Earnings Release

4Q22

claranet

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FY 2022 marked a new milestone in Claranet Technology's history, in which we proceeded with our path of strong growth and profitability as a result of the successful integration with Mandic. We will remain focused on organic and inorganic growth and profitability, to be consolidated as the main benchmark in Clouds, Cybersecurity and Data & DevOps in Brazilian market.

”

Edivaldo Rocha, CEO

Definitions:

Claranet Technology follows the fiscal year of its British parent company, Claranet Group Limited, so that its fiscal year runs from the 1st of July of each year to the 30th of June of the following year. Due to this, Claranet's quarters have the following format:

1Q - Starts on July 1st and ends on September 30th.

2Q - Starts on October 1st and ends on December 31st.

3Q - Starts on January 1st and ends on March 31st.

4Q - Starts on April 1st and ends on June 30th.

claranet

4Q22

Highlights

Net Revenue, ARR and Recurrence Rate

Net Revenue amounted to **R$ 216.2 million** in Fiscal Year 2022, **86.2%** higher as compared to 12M 2021. ARR amounted to R$ 212.2 million in Fiscal Year 2022, with **166.5%** increase when compared to 12M 2021. Revenue Recurrence Rate reached **98.2%, up 1.1 p.p.** versus 12M 2021. ARR amounted to **R$ 202.5 million** in 4Q22, while the Recurrence Rate reached **98.2%**

Contribution Margin

In fiscal year 2022, Contribution Margin was **R$ 137.2 million**, with **74.5%** growth and representing **63.5%** of Net Revenue. In 4Q22, Contribution Margin reached **R$ 33.2 million**, up **2.0%** and representing **64.4%** of Net Revenue

Adjusted EBITDA

Adjusted EBITDA amounted to **R$ 70.7 million** in Fiscal Year 2022, with **86.0%** increase as compared to 12M 2021. In 4Q22, Adjusted EBITDA reached **R$ 17.0 million**, **10.7%** higher YoY

Adjusted EBITDA Margin

Adjusted EBITDA Margin reached **32.7%** in Fiscal Year 2022. In 4Q22, Adjusted EBITDA Margin stood at **32.9%**, **7.2 p.p.** higher than 4Q21

Adjusted Net Income

In fiscal year 2022, Adjusted Net Income amounted to **R$ 18.5 million**, representing a **177.6%** increase. In 4Q22, Adjusted Net Income totaled **R$ 3.5 million**, up **36.7%** versus the same period last year.

Cash flow from Operations[1]

Cash Flow from Operations[1] amounted to **R$ 35.7 million** in FY22, **164.7%** higher versus 12M 2021. In 4Q22, this indicator reached **R$ 12.5 million**, **264.9%** YoY and equivalent to **73.8%** of Adjusted EBITDA

Synergies

We gained **R$16.0 million** in synergies from Mandic's acquisition, which include reducing staff costs, restructuring contracts with suppliers, licenses and equipment, in addition to optimizing processes and controls.

1) Cash Flow from Operating Activities excluding Payment of Income Tax, Social Contribution, Interest on Borrowings, Financing, Debentures and Loans

Note: Claranet Technology's fiscal year begins on July 1st. Therefore, the period between April 01, 2022 and June 30, 2022 corresponds to the fourth quarter of fiscal year 2022 (4Q22). Likewise, 4Q21 corresponds to the period between April 01, 2021 and June 30, 2021. The period between July 01, 2021 and June 30, 2022 corresponds to fiscal year 2022 (FY22). FY2021 corresponds to the period between January 1, 2021 and June 30, 2021, covering 6 months of operation by (formerly) CorpFlex Informática S.A. and 3 months by Mandic S.A. 12M 2021 corresponds to the period between July 1, 2021 and June 2021, covering 12 months of operation by (formerly) CorpFlex Informática S.A. and 3 months by Mandic S.A.

Barueri, September 14, 2022. Claranet Technology S.A., a technology company focused on Cloud Services, Cybersecurity and Data & DevOps, is pleased to announce its results for the fourth quarter of fiscal year 2022 (4Q22) and Fiscal Year 2022 (FY 2022). The consolidated financial statements were prepared in compliance with accounting practices generally accepted in Brazil and with International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB). Rounding effects may cause differences in figures and percentage changes when comparing the herein document with the financial statements.

Operating and Financial Highlights

	4Q22	4Q21	Δ	FY 2022	FY 2021	Δ	12M 2021	Δ
R$ '000 (except %)	(a)	(b)	(a)/(b)	(c)	(d)	(c)/(d)	(e)	(c)/(e)
New Contracts (TCV)	24,233	27,010	-10.3%	110,301	39,318	180.5%	95,763	15.2%
Net Revenue	51,558	59,618	-13.5%	216,157	82,011	163.6%	116,078	86.2%
Annual Recurrent Revenue (ARR)	202,450	233,652	-13.4%	212,236	65,208	225.5%	79,641	166.5%
Recurring Revenue Rate	98.2%	98.0%	*0.2 p.p.*	98.2%	95.7%	*2.5 p.p.*	97.1%	*1.1 p.p.*
Contribution Margin	33,198	32,531	2.0%	137,236	48,839	181.0%	78,639	74.5%
Contribution Margin (%)	*64.4%*	54.6%	*9.8 p.p.*	63.5%	59.6%	*3.9 p.p.*	67.7%	*-4.3 p.p.*
Adjusted EBITDA	16,969	15,327	10.7%	70,677	22,757	210.6%	37,994	86.0%
Adjusted EBITDA Margin (%)	*32.9%*	*25.7%*	*7.2 p.p.*	*32.7%*	*27.7%*	*4.9 p.p.*	*32.7%*	*0.0 p.p.*
Adjusted Net Income	3,549	2,597	36.7%	18,517	3,695	401.2%	6,671	177.6%
Adjusted Net Margin (%)	6.9%	4.4%	2.5 p.p.	8.6%	4.5%	4.1 p.p.	5.7%	2.8 p.p.
Cash Flow from Operations[2]	12,522	3,432	264.9%	35,672	8,996	296.5%	13,477	164.7%
Cash Flow from Operations[2] / Adjusted EBITDA (%)	73.8%	22.7%	51.1 p.p.	50.5%	39.5%	10.9 p.p.	35.7%	14.8 p.p.
Rule of 40[3]	19.4%	305.2%	-285.8 p.p.	118.9%	62.0%	57.0 p.p.	119.1%	-0.2 p.p.
Rule of 40[3] (Claranet Stand-Alone)[1]	78.6%	145.3%	-66.7 p.p.	63.6%	17.9%	45.7 p.p.	62.6%	1.0 p.p.

Note: Claranet Technology's fiscal year begins on July 1st. Therefore, the period between April 01, 2022 and June 30, 2022 corresponds to the fourth quarter of fiscal year 2022 (4Q22). Likewise, 4Q21 corresponds to the period between April 01, 2021 and June 30, 2021. The period between July 01, 2021 and June 30, 2022 corresponds to fiscal year 2022 (FY22). FY2021 corresponds to the period between January 1, 2021 and June 30, 2021, covering 6 months of operation by (formerly) CorpFlex Informática S.A. and 3 months by Mandic S.A. 12M 2021 corresponds to the period between July 1, 2020 and June 2021, covering 12 months of operation of (previously) CorpFlex Informática S.A. and 3 months of Mandic S.A.

1) Claranet only; on a standalone basis, excludes PCS revenue previously with Mandic and transferred to Claranet in the period. Mandic was merged into Claranet on April 29, 2022

2) Cash Flow from Operating Activities excluding Payment of Income Tax, Social Contribution, Interest on Borrowings, Financing, Debentures and Loans FY 2022 and 4Q22 refer to Claranet (Parent Company), as it merged Mandic in 4Q22. FY 2021, 12M 2021 and 4Q21 refer to the Consolidated result

3) In the YoY comparison, considers FY 2022 Net Revenue growth versus 12M 2021

Message from Management

In fiscal 2022, ended June 30, Claranet Technology achieved strong operating and financial results, delivering a solid combination of growth and profitability, even in the face of an extremely volatile macro scenario, in addition to the challenges of integrating Mandic with our operations and our results-oriented culture. Additionally, our Company has promoted several structural transformations and improvements, as detailed below, which will contribute to our strategy to consolidate ourselves as the main player and trusted advisor on Cloud, Cybersecurity and Data & DevOps for the Brazilian corporate market.

Fiscal year 2022 was marked by key transformations, starting with the fact that we became a publicly held company, complying with CVM rites and requirements. In April, exactly one year after que acquisition of Mandic, we performed the **merger** transaction, materializing the acquisition thesis to seek for existing synergies, integrate operations systems, people and later, simplify the corporate structure. The merger marked the culmination of Mandic acquisition, which significantly increased our customer base and expanded our exposure to other businesses, namely PCS (Public Cloud) and Data & DevOps. Mandic's integration into our corporate culture was certainly challenging and the results obtained took us to another level in terms of scale and generation of opportunities for *up-sell* and *cross sell*. In the fiscal year, we executed **R$ 16.0 million in synergies**, which include reducing staff costs, restructuring contracts with suppliers, licenses and equipment, in addition to optimizing processes and controls.

Our fiscal 2022 results reflect a solid combination of growth with profitability, increased margins and cash generation. **Net Revenue** amounted to R$ 216.2 million, showing an **86.2% increase** compared to 12M 2021 (twelve months of 2021, from July 1, 2020 to June 30, 2021) and **Adjusted EBITDA** at R$ 70.7 million, growing **86.0%** compared to 12M 2021. **Adjusted EBITDA Margin** reached **32.7%**. **Adjusted Net Income** amounted to R$ 18.5 million, almost triple the amount recorded in 12M 2021, with a **8.6%** margin, expanding **2.8 percentage points**. In addition, during the fiscal year, we had strong cash generation, with **Cash Flow from Operating Activities** (before payment of taxes and interest) reaching R$ 35.7 million, up **164.7%**.

Fiscal Year 2022:

- Adjusted EBITDA: +86.0%
- Adjusted EBITDA Margin: 32.7%
- Adjusted Net Income: +177.6%
- Operating Cash Flow: +164.7%
- Synergies gained: R$ 16.0 million

4Q22 reflects the materialization of our actions in our relentless pursuit of expanding margins and increasing profitability and cash generation, enhanced in Mandic integration process, and which culminated in contract cancellations, mainly for PCS (public cloud), with low and/or negative contribution margins and added value. It is worth noting, however, that even with the 13.5% YoY decrease in Net Revenue in 4Q22, we recorded an **increase in Contribution Margin** (**+2.0%** in absolute terms, to R$ 33.2 million, and **9.8 percentage points** expansion as a percentage of revenue), **Adjusted EBITDA (+10.7%)** and **EBITDA Margin expansion** (**+7.2** percentage points to **32.9%**). Furthermore, **Net Income** reached R$ 3.5 million in the quarter, representing **36.7% YoY increase**, with **6.9%** margin, expansion of **2.5** percentage points. Our sheer determination to generate operating cash can also be seen in the quarter, to the extent that Cash Flow from Operating Activities excluding Income Tax, Social Security, Interest on Borrowings, Financing, Debentures and Loans reached R$ 12.5 million, with 264.9% YoY growth and representing **a conversion of Adjusted EBITDA to Operating Cash of 73.8%**.

Our team also remains focused on mitigating the Company's financial risks. We have consistently reduced our leverage level. At the end of the Fiscal Year, Cash and Cash Equivalents amounted to R$ 33.4 million, while Net Debt totaled R$ 101.4 million. Considering Adjusted EBITDA for the last twelve months, the **net debt/Adjusted EBITDA ratio was 1.4x** versus 1.5x at the end of 3Q22, and 1.9x at the end of 2Q22. Even in the face of a scenario of high interest rates, we have been able to improve our debt profile, in addition to negotiating longer terms and payment conditions with creditor banks.

It is also important to remember that our business model is based on the tripod: **People – Technology – Innovation**. Accordingly, our employees are a crucial part of our success. Thus, aiming to measure and improve our employees' experience, we carried out **eNPS (Employee Net Promoter Score)** surveys. In the eNPS survey carried out in April 2022, the Company scored 44, substantially higher than the previous survey held in October 2021, in which we scored 36. We are proud of our progress, which indicates that our employees are increasingly committed and engaged with the Company, its culture and with the level of excellence that we demand from all of us to offer the best solutions and services to our customers. We will continue to strive to further improve our eNPS by placing a strong emphasis on training and qualification. We want our employees to feel proud of the company they work for, and we want this feeling to be conveyed to our customers. In addition, we have been working extremely hard and with increasing engagement by our employees to increasingly materialize the actions and initiatives related to **Sustainable Development**, putting into practice the strategies and plans outlined in the monthly meetings of our ESG Work Group.

In recent quarters, we have been focused on Mandic integration, including the implementation of synergies arising from the transaction, operational improvements, and increased profitability, cash generation and margin expansion of our consolidated operations. We reiterate that **M&A will remain an important part of our growth strategy in the medium and long term**, and to this end we have been closely monitoring potential acquisition opportunities. We will maintain diligent, disciplined and focused on creating value. We will also keep in mind the lessons we have learned from past acquisitions, analyzing all aspects of the target companies, with particular emphasis on the fit with our culture. We are aware of the huge potential offered by our addressable market and, being an important consolidator of this market is part of our vision. However, we will not grow at any cost, and we will prioritize the delivery of results, profitability, operating cash generation, and value creation for our stakeholders, values that have always been part of our history.

We remain confident and focused on our strategy for the upcoming fiscal year 2023, as well as for the following years, in light of the huge addressable market for cloud and cybersecurity solutions. We understand that we will face many challenges ahead, but we will continue steadfast in the pursuit of our purpose of consolidating ourselves as the leading reference in Clouds, Cybersecurity and Data & DevOps for Brazilian corporate market.

The Management

Note

Claranet Technology's fiscal year begins on July 1st. Therefore, the period between April 01, 2022 and June 30, 2022 corresponds to the fourth quarter of fiscal year 2022 (4Q22). Likewise, 4Q21 corresponds to the period between April 01, 2021 and June 30, 2021. The period between July 01, 2021 and June 30, 2022 corresponds to fiscal year 2022 (FY 2022). FY 2021 corresponds to the period between January 1, 2021 and June 30, 2021, covering 6 months of operation by (formerly) CorpFlex Informática S.A. and 3 months by Mandic S.A. 12M 2021 corresponds to the period between July 1, 2020 and June 2021, covering 12 months of operation of (previously) CorpFlex Informática S.A. and 3 months of Mandic S.A. Throughout this document, we compare FY 2022 with 12M 2021, as we consider it more accurate than the comparison with FY 2021, since the latter includes only 6 months of CorpFlex operations and 3 months of Mandic.

New Contracts

The Total Contract Value (TCV) referring to the sale of new contracts amounted to R$ 110.3 million in Fiscal Year 2022, 15.2% higher when compared to 12M 2021 (July 1, 2020 to June 30, 2021).

In 4Q22, TCV from the sale of new contracts reached R$ 24.2 million in 4Q22, down 10.3% when compared to 4Q21, reflecting our strategy of being more selective and judicious in the credit analysis of potential customers. Despite this drop, some factors make us optimistic about the future, including the fact that TCV of new CSS contracts, a segment in which we see high growth potential, increased 286.5% versus 4Q21, in part due to the partnerships with suppliers of cybersecurity equipment and solutions entered into during 3Q22, such as: PaloAlto, Crowdstrike/NV7, Qualys and Knowbe4. Additionally, the number of leads achieved by our commercial team in the months of April and June exceeded the budget for those months.

R$ '000 (except when indicated)	4Q22 (a)	4Q21 (b)	Δ (a)/(b)	FY 2022 (c)	FY 2021 (d)	Δ (c)/(d)	12M 2021 (e)	Δ (c)/(e)
TCV of New Contracts	24,233	27,010	-10.3%	110,301	39,318	180.5%	95,763	15.2%

Net Revenue

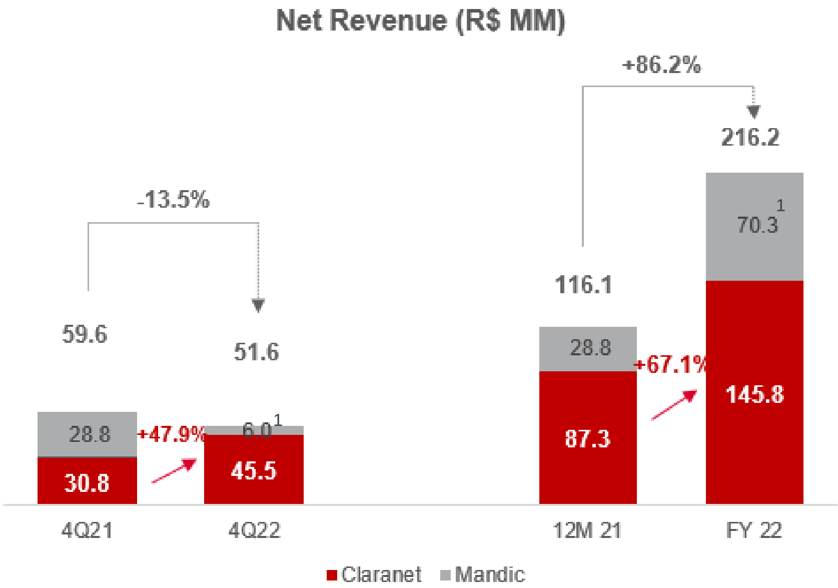
In Fiscal Year 2022, Net Revenue amounted to R$ 216.2 million, with 86.2% growth as compared to 12M 2021. Considering only Claranet, Net Revenue reached R$ 145.8 million, 67.1% higher than in 12M 2021.

Net Revenue amounted to R$ 51.6 million in 4Q22, a 13.5% YoY decrease, mainly due to the drop in revenue from Mandic's PCS. During Fiscal Year 2022, our strategic focus was on expanding margins, increasing profitability and generating cash. Our actions in this regard were enhanced in the process of integrating Mandic, culminating in contract cancellations, mainly for PCS (public cloud), with low and/or negative contribution margins and added value. Nevertheless, considering only Mandic, Net Revenue increased 144.1% YoY in FY 2022.

The growth in Net Revenue considering only Claranet was **of 47.9%** in 4Q22.

Considering Claranet on a standalone basis, Net Revenue totaled R$ 45.5 million in the quarter, representing a significant increase of 47.9% when compared to the same period last year.

R$ '000 (except %)	4Q22 (a)	4Q21 (b)	Δ (a)/(b)	FY 2022 (c)	FY 2021 (d)	Δ (c)/(d)	12M 2021 (e)	Δ (c)/(e)
Net Revenue - Claranet Stand-Alone	45,538	30,793	47.9%	145,807	53,186	174.1%	87,253	67.1%
Net Revenue - Mandic	6,021[1]	28,825	-79.1%	70,350[1]	28,825	144.1%	28,825	144.1%
Net Revenue - Total	**51,558**	**59,618**	**-13.5%**	**216,157**	**82,011**	**163.6%**	**116,078**	**86.2%**



1) In April 2022, Mandic was merged into Claranet. Hence, revenues in May and June that would otherwise be reported at Mandic were incorporated by Claranet

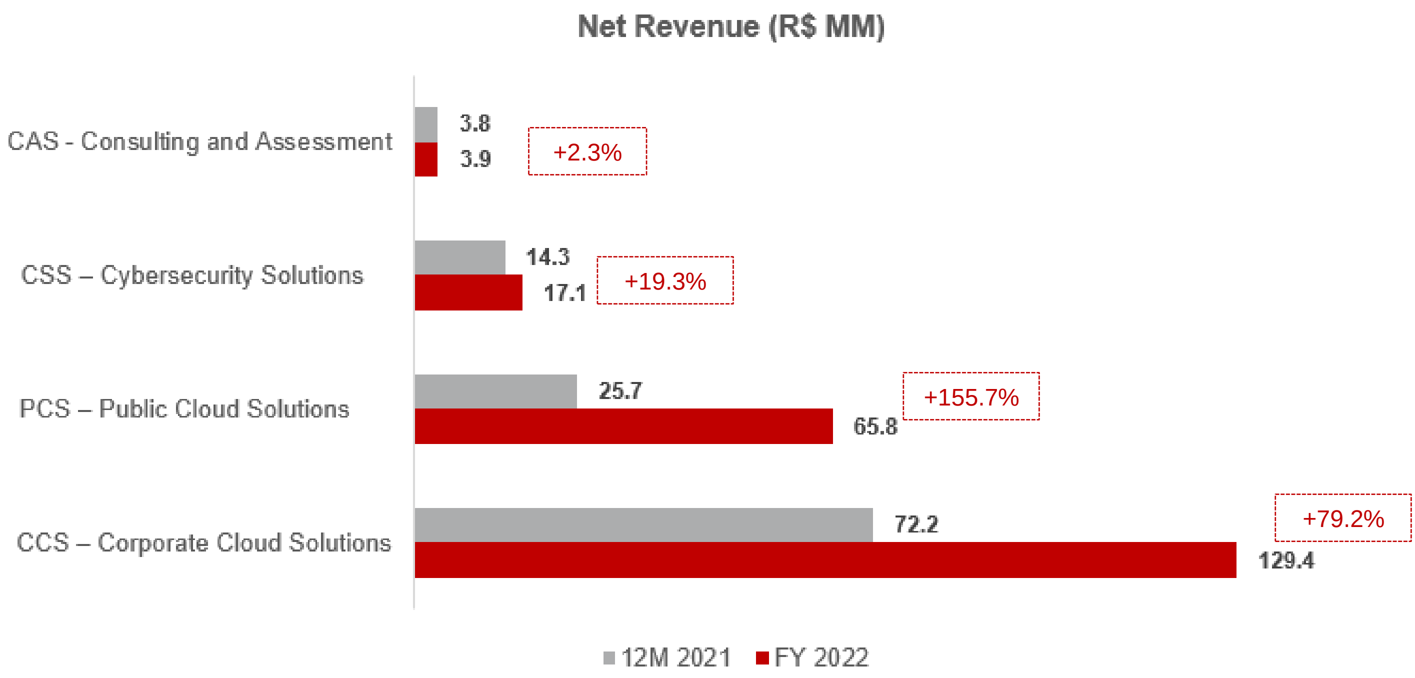
Net Revenue Breakdown

In fiscal year 2022, *Corporate Cloud Solutions* (CCS) – Private Cloud Solutions reached R$ 129.4 million in Net Revenue, with 79.2% increase as compared to 12M 2021. PCS totaled R$ 65.8 million, recording 155.7% growth, considering that this business unit had little representation in our business before Mandic acquisition. CSS Revenue amounted to R$ 17.1 million, 19.3% higher as compared to 12M 2021.

In 4Q22, Net Revenue from *Cybersecurity Solutions* (CSS) totaled R$ 4.4 million, up 18.0% YoY. *Corporate Cloud Solutions* (CCS) amounted to R$ 31.9 million in the quarter, down 2.5% from 4Q21. Net Revenue referring to *Public Cloud Solutions* (PCS) totaled R$ 14.3 million in the quarter, compared to R$ 22.0 million in 4Q21. The declines in revenues from CCS and, particularly, PCS, can be attributed to our strategy of focusing on increasing profitability and cash generation, as well as expanding margins.

Cybersecurity Revenue recorded a **18.0%** increase in 4Q22

	4Q22	4Q21	Δ	FY 2022	FY 2021	Δ	12M 2021	Δ
R$ '000 (except %)	(a)	(b)	(a)/(b)	(c)	(d)	(c)/(d)	(e)	(c)/(e)
Corporate Cloud Services (CCS)	31,881	32,698	-2.5%	129,359	46,992	175.3%	72,203	79.2%
Public Cloud Services (PCS)	14,294	21,955	-34.9%	65,803	25,553	157.5%	25,733	155.7%
Cybersecurity Solutions (CSS)	4,437	3,760	18.0%	17,074	7,096	140.6%	14,310	19.3%
Consulting and Assessment Services (CAS)	946	1,205	-21.5%	3,921	2,370	65.5%	3,833	2.3%
Total Net Revenue	**51,558**	**59,618**	**-13.5%**	**216,157**	**82,011**	**163.6%**	**116,078**	**86.2%**



Annual Recurring Revenue (ARR)

Annual Recurring Revenue (ARR) amounted to R$ 212.2 million, up 166.5% versus 12M 2021. Recurring Revenue Rate reached 98.2%, 1.1 percentage point higher than 12M 2021.

In 4Q22, ARR totaled R$ 202.4 million, 13.4% lower than 4Q21, while Revenue Recurrence Rate stood at 98.2%, expanding 0.2 p.p. when compared to the same period last year.

	4Q22	4Q21	Δ	FY 2022	FY 2021		12M 2021	Δ
R$ '000 (except %)	(a)	(b)	(a)/(b)	(c)	(d)	(c)/(d)	(e)	(c)/(e)
Annual Recurring Revenue (ARR)	202,450	233,652	-13.4%	212,236	65,208	225.5%	79,641	166.5%
Recurring Revenue Rate	98.2%	98.0%	*0.2 p.p.*	98.2%	95.7%	*2.5 p.p.*	97.1%	*1.1 p.p.*

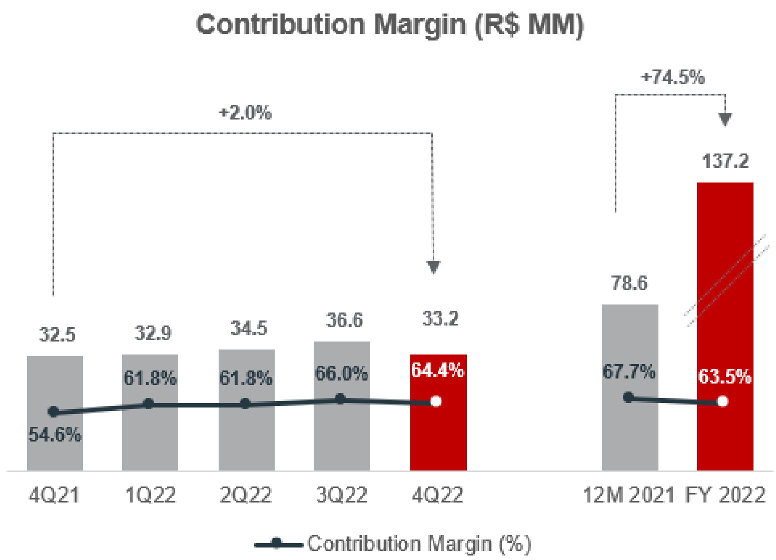
Contribution Margin

In Fiscal Year 2022, Contribution Margin, measured by Net Revenue less Variable Costs, amounted to R$ 137.2 million, a 74.5% increase as compared to 12M 2021. As a percentage of revenue, the Contribution Margin represented 63.5%.

Contribution Margin, amounted to R$ 33.2 million in 4Q22, 2.0% higher than the same period last year, despite the drop in net revenue. In 4Q22, our Variable Costs totaled R$ 18.4 million, a significant drop of 32.2% YoY. As a percentage of revenue, Contribution Margin reached 64.4%, 9.8 percentage points higher than in 4Q21. This was possible, among other factors, as a result of our strict discipline in cost management.

Mandic's acquisition in April 2021 was in line with our strategy of expanding our customer base by approximately 1,300 corporate customers, scaling our revenues through cross-sell and up-sell, and increasing our exposure to PCS, which generally entail lower margins. Thus, our Contribution Margin, which reached 72.8% in 3Q21, decreased to 54.6% in 4Q21, the first quarter after Mandic's acquisition. However, over the subsequent quarters, our team has been able to intensify cross-sell and up-sell, in addition to extracting synergies from Mandic transaction, mainly through personnel and process optimization, as well as the restructuring of supplier contracts.

	4Q22	4Q21	Δ	FY 2022	FY 2021	Δ	12M 2021	Δ
R$ '000 (except %)	(a)	(b)	(a)/(b)	(c)	(d)	(c)/(d)	(e)	(c)/(e)
Net Revenue	51,558	59,618	-13.5%	216,157	82,011	163.6%	116,078	86.2%
(-) Variable Costs	(18,361)	(27,087)	-32.2%	(78,921)	(33,172)	137.9%	(37,439)	110.8%
Contribution Margin	**33,198**	**32,531**	**2.0%**	**137,236**	**48,839**	**181.0%**	**78,639**	**74.5%**
Contribution Margin (%)	***64.4%***	***54.6%***	***9.8 p.p.***	***63.5%***	***59.6%***	***3.9 p.p.***	***67.7%***	***-4.3 p.p.***



Gross Margin

In Fiscal Year 2022, Gross Profit amounted to R$ 63.1 million, showing 74.4% growth when compared to 12M 2021 and representing 29.2% of Net Revenue.

Gross Profit amounted to R$ 18.9 million in 4Q22, 47.1% higher when compared to the same period last year, while Gross Margin reached 32.0%, improving 15.1 percentage points. This improvement is already a result of the synergies gained from Mandic's acquisition, such as the optimization of personnel and processes, in addition to the restructuring of contracts with suppliers, licenses and equipment.

	4Q22	4Q21	Δ	FY 2022	FY 2021	Δ	12M 2021	Δ
R$ '000 (except %)	(a)	(b)	(a)/(b)	(c)	(d)	(c)/(d)	(e)	(c)/(e)
Net Revenue	51,558	59,618	-13.5%	216,157	82,011	163.6%	116,077	86.2%
(-) Total Costs	(32,698)	(46,799)	-30.1%	(153,020)	(61,167)	150.2%	(79,884)	91.6%
Gross Margin	**18,860**	**12,819**	**47.1%**	**63,136**	**20,844**	**202.9%**	**36,193**	**74.4%**
Gross Margin (%)	***36.6%***	***21.5%***	***15.1 p.p.***	***29.2%***	***25.4%***	***3.8 p.p.***	***31.2%***	***-2.0 p.p.***

Operating Expenses

Operating Expenses amounted to R$ 52.3 million in Fiscal Year 2022, 96.9% higher than 12M 2021. However, in relation to Net Revenue, Operating Expenses represented 24.2%, down 8.2 percentage points from 12M 2021, evidencing our ability to manage and control expenses.

In 4Q22, Operating Expenses amounted to R$ 19.4 million, 61.3% higher than the same period last year, mainly due to:

- Stock Option Plan, which aims to reward, retain and align the goals of Claranet's executives with the Company's growth strategy, in the amount of R$1.1 million;
- M&A expenses, in addition to new structures created in the Company after IPO, such as the Investor Relations Department and control and governance bodies in the amount of R$ 8.9 million.

Other expenses in 4T22, amounting a positive figure of R$ 1.9 million, refer to a reversion of contingencies, set up at the time of the acquisition of Mandic.

	4Q22	4Q21	Δ	FY 2022	FY 2021	Δ	12M 2021	Δ
R$ '000 (except %)	(a)	(b)	(a)/(b)	(c)	(d)	(c)/(d)	(e)	(c)/(e)
Sales	(4,120)	(4,664)	-11.7%	(16,306)	(6,950)	134.6%	(10,701)	52.4%
General & Administrative	(17,147)	(7,385)	161.1%	(37,629)	(10,273)	N.A.	(15,901)	136.6%
Others	1,856	15	N.A.	1,597	15	N.A.	15	N.A.
Total	**(19,410)**	**(12,034)**	61.3%	**(52,338)**	**(17,208)**	204.1%	**(26,587)**	96.9%
Total (% of Net Revenue)	***37.6%***	***20.2%***	***17.5 p.p.***	***24.2%***	***21.0%***	***3.2 p.p.***	***32.4%***	***-8.2 p.p.***

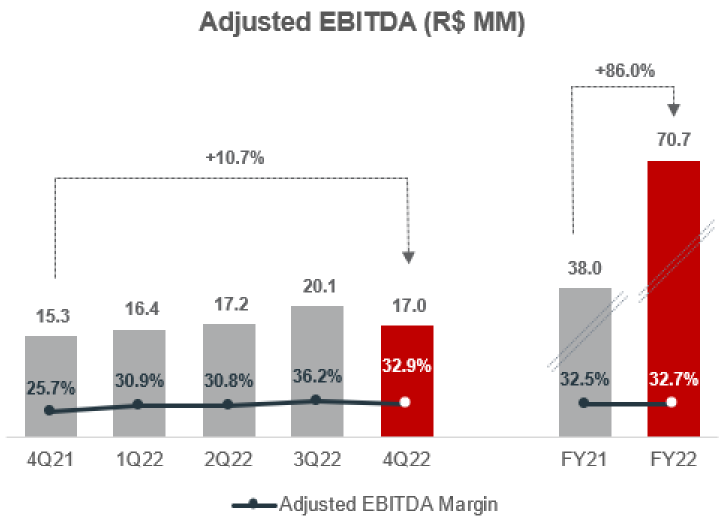
Adjusted EBITDA

In Fiscal Year 2022, Adjusted EBITDA amounted to R$ 70.7 million, 86.0% growth. In 4Q22, Adjusted EBITDA reached R$ 17.0 million, a 10.7% increase over the same period last year, mainly due to organic growth and our proven ability to generate operating leverage.

Adjusted EBITDA totaled **R$ 17.0 million (+10.7%)** in 4Q22 and **R$ 70.7 million (+86.0%)** in fiscal year 2022.

Adjusted EBITDA Margin reached 32.9% in 4Q22 and 32.7% in FY 2022, evidencing, among other things, our ability to capture the synergies from Mandic's acquisition as well as to cross-sell and up-sell the customer base. In fact, one of the strategic pillars for Mandic's acquisition was the possibility of expanding the exposure to public clouds, to be in a position to sell our products and services, mainly in Cybersecurity and Data & DevOps through cross sell and up-sell to Mandic's broad corporate customer base (approximately 1,300 customers), further scaling our revenues and increasing our margins with a low Customer Acquisition Cost (CAC), considering that such customers are now part of our base, with marginal need of incremental sales and marketing expenses to acquire them.

	4Q22	4Q21	Δ	FY 2022	FY 2021	Δ	12M 2021	Δ
R$ '000 (except %)	(a)	(b)	(a)/(b)	(c)	(d)	(c)/(d)	(e)	(c)/(e)
Net Income	(12,350)	1,218	N.A.	(14,716)	2,536	N.A.	5,048	N.A.
(+) Goodwill Amortization	175	-	N.A.	7,736	-	N.A.	-	N.A.
(+) Income Tax and Social Contribution	8,831	(3,492)	N.A.	13,207	(2,230)	N.A.	1,152	N.A.
(+) Net Financial Result	2,969	3,058	-2.9%	12,308	3,329	N.A.	3,406	N.A.
(+) Depreciation and Amortization	8,442	11,661	-27.6%	35,308	16,141	118.7%	25,309	39.5%
EBITDA	**8,067**	**12,446**	**-35.2%**	**53,843**	**19,775**	**172.2%**	**34,916**	**N.A.**
EBITDA Margem	**15.6%**	**20.9%**	**-5.2 p.p.**	**24.9%**	**24.1%**	**0.8 p.p.**	**30.1%**	**-5.2 p.p.**
(+) M&A and IPO Expenses	8,901	1,586	N.A.	11,063	1,661	N.A.	1,758	N.A.
(+) Extraordinary Costs with Personnel Termination	583	1,295	-55.0%	1,807	1,321	36.8%	1,321	36.8%
(+/-) Other Non-Recurring Extraordinary Expenses	(1,648)	-	N.A.	136	-	N.A.	-	N.A.
(+) Stock Option Plan (SOP)	1,066	-	N.A.	3,199	-	N.A.	-	N.A.
(+) IFRS16 Impairment	-	-	N.A.	629	-	N.A.	-	N.A.
Adjusted EBITDA	**16,969**	**15,327**	**10.7%**	**70,677**	**22,757**	**210.6%**	**37,994**	**86.0%**
Adjusted EBITDA Margin	**32.9%**	**25.7%**	**7.2 p.p.**	**32.7%**	**27.7%**	**4.9 p.p.**	**32.7%**	**0.0 p.p.**



Adjusted EBITDA Margin reached **32.9%** in 4Q22, **7.2 pp** higher than 4Q21. In fiscal year 2022, the margin stood at **32.7%**

Adjusted EBITDA Margin reached 32.9% in 4Q22, 7.2 percentage points higher than 4Q21, the first quarter following Mandic's acquisition. This EBITDA margin expansion shows once again that we have been able to extract the synergies from Mandic's acquisition, with significant efficiency gains, as well as executing cross sell and up-sell in the customer base over the last few quarters. In fiscal year 2022, Adjusted EBITDA Margin reached 32.7%, in line with 12M 2021.

Net Financial Result

Net Financial Result in Fiscal Year 2022 was an expense of R$ 12.3 million, representing a 261.2% increase when compared to 12M 2021, mainly due to higher interest on borrowings, financing and loans to finance Mandic's acquisition. In 4Q22, Net Financial Result was an expense of R$ 3.0 million, a 3.0% lower as compared to 4Q21, in part due to a 223.5% increase in Financial Revenue.

	4Q22	4Q21	Δ	FY 2022	FY 2021	Δ	12M 2021	Δ
R$ '000 (except %)	(a)	(b)	(a)/(b)	(c)	(d)	(c)/(d)	(e)	(c)/(e)
Financial Income	1,231	381	223.5%	2,968	487	N.A.	1,160	155.9%
Financial Expense	(4,199)	(3,440)	22.1%	(15,276)	(3,816)	300.3%	(4,566)	234.6%
Net Financial Result	**(2,968)**	**(3,059)**	**-3.0%**	**(12,308)**	**(3,329)**	**269.7%**	**(3,407)**	**261.2%**

Adjusted Net Income

In Fiscal Year 2022, Net Income Adjusted for Amortization of Intangible Assets in Business Combinations, Deferred Taxes, Stock Option Plan, IFRS16 Write-off and other extraordinary items amounted to R$ 18.5 million, almost triple of 12M 2021. Adjusted Net Margin was 8.6%, 2.8 percentage points higher than 12M 2021.

In 4Q22, Adjusted Net Income reached R$ 3.5 million, with 36.7% YoY growth. Adjusted Net Margin was 6.9%, 2.5 p.p. above the same period last year.

	4Q22	4Q21	Δ	2022	2021	Δ	2021	Δ
R$ '000 (except %)	(a)	(b)	(a)/(b)	(c)	(d)	(c)/(d)	(e)	(c)/(e)
Net Income	(12,350)	1,218	N.A.	(14,716)	2,536	N.A.	5,048	N.A.
Net Margin	-24.0%	2.0%	N.A.	-6.8%	3.1%	N.A.	4.3%	N.A.
(+) Goodwill Amortization in Mergers	175	2,520	-93.1%	7,736	2,520	N.A.	2,520	N.A.
(+) Deferred Income Tax and Social Contribution	9,486	(3,043)	N.A.	13,299	- 3,330	N.A.	(2,929)	N.A.
(+) M&A Expenses (Net of Taxes)	5,875	1,046	N.A.	7,301	1,096	N.A.	1,160	N.A.
(+) Extraordinary Costs with Personnel Termination (Net of Taxes)	385	855	-55.0%	1,192	872	36.8%	872	36.8%
(+) Other Non-Recurring Extraordinary Expenses (Net of Taxes)	- 1,088	-	N.A.	90	-	N.A.	-	N.A.
(+) Stock Option Plan (SOP)	1,066	-	N.A.	3,199	-	N.A.	2,393	33.7%
(+) IFRS16 Disposals (Net of Taxes)	-	-	N.A.	415	-	N.A.	-	N.A.
Adjusted Net Income	**3,549**	**2,597**	**36.7%**	**18,517**	**3,695**	**401.2%**	**6,671**	**177.6%**
Adjusted Net Margin	**6.9%**	**4.4%**	***2.5 p.p.***	**8.6%**	**4.5%**	**4.1 p.p.**	**5.7%**	**2.8 p.p.**

Cash Flow

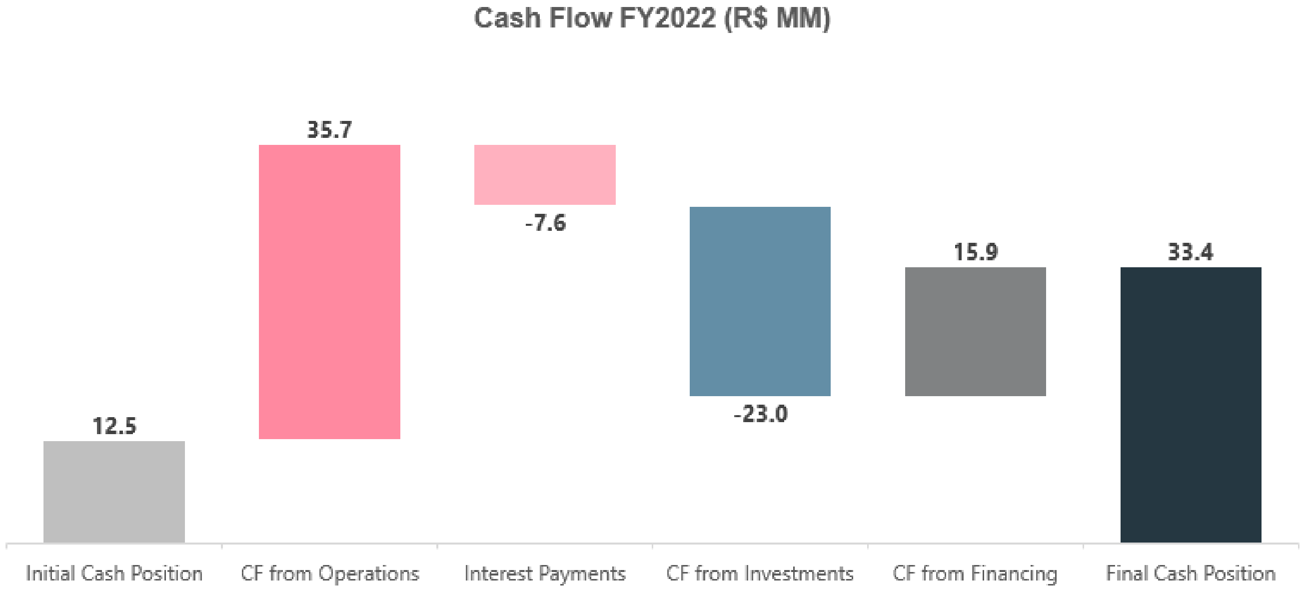
The Company's cash ended fiscal year 2022 with a total of R$ 33.4 million, up 141.0%. Cash Flow from Operations (before tax and interest payments on borrowings, financing, debentures and loans) totaled R$ 35.7 million, a 164.7% increase over 12M 2021, as a result of our determination to generate cash from our operations.

Net Cash from Investing Activities totaled an outflow of R$ 23.0 million, mainly due to Capex in software and hardware.

Net Cash from Financing Activities reached R$ 15.9 million, mainly as a result of borrowings and financing totaling R$ 34.2 million and cash from Mandic merger in the amount of R$ 10.4 million, partially offset by disbursement with Loans with Related Parties in the total of R$ 20.0 million.

	4Q22	4Q21	Δ	2022	2021		2021	Δ
R$ '000 (except %)	(a)	(b)	(a)/(b)	(c)	(d)	(c)/(d)	(e)	(c)/(e)
Total Cash Flow from Operating Activities	12,522	3,432	264.9%	35,672	8,996	296.5%	13,477	164.7%
(-) Income Tax Payment	-	(1,926)	-100.0%	(1)	(1,926)	-99.9%	(1,926)	-99.9%
(-) Interest Payments	(2,526)	(1,537)	64.3%	(7,629)	(1,672)	N.A.	(1,897)	N.A.
(=) Cash Flow from Operating Activities	9,996	(31)	N.A.	28,042	5,398	419.5%	9,654	190.5%
Cash Flow from Investing Activities	(10,289)	(110,362)	-90.7%	(23,031)	(112,533)	-79.5%	(115,791)	-80.1%
Cash Flow from Financing Activities	8,324	99,318	-91.6%	15,898	104,072	-84.7%	100,602	-84.2%
(=) Increase (Decrease) in Cash	8,031	(11,075)	N.A.	20,909	(3,063)	N.A.	(5,535)	N.A.
(+) Initial Cash Balance	25,343	24,923	1.7%	12,465	16,912	-26.3%	19,384	-35.7%
(=) Final Cash Balance	**33,374**	**13,849**	**141.0%**	**33,374**	**13,849**	**141.0%**	**13,849**	**141.0%**

FY 2022 and 4Q22 refer to Claranet (Parent Company), as it merged Mandic in 4Q22. FY 2021, 12M 2021 and 4Q21 refer to the Consolidated result



Net Debt and Financial Risk Management

Gross Debt amounted to R$ 139.9 million, 66.5% of which refer to Liabilities with Related Parties, with Claranet Group Limited as counterparty, for the acquisitions of CorpFlex and Mandic. Other 25.0% of Gross Debt refers to the CCB raised in the previous quarter, in the amount of R$ 35 million, with a grace period of one year and final maturity in December 2026, at the cost of CDI +2.6% p.a. The main purpose of this funding was the settlement of financial instruments from Mandic and, thus, the improvement of the cost and profile of the consolidated debt.

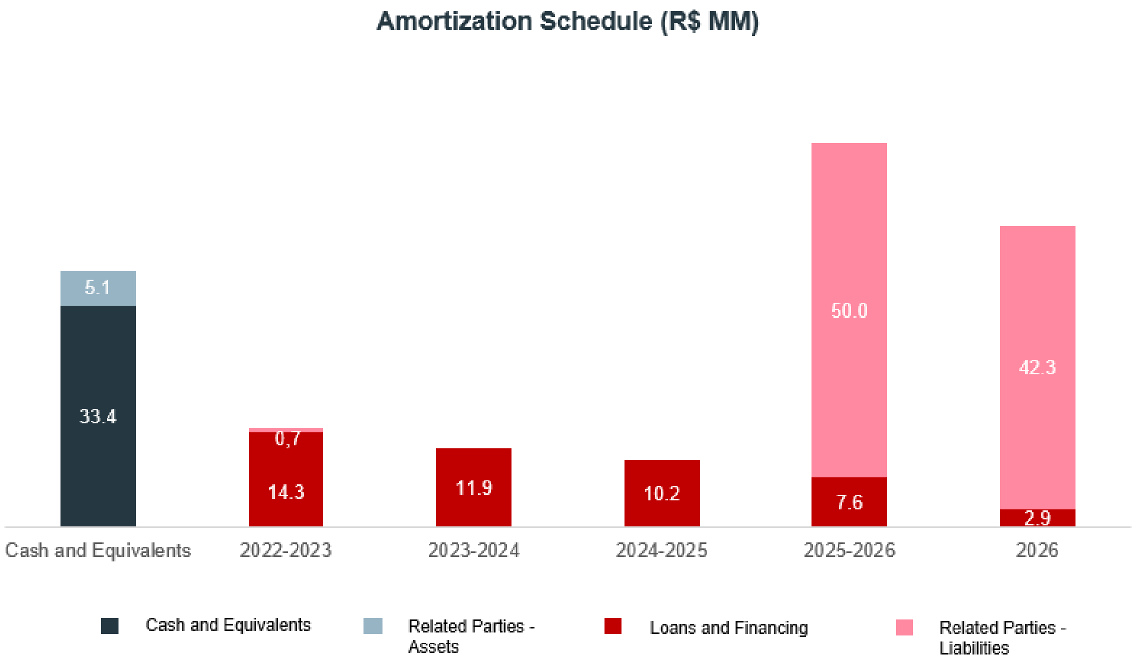
Cash and Cash Equivalents amounted to R$ 33.4 million, while Net Debt totaled R$ 101.4 million. Considering Adjusted EBITDA for the last twelve months, the net debt/Adjusted EBITDA ratio was 1.4x at the end of FY2022, versus 1.5x at the end of 3Q22 and 1.9 at the end of 2Q22, showing a deleverage trend, as well as a comfortable leverage position

We remain committed to discipline in the management of the Company's financial risks, continuously seeking liquidity, profitability and risk minimization.

In addition to seeking to consistently improve our Balance Sheet by adapting the profile and lengthening debt payment terms, we also continue to constantly improve our liquidity indicators. In 4Q22, Short-Term Assets totaled R$ 66.7 million while Short-Term Liabilities amounted to R$ 58.3 million, representing a Current Liquidity Ratio (Current Assets / Current Liabilities) of 1.14, versus 1.12 in the previous quarter.

R$ '000 (except %)	4Q22	3Q22	Δ
Debts and Loans (Current)	14,674	12,094	21.3%
Debts and Loans (Long Term)	32,209	35,381	-9.0%
Related Parties Liabilities (Current and Long Term)	93,044	93,014	0.0%
Gross Debt	**139,928**	**140,490**	**-0.4%**
(-) Cash and Cash Equivalents	(33,374)	(34,329)	-2.8%
(-) Related Parties Assets	(5,112)	(5,053)	1.2%
Net Debt (Net Cash)	**101,444**	**101,107**	**0.3%**

Note: 3Q22 refers to the period between January 1, 2022 and March 30, 2022



Capex

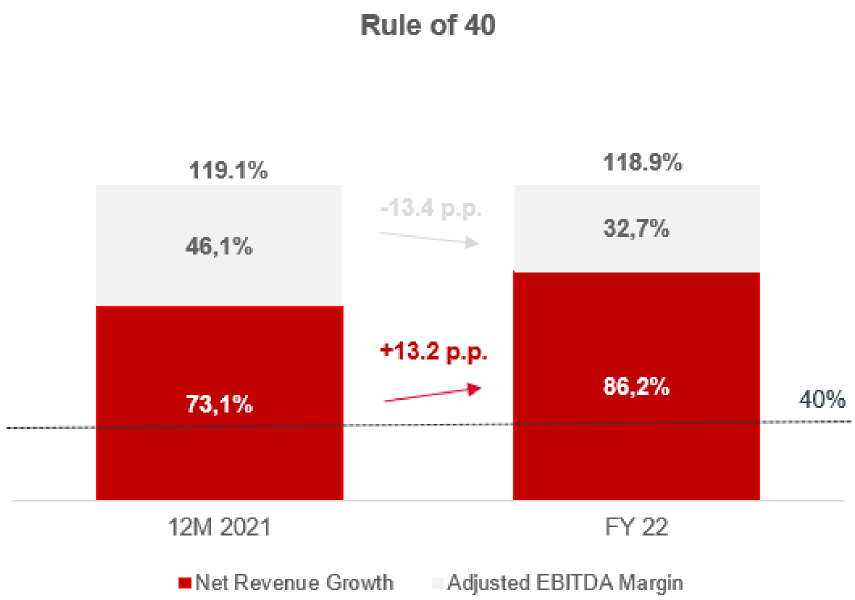
Capex totaled R$ 10.0 million in 4Q22, used in the acquisition of software and hardware, since no new M&A occurred in the quarter. Software acquisitions amounted to R$ 6.0 million, and hardware, R$ 4.0 million. In 9M22, Capex amounted to R$ 20.0 million.

Rule of 40

Rule of 40 is a simple metric for measuring the performance of technology companies, measuring the trade-off between growth rate and profitability. In an optimal scenario, the combination of growth rate and profit margin, measured in this case by Adjusted EBITDA Margin, should result in a figure above 40%.

Historically, Claranet Technology has been consistently above the 40% threshold. In fact, in Fiscal Year 2022, the Company reached 119.1%, with a robust combination of growth (+86.2% compared to 12M 2021) and profitability (Adjusted EBITDA Margin at 32.9%). In 4Q22, the Rule of 40 was impacted by the 13.5% drop in Net Revenue, due, among other factors, to our focus on Mandic's profitability and operating results. However, Adjusted EBITDA Margin remained high, at 33.7%, in line with our strategy of focusing on the preservation and continuous improvement of our profitability indicators.

Considering only Claranet, without considering Mandic, the Company achieved a rate of 63.9% in the Rule of 40 in Fiscal Year 2022. In 4Q22, the Company reached 78.6% in the Rule of 40.



Mergers and Acquisitions

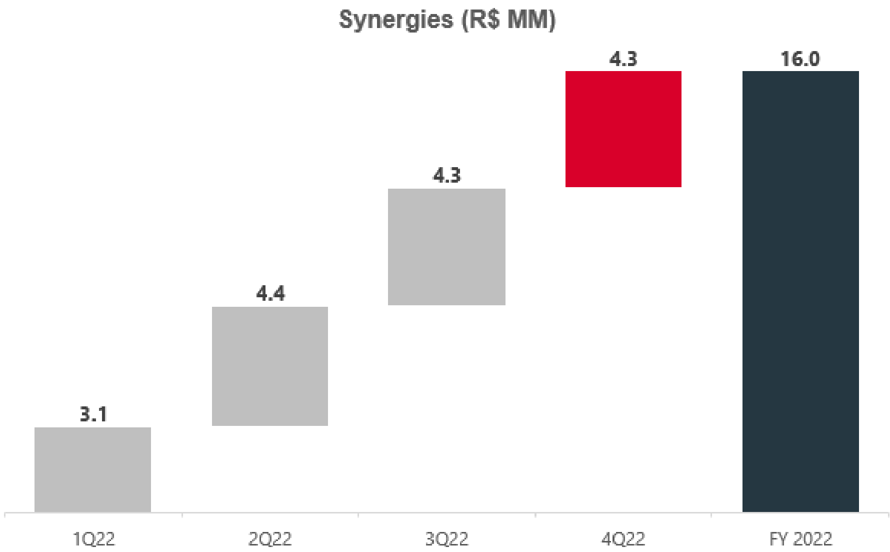
We understand that M&A has been and will continue to be an important component of our growth strategy. Accordingly, we closely monitor potential acquisition opportunities. o however, as reiterated previously, we will not grow at any cost and will remain very judicious and diligent with regard to possible acquisitions, always bearing in mind the potential for value creation as well as the fit with our results-oriented culture.

Mandic's Merger

On April 16, 2022, the Company's shareholders authorized subsidiary Mandic's merger. For merger purposes, a report prepared by independent appraisers was used, at book values, as of April 13, 2022. Mandic S.A.'s net assets were appraised and merged for R$ 37.3 million.

Integration with Mandic

We gained R$ 4.3 million in savings from synergies with Mandic in 4Q22, once again exceeding the synergies budgeted for the quarter and reaching a total of R$ 16.0 million in Fiscal Year 2022. Synergies include reducing staff costs, restructuring contracts with suppliers, licenses and equipment, in addition to optimizing processes and controls.



Sustainability

In fiscal 2022, Sustainability was a topic widely discussed in the monthly meetings of our ESG Work Group and disseminated to all areas of the Company. We understand the importance of environmental, social and corporate governance issues and we are committed to raising awareness and adopting these precepts by all our employees.

In our view, our Cloud business is intrinsic to the preservation of the environment, since in addition to offering economic and financial advantages to our customers, cloud computing offers significant benefits to the environment due to its energy efficiency. According to recent studies[1], migrations to the public cloud can reduce global carbon emissions by nearly 60 million tons of CO_2 per year. Furthermore, all our major suppliers and/or partners such as Microsoft, AWS, Google, VMware, and Fortinet have already made commitments to become Carbon Neutral or Carbon Negative by 2030. Moreover, our Private Cloud is hosted in 4 data centers, 2 from Equinix and 2 from Ascenty. Both companies are highly concerned with sustainability and environmental issues, as Ascenty has been Carbon Neutral since 2020 and Equinix has signed a commitment to become Climate Neutral by 2030. In addition, 100% of data centers located in Brazil, whether owned by Equinix or Ascenty, are certificated under ISO 14001 (environmental management), ISO 50001 (energy management) and ISO 45001 (health and safety at work).

It is also worth mentioning that the condominium management company RC Reis is in the process of obtaining the LEED certificate for the building where our headquarters are located. LEED is a certification created in the USA for sustainable buildings and adopted worldwide by more than 160 nations. RC Reis expects to be granted with the certificate for the condominium by December of this year. Our Company has been closely monitoring this process. At the same time, we have promoted several actions with the condominium, including selective garbage collection and disposal of batteries. Water reuse of garden irrigation by the condominium is in the implementation stage.

In-house, we carry out intense work to raise the awareness of our employees on sustainability and environmental issues. In the week of May 30th, we promoted the Environment Week at the Company, with courses and lectures, with the aim of further engaging our employees on the importance of the topic.

In the *onboarding* process, all new employees receive, among other things, a *squeeze* bottle and a mug, and are made aware of and instructed to consume water and coffee using the objects provided and to clean them afterwards, instead of using disposable cups and materials. Furthermore, in our main office, all disposable cups made of regular plastic have been replaced by cups made of biodegradable material, and plastic coffee stirrers have been replaced by wood. The company is also very concerned with the health and welfare of its employees. As an example, we offer a variety of fresh fruits in our office to all our employees, free of charge, encouraging them to adopt a healthy diet in their daily life.

Externally, Claranet Technology has supported a number of initiatives, including numerous ESG conferences, lectures, forums and discussion groups. On August 10 and 11, TI Inside held the ESG Forum, with Claranet as one of the supporting entities.

(1) Accenture: The Green Behind the Cloud, 2020; (2) KPMG 2020 Technology Industry CEO Outlook

Social Actions

Our Volunteer Group meets on a monthly basis to discuss, disclose and plan social actions. For the next Children's Day in October, the Group is organizing an action together with Foco, a non-profit institution located in Barueri, whose mission is to promote social inclusion, through projects supported by profitable businesses such as Gente Grande project, which already assists 450 low-income children and adolescents per week, through music, sports and English workshops. The Children's Day action will feature volunteers and donations from Claranet Technology, which should contribute to making the event even more impactful for the children assisted by Foco.

The Company is also a partner in Caixa de Sapato (Shoebox) social project. Created almost 15 years ago, the project was one of the winners of the National Education Management Award and consists in donating shoeboxes filled with school supplies, clothes, toys, and food to needy children. On June 15, in addition to raising donations, we held a Packing Party for the Shoebox Project Winter Campaign. In this event our volunteer employees used their creativity and imagination to customize the boxes that later stored the items donated to the children.

Furthermore, every year, close to festive celebrations such as Christmas, Easter, and Children's Day, we hold social campaigns involving the company and its employees. For 2021 Christmas, the Company promoted the Solidarity Christmas campaign, collecting donations from its employees through the Vakinha website. The funds from the campaign were allocated to Amamos, an institute that supports children at risk, victims of abuse and/or coming from broken families

Additionally, in May, we donated furniture, including tables, chairs and cabinets from the demobilization of the old offices, both from Claranet, CorpFlex and Mandic. The furniture was donated to Curitiba Rugby Club, whose VOR project – Vivendo o Rugby (Living Rugby), has an important social role, directly assisting almost 600 children from public schools in Curitiba and the Metropolitan Region in counter-school shifts. Considering children assisted indirectly – through teachers who receive training from the project, more than 3,000 children are assisted annually.

It is also worth mentioning the individual initiatives of our employees. As an example, our CEO recently participated in a charity auction promoted by Barretos Cancer Hospital, raising R$ 150,000.00 for the hospital. In addition, every month, Edivaldo voluntarily promotes a financial education course for the Company's employees who want to learn more on cash flow control and personal finances.

We also remain committed to promoting Diversity within our Company. Notably, the job market in the Technology sector in Brazil is still predominantly male. According to data from Revelo consultancy[1], women participation in Brazilian IT job market represents only 13.6%. At Claranet, female participation in the workforce in June 2022 was 18.0%, versus 13.0% in July 2021, a significant increase, but still short of our desired ideal. We are committed to consistently expanding the participation of women in our Company, especially in leadership positions, also following salary equity criteria. As an example, we have made an intense effort to disclose and select job vacancies at fairs and work events as a way of increasing the participation of women in our staff.

(1) source: Valor Econômico, "Companies invest in training and attracting women to technology areas", 06/15/22

eNPS

Employee Net Promoter Score (eNPS) is a metric used to assess the willingness of employees to recommend the company they work for as a place to work. Thus, eNPS serves to indicate the level of employee engagement, commitment and satisfaction with the Company. eNPS is calculated based on the employees' answer to the following question: "On a scale of 0 to 10, how likely would you be to recommend this company to a friend or colleague as a good place to work?" The employees' responses are then classified into:

- Promoters: employees who rate a 9 or 10;
- Passive: employees who rate a 7 or 8;
- Detractors: employees who rate from 0 to 6

Then, eNPS is calculated by subtracting the percentage of promoters by the percentage of detractors, then multiplying by 100.

In eNPS survey carried out in April 2022, Claranet Technology scored 44, substantially higher than the previous survey held in October 2021, in which we scored 36. We are proud of our progress, which indicates that our employees are increasingly committed and engaged with the Company, its culture and with the level of excellence that we demand from all of us to offer the best solutions and services to our customers. We are committed to further improving our eNPS. We want our employees to feel proud of the company they work for, and we want this feeling to be conveyed to our customers.

Subsequent Events

The additional lot of options whose vesting was conditioned exclusively to the pricing of the Company's shares in an IPO process, was automatically canceled, considering that its condition for vesting - the pricing of the Company's shares in an IPO process until July 19, 2022 - had not materialized.

Glossary

12M 2021: Corresponds to the period between July 01, 2020 and June 30, 2021, contemplating 12 months of operations from (formerly) CorpFlex Informática S.A. and 3 months from Mandic S.A.

ARR: Annual Recurring Revenue. Revenue, normalized annually, that a company expects to receive from its customers for the provision of products or services.

Big data: Field that treats ways to analyze, systematically extract information from, or otherwise deal with data sets that are too large or complex to be dealt with by traditional data-processing application software.

CAC: Customer Acquisition Cost. Represents the marketing cost divided by the number of new customers won in a given period.

CAS: Consulting and Assessment Services. Business unit responsible for consulting and assessment services.

CCS: *Corporate Cloud Solutions*. Business unit responsible for providing solutions in private cloud.

Churn: Index representing the rate of customers who cancel or stop consuming products or services in certain periods.

Cross-sell: Sell related or complementary products to a customer.

CSS: *Cybersecurity Solutions*. Business unit responsible for providing solutions in cybersecurity.

Cybersecurity: Practice that protects computers and servers, mobile devices, electronic systems, networks and data from malicious attacks. It is also called information technology security or electronic information security.

DaaS: Device as a Service. Term used to describe cloud-based software tools used to work with data, such as managing data in a data warehouse or data analytics with business intelligence.

Data Lake: Repository that stores a large and varied volume of data, both structured and unstructured.

DBA: Data Base Administrator. Administrator responsible for managing, installing, setting up, updating and monitoring a database or database systems.

DevOps: Term derived from the union of the words Development and Operations to designate a strategy to increase a company's capacity of distributing applications and services at high speed and with quality.

Farmer: Salesperson responsible for cultivating relationships with clients, creating sales opportunities from these relationships

FY: Fiscal Year. In case of Claranet Technology, Fiscal Year begins on July 01 of the previous calendar-year and ends on Jun 30 of the corresponding calendar-year

Hunter: Salesperson responsible for the acquisition of new accounts

Hybrid cloud: Computing environment that combines an on-premises datacenter or private cloud with a public cloud, allowing data and applications to be shared between them.

IaaS: Infrastructure as a Service Cloud. Computing service that delivers critical computing, storage, and networking resources on demand and pay-per-use.

IoT: Internet of Things Process of connecting everyday physical objects to the internet, including common household objects such as light bulbs, medical devices and accessories, smart devices and even smart cities.

LGPD: The General Law on Personal Data Protection.

Machine learning: Discipline that allows computers to learn on their own and perform tasks autonomously with no need to be programmed.

Multi cloud: Approach made up of more than one service and a public or private cloud provider.

NOC: Network Operations Center Structure of specialized professionals that monitor and manage IT events.

NPS: Net Promoter Score. Metric designed to measure customer loyalty levels.

On-premise: software and technology that are located within the physical confines of an enterprise often in the company's data center as opposed to running remotely on hosted servers or in the cloud

Private cloud: refers to cloud computing services offered over the internet or a private internal network only to selected users and not to the general public. Also called internal or corporate cloud.

Public cloud: computing services offered by third parties to public internet, provided to any user who wants to use or purchase them. Such services can be free or sold on demand, allowing customers to pay only for their consumption of CPU cycles, storage or bandwidth. The main public cloud companies are: Amazon Web Services (AWS), Azure and Google.

PaaS: Platform as a Service. Complete development and deployment environment in the cloud, with features that allow user to deliver everything from simple cloud-based applications to sophisticated cloud-enabled enterprise applications.

PCS: Public Cloud Solutions. Business unit responsible for solutions in public cloud.

Pentest: abbreviation for Penetration Test. It is also known as Intrusion Test, as it performs thorough detection with techniques used by ethical hackers – specialists in information security hired by corporations to perform such tests, without carrying out activities that harm the company or have a criminal effect.

Rule of 40: Metric that measures the performance of a tech company, measuring the trade-off between growth-rate and profitability. As a rule of thumb, the combination of growth rate and profit margin should add up to 40% or more.

SaaS: Software as a Service. Model for software licensing and delivery in which software is licensed by subscription and hosted in the cloud.

SIEM: Security Information and Event Management. Rules-based system responsible for collecting logs, events and data, for detecting suspicious occurrences that could, in any way, jeopardize the security of a company's data.

TCV: Total Contract Value. Metric that measures how much a contract is worth after its execution, including recurring revenue and fees. The formula is as follows: TCV = (Monthly Recurring Revenue x Contract Term Length) + Setup Fees

Up-sell: Sales technique which, as opposed to cross-sell, involves enticing clients to acquire an upgraded or premium version of a product they originally intended to purchase.

WAF: Web Application Firewall. Firewall which monitors, filters and blocks data packets as they flow to and from a website or web application.

WAN: Wide Area Network. Communication network that covers a large geographic area, such as cities, states and countries. It can be private to connect a company's headquarters and branches, or public to connect smaller networks.

YoY: Year Over Year

Appendix 1

Balance Sheet - Assets

R$ '000 (except %)	4Q22	3Q22
ASSETS		
CURRENT		
Cash and Cash Equivalents	33,374	34,329
Accounts Receivable	27,563	30,146
Recoverable Taxes	4,857	3,041
Advanced Expenses	426	5,639
Other Current Assets	1,005	1,050
Total Current Assets	**67,225**	**74,205**
LONG TERM		
Related Parties	5,112	5,053
Recoverable Taxes	3,063	3,063
Deferred Income and Social Contribution	29,647	38,984
Judicial Deposits	43	63
Right of Use	14,064	15,647
Fixed Assets	37,879	36,751
Intangible Assets	173,862	170,292
Total non-current assets	**263,670**	**269,853**
TOTAL ASSETS	**330,895**	**344,058**

Appendix 2

Balance Sheet - Liabilities

R$ '000 (except %)	4Q22	3Q22
LIABILITIES		
CURRENT		
Suppliers	25,381	22,481
Debts and Loans	14,674	12,094
Leasing Liabilities	6,443	6,482
Fiscal Obligations	2,591	1,895
Labor Obligations	10,059	11,971
Accounts Payable for Business Acquisition	-	10,417
Related Parties	744	714
Other	612	389
Total Current Liabilities	**60,504**	**66,443**
LONG TERM		
Loans and Financing	32,209	35,381
Provision for Contingencies	12,891	14,703
Accounts Payable for Business Acquisition	40,210	29,616
Fiscal Obligations	124	124
Leasing Liabilities	9,187	10,735
Related Parties	92,300	92,300
Total non-current liabilities	**186,921**	**182,859**
SHAREHOLDER'S EQUITY		
Equity Capital	180,998	180,998
Capital reserves	23,492	22,427
Retained Earnings	(121,020)	(108,669)

Total Shareholder's Equity	**83,470**	**94,756**
TOTAL EQUITY AND SHAREHOLDER'S EQUITY	**330,895**	**344,058**

Appendix 3

Income Statement

R$ '000 (except %)	4Q22	4Q21	FY 2022	FY 2021	12M 2021
NET REVENUE	**51,557**	**59,618**	**216,157**	**82,011**	**116,077**
Cost of goods sold and services rendered	(32,698)	(46,799)	(153,020)	(61,167)	(79,884)
GROSS PROFIT	**18,860**	**12,819**	**63,136**	**20,844**	**36,193**
OPERATING INCOME (EXPENSES)	**(19,410)**	**(12,034)**	**(52,338)**	**(17,208)**	**(26,587)**
Selling	(4,120)	(4,664)	(16,306)	(6,950)	(10,701)
General and administrative	(17,147)	(7,385)	(37,629)	(10,273)	(15,901)
Other operating income (expenses), net	1,856	15	1,597	15	15
INCOME (LOSS) BEFORE FINANCIAL RESULT	**(550)**	**784**	**10,799**	**3,636**	**9,606**
FINANCIAL RESULT	**(2,968)**	**(3,059)**	**(12,308)**	**(3,329)**	**(3,406)**
Financial income	1,231	381	2,968	487	1,160
Financial expenses	(4,199)	(3,440)	(15,276)	(3,816)	(4,566)
INCOME (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	**(3,518)**	**(2,274)**	**(1,509)**	**307**	**6,200**
INCOME TAX AND SOCIAL CONTRIBUTION	**(8,831)**	**3,492**	**(13,207)**	**2,229**	**(1,153)**
Current	505	448	(55)	(1,101)	(4,082)
Deferred	(9,337)	3,043	(13,152)	3,330	2,929
Net income (loss) for the period	**(12,350)**	**1,218**	**(14,716)**	**2,536**	**5,048**

Appendix 4

Cash Flow Statement

R$ '000 (except %)	4Q22	4Q21	2022	2021
CASH FLOW STATEMENT				
Cash Flow From Operations				
Net Income	(12,350)	1,218	(14,716)	2,536
Depreciation and Amortization	8,674	11,659	23,251	16,139
Provision for Losses	2,307	1,916	2,202	1,882
Income Tax and CSLL Expenses - Current	(505)	(448)	55	1,101
Income Tax and CSLL Expenses - Deferred	1,992	(3,043)	3,580	(3,330)
Provision (Reversion) of Contingencies	(1,855)	228	(1,957)	153
Equity Income	5,762	-	15,522	-
Stock-based payments - payable in stocks	1,065	-	3,198	-
Interest and Exchange Variation Appropriated for the Period	2,947	1,932	8,251	2,906
Losses on disposal of fixed assets	45	29	50	34
Variation in Assets and Liabilities				
Accounts Receivables	466	(3,396)	(8,125)	(8,117)
Other Assets	71	(581)	154	(345)
Advanced Expenses	4,936	429	31	429
Recoverable Taxes	(1,907)	(1,340)	(2,520)	(1,424)
Judicial Deposits	20	(1)	20	(12)
Suppliers	1,586	(8,363)	7,115	(4,084)
Tax Obligations	1,194	1,520	1,006	(269)
Labor Obligations	(2,177)	1,895	(1,820)	1,399
Other Liabilities	251	(222)	375	(2)
Cash Flow from Operations	**12,522**	**3,432**	**35,672**	**8,996**
Income Statement and Social Contribution Payments	-	(1,926)	(1)	(1,926)
Interest Payments	(2,526)	(1,537)	(7,629)	(1,672)
Total Cash Flow from Operating Activities	**9,996**	**(31)**	**28,042**	**5,398**

Cashflow from Investing Activities				
Acquisition of Fixed-assets and Intangible	(10,289)	(10,084)	(20,031)	(12,255)
Acquisition of Subsidiary, net of acquired cash	-	(108,815)	-	(108,815)
Advance for Future Capital Increase	-	-	(3,000)	-
Cashflow from Securities	-	8,537	-	8,537
Total Cash Flow from Investing Activities	**(10,289)**	**(110,362)**	**(23,031)**	**(112,533)**
Cash Flow from Financing Activities				
Borrowing and Financing	-	7,279	34,154	7,279
Assets with Related Parties	-	(4,829)	(20,000)	(4,829)
Liabilities with Related Parties	-	42,300	-	42,300
Capital Increase	-	91,113	-	91,113
Principal Payments of Loans and Financing - Principal	(591)	(5,377)	(4,978)	(7,411)
Debentures Payments	-	(3,033)	-	(3,033)
Leasing Payments	(1,511)	(1,407)	(3,704)	(2,081)
Payments for Business Acquisitions	-	(26,729)	-	(26,729)
Cash from Reverse Merger - Claranet Brasil	-	1	-	7,463
Cash from Merger - Mandic S.A.	10,426	-	10,426	-
Total Cash Flow from Financing Activities	**8,324**	**99,318**	**15,898**	**104,072**
Increase (Reduction) in Cash and Equivalents	**8,031**	**(11,075)**	**20,909**	**(3,063)**
Initial Balance of Cash and equivalents	**25,343**	**24,923**	**12,465**	**16,912**
Closing Balance of Cash and equivalents	**33,374**	**13,849**	**33,374**	**13,849**

FY 2022 and 4Q22 refer to Claranet (Parent Company), as it merged Mandic in 4Q22. FY 2021, 12M 2021 and 4Q21 refer to the Consolidated

Disclaimer

This Earnings Release 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 forward-looking statements 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.

IR Contacts

Richemn Mourad
CFO and DRI

Murilo Hyai
IR and M&A Officer

ri.claranet.com.br
ri@br.clara.net
Phone: +55 (11) 3195-6500

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