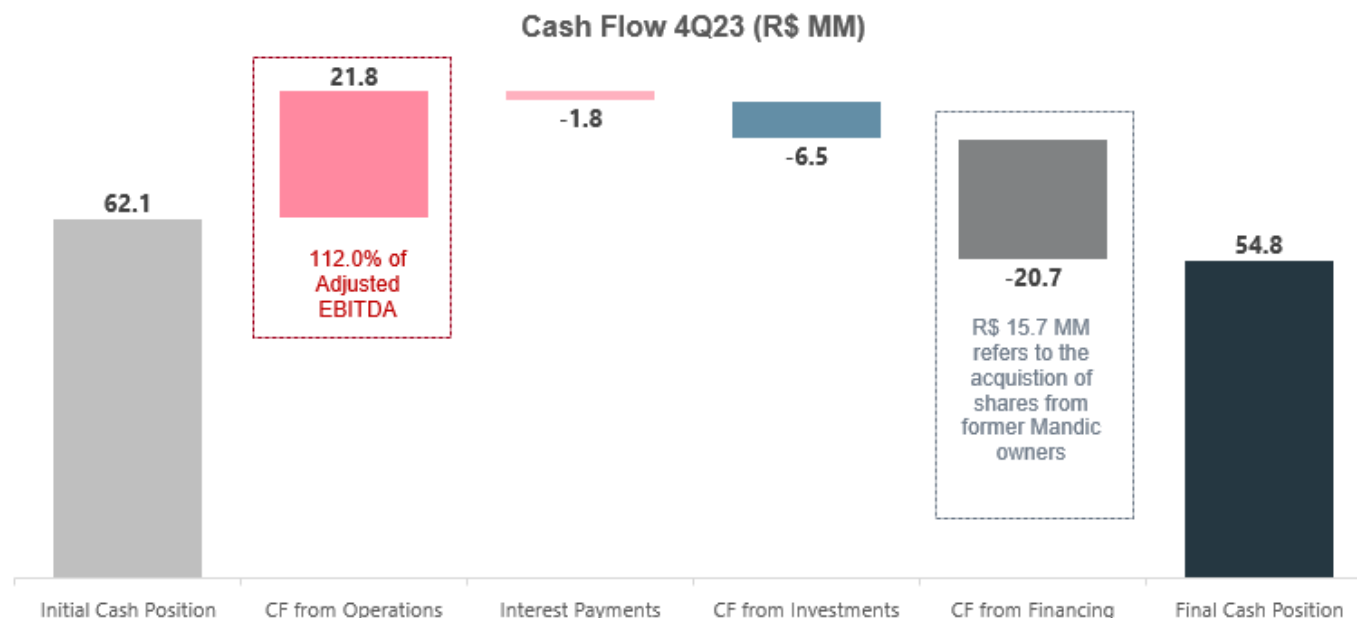
Adjusted Net Income 4Q23

**+205.1%**  
R\$ 10.8 MM

# Cash Flow



In 4Q23, the company continued to display its strong ability to generate cash from operations, with Cash Flow from Operating Activities totaling R\$ 21.8 million, 73.8% higher than in the same period last year and 12% higher than Adjusted EBITDA in this quarter. At the end of fiscal year 2023, the Company had a Cash Balance of R\$ 54.8 million, up 64.3% versus FY 2022.



Operating Cash Flow<sup>1</sup>

**R\$ 21.8 million**

+73.8% YoY

Net Cash from Financing Activities represented a negative flow of R\$ 20.7 million, mainly due to the **acquisition of shares held by minority shareholders arising from Mandic acquisition**, amounting to R\$ 15.7 million.

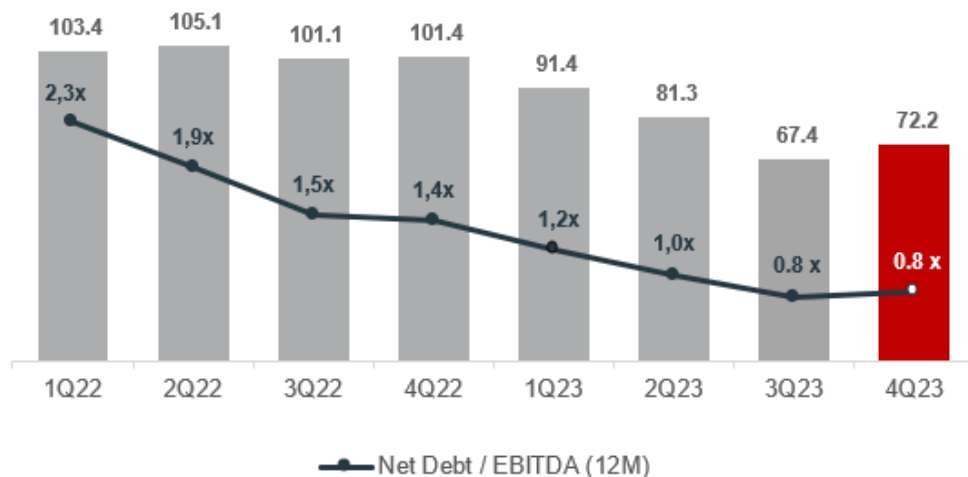
1) Cash Flow from Operating Activities excluding Payment of Interest on Borrowings, Financing, Debentures and Intercompany Loans. Considering Cash Flow from Claranet Technology Parent Company

# Indebtedness

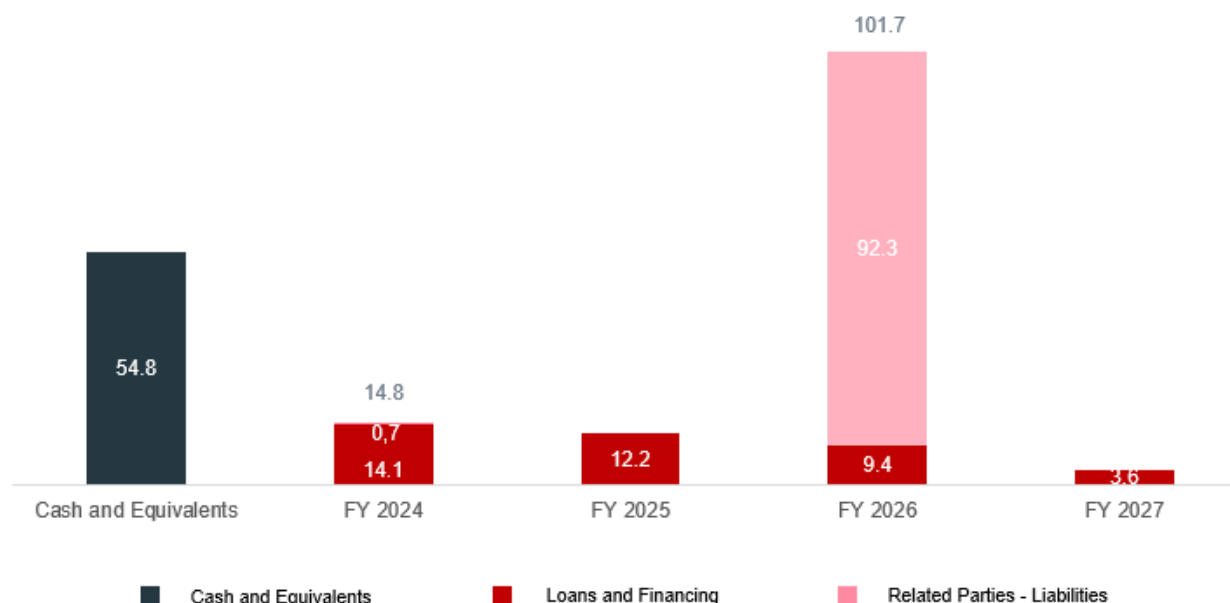


Our team remains focused on the continuous improvement of our Balance Sheet, adjusting the profile and payment terms of our debts. At the end of FY 2023, our Net Debt stood at 0.8x EBITDA, which allows us to invest in our growth on a sustainable basis.

Net Debt (R\$ MM) and Net Debt / EBITDA



Amortization Schedule (R\$ MM)



Net Debt / LTM EBITDA

**0.8x**

Vs. 1.4x in 4Q22

# ADTsys Acquisition



On August 9, we completed the acquisition of ADTsys Software S.A., a pioneering company in Brazilian Cloud sector. Founded in 2009, ADTsys has a strong focus on cloud and data management, with the strategy of using data to manage its customers' businesses more efficiently.



## Solid Reputation and Leadership Position

With almost 15 years in operation, ADTsys is one of the pioneers in the sector of Clouds, Data and Data Analytics

## Diversified Mix of Solutions

ADTsys has a mix of solutions for the cloud and data journeys, including a managed services offering, proprietary software specialized in data analysis and cloud orchestration, and is highly complementary to Claranet's portfolio.

## Solid Portfolio of Customers

Extensive portfolio of customers, with long-term contracts, including some of the main domestic and multinational companies, in the most diverse sectors such as Food & Beverage, Electronics, Health, among others.

## Relationships with Key Suppliers

Longstanding relationships with leading Public Cloud providers and technology developers.

## Talented and Qualified Team

A qualified team of over 100 professionals, many with extensive technical knowledge and certifications, led by executives with extensive experience in the sector, as well as a location close to several renowned universities for technological courses, ensuring a constant flow of new talent.

## Innovative Platform

Maestro Data Platform is a tool developed by ADTsys and works to optimize the multicloud environment, centralizing data from various sources (CRM, ERP, IoT and others) on a single platform.

# New Hires in Business Staff



Aiming to further enhance our innovation ability and operational excellence, we recently made strategic hires to strengthen our business team. These talented and experienced professionals, added to the current management team, many of whom have been working together for around 15 years, will further accelerate Claranet's growth path, innovation ability and operational excellence.

Rodrigo Guerrero



Sales and Marketing  
**Vice president**

- +20 years of experience in the sales area of large companies in the Technology segment.
- He worked for more than 11 years at Equinix Brazil, reaching the position of Head of Sales Brazil as a statutory partner.



Thiago Duarte



Public Cloud  
**Executive Officer**

- +25 years in IT areas: Strategy, Governance, Architecture, Security, ERP, CRM, App Development, Infrastructure and Digital Transformation
- Leadership roles at large companies such as Amazon Web Services, Red Hat, Logicalis, T-Systems and HP



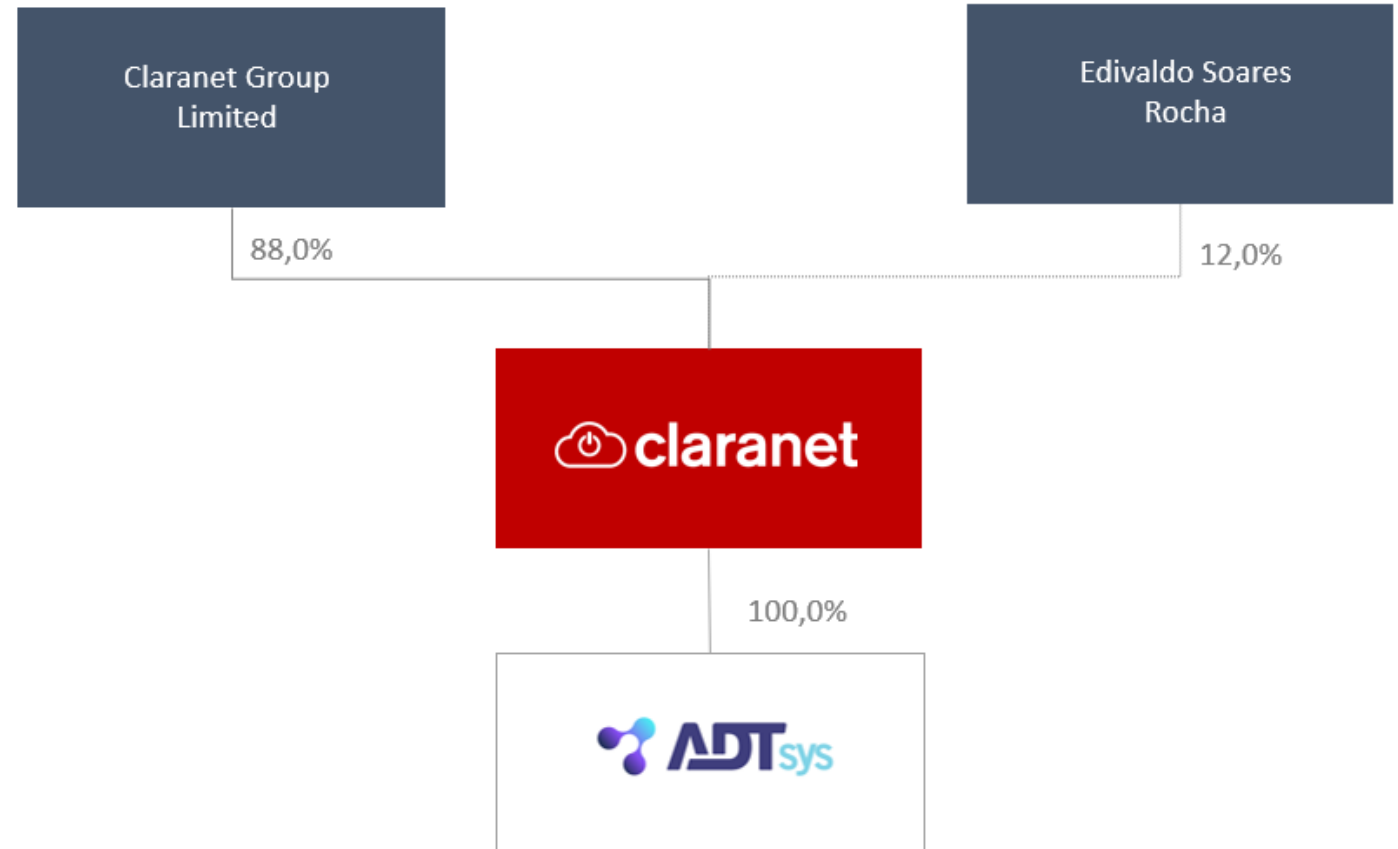


# New Shareholding Structure



Throughout 4Q23 and the beginning of the Fiscal Year, Claranet underwent several corporate acts, which culminated in the increase in the equity interest of shareholder and CEO Edivaldo Rocha to 12.0%. The new organization chart also reflects the acquisition of ADTsys, now a wholly-owned subsidiary of the Company. In addition, the Company approved, in a Extraordinary Shareholders Meeting, a new stock options plan as a way to align interests, stimulate long term performance, and attract and retain talent, particularly in the senior management team.

The increase in the equity interest of shareholder and CEO Edivaldo Rocha reinforces his **delivery ability, commitment** and **skin in the game**.



# Sustainability and Diversity



Claranet has been working hard to spread ESG initiatives, constantly reviewing and updating our internal processes so that we have an increasingly sustainable, inclusive and equitable culture and environment.



## Sustainability

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- Our Cloud business offers opportunities to optimize resources, efficiently share and reduce waste, contributing to a more sustainable business environment.
- Key suppliers and/or partners committed to becoming Carbon Neutral or Carbon Negative by 2030.
- Our headquarters condominium is in the process of obtaining LEED certification.



## Diversity

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- Proportion of female staff: 19.6% in 4Q23 (+0.8 p.p. versus 4Q22 and +6.00 p.p. versus the average of the Technology sector in Brazil).
- Black, brown and indigenous: 30.1% in 4Q23 (+4.8 p.p. compared to 4Q22).
- Fostering an inclusive and equitable environment.

# INVESTOR RELATIONS

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**Murilo Hyai**  
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